

Submission to Dunedin City Council: Advocating for Increased Tourism Funding in the 9-Year Plan

To: Dunedin City Council

From: Adrian Clifton, General Manager, Larnach Castle Ltd

Date: 23 April 2025

Subject: Request for Enhanced Tourism Investment in the 9-Year Plan

Dear Councillors,

I am writing to advocate for a significant increase in tourism funding within Dunedin's upcoming 9-Year Plan. As the tourism sector continues to be a cornerstone of New Zealand's economy, it is imperative that Dunedin capitalizes on this opportunity to bolster its local economy, enhance community vibrancy, and position itself as a premier destination for both domestic and international visitors.

Economic Significance of Tourism

Tourism is a vital contributor to New Zealand's economy. In the year ending March 2024, total tourism expenditure reached NZD 44.4 billion, with international tourism accounting for NZD 16.9 billion teic.mbie.govt.nz. This 59.9% increase on the previous year highlights the robust recovery and growth of the sector post-pandemic.

Specifically, Dunedin stands to benefit from this national trend. The city's rich cultural heritage, vibrant arts scene, and proximity to unique wildlife and natural attractions make it an attractive destination for tourists. Investing in tourism infrastructure and promotion can amplify these inherent advantages, driving increased visitor numbers and spending.

Employment and Community Benefits

Tourism is a significant source of employment. In the year ending March 2024, the sector directly employed 182,727 individuals, representing 6.4% of New Zealand's total workforce. teic.mbie.govt.nz. In Dunedin, tourism-related employment supports a diverse range of roles, from hospitality and retail to tour guiding, accommodation and cultural institutions. These tourism businesses not only provide livelihoods as a direct benefit but have secondary benefits to local trades and suppliers and so plays an important role in the overall structure of the city's economy.

Larnach Castle Ltd provides employment for approximately 130 staff during peak periods. Not only do we offer permanent full-time, and part-time positions but we also offer casual and fixed term employment opportunities. For all roles, we employ from a wide demographic. For example, this could mean that we offer high school students their first taste of employment or we could offer retirees an opportunity to gain extra

funds. The income earned from our tourism business inevitably flows right back into the local community as do our cost of sales or the cost of renovations.

Moreover, tourism fosters community development by encouraging the preservation of cultural heritage and the enhancement of public spaces. Events, festivals, and cultural exchanges attract both visitors and locals, enriching the city's cultural landscape.

Supporting the implementation of the Destination Management Plan

The Destination Management plan for Ōtepoti Dunedin has a shared vision of “Growing the value of our visitor economy to the benefit of the wider Ōtepoti Dunedin area, and partnering to protect and enhance our environments, taoka and communities.”

As you will be aware, key insights included

96% of Ōtepoti Dunedin residents interviewed think domestic tourism is good for NZ and Dunedin.

89% support international tourism.

54% of Ōtepoti Dunedin residents interviewed who work outside the visitor sector (i.e. not in tourism, accommodation or food services) believe that the city's tourism activities and recreational assets are important to the success of the sector in which they work.

One of the highest priorities identified in the plan was to ensure that destination management was suitably resourced within the region “to ensure there was adequate funding to implement the recommendations set out within the plan whilst ensuring business as usual activities and focus remain.”

It is recognised that some activities will need to be in partnership with local visitor economy businesses, but the desired outcome set out in the plan was for Council budgets to make provision for destination development, management and marketing.

Recommendation

I urge the Dunedin City Council to:

1. **Increase Tourism Budget Allocation:** Allocate a larger portion of the 9-Year Plan's budget to tourism development, focusing on events, familiarisation visit hosting, attendance at key trade events, PR and marketing initiatives.
2. **Develop Strategic Partnerships:** Continue to collaborate with Tourism New Zealand, and both national and local visitor economy stakeholders to leverage national campaigns and attract targeted domestic and international markets.

3. **Support Sustainable Tourism Practices:** Invest in initiatives that promote eco-friendly tourism and the preservation of Dunedin's unique natural and cultural assets.

By investing further in tourism, Dunedin can unlock significant economic and social benefits, ensuring a prosperous future for its residents and businesses.

Thank you for considering this submission.