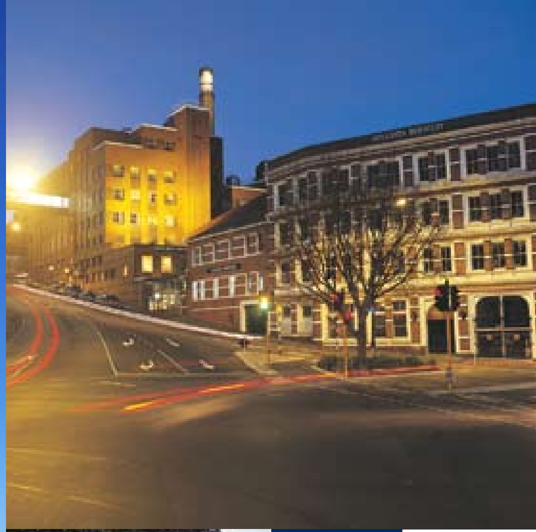
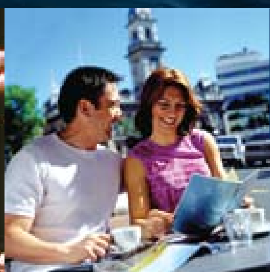
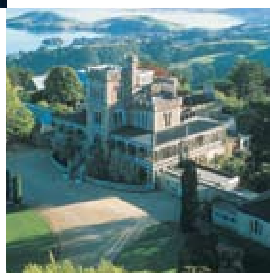






Dunedin Visitor Strategy

2008 – 2015

July 2008

Prepared for: Dunedin Visitor Strategy Steering Group

DUNEDIN CITY COUNCIL
Kaunihera-a-rohe o Otepoti

TOURISM DUNEDIN

Dunedin HOST

Commissioned by: Dunedin City Council

Prepared by: Tourism Resource Consultants
In association with Angus & Associates and Fernmade Ltd

Foreword from the Steering Group

Tourism is an important industry for Dunedin and the adoption of this strategy provides an exciting opportunity to focus the future efforts of all involved.

The strategy has involved many hours of effort from a steering group, including representatives of our three organisations, Tourism Dunedin, Dunedin Host and Dunedin City Council.

We would like to record our appreciation of the valuable input received from the organisations initially consulted, those that participated in the public forum, and the stakeholders who offered written feedback. Our thanks also go to Tourism Resource Consultants for their in-depth industry knowledge and careful consideration of all contributions.

Over the time it has taken to produce this document, some of the weaknesses identified are already being addressed. There is strong commitment to turning our strategy into positive benefits for visitors, tourism businesses and the city's residents.

The challenges to the visitor industry will change over time, as will the necessary responses to those changes, but we believe our strategy provides a coherent structure with which we can respond to these challenges positively.

We hope that you will find the strategy informative and inspiring, and that you might, in some way, be part of helping turn these words into actions to benefit our city.

Mayor Peter Chin

Murray Walker, Tourism Dunedin

Christine Neill, Dunedin Host

DUNEDIN CITY COUNCIL
Kaunihera-a-rohe o Otepoti

TOURISM DUNEDIN

Dunedin HOST

Summary of Dunedin Visitor Strategy 2008-2015

Vision

By 2015, Dunedin will be New Zealand's premiere regional tourism destination for all visitors. They will be drawn to our unique wilderness, extensive heritage and cultural experiences, our hospitality, our passion for education and knowledge and our respect for the environment. Tourism will be a leading economic driver for the city and, as such, must be nurtured to maximise social and economic benefits.

Key Measure: Consumer perception research in domestic and international markets.

Goal

To increase the contribution of the visitor industry to Dunedin's economic development, and in doing so, the overall well-being of Dunedin residents.

Key Measure: Contribution to GDP – annual survey.

Core Strategy

Area	Strategic Direction	Key Performance indicators
Destination Marketing	*Goal: Increase visitor nights, levels of expenditure and market share from domestic and international target markets.* **Objective 1:** Develop further cost-effective marketing campaigns that target visitor markets with the best growth potential for Dunedin **Objective 2:** Increase collaborative marketing activities across the sector	• Number of commercial visitor nights • Market share of commercial visitor nights • Market share of visitors • Visitor expenditure • Level of industry joint venture activity
Sector, Business & Product Development	*Goal: Strengthen and expand Dunedin's tourism businesses, products, attractions and services.* **Objective 3:** Expand the range of export-ready attractions and activities **Objective 4:** Develop a system to strengthen business performance	• Range of activities undertaken by visitors • Visitor satisfaction with activities/attractions undertaken • Visitor satisfaction with core tourism service providers • Number of export capable businesses • Number of Qualmark rated businesses • Level of cluster group activity
Destination Management	*Goal: Dunedin effectively integrates the needs of residents with the needs of visitors.* **Objective 5:** Provide a Council-led mechanism for managing Dunedin as a visitor destination **Objective 6:** Raise community awareness of, and engagement with, the tourism sector	• Visitor satisfaction with infrastructure and amenities • Visitor satisfaction with generic activities and attractions • Stakeholder (including resident) satisfaction. • Reduction in complaints relating to issues. • Ratings of Dunedin as a destination on key attributes • Levels of visitation to the five areas in the strategy, and visitor satisfaction with regards to each area.

Table of Contents

1. Introduction

1.1. Background

This is Dunedin's first visitor strategy. Preparation of the strategy started in November 2006 and has involved consultation with a wide range of stakeholders. A Steering Committee has been involved in bringing together and agreeing on the key components of this strategy. A list of those consulted can be found in a separate volume of appendices to this strategy (refer to Appendix 1).

Tourism in Dunedin has influenced, and been influenced by, the revitalisation of the city[1]. In 2000, the Dunedin economy was languishing but through a range of Council and private sector initiatives (new cafes and bars, considerable investment in hotel refurbishment and three new hotels), Dunedin has become an attractive place to visit, live and work.

Dunedin is not starting from a blank slate when it comes to tourism development. Dunedin is famous for its outstanding landscape, unique heritage and wildlife on the Otago Peninsula. Most attractions and services have been established for many years and the pattern of visitation is firmly bedded-down. The proposed new sports stadium in Awatea Street, upgraded Dunedin Centre, Otago Museum, Settler's Museum, Chinese Gardens, Orokonui Reserve, Harbour Side enhancement, potential Hilton Hotel development (old Post Office building) and increased air access (new trans-Tasman services with Air New Zealand, increased Air New Zealand domestic services, and recently announced Pacific Blue services) will, over time, strengthen Dunedin's appeal and performance as a visitor destination. Dunedin's 'pulling power' for visitors will increase and from this, further opportunities will arise to entice longer stays and to direct travel out of the city to rural attractions.

Looking forward, the tourism sector offers a viable and relatively cost-effective opportunity to add value to Dunedin's economic, social and cultural objectives.

1.1.1. Importance of Tourism in Dunedin

Tourism is one of the most vital industries in New Zealand's economy. With total tourism expenditure at $18.6 billion, it is the biggest export sector accounting for 19.2% of all New Zealand exports. It contributes 9% to national Gross Domestic Product (GDP), employing 1 in every 10 people in the national workforce[2].

In Dunedin, the visitor industry accounts for 3,258 direct Full Time Equivalent (FTE) positions or 6.5% of total employment. The sector generates $211 million in value added income or 5.2% of the City's GDP[3]. The strongest sector within the visitor industry is accommodation, cafés and restaurants, which make up nearly 40% of the industry's value added (the revenue retained in the local economy from visitors). The tourism sector is recognised as one of six EDU supported sectors[4]. Provided there are no dramatic downturns in world tourism or within New Zealand, the signals indicate that tourism will play an increasingly important part in the Dunedin economy.

Dunedin needs to have a strategic direction to ensure tourism continues to increase its overall contribution to Dunedin's well being. As a sector, the visitor industry offers many opportunities to achieve the social, cultural and economic outcomes that Dunedin desires. In many ways, the benefits of Dunedin's visitor industry are invisible, entwined with other sectors of the economy.

1.1.2. Tourism linkages with Dunedin Community Outcomes (LTCCP)

Tourism has a 'good fit' with the Economic, Environmental, Social and Cultural Well Being aspirations set out in the current LTCCP (refer to Appendix 2). The outcomes include:

- Wealthy Community
- Accessible City
- Safe & Healthy City
- Sustainable City
- Supportive Community
- Culture & Learning
- Active City

1.2. Purpose & Audience of the Strategy

This strategy has been prepared to guide tourism development in Dunedin between 2008 and 2015. This strategy sets out a framework for achieving the vision for Dunedin and uses goals and guidelines for areas to focus on.

1 *Revitalisation projects (city cafes and restaurants, Otago Museum, proposed sports stadium, Harbourside, Otago Settlers' Museum, Hilton Hotel development) have collectively invested over $500 million worth of capital investment.*

2 *Ministry of Tourism 2008, Key Tourism Statistics – April 2008.*

3 *GDP is generally accepted as key measure of economic performance.*

4 *BERL, 2008, Economic Profile of Dunedin City in 2007.*

The key audience for the strategy is Dunedin City Council, Tourism Dunedin, the industry, and other agencies or organisations who influence, or who are influenced by, visitors to Dunedin. The Dunedin Visitor Strategy is a non-statutory document, intended to provide direction for, and be compatible with, other statutory plans, including the Dunedin District Plan and the DCC's Long Term Council Community Plan (LTCCP).

The strategy is about visitors[5], rather than 'tourists' to Dunedin. The visitor experience crosses over many land boundaries, and although this strategy focuses on Dunedin itself, it is mindful of the city's wider linkages with Otago, the rest of South Island and New Zealand as an overall holiday destination.

1.3. Structure of Strategy

The strategy starts off with setting the scene for Dunedin and covers tourism trends, the type of tourism that is best for Dunedin, and specific areas in Dunedin that could be further developed. It also considers the strategic context that tourism sits in.

The core strategy is made up of three areas, each with their own objectives and goals. These areas are:

- Destination Marketing
- Sector, Business & Product Development
- Destination Management

The implementation plan at the end of this strategy describes the roles and responsibilities of the lead organisations and outlines a path or programme for key stakeholders to follow. This programme is intended to be adaptable enough so that Dunedin can continually drive its tourism sector forward in to the future, developing future interative goals and targets that aim for increased collective benefit from the sector's contribution to the economy.

5 Although the two terms are used interchangeably in this document, it is important to recognise that visitors include both day and overnight visits, whereas 'tourists' refer only to overnight visits. Day visits to or from Dunedin make up a substantial part of the sector. Dunedin residents are also visitors to their own region often for half day or full day excursions.

2. Tourism Setting For Dunedin

2.1. Current tourism situation and future direction

Global tourism arrivals have grown by an estimated 6% in the past year, reaching nearly 900 million in 2007[6]. Long-term forecasts for tourism arrivals indicate a 4.1% growth rate, and by 2020 it is predicted that global tourism figures will double to almost 1.6 billion visitors[7].

Tourism trends today develop faster and change more quickly. International travellers are increasingly basing their decisions on environmental sustainability and value for money when choosing their holiday destinations. Ten years ago, low-cost air travel was in its infancy and online travel bookings were virtually unheard of. Travellers now prefer more independent travel, building their own itineraries and making key purchase decisions closer to the point of departure and on arrival.

International visitor arrivals to New Zealand have doubled each decade for the last three decades. Growth in international visitor expenditure in New Zealand has exceeded the growth in arrivals, growing in some years by as much as 16%[8]. By comparison, domestic growth has been modest and in some years (2003 – 2004) declined, mainly due to the introduction of cheap trans-Tasman and South Pacific travel.

Growth in international visitor arrivals has, however, slowed over the last few years. International visitor arrivals totalled nearly 2.5 million to the year ended February 2008 or 2.2% more than the previous year[9]. Domestic overnight trips declined in 2005 – 2006 by about 0.5% but positive growth of nearly 1% is forecast for 2008 – 2013[10]. At the national level, industry leaders tend to agree that additional expenditure in offshore marketing from the private sector (currently around $270 million per annum, including that of Air New Zealand)[11] and government ($69 million) will be required merely to maintain New Zealand's 0.45% share of global tourism[12].

The four key outcomes of the updated New Zealand Tourism Strategy 2015 (NZTS 2015) are relevant to Dunedin:

- New Zealand Delivers A World-Class Visitor Experience
- New Zealand's Tourism Sector Is Prosperous And Attracts Ongoing Investment
- The Tourism Sector Takes A Leading Role In Protecting And Enhancing New Zealand's Environment
- Communities And Regions Recognise And Value The Benefits Of Tourism

The key messages for each region in the country are about providing ***quality*** products and services, increasing ***profitability***, minimising the ***environmental footprint*** of the sector and increasing the ***benefits*** of tourism to ***local communities***.

2.2. Dunedin Trends

The key trends for Dunedin have been:

- Since 2000, Dunedin has strengthened its position with investment in accommodation capacity, new and improved products and services and air access.
- Air access has improved with more flights and capacity than in 2000.
- Slower but positive growth is forecast for Dunedin's international and domestic markets through to 2013. An important part of this growth has, and will continue to, come from self-drive, free or semi-independent travellers from Australia, the UK/Ireland, Europe and North America.
- There is a growing trend in free and semi-independent travel.
- Asian markets and the New Zealand domestic market have been flat or in decline.
- China may emerge as a key market in 5 – 10 years but this relies heavily on improved air access and new hotel development.
- Growth in visitor nights has been above the national average in the Australian and European markets between 2000 and 2006.
- Total expenditure from domestic visitors is greater than from international visitors but this trend is expected to reverse in the next five years as forecast growth from international arrivals exceeds that from New Zealand visitors.

Over the last decade, Dunedin has consolidated its position as a destination with two key marketing themes – heritage and nature tourism. Although a visitor brand has not been developed, these two themes are strongly associated with Dunedin. Nature or ecotourism has been the stronger message in offshore marketing campaigns with Scottish and English heritage used as a defining feature of Dunedin. Dunedin has also become a popular location for regional, national and international sporting events. Festivals and events such

6 UNWTO 2008, World Tourism Barometer, Volume 6, Number 1, January 2008.

7 UNTWO, Tourism 2020 Vision.

8 Ministry of Tourism, www.tourismresearch.govt.nz, Official Dataset.

9 Ministry of Tourism 2008, Key Tourism Statistics – April 2008.

10 Ministry of Tourism 2007, Topline Forecast – National and Regional, August 2007.

11 NZIER, 2006; Tourism Industry Association, 2007.

12 Draft New Zealand Tourism Strategy 2015.

as the ID Fashion Show, Masters Games and Heritage Festival have, and will continue to become, an increasingly important part of the visitor industry and vibrancy of Dunedin. Due in large part to the University of Otago and despite some limitations to current venues and accommodation, Dunedin has also established a reputation for hosting a broad range of small to large-scale association conferences.

Dunedin's key strengths and weaknesses as a visitor destination are summarised in Appendix 3. Key strengths are Dunedin's significant wildlife attractions, historic buildings, rich creative culture and art and artefact collections, presence of the University of Otago and distinctive student culture, the city's Scottish heritage, stunning natural landscape, good road networks and leisure facilities. Some of the key weaknesses are limited air access, the lack of accommodation capacity during peak periods (and also conventions capacity), the lack of a fully integrated website for visitors and the under-utilised events potential.

2.3. What type of tourism is best for Dunedin?

Tourism that optimises economic and social returns and minimises adverse effects is best for Dunedin. This can take a variety of forms. Determining a particular type of tourism for Dunedin is more complex than it sounds because a certain amount of tourism is driven by forces over which Dunedin may have little influence (such as air access, regional competition from within New Zealand, currency exchange rates or changes in New Zealand's overseas markets and international campaigns in those locations).

The key types of tourism that are considered best for Dunedin are outlined below:

Tourism that matches Dunedin's key product offering (i.e. nature and heritage)

- Dunedin is famous for its unique blend of wildlife, and its Scottish, educational, and architectural heritage. The main drivers for international tourists coming to New Zealand for a holiday are the country's landscape and the culture of its people. Dunedin's product offering includes aspects of scenery, wildlife, culture (Maori, European and Asian heritage) as well as educational opportunities.

Tourism that appeals to target visitor markets

- **Ideal markets** to invest in are discussed within the destination marketing strategy, further on in this document.
- **Independent travel** is well suited to both city and rural attractions, accommodation and activities.
- **Group and packaged travel** that is directed and managed. Group travel is important for Dunedin's hotel sector, as is business travel and the convention market. Although Dunedin tourism is dominated by free and semi-independent travel, group or packaged travel makes up approximately 15%-20% of all arrivals[13]. There are currently few attractions and tours that target or are designed to cater for large volume group travel (such as the West Coast Glaciers, Milford Sound or Whalewatch Kaikoura). Larger group and packaged travel is more suited to city and harbour-based amenities/venues, attractions and services and only to those attractions and communities in rural areas (such as the Albatross Colony) that have, or will construct, the infrastructure to cope.

Low volume, high yield tourism

- Most stakeholders consulted during preparation of this strategy agreed that lower volume - higher yield tourism is best for Dunedin. High yield tourism is compatible with many of Dunedin's nature and wildlife attractions and diverse range of smaller-scale accommodation. Independent travel can meet many social and economic objectives for Dunedin as these visitors tend to stay longer, explore the region and spread benefits to rural communities (the Central Otago Rail Trail[14] and Otago Peninsula attractions are good examples). The popular notion that these 'Interactive Travellers®' have a lower environmental footprint and spend more per visit or per person is largely unfounded. Recent research[15] concludes that expenditure levels amongst independent and packaged travellers, is largely the same and the level of carbon emissions per person per kilometre are higher for independent travel in private or rental vehicles than from travel by coach.

Tourism that is consistent with the values and aspirations of Kai Tahu

- Kai Tahu, the tangata whenua of Otago, wish that the tourism sector would practice the principles of Kaitiakitaka, Manaakitaka, Tino Rakatirataka, Manutīoriori / Kaikīkiri and Kotahitaka. Kai Tahu has signalled a willingness to engage with industry stakeholders in the development of appropriate cultural products for Dunedin. A brief explanation of these principles is outlined here:
    - Kaitiakitaka - guardianship, care and protection. The strategy acknowledges Kai Tahu as kaitiaki, and therefore involving Kai Tahu in decision making where this affects them.
    - Manaakitaka - is about sharing, looking after and respecting each other and is often used in the context of hosts and visitors. It is an invitation to manuhiri (visitors) to come and experience what Kai Tahu has to offer. There is a responsibility upon Kai Tahu to care for manuhiri. Manaakitaka means sharing and respecting each other's culture.
    - Tino Rakatirataka – this is about self-determination. In the context of the Dunedin Tourism Strategy it encourages Council and Tourism Dunedin to engage and discuss with Kai Tahu the tourism-related goals of the Kai Tahu community. Those wanting to retell Kai Tahu history, association and values should be encouraged to engage with Kai Tahu.
    - Kotahitaka - is about recognising differences and celebrating unity. It is about working together to a common goal. This is also about establishing and promoting co-operative relationships and strategic alliances with other Maori in tourism.

13 Tourism Dunedin 2007, Regional Visitor Monitor for Dunedin. Dataset.

14 Central Otago Rail Trail Trust 2005, The Otago Central Rail Trail Means Business, November 2005.

15 Ministry of Tourism, 2007; Landcare Research and Lincoln University, 2006.

- Meaningful engagement with Kai Tahu and Nga Runaka can come only from kanohi ki te kanohi, open and honest face-to-face communication.
- At a practical level, such engagement will lead to a better reflection of Maori cultural heritage across the range of Dunedin's attractions and activities – from correct pronunciation of names, to bi-lingual signs, endorsed story-telling of myths and legends and ultimately, more Maori working in the sector as guides, business owners or tourism managers.

Tourism that has smart alliances

- Because Dunedin is not located on the main 'tourist trail', it must maintain and enhance smart alliances with neighbouring regions so that Dunedin is included in more travel itineraries, especially those with themes shared by Dunedin (for instance, wildlife or Maori cultural products connecting Kaikoura, Banks Peninsula, Oamaru, Dunedin and The Catlins; heritage products connecting Oamaru, Central Otago and Dunedin).

Tourism that is associated with sporting and cultural events, conventions, and cruise boat visits

- The volume from tourism associated with sporting or cultural events, cruise boat visits, and that which is part of South Island coach touring itineraries can be very useful for the viability of city-based attractions such as the Otago Museum, Dunedin Public Art Gallery, Otago Settlers' Museum, Speights and Cadbury factory tours, the new Chinese Garden, city and heritage tours, the Taieri Gorge Rail Excursion, Larnach Castle and the Taiaora Head Albatross Colony. It is also hugely important for the retail sector. Similarly, redevelopment of the Dunedin Centre and construction of a new sports stadium to replace Carisbrook will rely on a sufficient volume of visitors to remain viable. It is difficult to imagine development of a new four star hotel in Dunedin or improved air access without sufficient demand.
- Events that attract visitors to Dunedin need further development and form part of Dunedin's Events Strategy. Dunedin has the potential to grow its convention market and Council is about to make a decision on a potential upgrade to the Dunedin Centre. If this proceeds and, assuming additional four star hotel accommodation goes ahead, then further investment in convention marketing would be very worthwhile. If neither occur then growth in the conventions sector will remain constrained.

Tourism that addresses issues of seasonality

- Dunedin needs to consider how it attracts visitors in traditionally low season periods. Whilst operators may wish to take time off during quiet periods, there are opportunities to expand the busy periods. Dunedin is an attractive autumn and spring destination and with increasing air access, Dunedin also has the potential to become an alternative gateway to the ski areas in the Southern Lakes region. There is a further opportunity to build the shoulder seasons with domestic short break holidays, events and conferences.

2.4. Where could tourism be further developed?

On the basis of Dunedin's current range of attractions and visitor markets, this strategy has identified five areas that have distinctive appeal and further potential for development. These areas could be developed as destinations within the city for local residents and also on their own or in combination as touring routes for the domestic and international visitors staying for more than one day. They offer unique experiences that build on the strengths of the city and also are loosely aligned to Community Board boundaries. This is appropriate as these boards are champions of their local communities. They have been selected based on these considerations and also a combination of landscapes, road networks, attractions and the location of towns and settlements that have influenced the areas presented below.

The areas are shown in Figure 1.

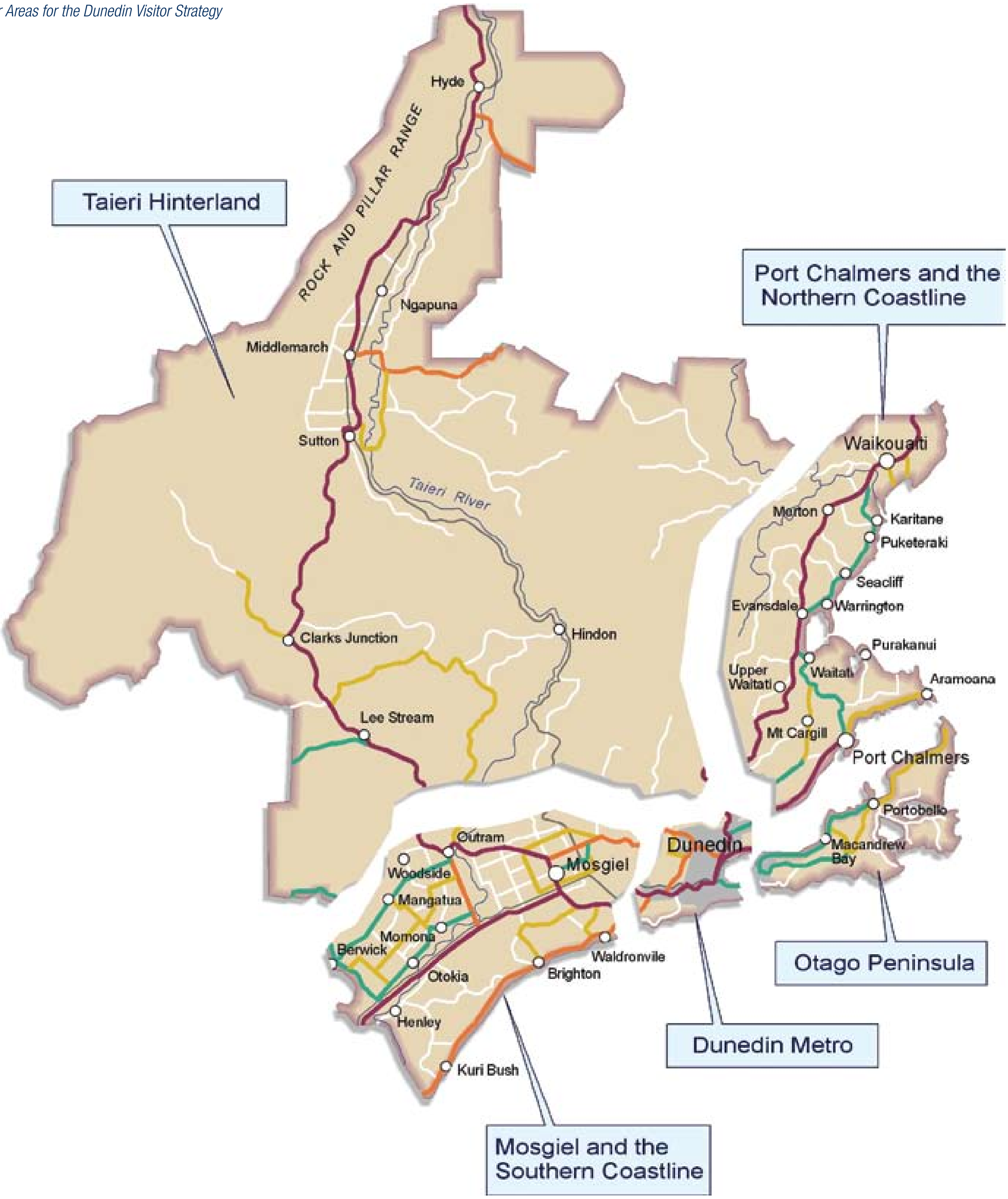
2.4.1. Dunedin Metro

Distinctive appeals include the most outstanding cluster of heritage buildings in New Zealand, easy access to outstanding rural landscapes and wildlife ecology, the character of a university town and its campus and the influences of Scottish and English ancestry. Major new infrastructure developments planned for the city will add value to the visitor experience. More visitor-oriented events required. The look and feel of central Dunedin, especially The Octagon and nearby retail areas, are important considerations for residents and visitors.

2.4.2. Otago Peninsula

The Peninsula is well known for its outstanding rural landscapes and unique wildlife experiences coupled with New Zealand's only castle (Larnach Castle), gardens and early settler buildings. The vast majority of the Peninsula is designated Outstanding Landscape Area, Coastal Preservation Area or Landscape Conservation Area by the Dunedin District Plan. There are also important nature and wildlife conservation areas spread throughout the Peninsula. It has become Dunedin's iconic destination for nature tourism offering wildlife and other nature tours, scenic drives, walking trails and heritage tours and attractions. The Peninsula is also an important recreation resource for residents.

Figure 1: Visitor Areas for the Dunedin Visitor Strategy



2.4.3. Port Chalmers and North Coast Area

An emerging area of interest for self-drive visitors especially those visiting friends and relatives, this area is relatively undeveloped in terms of tours, organised activities or attractions yet offers a rich cultural heritage (historic and contemporary) with remote beaches, wildlife and a sense of discovery for first time visitors. A new wildlife sanctuary and visitor attraction is planned for Orokonui Reserve. Approximately 20% of the area is designated Coastal Landscape Preservation Area, Landscape Conservation Area or Outstanding Landscape Area in the Dunedin District Plan.

2.4.4. Mosgiel and Southern Coastline

Currently not managed or promoted as a visitor attraction as such, this area provides the link for visitors travelling south on the Southern Scenic Route, offering good opportunities for stopping off at attractive beaches and obtaining stunning views from coastal hills. A coastal strip between Blackhead and the Taieri River Mouth is designated Coastal Landscape Preservation Area and pockets of Landscape Conservation Area are designated northeast and west of Mosgiel and Outram.

2.4.5. Taieri Hinterland

The most notable contrast to the rest of Dunedin is found in the Taieri Hinterland – effectively the gateway to Central Otago. Themes include high country New Zealand, early recreational use of the Rock and Pillar Range, gold exploration and early settlement. The Central Otago Rail Trail and Taieri Gorge Rail Excursion have become the two most popular attractions and provide the basis for add-on activities and businesses in and around Middlemarch. Approximately half the area is designated an Outstanding Landscape Area.

2.5. Strategic Context

The key audience for the strategy is Dunedin City Council, Tourism Dunedin, the industry, and other agencies or organisations who influence, or are influenced by, visitors to Dunedin.

Future direction depends upon future funding as well as consensus and collaboration between these relevant stakeholders in pursuing Dunedin's vision. Through this strategy, members of Dunedin's tourism sector have had an opportunity to discuss the strategic directions they wish to pursue. A selection of personal visions is presented in Appendix 6.

Development scenarios for Dunedin can either be marketing-led, product development-led, or a balanced approach that sees resources spread across the relative marketing, product development and destination management priorities.

Overall consensus was for this strategy to pursue a balanced approach but that every opportunity to increase the level of investment in the sector (Council, industry or other sources) should be pursued. This is presented in the following one-page summary of the strategy.

Some of the key measures with which to monitor performance of a balanced approach are: visitor and stakeholder satisfaction (including resident satisfaction), growth in visitor market share, visitor nights, visitor expenditure and GDP contribution from tourism.

3. Dunedin Visitor Strategy

Vision

By 2015, Dunedin will be New Zealand's premiere regional tourism destination for all visitors. Visitors will be drawn to our unique wilderness, extensive heritage and cultural offerings, our hospitality, our passion for education and knowledge and our respect for the environment. Tourism will be a leading economic driver for the city and, as such, must be nurtured in order to maximise social and economic benefits.

Key Measure: Consumer perception research in domestic and international markets.

Goal

To increase the contribution of the visitor industry to Dunedin's economic development and in doing so, the overall well-being of Dunedin residents

Key Measure: Contribution to GDP – annual survey.

Core Strategy

Area	Strategic Direction	Key Performance indicators
Destination Marketing	*Goal: Increase visitor nights, levels of expenditure and market share from domestic and international target markets.* **Objective 1:** Develop further cost-effective marketing campaigns that target visitor markets with the best growth potential for Dunedin **Objective 2:** Increase collaborative marketing activities across the sector	• Number of commercial visitor nights • Market share of commercial visitor nights • Market share of visitors • Visitor expenditure • Level of industry joint venture activity
Sector, Business & Product Development	*Goal: Strengthen and expand Dunedin's tourism businesses, products, attractions and services.* **Objective 3:** Expand the range of export ready attractions and activities **Objective 4:** Develop a system to strengthen business performance	• Range of activities undertaken by visitors • Visitor satisfaction with activities/attractions undertaken • Visitor satisfaction with core tourism service providers • Number of export capable businesses • Number of Qualmark rated businesses • Level of cluster group activity
Destination Management	*Goal: Dunedin effectively integrates the needs of residents with the needs of visitors.* **Objective 5:** Provide a Council-led mechanism for managing Dunedin as a visitor destination **Objective 6:** Raise community awareness of, and engagement with, the tourism sector	• Visitor satisfaction with infrastructure and amenities • Visitor satisfaction with generic activities and attractions • Stakeholder, including resident, satisfaction. • Reduction in complaints relating to issues. • Ratings of Dunedin as a destination on key attributes • Levels of visitation to the five areas in the strategy, and visitor satisfaction with regards to each area.

3.1. Destination Marketing

GOAL

Increase visitor nights, levels of expenditure and market share from domestic and international target markets

OBJECTIVES

Objective 1:
Develop further cost-effective marketing campaigns that target visitor markets with the best growth potential for Dunedin

Objective 2:
Increase collaborative marketing activities across the sector

KEY PERFORMANCE INDICATORS

- Number of commercial visitor nights
- Market share of commercial visitor nights
- Market share of visitors
- Visitor expenditure (per day and per visit)
- Level of industry joint venture activity, which actively involves Tourism Dunedin and operators.

Current Performance	Target
Commercial visitor nights (CAM – YE Dec 2007 – Dunedin City) • Domestic: 378,840 • International: 522,410 • Total: 901,250	Increase commercial visitor nights between 0.5% - 2% annually for both international and domestic markets.
International Market penetration of commercial visitor nights (IVS – YE Dec 2006 – Dunedin RTO): • 15.4%	Increase market penetration by 1 - 2% annually to 2015
Market Penetration (IVS – YE Dec 2006) – key markets for Dunedin • Australia: 13.1% • UK: 26.9% • US: 17.3% • Asia: 8.4%	Increase market penetration by 0.5% - 1.5% annually to 2015 with higher growth in the Australian market
Market Share of Convention Markets to Dunedin (Convention Activity Survey – YE Dec 2007)) • Conferences: 4% • Association conferences: 11% • Corporate conference: 1%	Maintain market share up until any new convention capacity is added, after which increased market share should be targeted
Visitor expenditure – total expenditure (NZ Regional Tourism Forecast 2006) • Domestic: $191 million (expenditure per night is $98) • International: $135 million (expenditure per night is $116)	Growth in visitor expenditure that is higher than the Official Forecast growth (for 2013). Growth in total Domestic expenditure is 2.8% p.a. and 2% p.a. for domestic expenditure per night. International forecast growth is 6.7% p.a. for total expenditure, and 3% p.a. for expenditure per night.
Level of joint venture activity • In 2007, approx. 50% of Council funding of Tourism Dunedin was matched by industry funding in association with Tourism Dunedin	60% - 65% matching industry contribution to Tourism Dunedin by 2015

3.1.1. Objective 1: Develop further cost-effective marketing campaigns that target visitor markets with the best growth potential for Dunedin

Context

The purpose of Dunedin's marketing campaigns is to influence growth in visitor nights, expenditure and market share in domestic and international markets. The target is to try and achieve growth at, or above, the national average. This would in turn increase the contribution that tourism makes towards Dunedin's GDP.

The New Zealand Tourism Forecasts 2007-2013, provided by the Ministry of Tourism, are New Zealand's best available prediction of future performance for domestic and international markets. More detailed information on current, past and predicted future performance is available in Appendix 7 to 10.

Priorities

Marketing Campaign Focus - Domestic

Focus on marketing campaigns can be considered via the following domestic segments:

- Visiting Friends and Relatives associated with the University of Otago and Otago Polytechnic.
  This market relies on word of mouth and is a relatively easy and potentially cost-effective segment to market to. Competitively priced packages that encourage longer stays ('Stay Another Day') should be explored as this segment is coming to Dunedin anyway.
- Day visitors from nearby regions
  This is a difficult segment to market to directly but growth in this market could lead to more frequent visits by the same visitors as well as an increase in day visitors. Day visitation is also dependent on city amenities and business (shopping, banking etc.). An opportunity exits to consider working with local retailers to investigate a 'visit Dunedin' initiative.
- Event Strategy
  Events help to stimulate growth (e.g. in day visitors and short-break markets), and attract new visitors.
- Short-break markets from Christchurch / Canterbury, Wellington, Auckland, Queenstown, Wanaka, Central Otago, and Southland/ Invercargill.
  Short-break markets can be targeted with events. Great local service, attractions and activities are additional reasons to encourage these visitors to stay longer.
- Seasonal campaigns and use of effective media tactics
  Encouraging visitors, and providing compelling reasons for them to come in shoulder and off-peak seasons relieves pressure on capacity (e.g. accommodation) during the busiest times.
- Domestic aviation
  Air access to Dunedin is a key driver to growth. New direct routes have the potential to strengthen and diversify the flow of visitors within the lower South Island and the rest of New Zealand. The airline Pacific Blue has recently announced new services to Dunedin.
- Convention market
  The convention market firstly requires a hotel with a large (500 pax seated) purpose-built conference facility. Secondly, it requires a good, dedicated conference facility and the Council is investigating improved conference facilities and the Council has made provisions for such facilities in it's 2008/2009 Annual Plan and LTCCP. Dunedin requires core convention businesses in order for the sector to grow, and encourage planned investment and enhanced collaborative marketing (e.g. with all convention venues). The convention market is worthy of a specific and independent strategy.

Marketing Campaign Focus - International

Focus on marketing campaigns can be considered via the following international segments:

- Free Independent Travellers from Australia, UK, US, Canada and Europe.
  Dunedin is dominated by free and semi-independent travel (especially from the Australia, UK/Ireland and US markets). There are opportunities to take advantage and leverage off national campaigns (e.g. Tourism New Zealand's 'What's On' initiatives in Australia). Cost-effective alliances are needed, especially in expensive markets (e.g. UK, US).
- Group markets from Australia, UK, US, Canada and Europe.
  Group travel is important for Dunedin's hotel sector as group or packaged travel makes up approximately 15-20% of all arrivals[16]. Activities and attractions could be improved for this market segment to encourage a longer length of stay, higher spend and higher satisfaction.
- Assess future potential in the Cruise and Asia markets
  Cruise markets are growing fast. The cruise market will be dependent on Port Otago investment and consideration of expansion to cater for visitation.
  The China market is the fastest growing Asian market, but relies on the success of the Air New Zealand campaign in Shanghai and Beijing.

Market Segmentation Focus

The focus here is to develop and apply criteria for market selection, which include factors such as:

- Market appeal of Dunedin products, services and touring routes
- Market growth over last 3-5 years and projected growth
- Expenditure and length of stay profile
- Distance from New Zealand, ease of connection (air, road)
- Cost versus return on marketing investment
- Potential for alliances with other regions to share costs and itineraries (product themes)

16 *Tourism Dunedin 2007, Regional Visitor Monitor for Dunedin. Dataset.*

- Adequacy of funding for Dunedin-only campaigns in growing market share

Market Research

The focus here is on undertaking robust research into key target and emerging markets (eg, China) to explore and monitor:

- Visitor perceptions and impact of the Dunedin brand
- Competitor analysis of other regions
- Expectations, motivations and satisfaction in relation to Dunedin's products and services
- Travel decisions and purchasing behaviour of visitors
- Expenditure patterns and length of stay of visitors

Distribution Channel Focus

The focus should be on the following aspects of distribution channels:

- Development of one integrated visitor website for Dunedin for destination marketing, on-line bookings, events (including a calendar) and visitor information. Links to Dunedin as a place to live and work could be included. Targets from booking revenue should be set.
- Strengthen the role of the Dunedin i-SITE as an integrated booking, retail operation and visitor information service. Potential synergies with Tourism Dunedin should be explored with the aim of reducing overheads, improving the customer experience, offering first-hand market feedback, and adding value to local operators.
- Marketing activity should drive visitors and potential residents to the website and use innovative mediums to ensure cost effectiveness.
- Tactical alliances with adjoining regions.
- Maintain profile with specialist wholesalers in Australia, UK, US, Germany and Canada.
- Hosting media as a major component of any international campaign. Public relations expertise ought to be developed to increase the presence of Dunedin in travel (and related) publications.

3.1.2. Objective 2: Increase collaborative marketing activities across the sector and neighbouring regions

Context

This objective focuses on increasing collaborative marketing activities across the tourism sector. Two key outcomes can be achieved from increased co-operation, and both are necessary for this strategy to succeed:

- Better communication between the industry and RTOs; and
- Increased joint venture funding and investigating of other funding options, such as revenue generation through packaged travel online sales.

There are other important reasons why a highly collaborative approach is necessary:

- Funding pressure on rates
- Increasing costs of domestic and overseas marketing campaigns
- An industry with only a few medium-to-large scale operators and many small-scale businesses
- Organisational separation (physical distance and structural) between Council, Dunedin i-SITE, Tourism Dunedin and University of Otago and Otago Polytechnic

Priorities

Dunedin has already benefited from collective marketing through Project Gateway and more of this type of initiative will make a substantial impact on achieving the goals of this strategy. There are six specific opportunities where this approach is warranted, which are outlined in the table below.

Table 1: Priorities to increase marketing activities

	Priority / Opportunity	Reasons
1	Development of a fully integrated website requiring industry collaboration, and with booking revenue targets set.	Other regions (Northland, Wellington) have proved the benefits of a marketing, information and booking capable website, which requires a whole-of-sector approach
2	Increasing the level of joint venture funding	Dunedin has potential to further increase joint venture funding
3	Joint VFR campaign with the University of Otago and Otago Polytechnic	This could provide a valuable opportunity for longer stays and/or more repeat visits
4	Annual marketing summit	Effective destination marketing campaigns hinge on a clear, compelling and ideally unique brand or marketing proposition
5	Integration of information and management systems and industry liaison between the Dunedin i-SITE and Tourism Dunedin	This would provide a more seamless transition for visitors (from planning to decision-making stages)
6	Alignment of city and destination branding	The positioning of Dunedin as a visitor destination should not be considered in isolation from branding which markets Dunedin as a place to visit, live, work and study

Decision-making Framework for Potential Marketing Activities

The outcome of marketing activities is difficult to measure for executing marketing agencies. A decision-making framework has been developed to provide guidance to Tourism Dunedin for evaluating potential marketing activities. The framework aims to strengthen the decision-making process for potential funding opportunities for marketing activities for Tourism Dunedin. The evaluation criteria for assessing potential marketing activities is outlined below.

Evaluation Criteria:

	Criteria	Factors to be explained by marketing
1	Rationale for marketing activity	• Description of the marketing activity • Linkage to the Visitor Strategy Tourism Dunedin's Marketing Plan • Articulate intended key objectives and outcomes of the marketing activity
2	Focus on target markets	• Description of target markets (domestic/international, geographic locations) • Visitor segments - based on, for example, travel behaviour, demographics and expenditure • Matching with Dunedin Products
3	Growth potential	• Growth potential of the marketing activity • Effect on seasonality • Effect on expenditure – yield growth • How local business profitability would change • Conversion ratio from 'awareness – preference – intention – bookings'
4	Collaboration efforts	• The level of co-operation with other partners/organisations and/or other marketing activities such as Tourism New Zealand, other RTOs, other industry partners and other industry sectors
5	Cost effectiveness	• Build on/add value or link to previous marketing activities and opportunities • Benefits vs. costs • Takes other partners into account – maximising and leveraging collaboration opportunities
6	Risk assessment/mitigation	• Assessment of potential external and internal factors that may adversely influence marketing activities, and how to mitigate against them
7	Measurement of success	• Qualitative and quantitative measures • Use a variety of corroborative sources, such as website hits or surveys • Conversion of awareness to bookings

3.2. Sector, Business and Product Development

GOAL
Strengthen and expand Dunedin's tourism businesses, products, attractions and services
OBJECTIVES
Objective 3: Expand the range of export-ready attractions and activities **Objective 4:** Develop a system to strengthen business performance
KEY PERFORMANCE INDICATORS
• Range of activities undertaken by visitors • Visitor satisfaction with activities/attractions undertaken • Visitor satisfaction with core tourism service providers (e.g. accommodation providers, activity & attraction operators) • Number of export capable businesses • Number of Qualmark rated businesses • Level of cluster group activity

Priority Area	Target
Activities and attractions	• Increase number and range of new activities/attractions • Increase number and rate at which businesses take up Qualmark accreditation • Increase number of export capable businesses • Increase visitor satisfaction with specific activities/attractions, particularly with Dunedin's target visitor segments
New investment	• Increase number of planned and approved in principle developments and upgrades
Accommodation	• Increase revenue per room for hotel sector • Increase visitor satisfaction related to accommodation • Evidence of improved hotel sector co-operation
Conventions and incentives	• Increase in convention capacity alongside suitable accommodation
Transport	• Increase in air access to Dunedin
Events	• Increase number of visitors and length of stay attributable to events

3.2.1. Objective 3: Expand The Range Of Export Ready Attractions and Activities

Context

Increasing the number of export-ready attractions and businesses (assuming they are profitable) will help achieve a greater contribution to regional GDP. Export-ready businesses tend to be more profitable operations, are endorsed by Qualmark, participate in offshore marketing programmes with Tourism Dunedin and are connected to the distribution network of wholesalers and other agents. This section is about where opportunities lie for further development of export ready products. Objective 4 in this strategy is about establishing a support system for businesses to become export ready.

Priorities

a) Activities and attractions: ensure optimal product offering to visitors and high quality, profitable products

Stakeholders disagree over whether there is enough supply of the right type of attractions and activities for Dunedin's visitor markets. The way forward over the next decade is to:

- Examine Dunedin's market segments and match these with suitable products and services.
- Improve the quality of existing products.
- Improve the profitability of existing products before development of new activities and
- Increase sales via the i-SITE.

Appendix 13 gives a stock-take of Dunedin's existing activities and attractions and lists future possibilities.

Increasing the volume of visitors to many of Dunedin's wildlife attractions may not be a sustainable strategy (because of potential effects on wildlife), unless increased volume can be managed. Increasing the value, quality and price of the experience is a better alternative. It is questionable if Dunedin needs more wildlife tour products. Improving the profitability and standard of existing ones should be a high priority.

A competitive edge for Dunedin is also its reputation as a university town – which could be translated as a 'thinking person's destination'. As adventure goes hand-in-hand with Queenstown, learning could go hand-in-hand with Dunedin. This approach could be woven through many existing activities and attractions through enhanced storytelling by guides, educational activities run in association with the University of Otago, the Otago Polytechnic and on-site interpretation at historic, cultural and natural sites.

b) New Investment – attract existing and potential investors

Planned and 'approved in principle' developments in Dunedin will send positive signals to existing and potential investors and this bodes well for the city's future. Examples include:

- A visionary harbour-side redevelopment programme
- A new roofed multi-purpose sports stadium
- Upgrade to the Dunedin Centre
- Upgrade to the Otago Settlers' Museum
- Conversion of the former Central Post Office into a serviced apartment and hotel complex.

c) Accommodation – improve hotel sector co-operation, pricing strategies, revenue per room, and match with demand

Accommodation, cafés and restaurants, are the largest components of the tourism industry in Dunedin, accounting for nearly 1,700 FTEs or 55% of the total tourism related employment. Currently there are a total of 135 accommodation establishments with a total daily bed capacity of 3,453. Nearly two-thirds (62%) of all establishments are made up of hotels and motels, representing about half (50%) of the daily bed capacity. Dunedin also has a considerable amount of hosted and bed and breakfast type accommodation.

In comparison with some other regions, Dunedin has fewer seasonal extremes in its accommodation sector (see Appendix 12).

The focus for the accommodation sector can be summarised as:

- Improve hotel sector co-operation, pricing strategies and room yield performance. This would help in attracting investment in further three or four star hotels.
- More streamlined treatment by DCC over the hotel development consent process is also considered important for investors. A new hotel would cater for potential growth in business and group travel markets.
- Boutique style lodges, 'backpacker' lodges, motel and motor-lodges and camping areas are types of accommodation that will be more in demand from FIT and SIT and some domestic markets over the next decade.
- Increase the capacity of self-catering apartments in or near the CBD.

d) Conventions and Incentives– increase capacity

Dunedin has real strengths in holding conventions for the association market and some appeal to the corporate market, albeit at a smaller scale than nearby destinations such as Queenstown and Christchurch. The presence of the University of Otago and its strengths in medicine, the arts, dentistry and tourism provides plenty of opportunities to attract and host conventions around these themes.

The key issues facing Dunedin are a shortage of suitable venues and accommodation capacity at certain peak times. Conventions managed by the University are not always co-ordinated with other events leading to lost business and overbooked accommodation. Many international delegates, although checking into halls of residence at the start of conferences, often upgrade into commercial accommodation. Whilst new convention space is planned within the new sports stadium, its proposed location is not ideal, being out of the CBD and removed from most accommodation. A new hotel incorporating well-designed convention capacity for 350-400 delegates is considered ideal for Dunedin. Until such a development occurs, the planned upgrade of the Dunedin Centre would provide a much needed boost in convention capacity, right in the heart of Dunedin's CBD.

e) Transport – ensure good transport linkages

Air Access

Access by air is dominated by one carrier (Air New Zealand) for all domestic routes and from 2008, its Australian connections. The airline Pacific Blue recently started a new domestic service to Dunedin. A new direct link from Dunedin to Queenstown and to Invercargill has begun with Mainland Air. Although initially targeted at business traffic, this route has the potential to strengthen and diversify the flow of visitors within the lower South Island, adding more flexible itineraries between Christchurch, Queenstown and Dunedin. Although some cheap fares are available, overall Dunedin is an expensive destination to get to by air. Improving air access is a city-wide issue that requires constant attention.

f) Trains, Buses, Rental Cars and Taxis

All major hire car companies operate in Dunedin, although there are no main depots in the city and at times there are not enough vehicles to meet demand from business and leisure travellers. Campervan hire ex Dunedin is not available and is worth investigating further. The adequacy of vehicle supply and flexibility for south – north itineraries where fleet vehicles can be returned, should be explored so that Dunedin can take advantage of opportunities that arise with neighbouring regions. The cost of transport from the airport to the central City may become an issue with those travellers on cheap fares (the taxi fare can be the same price as the airfare), so the development of a low cost city to airport transportation would be advantageous. A potential opportunity exists to investigate investment in re-establishing a quality rail passenger link between Christchurch and Dunedin.

g) Events – leverage off events to attract visitors

Dunedin has a small selection of events that attract visitors from outside the city boundary and a relatively wide range of events for the local community. Events that attract visitors from outside the city include the Masters Games, Heritage Festival, ID Fashion Show, the Regent 24hr Book Sale and the Dunedin Street Race. The recent Railway Station Centennial was successful in attracting about 30,000 visitors over 3 days to participate in a range of heritage train-related tours and activities.

An Events Strategy is currently being prepared to clarify priorities for the event sector and this will complement the Dunedin Visitor Strategy.

Implications for the Visitor Strategy include the need to integrate event, city and destination marketing in order to get greater leverage from existing funds. Stronger links between Tourism Dunedin, University of Otago and the DCC's Marketing and Communications Agency will be required to market events to visitors outside Dunedin.

Appendix 17 provides further area-specific detail on Dunedin's visitor products and services.

3.2.2. Objective 4: Develop A System to Strengthen Business Performance

Context

Expanding the range of export ready businesses is unlikely to occur without assistance to existing and new businesses. For Dunedin, this will mean including tourism in the sectors assisted by the Economic Development Unit (EDU) of the DCC; communicating to the industry that the EDU can assist with business development and that Tourism Dunedin can assist with marketing advice.

Research undertaken by Lincoln University, Ministry of Tourism and the Tourism Industry Association (2005 – 2007)[17] suggests that, despite strong growth in international tourism expenditure over the last 5 to 10 years, this has been attributable merely to growth in visitor numbers and not in yield or profitability. New Zealand has not performed well in terms of extracting higher value from existing markets and the level of expenditure per visit has remained largely static for the last five years.

Marketing and product pricing are key elements to improve business performance.

- In terms of marketing, higher spending segments of Dunedin's markets should be targeted.
- In terms of businesses, joint ventures, code shares and clustering could be used more effectively, as well as improvement in pricing strategies through providing quality products, keeping prices up during the peak season, avoiding price competition (especially hotels) and using a co-ordinated approach to shoulder or off-season discounting where this helps to expand shoulder season custom or greater patronage from domestic and regional markets.

By growing business performance, Dunedin's tourism workforce will also become stronger and more capable. In terms of employment, tourism accounts for 3,258 Full Time Equivalents (FTEs) in Dunedin; this was about 6.5% of total FTE employment in 2007. This is lower than the national average of 10%. Nevertheless, the tourism industry is already the second largest employer behind education and research in Dunedin. Accommodation, cafés and restaurants make up about 41% of tourism employment. Employment in the sector has reduced by -1.2% over the past year, and by about 1.7% per year, or 587 FTEs, since 1994. By its nature, tourism is labour intensive and, in most New Zealand destinations, highly seasonal and relatively low paid. In the last five years, unemployment has dropped to unprecedented levels (nationally to about 3.6%, with Dunedin at a similar level), people are working longer hours on average and skill shortages are common to almost all sectors. The workforce is ageing with fewer young people entering the workforce than in the past. Immigrant labour is becoming an increasingly popular solution for labour shortages within New Zealand. There is no single solution for the tourism workforce situation.

If Dunedin's tourism sector is to grow as forecast, it will need an additional 500 FTEs by 2012 and a further 1,500 FTEs to match the national average for tourism sector employment at 10%. Attracting labour into tourism from other sectors or competing with other destinations in Otago or elsewhere is unlikely to succeed, unless tourism employment in Dunedin starts to:

- Pay higher wages
- Offer better working conditions (for young and older employees)
- Provide longer terms of employment (overcome seasonality effects)
- Add value to existing products and use better pricing strategies to optimise returns during the peak season
- Collaborate with the University of Otago and Otago Polytechnic to make tourism employment over the summer season attractive enough for students to stay in Dunedin (leases on student flats minimum for 12 months). Further industry collaboration with both institutions could also provide Dunedin with the best source of industry training in the country.

17 Commonly referred to as the 'yield research programme', the results of which will be available in late 2008.

Priorities

Three priority areas have been identified under this objective, and are outlined below:

a) Focus is on quality endorsements and increasing profitability

The industry does not have a good reputation either in Dunedin or elsewhere for working together to solve these issues. Businesses tend to 'go it alone'. Business assistance programmes for tourism vary around the country, delivered by a variety of agencies, consultants or other organisations that predictably have led to mixed stories of success. Dunedin has the opportunity to provide a more focused programme of business support, led by the Council through EDU and in association with Dunedin HOST and Tourism Dunedin. This should focus on:

- Getting products ready for international and domestic visitors
- Knowledge and management of suitable distribution channels (pricing and commissions)
- Getting Qualmark endorsement
- Improving on-line capability
- Collective marketing and product positioning.

b) Operators take responsibility for environmental performance

Operators play a key role in managing the destination (especially in sensitive areas) through interaction with visitors, and with their own environmental performance. Operators should be taking a lead in setting an example in terms of sustainable management of the environment. This includes:

- Recycling and minimising waste
- Participating in a nationally or internationally recognised environmental accreditation programme
- Participating with the Department of Conservation on relevant conservation projects
- Taking steps to minimise carbon emissions and conserve energy
- Investing in fuel efficient vehicles
- Providing visitors with opportunities to see what operators are doing to reduce the environmental footprint of the tourism sector.

These initiatives are becoming minimum requirements nationally and are endorsed by the draft New Zealand Tourism Strategy 2015. Dunedin needs to align with national initiatives, such as Qualmark which is introducing new environmental accreditation as part of its overall accreditation, and recent central government funding allocated towards regional sustainability initiatives for businesses (Project STAR).

c) Establishment of cluster groups to help businesses to expand

There are few clusters (formal or informal) of operators working co-operatively to advance products or joint marketing initiatives. This is not surprising given that most tourism business owners are often too busy running their operations to have time, especially in the peak season or at other busy times, to work with other operators. Networking does exist between some operators in Dunedin, but this appears to be an exception rather than the rule. Clusters of like-businesses are found in mature and relatively immature visitor destinations, such as the arts cluster in Nelson, adventure operators in Queenstown, tourism operators on the Whanganui River, Northland, Rotorua and Taranaki. The current lack of co-operation of businesses on the Central Otago Rail Trail is a case in point and urgently needs turning around.

Dunedin has good potential to further product development through cluster groups with common themes (heritage, Maori culture, nature or ecotourism, events) or in common areas (Otago Peninsula, Taieri Hinterland).

3.3. Destination Management

GOAL
Dunedin effectively integrates the needs of residents with the needs of visitors
OBJECTIVES
Objective 5: Provide a Council-led (EDU) mechanism for managing Dunedin as a visitor destination **Objective 6:** Raise community awareness of, and engagement with, the tourism sector
KEY PERFORMANCE INDICATORS
• Visitor satisfaction with infrastructure and amenities (street/other signage, bins/waste disposal, local airport, public transport, public toilets, street cleaning, car parking, campervan parking) • Visitor satisfaction with generic activities and attractions (e.g. walk in the city, eating out/restaurants, shopping, general sightseeing, beaches, etc.) • Stakeholder, including resident satisfaction • Reduction in complaints relating to issues • Ratings of Dunedin as a destination on key attributes (e.g. 'appealing cityscapes', 'safe and secure', 'friendly people', 'vibrant urban atmosphere', 'unspoiled/clean and pure natural landscapes') • Levels of visitation to the five areas in the strategy, and visitor satisfaction with regards to each area

Current	Target
Visitor satisfaction with infrastructure and amenities (RVM YE Dec 2007 – all average 1 out of 10): • Local Airport 8.0 • Public Toilets 7.7 • Street Cleaning 7.6 • Rubbish Bins 7.6 • Street/Other Signage 7.5 • Public Transport 7.3 • Car Parking 6.9 • Campervan Parking 6.4	• Increase visitor satisfaction related to infrastructure and amenities
RVM YE Dec 07 – all average out of 10; Top 6 by participation): Visitor satisfaction with activities and attractions • Scenic Drive 8.7 • Historic Buildings 8.5 • General Sightseeing 8.2 • Eating out/restaurants 8.0 • Walk in city 7.9 • Shopping 7.5	• Increase visitor satisfaction related to activities and attractions
Stakeholder and resident satisfaction	• Improve stakeholder and resident satisfaction
Number of complaints relating to issues to tourism	• Reduction in number of complaints
Ratings of Dunedin as a destination (RVM YE Dec 07– all average out of 10): • Beautiful Scenery 8.2 • Friendly People 8.2 • Safe and Secure 8.1 • Unique history/heritage sites 7.8 • Appealing Cityscape 7.7 • Clean & Pure 7.6 • Unique Wildlife 7.5 • Vibrant urban atmosphere 7.0	• Increased ratings of Dunedin as a destination
Preliminary share of visitation to the five areas in the strategy are estimated as: • Dunedin Metro: 90% • Otago Peninsula: 5% • Mosgiel and the Southern Coastline: 2% • Taieri Hinterland: 2% • Port Chalmers and the North Coast Area: 1%	• Increased levels of visitation to the five strategy areas

3.3.1. Objective 5: Provide a Council-led (EDU) mechanism for managing Dunedin as a visitor destination

Context

Many councils do not have a senior manager dedicated to integrating the needs of residents with those of visitors. The tourism sector commonly falls short at this level in New Zealand, resulting in a general lack of co-ordination between the many functions that make up councils' statutory responsibilities.

One of the best means of providing a mechanism for integrated destination management lies within the structures and processes of Dunedin City Council. As has been the case with some other councils, a senior manager who oversees Council's role in the tourism sector can make a noticeable difference to how Dunedin is managed as a visitor destination. This person needs to keep a strategic and operational perspective on the sector, work with other Council divisions and partner organisations such as Community Boards, the Department of Conservation, Chamber of Commerce, Transit New Zealand, Tourism Dunedin and Project Gateway.

Part of this function may entail annual or six monthly meetings with other lead organisations. Existing inter-departmental forums should be used in the first instance rather than creating the need for additional meetings or committees.

This strategy recommends a Business Development Advisor (Visitor Industry) with the following brief:

- Oversee council's economic development contribution to the sector through Dunedin HOST (liaising with New Zealand Trade and Enterprise, Tourism Dunedin and Otago Chamber of Commerce)
- Ensure the needs of visitors (in terms of infrastructure, signs, leisure, city 'look and feel', city and event marketing, assessment of funding options for infrastructure) are factored into annual budgets and work programmes and a whole of council approach to the visitor sector is encouraged
- Be the primary point of contact for the industry, other agencies, residents and Tourism Dunedin
- Develop community awareness of the benefits of tourism to Dunedin

Priorities

Seven areas have been identified for Dunedin and its regional environs to focus on. While there are good examples of visitor facilities and services in Dunedin, there are also examples of destination management that could be greatly improved:

- Inconsistent use of signs for visitors[18]
- Lack of formal roadside stopping places on scenic routes[19]
- Lack of a CBD retail group and an officially recognised industry leadership group (although by default, Dunedin HOST plays this role)
- Inconsistent management of freedom camping on Otago Peninsula
- Lack of safe exit and entry points, with adequate parking, for walking trails on Otago Peninsula
- Lack of urgency in communication between lead agencies to solve issues that directly affect the visitor industry (signs, cleanliness of the inner-city, lack of green/open space in the inner city, freedom camping, public toilets, roadside stopping places, provision of information, management of access to sensitive wildlife areas)
- Lack of a champion at senior management level within Dunedin City Council for strategic and operational oversight of Dunedin as a visitor destination.

The following focus areas aim to clarify the desired outcomes for management of Dunedin as a visitor destination.

a) ***Access*** – the city is welcoming, safe and easy to get around for visitors and residents.

b) ***Provision of coordinated facilities*** – visitor precincts, clusters of shops with distinctive regional products and character, street dining, beautification elements that convey a strong element of city pride and value of Dunedin's cultural heritage.

c) ***Signage*** – integrated and consistent sign systems that direct visitors to key attractions within and outside of the city area.

d) ***Amenities*** – fit-for-purpose toilet, rubbish, water and wastewater systems that can cope with growth in visitor numbers and residential growth.

e) ***Interpretation*** – integrated on-site interpretation of natural and historic attractions to cater for growth in free independent travellers.

f) ***Coordinated CBD group*** – an active CBD retail group that participates in marketing of Dunedin and events, which has input into key decisions over management of the central city.

g) ***Effective communication & relationship management*** – between the key agencies and community organisations that influence and are influenced by the tourism sector.

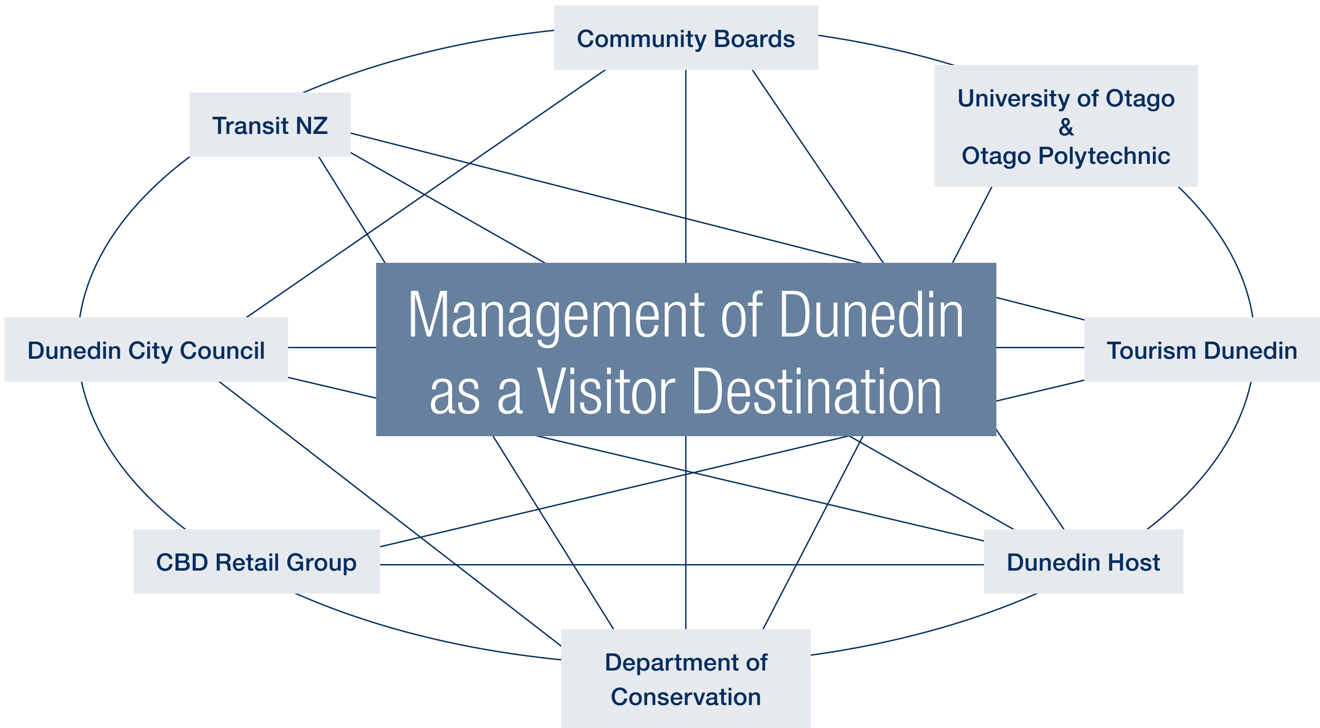
This last focus area is crucial. Strong relationships and effective communication is essential given the tourism sector is so diverse and no

18 *The Otago Museum is not sign posted and difficult to find for the first time visitors; signs directing traffic to the Otago Peninsula are too small and poorly located; implementation of sign policy within Transit New Zealand and Dunedin City suffers from being either too strict, under-funded or uncoordinated. A project to install orientation signs (maps, direction, information) at key locations within the City, Port Chalmers, Otago Peninsula and Middlemarch is underway and this will benefit visitors and residents alike.*

19 *Otago Peninsula, northern beaches, Strath Taieri.*

single agency or organisation is responsible for all of its aspects. Council investment in a destination management position would have a positive impact on what is effectively a complex web of relationships, as illustrated in Figure 2.

Figure 2: Management of Dunedin as a Visitor Destination – Relationships Involved



Successful management of Dunedin as a visitor destination stems from:

- Strong relationships between agencies and related organisations, including Community Boards
- Clear roles and responsibilities
- An attitude amongst stakeholders that what is good for visitors is also good for residents
- A commitment to environmental sustainability by all stakeholders

3.3.2. Objective 6: Raise community awareness of, and engagement with, the tourism sector

Context

Local communities are part of the tourism product of any destination. Dunedin residents involved in the visitor industry are ambassadors for the city. As ratepayers, business owners or employees, local residents also represent a key source of funding of visitor services and facilities. It is important then that the lead agencies for the sector engage with community representatives in a way that will engender support for the sector.

Priorities

Engage with Community Boards in destination management

Community Boards can play an important ongoing role in the management of Dunedin as a visitor destination. Their input is being sought in the preparation of this strategy. Board members can play a role in relation to site development planning, management of freedom camping, access to sites, sign systems and funding decisions for facilities and services.

Provide community updates and 'good news' stories to raise awareness of the sector and its benefits to the city

A range of media (regional and local papers, TV, radio) should be used to raise awareness of how tourism, including events, is contributing to the social and economic fabric of Dunedin. Prizes, involving free excursions to Dunedin's leading attractions, should be considered to spark interest and support from local communities.

Seek input from business leaders and entrepreneurs

Informal forums, seminars and one-on-one meetings are useful ways of keeping business leaders and entrepreneurs abreast of developments in the tourism sector. Business leaders who are not already playing a role on relevant governance boards or committees can often be an important source of insight, opening doors to funding options and other networks that support a healthy visitor industry.

Assess the viability of additional sources of funding

The bulk of funding for tourism-related expenditure in Dunedin stems from a DCC General Rate with additional support from industry joint venture funding, via Project Gateway, sponsorship and specific campaigns. As the sector is projected to mature and expand, it is appropriate to consider additional sources of funding, rather than rely on General Rates. Extracting further contributions from the industry may have limited potential due to the small size of most businesses and lack of a sufficiently sized pool of larger businesses. A Targeted Rate for specific city marketing activities is worth consideration, especially if a CBD retail group is established to provide input into decision- making and city marketing activities (particularly for events). This kind of approach has proved very successful in Wellington, Palmerston North and Taupo.

4. Implementation Plan

4.1. Overview

A five-year Implementation Plan is outlined below. Budgets and other financing will be prepared jointly by the lead agencies in order to implement the strategy. These will be reflected in Annual Plans and Long Term Council Community Plans.

Although the strategy runs through to 2015 (in-line with the New Zealand Tourism Strategy), a review of progress is recommended in Year 4, after which the strategic focus and levels of funding maybe adjusted.

For now, stakeholders have generally agreed that attention should focus on:

- Strengthening sector relationships and channels of communication;
- Making best use of existing funding; and
- Building a robust case for additional expenditure on destination marketing, product development and destination management that is consistent with this strategy.

The Implementation Plan clarifies (i) roles and responsibilities of organisations (ii) lines of communication, working relationships and (iii) activities to be undertaken in Years 1 – 5.

4.2. Roles and Responsibilities

The table below outlines the organisational roles and responsibilities:

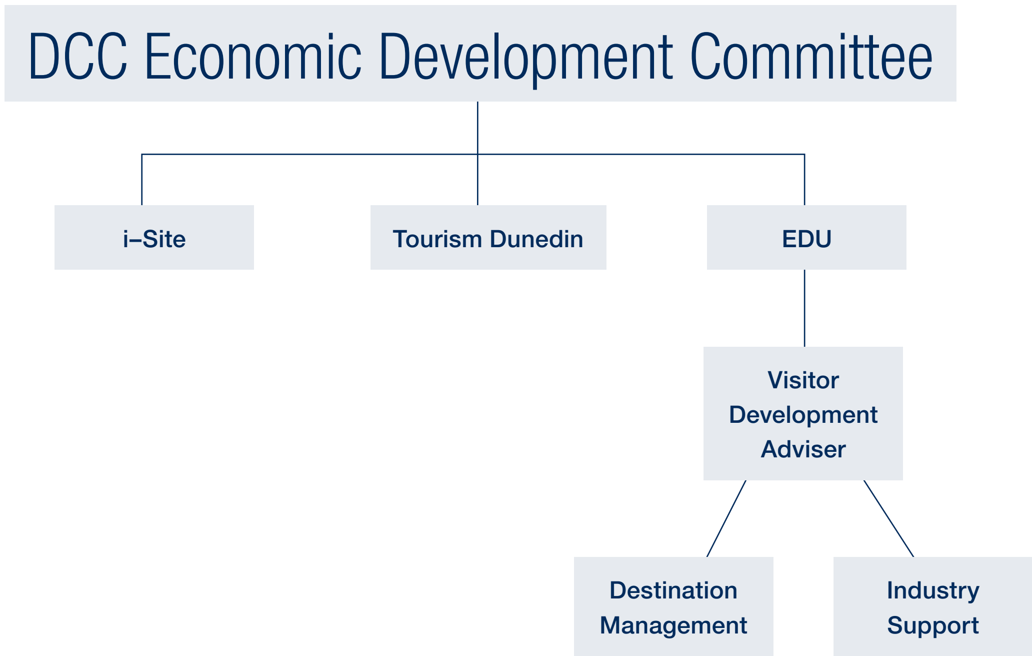
Table 2: Roles and Responsibilities of Key Organisations

Organisation	Role	Priorities
Strategy Steering Committee, Chamber of Commerce and Sustainable Dunedin	Oversee implementation of the strategy. Provide strategic input and direction. Representation should be drawn from industry, Dunedin City Council (including city marketing and events), Tourism Dunedin, University/ Polytechnic, Department of Conservation or other relevant areas such as retail / city centre. Ongoing input from Tourism New Zealand and Ministry of Tourism could be considered to provide a national perspective.	Meetings every 6 months would be appropriate, with quarterly meetings in the first two years to provide focus and momentum.
Dunedin City Council	***Lead Agency*** for destination management. Support Tourism Dunedin, through its economic development role, with sector and product development. Co-ordinate activities and services across Council departments and tourism assets (i-SITE, museums, transport, events, marketing, road maintenance, city signage, leisure and recreation amenities). Assist with economic development activities in the tourism sector (cluster development, grant allocations). Liaise with key partner organisations such as Dunedin HOST, Tourism Dunedin/ Project Gateway, Department of Conservation, Transit New Zealand, Otago Regional Council and generally champion the enhancement of the look and feel of Dunedin from a visitor's perspective (downtown areas, The Octagon, management of cruise boat traffic).	Designate a senior DCC manager for oversight of the tourism sector. Facilitate a citywide approach to improving air access. Explicit recognition (through the LTCPP and Annual Plan processes) of the needs of visitors when preparing budgets and work plans for signs, road improvements, scenic lookouts, roadside lay-bys, interpretation signs/panels, harbour facilities/ jetties, trails, toilets and parking. Work collaboratively with all stakeholders especially DOC, Community Boards, Transit NZ, Tourism Dunedin, Dunedin HOST, University of Otago and Otago Polytechnic.

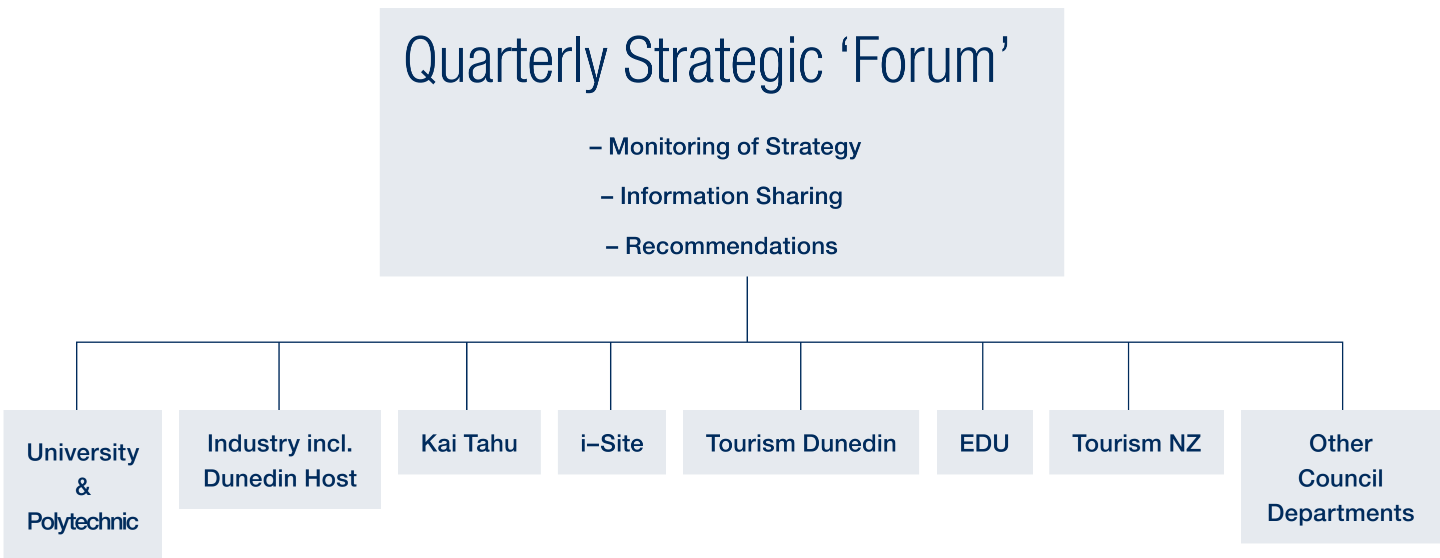
Organisation	Role	Priorities
Tourism Dunedin	***Lead agency*** for marketing of Dunedin as a visitor destination, and leads market research ***Support agency*** to provide input into other agencies (DCC, Transit, DOC) for management of Dunedin as a visitor destination. Not a lead agency in this area Works closely with Dunedin HOST members, Council (for event and city marketing) including the Dunedin *i*-SITE	Effective campaigns for Australia and NZ domestic markets Continual improvement of internet marketing and booking tools for Dunedin Strategic input into Dunedin brand and positioning Marketing of key visitor-oriented events Alignment of information and booking systems with Dunedin *i*-SITE Marketing and product development advice to tourism operators Strategic marketing input for heritage, events, wildlife and educational cluster group development Development of strategic marketing campaigns for long-haul and emerging markets
Dunedin i-SITE	***Lead organisation within Council*** for the provision of visitor information.	Ongoing provision of high quality information services Increase return on Council investment Streamline systems with Tourism Dunedin
Dunedin HOST	Dunedin HOST is a legal entity that currently ***leads industry networking***. Funding is limited to membership fees. Activities include networking amongst operators, facilitation of opportunities for improving business performance and sharing information on the sector. Dunedin HOST also acts as an industry lobby group from time to time. Members of Dunedin HOST also belong to other important sector groups such as the New Zealand Motel Association and Hotel Association of New Zealand	Develop a strategic plan to focus on: Increasing ability to deal with international distribution channels Improving environmental performance Establishing more regular communication with Council and Tourism Dunedin Enhancement of Dunedin's Central Business District (retail sector, The Octagon) and the general 'look and feel' of the city Increasing the number of Qualmark registered businesses
Department of Conservation	***Lead agency for management on public conservation land***. Lead agency for management of visitor interaction with wildlife and other protected natural areas. Management of protected natural areas, provision of appropriate recreation and tourism opportunities (facilities, concessions, signs, information, visitor impact management)	Provides on-site interpretation and can increase knowledge and skill of tourism operators to manage visitor activities in harmony with environment Also provides facilities that enhance visitor experience and minimise visitor impacts at sensitive sites
CBD Retail Group	Does not exist at this point although various retail groups have operated in the past	CBD marketing activities, co-ordination of events and advocacy for CBD enhancements. Could be undertaken by Dunedin HOST
University of Otago	***Lead institution*** for management of campus and associated facilities and co-management with student union over student behaviour	Work collaboratively with the visitor industry where visits to the campus and other activities are involved. Provides some of the best expertise in tourism research and management in NZ and can assist other agencies in exercising their mandates through research and advice. Collaborative marketing, especially for VFR market
Otago Polytechnic	***Lead institution*** for tourism industry training in Dunedin	In relation to this strategy, a priority will be collaborating with industry to address training needs and quality standards of the tourism labour force. Collaborative marketing, especially for VFR market
Community Boards	***Lead community organisations*** providing input into Council decision making on behalf of local communities	An important communication channel between agencies and ratepayers, who ultimately fund many of the services and facilities used by visitors and residents
Transit New Zealand	***Lead agency*** for management of State Highways including safety, sign systems including tourist signs (MOTSAM) and roadside stopping places with some amenities	Work collaboratively with Council to facilitate suitable tourism developments and services on or beside the State Highway Network

The following two diagrams illustrate the lead organisational roles, key performance measures and lines of communication.

Governance/Reporting Relationships



Collaboration/Strategic Relationships



4.3. Implementation Plan

4.3.1. Year 1: 2008-2009

Agency / Organisation	Activities
Dunedin City Council	• Confirm availability of funding for strategy implementation • Appointment of Business Development Advisor (Visitor Industry) to advance destination management and industry/business and product development • Development of an industry support programme designed with Dunedin HOST and Tourism Dunedin • Preparation of infrastructure costs for tourism route development as per strategy recommendations (signs, viewpoints, safe off-road parking) • Start on a process to review Dunedin's branding and align Dunedin's marketing campaigns with the city's unique attributes
Tourism Dunedin	• Analyse budget for strategy implementation and prepare robust case for additional or reallocated expenditure • Grow co-operation between i-SITE and Tourism Dunedin, and start to integrate information and management systems • Design a potential VFR campaign with University of Otago / Otago Polytechnic • Tourism Dunedin hosts first annual marketing summit • Align Service Level Agreement with this strategy (including realistic targets for industry contributions) • Work with Council on future application of the I AM DUNEDIN campaign and marketing of visitor-related events
Dunedin HOST	• Prepares strategic plan or 'agreed activities' in support of this strategy
All	• Establish strategy steering group – meet quarterly • Agree on budget requirements to implement strategy

4.3.2. Year 2: 2009-2010

Agency / Organisation	Activities
Dunedin City Council	• Work starts on touring route infrastructure improvements • Destination management forum led by Council • Visitor services manager continues to work across DCC departments and with external players (Dunedin HOST, Tourism Dunedin, DOC, Transit New Zealand, Otago Regional Council, Tourism New Zealand and Ministry of Tourism) • Align Dunedin's branding and marketing campaigns with destination marketing campaigns and i-SITE • Review progress on improving air access • Assess application of other funding options for the sector (such as a Targeted Rate)
Tourism Dunedin	• Ongoing improvement of internet marketing tools • Information systems (operator database, bookings) between i-SITE and Tourism Dunedin integrated • VFR campaign with University / Polytechnic launched • Additional expenditure requirements confirmed with Council • Annual tourism marketing summit • Joint venture funding increases
Dunedin HOST	• Cluster group development expands with formal agreements over performance and reporting • CBD sub-group of Dunedin HOST established
All	• Strategy steering group meets quarterly

4.3.3. Year 3: 2010-2011

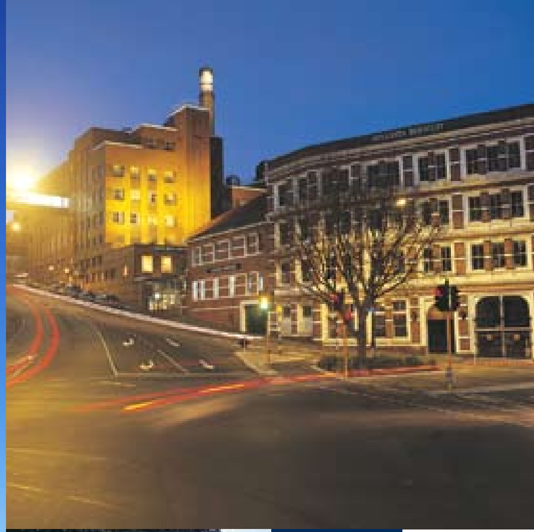
Agency / Organisation	Activities
Dunedin City Council	• Touring route infrastructure improvements continue • Annual forum with other management agencies and Community Boards • Revised city and destination marketing campaign launched with Tourism Dunedin
Tourism Dunedin	• Marketing activities increasingly direct visitors to Dunedin's new website for information and bookings / events • Annual tourism marketing summit
Dunedin HOST	• Cluster groups established and active (ecotourism, heritage, CBD) • Business mentoring, export-ready business advice, joint marketing and networking activities continue • Review progress and set revised targets for next two years
All	• Strategy steering group meets 6 monthly

4.3.4. Year 4: 2011-2012

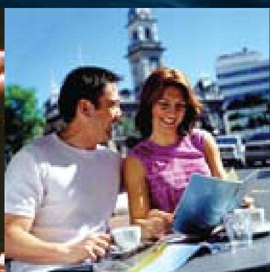
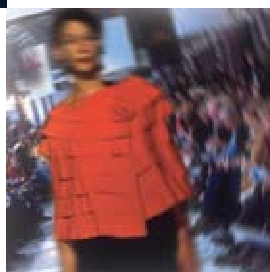
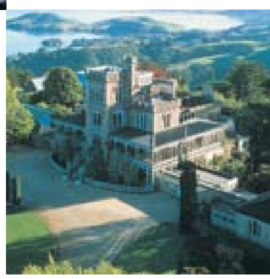
Agency / Organisation	Activities
Dunedin City Council	• Touring route infrastructure improvements continue • Annual forum with other management agencies and Community Boards • Review progress on strategy implementation in partnership with Tourism Dunedin and Dunedin HOST • Assess need for structural changes within sector
Tourism Dunedin	• Participate in strategy review • Adjust joint venture funding programme accordingly based on strategy review and market and industry trends • Annual tourism marketing summit
Dunedin HOST	• Business development activity continues
All	• Strategy steering group meets 6 monthly • Review progress on strategy

4.3.5. Year 5: 2012-2013

Agency / Organisation	Activities
Dunedin City Council	• Adjust strategy and funding for tourism sector based on Year 4 review • Touring route improvements completed • Assess effectiveness of collaborative city / destination marketing campaigns
Tourism Dunedin	• Strategic role adjusted based on strategy review • Annual tourism marketing summit
Dunedin HOST	• Activities adjusted based on strategy review
All	• Strategy steering group meets annually • Strategy targets revised based on review in Year 4



Appendix

Dunedin Visitor Strategy

2008 – 2015

July 2008

DUNEDIN CITY COUNCIL
Kaunihera-a-rohe o Otepoti

TOURISM DUNEDIN

DunedinHOST

Table of Contents

Appendix 1: Summary of Consultation

Industry Group Meetings undertaken:

Two open industry meetings coordinated by Dunedin HOST during 2007

People or Organisations Consulted (2006 – 2007)

• John Milburn	Monarch Cruises
• Tessa Mills	NZ Marine Studies Centre
• Margaret and Sophie Barker	Larnach Castle
• Geoff Thomas	Anderson Lloyd
• Maryanne van der Goes	DOC
• John Christie	Chamber of Commerce
• All Staff of Tourism Dunedin	
• David McGonigal	Transit NZ
• Murray Walker	Tourism Dunedin Board
• Barry Timmings	Tourism Dunedin Board
• David Duvall	Tourism Dunedin Board
• Eoin Edgar	Forsyth Barr / University of Otago
• Anne Cheng	DCC
• Mike Costello	DCC
• John Mackie	DCC
• Steve Brocklebank	Chair, Tourism Dunedin Board
• Ray Grubb	Tourism Dunedin Board
• Murray Bond	Taieri Gorge Railway
• Barbara Ried	Taieri Gorge Railway
• Paul Crack	Department of Labour
• Aaron Joy	DCC Events
• Jennifer Hooker	DCC Marketing and Communications
• Tim Pollock	DCC – Dunedin Public Art Gallery/Otago Settlers' Museum
• Clare Wilson	Otago Museum
• Rebecca McDowell	Otago Museum
• Sam Inder	Royal Albatross Colony
• Irene Scurr	Otago Peninsula Community Board
• Sam Neills	Otago Peninsula Community Board
• Louise van de Vlierd	DCC – iSite
• John McCall	Dunedin Airport
• Duncan Simpson	Conventions Organiser
• Laura Black	Conventions Organiser
• Debra Simes	Dunedin Centre
• Pat Johnston	Conventions Organiser
• Marketing Manager	Speights Brewery
• Marketing Manager	University of Otago
• Dave Hawkey	Real Journeys
• David Wilks and Kiri Goulter	Tourism New Zealand
• Community Board Chairs	By Email
• Air New Zealand	By Phone – AKL
• General Manager	Scenic Circle Hotel (Southern Cross)
• Stuart Neels	Chair, NZ Inbound Tour Operators Council

• General Manager	Southern World Vacations
• Marketing Manager	Japan Tourist Bureau
• Marketing Manager	South Pacific Tour Ways
• Marketing Manager	Tourism Holding Ltd
• Marketing Manager	C&E Tours Ltd
• Stephen Hamilton	Howarth Asia Pacific
• Fiona Luhrs	Tourism Industry Association
• Ian Weatherall	Jeweller
• Jeff Thompson	Te Anau Villas and Hotel

Written Submissions to Draft Visitor Strategy 2007 (total 51)

Organisations:

- Aaron Lodge
- Arcadian Motel
- Chalmers Community Board
- DCC Economic Development Unit
- DCC Planning Policy Department
- Department of Conservation
- Dunedin Host
- Dunedin Visitor Centre (iSite)
- Enterprise Clutha
- Green Globe New Zealand
- Hotel Hyde
- Kai Tahu Ki Otago Ltd
- Kingsgate Hotel
- Larnarch Castle
- Monarch Wildlife Crusies and Tours
- Mosgiel Taieri Community Board
- Otago Central Rail Trail Charitable Trust
- Otago Chamber of Commerce
- Otago Motel Association
- Otago Peninsula Community Board
- Otago Polytechnic
- Otago Railway and Locomotive Society Inc
- NZ Historic Places Trust (Otago Branch)
- Public Health South
- Queenstown Lakes District Council (no comments to make)
- Saddle Hill Community Board
- Southern Heritage Trust
- Strath Taieri Community Board
- Taieri Gorge Railway Ltd
- The Brothers Boutique Hotel
- The Yellow Eyed Penguin Trust
- Tourism Dunedin
- Tourism Industry Association of New Zealand
- Tourism New Zealand
- Tourism Waitaki
- Trinity Court Motel
- University of Otago

- Waikouaiti Coast Community Board

Individuals

- Athol Parks
- Bevan Dodds
- Craig Werner
- Dr Anna Carr
- Elizabeth Kerr
- Erika Buky
- Gavin Turner
- Geraldine Tait
- John Owens
- Lynne Hill
- Patricia Browne
- Teresa Stephenson (DCC Councillor)

Other

Notes from public workshop 29 October 2007

Tourism Dunedin Specifically Sought Input From:

- Fiona Luhrs, TIANZ
- Glenn Ormsby, Tourism Waitaki
- Sophie Rainford, Green Globe
- Grant Lilly, Qantas
- Lindsay McKinney, HANZ
- Mark Scully, HANZ
- John Allred, Lake Wanaka Tourism
- David Kennedy, Destination Queenstown
- Stephen Jones, Air New Zealand
- John Bartlett, Pacific Blue
- Kathryn MacDonnell, Venture Southland

Appendix 2: Tourism Linkages with Dunedin Community Outcomes (based on Dunedin City Council's LTCCP)

Accessible City	An accessible city will encourage further day visits for Otago residents and leave positive impressions in the minds of overnight visitors. This generates good word-of-mouth marketing for Dunedin, especially in international markets. Council is a 50% owner of Dunedin International Airport Ltd., 70% owner of Taieri Gorge Railway and provides roads, cycleways, walking tracks, sign systems and other public amenities. Other significant assets in this regard include CitiBus, Dunedin Centre, Edgar Centre, Botanic Garden, Otago Settlers' Museum, Otago Museum, Dunedin Public Art Gallery, Chinese Garden and sports facilities.
Safe & Healthy City	Safety and health are primary concerns for visitors and residents. This includes lighting, parking, use of speed limits, city safety officers and compliance with health standards (water, food, wastewater treatment).
Sustainable City	The visitor industry trades on the outstanding natural environment of Dunedin and Otago. The resource management functions of Council, Department of Conservation, Yellow Eyed Penguin Trust, Otago Peninsula Trust, NZ Historic Places Trust and other conservation organisations are very important in this regard. Operators will need to meet higher levels of environmental performance, inline with the rest of the New Zealand visitor industry, over the next decade. This will minimise the environmental footprint of the sector and make tangible contributions to conservation and other environmental projects.
Supportive Community	A supportive community is also a welcoming and proud host community for visitors. Dunedin residents are part of the Dunedin tourism product. In that regard, everyone is involved in the sector either as hosts or as visitors in their own region.
Culture & Learning	An appealing aspect of Dunedin is as a 'thinking person's' destination. For instance, visitors play an important part in the use of the Dunedin Centre, Edgar Centre, the Chinese Gardens, other sports and leisure venues, Otago Museum and Otago Settlers' Museums and the Dunedin Public Art Gallery. A mutual synergy exists between the University of Otago, Otago Polytechnic and Dunedin city with regular visits by parents and relatives of students.
Active City	Active cities appeal to visitors because they are vibrant, exciting and offer opportunities to meet local people in their own environment. Residents who enjoy living in their city make ideal ambassadors and this helps draw visitors for first time and repeat visits.

Appendix 3: Dunedin’s key strengths and weaknesses as a visitor destination

Key Strengths (to harness)	Key Weaknesses (to manage)
• Nationally and internationally significant wildlife attractions • The best collection of Victorian and Edwardian buildings in New Zealand • Rich, creative culture and art and artefact collections • Presence of the University of Otago and distinctive student culture • Expansive and accessible countryside • Strong Scottish heritage • Good road networks and leisure facilities	• Limited air access • Lack of accommodation at peak times and especially four star hotel with convention space and family-style apartments / units • Lack of an integrated on-line website for destination marketing, bookings, visitor information with links to Dunedin as a place to live and work • Less than ideal relationships between stakeholders • Very few events that attract visitors to Dunedin • Convention venue(s) that can provide same venue/under one roof facilities for at least nine student graduation ceremonies a year • Convention venue(s) that provides up to the minute technology and accommodation as a multi purpose facility close to hotels/retail/hospitality services • Lack of corporate investment/chain/main brand activities • Lack of motor-home hire outlet • Maintenance and cleanliness of some heritage buildings • Lack of export-ready tourism businesses • Limited marketing investment by tourism businesses.

Appendix 4: Funding Context for Tourism in Dunedin

The Funding Context

- Since 2000, Dunedin has experienced a 26% increase in commercial visitor nights from international markets. Over the same period, there was a -6% decline in commercial visitor nights by domestic markets[1]. Growth in the domestic market appears to be recovering.
- Council's financial support for tourism includes:
  - » Tourism Dunedin: $713,000 core funding plus $350,000 for Project Gateway (2007/08)
  - » Dunedin i SITE: operational expenditure $1.1M, rates revenue $571,000, other revenue $580,000 (2007/08)
  - » Tourism support (including events): $3.7M (2007/08)
- Tourism is important to Dunedin and the Council contribution to the tourism sector is higher per $1 million of GDP than any other sector.
- Council contribution to the tourism sector is sourced from the General Rate only. Approximately 50% of Council income is from rates.
- Dunedin faces pressure on rates from proposed development projects that will directly benefit the tourism sector over coming years.
- Costs of infrastructure development are running above inflation.
- Marketing costs, especially in international markets, continue to increase.
- Increased standards for water quality, wastewater treatment, recycling, resource management planning and compliance and environmental performance place increasing costs on all members of the tourism sector.
- There is a tight labour market across all sectors of the economy. Skill shortages and increased labour costs are a common challenge for tourism operators, Councils, government departments and other employers.

1 *Commercial Accommodation Monitor 2000 – 2006.*

Appendix 5: Strategy Options

Strategy Approach	Scenario	Implications
Marketing-Led	More resources are directed towards marketing than to development of products, or management of infrastructure and services.	Dunedin grows market share in domestic and international markets although results are not guaranteed due to strength, access and position of other regions, as well as international events or catastrophes beyond Dunedin's control. Improvements to visitor services and facilities may take longer to occur as funding directed to marketing. Visitor satisfaction may decrease if product quality not maintained. Additional private sector investment in joint marketing campaigns would be essential. Additional investment in marketing alliances with Queenstown, Christchurch International Airport, Christchurch and Canterbury Tourism, Air New Zealand, Waitaki and Southland required.
Product Development – Led	More resources are directed towards attractions, infrastructure and services (including business assistance programmes) than to marketing.	Marketing activity remains as is or reduces in favour of improvements to attractions (heritage buildings and tours, walking trails, scenic drives, tourist signs, wildlife viewing and events), infrastructure (roads, car parks, toilets, roadside view points, convention venues). Visitor satisfaction remains a key measure to monitor performance as well as growth in market share, visitor nights and expenditure.
Balanced Approach	Best use is made of existing funding. Resources are spread over marketing, development of industry capacity and management of the destination (infrastructure, services, visitor information). Other sources of funding (targeted rates, increased industry contributions, external grants, levies) are explored to boost current funding.	Existing budgets are examined and adjustments made to provide a balanced approach across marketing, product development and management of infrastructure. Visitor satisfaction remains a key measure to monitor performance as well as growth in market share, visitor nights and expenditure. These results are used to assess if a balanced approach is working. Additional funding from the industry required to complement Council funded destination marketing campaigns. Alignment of Dunedin City Council, destination and University marketing tactics would help make best use of resources.

Appendix 6: Selected Personal Visions for Dunedin

Example 1

A visitor experience in 2027…

Dunedin in 2027 would be a haven for a free independent traveller... it is a place full of intrigue where I would find myself rejuvenated because...

…I can move at my own pace, and still hear myself think

I can choose whether I want to walk in the inner city bush for 30 minutes, bike the peninsula/north coast trail for 3 days or take a fast ferry to Portobello for lunch…

All transport is silent, and does not create emissions so whichever form of transport I choose, I can enjoy the sounds of the environment while feeling positive about "stepping lightly".

…the city encourages my mind and body to be active

Wherever I stay there are quick and easy walks and rides I can do to discover my neighbourhood. Its easy to follow these with signs, and maps appealing to different interests (e.g. architectural, natural, cultural). If I want to be active in a group there are easy ways to link with other travellers or locals.

I can see artists and designers at work, and can choose to try "creative adventures" (e.g. poetry writing, pottery, carving) that spark my creativity. I can look up what lectures are happening at varsity or polytech each day and if there are free seats, can sit on them.

…the storytelling ability of the locals and attraction operators is inspirational

I am inspired by the vision and passion shown by the generations that have settled here, and those that call it home today. The stories of the Maori, Scot, Chinese, Lebanese pioneers that made this place their home would be told in magical ways, sometimes using technology (eg via my phone), sometimes using personal encounters (eg street theatre illustrating historical "dramas")

The buildings that were sparked from prosperity, and religion would be interpreted in ways that helped me understand how the city grew, fell away and has now revitalised itself.

… the town belt sweeps down the sea and the flora and fauna are celebrated

Free native plants made available for local residents and businesses has turned the town belt into a "town cloak". Birdsong can be heard across the city, and fish are regularly caught in the sea and rivers.

…the food is an unforgettable experience

I "eat local" because of the fantastic storytelling ability of the waiters, and market vendors that make me understand the passion and skill behind the ingredients and cooking.

…opportunities to return are obvious

I am made aware of work and investment opportunities that would mean I could return to live or visit. The educational opportunities for me, my children or my grandchildren in Dunedin are promoted by free tours of the university and polytech.

…word of mouth is the city's best marketing tool

I am encouraged to share my photos and experiences with other travellers and those back home – this is made easy using the free "share Dunedin" kiosks in all accommodation

Example 2

My Vision for Tourism in Dunedin 2027

With all the wildlife out on the Otago Peninsula, the Orokanui Sanctuary, whale watching off Taiaroa Head, Dunedin is The Wildlife Capital of New Zealand.

The city will be a clean, safe environment both for tourists and the local people.

The Otago University will have lifted the standards of the behaviour and accommodation for students who will take more pride in the campus area. The University area will be a major attraction both for tourists and locals to enjoy the Tertiary scene.

Dunedin International Airport will be receiving flights from all the major airlines from other countries on a regular basis. There will also be regular flights from all the other New Zealand cities.

The Octagon and the main shopping areas will be pedestrian friendly. Areas will be able to be used for public events on a regular basis.

The trams that once frequented the inner city will once again be operational as a tourist attraction and also as a means of transport for local people.

The Otago Habour will be a major hub for the city, with cafes, shops and facilities to accommodate easy access to the harbour. A water taxi will be operating from Harington Point to the city, utilizing the wharves that are already in place and to be put in place in the near future. This would be used both for tourist and the local people as a means to get out to or from the Otago Peninsula.

There will be more of a welcome to cruise ships visiting Dunedin with a Scottish flavour to enhance this heritage of Dunedin.

All the beautiful old buildings that are in Dunedin have been cleaned up, like the Dunedin Railway Station and the Law Courts.

The Otago Stadium will be a major focus for major events in the city. There will be a link by train for major events to the CBD.

The Dunedin Conference Centre will be used by both local and visiting guests as a major venue.

There will be several 5 star hotels in the city, both in the CBD and fronting the Otago Harbour.

There is another observatory out at the Royal Albatross Centre to facilitate the increasing number of tourists coming to our city.

The wharf at Portobello is providing access to the harbour both for tourists and the local people.

Portobello, being the "heart of the Otago Peninsula" is a vibrant place with several cafés and bars, art galleries and a beach / picnic area for both locals and visitors.

There is a two / three day walking track on the Otago Peninsula going from Tomahawk to Taiaroa Head.

There will be several 5 Star lodges out on the Otago Peninsula.

I believe that with the ever increasing sightings of whales off Taiaroa Head that by 2027 there will be whale watching in this area.

Example 3

On arriving in Dunedin on Sunday 16 December 2021 I was struck by its physical beauty as I drove in from the airport to the city having just come in on the daily flight from Sydney. The welcome to Dunedin sign was illuminated and the impression one gained was of a well kept landscape with immaculate hedgerows, farmers fences and wonderful clear signage which was very informative from the tourists' point of view as well as of value to the locals.

The motorway from Mosgiel was four lanes right through to the city centre which overall meant a drive time of 20 minutes, which was pleasant and short. When arriving in the centre of the city it was obvious that the buildings have been well cared for by their owners and presented attractively. The streets were clear of litter, there was no graffiti in evidence and the general impression was of a city which the people cared about and obviously enjoyed living in.

Prior to arriving I searched the web and found that it was very easy for me to book online a range of accommodation, transport and attractions and print my own vouchers which could be redeemed at these accommodation, transport and attractions.

The accommodation on offer ranged from a world first star quality ranking system for home stays, which definitely delivered what it promised, through to five star hotels located at St Clair (with a wonderful ambience over the sea), four star plus in the Old Chief Post Office and a four star hotel at the northern end of the Awatea Street Stadium which had been operating for 10 years. In addition to these new product offerings, all of the current accommodation establishments were also available (and had been upgraded) and there was also a four star plus holiday park for those who wished to stay in this type of accommodation. It was very easy to traverse accommodation choices on the net, and to book using my credit card.

I arranged to meet some friends who were undertaking a 15 day tour having arrived in Auckland, flown to Wellington and then picked up a rental car from there. Over a late dinner I asked them how their drive was and how they decided what to do by way of accommodation, attractions etc while in Dunedin. They commented to me that the quality of the website was superb; that they had come in through the www.dunedin.govt.nz website and found a link to visitor information. From there it was very easy for them to navigate their way as it had been for me.

They also commented on the ability to book their entire trip within New Zealand online because of the co-operative marketing and standard set ups that the various regional tourism organisations and i-sites had in place in New Zealand (this reflected years of work between these agencies to establish appropriate protocols, a search engine and booking arrangements with quality controls). They also found that due to the co-operation between Canterbury Tourism, North Otago and Tourism Dunedin RTOs and i-sites that it was very easy for them to book a coastal driving experience from Christchurch through to Dunedin while picking up on the best features that each of these regions had to offer. This again reflected the close co-operation that regional tourism organisations and i-sites have been able to achieve over the last 10 years.

The road signage was very clear, particularly on arrival coming into Dunedin where they said they were directed to the new i-site location by the Railway Station. Ample parking was available nearby and they found the information site personnel very informative with regard to the attractions on offer as well as providing them with a very clear map and internet connection which hooked up to their GPS and allowed them to navigate anywhere in the city accurately.

Products

One of the biggest things that I noticed having been away from the city for 15 years was the increased range of product and how the quality had increased so significantly for operations dating back to 2007. Clearly the city has embraced the eco tourism and smart tourism theme which the following new products give evidence of:

- There is an integrated rail trail, with appropriate transport operators and accommodation which allows you to travel through to Lawrence and then inland and hooking up with the rail trail at Clyde back through to Middlemarch and Dunedin or vice versa. The majority of this route is now capable of being cycled as the former inland railroad route through inland from Lawrence has been reinstated for cycling and walking.
- There is a significant Chinese trail, which is centred on the arrival point in Dunedin and specifically the Chinese Garden. This Garden is now part of an integrated experience, which picks up the re-established goldfields in Lawrence through to the gold mining in the Kawerau Gorge area near Queenstown.
- The Orokonui Sanctuary has proved more successful than expected with New Zealanders and people from throughout the world coming to study the techniques that have been used to re-establish flora and fauna and also the interactive, interpretative education experiences that have been put in using modern technology. In addition to this experience it is possible to buy a product pass, which includes the Otago Museum's expanded butterfly experience and the Chinese Garden.
- Taiaroa Head visitor experience has been enhanced markedly since I was last there. Perhaps most significantly with the addition of a tangata whenua interpretation of this land and the significance of it to Maori. In particular there is a join venture company which is partly owned by the Karetai family, Ngai Tahu and the Dunedin City Council ratepayer through DCHL. This is responsible for running the expanded visitor centre which has activities and high quality interactive interpretive material available using 3-D hologram technology visitors are able to experience this headland from both cultural perspectives independent of the weather and what stage of the lifecycle the birds are be in. This technology and the involvement of Karetai and the Otakou runanga have brought a dimension to the visitor experience which has been lacking up to date. Visitors comment on the fact that the interpretive experience was so powerful they wondered why people go to Rotorua to understand Maori culture while in New Zealand.
- As commented earlier the Visitor Centre has two locations - one near the Railway Station for the free independent travellers by vehicle and one in the Octagon which is particularly suitable for cruise ship visitors and people who are walking or catching public transport who stay in the inner city hotels, motels etc.
- The Aramoana to Taiaroa Head walkway/cycleway was completed in 2015. The Council was able to fund this earlier than expected due to a technology start up company which DCHL had invested in which proved to be more profitable than expected with Microsoft buying it out at a figure which was triple expectations. The Council, as shareholder, decided to reinvest this in a tangible way by completing this walkway/cycleway earlier. This has spawned a range of commercial operators for guided walking tours as well as cycling tours interpreting parts of the Peninsula through the reinvigorated harbourside and up to Aramoana. It is possible to do the whole trip in two days or segments.
- The harbourside has been moderately successful with a number of residential apartments which are available for rent for medium to long stay visitors as well as a dedicated hotel on the northern side near the cement works location. In addition a marina operator has put in a marina in the inner basin, which has also given rise to two additional charter operators and a half hourly shuttle by high-speed public transport craft between Port Chalmers and the Steamer Basin. This has proved very popular with visitors and commuters.
- The Council also reinvested some of the profits from the technology company into reinstating a tramway system between the University, the Railway Station, the Exchange and High Street. This has proved a tremendous draw card for transportation buffs as it is also used extensively to promote the biennial festival of steam event which takes place at Labour Weekend. This festival celebrates the importance of steam technology to Dunedin's past and is also tied in to the celebration of the reinvigorated Gasworks Museum. This has proved to be another attraction which is drawing a special type of visitor to Dunedin.
- I have also enrolled in an educational tourism summer programme at the University of Otago which has one week of lectures relating to the flora and fauna and social/cultural history of Otago and one week of guided experiences in the field to explore these sights. At the end of this two week course there is a multi-choice test of one hour's duration and a one hour oral interview to assess whether or not I have learnt anything during my stay! Undertaking the assessment is not compulsory in order to undertake the course but it is necessary to do that in order to obtain a NZQA recognised credit towards degrees that make up University study.

Marketing

As mentioned earlier it was very easy to find information out about Dunedin as a tourism destination from the website. In addition, the City of Dunedin brand and tourism opportunities are very clearly supporting each other and underpinning these is a significant international event in each of the four seasons. During the winter due to the indoor stadium, the covered roof having proved very successful, Dunedin hosts the most important test in New Zealand which is between Australia and New Zealand. Over the last 15 years rugby audiences have in general declined in number. However, Dunedin's closed roof has allowed the city to capitalise on greater yield because of the guarantee of the quality of the games, the direct air-links to Australia and the five star accommodation back up by the home stay quality system mentioned earlier. This has enabled a guaranteed quality both of the rugby experience during the match itself and the city which has embraced these opportunities in a magnificent way.

In addition, biennially there is the world winter Masters Games held in Dunedin and the Central Otago hinterland. The opening and closing ceremonies are held in Dunedin and a number of events such as ice-skating and hockey are held here as well.

The mid winter festival celebration has also gone on to become a significant attraction in its own right with ice sculptures in the Octagon just being one of the features on offer.

In the spring the Festival of Speed has become a major event with a theme moving through the decades involving a major gala celebration as well as vehicles drawn throughout New Zealand and Australasia. This event is also tied into the new motor sport park in Cromwell and is used to promote the work the National High Performance Sports Centre has done to train up and coming new drivers as distinct from ones from the classic era.

In addition the Rhododendron Festival has moved to another level and has become a major attraction during the spring period.

In the summer the Summer Festival Week has been retimed to coincide with University Orientation and the whole city has become involved in this with a range of events.

Check for Autumn!!!

With regard to new markets, the completion of the Dunedin Centre extension 10 years ago along with the capabilities already inherent in the Edgar Centre and the new Awatea Stadium means that Dunedin is now a very successful conference and convention venue particularly for New Zealand and Australian companies. Its range of restaurants, quality of accommodation and ease with which delegates can get around the city and fly in and out due to Air New Zealand and competitive air services means that it has carved out a niche for itself in the 300 to 700 delegate conference market.

Destination Management

The Dunedin and surrounding areas have been recognised for the way in which residents have got behind the concept of being hosts and also the importance of managing the visitor experience to ensure that there is a quality visitor, who provides a significant income to the region but also does not destroy the qualities that are here.

Children going to school are taught the importance of being a good host and looking after their own environment. The Council has also amended the District Plan to identify those areas of the city which are appropriate for tourism development and those areas of the city which are not. The concepts of the ecological carrying capacity and the quality of the visual landscape underpin the work and the city has clearly demarcated areas which have high tourism potential while retaining ecological and wildlife values. There has been extensive debate with the community over a number of years and all pressure groups and advocacy agencies have accepted the current position. There is also a programme in place to support existing operators and new operators to meet the environmental code which the city and Tourism Dunedin and Dunedin Host have pioneered. There is an accreditation programme for this code to which the majority of operators have signed up and willingly pay the annual fee to maintain these qualities. This work means that Dunedin has earned a green globe standard and is maintaining that.

There is also support for businesses to grow by way of a dedicated tourism business specialist within the Council and also accredited training programmes which were run through the Otago Polytechnic and an industry association board which oversees these programmes.

The Community Boards have been instrumental in working with their communities to identify tourism opportunities which are capable of being sustained in their environment. This has taken many years to work through but there is now a buy-in from virtually all residents and a clear set of priorities for each of the areas of the city that have been through this process.

Talking to a few residents over a drink in the local pub in the Octagon confirm that there is a genuine understanding of the importance of being a good host and an acceptance of the value of tourism to the community.

Otago Polytechnic has also been producing appropriately trained people for the tourism industry including accommodation, transport and the service industries in general. There is a clear tourism and hospitality workforce strategy in place in Dunedin which builds on the national initiative but is targeted particularly to our needs.

In discussion with the CEO of Tourism Dunedin, the CEO of the Dunedin City Council and the CEO of the Otago Chamber of Commerce and the merged Employers Federation, I became aware of the annual summit that is held to look at how the implementation of the tourism strategy is going. This is seen to be a very important document as it brings together specific actions, which these organisations champion on behalf of the industry.

Example 4

“Main aims - eco friendly destination with premium pricing and yield. Otago Peninsula as amazing destination, wildlife and committment to revegetation.

Arrive from Christchurch via solar powered rail, a one hour trip.

Staying at a 5 star exclusive eco resort at Portobello.

Council owns Harbour Cone and is working on a reforestation plan, and encouraging a chain along the Otago Peninsula of reforested land to encourage the birdlife back. Also have stopped allowing people to carve up sections and declared that no more houses will be built. Any land blocks that come up are purchased by DCC and reforested.

Solar powered monorail loop around Peninsula also linking Central City and Port Chalmers - it goes under the harbour at PC with Plexiglas tunnel so you can see harbour activity (the silt is kept off with a tidal jet powered system).

Tram up High Street.

Satellite loops for public transport instead of hub and spoke.

Events

» Ashes Test at the stadium
» Yet another Verlaines reunion
» Dunedin Sound Festival
» 4000 person functions at the Dunedin Centre extension
» Weekly concerts of Dunedin talent on the permanent stage
» Retro event - recreate student life, reunions, jugs, toga parties, yard glasses and holographic sofa burning.
» Haggis ceremony and Scottish entertainment nightly
» Singles night every month at Middlemarch
» Super 18 final, Otago defending it for the third year in a row

Portobello Marine Aquarium underwater restaurant

Ralph Hotere Art Gallery on regenerated Quarantine Island

Skink reserve on Otago Peninsula

Traffic discouraged from Otago Peninsula, cycling around Peninsula option

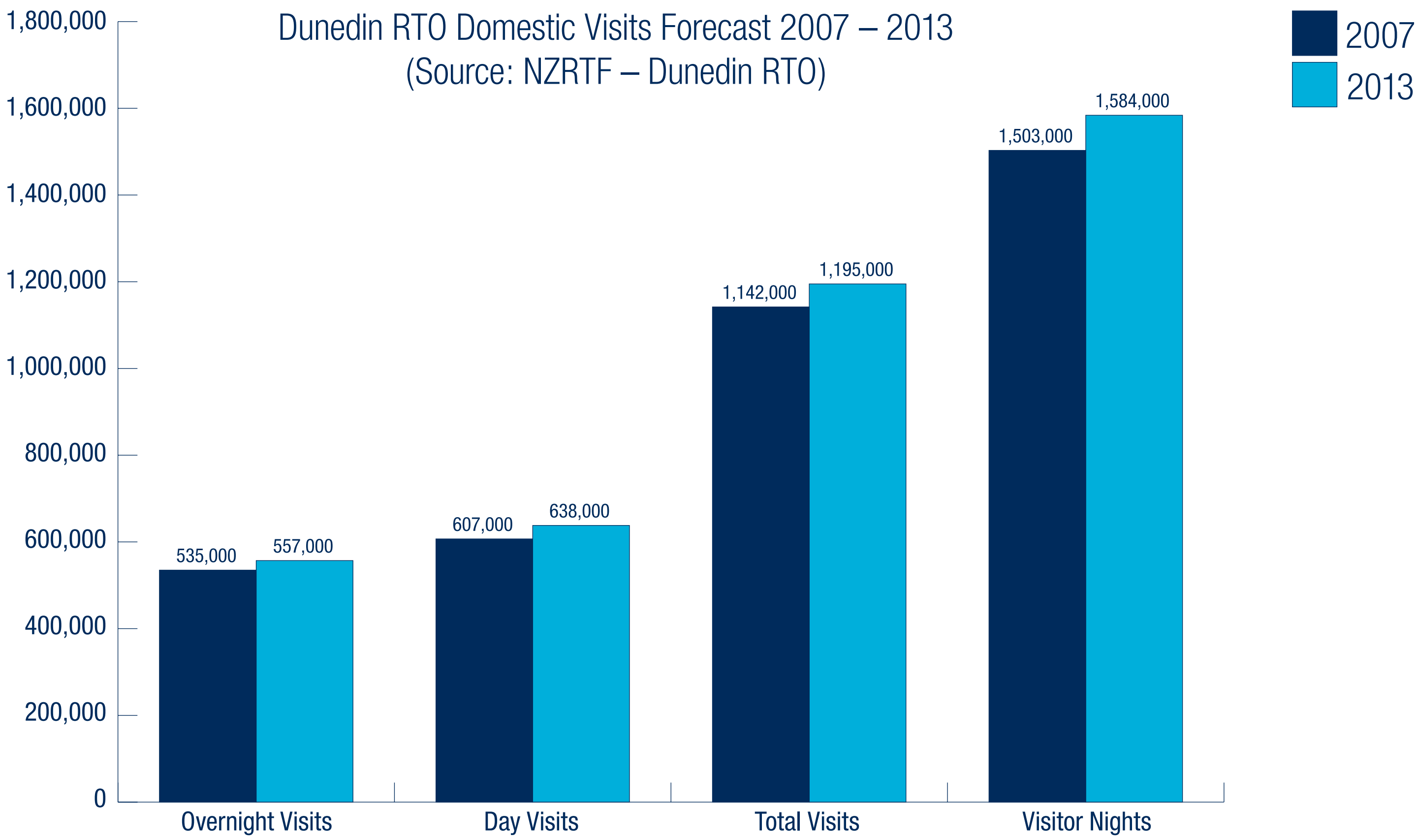
Submarine tour down harbour

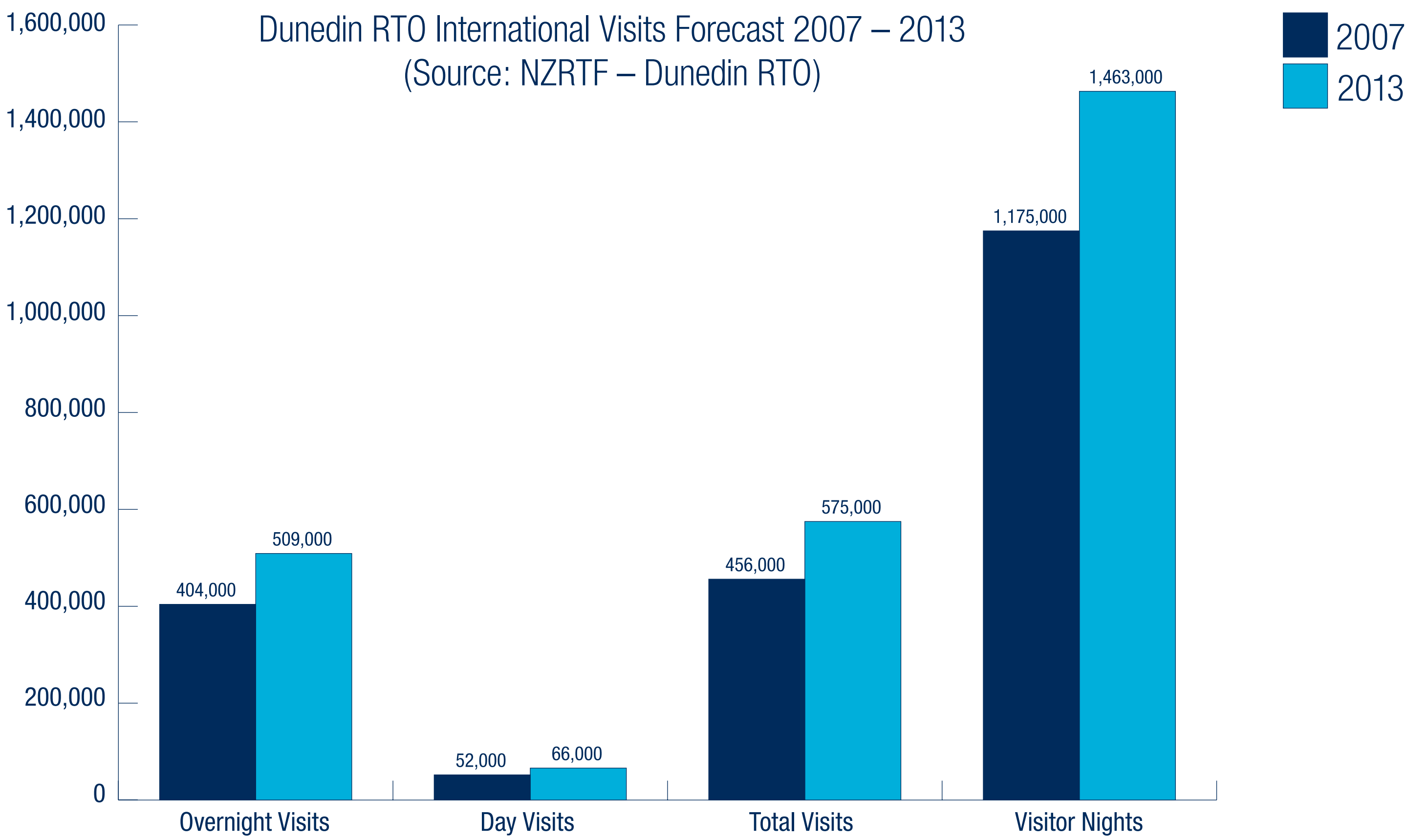
Daily firing of Disappearing Gun.

Solar monorail from airport to Dunedin - we figured that with all that global warming there should be a lot of sunshine!"

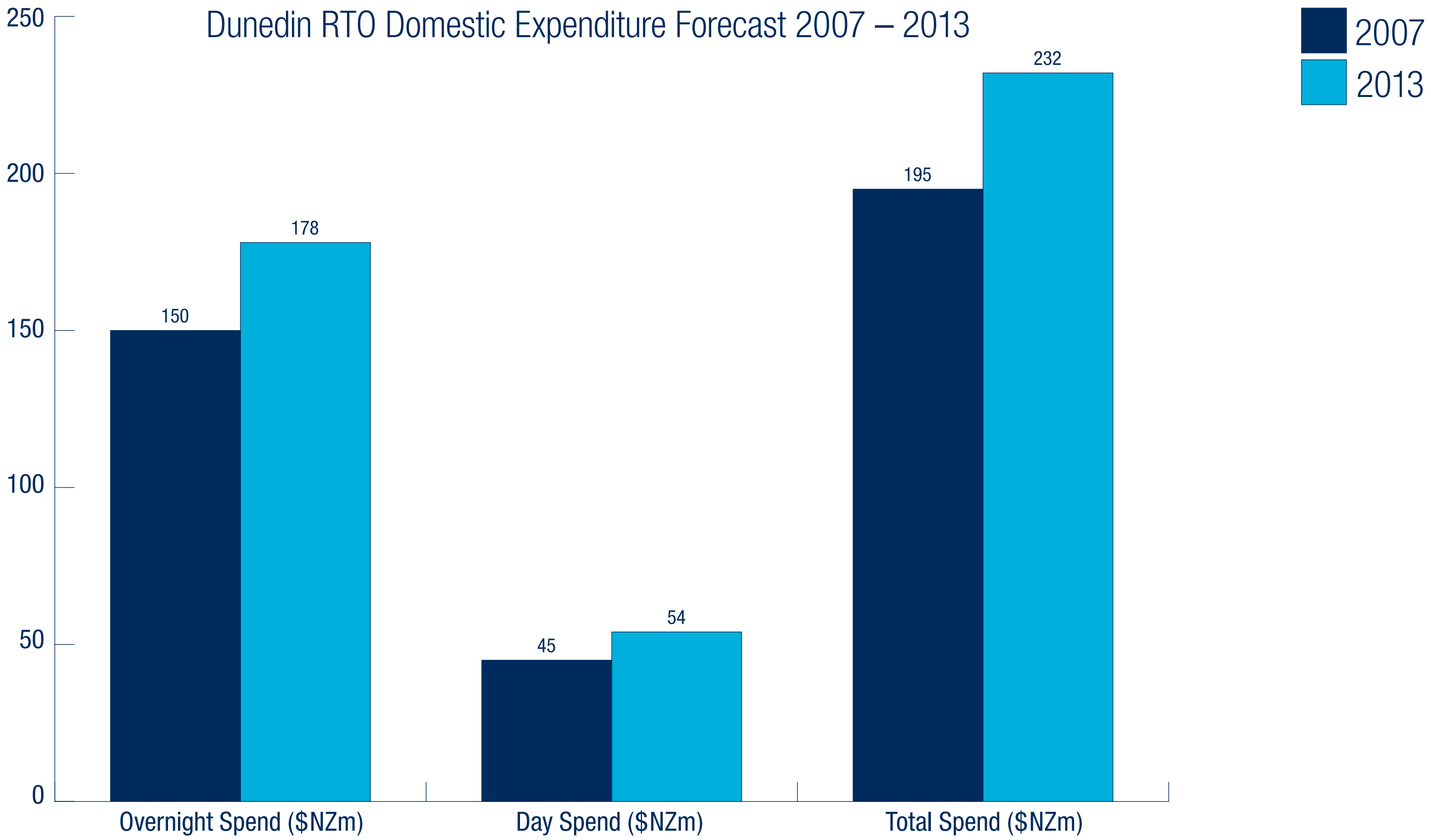
Appendix 7: New Zealand Regional Tourism Forecast 2007 – 2013: Dunedin RTO

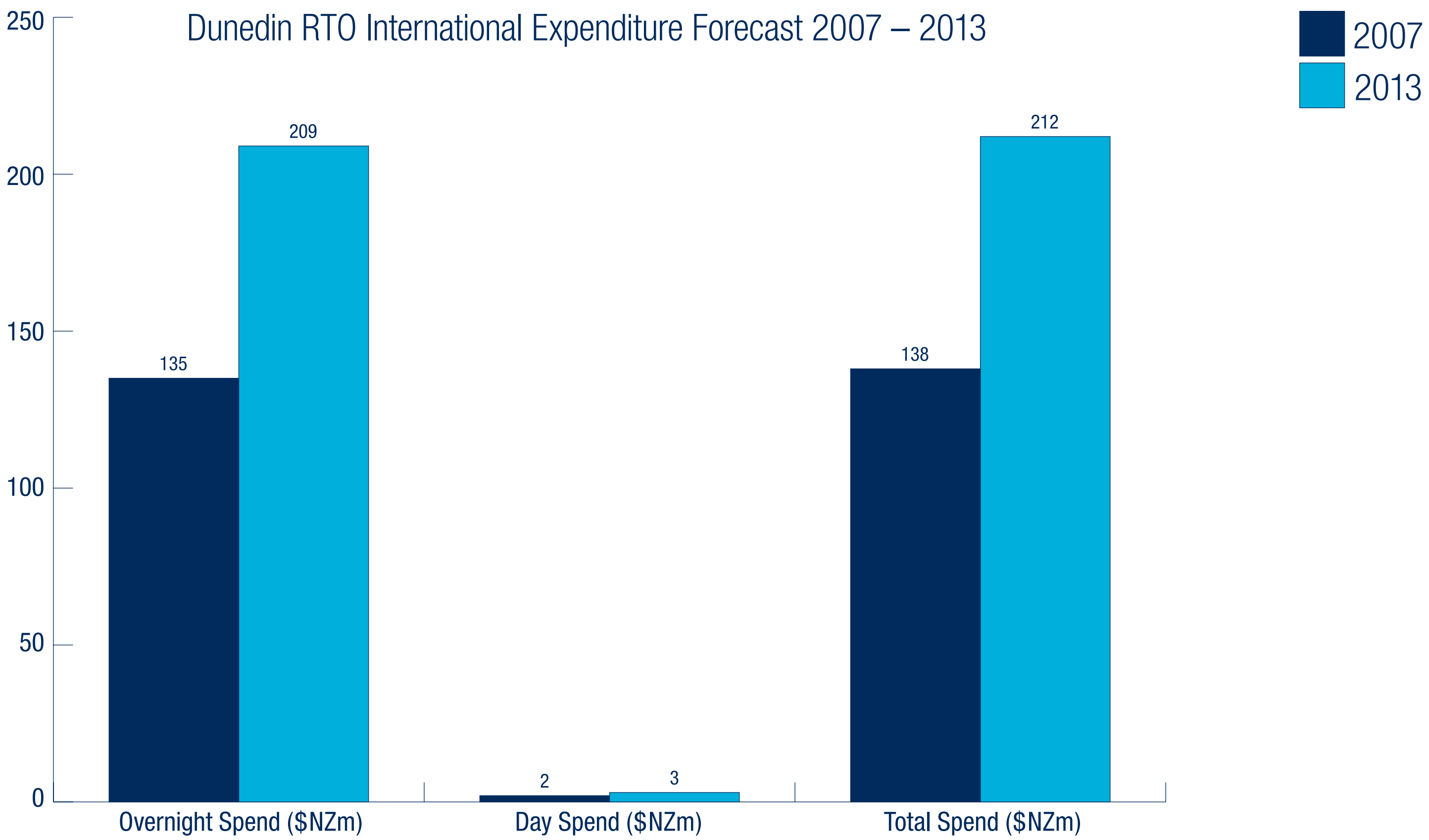
Visits





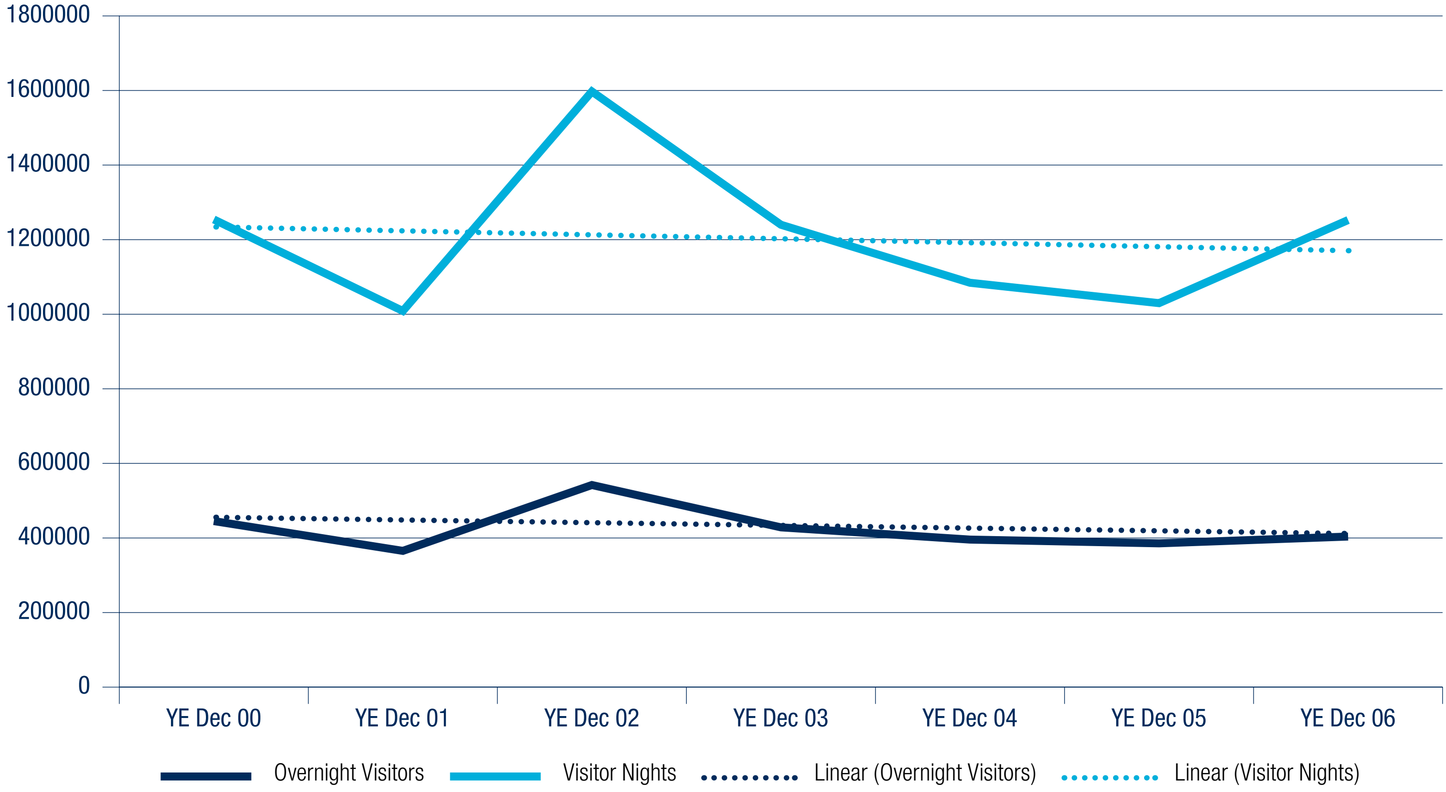
Expenditure



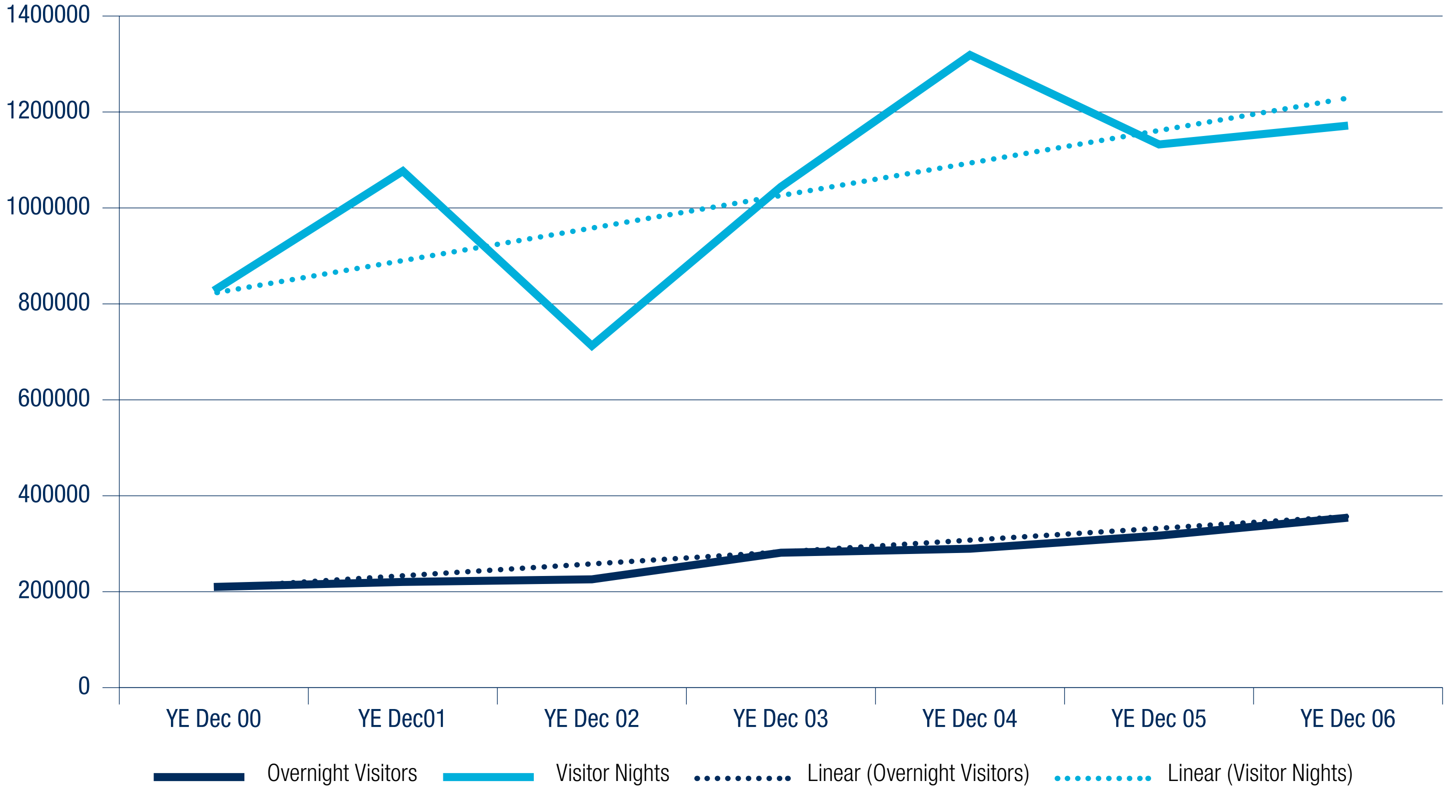


Appendix 8: Overview Historical Growth Analysis of Visitor Markets

Historical Growth: Domestic Overnight Visitors & Visitor Nights, 2000 to 2006
(Source: Domestic Visitor Survey)



Historical Growth: International Overnight Visitors & Visitor Nights, 2000 to 2006
(Source: International Visitor Survey)



Appendix 9: Domestic Visitor Market Analysis

Domestic Overnight Visitors and Visitor Nights - Past and Forecast Performance

Year	Overnight Visitors	Visitor Nights	National Average
Actual 2000	451,298	1,291,405	
Actual 2006	384,556	1,245,809	
Annual Growth 2000 – 2006	-2.4%	-0.6%	-2.5% in overnight visitors
Annual Growth Forecast 2007 -2013	0.6%	**0.7%**	**0.9%**

Source: Domestic Travel Survey, 2006; New Zealand Regional Tourism Forecasts 2007 – 2013; CAM 2000 - 2006

Domestic Visitor Expenditure

Total Expenditure ($ millions)	2006	2013	Annual Growth	National Average
Domestic Visitors	$191	$232	**2.8%**	**2.7%**

Source: New Zealand Regional Tourism Forecasts 2007 – 2013 – Dunedin RTO

Market Share

Market Share of Domestic Visitor Nights

Market/Measure	Dunedin	Queenstown	Christchurch & Canterbury
Domestic Market (YE Jun 2006)			
Share of domestic visitor nights	2.8%	2.1%	9.8%

Source: International Visitor Survey

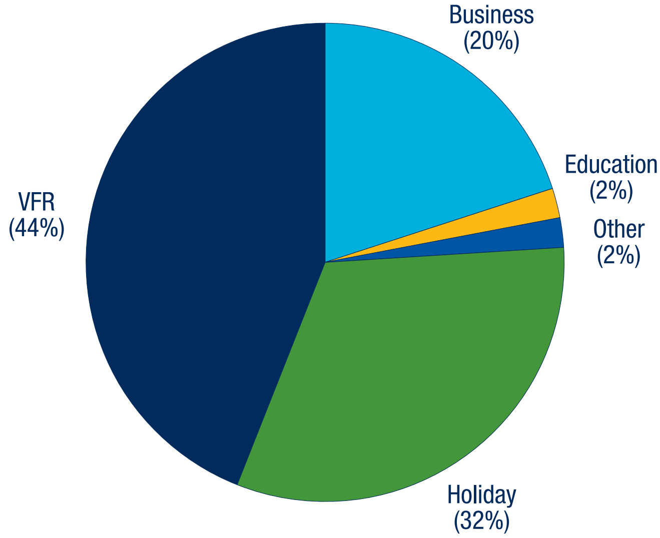
Market Share of Convention Market

Market/Measure	Dunedin	Queenstown	Canterbury
Convention Market (YE December 2007)			
Market Share: Conferences	4%	6%	12%
Market Share: Association Conferences	11%	5%	12%
Market Share: Corporate Conferences	1%	6%	12%
Share: Conference Delegate Days	4%	6%	19%
Share: Association Conference Delegate Days	9%	5%	28%
Share: Corporate Conference Delegate Days	1%	6%	12%

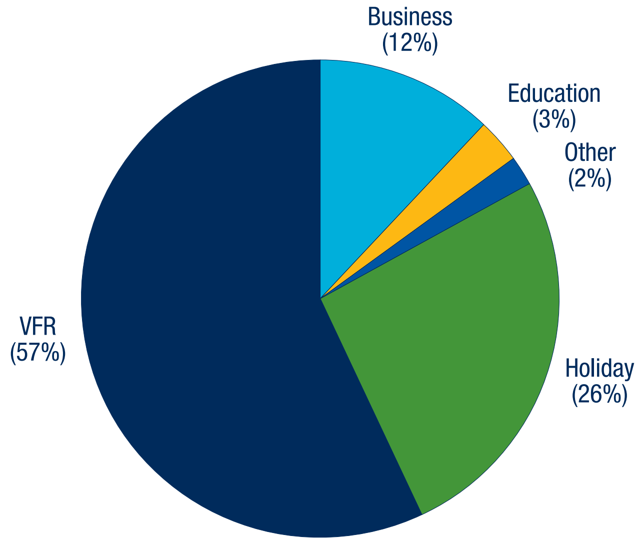
Source: Convention Activity Survey, Angus & Associates, YE December 2007

Domestic Visitor Type Analysis

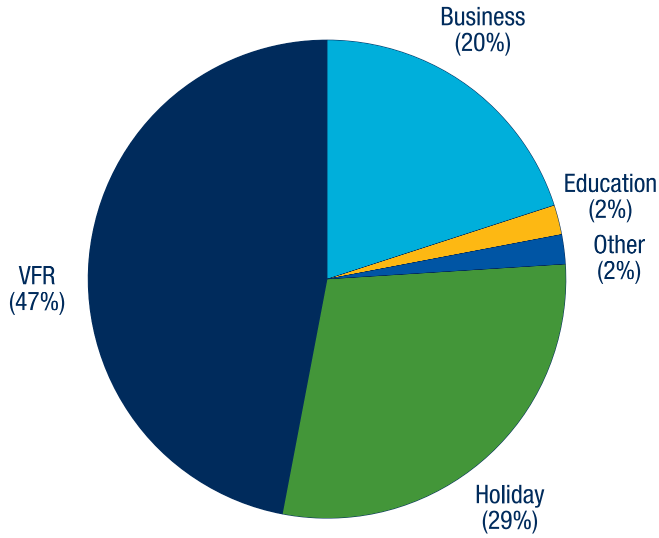
Visitor Type – Domestic Overnight Visits 2006
(Data: DTS Dunedin RTO)



Visitor Type – Domestic Visitor Nights 2006
(Data: DTS Dunedin RTO)



Visitor Type – Domestic Expenditure 2006
(Data: DTS Dunedin RTO Overnight Trips)



Domestic Visitor Market Segments and Growth Potential

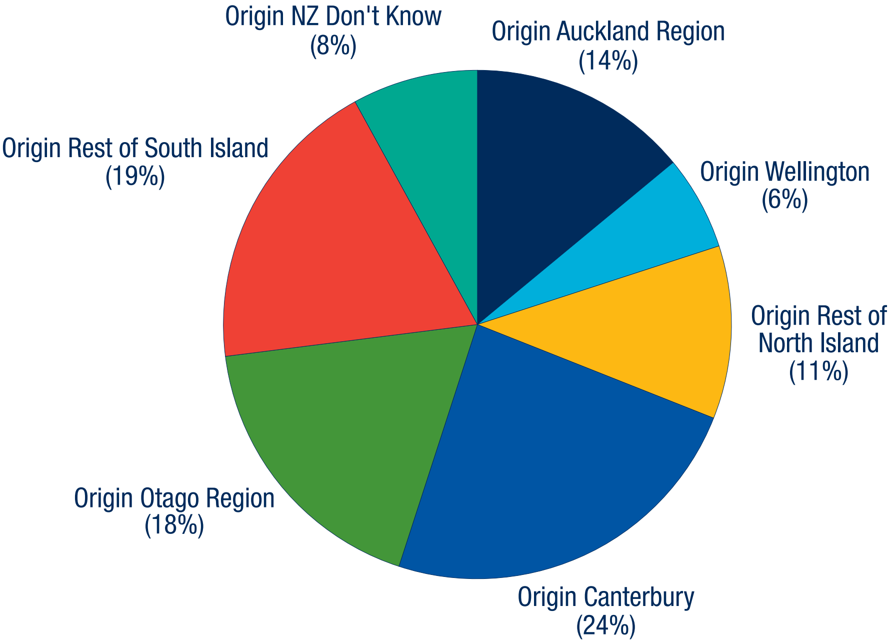
Market Segment	Estimated Size	Growth Potential
Day visitors	1,006,000	Key motivations for day visitors include shopping, visiting friends and relatives and events. Typically self-drive, day visitors are similar to residents in that they seek good parking facilities, easy access to amenities, cafes, shops and attractions. Potential to grow this market hinges on satisfaction with the 'look and feel' of Dunedin City, range of shops, amenities and events. This is a difficult segment to market to directly and most often these visitors are coming to Dunedin anyway. Growth could take two forms – more frequent visits by the same visitors and an increase in day visitors who would not have come without a good reason. Events, including sports events, should be used to help stimulate growth.
Visiting Friends and Relatives	200,000	VFR visitors are focused on social connections and rely on word of mouth and to some extent the internet for making travel decisions. Students at the University of Otago and Otago Polytechnic are a huge driver of this segment. Key events are graduations (9 per year), settling students into accommodation, reunions and occasional 'family catch-up' visits spread throughout the year. In co-operation with the University, Students' Association and Polytechnic, this is a relatively easy and potentially cost-effective segment to market to. Competitively priced packages that encourage longer stays ('Stay Another Day') should be explored as this segment is coming to Dunedin anyway.
Holiday	100,000	The domestic holiday market is usually one part of a longer South Island itinerary, relying on word-of-mouth, domestic media (print, TV), internet and i-Sites for making travel decisions. Influencing longer stays through marketing is difficult due to itineraries that leave limited time in each location. Great local service, attractions and activities and a helpful i-Site can influence these visitors to stay longer. Short-break visitors from Auckland, Wellington and Christchurch can be targeted with events. Growing awareness of Dunedin and directing potential visitors to an integrated website that can provide event details, full booking facilities and information could be the most cost-effective approach. (influenced by cheap flights)
Conventions	65,000	Dunedin could grow its convention sector through planned investment in the Dunedin Centre and enhanced collaboration between the University of Otago and the Dunedin Conventions Bureau. A new hotel with a multi-purpose convention facility would provide a boost to this segment. Until these capital projects occur the most effective approach, given current funding, is to pursue collaborative marketing with all convention venues.

Domestic Visitors in Commercial Accommodation

Source: Commercial Accommodation Monitor Dunedin RTO year ended April 07.

	04/05	% change	05/06	% change	06/07	% change	2000 to 2006 growth (%)	04/05 to 06/07 % change
Origin Auckland Region	84,520	-2.8%	84,850	0.4%	82,690	-2.5%	21.9%	-2.2%
Origin Wellington Region	36,300	-8.6%	36,240	-0.2%	36,950	2.0%	7.5%	1.8%
Origin Rest Of North Island	50,100	-7.9%	56,630	13.0%	63,400	12.0%	3.8%	26.5%
Origin Canterbury Region	134,320	-1.0%	138,900	3.4%	130,960	-5.7%	-16.9%	-2.5%
Origin Otago Region	99,700	0.4%	98,550	-1.2%	104,850	6.4%	-10.4%	5.2%
Origin Rest Of South Island	95,890	-6.6%	109,230	13.9%	110,430	1.1%	-15.1%	15.2%
Origin NZ Don't Know	42,760	21.4%	48,250	12.8%	45,320	-6.1%	9.2%	6.0%
Total	**543,590**	**-1.9%**	**572,650**	**5.3%**	**574,600**	**0.3%**	**-5.7%**	**5.7%**

Breakdown of Domestic Markets 06/07



Appendix 10: International Visitor Market Analysis

International Overnight Visitors and Visitor Nights - Past and Forecast Performance

Year	Overnight Visitors	Visitor Nights	National Average
Actual 2000	212,716	857,915	
Actual 2006	338,130	1,171,904	
Annual Growth 2000 – 2006	7.9%	10.5%	6% – 8% nights
Annual Growth Forecast 2007 -2013	3.9%	**3.6%**	**4.2%**

Source: International Visitor Survey, 2006; New Zealand Regional Tourism Forecasts

International Visitor Expenditure

Total Expenditure ($ millions)	2006	2013	Annual Growth	National Average
International Visitors	$135	$212	**6.7%**	**6.5%**

Source: New Zealand Regional Tourism Forecasts 2007 – 2013; Draft NZ Tourism Strategy 2015

Market Share

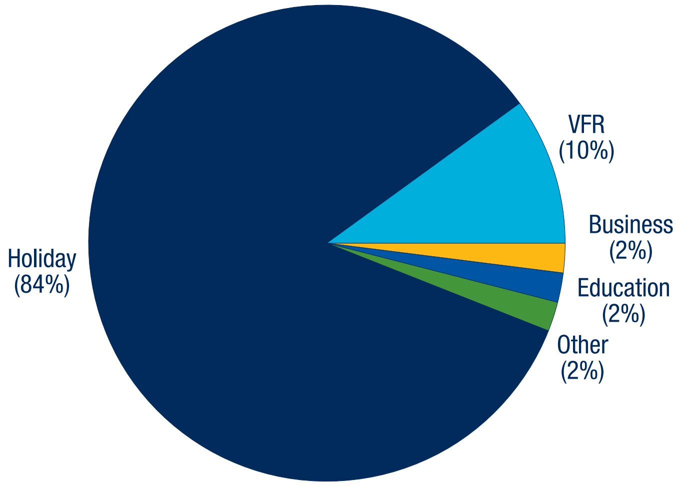
Market Share - International Visitors

Market/Measure	Dunedin	Queenstown	Canterbury
International Market (YE Sep 2006)			
International overnight visitors (penetration)	16.3%	28.7%	42.0%
Share of NZ international visitor nights	2.9%	4.9%	12.7%
Average length of stay (nights)	3.6	3.5	6.2

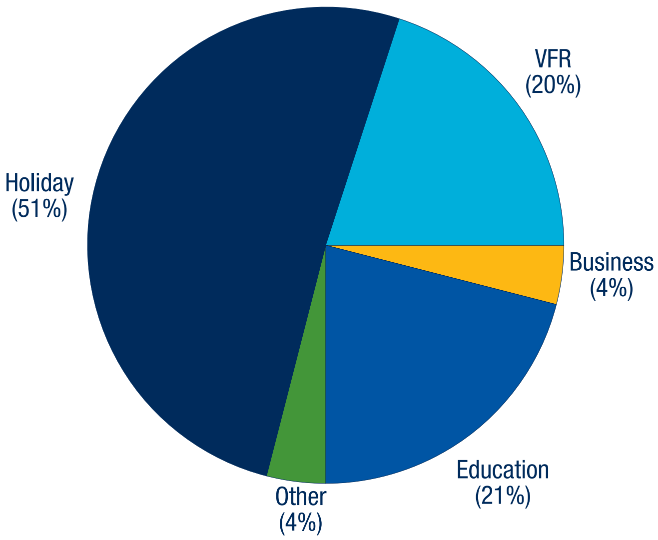
Source: International Visitor Survey

International Visitor Type Analysis

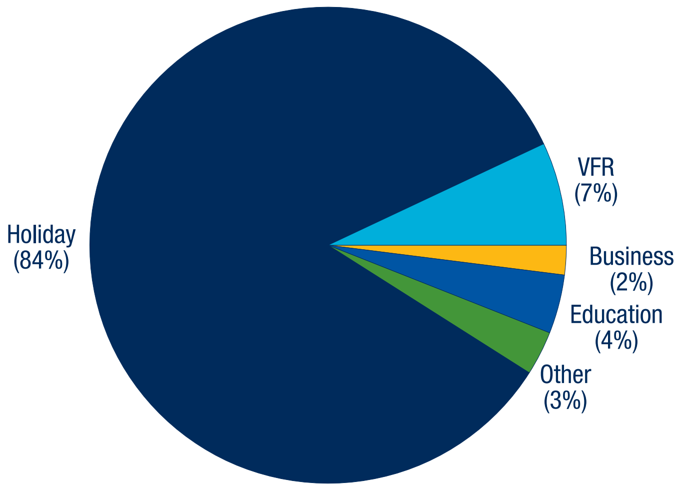
Visitor Type – Domestic Overnight Visits 2006
(Data: DTS Dunedin RTO)



Visitor Type – Domestic Visitor Nights 2006
(Data: DTS Dunedin RTO)



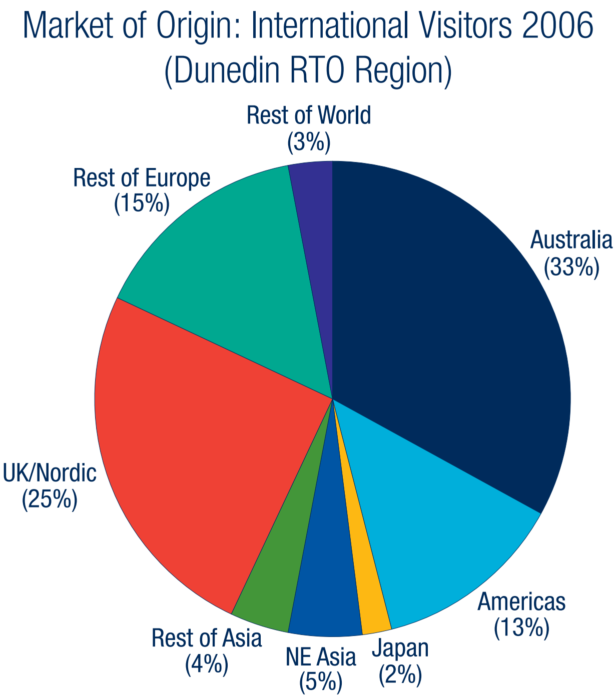
Visitor Type – Domestic Expenditure 2006
(Data: DTS Dunedin RTO Overnight Trips)



International Market Segments

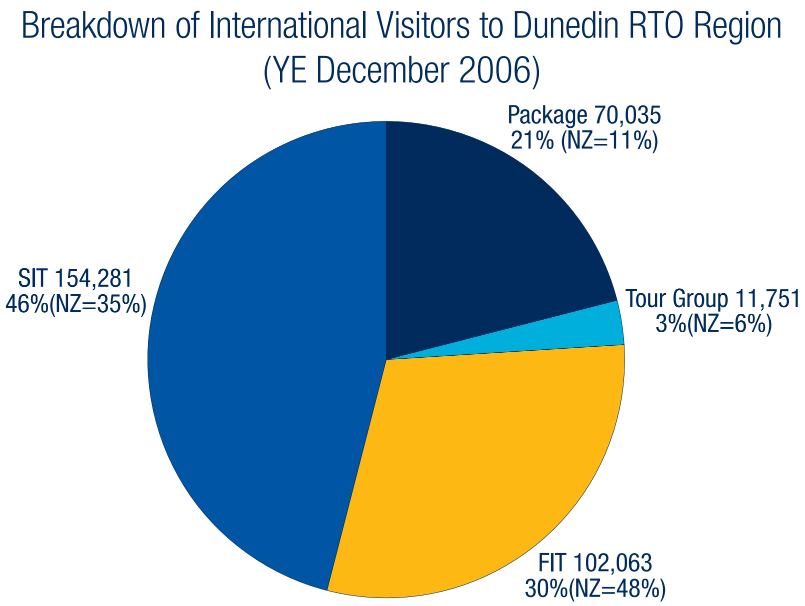
International Markets for Dunedin

Source: International Visitor Survey, YE December 2006



Proportion of international travel type, Dunedin and New Zealand

Source: International Visitor Survey, YE December 2006



Most international visitors to Dunedin are classified either as Free Independent Travellers or Semi-Independent Travellers (travellers who make the majority of their purchase decisions – for example, with regard to accommodation, sightseeing/activities and local transport – after they arrive in New Zealand). However, the region also hosts a significant number of travellers who have pre-purchased packages (which may include a combination of domestic airfares, local accommodation, transport, meals and some sightseeing or other activities). Indeed, both package and SIT travellers are over-represented in Dunedin's visitor mix relative to the national average. Tour groups constitute a small part of Dunedin's visitor mix at 6%, although this proportion is the same as the current national average.

International Visitor Markets and Growth Potential

Country Market	Commercial Visitor Nights			Growth Potential
	Size 06/07	Growth 00 to 06	Change 04/05 to 06/07	
Australia	134,700	15.6%	3.1%	Australia is Dunedin's largest international market. This market is also highly sought after by other regions in New Zealand. While the majority are year-round holiday travellers, it also includes a sizable number of VFR and a smaller number of Business/Convention visitors. Most are FIT's or SIT's, rely heavily on rental vehicles, use the internet and guide books with a keen interest in Dunedin's wildlife and heritage attractions and opportunities in Central and Coastal Otago. Dunedin is also being recognised as an urban destination close to Central Otago. There are opportunities to take advantage of seasonal 'What's On' initiatives, new touring product, winter pre/post ski options, and the emerging short break markets because of direct flights (Air New Zealand becomes the principle carrier from 2008). Collaborative marketing with Air New Zealand, Tourism New Zealand and Dunedin's neighbouring regions offer the most cost-effective tactic to grow this market. A fully integrated website (information and bookings) will also be effective.
UK/Ireland	82,550	77.3%	14.1%	The second largest international market for Dunedin with a strong interest in and connection to Dunedin's wildlife attractions. Most visitors of this market are summer-only holiday travellers, including a few VFR's and cruise boat passengers. Most are experienced travellers who choose to explore the country by car or campervan. Growth potential remains positive off the back of strong marketing in the UK by Tourism New Zealand and Tourism Dunedin. Expensive market to penetrate. Cost-effective alliances needed but while alliances are great for generating industry contributions, they sometimes fail to increase market share, so at times, Dunedin may need 'go it alone' campaigns as well. Website development and specialist wholesalers are key.
Germany	28,840	39.5%	20.9%	The German market is a mature market for Dunedin with keen interest in wildlife. A mostly summer market, travel in the NZ spring and autumn is growing. This market appreciates uncrowded, quality nature experiences and can be an expensive market to maintain profile. The most cost-effective methods need to be explored. Specialist wholesalers, the internet, editorial coverage and travel guides are most effective.
Other Europe	45,660	53.7%	10.6%	The rest of Europe is made of a mix of mature and emerging (Eastern) markets, similar to Germany in desire for uncrowded experiences and outdoor experiences. Internet and guide book coverage and agent famils in New Zealand are often the most cost-effective marketing approach as Other Europe is made up of many countries. Growth potential appears modest at best and confined to the NZ summer.
Japan	11,950	-6.7%	-9.1%	The Japanese market has been in decline for the last decade. Very limited growth potential.
Other Asia	22,890	-35%	-19%	Other Asian markets have limited growth potential for Dunedin at this point. China may emerge as the strongest market but this relies heavily on the success of the Air New Zealand campaign into Shanghai. Dunedin appears to have limited appeal to these markets as illustrated by the decline in visitor nights. Can offer travel outside of the NZ summer season. India, Malaysia and Singapore may hold future potential, depending on air links and pricing.
North America	35,710	35.8%	0.2%	North America is made up of the US and Canada, and is the third largest international market for Dunedin. Growth has been slow for Dunedin and New Zealand as a whole. Travel tends to be confined to the NZ summer. An expensive market to maintain profile and penetrate. Collaboration with Tourism New Zealand and other International Marketing Alliance partners (Venture Southland) essential. The effect of future marketing activities should be closely monitored and decisions made as to an appropriate level of investment.
Other Int. Markets	49,370	34%	56%	Growth has been emerging from Dunedin's other international markets (South America, Brazil, Russia, South Africa), driven by growing awareness of New Zealand in these countries. These are not core markets for Dunedin and can be serviced from Dunedin's on-line activities.

Source: Commercial Accommodation Monitor Dunedin RTO year ended April 07

International Tourism Flows Lower South Island

Source: Tourism Flow Model, Ministry of Tourism, 2006.

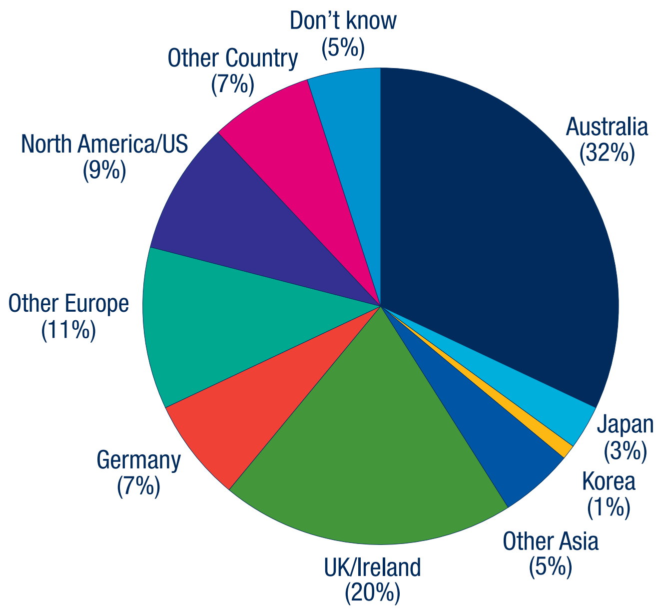
A larger volume of international visitors, travel inland from Christchurch to Queenstown than from Christchurch to Dunedin via State Highway 1. More international visitors enter Dunedin from the south than from the north (56% of total volume compared with 44%). This suggests that Christchurch and Queenstown / Wanaka / Te Anau are likely to be key points for influencing independent travellers to travel via Dunedin. It should be noted though that many travellers also make these decisions before leaving their home countries or on arrival in New Zealand. By working with nearby regions, Dunedin may be able to grow more international traffic between Christchurch and Dunedin along State Highway 1, where product themes are shared (heritage, landscapes and wildlife).

International Visitors in Commercial Accommodation

Source: Commercial Accommodation Monitor Dunedin RTO year ended April 07.

	04/05	% change	05/06	% change	06/07	% change	2000 to 2006 growth (%)	04/05 to 06/07 % change
Australia	130,610	18.8%	131,870	1.0%	134,700	2.1%	15.6%	3.1%
Asia	41,300	-9.7%	35,810	-13.3%	34,840	-2.7%	-46.0%	-15.6%
Japan	13,150	2.3%	13,250	0.8%	11,950	-9.8%	-6.7%	-9.1%
Korea	3,130	-26.5%	3,270	4.5%	3,580	9.5%	-21.6%	14.4%
Other Asia	25,020	-12.6%	19,290	-22.9%	19,310	0.1%	-59.1%	-22.8%
Europe	137,490	8.2%	163,210	18.7%	157,050	-3.8%	62.0%	14.2%
UK/Ireland	72,340	9.9%	91,360	26.3%	82,550	-9.6%	77.3%	14.1%
Germany	23,850	-8.9%	27,560	15.6%	28,840	4.6%	39.5%	20.9%
Other Europe	41,300	17.7%	44,290	7.2%	45,660	3.1%	53.7%	10.6%
North America/US	35,630	9.3%	36,460	2.3%	35,710	-2.1%	35.8%	0.2%
Origin Other Country	13,600	-10.2%	20,500	50.7%	27,050	32.0%	126.2%	98.9%
Origin Don't Know	18,100	60.6%	17,780	-1.8%	22,320	25.5%	144.5%	23.3%
Total	**376,730**	**10.2%**	**405,630**	**7.7%**	**411,670**	**1.5%**	**26.5%**	**9.3%**

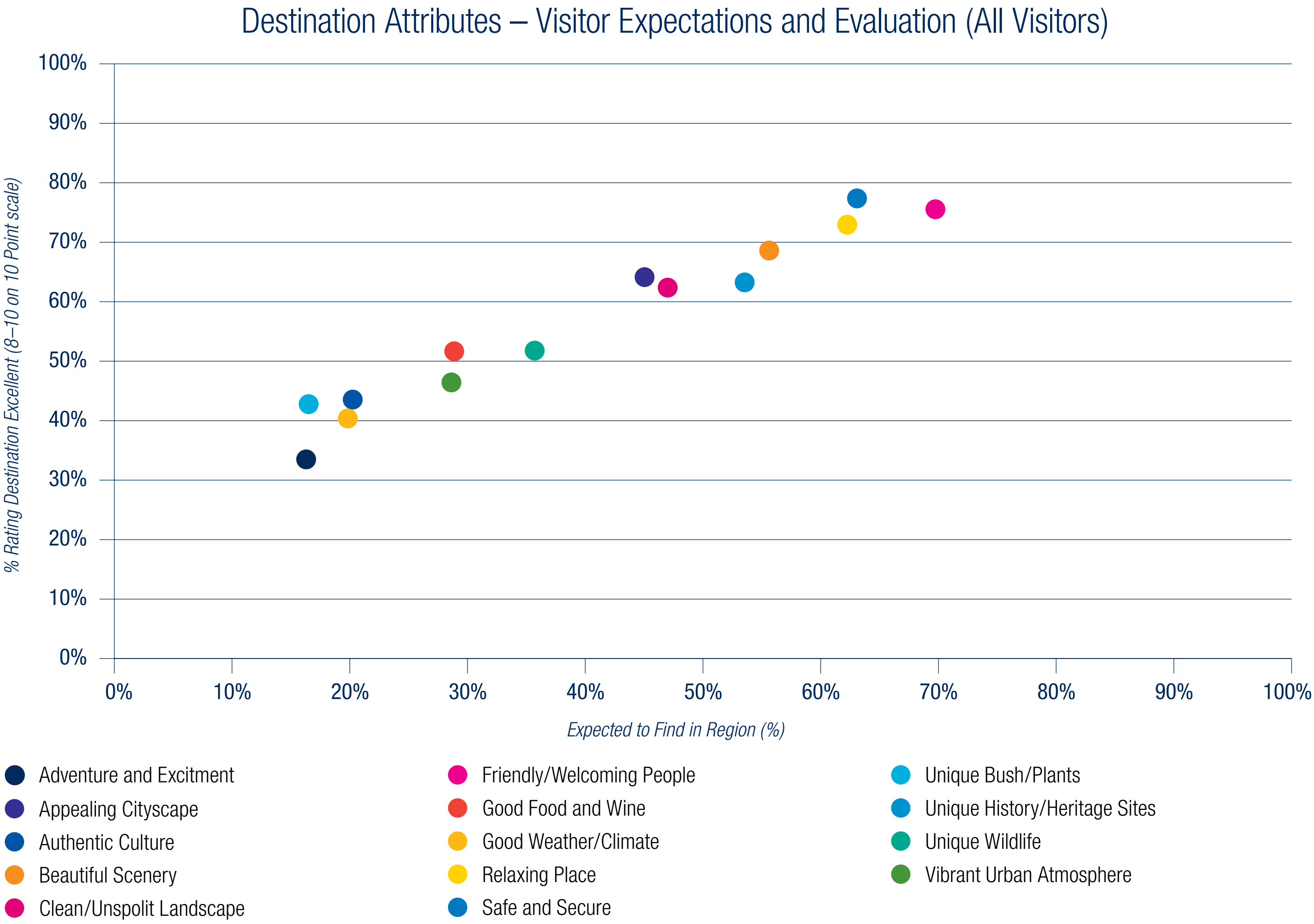
Breakdown of International Markets "06/07"



Appendix 11: Dunedin Destination Attributes

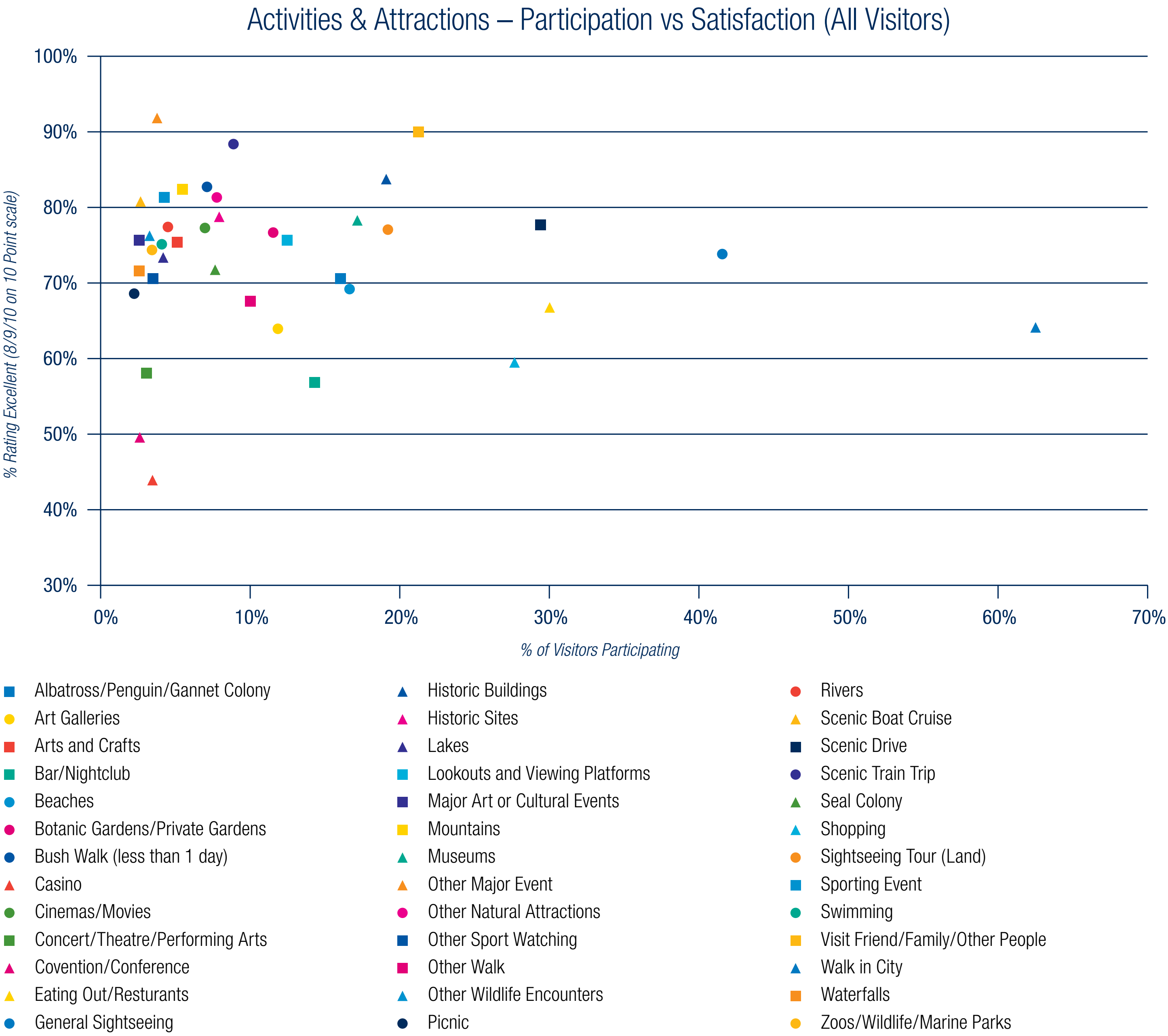
Visitor Expectations and Evaluations (All Visitors)

Source: Regional Visitor Monitor 2006



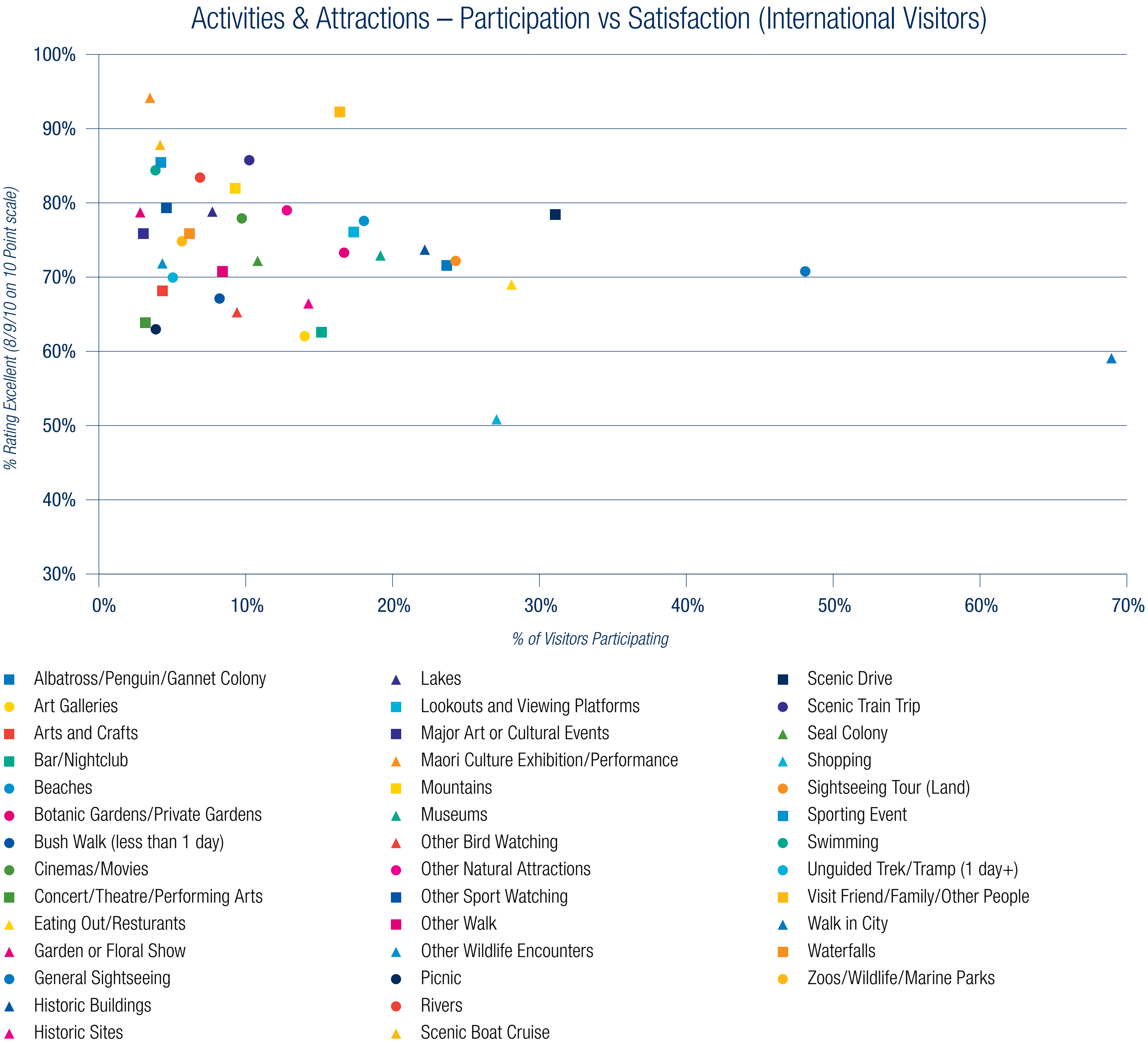
Participation vs. Satisfaction (All Visitors)

Source: Regional Visitor Monitor 2006



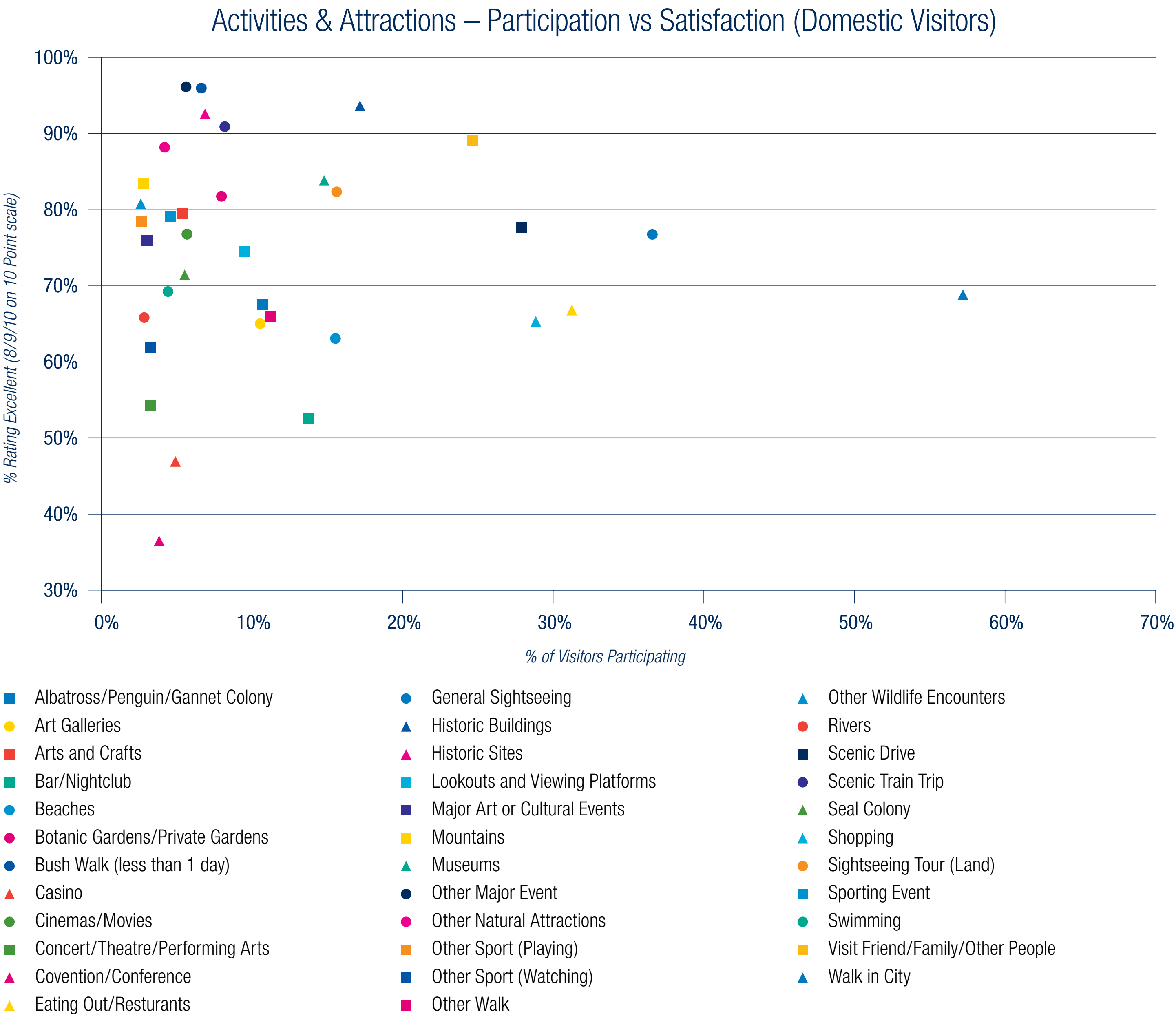
Participation vs. Satisfaction (International Visitors)

Source: Regional Visitor Monitor 2006



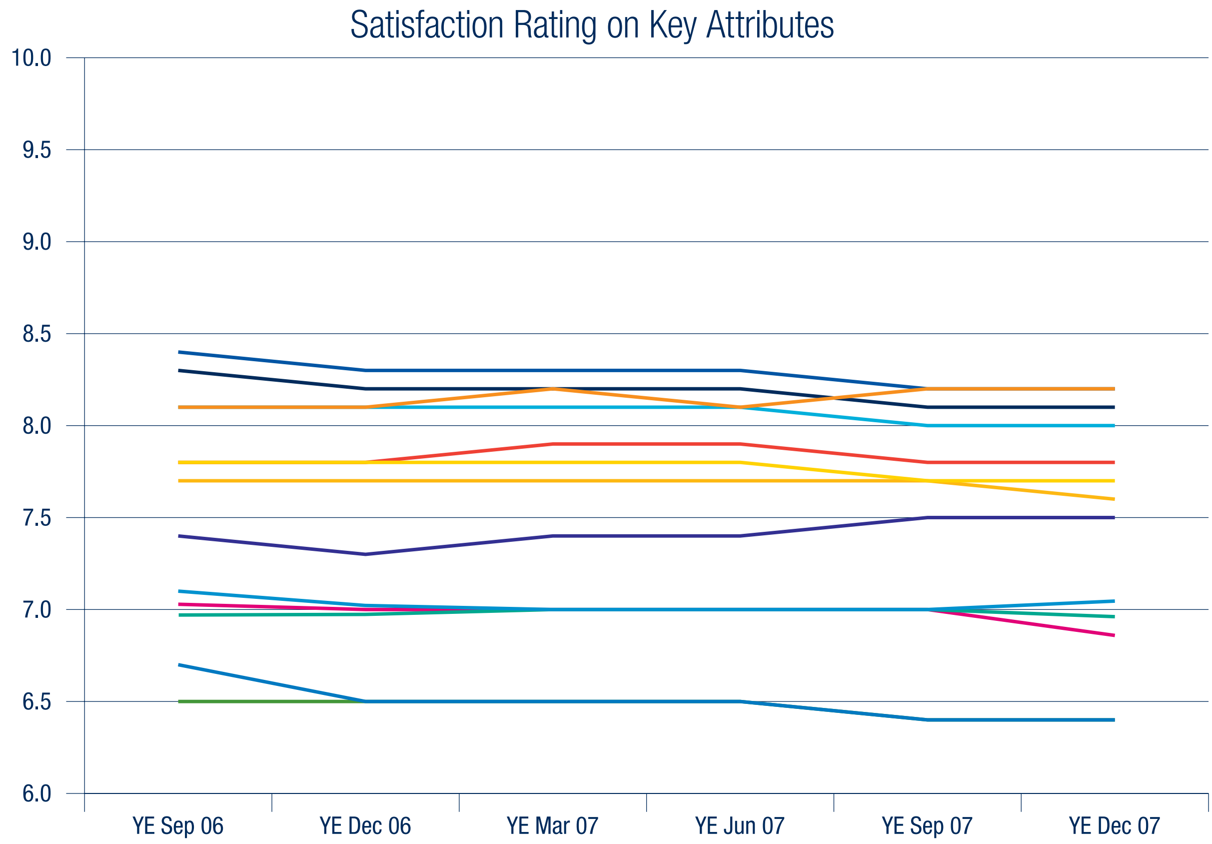
Participation vs. Satisfaction (Domestic Visitors)

Source: Regional Visitor Monitor 2006



Satisfaction with Key Destination Attributes over Time

Source: Regional Visitor Monitor 2007

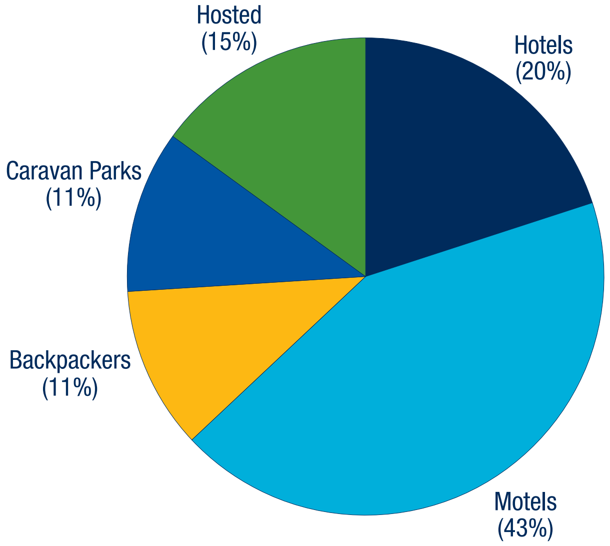


	YE Sep 06	YE Dec 06	YE Mar 07	YE Jun 07	YE Sep 07	YE Dec 07
Safe & Secure	8.3	8.2	8.2	8.2	8.1	8.1
Relaxing Place	8.1	8.1	8.1	8.1	8.0	8.0
Clean & Pure	7.7	7.7	7.7	7.7	7.7	7.6
Friendly People	8.4	8.3	8.3	8.3	8.2	8.2
Adventure & Excitement	6.5	6.5	6.5	6.5	6.4	6.4
Unique History/Heritage	7.8	7.8	7.9	7.9	7.8	7.8
Unique Bush/Plants	7.0	7.0	7.0	7.0	7.0	7.0
Unique Wildlife	7.4	7.3	7.4	7.4	7.5	7.5
Authentic Culture	7.0	7.0	7.0	7.0	7.0	6.9
Vibrant Urban Atmosphere	7.1	7.0	7.0	7.0	7.0	7.0
Beautiful Scenery	8.1	8.1	8.2	8.1	8.2	8.2
Appealing Cityscape	7.8	7.8	7.8	7.8	7.7	7.7
Good Weather	6.7	6.5	6.5	6.5	6.4	6.4

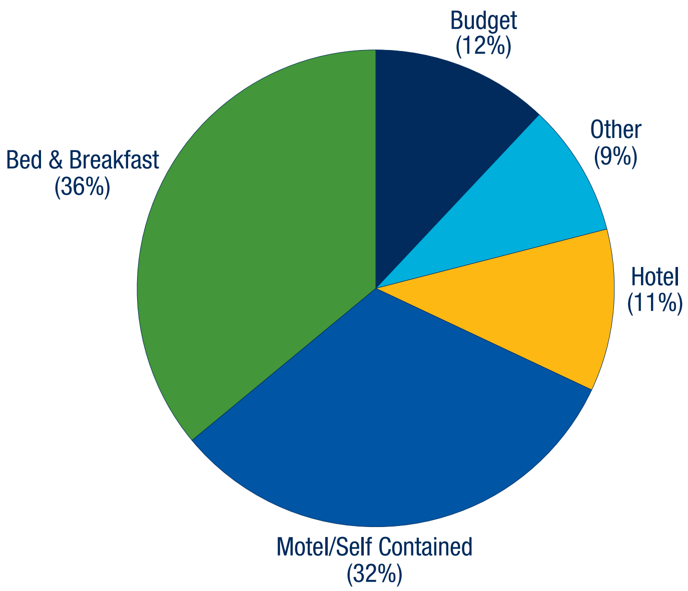
Appendix 12: Accommodation Analysis

Accommodation Types

Commercial Accommodation Types
(Commercial Accommodation Monitor year ended October 06)

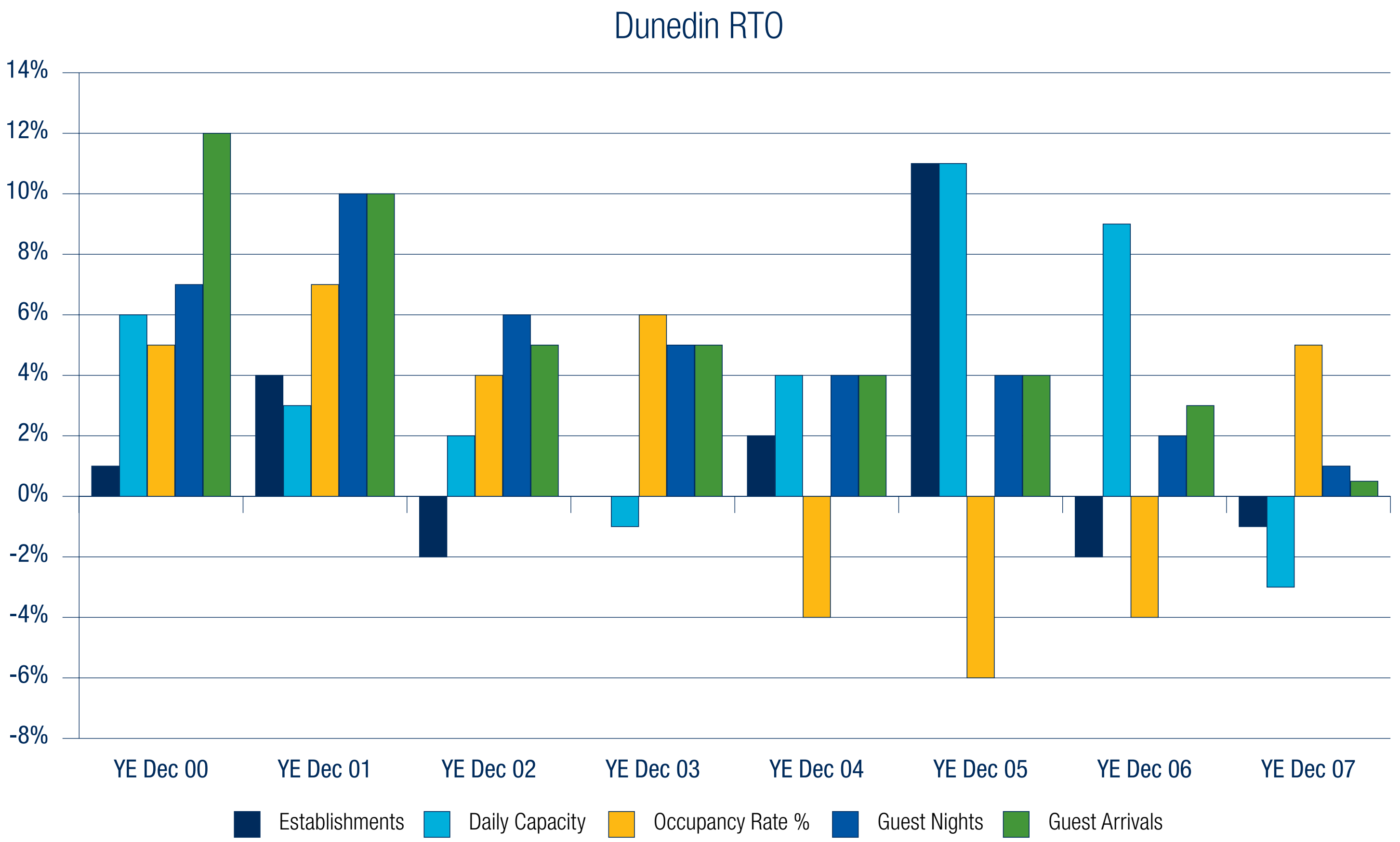


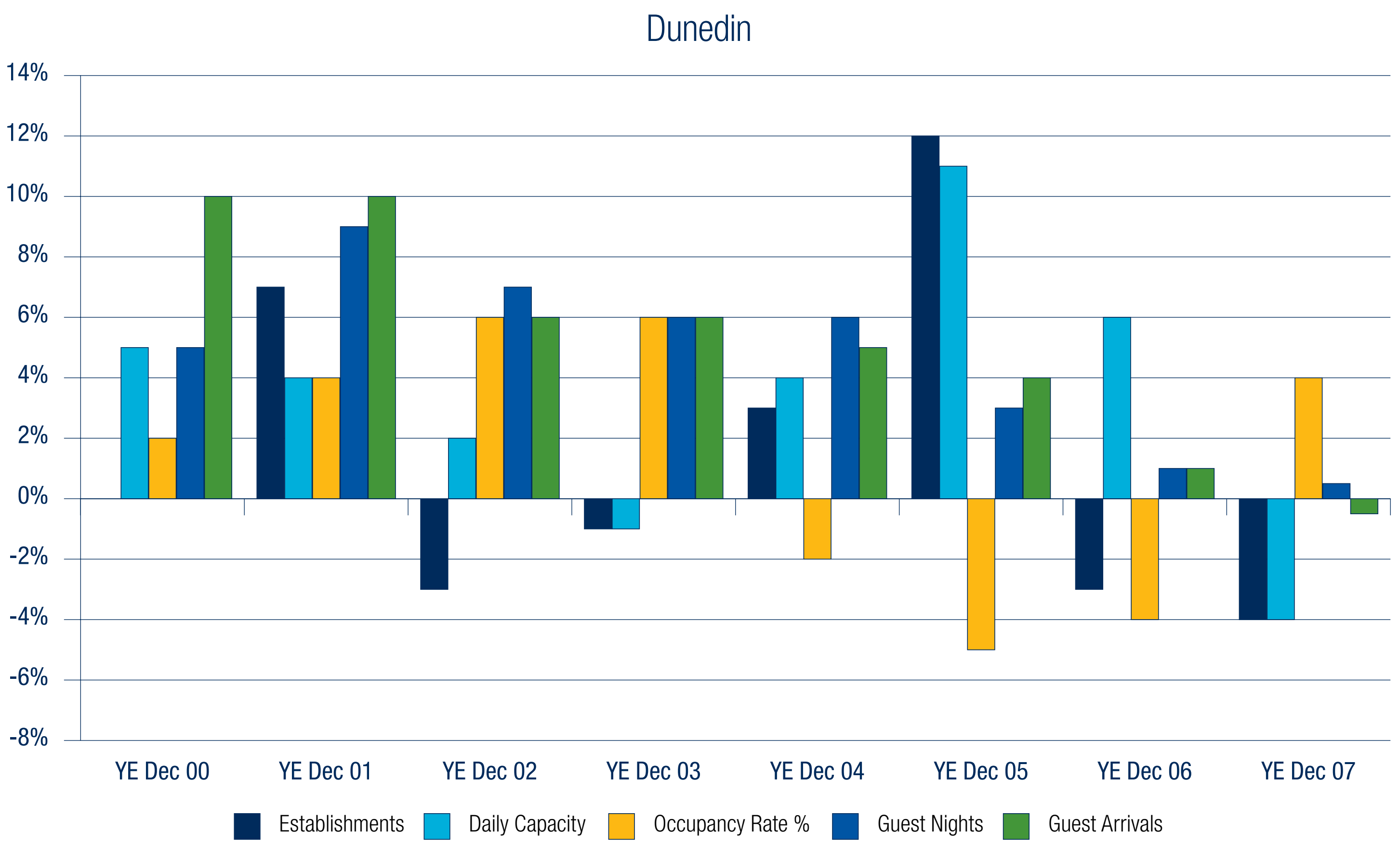
Accommodation Types
(Tourism Dunedin Product Manual and Tourism Dunedin Website (2006))



Commercial Accommodation Key Growth Measures

Source: Commercial Accommodation Monitor year ended December 07

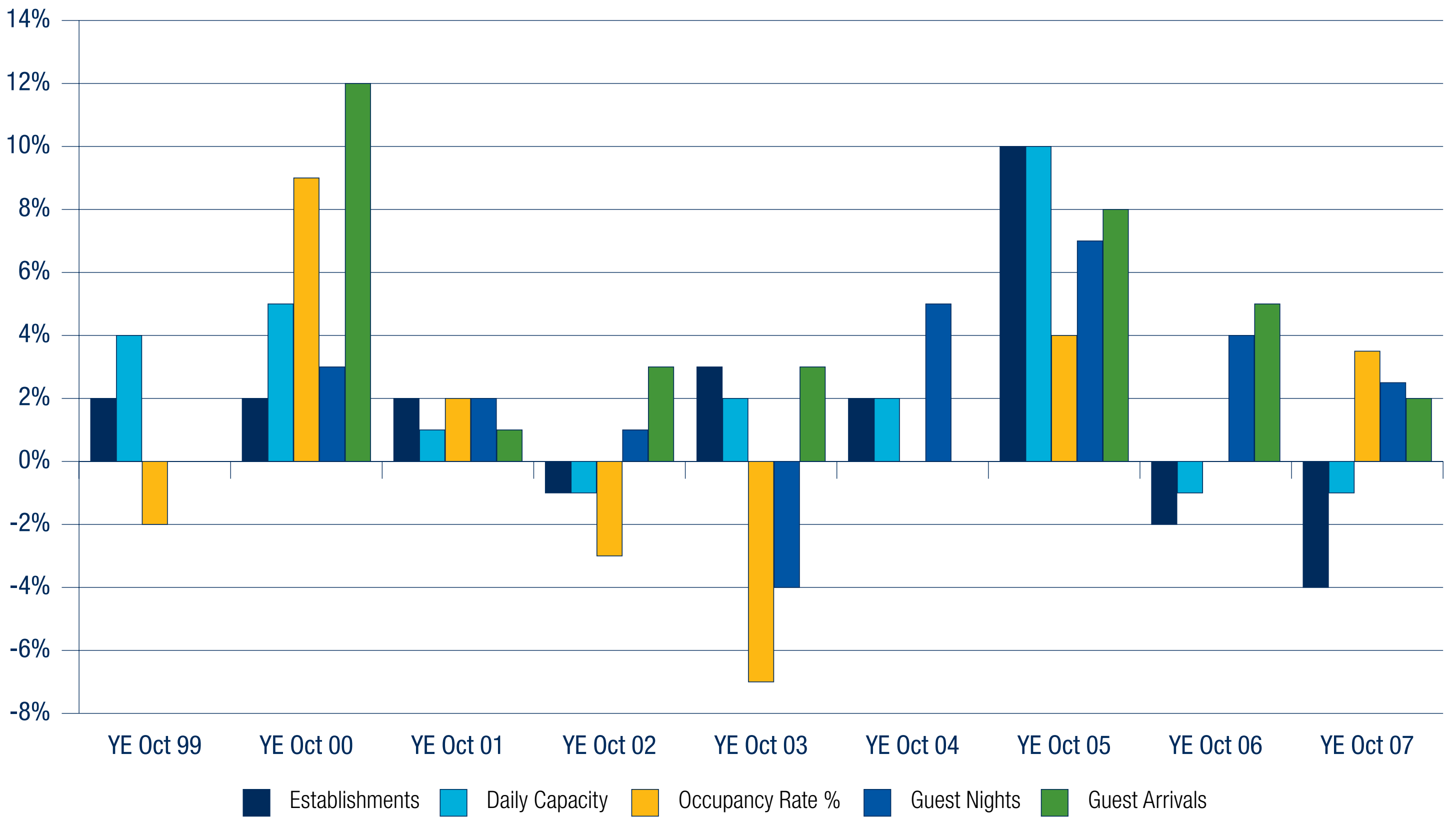




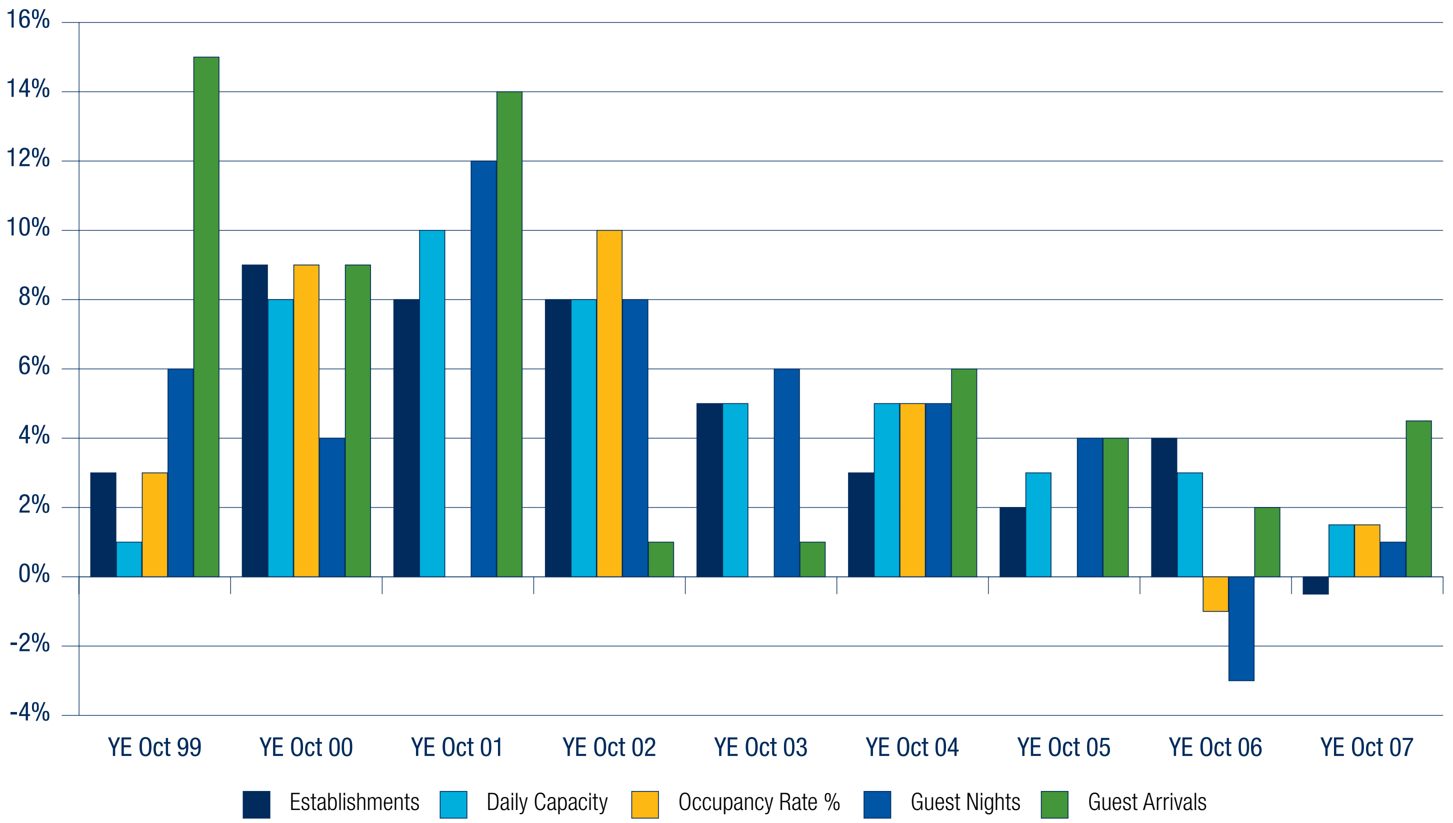
Commercial Accommodation – Comparisons to Other Destinations

Source: Commercial Accommodation Monitor year ended December 07

Dunedin RTO

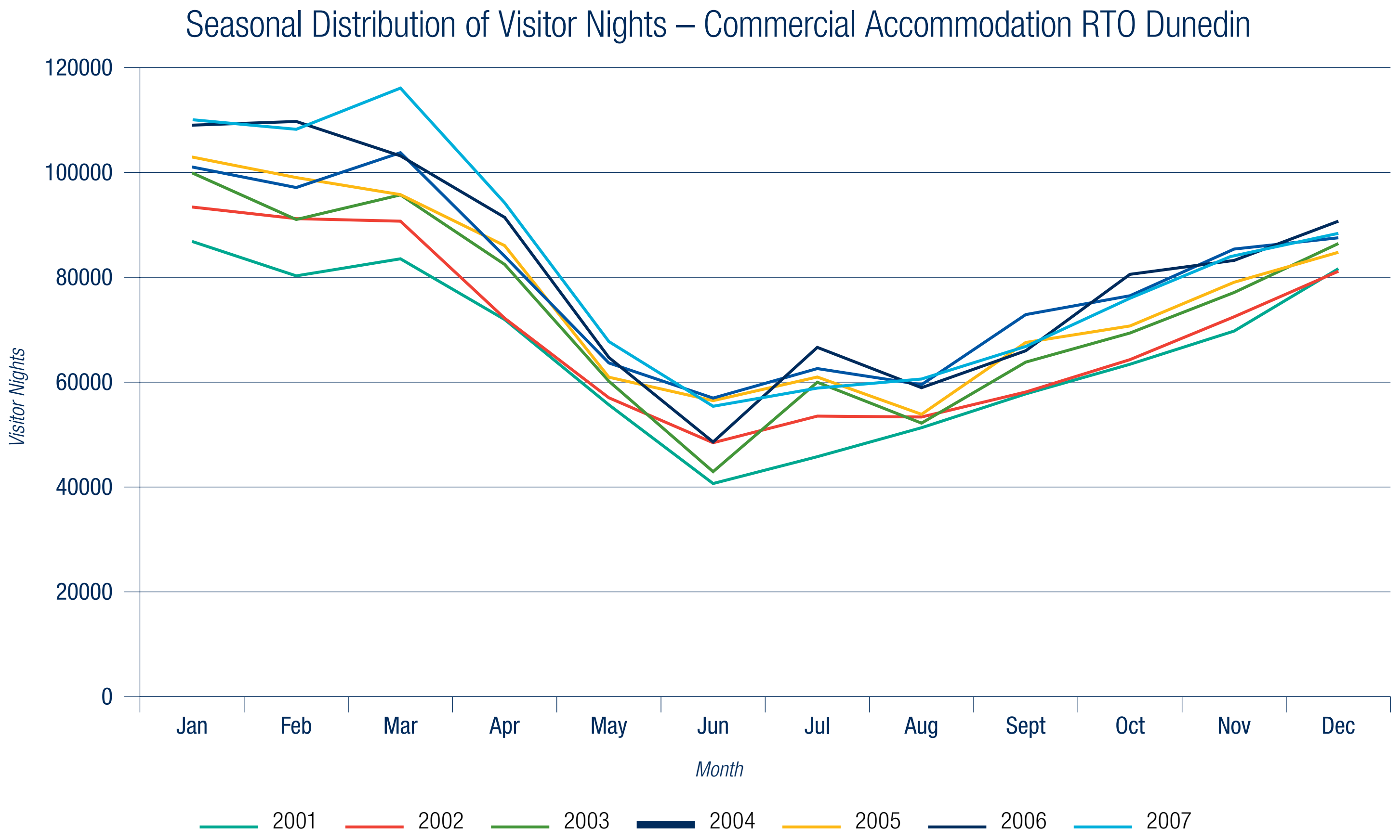


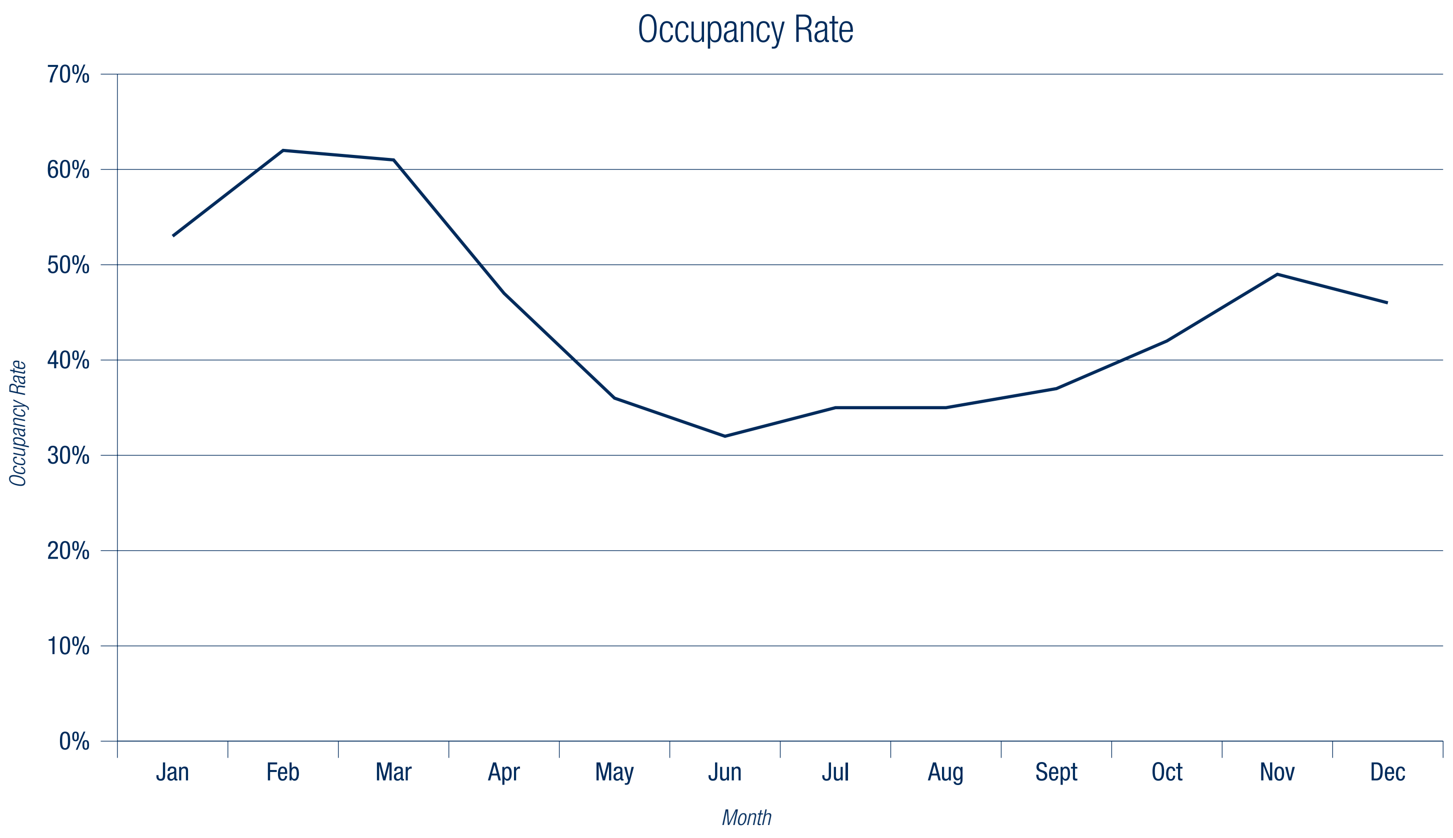
Dunedin



Commercial Accommodation – Seasonality

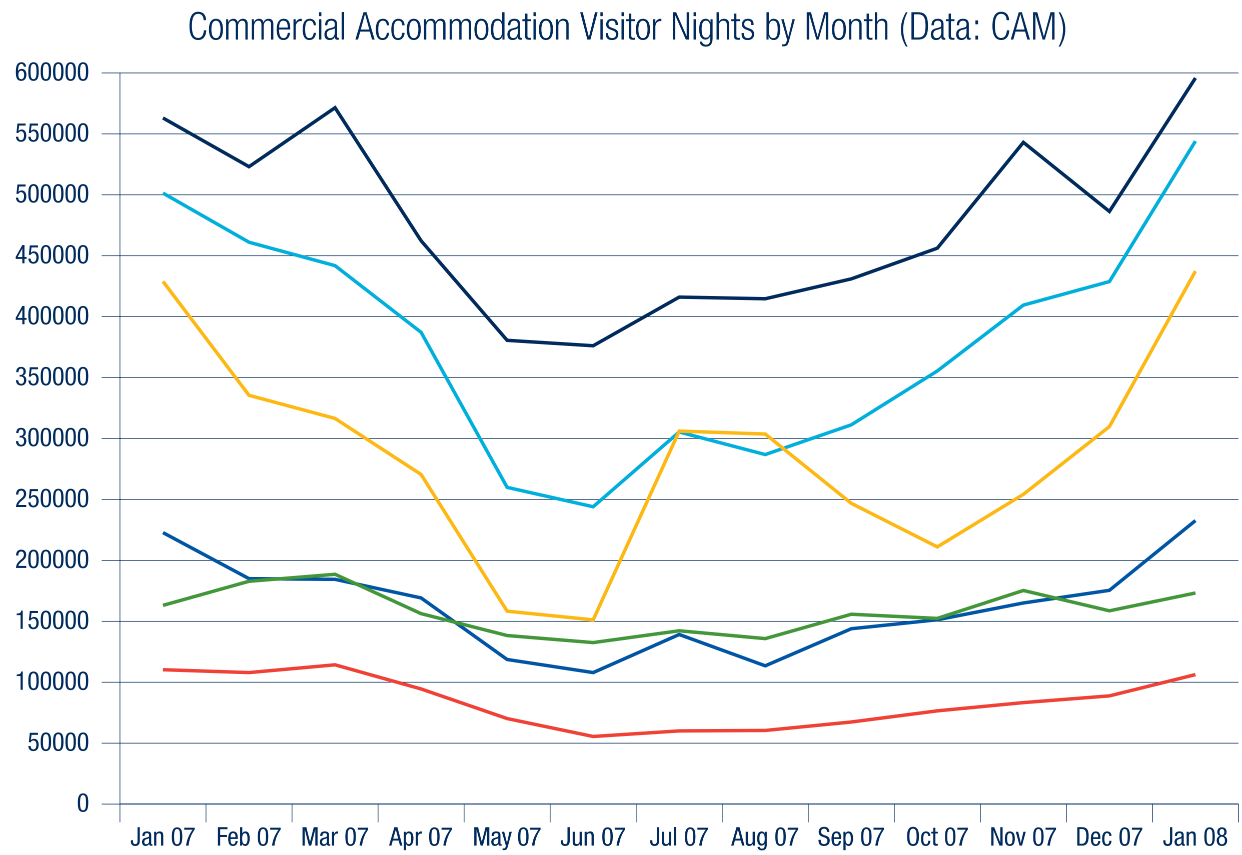
Source: Commercial Accommodation Monitor year ended December 2007





Seasonal Accommodation Pattern of Dunedin Compared with other Regions

Source: Commercial Accommodation Monitor, YE October 2006, Statistics New Zealand

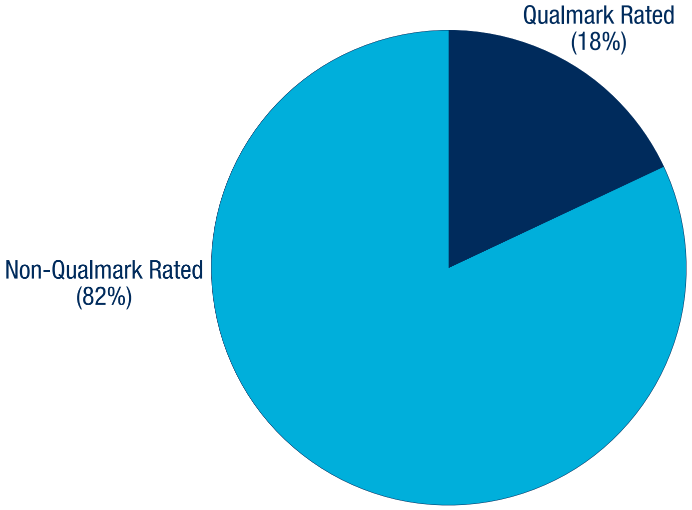


	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Jan 08
Auckland RTO	563,060	523,090	571,476	462,310	380,580	376,133	416,055	417,698	431,013	456,218	543,051	486,350	595,846
Rotorua RTO	222,786	185,006	184,441	169,173	118,658	107,919	139,177	133,470	143,902	151,266	165,042	175,419	232,658
Wellington RTO	163,076	182,850	188,576	156,288	138,322	132,535	142,228	135,792	155,794	152,375	175,300	158,614	173,234
Canterbury RTO	501,409	461,095	441,868	387,155	259,918	244,004	305,362	286,833	311,235	355,455	409,492	428,797	544,067
Dunedin RTO	110,262	107,915	114,288	94,480	70,178	55,481	60,050	60,414	67,360	76,512	83,275	88,796	106,257
Queenstown/Central Otago/Wanaka RTO	428,936	335,879	316,466	270,508	158,309	151,173	306,088	303,678	246,808	211,049	254,183	309,781	437,371

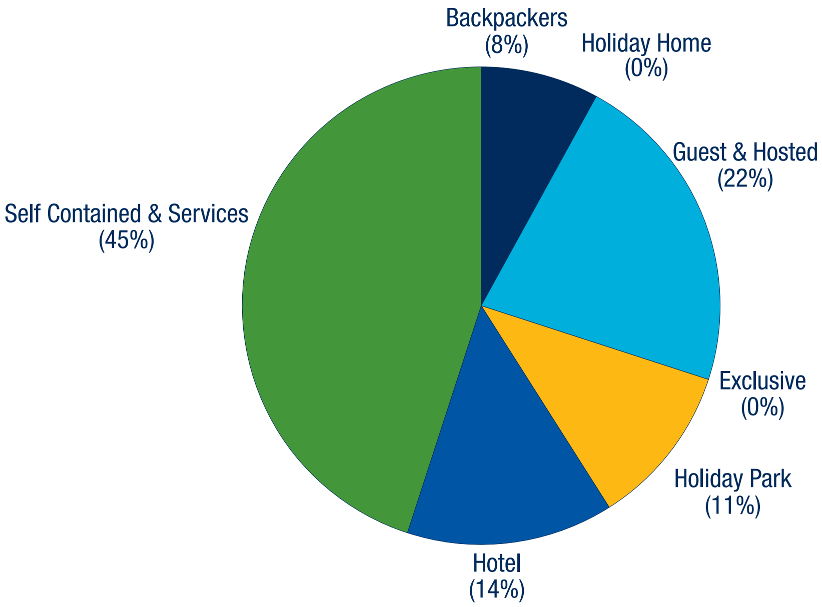
Accommodation & Qualmark

Source: Tourism Dunedin Product Manual, Tourism Dunedin Website and Qualmark Website

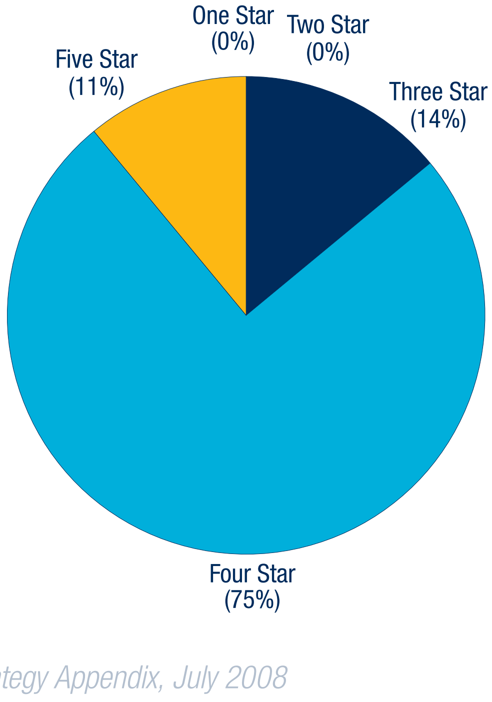
Ratings for Qualmark Rated Establishments



Proportion of Qualmark Rated Establishments (2006)



Qualmark Rated Accommodation Categories



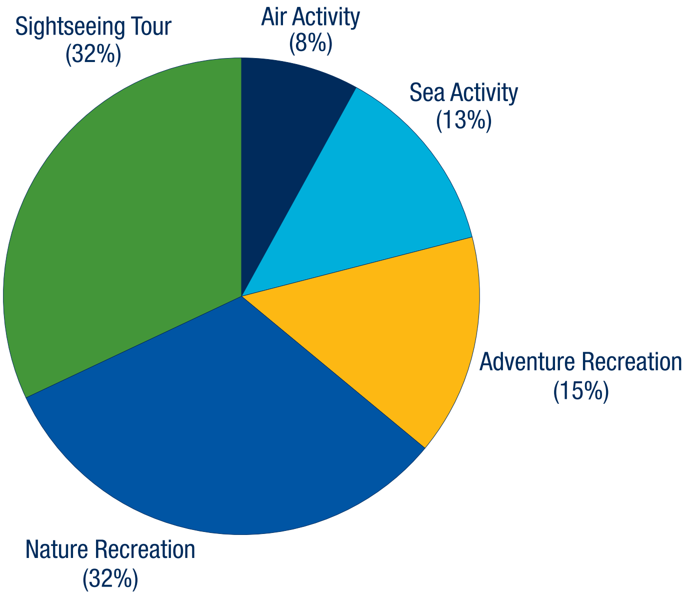
Appendix 13: Attraction and Activity Analysis

Breakdown of Attractions and Activities

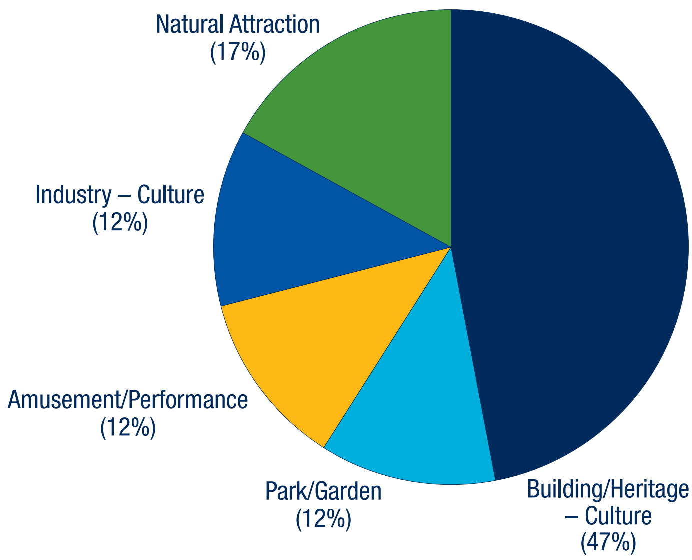
Source: Tourism Dunedin Product Manual, Tourism Dunedin Website and Operator Websites

Product Category	Sub-Category	Types of Products
Attraction	Building/Heritage – Culture	Art Gallery, Historic Building, Museum
	Park/Garden	Aquarium, Botanical Garden
	Amusement/Performance	Theatre, Casino
	Industry – Culture	Brewery, Factory, Mining, Train Ride
	Natural Attraction	Wildlife, Beaches, Scenic Highlights
Acitivty	Air Activity	Scenic Flights
	Sea Activity	Diving, Sea/Coastal Fishing, Scenic Boat Cruise
	Adventure Reacreation	Diving, Kayaking, Mountain Biking
	Nature Recreation	Golf, Horse-riding, Wildlife Viewing, Guided Walking
	Sightseeing Tour	Tours of Multiple attractions/Sights.

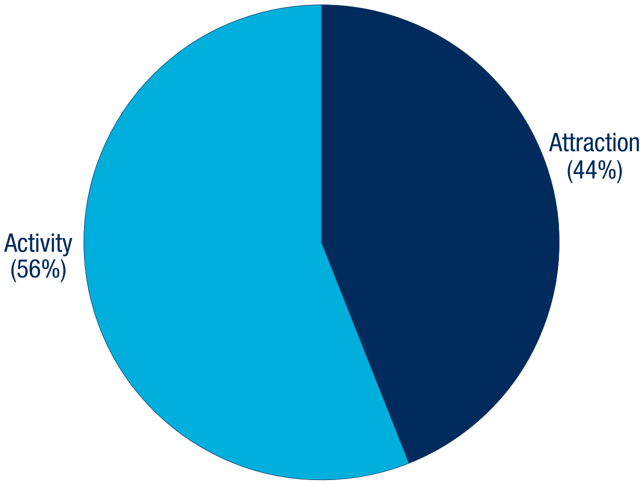
Acitivities – Key Categories



Attractions – Key Categories



Proportion of Activities vs. Attractions



Current Opportunities and Future Possibilities of Activities and Attractions

Current Activities and Attractions	Future Possibilities
Domestic	
Shopping, events	New and larger scale heritage related events, harbourside activities, shopping, Orokonui sanctuary
Cafes/restaurants, Portobelo Aquarium, Otago Muesum and Dunedin Public Art Gallery, Otago Settlers' Museum, Speights Brewery, short walks on the Peninsula, Larnach Castle	Shopping, dining, events, half-day scenic touring routes. Niche secondary products such as gardens, Orokonui sanctuary and harbourside activities
Otago Rail Trail Monarch Cruise Albatross Colony Scenic drive on Otago Peninsula Otago Museum Otago Settlers' Museum Art Gallery Speights Brewery	Overnight walking trail on Otago Peninsula. Better uptake of Otago Rail Trail Harbour activities The Chinese Garden, Otago Museum and Otago Settlers' Museum will appeal especially to the New Zealand baby-boomer and older generations that are becoming a large cohort in the general population. Niche attractions such as Orokonui sanctuary.
Taieri Gorge Rail trip	Emphasis here should be more on city infrastructure and facilities – venues, accommodation, recreational opportunities all in close proximity to each other.
International	
'Monarch' Cruise, Albatross Colony, Taieri Gorge Rail trip, heritage buildings including University, visits to remote beaches on north and south coasts, Larnach Castle	Day and half-day scenic touring routes, city retailing of regional products, educational tours associated with the University. Events.
'Monarch' Cruise, Albatross Colony, other wildlife tours, Larnach Castle, City heritage buildings on-foot and through City Heritage tour (relatively new), seeing University Clock Tower.	Day and half-day scenic touring routes, overnight walking/cycle trails (including Rail Trail), city heritage, focus on higher yield products and push learning opportunities through tours with the University. Better uptake of the Otago Rail Trail. Chinese Garden, Otago and Otago Settlers' Museum may increase in popularity. Better delivery through guides and signs of stories on Maori and European heritage.
Limited uptake in additional tours and activities.	Emphasis here should be more on city infrastructure and facilities – venues, accommodation, recreational opportunities all in close proximity to each other. Educational tours
Shopping, harbour cruise, wildlife encounter, city heritage buildings, Taieri Gorge Rail trip	'Refresh' existing popular attractions. Garden tours. More shopping options for regional produce (food, wine, art and craft, heritage).

Appendix 14: Dunedin Visitor Expenditure Analysis

Dunedin Visitor Study 05/06

2005 Dunedin Visitors Study	Domestic Visitors	International Visitors	Australian Visitors
Accommodation	$93.00	$65.00	$77.00
Travel/Petrol	$22.00	$12.00	$17.00
Gifts/Souvenirs	$25.00	$21.00	$25.00
Restaurants/Eating out	$54.00	$35.00	$42.00
Shopping	$58.00	$28.00	$38.00
Attractions & Activities	$35.00	$34.00	$38.00
Extras	$35.00	$19.00	$18.00
Total Trip Expenditure per Travel Party	$789	$498	$658
Average Size of a Travel Party	3.4	3.2	3.5
Total Trip Expenditure per Person	**$232**	**$157**	**$186**

Regional Visitor Monitor - Dunedin - 2006

	VFR	Holiday
Accommodation	$146.99	$202.27
Food/Meals/Drink	$197.38	$140.83
Local Transport	$54.32	$12.96
Sightseeing/Attractions	$62.38	$99.90
Event/Conference	$58.93	$9.56
Gambling/Casino	$34.76	$14.05
Gifts/Souvenirs	$44.56	$33.04
Other Shopping	$137.91	$56.49

Appendix 15: Tourism Economic Impact Estimates

Visitor Expenditure for RTO Dunedin

Total Expenditure ($ millions)	2006	2013	Growth to 2013	Annual Growth
International Visitors	$135.4	$212.4	56.9%	6.7%
Domestic Visitors	$191.2	$231.6	21.2%	2.8%
Total	$326.5	$444.1	36.0%	4.5%

Source: New Zealand Regional Tourism Forecasts 2007 – 2013 – Dunedin RTO

Dunedin's Tourism Industry GDP

Tourism GDP (millions)	Years Ended March		Change	
	1994	2007	2006 to 2007	1994 to 2007
Tourism-characteristic Industries	68.8	90.7	-1.2%	2.2%
Tourism-related Industries	20.7	30.9	0.9%	3.1%
All non-tourism-related Industries	75.2	89.6	0.3%	1.4%
Tourism sector	164.7	211.3	-0.2%	1.9%
Total GDP (all Industries)	3,339	4,055	0.2%	1.5%

Source: Berl 2008, Economic Profile of Dunedin City in 2007

FTE employment in Dunedin's six EDU supported sectors

All Sectors, employment (FTEs)	Years Ended March		Change	
	1994	2006	2005 to 2006	1994 to 2006
Tourism industries	2,671	3,258	-1.2%	1.5%
ICT industries	552	698	15.3%	1.8%
Creative industries	1,374	1,669	-1.8%	1.5%
Education & research	5,355	6,761	4.4%	1.8%
Primary production	1,467	1,875	-1.4%	1.9%
Engineering, machinery & equipment mfg	1,662	1,889	-0.7%	1.0%
Sub-total all sectors	**13,080**	**16,151**	**1.7%**	**1.6%**
Total FTEs (all industries)	43,850	50,038	0.7%	1.0%

Source: Berl 2008, Economic Profile of Dunedin City in 2007

Appendix 16: Indicative Airfares to Dunedin

Domestic Airfares to Dunedin – Air New Zealand

Flights	Flexible Fares	Flexi Savers	Smart Savers
From Auckland	$372 to $758	$274 to $343	$170 to 215
From Rotorua	$409 to $704	$221 to $356	$159 to $171
From Wellington	$307 to $554	$201 to $267	$140 to $174
From Christchurch	$235 to $378	$140 to $207	$104 to $115

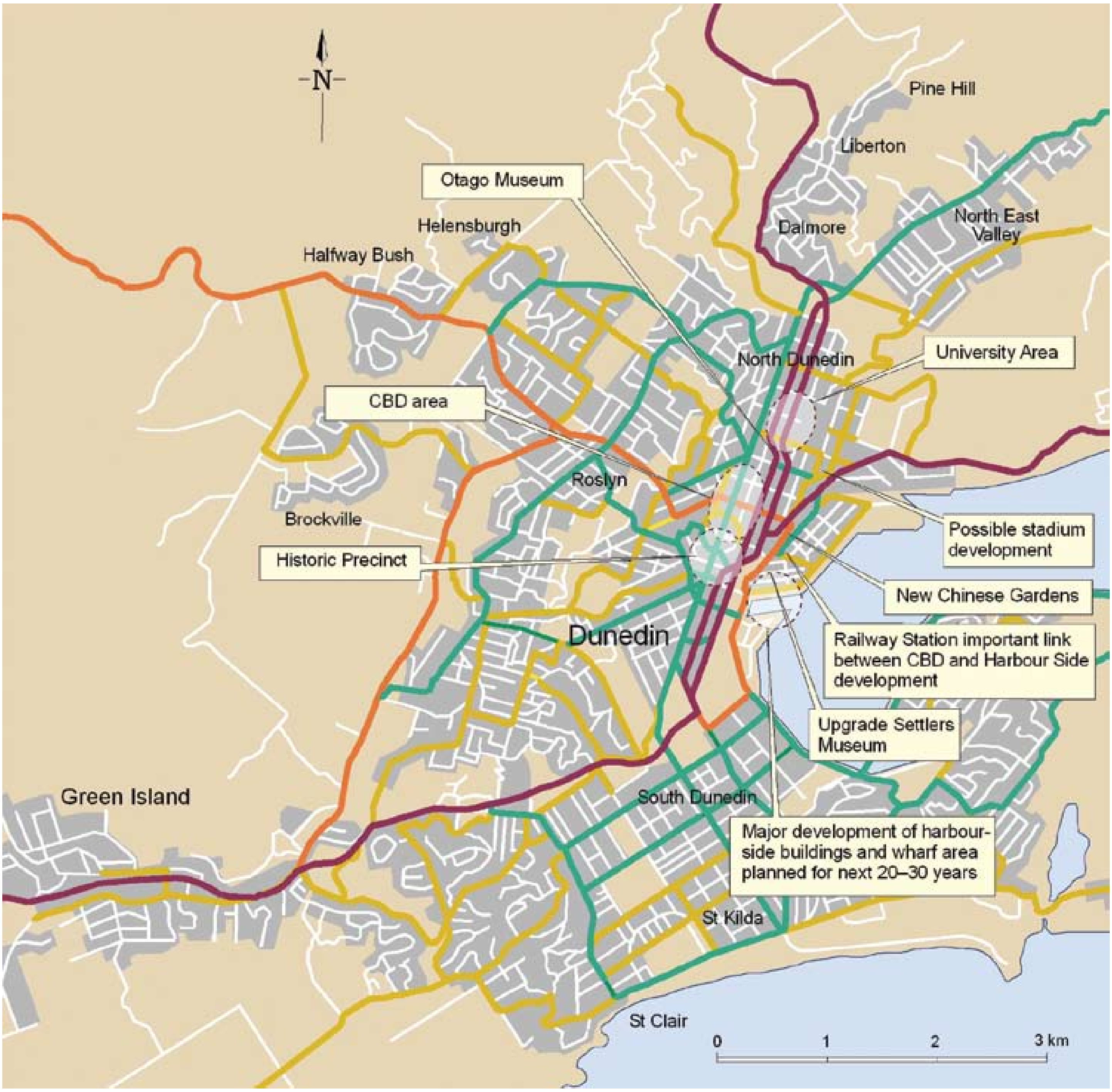
Lowest Airfares ex Christchurch to Nearby International Destination

Flights	Freedom Air	Air NZ	Qantas	Pacific Blue
To Fiji	–	$423	–	–
To Rarotonga	–	$325	–	–
To Brisbane	–	$246	–	$127
To Gold Coast	$224	–	–	$252
To Sydney	–	$169	–	$220
To Melbourne	–	$255	–	$127

Note: In April 2008, Pacific Blue announced a direct service to Dunedin from Christchurch and Auckland. The direct service will be available from July 2008 and airfares start from $59.

Appendix 17: Analysis of Dunedin potential for further tourism product development

Dunedin Metro

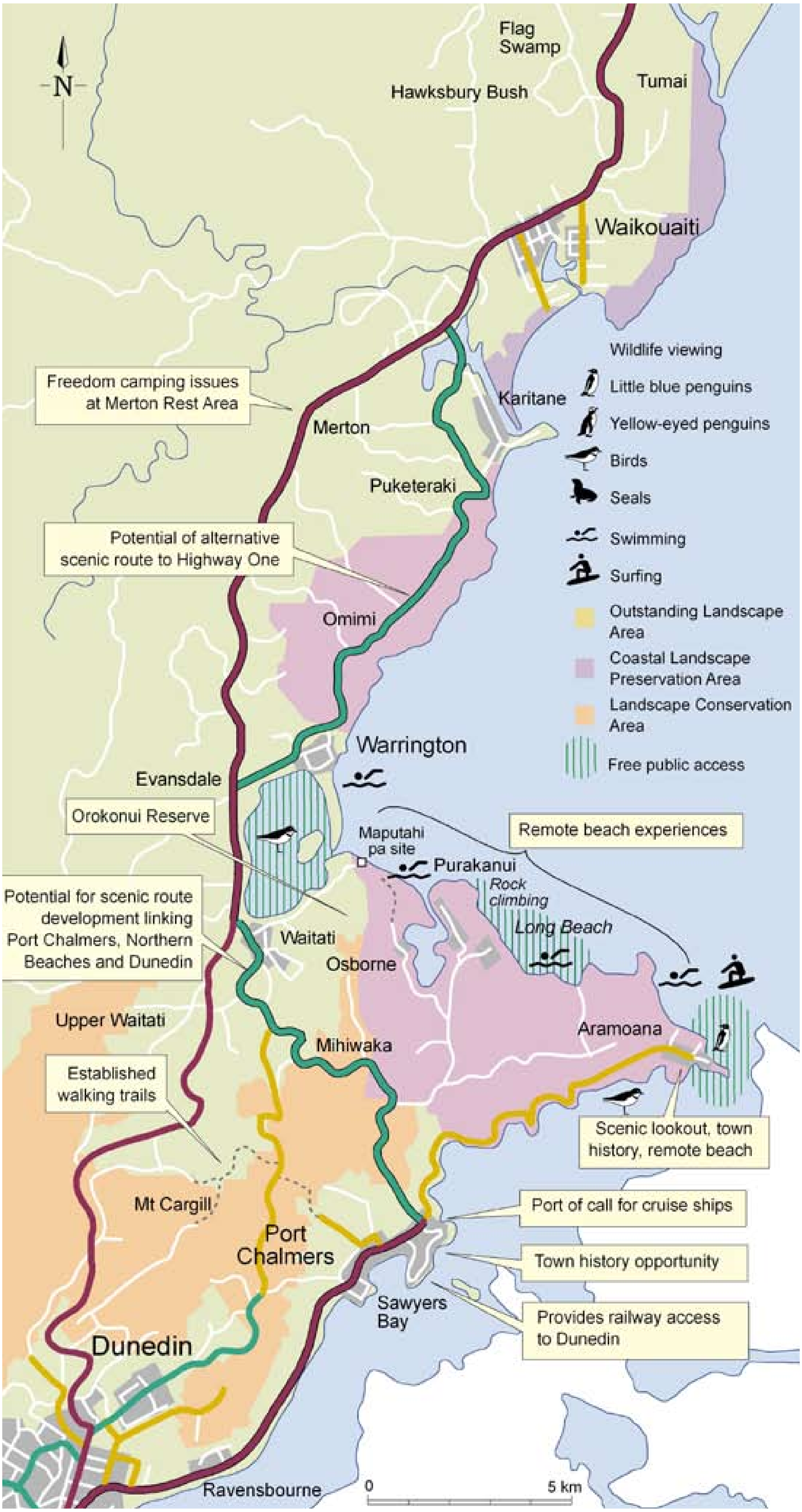


Existing Products and Services	Opportunities
Accommodation: • Full range of accommodation available. Hotels and motels are distributed throughout town. Most of the larger hotels are located around the CBD area and most motels are located between the CBD and University area	 • The area is generally well served with a wide range of accommodation, although a new four star hotel with convention space is needed. More family-oriented apartments
Attractions & Activities: • Heritage products are not clearly identified; this makes it difficult for visitors to interact with heritage products. Most historic buildings have inconsistent signs or lack of interpretation • Many operators work on a seasonal or on a on-call basis • Lack of cross-selling of tourism products	 • Improve quality of current range of commercial heritage tours • Cleaner / enhanced heritage buildings • Improve quality of current range of commercial heritage tours. Develop events around heritage themes • Re-enforce the Scottish cultural heritage of the city – foster haggis entertainment as an iconic product for Dunedin, similar to the hangi experience in Rotorua • Build on contemporary music, arts and design through events, marketing and promotion
Roads, Parking and Access: • Road conditions are generally good • Parking can be an issue, particularly in the CBD area and in front of the i-SITE and the Octagon	 • Provide more sufficient parking for visitors, including for motor homes • Provide guidance to visitors for parking close to the CBD area
Signs: • City precincts are not clearly defined. Hence distinctive parts of the city are not linked together, such as CBD to University or CBD to Harbour Side • Important attractions such as Otago Museum not signposted for visitors	 • Define city precincts - CBD, historic part of town, University and harbour side. This allows identifying precincts and creating products to support. Such as walking tours in the historic precinct of Dunedin or the University • Provide consistent signs and interpretation for heritage sites and buildings throughout the area
Toilets: • There are sufficient public toilets for visitor use within the area	
Other Services & Infrastructure Development: • Chinese Garden development - completed July '08 • Up-grade of the Settlers' Museum • Stadium development	

Otago Peninsula

Existing Products and Services	Opportunities
Accommodation:	
• Mainly boutique bed & breakfasts, a few motels and hotels • Some capacity issues during the peak season • There is a lack of camping ground facilities	• Opportunity for additional boutique bed & breakfast development • Opportunity to develop camping ground facilities
Attractions & Activities:	
• Capacity and visitor management issues at some of the key attractions during the peak season (Albatross Colony, Pilots Beach, Allans Beach, Boulder Beach)	• An overnight walk (commercial) • Expanding walking trails to include a greater variety of mountain bike trails • Define a car-touring route around the Otago Peninsula, based on half day and full day itineraries • Enhance Portobello as a 'must see and stop' opportunity • A Maori tourism product at Otakau • Development of a harbour side walk/cycle path
Roads, Parking and Access:	
• Harbour side road is narrow and planned road improvements are completed. • Lack of safe roadside view – points • Lack of parking safe parking space at track entrances	• Provision of formal roadside view-points • Development of a harbour side walk/cycle path
Signs:	
• There is inconsistent use of signs for direction and at some attractions	• Provide consistent signage for the entire area
Toilets	
• Some areas lack adequate public toilets, for example Portobello, if tour groups arrive • There are some freedom camping issues, especially at Te Rauone Reserve and Taiaroa Head	• Review adequacy and capacity of public toilets on the Otago Peninsula • Review management of freedom camping • Opportunity to develop further camping facilities
Other Services & Infrastructure:	
• Landscape limitations – Approximately 80% of the Otago Peninsula is zoned as Outstanding Landscape Area or Landscape Conservation Area • New jetty at Portobello	• Ensure adequate planning provisions in the District Plan to protect and enhance landscape values

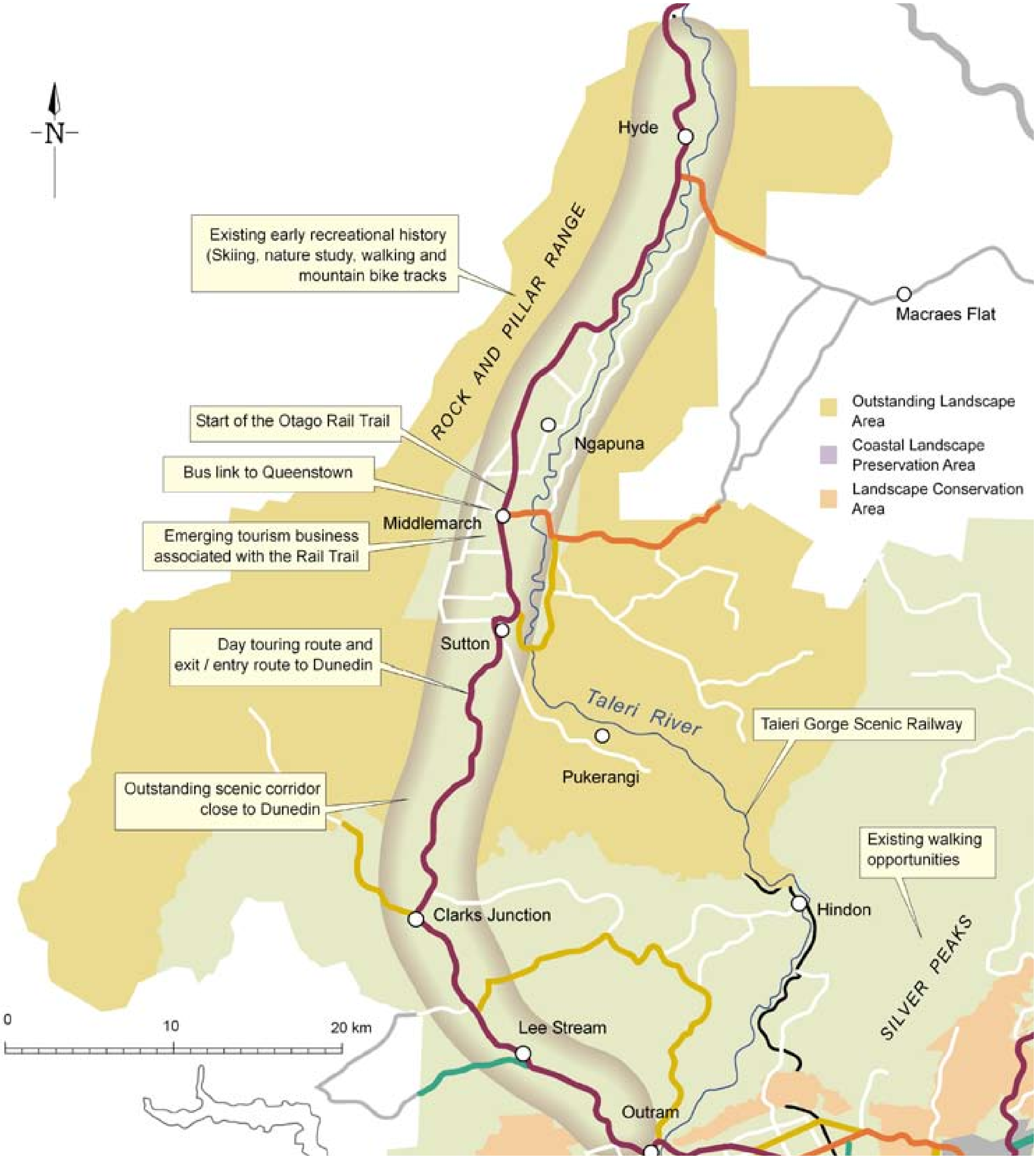
Port Chalmers and the North Coast Area



Existing Products and Services	Opportunities
Accommodation: • Only a few accommodation providers are located in this area, mainly in Port Chalmers	 • Potential bed & breakfast, lodge accommodation or camping facilities
Attractions & Activities: • Off the beaten track and offers a variety of remote beach experiences • Most attraction and activities are recreation based such as walking, cycling, rock climbing, swimming and surfing • The area is not well known by, or promoted to, visitors	 • Scenic drive Dunedin – Port Chalmers – northern beaches – Dunedin with associated signs and viewpoints • Cruise boat visitor centre • Mountain bike trails • Orokonui Reserve as a visitor attraction • The railway access to Dunedin should be used as potential to add Port Chalmers into a touring schedule, for example product development of the Seasider Railway from Palmerston to Dunedin • As the main port of call for cruise ships in the area there is an opportunity to further highlight/promote the historic buildings of Port Chalmers
Roads, Parking and Access: • Roads in the area are generally adequate but narrow with limited formal lay-by areas for viewing and photography	 • Identify key view points and interpretation signs
Signs: • Very limited provision	 • Installation of visitor information signs already in planning stages with Council
Toilets: • There are some issues with freedom camping, especially around the Merton Rest Area	 • Review management of freedom camping
Other Services & Infrastructure: • Landscape limitations – most of the coastal area is a Coastal Landscape Preservation Area and any development would need to be carefully evaluated	 • An increase of visitation to the area would most likely grow local communities – economic development – establishment of cafés and accommodation. Key communities would be Aramoana, Purakanui, Waitati, Warrington and Karitane.

Mosgiel and the Southern Coastline

Existing Products and Services	Opportunities
Accommodation: • Limited range of accommodation, mainly in Mosgiel and Brighton	 • Small scale coastal accommodation
Attractions & Activities: • Relatively undeveloped and community like it that way, in general • Most attractions and activities are recreation based such as walking, swimming and surfing • The key attractions are the Southern Scenic route and the coastal scenery/ beach sections, and apart from the airport, the area is not currently managed for or promoted to visitors in any substantial way	 • The Southern Scenic Route provides a link from Dunedin to the Catlins • Further development of half-day touring circuit from Dunedin taking in settlements, views, landscape • Walk/cycle trail along the Southern Coastline • Sinclair Wetlands as a visitor attraction • Retain rural and coastal character of the area
Roads, Parking and Access: • Road conditions are generally good but narrow	 • Parking areas could be enhanced with better rubbish facilities and barriers
Signs: • Generally sufficient	 • Assess effectiveness of signs for the Southern Scenic Route
Toilets: • Sufficient public toilets for visitor use within the area. • Rubbish from locals is an issue at times	 • Management of freedom camping


N
Hyde
Existing early recreational history (Skiing, nature study, walking and mountain bike tracks
ROCK AND PILLAR RANGE
Macraes Flat
Outstanding Landscape Area
Coastal Landscape Preservation Area
Landscape Conservation Area
Start of the Otago Rail Trail
Ngapuna
Bus link to Queenstown
Middlemarch
Emerging tourism business associated with the Rail Trail
Sutton
Day touring route and exit / entry route to Dunedin
Taleri River
Taieri Gorge Scenic Railway
Pukerangi
Outstanding scenic corridor close to Dunedin
Existing walking opportunities
Hindon
Clarks Junction
SILVER PEAKS
0
10
20 km
Lee Stream
Outram

Existing Products and Services	Opportunities
Accommodation: • Mainly bed & breakfasts and small hotels • A shortage of commercial accommodation, but only especially during the peak season	• Character accommodation
Attractions & Activities: • The key attractions and activities in the Taieri hinterland are the Otago Rail Trail, other walking opportunities, Macraes Flat and Mine, scenic drives	• Provides a touring link from Dunedin to Queenstown – opportunity for better promotion as an alternative to travelling via Balclutha • Opportunity to develop as a self-drive round-trip day tour (via Macraes and Palmerston) • Opportunity to develop a bus/rail roundtrip from Dunedin – Taieri Gorge Railway/Middlemarch- Palmerston by bus and 'Seasider' railway to Dunedin? • Further 4WD opportunities? • Wealth of heritage and history – goldmining and Chinese heritage – opportunities for heritage tours • Continue to foster the growth of the Otago Rail Trail. Strengthen service standards and collective marketing of Rail Trail operators • Promote walking and tramping tracks in the area – Taieri Hills and Silverpeaks – develop possible mountain bike opportunities including MTB events
Roads, Parking and Access: • Road conditions are generally good although no designated lay-by areas for views and photography	• Designate 1 or 2 key roadside lay-bys for safe views and photo opportunities
Signs: • Limited	• Only needed with new attractions
Toilets • There are sufficient public toilets for visitor use within the area.	• No immediate development needs