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Alexander predicts growth will slow

TOURISM operators should expect at least a halving of last year's annual average inward visitor growth rate of 11.5 percent, warns BNZ chief economist Tony Alexander.

"Especially considering the high exchange rate. Downside risks to the sector dominate."

This is because there are forecasts of slowing trading partner growth. The monthly Consensus Economics survey of economics around the world shows that on average our top 14 trading partners are expected to grow 3.2 percent this calendar year and 3.4 percent over 2006 after growing 4.2 percent over 2004. On average over the past 10 years our trading partners have grown by 3.2 percent, he adds.

"The expectation of slowing growth strongly implies downward pressure on export commodity prices plus reduced growth in tourist inflows into New Zealand."

Mr Alexander says there's a close correlation between the rate of growth of our trading partners and

the rate of growth in inward visitor numbers.

"Note that in light of some recent very weak data out of Japan (technically back in recession again) plus slowing growth in Asia the chances are we will see some downward revisions to trading partner growth rates over the coming months.

"But these shouldn't be large. China's inflation rate has just slowed to 1.9 percent from 2.4 percent in December and a peak of 5.3 percent in August. This means the measures taken by the Chinese government to slow growth may be having some beneficial price setting impact and this reduces the chance that surging inflation pressures send the Chinese economy into a tailspin - so growth can continue, in other words."

**No PATA awards
FOR the first time in years New Zealand does not have any winning entries in the annual PATA Gold Awards.**

Industry will oppose any bed tax proposals, Luhrs warns

TIANZ CEO Fiona Luhrs has told local government managers that any proposition of a bed or tourist tax will be strongly opposed by the industry.

She told the Local Government Chief Officer's Group meeting in Rotorua: "You no doubt recall such a tax was proposed to be included as part of the Rating Bill in 2001 but was removed at the recommendation of both our sector and the government on the grounds that such a tax would have been inequitable.

"There are also risks in making assumptions that certain sectors impose a disproportionate burden on the facilities in an area, and are not paying their way."

In the case of tourism, she added, Ministry of Tourism research in 2003 showed, that in almost all of the case studies examined, tourism was paying its way in funding water and wastewater facilities.

"Our view is that tourism might well be an easy target for rates, especially since tourists don't vote in your local elections.

"However, the case in favour of tourism taxes remains weak and they will be strongly opposed by our industry. This is especially the case given the wide range of funding tools made available to local government under the Rating Act 2002."

Ms Luhrs added that organisations such as Lincoln **(over)**

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TEN years ago in IT...

IF Taupo is becoming the first of the new generation holiday towns then Picton will likely be second.

Picton Information Centre manager Penny Henderson says there's a definite sub culture linking the two places. She's been seeing up to 2,000 people a day, many having just come from Taupo or on their way there. "A secondary route is definitely starting up (with backpackers and FIT). They are generally young, not always German, and are independent travellers spending a lot of time in the country."

SURVEYS by Lumsden Consultancy and Travel Management and Education International show there are doubts about the initial impact and effectiveness of the Qualmark grading project for accommodation. Lumsden says only 16 percent of accommodation providers are taking part in the scheme.

CONVENTIONS NZ CEO Alan Trotter says the largest convention ever hosted in New Zealand is planned for 2001. The International Union of Physiological Sciences Convention is expected to attract 5,000 and net Auckland \$20 million.

ASIA is becoming increasingly important to AirNZ with a third of its international revenue now coming from the Orient. Revenue was up 26 percent in Asia/Japan for the six months to December. But because of the strengthening New Zealand dollar the increases do not reflect fully the magnitude of the airline's sales achievements, according to the carrier's half year report.

MANZ'S 860 members are warned to keep their eyes open for "nomadic bandits" who leave motels without paying.

THE backpacker is seen as the lone ant who, if honey is found, is inevitably followed by a continuous trail of other ants heading directly to the sources of excitement. That's according to Wrighton Doorne's Stephen Doorne. He's been researching the market and says such wanderers are a product of affluent society - and often represent a reaction to it.

CHRISTCHURCH Casino this week welcomes its 500,000th visitor. CEO Arthur Pitcher says it is attracting 3,000 visitors a day.

DOC may get more funding. National MP Christine Fletcher says Parliament's planning and development select committee, which she chairs, believes more is needed. The department says it may not be able to save 500 endangered species without more money.

Industry will oppose any bed tax proposals, Luhrs warns

(from pg 1) University have conducted research on the challenges faced by smaller communities in providing critical infrastructure. This has shown that there are a number of established strategies - including pricing - that can be used to fund local services and to accommodate variable seasonal demand.

"Local government is a critical part of the tourism industry and we are committed to our purpose of leading New Zealand to be the world's best tourism destination," she added.

"It is essential that central and local government, in partnership with the private sector and communities, work together to maximise the incredible benefits tourism can bring to communities in an equitable, efficient and sustainable way, while working to ensure we deliver world class visitor experiences."

New purpose

Earlier Ms Luhrs said TIANZ has developed a new purpose: to lead New Zealand to be the world's best tourism environment. "It is impossible to separate the natural environment from tourism. It is equally impossible to separate communities from tourism. "Tourism takes place in our natural environments, and in our rural areas, cities and towns. The experience a visitor has depends on the hospitality that those in the community they are visiting are prepared to extend to them. Communities will welcome visitors only if (they are) comfortable with the product on offer and if the benefits to the community outweigh any disadvantages. The incorporation of community values and perceptions into the presentation of tourism products is fundamental to the success of tourism operations."

Tourism generates considerable indirect economic benefits, is employment-intensive and the demand created by tourism has served as the catalyst for economic development in many areas. "It is also the catalyst for the restoration and preservation of amenities and the heritage of communities. Many local schools, hospitals, service stations, restaurants and historical buildings have been retained due to this regional development."

Identity

She cited Oamaru, Kaikoura, Martinborough, Napier and Central Otago as areas that have used carefully managed tourism activity to create a strong sense of identity as well as prosperity from tourism. "Frequently the reason for visiting regions is things such as wine, that until recently did not consider itself an integral part of the tourism industry. Development occurred because visitors wanted to interact more closely and now we are seeing collaboration clusters and touring routes."

Wellington was once a place people wanted to avoid. Now visitors flock there. She said: "It is no coincidence that areas that offer a lot to visitors are also places that offer a high quality of life to their residents. This is because visitors generally use services and amenities that residents value and use as well."

Birth pangs of a “new” market?

Why some may still be having problems with Koreans, according to TNZ survey

KOREA could be one of New Zealand’s best low-season markets - with most Korean holidays taken between July and September, and an increasing pool of independent travellers keen to take international holidays.

But in TNZ’s Asia Profitability Survey last year the market rated lowest in terms of business practices, business integrity, volatility and ease of communication. “Put up against China, India and Taiwan, the New Zealand industry also felt it had the least future desirability,” says TNZ CEO George Hickton.

So TNZ commissioned an independent report which included interviews with 25 New Zealand suppliers and eight Korean inbound operators.

Adds Mr Hickton: “One of the most important findings from this research is that most Korean ‘inbounders’ are being given a bad rap. Our research shows that the supply side of the New Zealand industry considers that over 50 percent are honest, pay on time, and are good to deal with.

“That said, most of the industry did report that they had been burnt by the Korean market at some stage. There is a percentage of the Korean inbound market that is causing problems for the honest operators, and the New Zealand industry as a whole.”

The research shows a clear division between quality tours delivered at about US\$170 a day, and budget operators, where South Island tours have been delivered for as little as US\$20 a day.

Budget operators

A worrying trend identified by the industry is the proliferation of budget operators over the last six months, with the lack of regulations making it easy for new entrants to get involved in the market.

But it seems that Korean visitors are getting wiser to some of the dodgy tours that have poor quality itineraries, few activities and excessive levels of enforced shopping. Korean visitors are tending to shop less in New Zealand and this is having a huge impact on the tour operators who are using shopping commissions to survive.

Mr Hickton adds: “There are quality Korean inbound operators who are working hard to introduce new products and regions to the market. The short lead time of most Koreans makes this difficult, but progress is being made. The increasing FIT or small group market is also a positive.”

For the market to improve, operators here must also take responsibility for the way they are working.

“While our industry continues to offer cheap product, and deal with businesses known to have questionable practices, these operators will continue to survive,” Mr Hickton says. Operators interested in working with the Korean market should: demand cash upfront from inbound operators unless they have a strong long-term relationship with them; have clear payment terms and be firm with non-performance; not exclusively focus on Koreans at the expense of other markets; research an inbounder and its reputation before doing business with them; consider employing Korean staff to help overcome language and cultural barriers.

Asians are less satisfied

WHILE 98 percent of UK and US visitors say they will recommend a New Zealand holiday only 92 percent of Japanese or Korean visitors will do likewise. Asked why, TNZ CEO George Hickton tells *IT*: “Visitors from Japan and Korea are likely to make the decision to come to New Zealand more quickly, and do less pre-planning. This seems to have a bearing on satisfaction levels. These visitors also do fewer activities while they are here. This research shows the more activities visitors do

on holiday, the more satisfied they will be.” Improving satisfaction amongst visitors from Asia is a priority.

“We are looking at ways to encourage participation in more activities - particularly those that are performing well, along with any additional interpretation or translation that could help these visitors get more from their New Zealand experience.”

IT readers say Asians seem less satisfied than English speaking visitors because many are on tours with few inclusions - and that guides are charging to see things which are free such as Government Gardens, Rotorua.

Burton’s wish is for all to meet ITOC standards

IT is the wish of Tourism Minister Mark Burton that all inbound operators meet or exceed ITOC standards for quality (*IT535*).

He says a shift to compulsory membership of ITOC - or some other regulatory model - needs extensive consultation and careful analysis of costs and benefits of a system to address poor quality amongst a small number of operators.

The Minister says ITOC is to be congratulated for its commitment to quality and best practice within the organisation and the industry. Government supports quality and self regulation.

Would the Minister be prepared to entrust this responsibility to ITOC should such a system gain strong industry support?

“The government has only ever acted to regulate the industry in instances where people’s lives are at risk - for example, licensing and regulation of white water rafting operators.

He adds: “We have to ask ourselves what are we regulating against? Are there existing regulations that can be used to improve the situation, such as transport and occupational health and safety regulations?”

ITOC is in a position to educate operators about providing a quality, sustainable experience for tourists - it’s MoU with Qualmark has demonstrated it’s commitment to quality.

“ITOC must continue to promote the benefits of membership to the inbound sector of the industry. It is my wish that all inbound operators could meet or exceed ITOC standards for quality.”

2.3M visitors in year to January

INTERNATIONAL arrivals were up 9.8 percent in the year to January, reaching a record 2,336,852. Australians increased 20.4 percent to 862,727 while US arrivals were up 2.1 percent to 216,800. Japanese increased 11.3 percent to 166,506 while Korean numbers were almost static at 112,037. Germans increased 6.5 percent, reaching 56,603 while visitors from the UK/Ireland were up 7.4 percent to 304,545. The number of Chinese nationals increased 21.3 percent to reach 81,929. Overall, the holiday sector increased 8.3 percent to 1,189,177 and VFR 13.8 percent to 662,206.

SKAL congress in Queenstown

THE SKAL national congress and annual meeting is in Queenstown from April 22-25.

Floating restaurant

REPORTEDLY the country's only floating pontoon restaurant, The Kestrel, has opened on The Strand, Tauranga. The 100-year-old Kestrel was the former Devonport Ferry.

Luhrs at VUW

ISSUES for the New Zealand Tourism Industry: A Private Sector Perspective is the subject of a talk by TIANZ CEO Fiona Luhrs at Victoria University on March 9. The presentation is open to all. Details: Adam.Weaver@vuw.ac.nz.

MACI relaunch

THE Maori Arts and Crafts Institute, Rotorua, is launching its new name and brand on March 21. Attending the event will be TNZ CEO George Hickton.

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Policy Manager *Ministry of Tourism*

The Ministry of Tourism is the Government's advisor on tourism. We provide policy advice on tourism related issues, deliver tourism research and statistics, and manage and monitor the Government's investments in tourism. Our current research and policy frameworks are focussed on implementing the New Zealand Tourism Strategy 2010, which set out a vision for the sustainable development of the industry. The policy issues that the Ministry deals with are very broad, ranging from macroeconomic issues, border security matters, small business performance through to environmental management issues, with our role being to articulate a strong tourism sector perspective.

The position of **Policy Manager** is key to our management team. We are looking for proven leadership in managing a team of policy analysts and providing and managing the ongoing delivery of high quality policy advice.

You will have highly developed analytical skills, high expectations of successful delivery, and a very good understanding of quality and how it impacts policy analysis, writing and reporting. You will enjoy managing a professional team of analysts where your emphasis will be on developing and growing the capacity and capability of the team through motivating, coaching, setting performance expectations, and "walking-the-talk".

You will be a policy manager with an interest or previous experience in tourism or a related area that contributes to economic development. Developing and maintaining effective relationships with external parties both within and external to the wider Ministry of Economic Development is essential to the success of this role.

As Policy Manager you can expect to play a vital role within the Ministry and will have the opportunity to make a real difference and develop your career. If you feel you have the level of experience, passion and expertise we are looking for, we would like to hear from you.

*For a job description and application form please refer to our website:
www.med.govt.nz/about/jobs Applications and CV, quoting vacancy number 05/30, should be emailed to helen.wilson@med.govt.nz no later than 11 March 2005.*

Improvements to Tourism Awards will help entrants, says TIANZ

TAKING out the jargon, including an extensive glossary of terms, and introducing user-friendly criteria questions are among improvements made to the New Zealand Tourism Awards this year to help operators put together their best application.

A category has been introduced specific to the distribution sector. This is open to any New Zealand registered company which directly distributes to offshore wholesalers or retail agents.

The number of visitor accommodation categories has also been increased to provide a greater representation of this sector.

A new set of criteria questions has been written for the tourism innovation categories designed to identify true innovation within the industry.

TIANZ CEO Fiona Luhrs says judges will look for products or practices that are new and leading the way within the industry.

“The judges are looking for something that hasn’t been done before. If you think you have something in say eco-tourism, an event, a new product, a significantly improved way of working as a result of the introduction

of e-commerce, or a fresh approach to strategic planning then you should consider entering.”

Adds Ms Luhrs: “The Tourism Awards are an opportunity to be recognised for best business practice, a commitment to providing a memorable visitor experience and being rewarded for leading the way with cutting edge innovation. Entries are coming in already and we are looking forward to receiving them from every sector and region.”

* Entries for this year’s awards must be in by April 8.

More internationals head for Te Papa

TE Papa hosts 3,914 visitors a day on average and not the 390 we said last week! Visitor and market research manager Michael Harvey adds that in addition to the high repeat visitation Te Papa gets from New Zealand visitors - attracted by the short-term exhibition and event programme - steadily increasing international visitation has also been important.

He says: “Internationals have increased from 25 percent of our visitors (422,920) in the 98/99 financial year to 45 percent (596,413) last year. This year we are likely to break 50 percent for the first time.”

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KEY ACCOUNT MANAGER

- Tourism industry
- Auckland based

InterCity Group has been transporting Kiwis and visitors from overseas around New Zealand for more than 30 years. Operating two transport networks, Intercity and Newmans Coach Lines, they offer premium services between major cities, and to and from New Zealand’s key tourist destinations.

The key objective of this role is to manage and develop the sales and product relationship with Inbound Tour Operators and travel wholesale accounts, to establish InterCity Group products as the market leader in the provision of both ‘value-based’ and premium transport services within the wholesale tourism market. The role will involve a balance of 50% account management and 50% account acquisition.

This role will ideally suit someone with solid experience and contacts within the tourism industry, and with a successful track record in sales and account management. The ability to build a successful and profitable relationship is paramount.

This is an exciting role within an already successful company that is in growth mode. A competitive base salary, bonus and company car will be offered to the successful candidate.

Please contact Jane Carolan quoting Ref: 2423 on 09 303 4455 or email jane@madisonrec.co.nz



Legally speaking - with Brookfields Lawyers

IN May 2003 a well-known Wanganui artist collapsed in a pool at a spa complex in Rotorua. Tragically, she died two days later. The coroner is currently hearing testimony as to the possible causes of her death, which range from fainting through to being overcome by toxic gas levels in the pool. In October 2003, the Occupational Health and Safety Service issued a report detailing what it considered to be the failings of the company that operated the spa complex in meeting its obligations under the Health and Safety in Employment Act 1992 (the HSE).

Concerns

Concerns included whether staff at the complex should have performed CPR immediately and whether there was adequate supervision of the pool. The company running the spa pointed to claims that the victim appeared to be breathing before the ambulance arrived and argued that the supervision levels were adequate for the activity. The Safety Inspector ultimately recommended prosecution.

Challenge

The company challenged the decision to prosecute, arguing that both the process for reaching the decision as to whether to prosecute, and the actual decision to go ahead with a prosecution, were flawed. In a judgment delivered in December, the High Court rejected the company's application for judicial review. While the High Court's decision is largely technical in nature, it does clearly outline the legal context to the tragedy. The HSE aims to promote the prevention of harm to persons at work and those in the vicinity of a

workplace. Those who are responsible for workplaces have duties under the Act and must take all practicable steps to ensure health and safety. Safety Inspectors (appointed under the Act) may enter workplaces to conduct examinations, tests, inquiries and inspections. Where there is an accident, they determine if the Act was breached and what action should be taken to enforce it.

Options

Options for dealing with breaches range from discussion of the non-compliance through to issuing infringement notices, or laying of an information. In the event that an information is laid, the fine can be up to \$250,000 for a breach of Part 2 (except for section 16(3)). When considering the process used by the OSH inspector in this case, the court said that while it was willing to entertain the notion of an obligation of fairness, it was not clear how far that obligation extended.

Draft

The company complained that the draft report as released did not contain the steps that the inspector felt should have been taken to ensure safety or the facts that the inspector used to reach his decision. However, the court said that sufficient information had been given to the company to reveal the Inspector's reasoning and that the applicant company would have sufficient opportunity to challenge the facts in court. As to the decision to prosecute rather than to consider another method of enforcement, the court again pointed out that the decision was discretionary and was the Inspector's to make.

The fact that the inspector's decision to prosecute by laying an information is discretionary is the key point to take from the case. Traditionally courts are reluctant to interfere in decisions to prosecute, partly for constitutional reasons and partly because of the court's

ability to deal with issues relating to abuse of process or factual inaccuracy, during a later hearing. How much information will be provided to a company or individual under investigation is not necessarily governed by the Act. In terms of the investigation process, at that time OSH had a policy which set out 99 steps that may be taken in the course of an investigation. Step 82 was to send a copy of a draft report to the employer and (if applicable) to the victim. Steps 83 - 87 dealt with comparing their responses to the report and deciding if further investigation was necessary. The OSH policy detailing responses to requests for official information also referred to the draft report and consultation process.

Discretionary

While the decision to prosecute is discretionary, again, OSH has a policy setting out factors which determine which enforcement method is to be used. A fatality involving (in the inspector's opinion) a high degree of culpability, will lead to a presumption that there will be a prosecution. The process is one of weighing competing factors and values and may include considerations such as the public interest

Judgement

This High Court judgment no more decides if the spa company is guilty of a breach than it decides the cause of death. The former is a decision for the District Court and the latter is a decision for the coroner. It does however make it clear that it will only be in extremely rare cases that a court will interfere with decisions to prosecute, and that in general, such interference will be limited to situations where there is no subsequent court process to allow a defendant to present its version of the facts.

Contact: partner David Neutze at neutze@brookfields.co.nz.

Driving home the message

QANTAS Vacations, TNZ and Qantas Airways, in conjunction with Horizon Holidays and the New Zealand Lodge Association, are to launch a 46-city travel agent training seminar series in the western US and Canada. It begins March 14 in Las Vegas and ends April 28 in Edmonton, Canada, using a 10m Discover New Zealand bus. There will be stops in Arizona, California, Oregon, Washington and western Canada. A 90-minute presentation to agents will include the latest information on travel to New Zealand, including air fares, New Zealand's off-the-beaten-path areas, group travel, lodges, fly-drive packages and tours. Details: www.newzealandroadshow.com.

Waitaki has two day fam

TOURISM Waitaki this week ran a two day familiarisation for the industry.

Beware of faxed invoices...

NEVER make buying decisions on the phone. That's the advice of the Bus and Coach Association following reports that pro forma invoicing may be back with us. One BCA member reports receiving an invoice from the *NZ Emergency Service Directory* which was faxed to him to confirm an advertisement in the 2005 directory. He says he didn't place the ad and has no knowledge of the publication. The association says that in case it's not what it seems, members should beware of invoices unless you agreed to place an ad.



CHIEF EXECUTIVE



Travel Distribution TAANZ and ITOC

Auckland or Wellington based

Tourism - New Zealand's largest and fastest growing industry.

This position is becoming available on the retirement of the current Chief Executive in August 2005.

TAANZ is the Travel Agents' Association of NZ
ITOC is the Inbound Tour Operators Council of NZ

Reporting to the two boards, the CEO is responsible for the strategic, operational and business planning for TAANZ and ITOC. Communication with the membership of both Associations along with other tourism bodies and Government are key elements of the position.

It is desirable that the applicant has travel and tourism industry related experience, proven leadership with confident inter-personal and presentational skills, financial and budgetary skills.

This position offers a rare opportunity to lead two very successful organisations at a time of huge growth in the tourism and travel industry.

In the strictest confidence expressions of interest and applications in writing should be directed to:

Chief Executive Position
PO Box 1888, Wellington

By Tuesday 29 March

www.itoc.org.nz

www.taanz.org.nz

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Ruapehu to develop an RTO

RUAPEHU District Council (RDC) has agreed to develop Ruapehu Tourism into an RTO. This will involve Ruapehu Tourism taking a leading role in consumer marketing alongside its existing role of trade marketing, destination management and business development.

In the past some aspects of its consumer destination marketing activities were undertaken by industry cluster groups. This included Ruapehu Marketing Group (RMG), which initiated cluster group marketing for Ruapehu District in 2002 and, more recently, Ruapehu Tourism and Services Limited (RTSL).

A meeting between RMG and RTSL encouraged council to look favourably at committing to a fully functioning RTO backed by industry contributions.

RDC mayor Sue Morris says: "This is an excellent result for Ruapehu District that signals a maturing of our visitor industry and will allow the district to benefit from council's work over the past year, including the touring route and other initiatives under the Regional Presence project with our regional partners, Wanganui and Rangitikei District Councils and iwi."

The council is to look at setting up a visitor industry advisory board to work with council to oversee the development and implementation of the district visitor industry strategy. Year round marketing initiatives will be launched in May - just in time for the winter season.

Ohakune increasingly popular

ONE of Ohakune's largest accommodation complexes containing a motel, backpacker's and restaurant is up for sale for the first time since it was developed in the 1980s. The Alpine Motel and Backpacker's Lodge comes with a modern 14-bed townhouse and licensed restaurant.

Larry and Cheryl Julius built and expanded the complex to accommodate winter and summer season tourists. Geraldine Olsen of Bayleys Taupo says that while it has always been popular during the ski season "Ohakune is becoming increasingly popular as an alternative holiday destination with people wanting to get away from the beach and the crowds in summer. The number of people walking the Tongariro crossing is now huge and this complex is benefiting from that, especially with it being near the town's main gateway from SH4." Details: 07-3760099 or 021 465 736.

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Sales & Marketing Manager

Rotorua Based

Rainbow Springs Ltd, incorporating Rainbow Springs Nature Park, Kiwi Encounter and a major retailing complex, is an icon in the New Zealand tourism industry. The company forms a part of the wider Shotover Jet Group, with a total commitment to the development of the tourist industry in this country.

We are looking for an outstanding individual who can make things happen. This role is about developing sales through the various industry channels and continuing to strengthen the Rainbow Springs Nature Park and Kiwi Encounter brands. You will have superior relationship management skills and a sound knowledge of the tourism industry. Ideally you will already have established relationships from your previous roles.

A tertiary qualification is desirable, however consideration will be given to experienced candidates.

We offer career opportunities, an enviable place to work and a great team environment.

A very competitive remuneration package will be offered to the successful candidate.

If you are interested in being a part of the Shotover Jet Group, one of New Zealand's premier tourism groups then please post or email your resume in strict confidence to; Stewart Brown, General Manager, Rainbow Springs Ltd, P O Box 25, Rotorua. Email: stewart.brown@rainbowsprings.co.nz. A job description is available.

www.rainbowsprings.co.nz • www.kiwiencounter.co.nz

No pot of gold here, says Kennedy

QUEENSTOWN is not the pot of gold at the end of the rainbow that many people think, says Destination Queenstown CEO David Kennedy. He was commenting on a survey released by the Queenstown Chamber of Commerce that says the boom is over - although tourist numbers are still rising.

“First of all I question the word ‘boom’. This town has always been highly competitive; it’s never been easy or booming. To my knowledge people in business here have always had to work very hard.”

Chamber of Commerce CEO Nick Lambert says: “Tourism growth has picked up. But it’s slow. It’s not in the double figures like 2000 when it was 12.6 percent. It’s a steady growth at 5.2 percent, which is not a boom in any sense and certainly not for new businesses.”

From the outside, Queenstown looked like the hot, happening, boom town, the A-place to be and to set up business.

“The reality is far from that because of the huge costs here compared to other places, like high rents, people having to be paid more in wages to be able to survive here.”

He adds: “Some hotels in other towns can still get away with paying room attendants \$10 an hour but in Queenstown most now realise they have to pay at least \$16 an hour. The labour shortages here are now forcing employers to pay more.”

Whenuapai opponents vow to fight

OPPONENTS of a commercial airport at Whenuapai are vowing to fight after North Shore councillors voted to support the project. Council is supporting Waitakere City and Infratil’s plans to develop an airport for budget flights, alongside the airbase.

Concern over size of US-financed development

CERULEAN Properties of San Francisco is reportedly proposing to build a 76 unit Blue Spa Resort at Butterfly Bay, Whangaroa, Northland. Locals are concerned at the scale of the development.

It is understood there will be a desalination plant, a first in New Zealand, and a sewage treatment plant. The property has riparian rights, ensuring exclusive access to a private beach.

Cardrona leading the ski areas

CARDRONA Alpine Resort is New Zealand’s leading ski area, according to research by the Ski Areas’ Association.

It scored the highest in overall ski area rating and overall staff service and did consistently well in other areas of the research, which was undertaken last season.

New Zealand’s longest terrain park was also rated best, scoring top marks for terrain park features and pipe/park grooming. The half pipes also came out top, reinforcing Cardrona’s position as an internationally recognised freestyle destination and its long-term commitment to developing the sports of freestyle skiing and snowboarding.

Marketing manager Bruce McGechan says: “This research shows Cardrona’s continual investment in the ski area, constantly upgrading facilities and ensuring our clients’ expectations are met in all areas, is well justified.”

Double the service

AIRNZ is to double the number of flights between Auckland and San Francisco to six return services a week from November 29.

General Manager Backpacker facility in Auckland

Nomads World Hotels a leading Backpacker accommodation network requires an Energetic General Manager for their Backpacker Hostel and Bar in Central Auckland.

The roll is to take control of the profitability and overall operation of the property, and to deliver to the customer the best possible value for the services provided.

We are seeking a person who has had some management experience, preferably in the Hospitality, or Tourism sector, and is keen to grow the business and themselves in this roll.

Reporting and mentoring is to the Group Manager, in Christchurch. The roll includes marketing, sales, human resources, food and beverage, Travel, and Internet services.

The right candidate will have opportunities to progress within the Australasian Nomads World Chain.

Please contact:

Gordon Burrow

Nomads World Hotels

8 Takahe Drive

Christchurch 8002

Phone (03) 332 7972

email Gordon@nomadsworld.com

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ITOC disappointed Minister turns down request for visa law change

ITOC is disappointed Immigration Minister Paul Swain has turned down a request for law changes to exempt overseas tour guides and escorts from requiring work visas.

The Minister has written to CEO Peter Lowry: "I appreciate the constructive way you have been working with officials to address this issue. I commend your organisation's efforts to clarify to your members New Zealand's requirements in regard to work visas.

"While we are currently undertaking a review of aspects of the Immigration Act 1987, the review is tightly focused. I must therefore advise that it will not be possible to include the issue of tour guides and escorts within the scope of the review. This does not preclude an examination of this issue when the opportunity arises."

The Minister said government recognises the Immigration Act needs a wider review, - when time allows.

"As you have been informed by officials, implementation of online lodgement is a priority for 2005/06. It is not possible to implement it earlier."

Mr Lowry says that after months of fruitless negotiation with the New Zealand Immigration Service (NZIS) ITOC's concerns are now being addressed jointly by the Department of Labour, TNZ, the Ministry of Tourism, the Ministry of Foreign Affairs and Trade, and TIANZ.

"We are now working on solutions, particularly relating to the China market and ADS visas; staff shortages; Auckland International Airport visitor facilitation and tour escorts and work visas."

Archer new head of NZHC

ACCOR Group North Island GM Paul Archer has been elected chairman of the Auckland region of the New Zealand Hotel Council (NZHC).

Mr Archer has been with Accor for nine years and in New Zealand for four. He has been GM of Mercure Hotels in Wellington and Auckland and was appointed Area GM a year ago.

He says: "Tourism is the fastest growing export earner and is a major employer in New Zealand. It is also one of the cleanest and most rapid paths to economic growth and Auckland needs to work hard to increase its share of tourism gains."

Auckland NZHC members run almost 6,000 hotel rooms, employ more than 3,500 people and pay over \$6 million in rates.

Between the mountains and the sea...

THE first Nature Coast - Kapiti Horowhenua Regional Visitor Guide is out. The 36 page guide is an invitation to visitors to take their time and discover "our special place between the mountains and the sea."

Record month for CIAL

CHRISTCHURCH International Airport (CIAL) experienced a record month with international passenger movements reaching 159,103 for January - a 33 per cent increase from the same period last year.

CEO George Bellew says growth is largely due to the development of new services and an aggressive marketing strategy. The entry of airlines like Pacific Blue and Emirates has provided a boost to passenger numbers and the company expects the trend to continue.

Marketing manager Glenn Wedlock adds: "We've worked hard in the Australian market and attracted 43 percent growth in the last 12 months, a four percent gain in market share largely at the expense of Auckland.

"We're also about to launch new promotional campaign currently targeting the high growth North Asian market into the South Island - a market where majority of the growth in the past has gone to Auckland Airport."

Magnet for Aussies

AS airline capacity increases and the cost of airfares decrease, Queenstown offers increasing value to Australian holiday makers. The resort is capitalising on these opportunities through its Australian-based marketing representative Jane Reese - and guest night figures show a strong market response.

Ms Reese was appointed on a temporary basis in January last year. Australian guest nights to the resort increased by 110,510 or just over 20 percent last year.



Qantas flying jet services year round to Rotorua from Queenstown via Christchurch
During winter months, Tuesday flight doesn't operate

ADVERT

BARNZ and airports considering industry request for airport taxes to be included in ticket

THE Board of Airline Representatives (BARNZ) and airport management are considering a request from ITOC and the Tourism and Travel Coalition that departure taxes at New Zealand airports be included in the cost of tickets.

Finance Minister Michael Cullen has decided that the funding of passenger clearance services at our seven international airports will be split with the government contributing \$55 million and industry \$49 million annually. But, he has warned, raised security concerns and increasing passenger numbers have created pressure for more intensive and more efficient screening techniques, which are expected to raise the cost to \$91 million a year - and to raise industry's costs by another \$41 million.

* TNZ'S ITOC full member product marketing workshop will now be held at SkyCity, Auckland, on May 18. Details: Charlotte Johnson on 09-9144975 or charlottej@tnz.govt.nz.

* The RTONZ ITOC full members' trade day is to be at the Hyatt Regency Hotel, Auckland, on April 20.

* ITOC and TIANZ are considering a draft Memorandum of Understanding (MOU).

Walking The Talk at ITOC conference

MANAGING Quality 100% Pure - Walking The Talk is the theme for ITOC's annual conference to be held in Nelson from July 27-29.

This year the conference will start earlier with meetings of the Japan Operators Committee (JOM) and ITOC China Market Portfolio Group.

The afternoon will be devoted to the full and allied members' forums. As last year, TNZ will give a major presentation. There will also be the usual open forum.

Langham chairman strong believer in NZ tourism

LANGHAM Hotel, Auckland, the first New Zealand property in the five star luxury Langham Hotels International brand, is to undergo a multi million dollar refurbishment.

Langham Hotels International chairman Dr Lo Ka Shui says: "We have a strong belief in the future of the tourism sector in New Zealand, demonstrated by the introduction of Langham's own brand to this market and our investment in upgrading services and facilities to provide a distinctive brand experience for our guests."

Dr Lo is MD and deputy chairman of LHI's parent company Great Eagle Holdings Ltd, which bought the property - then Sheraton Auckland Hotel and Towers - in 1997 for over \$100 million. It was one of the biggest investments in tourism infrastructure at the time.

He adds: "Fresh investment will be good for the national economy and good for Auckland as a gateway of choice for travellers, especially those who are seeking a deluxe service experience."

Expansion

Langham is interested in expanding its brand presence into major cities and resort areas around the world. And while Sydney, Singapore, Shanghai, Beijing, New York and San Francisco have been identified as ripe for future investment, Wellington and Queenstown are seen as suitable locations if the right opportunity arises, Dr Lo adds.

"Wellington is a key city as it is the nation's capital and there is a lot of joint corporate and government business into both cities. Queenstown's profile is very high and is a magnificent location that can support a five star hotel, particularly with the ongoing potential for strong growth in New Zealand tourism."

Growing relationships

NEW Plymouth's link with the Chinese city of Kunming on Sunday saw the opening of The Kunming Garden in Brooklands.

Newly elected

NEWLY elected to the Rotorua Tourism Advisory Board as industry members: Alex Leinhardt, Kay Clarke and Renee Nathan. They join: Andrew Te Whaiti, Ray Cook, Martin Lobb, Neville Nicholson, Richard de Graaf and Warren Harford.

Taking the polish off...

POLICE are increasing patrols at beauty spots around Turangi in a bid to catch thieves who have broken into 12 cars in two weeks. Senior Sergeant Dennis Murphy says the victims are mainly visitors, many from overseas. "This has the potential to tarnish the area's reputation nationally and internationally..."

Estate in receivership

OTAHUNA Estate, Canterbury, is in receivership and the British owner is said to be facing bankruptcy and to having left the country. But receiver Stuart Robertson says it's business as usual at the luxury retreat, where guests can pay \$1,000 a night.

AirNZ goes three class

AIRNZ has introduced a Pacific Premium Economy class on its international flights.

The new class, along with Business Premier and Pacific Economy classes, creates a three-class arrangement, which will be available by August.

Oh, Shhh...

THE Tasman District logo is being used to stop graffiti artists adding a "sh" to the start of the "It's All Good" slogan on Richmond welcome signs. An information and publicity subcommittee meeting has heard of talk about vandals defacing the slogan. But the logo will fill the gap instead.

McIntyre joins Destination Rotorua

RUTH McIntyre, Qantas inbound sales manager for the past six years and former RM for Ansett UK/Europe, has been appointed assistant GM at Destination Rotorua Tourism Marketing. She starts on April 4.

GM Don Gunn says Ms McIntyre has a wealth of international sales and marketing experience. She is well known and respected throughout the industry.

Ms McIntyre says that since Qantas started flying into Rotorua last April, she has developed a soft spot for the city, knows the region has a lot to offer - and believes the time is ripe to develop new opportunities.

The other new appointments are: marketing co-ordinators, **Melissa Craig** and **Rachael Mather**; incentive and convention co-ordinator, **Sandra Rippey**; research co-ordinator, **Gina George**, communications co-ordinator, **Hannah Stome** and communications manager **Jill Marshall**.

GM for Novotel

KLAUS Gottschalk became GM of Novotel Royal Lakeside and the Ibis Hotel, Rotorua, on Tuesday.

Mr Gottschalk's experience in industry spans 25 years, during which time he has held various management positions in Europe, the Middle East, Far East and Australia. He has been GM Novotel Pacific Bay Resort, Coffs Harbour, for the past five years. One of Mr Gottschalk's focuses will be to

establish the new Ibis Hotel in Rotorua as the market leader of its kind in the region.

Two new to BCA

THE Bus and Coach Association has appointed Dave Smith deputy executive director and Ron Boyd as membership officer.

Business Development manager for Holiday Inns

INTERCONTINENTAL Hotels Group has appointed **Belinda Allen** to the new role of Business Development Manager for its two Holiday Inn properties in Christchurch.

She joins from the University of Canterbury where she has spent the past five years as sales and marketing manager. Prior to that, she worked in similar roles with healthcare and leisure companies.

The position follows last year's re-branding of the former Centra Christchurch to the Holiday Inn City Centre Christchurch, joining its sister property Holiday Inn on Avon, formerly known as the Holiday Inn Christchurch.

It reflects a stronger focus on building the market profile of the Holiday Inn brand within New Zealand.

Previously the individual general managers of these Christchurch properties were responsible for both operational delivery and business direction.

Group sales and marketing director Andrew Loader describes the move as "strategically important for the development of the

Holiday Inn brand in this market."

From banking to AIAL

ROBERT Sinclair is to become chief financial officer for Auckland International Airport (AIAL) on April 4. Mr Sinclair has had eight years' investment banking experience at UBS New Zealand, where he was executive director, joint head of investment banking and, more recently, head of capital markets.

Prior to that he spent six years as a corporate finance and securities lawyer at Russell McVeagh in Auckland and a large US law firm in New York, Hong Kong and London. He has worked extensively with AIAL over the last four years, advising the board and senior management.

Smooth operator

TANIA Corkin has joined the \$1.7 million Spa at Millbrook, New Zealand's largest resort spa facility, which opened in Queenstown last October. She will lead a team of professional therapists at the spa, which features eight dry treatment rooms, two wet treatment rooms, a hair salon, manicure and pedicure areas, a retail area, two lounge rooms and private courtyards.

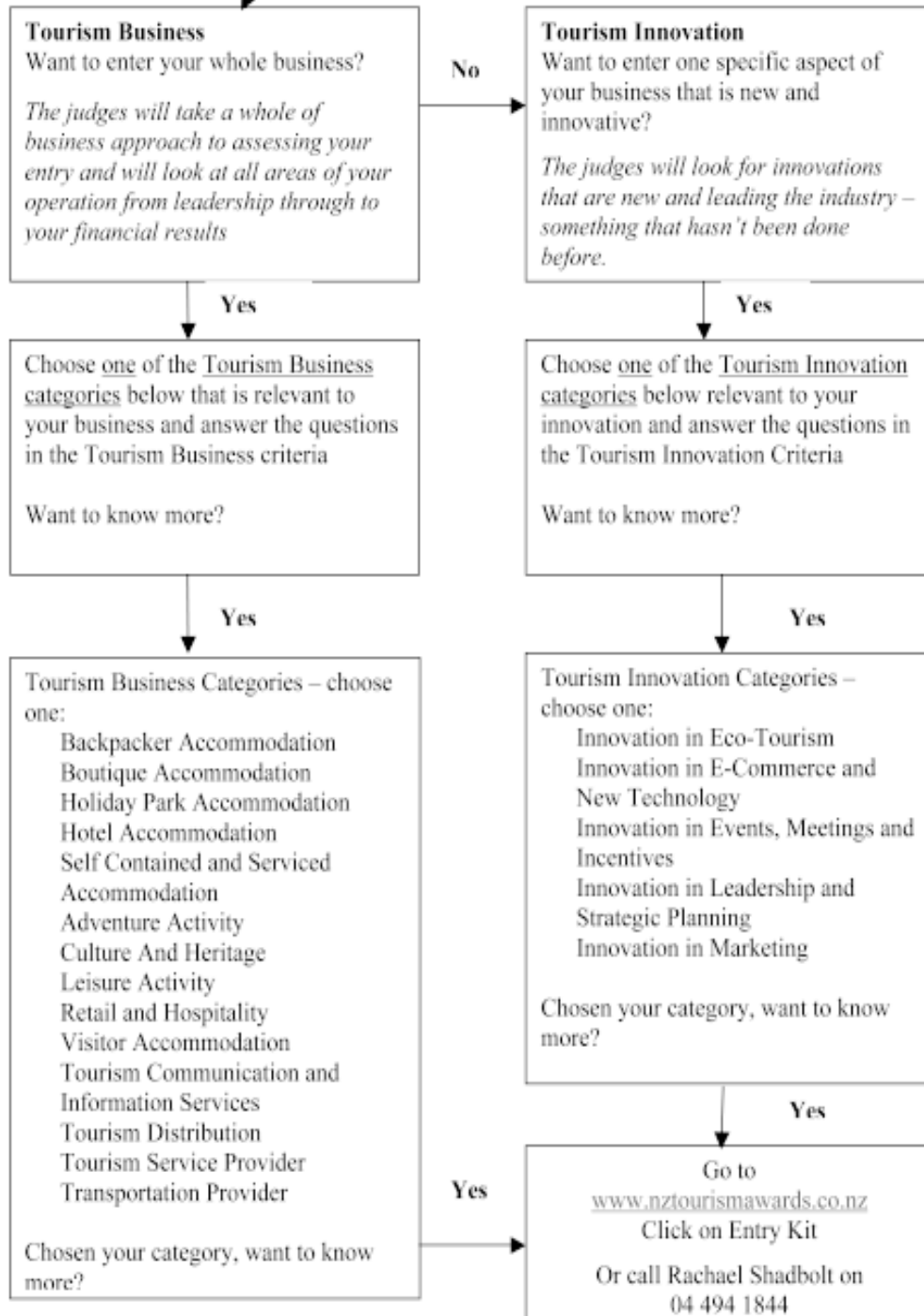
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There's still time to enter the New Zealand Tourism Awards. Here's a simple guide to choosing your category

There are two different types of
New Zealand Tourism Awards categories
Tourism Business and Tourism Innovation



AirNZ tells AIAL it won't subsidise competitors

AIRNZ says it will not subsidise competitors flying Airbus A380 aircraft to Auckland International Airport. MD and CEO Ralph Norris says he is "extremely disappointed" in comments made by an AIAL executive who said AIAL would be looking to recover costs associated with the A380 from all carriers. Mr Norris says he's surprised and dismayed by the comments. "I'm in disbelief that the airport thinks that Air New Zealand should subsidise its competitors. To want to make us pay for facilities that we have no intention of using is nothing short of greed and is the behaviour of an unconstrained monopolist."

He adds: "I've heard also that AIAL thinks New Zealand deserves the right to have the A380. If the management and board of AIAL think this, then they should be willing to subsidise the investment through lower returns to shareholders, while the demand for this aircraft reaches economic levels." Mr Norris also notes the large increase in AIAL's profit on the back of increased traffic through investments made by airlines. "It is disappointing to hear that AIAL is contemplating a large capital return while in past years the facilities, particularly at Christmas time, have been severely congested."

Airport reports 20 percent increase in profits

AUCKLAND International Airport Limited (AIAL) had a 20.1 percent increase in half-year profit to \$54.3 million and a 6.5 per cent increase in total passenger movements.

Chairman Wayne Boyd says the outlook for the company remains strong, with the airport saying that growth in international passengers is expected to remain positive. But the rate of increase is likely to ease in the second half of the current financial year. "The recent announcement that Pacific Blue will be commencing trans-Tasman services from Auckland in May will provide further impetus," Mr Boyd adds.

AIAL confirms that a full year surplus after tax result of about \$105 million remains achievable, subject to anticipated traffic volumes being realised.

Carrier's earnings may have plateaued

AIRNZ'S first half profitability appears to have plateaued, with pre-tax earnings at a similar level for the past three financial years. That is both good news and bad news for the carrier.

Centre for Asia Pacific Aviation senior consultant Ian Thomas says: "The good news is the airline has achieved a sustainable earnings recovery through the accelerated operational and capital restructuring which taken place since 2001. Gearing is down to a meagre 44 percent and shareholders' equity has climbed to N\$1,490 million, compared to just one third of that in 2001. All of this augurs well for the New Zealand government, and its ambitions to unload its majority stake."

Warnings

He adds: "There are warnings signs, however, in the latest result. A 2.9 percent lower \$102 million net profit, and two percent lower \$146 million before tax and unusuals, for the six months to December 31."

Firstly, the growth in passenger volumes is not translating into revenue. While passenger numbers rose by 7.5 percent, turnover from ticket sales edged up by only two percent to \$1,400 million despite a 6.1 percent increase in capacity network-wide.

Like Qantas, manpower costs rose three percent, reflecting the unionised labour pool. But AirNZ improved its sales and marketing overheads by 9.3 percent, largely through commission cuts, which helped reduce unit costs by five percent. says Mr Thomas: "Air New Zealand will be pinning its hopes for profit growth in the future on its new long-haul product, if it fails to realise these benefits, or key markets face additional competition, as seems likely, the pressure will intensify on the airline to maintain earnings levels."

Giant cruise ship to be based here four months

THE popularity of giant cruise ships Star Princess and Sapphire Princess in New Zealand waters has paved the way for an extended maiden season next summer of another giant gem - Diamond Princess. The 116,000-tonne Princess Cruises liner - a twin to Sapphire Princess, which was cruising in New Zealand waters until Monday - will be based here for a record four months, making 34 calls to local ports from January 2006.

It will be the third summer in a row New Zealand has been home to a megaliner of more than 100,000 tonnes, underlining the growing popularity of cruising here.

The 2,700-passenger Diamond Princess will arrive in New Zealand for the first time when it visits Fiordland on January 15, before visiting Dunedin (January 16), Christchurch (January 17), Tauranga (January 19) and Auckland on January 20, for the first of five visits.

She will then offer eight 12-night voyages between New Zealand and Australia, visiting Tauranga (first visit on January 19) and Christchurch (first visit on January 17) eight times, and Dunedin (first on January 16) and Fiordland (cruising, first visit January 15) nine times. Contact: 0800-951200 or www.pocruises.co.nz.

On The Rocks on market

WHITIANGA'S award winning restaurant, On The Rocks, is up for sale for the first time since it was opened nine years ago.

The 130-seat restaurant and bar, which was the first to win a New Zealand Tourism Award in the retail category, is owned and operated by John and Cushla Dunn.

Garry Paterson, of Bayleys Coromandel says: "If someone really wanted it for the location and lifestyle it offers, the restaurant could also easily be converted to a spacious executive home which would be opposite Whitianga's beautiful beach..."

Details: 07-8660098 or 021 341 447.

Local man Lee joins DLT...

MARKETING consultant Scott Lee has been appointed GM for Taupo District Council's marketing arm, Destination Lake Taupo. He starts on Monday.

Mr Lee has lived in the Lake Taupo region for 20 years. He has extensive experience in tourism marketing - including 12 years as marketing manager for the Whakapapa ski area.

Since 1998 he has worked as an independent marketing consultant - managing the Ruapehu Marketing Group and contracted by the NZ Ski Marketing Network to promote Ski NZ in Australia.

Council CEO Simon Rowbotham says Mr Lee has an excellent track record in tourism marketing at local, national and international level. He is also well known to Taupo tourism operators and the business community.

"His efforts on behalf of the Ruapehu Marketing Group in the wake of the Mount Ruapehu eruptions were recognised at the 1997 New Zealand Tourism Awards where the group won the Tourism Marketing Section for its Ruapehu 'Bounce Back' campaign."

Lake Taupo Tourism Advisory Board chairman David Steele has been acting GM since the resignation late last year of Paul Yeo, who is now CEO of Destination Marlborough.

...tourism forum planned

A Taupo tourism forum will be held at the Wairakei Resort on May 19 and 20. THL CEO Dennis Pickup and TNZ CEO George Hickton are among speakers named so far.

Lake Taupo Tourism Advisory Board chairman David Steele says the forum is a priority to help improve the existing marketing and strategy plan. "The forum will be a reassessment of where tourism in Taupo is at the moment, where we want to be and how we are going to get there."

Key issues include providing a balance between domestic and international visitors, improvements to the accommodation infrastructure and the lake's water quality.

Winter website

THE Mackenzie Winter Marketing Group (MWMG) is producing a new-look brochure and website.

It will continue to target Australian skiers and Christchurch residents with newspaper, magazine and billboard advertising campaigns.

This approach had a marked effect on improving awareness of, and increasing visitor numbers to the Mackenzie last year.

Lake level concerns

LAKE Rotorua water levels are at a 10 year low creating concerns for Mokoia Island Tours, says its CEO Mike Gibbons.

Precautionary measures were taken this week to dredge a deeper water channel to allow the Lakeland Queen paddle boat to continue its daily tours to Mokoia Island from the lakefront.

Damage to the vessel - and the subsequent channel dredging - will cost the company \$25,000.

But with the initial success of the launch of the cruise, island cultural experience, and dinner product in January, Mr Gibbons says the company can't afford for the vessel to be moored for such a busy period. Contact: 07-3486634 or www.mokoia-island.com.

See Blackcat for fur seal trivia!

DID you know the New Zealand fur seal has enough fur on one square inch of its body to cover a small dog. For more trivia: See www.blackcat.co.nz/trivia.asp

ADVERT

Tourism & Lifestyle Opportunities

MARUIA RIVER LODGE - Near Murchison. This luxury 5 star, world class fishing lodge is now available for sale - complete with its own airstrip and hanger. Enquiries upwards of \$2million. John Greenwood 027 497 0077 or 09 309 6020.

IMPRESSIVE - Motel FHGC development to be built in tourist city on main road. Sharene Temple 027 224 6045.

MOTUEKA - Bordering the Motueka River, set in 35 acres this delightful lodge accommodates just ten guests in five stylish suites. Own private vineyard producing chardonnay. Great brown trout fishing. Carolynn Crawford 0272478716 Tom Crawford 0272789199 Jan Long 021337267.

COROMANDEL PENINSULA - Nine well presented motel units, comfortable owner's accommodation with great water views. Sloping landscaped site. Attractive seaside town offering white sandy beaches, boutique cafes and of course great fishing and diving. FHGC. Garry Paterson 021 341 447.

0800 BAYLEYS

www.bayleys.co.nz/tourism

