

IN THE MATTER of the Resource Management Act
1991

AND

IN THE MATTER of applications to the **WAIKATO
DISTRICT COUNCIL** and **WAIKATO
REGIONAL COUNCIL** by **WEL
NETWORKS LTD** for resource
consents to authorise the
establishment, operation and
maintenance of 28 wind turbines for
the generation of electricity and
associated activities on the
Wharauoroa Plateau near Te Uku

STATEMENT OF EVIDENCE OF RODGER GALLAGHER

(Assessment of impact on Tourism)

1. INTRODUCTION

Qualifications and Experience

- 1.1 My name is Rodger Wayne Gallagher. I am the Managing Director of Customer Value Management New Zealand Ltd and Customer Value Management Australia Pty Ltd. I have more than 37 years experience in professional engineering and business management. For the last eighteen years I have specialised in strategic business consulting, cost benefits studies and marketing research and modelling. I am an expert at establishing causal relationships between research data and market behaviour. I have a Bachelor of Engineering degree from the University of Auckland. I am a Member of the Market Research Society of New Zealand, the Institution of Engineering & Technology UK, and a Senior Member of the American Society for Quality.
- 1.2 In 2007 my companies undertook strategic market research, econometric modelling, and business consulting for multi-national clients in Japan, Australia, Thailand, The United States of America and the United Kingdom. Work is undertaken across a number of sectors including tourism.
- 1.3 I am the author of the book, Customer Value Management: The CVA 2000 Collection, and of the corporate implementation guide, Focusing on Customer Value Added. My published papers include, 'Modelling Customer Satisfaction at Telecom New Zealand', (European Journal of Marketing) and 'The Role of Innovation in Establishing a Customer Service Operation for Maximum Customer and Business Benefit',

(Proceedings of the Decision Sciences Institute Fourth International Meeting). My work at Telecom New Zealand is documented in Bradley T. Gale's book, 'Managing Customer Value', in the section: 'Testing the Customer Value Philosophy at Telecom of New Zealand.' My work for Vodafone NZ Ltd and Roche Diagnostics Ltd is documented in the book, 'Mastering Customer Value' by Raymond Kordupleski.

Involvement in Project

- 1.4 I have been asked by Tui G. Incorporated Society (TUI) to advise on the evidence presented by Gordon Campbell and to establish independently the views of visitors to Raglan on the proposal to develop a wind farm with 28 three MW wind turbine generators (WTGs, or turbines) at Te Uku.
- 1.5 I am a resident of Raglan, involved in local organisations and am aware of the type of visitors coming to the Raglan area and the accommodation providers operating there.

Purpose and scope of evidence

- 1.6 This evidence considers the original evidence presented by Gordon Campbell, the assessment by Tourism Resource Consultants and Gordon Campbell's further statement on the Tourism Resource Consultants' review.
- 1.7 It also presents the results of a 2008 study of tourism in the Raglan area.
- 1.8 Against that background my evidence will address the following:
 - (a) The sampling frames and methodologies used by Campbell Consulting;
 - (b) The data collection methods used by Campbell Consulting;
 - (c) The design of the questionnaires used by Campbell Consulting;
 - (d) The method used by Campbell Consulting to establish predictions;
 - (e) The results of a new 2008 Raglan Tourism study undertaken by Customer Value Management NZ Ltd.;
 - (f) Conclusions based on points (a) to (e) above.

2. BACKGROUND

- 2.1 Market research is based on the principle of statistical random sampling. For any given overall population, a random sample is drawn from the overall population. A random sample is representative of the overall population subject to a variance known as the sampling error. It is better to have a smaller sample drawn randomly than a larger sample skewed to a particular profile.

- 2.2 When it is considered too difficult or too expensive to conduct random sampling, researchers use a lower quality technique known as a panel. With this approach, people who are agreeable to being surveyed are recruited and assigned to surveys according to their demographic profile. It is important that the demographic profile of the people being surveyed matches as closely as possible with the demographic profile of the entire population. If this is done then the results using panel approach can be used for decision making, although it is not possible to calculate the margin of error with this approach. If the demographics of the people surveyed from the panel do not match the demographics of the population being researched then the survey data obtained by this approach is not valid.
- 2.3 The Smile City internet surveys operated by TNS CONVERSA use a panel approach. Smile City has 47,000 members who are people who like to play games, read horoscopes and do surveys online. Members are paid with reward points for doing surveys. The reward points can be swapped for prizes or cash. The requirements noted in paragraph 2.2 apply to Smile City surveys. It is essential that a researcher provides TNS CONVERSA with the exact demographic profile required. If a researcher provides TNS CONVERSA with the wrong demographic profile then the information obtained from the research will not be valid.
- 2.4 Another important part of research design relates to the questionnaire. When a topic is being surveyed where the people being surveyed are unfamiliar with the topic then it is important for the questionnaire to include briefing information. This briefs the person being surveyed about the new situation in an unbiased way. If this is not done then the survey data will have non-sampling error and provide a biased result.
- 2.5 Establishing causal relationships between research data and consumer behaviour requires time series or market sub-segment modelling with at least 30 data points. Establishing predictive models can only be done with time series information. There is a small set of predictive questions which have been established as valid predictors in a number of markets. Data from these questions can be taken to give an indication of future trends. In my experience questionnaires framed around asking about 'Future likelihood' used as a standalone question are not good predictors of consumer behaviour.

3. **ACCOMMODATION ANALYSIS**

- 3.1 Campbell Consulting conducted a review of 36 accommodation providers in the Raglan area. For information from this type of survey to be valid, the sample needs to be selected randomly or a full census conducted. If 35 accommodation providers without a view of the wind turbine towers are researched and only one accommodation provider with a view of the wind turbine towers is included then it appears that the sample was not selected randomly. If this is the case then the survey data is biased and not valid.

- 3.2 There are a large number of accommodation providers in and around Raglan. The web site www.holidayhomes.co.nz alone lists 69 accommodation providers. A number of providers are not listed on web sites or at the Raglan Information Centre and are available privately or through local real estate agents. Number One Bow Street is an independent provider with 34 beds that was not included in the Campbell Consulting sample frame. Matawha is an independent provider close to Ruapuke that was not included in the sample frame. It is listed in the Greenwood Guide.
- 3.3 As Campbell Consulting did not survey every accommodation provider then they did not undertake a census, therefore for their data to be valid they would have needed to use a statistically random sample.
- 3.4 A quick assessment shows that some of the providers excluded from the sample have a direct line of site to the proposed wind turbines. For example, the Shalimar Luxury Guest House in Cambrae Rd would have a clear view of the wind turbine towers. The Kokiri Centre in Riria Kereopa Memorial Drive, used by Maori and educational groups, from all over the country would have a direct view of the proposed wind turbine sites. Neither of these locations was included in the accommodation analysis.
- 3.5 Campbell Consulting claim to have visited every accommodation provider apart from Wild West Coast Cabins. They also say they visited each accommodation provider's web site. Although they visited 35 accommodation providers **they now say they did not necessarily speak to anybody at each location**. It seems strange that the accommodation provider closest to a wind turbine tower, Hidden Valley, was not spoken to. There are at least three major errors and one minor error in this section of the Campbell Consulting report:
- (a) Location 37, the Cambrae Retreat, is shown as having no direct line of site to the wind turbine towers. This is incorrect. The proposed wind turbine towers would be visible from the lounge and deck of the Cambrae Retreat;
 - (b) Location 18, C'Barn is shown on the map as located on the eastern side of Wainui Road in a valley. C'barn is in fact on western side of Wainui Rd, ½ km from the road high on the coastal ridge. I have interviewed Jean Carbon, the proprietor of C'Barn. Ms Carbon says that she has never been contacted by Campbell Consulting and if they entered her property they left no business card or letter to say they had done so;
 - (c) Location 12, Hidden Valley Luxury Retreat is shown adjacent to State Highway 23 just east of Te Uku. It is in fact 2km to the east and then a further distance off the highway down a long driveway Location 17;

(d) Water's Edge is shown as being in the 4 to 6 bed category when there are in fact 10 beds.

3.6 Based on the above, my conclusion is that the accommodation analysis undertaken by Campbell Consulting did not use random sampling. Because of this it is biased and invalid. There also appear to have been quality problems with the fieldwork as significant errors have been found in the reported data. As the sampling frame used by Campbell Consulting was invalid and there were significant errors in the fieldwork, my conclusion is that the accommodation analysis is flawed and should be set aside. It is not suitable to use for drawing any conclusions.

4. **OTHER TOURISM RELATED BUSINESSES**

4.1 On page 3 of Gordon Campbell's evidence on the executive summary page it says, "It was also found that all other tourism related businesses were not affected by the proposed wind farm". There is no other comment on this anywhere else in the evidence or any data to support the statement. There is no list of the businesses who were interviewed or information on why these businesses were included in the sample frame. The further evidence provided by Gordon Campbell makes no reference to other businesses. The Tourism Resource Consultant's review of Campbell's evidence says that it appears to be thorough. How can Tourism Resource Consultants make this statement, when for this important statement about tourism related businesses no data is provided to support the claim?

4.2 Unless Campbell Consulting can provide data to support their statement about tourism related businesses, the unsupported claim needs to be set aside.

5. **SMILE CITY SURVEY- 'NOT NECESSARILLY REPRESENTATIVE'**

5.1 Campbell Consulting conducted a survey of Raglan visitors and potential visitors to Raglan using an internet panel survey branded as "Smile City", provided by TNS CONVERSA. Tourism Resource Consultants did a desk review of the evidence of Gordon Campbell and concluded that the results may not be representative of the wider population of Raglan visitors. (The reasons for this are covered in paragraphs 2.2 and 2.3 above). They also questioned the conclusion by Campbell Consulting that visitors to Raglan would increase by 11% as a result of the wind turbines being installed. (The reason for this concern is covered in paragraph 2.5 above.)

5.2 On the matter of the sample being representative Campbell Consulting said:

(a) "TNS Conversa, who distributed our online survey, assures that all samples are representative of populations. This is easy to achieve in New Zealand online research, given that New Zealand is the third most connected

country in the world in terms of internet penetration behind Iceland and Sweden with 74.9% (Sept 2005) of the population having household access to the internet”.

- 5.3 While the statement by TNS Conversa is true it is so general to be of no use. The question that needs to be answered is what demographic profile did Campbell Consulting specify to TNS Conversa? We are not told that, apart from it being a survey of people who live in Auckland and the Waikato.
- 5.4 In 2005, there were 3,200,000 internet users in New Zealand and 1,072,000 non internet users (Ref: International Telecommunications Union). The Smile City database of people who like to sit at their computer and play games and complete surveys for reward points currently has 47,000 members. The demographics of people who do not use the internet are different from people who use it. The demographics of people who use the Smile City database internet are different from internet users who are not in the Smile City database. Because of this great care needs to be taken in using the Smile City panel for surveying, especially for Raglan Tourism where a specific limited population is being targeted. TNS Conversa is a professional organisation and would have surveyed people from their Smile City database who matched whatever profile specified by Campbell Consulting. The responsibility for specifying correct demographics solely belongs to Campbell Consulting.
- 5.5 The 2004 Eco-tourism survey, Tourists Opinion of Raglan as an Eco-tourism Destination, found that visitors to Raglan were from:
- | | | |
|-----|---------------|-----|
| (a) | Hamilton | 24% |
| (b) | Waikato | 14% |
| (c) | Auckland | 23% |
| (d) | Other NZ | 20% |
| (e) | International | 19% |
- 5.6 A total of 61% of the visitors were from Hamilton, Waikato or Auckland. Campbell Consulting says that their survey was answered only by people from the Auckland and Waikato regions. What this means is that their survey does not represent the views of the remaining 39% of visitors in any way. In total 299 people from the Smile City panel completed the survey. Of this group only 179 said they had been to Raglan previously. Another 120 were asked an unknown screening question and on the basis of their response to that question were included in the survey on the basis that they might visit Raglan at some time in the future.
- 5.7 Given the fact that the Smile City survey excluded 39% of Raglan’s tourist visitors from its sampling frame it is quite clear that the survey is unrepresentative of Raglan’s tourist

visitors. In regard to representing the views of Auckland and Waikato visitors to Raglan, the survey includes 40% non visitors. In addition to this Campbell Consulting have not advised the demographic profile specified to TNS Conversa. Because of this I agree with Tourism Resource Consultants that the Auckland-Waikato survey may be unrepresentative. As the survey is definitely unrepresentative for 39% of the overall target population and only 60% is on-target for Auckland-Waikato and even this group may be unrepresentative, my professional opinion is that taken in its entirety, the Smile City survey is unrepresentative of the target population of Raglan's tourist visitors.

6. SMILE CITY SURVEY- NON SAMPLING ERROR

6.1 In this section of my evidence I consider the non sampling error in the Smile City survey. Campbell Consulting's survey of visitors and possible visitors to Raglan is based around one main question on likelihood of visiting. Other questions were asked about a viewing platform and about the fit of the wind farm with image of Raglan. The likelihood question may have been selected because when it was used previously at Argyll, Scotland, it gave data that appeared to favour constructing wind turbine towers.

6.2 The exact wording used in the Smile City survey by Campbell consulting was, "If there was a medium sized wind farm of 28 turbines located 11km inland from Raglan (see image below), that you could see and view whilst travelling to Raglan on state highway 23, and was only visible at a distance from a small number of locations in Raglan, how would this affect your likelihood of visiting Raglan? "

The actual image shown in the Campbell Consulting evidence is shown below.

If there was a medium sized wind farm of 28 turbines located 11km inland from Raglan (see image below), that you could see and view whilst travelling to Raglan on state highway 23, and was only visible at a distance from a small number of locations in Raglan, how would this effect your likelihood of visiting Raglan?



6.3 The question appears to fulfil the requirements discussed in paragraph 2.4. Examining each part of the question in detail it becomes clear that the question is misleading and biased:

(a) "a medium sized wind farm of 28 turbines" The respondent should be left to decide for themselves whether a wind farm of 28 turbines is small, medium or large. There are currently only 4 operational wind farms in New Zealand that are larger than 28 turbines. Stating that the proposed wind farm is 'medium sized' biases the responses obtained.

- (b) “located 11km inland from Raglan” The information given is incorrect. Parts of Raglan are within 9 km of a proposed wind turbine tower. The WEL Network application says the distance is 10km. Stating that the Raglan distance is “11km” biases the responses obtained.
- (c) “that you could see and view whilst travelling to Raglan on state highway 23” After being told that Raglan is 11km from the site, the respondents are not told how far the wind turbine towers will be from the parts of state highway that they will be driving on. Providing no distance from state highway 23 and positioning this statement immediately after the Raglan distance of “11km” biases the responses obtained.
- (d) “was only visible at a distance from a small number of locations in Raglan” As the proposed wind turbine tower sites would be visible from several locations in Raglan, for example Bayview Estate (Lorenzen Bay), Bayview Rd, Cambrae Rd, Cliff St, Greenslade Rd, Lily St, Government Rd, James St, Kokiri Centre, Lorenzen Bay Rd, Marine Parade, Manukau Rd, Ngarunui Beach, Opororu Rd, Opororu Bridge, Primrose St, Puriri St, Riria Kereopa Memorial Drive, Simon Rd, Smith St, Sunshine Rise, Waikowhai Estate, Wainui Rd, Wainui Reserve, Upper Wainui Rd, Wallis St, the Raglan Airfield, the Raglan Golf Course and most parts of the harbour, the use of the word “small” is not correct. Not stating any of the actual locations and instead using the wording “small number of sites” biases the responses obtained.
- (e) “see image below” The image shown used in the web survey appears to be of the view from part of State Highway 23, west of Te Uku. It may be a crop from “View Location 12” presented in support of Mansergh Graham’s evidence. The location shown for the “View Location 12” photo appears to be wrong for the scene shown in the photo. The scene is taken from a point 1500 metres to the East of the point shown in the View Location Map for “View Location 12”. The viewing distance to the nearest one of the proposed turbine towers (No. 29) would be about 4km from this point. If this is a crop of the “View Location 12” photo then the road carriageway has been cropped from the photo. “View Location 12” is not a view of what motorists would see from cars as the carriageway of State Highway 23 is visible in the original photo and it is a panoramic view. The scale of the towers superimposed on the photo in the Campbell Consulting evidence appears to be appropriate for a viewing distance of 15km. The photo in the Gordon Campbell evidence has towers with a height of 3mm when reproduced as an A4 document. Campbell Consulting have not provided a screen dump of the photo used for the web survey, so we have no indication of what size of tower the respondents actually saw. The Boffa Miskell evidence provided an appendix with a post construction visual assessment of the Te Apiti wind farm which has 70m towers.

An A3 size reproduction of Attachment 2 (5km viewing distance) has towers that are 19mm high. This means that 80m towers would be 22mm high. An A3 size reproduction of Attachment 3 (10km viewing distance) has towers that are 7mm high. This means that 80m towers would be 8mm high. An A4 reproduction would need towers 5mm high to represent a 10km viewing distance. The Campbell Consulting simulated photo with 3mm towers appears to be correctly proportioned for about a 15km viewing distance when used in a web survey. A selection from the crop of "View Location 13", specially requested by the Commissioners would have been a correctly proportioned photo to use in the web survey to depict the type of view that travellers on State Highway 23 would see. Alternatively the 5km photo of the post construction visual assessment of the Te Apiti wind farm from the Boffa Miskell evidence would have been a suitable selection. As the photo used in the web survey appears to depict a viewing distance of 15km, it is misleading and would bias the responses obtained.

6.4 Given the magnitude of the non sampling error in the question, "If there was a medium sized wind farm of 28 turbines located 11km inland from Raglan (see image below), that you could see and view whilst travelling to Raglan on state highway 23, and was only visible at a distance from a small number of locations in Raglan, how would this affect your likelihood of visiting Raglan? ", any data obtained from it will be biased to the point of being incorrect. The results to this question should be set aside.

6.5 If the other questions asked about a viewing platform and about the fit of the wind farm with the image of Raglan followed the "likelihood" question then these responses would be biased by the misleading and incorrect statements in the preceding questions.

7. **SMILE CITY SURVEY- PREDICTIVE MODELLING**

7.1 Campbell Consulting has made the statement, "in the short term 'it is estimated that raglan (sic) could see an 11% increase in tourism as a result of the wind farm'". In their further evidence they have explained that what they really meant was an increase of about 3.67% per annum over a 3 year period. Tourism Consultants challenged Campbell Consulting on this prediction, calling it a 'very bold statement'.

7.2 The statement by Campbell Consultants equating 11% in total over 3 years to a 3.67% increase per annum is incorrect. The increase would compound and the total increase would be 11.4%.

7.3 Campbell Consulting has explained how they avoided using an "interest in visiting" question as "positive interest does not translate directly into actual travel in tourism circles". They provide no evidence that the wording they did use, "likelihood of visiting", translates directly into actual travel. In my extensive experience, it is very rare for any of these types of questions when used alone, to directly predict future intent. Used as

part of an econometric model (Ref: "An approach to mastering the marketing mix" Michael D'Esopo, Eric Almquist, Business Strategy Journal, 2007 Volume: 8 Issue: 2 Page: 122 – 131; 'Modelling Customer Satisfaction at Telecom New Zealand', Rodger Gallagher, Peter Danaher, European Journal of Marketing), they do have a place as one set of data in a predictive model based time series analysis. Using these econometric techniques I have been able to successfully predict future trends in many markets around the world. There is no justification for Campbell Consulting to claim that there will be a 3.67% per annum increase in Raglan visitors over a 3 year period. Survey data does not translate directly into tourist numbers.

- 7.4 As the data collected in the Smile City survey is invalid, no conclusions can be drawn on the ability of the proposed wind turbines to draw increased visitors to Raglan. Because of the above issues, Campbell Consulting's prediction should be set aside.

8. **HIDDEN VALLEY LUXURY RETREAT**

- 8.1 Campbell Consulting states that the proposed wind farm is a marketing opportunity for the accommodation provider Hidden Valley Luxury Retreat as it is the closest accommodation provider to the site proposed.
- 8.2 This statement indicates that Campbell Consulting does not appear to understand the value proposition of the Hidden Valley Luxury Retreat which is, "Hidden Valley Luxury Retreat offers boutique accommodation set on 30 beautiful acres of secluded farmland and native bush. The Spa suite has exclusive use of the private Forest Edge Spa pool. Fire up the BBQ and enjoy the sunsets over Mt Karioi. The Forest Edge Spa is the ideal spot in Winter to soak away your aches and pains with only the Morepork and shooting stars for company."
- 8.3 The type of guest attracted by Hidden Valley Retreat's value proposition is unlikely to be attracted by the visual allure of a wind turbine and the noise it produces. Campbell Consulting states, "It is well documented that tourism businesses that are close to a wind farm will have a steady increase in business." No references are given to support this statement, particularly in regard to accommodation businesses based around the idea of a luxury retreat.
- 8.4 There does not appear to be any basis for Campbell Consulting's statement that the proposed wind farm is a marketing opportunity for Hidden Valley Luxury Retreat. In fact the reverse is probably the case. Who would want to stay a night in Te Uku so they could view wind turbines the next day? It is more likely that Hidden Valley Luxury Retreat's ability to deliver on its value proposition would be compromised and guest numbers would decline. It might experience a short term demand from construction workers while construction of the wind turbines was occurring. My business

recommendation to the owners of Hidden Valley would be to put their property on the market if the wind farm is approved, relocate and seek damages from WEL Networks.

9. CVM 2008 RAGLAN TOURISM SURVEY- DESIGN

9.1 Customer Value Management New Zealand Ltd (CVM) was engaged by Tui G Incorporated Society to undertake a tourism survey of Raglan to ascertain the views of visiting tourists on the importance of unspoilt landscape to their experience. This value differentiator is a critical component of the 100% Pure New Zealand brand (Ref: *Journal of Brand Management* (2002) **9**, 335–354; New Zealand, “100% Pure. The creation of a powerful niche destination brand”, N Morgan, A Pritchard and R Piggott). Although the “2004 Eco-tourism survey, Tourists Opinion of Raglan as an Eco-tourism Destination”, looked at other environmental drivers including the west coast scenery, it did not specifically examine this aspect of the environment. The research brief was also to look at the effect on tourism of installing industrial wind turbines in the rural area around Raglan.

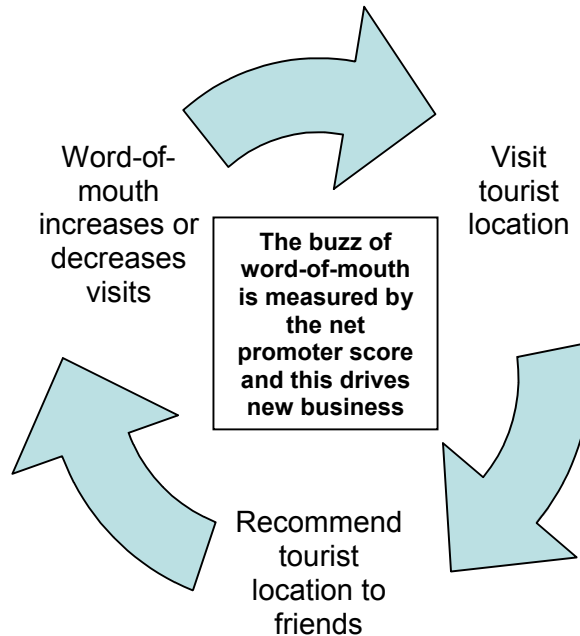
9.2 In developing the study CVM decide to include question formats with international support as a key indicator of future intent. The question format used based around “Recommend” enables the net promoter score to be determined. The score is the percentage 9 and 10s less the percentage 4 and below. This score allows word-of-mouth to be calculated and depending on whether it is positive or negative determines whether business increases or declines. Studies of this approach have been published by Frederick F Reichheld, “The only number you need to grow.” *Harvard Business Review* (2003). An Australian study by Professor Mark Ritson of the Melbourne Business School at the University of Melbourne provides a net promoter score benchmark for tourism and other business in this part of the world, “Net Promoter Scores Australia 2006”. Ritson found the following net promoter scores for domestic Australian tourist destinations when Australians were surveyed (selected destinations):

Adelaide	Byron Bay	Broome	Cairns	Gold Coast	Noosa
-55	+69	+80	+21	+21	+24

Ritson says, “Some may be surprised that Broome and Byron finish top of the table. But remember that this net promoter score research does not measure what are the most famous locations or the ones that currently attract the highest numbers of domestic tourists. Rather, this research tells us which destinations are the most satisfying and, therefore, the most likely to increase domestic tourist numbers in the future.”

Byron Bay is of particular interest as 20 years ago it was the same type of small surf and natural environment destination that Raglan is today. While positive 69 is an

excellent net promoter score, and Byron Bay has clearly managed growth successfully, the score of positive 80 for Broome suggests that before the growth, Byron Bay may have had a similar score to Broome's one. A score of negative 55 indicates that Adelaide has to work extremely hard to attract visitors.



9.3 In terms of the population, we decided to focus on visitors to Raglan to ensure we had robust results. i.e. The same position surveyed by “2004 Eco-tourism survey, Tourists Opinion of Raglan as an Eco-tourism Destination”. To ensure a high response rate and high quality data, fieldwork was carried out using face-to-face interviewers on the streets of Raglan.

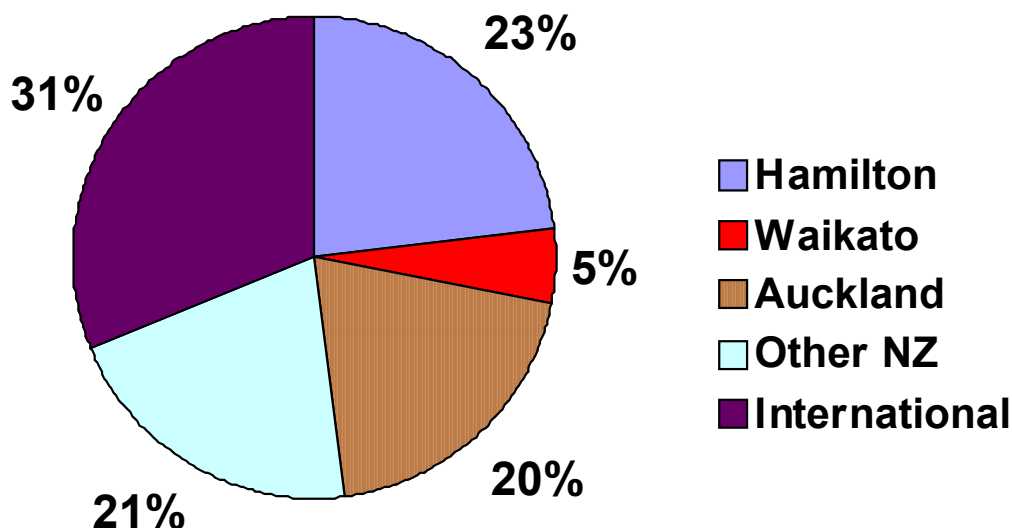
10. CVM 2008 RAGLAN TOURISM SURVEY- DATA CAPTURE

10.1 Interviews were undertaken during January and February 2008 with respondents selected by approaching people at random in the streets of Raglan. People approached were asked a screener question to determine if they were a visitor to the area. Interviews were undertaken by people who said that they were a visitor and people who were resident in Raglan for more than 3 months were excluded. The response rate was 99%. This indicates that the data is very representative of the population of visitors included in the study.

10.2 Interviewers were instructed to explain to the people being interviewed that the phrase, “industrialised with several structures twice as high as the Auckland Harbour Bridge”, in a question, referred to wind turbine generators and their towers.

10.3 Analysis of the survey indicates that visitors were from a representative number of locations as shown in the following graph:

Visitor Origin- 2008 Raglan Tourism Study



This is consistent with the findings of the 2004 study, "Eco-tourism survey, Tourists Opinion of Raglan as an Eco-tourism Destination", although the percentage of Waikato visitors is less and the percentages of international and other NZ visitors are higher. Given the large increase in the number of tourist visitors to Raglan since 2004, it is likely that a change in the mix of visitors has occurred.

- 10.4 A total of 85 people were interviewed. With this number of responses in the dataset, the statistical sampling error is plus or minus 3.6%.

11. CVM 2008 RAGLAN TOURISM SURVEY- RESULTS

- 11.1 The question asked to determine the extent of word-of-mouth driven by visitors to Raglan was, "If Raglan township and the surrounding country stayed much the same as it is now, how likely would it be that you would recommend the area to a friend as a place to visit? Please use a scale where 1 is Highly Unlikely and 10 is Highly Likely." The results from the survey were; 4% rated it up to 6, 17% rated it from 7 to 8 and 79% rated it from 9 to 10. The net promoter score is derived from this data by subtracting the negative word-of-mouth 4% from the positive 79% word-of-mouth. The neutral ratings from 7 to 8 do not form part of the calculation as only strong positive or strong negative recommendations drive market changes. The analysis shows that Raglan as a destination has a net promoter score of positive 75%. In other words, 75% of the net people who visit Raglan speak extremely positively about it to their friends.

Relative to the Australian study referred to above in paragraph 8.2, Raglan on positive 75% is similar to the Byron Bay net promoter score of positive 69%.

- 11.2 The question asked to determine the extent of word-of-mouth driven by visitors to Raglan after the possible installation industrial wind turbine generators was, "If the area around Raglan became industrialised with several structures twice as high as the Auckland Harbour Bridge, that were visible from SH 23, Bayview Rd, Wainui Rd, Ngarunui Beach, Wainui Reserve and most parts of the harbour, how likely would it be that you would recommend the area to a friend as a place to visit? Please use a scale where 1 is Highly Unlikely and 10 is Highly Likely." The results from the survey were; 87% rated it up to 6, 11% rated it from 7 to 8 and 2% rated it from 9 to 10. So 2% of the visitors surveyed would still strongly recommend Raglan if wind turbine generators were constructed at Te Uku and another 11% are neutral to the proposal. Deriving the net promoter score gives a result of negative 84%. If the wind turbines generator towers were constructed, Raglan would go from a position of having net word-of-mouth of positive 75% to having a net word-of-mouth of negative 84%. (A 't' test of the two sets of data confirms with 99.9% confidence that the two sets of data are significantly different.) In other words visitors would tell their friends to stay away. Raglan would change from a popular destination to become an Adelaide (Negative 55%) in the eyes of tourists. My approach is to take a conservative approach when interpreting predictive data obtained from "what-if" studies. If we take half of the total swing from +75% to -84% of 159%, we have a downward swing of 80% and a net promoter score of negative 5%. Even with this conservative approach the prediction remains that the trend of increasing visitor numbers experienced over recent years would be reversed and Raglan would go into decline as a tourist destination.

12. **VERBATIM COMMENTS**

- 12.1 In addition to the quantitative data collected in the survey, respondents were given the opportunity to provide qualitative data in the form of verbatim comments.
- 12.2 Three people commented in favour of establishing a wind farm;
- (a) Development is not necessarily detrimental. Visuals are subjective. (Male- Columbia)
 - (b) I think a wind farm is environmentally friendly and should go ahead. All aspects of this positive form of generation should be explored. It will not affect business- except perhaps increase it (Male- Hamilton)
 - (c) Sure windfarms are shite, until you compare them with other energy generating methods used in NZ. Would you rather have a coal-burning station in your back yard? (Male- Invercargill)

12.3 Most people commented in favour of unspoilt landscapes around Raglan (selected comments only – too many to list all of them);

- (a) Although sympathetic to need for electricity there are other options which would not clutter the countryside, other than ridgeline Te Uku. (Male- Auckland)
- (b) Knowing about windmills- bloody stupid. (Male- Auckland)
- (c) Keep Raglan and the land as natural as it's supposed to be people belong to the land's beauty. Not the land belonging to individuals. (Female- Hamilton)
- (d) Leave Raglan alone as it is. Make bridge wider. (Male- Taupo)
- (e) Never been to Raglan before. Didn't know how beautiful it is- keep it that way. (Female- Auckland)
- (f) Gorgeous, Lovely. Shame if it changed too much. Don't lose camping ground. (Female- Auckland)
- (g) NZ is one of the last countries to remain unspoilt. I would like to see it remain that way. With regard to electricity generation I think solar is a better way to go. (Female- Other NZ)
- (h) The wind farm would be an ugly blot on the beautiful landscape in Te Uku. (Female- Rotorua)
- (i) Shame to litter landscape with wind farm. (Male- Hamilton)
- (j) In terms of whether I would recommend the area would depend on whether they were interested in wind farms or surfing. As an electrician working for a relatively big power transmission maintenance projects company, I would probably be interested in seeing them close up, but as an everyday sight I think it would ruin the ridge line and possible become an eyesore. Not everyone can avoid them, there are houses that face the hills. I would hate to live with them knowing that there was no way to avoid them. (Male- Rotorua)

13. CONCLUSIONS

13.1 The accommodation provider analysis and the results of the Smile City survey conducted by Campbell Consulting should be set aside.

- 13.2 Construction of the proposed wind turbine generators at Te Uku would have a severe negative impact on tourism in and around Raglan. Visitor numbers would plunge from the current upward trend into decline. Most accommodation providers, tourism activities or attractions would be negatively affected by the proposed wind farm.

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