

Shaping Our
Future

VISITOR INDUSTRY TASK FORCE

FINAL REPORT
DECEMBER 2014

Overview



- Community Forums were held in April 2014 in Queenstown and Wanaka to share views on a vision for the future of the visitor industry and identify barriers and issues that need to be addressed.

Queenstown



Wanaka



- A Visitor Industry Task Force (VITF) was established from volunteers from the community in June 2014 to consider these views and recommend a way forward.

Overview



- This review encompasses Arrowtown, Glenorchy, Kingston, Queenstown, Wanaka and surrounding areas, referred to collectively in this report as **Queenstown Lakes**, recognising the District encompasses a range of diverse centres with different opportunities.
- The Visitor Industry Task Force has developed a draft vision of success for the Queenstown Lakes Visitor Industry for 2030 and beyond. This vision is articulated through success in the four key areas that make up the visitor industry: **Visitor Profile**, **Visitor Experience**, **Connectivity** and **Destination Management**. The vision also incorporates what success looks like for the natural and built **Environment** and the **Community** within which the industry operates.
- The Task Force has analysed the gap between its draft vision and perceptions on where Queenstown Lakes is today to form a working baseline.
- After feedback from the community at the November 2014 forum, we are making 7 recommendations to agencies for action. We will set target dates in consultation with the agencies for completion of recommendations.

Recommendations

RECOMMENDATIONS

1. **Destination Management Body:** QLDC and Chamber of Commerce establish a Destination Management body within existing structures. The Destination Management body has sufficient authority and funding to govern and coordinate Destination Management across the District¹.
2. **Framework for the Future:** Destination Management body leads development of a **Destination Management 'Framework for the Future'** in consultation with QLDC, Chambers, RTOs and agencies to guide future direction of District. Framework covers:
 - The experience we want to deliver (including value propositions for each season, products)
 - How to attract visitors we want when we want them – brand, marketing, connectivity
 - Masterplan guiding development, infrastructure capacity planning
 - Funding sources

WHY?

1. Destination Management is everyone's responsibility and delivery is currently fragmented. Coordinated management will enhance the quality of the destination and lead us towards our shared vision.
2. Framework can optimise Visitor Industry profitability, environmental protection and community quality of life. This will encourage private and public investment in appropriate visitor infrastructure. Infrastructure includes visitor (eg conference centre, hotels, activities) and shared (housing, health, transport, 3 waters, communications etc)

¹ Destination Management is defined on slide 7

Recommendations

RECOMMENDATIONS

- 3. Infrastructure Funding:** Shaping Our Future/QLDC lead informed debate to achieve community consensus on appropriate infrastructure funding model
- 4. Visitor Database:** District's marketing organisations led by DQ ¹ coordinate independent confidential aggregation of data from the business community to track and share the District's visitor profiles and visitor experience.
- 5. RMA:** Chamber of Commerce and QLDC lobby National Government for more effective RMA processes to enable development in line with this vision and the Destination Management Framework
- 6. Community Engagement:** QLDC conducts surveys of our residents (including long term visitors) to monitor engagement in the Visitor Industry and shares the insights with the Destination Management body and community.

WHY?

- 3.** Our vision can not be delivered without enhancement of our infrastructure. We need to agree who will pay for this infrastructure.
- 4.** Assist businesses in making better decisions.
- 5.** RMA has been created to protect our environment however does not balance the economic benefit and actual ecological value and simply limits development of any type.
- 6.** If our residents (including our long term visitor workforce) are proud of our destination and recognise the value of the Visitor Industry, this will show up in visitor experience.

Recommendations

RECOMMENDATIONS

7. **New Task Forces:** Shaping Our Future establishes new task forces

- **Wakatipu Conservation Task Force:**

- Build on the work done by the Upper Clutha Conservation Task Force and extend to the Wakatipu Basin. Specifically make recommendations around protecting native species, policing air and water quality and ensuring new development areas (green or brownfields) have environmental priorities.

- **Infrastructure Task Force (s):**

- Find ways to improve efficiency, affordability and sustainability of buildings, transport, three waters (potable, waste and storm water) and communications infrastructure.

- **Education Task Force:**

- Develop a strategy for Queenstown to become the preferred destination for studying tourism.

WHY?

7. These areas are important to the community and require specific expertise. There is a clear directive to increase efficiency, affordability and sustainability of all infrastructure in the community and to protect the environment. There is also an opportunity to build on our current capability in tourism education.

Destination Management



- The task force has distinguished **Destination Marketing** (selling our resort to the world) from **Destination Management** - coordinating the development and protection of our district to optimise the experience for the visitor and residents.
- We recognise that multiple agencies, businesses and council currently deliver elements of Destination Management.
- The task force considers the current approach is fragmented, lacks governance and is hindered by a lack of a long term vision or strategy.

VISION 2030 and beyond

Queenstown Lakes District

Spectacular
environments

Enterprising
People

Exceptional
Solutions



We have created a draft Vision for the **Queenstown Lakes Visitor Industry** based on the views shared at the community forums

VISION 2030 and beyond

Spectacular Environments
Enterprising People
Exceptional Solutions

Visitor Profile

- High and diversified spending
- Year round visitor economy
- Respectful, diverse cultures

Visitor Experience

- World class complementary destinations
- Competent friendly service
- Perceived as excellent value

Destination Management

- Our communities are custodians of the District
- Residents, Council and businesses collaborate
- Infrastructure projects funded by users

Queenstown Lakes District

Community

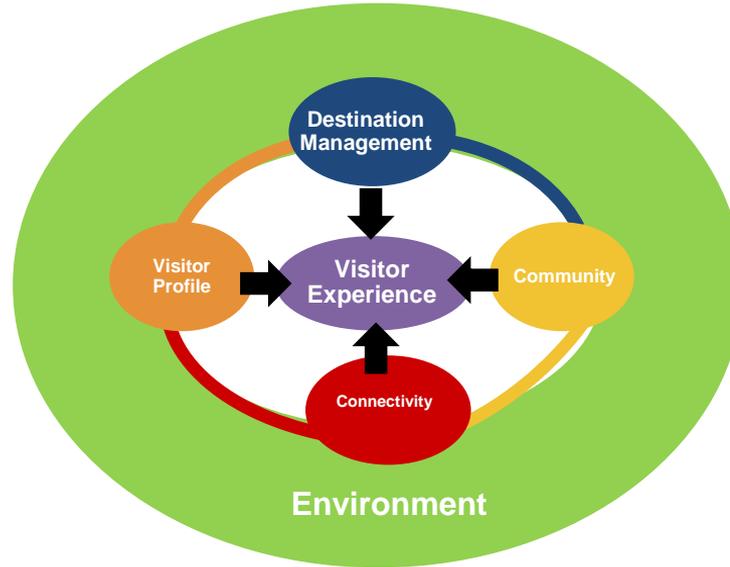
- Engaged with our visitors
- Envidable lifestyle supported by visitor industry
- Affordable living for residents and long term visitors

Connectivity (Transport & Technology)

- Fully integrated public transport system
- Accessible, efficient and affordable
- Networked to the world

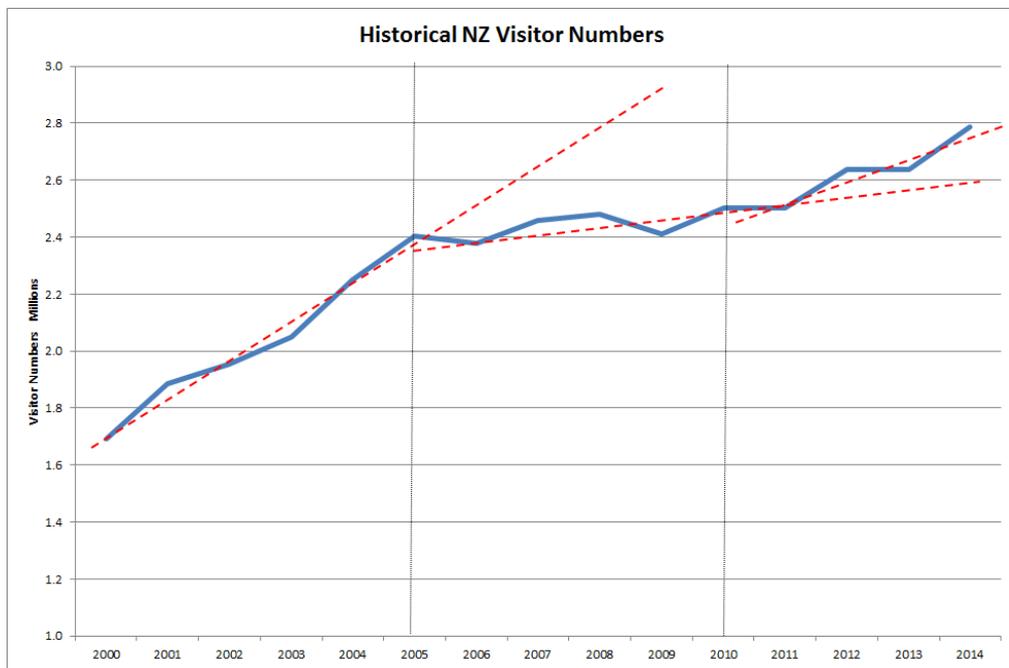
Environment (Natural and Built)

- Environment is the foundation of our visitor economy
- Natural environment valued and protected by all
- Built environment meets needs of residents and visitors



The six vision elements are
expanded in subsequent slides

The future is uncertain



	Visitor Arrivals Millions	Growth rate
2000	1.7	
2001	1.9	11%
2002	2.0	4%
2003	2.1	5%
2004	2.3	10%
2005	2.4	7%
2006	2.4	-1%
2007	2.5	3%
2008	2.5	1%
2009	2.4	-3%
2010	2.5	4%
2011	2.5	0%
2012	2.6	5%
2013	2.6	0%
2014	2.8	6%

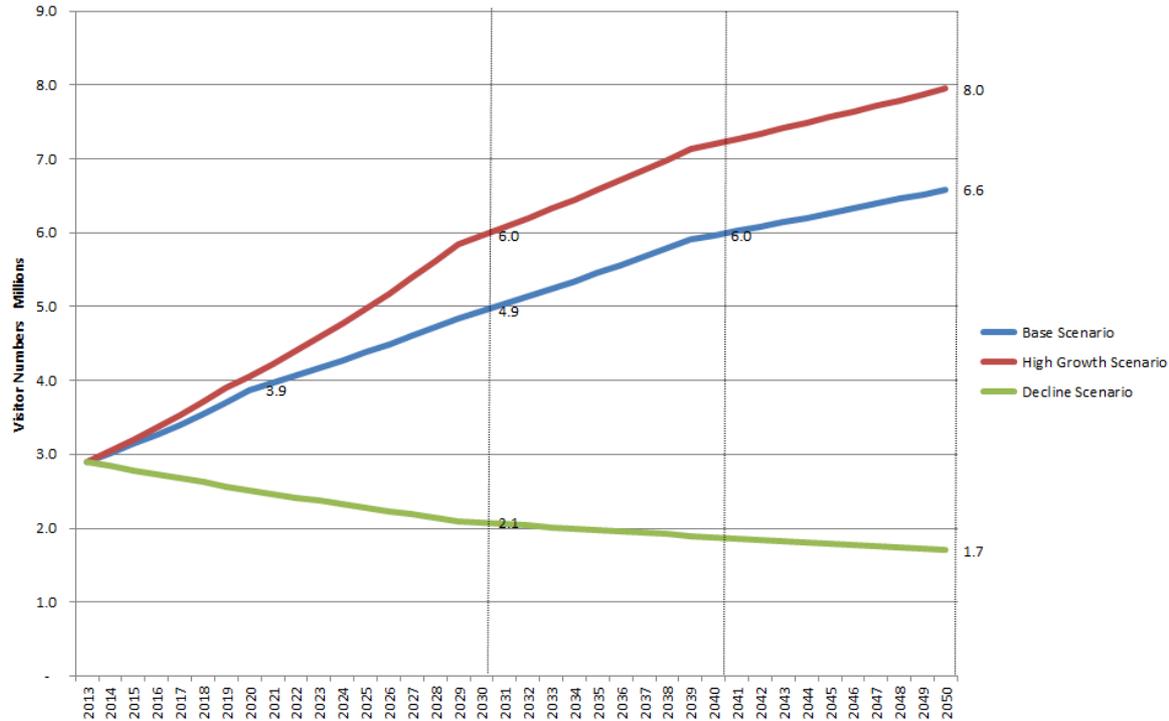
Historical trends are variable and not necessarily a good indicator of the future.

Growth has been erratic, averaging 3.6% pa

Visitor numbers could double by 2040



Queenstown and Wanaka Visitor Number Scenarios



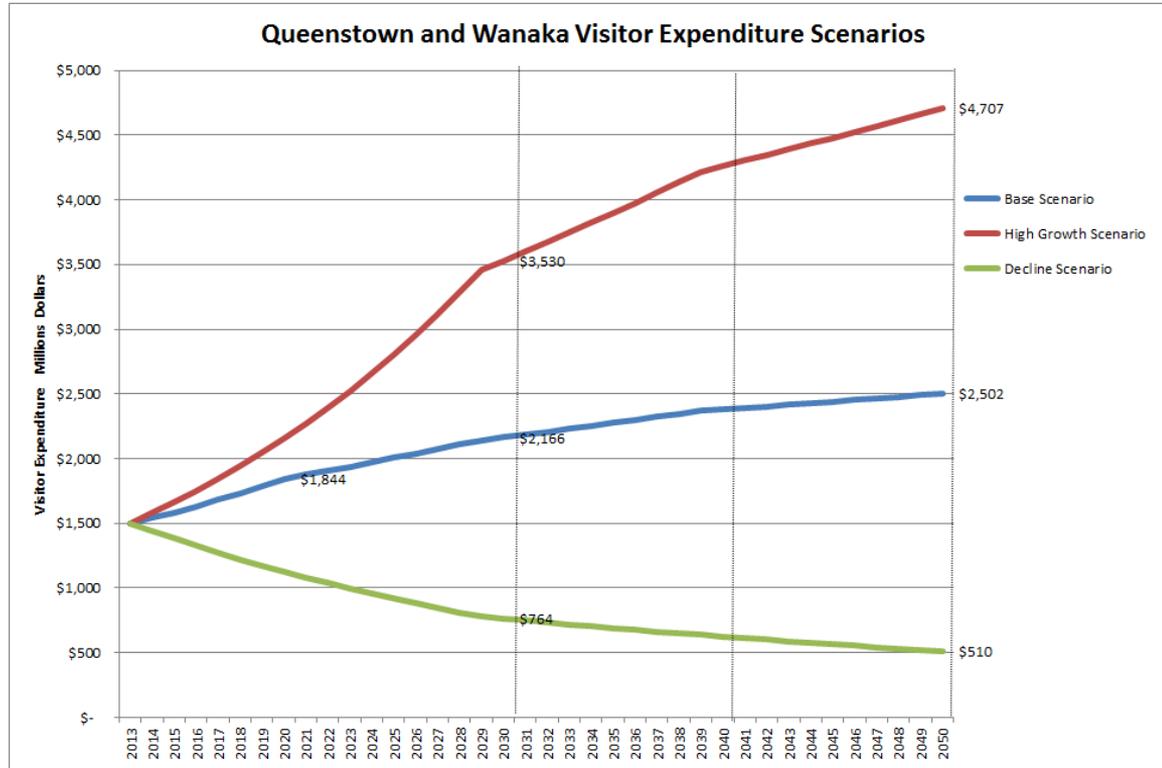
Visitor industry sensitive to external factors which may drive or limit growth

Most forecasts assume continued growth in visitor numbers

If we had a choice what would we prefer?

We need to be flexible and keep testing the plan

Expenditure per visitor probably won't keep pace



National forecasts assume visitor expenditure will not keep pace with visitor numbers.

How do we grow expenditure per visitor?

ELEPHANTS IN THE ROOM



- How do we achieve Economic Growth within environmental constraints?
- What is the ideal visitor mix? Can we control it? Value vs volume, shoulder season, special interest groups vs adventure, holiday vs. business. Should we cap volume or set minimum pricing/tax visitors? How big does Wanaka want to get?
- How will our infrastructure keep up with demand (transport, housing, health-care, 3 waters, connectivity) and who will pay for it? Ratepayers, visitors, Government?
- Will public transport, more roads and parking really fix our congestion problem?
- How do we create real opportunity for affordable housing? Increase incomes? Increase supply?
- How do we balance community and visitor needs?
- How do we source a skilled workforce that can deliver the required visitor experience? How can we accelerate and simplify immigration for our visitor workforce needs?

These are best addressed with widespread community involvement

ELEPHANTS IN THE ROOM



- How do we balance revitalisation of current town centres with the development of new hubs?
- Is the RMA protecting us or holding us back?
- Where is the right balance between market forces and central control?
- How do we manage/remain flexible within a changing national and global environment?
- How much power/autonomy does the District have vs Central/Regional Government
- Who is responsible for Queenstown Lakes Destination Management?
- Queenstown/Wanaka/Arrowtown – when do we work together and when separate? Are we complementary destinations or competing?

These are best addressed with widespread community involvement

Who is a visitor?



- Visitors come for many reasons:
 - Short stay holiday
 - Long stay working holiday
 - Conference
 - Visiting friends and family
 - Foothold to emigrate
 - Education
 - Events (festivals, races, concerts)

Many short stay visitors come for a particular activity (**Special Interest Groups**)

- Adventure, Ski, Bike
 - Walking and Hiking
 - Golf, Fly Fishing
 - Wine, Weddings
 - Art, Heritage, Photography
- and new activities could be developed:
- Medical, Wellness
 - Ecotourism/Voluntourism



VISITOR EXPERIENCE



WHAT SUCCESS LOOKS LIKE

Visitors return to our district throughout their lives and encourage others to visit. By 2030,

- Our community is inclusive and welcoming to all.
- Our diverse, capable and positive workforce provides exceptional service experiences.
- The town centres are authentic and uniquely kiwi with retail, bars, cafes, restaurants accessible to pedestrians.
- There is sufficient supply of short stay accommodation to match the needs of our visitors.
- Travelling into and within the district is easy and affordable and doesn't require self-drive.
- Experiences are perceived as world class in all aspects including safety and value.
- Queenstown and Wanaka remain complementary but distinct destinations.

KPIs

- VIP includes question to measure visitor engagement and score is consistently above 8 of 10.
- VIP Satisfaction score remains above 8/10.
- Propensity to Recommend remains above 8/10.

WHAT'S THE GAP?

- Existing accommodation is full in peak seasons and substantial growth expected in visitor accommodation requirements

Queenstown Lakes Accommodation (excludes luxury/premium)

	2014	Growth since 2000	2030 based on historical growth	2030 based on visitor growth
Establishments	161	25.7%	201	274
Daily Stay Units	10,826	48.4%	16,022	18,404

VISITOR EXPERIENCE



WHAT'S THE GAP?

- Parts of the Queenstown town centre are not the standard of a world class resort.
- Wanaka town centre is disconnected from the lake and lacks 5 star accommodation
- Demand for Conference and Incentive capacity is much larger than supply. Existing locations facilitate groups of less than 350 persons, exception being Events Centre where compromises must be made. Capacity required for 750 - 1,000 person conferences. Two convention centres likely needed by 2030.
- Lack of affordable housing for service industry workers. A large portion of our workforce is transient unable to find work in shoulder seasons nor able to obtain long term visas. This leads to inconsistent service experiences.

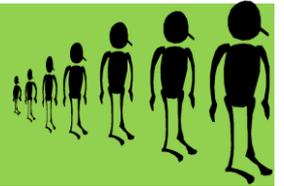
WHAT'S THE GAP?

- Visitors have to rely on tourism operators for transport or drive on unfamiliar roads - the public transport network is inadequate.
- Part of our community does not see its role or its dependence on the visitor industry leading to less than acceptable tolerance of visitors.
- Visitors have few ways of really engaging with community or environment.

ISSUES IN DELIVERING VISION

- Balancing needs of residents and visitors eg safety/security, traffic.
- Locations for new accommodation establishments and supporting road infrastructure.
- How do we include longer stay visitors in our community and offer the real experiences they want
- Construction cycle often out of sync with demand

VISITOR PROFILE



WHAT SUCCESS LOOKS LIKE

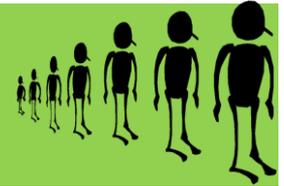
In 2030, Queenstown Lakes has a healthy visitor economy that supports residents' quality of life. By this time,

- We attract visitors that contribute to the economy and are respectful of our community and environment.
- Visitor expenditure has increased faster than visitor numbers.
- There is a year round and resilient and diversified visitor economy.
- We build on our adventure & ski tourism foundations, expanding into new high value special interest group sectors, and growing the conference and incentives market.

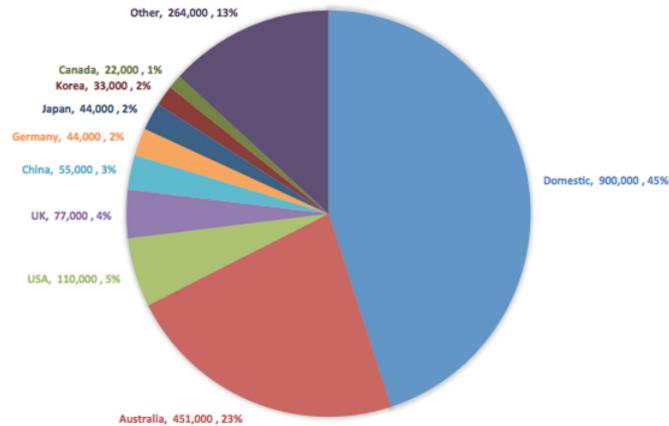
KPIs

- Visitor expenditure grows in line with targets set by Destination Management in consultation with the community.
- Expenditure is spread more evenly across the year

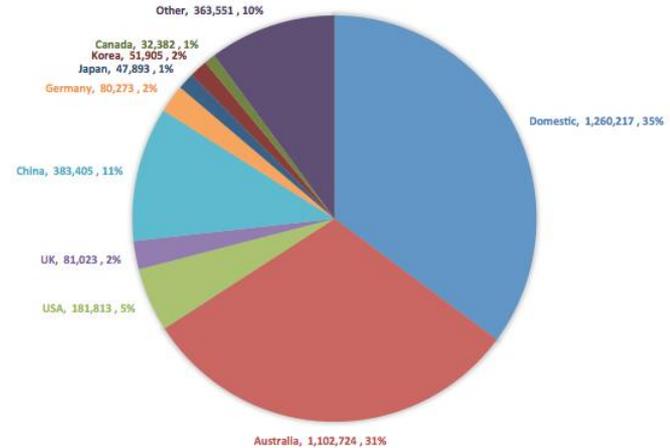
VISITOR PROFILE



QUEENSTOWN VISITOR NUMBERS BY COUNTRY OF ORIGIN 2013

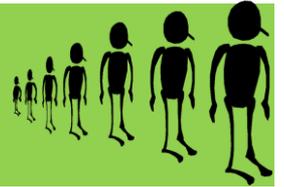


QUEENSTOWN VISITOR NUMBERS BY COUNTRY OF ORIGIN 2030



Changing visitor mix will require tailored value propositions and cultural sensitivity

VISITOR PROFILE



WHAT'S THE GAP?

- Destination marketing (by RTO's and businesses) is broadly effective.
- Visitor expenditure per visitor is falling and this trend is forecast to continue.
- Seasonal peak demand impacts our ability to fund infrastructure
- Shoulder seasons impact our ability to retain skilled workers.
- We are reliant on a small number of countries and markets and these are changing in importance.
- Our community is only starting to develop capability to welcome visitors from our new markets in Asia and South America.
- Our transport, accommodation & venue infrastructure can not match the demand and standards of visitors and residents.

ISSUES IN DELIVERING VISION

- Collecting data on visitor profiles and experiences.
- Resources required to grow new interest groups/markets
- Will the desire to expand to other special interest groups dilute our adventure proposition?
- Can we be all things to all people?
- Cultural sensitivity by and for visitors.

CONNECTIVITY



WHAT SUCCESS LOOKS LIKE

In 2030, Queenstown Lakes is connected to the world both through technology and effective transport systems

- Queenstown Lakes has a fully integrated diversified public transport system making it easy to get around throughout the year.
- Easily accessible affordable regular bus and ferry services connect communities. There is little road congestion. Pedestrians and cyclists are prioritised. Cycleways are well linked for commuters.
- Travelling in the District is safe.
- World class international airport at hub of public transport network providing easy access to the rest of the world.
- Businesses and visitors can access the internet at world class speeds for all their information and transactional needs.
- Community collaboration is supported by seamless technology. Information is shared any time any place.

KPIs

- Public transport within 10 minutes walk for 90% of residents. Cheaper and easier to use than private car.
- Reduction in congestion, 90% of residents can get from Frankton to Queenstown in 15 minutes.
- Injuries below national average.
- Daily commute to NZ metro centres is practical.
- A weekend break in Queenstown Lakes is practical for Australian and North Island visitors.
- Internet access speeds are world class.

CONNECTIVITY



WHAT'S THE GAP?

- Resident population 28,200, av day population 46,000. Peak day 89,000 ¹.
- Road congestion during peak season and at peak hours particularly SH6 and 6A and Queenstown town centre.
- Public transport is infrequent and unaffordable.
- Cycleways and walkways have large gaps between sections and require dangerous intersection crossings.
- Residents and visitors are unable to fly when they want to (eg evening flights).
- Airport lacks sufficient domestic and international connections to allow for efficient travel
- Ultra Fast Broadband is being rolled out at less than ultra-fast speed. Parts of community being left behind in digital access.

¹ Source: Martin Jenkins. "Draft Economic Development Strategy", p.39. August 2014.

ISSUES IN DELIVERING VISION

- Roads not designed for future growth.
- No all-encompassing plan across all transport types including bus, ferry, cycle and private car
- Investing in transport infrastructure including roads, cycleways, pedestrian ways, buses and ferries requires many agencies and people to work together. It will take time.
- No technology plan for the District. Queenstown and Wanaka compete for resources eg Gigatown.

COMMUNITY



WHAT SUCCESS LOOKS LIKE

Our community of residents and long term visitors have an enviable lifestyle supported by excellent facilities sensitively nestled within a sustainable natural environment. By 2030 we have:

- Affordable, strategically located, climate appropriate accommodation suitable for different households and lifestyles
- Wage levels reflect cost of living in a resort town.
- Our transient workforce is able to stay sufficient time to become skilled and provide exceptional service.
- Integrated health care (cradle to grave).
- Easy accessibility to a high quality natural environment
- Close collaboration and alignment of resident and business interests.
- Community welcomes and includes visitors, recognising them as a key contributor to the District.

KPIs

- GDP/capita and Rent to income vs NZ benchmarks
- Community and long term visitor engagement
- Residents quality of life improves from today

WHAT'S THE GAP?

- Inadequate, poor performing, expensive rental housing
- Key findings of a 2012 Community Housing Trust survey showed that 86% of respondents expected housing costs to be a barrier to any long term commitment to Queenstown¹.
- High median house prices means Queenstown Lakes has some of the least affordable housing in the Country².
- Rental indicators show a median rent of 27% of income (NZ average 29%).
- In 2013 only 35% of households owned or partly owned their own home. This compares to 50 percent nationally
- GDP/capita in Queenstown Lakes \$44,150 in 2012 vs NZ \$46,480

¹ Source : Davies, K. (June 2012). Residential Rental Property Market Survey 2012 - Queenstown Lakes Community Housing Trust

² Source : Martin Jenkins Queenstown Draft Economic Development Strategy 2014

³ Source: Draft Southern Strategic Health Services Plan 2015 - 2025 Summary

COMMUNITY



WHAT'S THE GAP? (continued)

- Inadequate immigration and visa services that discourage long term visitors. This drives increased training costs, poor service and less integration
- No integrated health care making the district unattractive for potential residents who consider care for young and old. Current system requires breakup of social networks.
 - Southern District Health Board (DHB) states the region “requires distributed delivery rather than centralized models of Care.”³ The private health sector will need to fill the gap to provide community desired additional local medical specialities.
 - A thriving community medical centre of excellence will further encourage retirement communities and managed care facilities.
- Concerns about decreasing health of natural environment (waterways, forests).

WHAT'S THE GAP? (continued)

- No effective mechanism to foster collaboration across the community - lack of engagement in governance
- Part of our community does not see its role in, or its dependence on the visitor industry. This leads to poor tolerance of visitors.

ISSUES IN DELIVERING VISION

- Lack of effective and timely mechanisms to drive better housing, acknowledging QLDC's new housing accord.
- Poor government support for Queenstown Lakes health care.

ENVIRONMENT



WHAT SUCCESS LOOKS LIKE

In 2030, Queenstown Lakes visitors and residents can interact with a protected and sustainable environment. The built environment is attractive, vibrant and in harmony with the natural environment. By this time:

- Natural environment is valued and recognised as the foundation of the reason to visit and is protected as such.
- Limits to growth are understood and respected, and continuous encroachment on nature is avoided.
- Waste is regarded as a resource.
- Visitors are respectful of the district's strict resource recovery rules.
- Water is valued and not wasted.

KPIs

- Wilding pines are under control and new areas of indigenous growth apparent.
- Water and air quality improved (ORC monitoring).
- No sewage spills into rivers/lakes
- No new landfills

ENVIRONMENT



WHAT'S THE GAP?

- Tension between economic growth and environmental sustainability
- Awareness of environmental impacts of activities is low. Inadequate understanding of how businesses and visitors can help protect the natural environment
- Indigenous flora and fauna struggle to survive in a wilding pine environment and clearance burn-offs.
- Lakes and rivers under threat from intensification of agriculture.
- Waste is hidden (landfill) or dispersed (sewerage) rather than re integrated as part of a closed loop
- Water is wasted - estimated at close to 700 litres per resident per day (compared to 200 litres nationally)¹
- Stormwater washes pollutants into waterways and can endanger sewage systems.

ISSUES IN DELIVERING VISION

- Concerns over Queenstown's expanding cosmopolitan nature and preserving Wanaka's "charm".
- Local community planning vs property owners' optimising returns.
- Continued spend required for maintenance of infrastructure.

¹ Source : Martin Jenkins

DESTINATION MANAGEMENT



WHAT SUCCESS LOOKS LIKE

In 2030, our community see themselves as custodians for our globally valued District.

- We continue to be the poster child for New Zealand tourism.
- Our community is aligned across purpose and values and engaged in protecting and enhancing our District for ourselves and visitors.
- The District collaborates with relevant agencies in line with the Vision.
- All future development enhances what exists today and is aligned with the Vision.
- Our vision is partially funded by visitor revenue which specifically supports widely agreed community infrastructure projects.

KPIs

- Percentage of infrastructure funding which is sourced from our visitors
- District is an easy place to do business compared to other competing destinations

DESTINATION MANAGEMENT



WHAT'S THE GAP?

- Destination marketing (by District's marketing organisations¹ and businesses) is broadly effective.
- Destination management is fragmented across QLDC, marketing organisations and businesses. Multiple groups attempting to address similar issues
- Funding from current sources (ratepayers, Central Government) may be inadequate to fund infrastructure needs of Visitor Industry
- Demand on infrastructure [Ave day population 46,000. Peak day 89,000²] outstrips rateable funding base [22,300³ rateable properties].
- Too few stakeholders take active part in providing feedback. Same voices heard, many opinions unheard.

¹ Queenstown Lakes District's marketing organisations: we are referring to APBA Arrowtown Promotion & Business Association, DQ Destination Queenstown, LWT Lake Wanaka Tourism

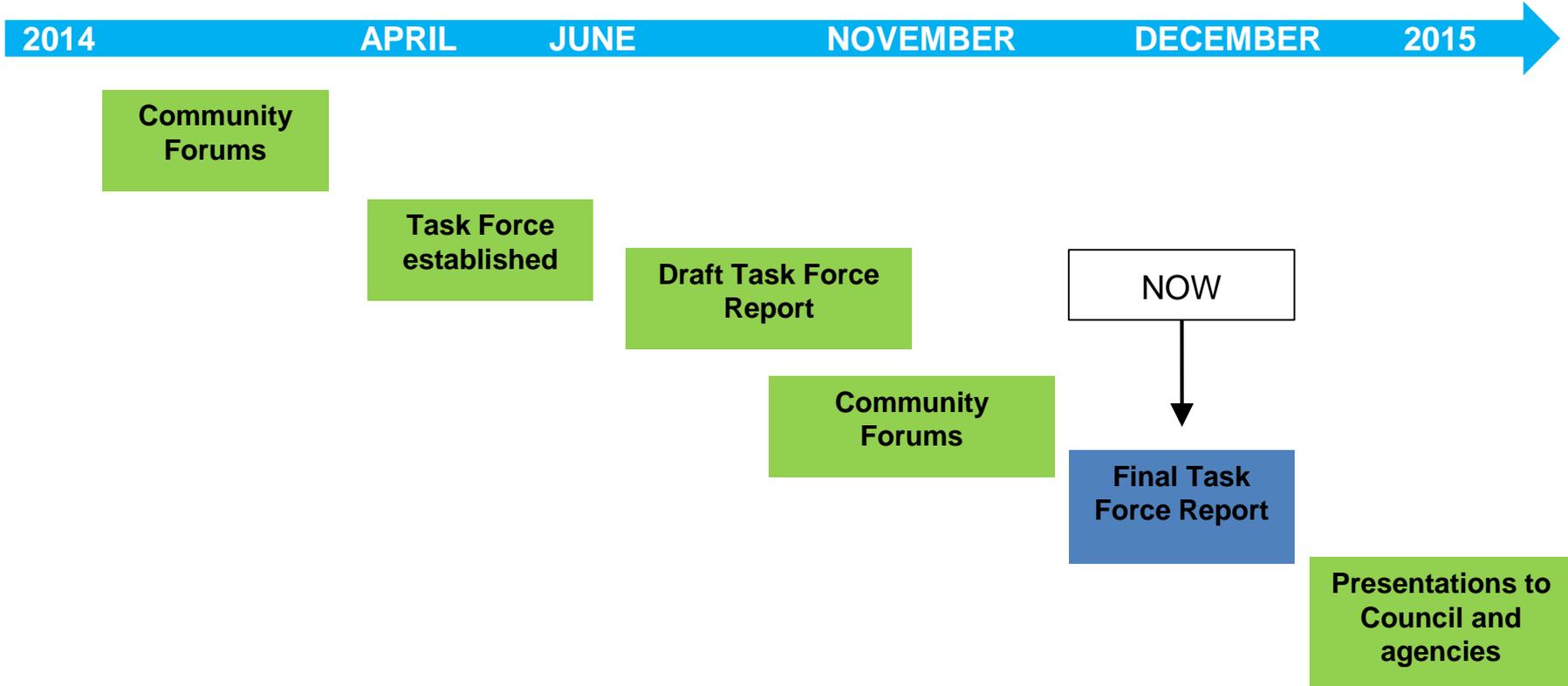
² Source: Martin Jenkins. "Draft Economic Development Strategy", p.39. August 2014.

³ Source: Growth Projections 10-year plan (2013) within QLDC Annual Plan (2014/2015).

ISSUES IN DELIVERING VISION

- Mountain resort paradox of tax revenue generated vs. demand for services and infrastructure.
- Ratepayer apathy and lack of meaningful involvement
- Current lack of Central Government support for User Pays

NEXT STEPS



APPENDIX – TERMS OF REFERENCE

Terms Of Reference

- The Task Force [Terms of Reference](#) outline the scope and outputs required for the Task Force.

Task Force Members

- Mark Edghill (chair), Andrew Bissett, Fiona Boyer, Penny Clark, James Helmore, Matt Hollyer, Nicole Kunzmann, Bruce McGechan, Jennifer Middleton, Alan Paris, Stuart Pinfold, Karen Stuart, Vanessa van Uden
- Executive Support: Rebecca Willey
- Shaping Our Future Support: Alexa Forbes, Anita Golden

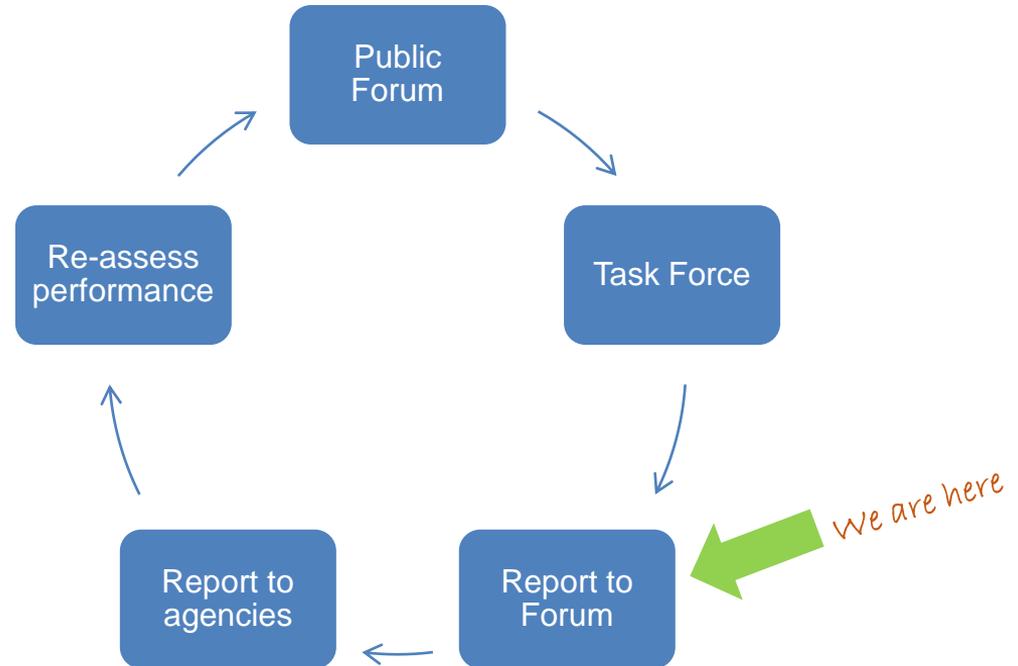
Acknowledgements

- Shaping Our Future chair David Kennedy and Steering Group
- Remarkables Park Limited for providing executive support and meeting space
- Queenstown Airport Corporation and Queenstown Resort College for providing support, meeting space and refreshments

Further information including Task Force meeting minutes and research are available at www.shapingourfuture.org.nz/tourism.

APPENDIX – PROCESS

- The Community Forums were held in April 2014 in Queenstown and Wanaka to share views on a vision for the future of the visitor industry and identify barriers and issues that need to be addressed.
- A Visitor Industry Task Force (VITF) was established from volunteers from the community in June 2014 to consider these views and recommend a way forward.
- The Task Force delivered its draft report to a Community Forum in November.
- This Report has been amended to reflect feedback from the Forum and is now being discussed with Agencies identified in the recommendations.



APPENDIX – SCOPE

- The Task Force Report is based on research and analysis performed over a 5 month period. The scope of work is set out here [visitor industry scope](#).
- [Success factors](#) were developed to describe what success would look like in 2030 and beyond.
- Scenarios were developed to determine the potential growth in visitor numbers in to 2050.
- Work subgroups investigated the needs of four sectors: Visitor demand, Short stay visitor infrastructure expectations, [community resources to support industry](#), Funding & Governance.

