




**CENTRAL  
OTAGO**  
A WORLD OF DIFFERENCE

# Central Otago Tourism Strategy

2018 to 2028







“Vision is a destination – a fixed point to which we focus all effort. Strategy is a route – an adaptable path to get us to where we want to go”

- Simon Sinek

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## Foreword

Tēnā koe,

It gives me great pleasure to introduce the Central Otago Tourism Strategy 2018 – 2028. This guiding document recognises tourism's importance to Central Otago's future and focuses on developing a destination that both visitors and our communities value. The strategy acknowledges tourism in the region is still in its infancy, but offers significant future benefits for the wider region if managed correctly. Indeed the opportunity is great!

During the process of developing the strategy, there have been many contributors from across our communities who are directly and indirectly part of our visitor economy. I particularly want to thank everyone who contributed their time and energy to get us to this point.

The strategy's gives a stocktake of where we are today as a visitor destination, overlaying research on where we want to be in ten years and identifying the actions we need to take to achieve that vision. This is particularly important as New Zealand and the world grapples with the impacts of fast paced visitor growth, and the potential of over-tourism.

The strategy takes into account visitor research, industry data, national strategy's and aspirations, and the previous community led tourism strategy (2014 – 2019) all helping to provide the foundations for 'where to from here'. The result is that we now have a plan and framework that delivers a clear vision for what our communities and our tourism sector want to happen and brings us collectively together to achieve.

At the strategy's core is the delivery of value: value to visitors, value to our host communities, value to the businesses that invest in the products and services purchased by visitors, and value to our natural environment. By getting this mix right we not only have a sustainable industry but, most importantly, a supportive local community that understands and embraces the visitor economy.

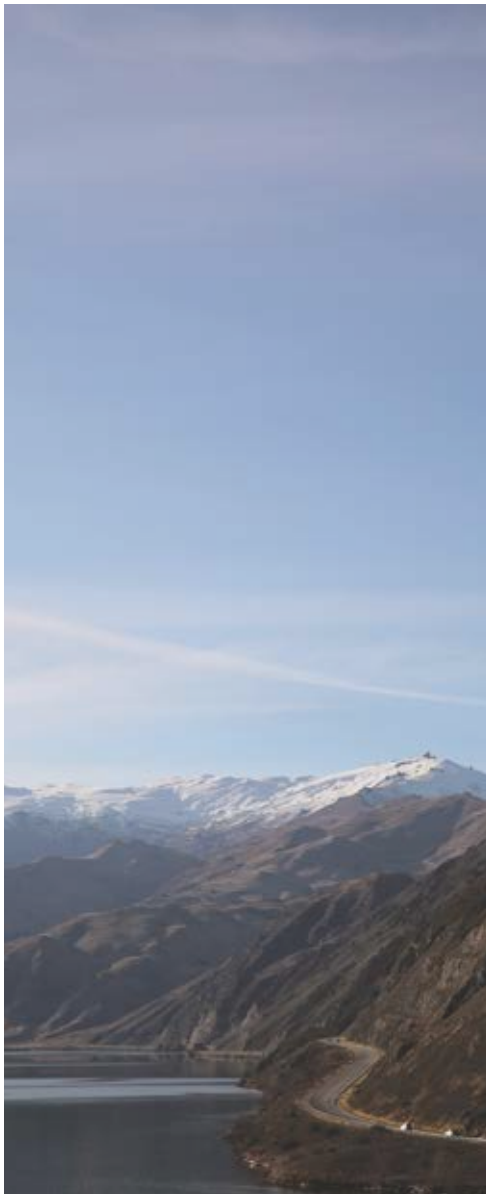
The Tourism Central Otago team will now lead the implementation and development of the strategy, with guidance and joint support from the newly appointed Tourism Advisory Board and Central Otago District Council. We live in one of the most beautiful places on the planet. We now have a strategy that enables us to share it with the world whilst retaining those characteristics that make it so unique.

Ngā mihi nui



**Sanchia Jacobs**

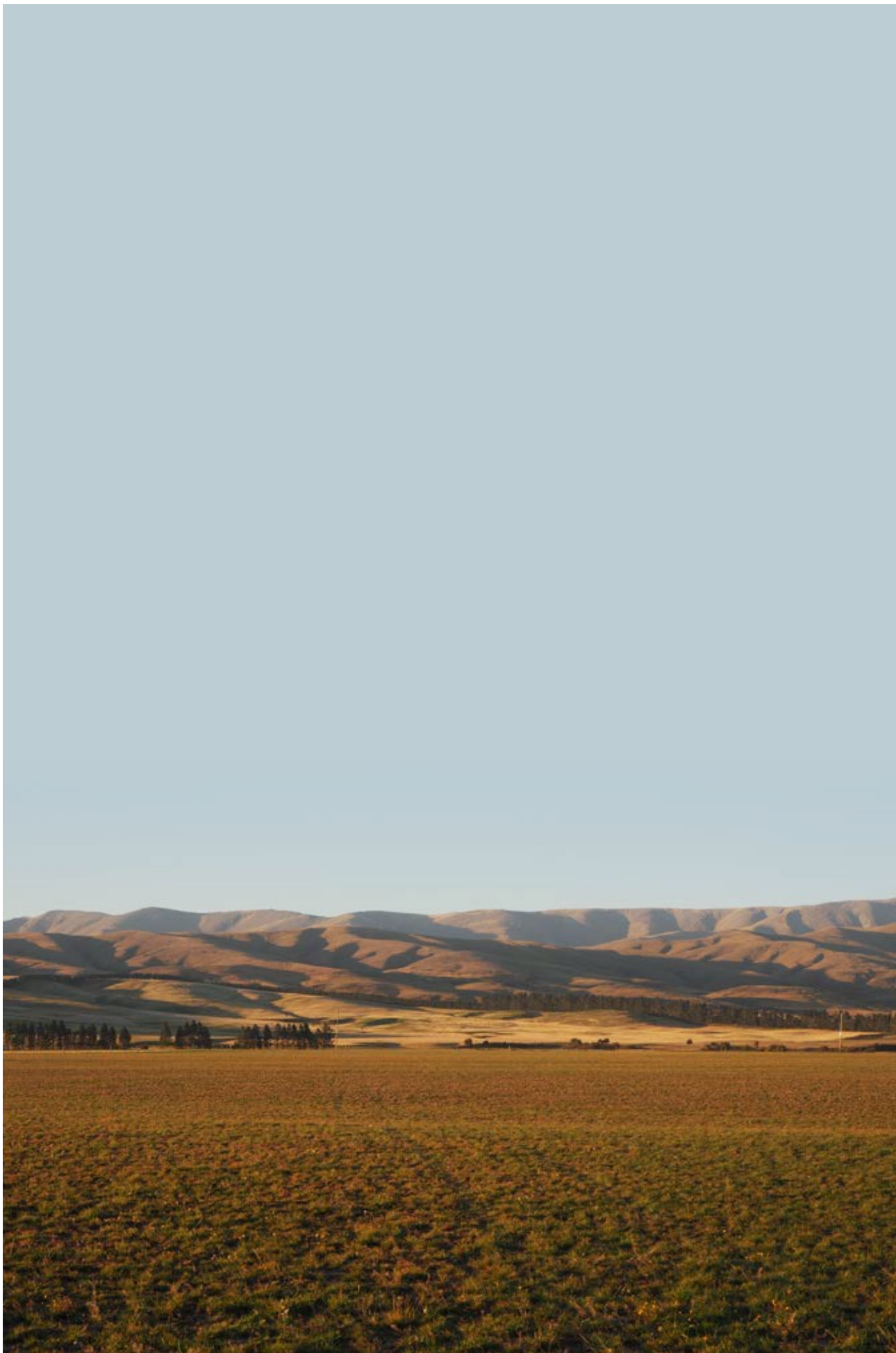
Chief Executive Officer / Kaiwhakahaere Matua  
Central Otago District Council



# Strategic Overview

Our Central Otago Tourism Strategy puts the concept of value at the heart of tourism development in Central Otago and adopts the five central themes of the New Zealand Tourism 2025 Framework as foundations for the region’s strategic priorities.





# Introduction

Tourism is worth an estimated \$188 million to the Central Otago economy and may support as many as one in seven jobs in the region.<sup>1</sup> Tourism also offers a host of other social and economic benefits, with expenditure by visitors helping to develop and sustain facilities and services that benefit other sectors of Central Otago's economy and communities across the region.

Only a small proportion of the money spent by visitors is spent with 'tourism operators' – e.g. businesses offering accommodation and transport services, tourism activities and attractions. Instead, the bulk of money spent by visitors in Central Otago is spent in shops, petrol stations, cellar doors, cafes, restaurants and other local businesses. The benefits of tourism are therefore felt widely across the region.

Tourism is now New Zealand's number one export earner, with total expenditure by international visitors reaching \$14.5 billion in the year to March 2017. In the same year, domestic tourism contributed a further \$21.4 billion, taking the total value of the industry to almost \$36 billion. Central Otago's share of total expenditure is around 0.5% currently.

The value of tourism in Central Otago has grown in recent years, with expenditure rising from \$146 million in 2012 to \$188 million in 2017 (growth of 29% over the five-year period). However, the region's visitor economy has grown at a rate lower than the national average (+37%) and at a rate lower than neighbouring regions such as Wanaka (+81%), Queenstown (+76%) and Dunedin (+33%). This stems in large part from Central Otago's reliance on the domestic market - which accounts for almost 77% of total tourism expenditure in the region - and its comparative weakness in the more rapidly growing international market segment.

Central Otago's small number of overnight international visitors – estimated at around 60,000 in 2017 – has however insulated the region from many of the challenges faced by other regions and, in particular, pressure to scale up rapidly to meet demand (e.g. with the development of more commercial accommodation and more public infrastructure and amenities). For Central Otago, this has given time and perspective to consider whether growing volume is the best way to increase tourism's value to the region.

With ongoing growth in inbound tourism forecast at a national level, there is undoubtedly potential to grow Central Otago's tourism economy and, in doing so, to reap greater social, economic and environmental benefit. But, in the spirit of zigging while others zag, this strategy for Central Otago tourism development has as its focus, the delivery of value: value to visitors, value to our host communities, value to the businesses that invest in the products and services purchased by visitors, and value to our natural environment.



<sup>1</sup> If consistent with national-level findings. Based on Statistics New Zealand's Tourism Satellite Account, 399,150 people were directly or indirectly employed in tourism in New Zealand in the year ending March 2017. This equated to more than 1 in every 7 jobs.

## Foundations

Central Otago's tourism industry does not exist in a vacuum: its fortunes are aligned with those of the wider region and of Destination New Zealand as a whole. This demands that we think beyond our own backyard, identifying and working with out-of-region partners (as well those in-region), and supporting national and regional initiatives where these will benefit Central Otago. We have some excellent foundations on which to build.

### National Assets

At a national level, the tourism industry has as its goal "to grow total tourism revenue to \$41 billion a year by 2025" (from a starting point of \$27 billion in 2014, when the industry's Tourism 2025 growth framework was released).



Reporting on progress in 2017, Tourism Industry Aotearoa (TIA) reaffirmed the industry's commitment to the \$41 billion goal and to the five themes that dominate the sector's 'recipe for growth':

- **Connectivity** – Strengthening the relationships, partnerships and collaborations that sustain, expand and extend our visitor pipelines (with a special emphasis on air connectivity).
- **Productivity** – Using resources deployed in tourism to best generate profit and investment. Addressing issues related to seasonality, regional dispersal and capability building.
- **Visitor Experience** – Driving value through outstanding visitor experience.
- **Target(ing) for Value** – Identifying and pursuing the opportunities that will deliver the greatest economic benefit.
- **Insight** – Prioritising insight to drive and track progress.

Emerging from extensive industry consultation and debate on the actions required to ignite and sustain growth in the value of tourism to New Zealand, it is not surprising that these themes also resonate at a regional level for Central Otago.

In November 2017, TIA built on the Tourism 2025 strategic framework with the launch of the **Tourism Sustainability Commitment**. With a vision of 'Leading the World in Sustainable Tourism', the Sustainability Commitment aims to see every tourism business in New Zealand committed to sustainability by 2025. Focusing on business success; protection and enhancement of the environment on which tourism businesses depend; maintaining and enhancing community support for tourism; and the delivery of outstanding visitor experiences, the Sustainability Commitment aligns very closely with Central Otago's own vision and aspirations for tourism development.



The Central Otago region also benefits from, and its actions give life to, the national tourism brand. Many of the international visitors arriving in Central Otago have been drawn by the promise of **100% Pure New Zealand** – purity, unspoiled landscapes and an authentic experience - and its companion 'NZ Story' that speaks of New Zealand as a progressive nation of creative idea-makers delivering new solutions, whilst always caring for people and place.



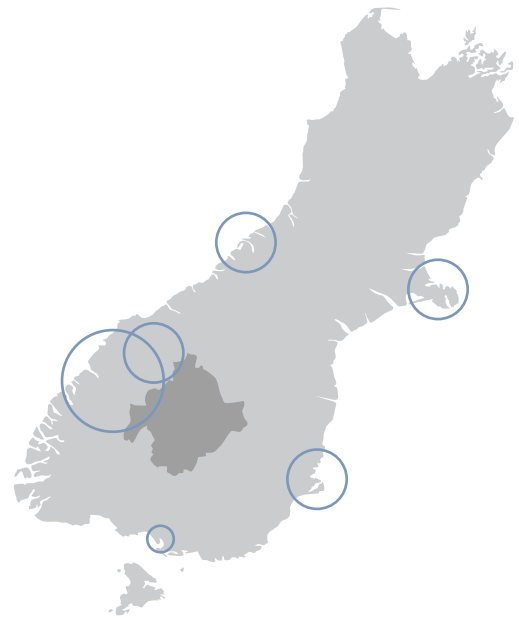
By aligning to these national assets – albeit with its own unique take on the values that underpin 100% Pure New Zealand and the New Zealand Story - Central Otago has an opportunity to leverage established partnerships and a collective share of voice far greater than it can achieve alone.

## Regional Assets

Central Otago sits within the wider Otago region and the lower South Island. It is within easy reach of regions with much larger tourism markets, and in relatively close proximity to Queenstown and Dunedin airports (or three major airports, if Christchurch is also included).

By developing strong transport networks and touring routes that connect with these ‘feeder’ regions, Central Otago has an opportunity to tap substantial existing and future visitor flows. By partnering with organisations in these regions – from airports to Regional Tourism Organisations (RTOs) / Economic Development Agency (EDAs) and tourism operators – the Central Otago industry also has an opportunity to contribute to a strong collective voice and to benefit from the marketing spend and infrastructure development undertaken by its neighbours and national partners.

In this context it is worth noting, in particular, Queenstown Airport’s recent launch of a 30-year Master Plan that includes base forecasts of annual passenger movements amounting to 3.2 million in 2025 (up from 1.9 million in the year to June 2017 – a 68% increase) and as many as 7.1 million in 2045 (a more than threefold increase on 2017 passenger movements).



Also of significance to Central Otago is the **Milford Opportunities Project**; a project being led by Southland District Council and involving the Ministry of Business, Innovation & Employment (MBIE), NZ Transport Agency (NZTA) and Department of Conservation (DoC) (amongst others). The outcome of the Milford Opportunities Project will be a Master Plan for Milford Sound and its corridor that is designed to enhance the status of Milford Sound, Fiordland National Park and Southland as iconic New Zealand destinations and to improve the overall visitor experience.

In this sense, the region’s central location, when combined with a willingness to work with its neighbours, can be seen as a major asset.

The region also has other assets upon which to draw in further developing its tourism industry. These include the Central Otago A World of Difference regional brand identity and the range of high quality, but small scale, tourism product already available in the region.

The Central Otago A World of Difference brand identity articulates a set of values that characterise its people and place: values that could form the basis of the Central Otago regional tourism brand and the promise made to prospective visitors.



## Central Otago A World of Difference Brand Values

Making a Difference	Respecting Others	Embracing Diversity	Adding Value	Having Integrity	Learning from the Past	Making a Sustainable Difference	Protecting our Rich Heritage	Meeting Obligations
We will inspire and lead others with our special point of difference	We will respect our cultural and personal differences	We will recognize differences and embrace diversity	We will always ask ourselves if there is a better way – one that achieves a premium status	We will seek to be open and honest	We will learn from past experiences with future generations in mind	We will make decisions in business with the community in mind and in harmony with the natural environment	We will protect and celebrate our rich heritage in landscapes, architecture, flora and fauna and different cultural origins	We will meet legal obligations at both a local and national level

The region also boasts a wide range of accommodation options for visitors, together with world-leading activities and attractions across a variety of interests, including food and wine, cycling, arts, heritage, hunting, fishing, curling and other sports.

### Current State

A 'stocktake' was undertaken to inform the preparation of this strategy and to provide a set of baselines against which to track change over time. This showed: -

- Just 2% of visitors to New Zealand travel to Central Otago and stay overnight.
- There were an estimated 373,500 overnight visitors in the year ending December 2017, including 313,500 domestic visitors and 60,000 international visitors.
- These visitors spent an estimated 1,152,943 nights in Central Otago; a 13.1% increase on visitor nights recorded in 2012. This growth rate was smaller than that experienced by neighbouring regions.
- 340,269 nights were spent in commercial accommodation (30%). 84% of total visitor nights and 76% of commercial guest nights can be attributed to domestic visitors.
- In addition to overnight visitors, Central Otago hosted an estimated 618,500 visitors on day trips in the year to December 2017.
- Central Otago is more highly seasonal than neighbouring regions, with 48% of guest nights occurring in summer, and just 10% in winter.
- Visitor expenditure grew 29% between 2012 and 2017, from \$146 million to \$188 million. Domestic expenditure grew by 20%, while international expenditure grew by 64%.
- Approximately 77% of this visitor expenditure can be attributed to domestic visitors while, in the international market segment, the largest proportion of expenditure was by visitors from Australia (\$47m) and China (\$19m).
- Spending on retail accounted for 60% of visitor expenditure in Central Otago in the year to December 2017.

For a full copy of the Central Otago Tourism Strategy Stocktake, please contact Tourism Central Otago.



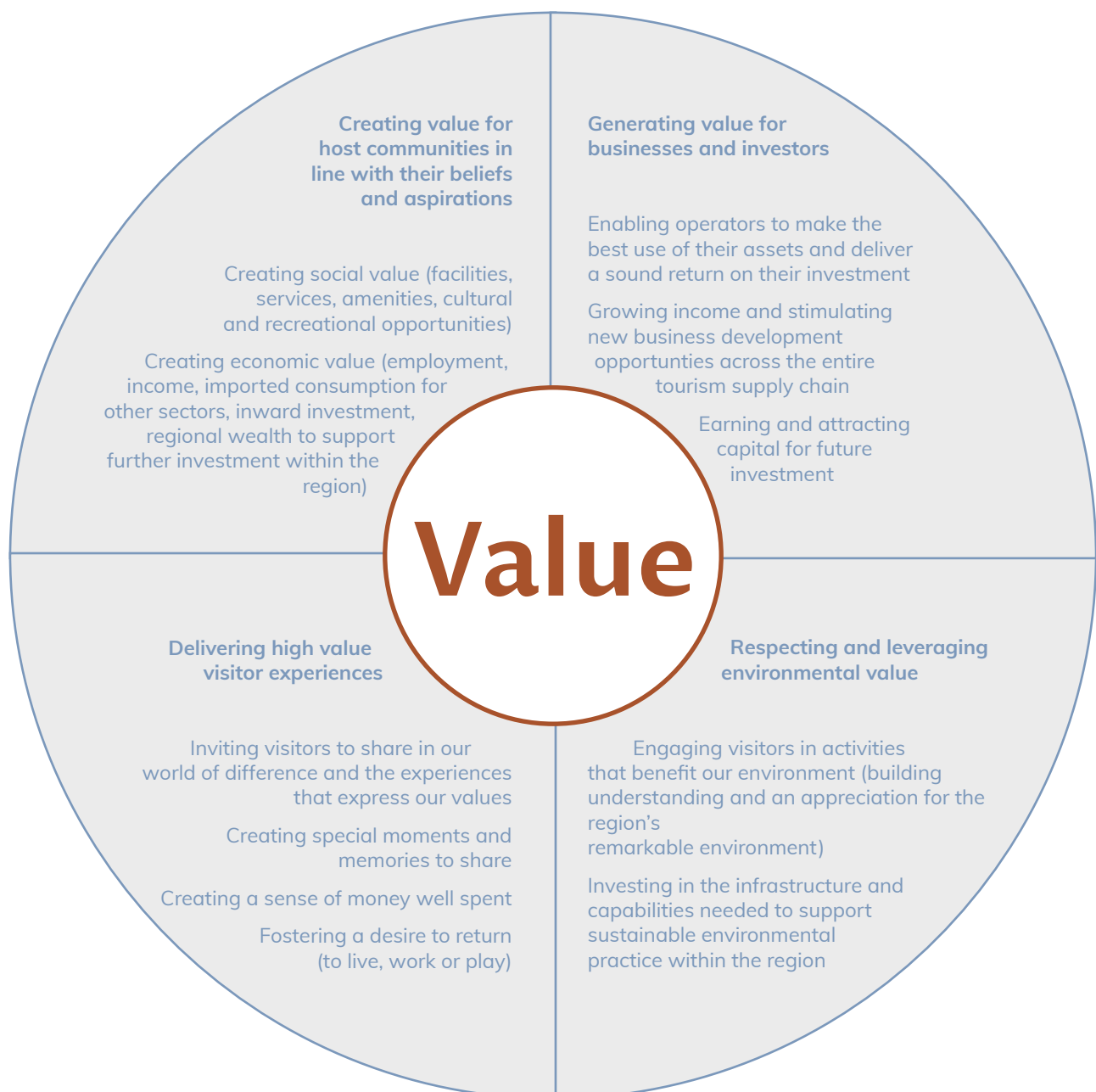
## Vision and Goals

Central Otago’s vision for its tourism industry is:

### Making A World of Difference Every Day

Underpinning this vision is the ideal of a sustainable tourism industry: defined by the United Nations World Tourism Organisation (UNWTO) as one that “takes full account of its current and future economic, social and environmental impacts in addressing the needs of visitors, the industry, the environment and host communities”.

In Central Otago’s vision, value accrues differently – but in equal measure – to visitors, host communities, businesses and investors, and the environment.





With reference to this vision and the region's current state, the following lays out a set of goals looking 10 years ahead.

	Current State	Future State
<b>Visitor Expenditure</b>	Central Otago is under-performing the national average and neighbouring regions on volume and value growth	We will increase visitor expenditure from \$188 million in 2017 to \$378 million in 2027 (and grow value at greater than the rate of volume)
<b>Seasonality</b>	Central Otago's tourism industry is highly seasonal: 48% of commercial visitor nights are in summer, and only 10% in winter	We will improve seasonal distribution, aiming for 35% of visitor nights in summer, and 65% at other times of year
<b>Connectedness</b>	Central Otago is seen as a somewhat isolated region in the lower South (from visitor and industry perspectives)	We will improve our connections with neighbouring regions (both physical and virtual)
<b>Brand Positioning</b>	There is a lack of clarity and awareness of the real Central Otago tourism offering	The real Central Otago tourism offering is understood and valued. Annual monitoring to be carried out to assess position
<b>Product Mix</b>	There are some notable product gaps and opportunities	The Central Otago tourism product mix aligns with community aspirations and the needs of our target markets
<b>Investment</b>	There is limited private sector appetite and capacity to invest in marketing and destination management: Council currently contributes 92% of funding for destination marketing/management	There is a vibrant private sector with greater appetite and capacity to invest in marketing and destination development: Council will contribute 85% of total funding for destination marketing/ management (in line with the New Zealand regional average)

## Strategic Priorities

The key themes underpinning the Tourism 2025 National Growth Framework have been adopted in thinking about strategic priorities for the Central Otago region.

1. Productivity	For Central Otago this means...
<p>The use of resources deployed in tourism to generate profit and investment. Addressing issues related to seasonality, regional dispersal, capability building</p>	<ul style="list-style-type: none"> <li>• Building a greater understanding of the value and benefits of tourism across the region (as the basis for community engagement/support of tourism and investment in the sector)</li> <li>• Capturing value within the local community (stimulating/encouraging local investment – including the appetite of private sector operators and individuals to invest)</li> <li>• Attracting investment from like-minded individuals/organisations in and outside the region</li> <li>• Extending seasonal spread (both by way of marginal additions to current business – e.g. Otago Central Rail Trail (OCRT) – and distinct new seasonal offerings)</li> <li>• Encouraging dispersal within the region (e.g. tapping into feeder routes; building, and building an awareness of, offerings throughout the region, including the new Central Otago Touring Route; facilitating inter-and intra-regional transport services)</li> <li>• A focus on capability development (helping operators to work on and not in their business; empowering people and encouraging entrepreneurship)</li> <li>• A focus on workforce planning and attracting, training and retaining staff in key roles, particularly given implications of new immigration restrictions (e.g. providing greater continuity of employment through the seasons, overcoming staff accommodation shortages)</li> </ul>

2. Connectivity	For Central Otago this means...
<p>Strengthening the relationships, partnerships and collaborations that sustain, expand and extend our visitor pipelines (with a special emphasis on air connectivity)</p>	<ul style="list-style-type: none"> <li>• Recognising trends in international visitor ports of arrival, building strong relationships with Queenstown, Dunedin, Auckland, Christchurch and Wanaka</li> <li>• Recognising the importance of domestic airline connections and pricing, and supporting wider regional efforts to grow domestic connections</li> <li>• Improving inter-regional transport connections/services</li> <li>• Improving digital connectivity/online presence (including discussion with Tourism New Zealand concerning content, representation in Air New Zealand channels, and a single digital portal for the Central Otago region)</li> <li>• Selective alliances/partnerships – with RTOs and others, driven by target segments (e.g. Hawke’s Bay or Marlborough on wine tourism) and with funding aligned to strategic criteria</li> </ul>

3. Targeting for Value	For Central Otago this means...
<p>Identifying and pursuing the opportunities that will deliver the greatest economic benefit</p>	<ul style="list-style-type: none"> <li>• Identifying and pursuing the opportunities that will deliver the greatest overall value for Central Otago (community value, commercial value, visitor value, environmental value)</li> <li>• Identifying and targeting visitors who will respect and value what we value</li> <li>• Segmenting the market based on needs and values (not geographic origin and demographic factors); developing a set of market segment profiles around which to base the marketing of Central Otago and (by sharing with local operators) the development and marketing of tourism products and experiences</li> <li>• Packaging products/services/experiences in such a way as to add value for visitors and extend their stay in the region (from day to overnight, from one to multiple nights)</li> <li>• Identifying and promoting/facilitating product development opportunities that meet the needs of our target market segments and add value to other stakeholder groups (e.g. Central Otago Touring Route and various extensions, educational experiences, foraging and other food/wine experiences)</li> </ul>



4. Visitor Experience	For Central Otago this means...
Driving value through outstanding visitor experience	<ul style="list-style-type: none"> <li>• Offering an authentic “high touch, high value” experience</li> <li>• Making a virtue of scarcity (i.e. scarce means precious, valuable, desirable)</li> <li>• Ensuring consistent quality of tourism experiences (and supporting infrastructure) – e.g. through a Central Otago Code of Conduct</li> <li>• Improving internet speed and consistency through the region</li> <li>• Being selective in the products, services, events and infrastructure we develop (matching these always to the community’s values and the needs of our target customers – e.g. preference for boutique and independent accommodation operators and new model “Oasis-style” operations (part-owned by AccorHotels) versus large-scale hotel/motel chains)</li> <li>• Encouraging new models of development that empower individuals to participate in the visitor economy and share in its benefits (e.g. Airbnb, Airbnb experiences, Uber, PurePods)</li> <li>• Effective channel management (including i-SITEs, OTAs, other traditional and online channels)</li> <li>• Exceeding what we are obliged to do (regulatory and industry standards) striving instead for best practise and continuous improvement – “quality as a hygiene factor</li> </ul>
5. Insight	For Central Otago this means...
Prioritising insight to drive and track progress	<ul style="list-style-type: none"> <li>• Using and regularly updating our knowledge (of the market, of our customers, of the supply-side of our sector) to inform decisions on all aspects of product/service/infrastructure design and development, destination marketing and destination management</li> <li>• Setting measurable targets, defining key performance indicators, and regularly tracking progress towards our goals</li> <li>• Sharing knowledge, within the region and with our partners</li> </ul>

## Strategic Projects

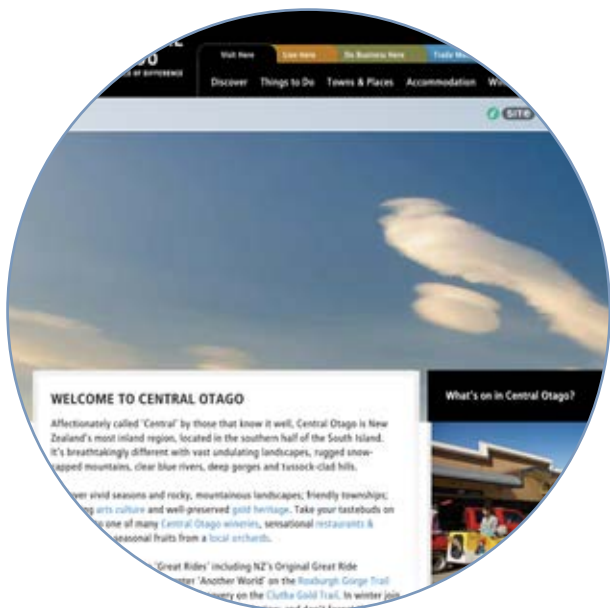
– Short Term (pg17/18) / Medium Term (pg19/20) / Long Term (gp21/22) / Always On (pg23/24)

Underpinning the five strategic priorities are the following Strategic Projects. These Strategic Projects will help Central Otago to realise its vision for tourism in the region and to achieve its goals.

The project priorities are:

<b>Short-term</b> By end of 2019	<b>Digital Shopfront</b>  Re-invent how travellers find out and feel about visiting Central Otago with a single digital portal	<b>i-SITE Review</b>  Undertake a comprehensive review of i-SITES and the role that they play in providing visitor information and inspiration	<b>Building our Brand Identity</b>  Leverage 'A World of Difference' regional identity and create a creative strategy and campaigns that are relevant to visitor markets	<b>Wine and Food Tourism</b>  Leverage growth in wine and food tourism and Central Otago's ultra-premium positioning in summer fruits, wine and food
<b>Medium-term</b> By end of 2020	<b>Eventful Central</b>  Advance the region's events calendar by growing, developing and attracting events	<b>Joining the Dots</b>  Improved transport linkages for visitors travelling to and through Central Otago – emphasis on touring route	<b>A Virtuous Cycle</b>  Leverage the current position of OCRT to develop a co-ordinated approach to the promotion of all regional trails	<b>Join the Club</b>  Drive the development of internal and external industry partnerships that will enable us to amplify our promotional efforts
<b>Long-term</b> By end of 2021	<b>Managing our Footprint</b>  Develop and promote groundbreaking programmes that demonstrate the region's active commitment to sustainability	<b>Central Otago's got Talent</b>  Plan for tourism workforce growth and development and become a tourism 'talent magnet'	<b>Insight for Advantage</b>  Ensure that our market intelligence and performance measurement systems provide us with the insights we need to lift our game	<b>Four Distinctly Different Seasons</b>  Extend shoulder seasons and off-season demand by promoting each season's hero products/reasons to visit
<b>Strategic initiatives</b> Always on	<b>Embody our Values</b>  A programme to use the region's A World of Difference values to enhance the quality and memorability of visitor experiences	<b>Tourism Masterplan</b>  Develop a tourism masterplan that anticipates tourism growth, infrastructure investment needs and potential development zones	<b>Visitor Experiences</b>  Assist with creation of new visitor experiences – eg nightsky tourism	<b>Community Engagement</b>  Build awareness of and pride in Central Otago's unique place in the New Zealand Visitor Industry

More details on each of the strategic projects follow.



**Digital Shopfront**  
*a singularly superior  
 online presence*

**Approach**

**Re-invent how travellers find out and feel about visiting Central Otago.**

**Actions**

- Overhaul current website
- Create a single digital portal
- Develop smart content management plan including user-generated content
- Create online brand “look book”
- Engage with community boards on brand alignment
- Investigate channel managers to optimise distribution of product information



**i-SITE Review**  
*visitor information and  
 experience management*

**Approach**

**Help our visitors find their own world of difference in Central Otago (and leave motivated to return, and to sing the region’s praises to others).**

**Actions**

- Undertake a functional and strategic review of current i-SITEs (including shared services model)





## Building our Brand Identity

*A World of Difference in tourism*

### Approach

**Leverage substantial value in ‘A World of Difference’ regional identity brand and make relevant to visitor markets.**

### Actions

- Following initial workshop with ‘The Bold’, stage a further industry workshop to translate A World of Difference brand (the ‘master brand’) into tourism-specific promotions
- Use output of this process to inform look and feel of website overhaul and promotional campaigns (linking to market personas)
- Encourage ‘members’ to align their promotional efforts with TCO brand – design styles, photoshoots etc



## Wine and Food Tourism

*harnessing our harvesting*

### Approach

**Leverage the growth in food and wine tourism and Central Otago’s ultra-premium positioning in summer fruits, wine and food.**

### Actions

- Establish a Wine and Food Tourism ‘board’ (refer Ultimate Winery Experiences Australia) to oversee development of food and wine experiences (packages, events, promotions)
- Develop ‘artisan food story’



## Eventful Central

growing, developing and attracting events

### Approach

**Advance Central Otago as a region that is capable of delivering superb events (especially in areas related to our unfakeable assets).**

### Actions

- Undertake a stocktake of current events and event-ready venues, sites and services
- Develop a calendar of events and event attraction opportunities
- Pick up the development of the 'event toolkit' to support event bids and development
- Build event expertise within the TCO team
- Review promotions/community group funding for alignment with this strategy and target markets



## Joining the Dots

improved transport linkages

### Approach

**Transform how visitors travel to and through Central Otago.**

### Actions

- Activate the new Central Otago Touring Route and associated trails
- Better publicise/promote existing services within and peripheral to the region
- Workshop opportunities for improved transport linkages with operators, including potential for a free online sales system
- Promote (to operators – in and outside of the region) the opportunity to add to/extend services; to look at new services and new business models for delivery



## A Virtuous Cycle

leaders in cycle tourism

### Approach

**Leverage the first mover advantage of the Otago Central Rail Trail to the promotion of Central Otago as the owner of cycle trail tourism.**

### Actions

- First things first, workshops to better align the promotional efforts of TCO and the Otago Central Rail Trail Trust (OCRT) and the Central Otago Clutha Trails (COCT) Company
- Continue to support and promote the development of Central Otago as a cycling destination for a range of cycling disciplines and skills
- Engage with Queenstown Cycle Trail Trust, the Central Otago Queenstown Trail Network Trust and associated tourism bodies to agree overall brand proposition and promotional strategy
- Ensure Central Otago's needs are reflected in the work programme of the New Zealand Cycle Trail including their representations to Tourism New Zealand and MBIE
- Support the development of 'product extensions' that build on the region's strengths in cycling including new events and visitor activities



## Join the Club

the power of partnerships

### Approach

**Determine the internal and external partnerships that we will need to develop, strengthen or establish, to drive the achievement of the vision.**

### Actions

- Confirm TCO membership programme, including definition of costs and benefits, most suitable governance model etc
- Scope out joint venture promotion opportunities and set targets for co-funding
- Participate in International Marketing Alliance (IMA) review, and determine who we should partner with regionally and when and what we are prepared to invest





## Managing our Footprint

sustainability at work

### Approach

**Develop and promote positive (and ground-breaking) programmes that demonstrate Central Otago's commitment to sustainability.**

### Actions

- Identify best practice ideas and make sure that our actions match our words
- Review TIA's new Sustainability Commitment and identify opportunities to play a leadership role in this space



## Central Otago's got Talent

growing, attracting, enabling  
tourism-ready workforce

### Approach

**Plan for tourism workforce growth and development in the region and become a tourism talent magnet.**

### Actions

- Use data from the master plan project to identify workforce needs, likely skill gaps and training opportunities
- Team up with 'Study Central' (and perhaps Queenstown Resort College) to promote learning and redevelopment opportunities
- Re-connect with Service IQ Industry Training Organisation (ITO)
- Identify likely mix of local vs externally-sourced labour and implications for training, accommodation and pastoral care



## **Insight for Advantage**

*high quality decisions need  
high quality information*

### **Approach**

**Ensure that our market intelligence data and performance measurement systems provide us with insights that we can use to consistently lift our game.**

### **Actions**

- Once goals and KPIs are confirmed, ensure we have robust measurement systems in place to track progress
- Finalise market persona project
- Develop growth scenarios (reference Tourism Masterplan project)
- Develop and embed approaches to the sharing of insights within and beyond the region (including insights drawn from international, national and regional sources)



## **Four Distinctly Different Seasons**

*four seasons, more reasons*

### **Approach**

**Extend shoulder seasons and off-season demand by promoting awareness of hero products by season.**

### **Actions**

- As part of developing product inventory (initial work completed for the strategic plan), identify gaps and opportunities for experiences that reflect and take advantage of the dramatic nature of Central Otago's seasonal extremes (e.g. weddings, small conferences, new 'festivals')



## Embody our Values

*making A World of Difference  
in Central Otago*

### Approach

**Use the region's values to enhance the quality and memorability of shared experiences (for residents, cribbies, seasonal or visiting workers and domestic and international travellers).**

### Actions

- Actively promote the region's values as a basis for visitors getting the most out of their Central Otago experience (a twist on 'when in Rome')
- Ensure these values underpin the region's brand positioning and are reflected in our website and other trade-and consumer-facing promotional activity
- Embed the region's values in a set of membership principles and/or Code of Conduct for businesses operating in the region
- Ensure customer training and ambassador programmes include content based on values



## Tourism Masterplan

*planning for good*

### Approach

**Work to get ahead of the curve by developing a tourism masterplan that anticipates investment needs and tourism 'zoning'.**

### Actions

- Construct growth scenarios and model visitor flows and volumes to identify where infrastructure needs to be improved, expanded or developed
- Keep the region's investment needs in front of MBIE and other lead agencies and ensure these are also well understood by neighbouring regions and prospective partners
- Superimpose masterplan with analysis of major superstructure investment needs
- Complete an audit of Council policy, consent processes, bylaws etc to ensure the environment for tourism businesses and developments is enabling



## Visitor Experiences

*the authentic and  
the unexpected*

### Approach

**Deliver on the A World of Difference promise; creating experiences that are signature Central Otago and delivering marketing in a way that resonates with our target segments.**

### Actions

- Identify new product development opportunities (some of which will be linked to the touring route) – e.g. food and wine tourism, night sky tourism, high country tourism, Māori and other cultural tourism experiences
- Trial “tourism clinics” to provide mentoring/ advice to existing and start-up businesses



## Community Engagement

*keeping it real*

### Approach

**Build awareness of and pride in Central Otago’s unique place in the New Zealand visitor industry.**

### Actions

- Review best practice in this area
  - e.g. Visit Britain
- Develop/launch a community engagement programme
- Develop and promote an “ask a local” campaign, pairing this with activities to identify and recognise local ambassadors and local talent
- Promote the costs and benefits of tourism (including extended benefits such as Study Central, community amenities etc) to reinforce the industry’s social licence to operate



## Structure and Resources

Many of the actions outlined in this document will require leadership and the active engagement of groups and organisations both within and outside the Central Otago region. The roles and responsibilities of the various stakeholders are outlined below.

Central Otago District Council	<p>Destination marketing and destination management including: -</p> <ul style="list-style-type: none"> <li>• Economic/Business development including sector support and capability development</li> <li>• Destination branding and marketing</li> <li>• Quality of visitor experience - standards</li> <li>• Visitor information/facilitation including signage</li> <li>• Monitoring and evaluation</li> <li>• Transport planning and infrastructure</li> <li>• Town planning and development</li> <li>• Maintenance of streetscape including cleaning and presentation</li> <li>• Public health and safety</li> <li>• Public/Visitor services; e.g. toilets, car parking, waste</li> <li>• Designated arts, heritage, cultural and leisure services</li> <li>• Partnership with private sector on development/promotion</li> </ul>
Otago Regional Council	<p>Regional resource planning and management including: -</p> <ul style="list-style-type: none"> <li>• Environmental planning and management</li> <li>• Resource consenting</li> <li>• Emergency management and civil defence</li> </ul>
Department of Conservation	<p>In relation to the conservation estate: -</p> <ul style="list-style-type: none"> <li>• Conservation and enhancement of natural environment/heritage assets</li> <li>• Facilitation of visitor access and enjoyment of active recreation and heritage experiences</li> <li>• Economic and social well-being of the community</li> </ul>
Local iwi and hapu	<p>In relation to designated public lands: -</p> <ul style="list-style-type: none"> <li>• Input to management policy and planning</li> <li>• Economic and social well-being of the community</li> <li>• Conservation and enhancement of natural environment and culture/heritage</li> </ul>
Individual tourism businesses and prospective investors	<ul style="list-style-type: none"> <li>• Product development, investment and ongoing improvement</li> <li>• Promotion of business and connection to destination brand</li> <li>• Welcome and care of visitors</li> <li>• Meeting standards and legislative requirements</li> <li>• Operation of business and delivery of visitor experience</li> <li>• Creating and maintaining employment</li> </ul>
Related businesses	<ul style="list-style-type: none"> <li>• Developing and maintaining infrastructure (e.g. broadband services)</li> <li>• Providing ancillary services</li> </ul>
Community and community groups	<ul style="list-style-type: none"> <li>• Welcome and care of visitors</li> <li>• Presentation/Interpretation of culture/heritage/sense of place</li> <li>• Advocacy for community interests (commercial, social, environmental)</li> <li>• Contribution of local knowledge/expertise</li> <li>• Development and delivery of local events/initiatives</li> </ul>

Tourism Industry Aotearoa (TIA) and other industry associations/ groups	<ul style="list-style-type: none"> <li>• Lobbying and advocacy on behalf of the sector</li> <li>• Business capability and training events/initiatives/support</li> <li>• Industry leadership, collaboration and coordination (e.g. Tourism 2025)</li> <li>• Membership benefits and support</li> <li>• Research/market intelligence/insights</li> <li>• Education and training</li> <li>• Business advisory and support services</li> </ul>
Tourism New Zealand (TNZ)	<ul style="list-style-type: none"> <li>• Promotion of New Zealand (and regional brands)</li> <li>• Regional destination networking and coordination</li> <li>• Advice and support for RTOs and other stakeholders</li> <li>• Destination management initiatives (including Qualmark)</li> <li>• Market intelligence/insights</li> </ul>
Other government agencies and Non-Governmental Organisations (NGOs)	<ul style="list-style-type: none"> <li>• Advice and support on cultural, heritage and community initiatives</li> <li>• Destination management policies, resources and information (e.g. in relation to Landmarks and freedom camping)</li> <li>• Tourism statistics/data</li> <li>• Grants and funding</li> <li>• Infrastructure</li> </ul>

As the largest single funder of destination marketing and management at present, and as the representative for businesses and residents in communities across the region, Central Otago District Council (CODC) will lead implementation, partnering with other groups/agencies as appropriate.

### Structure and Governance

As at 1 July 2016, four of New Zealand's (RTOs) were Council business units, seven were companies owned by Council, eight were incorporated societies and five were charitable or independent trusts. TCO was one of the four operating as a Council business unit.

Given Council's present level of investment in destination marketing and destination development, the range of functions it performs, and TCO's current use of and access to Council resources, it seems important that TCO remains closely aligned to Council. At the same time, CODC and TCO would like to see more private sector investment in tourism promotion and therefore greater private sector involvement in decision-making, potentially with some independence from Council.

One possibility considered was a Council Controlled Organisation (CCO) or incorporated society model. At a governance level, RTOs typically have boards of 6-8 people, with 50% of board appointments controlled by Council and the remaining positions filled by a mix of industry experts (potentially from outside as well as inside the region). At a management level there are a variety of models, including shared services as well as standalone businesses. The pros and cons of different structures were evaluated in the context of the strategic plan and Council's aspirations for tourism in the region.

The structures evaluated were: -

1. Current TCO structure, business as usual operations
2. Current TCO structure with a super-charged advisory board
3. CCO with shared services model (IT, finance, HR etc)
4. Incorporated society (standalone business)

The evaluation considered: -

- The current value of private sector investment in destination marketing and management (cash and in-kind) and future potential
- Potential to increase the value of external funding partnerships – e.g. with TNZ and NZTA
- Contribution from establishing a TCO membership fee (with associated package of benefits and costs to serve)
- Opportunity to attract additional private sector investment through new joint venture marketing partnerships (including external partnerships such as 'South')

Note: Council resolved at its meeting of 4 July 2018 (Resolution 18.7.10) that Tourism Central Otago remains as a business unit of Central Otago District Council, and approved the establishment of an external advisory board.

## Investment

In Financial Year 2016, TCO received a little over \$500,000 in funding, of which \$460,000 was contributed by CODC. The Council also invested in management of its local i-SITE network, and in various grants for promotional groups across the region.

Going forward, it may make sense for Council's investment in tourism development to be managed from a central point so that trade-offs can be made where appropriate, expenditure leveraged where possible and return on investment optimised. For example, funding of promotional groups could be channeled through TCO to support projects aligned to this strategy (e.g. a single digital portal, targeted product development, development and enhancements to the touring route).

This strategy anticipates growth in private sector investment and a rebalancing of public/private sector investment from an estimated ratio of 92:8 (currently) toward a ratio of 80:20 over the planning period (85:15 being the average for all New Zealand regions).

A roadmap will need to be developed to this end. This may involve: -

- Clarifying and quantifying the value of the current private sector investment in destination marketing and management (including the value of in-kind contributions)
- Introducing a base fee for membership of TCO (with associated benefits for those contributing)
- Identifying and promoting specific joint venture opportunities as vehicles for private sector investment (e.g. specific marketing campaigns, representation at TRENZ (Tourism Rendezvous New Zealand), support for famils and other marketing initiatives)
- Looking at further opportunities to 'monetise' local i-SITEs (as a promotional and sales channel for local operators)

At the same time, there may be a need to re-look at Council funding of TCO (or new-TCO), particularly if Council wishes to grow the contribution of tourism to the Central Otago region. This is despite Council's currently 'moderate' investment in tourism – when seen relative to other Councils - and reflects both the nature of the local industry (small scale, fragmented) and the magnitude of the opportunity available.

Metric (YE June 2016)	Central Otago District Council	TCO relative to all RTOs
RTO Council funding as % of total Council income	1.4%	6 <sup>th</sup> of 26
RTO Council funding as % of Council rates	1.85%	6 <sup>th</sup> of 26
Council funding per rateable property	\$34	11 <sup>th</sup> of 26
Council funding per capita	\$24	9 <sup>th</sup> of 26

## Monitoring and Evaluation

Progress will be tracked against goals, using the following framework.

	Goal	Monitoring & Evaluation
<b>Visitor Expenditure</b>	Increase visitor expenditure from \$188 million in 2017 to \$378 million in 2027 (and grow value at greater than the rate of volume)	Monthly Regional Tourism Estimates (MRTes) for value, and CAM or other dataset to track volume.
<b>Seasonality</b>	Improve seasonal distribution, aiming for 35% of visitor nights in summer, and 65% at other times of year by 2027	Monitor seasonal distribution using MRTes (value) and CAM data (volume of guest nights – commercial only)
<b>Connectedness</b>	Improve our connections with neighbouring regions (both physical and virtual)	By 2020, the following will be in place: <ul style="list-style-type: none"> <li>• Establishment of marketing partnerships with neighbouring regions</li> <li>• Quarterly one on one meetings held with key neighbouring RTOs</li> <li>• Advanced stages of Touring Route implementation</li> </ul>
<b>Brand Positioning</b>	<p>The real Central Otago tourism offering is understood and valued. International and domestic visitors understand that Central Otago offers:</p> <ul style="list-style-type: none"> <li>• High quality, personalised visitor experiences</li> <li>• Unique opportunities to interact with natural environments and local people</li> </ul> <p>A tourism eco-system that aligns to the 'A World of Difference' brand values. International and domestic visitors to Central Otago depart with a:</p> <ul style="list-style-type: none"> <li>• Sense of money well spent</li> <li>• Desire to return (to live, work, or play)</li> </ul>	Annual monitoring of key evaluation metrics and associated recommendations to be made
<b>Product Mix</b>	The Central Otago tourism product mix aligns with community aspirations and the needs of our target markets	Annual monitoring of key evaluation metrics and associated recommendations to be made
<b>Investment</b>	85:15 ratio of public to private sector investment	Annual compilation of expenditure by Council and private sector partners



## Appendix 1 – Table of Reference

TNZ	100% Pure New Zealand – Tourism New Zealand	<a href="http://www.newzealand.com">www.newzealand.com</a>
	Air BnB and Air BnB Experiences	<a href="http://www.airbnb.co.nz">www.airbnb.co.nz</a>
AirNZ	Air New Zealand	<a href="http://www.airnewzealand.co.nz">www.airnewzealand.co.nz</a>
	Central Otago A World of Difference - Regional Identity	<a href="http://www.aworldofdifference.co.nz">www.aworldofdifference.co.nz</a>
CODC	Central Otago District Council	<a href="http://www.codc.govt.nz">www.codc.govt.nz</a>
COQTNT	Central Otago Queenstown Trail Network Trust	
COCT	Central Otago Clutha Trails Company	<a href="http://www.cluthagold.co.nz">www.cluthagold.co.nz</a>
CAM	Commercial Accommodation Monitor	<a href="http://www.stats.govt.nz">www.stats.govt.nz</a>
CCO	Council Controlled Organisation	<a href="http://www.legislation.govt.nz">www.legislation.govt.nz</a>
DOC	Department of Conservation	<a href="http://www.doc.govt.nz">www.doc.govt.nz</a>
EDA	Economic Development Agency	
	Ultimate Winery Experiences Australia	<a href="http://www.ultimatewineryexperiences.com.au">www.ultimatewineryexperiences.com.au</a>
IMA	International Marketing Alliance	
KPIs	Key Performance Indicators	
	Milford Opportunities Project	<a href="http://www.southlanddc.govt.nz">www.southlanddc.govt.nz</a>
MBIE	Ministry of Business, Innovation & Employment	<a href="http://www.mbie.govt.nz">www.mbie.govt.nz</a>
MRTE	Monthly Regional Tourism Estimate	<a href="http://www.mbie.govt.nz">www.mbie.govt.nz</a>
NZTA	New Zealand Transport Agency	<a href="http://www.nzta.govt.nz">www.nzta.govt.nz</a>
NGO	Non-Governmental Organisations	<a href="http://www.indexnz.com">www.indexnz.com</a>
	NZ Story	<a href="http://www.nzstory.govt.nz">www.nzstory.govt.nz</a>
OTA	Online Travel Agency	
OCRT	Otago Central Rail Trail	<a href="http://www.otagocentralrailtrail.co.nz">www.otagocentralrailtrail.co.nz</a>
ORC	Otago Regional Council	<a href="http://www.orc.govt.nz">www.orc.govt.nz</a>
	Pure Pods	<a href="http://www.purepods.com">www.purepods.com</a>
	Queenstown Cycle Trail Trust	<a href="http://www.queenstowntrail.co.nz">www.queenstowntrail.co.nz</a>
	Queenstown Resort College	<a href="http://www.qrc.ac.nz">www.qrc.ac.nz</a>
RTO	Regional Tourism Organisation	<a href="http://www.rtnz.org.nz">www.rtnz.org.nz</a>
ITO	Service IQ – Industry Training Organisation	<a href="http://www.serviceiq.org.nz">www.serviceiq.org.nz</a>
SOUTH	South Island NZ group	<a href="http://www.south.co.nz">www.south.co.nz</a>
	Statistics New Zealand	<a href="http://www.stats.govt.nz">www.stats.govt.nz</a>
	Study Central	<a href="http://www.central.op.ac.nz">www.central.op.ac.nz</a>
	The Bold	<a href="http://www.thebold.nz">www.thebold.nz</a>
	Tourism 2025 growth framework	<a href="http://www.tia.org.nz/tourism-2025">www.tia.org.nz/tourism-2025</a>
TCO	Tourism Central Otago	<a href="http://www.centralotagonz.com">www.centralotagonz.com</a>
TIA	Tourism Industry Aotearoa	<a href="http://www.tia.org.nz">www.tia.org.nz</a>
TRENZ	Tourism Rendezvous New Zealand	<a href="http://www.trenz.co.nz">www.trenz.co.nz</a>
	Tourism Sustainability Commitment	<a href="http://www.tia.org.nz/advocacy/tia-projects/tourism/">www.tia.org.nz/advocacy/tia-projects/tourism/</a>
	Uber	<a href="http://www.uber.com">www.uber.com</a>
UNWTO	United Nations World Tourism Organisation	<a href="http://www2.unwto.org/">www2.unwto.org/</a>
	Visit Britain	<a href="http://www.visitbritain.com">www.visitbritain.com</a>



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