

Notice is given that an ordinary meeting of the Regulatory Committee will be held on:

Date: Thursday 12 March 2020
Time: 1.00pm
Meeting Room: Murchison Sport, Recreation and
Venue: Cultural Facility
182 Waller Street
Murchison

Regulatory Committee

AGENDA

MEMBERSHIP

Chairperson	Cr D Wensley	
Deputy Chairperson	Cr D Ogilvie	
Members	Mayor T King	Cr K Maling
	Deputy Mayor S Bryant	Cr C Mackenzie
	Cr C Butler	Cr D McNamara
	Cr M Greening	Cr T Tuffnell
	Cr C Hill	Cr A Turley
	Cr C Hutt	Cr T Walker

(Quorum 2 members)

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AGENDA

1 OPENING, WELCOME

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That apologies be accepted.

3 PUBLIC FORUM

4 DECLARATIONS OF INTEREST

5 LATE ITEMS

6 CONFIRMATION OF MINUTES

7 PRESENTATIONS

Nil

8 REPORTS

8.1	Resource Consents Manager's Report	5
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9 CONFIDENTIAL SESSION

Nil

8 REPORTS

8.1 RESOURCE CONSENTS MANAGER'S REPORT

Information Only - No Decision Required

Report To:	Regulatory Committee
Meeting Date:	12 March 2020
Report Author:	Phil Doole, Resource Consents Manager
Report Number:	RRC20-03-01

1 Summary

- 1.1 This report presents a summary of the activities of the Resource Consent Section for the past seven months since my last report to the Environment and Planning Committee in July 2019, including compliance with statutory timeframes for the first half of the 2019-2020 financial year.
- 1.2 For the processing of 755 resource consent applications including variations to existing consents, 96% compliance with statutory timeframes was achieved through the six month period.
- 1.3 There are no live appeals to the Environment Court.
- 1.4 This report also outlines current workloads and notable jobs that have been progressed over the past six months, including consenting for Special Housing Areas.

2 Draft Resolution

That the Regulatory Committee receives the Resource Consents Manager's Report RRC20-03-01.

3 Purpose of the Report

3.1 This report presents a summary of the performance of the Resource Consent Section relating to compliance with statutory timeframes for the first half of the 2019-2020 financial year. It provides a status update for appeals to the Environment Court. It also summarises the current workload and notable jobs that have been progressed since my last report to the Committee in July 2019.

4 Summary of Resource Consent Processing to 31 December 2019 (Six Months)

- 4.1 We received 742 applications for resource consents and other matters during the six months up to 31 December 2019 (compared with 688 in the same period in 2018), continuing the steady increase across all workflows that began in 2016. The higher volume of District land use applications has continued, and there has also been a significant 40% increase in subdivision applications compared with three years ago. The major driver is the surge in residential growth in the District, with many applications for dispensations for dwellings in new subdivisions, as well as an increase in applications for second dwellings and other in-fill developments on existing residential properties. The increase in subdivision proposals includes both rural boundary adjustments, and a variety of residential developments including the Special Housing Areas.
- 4.2 Tables 1 and 2 below present summaries of the various types of applications for which processing was completed (ie, decisions made) during the six months July-December 2019, showing median processing days, and compliance with statutory timeframes.

Table 1: Timeliness Results (July-December 2019) Non-notified Applications

Type of Application	Number Complete 2016*	Number Complete 2017*	Number Complete 2018*	Number Complete 2019*	Percentage Within Time (includes s37)	Median Processing Days**
District Land	270	292	276	237	97%	18
Cons Notice Variations	20	11	7	10	90%	19
Subdivision	47	67	83	65	72%	35
Coastal	7	10	3	8	100%	50
Discharge	52	67	55	59	95%	25
Regional Land	15	10	11	14	93%	49
Water Permit	35	39	78	362	99.7%	14**
Total:	447	496	513	755	96%	21**
SHA consents			8	10	n/a	n/a
Boundary Exemption Notices (10 days)***			30	14	100%	5
Others****	8	17	14	25	n/a	n/a

Notes for this Table continue on next page

* The numbers shown include applications to change conditions of existing consents (variations).

** Processing days are statutory working days including time extensions (Refer paragraph 4.5 below).

The median days shown for Water Permits, and for the overall Total non-notified applications, exclude 325 applications processed as bulk “renewals” for the Upper Motueka and Waimea Water Management Zones.
*** Permitted Boundary Notices were introduced from October 2017. Refer paragraph 6.2.below.
**** “Others” include Rights of Way (ROWs), Outline Plans and Certificates of Compliance.

Table 2: Timeliness Results (July-December 2019) Notified Applications

Type of Application	Number Complete 2016	Number Complete 2017	Number Complete 2018	Number Complete 2019	Percentage Within Time (includes s37)	Average Processing Days*
Publicly Notified Applications (No Hearing)						
All	1	16	0	0	n/a	n/a
Publicly Notified Applications (With Hearing)						
All	15	22	2	0	n/a	n/a
Limited Notified Applications (No Hearing)						
All	20	3	10	8	100%	54
Limited Notified Applications (With Hearing)						
All	3	15	0	8	100%	193**
Totals:	39	56	12	16	100%	n/a
* Processing days are statutory working days including time extensions.						
** The longer timeframes for the notified applications that required hearings are attributable to applicants putting the process on hold, agreements for later hearing dates, or further information requirements during hearings.						

- 4.3 Table 3 shows a summary of the types of decisions on resource consent applications completed in the six-month period.

Table 3: Resource Consents Summary of Decisions

Type of Decision	Number
Granted by Independent Commissioners	8
Granted by Councillor Panel	0
Granted by Council staff under Delegated Authority	812

- 4.4 The decisions above include three Commissioner hearings. Several other Commissioner hearings have also been held since July 2019, for which decisions are pending. Details of those applications are provided later in this report.
- 4.5 All of the 325 applications for water permit renewals had Section 37 time extensions applied, as agreed by the applicants. Fifty-five percent of the other resource consent applications completed also had Section 37 time extensions applied, about half of those at the request of, or with, the applicant’s agreement. This number of time extensions is similar to last year (52%). Time extensions are typically required for large and/or complex subdivisions with associated land use and discharge permits, and other special circumstances. Also, requests to place applications “on hold” for various reasons are now treated as time extensions, to conform with the requirements of the National Monitoring System.

- 4.6 Twenty-four percent of all completed applications required a further information request (compared to 32% in the previous year).
- 4.7 Twenty-two percent of the land use consents were completed in 10 working days or less. The 2017 amendments to the Resource Management Act 1991 (RMA) introduced a 10 day “fast track” timeline for consent applications that involve district land use **controlled activities** only. Thirty qualifying applications were processed in the six month period. The median was 10 working days for processing these Fast track applications. Time extensions were applied for some.
- 4.8 Other work related to resource consents includes the two implementation steps for subdivisions known as section 223 and section 224 approvals – 63 and 61 of those were completed during the six-month period (compared to 44 and 54, respectively, during the same period last year). This workflow reflects the significant increase in subdivision development activity over the past 3-4 years.

5 Discount Regulations

- 5.1 The discount regulations that apply to Council’s charges for processing resource consent applications require a “sliding scale percentage discount” of 1% for each day that processing goes over time, rising to a maximum 50% discount.
- 5.2 For the six-month period, there were 22 non-notified applications, involving a total of 31 consents that were completed out of time, resulting in 22 fee discounts ranging from 2% to 50%. These discounts total \$11,200 excluding GST (compared with \$12,000 total discounts for the same period in the 2018-19 year).
- 5.3 These discounts mainly result from the on-going surge in subdivision workload associated with the growth in residential demand in the District, including zoning uplifts and Special Housing Areas, which unfortunately has coincided with continuing staff gaps. Several other applications that have been completed since 31 December or are still in progress have also gone over time as a result of these challenges.

6 Marginal or Temporary Consent Exemptions

- 6.1 The RMA amendments that took effect from 18 October 2017 created two types of “consent exemption” notices, those being “deemed permitted boundary activities”, and other “marginal or temporary exemptions”.
- 6.2 Applications for **Deemed Permitted Boundary Activities** require the written approval of the owner(s) of the property on the other side of the infringed boundary. As listed in Table 1 above, 14 Boundary Exemption Notices were issued over the six month period.
- 6.3 Notices issued for **marginal or temporary breaches** of plan rules are referred to as MOTCEs (pronounced “MOT-SEES”). Eight MOTCE Notices were issued over the six month period, for a wide variety of activity types including temporary structures, burning of stumps (air discharge), and very minor breaches of land use and stormwater rules.

7 Objections to Decisions Made Under Delegation

- 7.1 There are 16 live Objections to consents granted by staff under delegated authority, and several others were resolved during the reporting period.
- 7.2 An Objection lodged in February 2018 against conditions imposed on water permits for taking water to storage in the Mt Heslington area (the deemed Reservoir Zone) is yet to be resolved. An extensive response was made to the matters of Objection and a hearing will likely be required. Consents staff are endeavouring to maintain consistency with other Reservoir Zone water permits that may be affected by the Waimea Dam proposal.
- 7.3 An Objection lodged in May 2018 regarding conditions of consent imposed for the Supermarket proposed at the Salisbury Road/Champion Road intersection in Richmond raised issues relating to upgrade of the road frontages and traffic roundabout. The Objection remains “on hold” pending further negotiations with Council’s Engineering Services Department.
- 7.4 An Objection was lodged in January 2019 regarding Stage 2 development proposed in the Rural Industrial Zone at 750 Lower Queen Street, Richmond. The issues raised relate to the site access upgrade design and timing, and finished floor levels at this coastal site. These issues were resolved in October 2019.
- 7.5 An Objection was lodged in March 2019 against the imposition of a walkway reserve strip on a subdivision in Rural and Rural Residential zones off Thorp Street in Motueka. The purpose of the walkway is to provide a link from the Thorp Street area to Thorp Bush Reserve. A hearing of this Objection was held by an Independent Commissioner on 29 July 2019. After waiting for the Objectors Right of Reply, the Commissioner’s decision was released on 17 February 2020, dismissing the Objection, although some amendments were made to the conditions of consent relating to the walkway.
- 7.6 An Objection was lodged in June 2019 against a condition requiring a 5 metre wide esplanade strip adjoining the Riwaka River on a rural subdivision consent. Council staff are reviewing the reasons for the Objection.
- 7.7 An Objection was lodged in June 2019 against a condition requiring partial upgrading of a portion of Horton Road past the seal end, to address the increased traffic that will result from a 3-lot subdivision in the Rural 3 zone. An expert traffic assessment was provided by the Objector which enabled the issues to be resolved in October 2019.
- 7.8 An Objection was lodged in September 2019 regarding conditions on the subdivision consent requiring upgrade on High park Road in the Matiri valley. The issues were resolved in November 2011.
- 7.9 An Objection was lodged in September 2019 against a condition on a subdivision consent requiring land to vest as road without compensation in Bird Lane Wakefield. Council staff consider the condition to be consistent with previous consents in that locality, and have advised the Objector accordingly.
- 7.10 An Objection was lodged in November 2019 against a condition on a subdivision consent requiring land to vest as road without compensation for widening at the Gardner Valley Road/Best Road intersection. Council staff are reviewing the points raised.
- 7.11 Six Objections have been received regarding replacement water permits issued in the Upper Motueka water management zones, raising a mix of issues. Some technical matters appear to be resolvable.

- 7.12 Five Objections have been received to date regarding replacement water permits issues for the Waimea water management zones, raising a mix of issues relating to the bona fide methodology or soil assessments.

8 Appeals

- 8.1 There are no live appeals to the Environment Court, nor any other Court proceedings relating to resource consents.

9 Upper Motueka Water Permit Renewals

- 9.1 The bulk of the replacement water permits were issued during September 2019. Seventy-eight new permits have been completed, with 7 still in process for various reasons.

10 Waimea Water Permit Renewals

- 10.1 The bulk of the 280 replacement permits were issued by December 2019, with some of the remainder having been issued since New Year. Aside from the size of this job, some delays were due to the applicants needing to decide whether they would be affiliated, or not, to the Waimea dam. A total of 270 permits have been issued, with 12 still outstanding, plus another eight which have been transferred to a new Redwood Valley water zone.
- 10.2 Priority is being given to requests for allocation sharing that have been prompted by the current water restrictions.

11 Other Water Permit Renewals

- 11.1 Another 200-odd water permits and associated consents expired on 31 May 2018. They largely comprise 95 takes in the Takaka water management zone, 75 dams or takes from storage, and 20 takes in the Upper Buller zone. The applications received for replacement permits will be processed in bulk batches for each zone, as time allows once the Waimea Permits renewal process is more or less completed. Applicants can continue operating under their expired consent conditions including the rates of water take therein, until their replacement permit commences.

12 Special Housing Areas Consenting

- 12.1 Consent applications for the Special Housing Areas (SHAs) in Tasman District are processed in accordance with the provisions of the Housing Accords and Special Housing Areas Act 2013, which adopts much of the RMA consenting process but differs with regard to infrastructure and notification requirements.
- 12.2 Consents for SHA T1-01 at 323 Hill Street in Richmond (known as Pioneer Heights) were granted in February 2018 for a 26 lot subdivision and associated consents. That development was completed and received its final section 224 approval in early July 2019.
- 12.3 SHA T1-02 in the Richmond West Development Area north of Berryfield Drive, was split into three parts. Consents have been granted for all three parts: a 70 lot residential subdivision

(“The Fields”); a lifestyle village comprising 267 residential units, community and recreational facilities and a commercial precinct (“Arvida”); and “The Meadows” being a subdivision comprising 470 residential units located on the northwest side of Borck Creek with frontage to McShane Road. This third, and largest part of the SHA was granted consent in July 2019. However, revisions to the subdivision layout may be sought, as well as possibly making provision for a new primary school in that locality.

- 12.4 A consent application was lodged in July 2019 for a 379 residential lot subdivision in SHA T1-03 Appleby Fields, also in the Richmond West Development Area. That application is progressing through further information requests, plus consideration of changes to the layout of road links to State Highway 60. Possible changes to the layout of infrastructure adjoining the State Highway 6 Bypass designation, including Poutama Drain and an acoustic barrier, are also being considered.
- 12.5 Consent applications for the two SHAs in Richmond East (being T01-07 and T01-09) are progressing through further information requests.
- 12.6 Consents were granted for SHA T1-05 at Pohara village (Richmond Road) in December 2019. That development comprises 72 new residential allotments.
- 12.7 Likewise, the consent application for SHA T01-04 at Marahau is also subject to further information requests, particularly regarding natural hazards and wastewater management.
- 12.8 An application to develop part of the Wakefield (Whitby Road) Special Housing Area T01-10 was lodged in July 2019 under the usual Resource Management Act process, because the proposed residential development did not meet the minimum numbers of dwellings required for the SHA. The site is zoned residential. Consents were granted in November 2019.

13 Other Notable Application Work since July 2019

13.1 Notable applications and proposals dealt with over the past seven months are:

- **Rural 3 Subdivisions:** in August, the Appleby Hills subdivision, one of the first Rural 3 developments to start in 2006, was given Section 224 approval for its final stages making a total of 77 residential allotments. That development has a community owned water supply and wastewater treatment system.
- **Bell Island Waste Water Treatment Plant:** the Nelson Regional Sewerage Business Unit has applied for replacement consents for the Bell Island Wastewater Treatment Plant, including discharge permits for disposing of treated wastewater to sea. This application was publicly notified in March 2018 and attracted 15 submissions. The application process was suspended while the applicant obtained further information and sought pre-hearing meetings with submitters. A hearing for this application was held by Independent Commissioners in November 2019. Their decision was notified on 21 February 2020. They have granted the replacement consents with a 20 year term.
- **Drag Racing Motueka Aerodrome:** the Nelson Drag Racing Association’s 10-year consent expired in May 2019. They have applied to continue with four events per year (the permitted activity rule in the TRMP allows two events per year). The application was publicly notified in August, attracting 106 submissions, only two of which are opposed. It is expected that the application can be completed without need for a hearing.

- **Nelson Speedway:** the Nelson Speedway Association Inc has applied for consent to increase the number of race meetings they can hold between October and April each year. Public notification has been requested.
- **Gravel Extraction from Rivers:** this application by Council's Engineering Services Department for "global" consents to extract gravel from rivers across the District was publicly notified in September 2018, and attracted nine submissions. The submitters include several iwi who have Statutory Acknowledgements for many of the rivers. The consenting process was suspended in December 2018 to allow the applicant to consider the matters raised by submitters. A hearing was held by Independent Commissioners in November 2019. Their decision is pending.
- **Global Stormwater Discharges:** this application by Council's Engineering Services Department for "global" consents to authorise discharges of stormwater from the stormwater drainage networks was publicly notified in October 2019, and attracted one submission in support.
- **Pohara Flood Protection Works:** this application by Council's Engineering Services Department for flood protection works on Ellis and Barnett Creeks at Pohara was limited notified to affected landowners and others in December 2019. The submission period closed on 14 February, allowing an extended time over Christmas/New year for affected persons to consider the proposals. Three submissions have been received.
- **Other Limited Notified Applications:** several applications have been limited notified to neighbours, including commercial activity, industrial activity, multiple dwellings on a site, "in-fill" rural residential scale subdivision proposals, and an additional dwelling on a shared access. Two of these applications have been heard by Commissioners. Others also have issues raised by submitters and may require hearings.

14 Iwi Liaison and Statutory Acknowledgements

- 14.1 For many years we have been sending weekly lists of resource consent applications to local iwi for them to identify any proposal of interest, thereby assisting Council to achieve its obligations under the Resource Management Act and the TRMP to recognize Maori cultural values and provide for them in the consenting process. That liaison was primarily with Tiakina Te Taiao and Manawhenua ki Mohua representing several iwi. We now also have regular contact directly with representatives Te Atiawa and Ngati Kuia.
- 14.2 Statutory Acknowledgements recognizing the special association that one or more of the Te Tau Ihu iwi have with sites or areas of the region, took legal effect from 1 February 2015. The Statutory Acknowledgements include the entire coastal marine area, most rivers, and other listed sites within Tasman District. Council is required to send summaries or notices of all resource consent applications for activities within, adjacent to, or directly affecting a "statutory area", to each of the associated iwi. Council is required to have regard to the Statutory Acknowledgements when making decisions on resource consent applications.
- 14.3 From 1 February 2015 the lists of applications have been sent to all of the Te Tau Ihu iwi. A review of this arrangement during 2019 prompted some amendments being made with regard to how information about applications can be supplied efficiently. Assistance is also being given to iwi representatives for navigation of the Tasman Resource Management Plan and how the various rules apply (or not) to matters of interest to iwi.

15 Current Staffing, Contractors and Workloads

- 15.1 Staff recruitment and retention challenges continue – it is now over three years since the resource consents section was fully staffed. Approvals have been given over the past three years to increase staff numbers to match the increase in workload, but we have not been able to maintain a full complement of staff over that time.
- 15.2 In the Subdivision Consents team, Ella Mowat will return from parental leave in March. Marijke Ransom has been covering Ella's position on a part-time basis, and will continue on to assist with the subdivision workload. We are continuing to use contractors for processing subdivision applications including the Special Housing Area consenting. We are continuing to give priority to s223 and s224 approvals, whenever possible, to avoid delaying the issue of titles for completed developments.
- 15.3 In the Natural Resources Consents team, Alice Hill has replaced Jenna Wolter (who shifted to the subdivision team last July) and she is returning part-time from parental leave in March. Alice Woodward shifted to a local consultancy in September, and she has been replaced by Tim Dodd who joined us in January. Bryan Scoles is moving to a full time role in the Environmental Information section, and he is being replaced by Amy Bennetts who will start with us in March. Ros Squire resigned from her Council consents role in December, and we are trying to recruit a replacement to cover coastal consenting including aquaculture.
- 15.4 In the Land Use consents team, recruitment of new staff has been a challenge. Liz Lightbourne's position has been vacant since June 2019 when she decided not to return from parental leave. Siraj Hassan will be taking up that position in March. Bob Askew is continuing to assist us part-time with the duty planner roster based at the Motueka office; and Edna Brownlee is assisting with LIMs and Building Consent checks. There are also several contractors assisting us with land use consent applications.
- 15.5 Between them, the contractors are processing 15-20% of the consent applications, excluding the water permits.
- 15.6 The Administration support team currently comprising four staff has handled a significant workload with the 300+ water permit applications on top of all the other work associated with subdivisions and cost recovery.
- 15.7 The overall workload for the Consents section also continues to be influenced by increases in demands on the time of duty planners and other enquiries, as well as with pre-application work generally. The number of LIMs and Building Consent checks has also steadily increased.
- 15.8 I again thank the Consents staff and other Council staff who regularly assist us in our work for their efforts in dealing with the high workload and many complex applications, despite the staffing changes and shortages.

16 Attachments

Nil

8.2 POTENTIAL REVIEW OF THE DOG CONTROL BYLAW**Decision Required**

Report To:	Regulatory Committee
Meeting Date:	12 March 2020
Report Author:	Adrian Humphries, Regulatory Manager
Report Number:	RRC20-03-02

1 Summary

- 1.1 Council has been asked to consider reviewing the current Dog Control Bylaw four years early. The main drivers are a perception that a review would lead to better protection of birds on our coast and easier access to Commercial Street, Takaka and Tata Beach for dogs.
- 1.2 The existing rules are in place to protect local fauna whilst still allowing reasonable access to beaches and streets by people and dogs, and have worked well with minor exceptions for over 20 years. Staff do not consider the changes necessary at this time as they will not achieve better outcomes for the vast majority of people or birds.
- 1.3 Calls for more permissive rules at Tata Beach primarily came from those caught breaking the rules and no one has been fined in Commercial Street since 2010.
- 1.4 Improvement of bird protection is bigger than purely dog control and the Department of Conservation has more targeted powers under the Wildlife Act. There is merit in working in partnership with stakeholders rather than attempting additional enforcement through the Dog Bylaw.

2 Draft Resolution**That the Regulatory Committee**

- 1) **receives the Potential Review of the Dog Control Bylaw report RC20-03-02; and either**
- 2) **agrees not to undertake a review of the Dog Control Bylaw until it comes up for review in 2024; or**
- 3) **requests staff to prepare a full report proposing a review of the Dog Control Bylaw; or**
- 4) **requests staff to report on**
 - a. **a targeted amendment to the Dog Control Bylaw relating to dogs in Commercial Street, Takaka and Tata Beach and delegates to the Golden Bay Community Board the powers to do all that is necessary up to the adoption of the Bylaw, and**

b. a targeted amendment to the Dog Control Bylaw relating to dogs at Little Kaiteriteri and delegates to the Motueka Community Board the powers to do all that is necessary up to the adoption of the Bylaw, and

for both Boards to report back to the Council with a recommendation to amend or otherwise; and

5) notes staff will continue to work with stakeholders regarding coastal bird protection.

3 Purpose of the Report

- 3.1 Council is being asked if it wishes to review or amend the existing Dog Control Bylaw and associated Policy before its due date of 2024.

4 Background and Discussion

- 4.1 The Dog Control Bylaw was last reviewed in 2014 and is next due for review in 2024. We have had a Dog Control Bylaw under the Dog Control Act 1996 (The Act) since 1997 and many of the provisions in the current bylaw have changed little in that time. Creating such Bylaws have always been challenging and invariably results in contrary opinions from submitters.
- 4.2 There are four elements of the existing bylaw which have been put forward for amendment/change, these are:
- 4.2.1 The current prohibition on dogs being able to be present on Commercial Street Takaka at certain times of day i.e. 9am to 5pm daily.
- 4.2.2 The current prohibition on dogs being allowed on Tata Beach during the period of New Zealand Daylight Saving Time, and for the remainder of the year from one hour prior to sunrise until one hour after sunrise.
- 4.2.3 Dogs being allowed access to Alex Ryder Reserve, and against dogs having access to Little Kaiteriteri beach. Currently dogs are prohibited on Little Kaiteriteri Beach and Alex Ryder Reserve during summer months, except between the hours of 5.00am and 9.00am.
- 4.2.4 Forest and Bird would like a “Shorebird Protection Package” introduced that would include prohibition/restriction of dogs on some beaches.
- 4.3 Feedback from various groups and individuals has led the Golden Bay Community Board to make a resolution in their August 2019 meeting requesting amendments to the bylaw, the resolution is shown below:

**Moved Chair Langford/Deputy Chair Knowles
GBCB19-08-1**

That the Golden Bay Community Board recommends to the Environment and Planning Committee that it introduce amendments to the Dog Control Bylaw early in the term of the next Council:-

Allowing dogs under leash control to come back into Commercial Street, Takaka; and

Allowing dogs back onto Tata Beach all year round except one hour before and after sunrise and sunset.

- 4.4 Additionally, a recent Court case *Tasman v Johnson* highlighted an element of the existing bylaw that could be a “loophole” to avoid enforcement action in a small area of Tata Beach. This could be tidied under s156(2) of the Local Government Act 2002 (LGA) as a minor correction of the bylaw, without need to go to SCP as the intent of the bylaw is obvious. Alternatively we could include any changes in a bylaw review.

- 4.5 The table below shows the current (2014 Bylaw) and historical status of each of the elements being queried under previous bylaws:

Bylaw	Area	Status
1997	Commercial Street Tata Beach Little Kaiteriteri Other beaches	Prohibited Prohibited 1 Dec to 1 Mar except between 5am and 8am Prohibited 1 Dec to 1 Mar except between 5am and 8am Unless specified as exercise or prohibited areas in the bylaw they are dog “under control” areas.
2004	Commercial Street Tata Beach Little Kaiteriteri Other beaches	Prohibited between 9am and 5pm Prohibited 1 Dec to 1 Mar except between 7am and 9am Prohibited 1 Dec to 1 Mar except between 5am and 9am Unless specified as exercise or prohibited areas in the bylaw they are dog “under control” areas.
2009	Commercial Street Tata Beach Little Kaiteriteri Other beaches	Prohibited between 9am and 5pm * Prohibited during the period of New Zealand Daylight Saving Time, and for the remainder of the year from one hour prior to sunrise until one hour after sunrise Prohibited summer months, except between the hours of 5.00am and 9.00am Some specified others not, general requirement that a dog must be under control.
2014	Commercial Street Tata Beach Little Kaiteriteri Other beaches	Prohibited between 9am and 5pm * Prohibited during the period of New Zealand Daylight Saving Time, and for the remainder of the year from one hour prior to sunrise until one hour after sunrise. Prohibited summer months, except between the hours of 5.00am and 9.00am Some specified others not, general requirement that a dog must be under control.

*On both occasions, following public consultation, the staff recommendation was for Commercial Street to be unrestricted for dogs, but the Council decided to retain the prohibition following advice from previous Community Boards.

- 4.6 It is understood that the initial and ongoing intent behind limiting dogs on these beaches was due to the presence of birds at certain times of year; in the case of Tata Beach a large shag colony and at Little Kaiteriteri blue penguins. Also, prohibitions during the summer allowed people to use the beaches unencumbered by the presence of dogs.

- 4.7 The issue of seven infringement notices to different Tata beach residents during the 2018/19 summer the Community Board received representations for a change in the bylaw or exemptions for locals.
- 4.8 The last time someone was infringed for having a dog on Commercial Street was in 2010 and this infringement was cancelled.
- 4.9 There is a general requirement under s52 of The Act that dogs must be kept under effective control at all times, including when in the presence of other animals including birds. A change to the Bylaw is not needed to have enforcement powers in any of the areas mentioned if a dog is not under effective control.

5 Options

- 5.1 There are three options:
- 5.1.1 **Option 1** - Start a Special Consultative Procedure (SCP) as required under the Local Government Act to review the entire bylaw, or
- 5.1.2 **Option 2** - Start a SCP with the targeted amendments to the existing bylaw, or
- 5.1.3 **Option 3** - Change nothing and rely on the existing bylaw until its review in 2024.
- 5.2 Staff consider that the existing bylaw is fit for purpose and **Option 1** would involve unscheduled work in a particularly busy period for Council and staff.
- 5.3 **Option 2** would allow the public to have their say on the requested amendments and inform the Council on any need to amend. It is possible that the Council could delegate the responsibility of running the consultations to the respective Community Boards. This would still require staff to run one or two separate SCPs depending on the scope of amendments. Although less onerous than Option 1 this would still require a significant amount of effort by Council (or Community Board(s)) and staff.
- 5.4 **Option 3**, relying on the existing bylaw and making no change at this stage, is the option preferred by staff as the current Bylaw overall is considered 'fit for purpose' and sufficient powers already exist to ensure dogs are not a threat to wildlife and there are appropriate time limits which do restrict or allow dogs in certain areas. Minor amendments could be made to close the loophole mentioned previously and staff could work with Department of Conservation and others with interest identifying ways to protect birds better.

6 Strategy and Risks

- 6.1 Any review of the Bylaw beyond simple administrative changes would require an SCP or SCPs. This would take time and would not necessarily lead to a better or more enforceable bylaw.
- 6.2 If the bylaw were to be changed to increase prohibited areas, the enforcement of such prohibitions would still be governed by available resources which are not expected to be increased. This could lead to frustration amongst those who requested such prohibitions, leading to reputational risk.
- 6.3 If we were to lessen the prohibitions this will risk criticism from those that do not wish to be encumbered by the presence of dogs.

7 Policy / Legal Requirements / Plan

- 7.1 The current bylaw is not due a review until 2024. If we were to review parts or all of the bylaw we would need to carry out an SCP and also review the associated Dog Control Policy to ensure that it is consistent with the bylaw.
- 7.2 Council would need to decide that a review of the bylaw is the most appropriate way to achieve what is required.
- 7.3 If the decision was to assist with the ornithological concerned parties, staff would need to set up a way in which Council could work with the groups/individuals and other stakeholders (e.g. DoC) to produce the best results.

8 Consideration of Financial or Budgetary Implications

- 8.1 Dependent on the Council decision, the costs would largely relate to staff time and some signage changes.

9 Significance and Engagement

- 9.1 If the decision is to review or amend the bylaw, engagement would be achieved through the SCP process.
- 9.2 If it is decided to rely on working with other stakeholders i.e. Forest and Bird, DoC etc to achieve better protection of birds, staff would have to set up appropriate communication channels.
- 9.3 The decision to do anything regarding a dog bylaw is significant to a large number of people on both sides of the spectrum. However the decision to commence a review or amendment of the Bylaw is within the legislative mandate the Council has and it can make that decision without consultation.

10 Conclusion

- 10.1 Staff do not believe that there are sufficient reasons to review the bylaw at this time and believe a more appropriate way forward is for Council to work with other stakeholders to promote bird safety.

11 Next Steps / Timeline

- 11.1 Staff will either report back to Council with the proposed bylaw amendments with a view to begin an SCP(s), or setup new communication with ornithological stakeholders.

12 Attachments

Nil

8.3 TINY HOMES

Information Only - No Decision Required

Report To:	Regulatory Committee
Meeting Date:	12 March 2020
Report Author:	Ian McCauley, Building Assurance Manager; Jacqui Deans, Urban Growth Co-ordinator
Report Number:	RRC20-03-03

1 Summary

1.1 Tiny Homes are very topical within New Zealand at present. This report updates Council on Building Act and Resource Management Act implications for Tiny Homes. A guide was produced by staff called “Provisions for tiny houses” in September 2019 and is available on our website. This guide will now be updated following a recent Court case discussed below. Council’s consents teams receive enquiries for Tiny Homes in rural and urban zones equally.

Building Act

- 1.2 There have been several legal challenges related to the definition of Tiny Homes in the Building Act. Councils have generally regarded these as buildings in line with the latest Ministry of Building, Innovation and Employment (MBIE) Determinations and subject to the requirements under the Building Act. However, the District Court has recently overturned a MBIE Determination (*Alan Dall V MBIE*, 19 February 2020), after taking the design and all factors into account, ruling the Tiny Home was ‘movable’ to the extent that would be reasonably applied to a vehicle and not a building. The decision therefore found this Tiny Home to be a vehicle and has implications for councils across the country. Determinations made by MBIE that confirm a council’s decision to take enforcement action against Tiny Homes, could potentially now be subject to judicial review and it is not clear what would or could follow.
- 1.3 Tasman District Council has taken enforcement action (Notice to Fix) against one Tiny Home owner under the Building Act, as a result of a Determination from MBIE. While the 15 day time to appeal this notice has passed, it is possible the homeowner may request a new Determination. This is because the District Court ruling effectively can be regarded as ‘new information’ and this could be a basis of an appeal.
- 1.4 MBIE Determinations have advised staff that the several Determinations that remain in the system must now be processed with careful consideration of the recent ruling of the Court.
- 1.5 It is not clear if any applicant could potentially reapply for the same Determination now that the District Court has ruled against MBIE. If such an action was taken, MBIE would be obligated to carefully apply the criteria set again by the District Court. Neither is it clear what, if any impacts, any judicial review may have.

Resource Management Act

- 1.6 The Resource Management Act implications of a Tiny Home depend on whether it is a vehicle, building, dwelling or minor dwelling. The TRMP defines a building, with reference to a definition of structure under the RMA, which in turn requires the building to be fixed to land. This creates the potential for different interpretations of the building definition. However, under the TRMP definition of building, sub clause (g) excludes “any vehicle, trailer, tent, caravan or boat whether fixed or moveable, unless it is used as a place of long term accommodation (for two calendar months or more in any year), business or storage”.
- 1.7 The building definition therefore catches vehicles whether fixed or moveable, that are used for two calendar months or more in any year. It is likely that most Tiny Homes would be a building under the TRMP, being someone’s principal home. If the building is a self-contained housekeeping unit with sleeping, ablution and cooking facilities provided, then the Tiny Home building is also defined as a dwelling under the TRMP and this is likely to be the case for most Tiny Homes. It has also been the case historically for long term living arrangements in caravans.
- 1.8 The rules of the TRMP that apply to dwellings also apply to Tiny Homes – there are no exemptions, except via a resource consent. While the District is facing unprecedented land values and house prices, Tiny Homes, like other dwellings have environmental effects that need to be considered by Council. The land and water environment needs to be protected from contamination risk and neighbours will expect the Council to enforce reasonable amenity standards.
- 1.9 Whether resource consent is required depends on which zone the Tiny Home is located in, just as the TRMP applies to dwellings generally. If the Tiny Home is the only building on site and is in the Rural 2, Residential and Rural Residential zones and complies with all relevant conditions, it would not need resource consent, as the first dwelling is a permitted activity in these zones. In Rural 1 and Rural 3 zones, resource consent is required for the first dwelling, so a Tiny Home in these circumstances would need consent. Depending on the individual circumstances and location of the Tiny Home, a discharge consent may also be required for stormwater and wastewater.
- 1.10 When a building is a dwelling, a host of other TRMP conditions apply, some of these are not logical for a Tiny Home and cause applicants frustration. Examples include significant water tank requirements for potable supply and firefighting purposes. These difficulties will be examined further in the current TRMP review. Development contributions would be another consideration.

2 Draft Resolution

That the Regulatory Committee receives and notes the Tiny Homes report RRC20-03-03.

3 Purpose of the Report

- 3.1 This report provides Council with a summary of Building Act and Resource Management Act implications for Tiny Homes and the effect a recent Court ruling (*Alan Dall V MBIE* 19th Feb 2020) will have on how the Building Compliance team deal with them.

4 Background and Discussion

- 4.1 The report considers Building Act implications and Resource Management Act implications of Tiny Homes.

Building Act

- 4.2 Tiny Homes can be described as a movement across the country. Their size and form varies greatly and they can be built on trailers or constructed for a particular site. Some Tiny Home businesses have developed a relationship with councils, are consented and get Code of Compliance Certificates from the council. However, some businesses do not get consent because they believe none is required, instead holding that a Tiny Home is not a building but a vehicle (in terms of the definition given in section 8 of the Building Act,) in the same way a building consent is not required for a caravan.
- 4.3 Section 8 of the Building Act includes a vehicle defined as a building on condition that:
- It is a vehicle as defined by the Land Transport Act 1998 (LTA) and;
 - It is immovable and occupied by people on a permanent or long term basis.
- 4.4 The many disputes with councils in various parts of the country are usually around the interpretation of the term 'immovable', however if a Tiny Home was classified as a 'vehicle' and not occupied on a permanent or long term basis, following the recent case law, there would be no further need to consider whether it was movable or not. This is identical to many trailer homes in holiday parks that are occupied as holiday homes but are permanently located on the site.
- 4.5 The first dispute about whether a 'Unit' was a vehicle or a building was settled by MBIE in 2013. The criteria to determine this was simpler than the later Determinations, and in several cases the 'Units' were classified as vehicles not subject to the Building Act. There have been about 14 Determinations since 2013 and it is acknowledged by all parties generally that the Building Act lacks definitive guidance due to the number of disputes.
- 4.6 Later Determinations by MBIE ruled Tiny Homes were 'buildings' subject to Building Act requirements, however, the criteria used in these two or three later ones seemed to apply more weight on the intended use of the Tiny Home rather than strictly applying the definitions given in section 8 of the Act. These Determinations started to consider the appearance, design and intent of use to a new degree.
- 4.7 On 19 February 2020 the Christchurch District Court overturned a ruling of MBIE. The Judge applied the simpler interpretation of the definition of the Act and stated MBIE had erred. He concluded the Tiny Home was a vehicle because it was '**not** immovable' and therefore not a building. Put another way the Judge, after taking the design and all factors into account ruled it was 'movable' to the extent that would be reasonably applied to a vehicle and not a building.

- 4.8 Following section 8 of the Building Act, if after the Tiny Home has been determined to be a vehicle under the LTA 1998, it only has to be **either** '*not immovable*' (movable) or '*not occupied on a permanent or long term basis*' to be deemed a vehicle and not a building. It does not have to be **both** to be 'not' a building.
- 4.9 The District Court ruling is final (although MBIE may seek a judicial review) and until/ unless there is any change as a result of legal challenge via a judicial review, Council must apply the interpretations using the criteria outlined in this ruling. This ruling is in fact similar to earlier Determinations so it re-establishes the more simple criteria that were actually applied in earlier Determinations. This was a major point raised by the Appellant, that MBIE had 'veered off course' from established criteria.
- 4.10 However, the ruling does not set aside criteria to determine whether a Tiny Home is a vehicle i.e. trailer/ axles, capability of being towed; how easy to disconnect services to move etc. If after the Tiny Home has been determined to be a vehicle under the LTA 1998, the case law has confirmed it only has to either be '**not** immovable' or '**not** occupied on a permanent or long term basis to be deemed a vehicle and not a building. This must be our assessment criteria until further notice by MBIE or the courts.
- 4.11 It is important to remember that even though a Tiny Home may be a vehicle and not a building, a building consent is likely to be required for any wastewater system with the possible exception of a holding tank. A composting toilet would still need a building consent for the diversion of liquid to a reticulated system or dispersal field.
- 4.12 If any Tiny home is deemed a 'building' and not a vehicle and was constructed outside of Tasman District, the council where it was constructed has responsibility to ensure compliance with the Building Code. While the construction of the Tiny Home in the district it was built is building work, relocating a completed 'building' into a new district is not. However if foundation work or connections to services are involved, then this would constitute building work.
- 4.13 Development contributions are required for a Tiny Home if the dwelling requires building consent if not paid at time of subdivision or where multiple dwellings are concerned. However most Tiny Homes ought to be eligible for a special assessment (discount) under Council's current Development Contributions policy, of up to 50% discount.

Resource Management Act (RMA)

- 4.14 The Tasman Resource Management Plan (TRMP) is prepared under the RMA. Whether resource consent is required for a particular Tiny Home depends on whether it is defined as a building, caravan or vehicle, dwelling or minor dwelling under the TRMP. The definitions of a building, dwelling and minor dwelling under the TRMP trigger different sets of rules and resource consent requirements depending on which definition applies and which zone the Tiny Home is in.
- 4.15 While the District is facing unprecedented land values and house prices, Tiny Homes, like other dwellings have environmental effects that need to be considered. The land and water environment needs to be protected from contamination risk and neighbours will expect the Council to enforce reasonable amenity standards.
- 4.16 The TRMP defines a building, partly with reference to a definition of structure under the RMA, which in turn requires a building to be fixed to land. This creates the potential for different interpretations of the building definition, but sub clause (g) excludes "any vehicle,

trailer, tent, caravan or boat whether fixed or moveable, unless it is used as a place of long term accommodation (for two calendar months or more in any year), business or storage”.

- 4.17 The building definition therefore includes vehicles, whether fixed or moveable, that are used for two calendar months or more in any year. It is likely that Tiny Homes which may be a ‘vehicle’ under the Building Act definition of building would be a ‘building’ under the TRMP if occupied for accommodation purposes exceeding two months in any year. If the building is a self-contained housekeeping unit with sleeping, ablution and cooking facilities provided, then the Tiny Home building is also likely to be defined as a dwelling under the TRMP.
- 4.18 If the Tiny Home is the only building on site and it is in the Rural 2, Residential or Rural Residential zones and complies with relevant conditions, it may not need resource consent, as the first dwelling is a permitted activity in these zones. In Rural 1 and Rural 3 zones, resource consent is required for the first dwelling, so a Tiny Home in these circumstances would need consent.
- 4.19 Alternatively a Tiny Home may be defined as a minor dwelling under the TRMP, provided it is the second dwelling on a section. The TRMP sets no minimum size for house footprint, but it is worth noting that private developer covenants do sometimes apply minimum floor-space thresholds and limit certain design/types of buildings in subdivisions. If the Tiny Home measures 80 square metres or less and is defined as a minor dwelling, resource consent is required in all rural zones. In urban zones e.g. Residential zone, minor dwellings are treated the same as dwellings and the second dwelling is a Controlled activity status in the Residential zone (i.e resource consent is required and the consent authority must grant the consent). In the Richmond intensive development area, minor dwellings are a Restricted Discretionary Activity, needing resource consent.
- 4.20 Council’s consents team receive enquiries for Tiny Homes in rural and urban zones equally.
- 4.21 A host of TRMP conditions are applicable when a building is habitable, a dwelling, or used as a dwelling. For example if the Tiny Home is in the Residential Zone, where the first dwelling is a permitted activity, a condition of this activity is that wastewater is connected to a reticulated wastewater system where the service is available. So, where the site is within an urban drainage area and the asset exists and has capacity, the home would have to connect.
- 4.22 Another example is where the Tiny Home is the first dwelling and where no water mains reticulation exists, the TRMP zone rules for all Rural unserviced zones require a Tiny Home to provide a water tank capable of holding 45,000 litres of water for firefighting purposes and 23,000 litres of potable water. Such proposals means consents staff have to obtain special dispensation from FENZ to reduce the requirement of the water tank for firefighting purposes for Tiny Homes. The TRMP review, already underway will examine difficulties such as these.
- 4.23 Depending on the individual circumstances of a Tiny Home, discharge consent may also be required e.g. for discharge of grey water. For any dwelling, discharge of human effluent from a long drop or composting toilet must go into an existing treatment system that has adequate capacity, or a suitable treatment system must be installed. Depending on the individual circumstances of a Tiny Home, resource consent may also be required if the permitted activity rules for discharges to land are not met.
- 4.24 Consents staff currently generally conclude that the vast majority of Tiny Home proposals are dwellings, requiring resource consent. The review of the TRMP has commenced and

consideration can be given to the addition of zone land use rules to clarify the status of Tiny Homes as part of this process.

- 4.25 Council would expect Central Government to lead any changes to the Building Act or RMA, as they apply to Tiny homes, if they consider that is necessary and/or desirable. In the absence of such direction by Central Government, the community is making its own suggestions on how Council could make the consenting of Tiny Homes cheaper and easier.
- 4.26 A recent Environment Court case (*Antoun v Hutt City Council*, 31 January 2020) found a two storey structure to be a building rather than a vehicle and therefore subject to the Hutt City Council plan rules. Interestingly in this decision, the Court was not persuaded that people constructing tiny houses should not be subject to any applicable statutory requirements. In terms of deciding whether the tiny house was a “structure” in RMA terms, the Court found as a matter of fact that the tiny house was fixed to land; it was held in place by its own weight and bulk.
- 4.27 Each case is different according to the individual circumstances and as explained above, even if a Tiny House was a vehicle, the TRMP attaches weight to the length of occupation of the accommodation in determining whether it is a building or not.

5 Options

- 5.1 This is an information report only.
- 5.2 Under the Building Act, following the recent court ruling, interpretation of Tiny Homes must comply with this latest decision (*Alan Dall V MBIE*). MBIE Determinations has indicated that it must process the several Determinations that remain in the system, with careful consideration of the recent ruling of the court.
- 5.3 The current review of the TRMP enables Council to consider clarifying definitions, or changing and adding zone rules to enable the community to better understand resource consent implications for Tiny Homes. However the Government’s National Planning Standards (Nov 2019) will mean that the new Resource Management Plan, the Tasman Environmental Plan, must use the standard definition of building. This definition is different to what is in the TRMP. It refers to a temporary or permanent moveable or immovable physical construction and includes whether it is fixed or located on or in land. It does not exclude a motorized vehicle that could be moved under its own power. Notably there is no reference to length of occupation unlike the current TRMP definition.

6 Strategy and Risks

- 6.1 While many businesses build good quality Tiny Homes, there is some risk of poorly designed, unhealthy Tiny Homes taking advantage of this ruling. Council could make the community more aware of requirements so that all understand the risks. If a ‘vehicle’ is insanitary and people are living in it, the Building Act has no jurisdiction so any redress would have to come under the Health Act. However, consents for wastewater would be required unless exempt under Schedule 1 of the Act i.e. ‘*Septic Holding Tank*’
- 6.2 Tasman DC has taken enforcement action (Notice to Fix) against one Tiny Home owner under the Building Act as a result of a Determination from MBIE. While the 15 day time to appeal this notice has passed, it is possible the homeowner may request a new

Determination. This is because the District Court ruling effectively can be regarded as ‘new information’ and this could be a basis of an appeal.

- 6.3 It is not clear if any applicant could potentially reapply for the same Determination now that the District Court has ruled against MBIE. If such an action was taken, MBIE would be obligated to carefully apply the criteria set again by the District Court. Neither is it clear what, if any impacts any judicial review may have.
- 6.4 The definition of building under the TRMP has been used for many years, with the issue of length of occupation being key. Since the building definition partly refers to a definition of structure under the RMA, this creates the potential for different interpretations. Staff are satisfied that sub clause (g) that excludes “any vehicle, trailer, tent, caravan or boat whether fixed or moveable, unless it is used as a place of long term accommodation (for two calendar months or more in any year), business or storage” would apply to Tiny Homes that may be vehicles under the Building Act. This split in interpretations as to what constitutes a building may be seen by some as the Council applying double standards.

7 Climate Change Impact Assessment

Climate Change Consideration	Assessment	Explanation of Assessment
Is this activity associated with one of the goals in Council’s Climate Action Plan?	Climate Change considerations are not relevant to this report	<i>There is a perception that Tiny Homes are more adaptive to climate change, compared with traditional homes. However this depends on the nature of the Tiny Home, how they are moved around and the building materials used, for example.</i>
Will this decision affect the ability of Tasman District to proactively respond to the impacts of climate change?	<i>This in an information only report</i>	N/A

8 Policy / Legal Requirements / Plan

- 8.1 This report considers TRMP rules, as they apply to Tiny Homes, in some detail. The TRMP is currently under review and this provides the opportunity to review any rules that apply to buildings and dwellings, including the status of Tiny Homes.
- 8.2 Council would expect Central Government to lead any changes to the Building Act or RMA, as they apply to Tiny homes, if they consider that is necessary and/or desirable.

9 Consideration of Financial or Budgetary Implications

- 9.1 The recent court case ruling will relieve resources associated with investigation and work involved for Tiny Homes now classified as vehicles. However the initial assessment and

monitoring into whether there is any building work associated with the Tiny Home such as wastewater connection, is still required.

- 9.2 Staff time will continue to be applied to dealing with considering the facts that may apply in any particular situation of tiny home development including responding to questions from neighbours, but this is covered under 'business as usual'.

10 Significance and Engagement

- 10.1 Tiny Homes are of interest to a significant part of our community. They were mentioned regularly during the consultation on the Future Development Strategy and have been in the media regularly. They are also a subject of continued political interest with Central Govt. and MBIE.
- 10.2 Staff are happy to attend community board meetings where needed and relay the dilemma they currently face in interpreting implications for Tiny Homes under both the Building Act and Resource Management Act.

11 Conclusion

- 11.1 The recent court ruling (*Alan Dall V MBIE* Feb 2020) is significant for interpretation of whether a Tiny Home is a building or vehicle under the Building Act.
- 11.2 Interpretation under the RMA remains unchanged and Council is relying on its definition of building in the TRMP. The new Tasman Environmental Plan will have to adopt the definition of building provided in the National Planning Standards.
- 11.3 Tiny Homes are a movement currently the subject of much publicity. Council may wish to undertake some community engagement to better inform the community of the consent implications for Tiny Homes.
- 11.4 Tasman DC has taken enforcement action (Notice to Fix) against one Tiny Home owner under the Building Act as a result of a Determination from MBIE. While the 15 day time to appeal this notice has passed, it is possible the homeowner may request a new Determination. This is because the District Court ruling effectively can be regarded as 'new information' and this could be a basis of an appeal.
- 11.5 It is not clear if any applicant could potentially reapply for the same Determination now that the District Court has ruled against MBIE. If such an action was taken, MBIE would be obligated to carefully apply the criteria set again by the District Court. Neither is it clear what, if any impacts any judicial review may have.

12 Next Steps / Timeline

- 12.1 Community engagement with Community Boards could occur as a first step. This would assist with the large amount of enquiries some Community boards are receiving on Tiny Homes.
- 12.2 Staff will review and update the guide on Provisions for Tiny Houses and will continue to work with developers where this form of residential accommodation is being proposed.

13 Attachments

Nil

Item 2.3

8.4 TE WAI POUNAMU - SOUTH ISLAND DESTINATION MANAGEMENT PLAN

Information Only - No Decision Required

Report To: Regulatory Committee
Meeting Date: 12 March 2020
Report Author: Sharon Flood, Strategic Policy Manager
Report Number: RRC20-03-04

1 Summary

- 1.1 Last year the South Island Mayors agreed to collaborate to achieve the South Island’s aspiration for tourism out to 2030. Consultants, Stafford Strategy were commissioned to develop a South Island (Te Wai Pounamu) Destination Management Plan (Plan).
- 1.2 The Plan includes 191 recommendations categorised into tiered levels of significance.
- 1.3 One of the priority recommendations is to establish a single South Island Destination Management Office (DMO) in either Christchurch or Queenstown with the following core functions:
 - a) communications and media liaison;
 - b) support services;
 - c) visitor information service;
 - d) destination marketing; and
 - e) planning, development and destination management.
- 1.4 The total operating budget for the DMO is anticipated to be around \$13 million per annum. The proposal is that the costs are funded equally with 50% by Central Government and 50% by the 23 South Island territorial authorities (TAs).
- 1.5 The alternative proposed to the single DMO is to establish three South Island DMOs (SI Central, South and North) at a combined operating cost of \$16.4 million with TAs funding \$9 million per annum. This alternative is proposed as an interim measure to allow time to transition to the single DMO model.
- 1.6 The Zones 5 and 6 Mayors first meeting for this year is on 17 and 18 March where they plan to collectively launch the Te Wai Pounamu South Island Destination Management Plan.

2 Draft Resolution

That the Regulatory Committee:

- 1 receives the Te Wai Pounamu - South Island Destination Management Plan Report RRC20-03-04.**

3 Purpose of the Report

- 3.1 The purpose of this report is to inform you about the proposed Te Wai Pounamu South Island Destination Management Plan 2019-2030 and implications for the Council.

4 Background and Discussion

- 4.1 In 2019 the South Island Mayors agreed to collaborate to develop a comprehensive tourism destination management plan for the South Island. The purpose of the collaboration arose mainly as a result of an awareness that tourism growth across the South Island must be managed in a more sustainable manner, that new infrastructure and attractions are required to cater for current and projected visitor numbers and a need to establish agreed priorities for local and central government investment.
- 4.2 Consultants, Stafford Strategy, were commissioned to develop the plan. A draft of the Te Wai Pounamu South Island Destination Management Plan 2019-2030 (Plan) was presented to the Mayors at their Zones 5 and 6 meeting in November 2019. At that meeting the Mayors endorsed the following resolutions:
- 4.3 That Zones 5 and 6 agree to:
1. *Note and accept the draft Te Waipounamu South Island Destination Management Plan and the process which Stafford Strategy have undertaken in compiling this plan.*
 2. *Agree to review the near final draft Te Waipounamu South Island Destination Management Plan, and provide minor feedback to the Inter-regional Steering Group before Christmas.*
 3. *Agree to reconfirm the Inter-regional Steering Group, and to the Group developing the concept of the Destination Management Office for the South Island, including the funding model, governance, risk assessment, modelling and functions. The Group will report back to the members at the next Zones 5 and 6 meeting in March 2020 with an options paper for the Destination Management Office.*
 4. *Agree to socialise the concept within our Councils and relevant stakeholders such as RTOs and EDAs, including seeking mandate to explore a DMO for the South Island, signaling funding expectations through Council Annual Plans 2020 and Long Term Plans 2021-2031.*
 5. *Agree to invite Central Government to continue to partner with South Island Councils, RTOs and EDAs to implement the Te Waipounamu South Island Destination Management Plan.*
 6. *Agree to work towards a collective launch of the Te Waipounamu South Island Destination Management Plan tentatively considered to be held at the next Zones 5 and 6 meeting in March 2020.*

Te Wai Pounamu - South Island Destination Management Plan 2019-2030

- 4.4 The Plan sets out an overall vision, strategic aims, 191 specific recommendations and a high level action plan.
- 4.5 The Vision for the Plan is that:
- “our visitors (both kiwis and overseas visitors) will be invigorated by the South Island experience we offer, stimulating them to explore more widely and encouraging them to respect our environment, culture and communities.”*
- 4.6 The Strategic Aims are to:
- (a) ensure the environment is protected to continue to underpin the sectors prosperity -Te Taiao;
 - (b) achieve stronger destination marketing through product differentiation - Manaaki Manuhiri;
 - (c) encourage business leadership and good governance through stronger collaboration through destination management – Rangatiratanga;
 - (d) grow higher quality and commissionable experiences to support visitor dispersal -Ngā Manuhiri o Te Ao, o Aotearoa Ano Hoki;
 - (e) improve our infrastructure to support the visitor economy - Ngā Rohe; and
 - (f) strengthen the host community’s social license for tourism - Tātou o Aotearoa Me o Tātou hapori.
- 4.7 The Plan identifies 191 specific recommendations by TA. The recommendations were developed through stakeholder engagement, online surveys, and a desktop review of relevant tourism, economic and infrastructure strategies and plans. The importance and priority for implementation of each recommendation has been categorised into three project tiers:
- Tier 1 – catalyst projects and building blocks;
 - Tier 2 – projects of sub-regional significance; and
 - Tier 3 – projects of local significance.
- 4.8 The total cost of implementing the 191 proposed recommendations is estimated to be approximately \$3.65 billion. The Plan proposes that 60% of the total cost is funded by the public sector, including Central Government, and 40% from private investors.

Tasman District Recommendations

- 4.9 There are four specific recommendations related to Tasman District to a total value of \$32.36 m. The proposed investment amounts are indicative only and are expected to be refined once business cases for each project are completed. It is unclear how the projects for Tasman District were determined.

- 4.10 The Tasman specific projects include:
- a) establish a boutique lodge \$10 million (Tier 2);
 - b) roading maintenance, operations and renewal programme 2018-2021 \$21.8 million (Tier 3);
 - c) Champion Road and Salisbury Road intersection improvements \$60,000 (Tier 3);
 - d) provision of six new freedom camping locations and facilities \$500,000 (Tier 3).
- 4.11 Recommendation a) would require Council to build and manage a boutique lodge. This is not a project that is currently included in our Long Term Plan 2018-2028.
- 4.12 Recommendations b) and c) appear to come directly from Council's Transportation Activity Management Plan (AMP). The \$60,000 for the Champion and Salisbury Roads intersection was to undertake the business case/investigation, and did not include the cost for the capital improvements. The business case is now complete. If the project remains in the Plan, the project cost should be amended to reflect the total costs of the works that includes the intersection upgrade and new pedestrian crossings estimated at \$1.25 million.
- 4.13 Recommendation d) – to provide an additional six freedom camping locations. There is no commentary on why or where these additional sites are required in the District. The provision of new freedom camping locations is something the Council would have to consider through a review of its Freedom Camping Bylaw. It is also dependent to some extent on the Responsible Camping Strategy when it is finalised. A related recommendation in the Plan is to lobby Central Government to amend the Freedom Camping Act to allow Councils to charge a small cost for those sites. That recommendation is a Tier 1 building block policy recommendation (184) aimed at strengthening tourism's social license.

Destination Management Office

- 4.14 In addition to the Tasman specific recommendations, there are 14 proposed Tier 1 catalyst building block recommendations which are aimed at benefiting all South Island Councils. The most significant is the proposal to establish a DMO and associated governance structure (\$13 million).
- 4.15 The preferred model is to establish a single DMO head office preferably in Christchurch (as the largest gateway into the South Island) or in Queenstown (as the main tourism leisure hub), with possibly three sub-regional offices geographically spread across the north, central and south. The suggested benefits include a move away from pure destination marketing to destination management where the focus is amongst other things on product development and a stronger regional brand.
- 4.16 A board of nine to 11 directors would be appointed comprised of a number of key stakeholders including representatives from: Government's Ministry of Business Innovation and Economic Development; Tourism NZ; Tourism Industry Association; Department of Conservation; Zones 5 and 6 Mayoral Forum; airlines; airports; accommodation sector; and iwi.
- 4.17 The alternative option is an interim model (3-5 years) before transitioning to the preferred single DMO. This involves establishing three DMOs in the north, central and south of the South Island that have brand differentiation.

- 4.18 Independent of whether a single DMO structure is created immediately or a three DMO interim model, the quantum of funding is similar. The proposal to fund the required \$13 million per annum is for:
- a) \$6 million to be provided by Central Government with guaranteed funding over the longer term;
 - b) \$7 million to be provided from all 23 South Island TAs on a matching basis or better, with agreed guaranteed funding over the longer term as part of the Long Term Plans.
- 4.19 Approximately \$13 million is to be applied to leverage funding support from private sector partners for specific international and domestic marketing campaigns. Additional funding could also be sought from airport companies, major industry operations and other strategic private sector partners.

Nelson Regional Development Agency (NRDA)

- 4.20 Staff at NRDA have provided feedback to both Tasman and Nelson Councils on the proposed Plan. Overall there is high level support for the Plan including the strategic goals. There is no support for a new single DMO as there would be limited if any benefit to the Nelson Tasman region as NRDA already function as a destination management agency. There would be significant overlap and unnecessary duplication of effort if both NRDA and the DMO were funded.
- 4.21 NRDA acknowledged that a new DMO may have funding implications for them, as Council would likely redirect current funding from NRDA to the new DMO.
- 4.22 The linkage between the draft Te Taihu Intergenerational Strategy was noted, where one of the recommendations is to establish a Te Taihu Destination Management Plan.

5 Consideration of Financial or Budgetary Implications

- 5.1 The total funds required to implement the projects identified is \$3.65 billion, of which \$1.44 billion is to be funded by public sector, \$1.78 billion by public-private partnerships, and \$429 million by the private sector.
- 5.2 The four proposed recommendations for Tasman come at an estimated cost of \$32 million, with the majority being related to roading projects (\$21.8 million) and the establishment of a boutique tourism lodge (\$10 million).
- 5.3 The endorsement of the proposed Plan will have financial implications for Council. The establishment of the DMO will require a contribution in the order of \$250,000 if all Councils agree to provide match funding.
- 5.4 The Plan does not specifically state how much funding each Council will be required to provide to support the building block projects, estimated to cost \$15 million. It does note that due to the nature of these projects, it is anticipated that all funding required will come from public sector sources. At a matched rate amongst the 23 TAs this would be in the order of \$652,000 each.

6 Conclusion

- 6.1 The South Island Mayors agreed to collaborate to commission a Destination Management Plan to address and manage the growing visitor numbers. Priority is placed on social

licence, sustainability and carbon impact, visitor infrastructure, attracting and managing investment in attractions, amenities, access, marketing and pricing.

- 6.2 The Plan sets out six strategic aims that will require fundamental changes across the sector going forward. From the strategic aims 191 recommendations are identified which are aimed at sustainably growing and enhancing the South Island visitor economy. Of those recommendations, 176 are development and investment projects, while the remaining 14 are fundamental building block recommendations.
- 6.3 The estimated total cost of implementing the proposed recommendations is \$3.65 billion. The Plan proposes that 60% is funded by the public sector and 40% from the private sector.
- 6.4 There are four specific projects related to the Tasman District which fall within the Tier 2 and 3 recommendations including:
- a) establish a boutique lodge \$10 million (Tier 2);
 - b) roading maintenance, operations and renewal programme 2018-2021 \$21.8 million (Tier 3);
 - c) Champion Road and Salisbury Road intersection improvements \$60,000 (Tier 3)
 - d) provision of six new freedom camping locations and facilities \$500,000 (Tier 3).
- 6.5 It is unclear how the Tasman projects were determined or prioritised. The \$60,000 for the Champion Road intersection improvement is to undertake the business case. This has already been completed. The cost to undertake the roundabout upgrade and pedestrian crossing will be in the order of \$1.25 million. It is likely there will be little appetite for Council to establish six new freedom camping locations, but this is dependent on the completion of the Responsible Camping Strategy and direction, plus any subsequent Freedom Camping Bylaw review.
- 6.6 There is high level support by NRDA for the Plan and its strategic goals, but no support for the establishing of a new single DMO office in either Christchurch or Queenstown.

7 Next Steps / Timeline

- 7.1 A combined briefing with Nelson City Councillors by the Chair of Zones 5 and 6 – Mr Sam Broughton will take place on 10 March 2020.
- 7.2 At the next Zone meeting (18-19 March 2020), the South Island Mayors will vote on whether to progress the Plan.

8 Attachments

- | | | |
|----------------------|---|----|
| 1. ↓ | Te Wai Pounamu - South Island Destination Management Plan - The Strategy Overview | 37 |
| 2. ↓ | Te Wai Pounamu - South Island Destination Management Plan 2019-2030 | 63 |

Te Wai Pounamu - South Island Destination Management Plan 2019-2030

CANTERBURY
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THE STRATEGY
OVERVIEW



About this document

This document is an initiative of the South Island Mayors. It has been developed by Stafford Strategy, with data support from Fresh Info. It is a result of a detailed process of co-creation and the starting point of a collaboration to achieve the South Island's aspirations for tourism out to 2030.

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



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Date of last modification: 13/11/19



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Te Waipounamu - The South Island

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

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

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

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

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



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



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



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



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



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



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

Why tourism?

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

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

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

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

Crucially, it is also a sector which primarily cannot be outsourced or offshored. As a consequence, its economic benefits are widespread, impacting both metropolitan and regional areas.

¹ Shaping our slice of heaven 2017, Deloitte

Being ambitious for tourism in the South Island

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

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

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

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

The need for a sustainable approach

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

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

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

What is destination management?

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

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

The visitor economy is a key driver of growth in the South Island³

Summary of visitor data

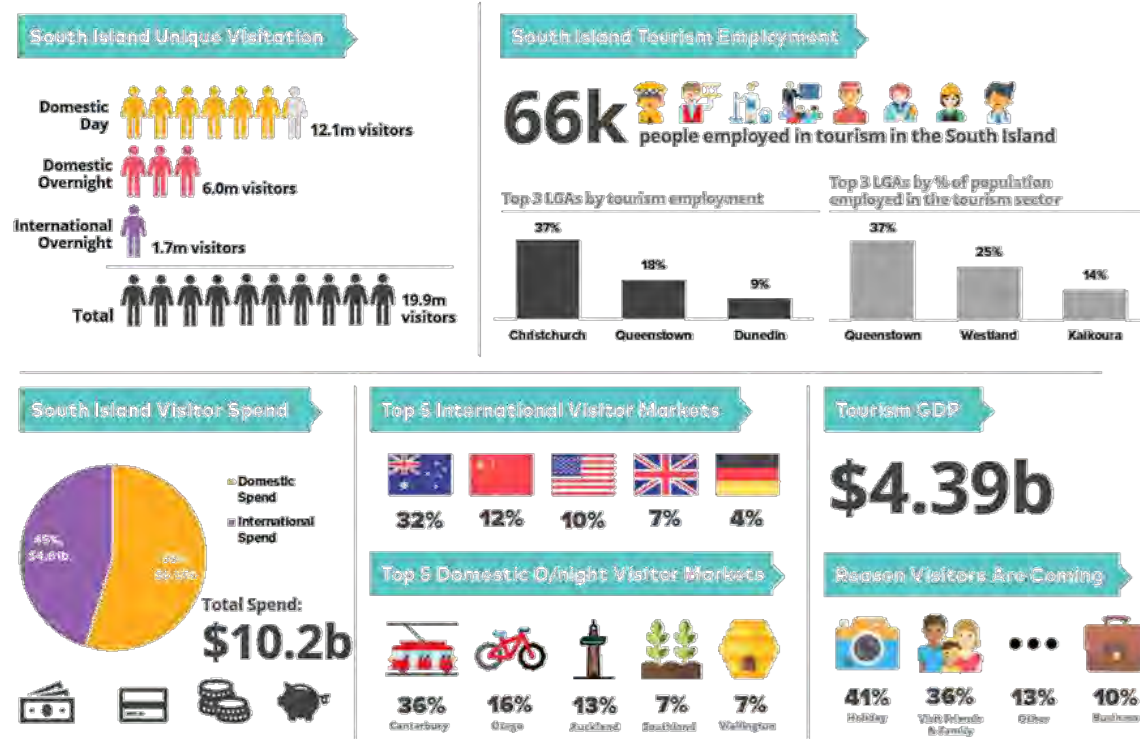
The visitor economy plays a vital role in New Zealand and in the South Island specifically. In 2018, the sector accounted for **one in eight filled jobs⁴** in the South Island and generated **\$4.39b** in GDP (accounting for more than **30%** of New Zealand's total GDP).

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

Visitation to the South Island is growing, spurred on, in part, by the success of the 100% Pure campaign and the global tourism boom⁵. In 2018, the South Island received **19.9m unique⁶ visitors**, 61% of whom were domestic day trippers⁷. Visitors to the South Island spent **\$10.2 billion** (comprising 35% of all visitor spend in New Zealand), and, over the last 10 years, spend by visitors has grown by **over 55%** (or an additional \$3.73b).

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

Figure 1: South Island Visitation Summary (2018)



³ **South Island Unique Visitation:** FreshInfo, sourced and compiled via NZ IVS microdata and NZ AA Domestic Travel Survey; **South Island Tourism Employment:** TLA Infometrics Profile (for those TLAs without an Infometrics profile, averages were used based on the TLA's population and tourism employment intensities from similar destinations). Note this represents jobs filled, not FTE employment; **South Island Visitor Spend:** NZ MRTES; **Top 5 International and Domestic Visitor Markets:** FreshInfo, sourced and compiled via NZ IVS microdata and NZ AA Domestic Travel Survey; **Tourism GDP:** TLA Infometrics Profile (for those TLAs without an Infometrics profile, an average was determined from those destinations with Infometrics profiles and this was applied to each TLA's GDP data); **Reason Visitors are coming:** FreshInfo, sourced and compiled via NZ IVS microdata and NZ AA Domestic Travel Survey.

⁴ Filled jobs include all part-time and full-time employees plus working proprietors in businesses that have employees.

⁵ Tourism's boom is not universally welcome, The Economist, February 20 2019, <https://www.economist.com/graphic-detail/2019/02/20/tourism-boom-is-not-universally-welcome>

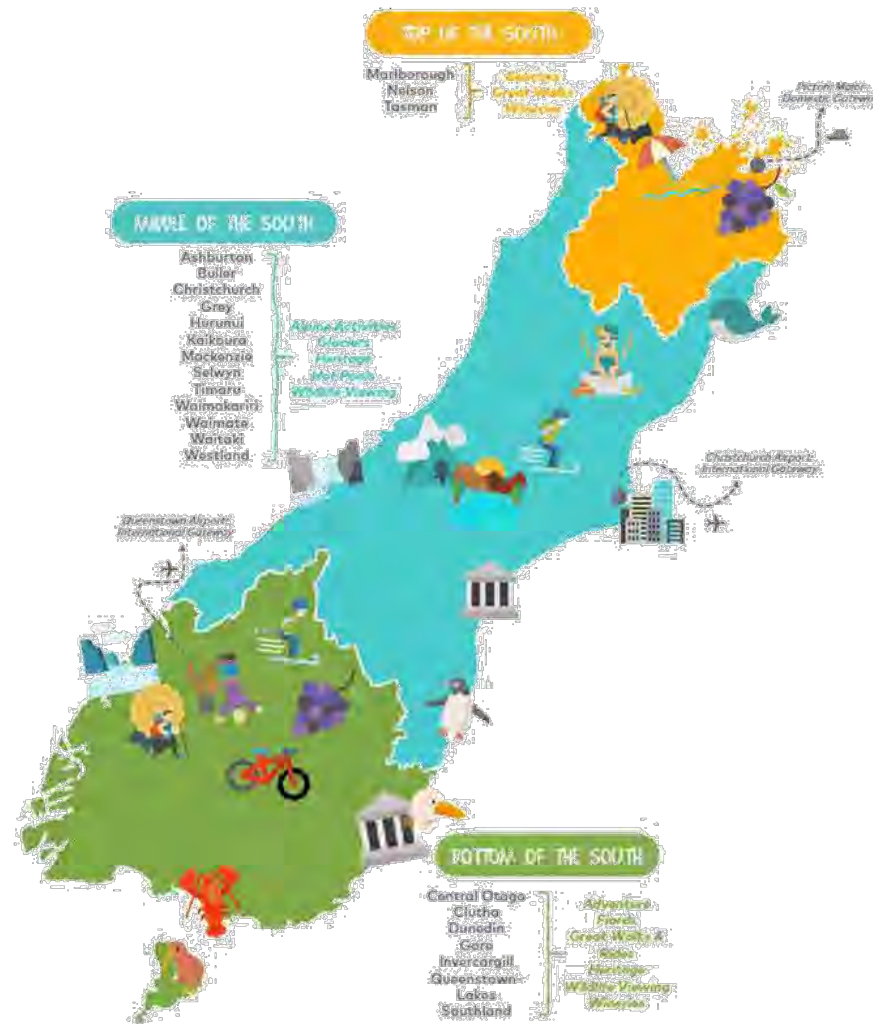
⁶ If a visitor travels to the South Island and visits multiple different TLAs, they are classed as 1 unique visitor. If this visitor travels to the South Island twice over the period of a year, they are classed as two separate unique visitors.

⁷ A domestic day trip is defined by MBIE as a trip made within 1 day, outside the area in which the respondent usually lives or works day to day, involving travel of at least 40km one way from home, or travel by aeroplane or ferry service. By way of example, a resident from Christchurch who travels to Oamaru 5 hours and then returns home is considered a domestic day tripper to Oamaru.

Te Waipeonamu - South Island DMP: The Strategy Overview



Figure 2: Sub-regional product strengths



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

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

Our product strengths

It is important to note that visitors do not recognise local government boundaries. They travel for experiences and unique and iconic destinations.

Distilling the TLA USPs illustrates that there are three sub-regions with mostly complementary (rather than competing) product strengths. These are illustrated in Figure 2.

Our primary leisure visitor markets

With clear market segmentation, the South Island will continue to prioritise its audiences to ensure that:

- product development meets the needs and expectations of these different markets; and
- that marketing programmes and advertising campaigns reach the right people.

Figure 3 illustrates the origin of visitors to the South Island and highlights the large size of the Kiwi domestic and

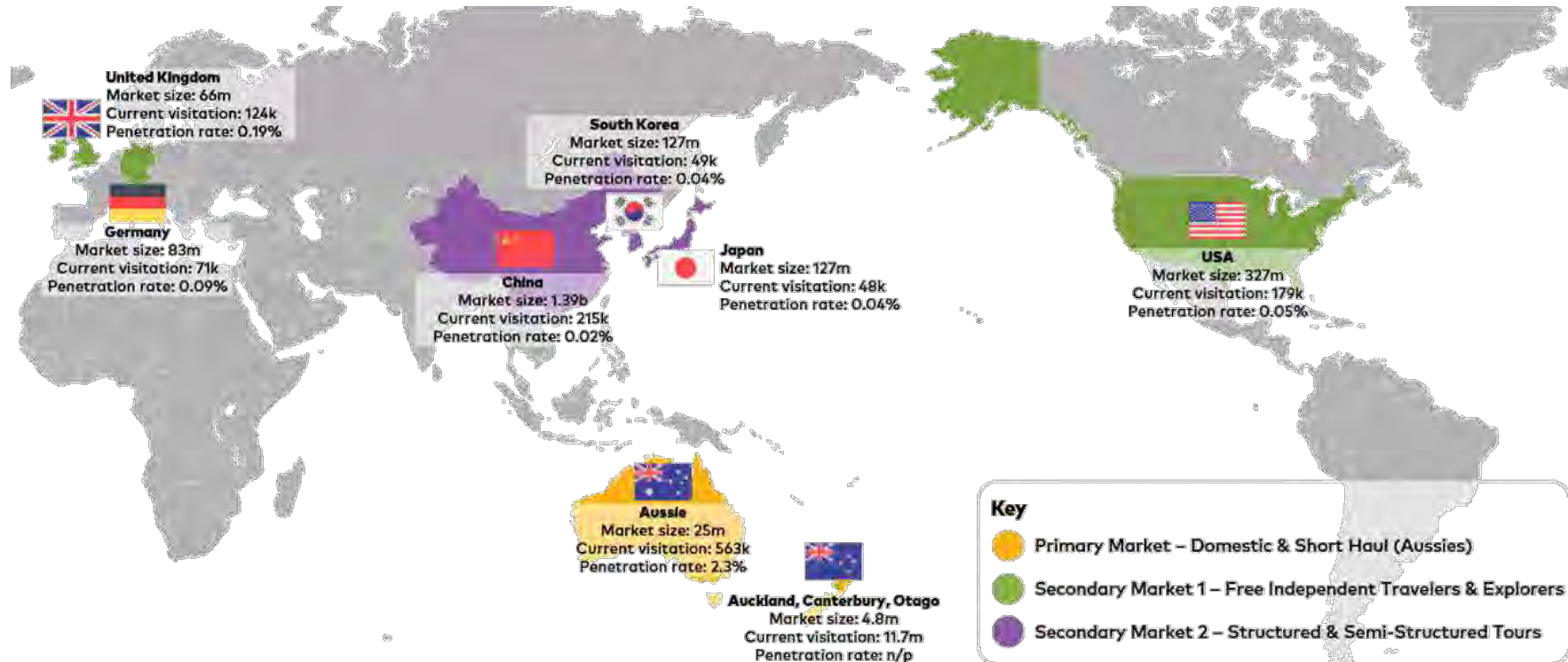
Australian markets, comprising 89% of total visitation to the South Island. These markets represent a primary target market for the South Island.

There are also two secondary markets. The first are termed the “free independent travellers and explorers” because visitors from these countries – including the USA, UK and Germany - tend to travel independently (as opposed to organised tours) throughout the South Island

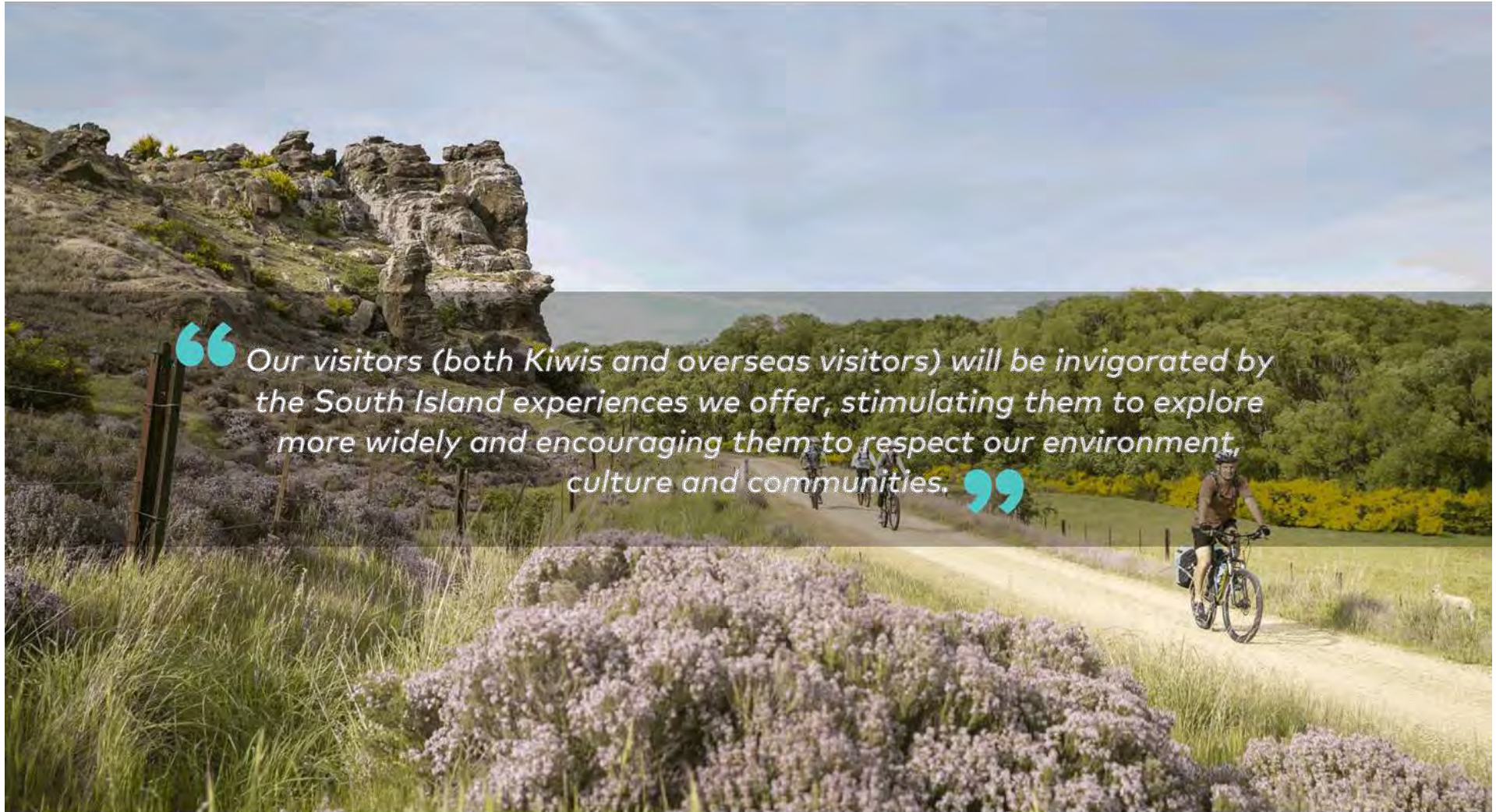
seeking out unique experiences and often straying from the traditional tourist route and the major destination hubs of Christchurch and Queenstown.

The second is the Chinese, Japanese and South Korean Markets. While these markets are undergoing a shift towards FIT, they are still largely markets which undertake structured and semi-structured tours, organised by travel intermediaries, when visiting New Zealand.

Figure 3: Primary and secondary target markets



Our vision



Strategic aims

To guide the sustainable development of the visitor economy in the South Island, a number of strategic aims have been identified and are outlined in Figure 4 (note these are not in any priority order).

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



Figure 4: DMP Strategic Aims



Te Waipounamu - South Island DMP: The Strategy Overview



Our goals/targets for success

In addition to the strategic aims highlighted in the previous section, there are a number of goals or targets for success. These are outlined in Figure 5. These goals provide quantifiable metrics to measure the progress and success of the implementation of recommendations outlined in this DMP. They are focused on the following areas:

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

Figure 5: Our Goals



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

About the recommendations

The tourism sector, not only in the South Island but throughout New Zealand, has experienced a number of growing pains in recent years with the supply of infrastructure and product often slower to match the strong increase in visitor demand. This strain has been evident in pressure on transport infrastructure and popular visitor hot spots, particularly during peak periods.

The following section outlines the recommendations which have been identified to help address this pressure as well as meet the six Strategic Aims identified in this DMP and to offer future-proofing, to help maintain and grow the South Islands competitive edge as a globally significant destination. These recommendations highlight that our sustainability and competitiveness as a visitor destination must be strengthened through greater investment into infrastructure and product, regulatory/policy reform, improved governance, greater efficiencies and better service standards.

The recommendations have been developed based on:

- input and ideas received from more than 250 stakeholders in one-on-one interviews, workshops as well as online surveys;
- a detailed desktop review of existing tourism, economic and infrastructure development strategies at a local, regional and national level; and
- the project team’s professional experience and assessment of barriers and opportunities.

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

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

Because the list of recommendations is extensive, they have been prioritised into three tiers according to their potential impact and benefit, described in Figure 6.

Tier 1 represents those projects which are considered to have “game-changing” potential or which are Building Blocks crucial for sustainable tourism development. These are typically larger-scale investments which will act as a catalyst for considerable growth. **Tier 2** projects are those which are considered to be of sub-regional significance and **Tier 3** projects are those which are more important in a localised context, or, which may only have a limited impact on the tourism sector (for example, roading projects may cross and impact multiple TLAs and sub-regions, but, primarily benefit locals).

Figure 6: Project tiers



The following sections provide a summary of the Tier 1 and 2 recommendations that have been identified, linked to the six Strategic Aims that have been developed to guide the growth of the South Island’s visitor economy. **Tier 3 projects have been excluded from this summary document but can be found in the Comprehensive DMP document.**

Strategic Aim 1 Recommendations

Strategic Aim 1: Te Taiao - Ensure the environment is protected to continue to underpin the sector's prosperity

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

Table 1 summarises the recommendations which have been identified to support this Strategic Aim. Because of the nature of these recommendations, the majority are public driven projects.

It is important to note that there are a number of Tier 3 projects which have been identified and which align with this Strategic Aim. These can be found in the separate comprehensive DMP document.



Table 1: Strategic Aim 1 - Recommendations

#	Project # and Name	Type	Project Location/Primary TLA
Tier 1 Projects & Building Blocks			
#23	Franz Josef Glacier Development	Site Planning	Westland District
#21	Milford Opportunities Project	Site Planning	Southland District
#188	Cruise strategy and policy for Sounds	Building Block - Policy	All
#190	Glaciers sustainability master plan	Building Block - Master Plan	Westland District

Strategic Aim 2 Recommendations

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

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

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

The current structure and governance of tourism in the South Island (including the large number of RTOs) has created unproductive competition between destinations rather than leveraging off components of

complementarity. There is confusion in the marketplace and duplication of efforts.

Traditionally, consumer destination marketing of New Zealand and its destinations have focused on above the line channels including TV and print material advertising, however, digital marketing platforms have increasingly gained prominence. While this change has been adopted by Tourism New Zealand and some of the South Island’s RTOs, many smaller industry operators and RTOs in the South Island have yet to adapt to these changes.

Achieving this Strategic Aim requires a change in the structure of tourism (i.e. moving to a DMO structure, with fewer, sub-regional marketing boundaries) and ensuring that the South Island is competing strongly and effectively across both traditional and emerging marketing channels through a more collaborative approach.

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

Table 2 provides a summary of the recommendations which align with this Strategic Aim. These four recommendations are all building blocks rather than capital development projects specific to any single TLA.



Table 2: Strategic Aim 2 - Recommendations

#	Project # and Name	Type	Project Location (Primary TLA)
Tier 1 Recommendations & Building Blocks			
#180	Sub-regional destination branding projects	Building Block - Branding	All
#181	NZ Tourism operator database marketing push	Building Block - Training	All
#182	Industry upskilling (digital)	Building Block - Training	All
#189	i-SITE and visitor servicing strategy	Building Block - Visitor information services	All



Strategic Aim 3 Recommendations

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

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

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

Additionally, it is important that the sector improves its attractiveness to talent and that appropriate education, skills and training opportunities are offered. A major challenge facing the industry now and into the future is ensuring that the volume and quality of talent within the sector supports, rather than restricts, growth. Although our built and natural tourism assets are a major factor in defining the appeal of the South Island, it is the interaction between overseas visitors and those employed in our tourism sector that ensures an outstanding holiday experience and has the capacity to differentiate us relative to our competitors. A lack of talent, or of a skilled workforce, will compromise growth and undermine the delivery of our tourism experience. Achieving this is a complex process that involves the collaboration of a broad range of stakeholders and focused policy. Strong collaboration between Government, educational bodies and the South Island's tourism industry will be vital to its success.

Table 3 outlines the four recommendations which align to Strategic Aim 3. They reflect building blocks, rather than capital development projects, and primarily are across all TLAs in the South Island (with the exception of the Bottom of the South Airport Strategy).

Table 3: Strategic Aim 3 - Recommendations

#	Project Name	Type	Project Location (Primary TLA)
	Tier 1 Projects & Building Blocks		
#178	DMO Governance Structure	Building Block - Governance	All
#179	Bottom of the South Airport Strategy	Building Block - Strategy	Bottom of the South
#183	Industry service quality upskilling	Building Block - Training	All
#187	Tourism data masterplan	Building Block - Data	All

Strategic Aim 4 Recommendations

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

To remain competitive as a visitor destination and to continue to meet the changing expectations of our visitor markets, is a need to enhance the experiences that are on offer. The expectations of visitors today are much higher than they were 10-20 years ago.

There is recognition amongst most stakeholders consulted that there need to be new things of scale and international appeal for visitors to do, to ensure both a better regional spread of tourism and to take pressure off existing

attractions and areas where environmental and social sensitivities exist.

There also needs to be a focus on introducing commissionable, year-round attractions in order to address seasonality as well as new accommodation product so that we continue to deliver product which matches market demand and delivers value-for-money.

This Strategic Aim and its various recommendations are underpinned by the philosophy that making the South Island a better visitor destination also makes it a better place to live for our residents.

Table 4 lists the different projects that have been identified to assist in delivering on this Strategic Aim. They range from accommodation to all-weather visitor attractions and cycling/walking trail projects and include a mixture of publicly funded and driven projects, private sector funded projects as well as PPPs.

It is important to note that there are a number of Tier 3 projects which have been identified and which align with this Strategic Aim. These can be found in the separate comprehensive DMP document.

Table 4: Strategic Aim 4 - Recommendations

#	Project Name	Type	Project Location (Primary TLA)
Tier 1 Projects & Building Blocks			
#25	Dunedin CBD hotel development	Visitor Accommodation	Dunedin City
#57	Nelson CBD hotel development	Visitor Accommodation	Nelson City
#67	Invercargill CBD hotel development	Visitor Accommodation	Invercargill City
Tier 2 Projects			
#27	The Ngai Tahu Story (Discovery Centre)	Tourism Attraction	Christchurch City
#29	Bluff agri & seafood showcase centre	Tourism Attraction	Invercargill City
#36	Queen Mary Hospital spa & site development	Tourism Attraction	Hurunui District
#37	KiwiRail NZ Coastal Pacific year-round service	Tourism Attraction	Multiple
#38	Omaka Aviation Heritage Centre - Stage 2	Tourism Attraction	Marlborough District
#58	High end/luxury lodge in the Marlborough vineyards	Visitor Accommodation	Marlborough District
#59	Tasman boutique lodge	Visitor Accommodation	Tasman District
#60	Hurunui boutique lodge	Visitor Accommodation	Hurunui District
#61	Fiordland hotel	Visitor Accommodation	Southland District
#62	Stewart Island high-end lodge	Visitor Accommodation	Southland District
#64	The Catlins high-end lodge	Visitor Accommodation	Clutha District
#173	Eco hotel accommodation in Arthur's Pass	Visitor Accommodation	Selwyn District
#174	Porters Ski Area gondola, spa & accommodation	Tourism Attraction	Selwyn District
#176	Mt Hutt expansion (trail network & snowmaking)	Tourism Attraction	Ashburton District

Strategic Aim 5 Recommendations

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

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

As identified previously, the South Island's tourism sector comprises primarily micro to small operators. The large majority of these are insufficiently resourced to undertake major development or investment in infrastructure. It is, therefore, important that government supports and funds larger-scale infrastructural projects as well as those which deliver significant benefits to the local community.

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

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

Table 5 lists the different recommendations that have been identified to assist in delivering on this Strategic Aim. The nature of these projects (being infrastructure development) means that the vast majority are publicly funded and driven projects. It is important to note that there are a number of Tier 3 projects which have been identified and which align with this Strategic Aim. These can be found in the separate comprehensive DMP document.

We recognise that a number of these projects may already be underway, with some at a pre-feasibility and planning phase and others already under construction. Further information is required from Councils particularly regarding project status.

Table 5: Strategic Aim 5 - Recommendations

#	Project Name	Type	Project Location (Primary TLA)
Tier 1 Projects & Building Blocks			
#1	Queenstown/Wanaka airport development	Airports	Queenstown-Lakes District
#17	Christchurch multi-use arena	Events and Stadium Facilities	Christchurch City
#191	South Island Telecommunications Strategy	Building Block - Strategy	All
Tier 2 Projects			
#5	Lyttelton Port cruise ship berth	Cruise Facilities & Marinas	Christchurch City
#20	Future-proofing Punakaiki (infrastructure & visitor centre)	Tourism Attraction	Buller District



Strategic Aim 6 Recommendations

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

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

While the majority of employment is driven by accommodation, food and beverage outlets, other hospitality providers and visitor attractions, the employment profile of the sector is diverse with transport providers, events, tour operators, galleries and museums, adventure and marine tourism creating and sustaining employment for people with differing skills and capabilities. Furthermore, due to the diverse nature of the sector, tourism provides flexible employment

opportunities that have the capacity to facilitate greater labour market participation.

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

Table 6 outlines the various recommendations that have been developed to assist in achieving Strategic Aim 6. While many of these projects are also infrastructure projects (and therefore strongly align with Strategic Aim 5), they have been included under this strategic aim because they are likely to assist in the reduction of congestion, provide additional parking and transport options which are likely to assist in helping to ease community concerns, particularly in areas which are tourism hot spots.

It is important to note that there are a number of Tier 3 projects which have been identified and which align with

this Strategic Aim. These can be found in the separate comprehensive DMP document.

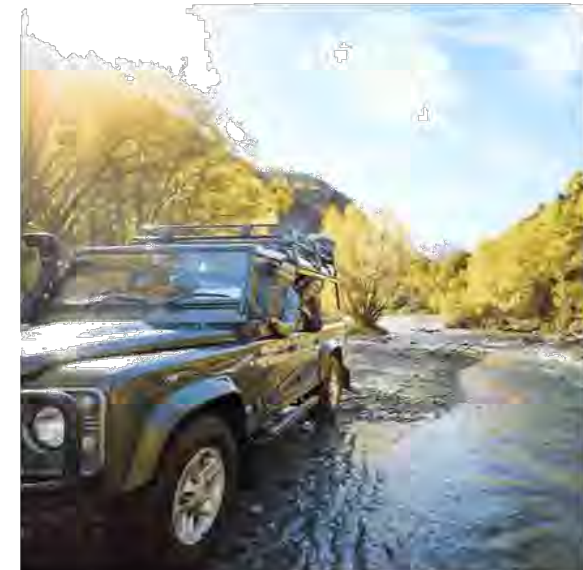


Table 6 Strategic Aim 6 - Recommendations

#	Project Name	Type	Project Location (Primary TLA)
Tier 1 Projects & Building Blocks			
#184	Freedom Camping Act amendment	Building Block - Policy	All
#185	P2P Accommodation policy (South Island-wide)	Building Block - Policy	All
#186	Tourism community awareness campaign	Building Block - Promotion	All

The recommendations in more detail

191 recommendations have been identified, 176 of these being Development and Investment Projects and the remaining 14 being Building Block recommendations. These recommendations are tourism-focused and cover infrastructure, accommodation and attractions/experiences.

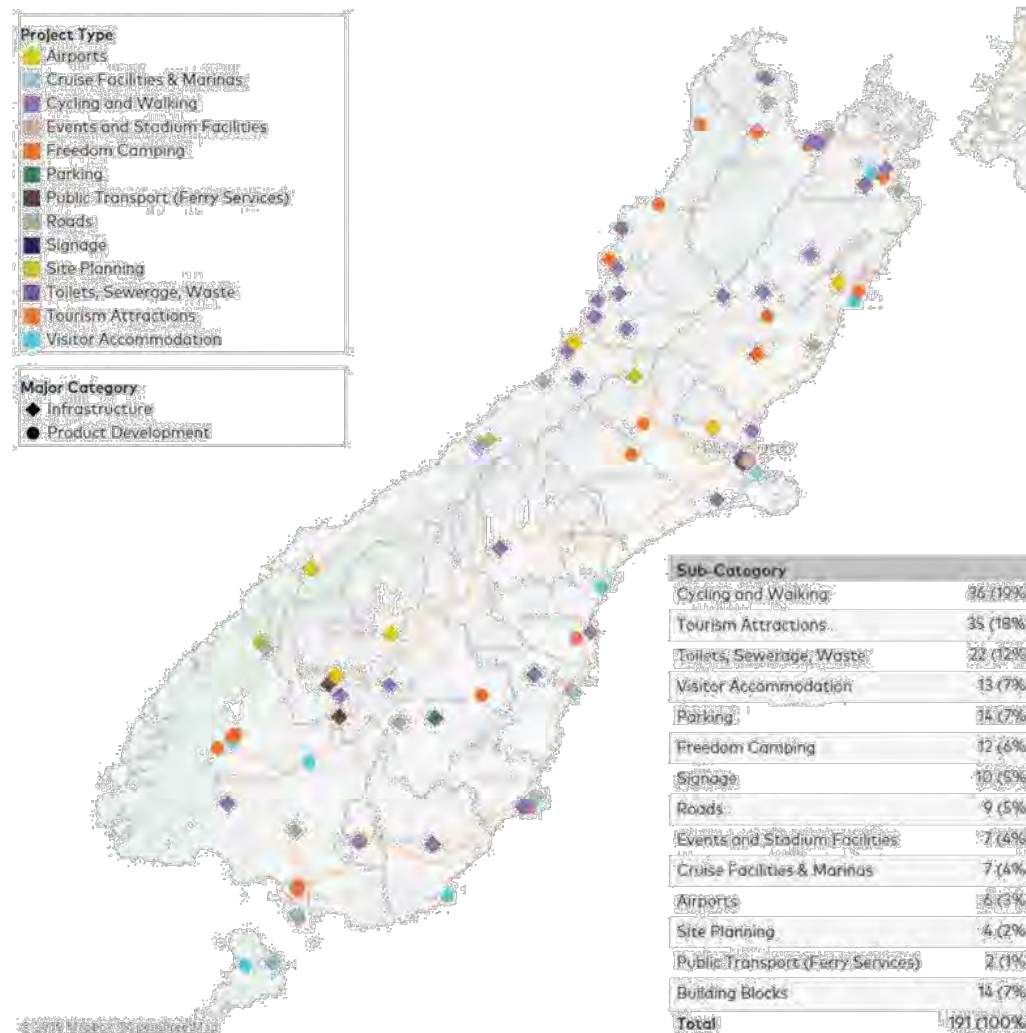
Figure 7 provides a summary of geographical dispersal of the recommendations identified and the range of those included, extending from airport infrastructure to tourism attractions to parking. It is important to note that because the Building Blocks are generally not location-specific (they are South Island-wide projects), they have not been physically mapped, but are included in the summary table.

Though they are separated across all of the 23 TLAs in the South Island, they need to be viewed in their collective ability to help support and growth the South Island as a leading visitor destination for locals, other domestic visitors, and the international visitor markets.

As a necessity, many of the recommendations identified are supply-led and are aimed at addressing issues constraining the South Island's tourism growth and/or social licence challenges.

The feasibility of the projects identified will need to be tested through more detailed analysis which was not possible within the scope of this DMP.

Figure 7: Geographic spread of Development & Investment Projects





Tier 1 recommendations

Full list of Tier 1 recommendations

Table 7 summarises the Tier 1 Catalyst Projects. These projects achieved a top-five score based on the ranking matrix (note there were some projects which achieved equal scores hence there may be more than five projects included) or are categorised as a Building Block recommendation.

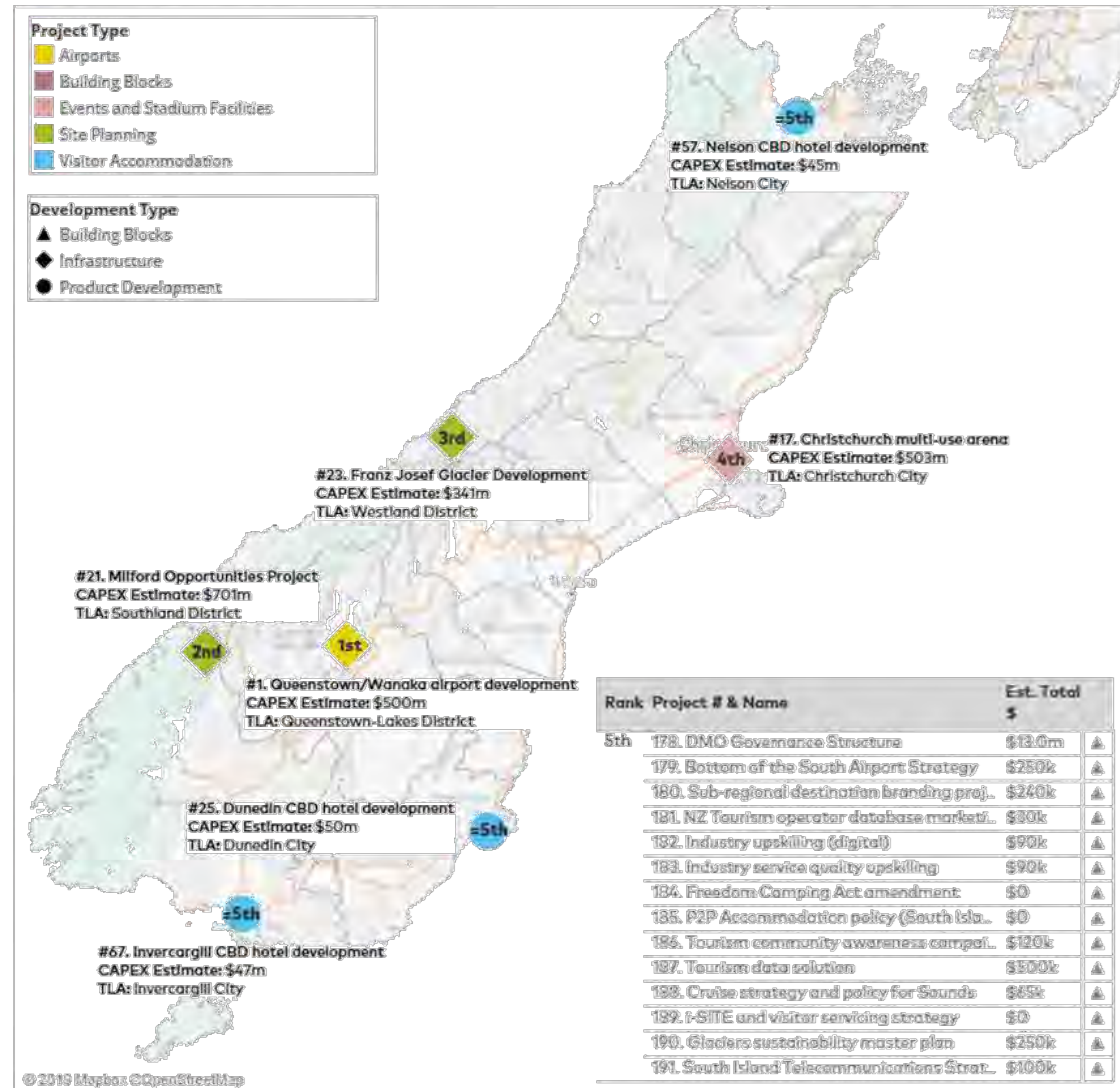
Of the 21 Tier 1 Catalyst recommendations, 14 are Building Block recommendations, three are visitor accommodation projects, two are site planning projects (for Milford Sound and Franz Josef Glacier) and the remaining two are airport projects, event and stadium facilities.

Table 7: Tier 1 catalyst recommendations

Rank	Project Name	TLA	Investment Type	Est. Private \$	Est. Public \$	Est. Total PPP \$	PPP Est. PPP Private \$	Est. PPP Public \$	Total Est. \$	Project Category
1st	#1 Queenstown/Wanaka airport development	Queenstown	PPP	\$0	\$0	\$500.0m	\$350.0m	\$150.0m	\$500.0m	Airports
2nd	#21 Milford Opportunities Project	Southland	PPP	\$0	\$0	\$700.8m	\$280.8m	\$420.0m	\$700.8m	Site Planning
3rd	#23 Franz Josef Glacier Development	Westland	PPP	\$0	\$0	\$341.3m	\$203.3m	\$138.0m	\$341.3m	Site Planning
4th	#17 Christchurch multi-use arena	Christchurch	Public	\$0	\$503.0m	\$0	\$0	\$0	\$503.0m	Events and Stadium Facilities
=5th	#25 Dunedin CBD hotel development	Dunedin	Private	\$50.0m	\$0	\$0	\$0	\$0	\$50.0m	Visitor Accommodation
=5th	#57 Nelson CBD hotel development	Nelson	Private	\$45.0m	\$0	\$0	\$0	\$0	\$45.0m	Visitor Accommodation
=5th	#67 Invercargill CBD hotel development	Invercargill	Private	\$46.9m	\$0	\$0	\$0	\$0	\$46.9m	Visitor Accommodation
=5th	#178 DMO Governance Structure	South Island	Public	\$0	\$0	\$13.0m	\$0	\$13.0m	\$13.0m	Building Blocks
=5th	#179 Bottom of the South Airport Strategy	South Island	Public	\$0	\$0	\$250k	\$0	\$250k	\$250k	Building Blocks
=5th	#180 Sub-regional destination branding projects	South Island	Public	\$0	\$0	\$240k	\$0	\$240k	\$240k	Building Blocks
=5th	#181 NZ Tourism operator database marketing push	South Island	Public	\$0	\$0	\$30k	\$0	\$30k	\$30k	Building Blocks
=5th	#182 Industry upskilling (digital)	South Island	Public	\$0	\$0	\$90k	\$0	\$90k	\$90k	Building Blocks
=5th	#183 Industry service quality upskilling	South Island	Public	\$0	\$0	\$90k	\$0	\$90k	\$90k	Building Blocks
=5th	#184 Freedom Camping Act amendment	South Island	Public	\$0	\$0	\$0	\$0	\$0	\$0	Building Blocks
=5th	#185 P2P Accommodation policy	South Island	Public	\$0	\$0	\$0	\$0	\$0	\$0	Building Blocks
=5th	#186 Tourism community awareness campaign	South Island	Public	\$0	\$0	\$120k	\$0	\$120k	\$120k	Building Blocks
=5th	#187 Tourism data solution	South Island	Public	\$0	\$0	\$500k	\$0	\$500k	\$500k	Building Blocks
=5th	#188 Cruise strategy and policy for Sounds	South Island	Public	\$0	\$0	\$65k	\$0	\$65k	\$65k	Building Blocks
=5th	#189 i-SITE and visitor servicing strategy	South Island	Public	\$0	\$0	\$0	\$0	\$0	\$0	Building Blocks
=5th	#190 Glaciers sustainability master plan	South Island	Public	\$0	\$0	\$250k	\$0	\$250k	\$250k	Building Blocks
=5th	#191 South Island Telecommunications Strategy	South Island	Public	\$0	\$0	\$100k	\$0	\$100k	\$100k	Building Blocks

Figure 8 spatially maps the Tier 1 Catalyst recommendations and demonstrates that they are distributed throughout the South Island. It also shows the Building Block recommendations are South Island-wide, rather than TLA-specific.

Figure 8: Location of Tier 1 Catalyst recommendations



The indicative investment required

In addition to categorising projects based on broad categories (airports, accommodation etc.), they have also been categorised according to whether they are:

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

Figure 9 and Table 8 provides a summary of investment estimates. Together, they demonstrate:

- Summarising the number of projects by proponent type demonstrates that 75% are public projects, 15% are PPP and 10% are private projects.
- The total CAPEX requirement to implement the projects identified is \$3.65b. Of this, PPP driven initiatives total an estimated \$1.78b, publicly driven projects total \$1.44b and private projects total \$429m.
- Although the majority of the 191 projects are public sector driven projects (75%), almost 40% of the investment required is anticipated to come from private sector funding sources (including private only projects and the private component of PPP projects).

Figure 9: Project type and projects by estimated CAPEX

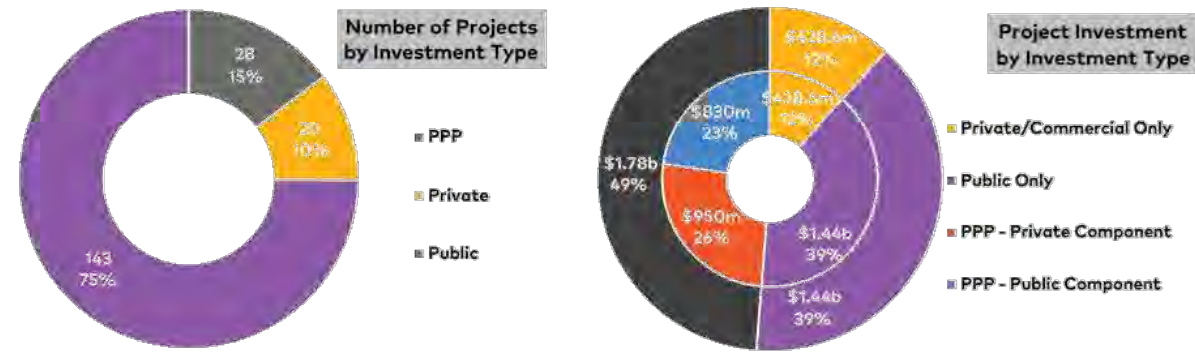


Table 8: Investment & development projects – indicative CAPEX breakdown

Project Category	Estimated CAPEX Total	Private/Commercial Only	Public Only	Public-Private Partnerships		
				PPP Total	PPP - Private Component	PPP - Public Component
Airports	\$519m (14%)	-	\$17m (1.2%)	\$502m (28%)	\$350m (37%)	\$152m (16%)
Building Blocks	\$15m (0.4%)	-	\$15m (1%)	-	-	-
Cruise Facilities & Marinas	\$123m (3%)	\$12m (2.7%)	\$72m (5%)	\$39m (2%)	\$9m (0.9%)	\$30m (4%)
Cycling and Walking	\$31m (0.8%)	-	\$30m (2%)	\$1m (0.1%)	\$105k (0.01%)	\$945k (0.1%)
Events and Stadium Facilities	\$533m (15%)	-	\$533m (37%)	-	-	-
Freedom Camping	\$15m (0.4%)	-	\$15m (1%)	-	-	-
Parking	\$6m (0.2%)	-	\$6m (0.4%)	-	-	-
Public Transport (Ferry Services)	\$1.4m (0%)	-	\$1.4m (0.1%)	-	-	-
Roads	\$537m (15%)	-	\$537m (37%)	-	-	-
Signage	\$530k (0%)	-	\$530k (0.04%)	-	-	-
Site Planning	\$1.06b (29%)	\$12m (3%)	\$8m (0.6%)	\$1.04b (59%)	\$484m (51%)	\$558m (67%)
Toilets, Sewerage, Waste	\$109m (3%)	-	\$109m (8%)	-	-	-
Tourism Attraction	\$401m (11%)	\$128m (30%)	\$101m (7%)	\$171m (10%)	\$84m (8.8%)	\$87m (11%)
Visitor Accommodation	\$302m (8%)	\$277m (65%)	-	\$25m (1.4%)	\$23m (2.4%)	\$3m (0.3%)
Total	\$3.65b (100%)	\$428.6m (100%)	\$1.44b (100%)	\$1.78b (100%)	\$950.2m (100%)	\$830.4m (100%)
% of total CAPEX		12%	40%	49%	26%	23%

A primary outcome of this DMP was to ensure that the projects and recommendations identified did not rely primarily on public sector funding sources. Although Figure 9 above demonstrates that 62% of the CAPEX required is from public sources (either through public only or the public component of the PPP investment), it is important to recognise the nature of this project, being a South Island-wide plan which includes assessment of not only tourism product but also infrastructure (to support tourism and other sectors of the economy).

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

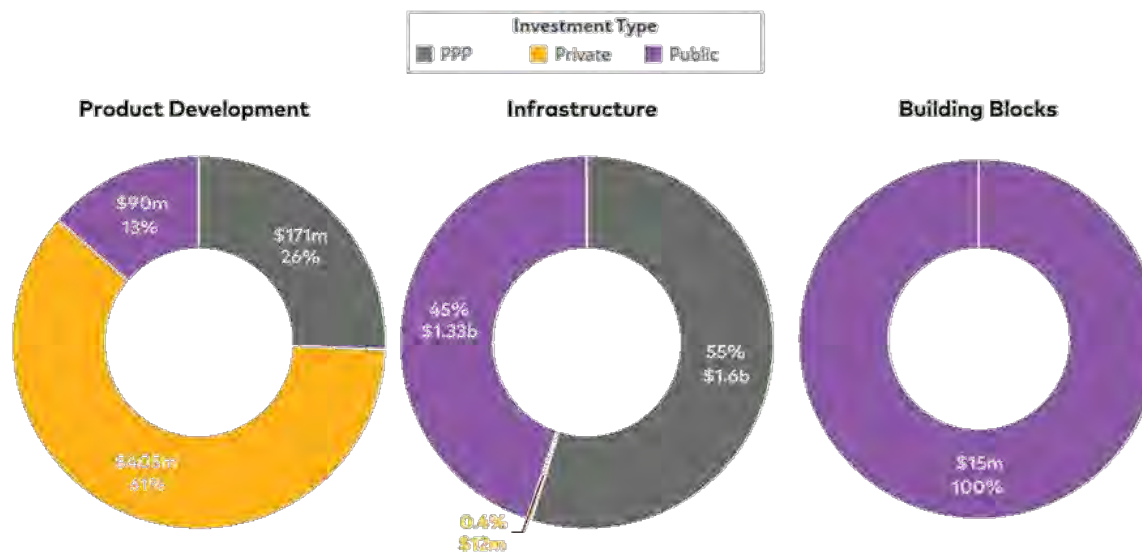
The project categories which primarily comprise infrastructure include cycling & walking trails, event & stadium facilities, freedom camping, parking, public transport (ferry services), roads, signage and toilets, sewerage and waste. For these projects, the vast majority (if not all) of CAPEX funding is anticipated to come from public sector sources. The nature of infrastructure projects is such that they generally rely on public funding.

Whereas product development projects primarily comprise tourism attractions, experiences and visitor accommodation. Figure 10 provides this breakdown and demonstrates the following.

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

- Due to the nature of Building Block projects, all funding requires is anticipated to come from public sector sources.
- The provision of public and PPP investment in support of tourism (and other sectors of the economy), is expected to also help leverage additional private sector investment into retail, supporting services and the general provision of goods and services for the benefit of the visitor economy (though unquantifiable as part of this DMP exercise), which are indirectly attributable to new public sector and PPP investment activity.

Figure 10: Investment type by project category





Measuring our success

With all effort and resources dedicated to achieving our ambition of growing the sustainability of the visitor economy, it is important to know that we are on the right track, and where improvements can be made. Although success within the tourism sector has traditionally been measured in terms of the volume – or number – of visitors, the consultation undertaken for this DMP has revealed that South islanders (both industry and the community)

have a much broader consideration of what success looks like. The measures of success outlined in Table 9 have been carefully selected because they reflect the changes we are trying to introduce for the sector.

The visitor economy is complex; with demand coming from a wide range of markets, and supply which is delivered across a range of sectors and activities. Therefore,

collecting the data is a complex but necessary task, since it helps everyone to ensure we're delivering on our objectives. All of the South Island's tourism stakeholders will have a role to play in collecting this data in an accurate and timely way.

Table 9: Metrics to measure success

Metric	About	How will we measure this?	Base figure
Community acceptance of tourism	The willingness of the community to continue to provide a social licence for tourism	Annual perceptions survey of a sample of the local community throughout the South Island.	n/a
Overnight visitor numbers	Overnight visitors are higher-yielding than day trippers because they tend to spend more on food and beverage, transport and experiences as well as on accommodation.	Updated dataset developed as part of this DMP	7.8 million overnight visitors to the South Island
Average yield per visitor	Average spend per visitor to the South Island from the domestic and international visitor markets.	Updated dataset developed as part of this DMP and MBIE MRTE figures for the South Island.	International spend: \$2,650 per trip and Domestic spend: \$310 per trip
Brand perceptions	The effectiveness of brand development work undertaken in market	Brand perceptions survey of both domestic and international visitors (from selected markets)	n/a
Visitor satisfaction	The quality of the visitor experience through primary research within the destination	Visitor satisfaction survey focused specifically on the South Island of both domestic and international visitors (from selected markets)	n/a
Tourism and hospitality employment growth	Increased employment opportunities offered in the tourism and hospitality sectors – both full-time and part-time.	Infometrics profiles which leverage off tourism GDP estimates	66,000 positions throughout the South Island
Tourism GDP growth	Reflects output in the sector and contribution to the overall economy	Infometrics profiles which provide GDP estimates	\$4.39 billion in tourism GDP for the South Island
Digital ready operators	Measures the digital capabilities of tourism operators through comparing those who are listed on the NZ Tourism Industry Operator database and other major tourism sources against those who are listed in traditional sources only (such as brochures and in i-SITE databases).	Audit of digitally listed operators including on the NZ Tourism Industry Operator Database.	n/a
Tourism sector new investment	Assesses the level of new investment in the tourism sector	Statistics on the number of new businesses registered and tourism and hospitality utilising Census data.	n/a
Increased Māori participation in tourism at all levels	The level of interest which local Iwi have in supporting and investing in the tourism sector including development of economic, social, environmental and cultural uplift for their local communities	Updated dataset to illustrate the level of Iwi involvement in the tourism sector directly and indirectly	Iwi owned or managed tourism businesses
Sustainability Index	Measures New Zealand's progress towards sustainable tourism development against other countries.	Sustainable Tourism Ranking which measures CO2 per capita	257 th out of 291 destinations



Te Wai Pounamu - South Island Destination Management Plan 2019-2030

CANTERBURY
Mayoral Forum

THE COMPREHENSIVE PLAN



About this document

This document is an initiative of the South Island Mayors. It has been developed by Stafford Strategy, with data support from Fresh Info. It is a result of a detailed process of co-creation and the starting point of a collaboration to achieve the South Island's aspirations for tourism out to 2030.

This document represents the full, comprehensive findings of the DMP. A shorter, summary document which complements this has also been produced.



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Date of last modification: 13/11/19



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Te Waipounamu - The South Island

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

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

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

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

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



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



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



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



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



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



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

Why tourism?

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

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

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

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

Crucially, it is also a sector which primarily cannot be outsourced or offshored. As a consequence, its economic benefits are widespread, impacting both metropolitan and regional areas.

Being ambitious for tourism in the South Island

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

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

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

The need for a sustainable approach

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

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

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

What is destination management?

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

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

¹ Shaping our slice of heaven 2017, Deloitte

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

What does a DMP include?

A DMP covers:

- a shared statement of intent to manage a destination over a stated period of time;
- a vision for the destination;
- barriers to sustainable growth and how these can be mitigated;
- recommendations which align with the guiding vision to sustainably grow and enhance the visitor economy; and
- articulates the roles of different stakeholders and identifies clear actions they should take.

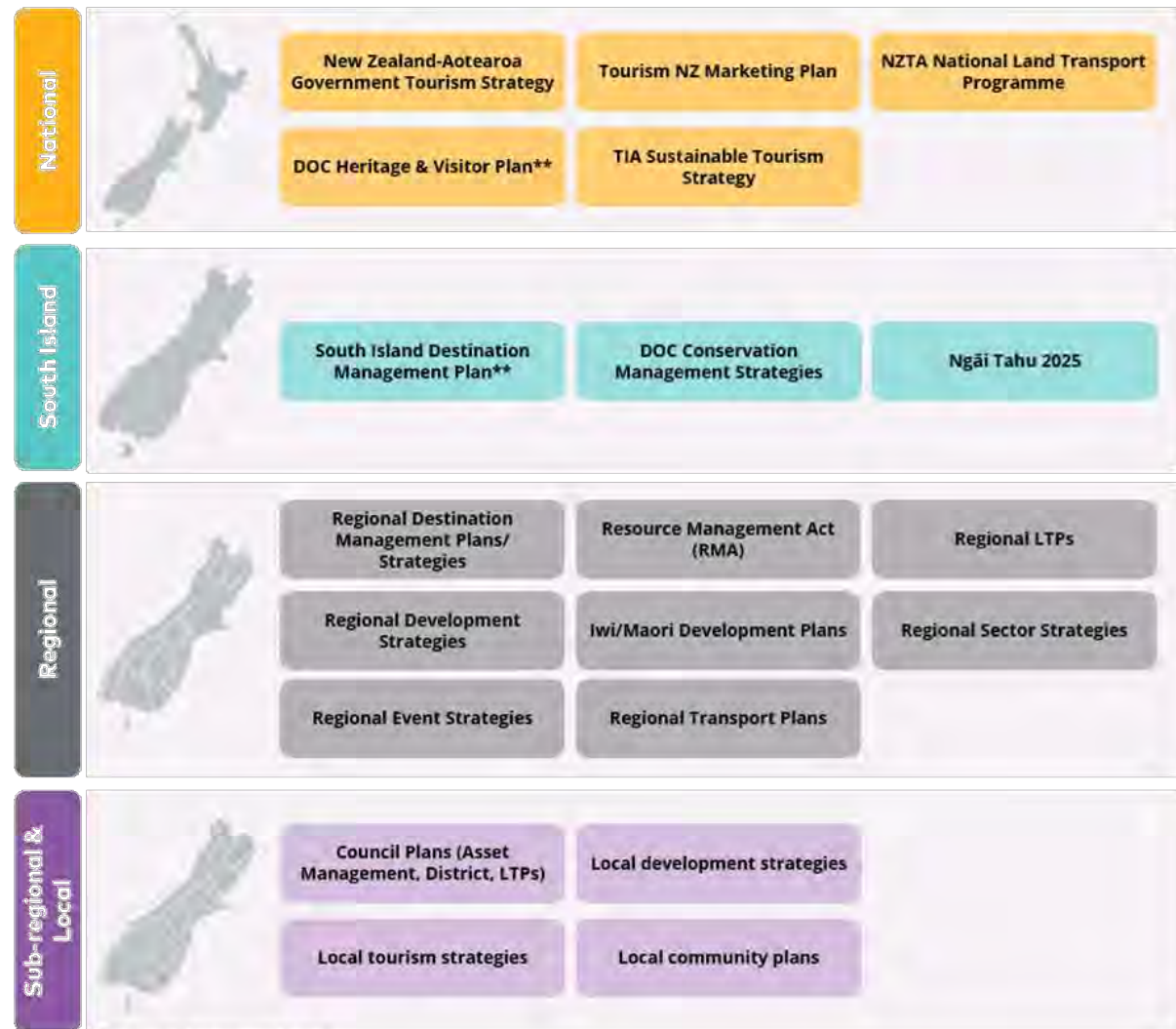
It is a much wider and **more holistic perspective than destination marketing**. It should be considered a "living" plan, that is **continuously reviewed and updated** as circumstances change, and lessons are learned.

Policy context and strategic alignment

The strategic direction of tourism in New Zealand is informed by five key documents at a national level (see Figure 1). This DMP has sought careful alignment with each of these documents to ensure a consistent approach is followed and to allow this DMP to assist in delivering in the goals and recommendations of these strategies/plans.

Furthermore, this DMP has carefully assessed the various documents listed at a South Island, regional and sub-regional/local level noted in Figure 1.

Figure 1: Policy and strategic alignment context



** Currently being completed

Te Waipounamu - South Island DMP: The Comprehensive Plan



Figure 2 summarises the five broad components of destination management, being: product development, infrastructure, governance, sustainability and marketing & promotion. Within these components, there are different activation areas which can assist in delivering a destination management approach and a sustainable visitor economy. It also demonstrates the alignment between the destination management components

applied in this DMP and the five themes/integrated outcomes outlined in the New Zealand-Aotearoa Government Tourism Strategy:

"A productive te ōhanga/economy requires a healthy functioning te taiao/environment to support it. It's the drawcard for ngā manuhiri o te au, o Aotearoa anō hoki/international and domestic visitors seeking

*quality experiences which we must protect and restore to sustain tourism in New Zealand-Aotearoa. Tourism should benefit tātou o Aotearoa me Ō tātou hapori/New Zealanders and our communities through jobs, education and growth, and spread these benefits across our ngā rohe/regions."*³

Figure 2: Destination management components & alignment with the NZ-Aotearoa Government Tourism Strategy



³ New Zealand-Aotearoa Government Tourism Strategy, MBIE, page 7.

Case studies

The need for a destination management approach has been driven by the recognition that further growth in the South Island’s visitor economy requires a carefully planned and managed approach.

Examples exist of major destinations globally which have experienced significant environmental, infrastructure and host community challenges and which have been associated with tourism growth.

With the media in New Zealand purporting that some destinations in New Zealand and the South Island specifically are experiencing the effects of “overtourism” – and regardless of whether this is the reality or merely a perception – there is a desire to ensure further tourism growth is planned and carefully managed.

The following case studies are provided as examples to illustrate:

- ways which destinations are seeking to encourage greater environmental consciousness and acceptable behaviour;
- the need to carefully manage destinations to avoid the risk of overtourism; and
- mechanisms that have been applied elsewhere in order to manage destinations and/or overtourism.

Pledge for the Wild Campaign (Bend, Oregon)



It was not long after the concept of overtourism entered the mainstream that the “tourism pledge” followed. From Iceland to Hawaii, these consumer-facing campaigns seem abundant, asking visitors to adhere as much to common decency (i.e. do not urinate in public) as to environmental consciousness (do not disturb fragile habitats). While these could be dismissed as PR stunts, if done right, these pledges can also help attract the kinds of conscientious, high-value travellers that so many destinations are keen to host.

That is what Bend, Oregon, and a number of other mountain towns in the American West are hoping to achieve with their “Pledge for the Wild” campaign. Unlike other pledges where a traveller signs on an online petition-like form, a visitor pledges through a text-to-donate channel, which directs a donation to an environmental non-profit tied to a local issue. Visitors interact with or see the campaign through multiple touchpoints, including out-of-home ads, coasters in local pubs, and ideally, on social media before they even leave for their trip. The suggested donation included in the ads is nominal: \$1 per hour spent in a wild area.

Differential Pricing & Capacity Limits (Taj Mahal, India)



The Taj Mahal is India's most visited and iconic tourist attraction. The UNESCO World Heritage Site attracts over 35,000 – 40,000 visitors on a daily basis, with numbers reaching 70,000 on weekends and during peak periods. The Indian Supreme Court ordered the State Government to take care of the monument or shut it down. As a consequence, a number of measures have been introduced. These include the following.

- Authorities from the Archaeological Survey of India now limit visitor numbers to 40,000 per day to help reduce the impact of high visitor numbers.
- Ticket prices have been increased, hoping to curb the number of travellers that go there each day and also to grow revenue to allow for maintenance and upkeep.
- Differential pricing applies for locals versus visitors.
- In addition to the increase in ticket prices, visitors now have a three-hour limit on their visit. If they stay longer, visitors must pay for another ticket.

The hope is that this will have the dual effect of cutting visitor numbers and generating more revenue to help with conservation efforts.

Reservation/Lottery System (The Wave, Arizona)

In 2009, an image of The Wave in Arizona was included as a desktop wallpaper on Windows 7. From that moment on, what had until then been a well-kept secret among hikers and backpackers was propelled to "Bucket List" status. The Wave is in a Special Management Area which means it is considered ecologically sensitive and vulnerable to irreparable damage if access is not strictly controlled.

To manage this sensitive area and protect the fragile formation's integrity, visitation is capped to 20 visitors per day by the Bureau of Land Management (BoM). Visitation is managed through a permit system – ten of which can be reserved online four months in advance, through an online lottery and the other ten are given to walk-in visitors to the visitors' centre, on a first-come, first-serve basis. Last year, 15,000 applications were made through the online lottery to take the 9.5km round-trip hike to reach the site.

The BoM is currently considering raising the number of daily entries to 96 and is undertaking consultation with the public to see if they'd be in favour of such a measure, noting that while it would mean more people would get a permit, it would also increase the number of encounters with other visitors on the trail, potentially decrease opportunities for solitude, and potentially increase impacts to other resources.

⁴ <https://www.theguardian.com/environment/2018/nov/20/national-parks-america-overcrowding-crisis-tourism-visitation-solutions>

Vehicle Charge (Horseshoe Bend, Arizona)

Horseshoe Bend is one of the American west's most celebrated overlooks. From a sheer sandstone precipice just a few miles outside Grand Canyon national park, visitors get a bird's-eye view of the emerald Colorado River. Far away from any large city, and nestled in the heart of south-west canyon country, Horseshoe Bend was once as lonely as it was beautiful.

Horseshoe Bend is what happens when a patch of public land becomes #instagramfamous. Over the past decade, photos have spread like wildfire on social media, catching local residents of land managers off guard.

Visitation has reportedly grown from a few thousand annual visitors historically to 100,000 in 2010 – the year Instagram was launched. By 2015, an estimated 750,000 people made the pilgrimage. In 2018, visitation reached 2 million.⁴

While access to the site has previously been free, an entry fee has been introduced after rising visitor numbers dictated a long-range improvement plan that had to be funded

Visitors pay \$10 per vehicle to park in the newly expanded car park that can accommodate 300 vehicles, while motorcyclists pay \$5. There is also a charge for coaches. Parking is forbidden and monitored on Highway 89, which fronts Horseshoe Bend.

⁵ <https://www.bangkokpost.com/thailand/general/1674364/maya-bay-to-remain-closed-till-mid-2021>

Temporary Closure (Maya Bay, Thailand)

Maya Bay, on the island of Phi Phi Leh, Thailand, was made famous by the 2000 Leonardo DiCaprio film *The Beach*. In 2018, the Thai Department of National Parks, Wildlife and Plant Conservation made the decision to close the beach to all visitors to rehabilitate the site. Prior to its closure, up to 5,000 people were visiting daily and most of its coral died as a result and marine life had effectively left the bay.

While the closure was set to run until 2020, the Department decided to extend the closure for another two years, with it now due to reopen in the middle of 2021. The decision to extend the closure was made because the trial closure resulted in ecological recovery and there is a desire to continue this.

The closure has also allowed the Department to develop more facilities there including a walking board, a dock for tourist boats, toilets, and a residence for officials. Once the Bay reopens, an e-ticket system will be put in place, the number of daily visitors will be limited to 2,400 a day in peak season and time limits are also likely to be put in place.⁵

Overtourism (Venice, Italy)



Venice is considered by many to be the "front line in the battle against overtourism".⁶ In 2017, the city received in excess of 36 million international visitors, a 10% increase from 2016 and between April to October, an estimated 32,000 cruise ship passengers disembarked in Venice daily.⁷

While many Venetians believing that everyone should have the opportunity to experience the beauty of their city, the constant swell of tourists is ruining the experience for everyone. Cruise ships have caused significant environmental damage to Venice's waterways and lagoons.

Short visits, particularly day trippers, put a strain on the city's overstretched infrastructure, and cheap Airbnb rentals have driven up the cost of accommodation and living conditions for locals, some of whom have decided to leave altogether.

UNESCO has long been threatening to blacklist Venice amid fears that the city has not been doing enough to protect its heritage.⁸

In an attempt to control tourist numbers, a variety of initiatives have been introduced by the Venetian government.

- In spring 2018, city authorities brought in turnstiles designed to restrict the movement of visitors in some of the city's most crowded arteries over a long holiday weekend.
- In peak visitor seasons, English-speaking police-assistants can be found patrolling some of the busiest areas in town, warning tourists who dip their feet in the canals or who are caught eating or drinking in an undesignated area that they could be facing a fine of up to €500.
- In 2020, a new measure requiring day-trippers to pay an entrance fee into the city of up to €10 will come into effect. Tourists overnighing in Venice will be exempt as a city tax is already included in the hotel rate. Residents, some commuters, students and children under six will also not be required to pay. The money from this entrance fee will go towards costs such as waste and security management and will "lessen the costs that currently fall on the shoulders of the citizens"⁹.
- In 2019, after a series of events with cruise ships (including the collision with a dock which injured a number of people), it was also announced that from September, cruise ships weighing more than 1,000 tonnes will be rerouted away from certain waterways. By the end of 2020, one-third of all ships will be rerouted.

Visitor cap mechanisms (Bruges, Belgium)



19,500 people live Bruges and in 2018, 8.3 million tourists visited Bruges (up 900,000 compared to the previous year). Of these, 6 million were day-trippers from cruise ships who stayed in Bruges for just two-three hours, raising concerns that the city is becoming a medieval theme park.¹⁰

Authorities in Bruges are attempting to stem the flow of visitors, so numbers do not become unsustainable:

- a ban on new hotels has been introduced and locals are prohibited from renting out their houses in the historic city centre as holiday homes;
- a cap will be introduced on cruise ships docked in its port, reducing the number from five to two;
- cruise ships will also be encouraged to dock during weekdays (over weekends) to better maintain crowd control; and
- the tourist board will stop advertising campaigns in nearby cities that encourage day-trippers.

While the Mayor is conscious that the city is not yet full, the measures are being introduced to preserve the quality of life for locals (and visitors) and to maintain the city's charm.

⁶ <https://edition.cnn.com/travel/article/venice-tourism-overcrowding-intl/index.html>
⁷ *Ibid*

⁸ <https://www.lonelyplanet.com/articles/venice-delay-entry-fees>
⁹ <https://edition.cnn.com/travel/article/venice-tourism-overcrowding-intl/index.html>

¹⁰ <https://www.lonelyplanet.com/articles/how-bruges-is-fighting-back-against-mass-tourism>

Te Waipounamu - South Island DMP: The Comprehensive Plan

STAFFORD STRATEGY

9

Part 2: Where are we now?



Methodology for visitor data collection

The visitor data challenge

One of the primary outcomes of this DMP was the development of a robust visitation dataset for the South Island. While a comprehensive tourism dataset was previously available (titled *New Zealand Regional Tourism Estimates 2006–2011*) its production was halted at the end of 2011.

Today, while there are many datasets covering different aspects of visitation and the visitor economy in New Zealand¹¹, there are challenges in utilising this data because:

- the datasets are partial i.e. they are not able to be combined to provide a holistic picture of visitation;
- many have their own reliability challenges; and
- the boundaries for which the data is produced do not align with current boundaries.

Commentary on the various datasets currently available and their associated challenges is included at Appendix 1.

The lack of a robust visitor dataset is problematic because to assess the **value** and **impact** of the **visitor economy**, and to successfully implement a destination management approach is **contingent** on having **robust data** which allows for **comparison** (over a time series, between areas and also between different metrics).

To overcome these data challenges, many regions throughout the South Island (and New Zealand more broadly) are acquiring data independently. This has not only been costly but has, to date, not resulted in the development of a solid and lasting solution.

¹¹ Such as the IVS which measures international visitation to New Zealand or the MRTEs which measure expenditure of domestic and international visitor markets.

The methodology applied

This DMP contains the first robust comprehensive dataset for visitation to South Island TLAs since 2011. Data has been provided on a TLA basis at the specific request of the South Island Mayors and is considered prudent, because of the fluid nature of RTO boundaries in New Zealand (whereas TLA boundaries are far less likely to significantly change).

To establish this dataset, the project team has utilised several different sources to provide:

- international visitation to each TLA by country of origin, purpose and visitor type (including day visitation which has not been available since 2011);
- domestic visitation to each TLA by region of origin and purpose (this particular dataset is significant because regions have not had domestic visitation data since 2011¹²);
- spend by TLA for domestic and international visitors;
- average spend in each TLA (domestic and international); and
- visitor and spend forecasts (for 2030).

The dataset created also allows us to understand how visitors move throughout the South Island, including most common itineraries (for overnight trips) and by visitor type. The dataset has leveraged off the following sources:

- the International Visitor Survey (smoothed over 3-4 years to overcome sample size challenges);
- the AA Domestic Travel Survey;

¹² While the IVS has provided international visitation to RTOs and TLAs, there has been no domestic dataset to understand domestic day and overnight visitation to TLAs.

- MBIE's Monthly Regional Tourism Estimates of expenditure; and
- the *2011 New Zealand Regional Tourism Estimates* to provide an estimate of day trip visitation (uplifted to 2018 figures).



The visitor economy is a key driver of growth in the South Island¹³

Summary of visitor data

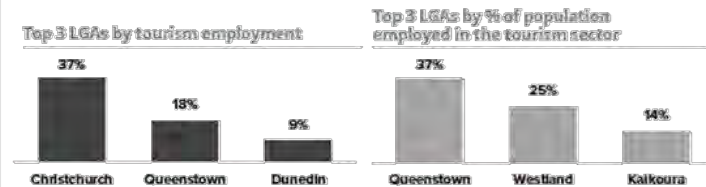
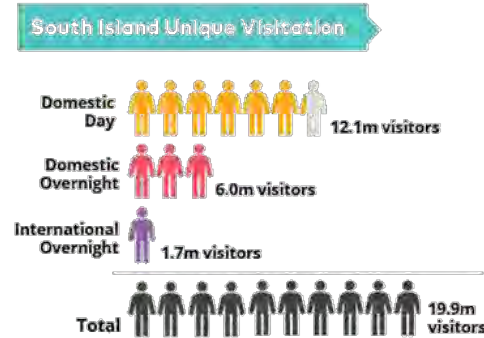
The visitor economy plays a vital role in New Zealand and in the South Island specifically. In 2018, the sector accounted for **one in eight filled jobs**¹⁴ in the South Island and generated **\$4.39b** in GDP (accounting for more than **30%** of New Zealand's total GDP).

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

Visitation to the South Island is growing, spurred on, in part, by the success of the 100% Pure campaign and the global tourism boom¹⁵. In 2018, the South Island received **19.9m unique**¹⁶ visitors, 61% of whom were domestic day trippers¹⁷. Visitors to the South Island spent **\$10.2 billion** (comprising 35% of all visitor spend in New Zealand), and, over the last 10 years, spend by visitors has grown by **over 55%** (or an additional \$3.73b).

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

Figure 3: South Island Visitation Summary (2018)



¹³ **South Island Unique Visitation:** FreshInfo, sourced and compiled via NZ IVS microdata and NZ AA Domestic Travel Survey; **South Island Tourism Employment:** TLA Infometrics Profile (for those TLAs without an Infometrics profile, averages were used based on the TLA's population and tourism employment intensities from similar destinations). Note this represents jobs filled, not FTE employment; **South Island Visitor Spend:** NZ MRTES; **Top 5 International and Domestic Visitor Markets:** FreshInfo, sourced and compiled via NZ IVS microdata and NZ AA Domestic Travel Survey; **Tourism GDP:** TLA Infometrics Profile (for those TLAs without an Infometrics profile, an average was determined from those destinations with Infometrics profiles and this was applied to each TLA's GDP data); **Reason Visitors are coming:** FreshInfo, sourced and compiled via NZ IVS microdata and NZ AA Domestic Travel Survey.
¹⁴ Filled jobs include all part-time and full-time employees plus working proprietors in businesses that have employees.
¹⁵ Tourism's boom is not universally welcome, The Economist, February 20 2019, <https://www.economist.com/graphic-detail/2019/02/20/tourisms-boom-is-not-universally-welcome>
¹⁶ If a visitor travels to the South Island and visits multiple different TLAs, they are classed as 1 unique visitor. If this visitor travels to the South Island twice over the period of a year, they are classed as two separate unique visitors.
¹⁷ A domestic day trip is defined by MBIE as a trip made within 1 day, outside the area in which the respondent usually lives or works day to day, involving travel of at least 40km one way from home, or travel by aeroplane or ferry service. By way of example, a resident from Christchurch who travels to Oamaru 5 hours and then returns home is considered a domestic day tripper to Oamaru.

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

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

Visitation to South Island TLAs

Although visitation to the South Island is concentrated around the major visitor hubs of Christchurch, Queenstown and Dunedin, receiving 7.5m (19.3%), 4.3m (11%) and 2.8m (7.2%) visitors in 2018 respectively (see Figure 4), dispersing out to other destinations around the South Island is growing, increasing from an estimated 17.5m non-unique visits in 2011 to 24.3m in 2018.

Although this dispersal is a positive and desired outcome for the South Island, and one which the majority want to continue (because of the wider spread of economic benefit which ensues), there is a growing need for new and enhanced infrastructure and product experiences to facilitate and better cater to this.

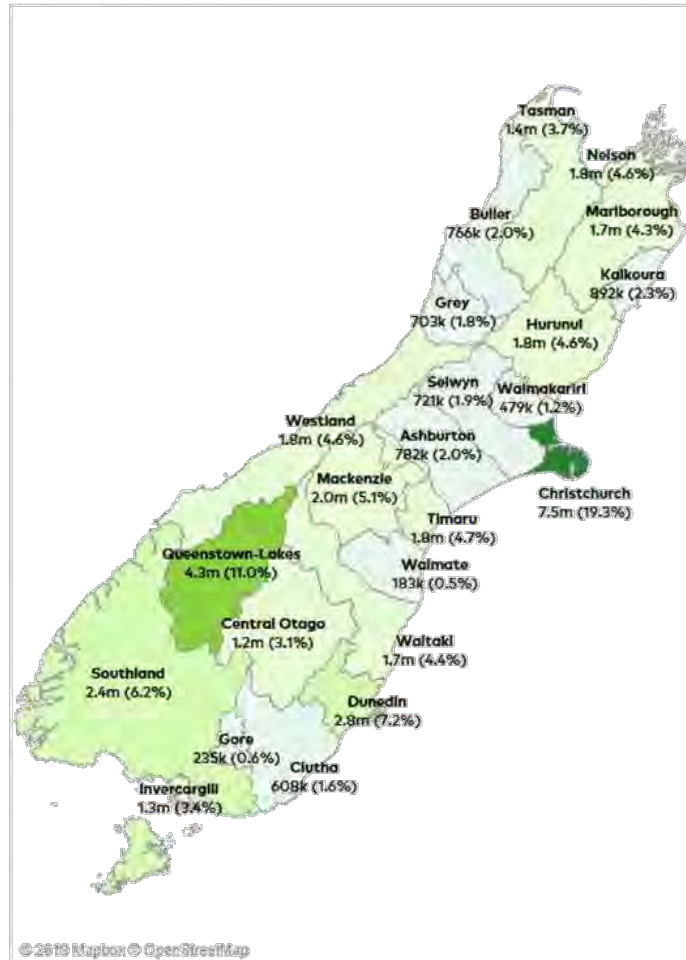
Figure 4 also summarises visitation to each TLA by visitor type and illustrates that:

- for the majority of TLAs (such as Ashburton, Waimate and Timaru) domestic visitation numbers are far stronger than international numbers;
- whereas the major tourism icons/bucket list destinations including Queenstown, Mackenzie (Mt Cook and Lake Tekapo), Westland (Franz and Fox Glaciers) and Milford Sound (within Southland TLA) have far stronger international visitation;

- for most TLAs, day trip visitation is far stronger than overnight visitation.

Figure 4: South Island TLA Visitation (2018)

Year: 2018
 Visitor Type: Domestic Day, Domestic Overnight, International Day and 1 more
 Visitor Motivation: Total
 Origins: All



South Island Visitation by TLA 2018

TLA Visited	Domestic Day	Domestic Overnight	International Day	International Overnight
Ashburton	492k	203k	38k	46k
Buller	335k	206k	118k	118k
Central Otago	624k	348k	118k	49k
Christchurch	3.7m	1.8m	979k	1.1m
Clutha	282k	169k	121k	50k
Dunedin	1.2m	853k	228k	466k
Gore	155k	56k	12k	11k
Grey	308k	184k	115k	116k
Hurunui	1.2m	478k	65k	79k
Invercargill	93k	187k	103k	94k
Kaikoura	647k	182k	106k	128k
Mackenzie	705k	184k	52k	88k
Marlborough	710k	602k	167k	199k
Nelson	767k	495k	224k	307k
Queenstown-L.	1.1m	1.0m	898k	1.3m
Selwyn	650k	185k	39k	47k
Southland	1.0m	347k	564k	511k
Tasman	700k	451k	123k	169k
Timaru	1.3m	347k	90k	66k
Waimakariri	317k	134k	8.2k	9.9k
Waimate	194k	58k	6.5k	2.7k
Waitaki	300k	140k	184k	120k
Westland	480k	274k	561k	539k



Figure 5 provides a comparison of international and domestic day visitation to each TLA compared with overnight visitation. It demonstrates the following.

- On average, day visitation represents 61% of all visitation to South Island TLAs. The remaining 39% is overnight visitation. TLAs with the strongest proportion of overnight visitation include Queenstown-Lakes (which is the only TLA where

total overnight visitation exceeds day visitation), with 53% of visitors being overnight travellers, Marlborough (48%), Dunedin (47%), Westland (45%) and Nelson (45%).

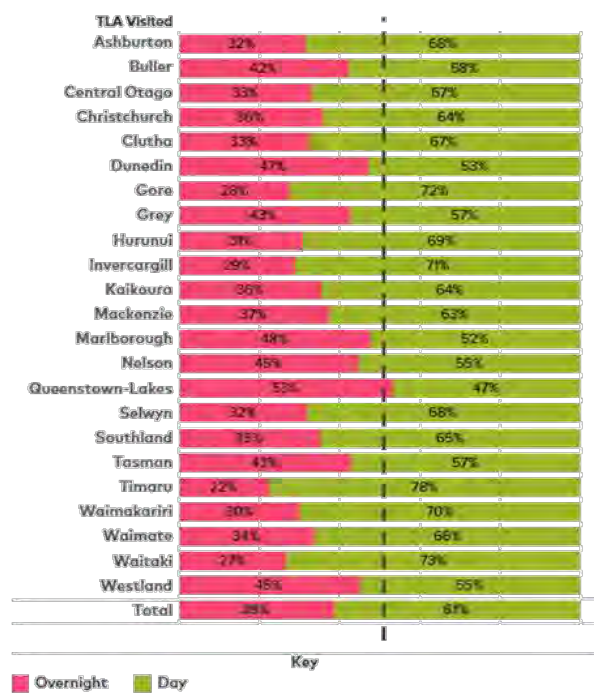
- TLAs with the strongest proportion of day visitation include Timaru (comprising 78% of visitation), Waitaki (73%), Gore (72%), Invercargill (71%), and Waimakariri (70%).

- Domestic day visitation far outweighs domestic overnight visitation, with 67% of all visitors to South Island TLAs being day trippers.
- For international visitation, however, overnight visitors exceed day trippers, with TLAs such as Dunedin, Queenstown-Lakes, Nelson and Tasman having the strongest levels of international overnight visitation.

Figure 5: Day versus overnight visitation By TLA (2018)

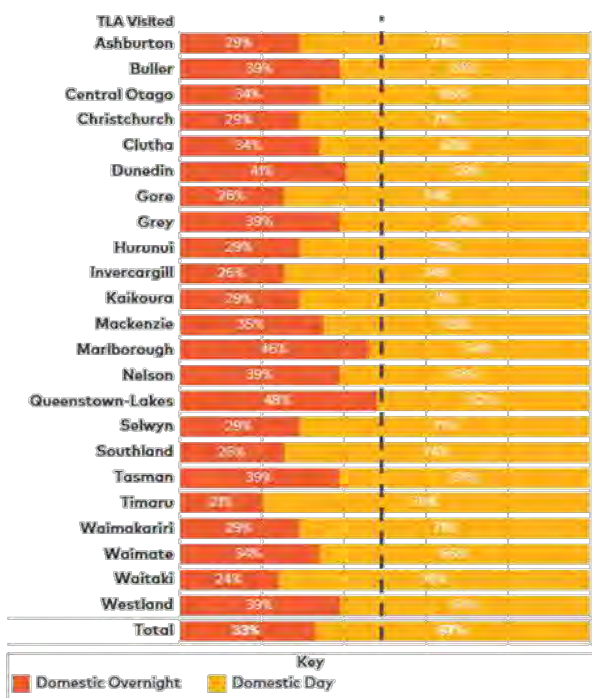
Day versus Overnight Visitation by TLA 2018 - Domestic Visitors

Visitor Type: Domestic Day, Domestic Overnight, International Day and 1 more



Day versus Overnight Visitation by TLA 2018 - Domestic Visitors

Visitor Type: Domestic Day & Domestic Overnight



Day versus Overnight Visitation by TLA 2018 - Domestic Visitors

Visitor Type: International Day & International Overnight

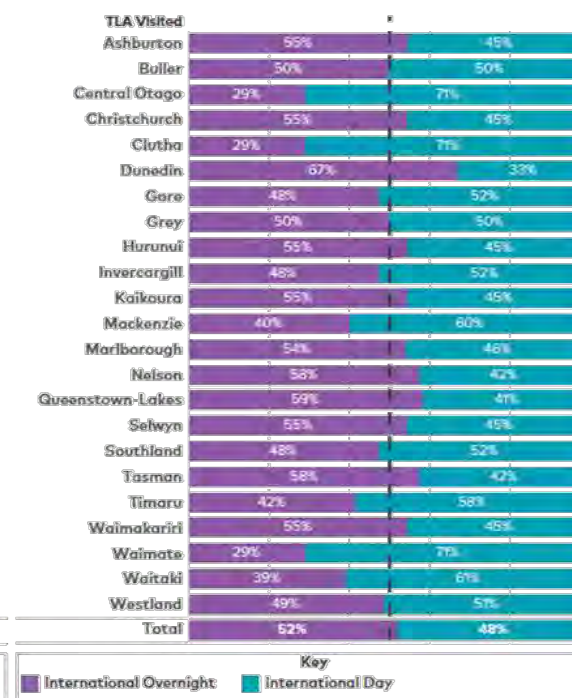


Figure & South Island All Leisure Visitation (2018)

Year: 2018
 Visitor Type: Domestic Day, Domestic Overnight, International Day and 1 more
 Visitor Motivation: Holiday & VFR
 Origin: All



Leisure as a % of TLA Visitation

TLA Visited	Business	Leisure	Other	Total Visit...
Ashburton	66k (8%)	619k (92%)	123k (19%)	794k (100%)
Buller	42k (6%)	613k (94%)	156k (25%)	780k (100%)
Central Otago	956k (98%)	971k (100%)	103k (11%)	1.2m (100%)
Christchurch	1.0m (10%)	5.9m (60%)	493k (5%)	7.8m (100%)
Clutha	37k (7%)	513k (93%)	62k (12%)	686k (100%)
Dunedin	329k (15%)	2.1m (95%)	466k (22%)	2.9m (100%)
Gore	26k (14%)	162k (86%)	132k (70%)	242k (100%)
Grey	31k (5%)	582k (95%)	156k (27%)	717k (100%)
Hurunui	78k (4%)	1.6m (97%)	181k (11%)	1.8m (100%)
Invercargill	27k (3%)	921k (97%)	156k (17%)	1.2m (100%)
Kaikoura	52k (8%)	733k (92%)	156k (21%)	904k (100%)
Mackenzie	1.4k (3%)	1.8m (97%)	156k (8%)	2.0m (100%)
Mariborough	956k (8%)	1.2m (12%)	242k (25%)	1.7m (100%)
Nelson	194k (14%)	1.4m (10%)	156k (11%)	1.8m (100%)
Queenstown-L.	27k (2%)	3.8m (98%)	256k (7%)	4.4m (100%)
Selwyn	60k (7%)	603k (72%)	156k (19%)	734k (100%)
Southland	66k (3%)	2.2m (97%)	156k (7%)	2.8m (100%)
Tasman	72k (6%)	1.2m (10%)	156k (13%)	1.5m (100%)
Timaru	26k (19%)	1.4m (97%)	242k (17%)	1.9m (100%)
Waimakariri	27k (7%)	402k (95%)	156k (39%)	482k (100%)
Waimata	15k (9%)	158k (91%)	62k (39%)	188k (100%)
Waitaki	182k (13%)	1.4m (10%)	156k (11%)	1.8m (100%)
Westland	78k (4%)	1.6m (96%)	181k (11%)	1.8m (100%)
Total	3.2m (8%)	32.0m (80%)	4.0m (10%)	40.0m (100%)



Leisure travel

Leisure travel can be defined as those travelling for holiday purposes or to visit friends and relatives. Other broad motivations for travel include for business and for education purposes.

This DMP focuses primarily on leisure visitation because it is considered a key market for the South Island and one which has a natural synergy with the range of products the South Island offers.

Figure 6 also demonstrates visitation to each TLA by the motivation of travel by domestic day, domestic overnight, international day and international overnight visitors. It illustrates the following.

- Because a visitor can have multiple motivations for a visit, total visitation (broken down by motivation) exceeds total unique visitation. For example, a visitor could be travelling for leisure purposes as well as to visit friends and relatives. This visitor would, therefore, be considered both a leisure and VFR visitor and would be counted twice under the motivation statistics.
- Leisure visitation makes up, on average, 80% of visitation to South Island TLAs.
- For some TLAs, such as Queenstown-Lakes, leisure visitation is heavily skewed toward holiday visitation (comprising 79% of all visitation to Queenstown in 2018), while for others, such as Gore, VFR visitation was far stronger (78%) than holiday visitation.
- In 2018, Christchurch received the largest number of leisure visitors, with just over 18% of leisure visitors travelling to Christchurch, followed by Queenstown-Lakes at 12%. Leisure visitation for Christchurch is more heavily weighted toward VFR travel (comprising 54% of all leisure travel) whereas Queenstown-Lakes receives far more holiday visitors (comprising 79% of all leisure travel).

Visitor spend in South Island TLAs

In 2018, visitors spent an estimated **\$10.2b** in the South Island. Of this spend, **55% (\$5.6b)** was from domestic visitors, while the remaining **45% (\$4.6b)** was from international visitors.

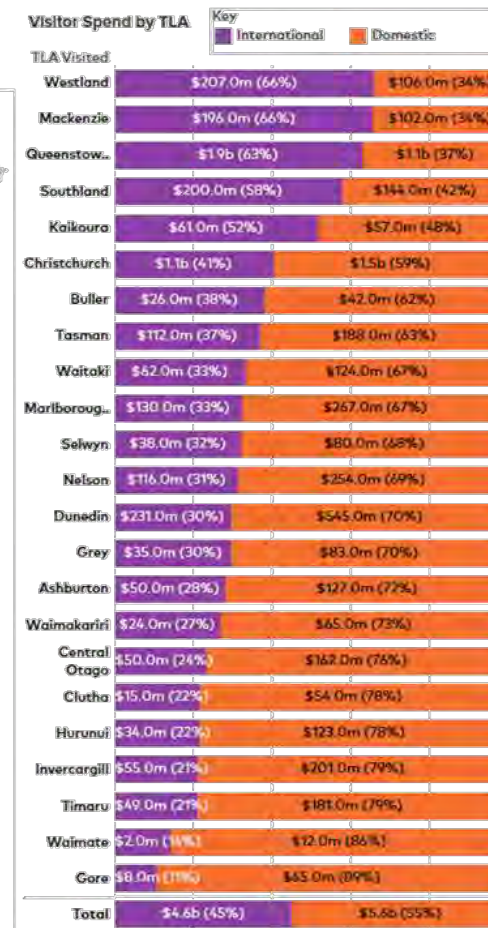
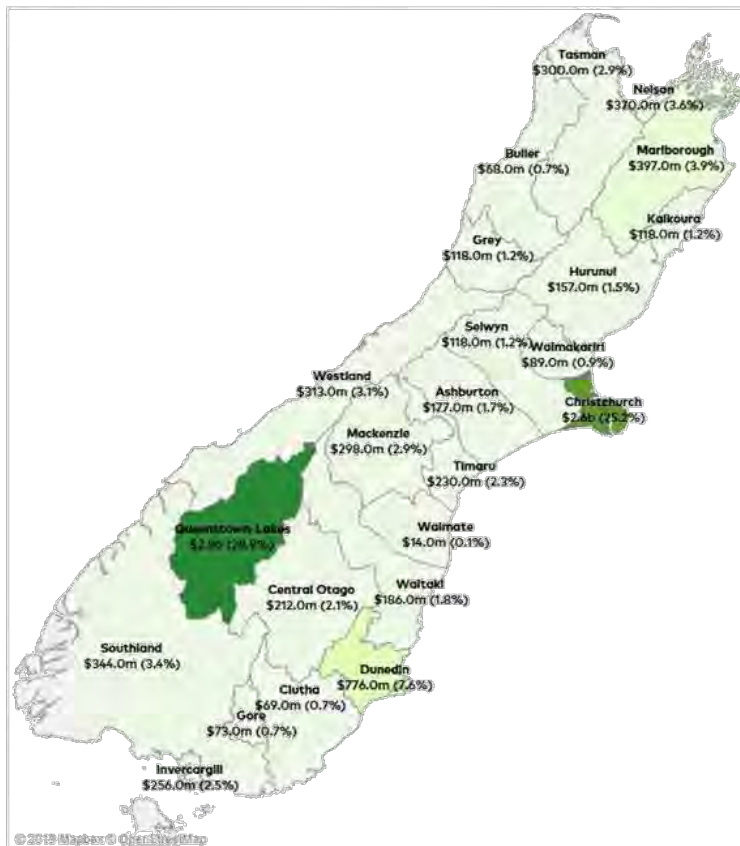
Figure 7 provides a summary of total visitor spend in each TLA as well as a breakdown based on domestic and international spend. While for the majority of TLAs, domestic spend outweighs international spend, the exceptions to this are Westland, Mackenzie, Queenstown Lakes, Southland (largely Fiordland/Milford Sound) and Kaikoura, where international spend comprises 66%, 66%, 63%, 58% and 52% of total spend respectively. These are well-known tourism destinations from an international perspective, containing many of the strongly promoted New Zealand tourism icons. As a result, it is no surprise they generate a stronger proportion of international spend.

What this also illustrates is the importance of the domestic market for many other destinations in the South Island. The domestic market is not only more amenable to travelling outside peak periods (generating seasonal dispersal) but it is also more inclined to visit those destinations which may not yet be on the international radar (therefore stimulating geographic dispersal).

In terms of actual spend, the major tourism hubs of Queenstown and Christchurch generate the highest levels of spend, comprising, in total, more than half of all visitor spend (53%).

Figure 7: Visitor Spend by TLA (2018)

Year: 2018
 Visitor Type: Total Domestic & Total International
 Visitor Motivation: Total
 Origin: All



Visitor spend in the South Island compared with visitation

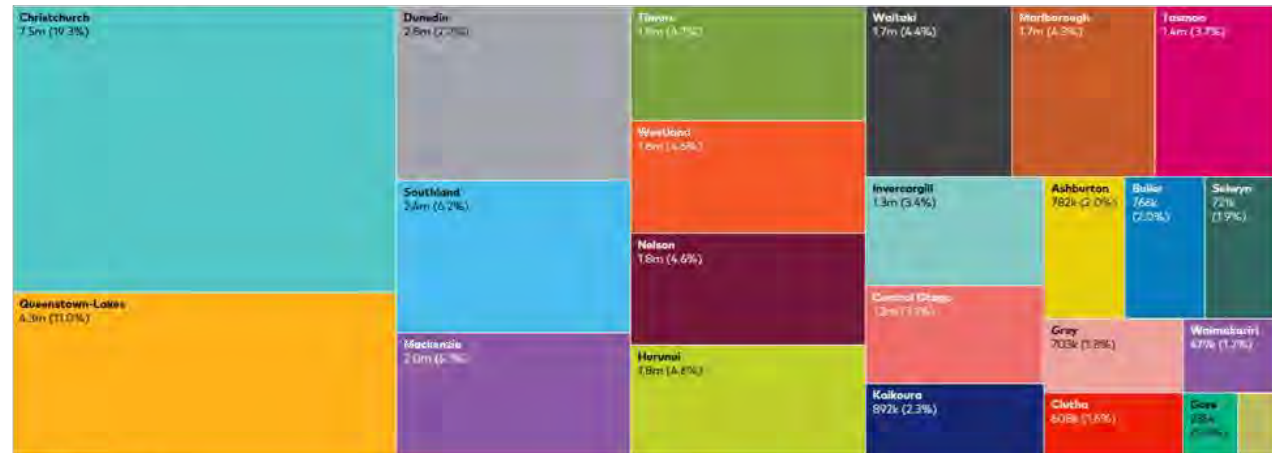
Figure 8 provides a comparison of the proportion of visitation to each TLA and the proportion of spend. It demonstrates that while Christchurch TLA has the strongest level of total visitation, comprising just over 19% of total non-unique visitation to the South Island, it ranks second in terms of visitor spend. Queenstown, on the other hand, while it ranks second in terms of visitation (comprising 11% of non-unique visitation) it generates a stronger proportion of spend, accounting for almost 29% of visitor spend in the South Island.

There are a variety of factors contributing to this skew including:

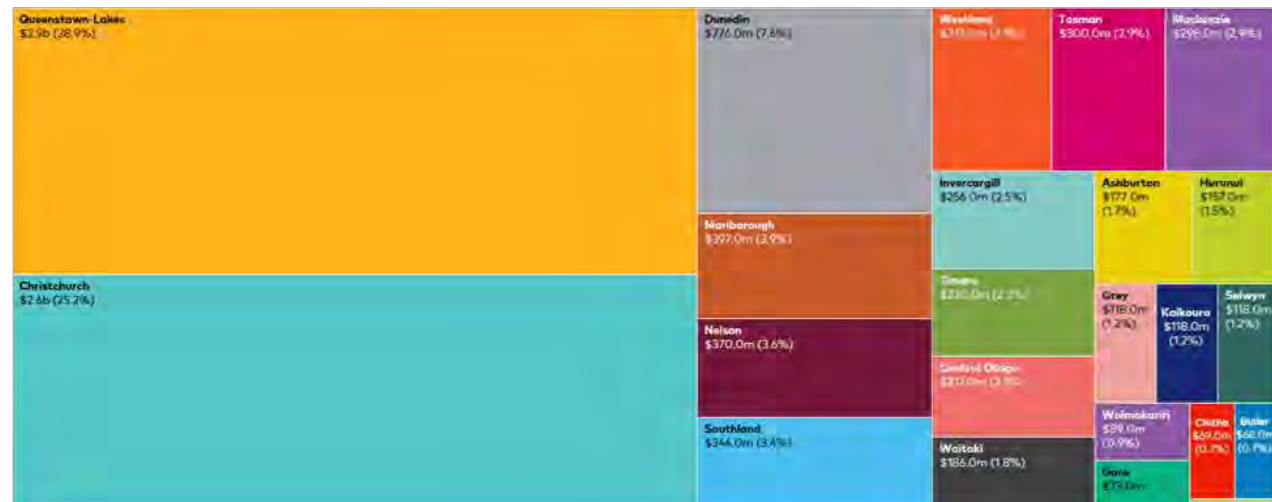
- Queenstown has a far stronger proportion of overnight visitation, comprising 54% of all visitation;
- 64% of Christchurch’s visitors, on the other hand, are day trippers, either visiting Christchurch for the day or utilising Christchurch as a gateway to access other parts of the South Island;
- Queenstown also has a far stronger proportion of international visitors (comprising 50% of all visitation) compared with Christchurch (27% of all visitation) who typically spend more than domestic visitors per trip; and
- Queenstown has a larger and more established product base, particularly in light of the impact of the 2011 Christchurch earthquakes.

Figure 8: Visitation and Spend by TLA (2018)

Visitation by TLA 2018



Spend by TLA 2018



South Island common visitor itineraries

Number of TLAs visited (overnight trips)

Currently, detailed itinerary data is not available in New Zealand. This means it is not possible to provide information on the order in which TLAs are visited and how long visitors stayed in each TLA.

It is, possible, however, to provide a summary of how many TLAs are typically visited by overnight domestic and international visitors. This same data is not available for day trip visitors.

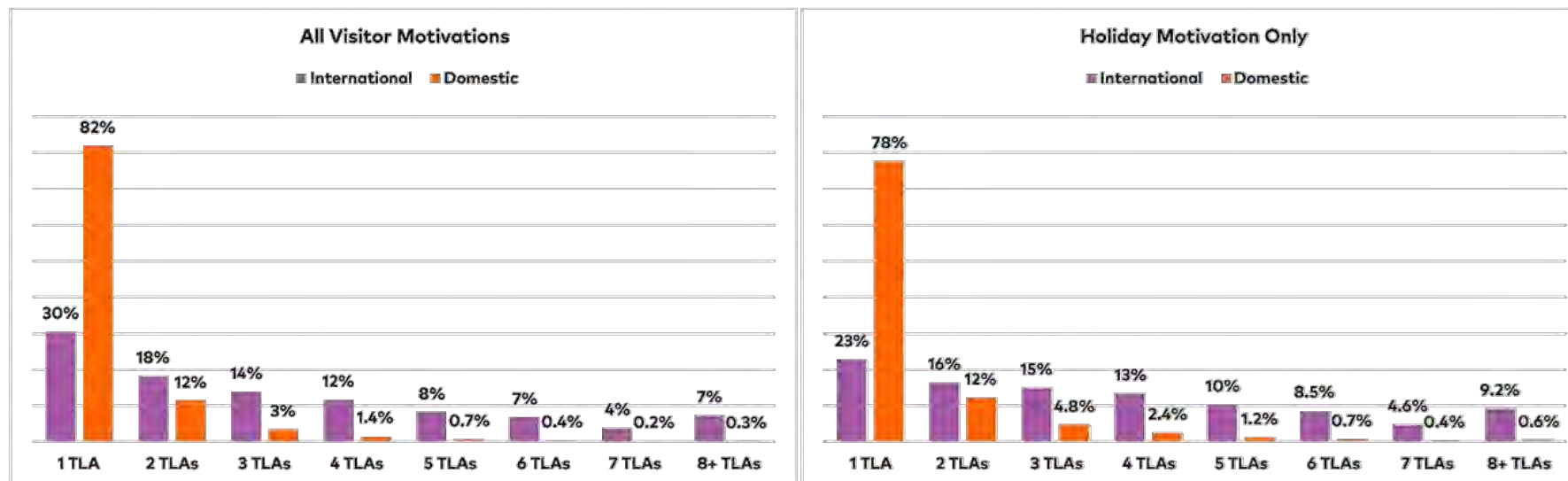
Figure 9 provides a summary of the number of TLAs which international and domestic visitors typically stay overnight in. It illustrates the following.

- The domestic market is far more likely to visit only one TLA per trip. This is the case for all visitor motivations (82% of all domestic visitors stay overnight in one TLA only) and for holiday visitors as well (78%).
- Only a very small share of domestic visitors stay overnight in four or more TLAs, comprising 3% of all domestic visitors and 5.4% of all domestic holiday visitors.
- While international visitors have a greater propensity than domestic visitors to stay overnight in more than one TLA on their trip, the majority still only stay overnight in one TLA, comprising 30% of all international visitors and 23% of all holiday international visitors.

What this demonstrates is that South Island visitors are more likely to stay in one or two TLAs during their visit as their overnight destinations and “hub” out of these on day trips to other TLAs. An example of this is a visitor who stays overnight in Queenstown but undertakes day trips to Milford Sound, Franz and Fox Glaciers and Lake Tekapo.

While visitors – particularly international visitors - may have traditionally undertaken large circuits throughout the South Island and stayed overnight in many different TLAs previously, the prominence of this type of trip appears to be diminishing. In turn, this has major implications for how non-gateway TLAs to the South Island are able to attract and retain domestic and international visitors.

Figure 9: Number of TLAs visited by domestic and international visitors (2018)



Most common itineraries

While itinerary data – also known as flow data (where visitors travelled and the direction of their travel) – was available in the mid-late 90s, this data is no longer produced. An outcome of this DMP was to develop an understanding of visitor flows to understand where infrastructure and tourism experiences and amenities should be located to help better manage visitation.

Figure 10 and Figure 11 on the two pages which follow illustrate visitor flows in terms of the most common itineraries by international and domestic holiday and VFR overnight visitors. The mapping only includes TLAs where visitors have stayed overnight and does not provide the flow of travel as there is no data available to indicate this at this time. Stafford has, however, provided anecdotal comment (based on industry feedback) regarding flows where possible. Campermate Data (which is derived from campervans) does provide a sub-sector indicator of the itineraries which camper vans follow but is not considered a reliable indicator for other travel patterns by other forms of visitors.

+ International Visitors

International visitors to the South Island have a greater propensity to travel and stay overnight in multiple TLAs during the one trip (compared with domestic visitors). This is typically because they stay longer and, particularly for long haul international visitors, want to tick off a number of bucket list items/sites during the one trip.

However, it is also important to recognise that while there is a perception that the vast majority of international visitors are undertaking extensive itineraries and tours of the entire South Island, overnight stays are primarily limited to a few TLAs only.

Figure 10 demonstrates that the most common itineraries (where visitors stayed overnight) for international holiday visitors in 2018 included the following.

- 16.1% of international holiday visits to the South Island involve visitors who only stay overnight in Queenstown. These visitors may undertake day trips to sites such as Milford Sound and Franz Josef Glacier but their overnight stays are in Queenstown.
- The next most common itinerary includes overnight stays in both Christchurch and Queenstown, comprising 7% of all South Island international holiday trips.
- This is then followed by those who only stay overnight in Christchurch (and once again, may do day trips elsewhere), making up 3.9% of all trips, and those who stay overnight in Christchurch, Westland (likely near the Glaciers) and Queenstown (3.0% of trips).

Figure 10 also shows the most common itineraries for VFR visitors which contrasts to holiday international itineraries.

- Whereas for holiday visitors Queenstown was a major overnight hub, for VFR visitors, Christchurch is the predominant overnight hub, with over 18% of all international VFR visitors using Christchurch as their base. This figure for Christchurch is expected given it has the largest population base and, therefore, is likely to stimulate stronger VFR visitation.
- Queenstown is the next most common itinerary, with 11.4% of international VFR visitors staying overnight in this TLA only. This is followed by those who stay overnight in both Christchurch and Queenstown (5.2%) and those who stay overnight in Nelson (3.4%).

Comparing the two maps demonstrates the different travel patterns of international holiday and VFR visitors. While some dispersal has occurred, international holiday visitors are still primarily completing the traditional loop

between Christchurch and Queenstown (and visiting here attractions such as Milford Sound, the Glaciers, Aoraki/Mt Cook and Lake Tekapo).

VFR visitors, on the other hand, have a greater propensity to stay overnight in TLAs which are not part of traditional touring routes and therefore support visitor dispersal.

To interrupt the traditional and well-embedded international holiday travel pattern hinges primarily on the development of new/enhanced supporting infrastructure, the creation of new attractions and marketing these through a variety of channels.

+ Domestic Visitors

Figure 11 demonstrates the most common overnight itineraries for domestic holiday and VFR visitors to the South Island. When compared with Figure 10, it clearly illustrates the difference between domestic and international visitation to the South Island.

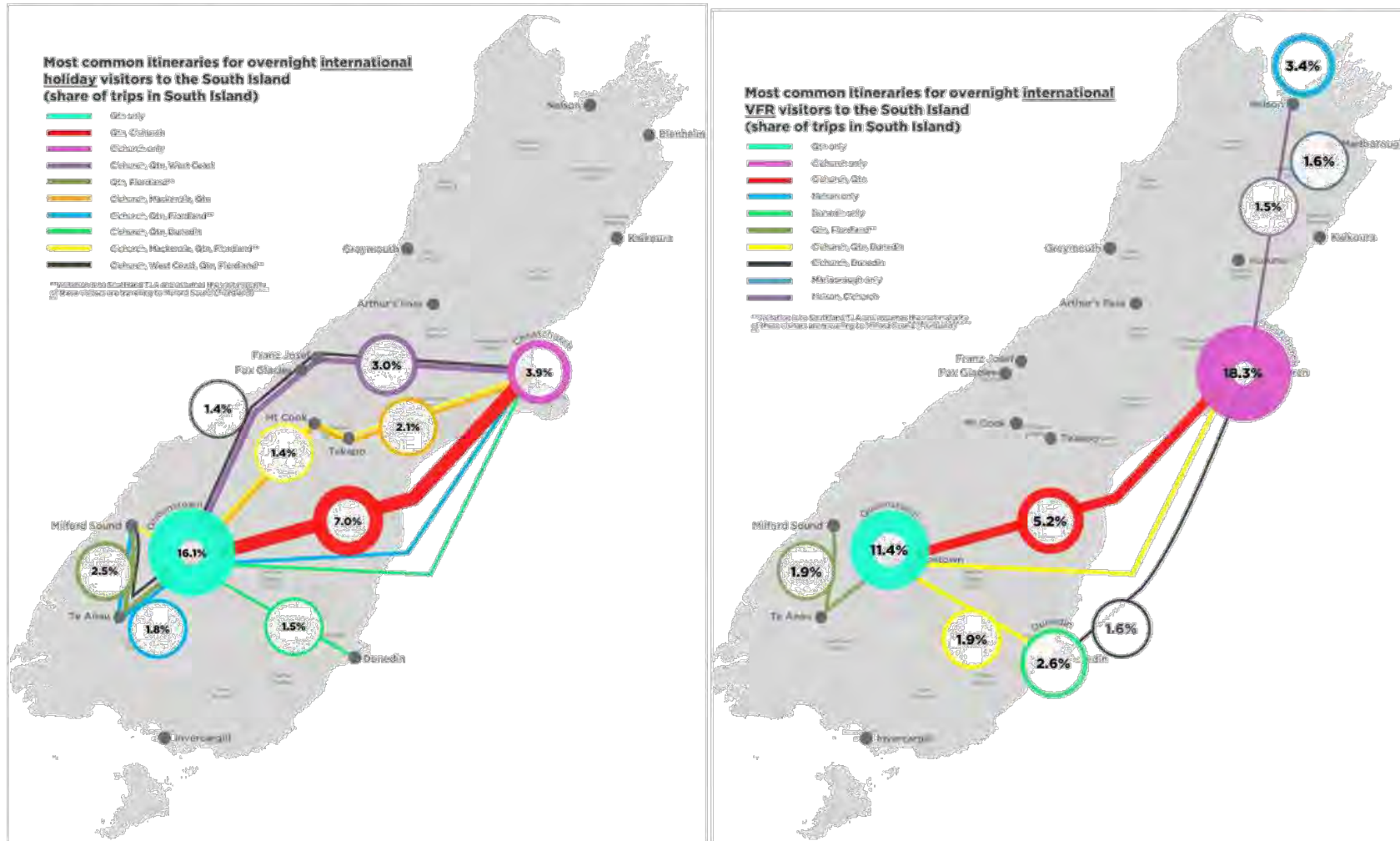
Domestic visitors have a far stronger propensity to stay overnight in one TLA only and use this as their base. Additionally, they are more likely to disperse off the traditional tourist route and stay in TLAs which may not be on the major tourism route. This is because of their familiarity with the South Island, their budget and because they are more likely to be repeat visitors sometimes wanting to try something new. The most common overnight itineraries for domestic visitors include:

- for holiday visitors Queenstown only (14%), Christchurch only (8.8%), Hurunui only (8.0%) where Hanmer Springs is situated, Nelson only (6.0%) and Mackenzie only (5.6%).
- for VFR visitors Christchurch only (21% of domestic VFR trips), followed by Dunedin only (10%), Queenstown only (6.2%), Nelson only (5.4%) and Marlborough only (5.2%).

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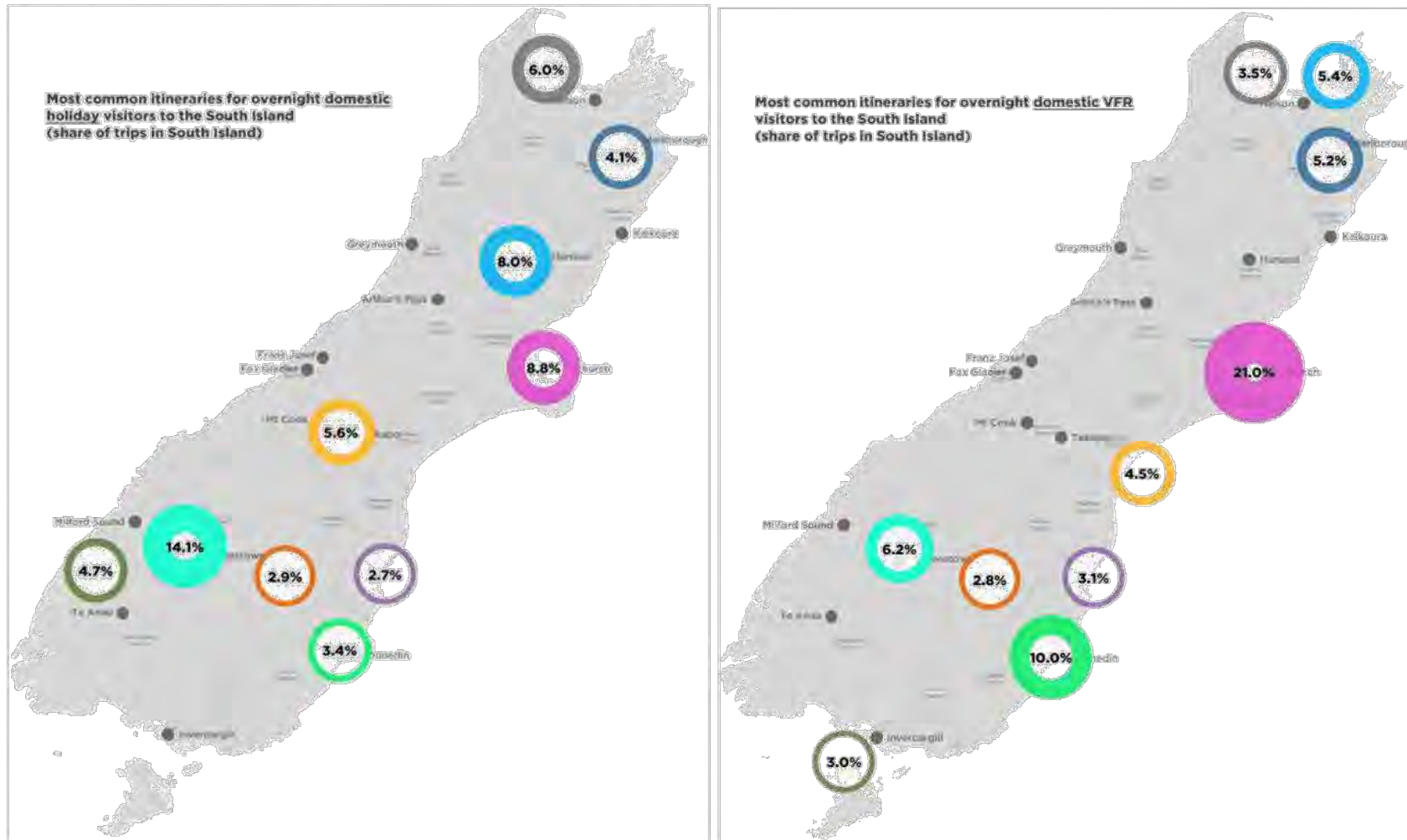


Figure 10: Most Common international itineraries (2018)¹⁸



¹⁸ Data developed by FreshInfo, utilising IVS microdata and AA Domestic Survey, 2018

Figure 11: Most Common Domestic itineraries (2018)¹⁹



¹⁹ Data developed by Freshinfo, utilising IVS microdata and AA Domestic Survey, 2018

South Island visitor forecasts

Table 1 provides unique visitation and visitor spend projections for the South Island. Points to note include the following.

- The forecasts are organic growth forecasts, based on historical trends. The projections have not been uplifted based on the recommendations identified in this DMP.
- The forecasts are based on unique visitation to the South Island. For example, if one visitor travels to five different TLAs, they are only counted as one visitor. However, if someone from Auckland travels to the South Island on three separate occasions over the course of a year, they are considered three separate

visitors as they have travelled to the South Island three times.

- There are no unique international day visitors as the data showed that the vast majority of international visitors travel to the South Island on overnight trips rather than day trips.

Visitation to the South Island is projected to continue to grow, increasing from 19.9 million visitors to 23.4 million visitors by 2030. This is a total increase of 3.5 million visitors. The majority of growth is anticipated to come from domestic day trippers, increasing by 1.6 million visitors between 2018 and 2030 and international

overnight visitors growing by 1.1 million over the same period.

Domestic overnight travel is also forecast to grow, albeit not at the same rate, increasing by 797,000 visitors.

As a result of increased visitation, visitor spend is also projected to increase, growing from \$10.2 billion to \$17.55 billion by 2030 – a total increase of \$7.35 billion.

As noted, these forecasts have not included any uplift from the recommendations that are suggested in this DMP. If these recommendations were to be adopted, it is anticipated that visitation is likely to be stronger.

Table 1: South Island visitor and spend forecasts

Unique Visitation	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Change
Domestic Visitation	18.1m	18.3m	18.5m	18.7m	18.9m	19.1m	19.3m	19.5m	19.7m	19.9m	20.1m	20.3m	20.5m	+2.4m
Day	12.1m	12.2m	12.4m	12.5m	12.6m	12.7m	12.9m	13.0m	13.1m	13.3m	13.4m	13.6m	13.7m	+1.6m
Overnight	6.0m	6.1m	6.1m	6.2m	6.3m	6.3m	6.4m	6.5m	6.5m	6.6m	6.7m	6.7m	6.8m	+797k
International Visitation	1.7m	1.8m	1.9m	2.0m	2.0m	2.1m	2.2m	2.3m	2.4m	2.5m	2.6m	2.7m	2.8m	+1.1m
Overnight	1.7m	1.8m	1.9m	2.0m	2.0m	2.1m	2.2m	2.3m	2.4m	2.5m	2.6m	2.7m	2.8m	+1.1m
Total unique South Island visitation	19.9m	20.1m	20.4m	20.7m	20.9m	21.2m	21.5m	21.8m	22.1m	22.4m	22.7m	23.0m	23.4m	+3.5m
Total unique overnight South Island visitation	7.8m	7.9m	8.0m	8.2m	8.3m	8.5m	8.6m	8.8m	8.9m	9.1m	9.3m	9.5m	9.7m	+1.9m
Spend^{2b}	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Change
Domestic average spend per trip	\$309	\$315	\$321	\$328	\$334	\$341	\$348	\$355	\$362	\$369	\$376	\$384	\$391	-
Domestic spend projection	\$5.59b	\$5.76b	\$5.94b	\$6.12b	\$6.31b	\$6.50b	\$6.70b	\$6.91b	\$7.12b	\$7.34b	\$7.56b	\$7.79b	\$8.03b	+\$2.44b
International average spend per trip	\$2,648	\$2,701	\$2,755	\$2,810	\$2,866	\$2,924	\$2,982	\$3,042	\$3,103	\$3,165	\$3,228	\$3,293	\$3,359	-
International spend projection	\$4.61b	\$4.90b	\$5.20b	\$5.53b	\$5.87b	\$6.24b	\$6.63b	\$7.04b	\$7.48b	\$7.94b	\$8.44b	\$8.96b	\$9.52b	+\$4.91b
Total spend projection	\$10.20b	\$10.66b	\$11.14b	\$11.65b	\$12.18b	\$12.74b	\$13.33b	\$13.95b	\$14.60b	\$15.28b	\$16.00b	\$16.76b	\$17.55b	+\$7.35b

^{2b} Note, average spend per trip is based on current average spend per trip for domestic and international visitors and is inflated by 2% per annum for each year between 2019-2030.

Our current product offering (accommodation & experiences)

Overview

The South Island encompasses over 150,000 square kilometres. The landscape is highly diverse, including alps, fiords, beaches, plains, native forests, rugged coastline and agricultural lands. The Island is also home to a number of New Zealand’s “iconic” or “bucket list” destinations including (amongst others) Milford Sound, Franz Josef and Fox Glaciers and Aoraki/Mt Cook.

The South Island has become a vibrant destination for visitors looking for adventure-based and passive experiences which allow them to reconnect and explore nature and the outdoors. In particular, the South Island is a trumper’s and mountain biker’s paradise, with countless high-quality walking and biking trail scattered throughout the island.

The following section contains a tourism product audit for the South Island. This focuses primarily on accommodation and tourism attractions/experiences. The

purpose of this is to ascertain where tourism product is spatially clustered and to identify where product gaps may exist in the tourism product mix. What the audit is not able to do, is offer an assessment of product quality.

The audit is primarily based on Tourism New Zealand’s operator database and supplemented with additional Google listings. It is important to note, therefore, that the audit may not be fully comprehensive, particularly for those operators who are not listed on the Tourism New Zealand operator database.



Accommodation

+ Number of properties

The accommodation audit identified just over 3,500 accommodation options throughout the South Island. This ranges from commercial properties such as hotels and serviced apartments to DOC managed campsites and huts to holiday baches. Council-managed freedom camping sites have not been included in the analysis.

It is important to note that this audit merely provides a summary of the quantum of properties and the number of rooms. It does not provide an audit of quality on offer.

Figure 12 provides a summary of the accommodation audit and demonstrates the following.

- Smaller-scale properties such as B&Bs, baches, guesthouses and boutique lodges comprise the majority (41%) of accommodation properties.
- This is followed by DOC huts (20%) and motels (15%). Hotel properties make up a relatively small proportion of the South Island’s accommodation offering (in terms of the number of properties, not rooms offered), comprising only 4% of the accommodation offer.
- Queenstown-Lakes District has the most accommodation properties, comprising 13% of all properties throughout the South Island. This is followed by Tasman District (11%) and Southland District (noting that the majority of these are DOC huts situated in Fiordland) and Marlborough District, both making up 10% of properties.

Figure 12: Accommodation audit – by properties

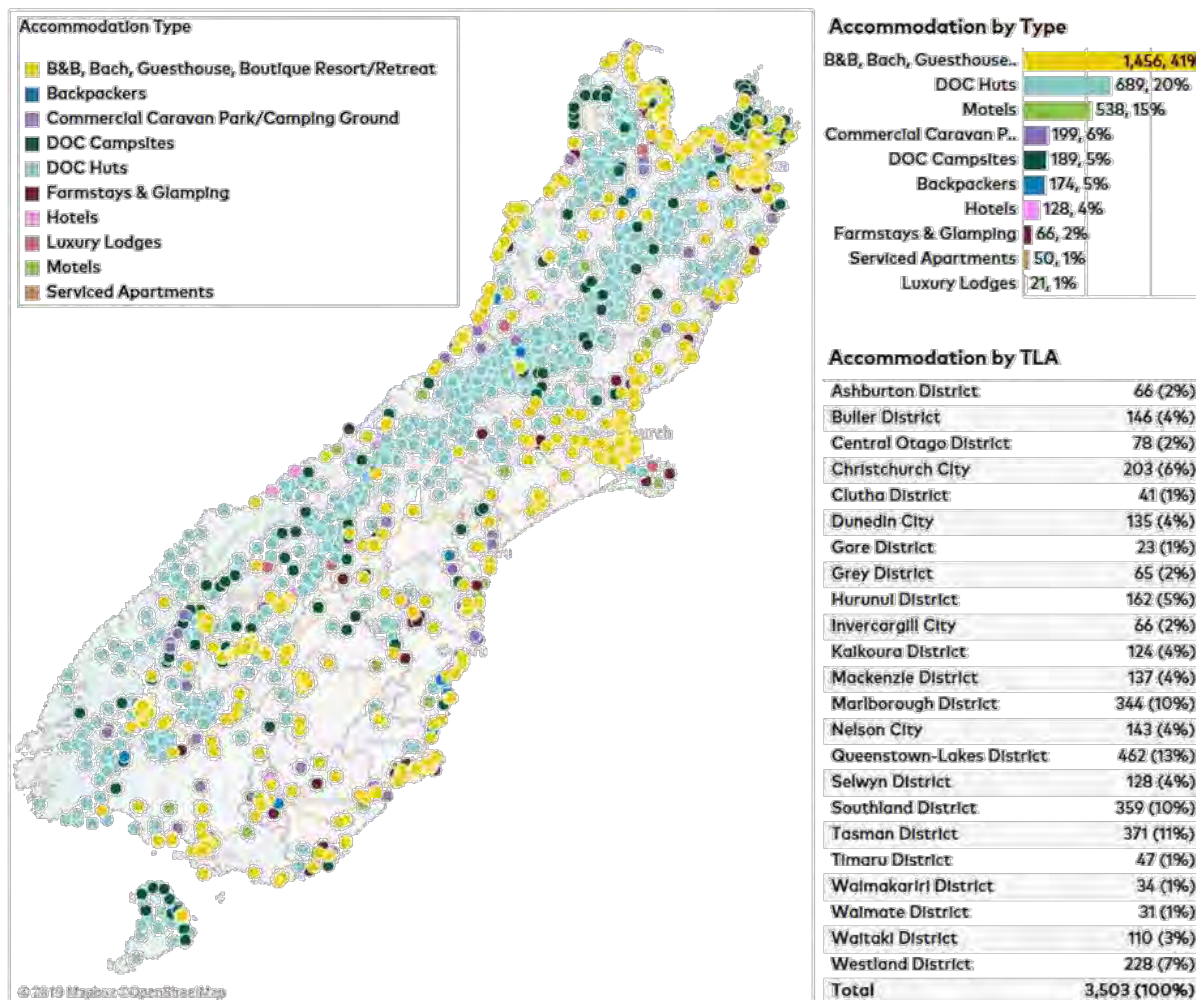


Figure 13 provides a summary of accommodation properties but excludes DOC properties. It demonstrates that:

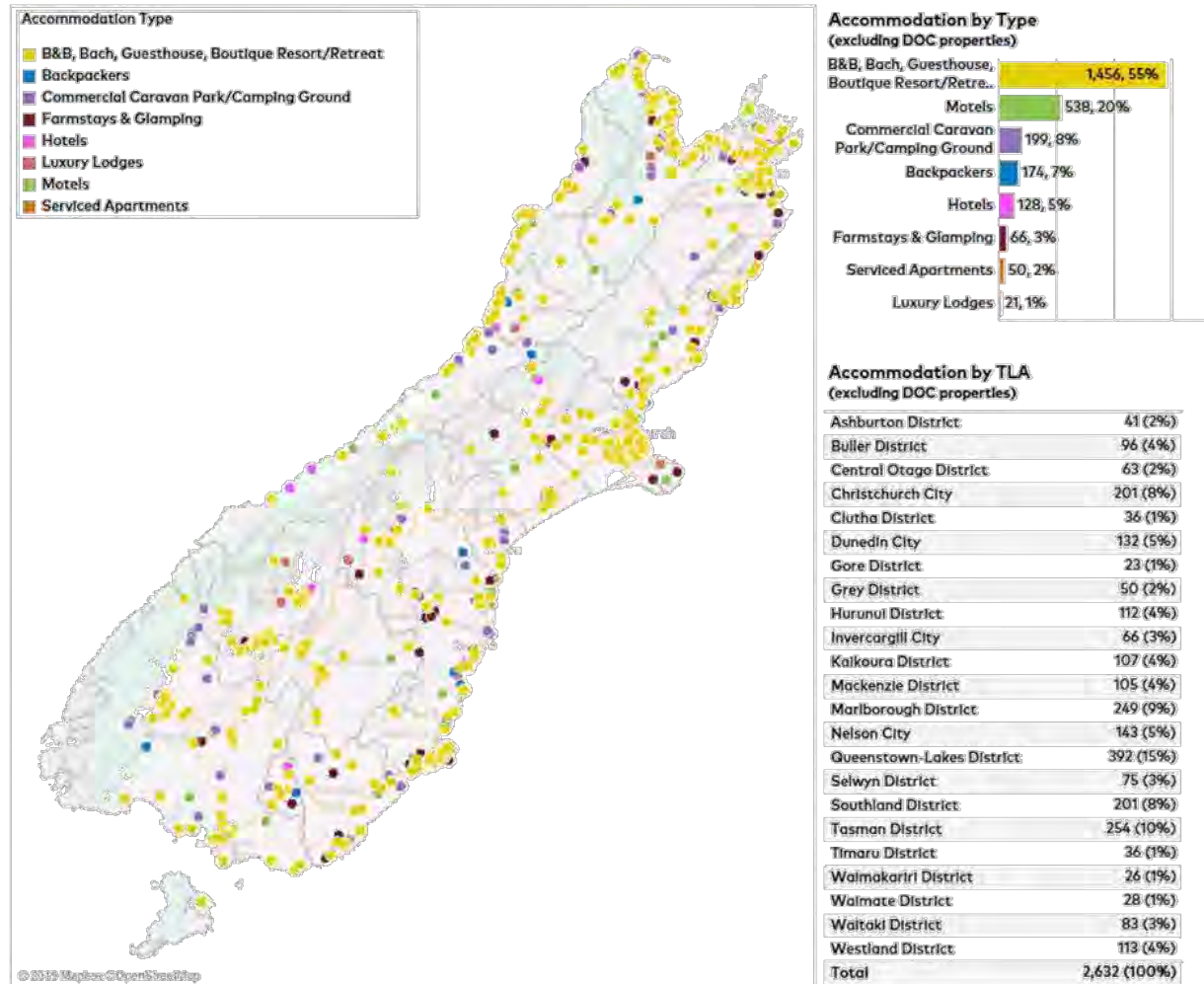
- excluding DOC properties, there are an estimated 2,633 properties throughout the South Island;
- Queenstown-Lakes District has the largest number of properties, comprising 15% of all South Island properties, followed by Tasman District (10%), Marlborough District (9%) and Christchurch City (8%);
- Gore District, Waimakariri District, Waimate District, Timaru District and Clutha District have the smallest share of accommodation properties, comprising 1% of properties each.

Table 2 on the following page summarises accommodation properties for each TLA based on the property type. It demonstrates that for the vast majority of TLA's, smaller-scale accommodation (B&Bs, baches, guesthouses etc.) make up the predominant form of accommodation.

The exceptions to this include the following.

- Southland District and Westland District, where DOC huts comprise 36% and 46% of accommodation properties respectively. This is not unexpected given the significant DOC estate in each of these TLAs.
- Christchurch City, Grey District and Tasman District, where motels make up 41%, 32% and 40% of the accommodation mix respectively.

Figure 13: Accommodation audit – by properties (excluding DOC properties)



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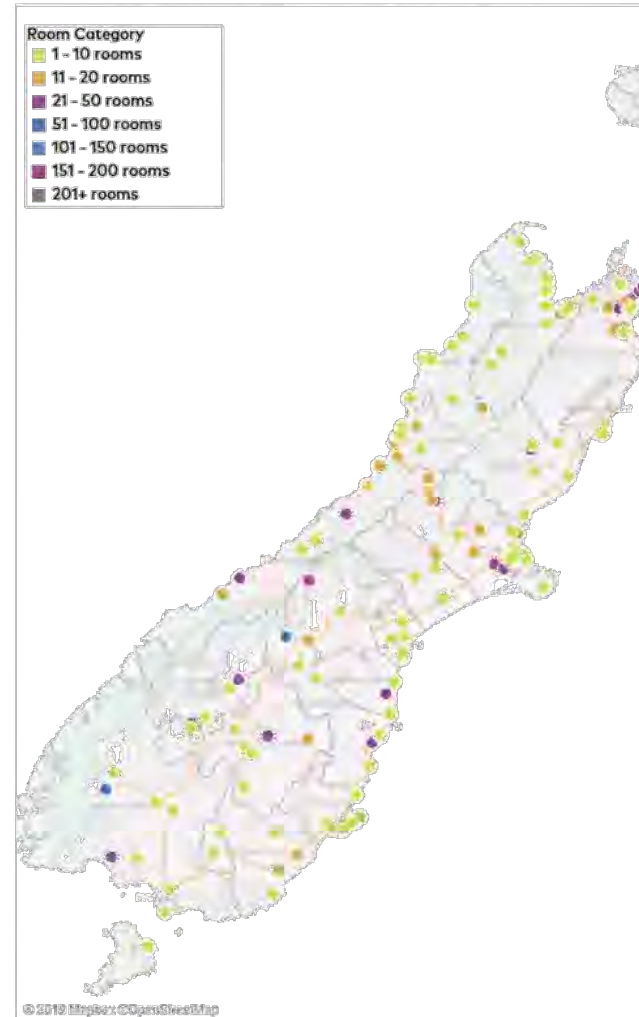
38

Table 2: Accommodation properties by TLA

TLA	B&B, Bach, Guesthouse, Boutique Resort/Retreat	Backpackers	Commercial Caravan Park/Camping Ground	DOC Campsites	DOC Huts	Farmstays & Glamping	Hotels	Luxury Lodges	Motels	Serviced Apartments	Total
Ashburton District	17 (26%)	3 (5%)	4 (6%)		25 (38%)	2 (3%)	1 (2%)		13 (20%)	1 (2%)	66 (100%)
Buller District	46 (32%)	6 (4%)	11 (8%)		10 (7%)	4 (3%)	3 (2%)		25 (17%)	1 (1%)	146 (100%)
Central Otago District	38 (49%)	2 (3%)	5 (6%)	5 (6%)	10 (13%)	1 (1%)	1 (1%)		15 (19%)	1 (1%)	76 (100%)
Christchurch City	66 (35%)	13 (6%)	5 (2%)		2 (1%)	2 (1%)	25 (12%)	1 (0%)	33 (17%)	6 (3%)	209 (100%)
Clutha District	17 (41%)	1 (2%)	8 (20%)	3 (7%)	2 (5%)	3 (7%)			7 (17%)		41 (100%)
Dunedin City	63 (47%)	13 (10%)	5 (4%)		3 (2%)	5 (4%)	10 (7%)		30 (22%)	6 (4%)	135 (100%)
Gore District	11 (48%)	2 (9%)	2 (9%)			1 (4%)	2 (9%)		5 (22%)		23 (100%)
Grey District	15 (23%)	3 (5%)	7 (11%)		15 (23%)		3 (5%)	1 (2%)	21 (32%)		65 (100%)
Hurunui District	56 (38%)	5 (3%)	13 (8%)	7 (4%)	43 (27%)	5 (3%)	2 (1%)		29 (18%)	2 (1%)	162 (100%)
Invercargill City	30 (45%)	2 (3%)	6 (9%)				5 (8%)		21 (32%)	2 (3%)	66 (100%)
Kaikoura District	53 (43%)	7 (6%)	5 (4%)		17 (14%)	7 (6%)	2 (2%)		29 (23%)	4 (3%)	124 (100%)
Mackenzie District	35 (62%)	6 (4%)	4 (3%)	3 (2%)	29 (21%)		3 (2%)	1 (1%)	6 (4%)		117 (100%)
Marlborough District	154 (45%)	18 (5%)	15 (4%)	43 (14%)	47 (14%)	9 (3%)	9 (3%)	3 (1%)	37 (11%)	4 (1%)	344 (100%)
Nelson City	74 (52%)	17 (12%)	3 (2%)				4 (3%)		41 (29%)	4 (3%)	143 (100%)
Queenstown-Lakes District	271 (59%)	28 (6%)	12 (3%)	17 (4%)	53 (11%)	3 (1%)	33 (7%)	8 (2%)	24 (5%)	13 (3%)	462 (100%)
Selwyn District	35 (43%)	3 (2%)	3 (2%)	7 (5%)	45 (36%)	3 (2%)	2 (2%)	1 (1%)	7 (5%)	1 (1%)	128 (100%)
Southland District	123 (34%)	13 (4%)	26 (7%)	30 (8%)	128 (36%)	3 (1%)	2 (1%)	1 (0%)	31 (9%)	2 (1%)	359 (100%)
Tasman District	166 (44%)	16 (4%)	35 (9%)	37 (10%)	69 (22%)	6 (2%)		3 (1%)	29 (8%)		371 (100%)
Timaru District	6 (13%)	1 (2%)	5 (11%)	3 (6%)	8 (17%)		3 (6%)		19 (40%)	2 (4%)	47 (100%)
Waimakariri District	18 (53%)		1 (3%)	1 (3%)	7 (21%)	1 (3%)			6 (18%)		34 (100%)
Waimate District	10 (32%)	1 (3%)	6 (19%)	2 (6%)	1 (3%)	4 (13%)			7 (23%)		31 (100%)
Waitaki District	34 (31%)	5 (5%)	8 (7%)	6 (5%)	21 (19%)	6 (5%)	6 (5%)	2 (2%)	21 (19%)	1 (1%)	110 (100%)
Westland District	49 (21%)	9 (4%)	10 (4%)	9 (4%)	106 (46%)	1 (0%)	12 (5%)		32 (14%)		228 (100%)
Total	1,456 (42%)	174 (5%)	199 (6%)	185 (5%)	663 (19%)	66 (2%)	128 (4%)	21 (1%)	536 (15%)	50 (1%)	3,503 (100%)

Figure 14: South Island hotels, motels and serviced apartments by rooms

Hotels, Motels, Serviced Apartments Properties by Rooms



Hotels, Motels, Serviced Apartments Room Totals by TLA

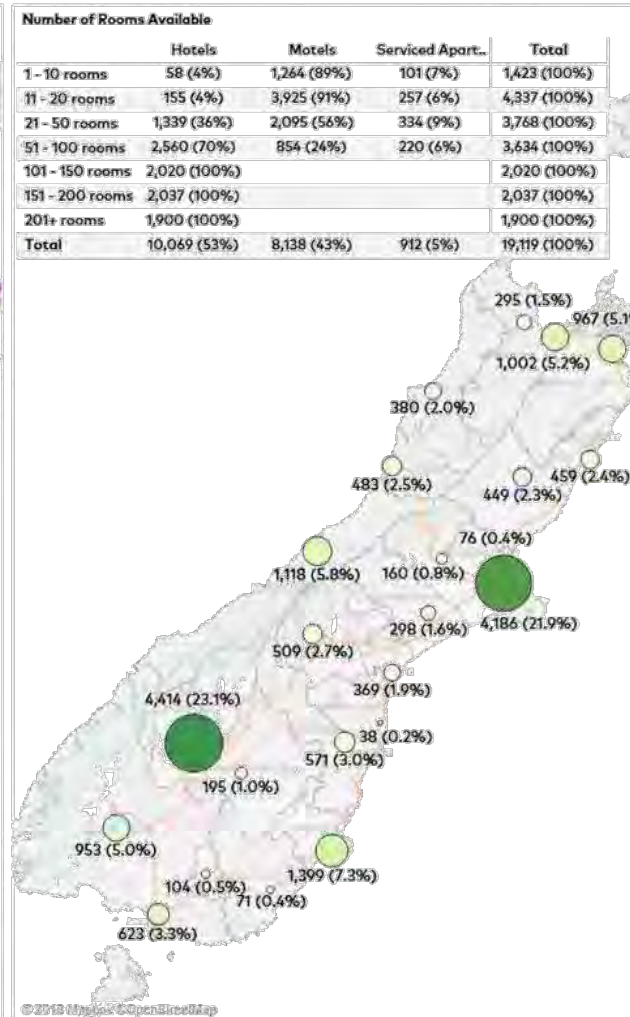


Figure 14 provides a summary of room numbers for hotels, motels and serviced apartments (where data was available) as well as a breakdown of rooms available by TLA. It demonstrates the following.

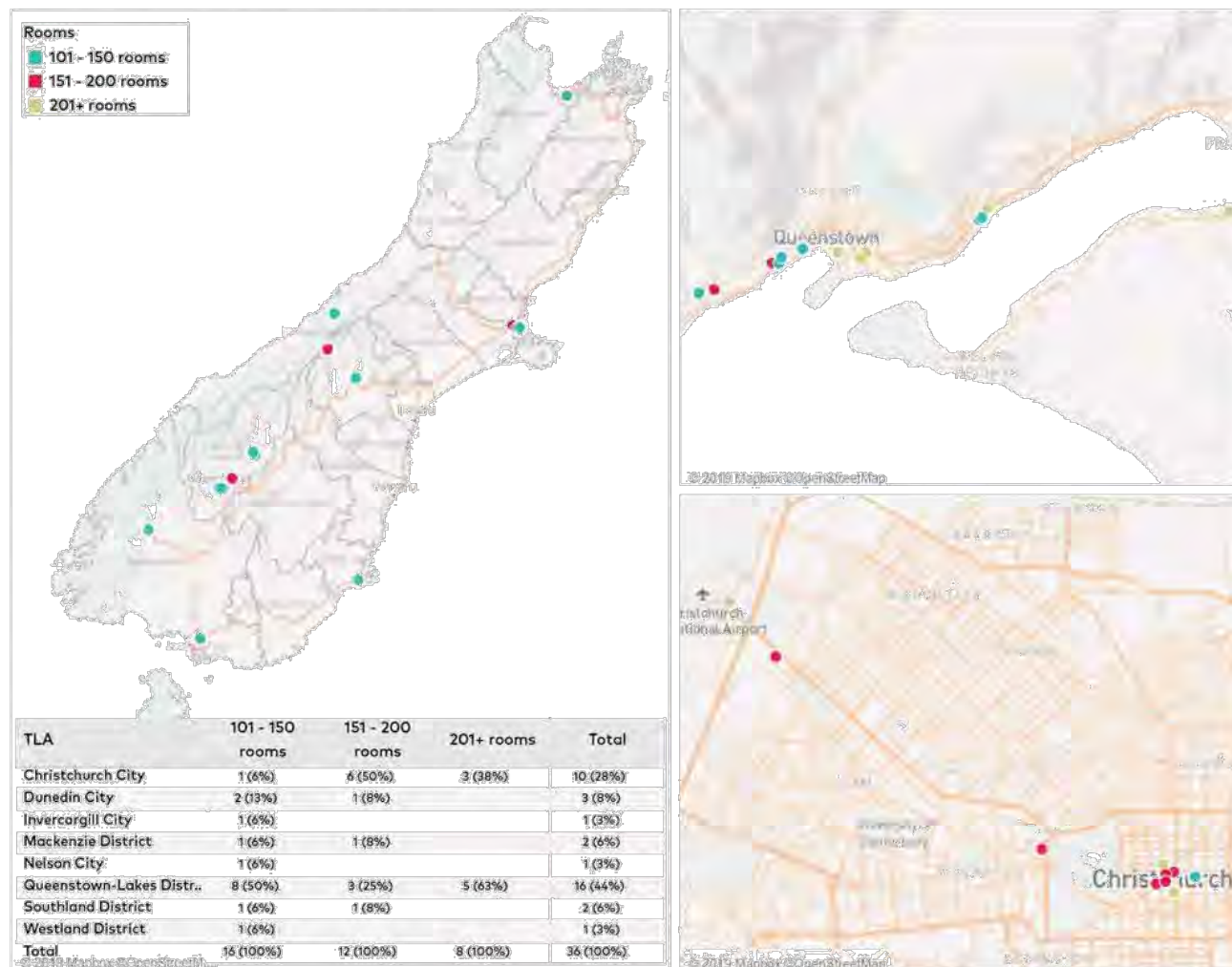
- The South Island offers over 19,000 rooms (based on the audit parameters applied).
- Just over half of this room stock is hotel properties (10,069 rooms, comprising 53% of room stock identified in this audit).
- This is followed by motel room stock (8,138 rooms or 43% of room stock) and serviced apartment room stock (912 rooms or 5% of room stock).
- Queenstown-Lakes has the largest number of hotel, motel and serviced apartment rooms, equating to just over 4,414 rooms and comprising 23% of all rooms identified in this audit.
- This is followed by Christchurch City (just under 4,200 rooms or 22% of room stock) and Dunedin City (just under 1,400 rooms or 7.4% of room stock).
- TLAs with the smallest amount of room stock include Waimate (38 rooms), Clutha District (71 rooms), Waimakariri District (76 rooms) and Gore District (104 rooms).

Figure 15 shows only hotel, motel and serviced apartment properties which have more than 100 rooms. Having larger properties allows regions to more easily position themselves as conference/event destinations. While for some events, patrons/delegates can be spread across many different properties, for business events, in particular, there is often a desire to have delegates staying within the one property.

The audit demonstrates the following.

- There are only eight TLAs which have accommodation properties with more than 100 rooms.
- Queenstown-Lakes District has the largest number of properties which have more than 100 rooms (16 in total), followed by Christchurch City (10).
- Queenstown-Lakes District and Christchurch City are also the only two TLAs to have properties with more than 201 rooms which is expected given their prominence as major event/conference destinations.
- While Fiordland (Southland TLA) has one property in the 101-150 room category (Distinction Te Anau Hotel & Villas), feedback received indicates that if Te Anau wishes to position itself as the staging post for Milford Sound and Fiordland generally, there is a need for a new, ideally large branded property which is able to cater for large tour groups (120+ rooms). The current hotel achieved average room rates and occupancy levels along with high construction costs and various imposts, challenges the ability of new hotels to be commercially viable.

Figure 15: South Island hotels, motels & serviced apartments – properties over 100 rooms



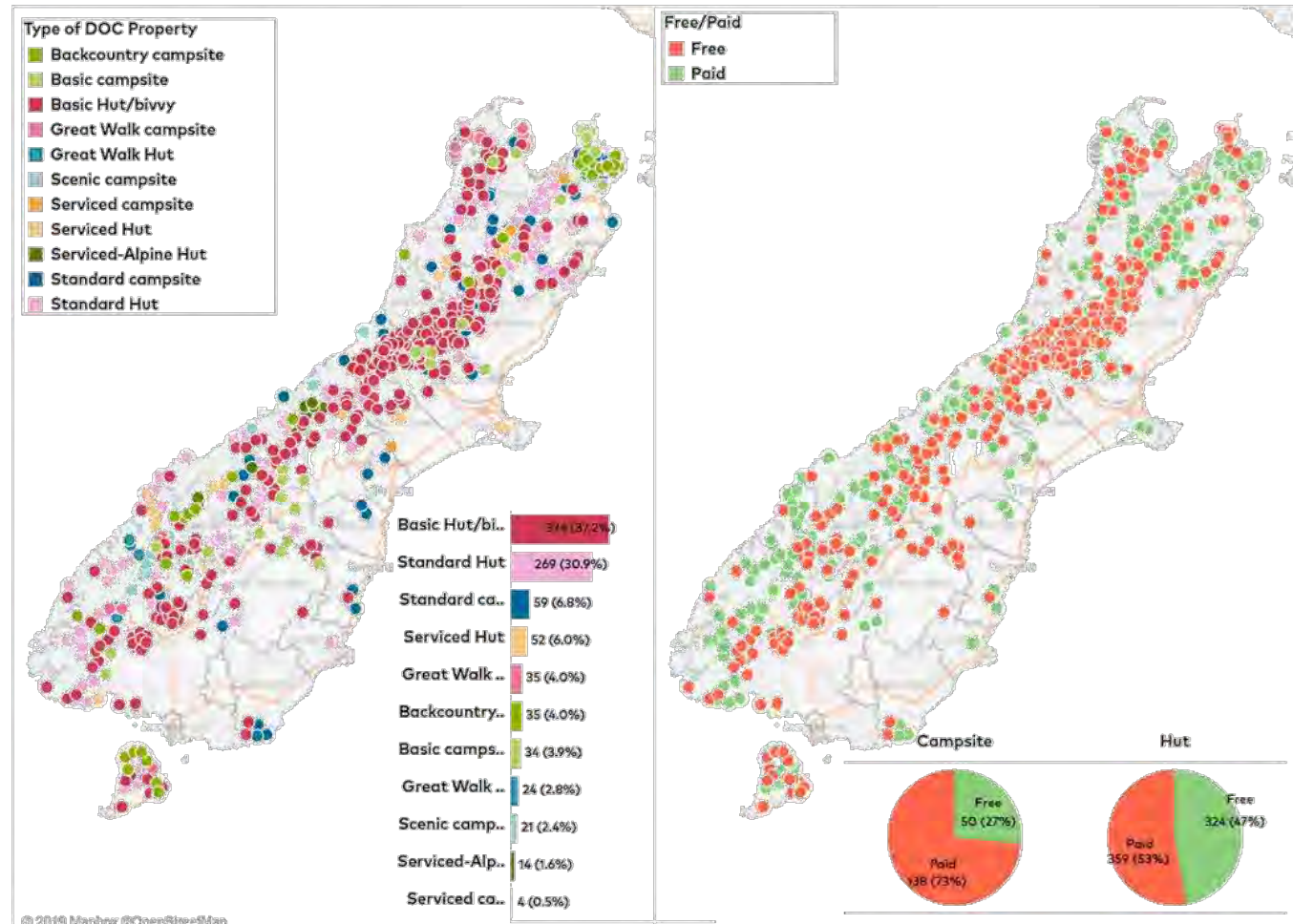
+ DOC Campsites and Huts

Figure 16 provides a summary of all DOC hut and campsite accommodation in the South Island. DOC is one of the main accommodation providers in the South Island (by the number of properties). DOC campsites and huts comprise over 25% of all accommodation properties identified in this audit.

DOC has several categories of hut and campground accommodation. These categories define what fees and facilities are provided at each site.

- Over 37% of all DOC properties are classified as "Basic hut/bivvies" which are basic shelters with limited facilities and are free of charge. This is followed by standard huts (31%) and standard campsites (7%) – both of which are paid categories.
- Of the 188 DOC campsites, 73% (138) are paid sites and the remaining 50 (27%) are free campsites.
- Of the 683 DOC huts, 53% (359) are paid while the remaining 324 (47%) are free.
- In total, DOC provides over 374 free campsites/huts throughout the South Island. Additionally, many of the sites which are paid include only a very nominal fee. It is questionable, therefore, whether there is a need for TLAs throughout the South Island to offer freedom camping when many of these TLAs already have an extensive number of free sites offered by DOC.

Figure 16: DOC Campgrounds and Huts



Product/Experience Audit

The South Island offers a wide range of tourism-based experiences for visitors and locals to undertake. Many of these leverage off the high-quality natural environment which the South Island offers.

Figure 17 provides a summary of the audit undertaken on tourism-based attractions, experiences and services. It demonstrates the following.

- Most tourism-based experiences are walks (including trails and guided walking experiences), primarily offered by DOC and accounting for 36% of tourism product assessed. This is important to note because many TLAs/RTOs have leveraged walking and cycling trails as their USP. As the audit has demonstrated, the South Island has a plethora of high-quality walking and cycling trails. To truly achieve regional differentiation will require regions focusing on other product which can offer unique points of difference.
- This is followed by cycling and mountain biking experiences, comprising just over 9% of all tourism product. Similar to the walking experiences, the majority of cycling/mountain biking trails are offered by DOC.
- Recreation and adventure-based experiences rank third, tied with history and heritage product, both comprising 8.5% of the product identified. Recreation/adventure product includes quad biking, bungee jumping, zip lines and mini-golf etc.
- As the two most established/mature tourism destinations, Queenstown-Lakes District and Christchurch City overwhelmingly have the largest amount of product, each comprising approximately 15% of all product identified. This is followed by Southland District (10% of product), though it is important to note that over 90 of the products identified are situated within the Fiordland part of Southland.
- While there were 115 history and heritage products identified, these are primarily focused on heritage sites and museums. Interestingly, there are relatively few Māori tourism experiences available in the South Island though Iwi own a number of tourism businesses.

Figure 17: Tourism attractions/services audit by attraction type

South Island Tourism Attractions/Services

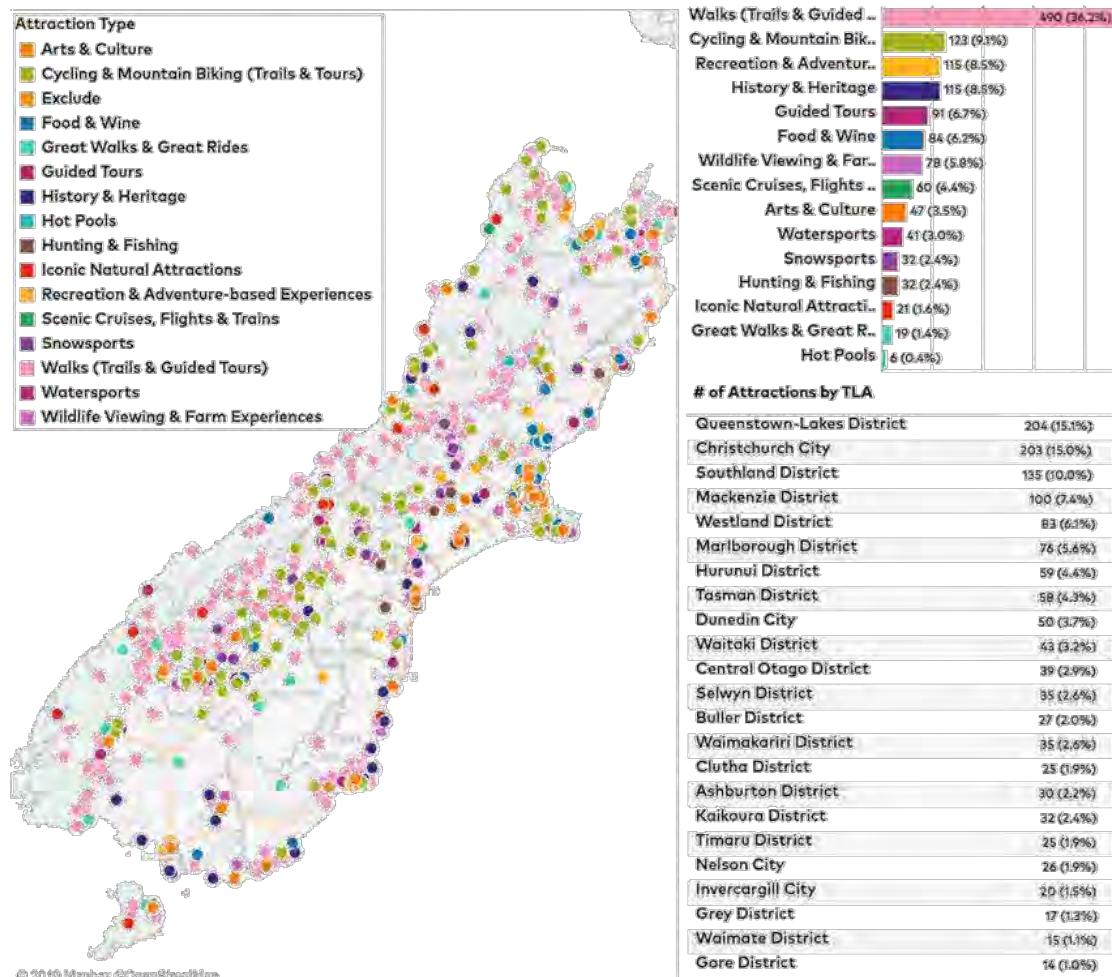
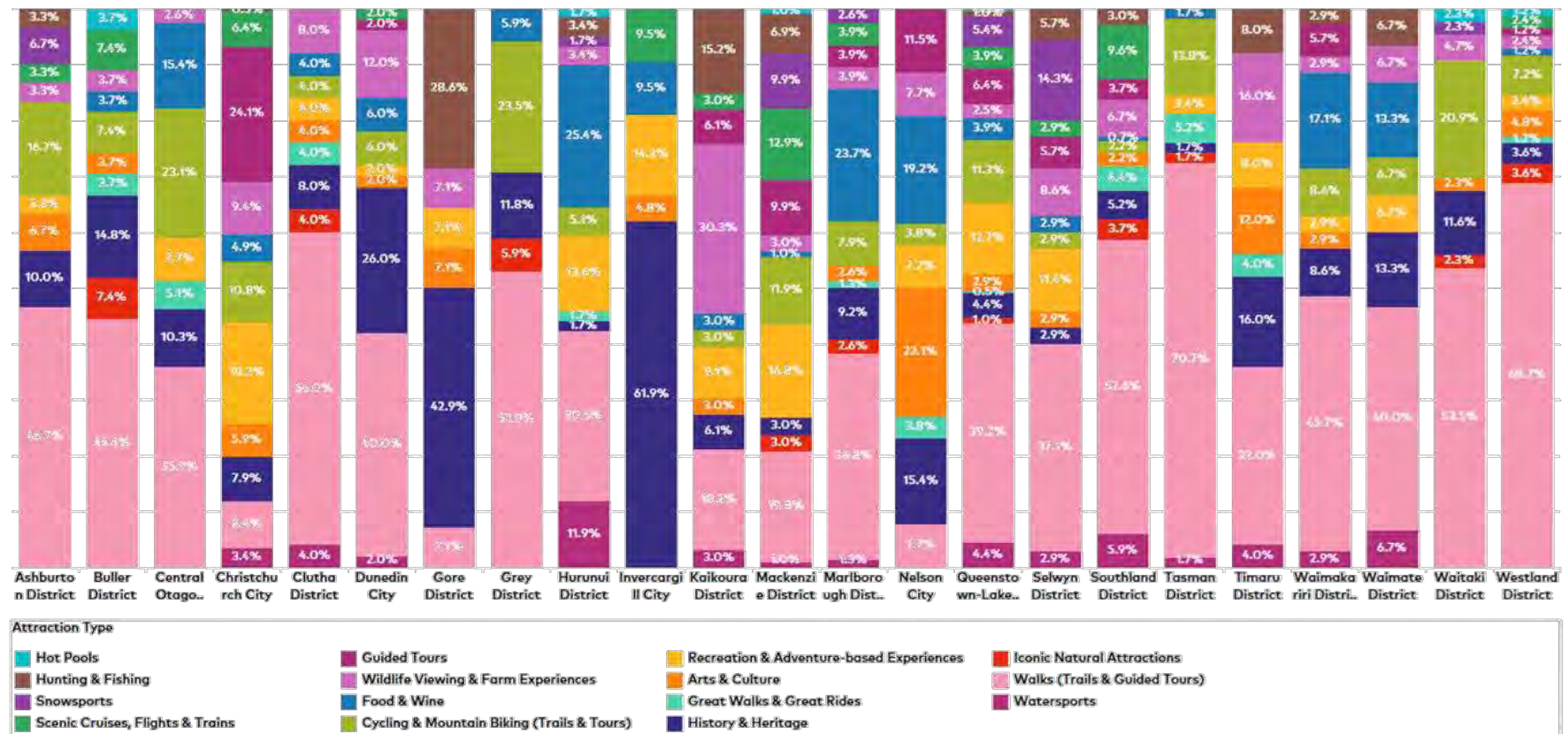


Figure 18 provides a breakdown of the most common attraction types in each TLA. It demonstrates the following.

- For the majority of TLAs, walking trails tend to comprise the largest number of attractions. There are a few exceptions to this, however, including historic and heritage sites, and cycling and mountain biking trails.
- Christchurch City, where recreation & adventure-based experiences make up the largest number of attractions. This is because Christchurch is a city-based destination with fewer DOC walking trails;
- Invercargill City, Nelson City and Gore District, where cultural attractions make up the largest proportion of experiences.
- Mackenzie District, where recreation & adventure-based experiences make up the largest share of product.

Figure 18: % share of attraction types in each TLA



One of the goals of this DMP is to increase visitor spend and, therefore, the economic benefit derived from the visitor economy. To achieve this will involve changes, including growing the amount of commissionable (i.e. paid) tourism product in the South Island.

Figure 19 provides a summary of free versus paid product based on the tourism product audit completed and shows the following.

- Walking trails make up a large proportion of the South Island's free product. This is challenging because the cost to maintain trails to keep them up to an acceptable and safe standard continues to grow.
- While DOC's Great Walk trails are a bookable and paid product, the majority of the Great Rides can be done free of charge.
- Paid attractions primarily comprise recreation & adventure product, scenic cruises, snowsports, guided tours, food & wine product and wildlife viewing.
- Free experiences primarily include walking trails, natural attractions and cycling and mountain biking trails.

While having a mix of free and paid tourism product is important, a careful balance is needed to ensure that revenue is being generated to enable the maintenance and upkeep of these assets and to ensure the community is receiving social and economic uplift from these assets (through increased visitor spend, supply of goods and services and local jobs generated).

Figure 19: Free versus paid product (by product type)



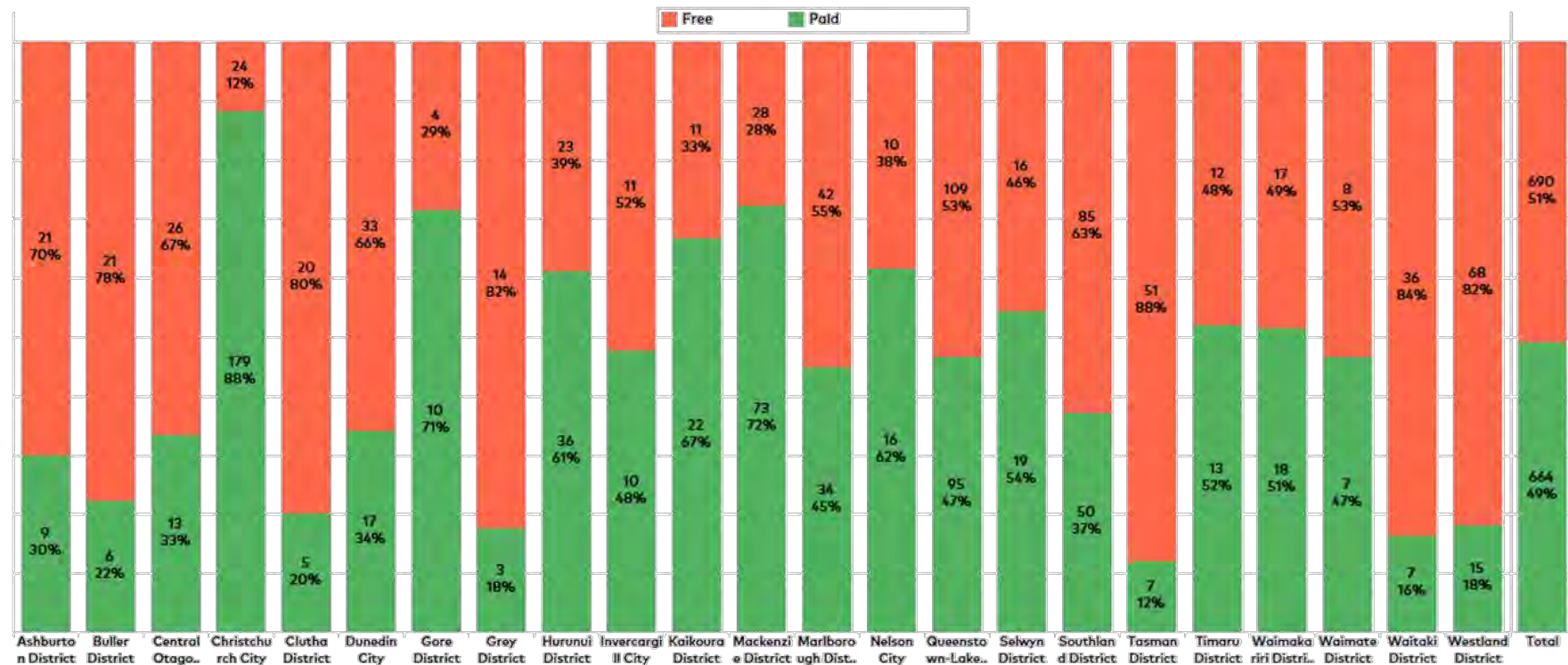
Figure 20 provides a breakdown of free versus paid product for each TLA. It demonstrates the following.

- In total, the South Island offers a greater level of free product (51% of product) compared with paid product (49%).

- While Christchurch City appears to “buck the trend” by having a far greater number of paid products, this is primarily because there are very few DOC walking trails and mountain biking trails within the TLA.
- The challenge going forward is the number of proposed free walking tracks and cycle/mountain biking trails being planned across the South Island

which will struggle to leverage commissionable product opportunities and private sector investment generally. Most likely it will be the local ratepayer/taxpayer who will need to cover their initial development costs and associated ongoing maintenance and related operating cost requirements.

Figure 20: Free versus paid product (by TLA)



Our product strengths and USPs

Top attractions in the South Island






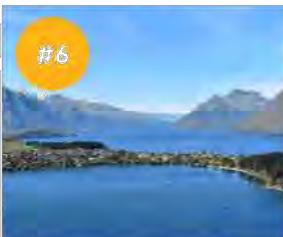




Social media and peer review sites are increasingly having an impact on the desirability and popularity of destinations. TripAdvisor is the world’s biggest travel review website and has altered the way which visitors now book and plan travel.

The following provides a summary of the Top 10 Attractions in the South Island **according to TripAdvisor**. This is based on “Traveller Favourites” which covers “things to do ranked using TripAdvisor data including reviews, ratings, photos, and popularity.”²¹ Key points to note are:

- All the attractions noted, with the exception of the TranzAlpine, are free experiences.
- Some of the attractions listed (i.e. #1) are scenic lookout points for photos rather than experiences.
- Rankings do not reflect visitation to these sites, it merely is a ranking based on TripAdvisor’s algorithm.
- The project team questions whether these attractions reflect the “best” of what the South Island has on offer. With many visitors utilising TripAdvisor to formulate itineraries, it is considered that this may be misrepresenting what the South Island truly has by way of unique and high-quality experiences. Nonetheless, it is important that these rankings are considered as TripAdvisor is a key source/tool which is used by visitors when planning and travelling.
- Table 4 on the page which follows lists Tourism NZ’s “11 NZ Must Do’s”²² and it is considered that this is far more reflective of the South Island’s unique selling proposition. This reflects the challenge of social media and its impact on destination marketing.

Any future destination digital and social media strategies which are undertaken should identify strategies to influence the ranking of TripAdvisor-listed experiences.







Table 3: Top 10 attractions in the South Island according to TripAdvisor

			
Glenorchy-Queenstown Road	Christchurch Botanic Gardens	Otago Peninsula	TranzAlpine Train
			
Roys Peak Track	Queenstown Hill	Milford Sound	Lake Wakatipu
			
Kaikoura Peninsula Walkway	Homer Tunnel		

²¹ https://www.tripadvisor.com.au/Attractions-g255116-Activities-South_Island.html

²² <https://www.newzealand.com/au/feature/11-must-do-kiwi-experiences-in-the-south-island/>

Table 4: 11 Must-do experiences in the South Island as listed by Tourism NZ

 <p>#1</p>	 <p>#2</p>	 <p>#3</p>
<p>Abel Tasman National Park, Nelson</p>	<p>Hokitika Gorge, West Coast</p>	<p>Wineries in Central Otago</p>
 <p>#4</p>	 <p>#5</p>	 <p>#6</p>
<p>Mt Aspiring National Park, Wanaka</p>	<p>Adventure in Queenstown</p>	<p>Christchurch Street Art Trail</p>
 <p>#7</p>	 <p>#8</p>	 <p>#9</p>
<p>Explore the Marlborough Sounds</p>	<p>Fiordland National Park</p>	<p>Birdwatching, Stewart Island</p>
 <p>#10</p>	 <p>#11</p>	
<p>Larnach Castle, Dunedin</p>	<p>Aoraki / Mt Cook</p>	

TLA product assessment matrix

The South Island offers a unique and compelling visitor experience in an expanding and increasingly competitive global tourism market. While we are able to offer a globally recognised, high-quality natural environment and a diverse range of tourism product, our true strength is the **sum of our parts**. The individual TLAs and RTOs which make up the South Island offer a multiplicity of product and it comes together to offer a wide array of experiences which different types of visitors can partake in.

To identify which types of visitors the different parts of the South Island appeal to, it is important to break down what is on offer.

Table 5 provides a summary of the main tourism experience and attraction product categories across the South Island based on the product audit which was undertaken as part of this DMP.

Table 5: South Island product strength categories

Arts & Culture	Beaches	Cycling & Mountain Biking (Trails & Tours)	Food & Wine
Great Walks & Great Rides	Guided Tours	History & Heritage	Hot Pools
Hunting & Fishing	Iconic Natural Attractions	Recreation & Adventure-based Experiences	Scenic Cruises, Flights & Trains
Snowsports	Walks (Trails & Guided Tours)	Watersports	Wildlife Viewing & Farm Experiences



From the product audit and consultation undertaken, TLA product strengths have been summarised in Table 6 and segmented according to whether they are considered primary, secondary and emerging product strengths. These are defined as:

- **primary:** is a well-established strength of the TLA, with mature and recognisable assets identified in the tourism product mix;
- **secondary:** is a strength of the TLA, however, not considered to be the primary tourism product for the TLA, with scope to further develop the product; and
- **emerging:** there is evidence of an emerging tourism product and brand awareness in the TLA which is either new or relatively limited in scale (at the present time).

Table & TLA product strength

● = Primary ● = Secondary ● = Emerging

TLA																	TLA Core Strengths
Ashburton													Mt Hutt & Methven Heliskiing				Snowsports
Buller					1x Great Walk			Maruia Hot Springs		Punakaiki, Oparara Arch							Natural attractions
Central Otago			DOC mtn. bike trails	Cellar doors	2x Great Rides												Biking & wineries
Christchurch	Galleries & Gardens			Cafes, restaurants etc.		Large number of tour operators ex C'church											Large urban centre offering arts, culture, food & base for tours
Clutha					1x Great Ride					The Catlins							Coastal natural attractions
Dunedin							Historic buildings & heritage features Hokonui Moonshine Croydon Aviation Centre									Albatross Colony	Heritage infrastructure & wildlife
Gore	Arts precinct								Fly fishing								Fly fishing & emerging arts/culture focus
Grey					1x Great Walk					Lake Brunner			Tranz Alpine				TranzAlpine & natural attractions
Hurunui				Cellar doors				Hanmer Springs		A variety centred at Hanmer			Hanmer Springs Ski Area		Variety of DOC trails		Hot pools
Invercargill				Bluff Oysters & agri-tourism			Transport museum & Stirling Point/Bluff						Gateway to Stewart Island (ferry & flights)				Bluff Oysters & access to Stewart Island
Kaikoura									Fishing charters							Whale, seal & dolphin watching	Whale watching
Mackenzie			DOC mtn bike trails			Mt Cook & dark skies tours		Tekapo Springs	Hunting tours	Lake Tekapo, Mt Cook & Tasman Glacier	Variety of heli-hikes, glacier treks, ice climbing		Glacier flights	Various ski areas, heliskiing & backcountry tours		DOC hiking trails	Iconic natural attractions (Mt Cook & Lake Tekapo), scenic flights
Marlborough				Cellar doors	1x Great Ride		Omaka Aviation Heritage Centre			Marlborough Sounds				Rainbow ski area & Mt Lyford Resort	DOC hiking trails		Wineries, natural attractions, Great Walk

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TLA																TLA Core Strengths	
Nelson	Various art galleries	Tahunanui Beach and Cable Bay etc.		Pic's Peanut Butter Factory, Breweries, Farmers Market												Arts & culture & beaches	
Queenstown-Lakes			DOC mtn bike trails	Cellar doors & high-quality dining experiences	1x Great Ride	Large number of tour operators ex Qtown	Primarily around Arrowtown	Onsen Hot Pools		Lake Wakatipu & Rob Roy Glacier	Bungy, luge, zip lines, skydiving, paragliding etc.	Primarily ex Qtown to Milford	Cardrona, Treble Cone, Remarkables & Coronet Peak	DOC hiking trails	Rafting & jet experiences	Farm & wildlife viewing experiences	Adventure & recreation hub, snowsports, food & wine
Selwyn											Arthurs Pass adventure hub		6 x ski resorts/areas	Walkways		Snowsports	
Southland					5x Great Walks 1x Great Ride				Guided fishing tours	Doubtful Sound, Milford Sound, Rakiura, Te Anau Glowworm Caves		Milford, Doubtful & Rakiura cruises & flights		Extensive DOC hiking trails	Kayaking, scuba, surfing	Birdlife (Stewart island)	Great Walks, iconic natural attractions, birdwatching (Stewart Island), scenic cruises
Tasman		Kaiteriteri & Golden Bay beaches etc.	DOC mtn bike trails		2 x Great Walks 2 x Great Rides					Split Apple Rock				Extensive DOC hiking trails			Great Walks, biking & beaches
Timaru							Historic urbanscape										Heritage & history
Waimakariri				Wineries & cellar doors													Wineries
Waimate																Wallaby farm	Wildlife viewing
Waitaki	Steampunk Festival		DOC mtn bike trails	Geo-cuisine, boutique produce	1x Great Ride		Bluestone heritage	Hot Tubs Omarama		Moeraki Boulders			Ohau Ski Field	DOC hiking trails		Penguins	Natural attractions (Moeraki Boulders)
Westland	Pounamu Trail		DOC mtn bike trails		1x Great Ride			Franz Josef Glacier Hot Pools		Franz Josef & Fox Glaciers, Hokitika Gorge				Extensive DOC hiking trails			Glaciers

Based on the above product strength matrix, Figure 21 summarises core strengths throughout the South Island. It demonstrates the following.

- As identified earlier, the strength of the South Island is its diversity of product. It is important that sub-regions continue to recognise this to ensure the same product is not being marketed for every destination. By way of example, while most regions throughout the South Island have walking and cycling/mountain biking trails, it is important that this is not pushed as a strength of every destination as this risks creating a vanilla flavour and devalues those walking and cycling/mountain biking product which are truly world-class.
- Much product is highly seasonal, such as snowsports, hunting and fishing, beachside holidays/excursions, wildlife viewing, scenic cruises, walks and cycling trails, and wineries.
- What is lacking are all-weather visitor attractions and experiences, and Māori tourism experiences and attractions amongst others.



Figure 21: TLA product strengths

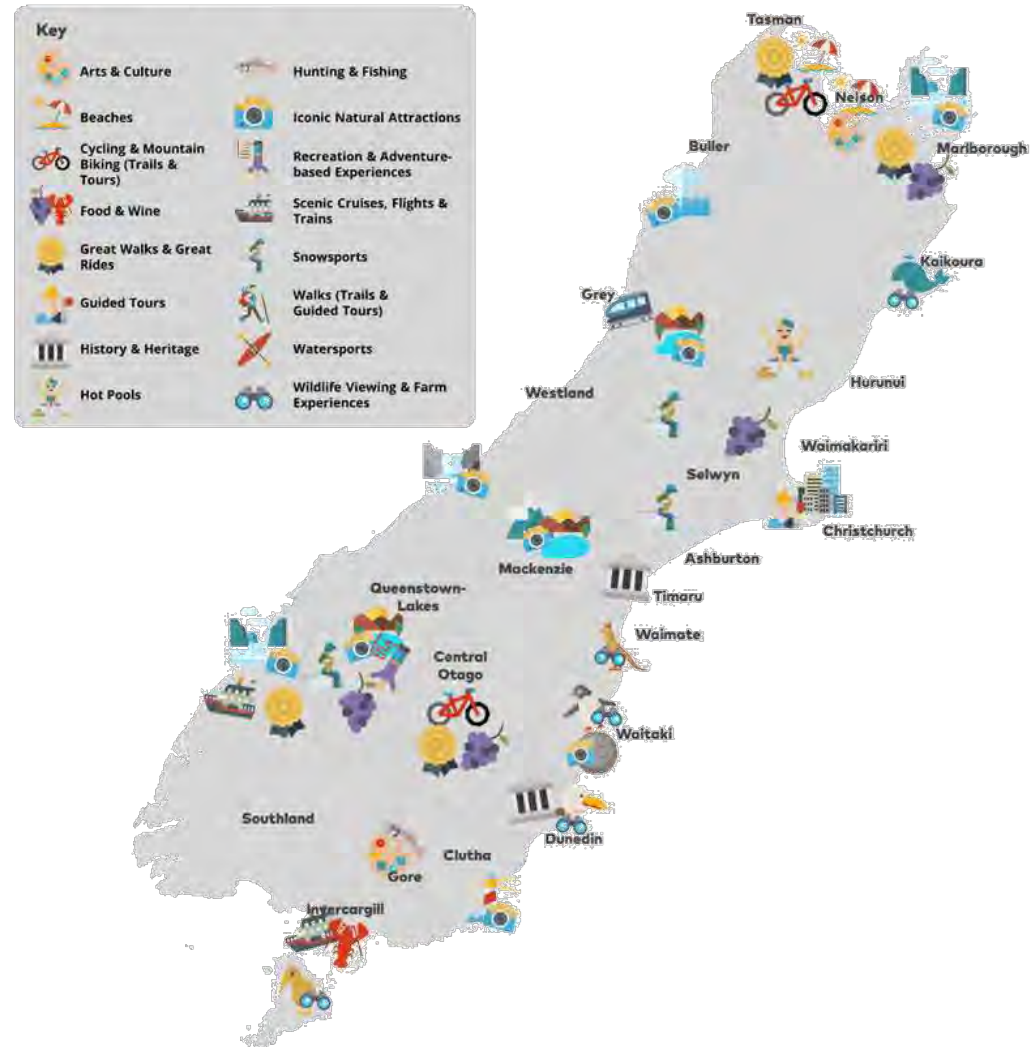
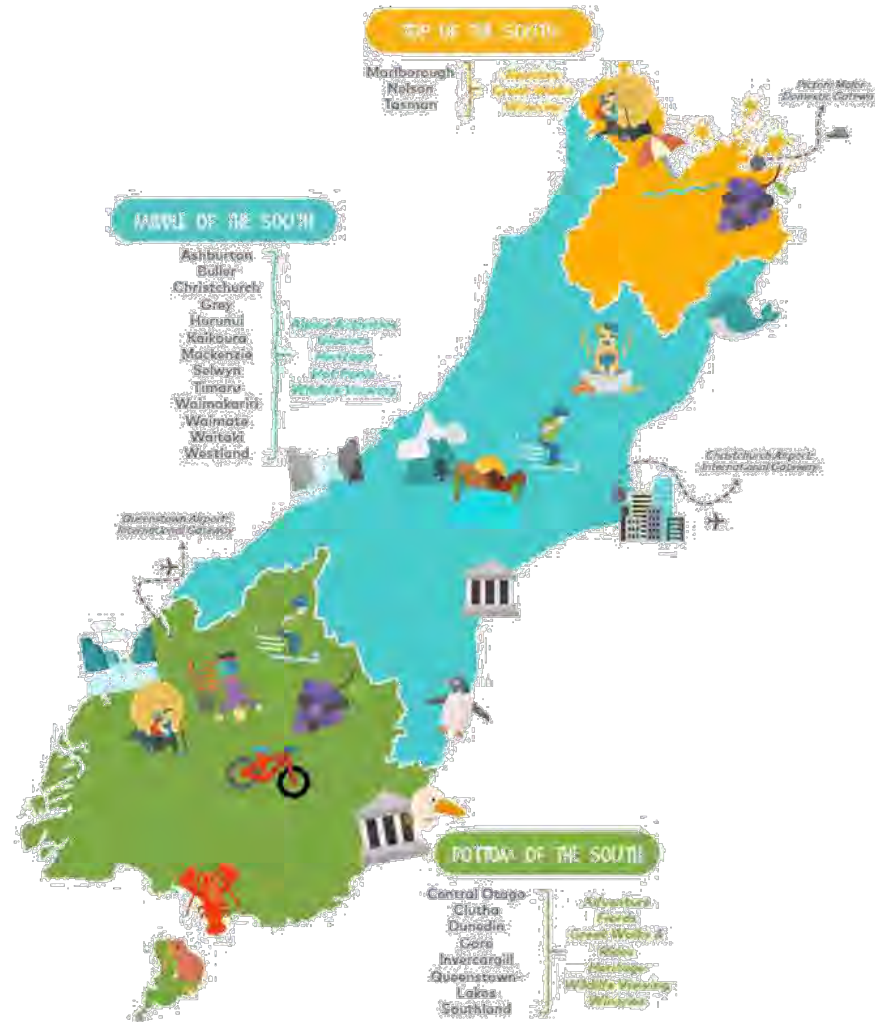


Figure 22: Sub-regional product strengths



It is important, however, to note that visitors do not recognise local government boundaries. They travel for experiences and unique and iconic destinations. Distilling the above TLA USPs illustrates that there are three sub-regions with mostly complementary (rather than competing) product strengths. These are illustrated in Figure 22 and demonstrate the following.

- There are three primary gateways into the South Island, being:
 - Christchurch International Airport, situated in the "Middle of the South", as the major international access point to the South Island;
 - Queenstown Airport²³, sited in the "Bottom of the South", for international and domestic access; and
 - Picton, located in the "Top of the South", as a staging post and major domestic gateway via ferry services to the North Island which are well patronised.
- The Top of the South sub-region being synonymous, particularly within the domestic market, for its beaches, Great Walks and wineries.
- The Middle of the South, having a strong focus on alpine-based product including glaciers, hot pools and snowsports. The Middle of the South also has a number of well-recognised wildlife viewing experiences and heritage-based product.
- The Bottom of the South has a strong outdoor recreation and adventure product base including Great Walks and Great Rides, adventure and snow-based experiences in Queenstown and Wanaka, wildlife viewing, particularly along the east coast and in Rakiura and food and wine product including Bluff oysters.
- While the sub-regions do have product with elements of commonality (as demonstrated previously), there are unique drawcards and strengths that each sub-region are able to offer. This differentiated (but complementary) product is what needs to be leveraged off and profiled to encourage different types of visitors to explore a wider range of destinations in the South Island.

²³ It is important to note there are various airports in all three sub regions though the primary aviation gateways to the South Island are Christchurch and Queenstown, followed by Dunedin, Nelson Invercargill and Blenheim.

Our primary leisure visitor markets

With clear market segmentation, the South Island will continue to prioritise its audiences to ensure that:

- product development meets the needs and expectations of these different markets; and
- that marketing programmes and advertising campaigns reach the right people.

Figure 23 illustrates the origin of visitors to the South Island and highlights the large size of the Kiwi domestic

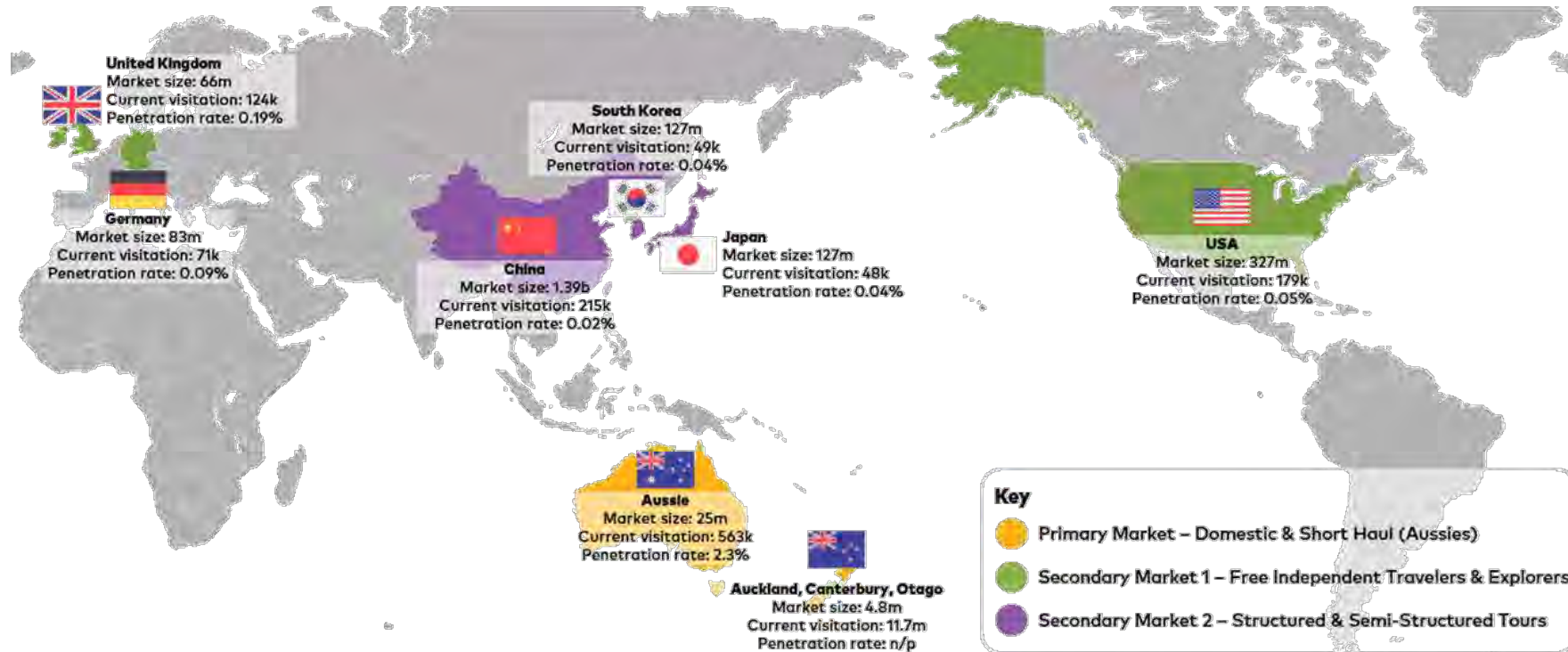
and Australian markets, comprising 89% of total visitation to the South Island. These markets represent a primary target market for the South Island.

There are also two secondary markets. The first are termed the “free independent travellers and explorers” because visitors from these countries – including the USA, UK and Germany - tend to travel independently (as opposed to organised tours) throughout the South Island

seeking out unique experiences and often straying from the traditional tourist route and the major destination hubs of Christchurch and Queenstown.

The second is the Chinese, Japanese and South Korean Markets. While these markets are undergoing a shift towards FIT, they are still largely markets which undertake structured and semi-structured tours, organised by travel intermediaries, when visiting New Zealand.

Figure 23: Primary and secondary target markets



What are our visitors looking for?

Not only is the number of people travelling globally increasing²⁴, but the needs and expectations of visitors are also changing. Tourism has shifted from being a service industry offering, for example, a flight, accommodation and some food to now being expected to offer a range of experiences. Travel is increasingly about experiential tourism: about rejuvenation, adventure, fulfilment, learning new skills, about different cultures and food and environments.

Part of the South Island's unique selling proposition is the wide variety of experiences on offer – particularly those which enable visitors to connect with nature.

Tourism in the South Island is, however, shaped and influenced by a wide range of factors, affecting both what visitors are looking for and what we need to be offering as a destination. These include "megatrends" such as climate change and a desire for far smaller carbon footprints and shifts in economic power to shifts in consumer preferences and behaviour. The following nine trends (Figure 24) have been identified and are expected to continue to be particularly relevant in shaping visitor demand in the South Island.

Importantly, however, these trends are in constant evolution, with some patterns of visitor behaviour likely to fade over time. As a result, it is important that the South Island tourism industry continues to monitor visitor expectations and insights.

Figure 24: What our visitors are looking for



²⁴ <https://www2.unwto.org/content/why-tourism>

Barriers to Growth

Although there are many exciting opportunities for the South Island’s visitor economy, it is also facing challenges to growth ranging from human resource constraints to visitor infrastructure limitations. These are outlined in Table 7 and are further explained in the proceeding pages.

The barriers to growth – which are alphabetically ordered – have been categorised according to the destination management components identified in Figure 2 of this DMP. Importantly, many of the recommendations in this DMP have specifically been identified to address these barriers to help achieve sustainable growth for the future.

Table 7: Barriers to Growth

 Product Development	 Infrastructure	 Governance	 Sustainability	 Marketing & Promotion
<ul style="list-style-type: none"> ■ Accommodation quality and supply ■ Activating Conservation Estate ■ Aligning a 5-star natural environment with 3-star built environment ■ Lack of commissionable product ■ Limited all-weather charge-for visitor experiences ■ Limited new investment outside major hubs ■ The growth in P2P accommodation ■ The land of free cycleways and walking trails 	<ul style="list-style-type: none"> ■ Airport investment requirements ■ Consistency of interpretation and directional signage ■ Earthquake remediation ■ Lack of intermodal hub in Greymouth ■ Queenstown Airport capacity challenges ■ Roding enhancements/upgrades ■ The cost of trail maintenance 	<ul style="list-style-type: none"> ■ Airports and destination marketing ■ Earthquake risk management ■ The role and capacity of RTOs 	<ul style="list-style-type: none"> ■ Freedom/responsible camping ■ International and national carbon reduction ■ Limited worker accommodation ■ Overtourism concerns ■ Social licence being compromised ■ South Island share of New Zealand visitor spend ■ The majority of businesses in tourism are SMEs ■ Tourism employment gaps 	<ul style="list-style-type: none"> ■ Changing requirements for visitor information ■ Digital literacy of operators ■ Dispersing visitor flows and spend ■ Lack of clear branding and USPs ■ Limited community awareness of the importance of tourism ■ Limited domestic marketing focus ■ Limited presence of operators on New Zealand’s tourism product database ■ Reducing seasonality (achieving seasonal dispersal) ■ The need for improved tourism data insights

Product Development

+ Accommodation quality and supply

Although visitor feedback from the IVS is generally very positive, the major reasons for visitor dissatisfaction with respect to accommodation include no free internet; poor/older facilities; expensive; poor value for money; and poor standard of cleanliness/dirty.

With the exception of some room stock primarily in Christchurch and Queenstown (and the limited higher-end lodges in more remote locations), much of the South Island's accommodation stock is often older properties in need of upgrades or refurbishment, and, many destinations require newer facilities of a higher standard to better meet current market expectations.

There are a variety of reasons for the lack of investment in new accommodation in areas other than the major destination hubs. These include the following.

- The lack of attractive returns to investors (particularly when compared with returns able to be generated through investing in commercial accommodation stock in Auckland, Queenstown, Wellington and Christchurch).
- The variable occupancy rates of the hotel/motel sector in many regions and achieved average room rates, for example:
 - the occupancy rate of the hotel sector in Queenstown was just over 91% in February 2019 and averaged 81% for the year ended February 2019;
 - while for the West Coast, the occupancy rate was 72% for February and 47% for the year ended February 2019.

- The impact of seasonality in many regions of the South Island. Queenstown is less affected by seasonality than most destinations. The peak visitor period remains summer, but the ski season ensures a good volume of visitor support for the winter period. The figures above support this, with a high year-round average occupancy rate for Queenstown and to a lesser extent Christchurch. However, the above data also shows the vast differences in occupancy rates during busier periods (summer) and the low season of other destinations such as Westland, Nelson, Tasman, Marlborough, Southland etc.
- The high cost of construction and delays associated with the RMA process, in particular, are disincentives for new investment.
- A number of macro factors/externalities such as weather events, natural disasters, fuel prices, the current global economy, the state of offshore economies have meant that projecting returns on new investment in tourism product is challenging and is a spawning ground for uncertainty.

This risk profile generally leads to larger investment decisions, such as for hotels, lagging the demand curve and being located in mostly gateway locations which are currently seen to offer lower risk and which can leverage off the larger number of existing visitors. These locations tend to have the critical mass of visitors already to support new development and investment.

Unless ways are found to "tilt the playing field", this scenario will likely continue, especially if visitor growth plateaus and existing accommodation operators start to discount rates to try and maintain market share.

Where feasibility studies for new infrastructure investment fail to meet investor criteria, it would be

prudent for Councils to remain open to the idea of providing development incentives or support through offering land etc, either on long term lease or freehold, and with support (lower lease rental levels, reduced compliance costs and imposts) for the first 5 years in order to help reduce investor risk and to make accommodation investment more appealing. Current evidence suggests that attracting new investment into the accommodation sector will struggle without various forms of government intervention.

+ Activating Conservation Estate

Almost half (46%) of the South Island is classified as Public Conservation Lands and Waters and is managed by DOC (see Figure 39 in Appendix 3 for a map of DOC Estate). In some TLAs, however, such as the West Coast, the DOC Estate covers more than 85% of the total land area. DOC, therefore, is a very dominant landowner/manager throughout the South Island with many major visitor destinations contained within the Conservation Estate.

Attractions and experiences within the DOC Estate are one of the major reasons visitors are compelled to travel to New Zealand. In a 2017 survey, approximately 94% of international visitors indicated they were attracted to New Zealand because of its landscapes and 98% of international visitors reported that their 'expectations around New Zealand's landscape were either met or exceeded'²⁵.

However, the activation of parts of the Conservation Estate for tourism and recreation-based commercial activities is, at times, challenging.

²⁵ Visitor Experience, Tourism New Zealand, 2017

DOC has indicated that:

- there are a variety of operational challenges as well as strategic longer-term issues associated with improving visitor management which requires extensive resourcing;
- there are also overarching philosophical issues centred on allowing further infrastructure into the Conservation Estate to handle increased visitor numbers, noting the challenges which are already occurring in parts of the DOC Estate; and
- biosecurity and related sustainability issues are also major challenges, so care and greater understanding is needed in finding ways where tourism activity can occur within the Conservation Estate with minimal impact.

As compelling as New Zealand’s landscapes are, visitors are largely able to enjoy and interact with these for no charge. Providing a high number of experiences for free can be challenging for a number of reasons.

- It can put pressure on the local ratepayer and taxpayer base to fund the ongoing maintenance and upkeep of these areas.
- From a marketing perspective, this can, unintentionally, devalue the visitor’s perception of an experience: “it is free, it must not be worth it”. The international visitor market is often conditioned to paying for experiences and expects to pay for higher-quality natural experiences, as do New Zealanders when travelling overseas.

Case Study - Yellowstone National Park



Yellowstone National Park, which covers more than 2.2 million acres, has a visitor fee of \$35 per vehicle which allows visitors to visit the Park for seven days. The entrance fee is administered under the *Federal Lands Recreation Enhancement Act* which also explicitly states that the National Parks Service keeps 80% of fees generated to reinvest into the Park for critical projects that improve services and protect resources and enhancements to accessibility, campgrounds, infrastructure, roads, native fish restoration and aquatic invasive species mitigation etc. The remaining 20% is used at other national parks (many of which do not charge for admission).

The visitor fee generates roughly \$8.8 million for the National Parks Service.²⁶

In 2018, the National Parks Service increased the fee from \$30 to \$35. With the Park recording its third-busiest year on record²⁷ in 2018, this indicates there has been little resistance to the fee increase.

Case Study - Kosciuszko National Park



Kosciuszko National Park, situated in New South Wales (Australia), includes the ski areas of Perisher and Thredbo. It is also one of the most visited national parks in NSW.²⁸ The Park has a visitor fee which is charged on a per-vehicle basis (except for buses which are charged per passenger). The fee is tiered and is \$29 per vehicle, per 24 hours in winter and \$17 per vehicle per 24 hours at all other times.

Despite increases in the visitor fee, the Park has experienced ongoing visitor growth, with the number of visitors increasing from just under 2.2 million in 2016 to 3.27 million in 2018.²⁹ This indicates that visitors are prepared to pay for access to higher-quality natural environments where visitor infrastructure (parking etc.) is provided.

DOC is currently completing its national Heritage and Visitor Plan which will “set out the long-term outcomes and strategic direction that DOC wants to achieve from its heritage and visitor system and the approaches it will take to achieve them”.³⁰

²⁶ <https://www.nps.gov/yell/playourvisit/fees.htm>

²⁷ https://billingsgazette.com/outdoors/more-than-million-visited-yellowstone-in/article_c8aacff7-bed4-5967-b410-884095e0e10f.html

²⁸ <https://www.environment.nsw.gov.au/-/media/OEH/Corporate-Site/Documents/Parks-reserves-and-protected-areas/Commercial-activities/annual-visits-to-nsw-national-parks-and-wildlife-service-managed-parks-2016-state-report.pdf?la=en&hash=90D35A793AD49666B94D293A138F5099C324E89B>

²⁹ *ibid* (2016 data) and <https://www.smh.com.au/environment/conservation/national-park-visits-surge-in-nsw-topping-60-million-for-first-time-20190812-p52g6h.html> (2018 data)

³⁰ <https://www.doc.govt.nz/visitorstrategy>

Discussions with DOC indicate there is a desire to explore sustainable revenue-generating opportunities and commercial partnerships on parts of the Conservation Estate. There is a need to investigate the following.

- The opportunity to develop additional high-quality paid visitor experiences on the Conservation Estate, with a mix of: day walks, multi-day tramps, glamping, wilderness access for an older and less active visitor; where these are consistent with DOC's conservation and biodiversity obligations³¹ they represent a significant tourism development opportunity for the South Island.
- The opportunity to improve the storytelling experience. DOC's conservation and biodiversity stories are generally poorly told. There is potential for a 'paid entry' visitor experience telling DOC's story, which would need to be developed in a carefully chosen, high visitor flow location.
- The opportunity also exists in various locations to partner with local iwi to tell their stories which encompass areas within and beyond the Conservation Estate.

Importantly, it is not an exercise in sacrificing parts of the natural environment to cater to visitor needs, but rather, it is a matter of better visitor management of all areas, to allow locals and visitors the chance to enter and explore through a managed process. This could result in developing a variety of smaller and more tightly controlled visitor sites within the Conservation Estate, to offer alternatives especially for higher spending visitors and where DOC is able to charge higher concession fees to help address

visitor management operating costs and growing biosecurity cost requirements.

Although the introduction of premium, higher-priced products are thought to offer a possible solution to help better manage and control visitor numbers, DOC is mindful of the need to ensure that access to the Conservation Estate is affordable to all New Zealanders. Options such as differential pricing (a separate fee for New Zealanders and one for visitors) as is provided for overseas, may need to be considered.

+ **Aligning a 5-star natural environment with 3-star built environment**

Although the South Island natural environment is dramatic and a major drawcard that has strong appeal to both domestic and international visitor markets, the quality of the built environment (including accommodation, town/streetscaping, infrastructure etc. and often the general look and feel of urban areas and town centres) does not always match.

Many of the towns throughout the South Island have the raw built elements to offer a higher quality, built environment, but the investment into achieving this has not yet occurred. This needs to be reflected in higher quality public urban spaces and urban design, better protection of heritage buildings (at least their façade), and better management of pedestrian-friendly precincts and walkability of town centres in general.

With New Zealand generally being perceived as an expensive or "premium-priced"³² destination, there is a

need to lift the quality of the built environment to offer a stronger value proposition.

+ **Lack of commissionable product:**

The South Island struggles to offer sufficient new commissionable tourism product (attractions, experiences, accommodation etc.) to assist in encouraging:

- stronger year-round visitation;
- increased geographic visitor dispersal; and
- greater economic uplift from the visitor economy.

The exceptions to this are in Queenstown and Christchurch, and in a few growing tourism nodes such as Kaikoura, Lake Tekapo etc, and as a result, these destinations continue to retain the strongest visitation and spend patterns.

Although interacting with New Zealand's landscapes will likely always be the primary motivation to visit, the need to refresh mature product and develop new commissionable product is essential. This new product development must be differentiated from existing visitor offerings. It is the effective marketing of great visitor experiences and attractions that will be attractive additions to itineraries.

Additionally, greater consideration is required to ensure that before new free experiences such as cycleways and walking trails are created by public funders (local, regional and central government), opportunities for offering commissionable products to leverage off these (pop up cafes, transit services, glamping and lodges etc) are developed or at least assessed on a parallel basis.

³¹ The provision of educational and promotional conservation information, fostering recreation and allowing tourism on conservation land, providing the use is consistent with the conservation of the resource

³² Tourism New Zealand Four Year Strategic Plan, page 13

+ Limited all-weather charge-for visitor experiences

The South Island's climate is characterised by four distinct seasons. There is a lack of all-weather built visitor attractions which can be enjoyed year-round. The potential exists to introduce additional all-weather paid visitor experiences within the regions, which will not only attract a wide range of visitor markets but will help activate higher daily visitor spend and stronger economic benefit to the local visitor economy.

Without more all-weather attractions and experiences, the sustainability of the South Island's visitor economy will continue to be challenged, with high seasonality impacting on product profitability and demand.

And new all-weather visitor attractions are also needed to help provide the product differentiation for many regions to help show more elements of uniqueness.

+ Limited new investment outside major hubs

Although there has been significant tourism investment in some of the major, well-known destinations in the South Island, other regions have been unable to activate investment into new product.

New product development within many regions throughout the South Island will not occur without a well-planned and developed investment framework, to guide and encourage private sector investment into new tourism product and experiences. Currently, the risk profile of most regions for new tourism investment is often seen by the development and investment community as too high to warrant consideration.

The establishment of an investment framework that will support and facilitate new tourism investment needs to be a priority consideration. The relatively high-risk profile of new tourism investment suggests a multi-party approach to de-risking tourism investment, for example with favourable local government terms through the provision of development sites, reducing council charges and imposts for the first 5 years of operation and other ways of underwriting risk, are likely to be necessary. An investment framework is needed to set the foundation for well thought through product development opportunities.

Importantly, in many global destinations government intervention has occurred to help de-risk investment activity and to actively encourage the private sector to undertake development.

Back in the 1950s/60s government in New Zealand recognised the need to invest, build and operate major commercial accommodation facilities in more remote and regional locations (Mount Cook, Te Anau, Franz Joseph, Milford etc) as part of the then Tourist Hotel Corporation chain of government-owned properties. These were eventually corporatised and then privatised and acted as the stimulant to encourage other private sector investment to come into regional areas.

New Zealand, therefore, has historically had government intervention having seeded investment into regional locations where the risk to the private sector was seen as too high.

While we are not suggesting that the same needs to occur again, creative investment mechanisms like PPPs to encourage regional tourism investment, need to be considered, should regional visitor dispersal want to be encouraged and supported by private sector investment.

+ The growth in P2P accommodation

Although Airbnbs, Bookabach and other forms of Peer-to-Peer (P2P) accommodation do fill an important accommodation gap in the South Island and add to the diversity of accommodation on offer, they do bring a variety of challenges, including the following.

- The regulation of P2P properties is challenging, including OSH requirements and food safety requirements (for those who supply F&B).
- For larger groups, including event and conferences, there is a strong preference for attendees to stay at the same accommodation venue. P2P accommodation options generally cannot support this need though they do offer accommodation to meet the needs of individual travellers or couples and family groups.
- The P2P sector is seen as fragmented as a sub-sector and offers a challenge when trying to coordinate these forms of accommodation outlets.
- Many P2P properties are not available year-round, and, therefore, can create an inconsistency in the level of accommodation available in a region.

+ The land of free cycleways and walking trails

There is now a growing scenario throughout much of the South Island where regional points of difference are being inadvertently blurred with largely undifferentiated cycleways/mountain biking trails and walking trails being developed in most TLAs. Although these are important recreational assets, particularly for local communities, the abundance of these and continuing development of more trails throughout the South Island, may start to impact

their tourism potential and unique drawcards to encourage dispersal: "do one, you've done the lot!".

Additionally, visitor access to these (which can be expensive to maintain) assets is largely always free. There is a need to investigate directly linking these to commissionable products to avoid the risk of these constituting a net economic cost rather than discernible economic benefits. In the absence of revenue streams, the cost of maintaining cycleways and walking trails remains a long-term liability for many Councils, especially where private sector commissionable product has not been leveraged.

Infrastructure

+ Airport investment requirements

The importance of the South Island's airports extends beyond servicing leisure visitors, into areas such as health care, disaster response, freight and courier services and business travel for locals and visitors. The level of investment required to maintain minimum safety standards in the smaller airport part of the national transport network, simply cannot always be met from commercial revenues. The shortfall is often met by the airport's operators, chiefly local councils.

At a time when local government in New Zealand is looking to prioritise its spending on essential services such as local roads, water and waste, the burden on ratepayers to subsidise airports is becoming greater.³³ Especially if a more competitive airport product is to be offered for the future.

³³ Linking the long white cloud ... Why New Zealand's small and isolated communities need to secure the future of their airports and air links, July 2017

+ Consistency of interpretation and directional signage

The need for clear and consistent directional and interpretive signage throughout the South Island was noted by many stakeholders. This includes signage which:

- better directs visitors to places of interest;
- outlines walks and cycle trails and links to surrounding commissionable products;
- identifies responsible camping locations clearly and consistently throughout different TLAs; and
- offers interpretive signage to assist visitors and locals to better understand the significance of certain sites from a cultural, historical or environmental perspective.

Ensuring consistent signage is provided can be challenging, particularly because there are a variety of agencies often involved, depending on the land/road where signage sits. There is a need to develop a consistent destination signage approach for the South Island. This needs to also include online directional and interpretive signage and wayfinding.

+ Earthquake remediation

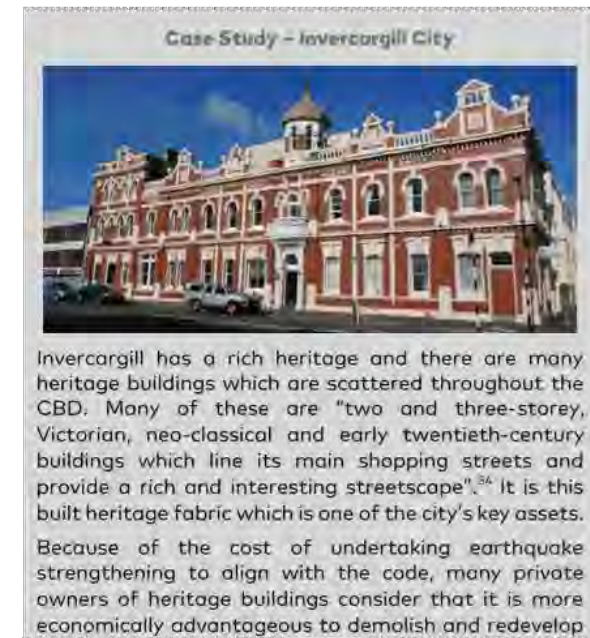
For many of the towns and villages throughout the South Island, excellent examples of heritage buildings exist. The challenge, however, is that many are in need of strengthening in order to meet the earthquake code which has been strengthened in light of more recent major seismic events. The cost of remediation is often beyond the financial capacity of many building owners, especially when significant investment into building strengthening and restoration is unlikely to result in higher property

³⁴ Invercargill City; Central Area HBR Re-assessment November 2016, page 1.

values and/or ability to generate higher lettable market demand.

The likelihood that a number of the historic buildings and attractive external facades in cities and towns such as Invercargill, for example, will gradually be demolished and replaced eventually with more functional and utilitarian styled built form, will, unfortunately, reinforce this imbalance with the higher-quality natural environment on offer.

Finding ways to repurpose historic buildings including financial mechanisms to support property owners to restore these buildings is required.



these heritage buildings. While there are modest subsidy schemes available through Central Government for the conservation of heritage buildings, these do not appear to be significant enough to outweigh the economic benefits of demolition and rebuilding.

"Once you lose a heritage building, it's lost forever."³⁵

+ **Lack of an intermodal hub in Greymouth**

Regions such as the West Coast are challenged by a lack of an intermodal transport hub which can link, road, air and rail transport options and which can feed off one another.

Although there is an airport at Hokitika (with flights to/from Christchurch) and one in Westport (with flights to/from Wellington), both are an hour or so from Greymouth, where the TranzAlpine KiwiRail service arrives into. This makes it more challenging in trying to link up transport options for visitors (leisure and business) and especially when the need is likely to grow for encouraging greater visitation to important destinations such as Punakaiki (pancake rocks and blowholes) which has major development planned and approved and the new Paparoa three day walk and cycle trail, near Westport, and on the Conservation Estate.

+ **Queenstown Airport capacity challenges**

The growth in passenger movements through QAC ahead of projections has resulted in Queenstown Airport coming up against noise constraints ahead of expectation. The options of expanding QAC and further developing Wanaka Airport have been identified in an ARUP report that discounted the Cromwell sites identified in earlier reports for relocating the Queenstown District's airport to. A resident's campaign against the ARUP Report

³⁵ <https://www.stuff.co.nz/notional/100436748/invercargill-cbd-heritage-buildings-targeted-for-chop>

recommendations, however, continues to gain momentum, reflecting the sensitivity of the issue with elements of the local community and the need to find a whole of region solution to potential air access growth, to meet the needs of locals and visitor markets.

With Auckland International Airport (AIAL), owning 24.9% of Queenstown Airport Corporation alongside Queenstown Lakes District (75.1%), there is potential for tensions to arise between ratepayer preferences and their priorities and the need to deliver appropriate value to shareholders. The end result, if not careful, may potentially be a loss of 'social licence' by QAC and potentially QLDC for tourism and/or a level of restriction introduced on future aircraft movements into and out of the region.

Finding a workable solution for Queenstown (and potentially Wanaka) which best meets future air access needs, is an important outcome to be achieved, noting that approximately 20% of passenger movements into Queenstown are travellers heading to and from Wanaka.

+ **Roading enhancements/upgrades**

The quality of roading connections in the South Island is a key determinant in self-drive visitor itinerary decisions. Safe roads that represent easy driving are just as beneficial for domestic road users as for international visitors. The timing of major road works, road closures due to weather events etc. all impact on the quality of the visitor experience.

Identifying improved mechanisms for effectively communicating road conditions in order to support safe and positive visitor experiences is required.

The NZTA has an extensive list of roading projects which are already underway, and which are planned and noted in the National Land Transport Programme (NLTP). This DMP has used the NLTP as the guiding document for roading infrastructure upgrade recommendations.

It is important to recognise, however, that road upgrades/enhancements alone are unlikely to stimulate greater visitor dispersal. This needs to go hand-in-hand with product development enhancements and associated investment mechanisms.

+ **The cost of trail maintenance**

While the walking and cycling trails which the South Island offers are a key feature, these all require regular maintenance and upkeep. Most of this is undertaken by DOC and individual councils. Aside from the Great Walks, many of these trails generate little, if any, direct revenue and maintaining them in an environment of declining government funding is challenging.

Governance

+ **Airports and destination marketing**

The airports in the South Island play a crucial gateway and dispersal role. However, in recent times, some of the larger airports have also taken on destination marketing roles which have created some confusion between the role of RTOs and airports in the destination marketing space. The following is an example of this.

- CIAL has established, underwritten and managed an international marketing campaign that promotes 'Destination South Island' offshore. The South Island's RTOs are able to buy into specific campaigns.

- Destination Queenstown is a partner in this campaign for all offshore markets except Australia, and small RTOs contribute where they can.
- This collective marketing role by CIAL came about post the 2011 Christchurch earthquake where more than 72% of visitors into CIAL were travelling straight out to other destinations.
- However, a similar role is now also being undertaken by ChristchurchNZ, which was established in 2017 and which undertakes a wide range of destination marketing campaigns (as well as many other functions).

There needs to be clarity and consistency in the way the South Island and its destinations are positioned. To achieve this may require a stronger partnership approach going forward, but ultimately, the destination management organisation(s) which is developed to guide a destination management approach within the South Island, should be leading the destination marketing role in conjunction with all relevant partners.

✦ Earthquake risk management

More recent scientific research into earthquake risk management implications for the South Island indicates that, for some parts of the South Island, a major earthquake is overdue (noting a sequencing of major earthquakes in some locations of every 275 years and being 50 years overdue). Much has been documented through recent research on the implications of a major earthquake occurring on the Alpine Fault (AF8) which could have major infrastructure impacts including destruction of roads, bridges, buildings and supporting facilities etc. particularly in the area from Milford Sound,

along the West Coast and up into Tasman, Nelson and Marlborough.

Various government agencies and scientific agencies are already assessing the risk to loss of life and injury, especially in key tourism locations and during peak period days should an earthquake of magnitude 8 (on the Richter Scale) occur.

Having appropriate risk management strategies in place for all tourism locations potentially prone to earthquakes is required and noted as a prudent approach to plan for.

✦ The role and capacity of RTOs

There are presently 15 RTOs in the South Island. All are funded by Local Government, with some also receiving funding via industry membership levies and from other sources. There are also four³⁶ which are integrated into Economic Development Agencies. The operating structure for many is quite different and often complex.

CIAL has established an offshore marketing platform that promotes 'Destination South Island' offshore and which it also underwrites. The South Island's RTOs are able to buy into specific campaigns.

In an effort to simplify the regional destination propositions that Tourism New Zealand wished to utilise in its offshore marketing, it defined subsets of RTOs as International Marketing Alliances (IMAs) which have been developed and have operated over the last 2-3 years.

RTOs are generally focused solely on destination marketing, with some also owning and operating i-SITES.

The New Zealand-Aotearoa Government Tourism Strategy specifies a regional focus on sustainability, social licence, overtourism, community engagement,

infrastructure planning and development, attracting new investment into tourism etc. Very few RTOs would currently have the resources or capacity to undertake these functions.

It is generally accepted that regional tourism boundaries have no relevance for visitors: visitors travel to destinations to undertake experiences, they do not recognise tourism or local government boundaries. This supports the argument for much higher levels of regional 'connectedness' that will enable the development of 'cross-border' solutions to all elements of destination management, including marketing. This also needs to include resolving such issues as overtourism and social licence.

The development of compelling new visitor attractions and experiences that are located strategically is key to both growing and dispersing visitor flows. The 15 RTOs in the South Island functioning largely independently, and generally autonomously, are, on the whole, marginally funded and therefore lacking both resource and specialist destination management and investment capability. The prospect of 15 RTOs implementing a coordinated investment framework that will deliver tourism outcomes of benefit to the whole of the South Island would be very challenging to achieve.

The New Zealand-Aotearoa Government Tourism Strategy defines tikanga values as making a commitment to an 'all of Government approach to help ensure the tourism system functions effectively, identifies new attractions, awareness, access (air, road, rail, sea, trails and cycleways), amenities, and attitudes (communities need to want to welcome visitors to their region) as being

³⁶ Nelson Regional Development Agency, Christchurch NZ, Enterprise Dunedin and Great South (formerly Venture Southland)

key 'areas to focus on to support well-functioning regional visitor destinations'.

The New Zealand-Aotearoa Government Tourism Strategy lists the top priority actions for Government's stewardship role as:

- Coordination across the tourism system
- Long-term Sustainable Funding Mechanisms
- Destination Management and Planning
- Better Data and Insight

These priority actions require that the current roles of RTOs be expanded beyond their present destination marketing role and into such areas as new investment, sustainability, addressing overtourism and social licence, meeting visitor amenity needs, engaging with communities etc. This increased scope will require new implementation agencies whose resourcing and capabilities extend beyond what RTOs are able to do presently.

The Government is also signalling that it wishes to improve tourism outcomes by taking an all-of-Government approach to the tourism system and look for opportunities to engage and coordinate with whanau, iwi, hapū, tangata whenua, local government, industry, businesses, regions and communities, and in so doing is communicating an expectation that this should also happen at a regional level.

Finally, DOC is potentially New Zealand's largest visitor sector operator, and yet a full and effective engagement between DOC and key visitor sector stakeholders remains a work in progress. The fact that DOC and MBIE have co-authored the ANZGTS would seem to present a unique opportunity for regions to partner with DOC in

³⁷ Too many tourists: Should we limit visitor numbers to NZ?, August 22 2019, <https://www.noted.co.nz/money/money-economy/nz-tourists-should-we-limit-number-visitors>

implementing the ANZGTS at a regional level. Implementation, however, requires a move to destination management and planning, which is a major shift from the status quo approach.

Sustainability

+ Freedom/responsible camping

Freedom Camping (now termed Responsible Camping by MBIE) is a topical subject in New Zealand. While there are some who argue that Freedom Camping brings a range of economic benefits, there is:

- a lack of robust quantitative data which demonstrates this, particularly that which demonstrates in financial and economic terms the true benefit it brings versus encouraging paid camping (via a minimal cost recovery charge); and
- a belief that contradicts New Zealand's desire to target a higher-value tourist and market itself as a premium destination because "we're actually selling it at a rock-bottom price if you look at the value of a freedom camper"³⁷.

The *Freedom Camping Act 2011*³⁸, administered by DOC and the Department of Internal Affairs, compels Councils throughout New Zealand to allocate budget (which, in effect, amounts to ratepayers subsidising a lower value visitor segment) to the provision of infrastructure for Freedom Camping unless the administrators of that land prohibit or restrict it as an activity. As a consequence, depending on which TLA a visitor is in, there are varying policies on Freedom Camping. While some TLAs widely permit Freedom Camping throughout their Council area (such as Grey District³⁹), others have specific and limited

³⁸<http://www.legislation.govt.nz/act/public/2011/0061/latest/DLM3742815.html>
³⁹ Who permit self-contained vehicles to freedom camp anywhere on Council controlled land except for the Jack's Road area in Paroa



designated freedom camping spots (such as Queenstown-Lakes). This has resulted in confusion amongst visitors, who do not recognise local government boundaries.

The challenge is that in order to provide Freedom Camping, councils are being placed in a situation where they are, in effect:

- subsidising this low-value sector with ratepayer-funded maintenance and servicing costs;
- impacting on public amenity through the allocation of parking places for Freedom Campers in public parks and on residential streets; and
- undermining the commercial holiday park sector along with backpacker hostels.

Utilising the visitor dataset developed for this DMP demonstrates the following (based on 2018 data).

- An international freedom camper, who purchases or leases their own vehicle and predominately utilises freedom camping areas spends, on average, **\$59 per night** (which includes spending on food, activities, petrol etc.).

(<https://www.greydc.govt.nz/our-district/freedom-camping/inTheGreyDistrict/Pages/default.aspx>)

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- An international freedom camper, who hires a fully equipped and quality rental campervan spends, on average, **\$150 per night** (which includes the rental cost of their vehicle).
- All international visitors spend, on average, **\$202 per night**. This includes those who stay in commercial accommodation, peer-to-peer accommodation (Airbnbs etc.), commercial caravan parks/camping grounds as well as freedom campers. The average is "lifted" by those spending on accommodation and "weighed down" by the lower-yielding freedom camping visitors. If one was able to separate out average spend per night by commercial accommodation visitors from this figure, the average spend would easily exceed \$200 per night.
- This demonstrates the higher-yielding nature of those international visitors who utilise accommodation (particularly commercial accommodation options) other than freedom camping.

Furthermore, spend on commercial accommodation in the South Island was the third largest product spend category, representing almost 18% of all international visitor spend in 2018 and equating to \$764m (after food and beverage spend which represented 23% of all spend and 'retail - other' which represented 20%).⁴⁰



"The handling of freedom camping in Kaikōura has been described as a "debacle" and an "abomination" by locals concerned about problems with rubbish and overcrowding which will return next summer."⁴¹ One-third of Kaikōura's population signed up to a petition in 2019 calling for the closure of several freedom camping sites in the town.

Reasons for the community angst regarding freedom camping include concerns regarding littering, disrespectful behaviour, the quantum of campers, camping on sites within very close proximity to endangered birdlife species and the impact on the local commercial accommodation sector who are still recovering from the 2016 earthquake.

In response, Kaikōura Council has set up a responsible camping working group and are investigating implementing a bylaw on freedom camping. However, the local community believe that freedom camping should not be permitted until Council has the "capacity to come up with a foolproof plan, are able to man them and take registration for every person who stays in them"⁴².

The following should, therefore, be considered.

- If freedom camping is to be supported as a central government policy going forward, there needs to be an evidence-based rationale which supports the case for freedom camping at the rate payer's (rather than the consumers) expense.
- The option to Councils providing infrastructure support to this low-value sector is to direct Freedom Campers to commercial Holiday Parks or fee-paying DOC campgrounds, or where there are none, encourage Freedom Campers to utilise council-owned caravan parks on a user pays basis.
- Supporting private sector investment into Holiday Parks (which are a major accommodation option for New Zealanders), also supports stronger local employment and strengthens the visitor economy.
- There is a need for a consistent Freedom Camping policy across the South Island.
- Amending the Freedom Camping Act to ensure Councils are able to administer a cost recovery charge for use of the sites.
- Creation of a South Island-wide camping/caravanning portal to demonstrate: where commercial caravan/camping grounds are situated; where freedom camping is permitted (and if there is a minimal charge, what this fee is); and indicating what the fine is for leaving freedom camping sites in poor condition and which is able to be enforced.

⁴⁰ MRTEs Annual Tourism Estimates for RTO/Country/Product, MBIE

⁴¹<https://www.stuff.co.nz/environment/112397980/community-voils-against-freedom-camping-sites-in-kaikoura>

⁴²ibid

+ International and national carbon reduction

Aside from those arriving on cruise vessels, the vast majority of international visitors to New Zealand arrive by air. This immediately registers a high carbon loading against the visitor sector.⁴³

It is important, then, for the sector to commit sector-wide to visitor experiences that ideally would neutralise (or significantly reduce) the carbon load of a flight to New Zealand, or at the very least return a zero-carbon impact during their visit. There is a need to expect our guests to share this aspiration. The risk of adopting a low response to a zero-carbon target is a loss of reputation and integrity when sustainability is now a major platform of the New Zealand tourism experience.

More broadly, issues associated with climate change need to be carefully considered as they do have implications for the South Island and New Zealand overall. This is likely to impact on the fiords, coastlines and potentially the provision of roads.

+ Limited worker accommodation

As identified earlier, the lack of sufficient worker accommodation, particularly in regional and remote locations, is an issue for encouraging the uptake of tourism and hospitality positions in the South Island.

In 2018, the Queenstown Chamber of Commerce surveyed members as part of their annual Labour & Accommodation Survey⁴⁴. It found that:

- a lack of affordable accommodation for workers was identified by 86% as either often or always an issue

⁴³ <https://www.stuff.co.nz/business/107455477/the-worlds-least-unsustainable-airline-air-new-zealands-climate-dilemma>
⁴⁴ n=230

- when employing New Zealand staff, with 76% saying the same for employing migrant workers;
- 81% of employers believed there was a shortage of "suitable housing options" for NZ workers in the resort town; and
- about 72% said the same for non-New Zealanders who were looking for employment.

Case Study (Queenstown & Milford Sound)



For operators in Queenstown and Milford Sound, the unavailability and cost of rental accommodation are proving a disincentive to seasonal workers who are staying shorter periods than previously.

Jim Boulton, Queenstown Mayor, has previously noted that the "lack of workers accommodation was an ongoing issue for the town where house prices are the most expensive in NZ ... it will not get resolved until we get some purpose-built seasonal accommodation for workers".⁴⁵

Skyline Enterprises, one of the major tourism operators in Queenstown, found that "supplying accommodation had become critical to retain staff who were leaving town because they could not find homes".⁴⁶ In order to mitigate this issue, the organisation purchased four separate properties to accommodate staff.

⁴⁵ Queenstown housing crisis bites, tourism giants buy staff accommodation, April 13 2018, <https://www.stuff.co.nz/business/103017338/queenstown-businesses-plan-more-staff-accommodation-as-housing-crisis-bites>
⁴⁶ Ibid.

+ Overtourism concerns

The United Nations World Tourism Organization (UNWTO) defines overtourism as "the impact of tourism on a destination, or parts thereof, that excessively influences perceived quality of life of citizens and/or quality of visitor experiences in a negative way".⁴⁷ Overtourism is strongly linked to host community social licence.

Overtourism, like Freedom Camping, is also highly topical in New Zealand with concern over the Government policy of encouraging visitor dispersal into many regions which do not have adequate infrastructure to cope with greater visitation. There are perceptions by some that destinations such as Milford Sound, Queenstown and Franz/Fox Glaciers are experiencing overtourism, though this is not agreed by all. There is also a desire by many tourism stakeholders to proactively work to ensure that other destinations in the South Island do not experience overtourism.

Options to help address overtourism, whether real or perceived, include:

- implementing a pricing strategy to influence demand;
- reducing peak flows by re-directing visitor flows to comparable experiences; and
- placing a limit on visitor numbers.

There is a pressing need for visitor numbers to be monitored and where possible, better managed. Currently, there is no evidence of work being completed to assess the potential carrying capacity levels or limits for selective highly sensitive areas. There is a risk is that these significant landscapes may be degraded over time and

⁴⁷ "Overtourism"? – Understanding and Managing Urban Tourism Growth beyond Perceptions | World Tourism Organization". www.e-unwto.org/doi/10.18111/9789284419999.

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breaching capacity levels when it may be too late to reverse visitor impacts.

Research would be valuable to help resolve this, especially in pristine and sensitive sites. However, there does not appear to be a willingness amongst some key stakeholders to move toward this, with the notion of carrying capacity levels or limits being viewed as alarmist or too reactionary.

The issue is whether it is simply a matter of better visitor management which can resolve both real and perceived conflicts with visitation levels and overtourism, or whether alternative measures (such as scientifically determined carrying capacity levels and limits) need to be introduced. This needs to be publicly debated and resolved. In the interim, New Zealand's reputation is at risk from a real or perceived overtourism concern (which is quietly noted by a number of major tourism operators with concern).

Case Study – Queenstown



The QLDC consent to release wastewater into local lakes and waterways has been attributed by critics to overtourism, with visitor loading on the town's infrastructure being offered as the reason existing infrastructure cannot cope. The public response has been one of objection and protest which puts the Council's social licence at risk.

⁴⁸ <https://www.nz.co.nz/news/national/350103/milford-sound-bursting-at-the-seams>

Case Study – Milford, Tekapo and the Glaciers



Increasingly the estimated 920,000 tourists to Milford Sound⁴⁸, the 600,000 tourists to the Church of the Little Shepherd in Tekapo⁴⁹ and the 800,000 visitors to Franz and Fox Glaciers⁵⁰ are being touted as overtourism, which in addition to possibly creating safety risks for visitors or overloading visitor infrastructure, could also risk diminishing the quality of the visitor experience.

+ Social licence being compromised

There is no one commonly accepted definition of tourism social licence, however, community acceptance and approval of commercial operations are recognised as critical features. Although society as a whole 'issues' the social licence to businesses and organisations, it is usually local communities who are the 'primary arbiter' of the terms of the social licence.

Tourism is heavily dependent upon gaining and maintaining a social licence because, as an industry, it often makes its income "off the back" of public assets and amenities such as roads, beaches, tracks and mountain ranges. Visitors utilise infrastructure such as transport,

⁴⁹ <https://www.stuff.co.nz/travel/news/112976842/five-kiwi-gems-possibly-under-threat-from-overtourism>

⁵⁰ <https://interactives.stuff.co.nz/2019/04/the-tourist-trap/>

utilities, accommodation and national parks, and can put pressure on places, especially where there are low numbers of residents. The trade-off the public makes is jobs, visitor spending in the local economy and new retail, food outlets and activities and experiences.

The New Zealand-Aotearoa Government Tourism Strategy places emphasis on monitoring and maintaining a social licence for tourism. It specifies a further expectation around obtaining community support for tourism and on communities benefiting from the prosperity of tourism.

Air New Zealand CEO Christopher Luxton noted in 2017 that the biggest issue that the tourism industry in New Zealand is facing is "its social licence to operate ... the country's infrastructure [has] failed to move from a world where we only dealt with one million visitors and had three million residents"⁵¹.

Case Study – Mood of the Nation Survey

The latest Mood of the Nation Survey (undertaken by NZTIA) has revealed there are significant differences in the way residents in different regions throughout New Zealand feel about tourism and its growth.

It found that while the vast majority of Kiwis (93%) think international tourism is good for the country, a growing number (43%, up from 18% in December 2015) also feel that it is putting too much pressure on New Zealand. Queenstown topped the list with 60% of respondents indicating they perceived it was being put under too much pressure.

Themed verbatim responses for there being too many international visitors in New Zealand included overcrowding, lack of infrastructure and environmental damage.

⁵¹ <https://www.stuff.co.nz/business/92843036/naive-to-think-people-will-just-keep-coming-to-new-zealand>

+ South Island share of New Zealand visitor spend

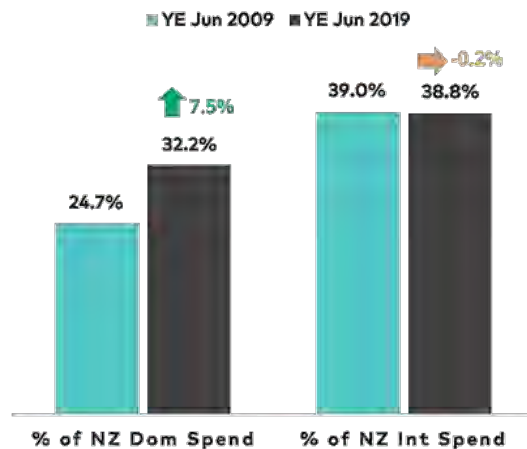
A comparison between visitor spend metrics in 2009 and 2019 confirms that the South Island has improved its share of domestic visitor spend and retained its share of international visitor spend (see Figure 25).

While this is positive, there needs to be a focus on:

- growing international arrivals directly into Christchurch and Queenstown; and
- to continue to grow domestic visitor stay and spend out of the main centres in the South Island.

Compelling South Island regional content will be one of the main enablers to achieve this.

Figure 25: South Island Share of Visitor Spend (2009-2019, June YE)⁵²



⁵² MBIE – MRTE
⁵³ Infometrics/Statistics NZ, 2012

+ The majority of businesses in tourism are SMEs

The tourism sector in New Zealand is largely comprised of small to medium enterprises (SMEs)⁵³:

- 77% of tourism businesses employ 0-5 FTEs; and
- 86% employ fewer than 9 FTEs.

Although the boutique nature of these smaller operators may offer a more authentic and personalised experience for visitors, there is a balance required as larger-scale operators tend to:

- find it easier to resource for expansion and upgrading as well as more opportunities for partnering;
- bring with them larger marketing budgets which not only markets their product but also the region they operate in;
- provide export-ready product which is important for stimulating international visitation;
- have stronger training and career path programs for employees; and
- have a greater capacity to implement digital programs and social media.

Upgrading and maintaining tourism product and services is, therefore, more challenging for many SME operators who are also often undercapitalised.

The challenge for many regions and TLAs within the South Island is the limited number of medium to large tourism operators to support regional visitor economy growth and investment (into existing facilities and for new facilities and experiences).

⁵⁴ NZIER – Assessing Tourism Labour Market Needs
⁵⁵ Australia Tourism Labour Force Report: 2015-2020, Austrade

+ Tourism employment gaps

The South Island’s tourism sector is forecast to continue to grow and generate continued economic benefit. However, without access to a trained labour force, the ability of the South Island to reap the full benefits of this will be constrained.

The following is noted.

- Based on research completed by NZIER, 36,000 additional workers throughout New Zealand, directly employed in tourism, are likely to be required by 2050 – approximately 13,000 or 36% of these are forecast to be required in the South Island.
- The Otago region is projected to require more employees in the tourism sector as a result of “changes in the international and domestic visitor mix”⁵⁴, followed by the West Coast and Canterbury (see Figure 26).
- More remote locations such as Stewart Island struggle to attract and retain skilled staff for the visitor economy and across many job types.
- The current working holiday visa scheme arrangement makes it difficult for tourism operators at times to retain international staff due to the requirement to go back out to market to try and attract New Zealanders to fill vacancies often knowing that a domestic market has limited interest in the jobs on offer, due to high employment which exists and a reluctance to often want to work in more remote locations;
- Similar challenges are being experienced in Australia, where the tourism employment gap is forecast to be 123,000 by 2020.⁵⁵

Tū Te Waipounamu - South Island DMP: The Comprehensive Plan



Figure 26: Projected change in tourism employment growth between 2014-2025



Figure 27 demonstrates the likely tourism-based roles which will need to be filled, with the largest gaps being for accommodation managers, chefs and waiters.

Figure 27: Projected extra employees needed by 2025⁵⁴



⁵⁴ NZIER

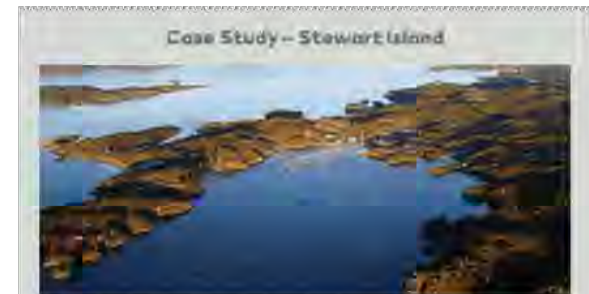
There are a number of barriers to encouraging the uptake of tourism-based roles. These include – but are not limited to – the following.

- The tourism industry (which also includes hospitality) is often thought of as a transient industry where one works between jobs. Careers in the sector are not seen as aspirational and there is a lack of understanding about career paths.
- The industry has generally been ineffective at selling the sector and its career opportunities.
- The lack of affordable housing close to where job vacancies are is problematic. This was noted as a challenge by many of the South Island’s major industry operators.
- Seasonality of the sector creates challenges with gaining full-time, year-round employment.
- There have been concerns expressed over inadequate mentoring of apprentices and trainees contributing to low job retention rates.
- Because roles in the sector often require late-night shifts, having safe transport home is a challenge.
- There is a perception that training courses are producing graduates without the skillset which the industry requires.
- Kiwis have a reluctance to work in the tourism sector (often because of the unsocial hours, salary scales and opportunities in other sectors) and, consequently, many tourism-based roles are filled by those on working holiday visas. Overseas born workers accounted for 33.1% of employees in tourism. This is much higher than the equivalent rate of 21.1% in the national economy.⁵⁷ Limiting the ability for tourism businesses to employ those on visas, however, has had a negative effect on tourism businesses, particularly those in more remote areas (such as Stewart Island)

⁵⁷ A Profile of the Tourism Sector In New Zealand, Infometrics, 2015

who find it near impossible to encourage Kiwis to relocate and work in their area. The counterargument to this, however, is that there is a risk of losing the authentic New Zealand experience which a Kiwi hospitality worker is able to bring once trained.

This challenge is not unique to the South Island but is a New Zealand-wide issue and one which many other countries globally are facing. It is one, however, that needs to be addressed if the South Island is to realise the true potential of the tourism sector and better meet current and future industry needs.



Stewart Island is one of the most remote parts of New Zealand. With a resident population of just under 400, the Island receives an estimated 44,000 visitors each year.

Despite the Island’s beauty and “bucket list” status for many Kiwis and international visitors, tourism businesses on the Island have struggled to find and retain suitably qualified workers. One of the accommodation providers on the Island has found it near impossible to encourage Kiwis to come and work in hospitality and tourism and, as a result, is completely reliant on international visitors with Working Holiday Visas.

However, because of the necessity from Central Government to try and encourage Kiwis take up

hospitality jobs first and foremost, this has reduced the ability of the operator to secure extended visas for working holiday employees who are often key personnel (chefs, front of house managers etc.). The operator is spending considerable time training international workers only to have them forced to relinquish their employment because of the inability to get their working holiday visas extended and the often protracted delays in having to try and attract Kiwis to take up these positions, which the relevant government policies require.

Although the rationale for limiting working holiday makers length of employment in city-based destinations is understandable, there needs to be a different approach to attracting and securing tourism and hospitality staff required in more remote locations.

Marketing & Promotion

+ Changing requirements for visitor information

The visitor information landscape has changed dramatically over the past 10 years. While visitors have traditionally sourced information through travel agencies and i-SITES, increasingly, visitors are utilising a range of online digital tools to gather, plan, book and provide feedback on travel.

While destinations previously only had the ability to influence the travel life cycle during the “experiencing” phase (i.e. while a visitor was at the destination), destinations now have the opportunity to influence during all phases of the travel cycle. But to do so requires a shift in the way visitor services are currently being provided.

Of New Zealand’s 85 i-SITES, 31 are situated in the South Island (see Table 8).

Table 8: South Island i-SITES by TLA⁵⁸

TA Name	Full	Satellite	Total
Ashburton District	1		1
Buller District	2		2
Central Otago District	4		4
Christchurch City	3	1	4
Clutha District	1		1
Dunedin City	1	1	2
Grey District	1		1
Hurunui District	1		1
Invercargill City	1		1
Kaikoura District	1		1
Marlborough District	2	1	3
Nelson City	1		1
Queenstown-Lakes District	2	1	3
Southland District	1		1
Tasman District	1		1
Waimakariri District	1		1
Waitaki District	1		1
Westland District	2		2
Total	27	4	31

While there are some exceptions, most of these i-SITES are owned and/or funded by their respective local council either directly or via an RTO. Many councils struggle to meet their ongoing commitments to visitor servicing with available funding, with the result that ongoing i-SITE funding is becoming more challenging for them. This, coupled with the ongoing trend (globally) of a decline in visitors utilising i-SITES and visitor centres, means that there is a need to reassess how visitor services are provided into the future and which remain relevant to the needs of the most important stakeholder, the actual visitor.

In order to remain relevant to visitors and to industry, i-SITES need to rapidly shift the centre of gravity of their information provisions online. This evolution will need to include an extension into social media, a business model that may need to enable seasonal scaling and mobility of services, and a reduced need for traditional bricks and mortar street frontage.

i-SITES specialise in visitor itineraries, both local and inter regionally, which means that any i-SITE operating outside of the regional or national network is unlikely to be able to provide a full service to visitors. A strong network of South Island i-SITES, with a lessened focus on shop fronts and an increasing focus on online enquiry, online transacting, and social media marketing needs to be considered.

+ Digital literacy of operators

While there are a number of operators throughout the South Island who have a strong understanding of the digital space and its importance, there is still a plethora who have limited digital literacy levels. This includes an understanding of (amongst many others):

- social media tools to better profile product and experiences to a wider audience;
- the importance of being Google listed;
- how to get listed on Tourism New Zealand’s product database;
- how SEO works and how to improve rankings;
- the importance of having online booking/reservation capacities;
- the need to keep an up-to-date presence on whatever platforms are being utilised; and
- the significance of user-generated feedback.

In tandem with this, it is important to recognise that there are several areas in the South Island which have poor

⁵⁸ Created from data provided by Visitor Information Network (VIN).

internet connectivity. Digital literacy will, therefore, depend on the ability of the sector to access the internet and digital services on a timely and cost-effective basis.

+ Dispersing visitor flows and spend

Visitor spend remains concentrated around the major tourism hubs within the South Island where the majority of product is concentrated and where many rental cars, hotels, tour packages etc. originate from. Visitation is also driven to these hubs through their reputation for higher quality and compelling visitor experiences and strong accessibility (particularly by air).

There is a strong desire by most stakeholders to encourage far greater visitor dispersal throughout the South Island so the economic benefits of the visitor economy are felt more widely. Many destinations within the South Island are advocating for this, however, their ability to activate this is challenging where limited commissionable tourism product is yet to be introduced.

The solution to visitor dispersal lies with the development of new, unique visitor experiences that have been designed to match visitor expectations, which are supported through a pragmatic investment framework, and with parallel development of associated visitor infrastructure.

Visitors are more likely to be attracted to a location by a compelling experience or event (e.g. Warbirds over Wanaka), than by a well-crafted marketing/media campaign or a new highway.

New Zealand's inventory of icon visitor experiences will remain on visitor itineraries until such time as compelling new visitor experiences are developed that capture the imagination of visitors and actively encourage them to

disperse to different locations where they can spend on commissionable tourism products.

+ Lack of clear branding and USPs

Despite certain destinations in the South Island having strong tourism brand awareness (such as Milford Sound, Queenstown, Christchurch, Mt Cook, Lake Tekapo etc.), the South Island doesn't have a collective destination brand.

Additionally, there is fragmentation and elements of duplication on how the current RTOs position themselves. For the visitor, it is currently not so clear that the South Island offers a range of quite different and unique destinations. For example, nearly all TLAs throughout the South Island have or are introducing freely accessible walking, cycling or mountain biking trails/tracks to support both local recreation use and to help attract visitor markets (domestic and international). In most instances, there is little, or no commissionable product tagged to these to try and create regional points of differentiation.

Based on the destination management model which is needed going forward, an investigation is therefore needed of:

- developing a South Island brand proposition which aligns with Tourism New Zealand's national branding; and
- developing a differentiated brand and visitor proposition for each DMO region (or similar structure which is created).

Importantly, however, the development of a destination brand(s) is not a panacea to grow the South Island's visitor economy. It needs to be developed in conjunction

with the introduction of new (or upgrade of existing) product/infrastructure as well as other marketing initiatives. Lessons from elsewhere indicate that good product development needs to drive destination brand development.

+ Limited community awareness of the importance of tourism

As noted by Tourism New Zealand in their *Four Year Strategy*, "the visitor experience is affected by the New Zealand community's own view on tourism – the more the community can understand the benefit of a strong visitor economy, the more likely it is to take a more positive view on tourism growth."⁵⁹ Strong community awareness of the value of tourism, is, therefore, correlated with achieving a social licence to operate.

While tourism is noted across many articles and reports as being New Zealand's largest export earner, this means very little to most people. There is a need to explain, in layman's terms, why tourism is so important for the South Island and what the implications are if the sector experiences a decline. This could include the following.

- Undertaking an exercise that shows, for example, that on any given day x number of litres of petrol are purchased, x loaves of bread, litres of beer etc consumed by visitors. This could be undertaken on a South Island wide basis or could feature certain towns or sub-regional areas every 12 months.
- Explaining that the visitor economy is not just confined to one traditional economic sector, but rather, comprises many sectors (such as transport, education, accommodation, training, food and beverage, retail, entertainment, etc.).

⁵⁹ Tourism New Zealand Four Year Strategic Plan, page 13



- Growing the visitor economy, therefore, can generate far-reaching benefits across a range of economic sectors through the supply of goods and services to support visitor needs.
- That a diverse economy will play a key role in the region’s future success and sustainability including through extended employment options for locals and the stimulation of new investment into existing plant and equipment and into new facilities and amenities.
- Illustrating that facilities introduced to support the visitor economy often have parallel recreational and social benefits for locals so both benefit from this.
- While agriculture, horticulture, viticulture and aquaculture will likely always be important sectors for the South Island, the visitor economy provides many opportunities to diversify the region’s economy and many of these opportunities have strong synergy and complementarity. Agri-tourism opportunities provide a mechanism to generate synergy between tourism and these other major economic sectors.

+ Limited domestic marketing focus

Since the early 1990s, Tourism New Zealand (previously the New Zealand Tourism Board), has predominately focused on targeting the international visitor market as its mandate from the Government via the purchase agreement it signs up to with the Minister of Tourism. The domestic market has largely been overlooked at all levels of government. This is despite domestic visitor spend making up the largest proportion of spend in both New Zealand generally and within the South Island specifically (domestic visitor spend in New Zealand accounted for 59% of total visitor spend for the YE April 2019 and 53% of total visitor spend in the South Island⁶⁰).

⁶⁰ MRTE, MBIE

It is considered that the lack of domestic tourism marketing is a result of:

- a lack of visitor data profiling the size and importance of the domestic market (noting the Domestic Travel Survey was discontinued in 2012) – many destinations are not aware that the domestic market is by far their largest source market;
- Tourism New Zealand’s Purchase Agreement with the New Zealand Government which guides their focus on the international market;
- destinations often perceive the international market to be “sexier” than the domestic market; and
- the far greater weight which Treasury traditionally places on bringing in new spend from offshore, rather than merely reallocating domestic consumer spend from one sector of the economy or region to another.

While the international market is clearly a very important one, there is a need to rediscover the domestic market because:

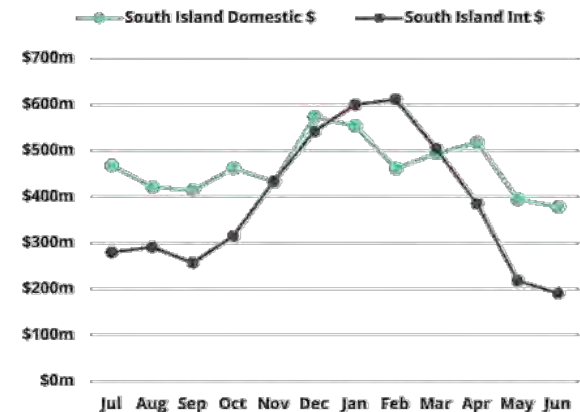
- the market is often less seasonal than international markets (see Figure 28 which demonstrates the far less seasonal nature of domestic visitor spend than international spend which strongly peaks in the summer months);
- the domestic market is more inclined to disperse to lesser-known destinations because of familiarity with the country and their propensity to repeat visit through a mix of leisure, VFR, business and event travel;
- a visitor experience that is successful with the domestic market will benefit from net promoter recommendations through both social media ‘chatter’ and VFR influence and flow on to the international market as a “must-do” experience; and

- high volume visitor experiences that are designed for the domestic market have the benefit of a much bigger target market.

It is important to note that while there is no disagreement with Tourism New Zealand’s international remit and strong focus, there is a need for:

- a South Island entity to provide domestic marketing leadership and to focus on coordinating, supporting and growing the domestic visitor market; and
- re-establishing the, or creating a new, Domestic Travel Survey to ensure there is robust updated visitor trend data going forward.

Figure 28: Seasonality of South Island visitor spend (YE Jun 2019)





+ Limited presence of operators on New Zealand's tourism product database

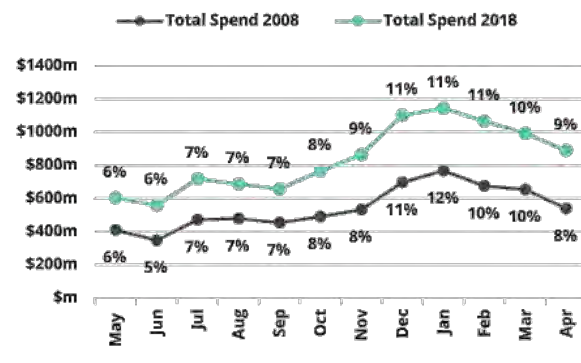
The product audit undertaken as part of this DMP identified that there are a large number of tourism operators who, while being listed on Google and other major travel sites, are not currently listed on the Tourism New Zealand Operator Database.

As the peak consumer website that is used to market New Zealand to potential travellers (Newzealand.com receives 51 million hits each year⁶¹ which generates 3.2 million referrals⁶²), there is a need to ensure that the product listing reflects the broad range of product available.

+ Reducing seasonality (achieving seasonal dispersal)

Despite a determined and prolonged focus on growing shoulder season demand, the New Zealand tourism sector is still impacted by seasonality to the same extent in 2019 as it was in 2008. Figure 29 demonstrates that the spread of visitor (domestic and international) spend over the years has virtually not shifted.

Figure 29: Seasonality comparison 2008-2019



⁶¹ <https://register.newzealand.com/en/home/>

Seasonality is less pronounced in the domestic market than in the international market. If we take the peak season in New Zealand as being October – April, then, as demonstrated in Table 9:

- 62.6% of domestic visitor spend occurred in the peak season, down slightly over the period 2008 – 2019; while
- the seasonality impact of international spend has 'worsened' with the proportion of total visitor spend undertaken in this period increasing from 71.5% to 73.9%.

Table 9: Proportion of total spend that occurs during peak season⁶³

Peak Season (October-April)	2008	2019
Total Visitor Spend	66.8%	67.9%
International Spend	71.5%	73.9%
Domestic Spend	63.0%	62.6%

The net effect of this ongoing seasonality issue is the impact this has on commercial accommodation occupancy levels and achieved room yield out of the peak season and attraction utilisation and demand which impacts business profitability. The seasonality issue also impacts the ability of regions to attract new investment into the visitor economy both to upgrade existing product and to support investment into new tourism ventures.

⁶³ <https://www.tourismnewzealand.com/tools-for-your-business/newzealandcom/>

+ The need for improved tourism data insights

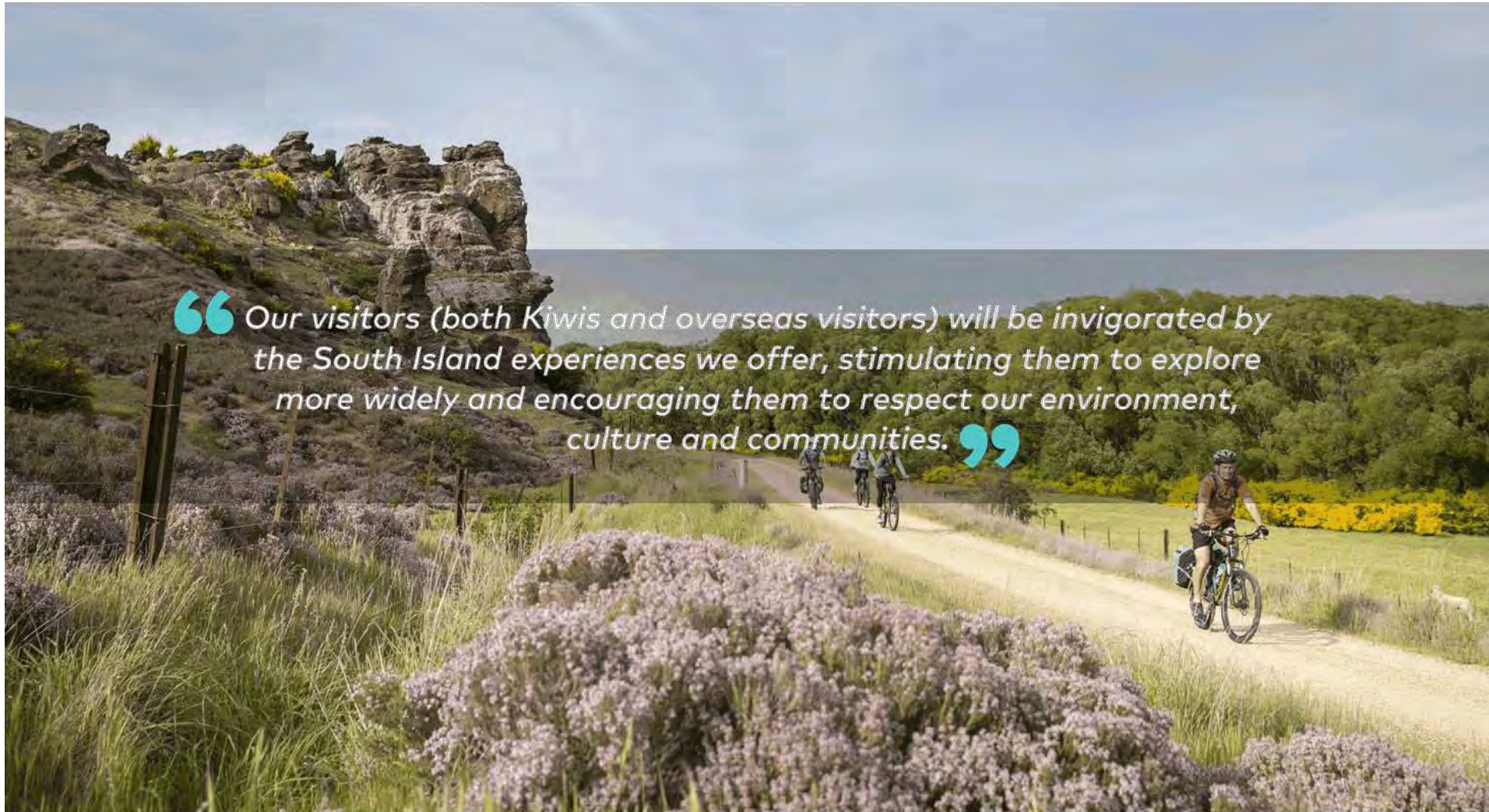
There is currently a dearth of robust visitor data for the South Island specifically and New Zealand more broadly, particularly for the domestic visitor market. This results in difficulties trying to forecast growth, especially where data on major market segments such as day visitors are missing. Investors, planners and operators all need robust statistical data to monitor visitor trends and to assess goal attainment.

Timely, accurate and reliable tourism sector data (time series, month on month and year on year comparisons) is vital to informing business decisions related to infrastructure needs, new product development, sustainable practice, destination marketing and the provision of visitor information services. The impact of this is also much wider than merely the tourism sector with the finance and investment sector needing greater confidence in visitor trend data, as they evaluate funding requests from potential tourism developers and operators.

⁶² MBIE, MRTE YE April 2019



Our Vision



Strategic Aims

To guide the sustainable development of the visitor economy in the South Island, a number of strategic aims have been identified and are outlined in Figure 30 (note these are not in any priority order).

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



Figure 30: DMP Strategic Aims



Our Goals/Targets for Success

In addition to the strategic aims highlighted in the previous section, there are a number of goals or targets for success. These are outlined in Figure 31. These goals provide quantifiable metrics to measure the progress and success of the implementation of recommendations outlined in this DMP. They are focused on the following areas:

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

Figure 31 Our Goals



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

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Part 4: How will we get there?



About the recommendations

The tourism sector, not only in the South Island but throughout New Zealand, has experienced a number of growing pains in recent years with the supply of infrastructure and product often slower to match the strong increase in visitor demand. This strain has been evident in pressure on transport infrastructure and popular visitor hot spots, particularly during peak periods.

The following section outlines the recommendations which have been identified to help address this pressure as well as meet the six Strategic Aims identified in this DMP and to offer future-proofing, to help maintain and grow the South Islands competitive edge as a globally significant destination. These recommendations highlight that our sustainability and competitiveness as a visitor destination must be strengthened through greater investment into infrastructure and product, regulatory/policy reform, improved governance, greater efficiencies and better service standards.

The recommendations have been developed based on:

- input and ideas received from more than 250 stakeholders in one-on-one interviews, workshops as well as online surveys;
- a detailed desktop review of existing tourism, economic and infrastructure development strategies at a local, regional and national level; and
- the project team's professional experience and assessment of barriers and opportunities.

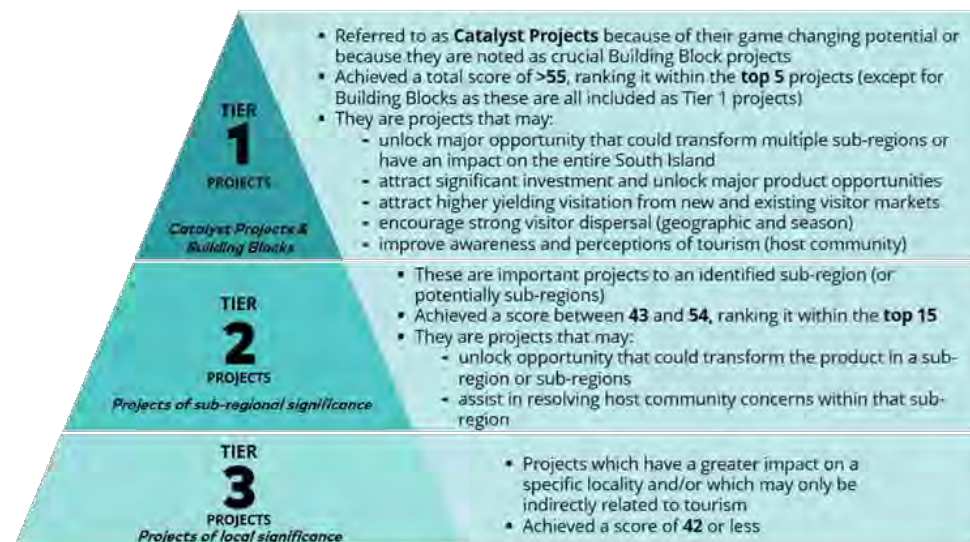
In total, **191** recommendations have been identified. These have been categorised according to whether they are **Building Blocks** or actual **Development and Investment Projects**.

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

Because the list of recommendations is extensive, they have been prioritised into three tiers according to their potential impact and benefit, described in Figure 32 (the full methodology for prioritisation and the outcomes of prioritisation is also included further on in this section).

Tier 1 represents those projects which are considered to have "game-changing" potential or which are Building Blocks crucial for sustainable tourism development. These are typically larger-scale investments which will act as a catalyst for considerable growth. **Tier 2** projects are those which are considered to be of sub-regional significance and **Tier 3** projects are those which are more important in a localised context, or, which may only have a limited impact on the tourism sector (for example, roading projects may cross and impact multiple TLAs and sub-regions, but, primarily benefit locals).

Figure 32: Project tiers



The following sections provide a summary of the recommendations that have been identified, linked to the six Strategic Aims that have been developed to guide the growth of the South Island's visitor economy. Though they are separated across all of the 23 TLAs in the South Island, they need to be viewed in their collective ability to help support and growth the South Island as a leading visitor destination for locals, other domestic visitors, and the international visitor markets.

Strategic Aim 1:

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



Strategic Aim 1 Recommendations

Strategic Aim 1: Te Taiao - Ensure the environment is protected to continue to underpin the sector's prosperity

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

Table 10 summarises the 38 recommendations which have been identified to support this Strategic Aim. Because of the nature of these recommendations, the majority are public driven projects.

Further detail on the Tier 1 projects and building blocks are included further on in this section.



Table 10: Strategic Aim 1 - Recommendations

#	Project # and Name	Type	Project Location (Primary TLA)
Tier 1 Projects & Building Blocks			
#23	Franz Josef Glacier Development	Site Planning	Westland District
#21	Milford Opportunities Project	Site Planning	Southland District
#188	Cruise strategy and policy for Fiordland Sounds	Building Block - Policy	All
#190	Glaciers sustainability master plan	Building Block - Master Plan	Westland District
Tier 3 Projects			
#129	Facilities on public conservation lands	Toilets, Sewerage, Waste	Marlborough District
#120	Facilities on public conservation lands - campsite access & facilities upgrades	Freedom Camping	Kaikoura District
#168	Franz Josef water and wastewater	Toilets, Sewerage, Waste	Westland District
#149	Freedom camping facilities (6 new locations)	Freedom Camping	Tasman District
#125	Freedom camping facilities (2 new facilities)	Freedom Camping	Mackenzie District
#108	Freedom camping facilities (additional sites)	Freedom Camping	Dunedin City
#165	Freedom camping facilities (dump stations, toilets, bins throughout TLA)	Freedom Camping	Westland District
#136	Freedom camping facilities (enhanced facilities and parking changes)	Freedom Camping	Nelson City

#	Project # and Name	Type	Project Location/Primary TLA
#152	Freedom camping facilities (Kaiapoi East site and upgrades to 4 council campsites)	Freedom Camping	Waimakariri District
#112	Freedom camping facilities (management)	Freedom Camping	Hurunui District
#130	Freedom camping facilities (new toilet facilities at Seymour Square and Rai Valley)	Freedom Camping	Marlborough District
#147	Freedom camping facilities (Southern Scenic Route, the Catlins etc.)	Freedom Camping	Southland District
#121	Freedom camping facilities (surf breaks of national significance site and South Bay)	Freedom Camping	Kaikoura District
#103	Freedom camping facilities (the Catlins and Balclutha)	Freedom Camping	Clutha District
#144	Glenorchy and Cardrona water and waste supply	Toilets, Sewerage, Waste	Queenstown-Lakes District
#99	Little River flood protection	Toilets, Sewerage, Waste	Christchurch City
#98	Okains Bay and Little River water supply and wastewater schemes	Toilets, Sewerage, Waste	Christchurch City
#110	Public toilet facilities upgrades (various locations)	Toilets, Sewerage, Waste	Dunedin City
#100	Public toilet facilities upgrades (Akaroa, Little River, French Farm, New Brighton)	Toilets, Sewerage, Waste	Christchurch City
#133	Public toilet facilities upgrades (Elterwater)	Toilets, Sewerage, Waste	Marlborough District
#94	Public toilet facilities upgrades (Lake Dunstan, Clyde, Cromwell, Millers Flat)	Toilets, Sewerage, Waste	Central Otago District
#148	Public toilet facilities upgrades (Lumsden)	Toilets, Sewerage, Waste	Southland District
#139	Public toilet facilities upgrades (Millers Acre, Tahuna Beach)	Toilets, Sewerage, Waste	Nelson City
#127	Public toilet facilities upgrades (Pukaki Lookout)	Toilets, Sewerage, Waste	Mackenzie District
#122	Public toilet facilities upgrades (South Bay)	Toilets, Sewerage, Waste	Kaikoura District
#105	Public toilet facilities upgrades (The Catlins, Clutha Gold Trail)	Toilets, Sewerage, Waste	Clutha District
#158	Public toilet facilities upgrades (Various including Otematata, Omarama, Elephant Rocks, Shag Point)	Toilets, Sewerage, Waste	Waitaki District
#154	Public toilet facilities upgrades (various locations)	Toilets, Sewerage, Waste	Waimakariri District
#145	Public toilet facilities upgrades (Wanaka lakefront, Frankton Beach)	Toilets, Sewerage, Waste	Queenstown-Lakes District
#169	Public toilet facilities upgrades (Glaciers, Hokitika, Haast)	Toilets, Sewerage, Waste	Westland District
#93	Sewage system at Clyde Historic precinct and Okains Bay water supply	Toilets, Sewerage, Waste	Central Otago District
#114	Sewerage and water	Toilets, Sewerage, Waste	Hurunui District
#126	Tekapo effluent disposal	Toilets, Sewerage, Waste	Mackenzie District
#164	Toilets and parking throughout the DOC estate	Toilets, Sewerage, Waste	Westland District

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



Strategic Aim 2 Recommendations

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

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

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

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

Traditionally, consumer destination marketing of New Zealand and its destinations have focused on above the line channels including TV and print material advertising, however, digital marketing platforms have increasingly gained prominence. While this change has been adopted by Tourism New Zealand and some of the South Island's RTOs, many smaller industry operators and RTOs in the South Island have yet to adapt to these changes.

Achieving this Strategic Aim requires a change in the structure of tourism (i.e. moving to a DMO structure, with fewer, sub-regional marketing boundaries) and ensuring that the South Island is competing strongly and effectively across both traditional and emerging marketing channels through a more collaborative approach.

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

Table 11 provides a summary of the recommendations which align with this Strategic Aim. These four recommendations are all building blocks rather than capital development projects specific to any single TLA.

Further detail on the Tier 1 projects and building blocks are included further on in this section.



Table 11: Strategic Aim 2 - Recommendations

#	Project # and Name	Type	Project Location (Primary TLA)
Tier 1 Recommendations & Building Blocks			
#180	Sub-regional destination branding projects	Building Block - Branding	All
#181	NZ Tourism operator database marketing push	Building Block - Training	All
#182	Industry upskilling (digital)	Building Block - Training	All
#189	i-SITE and visitor servicing strategy	Building Block - Visitor information services	All

Strategic Aim 3:

Rangatiratanga - Encourage business leadership and good governance through stronger collaboration through destination management





Strategic Aim 3 Recommendations

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

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

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

Additionally, it is important that the sector improves its attractiveness to talent and that appropriate education, skills and training opportunities are offered. A major challenge facing the industry now and into the future is ensuring that the volume and quality of talent within the sector supports, rather than restricts, growth. Although our built and natural tourism assets are a major factor in defining the appeal of the South Island, it is the interaction between overseas visitors and those employed in our tourism sector that ensures an outstanding holiday experience and has the capacity to differentiate us relative to our competitors. A lack of talent, or of a skilled workforce, will compromise growth and undermine the delivery of our tourism experience. Achieving this is a complex process that involves the collaboration of a broad range of stakeholders and focused policy. Strong collaboration between Government, educational bodies and the South Island’s tourism industry will be vital to its success.

Table 12 outlines the four recommendations which align to Strategic Aim 3. They reflect building blocks, rather than capital development projects, and primarily are across all TLAs in the South Island (with the exception of the Bottom of the South Airport Strategy).

Further detail on the Tier 1 projects and building blocks are included further on in this section.

Table 12: Strategic Aim 3 - Recommendations

#	Project Name	Type	Project Location (Primary TLA)
Tier 1 Projects & Building Blocks			
#178	DMO Governance Structure	Building Block - Governance	All
#179	Bottom of the South Airport Strategy	Building Block - Strategy	Bottom of the South
#183	Industry service quality upskilling	Building Block - Training	All
#187	Tourism data masterplan	Building Block - Data	All

Strategic Aim 4:

*Ngā Manuhiri O Te Ao, O Aotearoa
Anō Hoki - Grow higher quality &
more commissionable experiences
to support visitor dispersal*



Strategic Aim 4 Recommendations

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

To remain competitive as a visitor destination and to continue to meet the changing expectations of our visitor markets, is a need to enhance the experiences that are on offer. The expectations of visitors today are much higher than they were 10-20 years ago.

There is recognition amongst most stakeholders consulted that there need to be new things of scale and international appeal for visitors to do, to ensure both a better regional

spread of tourism and to take the pressure off existing attractions and areas where environmental and social sensitivities exist.

There also needs to be a focus on introducing commissionable, year-round attractions in order to address seasonality as well as new accommodation product so that we continue to deliver product which matches market demand and delivers value-for-money.

This Strategic Aim and its various recommendations are underpinned by the philosophy that making the South

Island a better visitor destination also makes it a better place to live for our residents.

Table 13 lists the 84 different projects that have been identified to assist in delivering on this Strategic Aim. They range from accommodation to all-weather visitor attractions and cycling/walking trail projects and include a mixture of publicly funded and driven projects, private sector funded projects as well as PPPs.

Further detail on the Tier 1 projects and building blocks are included further on in this section.

Table 13: Strategic Aim 4 - Recommendations

#	Project Name	Type	Project Location (Primary TLA)
Tier 1 Projects & Building Blocks			
#25	Dunedin CBD hotel development	Visitor Accommodation	Dunedin City
#57	Nelson CBD hotel development	Visitor Accommodation	Nelson City
#67	Invercargill CBD hotel development	Visitor Accommodation	Invercargill City
Tier 2 Projects			
#27	The Ngāi Tahu Story (Discovery Centre)	Tourism Attraction	Christchurch City
#29	Bluff agri & seafood showcase centre	Tourism Attraction	Invercargill City
#36	Queen Mary Hospital spa & site development	Tourism Attraction	Hurunui District
#37	KiwiRail NZ Coastal Pacific year-round service	Tourism Attraction	Multiple
#38	Omaka Aviation Heritage Centre - Stage 2	Tourism Attraction	Marlborough District
#58	High end/luxury lodge in the Marlborough vineyards	Visitor Accommodation	Marlborough District
#59	Tasman boutique lodge	Visitor Accommodation	Tasman District
#60	Hurunui boutique lodge	Visitor Accommodation	Hurunui District
#61	Fiordland hotel	Visitor Accommodation	Southland District
#62	Stewart Island high-end lodge	Visitor Accommodation	Southland District
#64	The Catlins high-end lodge	Visitor Accommodation	Clutha District
#173	Eco hotel accommodation in Arthur's Pass	Visitor Accommodation	Selwyn District
#174	Porters Ski Area gondola, spa & accommodation	Tourism Attraction	Selwyn District
#176	Mt Hutt expansion (trail network & snowmaking)	Tourism Attraction	Ashburton District

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#	Project Name	Type	Project Location (Primary TLA)
Tier 3 Projects			
#26	Kaikoura marine discovery centre	Tourism Attraction	Kaikoura District
#28	Te Wāhipounamu World Heritage Discovery Centre	Tourism Attraction	Southland District
#30	Wildlife discovery centre at Dunedin	Tourism Attraction	Dunedin City
#31	Waitaki geopark & geo-gastronomy experience	Tourism Attraction	Waitaki District
#32	Boulder Bank geotech all-weather interactive experience	Tourism Attraction	Nelson City
#34	Moonshine precinct redevelopment	Tourism Attraction	Gore District
#39	White Horse Precinct development (café, gondola, zip line, luge and zorbing)	Tourism Attraction	Waimate District
#40	Denniston Plateau Adventure Park (feasibility)	Tourism Attraction	Buller District
#41	Charleston Blue penguin viewing	Tourism Attraction	Buller District
#42	Shantytown Extension (feasibility)	Tourism Attraction	Grey District
#43	NZ Pounamu Museum & Cultural Heritage ventures	Tourism Attraction	Westland District
#46	Southland agri-tourism regional showcase centre	Tourism Attraction	Invercargill City
#47	Bluff Ferry Terminal tourism development hub	Tourism Attraction	Invercargill City
#48	Bluff Southern Marine Discovery Centre	Tourism Attraction	Invercargill City
#51	Gore equestrian centre with accommodation	Tourism Attraction	Gore District
#53	Lake Manapouri and Lake Te Anau water-based tourism product	Tourism Attraction	Southland District
#56	Stirling Point visitor experience enhancements	Tourism Attraction	Invercargill City
#63	Rakiura Coast to Coast cabin upgrades & marketing	Visitor Accommodation	Southland District
#65	Kaikoura serviced apartments (36 with retail complex)	Visitor Accommodation	Kaikoura District
#66	Development of Southland accredited farm stays	Visitor Accommodation	Southland District
#177	Repurposed historic building as boutique hotel	Visitor Accommodation	Timaru District
#7	Hanmer Springs - Kaikoura Great Walk development	Cycling and Walking	Hurunui District
#8	St James walkway extension (end at Hanmer Springs)	Cycling and Walking	Hurunui District
#9	Upgrade of the St James cycleway	Cycling and Walking	Hurunui District
#10	Waimate trails study	Cycling and Walking	Waimate District
#11	Kawatiri coastal trail (Westport to Charleston)	Cycling and Walking	Buller District
#12	Southern Paparoa Coal Heritage Trails	Cycling and Walking	Buller District
#13	Point Elizabeth track upgrades	Cycling and Walking	Grey District
#14	Lake Brunner trail	Cycling and Walking	Grey District
#15	Shantytown Heritage Park cycle loop	Cycling and Walking	Grey District
#16	West Coast Wilderness Trail extension	Cycling and Walking	Grey District
#33	Activation of the new Central Otago touring route	Tourism Attraction	Central Otago District
#35	Wheels to Waipara cycleway	Cycling and Walking	Hurunui District

#	Project Name	Type	Project Location (Primary TLA)
#44	Consolidated art gallery	Tourism Attraction	Invercargill City
#45	Reopen and upgrade Southland Museum	Tourism Attraction	Invercargill City
#49	Conservation HQ at Te Anau	Tourism Attraction	Southland District
#50	Dark skies interpretive centre (Raikura)	Tourism Attraction	Southland District
#52	Invercargill water tower attraction	Tourism Attraction	Invercargill City
#54	Maruawai precinct development (including distillery)	Tourism Attraction	Gore District
#55	Queens Park (Invercargill), Anderson Park (Invercargill) & Dolamore Park (Gore) Enhancements	Tourism Attraction	Invercargill City
#71	Walking/cycling improvements (City to harbour cycle/pedestrian connection & Dunedin Urban Cycleways)	Cycling and Walking	Dunedin City
#72	Walking/cycling improvements (Gore River Track)	Cycling and Walking	Gore District
#80	Walking/cycling improvements (Grovetown to Spring Creek Shared pathway)	Cycling and Walking	Marlborough District
#81	Walking/cycling improvements (SH6 Rocks Rd Offroad Shared Pathway)	Cycling and Walking	Nelson City
#82	Walking/cycling improvements (Maitai to Rocks Road Cycle Facility)	Cycling and Walking	Nelson City
#83	Walking/cycling improvements (Wakatipu Active Travel Network DBC)	Cycling and Walking	Queenstown-Lakes District
#84	Walking/cycling improvements (Queenstown Town Centre Pedestrianisation)	Cycling and Walking	Queenstown-Lakes District
#85	Walking/cycling improvements (SH 88 Cycling and Pedestrian Facilities)	Cycling and Walking	Dunedin City
#86	Walking/cycling improvements (SH6 SH8B SH8 Gibbston to Clyde Corridor Imps)	Cycling and Walking	Central Otago District
#87	Walking/cycling improvements (Wakatipu Walking/Cycling Network Improvements)	Cycling and Walking	Queenstown-Lakes District
#88	Walking/cycling improvements (Wakatipu Active Travel Network)	Cycling and Walking	Queenstown-Lakes District
#89	Walking/cycling improvements (Champion/Salisbury Intersection Improvements)	Cycling and Walking	Tasman District
#97	New Brighton hot saltwater pools	Tourism Attraction	Christchurch City
#102	Clutha Gold Trail extension (Lawrence to Waiholo)	Cycling and Walking	Clutha District
#107	Caversham Tunnel and Wingatui Tunnel cycleway connection	Cycling and Walking	Dunedin City
#119	Kaikoura to Peketa cycleway completion	Cycling and Walking	Kaikoura District
#124	Alps 2 Ocean Cycle Trail off-road section (Hayman Road) development	Cycling and Walking	Mackenzie District
#132	Picton walking trails upgrades	Cycling and Walking	Marlborough District
#135	Great Taste Trail cycleway link (Airport Rocks Road)	Cycling and Walking	Nelson City
#138	Maitai recreation hub (mountain biking)	Cycling and Walking	Nelson City
#146	Around the Mountains cycle trail stage 2	Cycling and Walking	Southland District
#156	Oamaru to Palmerston cycleway development	Cycling and Walking	Waitaki District
#163	Franz Josef cycle trail development	Cycling and Walking	Westland District
#170	Oparara Arches restoration and attraction	Tourism Attraction	Buller District
#171	Hokitika Gorge upgrades (walking track, road safety, amenities)	Cycling and Walking	Westland District
#172	Blackball Infrastructure (to meet the demand of Paparoa Great Walk Track)	Cycling and Walking	Grey District
#175	Walking/cycle track around Te Waihora Lake Ellesmere	Cycling and Walking	Selwyn District

Strategic Aim 5:

*Ngā Rohe - Improved infrastructure
to support the visitor economy*



Strategic Aim 5 Recommendations

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

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

As identified previously, the South Island’s tourism sector comprises primarily micro to small operators. The large majority of these are insufficiently resourced to undertake major development or investment in infrastructure. It is, therefore, important that government supports and funds larger-scale infrastructural projects as well as those which deliver significant benefits to the local community.

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

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

We recognise that a number of these projects may already be underway, with some at a pre-feasibility and planning phase and others already under construction. Further information is required from Councils particularly regarding project status.

Table 14 lists the 42 different recommendations that have been identified to assist in delivering on this Strategic Aim. The nature of these projects (being infrastructure development) means that the vast majority are publicly funded and driven projects. Further detail on the Tier 1 projects and building blocks are included further on in this section.

We recognise that a number of these projects may already be underway, with some at a pre-feasibility and planning phase and others already under construction. Further information is required from Councils particularly regarding project status.

Table 14: Strategic Aim 5 - Recommendations

#	Project Name	Type	Project Location (Primary TLA)
Tier 1 Projects & Building Blocks			
#1	Queenstown/Wanaka airport development	Airports	Queenstown-Lakes District
#17	Christchurch multi-use arena	Events and Stadium Facilities	Christchurch City
#191	South Island Telecommunications Strategy	Building Block - Strategy	All



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#	Project Name	Type	Project Location (Primary TLA)
Tier 2 Projects			
#5	Lyttelton Port cruise ship berth	Cruise Facilities & Marinas	Christchurch City
#20	Future-proofing Punakaiki (infrastructure & visitor centre)	Tourism Attraction	Buller District
Tier 3 Projects			
#6	Expansion of cruise vessel facilities at South Port (Bluff)	Cruise Facilities & Marinas	Invercargill City
#18	MLT Sports Complex development stage 4	Events and Stadium Facilities	Gore District
#117	Kaikoura conference facility	Events and Stadium Facilities	Kaikoura District
#2	Civil aviation training hub for Hokitika (feasibility)	Airports	Westland District
#3	Port Chalmers wharf upgrades	Cruise Facilities & Marinas	Dunedin City
#4	Stewart Island explorer vessel anchorage	Cruise Facilities & Marinas	Southland District
#19	Incorporate the Oamaru Marina and harbour area	Cruise Facilities & Marinas	Waitaki District
#22	Master planning for Bluff	Site Planning	Invercargill City
#69	West Coast: Low cost /low-risk improvements 2018-21	Roads	Buller District
#70	SH94 Milford Opportunities: Pre-implementation & detailed business case	Roads	Southland District
#73	Canterbury: Maintenance Operations and Renewals Programme 2018-21	Roads	Hurunui District
#74	Marlborough: Maintenance Operations and Renewals Programme 2018-21	Roads	Marlborough District
#75	Nelson: Maintenance Operations and Renewals Programme 2018-21	Roads	Nelson City
#76	Otago: Maintenance Operations and Renewals Programme 2018-21	Roads	Central Otago District
#77	Southland: Maintenance Operations and Renewals Programme 2018-21	Roads	Southland District
#78	Tasman: Maintenance Operations and Renewals Programme 2018-21	Roads	Tasman District
#79	West Coast: Maintenance Operations and Renewals Programme 2018-21	Roads	Westland District
#92	Signage (directional &/or interpretive)	Signage	Central Otago District
#96	Central city wayfinding signage	Signage	Christchurch City
#104	Improved directional signage (various tourist sites)	Signage	Clutha District
#109	Foreign language signage	Signage	Dunedin City
#113	General tourist signage enhancements	Signage	Hurunui District
#115	Kaikoura Airport upgrades	Airports	Kaikoura District
#118	South Bay Marina upgrades	Cruise Facilities & Marinas	Kaikoura District
#131	Gateway signage and freedom camping signage	Signage	Marlborough District
#134	Trafalgar Centre Theatre Enhancements	Events and Stadium Facilities	Nelson City
#137	Freedom camping signage	Signage	Nelson City
#140	Glenorchy Airstrip Management Plan	Airports	Queenstown-Lakes District
#143	Town centre signage	Signage	Queenstown-Lakes District

#	Project Name	Type	Project Location (Primary TLA)
#150	Small terminal at Rangiora Airport	Airports	Waimakariri District
#153	Multicourt indoor stadium	Events and Stadium Facilities	Waimakariri District
#157	Danseys Pass Road electronic status signage	Signage	Waitaki District
#159	Hokitika Airport Upgrades	Airports	Westland District
#161	Hokitika conference facility	Events and Stadium Facilities	Westland District
#162	Jackson Bay Wharf upgrades	Cruise Facilities & Marinas	Westland District
#166	Interpretive signage and public toilet signage	Signage	Westland District
#167	Cass Square events space upgrades	Events and Stadium Facilities	Westland District

Strategic Aim 6:

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



Strategic Aim 6 Recommendations

Strategic Aim 6: Tātou e Aotearoa me 5 tātou hapori - Strengthen the host community’s social license for tourism

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

While the majority of employment is driven by accommodation, food and beverage outlets, other hospitality providers and visitor attractions, the employment profile of the sector is diverse with transport providers, events, tour operators, galleries and museums, adventure and marine tourism creating and sustaining employment for people with differing skills and capabilities. Furthermore, due to the diverse nature of the

sector, tourism provides flexible employment opportunities that have the capacity to facilitate greater labour market participation.

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

Table 15 outlines the various recommendations that have been developed to assist in achieving Strategic Aim 6. While many of these projects are also infrastructure projects (and therefore strongly align with Strategic Aim 5), they have been included under this strategic aim because they are likely to assist in the reduction of congestion, provide additional parking and transport options which are likely to assist in helping to ease community concerns, particularly in areas which are tourism hot spots.

Further detail on the Tier 1 projects and building blocks are included further on in this section.

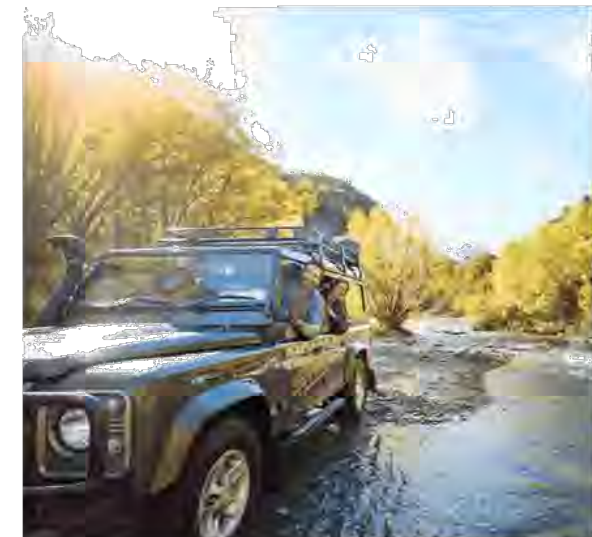


Table 15: Strategic Aim 6 - Recommendations

#	Project Name	Type	Project Location (Primary TLA)
Tier 1 Projects & Building Blocks			
#184	Freedom Camping Act amendment	Building Block - Policy	All
#185	P2P Accommodation policy (South Island-wide)	Building Block - Policy	All
#186	Tourism community awareness and engagement campaign	Building Block - Promotion	All
Tier 3 Projects			
#24	Wakatipu Basin Small Ferry Services Assessment	Public Transport (Ferry Services)	Queenstown-Lakes District
#68	Water taxi service/ferry network Assessment	Public Transport (Ferry Services)	Queenstown-Lakes District
#90	Car parking facilities at Clyde Historic Park and Cromwell	Parking	Central Otago District

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#	Project Name	Type	Project Location (Primary TLA)
#91	Facilities on public conservation lands	Parking	Central Otago District
#95	Car parking for performing arts precinct	Parking	Christchurch City
#101	Car parking near Jacks Bay Road	Parking	Clutha District
#106	Parking upgrades at various tourism hotspots (Papanui Inlet, Tunnel Beach)	Parking	Dunedin City
#111	Culverden car park upgrades	Parking	Hurunui District
#116	Car park upgrades at key tourist areas	Parking	Kaikoura District
#123	Car parking upgrades at Tekapo and Twizel	Parking	Mackenzie District
#128	Parking meters (additional)	Parking	Marlborough District
#141	Various parking upgrades (Mt Roy car park, Bennetts Bluff car park)	Parking	Queenstown-Lakes District
#142	Mt Roy car park upgrades	Parking	Queenstown-Lakes District
#151	Kairaki Beach parking upgrades	Parking	Waimakariri District
#155	Various new car parking facilities	Parking	Waitaki District
#160	Car parking upgrades at Hokitika CBD, the Gorge and Sunset Point	Parking	Westland District

The recommendations in more detail

Summary

191 recommendations have been identified, 176 of these being Development and Investment Projects and the remaining 14 being Building Block recommendations. These recommendations are tourism-focused and cover infrastructure, accommodation and attractions/experiences.

Figure 33 provides a summary of geographical dispersal of the recommendations identified and the range of those included, extending from airport infrastructure to tourism attractions to parking. It is important to note that because the Building Blocks are generally not location-specific (they are South Island-wide projects), they have not been physically mapped, but are included in the summary table.

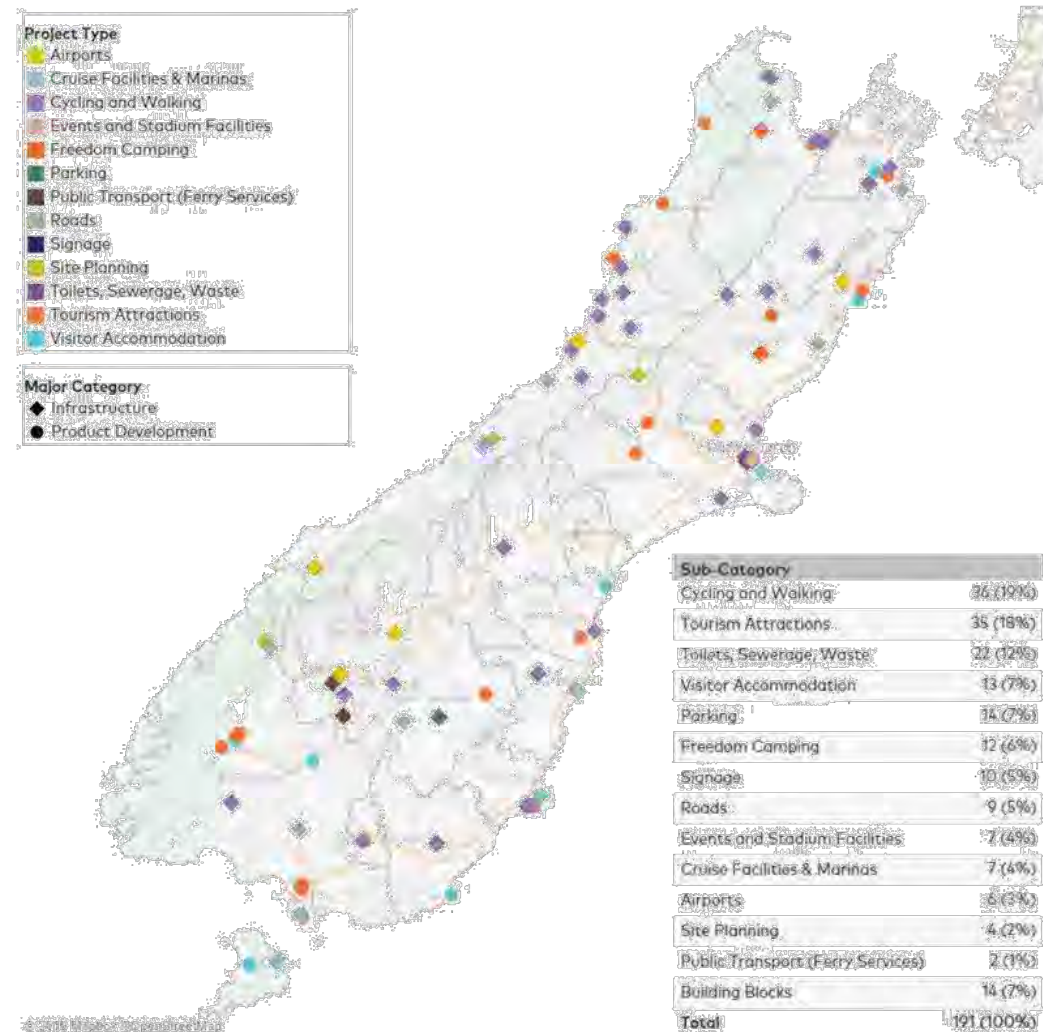
As a necessity, many of the recommendations identified are supply-led and are aimed at addressing issues constraining the South Island's tourism growth and/or social licence challenges.

The feasibility of the projects identified will need to be tested through more detailed analysis which was not possible within the scope of this DMP.

The sections which follow provide additional detail on the projects identified, including an outline of how projects have been ranked and the rationale for their ranking.

Further detail on each project has been provided further on.

Figure 33: Geographic spread of Development & Investment Projects



Prioritising the projects – assessment criteria for identifying the catalyst projects

To determine the priority recommendations, each recommendation was assessed against the criteria outlined in Table 16. Where possible, the assessment has utilised quantitative data (particularly for those projects where feasibilities or business cases have been developed). In the absence of such assessments, however, a qualitative assessment has been undertaken based on local knowledge, stakeholder consultation, professional experience and a general assessment of the perceived benefits.

It is important to note that this assessment matrix includes Development and Investment Projects only. The Building Blocks have not been included in the matrix assessment as they are considered important foundation recommendations that need to be implemented. They have, therefore, been manually assigned Tier 1 rankings.

Each project has been given a score for each of the 15 criteria identified. Some criteria have a greater weighting because of the stronger benefits they are likely to generate.

Table 16: Project ranking criteria

Criteria	Score	Description
Does it stimulate private investment	Yes = 10 No = 0	Projects which are more likely to attract private sector investment (regardless of the value of this investment) are ranked higher.
Is ongoing OPEX funding required from Govt.	Yes = 0 No = 5	If the project is likely to require ongoing government contributions to fund operating costs, it is ranked lower. If the project is likely to be commercially viable/sustainable, it is ranked higher.
Total Investment (Public & Private)	>\$100m = 10 >\$10m = 5 >\$10k = 1 None = 0	The size of investment – both public and private – to develop the project. The larger the investment, the higher the ranking, because of the various economic benefits able to be generated.
Likely level of visitor appeal	High = 6 Medium = 4 Low = 2 None = 0	The projects which are likely to have a stronger appeal to the visitor market are ranked higher than those which may generate lower visitor interest.
Uniqueness of product	High = 4 Medium = 2 Low = 1 None = 0	The uniqueness of the product is ranked according to whether it is unique across NZ (ranked higher), across the region, or whether the product is likely to be unique only to the specific area it is situated in (ranked lower).
Ability to stimulate off peak visitation	High = 5 Medium = 2.5 Low = 1 None = 0	Projects which have the potential to encourage visitation during non-peak periods (particularly winter months) are ranked higher.
Ability to encourage dispersal from the main tourist route	High = 5 Medium = 2.5 Low = 1 None = 0	The ability of the project to encourage visitors to travel to destinations which may not be on the traditional tourism route
Ability to grow visitor yield	High = 5 Medium = 2.5 Low = 1 None = 0	The ability of the project to increase visitor yield. Projects which are likely to encourage greater overnight stays (particularly in commercial accommodation) and those which introduce commissionable elements are ranked higher.
Ability to raise the profile of the region	High = 5 Medium = 2.5 Low = 1 None = 0	The ability of the project to grow the region's destination profile. Projects which may have stronger marketing budgets (particularly those run by larger tourism players), as well as highly unique product, are ranked higher.
Alignment with the NZ Tourism Strategy	High = 5 Medium = 2.5 Low = 1 None = 0	How strongly the project aligns with the New Zealand-Aotearoa Government Tourism Strategy.
Supports other economic sectors	High = 5 Medium = 2.5 Low = 1 None = 0	The project's positive impact on stimulating other economic sectors.
Ability to address host community concerns regarding tourism	High = 5 Medium = 2.5 Low = 1 None = 0	If the project is able to address host community concerns surrounding tourism, particularly with respect to congestion, traffic, rubbish, behaviour, environmental degradation etc.
Offers community recreational facilities & also benefits tourism	High = 3 Medium = 2 Low = 1 None = 0	The project's ability to cater to not only visitors but also the local community.
Ability to grow economic viability of region	High = 5 Medium = 2.5 Low = 1 None = 0	The project's positive impact on the region's economy.
Job generation estimate (once operational)	High = 3 Medium = 2 Low = 1 None = 0	The level of FTE employment generated once the project is operational. Particularly in regional parts of the South Island who are struggling to maintain/grow their resident population numbers.

Tier 1 recommendations

Full list of Tier 1 recommendations

Table 17 summarises the Tier 1 Catalyst Projects. These projects achieved a top-five score based on the ranking matrix (note there were some projects which achieved equal scores hence there may be more than five projects included) or are categorised as a Building Block recommendation.

Of the 21 Tier 1 Catalyst recommendations, 14 are Building Block recommendations, three are visitor accommodation projects, two are site planning projects (for Milford Sound and Franz Josef Glacier) and the remaining two are airport projects, event and stadium facilities.

It is important to note that the estimated investment amounts are purely indicative only (unless provided by a project proponent). Therefore, for many projects, the refined capital investment costs will not be known until feasibility studies and business cases are completed. This latter requirement was not possible within the scope of this DMP.

Table 17: Tier 1 catalyst recommendations

Rank	Project Name	TLA	Investment Type	Est. Private \$	Est. Public \$	Est. Total PPP \$	PPP Est. PPP Private \$	Est. PPP Public \$	Total Est. \$	Project Category
1st	#1 Queenstown/Wanaka airport development	Queenstown	PPP	\$0	\$0	\$500.0m	\$350.0m	\$150.0m	\$500.0m	Airports
2nd	#21 Milford Opportunities Project	Southland	PPP	\$0	\$0	\$700.8m	\$280.8m	\$420.0m	\$700.8m	Site Planning
3rd	#23 Franz Josef Glacier Development	Westland	PPP	\$0	\$0	\$341.3m	\$203.3m	\$138.0m	\$341.3m	Site Planning
4th	#17 Christchurch multi-use arena	Christchurch	Public	\$0	\$503.0m	\$0	\$0	\$0	\$503.0m	Events and Stadium Facilities
=5th	#25 Dunedin CBD hotel development	Dunedin	Private	\$50.0m	\$0	\$0	\$0	\$0	\$50.0m	Visitor Accommodation
=5th	#57 Nelson CBD hotel development	Nelson	Private	\$45.0m	\$0	\$0	\$0	\$0	\$45.0m	Visitor Accommodation
=5th	#67 Invercargill CBD hotel development	Invercargill	Private	\$46.9m	\$0	\$0	\$0	\$0	\$46.9m	Visitor Accommodation
=5th	#178 DMO Governance Structure	South Island	Public	\$0	\$0	\$13.0m	\$0	\$13.0m	\$13.0m	Building Blocks
=5th	#179 Bottom of the South Airport Strategy	South Island	Public	\$0	\$0	\$250k	\$0	\$250k	\$250k	Building Blocks
=5th	#180 Sub-regional destination branding projects	South Island	Public	\$0	\$0	\$240k	\$0	\$240k	\$240k	Building Blocks
=5th	#181 NZ Tourism operator database marketing push	South Island	Public	\$0	\$0	\$30k	\$0	\$30k	\$30k	Building Blocks
=5th	#182 Industry upskilling (digital)	South Island	Public	\$0	\$0	\$90k	\$0	\$90k	\$90k	Building Blocks
=5th	#183 Industry service quality upskilling	South Island	Public	\$0	\$0	\$90k	\$0	\$90k	\$90k	Building Blocks
=5th	#184 Freedom Camping Act amendment	South Island	Public	\$0	\$0	\$0	\$0	\$0	\$0	Building Blocks
=5th	#185 P2P Accommodation policy	South Island	Public	\$0	\$0	\$0	\$0	\$0	\$0	Building Blocks
=5th	#186 Tourism community awareness and engagement campaign	South Island	Public	\$0	\$0	\$120k	\$0	\$120k	\$120k	Building Blocks
=5th	#187 Tourism data solution	South Island	Public	\$0	\$0	\$500k	\$0	\$500k	\$500k	Building Blocks
=5th	#188 Cruise strategy and policy for Fiordland Sounds	South Island	Public	\$0	\$0	\$65k	\$0	\$65k	\$65k	Building Blocks
=5th	#189 i-SITE and visitor servicing strategy	South Island	Public	\$0	\$0	\$0	\$0	\$0	\$0	Building Blocks

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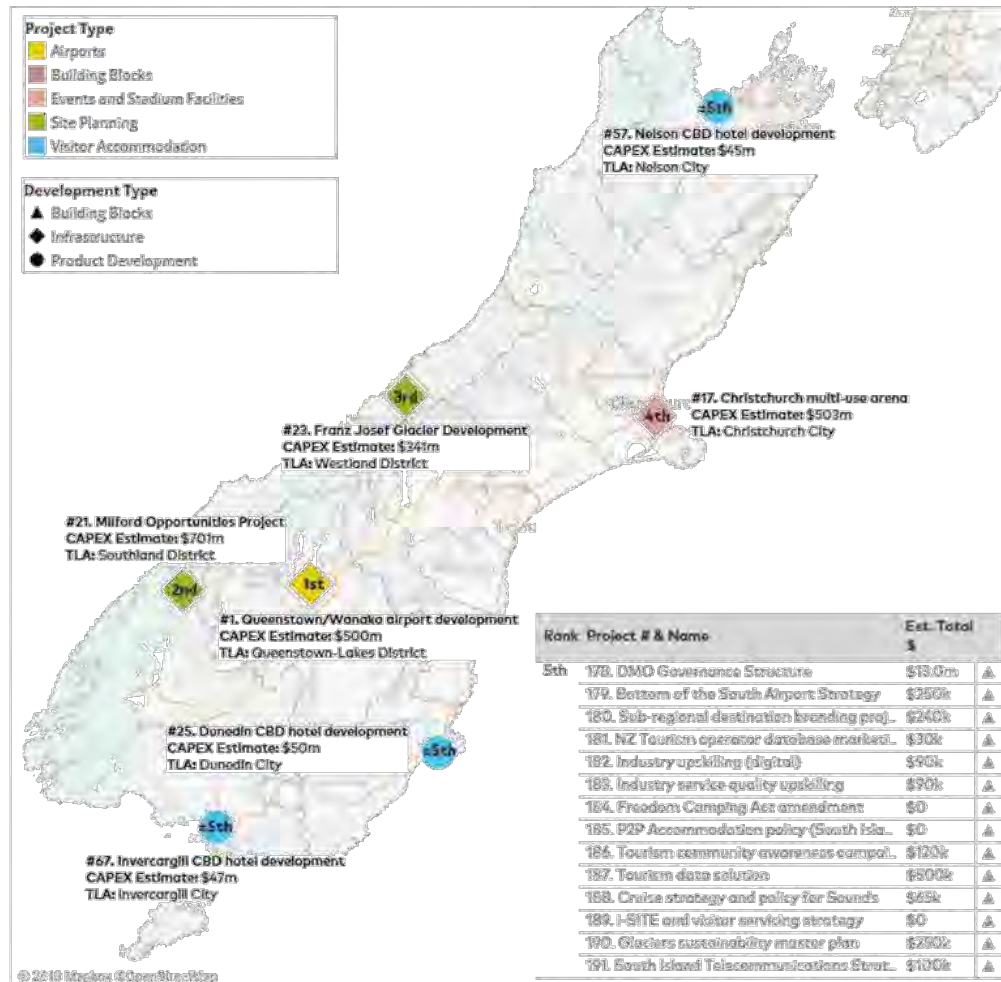


Rank	Project Name	TLA	Investment Type	Est. Private \$	Est. Public \$	Est. Total PPP \$	PPP Est. PPP Private \$	Est. PPP Public \$	Total Est. \$	Project Category
=5th	#190 Glaciers sustainability master plan	South Island	Public	\$0	\$0	\$250k	\$0	\$250k	\$250k	Building Blocks
=5th	#191 South Island Telecommunications Strategy	South Island	Public	\$0	\$0	\$100k	\$0	\$100k	\$100k	Building Blocks

Figure 34 spatially maps the Tier 1 Catalyst recommendations and demonstrates that they are distributed throughout the South Island. It also shows the Building Block recommendations are South Island-wide, rather than TLA-specific.



Figure 34 Location of Tier 1 Catalyst recommendations



Investment and Development Tier 1 Recommendations

The following sub-sections provide a more detailed explanation of the Tier 1 Investment and Development recommendations. They are based on research, consultation and analysis.

It is important to note that the estimated investment amounts are purely indicative only (unless provided by a project proponent). Therefore, for many projects, the refined capital investment costs will not be known until feasibility studies and business cases are completed. This latter requirement was not possible within the scope of this DMP.

+ Queenstown/Wanaka Airport Development

One of the Building Blocks identified is the need for a Bottom of the South Airport Strategy to determine ways to better utilise the number of existing airports which already exist. Interconnected with this is the need for a determination on whether to:

- expand the operating hours of Queenstown Airport to ensure ongoing inbound growth in domestic and international passenger arrivals can occur;
- expand and develop Wanaka Airport to allow the estimated 400k Wanaka domestic arrivals and departures to be accommodated outside of Queenstown Airport; and
- find an alternative airport site for the Queenstown-Lakes region to allow for future airport growth for the longer term.

As understood, engineering studies have already been undertaken on options for expanding Wanaka Airport to absorb the expected organic growth into Queenstown, but which is constrained by operating hours and other regulations. It is noted that there is an element of the community in Wanaka who are opposed to airport expansion their as well.

As the capacity constraint on Queenstown Airport is expected to be reached shortly, finding a longer-term and sustainable solution to handling further growth (locals and visitors) is crucial. Creating a win-win solution for all major stakeholders (businesses, community, government and visitors) is very challenging and may require the intervention of Central Government to determine an outcome.

The challenge with airport development is the length of time required to plan, consult, fund and develop an airport expansion or a new greenfield airport site. As understood, Queenstown Airport does not have the luxury of time, unless a do-nothing scenario is adopted, and this is not viewed as an acceptable by the major stakeholders.

+ Milford Opportunities Project

Milford Sound/Piopiotahi is New Zealand's premier visitor attraction and is a world-class iconic destination. It is located in part of New Zealand's largest National Park (Fiordland) and holds UNESCO World Heritage status.

In 2018, a record number of visitors – 946,000 - travelled to the iconic site and forecasts predict this may reach 1.2 million by 2023 and 2 million by 2035.

The Milford Opportunities Project is a response to the increasing pressures that Milford, Fiordland, and the wider tourism sector are experiencing. Increasing numbers and the opportunities for managing them is an issue that affects the environment, communities, and the economy. There is also a chance to create leveraging opportunities for Te Anau, Southland, and New Zealand Inc. The way visitors travel, particularly the trend away from the 'packaged bus tour' and towards greater numbers of Free Independent Travellers (FIT), has the potential to enable spreading the load from 'must-do' visitor hotspots to broader regional tourism where compelling product is offered.

The Milford Opportunities Project is led by a multi-agency team to find solutions for better managing visitor flows to Milford and to offer improved mechanisms for catering to forecasted visitor growth. It was established as a multi-agency project to look at how visitors are managed into the future at Milford Sound/Piopiotahi and along the Milford Road corridor.

It is important, however, that when looking at Milford opportunities, Milford is seen in its broadest context. The Milford experience is much more than just the activities that visitors can have in Milford Sound/Piopiotahi - the way people choose to travel there creates different opportunities along the way.

Milford Sound/Piopiotahi is seen as the key component of a larger footprint and therefore a larger suite of opportunities, including the Milford Road corridor and the greater Southland and Otago regions. And it raises important issues and options for the future role of key hubs such as Te Anau as well as other locations.

Finding solutions for Milford Sound/Piopiotahi may also offer guidance on how other New Zealand premier visitor attractions and sites can be future proofed for sustainable visitor growth and greater visitor management in the future.

+ Franz Josef Glacier Development

Fox and Franz Josef Glaciers are estimated to attract 800k visitors per annum, many coming to climb on the glaciers or helicopter/fly over them. More recently, Central Government has announced that the Fox Glacier road will be closed indefinitely after a report found it impractical to re-establish road access into the valley since its February closure.

The Glaciers are a key visitor attraction for the South Island, both as a major drawcard for the West Coast, and also as an important visitor spoke from Queenstown. The travelling circuit followed by many international visitors especially involves travelling from Christchurch to Queenstown or vice versa via the glaciers in Westland. Any reduction in access to the Glaciers could, therefore, have much wider regional implications for visitation to the West Coast in general and could put additional pressure on visitor flow patterns on Lake Tekapo and Aoraki Mount

Cook (which is the alternative route for many visitors travelling between Christchurch and Queenstown).

As understood, a number of development options are being considered for Franz Josef especially, to attempt to sustainably manage the visitor flows, especially with the road closure to Fox Glacier. Whatever is decided, finding mechanisms to better manage visitor flows and potential visitor growth within a highly challenging natural environment, will necessitate great care.

For the medium to longer-term, the implications of introducing new visitor management systems (taking into account The Alpine Fault and future seismic activity, ongoing natural climatic events such as major flooding etc) may necessitate identifying alternative visitor hubs and/or a cluster of experiences in and around other parts of Westland, to maintain the regional visitor economy which the glaciers and their supporting infrastructure have generated over many years within this region.

+ Christchurch Multi-Use Arena

The impact which the major new sporting and events arena will have on domestic visitor flows especially for Christchurch, can't be underestimated. Pre the 2011 major earthquake, Christchurch was the dominant visitor hub for major sporting and other events for the South Island. The earthquake destroyed the infrastructure which is now in the process of being redeveloped.

During the interim period, Dunedin has captured the major South Island sporting events and major concerts and other events through its existing infrastructure.

When the new Christchurch multi-use arena is operational this will support far stronger shoulder and low season visitation to Christchurch; in addition, it will generate a renewed level of competition from Dunedin major stadium/arena facilities especially, who will be keen to retain the major events they have secured past the

Christchurch earthquake. And there are other sporting facilities and arenas in other South Island destinations such as Invercargill who will also be keen to continue to grow their major event activity.

The expected net effect of the new Christchurch multi-use arena is likely to be significant domestic visitor growth back into Christchurch supported by the existing strong aviation connections from many South and North Island generating markets, and the strong and growing accommodation offering which Christchurch is able to offer. In turn, this is likely to impact domestic visitation especially for a number of destinations throughout the South Island who have been able to attract major sporting events and concerts etc to existing stadiums and arenas in the absence of competition from Christchurch. The vexed issue will be whether South Island cities with major stadia will be able to grow the number of sporting events and other major arena events to compensate for the additional event infrastructure which the new Christchurch Multi-Use Arena will provide.

+ Hotel developments at Dunedin, Nelson and Invercargill

A number of destinations throughout the South Island require new and/or updated commercial accommodation facilities to better meet the needs of current and future visitor markets and to strengthen these destinations as either existing or potential key visitor hubs for the future. The locations identified are all important aviation gateways and attract strong domestic visitation for various purposes along with international visitation.

The challenge with many of these suggested accommodation developments is that there is often insufficient current market demand to support new or expanded major commercial accommodation developments, yet the supply of new or upgraded hotel facilities would provide a key component to grow visitor

demand, from a supply-side perspective and encourage greater visitor dispersal and associated regional economic uplift. If one waits for demand to grow to reach a level to support new accommodation facilities, this may not occur for quite some time, if at all in some locations.

Yet the ability to grow, maintain and/or position locations as key destination hubs for the future, is predicated on having modern and appropriate commercial accommodation to support the leisure markets (especially structured tour groups), business travellers and those visiting for events and functions, the conference market and other important niche sectors.

Discussions with hotel marketers and investment intermediaries indicate that destinations outside of the major tourism hubs of Queenstown and Christchurch are challenged by higher seasonality fluctuations, impacting on achieved occupancy levels and overall profitability. These and other factors make it more difficult to often make commercial accommodation projects viable, for new and upgraded facilities.

High construction costs coupled with protracted approval delays and high costs associated with getting planning approvals through the Resource Management Act process and local council planning schemes, make tourism development more difficult in many regional locations and acts as a disincentive to many investors and developers.

Without new commercial accommodation facilities (either as major upgrades to existing stock or as additional new facilities) the ability to encourage greater visitor dispersal will be unduly constrained, and the development of proposed tourism hubs (to act as catalysts for new attractions and experiences and their associated investment) will be undermined.

Discussions with major accommodation sector operators indicate that potentially clustering a number of new hotels

and related accommodation facilities in various locations throughout the South Island, into a larger investment package, may provide a more appealing proposition and may, in turn, be more marketable to local investors (individuals and institutions) especially. This option could potentially be achieved if a number of TLAs were prepared to identify potential development sites, including the option of retrofitting heritage buildings where these can be repurposed for tourism purposes and are well located.

A well-coordinated and structured approach is required between TLAs, major hotel operators and key government agencies, to deliver a tourism investment framework which helps to de-risk hotel and commercial accommodation investment opportunities, particularly in regional locations and where greater visitor dispersal is keenly sought. Merely leaving this to the market to determine if and when to invest, will not support the desire of the Mayoral Forum and Central Government to actively encourage greater visitor dispersal so that more communities benefit from the uplift which the visitor economy is able to deliver, sustainably.

Building Block Tier 1 Recommendations

The following sub-sections provide a more detailed explanation of the Tier 1 Building Block recommendations.

+ Cruise strategy and policy for the Fiordland Sounds

Cruise ship operators run several itineraries which, as a headlining item, include the fiords and waters surrounding Fiordland National Park. These cruises venture into Milford Sound and many also travel into Doubtful Sound and Dusky Sound. There has been community concern raised regarding:

- cruising within this sensitive environmental area (particularly when cruise ships are coming from waters outside New Zealand and have the potential to bring diseased marine life with them);
- the limited economic benefit that is being derived from cruise ship passengers, particularly as, for many of the cruises, passengers do not disembark their cruise liners; and
- the small contribution (currently \$5.00 per pax) which cruise ship operators contribute to the maintenance, management and restoration of Fiordland National Park waterways.

There is a need to develop a cruise strategy and policy for Fiordland National Park to investigate the:

- full economic benefit generated from the cruise sector in Fiordland;
- level of environmental risk posed to ecosystems;
- full cost of monitoring and managing the activities of cruise vessels to environmental agencies;
- appropriateness and effectiveness of current government policies allowing cruise vessel access to Fiordland National Park; and

- how best to mitigate cruise vessel risk to the environment while allowing access to remain.



+ DMO Governance Structure

To adequately respond to current and future opportunities and challenges in the visitor economy, there is a need to rethink the way tourism is structured in the South Island. There is a need for tourism entities to shift from destination marketing to destination management. To deliver this, there is a need for more knowledge and capacity within these organisations.

To deliver a sustainable pragmatic outcome for the future, the following is recommended. It requires the establishment of a Destination Management Organisation (DMO).

DMO Role

The primary role of a DMO should be to:

- deliver a variety of services to support the sustainable growth of an integrated region's visitor economy;
- offer a one-stop-shop for enquiries from all stakeholders and external inquiries;
- ensure all elements of destination management are able to be delivered for an integrated region; and

- secure and maintain the social licence for tourism from the community while helping to strengthen tourism industry commercial viability throughout the region.

Core Functions

The core functions of a DMO, to deliver its primary role, will need to cover the following.

Communications & Media Liaison involving:

- providing PR and media coverage for the regional visitor economy (partnering with local tourism stakeholders);
- stakeholder liaison including with all TLAs within the region, central government agencies, industry, industry associations, local iwi and local/regional media channels; and
- community engagement to help maintain and improve where necessary, the social licence given for tourism.

Support Services involving:

- annual financial audit (contracted out where possible);
- financial management;
- HR and recruitment (contracted out where possible);
- OSH and all compliance requirements (contracted out where possible); and
- IT support (contracted out where possible).

Visitor Information Services involving:

- i-SITE network future enhancement requirements and potential remodelling;
- development and management of an integrated visitor services digital platform across the DMO region;
- inclusion of strong social media program; and
- development of an omnichannel visitor servicing model.

Destination Marketing Activity involving:

- digital marketing via website, apps etc but integrated for the DMP region;
- close liaison with local area initiatives;
- international leisure market campaigns;
- assessment and creation of domestic leisure market campaigns;
- major events DMO regional calendar and program;
- conventions and incentive program across the DMO region; and
- main liaison point for offshore international marketing activity with Tourism NZ.

Planning, Development and Destination Management involving:

- identifying and facilitating new product development throughout the DMO region;
- providing all key stakeholders and DMO funders with 6 monthly visitor economy impact results;
- monitoring environmental issues and impacts from tourism for the DMO region;
- facilitating and lobbying for priority supporting infrastructure projects;
- developing a tourism investment facilitation program and promoting this widely;
- ensuring regional enhancements for connectivity and accessibility via all modes of transport;
- data management for the DMO region including quarterly/six-monthly updates to all sub-regional areas on visitor trends and future forecasts;
- developing and maintaining a DMO regional product database (an online database freely available to industry, government, investors/developers and other stakeholders);
- creating a 6 monthly tourism investment and development monitor to cover all facets of public and private activity; and

- facilitation of 6 monthly tourism industry forums as both a dialogue session and to share market intelligence covering visitor trends, investment and product development trends etc.

What the DMO cannot be

The creation of a DMO model provides various benefits for regional tourism stakeholders, the foremost of which is the integration of product development, infrastructure and investment assessment and facilitation, policy development, a strong regional governance approach and a much stronger regional branding approach along with traditional areas of marketing.

It is a holistic approach to help better manage the visitor economy and achieve outcomes.

What the DMO model cannot become is as follows:

- another layer of regional governance structure over the top of RTOs;
- a large entity with too much budget attributed to staff costs and related overheads;
- if a transition model is adopted of 2-3 DMOs, these need to operate as a collaboration rather than in competition with one another;
- a DMO must be action-orientated and follow an agreed business plan with tangible measurable outcomes and outputs;
- a DMO must be staffed by skilled practitioners covering the various areas of expertise required; it cannot compromise on expertise;
- a DMO needs to deliver destination management outcomes which the vast number of RTOs are not set up to cover;
- a DMO has to work successfully with regional (in region and external) industry players, this must be a collaborative approach; and

- a DMO cannot be captured by local or regional political factions, pressure groups or related agendas; DMO activities need to be focussed on delivering visitor economy sustainable outcomes for the entire region.

The Impact on RTOs/EDAs

The DMO model deliberately covers off all areas of destination management while RTOs traditionally focus on destination marketing (advertising, promotions, etc.). It is neither practical nor cost-effective to assume RTOs can morph into DMOs, noting the much wider role and related skills base required, the difference in resourcing requirements, and the interaction of a DMO with a far wider range of government and private stakeholders involved in areas such as policy formulation and administration, infrastructure assessment and funding, private sector development and debt and equity funding of tourism and related sectors, and environmental, economic, social and cultural initiatives and their impacts.

Where EDAs currently perform an RTO joint role (along with a broader economic development role across all sectors of the local economy), the potential may exist to use an existing structure for a DMO, if and where all key stakeholders are in agreement.

For the DMO Central model, the current ChristchurchNZ tourism and economic development organisation model mirrors that of ATEED in Auckland; both being tourism, event and economic development agencies. It, therefore, may be possible for ChristchurchNZ to take on a DMO role, providing it has the support of all key stakeholders and the current entity doesn't see it as problematic taking on a far wider mandate of focus and resourcing.

In DMO North (Tasman, Nelson and Marlborough) tourism is primarily managed by the RTO in Marlborough and separately, the EDA which covers Tasman and Nelson.

Negotiation would be required to see if and how a smaller DMO for this region might be formed, either as a new standalone entity or as part of a reconstituted EDA possibly.

For DMO South, which includes the Dunedin EDA along with Great South (a joint EDA RTO based in Invercargill and covering Southland and Fiordland along with Rakiura), and Destination Queenstown (an RTO) amongst other southern area RTOs, the nature of the variety of current structures probably necessitates the formulation of a new DMO entity.

The major leisure destination and access hub in the region is Queenstown, with a strong RTO, well-resourced for marketing focussed initiatives. Finding a governance model which can work well for the entire region will need to consider the strength and dominance of Queenstown as the major leisure hub, while recognising the importance of other parts of the region, including the dominance of Dunedin as a business hub and along with Invercargill, being dominant event hubs.

The DMO Preferred Model

A single DMO for the entire South Island, with possibly 3 sub-regional offices geographically spread (DMO North Office, DMO South Office, DMO Central Office, with a head office possibly in Christchurch as the largest gateway into the South Island) or if preferred, a head office in Queenstown as the main tourism leisure hub, is considered the preferred model as it:

- helps minimise duplication and wastage of resources
- Offers a single agency DMO with a commensurate larger budget and resources to deliver a “whole of South Island” approach
- Still allows for local product and brand differentiation, and

- Provides a one-stop-shop for non-South Island stakeholders and interested parties to liaise with (central government agencies, financial and development institutions, onshore and offshore potential investors, airlines, cruise companies etc.).

The Interim DMO Option

An alternative is to look at an interim model for 3-5 years to help transition from the current destination marketing approach (via the South Islands 11 RTOs and 4 EDAs) to a fully integrated DMO model for destination management. This interim model could offer 3 DMOs, as previously indicated and which follow existing marketing relationships and brand differentiation. By way of example, the brand differentiation between the three DMO regions could reflect:

- DMO North = beaches, wineries, boating and art;
- DMO Central = alps, glaciers, plains and metropolis; and
- DMO South = fiords, adventure products, skiing and wildlife

The challenge of introducing an interim model is the risk that once established, it may be harder to get three DMOs to eventually merge into a single DMO entity for the South Island in the medium to longer term.

DMO Governance

It is important that the right board composition is achieved to enable all major stakeholders to be accommodated, without having a board which is too large. It is therefore suggested that the DMO board could comprise a number of representatives from key stakeholders such as:

- a senior representative of MBIE;
- a senior representative of TNZ;
- a senior representative of DOC;

- a senior representative of TIA;
- 2 members of the Mayoral Forum from Zone 5;
- 2 members of the Mayoral Forum from Zone 6;
- a senior airline representative;
- a senior airport company representative;
- a senior representative of the accommodation sector; and
- 2 senior representatives of different South Island Iwi.

Ideally, a board of 9-11 directors is considered to be more appropriate, but consideration may need to be given to creating a slightly larger board if all of the above representatives (13) needed to be included. Because this DMO option is a significant change in tourism governance and leadership for the South Island, having a wider representation around the board table to help bed in changes required, may be strategically useful.

As part of its social licence to encourage tourism activity and development from the community, it is suggested that there be a separate Community Consultative Committee (CCC) established of up to 12 community members for the purposes of providing feedback to the DMO on initiatives being undertaken. The CCC should be convened every 4 months (3 x per annum) and be managed through the DMO to provide secretariat services.

A separate South Island Industry Leaders Group (ILG) should be established to enable commercial initiatives to be discussed and feedback provided on a three-monthly basis (4 x per annum) and be managed through the DMO to provide secretariat services.

The ILG should comprise:

- a senior representative of a major airline;
- a senior representative of KiwiRail;
- a senior representative of a major bus/coach operator;



- a senior representative of a major motorhome/ campervan operator;
- 4 representatives from the accommodation sector with at least one from each of Queenstown and Christchurch;
- 2 senior airport company representatives; and
- a senior representative of the cruise industry.

Potential should also exist to second additional expertise to the board itself, the ILG and community consultative committee over time.

And a clear transition plan for establishing and implementing the DMO is required and communicated to all stakeholders prior to any implementation.

The DMO Board should ideally have at least two members also on the ILG to ensure a strong connection and synergy.

Whether a single DMO structure is created immediately or a 3 DMO model as an interim step, the quantum of funding should ideally be the same or very similar. It is recommended that a funding model be created which is a partnership between TLAs and central government based on similar levels of contribution. It is suggested that:

- an annual contribution of \$6m be provided from central government (with annual contributions CPI-adjusted) with guaranteed funding over the longer term;
- an annual contribution (\$7m) from all South Island TLAs on a matching basis or better with agreed guaranteed funding over the longer term and as part of the long term planning commitment of local government;
- the \$13m approx. be applied to leverage funding support from private sector partners for specific international and domestic marketing campaigns.
- funding above and beyond this could also be sought from airport companies, major industry operators and other strategic private sector partners, especially for marketing/promotional and product development campaigns.

Table 18 is indicative only and offered to illustrate a budget if there was one DMO for the South Island. Importantly, the budget needs to show that at least 60% or more of the budget is able to be applied as direct marketing and promotional spend rather than overhead costs.

Table 18: Single DMO indicative budget

Personnel Costs		\$ est.	% share
GM		\$300,000	2%
PA		\$75,000	1%
Administration Team	x 3	\$210,000	2%
Social Media Specialist		\$125,000	1%
Data - Research Analyst	x2	\$250,000	2%
Investment Analyst		\$150,000	1%
Marketing Manager		\$195,000	2%
Development Manager		\$195,000	2%
Marketing Team	x 5	\$450,000	3%
Product Development Analysts	x 2	\$250,000	2%
Policy Analyst		\$125,000	1%
Infra Specialist		\$125,000	1%
Accountant	x 2	\$200,000	2%
Salaries subtotal		\$2,650,000	20%
Staff On Costs	20%	\$530,000	4%
Operating Expenses		\$ est.	% share
Communication Expenses + Phones		\$200,000	2%
Equipment Leases (Laptops, Printers, Screens)		\$150,000	1%
Audit and Legal		\$60,000	0.5%
Electricity/services		\$40,000	0.3%
Cleaning of Facilities		\$12,000	0.1%
Insurance PC		\$25,000	0.2%
Ongoing Staff Training		\$5,000	0.04%
Miscellaneous/stationary etc.		\$10,000	0.08%
Domestic Travel		\$360,000	3%
International Travel		\$220,000	2%
Vehicles Leases	x 4	\$240,000	2%
Vehicle Running Costs		\$83,200	0.6%
Office Rent		\$180,000	1.4%
Operating Expenses subtotal		\$1,585,200	12%
Total Overheads subtotal		\$4,765,200	37%
Promotion + Research subtotal		\$ est.	% share
Marketing, Promotions & Advertising		\$7,080,000	55%
Investment/Development Facilitation		\$450,000	3%
Research		\$650,000	5%
Promotion + Research subtotal		\$8,180,000	63%
Total Annual Budget		\$12,945,200	100%
Required Funding Commitment			
Central Government		\$6,000,000	46%
TLAs		\$6,945,200	54%

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If the interim DMO model is to be introduced, an equitable mechanism for funding the three DMOs would be required, especially from amongst TLAs. The challenge is the disproportionate population base in DTO Central due to the impact of Christchurch and the 12 other TLA areas which comprise this region. With a much smaller population base, but a much higher ratio of industry operators and visitor spend etc, Queenstown would be disadvantaged if funding commitments were based on a per capita ratio.

The challenge with the 3 DMO model is also compounded if expert personnel need to be replicated across all three DMO structures, as this would significantly increase overall personnel salaries and their on-costs, which in turn would reduce the amount able to be applied into direct marketing and advertising spend. This is illustrated in the 3 DMO model presented in Table 19, which shares the same total budget as the single DMO model.

Funding above and beyond this could also be sought from airport companies, major industry operators and other strategic private sector partners, especially for marketing/promotional and product development campaigns.

Table 19: Three DMO indicative budget

Personnel Costs		DMO Central		DMO South		DMO North	
		\$ est.	% share	\$ est.	% share	\$ est.	% share
GM		\$300,000	5%	\$300,000	5%	\$200,000	7%
PA		\$75,000	1%	\$75,000	1%	\$75,000	3%
Administration Team	x 3	\$210,000	3%	\$210,000	3%	\$140,000	5%
Social Media Specialist		\$125,000	2%	\$125,000	2%	\$0	0%
Data - Research Analyst	x 2	\$250,000	4%	\$250,000	4%	\$125,000	4%
Investment Analyst		\$150,000	2%	\$150,000	2%	\$150,000	5%
Marketing Manager		\$195,000	3%	\$195,000	3%	\$160,000	6%
Development Manager		\$195,000	3%	\$195,000	3%	\$160,000	6%
Marketing Team	x4	\$360,000	6%	\$360,000	6%	\$270,000	9%
Product Development Analyst	x 2	\$250,000	4%	\$250,000	4%	\$125,000	4%
Policy Analyst		\$125,000	2%	\$125,000	2%	\$0	0%
Infra Specialist		\$125,000	2%	\$125,000	2%	\$0	0%
Accountant	x 2	\$200,000	3%	\$200,000	3%	\$125,000	4%
Salaries Subtotal		\$2,560,000	41%	\$2,560,000	41%	\$1,530,000	53%
Staff On Costs	20%	\$512,000	20%	\$512,000	20%	\$306,000	11%
Operating Expenses		\$ est.	% share	\$ est.	% share	\$ est.	% share
Communication Expenses		\$200,000	3%	\$200,000	3%	\$96,000	3%
Equipment Leases (laptops, Printers, Screens)		\$150,000	2%	\$150,000	2%	\$80,000	3%
Audit and Legal		\$60,000	1%	\$60,000	1%	\$20,000	1%
Electricity/services		\$40,000	1%	\$40,000	1%	\$8,000	0.3%
Cleaning Of Facilities		\$12,000	0.2%	\$12,000	0.2%	\$6,000	0.2%
Insurance PC		\$25,000	0.4%	\$25,000	0.4%	\$9,000	0.3%
Ongoing Staff Training		\$5,000	0.1%	\$5,000	0.1%	\$3,000	0.1%
Miscellaneous/stationary Etc.		\$10,000	0.2%	\$10,000	0.2%	\$5,000	0.2%
Domestic Travel		\$360,000	6%	\$360,000	6%	\$120,000	4%
International Travel		\$220,000	4%	\$220,000	4%	\$60,000	2%
Vehicles Leases		\$240,000	4%	\$240,000	4%	\$60,000	2%
Vehicle Running Costs		\$83,200	1%	\$83,200	1%	\$20,800	1%
Office Rent		\$180,000	3%	\$180,000	3%	\$60,000	2%
Operating Expenses Sub Total		\$1,585,200	25%	\$1,585,200	25%	\$547,800	19%
Total Overheads Sub Total		\$4,657,200	74%	\$4,657,200	74%	\$2,383,800	82%
Promotion + Research Subtotal		\$ est.	% share	\$ est.	% share	\$ est.	% share
Marketing,promotions,advertising		\$1,000,000	16%	\$1,000,000	16%	\$250,000	9%
Investment/development Facilitation		\$150,000	2%	\$150,000	2%	\$50,000	2%
Research		\$450,000	7%	\$450,000	7%	\$225,000	8%
Promotion Sub Total		\$1,600,000	26%	\$1,600,000	26%	\$525,000	18%
Total Annual Budget		\$6,257,200	100%	\$6,257,200	100%	\$2,908,800	100%
Required Funding Commitment							
Central Government		\$2,700,000	43%	\$2,700,000	43%	\$600,000	21%
TLAs		\$3,557,200	57%	\$3,557,200	57%	\$2,308,800	79%

+ Freedom Camping Act amendment

The challenges and, at times, community dissatisfaction with respect to Freedom Camping is not only limited to the South Island but have been experienced throughout New Zealand. As a result, a TLA-by-TLA solution is unlikely to address the challenge. Rather, a whole of South Island approach (or preferably all of New Zealand) is required.

The recommendation is to amend the Freedom Camping Act to change the onus to allow TLAs to determine if they want to have any Freedom Camping sites in their area and if they do, allowing them to charge for their maintenance and servicing. Rather than the current model where freedom camping is "permitted unless specifically prohibited," the legislation should be amended so that:

- freedom camping is *prohibited* unless expressly permitted by a council (so the intent of the Act changes);
- councils have the option to make provision for freedom camping in their area; and
- local authorities have a means of recouping the costs of providing freedom camping as a user pays service to cover infrastructure and servicing for maintenance, security etc.

It is understood that MBIE has convened a Responsible Camping Working Group to investigate mechanisms to support better behaviour by Freedom Campers and to improve the community perception of freedom camping. It is also understood that options such as colour coding areas throughout each TLA to designate areas where freedom camping is allowed and can be more easily controlled is favoured, and to apply this nationwide.

If a non-user pays solution is to be adopted (as per currently) with the ratepayer/taxpayer covering the cost of freedom camping, then the MBIE Responsible Working Group approach should be adopted.

However, if a need is seen to allow councils to determine whether they want freedom campers or not, and if they want to charge for site usage to cover operating costs (rather than the ratepayer/taxpayer having to cover this), then there is still a need to amend the Freedom Camping Act to change the onus and intent of the legislation.

Whether real or perceived, the issue of community social licence is intrinsically linked to high profile issues such as freedom camper use and degradation of sites, and community concerns over how their environment is treated and respected, or not, by freedom campers.

+ Industry upskilling (digital & service standards)

There is a need for the industry to upskill to better understand and apply social media and digital programming requirements, which offer more cost and time effective ways to reach a wider range of visitor markets.

Tourism agencies should be facilitating free training programs for all industry operators, on how to move into the digital space and to regularly monitor industry players to ensure change is occurring on a timely basis.

National tourism associations (TIA) and other industry associations often have numerous training and upskilling programs along with facilitators/trainers to support regional industry growth needs. A new DMO structure needs to be working with training associations and facilitators to regularly upskill industry to ensure digital literacy is improved.

+ Iwi Engagement Strategy

Although the vast bulk of the South Island comes under Ngāi Tahu and its various Iwi groups (Ngāti Wāwāe on the West Coast, by way of example), there are eight different Iwi across the top of the South Island including Ngāti Rārua, Ngāti Toa Rangatira Ki Wairau, Ngāti Tama, Te Āti Awa, Ngāti Koata, Ngāti Kuia, Ngāti Apa and Rangitāne.

Iwi has a key role to play in helping to differentiate sub-regional areas through visitor attractions, storytelling and development of Iwi based experiences and supporting infrastructure.

DOC, for example are wanting to develop a far closer working relationship with Iwi over how parts of the Conservation Estate are best marketed and developed (in tandem with local Iwi) to ensure cultural sites are protected and enhanced, and how wider understanding of the cultural importance and value of sites to local Iwi are better understood by both visitors markets and locals.

Iwi feedback has indicated the potential for Iwi specific opportunities associated with the following.

- Addressing freedom camping challenges through offering commercial user pays site options provided by local Iwi and/or other private sector providers.
- Developing collaborative landscape improvements with TLAs, DOC and Iwi as a partnership approach.
- Developing a conservation scorecard approach to environmental care as part of nature-based conservancy where Iwi can collaborate with DOC and other landowners/managers.
- Investigating the potential for historic and conservation-based tourism experiences associated with archaeological digs in various locations and which pre-date Māori.

- Developing an agree set of taonga tūturu protocols which all can follow and which both protect and enhance the understanding and appreciation of Taonga.
- The need for tourism stakeholders to offer genuine engagement and participation with tangata whenua including through the issuing of concession arrangements and licenses by government agencies and councils.
- Determining areas where tourism may need to be more tightly controlled or even not allowed to help protect, restore or conserve sensitive environments and for associated cultural reasons.
- Ensuring that Iwi stories are told by Iwi where there is agreement by Iwi for this to occur.
- Opportunities to assess the linkage between agriculture, horticulture and tourism where higher value-added productive sectors can be included with tourism to address challenges with seasonality etc.
- Opportunities associated with health and wellness and associated food technology, which also link to environmental sustainability outcomes for tourism.

A far stronger coordinated approach which aims to align the aspirations of Iwi with both government agencies (DOC, MBIE, TNZ, TIA, TLAs) and with industry players, would strengthen the possibilities for destination management achievement within the South Island.

+ P2P Accommodation policy (South Island-wide)

As demonstrated in the accommodation audit undertaken, peer-to-peer (P2P) accommodation properties are noted as providing an important component of the accommodation mix for the South Island, however, it is also important to recognise that they do bring a number of challenges as well.

The South Island would benefit from a policy to guide the growth and direction of the sector. The following factors should be considered as part of an overarching policy.

- P2P accommodation properties often offer accommodation over limited peak periods of the year (2-4 weeks) which is useful to help meet market demand but often for very limited periods only.
- They do, however, make it harder for major new hotel and other commercial accommodation feasibilities to be commercially viable by reducing market demand and appearing to offer adequate supply though it is intermittent at best and hard to model with accuracy.
- P2P accommodation properties also do not offer a collective for helping to promote events and functions; they are all separate and generally fragmented.
- There is a lack of quality control of P2P accommodation properties generally.
- There is often a lack of accountability, with concern at times over the lack of rules and regulations controlling areas such as food hygiene etc.
- When offered as part of an apartment complex, with mixed ownership, there are examples of conflict between P2P accommodation users having parties and using an apartment or house with little respect for neighbours re noise, disturbances etc.
- Most councils have no effective bylaws to deal with P2P accommodation users and problems occurring.
- Body corporate boards and strata management companies have often found no way to prevent some of these problems from continuing to occur.

To address the issues associated with P2P accommodation and to ensure that local community social licence for tourism is maintained if not enhanced, consideration may need to be given to:

- All P2P accommodation properties and owners to be registered with their local/district councils with

effective penalties able to be applied for those property owners who breach this requirement.

- A set of operating guidelines to help minimise the risk of noise and related disturbances occurring.
- A set of bylaws which allow councils and, where necessary, the police, to close P2P properties where sufficient ground exist to support this.
- A determination of the maximum number of guests able to be staying overnight at any one time.

+ Tourism data masterplan

Data insights provide direction to decision-making, development, behaviour and policies and they contribute to garnering support. Existing data sources for tourism are often fragmented, incomplete and outdated. There is a need for an up-to-date, complete and comprehensive data source for tourism, not only in the South Island but in New Zealand generally which builds on existing progress that has been made in the tourism data space.

To deliver a cost-effective and long-term functional outcome, a data master-planned approach is recommended. In practical terms, this should cover the following.

- Ensure that it builds on existing progress which has been made in the tourism data space.
- Includes a single joined-up tourism data system available to everyone which can offer both quantitative and qualitative data and survey material.
- Includes an optimised data system which includes administrative data (cellular data and electronic card data) and survey data.
- Data should be internally consistent and segmentable by age & gender, the origin of visitors and travel purpose.
- Use of administrative data for basic measures and survey data for opinions and attribute overlay.

- Ensure that it takes a long-term view to build trend analysis and allow for forecasting and that tourism data is viewed as an investment, not a cost. Poor quality data will cost NZ much more in the long run than good quality data.

Funding and procurement processes should be aligned with these outcomes.

+ Tourism Employment Strategy

Sustainably growing and enhancing the South Island’s visitor economy will necessitate human resource capacity building and ensuring an available and well-trained workforce able to be accessed. To achieve this will require improving the tourism (which includes hospitality) sector’s ability to:

- attract and retain labour through better workforce planning;
- develop innovative recruitment initiatives; and
- offer improved training and career path opportunities.

Because this is a South Island-wide challenge (and even more broadly, a New Zealand-wide challenge), a TLA-by-TLA solution is unlikely to be able to offer a meaningful and sustainable solution. It is, therefore, recommended that a South Island-wide Tourism Employment Plan be developed which provides the following.

- South Island-specific data on the tourism and hospitality employment gap which already exists.
- Identification of the key issues in growing the tourism and hospitality workforce throughout the South Island.
- A series of industry-led steps focused on labour supply and skills development, designed specifically for the tourism/hospitality sector to alleviate its labour and skills issues.

- identification of government-led solutions which can alleviate skills and shortage gaps. This includes the assessment of working holiday visa programmes etc.

The Tourism Employment Plan needs to be a call to action and immediate, as the problem already exists and is a deterrent for allowing greater visitor dispersal and growth. There is a risk that, without a concerted effort at the regional level to increase the capacity and capability of the workforce, the employment shortfall in the sector could compromise the quality of tourism/hospitality services and products offered in the South Island.

+ i-SITE and visitor servicing strategy

There is currently work being undertaken by i-SITE New Zealand looking at the role of i-SITES going forward. This is being undertaken because of the recognition that the travel cycle and the way visitors plan/book trips has shifted and that i-SITES need to adapt to maintain relevancy to the needs of visitors.

To avoid duplication of this work, it is recommended that once the outcomes from this review are received in early 2020, that the South Island i-SITES align with the recommendations provided for this DMP.



+ NZ Tourism operator database marketing push

As noted previously, Tourism NZ offers a tourism operator database which provides tourism industry operators with the opportunity to be listed on Newzealand.com. However, only some tourism operators are listed on this. Many smaller operators have not yet self-listed their business.

From the consultation completed as part of this DMP, there appears to be limited awareness at the local/regional level of the Tourism New Zealand operator database; its purpose; the fact that its free; its potential market reach and how operators can get themselves listed.

There is a need for a far greater push from a local/regional tourism level to promote the importance of the operator database. This should be a task undertaken via the proposed DMO(s) structure.

+ Regional destination branding projects

While one South Island DMO has been recommended in this DMP as the tourism structure in the South Island going forward, this does not reflect a need for one overarching destination brand. There is strength in having a series of regional brands which help reflect the difference of regional areas.

It is, therefore, suggested that a series of regional brands be created by the DMO to assist TLAs and industry in regional areas to work collaboratively to deliver a strong and coordinated marketing message.

Regional destination branding projects should also look to focus more strongly on the domestic (Kiwi) visitor market.

+ Bottom of the South Airport Strategy



There are challenges with some airports in the bottom of the South Island relating to capacity constraints for some (Queenstown, Milford) and the need for greater market demand for others (Invercargill, Dunedin, Te Anau-Manapouri).

There are challenges associated with finding acceptable solutions for airports such as Queenstown which are nearing capacity under its current operating agreement for hours of operation, noise levels etc.

The option of expanding Wanaka Airport to help take some of the domestic load off Queenstown and to free up more slots for international flights especially is being investigated.

There are also options being considered to relocate Queenstown Airport to sites close to Cromwell.

With the bottom of the south having a variety of existing airports and much speculation occurring on options for a number of these, it may be prudent to undertake a strategy which identifies longer-term airport passenger

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and freight traffic demand for the wider region and which allows for the various options to be appropriately assessed and compared in a wider context. There are likely to be some options which are just unfeasible because of drive times, locational constraints, inclement weather conditions etc. In the interim, the options generate much speculation in the absence of a robust assessment which offers a comparative analysis of all options for the longer term.

Within this context, one also needs to note that different public and private entities own some of these airports separately and/or in partnerships, so a strategic solution may not always easily align with a commercial solution preferred by current owners of these major assets.

+ South Island Telecommunications Strategy

It is understood that the South Island has a number of locations where the provision of telecommunications services (including mobile phone coverage, Wi-Fi and broadband internet) is limited. This is particularly problematic for locations which receive strong levels of visitation such as at Milford Sound and Franz Josef and Fox Glaciers.

Additionally, the lack of internet connectivity is noted as a challenge in encouraging more tourism operators to promote their products digitally.

While improving telecommunications overall is primarily a Central Government focus, it is suggested that the TLAs collectively develop a Telecommunications Strategy for the South Island which focuses on and prioritises major visitor "blackspots" and the cost of remediating these be determined.

⁶⁵ Fox Glacier road to remain closed indefinitely, NZ Herald, 26 August 2019, https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12261550

+ Glaciers sustainability master plan



Franz Josef and Fox Glaciers are an iconic New Zealand tourism product, attracting over 800,000 visitors each year.

As noted in the Tai Poutini West Coast Economic Development Action Plan, "Franz Josef has long had issues with flooding from the Waiho River to the south of the township and faces potentially serious consequences in the event of a major earthquake on the Alpine Fault, which runs through the centre of the township. Although infrastructure improvements continue to be made (e.g., stop bank repairs, raising of the bridge over the Waiho River), these are noted as only temporary measures."⁶⁴

In addition to challenges with Franz Josef Glacier, it was recently announced that the access road to Fox Glacier "will remain closed indefinitely after a report found it impractical to re-establish road access into the valley since its February closure", with the required upgrade works estimated at \$16 million.⁶⁵



Because of the significance of both glaciers in the South Island tourism product mix, there is a need to develop a sustainability master plan focused on the following.

- Assessing the likelihood and impact of hazards (alpine fault and flooding etc.) and identifying the costs and benefits of potential infrastructure improvements, including for the roading network. This will enable the development of options for managing the hazard risks and catering for Franz Josef’s future growth. This will then result in recommendations for infrastructure improvements and potential funding mechanisms.
- Determining sustainable options for visitation to the glaciers and the options for encouraging private sector development (attractions, retail, accommodation etc.) to support these major visitor icons or alternatives to this.

+ Tourism community awareness and engagement campaign

In some areas throughout the South Island, there may be an increasing community understanding of the benefits tourism brings to communities, but there are still many (including policymakers, the business community and the general public) who are yet to appreciate the significance of the tourism sector and why it needs stronger support. Because community support, or lack of it, can have a significant impact on the success or failure of a tourist destination, awareness-raising activities about the sector’s importance, will play a crucial role in the future sustainable development of the sector throughout the South Island.

This is particularly important given some of the negative exposure the sector has recently had in New Zealand’s media⁶⁶ and the potential impact this has had, on aspects such as the social licence from the community for tourism, either real or perceived.

There is a need to develop a tourism awareness campaign to promote that “tourism is everyone’s business”. This should demonstrate:

- how the tourism dollar disperses through the economy (this could be demonstrated in terms such as how many loaves of bread, hamburgers, newspapers, cups of coffee and litres of fuel etc. are purchased by visitors on any given day; a large figure such as the quantum of tourism GDP, does not provide the information needed to illustrate its impact to local businesses and their suppliers);
- the wide number of businesses that benefit from tourism and highlighting that this does not just include traditional tourism sectors (for example, accommodation providers), but extends to almost every sector including service stations, transport providers, manufacturers, health providers etc; and
- why council/ratepayer funding is justified and required to maximise returns to the South Island’s communities via economic, social and infrastructure benefits.

While the campaign needs to be undertaken across the South Island, it also is important that it is tailored to the various communities around the South Island which have different needs and challenges with the sector. It may be possible to administer the campaign through the South Island DMO (recommended in this DMP) but design and deliver the campaign utilising regional and local identities.

Additionally, in order to deliver the campaign across a large area such as the South Island, it may be more feasible to segment the South Island into areas including priority areas where the social licence for tourism is viewed as being particularly under threat (real or perceived) and where the campaign should be initially focused. Based on feedback and research completed for this DMP these areas might include Queenstown, Wanaka, Lake Tekapo and Stewart Island, amongst others.

⁶⁶ By way of example: 1. <https://www.stuff.co.nz/travel/news/115520007/100-pure-crowds-is-overtourism-ruining-new-zealands-gems>; 2. [https://www.stuff.co.nz/travel/news/112939359/new-zealand-included-on-global-](https://www.stuff.co.nz/travel/news/112939359/new-zealand-included-on-global-map-of-places-suffering-overtourism)

[map-of-places-suffering-overtourism](https://www.stuff.co.nz/travel/destinations/nz/112978824/does-new-zealand-have-too-much-tourism); 3. [https://www.stuff.co.nz/travel/destinations/nz/112978824/does-new-zealand-](https://www.stuff.co.nz/travel/destinations/nz/112978824/does-new-zealand-have-too-much-tourism)

[have-too-much-tourism](https://www.travelandleisure.com/travel-news/new-zealand-tourist-tax-to-combat-overtourism); 4. <https://www.travelandleisure.com/travel-news/new-zealand-tourist-tax-to-combat-overtourism>

Tier 2 recommendations

Table 20 provides a summary of the Investment and Development projects which achieved a Tier 2 ranking (6th – 15th).

16 projects are classified as Tier 2, comprising 8% of the recommendations identified in this DMP.

These recommendations are dispersed across 11 TLAs, with some TLAs having more than one project with a Tier 2 ranking.

Of the Tier 2 projects identified, the majority are tourism attractions, comprising 50% of the recommendations identified, followed by visitor accommodation projects (38%).

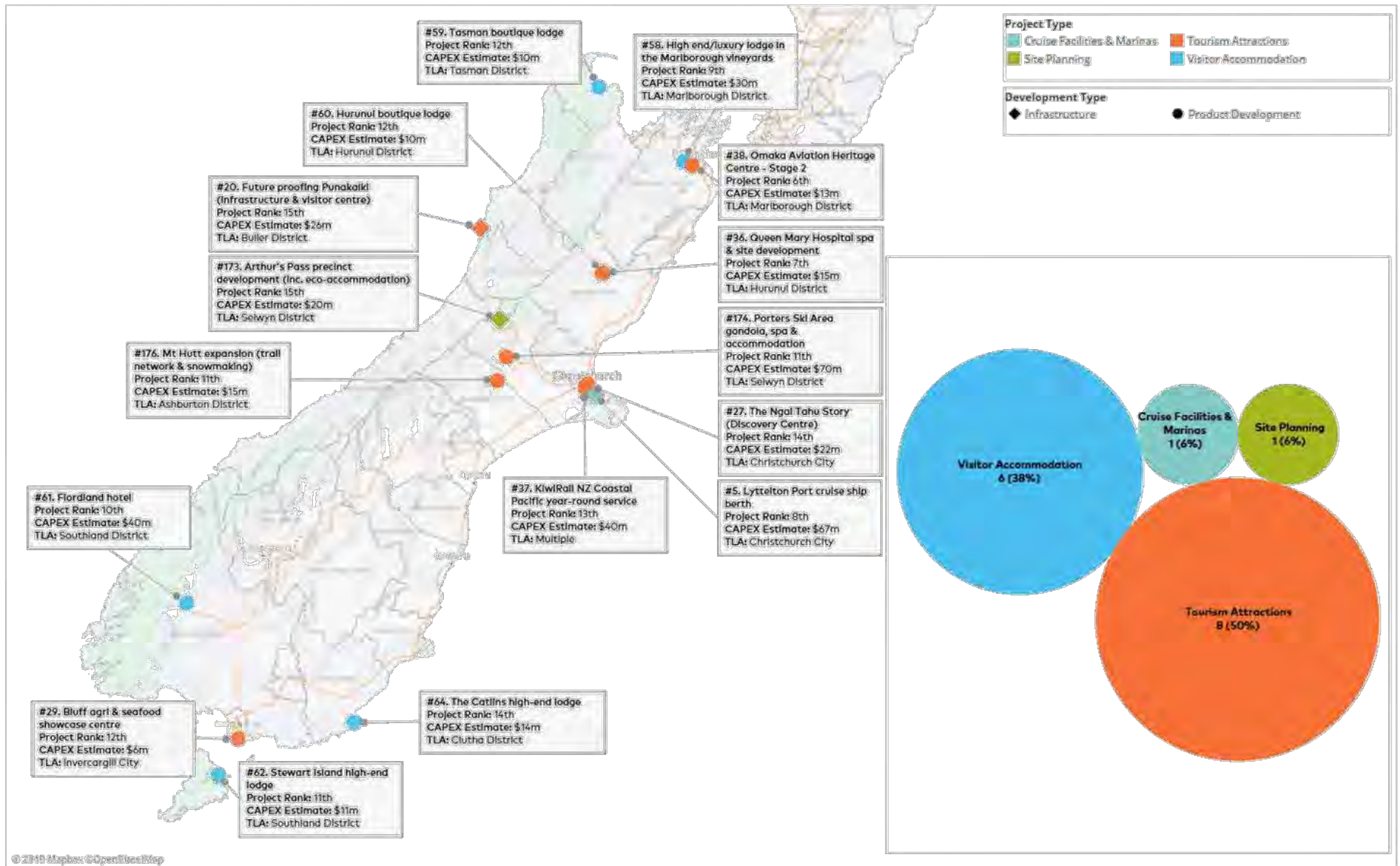
Figure 35 on the following page spatially maps the Tier 2 recommendations and shows their distribution amongst South Island TLAs.

It is important to note that the estimated investment amounts are purely indicative only (unless provided by a project proponent). Therefore, for many projects, the refined capital investment costs will not be known until feasibility studies and business cases are completed. This latter requirement was not possible within the scope of this DMP.

Table 20: Tier 2 recommendations

Rank	Project Name	TLA	Investment Type	Est. Private \$	Est. Public \$	Est. Total PPP \$	PPP Est. PPP Private \$	Est. PPP Public \$	Total Est. \$	Project Category
6th	#38 Omapa Aviation Heritage Centre - Stage 2	Marlborough	Private	\$13.0m	\$0	\$0	\$0	\$0	\$13.0m	 Tourism Attraction
7th	#36 Queen Mary Hospital spa & site development	Hurunui	PPP	\$0	\$0	\$15.0m	\$13.5m	\$1.5m	\$15.0m	 Tourism Attraction
8th	#5 Lyttelton Port cruise ship berth	Christchurch	Public	\$0	\$67.0m	\$0	\$0	\$0	\$67.0m	 Cruise Facilities & Marinas
9th	#58 High end/luxury lodge in the Marlborough vineyards	Marlborough	Private	\$30.0m	\$0	\$0	\$0	\$0	\$30.0m	 Visitor Accommodation
10th	#61 Fiordland hotel	Southland	Private	\$40.0m	\$0	\$0	\$0	\$0	\$40.0m	 Visitor Accommodation
11th	#62 Stewart Island high-end lodge	Southland	Private	\$11.3m	\$0	\$0	\$0	\$0	\$11.3m	 Visitor Accommodation
11th	#174 Porters Ski Area gondola, spa & accommodation	Selwyn	Private	\$70.0m	\$0	\$0	\$0	\$0	\$70.0m	 Tourism Attraction
11th	#176 Mt Hutt expansion (trail network & snowmaking)	Ashburton	Private	\$15.0m	\$0	\$0	\$0	\$0	\$15.0m	 Tourism Attraction
12th	#29 Bluff agri & seafood showcase centre	Invercargill	PPP	\$0	\$0	\$5.5m	\$1.7m	\$3.9m	\$5.5m	 Tourism Attraction
12th	#59 Tasman boutique lodge	Tasman	Private	\$10.0m	\$0	\$0	\$0	\$0	\$10.0m	 Visitor Accommodation
12th	#60 Hurunui boutique lodge	Hurunui	Private	\$10.0m	\$0	\$0	\$0	\$0	\$10.0m	 Visitor Accommodation
13th	#37 KiwiRail NZ Coastal Pacific year-round service	Christchurch	Public	\$0	\$40.0m	\$0	\$0	\$0	\$40.0m	 Tourism Attraction
14th	#27 The Ngāi Tahu Story (Discovery Centre)	Christchurch	Private	\$22.0m	\$0	\$0	\$0	\$0	\$22.0m	 Tourism Attraction
14th	#64 The Catlins high-end lodge	Clutha	Private	\$13.5m	\$0	\$0	\$0	\$0	\$13.5m	 Visitor Accommodation
15th	#20 Future proofing Punakaiki (infrastructure & visitor centre)	Buller	PPP	\$0	\$0	\$25.6m	\$9.0m	\$16.6m	\$25.6m	 Tourism Attraction
15th	#173 Arthur's Pass precinct development (inc. eco-accommodation)	Selwyn	PPP	\$12.0m	\$8.0m	\$0	\$0	\$0	\$20.0m	 Site Planning

Figure 35: Location of Tier 2 recommendations



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Tier 3 recommendations

Table 21 summarises the 154 projects which achieved a Tier 3 ranking (ranked 16th or greater). The Tier 3 projects are distributed throughout 22 TLAs. It is important to note that the estimated investment amounts are purely indicative only (unless provided by a project proponent). Therefore, for many projects, the refined capital investment costs will not be known until feasibility studies and business cases are completed. This latter requirement was not possible within the scope of this DMP.

Table 21: Tier 3 recommendations

Rank	Project Name	TLA	Investment Type	Est. Private \$	Est. Public \$	Est. Total PPP \$	PPP Est. PPP Private \$	PPP Est. PPP Public \$	Total Est. \$	Project Category
16th	#65 Kaikoura serviced apartments (36 with retail complex)	Kaikoura	Private	\$20.0m	\$0	\$0	\$0	\$0	\$20.0m	Visitor Accommodation
17th	#31 Waitaki geopark & geo-gastronomy experience	Waitaki	PPP	\$0	\$0	\$450k	\$195k	\$315k	\$450k	Tourism Attraction
17th	#48 Bluff Southern Marine Discovery Centre	Invercargill	PPP	\$0	\$0	\$18.0m	\$9.0m	\$9.0m	\$18.0m	Tourism Attraction
17th	#56 Stirling Point visitor experience enhancements	Invercargill	PPP	\$0	\$0	\$9.0m	\$1.8m	\$7.2m	\$9.0m	Tourism Attraction
18th	#39 White Horse Precinct development (café, gondola, zip line, luge and zorbing)	Waimate	PPP	\$0	\$0	\$40.0m	\$32.0m	\$8.0m	\$40.0m	Tourism Attraction
18th	#46 Southland agri-tourism regional showcase centre	Invercargill	PPP	\$0	\$0	\$10.0m	\$2.0m	\$8.0m	\$10.0m	Tourism Attraction
19th	#6 Expansion of cruise vessel facilities at South Port (Bluff)	Invercargill	Private	\$10.0m	\$0	\$0	\$0	\$0	\$10.0m	Cruise Facilities & Marinas
20th	#177 Repurposed historic building as boutique hotel	Timaru	PPP	\$0	\$0	\$25.0m	\$22.5m	\$2.5m	\$25.0m	Visitor Accommodation
21st	#40 Denniston Plateau Adventure Park (feasibility)	Buller	Public	\$0	\$120k	\$0	\$0	\$0	\$120k	Tourism Attraction
22nd	#26 Kaikoura marine discovery centre	Kaikoura	Private	\$7.5m	\$0	\$0	\$0	\$0	\$7.5m	Tourism Attraction
22nd	#28 Te Wāhipounamu World Heritage Discovery Centre	Southland	PPP	\$0	\$0	\$7.5m	\$1.5m	\$6.0m	\$7.5m	Tourism Attraction
22nd	#30 Wildlife discovery centre at Dunedin	Dunedin	Public	\$0	\$8.5m	\$0	\$0	\$0	\$8.5m	Tourism Attraction
23rd	#63 Rakiura Coast to Coast cabin upgrades & marketing	Southland	Private	\$450k	\$0	\$0	\$0	\$0	\$450k	Visitor Accommodation
24th	#32 Boulder Bank geotech all-weather interactive experience	Nelson	Public	\$0	\$7.5m	\$0	\$0	\$0	\$7.5m	Tourism Attraction
24th	#66 Development of Southland accredited farm stays	Southland	Private	\$100k	\$0	\$0	\$0	\$0	\$100k	Visitor Accommodation
25th	#47 Bluff Ferry Terminal tourism development hub	Invercargill	PPP	\$0	\$0	\$12.0m	\$5.4m	\$6.6m	\$12.0m	Tourism Attraction
25th	#53 Lake Manapouri and Lake Te Anau water-based tourism product	Southland	Private	\$450k	\$0	\$0	\$0	\$0	\$450k	Tourism Attraction
26th	#18 MLT Sports Complex development stage 4	Gore	Public	\$0	\$55k	\$0	\$0	\$0	\$55k	Events & Stadium Facilities
27th	#117 Kaikoura conference facility	Kaikoura	Public	\$0	\$10.0m	\$0	\$0	\$0	\$10.0m	Events & Stadium Facilities
28th	#34 Moonshine precinct redevelopment	Gore	Public	\$0	\$2.1m	\$0	\$0	\$0	\$2.1m	Tourism Attraction
28th	#43 NZ Pounamu Museum & Cultural Heritage ventures	Westland	PPP	\$0	\$0	\$6.5m	\$1.3m	\$5.2m	\$6.5m	Tourism Attraction
29th	#41 Charleston Blue penguin viewing	Buller	Public	\$0	\$300k	\$0	\$0	\$0	\$300k	Tourism Attraction

Rank	Project Name	TLA	Investment Type	Est. Private \$	Est. Public \$	Est. Total PPP \$	PPP Est. PPP Private \$	Est. PPP Public \$	Total Est. \$	Project Category
30th	#42 Shantytown Extension (feasibility)	Grey	Public	\$0	\$75k	\$0	\$0	\$0	\$75k	Tourism Attraction
30th	#51 Gore equestrian centre with accommodation	Gore	PPP	\$0	\$0	\$4.0m	\$1.4m	\$2.6m	\$4.0m	Tourism Attraction
31st	#161 Hokitika conference facility	Westland	Public	\$0	\$9.0m	\$0	\$0	\$0	\$9.0m	Events & Stadium Facilities
32nd	#54 Maruawai precinct development (including distillery)	Gore	PPP	\$0	\$0	\$7.5m	\$3.4m	\$4.1m	\$7.5m	Tourism Attraction
33rd	#50 Dark skies interpretive centre (Raikura)	Southland	PPP	\$0	\$0	\$9.5m	\$1.9m	\$7.6m	\$9.5m	Tourism Attraction
34th	#22 Master planning for Bluff	Invercargill	Public	\$0	\$65k	\$0	\$0	\$0	\$65k	Site Planning
35th	#4 Stewart Island explorer vessel anchorage	Southland	Private	\$1.5m	\$0	\$0	\$0	\$0	\$1.5m	Cruise Facilities & Marinas
35th	#7 Hanmer Springs - Kaikoura Great Walk dev	Hurunui	Public	\$0	\$200k	\$0	\$0	\$0	\$200k	Cycling & Walking
35th	#159 Hokitika Airport Upgrades	Westland	Public	\$0	\$12.0m	\$0	\$0	\$0	\$12.0m	Airports
36th	#140 Glenorchy Airstrip Management Plan	Queenstown	Public	\$0	\$300k	\$0	\$0	\$0	\$300k	Airports
37th	#45 Reopen and upgrade Southland Museum	Invercargill	Public	\$0	\$9.5m	\$0	\$0	\$0	\$9.5m	Tourism Attraction
37th	#97 New Brighton hot salt water pools	Christchurch	Public	\$0	\$11.2m	\$0	\$0	\$0	\$11.2m	Tourism Attraction
38th	#2 Civil aviation training hub for Hokitika (feasibility)	Westland	PPP	\$0	\$0	\$45k	\$20k	\$25k	\$45k	Airports
38th	#19 Incorporate the Oamaru Marina & harbour area	Waitaki	PPP	\$0	\$0	\$13.0m	\$3.0m	\$10.0m	\$13.0m	Cruise Facilities & Marinas
38th	#118 South Bay Marina upgrades	Kaikoura	PPP	\$0	\$0	\$13.0m	\$3.0m	\$10.0m	\$13.0m	Cruise Facilities & Marinas
38th	#150 Small terminal at Rangiora Airport	Waimakariri	PPP	\$0	\$0	\$2.0m	\$400k	\$1.6m	\$2.0m	Airports
38th	#162 Jackson Bay Wharf upgrades	Westland	PPP	\$0	\$0	\$13.0m	\$3.0m	\$10.0m	\$13.0m	Cruise Facilities & Marinas
38th	#170 Oparara Arches restoration and attraction	Buller	PPP	\$0	\$0	\$550k	\$55k	\$495k	\$550k	Tourism Attraction
39th	#49 Conservation HQ at Te Anau	Southland	Public	\$0	\$8.0m	\$0	\$0	\$0	\$8.0m	Tourism Attraction
40th	#134 Trafalgar Centre Theatre Enhancements	Nelson	Public	\$0	\$500k	\$0	\$0	\$0	\$500k	Events & Stadium Facilities
41st	#44 Consolidated art gallery	Invercargill	Public	\$0	\$8.5m	\$0	\$0	\$0	\$8.5m	Tourism Attraction
41st	#73 Canterbury: Maintenance Operations and Renewals Programme 2018-21	Hurunui	Public	\$0	\$174.5m	\$0	\$0	\$0	\$174.5m	Roads
41st	#76 Otago: Maintenance Operations and Renewals Programme 2018-21	Cent. Otago	Public	\$0	\$124.1m	\$0	\$0	\$0	\$124.1m	Roads
41st	#171 Hokitika Gorge upgrades (walking track, road safety, amenities)	Westland	Public	\$0	\$1.0m	\$0	\$0	\$0	\$1.0m	Cycling & Walking
42nd	#115 Kaikoura Airport upgrades	Kaikoura	Public	\$0	\$5.0m	\$0	\$0	\$0	\$5.0m	Airports
43rd	#3 Port Chalmers wharf upgrades	Dunedin	Public	\$0	\$5.0m	\$0	\$0	\$0	\$5.0m	Cruise Facilities & Marinas
43rd	#55 Queens Park (Invercargill), Anderson Park (Invercargill) & Dolamore Park (Gore) Enhancements	Invercargill	Public	\$0	\$3.7m	\$0	\$0	\$0	\$3.7m	Tourism Attraction
44th	#153 Multicourt indoor stadium	Waimakariri	Public	\$0	\$6.0m	\$0	\$0	\$0	\$6.0m	Events & Stadium Facilities
45th	#33 Activation of the new Cent. Otago touring route	Cent. Otago	PPP	\$0	\$0	\$180k	\$27k	\$153k	\$180k	Tourism Attraction

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Rank	Project Name	TLA	Investment Type	Est. Private \$	Est. Public \$	Est. Total PPP \$	PPP Est. PPP Private \$	Est. PPP Public \$	Total Est. \$	Project Category
46th	#167 Cass Square events space upgrades	Westland	Public	\$0	\$4.0m	\$0	\$0	\$0	\$4.0m	Events & Stadium Facilities
47th	#52 Invercargill water tower attraction	Invercargill	Public	\$0	\$2.0m	\$0	\$0	\$0	\$2.0m	Tourism Attraction
48th	#12 Southern Paparoa Coal Heritage Trails	Buller	Public	\$0	\$55k	\$0	\$0	\$0	\$55k	Cycling & Walking
49th	#8 St James walkway extension (end at Hanmer Springs)	Hurunui	Public	\$0	\$55k	\$0	\$0	\$0	\$55k	Cycling & Walking
49th	#9 Upgrade of the St James cycle way	Hurunui	Public	\$0	\$55k	\$0	\$0	\$0	\$55k	Cycling & Walking
49th	#11 Kawatiri coastal trail (Westport to Charleston)	Buller	Public	\$0	\$9.3m	\$0	\$0	\$0	\$9.3m	Cycling & Walking
49th	#13 Point Elizabeth track upgrades	Grey	Public	\$0	\$55k	\$0	\$0	\$0	\$55k	Cycling & Walking
49th	#14 Lake Brunner trail	Grey	Public	\$0	\$55k	\$0	\$0	\$0	\$55k	Cycling & Walking
49th	#15 Shantytown Heritage Park cycle loop	Grey	Public	\$0	\$55k	\$0	\$0	\$0	\$55k	Cycling & Walking
49th	#16 West Coast Wilderness Trail extension	Grey	PPP	\$0	\$0	\$700k	\$70k	\$630k	\$700k	Cycling & Walking
49th	#35 Wheels to Waipara cycleway	Hurunui	Public	\$0	\$150k	\$0	\$0	\$0	\$150k	Cycling & Walking
49th	#69 West Coast: Low cost / low risk improvements 2018-21	Buller	Public	\$0	\$10.3m	\$0	\$0	\$0	\$10.3m	Roads
49th	#74 Marlborough: Maintenance Operations and Renewals Programme 2018-21	Marlborough	Public	\$0	\$32.0m	\$0	\$0	\$0	\$32.0m	Roads
49th	#75 Nelson: Maintenance Operations and Renewals Programme 2018-21	Nelson	Public	\$0	\$24.2m	\$0	\$0	\$0	\$24.2m	Roads
49th	#77 Southland: Maintenance Operations and Renewals Programme 2018-21	Southland	Public	\$0	\$74.2m	\$0	\$0	\$0	\$74.2m	Roads
49th	#78 Tasman: Maintenance Operations and Renewals Programme 2018-21	Tasman	Public	\$0	\$21.8m	\$0	\$0	\$0	\$21.8m	Roads
49th	#79 West Coast: Maintenance Operations and Renewals Programme 2018-21	Westland	Public	\$0	\$74.9m	\$0	\$0	\$0	\$74.9m	Roads
49th	#88 Walking/cycling improvements (Wakatipu Active Travel Network)	Queenstown	Public	\$0	\$3.0m	\$0	\$0	\$0	\$3.0m	Cycling & Walking
49th	#124 Alps 2 Ocean Cycle Trail off road section (Hayman Road) development	Mackenzie	PPP	\$0	\$0	\$350k	\$35k	\$315k	\$350k	Cycling & Walking
49th	#172 Blackball Infrastructure (to meet demand of Paparoa Great Walk Track)	Grey	Public	\$0	\$1.0m	\$0	\$0	\$0	\$1.0m	Cycling & Walking
50th	#24 Wakatipu Basin Small Ferry Services Assessment	Queenstown	Public	\$0	\$300k	\$0	\$0	\$0	\$300k	Public Transport (Ferry Services)
50th	#68 Water taxi service/ferry network Assessment	Queenstown	Public	\$0	\$1.1m	\$0	\$0	\$0	\$1.1m	Public Transport (Ferry Services)
50th	#70 SH94 Milford Opportunities: Pre-implementation & detailed business case	Southland	Public	\$0	\$1.0m	\$0	\$0	\$0	\$1.0m	Roads
51st	#147 Freedom camping facilities (Southern Scenic Route, the Catlins etc.)	Southland	Public	\$0	\$10.0m	\$0	\$0	\$0	\$10.0m	Freedom Camping (compsite upgrades or new sites)



Rank	Project Name	TLA	Investment Type	Est. Private \$	Est. Public \$	Est. Total PPP \$	PPP Est. PPP Private \$	Est. PPP Public \$	Total Est. \$	Project Category
52nd	#93 Sewage system at Clyde Historic precinct and Okains Bay water supply	Cent. Otago	Public	\$0	\$20.0m	\$0	\$0	\$0	\$20.0m	Toilets, Sewerage, Waste
52nd	#98 Okains Bay and Little River water supply and wastewater schemes	Christchurch	Public	\$0	\$20.0m	\$0	\$0	\$0	\$20.0m	Toilets, Sewerage, Waste
52nd	#99 Little River flood protection	Christchurch	Public	\$0	\$20.0m	\$0	\$0	\$0	\$20.0m	Toilets, Sewerage, Waste
52nd	#164 Toilets and parking throughout the DOC estate	Westland	Public	\$0	\$10.0m	\$0	\$0	\$0	\$10.0m	Toilets, Sewerage, Waste
52nd	#168 Franz Josef water and wastewater	Westland	Public	\$0	\$10.0m	\$0	\$0	\$0	\$10.0m	Toilets, Sewerage, Waste
53rd	#10 Waimate trails study	Waimate	Public	\$0	\$55k	\$0	\$0	\$0	\$55k	Cycling & Walking
53rd	#72 Walking/cycling improvements (Gore River Track)	Gore	Public	\$0	\$400k	\$0	\$0	\$0	\$400k	Cycling & Walking
53rd	#80 Walking/cycling improvements (Groveto town to Spring Creek Shared pathway)	Marlborough	Public	\$0	\$45k	\$0	\$0	\$0	\$45k	Cycling & Walking
53rd	#81 Walking/cycling improvements (SH6 Rocks Rd Offroad Shared Pathway)	Nelson	Public	\$0	\$1.9m	\$0	\$0	\$0	\$1.9m	Cycling & Walking
53rd	#82 Walking/cycling improvements (Maitai to Rocks Road Cycle Facility)	Nelson	Public	\$0	\$20k	\$0	\$0	\$0	\$20k	Cycling & Walking
53rd	#83 Walking/cycling improvements (Wakatipu Active Travel Network DBC)	Queenstown	Public	\$0	\$800k	\$0	\$0	\$0	\$800k	Cycling & Walking
53rd	#84 Walking/cycling improvements (Queenstown Town Centre Pedestrianisation)	Queenstown	Public	\$0	\$4.0m	\$0	\$0	\$0	\$4.0m	Cycling & Walking
53rd	#89 Walking/cycling improvements (Champion/Salisbury Intersection Improvements)	Tasman	Public	\$0	\$60k	\$0	\$0	\$0	\$60k	Cycling & Walking
53rd	#102 Clutha Gold Trail extension (Lawrence to Waihola)	Clutha	Public	\$0	\$50k	\$0	\$0	\$0	\$50k	Cycling & Walking
53rd	#107 Coversham Tunnel and Wingatui Tunnel cycleway connection	Dunedin	Public	\$0	\$467k	\$0	\$0	\$0	\$467k	Cycling & Walking
53rd	#119 Kaikoura to Peketa cycleway completion	Kaikoura	Public	\$0	\$350k	\$0	\$0	\$0	\$350k	Cycling & Walking
53rd	#132 Picton walking trails upgrades	Marlborough	Public	\$0	\$350k	\$0	\$0	\$0	\$350k	Cycling & Walking
53rd	#135 Great Taste Trail cycleway link (Airport Rocks Road)	Nelson	Public	\$0	\$350k	\$0	\$0	\$0	\$350k	Cycling & Walking
53rd	#138 Maitai recreation hub (mountain biking)	Nelson	Public	\$0	\$500k	\$0	\$0	\$0	\$500k	Cycling & Walking
53rd	#146 Around the Mountains cycle trail stage 2	Southland	Public	\$0	\$350k	\$0	\$0	\$0	\$350k	Cycling & Walking
53rd	#156 Oamaru to Palmerston cycleway development	Waitaki	Public	\$0	\$350k	\$0	\$0	\$0	\$350k	Cycling & Walking
53rd	#163 Franz Josef cycle trail development	Westland	Public	\$0	\$350k	\$0	\$0	\$0	\$350k	Cycling & Walking
53rd	#175 Walking/cycle track around Te Waihora Lake Ellesmere	Selwyn	Public	\$0	\$500k	\$0	\$0	\$0	\$500k	Cycling & Walking
54th	#71 Walking/cycling improvements (City to harbour cycle/pedestrian connection & Dunedin Urban Cycleways)	Dunedin	Public	\$0	\$1.9m	\$0	\$0	\$0	\$1.9m	Cycling & Walking
54th	#85 Walking/cycling improvements (SH 88 Cycling and Pedestrian Facilities)	Dunedin	Public	\$0	\$7.0k	\$0	\$0	\$0	\$7.0k	Cycling & Walking

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Rank	Project Name	TLA	Investment Type	Est. Private \$	Est. Public \$	Est. Total PPP \$	PPP Est. PPP Private \$	Est. PPP Public \$	Total Est. \$	Project Category
54th	#86 Walking/cycling improvements (SH6 SH8B SH8 Gibbston to Clyde Corridor Imps)	Cent. Otago	Public	\$0	\$201k	\$0	\$0	\$0	\$201k	Cycling & Walking
54th	#87 Walking/cycling improvements (Wakatipu Walking/Cycling Network Improvements)	Queenstown	Public	\$0	\$1.8m	\$0	\$0	\$0	\$1.8m	Cycling & Walking
55th	#92 Signage (directional &/or interpretive)	Cent. Otago	Public	\$0	\$30k	\$0	\$0	\$0	\$30k	Signage
55th	#96 Central city way finding signage	Christchurch	Public	\$0	\$30k	\$0	\$0	\$0	\$30k	Signage
55th	#104 Improved directional signage (tourist sites)	Clutha	Public	\$0	\$90k	\$0	\$0	\$0	\$90k	Signage
55th	#109 Foreign language signage	Dunedin	Public	\$0	\$30k	\$0	\$0	\$0	\$30k	Signage
55th	#113 General tourist signage enhancements	Hurunui	Public	\$0	\$40k	\$0	\$0	\$0	\$40k	Signage
55th	#131 Gateway signage & freedom camping signage	Marlborough	Public	\$0	\$60k	\$0	\$0	\$0	\$60k	Signage
55th	#137 Freedom camping signage	Nelson	Public	\$0	\$30k	\$0	\$0	\$0	\$30k	Signage
55th	#143 Town centre signage	Queenstown	Public	\$0	\$30k	\$0	\$0	\$0	\$30k	Signage
55th	#157 Danseys Pass Road electronic status signage	Waitaki	Public	\$0	\$130k	\$0	\$0	\$0	\$130k	Signage
55th	#166 Interpretive signage and public toilet signage	Westland	Public	\$0	\$60k	\$0	\$0	\$0	\$60k	Signage
56th	#103 Freedom camping facilities (the Catlins and Balclutha)	Clutha	Public	\$0	\$395k	\$0	\$0	\$0	\$395k	Freedom Camping
56th	#108 Freedom camping facilities (additional sites)	Dunedin	Public	\$0	\$327k	\$0	\$0	\$0	\$327k	Freedom Camping
56th	#112 Freedom camping facilities (management)	Hurunui	Public	\$0	\$327k	\$0	\$0	\$0	\$327k	Freedom Camping
56th	#120 Facilities on public conservation lands - campsite access & facilities upgrades	Kaikoura	Public	\$0	\$600k	\$0	\$0	\$0	\$600k	Freedom Camping
56th	#121 Freedom camping facilities (surf breaks of national significance site and South Bay)	Kaikoura	Public	\$0	\$627k	\$0	\$0	\$0	\$627k	Freedom Camping
56th	#125 Freedom camping facilities (2 new facilities)	Mackenzie	Public	\$0	\$600k	\$0	\$0	\$0	\$600k	Freedom Camping
56th	#130 Freedom camping facilities (new toilet facilities at Seymour Square and Rai Valley)	Marlborough	Public	\$0	\$300k	\$0	\$0	\$0	\$300k	Freedom Camping
56th	#136 Freedom camping facilities (enhanced facilities and parking changes)	Nelson	Public	\$0	\$327k	\$0	\$0	\$0	\$327k	Freedom Camping
56th	#149 Freedom camping facilities (6 new locations)	Tasman	Public	\$0	\$500k	\$0	\$0	\$0	\$500k	Freedom Camping
56th	#152 Freedom camping facilities (Kaiapoi East site and upgrades to 4 council camp sites)	Waimakariri	Public	\$0	\$653k	\$0	\$0	\$0	\$653k	Freedom Camping
56th	#165 Freedom camping facilities (dump stations, toilets, bins throughout TLA)	Westland	Public	\$0	\$300k	\$0	\$0	\$0	\$300k	Freedom Camping
57th	#94 Public toilet facilities upgrades (Lake Dunstan, Clyde, Cromwell, Millers Flat)	Cent. Otago	Public	\$0	\$1.8m	\$0	\$0	\$0	\$1.8m	Toilets, Sewerage, Waste
57th	#100 Public toilet facilities upgrades (Akaroa, Little River, French Farm, New Brighton)	Christchurch	Public	\$0	\$400k	\$0	\$0	\$0	\$400k	Toilets, Sewerage, Waste
57th	#105 Public toilet facilities upgrades (The Catlins, Clutha Gold Trail)	Clutha	Public	\$0	\$1.5m	\$0	\$0	\$0	\$1.5m	Toilets, Sewerage, Waste



Rank	Project Name	TLA	Investment Type	Est. Private \$	Est. Public \$	Est. Total PPP \$	PPP Est. PPP Private \$	Est. PPP Public \$	Total Est. \$	Project Category
57th	#110 Public toilet facilities upgrades (various locations)	Dunedin	Public	\$0	\$900k	\$0	\$0	\$0	\$900k	Toilets, Sewerage, Waste
57th	#114 Sewerage and water	Hurunui	Public	\$0	\$250k	\$0	\$0	\$0	\$250k	Toilets, Sewerage, Waste
57th	#122 Public toilet facilities upgrades (South Bay)	Kaikoura	Public	\$0	\$100k	\$0	\$0	\$0	\$100k	Toilets, Sewerage, Waste
57th	#126 Tekapo effluent disposal	Mackenzie	Public	\$0	\$8.0m	\$0	\$0	\$0	\$8.0m	Toilets, Sewerage, Waste
57th	#127 Public toilet facilities upgrades (Pukaki Lookout)	Mackenzie	Public	\$0	\$100k	\$0	\$0	\$0	\$100k	Toilets, Sewerage, Waste
57th	#129 Facilities on public conservation lands	Marlborough	Public	\$0	\$600k	\$0	\$0	\$0	\$600k	Toilets, Sewerage, Waste
57th	#133 Public toilet facilities upgrades (Elterwater)	Marlborough	Public	\$0	\$800k	\$0	\$0	\$0	\$800k	Toilets, Sewerage, Waste
57th	#139 Public toilet facilities upgrades (Millers Acre, Tahuna Beach)	Nelson	Public	\$0	\$400k	\$0	\$0	\$0	\$400k	Toilets, Sewerage, Waste
57th	#144 Glenorchy and Cardrona water and waste supply	Queenstown	Public	\$0	\$8.0m	\$0	\$0	\$0	\$8.0m	Toilets, Sewerage, Waste
57th	#145 Public toilet facilities upgrades (Wanaka lakefront, Frankton Beach)	Queenstown	Public	\$0	\$600k	\$0	\$0	\$0	\$600k	Toilets, Sewerage, Waste
57th	#148 Public toilet facilities upgrades (Lumsden)	Southland	Public	\$0	\$100k	\$0	\$0	\$0	\$100k	Toilets, Sewerage, Waste
57th	#154 Public toilet facilities upgrades (various locations)	Waimakariri	Public	\$0	\$300k	\$0	\$0	\$0	\$300k	Toilets, Sewerage, Waste
57th	#158 Public toilet facilities upgrades (Various including Otematata, Omarama, Elephant Rocks, Shag Point)	Waitaki	Public	\$0	\$4.8m	\$0	\$0	\$0	\$4.8m	Toilets, Sewerage, Waste
57th	#169 Public toilet facilities upgrades (Glaciers, Hokitika, Haast)	Westland	Public	\$0	\$600k	\$0	\$0	\$0	\$600k	Toilets, Sewerage, Waste
58th	#90 Car parking facilities at Clyde Historic Park and Cromwell	Cent. Otago	Public	\$0	\$1.0m	\$0	\$0	\$0	\$1.0m	Parking
58th	#91 Facilities on public conservation lands	Cent. Otago	Public	\$0	\$120k	\$0	\$0	\$0	\$120k	Parking
58th	#95 Car parking for performing arts precinct	Christchurch	Public	\$0	\$60k	\$0	\$0	\$0	\$60k	Parking
58th	#101 Car parking near Jacks Bay Road	Clutha	Public	\$0	\$220k	\$0	\$0	\$0	\$220k	Parking
58th	#106 Parking upgrades at various tourism hotspots (Papanui Inlet, Tunnel Beach)	Dunedin	Public	\$0	\$180k	\$0	\$0	\$0	\$180k	Parking
58th	#111 Culverden car park upgrades	Hurunui	Public	\$0	\$200k	\$0	\$0	\$0	\$200k	Parking
58th	#116 Car park upgrades at key tourist areas	Kaikoura	Public	\$0	\$300k	\$0	\$0	\$0	\$300k	Parking
58th	#123 Car parking upgrades at Tekapo and Twizel	Mackenzie	Public	\$0	\$120k	\$0	\$0	\$0	\$120k	Parking
58th	#128 Parking meters (additional)	Marlborough	Public	\$0	\$60k	\$0	\$0	\$0	\$60k	Parking
58th	#141 Various parking upgrades (Mt Roy car park, Bennetts Bluff car park)	Queenstown	Public	\$0	\$520k	\$0	\$0	\$0	\$520k	Parking
58th	#142 Mt Roy car park upgrades	Queenstown	Public	\$0	\$2.0m	\$0	\$0	\$0	\$2.0m	Parking
58th	#151 Kairaki Beach parking upgrades	Waimakariri	Public	\$0	\$60k	\$0	\$0	\$0	\$60k	Parking
58th	#155 Various new car parking facilities	Waitaki	Public	\$0	\$320k	\$0	\$0	\$0	\$320k	Parking
58th	#160 Car parking upgrades at Hokitika CBD, the Gorge and Sunset Point	Westland	Public	\$0	\$580k	\$0	\$0	\$0	\$580k	Parking

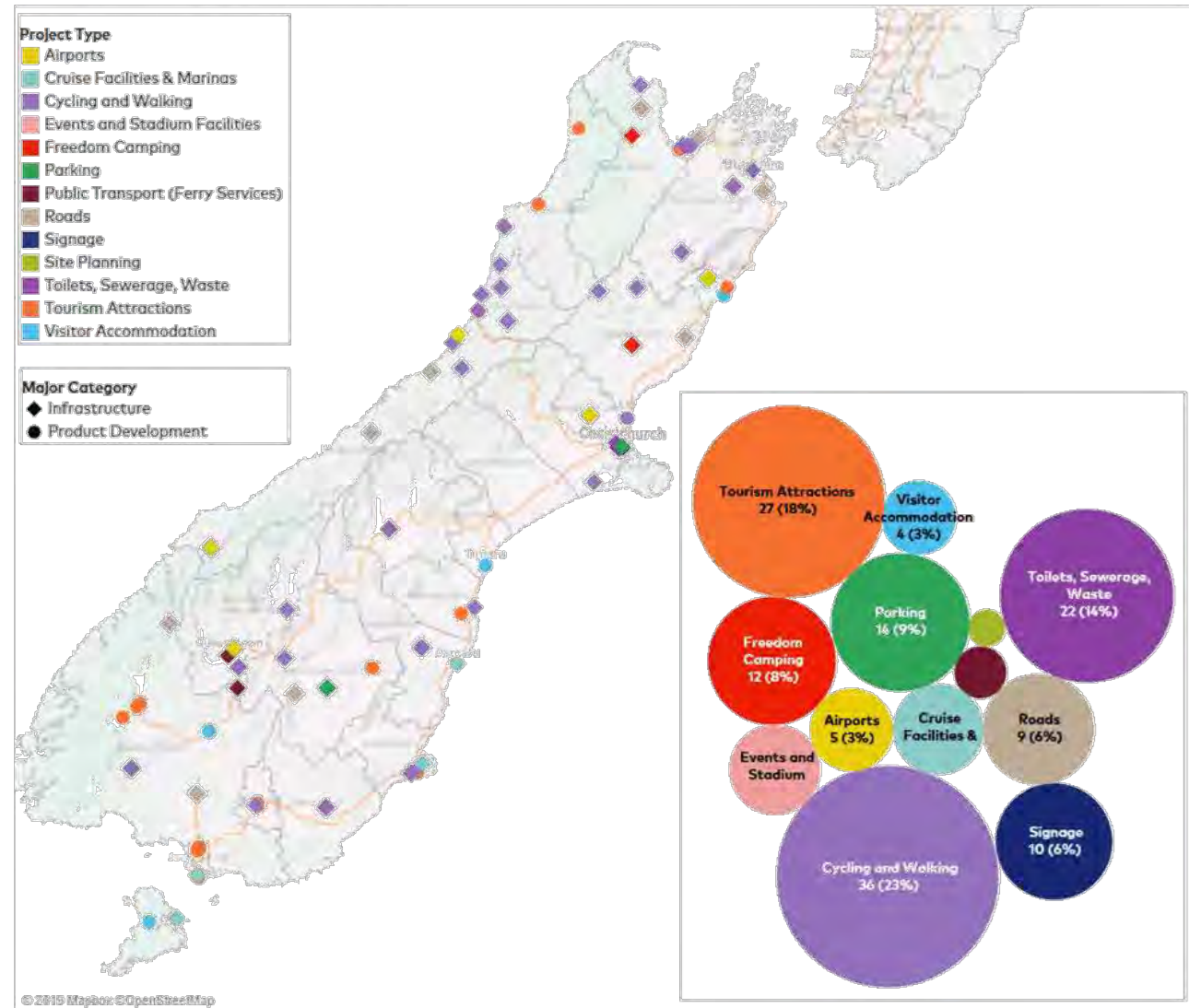
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Figure 36 spatially maps the Tier 3 recommendations and shows their distribution amongst South Island TLAs.

It also summarises the projects by project type, demonstrating that the majority of projects are cycling and walking tracks, comprising 23% of all Tier 3 recommendations. This is followed by tourism attractions (18%) and toilets, sewerage and waste projects (14%).

Figure 36: Location of Tier 3 recommendations



The indicative investment required

In addition to categorising projects based on broad categories (airports, accommodation etc.), they have also been categorised according to whether they are:

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

Figure 37 and Table 22 provides a summary of investment estimates. Together, they demonstrate:

- Summarising the number of projects by proponent type demonstrates that 75% are public projects, 15% are PPP and 10% are private projects.
- The total CAPEX requirement to implement the projects identified is \$3.65b. Of this, PPP driven initiatives total an estimated \$1.78b, publicly driven projects total \$1.44b and private projects total \$429m.
- Although the majority of the 191 projects are public sector driven projects (75%), almost 40% of the investment required is anticipated to come from private sector funding sources (including private only projects and the private component of PPP projects).

Figure 37: Project type and projects by estimated CAPEX

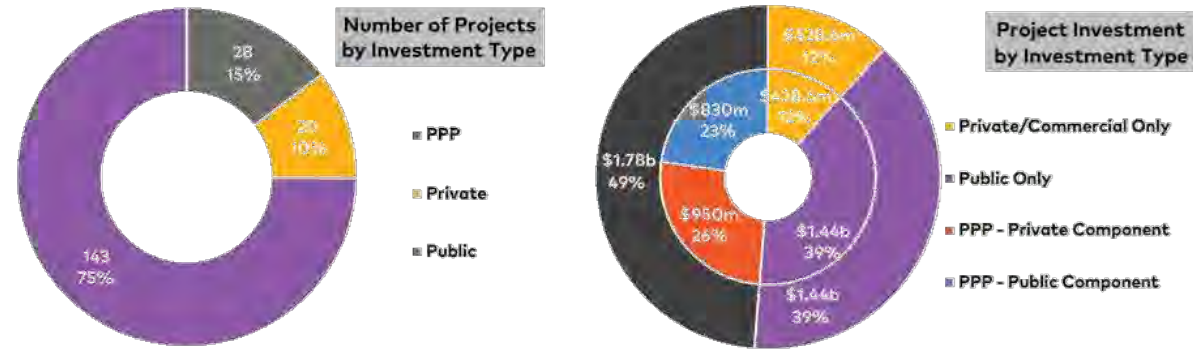


Table 22 Investment & development projects – indicative CAPEX breakdown

Project Category	Estimated CAPEX Total	Private/Commercial Only	Public Only	Public-Private Partnerships		
				PPP Total	PPP - Private Component	PPP - Public Component
Airports	\$519m (14%)	-	\$17m (1.2%)	\$502m (28%)	\$350m (37%)	\$152m (16%)
Building Blocks	\$15m (0.4%)	-	\$15m (1%)	-	-	-
Cruise Facilities & Marinas	\$123m (3%)	\$12m (2.7%)	\$72m (5%)	\$39m (2%)	\$9m (0.9%)	\$30m (4%)
Cycling and Walking	\$31m (0.8%)	-	\$30m (2%)	\$1m (0.1%)	\$105k (0.01%)	\$945k (0.1%)
Events and Stadium Facilities	\$533m (15%)	-	\$533m (37%)	-	-	-
Freedom Camping	\$15m (0.4%)	-	\$15m (1%)	-	-	-
Parking	\$6m (0.2%)	-	\$6m (0.4%)	-	-	-
Public Transport (Ferry Services)	\$1.4m (0%)	-	\$1.4m (0.1%)	-	-	-
Roads	\$537m (15%)	-	\$537m (37%)	-	-	-
Signage	\$530k (0%)	-	\$530k (0.04%)	-	-	-
Site Planning	\$1.06b (29%)	\$12m (3%)	\$8m (0.6%)	\$1.04b (59%)	\$484m (51%)	\$558m (67%)
Toilets, Sewerage, Waste	\$109m (3%)	-	\$109m (8%)	-	-	-
Tourism Attraction	\$401m (11%)	\$128m (30%)	\$101m (7%)	\$171m (10%)	\$84m (8.6%)	\$87m (11%)
Visitor Accommodation	\$302m (8%)	\$277m (65%)	-	\$25m (1.4%)	\$23m (2.4%)	\$3m (0.3%)
Total	\$3.65b (100%)	\$428.6m (100%)	\$1.44b (100%)	\$1.78b (100%)	\$950.2m (100%)	\$830.4m (100%)
% of total CAPEX		12%	40%	49%	26%	23%

A primary outcome of this DMP was to ensure that the projects and recommendations identified did not rely primarily on public sector funding sources. Although Figure 37 above demonstrates that 62% of the CAPEX required is from public sources (either through public only or the public component of the PPP investment), it is important to recognise the nature of this project, being a South Island-wide plan which includes assessment of not only tourism product but also infrastructure (to support tourism and other sectors of the economy).

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

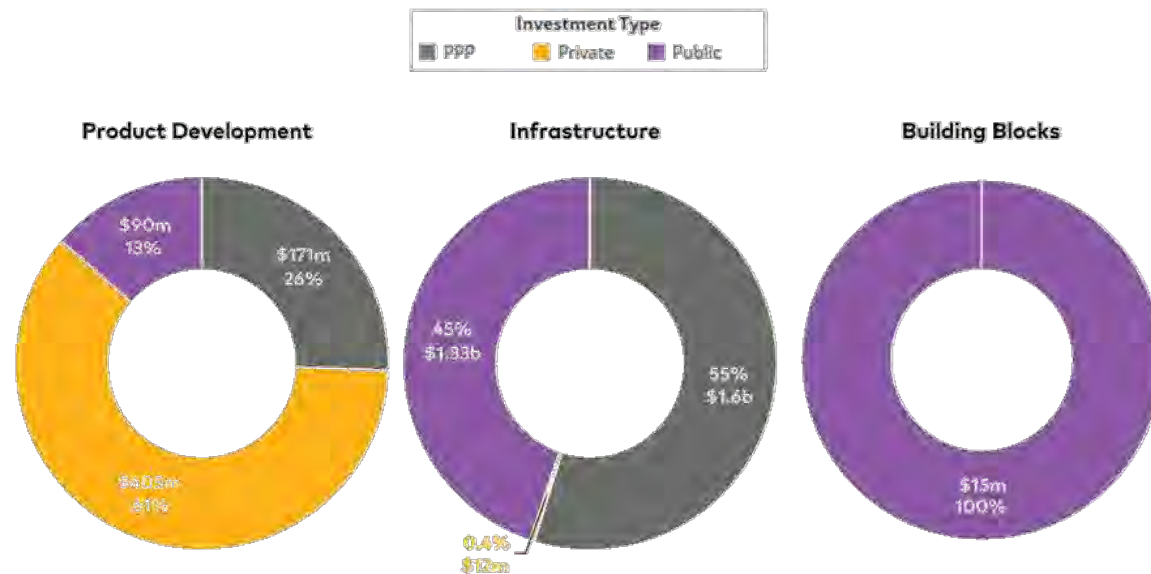
The project categories which primarily comprise infrastructure include cycling & walking trails, event & stadium facilities, freedom camping, parking, public transport (ferry services), roads, signage and toilets, sewerage and waste. For these projects, the vast majority (if not all) of CAPEX funding is anticipated to come from public sector sources. The nature of infrastructure projects is such that they generally rely on public funding.

Whereas product development projects primarily comprise tourism attractions, experiences and visitor accommodation. Figure 38 provides this breakdown and demonstrates the following.

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

- Due to the nature of Building Block projects, all funding requires is anticipated to come from public sector sources.
- The provision of public and PPP investment in support of tourism (and other sectors of the economy), is expected to also help leverage additional private sector investment into retail, supporting services and the general provision of goods and services for the benefit of the visitor economy (though unquantifiable as part of this DMP exercise), which are indirectly attributable to new public sector and PPP investment activity.

Figure 38: Investment type by project category



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Part 5: Delivering the Strategy



High-level action plan

Table 23 provides a high-level action plan to implement the Building Blocks and Tier 1 Development and Investment recommendations.

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Table 23: Implementing Strategic Aim 1 recommendations

#	Project # and Name	Type	Project Location	Activity/Action	Lead Stakeholder	Supporting Stakeholders
#23	Franz Josef Glacier development	Site Planning	Westland District			
#21	Milford Opportunities Project	Site Planning	Southland District			
#188	Cruise strategy and policy for Fjordland Sounds	Building Block - Policy	All			
#190	Glaciers sustainability master plan	Building Block - Master Plan	Westland District			

Table 24: Implementing Strategic Aim 2 recommendations

#	Project # and Name	Type	Project Location	Activity/Action	Lead Stakeholder	Supporting Stakeholders
#180	Sub-regional destination branding projects	Building Block - Branding	All			
#181	NZ Tourism operator database marketing push	Building Block - Training	All			
#182	Industry upskilling (digital)	Building Block - Training	All			
#189	i-SITE and visitor servicing strategy	Building Block - Visitor information services	All			

Table 25: Implementing Strategic Aim 3 recommendations

#	Project Name	Type	Project Location	Activity/Action	Lead Stakeholder	Supporting Stakeholders
#178	DMO Governance Structure	Building Block - Governance	All			
#179	Bottom of the South Airport Strategy	Building Block - Strategy	Bottom of the South			
#183	Industry service quality upskilling	Building Block - Training	All			
#187	Tourism data masterplan	Building Block - Data	All			

Table 26: Implementing Strategic Aim 4 recommendations

#	Project Name	Type	Project Location	Activity/Action	Lead Stakeholder	Supporting Stakeholders
#25	Dunedin CBD hotel development	Visitor Accommodation	Dunedin City			
#57	Nelson CBD hotel development	Visitor Accommodation	Nelson City			
#67	Invercargill CBD hotel development	Visitor Accommodation	Invercargill City			

Table 27: Implementing Strategic Aim 5 recommendations

#	Project Name	Type	Project Location	Activity/Action	Lead Stakeholder	Supporting Stakeholders
#1	Queenstown/Wanaka airport development	Airports	Queenstown-Lakes District			
#17	Christchurch multi-use arena	Events and Stadium Facilities	Christchurch City			
#191	South Island Telecommunications Strategy	Building Block - Strategy	All			

Table 28: Implementing Strategic Aim 6 recommendations

#	Project Name	Type	Project Location	Activity/Action	Lead Stakeholder	Supporting Stakeholders
#184	Freedom Camping Act amendment	Building Block - Policy	All			
#185	P2P Accommodation policy (South Island-wide)	Building Block - Policy	All			
#186	Tourism community awareness and engagement campaign	Building Block - Promotion	All			

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Part 6: How will we know when we are successful?





Measuring our success

With all effort and resources dedicated to achieving our ambition of growing the sustainability of the visitor economy, it is important to know that we are on the right track, and where improvements can be made. Although success within the tourism sector has traditionally been measured in terms of the volume – or number – of visitors, the consultation undertaken for this DMP has revealed that South islanders (both industry and the community)

have a much broader consideration of what success looks like. The measures of success outlined in Table 29 have been carefully selected because they reflect the changes we are trying to introduce for the sector.

The visitor economy is complex; with demand coming from a wide range of markets, and supply which is delivered across a range of sectors and activities. Therefore,

collecting the data is a complex but necessary task, since it helps everyone to ensure we're delivering on our objectives. All of the South Island's tourism stakeholders will have a role to play in collecting this data in an accurate and timely way.

Table 29: Metrics to measure success

Metric	About	How will we measure this?	Base figure
Community acceptance of tourism	The willingness of the community to continue to provide a social licence for tourism	Annual perceptions survey of a sample of the local community throughout the South Island.	n/a
Overnight visitor numbers	Overnight visitors are higher-yielding than day trippers because they tend to spend more on food and beverage, transport and experiences as well as on accommodation.	Updated dataset developed as part of this DMP	7.8 million overnight visitors to the South Island
Average yield per visitor	Average spend per visitor to the South Island from the domestic and international visitor markets.	Updated dataset developed as part of this DMP and MBIE MRTE figures for the South Island.	International spend: \$2,650 per trip and Domestic spend: \$310 per trip
Brand perceptions	The effectiveness of brand development work undertaken in market	Brand perceptions survey of both domestic and international visitors (from selected markets)	n/a
Visitor satisfaction	The quality of the visitor experience through primary research within the destination	Visitor satisfaction survey focused specifically on the South Island of both domestic and international visitors (from selected markets)	n/a
Tourism and hospitality employment growth	Increased employment opportunities offered in the tourism and hospitality sectors – both full-time and part-time.	Infometrics profiles which leverage off tourism GDP estimates	66,000 positions throughout the South Island
Tourism GDP growth	Reflects output in the sector and contribution to the overall economy	Infometrics profiles which provide GDP estimates	\$4.39 billion in tourism GDP for the South Island
Digital ready operators	Measures the digital capabilities of tourism operators through comparing those who are listed on the NZ Tourism Industry Operator database and other major tourism sources against those who are listed in traditional sources only (such as brochures and in i-SITE databases).	Audit of digitally listed operators including on the NZ Tourism Industry Operator Database.	n/a
Tourism sector new investment	Assesses the level of new investment in the tourism sector	Statistics on the number of new businesses registered and tourism and hospitality utilising Census data.	n/a
Increased Māori participation in tourism at all levels	The level of interest which local iwi have in supporting and investing in the tourism sector including development of economic, social, environmental and cultural uplift for their local communities	Updated dataset to illustrate the level of iwi involvement in the tourism sector directly and indirectly	iwi owned or managed tourism businesses
Sustainability Index	Measures New Zealand's progress towards sustainable tourism development against other countries.	Sustainable Tourism Ranking which measures CO2 per capita	257 th out of 291 destinations





Appendix 1 Tourism Data Commentary

Table 30: Tourism Data Commentary

Name	Description	Reporting frequency	Geographic coverage	Source	Comments
Monthly Regional Tourism Estimates (MRTE)	Estimates of tourism expenditure segmented by the origin of visitor and product type.	Monthly	RTO, TA	MBIE	Good frequency and geographic coverage <u>but highly dependent on questionable IVS spend estimates. Anomalies in electronic card data create issues for some regions and/or markets.</u>
Commercial Accommodation Monitor (CAM)	A monthly survey of major commercial accommodation providers (hotels, motels, backpackers and holiday parks).	Monthly	RTO, TA (limited)	Stats NZ	MBIE has announced that this programme will cease in September 2019. There is work underway to find a replacement.
International Visitor Survey (IVS)	An ongoing survey of around 9,000 departing international visitors per year. The IVS is the primary source of international visitor expenditure data in New Zealand. It can also be used to estimate regional visits and visitor nights.	Quarterly	National. RTO and TA data can be constructed from the microdata.	MBIE	<u>A variety of data quality issues have been identified by Stats NZ which are yet to be resolved. Not very useful for trend analysis.</u>
AA Traveller Monitor	Monthly domestic travel survey. The sample size is around 3,000 per month (36,000 per year). Provides regional estimates of overnight visits, visitor nights, accommodation used, origin of visitor, and net promoter score. This is a commercial product.	Monthly	Regional Council, RTO, TA	AA and Fresh Info	The only regular survey of domestic travel activity in NZ. Large sample size. Useful for understanding the size and attributes of the domestic tourism market nationally and regionally.
Grious	Estimates of domestic and international visits and visitor nights based on Spark cellular phone data. This is a commercial product.	Monthly or more frequently upon request.	RTO, TA or other as required	Grious	Recently reinvented as a PDF-based product after dashboard product ceased in 2017. <u>Appears to have similar data quality issues to the 2017 version.</u>
CamperMate/ Geozone	Estimates of campervan flows and visitor activity. The data is sourced from the CamperMate app and GPS vehicle tracking. Covers around 80% of campervan users. This is a commercial product.	Monthly or more frequently upon request.	RTO, TA or other as required	CamperMate/ Geozone	The only reliable source of data about the campervan market in New Zealand. Has multiple layers of information.
International Travel & Migration Data	Estimates of international visitor arrivals and departures based on customs data.	Monthly	By airport	Stats NZ	Highly accurate data source based on customs data.
New product based on cellular data	<u>*Experimental dataset*</u> Estimates of domestic and international visitor activity based on Spark, Vodafone and 2 Degrees cellular phone data. Still under development. Likely to be a commercial product if it persists.	Monthly or more frequently upon request.	RTO, TA or other as required	Data Ventures (Stats NZ)	Has excellent potential but is still under development. Provides excellent granularity (specific locations) and frequency (minutes, hours and days if required).

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Appendix 2 Additional Visitor Data

Table 31: Full visitation dataset (2018) – all motivations

Visitor Type	Origin	South Island	Ashburton	Buller	Central Otago	Christchurch	Clutha	Dunedin	Gore	Grey	Hurunui	Invercargill	Kaikoura	Mackenzie	Marlborough	Nelson	Queenstown-Lakes	Selwyn	Southland	Tasman	Timaru	Waimakariri	Waimate	Waikato	Westland
Domestic Day	Auckland	1.6m	34k	25k	51k	681k	21k	130k	7.6k	41k	63k	99k	41k	75k	91k	143k	258k	23k	193k	89k	88k	25k	8.9k	79k	55k
Domestic Day	Bay of Plenty	234k	11k	8.0k	10k	120k	5.6k	27k	5.2k	7.0k	12k	25k	10k	5.9k	26k	24k	22k	6.6k	26k	13k	32k	6.1k	774	23k	13k
Domestic Day	Canterbury	4.3m	230k	133k	180k	866k	70k	448k	34k	125k	727k	190k	259k	407k	216k	204k	288k	231k	148k	189k	700k	141k	59k	460k	138k
Domestic Day	Gisborne	31k	7.1k	470	2.3k	33k	387	3.1k	2.0k	2.2k	974	2.0k	244	550	3.3k	5.4k	1.8k	5.4k	2.6k	4.5k	383	0	0	2.2k	470
Domestic Day	Hawke's Bay	134k	3.2k	1.6k	5.2k	66k	1.7k	14k	582	2.5k	11k	8.7k	5.1k	2.4k	15k	13k	9.2k	2.7k	9.0k	12k	9.6k	6.6k	967	18k	3.8k
Domestic Day	Manawatu-Wanganui	226k	12k	5.5k	9.1k	109k	3.3k	28k	4.9k	6.9k	23k	16k	7.5k	8.1k	27k	29k	11k	12k	15k	20k	26k	4.4k	774	14k	9.4k
Domestic Day	Marlborough	345k	17k	18k	6.8k	153k	3.5k	17k	2.0k	7.2k	47k	5.2k	29k	11k	34k	50k	7.2k	23k	6.4k	38k	27k	14k	1.9k	15k	12k
Domestic Day	Nelson	372k	10k	23k	6.6k	138k	1.9k	12k	1.2k	13k	47k	14k	15k	8.1k	45k	15k	11k	7.8k	12k	93k	22k	10.0k	387	7.6k	17k
Domestic Day	Northland	120k	2.9k	3.4k	5.4k	61k	2.7k	14k	872	1.1k	9.0k	6.1k	5.4k	5.7k	8.6k	13k	11k	5.6k	17k	7.4k	10.0k	5.4k	0	7.3k	3.4k
Domestic Day	Otago	1.9m	76k	18k	233k	611k	106k	219k	49k	13k	58k	272k	27k	100k	43k	47k	227k	59k	188k	24k	217k	39k	23k	286k	53k
Domestic Day	Southland	841k	22k	5.8k	107k	175k	44k	169k	33k	7.0k	19k	95k	5.6k	19k	9.1k	12k	119k	12k	270k	8.7k	49k	21k	9.1k	73k	14k
Domestic Day	Taranaki	71k	3.7k	4.4k	1.9k	42k	387	5.2k	3.5k	2.2k	5.6k	6.4k	2.7k	3.5k	7.9k	11k	6.2k	4.4k	8.1k	5.1k	9.2k	1.7k	1.2k	5.4k	2.8k
Domestic Day	Tasman	369k	8.5k	24k	6.0k	99k	1.7k	15k	0	14k	36k	6.1k	17k	5.5k	45k	38k	10k	4.9k	9.9k	85k	20k	15k	2.3k	11k	21k
Domestic Day	Waikato	372k	20k	11k	15k	183k	9.5k	43k	2.6k	11k	39k	35k	7.1k	21k	30k	23k	37k	11k	37k	24k	35k	6.8k	3.1k	19k	18k
Domestic Day	Wellington	830k	27k	24k	29k	389k	15k	92k	7.0k	21k	47k	48k	34k	30k	86k	93k	79k	18k	60k	64k	63k	20k	1.4k	44k	36k
Domestic Day	West Coast	316k	12k	18k	5.0k	170k	1.2k	8.0k	3.2k	13k	20k	4.9k	974	1.8k	14k	45k	7.5k	22k	6.7k	24k	22k	12k	1.4k	8.8k	33k
Domestic O/night	Auckland	784k	14k	16k	27k	280k	11k	89k	2.6k	26k	26k	34k	17k	41k	78k	92k	239k	9.6k	66k	57k	23k	10k	4.6k	25k	35k
Domestic O/night	Bay of Plenty	117k	4.4k	5.1k	5.2k	49k	2.9k	18k	1.8k	4.5k	5.0k	8.5k	4.2k	3.2k	22k	15k	20k	2.7k	8.9k	8.6k	8.3k	2.5k	400	7.3k	8.4k
Domestic O/night	Canterbury	2.2m	94k	85k	93k	356k	36k	307k	12k	80k	299k	65k	107k	222k	185k	132k	267k	95k	51k	122k	163k	58k	31k	146k	88k
Domestic O/night	Gisborne	16k	2.9k	300	1.2k	13k	200	2.1k	700	1.4k	400	700	100	300	2.8k	3.5k	1.7k	2.2k	900	2.9k	100	0	0	700	300
Domestic O/night	Hawke's Bay	67k	1.3k	1.0k	2.7k	27k	900	9.3k	200	1.6k	4.4k	3.0k	2.1k	1.3k	13k	8.6k	8.5k	1.1k	3.1k	7.8k	2.5k	2.7k	500	5.8k	2.4k
Domestic O/night	Manawatu-Wanganui	113k	5.0k	3.5k	4.7k	45k	1.7k	20k	1.7k	4.4k	9.3k	5.5k	3.1k	4.4k	24k	19k	10k	5.1k	5.1k	13k	6.9k	1.8k	400	4.4k	6.0k
Domestic O/night	Marlborough	172k	6.8k	12k	3.5k	63k	1.8k	12k	700	4.6k	19k	1.8k	12k	6.1k	29k	32k	6.7k	9.5k	2.2k	24k	7.0k	5.6k	1.0k	4.7k	7.9k
Domestic O/night	Nelson	185k	4.2k	15k	3.4k	57k	1.0k	8.4k	400	8.5k	19k	4.8k	6.0k	4.4k	39k	9.8k	10k	3.2k	4.2k	60k	5.7k	4.1k	200	2.4k	11k

Visitor Type	Origin	South Island	Ashburton	Buller	Central Otago	Christchurch	Clutha	Dunedin	Gore	Grey	Hurunui	Invercargill	Kaikoura	Mackenzie	Marlborough	Nelson	Queenstown -Lakes	Selwyn	Southland	Tasman	Timaru	Waimakariri	Waimate	Waitaki	Westland
Domestic O/night	Northland	60k	1.2k	2.2k	2.8k	25k	1.4k	9.4k	300	700	3.7k	2.1k	2.2k	3.1k	7.4k	8.4k	10k	2.3k	5.9k	4.8k	2.6k	2.2k	0	2.3k	2.2k
Domestic O/night	Otago	964k	31k	11k	121k	251k	55k	150k	17k	8.3k	24k	94k	11k	55k	37k	30k	210k	24k	65k	15k	57k	16k	12k	90k	34k
Domestic O/night	Southland	418k	9.0k	3.7k	55k	72k	23k	116k	12k	4.5k	7.7k	33k	2.3k	10k	7.8k	8.0k	110k	5.1k	93k	5.6k	13k	8.5k	4.7k	23k	9.0k
Domestic O/night	Taranaki	35k	1.5k	2.8k	1.0k	17k	200	3.6k	1.2k	1.4k	2.3k	2.2k	1.1k	1.9k	6.8k	6.9k	5.7k	1.8k	2.8k	3.3k	2.4k	700	600	1.7k	1.8k
Domestic O/night	Tasman	184k	3.5k	15k	3.1k	41k	900	10k	0	9.1k	15k	2.1k	6.8k	3.0k	39k	25k	9.6k	2.0k	3.4k	55k	5.2k	6.0k	1.2k	3.5k	14k
Domestic O/night	Waikato	185k	8.1k	7.0k	7.5k	75k	4.9k	30k	900	6.8k	16k	12k	2.9k	12k	25k	15k	34k	4.5k	13k	16k	9.1k	2.8k	1.6k	6.0k	12k
Domestic O/night	Wellington	413k	11k	15k	15k	160k	7.9k	63k	2.4k	14k	19k	17k	14k	17k	74k	60k	74k	7.5k	21k	41k	16k	8.2k	700	14k	23k
Domestic O/night	West Coast	157k	4.9k	12k	2.6k	70k	600	5.5k	1.1k	8.4k	8.1k	1.7k	400	1.0k	12k	29k	6.9k	9.0k	2.3k	16k	5.7k	5.0k	700	2.8k	21k
International Day	Australia	-	13k	19k	39k	266k	18k	59k	5.4k	29k	25k	34k	16k	112k	39k	49k	251k	9.1k	130k	16k	31k	4.0k	3.1k	40k	120k
International Day	Canada	-	581	3.4k	4.4k	16k	3.9k	4.5k	331	3.0k	1.5k	2.5k	3.1k	9.1k	5.1k	7.2k	16k	748	12k	4.6k	2.4k	332	0	4.0k	12k
International Day	China	-	415	5.1k	3.6k	110k	1.7k	36k	0	9.1k	748	4.8k	6.3k	67k	9.7k	15k	126k	748	71k	4.3k	2.1k	83	0	37k	65k
International Day	Germany	-	2.8k	20k	6.5k	48k	18k	17k	884	13k	6.0k	11k	15k	36k	21k	24k	40k	3.7k	45k	23k	6.1k	748	967	19k	49k
International Day	India	-	83	1.3k	242	24k	0	1.6k	221	800	581	110	997	9.7k	670	2.3k	19k	166	7.7k	803	0	166	0	1.1k	13k
International Day	Japan	-	581	400	1.9k	19k	725	1.8k	110	600	332	1.1k	831	28k	1.7k	2.3k	25k	748	6.9k	876	1.4k	249	0	2.5k	3.4k
International Day	Other	-	12k	38k	34k	238k	51k	65k	2.5k	37k	16k	30k	35k	154k	46k	72k	213k	14k	163k	44k	28k	914	1.9k	51k	161k
International Day	Singapore	-	914	800	1.2k	23k	3.4k	3.5k	0	2.2k	1.2k	1.1k	1.9k	19k	1.8k	2.0k	20k	415	11k	365	1.4k	0	0	1.5k	14k
International Day	South Korea	-	581	100	967	26k	242	1.3k	221	300	166	221	166	8.9k	1.0k	803	30k	83	9.2k	146	693	0	0	1.5k	2.5k
International Day	United Kingdom	-	4.2k	17k	12k	73k	13k	18k	1.5k	11k	8.7k	11k	18k	45k	22k	26k	61k	4.7k	45k	17k	11k	1.2k	0	18k	61k
International Day	United States	-	2.7k	14k	14k	78k	12k	20k	1.1k	10k	5.2k	7.6k	8.6k	39k	18k	22k	97k	4.7k	63k	11k	6.7k	581	484	8.9k	61k
International O/night	Australia	563k	16k	19k	16k	320k	7.5k	121k	4.9k	29k	30k	31k	19k	75k	46k	68k	355k	11k	118k	22k	22k	4.8k	1.3k	26k	116k
International O/night	Canada	33k	700	3.4k	1.8k	19k	1.6k	9.2k	300	3.0k	1.8k	2.3k	3.7k	6.1k	6.1k	9.8k	23k	900	11k	6.3k	1.7k	400	0	2.6k	11k
International O/night	China	215k	500	5.1k	1.5k	132k	700	73k	0	9.1k	900	4.3k	7.6k	45k	12k	21k	179k	900	65k	5.9k	1.5k	100	0	24k	62k
International O/night	Germany	71k	3.4k	20k	2.7k	57k	7.6k	36k	800	13k	7.2k	9.6k	18k	24k	25k	33k	56k	4.4k	40k	32k	4.4k	900	400	12k	47k
International O/night	India	34k	100	1.3k	100	29k	0	3.2k	200	800	700	100	1.2k	6.5k	800	3.1k	27k	200	7.0k	1.1k	0	200	0	700	12k
International O/night	Japan	48k	700	400	800	22k	300	3.6k	100	600	400	1.0k	1.0k	19k	2.0k	3.1k	36k	900	6.2k	1.2k	1.0k	300	0	1.6k	3.3k
International O/night	Other	393k	14k	38k	14k	287k	21k	133k	2.3k	37k	19k	27k	42k	103k	55k	99k	302k	17k	148k	61k	20k	1.1k	800	33k	154k

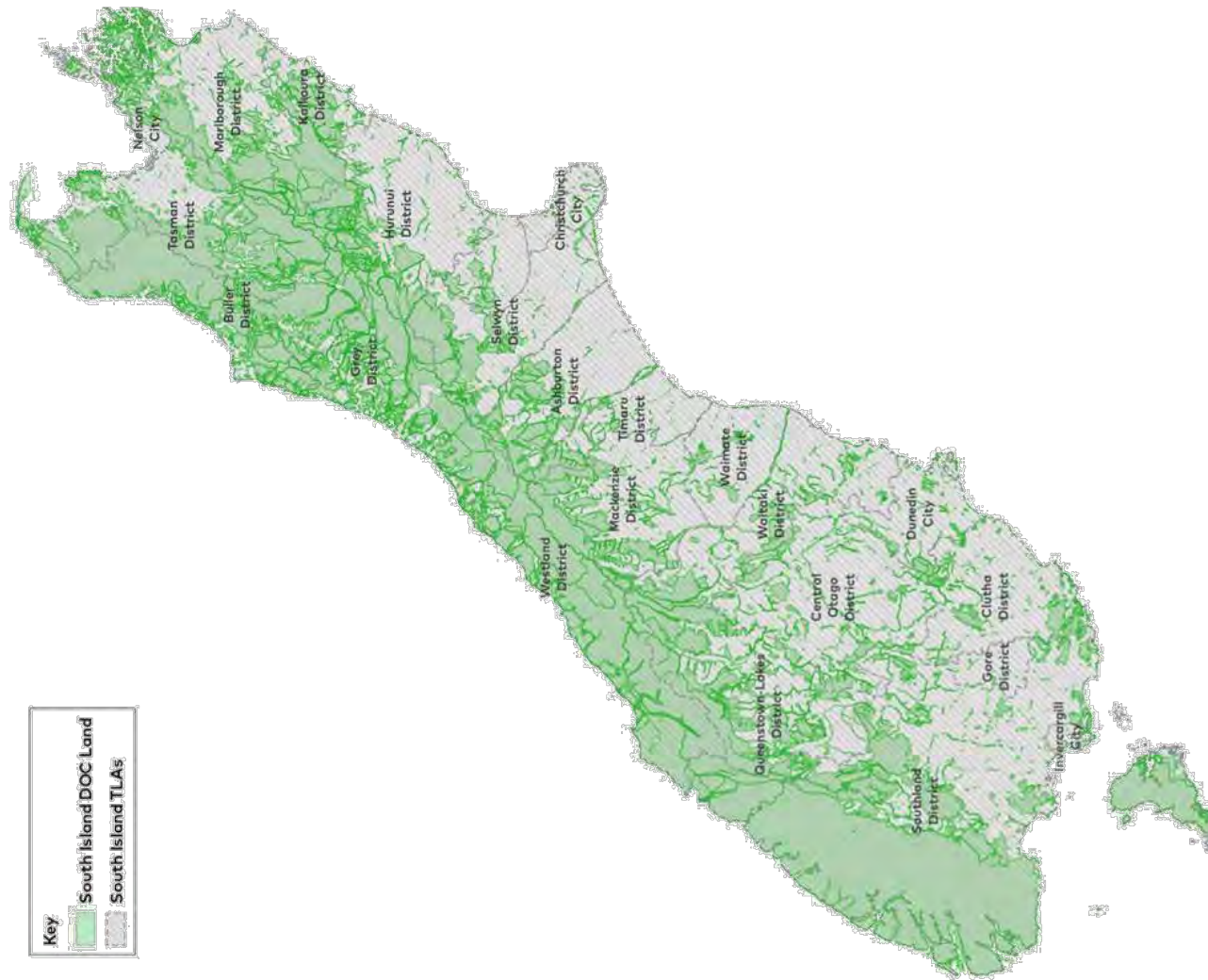
Te Waipounamu - South Island DMP: The



Visitor Type	Origin	South Island	Ashburton	Buller	Central Otago	Christchurch	Clutha	Dunedin	Gore	Grey	Hurunui	Invercargill	Kaikoura	Mackenzie	Marlborough	Nelson	Queenstown -Lakes	Selwyn	Southland	Tasman	Timaru	Waimakariri	Waimate	Waitaki	Westland
International O/night	Singapore	34k	1.1k	800	500	27k	1.4k	7.2k	0	2.2k	1.4k	1.0k	2.3k	13k	2.1k	2.7k	28k	500	10k	500	1.0k	0	0	1.0k	14k
International O/night	South Korea	49k	700	100	400	32k	100	2.7k	200	300	200	200	200	6.0k	1.2k	1.1k	43k	100	8.3k	200	500	0	0	1.0k	2.4k
International O/night	United Kingdom	124k	5.0k	17k	4.9k	88k	5.2k	37k	1.4k	11k	11k	9.8k	22k	30k	26k	36k	87k	5.6k	41k	24k	7.6k	1.4k	0	12k	59k
International O/night	United States	179k	3.2k	14k	5.6k	94k	4.9k	40k	1.0k	10k	6.3k	6.9k	10k	26k	22k	31k	137k	5.7k	57k	16k	4.8k	700	200	5.8k	58k
Grand Total	Total	19.9 m	782k	766k	1.2m	7.5m	608k	2.8m	235k	703k	1.8m	1.3m	892k	2.0m	1.7m	1.8m	4.3m	721k	2.4m	1.4m	1.8m	479k	183k	1.7m	1.8m

Appendix 3 DOC Estate

Figure 39: South Island DOC Estate



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Attachment 2



8.5 CHAIRMAN'S REPORT**Information Only - No Decision Required**

Report To:	Regulatory Committee
Meeting Date:	12 March 2020
Report Author:	Dana Wensley, Chair - Regulatory Committee
Report Number:	RRC20-03-05

1 General

- 1.1 Welcome to today's meeting. Since taking up the Chair of this Committee there have been several occasions where I have had to consider how the Council enforces compliance with the various regulations we are responsible for. I am also conscious that our environmental responsibilities are wide ranging and complex. We receive reports on investigations which measure the state and trends of various resources and environmental settings. But how do we know whether we are achieving progress. We will all know of situations where our constituents are telling us they are not happy with what is happening around the district. Are we being sufficiently proactive to measure the right things, in the right places, and at the right time?
- 1.2 I know we receive reports from staff that tell about the level of compliance being achieved. We know that effort is diverted to react to the complaints, the day to day issues that arise. We don't get to monitor all the consents that are issued and staff try to prioritise effort. We have a limited number of resources that can be deployed for this work. Is there some guidance that we can give to staff to help with this prioritisation? This is an open question and I know the Annual Plan for 2020-2021 has already be locked in but are there things within the available resource levels that we can do better or differently?

2 Draft Resolution

That the Regulatory Committee receives the Chairman's Report RRC20-03-05.

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3 Attachments

Nil

8.6 ENVIRONMENT AND PLANNING MANAGER'S REPORT

Decision Required

Report To: Regulatory Committee
Meeting Date: 12 March 2020
Report Author: Dennis Bush-King, Environment and Planning Manager
Report Number: RRC20-03-06

1 Purpose and Summary

1.1 This report covers a number of general matters concerning the regulatory activities of the Council since the 28 November 2019 meeting of the Regulatory Committee.

2 Draft Resolution

That the Regulatory Committee:

- 1 receives the Environment and Planning Manager's Report RRC20-03-06; and**
- 2 agrees that the Council submission contained in Attachment 1 to this report on the review of the Burial and Cremations Act 1964 and related legislation be sent to the Ministry of Health.**
- 3 receives and endorses the submissions listed in section 4.2 and Attachments 2 and 3 of this Report RRC20-03-06**

3 Review of the Burial and Cremation Act 1964 and related Legislation

- 3.1 The Ministry of Health (Ministry) has released a consultation document and is seeking feedback on a range of options for modernising the legislation relating to death, burial, cremation and funerals in New Zealand. This includes the Burial and Cremation Act 1964 (the Act), Cremation Regulations 1973 and the Health (Burial) Regulations 1946.
- 3.2 The Ministry is seeking feedback on the options from a variety of interested stakeholders. They hope the consultation will help inform the development of modern, fit for purpose legislation for death, burials, cremations and funerals.
- 3.3 The Ministry has posed 47 questions on which they seek feedback and have split the consultation into five sections:
- A Death Certification and Auditing;
 - B Regulation of the Funeral Services Sector;
 - C Burial and Cemetery Management;
 - D Cremation Regulations and the Medical Referee System; and
 - E New Methods of Body Disposal.
- 3.4 Our submission has provided feedback on Sections B, C and E. Council has no involvement in Sections A and D so we have made no comment. We do interact with the Funeral Services Sector but generally not in the capacity the review is focusing on but note that the Ministry is recommending status quo for this item.
- 3.5 There is potential that this review could lead to functions currently undertaken by central government being devolved to local authorities.
- 3.6 A draft submission is contained in Attachment 1.
- 3.7 A copy of the consultation document can be found at:
<https://www.health.govt.nz/publication/death-funerals-burial-and-cremation-review-burial-and-cremation-act-1964-and-related-legislation>
- 3.8 Submissions close on 10 April 2020.
- 3.9 The Committee has the options of either approving the submission (with or without minor amendments) or, if it considers that the submission needs major amendments, it can refer the submission back to staff.

Recommendation

That the Regulatory Committee agrees that the Council submission contained in Attachment 1 to this report on the review of the Burial and Cremations Act 1964 and related legislation be sent to the Ministry of Health.

4 Government Reviews

- 4.1 Over the last couple of months a further sluice of Government policy reviews had closing dates that invited submissions. Staff prepared submissions with assistance from elected members. The practice is that we seek approval to send Council submissions prior to the lodgment closing date but if this is not possible, we seek endorsement after the fact.
- 4.2 The following submissions are submitted as evidence that feedback on behalf of Council was given to the relevant Government agency:

- 4.2.1 Resource Management Reform Options (see Attachment 2)
- 4.2.2 Urban Development Bill (see Attachment 3)
- 4.3 We did not lodge any submission in the Crown Minerals Act Review, the Accelerating Renewable Energy and Energy Efficiency Discussion Document, or the Review of NZS 3604 Timber Framed Buildings, the Department of Conservations 'Changes to Whitebait Management'. We are still working on the National Policy Statement – Indigenous Biodiversity submission.
- 4.4 Two further reviews have been released.
 - 4.4.1 A new National Environmental Standard for the Outdoor Storage of Tyres <https://mfe-inhouse.cmail20.com/t/r-l-jhukjo-olkjrkudld-r/> was released 25 February 2020 with submissions closing 25 March 2020. It shifts responsibility to regional councils instead of territorial authorities, and establishes a proposed permitted activity rule with requirements, for tyre quantities between 40m³ and the threshold for resource consent (100m³ or 200m³). Farm silage tyres are exempted from this requirement. This will impact on the Richmond and Takaka Recovery Centres so we will be making a submission; and
 - 4.4.2 Proposed amendments to the National Environmental Standard on Air Quality have just been released on 26 February 2020 and submissions close 24 April 2020.

Recommendation

That the Regulatory Committee receives and endorses the submissions listed in section 4.2 and Attachments 2 and 3 of this Report RRC20-03-06

5 Food Act – Section 137 Review

- 5.1 New Zealand Food Safety has completed a review of the section 137 functions of territorial authorities (although we haven't actually been informed). Since the Act was passed in 2014 we have been performing verification functions for those food premises that sell food directly to customers. It was expected this function would transfer to independent and accredited verifiers unless Councils chose to perform this function. Tasman has previously decided not to compete with the private sector in this respect.
- 5.2 The result of the review is that territorial authorities will continue to provide verification services as we have over the transition period. Given we have to register premises, it is efficient that we also provide the associated inspection services and the review is testimony to services we are able to provide within our district. In addition, we have to register a range of manufacturing premises that operate under National Food Control Programmes and two of our Environmental Health Officers have been appointed to that role by Ministry of Primary Industries.

6 Environmental and Cultural Effects of Tourism

- 6.1 The Parliamentary Commissioner for the Environment, Simon Upton, has released a report on the environmental and cultural impacts of tourism growth and what an ongoing business-as-usual growth could mean for the vulnerability of the tourism sector. The Commissioner warns that increasing numbers of tourists – both domestic and international – are putting our environment under pressure and eroding the very attributes that make Aotearoa New

Zealand such an attractive country to visit. The report '[Pristine, popular... imperiled? The environmental consequences of projected tourism growth](#)' explores environmental impacts including:

- visitor density and loss of natural quiet
- water quality degradation
- solid waste generation and management
- infrastructure development and landscape modification
- biodiversity loss and biosecurity risk
- greenhouse gas emissions.

- 6.2 At this stage, the Commissioner is seeking feedback from interested parties on the report to assess whether the report identifies and understands some of the key challenges. A second report is likely to be released by the Commissioner in 2020 that will discuss some policy options that deserve debate rather than simply adopting a business-as-usual approach.

7 New homes around 21% smaller

- 7.1 A [Stats NZ](#) report states that the average floor area of new homes consented in 2019 was about 21 percent (42 square metres) smaller than the peak of 200 square metres in the December 2010 year.

8 Action Sheet

- 8.1 Attachment 4 is the Action Sheet which updates Councillors on action items from previous Committee meetings relevant to the Regulatory portfolio.

9 Attachments

1. ↓	Attachment 1 : Burial and Cremations Submission	197
2. ↓	Attachment 2: Resource Management Reform Submission	203
3. ↓	Attachment 3: Urban Development Bill Submission	211
4. ↓	Attachment 4: Action Sheet	229

March 2020

Ministry of Health
Burialandcremation@health.govt.nz

Dear Sir/Madam

Review of the Burial and Cremation Act 1964 and related legislation in New Zealand

Tasman District Council (TDC) would like to thank the Ministry of Health (Ministry) for the opportunity to make a submission to the Ministries review of the Burial and Cremation Act 1964 and related legislation in New Zealand.

Tasman District Council is a unitary council which represents the 55,000 residents who live in our district. We cover a large geographic area with many diverse and spread out settlements.

Specific Comments: Cremation and Funerals in New Zealand

1. Do you agree that there should be a general duty on everybody to ‘treat any dead human body or human remains with respect’?

Tasman District Council agrees that there should be a general duty on everybody to ‘treat any dead human body or human remains with respect’.

2. Do you agree that any breach of this duty should be an offence punishable by infringement notice, or, on conviction, by a fine?

Tasman District Council agrees that any breach of this duty should be an offence punishable by infringement notice, or, on conviction, by a fine. We consider that this responsibility should lie with a national law enforcement agency (e.g. the Police) to ensure a nationally consistent approach.

3. Do you agree that there should be a requirement that the person who has the duty to dispose of the body must do so without undue delay, including considering the mourning needs of the bereaved, any ceremonies to be performed, tikanga or other cultural practices, and any other relevant considerations (such as police investigations)?

Tasman District Council agrees that there should be a requirement that the person who has the duty to dispose of the body must do so without undue delay, including considering the mourning needs of the bereaved, any ceremonies to be performed, tikanga or other cultural practices, and any other relevant considerations (such as police investigations).

4. Do you agree that any breach of this duty should be an offence punishable by infringement notice, or, on conviction, by a fine?

Tasman District Council agrees that any breach of this duty should be an offence punishable by infringement notice, or, on conviction, by a fine. We consider that this responsibility should lie with a national law enforcement agency (e.g. the Police) to ensure a nationally consistent approach.

Section A: Death Certification and auditing

Questions 5 -14 relate to the above topic.

No comment - Tasman District Council is not involved in this process.

Section B: Regulation of the funeral services sector

Questions 15–19 relate to the regulation of the funeral services sector. Tasman District Council currently registers funeral directors beyond this it currently has no role in regulation of this sector.

- 20 What is your preferred option for regulating (or not) the funeral services sector? Please provide reasons for your view.

Tasman District Council supports Option 4 as it would restrict the provision of services to those who are registered, transfer the registration responsibility to central government and strengthen registration requirements and standards. This would also provide a consistent national approach, ensure higher standards, increase transparency and result in a minor decrease in cost to territorial authorities. Central government also has access to conviction and other records required for the vetting of funeral directors.

One issue identified that requires further consideration is that registration requirements as proposed in 18.38 of the Law Commission Report is broader than the services covered by a funeral director and extends to include services such as grave digging. Further consideration of the scope is required.

Questions 21-24, No comment - Tasman District Council are not involved in this sector.

Section C: Burial and cemetery management

- 25 Do you agree that there are issues that could be improved with the current framework for burials and cemetery management? *Why/Why not?* Are you aware of any problems?

Tasman District Council agrees that the current framework for burials and cemetery management could be improved and, in particular, it requires updating to reflect the passing of the Resource Management Act 1991 and the Local Government Act 2002.

The main problem Council has encountered with the current legislation is in regards to burials on private land. We agree that it is difficult for people to get through the process to enable burials on private land.

- 26 Can you provide any evidence about the size or extent of such problems outlined about the current framework for burials and cemetery management?

Tasman District Council has no empirical evidence but as a Council with a large rural area associated with it, we have had a number of requests for burials on private land, particularly from those with a long family association to the land.

- 27 What do you think about the options identified regarding a new framework for burial and cemetery management? Do you want to suggest any additional options?

Tasman District Council agrees that a new framework for burial and cemetery is required. However, we are concerned that the onus of the proposed changes will be put on councils to manage. There is no discussion on how councils would resource this work. Our ratepayers are regularly having to pay increased rates to deal with responsibilities devolved by central

government to councils without any funding. This situation creates affordability issues for our residents.

- 28 Do you agree with the impacts of the options identified regarding a new framework for burial and cemetery management? *Why/why not?*

Can you suggest other likely impacts from the three options?

Tasman District Council agrees with the impacts of the options they are clearly stated and cover each discussion point. However they state that the functions of the Ministry would move ‘from central government to local government with the associated resource impacts’ without further discussion on the impacts may be and what effect that they would have on local government. In some areas the Ministry has the better resources to carry out these functions, in particular disinterment and family disputes. These issues can be highly emotive, can require legal assistance to resolve and are beyond the general scope of work for local authorities.

Options 2 and 3 enable the establishment of independent cemeteries, if these are to be established consideration needs to be given to ensuring that the management obligations for independent cemeteries include the requirement that the burial land is not used for other purposes (footnote 53). The footnote implies the use of covenants on certificates of title to bind the management obligations on the land owner. This method should be extended to cover ongoing management and maintenance of the burial ground so that the current and subsequent owners have an enduring obligation to manage and maintain a burial ground if it exists on the land. This approach is preferred over introducing an obligation on local authorities to assume responsibility for failing non-local authority cemeteries or where a designated manager renounces their role (section C3.1.3 modified or new obligations).

1. “With regards to burial on private land, Option 2 would contain more relaxed provisions than current legislation. Specifically, burial on private rural land where the total number of burials is fewer than five could be approved solely under a process in the new statute and without deference to the Resource Management Act 1991. Approval for this would be at the discretion of the local authority, who must approve such an application if certain criteria are met.[1]”

Criteria are: there is unlikely to be an adverse impact on any neighbouring land owners; the land is suitable for use as a cemetery; there is unlikely to be any adverse impact on surrounding land and waterways; the applicant has a strong family connection with the site and there is an adequate plan for the perpetual maintenance of the site as a cemetery.

The phrase “without deference to the RMA” suggests some form of national regulation, i.e a national environmental standard to provide national consistency around RMA requirement and remove the requirement for every council in the country to develop its own plan rules and consenting requirements for independent burial grounds. We would support this but note that the criteria would need further expansion. In particular a requirement on green burials where bodies are not embalmed and are buried in biodegradable coffins/covers. Embalming fluid contains a number of organic carbon based compounds including formaldehyde. Formaldehyde is a known carcinogen at low concentrations. Any proposal to bury embalmed bodies would trigger the requirement for a resource consent.

[1] Criteria are: there is unlikely to be an adverse impact on any neighbouring land owners; the land is suitable for use as a cemetery; there is unlikely to be any adverse impact on surrounding land and waterways; the applicant has a strong family connection with the site and there is an adequate plan for the perpetual maintenance of the site as a cemetery.

Providing bodies are not embalmed then a consent may not be required for a discharge of leachate providing certain conditions are met. Those condition are likely to be very similar to the requirements for the disposal of animal carcasses and offal. For example The Tasman Resource Management Plan contains the following permitted activity rule:

36.1.2.10 Discharge of Leachate from Offal Pits

The discharge into land of any contaminant associated with the placing of dead stock or offal from any one property and any soil or lime covering into a pit specially excavated for the purpose of disposing of dead stock or offal, is a permitted activity that may be undertaken without a resource consent, if it complies with the following conditions:

- (a) There is no discharge in the Waimea Plains Aquifer Protection Area.
- (b) The pit is no less than:
 - (i) 50 metres from any surface water body, or the coastal marine area;
 - (ii) 50 metres from any bore for domestic water supply;
 - (iii) 10 metres from any adjoining property;
 - (iv) 50 metres from any dwelling on an adjoining property.
- (c) The discharge does not cause an offensive or objectionable odour discernible beyond the property boundary.
- (d) The bottom of the pit is not less than 0.5 metres above the average winter level of groundwater.
- (e) There is no discharge or percolation of leachate into surface water or ground water.

- 29 Can you provide any information to help the Ministry gauge the size of any potential impact, cost or benefit that would affect you?

Tasman District Council have 12 operating cemeteries some of these are ex Trustee Cemeteries with the older records often being very poor or non-existent. The cemeteries range from very rural ones with one burial every two years to our urban ones with 45 burials and 50 ash interments each year. As our region is growing these numbers are expected to increase. We also support the several Trustee Cemeteries in our area by providing a small maintenance grant. In addition there are a number of denominational burial grounds associated with old rural churches, a number of which are no longer in use and the churches are seeking to divest and have issues on how to deal with the burial area.

Any extra functions allocated to our Council would have a cost impact in regards to Resource Consent issuing and monitoring, staff time processing requests for assistance, etc. In regards to disinterment, attendance at the cemetery to review the process would not place a large burden on Council. However, working with the families and getting the correct permission etc. in place would be a heavy burden for Council. Council would be further impacted if it was expected we take over other maintenance and administration of burial areas that can no longer be managed and maintained by the original owners or developers of the burial ground, particularly if that burial ground was full and there were no fees or income to call on to assist with the ongoing maintenance of the burial ground. The public expect a high level of maintenance services for cemeteries and burial grounds. Older areas are often subject to vandalism, which can be costly to repair.

- 30 What is your preferred option for a new framework for burial and cemetery management? Please provide the reasons for your view.

Tasman District Council's preferred option is Option 3.

We support in principle burials on private land and that they should be subject to a resource consent under the Resource Management Act 1991. We oppose the provision for independent cemeteries.

We believe that the proposed management obligations for burials on private land sites should be extended to cover the ongoing management and maintenance of the burial ground so that the current and subsequent owners have an enduring obligation to manage and maintain a burial ground if it exists on the land. This approach is preferred over introducing an obligation on local authorities to assume responsibility for failing non-local authority cemeteries or where a designated manager renounces their role (section C3.1.3 modified or new obligations).

Again we support cost recovery provisions to be included for councils in relation to any new functions the new legislation may specify and particularly in relation to burials on private land and community cemeteries.

Section D: Cremation regulations and the medical referee system

Questions 33-40

No comment, Tasman District Council does not own any cremators and is not involved in this sector.

Section E: New methods of body disposal

- 41 Are you aware of any particular new methods of body disposal that could be made available in New Zealand? Please describe the process and the risks and benefits you see with the process.

Tasman District Council is not sufficiently informed of any new methods of body disposal to provide comment.

- 42 Do you agree with the issues outlined regarding new methods of body disposal? Are you aware of any other problems?

Tasman District Council agrees with the issues as stated. We are not aware of any other problems.

- 43 Can you provide any evidence about the size or extent of the problems regarding new methods of body disposal?

No comment Tasman District Council does not have sufficient information.

- 44 What do you think about the options identified for regulating new methods of body disposal? Do you want to suggest any additional options?

Tasman District Council agrees that the current legislation may not be sufficient to regulate new methods of body disposal and support in principle Option 2. We do not wish to propose further options.

- 45 Do you agree with the impacts of the options identified for regulation new methods of body disposal? Why/why not? Can you suggest other likely impacts from the two options?

Tasman District Council agrees with the options identified for regulating new methods of body disposal. Providing the ability for the decision maker to control market access to new methods

Item 2.6

will ensure that any new methods are safe for the provider, consumer, the public and the environment, while ensuring dignity of the deceased and relevant cultural considerations including tikanga Māori.

It is difficult to suggest other likely impacts from the options without having further details on the proposed method of disposal.

- 46 Can you provide any information to help the Ministry gauge the size of any potential impact, cost or benefit that would affect you?

Tasman District Council would find it difficult to gauge the size of any potential impact, cost or benefit that would affect us. However, if any new method was proposed we would like the opportunity at that time to make comment on the impact, cost or benefit to Council. Issues we are concerned about include staff having appropriate skills and knowledge for processing and monitoring Resource Consents, any impacts on our wastewater or stormwater systems from new methods of disposal, and if the cost of processing and monitoring any consents and other activities would end up falling on councils.

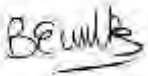
- 47 What is your preferred option to regulate new methods of body disposal, please price the reasons for your view?

Tasman District Council supports Option 2: *Regulating new methods of body disposal*, and agrees with the Ministry that this would future proof the system, enable new methods of disposal to be offered to the market, as well as ensuring that the new methods of body disposal operate in a way that protects the dignity of the dead, is consistent with tikanga Māori and other cultural considerations, and does not have any other adverse consequences, and would not impose any immediate compliance costs on any person. As above, we would like the opportunity to further discuss any new proposed method of body disposal in regards to the impact on Council in regards to staff resourcing, monitoring requirements and cost to Council.

Tasman District Council staff would like to thank you for the opportunity to provide feedback on the consultation document.

We hope that these comments are useful in your deliberations however if you require clarification on any of these items please do not hesitate to contact me.

Yours sincerely



B Wilkes
Senior Horticultural Officer

Attachment 1



Silent One ID:
Dennis.Bush-King@tasman.govt.nz
Phone 543 8430

3 February 2020

Resource Management Review Panel
C/- Ministry for the Environment
PO Box 10362
Wellington 6143

By Email: RMreview@mfe.govt.nz

Dear Judge Randerson and Review Panel

SUBMISSION - RESOURCE MANAGEMENT REFORM

Tasman District Council takes the opportunity to respond to your discussion paper on the reform of the Resource Management Act (RMA).

Civil society is complicated enough that we need in place a legislative framework to guide how communities plan for, and also manage the effects of human activity on, how we interact with the environment which sustains us. You have the unenviable task of advising the Government on what should replace the RMA, a statute that has lost its coherency but which in terms of scope and purpose, is basically sound. Implementation, at all levels, has often been an issue but where the law has been an impediment, then your review provides an opportunity to correct this. However the successful implementation of good law also depends on many other factors such as commitment, funding, having in place proper delivery systems and institutions. We note these matters are outside of your purview. The Government however should not lose sight of these other matters.

We have chosen to comment at a fairly high level as the devil will be in the detail when it comes to drafting any replacement legislation.

Legislative Architecture

The RMA sought to integrate into one statute a wide range of statutes that dealt with the use, development and protection of natural and physical resources. The underlying principle of integrated resource management is one which we think should be retained. As a Unitary Authority, we certainly see the benefits of dealing with the environment in a holistic and integrated way.

You are being encouraged to consider whether or not the law relating to urban development should be separated out from general environmental management. We would point out that development occurs in the rural area just as it does in the urban area, and it is important to understand that everything in the environment is connected to everything else eventually.

<p>Tasman District Council Email: info@tasman.govt.nz Web: www.tasman.govt.nz 24-hour assistance</p>	<p>Johnson 1000000000 0000000000 0000000000 0000000000 Phone: 0000000000 Fax: 0000000000</p>	<p>Richie 0000000000 0000000000 0000000000 Phone: 0000000000 Fax: 0000000000</p>	<p>Reynolds 0000000000 0000000000 0000000000 Phone: 0000000000 Fax: 0000000000</p>	<p>Taitoko 0000000000 0000000000 0000000000 Phone: 0000000000 Fax: 0000000000</p>
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Accordingly, our view is that the RMA should remain as the overriding environmental management statute.

You are charged with considering how the RMA should link in with the likes of the Local Government Act and the Land Transport Act. The question could well be asked as to how the current and proposed new RMA links into the Fisheries Act, the Crown Minerals Act, the Reserves Act, the Conservation Act and the list can go on. The RMA, despite any political rhetoric, was never going to be the only statute that people have to consider when it comes to using land and other resources. It is highly likely that there will always be special purpose legislation which is set up for other reasons. The challenge is how, through process or legislative design, the various statutes can co-exist.

Long term plans and annual plans prepared under the Local Government Act (LGA) can coexist quite satisfactorily with resource management plans. It may be that Land Transport plans under the Land Transport Act could be done away with and that Council's and NZTA use their activity management plans to frame up their funding needs and capital works program. Any resource management plan could be left to deal with, as they do now if used properly, the nature, form and direction of the growth of communities and the location and sequencing of required infrastructure.

Statutory Principles

Part 3 of the RMA is very significant. It sets out the duties, rights, responsibilities and functions of those involved in working with the environment. The legal presumptions applying to the use of land and public resources are different. Any replacement legislation will need to address whether there needs to be any change. There are some challenges. For instance, section 15 deals quite well with point source discharges but diffuse discharges, when it is the cow or the opossum responsible for the discharge, are not easily dealt with under the current framework. Dealing with a discharge as an effect from a land use, like noise, traffic, is not straightforward under Part 3 as currently drafted.

Being clear about existing rights to land, and even other resources, is something that needs to be built into any replacement law. To what extent do you then have to consider compensation and betterment arrangements? These matters were dealt with in the original process that lead to the RMA. Perhaps you should dust off the analysis to see what should now be recommended in 2020. Decisions on this point will influence what changes may be needed to the review of consents. Is the use of a public resource a "right" or a "privilege"? This too will influence your advice to Government.

The RMA has been criticised for not being well set up for dealing with the allocation of resources, in particular access to public resources like air, water, the coast, and gravel or occupation of lakes and rivers. While the issue of Maori rights and interests in relation to these resources is an unsettled matter, we consider the RMA has been pitched at the right level. The RMA has not precluded the use of a variety of allocation mechanisms to entitle people to access public resources. It is only where resources are fully allocated, or over allocated, that perhaps some system other than the 'first in time' process could be put in place. But this is matter for plans, not something that should be prescribed in law or regulation.

The absence of resource rentals might be another matter that could be considered in any replacement legislation, but in itself, this would not be straight forward. Coastal occupation charges under the current RMA have been a dismal failure. Any regime would need to cover how resource rentals would be collected and how any funds obtained would be dispersed. Another Pandora's box!

Plan Making

RMA plans are complex and can be complicated. They are subordinate legislation so have to meet accepted standards in terms of structure, content, and clarity. Unfortunately they take a long time to review and prepare. The process for preparation is not particularly agile in being able to adapt to changing circumstances or to deal with minor changes. While the evidential basis for RMA plans acts as a check on what the plan makers seek to do, the process of scrutiny by the community can add significantly to the time plan-making takes.

We believe that the community should continue to be involved in the plan-making process but we do question whether the process is efficient and as fair as it should be. Because RMA plans interfere with people's rights and expectations in relation to using or protecting the environment, there will always be recourse to legal processes to challenge the decision makers if people are unhappy, even if that involves judicial review. The current process enables the Environment Court to adjudicate on disputes. We respect the role of the Court and could accept a continuation of its role but people would have to accept that this is a source of delay.

We note, however, that Councils and other organisations are continually developing the likes of annual plans, conservation management plans, reserve management plans, rating rolls, without formal rights of appeal to a Court. Should the replacement RMA give local authorities similar powers in relation to RMA plans? Other jurisdictions give local authorities the powers to make plans, subject to sign off by a Minister. Might this be a more expeditious process? Neither a Court nor the Minister is electorally accountable to the community the plan covers, and there is no guarantee that a Minister would be any quicker than a Court based on past experience with national enquiries or called-in consents.

If the Environment Court were to be removed from its current appellate role, perhaps it could take over from the High Court and provide judicial review powers. This may require elevating the status of the Court but it is noted that the Employment Court judges are High Court judges.

The Government has in place national planning standards and it still remains to be seen how well these will impact on the plan-making process. As has been demonstrated, the state of, and pressures on, the environment is not constant throughout New Zealand and communities will respond differently in proportion to risk. The principle of subsidiarity suggests that decisions should be made at the lowest level appropriate and we support this. But the replacement RMA needs to be clear about how the various levels of planning can co-exist alongside each other, including planning instruments from other agencies or systems. The original phraseology of "not inconsistent with" would have been less problematic than the "must give effect to" phraseology currently in the RMA.

Consenting

If development and resource use approvals are to be obtained when not otherwise permitted by the Act or a plan rule, there needs to be a process whereby these can be applied for, assessed, and granted or refused. We believe the RMA currently contains the elements required for any replacement process. If anything, the number of consent statuses is probably too many and any reform could reduce these. The prohibited activity category has not been successfully used because of the difficulty in defining such prohibitions. Do you need to bring back something like the old specified departure in the Town and Country Planning Act where there is the ability to TKO certain types of developments or resource use that go beyond what are deemed publicly acceptable through a plan?

You should retain a category of consents where the exercise of discretion to either grant or refuse is provided for, and you need to also have some process where dispensatory decisions can be made for those activities that are minor and which are relatively straight forward.

Another challenge with consenting is the degree to which people are able to be involved in the decision making process. The evidence shows that most RMA decisions are made under staff delegated authority and only a very small proportion of developments will find their way through to the Environment Court. Average processing times are generally acceptable although we would agree that total elapsed time for consent processing can sometimes extend to unacceptable levels. Whether this is because of the local authority or applicant, performance is variable. In principle, any consent framework needs to be clear and understandable, fair to those who are involved, both applicants and affected parties, and there needs to be an efficient way of dealing with contests over the granting or refusal of a consent or the imposition of conditions.

Any new law will result in a time lag before new case law is developed. We think there is merit in minimising the uncertainty to resource users by retaining the "tried and true" features of the current system and only changing where efficiencies and better outcomes can be secured.

Outside of the scope of your review is the formal structure of Local Government. However under the consenting framework you do have the opportunity to determine whether or not consent decisions continue to rest with local authorities or whether you professionalise the decision-making process, something similar to the "planning inquiry" system that operates in the United Kingdom. On balance, we believe that it is appropriate for local authorities, even if through delegated staff, to make decisions in relation to their local communities. Where there are conflicts of interest, measures can be put in place to manage these through use of independent commissioners who, in law, are still making the decision in the name of the local authority.

We think the current law has over-complicated the role of elected representatives. The accreditation process has set up an entire new industry and displays a lack of trust in elected representatives to either make decisions themselves or to appoint delegates. In our view the process can be simplified considerably by reverting back to the state that existed when the RMA was first introduced.

Compliance and Enforcement

If there is to be in place a regime which regulates the way in which we manage and use natural and physical resources, there needs to be a system in place to monitor performance and to enforce compliance when that is not happening. The RMA made significant strides in putting in place a compliance and enforcement system which we think, despite criticisms as to how it has been used, has been fit for purpose. At the more detailed level, there will inevitably be improvements that can be made to the legal basis but generally our experience has been that the enforcement provisions of the RMA have been appropriate. As with a lot of things under the devolved discretionary RMA process, it is implementation, rather than the law, when it comes to observations on how things have worked.

National Direction

Perhaps related to the above matter, the reform panel is going to have to consider what role the Environmental Protection Authority (EPA) should take in injecting national direction into the replacement RMA process. We certainly question whether the Authority is appropriately

set up to be involved in compliance and enforcement of the RMA. There have been suggestions in the past that the EPA could take over the roles and responsibilities of regional councils in relation to managing the natural environment but we believe this suggestion is beyond the scope of your remit and would not support such a move.

However, national direction is also, in addition to the legislation, given through other mechanisms such as National Policy Statements and National Environmental Standards (NES) and the track record, in our view, has been woeful. Even where we have such national instruments, their ability to work effectively have not been without significant cost, and in many cases, confusion, uncertainty, and failure to achieve their intended outcome. The NES on Production Forestry, for instance, impose more controls on forestry activity for little environmental gain in relation to the system we had in place in Tasman District. The NES on Contaminated Land has led to a considerable amount of work for the Council and land owners given the past widespread use of agricultural chemicals. These are good examples of where the Government has a lot to learn about how to efficiently inject national directional in to the processes around resource use.

The current suite of national directions in preparation or consideration are potentially conflicting and will transfer cost and uncertainty. The panel will have to advise the Government on how these policy instruments will be accommodated under the new law. Thought needs to be given as to an efficient means of removing unreasonable cost and uncertainties. In principle, where the national direction is to over-ride regional or local policy, the national should be responsible and not transfer cost and accountability on to those regional and local communities. At least those who will be impacted by national direction will know who to challenge!

Maori Interests

The RMA tried to encourage Maori concepts that could be used more generally in resource management. Unfortunately, in practice, they have been used to only apply to those situations where Maori interests are directly involved in the use, development or protection of resources. There are at least two components at issue – one is how the practice of the law recognises Maori rights and interests in matters relating to the environment, the second is the role Maori take in making decisions on matters relating to the environment. The transfer powers in section 33 of the RMA were designed to allow local authorities to transfer powers to the likes of Iwi and hapu, but this has not happened. In part because Iwi have the same challenge as do local authorities in being a resource user and also a regulator. Again the remit of the reform panel seems to exclude any constitutional changes to how decisions are made under the RMA replacement, so in your advice to Government you have to deal with the two issues that we have identified.

Reducing complexity across the system

We would all support any reform package that reduces complexity and makes it easy for people to access the replacement RMA processes. However, because people are different and can hold very strong views on the environment or what is happening in the property next door to where you might live, work or play, there will be disagreements as to outcome from time to time. We need a framework to allow for these differences to be resolved, one which is hopefully shorter and more straightforward, with less opportunities for judicial intervention than is currently the case.

We need to see a proportional response so that those things which are at the minor end of the scale can be dealt with efficiently. Ideally it would be good if the law could define what the threshold might be, but the reality is that that would be an impossibility. For activities and

uses which are outside of the scope of the plan, then processes involving community participation would seem appropriate and necessary.

It is not unreasonable to hope that the replacement RMA will provide improved certainty and decision making, but this will come at some cost. On balance, we would suggest that the law should define when there is a presumption towards public notification and those situations where there is a presumption against having to notify a consent application. Too much discretion can sometimes be a recipe for procrastination and unreasonable uncertainty and delay.

Spatial Planning

Calls for improved spatial planning have been made. We would assert that there is nothing in the current RMA that has precluded this. In fact, many Councils currently undertake spatial planning, which integrates planning under the RMA, Local Government Act 2002, transport planning and other infrastructure planning. At Tasman, we have recently completed a Future Development Strategy (FDS), jointly with Nelson City Council, to plan for growth in both of our districts. The FDS has identified the key growth nodes within both districts and linked this in with infrastructure availability and future requirements.

Our Council has used the outcomes of the FDS as the basis for our Growth Strategy, which identifies both supply and demand for development in our region on a settlement by settlement basis. We have 14 main settlements in our district. The Growth Strategy identifies what specific parcels of land are developable based on a range of environmental, cultural, social, and economic criteria, along with the community and utility infrastructure needed to enable that growth.

The outputs from the Growth Strategy drive changes to Council's Tasman Resource Management Plan (District Plan) and feed into the development of activity management plans, and our Infrastructure Strategy, which flow into the Long Term Plan and the Regional Land Transport Plan. We have been preparing a growth strategy for over 15 years now, so spatial planning is not a new idea and is certainly able to be accommodated within the existing legislative regime for local government.

If the Government does want to legislate for spatial planning, our preference would be for this to be incorporated into the Local Government Act 2002, which has a wider planning mandate for councils and aligns with capital works planning. To add further layers of planning to the replacement RMA will not reduce complexity or confusion.

One of the challenges with spatial planning, development studies, and growth strategies, whatever you want to call them, is getting all the interests, including other infrastructure providers, to commit to mutually agreed outcomes. One of the concerns leading to the repeal of the Town and Country Planning Act was that regional authorities were using their planning instruments to bind the Crown and other providers of infrastructure, physical and social, in ways which were not acceptable to those other bodies. The degree to which the Crown and other infrastructure providers are bound by subordinate planning instruments, or the extent to which powers such as designation can circumvent subordinate planning rules, will be an area that you should advise on. We think the RMA has sought to achieve the right balance but clearly some people see a need for something different. What that "different" might look like is untested and may have design and operational challenges which offer little advantage.

Transition

The package of advice that you give to the Government needs to address the important issue of transition from old to new law. The ease of shifting from what we have now may influence how far you might be prepared to suggest new changes. We urge the Panel to look at the costs associated with any replacement system, and the time it would take to move from the old to the new, to ensure that affected parties can do what is required efficiently and at minimum additional costs.

Yours sincerely



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14 February 2020

Committee Secretariat
 Environment Select Committee
 Parliament Buildings
 Wellington

By Email: en@parliament.govt.nz

Dear Sir/Madam

RE: URBAN DEVELOPMENT BILL: TASMAN DISTRICT COUNCIL SUBMISSION

Tasman District Council welcomes the opportunity to make a submission on the Urban Development Bill. While Kāinga Ora – Homes and Communities (hereinafter referred to as Kāinga Ora) may not extend its business into Tasman for some time, we have nevertheless taken the opportunity to comment on the Bill as a matter of principle because of its impact on the local government sector. Central government often introduces legislation without considering sufficiently the administrative burden, inefficiencies, and costs that are imposed on local government.

New Zealand has been experiencing record rates of immigration in recent years and this has contributed to volatile peaks in demand for housing – added to the ongoing demand from natural population growth. We have not been building enough houses in the lower quartile of stock value to match demand. Since the late 1980s successive New Zealand Governments have been building significantly less housing, compared with the post war decades where policies were in place to ensure housing was built and people were assisted to move into those houses (e.g. Government guarantees; capitalisation of family benefit; preferential lending from State Advances Corporation). This meant more houses were built many decades ago.

The Urban Development Bill proposes to provide Kāinga Ora with powers to undertake urban development. This has the potential to contribute to the supply of housing and provide for much needed new communities, which is a positive step. Therefore, in principle we commend the Government for introduction of this Bill.

However, Tasman District Council has some concerns over the practical implications of some of the proposals in the Bill. For example, the development control processes outlined in the Bill are far from streamlined or integrated and raise questions over their administration and efficiency. There are also a number of clauses in the Bill where Kāinga Ora can request another agency, such as a Local authority to do certain things, thus passing on the unquantified costs involved. (Further details are provided in Annex A).

The Bill itself is not easy to digest. If the underlying principle is to give Kāinga Ora powers of eminent domain and supervisory powers (for example in relation to planning, development control and exercising roading powers), then a much more straightforward process that

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minimises the complexities that the Bill has put in place, is recommended. A process in which Kāinga Ora has overriding powers and is accountable to those impacted is also preferable to the powers set out in the Bill. We accept that if the other agency (e.g. Local authority) agrees with a specified development project, this would be less of a source of conflict and presumably, the Local authority will accept the costs, but in the absence thereof, the Bill as drafted could pose a number of problems.

While the Bill may ensure increased provision of housing of the lower quartile stock value in some of our major urban centres, this may not occur in our smaller urban areas. We understand that the focus of Kāinga Ora's activities in undertaking urban development will be in the Auckland-Hamilton corridor, (Proposed National Policy Statement Highly Productive Land 2019 page 43.) Therefore, similar to the theme of our submission on the proposed National Policy Statement on Urban Development (2019), the Urban Development Bill, as written, potentially fails to assist areas like Tasman. Yet Tasman is contending with significant housing market challenges – those of a fast growing population and serious housing affordability issues for both rent and ownership. The Nelson Urban Area (Nelson, Stoke and Richmond) was the 7th fastest growing main urban area nationally between 2013 and 2018 with population increasing on average 1.4% per annum. According to Massey University's Home Affordability Index (June 2019), Tasman is the second least affordable region in the country, after Auckland. These housing market problems are leading to talent attraction issues for employers, as evidenced in a recent survey by the Nelson Regional Development Agency. We have zoned land available but section prices have not reduced.

Given the split of roles that currently exists in the Bill between Kāinga Ora and Territorial Authorities, formal allocation of some or all of the powers to Local Authorities would be a more satisfactory outcome. Such powers would enable Local Authorities to facilitate urban development that contributes to sustainable, inclusive and thriving communities. We therefore suggest that the Bill should allocate some or all of the powers for Kāinga Ora to Local Authorities, subject perhaps to a form of ministerial approval if necessary. The Resource Management Act already allows for non-government agencies to be appointed as Network Utility Authorities. These authorities are able to exercise planning and development powers of a kind as if those authorities were government entities and where they, for the wider public good, are able to intervene in the land development market. Therefore precedent for a similar system already exists.

We are particularly concerned about the Bill's proposals to use the Local authority to collect any targeted property taxes (rates) on behalf of Kāinga Ora. There are significant technical and practical challenges in implementing the approach suggested by the Bill. In our submission, you will note that we have referred to the Kāinga Ora targeted rate as a 'targeted property tax'. It is clearer to keep the term "rates" exclusively for Council imposed property taxes under the Local Government (Rating) Act. Where another body imposes a targeted property tax, it needs to be referred to as that body's property tax eg. the Kāinga Ora property tax. If the property tax is not called a rate it is easier to differentiate it from Council rates and for everyone to understand. The redevelopment of Council information systems to levy and collect a third party targeted property tax would take time and be very costly and is not possible within many council current software systems. A third-party targeted property tax is also likely to create confusion for the ratepayers who expect Council to be able to answer queries and be accountable for rates.

There are currently other proposals that are potentially impacting on the Council rating systems. These proposals all involve Council collecting amounts for other parties through, or in conjunction with, its rating processes. It is essential that the Government considers a co-ordinated and unified approach as current proposals all look different and are not compatible.

The annex to this letter provides specific submission comments on clauses of the Urban Development Bill.

We are happy to appear and speak in support of this submission.

Yours faithfully



Dennis Bush King
Environment and Planning Manager

Annex A**Specific submission comments on clauses of the Urban Development Bill****Clauses 9 and 91**

The definition of “planning instrument” makes no reference to a Regional Land Transport Plan (RLTP) or to Reserve Management Plans. Given the roading powers which may be invested in Kāinga Ora, RLTPs seem a significant omission. By including RLTPs in the definitions it would also ensure that clause 91 applies to such Plans (when the development plan for the specified development project may be inconsistent with planning instruments). Also, in cases where Reserve Management Plans exist in the area covered by the development plan for the specified development project, they should also be included under the definition of planning instruments.

Recommendation:

Include Regional Land Transport Plan and Reserve Management Plans under the definition of “planning instrument” in clause 9.

Clause 21(3)

This is an example of similar provisions elsewhere in the Bill where Kāinga Ora can request another agency, such as a Local authority, to do certain things, in this case make an offer in relation to the land to its former owners, where the land is former Māori land. The expectation is that Kāinga Ora will have consulted with the other agency so that there is understanding and agreement as to what might be needed.

We propose that it would be more effective for Kāinga Ora to have these overriding planning powers consistently to create a means whereby Kāinga Ora can undertake the necessary actions and therefore be held accountable to those who are impacted. It would also reduce administrative costs (which should be borne by Kāinga Ora) and complexity.

Recommendation:

Delete clause 21(3)

Clause 25

The unenforceable duty to co-operate (general duties between Kāinga Ora, Local Authorities and Infrastructure operators) outlined in clause 25 is well meaning. However it sets up unclear, open ended, uncosted obligations on other agencies to work with Kāinga Ora. To undertake development of the scale and complexity envisaged by the Bill, Kāinga Ora is going to need to make some difficult decisions, which may prove unpopular with many people. To unreasonably constrain Kāinga Ora and at the same time impose unreasonable

or uncosted implications on other parties, including Local Authorities, does not bode well for effective and efficient implementation of the legislation. Kāinga Ora should be responsible for any costs borne by Territorial Authorities in implementing this Bill.

Recommendation:

Delete clause 25 and in order to reduce the complexities that the Bill has put in place consider deleting clauses 21(3), 98, 101-109 and 152. Kāinga Ora should have overriding planning powers in the transitional period to be able to undertake the necessary actions and therefore be held accountable to those who are impacted.

Clause 28

Anyone can propose that an urban development project be considered for assessment as a potential specified development project. This includes Māori entities, councils, private developers, investors and others. This is significant for local authorities and yet it is implied rather than explicitly stated in the Bill.

Recommendation:

Insert in clause 28 (key features of specified development projects) a sub clause that clarifies anyone can propose an urban development project to be considered for assessment as a potential specified development project.

Clause 30(b) and (c)

We support use of the term "*consistent with*" in that project objectives are consistent with the purpose of the Bill and existing national directions under the RMA. It removes some of the challenges involved in the phrase "give effect to" that is found in the Resource Management Act. However, sub clause (c) that defines a project area is not written clearly and may unreasonably constrain the application of this Bill. For example, could the Rolleston new-town concept from the 1970's be used in this case? There may be situations where the powers of this Bill are used to create a new town in what is essentially rural land and at odds with the proposed National Policy Statement on Highly Productive Land.

Recommendation:

Amend sub clause 30(c) to provide greater clarity on the type of suitable land that can fall within project areas.

Clause 30(h)

The Bill allows for a specified development project proceeding where the local authority does not agree. Therefore further to submissions under clause 25, the Bill should give Kāinga Ora overriding powers and be held accountable to those impacted. If the other agency (eg. local

authority) is in agreement to the specified development project, this would be less of a source of conflict, but in the absence thereof, requiring local authorities to undertake actions on behalf of Kāinga Ora would pose a number of problems.

Recommendation:

Amend the Bill for Kāinga Ora to have all the necessary powers to complete a specified development project without the local authority having to agree or be responsible for both/any of the implementation and costs (see submission under clause 25).

Clause 33 & 34(1)(f)

There is inconsistency between the requirements for Kāinga Ora to assess a project, “*identifying at a high level constraints and opportunities that arise for the project from the matters listed...*” (clause 33) and clause 34(1)(f) (which comprises one of those matters), “*at a high level the extent to which the project.....aligns with any documents that are published by a relevant local authority and that set out its plansfor urban growth.*” Identifying constraints and opportunities is not the same as assessing extent of alignment. Surely a project should be assessed for its extent of alignment with the matters identified in s.34 (1).

Clause 34(1)(f) - we support the inclusion of alignment of the project area with a local authority’s urban growth document, as a matter for consideration by Kāinga Ora. If the project area was consistent with for instance a Future Development Strategy, it is also likely to make sub clause 30(h)(i) more likely i.e. that overall support from the relevant territorial authorities exists.

Recommendation:

In clause 33(a) delete “...constraints and opportunities that arise for the project from the matters listed in section 34(1)..” and replace with “alignment of the project with the matters listed in section 34(1).

Clause 43

During the process of deciding whether a project will become a specified development project, Kāinga Ora has to prepare a project assessment report. Under clause 43, territorial authorities are invited to indicate support for such a report and are to provide any conditions associated with their support and reasons for any recommendation, as well as stating any changes that would enable them to support that recommendation. Clause 43(2) states that Kāinga Ora must give territorial authorities at least 10 working days to respond. While this

involvement is welcomed, 10 working days is not long enough for a response that will require an assessment of what is likely to be a significant report, impacting multiple parts of a Local authority. It also doesn't allow for Council committee meeting cycles and for a paper to be taken to a Council meeting and obtain a decision. Given the lead in time for preparation of reports to Council, territorial authorities would need at least 30 working days to respond. Such a timeframe would be consistent with other clauses in the Bill, such as 68(3) for Requiring Authorities to respond on designations affected by a development plan for a specified development project.

Recommendation:

Amend clause 43(2)(b) as follows:

(b) "give the relevant Territorial Authority at least 30 working days to respond."

Clause 60

Further to our comments on clause 30(b) where we support use of the term "consistent with," (in that project objectives are consistent with the purpose of the Bill and existing national directions under the RMA), clause 60 uses different phraseology – "not to be inconsistent with". Clause 60 requires the development plan not to be inconsistent with certain instruments. For consistency we consider the terms should be the same.

Recommendation:

Amend clause 60 as follows:

"A development plan must be consistent with....."

Clause 62(2)

Clause 62(2) sets out the contents of the draft development plan for the project area and in particular the content of the structure plan that must form part of the development plan. Sub clause (2) includes any land within the project area proposed to be set apart as a reserve, but omits landscaping generally which in a denser area may include planting and "greening of streets" rather than a reserve. Intensification of urban areas will increase demand for community services including play space for children and reserves but councils' traditional level of service measures for reserves do not always cater well for such changes in an area. The traditional reserve is land hungry and provides access to a large space for a smaller catchment. Intensification requires us to be more flexible in our approach to open space provision. There could be synergies between the greening of streets, stormwater infrastructure and active transport corridors in denser urban areas. For that reason an urban design strategy for the project area would seem a necessary component of the structure plan and should be included in clause 62(2).

Recommendation

Add an “urban design strategy” to the matters set out in clause 62(2), that a structure plan must address.

Clause 65

This provision allows a development plan to require a targeted property tax, although other provisions in the Bill give effect to this possibility. This clause raises concerns for our Council. Elsewhere the Bill makes it clear that a landowner’s liability for other forms of Territorial Authority and Regional Council (presumably) rates, remain unaffected. The general proposition is that the Territorial Authority will collect such Kāinga Ora targeted property taxes and will be able to retain an administrative surcharge. While we can accept that this is convenient for Kāinga Ora because local authorities have the systems in place, a rate payer is unlikely to appreciate the difference, particularly when the rating invoice comes from the local authority. In our opinion separate billing and collection of these property taxes is the preferred approach. Such separate collection would be the responsibility of Kāinga Ora. There is also the question of priority (i.e. Kāinga Ora / Council) when rates are short paid.

Our community, like others around the country, is already concerned about the amount of rates it pays to the local authority. Councils will therefore face considerable difficulties trying to explain that a Kāinga Ora targeted property tax has nothing to do with them. It would muddy the waters. The transparency our sector is required to have in terms of consultation for any change in rates, would cause confusion for our ratepayers in identifying which are Kāinga Ora and which rates are raised by our Council.

The potential Kāinga Ora targeted property tax arising from the development plan is not just another rate with the same accountability, processes and structures used by Council. The administration associated with the Kāinga Ora targeted property tax is likely to incur significant additional costs, which would likely exceed that of a typical council administered rate due to it being separate processes and structures. We would need to develop and deploy new software solutions to separate out this billing, collection and debt recovery from property owners. This will take time and is likely to be expensive. There will also be extra staff costs associated in administering it. These costs need to be recoverable from Kāinga Ora rather than requiring a cross subsidy from ratepayers.

Recommendation:

To amend the Bill so that Kāinga Ora should interact directly with the parties it charges a targeted property tax to, and the parties that benefit from Kāinga Ora services.

Clause 69

This clause lists the relevant considerations in preparing a development plan and the documents that Kāinga Ora must have regard to. Oddly spatial plans are not included in this list despite clause 34(1)(f), where the alignment of the project area with a local authority's urban growth document, is included as a matter for consideration by Kāinga Ora. This is inconsistent and given the expense that Local Authorities such as Tasman have incurred in preparing Future Development Strategies, (as encouraged by the National Policy Statement on Urban Development Capacity), such growth strategies need to be recognised. They should comprise one of the documents that Kāinga Ora must have regard to when preparing the development plan.

Recommendation

Amend clause 69(1) to include the following or similar: "any documents that are adopted by a relevant Local authority and that set out its plans (whether alone or with other Local Authorities or entities) for urban growth, such as Future Development Strategies."

Clauses 98 and 101 - 109

In the transitional period between proposing a development plan and making it operative, local authorities continue as the consenting authority. The Bill sets in place obligations on a Local authority to liaise with Kāinga Ora in the transitional period in respect of regional or district plan changes (clauses 101 and 102). In our view, the interim control measures are clumsy, as evidenced by clause 109 and will be confusing unless Kāinga Ora owns all the land subject to the development plan, which is possible. In our view, the gazetting of the specified development project should be the trigger by which Kāinga Ora automatically assumes the planning responsibilities of the Territorial Authority and this would then negate the need for clause 109 (Kāinga Ora and Territorial Authorities must assist persons seeking to determine who does what). Until Kāinga Ora has made its development plan operative, it can equally administer any existing district plan that applies during the transition. Again, it is only fair that Kāinga Ora meet the cost implications of this arrangement and relieve local authorities from incurring such costs.

Recommendation

Delete clauses 101, 102, 103, 104, 105, 106, 107, 108, 109. Insert a clause that clarifies that in the transitional period between proposing a development plan and making it operative, Kāinga Ora automatically assumes the planning responsibilities of the Territorial Authority from the point in time of the gazettal of the specified development project. The planning responsibilities apply to consenting and plan changes for the project area.

Clause 117

This clause is trying to ensure some separation of powers between Kāinga Ora acting as a development agency and a regulator in granting consent. Accepted current practice in local government has been to use independent commissioners. However, decisions are still made in the name of the body delegating the power of decision, in this case Kāinga Ora. The Local Government Act 2002 already has a formulae which could equally apply to Kāinga Ora in that "as far as is practicable", regulatory and service delivery functions should be kept separate (see s.39 Governance Principles).

Recommendation

Replicate the principles of s.39 of the Local Government Act 2002 in clause 117.

Clause 144

We note that this provision relates to the classification of reserves as part of a development plan for a specified development project but it is unclear as to what obligation Kāinga Ora is under in relation to preparing reserve management plans. This should not be the territorial authority's uncosted obligation. It is unclear as to whether Kāinga Ora or the council is responsible for administering such a reserve. Also is the council involved, for example in deciding what type of reserve would be appropriate within the specified development project area, given it is already familiar with levels of service for different types of reserves in the area?

Recommendation

Clarify the obligations of Kāinga Ora in relation to preparation of reserve management plans, administering reserves within the specified development project area and that councils would be involved in deciding the type of reserve appropriate for the area.

Clause 152

Subclause (3) is another example of complicated drafting that is neither streamlined nor integrated and raises questions over its administrative efficiency. It imposes yet another

obligation on the Territorial Authority to undertake actions at the direction of Kāinga Ora, in this case in relation to disposal of land not required for a road. An alternative solution that does not require the Territorial Authority to undertake action on Kāinga Ora's behalf (and incur costs that must be recovered from other ratepayers), is preferred.

Recommendation:

Delete sub clause 152(3) and replace with a clause that in the case of disposal of land not required for roading, powers should be given to Kāinga Ora to prepare a survey office plan. This plan would detail the survey outcome required from the development proposal and this would then be passed onto the Chief Surveyor for approval and then the Registrar General of Lands for action.

Clause 167

This provision makes clear that once non-roading infrastructure is constructed and vested in the Local authority, the ongoing operation and maintenance costs become the liability of the Territorial Authority. This would include funding for renewals but also the repayment of loans. The extent of debt transferred to the Territorial Authority is therefore unknown and could be substantial. While the assets may transfer to Council, the debt and possibly the operating cost must remain with Kāinga Ora, to be recovered through the targeted property tax, which would need to be ongoing until the asset is paid for. The same responsibility for costs of roading infrastructure do not seem to exist in the Bill.

Recommendation:

Clarify that the targeted property tax will continue, in order to recover the cost of the non-roading asset even when the infrastructure is vested in the Local authority.

Clauses 171-184

The intent of this part of the Bill is that Kāinga Ora can signal any changes to Local authority bylaws and it takes responsibility for going through the special consultative procedure. Once a decision is arrived at, the Authority that would otherwise be responsible for the bylaw is simply advised of the changes that need to be made to the bylaw. This sees Kāinga Ora meeting the costs and being accountable for the implementation of this part of the Bill and this is as it should be. The Bill however is silent on who would be responsible for its enforcement once the bylaw is amended?

Recommendation

Clarify in clause 180 whether Kāinga Ora or the bylaw-making authority is responsible for enforcing an amended bylaw. We prefer the former option until such time as Kāinga Ora exits from the specified development project.

Clause 179

This clause infers that the scope of bylaw change may be only in relation to roading powers yet local authorities also have, in many cases, bylaws relating to non-roading infrastructure. If, as we have suggested elsewhere in this submission, Kāinga Ora has overriding planning powers consistently to create a means whereby Kāinga Ora can undertake the necessary actions and therefore be held accountable to those who are impacted, we suggest its powers should extend to bylaw changes on non-roading infrastructure also. It would reduce administrative costs for councils (which should be borne by Kāinga Ora) and complexity.

Recommendation

Assuming the Bill is changed to give Kāinga Ora overriding planning powers consistently - amend clause 179 to include a new sub clause (ab) that covers circumstances where Kāinga Ora may require bylaw change and also include those relating to non-roading infrastructure.

Clauses 190 - 198

We have a number of concerns in relation to the proposed targeted property taxes (rates) for funding of specified development projects. A general concern is that those paying for services provided need to be able to hold Kāinga Ora accountable for the use of the funds collected from them. As Council is accountable to the community for the rates it collects, using another agency to collect those charges compromises that accountability as it moves it one step away from the direct beneficiaries. Our more detailed concerns are:

1. Would councils have any say in how the Kāinga Ora targeted property taxes are set in advance of the Order- to provide technical advice on whether the proposals are achievable in practice?
2. Where would ratepayers be able to view the targeted property tax and rates set under this methodology in one place for each Local authority? Who would answer all the questions about these targeted property taxes on an annual basis, we consider this should be Kāinga Ora.
3. Clause 190 needs clarification that Kāinga Ora will, in setting a targeted property tax for a project area, translate the project area into individual rating valuation assessments (as opposed to the Local authority). Will the drafters ensure that the area relates only to unique property boundaries or will some properties fall partly in and partly out of the area? In addition, who is accountable for maintaining changes over time? Property tax areas that bisect properties are difficult to administer and create difficult conversations. A property rating unit should be entirely in or entirely out of the property tax area.
4. Clause 192(1)(b) – rates required for unforeseen or urgent circumstances – the proposed 14 days public notice of intention to set the targeted property tax is not enough time if the intention is to set the tax in the following financial year and this happened late in the year (e.g. June). It can take some time to get rates assessments set and into the system accurately, including the geospatial mapping

and depending on whether information used to set the rate is already held in the rating information database.

5. Clause 194 is concerning from a capability perspective. Local Authorities only set (strike) rates once per year as at 1 July and this clause enables Kāinga Ora to set targeted property taxes again within the same financial year. It is clear that Council's rating system could not physically accommodate clause 194 in an automated manner. Normally we adjust rates accounts for corrections one by one, if an isolated error has been made. Calculating (adjusting) and collecting a targeted property tax would be administratively expensive and time consuming.
6. Clause 195 - recovery of reasonable costs by each Territorial Authority – sub clauses (1) and (2) comprise a short specific list for eligible costs (calculating, collecting, and recovering). Councils must be able to recover the full cost of the administration and the systems required to either collect the targeted property tax. There are a number of other costs not mentioned in the clause, listed below:
 - a. rates remissions/postponement expense
 - b. printing/ postage/ communications
 - c. maintaining rating database/ reporting/ cost of capital
 - d. answering questions about the targeted property taxes charged each year. (Or will there be an agency that we can refer the calls across to)?
 - e. planning each year that the targeted property tax exists, and dealing with inclusions and rating accuracy reviews and subdivisions?
 - f. paying for the software changes and rates invoice changes (assuming they can accommodate such changes)
 - g. our preferred approach of separate invoicing for these property taxes

These associated costs should all be fully funded by Kāinga Ora. The more complicated Kāinga Ora makes its property tax policies and practices the higher the cost to administer.

It is unclear whether Kāinga Ora or the local authority would be calculating the revenue required each year, or determining the amount of the targeted property tax. One would obviously be more work than the other for a Local authority. If Kāinga Ora is calculating the taxes each year, how will they factor in things like non rateable land, remissions, growth etc? There are also considerable difficulties already facing local authorities over the collection of rates on Maori freehold land. This results in a considerable rates write-off for some councils.

Recommendation

Amend clauses so that the local authority is not responsible for collecting targeted property taxes for funding of specified development projects and seeks direct input from the sector on any further proposals.

Clause 199

This clause should have a timeframe, to be consistent with other clauses in the Bill, rather than "as soon as practicable" to give the Territorial Authority sufficient time to collect the targeted property taxes.

Recommendation

Amend to include a timeframe into clause 199(1) for Kāinga Ora to provide written notice of the resolution to the Territorial Authority.

Clause 201 & 202

It is unclear whether this clause is intending for two separate rates assessments to be delivered or a combined one. Clause 201(1) says notice must be given of ratepayers' liability for any targeted rates but clause (2) says the notice is in addition to the notice referred to in section 44 of the LGA. Clause 202 says the assessment **may** show the total of Central Government AND Local Government targeted rates and break down between the two. This contradicts the wording in Clause 201 about separate invoices. If separate invoices were raised this would help avoid the perception that the targeted property tax is part of the rates that Councils levy and which Councils remain accountable for and must consult upon.

According to either interpretation, Council's software is not currently capable of accommodating this and we would require software designers to reconfigure this complex system at significant expense. Council's information systems used for debtor management and rate collection are inflexible and complex. This is on the assumption that it could be done without a full redevelopment of the respective software modules. We would therefore need sufficient lead time and funding to secure such changes.

Recommendation:

Amend to require Kāinga Ora to raise its own targeted property tax demand and this is clarified in clauses 201 and 202.

Clause 203

This clause states the rates invoice must show the amount paid - how would Council know whether customers are paying Kāinga Ora targeted property taxes or local government rates? Especially if they go out on one invoice with one reference, noting that many rate payers pay their rates off during the year by instalments (weekly, fortnightly, monthly, quarterly etc).

Recommendation:

Delete clause 203 as not required if requested changes to clauses 201 and 202 are adopted.

Clause 204

It is not clear whether such penalties incurred by unpaid rates (targeted property taxes) would be payable back to Kāinga Ora? If so this would again require substantial redevelopment of Council's software systems.

Recommendation:

Amend to require Kāinga Ora to impose and collect its own penalties.

Clauses 206-209

It seems the targeted property tax can be remitted if the ratepayer meets the remission policy. It is unclear whether this means the development plans will be budgeting for potential remission expense when determining overall revenue requirement. We wonder whether the drafters of the Bill have appreciated that when land is subject to a development proposal, its value normally increases. Having in place targeted property tax postponement or remission policies, which means that the landowner pays less tax as if there were no development intentions, disincentivises the shift in land use to the higher value use. We think that it is overcomplicating things to give Kāinga Ora any role in remitting or postponing targeted property taxes.

Our rates collection systems would require costly redevelopment to handle the contemplated multiple remissions on the same piece of land. i.e. Council's remission policy for Council targeted rates, and a separate remission policy for Kainga Ora property taxes on the same property.

Recommendation:

Delete clauses 206-209 applying the remission and postponement of rates (targeted property taxes) within a project area of a specified development project.

Clause 213 (2)

Requires each Territorial Authority to provide Kāinga Ora with access to the rating information database (RID). Currently property owners may, under the LGRA, require Councils to withhold certain information from the RID. There would need to be a provision that more explicitly overrides that obligation and the prohibition on the bulk collection of names and postal addresses from people in the RID. The drafting requires refinement as follows:

Recommendation:

Amend clause 213 (2) to include provision for access to the rating information database that overrides the obligation on councils under the LGRA, to withhold

certain information of property owners from the RID. Clause also needs amending to prohibit the bulk collection of names and postal addresses from people in the RID.

Clause 222

The Bill needs to make clear that any development contribution policy prepared by Kāinga Ora immediately replaces any development contribution policy in place for the Local authority, or is it intended that a development proposal would have two sets of development contributions imposed on it, one from Kāinga Ora and the other from the Local authority? We would prefer the latter to apply because any growth and development is going to ultimately impact on the capacity of trunk services and development contributions are a means by which growth pays for these upgrades. This conundrum therefore casts some doubt on whether or not Kāinga Ora should seek recovery through the development contribution mechanism. It is most likely to be better placed as the landowner or land aggregator to recover these costs, or as much of them as they can, through the sale price on the sections. Removing Kāinga Ora from having development contribution functions would remove further process complexity from the Bill. If something is needed then perhaps use of development agreements (clause 233) is preferable.

Recommendation:

Remove the powers of Kāinga Ora to use development contributions, so development would have to pay for itself and have no net impact on councils.

Clause 273 & 274

The Bill sets in place the warranting of authorised persons for certain purposes specified in clause 274 on behalf of Kāinga Ora. One purpose that seems to be missing is the ability to enforce compliance with consents that Kāinga Ora may grant. If it is expected that the Local authority would resume residual compliance obligations, (including the related costs) this is both unclear and undesirable when Kāinga Ora would be the consent authority.

Recommendation:

Clarify scope and intent of clause 274

Schedule 2

Clause 6 relates to the disestablishment of a specified development project if Kāinga Ora considers it appropriate. Given that Territorial Authorities are consulted on a specified development project before it is established (clause 30(h)), they should also be involved in considering whether the specified development project should be disestablished. Sub clause

6(3) refers to engaging with local authorities but this seems to be after the decision has been made to prepare a disestablishment order and is concerned with transfer of assets only.

Recommendation:

Amend to require Kainga Ora to seek the Local authority's opinion on whether to disestablish a specified development project in clause 6(1)(f) Schedule 2.

Schedule 3

Due to cross references to the hearing procedures under the Resource Management Act in this Schedule, it should be amended to make it clear, for the avoidance of doubt, that any hearing held is exempt from Part 7 of the Local Government Official Information and Meetings Act (LGOIMA).

Recommendation:

Amend Schedule 3 to exempt hearings from Part 7 of LGOIMA.

Action Sheet - Regulatory Committee – March 2020

Meeting Date:	Minute/Action	Description	Accountable Officer	Status
6 September 2018	EP18-09-04	Enforcement Policy to be updated to cover off option of diversion	Dennis Bush-King/ Adrian Humphries	Still to action
25 July 2019		Staff to report back on total area under affiliated permit status in the Waimea Water management Zone	Dennis Bush-King	Consents have now been issued except for some remnants but all information as to status is known. The total area covered by affiliated permit holders who are shareholders in WIL is in the order of 3,702ha. This figure includes members of the Waimea East Irrigation Company area as best we have been able to identify those who are WIL shareholders but because they are not individual consent holders, the final figure will be higher..
5 September 2019	EP19-09-13	Staff to report on options for reviewing or amending the Dog Control Bylaw	Adrian Humphries	To the March Regulatory meeting
28 November 2019		Staff to contact DOC regarding further pest trap deployment	Paul Sheldon	Under Action

Meeting Date:	Minute/Action	Description	Accountable Officer	Status
		What will be the process for presenting financial information previously provided to Environment and Planning Committee	Dennis Bush-King/Mike Drummond	Financial results will be provided to Council on a quarterly basis unless Manager's through the Activity Reports report any one-off variances requiring Councillor attention