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MEDIA RELEASE

Buller River Adventure Group buys Punakaiki Crafts and Café business

The Punakaiki Crafts and Café business has been purchased by the Buller River Adventure Group from Development West Coast (DWC) for an undisclosed sum with DWC retaining ownership of the building.

This is the Buller River Adventure Group's fourth purchase in the area following the earlier acquisitions of Buller Adventure Tours, Berlins Café, and the Wild Coast Café business, which is adjacent to Punakaiki Crafts and Café.

Glen Collins, managing director of the Buller River Adventure Group, said the company had been looking to invest in different businesses that complemented and fed into the tourism activities of the Buller region.

"The tourism market on the West Coast is very seasonal and its remoteness, while part of the attraction, also adds significantly to operational costs resulting in a high cost of entry. Because of this, you need to be active on several different levels to provide the best potential for success and market longevity."

"Since negotiating the purchase of Buller Adventure Tours we have been investigating other opportunities to help spread the market appeal of the business, and to this end we will be looking to introduce scenic rafting and other scenic ventures in the lower Buller Gorge next season."

"For us, this type of activity opens up the coach tour market to sit alongside the existing adventure market that Buller Adventures currently operates in. With the café and craft shop next door to each other we are now able to offer a full range of complementary products to a much wider tourism market," he said.

Collins said that having the two cafes side by side in Punakaiki gives them the unique opportunity to develop and grow both the FIT and high volume tour markets in sync, which is a difficult challenge in any tourism location.

"In this way we can look to further develop and enhance both businesses while also growing the theme of giving a true West Coast experience."

Collins has appointed Phil and Sharan Caskey to assist in the management and development of the Punakaiki businesses. They have more than 15 years management experience in the tourism industry including developments in both New Zealand and Australia.

Phil Caskey said that while they both really enjoyed working in the tourism industry and are looking forward to the new challenges, not all of their experiences in the industry have been good ones.

"The voluntary liquidation of our Stewart Island business venture three years cost us everything we had and has left some deep scars. Glen offering us this opportunity to work in the industry again

was like getting back on a horse when you have fallen off. There is a bit of nervousness and a fair bit of caution and a lot of determination not to fall off again.

“We are looking forward to working closely with Glen, his team and the existing staff at the Craft Shop to help develop the complex into a world class tourism attraction that complements the Group’s activities and other West Coast tourism operations,” Caskey said

The Punakaiki Crafts and Café features a diverse range of traditional and contemporary New Zealand greenstone/pounamu as well as works in wood, glass, textiles, ceramics, jewellery and a range of wearable art accessories. Nestled within the gallery is the small and intimate café, which specialises in quality service, homemade food and ‘good, strong’ espresso.

“Punakaiki Crafts and Café has an important role to play in showcasing the wonderful work of many artists who live on the West Coast. When you combine these works with some of the wonderful food from this area then you are starting to develop a true international experience,” he said.

Dr John Chang, CEO of DWC, said he was delighted that such an experienced team was going to be involved in the business going forward and was looking to link it in with the other activities it had on the Coast.

“We are not retailers and this is an important outlet for many of our artists and crafts people who will no doubt be excited by the new ownership. DWC remains very committed to Punakaiki’s development and our investment in the craft shop property is, for the moment, a long term one,” he said

Warren Gilbertson, DWC’s Chief Operating Officer, also acknowledged the support and co-operation from the staff at Punakaiki Crafts & Café.

DWC is in communications with the Department of Conservation in regards to their planned redevelopment in the area, which they believe will create another great tourism asset for Punakaiki.

Dr Chang said that from a straight commercial viewpoint, selling the craft shop business while retaining the property is a very successful move for us.

“This decision, alongside our two recent property acquisitions, the Last Resort in Karamea and the Top 10 Holiday Park in Franz Josef, is consistent with our current investment strategy of growing our total fund while at the same time promoting sustainable employment for the region.

“DWC’s preliminary 2010 year end financial results are positive and looking to deliver a significant financial turn around within a short period of 12 months. This indicates that our current operational and investment strategies are the right ones, and are a result of a collective effort,” he said.

Further information:

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