

2025



DUNEDIN TOURISM GROWTH FRAMEWORK

TARGET FOR VALUE
\$1.6 BILLION BY 2025

DEVELOPED BY

dunedin | HOST

WITH SUPPORT FROM



DUNEDIN ASPIRATIONAL TOURISM GROWTH TARGET

\$1.6 BILLION

total tourism revenue in 2025

Tē tōia, tē haumatia

NOTHING CAN BE ACHIEVED WITHOUT A PLAN



HOW WE ARE GETTING THERE

By improving the value,
competitiveness, sustainability and
connectivity of Dunedin's
tourism industry.



A FRAMEWORK FOR GROWTH

The Dunedin tourism sector has developed the following regional tourism strategy, based on the national Tourism 2025 Growth Framework, to drive tourism revenue growth in Dunedin to \$1.6 billion per year by 2025.

THE DUNEDIN FRAMEWORK

In 2017 DunedinHOST, Dunedin's tourism industry association, with support from Tourism Industry Aotearoa and the tourism stakeholders, developed the Dunedin Tourism 2025 Growth Framework.

Dunedin is positioned to increase sustainable growth in the visitor sector by focusing on two key drivers that will encourage more visitors to use Dunedin as a base from which to explore the city and wider southern region, and to encourage visitors to stay longer, thus spending more on accommodation, hospitality, retail, transportation and attractions.

The two key messages can be summarized as:

DUNEDIN-THE SOUTHERN HUB

STAY ANOTHER DAY

Both messages encourage visitors to:

- Spend more time in the South.
- Develop and improve connectivity.
- Build Dunedin's profile as a destination, not a place to pass through.
- Focuses the sector and messaging on attracting higher yield from visitors.

This is fundamental to encouraging long term sustainable growth in the region.

THE NATIONAL 2025 TOURISM GROWTH FRAMEWORK

The national Tourism 2025 Growth Framework was launched in 2013.

Central to the framework to achieve sector growth are the key themes:

- Visitor Experience
- Target for Value
- Air Connectivity
- Productivity - backed by Insight.

In 2016, Tourism Industry Aotearoa (TIA) prepared the Tourism 2025 – Two Years On report. It showed there had been impressive progress in achieving its growth targets at a national level:

- Airline capacity has increased
- Value has grown faster than volume
- International visitor satisfaction has remained at a high level, and
- Total tourism expenditure has reached \$34.7billion, well ahead of the pathway to \$41 billion by 2025.

In response to this positive data TIA refocused the Framework to emphasis a need to support seasonality, regional dispersal, capacity development and infrastructure, and sustainability.

NATIONAL TOURISM REVENUE GROWTH

THE POWER OF TOURISM



WHAT IS TOURISM?

For the purposes of this framework “tourism economy” means all revenue derived from both international and domestic travellers to the Dunedin region.

Visitation may be driven by tourism, business and conference activities, visiting friends and family, specific purposes such as sporting and concert events at the stadium, local festivals, and other events such as international and national sporting events, education and graduations.

THE POWER OF TOURISM IN THE REGIONS

The tourism industry makes a significant contribution to regional economy through the creation of jobs, the use of local services, materials and products.

Only a fraction of visitor spending occurs in places commonly considered visitor specific eg accommodation and attractions. The rest takes place in shops, cafes, petrol stations, and other local businesses.

DUNEDIN TOURISM GROWTH BENCHMARKS

The following data series demonstrates national tourism growth against the Tourism 2025 key performance indicators.

NZ TARGET FOR VALUE YE MARCH 2016

1. Tourism Expenditure (TSA) – Total, International and Domestic

				% increase	% increase
YE March (\$billion)	2014	2015	2016	2015/16	2014/16
Total expenditure	28.0	30.9	34.7	12.2	23.8
International tourism expenditure	10.3	12.1	14.5	19.6	40.0
Domestic tourism expenditure	17.7	18.8	20.2	7.4	14.2

Comment: Strong progress

2. International Arrivals (IVA) – Total and Holiday

				% increase	% increase
YE Dec 2016	2014	2015	2016	2015/16	2014/16
Total arrivals	2,857,400	3,131,927	3,499,939	11.8	22.4
Holiday arrivals	1,368,672	1,563,776	1,817,136	16.2	32.8

Comment: Strong progress

3. Expenditure per International Arrival (TSA, IVA) – International

YE March \$	2014	2015	2016
Total spend per international visitor	3,759	4,110	4,450

Comment: Strong progress

NZ CONNECTIVITY YE MARCH 2016

4. Air Connectivity (Sabre) – Total Air Capacity (seats)

YE March	2014	2015	2016
International seats to New Zealand	6,758,304	6,995,962	7,573,946
Domestic seats within New Zealand	13,519,821	13,950,978	14,775,560

Comment: Strong progress

NEW ZEALAND TOURISM PERFORMANCE

The following data series demonstrates national tourism growth against the Tourism 2025 key performance indicators.

NZ VISITOR EXPERIENCE YE JUNE 2016

5. Overall Visitor Satisfaction (IVS) – Total International

YE June %	2014	2015	2016
Met or Exceeded Expectations	93.2	95.1	94.9

Comment: Sustained at High Level

NZ PRODUCTIVITY YE JUNE 2016

6. Seasonality (IVA) – Total International Arrivals by Season

(% of annual arrivals)	2013/14	2014/15	2015/16
Winter (Jun to Aug)	19.1	18.4	17.8
Spring (Sep to Nov)	22.9	22.6	22.7
Summer (Dec to Feb)	35.0	35.2	35.3
Autumn (Mar to May)	23.0	23.7	24.2

Comment: Progress in Autumn Travel Emerging

7. Dispersal (MRTEs) – International Spend by Gateway and Regional RTOs

YE June (% of total spend)	2014	2015	2016
Gateway RTOs (Auck, Well, ChCh, Qtown)	64	65	65
Regional RTOs (all other RTOs)	36	35	35

Comment: No Progress

Statistics supplied by TIA: As at 26 October 2016

NEW ZEALAND SCORECARD 2016

TOURISM 2025 SCORECARD > TO 2016

The Aspirational Goal:
\$41 billion total tourism
revenue in 2025

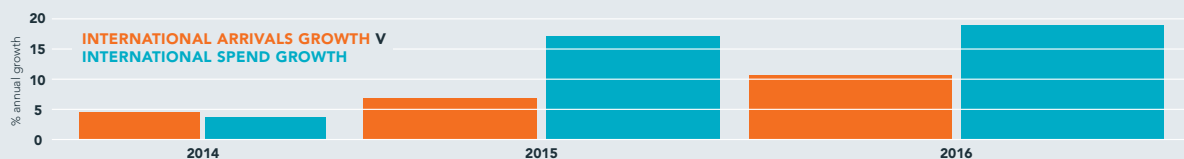
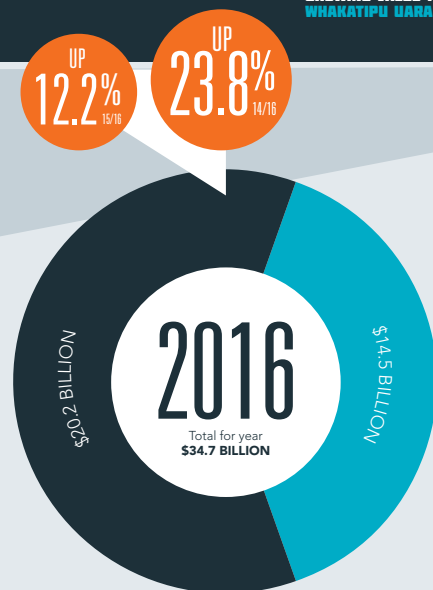
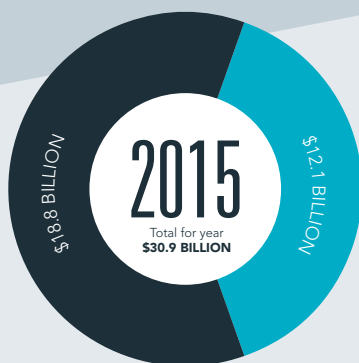
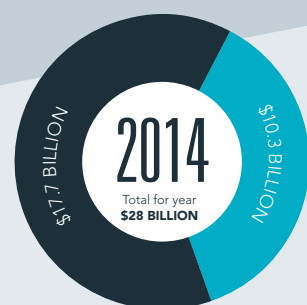
**TOURISM
2025**
GROWING VALUE TOGETHER
WHAKATIPU UARA NGATAHI

TARGET FOR VALUE

TOURISM EXPENDITURE

Source: Tourism Satellite Account

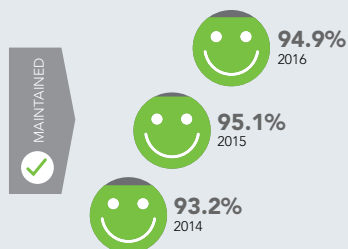
DOMESTIC INTERNATIONAL



VISITOR EXPERIENCE

VISITOR SATISFACTION

Source: International Visitor Survey



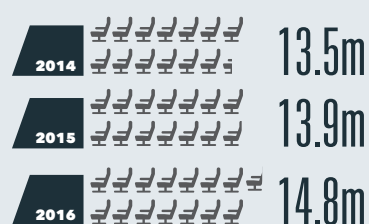
CONNECTIVITY

INTERNATIONAL

Source: SABRE - Total air capacity (seats)



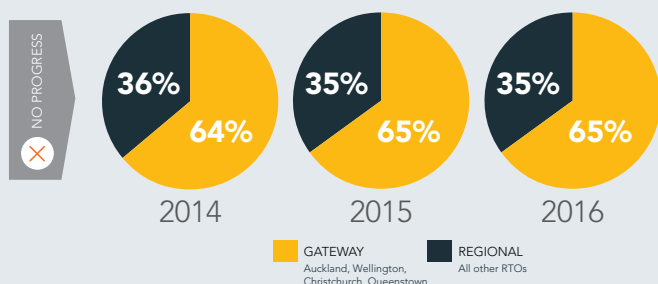
DOMESTIC



PRODUCTIVITY

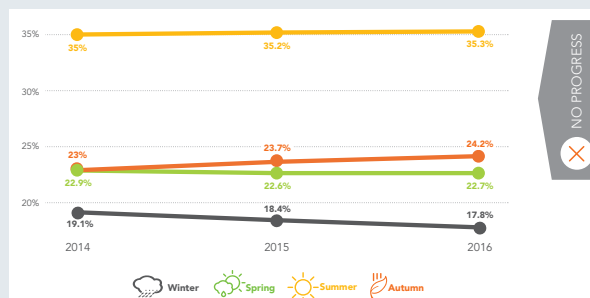
DISPERSAL OF TOURISM SPENDING

Source: MBIE Monthly Regional Tourism Estimates



SEASONALITY - International Visitor Arrivals by Season

Source: MBIE



DUNEDIN TARGET \$1.6 BILLION BY 2025

The Dunedin tourism sector has regionalised the national Tourism 2025 Growth Framework to recognise the factors that influence, or could influence, growth in the Dunedin tourism economy.

The national framework recognises that not only do operators benefit directly from this targeted growth, but a much wider spin-off can be seen across many sectors of the local economy and community.

Dunedin becomes an increasingly desirable destination for people wanting to visit, live, work, study and invest here.

TARGET 2025

In the year ending December 2016 Dunedin generated the following revenue from tourism:

\$694 million	Total revenue
\$211 million	International
\$483 million	Domestic

Based on the above figures and annual growth year on year of 10%, the Dunedin tourism economy could achieve \$1.6 billion by 2025.

YEAR	\$MILLION
2016	\$694
2017	\$763
2018	\$839
2019	\$923
2020	\$1.015
2021	\$1.117
2022	\$1.229
2023	\$1.352
2024	\$1.487
2025	\$1.636

If the sector aims for 10% growth year on year by leveraging the framework, the target would be achieved.

PRODUCTIVITY FOR SUSTAINABLE RETURNS

Use the resources deployed in tourism to generate profit and attract investment.

Search for new solutions for seasonality and regional dispersal, and to find ways to improve our capability.

Increase yield across all products, sectors and key target markets.

Create an economy that attracts development of existing, and investment in new, tourism product.

ACTIVATE RETAIL SPEND AND GENERATE NEW REVENUE FROM THIS SECTOR

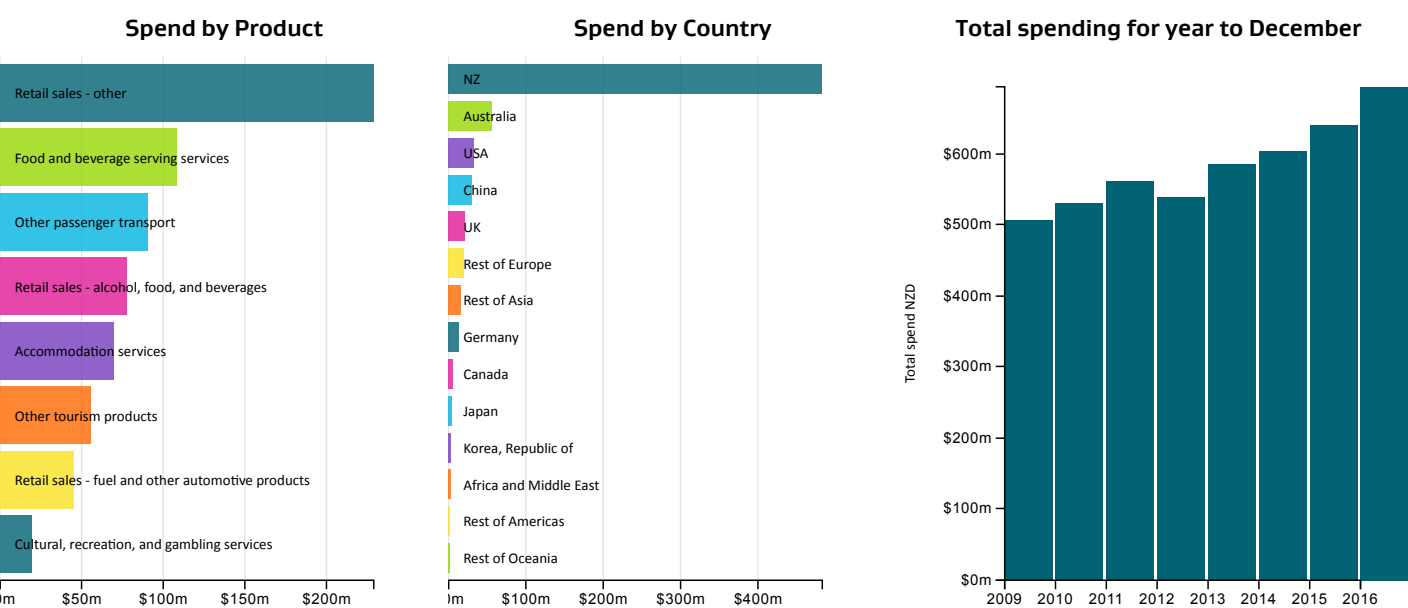
In Dunedin the retail sector is the largest earner of tourism dollars.

Retail	\$324 million
Food and Beverage	\$97 million
Other passenger transport	\$75 million
Accommodation	\$67 million
Other tourism product	\$51 million*

(*Annual spend grouped by Regional Tourism Organisation Dunedin, country of origin, and product category, MBIE YE 28 Sept 16).

What retail and complementary hospitality activities will encourage growth in retail returns?

- Understand what tourists buy and what market sectors are of most value: Domestic vs International, Country specific (ie “Octagon Market ” vs directing visitors to higher value locally-made/authentic products).
- Support and encourage growth and investment in tourist retail offering.
- Give consideration to drop-off and pick-up zones to enable easy access to retail areas – for campers, tours, cruise buses, private and FIT.



PEOPLE AND SKILLS

- Upskill existing staff to provide excellent service and knowledge of Dunedin's offering – upsell on arrival - stay another day.
- Retain staff and grow the number of people employed in tourism in Dunedin.
- Work with training providers to develop staff with appropriate skills.

REDUCE SEASONALITY WITH A FOCUS ON DEVELOPING OR ATTRACTING

- Unique offerings: nature, culture, heritage
- Cornerstone events in off-season.
- Business events and conferences into shoulder season.
- Enhanced education opportunities (eg graduations, international student family visit-packages).
- Investment in high-yield tourism products and services (eg Marine eco-tourism, Night Skies etc).

INCREASE LENGTH OF STAY AND CAPACITY

- Let's change: "I didn't know there is so much to do in Dunedin; I wish I had stayed another day" to "I loved the extra days I spent in Dunedin".
- Encourage accommodation providers to promote "+Stay (a-while-longer)" packages.
- Package attractions and events with travel and accommodation, working directly with operators and iSite.
- Extend business/leisure opportunities.
- Create event packages beyond event day.

DUNEDIN'S ONLINE PRESENCE IS THE START OF THE VISITOR EXPERIENCE

- Make building a Dunedin itinerary easier online before and during a visit eg DunedinNZ.com website to be an "online i-site" promoting local product and itinerary planning to encourage people to plan in advance to stay longer.

CALENDAR OF EVENTS

- Created for operators to assist in planning, filling gaps, growing off-peak activity, and avoiding overlap of events.
- Include major events, conferences, festival, sporting events – local/national/international, concerts, graduations, cruise ship visits.

Hoiho (yellow-eyed penguin)



VISITOR EXPERIENCE

Drive value through outstanding visitor experience.

By listening to our visitors and understanding their needs we can continuously improve the quality of their experience.

Provide outstanding customer experience that exceeds expectations.

Support existing and create new experiences that are sustainable economically, environmentally and are supported by our communities.

REAL SOUTHERN HOSPITALITY

- Embrace New Zealand's unique hospitality.
- Visitors have a New Zealand experience, which grows the capability of New Zealanders to deliver and develop the 'Kiwiness' of experience.

MEASURE

- Measure visitor satisfaction at operator level and benchmark against national visitor satisfaction surveys.

POSITIONING

- Promote Dunedin's points of difference – support key messaging – natural (wildlife and location), and cultural heritage (architecture, food, wine, retail, cultural).
- Support new national and local initiatives eg South-East Marine Protected Areas, cycleways.
- Aim to increase value per visitor through new major product development.

WEBSITE

- Hospitality starts online – make it easy to find and get to Dunedin.

SUSTAINABILITY

- Understand what we are doing, and why, and what steps we can take to preserve our unique position in the market.
- Quality visitors, not quantity, managing the visitors, their expectations and their impact.
- Ensure that tourism products developed and offered are sustainable and protect the environment and the value of the offering.
- Turn visitors and users of Dunedin product into ambassadors to grow our target markets organically.

CONNECTIVITY

Grow sustainable connectivity.

Use relationships, partnerships and collaboration opportunities to ensure Dunedin is serviced by sustainable connections.

DUNEDIN IS THE SOUTHERN HUB

- **Come\stay\explore**
- Become a hub for exploring the wider southern region – food, culture, heritage, wildlife, cycling, night viewing and education.
- Encourage people to stay longer, spend more, using Dunedin as their base to explore wider offerings eg Catlins and back in a day, explore Waitaki, Central Otago Rail Trail.
- Become the arrival and departures point to other destinations via connectivity – gateway to Rakiura (Stewart Island), Fiordland and Queenstown, Southern touring route.

AIR

- Support Dunedin Airport to attract more international flights direct to Dunedin e.g. resume/develop direct east coast of Australia flights, more flights from Auckland and Christchurch.
- Grow volume from Auckland, Queenstown and Christchurch Airports for dispersal of international tourists into the region.
- Explore and support development of a drop-off/pick-up hub for campervans at Dunedin Airport.

CRUISE

- Target yield from cruise by leveraging insights: what do passengers buy, do, see, spend – share information with key operators.
- Support this market by developing existing product and offering new targeted product.

ROAD/TOURING ROUTE

- Promote growth and maintenance of road infrastructure to ensure it is meeting demand, growing volume, locally and through regional connections.
- Develop touring routes for cars, campers cyclists and walkers from and to Queenstown, Fiordland, the south and east coast.
- Support key suppliers in this market – camping sites, food suppliers, service stations.

CYCLE

- Develop and support cycle connectivity to and from Dunedin eg pick-up/drop-off points and infrastructure, hire bikes, transportation.
- Support development of cycleways in and around Dunedin linking to major national cycleway initiatives.
- Boost Dunedin's profile as an MTB Mecca.

RAIL

- Grow rail connectivity and product – Taieri Rail, Oamaru, Catlins.

ONLINE CONNECTIVITY

- Make it easy to find the information to get here. Improve DunedinNZ.com website.
- Influence itinerary planning for South Island.

NZ TOURS

- Become a viable accommodation alternative to Queenstown.
- Link into Auckland Airport International arrivals direct to Dunedin – the Southern Hub.

Larnach Castle



TARGET FOR VALUE

Target visitors with highly valued attributes such as spend, seasonal pattern, regional dispersal that deliver the greatest overall economic benefit.

IDENTIFY GROWTH OPPORTUNITIES

- Analyse market data to understand our most valued target markets, existing and potential.
- Act in a timely manner to get products and opportunities to market.
- Bring together sector operators – airline, land transport, accommodation, events, education, retail and cruise to create high yield products.
- Effective planning and timely communications between tourism sector and RTO – to develop industry led targeted tourism campaigns.
- Recognise and develop the value of the domestic tourism economy – secure new markets and encourage repeat visitation.
- Regional dispersal – make the most of opportunities from Auckland, Christchurch and Queenstown in shoulder and off-season.
- Seasonality – promote and enhance growth in the shoulder and winter season.
- Maximise major events – encourage extended-stay packaging.

WEBSITE

- Make it easy to plan and book an itinerary not just a single activity or room night eg an activity or a room.
- One-click access to Dunedin attractions, packages, accommodation, travel, itinerary builders.
- Package attractions locally to encourage longer stays and higher value from conference, meeting and business market.

TARGET INTERNATIONAL TRADE

- Develop high-value export-ready commissionable products.
- Focus on attracting inbound tour operators and international travel agents in target markets to visit Dunedin.
- Actively target international accommodation suppliers to invest in Dunedin.

PRIORITISE INSIGHT TO DRIVE CHANGE AND TRACK PROGRESS

The RTO and Dunedin's tourism industry collect, analyse, disseminate and leverage information to inform the decisions needed to achieve the 2025 growth aspiration.

- Use insight tools to develop a replicable indicator set, eg key MRTes figures (spend, by origin, spend per sector), CAM figures (guest nights, length of stay, origin), plus reliable local data, and visitor satisfaction tracking.
- Produce a quarterly information narrative, distributed to operators and business owners within the Dunedin.
- Create an online dashboard tracking KPIs to inform the ongoing development of the framework.
- Produce an annual scorecard to track trends and changes to inform the decisions to achieve the Tourism 2025 growth aspiration.

OWN THE FRAMEWORK

CONSULTATION

- Dunedin Host
- Enterprise Dunedin, Dunedin City Council
- Tourism Industry Aotearoa
- Grow Dunedin Partnership
- Dunedin Airport
- Otago Chamber of Commerce
- Tourism New Zealand
- Port Otago
- Dunedin Venue management Limited
- Kāi Tahu Runaka & Ngāi Tahu

COMMUNICATE

- Distribute, share the framework with all stakeholders and the community.

INITIATE AND ACTIVATE

- Lead, support and collaborate to bring initiatives into effect.

MEASURE AND REPORT ON KEY INSIGHTS

- Report back to operators, and at leadership and local government level.
- One year update 2017.
- Two years on 2018.

MEASURE AND MODIFY THE PLAN

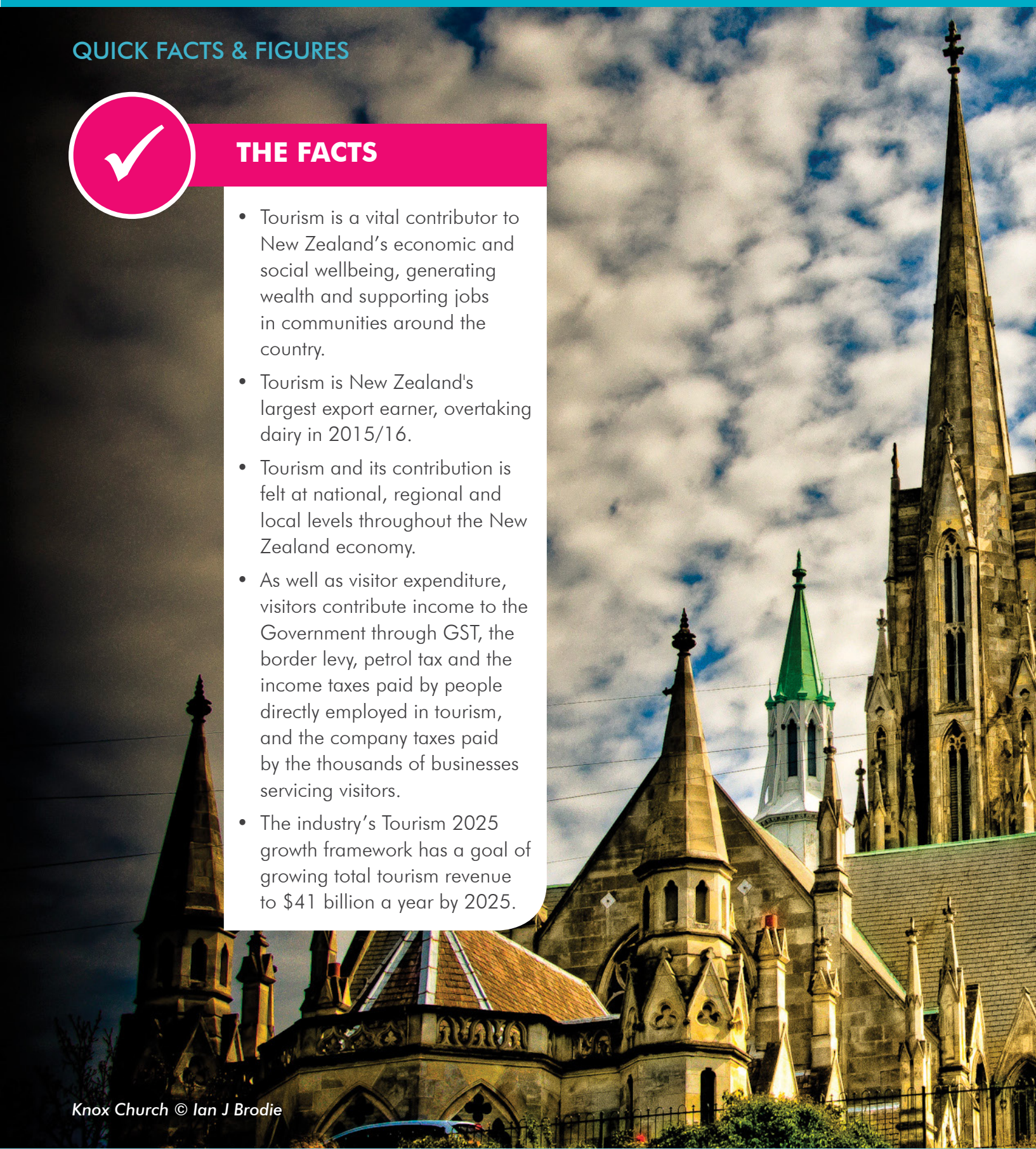
APPENDIX ONE

QUICK FACTS & FIGURES



THE FACTS

- Tourism is a vital contributor to New Zealand's economic and social wellbeing, generating wealth and supporting jobs in communities around the country.
- Tourism is New Zealand's largest export earner, overtaking dairy in 2015/16.
- Tourism and its contribution is felt at national, regional and local levels throughout the New Zealand economy.
- As well as visitor expenditure, visitors contribute income to the Government through GST, the border levy, petrol tax and the income taxes paid by people directly employed in tourism, and the company taxes paid by the thousands of businesses servicing visitors.
- The industry's Tourism 2025 growth framework has a goal of growing total tourism revenue to \$41 billion a year by 2025.





THE FIGURES*

- Total tourism expenditure reached \$34.7 billion in the year ended March 2016, up 12.2% on the previous year.
- International tourism expenditure reached \$14.5 billion (YE March 16), up 19.6% on the previous year.
- Tourism is New Zealand's biggest export industry, contributing 20.7% of New Zealand's foreign exchange earnings.
- Domestic tourism expenditure reached \$20.2 billion (YE March 16), up 7.4% on the previous year.
- International visitors are delivering \$40 million in foreign exchange to the New Zealand economy each day of the year – one in five export dollars. Domestic tourism contributes another \$55 million in economic activity every day.
- Tourism generated a direct contribution to GDP of \$12.9 billion, or 5.6% of GDP (compared with \$11.5 billion \$10.6 billion – 5.2% 4.9% of GDP in YE March 15).
- The indirect value-added of industries supporting tourism generates an additional \$9.8 billion for tourism – 4.3% of GDP.
- 332,322 people are directly and indirectly employed in tourism in New Zealand - better than 1 in 8 jobs.
- The Government's collection of GST from international visitors increased to \$1.1 billion (YE March 16), a 20.4% increase on the previous year. When GST paid by domestic travellers is included, the total GST take from annual tourism spending rises to \$2.8 billion.
- International students studying in New Zealand for less than 12 months generated \$2.7 billion in earnings in the YE March 2016, an increase of 8.6% on the previous year.

**(Tourism Satellite Account, year ended March 2016, Statistics New Zealand)*

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