

Towards Better Tourism Outcomes for Central Otago 2014-2019



This is a community owned strategy developed by the Tourism Strategy Working Group in consultation with whole of community and will be facilitated by Tourism Central Otago.

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Central Otago District Area - Map



Executive Summary

Towards Better Tourism Outcomes for Central Otago builds from Central Otago's Tourism Strategy of 2008 – 2013. The document provides a snap-shot in time of Central Otago's tourism industry, including the changes that have taken place within the industry over the past five years, both nationally and globally, and the impact that these have had on the region. It then identifies opportunities within industry sectors and across the region as a whole to sustainably grow and develop the region as a visitor destination, through to 2019 and beyond.

Tourism is New Zealand's second largest export market and contributes over \$30 million each year into Central Otago's economy. The impact of tourism on communities is therefore broad and far reaching. The industry has experienced challenging times over the past five years, due largely to the global economic recession of 2009-2010 coupled with the devastating earthquakes in Christchurch of the same time. Visitor numbers and visitor expenditure have suffered as a consequence and are only now showing signs of recovering to the inflation-adjusted levels experienced prior to the economic recession. New Zealand's domestic visitor expenditure has been the quickest to recover, while international visitor expenditure is still lagging behind the inflation-adjusted levels experienced in 2008. International visitation is increasing however and forecasts predict that international visitor numbers will grow by 15 percent, and expenditure by 20 percent, over the next five years – Australia and China, along with other emerging Asian countries, are predicted to be the key drivers behind this growth.

Consistent with the rest of the country, Central Otago's visitor industry felt the brunt of the 2009-2010 economic downturn, although the region has experienced stronger than average recovery in international expenditure (at 97% inflation-adjusted levels) and is only slightly below the national average for domestic expenditure rates (at 99% inflation-adjusted levels). Visitor awareness of this region as a holiday/recreational destination however is a consistent challenge to the ongoing growth of the industry. International visitors, plus many New Zealand holiday makers (particularly from North Island regions), have little or no awareness of the activities and attractions available here. Central Otago businesses and communities must raise the region's profile as a holiday destination in order to attract people into the area, and encourage visitor participation in our varied and quality experiences so as to maximise their length of stay.

Towards Better Tourism Outcomes for Central Otago provides objectives and recommendations. This strategy will be of use and interest to many different audiences in Central Otago and further afield. The aim has been to develop a strategy that represents the whole of community.

Key to the sustainable growth of Central Otago tourism is identifying and celebrating the region's unique strengths and qualities. The *Central Otago: World of Difference* brand encapsulates those distinct features: Our vast landscapes, distinct climate, historic values, genuine people, authentic experiences and relaxed pace of life all contribute to what makes this region special. Central Otago's recreational activities – particularly cycling, but also golf, sporting and entertainment events, and motorsport (through the newly developed Highlands Motorsport Park) – all draw visitors to the region. Central Otago's wine industry provides

opportunities for visitors to experience premium quality product within its natural growing environment, as do food producers through orchard tours and “garden to table” dining experiences. There are also opportunities to further develop niche visitor industries, such as the ‘small conference, meeting and special occasions’ market. Utilising the region’s geographic proximity to Queenstown, an established and internationally recognised visitor destination, can enable Central Otago operators to draw visitors into Central Otago who are seeking genuine experiences in a relaxed natural environment.

Visitors’ length of stay and overall quality of experience will be significantly enhanced if Central Otago communities and organisations work together to collaboratively present and promote the region’s offerings. Strategic alignment of events and activities that draw visitors into the region can encourage overnight and potentially multiple-day visits to the region. ‘Packaging’ Central Otago events and activities into a marketable array of unique and varied experiences, tailored to individual interests and timeframes, can optimise the value of visitors to our region and develop marketable product that can be sold nationally and internationally. Encouraging local community awareness and understanding of Central Otago tourism products will also enhance localised promotion. Further opportunities exist through working collaboratively with neighbouring districts and/or industries, with mutual interest in Central Otago’s tourism industry, to jointly develop quality tourism products.

Key to the sustainable growth and development of Central Otago’s tourism industry is the consistent delivery of quality service standards across all industry sectors and communities.

Towards Better Tourism Outcomes for Central Otago provides a shared vision for the sustainable development and growth of our tourism industry. The Strategy adopts a “destination management”, or whole-of-community approach, whereby its recommendations and ultimate achievements will be driven by the communities and organisations that have a desire to be involved in the development of the tourism industry within the Central Otago District.

Strategy Development Timeline

Development of “*Towards Better Tourism Outcomes in Central Otago*” commenced in April 2013. A series of industry-sector focus group meetings, including the Central Otago Tourism Operators and Inbound Wholesaler surveys, were conducted throughout May – June 2013. Feedback and recommendations from these forums has now been collated into this draft document for public consultation in May 2014.

This document is designed to have a life-span of five years, from 2014 to 2019.

Monitoring and Evaluation

Monitoring the actions in the strategy is necessary to tell us what progress is being made. The actions will be reviewed regularly by the Working Group and monitored by Tourism Central Otago who will be responsible for the facilitation of progress. The document will be reviewed in 2019 to ensure that the strategy remains current to the needs of the Central Otago community.

Summary of Recommendations

Recommendations throughout this document have been prioritised as priority, high, medium or low over the five year period. Responsibility for carrying out and completing the recommendations has been identified. Each priority has been defined as the following:

Priority – progressed in year 1

Medium - progressed in years 3-4

High – progressed in years 2-3

Low - progressed in year 5

Sharing Information between Operators and throughout the Region

Page	Recommendation	Priority	Responsibility
35	<ul style="list-style-type: none"> Encourage utilisation of <i>Event Finder</i> as a primary calendar for listing events and activities. 	High	Event organisers Operators TCO
35	<ul style="list-style-type: none"> Encourage event coordinators to work together so that they can share organising logistics and enhance participation 	Medium	Event organisers
35	<ul style="list-style-type: none"> Encourage operators to strategically align, or cluster, events to entice visitors to the region and encourage lengthened stays 	High	Event organisers
35	<ul style="list-style-type: none"> Continue to coordinate periodic tourism workshops to up-skill operators and service providers 	High	Operators, business and community groups TCO
35	<ul style="list-style-type: none"> Encourage local business to network with local operators 	High	Operators, business and community groups TCO

Promoting and Packaging Central Otago Experiences

Page	Recommendation	Priority	Responsibility
37	<ul style="list-style-type: none"> Where possible, raise visitor awareness, prior to arrival, of the variety of products, services and attractions that are available within this region 	High	Operators Community
37	<ul style="list-style-type: none"> Educate the local community about the range of quality visitor products available in the region 	Medium	Local business and community groups TCO
38	<ul style="list-style-type: none"> Encourage Tourism operators and service providers to be aware of and promote other activities in the region that may interest their visitors 	High	Operators Service providers TCO, VIN
38	<ul style="list-style-type: none"> Continue to develop packaged itineraries (fixed price and easy to book) that can be marketed and sold by the industry 	High	Operators Travel agents
38	<ul style="list-style-type: none"> Develop touring routes that link Dunedin and Queenstown 	Priority	NZTA TCO

38	<ul style="list-style-type: none"> Continue to develop joint/collaborative marketing initiatives that promote Central Otago as a visitor destination 	High	Operators TCO
38	<ul style="list-style-type: none"> Continue to develop opportunities that create collaborative links with tourism agencies and operators outside the region – e.g. SOUTH, Destination Queenstown, etc. 	High	TCO Operators

Utilising Queenstown as a Gateway to our Region

Page	Recommendation	Priority	Responsibility
39	<ul style="list-style-type: none"> Look for opportunities to develop day trips and excursions from Queenstown-based tourism packages 	Medium	Operators
39	<ul style="list-style-type: none"> Continue to market Central Otago's product locations relative to their proximity to Queenstown 	High	Operators Community
39	<ul style="list-style-type: none"> Develop marketing initiatives with Queenstown on projects that provide mutual gains while still protecting each region's distinct branding and identity 	Priority	Operators TCO
39	<ul style="list-style-type: none"> Investigate opportunities for joint marketing initiatives at Queenstown International Airport 	High	Operators, COWA, Rail Trail Operators Group, TCO

Service Standards

Page	Recommendation	Priority	Responsibility
41	<ul style="list-style-type: none"> Regularly review operating hours to ensure they are meeting visitor demand 	Medium	Operators Service providers
41	<ul style="list-style-type: none"> All operators and service providers operate according to their advertised opening hours 	High	Operators Service providers
42	<ul style="list-style-type: none"> Operators providing menus and price lists to service providers should include "Valid To" dates on the publications 	Medium	Operators Service providers
42	<ul style="list-style-type: none"> Operators work together to 'share' the responsibility of ensuring consistent service delivery levels are maintained year-round (particularly during quieter visitation periods) 	High	Operators
42	<ul style="list-style-type: none"> Service sectors to jointly work with Otago Polytechnic Cromwell Campus, and/or other training providers, to incorporate Central Otago product into their courses 	High	Training providers Operators, COWA, Rail Trail Operators Group
42	<ul style="list-style-type: none"> Develop regularly-run short service training courses that cater for high-turnover service delivery positions 	Medium	Operators, COWA, Rail Trail Operators Group, Cromwell Polytechnic, Otago Chamber of Commerce, REAP

42	<ul style="list-style-type: none"> Create mechanisms to gain customer feedback on the quality of service and integrate them into service delivery processes 	Medium	Operators Service providers
42	<ul style="list-style-type: none"> Operators targeting international visitor markets should learn and understand their cultural nuances 	High	Operators

Accommodation

Page	Recommendation	Priority	Responsibility
43	<ul style="list-style-type: none"> Accommodation providers should work collaboratively to meet influxes in demand 	High	Operators
43	<ul style="list-style-type: none"> Providers should visit each other's facilities to better understand each other's products and be better able to make appropriate referrals 	Medium	Operators

Conference and Meetings

Page	Recommendation	Priority	Responsibility
44	<ul style="list-style-type: none"> Establish a conference working group of interested operators to develop and drive collaborative marketing for small meetings and conferences 	Medium	Operators
44	<ul style="list-style-type: none"> Establish collaborative conference marketing packages that can be taken to the market by TCO and the conference working group 	Medium	Operators TCO

Keeping Pace with Technology

Page	Recommendation	Priority	Responsibility
45	<ul style="list-style-type: none"> Ensure visitor information (maps, signage, brochures, etc) is compatible with current technologies (including mobile phones) 	Priority	Operators, COWA, Rail Trail Operators Group, TCO
45	<ul style="list-style-type: none"> Encourage operators to develop a small library of high resolution photos that portray their business for promotional and media campaigns 	High	Operators TCO
45	<ul style="list-style-type: none"> Utilise social media platforms as a useful tool to drive and market business 	Medium	Operators
46	<ul style="list-style-type: none"> Continue to develop real-time online booking opportunities 	High	Operators VIN TCO
46	<ul style="list-style-type: none"> Develop training opportunities for social media platforms to operators. 	High	TCO Operators, COWA, Rail Trail Operators Group, Training Providers

Signage

Page	Recommendation	Priority	Responsibility
48	<ul style="list-style-type: none"> Continue negotiations with NZTA to develop directional signage to towns and attractions within the region 	High	CODC TCO
48	<ul style="list-style-type: none"> Work to ensure signage templates are consistently used throughout the region 	High	NZTA, CODC, DOC, Interest groups (eg Heritage, COWA)
48	<ul style="list-style-type: none"> Liaise with CODC's Roothing and Regulatory teams in the development of roading signage 	High	Operators, COWA, Rail Trail Operators Group, Community groups
48	<ul style="list-style-type: none"> Encourage continued consultation across tourism sectors and between roading authorities to develop consistent and quality signage. 	High	Operators, COWA, Rail Trail Operators Group, Community groups

Core Infrastructure

Page	Recommendation	Priority	Responsibility
49	<ul style="list-style-type: none"> Service providers should advise visitors (particularly cycle trail users) where potable water may be found 	High	Operators Service providers
49	<ul style="list-style-type: none"> Educate visitors on the whereabouts of public toilet facilities and waste disposal services 	High	Operators Community
49	<ul style="list-style-type: none"> Determine ways to make commercial refuse disposal and recycling easier during public holidays and/or peak visitor season 	Medium	Operators, Business and community groups

Compliance

Page	Recommendation	Priority	Responsibility
50	<ul style="list-style-type: none"> Encourage operators to seek assistance from local authorities on consent processes prior to commencing their project 	High	Operators TCO

Crisis Management

Page	Recommendation	Priority	Responsibility
51	<ul style="list-style-type: none"> Tourism operators and service providers to establish and regularly review their crisis management strategies 	High	Operators Service providers
51	<ul style="list-style-type: none"> Raise the awareness of the role of Tourism Central Otago in assisting operators in crisis management situations. 	High	TCO, Operators

Events and Activities

Page	Recommendation	Priority	Responsibility
53	<ul style="list-style-type: none"> Encourage event coordinators to plan events well in advance, ensuring that public notification occurs at least twelve months in advance 	High	Event organisers
53	<ul style="list-style-type: none"> Encourage event organisers to include information on Central Otago attractions and other upcoming events in event and promotion packs 	High	Event organisers
54	<ul style="list-style-type: none"> Develop a checklist for event coordinators including timelines, development and marketing processes, key people / industries to talk to, etc. 	Medium	Training agencies and TCO
54	<ul style="list-style-type: none"> Coordinators to consider commissioning a travel agent or Visitor Centre to assist with bookings of packaged itineraries for participants 	Medium	Event organisers Travel agencies VIN
54	<ul style="list-style-type: none"> Encourage event coordinators to present professional sponsorship applications and to look further afield for sponsorship 	Medium	Event organisers
54	<ul style="list-style-type: none"> Utilise the region's volunteer coordinator and consider non-profit community groups when trying to source volunteers 	Medium	Event organisers Volunteer coordinator Non-profit community groups
54	<ul style="list-style-type: none"> Coordinate a workshop on sponsorship, marketing, communication, social media, volunteers, etc., with follow up one-on-one appointments, if required 	High	Training and business organisations (e.g. Chamber of Commerce, REAP, Polytechnic, etc) Business Development Unit
54	<ul style="list-style-type: none"> Encourage and support local sports events and tournaments that attract people into our communities 	Medium	Local Businesses Community
54	<ul style="list-style-type: none"> Promote events that offer exclusive opportunities to access land and experiences that cannot normally be reached 	Medium	Event organisers
54	<ul style="list-style-type: none"> Develop more events that incorporate activities for varied ages and abilities and are attractive for entire family groups 	Medium	Event organisers
54	<ul style="list-style-type: none"> Investigate the possibility of developing other iconic / defining events along the Otago Central Rail Trail that don't conflict with any existing event 	Low	Event organisers
54	<ul style="list-style-type: none"> Evaluate long-established events to ensure they are still valued by community and visitors and are still meeting the desired objectives for event organisers 	Medium	Event organisers

Cycling

Page	Recommendation	Priority	Responsibility
58	<ul style="list-style-type: none"> Encourage local businesses and towns to be “cycle friendly” 	High	Local Businesses Community Groups Roading authorities
58	<ul style="list-style-type: none"> Operators servicing cycle visitors to be aware of and promote local attractions, activities and alternative cycle rides 	High	Operators Service providers Local community
58	<ul style="list-style-type: none"> Encourage the tourism industry to support the Central Otago Cycle Trail Trusts' management of the trails, wherever possible 	High	Tourism industry Government
58	<ul style="list-style-type: none"> Provide an information source on cycling opportunities within Central Otago that includes track technicalities, gradient, access information, etc., and make it available through a free app for mobile phones / i-pads 	High	Operators, Rail Trail Operators Group, Trail Trusts Cycling clubs & enthusiasts
58	<ul style="list-style-type: none"> Further develop Central Otago track presence on Trip Advisor to enable visitor recommendations 	High	Operators TCO
58	<ul style="list-style-type: none"> Investigate opportunities to develop guided mountain biking tours 	Low	Operators, Mountainbiking enthusiasts

Golf

Page	Recommendation	Priority	Responsibility
60	<ul style="list-style-type: none"> Encourage Central Otago golf clubs to work together to develop marketable golfing itineraries 	High	CO Golf Clubs
60	<ul style="list-style-type: none"> Jointly market Central Otago as a destination for multi-day golfing experiences 	High	CO Golf Clubs Operators TCO
60	<ul style="list-style-type: none"> Encourage tourism operators and services providers to work with golf coordinators to “package” Central Otago experiences within tournament information 	Medium	Operators Service providers Golf Clubs Event organisers
60	<ul style="list-style-type: none"> Investigate opportunities to develop new golf tournaments or golfing initiatives that draw participants and supporters into the region 	Medium	Golf Clubs Event organisers

Highlands Motorsport Park

Page	Recommendation	Priority	Responsibility
62	<ul style="list-style-type: none"> Local operators and service providers work together with Highlands Motorsport Park to market and provide their range of products and services 	High	Operators Service providers Local retail

62	<ul style="list-style-type: none"> Investigate opportunities to develop product within the region that specifically caters for the international visitor-mix that is likely to be drawn to Highlands Motorsport Park 	Medium	Operators Local retail
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Wine

Page	Recommendation	Priority	Responsibility
64	<ul style="list-style-type: none"> Develop innovative opportunities for customers to meet and interact with the growers, wine makers, and local personalities and to be taken “behind the scenes” for unique insights into Central Otago’s wine story 	High	Wine growers Cellar Doors
64	<ul style="list-style-type: none"> Develop memorable wine products and experiences that will convert high value wine tourists into Central Otago wine ambassadors who will market and promote Central Otago products upon their return home 	High	Wine growers Cellar Doors Operators
64 65	<ul style="list-style-type: none"> Encourage Otago Polytechnic Cromwell Campus to incorporate Central Otago’s wine story into their service training courses, and to develop short training courses for Central Otago service staff 	High	Cromwell Polytec & other training providers COWA
65	<ul style="list-style-type: none"> Encourage wine tasting facilities / Cellar Doors to work together to market and promote wine tourism and to ensure consistent quality product is available year-round 	High	Wine growers / Cellar Doors COWA
65	<ul style="list-style-type: none"> Encourage local operators and organisations to use and promote Central Otago wines and wine tours 	Medium	Wine growers / Cellar Doors COWA, VIN Operators & organisations
65	<ul style="list-style-type: none"> Investigate opportunities for consolidating smaller localised wine tasting facilities into a single venue, to assist with operating and overhead costs 	Medium	Wine growers
65	<ul style="list-style-type: none"> Explore opportunities that educate and inform Queenstown-based clients about the wine labels and tours that are available in Central Otago 	High	Wine growers COWA TCO
65	<ul style="list-style-type: none"> Develop additional local wine event(s) during the wine growers’ off-season so that they are better able to participate 	Medium	Wine growers Event coordinators
65	<ul style="list-style-type: none"> Investigate joint initiatives with local artists and businesses to collaboratively enhance awareness of the products 	Medium	Wine growers / Cellar Doors Local businesses
65	<ul style="list-style-type: none"> Tourism Central Otago and Destination Queenstown to work together to market Central Otago as a wine destination 	High	TCO Destination Queenstown

Food

Page	Recommendation	Priority	Responsibility
66	<ul style="list-style-type: none"> Encourage local restaurants, cafes and other food providers to source and showcase local produce 	High	Produce providers Restaurateurs Cafe owners Service providers
66	<ul style="list-style-type: none"> Develop a directory of Central Otago food producers 	Medium	Food producers Food providers
66	<ul style="list-style-type: none"> Investigate the possibility of re-establishing a Food Producers Network 	High	Local operators TCO / Economic Development Unit
66	<ul style="list-style-type: none"> Develop opportunities for sourcing cost-effective game meats and locally produced farm meats 	Medium	Restaurateurs Food retailers
66	<ul style="list-style-type: none"> Develop “garden to table” experiences within the hospitality industry, and “hands on” orchard tour opportunities 	Medium	Restaurant / cafe owners Orchard owners
66	<ul style="list-style-type: none"> Encourage multiple stalls of fresh produce at Central Otago Farmer’s Markets (i.e. Cromwell) 	High	Market coordinators
67	<ul style="list-style-type: none"> Continue to include samples of Central Otago produce (with product order forms) at regional expos, conferences, etc. 	High	TCO Operators

Heritage

Page	Recommendation	Priority	Responsibility
68	<ul style="list-style-type: none"> Continue to support the Heritage design guidelines for the development of signage, publications via the internet 	Medium	Operators
68	<ul style="list-style-type: none"> Ensure all heritage brochures and publications are compatible with technology and linked to other tourism event and operator websites, where appropriate 	Medium	Operators Heritage Trust TCO
68	<ul style="list-style-type: none"> Develop more events that showcase heritage – e.g. could some of the 150th celebration events become annual occurrences? 	Low	Event organisers
68	<ul style="list-style-type: none"> Continue to collate information on our Central Otago cemeteries within one website 	High	CODC Genealogy Group
68	<ul style="list-style-type: none"> Consolidate all heritage trails into one heritage brochure 	Medium	Heritage Trust
69	<ul style="list-style-type: none"> Investigate opportunities to work with Queenstown in developing collaborative heritage tourism packages, combining features from both regions 	Low	Operators

Arts

Page	Recommendation	Priority	Responsibility
70	<ul style="list-style-type: none"> Support the <i>Central Otago District Arts Trust</i> in their quest to develop Central Otago as an arts destination 	High	CO Arts Trust
70	<ul style="list-style-type: none"> Incorporate arts-related festivals, events, products and activities into visitor information packages 	Medium	Operators Event organisers VIN
70	<ul style="list-style-type: none"> Build from the <i>Central Otago Arts Trail</i> to develop diverse and informative self-guided visitor tours that showcase the many treasures that Central Otago has to offer 	Medium	CO Arts Trust

Film

Page	Recommendation	Priority	Responsibility
71	<ul style="list-style-type: none"> Continue involvement in <i>Film Otago Southland</i> 	Low	TCO, Economic Development Unit
71	<ul style="list-style-type: none"> Promote and utilise film cinemas within the region as an additional entertainment option for visitors to the region 	Medium	Local Businesses Community

Outdoor Recreation

Page	Recommendation	Priority	Responsibility
72	<ul style="list-style-type: none"> Utilise the <i>Central Otago Outdoor Recreation Strategy</i> and the <i>Camping in Central Otago</i> strategy to guide the development of outdoor recreational experiences 	Medium	Decision-makers Operators Community
72	<ul style="list-style-type: none"> Incorporate Central Otago's numerous outdoor recreational opportunities into marketing and promotional material about the region 	Medium	Operators Community

Cruise

Page	Recommendation	Priority	Responsibility
73	<ul style="list-style-type: none"> Continue to work closely with Inbound Operators involved in the cruise market to provide an awareness of product available in Central Otago 	Medium / Low	Operators TCO

Part One: Setting the Scene

1.0 Background

1.1 Why Is Tourism Important?

Tourism generates many positive social, cultural and infrastructural outcomes which provide benefits and meets the needs of residents and visitors alike. Tourism supports the revitalisation of towns and communities and helps to build regional pride and localised growth. It allows New Zealand, and its communities, to identify and celebrate their distinct culture. Tourism also improves the value of public spaces, national parks and other protected natural areas, and it helps drive investment in infrastructure and leisure facilities, such as museums, galleries, and convention centres.

Tourism is a leading driver in economic growth and social well being in New Zealand. It is second only to the dairy industry as being New Zealand's largest foreign exchange earner. The tourism industry contributed \$7.2 billion directly into New Zealand's economy, in the year ending March 2013, and a further \$9.8 billion indirectly through the businesses and services that support the tourism industry (Statistics New Zealand – Tourism Satellite Account, March 2013 (provisional)). A total of 110,800 full-time-equivalent (FTE) positions were employed directly into the tourism industry in 2013, plus a further 61,300 indirect positions. In total, the tourism industry employed just under nine percent of New Zealand's workforce in the year ended March 2013 (Statistics New Zealand, Tourism Satellite Account, March 2013 (provisional)).

To quote from the Manila Declaration on World Tourism – *“Tourism is ... an activity essential to the life of nations because of its direct effects on the social, cultural, educational, and economic sectors of national societies and on their international relations”* (World Tourism Conference 1980, Philippines).

1.2 Why Central Otago Needs a Tourism Strategy

Central Otago communities value tourism. 93% percent of respondents to the Central Otago district resident opinion survey considered tourism promotion as important and 89% considered it important that Council had a role in tourism promotion (Central Otago District Council Resident Opinion Survey 2012). This support is reflected in the district's eleven Community Plans, with tourism development being a prominent theme in the community consultation process. Economically, the value of the tourism sector to the region is significant, contributing \$30.1 million to the Central Otago economy in 2012, and 3.7% of the total Central Otago GDP (BERL Otago Economic Overview, March 2012).

A district-wide Tourism Strategy enables our communities to determine a joint vision for the sustained development of tourism within the region, and provides tangible actions that communities and operators can work together on to ensure that vision is achieved. The Central

Otago Tourism Strategy 2007-2012 provided such a framework, for the Central Otago district. All recommendations from this Strategy have now been investigated or actioned, and it is timely to review the current and projected trends within the New Zealand's tourism industry, relative to the desires and constraints of our communities and operators, and create new goals and objectives for the next five years.

Consistent with its predecessor, the purpose of the current Strategy is to provide a means of recognising tourism as a social and economic force, to create a community awareness of the benefits of tourism, to be a guide for new investment and to ensure facilities and infrastructures are adequate to cater for future growth. In doing so it must also ensure that tourism does not detract from, or unnecessarily damage, the social, cultural, environmental or economic assets of Central Otago identified and valued in the Central Otago Regional Identity 2005 (refer to Section 5.1).

1.3 Who is the Strategy For?

The Strategy will provide guidance to operators, members of the community and decision-making bodies working within the Central Otago region – including tourism operators, economic development agencies, Iwi, neighbouring local authorities, marketing partners, central government agencies (such as the Department of Conservation), business associations, and non-profit community groups.

Central Otago, as referred to in this Strategy, encompasses the towns and communities located within the Central Otago territorial authority (refer to the district map on page 5).

2.0 Vision

To maximise the economic contribution of inbound tourism to the Central Otago community through a coordinated destination management approach while retaining those values deemed core to the lifestyle of Central Otago residents. Developing tourism in Central Otago in a sustainable manner means that tourism in the region:

- Is developed according to the principles of the Regional Identity – “A World of Difference”;
- Is profitable and delivers benefits to Central Otago as a whole; Is a satisfying experience for visitors;
- Safeguards Central Otago's natural and historic resources;
- Energises communities and enables them to celebrate their distinct cultures;
- Is supported by the people of Central Otago.

Central Otago tourism will actively contribute to New Zealand's goal of achieving \$41 billion total tourism revenue by 2025.

3.0 “A World of Difference”

3.1 The Purpose of a Regional Identity

In November 2005, the Council initiated the regional identity project for Central Otago where a working party made up of representatives of the diverse interests of the region were tasked with defining the key ingredients that make up this region. The term “regional identity” is about having a unique story that celebrates that special difference of a region.

Developing the regional identity for Central Otago is about defining how we want our region to be now and the years ahead. It is about creating a blue print that supports change of the right kind. It also provides a story that differentiates us from other places and a definition of the character of Central Otago and the kind of economic reforms best suited to meet the regional vision whilst preserving the local culture and environment.

That is why having a regional identity represented in a symbolic form enables us to think about what is so very special about Central Otago. We should not take this special difference for granted, we must look after it, or it may be taken away.

Over time each community may wish to further define their unique positioning within the Central Otago 'A World of Difference' brand.

3.2 Central Otago’s Points of Distinctiveness

Central Otago has probably the most distinctively different set of natural circumstances in New Zealand with features such as our rich history, wide open spaces, distinctive seasons, block-mountains, schist soils, powerful river, silence and knee-high flora. In regard to the arts these same attributes provide inspiration to the artist in each of us.

These attributes shape the way we live and make a living, and the kind of people we are – down to earth, strong, resilient, stoic, proud, inspirational, and the list goes on. The personality of this place and its people help to shape the Central Otago story.

3.3 A Regional Expression

The essence chosen for Central Otago was ‘A World of Difference’. It captures the concept of *different* in a landscape sense, in a community sense (fiercely different and proud of it) and to the visitor – it must be experienced.

The Regional Identity is represented in the following brand mark:



This unique mark reflects that as local people we enjoy the most generous environmental footprint of all New Zealanders, a unique world like no other and a different world of discovery, enterprise and magical lifestyles.

To represent this, and our values, the upper part of the symbol's circular form represents a solitary cloud whisked upward against a vast deep blue sky. The lower form represents both the landscape and the New Zealand native falcon, the Karearea. In symbolic language, the falcon is associated with noble natured people, strength, bravery, ingenuity and high spirits, evoking freedom and pride as it soars above the golden, contoured land. We too can soar here.

People can become registered brand partners if they live in the region and are able to aspire to the brand values stated below.

3.4 Shared Values

The Central Otago regional identity brand, unlike many, is based on a shared set of values. These values will help us to create the kind of place that we can be proud of.

- Making a difference – we will inspire and lead others with our special point of difference.
- Respecting others – we will respect our cultural and personal differences.
- Embracing diversity – we will recognise differences and embrace diversity.
- Adding value – we will always ask ourselves if there is a better way – one that achieves a premium status.
- Having integrity – we will seek to be open and honest.
- Learning from the past – we will learn from past experiences with future generations in mind.
- Making a sustainable difference – we will make decisions in business with the community in mind and in harmony with the natural environment.
- Protecting our rich heritage – we will protect and celebrate our rich heritage in landscapes, architecture, flora and fauna and different cultural origins.
- Meeting obligations – we will meet our legal obligations at local and national level.

The brand is an expression of our long-term regional vision.

Regional Vision

Imagine Central Otago as a vast land of uncompromising beauty.

People with a noble nature, strength, beauty, ingenuity, high spirits, freedom and pride that soars.

A place that attracts new thinking.

Central Otago will be a better world for those that succeed us.

3.5 Regional Identity and the Tourism Sector

The success of the regional identity will be how it resonates with the people of Central Otago and their enthusiasm for embracing it. Showing people how they can get involved is key to achieving this. This is no less the case for businesses working in the tourism sector. The brand and its values provide a platform for tourism operators to draw on to develop a culture within their business that encourages them to strive for a quality experience for their guests and clients. To experience Central Otago needs to be about experiencing uncompromising quality and a place for visitors to renew their senses. The tourism sector offers many possible ways of contributing to and celebrating Central Otago's regional identity in terms of being able to showcase the unique stories that define us:

- A place of powerful character, the landscapes, the space and scale, rich history;
- People who have made a difference;
- A place that celebrates difference – its seasons, its people, products and experience.

4.0 Key Principles Underpinning the Strategy

4.1 Sustainability

Sustainable tourism development is critical for the long-term well being of Central Otago. Sustainable development means *meeting the needs of the present without compromising the ability of future generations to meet their own needs* (New Zealand Tourism Strategy 2015).

The principles of *kaitiakitanga* (guardianship) and *manaakitanga* (hospitality) are the basis for sustainability:

- *Kaitiakitanga* – The guardianship and sustainable management of natural, built and cultural resources for the collective benefit of current and future generations;
- *Manaakitanga* – Sharing exceptional and natural hospitality, knowledge and beliefs, on the basis of mutual respect between host and visitor.

A sustainable development approach gives a way of thinking that seeks the best outcomes, not just for the life of our communities and cultures, but also for the environment and the economy. Achieving sustainable development requires looking after people, having a long term view, and taking account of social, economic, environmental and cultural effects of decisions. These areas are interdependent and mutually reinforcing. For the tourism sector to prosper, we need to deliver on all of them, as visitors see their experience as a whole, not as component parts (New Zealand Tourism Strategy 2015).

Tourism relies more than any other sector on our continuing sustainability as a region. This is because Central Otago itself is the product we are selling.

4.2 Destination Management

The notion of managing a destination calls for a whole-of-community approach in order to be successful. Destination management is essentially about community and cross agency cooperation in areas of planning and environmental management, provision of visitor information, management of infrastructure, marketing and site management. Because the tourism industry is complex, involving a mixture of private companies, local and central government and communities, there is a need to build and maintain effective working partnerships between these players if a sustainable future is to be achieved. Within the region there needs to be specific environmental management to make sure that the destinations retain their essential environmental attributes.

As part of a destination management approach looking at what other successful tourism destinations have done and the way they do business will be important.

4.3 Tourism Business Profitability

Not all tourism business owners are motivated by profit. However, in general, profitability must increase or tourism businesses will not be able to reinvest to maintain or improve the quality of their product. This is also important if the sector is going to be attractive to employees in an increasingly competitive labour market.

4.4 Public and Private Commitment to Tourism

The public and private sectors will achieve the greatest gains in tourism for the region by working together. Both sectors will need to source additional funding if the potential benefits of tourism for Central Otago are to be achieved. Public funding will need to move to a longer term funding cycle and the number and value of private sector marketing partnerships will need to increase.

5.0 Involvement in, and the Impact of, Tourism on our Communities

5.1 Social Impact of Tourism

The tourism sector provides many social benefits to our Central Otago communities. Tourism can revitalise and stimulate communities through:

- Stimulating population growth and vibrancy through increased employment and a buoyant economy;
- Encouraging the development of new and existing facilities, services and public spaces;
- Fostering new events, festivals and activities, and increase demand for existing events and activities;
- Encouraging communities to recognise and appreciate their own unique cultural and environmental “points of difference”;
- Providing opportunities for local communities to experience and gain a greater understanding of other nationalities and cultures;
- Promoting localised enthusiasm and pride.

Tourism can also create social pressures within our communities and these need to be acknowledged and managed. Stable employment opportunities within the tourism sector can be a challenge, due to the seasonal nature of the tourism industry and lower than average pay rates, compared to other sectors (NZ Tourism Strategy 2015). A transient workforce can impair community cohesion and impact on facilities and services – schools and early childhood centres, for example, rely on stable numbers to secure and maintain the facilities.

Fluctuating visitor populations place pressure on community infrastructure, emergency services and support networks. Community infrastructure (i.e., roading, water, waste disposal and public facilities) is largely funded by residential rates and local authorities have the challenge of providing adequate facilities to meet seasonal demand fluctuations while still making the services affordable for the people who live in the communities. Funding allocations for our primary (PHOs) and secondary (Dunstan Hospital) health care services are also based on resident population and Central Otago healthcare providers have subsequently put systems in place to help capture the costs associated with treating non-resident patients.

Emergency services and social support networks are often operated by community groups and serviced by volunteers and additional visitor numbers can place pressure on these providers.

Central Otago communities therefore have a vested interest in the development of tourism within the region, both to protect the services and facilities that they currently have but also to embrace and capitalise on opportunities to build and invigorate their communities – such as can be observed in the communities and settlements that service Otago Central Rail Trail users.

5.2 Community Involvement in Tourism

Local communities fill numerous roles for visitors to the region – as hosts, tour guides, advocates, and custodians of heritage and values. It is the individuals within our communities who create that unique and genuine Central Otago experience – it could be as simple as a casual conversation on the side of the road, or offering helpful advice and directions to a lost visitor.

The tourism industry needs to have the community's support in order to function and prosper within this region. Equally, communities have to believe in the value of tourism to their region so that they can support the initiatives of this Strategy. Tourism operators must value and respect the role that local communities play in the industry and the contribution that they make to the tourism sector on a daily basis.

Most local events held throughout the region are reliant on volunteers and non-profit community organisations. It is important to recognise the value of volunteers in the delivery of visitor experiences. Local events are heavily reliant on volunteers for all jobs ranging from event coordination, set-up and marshalling, catering, cleaning, etc. Volunteers are also actively involved in the running and upkeep on public facilities and services, such as community museums, and community landscape beautification. These people are critical in spreading the word regarding Central Otago and ensuring visitors have interesting things to do and attractive places to visit. Our heavy reliance on volunteer participation is not fully recognised and does place pressure on communities.

Community groups and organisations are reliant on funding from various local agencies, which makes their continuation vulnerable should their eligibility for funding be jeopardised.

5.3 Community Plans

Community Plans have been designed to encourage community participation at a local level. Emphasis is placed on obtaining views of the community and identifying their points of difference, while determining possible opportunities to ensure that the local community remains an attractive and desirable place in which to work, live and play. The plans provide an important insight into the direction individual communities would like to head, containing a collective community vision plus key recommendations to assist in the development of a sustainable community.

The CODC Community Development has facilitated the development of community plans in the following areas - St Bathans, Roxburgh and Teviot Valley, Clyde, Naseby, Alexandra, Maniototo and Patearoa, Tarras and Waipiata, Cromwell and Pisa. Discussions are underway in regards to developing an Otarehua and Omakau Plan. Other communities may also be covered in the future as they indicate they would like to take part in the community planning process.

Some of the key tourism themes that have arisen from the completed community plans include:

- Develop community marketing strategies that promote localized strengths and “points of difference”
- Design new signage, brochures and interpretation on local sites and attractions
- Capitalise on existing facilities (tracks, public spaces, etc) and develop new walkways tracks
- Investigate ways to add value from our trails and walkways;
- Brainstorm business ideas for supporting products and services for trail users and how these could be provided;
- Work with accommodation providers and local tourism agencies to consider how best to entice visitors to stay for longer;
- Consult with the wine industry about what more could be done to promote it and involve it more in the life of the community;
- Assess marketing initiatives for specific communities and identify opportunities for improvement.

5.4 Community Promotion Groups

The primary objectives for the region's Community Promotions Groups are to promote their local area and to run events. There are currently five recognised community promotions groups in Central Otago: Cromwell Promotions, Promote Dunstan, Promote Alexandra, Maniototo Promotions and Teviot Prospect. Each Promotion Group has their own committee and membership base and obtain funding for their promotional initiatives through grants and event revenue. Despite recommendations in the *2008-13 Central Otago Tourism Strategy* to coordinate communications and activities, Promotions Groups have chosen to continue operating independently of each other. Tourism Central Otago representatives attend Promotions Group monthly meetings.

6.0 Current State of Tourism and Future Projections

Tourism is a hugely changing market. The last five years have created challenging economic times and tourism growth has fluctuated as a consequence. The global economic recession of 2009-10, compounded by Christchurch's devastating earthquakes in 2010 and 2011, have placed pressure on tourism operators and communities alike. It is taking some time for the New Zealand and global economies to rally from these events, and has caused in the meantime a rationalisation of tourism products and services, both nationally and regionally.

6.1 National Statistics

Domestic visitors spent \$14.2 billion in the year ended March 2013, an increase of 2.4 percent from the previous year and 5.3 percent from 2011 (Tourism Satellite Account 2013, Statistics New Zealand (provisional data)). Adjusting for inflation, the rate of growth in domestic visitor expenditure throughout the country for the year ended December 2013 is equivalent to the levels experienced in 2008 (Appendix 1.1 – Regional Tourism Indicators). International visitor expenditure increased 2.2 percent to \$9.8 billion and comprised 16 percent of New Zealand’s exports for the year ended March 2013 (Statistics New Zealand – Tourism Satellite Account 2013 (provisional data)). International expenditure levels are yet to recover to pre-recession levels and other than a small rise in 2011, probably due to New Zealand’s hosting of the Rugby World Cup, have been declining since 2008. While stabilisation and even a slight increase in visitor spends were recorded in 2013, international visitor expenditure across the nation is still only 79 per cent of the inflation-adjusted levels experienced in 2008 (Appendix 1.1 – Regional Tourism Indicators).

Australia remains New Zealand’s largest inbound tourism market. The Australian market comprised 45 percent of this country’s short term international visitors in the year ended January 2014 (1,226,448), and generated the largest source of revenue for the tourism sector (Ministry of Business, Innovation and Tourism – International Visitor Arrivals, January 2014). Australian visitors tended to have shorter visits and spent less per day than other international visitors. They also tended to visit friends and relatives or travelled here for business more than other countries (New Zealand’s Tourism Sector Outlook – Forecasts for 2012 – 2018).

China is New Zealand’s fastest growing and was the country’s second largest tourism market, for the year ended January 2014, with 240,288 visitor arrivals (Ministry of Business, Innovation and Tourism – International Visitor Arrivals, January 2014). Chinese visitation increased 25 percent in 2013 and a staggering 85 percent over the past five years. While Chinese visitors have traditionally holidayed in New Zealand as part of organised tour groups, there has in recent times been an increase in the number of independent and semi-independent holiday makers (Opening Doors to China, New Zealand’s 2015 Vision). Their length of stay tends to be shorter, relative to other international markets, and visitor spending per day has been volatile, but high for an emerging economy (New Zealand’s Tourism Sector Outlook – Forecasts for 2012 to 2018). There is also promise of strong long-term growth opportunities from other emerging markets with burgeoning middle classes and young populations – such as India, Indonesia and Latin America. These markets are showing an interest in wine, fruit, motorsport, landscapes and ‘hands on’ experiences (Appendix A 1.2 – Visitor Insights Programme).

New Zealand’s “traditional” western markets of Europe and the Americas slowed following the global fiscal crisis. The UK economy contracted deeply in 2008 and 2009 and while there is a weak recovery underway visitation numbers have been declining or, at best, ‘flat-lining’ over the past five years (A 1.8 – Tourism Forecasts 2013 – 2019). The German tourist market also shrunk during the recession, however its economy appears more resilient and visitor numbers

have increased by 13 percent (71,696) in the year ended January 2014 (Ministry of Business, Innovation and Tourism – International Visitor Arrivals, January 2014). The Northern American market has strengthened, relative to other advanced economy markets, with the US recording a 10 percent increase in visitation (200,624) for the year ended January 2014 (Ministry of Business, Innovation and Tourism – International Visitor Arrivals, January 2014).

6.2 Central Otago Statistics

International visitor expenditure in Central Otago has fluctuated over the past five years. The region experienced a strong international visitor spend relative to most other regions during 2010 and 2011, but levels returned to the national average in 2012, being 92 percent of the inflation-adjusted levels experienced in 2008. 2013 has once again seen strong growth in international expenditure within the region, recording just three percent lower expenditure rates (97%) on average than the inflation-adjusted levels experienced in 2008, and this compares to national expenditure rates of 79 percent for the same period (A 1.1 – Regional Tourism Indicators). Consistent with national trends, domestic visitor expenditure in Central Otago has been slowly but steadily increasing, with the region lagging only slightly behind the national average for 2013 at one percent below the levels experienced in 2008 (Appendix 1.1 – Regional Tourism Indicators). This ‘regional recovery’ corresponds with data gained in the Central Otago Tourism Operators Survey (Appendix Two) which indicated that 88 percent of operators surveyed had maintained or increased the scale of their business over the past five years, and 48 percent have either maintained or increased revenue over the past twelve months (with 32% experiencing an increase in revenue over this period).

However other data pertaining to the region is not as positive. Though guest nights reported in Central Otago’s hotels, motels, backpackers and holiday parks have fluctuated over the past five years, volumes are similar in 2013 as those recorded in 2010, when recording commenced (Appendix 1.3 – Commercial Accommodation Monitor). This accommodation data however does not incorporate small-scale accommodation businesses, such as ‘bed and breakfasts’ or freedom camping – a change in demand to these types of offerings could have impacted upon results (refer to Appendix A 1.4 – Campervan Statistics). Foot traffic into Central Otago’s Visitor Centres has declined over the past five years, particularly between 2011 and 2013, which has seen a decrease of 17 percent visitation (A 1.7 – Visitor Centre Statistics). Road traffic volumes through the regions State Highways have experienced modest growth, although this may reflect an increase in localised use rather than visitor use (Appendix 1.5 –Annual Average Daily Traffic Volumes).

Overall, both international and domestic visitor markets have limited awareness of Central Otago as a visitor destination (Appendix 1.2 Visitor Insights Programme). Visitor awareness of and interest in Central Otago is slightly greater amongst domestic than international markets, with interest amongst New Zealand holiday makers being significantly greater if they live in close proximity to the region (i.e. the lower reaches of the South Island) and are within an older age demographic (Appendix A 1.2 – Visitor Insights Programme). Visitor volumes to Central

Otago visitor destinations definitely have a domestic market bias (75% domestic versus 25% international visitation), though data from the 2013 Tourism Operator Survey (Appendix Two) report domestic visitors coming mostly from Auckland and Christchurch, followed by Dunedin and Invercargill.

Central Otago's key international markets are Australia, but visitation from the German and UK markets has also been higher than average over the past 18 months (A 1.2 – Visitor Insights Programme). While Asian markets are indicating a desire to visit the region, penetration is still relatively low (A 1.2 – Visitor Insights Programme).

6.3 National Trends and Forecasts

Domestic tourism will continue to provide the foundation for New Zealand's tourism industry (NZTIA: Opportunity to Improve on Tourism Forecasts, 2011). A stabilising economy will assist in the growth of domestic tourism. Legislative changes, such as "Mondayising" public holidays that fall during weekends, will also boost domestic travel. Domestic tourism will be stimulated in the regions through:

- Coordinated planning and marketing partnerships between the visitor industry and local government;
- The establishment and promotion of regional events that can be linked into a national events strategy;
- Continued development of local infrastructure, such as cycle trails, as a means to attract local visitors; and
- Strong data and analysis with which to make sound investment decisions on visitor infrastructure and destination marketing.

Tourism Forecasts, released by the Ministry of Business Innovation and Economic Development, predict that visitor numbers are expected to rise by 15 percent by December 2019 and international visitor spending will grow 20 percent in the same period (A 1.8 – Tourism Forecasts 2013-2019). A strong Australian and growing Chinese market are predicted to be key to this recovery. Australia will continue to be a major market for New Zealand, although only moderate growth is expected over the next two to three years, due primarily to their weakening domestic economy (A 1.8 – Tourism Forecasts 2013 – 2019).

China's growth as a tourism market is set to continue. Its expanding middle class and economic prosperity through industrialization should promote increased international travel:

"In 2004, 22 million Chinese nationals travelled abroad, rising to 57 million in 2010. Chinese officials anticipate this will exceed 100 million in the next five years" – Ministry of Foreign Affairs and Trade.

Most Chinese visitors are currently coming from Beijing and Shanghai, however as this nation's interior regions develop, international travel should continue to increase significantly (A 1.8 –

Tourism Forecasts 2013 – 2019). There is also promise of strong long-term growth opportunities from emerging markets with burgeoning middle classes and young populations – such as India, Indonesia, Latin America and Africa. India, with its strong economy and high consumer confidence, is experiencing an increase in outbound travel (Opening Doors to India – New Zealand’s 2015 Vision). This market could prove useful to local operators as visitors from India tend to travel independently, stay longer and spend more per capita than many other nationalities, and they also tend to travel in this country’s low season (Opening Doors to India – New Zealand’s 2015 Vision).

New Zealand’s “traditional markets,” such as the United Kingdom, Japan and Korea, are expected to remain flat or continue declining over the next five years (A 1.8 – Tourism Forecasts 2013 -2019). However the US economy appears to be picking up and visitor arrivals are expected to increase over time, which is beneficial for this country as this market holds value for niche tourism operators, due to visitors’ high average spend per day (New Zealand’s Tourism Sector Outlook – Forecasts for 2012 – 2018). The German market is also expected to increase over the next five years, with the visitor mix changing to a younger, less time-constrained traveller who may spend less per day but will stay in the country for a longer time (New Zealand’s Tourism Sector Outlook – Forecasts for 2012 – 2018).

The mix of visitors to New Zealand is expected to change dramatically across a range of dimensions over the next five years, from country of origin to visitors’ age, reasons for visiting, length of stay, and daily expenditures (A 1.8 – Tourism Forecasts 2013 – 2019). Industry operators will need to plan for these changes in order to capitalise on market shifts. Continued investment in international marketing efforts will also help to ensure that New Zealand is held at top of mind for travellers – significant international events, such as the upcoming Cricket World Cup and the FIFA U20 World Cup, and major film premieres such as *The Hobbit*, will assist in achieving this.

“The overarching message that can be taken from these forecasts is that if the industry ... can continue to adapt effectively within this fast-changing environment, and if we can keep improving the quality of the visitor experience, then tourism will continue to be a strong contributor to New Zealand’s economy” – Martin Sneddon, Tourism Industry Association Chief Executive.

6.4 Challenges Facing Tourism

As the past five years have demonstrated New Zealand’s tourism industry is vulnerable to both external and internal influences that can shape and jeopardise its continued sustainability. Global Influences include:

- Climate change – Globally there is increasing pressure to provide product options that reduce carbon emissions. Carbon footprint mitigation charges, such as the UK’s Air Passenger Duty, can cause a strong disincentive against long-haul travel;

- Global economy – Our growth is dependent on the economic growth of our visitors' country of origin;
- Aviation capacity – International visitor flows are shaped by airline flight routes, flight frequency and capacities, and fuel costs;
- International competition – New Zealand must position itself as a trend setter, and not a follower, in order to hold and grow its market share. Public and private sectors need to coordinate their marketing efforts and create leverage off other export sectors (e.g. wine and film);
- Exchange rates – New Zealand's exchange rate has little effect on visitor numbers to the country, but it does impact on money spent within the country. A strong NZ\$ directly impacts on domestic travel, encouraging New Zealanders to holiday overseas.

Domestic Influences can also impact on operators' ability to supply a consistently high quality experience for their clients:

- Profitability – Operators need to be financially viable as they need to be able to sustain and grow their product and can financially contribute towards tourism marketing and development;
- Availability of skilled employees – Tourism is a labour-intensive industry with seasonal demand fluctuations (that clash with other sectors – e.g. summer fruit harvests), and lower pay rates, on average, compared with other sectors;
- Service Standards – Training and support needs to extend beyond the larger tourism organizations, as approximately 85 percent of the 8,000 tourism businesses currently operating in New Zealand are small to medium sized enterprises;
- Adapting to a changing market – recent shifts in visitor demographics require business operators to quickly identify and respond to changes in visitor demands;
- Local infrastructure – Delivering a world class experience requires appropriate high quality infrastructure for tourists and host communities;
- Environmental impacts – Pressure from increased use of services and facilities, particularly in small communities with small ratepayer bases;
- Domestic air capacity and transport links – Must be affordable and convenient.

6.5 Strengths and Challenges for Central Otago's Tourism Industry

Feedback sourced through opinion surveys of Tourism Operators and Inbound Wholesalers (ref. Appendix Two), plus through public interest-group forums held in 2013, provided a 'snap-shot' of the perceived strengths and challenges facing Central Otago's tourism industry at that time. The main strengths of Central Otago's tourism sector, as identified by the people involved in the industry, are its landscape values, the activities offered in the region, its wineries and its climate. The region is valued for its stunning scenery and laid-back approach. Its distinct four-season climate, with its reliable weather patterns and low rainfall, enables a range of unique activities –

from winter sporting pursuits such as curling, lugging, and ski-touring, to water-sport and other outdoor recreational activities in the warm summer months.

Tourism operators bringing visitors into Central Otago consider the region's activities (particularly cycling) and its landscape values are its key strengths. These inbound operators commented that the region's "uniqueness" – its uncrowdedness, history, genuine people and authenticity – was a welcome contrast to the hype of other tourism destinations:

"So close, yet so different to the Queenstown lakes area, it offers a strong counterpoint ... This place of difference is just that, genuinely delivering difference in all things. A place of extremes where the torturous nature produces the finest flavours, the finest wool fleeces; where nature seems to want to be left alone to do its thing and when it does, it's truly remarkable." (Central Otago Wine Story, 2013)

In essence, Central Otago's points of distinctiveness, as identified in our World of Difference branding (section 3.0), are recognised as the region's key strengths. Central Otago's Regional Tourism Organisation (Tourism Central Otago) was also viewed as very helpful and effective in its role.

Tourism operators view cycle tourism development, the Highlands Motorsport Park, and the wine industry as all providing opportunities for growth within the sector. Inbound operators consider self-drive packages to have growth potential for the region.

However, there were also a number of challenges identified for the region's tourism sector. Marketing of the area, an inability to lure visitors from larger neighbouring tourism destinations, limited public transport and erratic service standards were all identified as barriers to the industry. Central Otago's geographic location was reported as both a strength and a barrier by inbound wholesalers and tourism operators alike, with some commenting on the advantages of being easily assessable from neighbouring tourist regions (particularly if self-driving), while others viewed areas within the region as being remote, relative to main tourist routes. Central Otago's relative proximity to other larger tourist destinations (i.e. Queenstown) lends the region to being used as an en-route stopping point rather than a destination in its own right. Accommodation was also viewed as a barrier by some inbound operators, who requested more options and consistency in quality standards. Inbound operators suggested that Central Otago could assist the travel trade by providing them a greater awareness of what the region has to offer, through newsletters and activity updates, by offering hosted visits, and by undertaking selective marketing and promotions.

Threats to Central Otago's tourism sector, according to tourism operators, included the global and domestic economy, trying to compete with Queenstown as a tourism destination, and the quality of Central Otago products and services. Compliance costs and frustration with bureaucracy were also viewed as threats to the tourism industry.

7.0 Regional Organisations that Assist Central Otago's Tourism Industry

There are a number of nationally-based government and non-government agencies that provide information and advice to sectors of the tourism industry (ref. Appendix Five). There are also agencies within Central Otago who facilitate tourism development at a regional level.

7.1 Tourism Central Otago

Tourism Central Otago is the Regional Tourism Organisation (RTO) for Central Otago, and one of 30 RTO's in New Zealand. Established in 1998, Tourism Central Otago (TCO) works closely with Tourism New Zealand, plus local and national tourism organisations (such as Destination Queenstown and the SOUTH Project (ref. Appendix A 4.2)), to market of Central Otago as a visitor destination within New Zealand and internationally.

Tourism Central Otago is a resource unit available to locally based tourism-related businesses. It facilitates ideas driven by operator collectives, develops marketing resources, assists operators who wish to learn more about working with different markets and distribution outlets, and makes available a range of tourism research and product updates. TCO manages the regional Central Otago website (www.centralotagonz.com), attends international trade events, meets regularly with wholesalers and inbounds, attends consumer events and develops regional campaigns and promotes the region through social media sites (i.e. Facebook, Twitter and Pinterest). Tourism Central Otago works with national and international travel trade and media who wish to learn more about Central Otago as a visitor destination, its trade ready products, suggested itineraries, and to assist with familiarisation and story ideas.

Three special interest sectors have been identified as a key focus for TCO to promote Central Otago's unique points of difference. These are cycling, wine and food and camping, with our heritage products promoted across all three sectors.

Tourism Central Otago is funded by the Central Otago District Council and operates within the Council's Community Services Department.

7.2 Visitor Centres / I-SITES

I-SITE is New Zealand's official visitor information network, with over 80 i-SITES nationwide. Central Otago has i-SITES in Alexandra, Cromwell and Ranfurly, plus a local Visitor Centre in Roxburgh. These Centres field enquiries from visitors and local residents alike on events, activities and attractions, and receive approximately 200,000 visitors per year (refer to Appendix A 1.7 – Visitor Centre Statistics, for a detailed breakdown of foot traffic and revenue).

Central Otago i-SITES / Visitor Centres provide quality objective information on accommodation, activities, attractions, transportation, restaurants and shopping within the region. They also provide a comprehensive booking service for all Central Otago and New Zealand tourism products and activities. The Centres display brochures and promotional information on local

operators and provide space for individual tourism businesses to promote and market their products. Free directional maps, weather and mountain safety information are also made available.

I-SITES / Visitor Centres provide advice to encourage visitors to stay and experience more within the region. The role of i-SITES / Visitor Centres is evolving in line with changing technology and the way that visitors are now sourcing information about the region.

Part Two: Enabling the Visitor Industry

All objectives and recommendations in this strategy were derived through feedback from surveys, Focus Group meetings and public consultation. A number of common themes were identified across tourism sectors, as well as sector-specific issues and opportunities. Recommendations from these observations create the direction for the development of Central Otago's tourism industry.

8.0 Working Together

A key objective across all sectors was for operators and interested parties to work together to grow and develop Central Otago's tourism industry. Collaborative planning, sharing information and utilisation of the community's tourism resources (i.e. TCO and i-SITEs) will all assist in creating synergies for operators and greater tourism gains for the region.

8.1 Sharing Information between Operators and throughout the Region

Central Otago tourism operators are motivated to share information, both within and across tourism sectors, about events and initiatives within the region. Central Otago events need to be displayed and promoted on a single universally-used event calendar. This would enable greater collaboration between operators, help prevent date clashes, and provide advance warning for service providers who wish to market and supply to event participants. Currently there is an events calendar within the Central Otago website that is available for use throughout the region. *Event Finder* is the nation's most popular event calendar. This calendar was proposed as a preferred option by tourism operators. This web-based event calendar is free to use and can be accessed by operators, media and members of the public alike. Users can filter searches to subject categories (e.g. sport events, arts, live entertainment, etc), and operators can include images, links to their website, and even sell tickets direct.

Sharing information encourages opportunities for collaboration between operators and across sectors to create greater gains for all involved. Coordinating the Ranfurly Art Deco Festival and Goldfields Cavalcade to converge at Ranfurly on the same day, for example, maximises visitor patronage for stall holders and entertainment providers, and also creates organisational synergies (e.g. road closures, venue set-ups etc.). The events are sufficiently different so as to not compete for the same services (e.g. accommodation) but combine together to make a more interesting and diverse spectacle for visitors and participants alike. Coordinating passenger drop-offs and pick-ups throughout the district is another example of operators working together to provide a collective transport service that can ensure a regular and consistent level of service delivery. To achieve such gains, operators and events coordinators need to communicate with each other to develop business plans that benefit all parties involved.

Strategic alignment (or clustering) of events around key activities that draw visitors into the region has the potential to turn day visitors into overnight or potentially multi-day visitors. A Christchurch-based couple, for example, may be more likely to travel to Central Otago and stay for one or two nights, if complimentary back-to-back events were held on the same weekend. Event coordinators may wish to consider this when scheduling events to optimise both their own and other event patronage. Strategic positioning of events may also assist in spreading events throughout the calendar year and potentially smooth extremes in demand for service providers.

The strategic alignment of events need not only be restricted to Central Otago activities. There is an opportunity to strategically align Central Otago events and activities with pursuits offered in Queenstown, such as skiing, mountain biking, vineyard concerts, etc. Event coordinators may even be able to leverage off major events – *Warbirds over Wanaka*, for example, includes Clyde Wine and Food Festival and the Highlands Motorsport Park in their list of associated activity options.

Tourism operators value opportunities that enable them to meet together to share information. Several tourism sectors were interested in the development of periodic networking workshops to share ideas, discuss issues, and develop training opportunities. Operators may also gain benefit from linking into the existing business development networks, in Alexandra and Cromwell, so as to get involved and develop relationships with their wider local business network. More information on these networks and other business development initiatives can be sourced through the Central Otago District Council's Economic Development unit (refer to www.centralotagonz.com/economic-development).

Objective:

Events and activities across industry sectors are strategically aligned to draw and hold visitors within the region

Recommendations:

- Encourage utilisation of *Event Finder* as a primary calendar for listing events and activities.
- Encourage event coordinators to work together so that they can share organising logistics and enhance participation
- Encourage operators to strategically align, or cluster, events to entice visitors to the region and encourage lengthened stays
- Continue to coordinate periodic tourism workshops to network and up-skill operators and service providers
- Encourage local business to network with local operators

8.2 Promoting and Packaging Central Otago Experiences

While visitors are often first drawn to Central Otago for a specific event or activity, it is the array of unique experiences on offer that make their holiday memorable and encourage return visitation. Some of these unique experiences include discovering a rural heartland, high country merino, the landscapes, lakes and rivers, heritage, arts, unique climate, world class wines, and local produce including exceptional Central Otago fruit. Tourism operators need to raise awareness of the variety of products, services and attractions that are available within the region. Information should be made available to visitors prior to their arrival so that they can plan for and allow adequate time to make the most of these experiences. Local businesses, and the community at large, must also be educated about the products and services within and slightly beyond their immediate communities so that they in turn can inform and add value to visitor experiences. After all, word-of-mouth promotion is quite possibly the most effective form of localised marketing available for tourism operators and service providers.

There is a desire across tourism sectors to “package” Central Otago products and experiences into a demand-driven suite of experiences. These packages could be marketed as trip options on tourism websites or tailored to suit specific groups or individuals travelling into the region, such as family members and support crew travelling with an event participant. The packages would showcase unique Central Otago offerings, while developing synergies and relationships between operators, and could include a range of activities from throughout the entire district (e.g. a visit to the Highlands Motorsport Park / the wine industry / orchard picnics / lugging in Naseby / viewing a film at the Roxburgh theatre / etc). Activities based in Queenstown and Wanaka could add interest and diversity to these packages, provided that Central Otago remained the hub for activities. Packaged activities could also be developed into self-drive tours – a range of Central Otago options could be made available, from half-day to week-long excursions through the region, and these could be marketed to independent travelers.

Event coordinators could utilise packages by developing itineraries to compliment their events. In addition to event bookings, participants could be offered ‘packages’ that included transport to and from the event, accommodation and eating options, as well as a host of experiences that epitomize Central Otago’s *World of Difference* brand. These travel itineraries could be marketed and sold through travel agents, inbound wholesalers and event coordinators alike.

Another option through collaborative packaging is the development of touring routes (touring routes connect one region to the other) and visitor trails (connect product) to market and expose the range of products and activities available within a single, or subset of, communities. Local attractions in the arts, heritage, wine, cuisine, events and activities could be jointly presented and marketed through self-drive touring maps, similar in design to *The Central Otago Arts Trail* (refer to *Arts* – section 12.9). Touring routes and trails need to be readily identifiable through consistent signage and branding. Promotional information must be compatible with current information technologies (refer to *Signage* – section 11.1 and *Keeping Pace with Technology* – section 10.0).

Central Otago operators need to develop a collaborative approach to marketing. Service providers connected through touring routes have an opportunity to develop collaborative marketing initiatives to raise awareness of their community corridors. At a regional level, TCO leads many marketing initiatives that involve a collaborative representation of the region's offerings. While TCO facilitates and attends tourism expos on the region's behalf, a co-joint presence by TCO and operators could enhance Central Otago's marketing presence, as buyers tend to want to 'see' the operators themselves. Operators may also be better able to draw interest and capitalise on World Stage events (e.g. the Cricket World Cup) if they work together to present a strong product package.

Central Otago needs to foster relationships with neighbouring regions on projects that affect them both – e.g. Clutha Gold Cycle Trail or Central Otago wines. TCO currently works closely with Destination Queenstown on mutually beneficial projects (as discussed in *Utilising Queenstown as a Gateway to the Region* – section 8.3 and *Wine* – section 12.6). There are also opportunities to link collaboratively with tourism agencies outside the region. For example, TCO is a member of SOUTH, a collaborative marketing initiative, led by Christchurch International Airport, with the objective of drawing international visitors into the greater South Island (refer to Appendix Five for more information). The Central Otago District Council is also a member of *Film Otago Southland*, a collaborative organisation designed to attract film makers to the southern South Island (Film – section 12.10)

Tourism Central Otago coordinate a media programme for both national and international media which local tourism operators participate within. This provides a collaborative approach in a cost effective manner to bring media to the region. However, local businesses and tourism operators may wish to co-jointly host media and develop their own relationships with event writers and feature travel publications. Journalists often like to base stories around people or a visitor-based experience – co-joint initiatives could promote multiple experiences and add interest and depth to the story.

One of the barriers to attracting visitors to Central Otago is that we are not part of a touring route. (e.g. Southern Scenic Route). Developing “*A World of Difference*” touring routes that go from Queenstown to Dunedin would give the region a greater profile.

Objective:

Central Otago experiences are packaged to present the diverse array of products on offer, while still catering to individual interests.

Recommendations:

- Where possible, raise visitor awareness, prior to arrival, of the variety of products, services and attractions that are available within this region
- Educate the local community about the range of quality visitor products available in the region

- Encourage Tourism operators and service providers to be aware of and promote other activities in the region that may interest their visitors
- Continue to develop packaged itineraries (fixed price and easy to book) that can be marketed and sold by the industry
- Develop touring routes that link Dunedin and Queenstown
- Continue to develop joint marketing initiatives that promote Central Otago as a visitor destination
- Continue to develop opportunities that create collaborative links with tourism agencies and operators outside the region – e.g. SOUTH, Destination Queenstown, etc.

8.3 Utilising Queenstown as a Gateway to our Region

Central Otago's geographic proximity to one of the most visited destinations in the country – Queenstown - creates its own suite of challenges and opportunities for this region. Queenstown airport is a strategic asset to the Central Otago region. To positively approach and grow our tourism industry Central Otago needs to consider Queenstown as a market opportunity. Visitors do not see boundaries between the two regions and Central Otago needs to utilise the Queenstown tourism market to enhance its own ability to attract visitors.

Queenstown is a well established and sophisticated tourism industry with facilities and events that Central Otago is unable to offer at this time (e.g. an extensive range of luxury accommodation options, large-scale conference facilities, an elaborate array of visitor activities, and year-round night-life activities). Central Otago can however “piggy-back” on Queenstown-based itineraries to create day trips to Central Otago activities and experiences. Central Otago operators can use these opportunities to feed off and learn from the Queenstown visitor industry so as to be ‘export ready’ for future international visitors. There is also an opportunity to capitalise on a growing number of second time visitors to Queenstown who are considering staying only one night in Queenstown and having a longer stay in Central Otago.

Visitors, both international and domestic, know about Queenstown. Central Otago tourism operators can raise awareness and understanding of their own product's location relative to its proximity to Queenstown. For example, Cromwell can be marketed as only a 45-minute drive from Queenstown airport, through jaw-dropping scenery and with minimal chance of traffic congestion.

“Central Otago provides a natural contrast to the hype and adventure seeking of Queenstown; within a one hour road trip through the stunning Kawarau Gorge visitors

emerge into.... a completely different natural experience; everything slows down, including nature.” (Central Otago Wine Story)

Central Otago provides a contrasting product that adds value to the Queenstown experience. There is considerable opportunity to develop marketing initiatives together with Queenstown, as both regions have their own unique stories to tell and can gain value from each other's product. Tourism Central Otago works closely with Destination Queenstown on projects that provide mutual opportunities for the regions and create synergies in marketing and promotion, while safeguarding each region's distinct brands. Any joint marketing initiative should develop the concept that Central Otago is a strong and distinct visitor destination and must protect and grow the Central Otago brand.

Queenstown's International Airport holds real opportunity as a marketing avenue for the region. It is one of Australasia's fastest growing airports and is considered the international gateway for this region. Thirty-two percent of Australian visitors coming directly to the South Island in 2013 arrived through Queenstown International Airport, a staggering 22 percent increase since 2009 (A. 1.5 International Arrivals into New Zealand). Currently Central Otago has very little presence at Queenstown Airport, other than through *Jasons* who distribute the Central Otago Visitor Guide, and this is due fundamentally to the advertising costs involved. Should Central Otago operators wish to try and lure visitors into this region before they become immersed in Queenstown's 'offerings', they may wish to consider a jointly funded marketing initiative for Queenstown International Airport, to help raise the region's profile and potentially draw visitors directly to Central Otago.

Objective:

Utilise Queenstown's visitor base to increase the profile of visitor opportunities within Central Otago.

Recommendations:

- Look for opportunities to develop day trips and excursions from Queenstown-based tourism packages
- Continue to market Central Otago's product locations relative to their proximity to Queenstown
- Develop marketing initiatives with Queenstown on projects that provide mutual gains while still protecting each region's distinct branding and identity
- Investigate opportunities for joint marketing initiatives at Queenstown International Airport

9.0 Service Delivery

Central Otago's tourism industry must respond to and be driven by customer demand if it is to meet and exceed visitor expectations.

9.1 Service Standards

Business operating hours need to meet demand. Service providers (e.g. restaurants, cellar doors, retail outlets, etc) should be regularly reviewing their operating hours to ensure that they are open when potential customers are present so as to capitalise on spontaneous visitor markets. Businesses and service providers also share responsibility in ensuring a base level of service is maintained at weekends, public holidays and during quieter visitation periods (i.e. winter). There is an issue with operators in the region adhering to advertised operating hours, particularly in the food and cellar door sectors. Seasonal fluctuations in demand make it difficult for operators to financially justify opening during quieter periods. This is particularly true for operators providing to the Otago Central Rail Trail, where visitation drops off dramatically during the winter months. Many small operators therefore close their businesses, or severely reduce their operating hours during this period, to enable staff to take a well-earned break. However this creates uncertainty within the industry as to who is available for visitor referrals and can tarnish visitor experiences. A lack of core services, such as food and shelter, can also endanger users.

There is an opportunity for operators and service providers to coordinate opening hours during the quieter season to ensure that a base level of service delivery is provided in each community – wineries, for example, could take turns in providing daily cellar door experiences during periods of low visitation or when they are busy with viticulture processes. Further, operators are responsible for updating, in a timely manner, their community and business associates of any changes in operating hours or service delivery standards. If associated businesses, such as accommodation providers, can be confident that the activity or service is operational then they will be more likely to refer business to them.

Service delivery standards are both a challenge and an opportunity for Central Otago's tourism sector. While it may be argued that the region's level of professionalism is not yet developed to the levels experienced in Queenstown, Central Otago's laid-back and individualised approach to visitors is also one of its key strengths. Central Otago is valued for its genuine people and its real, non-staged experiences. Service delivery staff must be knowledgeable about their products, professional in their delivery and most of all friendly and genuinely interested in their customer. Recruiting the right people for the job is crucial; as is staff training. Some operators, particularly in service sectors (e.g. restaurants, accommodation and cellar doors), find it difficult to attract and hold competent staff. There is also difficulty in accessing regular and succinct (e.g. half-day) training courses to quickly up-skill seasonal and high-turnover positions. Central

Otago is very fortunate to have the Otago Polytechnic Cromwell Campus located within its region and there is an opportunity to utilise and expand on training options provided to:

- Develop short training courses tailored specifically to Central Otago service provider needs;
- Promote the inclusion of information specific to Central Otago (e.g. local produce and Central Otago wines) into service courses so that graduates are knowledgeable and value Central Otago products;
- Encourage graduates to secure work in Central Otago establishments, rather than heading straight to Queenstown.

Operators may also find it worthwhile liaising with other regional organisations that coordinate training initiatives, such as the Otago Chamber of Commerce, to source targeted training options.

Effective service delivery also demands that operators meet (and hopefully exceed) visitor expectations by delivering on promised experiences. Operators may need to be watchful of promoters who create false expectations for visitors, as these need to be managed promptly (e.g. promoters promising you can get merino lamb at every restaurant in Central Otago, and making it impossible for tour operators to deliver the experiences expected by their clients). Operators are individually encouraged to gather information about visitor experiences and expectations through techniques such as client evaluation surveys and mystery shopper evaluations. Data gathered through surveys can be extremely useful in shaping future decision-making within a business. Market research at a regional level could be developed if there was a recognised gap in information already available, but this would have to be funded and coordinated by operators.

Tourism operators and service providers must prepare for and be accommodating to new and changing markets. Because Central Otago has predominantly small owner-operated businesses, it is better able to react quickly to changes in market demand and/or new opportunities. The international travel base offers exciting new tourism opportunities (refer to *Tourism Forecasts* – section 6.4). Operators wishing to capitalise on these markets need to be aware of and respectful to visiting cultures, and make an effort to ensure they feel genuinely welcome – this could be as simple as using customary greetings and farewells, or developing travel brochures and interpretation that are translated into different languages and made compatible to the targeted country's computer technology (social media networks, etc) – national embassies can assist with checking that translations are correct.

Objective:

Central Otago operators consistently provide quality service and delivery standards.

Recommendations:

- Regularly review operating hours to ensure they are meeting visitor demand

- All operators and service providers operate according to their advertised opening hours
- Operators providing menus and price lists to service providers should include “Valid To” dates on the publications
- Operators should work together to ‘share’ the responsibility of ensuring consistent service delivery levels are maintained year-round (particularly during quieter visitation periods)
- Service sectors to jointly work with Otago Polytechnic Cromwell Campus, and/or other training providers, to incorporate Central Otago product into their courses
- Develop regularly-run short service training courses that cater for high-turnover service delivery positions
- Create mechanisms to gain customer feedback on the quality of service and integrate them into service delivery processes
- Operators targeting international visitor markets should learn and understand their cultural nuances

9.2 Accommodation

Demand for accommodation through Central Otago’s commercial providers appears to be steady and increasing (refer to *Commercial Accommodation Monitor* – Appendix 1.3). With the exception of one or two peak demand periods in the calendar year accommodation providers feel they have sufficient capacity to meet current and future visitor demand, provided they work together to utilise the bed spaces available, both within their own towns and in neighbouring communities. To effectively achieve this, accommodation providers need to be familiar with each other’s products so that they can make appropriate referrals to meet expectations for service standards and price. Many accommodation providers actively network within their own towns; however there is an opportunity to extend relationships beyond town boundaries so as to attract and hold visitors in the greater Central Otago region. Networking can also assist providers in sharing ideas, to critique pricing and service delivery standards, and to collectively tackle sector-related issues.

Central Otago currently provides a range of accommodation for visitors to the region. Accommodation standards are predominantly 3 star plus to 4 star plus, with a smattering of 5 star Qualmark-rated offerings. All facilities are owner-operated and many incorporate heritage features that offer uniqueness and ambience to the accommodation experience. A number of boutique Bed & Breakfast and small budget accommodation options have developed throughout the region, particularly in rural areas adjacent to the *Otago Central Rail Trail*. Central Otago is a favorite destination for camping and overnight parking, and these activities are welcomed and valued in this region (refer to *Outdoor Recreation* – section 12.5). The motorhome and caravan

market is a growth market amongst 'Baby Boomers' and New Zealand's ageing population. With domestic tourism on the rise and the dream of owning the kiwi bach no longer attainable for many, motorhomes and caravans are an increasingly popular alternative. Many travel with additional outdoor equipment such as bikes, fishing rods, etc and will stay more than a day in one region. The NZ Motorhome Association in April 2013 surveyed 400 members as part of its internal review of the Motorhome Friendly Scheme. The members were asked to rank the top five areas across New Zealand they wished to travel to in the next three years. The top five regions were the Far North, Central Otago, Nelson-Tasman, Northland and the West Coast.

Commercial accommodation providers are concerned however over the growing number of privately owned holiday homes that are being commercially advertised and rented as short-term accommodation options. The holiday home market has been emerging over the past five years both internationally and locally and now has a significant presence, with 89 reportedly being marketed currently in Cromwell alone. Other accommodation providers have expressed concern that commercial holiday homes need to meet the same regulatory standards as they do and be rated accordingly. Discussions between these sectors are currently underway.

Another potential issue within the sector is the lack of luxury accommodation options, particularly in and around Cromwell. The Highlands Motorsport Park is projected to attract more international visitors into the region and potentially increase demand for 4.5 and 5 star accommodation options. Future opportunities may unfold for development in this area.

Objective:

Accommodation providers work collaboratively to cater for demand and meet visitor expectations for facility standards and price.

Recommendations:

- Accommodation providers should work collaboratively to meet influxes in demand
- Providers should visit each other's facilities to better understand others' products and be better able to make appropriate referrals

9.3 Conferences and Meetings

Central Otago is not currently well set up for large-scale conferences (i.e. 200+ delegates). While Roxburgh, Cromwell and Alexandra all have venues that could cater for groups of this size, the region struggles to provide sufficient accommodation of a similar type in one area), or the range of ancillary services required by larger conference groups. (i.e. break out rooms.) Queenstown's conference industry is well established and provides a range of facility options as well as supporting activities, services and vibrant year-round night-life.

Central Otago does however have potential to be a recognised destination for conference delegates' 'Partners' Day Programmes' from Queenstown and for smaller scaled conferences, meetings and special occasions. A number of venues throughout the region currently host business meetings, team building exercises or corporate social group outings, of 10 – 40 delegates. There is also a steady market in weddings and other special occasions. Facility providers offer their clients a boutique, quality experience with a personal touch. Packages are tailored to individual requirements and can incorporate Central Otago's niche products and activities (e.g. wine tours, fruit orchards, farm tours, cycling, curling, country pubs, etc), with marketing based on quality and uniqueness, rather than price discounts. There is an opportunity to further develop this market sector through small to medium sized businesses in Otago and Southland. Operators may also wish to work together to create packages that could be marketed further afield through travel expo's.

Another opportunity open to facility providers, through networking with local businesses, is to host art exhibitions or product launches – for example, Northburn Station, the Golden Gate Lodge and Highlands Motorsport Park all work with Paper Plus to promote book launches.

Objective:

Central Otago is recognised as a desirable niche location for small conferences, meetings, and special occasions / events.

Recommendation:

- Establish a conference working group of interested operators to develop and drive collaborative marketing for small meetings and conferences
- Establish collaborative conference marketing and packages that can be taken to the market by TCO and the conference working group

10.0 Keeping Pace with Technology

Technology has changed the way that people research their holidays, navigate their way to and around their holiday destination, and book and pay for activities. More and more people are traveling with Smart Phones and they expect to be able to use them! Signage, maps and information produced by Central Otago operators need to incorporate technology (e.g., QR codes, mobile phone apps, website links, etc) so that visitors can readily access information about the activity or location they are currently at, as well as “the package” of activities and experiences that are available for them to experience within the region.

Business websites have become a standard marketing tool and are actively used by people researching the region (Appendix Two). Business operators need to manage their websites to ensure that they remain compatible with changing technology – some older websites, for example, are not compatible with mobile-phones. Operators can increase their business’ profile on web-based searches by creating links with complimentary operator or industry websites (such as the Arts’ collective website – www.centralotagoarts.com), and through increasing ‘discussion’ about the business or service through social media networks. Developing good quality product images is also useful in enhancing business profiles as these can be picked up and used by other promoters or by TCO in targeted marketing campaigns. Online real time booking is a process that is likely to grow over time, as it offers convenience for customers to book products and services at the time of research.

Social media platforms (such as Facebook, Twitter, Trip Advisor, etc.) are changing the way people are doing business and a growing number of tourism operators are using a variety of social media platforms to link their businesses and communication networks to their target markets. Social media enhances knowledge acquisition and networking capabilities, both for operators and potential visitors. It also provides a very public platform for visitors to express feedback on their experiences, both positive and negative, and this is a challenge that operators will need to manage proactively. Social media networks can be specifically targeted to demographic groups and some operators may find it useful to have multiple sites so that they can tailor their marketing accordingly.

Objective:

Information technologies are incorporated into all Central Otago visitor experiences.

Recommendations:

- Ensure visitor information (maps, signage, brochures, etc) is compatible with current technologies (including mobile phones)
- Encourage operators to develop a small library of high resolution photos that portray their business for promotional and media campaigns

- Utilise social media platforms as a useful tool to drive and market business
- Continue to develop real-time online booking opportunities
- Develop training opportunities for social media platforms to operators

11.0 Infrastructure & Compliance

The structures and systems that underlie the orderly functioning of Central Otago are vital to the successful development of tourism businesses and operations.

11.1 Signage

Signage and interpretation relating to tourism activities and services need to have a consistent look and feel, both throughout the region and across service providers.

Road Signage is controlled by the Central Otago District Council through the district plan. New Zealand Transport Agency (NZTA) manages state highways within the district. Each roading authority has their own policy for the provision of signage, however both are based on the Manual of Traffic Signs and Markings (MOTSAM) produced by NZTA. The CODC's Roding Department is currently reviewing its policy relating to discretionary signage. It would be helpful for visitors to the region if all agencies involved in roading signage (e.g. NZTA, CODC, Queenstown-Lakes District Council and DOC) worked together to standardise signage and develop consistent templates for all roads.

There is also potential to further stream-line signage within tourism sectors to provide a consistent message or 'brand' for visitors. Some sectors, such as Heritage, have developed guidelines for all signage relating to heritage trails, and this creates a strong product identity that is consistent throughout the country and across land tenures (ref. *Heritage Trail Resource: A Guide to Developing your Heritage Trail*).

An integral part of the development of "touring routes and trails" is consistently branded and technology-compatible interpretation, as discussed in section 8.2 above. Information kiosks, with maps of the area that include key locations of interest could assist visitors to navigate their own way around various attractions and services in the region. Kiosks could be positioned at strategic locations, such as within town retail sectors or at popular roadside pull-offs (e.g. beside toilet facilities or at popular scenic photographic opportunities). Any roadside kiosks would require resource consent from the CODC. Iconic symbols, used as markers to direct visitors through a tourist or special interest route, provide a distinctive yet subtle guide for visitors, and could be installed on road signs throughout the region, subject to consultation with roading authorities.

Any development of quality signage will require extensive consultation with sector groups, both within the region and nationally. Consultation with the CODC roading and regulatory services teams is also recommended in the development stages of any signage initiative to ensure the design meets regulatory requirements and integrates internationally recognised symbols of the appropriate size and colour scheme.

Objective:

Central Otago's information signs are clear, consistent and informative throughout the region.

Recommendations:

- Continue negotiations with NZTA to develop directional signage to towns and attractions within the region
- Work to ensure signage templates are consistently used throughout the region
- Liaise with CODC's Roading and Regulatory teams in the development of roading signage
- Encourage continued consultation across tourism sectors and between roading authorities to develop consistent and quality signage

11.2 Core Infrastructure

Core infrastructure (such as water, stormwater and wastewater; public toilets; refuse disposal; roading; parks and reserves) is essential in sustaining both the tourism industry and the communities that service visitors. The Central Otago District Council (CODC) plays a major role in providing the region's infrastructure. Additional visitor numbers into the region can pose some challenges to existing infrastructural systems.

Central Otago towns have some of the highest peak per-capita water consumption rates in New Zealand (CODC Drinking Water Strategy 2007). Year-round provision of potable (drinkable) water throughout the region, particularly in holiday spots (e.g. Naseby and Omakau) and along cycle trails, can therefore be a challenge. The Central Otago District Council currently provides potable water, to approximately 13,500 residents through nine public water supply schemes. However only the combined Roxburgh and Lake Roxburgh Village water supply scheme complies with the NZ Drinking Standards. In more remote areas where the water is not treated signage is installed at public toilets etc. (mainly by DOC) notifying users that the water is not fit for drinking. Information on sources of potable water could be included in promotional material provided to holiday makers, in particular cycle trail users. Wastewater disposal can threaten waterway contamination in remote or non-serviced areas (e.g. along cycle ways) if not treated and/or disposed of appropriately.

Central Otago's camping and overnight parking strategy identifies designated camping areas that can cater for non-self contained visitors (*Camping in Central Otago 2010*). Central Otago also has a total of thirteen campervan waste disposal sites throughout the region. These are all

signposted and listed in the Ministry of Tourism's "Finding a Dump Station in NZ" guide, although some are privately owned by Camping Grounds and have limited availability (www.new-zealand-campervan-holidays.com).

Visitors to the region need to be informed and encouraged to use the waste disposal services and facilities that are available for public use.

The strategic positioning of public toilet facilities throughout the region also helps to encourage responsible waste disposal behaviour. The CODC strives to provide a network of public toilet facilities to service the tourist and travelling public (CODC Public Toilet Policy, 2009). The Department of Conservation also supplies and services public toilets on conservation land. The challenges in providing a comprehensive network throughout the region will be to forecast demand and fund facility development and maintenance.

Waste management and minimisation are also managed by the CODC. In addition to providing rubbish collection and disposal services, the CODC runs a waste minimisation programme that focuses on leading, facilitating and educating the community on wiser use of resources and sustainability (Waste Management and Minimisation Plan 2012).

Kerbside recycling is restricted to residents in Cromwell, Clyde and Alexandra, although the Council also provides nine recycling drop-off points and five green waste (organic material) drop-off sites throughout the district. Some commercial operators find it costly to recycle. Rubbish collection and recycling services can also be variable during statutory holiday periods, and unfortunately these are the times of the year when visitor demand for services are often the greatest.

Objective:

Central Otago's infrastructure, including public water and waste facilities, meet the needs of visitors, communities and safeguard the integrity of our natural environment.

Recommendations:

- Service providers should advise visitors (particularly cycle trail users) where potable water may be found
- Educate visitors on the whereabouts of public toilet facilities and waste disposal services
- Determine ways to make commercial refuse disposal and recycling easier during public holidays and/or peak visitor season

11.3 Compliance

The 'destination management' principles critical in the development of a quality and long term sustainable visitor destination require that tourism operators must hold and be operating in

accordance with all relevant consents, permits and operating licenses. The majority of the regulatory processes (permits, consents, etc) imposed on tourism operators have been developed in close consultation with the Central Otago community. For many people setting up a small business, they will only do this once in their life, therefore obtaining the necessary consents might seem daunting if they are unfamiliar with the processes. It is advisable for tourism operators to speak with local authorities about the processes involved before commencing their project, so that all efforts to streamline the process can be achieved. It is also important that the CODC regulatory services team provides clear and helpful advice on processes and requirements, as this will assist operators to get the results they require as efficiently and “painlessly” as possible.

Objective:

Building and environmental health standards are of a consistently high quality across all service providers throughout the region.

Recommendations:

- Encourage operators to seek assistance from local authorities on consent processes prior to commencing their project

11.4 Crisis Management

Crisis management is about preparing for an event before it occurs and having a plan in place to manage any negative impacts on individuals, the business or the industry sector. A crisis within the tourism sector could mean anything from an operator accident through to a major natural disaster. Visitors are particularly vulnerable to natural disasters because they are mobile, difficult to account for and not easy to reach with relevant information (e.g. warnings). Visitor destinations and tourism operators have some responsibility to ensure visitors are protected from disasters, as much as possible, and are assisted and cared for following a disaster.

The devastating earthquakes in Canterbury highlighted the necessity for all tourism operators to have a plan in place, should a crisis occur. A crisis management strategy assesses the risk of what could go wrong, the methods required to reduce that risk, the actions that need to occur should a crisis event occur (e.g. medical services, transportation, etc), and appropriate insurance cover. It should also give a clear indication of appropriate communication lines during a crisis, how to handle the media, and how to minimize negative effects on the rest of the tourism industry.

Having a plan is no guarantee that damage or loss is avoided but it does help in establishing important partnerships and procedures before an event occurs. It also helps managers and operators to act quickly and communicate effectively in a crisis situation. A proactive approach

to crisis management is likely to protect the image of the region as a tourism destination and assist its long term sustainability.

Objective:

Industry operators are prepared for and capable of managing a crisis, should one occur.

Recommendation:

- Tourism operators and service providers to establish and regularly review their crisis management strategies
- Raise the awareness of the role of Tourism Central Otago in assisting operators in crisis management situations.

12.0 Visitor Experiences

Central Otago provides a suite of quality visitor experiences – there are also opportunities to build on existing experiences and develop new ones that will capture and hold visitors within the region.

12.1 Events & Activities

Events and activities are key to drawing visitors to Central Otago – “Twenty-one percent of visitors going to a region for the first time will go to participate at a particular event” (BRR, 2012). Central Otago offers fantastic events for local communities and visitors alike. To maximize the effectiveness of these events and activities event coordinators need to ensure they are well planned, marketed, and strategically positioned to hold visitors in the region for longer. They also need to be evaluating what events work well, why they do, and what opportunities are available to grow and develop new initiatives.

Event Logistics:

Coordinators should be planning and publicly notifying events at least twelve months in advance and posting them on Event Finder (as discussed in section 8.1). This helps to encourage collaboration with other events and allows service providers sufficient time to prepare for and market to participants. Event marketing can be a challenge for coordinators. A simple check-list could be designed however to assist coordinators in developing a timeline of the tasks and processes required to promote and advertise their event. There could also be value in holding specialised marketing workshops for coordinators on sponsorship, communication, social media, volunteers, etc. “Packaging” information about attractions and upcoming events into race packs or pre-event product information, as well as providing trip itinerary options for participants (where possible), provide an excellent opportunity to not only market the region to pending visitors, but also to enhance the appeal of the event itself (as discussed in Promoting and Packaging Central Otago Experiences – section 8.2).

Sponsorship and funding can be a challenge for event coordinators. There is very little corporate sponsorship available in Central Otago, poker machine revenue has reduced nationally, funding from Trusts is focusing more on seeding finance and guarantees and against loss, and local businesses are already being tapped by non-profit community organisations. Events now need to be packaged professionally to attract sponsors, and coordinators need to think creatively when considering who they could approach for sponsorship (e.g. would health professionals be willing to sponsor events that promoted physical fitness /would petrol companies support multisport events that require participants to travel all over the countryside?).

Many events are also reliant on volunteers and there is not the same level of community support as there used to be. The region is fortunate to have a volunteer coordinator to assist in

recruiting volunteers. Coordinators of corporate events may also wish to consider sponsoring a sports club or non-profit activity in return for volunteer assistance.

Events that Work

It is worthwhile periodically considering what Central Otago events work well, and why. Organisers attribute the continued success of the Cavalcade, for example, to qualities such as nostalgia, maintaining a simple concept, creating variety through riding different trails each year, and providing an activity that offers a challenge to participants. There are events, such as provincial sports tournaments and sports club events (e.g. junior soccer), that continue to be successful in drawing people into the region, and around different communities, but are not well promoted or capitalised upon. These events can draw hundreds of players and supporters into an area.

People are attracted to event locations that cannot be accessed on a daily basis. Events held on private land provide an exclusive opportunity to access stunning landscapes and challenging terrain. This unique opportunity is a strong selling point and provides leverage for marketing other trails and activities in the area.

There is a real opportunity in this region to develop more family-friendly and “middle-aged-friendly” events. There are currently very few events on offer that cater for ‘whole family’ participation.

Another new initiative that could be developed is another iconic experience along the Otago Central Rail Trail. A defining feature event, such as a night-light display, could serve to slow people down mid-trail and encourage an extra night’s stay.

Event coordinators should also periodically strategically evaluate whether events are valued by their community and are operating in a way that is in keeping with the essence for why the event was established. The Clyde Wine and Food Festival, for example, has become so popular that organisers were concerned that the event was getting too large and subsequently elected to cut back on marketing to safeguard the quality of their product.

Objective:

Central Otago is known for its quality events that are well organised and promoted.

Recommendations:

- Encourage event coordinators to plan events well in advance, ensuring that public notification occurs at least twelve months in advance
- Encourage event organisers to include information on Central Otago attractions and other upcoming events in event and promotion packs

- Develop a checklist for event coordinators including timelines, development and marketing processes, key people / industries to talk to, etc.
- Coordinators to consider commissioning a travel agent or Visitor Centre to assist with bookings of packaged itineraries for participants
- Encourage event coordinators to present professional sponsorship applications and to look further afield for sponsorship
- Utilise the region's volunteer coordinator and consider non-profit community groups when trying to source volunteers
- Coordinate a workshop on sponsorship, marketing, communication, social media, volunteers, etc., with follow up one-on-one appointments, if required
- Encourage and support local sports events and tournaments that attract people into our communities
- Promote events that offer exclusive opportunities to access land and experiences that cannot normally be reached
- Develop more events that incorporate activities for varied age groups and abilities, and are attractive for entire family groups
- Investigate the possibility of developing other iconic / defining events along the Otago Central Rail Trail that don't conflict with any existing event
- Evaluate long-established events to ensure they are still valued by community and visitors and are still meeting the desired objectives for event organisers

12.2 Cycling

Cycle tourism is an increasingly popular niche market within the global tourism industry. Increased leisure time, the pursuit of a healthier lifestyle and greater awareness of the environmental impact of activities are all factors behind the emergence of cycle tourism. In Europe cycle tourism is growing at a rate of 4% each year, and is forecast to be worth \$10 billion annually by 2020 (The Munda Biddi Trail Foundation Cycle Tourism Factsheet).

Currently, around 4% of international holiday visitors do some sort of cycling sports while visiting New Zealand. These visitors are a valuable tourism market as they are predominantly independent travellers (94%) and tend to stay longer and spend more in local economies during their visit compared to a typical international visitor (TNZ Tourism Special Interest: Cycling, April

2013). Tourism New Zealand anticipates participation will continue to increase and cycling will become a significant attraction for future international visitors (TNZ, Tourism Special Interest: Cycling, April 2013). Cycling is also a very popular recreational past-time within New Zealand that can be fitted around people's lifestyles, is inherently a social activity, and is an easily assessable source of low impact aerobic fitness. Over 10,000 bikes are sold in New Zealand each year (BRR).

In 2009 the government committed \$50NZD million to *Nga Haerenga – The NZ Cycle Trail Project*, which created a series of cycling tracks and trails throughout New Zealand, dubbed the 'Great Rides', that unite to form a national cycle network. These trails are designed as both domestic and international tourism attractions and have been inspired by the success of the Otago Central Rail Trail (New Zealand Tourism Guide, New Zealand's Great (Bike) Rides).

Central Otago now hosts three of New Zealand's 'Great Rides', all of which are managed and maintained by their own respective Trust:

- The Otago Central Rail Trail is 'New Zealand's Original Great Ride'. First opened in 2000, it utilised the then-closed Otago-Central railway access way, between Clyde and Middelmarsh, to create a 150km scenic and historic journey into the Central Otago heartland. The trail traverses rocky landscapes, high country sheep stations and spectacular river gorges, travels through tunnels and over viaducts, and passes through numerous towns and communities that have been revitalized by rail trail users' visitation to the area. The Rail Trail is an easy ride (Grade One) and can be done as a complete trip or in shorter sections, depending on personal preference.
- The Roxburgh Gorge Trail is a spectacular 34km ride between Alexandra and the Roxburgh Dam, following the Clutha *Mata-au* River. The trail offers a wilderness experience through the remote and stunning Roxburgh Gorge – with bluffs rising almost 350 metres either side of the river in some places – and includes a jetboat ferry service in the centre section. It is 'Another World'. The Roxburgh Gorge Trail is a Grade Two plus, or easy level, cycle trail.
- The Clutha Gold Trail travels through a tapestry of diverse landscapes, from the semi-arid dry lands of Roxburgh to the lush green contoured farmlands of Lawrence. This trail takes you on a journey of discovery and offers a unique heritage experience showcasing the area's history from early Maori Moa hunters, to Chinese gold miners, European pastoral farming, the Gold Rush and rail development. The 75km trail can be ridden as a complete trip, or in sections, depending on personal preference, and is a Grade Two (or easier level) cycle trail.

Currently there are two further tracks in the stage of feasibility, Cromwell Gorge and Kawarau Gorge. The aim of these two trails is to be of a similar design standard as the three above and would provide the linkage to Wanaka and Queenstown through to Middelmarsh and Lawrence. This development would see Otago as having the largest continuous cycle network.

Central Otago is a strong destination for cycle tourism. Its strengths are in its unique iconic experiences – phenomenal landscapes, great light for photography, culture and heritage, food and wine and camping opportunities. Its four distinct seasons provide long warm days in summer and dramatic scenic wonderlands in the winter. The region also provides key services and facilities for cyclists:

- A safe and friendly environment;
- An established network of operators who can provide services such as eateries, accommodation, bike hire and servicing, public transport, etc;
- Entertainment activities that can extend cyclist experiences “beyond the ride”; and
- Facilities where cyclists can congregate in the evenings to re-live their experiences of the day.

The goal is to establish Central Otago as New Zealand’s premier cycling tourism destination within the “World of Difference” regional brand context. This will require an excellent base of product and the region is well on the way in developing this. The Central Otago cycling experience is not just about Cycle Trails. While the Otago Central Rail Trail has put the region on the map, there are many other types of cycling experiences available in the region – from high country to road biking, to event participation, short rides and downhill. The social element that encases the cycling experience is equally important – like the coffees, wine, visitor activities, events, heritage experiences, chats with local characters, socialising in the evenings, and good comfy beds. It’s about slowing down and not racing through the region - spending time to soak up the atmosphere and make the most of their ‘holiday with a bike’:

“Our Place, Your Pace”

Tourism Central Otago is proactive in developing a marketing campaign for cycling that provides an over-arching Central Otago story with all the product experiences underneath. The campaign includes a joint venture with cycling event organisers at North Island events, a cycling web site and brochure, a short video clip, coordinating cycling media visits and getting cycling stories published in appropriate magazines. Primarily the target markets are the greater Auckland area and top of the North Island, with Canterbury, Otago and Southland an important audience for weekend visits. Australian visitors are a potential growth market, as they have good access to the region now with direct international flights into Queenstown and Dunedin and frequent connections from Christchurch to Queenstown.

In order for this region to realise its goal of becoming New Zealand’s premier cycle tourism destination there are however some issues within the sector that need to be addressed. Cycling visitors to this region are seeking out a variety of experiences during their stay, but are receiving only fragmented information from some operators and service providers – either because product options are not currently well packaged, or because operators are simply unaware of what activities are currently available in the region. Operators servicing cycling visitors need to know about and be willing to promote local sites and activities, including alternative cycling options and other operators

Service delivery standards along the Otago Central Rail Trail are variable at times, with limited food and beverage facilities available year-round along some stretches of the rail trail, as well as limited directional and information signage in some places (as discussed in Service Standards – section 9.1).

Local businesses could also do more to promote themselves as being “cycle-friendly”. Businesses wishing to attract the cycling market should appear welcoming by implementing initiatives such as having a designated area where bikes may be ‘parked’ or installing signage indicating that cyclists are welcome. They also could be providing simple services, such as lockable bike and gear storage facilities, free drinking water for cyclists to re-fill drink bottles, sell inner tubes and/or provide air to pump tyres up. Town infrastructure – such as designated cycle ways, directional signage and bike storage racks – also reinforce to visitors that cyclists are welcome in the region. Bike racks should be easily accessible and conveniently located at popular cyclist destinations (i.e. within 30 metres).

Mountain biking and downhill riding (otherwise known as single track riding) holds real potential in Central Otago but land access is currently hampering the region’s development of this cycling interest. There are a myriad of single tracks in the surrounding foothills of Alexandra and Cromwell, and throughout the greater district, that are enjoyed and valued by local mountain biking enthusiasts. Many of these tracks pass through privately-owned farm land. While land owners generously allow local use, it is understandable that they are reluctant to have these trails openly marketed for public use. Land owners may be comfortable if access occurred via guided tours by local trustworthy tour guides, or through annual ‘exclusive use’ mountain biking events (refer to *Events and Activities* – section 12.1).

There is an opportunity to market the single tracks throughout the region that do not have access or passage issues. Naseby Forest is a popular mountain biking destination for enthusiasts and family groups alike. The Otago Mountain Biking Club is proactive in developing Naseby as a mountain biking destination and events such as the Naseby 12-Hour race are attracting increasing interest and participation. The forestry’s owner is also very accommodating in allowing the continued access and use of these trails. There is also an opportunity to develop new tracks on public tenure land, particularly grade 3-4 trails of intermediate technical difficulty, to provide “the next challenge” for cyclists who have completed the region’s cycle trails. These publically accessible tracks and trails need to be identified, packaged, and promoted through brochures and technology-compatible publications, which should include information on access, drive times and technical difficulty levels.

Another challenge in developing single track tourism is catering for the different population demographic that the pursuit attracts. Results from the New Zealand Mountain Biker Magazine’s 2012 Reader Survey indicated that 91% of readers were male, and 85% of respondents were 50 years of age, or younger. This compares to the cycle trail market demographic which is predominantly two-fold, attracting the 38–52 year-old age group, that tend to be settled with young families, and the 53–70 year-old age group, who are expecting a level of comfort and are focused on the activities around the ride rather than the bike ride itself.

Current service offerings for mountain bike enthusiasts may be limited, when compared with competing destinations such as Queenstown and Rotorua, with an active year-round night-life and a choice of adrenalin-seeking activities.

Track providers and local operators need to work together to develop quality riding experiences and consistent value-added service. They also need to be ensuring that visitors are educated about the variety of activities, and other riding experiences, that are available within this region.

Objective:

Central Otago communities and operators work together to establish Central Otago as a cycling destination.

Recommendations:

- Encourage local businesses and towns to be “cycle friendly”
- Operators servicing cycle visitors to be aware of and promote local attractions, activities and alternative cycle rides
- Encourage the tourism industry to Support the Central Otago Cycle Trail Trusts’ management of the trails, wherever possible
- Provide an information source on cycling opportunities within Central Otago that includes track technicalities, gradient, access information, etc., and make it available through a free cycling app for mobile phones and i-pads
- Further develop Central Otago cycle presence on *Trip Advisor* to enable visitor recommendations
- Investigate opportunities to develop guided mountain biking tours

12.3 Golf

Golf is a popular recreational activity for visitors. Tourism New Zealand believes there is potential to grow international participation in golf and is investing \$2 million over the next three years to draw these high value visitors into the country, and increase current estimated annual expenditure by international “golf visitors” from \$145 million to \$223 million within three years.

Queenstown is an attractive destination for international golfers and is a target growth market for golf tourism. It is the scenic hub for golf in New Zealand, providing visitors with a choice of premium quality iconic courses – including Jacks Point, Millbrook, The Hills, Arrowtown and Queenstown Golf Courses – all couched within an international tourism resort destination with

five-star accommodation options and a wealth of alternative tourism activities. Courses in neighbouring regions are benefitting from Queenstown's popularity as a golf destination. The Cromwell Golf Course recently completed a \$1 million course upgrade to refine its character as a quality "inland Links" course, thereby providing a fabulous playing contrast to the lush, treed, scenic courses of Queenstown and Wanaka. Subsequently Cromwell Golf Club is drawing more players from Queenstown and specialised golf tour companies, based in Queenstown, are bringing clients to the Cromwell course for a quality golfing experience on a traditional sand-based course.

While green fees at Cromwell from international visitors may have increased in recent times, the main source of visitor interest, as with the other golf courses in Central Otago, is from domestic visitors to the region. Central Otago golf courses attract visitors from throughout the country, but particularly from Otago, Southland and Canterbury. The region is blessed with a range of golf courses that provide their own unique experience for players. The courses are well respected due to the challenge they provide, the environment within they are set, and the congenial climate that Central Otago consistently provides (particularly during Spring and Autumn). Many golf enthusiasts will play several courses during their holiday and Central Otago offers a variety of golfing experiences that are distinctly different, but potentially complementary to, the Queenstown courses. There is an opportunity for Clubs throughout the region to co-jointly market themselves as a regional golfing destination to golf clubs throughout the country. There may also be opportunities for collaborative marketing through Queenstown courses to draw their visitors further into the region to experience "real" rural New Zealand courses (e.g. Tarras). Central Otago clubs may be able to 'leverage' off the major golf tournaments hosted in Queenstown to package and promote its 'boutique' golf courses. The challenge for course providers will be to lure players to these outlying courses.

Annual golf tournaments are a successful means of drawing visitors into the region and generating revenue for golf clubs. There are a number of tournaments currently held in the region that are consistently popular. The Alexandra Golf Club, for example, coordinates the Mens and Ladies Classic tournaments, each of which attracts a field of 250 participants. Both tournaments run over two days which necessitates participants, plus partners, caddies and support people, to stay in the region and utilise local services and facilities. Collaborative tournaments such as the *Trilogy Tournament*, which is jointly hosted by the Omakau, Clyde and Alexandra Golf Clubs, is another example of a two-day event that attracts 250 participants, plus partners and support people, and encourages participants to experience the greater Central Otago region, both through golfing and non-golfing pursuits.

Central Otago's proximity and relationships with neighbouring golf clubs in Queenstown and Wanaka has also enabled the establishment and growth of the *Central Otago Autumn Golf Classic*, an annual tournament which incorporates the Cromwell, Alexandra, Wanaka, Arrowtown and Queenstown golf courses and attracts 500 participants, plus an extra 100 caddies and partners. This tournament draws participants from all over New Zealand, as well as from overseas.

Golf clubs and local tourism operators have an opportunity to capitalise on these tournaments by educating participants, and their support crew, of the activities and services available in the region. Tourism operators and services providers need to be working with golf tournament coordinators to “package” Central Otago experiences within tournament information to encourage lengthened visits, potential return visitation and to choose Central Otago as their ‘base’ for multi-day tournaments that span across into other regions. There may also be opportunities for golf clubs within the region to develop new tournaments or golfing initiatives that can draw additional visitation into the region. Developing relationships with other golf clubs or even corporate entities may assist in the development of these.

Objective:

Golfing enthusiasts are attracted to this region for its range of holiday experiences.

Recommendations:

- Encourage Central Otago golf clubs to work together to develop marketable golfing itineraries
- Jointly market Central Otago as a destination for multi-day golfing experiences
- Encourage tourism operators and services providers to work with golf coordinators to “package” Central Otago experiences within tournament information
- Investigate opportunities to develop new golf tournaments or golfing initiatives that draw participants and supporters into the region

12.4 Highlands Motorsport Park

Highlands Motorsport Park, located near Cromwell, offers huge potential to the region as both an international and domestic tourism destination. There is nowhere else in the world that you can enjoy “the Highlands Experience” – Nestled amidst a stunning backdrop of arid mountains, vine-clad valleys and picturesque lake and river features, Highlands provides facilities and activities that are of international standard and appeal to a broad spectrum of visitors.

Highlands Motorsport Park is designed to cater for free independent visitors and group markets (conferences, incentives and special interest), motor industry as well as race events. The facility incorporates a host of activities and experiences designed specifically for visitors, including:

- A quality restaurant and wine experience, that includes a vineyard experience, an aroma room and tasting facility, so that people can experience Central Otago wines through all five senses;

- The National Motorsport Museum, which also includes activities such as balance bikes and mini golf;
- Conference facilities in the Pit Lane building;
- Laser clay shooting facilities for groups;
- Go kart and dirt buggy experiences;
- Four unique ways to experience driving at speed on an international standard race track: FASTlaps in a Porsche GT3 race car with a professional driver, YOURlaps in a Suzuki Swift sport race car, the Highlands Taxi for an informational tour and a lap at speed, and the Skydive Wanaka V8 Supercar.

Highlands Motorsport Park is changing the landscape of motorsport in New Zealand. Its 4.1km international standard motor racing circuit is designed primarily as a members-only facility and features three complete tracks that can be used at the same time. Only 2-3 actual motorsport events are scheduled each year to ensure that each event is special and attracts international attention. Other sporting events, such as road cycling races and multi-sport events, are also being developed at the venue and are demonstrating the versatility of use that this facility can provide.

Subsequently, Highlands is attracting considerable interest from visitors both nationally and abroad. Queenstown tourism operators are keen to incorporate Highlands Motorsport Park into their visitor itineraries as it adds diversity and offers a special interest to Queenstown experiences. As relationships with these regional and national tourism operators continue to strengthen, so too will demand for the facility. Central Otago tourism operators and service providers have an opportunity to capitalise on Highlands' enhanced tourism profile. Operators may be able to market their products and services directly through Highlands, thus increasing their own profile and extending the range of products that the facility can offer its visitors. Central Otago tourism products could be packaged and marketed alongside Highland's product, and operators may be able to piggy-back on Highland Motorsport Park's profile, to leverage inclusion into Queenstown and other tour itineraries.

Products and services offered by Central Otago providers may need to be tailored to meet the expectations of a visitor base with more of an international mix, and opportunities may arise over time for local operators to develop product that specifically caters for this new visitor-type.

Developing clear and open working relationships across the tourism industry will be advantageous in achieving the potential for the combined development of Highlands Motorsport Park alongside Central Otago tourism operators and service providers.

Objective:

Develop and grow the opportunities that Highlands Motorsport Park offers to this region.

Recommendations:

- Local operators and service providers work together with Highlands Motorsport Park to market and provide their range of products and services
- Investigate opportunities to develop product within the region that specifically caters for the international visitor-mix that is likely to be drawn to Highlands Motorsport Park

12.5 Wine

The Central Otago region is world-renowned for its boutique premium quality wines. Central Otago is the most southern grape growing region in the world and is the only region in New Zealand with a maritime influenced continental climate. The region has greater extremes in daily and seasonal temperatures, and a short growing season, thus making the margin of error for managing Central Otago vineyards much tighter than other NZ grape growing regions. However this unforgiving climate, combined with the region's tapestry of soils, produces wines that exhibit distinct and revered characteristics.

Central Otago's wine industry comprises over 175 vineyards spread across six sub-regions, four of which are located within the Central Otago district (Cromwell Basin, Bannockburn, Bendigo and Alexandra) and the remaining two (being Gibbston and Wanaka) within the Queenstown-Lakes district. The region has over 120 registered brands – Pinot Noir is the most heavily planted variety comprising 78 percent of vines, followed by Pinot Gris (12%), Riesling (4%) and Chardonnay (3%) (Central Otago Wine Industry Draft Tourism Growth Partnership Proposal, 2013). Central Otago sells approximately 50 percent of its wine domestically and the rest is exported around the world (Central Otago Wine Industry Draft Tourism Growth Partnership Proposal, 2013).

Approximately seventy percent of Central Otago growers, wineries and brands are collectively represented and marketed by the Central Otago Wine Growers' Association (COWA). Formed in the late 1980's, the key roles of COWA are to provide technical and professional development for its members, and to act as their representative on the NZ Winegrowers Association. Central Otago Pinot Noir Limited (COPNL) was formed in 2002 as a subsidiary company of COWA and provides the trade marketing promotional arm of COWA. COPNL promotes Central Otago to the wine trade as a premium international wine growing region for quality and distinctive wines, focusing on key export markets including the USA, UK, Asia and Australasia. COPNL also has close alliances with NZ Winegrowers Association and NZ Trade and Enterprise.

The past three decades has seen Central Otago wines develop into a quality international product. However wine tourism has developed in a more ad hoc manner, typically centered around independent travellers or organised wine tours sampling local wine at cellar doors and winery restaurants (Central Otago Wine Industry Draft Tourism Growth Partnership Proposal, 2013). Central Otago has an opportunity to develop itself as a world class wine tourism destination by delivering innovative tourism products and turning high value visitors into brand ambassadors for Central Otago wines (Central Otago Wine Industry Draft Tourism Growth

Partnership Proposal, 2013). The concept of vino-tourism – which focuses on tasting, consumption and the purchase of wine – is based on visiting the location the grapes are grown or wine is made and having wine experiences relating to these activities (Central Otago Wine Industry Draft Tourism Growth Partnership Proposal, 2013). These experiences create a “wow” factor for visitors through not only tastings, but by learning about and experiencing the Central Otago ‘wine story’. Central Otago’s wine story is part of the *Central Otago: World of Difference* brand. Central Otago has a clean grape growing environment – due largely to the region’s isolated and vast arid landscapes – and is described as an artisan wine region due to the passionate hands-on involvement of the individuals involved in running these predominantly family-owned wineries (The Central Otago Wine Story 2013). These special traits of Central Otago wineries are what makes this region unique and memorable. Central Otago’s wine tasting restaurants and cellar doors should encourage opportunities for visitors to meet and interact with the personalities who have contributed to producing the wine, and should develop “behind the scenes” opportunities for visitors to experience the processes involved in making Central Otago wines – currently only limited opportunities are offered, potentially due to regulatory concerns with having visitors present in a workplace environment. Natural experiences, such as walking through the vineyards, or tasting wines between the vines that grew the grapes, provide a hands-on and unique experience for visitors. Video tutorials on the processes involved in making an individual wine label could also be used as an educational alternative. Clear and consistent signage, coupled with quality technology-compatible publications, are ways of further disseminating information about the regions wine itineraries and trails. Delivering great authentic wine experiences, that are tailored to individual visitors’ level of engagement, provide insight and add personality to Central Otago’s wine story and develops innovative wine tourism products that can be promoted by word-of-mouth and personal recommendations by participants (Central Otago Wine Industry Draft Tourism Growth Partnership Proposal, 2013).

Knowledge of the Central Otago wine story needs also to be disseminated throughout the local community. Local tourism operators, service providers and the community need to understand not only the international value of Central Otago wines, but the positive impact that this sector can create for visitors to the region. A number of opportunities exist to develop and foster local support. Wine products can be packaged with events and activities that are drawing visitors into the region (as discussed in section 8.2 – Working Together). Pre-season Cellar Door familiarisation tours for tourism operators and service providers based both in Central Otago and Queenstown-Lakes districts can enhance product awareness. Wine growers can also be encouraging service providers (e.g. local restaurants, cycle trail operators, wedding function coordinators, etc.) to offer Central Otago wines on their menus, as they can add ‘uniqueness’ and value to their experience. Wine growers may also wish to encourage the Otago Polytechnic Cromwell Campus to incorporate Central Otago’s wine story into their service training courses, and to develop short training courses specifically for service staff working in Central Otago wineries and restaurants.

Consistent service delivery standards at wine tasting facilities are essential in maintaining the continued support of local operators and the community. A selection of facilities need to be consistently open year-round in each sub-region to protect the integrity of the experience (refer

to Service Standards – section 9.1). It may be financially challenging, particularly for smaller operators, to open during quieter visitation periods. There is potential, however, for several businesses to consolidate tastings to a single venue, thereby sharing staff, overhead and compliance costs. Wine growers may also wish to work together in developing a representative group that could take a lead in liaising and guiding stakeholders in wine tourism (Central Otago Wine Industry Draft Tourism Growth Partnership Proposal, 2013).

Wine events, such as Clyde Wine and Food Festival, the Wine and Food Festival in the Cromwell Heritage precinct and within the Alexandra Blossom Festival, have proven successful in encouraging the responsible enjoyment while raising the profile of Central Otago wines. There is an opportunity to introduce another one or more such events, preferably during winegrowers' off-season, so they are better able to actively participate. Cellar door operators may also find value in hosting small events, such as book launches and art appreciation evenings, to draw awareness to their own wine label.

Marketing opportunities also exist alongside Queenstown. Co-joint marketing opportunities can be beneficial to both regions as they each have their own their unique products and “stories” and can feed from one another – i.e. Central Otago offers a range of natural wine growing experiences for visitors, whereas Queenstown offers a greater visitor base and visitor packages that Central Otago producers can link into (e.g. packaged discount vouchers for skiers, conference packages, etc). Tourism Central Otago works closely with Destination Queenstown on wine projects that provide mutual benefits while still recognising each region's distinct uniqueness, as discussed in *section 8.2 – Promoting and Packaging Central Otago Experiences* above.

Objective:

Central Otago is valued for its exceptional wine experiences, generated through sampling quality product.

Recommendations:

- Develop innovative opportunities for customers to meet and interact with the growers, wine makers, and local personalities and to be taken “behind the scenes” for unique insights into Central Otago's wine story
- Develop memorable wine products and experiences that will convert high value wine tourists into Central Otago wine ambassadors who will market and promote Central Otago products upon their return home
- Encourage Otago Polytechnic Cromwell Campus to incorporate Central Otago's wine story into their service training courses, and to develop short training courses for Central Otago service staff

- Encourage wine tasting facilities / Cellar Doors to work together to market and promote wine tourism and to ensure consistent quality product is available year-round
- Encourage local operators to use and promote Central Otago wines and wine tours
- Investigate opportunities for consolidating smaller localised wine tasting facilities into a single venue, to assist with operating and overhead costs
- Explore opportunities that educate and inform Queenstown-based clients about the wine labels and tours that are available in Central Otago
- Develop additional local wine event(s) during the wine growers' off-season so that they are better able to participate
- Investigate joint initiatives with local artists and businesses to collaboratively enhance awareness of the products.
- Tourism Central Otago and Destination Queenstown to work together to market Central Otago as a wine destination

12.6 Food

Central Otago offers foods and flavours that are different to other regions. Restaurants, cafes and service providers throughout the region have an opportunity to showcase our locally produced foods and market these food experiences.

Central Otago boasts a wide range of locally grown produce –stone and pip fruits, vegetables and herbs, farm produce, game meats, locally produced cheeses, chutneys and sauces – the list goes on. Visitors to the region are travelling amongst the growing environment and experiencing first-hand the climate and picturesque landscapes that these foods are being produced in. There is a desire and expectation to be able to experience these products while in the region, and potentially even source them upon their return home. It is therefore important that restaurants and food providers utilise locally grown products and showcase them on their menus depending on availability and cost. Sourcing locally produced foods can be a challenge for operators and wholesalers due to a lack of information. Developing a directory of food producers could assist with this. Better communication and networking amongst food producers is also recommended, to raise awareness of each others' products and develop opportunities for collaborative marketing.

Sourcing foods symbolic to this region can also be a challenge. Visitors have an expectation to see locally raised farmed meats on menus – merino lamb, for example, is an excellent option for restaurant menus as it cannot currently be sourced in supermarkets. Restaurant operators commented how they would like to build a dish around locally raised meats but find it difficult to trace animals that are killed at large abattoirs. There is also demand for wild game in

restaurants, however these meats are costly to source through legitimate means and make the dishes expensive to produce. Whether or not restaurants include such dishes on their menus is dictated by how operators choose to identify themselves within the market (e.g. casual versus fine dining).

Central Otago offers several opportunities for producers to create “garden to table” experiences. Guests at Northburn Station, for example, can look out the restaurant window and see the vegetable and herb gardens that contributed to their meal. Visitors enjoy hands-on food gathering and preparation experiences, such as orchard tours that enable visitors to learn the processes involved in growing and harvesting fruit, and to pick their own. Farmers Markets also provide an excellent opportunity for people to not only source local produce, but meet the growers and learn about the processes involved in creating that product. There is potential to utilise the ambience of Farmers Markets to expose the variety of quality fresh produce on offer in this region. Community response has indicated that there is currently a shortage of fresh produce at the Cromwell Farmers Market and this is an opportunity that could be developed.

A further opportunity for Central Otago food producers is through our packaging and marketing. Christmas gift packs containing Central Otago produce provides a strong message about quality products with a distinct point of origin. Taking samples of Central Otago produce to tourism expos has also proven very successful for TCO in raising the profile of Central Otago produce as well as adding another dimension to the travel experience on offer. All packaged food products should include on-line sales and mail order opportunities.

Objective:

Central Otago produce and food experiences are sought after and celebrated, and promoted on regional menus, at growers markets.

Recommendations:

- Encourage local restaurants, cafes and other food providers to source and showcase local produce
- Develop a directory of Central Otago food producers
- Investigate the possibility of re-establishing a Food Producers Network
- Develop opportunities for sourcing cost-effective game meats and locally produced farm meats
- Develop “garden to table” experiences within the hospitality industry, and ‘hands on’ orchard tour opportunities
- Encourage multiple stalls of fresh produce at Central Otago Farmer's Markets (i.e. Cromwell)

- Continue to include samples of Central Otago produce (with product order forms) at regional expos, conferences, etc.

12.7 Heritage

Central Otago's heritage is an integral part of the "World of Difference" brand – it is distinctive and visible, illustrates our landscapes, and connects people with the region's "stories". Heritage is one of the back-stories to the visitor experience – it gives charm and ambience to the region and provides a glimpse into the way these lands have shaped human existence and ingenuity over the years.

Central Otago communities have a strong connection with heritage and a desire to see it valued and celebrated. *Towards Better Heritage Outcomes for Central Otago* is a district-wide heritage strategy, developed in 2012 to identify, protect, manage and preserve heritage. One of the visions of the strategy is for heritage to be celebrated, promoted and enjoyed by locals and visitors alike. Encouraging the use of heritage in tourism promotion provides an opportunity to achieve this.

Heritage is of interest to all age groups. The "baby boomer" generation has traditionally been considered more interested in heritage, however younger generations (e.g. overseas backpackers, particularly Australians), are also interested and are seeking out information on family genealogy, through gold mining records, etc.

Heritage appeals to both domestic and international visitors, although their experiences tend to be different. In general, international visitors are unaware of the region's heritage values until they arrive here and happen to discover heritage opportunities through other planned activities. There are also a number of domestic visitors who, upon their first visit to Central Otago, are surprised by the wealth of heritage on offer within the region. These visitors are more likely than international visitors to return to the region, and on doing so, are more likely to delve deeper into the region's heritage stories to gain a richer travel experience. Central Otago therefore needs to be providing different heritage products and experiences for visitors to the region. International visitors need heritage experiences to be packaged around the activities that they come to see and do. Our heritage accommodation and picturesque heritage villages need to be marketed and celebrated. Heritage sites and stories also need to be incorporated into packaged touring routes (as discussed in *Promotion and Packaging of Central Otago Packages* – section 8.2). Promoting the character of events that showcase heritage also helps to raise awareness of our heritage stories (e.g. The Cavalcade, Rail Trail Duathlon, Rural Art Deco event, St Bathans Village Fete, etc.) and more of these events could be developed.

Information must also be readily available for visitors who want to delve deeper into our heritage stories and wish to do so independently. Heritage must be visible and easily accessible for visitors. Clear and consistent signage, coupled with quality technology-compatible publications, are essential for enabling visitors to independently research the heritage possibilities open to them, either upon arrival to the region or before they embark on their journey. Local

communities are also an invaluable marketing resource and they need to be aware of the region's heritage values so as to direct and inform visitors. Residents with local knowledge also should be encouraged to participate in historic talks and guided tours.

Self-guided tours around historic community buildings, engineering feats, museums and artifacts have proven very successful throughout the region. Informative self-walk tour brochures are currently available for Naseby, St Bathans, Ophir, Alexandra, Clyde and the Nevis Valley; and self-drive tour brochures for the Maniototo, Thomson's Gorge and Dunstan (Clyde/Earnscliffe/Manuherikia). There is an opportunity to further develop brochure touring routes around heritage sites. Central Otago has one of the highest proportion of museums per capita in Australasia – there is an opportunity to coordinate these twelve museums plus private collections throughout the region. Similarly, an objective of the *Central Otago Cemeteries Strategy 2010* is to create electronic records of sites and headstones of our historic cemeteries – this information could be made available to the public as a self-guided cemetery tour. There is also an opportunity for local community museums to coordinate occasional historic talks and guided walks around their local area.

An opportunity exists to integrate the region's heritage experiences into one heritage trail publication, akin to the *Central Otago Arts Trail*. Integrating heritage packages across regions could also raise awareness of Central Otago product – there is potential, for example, to work collaboratively with Queenstown in marketing heritage tourism with Arrowtown and Macetown alongside Central Otago gold mining sites and settlements. The challenge in managing these types of opportunities is to develop a single unifying branding while still maintaining individual community identities.

Objective:

Heritage is celebrated as an integral part of the visitor experience and community identity.

Recommendations:

- Continue to support the Heritage design guidelines for the development of signage, publications via the internet
- Ensure all heritage brochures and publications are compatible with technology and linked to other tourism event and operators websites, where appropriate
- Develop more events that showcase heritage – e.g. could some of the 150th celebration events become annual occurrences?
- Continue to collate information on our Central Otago cemeteries within one website
- Consolidate all heritage trails into one heritage brochure

- Investigate opportunities to work with Queenstown in developing collaborative heritage tourism packages, combining features from both regions

12.8 Arts

The Central Otago arts sector has developed significantly over the past five years, such that its organisational structure, collaborative promotional resources and networking achievements are now highly regarded across the tourism sector. This development has been largely driven through the *Central Otago Arts Strategy*. Developed as an action point from the *Central Otago Tourism Strategy* in 2008, the Strategy has given structure and direction to the arts movement within the region.

The *Central Otago District Arts Trust* (CODAT) is the community organisation responsible for implementing the Arts Strategy. This Charitable Trust is funded by the Central Otago District Council and employs a part-time Arts Coordinator who follows through the objectives outlined in the Arts Strategy, liaises with the artists and art groups in the region, and works toward better representation and greater opportunities.

CODAT has developed the Central Otago Arts Website (www.centralotagoarts.com), which is dedicated to Central Otago arts and includes:

- An Arts Events Calendar,
- The *Central Otago Arts Trail* (a self-drive tour throughout the region that enables visitors to personally meet artists in their studios and visit their galleries),
- Profiles of individual Central Otago artists,
- Upcoming workshops and art awards, and
- A list of venues available throughout the region for hosting exhibitions and workshops.

The *Central Otago Arts Strategy* was superseded in 2013, and a new set of goals and objectives have now been developed for the sector. One of the four focuses for the 2013 Strategy is to develop Central Otago as an arts destination. Actions to achieve this include:

- Design an action plan to develop Central Otago as an arts destination;
- Explore opportunities for collaboration with neighbours to achieve this goal;
- Educate and encourage organisations, businesses, community groups and individuals to aspire to the values of Central Otago's Regional Identity brand;
- Promote the *Central Otago Arts Trail*;
- Explore ways in which to build on, promote and market current arts festivals, events, products and activities within the region;
- Encourage artists within the region to network, share knowledge, and coordinate art events.

The *Central Otago Arts Strategy 2013* acknowledges that simply developing and growing the arts scene in Central Otago will not be enough to attract visitors from the wider regions. To truly strive towards Central Otago becoming an arts destination, all sectors within the community need to work together to create an unforgettable quality experience for the visitor.

Objective:

Central Otago is a renowned arts destination, and arts-related festivals, events, products and activities are integrated into visitor offerings.

Recommendations:

- Support the *Central Otago District Arts Trust* in their quest to develop Central Otago as an arts destination
- Incorporate arts-related festivals, events, products and activities into visitor information packages
- Build from the *Central Otago Arts Trail* to develop diverse and informative self-guided visitor tours that showcase the many treasures that Central Otago has to offer

12.9 Film

Feature films, documentaries, advertisements or still shots that tastefully present Central Otago to national and international audiences raises the profile and desirability of this region as a visitor destination. Screen production activity can also generate both economic and social benefits to communities.

Central Otago has much to offer the film industry – it is the driest region in New Zealand with sharply defined seasons – summers are hot and low in humidity, winter mornings are often misty and windless, and the nights freezing. Internationally renowned feature films, such as *Lord of the Rings*, *50 Ways of Saying Fabulous*, *In My Fathers Den* and *The Hobbit* have all utilised Central Otago landscapes and resources.

While Central Otago currently lacks much of the infrastructure and services needed for large-scale filming projects, it is only a short drive from resources in Queenstown, and provides a fabulous scenic contrast to neighbouring regions. The combined offerings of Otago and Southland include stunning, pristine alpine landscapes, majestic fiords, rocky crags, waterfalls, rivers, beaches, farms, vineyards and historic towns – this package provides a strong marketing opportunity for shooting a huge range of film, features, television commercials and stills productions (Source: www.filmotagosouthland.co.nz).

Film Otago Southland is a collaborative organisation that encompasses the six most southern regions in New Zealand – Queenstown Lakes, Waitaki, Dunedin, Clutha, Southland and Central Otago. The objective of *Film Otago Southland* is to attract film makers to the southern South Island by demonstrating its commitment to being a ‘film-friendly’ location. *Film Otago Southland* is the third largest production centre in New Zealand, with an established industry and infrastructure in the film offices of Film Queenstown and Film Dunedin. Support from the

Central Otago, Clutha, Waitaki and Southland districts assists in providing a seamless production experience by having the necessary processes and policies in place to meet screen production industry needs without compromising statutory obligations. The Central Otago District Council is a subscribed member of *Film Otago Southland*. TCO assists *Film Otago Southland* with enquiries from film and location scouts, such as access to proposed location sites, introductions to landowners and affected stakeholders, etc.

Film viewing opportunities have also developed throughout Central Otago. The Roxburgh Community Theatre now has high quality projection equipment and can seat large audiences into their facility. Boutique film cinemas are now also available in Clyde and Alexandra.

Objective:

Nurture film opportunities that add value to our businesses and communities while still safeguarding environmental values.

Recommendations:

- Continue involvement in *Film Otago Southland*
- Promote and utilise film cinemas within the region as an additional entertainment option for visitors to the region

12.10 Outdoor Recreation

Outdoor recreational activities are a key draw-card for visitors to this region. Central Otago's massive, largely unpopulated, landscapes, rivers, lakes and distinct four-season climate creates an inviting location for a diverse range of recreational activities, such as water sports, organised sporting activities (e.g. bowls, cricket, etc), picnicing, camping, hiking, rock climbing, cycling, trail biking, four-wheel driving, gold panning, air activities, back country experiences ... the list goes on. The region is fortunate to encompass vast expanses of land, such as the *Oteake Conservation Park* behind St Bathans, developed specifically for public recreational use.

Demand for outdoor recreational pursuits continues to grow. There are now more outdoor recreational activities than ever before and expectations have risen from users as to the quality, accessibility and standard of activity on offer. Pressures facing outdoor recreation include:

- Conflicting use of the same facility (e.g. managing shared use of formed tracks by walkers and mountain bikers);
- Human waste and rubbish disposal issues;
- A lack of geographical information (signage, route guides, etc); and
- Issues in accessing some facilities (road/track maintenance; passing through private land; etc).

Two fundamental recommendations from the *Central Otago Tourism Strategy 2008* were to develop an outdoor recreational product strategy and a management strategy for camping and overnight parking, to help manage these pressures.

The *Central Otago Outdoor Recreation Strategy* (COORS) was developed in 2012 by the Central Otago District Council, in consultation with the community, Department of Conservation and interested clubs and organisations. This ten-year Strategy identifies Central Otago has having the potential to be a major outdoor recreation area in New Zealand and provides measures to assist in managing the complexity of outdoor recreational activities on offer. The Strategy identifies future opportunities that will maintain the region's resources and enhance its truly distinctive outdoor experiences, while protecting their effects on one-another, the environment and local communities. There are numerous opportunities to develop tourism ventures within Central Otago's outdoor environment.

The Camping in Central Otago Strategy was developed in 2010 in response to nationwide public concern about the impact of camping on our environment. Central Otago is a popular destination for camping due to its great climate, lakes for water activities, and ease of access for our Southland and Otago neighbours. *Camping in Central Otago* recognises that the region wants to be identified as a camping destination for holiday makers. The objective of strategy is therefore to provide a holistic approach to management of camping within Central Otago. The management of camping needs to reflect the varying demands of camping and identify suitable places where self contained (all ablution facilities included), non self contained, and open air (tenting) camping may occur, while still enabling environmental impacts (waste, litter and fire risk) to be managed. The ongoing role of tourism operators, and the community alike, is to ensure that visitors are educated and informed as to where these camping sites and designated waste disposal areas are located. Tourism operators may also wish to consider opportunities to market to this growing demographic.

Objective:

Central Otago's diverse range of outdoor recreational opportunities are valued and enjoyed by visitors and local communities alike.

Recommendations:

- Utilise the *Central Otago Outdoor Recreation Strategy* and the *Camping in Central Otago* strategy to guide the development of outdoor recreational experiences
- Incorporate Central Otago's numerous outdoor recreational opportunities into marketing and promotional material about the region

12.11 Cruise

The cruise industry has firmly established itself in New Zealand as a major component of the tourism sector and contributor of economic value. More than just floating hotels, cruise ships have the unique ability to provide a town or city with anything from 100 to over 3,500 new visitors for a day (or more) in one visit. Many of these visitors come ashore with the intent to explore and experience the attractions, shopping and culture of that town, city or region, and are prepared to pay well to do so.

The recent 2012-13 season saw 129 cruises bring 211,400 visitors to New Zealand. This resulted in over 1.14 million passenger port days across the country and 68,200 exchanges. The total value added by the industry across all New Zealand regions was \$310m – Otago received \$31.5m value added from vessel related spend, around 75% of which came from passenger spend (Economic Impact of the NZ Cruise Sector, 2013). This indicates the importance of making sure passenger demands are well catered for in the regions, as this is primarily where the value of the industry is coming from.

Before cruise ships berth at ports in New Zealand the passengers onboard have had an opportunity to purchase onshore day (generally 5-6 hours) excursions to explore the surrounding city/region. Some packages are overnight with passengers disembarking and travelling overland to re join the cruise ship at the next port destination. These excursions are operated by inbound operators in association with cruise lines. Special interest tours of cruise and coach packages are now available from the Australian market. These packages are generally between 15-28 days with the coach component visiting key regions and the cruise component around New Zealand.

Central Otago product features in overnight excursion packages between Dunedin and Milford Sound, with a lunch visit as groups travel to or from their overnight destination of Queenstown. There is the opportunity for operators to develop high quality day experiences incorporating into the overnight packages from Port to Port, particularly if the coach option to cruise packages continues to develop and grow. Generally the product package needs to cater for 10 – 100 people and provide a quality, high standard of service.

Objective:

Central Otago is recognised as an attractive and viable option for the Cruise industry.

Recommendations:

- Continue to work closely Inbound Operators involved in the cruise market to provide an awareness of product available in Central Otago

APPENDICES

Appendix One – Data Sources

Information on tourist behaviours and perceptions has been gathered from the following data sources:

A 1.1 Regional Tourism Indicators (RTI)

Regional Tourism Indicators (RTI) are compiled by the Ministry of Business, Innovation and Employment to measure change in visitor expenditure by region, and nationally, relative to 2008 (when New Zealand's economy was at its most buoyant). The RTI reports on domestic as well as international expenditures and allows comparisons over time or between Central Otago and other regions.

Expenditure is measured through credit card transactions. International tourist data is sourced through the Paymark network, which is used by approximately 70% of New Zealand's retailers. It should be noted that Asian tourists are not well represented in this category as many of their activities are pre-booked and they tend to use their own independent banking system.

Domestic data is sourced through BNZ transactions, which comprises approximately 20% of New Zealand's card market with a representative geographic spread. Domestic tourist transactions are identified as those made outside the cardholder's "home" region. Corporate business cards are not included in this measure.

Data from 2008 is indexed at 100, and future expenditure is reported relative to this base rate. No inflationary adjustments have been made on the data over time, and a 2% annual increase to the 100 index should therefore be included to reflect this (i.e. this would mean that the inflationary-adjusted index for 2013 should actually be 108).

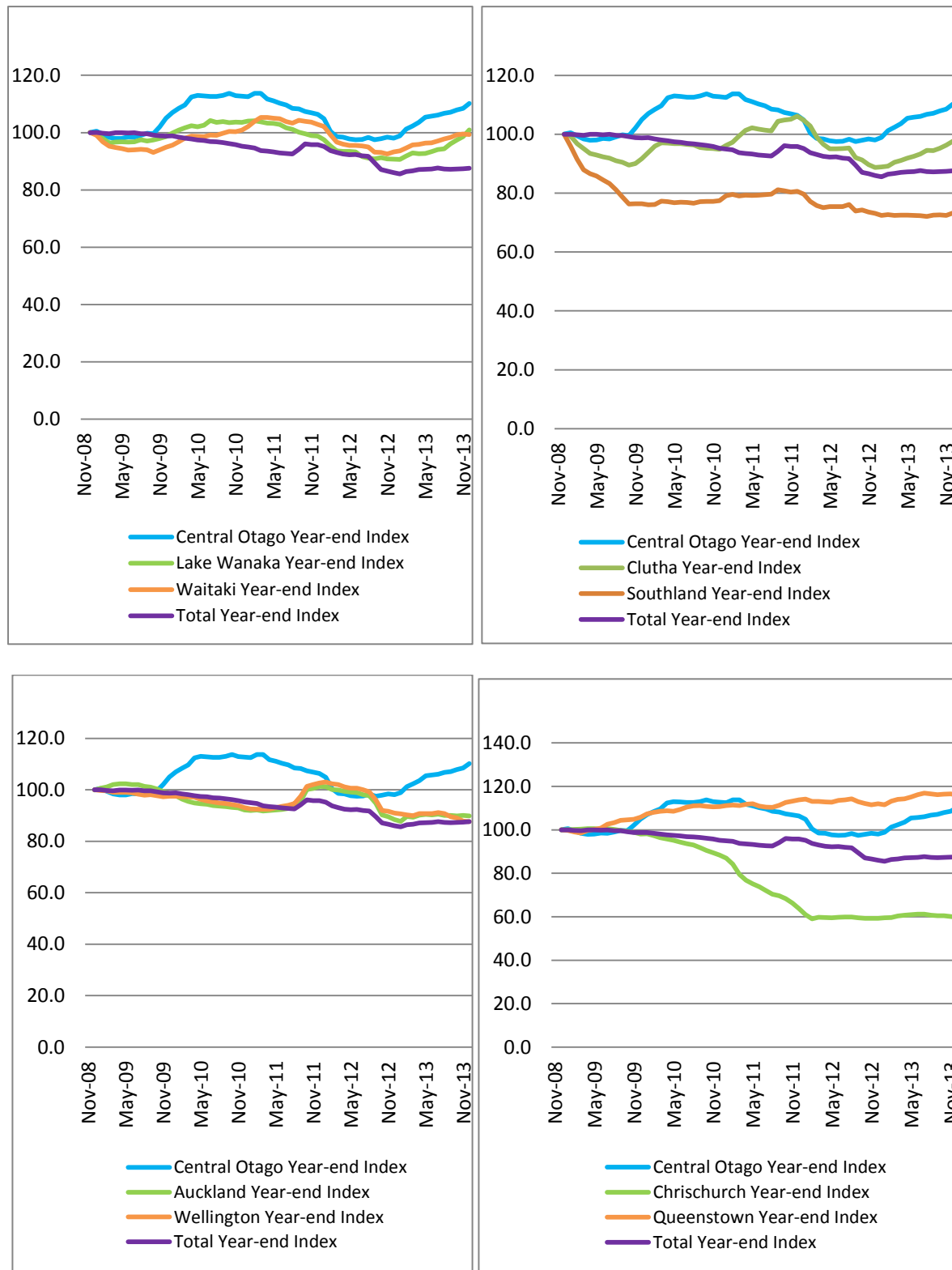
Key Findings:

- Annualised rolling indexes for international visitor expenditure in Central Otago up to December 2013, relative to neighbouring regions, regions with an international airport, and total spend in New Zealand are displayed in the graphs below.

International visitor expenditure was significantly higher in Central Otago relative to other regions (excluding Queenstown) and nationally during 2010 and 2011 with an average index of 113 from April 2010 through March 2011 (representing a 13% pre-inflation adjusted increase since 2008) although it dropped to 98.8 (a 1.2% decrease in expenditure) in 2012. 2013 has again seen strong growth in visitor expenditure, with an average index of 105 for the year, and peaking at 110 in December 2013. This is in contrast to other regions in New Zealand (excluding Queenstown with 115 for 2013) with the national average sitting at only 87 for 2013, which is only 79% of the levels experienced in 2008, taking 2% annual inflation into account. Christchurch is yet to recover from the 2010-2011 earthquakes and has flat-lined at 60% since January 2012.

Though International expenditure rates in the Central Otago region is showing promising signs of recovery it should be noted that the averaged index for 2013 is still only 97% of the levels experienced in 2008, taking 2% annual inflation into account.

Change in International Visitor Expenditure by Region, since 2008

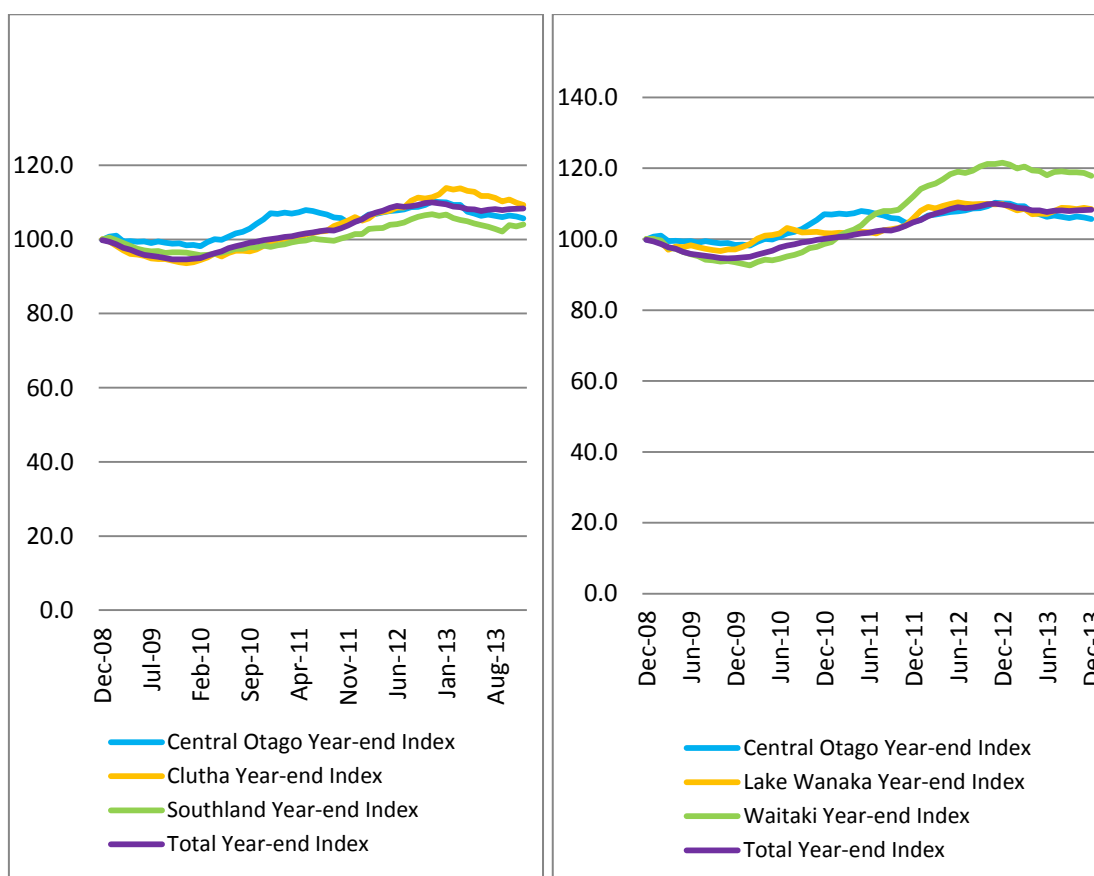


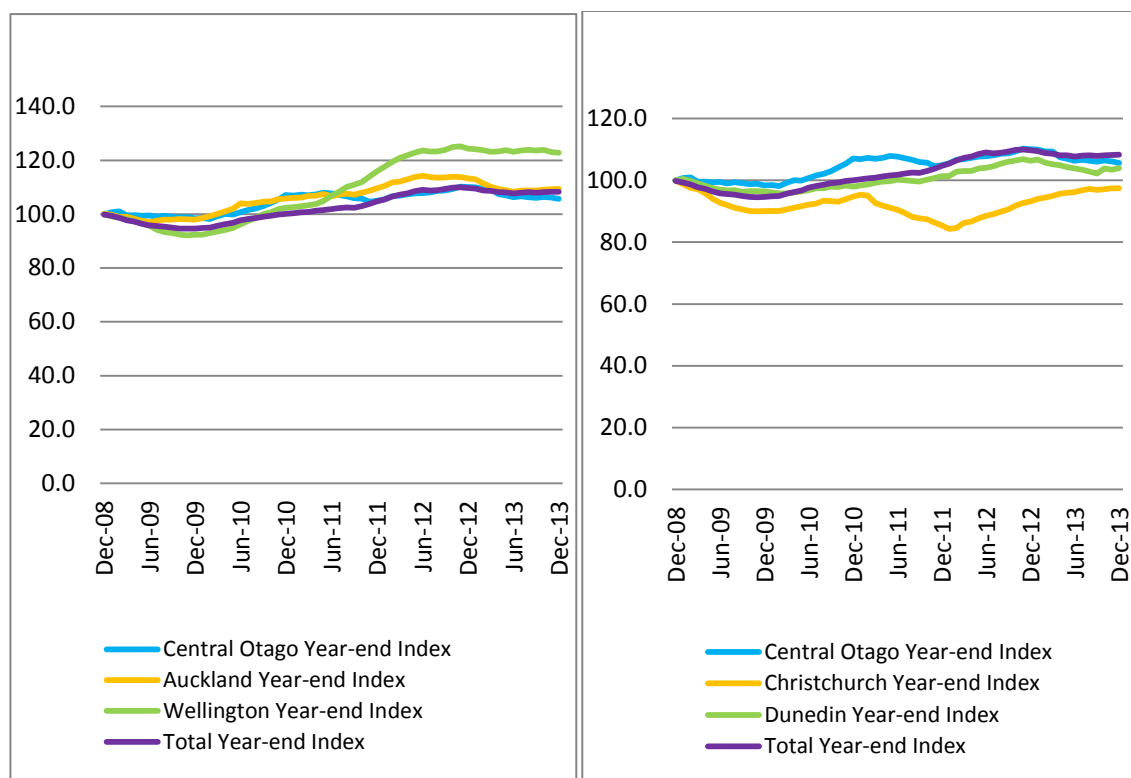
- Annualised rolling indexes for domestic visitor expenditure in Central Otago to December 2013, relative to neighbouring regions, regions with an international airport, and total spend in New Zealand is displayed in the graphs below.

Domestic expenditure has experienced slow but steady growth since 2010. Central Otago is tracking similarly to its neighbouring regions recording an average index of 107 for 2013, which represents a 7% increase in expenditure since 2008. This compares to Southland at 104 (4% increase), Clutha at 111 (11%), Lake Wanaka at 108 (8%) and Dunedin at 104 (4%). The national average for the same period was 108. Domestic expenditure in the Waitaki region has been consistently stronger than other regions, at 119 for 2013, and Wellington is showing particularly strong growth, relative to other metropolitan areas, recording an average of 123 during 2013. In contrast to international expenditure, domestic expenditure in Christchurch has been increasing since the beginning of 2012 – this may be caused in part by tradespeople working in the city temporarily to assist with the post-earthquake re-build.

2013 data indicates that domestic expenditure may have reached the inflation-adjusted levels of 2008 (i.e. 108 less four years of 2% inflationary adjustments) and the Central Otago region is taking only slightly behind this at 99%.

Change in Domestic Visitor Expenditure by Region, since 2008





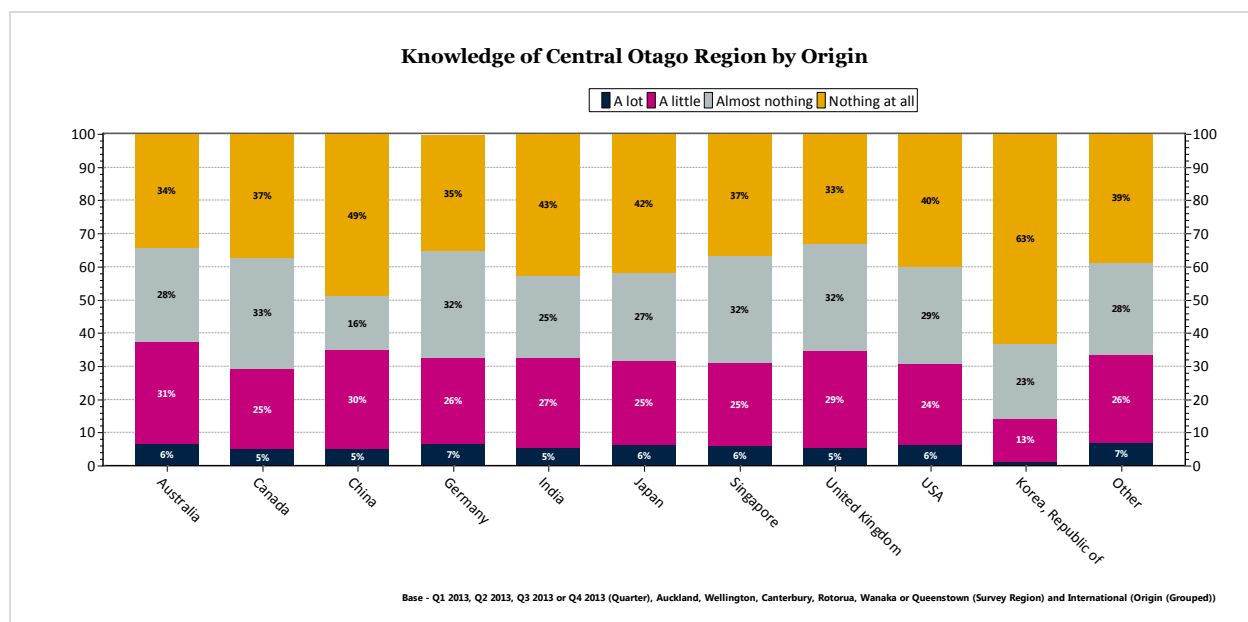
A 1.2 Visitor Insights Programme (VIP)

The Visitor Insights Programme identifies domestic and international tourist awareness of Central Otago as a tourist destination and their knowledge of the experiences associated with the region. The data is gathered through quarterly surveys of 300 visitors (aged 15 years +) in each of the following six regions: Queenstown, Lake Wanaka, Christchurch and Canterbury, Wellington, Rotorua and Auckland.

Tourism Central Otago is a regional subscriber to the survey, using the data to assist with marketing and management of Central Otago as a tourism destination. The survey has been operational since 2011.

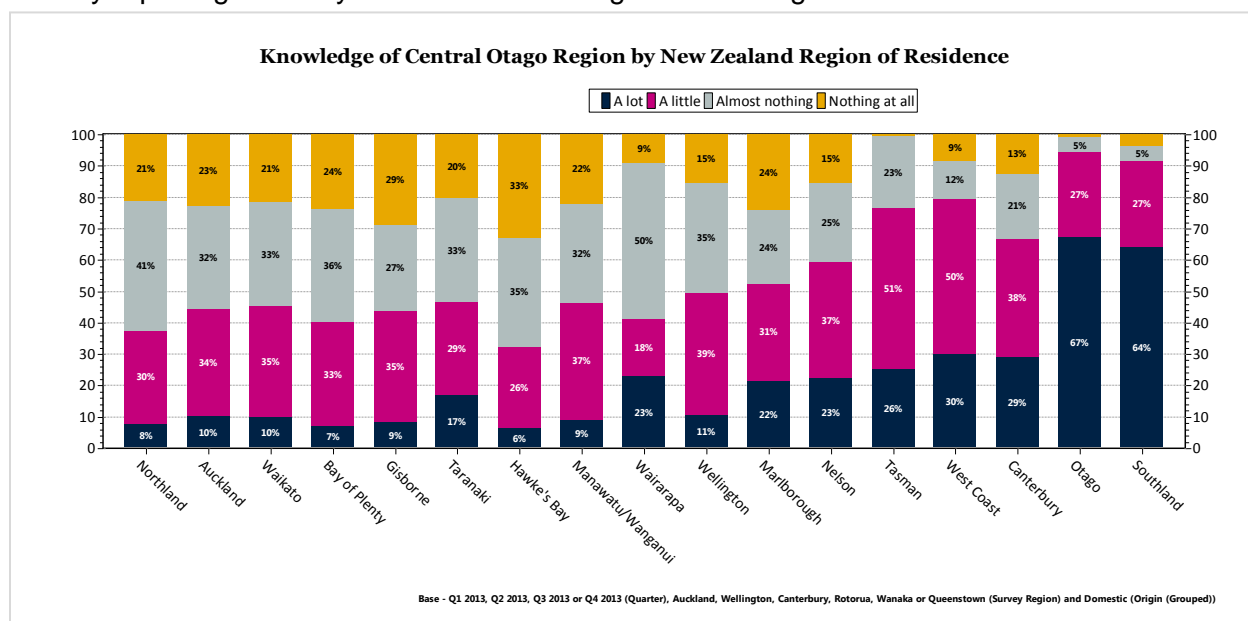
Summary of Findings (as at December 2013):

- Knowledge of Central Otago is limited across international visitors, with 60-70 percent of respondents reported they knew very little about the region. Even Australia, the region's largest international visitor, had a low overall knowledge of the region (62 percent knew nothing or almost nothing about the region). The Respondents from the Republic Korea knew least about the region (i.e. 99 percent knew nothing or almost nothing about the region).



Source: Visitor Insights Programme, December 2013

- Knowledge of Central Otago across domestic visitors was significantly higher from respondents based in regions within close geographical proximity, such as Otago (94 percent reported knowing a little or a lot about the region) and Southland (91 percent knew a little or a lot). However knowledge of the region was not strong amongst residents of many North Island provinces, with over 60 percent of respondents from Northland and Hawkes Bay reporting that they knew little or nothing about the region.

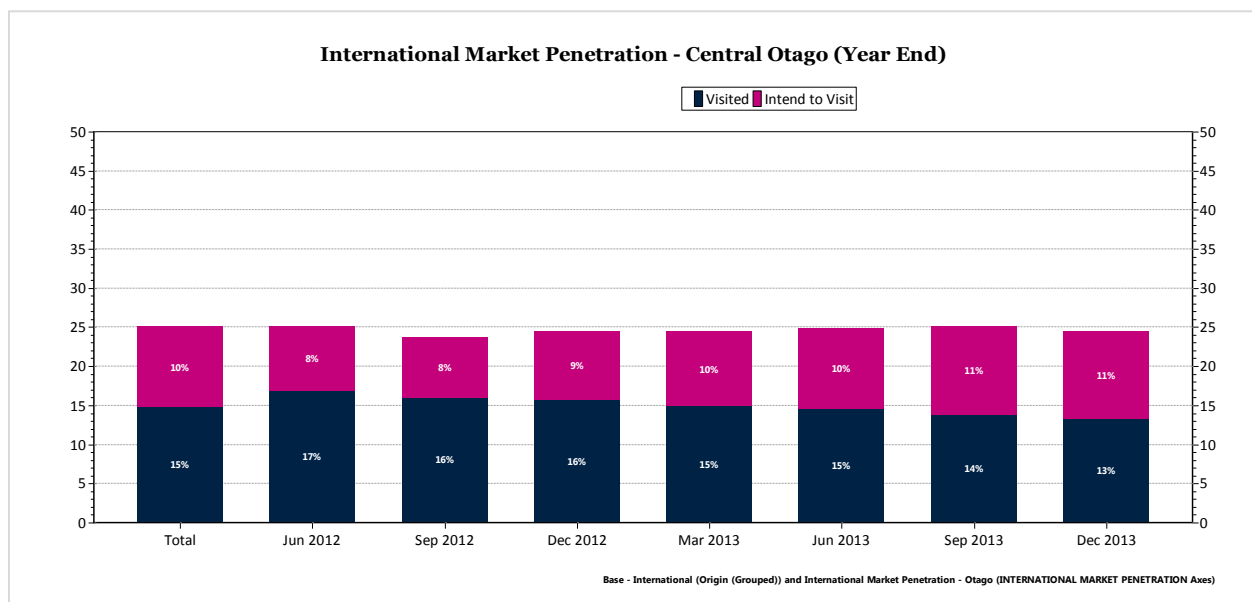


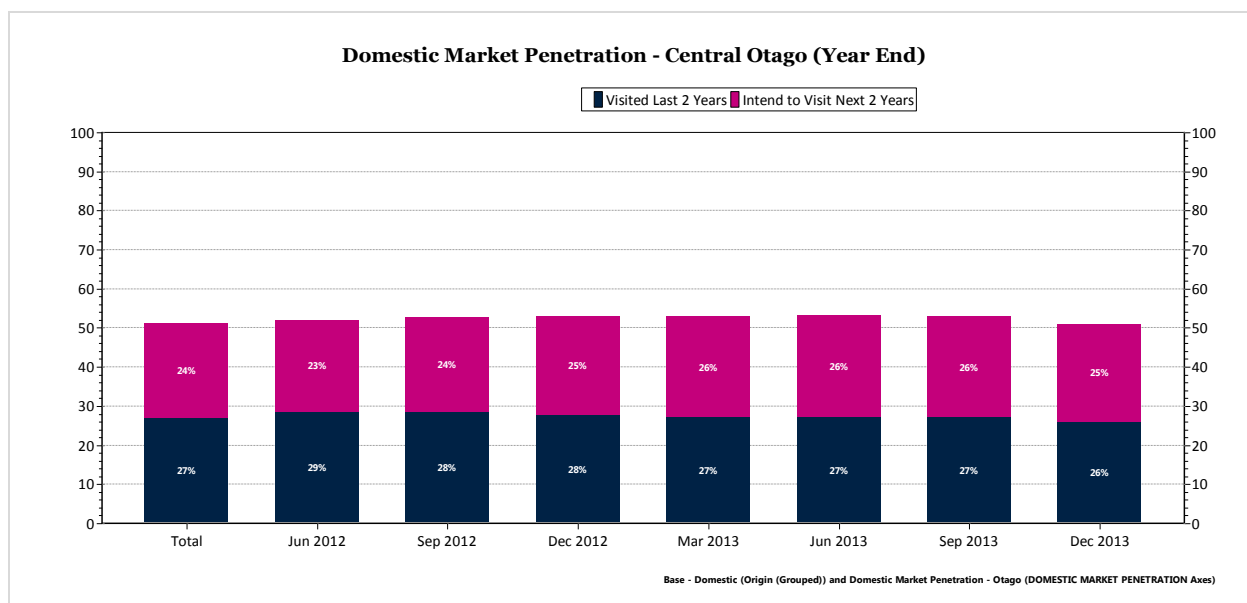
Source: Visitor Insights Programme, December 2013

- Only a limited number of respondents were aware of Central Otago and the experiences associated with the region. International visitors interested in camping and/or cycling and

aged between 45-49 years had a slightly greater awareness of the region. Knowledge of the region amongst New Zealand residents increased significantly in respondents who lived in close proximity to the region (i.e. the lower reaches of the South Island) and in direct accordance with age, with older age groups being more likely to be aware of the region.

- Interest in visiting Central Otago is slightly stronger in New Zealand visitors than international visitors with some domestic market sectors, such as Auckland, reporting a strong level of interest. Amongst international visitors, interest appears strongest in 'emerging' markets, such as China and India. Irrespective of country of origin, international visitors with an interest in Cycling, camping or environmental / ecotourism experiences are most likely to be interested in visiting Central Otago.
- Sixteen percent of international visitors surveyed reported having visited the region and 9 percent reported an intention to visit. Market penetration was significantly higher than average in the German and UK markets, but while Central Otago may 'appeal' to Asian visitors, penetration into the region is still relatively low. Penetration was highest in the 20-29 and older (50+) age groups.
- Approximately 50 percent of domestic visitors surveyed reported either having visited or intending to visit the region. Again, penetration was significantly higher from neighbouring regions and in the older age groups, although there was also interest within the young age group, potentially reflecting the diversity in interest between active versus more sedate activities.





Source: Visitor Insights Programme, December 2013

A 1.3 Commercial Accommodation Monitor (CAM)

The Commercial Accommodation Monitor (CAM) surveys all GST registered accommodation providers in New Zealand on the number of domestic and international guest nights accommodated (with an average response rate of 76-80%).

It should be noted that CAM data does not include smaller operators (i.e. businesses with incomes less than \$60,000 p.a. and who do not require GST registration), such as private bed and breakfast accommodation and farmstays.

Summary of Findings:

- Over the past four years Central Otago commercial accommodation providers have provided on average 293,316 guest nights per annum to international and domestic visitors.
- Central Otago's guest nights per annum have fluctuated over the past four years of reporting, with numbers for the year ended December 2013 declining 2.7% compared with 2012, but still above 2011 figures by 2.7%.
- In contrast, the nationwide increase in guest nights by 4.0% in the year ended 2013 rallied the country's trend of declining numbers over the previous three years.
- Within Central Otago, 81.3% of guest nights comprised domestic visitors, compared to 60.0% domestic guest nights nationally, indicating a strongly than average bias toward domestic visitors to Central Otago.

Accommodation Type:	Total Guest Nights and Percentage Change – Central Otago RTO						
	2010	2011	%	2012	%	2013	%
Hotels	C	C	C	C	C	C	C
Motels	83,944	79,657	-5.1	83,114	4.3	82,916	-0.2
Backpackers	C	C	C	C	C	C	C
Holiday Parks	162,184	155,660	-4.0	167,797	7.8	158,112	-5.8
Total	294,223	285,244	-3.1	300,886	5.5	292,912	-2.7

Accommodation Type:	Total Guest Nights and Percentage Change – New Zealand						
	2010	2011	%	2012	%	2013	%
Hotels	11,234,088	10,675,694	-5.0	10,780,278	1.0	11,422,032	6.0
Motels	10,152,417	10,408,808	2.5	10,297,474	-1.1	10,608,701	3.0
Backpackers	4,537,928	4,439,766	-2.2	4,122,933	-7.1	4,400,596	6.7
Holiday Parks	6,322,149	6,491,744	2.7	6,237,326	-3.9	6,278,319	0.7
Total	32,246,582	32,016,012	-0.7	31,438,011	-1.8	32,709,648	4.0

Source: Commercial Accommodation Monitor – December 2013

A 1.4 Campervan Statistics

Consulting firm COVEC recently produced a report “*Understanding the Value Created by Campervan Tourists in New Zealand*” as part of a three-year project to analyse supply and demand within the New Zealand campervan industry. The report presented an analysis of the spending patterns and tourism behavior of campervan tourists in New Zealand between March 2011 and April 2012.

The analysis was based on a sample of 1,719 responses to an online survey of campervan hirers. Results were adjusted to exclude the impact of the Rugby World Cup 2011 on expenditure and travel patterns. Data pertains only to hired campervans, and does not include the privately-owned motor home market – the New Zealand Motorhome and Caravan Association reported that its membership contributed approximately \$250,000 to the Alexandra economy alone, for the year ending March 2013.

Summary of Findings:

- 138,124 adults travelled in campervans in 2011: 21,347 New Zealand residents and 116,776 international visitors. On average, each domestic hire included 2.1 adult occupants and each international hire included 2.2 international occupants.

	Total Visitor Nights in 2011		
	During Campervan Hire	Before/after Campervan Hire	Total Trip
Domestic	168,356	26,027	194,453

International	1,840,787	462,172	2,302,959
Total	2,003,366	488,269	2,491,635

- The average length of hire was 8.9 days for domestic hirers and 16.8 days for international hirers (i.e. a total of 991,180 hire days for the year).
- Total expenditure by campervan occupants was \$486 million, comprising \$38.1 million by New Zealand residents and \$447.9 million by international visitors (excluding international airfares).
- During the campervan hire period domestic campervan occupants spent 75% of their nights in paid sites while international occupants spent 89% of their nights in paid sites (“unpaid sites” includes nights spent parked where they did not pay – e.g. on the property of friends or relatives or freedom camping).
- 46% of international respondents visited both the North and South Islands, while 20% of domestic respondents visited both islands during their time away from their home region. While Central Otago was not measured specifically, the following table depicts regional dispersion of international occupants throughout the South Island:

South Island Regions Visited in 2011:	Percentage of International Visitation:
Nelson-Tasman	43
Marlborough	47
West Coast	62
Christchurch & Canterbury	70
Queenstown	67
Fiordland	47
Dunedin	43
Southland	31

A 1.5 International Arrivals into New Zealand

International air traffic arrival figures come from Statistics New Zealand's International Travel and Migration data, which is derived through electronic records supplied by the New Zealand Customs Service, as well as from arrival and departure cards completed by passengers. Statistics are gathered on short-term visitors, which are defined as overseas residents arriving in New Zealand for a stay of less than twelve months.

Summary of Findings:

- Auckland Airport is New Zealand's main international gateway with 71% of visitors arriving through this port.

- Christchurch International Airport continues to be New Zealand's second most visited arrival port and the South Island's most popular gateway for international visitors, although annual usage has been steadily declining since the 2010-2011 earthquakes.
- Queenstown Airport, in contrast, has experienced significant growth in international visitor arrivals with an additional 26.2% international visitors arriving into the country through this port in the year ended December 2013.
- 47% of short term international visitors to New Zealand in 2013 came for a holiday, 32% to visit friends and family, 9.5% on business, and 2.1% for conferences and conventions.
- 2013 recorded a 5.4% increase in visitor arrivals from Australia. Queenstown International Airport and Cruise liners both experienced the significant increases in volume.

Key Characteristics of International Visitor Arrivals to New Zealand

Key characteristic	Year ended December					Change 2012–13	
	2009	2010	2011	2012	2013	Number	Percent
Total visitor arrivals⁽¹⁾	2,458,382	2,525,044	2,601,444	2,564,618	2,717,695	153,077	6.0
New Zealand port							
Auckland airport	1,679,089	1,721,756	1,847,213	1,822,224	1,933,296	111,072	6.1
Christchurch airport	539,832	519,204	422,646	402,160	397,488	-4,672	-1.2
Wellington airport	141,888	149,172	176,245	173,456	186,096	12,640	7.3
Queenstown airport	41,904	64,053	89,707	104,992	132,544	27,552	26.2
Seaports	27,540	22,517	26,176	22,576	38,352	15,776	69.9
Dunedin airport	8,842	14,776	16,199	15,744	15,568	-176	-1.1
Rotorua airport	621	5,964	6,763	6,672	6,896	224	3.4
Hamilton airport	7,545	13,224	9,167	6,688	0	-6,688	-100.0

Key characteristics of Visitor Arrivals from Australia

Key characteristic	Year ended December					Change 2012–13	
	2009	2010	2011	2012	2013	Number	Percent
Total visitor arrivals	1,082,680	1,119,879	1,156,426	1,155,792	1,218,016	62,224	5.4
New Zealand port							
Auckland airport	607,385	623,173	691,372	696,480	732,208	35,728	5.1
Christchurch airport	310,168	294,654	221,719	211,232	208,512	-2,720	-1.3
Wellington airport	108,082	114,066	132,358	133,680	142,608	8,928	6.7
Queenstown airport	34,077	51,264	72,662	82,976	104,448	21,472	25.9
Dunedin airport	7,963	13,668	14,426	14,176	13,808	-368	-2.6

Seaports	7,738	6,003	9,812	5,520	10,064	4,544	82.3
Rotorua airport	486	5,235	6,224	6,176	6,336	160	2.6

Source: Statistics New Zealand – International Visitor Arrivals to New Zealand (January, 2014)

A 1.6 Annual Average Daily Traffic Volumes

Annual Average Daily Traffic (AADT) volumes are derived from the New Zealand Transport Agency's State Highway Data Collection System. The system measures traffic volume growth trends over time by using a range of equipment (from a sophisticated weigh-in-motion and vehicle classification system through to simple portable traffic counters) to derive an estimation of the average daily traffic (2-way) during a specified calendar year.

It should be noted that this data provides an approximate indication only as many sites are counted only two to four times a year. However these counts are undertaken at the same site each time and are seasonally adjusted using continuous data obtained from Telemetry Sites.

Summary of Findings:

Section of State Highway	AADT (2008)	AADT (2009)	AADT (2010)	AADT (2011)	AADT (2012)	% Growth in Past 5 Years	% Growth in Past 10 Years
Tarras to The Lindis Pass (SH 8)	1394	1432	1424	1375	1465	0.6	0.6
Tarras to Luggate/Hawea (SH 8A)	752	762	797	766	779	0.8	2.8
Tarras to Cromwell, through Bendigo (SH 8)	1223	1290	1278	1219	1283	0.4	1.3
Cromwell to Wanaka, through Lowburn (SH 6)	2979	3233	3220	3132	3134	0.7	4.7
Cromwell, near Deadmans Point Bridge (SH 8B)	4035	4674	4659	4657	4621	2.9	2.3
Cromwell, near SH6 junction (SH 8B)	4696	5128	5194	5147	5020	1.4	3.6
Cromwell to Clyde (SH 8)	3975	3944	3762	3729	3961	-0.6	1.6
Clyde to Alexandra (SH 8)	4995	4838	4864	4751	4764	-1.1	-0.1
Alexandra to Galloway Turn-off (SH 85) *	-	1959	1965	1934	1951	-0.3	
Alexandra to Butchers Dam, at Conroys Rd (SH 8) *	2106	2145	2142	2114	2166	0.4	0.5
Butchers Dam to Roxburgh (SH 8)	2139	2196	2128	2213	2159	0.3	0.2
Roxburgh to Raes Junction (SH 8)	1789	1827	1846	1815	1877	0.9	0.6
Wedderburn to Ranfurly, past East Eweburn (SH 85)	424	390	412	411	401	-0.6	3.5
Alexandra to Omakau, past Keddell Road (SH 85)	1322	1336	1370	1384	1474	2.9	2.2
North Ranfurly, towards Kyeburn (SH 85)	984	900	987	978	999	1.2	3.0
Naseby to Ranfurly (SH 85)	786	728	742	806	761	0.4	2.4
Kyeburn to the Pigroot, west of SH 87 (SH85)	663	738	712	737	722	1.8	1.7
Kokanga, at Waipiata Rd intersection (SH 87)	296	369	342	318	300		

* Telemetry measures

Source: State Highway Traffic Data Booklet 2008 - 2012, NZ Transport Agency (Waka Kotahi)

- Central Otago State Highways have experienced a modest growth in traffic volumes over the

five years.

- Higher traffic volumes on State Highways 6 reflects the volume growths experienced on Highways leading into and through Wanaka and Queenstown.
- It should be noted that traffic volumes are influenced by a number of economic factors such as fuel prices, unemployment, resident population growth and overall community economic well being. These factors may have contributed to the reduced rate of growth in some regions over the past five years.
- The location of road counters relative to commuting routes for resident traffic also has the potential to skew results.

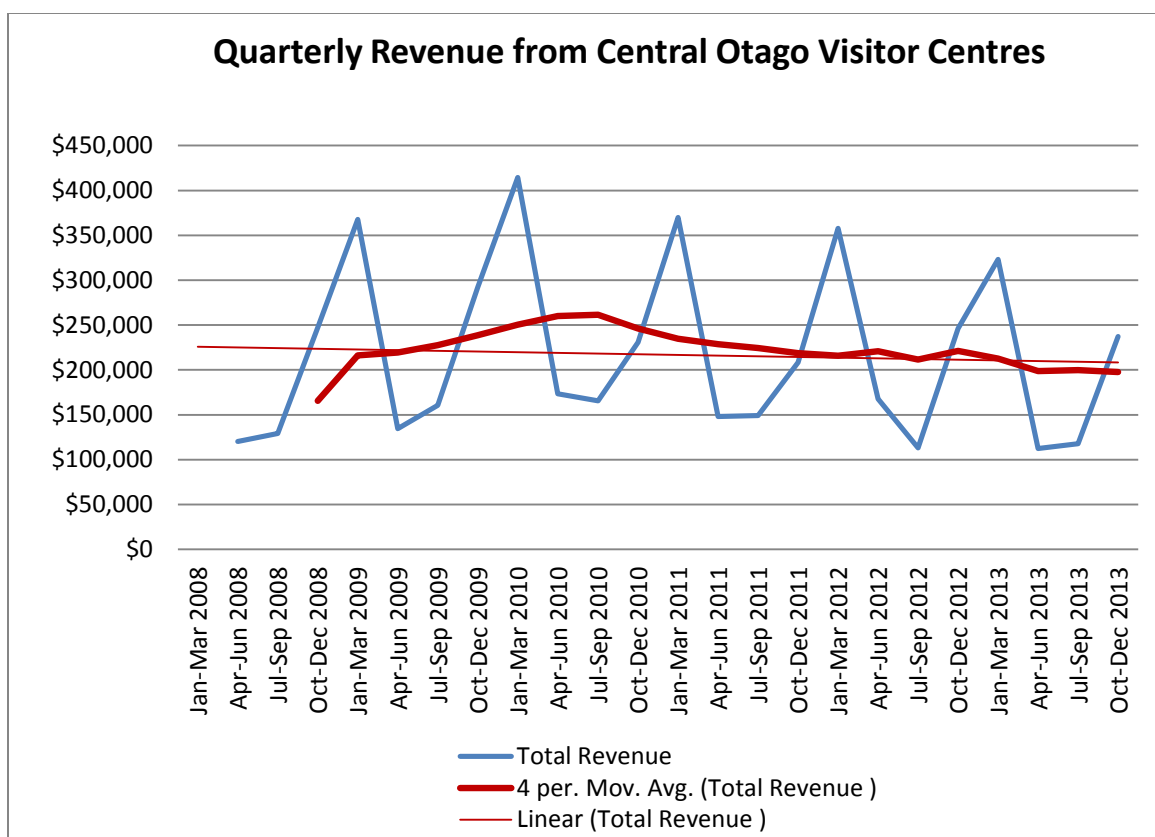
A 1.7 Visitor Centre Statistics

The number of visitors and total revenue received at the four Council-operated visitor Centres in Central Otago District – in Alexandra, Cromwell, Ranfurly and Roxburgh – has been documented since April 2008. Visitor Centre revenue includes takings from bookings, commissions, retail, event ticketing, and display rental. Foot traffic is measured by electronic counters at the visitor centre entranceways. It should be noted that Visitor Centre foot counters have been faulty at times during the period of data collection – estimated figures were supplied in these situations.

Summary of Findings (as at December 2013):

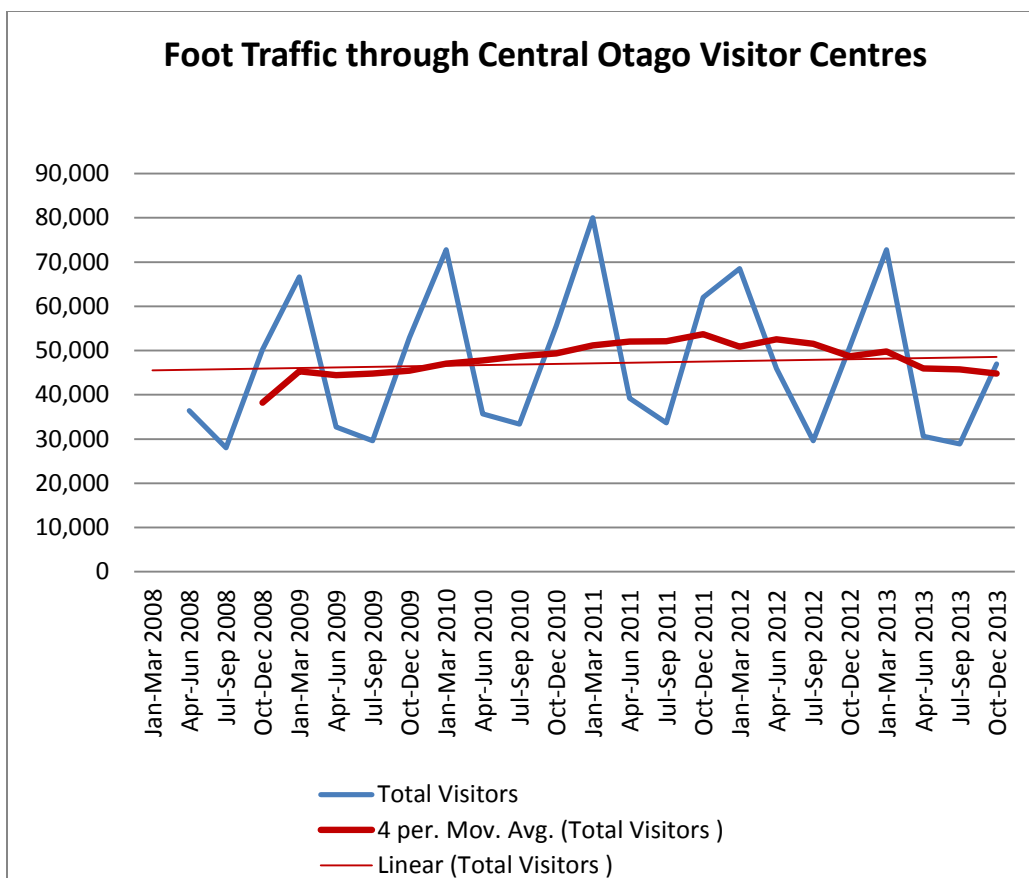
- Total revenue generated across all Central Otago District Visitor Centres increased steadily from 2008 (\$958,429) to peak at \$983,118 in 2010. However it has declined since then, with 2013 takings of \$792,678 being the lowest recorded since 2008.
- All four visitor centres experience significant seasonal fluctuations in revenue but annual revenue has declined, particularly in 2013, at all Centres except Roxburgh.
- Roxburgh recorded a gradual increase in revenue from \$31,035 in 2008 to \$43,324 in 2013.

Ranfurly recorded the greatest relative decrease in revenue in 2013, slipping 33 percent from 2012 to \$62,266



Source: Central Otago District Council VIN Quarterly Reports

- Total foot traffic into Central Otago District Visitor Centres has fluctuated since 2008, the total visitors through the Centres in 2013 were 17 percent less than in 2012.
- Visitor numbers to the Alexandra Visitor Centre and Museum increased steadily from 2009 to 2012 reaching a peak in 2011 with a total of 96,187 people counted. The number of visitors declined again in 2013 to 78,984.
- Visitor numbers to Cromwell held steady between 2008 and 2012 at around 72,000. In 2013 the number of visitors fell to 52,548.
- Visitor numbers in Ranfurly also remained steady during the years from 2009-2012 at around 42,000 but fell in 2013 to 35,320.
- Roxburgh visitor numbers were between 3000 and 4000 from 2009 until 2012. In 2013 visitor numbers increased to 5817.



Source: Central Otago District Council VIN Quarterly Reports

A 1.8 Tourism Forecasts 2013 – 2019

Tourism Forecasts provide expectations, over a six-year projection period, on the future tourism demand in New Zealand. Annual forecasts have been produced by the Ministry of Business Innovation and Employment since 1999. Length of stay, expenditure during their visit, and purpose of visit (e.g., holiday, visit friends and family, business, education, etc) are projected for New Zealand's eight key markets – Australia, China, UK, US, Japan, Germany, Canada, Korea – plus 'others'.

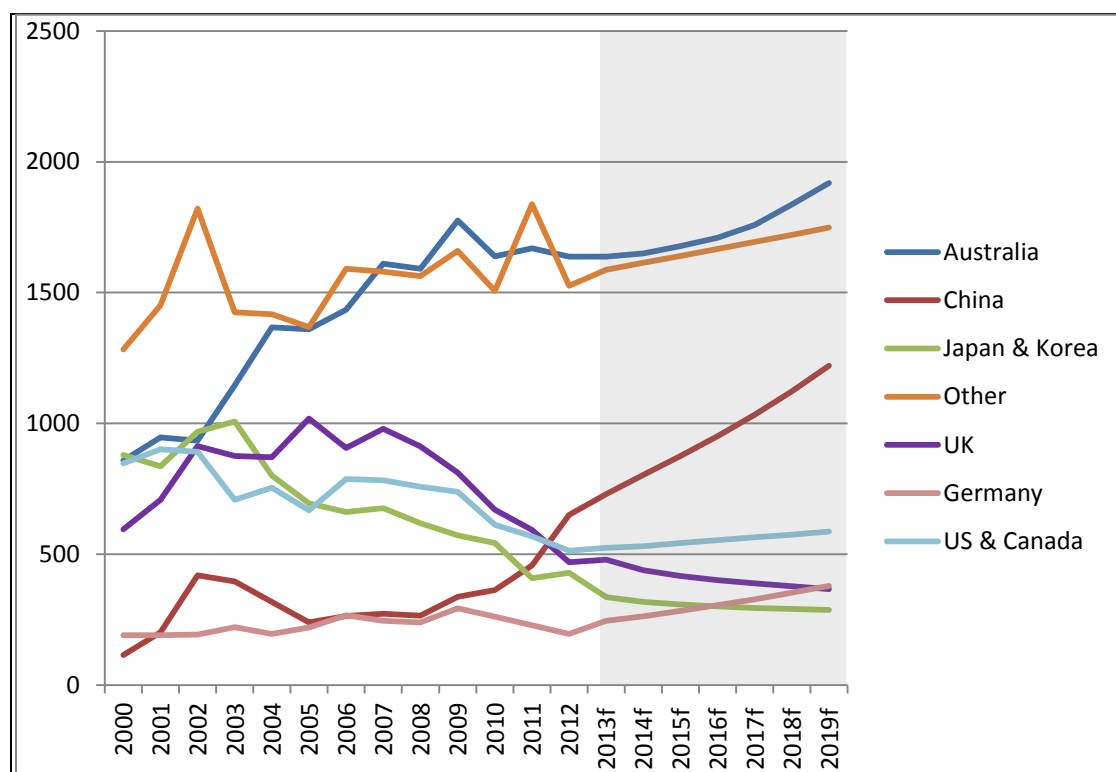
The forecasts for 2013 to 2019 are based on two broad types of drivers: cyclical drivers relating to short term income, price and exchange rate effects; and longer term structural drivers that relate to demographic shifts over time. Two scenarios were developed to test the effect of unexpected events on the forecasts, and 80 percent confidence intervals were calculated for visitor arrivals as a means of showing the risks to the baseline forecasts.

Summary of Findings:

- Visitor spending is predicted to recover following the sharp slowdown caused by a synchronised global recession. Total visitor expenditure is projected to continue increasing, particularly in the later years of the forecast period, to \$6.5 million by December 2019 – a

projected 20 percent growth rate for the 2013-2019 period. China, Australia and new emerging markets will be the main drivers.

Actual and Forecast Tourism Expenditure in New Zealand (\$ million)



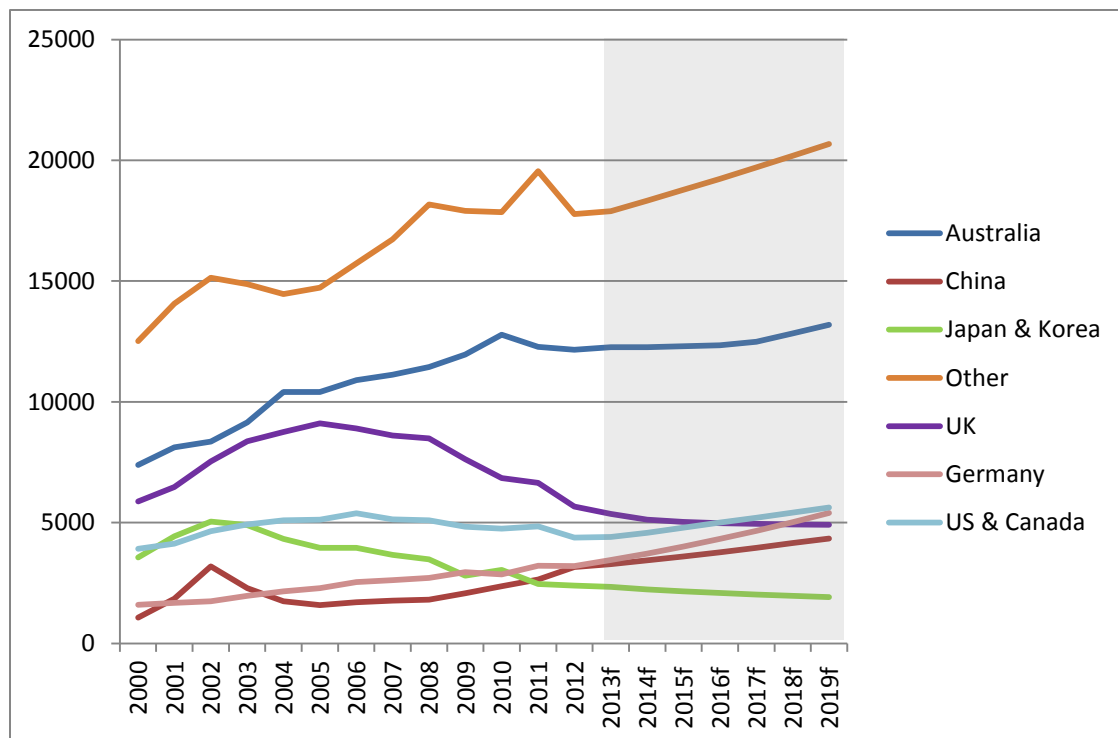
Source: New Zealand's Tourism Sector Outlook: Forecasts for 2013 – 2019, Ministry of Business, Innovation and Employment

- International visitor arrivals are also forecast to continue growing over the next six years. Visitor days are expected to exceed 56 million by December 2019, a 15 percent increase for the 2013-2019 period. Length of stay is expected to trend downwards due to more short-haul trips from Australia and Asia.
- “Traditional markets” such as the United Kingdom, Japan and Korea, are expected to remain flat or continue declining. The lingering global financial crisis and emergence of low-cost European airlines are the underlying cause of this. In addition, many developed countries have slow economic and population growth and have ageing populations – older people being less likely to travel than younger populations.
- The North American market has strengthened relative to other advanced economy markets, with the US economy picking up visitor arrivals are expected to improve over time.
- The Australian market is expected to grow only moderately in the next two to three years, due to a weaker domestic economy. Exchange rate effects make travelling to South-East

Asia more attractive to Australians than holidaying in New Zealand or domestically. Family holiday-makers also appear less likely to visit Christchurch after the earthquakes. Queenstown is expected to pick up some but not all of these visitors.

- Strongly-growing emerging markets in Asia will be a lucrative source of visitors for New Zealand. As China continues to develop, it will continue to be a strong source of visitors. There is also promise of strong long term growth opportunities from other emerging markets such as India, Indonesia, Latin America and Africa with burgeoning middle classes and young populations.
- The mix of visitors to New Zealand will continue to change across a range of dimensions including visitors' age, country of origin, reasons for visiting, length of stay, and how much they will spend per day.

Actual and Forecast Tourism Visitor Days



Source: New Zealand's Tourism Sector Outlook: Forecasts for 2013 – 2019, Ministry of Business, Innovation and Employment

Appendix Two – National Organisations Involved in Tourism

A 2.1 Ministry of Business, Innovation and Employment

Government provides a wide range of tourism research and data through the Ministry of Business, Innovation and Employment. The research analyses domestic and international tourism and their economic impacts, and is available for viewing and use through the Ministry's website. The information provided is designed for use by organisations and individuals to enable planning and decision making based on current trends and projections within the industry.

A 2.2 Tourism New Zealand

Tourism New Zealand (TNZ) is responsible for marketing New Zealand internationally as a tourism destination. The major tool used to do this is the 100% Pure New Zealand marketing campaign. This campaign has evolved over the past decade to make New Zealand one of the world's most well-respected tourism brands.

Tourism New Zealand is a Crown Entity funded by the New Zealand Government and established under the New Zealand Tourism Board Act 1991. From humble beginnings, it is now the oldest tourism marketing department in the world.

A 2.3 Tourism Industry Association New Zealand (TIA NZ)

The Tourism Industry Association (TIA) of New Zealand is the largest representative body of tourism operators in New Zealand. It is a membership-based private sector trade organisation with about 1500 members who collectively make up 85% of the country's tourism turnover.

TIA offers tourism specific projects and business tools designed to help members develop more successful businesses. It also provides leadership on matters that impact on the competitiveness and success of our members and the wider tourism industry, and makes regular submissions to local and central government on behalf of the tourism industry on matters that affect its members.

TIA runs a range of leading industry events and workshops aimed at keeping members and the wider tourism industry connected and focused on providing a world class New Zealand tourism experience. Key events include TRENZ, the tourism industry's largest annual international trade show, the TIA Summit, and the Tourism Industry Awards.

A 2.4 Qualmark

Qualmark is New Zealand tourism's official quality assurance organisation. Jointly owned by Tourism New Zealand and the New Zealand Automobile Association, and backed by leading industry organisations, it provides a star grading system for accommodation providers and venues, and a quality endorsement programme for other tourism businesses. The programme is run as a service to the New Zealand tourism industry on a not-for-profit basis. There are currently over 2,100 tourism businesses carrying a Qualmark qualification.

The primary objectives of Qualmark are to enable travelers to select accommodation, activity and attraction options based on a recognised quality assurance standard; and to work with the tourism industry, putting businesses in touch with the international visitor market, and to ensure that they are "export ready".

The Qualmark programme is administered by Qualmark New Zealand Limited.

A 2.5 Tourism Export Council of New Zealand

The Tourism Export Council of New Zealand is a trade association that represents the interests of the New Zealand inbound tourism industry. Its combined membership, which includes inbound tour operators (full members) and attraction, activity, accommodation and transport suppliers (allied members), handles most of New Zealand's holiday visitor arrivals. The organisation plays a vital and supportive role in the expansion of New Zealand tourism, creating relationships between product suppliers in New Zealand and off-shore wholesalers.

The Tourism Export Council of New Zealand was established in 2012 through the re-branding of the Inbound Tour Operators Council of New Zealand (ITOC), which had been operational for over forty years. The purpose of the re-branding was to reflect the position of tourism as a key New Zealand export industry.

A 2.6 New Zealand Maori Tourism Council

The New Zealand Maori Tourism Council represents the 11 Maori Regional Tourism Organisations and between 180-200 Maori tourism businesses throughout New Zealand. It liaises with government and international tourism organisations, on behalf of its members; facilitates networking between operators; and provides resources to assist with business set-up and development of products to “export ready” quality. Advice and assistance for operators can now also be accessed through the New Zealand Maori Tourism website, established in 2013.

A Memorandum of Understanding between the Tourism Export Council of New Zealand and the New Zealand Maori Tourism Council was signed in August 2006, whereby both parties agree to work together and share resources where possible, endorse best practice standards, and to work progressively towards the goal of enabling greater engagement of visitors with Maori culture.

A 2.7 Regional Tourism Organisations (RTOs)

Regional Tourism Organisations (RTOs) are responsible for promoting their regions to domestic and international visitors. There are 29 RTOs in New Zealand, including one in Central Otago, and these vary in size, structure, and scope of the activities they undertake. Some are funded in part or in full by local council, others by annual membership fees. All 29 however, act as a bridge between tourism operators, national tourism bodies, and local and central government.

Regional Tourism Organisations New Zealand (RTONZ) represents the interests of all 30 RTOs throughout the country and focuses on national projects that affect its entire membership base. RTONZ receives funding from central government.

A 2.8 The SOUTH Project

SOUTH is a focused group of tourism organisations that work collaboratively to grow international arrivals and length of stay in the South Island to maximize economic value, that is spread throughout the wider South Island.

The SOUTH Project was initiated in 2012 by Christchurch International Airport (CIAL) and includes Tourism Central Otago, and the 12 other South Island RTO's. The concept around SOUTH is that if the number of international holiday arrivals into the South Island can be grown, through regions working together rather than competing for a share, by its very nature the entire

industry throughout the South Island will get its share of the increase in arrivals. CIAL holds the leadership position as it is the main gateway into the South Island, receiving 65 percent of international visitor arrivals in the year ended 2014 (A 1.5 International Arrivals into New Zealand).

Activities that SOUTH has developed to date include: Promotional collateral (both printed and digital) in different languages; travel itineraries; relationships and representation in international markets; a website where wholesalers off-shore can download quality photos for their own marketing purposes; and workshops throughout the South Island on cultural nuances of our international visitors.

A 2.9 Local Government

Local Government by statute drives the planning and management of New Zealand's natural and cultural resources and provides the core utilities and infrastructure on which tourism is based. These include roading, lighting, water and sewerage, public transport, signage, airports and ports and attractions such as museums, art galleries sports stadia, convention centres, parks, gardens and other amenities.

Central Otago District Council (CODC) recognises the value of tourism to the region. In addition to its core infrastructural responsibilities the CODC financially contributes to regional marketing, through Tourism Central Otago, and visitor information provision, through VINs. The Central Otago District Council and Otago Regional Council, alongside the Department of Conservation, also provide the regulatory framework to ensure that the effects of tourism are managed and that the integrity of the environment is maintained.

As part of its destination approach the CODC has placed emphasis on encouraging community participation in all planning processes. Emphasis is placed on obtaining community views and perspectives to reflect unique points of difference and identify localised opportunities for growth while protecting individual community values. This process has resulted in a number of tourism related actions currently being addressed within the community (refer to Section 9.3 – Community Plans).

A 2.10 Department of Conservation

The Department of Conservation (DOC) administers most of the Crown land in New Zealand protected for scenic, scientific, historical or cultural reasons, or set aside for recreational use. This comprises almost one third of New Zealand's land area, including national parks, marine reserves, nearly 4,000 reserves, river margins, some coastline, and many off-shore islands.

The Department's mission is to *conserve New Zealand's natural and historic heritage for all to enjoy, now and in the future (ko te Te Papa Atawhai he whakaute he tiaki i nga taonga koiora me nga taonga tukt iho hei painga mo te katoa inaianei, mo ake tonu ake).*

DOC's work with natural heritage includes saving threatened native species, managing threats like possums and weeds, ecosystem restoration, caring for marine life, protecting natural heritage (in cooperation with landowners), and looking after historic heritage located on conservation land. Providing for recreation is a major part of DOC's core work, encompassing family picnic site maintenance through to rugged backcountry track and hut upkeeps.

DOC works in partnership with Iwi and relies on the wider community to achieve its conservation goals, through education, corporate sponsorship and volunteers.

Within the Central Otago Area, DOC administers 44,163 hectares of Crown land. A total of 337 conservation areas (including scientific, recreation and nature reserves) are contained within this area. Key conservation areas include the Kopowai Conservation Park (The Old Man Range), the Oteake Conservation Park (The Hawdun/Ida Range), the Remarkables Conservation Park, and conservation areas on the Dunstan Mountains and in the Manorburn headwaters. There are also 12 historic sites, 11 of which are within the Otago Goldfields Park. Two thirds of the iconic Otago Central Rail Trail, which is administered by the Department of Conservation, sits within Central Otago Area.

Access to recreational opportunities on DOC land can be gained by vehicle, walking, cross-country skiing or mountain biking.

A 2.11 Otago Chamber of Commerce

The Otago Chamber of Commerce's mission is to actively promote and encourage business growth and opportunity in Otago. The Chamber represents more than 1,300 businesses and professional people who are loyal to Otago and work together to make Otago a better place to do business.

It does this by:

- Being the business voice on relevant economic and growth issues;
- Identifying, exploring and facilitating common growth issues for organizations within the business sector;
- Being a key provider of business information;
- Facilitating networking opportunities for all members;
- Providing training opportunities, such as Kiwihost and Not-for-profit programmes.

The Chamber has been actively involved in the Central Otago area and assisted the tourism industry through training workshops on business planning, effective advertising, and pricing and costing for the tourism sector. It has also been actively involved with operators on the Otago Central Rail Trail and provides administrative support to the Rail Trail Operators Incorporated Group.

A 2.12 KiwiHost

KiwiHost is New Zealand's premier service training network, providing training to enhance local businesses and help them improve their operations and foster success.

First introduced in 1989 by the New Zealand Tourism Board (now Tourism New Zealand), it was sold to private owners in 1998 and became a franchise system. The Otago Chamber of Commerce is the franchise holder for the greater Dunedin area, which extends through to Alexandra, but will provide training to anywhere in Central Otago, as required.

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