AGENDA

Ordinary meeting of the

Joint Committee of Tasman District and Nelson City Councils

Kōmiti Mahi Ngātahi

Tuesday 10 March 2020
Commencing at 1.30p.m.
Tasman District Council Chamber
189 Queen Street
Richmond

Membership: His Worship the Mayor of Tasman Tim King (Chairperson), Her Worship the Mayor of Nelson Rachel Reese, Tasman District Councillors Stuart Bryant, Mark Greening, Dean McNamara, Kit Maling, David Ogilvie, Trevor Tuffnell, Anne Turley, Dana Wensley, Ceilia Butler, Chris Hill, Trindi Walker and Christeen MacKenzie

Nelson City Councillors Yvonne Bowater, Trudie Brand, Mel Courtney, Judene Edgar, Kate Fulton, Matt Lawrey, Brian McGurk, Gaile Noonan, Rohan O'Neill-Stevens, Pete Rainey, Rachel Sanson and Tim Skinner

Quorum: 14 at least five must be from each local authority

Page No.

1. Apologies

Nil

2. Confirmation of Order of Business

3. Interests

3.1 Updates to the Interests Register

3.2 Identify any conflicts of interest in the agenda

4. Public Forum

5. Confirmation of Minutes

5.1 19 November 2019 **5 - 8**

Document number M6552

Recommendation

That the Joint Committee of Tasman District and Nelson City Councils

1. Confirms the minutes of the meeting of the Joint Committee of Tasman District and Nelson City Councils, held on 19 November 2019, as a true and correct record.

6. Presentation from Selwyn Mayor Sam Broughton - Te Wai Pounamu - South Island Destination Management Plan 2020 - 2030 **9 - 26**

Document number R15876

Recommendation

That the Joint Committee of Tasman District and Nelson City Councils

1. ***Receives*** ***the report Presentation from Selwyn Mayor Sam Broughton - Te Wai Pounamu - South Island Destination Management Plan 2020 - 2030 and its Attachment (A2353404).***

7. Nelson Airport Limited - six monthly strategic presentation

Paul Steere, Chair; Robert Evans, CEO; and Simon Orr, Corporate Services Manager, will present Nelson Airport Ltd's six monthly strategic presentation.

8. Tasman Bays Heritage Trust - Six Month Strategic Presentation

Olivia Hall, Chair of the Tasman Bays Heritage Trust, and Lucinda Blackley-Jimson, Chief Executive of the Nelson Provincial Museum, will give a presentation.

CONFIDENTIAL BUSINESS

Exclusion of the Public

Recommendation

That the Joint Committee

1. ***Confirms****, in accordance with sections 48(5) and 48(6) of the Local Government Official Information and Meetings Act 1987, that Phil Lough and Hugh Morrison of Port Nelson Ltd, remain after the public has been excluded, for Item 2 of the Confidential agenda Port Nelson Limited – six monthly strategic presentation, as they have knowledge relating to Port Nelson Ltd that will assist the meeting.*

Recommendation

That the Joint Committee

1. ***Excludes*** ***the public from the following parts of the proceedings of this meeting.***
2. ***The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	**Joint Committee Meeting - Public Excluded Minutes - 19 November 2019**	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: • Section 7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information • Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
2	**Port Nelson Limited - six monthly strategic presentation**	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities

Minutes of a meeting of the Joint Committee of Tasman District and Nelson City Councils

Held in the Council Chamber, Civic House, 110 Trafalgar Street, Nelson

On Tuesday 19 November 2019, commencing at 1.33p.m.

Present:	Her Worship the Mayor of Nelson R Reese (Chairperson), Tasman District Council: Councillors S Bryant, C Butler, M Greening, C Hill, C MacKenzie, K Maling, D Ogilvie, T Tuffnell, A Turley, D Wensley and T Walker Nelson City Council: Councillors Y Bowater, T Brand, M Courtney, J Edgar, K Fulton, M Lawrey, R O'Neill-Stevens, B McGurk, G Noonan, P Rainey, R Sanson and T Skinner
In Attendance:	NCC Chief Executive (P Dougherty), TDC Chief Executive (J Dowding); Group Manager Infrastructure (A Louverdis), Group Manager Corporate Services (N Harrison), Corporate Services Manager (M Drummond), Engineering Manager (R Kirby) and Team Leader Governance (R Byrne)
Apologies :	His Worship the Mayor T King, Councillors M Greening, C Hutt, and D McNamara, and Councillor K Fulton for early departure

1. Apologies

Resolved JC/2019/020

That the Joint Committee

1. ***Receives and accepts the apologies from His Worship the Mayor T King and Councillors M Greening, C Hutt and D McNamara for attendance, and Councillor K Fulton or early departure.***

Her Worship the Mayor/Bryant — Carried

2. Confirmation of Order of Business

There were no changes to the order of business.

3. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

4. Public Forum

There was no public forum.

5 Nelson Regional Development Agency - six-monthly presentation

Meg Matthews (Board member) and Mark Rawson (Chief Executive) presented on behalf of the Nelson Regional Development Agency, attached (A2303337), and answered questions on the potential of the Koata Park proposal, funding cycles, and air and road connectivity.

Attendance : Councillor Fulton left at 1.44p.m.

Attachments

1 A2303337 Joint Committee Nelson Regional Development Agency Presentation 19Nov2019

6. Tasman Bays Heritage Trust six month strategic presentation

Emma Thompson, Deputy Chair and Lucinda Blackley-Jimson, Chief Executive presented on behalf of the Tasman Bays Heritage Trust, attached (A2303333).

Attachments

1 A2303333 Joint Committee Tasman Bays Heritage Trust Presentation 19Nov2019

7. Exclusion of the Public

Hugh Morrison and Geoff Dangerfield, of Port Nelson Ltd, and Simon Orr, Paul Steer and David Scott, of Nelson Airport Ltd will be in attendance for Items 1 and 2 of the Confidential agenda to answer questions and, accordingly, the following resolution is required to be passed:

Recommendation

That the Joint Committee

1. ***<u>Confirms</u>, in accordance with sections 48(5) and 48(6) of the Local Government Official Information and***

Meetings Act 1987, that Hugh Morrison and Geoff Dangerfield from Port Nelson Ltd remain after the public has been excluded, for Item 1 of the Confidential agenda (Port Nelson Ltd six month strategic presentation), as they have knowledge relating to Port Nelson Ltd that will assist the meeting.

2. ***Confirms, in accordance with sections 48(5) and 48(6) of the Local Government Official Information and Meetings Act 1987, that Simon Orr and Paul Steere and David Scott from Nelson Airport Ltd remain after the public has been excluded, for Item 1 of the Confidential agenda (Nelson Airport Ltd six month strategic presentation), as he has knowledge relating to Nelson Airport Ltd that will assist the meeting.***

Bryant/Skinner

Resolved JC/2019/021

That the Joint Committee

1. ***Excludes the public from the following parts of the proceedings of this meeting.***

2. ***The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

Bryant/Skinner Carried

Adjourn 2.41

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	**Port Nelson Limited six month strategic presentation**	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
			supplied or who is the subject of the information
2	**Nelson Airport Limited six month presentation**	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information
3	**Joint Council Controlled Organisations – Matters for the Statement of Expectations (Port and Airport) 2020/2021**	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: • Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

The meeting went into public excluded session at 2.41p.m. and resumed in public session at 4.33p.m.

There being no further business the meeting ended at 4.33p.m.

Confirmed as a correct record of proceedings:

_____________________________ Chairperson __________________ Date

Nelson City Council
te kaunihera o whakatū

Joint Committee of Tasman District and Nelson City Councils

10 March 2020

REPORT R15876

Presentation from Selwyn Mayor Sam Broughton - Te Wai Pounamu - South Island Destination Management Plan 2020 - 2030

1. Purpose of Report

1.1 Mayor of Selwyn, Sam Broughton, will be present to talk about the South Island Destination Management Plan 2020-2030

2. Recommendation

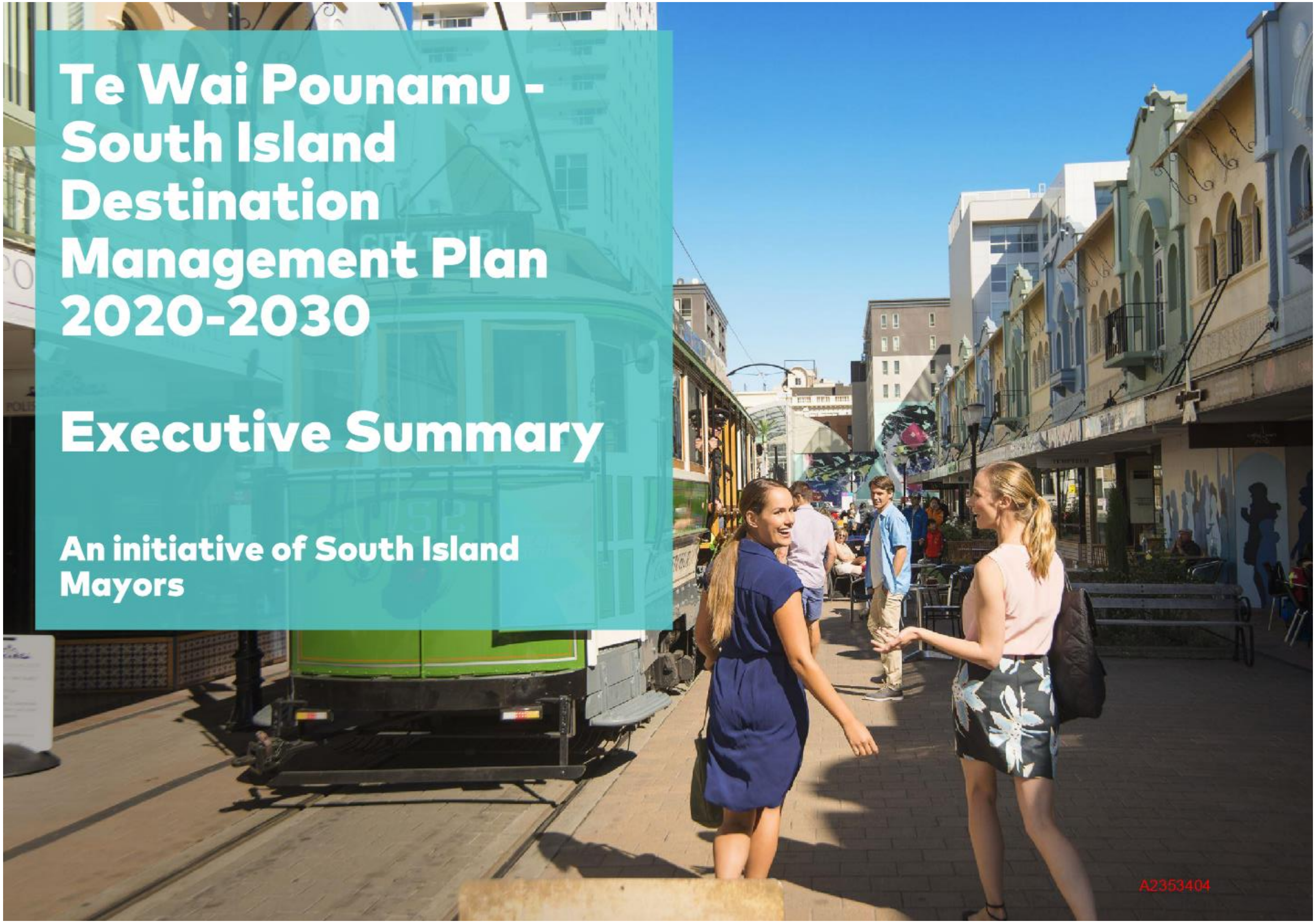
That the Joint Committee of Tasman District and Nelson City Councils

1. Receives the report Presentation from Selwyn Mayor Sam Broughton - Te Wai Pounamu - South Island Destination Management Plan 2020 - 2030 and its Attachment (A2353404).

Author: Elaine Stephenson, Governance Adviser

Attachments

Attachment 1: A2353404 - South Island Destination Management Plan 2020 - 2030 - Executive Summary ⇩



Te Wai Pounamu - South Island Destination Management Plan 2020-2030

Executive Summary

An initiative of South Island Mayors

About this document

This document is an initiative of the South Island Mayors. It has been driven by a Project Steering Group comprising a number of representatives of South Island Mayors, with the involvement of MBIE, DOC and other government agencies, and developed by Stafford Strategy, with data support from Fresh Info. It is a result of a detailed 18- month process to achieve the South Island's aspirations for tourism out to 2030.

Members of the Project Steering Group were: Sam Broughton (Chair and Mayor of Selwyn Council, , Abby Cheeseman (Principal Advisor MBIE), Tinaka Mearns (Manager Regional Visitor Planning DOC), Loren Heaphy (General Manager Destination and Attraction, ChristchurchNZ), Richard Kempthorne (now retired, Mayor of Tasman), Jim Boult (Mayor of Queenstown Lakes), Gary Tong (Mayor of Southland), Chris McKenzie then Kevin Stratful (Destination West Coast Economic Development Managers), Joanna Norris (CEO ChristchurchNZ), Jacqui Lloyd (General Manager Destination Marlborough), Dean Heiford (Economic Development Manager Economic, Community and Support Services, Marlborough District Council), John Christie (Director Enterprise Dunedin), Mark Rawson (CEO Nelson Regional Development Agency), Ann Lockhart (Interim Chief Executive Southland Regional Development Agency). The coordination of the project has been provided by Warren Gilbertson, from ECAN..

This document is a summary of the full South Island DMP which has been produced. The full South Island DMP should be read in conjunction with this summary document.

A2353404

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A2353404

Te Waipounamu - The South Island

Home to many of New Zealand's major tourism icons, Te Waipounamu (New Zealand's South Island) is an exciting and captivating visitor destination. With its dramatic landscapes, rugged seascapes, rich and colourful history and vibrant culture, it serves as a truly unique backdrop for holidays and other purposes, to a wide diversity of visitors.

With the success of Tourism New Zealand's 100% Pure destination marketing campaign, as well as the popularity of blockbuster movies, such as the *Lord of the Rings Trilogy, The Lion, The Witch and The Wardrobe* and *Wolverine*, the South Island has become a destination which has garnered strong global interest and is a bucket list item for many travellers.

In 2018, New Zealand welcomed over **3.8 million** international visitors and **1.7 million** of these travelled to the South Island, most on holiday. These international visitors to the South Island also contributed over **$4.6 billion** in spend.

But the South Island is not only popular for international visitors, with **18.1 million** trips to and within the South Island being undertaken by Kiwis on holiday, to visit friends and relatives and for business purposes. These domestic visitors spent **$5.6 billion** in 2018.

The appeal of the South Island and its various destinations can be largely attributed to the following experience categories and assets.

Nature-based experiences - leveraging off the South Island's dramatic landscapes and extensive conservation estate and which provides visitors with the opportunity to undertake high-quality walks and bike rides; wildlife-watching; relaxing in natural hot pools; and scenic drives, cruises and flights, just to name a few.

Adventure product – which provides visitors with the opportunity to connect with our landscape while being physically active at the same time. Experiences include sky diving, jet boating, mountain biking, bungee jumping, zorbing etc. Queenstown, in particular, is well-known globally as an adventure tourism playground.

NZ Tourism Icons – globally renowned tourism icons including Milford Sound, Aoraki/Mount Cook, Lake Tekapo, Franz Josef Glacier and Fox Glacier.

Food & wine – the South Island offers exciting culinary delights to appeal to even the most discerning foodie, from its world-class wine regions to high-quality boutique produce. The South Island is renowned for its seafood (including the world-famous, Bluff Oyster), dairy, fruit and high-quality meat.

Snowsports – the South Island is fortunate to have a plethora of options for snow-based activities, ranging from wide-open slopes for beginners to heli-skiing and backcountry touring for the more experienced. Particularly well-known ski resorts include The Remarkables, Coronet Peak, Cardrona, Treble Cone, Porters and Mt Hutt.

Heritage & arts - New Zealand may be a "young" country, but the South Island offers renowned heritage architecture, museums and art galleries that appeal to fervent arts and culture buffs.

Why tourism?

Tourism has been identified as an industry which offers **"some of the best opportunities for [New Zealand's] future economic prosperity".**[1] The sector is significant for New Zealand:

- being the country's **largest export** earner;
- generating **$4.39 billion** in GDP for the South Island alone; and
- offering approximately **66,000 filled jobs**[2] – in the South Island with many in regional areas, helping less populous communities to prosper – while also feeding into other sectors such as food and beverage, retail, transport, health and construction.

The sector is also projected to be one of the fastest-growing industries globally.

Importantly, tourism is a sector which is not standalone: it cuts across many different industries and its growth positively impacts on traditional tourism sectors such as accommodation and hospitality, to those sectors not traditionally perceived as being related to tourism including manufacturing, health and education.

Its economic benefits are widespread, impacting both metropolitan and regional areas through the supply of goods and services.

Why destination management?

Destination management is the coordinated management of all elements that make up a destination, these include placing a priority on social license, sustainability and carbon impacts, the provision of visitor infrastructure, attracting and managing investment into attractions, amenities, access, marketing and pricing.

Quite simply, at its core, destination management is no more than people working together in a defined area to develop a plan, which **satisfies visitor desires** and **delivers sustainable benefits** for the **community**. It is as much about considering residents' desires and the **destination's long-term sustainability**, as it is about visitor demands.

Being ambitious for tourism in the South Island

This **Destination Management Plan (DMP)** was commissioned by the South Island Mayors after 3-4 years of consideration. The DMP has been developed to:

- recognise how domestic and international visitors flow through all our regions.
- identify the infrastructure and attractions we need to cater for current and projected visitor flows.
- establish agreed priorities for local and central government infrastructure investment.
- complement visitor *attraction* activity with co-ordinated destination *management*, to ensure sustainable South Island tourism outcomes.
- ensures that tourism, and the infrastructure provided for visitors and host communities, benefits our communities and maintains a 'social licence to operate.
- benefits both visitors and host communities i.e. the economic and social value of tourism to our communities, and maintain a 'social licence to operate' within our own communities; and
- leverage government investment in infrastructure through facilities including the Provincial Growth Fund and Tourism Infrastructure Fund, if required.

This is a strategy for the entire South Island – one which requires the tourism sector, government departments, agencies, Iwi and the wider community to work collaboratively, to get behind a clear ambition for the South Island's visitor economy.

The need for greater sustainability

The South Island and the diverse experiences on offer are a key drawcard for visitors for New Zealand. With rising visitor interest in the South Island, there is a need to manage tourism growth in a sustainable manner to ensure our environment is being well protected and that our communities are satisfied this is occurring.

Because the visitor economy covers many sectors, everyone – residents and businesses - should be involved in destination management.

A sustainable visitor economy is one that takes full account of its current and future economic, social, cultural and environmental impacts, addressing the needs of visitors, the industry, the environment and the host community. It is multi-layered and multi-faceted.

[1] Shaping our slice of heaven 2017, Deloitte

[2] Filled jobs include all part-time and full-time employees plus working proprietors in businesses that have employees.

The visitor economy is a key driver of growth in the South Island[3]

Summary of visitor data

The visitor economy plays a vital role in New Zealand and in the South Island specifically. In 2018, the sector accounted for **one in eight filled jobs**[4] in the South Island and generated **$4.39b** in GDP (accounting for more than **30%** of New Zealand's total GDP).

Equally important are the less tangible benefits which tourism generates including making the South Island such an attractive place to live and work through the provision of infrastructure, events, experiences and attractions.

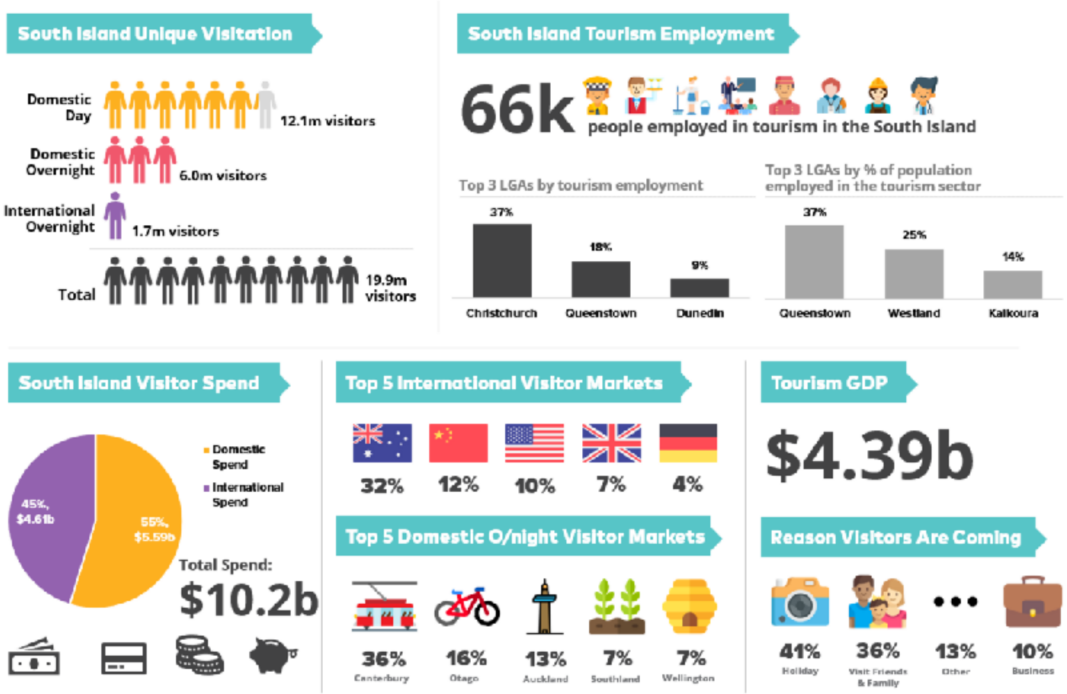
Visitation to the South Island is growing, spurred on, in part, by the success of the 100% Pure campaign and the global tourism boom[5]. In 2018, the South Island received **19.9m unique**[6] **visitors**, 61% of whom were domestic day trippers[7]. Visitors to the South Island spent **$10.2 billion** (comprising 35% of all visitor spend in New Zealand), and, over the last 10 years, spend by visitors has grown by **over 55%** (or an additional $3.73b).

Although international overnight visitors made up only 9% of visitation in 2018, **they accounted for almost half of all visitor spend (45%)** in the South Island demonstrating the value of this market. International visitors typically spend more per trip than domestic visitors because they often travel to the South Island for longer trips.

The domestic market, however, is also important. It accounts for **89%** of all visitation and spending of **$5.6b** (which equates to 32% of all domestic spend in New Zealand). The domestic market also has a greater propensity to visit in the shoulder and low seasons, as opposed to the international market which tends to be heavily focused on peak visitation periods.

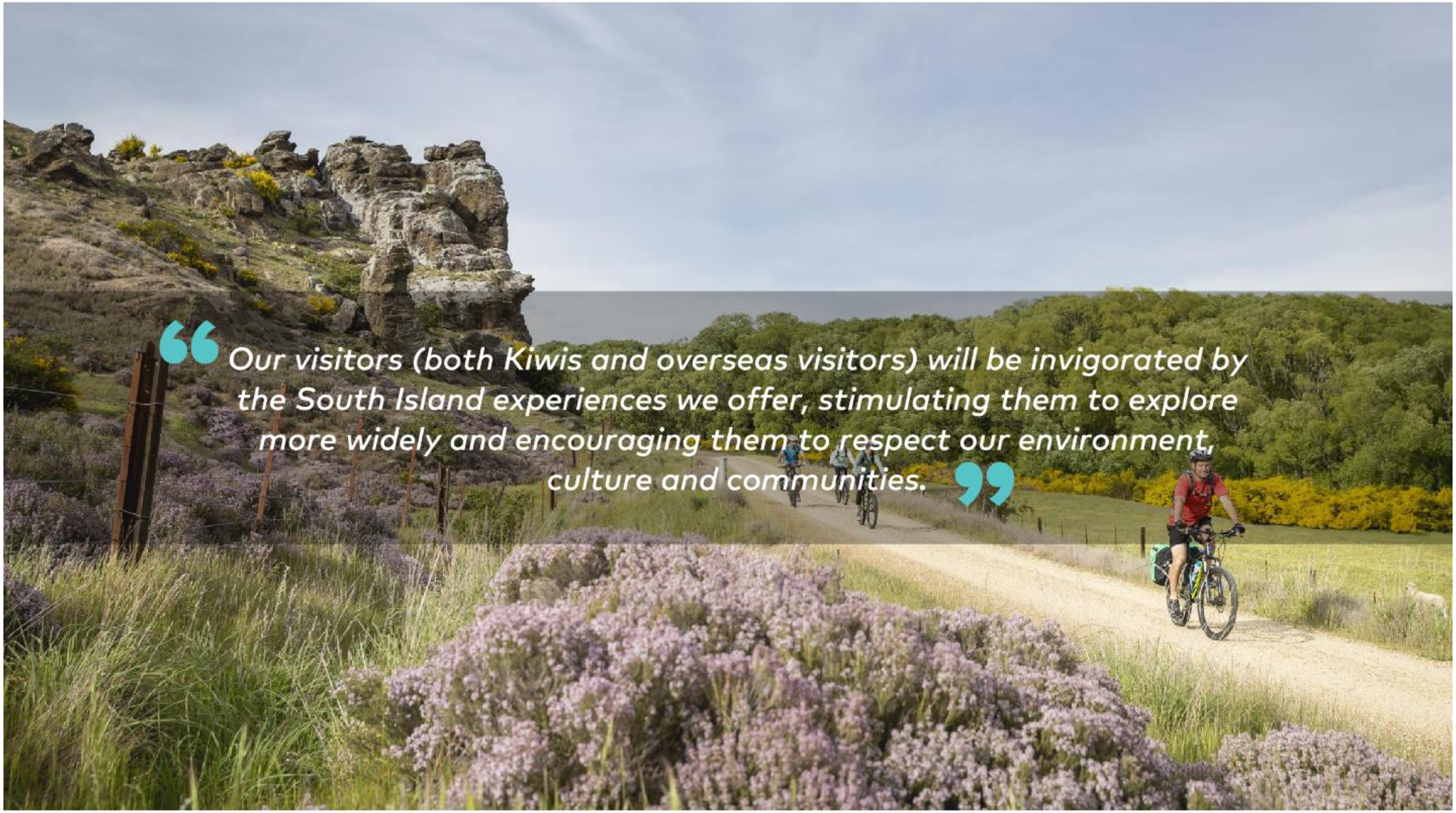
The economic and social benefits of the visitor economy are gradually being shared across the South Island. Upgraded transport links, higher quality accommodation, stronger food and beverage offerings and new and exciting experiences support the need for visitors and locals to explore beyond traditional tourism routes.

Figure 1: South Island Visitation Summary (2018)



[3] **South Island Unique Visitation**: FreshInfo, sourced and compiled via NZ IVS microdata and NZ AA Domestic Travel Survey; **South Island Tourism Employment**: TLA Infometrics Profile (for those TLAs without an Infometrics profile, averages were used based on the TLA's population and tourism employment intensities from similar destinations). Note this represents jobs filled, not FTE employment; **South Island Visitor Spend**: NZ MRTEs; Top 5 International and Domestic Visitor Markets: FreshInfo, sourced and compiled via NZ IVS microdata and NZ AA Domestic Travel Survey; **Tourism GDP**: TLA Infometrics Profile (for those TLAs without an Infometrics profile, an average was determined from those destinations with Infometrics profiles and this was applied to each TLAs GDP data); **Reason Visitors are coming:** FreshInfo, sourced and compiled via NZ IVS microdata and NZ AA Domestic Travel Survey.
[4] Filled jobs include all part-time and full-time employees plus working proprietors in businesses that have employees.
[5] Tourism's boom is not universally welcome, The Economist, February 20 2019, https://www.economist.com/graphic-detail/2019/02/20/tourisms-boom-is-not-universally-welcome
[6] If a visitor travels to the South Island and visitors multiple different TLAs, they are classed as 1 unique visitor. If this visitor travels to the South Island twice over the period of a year, they are classed as two separate unique visitors.
[7] A domestic day trip is defined by MBIE as a trip made within 1 day, outside the area in which the respondent usually lives or works day to day, involving travel of at least 40km one way from home, or travel by aeroplane or ferry service. By way of example, a resident from Christchurch who travels to Oamaru 5 hours and then returns home is considered a domestic day tripper to Oamaru.

Our vision

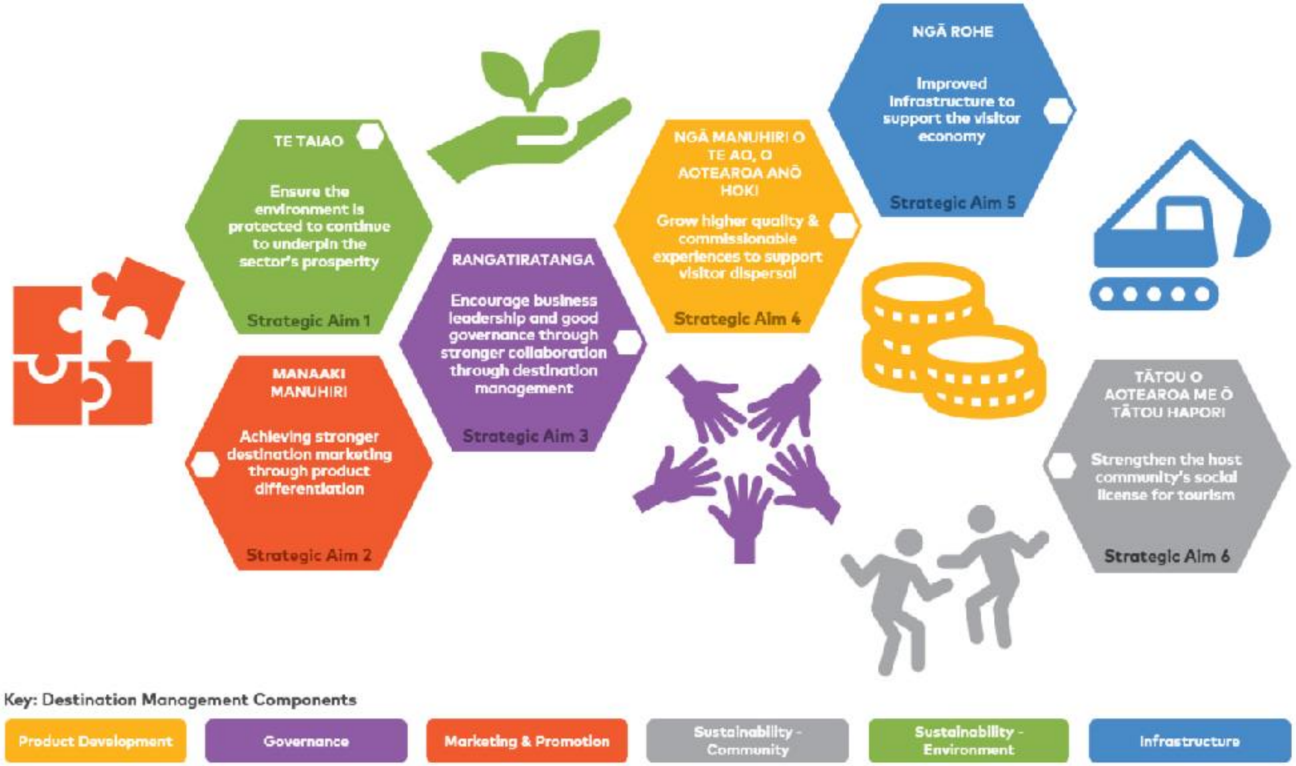

“Our visitors (both Kiwis and overseas visitors) will be invigorated by the South Island experiences we offer, stimulating them to explore more widely and encouraging them to respect our environment, culture and communities.”

Strategic aims

To guide the sustainable development of the visitor economy in the South Island, a number of strategic aims have been identified and are outlined in Figure 2 (note these are not in any priority order).

Importantly, to achieve these strategic aims will require fundamental changes across the sector going forward. A "do nothing" scenario will not address the challenges being faced nor will it allow the South Island to capitalise and leverage off the many opportunities that exist. Sustainable and strategic change, therefore, needs to be embraced, including structural reforms.

Figure 2: DMP Strategic Aims



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Our goals/targets for success

In addition to the strategic aims highlighted in the previous section, there are a number of goals or targets for success. These are outlined in Figure 3. These goals provide quantifiable metrics to measure the progress and success of the implementation of recommendations outlined in this DMP. They are focused on the following areas:

- **visitor spend** to measure the growth of yield (rather than volume);
- **overnight visitation**, again as a metric to measure yield (overnight visitors generally have a greater economic impact than day visitors)
- **tourism employment** to demonstrate social uplift to local communities (stronger local employment);
- **visitor satisfaction** ranking for Māori activities to measure (in part) what visitors are expecting to take away from a Māori experience; and
- New Zealand's **sustainable tourism ranking** to assess tourism's footprint on the environment.

Figure 3: Our Goals

	2018	2030	
Visitor (Domestic & International) Spend (Overnight & Day)	$10.2b	$17.6b	73%
Overnight (Domestic & International) Visitation	7.8m visitors	9.7m visitors	24%
Tourism Employment	66,000 jobs	100,000 jobs	50%
Visitor Satisfaction Ranking for Māori Activities*	9th out of 11	Top 4	+5 places
Sustainable Tourism Ranking (CO2 per capita)**	257th out of 291 destinations	Top 100 best destinations	+157 places

*2017 data, based on MBIE's International Visitor Experience Report (https://www.mbie.govt.nz/assets/fedce7750c/visitor-experience-report.pdf). Note this data does not provide a separate for North and South Island experiences so this is a national score.
** Ranking based on Per Capita CO2 (kg) ranking from the Griffith Universities Global Sustainable Tourism Dashboard (https://www.tourismdashboard.org/explore-the-data/carbon-emissions/)

About the recommendations

The following outlines the process adopted to help improve sustainability including meeting the six Strategic Aims. These are needed to offer futureproofing and to help maintain and grow the South Islands competitive edge as a globally significant destination. Our sustainability and competitiveness as a visitor destination must be strengthened through greater investment in infrastructure and product, regulatory/policy reform, improved governance, greater efficiencies and better service standards.

191 recommendations have been identified. These have been categorised according to whether they are **Building Blocks** or actual **Development and Investment Projects**.

- **Building Blocks:** The Building Blocks, while not being "ribbon cutting" projects, are important because they will assist in (amongst others) upskilling industry, enhancing the structure of tourism, improving operators' digital presence, policy creation/amendment and enabling stronger collaboration.
- **Development and Investment Projects:** these include tangible tourism development and investment projects for the South Island. They include infrastructure as well as product development (accommodation, attractions and experiences).

Because the list of recommendations is extensive, they have been prioritised into three tiers according to their potential impact and benefit, described in Figure 4.

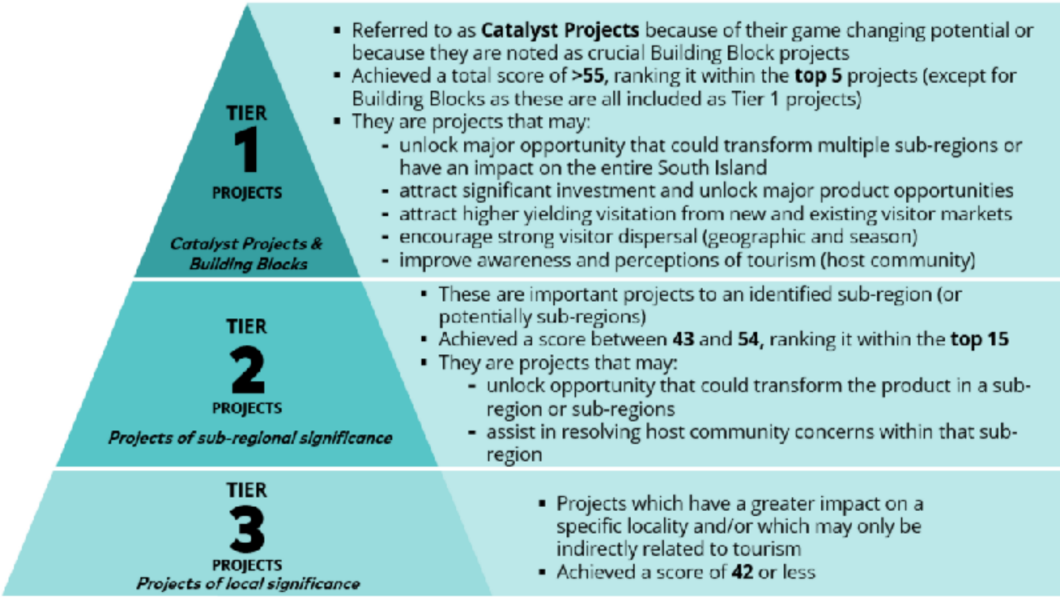
The recommendations

191 recommendations have been identified, **177** of these being Development and Investment Projects and the remaining **14** being Building Block recommendations. These recommendations are tourism-focused and cover infrastructure, accommodation and attractions/experiences.

Though they are separated across all of the 23 TLAs in the South Island, they need to be viewed in their collective ability to help support and growth the South Island as a composite visitor destination for locals, other domestic visitors, and the international visitor markets. As a necessity, many of the recommendations are aimed at addressing issues constraining the South Island's tourism growth and/or social licence challenges.

The feasibility of the projects identified will need to be tested through more detailed analysis which was outside of the scope of this DMP.

Figure 4: Project tiers



Strategic Aim 1

Te Taiao - Ensure the environment is protected to continue to underpin the sector's prosperity

Our environment is our greatest tourism asset. As identified in the New Zealand-Aotearoa Government Tourism Strategy, tourism needs to ***protect, restore*** and ***champion our natural environment.*** We need to continue to manage and monitor tourism activity to ensure that our environment will be in great shape for future generations of locals and visitors. This means not only introducing much-needed infrastructure but to also assess the capacity and condition of our most iconic tourism destinations to ensure they are being well cared for.

Strategic Aim 2

Strategic Aim 2: Manaaki Manuhiri - Achieving stronger destination marketing through product differentiation

While destination marketing and branding is not a panacea, it is a key component of driving tourism growth and encouraging the types of visitors the South Island wishes to receive. Promoting and effectively marketing the South Island – and its various destinations - as a unique and "must visit" destination is essential in a fiercely competitive marketplace, where global travel continues to grow.

New Zealand has had a successful history of promoting the country to potential visitors, particularly through the 100% Pure campaign. However, the task has become more challenging due to the complexity of promotion channels and increasing competition. Although individual RTOs are currently marketing their destinations offshore, the marketing of "Brand New Zealand" to an overseas audience is the task of Tourism New Zealand. Only one entity can be the guardian and custodian of this brand.

The current structure and governance of tourism in the South Island (including the large number of RTOs) has created unproductive competition between destinations rather than leveraging off components of complementarity. There is confusion in the marketplace and duplication of efforts.

Achieving this Strategic Aim requires a change in the structure of tourism (i.e. moving to a more coordinated and collaborative structure, with fewer, sub-regional marketing boundaries).

It is important that we are clear what our unique selling proposition is and that we leverage off this effectively. The strength of the South Island is the **sum of its parts** and the diverse experiences which are on offer. To stand out, we need a tourism brand presence that leverages off the national tourism branding that is authentic and compelling.

Strategic Aim 3

Strategic Aim 3: Rangatiratanga - Encourage business leadership and good governance through stronger collaboration through destination management

To deliver a sustainable visitor destination going forward requires collaboration across all levels of government, Iwi, community and the tourism and business community. The tourism sector in New Zealand has traditionally been highly fragmented due, in part, to the fact that it is comprised primarily of micro to small enterprises.

To fulfil our growth potential and deliver authentic tourism experiences, we need a far more unified and collaborative industry, empowered by strong leadership. We must continue to build the capability of our businesses and the industry as a whole and have a clear policy direction.

Additionally, it is important that the sector improves its attractiveness to talent and that appropriate education, skills and training opportunities are offered. A major challenge facing the industry now and into the future is the lack of sufficient skilled labour. It is often the interaction between overseas visitors and those employed in our tourism sector that ensures an outstanding holiday experience which differentiates us from our competitors. Achieving this is a complex process that involves the collaboration of a broad range of stakeholders and focused policy. Stronger collaboration between Government, educational bodies and the South Island's tourism industry is needed to achieve this.

Strategic Aim 4

Strategic Aim 4: Ngā Manuhiri O Te Ao, O Aotearoa Anō Hoki - Grow higher quality and commissionable experiences to support visitor dispersal

The expectations of visitors today are much higher than they were 10-20 years ago, partly due to more intense competition.

There is recognition amongst most stakeholders consulted that there need to be new things of scale and international appeal for visitors to do, to ensure both a better regional spread of tourism and to take the pressure off existing attractions and areas where environmental and social sensitivities exist.

There also needs to be a far stronger focus on introducing commissionable product to address seasonality which has not improved over the last 10 years. Outside of the major gateway locations, new and refreshed accommodation product is still often missing, making it far harder to actively encourage stronger visitor dispersal around the South Island. Coupled with the lack of commissionable attractions and experiences, many regions will not achieve the economic and social uplift desired from the visitor economy, yet the potential exists to deliver product which better matches market demand and delivers value-formoney. Making the South Island a better visitor destination also delivers improvements for our residents.

Strategic Aim 5

Strategic Aim 5: Ngā Rohe - Improved infrastructure to support the visitor economy

Tourism infrastructure is a broad category which includes transport networks, event venues, parks facilities, dining and entertainment precincts, cultural and arts amenities, aviation, maritime facilities and roading infrastructure just to name a few. This infrastructure benefits more than visitors, providing local residents with improved amenity and greater economic and employment opportunities. Investing in tourism infrastructure is crucial for not only driving demand but also to improve the sustainability of destinations. The provision of publicly funded tourism infrastructure often is the catalyst to encourage additional investment by the private sector in complementary products and services.

Government has a critical leadership role to support and funds larger-scale infrastructure projects as well as those which deliver significant benefits to the local community.

Identifying which infrastructure projects should be prioritised is a difficult task which government's face. It is therefore important to:

- prioritise tourism infrastructure development that will maximise return on investment.
- address instances of market failure in the provision of tourism infrastructure.
- and prioritise investment in those destinations which offer the best chance of delivering additional economic uplift and which are catalysts for supporting PPPs and private sector investment.

Strategic Aim 6

Strategic Aim 6: Tātou o Aotearoa me ō tātou hapori - ***Strengthen the host community's social license for tourism***

To continue to deliver a warm welcome to visitors, we require the support and buy-in of our communities. To achieve this, we need to share messages across our communities about the sustainable growth potential of the sector and what benefits this may deliver to them. Tourism is one of the few industries that can provide employment and economic benefit in nearly every part of the South Island. Although certain parts benefit more than others from tourism, every area is a beneficiary and every area has the potential to grow its share and the benefits delivered from tourism.

While the majority of employment is driven by accommodation, food and beverage outlets, other hospitality providers and visitor attractions, the employment profile of the sector is diverse with transport providers, events, tour operators, galleries and museums, adventure and marine tourism creating and sustaining employment for people with different skills and capabilities. Tourism can also often provide flexible employment opportunities, that have the capacity to facilitate greater labour market participation.

The shared understanding of the importance of the sector will improve decision making around topics such as policy making, public infrastructure, management of destinations and accessibility. Appreciation of the role which the sector plays at the local economy level also helps communities take a more ambassadorial role in delivering manaakitanga and a warm welcome to visitors.

The indicative investment required

Projects identified have also been categorised as:

- **Private/commercial projects:** commercial tourism projects for the private sector to invest in because the level of ROI is expected to be sufficiently attractive to stimulate private sector interest.
- **Public projects:** projects which will need to be funded by the public sector as a commercial return is not possible but where important public good outcomes can be derived; and
- **Public-private partnership projects (PPP):** projects more likely to be activated through a PPP as public funding is required to encourage and leverage private sector investment and where part of the project may be commercially viable while other elements may offer important public good outcomes.

Table 1 provides a summary of initial and top-line investment estimates. Together, they demonstrate:

- The total CAPEX requirement to implement the projects identified is $3.65b. Of this, PPP driven initiatives total an estimated $1.78b, publicly driven projects total $1.44b and private investment projects total $429m.
- Although the majority of the 191 projects are public sector driven projects (75%), almost 40% of the investment required is anticipated to come from private sector funding sources (including private only projects and the private sector component of PPP projects).
- Importantly, many projects are there to benefit local communities and other sectors even more than tourism, such as roading infrastructure, airports, events and stadiums, site planning etc.

Table 1: Investment & development projects – indicative CAPEX breakdown

Project Category	Estimated CAPEX Total	Private/ Commercial Only	Public Only	Public-Private Partnerships		
				PPP Total	*PPP - Private Component*	*PPP - Public Component*
Airports	**$519m (14%)**	-	$17m (1.2%)	$502m (28%)	*$350m (37%)*	*$152m (18%)*
Building Blocks	**$15m (0.4%)**	-	$15m (1%)	-	-	-
Cruise Facilities & Marinas	**$123m (3%)**	$12m (2.7%)	$72m (5%)	$39m (2%)	*$9m (0.9%)*	*$30m (4%)*
Cycling and Walking	**$31m (0.8%)**	-	$30m (2%)	$1.1m (0.1%)	*$105k (0.01%)*	*$945k (0.1%)*
Events and Stadium Facilities	**$533m (15%)**	-	$533m (37%)	-	-	-
Freedom Camping	**$15m (0.4%)**	-	$15m (1%)	-	-	-
Parking	**$6m (0.2%)**	-	$6m (0.4%)	-	-	-
Public Transport (Ferry Services)	**$1.4m (0%)**	-	$1.4m (0.1%)	-	-	-
Roads	**$537m (15%)**	-	$537m (37%)	-	-	-
Signage	**$530k (0%)**	-	$530k (0.04%)	-	-	-
Site Planning	**$1.06b (29%)**	$12m (3%)	$8m (0.6%)	$1.04b (59%)	*$484m (51%)*	*$558m (67%)*
Toilets, Sewerage, Waste	**$109m (3%)**	-	$109m (8%)	-	-	-
Tourism Attraction	**$401m (11%)**	$128m (30%)	$101m (7%)	$171m (10%)	*$84m (8.8%)*	*$87m (11%)*
Visitor Accommodation	**$302m (8%)**	$277m (65%)	-	$25m (1.4%)	*$23m (2.4%)*	*$3m (0.3%)*
Total	**$3.65b (100%)**	**$428.6m (100%)**	**$1.44b (100%)**	**$1.78b (100%)**	***$950.2m (100%)***	***$830.4m (100%)***
% of total CAPEX		**12%**	**40%**	**49%**	***26%***	***23%***

A primary outcome of this DMP was to ensure that the projects and recommendations identified did not rely primarily on public sector funding sources.

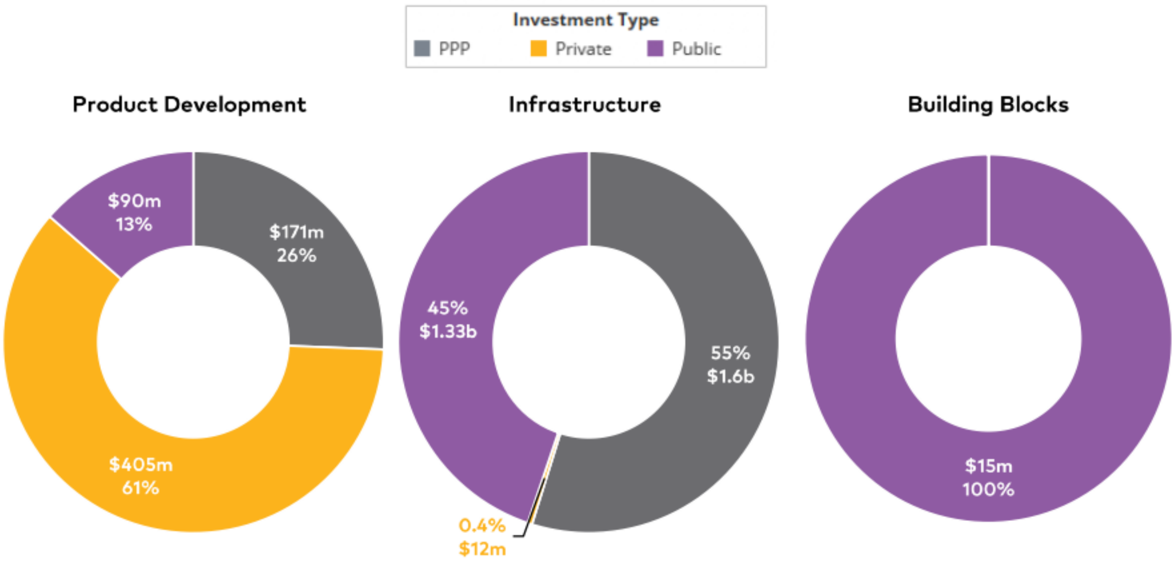
Although Table 1 above demonstrates that 63% of the CAPEX required is from public sources (either through public only or the public component of the PPP investment), **$2.76b (75% of total estimated CAPEX, is for projects which are primarily needed by other sectors of the economy, not just for tourism).**

It is, therefore, important that the CAPEX required is broken down based on whether the project is primarily infrastructure-related, or product development-related.

Product development projects primarily comprise tourism attractions, experiences and visitor accommodation. **Error! Reference source not found.**Figure 5 provides this breakdown and demonstrates the following.

- More than half of the funding required for infrastructure projects is anticipated to be from PPP sources (55% or $1.6b), followed by public sector sources (45% or $1.3b) and a small amount from private sector sources (0.4% or $12m).
- For product development projects, however, more than 60% of funding is solely from private sector sources (equating to $405m), followed by PPP sources (26% or $171m) and public funding sources (13% or $90m).
- Due to the nature of Building Block projects, all funding requires is anticipated to come from public sector sources.

Figure 5: Investment type by project category



Measuring our success

With all effort and resources dedicated to achieving our ambition of growing the sustainability of the visitor economy, it is important to know that we are on the right track, and where improvements can be made. Although success within the tourism sector has traditionally been measured in terms of the volume – or number – of visitors, the consultation undertaken for this DMP has revealed that South islanders (both industry and the community) have a much broader consideration of what success looks like. The measures of success outlined in Table 2 have been carefully selected because they reflect the changes we are trying to introduce for the sector.

Table 2: Metrics to measure success

Metric	About	How will we measure this?	Base figure
Community acceptance of tourism	The willingness of the community to continue to provide a social licence for tourism	Annual perceptions survey of a sample of the local community throughout the South Island.	n/a
Overnight visitor numbers	Overnight visitors are higher yielding than day trippers because they tend to spend more on food and beverage, transport and experiences as well as on accommodation.	Updated dataset developed as part of this DMP	7.8 million overnight visitors to the South Island
Average yield per visitor	Average spend per visitor to the South Island from the domestic and international visitor markets.	Updated dataset developed as part of this DMP and MBIE MRTE figures for the South Island.	International spend: $2,650 per trip and Domestic spend: $310 per trip
Brand perceptions	The effectiveness of brand development work undertaken in market	Brand perceptions survey of both domestic and international visitors (from selected markets)	n/a
Visitor satisfaction	The quality of the visitor experience through primary research within the destination	Visitor satisfaction survey focused specifically on the South Island of both domestic and international visitors (from selected markets)	n/a
Tourism and hospitality employment growth	Increased employment opportunities offered in the tourism and hospitality sectors – both full-time and part-time.	Apply profiles which leverage off tourism GDP estimates	66,000 positions throughout the South Island
Tourism GDP growth	Reflects output in the sector and contribution to the overall economy	Apply profiles which provide GDP estimates	$4.39 billion in tourism GDP for the South Island
Digital ready operators	Measures the digital capabilities of tourism operators through comparing those who are listed on the NZ Tourism Industry Operator database and other major tourism sources against those who are listed in traditional sources only (such as brochures and in i-SITE databases).	Audit of digitally listed operators including on the NZ Tourism Industry Operator Database.	n/a
Tourism sector new investment	Assesses the level of new investment in the tourism sector	Statistics on the number of new businesses registered and tourism and hospitality utilising Census data.	n/a
Increased Māori participation in tourism at all levels	The level of interest which local Iwi have in supporting and investing in the tourism sector including development of economic, social, environmental and cultural uplift for their local communities	Updated dataset to illustrate the level of Iwi involvement in the tourism sector directly and indirectly including investment, employment etc.	Iwi owned or managed tourism businesses
Sustainability Index	Measures New Zealand's progress towards sustainable tourism development against other countries. As a long-haul destination from most generating markets, New Zealand rates quite low.	Sustainable Tourism Ranking which measures C02 per capita	257th out of 291 destinations

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Phase II – Next Steps

This DMP for the entire South Island has taken 18 months to complete. Importantly, the next phase of work is the implementation of the DMP through a collaborative process with each South Island TLA, over the next 12-month period. This is going to require:

- formally seeking funding support from central government to assist with the implementation of the DMP
- ongoing liaison with each TLA to ensure that specific requirements are developed for destination management activations.
- Active engagement with all EDAs and RTOs across the South Island.
- involvement of MBIE, DOC and TNZ to ensure appropriate support is available to each TLA to deliver the DMP.
- ensuring adequate resources are available not only from local councils but also industry and central government to deliver the upgrades and changes recommended on a shared basis.
- Identifying the potential staging of projects where required and appropriate and to assist with feasibility and other studies required for project development and delivery; and
- developing potential governance and structural changes over the next 12 months, which are strongly supported by Central Government, to maximise the destination management approach desired.

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