

TOURISM COROMANDEL INFORMATON CENTRE REVIEW 2005



THE COROMANDEL

conducted on behalf of T.C.D.C

by

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in association with

the Information Centres of the Coromandel

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EXECUTIVE SUMMARY

The review of the operations and financial performance of the Information Centres of the Coromandel was undertaken by Tourism Coromandel at the request of Council.

The objective of this review was to determine for Council the extent of public funding required to sustain the Centres, ensure their viability and provide for their ongoing development.

In undertaking this review an examination of current operations, business practises, balance sheets, governance structures and human resourcing was carried out for each Centre.

The local Centres were examined in the context of benchmarked operating models provided by VIN Inc (Visitor Information Network) an arm of Tourism New Zealand. VIN Inc is a network of over 90 Information Centres (i-SITES) located throughout New Zealand.

Considerable public and stakeholder consultation was undertaken in the course of this review.

The Centres

Overall there are many impacts that an Information Centre has on a region and its community. These impacts are either direct (increased length of stay or participation in activities) or indirect (positive word of mouth about the region or greater satisfaction with their experience in the region or in their community).¹

Information Centres also have an impact on local businesses and the community as the services they provide include promoting and disseminating Information on local businesses, community activities (clubs, societies) and local events.

Activities include:

- Providing information and booking services to visitors with the underlying aim of getting visitors to stay longer and spend more.
- Providing access to booking and ticketing services for public transport.
- Acting as community coordinators undertaking a range of support roles for local clubs and societies and organising community events.
- Providing information on community services to residents.
- Undertaking a promotional role for their communities producing brochures, maps and guides.

The Issues

- It is unlikely that most of the community services undertaken by the Centres would be provided by the private sector if the Information Centres did not exist.
- Some of the Centres suffer from liquidity problems
- The commercial side of the Centres operations is unable to sustain them and the continuance of the Centres is dependent on outside funding from grants/donations and fundraising.
- Apart from Council contributions, this funding is unsustainable in that it comes from pub charity and other charity sources and cannot be guaranteed, notwithstanding the stigma of competing with other deserving community organisations for the same funds.
- Managers spend undue time chasing funds to maintain the Centres
- Business models have evolved rather than been planned and there is an urgent need to review this aspect.
- There is little evidence of forward cooperative planning for strategic and operational development on a regional basis.
- The centres operate independently of each other.
- The current operations of the Centres are sustained by the goodwill of the managers and staff.
- The rental situation vis a vis Whangamata and Whitianga needs to be resolved.

National Benchmarks

- Many towns use their Information Centres as a visible statement of their vitality and view of itself. Taupo, Napier, Timaru, Hastings have Centres that project a dynamic, forward looking image of their towns.
- Training standards are not in line with national requirements.
- Remuneration levels are well below national benchmarks.

¹: 2004 VIN Consumer Research

Strategic Direction

In response to recommendations and actions proposed in the New Zealand Tourism Strategy 2020 Local Government prepared **Postcards from Home: Local Government Tourism Strategy**. This contained a number of strategic aims for local government's involvement in tourism. One of the key strategic aims was:

“To take a lead role in destination management by forming partnerships with key stakeholders”

The following recommendation was made with regard to the Visitor Information Network:

“That together the Territorial Local Authority and VIN network continue to support quality improvement and funding of the VIN system and advocate for improved financial performance”

Tourism Coromandel's tourism strategy Towards 2020 made the following recommendations with regard to the Information Centre network:

“It is recommended that i-SITE Centres are established as the most comprehensive providers of quality independent visitor Information, ensuring a uniform look and level of service across the region, preserving the role of volunteers and, with one payment, enabling operators to be promoted across the region.

The VIC's should be centrally funded to enable the region to take advantage of economies of scale relating to imminent ICT upgrades such as online reservations systems and in order that the central funding body can work with the i-SITE organisation to ensure it continues long term to meet the needs of individual operators, the visitors and local communities.

Review Scope

A full analysis and rationale for the key and associated recommendations is made in the attached document. The scope of this review was to examine the current state of the centres and make recommendations for their development. It is felt that any changes in business planning, focus and priorities needs to be worked through with the respective committees over the next three years.

The current business models are unsustainable and if continued could result in an open ended funding expectation or closure of the Centres. Given that there will most certainly be an ongoing need for community funding involvement in the Centres a business model, strategic plan and a system of accountability to minimise the level of public funding to a realistic level needs to be developed.

For the region to maximise the economic benefit from these visitors we need to have in place an efficient, attractive, focused and coordinated Information Centre Network.

Key Recommendations

- That the sum of \$250,000 p.a for the next three years be allocated to meet the operational shortfall of the Centres.
- That an immediate grant of \$15,000 be allocated to the Thames Centre to remedy its cash situation and that a business analyst be appointed to work with the Thames Centre to review its business practise.
- That \$70,000 p.a is allocated to establish a pilot project to manage the business and strategic development of the Information Centre Network and determine the most appropriate business model for the ongoing operations of the centres.
- That a capital development fund of \$300,000 be budgeted for in the next three years.

1.0 SUMMARY OF RECOMMENDATIONS

GOVERNANCE/LEADERSHIP

This review recognises the value that each Information Centres' committee provides in representing member issues and in injecting 'local flavour' to the Centre. It also identifies that Tourism Coromandel, another key stakeholder in the visitor industry does not currently have a strong relationship with the Information Centres. Nor does the current structure allow for Council representation given that they are a key funder. A structure that recognises and accommodates all stakeholders' interests is therefore recommended in the future.

Recommendation 1: Establishment of a structure to represent all stakeholder interests and to establish a regional focus for the Information Centre network.

Recommendation 2: That under this structure funding continues to be allocated directly to the Centres based on the three year funding recommendations for the duration of the pilot scheme.

PLANNING FOR THE FUTURE

Strategic Planning is crucial if the Information Centre network is to overcome perceived weakness, survive future threats, leverage of current strengths and to pursue opportunities. See Appendix Three: SWOT analysis.

Recommendation 3: That \$70,000 is allocated by TCDC to establish a pilot project under the proposed new structure to develop a strategic plan and implement a three-year programme to investigate the most efficient business model for the Coromandel's Information Centre network.

Recommendation 4: That the functions of the position appointed under the pilot project would be Strategic Planning, Technology development, Business modelling/planning, Finance, Housing, Human Resources, Contractual.

Recommendation 5: That the Thames Information Centre is given priority under this structure to investigate a more efficient business model given its current liquidity issues.

SERVICES PROVIDED AND CLIENT BASE

It is important that the Information Centres continue to provide a quality service to visitors to the Coromandel region and to the local community, and that there is a consistent approach to this Information servicing. To ensure an efficient service it is crucial to have up-to-date and comprehensive databases, detailed research on the 'local' visitor industry, and systems in place to avoid the duplication of services.

Recommendation 6: A service level agreement (SLA) is adopted by the network in order to standardise the services provided by the Information Centres that include some of the current VIN Inc Network membership requirements and standards.

Recommendation 7: The development of a TCDC wide database with community contacts.

Recommendation 8: Delineation of provision of information services and assign funding appropriately.

Recommendation 9: Conduct visitor industry research specific to the Coromandel under Council auspices.

HUMAN RESOURCES

Coromandel Information Centres require professional well paid and trained staff to promote the region to visitors. Information Centre staff are important advocates for a region and if Information Centre users have a positive experience with a staff member this results in a positive experience in the region, leading to more positive word of mouth. The implications of this are potential increases in visitor numbers to a region.

The total wage costs of the six Information Centres in the financial year ended 2005 was \$402,000 (See Table 5.2). The review has highlighted that the i-SITEs salaries are between 6% to 29% below their counterparts (See Table 5.7) and that currently no provision has been made for changes in the Holiday Act.

Recommendation 10: That salaries be realigned in accordance to national benchmarks in order to ensure the Coromandel Peninsula Centres attract a high calibre of staff.

Recommendation 11: That additional funding be provided to ensure that the Information Centres can adhere to the requirements of the Holidays Act.

Recommendation 12: To role out a training programme incorporating the VIN Inc training requirements, sales training, familiarisation co-ordination and that it is delivered to all Information Centre staff.

Recommendation 13: That a code of practice is established for volunteers.

OPERATIONS

Currently each Centre functions separately without any co-ordination of operational functions leading to inefficiencies and inconsistent approaches to services provided. It is suggested that the pilot programme manage future development of systems and capital expenditure as required.

Recommendation 14: A business model is developed for the efficient provision of services via central administration, one membership, a communal booking system/database, upgraded websites, a co-ordinated approach to regional and district advertising.

Recommendation 15: To explore the opportunities available with regard to technology – a regional “real-time” booking system

Recommendation 16: That the LTCCP support and make allowances for future capital expenditure relating to relocation and expansion of premises, back-office upgrades, and technology advancements and that a capital development fund of \$300,000 be budgeted for the next three years. Further research should be undertaken to determine allocation of this budget.

Recommendation 17: That a consistent approach to lease arrangements be made where Council property is concerned and that where Information Centres are in non-TCDC premises with free rental, allowances should be made for changes to this situation in the future.

FUNDING REQUIRED

In the years ended 2003, 2004, 2005 the average surplus/deficits generated by the Information Centres as a group including TCDC funding and all other grants were \$45.05, (\$20,813.36), \$15,340.65 consecutively. See **Appendix One: Group Financial Performance.**

The 2003, 2004, 2005 year end cash deficits generated by the Information Centres as a group exclusive of other grants and donations but including TCDC funding was (\$41,888.62), (\$69,243.98) and (\$93,036.51) consecutively.

These figures highlight the Centres inability to generate significant revenue to cover their costs. This represents a nationwide situation with ‘medium’ sized i-SITE Centres running at \$15,000 loss after funding. See Table 7.2 The nature of an Information Centre service provision is largely non-revenue generating. Refer and **Section 7.1 Chargeable Services.**

It also highlights the reliance on community grants and donations to bridge the difference between revenue and costs. However the ongoing reliance on external grants (non-TCDC) is not sustainable for the following reasons:

- Difficult to budget when grants not guaranteed and short notice given when successful.
- Time that should be spent on providing core services is spent putting grant applications together forward for these grants.
- This money should be used more appropriately in communities ie; Ambulance services, etc..
- Future pub charity money (currently 25% of total grants/donations revenue (YE 2005)) is under threat with drop in pub revenues due to introduction of non-smoking rules. **See Appendix One: Group Financial Performances.**

This reports funding recommendations are based on the serious funding shortages had grants/donations not been received other than from TCDC and makes recommendations for funding in the future taking into account non-reliance on external grants/donations.

The final recommendation is calculated by adding the actual 2005 working capital funding deficiencies/surpluses of the Information Centres after excluding non TCDC funding to the actual TCDC funds provided in the 2005 year. This is the most representative of the current situation. Refer to recommended funding suggestions for each Centre Appendix 2A – 2D.

Our funding suggestions are an attempt to recognise the current needs of all the Information Centres to maintain status quo positions.

Recommendation 19: That Thames Information Centre receives an immediate one-off financial injection of \$15,000 and \$56,658 for the 06/07 period.

Recommendation 20: That Whangamata Information Centre receives \$48,700 for the 06/07 period.

Recommendation 21: That Whitianga Information Centre receives \$34,966 funding for the 06/07 period.

Recommendation 22: That Coromandel town Information Centre receives \$45,177 funding for the 06/07 period.

Recommendation 23: That Tairua Information Centre receives \$19,524 funding for the 06/07 period.

Recommendation 24: That Pauanui Information Centre receives \$7,000 funding for the 06/07 period.

Recommendation 25: That these recommended amounts per Centre apply for the 2006/2007 financial period to recognise the centre cash positions but that future allocation of the \$250,000 per annum be assigned on a performance/need basis by the pilot programme manager.

Recommendation 26: That a contingency of \$38,000 needs to be available to address the situation that will become apparent on the publication of the Centres 05/06 accounts.

It must be stressed that these recommended funding suggestions do not include the additional funding requirements for capital expenditure:

- Relocate and expansion of premises
- Upgrades to office equipment
- Technology advancements

Please note: In 2005 a thorough reclassification of Information Centres by VIN Inc was undertaken in order to get more meaningful data for analysis and benchmarking. The four Coromandel i-SITES have been given a “medium” classification based on Revenue, Commissions earned and staff level/costs. The other categories are “small” and “large”. Visitor volumes are not reliable due to the range of counting methods employed.

2.0 GOVERNANCE/LEADERSHIP

Recommendation 1: Establishment of a structure to represent all stakeholder interests and to establish a regional focus for the Information Centre network.

Recommendation 2: That under this structure funding continues to be allocated directly to the Centres based on the funding recommendations for the duration of the pilot scheme.

2.1 Governance structures in place

Whangamata, Coromandel town, Tairua and Thames have Incorporated Society structures with executive committees made up of tourism operators and local business.

Whitianga and Pauanui are run as part of the community's business association. In the instance of Destination Mercury Bay, Whitianga's Business Association, a sub-committee has been appointed to oversee the running of the Information Centre. Elements of the business association expressed doubts about the future of this governance structure stemming from concerns that non-tourism businesses were being under represented.

The Information Centre Managers report to the executive committee and in most instances the committee play a mentoring role to the Information Centre Manager.

All the Centres Manager's believe that their current structure is functional with the exception of Whitianga who found that having the two committees to deal with was time consuming and sometimes counterproductive.

2.2 The role of the executive committee

The executive committees are made up of local business people and tourism operators. They are elected to the executive each year at the Information Centre's/Business Associations AGM.

Roles among the Information Centre's executive committees include:

- Overseeing the running of the Information Centre,
- Supporting the Information Centre manager,
- Approving monthly accounts,
- Appointing the Information Centre manager's position if necessary.
- Dealing with complaints
- Providing support/ideas with regard to future direction of the Centre.
- Business planning

2.3 Strategic planning role

Each of the Centres had different approaches with regard to future planning, one with a 10 year long-term plan in place (Coromandel town), others with yearly business plans and some working simply to their annual budget. There was little evidence that suggested that the Centres goals and objectives had a regional focus with regard to the development of the visitor industry.

The committee's goals and objectives for the futures of their Centres were very much focused on obtaining guaranteed funding and undergoing operational objectives such as expansion of Centres, relocation of Centres and security of lease arrangements. Refer to **3.0: Planning for the Future** for further detail.

2.4 Responsibility to the board - Information Centre Manager

The Information Centre manager reports monthly to the board/committee on visitor arrivals numbers, staff issues/changes, financials, and funds applied for.

2.5 Funding and management structures around New Zealand

Following are the common funding and management structures apparent in New Zealand:

1. Council funded, RTO managed eg; Marlborough District Council (**See Appendix Four**)
2. Council funded and managed eg; Buller and Grey District Council (**See Appendix Four**)
3. Council funded and services contracted out eg Westland District Council (**See Appendix Four**)
4. Privately funded and managed eg: Kaikoura Information Centre (**See Appendix Four**)

It was clear from talking with each of the committees/representative of, that should any centralisation occur, local input into direction and management should be retained to ensure access to local knowledge and community involvement.

The four i-SITE Information Centre managers favoured a single overarching governance structure with local representation.

2.6 RECOMMENDATIONS

- The establishment of a structure to examine the business and strategic development of the Information Centres is recommended and that it is piloted over three years to determine the most appropriate business model. This structure would include a representative from Council, Tourism Coromandel, and from each Information Centre.
- That under this structure funding continues to be allocated directly to the Centres based on the three year funding recommendations for the duration of the pilot scheme.

Rationale:

- At present Tourism Coromandel have an informal relationship with the Information Centre manager. As the key agency tasked with bringing visitors into the region it is imperative that there is synergy between them and the front line staff in the Information Centres.
- Although currently a key funder the council has no input into the strategic direction of the Information Centre network. By assuming a leadership role Council has the opportunity to oversee the economic development role of the tourism industry and have the opportunity to have a greater impact on destination management. Refer **Postcards from Home: Local Government Tourism Strategy**.
- The Information Centre managers feel they would benefit from the opportunity to have direct and collective working relationship with other key stakeholders.
- It would provide an opportunity for local stakeholder input through committee representation ensuring the promotion of 'local flavours' isn't overlooked as recommended in Tourism Coromandel's 20/20 Strategy.
- It could potentially improve the opportunity of obtaining external funding for future projects because a structure would be in place to make these applications on behalf of the network.

3.0 PLANNING FOR THE FUTURE

Recommendation 3: That \$70,000 is allocated by TCDC to establish a pilot project under the proposed new structure to develop a strategic plan and implement a three-year programme to investigate the most efficient business model for the Coromandel's Information Centre network.

Recommendation 4: That the functions of the position appointed under the pilot project would be Strategic Planning, Technology development, Business modelling/planning, Finance, Housing, Human Resources, Contractual.

Recommendation 5: That the Thames Information Centre is given priority under this structure to investigate a more efficient business model given its current liquidity issues.

3.1 Strategic Plans

There is not currently a strategic plan for the Information Centre network. Each Centre has its own annual budget and business plan that is worked to.

In the 2004 review of the Towards 20/20 Strategy it was recommended as a result of consultation with industry stakeholders that a more strategic approach be taken with the Information Centres.

3.2 Views of key stakeholders

This review process undertook research to establish to what extent stakeholders agreed with the Towards 20/20 recommendations.

3.2.1 Information Centre Managers

Due to the current funding structure Information Centre managers inevitably focus on the operational over the strategic. When asked about how they saw the future the following was revealed:

Operational goals

- Adequate funding to secure required levels of staff.
- Council provided and funded premises.
- Central administration.
- One membership including a central database.
- Integration of town co-ordinators and Information Centres roles.
- Ability to undertake joint marketing ventures with Tourism Coromandel but still maintaining individual identities.
- Development of brochures and websites to maintain identities of each community.
- Independent of council.

Strategic goals

- Provide a quality, professional service.
- Have the ability to focus on core services - Information servicing and bookings.
- Provide visitors to the region with an experience in the Information Centre that is consistent with "the Coromandel experience".
- Be situated in the most effective position.
- Build strong community awareness of Information Centre.

3.2.2 Executive committee

Suggestion of centralisation of some functions to be further reviewed or managed by a centralised agency received little or no protest. The executive committees of the Information Centres recognised the advantages of developing a strategic plan to facilitate the rationalisation of some of the Centres operations such as administration, database management, and membership.

Financial security in the future was important particularly to Thames, Tairua and Coromandel town. Settlement of lease arrangements with council was a priority for Whangamata and Whitianga.

Coromandel town's 10 year long-term plan includes a new location for the Centre which is currently being worked on by the committee.

Each of the Centres had specific financial goals for their Centres including non-reliance on grants, sufficient funding for staff wages and in some cases rent allowances.

3.2.3 Information Centre members

The Information Centres members were surveyed to find how widely accepted the suggestions that came out of the Towards 20/20 recommendations are (See Appendix Six: Member Questionnaire). 116 responses were collected from members with the following results:

Table 3.1: Member feedback – Strategic Direction

Suggestions for future direction	% of respondents that agreed with recommendation
Guaranteed funding	77%
Centrally funded/locally managed	64%
Centralised booking system	36%
Integrated membership	59%
Central co-ordination of advertising	58%

3.3 RECOMMENDATIONS

It is recommended that the pilot project is tasked with creating a strategic plan and that a position is established to undertake this. This role requires impartiality and the ability to make a plan that is appropriate for all stakeholders.

Rationale:

Without a strategic plan the Information Centres will not be able reach their full potential to become:

- Quality providers of visitor information.
- Cost effective.
- Technologically advanced.
- Contributors to economic development.

The strategic plan should include goals relating to the following areas:

- Future revenue generation.
- Technology including a common booking system.
- Location of sites.
- Human resources.
- Membership.
- Advertising

4.0 SERVICES PROVIDED AND CLIENT BASE

Recommendation 6: A service level agreement (SLA) is adopted by the network in order to standardise the services provided by the Information Centres that include some of the current VIN Inc Network membership requirements and standards.

Recommendation 7: The development of a TCDC wide database with community contacts.

Recommendation 8: Delineation of provision of Information services and assign funding appropriately.

Recommendation 9: Conduct visitor industry research specific to the Coromandel under Council auspices.

4.1 SERVICES CURRENTLY PROVIDED

The Information Centres are the 'face' of the visitor industry in the Coromandel and are a primary contact point for international and domestic tourists as well as the local community. Overall the visitor Centres role is to provide these customers with consistently excellent service, objective advice and Information on the district and to act as a booking service and retail outlet. As well as this they play a vital role in the community providing both information services to the local community and to promote and sometimes facilitate local activities.

Following are a list of services that the Information Centres currently provide their customers:

▪ **Promotion of their town/community and the Coromandel region**

Being the first point of contact for visitors to their area the Information Centre becomes responsible for welcoming and orientating visitors to that particular town/community and to the Coromandel region.

As "first port of call" for many visitors into a community the Centres play an important role in facilitating sustainable tourism in the region. The Centres are able to communicate to visitors the responsibilities they have when visiting the Coromandel region ie; no camping in reserves, road conditions, motorhome over-nighting restrictions etc.

▪ **Information servicing – visitor**

- i-SITEs are predominately used for accessing information – 75% of visitors to i-SITEs went to collect information.³
- Provide Information on accommodation, activities, events, transport and things to see and do in their area and the region.
- Assisting families to investigate the options of relocating to the town.
- Itinerary planning.
- Provide general Information on all other North and South Island areas.

▪ **Information servicing – local community**

- The Information Centres provide Information to the public some of which is also available via the Council:
- Council services such as swimming pools, dump stations and libraries
 - Road Condition Information - as most Centres are open 7 days a week they are often the first point of call to find out if the roads are open during and after heavy rain.
 - Rubbish Transfer station opening hours and collections days after long weekends to non-resident ratepayers.
 - Providing Information on rules and regulations within the region ie; over-night location restrictions for motorhomes and rules for people wanting to camp on reserves.
 - Answering local questions for people who do not know who to call
 - Civil defence.

▪ **Booking activities/accommodation/transport**

VIN Inc Membership Requirements and Standards require that the i-SITEs make accommodation and activity bookings for visitors. In doing so they take a 10% booking fee (current industry standard) from the business for which the booking is made.

Pauanui currently generates some revenue from activity operators and is moving towards charging commission for accommodation bookings. Tairua Information Centre only make bookings and take commission revenue from activity operators.

³Consumer Research undertaken by VIN Inc 2005.

- **Sale of merchandise**
All Information Centres have a retail section varying in size.
- **Sale of tickets to local events**
As well as community events the Information Centres sell tickets to Coromandel events that Tourism Coromandel co-ordinate.
- **Internet services**
Three out of the six provide internet services.
- **Liaising and working with community groups and non-profit groups**
The Information Centres assist many community groups, clubs and associations by passing on their details to interested members of the community, promoting any fundraising events or programmes they may run, assisting with co-ordinating fundraising events, selling tickets at no charge (Ballet School, School Choirs, Theatre productions, festivals), making bookings and holding keys for the local facilities such as halls and tennis courts, distributing and collecting registration forms for events, and holding pamphlets on services that support groups offer.

Publicity

These groups receive free publicity from many of the Information Centres by way of:

- Displaying information on the Centres Notice Boards.
- Radio slots that the Information Centres have with local community radio stations.
- Email newsletter to members.
- Their websites.

Database management

The Centres hold database lists of community related groups. Considerable effort is put into keeping these lists up-to-date. The Centres do not have a centralised community database that they can access.

Databases include lists of:

- Schools
- Clubs
- Churches
- Sports groups
- Service groups
- Youth Organisations

Note: Coromandel town is the only Centre that either charges these groups a membership fee or requires a commission for booking.

- **Physical promotional site**
The Information Centre provides a space and staff to promote and book their business activities. Businesses can support the Centres by becoming members of, buying into advertising or displaying brochures. Currently each Information Centre has its own membership scheme, and co-ordinates advertising and brochure display.
- **Brochure display**
Coromandel Peninsula Information Centres display brochures at the Centres as part of their service provided to members and non-members. As part of the VIN network the i-SITEs are required to display regional brochures. While at an i-SITE, three quarters of users (73%) used the brochures and pamphlets on offer (down from 81% in 2002).⁴
- **Advertising co-ordination – billboards, brochures and websites**
Businesses have opportunities with each of the Centres to undertake advertising, for example some have billboards, Whitianga has its own visitor guide and most of the Centres have websites. Note; that some advertising is provided as part of the membership fee.

4.2 CLIENTS

4.2.1 The Information Centre managers have identified the following groups as their clients:

- **International and domestic tourists**
Nearly 90% of potential visitors to New Zealand are “quite likely” to use Visitor Information Centres to obtain Information while travelling around New Zealand according to an online survey undertaken by Tourism New Zealand in 2003.⁵

⁴Consumer Research undertaken by VIN Inc 2005. ⁵An online survey was completed by Tourism New Zealand in February and March 2003 on their website www.newzealand.com.

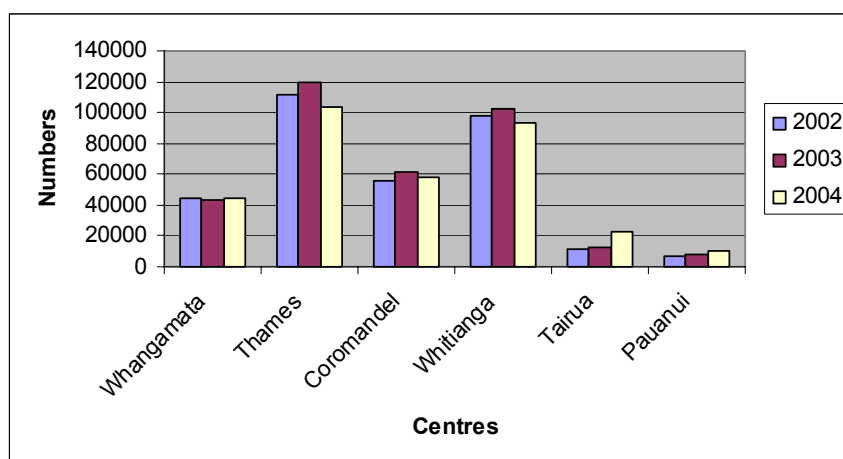
And once people are on holiday in New Zealand, they use visitor Information Centres frequently. There are over 7.2 million visits to VIN Information Centres on average every year, with just over 70% of these people being overseas visitors.⁶

Following is a table of the visitor arrival numbers into the six Information Centres. It is difficult to compare Centre visitor arrival figures as they have different methods for collecting visitor numbers. What can be determined from this graph however is that visitor arrival figures have remained steady or in some cases have decreased. The growth areas are at Pauanui and Tairua which is due to the relocation and expansion of their Centres.

One factor in the decreasing visitor numbers through the Centres is that more bookings are being made via the internet before arriving in the Coromandel and therefore are less likely to visit an Information Centre. The Internet has developed rapidly over recent years and has changed many aspects of life. "The way in which consumers research their travel decisions has been revolutionised and web based marketing campaigns have become an increasingly important means of promoting destinations"⁷.

Statistics are showing that in New Zealand's key visitor markets - Australia, U.K, U.S, Germany and Japan, over 50% of the population use the internet.

Table 4.1: Visitor Numbers – Information Centres (2002-2004)



- **International visitors**

International overnight visitor numbers are forecast to grow by an average of 6% per year over the next five years.⁸

- **Domestic visitors**

Domestic overnight visitor numbers are forecast to grow by an average of 0.9% per year over the next five years.⁸

Given the above projections and the static flow of visitors through the Coromandel's Information Centres constant monitoring of visitor arrivals is vital in determining the networks strategic direction.

- **Tourism operators and local businesses**

This group are considered clients as it is the Information Centres role to promote their business if they are members.

Membership of Information Centres is open to tourism operators, local businesses and clubs and associations. Currently each Information Centre operates its own membership.

- **The local community**

Information Centres currently play an important role within their local community not only providing them with Information on what there is to see and do in their region but in providing them with community orientated Information.

⁶ Consumer Research undertaken by VIN Inc 2005. ⁷ <http://www.etcnewmedia.com>, European Travel Commission. ⁸ Tourism Research Council – New Zealand Regional Tourism Forecasts (2004-2010).

4.3 CLIENTS/CONSUMERS PERCEPTIONS AND BEHAVIOUR

4.3.1 2005 VIN Inc Consumer research

A regular research programme provides VIN Inc with an understanding of consumer behaviour and satisfaction, and evaluates the network's performance.

i-SITE Users Behaviour and Perceptions

- The vast majority of domestic and international i-SITE users (78%) have 'some' to 'none' of their activities planned before arriving at the i-SITE. This suggests there is considerable scope for i-SITES to influence visitors' behaviour in the region.
- Overall the survey results show i-SITES are still predominantly used for Information and that this is increasing over time (75%, up from 69% in 2002).
- The main reason for not booking at a i-SITE is due to uncertainty about plans (35%). Other key reasons are it is more convenient/easier to book elsewhere (18%), preferring to speak to people directly (14%) and wanting to wait until arriving at the destination (11%). The latter are the two key barriers for i-SITES to overcome to encourage more bookings (however, encouraging visitors to book ahead is in contrast to FITs (Free Independent Travellers) travel style).
- Only nine percent of all users indicated there was Information or services they expected to find at the i-SITE that weren't available.
- I-SITE user expectations are generally exceeded. In particular they are impressed by:
 - The wealth of free printed material to take away,
 - The welcoming and helpful manner of i-SITE staff and their willingness to share their local knowledge and tips,
 - The ability to make bookings and have phone calls made for them at no cost.

4.3.2 Information Centre members

- During the review Information Centre managers were given the opportunity to complete a questionnaire (*See Appendix Six: Information Centre Questionnaire*) of which 116 responses were received.
- Members indicated that providing information to visitors and the local community, promoting the community/town, displaying brochures, and providing a booking service for tourism product were what they regarded as the Centres' most important roles.

Table 4.2: Role of the Information Centre

Role of Information Centre	No. of respondents - YES
Information servicing - visitors	91%
Promoting the community/town	82%
Brochure display	78%
Information servicing – local community	76%
Booking service for tourism product	75%
The promotion of the local area	73%
Promoting the Coromandel region	68%
Promoting my business	61%
Selling tickets to local events	51%
Supporting community groups/individuals	50%
Provider of internet or other business services	36%

- The survey also determined the current satisfaction levels of services provided by the Information Centres. On average, two thirds of the members survey were happy with the services provided by the Information Centres.

Table 4.3: Member satisfaction levels

Services	No. of respondents that identified that services could be improved
Booking services and systems	35%
Brochure display	40%
Advertising material – websites/brochures	34%
The promotion of the local area and local events	40%

- Approximately a third of responses identified improvements could be made, these were made mostly from those businesses that belonged to more than one Information Centre in the region and saw the strategic benefits of centralisation of some functions. Suggestions made included:
 - Standardised approach to booking procedures including taking commissions on all bookings.
 - Establish one website for all peninsula Information Centres
 - Co-promotion between Centres to avoid competition
- The VIN survey conducted in 2004 also looked at the Information Centre member needs and expectations of i-SITES. This research showed:
 - Tourism operators expect the local i-SITE to promote the interests of the local region and its tourism operators first and foremost.
 - Operators expect there to be more promotion of tourism activities in the region. They largely perceive this to be a funding problem and are currently blaming their local councils. This relates directly to funding of the local i-SITE with many operators wanting to see more full-time staff paid as opposed to volunteers who often lack knowledge of what the regions has to offer.

4.3.3 Local community

- As part of this review a survey was conducted to establish how widely the community used the Information Centres. 320 people were interviewed across the Coromandel region.
- 80% of respondents had used at least one of the peninsula's six Information Centres. The most common services used were:
 - To get information about attractions and activities in the area.
 - To find out transport departures and prices.
 - Booking transport.
 - To get a map on the area.
 - Or in the case of Thames Information Centre to fulfil drivers license requirements.
- 20% of people interviewed had not visited an Information Centre in the region, however when asked what they considered their main business activities to be 70% identified that the Information Centres were there to service visitors to the region. This indicates a good awareness of the Information Centre network among the community.

4.4 RECOMMENDATIONS:

- It is recommended that the Information Centre network adopts their own set of standards and requirements specific to this region and that this is adopted by the network in order to standardise services provided by all Centres. These standards and requirements would be included in a Service Level Agreement in place between TCDC and each Information Centre prior to funding allocation being made.

It is recommended that the following current VIN Inc Network membership requirements and standards are included in a SLA agreement:

- A telephone, fax and email capability.
- 60% of paid staff must hold ATTTO National Certificate in Tourism Level 4 or have existing VIN Inc qualifications.
- 60% or more of volunteer staff must be trained to meet the VIN volunteer training standards of the VIN Inc Board.
- After hours services catered for.
- The Centre must provide a comprehensive local and regional Information service and must also display appropriate brochures and provide Information on its neighbouring regions.
- Provision of EFTPOS and CREDIT card facilities
- Must provided a booking service for local and regional accommodation, attractions, sightseeing tours and domestic travel by coach, rail and ferry.

Rationale:

VIN Inc has indicated that they will not appoint any further i-SITE Information Centres on the Coromandel and affiliated VIN Inc membership appears to be out of reach currently for Pauanui and Tairua. In order to standardise the level of service provided and bring Pauanui and Tairua closer to the levels that the four i-SITEs (Coromandel town, Whitianga, Whangamata and Thames) must reach via VIN Inc, a Coromandel specific Membership Standards and Requirments package should be developed.

- It is also recommended that an Information collection and management system is implemented between Council and the proposed structure to gather information to assist future visitor industry planning and to avoid duplication of Information servicing.

Rationale:

Information Gathering:

There is a wealth of research Information relating to the visitor industry however there is a lack of Information specific to the Coromandel Peninsula. There are also inconsistencies in Information gathering among the Centres that make it difficult for future planning and resourcing, ie; visitor demographics

It is recommended that the following should be undertaken as a joint project between the new structure and TCDC:

- Development of a community database with all the regions clubs, societies, associations Information Centres are linked to.
- An identical method for calculating visitor arrival number figures.
- Regular visitor surveys conducted by contracted research assistants relating to demographics and service provided. **(See Appendix Eight)**
- Research undertaken to determine actual time spent on servicing the community.
- Regular member surveys to ensure the Information Centres are meeting their expectations.

Duplication of services

Currently time is spent by the Information Centres providing council related Information to the community. It is recommended that delineation of Information services is made between the Council and Information Centres and that provision is made to ensure that this occurs ie; promotion of Council of its 24hr help-line, telephone upgrades at Information Centres to redirect Council related calls.

5.0 HUMAN RESOURCES

Recommendation 10: That salaries be realigned in accordance to national benchmarks in order to ensure the Coromandel Peninsula Centres attract a high calibre of staff.

Recommendation 11: That additional funding be provided to ensure that the Information Centres can adhere to the requirements of the Holidays Act.

Recommendation 12: To role out a training programme incorporating the VIN Inc training requirements, sales training, familiarisation co-ordination and that it is delivered to all Information Centre staff.

Recommendation 13: That a code of practice is established for volunteers.

5.1 Staff

5.1.1 Staffing numbers

Following are the current staffing numbers at the Centres.

Table 5.1: Staffing numbers

	Summer (November - April)				Winter (May - October)			
	Full-time paid	Part-time paid	Paid FTE's	Volunteers	Full-time paid	Part-time paid	Paid FTE's	Volunteers
Coromandel Town	3	2	3.4	3	2	2	2.4	3
Pauanui		2#	1	15		1^	0.25	15
Tairua	1	1*	1.15	25		1	0.5	25
Thames	4	3	5.5		3	2	4	0
Whitianga	1	4	4.5	0	1	6	3	0
Whangamata	2	4	4.5	3	1	4	2.75	3

before Christmas to end of January paid

^ weekends x 5 hours

* six weeks full-time over Christmas New Year period

5.1.2 Volunteers

All the Information Centres with the exception of Whitianga and Thames draw on volunteers to support their paid workforce. The requirements of i-SITE membership require at least one, paid staff member to fulfil VIN requirements to be on duty during all open hours and be dedicated specifically to the servicing of Visitor Information enquiries. This increases the need to have paid staff rather than volunteers at i-SITES in order to meet the requirements of the VIN network.

It is a vision of the Coromandel's i-SITES to reduce their reliance on volunteers however until funding is increased this reliance will continue.

Pauanui and Tairua can rely more heavily on volunteer staff as they do not have i-SITE obligations. Pauanui's situation appears to be working with recruitment of volunteers being managed by Keith Holmes, a part-time paid employee of the Information Centre. There seems to be no concerns from tourism operators and businesses regarding the volunteers.

In Tairua however there is some concern over the volunteer situation where there are conflicts of interest with local accommodation providers and tourist operators being volunteer staff for their local Information Centres. Tairua also have issues over the holiday period when the majority of their volunteer staff become unavailable due to wanting to spend time with their families.

5.2 Recruiting, training and developing

5.2.1 Recruitment

- Information Centre managers are responsible for recruiting their own staff.
- Recruitment of an Information Centre manager is done by the Centre's executive committee.
- There are currently no standardised templates that all Centres use for the recruitment process. Each has their own method of recruitment however the i-SITE network provides recruitment templates for members to utilise.

5.2.2 Training requirements of the VIN network

- 60% of VIN staff must hold industry specific qualifications.
- 60% or more of volunteer staff must be trained to meet the VIN volunteer training standards of the VIN inc Board.
- The manager must ensure and be able to demonstrate that the Centres staff product knowledge is current and ongoing.

Please note: There are no requirements for non-i-SITEs Centres except those that are included in their own business plans/constitutions.

5.2.3 Familiarisation tours

- It is important that staff at Information Centres are familiar with the product in their area and in other regions around New Zealand. Each Centres manager is responsible for ensuring that staff are adequately prepared for their Information servicing roles.
- There is currently no co-ordinated effort for familiarisation training in the region.

5.2.4 Remuneration

In April 2003 the VIN network commissioned Deloitte Touche Tohmatsu to conduct a survey on remuneration levels of Information Centres at that time. The report contained the results from a survey of 67 Visitor Information Centres in the VIN network across New Zealand. **See Appendix Five: Remuneration Benchmarking..**

5.2.5 Coromandel Information Centre wage analysis

Table 5.2: Information Centre total wages

	Whangamata	Whitianga	Tairua	Thames	Coromandel Town	Pauanui	TOTAL
YE 2003	\$ 71,146.64	\$ 91,352.95	\$ 3,717.00	\$ 99,029.00	\$ 51,171.44	\$ 7,625.03	\$ 324,575.00
YE 2004	\$ 90,679.91	\$ 98,650.70	\$ 6,386.00	\$106,488.00	\$ 54,404.79	\$ 7,740.00	\$ 358,013.40
YE 2005	\$ 85,252.35	\$ 107,411.00	\$ 12,395.00	\$109,167.00	\$ 75,163.82	\$ 8,430.00	\$ 402,617.17

5.2.6 Benchmarking data

The following analysis has been undertaken to assess Coromandel i-SITE current wage situation relative to VIN Network averages¹.

Table 5.3: FTE Analysis

Centre	YE 2005 salary costs	No. of FTE summer	No. of FTE winter	Average
Whitianga	\$98,650.70	4.5	3	3.75
Whangamata	\$85,252.35	4.5	2.75	3.6
Thames	\$109,167.00	5.5	4	4.75
Coromandel town	\$75,163.82	3.4	2.4	2.9

NATIONAL BENCHMARKING

Salary costs

3 FTE's	\$95,325.00	based on cost of employing 1 x Manager, 1 x Senior Consultant, 1 x Consultant
4 FTE's	\$119,281.00	based on cost of employing 1 x Manager, 1 x Senior Consultant, 2 x Consultants
5 FTE's	\$143,237.00	based on cost of employing 1 x Manager, 1 x Senior Consultant, 3 x Consultants

- Using the average FTE equivalent for each Information Centre and their 2005 wage costs along with the National Benchmarking figures for FTE's the following deficiencies in relation to National Benchmark figures were established:
 - Whitianga's staff 5.5% below
 - Whangamata 28.6% below
 - Thames 25.0% below
 - Coromandel Town 26.8% below
- Nationally 66% of 'medium' i-SITEs wages costs relate to wage expenses.⁹ The four i-SITEs wage/cost ratios are between 66% and 73% of their total costs. It should be noted that that Whangamata, Whitianga and Coromandel town's ratios are higher than the national ratio due to the fact they are currently not paying rent on their premises.

5.3 Holidays Act 2003

The Holidays Act has had major implications for the Information Centres in particular relating to Public Holidays. The very nature of their services dictates that they need to be open on all public holidays and it is a standard requirement that all i-SITE Centres are open every day of the year (except Christmas Day).

5.4 RECOMMENDATIONS

Each Centre has developed its own human resource model with regard to salary levels, training requirements, familiarisation programmes and volunteers. It is recommended that the pilot programme facilitate the following:

- Realignment of salaries across the network.

Rationale:

 - Coromandel i-SITEs in relation to their counterparts are not being paid relative to their industry counterparts. **See Table: 5.3.** There is also a need to ensure salaries are consistent across the Coromandel network.
 - Funding to accommodate Holidays Act 2003 with regard to public holidays, four week annual holidays (taking affect 2007) and the potential increases in the minimum wage.
- Development of a co-ordinated training programme including familiarisation tours and sales training

Rationale:

 - The median spend visitors on i-SITE bookings is a relatively modest \$70, indicating there is considerable room to increase this amount. Sales training is recommended.
 - A co-ordinated approach to familiarisation trips would realise time saving by individual centres who currently co-ordinate their own programmes.
- Development of a code of practices for volunteers that would see minimum requirements relating to training and availability and that a sound recruitment process is developed to employ volunteers.

Rationale:

 - Well trained, professional volunteers would create a cost saving to the centres.

9. Staffing and Remuneration Survey, completed by Deloitte Touche Tohmatsu, June 2003

6.0 OPERATIONS

Recommendation 14: A business model is developed for the efficient provision of services via central administration, one membership, a communal booking system/database, upgraded websites, a co-ordinated approach to regional and district advertising.

Recommendation 15: To explore the opportunities available with regard to technology – a regional “real-time” booking system

Recommendation 16: That the LTCCP support and make allowances for future capital expenditure relating to relocation and expansion of premises, back-office upgrades, and technology advancements and that a capital development fund of \$300,000 be budgeted for the next three years. Further research should be undertaken to determine allocation of this budget.

Recommendation 17: That a consistent approach to lease arrangements be made where Council property is concerned and that where Information Centres are in non-TCDC premises with free rental, allowances should be made for changes to this situation in the future.

This section highlights the diverse range of operational structures each Information Centre has and points to inconsistencies in the provision of services to clients.

6.1 Administration

The bulk of the administration that is carried out in the Information Centre is financial and relates to membership recruitment, brochure display, wages, and commission & supplier payments.

Considerable time is spent on administration, some of the Information Centres have dedicated administration people that carry out these tasks all of which operate their own systems – Whitianga, person x 3 days a week, Thames, person x 1 day a week and Whangamata; person 1.5 days a week.

In Coromandel town and Tairua the Managers undertake most of the administrative tasks. Pauanui's financial administration is handled by the Business Association's secretary.

6.2 Retail

All Centres have retail outlets that primarily sell New Zealand orientated souvenirs and gifts. The retail arm of the Information Centre is an important income source for the Centres and all are reporting profits from this activity. See **Appendix 2A-2F: Individual Financial Performance** “Revenue ratios – Retail”

6.3 Advertising and marketing

Each Centre has a very small budget for undertaking advertising and promotion work. In total in the last financial year between the six Centres they spent a total of \$3,500, which is reflected in the small amount of promotion collateral at information centres relating to their district. The i-SITE network does a considerable amount of advertising on behalf of the i-SITE Centres, promoting the brand to visitors before they reach New Zealand and once they are here.

6.3.1 In-house brochures

Each Centre produces photocopy style flyers on Information such as:

- Walks in the area
- Rainy day things to do

This material is collated and written by each of the Centres. Although full of good local Information having them photocopied paper is not a very professional look.

Tourism operators and other businesses, ie; cafes, retailers, are approached separately to advertise with:

- Coromandel Visitor Guide – coordinated by Tourism Coromandel
- Mercury Bay Visitor Guide – coordinated by Whitianga Info Centre/Destination Mercury Bay
- District websites (see below)

6.3.2 Websites

Each of the Centres with the exception of Pauanui have their own website.

Thames	www.thames-info.co.nz
Coromandel town	www.coromandeltown.co.nz
Whitianga	www.whitianga.co.nz
Whangamata	www.whangamatainfo.co.nz
Tairua	www.tairua.info

Each website is managed by its own website co-ordinator (in some instances by the Information Centre manager) and listings on the site is either included in membership or paid for by tourism operators and businesses.

The sites do not have a consistent theme or look or feel running through them to identify they are all part of the Coromandel region. None of the sites have online booking capability however visitors to the site can make enquiries.

6.3.3 Brochure display

If a business is a member of the Information Centre then brochure display is part of membership. If a business only wants to display a brochure there is a separate fee. Businesses from outside the region pay a premium for advertising in the Coromandel region, ie; higher than a local operator.

Currently if a Coromandel business wants to have their brochure displayed at more than one Information Centre then they must pay at each Centre separately. Tourism operators and businesses are able to display their brochures at Information Centres. If they are members of the Centre then brochure display is part of the membership cost if they are not there are costs involved. There is not a centralised system across the peninsula for brochure display and so the pricing structure at each Centre is different.

Table 6.1: Brochure costs

Brochure display (incl GST)	Whangamata	Whitianga	Coromandel Town	Tairua	Pauanui	Thames
Coromandel operator	\$30.00	\$50.00	\$61.88	\$40.00	\$25.00	\$75.00
Outside region	\$70.00	\$70.00	\$61.88	\$40.00	\$25.00	\$78.75

6.4 Booking systems and databases

6.4.1 Booking procedures

- The industry standard is to take 100% of the accommodation or activity cost off the visitor when they make a booking. The tourism operator is reimbursed the amount by the Information Centre, minus 10% commission.
- All i-SITES aside from Coromandel town follow this standard. Here a 10% deposit is taken and the visitor pays the rest on arrival at activity or accommodation.

6.4.2 Booking services

- A requirement of i-SITE membership, is that Centres must provide a booking service for local and regional accommodation, attractions, sightseeing tours and domestic travel by coach, rail and ferry.
- Whilst Tairua and Pauanui as non-i-SITES are not obliged to make bookings for visitors and charge commissions to tourism operators, Pauanui is increasingly seeing the benefits of doing so. Tairua has a policy passed through their committee that commissions will not be taken from accommodation suppliers however activity operators are charged commissions. An analysis of Pauanui's commission contributions was unable to be made however Tairua's commission revenue is considerably lower in proportion to the i-SITE Centres.
- Across the four i-SITES, year ended 2005 approx 25% of their income generated was from commissions taken. See **Appendix 2A-2F: Individual Financial Performance** "Revenue ratios – Commissions"

6.4.3 IBIS (Integrated Booking and Information Systems)

- Currently 20% of i-SITE Information Centres around New Zealand are running IBIS systems. Two of the four Coromandel i-SITES have IBIS installed.
- Tourism New Zealand is proactively encouraging i-SITES to adopt the IBIS system with a long-term goal of having the system integrated across all i-SITES Centres. This poses a massive challenge due to the diversity in governance arrangements for i-SITE Centres around New Zealand.

6.4.4 Real time booking systems

- Some regions have real time booking systems that are hosted on their regional website. These systems offer potential visitors the opportunity to make a confirmed booking for accommodation or an attraction/activity.
- The system relies on the tourism operator to have up-to-date information in the system on their availability. The real-time booking is optional, operators can simply choose to have enquiries directed through to their email address rather than making an immediate booking.
- Regions that have this system working are Wellington, Christchurch and Ruapehu (soon)
- Coromandel does not have an online real time booking system that enables potential visitors to go online to make a confirmed booking.

6.5 Databases - Managing membership

- Currently tourism operators can belong to a combination of Tourism Coromandel, their local Information Centre and other peninsula Information Centres.
- There is not ONE comprehensive database of the region's tourism operators, other tourism-related businesses, clubs, associations, event co-coordinators etc that can be accessed by Tourism Coromandel and the Information Centres.
- Databases at each Information Centre range from Information stored in Microsoft Outlook address books, excel spreadsheets and IBIS systems. None of the Centres databases are linked currently so there is no sharing of Information available between Centres. This is inefficient in terms of ability to book product in other areas in both the region and other parts of New Zealand. IBIS does have the capability of linking to other IBIS Centres databases.
- Tourism Coromandel's database is not linked with any of the Information Centres databases.

6.5.1 Membership numbers

- Following is a table with membership numbers at each of the Centres. Businesses can belong to more than one Information Centre and must subscribe to them directly.
- Some businesses are members of or display brochures at more than one Peninsula Information Centre. The survey undertaken during this review indicates that 32% of businesses are members at more than one Information Centre around the peninsula.

Table 6.2: Information Centre membership

	Whangamata	Whitianga	Coromandel Town	Tairua	Pauanui	Thames
No. of members	160	202	110	113	50	197

6.5.2 Cost of membership

The table below highlights the inconsistencies in membership fees across the Coromandel.

Table 6.3: Information Centre membership and brochure display costs

	Whangamata	Whitianga	Coromandel Town	Tairua	Pauanui	Thames
Full business membership	\$120.00	\$150.00	\$88.90	\$100.00	\$50.00	\$110.00
Associate membership	\$53.33			\$60.00		\$66.67
Friends and community	\$17.78		\$26.67	\$25.00		\$40.00
Brochure only - regional	\$26.67	\$50.00	\$48.89	\$35.56		\$75.00
Brochure only - national	\$62.23	\$70.00	\$48.89	\$35.56	\$70.00	\$78.75
excl GST						

6.5.3 Benchmark data - Cost of memberships at i-SITES¹⁰.

Small

- 22% charged membership fees, ranging (up to \$250)
- 90% charged brochure display fees ranging up to \$150 per brochure per annum
- 30% charge booking fees on some transactions

Medium

- 31% charged membership fees, ranging from \$70-\$230)
- 90% charged brochure display fees ranging from \$50 to \$239 per brochure per annum
- 15% charged booking fees on some transactions

Large (14 i-SITES surveyed)

- 2 of 14 surveyed charged membership fees (\$60-\$200)
- Brochure display fees ranging from \$80 to \$567 per brochure per annum
- 71% charge booking fees on some transactions

Member comment

"All Peninsula Info Centres should be affiliated to encourage working together to promote the whole peninsula rather than their direct area. Acting as a whole rather than disjointed segments."

6.6 Accommodation availability

- There is no centralised availability system operating within the Coromandel region that can be accessed to determine accommodation availability.
- During the busy summer months the i-SITE Centres run a manual availability system. During the day accommodation operators ring into their Information Centre and indicate whether they have availability throughout the day. Once the Information Centre closes this Information is handed onto the 'duty' accommodation who manages availability until the next day.

6.7 Premises

The Information Centres sites are located in a mixture of premises that are Council owned property, DOC owned or privately owned:

- Thames – privately owned, rental paid
- Coromandel town – Department of Conservation owned, no rent paid
- Whangamata – Council owned, currently no rent paid
- Whitianga – Council owned, currently no rent paid
- Pauanui – privately owned, no rent paid
- Tairua – privately owned, rental paid

6.7.1 Lease arrangements

Whitianga and Whangamata are currently in discussions with Council on their lease arrangements. At the moment these Information Centres are currently not paying rent.

6.7.2 Relocation and expansion of premises

Sites for the following Information Centres have been identified by the community as not currently satisfactory:

- Coromandel town
- Pauanui
- Thames

Destination Mercury Bay and Whangamata Information Centre also flagged during the review process that expansion of their centres in the future may be necessary.

6.8 RECOMMENDATIONS

- That a business model is piloted under the proposed management structure to centralise administration, membership, booking systems, websites, and regional & district advertising.

Rationale:

- Administration takes up a considerable amount of time for Information Centre managers in particular undertaking grant applications, time that would be better spent on managing and developing the business.

10. Data collected from annual i-SITE survey conducted by VIN Inc

- 32% of members surveyed belonged to more than one Coromandel Information Centre. Time and resources could be saved by having an integrated membership allowing members easy access to other Centres without having to join directly with them.
 - The individual memberships structures, varied pricing for memberships and brochure display and inability to access each others members means that visitors and members are not getting the true benefits of an efficient network.
 - 55% of respondents in the Members survey indicated that an integrated membership would help to improve the current services visitor Information Centres provide. In order to gain greater support for this to occur it would have to be demonstrated to members that it was not going to cost them anymore than it has in the past.
 - Whilst not all the members could see the benefits of central co-ordination of advertising the Members Survey indicated that 56% agreed a central co-ordinator for advertising in the Coromandel region would improve the current service visitor Information Centres provide. Comments were made regarding the poor quality and need for updating of some of the district websites and the need for a central vehicle in which to promote businesses in the region.
- To explore the opportunities available with regard to technology – a regional “real-time” booking system.
Rationale:
 - Whilst only 35% of members agreed that a centralised booking system was necessary, the Information Centres managers could see the benefits in being connected to the same system. They could see that it would allow quicker access to Information for their Centre and ability to see availability around the Peninsula.
 - That the LTCCP support and make allowances for future capital expenditure relating to relocation and expansion of premises, back-office upgrades, and technology advancements and that a capital development fund of \$300,000 be budgeted for the next three years. Further research should be undertaken to determine allocation of this budget.
Rationale:
 - Qualitative data from the review revealed that many members were not satisfied with the current size and location of Coromandel Informaiton Centre. Coromandel Town’s executive committee have made a submission to their community board for the relocation of the Coromandel Town Information Centre **(see Appendix Nine)**
 - The Pauanui Ratepayers Assn have made a submission to their community board that the relocation of the Pauanui Information Centre to a location closer to the business area be considered in the future. **(see Appendix Ten)**
 - Thames – members in this review noted that the Thames Information Centre’s location should be reviewed in the future.
 - That a consistent approach to lease arrangements be made where Council property is concerned and that where Information Centres are in non-TCDC premises with free rental, allowances should be made for changes to this situation in the future.
Rationale:
Whitianga and Whangamata are currently in confirming rental arrangements with Council
Pauanui and Coromandel town are not currently paying rental and provision should be made for future relocation and the necessity to pay market rental in the future.

7.0 FINANCIAL IMPACTS AND FINANCIAL RESULTS

Recommendation 19: That Thames Information Centre receives an immediate one-off financial injection of \$15,000 and \$56,658 p.a over the next three years.

Recommendation 20: That Whangamata Information Centre receives \$48,700 p.a over the next three years.

Recommendation 21: That Whitianga Information Centre receives \$34,966 p.a over the next three years.

Recommendation 23: That Tairua Information Centre receives \$19,524 p.a over the next three years.

Recommendation 22: That Coromandel town Information Centre receives \$45,177 p.a over the next three years.

Recommendation 24: That Pauanui Information Centre receives \$7,000 p.a over the next three years.

Recommendation 25: That these recommended amounts per Centre apply for the 2006/2007 financial period to recognise the centre cash positions but that future allocation of the \$250,000 per annum be assigned on a performance/need basis by the pilot programme manager.

Recommendation 26: That a contingency of \$38,000 needs to be available to address the situation that will become apparent on the publication of the Centres 05/06 accounts.

7.1 Impacts of i-SITEs

There are many impacts Information Centres have on a region both directly (eg; increased length of stay or increased participation in activities and attractions) or indirectly (eg; positive word of mouth about the region or greater satisfaction with their experiences in the region.) In 2004, the VIN Network sought evidence of the benefit of i-SITE Visitor Centres in terms of the contribution Centres make to the local community and surrounding region. This data can be applied to Information Centres in general. Following are the key findings of this research¹².

7.1.1 Staff Impact

Staff of i-SITEs are important advocates for a region and the results of the survey found that if i-SITE users had a positive experience with a staff member this resulted in a positive experience in the region, leading to more positive word of mouth. The implications of this are potential increases in visitor numbers to a region.

7.1.2 Information Provision

The Information provided by i-SITEs enabled visitors to become more informed about what the region offered resulting in increased participation in activities and attractions. Visitors were also made to feel more confident about the decisions they had made when visiting an Information Centre. The quality of Information provision all have impacts in terms of positive word of mouth, repeat visitation as well as expenditure in the region.

7.1.3 Measurable Impacts

Direct, measurable impacts included:

- 51% of i-SITE visitors surveyed intended to visit an attraction as a result of brochures, pamphlets or Information they had received at the i-SITE.
- 28% of people agreed that they would spend more money in the region as a result of their visit to the i-SITE.
- 19% of visitors would participate in more activities than planned as a result of using the i-SITE.

12. VIN Inc 2004 Consumer Research

7.2 REVENUE GENERATED FROM SERVICES PROVIDED

A large portion of the Information servicing role provided visitors to the region and to the community is non-revenue generating. The revenue that Information Centres generate before funding does not cover their overall costs. Over the last three financial years (2003, 2004, 2005) the group have made losses of (\$154,753.13) (\$183,242.38) (\$229,251.51) consecutively, before funding. **See Appendix One: Group Financial Performance**

The expectations of the visitor is that the Information Centres will provide them with the Information to direct them to where they can spend there money. Only 29% of visitors to i-SITEs make a booking from which a Centre can generate revenue¹³. The requirement of a Visitor Centre to provide impartial information also restricts their ability to generate revenue.

Refer to Table 7.1: Chargeable Services, below for list of services where revenue is generated. Centres rely to varying levels on grants, donations and funding from local council to support their operating deficits.

Table 7.1: Chargeable services

Service provided	Chargeable service
Promotion of town/community and Coromandel region	No
Information servicing – visitors	No
Information servicing – local community	No
Booking activities/accommodation/transport	Yes
Brochure display	Yes
Sale of merchandise	Yes
Internet services	Yes
Brochure and website advertising	Yes
Liaising and working with community and non-profit groups	No

Thames Information Centre is unique to the other Centres in that it manages the areas AA Express Centre where members of the community can apply and update their drivers' licences. This service accounts for 44% of the revenue generated by the Centre (doesn't include grant revenue – YE 2005). In the last financial year AA Express turned over \$47,417 and after costs (excluding staff) \$43,679. Providing this service utilises 0.8 FTE so after wages the service earns the Centre \$23,679 (based on a salary of \$25,000). Whilst an important revenue earner it is questionable how closely it relates to the centres core function – Information Servicing.

Trading deficits among Information Centres are a common occurrences (See Table 7.2) with the exception of the "Large" i-SITE Centres and a handful of other Information Centres situated in locations where they can generate substantial revenue from the services they provide. These Centres are profitable due to the revenue that can be generated from commissions. Kaikoura for instance is ideally located to generate good revenue from ferry bookings as well as having a large number of paid activities that generate commission ie; whale watching.

The Coromandel regions' activities and attractions are predominantly Free of Charge or low ticket item activities eg; walking, visiting museums, Cathedral Cove, Hot Water Beach making it difficult to generate commission revenue. Whitianga Information Centres proximity boat charters, boat cruising, kayaking, other water activities and a wide range of accommodation means that it generates the most income via commissions across the group.

13. VIN Inc 2004 Consumer Research

7.3 FINANCIAL RESULTS

7.3.1 Benchmarking data ¹⁴.

Each year VIN Inc conduct surveys that examines the overall financial performance of the i-SITE Visitor Information Centres. Not all Centres provide Information to this survey however the sample size is such that the results provide Information Centres with valid benchmarking. Results indicate average surpluses or deficits across those Centres surveyed before and after Council funding

Results are categorized into – small, medium, and large. This categorisation is determined by revenue, commission revenue received and staff level/cost. Coromandel's four i-SITEs have been categorised as "medium".

Table 7.2: i-SITE benchmarking data – 2005 Results

Medium		Small	
	Averages		Averages
Sample responses	28	Sample responses	43
Revenue	\$140,000	Revenue	\$35,000
Commission (net)	\$75,000	Commission (net)	\$16,000
Retail Sales (net)	\$24,000	Retail Sales (net)	\$9,000
Brochures/Memberships	\$25,000	Brochures/Memberships	\$4,000
Other	\$16,000	Other	\$6,000
Expenses	\$205,000	Expenses	\$131,000
Rent & Occupancy	\$20,000	Rent & Occupancy	\$12,000
Employment	\$136,000	Employment	\$84,000
Marketing	\$4,000	Marketing	\$4,000
Depn/Admin/Other	\$45,000	Depn/Admin/Other	\$31,000
Profitability before funding	(\$65,000)	Profitability before funding	(\$95,000)
Local Govt/RTO support	\$50,000	Local Govt/RTO support	\$70,000
Net result	(\$15,000)	Net result	(\$25,000)

7.3.2 Coromandel Information Centre Financial Performance

The analysis undertaken by VIN Inc was applied across the Coromandel Information Centre network. The net results were not to the same level as the 'medium' i-SITE due to some Coromandel centres not realising any rental costs and the below average wage costs realised by most centres.

Table 7.3: Coromandel Financial Performance (YE 2003-2005)

	2003	2004	2005	YE Average
Whangamata	(\$2,897.07)	(\$13,498.32)	637.68	(\$5,252.57)
Whitianga	2,607.64	11,039.49	2,131.00	5,259.38
Tairua	220.00	2,965.00	12,781.00	5,322.00
Thames	8,478.00	(\$27,153.00)	(\$12,862.00)	(\$10,512.33)
Coromandel town	(\$9,067.64)	7,907.86	9,213.97	2,684.73
Pauanui	704.16	(\$2,074.39)	3,439.00	689.59
Total	45.09	(\$20,813.36)	15,340.65	(\$1,809.21)

See **Appendix 2A – 2D: Individual Financial Performance** for full details of the Centres Financial Performance.

¹⁴ i-SITE Survey 2005

7.4 RECOMMENDATIONS

This report makes recommendations based on the serious funding shortages had grants/donations not been received other than from TCDC and makes recommendations for funding in the future taking into account non-reliance on external grants/donations.

Thames

As at 30/6/2005 the Thames Information Centre had serious liquidity issues which in business terms would almost render the organisation insolvent. Its ability to meet current commitments to suppliers (creditors) due to working capital reserves being eroded is evident.

The Thames Information Centre's cash reserves as at 30/6/2005 are minimal (approx \$1,500) against suppliers (creditors) being owed approximately \$23,000. An immediate cash injection of approximately \$15,000 is required to maintain a healthy 2:1 current asset, current liability liquidity ratio.

In addition to providing a working capital cash injection ongoing annual funding deficiencies to meet the organisations operational costs needs to be addressed and it is recommended that a grant of \$56,658 is made by TCDC for the 06/07 period and is reviewed annually thereafter.

See Appendix 2D for financial summary

Whangamata

The financial position of the Whangamata Information Centre as at 30/06/2005 appears to be sound as a result of grants and donations received outside of Council funding. Results are enhanced due to the rent-free situation of the Centre however this situation will change in the future with arrangements for rental currently being confirmed with Council.

Ongoing annual funding deficiencies to meet the organisations operational costs needs to be addressed and it is recommended that an annual grant of \$48,700 p.a is made by TCDC for the 06/07 period and is reviewed annually thereafter.

See Appendix 2B for financial summary

Whitianga

The financial position of the Whitianga Information Centre as at 30/06/2005 appears to be sound. Its ability to generate revenue via services provided is reflected in its Financial Performance. Results are enhanced due to the rent-free situation of the Centre and the considerable supportive funding Destination Mercury Bay provide. Both these situations will change in the future with arrangements for rental currently being confirmed with Council and the prospect in the future that the Information Centre becomes separated from the functions of Destination Mercury Bay.

Ongoing annual funding deficiencies to meet the organisations operational costs needs to be addressed and it is recommended that \$34,966.00 is made by TCDC for the 06/07 period and is reviewed annually thereafter.

See Appendix 2B for financial summary

Coromandel town

The current liquidity status of the organisation as at 30/06/2005 is acceptable. This report attempts to highlight serious funding shortages had Coromandel Information Centre not received external grants (ie; Pub Charity, Trust Waikato etc). The hypothetical losses are significant. It is not reasonable to assume that the organisation will attract \$18,500 in pub charity funding like it did in the 2004/2005 year, on an annual basis.

Ongoing annual funding deficiencies to meet the organisations operational costs needs to be addressed and it is recommended that an annual grant of \$45,177.49 is made by TCDC for the 06/07 period and is reviewed annually thereafter.

See Appendix 2E for financial summary

Tairua

No serious funding issues existed as at 30/06/2005 although in the 2005 year more reliance was placed on external grants (other than council) to meet costs. Statement of Financial position as at 31/3/05 was sound.

Ongoing annual funding deficiencies to meet the organisations operational costs needs to be addressed and it is recommended that \$19,524.00 is made by TCDC for the 06/07 period and is reviewed annually thereafter.

See Appendix 2C for financial summary

Pauanui

No serious funding issues existed as at 30/06/2005. It is recommended that the Pauanui Information Centre continues "as is" and is funded \$7,000 by TCDC for the period 06/07 period and that this is reviewed annually thereafter.

See Appendix 2F for financial summary