



MARLBOROUGH VISITOR ECONOMY BRIEFING

Update 2: 30 November 2016

Update 1: Issued 18 November 2016

THE VALUE OF THE MARLBOROUGH VISITOR ECONOMY

\$372 million was spent by visitors in Marlborough to the year end March 2016 up 7.8% on the previous year.

Visitors to Marlborough spent:

- \$115.2 million on transport, tours and experiences
- \$44.3 million on accommodation
- \$49.5 million on fuel and automotive services
- \$57.6 million in retail stores
- \$50.5 million on alcohol, food and beverages
- \$55.1 million at restaurants, cafes and bars

POST KAIKOURA EARTHQUAKE SITUATION

- Record numbers of international visitors are forecast to visit New Zealand this summer. Marlborough businesses area geared up with summer staff and an expectation of a strong summer season.
- Marlborough is open for business, the region's port and conference facilities, accommodation, attractions, tours, walking and cycling tracks, cruises, winery cellar doors, shops, restaurants and cafes are business as usual.
- State Highway 1 between Picton and Christchurch is closed for an undetermined timeframe (circa 3 years).
- People travelling between Picton and Christchurch need to use the alternative inland highway route – State Highway 6 and 63 to Murchison, and then along State Highway 65 to Springs Junction and through Lewis Pass (State Highway 7) to State Highway 1 at Waipara and vice versa.



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- The capability of the route to manage the increased car and freight traffic and road safety are a major concern for the MOT and NZTA.
- Aftershocks continue along the central east coast of New Zealand.
- There was never an indication of travellers feeling unsafe in Marlborough and wanting to get out.
- 18% of international arrivals come into NZ via Christchurch Airport. A long haul international passenger arriving into Auckland will spend on average 2.5 nights in the SI. If that passenger arrives directly into CHC they will spend on average 7.5 nights in the SI and visit at least 3 regions in addition to Canterbury.
- 15% of properties in the Marlborough Sounds are owned by people living in the Canterbury region (Source Marlborough District Council).
- A third of all domestic visitor spend in Marlborough is from the Canterbury region (Source: MBIE RTEs y/e March 2015). Domestic visitor spend to year end March 2016 was \$243 Million (Source: MBIE RTEs y/e March 2016).
- 93% of Cantabrians interested in visiting Marlborough indicated they would travel by road (Source: DGiT.nz domestic tourism insight tool released Nov 2016).
- DOC have reported that their assessment of critical pinch points over summer will be the Nelson Lakes area where there are limited DOC facilities. When the Awatere access Rd into the Molesworth is reopened by NZTA it will open to vehicles but will not be publically advertised as an alternative route.
- Kiwirail has advised the visitor industry that the Coastal Pacific will be out indefinitely, it has been officially withdrawn from the market.
- There are still multiple transport options available for access in and out of the region for visitors to continue to include Marlborough in their travel plans. Two weeks on and...
 - Ferries are operating as normal.
 - Replacement daily coach service between Chch and Picton in place.
 - Air New Zealand operating as normal.
 - Sounds Air established new route to Christchurch via Kaikoura and increased weekly capacity on Marlborough – Christchurch direct service.

CANCELLATION REPORT:

- In the first week, while transport providers were re-establishing routes and capacity, accommodation providers were experiencing high levels of cancellations, but were also picking up some replacement bookings and longer stays as a result of traveller transport disruptions. Activity providers too received cancellations because customers could not physically reach them. There were also reports of some forward booking cancellations from international travellers who have deferred their NZ travel plans as a result of the earthquake .
- In the 2nd week there were reports of some ongoing cancellations for Marlborough from risk adverse corporate bookings and school groups. Leisure travel accommodation cancellations for the summer have been predominantly through online booking engines like Booking.com and Expedia where there is no ability to reassure the traveller.
- The significant effort by Tourism New Zealand to reassure international travel sellers is evident through the minimal cancellations coming through that booking channel.
- Kiwirail estimate 25,000 passengers have had their rail travel plans disrupted this season. There is currently no evidence of how these passengers will or have replaced those travel arrangements.
- Based on cancellations immediately following the earthquake Kiwirail estimate revenue to be 5% down on budget. However they are now entering their peak summer booking period.
- Tourism New Zealand have reported that the earthquake is no longer registering on international news or online social channels.

CONSIDERATIONS FOR MARLBOROUGH

- Any constraint on visitor flows from the South into Marlborough will have an impact on the Marlborough visitor economy.
- The journey between Christchurch and Marlborough is anticipated by NZTA to take 7.5 hours, previously the journey via Kaikoura was on average 4 hours, potentially a perceived barrier for travellers intending to travel north from Christchurch.
- Geographically on a New Zealand map the aftershocks centred around Kaikoura and Seddon are perceived to have an impact in and near Marlborough.
- There is significant reporting in domestic media outlets about the state and safety of the new inland route between Christchurch and Marlborough.
- Early estimates from Marlborough Roads are that SH63 currently has 1500 vehicle movements a day. SH1 had between 2,700 and 11,000 vehicles per day.
- NZTA has produced V1 of a guide for travellers including distribution to vehicle passengers on the Cook Strait Ferries and i-SITE Visitor Information Centres. The content clearly responds to the road safety priority but not the visitor flow priority which is being addressed.
- Travellers embarking on a 7 ½ hour drive to Christchurch in the afternoon could contribute to freedom camping issues along the route and road accidents involving fatigued drivers.



CONCERNS FOR MARLBOROUGH'S VISITOR ECONOMY

- Visitors to Marlborough travelling from the South, both domestic and international will be put off by the state of the road, the length of the drive and ongoing aftershocks being reported in/near Marlborough.
- If Marlborough were to experience a reduction in visitation from Canterbury of even 10% over the next 12 months that would have an estimated \$6 million impact on the economy.
- Any accidents or incidents on the new route are going to hit the national headlines and further impact on the perception that travel in and out of Marlborough by road is difficult and dangerous.
- Trucks departing Spring Creek depot will travel through Rapaura Rd to access SH 63 and the in-land route. This is right through the path of the popular visitor experience of cycling between the cellar doors.
- It is understood that the road between Christchurch and Kaikoura will re-open well before the road north between Kaikoura and Marlborough. The potential impact of this is that visitors will make a day trip to Kaikoura from Christchurch and return and not take the inland route to include the top of the south in their travel plans due to the additional travel distance.
- If one of the Interislander ships was rerouted to service a freight link between Wellington and Lyttleton this would further constrain visitor flows into Marlborough from the North Island.

KEY MESSAGES

Marlborough is fully operational and visitor experiences are unaffected by the Kaikoura earthquake.

Visitor access in and out of Marlborough remains well connected with rest of New Zealand with air services, road access, coach services and ferry connections.

The message specifically to international travel sellers is that the sheltered waterways of the Marlborough Sounds offer multiple options of daily marine based experiences including dolphin swimming, scenic, seafood and wildlife cruises departing from Picton and Havelock. Therefore Marlborough is well placed to assist travel sellers with trade ready experiences to include in their client's travel plans without having to make significant adjustments to their itineraries.

ACTIONS AND PROPOSED WAY FORWARD TO MITIGATE THE CONSEQUENCES:

- Assisting Emergency Management team with visitor welfare response.
- Initial communication focus on gathering insights and developing and issuing key messages that Marlborough's visitor experiences are unaffected by the earthquake and updating travel sellers and operators on transport access to reassure travellers.
- Work with NZTA to evolve road safety message to manage road safety agenda with Marlborough visitor economy agency. Key message, position Marlborough as the place to rest/stay before taking the in-land route.
- Maintaining communication with MBIE to ensure Marlborough's visitor industry concerns are challenges are raised and considered at national Government level.
- Contributing Marlborough insights to KE-TAG (Kaikoura Earthquake- Tourism Action Group).
- Participating in Marlborough District Council led industry leaders forum to coordinate Marlborough response and represent the interests of the visitor industry to retain visitor flows and positive perception of the destination.
- Maintain positive messaging in social forums. Initial operator pick up and participation in this has been exceptional.
- Implementing a campaign to increase Marlborough destination presence in Canterbury to minimise impact on summer visitation.
- Joint response and campaign planning with regions of Nelson, Kaikoura, West Coast and Canterbury around a top of the South touring loop to retain visitor flows.
- Adapt future campaigns to respond to challenges and opportunities evolving roading developments.
- Advocate for prioritising of completion of off road trails for cyclists around Rapaura Road.
- Continuing to support local tourism businesses with positive messaging to help them retain their bookings and acquire new bookings.

Prepared from Tracy Johnston, General Manager, Destination Marlborough

30 November 2016