# Index of This Report

<table>
<thead>
<tr>
<th>Section</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>2</td>
</tr>
<tr>
<td>A. INTRODUCTION</td>
<td>5</td>
</tr>
<tr>
<td>B. OVERVIEW OF CATHEDRAL COAST WALKWAY</td>
<td>6</td>
</tr>
<tr>
<td>C. BRIEF &amp; OBJECTIVES FOR STUDY</td>
<td>10</td>
</tr>
<tr>
<td>D. IWI, TCDC &amp; DEPARTMENT OF CONSERVATION PARTNERSHIP</td>
<td>11</td>
</tr>
<tr>
<td>E. TRENDS IN WALKING TRAILS, TOURISM &amp; RECREATION</td>
<td>12</td>
</tr>
<tr>
<td>F. ANALYSIS, RECOMMENDATIONS FOR WALKWAY</td>
<td>14</td>
</tr>
<tr>
<td>1) Infrastructure &amp; Operations – Parking</td>
<td>14</td>
</tr>
<tr>
<td>2) Infrastructure &amp; Operations – Shuttle</td>
<td>15</td>
</tr>
<tr>
<td>3) Walkway Construction, Visitor Experience, Interpretation</td>
<td>15</td>
</tr>
<tr>
<td>4) Marketing &amp; Communication</td>
<td>17</td>
</tr>
<tr>
<td>5) Staging Options for Development</td>
<td>19</td>
</tr>
<tr>
<td>6) Walker, Visitor Spending Estimates</td>
<td>20</td>
</tr>
<tr>
<td>7) Economic Impact Estimates</td>
<td>22</td>
</tr>
<tr>
<td>G. SUMMARY RECOMMENDATIONS &amp; NEXT STEPS</td>
<td>25</td>
</tr>
<tr>
<td>H. TRENDS &amp; EXAMPLES FROM NZ, AUSTRALIA &amp; THE WORLD</td>
<td>27</td>
</tr>
<tr>
<td>1) New Zealand &amp; The Coromandel Visitor Trends</td>
<td>27</td>
</tr>
<tr>
<td>2) New Zealand Walkway &amp; Tracks</td>
<td>28</td>
</tr>
<tr>
<td>3) Case Study: Tongariro Alpine Crossing</td>
<td>34</td>
</tr>
<tr>
<td>4) International Walkway &amp; Tracks</td>
<td>37</td>
</tr>
<tr>
<td>5) Case Study – Cradle Mountain, Tasmania</td>
<td>42</td>
</tr>
<tr>
<td>LIST OF SOURCES &amp; ADDITIONAL RESOURCES</td>
<td>44</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

This scoping and feasibility study examines the tourism potential of proposed walkway developments in the Thames – Coromandel District. One particular walkway was the focus of this project– the opportunity for a day walk along the coast from Whitianga to Cathedral Cove and onto Hot Water Beach. This stage I, priority walkway has been given the working title “Coromandel Cathedral Coast Hikoi - Walkway” or the “Cathedral Coast Walkway”. Developing and marketing an initial coastal day walk is seen as the lowest cost, highest potential to build initial success in this type of visitor attraction. Other walkway developments in other parts of the district and/or extending this walkway can then follow.

The proposed Cathedral Coast Walkway links two iconic coastal locations – Cathedral Cove and Hot Water Beach – with the option of a fuller day walk onto Whitianga.

We strongly recommend the Cathedral Coast Walkway opportunity to the Thames Coromandel District Council. Based on a review of walking trails around New Zealand, Australia and internationally, and research of tourism and social trends – the Cathedral Coast Walkway is an exciting, unique opportunity. No other coastal walking location in New Zealand and very few in the world can boast this range of scenic, natural, heritage and cultural features of this coastline.

A range of trends in domestic and visitor markets all reinforce the opportunity around this walk. Walking is one of the most popular activities undertaken by New Zealanders with 64% indicating they walk for pleasure. Walking is the third most popular activity for international visitors with 1.7 million undertaking a walk during their visit to New Zealand. However, in both the domestic and international markets, the trend is towards shorter walks and softer
adventures. With an aging New Zealand and Australian population and many emerging international markets not interested in longer, harder, multi day walks, the market for day walks is increasing. For example the second most popular visitor attraction in Sydney after the Sydney Opera House is a coastal walk (see above). This popularity is repeated around the world (see international examples below).

The Cathedral Coast Walkway not only taps into these trends but builds on the tremendous popularity of the Cathedral Cove Walk – which welcomes around 160,000 visitors and making it one of New Zealand’s most popular short walks. It would link this iconic coastal destination with another – Hot Water Beach, in the core part of the walkway that would offer a 3-6 hour experience. For walkers looking for a full day, Whitianga in the north offers a further 10 km or 2-4 hour extension.

The development of the walkway and more importantly its supporting facilities and services will largely determine its long term success. This report recommends the construction of a new, scalable car park off Lees Road providing alternate access to Cathedral Cove and a continuous coastal walk south to Hot Water Beach. This car park would help solve significant existing problems with the Grange Road car park which suffers from significant congestion issues for large parts of the year.

The proposed critical services around the development of the Cathedral Coast Walkway as a high quality, one directional hike (which will minimise crowding issues) are, firstly, the expanded parking, the introduction of parking fees, and availability of a free shuttle (which would return walkers to their cars).

Car parking fees are common in the conservation areas of Europe and the UK (eg: the National Parks of England use them widely) and allow a revenue stream to be generated to
pay for not only the free shuttle service but also maintenance and upgrading of an otherwise free visitor attraction. Marketing of the Cathedral Coast walkway will be needed (Destination Coromandel is suggested as the appropriate lead agency), however, it is the quality of the walk, experience and services that will largely determine its long term success. With the right investments – and given the remarkable natural, heritage and cultural values of the region – TCDC, Iwi, DOC and the community can be confident of success.

This report estimates that 50,000 to 100,000 visitors per annum will walk the Cathedral Coast Walkway by years 2-5 after construction. An estimated 17,500 to 35,000 of these walkers will be new visitors to the region – attracted to the Coromandel in part to complete the walk. Based on estimated domestic and international visitor activity the Walkway will create between $7.4 and $14.9 million of new visitor expenditure in the District, $3 to $6 million of indirect economic activity (eg: businesses hiring staff, expanding or buying goods and services), and an estimated 51 to 103 new Full Time Equivalent (FTE) Jobs.

Given the estimated $4 million total cost – with a targeted 50% or more coming from external partners, the Return on Investment to TCDC is compelling.

A governance structure of Crown and Iwi has been proposed – combining TCDC, DOC and Iwi in co-management through a Trust Board. Short term, the Trust Board can focus on consultation during the development and fund raising with partners, before taking over direct control of management of the walkway after a 2 year transition period during which TCDC will directly manage the project.

The opportunity for creating a remarkable visitor attraction is real and significant. The Cathedral Coast walkway has the opportunity to quickly become New Zealand’s premier coastal walk and one of the great coastal walks in the world.

If developed sensitively and managed carefully, the Cathedral Coast walkway has the opportunity to fulfil the aspirations and objectives of all the partners and the community. The Walkway can create a remarkable coastal experience for locals and visitors alike, generate new visitation, business and job opportunities for the community. It also can create a quality visitor attraction that will improve the natural environment and sustainably manage the challenges of popularity.

This is an opportunity that the Thames Coromandel District, Iwi, DOC or the community should seize. We strongly recommend the planned investment in the Cathedral Coast Walkway.
A. INTRODUCTION

This project researched, reviewed and scoped the feasibility of significant walkway developments in the Thames Coromandel District. One particular walkway was the focus of this project— the opportunity for an initial day walk along the coast from Hot Water Beach to Cathedral Cove and on to Whitianga. This stage I priority walkway is given the working title “Coromandel Cathedral Coast Hikoi - Walkway” or the Cathedral Coast Walkway.

A staged approach is strongly recommended in the development of walkways in the District with an initial focus on building on the success from this coast walk development.

Work included a review of all the major New Zealand walking trails, a close look at Australian developments, plus a review and analysis of Australian and leading international coastal walks.

The project was a joint venture of two agencies focused on tourism marketing and tourism planning and management in natural areas – Miles and TRC Tourism. Miles are a global marketing agency working in more than 80 destinations in New Zealand, North America and the Asia – Pacific region. TRC offers world class experience reviewing and planning tourism developments in natural and conservation areas.

The project was led by Chris Adams of Miles with extensive input from Dave Bamford and Debby van der Scheer of TRC Tourism. See background and bios in the appendix for more.
B. OVERVIEW OF CATHEDRAL COAST WALKWAY

This walkway links two iconic coastal locations; Cathedral Cove and Hot Water Beach – approximately 12 kilometres apart or 3-5 hours walking. As outlined below such “day walks” are of increasing appeal with trends towards shorter walks and easier access. With an extension along Lees Road and crossing of the Purangi Estuary at the Stella Everatt Memorial Park, the walk has an option of another 10 kms through Cooks Beach, Flaxmill Bay and on to Whitianga for a full day walk of 6-9 hours. It also includes options for those seeking just an hour or so of walking (eg: from the new parking lot near Cathedral Cove to Hahei).

This coastline combines a remarkable set of natural, cultural, scenic and historic locations including dramatic coastal landscapes, geothermal waters, blow holes, a marine reserve, historic Maori PA sites and some of New Zealand’s and the Pacific’s most important heritage locations of the great Pacific explorers Kupe and Cook.

**With these combined attractions it is arguably New Zealand’s most significant and scenic section of coast – and could position itself as one of the world’s great coastal walks.**

A new parking location for Cathedral Cove is suggested – a proposed starting point for the Cathedral Cove to Hot Water Beach section of the walkway and as a new, primary parking lot for Cathedral Cove day walkers. This would complement or replace the existing parking lot at Grange Road (and negate the need to expand this parking lot).
This new parking lot solution is critical to the integrity of the proposed walkway—as it would create more of a continuous walk (north to south) along the coast and also solves a significant parking and congestion issue for DOC and TCDC at the existing Grange Road Car Park.

**Illustrative Map – Proposed Cathedral Coast Walkway.**
Some concern has been expressed in Hahei about the new proposed Parking Lot “diverting” visitors from the town (for those who choose simply to visit Cathedral Cove). However, with the walkway running along Hahei Beach and with the estimated 50,000 to 100,000 walkers (17,500 to 35,000 of them new visitors to the area) there will likely be a significant net increase in visitor numbers and economic activity in Hahei plus Hot Water Beach, Whitianga and the wider District.

The walkway would run along Hahei Beach (with the opportunity for walkers to stop for refreshments) and then head south along the coast cliffs – utilising the existing tracks of the Te Pare Historic Reserve. The historic pa sites of the reserve offer spectacular views and a unique perspective into the stories of the Tangata whenua- the Ngati Hei. The pa sites are part of a series of remarkable, small side trips from the main walkway—short diversions which also includes Cathedral Cove and spectacular rock formations and blow holes of the coast.

The coast further south of Hahei and Te Pare Reserve will be opened up to the public—allowing interaction with some of the Coromandel’s and New Zealand’s most spectacular coastal landscapes. These views are currently limited to those with boat access around the coast and to the small number of walkers who utilise an ‘informal’ track along the coast line.

From approximately 1.5 kms south of Te Pare Reserve, the walk would then head inland on easements and access negotiated with the land owners (currently in negotiations). This is in
lieu of the walkway continuing south along the coast where access issues and construction costs (ie: along the coastal cliffs) are prohibitive – at least for the foreseeable future.

This section of the walk and access across Purangi Estuary and from Whitianga (through Cooks Beach and Flaxmill Bay) needs careful development. These sections are currently the most uncertain in terms of the quality of the walk. The rest of the walkway boasts remarkable coastal views and experiences – it is important that these sections are pleasant, easy to negotiate and do not detract from what must be – as one experience; a unique coastal walk.

Promoting and managing the walkway as a one direction trail is strongly recommended – so most walkers do the walk in one direction. This will considerably lessen the perception of crowding on the walk. The initial recommendation is for a walk from north to south, Whitianga or the new Cathedral Cove Car Park south to Hot Water Beach. Walkers can then end with a soak at Hot Water Beach (2 hours either side of low tide).

Bicycles are not recommended and due to walker numbers will likely need to be prohibited from the walkway.

It is proposed walkers will have easy access to a shuttle – to return to the new Cathedral Cove Parking lot, to Hahei – or on a less regular basis at the start or end of the day – back to Whitianga for full day walkers.
C. BRIEF & OBJECTIVES FOR STUDY

This report is a feasibility study into the tourism potential and economic impact of Coromandel Great Walks – focusing on the specific opportunity of the Cathedral Coast Walkway. It also offers case studies, examples and practical recommendations on the best way to manage, market and govern the walkway.

This study looked at a wide range of research and real world examples to assess the walk’s likely visitor numbers, incremental visitors to the District generated by the walk (domestic and international) and the related new or incremental visitor spending including its economic impact. It offers specific and practical recommendations on how to maximise the broader economic benefits and foster related business opportunities.

This project drew on a wide body of existing research both from New Zealand and internationally, interviewed a range of tourism and outdoor recreation experts plus key Thames Coromandel District Council (TCDC) and Department of Conservation managers (nationally and within the region). See the appendix for a full list of the resources and sources used.

This study was focused specifically on the tourism and economic feasibility of the Cathedral Cove Walkway. Other, separate studies and projects will complete iwi and community consultation, define the specific route and clarify access and construction issues, plus assess the environmental impact.

This project and report includes the following steps

1) Review all materials on the proposed Coromandel Walkways prepared to date.
2) New Zealand market review – size and trends in walking – hiking visitation for both domestic and international visitors.
3) New Zealand benchmarking – review of competitor and complementary hikes/walks.
4) International benchmarking – review of international hikes and walks with a focus on Australian examples and international coastal regions.
5) A Workshop of key TCDC, Iwi, DOC and Destination Coromandel individuals in Mercury Bay on November 15th 2013 including break out discussion sessions to review specific issues in more depth.
6) Two Field Visits (October and November 2013) – walking and reviewing the proposed walkways and visiting key sites in the area.
7) Additional interviews of local, regional and national organisations including Tourism New Zealand, Department of Conservation, leading tourism operators etc.
8) Scope size and impact of market – prepare visitor number, visitor expenditure and economic impact estimates.
9) Outline recommendations in marketing the walk(s)
10) Prepare this summary report for November 27th 2013.
11) Presentation of the key finding of this report to the Thames Coromandel District Council at the December 2013 council meeting.

In addition, assistance was provided to the submission process for the Lotteries Commission funding application including coordination with the application made by the Hauraki Rail Trail Trust Board.
D. IWI, TCDC AND DEPARTMENT OF CONSERVATION PARTNERSHIP

To be successful, the proposed walkway must be a partnership of the Crown (TCDC and the Department of Conservation) and Iwi – fulfilling the aspirations and objectives of all parties

Once the idea of a Cathedral Coast walkway was identified as the best opportunity for a ‘Great Walk’ in the Coromandel, Tangata Whenua was the first point of contact – followed by the Department of Conservation (DOC). TCDC staff toured the area with representatives of Ngati Hei and discussed the project in detail. Peter Tiki Johnson, Peter Matai Johnson (Ngati Hei) and key DOC managers attended the workshop in Whitianga on November 15th.

As noted above, Iwi consultation and the environmental impact assessment around the walkway will be an ongoing and separate process to this report. However, it is important to note that aspirations of the TCDC, Iwi and DOC all appear to be closely aligned. All parties are seeking a walkway that:

- Showcases and celebrates the unique coastal landscape, natural environment and stories of the area.

- A carefully and sensitively constructed and managed walkway (plus related infrastructure as parking) that adds to – and does not detract from the natural environment.

- Promotion, public relations and mechanisms such as parking fees that creates new economic opportunity but carefully manages visitor numbers – mitigating peak holiday numbers and actively promoting walkers during the shoulder and off season.

- Programmes around the walkway that improve the natural environment, including replanting, pest control and other conservation projects.

- A quality, sustainably managed visitor attraction that will be widely regarded as New Zealand’s and one of the world’s finest coastal walks and experiences.
E. NZ & GLOBAL TRENDS IN WALKING TRAILS, TOURISM & RECREATION

A review of research from New Zealand, Australia and around the world indicates some clear trends in recreation and the types of walks sought by locals and visitors (see list of sources for specific references and links):

- Walking and trekking has remained the third most popular activity for overseas visitors to New Zealand. In 2012 more than 70% or 1.7 million international visitors walked or trekked during their stay in New Zealand. Participation in this activity by overseas visitors has increased strongly since 2008 but fell slightly in 2012.

- Walking/trekking remains one of the most popular activities undertaken by New Zealanders on domestic trips: 4,780,124 trips in the year 2012, and the Active New Zealand Survey 2007/08 showed that 64% of New Zealanders had walked for recreation at least once over the year.

- The DOC National Survey of New Zealanders shows that of the 57% of New Zealanders who had visited a DOC managed area in 2011/12, more than a third had undertaken a short walk of less than three hours and 10% had undertaken a day walk. Tramping/bush walking in comparison, which is usually considered to be an overnight or multiday activity, had a much lower participation rate of approximately 5.1% (306,000 New Zealanders). This also reconfirms the popularity of shorter walking activities.

- Mirroring trends in nature-based activities/experiences on a global scale, interest in nature-based activities in New Zealand is not declining although the type of activities/experiences sought is shifting gradually in line with changing demographics, psychographics and trip characteristics (with growing demand for short- or day-walks and other easily accessible activities and experiences).

- Domestic and international visitors generally have less time and outdoor experience than previously. They want to engage physically with the outdoors but in a way that is easily accessible in terms of location and commitment. They seek short, easily accessible soft adventure activities, escaping from the everyday through nature-based experiences.

- International visitors are interested in cultural experiences and interpretation that add authenticity to their outdoor engagement in New Zealand. However, a review of research and feedback from Walks such as the Tongariro Alpine Crossing indicate that this is secondary to the scenic and natural values of the walk – and a relatively small percentage of walkers will pay for specific cultural tours (see the Tongariro Alpine Crossing case study below).

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1 Ministry of Business, Innovation and Employment. Domestic Travel Survey Data.
• The mix of New Zealand’s source markets is changing with increasing numbers of visitors from China and Australia and a decline in some of New Zealand’s traditional long-haul markets (including the UK, Germany, Japan and South Korea). Even though there are recent signs of improvement, these trends are forecast to continue over the next five years. Length of stay will continue to vary by market, with traditional long haul markets staying much longer than Australian, Asian and particularly Chinese counterparts.

While there are lower levels of participation in New Zealand walks among Australian and Chinese visitors, this likely reflects a significant latent demand i.e., interest that is not flowing through into actual participation. There is an opportunity to grow the number of Australian and Chinese visitors on walkways if concerns such as the length of the walk – or how much of a rugged or wilderness experience it is – are addressed. As indicated above, the median length of stay in New Zealand is only 4 days for Chinese visitors and 7 days for Australians. This compares with 20 days for British visitors and 10 days for those from the USA (Ministry of Business, Innovation & Employment 2013d).

This changing mix of visitor markets, as well as ageing of populations, has implications for the type of tourism products and experiences that visitors seek.

The Cathedral Coast Walkway can tap into these trends. The proposed walkway is easily accessible from Auckland and will offer a shorter and less demanding walk. The Cathedral Coast offers a natural environment that is spectacular but not perceived as wilderness or remote. It is likely to be more successful than some of the traditional opportunities that DOC provides.

The key conclusions of this analysis indicate that:

1. Interest in walking and nature based activities remains strong but the visitor and their interests are changing.

2. Visitors are increasingly seeking shorter and less demanding walking experiences – but with strong scenic and natural values.

3. Interest and participation in longer, multi day walks remains – but represents a significantly smaller part of the market than shorter day or part day walks.
F. ANALYSIS & RECOMMENDATIONS FOR CATHEDRAL COAST WALKWAY

1. Infrastructure & Operations – Parking

Parking will be an important part of offering a walkway experience that is of a high standard and can manage many of the issues created by visitors.

In addition to an expanded and/or new car park at Hot Water Beach, the primary car park for the walk is advocated for the Cathedral Cove end of the walk – in a new location off Lees Road. This forms the start of the Cathedral Cove to Hot Water section of the walkway, offers a more continuous walking route (without the need to double back over a considerable amount of track) and also provides a solution to the parking congestion and road use challenges of the current Cathedral Cove parking lot at Grange Road.

The best available option is likely to involve a partnership with a private land owner on or near Lees Road. A range of partnership options are possible around this parking - however, all should provide long term, essentially perpetual, access to a quality car park space that can be scaled from approximately 200 cars initially to 500 or more over time. Landscaping and related services (eg: toilets) will be important to create a positive first impression of the walk. Upgrading and sealing of Lees road to the parking location, and ideally the road on private land to the car park, is advocated.

To avoid potential management issues with Cathedral Cove – the car park should be located at the same approximate distance from the Cove as the current Grange Road Car Park. With its construction, the necessity to expand the Grange Road Car Park will disappear – and its future options should be considered with DOC – including continuing as an option for Cathedral Cove only walkers and/or possible closure.

Negotiation with the landowner should consider options such as QE II covenants – which will promote the conservation (and regeneration) of the natural environment and eliminate any pressures over time for commercial development in a new location outside of the existing township.

We are recommending that the walkway promote and highlight a one direction flow of walkers – recommended initially as north to south, though this may change with further consideration. A one direction flow will be critical to avoid crowding issues and the management of the walkway in the medium to longer term.

With this in mind, extensions to car parking at Hot Water Beach should be more limited – but could involve an upgrade to the current car space by the stream and overflow car parking as a partnership with the a Hot Water Beach business.

With the construction of new parking facilities the introduction of parking fees at the new Cathedral Cover Car Park, at the Grange Road Car Park and Hot Water Beach are proposed. Such parking fees in conservation areas are extremely common in the UK and Europe (eg:
Switzerland) and provide both a visitor management mechanism and an all important source of funding for an otherwise free attraction (the walkway). The parking fees could exempt local residents (on a permit system).

2. Infrastructure & Operations – Shuttle

A free shuttle is proposed for operation on the Walkway – on a year round basis with very frequent departures during the peak and shoulder seasons and a less regular timetable during the off season. Free shuttles are an increasingly popular option for conservation areas throughout the world including a range of examples in Australia, the US and Europe quoted in our review of international examples. The specific example of Cradle Mountain in Tasmania is recommended as a particular example worthy of further examination.

Making the shuttle free encourages its use (rather than shuttling multiple cars) and improves efficiency without the need to collect fares.

With access to the primary car park being on private land, the walkway has the opportunity to use a single operator model for the shuttle. This option would put out to tender on a 3–5 year basis a single contract for one operator to provide the shuttle services on the walk. The alternatives are for a completely open market (eg: as in the Tongariro Crossing) or a multiple, approved operator model – with shuttle operators having to meet certain minimums standards of quality and service (including timetable).

 Though there are positives to all the alternatives, a single shuttle operator model is recommended for the Cathedral Coast Walkway – as in the Cradle Mountain example or for the Milford Track. This model will allow the best mix of quality vehicles (including on-board audio/video interpretation and the option of seeking low emission, highly fuel efficient vehicles), plus regular service year round. This decision could be reviewed after the first contracted period of 3 – 5 years.

3. Walkway Construction, Visitor Experience, Interpretation

A separate construction plan is being developed with input from experts with considerable experience on walking tracks. The walkway must provide a high quality experience – both in terms of its route, steepness (ideally limiting the use of stairs) and construction material and wide enough to walk two abreast.

Along the route signage should provide interpretation of the unique stories of the area– from Kupe to Cook, of the Ngati Hei and more recent Pakeha interactions, and of the natural environment.

Kilometre marker poles can be constructed and/or carved with Iwi involvement – providing a unique element of the walkway, a safety element for those seeking help, plus a possible sponsorship opportunity.
The visitor interpretation should include plans for leading edge digital story telling using the expanded Rural Broadband Network available in New Zealand. The mobile towers of the Mercury Bay area are being upgraded – and almost all of the walk should offer 3G coverage in the next few years (see map below). This interpretation could include online video, audio tours, slide tours and enhanced interactive mapping – which will provide both directional help and interpretation for visitors.


Personalised visitor interpretation and guided walks and tours should also be investigated – with Iwi and leading tourism operators. Research shows that most walkers are seeking independent experiences with free visitor interpretation – however, important but smaller market segments (esp: from international markets) will be interested in paid experiences such as guided tours.

Building a strong base of new visitors to the Cathedral Coast Walkway will also require a significant investment in marketing and promotion. This is particularly important in the early years – to build awareness and in attracting new or incremental visitors (not just walkers who are already visiting the region). Destination Coromandel is seen as the logical lead for this marketing – working closely with TCDC, DOC, and Iwi through the proposed Trust Board. Marketing should be undertaken in partnership with local tourism businesses and with other regional visitor attractions including events and the Hauraki Rail Trail. This should include joint venture or cooperative marketing where businesses and/or partners can contribute to the marketing investment – and generate measurable results through channels such as online enquiries and trackable phone numbers. In this way, the Walkway and Destination Coromandel can get businesses contributing on a pay per performance basis.

However, marketing is only one smaller component of building long term success. Of more importance will be the quality of the experience – and the word of mouth (including social media promotion) of the visitors who walk the trail.

The proposed marketing plan outlined below should review the options for working with Walkway Tour Operators. Given the day walk and heavily independent nature of most walkers, a principal walkway tour operator model is not recommended. However, Destination Coromandel and the Trust Board should build relationships with a range of tour companies and walking group organisers who could be highlighted as ‘preferred’ based on their commitment to marketing, maintenance and enhancement of the trail.

It is recommended a draft marketing plan for the Walkway be developed by Destination Coromandel as part of its 3 year plan. This should be developed in collaboration with Iwi, DOC and TCDC.

Community and Partner Support of the Walkway

There is also a significant opportunity to build community and partner support for the construction, maintenance and improvement of the trail and its surrounding area. This includes partnership with community and environmental groups on planting programmes and opportunities for community and business partners to sponsor kilometre markers, public benches and other facilities. Business and partner fees should include a donation component to assist with the maintenance and development of the walkway.

The proposed Trust Board could focus on these areas of fund raising and community partnerships – before assuming the lead on operational control of the walkway in years 2-3 from TCDC.

Business development based on walks

The proposed Walkway must help foster and grow a wide range of tourism and related businesses in the district. The economic impact estimates have predicted that between 50-
100 FTE jobs will be created by this new business activity. This process should be stimulated through an effective public private partnership that helps identify and stimulate private sector investment in appropriate visitor experiences. A starting point for this process will be in working closely with Iwi, DOC and their partners in stimulating this investment.

Very importantly will be an expansion of accommodation businesses – including a range of commercial accommodation and a more effective use of the existing stock of holiday homes. Accommodation should be suited to attract and retain the target visitor – “active explorers” – those with a passion for travel and for trying new experiences.

Supporting visitor activities will also be important – including fostering marine, nature, cultural and heritage based experiences that offer another dimension of the area – and retain visitors in the District.

Examples of businesses operating in and around other walkways that include a cultural element to their experiences include:

- Te Urewera Treks [www.teureweratreks.co.nz](http://www.teureweratreks.co.nz) 1-4 day guided walking experiences, cultural interpretation, local Tuhoe guides.

**Industry Groups**

Part of this relationship with key partners and private businesses will be fostering industry user groups. These can address concerns and issues – including managing visitor impacts, helping with environmental initiatives and ensuring a focus on safety. The proposed Governance Trust Board (50% Iwi and 50% DOC/TCDC) should take a leadership role in this area. Examples from around New Zealand include:

- Tongariro Crossing – have a transport and guiding users group that was set up to deal with safety issues. Have developed safety protocols. Don’t undertake marketing as a group – done on an individual operator basis together with Taupo and Ruapehu Regional tourism organisations.

- Queen Charlotte – have a track committee (accommodation, activity and transport operators) who undertake joint marketing – website/ brochure/ TRENZ trade show. [http://www.qctrack.co.nz/](http://www.qctrack.co.nz/)
5. Staging of Development

Discussion and planning for the construction of the walkway have focused on the ‘core’ Cathedral Cove to Hot Water Beach section of the walkway. However, issues with access and approvals may mean that the initial part of the walkway is constructed south of Hahei as an out and back track. The rest of the route to Hot Water Beach and the new Cathedral Cove car park and walkway can then be constructed – followed by the Lees Road and access across the Purangi. Though such staging is acceptable as a short term option – and a way to commence construction quickly, it is critical the entire walkway is developed quickly – ideally in two years or less. Failing to the complete the Cathedral Coast walkway from Whitianga and especially Cathedral Cove to Hot Water Beach will mean significant lost opportunities. Building half the track will drive less than half of the predicted visitor numbers or visitor expenditure. As noted, once the Cathedral Cove walkway is constructed and is operating successfully, then the business case for walkways in others parts of the district can be further explored – for example the Coast to Coast walk from Thames to Tairua (via the Pinnacles and Broken Hills) described below. Upgrading and/or extending the Cathedral Coast Walkway is a further option – with long term opportunities for a multi-day route to Tairua and potentially south.
6. Walker, Visitor Spending Estimates

- 50,000 to 100,000 visitors are estimated as walking the trail (by years 2-5 after its construction).
- 60% of these visitors will likely be domestic and 40% international
- 25% of these domestic walkers and 50% of international will have come to the District influence (in part, or whole) by the walkway

Seventy five thousand annual visitors is estimated as the most likely number of walkers on the Cathedral Coast Walkway in the first 2-3 years of its operation. This is the mid-range target between estimates of 50,000 walkers (conservative) and 100,000 (ambitious) walkers per year. We have identified 2-5 years for reaching these numbers – based on how quickly the walkway is completed, the quality of the supporting infrastructure and transport (notably parking and shuttle service) and the investment in its marketing. This is based on a review of visitor and walker numbers across New Zealand – and the ‘base’ of 160,000 walkers who currently visit Cathedral Cove each year. This will provide a foundation for quickly building a successful walkway.

<table>
<thead>
<tr>
<th>Visitor Estimates - Walkers on Cathedral Coast Walkway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Based on Year 2-5 Walker Estimates</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>1. Total Visitors - Walkers</strong></td>
</tr>
<tr>
<td>Domestic:</td>
</tr>
<tr>
<td>60%</td>
</tr>
<tr>
<td>International:</td>
</tr>
<tr>
<td>40%</td>
</tr>
<tr>
<td><strong>2. New Visitor Influenced by Walkway</strong></td>
</tr>
<tr>
<td>Domestic:</td>
</tr>
<tr>
<td>25%</td>
</tr>
<tr>
<td>International:</td>
</tr>
<tr>
<td>50%</td>
</tr>
<tr>
<td><strong>3. Visitor Spend of New Visitors</strong></td>
</tr>
<tr>
<td>$ 177.80 Length of Stay of New Visitors Average Daily Spend</td>
</tr>
<tr>
<td>International:</td>
</tr>
<tr>
<td>1.75 $</td>
</tr>
<tr>
<td>239.00 $</td>
</tr>
<tr>
<td>3,111,500 $</td>
</tr>
<tr>
<td>6,223,000 $</td>
</tr>
<tr>
<td>Domestic:</td>
</tr>
<tr>
<td>3.25 $</td>
</tr>
<tr>
<td>137.00 $</td>
</tr>
<tr>
<td>4,333,875 $</td>
</tr>
<tr>
<td>8,667,750 $</td>
</tr>
<tr>
<td>Total:</td>
</tr>
<tr>
<td>$ 7,445,375 $</td>
</tr>
<tr>
<td>$ 14,890,750 $</td>
</tr>
</tbody>
</table>

Most important however, will be the number of new or incremental visitors attracted to the region by the walkway. ‘This is critical, as these visitors represent new or additional spending; additional economic activity that would not already take place (in other parts of the district and with other businesses). We have set a target of 25% of domestic visitors and 50% of international coming to the region motivated (in whole or part) by the Cathedral Coast Walkway.

Though total visitor spending by visitors walking the trail will be in the range of 22 to 43 million dollars per annum, it is the new or incremental visitor spending that is most important. Based on 25% of domestic walkers and 50% of international being ‘new’ to the
region, the incremental visitor spending created by the walkway is estimated at $7.4 million to $14.9 million.

**Note on Local Residents.** We have excluded local, permanent residents walking the trail from visitor and economic impact estimates – as they do not represent new visitors or incremental economic activity in the District. However, these locals, estimated as a further 5,000 -10,000 walkers per annum, highlight the considerable amenity value of the walk to the District. The amenity and recreational benefits of the walkway to the local community was highlighted in the funding application to the Lotteries Board.
7. Economic Impact and Employment Estimates

- $7.4 to $14.9 million in new or incremental visitor spending.
- The walkway will generate an addition $3 to $6 million in Indirect economic activity
- An estimated 51 to 103 FTE jobs should be created by the walkway by years 2-5 of its operation.

We have estimated the wider economic impact using a range of well-established New Zealand and international models and based on a range of conservative assumptions. See the notes below for a fuller explanation of our methodology and assumptions.

<table>
<thead>
<tr>
<th>Economic Impact Estimates</th>
<th>Conservative</th>
<th>Ambitious</th>
</tr>
</thead>
<tbody>
<tr>
<td>Based on Year 2-5 Walker Estimates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Direct Output (New or Incremental Visitor Spending)</td>
<td>$7,445,375</td>
<td>$14,890,750</td>
</tr>
<tr>
<td>2. Assumed Direct Value Add as a component of Direct Output (40%)</td>
<td>$2,978,150</td>
<td>$5,956,300</td>
</tr>
<tr>
<td>3. Assumed Type II multiplier of Direct Value Added</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>4. Total Added Value to Economy</td>
<td>$4,467,225</td>
<td>$8,934,450</td>
</tr>
<tr>
<td>5. Assumed New Jobs / direct impact (FTEs)</td>
<td>51.41</td>
<td>102.81</td>
</tr>
</tbody>
</table>

Economic activity generated by the build of the trail is estimated at up to $3.2 million with additional secondary or indirect impacts (eg: spending by businesses hired for the work) estimated at $1.28 million. An estimate of approximately 20 FTE jobs will be created or supported during construction.

Longer term, the economic activity created by the new or incremental visitor spending will stimulate indirect economic activity of $2.9 to $6 million per annum and Value Add of $4.5 to $8.9 million. Based on these figures and an estimate of $87,000 per job, new FTE’s created medium to longer term (years 2-5) will be in the range of 50-100 jobs.

Note: As outlined in our scope of work we have provided a broad estimate of likely economic activity and possible employment generated by the walkway. For a detailed and comprehensive Economic Impact Assessment, we recommend a separate study with an Economics – Research agency be undertaken.

Notes

1. Economic Impact during construction

The likely impact during construction can be based on an assumption that 80% or $3.2 million (of the $4 million construction costs) will be spent locally on services and purchase of material.

Direct Spend $3,200,000
Added value 40%  $1,280,000

Multiplier Type II  1.5

Total impact  $1,920,000

Jobs/Output  19.2

2. Visitor Spending - Direct Output

This is calculated by multiplying the number of new or incremental visitors to the region (influenced at least in part by the walkway) by the estimated average daily spend of $137 for domestic visitors and $239 for international visitors - an average of $177 per person per day. This is restricted to spend on the estimated length of stay of the new or incremental visitors – which is estimated as 1.7 days for international and 3.25 for domestic.


The new spend equates to $7.4 million for the conservative scenario (10,000 international and 7,500 domestic visitors x daily spend figures noted above) and $14.9 million for the ambitious scenario (15,000 domestic and 20,000 international visitors spending x daily spend figures noted above) - representing visitor spend being generated specifically because of the walk.

3. Assumed Direct Value Add as a component of Direct Output (40%)

A Direct Value Added component of Direct Output (total visitor spending) of 40% has been applied to calculate the additional business associated with the visitor spending. The rationale for using 40% is outlined below, based on previous regional tourism economic impact studies. A figure of 40% is considered reasonable for the Thames Coromandel context.

Table 1: Comparisons of direct value-added to output ratio and total value add to direct value-added

<table>
<thead>
<tr>
<th></th>
<th>Rotorua</th>
<th>Christchurch</th>
<th>Akaroa</th>
<th>Westland</th>
<th>Kaikoura</th>
<th>Wellington Street</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total output ($m)</td>
<td>$310</td>
<td>$1,103</td>
<td>$17</td>
<td>$32</td>
<td>$20</td>
<td>$23</td>
<td>$201</td>
</tr>
<tr>
<td>Direct value-added ($m)</td>
<td>$126</td>
<td>$376</td>
<td>$6</td>
<td>$44</td>
<td>$12</td>
<td>$9</td>
<td>$59</td>
</tr>
<tr>
<td>Direct value-added/total output %</td>
<td>41%</td>
<td>34%</td>
<td>35%</td>
<td>53%</td>
<td>42%</td>
<td>42%</td>
<td>40%</td>
</tr>
<tr>
<td>Total value added after multiplier ($m)</td>
<td>$200</td>
<td>$744</td>
<td>$7</td>
<td>$52</td>
<td>$16</td>
<td>$16</td>
<td>$173</td>
</tr>
<tr>
<td>Direct to total value added Type II multiplier ratio</td>
<td>1.6</td>
<td>2.0</td>
<td>1.2</td>
<td>1.2</td>
<td>1.4</td>
<td>1.8</td>
<td>1.5</td>
</tr>
<tr>
<td>Direct employment</td>
<td>3,500</td>
<td>10,970</td>
<td>160</td>
<td>810</td>
<td>327</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total employment</td>
<td>4,870</td>
<td>16,070</td>
<td>172</td>
<td>502</td>
<td>307</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment multiplier ratio</td>
<td>1.4</td>
<td>1.1</td>
<td>1.1</td>
<td>1.1</td>
<td>1.2</td>
<td>1.2</td>
<td>1.3</td>
</tr>
<tr>
<td>$ Output/TFE ($000)</td>
<td>$64</td>
<td>$69</td>
<td>$101</td>
<td>$91</td>
<td>$70</td>
<td>$79</td>
<td></td>
</tr>
</tbody>
</table>

Source: TRC Tourism, 2005.
4. Assumed Type II multiplier of Direct Value Added

A Type II Multiplier of 1.5 has been used. This is within the usual range associated with tourism in New Zealand’s regional economies which typically range between 1.2 and 1.6 (refer Table 1) total economic impact (added value).

5. Assumed jobs / direct impact.

The amount of spending required to generate 1 FTE position varies considerably around the country. Table 1 provides a range of examples ranging from $64,000 to $91,000. As these examples were drawn from research in 2005-2006, it is not unreasonable to use an updated figure 10% higher – at $87,000 per FTE. This also includes Thames Coromandel’s location, including its proximity to Auckland and relative high cost of living and thus employment compared to other tourist regions such as Westland. In another recent example for Stewart Island (Gareth Morgan Foundation, 2013), a figure of $125,000 is used to estimate visitor spending required to generate 1 FTE.
G. Summary and Key Recommendations.

The Cathedral Coast Walkway is a remarkable opportunity that should be seized by the TCDC – working with Iwi, DOC and their business and community partners.

The walkway taps into a range of powerful tourism and social trends and boasts some of New Zealand and arguably the world’s most remarkable coastal landscapes, natural environments and cultural and heritage sites. It has the opportunity to quickly become New Zealand’s premier coastal walk and one of the great coastal walks in the world.

However, the right funding, supporting infrastructure, management and marketing is needed to maximize the benefits and make it a sustainable and long term success for the district. Though not an exhaustive list, 12 of the most important steps include:

1. Complete the Access Negotiations. Without access no walkway will be possible. The highest priority must be given to completing negotiations with appropriate land owners.

2. Secure the new parking facility. A critical part of the negotiations will be completion of negotiations around a proposed new parking facility near Cathedral Cove. This is integral to the walkway and to solving parking issues with the current facilities at Grange Road. Long term, essentially perpetual access must be negotiated by TCDC and an environment created which offers great facilities (parking, toilets, shuttle shelters, visitor interpretation, and picnic facilities) in a natural environmental worthy of the one of the world’s great short walks.

3. Aggressively seek funding sources for the Walkway’s construction – utilising the information outlined in this report. This includes the Lottery Board (application already underway) and connecting with the Ministry of Business, Employment and Innovation and other central government and private sector partners.

4. Dedicated Project Manager – we strongly recommend Garry Towler, the current project manager, is seconded full time to this project during completion of planning (Iwi and community consultation, economic impact assessment etc), consents and the build – or an alternative resource found to focus 100% on managing this project.

5. Target September 2015 for a full opening. Building a part of the walk may be possible for the 2014 – 2015 summer; however, the full construction seems unlikely by this date. Therefore the critical objective must be completion by the 2015 – 2016 summer. This will require
construction to start no later than the early winter of 2015 – approximately 18 month from this report.

6. This timeline will allow proper planning, funding sources to be targeted, and a full operational, visitor interpretation and marketing plan to be developed with Iwi and DOC. Set specific responsibilities and timelines for each of the necessary planning, consenting and management steps.

7. The operational plan should include plans for a fee based parking solution, a one direction walk (suggested as north to south), and a free shuttle service. Parking fees should be implemented at the new Cathedral Cove Parking location, plus Hot Water Beach and the Grange Road Parking location (assuming this continues). Parking fees can vary by season and demand eg: mid-week vs. weekend and a resident permit model can be introduced. Specific details and lessons for the operational plan should be sought from the examples quoted in New Zealand, Australia or Europe – eg: the Cradle Mountain, Tasmania.

8. Planning for the shuttle service using a single operator model should be undertaken. This should include development of a Request for Proposal/bid process which should be undertaken by mid-2015 – setting quality standards for the service, frequency, visitor interpretation and environmental impact of the vehicles.

9. Mandate Destination Coromandel as the lead marketing agency – and ask it to work with Iwi, DOC, TCDC and the tourism industry on developing a marketing plan as part of its 3 year plan. Any requests for additional marketing funds should come from this plan – with clear, measurable objectives.

10. Marketing partnerships with key organisations should be established as part of this plan including major attractions such as the Hauraki Rail Trail and major regional events. A national marketing alliance with DOC of leading day walks (including the Tongariro Alpine Crossing, Abel Tasman and Hooker Valley (Mt Cook) should be investigated.

11. Start community consultation. Meetings should be held with community and business partners. This should focus on the Hahei and Hot Water Beach communities. If clearly explained, the benefits of the walkway investment (including new visitors, business and job opportunities, plus improvements to parking and the environment) should help build support plus ongoing assistance in the maintenance and enhancements to the walkway.

12. Set up the Cathedral Coast Walkway – Hikoi Trust Board. The Trust Board, consisting of 50% Crown representation and 50% Iwi, can focus initially on providing a consultation body during the development and launch phase, when the walkway should be administered directly by TCDC during a 2 year phase. It can also take the lead on fund raising – before taking over full management of the walkway at the end of the transition period. Representatives from the partners should be qualified and available to provide the skills needed to manage the walkway – and may be external, third party appointments.
H. TRENDS & EXAMPLES FROM NZ, AUSTRALIA & THE WORLD.

1. New Zealand and Coromandel Visitor Trends.

New Zealand and The Coromandel have faced some significant challenges with both domestic and international tourism in recent years.

International visitor arrival growth has slowed greatly – and the mix of visitors has changed – with longer stay UK and German visitors declining and shorter stay Australian and Chinese visitors growing. These new visitors are less likely to have the time or interest to visit regions such as The Coromandel - and also spend less on their New Zealand holidays. Such a challenging environment has created a static or flat international market for The Coromandel which has seen no growth in the last 5+ years.

For an analysis of these two trends – see: http://budurl.com/balanceoftravel

For details on this research and additional information – see the list of sources.
2. New Zealand’s Walkway & Tracks.

a. New Zealand Great Walks

To support this review of visitor research and trends in walkways we looked at the performance of multi day walks in New Zealand – starting with a review of DOC’s Great Walks.

There are nine walks as part of the Great Walks grouping: Tongariro Northern Circuit, Lake Waikaremoana Track, Whanganui Journey (a river paddle), Abel Tasman Coast Track, Heaphy Track, Kepler Track, Routeburn Track, Milford Track and Rakiura Track.

Reliable and accurate visitor statistics for the Great Walks are only available for the past two seasons. As a general trend however, walker numbers to the tracks have increased modestly over the past 20 years, with stronger growth in the last 1-2 years.

Boosted by a greater marketing (including Air New Zealand’s sponsorship of DOC), walker numbers on the nine Great Walks increased nearly 10% (7,309 people) for the 2012/13 season compared with the previous year. Figures show 86,607 people (made up of 55% international visitors and 45% New Zealanders) walked one of the nine Great Walks from July to June 2013, compared with 79,298 for the same period the previous year.

In comparison, it is estimated that the previous four years saw an increase of only 1900 walkers or 1% per year.

This growth is off reasonably small numbers for many tracks. Two thirds of the tracks (6/9) have only 3,000 to 11,000 walkers per annum – with most in the range of 5,000 per annum and with only the Milford, Routeburn and Abel Tasman rising above this level. The tracks attract a mix of domestic and international visitors, with the more accessible tracks (eg proximity to population bases and visitor gateways) and tracks with longer seasons,
attracting higher walker numbers. Some tracks (eg the Milford) have a cap to walker numbers.

Source: DOC 2013. Around 50% of the Abel Tasman Walkers are day walkers.

Of the Great Walks, the Able Tasman Coast track is perhaps of most relevance to the Cathedral Cove/Hot water beach track due to its coastal landscape and temperate climate.

The track is located in Abel Tasman National Park, extends for 54.4 km and is open all year. The point to point track takes an average of three to five days to complete and can be walked from either end. Around 50% of the approximately 30,000 annual walkers are on day trips.

Source: DOC 2013

In the peak summer months the track attracts over 250 walkers per day, and in winter, down to 25 walkers per day.
There is no charge for day walks. Visitors can walk into the park from the road end car parks, catch water taxis to beaches along the track or kayak along the coast.

DOC provides a car park at Marahau, Totaranui, Wainui and Awaroa road ends. Cars are parked at owner's risk. Secure parking can be arranged at various Marahau businesses.

Bus services operate in summer from Nelson and Motueka to major road ends Marahau and Kaiteriteri and connect with Takaka transport to Totaranui and Wainui. In winter, bus services operate daily to Marahau and Kaiteriteri but not so regularly to Wainui and Totaranui.

Water taxis operate year round to a timetable from Marahau and Kaiteriteri, providing transport to the main bays along the track.

Abel Tasman, unlike Milford Track has an open market. There are a number of commercial operators providing shuttle transport, water taxis and kayaks.


The nearby visitor hubs of Nelson, Motueka and Takaka service visitors and benefit from walkers who stay on in the region for the days before and after their walk.

b. Other Popular Coromandel & New Zealand Walks

Kauaeranga Valley/ Pinnacles Hut (also on DOC estate) is a popular overnight track also located in the Thames/ Coromandel district. The track entrance is situated near Thames, therefore a closer driving distance for the Auckland market than the Cathedral Cove/ Hot water beach track. There are coastal views at the highest elevation of the track; however the majority of the track is through native bush land. While popular with the domestic market – providing a short tramping experience close to the major population centres of Auckland and Hamilton, it does not hold the iconic status that Cathedral Cove and Hot Water does with international visitors. As an indication of visitor numbers the hut alone accommodated 9,516 visitors in the 2012/13 year. The track also has an estimated several thousand day visitors per annum. Track visitors are mostly domestic (92%), with a small percentage from Germany, the US, the UK, and Australia. The hut attracts a younger demographic, with 34% aged 18-35 and 33% aged 5-15.

Note: Future Expansion Opportunities for Kauaeranga Valley – Pinnacles Hut Walk

Source: www.doc.govt.nz
By enhancing the track system on the Broken Hills side of the Coromandel Ranges, the Kaueranga Valley – Pinnacles Hut track system (to which it links) is considered as one significant medium term option as a longer, multi day walk in the Thames Coromandel District. This coast to coast, 3 day walk (Thames to Tairua) would include building a hut on the Broken Hills side of the Ranges and upgrading the track to a “Great Walk” standard. An affordable shuttle service(s) would be needed to make the logistics of the walk practical. This is seen as a medium term opportunity to further explore once the development and success of the Cathedral Coast Walkway is assured.

**Te Paki Coastal Track: Cape Reinga - Tapotupotu** is a 3-4 day coastal walk with sections that can also be done as day walks (www.doc.govt.nz/parks-and-recreation/tracks-and-walks/northland/kaitaia-area/te-paki-coastal-track). It is a 5 hour drive from Auckland. A counter situated between Cape Reinga and Tapotupotu Bay captures the scale of use and trend. This over estimates numbers because anyone doing a return walk from Cape Reinga will cross the counter twice.

Walker numbers:
2007/08 = 2925
2008/09 = 3168
2009/10 = 3560
2010/11 = 2797
2011/12 = 2450

Source: www.doc.govt.nz

**Queen Charlotte Track** is a multi-day walk (71kms) with most sections of the track accessible for day walks. The track is a unique partnership between DOC, Marlborough District Council and private landowners. The track can be accessed by private transport (car and boat), and there are a number of companies offering boat transport to and from points along the track (www.doc.govt.nz/Documents/parks-and-recreation/tracks-and-walks/nelson-marlborough/queen-charlotte-brochure.pdf). A Queen Charlotte Track Land Cooperative Pass ) is required for all adults walking or biking on Q.C.T.L.C. private land between Kenepuru Saddle and Waima Way ($12 valid for 4 consecutive days on private land, $25 for an annual pass, $6 for a 1 day pass between Anakiwa and Mistletoe Bay, and school children are free). The Pass fee contributes to track maintenance, enhancement and access.

A counter is situated on a busy section of this track (The Pines) that receives a high number of day walkers walking between Ship Cove and Furneaux Lodge. By comparing it with a counter on the long day to Torea / Portage it provides a rough idea of the split between day and multiday use (assuming that most visitors counted at Torea are doing an overnight / multi day trip).

However, this 16.3km track (one way), is a fairly arduous eight hours walk, with shuttle options that can be accessed by land or sea. A water taxi is available (but needs to be booked) from Russell and Paihia. The track traverses Maori owned land and conservation land. Secure parking is available at the end of Rawhiti Road for a small fee. Much higher numbers visit the lighthouse at the end of the track – from boats cruising in the area.

The track received just 846 visitors in 2012. A 1/3rd of visitors take a water taxi and there is a high proportion of domestic usage (estimated 2/3rds – mostly from Northland and Auckland). Activity on the track reflects wider problems with tourism in Northland which has seen significant drops in both international and domestic visitor spending in recent years.

### Cape Brett Hut receives; Cape Brett track receives;

<table>
<thead>
<tr>
<th>Year</th>
<th>Hut Visits</th>
<th>Track Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1248</td>
<td>689</td>
</tr>
<tr>
<td>2011</td>
<td>1199</td>
<td>868</td>
</tr>
<tr>
<td>2012</td>
<td>1279</td>
<td>846</td>
</tr>
</tbody>
</table>

Both Cape Brett and Queen Charlotte Track offers a warning to other tracks and any major walkway in the Coromandel.

As noted above, the numbers of walkers on the Cape Brett Walk is modest and has remained small. The number of multi day and day walkers on the Queen Charlotte Track has dropped by 50-60% in the last 4 years. This highlights a drop in some traditional international markets (eg: UK and Germany) and challenges in the domestic travel market.

Perhaps most importantly, the decline seems due to a lack of marketing the tracks by both the Marlborough and Northland regions in both the international and domestic markets, and wider challenges in the tourism industries of these regions. Stiff competition and
increasing choice for travellers necessitates an ongoing commitment to marketing of any walkway. In addition the success of a walkway – and its ability to drive visitation more broadly is the result of sound tourism product (transport, accommodation, activities) across the surrounding region.

**Great Walks and the Coromandel walk**

The Great Walks cluster of New Zealand walks has a strong brand and is well promoted by DOC and partners such as Tourism New Zealand, Air New Zealand, regional tourism organisations and private sector operators. There are currently nine walks in the group, they are located in National Parks, they are multi day walks, they are generally not easily accessible to visitors, and they include minimal support services. DOC is not looking to include further walks to this group.

DOC is developing another cluster of walks to capitalise on its breadth of walking product. The new cluster of walks will be tailored to attract additional visitors to walking tracks – to attract a different walking market than those currently undertaking Great walks, rather than a second tier. The cluster will include tracks which have more support services than the Great Walk tracks (eg catering, transport, guided, luggage transfers), they will not solely be in National Parks, and there will be a strong cultural/ story telling / interpretation element to the walks.

This cluster (yet to be named) will not be limited to a certain number of tracks as the Great Walks group is, and DOC is working together with partners in this cluster (such as local iwi).

Current walks which will likely be included in this new cluster are:

- The Hollyford
- Queen Charlotte
- Humpridge
- Rangitoto – Motutapu Islands.

Though the proposed Cathedral Cove Walkway will not be a designated “Great Walk” – it can still position itself as one of the great day walks of New Zealand – as the Tongariro Alpine Crossing has done. Indeed there is an opportunity to work with DOC and a grouping of 3-5 iconic day walks including the Tongariro Crossing, Rangitoto – Motutapu, Hooker Valley and Abel Tasman (day walks) to develop a new cluster or marketing group of day walk experiences.
3. CASE STUDY: Tongariro Alpine Crossing Day Walk

Tongariro Alpine Crossing – is a world famous day walk track that is a day-hike section of the Tongariro Northern Circuit Great Walk.

Over the last 40 years the Tongariro Alpine Crossing has become New Zealand’s premier day trip – Volcanic and Alpine by nature it is not an easy walk – 19 kms of tough alpine hiking with snow and ice limiting access for 4-6 months of the year. The use of the track grew considerably in the 1990s and early 2000s – plateauing in recent years and around 75,000 users a year, plus 2-5000 short walk visitors at the road ends. The volcanic nature of the Crossing was highlighted in 1975 when Mt Ngauruhoe erupted and again in 2012 when Tongariro (Te Maari crater) erupted. The last eruption closed the walk for several months. Visitor numbers have now bounced back to around 70000+ a year

Source: www.doc.govt.nz

Key lessons from the Crossing include:

- The growth of Alpine Day walker has been significant versus only very modest growth for overnight trips in the Tongariro National Park – including only very minimal growth for the Northern Circuit Great Walk.

- Growth has been driven primarily out of the International visitor market – with less than 30% of walkers being New Zealanders (The Coromandel Great Walks have the opportunity to have a stronger balance of both domestic and international visitors).

What Visitors Valued Most About the Walk

What Visitors Liked Least About the Walk

Source: Results of a survey of Tongariro Alpine Crossing Walkers. Dept of Conservation 2012.
- Visitors are focused firmly on scenery and landscape – environmental and cultural interpretation are less important

- Growth was fuelled by availability of shuttles – making the logistics of the one way walk simple.

**Influencers on the Tongariro Alpine Crossing**

- There are currently over 15 shuttle operators from throughout New Zealand that have DOC concessions to enter the park with clients for the TAC. This creates lots of choice but hasn’t prompted operators invest in higher quality vehicles or services.

- The walk is one direction, – managed by shuttle pick up and drop off – which minimises crowding issues.

- Environmental and comfort issues can mar the experience - including weather, crowds, toilets, steps

- Managing growth, experience is now the focus (rather than growing walker numbers)

- There is little option to increase visitors by improving infrastructure, marketing and transport – there are still constraints relating to the weather, the fact that it is an active volcano, and that it is relatively far away from key domestic population bases and the main entry points for international visitors.

- Therefore the primary focus of the Crossing is to manage the impact of the walkers, maintain and improve the experience and boost the length of stay of the visitors in the wider region. This includes cross marketing with other attractions including walkways, cycle experiences and other activities.
Walker Numbers on the Tongariro Alpine Crossing has plateaued in recent years – with likely future growth uncertain.

This highlights a potential challenge for the Cathedral Coast walkway in the medium to longer term future. If the walk is successful in reaching 100,000 walkers per annum a year – then the carrying capacity of the walk may be under pressure – particularly at peak times of the year. Careful management of the visitor experience will be required including stricter controls around one directional walking, improved facilities and promotion of only the shoulder and off season to potential walkers. This may include stronger differential pricing (eg: on any parking fee) to encourage visitation mid-week or during the off season or shoulder season.
4. International Walkways and Trails

A review of leading walkways and trails around the world highlighted the popularity of coastal walks – and particularly day walks.

Italy boats an exceptional range of visitor attractions from ancient history to wine and food. However, a number of its most highly rated visitor attractions are coastal walks. For example, the Monterosso al Mare is rated as the top visitor activity and attraction of the Cinque Terre.

In the Pacific, a range of Hawaii’s top visitor attractions are coastal walks including the Kilauea Iki Trail (rated as the top experience of 237 attractions on the island of Hawaii) and the Kalalau Trail (see below).

In Fiji, TRC Tourism was involved in the development of the Lavena Coastal Walk (see above) – which has emerged one of the top experiences in this part of the Fijian islands. Initially walker numbers were small and showed little growth. The key to its development was the support of a subsidised shuttle – which allowed walkers to readily return to their resort. This highlights how infrastructure and transport can play a critical part in the popularity of a walk.

Some of Australia’s top visitor attractions are also coastal walks. For example, the second most highly rated visitor experience in Sydney (of 275 attractions) is the coastal Bondi to Coogee Coastal Walk (see below).
Australia has seen a significant investment in walkways – including coastal walks such as the new Tasmanian multi day coastal walk – Bay of Fires (see below). This investment has been heavily supported by State and Federal Government investment.

Australian walking trends

Societal trends including aging population, travel costs and consumer preferences did, in recent years, result in a shift in demand from the traditional multi day independent bushwalking trips to a greater demand for soft adventure, comfort and security offered by commercial operators. This trend appears to have plateaued, potentially due to economic issues as well as the high apparent costs of fully packed multi day walks compared to other types of holidays that are being offered at competitive rates.²

There has been a significant investment in multi day walks by Government in recent years that has resulted from the perceived success of walks such as the Overland and Larapinta. Some of this investment has not been successful. The Queensland Great Walks as an example, cost several million dollars, but failed to evaluate what the consumer was seeking.

Australia’s Great Walks is a recent joint initiative between Tourism Australia and industry. It has, to a certain extent, stemmed from a decline in demand for the range of products that is in the multi day walk sector. Through collaboration and focused marketing, the intent is to strengthen the awareness and appeal of Australia as a walking destination and offer a range of immersive nature experiences.

Australian coastal walk visitor numbers:

- **Royal Coast Track:** 74,310 (32kms from Sydney, 1h drive from the CBD, and 20mins to Sydney airport, 2.7mill to the Royal National Park. Can be walked in one long day or an overnight stay. Significantly higher use of day walkers than overnighers, majority of walkers from Sydney, 5 guiding operators on the track)

² Royal Coast Track report, TRC Tourism, 2013.
- Maria Island (Tasmania) 12,000 to the island in 2012 (40kms, mostly day use of part of the track)

- Great Ocean walk (Victoria) – visitor numbers not published. Step on/step off track and business model. Transport operators do pickups/drop offs at stages along the track, and can arrange food. ‘Official partners’ provide a range of services and products either through tours or directly to walkers. These include local food and produce, a range of accommodation, other tourism experiences (e.g. sea kayaking, mountain biking, fishing). 8 tourist operators provide guided (day pack only) walks of various lengths, using a range of accommodation including camping, Cape Otway Light station, 3-4 star, Eco lodges and luxury.

Great Ocean Walk (Victoria) and Freycinet Peninsula Circuit (Tasmania)

Source: [www.australiangeographic.com.au](http://www.australiangeographic.com.au) and [www.tastrails.com](http://www.tastrails.com)

- Freycinet Peninsula Circuit (Tasmania): 2011-12: 186,000 visitors. 30kms, 2-3 days or shorter day walks. Road access and bus transport. Water taxi access to some points along the track

**Access to walking tracks (shuttles/car parks)**

**Tongariro Alpine Crossing** - the vast majority of walkers use a shuttle to get to/from the track as the start and end points are not in the same location. Car parking is however available.

**Milford Track** - travel to and from the Milford Track usually requires road transport and boat access at both ends of the track.
You can only walk the Milford Track in one direction. The track starts at Glade Wharf (at the
head of Lake Te Anau, accessed by twice daily scheduled 1.5 hour boat service from Te Anau
Downs). Te Anau Downs is 27km from Te Anau on the road to Milford Sound and has a car
parking area. There are bus services which run daily scheduled services from Te Anau to
meet the boat at Te Anau Downs.

For more experienced trampers, there is however tramping access to the start of the track
from the Eglinton Valley via the Dore Pass Route.

The Milford Track finishes at Sandfly Point (a 15min boat trip from Milford Sound village).
There are daily bus services from Milford Sound to:

- The Divide - start of Routeburn Track (38km - 45mins)
- Te Anau Downs - (93km - 2 hours)
- Te Anau (120km - 2.5 hours)
- Queenstown - (297km - 5 hours)

Source: www.doc.govt.nz

Other NZ South Island walking tracks – private sector shuttles operate to all of the main
walking tracks (eg www.Tracknet.net). Most tracks can be accessed by private car, but due
to the point to point nature of the tracks (versus loop tracks), walkers generally take
shuttles.

Waipoua forest, Northland – the car park on DOC land has a steward who offers security for
cars in the car park for a minimal charge ($2).
Yosemite National Park, US – Shuttles are encouraged, and there are bus services to the park from key cities in California, but car parking is available and not charged for. There is an entry fee to the park however – US$20 per car or $10 per person arriving by other means, and various rates for commercial operators. Free shuttles operate within the park.


Overland track – 6,500 (2005/06). Has a shuttle operating at the north end.
5. Case Study: Cradle Mountain, Tasmania, Australia—

Cradle Mountain lies at the northern end of the Cradle Mountain-Lake St Clair National Park, Tasmania. It is 1 1/2 hours from Devonport and 2 1/2 hour drive from Launceston.

McDermotts Coaches (sole concession) operates a shuttle bus service on behalf of the Parks and Wildlife Service. The shuttle bus service operates between the Visitors Centre and Transit Terminal, located at the former airstrip to Dove Lake. The service is aimed at protecting the important values of the World Heritage Area while also preserving the visitor experience.

The service has been highly successful in reducing visitor traffic on the road to Dove Lake by two-thirds. It has attracted a highly favourable response from Tasmanian, interstate and overseas visitors since its introduction.

The shuttle service operates seven days a week. In addition to a Park Pass fee, a charge for the use of the shuttle bus service may apply.

Due to the high visitation at Cradle Mountain throughout the year, visitors are encouraged to leave cars at the Visitors Centre and Transit Terminal (located 2km before the park boundary) and take the shuttle bus service to the Interpretation Centre and Ranger Station, Snake Hill, Ronny Creek, Waldheim, and Lake Dove. A boom gate controls vehicle access to the park and on days of high visitation all visitors (including those with an annual pass) are encouraged to return to the Transit Centre and use the shuttle bus service. Up to 50 cars can go past the boom gate into the park at any one time.

In the 12 months to March 2013 an estimated 171,000 visitors went to Cradle Mountain. Approximately 70% of visitors currently use the shuttle service. Park entry fee is $16.50 per adult for a 24 hour pass, and there are various other options.

The shuttle service costs in the order of A$1.4 million per year. The Cradle Day Pass is the only mechanism the park uses in respect of a direct charge for the shuttle. This brings in about $400,000. So, the park need to find A$1 million from general park entry fee revenue which is a challenge and something they plan to change.

A separate fare for the bus is not charged as it complicates the visitor experience and past experience indicates this has created more issues than it solved.

This model works well and would be well suited to the Cathedral cove/ Hot water beach walk. A field visit to Cradle Mountain or further discussion with Parks Tasmania is recommended. TRC Tourism and Miles are happy to facilitate this visit.
Other Australia examples

There are some examples in Australia (mainly urban) where council charges for car parking. For example, Manly Dam and others in Kuringai, but also, there are often places where tracks start that are close to pay parking anyway; not only because of the track (eg Bondi-Coogee and along that East Coast and some of the Harbour walks).

Key Takeaways from NZ, Australian and International Examples

- Day walks are increasing in popularity at a faster rate than multi day walks
- Opportunity to charge for parking and provide secure parking and toilet facilities. This includes opportunities for a joint venture on private adjacent land for a small fee
- Shuttle services can be successful (most are encouraged rather than compulsory); there is generally a high uptake when the start and finish places of tracks are not close together.
- The Shuttle service can be funded by the Parking Fee – and/or supported by council/government subsidy. This model is used in the Tasmanian example above.
LIST OF SOURCES & ADDITIONAL RESOURCES

Interviews (or participation in Workshop):

- **Thames Coromandel District Council**: Glenn Leach, David Hammond, Ben Day, Tony Fox, Garry Towler and Laurna White, Kerry Moore
- **Destination Coromandel**: Brent Page, Hadley Dryden
- **Department of Conservation**: Gemma White, Nicki Douglas, Peter Carter, Robyn Cormack (Head Office), Geoff Ensor, Sharon Anderson, Michael Harbrow, Peter Devlin
- **Ngati Hei**: Peter Tiki Johnson & Peter Matai Johnson
- **Stewart Barclay - Adrift Outdoors (Chair Tongariro Alpine Crossing Group)**
- **Lucy Thomas, Tourism New Zealand – Head – Walking and Hiking Special Interest Group**

Research and Additional Sources:
*Plus see specific references in body of report.*

[www.stats.govt.nz](http://www.stats.govt.nz)


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TripAdvisor Reviews - as researched November 2013 [www.tripadvisor.com](http://www.tripadvisor.com)

Value of Conservation - Department of Conservation 2006:

Economic Impact of Recreational Trail Use - University of Minnesota
[http://www.tourism.umn.edu/prod/groups/cfans/@pub/@cfans/@tourism/documents/asset/cfans_asset_167538.pdf](http://www.tourism.umn.edu/prod/groups/cfans/@pub/@cfans/@tourism/documents/asset/cfans_asset_167538.pdf)

Economic Impact Analysis - Trans Canada Trail in Ontario 2004 - Price Waterhouse Coopers
[http://atfiles.org/files/pdf/TransCanadaEcon.pdf](http://atfiles.org/files/pdf/TransCanadaEcon.pdf)
Background on Consultancy Team
Miles Media and TRC Tourism

Chris Adams - Miles Media (New Zealand).
(GM of Miles South Pacific and Former Executive Director of Tourism Coromandel)

Chris has held a variety of senior roles in tourism and tourism marketing in the South Pacific, UK and North America - and has been actively engaged with the tourism, tourism marketing and new technology for the last 20 years.

Chris was Founding Executive Director of Tourism Coromandel (1992-95) and is intimately familiar with Thames – Coromandel the district, the tourism industry and broader community. During his time at Tourism Coromandel Chris was involved in reviewing the feasibility of a hiking track in the Coromandel Ranges west of Whangamata.

Chris is currently Director of Research - Online Marketing and General Manager, South Pacific for Miles Media www.milesmedia.com the largest destination focused marketing agency in the world serving 14 US State Tourism Organisations, 2 Canadian Provinces, 30+ Convention and Visitor Bureaus and destinations in New Zealand and the South Pacific. Miles Media clients include Auckland, Hamilton – Waikato, Taupo and Lake Wanaka Regional Tourism Offices in New Zealand and the San Francisco and Anchorage CVBs, and the States of Colorado, Louisiana, Tennessee and Pennsylvania.

In addition to being Executive Director of Tourism Coromandel www.thecoromandel.com, Chris has been Product Manager for Independent Travel at Newmans Tours, head of marketing for the South Pacific’s largest tourism publisher, Jasons Travel Media Ltd (www.jasons.com) and Assistant to the General Manager at BSkyB in London – Europe’s largest satellite TV operator. Chris was winner of the prestigious Duncan Sandys Tourism Scholarship while at Tourism Coromandel – a one month intensive study of tourism management in the UK with the country’s leading tourism organisations.

More:
LinkedIn: http://linkedin.com/in/kiwicolorado
Miles web site: www.MilesPartnership.com

Lynn Jeynes. Project Manager. Miles (New Zealand)

Lynn Jeynes brings extensive tourism marketing and outdoor industry experience to this project. In the UK, Lynn was Marketing Manager for Cotswold Outdoors www.cotswoldoutdoor.com – a large retailer of outdoor equipment in the UK. In this role, Lynn supported retailers across England and Scotland and gained significant experience with
the UK and International walking/hiking market and the day/longer hiking trails in the UK and Europe. In New Zealand Lynn was Marketing Manager at Jasons Travel Media [www.jasons.co.nz](http://www.jasons.co.nz) – dealing with thousands of small tourism business up and down the country.

**Dave Bamford - TRC Tourism**

Dave was one of the founding directors of TRC Tourism. Dave has almost 40 years of experience in tourism and outdoor recreation management including strategic input into a range of national park, walking track, hut and conservation management plans and recreation impact assessments in natural areas. Dave has over 20 years’ experience in New Zealand and South East Asia, Australia, the Pacific and Chile with feasibility, business studies and recreation and tourism planning in more than a dozen countries. *Dave’s role in this project is to provide expert advice into trail design, commercial opportunities and overall feasibility from both a private sector and local government perspective.*

Dave has undertaken many assessments of potential New Zealand track, trails and cycle ways, reviewed related business opportunities in the Pacific and South East Asia and visited and assessed several multi use pathways in Australia and South America. He is currently assisting the Montenegro Government with a multi-day trail project. His experience with and on the boards of NZ NGOs including the NZ Outdoor Recreation Council (The Hillary Council) and other funding bodies provides him with valuable insights into governance and revenue models.

**Debby van de Scheer, TRC Tourism**

Debby has a background in tourism marketing, market research and product development. She has worked for Regional Tourism Organisations and for Tourism New Zealand including 2 years in the London office managing trade relationships with wholesalers and agents. Debby works throughout New Zealand, Asia and the Pacific on strategic planning projects, market demand assessments, nature-based product development and feasibility studies. *Debby will assist with the benchmarking, market segmentation and competitor analysis with other trails and will coordinate TRC’s into the economic impact assessment and the final report.*

**Ross Corbett, Founder & Director of TRC Tourism**

Ross has over 20 years proven experience in tourism planning and development throughout New Zealand, Australia and the Asia Pacific regions. He specialises in the development and feasibility of trails, Eco lodges, adventure tourism businesses and entire destinations. He can bring experience in most of the New Zealand’s Great Walks and private trails as well as the latest trends occurring in Australian trail developments. He is currently working on trail feasibility and management projects for Sydney Harbour, in Taranaki and Central North Island.

**More:** TRC Tourism Web Site: [www.trctourism.com](http://www.trctourism.com)