

PART 5: APPENDICES

Appendix 1 Infographic Source Data

The source data for the summary infographic is as follows.

- **Total visitation , Visitation by type , Domestic versus international visitation** : New Zealand International Visitor Survey, NZ Stat International Travel and Migration and Fresh Info's New Zealand Visitor Activity Forecast .
- **Visitor spend** : MBIE'S Tourism Electronic Card Transactions (TECTs) .
- **Age profile, Packaged v non-packaged travel** : Fresh Info's New Zealand Visitor Activity Forecast
- **Where international visitors are visiting** : New Zealand International Visitor Survey
- **Origin of domestic overnight visitors** : Fresh Info's New Zealand Visitor Activity Forecast
- **Origin of international overnight visitors** : New Zealand International Visitor Survey
- **Visitor spend by product area** : MBIE'S Tourism Electronic Card Transactions (TECTs).
- **Top 10 destinations with the largest proportion of international spend** : MBIE'S Tourism Electronic Card Transactions (TECTs).

Appendix 2 Accommodation Audit

The following provides a tourism product audit for Te Manahuna. This includes two audits: one focused on accommodation offering and one on attractions and experiences. The purpose of the audit is twofold:

- firstly, to ascertain where product gaps may exist in the tourism product mix; and
- secondly, to complete sentiment analysis on the existing product in Te Manahuna.

The audit is primarily based on an extensive 'data scraping' exercise that leveraged the following sources: The New Zealand Tourism Operator Database, TripAdvisor, Booking.com, Google Travel and Google Maps.²¹ This was undertaken in March 2021.

+ Audit by Property Type & Bookable Units

The accommodation audit focused primarily on commercial forms of accommodation. When assessing the audit, it is important to recognise that:

- some properties are listed online across multiple categories - in these cases, Stafford has selected the most applicable category based on online information available;
- for each property, the number of bookable units²² was also included which typically reflects room numbers (where this information was available);
- for caravan parks, bookable units were only required for cabins, chalets, and villas - site numbers have been excluded from the assessment as this data are difficult to obtain with accuracy;
- for DOC Huts, the number of bunks has been included as these can be individually utilised, although very few are bookable;

- for holiday homes and apartments, bookable units are recorded as "1" because they can only be booked by one party and, therefore, represent one unit.

Figure 11 provides a summary of accommodation in Te Manahuna broken down by accommodation type.

Based on the audit, there are 433 accommodation properties in Te Manahuna and an estimated 3,128 bookable units. Of the 433 properties, just under half of the properties identified are holiday homes, representing 47% of all properties. If holiday homes are excluded from the assessment, there are 228 properties and 2,803 bookable units.

DOC huts make up the fourth-largest share of properties and the second-largest share of units. This demonstrates the significance of DOC as a provider of backcountry visitor experiences across Te Manahuna and its popularity as a tramping destination. Backcountry huts and campsites are not, however, accessible as accommodation on the same terms as many of the other categories listed.

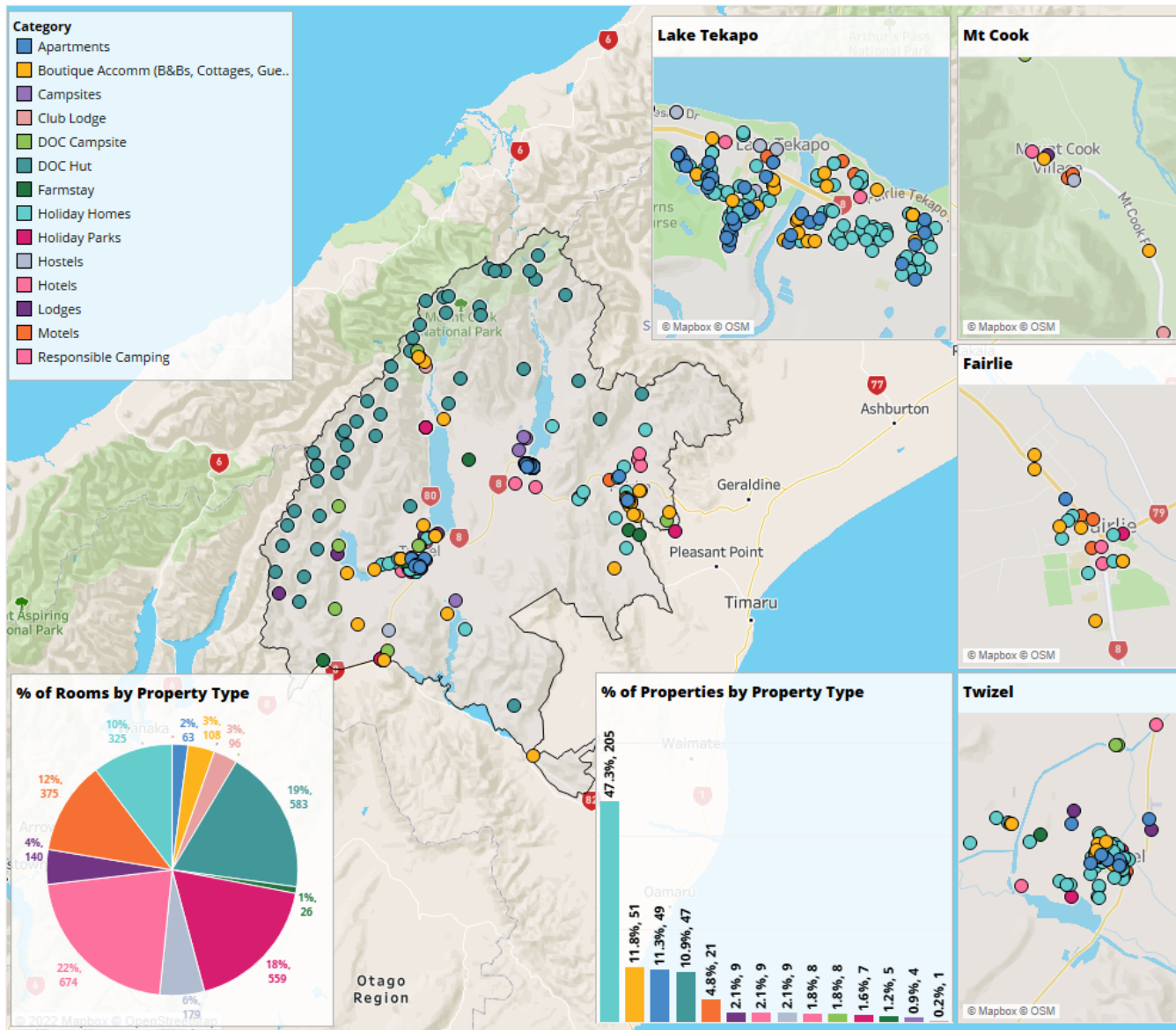
Although holiday homes make up the largest share of properties, hotels make up the largest share of room stock, totalling 22% of all bookable units in Te Manahuna (identified via the audit). This is important to note and demonstrates the importance of hotels in providing room capacity for Te Manahuna.

The largest property (by the number of rooms) in Te Manahuna is The Hermitage Hotel (offering 164 rooms and comprising 5% of room stock), followed by Peppers Bluewater Resort Lake Takapō (142 rooms, 5% of room stock).

²¹ It is important to note, therefore, that the audit may not be fully comprehensive, particularly for those operators who are not listed online.

²² If a hotel has 25 rooms, this is recorded as 25 bookable units. If a holiday home has 4 bedrooms, this is recorded as 1 bookable unit as this can only be booked by the one party.

Figure 11: Mackenzie Accommodation Audit (by Property Category)



+ Audit by Sub-Region

Figure 12 and Figure 13 provide a summary of accommodation by sub-region. The key findings are as follows.

- Accommodation properties are very clearly geographically clustered around four key centres within Te Manahuna - Fairlie, Lake Takapō, Aoraki/Mount Cook and Twizel. There are some properties scattered elsewhere in the region, however, the majority of these (63%) are DOC huts.
- Lake Takapō has almost half (43%) of properties identified in the region, however, the bulk of these properties (60% or 111 properties) are holiday homes. Lake Takapō has 54% of all holiday homes identified in the entire Mackenzie region. It also has 76% of all apartments identified across Te Manahuna.
- Bookable units are more evenly distributed throughout Te Manahuna than property numbers – with 22% being from properties in Lake Takapō, 30% from Twizel, 15% from Aoraki/Mount Cook, 30% from other parts of Te Manahuna and the remaining 3% being in Fairlie.
- Fairlie, Lake Takapō and Twizel have more holiday homes than any other property type, comprising 32%, 60% and 64% of properties, respectively. Aoraki/Mount Cook's properties are more evenly distributed across the accommodation mix, with motels, DOC Huts, boutique accommodation and hostels each making up 18% of the accommodation mix.
- In terms of bookable units, Lake Takapō and Aoraki/Mount Cook have the greatest share of rooms supplied through hotels (33% and 45% of rooms respectively are supplied via hotels). In Twizel, holiday parks comprise most of the room stock (45%) and in Fairlie, hotels comprise 29% of room stock.
- Most responsible camping sites are situated in Fairlie and Twizel, each having three sites. This is followed by Lake Takapō which has two sites.
- Hostels were only identified for Lake Takapō (5), Aoraki/Mount Cook (1) and other areas (3).
- There are few holiday parks in Te Manahuna, with only five identified as part of the audit. These were evenly distributed throughout the region, except for Aoraki/Mount Cook.
- Lake Takapō's accommodation mix is characterised by smaller-scale forms of accommodation including holiday homes and apartments.
- Fairlies' accommodation mix is distributed between holiday homes and boutique forms of smaller-scale, commercial accommodation (such as cottages, guest houses, chalets etc.).
- Aoraki/Mount Cook - due to its location within a national park - has a more limited supply of accommodation but its mix is more reflective of traditional tourism commercial accommodation including boutique products, motels, DOC huts and hostels.
- Twizel's accommodation mix reflects a more non-commercial focus, with 64% of all properties identified being holiday homes.
- Te Manahuna's accommodation mix is largely dominated by non-commercial properties. Only half the properties identified in the region are classified as commercial properties²³. While having holiday homes (including Airbnbs and Bookabach) are an important part of the accommodation mix, a careful balance must be achieved.

²³ This includes apartments, boutique accommodation properties (guesthouses, chalets), club lodges, farmstays, holiday parks, hostels, hotels, lodges, and motels.

Figure 12: Mackenzie Accommodation Audit (by Sub -Region & with Property Category Breakdown)

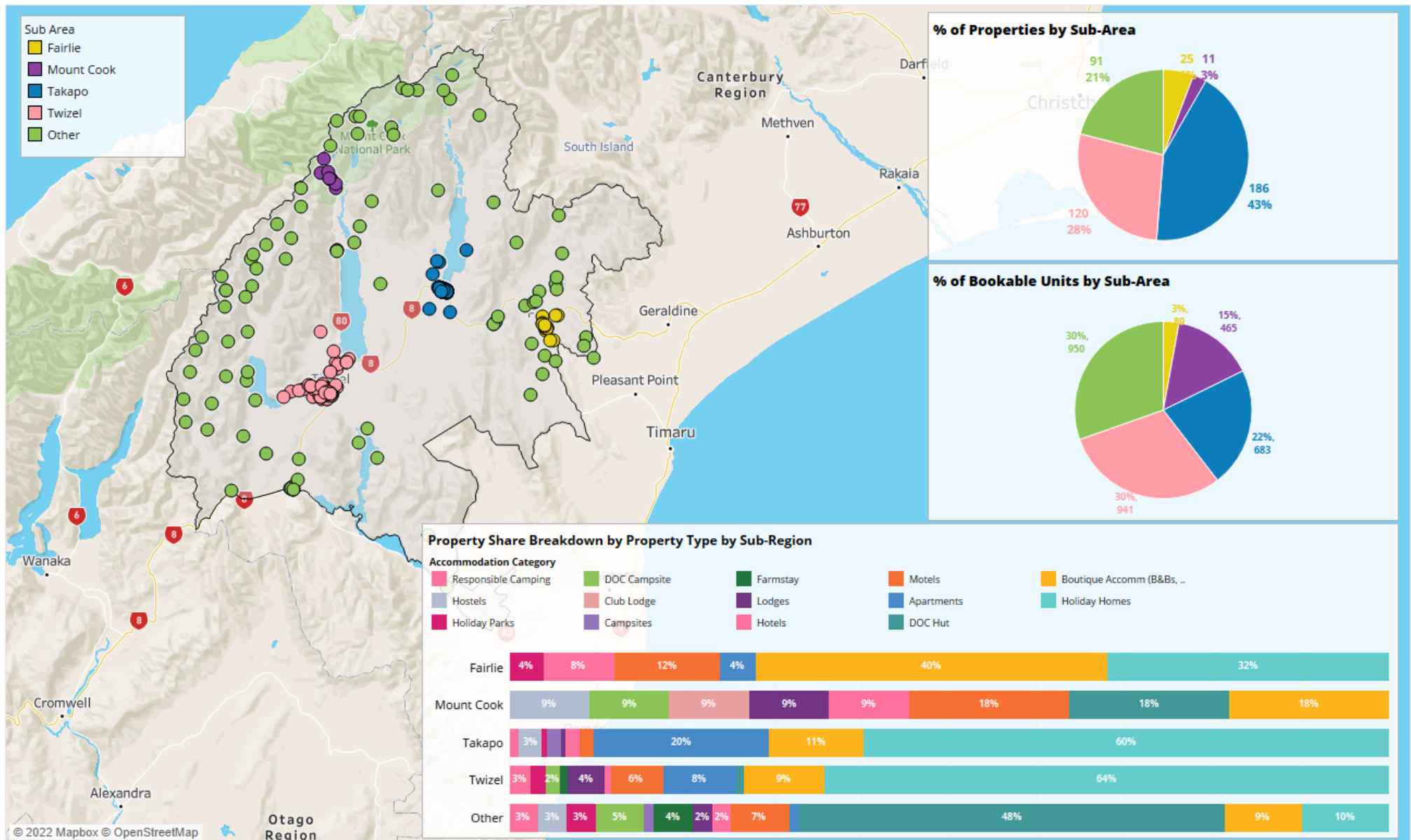
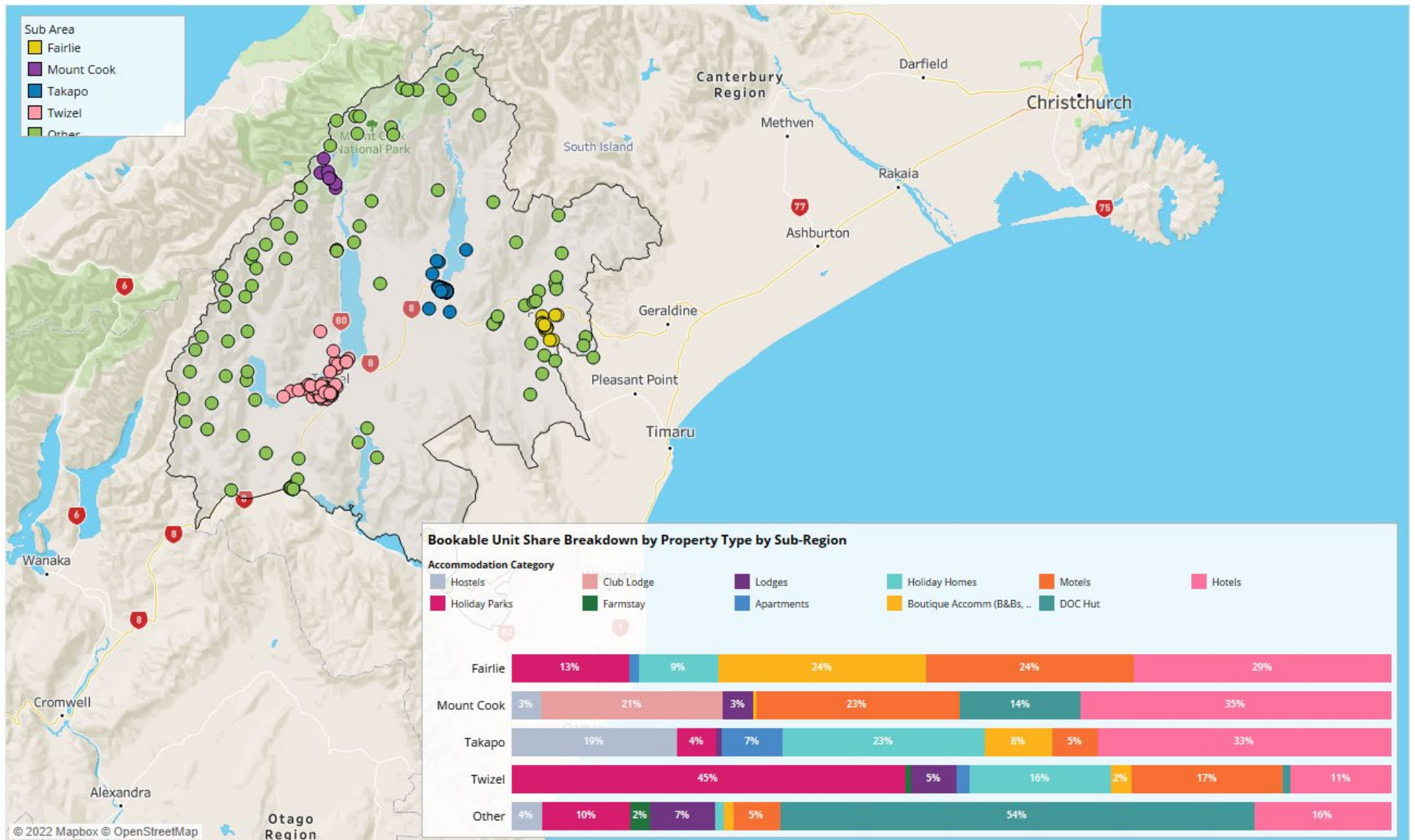


Figure 13: Mackenzie Accommodation Audit (by Sub-Region & with Room Share Breakdown)



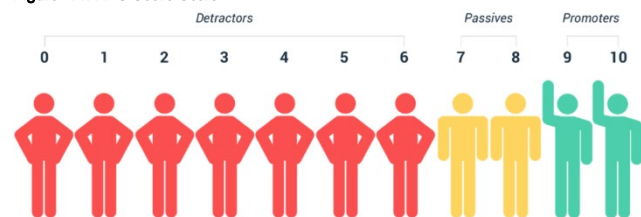
+ Net Promoter Score Assessment (Accommodation)

To undertake a top-line assessment of the quality of a region's tourism product offering, the Net Promoter Score (NPS) metric can be used. This is a measurement of consumer loyalty. In a tourism context, this translates to a visitor's willingness to not only return for another stay but also make a recommendation to their family, friends, and colleagues. NPS scores are reported with a number from -100 to +100, with a score above 30 considered good and a score above 50 considered excellent.

The NPS is calculated using a scale (see Figure 14), with:

- a score between 0-6 being considered unhappy customers who are unlikely to return and may even discourage others from the product.
- a score between 7-8 being passives, meaning they are satisfied with the product but may not be happy enough to be considered promoters; and
- a score between 9-10 are considered promoters who are typically loyal and enthusiastic customers and who are likely to return and strongly promote the product.

Figure 14: NPS Score Scale



TripAdvisor and Google²⁴ use a scale of 1-5 for consumer ratings on accommodation products. Converting this to the NPS scale means that a rating of 1-3 are considered “detractors” for the product, a score of 4 are the product's “passives” and a score of 5 are the products “promoters”.²⁵ Only product with more than 5 reviews was included in the NPS assessment to ensure a robust sample size.

Of the 433 properties identified, NPS ratings were able to be obtained for 244 properties (56%).

Figure 15 on the following page provides a summary of the NPS results for Mackenzie's accommodation mix. The findings are as follows.²⁶

- Mackenzie's accommodation stock receives an overall NPS of +45, based on 26,696 reviews. Breaking this down by accommodation type produces the following results:
- Lodges: +75 (based on 2,116 reviews);
- Apartments: +75 (based on 1,276 reviews);
- Boutique accommodation: +70 (based on 2,115 reviews);
- Farmstays: +69 (based on 314 reviews);
- Motels: +38 (based on 6,349 reviews);
- DOC Campsites: +37 (based on 93 reviews)
- Hostels: +36 (based on 3,400 reviews);
- Holiday parks: +27 (based on 2,837 reviews);
- Club lodges: +17 (based on 6 reviews);
- Holiday homes: +9 (based on 5,706 reviews)
- Hotels: -29 (based on 9,069 reviews).

This demonstrates that typically, more boutique forms of accommodation in Te Manahuna achieve higher NPS scores than larger-scale properties.

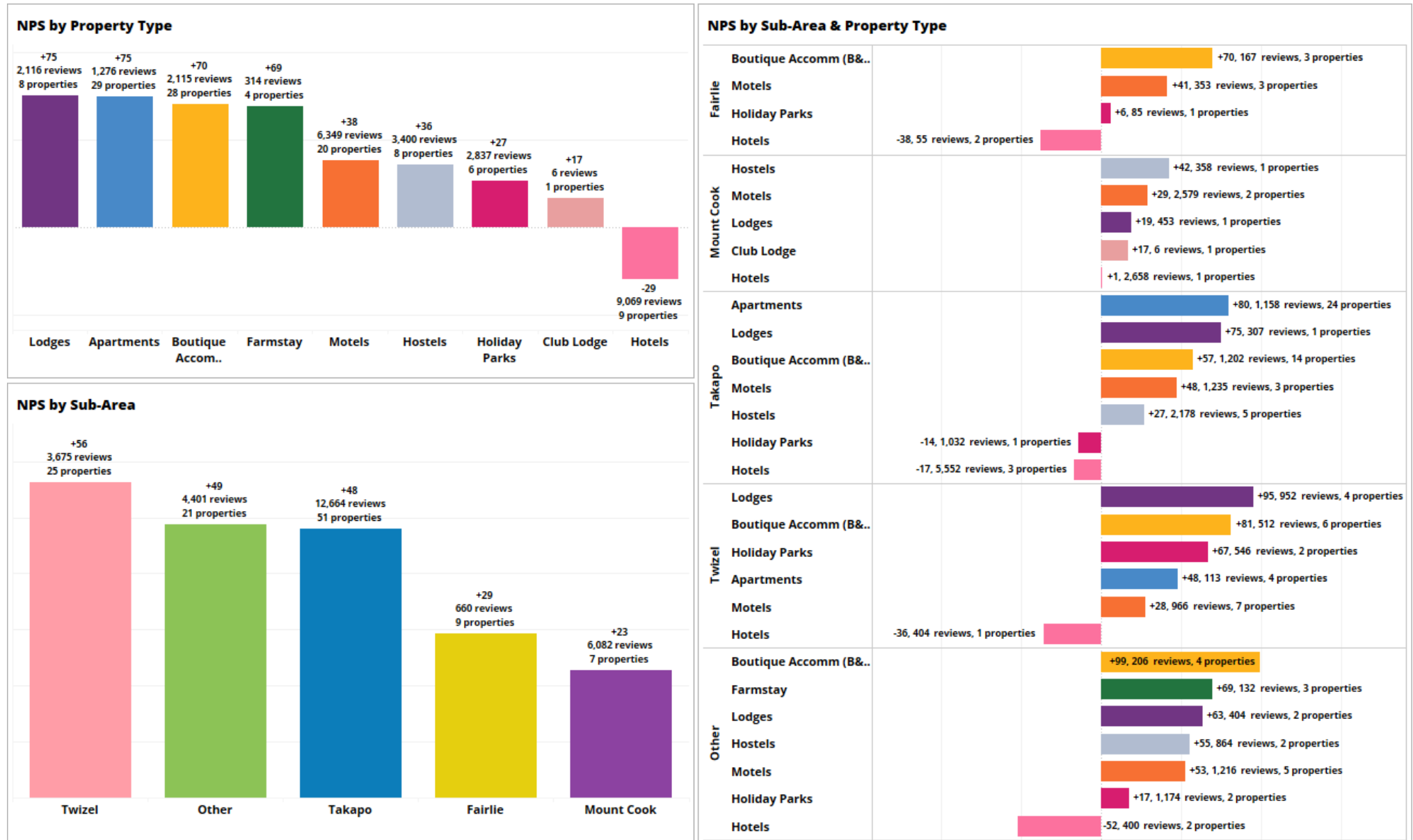
- The low hotel NPS of -29 is interesting and important to note. Upon more detailed qualitative analysis (i.e., reviewing individual feedback items), negative consumer feedback appears to be centred on a disequilibrium in the price to value/quality offering.
- Looking at NPS scores on a sub-regional basis, Twizel achieves the highest average NPS (+55) followed by those not in a sub-region (+49), Lake Takapō (+40), Fairlie (+29) and Aoraki/Mount Cook (+23).
- In Fairlie, boutique accommodation generates the highest NPS score (+70), while hotels generate the lowest (-38).
- In Lake Takapō, apartments generate the highest NPS score (+80), while hotels generate the lowest (-17).
- In Aoraki/Mount Cook, hostels generate the highest NPS score (+42), while hotels generate the lowest (+1).
- In Twizel, lodges generate the highest NPS score (+95), while hotels generate the lowest (-36).
- In “other”, boutique accommodation generates the highest NPS score (+99), while hotels generate the lowest (-52).

²⁴ Booking.com has not been used to derive a NPS because it does not provide a scale of scores, but rather, only provides an overall score. Therefore, an NPS is unable to be calculated from Booking.com listings.

²⁵ <https://birdeye.com/blog/net-promoter-score-explained/>

²⁶ The data scraping for NPS scores was undertaken in December 2020. The number of reviews therefore is reflective of this period.

Figure 15: Accommodation NPS Summary



Appendix 3 Attractions/Experiences Audit

+ Audit by Attraction/ Experience Type

Because the tourism sector is so far-reaching, there are many products, experiences and assets which can be considered tourism based. This audit, has, however, focused on those which are considered primary tourism experiences, that is, those which are marketed and positioned as “things to do” when visitors travel to Te Manahuna. Those products which are primarily utilised by the local community have been excluded.

To be able to derive qualitative and meaningful findings from the product audit, product has had to be listed within product categories.

When reading the product findings, it is important to note:

- Regional conservation lands and other non-national parks are excluded from the audit because of the number of these throughout Te Manahuna which would skew the findings;
- events have been excluded from the audit; and
- general food and beverage (cafes, restaurants, bars), rather, the audit only focuses on unique food experiences such as distilleries, food tours, cooking classes etc. if these are available in the area.

Figure 17 illustrates the findings of the attractions audit.

Based on the audit findings, there are 238 tourism attractions/experiences in Te Manahuna.

Te Manahuna’s attraction/experience mix is largely dominated by tramping tracks, comprising 44% (105 experiences) of the attractions/experiences identified.

Te Manahuna’s product mix is skewed towards free products, covering more than half (65%) of all experiences/products identified. These are largely walking and mountain biking trails, along with natural sites of significance. Although free product forms an important part of a destination’s product mix, it is important to ensure there is a balance: paid product generates far greater economic benefit which can assist in growing social licence for tourism.

Aside from a small selection of products, there are limited all-weather experiences for visitors to undertake during times of inclement weather.

There are three ski/snowboard areas, though, these are largely club/local facilities rather than international ski destinations (when compared with this in Queenstown, for example).

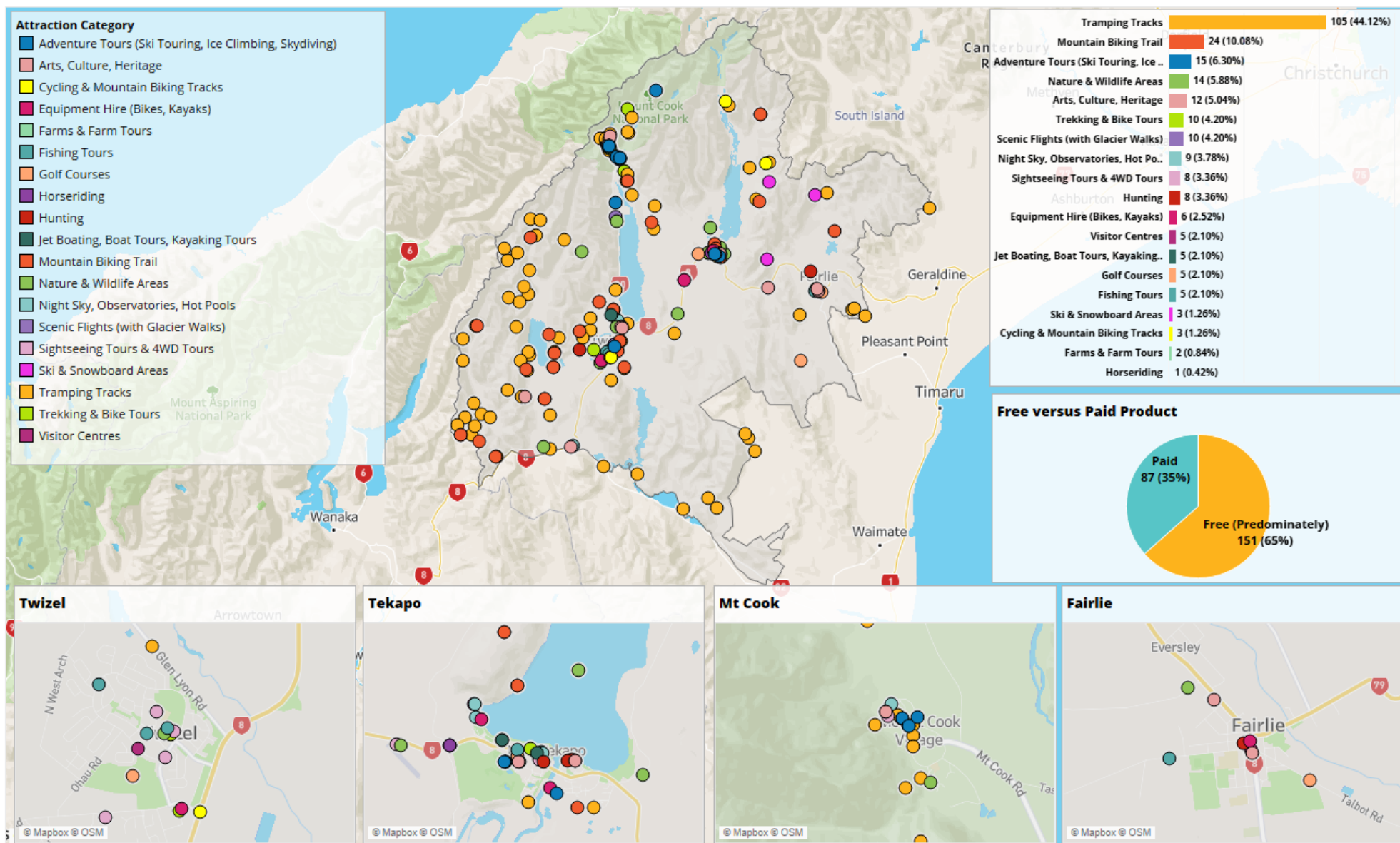
While there is an array of adventure-based products, there appears to be a lack of more passive-based products for those visitors with younger families to undertake.

It is understood that the hunting and fishing available in Te Manahuna, in particular, is high quality and presents opportunities to leverage (with appropriate complementary products).

Te Manahuna has two international bucket list drawcards, being, Lake Takapō and Aoraki/Mount Cook. While this presents many opportunities for the region, it can also be considered a “double-edged sword” when trying to encourage visitor dispersal and when trying to manage carrying capacity and sustainability measures.

Based on the tourism experiences and attractions on offer, Te Manahuna could currently be characterised as largely an outdoor, recreation and adventure destination. One of the challenges with this is that due to the lack of all-weather products, Te Manahuna may be avoided during seasons and/or periods of bad weather.

Figure 16: Mackenzie Attractions/Experiences Audit (by Attraction/Experience Category)



+ Audit by Sub-Region

Figure 17 provides a summary of tourism attractions/experiences by sub-region and illustrates the following.

- Like accommodation, tourism attractions/experiences are largely clustered around the hubs of Twizel (making up 22% of product), Aoraki/Mount Cook (18%), Takapō (18%) and, to a lesser extent, Fairlie (5%).
- Takapō is the only sub-region that, based on the audit, has a greater proportion of paid products (representing approximately 60% of the product identified) compared to free products (40%).
- Of the four sub-regions, Fairlie has the highest proportion of free products (representing 58% of products) followed by Aoraki/Mount Cook (56%) and Twizel (56%).
- Takapō also has a more diverse and distributed tourism attraction and experience mix. This is potentially because of Lake Takapō being a major visitor drawcard that attracts large numbers of international visitors. As a result, there is a larger market for operators to leverage.
- Most adventure-based product is situated in the Aoraki/Mount Cook sub-region. It comprises 20% of the sub-region's attractions/experiences mix. This is expected given the natural assets that the sub-region has (glaciers, backcountry ski areas, heli-ski areas etc.).

+ Net Promoter Score Assessment (Attractions)

When assessing NPS scores for attractions, it is important to recognise that the availability of data to collate NPS scores is more heavily skewed towards bookable/commissionable and/or major tourism experiences/products. Often, experiences such as free walking trails etc. are not listed on Trip Advisor.

For Te Manahuna, NPS scores were able to be obtained for 76 of the 238 (32%) attractions/experiences identified. If walking trails are removed, NPS scores were obtained for 66 of the 142 (46%) of the attractions/experiences which is a good sample size.

Only product with more than 5 reviews was included in the NPS assessment to ensure a robust sample size.

Figure 18 provides a summary of the NPS results for Te Manahuna's attraction's mix. The findings are as follows.²⁷

- Mackenzie's attractions/experiences product receives an overall NPS of +61, based on 17,068 reviews. This is an excellent NPS rating and rates above the accommodation NPS achieved (+44).
- The product category that receives the highest average NPS score is Trekking & Bike Tours, with a very high NPS of +96. This is based on 254 reviews across 6 different operators. This is followed by Adventure Tours (+88) and Scenic Flights and Jet Boating, Boat Tours & Kayaking Tours both receive an NPS of +84.
- The Night Sky and Observatories product received a relatively low (+36) score when compared with other products. This was surprising given our understanding of Te Manahuna as a high-quality, dark skies destination. Upon further investigation into the qualitative feedback behind these quantitative scores, it appears cloudy evenings and the lack of a high-quality alternative product significantly impact the reviews of these products.
- Although Fairlie has the highest overall NPS (+76) it is important to note that this is only based on two attractions (there are limited attractions in Fairlie). Aoraki/Mount Cook receives the second-highest overall NPS (+63), and this is

based on a more robust number of attractions (26 attractions with 5,616 reviews).

²⁷ The data scraping for NPS scores was undertaken in December - January 2020. The number of reviews therefore is reflective of this period.

Figure 17: Mackenzie Attractions/Experiences Audit (by Sub-Region)

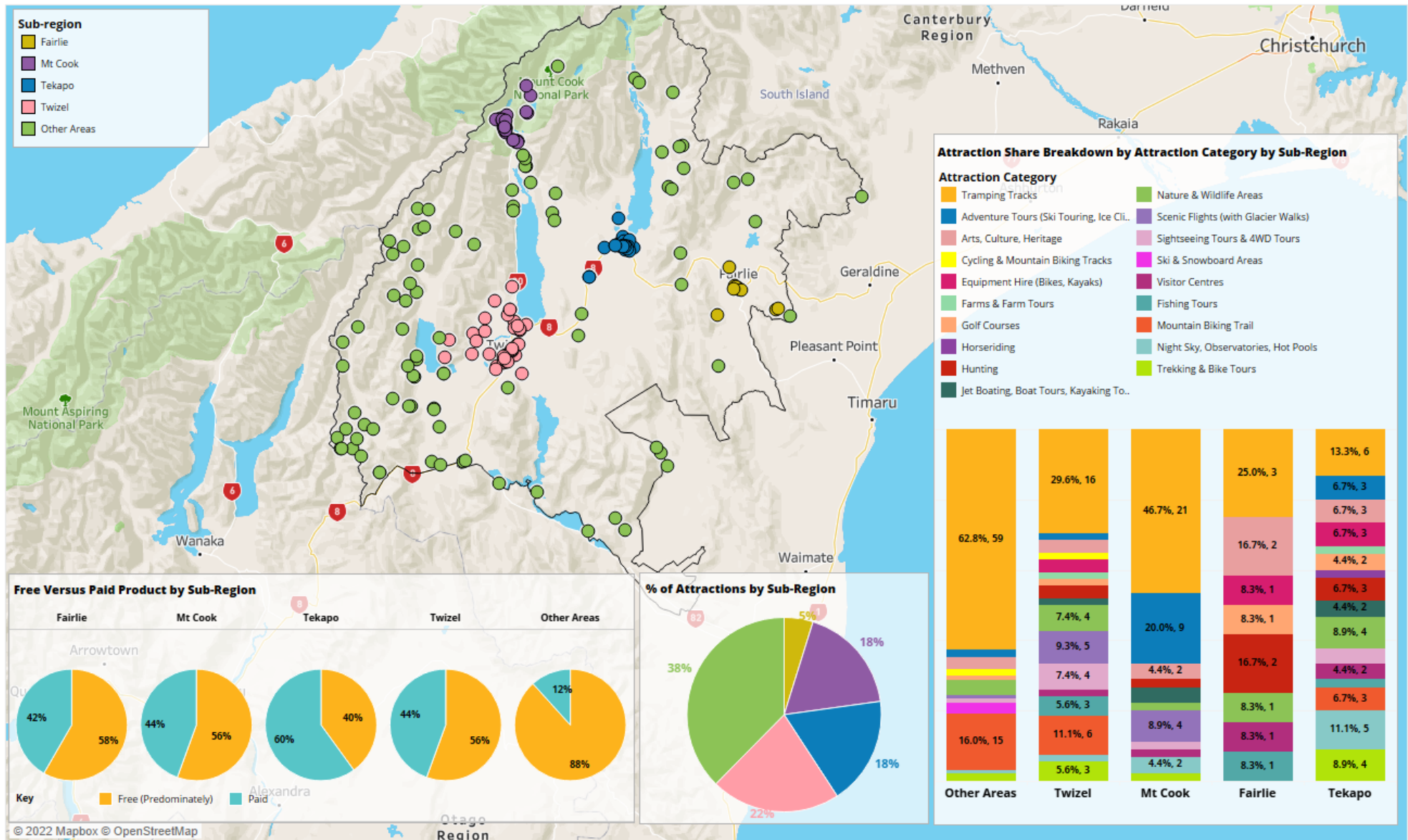
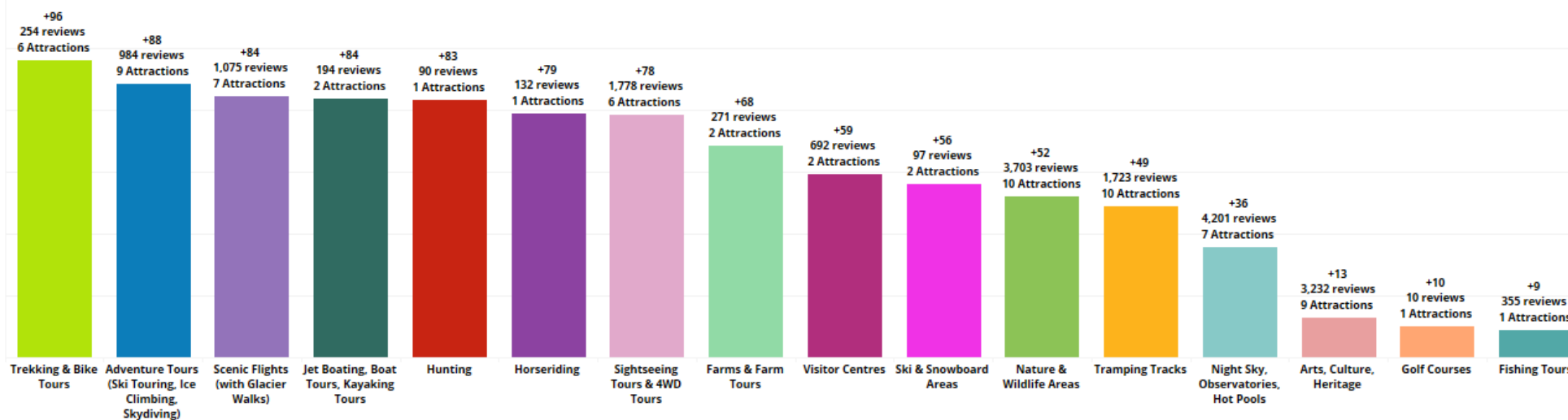
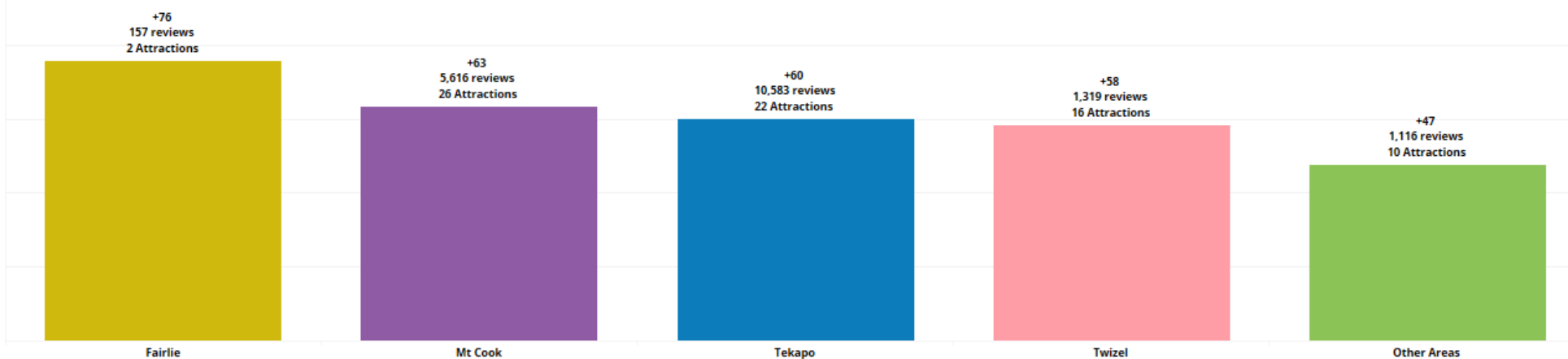


Figure 18: Attractions/Experiences NPS Summary

NPS by Product Type

NPS by Sub-Area


Appendix 4 Visitation Data

+ The Challenge with NZ Tourism Data

There are significant data gaps in New Zealand tourism data. Before 2012, a comprehensive dataset covering regional tourism was issued²⁸, however, this full dataset is no longer available. As a result, data must be collected from several different sources²⁹, each of which uses a different methodology and often have differing boundaries applied (due to the shifting nature of NZ RTO boundaries). This makes it extremely challenging to determine a complete picture of visitation to a region and perform trend analysis.

+ The Methodology Applied for TMKU

To determine a comprehensive picture of visitation to Te Manahuna, a variety of datasets have been leveraged. These are summarised in Table 14.

Table 14: Data Used in TMKU

Metric	Source Used
Visitor Spend – Domestic & International	<ul style="list-style-type: none"> MBIE's TECT Data
Visitation – Domestic Day Trip	<ul style="list-style-type: none"> Domestic day trip travel as a percentage of total international travel was obtained from the 2011 Regional Tourism Estimates and applied to current domestic overnight data from the New Zealand Visitor Activity Forecast.
Visitation – International Day Trip	<ul style="list-style-type: none"> International day trip travel as a percentage of total international travel was obtained from the 2011 Regional Tourism Estimates and applied to current IVS data.
Visitation – Domestic Overnight	<ul style="list-style-type: none"> Data compiled by FreshInfo as part of the New Zealand Visitor Activity Forecast. This is based on a comprehensive nationwide survey of AA members.
Visitation – International Overnight	<ul style="list-style-type: none"> New Zealand International Visitor Survey
Comparative TLAs (spend & visitation)	<ul style="list-style-type: none"> As per the above sources

²⁸ Including total visitation by market (overnight and day trips by international and domestic visitors), spend, average length of stay etc.

²⁹ Including the IVS, MBIE's visitor spend data, the Accommodation Monitor, Qrious data etc.

Appendix 5 Visitor Forecasts and Projections

Table 15: Full visitor forecasts

Year	Domestic Day	Domestic Overnight	International Day	International Overnight	Total
2018	705k	385k	527k	354k	2.0m
2019	715k	390k	517k	347k	2.0m
2020	650k	355k	108k	72.9k	1.2m
2021	715k	390k	2.7k	1.8k	1.1m
2022	723k	398k	3.0k	1.5k	1.1m
2023	730k	406k	6.6k	6.6k	1.1m
2024	737k	414k	16.4k	26.9k	1.2m
2025	744k	422k	31.2k	53.8k	1.3m
2026	752k	426k	59.2k	108k	1.3m
2027	759k	431k	118k	108k	1.4m
2028	767k	435k	124k	129k	1.5m
2029	775k	439k	137k	155k	1.5m
2030	782k	444k	178k	232k	1.6m
2031	790k	448k	213k	349k	1.8m
2032	798k	453k	256k	488k	2.0m
2033	806k	457k	266k	513k	2.0m
2034	814k	462k	277k	538k	2.1m
2035	822k	466k	280k	571k	2.1m
2036	831k	471k	283k	610k	2.2m
2037	839k	476k	285k	659k	2.3m
2038	847k	480k	288k	679k	2.3m
2039	856k	485k	291k	686k	2.3m
2040	864k	490k	293k	693k	2.3m
2041	873k	495k	294k	700k	2.4m
2042	874k	496k	296k	701k	2.4m
2043	875k	496k	297k	702k	2.4m
2044	877k	497k	299k	703k	2.4m
2045	878k	498k	300k	704k	2.4m

Year	Domestic Day	Domestic Overnight	International Day	International Overnight	Total
2046	879k	499k	302k	705k	2.4m
2047	881k	499k	303k	706k	2.4m
2048	882k	500k	305k	707k	2.4m
2049	883k	501k	306k	708k	2.4m
2050	885k	502k	308k	709k	2.4m
2051	886k	502k	309k	710k	2.4m
2052	887k	503k	309k	711k	2.4m
2053	888k	503k	310k	712k	2.4m
2054	889k	504k	310k	712k	2.4m
2055	890k	504k	310k	713k	2.4m
2056	890k	505k	311k	714k	2.4m
2057	891k	505k	311k	715k	2.4m
2058	892k	506k	311k	715k	2.4m
2059	893k	506k	312k	716k	2.4m
2060	894k	507k	312k	717k	2.4m
2061	895k	508k	312k	717k	2.4m
2062	896k	508k	313k	718k	2.4m
2063	897k	509k	313k	719k	2.4m
2064	898k	509k	313k	720k	2.4m
2065	899k	510k	313k	720k	2.4m
2066	899k	510k	314k	721k	2.4m
2067	900k	511k	314k	722k	2.4m
2068	901k	511k	314k	722k	2.4m
2069	902k	512k	315k	723k	2.5m
2070	903k	512k	315k	724k	2.5m
2071	904k	513k	315k	725k	2.5m
2072	905k	513k	316k	725k	2.5m
2073	906k	514k	316k	726k	2.5m

Year	Domestic Day	Domestic Overnight	International Day	International Overnight	Total
2074	907k	514k	316k	727k	2.5m
2075	908k	515k	317k	727k	2.5m
2076	908k	515k	317k	728k	2.5m
2077	909k	516k	317k	729k	2.5m
2078	910k	516k	318k	730k	2.5m
2079	911k	517k	318k	730k	2.5m
2080	912k	517k	318k	731k	2.5m
2081	913k	518k	319k	732k	2.5m
2082	914k	518k	319k	733k	2.5m
2083	915k	519k	319k	733k	2.5m
2084	916k	519k	319k	734k	2.5m
2085	917k	520k	320k	735k	2.5m
2086	918k	520k	320k	736k	2.5m
2087	919k	521k	320k	736k	2.5m
2088	919k	521k	321k	737k	2.5m
2089	920k	522k	321k	738k	2.5m
2090	921k	522k	321k	738k	2.5m
2091	922k	523k	322k	739k	2.5m
2092	923k	523k	322k	740k	2.5m
2093	924k	524k	322k	741k	2.5m
2094	925k	525k	323k	741k	2.5m
2095	926k	525k	323k	742k	2.5m
2096	927k	526k	323k	743k	2.5m
2097	928k	526k	324k	744k	2.5m

Year	Domestic Day	Domestic Overnight	International Day	International Overnight	Total
2098	929k	527k	324k	744k	2.5m
2099	930k	527k	324k	745k	2.5m
2100	931k	528k	325k	746k	2.5m
2101	931k	528k	325k	747k	2.5m
2102	932k	529k	325k	747k	2.5m
2103	933k	529k	326k	748k	2.5m
2104	934k	530k	326k	749k	2.5m
2105	935k	530k	326k	750k	2.5m
2106	936k	531k	327k	750k	2.5m
2107	937k	531k	327k	751k	2.5m
2108	938k	532k	327k	752k	2.5m
2109	939k	532k	328k	753k	2.6m
2110	940k	533k	328k	753k	2.6m
2111	941k	534k	328k	754k	2.6m
2112	942k	534k	329k	755k	2.6m
2113	943k	535k	329k	756k	2.6m
2114	944k	535k	329k	756k	2.6m
2115	945k	536k	330k	757k	2.6m
2116	946k	536k	330k	758k	2.6m
2117	946k	537k	330k	759k	2.6m
2118	947k	537k	331k	759k	2.6m
2119	948k	538k	331k	760k	2.6m
2120	949k	538k	331k	761k	2.6m
2121	950k	539k	332k	762k	2.6m

Appendix 6 The Preferred Scenario Detail



Appendix 7 Regenerative Tourism Definition

Regenerative tourism encourages and facilitates visitors to 'give back' to the places they visit. Traditionally New Zealand had a clear focus on sustainability (a sustainable 'harvest' from ecosystem services) while more contemporary expressions now focus on more active contributions from tourism towards development goals to restoring past damage with further aspirational goals to the *regeneration* of eco - and socio -cultural services. These draw on the same compass bearings as sustainable tourism across the four (natural) capitals: environmental, social, cultural, and economic. They do however come with the promise of more demanding standards over time.

For Te Manahuna, a focus on regenerative tourism would require a refined tourism system that shapes and encourages the visitor and industry to become directly and indirectly engaged with environmental and social initiatives. To this end, the local community, other industry sectors and MDC would need to also actively encourage this refined tourism system and illustrate that other sectors are also working to achieve aligned outcomes for Te Manahuna.

For Te Manahuna, approaches to regenerative tourism could involve examples such as follows:

- Determining environmental mitigation costs as a foundation element and introducing (user pays models – with a clear interpretation of the uses to which payments are directed.
- Visitors, as a minimum, being fully engaged with local waste reduction systems. Pack out what you pack in.
- Visitors purchasing pest traps or contributing financially to their clearing and maintenance
- Visitors either purchasing (or planting) trees.
- Visitors being actively involved in environmental clean-up efforts (land and water-based).
- Visitors helping to undertake maintenance work on walking trails, cycleways etc.
- Visitors being involved in bush regeneration programs (reforestation and removal of weeds etc).
- Visitors helping to restore culturally significant sites or structures (e.g., planting, maintenance works).
- Tourism business models that avoid environmental and cultural impacts, minimise their use of natural resources, model respect for Te Manahuna's values, and account for multiple "bottom lines".

Appendix 8 Methodology for Recommendation Prioritisation

To determine the refined list of opportunities, each has been assessed against the weighted criteria outlined in Table 16.

A weighted score has been used to reflect that some of the criteria have a stronger positive impact or a higher level of importance to each stakeholder than others. This weighting has been ranked and tested with the Project Working Group to deliver an agreed weighting spread.

Where possible, the assessment has utilised quantitative data (particularly for those projects where feasibilities or business cases have been developed). In the absence of such assessments, however, a qualitative assessment has been undertaken based on local knowledge, stakeholder consultation, professional experience, and a general assessment of the perceived benefits.

Table 16: Opportunity ranking criteria

Criteria	Score	Weighting	Description
Encourage mana whenua involvement in the visitor economy	Yes = 1 No = 0	15	Projects that actively encourage mana whenua involvement in the visitor economy and/or which grow mana whenua ventures are ranked higher.
Ability to help address climate change impacts	None = 0 Limited = 1 Medium = 2 Strong = 3	6	Projects that may assist in helping to mitigate climate change impacts are ranked higher.
Ability to improve the environment	None = 0 Limited = 1 Medium = 2 Strong = 3	6	Projects that comprise environmental initiatives are ranked higher.
Ability to act as a catalyst project to stimulate other investment projects	None = 0 Limited = 1 Medium = 2 Strong = 3	5	Projects that are more likely to encourage additional or complementary investment into other projects are rated higher.
Ability to attract a higher spending visitor market	None = 0 Limited = 1 Medium = 2 Strong = 3	5	Those which are likely to be drivers for encouraging visitation by those markets which typically spend more are ranked higher
Ability to be a major regional economic enabler	None = 0 Limited = 1 Medium = 2 Strong = 3	5	Projects that may act as major regional economic enablers through encouraging additional investment, job

Criteria	Score	Weighting	Description
			creation and great er spending (direct and indirect) are ranked higher
Ability to grow visitor yield	None = 0 Limited = 1 Medium = 2 Strong = 3	5	The ability of the project to increase visitor yield. Projects which are likely to encourage greater overnight stays (particularly in commercial accommodation) and those which introduce commissionable elements are ranked higher.
Likely to avoid reducing community social licence	None = 0 Limited = 1 Medium = 2 Strong = 3	5	Those projects that may potentially grow and/or not impact the community's social licence for tourism are ranked higher.
Size of private investment	<\$100,000 = 1 <\$500,000 = 2 <\$1,000,000 = 3 >=\$10,000,000 = 4	5	Projects which are more likely to attract private sector investment (regardless of the value of this investment) are ranked higher.
Likely to be supported by community	None = 0 Limited = 1 Medium = 2 Strong = 3	4	Those projects that may be supported (either through visitation or general support) by the local community are ranked higher.
Likely visitor appeal	None = 0 Limited = 1 Medium = 2 Strong = 3	4	The projects which are likely to have a stronger appeal to the visitor market are ranked higher than those which may generate lower visitor interest.
Regional dispersal of visitors	None = 0 Limited = 1 Medium = 2 Strong = 3	4	If a project can encourage stronger visitor dispersal throughout the region, it is ranked higher.
Uniqueness of product	None = 0 Limited = 1 Medium = 2 Strong = 3	4	The uniqueness of the product is ranked according to whether it is unique across NZ (ranked higher), across Te Manahuna , or whether the product is likely to be unique only to the specific area it is situated in (ranked lower).

Criteria	Score	Weighting	Description
Ability to encourage stronger domestic visitation	None = 0 Limited = 1 Medium = 2 Strong = 3	3	Those which are likely to encourage stronger domestic (rather than local) visitation are ranked higher.
Ability to secure govt. Funding for project	None = 0 Limited = 1 Medium = 2 Strong = 3	3	Those projects which may be more likely to be able to secure government funding (CAPEX or OPEX) are ranked higher.
Short term to activate	Yes = 1 No = 0	2	If the project is likely to be able to be activated in a shorter period, it is ranked higher.
Size of public investment	<\$100,000 = 4 <\$500,000 = 3 <\$1,000,000 = 2 >=\$1,000,000 = 1	2	Projects which have a stronger public sector investment requirement are ranked lower.
Ability to encourage stronger international visitation	None = 0 Limited = 1 Medium = 2 Strong = 3	1	Those which are likely to encourage stronger international visitation and profile are ranked higher.

Criteria	Score	Weighting	Description
Landowner	DOC = 0 Mana whenua = 1 Council = 2 Other Govt. Agency = 2 Private = 3	1	Projects which are situated on private land are ranked higher because there are likely to be fewer constraints.
Likelihood to be profiled by Tourism NZ	None = 0 Limited = 1 Medium = 2 Strong = 3	1	The ability of the project to grow the region's destination profile. Projects which may have stronger marketing budgets (particularly those run by larger tourism players), as well as highly unique products, are ranked higher.
Requirement for ongoing operational govt. Funding	None = 4 Limited = 3 Medium = 2 Strong = 1	1	If the project is likely to require ongoing government contributions to fund operating costs, it is ranked lower. If the project is likely to be commercially viable/sustainable, it is ranked higher.

Appendix 9 Project Ranking Matrices

Table 17: The full matrix with attributes

Recommendation	Ability to act as a catalyst project to stimulate other investment projects	Ability to attract a higher spending visitor market	Ability to be a major regional economic enabler	Ability to encourage stronger domestic visitation	Ability to encourage stronger international visitation	Ability to grow Visitor Yield	Ability to help address climate change impacts	Ability to improve the environment	Ability to Secure Govt. Funding for Project	Employment (Operational) Potential	Encourage mana whenua involvement in the visitor economy	Estimated Visitation	Landowner	Likelihood to be profiled by Tourism NZ	Likely to avoid reducing community social licence	Likely to be supported by community	Likely visitor appeal	Regional Dispersal of Visitors	Requirement for ongoing operational Govt. funding	Short term to Activate	Uniqueness of Product
Accommodation property (80+ rooms & conferencing)	Low	Medium	Medium	High	Low	High	Low	Low	Low	High	No	Medium	Private	Low	Low	Low	Medium	Low	Low	No	Low
Address lack of seasonal workers across the region	Low	Low	Low	None	None	None	None	None	None	None	None	None	Other Govt. Agency	Low	Low	Medium	None	None	Low	Yes	None
Agri-tourism & aqua-tourism experiences	Medium	High	Low	Medium	High	Medium	Low	Low	Low	Medium	No	Medium	Private	High	Low	Low	High	Medium	Low	No	Low
Agri-tourism showcase experience centre	High	Medium	High	High	High	High	None	Low	Medium	Medium	No	Medium	Council	Medium	Low	Low	High	Medium	Low	No	Medium
Assess growing A2O access from Takapō	Low	Low	Low	Medium	Medium	Low	Low	Low	Low	No	Low	Other Govt. Agency	Low	Low	Medium	Low	Low	Low	Yes	Low	
Assist smaller-scale operators with aspirations to grow	Medium	Low	Low	None	None	Low	None	Low	None	No	None	Private	Other Govt. Agency	Low	Low	High	None	None	Low	Yes	Low
Build stronger marketing partnerships with the two gateway destinations (Queen..	High	Low	Low	Low	Medium	Low	Low	Low	Low	None	No	High	Private	Low	Low	Low	Low	None	Low	Yes	Low
Centralised experience hub (booking & information centre)	Medium	Low	Low	Medium	Low	Low	Low	Low	Low	Medium	No	Medium	Private	Low	Low	Low	Medium	Low	Low	No	Low
Commercial centre expansion & upgrades for Takapō	Medium	Low	Medium	Low	Low	Medium	Low	Low	Low	Medium	No	Low	Private	Low	Low	Low	Low	Low	Low	No	None
Community tourism awareness campaign	Low	Low	Low	None	None	None	Low	Low	Low	None	No	None	Council	Low	Medium	Medium	None	None	Low	Yes	None
Cycle and walking trails linking Lake Pukaki and Lake Ruataniwha	Low	Low	Low	Low	Low	Low	Low	Low	Low	None	No	Low	Other Govt. Agency	Low	Low	Low	Low	Low	Low	No	Low
Define tools available to achieve best practice visitor management	Low	Low	Low	Low	Low	Low	High	High	Low	None	No	None	DOC	Low	Medium	Medium	None	None	Low	Yes	Low
Destination brand ("Made in Te Manahuna")	High	High	High	Medium	Medium	Low	None	Low	Medium	None	No	None	Council	High	Low	Low	Medium	High	Low	Yes	High
Destination events toolkit	Low	Low	Low	Low	None	Low	Low	Low	Low	None	No	None	Council	Low	Low	Low	None	None	Low	Yes	None
Developer forum to guide urban improvements	Medium	Medium	Medium	None	None	None	Low	Medium	Low	None	No	None	Private	Low	Medium	High	None	None	Low	Yes	None
Digital app and QR codes for visitor information and movement tracking	Low	Low	Low	Low	None	None	Low	Low	Low	None	No	None	Other Govt. Agency	Low	Low	Low	Low	Medium	Yes	Low	
Diversified accommodation mix	High	High	Medium	High	High	High	Low	Low	Medium	No	High	Private	Other Govt. Agency	Low	Low	Low	High	Low	Low	No	Low
Eco-huts on the edge of Aoraki/Mount Cook National Park	Medium	High	Low	Medium	High	Medium	Low	Low	Low	No	Medium	Private	Other Govt. Agency	High	Low	Low	High	High	None	No	Low
Electric & solar house boats	Low	Medium	Low	Medium	Low	Medium	Low	Low	Low	No	Medium	Private	Other Govt. Agency	Medium	Low	Low	Medium	Low	Low	No	Medium
Electric aviation	Medium	High	Medium	Low	Medium	Medium	Low	Medium	Low	No	Medium	Private	Other Govt. Agency	Medium	Low	Medium	Low	Low	No	Low	
Enhanced, future-proofed visitor information services	Low	Low	Low	Low	None	None	Low	Low	None	No	None	Council	Other Govt. Agency	Low	Low	Medium	Medium	Low	Medium	No	Low
Ensure zoning changes in District Plan to encourage tourism	High	Low	Low	None	None	Low	Low	Low	Low	None	No	None	Council	Low	Low	Low	None	Medium	Low	Yes	None
Experiences/attractions for youth and 18-35-year-olds	Low	Low	Low	Medium	Low	Medium	Low	Low	Low	No	Low	Low	Council	Low	Low	Medium	Low	Low	Medium	No	Low
Greater provision of community services	Low	Low	Low	Low	None	None	Low	Low	Low	None	No	None	Council	Low	High	High	None	None	Medium	No	Low
Guided storytelling and digital application	Low	High	Low	Medium	Low	Low	Low	Low	Medium	Low	Yes	Low	Mana whenua	Medium	Low	Low	Medium	Medium	Low	No	Low
Improve pedestrian safety and accessibility across SH8 to link Takapō village to th..	Low	Low	Low	Low	None	Low	Low	Low	Low	None	No	Low	Other Govt. Agency	Low	High	High	Low	Low	No	None	
Improve the provision of community services	Low	Low	Low	Medium	Low	Low	Low	Low	Low	No	Low	Low	Private	Low	Medium	High	Medium	Low	Low	No	Low
Improved sense of arrival into Takapō	Low	Low	Low	Low	Low	Low	Low	Low	Low	None	No	Low	Council	Low	Low	Medium	Low	Medium	Yes	Low	
Industry operator digital upskilling & service quality upskilling	Low	Low	Medium	Low	None	Low	Low	Low	Low	None	No	None	Private	Low	Low	Medium	Low	None	Low	Yes	None
Integration of Fairlie with regional cycle & walking trail network	Medium	Low	Low	Medium	Low	None	Low	Low	Low	None	No	Medium	Council	Low	Low	Medium	Medium	Medium	Medium	No	Low
Lake Takapō on-lake recreational experiences	Medium	Medium	Low	Medium	Medium	Medium	Low	Low	Low	No	Medium	Private	Other Govt. Agency	Low	Low	Low	Medium	Low	Low	Yes	Low
Leverage the Te Araroa Trail as a national asset	Medium	Low	Low	Medium	Medium	Low	Low	Low	Low	None	No	Low	Other Govt. Agency	Low	Low	Low	Low	Low	Low	Yes	Low
Links to cycleways and a hub for the A2O	Low	Low	Low	Low	Low	Low	Low	Low	Low	None	No	Low	Other Govt. Agency	Low	Low	Low	Low	Low	Low	No	Low
Mackenzie Great Walk	Medium	High	Low	Medium	High	Medium	Low	Low	Low	No	Medium	DOC	Other Govt. Agency	Low	Low	Low	High	Low	High	No	Low
Major fishing & hunting destination festival	Medium	Low	Low	Medium	Low	Medium	Low	Low	Low	No	Medium	Private	Other Govt. Agency	Medium	Low	Low	High	Low	Low	No	Low
Max Smith storytelling experience	Medium	Low	Low	Medium	Medium	Low	Low	Low	Low	No	Medium	Other Govt. Agency	Other Govt. Agency	Low	Low	Low	Medium	Low	Low	No	High
MDC major presence in Twizel	Low	Low	Low	None	None	None	Low	Low	Low	None	No	None	Council	Low	Low	Low	Low	None	Low	No	None
Meridian & Genesis sites for hydro-tourism experiences	High	Medium	Low	Medium	Medium	Medium	Low	Low	Medium	No	Medium	Private	Other Govt. Agency	Low	Low	Low	Medium	Low	Low	No	Medium
New half- and full-day walking experiences	Medium	High	Low	Medium	High	Medium	Low	Low	Low	No	Medium	DOC	Other Govt. Agency	High	Low	Low	High	Medium	Low	No	Low
New recreation/adventure destination events such as triathlons, ultras etc.	Medium	Low	Low	Low	Medium	Low	Low	Low	Low	None	No	Medium	Council	Low	Low	Low	Medium	Medium	Low	Yes	Low
New trails for accessing Aoraki/Mount Cook National Park	Medium	Medium	High	Low	High	Low	Low	Low	Medium	Low	No	Medium	DOC	Low	Low	Medium	High	Medium	Medium	No	Low
New/enhanced F&B experiences	High	High	Low	Medium	High	Medium	Low	Low	Low	None	Yes	High	Private	Low	Low	Low	Medium	Low	Low	No	Low
Place names - corrections and dual place names	Low	Low	Low	Low	Low	None	Low	Low	Low	None	Yes	None	Mana whenua	Low	Low	Low	Low	High	No	Low	
Position Fairlie as a visitor information gateway	Low	Low	Low	Low	Low	None	Low	Low	Medium	Low	No	Low	Council	Low	Low	Medium	Low	High	Medium	No	Low
Reassess location for Pukaki Airport	Low	Low	Low	Low	Low	Low	Low	Low	Low	None	No	None	Private	Low	Low	Medium	Low	Low	Low	No	Low
Redesign and build new lakefront promenade and landscaping at Takapō	Medium	Medium	Low	Low	Medium	Low	Low	Low	Low	None	No	Low	Council	Low	Low	Low	Medium	Low	Medium	No	Low
Regional events calendar to promote regional events	Medium	Low	Low	High	Medium	Low	Low	Low	Low	None	No	None	Council	Low	Low	Low	Low	Low	Low	Yes	None
Replacement of freedom camping sites with private & DOC-controlled sites	Low	High	Low	Low	Low	Low	Low	Medium	Low	None	No	Medium	DOC	Low	Low	Low	Low	Low	Low	Yes	Low
Robust visitor data collection for the region	Medium	Low	Low	None	None	None	None	Low	Medium	None	No	None	Other Govt. Agency	Low	Medium	Low	None	None	Low	Yes	None
Series of seasonal fishing competitions	Medium	Low	Low	Medium	Low	Medium	Low	Low	Low	No	Medium	Private	Other Govt. Agency	Medium	Low	Low	High	Low	Low	No	Low
Simplify compliance process, regulations and cost of implementing development ..	Medium	Low	Low	None	None	None	Low	Low	Low	None	No	None	Council	Low	Low	Low	None	None	Low	Yes	None
Ski touring experiences (packaging & profiling)	Medium	Low	Low	High	Medium	Medium	Low	Low	Low	Medium	No	Medium	Private	Medium	Low	Medium	Medium	Medium	Low	No	Medium
Storytelling via view points/story boards	Medium	Low	Low	Medium	Medium	Low	Low	Low	Medium	None	Yes	Medium	Mana whenua	Medium	Low	Medium	Low	Medium	Medium	Yes	Low
Stronger destination link for Fairlie to some of the surrounding ski fields	Low	Low	Low	Medium	Low	Medium	None	Low	Low	None	No	Low	Private	Low	Low	Medium	Medium	Medium	Low	No	Low
Sustainability in building code/urban form design guidelines	Low	Low	Low	None	None	None	Low	Medium	Low	None	No	None	Council	Low	High	Medium	None	None	Low	Yes	Low
Sustainable travel and transport options	Low	High	Low	Low	Low	Low	Medium	Medium	Low	None	No	None	Private	Medium	Medium	High	Low	Low	Low	No	Low
Takapō hillside activity precinct	High	Medium	Low	Medium	Medium	Medium	Low	Low	Low	Medium	No	Medium	Private	Medium	Low	Low	Medium	Low	Low	Yes	Low
Trail running development (linking to half- and full-day trails)	Low	Low	Low	Medium	Low	Low	Low	Low	Low	None	No	Medium	Private	Medium	Low	Medium	Low	Low	Low	No	Medium
Trails trust establishment to grow trail networks	Low	Low	Low	None	Low	Low	Low	Low	Low	None	No	Medium	Other Govt. Agency	Medium	Low	Low	None	Low	Low	No	Low
Unique dark skies experiences	Medium	High	Low	Medium	High	Medium	Low	Low	Low	No	Medium	Private	Other Govt. Agency	High	Low	Medium	Low	Low	Low	No	Low
Urban form improvements for Twizel	Low	Low	Low	Low	Low	Low	Low	Low	Low	None	No	None	Other Govt. Agency	Low	Low	Medium	Low	Low	Low	No	None
Visitor attraction and a lakeside promenade (to better link Twizel with Lake Ruata..	Low	Medium	Low	Medium	Medium	Medium	Low	Low	Low	No	Medium	Private	Other Govt. Agency	Low	Low	Low	Low	Low	Low	No	Medium
Water visitor experience hub with iconic design	High	High	High	High	High	High	Medium	Low	Medium	High	No	High	Private	High	Low	High	High	Low	High	Low	High
Whare Wānaka (Po concept & storytelling)	Medium	Low	Low	Low	Low	Low	Medium	Medium	Medium	Low	Yes	Medium	Mana whenua	Low	Low	Low	Low	Medium	High	Yes	High

Appendix 10 Economic Impact Summary

Te Manahuna is an area of significant cultural values, and like many other areas in NZ, is facing development pressures that have to be carefully managed and addressed. Protecting, preserving, and enhancing natural landscapes and cultural values are central to the local development process. M.E's assistance covered:

- The economic narrative and supplying background information,
- Defining a business as usual (BAU) future to frame the baseline economic outlook,
- Technical assessment, from an economic perspective, of:
 - The alternative growth scenario, and
 - The project package and the associated costs and benefits.

The economic assessment consisted of three key parts:

- The baseline and business-as-usual outlook,
- The scenario assessment looked at the potential economic impacts of alternative growth pathways in Value Added (like GDP) and employment terms, and
- The costs and benefits associated with the project package.

✦ Baseline And Business-As-Usual Future

The economic assessment used a range of datasets and projections, including population projections prepared for the Council, official information published by StatsNZ covering demographics, deprivation levels, employment levels, sectoral performance and GDP data published by MBIE. The main points about the current situation and the outlook are:

- The population base is small but it is growing. Estimates suggest that the district has 4,950 residents. The population is expected to expand over the short, to medium term with the population projected to increase by 2.9% per year to 6,750 by 2031 and 7,900 by 2041. The growth is expected to taper off over the longer term.
- The population is projected to age, and the ageing effect will have several flow-on implications, ranging from shifts in the demand for schools, changes in household structures (smaller

households and more single-person households), as well as changing income levels and varying abilities to participate in the labour force.

- Official information³⁰ suggests that in 2019 (pre-Covid), the district had a GDP of \$259m with total employment of 2,910 MECs³¹. The local economy's size and structure have been changing, responding to market shifts and pressures.

In simple terms, the local economy has three core parts:

- Agriculture and the rural economy,
- The visitor economy (tourism), and
- a component that services the local population (residents).

The historic trends were linked to known limits and constraints to form the BAU Future scenario. Growth is expected to continue on a strong foundation, with the Covid pandemic having a marked impact on the immediate, short-term, growth patterns. The recovery pathway is however uncertain and subject to external forces. Under the BAU Futures, the local economy is expected to grow to \$780m by 2101. This equates to a long-term growth (compound) rate of 1.3%. Total employment is expected to increase, reaching an estimated 7,170 MECs (including working proprietors) by 2101.

Over the next decade, growth is expected to come in at 1.2%, dragged lower due to the uncertainty associated with international travel, and global geopolitical developments. However, recent announcements around border re-openings will support the tourism activity in the short term – clearly there are upside risks.

In the absence of any concerted economic development efforts to redirect the economy, the structure will remain broadly stable. Agriculture activities will continue to play an important role, but sectoral shifts are anticipated in response to changing environmental pressures and market expectations. Under the BAU settings and over the long term, other livestock farming (e.g., deer, etc.) will increase from 1.0% of the district's Value Added (VA³²) to 1.8%. Fishing and aquaculture will see strong increases in contributed values – growing from around \$5m to \$31m over the long term. This growth is driven by recreational fishing as well as the potential to develop commercial aquaculture opportunities. However, the emphasis is expected to fall on the recreational segment and its links to

³⁰ Published by MBIE

³¹ a MEC, or modified employee count, is a headcount of employees and working proprietors.

³² VA is similar to GDP, but there are small differences in how some taxes are treated.

tourism activities. The sector's share of VA will approach 4%. Importantly, the future availability of, and conditions associated with, the water resource will be key.

As the surrounding rural economy grows over time, a degree of market scale will be achieved. In turn, this will enable local agriculture support businesses to provide the services, substituting interregional imports. While still relatively small, the support sector will grow from \$4m of VA to \$28m (VA) by 2101.

With reference to tourism-related activities continued growth is expected, including:

- **Retail trade** will see VA increasing from around \$9m to \$28m but the relative share of the overall economy will remain relatively flat, staying rangebound between around 3% and 4%. (importantly, the VA presented here is the value of retailing and excludes the value of goods that retailers sell and it relates to the total retail sector which also includes services to households).
- **Accommodation and food services** will see VA increase from \$39m to \$88m over the long term. However, the share of VA that these activities generate is expected to fall from 13% to 11% over the long term. Activities like AirBnB are not recorded in the accommodation sector's data meaning that the true value of accommodation is likely to be understated in official data.

The demographic shifts will flow through and have economic effects, with growth in some sectors expected in response to the shifts. The core shifts are:

- **Health care and social services** growing from \$8m to \$32m over the long term. The VA contribution increases from 3% to 4% of local VA.
- **Personal and other services** increasing from \$8m to over \$28m. The relative contribution of these activities to the overall economy remains around 3%.
- **Arts and recreation** services will see an increase from \$25m to \$68m, and
- **Local government increases** from 1% to 2% of the economic VA – a marginal increase based on increasing the VA from around \$3m to \$12m over the long term.

The economy is concentrated, with large parts of the VA delivered by a small selection of sectors. The local Tress Index³³ is 77, meaning that the economy is highly concentrated. Long term, this level of concentration is expected to see a small decrease, but the overall level will remain high. Being highly concentrated means that the economy is exposed to external shocks, making it vulnerable to sudden market shifts, or developments in the local area (e.g. natural hazards, localised events).

The analysis highlights the role of labour and labour constraints in the economy. Labour shortages and the potential mismatch between labour demand and labour supply (skill levels and attributes)

³³ This index shows the level of concentration.

are key challenges facing local businesses. These challenges are not unique to the district, and likely to remain acute for the foreseeable future.

+ Scenario Assessments

A key part of the DMP process related to working with stakeholders to define the vision, development principles and the values that would guide the DMP process going forward. This engagement process resulted in three scenarios:

- **Scenario 1: Status Quo Plus (Status quo and demand -driven approach):** The scenario reflects life as before but more mindful of avoiding sustainability issues and peak seasonal pinch points. The scenario reflects uncertainty, uneven demand, and development largely initiated by public sector initiatives.
- **Scenario 2: Growth (Volume and Value Push):** The scenario reflects sustainability principles that are widely accepted, government investment that leverages private investment and, partnerships start to activate.
- **Scenario 3: Stretch (Value Push):** This scenario reflects earlier activation of projects that are leveraged by public sector funding and a strong link to private sector activity and initiatives over the medium term.

The scenario analysis reflected the relativity between the scenarios and are based on a range of assumptions. The scenarios were framed as alternative growth pathways based on visitor numbers, spending patterns, length of stay and visitor composition (domestic vs international visitors). The scenarios have different degrees of sustainability and environmental elements, and these important elements are integrated into all the scenarios. However, scenario 3 has the deepest and most comprehensive integration of these aspects. Regenerative tourism is specifically mentioned³⁴.

The scenarios were assessed in terms of the potential economic impacts (GDP/VA and employment), over time and compared against the BAU Future to identify key shifts and the local constraints. The scenarios are not 'targets' and were used to guide the process.

The economic impacts (GDP and employment) estimated for each scenario should not be treated as benefits – GDP (or V A) is not a benefit, it is a measure of economic production.

However, this part of the economic assessment (for the DMP process) is concerned with local production, the likely shifts in economic activity, and the anticipated constraints. Therefore, GDP remains an appropriate metric. The scenario analysis revealed:

³⁴ Regenerative tourism encourages, and facilitates, visitors to 'give back' to the places they visit

- In terms of visitor numbers:
 - Over the medium-term (10 years), Scenarios 1 and 2 return the highest growth in visitor numbers, with between 2.2m and 2.3m visitors³⁵. In contrast, Scenario 3 is lower, and the estimated visitor numbers is 1.8m. Over the next two decades (to 2051), a gap opens between all scenarios. Scenario 3 will see the lowest visitor numbers and this trend continues over the entire assessment period. Scenario 3 consistently returns the lowest visitor numbers (in day equivalent terms).
- From a spending perspective:
 - Even after accounting for the lower visitor numbers, Scenario 3 returns the highest spending over the long term.
 - Over the short term (i.e., visitor sector's recovery) scenarios 1 and 2 are expected to see the highest numbers, but this reverses from around 2041 onwards.
- On an indexed basis that combines total spending and visitor numbers:
 - Scenario 3 returns an index of 1.1, increasing to 1.36 over the long term. This contrasts with an index of between 0.91 and 1 for the other two scenarios.
 - The index suggests that after allowing for scale (visitors), the level of spending per visitor, and shifts over time, that scenario 3 delivers the highest spending on a per visitor basis.

The scenario analysis clearly points to scenario 3 as delivering the most favourable value proposition.

Looking past the specific scenario, the economic analysis showed that:

- The three scenarios all deliver a larger economy over the initial 10 -year period. This step change highlights the recovery profile across the three scenarios.
- Over the short and medium term, the difference between the scenarios (in terms of economic VA) is not large. The percentage difference is 4.8% (\$19m) between the largest (Scenario 1) and the smallest (Scenario 3) scenario.
- Under Scenario 3, the economic performance pulls ahead of the other scenarios from the second decade onwards.

The analysis highlights that, regardless of the scenario, the district will enter a higher growth pathway. Importantly, labour issues are likely to be limiting constraint on the economy. If labour constraints are not addressed, then the intended level of activity (and full opportunity) is unlikely to materialise. Labour pressures are expected to be particularly acute in the initial 10 -year period. Addressing productivity challenges will need to be part of rolling out the DMP projects.

³⁵ Visitors refer to day -equivalents.

+ Assessing the projects (costs and benefits)

Using the scenarios as a guide to inform the projects, the team develop a list of projects that would deliver on the vision and principles of the DMP. The projects were assessed as a group, not individually, in terms of the social cost and benefits. The CBA examines the relationship between the costs and benefits of the projects in aggregate. The Cost-Benefit Ratio (CBR) provides a useful way to show if the projects deliver benefits that will outweigh the cost (>1 means that the benefits are greater than the costs) and if this is the case, then the community would be better off. The following table reports the CBA results under different discount rates.

Table 19: CBA Results

Discount rate	Benefits \$m	Costs \$m	Net position \$m	CBR	Av Annual \$m
0%	26,392	14,387	12,005	1.83	120.05
3%	6,091	3,530	2,561	1.73	25.71
5%	3,152	1,910	1,242	1.65	12.54
7%	1,923	1,214	709	1.58	7.22
9%	1,298	850	448	1.53	4.61
Mixed*	10,409	5,783	4,224	1.80	46.34

* - Declining discount rate (from 5% to 0.5%)

The 5% discount rate is the default rate and aligns with the Treasury and Waka Kotahi NZTA settings. Under this discount rate, the CBR is estimated as 1.65 – well above 1. This suggests that the DMP projects, and the change in focus from volume to a value approach, would deliver benefits that outweigh the costs. The **positive outcome (>1) is observed across all the discount rates**, including the high rate of 9%. In reality, the overall value is likely to be towards the upper end of the spectrum because the lower discount rates (including the 'mixed' rate) show a more balanced view of the time preference of money.

The analysis allows for economic values like consumer and producer's surplus, as well as deadweight losses, displacement, and opportunity costs. The DMP and project-level details will be refined as part of the implementation process, and therefore it is not possible to include fine(r) details (e.g., benefit

values) around important matters like environmental improvement and cultural gains. Including these matters are however likely to increase (lift) the CBR.

Implementing the projects will take time and the benefits will be cumulative, building over the long term. A simulation approach reflecting different implementation pathways was used to assess the temporal distribution of effects. The figure shows the trend in net position over time (the thin line is the fitted trend line, and the dots show the average values over multiple simulations). Note, the annual values are benefits and include non-market values and should not be viewed as VA.

Some volatility can be expected over the short term, where the costs outweigh benefits. This reflects the change in delivery approaches, responding to the market recovery and positioning for the long-term activities and overall change. Next a period of high annual net positions is identified, capturing the move towards high(er) value activities.

Following from 2051, the steady improvement in net position continues. Over the long term, **the annual net benefits approach \$200m/a**. These benefits are substantially higher than the short and medium terms. This underscores the important point that the DMP is not a quick fix, but a transitioning, and restructuring of the visitor economy that would deliver the outcomes over the long term.

The overall project will see significant investments in diversifying the commercial opportunities, how the local economy interacts with the natural resource, protects it and how value is derived from the visitor market. The short-term costs and shallow net benefit positions over the short term should not be viewed as a barrier to working towards the material gains that would manifest over the medium to long term.

✦ Concluding remarks

The economic assessment considered the historic trends, BAU Future as well as three growth scenarios. Underlying economic issues, like labour constraints and the need for productivity growth must be incorporated into the wider development programme, the DMP and development activities

to ensure that the true potential of the area is reached. These issues risk undermining the long-term rollout of the DMP, and the wellbeing of the local communities.

The scenario analysis confirmed that scenario 3 is the appropriate preferred option, and suggested that this option would deliver the greatest GDP impact at the lowest relative increase in visitor numbers (i.e., reflecting the shift to value from volume). The CBA analysis found that the relationship between the costs and benefits to be robust and favourable. Even if high discount rates and more aggressive settings were used, the CBR remained positive.

Trend in net position

