

Grand Pacific Tours Request for Submission re: Queenstown tourism mergers

Thank you very much for the opportunity to write a submission and reviewing our insights for the two applications of Ngai Tahu Tourism and Realnz.

Introduction/Background

Grand Pacific Tours is a New Zealand Luxury Coach Holiday specialist set up to provide an exciting range of all-inclusive packages for the mature traveller. Over our 27 years of operation, we have seen numerous products introduced to the tourism sector. This is both exciting and important for the continued experiences that our travellers enjoy.

Queenstown over decades has constantly grown and evolved its tourism products, and continues to do so, ranging from relaxed and soft adventure activities such as health and wellness, golf, wineries and lake cruises through to the more adventurous experiences such as sky diving, paragliding, jet boating and bungy jumping. The tourism offer is also dependent on seasonality where in winter there are multiple ski areas to choose from over and above the year-round tourism experiences. Visitors to Queenstown are presented with an increasing number of tourism products and one of the critical factors around product choice is the time visitors have in the destination, with every one of those products, as well as bars, restaurants and hospitality venues, vying for a piece of the visitor's available time in destination. The average length of stay in Queenstown is somewhere in the region of two days.

Queenstown Tourism

It's been an incredibly difficult period for Queenstown from March 2020 when the Covid pandemic stopped the industry in its tracks. Visitor levels returned to around 70% of pre-Covid levels for the 2022/23 season, and that's forecast to reach over 80% for the coming summer. There is an extensive range of trips and experiences for visitors to choose from in Queenstown where local operators showcase the best of what's on offer'. In addition to this, travellers will also use Queenstown as a base to experience nearby regions such as coaches and flights to Fiordland, day trips to Wanaka and winery visits to places such as Cromwell and Bannockburn, just to name a few. The market is significantly wider than just Queenstown itself with the regions of Fiordland, Wanaka and Central Otago benefitting from visitors staying in Queenstown.

In response to the questions asked by the Commerce Commission email:

- *the differences between, and substitutability of, different types of tourism activities (eg, what activity a tourist might substitute a jet boat trip or lake cruise for)*

Queenstown is a unique destination in that it has an offering or option for absolutely everyone. It is a mix of adventure, hiking, wineries, biking, golf, wellness, shopping, nightlife, sightseeing, winter activities just to name a few themes, and then an extensive number of product brands and companies within many of those themes. Visitors generally have a preference for the types of activities that they are interested in or would like to experience, and other factors can influence their choice such as the price of an experience, weather conditions, recommendation by others and product reputation. A visitor can be presented a multitude of different activities based on their preference simply given the variety of options available in the destination – there's not a limited number of tourism products to choose from. The presentation of these options is also diverse – visitors can purchase through channels such as websites and social media as well as resellers/booking agents who can influence the visitor activity choice. As each business evolves and develops their products, this continues to increase the choice of options available to the visitor.

- *whether there is a broad market for all tourism activities, narrower markets for adventure tourism and non-adventure tourism, or even narrower markets for jet boating and lake cruises;*

Grand Pacific Tours travellers will be keen experience the best of Queenstown based on their age and ability. Our average age on tour is 60-69 years of age and whilst there are many adventure activities in Queenstown the majority of our travellers will generally book a jetboat experience as part of our optional tours program. The thrill of a jet boat ride is generally high on the agenda and the range of jet boat experiences with different levels of adrenalin and thrills is important as not everyone wants a high energy experience. In regards to lake cruising, all of our tours include the Walter Peak Dining Experience which features the cruise on Lake Wakatipu on board the TSS Earnslaw, so chances of a lake cruise over and above this for our travellers are minimal. All travellers on a Grand Pacific Tour enjoy a free day in Queenstown to choose from a range of suitable options we have suggested and these range from a Skipper Canyon half day trip, Skyline Gondola, Best of Queenstown half day trip, several jet boat options and helicopter experiences. These are our main options promoted, however travellers can choose other options if desired. In summary, Queenstown offers an incredible range of exciting activities, and this is what sets it apart from other destinations. Each product will appeal to a certain demographic such as younger travellers doing a bungy jump. The demand for adventure tourism in Queenstown is high and travellers are excited by the range of different options on offer so the need to offer a broad range of experiences is definitely an ongoing requirement. These exciting activities available is one of the key reasons travellers choose a multi night stay in Queenstown. We would not want to see this reduced.

- *the ability that you have to influence the prices that you face from tourism operators, or to substitute away from the tourism activities of Ngai Tahu Tourism and Realnz (to other tourism operators in Queenstown, or outside of Queenstown)*



Grand Pacific Tours is an end user of product and contracts a range of products throughout the country from hotels, attractions, and restaurants to be able to operate its tours. We make our product selections based on product quality, health and safety practices, customer service, attention to detail, relationship as well as price. There is healthy competition between tourism operators for our business and we review our product inclusions on an annual basis. As a volume operator we have very close relationships with our supplier partners and they will often be keen to hear our feedback on price and based on this we do have some influence on the pricing that we sign off on each year. Many of our relationships are long term and whilst the ability to move away from certain partners is available, we do not do this lightly. We work hard to maintain existing partnerships and unless something was not working or the product not performing, we would make all efforts to retain existing partners with operators such as Ngai Tahu and Realnz. They are both valued partners with unique experiences that are suited to our travellers.

- *any general thoughts on each of the two applications before the Commission*

Given the wide range of tourism products available to us in the region, we don't see either of these applications changing the way we select our products – either for inclusion or as optional experiences for our guests to choose from while they are on tour. Competition is important and with Ngai Tahu it will be key to ensure each jetboat operation maintains their unique points of difference as currently each product has its own niche selling points.

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