

RUAPEHU REGIONAL VISITOR DEVELOPMENT PLAN



*Realising a sustainable,
prosperous future*

1 July 2017

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MANAWATŪ-WHANGANUI
Prosperous. Strong. Vibrant.



We're Ruapehu.

New Zealand's greater outdoors

Escape to Ruapehu and you'll arrive in a living landscape that's home to ancient rainforests, active volcanoes, sacred mountains, tranquil rivers, and two of our cherished national parks.

Just half a day and a world away from our biggest cities, this natural getaway welcomes you, whether you're bound for a luxury hotel or local campsite, mountain lodge or DOC tramping hut. Wherever you stay, you'll enjoy easy access to wilderness.

With its wide range of alpine and on-water activities, this place caters to all levels, all year round. So whether it's an easy family walk to a clear mountain stream, Ruapehu snow-sports, an awesome tramp around the mountain, an exhilarating mountain-bike ride through the beech forest or an

inspiring journey down the Whanganui River, it's brimming with opportunities to connect with our Greater Outdoors.

Pause beneath the maunga – or mountains – take in the wonder of this unspoilt environment and you'll quickly realise why it's so revered by locals. Ruapehu's mythology is as rich and alive as its dramatic geology.

It's a place where nature inspires you, just like it inspired a young Ed Hillary who first discovered his lifelong passion for mountains here. Something magical happens when you spend time in Ruapehu.

Whether you visit for a weekend or a week, you'll leave feeling revitalised and uplifted and wanting to escape here again soon.

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Table of contents

Executive summary	4	Chateau Tongariro and high-end accommodation options.....	15
Benefits of tourism for Ruapehu.....	4	Other commercial accommodation	15
Project reports	4	Winter employee accommodation.....	16
Project approach.....	4	Camping grounds.....	16
Aspirations	4	Holiday homes.....	16
New and expanded experiences, services and visitor products	4	Services.....	17
Supporting visitor sector growth	4	Transport providers.....	17
Collaboration.....	5	Visitor sector growth targets and objectives.....	19
Introduction.....	6	Targets and objectives.....	19
Purpose of this report	6	Overriding target	19
Assets, experiences and potential.....	6	Overriding objective	19
Growing the potential	6	Supporting objectives.....	19
Kaitiakitanga.....	6	‘Tourism for Ruapehu’ objectives	19
Community well-being – tourism for Ruapehu.....	6	Further information about the targets.....	19
Ruapehu for tourism	6	Visitor expenditure.....	19
Background.....	6	Jobs.....	20
Growth Programme	6	Shoulder season	21
Challenge.....	7	Māori economy	21
Approach to the project	7	Reputation.....	21
1. Situational diagnostic	8	Visitor flow	22
Existing reports and research.....	8	Population growth.....	24
Interviews.....	8	Challenges.....	24
Workshops	8	Challenges identified by local visitor sector operators ..	24
2. Destination Development Plan	10	Frequently referenced challenges.....	25
Approach.....	10	Moderately referenced challenges	26
Structure	10	Occasionally referenced challenges	27
3. Destination value proposition and brand promise	10	Challenges identified in a survey of non-resident rate-payers	27
Purpose	10	Challenges identified in a survey of ‘non-considerers’ ...	28
Approach.....	10	Growing the visitor sector in Ruapehu	29
‘Coalition of the Willing’	10	Enablers	30
Current Ruapehu visitor sector dynamics	11	Growth opportunities - products, services and experiences.....	31
Number and origin of visitors.....	11	Products, services and experiences identified by local visitor sector operators.....	31
Visitor spending.....	11	Products, services and experiences identified by expert informants and other groups.....	33
Effect of visitor spending on Ruapehu economics	12	Products, services and experiences identified by non-resident rate-payers.....	33
Visitor activities and experiences.....	13	Priority to be accorded to visitor sector product, service and experience growth opportunities.....	34
Top ten Ruapehu activities and experiences	13	Implementing the three frameworks	36
Sustaining growth momentum from existing activities and experiences	13		
Visitor activities and experiences – views of Ruapehu holiday home owners	15		
Accommodation opportunities	15		

Other projects	36
Summary of top 15 projects	36
Summary and next steps	50
Main findings.....	50
Model for delivery	50
Summary of actions.....	51
Enablers.....	51
Experiences, services and products	52
Accommodation	53

Executive summary

Benefits of tourism for Ruapehu

This Ruapehu Regional Visitor Development Plan is tasked with exploring how to add dimension, depth and variety to existing and new offerings and how to secure more visitors, who stay longer and contribute more to the local economy.

Social and economic benefits will follow. Population increases will not be far behind. That is the objective of this Development Plan.

Community prosperity is what Ruapehu needs. The population dropped by more than 17% between 2001 and 2016 and, under a low growth scenario, it will decline to under 7000 persons by 2035. A concerted effort by all parties will lift the economic performance of the area. Growth in the visitor sector provides a viable solution to this critical challenge.

Project reports

Our approach to this project gave rise to three interrelated reports. These were the: ‘Situational Diagnostic’; ‘Ruapehu Regional Visitor Development Plan’ and the Ruapehu ‘Destination Value Proposition and Brand Promise’.

Project approach

This report is the second of these reports. It was produced after the review of existing reports, interviews with key informants and a survey of non-resident ratepayers and workshops with interested and affected parties. The net effect of the ‘process-rich’ approach we applied to the preparation of all of our reports has been the coalescing of a ‘Coalition of the Willing’.

Aspirations

The agreed critical target was to double the combined total of international and domestic visitor expenditure from \$181 to \$388m by 2025 i.e. achieve 10% annual cumulative growth rate in expenditure.

Other objectives include: continuing the current trend toward greater seasonally-dispersed visitation and occupancy; growing the contribution and wealth of iwi as visitor sector investors and employees every year and increasing the number and magnitude of ‘experiences’ on offer. This is while, above all else, sustaining environmental and heritage values, actively displaying sensitivity toward iwi aspirations and enhancing the quality of the visitor experience.

New and expanded experiences, services and visitor products

Ruapehu is clearly a destination with the natural ‘greater outdoors’ and nature-based resources, landscapes and assets sought by visitors. It has good proximity to over three million New Zealanders and is close to international gateways located at the Auckland and Wellington Airports.

The momentum is already beginning to pick up. Proposed Ruapehu ski-field developments, particularly the new Alpine Aerial Tram, the new mountain bike track between Turoa and Ohakune, an upgraded walking track between Turoa and Whakapapa or vice versa (the ‘Ruapehu Alpine Walk’) and constructing a lodge, Waharoa entranceways to the Parks and other visitor experiences at Pipiriki will be transformational. These are the highest priority of the many new or expanded experiences, services and products identified within this report. The new Alpine Aerial Tram, may, on its own directly contribute \$50m to the growth target sought by 2025.

Supporting visitor sector growth

While there may be some choice about the breadth and depth of sought-after new and expanded visitor experiences, products and services, investment in the ‘enablers’ to support visitor sector growth is not a question of if, but when and how.

Critical amongst these enablers is market development, connectivity and accessibility in all forms – including greater use of KiwiRail, and the development of a deeper market awareness of what Ruapehu has to offer. Building the capacity of iwi to more actively participate in the visitor sector is also vital.

Collaboration

Most of the experiences on offer to Ruapehu visitors are not commercial in nature because most of them are in the greater outdoors, that is, they are within public conservation lands. Given the tiny Ruapehu District Council rating base and the absence of big operators from whom to leverage co-funding, the most significant need is for active collaboration with Government, sector leaders and others to unlock the very clear visitor sector growth potential of the region.

Introduction

Purpose of this report

Assets, experiences and potential

The potential of the visitor sector in the Ruapehu region¹ is impressive. The natural and cultural assets of this area, including the region's highly accessible alpine and navigable river landscapes, lend themselves to a unique combination of experiences not able to be replicated anywhere else in the country – some would say, anywhere else in the world.

These experiences, services and products are of high international and domestic interest². The area is within easy striking distance of the Auckland and Wellington domestic markets and their international gateways. The region also boasts a growing array of snow sports, trekking, mountain-biking, canoeing and other quality outdoor recreation experiences.

Growing the potential

This Ruapehu Regional Visitor Development Plan (the 'Development Plan') is tasked with exploring how to add dimension, support and variety to existing offerings and how more of these may be incrementally established.

Strong, consistent 'destination proposition' messaging, highly active market development, commensurate transport, connectivity and infrastructure expansion and the full involvement of iwi are also required.

Kaitiakitanga

The emphasis of the Development Plan is on the quality and authenticity of the wider Ruapehu visitor experience and the protection of the unique natural and cultural assets and environments within which visitor experiences may be enjoyed. The scenario of the future is not rampant development, but managed and environmentally sustainable expansion - to support Ruapehu and neighbouring communities.

¹ We use the term 'Ruapehu region' deliberately in this report to acknowledge that – from a visitor's perspective, local authority boundaries are poorly understood and are 'porous.' Adjacent districts will share in the benefits of a successful Ruapehu visitor sector. A new development in one area will have a 'halo' effect in adjacent areas.

² See research carried out by Kantar TNS for Visit Ruapehu in 2016. See also www.mbie.govt.nz 'Tourism Research and Data'.

Community well-being – tourism for Ruapehu

More visitors, staying longer and contributing more to the economy will produce more employment opportunities. Social and economic benefits will follow. Population increases will not be far behind. That is the objective of this Development Plan.

The Plan acknowledges and supports the five platforms outlined in Treasury's living standards framework, 'He Tirohanga Mokopuna': economic growth; sustainability; equity; risk management, and social cohesion.

Neighbouring regions like Taupō, Rotorua, Waikato, Taranaki, Whanganui, Rangitikei and Manawatū will share in the benefits of visitor sector growth in Ruapehu. There is a symbiotic 'halo' effect. It is expected these areas will build related experiences and products, connect their visitor services offered in each of their areas and collaborate with each other to develop 'joined up' journeys.

Ruapehu for tourism

Experiences, products and services would be packaged to suit a wide spectrum of domestic and international visitor needs and aspirations – whether it is long weekend away for a Wellington family, a weekend away for an Auckland couple or a ten day Ruapehu-focused multi-destination journey for a fit and independent international traveller. Ruapehu is a great place for visitors. These visitors will also be good for Ruapehu.

Background

Growth Programme

The Regional Growth Programme is part of the Government's wider growth agenda. It aims to provide frameworks and support for the growth of regional New Zealand. The Manawatū-Whanganui region was fortunate to be included in this programme.

The 'Manawatū-Whanganui Economic Action Plan'³ identified nine opportunities for significant growth across the region. Tourism and visitor services were viewed as one of the highest priority sector opportunities for development. Ruapehu was

³ Manawatū Whanganui Economic Action Plan, Accelerate 25, Horizons Regional Council, August 2016

identified as the area with the most potential in this sector.

Hon Stephen Joyce viewed⁴ involvement of Ruapehu in this Programme as a ‘once in a generational opportunity to work with Central Government to add to community prosperity’.

Challenge

Community prosperity is what Ruapehu needs. The area has been losing jobs at a steady rate between 2004 and 2014. Nominal GDP dropped from a 2011 peak of \$540m to \$475m in 2013 but recovered to \$506m in 2016.

Resident population currently sits at just over 12,500 persons. The population dropped by more than 17% between 2001 and 2016 and, under a low growth scenario, it will decline to under 7000 persons by 2035.

Without conscious intervention, the critical mass of people in the Ruapehu area may decline to a point where it may be difficult, under current financial arrangements, for the local community to continue to meet the cost of infrastructure supply and maintenance to the standards expected by the community and government.

Local services, including quality education and health, may also be difficult to sustain. There may be an increasing proportion of dependent elderly persons and a declining number of children and school age persons.

A concerted effort by all parties will lift the economic and social performance of the area. Growth in the visitor sector provides a viable solution to this critical challenge.

Approach to the project

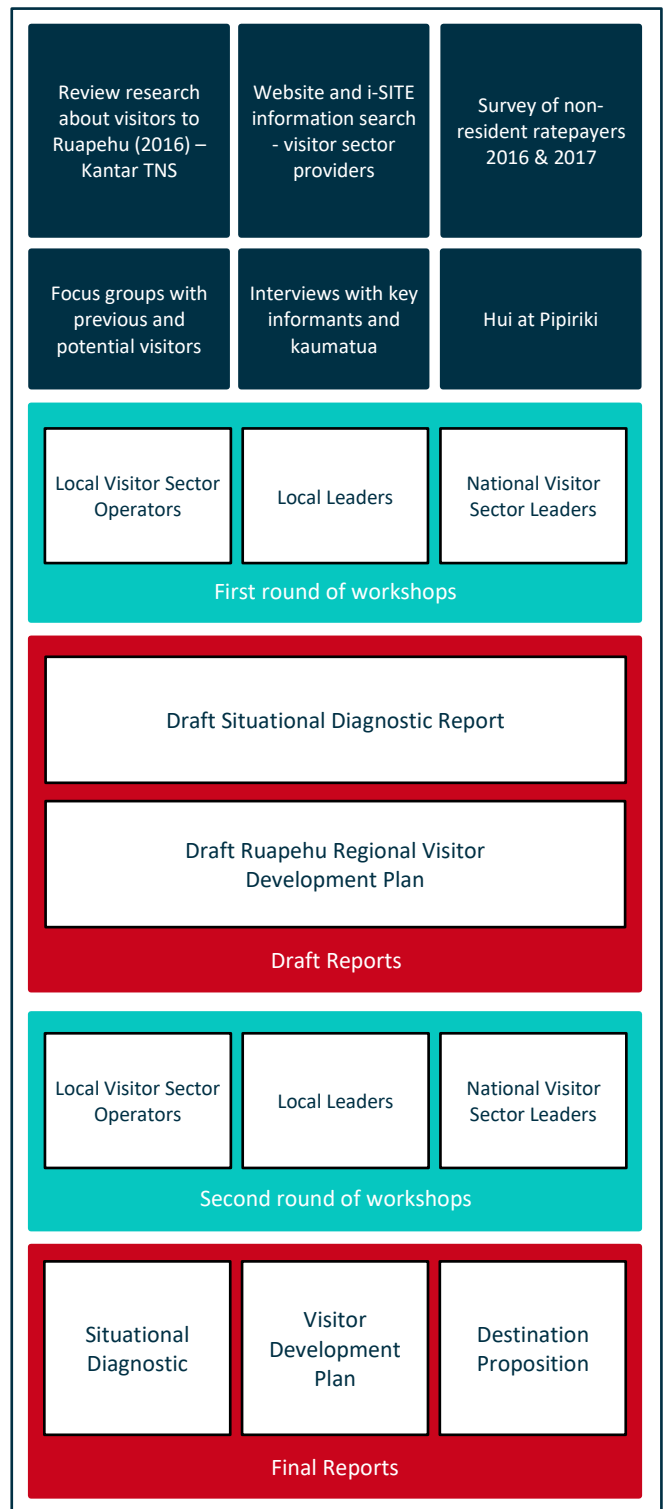
This project has been funded by MBIE and Ruapehu District Council (RDC), with contributions also from Horizons Regional Council and Whanganui District Council. The Chief Executive of Visit Ruapehu, on behalf of RDC, was the contract manager.

4 Pers. Comm. Hon Stephen Joyce, Minister of Economic Development, at the launch of the Action Plan, 12 August 2016, Palmerston North

Our approach (Figure 1) to the project gave rise to three reports:

- Situational Diagnostic.
- Ruapehu Regional Visitor Development Plan.
- Destination Value Proposition and Brand Promise.

Figure 1: Development Plan – approach



Details about how these reports were developed, follows.

1. Situational diagnostic

Our first step was to review existing reports, conduct interviews with key informants and convene workshops with interested and affected parties. The product of this work was a 'Situational Diagnostic' report. This was prepared to provide an evidential base to support the content of the other two products⁵ of this project.

Existing reports and research

Critical amongst existing reports was a comprehensive research report commissioned by Visit Ruapehu from Kantar TNS in 2016. This provided us with essential information about who visited the region, why they visited (and why they didn't visit), where they came from, how much they spent, what they spent their money on and where they stayed.

We also reviewed information held by the region's i-SITEs and interrogated the websites of the region's accommodation, service, food, product and experience providers. This enabled us to develop an inventory of existing visitor sector providers.

A third background source of information was provided by a survey of non-resident ratepayers. We are grateful for the assistance provided to us by staff from RDC who followed-up a 2016 survey of non-resident ratepayers with a further survey. This was specifically designed to add detail to the visitor sector role played by the owners of holiday homes.

A fourth source of background material was Statistics New Zealand. We were equally grateful for the support, interpretation and access to population, employment and visitor information provided to us by key staff from Statistics NZ.

Interviews

We interviewed 34 expert informants. The interviewees were forthright about their ambitions for the region. They provided us with strong guidance about the actions they thought would make the Ruapehu visitor sector more successful.

⁵ The 'Situational Diagnostic' and 'Destination Proposition' reports are available on request to Visit Ruapehu.

Our discussions included one-on-one meetings with kaumātua from Ngāti Hikairo, Ngāti Rangī and Ngāti Uenuku. They also included a hui at Pipiriki.

Critical amongst our key informants were key staff from the Department of Conservation (DOC). Their knowledge, access to data and sensitivity to the things which make the Ruapehu area special was invaluable.

Workshops

We facilitated two sets of workshops with three different groups.

The first set of workshops (April and May 2017) was to receive advice about:

- What would make the Ruapehu visitor sector successful.
- What was slowing down or acting as a constraint to the achievement of that success.
- What the priority opportunities for development were.
- How the actions identified by workshop participants may be implemented.

The second set of workshops (June 2017) tested and checked that we had interpreted the signals and desires expressed at the first set of workshops correctly – we adjusted this report accordingly.

Different workshops were convened for local visitor sector operators, local leaders and national visitor sector leaders.

Local Visitor Sector Operator workshops were held in Taumarunui, Whakapapa Village and Ohakune. Together they involved close to 60 persons.

Our **Local Leaders** group involved six persons with strong influence over the sector's Ruapehu performance.

Members of our **National Visitor Sector Leaders**⁶ group play a dominant role in guiding the development of the visitor sector throughout New Zealand. They provided us with their guidance about how Ruapehu may best position itself to take advantage of the sector's bright future.

⁶ This included senior representatives from: DOC; Air New Zealand; Tourism Industry Aotearoa; KiwiRail; THL; Auckland Airport; Statistics NZ; Maori Tourism NZ; MBIE and; Tourism New Zealand.

2. Destination Development Plan

The second of our project reports was this report.

Approach

The report was developed by drawing on the information provided to use at our workshops and that provided by key informants. The report also draws heavily on the visitor sector dynamics recorded in our Situational Diagnostic report.

Structure

We have attempted to establish a strong logic flow within this document. The first part of the report (i.e. the previous section) outlines the project process. It highlights the overall objectives and the steps to be taken to understand and deliver them.

The second part of the report summarises current Ruapehu visitor dynamics and activities. It emphasises the importance of sustaining the current momentum and strongly supports the goal of realising the region's latent potential. In doing so, this report also provides evidence in support of the region harbouring quality, authentic outdoor experiences and assets with national and international attractiveness.

The third part of the report describes the targets and outcomes sought by the people we talked to.

The fourth part describes the challenges to be resolved in order to achieve these targets.

The fifth part discusses the 'must do' visitor sector enablers requiring focused attention if Ruapehu visitor sector growth is to be appropriately supported.

The sixth part describes a full range of possible new or expanded experiences, services and products. Comment is also made about the accommodation sector.

The final part of the report describes fifteen experiences deserving of focused attention – grouped under their headings: 'iconic experiences'; 'high priority experiences' and; 'other priority experiences'. As part of this section, we also describe the set of decision-support frameworks we applied to assist us to formulate our recommendations about which projects fell under which group.

3. Destination value proposition and brand promise

The third of our reports identifies the destination value propositions which best describe the personality of the area.

Purpose

The purpose of this third product was to refine how the destination is best communicated to the visitor sector market, that is, the essential reason behind it being a destination and the reason why it should be visited. This area of research is vital to populating the content of future market development and marketing work.

Approach

We were assisted in carrying out this part of our work by our:

- Immersion into the information developed and provided in the project's other two reports.
- Testing of our first thoughts about the region's value and brand propositions at the first set of workshops.
- Refining these first thoughts at the second set of workshops.
- Further testing how the destination is viewed at a set of four focus groups (two in Wellington and two in Auckland) comprising a total of 24 individuals – all of whom had either visited Ruapehu or were considering visiting Ruapehu.

'Coalition of the Willing'

The net effect of the 'process-rich' approach we applied to the preparation of all of our reports has been the coalescing of a 'Coalition of the Willing'.

Critical amongst this coalition has been the support and clear recognition offered in support of the quality of Ruapehu 'greater outdoors' experiences by leaders from Air New Zealand, KiwiRail, Tourism Industry Aotearoa, Tourism New Zealand, DOC, THL, Auckland International Airport and others.

This bodes well for sustaining the momentum generated in preparing the report. The momentum should encourage implementation and then further long term regional growth.

Current Ruapehu visitor sector dynamics

Details about visitor dynamics are provided in our ‘Situational Diagnostic’ Report. We provide headline points here simply to provide context for the visitor sector development recommendations provided later in this report.

Number and origin of visitors

Our best estimate is that Ruapehu receives 783,000⁷ visitors annually of whom 80% are domestic and 20% are international. This number may in fact be higher particularly when it is noted that many visitors – particularly international visitors, come to the region to walk the Tongariro Alpine Crossing and then either return to Taupō or travel on toward Wellington and the Cook Strait ferries without staying overnight.

The average length of stay of both international and domestic visitors is about 2.4 nights although this number is skewed by the small number of visitors who stay 3 or more nights. Two thirds of domestic visitors stay overnight.

European visitors (30%) are particularly important for Ruapehu given the high likelihood of them visiting the area when in New Zealand. Australians are also well represented (15%).

The size and growth of Auckland means this is the key catchment (35%) for domestic visitors to Ruapehu. A further 27% come from Manawatū-Whanganui and Wellington regions.

Visitor spending

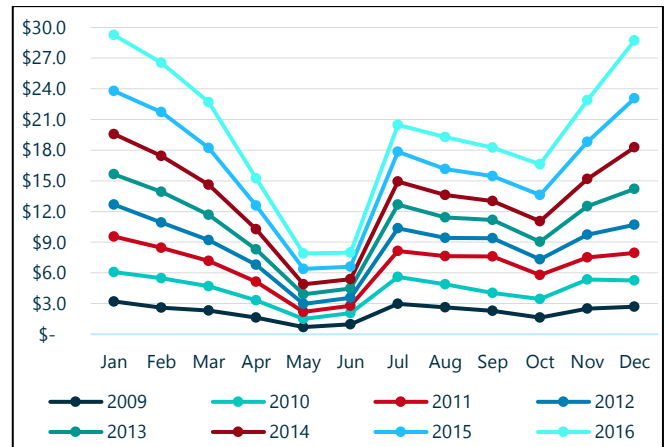
Domestic visitors account for over three quarters of all tourism spend in the Ruapehu region. Domestic spending totalled \$138m in the year ending February 2017. International visitor spending in Ruapehu totalled \$43m.

International spending has increased by an average of 16.5% year-on-year since 2013. International visitors

⁷ Kantar TNS, 2016 –projections based on survey results. Methods of counting the number of visitors to a region tend to be unreliable because it is difficult to decipher how many people are simply passing through. Many visitors are unaware of territorial authority boundaries and therefore do not respond accurately to surveys.

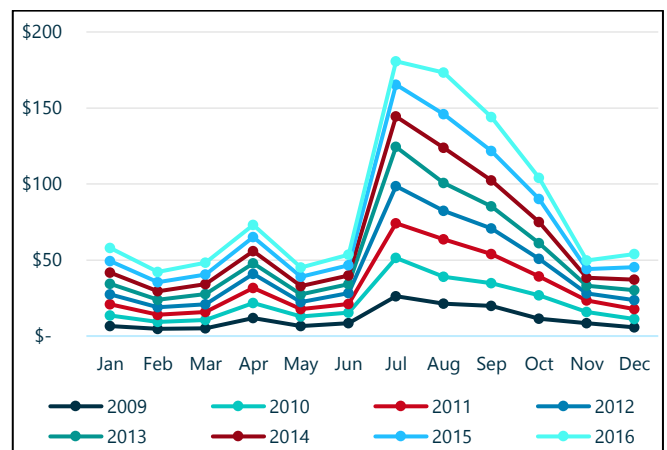
tend to visit the region in the summer months (Figure 2).

Figure 2: Ruapehu international visitor monthly regional tourism expenditure (source: Stats NZ)



Growth in spending by domestic visitors has been more subdued, increasing at an average rate of 3.6% year-on-year over the last five years. There has been a more recent increase in domestic expenditure over summer months – this has made a valuable contribution to the economy of the region and has partly compensated for the recent decline in winter ski-related spending (Figure 3).

Figure 3: Ruapehu domestic visitor monthly regional tourism expenditure (source: Statistics NZ)



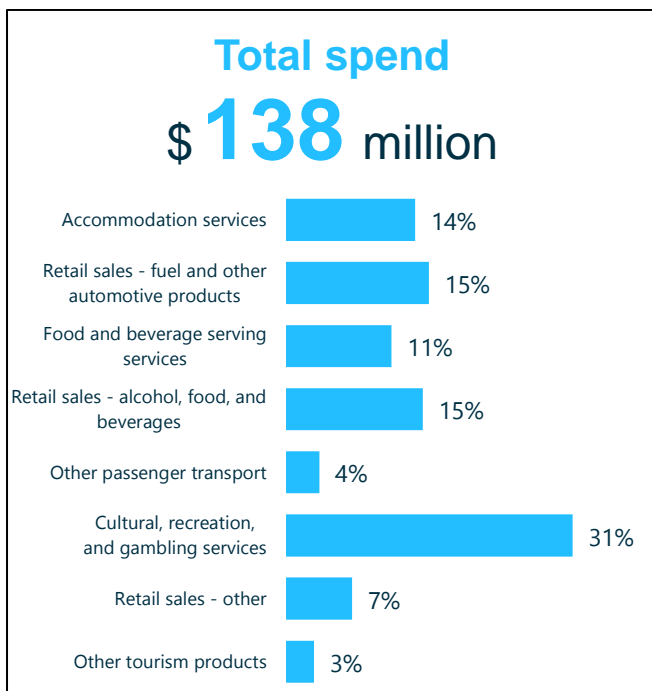
Comparison of Figures 2 and 3 clearly illustrates the capacity to grow the number of international visitors to Ruapehu in winter and to grow both the value and volume of domestic visitors to Ruapehu in summer.

Effect of visitor spending on Ruapehu economics

Domestic spending is spread across various parts of the local economy. Cultural and recreation services account for the largest proportion (31%) of spend. Accommodation, vehicle-related costs and food-related expenditure each account for about 15% of spending (Figure 4).

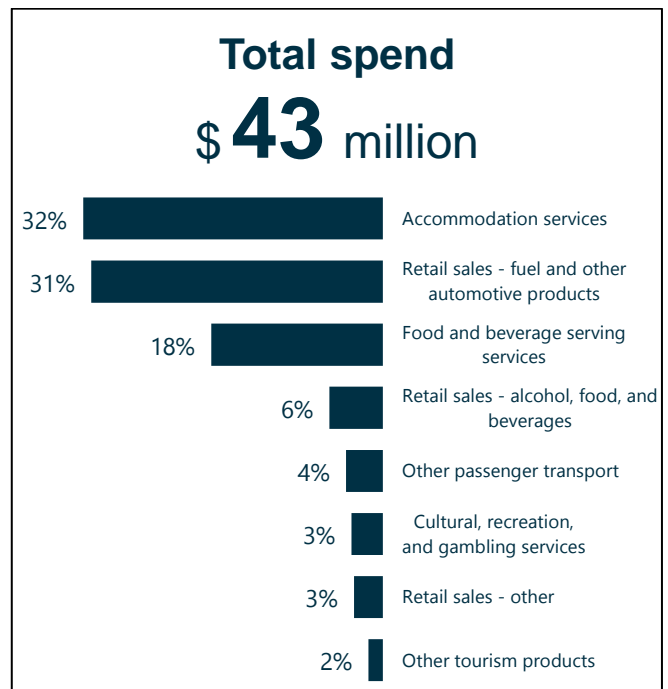
By contrast, international visitors spend very little on cultural and recreation services. Spending is more concentrated (31% each) on accommodation and vehicle related retail sales (Figure 5). This tends to indicate Ruapehu acts as the stop-off point on a longer journey rather than a destination in its own right. This also aligns with the high incidence of single night stays amongst international visitors.

Figure 4: Domestic Ruapehu-based visitor sector spending (year ending February 2017)



Source: MBIE Regional Tourism Estimates, February 2017

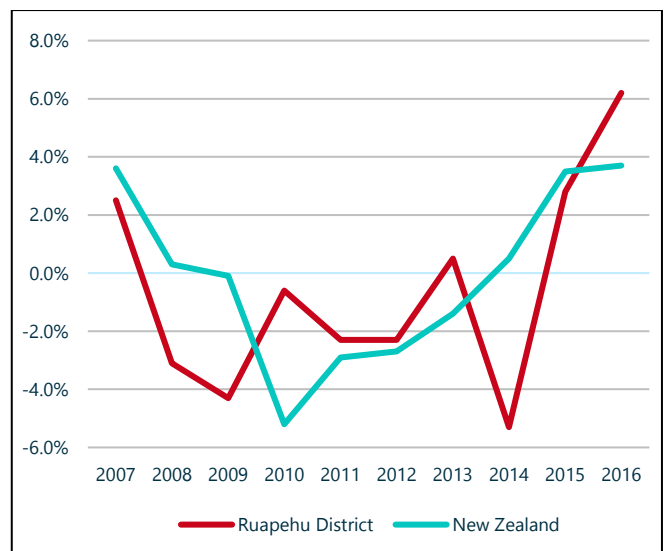
Figure 5: International Ruapehu-based visitor sector spending (year ending February 2017)



Source: MBIE Regional Tourism Estimates, February 2017

The visitor sector contributes to 11% of Ruapehu jobs, 6.7% of GDP (2015) and supports 9.3% of businesses⁸. The percentage of employment generated by the visitor sector has grown over the last few years (Figure 6).

Figure 6: Tourism employment growth 2007-16



Source: Statistics NZ

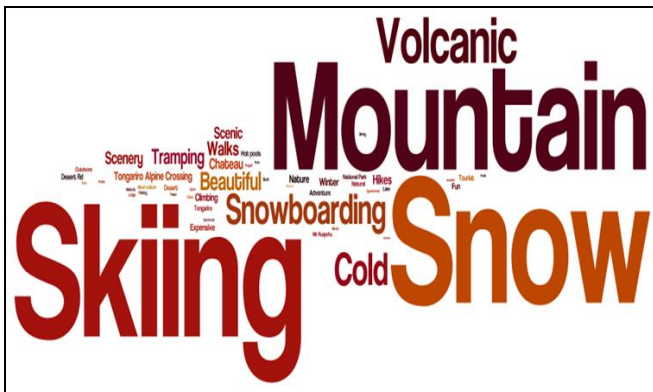
⁸ BERL (2016), in a monitoring report provided to RDC.

Visitor activities and experiences

Top ten Ruapehu activities and experiences

While snow sports are a very important part of the Ruapehu offering (as graphically displayed by the comparative size of the font in the word-cloud diagram (Figure 7), the region also offers many non-ski activities which have broad market appeal.

Figure 7: Words that come to mind when potential visitors think of Ruapehu



Source: Kantar TNS, 2016

Our estimate⁹ of the current comparative popularity of the top ten existing Ruapehu visitor experiences is displayed in Figure 8.

Figure 8: Top ten activities

Top ten activities / experiences	Heat map – level of annual visit popularity
Snow sports / skiing – Whakapapa and Turoa Ski-fields	291,000
NZ Army Museum	200,000
Tongariro Alpine Crossing	135,000
Short, one day walks – Tongariro National Park e.g. Taranaki Falls	50,000+
Whanganui River Canoeing and jet boating	21,000
Old Coach Road mountain biking and walking	14,000
Forgotten World experiences	6,000

⁹ Our estimate of the number of users is based on reports and conversations with expert informants and the review of user numbers compiled by DOC.

Top ten activities / experiences	Heat map – level of annual visit popularity
Timber Trail – mountain biking	8,000
Mountains to sea cycle trail / Bridge to Nowhere	3,000
Tongariro Forest Park – walks, hunting, fishing, 4WD, MTB	1000-2000

Sustaining growth momentum from existing activities and experiences

Snow sports

The Ruapehu ski-field has experienced a steady decline in use since 2010. Usage numbers peaked in 2010 at 460,000 skier days. In 2016 the ski-fields had 291,000 skier days. Winter staff numbers dropped from 850 to 670 in the same period. The operating loss in the 2016/17 season was over \$1 million.

There are a number of reasons for this decline in use: lease uncertainty; lack of ‘scale’ investment; the Global Financial Crisis; increased competition from other sports and; increased competition from other south island ski-fields.

By comparison to winter-time use, summertime use of the Whakapapa chairlift has grown by about 10% a year over the last five years. This use topped 60,000 persons in the 206/17 financial year, despite 40% weather-affected days. Ruapehu Alpine Lifts (RAL) has informed us that 3,500 of the 8,000 visitors to the ski-field on a peak 2016/17 day were non-skiers with perhaps as many as 50% of them estimated to be ‘new’ New Zealanders.

Both the Whakapapa and Turoa ski-fields are operated by RAL. RAL was established in 1953 and operates as a ‘public benefit entity’ with all profits recycled back into the ski-fields.

The tide is about to turn on diminishing winter-time usage – with the added benefit of also greatly increasing summer-time use. Development proposals with a cost of about \$100m have been announced by RAL. These include: an ‘Alpine Aerial Tram’ from the Top of Bruce base station at Whakapapa to the Knoll Ridge café; expanded snow making – including state-of-the-art equipment in the learner ‘Happy Valley’ area; night skiing and; free shuttle transport from Taupō, Turangi, National Park Township and Ohakune. Provided all consent and funding challenges are resolved, these developments will be put in place over

2017 / 18. Over \$20m has already been invested at Whakapapa including an \$8 million investment in the Happy Valley learner ski area.

In addition, RAL propose a \$30m investment in a Turoa Chondola (chair and gondola combination) and other upgrades, including extensive snow making in 2018/19 – when the license for the area has been secured. (NB we talk more about the transformative economic effect of these RAL Turoa and Whakapapa proposals later in the report).

Tongariro Alpine Crossing

The Tongariro Alpine Crossing is viewed by international and domestic visitors as a must-do 'Facebook' experience. 10% growth in use has occurred almost every year since 2009. Annual use peaked at 135,000 in 2016/17. Over 80% of users are international visitors.

The heaviest single-day level of use yet recorded was on 5 January 2017 with 2,886 persons on the Crossing. All 30 licensed shuttle transport operators are likely to have been operating on that day.

The facilities and quality of the Tongariro Alpine Crossing are at risk of being 'loved to death.' A plan is in development to overcome this risk.

Short walks

Discussion may often centre on iconic adventure-style walks like the Tongariro Alpine Crossing. When it comes to volumes of use, data supplied by DOC indicates it is the highly accessible short family-focused walks, available at a numerous Ruapehu locations, which make a strong contribution to visitor enjoyment at Ruapehu. The walk to Taranaki Falls for example was enjoyed by 40,000 users in 2015.

Whanganui River Experiences

The Whanganui River is one of the 'Jewel in the Crown' attractions of the Ruapehu area. 15,000 canoe days were undertaken by paddlers on two-to-five-day journeys on the River in 2016.

Usage appears to be growing by about 10% per year. In addition, as many as 10,000 visitors enjoyed a jet-boat ride in 2016 – either as part of their paddle experience or as a stand-alone adventure.

Accommodation on the river journey is a mix of camping, DOC huts, marae stays and lodges.

Mountain biking – Old Coach Road

The walking and mountain biking track between Ohakune and Horopito has been instrumental in transforming Ohakune from a winter-only destination to being more of an all-year-round destination. This family-friendly track, with an overlay of strong railway heritage values, attracted 14,000 users in 2016.

NZ Army Museum

The Waiouru-based museum engages New Zealanders in the stories of our soldiers and the history and development of our Army, showing how they have shaped our identity as a country and our place in the world. Over 200,000 people participated in the museum experience in 2016.

The museum's new entryway is scheduled to open in July 2017. This will offer better visibility from SH1 and an enhanced visitor experience. It will also position the museum as a 'hub,' with the inclusion of an i-Site. The development includes a new gallery space to allow for a more dynamic exhibition programme.

Forgotten World experiences

This Taumarunui based experience offers users a converted golf cart experience on a disused section of rail from Saddle Road (adjacent to Taumarunui) toward Whangamomona and beyond - for a varying number of days. Also on offer is a combination experience involving carts, helicopter rides and Whanganui River jet-boats. In five years this venture has grown from nothing to now provide 6,500 visitor experiences from a Taumarunui base.

Timber Trail – mountain biking and Lodge

The Timber Trail extends from Pureora to Ongarue. It had 8,500 users in 2016 on two day rides. It also had 600 walkers. The ride traverses a route once used by trams extracting indigenous timber.

Use of the Trail has been enhanced with the April 2017 opening of the \$3.2 million dollar Timber Trail Lodge, located at the end of Day One of this two day ride. The Lodge expects 3,000 visitor nights per annum in the 2017 /18 financial year and was highly unlikely to have been established without assistance from the Government's Tourism Growth Partnership fund.

Mountains to sea cycle trail

The Mountains to Sea trail extends from the Turoa ski-field to Whanganui. It includes the 'Bridge to Nowhere' trail on the Whanganui River. This may be

accessed via either the Old Coach Road track and Mangapurua Road or Fishers Track and Whakahoro.

Tongariro Forest Park

The most valued areas for walks in the Forest Park include: Okupata Caves (accessible from John McDonald Road off SH 47); Ohinetonga Scenic Reserve Loop track – near Owhangō; and tracks to sites of Māori heritage e.g. Te Porere redoubt (Te Kooti’s Last Stand).

The area is also popular with fishermen and hunters – but these tend to be used by locals and ‘persons in the know’. The Park includes the ‘42 Traverse’ which is now used by about 1000 mountain-bikers.

Visitor activities and experiences – views of Ruapehu holiday home owners

Respondents to our 2017 survey of non-resident rate-paying owners of Ruapehu holiday homes identified an array of reasons (Figure 9) for holidaying in Ruapehu (NB. The question we asked was: *Which of these statements do you think describe the visitor attractions of Ruapehu in comparison to other regions in New Zealand? Please tick up to three boxes which best describe what’s great about Ruapehu*).

Of particular interest is that ‘spectacular natural landscapes and scenery’ (82%) out shone ‘snow sports’ (60%) as the most frequently mentioned Ruapehu visitor attraction.

Accommodation opportunities

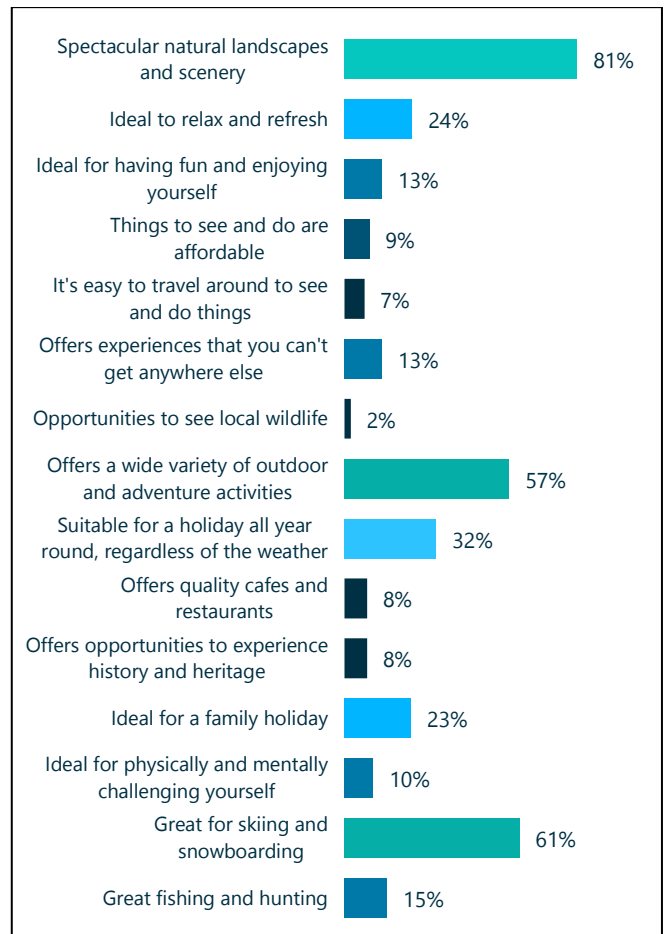
The region has many motels, hotels, lodges and holiday homes¹⁰. These appear to be readily available, except perhaps for peak winter ski weekends and during other long holiday weekends.

Chateau Tongariro and high-end accommodation options

The comparatively high annual occupancy of the iconic Chateau Tongariro at Whakapapa Village over the last two years would suggest a shortage of four and five star accommodation in Ruapehu.

¹⁰ Details are recorded in the ‘Situational Diagnostic’ report – available on request to Visit Ruapehu and prepared as a companion to the current report.

Figure 9: Attractions of Ruapehu for holiday home owners



Small three / four star boutique accommodation appears to be popular, but again, these businesses are comparatively rare in the area.

The recent sale and general upgrade of the Park Hotel in National Park Township indicates the market is willing to respond to this latent demand. A future option may be the upgrade of the Skotel at Whakapapa Village.

Other commercial accommodation

Our review of information provided to Statistics New Zealand as part of their Commercial Accommodation Monitoring service (CAM) suggests there is between 70,000 and 78,000 ‘stay unit nights’ available in the Ruapehu region (figure 23).

Occupancy varies throughout the year - with a high point occurring during the peak winter ski season and low points occurring in the shoulder seasons – particularly in the May – June period (figure 24).

Occupancy has grown incrementally over the last five years. The summer-time low point, particularly in

Ohakune, now appears to be less significant than it was five years ago. Expert informants have attributed this to the growth of interest in mountain-biking and the growing recognition of the area as suited to all-year-round holidays (Figure 24).

Figure 23: Commercial accommodation capacity

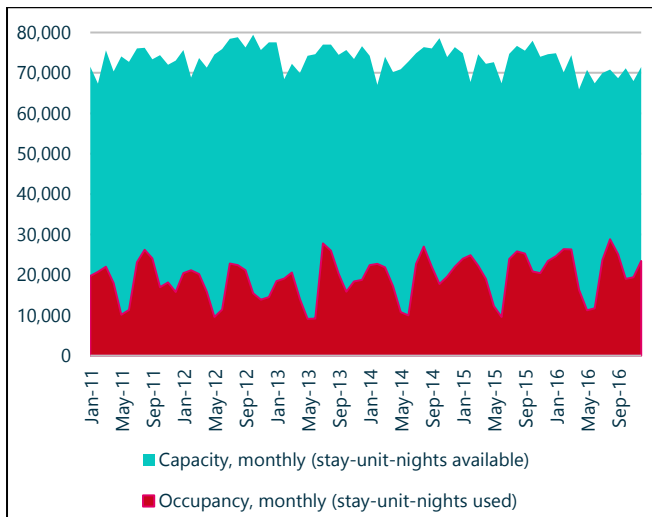
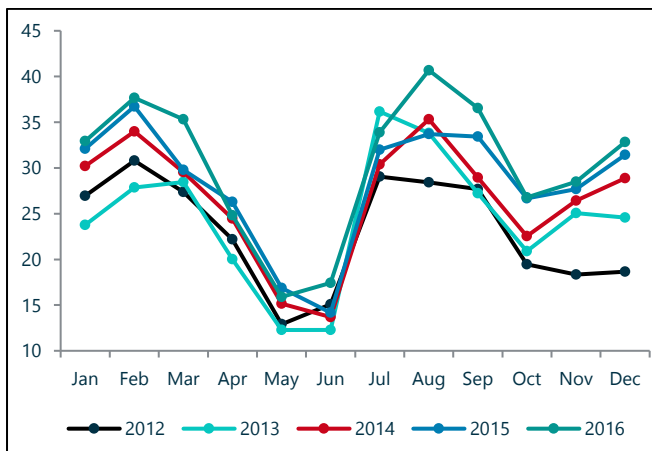


Figure 24: Commercial accommodation occupancy by month



Source: CAM

As noted previously, on peak fine-weather ski weekends, Ruapehu accommodation capacity may be near full. At other times and on a monthly averaged basis, significant (60% plus) accommodation capacity remains available.

Winter employee accommodation

Expansion of all-year-round services at Whakapapa and Turoa (see the details provided later in this report) will increase the number of persons employed by both RAL and in the wider Ruapehu area. Already winter-time employee numbers are beginning to stretch available accommodation in Ohakune.

Employees are said to prefer rental houses rather than group accommodation facilities. Raetihi may be the appropriate location with housing capacity to meet this need.

Camping grounds

Our assessment of Ruapehu camping ground and holiday park websites, including those in the Tongariro and Whanganui National Parks, suggests there are over 440 sites available in the area and 13 huts. We estimate the total capacity of these sites and huts to be about 2,222 beds.

One of our expert informants put forward a proposal to explore the potential commercial viability of a campground at Lake Otamaungakau. This area is growing in popularity. Consolidation at this site may take pressure off more sensitive camping ground sites within public conservation lands.

A second proposal put forward by another informant involves ensuring the facilities at the Piropiro campground are likely to be of insufficient quality to meet the growing interest in and therefore demand arising from use of the Timber Trail in the Pureora Forest Park.

Holiday homes

Ruapehu District Council surveyed all non-resident ratepayers in 2016. A further survey was conducted in 2017 to provide additional information for the particular purposes of this report.

Of the District's total of 8,600 ratepayers, an estimated 2,500 are non-resident and of these, 2125 have holiday homes.

Information gathered from RDC's 2016 survey indicates:

- 43% of holiday home owners rent their homes out to third parties.
 - 16% of respondent holiday homes are available for 1-10 days per year.
 - 51% of homes are used by friends and family for 21-50 days per year.
 - 28% are available for 51-100 days per year.
- On average, occupancy is 4.7 persons per house per stay.
- An average of 28 holiday homes are in use per day throughout the year – with a distinct peak (70%) occurring over the winter months.

- The number of holiday homes in Ohakune is increasing - elsewhere the number is declining.

While our assumptions may be a little heroic, this equates to an average of 130 people staying in holiday homes each day throughout the year with a peak of over 9,000 persons when the snow conditions are at their best. This is equivalent to three quarters of the permanent population of the Ruapehu District.

The above information confirms the holiday home market is a significant component of the Ruapehu accommodation sector. It is particularly suited to the 'family style holiday' character of Ruapehu.

Outside the peak winter holiday seasons there is considerable capacity for accommodation in holiday homes. These homes are therefore well suited to the domestic market and those who are more likely to travel in family groups.

The 2017 survey conducted by RDC (225 respondents) provided the following additional information, from holiday home owners, about the rental use of their homes:

- Respondents, who rented their homes, did so to international visitors on about 28% of available days.
- 18% of respondents said they used Bookabach, 14% used Bachcare, 7.5% used airbnb and 72% did not use any of these sites to market the availability of their holiday homes.
- 40% of respondents said they would be interested in being part of a programme to more actively market their Ruapehu holiday home for rental use.

The above information clearly suggests opportunities exist, through bespoke and collaborative marketing, perhaps in conjunction with existing holiday home agencies, to make much greater use of the holiday home style of accommodation by both domestic and international visitors. With careful marketing, this could be viewed as part of the 'authentic' Ruapehu visitor experience.

Services

Transport providers

The point-to-point rather than circuit nature of many of the walks and other experiences available in the Ruapehu region means that a high level of reliance is

placed on shuttle bus and other transport providers. This is particularly the case with the Tongariro Alpine Crossing and Whanganui River experiences. Shuttle bus operators also service mountain biking transfer needs and ski-field access needs.

DOC informed us there are 30 licensed operators servicing the transport needs of users of the Tongariro Alpine Crossing and other conservation estate walks. About five other operators serve the needs of mountain bike riders. Some of these shuttle operators base themselves in Taupō and Turangi. The remainder are in Ohakune, National Park Township, Raetihi and Taumarunui.

RAL has recently announced an intention to provide complimentary shuttle bus services connecting Taupō, Turangi and National Park Township to the Whakapapa and Turoa ski-fields. 'Park and ride' services and transport hub facilities will be established to facilitate this service.

Guiding service providers

Information held by DOC lists 48 concessionaires operating in the Ruapehu region. 28 of these appear to include the offer of various types of guiding services - with or without shuttle / transport services thrown in.

The construction of the proposed RAL Alpine Aerial Tram will generate a demand for more guides as more visitors take up the opportunity to explore the upper part of Mount Ruapehu and / or to walk back down to the Top-of-the-Bruce. The proposed upgrade of the Ruapehu Alpine Walk will have a similar effect (see the details provided later in this report). These and other developments may give rise to a demand for 20-30 additional guides.

Our conversations with iwi leaders / kaumātua indicated they had a particular interest in growing the skills of their young people to enable them to play a stronger role in the provision of guiding and hosting services. They saw this as an opportunity to build a stronger visitor understanding of iwi stories, history, and heritage. MBIE research has clearly indicated international visitors have a particular interest in adding depth to their travel experiences by sharing in iwi perspectives. Additional training and capacity building assistance may be required to assist with this.

Visitor sector growth targets and objectives

Targets and objectives

We asked our Ruapehu based workshop attendees and our expert informants what they aspired to achieve from growth in their region's visitor sector. We combined their views with our knowledge about the current visitor dynamics - and other information gained from our research, to suggest adoption of the following growth targets and objectives for the Ruapehu visitor sector.

Overriding target

International and domestic visitors: Double the combined total of international and domestic expenditure from \$181 to \$388m by 2025 i.e. achieve 10% annual cumulative growth rate in visitor expenditure.

Overriding objective

Kaitiakitanga and sustainability: Conserve, understand, sustainably manage and grow the joy that comes from respectful visitor use of the dual World Heritage Tongariro National Park, the Whanganui River and National Park, the Tongariro and Pureora Forest Parks, other parts of the conservation estate and from all of the greater outdoor experiences on offer in Ruapehu.

Supporting objectives

Reputation: Entrench the brand of Ruapehu as authentic, environmentally sustainable, socially equitable, financially secure, vibrant and full of pride, outdoor-focused, nature-based and culturally aware.

Experiences: Increase the number and magnitude of experiences on offer - while sustaining environmental and heritage values, sensitivity toward iwi perspectives and the quality of the visitor experience.

Visitor flow: Establish sufficient new visitor experiences to broaden the general transport flow pattern of visitors travelling in the North Island, including greater use of KiwiRail passenger services.

Consideration: Grow the number of visitors who may consider visiting the destination by 6% (from 14% to 20%).

Accommodation: Create greater awareness of current options for local accommodation and draw investor interest toward accommodation opportunities in Ruapehu to better meet the needs of future visitors.

'Tourism for Ruapehu' objectives

Jobs: Increase the number of direct FTE visitor sector jobs from 557 to 1,500 by 2025 – with a focus on jobs for younger people, iwi and returning residents.

Shoulder seasons: Continue the current trend toward greater seasonally-dispersed visitation, accommodation occupancy and the associated visitor enjoyment of experiences, products and services.

Māori economy: Grow the contribution and wealth of iwi as investors and employees within the visitor sector every year and achieve more depth of visitor-experience by fostering visitor connection with iwi cultural experiences and stories.

Population growth: Reverse the decline in population by encouraging more residents to permanently live and work in the Ruapehu area because of the range and quality of visitor experiences, services and products on offer.

Capacity building and skills development: Position Ruapehu as a centre of excellence for visitor guiding and hospitality training, with an emphasis on growing opportunities for youth through work-based training and apprenticeships.

Further information about the targets

Some of the above targets deserve additional explanation. We provide this below.

Visitor expenditure

Ruapehu provides much of what Tourism New Zealand's insight research shows is sought by international visitors.¹¹ Particular value is placed on 'nature-based experiences'.

Equally, Colmar Brunton's research and research carried out for Visit Ruapehu by Kantar TNS (2016) on the factors influencing the selection of a destination by a domestic visitor, place high value on motivators

¹¹ See <http://www.tourismnewzealand.com/markets-stats/research/infographics/visitor-experience/>.

able to be satisfied in Ruapehu. These include having fun with the kids and family (47%) and exploring nature (14%).

International visitor arrivals in New Zealand are forecast by MBIE to reach 4.9 million by 2023. The number of arrivals currently stands at 3.5 million.¹² International spending this year will surpass \$15 billion.

The visitor sector is expected to contribute \$41 billion of revenue to the New Zealand economy by 2025. Success would be implementation of actions that enable Ruapehu to capitalise on its share of this growth.

We also note the intent of Tourism New Zealand¹³ to *'Promote regions so more of New Zealand benefits from international visitor growth, partnering with RTOs to support the development of visitor offerings (e.g. product, proposition and connectivity before being marketed at scale)'*. Ruapehu is well positioned to support greater regional dispersal of international visitors.

Air New Zealand has also been forthright in their support for regional tourism. Their Sustainability Framework document¹⁴ commits to *'continuous engagement with key regional stakeholders to promote and support tourism activity through their marketing channels and promotional offers'*. The participation of Air New Zealand in this project's National Leaders Group is an example of this commitment.

Signing up to expected percentage annual cumulative growth in expenditure targets is notoriously challenging – particularly given the fragility of the global political climate. Nevertheless, in our view:

- 1% growth will be 'more than' achieved simply by capitalising on the latent increased interest in visiting New Zealand and Ruapehu and nothing else.
- 2-5% is achievable by continuing with current product and market development initiatives i.e. business as usual.
- 5-7.5% growth (\$300m by 2025) is achievable with implementation of a conservative Ruapehu

Regional Visitor Development Plan and moderate increases in the scope of experiences, products and visitor services.

- 10% cumulative growth per annum is a worthy stretch target capable of being achieved, provided there is serious commitment and strong funding support. This would result in a little more than double current expenditure, that is, an increase in visitor contribution to the Ruapehu economy per year from \$181m to \$388m.

The current composition of Ruapehu visitor spending is 19% international (\$43 million) and 81% domestic (\$138 million)¹⁵. As noted previously, the cumulative annual growth rate in international visitors in the period 2013 to 2017 has been 16.2%. The growth in domestic visitors in the same period has been 3.2%.

A continuation of this trend would suggest that by 2025 the ratio of international to domestic visitors to Ruapehu could shift to be in the order of 26% international and 74% domestic.

This is a desirable trend to aspire to achieve, particularly as daily international visitor expenditure tends to be higher than domestic visitors – noting that many of our expert informants emphasised the importance of focusing on 'income yield' rather than just increases to the number of visitors.

We believe that a 10% cumulative annual regional growth is achievable with full implementation of the actions listed later in this report, and in particular: strong investment in capability building; strong market development; the full roll-out of the proposals currently being finalised by Ruapehu Alpine Lifts (RAL); and the incremental roll-out of the other related experiences, infrastructure, accommodation and capacity building initiatives.

Jobs

The visitor sector has a 'reach' into many other parts of the economy. The definitions applied by Statistics NZ suggest the visitor sector will contribute to jobs in the following sub-sectors: accommodation; food services; passenger transport; scenic and sightseeing transport; travel agency services; vehicle rental; museum operation; gardens, parks and reserves,

¹² See New Zealand Tourism Forecasts 2017-23, MBIE, May 2017).

¹³ See the TNZ Four Year Strategic Plan, 2017)

¹⁴ Air NZ, 2015, Sustainability Framework

¹⁵ This is a seven year average (2011 – 2017). It is drawn from the Monthly Regional Tourism Expenditure data compiled by Statistics NZ.

sport venues and facilities; retailing, education and visitor sector-related products; and a range of other direct services and experiences which are able to be monetised as well as other indirect services such as those provided by mechanics and hardware stores etc.

The magnitude of the 'reach' of the visitor sector into all parts of the economy is unlikely to be matched by any other sector. This supports the case for strong public and private sector investment in visitor sector growth initiatives.

Shoulder season

As noted previously (Figures 2 and 3), monthly domestic and international visitor sector expenditure reveals international spending is highest in summer and domestic spending is highest in winter. This provides guidance about the focus for future market development and related service and experience provision.

Māori economy

Success for Māori enterprise encompasses the integration of social, cultural, economic, environmental and spiritual wellbeing. Ngāti Hikairo told us, for example, visitor opportunities exist in the overlap space between two intersecting circles – the first representing manaakitanga (hospitality) and the second reflecting kaitiakitanga (guardianship). Waharoa entranceways to both National Parks are an opportunity to demonstrate and enhance these principles. Ngāti Rangi are ready to move on this opportunity at Ohakune.

Māori are already networked across the region and are skilled in creating relationships. These relationships tend to be at the heart of enduring visitor experiences.

Kaumātua we spoke with noted the importance of building the capacity, skills and talents of iwi to comfortably allow them to play an appropriate role in the visitor sector. They told us iwi have high development aspirations. The visitor sector is a vehicle to achieve these aspirations. Treaty settlements will also assist.

Kaumātua also noted the over-representation of Māori in a wide array of sub-optimal indicators of social and economic performance and yet, their desire to bring home whānau by creating real employment

opportunities. Growth in the Ruapehu visitor sector may offer some of those sought after opportunities. Te Pai Tawhiti, the Māori economic development strategy for Manawatū Whanganui,¹⁶ recorded iwi willingness to be involved in the tourism industry and noted wholesale tourism could staircase iwi into tourism at scale. This may involve combining tourism operators and offerings into a single iwi-supported tourism package for international markets in the manner of that of that now established by Ngai Tahu tourism ventures.

Kaumātua also saw opportunities at a local level - for eco-cultural tourism and the provision of niche tourism offerings e.g. iwi focused accommodation and activities such as guiding and guide training. These activities provide an opportunity for Māori who want to be involved in tourism but may not have the resources to invest in larger scale options. They also allow Ruapehu Māori to exercise control over culturally sensitive areas that may be used by visitors.

In addition, provision of eco-cultural tourism responds to the demand recorded by Tourism New Zealand and MBIE for authentic experiences and for experiences which bring to life the cultural identity of each iwi, hapū and marae.

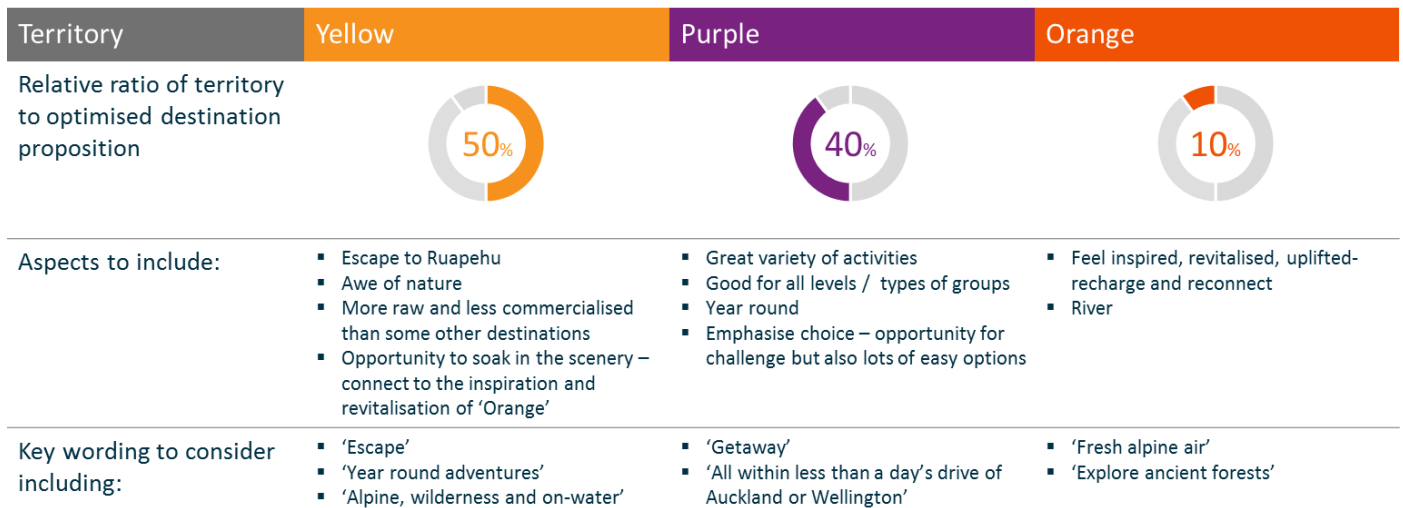
Proposals supported by Ngāti Rangi at Ohakune and by Ngāti Hikairo at Turangi for cultural information sharing and 'way-finding' facilities are examples of iwi proposals supporting this kaupapa.

Reputation

The messages shared with us by our 'Destination Proposition' focus group participants and our local and national visitor sector operators and leaders, reinforced the absolute importance of seeking to protect that which is uniquely Ruapehu i.e. that for which it has a competitive advantage. In short, they told us that they did not wish to see Ruapehu become another Queenstown or Rotorua.

¹⁶ Te Pae Tawhiti, a strategy for Māori economic development across the Manawatū-Whanganui Region, was launched by Minister Te Ururoa Flavell at Te Pae Tata in Ohakune on Thursday 3 November 2016.

Figure 10: Summary of focus group feedback on three value propositions tested for Ruapehu



A critical part of this reputation was the desire to provide for the use and enjoyment of the conservation estate without compromising its environmental, biodiversity and heritage values.

It also reflects the dual World Heritage status of the Tongariro National Park and the fact that parts of the Park was a *tuku* (gift) from the paramount chief of Ngāti Tūwharetoa.

We received focus group feedback (Figure 10) on potential destination value propositions for Ruapehu¹⁷. The 50% (yellow), 40% (purple) and 10% (orange) balance described as being the right balance between the nature-based, outdoor recreation and spiritual ‘value proposition elements’ provide an indication of the reputational elements which should be sought to be protected in Ruapehu.

Consideration

The 2016 research work undertaken for Visit Ruapehu by Kantar TNS¹⁸ contains many significant findings but the one of particular interest to growing the number of visitors to Ruapehu is the positive shift in the number of persons who ‘considered’ visiting Ruapehu. More specifically, the total New Zealand market who would consider visiting Ruapehu is around 2.5 million people. 14% of these said they would consider visiting the region before an explanation was provided about

the region and its attractions. This percent almost doubles to 27% after an explanation was given of the region’s attractions. The essence of this story is that significant visitor sector gains will be made simply by telling more people about what is already on offer¹⁹. Once they were provided with information about the experiences offered by the destination (Figure 11, over page).

Visitor flow

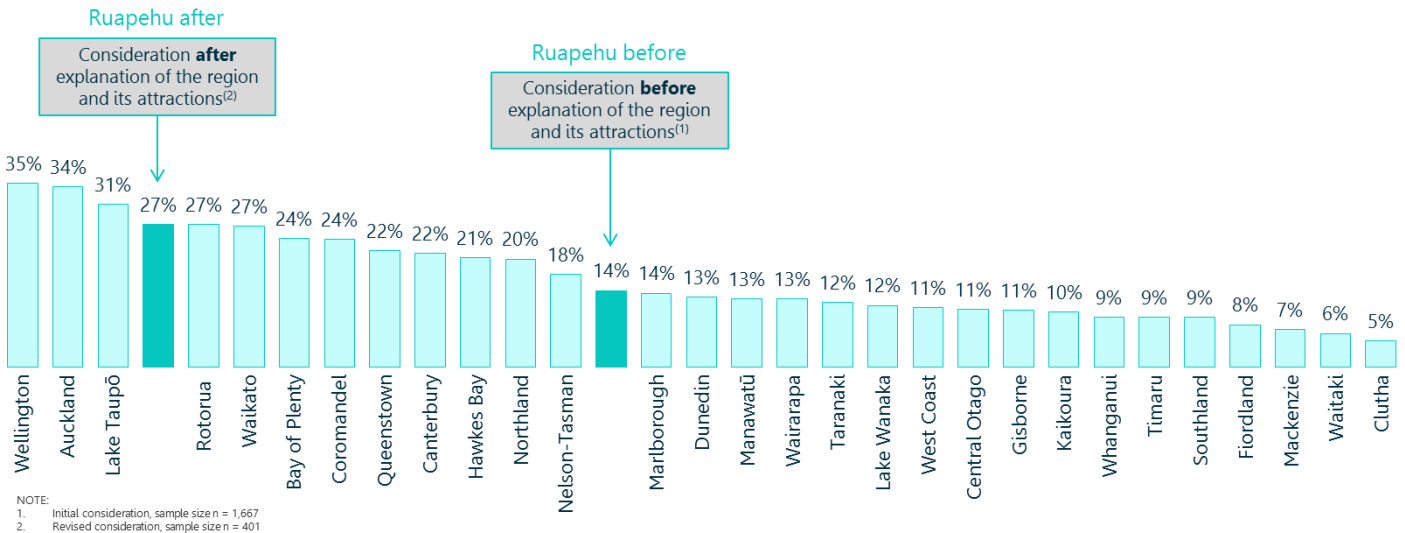
Although somewhat simplistic, it is tenable to describe first time international visitor patterns in ‘ten day journey’ terms. Often these journeys are prescribed with the help of travel wholesalers. They connect a set of iconic experiences and monetised or commissionable products and services - with calculated travel times between them and designated accommodation strategically located at appropriate distances.

¹⁷ NB. The term ‘territory’ – as referred to in figure ten, is the underlying essence of the three potential propositions that were tested. For convenience, these are called the ‘yellow’, ‘purple’ and ‘orange’ domains – with these respectively having a nature-based, outdoor recreation and or spiritual emphasis.

¹⁸ The results of this research are available on request to Visit Ruapehu.

¹⁹ Research carried out by Kantar TNS, as displayed in the Situational Diagnostic report, clearly indicates that at least 30 of the 50 activities people are interested in doing when on a domestic holiday are able to be undertaken in the Ruapehu region.

Figure 11: Consideration shifts before and after explanation of Ruapehu attractions



Currently the established itinerary appears to connect the Auckland airport gateway with the Waitomo caves, Hobbiton, Rotorua and perhaps the Tongariro Alpine Crossing for a stay at the Chateau Tongariro, before the journey then continues south (Figure 12).

Second time visitors tend to want to find something different. They are more likely to seek out the less well-trodden path and more of the authentic Kiwi experience. Ruapehu may feature more strongly in this type of journey (Figure 13).

Success for Ruapehu would be more international visitors making Ruapehu experiences a ‘must do’ part of their itinerary. They would begin to mirror the Kiwi pattern of using Ruapehu towns as hubs to enable enjoyment of everything the region has to offer. Such longer stays would be a welcome progression from the transient in-and-out approach which is prevalent today. Rather it would be to enjoy the area for two or three nights- or longer, and then leave with unique, Ruapehu-centred memorable and remarkable stories to tell and a good number of dollars spent in the region. It may also involve experiences connecting visitor offerings in Taupō, Hawkes Bay, Whanganui or Taranaki.

Domestic visitors tend to adopt a more ‘hub and spoke’ style approach. This implies securing appropriate accommodation – often in the company of extended family and friends, and then arranging a set of experiences designed to keep all members of the team engaged in a satisfying experience over several days. Ohakune and to a degree National Park Township and Taumarunui provide the hubs for such holidays in Ruapehu.

Figure 12: Current hypothetical major visitor flow pattern

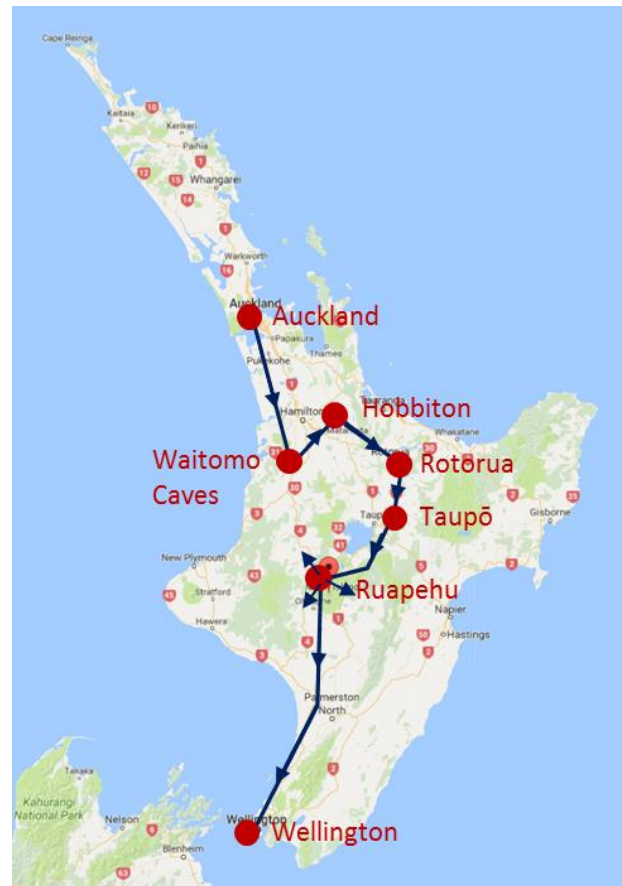


Figure 13: Future hypothetical major visitor flow



Putting aside winter snow experiences, success for Ruapehu visitor development would be more Kiwis selecting Ruapehu towns as the place for a set of ‘hub and spoke’ experiences, and staying longer because of their awareness of the range and quality of these experiences²⁰.

Population growth

A vibrant visitor sector contributes to all of the elements generally viewed as being important to making a destination a great place to live and work, as well as a great place to visit.

These elements include: lifestyle, vibrancy and creativity; accessibility and connectivity; fit-for-purpose infrastructure; environmental quality; and most importantly, jobs.

We simply note this point to emphasize the flow-on added-value benefits of investment in growing the visitor sector which may be contributed to the broader economy. These may be significant.

²⁰

Challenges

Achieving the above targets implies resolution of the region’s visitor sector challenges. We identified these growth challenges through analysis of the views expressed by four different groups of informants. These were:

1. Ruapehu visitor sector operators.
2. Expert informants and National / Local Leaders.
3. Non-resident rate-payers.
4. Those who had not considered Ruapehu as a place to visit.

Details about each of these various sets of views follow.

Challenges identified by local visitor sector operators

Our local operator workshop participants were invited to separately identify the ‘challenges’ and the ‘opportunities’ facing the Ruapehu visitor sector. Their responses indicated the line between opportunities and challenges is blurred. Some viewed a visitor sector growth ‘opportunity’ as achievable simply by removing the ‘challenges, obstacles, constraints, barriers or issues’ affecting that growth.

Others saw the challenge as being the ‘failure to grasp the opportunity’. In other words, there is a distinct overlap between opportunities and challenges - depending upon whether the respondent viewed the world in ‘glass half-full’ or ‘glass half-empty’ terms.

For this reason, we amalgamated many – but not all, of the two sets of responses (challenges and opportunities) and have chosen to frame them all as challenges.

We categorised the local operator workshop responses into three groups – based on the frequency with which they were referenced²¹:

- **Frequently referenced challenges** were referenced at between 10 and 17 of our 17 workshop breakout sessions.
- **Moderately referenced challenges** were referenced at 5 to 9 of our 17 workshop breakout sessions.

²¹ We note that ‘frequency of reference’ should not be taken as the sole measure of the importance of an issue.

- **Occasionally referenced challenges** were referenced at less than 5 of our 17 breakout sessions.

Frequently referenced challenges

Experiences: Insufficient range, depth and scale of visitor products, services and experiences - with the need for new 'iconic' experiences given particular attention.

Market and destination awareness: Absence of sufficient visibility, consistency and clarity in the market about the Ruapehu destination proposition and insufficient scale of marketing effort – with the effect that there is not enough awareness of Ruapehu offerings beyond the skiing for which the region is most known.

Funding: Absence of funding to support the market development, infrastructure, capacity building and the experience development needed to grow the visitor sector in Ruapehu.

Capital: Difficulty attracting capital - bank reluctance to give loan funding for visitor sector investments - with Ruapehu eruptions and land tenure possible influences on this conservative attitude.

Connectivity: Poor access to and poor standard of digital services – both high speed broadband and cellular coverage. (Health and safety concerns for back-country and Whanganui River users were a related concern. A concern about the effect of poor coverage on other related parts of the visitor sector were also referenced, including the effect on the: commercial operation of some visitor sector businesses and; the disincentive effect of poor coverage on the possible decision to relocate some businesses from Auckland to Ruapehu).

Road quality: Need for ongoing improvements to: SH1 between Waiouru and Taupō; SH4 from Raetihi to Whanganui and to; SH43 between Taumarunui and Stratford – with the 12km of unsealed section of this particular highway reducing visitor access because it prevented insurance cover over some visitors' hire cars.

Peak use of Ski-field roads: Need to address environmentally sustainable options to provide easier low-impact access to the ski-fields on peak days and to modernise existing visitor transport vehicles.

Regulation: Some restrictive DOC and RDC policies, with some workshop participants drawing particular attention to the need to attribute priority to the re-write of the Tongariro National Park Management Plan because it was said to reflect the thinking prevailing 15-20 years ago rather than that suited to today and tomorrow.

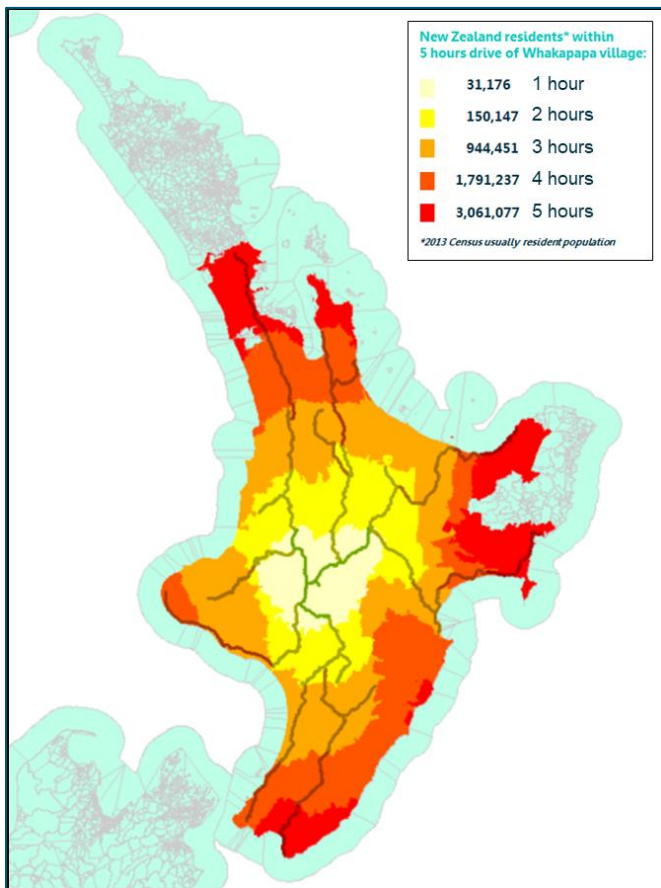
Bad weather alternatives: Absence of wet weather activities – with hot pools and spas frequently referenced as a possible solution.

Accommodation: Insufficient number of four and five star places to stay in the area – with the needs of high-end international visitors particularly in mind.

Accessibility: Perception the area is too far away from centres of population and therefore too inaccessible – although other workshop participants suggested the central North Island location of Ruapehu made it highly accessible to a very large domestic visitor base (see Figure 14).

Skills and talent: Difficulty in securing quality staff – with insufficient training and therefore sub-optimal service standards as a compounding challenge. (NB Government's proposed changes to immigration policy, which made it more difficult to secure seasonal international restaurant and ski-field staff, were suggested as a second compounding challenge).

Figure 14: Catchment of Ruapehu in terms of driving times to Whakapapa Village



Signage: Not enough ‘way-finding’ and other signage to direct visitors to the area – with the turn-off near Te Kuiti on SH4 and the access to the area from the Western Lake Road – SH32, singled out for particular mention.

Monetised products: Having too few monetised products compounds the challenge of achieving cost-sharing between Visit Ruapehu and product / service providers on market development investments.

Seasonality: Despite recent gains in shoulder season and domestic summer-time visitation, difficulty in achieving good returns on investment remains a challenge because of seasonal swings in the number of visitors using services and accommodation.

Moderately referenced challenges

Critical mass: The towns in the area are spread over a wide geographic area - they compete and they do not have enough size on their own to supply visitor needs. Restaurants, night time entertainment and retail outlets are few and far between – there is not enough to do after a day of physical exercise.

Airport access: Absence of easy air access within the region and the withdrawal of Air New Zealand services into Taupō from Wellington.

Rail access: Despite the main trunk line traversing through Taumarunui, National Park Township and Ohakune, disappointment that more has not been made of the allure and efficiency of train travel to bring visitors to the region.

Collaboration with neighbouring areas: Need for neighbouring Regional Tourism Organisations (RTOs) to work together more frequently when there is mutual benefit in doing so.

Quality of experience being eroded: Tongariro Alpine Crossing is ‘being loved to death’ because of its excessive popularity and the pressure this places on the track and its facilities. User expectations of a ‘nature-based’ experience are being eroded. Some local operators suggested Whanganui River experiences may be facing similar challenges. For both the Crossing and River experiences, there is a risk of a decline in user numbers if the pressure of use makes the experience sub-optimal.

Digital marketing, web-based marketing, visitor service content and SME capacity: Many small operators do not have the skills and / or do not take advantage of the need to have a market-focused digital presence. Nor do they consistently reflect a coherent destination proposition and brand.

Towns look tired: There is a need for the centres of several of the region’s towns to be refreshed – to make them more welcoming and better able to provide the services expected by visitors. In particular, Whakapapa Village was identified as a town which could more fully reflect the heritage era which prevailed when it was established. Another example is Waiouru, which suffers from a lack of visual identity and a 70km speed limit. Both issues could be partially addressed through the creation of a visually appealing bridge which references the town's military focus and provides a perfect spot to photograph the mountain.

Itineraries: Insufficient availability of seamless, easy to use, multi-experience and comprehensive itineraries covering the experiences available in Ruapehu for different visitor segments. For example, the young family, the adventurous couple, the casual nature explorer.

Park entrances / Waharoa – Whakapapa Village, the Park boundary at Ohakune and the Turangi office of Ngāti Hikairo should be a celebrated and respected / respectful Waharoa to the dual heritage Tongariro National Park for which these sites serve as the doorway. Equal attention should be given to creating a range of unique and meaningful Waharoa²² or points of entry and encounter at critical points adjacent to the Whanganui River and National Park.

Treaty settlement: Negotiations between iwi and the crown about redress and the future management of the Tongariro National Park are complex and lengthy – this is creating a degree of investment uncertainty.

Heritage and cultural: Insufficient acknowledgement and failure to make sufficient use of the depth of experience offered through the sharing of iwi perspectives and stories with visitors.

Occasionally referenced challenges

Quantity not quality of visitors: Too much focus is given to increasing the number of visitors and not enough emphasis is given to higher yield visitors.

Freedom campers: Polar views were expressed. View one – freedom campers are not making a fair contribution to the services they are using so they should be discouraged from visiting the area. View two – today's freedom campers are tomorrow's second-time-round family-focused visitors so they will return to Ruapehu only if the first visit has a welcoming spirit. More should be done to give them a great experience.

Millennial generation: There has not been enough future-proofing of thinking or planning to ensure the area is best positioned to meet the needs of the millennial generation.

Uneven playing field: Persons renting their holiday homes to visitors are not making an equitable contribution to the cost of regional marketing and regional market development.

Mountain biking (MTB): There is an incomplete, poor quality and disconnected network of tracks. For example, the track between Horopito and National

²² Waharoa are commonly seen on marae. They serve not only as visual points of entry, but symbolise transformative experiences and the formation of long-lasting and meaningful relationships.

Park Township should be completed. If the network was completed, Ruapehu would become more of a mecca for quality point-to-point mountain bike journeys.

Events: Not enough is made of the opportunity to provide a full calendar of events – particularly outdoor adventure-style events, taking advantage of the Ruapehu region's unique and highly accessible greater outdoor environment.

Challenges identified by expert informants and others

Our expert informants, our Local Leaders and our National Visitor Sector Leaders refined and added depth to the list of challenges identified at the workshops with local operators – we have woven their thoughts into the challenges listed earlier.

These groups also helped us to consolidate the list of challenges identified by local operators by adding detail to our analysis of the region's strengths, weaknesses, opportunities and threats (Figure 15).

Above all else, our expert informants told us the most significant challenge affecting visitor sector growth is finding the money to unlock the clear visitor sector growth potential existing in the region. This challenge was seen as being compounded by: the tiny Ruapehu District Council rating base with about 64% of their land area rateable and, as a consequence, their small operating budget (\$30m in 2016/17), the comparatively small budget provided to Visit Ruapehu (\$550,000 in 2016/17) and the absence of big operators from whom to leverage co-funding.

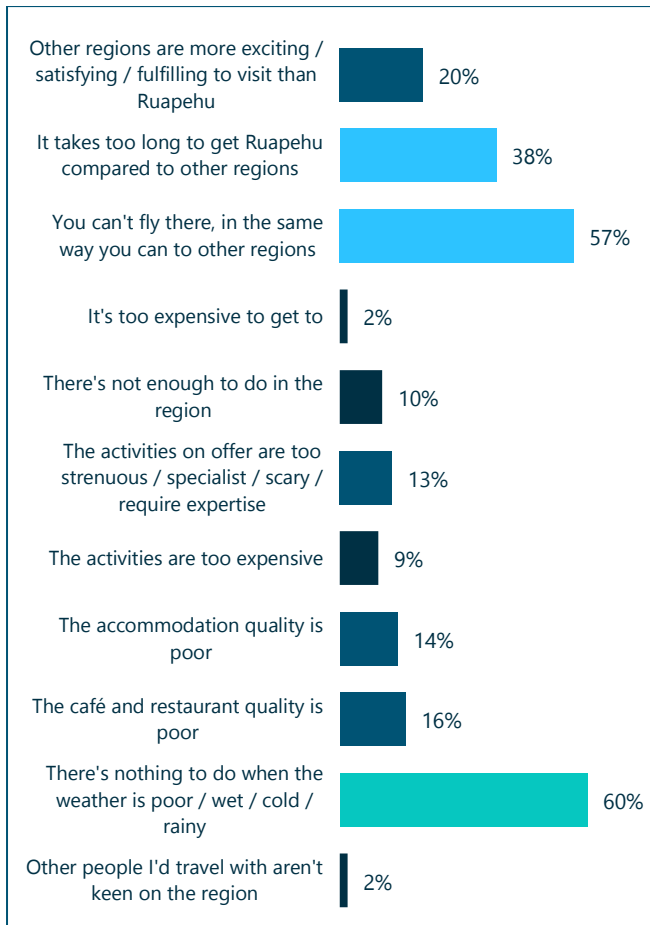
Challenges identified in a survey of non-resident rate-payers

Respondents to our 2017 survey of non-resident rate-paying owners of Ruapehu holiday homes identified further reasons (Figure 16) working against them making a decision to have more holidays in Ruapehu (NB. The question we asked was: *Which of these aspects do you think act as barriers to New Zealanders wanting to visit the Ruapehu region for holiday purposes? Please tick up to three boxes which best describe what's challenging or an obstacle to visiting Ruapehu*).

Figure 15: Ruapehu Visitor Sector – Strengths, Weaknesses, opportunities and threats

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Demonstrated products and experiences that meet domestic and international needs • Demonstrated potential for ‘consideration’ shift in domestic market • Proximity to largest domestic populations in NZ and key international gateways of Auckland and Wellington • Capacity in accommodation for immediate growth • World heritage status of Tongariro National Park, cultural significance • “Greenfield” opportunity without significant barriers to growth 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Lack of consumer knowledge about what the area has to offer the visitor • Incomplete Treaty settlement process over the Tongariro National Park limiting: <ul style="list-style-type: none"> • Ability to discuss options to expand use and enjoyment • Iwi involvement in Park management • Investment certainty • Funding for use and enjoyment of Public Conservation Lands • Insufficient range of monetised products • Lack of full cohesion between visitor sector organisations • Limited bad weather alternative activities
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Visitor interest and consideration of the area doubles when people are made aware of what the area has to offer • Ruapehu Apline Lifts - \$100m development programme • Iwi capacity is increasing • Commitment to prepare a Ruapehu Regional Visitor Development Plan as part of Government’s regional development programme • Primary means of improving social and economic status of area’s community 	<p>THREATS</p> <ul style="list-style-type: none"> • Limits to the human and financial capacity of local government • Ned for management of capacity challenges on the Tongariro Alpine Crossing and possibly also on the Whanganui River – to avoid the risk of eroding the quality of the visitor experience • Not all parts of the Ruapehu area will equally benefit from visitor sector development – some residents may feel dis-affected • Insufficient suitably qualified and skilled local visitor sector employees • Transformational opportunities are not clearly identified and acted on • Failure to address visitor sector demands on infrastructure

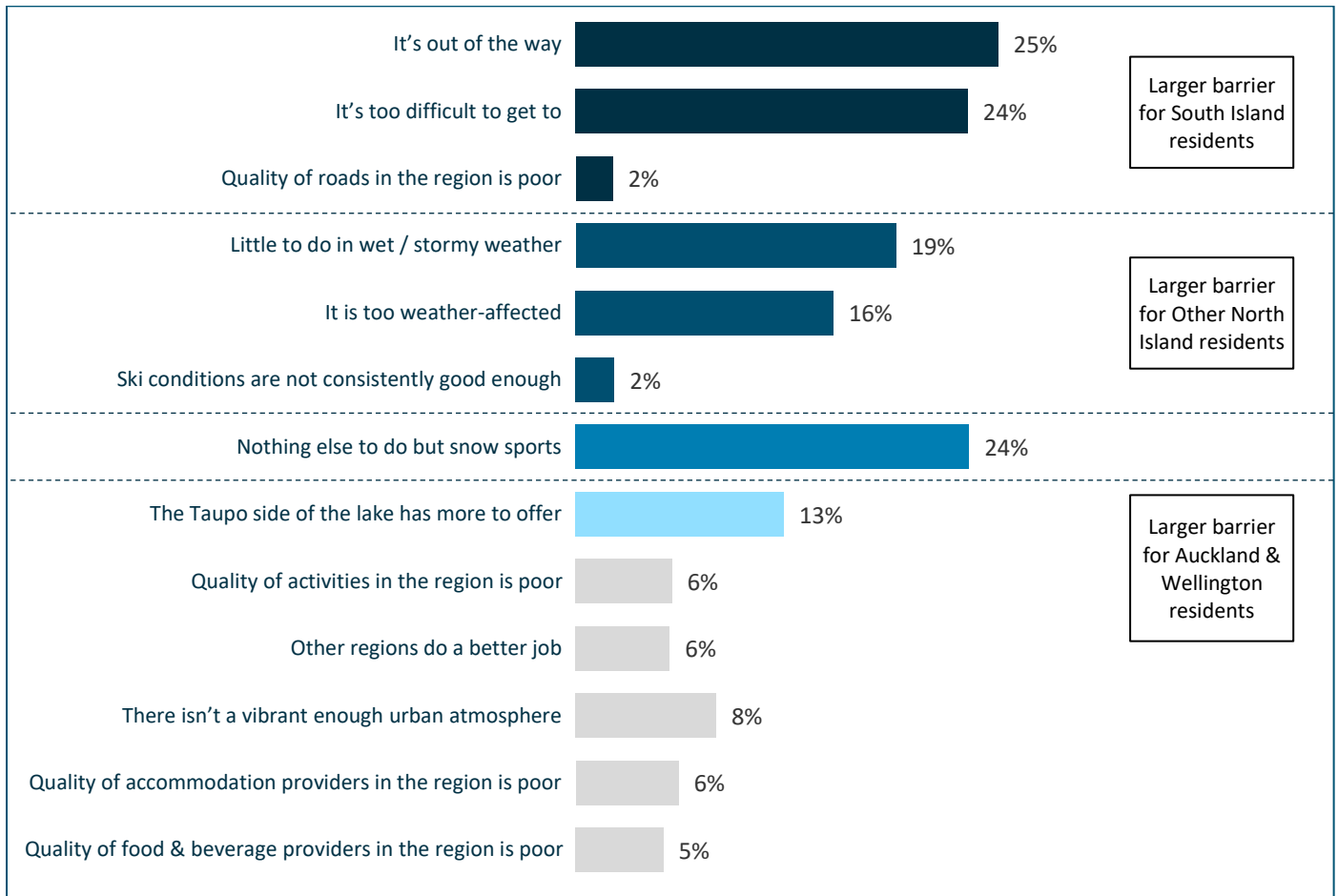
Figure 16: Aspects working against the attractiveness of Ruapehu as a holiday destination



Challenges identified in a survey of ‘non-considerers’

To add to the information provided previously, we drew on survey work carried out by Kantar TNS for Visit Ruapehu in 2016. In this survey, 156 ‘non-considerer’ domestic travellers from throughout New Zealand were surveyed. These were persons who indicated they would not consider visiting Ruapehu for an overnight stay in the next 12 months, and who had not visited Ruapehu in the past 12 months. They were asked why they would not consider having a domestic holiday in Ruapehu (Figure 17). Their responses tend to reinforce the challenges recorded earlier in this report.

Figure 17: Barriers to considering Ruapehu for a domestic holiday (% non-considerers)



Growing the visitor sector in Ruapehu

It is clear Ruapehu wants and needs:

- More domestic and international visitors.
- More expenditure in the region by these visitors.
- More permanent skilled workers and residents servicing the needs of these visitors.
- More monetised services, products and experiences.
- More visitors staying in the region for longer periods of time.

The targets listed earlier in this report set the aspiration of achieving '10% cumulative annual regional growth in expenditure'.

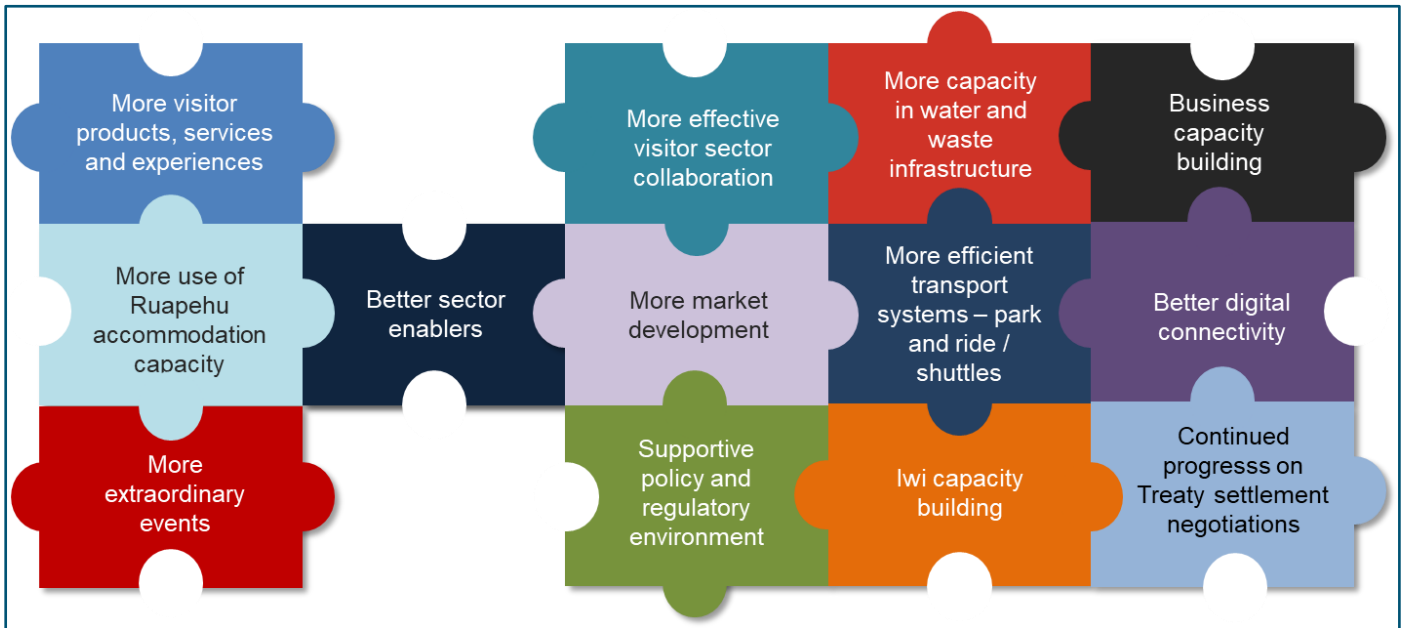
Achievement of the 10% growth target will require between \$18 million and \$35 million in additional expenditure each year between now and 2025

(Figure 18). The question is - what interventions or actions need to be taken to achieve this growth, with what priority?

Figure 18: 10% cumulative annual growth in visitor expenditure and numbers

Year	Total spend (m)	Spend increase (m)	Total visitors (k)	Visitor increase (k)
2017	\$181.0		800	
2018	\$199.1	\$18.1	880	80
2019	\$219.0	\$19.9	968	88
2020	\$240.9	\$21.9	1,065	97
2021	\$265.0	\$24.1	1,171	106
2022	\$291.5	\$26.5	1,288	117
2023	\$320.7	\$29.2	1,417	129
2024	\$352.7	\$32.1	1,559	142
2025	\$388.0	\$35.3	1,715	156

Figure 19: Integrated approach to visitor sector development



Integrated approach

It is apparent from the challenges identified earlier – particularly the SWOT analysis, that to successfully achieve Ruapehu visitor sector growth targets, an integrated and multi-element approach (Figure 19) will need to be applied.

Enablers

While there may be some choice about the breadth and depth of sought-after new experiences, products and services - investment in enablers to support visitor sector growth is not a question of if, but when and how. In other words, enablers are ‘must do’ rather than a ‘nice to do’ area for action.

If ‘enabler’ matters are not addressed, the region is unlikely to fulfil its potential as a visitor destination.

Delivery of the enablers will require Ruapehu visitor sector operators, Visit Ruapehu, sector leaders, iwi and central and local government – acting together or alone, to:

1. Provide increased awareness of the extraordinary range and attractiveness of what the region already has to offer - by significantly investing in **market development** and **promoting awareness** of Ruapehu attractions and experiences.
2. Anticipate visitor sector ‘quality of service’ expectations and work with visitor sector operators and government to provide additional

training and skills development programmes for their employees. Specifically, position Ruapehu as a centre of excellence in tour guiding and hospitality training and development.

3. Work with iwi and owners of small and medium sized visitor sector businesses to increase their **capacity to grow and to modernise** their businesses, including by enhancing their web-based digital business management and marketing skills.
4. Anticipate the visitor sector pressures being placed on roads, water, waste and other **infrastructure services** and make investments which overcome them, including by:
 - a) Constructing ski-field and Tongariro Alpine Crossing transport hubs and shuttle and park-and-ride centres as a means to better manage peak use numbers and traffic volumes.
 - b) Planning and constructing River visitor facilities and amenities on the Whanganui River at Taumarunui.
 - c) Securing special tourism and regional economic growth road funding from the New Zealand Transport Agency for the upgrade of SH49, SH4 and SH43.
 - d) Securing funding for SH43 seal extension.

- e) Securing additional water storage capacity at Ohakune.
 - f) Developing and expanding self-registration camp sites and other actions to better manage freedom camping including at Mangahua and possibly at Lake Otamangakau.
 - g) Providing water, showers, launching and toilet facilities at the Mangapurua landing on the Whanganui River.
5. **Collaborate** with neighbouring RTOs and organisations like 'Bay of Connections', 'Waikato Tourism,' 'Whanganui and Partners,' and 'Venture Taranaki' to implement their respective destination development strategies, including by exploring the possibility of joint international marketing campaigns - to attract more international visitors and to promote more visitor use of inter-regional journeys.
 6. **Partner** with Tourism New Zealand, Air New Zealand, KiwiRail, Tourism Industry Aotearoa, New Zealand Māori Tourism, THL, DOC and Auckland International Airport to seek out and implement opportunities for mutual benefit from visitor sector growth.
 7. Work with government and digital and cellular service providers to identify priority areas requiring better **digital connectivity** and seek 'top-of-the-list' support for funding these services.
 8. Support iwi in their **Treaty settlement** negotiations over the Tongariro National Park and encourage government to continue to give these processes priority attention.
 9. Commit resources to the development of a new **Tongariro National Park Management Plan** and, as an early task, work with iwi to identify the principles they would like to see developed and included in that Plan.
 10. Work with others to develop and apply a visitor sector service, product and experience **investment attraction prospectus**.
 11. Work with Ruapehu companies – particularly those with large numbers of employees, to assist them to assess and resolve their **accommodation needs** and to explore the idea of creating a

people-sharing platform to provide employees with 365 day employment opportunities.

12. Work with leaseholders, DOC, the Ministry of Culture and Heritage and iwi to prepare a **plan for Whakapapa Village** encompassing:
 - a) Completion of the **water and waste water** upgrades at Whakapapa Village for which consent is currently being sought.
 - b) Establishment of an appropriate **celebratory structure** or building at the Village to recognise the tuku of the dual heritage Tongariro National Park from the paramount chief of Ngāti Tuwharetoa.
 - c) Refresh by re-painting all ancillary buildings in an integrated colour palette reflecting the dual World Heritage, cultural, iconic history and tourism status of the **Whakapapa Village**.
 - d) Providing for ease of pedestrian movement, open space, attractive streetscapes and improved transport flows - including efficient park-and-ride **shuttle operations** and greater connectivity.
13. Work with DOC, RDC and iwi to refine the role, location and style of **celebratory entrance Waharoa** adjacent to the Tongariro and Whanganui National Parks.

Growth opportunities - products, services and experiences

Just as was the case with the identification of visitor sector challenges, we identified potential visitor sector growth opportunities, products, services and experiences by analysing the information gathered from three sources. These sources were the:

- Views of Ruapehu visitor sector operators.
- Views of expert informants and National and Local Leaders.
- Views identified in a survey of non-resident rate-payers.

Products, services and experiences identified by local visitor sector operators

We asked our local visitor sector operators to identify visitor sector growth opportunities. As was the case

with the 'challenges' recorded earlier in this report, we have grouped these according to whether they were referenced frequently, moderately or occasionally.

Frequently referenced

Snow sports: Modernise and improve the efficiency and general attractiveness of the Whakapapa and Turoa ski-field experience, including by providing summer-time access options and supporting RAL to make its current development proposals 'transformational' for the region.

Short walks: Provide more high quality short walks in the Tongariro National Park.

Longer walks: Upgrade the track between the Top-of-the Bruce road-end and Turoa car-park ski-field and the track from Whakapapa Village to the Tama Lakes through to the Desert Road – with shuttle connections to bring walkers back to Whakapapa Village.

Multi-day walks: Upgrade the Round-the-Mountain walk and provide a high quality serviced-hut option on this walk. Do similar with the Northern Circuit walk.

Special walks: Further promote the Tama Lakes and Taranaki Falls walks as high-quality short walks.

Iwi: Fully develop and market Māori cultural experiences in authentic ways.

Whanganui River: Sustain the quality while further developing the capacity for Whanganui River journey experiences. Include more iwi content and consider the option of a full set of serviced accommodation lodges.

Tongariro Alpine Crossing: Sustain the quality of the Crossing walk experience by better managing the means of transporting walkers to the Crossing during peak use periods and by adding deeper learning and cultural dimensions to the experience.

Moderately frequently referenced

Mountain biking: Complete the missing link between Old Coach Road and National Park Township. Accelerate construction of the Turoa car-park to Ohakune walk / mountain bike track (Te Ara Mangawhero). Upgrade the Whanganui river end of the Mangapurua track.

Rail: Establish and expand the marketing of rail as a means for Wellington and Auckland domestic and international markets to access the area and its ski-fields.

Guides: Provide more guiding services, including to services to Ruapehu glaciers and for hunting and fishing, with a focus on high quality clients and the involvement of local iwi.

Market gardens: Establish market gardening tours. Establish and market a local farmers' market and promote local wild foods like pork and venison.

Night time activities: Provide more entertainment facilities for night-time visitor use.

Waiouru: Develop Waiouru military-style recreation experiences and maximise opportunities relating to the unique flora and fauna of the area, including Kaimanawa horses.

Events: Support and organise a full calendar of events with an emphasis on outdoor activities.

Heritage tour: Link and promote the heritage features of the region including, for example, promoting more awareness of the recently completed Tangiwai Memorial.

Tongariro and Pureora Forest Parks: Upgrade and improve awareness of the range of nature-based experiences available in these areas.

Occasionally referenced

Tukino: Market and connect this ski-field to walks and other locations.

Blue Duck: Provide controlled access to Whio / Blue Duck viewing on Whanganui and other west Tongariro rivers.

Hot pools and spa: Establish winter swimming and sauna / spa facilities at Ohakune, National Park or Whakapapa Village.

Other attractions: Establish ventures enabling visitors to enjoy Lord of the Rings filming sites, zip lines, tree canopy walks, gold panning, fossil hunting facilities and other specialist services, experiences and assets.

Arts: Establish Raetihi as a centre for culture and arts and link this to an 'artists in residence' Ruapehu tour itinerary.

Outdoor education: Mirror the Mt Aspiring outdoor-recreation secondary school experience by replicating it at Ohakune or at the Hillary Outdoor Pursuits Centre.

Products, services and experiences identified by expert informants and other groups

Our expert informants identified some additional products, services and experiences worthy of further development – over and above those identified by local visitor sector operators. They included the following recommendations:

Pipiriki: Establish a lodge and café and explore other development options capable of contributing to visitor interest and expenditure at Pipiriki.

National Army Museum at Waiouru: Position the museum as a central visitor hub through the incorporation of an i-Site. Maximise the museum's visitor offerings through an extensive exhibition renewal programme and the development of new experiences drawing on the museum's unique collections, stories and environment.

Pureora eco-sustainability: Work with conservation stakeholders at a national, regional and community level to maintain and improve the ecosystem health, community development and general range of experiences - including Kokako viewing - available in this part of the region.

Motuopuhi Island and Te Porere Redoubt: Work with Ngāti Hikairo to undertake a feasibility study exploring the creation of a heritage site on Motuopuhi Island within Lake Rotoraira and improve access to and awareness of the significance of Te Porere Redoubt.

Cherry Grove (Ngahuinga) Taumarunui: Construct a launching area, information centre and other facilities and amenities to support Whanganui River experiences with a focus on the creation of a base for expanded interest in one-day canoe trip.

'Fit for the future' mountain transit options: Undertake an assessment of options for low-impact transport connectivity between Ohakune and the Turoa ski-field including the option of a funicular transit option.

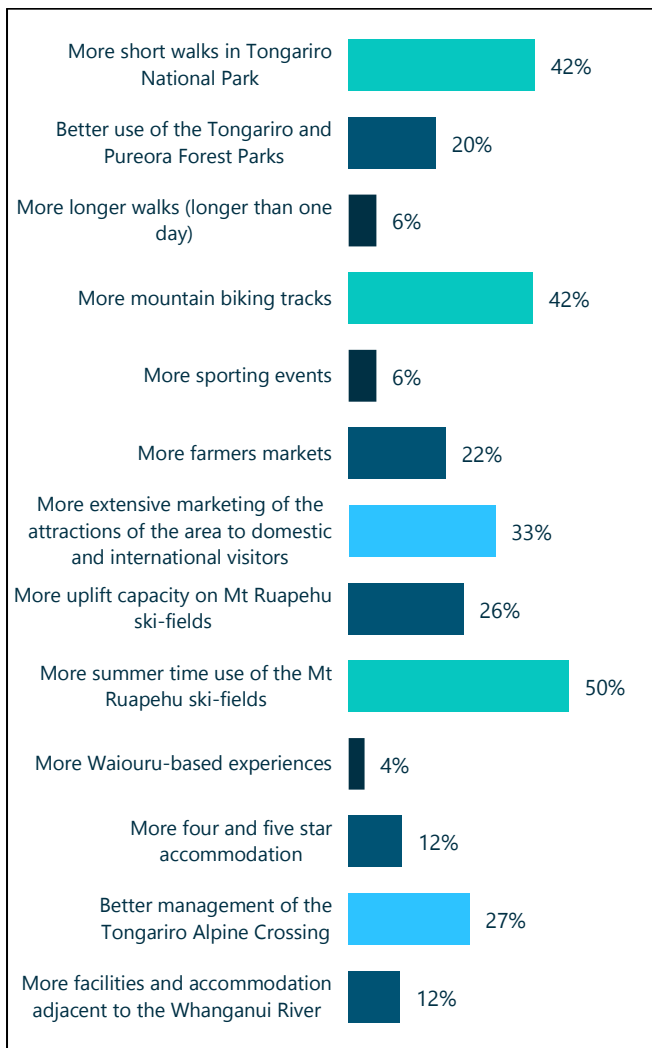
National guide training centre: Undertake an assessment of the demand for a guide training service with a focus on building local 'story-telling' skills – particularly for iwi guides, as the essential craft. Develop Ruapehu as a centre of training excellence in tour guiding (with an emphasis on local story-telling skills) and hospitality, through effective use of work-based training, cadetships and apprenticeships.

Products, services and experiences identified by non-resident rate-payers

Respondents to our 2017 survey of non-resident rate paying owners of Ruapehu holiday homes were also asked to identify (Figure 20) the additional experiences they would like to see established to encourage more visitors to come to Ruapehu.

(NB. The question we asked was: *What activities, experiences, infrastructure or services would you like to see established or expanded to encourage more tourists to come to Ruapehu? Please tick up to three boxes which best describe what additional things you would like to see in the region to attract more visitors*).

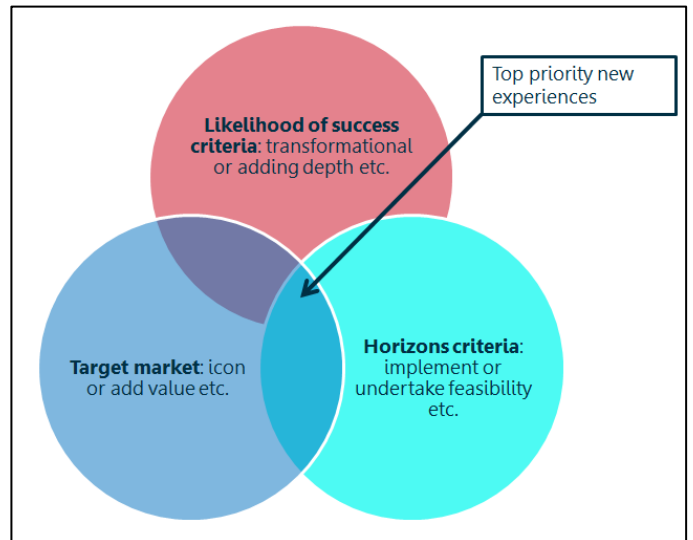
Figure 20: Non-resident rate-payer views about additional experiences, etc.



Priority to be accorded to visitor sector product, service and experience growth opportunities

As is obvious from the above lists, there is no shortage of good ideas about how to grow Ruapehu visitor sector products, services and experiences (henceforth called ‘projects’). In fact, there may be too many ideas – with the risk that if all were pursued, scarce investment capital could be spread too thinly to enable any single investment to be truly effective. Three different frameworks may be applied to help determine the priority to be accorded to various visitor sector development projects (Figure 21).

Figure 21: Priority setting frameworks



Framework one: likelihood of success criteria - transformational, sustainable, adding value etc. criteria

The first framework involves application of a set of criteria to assist judgement of the likelihood of success of the identified projects. The criteria falling within this framework may be satisfied to a high, moderate or low degree. The projects are unlikely to succeed if the criteria are satisfied to a ‘low’ degree.

Not all criteria are equal. Some are absolute, for example, if a project does not have an environmental footprint suited to its location, it should not proceed. Others are of priority importance, for example, a project with high cost benefit, generating high levels of visitor expenditure and promoting new jobs – all other things being equal, should be given particular attention.

The criteria falling within this framework may include the:

- **Cost-benefit:** Number of new visitors / quantity of spending compared to the cost of establishing the project.
- **State of readiness:** Level of consultation, funding support and planning carried out and thereby - how quickly the visitor sector spending benefits may accrue. (NB. This criterion also reflects the quality of the leadership underpinning the venture and the ability of the project proponents to secure the necessary capital to allow it to be established).

- **Market affinity:** Degree of match between the project and domestic and international visitor needs and expectations.
- **Cultural and environmental sustainability:** Size of the footprint of the project - its impact on environmental, heritage, cultural and iwi values.
- **Quality and capacity:** Capacity of the project to grow the number of users without impacting on the quality of the experience for those users.
- **Synergy with destination proposition:** Fit between the project and the destination value proposition outlined on the inside front cover of this report.
- **Transformational:** Ability of the project to transform the well-being of communities by generating employment and socio-economic gains.

Framework two - ‘McKinsey horizons’ criteria: implement, ‘value’ proving or feasibility assessment.

The second framework draws on the three horizons approach developed by researchers at USA’s McKinsey Institute:

- **Horizon one** represents those core propositions that provide the greatest immediate profit and cash flow now. Here the focus is on implementing investment decisions because the case is clear. Horizons one ventures are also those through which refined management practices will improve the performance of current operations and thereby maximize value.
- **Horizon two** encompasses emerging opportunities, including rising entrepreneurial ventures likely to generate profits in the future but requiring further work before the value of the investment is completely clear.
- **Horizon three** encompasses ideas for the longer term— research, feasibility studies and widespread consultation is often required before these projects get legs.

McKinsey et al note that the horizons one, two or three labels should not be interpreted as a prompt for when to pay attention—now, later, or much later. All three horizons must be progressed concurrently. For the purpose of this report we have renamed and mildly re-interpreted the three McKinsey horizons as follows:

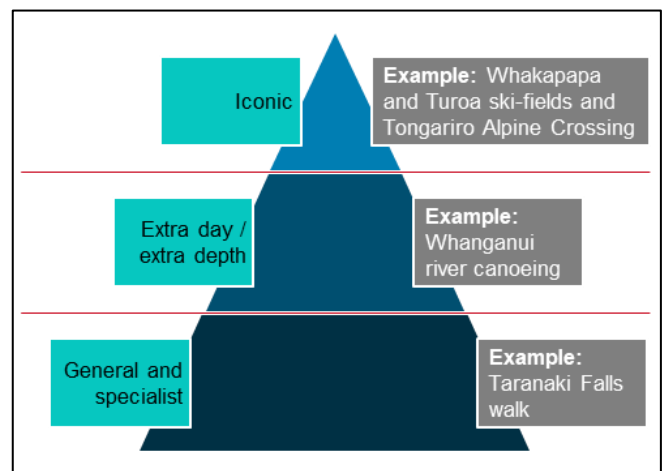
- Immediate / implementable.
- Emergent / confirmable.

- Research / check feasibility.

Framework three - ‘Position in the visitor-sector-market’ criteria: iconic, supportive or foundational.

A decision by a visitor to stay an extra day or two depends on the availability of a range or package of experiences suited to the age, aspiration and physical capability of that visitor. It is also influenced by whether they are a domestic or an international visitor. Destination development strategies prepared for other regions tend to describe this in terms of ‘providing a pyramid of experiences’ (Figure 22).

Figure 22: Pyramid of experiences



At the top of the pyramid are one or perhaps two iconic experiences. Hobbiton is an example of the incredible power to use an iconic tourism product to transform a small regional town into a destination. It is signature attractions of this type which are often the primary reason for a visitor being attracted to an area and therefore the primary generator of visitor spending.

This is followed in the pyramid by a range of ‘extra day / extra depth’ experiences. It is these experiences which justify the additional spend in the community on accommodation and food because of an extended stay.

These in turn may be supported by a more general array of experiences often characterised as: adrenalin / adventure; hidden gem; wet weather; family fun or an area’s ‘foundation’ experiences. It is these experiences which often ensure that everyone in a family group has a good time and that the need for variety is served.

Implementing the three frameworks

We applied the three frameworks described above to all the experiences we identified earlier. This enabled us to select fifteen of them for particular attention.

These **top 16 projects** (Map one) may be grouped within three categories:

- **Iconic projects** for Ruapehu visitor sector growth.
- **High priority projects** for Ruapehu visitor sector growth.
- **Particular attention projects** capable of making a measurable contribution to visitor sector growth.

Iconic projects for Ruapehu visitor sector growth

Iconic projects capable of making a significant contribution to Ruapehu visitor sector development will be:

- Successful, i.e. they satisfy all the listed framework criteria to a high degree.
- Immediately implementable, i.e. ready or almost ready to go.
- Iconic, i.e. they will be a significant draw card for visitors.

Five projects fall into this category:

1. Recent and planned developments at Whakapapa ski-field particularly the Alpine Aerial Tram.
2. Turoa ski-field to Ohakune mountain bike track (Te Ara Mangawhero).
3. Capacity and 'quality of experience' management on the Tongariro Alpine Crossing.
4. A Great One Day 'Ruapehu Alpine Walk' from Turoa to Whakapapa or vice versa.
5. Developments at Pipiriki including a lodge and café.
6. Waharoa entranceways with priority for establishment at Ohakune and parallel attention at Whakapapa, Pipiriki, Taumarunui and Turangi.

High priority projects for Ruapehu visitor sector growth

High priority projects more than moderately satisfy all 'likelihood of success' criteria. They tend to offer a good reason for spending an extra day or more in the region.

Five projects fall into this category:

1. Turoa ski-field Chondola developments.
2. Taumarunui Cherry Grove canoe and jet-boat launch area facilities and amenities.
3. Whanganui River capacity improvements.
4. National Army Museum expansions.
5. Ruapehu Events.

Projects deserving of particular attention

We would like to place all the listed projects into this third category but urge particular attention is given to the following five projects:

1. Multi-day guided Tongariro Great Walk, or Tongariro Northern Circuit Great Walk, or Tukino to Whakapapa Great Walk with serviced huts.
2. Future Ohakune to Turoa mountain transit options e.g. funicular.
3. Horopito to National Park mountain bike track.
4. Tongariro and Pureora Forest Park adventures.
5. KiwiRail Ruapehu experiences.

Other projects

All of the ideas put forward by Local Visitor Sector Operators, Local Leaders, National Leaders and expert informants have merit. All deserve attention. They should not be lost from consideration.

For some of them, this consideration may best be solicited by means of their inclusion in a 'prospectus'. Others require preparation of a 'feasibility study' or further research to test them before investment could be made with any certainty.

Summary of top 16 projects

A list of the 'iconic', 'high priority' and 'particular attention' projects, together with information about the category within which they fall, the degree to which they satisfy the criteria (high, medium or low - as follows), their position on the McKinsey Horizons and the role they may play in the 'pyramid of experiences' is presented in Table 1.

	Degree of satisfaction
High	
Medium	
Low	

A second table describes each of the 15 selected projects in a little more detail. This second table also provides information about the:

- Expected cost.
- Estimated visitor numbers and visitor spending benefits.

Actions required.

Map 1: Location of 16 top projects



Top priorities for new and expanded experiences

Map courtesy of the Map Man, Taupō

- 1 Whakapapa Alpine Aerial Tram and assoc. developments
- 2 Turoa to Ohakune MTB track (Te Ara Mangawhero)
- 3 Tongariro Alpine Crossing (TAC)
- 4 Ruapehu Alpine Walk (RAW)
- 5 Pipiriki lodge and café
- 6 Ohakune Celebratory Park Entranceway - Waharoa
- 7 Turoa Chondola
- 8 Taumarunui canoe launch area and information centre
- 9 Whanganui River experiences
- 10 National Army Museum (NAM)
- 11 Ruapehu Events
- 12 Tongariro Great Walk, Northern Circuit Great Walk and Tukino to Whakapapa Great Walk
- 13 Horopito to National Park MTB
- 14 Tongariro and Pureora Forest Parks
- 15 Ohakune to Turoa transit option, macular etc.
- 16 KiwiRail Ruapehu experiences

Table 1: Assessment of projects against judgment frameworks

PROJECT	MCKINSEY HORIZONS DESCRIPTION	READINESS TO GO	MARKET AFFINITY	SUSTAINABILITY	QUALITY CAPACITY	BRAND SYNERGY	TRANSFORM?	POSITION ON THE VISITOR SECTOR PYRAMID
ICONIC PROJECTS								
1. Whakapapa Alpine Aerial Tram and assoc. developments	Immediate / implementable							Iconic and transformational
2. Turoa to Ohakune MTB track (Te Ara Mangawhero)	Immediate / implementable							Iconic – will add considerable depth
3. Tongaririo Alpine Crossing (TAC)	Immediate / implementable							Iconic – has already helped to transform Ruapehu
4. Ruapehu Alpine Walk	Emergent / confirmable							Iconic – could be transformational
5. Pipiriki lodge and café	Research / check feasibility							Iconic and locally transformational
6. Waharoa entranceways to the National Parks	Emergent / confirmable							significant social capital return
HIGH PRIORITY PROJECTS								
7. Turoa ski-field Chondola	Emergent / confirmable							Adds quality and depth
8. Taumarunui canoe launch area amenities and facilities	Emergent / confirmable							Potentially transformational for Taumarunui
9. Whanganui River experiences	Emergent / confirmable							Adds quality and depth
10. National Army Museum	Immediate / implementable							Adds quality and depth
11. Ruapehu Events	Emergent / confirmable							Specialist / foundation experience

PROJECT	MCKINSEY HORIZONS DESCRIPTION	READINESS TO GO	MARKET AFFINITY	SUSTAINABILITY	QUALITY CAPACITY	BRAND SYNERGY	TRANSFORM?	POSITION ON THE VISITOR SECTOR PYRAMID
PROJECTS DESERVING OF PARTICULAR ATTENTION								
12. Tongariro Great Four Day Walk, Northern Circuit Great Walk and Tukino to Whakapapa Great Walk	Research / check feasibility							Specialist / foundation experience
13. Horopito to National Park MTB	Immediate / implementable							Specialist / foundation experience
14. Tongariro and Pureora Forest Parks	Emergent / confirmable							Specialist / foundation experience
15. Ohakune to Turoa transit options e.g. Funicular	Research / check feasibility							Capable of being transformational – both from an environmental sustainability and ‘experience’ perspective
16. KiwiRail Ruapehu experiences	Research / check feasibility							Specialist / foundation experience

Table 2: project description, costs, benefits and actions

PROJECT	DESCRIPTION	COST ESTIMATE	BENEFITS	ACTION AND COMMENT
ICONIC PROJECTS				
1. Whakapapa Alpine Aerial Tram	Grow the summertime and winter visitor use of Whakapapa ski-field by building an Alpine Aerial Tram (with several 40 person, cable conveyed cabins) from the Top-of-the Bruce to the Knoll Ridge Café (\$32m), rebuild the Top of the Bruce, expand the Knoll Ridge Café, make full use of the a Delta Quad Chairlift and Rangatira Express Chairlifts, as replacements for previous sub-grade uplift facilities and fully utilise the learner snow-play are established at Happy Valley ski facilities in 2017. Establish additional snow-making, free shuttle transport and night skiing.	\$50m	Will generate 500,000 (2025) additional visitor days with a large increase in summer time use (from 60,000 in 2016/17 to more than 250,000 within three years of opening). Additional visitor expenditure at \$150 per user per day may be \$50 m in 2025²³. Café, guided walks and accommodation etc. benefits and an estimated extra 150 FTE plus jobs for 8 months will be created. <i>It will</i> move the Domestic vs. International split of users from 95:5 to 92:8 and generate higher yield visitors. It will provide a base for expansion of the RAL local employee training / ski development programmes to cover 400 staff. Guided walk and other associated visitor sector experiences will occur from the Knoll Ridge café and there will be a longer and 'de-risked' ski season with less weather affected days.	Design and capital raising processes are underway. Consent applications will follow. As a non-profit entity providing public good recreation and leisure opportunities – particularly for non-skiers (including providing wheel chair access to the upper mountain), a significant grant from government's regional economic development fund will cement RAL's plan to expand from a snow-sport focused experience to a twelve month total population 'greater outdoors' opportunity - with transformational benefits for the Ruapehu region – and 'halo' benefits into the area beyond.

²³ Initial findings of the Feasibility Study for Ruapehu Alpine Lifts Whakapapa Aerial Tram Development Proposal, May 2017

PROJECT	DESCRIPTION	COST ESTIMATE	BENEFITS	ACTION AND COMMENT
<p>2. Turoa to Ohakune MTB track (Te Ara Mangawhero)</p>	<p>Use existing tracks and old logging tram tracks as the base to construct a grade 2/3 mountain biking and walking track from the Turoa Ski-field car park to Ohakune / Old Coach Road track.</p>	<p>\$5m</p>	<p>Will generate 30,000 MTBers and an equal number of walkers (2025). It will be a significant additional stimulus to all-year-round attractiveness of area for visitors. Improves safety on existing road. At \$100 per user per day – will contribute min of \$5m. DOC assessments suggest the benefits may be \$5.7m a year by 2025. The track will complete and add ‘wow’ to the Mountains to Sea experience. Will contribute to entrenching Ruapehu as the point-to-point mountain biking adventure-journey capital of New Zealand.</p>	<p>MTBers throughout New Zealand are said to be excited by the prospect²⁴. \$2m has already been earmarked for investment through the Manawatū- Whanganui Economic Action Plan. Additional funding or a committed group of volunteers / Trust will be required to assist to maintain the track and reduce the scale of estimated Opex. A variation to the Tongariro National Park Management Plan is currently underway.</p>
<p>3. Tongariro Alpine Crossing (TAC)</p>	<p>Implement a plan to sustain the quality of the walk experience while providing for managed expansion by softening the impact / spreading peak use days over a larger number of days. Add depth and quality to the experience by providing additional guiding and interpretation services and facilities.</p>	<p>\$2m?</p>	<p>A total of 135,000 persons used the TAC in 2016/17. With careful management this number of annual users will be sustained and may increase by approximately 15,000 - without further loss to the quality of the experience. At \$100 per day an extra 15,000 visitors may contribute an extra \$1.5m to the local economy by 2020. The proposed change to the way use of the TAC is managed has the potential to be viewed as a model suited to application elsewhere. Will secure the TAC as an on-going international and domestic visitor ‘must do’ ‘Facebook’ experience.</p>	<p>The facilities and quality of the TAC are at risk of being ‘loved to death.’ Peak days occur after periods of wet weather. Scheduling will assist to spread and grow the annual number of users by encouraging more use on non-peak days and overcome the risk of the Crossing falling ‘out of favour’ with visitors. Given the number of TAC users who undertake the walk from Taupō and beyond, the risk management and growth benefits of the proposed management changes will flow beyond Ruapehu.</p>

²⁴ Pers. comm. Matt Farrar, facilitator of Wellington Regional mountain bike track developments

PROJECT	DESCRIPTION	COST ESTIMATE	BENEFITS	ACTION AND COMMENT
4. Ruapehu Alpine Walk	Upgrade the current track to 'walk' standard and designate it as a 'Great One Day Walk'. Construct steps, build bridges and re-route the track at the Turoa end for safe exit / entrance at the Turoa ski-field café.	\$3m?	Provides an extra 'Great Day' walk opportunity / partner walk to the TAC. Less subject to weather extremes than TAC (suitable 150 days / year). Provides shuttle bus spending and guiding benefits. If one third of current users of the TAC also do the Ruapehu Alpine Walk at a conservative \$100 / day then \$4.45m will be contributed to the economy / year.	The Ruapehu Alpine Walk will be a sought after and highly attractive with stunning landscapes, mountain views and photographic opportunities. The Walk should be submitted for DOC consideration as one of the new 'Great One Day Walks' announced in Budget 2017. The track is currently part of the 4-6 day Round-the-Mountain walk – upgrades will benefit that track. Improvements will enable it to be used by a wide range of less experienced visitors in nearly all weather conditions.
5. Pipiriki lodge and café	Develop a lodge and café in a similar manner to the Timber Trail Lodge and grow the depth and range of experiences centres at Pipiriki village.	\$3m	If just 20% of the persons visiting Pipiriki spend an average of \$50 in the café or for lodgings then \$230,000 would be contributed to the local Pipiriki economy. Employment and multiplier benefits would follow. Whānau would return to the community. Pipiriki would be recognised as an essential and remembered stop-off point in down-river journeys. The Whanganui River Road would be more fully used as an iconic cycling and road travel experience – with flow-on benefits to Raetihi, Jerusalem and Whanganui City.	21-25,000 persons pass through Pipiriki per annum. The community is in search of a means to build their mana of their village and bring their people home. Most visitors to Pipiriki currently make little contribution to the local economy / employment. Government assistance is required to de-risk the cost of construction of a lodge / cafe. A special case is apparent for funding in the manner of the now defunct Tourism Growth Partnership. Support for preparing a business case, with sensitivity to existing land ownership, is required. The precedent established by the Timber Trail Lodge suggests such a facility could be viable. This would be transformational for Pipiriki.

PROJECT	DESCRIPTION	COST ESTIMATE	BENEFITS	ACTION AND COMMENT
6. Waharoa entranceways	Priority attention to development of Southern entranceway structure and facilities in Ohakune by Ngāti Rangi with partner attention to structures and facilities as determined by the Whanganui river iwi and Ngāti Hikairo.	\$3m Ohakune	A multipurpose facility providing for: an operations hub for like-minded organisations within the natural resources sector e.g. DOC, Horizons, Council, Massey, Victoria; a hub for concessionaire inductions, guides and visitor tours; a pick-up and drop-off point; an interactive space promoting the story of Volcanoes and lahar management and river journeys from both a western and Maori world view; a place of recognition and celebration of the dual World Heritage Status of the Tongariro National Park and the Whanganui River and Park	These will become another attraction and offering for the visitor. They will provide an opportunity to work with the local tourism operators and a place to share the iwi story of the mouna and river. The benefits may be less commercial than other investment recommendations, but Waharoa have significant social capital return that cannot be underestimated or undervalued. The Ohakune Waharoa could also be the base for the 'guide-training' services suggested earlier in this report.
HIGH PRIORITY PROJECTS				
7. Turoa ski-field Chondola	Construct a Chondola in 2-3 years' time.	\$20m	Will enable higher ski-field numbers and more efficient winter-time uplift capacity plus potential for summer time use. On the basis of an additional 25,000 winter-time users (over and above the current peak number of 188,000 user days per year) and 5,000 summer time users contributing \$100 / day the direct contribution to the economy would be \$3m by 2020 . Flow-on employment and servicing benefits will also occur.	Investment will be made once negotiations for the Turoa ski-field lease renewal are complete. Summer time use will work in well and leverage the benefits from the proposed upgrade of the Ruapehu Alpine 'Great One Day' Walk and the mountain biking track developments between Turoa and Ohakune.
8. Taumarunui canoe launch	Construct a launching facility and wharf suited to use by canoeists and jet-boats at	\$1 - \$1.5m?	Initial use could be 2,000 user days per year with perhaps 25% of these users staying	Forgotten World Adventures has been a significant catalyst for growth of the

PROJECT	DESCRIPTION	COST ESTIMATE	BENEFITS	ACTION AND COMMENT
area amenities and facilities	Cherry Grove on the banks of the Whanganui River at Taumarunui. Establish an information centre, conveniences, food outlet and related facilities to support the development and much increased interest in a one day River canoe experience.		overnight – contributing a combined average of \$150 / per person. This will give rise to direct spending benefits of \$300,000.	visitor sector in Taumarunui. Additional experiences are required to encourage more visitors to come to the Taumarunui area and for more of those visitors to stay overnight. Active use of Cherry Grove will assist to promote Taumarunui as a celebrated entrance to Whanganui ‘Great River Journey’ experiences.
9. Whanganui River experiences	Prepare a ‘Whanganui River Destination Development Feasibility and Action Plan’ for the purposes of identifying how to: improve the quality and capacity of current DOC sites and facilities; provide for the maintenance of the quality of visitor experiences; identify options to add depth and respect to the spiritual / cultural significance of the awa and; refine details about other potential River experience offerings, including serviced huts.	\$100k	The proposed research will generate: clarity about the carrying capacity of the river and responsibilities for safety; confirmation of the viability of different experiences pitched at different price points; more respect and support for achievement of iwi aspirations; a business case for funding assistance for establishing a network of serviced accommodation facilities and; the means to stimulate the interest of business partners. Subsequent investments, once proven, will lead to more ‘Great Paddle’ experiences on the Whanganui River with higher levels of expenditure.	Expert informants suggest there is room for a serviced hut / lodge network with a middle market price-point, supporting a 3-4 day adventure. There is also opportunity to add to Māori cultural / heritage elements of the experience at all locations on the River journey. Iwi have a clear interest in both the management and the delivery of visitor services on the river. Safety issues and the provision of better cell-phone coverage may be important. Careful management is required to ensure the quality of the River experience is sustained.
10. National Army Museum (NAM)	The Museum has a new entryway project due for completion August 2017 which incorporates a new Gallery space and an i-Site, and work is also underway to give the museum’s café a more distinct ‘look and feel’. Future priority projects which will drive tourism and include a new ‘visible storage’	\$20m	The developments will achieve better visibility from SH1 and a better visitor experience. Currently 100,000 visitors visit NAM. This is likely to double as a result of proposed expansions. If each of these additional visitors spent just \$10 this would make a direct contribution to the local economy of	Not all visitors to Ruapehu want physical nature-based experiences. Wet weather and family alternatives are also required – the NAM’s proposals meet these needs. The support of the New Zealand Defence Force (NZDF) and MBIE is sought to secure necessary funding to enable

PROJECT	DESCRIPTION	COST ESTIMATE	BENEFITS	ACTION AND COMMENT
	experience, focused on large collection objects, and the renewal of its long-term exhibitions. Capital funding is required for these projects. In addition, a feasibility study should be prepared on the practicality of developing a pre-European visitor experience such as an authentic model fighting pa.		\$2m. Additional spending will occur in the café. NAM is actively working with iwi and other key stakeholders to explore ways in which the museum can contribute to regional social and economic development. This may include the creation of iwi internships focused on the care and interpretation of taonga. Together with the initiatives already outlined, this work will support job growth and also positively contribute to perceptions of the Ruapehu region.	current and emergent proposals to be established. The NAM will also continue to be actively involved in discussions regarding NZDF's future plans for the Waiouru Defence Area, including the possible future development of an 'army experience', and further access to view Kaimanawa horses. The NAM will also work with iwi, NZDF, Visit Ruapehu and other stakeholders to assess the viability of a pre-European conflict experience at Waiouru. If the concept is found to be feasible, funding will be sought through relevant community trusts and grant-making agencies.
11. Ruapehu Events	Provide seed funding to secure and run a full calendar of events. Prepare an events strategy.	\$100k for event support plus \$25,000 for an Events Strategy	Events are a means of attracting large numbers of participants and supporters to an area – particularly during off-peak seasons. The early 'Mountains to Sea' event contributed about \$350,000 to the economy per annum. Events add to the profile and reputation of an area and spark repeat visits. The 'Giant Ruapehu Express', 'Mardi-Gras', Raetahi Gut-buster', 'Marmot T42' and the proposed 2018 'Ring of Fire' ultra-marathon on the Round-the-Mountain track attest to the attraction of Ruapehu for adventure style events. A carefully developed Events Strategy will ensure focus on premium events particularly suited to the 'great outdoor'	As a comparator to judge the merit of increasing the number and scale of Ruapehu events, we note the Taupō events sector is estimated to be worth \$20m. The WOMAD event in Taranaki contributed \$5.5m to that economy in 2017 – NB New Plymouth District has an events marketing and support budget of \$1m. As a premium outdoor adventure landscape located centrally between Auckland and Wellington, Ruapehu appears well positioned to grow this aspect of its visitor market. Seed funding from central and local government and perhaps major company sponsorship is

PROJECT	DESCRIPTION	COST ESTIMATE	BENEFITS	ACTION AND COMMENT
			Ruapehu environment.	required to secure and run these events.
PROJECTS DESERVING OF PARTICULAR ATTENTION				
12. Tongariro Great Walk, Northern Circuit Great Walk and Tukino to Whakapapa Great Walks	Prepare a feasibility study and a business case exploring the market, cost, price points, hut locations, iwi interest, potential investors and general practicality of establishing a suite of serviced huts with guides for multi-day paying customers on each of these three multi day walk adventures.	\$50,000 for study and business case	Serviced hut users on the Milford and Routeburn tracks each pay \$2-\$3,000 for those multi-day walks. If 3000 walkers per annum were to use these 'Great Multi-Day Walk' serviced hut options, this would generate over \$7 million in direct spend.	The volcanic landscapes located on different parts of the around-Ruapehu / Tongariro circuits are unique, awe inspiring and of international quality. While visitor interest appears to be mostly focused on one day and short walks, there is a clear market for multi-day serviced walks with guides, good food, and comfortable accommodation.
13. Horopito to National Park MTB	Secure funding and complete the MTB track between Horopito and National Park township.	\$1m	13% of NZ's great rides are undertaken by international visitors who spend \$331 per day. Domestic spending has been calculated to be \$170 ²⁵ per day. The net total annual spending from groups using the various components of the 'Mountains to Sea' trail has been calculated to be \$1.56 million (MBIE 2016).	Completion of the 'missing link' in the Mountains to Sea Great Ride between Horopito and National Park township will encourage more riders to continue from Old Coach Road or to return to Horopito / National Park for a second visit. The landscape in this area is extraordinary.
14. Tongariro and Pureora Forest Parks	Upgrade and expand awareness of the various experiences available in the Tongariro and Pureora Forest Parks (TFP and PFP).	\$3m	The experiences on offer in the TFP and PFP support the 'extra day / extra depth' mid-part of the pyramid of reasons for staying in Ruapehu. These Parks are particularly suited to: adrenalin adventure; hidden gem; wet	The most valued areas for walks in the Forest Park area include: a section of Te Araroa trek track; Whio viewing; Okupata Caves; Ohinetonga Scenic Reserve Loop track – near Owhango; and tracks to sites

²⁵ An Evaluation of the New Zealand Cycle Trail carried out in 2015 on the 22 Great Rides suggested 1.3 million users made an economic contribution of \$37.4 million.

PROJECT	DESCRIPTION	COST ESTIMATE	BENEFITS	ACTION AND COMMENT
			<p>weather; camping e.g. at Piropiro or family fun. It is these experiences which often ensure that everyone in a family group has a good time. They help ensure the need for 'experience variety' when visiting an area.</p>	<p>of Māori heritage. The area is also popular with fishermen and hunters. The 42 Traverse is a renowned route for adventure MTBers. Use by E-Bikes is an option for the future. This track could be made more user-friendly with track.</p>
<p>15. Ohakune to Turoa transit options e.g. funicular</p>	<p>Conduct a feasibility study exploring long term options to mass transport mountain users from Ohakune to the Turoa ski-field.</p>	<p>\$50,000</p>	<p>Exploration of low-impact and sustainable transport options would be a sign of respect for the dual World Heritage status of Tongariro National Park and a concrete example of climate change action. A funicular, for example, would not only be a transport option, it would also be a sought after experience in its own right – particularly when combined with other proposed experiences located in this part of Tongariro National Park</p>	<p>Both the Whakapapa to Iwakau Village and Ohakune to Turoa roads – and the car-parks at their road-ends are at capacity during peak ski-field use weekends. International examples demonstrate the value of starting thinking early on future transit option thinking, before issues arise.</p>
<p>16. KiwiRail Ruapehu experiences</p>	<p>Work with KiwiRail to build to prepare a feasibility study supporting the expanded daily use of rail passenger transport to access Ruapehu experiences.</p>	<p>\$50,000</p>	<p>Train travel transport options would add to the stable of high quality KiwiRail 'connected journey' market opportunities available in New Zealand. Rail tourism serves visitors who do not wish to drive. Ruapehu is an ideal stop-over location. If it is assumed that just 10 users stopped at Ruapehu for two nights with the cost of the rail component of this journey at \$125, accommodation at \$300 and other services at \$100 then the contribution to the Ruapehu economy would be close to \$2 million per annum.</p>	<p>KiwiRail recognises that getting to a destination by rail adds depth to the visitor experience. Once rolling stock constraints (estimated cost \$50m) are overcome and provided the case is robust, there is opportunity to build end-to-end experiences to Ruapehu from Auckland and Wellington for both domestic and international tourists. Such experiences may include itineraries encompassing all transport, experience, service options in ready-to-go packages suited to sales by the travel wholesale market.</p>

Summary and next steps

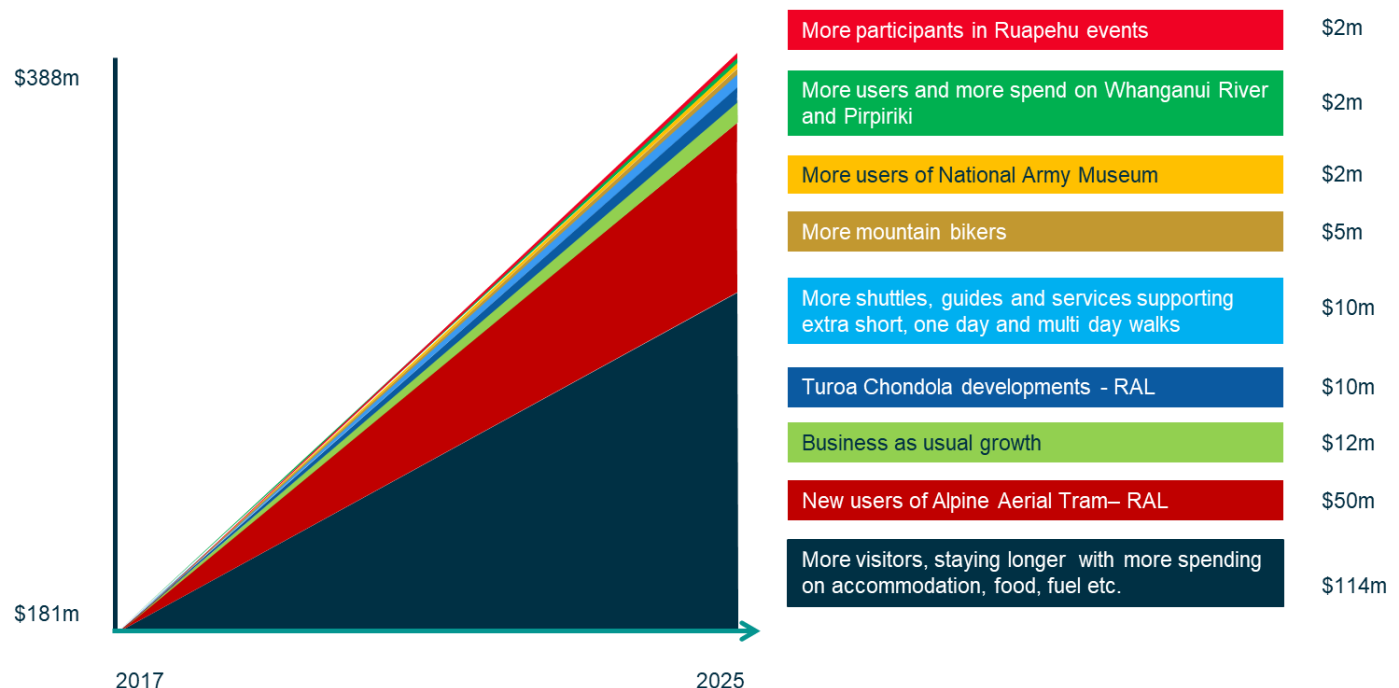
Main findings

Ruapehu is clearly a destination with the natural ‘greater outdoors’ and nature-based resources, landscapes and assets sought by visitors. It has good proximity to over three million New Zealanders and is close to international gateways located at the Auckland and Wellington Airports. The visitor sector growth opportunities, by adding depth and breadth to the experiences, services and products on offer in the area, are plain to see.

Protecting that which makes the region attractive to visitors has been at the heart of everything our informants, workshop participants, leaders and survey respondents have told us. Great care will be required to ensure all new developments proceed with environmental sustainability and respect for iwi values foremost in mind.

In simple terms, extra days and extra spend-per-day from more visitors, doing more things, is the objective. We are confident that a tally-up of the returns from current, expanded and new experiences, services and products, including higher occupancy rates in under-used commercial and holiday home accommodation, will achieve the targeted doubling of visitor sector earnings from \$183m in 2016 to \$375m in 2025 (Figure 25).

Figure 25: Indicative contribution of new and expanded activities, services etc. to visitor expenditure targets at 2025



The RAL Alpine Aerial Tram / Chondola development for Whakapapa will be the critical developments. They will make a transformational contribution toward the visitor sector growth target.

RAL has choices about its future investment decisions. We can see great merit in the selection of an Alpine Aerial Tram as a preferred investment, not only for its winter time snow-sport benefits but also for its all year round non-snow-sport user benefits, particularly summer-time upper mountain experiences.

The proposed development of a lodge and café at Pipiriki will be an equal transformational effect, albeit at different scale, on the small Pipiriki community.

Each of the other described new and expanded experiences, services and products will also incrementally add to benefits arising from the visitor sector for Ruapehu and for all areas around it.

The community, regional and national benefits from unlocking the listed Ruapehu visitor sector opportunities will be significant.

Model for delivery

The catch is this: the Ruapehu District Council, the district’s ratepayers and the region’s visitor sector operators do not have the size or revenue streams to do what is required, particularly on the listed ‘enabler actions,’ in order to grow the Ruapehu visitor sector on their own.

To be successful, Ruapehu must therefore take full

advantage of government's regional economic development and other agency support programmes – including those announced in Budget 2017, to pilot, fund, and apply a new and integrated visitor sector growth delivery model²⁶.

As part of this model, Accelerate 25 and Ruapehu visitor sector growth leaders may need to secure the support of the best skills, leadership, governance, routes to market and influencers they can lay their hands on. The visitor sector National Leaders who assisted us in developing the content of this report may provide the backbone for such an approach.

One of the options through which all potential funders and others with leadership interest in unlocking Ruapehu, is to establish a 'Ruapehu Visitor Sector Development Group.'

A synergy is required between public and private organisations linking national strategic capacity, skills, support and experience with local leadership and local opportunities.

Such synergy may be achieved by courting membership of a Ruapehu Visitor Sector Development governance group from: MBIE; Air New Zealand; Iwi and Māori Tourism Organisation Aotearoa; Tourism New Zealand; Tourism Industry Aotearoa; the New Zealand Transport Agency; Ruapehu District Council; DOC; Ruapehu Alpine Lifts; and a significant Ruapehu accommodation provider.

A coordinator for this group would need to be appointed to make sure all of the pieces of the Ruapehu visitor sector growth jigsaw are put on the table and progressed in a coordinated and time-bound way.

Summary of actions

The tasks we recommend be undertaken by the proposed Ruapehu Regional Visitor Development Group, Visit Ruapehu and the Ruapehu District Council – in collaboration with many others, are outlined below.

²⁶ Such a pilot assistance model could be tested and refined in Ruapehu for possible subsequent application in other regions facing similar challenges. The pilot could also be a means of fleshing out the practical means of achieving the Tourism New Zealand objective of 'regionally dispersing' visitors.

Enablers

International market development and marketing: Work with Air New Zealand, Tourism New Zealand, private sector agencies, such as THL, as well as MBIE, to develop a well-funded package of market development initiatives – with a focus on travel wholesalers and a target toward Eastern Australian markets.

Domestic market development and marketing: Undertake a domestic marketing campaign targeting Auckland, Wellington and Tauranga.

Destination proposition and Ruapehu branding: Work with local and national operators to refresh all Visit Ruapehu visitor-facing and visitor-operator websites, related collateral and marketing programmes to reflect the content of the 'destination proposition' recommendations outlined in the partner report to this report.

Digital connectivity: Identify priority areas and funding mechanisms to: improve high speed broadband services required for essential visitor sector businesses and; to avoid 'pressure-point' cell-phone black spots.

Road quality: Seek priority attention from the New Zealand Transport Agency for the sealing of the last remaining unsealed section of SH43 and; encourage the Horizons Regional Land Transport Committee to prioritise improvements to SH1 between Turangi and Taupō, SH4 from Raetihi and Whanganui.

Visitor sector operator capacity building and skill development: Work with NZTE to apply programmes to help build the capacity of small and medium sized visitor sector operators - with a focus on implementation of a coordinated digital plan and the development of integrated multi-experience, service, transport and accommodation itineraries suited to use by travel trade wholesalers.

Iwi visitor sector capacity and skill development: Work with the Māori Tourism Organisation Aotearoa and iwi to secure a grant to assist Ruapehu iwi (with funding provided in Budget 2017) to grow their capacity as full participants in the visitor sector.

Visitor sector infrastructure: Prepare applications for funding from the Tourism Infrastructure Fund to overcome Ruapehu visitor sector infrastructure pressure points – with a focus on providing: efficient

‘park-and-ride’ transport hubs for ski-field and Tongariro Alpine Crossing experiences; water storage capacity increases at Ohakune; and the upgrade of facilities at Mangapurua landing on the Whanganui River.

Tongariro National Park Treaty Settlement: Work with iwi to establish a set of principles for management of the Tongariro National Park and facilitate the inclusion of these principles in both the Treaty Settlement negotiations and in a new Tongariro National Park Management Plan.

Tongariro National Park Management Plan: Work with DOC and iwi to give priority to the preparation of a new Management Plan.

Whakapapa Village: Work with concessionaires and leaseholders, DOC, the Ministry of Culture and Heritage and iwi to: prepare a plan for Whakapapa Village; negotiate cost share arrangements for the restoration of the area to its former glory.

Waharoa Celebratory Park Entrances: Assist iwi, DOC and RDC to design and erect suitable entranceways to recognise and celebrate Tongariro and Whanganui National Parks and to perform a base as ‘collection place for like-minded visitor service providers and the sharing of information with visitors.

Collaboration with neighbouring RTOs and adjacent economic development organisations: Develop joint arrangements suited to the attraction of more international visitors and the promotion of inter-regional journeys - including the road and cycle rides on the Whanganui River Road, the Forgotten World Highway - SH43 and the use of roads travelling west toward Taranaki.

Experiences, services and products

Iconic and transformational projects

Whakapapa ski-field and Alpine Aerial Tram: Assist Ruapehu Alpine Lifts to seek government support for meeting the cost of the public good recreation, leisure, economic development and socio-economic benefits that will occur in the Ruapehu economy with the development of RAL’s proposed snow-sport and summer-time uplift capacity improvements.

Turoa to Ohakune mountain bike track: Support DOC as they complete consent requirements related to the Te Ara Mangawhero track and assist local businesses

and interest groups to establish a Trust - and other mechanisms, through which residual funds for track construction and maintenance may be secured so that the Te Ara Mangawhero track can be constructed within 18 months.

Ruapehu Alpine Walk: Request DOC to view the Ruapehu Alpine Walk as a new ‘Great One Day Walk’ and support them as they upgrade the current track to a quality enabling it to play this role.

Pipiriki: Work with local iwi and MBIE to prepare a business case to establish a café, lodge and other visitor-related village upgrades at Pipiriki.

Tongariro Alpine Crossing: Request DOC to move at speed to implement the recommendations of the Task Force established to improve the management and quality of the experiences offered to visitors on the Tongariro Alpine Crossing.

High priority projects

Turoa ski-field Chondola: Support RAL, DOC and iwi in their negotiations for the Turoa ski-field lease renewal and leverage the benefits from this Turoa ski-field development to support the upgrade of the Ruapehu Alpine ‘Great One Day’ Walk and the mountain biking track developments between Turoa and Ohakune.

Taumarunui River facilities and amenities: Negotiate, design, fund and construct river usage and visitor information facilities at Cherry Grove on the Whanganui River.

Whanganui River Experiences: Work with DOC, iwi and visitor sector operations to prepare a destination development plan for the River and, via this Plan, explore: the feasibility and method for establishing serviced River bank accommodation; methods to avoid quality-degrading capacity constraints; DOC campground quality / facility upgrade opportunities; and the avoidance of safety and navigation risks.

National Army Museum at Waiouru: Assist proponents to help make this facility a world class centre for pre and post European war-related knowledge and understanding, a sought after ‘stop-off’ point on the State Highway One journey and a ‘must see’ experience in its own right.

Ruapehu events: Provide seed funding to secure and run a full calendar of events and prepare an events strategy to guide preferred investment.

Projects deserving of particular attention

Multi-day adventures in Tongariro National Park:

Work with DOC, iwi and potential investors to explore the interest in, and viability of, establishing a set of serviced hut experiences.

Turoa transit options: Undertake a feasibility to study to explore long-term options for low carbon, iwi sensitive and environmentally sustainable access to Turoa.

Missing link MTB track Horopito to National Park and Mountains to Sea upgrade:

Work with MBIE to: complete the missing link mountain bike trail from Horopito to National Park Township; upgrade the Mangapurua part of the Bridge to Nowhere track and; generally market the attractiveness of the Whanganui River Road part of the Mountains to Sea cycle ride as a must do cyclist and driving experience.

Tongariro and Pureora Forest parks - short and interesting walks:

Request and assist DOC to explore how visitors may be made more aware of the many highly accessible short walks available in the Tongariro National Park, the Tongariro and Pureora Forest Parks and also those located slightly further afield - including the Mt Tihia Pihanga Saddle walk adjacent to the Lake Rotopounama car-park.

KiwiRail: Work with KiwiRail and local visitor sector operators to further explore the feasibility of establishing end-to-end rail-tourism experiences centred on the Ruapehu Region, including connections to appropriate transport hubs, accommodation and Ruapehu experiences.

Other important projects

Pureora Forest Park: Work with DOC and key stakeholders to establish a Trust, prepare a programme, and seek funding to improve ecosystem and community well-being in this area including by developing a recreational facilities plan for Piropiro on the Timber Trail.

Guides: Further explore and establish a method through which Ruapehu guides – particularly Māori guides, may grow their knowledge of Ruapehu heritage and stories and deliver quality ‘added-depth’ memorable experiences for users of the many tracks in the Ruapehu area.

Prospectus: Develop a prospectus drawing the attention of potential investors to potential accommodation, experience, service and product

developments outlined in this report and suited to private sector investment.

Accommodation

High end accommodation facilities: Prepare a prospectus summarising information about the market potential for establishing additional high-end accommodation options in Ruapehu.

Holiday homes: Work with owners and current holiday home rental providers to prepare a dossier of suitable homes and then market these homes - through the travel trade market, as an accommodation option contributing to an authentic international visitor experience.

RAL and related employee accommodation: Work with RAL and other major Ruapehu employers, to explore options for accommodating their additional employees including Raetahi-based options.

Camping grounds: Work with

- Genesis energy and other stakeholders to explore the potential commercial viability of a campground at Lake Otamaungakau;
- DOC to ensure the facilities at the Piropiro campground (located in the Pureora Forest Park near the Timber Trail Lodge) are of sufficient quality to meet the growing general interest in this area and the demand arising from use of the Timber Trail.
- A range of parties to develop and expand self-registration camp sites and to implement other actions to better manage freedom camping, including at Mangahuia.