

Chairperson and Committee Members
ENVIRONMENT AND COMMUNITY DEVELOPMENT COMMITTEE

13 FEBRUARY 2014

Meeting Status: **Public**

Purpose of Report: For Information

STRATEGIC REVIEW OF KĀPITI VISITOR INFORMATION NETWORK (VIN)

PURPOSE OF REPORT

1. To provide the Committee with:
 - a copy of the 2013 “Strategic Review of Kāpiti Visitor Information Network ” (Appendix 2);
 - an overview of the findings, conclusions and recommendations in that independent report; and
 - an outline of the proposed pathway forward to implement the key recommendations as part of the 2015 Long Term Planning Process.

SIGNIFICANCE OF DECISION

2. This report does not trigger the Council’s Significance Policy.

BACKGROUND

3. In March 2013, Kāpiti Coast District Council initiated an independent Strategic Review of its Visitor Information Network (VIN), focussing on the Visitor Information Centres (i-SITES).
4. The Visitor Information Network is the network of infrastructure provided to support the visitor sector, e.g. i-SITES & Visitor Centres, signage, information stands, and hard and digital copy collateral (e.g. brochures, videos, websites, mobile applications).
5. Tourism New Zealand manages the i-SITE brand, and sets the requirements for membership of the VIN. Context for the role of the i-SITES and the national usage trends that informed the timing of the Council review are attached as Appendix 1.
6. Kāpiti Coast District Council currently operates two i-SITES. One in the old Heritage Courthouse on the Main Highway through Ōtaki and the other in one of the Coastlands tenancies fronting Rimu Road, Paraparaumu.
7. The Waikanae Community Information Centre is not part of the official Visitor Information Network (VIN).

8. The review of the Kapiti VIN was undertaken:
- to ensure the Council investment in the visitor sector is the most efficient way to support visitor information needs; and
 - to ensure that it remains relevant as visitor behaviour and information requirements change, and the Expressway alters how visitors travel through the district.

CONSIDERATIONS

Issues

9. The Local Government Act 2002 Amendment Act 2012 [clause 10(1)(b)] states that the purpose of local government is “to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses.” In this context, “good quality” infrastructure means that it is “efficient, effective, and appropriate to present and anticipated future circumstances.”
10. The VIN network is part of the infrastructure that Council has provided to support the tourism sector and help it to attract more visitors, extend the stay of visitors when they arrive and increase the amount of money they spend. While the focus has been on the i-SITEs, the network includes signage, information stands (such as the one at Kāpiti Coast Airport terminal) and hard copy information (and increasingly digital information) that visitors can access.
11. For the physical assets, the location, design and integration with the overall tourism marketing strategy are critical factors for the effectiveness of the network.
12. The Ōtaki i-SITE is located on the main highway, however it lacks on street or off street parking. Its heritage building status and underlying zoning limit its use and potential for redesign without substantive cost. Once the Peka Peka to Ōtaki Expressway is constructed the location will not be as optimal as it currently is.
13. The Paraparaumu i-SITE is at the rear of Coastlands facing Rimu Road. The current premises were developed by Council in 2010 when the previous use of the kiosk space in the Countdown carpark space was discontinued. When the tenancy was taken up there was limited suitable cost efficient retail space available. The number of enquiries at the site in 2012, represented 0.036% of the annual pedestrian count of Coastlands.
14. i-SITE signage was retained on the State Highway frontage however, the rear location is not optimal for visitors and has been raised as a concern by the local tourism sector.

Current contractual and funding arrangements for the Kāpiti i-SITES

15. The two i-SITE are managed on behalf of Council by the Kāpiti Company Limited (KCL). The initial term of the KCL contract runs to 30 June 2015, with 2 possible extensions of one year each.
16. Their contract also includes funding for provision of some tourism marketing, and support for the local tourism sector. Provision is made in their contract to discuss the reallocation of this funding (in part or whole) to these destination management

or marketing services in the event that the VIN review recommended downsizing of the current network.

17. The lease on the Paraparaumu i-SITE is between Council and Coastlands. The term of the current lease runs to May 2015 with a right of renewal at that time. The i-SITE signage on the State Highway is covered under a separate lease between the Kāpiti Company and Coastlands.
18. The Ōtaki i-SITE building is owned by Council and is leased to the Kāpiti Company for a peppercorn rent. The initial lease term expires in May 2014. Renewal of the lease for a further year is currently under action to enable the continued use of the building while stakeholder discussions on the recommendations of the review are being considered.
19. The current ratepayer investment in both i-SITEs is in the order of \$206,000 per annum. This consists of:

	Ōtaki	Paraparaumu
Ratepayer contribution towards annual operational costs explicitly provided in the Kāpiti Company Contract (excl GST)	\$65,000	\$80,000
Rental (excl GST)	Peppercorn rent from KCDC to the Kāpiti Company (KCL) Opportunity cost of rent foregone (\$20,000)	KCDC lease with Coastlands \$41,000
Additional costs met by KCL	Management & admin costs	KCL lease with Coastlands for SH1 signage Management & admin costs

20. Except for the opportunity cost of the rent foregone for Ōtaki, the costs outlined in the table currently fall within the Economic Development budget.
21. Council investment in signs, street maps, development of brochures and digital content and the cost of the Council staff managing the Kāpiti Company contract is in addition to this and falls within various budgets including Economic Development.
22. The existing obligations mean there would be no cost or operational savings to Council if the Review recommendations were adopted prior to the 2015-2016 financial year.
23. No provision is made in the current Long Term Plan for either upgrades of the existing network prior to expressway being completed or for development of a future Visitor Centre after the completion of the expressway.
24. The alignment of the lease and contract renewal timeframes means any changes required to implement the recommendations can be facilitated as part of the 2015 Long Term Plan process.

Independent Review

Terms of Reference

25. The terms of reference for the review were in two parts.

(a) Part One – a general overview of the network:

- the current role and functionality of the Kāpiti VIN in the context of local, regional and national requirements and changes;
- how visitors now access information and the channels best likely to deliver information over the next five years based on trends in user behaviour and demand;
- use of the Ōtaki and Paraparaumu i-SITES by the Kāpiti community.

(b) Part Two – consideration of the most suitable physical network (e.g. signage and visitor centre) and their optimal location once the expressway is built. The potential effect of local government amalgamation was also considered.

26. The terms of reference noted that once Council received the recommendations from parts (a) and (b), it would engage with stakeholders prior to implementation as part of the 2015 Long Term Plan Process.

27. The balance of this report presents the independent Review findings, conclusions and recommendations and outlines the proposed work required for Council to make decisions on the recommendations later this year.

Findings: the current role, function and use of the i-SITES

28. There has been a 40% drop in the annual number of inquiries at the two Kāpiti i-SITE over the last decade. This is consistent with the national trends.

29. Table 1 summaries the number of enquiries and their source for the year ended June 2012. The total number of enquiries were down 9% on the previous year.

Table 1

	Paraparaumu	Ōtaki
Annual Enquires	13,325	10,746
Council funding per enquiry	\$10.70	\$10.62
Visitors		
International	23%	23%
Domestic	14%	25%
Kāpiti resident	63%	52%

30. Of these enquiries:

- 50% of domestic visitors made general enquires or were seeking maps and directions. 25% were seeking information on the regional attractions and only a small portion were seeking information on Kāpiti events, activities or bookings;

- Kāpiti residents predominantly used the sites for booking trips out of the district on intercity buses and Interislander ferries and for getting information on local services.

31. The review found that:

- while the internal presentation of the i-SITEs is on par with many New Zealand and Australian communities they are below lead practice;
- neither site is in the optimal location nor designed to meet changing visitor information needs;
- If visitor centres are to play a key role in attracting and serving visitor information needs in future, improvements to location and design will be needed.

32. The review found that local operators:

- had limited support for the current level of investment across the two i-SITEs;
- have shown some resistance to the standard i-SITE model whereby the i-SITEs charge commissions for bookings and fees for the placement of brochures. This has in part been addressed by the Kāpiti Company offering free placement of brochures for local operators (this however, reduces the ability of the i-SITEs to offset some of the operational costs); and
- have expressed a desire to see other forms of information dissemination and promotion improved (e.g. provision of information and maps at attraction sites to assist cross promotion and referral by all operators).

Findings: Comparison to other i-SITEs

33. As part of the review, benchmark comparison data was obtained from the 2011 Deloitte annual survey of i-SITEs. Comparison was made to sites with similar classification and to other sites in the region. Key findings included:

- the Kāpiti i-SITEs had the lowest levels of total sales. A high percentage of the sales they did have were for intercity buses and ferries.
- of the 89 sites, only Porirua, Stratford, Upper Hutt and Kāpiti provide free brochure display for local operators;
- compared to other Rural/Small Town sites, the number of enquiries at Ōtaki is low with 10,746 enquiries per annum compared to an average of 27,615. The level of ratepayer funding per enquiry (\$10.72) at Ōtaki, is higher than average for similar sites (\$5.02);
- compared to other City Satellite sites, the number of enquiries at Paraparaumu is low with 13,325 enquiries compared to an average of 29,904. The level of ratepayer funding per enquiry (\$10.70) at Paraparaumu is higher than the average (\$8.42)¹.

¹ the review estimated the total ratepayer investment in the two i-SITE to be in the order of \$250,000 per annum. This figure included an estimated cost of \$50,000 for management and administration of both sites, by Kāpiti Company. Under their business model, the Kāpiti Company absorbs these costs and they are not met from ratepayer funding. Reduction in the level of ratepayer funding brings the average ratepayer cost per enquiry for Ōtaki down to \$8.39 and Paraparaumu to \$8.83. For benchmarking purposes however the total cost per enquiry for the sites remains the same overall at \$10.72 and \$10.70.

Findings: Signage and other physical information

34. The review identified the need for a strategy and improved integration of the network for visitor service delivery. This includes the integration of signage, maps, brochures and information panels at strategic locations.
35. It also raised the lack of an integrated visitor information plan, within Council. It noted that while Council produces many good publications and brochures on beach access, arts, heritage and cycle trails, these were not always written with a visitor audience in mind or consideration of how they could complement official visitor guides.

Findings: Digital Content

36. The review identified the lack of digital content that is necessary to support information provision beyond the i-SITEs. This includes information that is:
 - required for traditional on-line research;
 - needed to support the increasing use of mobile devices before and in-destination;
 - required to support destination marketing delivered via digital platforms.

Conclusions and recommendations

37. The conclusions for change on the current network are outlined on Pages 51 to 53 of Appendix 2. In summary:
 - there is significant ratepayer funding which although similar to other i-SITEs is high relative to the enquiries handled;
 - the current use of both i-SITEs is predominately by the community rather than visitors to the district. *“If the community places a high value on maintaining a subsidised bus and ferry ticketing service this should be funded from some form of community servicing budget”* instead of economic development. These services could potentially be provided locally through a commercial operator;
 - from a visitor perspective, improvements would be needed to both current sites to bring them up to current best practice. Existing resources spread across the two sites is not sufficient to implement significant improvements; and
 - unless the community desires to increase the funding for visitor centres, the district cannot sustain two visitor centres.
38. There is also a need for:
 - a) significant improvement around visitor directional signage including maps and information at strategic locations, which need to be planned around the expressway;
 - b) a more integrated approach to the development and integration of the “Kāpiti story” and how this is delivered through the Kāpiti and wider tourism network, and brochures, digital content and marketing, i.e. the development of an integrated visitor servicing plan.
39. The review recommends the reallocation of current funding across an integrated plan in the following order of priorities:

- 1) development of digital content including compelling destination text, images and HD video. This is pivotal in delivering most of the other network components including devices within and beyond i-SITEs. It is critical to the roles of destination promotion to visitors prior to arrival; and servicing visitors once they arrive;
 - 2) a prominent web and mobile web presence for the Kāpiti content. There are several options for the way this is delivered including contracting delivery through Positively Wellington Tourism and/or providing a stand-alone local web site/s;
 - 3) reviewing all Council publications from a resident and visitor perspective and pooling the combined budgets of these more effectively as promotional tools;
 - 4) increasing the number of Kāpiti stories and operator listings on the Tourism New Zealand and other web sites;
 - 5) developing a single, higher quality Kāpiti i-SITE which uses a combination of static and multi-media displays to geographically orientate visitors to recognise tangata whenua and showcase key visitor opportunities and local stories in a visually engaging manner;
 - 6) undertaking a complete audit of visitor signage pre the expressway and a plan for signage, unmanned information points and displays to be developed for implementation during and after the expressway development.
40. The second part of the review specifically considered the optimal long term location for a single visitor orientated visitor centre. This considered both the Expressway and the potential for local government amalgamation. It recommended:
- that Paraparaumu is the optimal location for a single site;
 - that if the proposed Kāpiti Island Gateway proceeds from feasibility study to development, the i-SITE be integrated into that development; and
 - if the Kāpiti Island Gateway does not proceed, more detailed assessment of sites on Kāpiti Road and Coastlands be carried out to identify the optimal site once the Expressway is built.

Next Steps

41. The review recommendations represent a programme of work. Some of the issues identified are already being addressed in the current financial year within existing budgets. Others require additional investigation of the potential costs and stakeholder engagement prior to Council making decisions on whether to adopt the recommendations and the redirect of existing funds or potential new funds being required. These aspects will be incorporated into a review of the Economic Development Strategy as requested by the Council.

Changes already initiated

42. Since the review was completed changes that have already been initiated include:
- The destination brand was launched as the first step in increasing brand awareness and developing an integrated tourism strategy and plan;

- changes have been made to the visual presentation within the Paraparaumu i-SITE to incorporate more imagery. The Kāpiti Company has also established a virtual i-SITE as part of its company website;
- the Kāpiti Company has worked with the Kāpiti Island concession holders to re-establish bookings to the Island from the i-SITE under the new DOC concession framework;
- initial digital content has been developed and included on the Positively Wellington tourism website. www.wellingtonnz.com/Kāpiti. The site is currently under redevelopment. Additional content is being considered as part of that redevelopment;
- Council audited www.wellingtonnz.com and all out of date material has either been removed or will be updated in the near future;
- The Kāpiti Company has worked with operators to encourage their listing on the Tourism New Zealand database (which feeds to all other tourism websites).

Further investigations

43. To inform Council's decision on whether to adopt the balance of the recommendations and implement them through the 2015 Long Term Plan process, the following additional work is being initiated:
- engagement with the community about the recommendations in the review starting with briefings of the Ōtaki and Paraparaumu-Raumati Community Boards during March 2014;
 - assessment of the appropriate digital presence for Kāpiti as a visitor destination and the likely costs to develop and maintain it; and
 - the Kāpiti Island Gateway Feasibility Study will be reported to Council at the 27 March 2014 ECD meeting.
- The outcomes of this work will be integrated into a wider review of the Economic Development Strategy and Economic Development activity area for the 2015 Long Term Plan.

Financial considerations

44. Continued funding to the same level from the economic development budget in the 2014-2015 Annual Plan will be required for the existing contractual obligations to be met. This will be addressed as part of the current Annual Plan process. Continuation of funding for that year will also enable the various work streams outlined (including discussions with the community) to be undertaken.
45. Recommendations on the outcomes of these work streams and their funding implications will be included in the draft 2015 Long Term Plan process.

Delegation

46. The Committee has the delegation under Clause 7.1 of the *Governance Structure and Delegations: 2013-2016 Triennium* (November 2013) to:

- “develop policies and work programmes that support the social, economic, environmental and cultural interests of the community; and
- undertake all matters not specifically delegated to Council officers or other committees concerning or involving community development and interests, including but not limited to the development, implementation, advocacy, and monitoring of social policies relating to community facilities”.

Consultation

47. The Ōtaki and Paraparaumu Raumatī Community Boards will be briefed on the review recommendations and the proposed work streams during March and April.

Publicity Considerations

48. A press release about the independent review and its implications will be released at the appropriate time.

CONCLUSION

49. The Strategic Review of the Visitor Information Network has identified that:

- predominant use of both Kāpiti i-SITEs is by the community and not visitors and enquires are dropping. Provision of the services provided to the community could potentially be provided by other means;
- from a visitor perspective changes are needed to bring both i-SITEs up to leading best practice;
- the location of the current Paraparaumu i-SITE is not ideal, and the ability to upgrade the heritage building which the Ōtaki i-SITE occupies is limited;
- the need to develop digital content for Kāpiti as a destination is a priority;
- the existing economic development funding resources are insufficient to implement significant improvements to both sites and without increased funding the district cannot sustain two visitor centres. Redirection of the current funds to one site would enable some improvements to be made, including the development of digital content;
- the location of both current sites will be affected by the changed traffic flows resulting from the Expressway. For this reason, significant investment of either current site is not recommended at present; and
- in the longer term (post Expressway) the optimal location for a single site is Paraparaumu.

50. Work to address the issues of implementing the recommendations is either already underway or proposed for the current year. These include discussions with stakeholders, the development of a digital presence and information provision post the expressway. The outcome of these will enable Council to make decisions on the appropriate design and funding of:

- the post Expressway network to meet visitor needs; and
- the interim network requirements between 2015 and when the Expressway is operational.

RECOMMENDATIONS

51. That the Committee notes:

- (a) the findings of the independent Strategic Review of Kāpiti Visitor Information Network (i-SITEs) as attached in Appendix 2 to SP13-1080; and
- (b) the work streams being undertaken to investigate further the implications and costs of the recommendations so that these can inform the decisions Council makes as part of the 2015 Long Term Plan process.

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ATTACHMENTS:

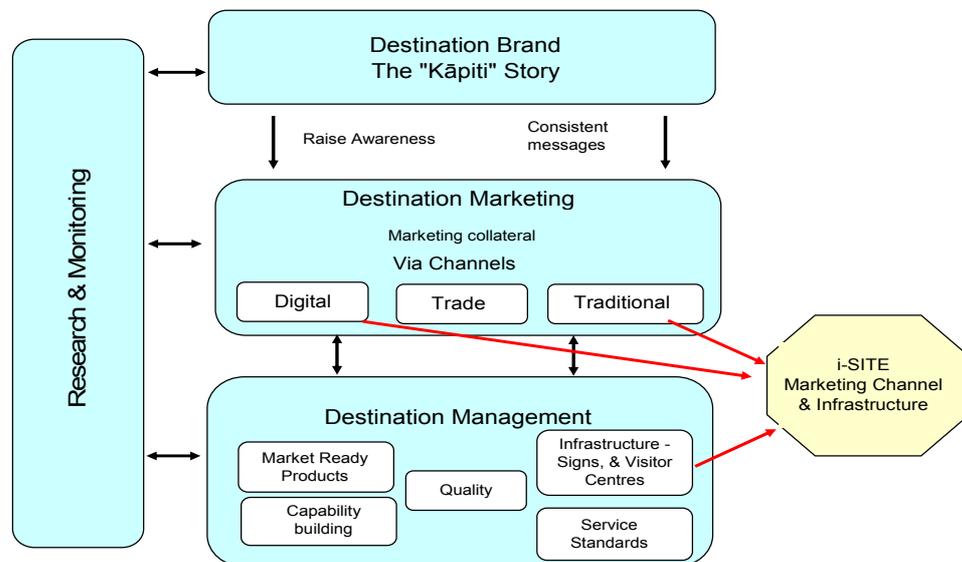
Appendix 1 to SP13-1080: National context and usage of i-SITEs

Appendix 2 to SP 13-1080 2013 Strategic Review of Kāpiti Visitor Information Network

Appendix 1 to SP13-1080 National Context and Usage of i-SITES

Role of Visitor Information Centres

1. i-SITES are the official 'face' of the visitor industry and are predominantly used as the first point of reference for visitors to a destination.
2. The i-SITE:
 - are a tool for promoting what the district has to offer to visitors;
 - provide information and booking services;
 - act as a visitor marketing channel for the local visitor sector; and
 - can be a potential showcase for promoting Kāpiti products.
3. As part of a national network i-SITES also provide the local community with information about other destinations in the country. In some locations they are co-located with visitor attractions e.g. art galleries and Department of Conservation sites.
4. Of the 89 sites in existence at the beginning of 2012, 33 were owned by Regional Tourism Organisations, 28 by Councils, 16 by Trusts/Incorporated Societies, 10 by independent organisations and two by the Department of Conservation.
5. Within the network there are different classification of i-SITES. These are:
 - Large Tourist e.g. Rotorua, Queenstown and Auckland Central
 - Secondary Tourist e.g. Bay of Islands, Nelson, Wellington
 - Small Tourist e.g. Coromandel, Golden Bay, Waitomo
 - City Satellite e.g. Hutt City, Paraparaumu
 - Provincial City e.g. Hastings, Wanganui, Palmerston North
 - Rural/Small Town e.g. Ōtaki, South Taranaki
6. The following diagram provides an outline of the key aspects of promoting Kāpiti as a visitor destination and the role i-SITES have in this.



National Usage Trends

7. Nationally there has been a steady decline in the use of i-SITEs and changing user patterns. These changing patterns were summarised in the 2011 Tourism New Zealand "Visitor Experience Monitor" which found:
 - reduced use of i-SITEs was in part driven by lower levels of awareness of them and changes in how visitors access information. The decline in usage patterns occurred across both domestic and international markets. During 2011, visitors participated in fewer activities and there was an increase of information available to travellers direct through other mediums, particularly the internet and smart phone technology;
 - for those using i-SITEs there was an increase in the number just collecting information and a decrease in the use of sites to make bookings;
 - there was an increase in the number of people looking for specific information on paid attractions and activities, shifting away from general information about the area.
8. This trend was also identified in the Tourism New Zealand 2012 statistics, which showed a 27% national drop in physical i-SITE visitor numbers between 2011 and 2012 and a corresponding increase in use of smart phones (65%) and iPads (19%) to access key tourism information in the last year.
9. During 2012, the Levin, Mt Maunganui and six Auckland i-SITEs were closed following reviews by their owners. Several other sites have either been refurbished to better position them to changing visitor behaviour patterns or integrated with other community facilities.
10. Where new national tourism facilities were developed, some local network owners were using these as the catalyst to make changes to the scale and design of their overall network. For example, some of the new cycleways signage has inbuilt QR codes which link mobile users to additional information, and where major roading changes have been implemented, new visitor information infrastructure has been built to reflect the changes.