



## An open letter

# SOS - We need help now

August 2023

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Hauraki Coromandel is requesting immediate support because of 2023's storms, road closures and the requirements to fulfill community aspirations from the region's Destination Management Plan.

## ***"Our time of need..."***

Continuing bad weather and road closures in 2023 have left our communities in a demoralising situation.

Region-wide visitor revenue for the first six months of 2023 is down \$90 million (-40%) with many east coast Coromandel businesses losing significantly more.

Health, education, and livelihoods will continue to suffer until our transport network and connectivity is transformed, beginning with SH25A in March 2024. We also need to look at funding improvements to our existing tourism infrastructure to help build resilience into our vitally important visitor industry.

During 2022, Hauraki Coromandel (along with the rest of the New Zealand tourism industry), was beginning to recover from the impacts of the Covid-19 pandemic with non-restrictive travel and the return of international visitors. Unfortunately, the severe impact of summer weather events continuing through the first six months of 2023 have caused serious damage in Hauraki Coromandel with far-reaching impacts to our communities and local economy.

The February closure of iconic and world-renowned Cathedral Cove because of storm damage<sup>1</sup>, plus many other conservation campgrounds and attractions that support the local tourism ecosystem have all impacted negatively on our visitor experience, and had a devastating impact on many businesses and jobs. Cathedral Cove alone attracts around 200,000 visitors each year. This summer we also suffered the closure of Fuller’s ferry service from Auckland to Coromandel Harbour. In recent announcements both Cathedral Cove and Fullers Coromandel ferry will not be open for the coming summer season. Tour operators are taking Hauraki Coromandel off their itineraries because, for many visitors, Cathedral Cove is the primary attraction of Hauraki Coromandel.

The reality of the ongoing economic impact is causing a significant psychological and financial toll on people and businesses within our communities. A number of businesses have closed, and many have reduced staff. Immediate marketing support to start welcoming visitors back is a necessary step to lessen the economic impact of future losses as we recover. And significant investment in other visitor-related activities and attractions will help solve visitor infrastructural shortcomings for Hauraki Coromandel and reduce the region’s reliance on Cathedral Cove as a major visitor drawcard.

The combination of poor weather, closed roads and media attention has had a massive negative impact on the perception of our region. The region’s *Tourism Sentiment Score* fell below the global, national and Waikato level benchmarks. Hauraki Coromandel dropped 74% compared to the same time last year representing a sharp drop in consumer confidence in our destination brand.

Despite travel resuming around parts of the SH25 loop over the past few months, continued closure of SH25A and Cathedral Cove and further weather impacts on SH25 indicate that Hauraki Coromandel will continue to lag into 2024/25 as the rest of New Zealand continues to recover.

These events have exposed fundamental challenges for a region that depends so heavily on tourism. The best-case scenario in the short- to medium-term is stimulating enough demand to minimise successive decreases in visitation and visitor spend, particularly while SH25A is closed. Longer term we need to invest significantly, now, in tourism assets identified in the region’s destination management plan.

***...was well before the storms”***

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<sup>1</sup> A Tonkin and Taylor survey of the Cathedral Cove access track shows 128 slips over its length. Continuing rock falls and landslides make even seaward entry to the beach dangerous.

Communities in Hauraki Coromandel depend on visitors to survive. Given the attributes of this region, tourism should help our communities and environment thrive, not just survive. The Hauraki Coromandel Destination Management Plan (DMP), which is based on community priorities, provides an insight into a net positive future for the region.

**Challenging characteristics for Hauraki Coromandel include:**

1. Small rate payer-based districts (with restricted funding for tourism assets).
2. Aging population across both districts.
3. Socio economic deprivation (particularly on the region's west coast).

**Tourism is crucial for our region, particularly Thames-Coromandel District (TCDC):**

4. Visitors contributed over \$500 million p.a. to the Hauraki Coromandel economy prior to Covid-19.
5. Tourism GDP reaches 10% for TCDC, at least double the NZ-wide percentage.
6. Tourism is the largest employment sector compared to other industries, and TCDC has had (until summer 2023) one of the highest employment rates in tourism in the country.
7. Visitor spend supports the whole economy; fuel, retail and food & beverage are the biggest beneficiary of visitor spend (ahead of accommodation, activities, and visitor transport).

**Significant investment in tourism is required to support the volume of visitation:**

8. Hauraki Coromandel receives the 7<sup>th</sup> highest number of monthly average visitors of 35 regions in New Zealand (behind the metro regions of Auckland, Waikato, Western Bay of Plenty, Wellington, Christchurch, and just behind Northland); but average visitor spend is well below the national average.
9. Hauraki Coromandel falls between the funding gaps with tourism support that favours other regions and businesses of scale, despite the need and opportunity identified above (e.g. of the \$160 million Strategic Tourism Asset Protection Programme funding to support tourism businesses, only \$700,000 was applied to Hauraki Coromandel).

**We need to prepare for climate change, visitor population increases and improve return on investment:**

10. Hauraki Coromandel is ideally positioned within two hours of over 50% of New Zealand's population and Auckland International airport.
11. This surrounding population is forecast to grow.
12. Hauraki Coromandel is susceptible to impacts from climate change.
13. Destination management and marketing funding are reliant on two small district councils.
14. Hauraki Coromandel needs greater support to enable compounding benefits for the environment, for communities and for visitors because of tourism.

# So, what's the plan?

Considering and understanding the region's natural advantages and favourable reputation, Hauraki Coromandel has been underperforming for decades. While we enjoy significant visitation (see point 8 above) compared to other regions, the economic impact of tourism for Hauraki Coromandel could be far greater.

For example, when it comes to the average transaction value (each time visitors swipe their eftpos/credit card) Hauraki Coromandel performs poorly. At \$46 per transaction, we consistently sit at 30<sup>th</sup> place across all New Zealand regions measured, which have an average of \$55 per transaction.

If our average transaction value was the same as the national average, this would equate to an additional \$70m to the local economy for last year alone. As we build back better from the pandemic and storms, we need support to help close the gap and maximize our potential.

All that said, we need to be careful what we wish for. Locals don't necessarily see bigger as better. This is best reflected in Hauraki Coromandel's first Destination Management Plan that reflects the wishes of our people, for this place.

One keen observation for this living plan, is the desire from locals to improve what's already here rather than building new things. And as improvements are made a net positive tourism experience should be enabled, where tourism gives more than it takes for our environment, society and people.

Clearly Hauraki Coromandel is in need of greater support. Not just to build a bridge on SH25A at speed and transform our debilitated transport network. The region needs significant investment to support local priorities (see DMP page 8), which in turn will contribute to national tourism aspirations as tourism returns to being the number 1 export industry for New Zealand.

We have projects to help the region, with your help we're ready to go. We just need support.

# Projects that could make a difference

The untapped potential in this region has suffered due to the region's inability to invest as much as is needed to build on.

Contractors are currently in the region to build a bridge and upgrade roads as a matter of urgent priority. We have projects from the Destination Management Plan that could immediately benefit from utilising the available resources of these contractors.

Projects for immediate consideration include:

- **Regionwide walk & bike tracks**  
Quality multi-day tracks between communities, improving access to nature and helping improve health and well-being of people and the environment.
- **Cathedral Cove**  
Urgent support for Ngāti Hei and DOC to build resilience and safety into access for this iconic attraction. This will allow better management of the attraction to enrich local nature, our communities, and the New Zealand tourism industry.
- **Karangahake Gorge**  
A 'must-do' attraction with ongoing safety and access issues along the critical SH2 Waihi – Paeroa corridor. This most popular section of the Hauraki Rail Trail is a prized heritage and walking site also used for events.
- **Tairua River Trail**  
Complete the trail connection into what is currently the worst affected town of Tairua; providing a unique visitor experience with a connection to Pauanui.
- **Waihi's Hauraki Rail Trail CBD project**  
Progress the connection of the Hauraki Rail Trail into the top of town introducing visitors to attractions, retail and services. This project is already underway and committed to, in Hauraki District Council's (HDC) Long Term Plan.
- **Paeroa's Wharf St Development**  
Also committed to in HDC's LTP, the Wharf St project will connect the town with the Maritime Park via a river cruise. This project will leverage Paeroa's existing strengths and location, creating a destination of this provincial town.

- **Grahamstown Visitor Precinct**  
Revitalise the township of Thames, delivering a premium visitor experience by upgrading main street heritage infrastructure in Grahamstown. While also attracting bespoke tenants to increase transaction values for town and region.
- **Ridges Mountain Bike Park Access**  
Momentum behind this park continues to grow, with community support to see safe biking access between Whangamatā and this popular asset be delivered.
- **Kūaotunu / Matarangi and Wharekaho Safe pathways**  
Creating safe pathways and connections in and between communities for residents, particularly children, and visitors.

These and other opportunities identified in the Destination Management Plan will significantly help build resilience into the region's tourism infrastructure but, we cannot do this alone.

Our communities need support, outside that which can be provided by our two small district councils, to fund our recovery in Hauraki Coromandel and support the initiatives identified in our Destination Management Plan.

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