

11. Item 3: Destination Management Plan

PURPOSE OF THE REPORT | TE TAKE MO TE PURONGO

1. The purpose of this report is to enable Council to consider endorsing the Destination Management Plan (Priority Initiative 11 of the Spatial Plan).

EXECUTIVE SUMMARY | WHAKARAPOPOTOTANGA MATUA

2. The following key points should be noted:



- Tourism in the District is of national significance.
- The Destination Management Plan is an output of the Spatial Plan .
- The Destination Management Plan is also an output of the Climate and Biodiversity Plan.
- Destination Management is an established model, but it needs an updated systems-approach
- Identifying the tourism system in the district is challenging.
- There are limited levers to drive change – collaboration will be key.
- The Process undertaken over 18 months was comprehensive
- Delivery pathways to regenerative tourism are becoming defined, but funding remains uncertain

3. This report recommends endorsing the Destination Management Plan in order to capitalise on the momentum of the recent process and move into the delivery phase.

RECOMMENDATION | NGA TUTOHUNGA

That Council:

1. **Notes** the contents of this report; and
2. **Endorses** the Destination Management Plan for the District.

	Prepared by:	Reviewed and Authorised by:
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Position	General Manager, Strategy and Policy	Chief Executive
Signature		
Date	23 January 2023	23 January 2023

REPORT CONTENT & ATTACHMENTS | NGA TAPIRIHANGA

Number	Title of Attachment
1.	Destination Management Plan Covering Report
2.	Attachment 2 - Queenstown Lakes Regenerative Tourism Plan (Climate Reference Group comments)
3.	Attachment 2 - Professor James Higham, University of Otago comments

Attachment 1 - Destination Management Plan covering report(1)

DXP MEETINGS COUNCIL REPORT DRAFTING TEMPLATE

CONTEXT | HOROPAKI

Tourism in the District is of national significance

1. Queenstown Lakes plays a significant role in the international tourism brand for New Zealand, which contributed 4.8% to the national GDP prior to COVID 19. The district was directly responsible for 8% of the sector's GDP in 2021. Previous studies have demonstrated that Queenstown stimulates regional tourism with visitors spending more across the wider region.
2. The Queenstown Lakes District has been recognized as a visitor destination for generations, for both domestic and international visitation. In 2021, both Queenstown and Wanaka welcomed a visitor mix that was 50% international and 50% domestic visitation. However, prior to COVID-19 70% of accommodation guest nights in Queenstown were international visitors, compared to 60% in Wanaka.
3. Tourism contributed 21% to GDP in the district in 2021, but is soon expected to return to its pre COVID-19 level of 40%. It was directly responsible for 31% of all employment in 2021 and is expected to return to the pre-COVID 19 level of 55% in the near future. This is significantly higher than the national average in both regards, but the true figures are likely higher still due to the relatively narrow definition of tourism that is used.
4. At a national level, the health of tourism is dependent upon a number of key centres, including this district. The Queenstown Lakes District has typically been second only to Auckland in terms of guest nights and total visitor spend.

The Destination Management (DM) Plan is an output of the Spatial Plan

5. The significance of the district's tourism industry and the need to consider a local visitor levy were both contributing factors to the development of the Whaiora Grow Well Partnership with the Crown and Kāi Tahu (latterly also including the Otago Regional Council).
6. Improving and understanding tourism and visitation has been a key area of focus for the current Spatial Plan. One of the key outcomes of the Spatial Plan is "a sustainable tourism system".
7. Shortly after the adoption of the Spatial Plan, all partners agreed that Priority Initiative 11 needed to be addressed immediately - "develop and implement a Destination Management Strategy to align decision making and development with sustainable development principles."
8. As a mature tourism-dominated destination, it was broadly agreed that elements of DM were already underway e.g., accounting for visitor numbers in demand projections, planning for visitor use of key infrastructure and communicating similarly to both visitors and residents via social media. However, destination management affords the opportunity to ensure this approach is taken with a range of partners, consistently and intentionally.
9. The development of the plan has been reported on regularly through the Spatial Plan Steering Group Meetings and the Political Governance Group.

The DM Plan is also an output of the Climate and Biodiversity Plan

10. Outcome five of the Climate and Biodiversity Plan is “low emission businesses thrive”. This is divided into two sub-outcomes, “our tourism system is regenerative by 2030” and “we support businesses to transition to a low emission future”.
11. The DM Plan strives to meet two key actions within outcome five:
 - a. Action 5.1 – “Partner with the RTOs to create a Destination Management Plan to achieve regenerative tourism by 2030”.
 - b. Action 5.4 – “Amplify and support programmes to assist businesses to be energy efficient, reduce greenhouse gas emissions, waste and water use.”
12. Furthermore, if endorsed by all partners, there is the potential to also realise action 5.2 “implement the actions outlined in the Destination Management Plan”.

DM is an established model, but it needs an updated systems-approach

13. DM is a model that has been used internationally for some time and it relates to the co-ordination of infrastructure and amenities, visitor experience and marketing and promotion. Further information can be found at <https://www.mbie.govt.nz/immigration-and-tourism/tourism/destination-management-guidelines/>.
14. In 2020 the Minister for Tourism funded Regional Tourism Organisations (RTOs) across the country to develop DM Plans. QLDC officers, Destination Queenstown and Lake Wanaka Tourism (local RTOs) recognized at an early stage that collaboration would be important and therefore opted for a partnership approach from the outset.
15. As the work progressed it became clear that the traditional definition of DM was insufficient in a time of uncertainty and climate change, so a forward-thinking approach was adopted to redefine DM to include community voice and experience, te ao Māori, emissions reduction and environmental protection.
16. The DM Plan at Attachment 1 is currently the only collaboratively designed and delivered, regenerative destination management plan at present in New Zealand. As such, the plan presents an opportunity for innovation and leadership in an international context.

Identifying the tourism system in the district is challenging

17. In a mature, tourism-dominated destination, the separation of visitor vs resident demand and tourism vs non-tourism business is challenging, due to the broad spectrum of experience that needs to be reflected upon. For example, the district hosts full time residents, part-time residents, long-term holiday-home ratepayers, business travelers, domestic visitors, friends and family, backpackers, short and long-term international visitors. Each has different needs and expectations, interfacing differently with the district’s communities, economy, environment, culture and structures.
18. As a sector, it can be difficult to identify which businesses benefit from visitation. There are obvious tourism operators, accommodation providers, retail and hospitality businesses, but hairdressers,

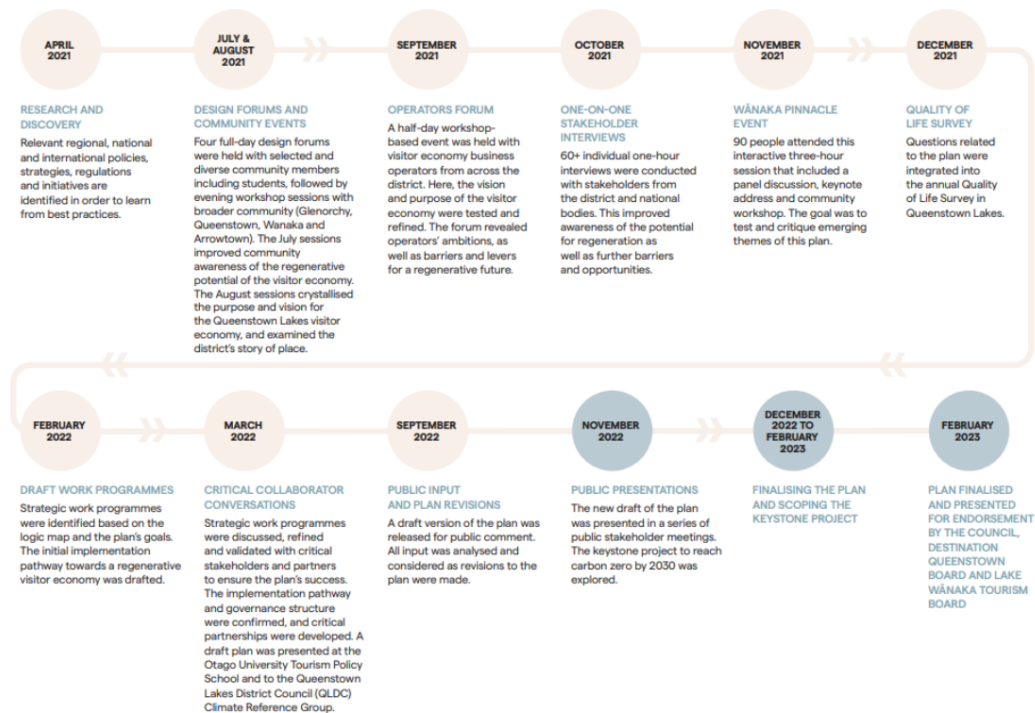
supermarkets, medical centres, galleries, mechanics etc all have a larger customer base as a result of the visitor economy. Unlike other sectors, the tourism sector is difficult to define.

There are limited levers to drive change – collaboration will be key

19. There are few legislative levers available at a local level to drive change across the tourism system and whilst “Travel to a Thriving Future” highlights the need to advocate collectively for change with government, no single group holds the power or position to drive change alone. All parties within the tourism system (government bodies, businesses, utilities, community groups, charities and households) will all have a part to play in this complex challenge.
20. During COVID-19, as part of the Recovery Team’s programme of work, this initiative moved forward significantly. A positive outcome of the pandemic has been far greater collaboration between the RTOs – Destination Queenstown (DQ) and Lake Wanaka Tourism (LWT) and QLDC.
21. As part of the government’s Strategic Tourism Asset Protection Programme (STAPP), the RTOs were granted \$1.7M of funding to support the visitor economy during the pandemic. Part of this funding was allocated to developing and delivering a Destination Management Plan that would help tourism to be ‘built back better’. QLDC was invited to become a third partner in this work.
22. Both Kāi Tahu and the Department of Conservation (DoC) have committed to joining the partnership ongoing, helping to shape this draft of the plan and to join the steering group. It is envisaged they will join the RTOs and QLDC in the ongoing oversight of delivery and the development of future plans.
23. This plan seeks to create a movement through collaboration, partnership, evidence, ambition and a clear vision of what needs to be achieved. The development process over 18 months has been invaluable in building the foundations for this movement to succeed.

The Process undertaken over 18 months was comprehensive

24. A highly collaborative process was developed to ensure significant community engagement and elements of co-design.
25. Working with MBIE in 2020 a rapid prototype was created, using ThinkPlace as the facilitators and ensuring that Vision Beyond 2050 remained the guiding vision. This stage developed the initial outcome on which the work has developed – regenerative tourism by 2030. It highlighted that a ‘whole of system’ approach was needed, not just a focus on the tourism sector. This stage helped to build consensus and collect ideas from the partner organisations.
26. Following the creation of the prototype, DQ conducted a procurement process to select a provider to support the development of a first draft. Proxima was selected as the lead consultant, an Auckland-based sustainability consultancy working with Anna Pollock, a leading academic in the field of regenerative tourism. A second Canadian-based consultancy (Destination Think) was appointed in a peer review, design and final-draft development capacity.
27. The following process was undertaken to deliver develop the DM Plan (taken from p57 of Attachment 1):



28. Development of the plan has been based upon extensive community engagement and broad socialization throughout the duration of the plan, through:

- a. two sets of place-based forums held in Glenorchy, Queenstown, Arrowtown and Wanaka,
- b. a tourism operators forum and a regular business advisory panel
- c. 60+ stakeholder interviews,
- d. the WAO Summit – full day community workshops about regenerative tourism (over two years),
- e. regular meetings with Kāi Tahu and Department of Conservation,
- f. workshops with Council and the QLDC Climate Reference Group
- g. forums for RTO members,
- h. presentations at the Otago University Tourism Policy School and the Regional Tourism Operators New Zealand conference

- i. drafts shared with government via the Spatial Plan reporting lines and directly with MBIE
- 29. The plan has been developed to take a leading position in relation to DM thinking and design nationally and significant changes were made in September 2022 based upon community feedback, asking the plan to be significantly bolder.
- 30. Typically, other DM Plans focus on product development and industry support, but the requirements in this district are very different. The paradigm has shifted from 'heads in beds' to complex questions surrounding social licence, climate change and the creation of ongoing, increasing benefit to people and place.

Delivery pathways to regenerative tourism are becoming defined, but funding remains uncertain

- 31. A number of the actions within the plan require a change of mindset or approach, which do not necessarily have a direct cost implication but do require things to be done differently. Other actions do not have cost implications for the partner organisations, but will have costs for other parts of the tourism system. Many changes urged within the plan signal change that the industry needs to make and especially in relation to emissions reduction, are likely to be required to make in the near future.
- 32. The process of developing the plan has initiated a range of activities across the community and some actions have already started within the business community. The draft versions of the plan have helped to stimulate conversations and decisions within the industry at board level.
- 33. Within the partner organisations a number of the actions have started to be progressed also. The Love Wanaka and Love Queenstown foundations have been established to support visitor give back (project 14), with contributions already being made.
- 34. Furthermore, a scoping project is underway to define delivery of the keystone project – decarbonization of the tourism system. This will be completed in March 2023 and will involve a range of local and international experts. It should be noted that whilst the focus is on the tourism system, in this district it is hoped that this will significantly accelerate (and exceed) the decarbonization goals outlined in the Climate and Biodiversity Plan. It will constitute a significant behavioural change programme.
- 35. A Destination Management Organisation (DMO) has been established, that will take a district-wide approach and ensure that the actions of the plan are delivered upon by both RTOs and relevant partner organisations. Further detail about the DMO is outlined on p43 of the plan. Currently this is operating on limited scope and resources, but the scoping of project 9 will help to define the scale of funding and investment needed.
- 36. The ambition of this plan requires significant investment and investigations are underway with government to understand what this might look like.
- 37. The DM Plan has been fully supported by the boards of both RTOs.

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

- 38. The vision | matawhānui for the plan is 'travel to a thriving future'.

39. The purpose of the plan relates to ‘improving local and visitor wellbeing and experience, forging connections between people and places and, enabling healthy ecosystems so that the district becomes known as a leading example of how travel creates a thriving future.’
40. The plan aligns with Kāi Tahu’s values in alignment with the spatial plan and identifies three key values for the plan:
- Manaakitaka – hospitality
 - Whanaukataka – one together
 - Tautiakitaka – guardianship
41. It also highlights five guiding principles:
- Building communities
 - Enabling regeneration
 - Demonstrating leadership
 - Working together
 - Embracing change
42. The goal of the project is to achieve regenerative tourism by 2030 and its keystone project is that “the visitor economy of Queenstown Lakes reaches carbon zero by 2030.”
43. The following diagram provides an overview of the plan and its 23 projects. This can be found on p21 of Attachment 1.

TRAVEL TO A THRIVING FUTURE			
Goal	Regenerative tourism by 2030		
Keystone project	The visitor economy of Queenstown Lakes reaches carbon zero by 2030		
Strategic pillar	PILLAR 1: Enrich communities and enhance the visitor experience.	PILLAR 2: Restore the environment and decarbonise the visitor economy.	PILLAR 3: Build economic resilience, capability and productivity.
Objectives	<ul style="list-style-type: none"> Align actions with the core values and guiding principles. Positive community sentiment. Strong visitor satisfaction. 	<ul style="list-style-type: none"> Reach carbon zero by 2030. Zero waste and pollution. Biodiversity health. 	<ul style="list-style-type: none"> Increase the total value of the visitor economy, net of all costs and economic leakage. Ensure workforce availability and improve workforce retention. Maintain tourism business satisfaction.
Projects	<ul style="list-style-type: none"> Project 1: Community engagement. Project 2: Tiaki Promise: Lead by example. Project 3: Preserve and celebrate Kāi Tahuaka and mātauraka. Project 4: Place-based destination planning. Project 5: Welcome programme. Project 6: Arts, culture & heritage development. 	<ul style="list-style-type: none"> Project 7: Measure environmental footprint. Project 8: Measure greenhouse gas emissions. Project 9 (Keystone): Carbon zero by 2030. Project 10: Zero environmental footprint. Project 11: Restoring ecosystems. 	<ul style="list-style-type: none"> Project 12: Economic leakage assessment and cost-benefit analysis. Project 13: Direct funding for infrastructure. Project 14: Love Wānaka / Love Queenstown. Project 15: Product evolution programme. Project 16: Tourism business excellence programme. Project 17: Thriving workforce programme. Project 18: Environmental preparedness. Project 19: Innovation and economic development.
Foundations for success			
	Objectives <ul style="list-style-type: none"> Develop a robust governance model that includes a reporting and review cadence. Establish an implementation plan and communications structure. Establish data collection and reporting systems. Align brand and marketing activities with regenerative tourism goals. 	Projects <ul style="list-style-type: none"> Foundational project 1: Framework for governance and review. Foundational project 2: Operationalise projects. Foundational project 3: Data and measurement framework. Foundational project 4: Update Queenstown Lakes brand and marketing strategies. 	

44. Officers have been involved in the development of the plan throughout and consider it to be aligned with Vision Beyond 2050, whilst achieving actions outlined in both the Climate and Biodiversity Plan and the Spatial Plan. The plan complements and supports the development of the Economic Diversification Plan, which is also a priority initiative from the Spatial Plan.
45. Furthermore, officers note that positively influencing change within the tourism system has the potential to create momentum and drive large-scale behavioural change across the district.
46. There are many actions within the plan that will require input, advice and activity from QLDC officers. However, these are activities that are typically already embodied in existing work programmes and do not require additional resources in the near future. Such activities will now be delivered through a collaborative approach with the DMO and to ensure that the tourism system is taken into account and used as a lever for change on an ongoing basis.
47. The Economic Development team will provide the key interface with the DMO on behalf of QLDC, helping to build a strong relationship between the DMO and key departments across the organisation, including but not limited to Resilience and Climate Action, Planning, Strategic Growth, Transport, Waste Minimisation and Communications and Engagement.

48. Extensive engagement on the plan was undertaken with the community, Kāi Tahu, businesses and advisory groups. However, the advice of the QLDC Climate Reference Group (CRG) was critical as a key stakeholder in the development of the plan. During the consultation process in August, the CRG provided detailed feedback that urged far greater ambition. This has been reflected in the final plan.
49. The CRG was provided an additional opportunity to comment on the final plan as presented today and its advice in relation to decarbonisation is attached at Appendix B. This very detailed advice is already being used to significantly shape the scoping of project 9 (decarbonization of the tourism system) and the CRG will be involved in that work on an ongoing basis.
50. The partnership is extremely grateful for the energy and commitment of the group and looks forward to building a strong relationship as the programme starts to be delivered. Its detailed input will be invaluable as each project moves from strategic/directional into detailed planning and subsequently, delivery.
51. A point of difference remains around the wording of the keystone project between the CRG and the final version of the plan. As with Predator Free 2050, the expert advice does not necessarily recommend the high level of ambition expressed within the project - reaching carbon zero by 2030. However, the overwhelmingly positive response to this keystone project when tested across the industry and the community has caused the partnership to continue to recommend its inclusion. It is believed that its potential to inspire, build momentum and drive change will offer significant climate leadership opportunities in the district.
52. A number of academics in the field of climate and tourism have also engaged with the process of developing the plan. Comments from Professor James Higham from the Department of Tourism at the University of Otago are attached at Appendix C.
53. The following options are presented for consideration.
54. Option 1 – Endorse the Destination Management Plan and demonstrate support for its direction.

Advantages:

- The partnership can move ahead with confidence in delivering the plan
- Delivery can build on the positive momentum created during the development process
- The district will be able to demonstrate a unified, collaborative approach which will help to drive change and secure further funding
- QLDC can realise its commitment to delivering Priority Initiative 11 of the Spatial Plan.
- QLDC can realise its commitment to actions 5.1 and 5.4 in the Climate and Biodiversity Plan.
- QLDC can initiate action 5.2 of the Climate and Biodiversity Plan.

Disadvantages:

- There are no discernible disadvantages to this option.

55. Option 2 – Do not endorse the Destination Management Plan.

Advantages:

- The partnership can take the opportunity to re-visit the plan and potentially amend to reflect Council's position.

Disadvantages:

- This decision will lead to misalignment between QLDC and the other organizations that have led the process to develop the plan.
- The partnership will lose the positive momentum created during the development process
- The district will not yet be able to demonstrate a unified, collaborative approach, which may impact the ability to drive change and to secure further funding.
- QLDC will not yet realise its commitments to the Spatial Plan and the Climate and Biodiversity Plan

56. This report recommends **Option 1** for addressing the matter, because the plan has engaged extensively with the public, Kāi Tahu, Department of Conservation, RTOs, MBIE, officers, businesses, key stakeholders, experts and interest groups. It has been built in the spirit of collaboration and co-design, representing genuine commitment to change. In addition, tourism is soon expected to return to its pre COVID-19 level of 40%. It was directly responsible for 31% of all employment in 2021 and is expected to return to the pre-COVID 19 level of 55% in the near future. This is significantly higher than the national average in both regards, but the true figures are likely higher still due to the relatively narrow definition of tourism that is used.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

57. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because of the high level of community engagement in the project and its status as a priority initiative in the Spatial Plan.
58. Significant public consultation has been undertaken, as outlined in points 27 and 28 of the context section and pages 57 and 61 of Attachment 1.
59. The persons who are affected by or interested in this matter are residents /ratepayers of the Queenstown Lakes district community, the RTOs, Kāi Tahu, the Department of Conservation and the business community.

> MĀORI CONSULTATION | IWI RŪNANGA

60. As an output of the Spatial Plan, Kāi Tahu has had oversight of the plan through the formal governance structure at Steering Group and Political Governance Group level. Furthermore, Kāi Tahu has been engaged throughout the process and provided with significant opportunities for feedback and input. A seat at the DM steering group ongoing is available for Kāi Tahu.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

61. This matter relates to the strategic risk category. It is associated with RISK00038 'lack of alignment – strategies and policies' within the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.
62. The approval of the recommended option will support the Council by allowing officers to implement additional controls for this risk and take action to deliver aligned strategic programmes of work.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

63. There are no immediate financial implications from the endorsement of the DM Plan for this financial year. As projects are scoped in detail, this situation may require review to ensure that initiatives are scaled in a prudent fashion. This will be addressed through the Annual Plan and Long Term Plan processes as appropriate.

COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

64. The following Council policies, strategies and bylaws were considered:

- Queenstown Lakes Spatial Plan
- 2022 Climate and Biodiversity Plan
- 2021-31 Infrastructure Strategy
- 2018 Waste Minimisation and Management Plan
- 2021-31 Queenstown Lakes Homes Strategy
- Draft Economic Diversification Plan
- 2021 Ten Year Plan

65. The recommended option is consistent with the principles set out in the abovementioned policies.

66. This matter is included in the Ten-Year/Annual Plan on p140 of Volume 1, as a project for the first three years of the plan.

LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

67. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and

68. (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. An holistic approach to wellbeing is integral to regenerative tourism, the overarching goal of the DM plan. The DM Plan aims to ensure that tourism is of positive benefit to the wellbeing of the community.

69. As such, the recommendation in this report :

- Can be implemented through current funding under the Ten Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and

- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

ATTACHMENTS | NGĀ TĀPIRIHANGA

1	Travel to a Thriving Future (the DM Plan)
2	CRG comments relating to DMP Project 9
3	Prof. James Higham comments relating to DMP