CHRISTCHURCH VISITOR STRATEGY - SETTING THE DIRECTION 2016

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Christchurch territorial authority area

MAYOR'S FOREWORD

When I show visitors Christchurch from the top floor of the Council building, I say '*you can see why we are a garden city',* such is the immediacy of the wealth of the trees and parks. I also comment that the ski fields are an hour and a half away and the beach 20 minutes – "*not that you'd want to do both in one day*", I say, but you could if you wanted to.

We have always prided ourselves as having a great location, bordered by the coastline and the Canterbury Plains. It's a great place to live and we are proud to show off our place in the world. And we have always prided ourselves on being a great host city.
Returning to our place as a key visitor destination and the international gateway to the South Island offers us extraordinary opportunities to share our city's stories and reconnect with the world. This is a time of significant change for Christchurch and the visitor economy will play an important role in the directions our city will take.

The city centre is being transformed into a world class, modern and sustainable attraction in its own right, offering unique opportunities for visitor attractions to be located close to the heart of the city. It's being transformed into the most cycle and pedestrian friendly downtown area of any city in New Zealand. Cycle ways and walkways will link the city to our surrounding coastal and rural environments.

Christchurch remains the premier international gateway to the South Island and, as one of only five gateway cities to Antarctica in the world, we have a real point of difference. Having visitors travelling to Antarctica come through our city and enjoy our hospitality is not only a privilege, it is an opportunity to connect with the international scientists who are the modern-day explorers – this time for knowledge.

Our world-class education facilities continue to attract growing numbers of international students and we are embracing major events which bring energy and vibrancy to all of us who live here. We commit to providing outstanding service, facilities and, most importantly, welcoming hospitality.

While we need to work hard to regain our position and contribute to New Zealand's visitor market we have a strong platform to build from and, if we maximise the potential the city offers us and our place in the region, we will succeed.

I encourage you to help develop and deliver the actions that will see us achieve the aspirations of this strategy. Let's work together to ensure a strong and vibrant visitor economy that improves our lifestyles and enriches our experiences whether we live here, have come to study or work, or simply to visit. This strategy is about opening up our city and our region to everyone.

Lianne Dalziel
Mayor
Christchurch City

EXECUTIVE SUMMARY

Up until the 2010/11 seismic events Christchurch played a key role in the national travel network as the main destination within, and primary gateway to, the South Island. Within a few short months, over a century of well-established travel patterns were disrupted and Christchurch's national role across all major visitor segments was severely compromised by the damage to facilities, infrastructure, visitor perceptions and confidence.

The primary focus of this strategy is about reclaiming Christchurch's pre-earthquake role and status over the next decade by providing a clear strategic direction that tactical decision-making can align to. The strategy proposes four main objectives to achieve success:

- Developing a visitor aspiration for Christchurch and Banks Peninsula, and identifying the strategic direction required to achieve it
- Securing the autonomy, authority and funding required to deliver the visitor aspiration
- Promoting joined up thinking and action across activities with an attraction/promotion focus
- Rebuilding Christchurch's brand internally and externally

Context

- Christchurch's role in the national tourism network across all major visitor segments has been diminished and this affects everyone (not just tourism businesses)
- Christchurch has lost much of its identity and this affects perceptions and confidence
- The annual visitor economy is $300 million smaller than it would have been without the earthquakes, driven mainly by a large drop in international visitation
- Christchurch won't regain its pre-earthquake role and market share "as of right"
- Certainty and momentum in the rebuild is critical to Christchurch's recovery
- Christchurch must continue to do the best it can with what it has while the rebuild is in progress
- Seasonality is both a major issue and a major opportunity that, if addressed successfully, will deliver future growth
- Christchurch is both a gateway and a destination, and there is significant value in being both

The opportunity

A more joined up approach to tourism, events, economic development and city promotion to maximise the social, cultural and economic growth opportunities available to Christchurch.

Targeted outcome

Use visitation to drive and support Christchurch's social, cultural and economic development over the next ten years and beyond.

Economic aspiration

Regain Christchurch's pre-earthquake share of the national visitor economy by 2025 to deliver $1billion of additional expenditure and 7,000 new jobs. This means growing domestic market share from 6.5% to 7% by 2025 and international market share from 8.4% to 12.1%.

Strategic direction

- More joined up approach across activities focussed on attraction/promotion
- Focus resources on shoulder and off-peak demand stimulation
- Enable a range of events and activities that create connections between residents and visitors, enhance liveability, encourage investment, attract visitors and promotes Christchurch. Prioritise development of major visitor attractors that build on the Christchurch Story and complement the current and future range of attractions
- Strongly advocate for timely delivery of catalytic anchor projects e.g. the convention centre to attract business events and incentivise new hotel investment

Staged approach to growing the visitor economy

GET ORGANISED 2016	LAY THE PLATFORM 2017-19	BUILD MOMENTUM 2020-25	ACCELERATE 2026-
Put all necessary measures in place to ensure that Christchurch is properly organised and resourced to take full ownership of the opportunities.	Focus on enhancing the visitor experience and building demand during shoulder and off-peak periods to smooth demand and improve asset utilisation. Optimise within the constraints imposed by the rebuild.	Increasingly unconstrained delivery of the Christchurch Visitor Strategy to regain Christchurch's pre-earthquake share of the national visitor economy by 2025. Driven by continuous improvement in product, profile and capability.	Leverage the outstanding product, profile and capability developed over the previous 10 years to continue growing Christchurch's market share across all major visitor segments.

Long-term strategic framework for growing the visitor economy

ENHANCE THE VISITOR EXPERIENCE

Transform Christchurch into an edgy 21st century city with a difference that becomes a 'must see' destination for domestic and international visitors.

TARGET THE RIGHT VISITORS AT THE RIGHT TIME

Attract high spending visitors in shoulder and off peak periods to grow value and reduce seasonality.

THE CHRISTCHURCH STORY

CONNECT WITH RESIDENTS

Increase local pride, awareness, offpeak demand, and marketing reach by encouraging residents to experience and endorse their own region.

STRENGTHEN GATEWAY ROLE

Expand domestic and international air networks and sea port entry (cruise), positioning Christchurch as the gateway to the South Island and Antarctica.

Strategic focus to 2019

Strategic theme	Action
Get organised for success	• Establish a joined up and sustainably funded entity to lead delivery of the actions and initiatives outlined in this strategy • Develop the Christchurch Story and ensure that it encapsulates Christchurch's culture, heritage, personality and competitive advantages
Enhance the visitor experience	• Strongly advocate for rapid development of the Convention Centre, and Avon River Precinct, and the scheduled delivery of other anchor projects • Develop and test potential vision statements that will attract domestic and international visitors to Christchurch • Work with private sector investors to plan and develop new visitor attractors that leverage the Christchurch Story • Apply a visitor lens to all major rebuild projects and to key supporting infrastructure and open space provision to ensure that visitor needs are properly considered • Build on provision of education and training to support growth in key inbound markets • Continue to improve visitor satisfaction monitoring and develop more collaborative responses to issues • Continue to improve delivery of high quality core services e.g. research, website, information, trade relationships, social media, strategic relationships with TNZ, NZ Major Events, MBIE and Sport NZ • Foster a culture of excellence with visitor hosting and service provision • Ensure appropriate infrastructure to service free independent travellers is planned for and delivered, particularly wi-fi and general internet connectivity. This will include advocating to central government for funding assistance • Promote the development of visitor attractions, visitor experiences and infrastructure that are accessible for all
Target the right visitors at the right time	• Work with the wider tourism industry to shift the proposition focus for international leisure visitors to South Island (via Christchurch Airport and Lyttelton Port(cruise)) • Partner with Tourism New Zealand to deliver international marketing campaigns that grow shoulder season demand • Target international markets with which Christchurch Airport has, or can establish, direct air services • Work with airlines to bring more international visitors to Christchurch through the domestic air network • Target the domestic market to grow shoulder and off-season demand • Leverage the Canterbury region's winter sport attractions to grow off-season demand • Continue to market Christchurch as a conference destination to grow shoulder and offseason demand • Develop a business events strategy for Christchurch • Develop a major events strategy for Christchurch • Investigate the establishment of an events fund to attract and leverage major events • Work with the export education sector to attract more students, enhance the student experience and increase friends and family visitation • Partner with Education New Zealand to align with international education strategies that target the right visitors at the right time and deliver on the Canterbury International Education strategy • Partner with Sport New Zealand and Major Events New Zealand to attract major events

Strengthen gateway role	• Continue to work with CIAL to grow international air capacity and connectivity • Continue to work with key stakeholders to progress plans to build a cruise wharf at Lyttelton, while taking an integrated approach to cruise ship access for both Lyttelton and Akaroa that maximises visitor numbers (and value added opportunities) and recognises the needs of the communities • Work with relevant stakeholders to maintain and grow Antarctica-related visitation • Develop an Antarctic Strategy to maximise the return to Christchurch from its gateway role • Target gateway visitors to stay longer and spend more in Christchurch
Connect with residents	• Work with stakeholders, operators and residents to expand the local engagement programme • Strengthen regional marketing initiatives to: - Raise awareness of what Christchurch has to offer including the many attractions our residents support such as markets and events. - Increase demand during off-peak periods - Leverage personal networks (social media and word-of-mouth)

INTRODUCTION

Visitor flows within New Zealand have historically followed well-established patterns. Altering these patterns has proved challenging over the last century and they have generally only changed in response to major structural shifts. Up until the 2010/11 seismic events Christchurch played a key role in the national travel network as the primary gateway to, and main destination within, the South Island. Within a few short months, over a century of well-established travel patterns were disrupted and Christchurch's national role across all major visitor segments was severely compromised by the damage to facilities, infrastructure, visitor perceptions and confidence.

Over the last five years many organisations have worked hard to minimise these impacts and it is important that this is recognised within the context of what was, and continues to be, an incredibly challenging time for Christchurch. The Canterbury Tourism Partnership established by Christchurch Airport, Christchurch City Council and MBIE enabled Christchurch and Canterbury Tourism to undertake a series of tactical activities to mitigate impacts where possible, mainly targeted at the leisure market. The Christchurch Convention Bureau has also remained active and highly effective despite the loss of key facilities such as the convention centre and hotels.

In 2016 a number of major stepping stones are emerging that will gradually transform how Christchurch looks and feels as both a place to live and a place to visit. The possibilities are exciting for residents and visitors alike and the ingredients are there for Christchurch to afford itself optimism and aspiration. However, success is not guaranteed. With decisions made now having the potential to affect social and economic outcomes for many generations to come it is important to ensure that decision-making processes are fully informed. It is also important to think beyond the rebuild and consider how these structures and spaces can be activated to deliver maximum social and cultural amenity.

In late 2014 Christchurch International Airport Limited engaged consultants to produce Destination 2025, a discussion paper investigating the important role visitors can play in driving Christchurch's social, cultural and economic development over the next decade and beyond. Destination 2025 identified the need for an overarching visitor strategy to organise thinking and deliver a targeted set of actions designed to accelerate growth in Christchurch's visitor economy. Christchurch City Council endorsed the findings of Destination 2025 and asked Canterbury Development Corporation, together with key stakeholders including Christchurch and Canterbury Tourism, to develop an overarching visitor strategy for Christchurch. This strategy is the end result of that process. The main objectives of this strategy are to:

- Develop a visitor aspiration for Christchurch and identify the strategic direction required to achieve it
- Secure the autonomy, authority and funding required to deliver the visitor aspiration
- Promote joined up thinking and delivery across activities with an attraction/promotion focus
- Rebuild Christchurch's brand internally and externally

The focus of this strategy is direction setting, not tactical decision making. It is a forward looking document that identifies the big things Christchurch needs to do to achieve its visitor aspiration, not a review of past performance. The strategy is a mix of new initiatives and things already being undertaken. The intent of the strategy is to get the best possible return on investment in visitor-related initiatives, so all existing activities should be reviewed to ensure they align with the strategy and represent the optimal use of Christchurch's limited resources as the city continues to rebuild and grow.

KEY STAKEHOLDERS

The organisations below have a significant interest in visitation to Christchurch and/or have a key role to play in Christchurch's success as a visitor destination. This strategy provides a common framework that enables these organisations, and others, to achieve levels of coordination, cooperation and efficiency that have not previously been possible.

Local organisations

- **Christchurch City Council** - Provides leadership and funding for Christchurch & Canterbury Tourism and is also responsible for the delivery of community events, sporting events and major events in the city. It is a major player in the rebuild process and has direct responsibility for several anchor projects
- **Canterbury Development Corporation** – Leader in city economic development strategy (CEDS framework) and principal advisor on economic development for Christchurch City Council
- **Christchurch & Canterbury Tourism** - Marketing organisation (which includes the Christchurch and Canterbury Convention Bureau) responsible for promoting Christchurch as a visitor destination and attracting business events to the city. With the help of Christchurch City Council, Christchurch International Airport and various business partners Christchurch & Canterbury Tourism actively markets the region through its websites and affiliated social media, domestic and international campaigns, trade events, and media and trade familiarisations
- **Te Rūnanga o Ngāi Tahu** - The principal iwi of the South Island incorporating both Christchurch and the greater Canterbury region. Te Rūnanga o Ngāi Tahu works closely with all of the major rebuild stakeholders and is also a major player in the South Island tourism market through Ngāi Tahu Tourism
- **Christchurch International Airport Limited** - Owner and operator of the main gateway to the South Island. It has a 3,288 metre runway capable of handling the largest aircraft and is not subject to any operational constraints. The airport recently completed a major terminal expansion and is well placed to manage future growth in passenger numbers
- **Regenerate Christchurch** – A statutory entity established by the Greater Christchurch Regeneration Act 2016 charged with leading the regeneration of Christchurch to support a vibrant, thriving Christchurch that has economic, social, and lifestyle opportunities for residents, businesses, visitors, investors, and developers
- **Otakāro Limited** – The Crown entity charged with delivery of the Government's Christchurch rebuild anchor projects
- **Development Christchurch Limited** – Council Controlled Organisation (CCO) charged with facilitating regeneration and development in Christchurch including acting as developer where this will create long term benefits for the city that may not otherwise be realised
- **Canterbury Mayoral Forum** – Includes all Mayors in the Canterbury region and the chair of the Canterbury Regional Council. The Canterbury Mayoral Forum leads the Canterbury Regional Development Strategy, which includes tourism as one of its six action areas
- **Christchurch Educated** - A group of education providers based in Canterbury spanning all parts of the education sector from primary school to University. Member organisations include both public institutions and privately owned and operated businesses
- **Canterbury International Education Leadership Accord** – A collaboration of education providers working together to grow the international education sector in Canterbury
- **Local promotions groups** – there are a number of local promotions groups active throughout the district which are important partners in the implementation of tactical responses and initiatives

National organisations

- **Ministry of Business, Innovation and Employment** - Represents the N Z Government in the Christchurch recovery, facilitating delivery of the Economic Recovery Programme, Tourism Growth Partnership, and has overall responsibility within government for tourism issues
- **Tourism New Zealand** – The crown entity responsible for marketing New Zealand internationally as a visitor destination
- **Tourism Industry Association** - The largest representative body of tourism operators in New Zealand. It exists to lead the tourism industry and create an environment that supports a vital and healthy visitor economy in New Zealand
- **Education New Zealand** - A crown entity and the lead organisation marketing New Zealand's education industry overseas
- **Major Events New Zealand** – A unit within MBIE that works in partnership with the event sector to support New Zealand's growing reputation as an attractive destination for major events of global significance
- **Sport New Zealand -** The guardian of New Zealand's sporting system, from grassroots through to elite sport
- **Department of Conservation (DoC)** - The Department is the biggest tourism operator in the country. In Christchurch district DoC is continuing to develop significant natural visitor attractions

Strategic Linkages

This Christchurch Visitor Strategy fits within the Council's wider strategic framework, and alongside key external strategies. The Visitor Strategy will contribute to a consistent and coherent strategic framework, pro-actively seeking opportunities for alignment. In particular the Christchurch Visitor Strategy will link to the following strategies and plans:

- **Christchurch Economic Development Strategy (2014) (CEDS)** – the economic development strategy provides a pathway for the sustainable growth of the Christchurch economy to improve the life of all residents. CEDS is currently being refreshed and the new version will provide clear linkages between the visitor sector and wider Christchurch economy. http://www.cdc.org.nz/what-we-do/economic-strategy/
- **Christchurch Events Strategy (2007)** – see http://ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/strategies/events-strategy-2007/
- **Christchurch City Council Strategy for Sister Cities (2000)** –the Council's strategic approach to sister city relationships. These relationships provide opportunities for developing strong positive relationships between Christchurch and its sister cities. http://ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/strategies/strategy-for-sister-cities-2000/
- **International Relations Policy 2003** - provides a framework for the City to engage with other countries, building social, cultural and environmental understandings and benefits, and economic development relationships. http://ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/policies/council-organisational-policies/international-relations-policy
- **Christchurch City Council Long Term Plan** – every three years the Council develops a long term plan for the next 10 years which details its work programme and budget including its direct and indirect funding and service provision that will promote the city as a visitor destination. http://www.ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/plans/long-term-plan-and-annual-plans/
- **Christchurch City Council Healthy Environment Strategies –** the strategies addressing waterways, biodiversity, open space and natural resources will have a strong influence on the natural environment elements of Christchurch's visitor attractions and visitor economy. http://www.ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/strategies/
- **Christchurch City Council Strengthening Communities Strategy 2007 –** the strategy aims to ensure that residents enjoy a sense of belonging and encourages them to take part in social, cultural, economic and political life. http://ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/strategies/strengthening-communities-strategy-2007
- **Canterbury Regional Economic Development Strategy (CREDS) -** developed under the Canterbury Mayoral Forum, the Canterbury Regional Economic Development Strategy provides directions and tactical responses for the Canterbury region. CREDS includes the Canterbury Visitor Strategy. http://ecan.govt.nz/about-us/your-region/pages/mayoral-forum.aspx
- **Canterbury International Education Strategy** – developed by the Canterbury International Education Leadership Accord, the strategy provides direction for building the role of international education in Canterbury. http://www.christchurcheducated.co.nz/learn/leadershipaccord/
- **Tourism 2025 –** developed by the Tourism Industry Association of New Zealand the strategy provides direction for the national visitor sector over the next 10 years. The aim of the strategy is to increase the return to the country per visitor. http://www.tourism2025.org.nz/

CONTEXT

Christchurch's role across all visitor segments has been diminished and this affects everyone

Prior to the earthquakes Christchurch had the second largest visitor economy in New Zealand. It played an important role in the national tourism network across all major visitor segments as the main destination within, and primary gateway to, the South Island. For the past five years the damage caused by the earthquakes has prevented Christchurch from fulfilling its traditional tourism role, and travel patterns have changed in response to this constraint. From a visitor perspective the biggest issue is the damage to the inner city which was the main accommodation and entertainment precinct prior to the earthquakes, and also provided key conference and export education facilities.

Five years after the earthquakes the inner city is a construction zone and Christchurch's commercial accommodation capacity is still down 29% with 48% fewer hotel beds (as at May 2016). The main risk of not intervening immediately is locking in Christchurch's diminished role and creating a structural disadvantage that ends up being too large to overcome. The decisions made now about Christchurch's visitor economy are therefore very important because they establish the initial direction of the journey, and ultimately, the social, cultural and economic future of the city.

A common misconception is that the visitor economy operates largely independently of the general economy. Many residents also spend some of their leisure time (e.g. in gardens, beaches, walks, cycle trails) and their disposable income in the same places as visitors do (e.g. cafes, bars, restaurants, retail stores, museums, art galleries and events). The main difference is that visitors spend around six times as much as locals each day. The resulting increase in demand for local goods and services grows spending power in Christchurch and incentivises new investment which enables the city to sustain a much larger commercial footprint than the resident population could support by itself. This increase in scale and diversity benefits everyone because it increases competition and provides Christchurch residents with more things to see and do. Similar arguments can be made for major events and air services sustained, in part, by visitors.

In addition to these direct effects research shows that at least 80% of visitor expenditure is quickly re-spent in the economy to cover employment and input costs which generates income for businesses and households throughout Christchurch and beyond. Visitor expenditure therefore has far-reaching consequences for everyone in Christchurch. Not only does it have a direct influence on the scale, quality and diversity of Christchurch's commercial footprint, it also influences employment, household income and business income across the region.

Christchurch has lost much of its identity and this affects perceptions and confidence

Prior to the earthquakes Christchurch's external identity was defined largely around three key themes that it built a strong city brand around: Garden City; Old English heritage (anchored by the Cathedral and other notable inner city buildings) and Sport. The earthquakes undermined these themes and five years on it is still unclear how they will contribute to the city's post-earthquake identity. This uncertainty is an issue for Christchurch in terms of how it promotes itself externally, which has implications for the attraction of talent, investment and visitors to the city. The impact of this uncertainty on local pride and confidence also has the potential to impede Christchurch's social, cultural and economic development.

As the rebuild continues a new city with a new identity will emerge; however, it may be some time before a new identity is clearly defined. This is an opportunity for the sector to proactively and collaboratively reinvent itself as a destination and deliver a compelling visitor proposition into the market that leverages, celebrates and promotes the Christchurch Story.

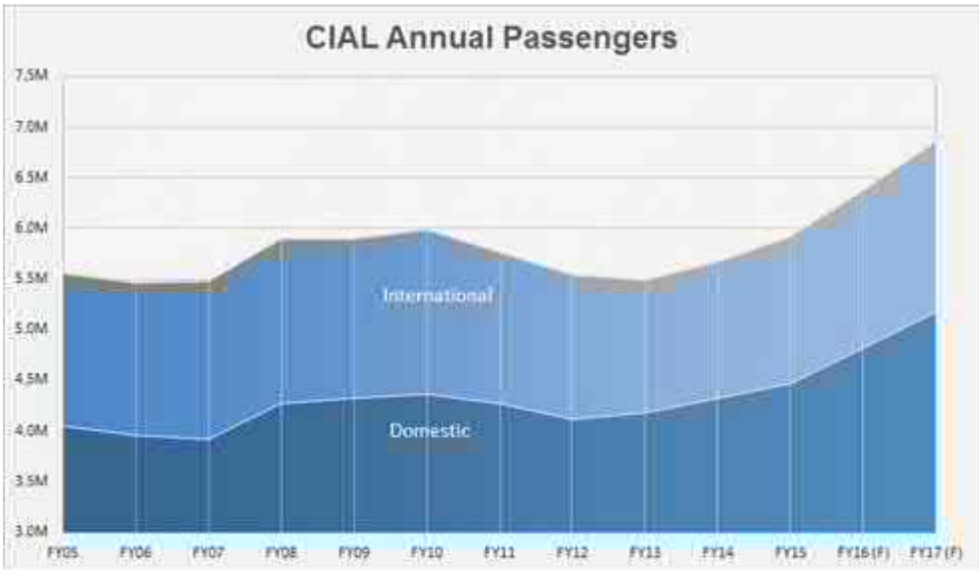
The annual visitor economy is $300 million smaller than it would have been without the earthquakes

The value of Christchurch's visitor economy fell from $1.54b in the year ending March 2009 to $1.26b in the year ending March 2014. In the absence of the earthquakes it is estimated that Christchurch's visitor economy would have been $98 million larger in the year ending March 2011, $392 million larger in 2012, $295m larger in 2013 and $303m larger in 2014. The cumulative loss in visitor economy earnings caused by the earthquakes is therefore already well in excess of $1billion and growing.

Although visitor spend in the Christchurch is now above pre-earthquake levels, ($1.9 billion in the 12 months, to August 2016), it is not growing at the same rate as the rest of the country. The government's Regional Tourism Estimates show our share of the national visitor spend was 9.2 per cent pre-earthquake. It then dropped to a low of 6.9 per cent in 2012, and has now partially recovered to 7.8 per cent.

Without immediate action the gap could widen further as the New Zealand visitor economy continues to experience unprecedented growth, driven by strong international tourism demand and a robust domestic tourism sector. This trend is expected to continue for the next two years at least, and Christchurch will have to fight hard to maintain and eventually grow its market share in an environment where competing destinations are investing heavily to further develop their own visitor propositions.

FIGURE 1 CHRISTCHURCH INTERNATIONAL AIRPORT ANNUAL PASSENGER NUMBERS



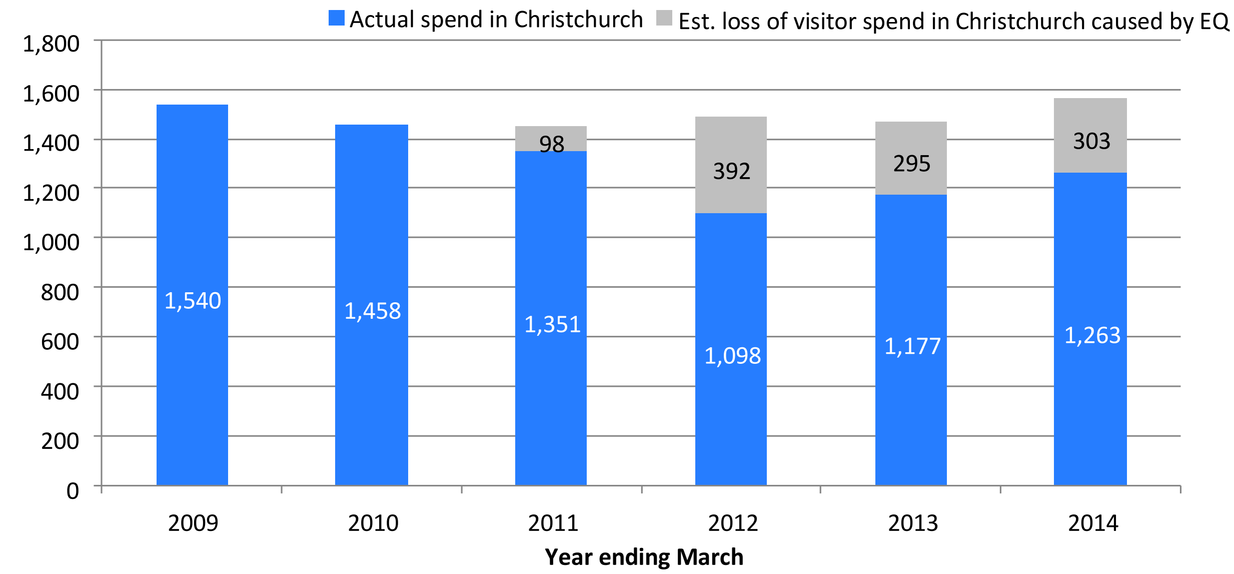
There was a significant drop in passengers through Christchurch airport following the earthquakes, with passenger numbers continuing to decline for the following 3 years. Christchurch lost both airline capacity and passengers during this time. There is a two way relationship between airline capacity and passengers, with a change in one normally leading to a corresponding change in the other. The challenge for Christchurch is to have both moving in a sustained positive direction.

Passenger numbers increased moderately over FY13-FY15 and strongly in FY16. They are forecast to continue to grow strongly in FY17 given the known capacity airlines are adding and the forecast growth in visitor numbers to New Zealand.

There are currently more passengers coming through Christchurch airport than ever before. The key issue we have is that international visitors coming through the airport do not visit the City itself or are spending less time here resulting in visitor expenditure in Christchurch still not returning to pre-quake levels.

FIGURE 2 VISITOR SPEND IN CHRISTCHURCH ($M EXCL. GST)

Source: MBIE, Fresh Information Company



International visitation has been most heavily impacted

International visitor spend is down around 30% on pre-earthquake levels while domestic spend is up around 5%. The fall in international spend is driven by the combined impact of less gateway traffic through Christchurch Airport (international visitor arrivals are 198,000 lower than they would have been in the absence of the earthquakes) and fewer visitor nights in Christchurch due to accommodation constraints, the state of the CBD and perception issues. A focus for the strategy is on addressing these perceptions so that visitors feel safe and welcomed into a friendly city when they arrive.

The small post-earthquake increase in domestic spend is masking a shift in market composition with declines in Christchurch's traditional market segments being temporarily offset by earthquake-related visitation. The long-term performance of the domestic visitor economy depends to a large extent on how Christchurch develops and promotes its domestic visitor proposition relative to competing destinations.

FIGURE 3 DOMESTIC & INTERNATIONAL VISITOR SPEND IN CHRISTCHURCH ($M EXCL. GST)

Source: MBIE

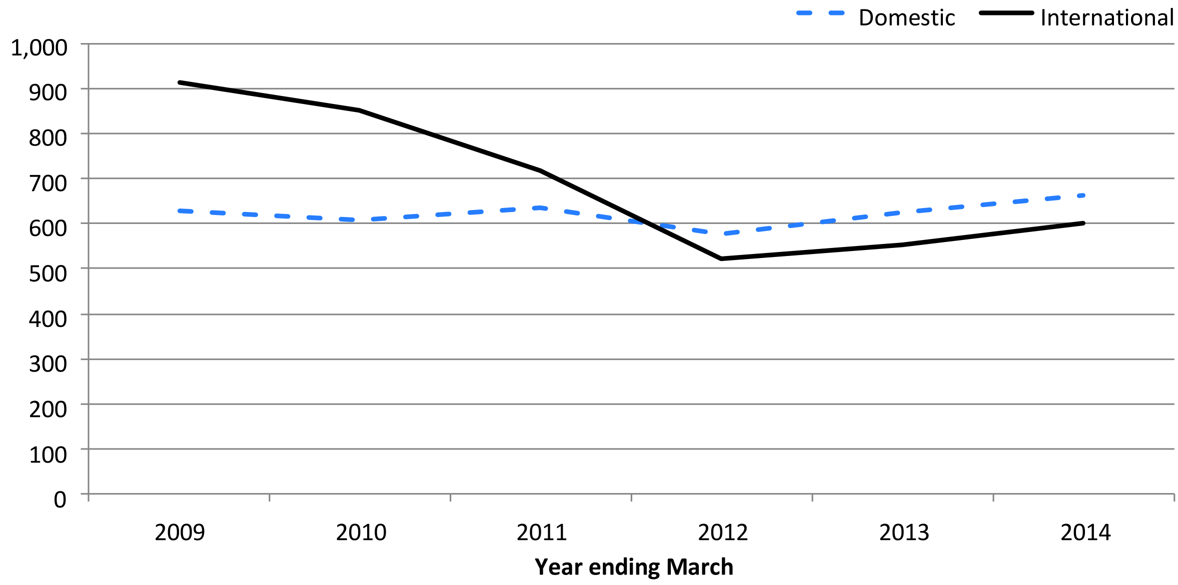
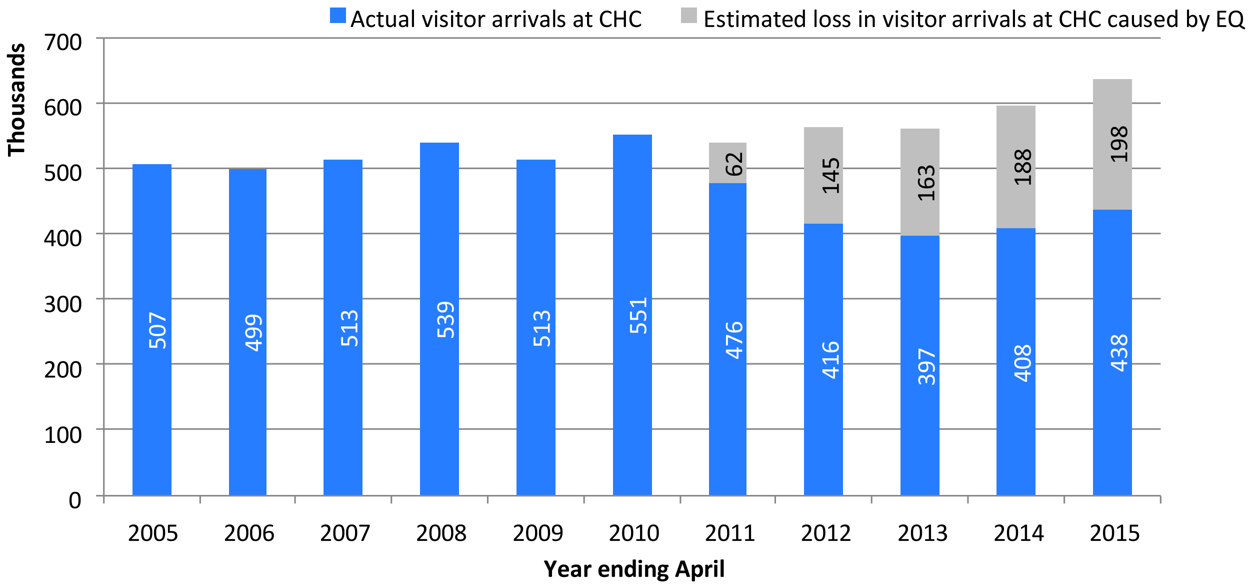


FIGURE 4 INTERNATIONAL VISITOR ARRIVALS THROUGH CHRISTCHURCH AIRPORT

Source: Stats NZ, Fresh Information Company



Christchurch won't regain its pre-earthquake role or market share "as of right"

Christchurch's market share of national tourism activity has dropped significantly as a result of the earthquakes, as shown in the table below. While Christchurch has been busy taking the first steps on its recovery journey, the balance of the New Zealand visitor economy is enjoying its strongest growth cycle ever.

The significance of this is that national-level tourism outcomes are not being materially impacted by Christchurch's reduced participation because commercial operators and surrounding destinations have adapted to the changed circumstances. As a result, Christchurch cannot expect to regain its pre-earthquake share of the national tourism market "as of right" because travel patterns have changed, Queenstown is now another recognised gateway to the South Island, and international airlines are increasingly focussing on Auckland as the primary gateway to New Zealand. The ownership of the problem is therefore becoming increasingly localised and the onus is now firmly on Christchurch to disrupt travel patterns in its favour to rebalance visitor flows to and through the city.

TABLE 1 CHRISTCHURCH'S MARKET SHARE OF NATIONAL TOURISM ACTIVITY

Source: MBIE, Stats NZ, CCT

	Latest period	Pre-earthquake market share	Latest market share
Domestic visitor spend	YE Mar 2014	7.1%	6.5%
International visitor spend	YE Mar 2014	11.9%	8.4%
Visitor arrivals	YE Aug 2015	21.5%	14.8%
Multi-day conference delegates	YE Sep 2014	19.3%	7.4%
International students	YE Dec 2014	12.1%	7.2%
Hotel rooms	As at Sep 2015	12.7%	6.0%
Motel units	As at Sep 2015	6.2%	6.5%
Backpacker beds	As at Sep 2015	8.7%	4.2%

Certainty and momentum in the rebuild is critical to Christchurch's recovery

The pace and quality of the rebuild is the biggest issue affecting the recovery of Christchurch's visitor economy (and other sectors of the economy). It is imperative that key anchor project timelines are established and that the projects are then completed on time and as specified in order to provide the certainty and momentum the private sector needs to invest with confidence. Essential developments include:

- Convention centre – the key facility for attracting high yielding visitors to Christchurch during shoulder and off-peak periods and a major driver of hotel investment which will ease peak season capacity constraints
- Avon River precinct – a key element of the inner city visitor precinct that is currently being constructed
- Metro sports centre – key facility for attracting sports events to Christchurch
- The Square – a key element of the inner city visitor precinct
- Residential Red Zone - offers opportunities for large-scale development in close proximity to the city centre
- Cruise wharf at Lyttelton Port - the key facility to enable the growing number of cruise passengers - particularly for larger ships - to access the Christchurch, Canterbury and South Island region economies

A visitor lens needs to be applied to all major projects throughout the rebuild process to ensure that visitor needs are designed into the new physical environments.

Christchurch is a dynamic city Christchurch must continue to innovate and be a "city of opportunity where anything is possible". Christchurch has been remarkably resourceful in adapting to the damage caused by the earthquakes and this approach must continue. While delays to major rebuild projects are both frustrating and costly it is important to continue to use what is available as efficiently and creatively as possible rather than waiting for an expected outcome that may take longer than anticipated to materialise. Good examples of this are Re:Start and the innovative use of venues around the city to host business events while a new convention centre is planned and constructed.

Working with Canterbury and the South Island

When looking at the visitor sector there is a strong and positive symbiotic relationship between Christchurch and the wider Canterbury and South Island regions. Christchurch is the main gateway to the South Island and Canterbury and the South Island provide compelling attractions that Christchurch can't offer. This has been highlighted in the post-earthquake period where the regional and South Island offering has been vital in enabling Christchurch to continue as the main South Island gateway. Working with the Canterbury region through the Canterbury Visitor Strategy and through partnering with other regional and district tourism organisations will help ensure a compelling overall offer is presented to visitors that benefits Christchurch and Canterbury and beyond.

Cathedral Square decisions are needed to unlock private sector investment

Cathedral Square is an important element of the central city rebuild and the overall identity of Christchurch. The cathedral in particular was one of the city's iconic buildings and remains a significant emotional landmark for many Christchurch residents, as well as some regular visitors to the city. Decisions on both the convention centre and the cathedral are needed in order to provide clarity and certainty for investors, residents and visitors.

Making the most of our natural environment assets

Christchurch, Banks Peninsula and the surrounding region have natural assets that are key to our visitor offering. These need to be carefully managed and enhanced so they continue to be enjoyed by residents and visitors alike. We live in a special environment and a fundamental aim of this strategy is to maintain the environment for future generations. In providing compelling natural visitor attractions we must balance sustainable accessibility and opportunities for everyone to enjoy our landscape with environmental protection and enhancement.

Seasonality is a major issue that needs to be addressed

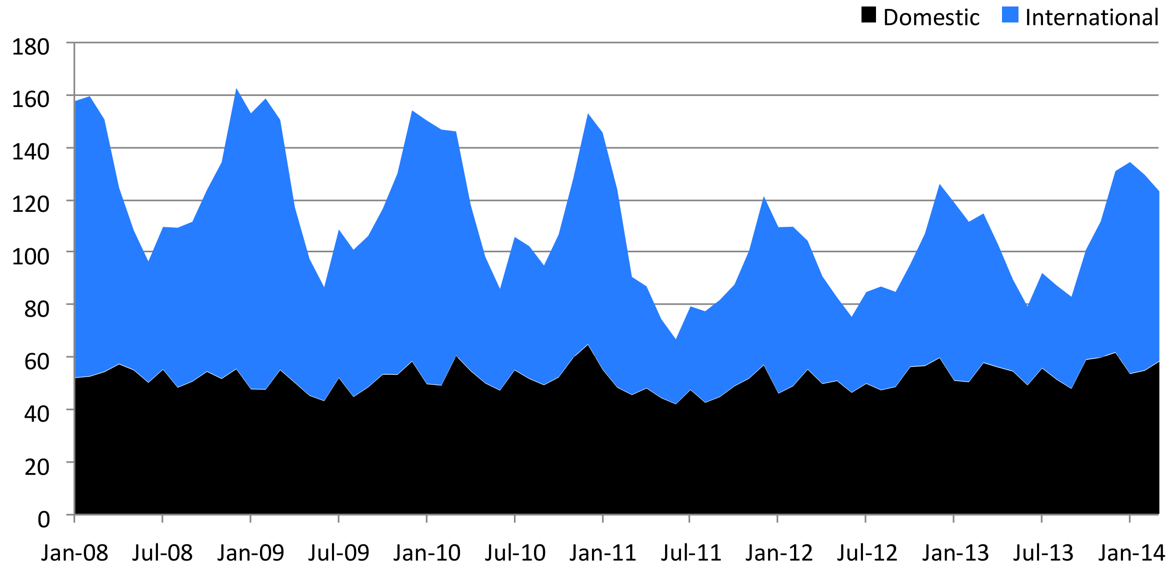
Monthly visitor spend in Christchurch varied between $79m and $134m in the year ending March 2014. With significantly reduced commercial accommodation capacity due to the earthquakes, demand regularly exceeds supply in the peak summer period driven mainly by the concentration of international leisure visitors at this time of year. This means that Christchurch is doing almost as well as it can expect to during the peak summer period and this is likely to be the case for the next 3-4 years at least (assuming no major external shocks). The issue is therefore the much lower levels of demand in the shoulder and off-peak periods which are problematic for a number of reasons:

- More hotels are needed. It is difficult for capital-intensive businesses such as hotels to obtain an acceptable return on investment when they are under-utilised for the majority of the year. This has serious implications for new investment and reinvestment in existing stock
- Most businesses can't maintain a stable workforce across the year which can be difficult to manage and has implications for staff retention, training and service quality. The lack of job security is also a major issue for employees
- Seasonal cash flows are difficult to manage
- Seasonal businesses are perceived as being high risk by banks and investors and therefore find it difficult to access capital

The gap between peak and trough tends to increase over time, which exacerbates the problems described above.

FIGURE 5 MONTHLY VISITOR SPEND IN CHRISTCHURCH ($M EXCL. GST)

Source: MBIE, Fresh Information Company



The shoulder and off-peak periods provide opportunities to stimulate visitation in order to create more consistent levels of demand across the year. Particular attention should be given to conferences, major events and winter sports which all have the potential to attract visitors to Christchurch outside peak tourism periods. The new convention centre has an important role to play in lifting off-peak demand, along with planned sports facilities and retail and entertainment facilities that provide enjoyable visitor experiences throughout the year.

If seasonality constraints can be addressed and hotel investment is made, the quality of Christchurch's accommodation offering will be a feature of itself. The strategy will actively work to attract the provision of more beds and a varied range of beds to suit different customers.

Christchurch is a gateway and a destination

Christchurch is both a gateway to the South Island and a destination, and there is significant value in being both. Detailed analysis of international and domestic travel itineraries shows that being the main gateway to the South Island contributed $529m to Christchurch's visitor economy in the year ending March 2014 compared with $734m from being a primary destination. This means that 42% of Christchurch's visitor economy is generated by visitors who spend most of their time elsewhere in the South Island. This figure increases to 82% for the important international leisure segment, as shown in the table below. This has important implications for Christchurch:

- Christchurch's high gateway value means that the strength of the South Island brand and visitor proposition is very important to Christchurch's success as a visitor destination. It also means that Christchurch's association with the South Island in the minds of travellers is equally important
- The main attraction for international leisure visitors passing through Christchurch is the South Island, or, the South Island is Christchurch's iconic attractor within this segment. As well as promoting itself as a primary destination Christchurch needs to actively position itself as the primary gateway to the South Island in order to maximise its share of the South Island visitor market
- 70% of international visitors who arrive in Christchurch visit other South Island regions so growing Christchurch's visitor economy will create spill-over benefits for Canterbury and the wider South Island

TABLE 2 STRUCTURE OF CHRISTCHURCH'S VISITOR ECONOMY (YE MARCH 2014)

Source: MBIE, Fresh Information Company

Visitor segment	Destination value ($m)	Gateway value ($m)	Total value ($m)	Destination share of value	Gateway share of value
All visitors	734	529	1,263	58%	42%
Domestic visitors	493	169	662	74%	26%
International visitors	241	360	600	40%	60%
Holiday	67	304	371	18%	82%
VFR	81	33	114	71%	29%
Business	28	10	38	74%	26%
Other	65	13	78	83%	17%

Gateway tourism is traditionally associated with Christchurch Airport, but the fast growing cruise tourism market is creating a maritime gateway that has the potential to deliver hundreds of thousands of international visitors and tens of millions of dollars into the Canterbury region each year. To put this market in perspective, if cruise was a country it would already be New Zealand's fourth largest inbound market behind Australia, China and the United States.

The ports of Lyttelton (currently servicing smaller ships) and Akaroa are important stopovers for cruise ships, currently hosting more than 80 vessels during the 2015/16 season. Lyttelton has not hosted large cruise ships since the earthquakes, with all but the smallest ships going to Akaroa. While this has benefitted Akaroa economically it has also put pressure on local facilities, as well as the Akaroa community. The efficiency of cruise service delivery has also been impacted with cruise lines having to anchor in Akaroa harbour and tender passengers to shore, which is costly for operators and inconvenient for passengers. These effects have limited the size and frequency of large ship visits to Canterbury.

Christchurch has an opportunity to position Lyttelton as the main cruise gateway to the South Island, with facilities capable of handling the largest ships operating in New Zealand. There are many challenges including the feasibility of funding and constructing the necessary cruise infrastructure, which is currently being investigated the Council, CCHL and Lyttelton Port Company.

DRAFT VISITOR PROPOSITION

The visitor proposition is a term commonly used in the tourism sector to describe the opportunities available to visitors when they visit a destination. The proposition itself will generally be a collection of themes and user-generated impressions that reflect the unique attributes of the destination and the range of visitor experiences it provides. The draft visitor proposition presented below is based on what Christchurch is today, but it will continue to evolve in synch with the city and must therefore be regularly updated in order to remain relevant.

Currently, Christchurch has a strong visitor proposition. We are an evolving and inspiring city, where art, creativity and innovation are all evident in the city's new landscape. Christchurch is a centre for creativity, providing a test-bed for new ideas and disruptive technology. Our city combines the tradition of Maori and European culture with the flair of the new emerging city.

Christchurch is large enough to offer a true city experience but also small enough for the visitor to explore the central city environment in a few days and feel like they know the city intimately. Being predominantly flat makes cycling and walking accessible and enjoyable. Another attraction of the central city area is Hagley Park, the fourth largest urban green space of any city centre in the world.

Christchurch is both the premier gateway to the South Island and the hub of the Christchurch and Canterbury experience. Building on the Christchurch city proposition is the Canterbury region that surrounds it. A comfortable day trip from Christchurch can take you to New Zealand's highest mountain Mt Cook, the deepest sea that is home to the whales of Kaikoura, and the most spectacular night sky at the International Dark Sky Reserve at Tekapo.

Add to this Akaroa's stunning harbour and Gallic flavour, Hanmer Springs' adventure pursuits, wellness centres and thermal hot springs. Across Canterbury visitors will also find wineries, farm stays, luxury lodges, hunting and fishing, tramping and the spectacular scenery of the high country.

The proximity to the Southern Alps provides spectacular scenery and outlooks from central city accommodation. Where else can you ski at one of 13 local ski fields in the morning and be surfing at Sumner or New Brighton beach in the afternoon? The range of unique experiences and landscapes that stretch from the mountains to the sea is our powerful proposition.

The central city

Things are changing fast. A new retail precinct is being constructed and will open in early 2017. As this draft strategy is being written the sector is looking forward to an announcement on the Convention Centre. The periphery of the central city has retained much of its visitor appeal with the Botanic Gardens, Hagley Park, the Christchurch Trams, Avon River Punting, Canterbury Museum and Christchurch Art Gallery all well-enjoyed visitor attractions.

The central city rebuild will provide significant advantages for Christchurch over time, with the newest hotels in the country, a central city that is the most pedestrian and cycle friendly, and exciting new retail and hospitality offerings. The Avon River precinct will provide a vibrant walk through the central city including playtime for all ages at the Margaret Mahy Amazing Playground.

The wider city

The Antarctic Centre, Orana Park, Willowbank and the Port Hills Gondola have continued to build on their offering as visitor attractions. There are more motel beds in Christchurch than pre-earthquake, suburban retail precincts have invested in providing a more compelling retail experience and all new suburban destinations like the Tannery have opened. Many central city restaurants and bars have relocated outside the core of the central city and vibrant nightlife precincts have emerged in Addington, Riccarton, Victoria Street and Merivale.

There is significant investment going into new visitor attractions outside the central city including the Christchurch Adventure Park in the Port Hills. The Council is also investing in infrastructure such as cycle ways and walkways that offer visitors a new way to experience Christchurch and its surroundings.

Christchurch's outstanding education institutions are a magnet for national and international students who come to sample the Christchurch lifestyle of possibility and opportunity. Many choose to stay and make their home here, bringing their skills and increasing our links with the world.

Conferencing and events

Before the earthquakes Christchurch punched above it weight to capture around 25% of the national conference market. The loss of the Convention Centre has reduced that market share to 9% but demand continues to exceed supply which means that Christchurch will rebound strongly once the new Convention Centre is open for business.

Despite the current capacity constraints Christchurch is carving a global niche for itself by targeting conferences that align with the Christchurch Story including seismic engineering, health sciences, earth sciences, Antarctic studies and agriculture. In May 2016, US *Smart Meetings* magazine named Christchurch in its top 10 up and coming international destinations for business events, calling it "safe, stylish and legendary for scenery".

Christchurch hosts a number of key regional events that bring visitors to the city primarily from Canterbury and the South Island. These include Cup and Show Week, the Christchurch Marathon and Sparks in the Park. The city also hosts a number of more community-focussed events that add to the overall visitor experience such as the World Buskers Festival and the Jazz Festival. The Convention Centre and the Metro Sports facility will provide essential inner city event venues to complement those already in place, and others that are being built.

THE OPPORTUNITY

The major opportunity for Christchurch is the realisation of untapped synergies through a more joined up approach to activities with a focus on attraction and/or promotion. The first priority is the development of a compelling story for Christchurch built around its unique attributes and competitive advantages that businesses and organisations can leverage to attract new business, investment, migration and visitation to the region. Having a consistent storyline woven into different promotional activities would have a number of benefits including:

- Clear and consistent internal and external messaging around what Christchurch has to offer
- Ensuring that each year's promotional investment builds on the last
- Cost efficiencies arising from organisations being able to leverage shared promotional content, rather than having to develop their own
- The ability to systematically influence internal and external perceptions of Christchurch

The next priority is identifying and exploiting synergies between activities that are currently not as integrated as they could be. For example, major events entertain local residents, increase local pride and confidence, attract visitors to Christchurch, promote the region externally, and provide corporate hosting and networking opportunities. Maximising the benefits of such events requires, at a minimum, close alignment with Council - to activate the city and maximise local engagement; CCT - to extend length of stay and expenditure; and CDC - to identify and exploit economic development opportunities. The key to success is having all of these parties meaningfully engaged and collaborating effectively from the due diligence phase onwards.

The synergies between tourism, events, export education and economic development vary on a case-by-case basis but there are often opportunities to leverage one to further the interests of another. The common thread is the attraction and promotion focus which requires careful communication of a proposition and creates opportunities to broaden the conversation. For this reason tourism, events, economic development, city promotion and international education are inextricably linked and must be approached in a joined-up manner going forward to maximise the social, cultural and economic opportunities available to Christchurch.

USING VISITATION TO DRIVE GROWTH

With the right strategic approach Christchurch can use visitation to help drive a Christchurch's social, cultural and economic development over the next 10 years and beyond. The most tangible and immediate benefit is the money spent by visitors across a wide range of local businesses including accommodation providers, cafes, bars, restaurants, art galleries, museums, attractions, transport providers, personal services and retail stores. The resulting increase in spending power creates new jobs and materially enhances the wellbeing of Christchurch residents by allowing the city to sustain a much larger social, cultural and economic footprint than its resident population could support by itself. Christchurch residents benefit from this by having many more things to see and do without having to bear the full cost of sustaining them.

Visitation also delivers a range of benefits that are more difficult to measure but no less important to Christchurch including:

- Energy and excitement e.g. activation of inner city precincts and the atmosphere caused by major events
- Opportunities to make deals, exchange knowledge and expand networks e.g. conferences and trade shows
- The opportunity for Christchurch to be domestically and globally connected e.g. the air services sustained by visitation which carry high value exports and support inbound and outbound travel
- Investment attraction e.g. external investment in hotels and visitor attractions in Christchurch
- The likelihood that some visitors will choose to relocate their talents and capital to Christchurch

With careful management these benefits will initiate a cycle of improvement that delivers a more vibrant city and higher living standards for residents. The resulting impact on city image, confidence and pride will have far-reaching benefits locally and regionally. Once this cycle has started it will become increasingly self-sustaining over time as internal and external confidence grows and private sector capital starts flowing.

Kick-starting this cycle requires a clear vision of what success looks like and how it will be achieved, supported by courageous leadership, confidence to compete for outcomes, industry-wide collaboration and long-term funding commitments from key public and private sector players.

FIGURE 6 CYCLE OF IMPROVEMENT INITIATED BY GROWTH IN THE VISITOR ECONOMY

ECONOMIC ASPIRATION

Growth in the visitor economy will underpin the social and cultural outcomes described above. The economic aspiration that will deliver these outcomes is regaining Christchurch's pre-earthquake share of the national visitor economy by 2025. This means growing domestic market share from 6.5% to 7% by 2025 and international market share from 8.4% to 12.1%. Based on national visitor economy forecasts this would deliver almost $1billion of additional expenditure in 2025 relative to current levels, representing overall growth of 77% and annualised growth of 5.4%. The resulting impact on employment would be substantial with the additional visitor expenditure in 2025 creating 7,000 new jobs.

TABLE 3 ASPIRATION FOR CHRISTCHURCH'S VISITOR ECONOMY

Source: MBIE, Fresh Information Company

	YE Mar 2010 (pre-EQ)	YE Mar 2014 (current)	YE Mar 2025 (aspiration)	Change 2014-25	Growth 2014-25	CAGR 2014-25
National visitor economy ($m excl. GST)						
Domestic	8,682	10,134	13,840	3,706	37%	2.9%
International	7,019	7,159	10,491	3,332	47%	3.5%
Total	15,701	17,293	24,332	7,038	41%	3.2%
Christchurch visitor economy ($m excl. GST)						
Domestic	608	662	970	307	46%	3.5%
International	850	600	1,271	670	112%	7.1%
Total	1,458	1,263	2,240	978	77%	5.4%
Christchurch market share						
Domestic	7.0%	6.5%	7.0%	n/a	n/a	n/a
International	12.1%	8.4%	12.1%	n/a	n/a	n/a
Total	9.3%	7.3%	9.2%	n/a	n/a	n/a

The market-level growth rates required to achieve the overall growth rate of 5.4% per annum range between 3.5% for the domestic market and 9.8% for the fast growing Asian market. Achieving these rates will not be easy given Christchurch's current position and its diminished role in the national tourism network, but they are within reach if Christchurch seizes the opportunity and makes a long-term commitment to growing the visitor economy.

TABLE 4 TARGETED GROWTH BY MARKET

Source: MBIE, Fresh Information Company

Market	Spend in Christchurch ($m) YE Mar 2010 (pre-EQ)	YE Mar 2014 (current)	YE Mar 2025 (aspiration)	Change 2014-25	Growth 2014-25	CAGR 2014-25
Domestic	608	662	970	307	46%	3.5%
International	850	600	1,271	670	112%	7.1%
Total	1,458	1,263	2,240	978	77%	5.4%
Australia	332	212	432	221	104%	6.7%
Asia	154	131	365	234	179%	9.8%
Americas	95	94	172	79	84%	5.7%
UK & Europe	217	148	267	119	80%	5.5%
Rest of World	52	16	34	18	115%	7.2%

STAGED APPROACH TO GROWTH

The pace and sequencing of the rebuild imposes practical constraints on Christchurch in terms of its visitor proposition and capacity, which has consequent implications for demand-side actions and initiatives. Christchurch must optimise within these constrains by doing the best it can with what it has and what it can control. A staged approach is the best way to achieve this with the objectives of each stage aligning with things Christchurch can control.

Stage 1: Get organised for success. Regaining Christchurch's pre-earthquake share of the national visitor economy by 2025 will require a high level of unity, organisation and capability. The rest of 2016 will be devoted to getting Christchurch into a position where it can take ownership of the opportunity and have foundations in place from which to transform itself into a "must see" destination for domestic and international visitors. The development of this strategy is the first step in that process. The next major steps are:

- Establish a joined up and sustainably funded entity to lead delivery of the actions and initiatives outlined in this strategy
- Develop the Christchurch Story and ensure that it encapsulates Christchurch's culture, heritage, personality and competitive advantages

Stage 2: Lay the platform. The following three years (2017-19) will focus on implementing key changes and initiatives to lay the platform for regaining Christchurch's pre-earthquake share of the national visitor economy by 2025. This includes a strong focus on developing the visitor proposition (supply-side) and building additional demand during shoulder and off-peak periods through major events and conferences to smooth demand and improve asset utilisation (demand-side).

Stage 3: Build momentum. By 2020 Christchurch will be able to build enough momentum off the platform laid during the previous four years to regain Christchurch's pre-earthquake share of the national visitor economy by 2025.

Stage 4: Accelerate. Beyond 2025 Christchurch will be ideally placed to continue growing its market share across all major visitor segments.

The actions in the following section focus primarily on Stages 1 and 2. Given the expected pace of development in Christchurch this strategy will need to be refreshed every 2 years in order to remain relevant, and additional stages may be added at that time.

FIGURE 7 STAGED APPROACH TO GROWING THE VISITOR ECONOMY

STRATEGIC FRAMEWORK

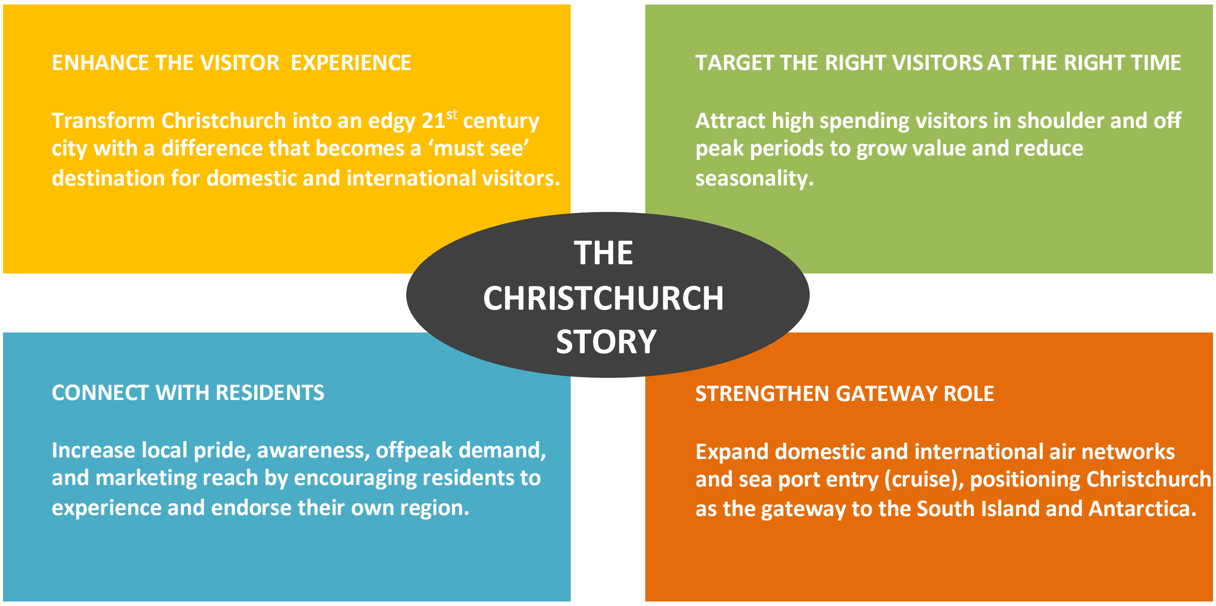
A strategic framework has been developed for Christchurch to guide visitor-related thinking, decision-making and investment over the next decade and beyond.

The centre-piece of the framework is the Christchurch Story which the visitor experience must consistently align to, and also add value to, over time.

The four pillars of the framework respond to the major supply and demand-side issues that will determine Christchurch's long-term success as a gateway destination.

The framework has been designed to evolve and will allow Christchurch to adopt a consistent strategic approach to growing the visitor economy over time.

FIGURE 8 LONG-TERM STRATEGIC FRAMEWORK FOR GROWING CHRISTCHURCH'S VISITOR ECONOMY



Enhance the visitor experience

To gain a larger share of the national visitor economy Christchurch needs to transform itself into an edgy "must see" destination with a difference for domestic and international visitors. The rebuild is a critical step in this process because it will redefine Christchurch's main visitor precinct and provide infrastructure to attract and serve visitors e.g. Convention Centre, Avon River Precinct, Lyttelton cruise wharf.

The rebuild also has a material impact on private sector capital flows with many investors choosing to delay projects until they have greater certainty around the scope and timing of the rebuild. For example, current projections indicate that around 800 new hotel rooms worth more than $200m dollars are planned for construction on the proviso that the convention centre development proceeds without further delays. This interdependence emphasises the need for certainty and momentum in the sequencing and timing of catalyst projects to incentivise investment and maximise utilisation of strategic assets.

Christchurch will have the newest infrastructure of any city in New Zealand and there must be a priority on ensuring it has been designed and planned for through a visitor lens. This requires visitor-friendly public spaces in the central city and an urban design and feel that makes visitors welcome and relaxed. Easy and ubiquitous access to broadband is another feature a modern city needs to provide for its visitors – enabling them to be the city's biggest advocates as they communicate with friends and family the world over.

Another critical step is the development of a market-validated vision statement describing what Christchurch will be and why it will be worth visiting/investing in/doing business in/relocating to. Rooted in the Christchurch Story, the vision statement should identify the key attributes of Christchurch that a unique and compelling proposition can gradually be built around. The vision statement will evolve with the city, but it is important to take the first step as quickly as possible to allow ideas to be tested on residents and potential visitors to ensure that subsequent steps head in the right direction.

The development of major visitor attractors in and around Christchurch is necessary to alter travel patterns and materially increase visitation to Christchurch. To maximise the outcomes for Christchurch these visitor attractors should create a unique point of difference, align with the Christchurch Story and leverage the city's competitive advantages. These visitor attractors are expected to be largely privately funded but public sector agencies still have an important role to play in creating the right environment for investment to occur and intervening when market failures arise.

Development of major visitor attractors should be viewed as a partnership between public and private stakeholders to deliver better outcomes for Christchurch, especially since one of the positive spill-over benefits of new major attractors is more things for Christchurch residents to see and do. Effort should also be made to leverage MBIE's Tourism Growth Partnership[1] to reduce investment barriers and accelerate private sector investment. Investment in major visitor attractors should be pursued with urgency as long lead times mean that projects conceived now may take 3-5 years to be developed.

To be successful Christchurch's hard infrastructure and attractions must exist within a visitor friendly environment. The key pillars of visitor friendliness that Christchurch must strive to uphold are:

- Making visitors feel safe and welcome and ensuring they receive consistently high levels of customer service. Christchurch must embrace the spirit of Manaakitanga by providing guests with a warm welcome, ensuring that they are well cared for, and being respectful of their needs. Extra attention must be paid to segments and markets that Christchurch decides to target e.g. China. Visitor satisfaction should continue to be regularly monitored to identify areas of weakness and appropriate steps should be taken to improve visitor friendliness across the city
- Providing visitors with the information and guidance they need to have a great experience. Visitor services play a key role in influencing the visitor experience and can have a material impact on awareness of

[1] The Tourism Growth Partnership provides up to $8m per annum of co-funding to help drive strategic changes required to overcome constraints to growth and lift the value that international tourism delivers to New Zealand.

opportunities, activity levels and expenditure. A critical success factor for Christchurch is the provision of information, resources and signage to help visitors understand what the city has to offer and how they can access and experience it in the best possible way. The rebuild gives Christchurch a unique opportunity to review and optimise the way it delivers visitor information through both physical and digital channels

Strategic focus to 2019

- Strongly advocate for rapid development of the Convention Centre, and Avon River Precinct, and the scheduled delivery of other anchor projects
- Develop and test potential vision statements that will attract domestic and international visitors to Christchurch
- Work with private sector investors to plan and develop new visitor attractors that leverage the Christchurch Story
- Apply a visitor lens to all major rebuild projects and to key supporting infrastructure and open space provision to ensure that visitor needs are properly considered
- Build on provision of education and training programmes to support growth in key inbound markets
- Continue to improve visitor satisfaction monitoring and develop more collaborative responses to issues
- Continue to improve delivery of high quality core services e.g. research website, information, trade relationships, social media, TNZ relationship, NZ Major Events, MBIE and Sport NZ
- Foster a culture of excellence with visitor hosting and service provision
- Ensure appropriate infrastructure to service free independent travellers is planned for and delivered, particularly wi-fi and general internet connectivity. This will include advocating to central government for funding assistance
- Promote the development of visitor attractions, visitor experiences and infrastructure that are accessible for all

Target the right visitors at the right time

Christchurch must extract maximum value from its limited resources by targeting the right visitors at the right time of year. Research conducted as part of this strategy has identified four high value visitor segments for Christchurch to focus on:

- Leisure – short-stay visitors with high daily spend mainly concentrated in the peak and shoulder seasons
- Major events – short-stay visitors with high daily spend whose visits align with event schedules
- Business events - short-stay visitors with high daily spend mainly concentrated outside peak season
- Education – long-stay visitors with high overall spend attracting additional visits from friends and relatives

Marketing initiatives for each segment will be aligned to consumer preference with the Christchurch experience being promoted to South Island residents, the Christchurch & Canterbury experience being promoted to North Island residents and the Canterbury and/or South Island experience being promoted to international visitors. This is based on patterns of supply and demand that will change over time so the proposition focus for key visitor segments will need to be regularly reviewed and refined.

TABLE 5 PROPOSITION FOCUS FOR KEY VISITOR SEGMENTS

	South Island residents Destination Christchurch	North Island residents Destination Christchurch & Canterbury	International visitors Destination Canterbury & South Island
Leisure	Christchurch	Christchurch & Canterbury	South Island (via CHC)
Major events	Christchurch	Christchurch & Canterbury	Christchurch & Canterbury
Business events	Christchurch	Christchurch & Canterbury	Christchurch & Canterbury
Education	Christchurch	Christchurch & Canterbury	Christchurch & Canterbury

A key strategic shift will be greater emphasis on demand stimulation during shoulder and off-peak periods. Peak season demand stimulation is currently not required as demand exceeds supply. The main objective is to reduce the impact of seasonality on businesses in Christchurch by improving asset utilisation and cash flow across the year.

Traditional destination marketing will focus on increasing demand in the shoulder periods when weather patterns are favourable and the leisure proposition is still strong, and major events and business events will be used to attract visitors to Christchurch during off-peak periods. This approach aligns with Tourism New Zealand's recent shift in focus from peak season to shoulder season (80% of Tourism New Zealand's FY16 activity is focused on shoulder period demand compared with only 12% in FY15).

TABLE 6 DEMAND STIMULATION FOCUS FOR KEY PERIODS

Time of year	Demand stimulation focus
Peak	Minimal
Shoulder	Marketing
Off-peak	Major events, business events and winter proposition

Export Education

Export education offers a significant growth opportunity for Christchurch. As well as students and their visiting families directly spending money on visitor services, export education attracts bright young people from all over the world to Christchurch. This benefits the city by introducing new ideas, new thinking and talented young people who bring their global networks and catalyse innovation.

The Education NZ Regional Partnership Programme funds regional growth in International Education. For example, Canterbury is currently receiving $600,000 over a three year period. It is important this funding results in continued growth of the export education sector in Christchurch.

A Focus on Events and Conferencing

Christchurch historically punched above it weight in the conferencing sector with around 25% of the national market before the earthquakes. Despite current capacity constraints Christchurch is carving a global niche for itself by targeting conferences that align with the Christchurch Story including seismic engineering, health sciences, earth sciences, Antarctic studies and agriculture. *Smart Meetings* magazine recently put Christchurch in its top 10 up and coming international destinations for business events, calling it "safe, stylish and legendary for scenery".

Christchurch hosts key regional events that attract visitors primarily from Canterbury and the South Island. These include Cup and Show Week, Christchurch Marathon and Sparks in the Park. The city also hosts a number of smaller events that add to the overall visitor experience such as the World Buskers Festival and the Jazz Festival.

In addition to growing the visitor economy when it's most needed a renewed focus on major events and business events will generate a range of spill-over benefits for Christchurch including:

- Promotion of the Christchurch Story internally and externally through leverage programmes and domestic/international media coverage
- Lifting local pride and confidence through greater vibrancy and the ability to participate
- Providing opportunities for locals to observe, learn and connect by bringing the world to Christchurch

Christchurch must carefully build a range of events that deliver these outcomes, guided by the following principles:

- An integrated approach to major events and business events should be explored and adopted if feasible. The attraction of major events and business events should be coordinated, subject to the same evaluation criteria and ideally overseen by the same organisation/structure (but delivered by different teams within the organisation/structure due to the different skill sets required to attract major events and business events)
- The rationale for integration is that major events and business events often compete for the same resources (e.g. venues and accommodation) and should therefore be considered as different event classes within the same portfolio to optimise outcomes.
- Events with large visitor footprints should be held during shoulder and off-peak periods.
- Events with small visitor footprints should be held during peak periods when the risk of visitor displacement is high. These events will ideally liven up the city and add value to the peak season visitor experience.
- Christchurch should undertake a strategic review of how major and business events are funded.

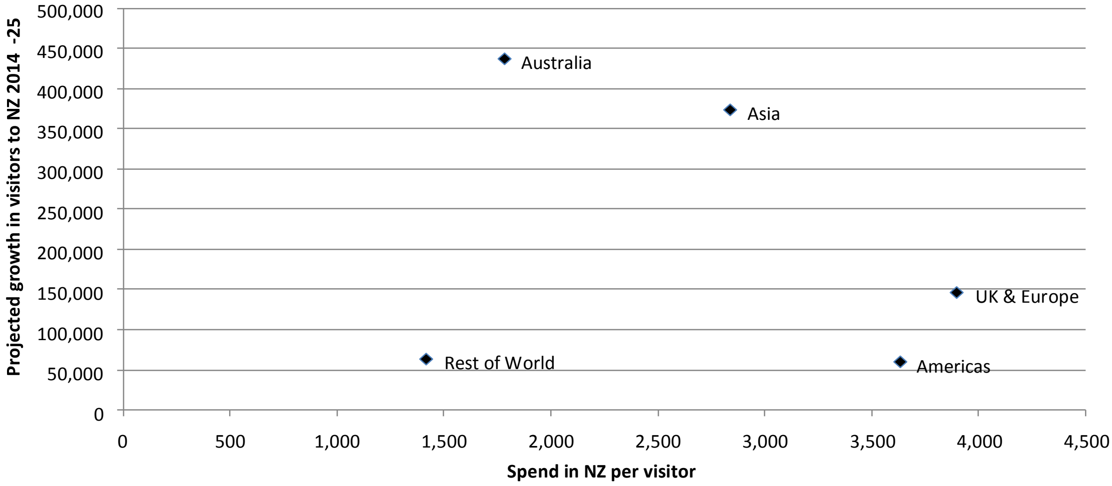
International markets

Recent research shows that direct air services into Christchurch provide significantly more value to the South Island than indirect air services via Auckland. For example, a direct international seat into Christchurch will generate $1,150 of visitor expenditure in the South Island compared with $200 for a direct international seat into Auckland. This difference emphasises the need to target international markets with which Christchurch has, or can establish, direct and commercially viable air services.

Accelerating growth in the visitor economy therefore depends to a large extent on Christchurch Airport's ability to attract new international air services over the next decade. Christchurch Airport is in the process of developing its aviation strategy but a simple assessment based on airline economics and proximity to key aviation hubs suggests that Australia and Asia should be the primary targets for direct international air services into Christchurch. This is supported by recent growth projections which show that Australia and Asia are expected to be the fastest growing inbound markets over the next decade.

FIGURE 9 PROJECTED GROWTH IN INTERNATIONAL MARKETS

Source: Fresh Information Company, MBIE



In addition to targeting direct air services Christchurch must work with Air New Zealand and other long-haul carriers to bring more international visitors to Christchurch through the domestic network. Air New Zealand in particular has a strong commercial incentive to increase the volume of international visitors using its domestic air network and is an obvious partner for promoting Christchurch and the South Island to international visitors, particularly as it opens up new markets e.g. Houston and Buenos Aires.

TABLE 7 TARGET MARKETS BASED ON INTERNATIONAL AIR SERVICES & GROWTH PROJECTIONS

International markets that Christchurch can connect directly with	International markets Christchurch can connect indirectly with (via Air NZ and other carriers)
Australia Asia	Asia Americas Europe

Strategic focus to 2019

- Work with the wider tourism industry to shift the proposition focus for international leisure visitors to South Island (via Christchurch Airport and Lyttelton Port (cruise))
- Partner with Tourism New Zealand to deliver marketing campaigns that grow shoulder season demand
- Target international markets that Christchurch Airport has, or can establish, direct air services with
- Work with airlines to bring more international visitors to Christchurch through the domestic air network
- Target the domestic market to grow shoulder and off-season demand
- Leverage the Canterbury region’s winter sport attractions to grow off-season demand
- Continue to market Christchurch as a conference destination to grow shoulder and offseason demand
- Develop a business events strategy for Christchurch
- Develop a major events strategy for Christchurch
- Investigate the establishment of an events fund to attract and leverage major events
- Work with export education stakeholders to attract more students, enhance the student experience and increase friends and family visitation
- Partner with Education New Zealand to align with international education strategies that target the right visitors at the right time and deliver on the Canterbury International Education strategy
- Partner with Sport New Zealand and Major Events New Zealand to attract major events

Strengthen gateway role

Christchurch is the natural gateway to the Canterbury region and the South Island. The main opportunity is to simultaneously grow demand for Christchurch, Canterbury and the South Island in order to expand the South Island travel market, rather than just trying to capture a larger share of an existing market. The benefits for Christchurch include more incidental visitation and expenditure by people who would not visit Christchurch if it was not the gateway, and greater destination awareness as a result of the association with the Canterbury and South Island brands.

Christchurch is also the main aerial gateway to Antarctica. Each summer research teams from the United States, Italy, South Korea and New Zealand complete around 100 flights to Antarctica and move over 5,500 passengers and 1,400 tonnes of cargo. These nations base their support operations in Christchurch and the Council of Managers of National Antarctic Programmes secretariat is also headquartered there. A study conducted in 2013 found that the direct economic impact of Antarctica-related activities was around $100 million per annum for the Canterbury economy, highlighting the value to Christchurch of being a gateway to Antarctica. The Council has established an Antarctic Office to promote Christchurch's Antarctic gateway role and promote opportunities to leverage additional value to Christchurch from the Antarctic linkages.

Cruise ship tourism has been one of the fastest growing inbound sectors in New Zealand over the past two decades, with cruise passenger growth averaging 7% per annum since 1990. Passenger, crew and vessel related spend in the Canterbury region was $38.7 million in the 2014/15 season, but Christchurch's ability to participate in this sector has been inhibited by its cruise infrastructure. The Council is working with CCHL and Lyttelton Port Company to determine the feasibility of establishing a new cruise gateway at Lyttelton. Having a facility at Lyttelton would enable more ships, and larger ships, to visit Christchurch and Canterbury.

Strategic focus to 2019

- Continue to work with CIAL to grow international air capacity and connectivity
- Continue to work with key stakeholders to progress plans to build a cruise wharf at Lyttelton, while taking an integrated approach to cruise ship access for both Lyttelton and Akaroa that maximises visitor numbers (and value added opportunities) and recognises the needs of the communities
- Work with relevant stakeholders to maintain and grow Antarctica-related visitation
- Prepare an Antarctic Strategy to identify and grow opportunities to maximise the return to Christchurch from its role as an Antarctic gateway
- Target gateway visitors to stay longer and spend more in Christchurch

Connect with residents

The visitor sector contributes to social and economic development in Christchurch, directly through expenditure which creates jobs, and indirectly by enabling the city to sustain more social amenity services than its residents could otherwise support. Visitors also deliver a range of benefits that are more difficult to measure but no less important to Christchurch including energy, excitement, confidence, opportunities to showcase 'our place'; business opportunities, exchange knowledge and expand networks; the opportunity for Christchurch to be domestically and globally connected; and the likelihood that some visitors may be attracted to relocate their talents and capital to Christchurch.

The Visitor Strategy will connect with residents, our greatest asset, to:

- Explain the benefits and increase our understanding of the positive impacts visitors have on our community
- Encourage residents and visitors to become 'ambassadors' for Christchurch
- Ensure we are a friendly, welcoming community that looks after its guests well
- Our residents take every opportunity to promote Christchurch, encouraging friends, family and acquaintances to come here
- Explore options for maintaining affordable access to attractions for residents

Our friends, family and neighbours in Canterbury and the South Island are an important part of this story. The Canterbury region's 570,000 residents spent around $1.5 billion on domestic travel in the year ending March 2014 of which just over $100 million was spent in Christchurch. The Canterbury region should be a key focus for marketing activity not only because of this spending power, but also because raising resident awareness of what Christchurch has to offer will make them better advocates and better hosts.

Around 65% of all domestic visitor nights in Christchurch are spent in the homes of friends and relatives so residents have considerable influence over what their guests see and do while they're in the city. They are also highly influential marketers through their personal and professional networks, social media and word-of-mouth promotion. In addition to delivering positive visitor outcomes, providing residents with great experiences will increase local pride, confidence and living standards.

Strategic focus to 2019

- Work with stakeholders, operators and residents to expand the local engagement programme
- Strengthen regional marketing initiatives to:
  - Raise awareness of what Christchurch has to offer including the many attractions our residents support such as markets and events
  - Increase demand during off-peak periods
  - Leverage personal networks (social media and word-of-mouth)

IMPLEMENTATION

The focus of this strategy is direction setting. It recommends a more joined up approach to attraction/ promotion, explains how visitation can be used to drive and subsidise growth, and provides a strategic framework to guide visitor-related thinking, decision-making and investment over the next decade and beyond.

The first steps towards implementing this strategy are establishing a sustainably funded way to deliver the prescribed actions and initiatives, and developing the Christchurch Story.

The next steps will be taken after consultation, and with the industry.

Working together

The Christchurch community has endured a lot as a result of the earthquakes of 2010/11 and the visitor sector has been significantly disrupted. Regaining and then growing our pre-earthquake market is a challenge that can only be achieved by working together and making decisions that are in the best long-term interests of our city and its people.

We are an amazing city in an exciting region with a unique story to tell. Let's connect with the region, the nation and the world and share what we have.