

Ōtepoti Dunedin Cruise Action Plan

2023-2025

CONTENTS

- Introduction – about the Ōtepoti Dunedin Cruise Action Plan
- Cruise Action Group – Our Vision
- Action plan objectives
- Overview of the Cruise Action Plan
- Alignment with the Ōtepoti Dunedin Destination Management Plan
- Responding to the drivers for change
- Background to the tourism and cruise sector
- Outlook
- Related sector and city activity
- SWOT
- Our partners and stakeholders
- Areas of responsibility
- Understanding priority areas for action
- Our actions

Dunedin Cruise Action Group Membership:

Dunedin City Council: Enterprise Dunedin, Visitor Centre Manager, Destination Manager, DCC Transport.

Port Otago: Cruise and Sustainability Manager, Cruise Operations Lead

University of Otago: Otago Business School

Te Rūnanga o Ōtakou and Kati Huirapa Rūnaka

West Harbour Community representative, Port Chalmers Business Representative

Otago Regional Council

Department of Conservation

Dunedin Host: Cruise representative

Business South: Chief Executive Officer

Introduction – about the Ōtepoti Dunedin Cruise Action Plan

Cruise Action Plans have been created by the Cruise Action Group since 2007. With the establishment of a Cruise Action Group and Plan the region took a leading approach to co-ordination of destination management, industry research and communication with tour operators and the community. This cruise action plan is a refreshed 3-year view of cruise tourism's role in our region. The plan is a sector-led, collaborative approach to managing Ōtepoti Dunedin as a visitor destination for cruise visitors.

The refresh of the cruise action plan is also an outcome of the Ōtepoti Dunedin Destination Management Plan (DMP). Central to the DMP is a shared vision for our region:

Matawhānui - Our shared vision

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

This cruise action plan is a partnership between key stakeholders in the community who have central roles in supporting the cruise sector and our community with services. The DMP lays out aspirations covering economic, cultural, social and environmental outcomes for our city.

Cruise tourism is a significant contributor across these pillars for a sustainable tourism sector. Economically, in the incomplete 19/20 season, the cruise sector contributed \$49.8m to the Dunedin economy, according to StatsNZ. Visitors experience a range of our natural, built and cultural heritage. Cruise tourists are also attracted to our natural environment, while operators are increasingly acknowledging the sector's impact and are taking steps to lessen its footprint. Socially, the sector brings the world to our city, supporting activity and amenities our local communities also enjoy.

“Located on the foreshore of a spectacular harbour, and encompassing communities from Middlesmarch to Waikouiti, it offers all the experiences and services visitors might expect from a sophisticated urban destination – including world-class arts and culture, food and beverage experiences, and educational opportunities. Ōtepoti Dunedin is also New Zealand's only UNESCO designated City of Literature.” – Destination Management Plan 2023

Tourism's export receipt contribution to Aotearoa New Zealand is a significant part of our economy. Ōtepoti Dunedin is in a special position, as we are strategically well located to benefit from the growth of the cruise sector. We are a location that is in demand from a sector that has shown remarkable resilience in its ability to recover from global conditions that restricted economic activity. Like any growth in productive areas of our regional economy, the benefits do not come without challenges to how growth is managed. The shift to 'Regenerative Tourism', where there are net positives for the communities and environments hosting tourism is recognised across the sector.

The Cruise Action Plan was developed with support and feedback from: Enterprise Dunedin, University of Otago, Port Otago, DCC, ORC, Waka Kotahi, Kati Huirapa Rūnaka and Ōtākou Rūnaka, and other stakeholders including DunedinHOST members, and Business South. The Action Plan is to be updated in 2026.

Cruise Action Group – Our Vision

This plan articulates a shared vision for actions recommended to ease the risk of our successful growth outpacing our ability as a city to provide a visitor experience and community benefits that enhance our environment, taoka and communities.

Cruise Action Group Vision:

To be the premier cruise destination in New Zealand for the benefit of passengers, crew and our Dunedin community, taoka and the environment.

Action Plan Objectives

The plan is a sector-led, collaborative approach to managing Ōtepoti Dunedin as a visitor destination for cruise visitors. It has the following objectives:

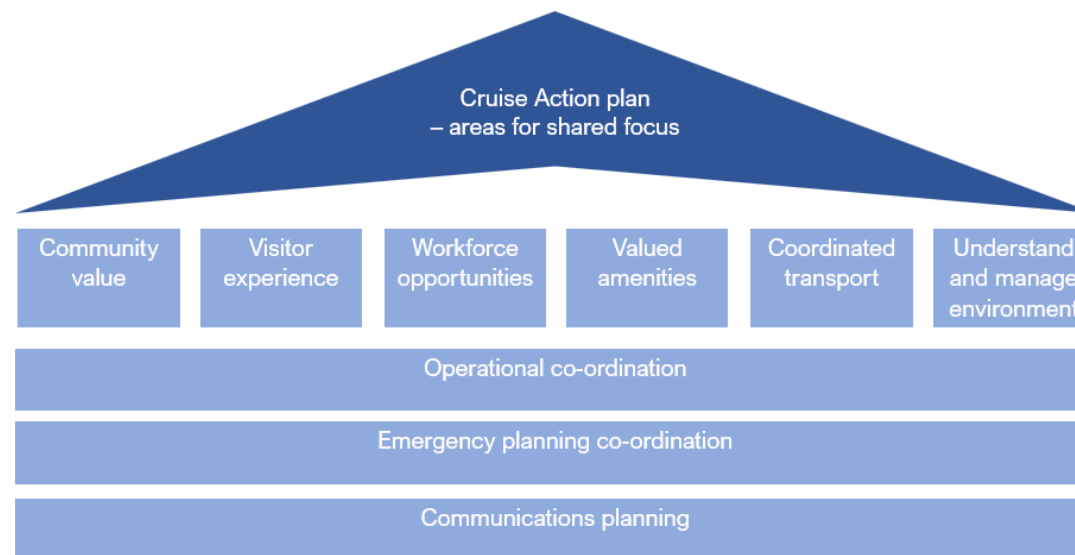
- Provide a forum for coordination of actions and information across stakeholders in the sector
- Grow understanding of the sector within our community
- Partner across the sector on actions that grow the value of our visitor economy to the benefit of the wider Ōtepoti Dunedin area
- Partner on actions that protect and enhance our environments, taoka and communities.

Overview of the cruise action plan

The Cruise Action Plan has six key areas for shared focus for recommended annual actions which are discussed in detail from page 23 in this document:

- Visitor experience
- Community value
- Workforce opportunities
- Valued amenities
- Coordinated transport
- Understand and manage environmental impact

These areas are supported by overarching actions covering operational co-ordination, emergency planning co-ordination and communications planning.



Alignment with the Ōtepoti Dunedin Destination Management Plan

The Cruise action plan aligns with the Ōtepoti Dunedin Destination Management Plan which has the following actions and desired outcomes:

Investigate the benefits and burdens of the cruise sector:

- *Cruise is “mass tourism” for Ōtepoti Dunedin, and places peak demand burdens on operators, buses and CBD businesses. It is vital to identify Ōtepoti Dunedin’s capacity to fulfil cruise guests’ expectations, and the community’s desire and ability to welcome cruise guests, as well as cater to our FIT and domestic markets*

Develop a sector-led cruise action plan:

- *Positive social license is vital for the health and wellbeing of the visitor sector, cruise sector, our communities and our visitors. This will involve taking the results from the benefits and burdens investigation and developing a sector wide plan and approach to the cruise market. This should include ensuring experiences sold to cruise passengers and supported by the district are quality experiences. Consideration should be given to exploring the consequences of capping cruise ship visits to the city.*

Desired outcomes

1. *Definition of acceptable numbers of cruise visitors to match Ōtepoti Dunedin’s infrastructure.*
2. *Identification and application of ways of meeting increased demand.*
3. *Positive feedback from residents following plan implementation.*

Responding to the drivers for change

The Destination Management Plan (DMP) lays out the key drivers for a change in approach to destination management in our region and signals a move towards regenerative tourism.

Regenerative tourism, the primary driver for change, is an approach focused on the principles of regeneration, sustainability, and community involvement, with the aim of going beyond traditional sustainable tourism by actively contributing to the betterment of the environment, society, and local economies.

This is a global approach being taken up by the tourism sector. It is a proactive step to counter what has been seen from tourism in parts of New Zealand where there are concerns that tourism and recreational activities are negatively impacting the natural environment, and where communities have struggled with the demands of visitors. It is a change in approach to reduce erosion of the tourism sector's social licence in these communities.

While the DMP acknowledges Ōtepoti Dunedin has not experienced these issues to the extent of some communities, valid concerns were raised in community consultation. As a response, the DMP has been shaped to create a balance between optimising the benefits of having a visitor economy while mitigating the burdens that can arise when host communities do not have a clear understanding of the tourism sector, as well as when visitor populations are either not seen to be providing benefit or are not respecting the values of their host communities and environment. This necessitates a shift in strategy, and plan to facilitate an increase in tourism serving communities.

Other noted drivers include:

- *Workforce*: The competition for talent and the need to develop the tourism workforce, with consideration to changes in the future of work, and;
- *Resourcing*: Recognising that financing and funding the future of tourism development will require new tourism models.



Background to tourism and the cruise sector

Who are our tourists?

Tourist demographics

The New Zealand Cruise Association and Stats NZ data provide an interesting insight into where tourists come from; showing the majority of tourists coming from Australia (51%). North Americans make up 25% of the market and Europe 12%. Interestingly, New Zealanders also choose to cruise, with 7% of all cruise passengers being tourists experiencing their own country.

“The number of cruise passenger from New Zealand is 7%. CLIA reports that cruising is very popular with New Zealanders – New Zealanders are recognising that cruise is an easy comfortable, and economical way to see our own country” (New Zealand Cruise Association – Cruise Tourism Economic Overview 2020, O’Sullivan, Yee, 2020).

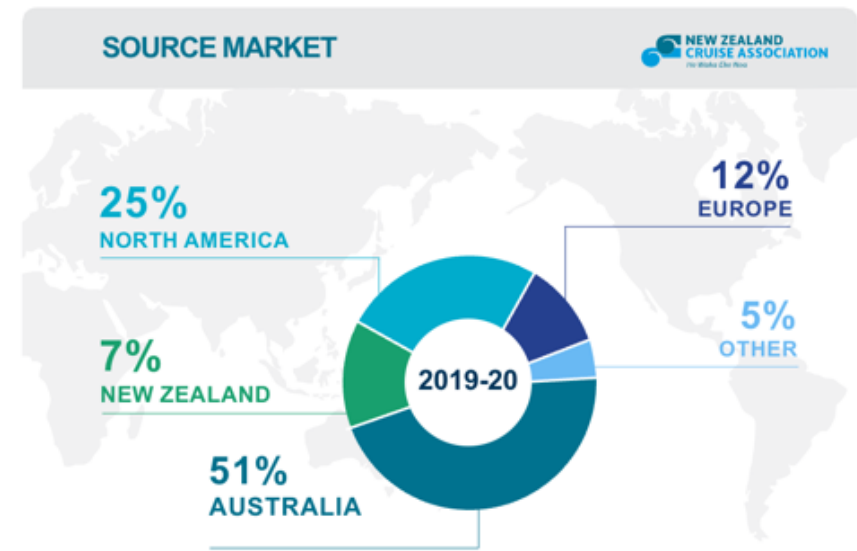
Stats NZ’s most recent data shows 191,147 passengers arrived in Dunedin across the 2019/20 season. The majority of vessels arrive at Port Chalmers from Australian ports via Fiordland, or from Lyttleton/Akaroa/Timaru en-route to Fiordland and Australia.

Cruise Lines International Association research shows the average age of a cruise tourist is 46.5 years. GenX and Millennials are the most enthusiastic cruise travellers, with more than 86% of them planning to cruise again.

How they view the cruise experience

Otago University research shows shore excursions, attractions and experiences are often regarded, from passengers’ points of view, as a highlight of the cruise holiday experience (Sanz-Blas et al. 2019; Weeden, Lester & Thyne, 2011).

Otago University’s Cruise Tourism Research Survey of Cruise Passengers in New Zealand 2022-23 interviewed 363 passengers. The findings showed that: *“satisfaction with the visit to New Zealand was very high: 95% of respondents were either satisfied or extremely satisfied with their onshore experience in New Zealand, 97% reported they would recommend New Zealand as a destination, and 71% stated they plan to return to New Zealand. Cruise tourists are particularly satisfied with New Zealand’s natural landscapes and the friendliness of local residents.”*



Global growth context:

According to the Cruise Lines International Association's (CLIA) [2023 State of the Cruise Industry Report](#), global cruise tourism is expected to reach 106 percent of 2019 levels in the 2023/4 season, with 31.5 million passengers sailing, generating \$155b to the global economy.

The report indicates that global capacity is predicted to grow by 19 percent to more than 746,000 berths from 2022 to 2028. Of those cruise tourists surveyed, 85% indicated they will sail again, six percent higher than pre-pandemic totals.

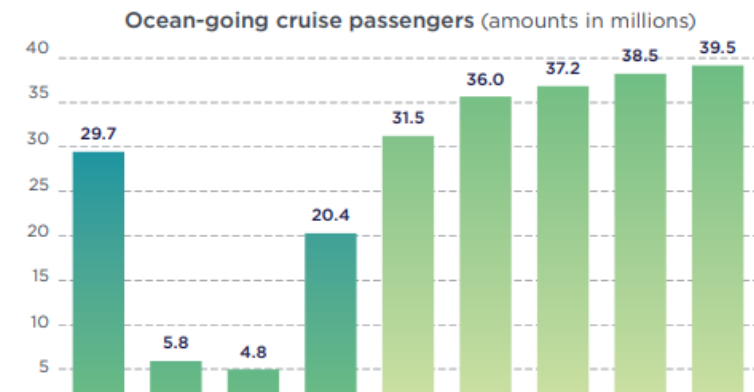
The CLIA report shows cruise passengers return to destinations, with 63 percent of respondents saying they have returned to a destination first visited via a cruise ship. Travelers also spent an average of \$750 (USD) per person in port cities throughout a typical seven-day voyage.

There is a global trend for new market growth and New Zealand faces competition from challenger regions.

This is being seen in the predicted rebound in Asia and China as destinations, and in the continued growth in the Alaskan market, which may lead to a plateau in demand for New Zealand.

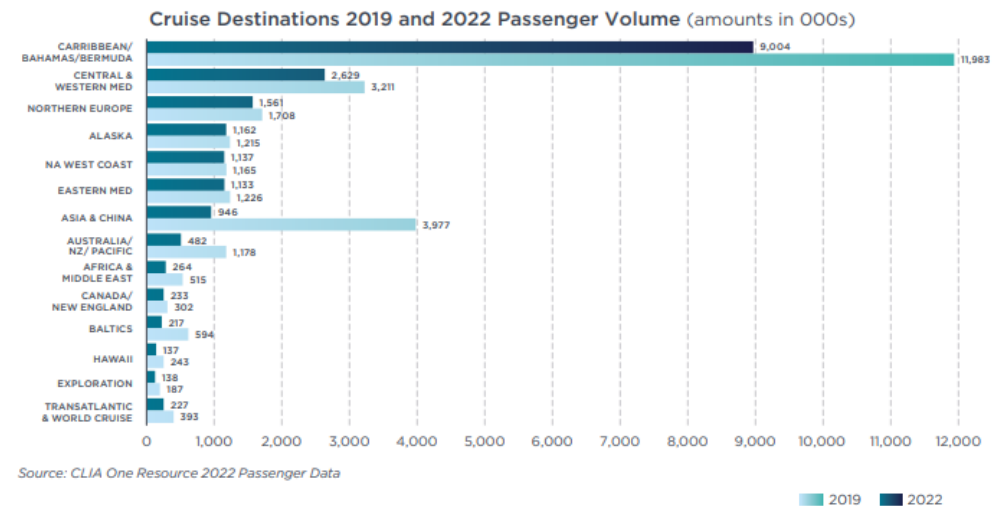
CRUISE UPDATE & FORECAST

Cruise continues to be one of the fastest-growing sectors of tourism



CRUISE FACTS, FIGURES, & TRENDS

The Caribbean remains the top destination for cruise travelers



Economic contribution:

Tourism is a significant regional economic contributor

The Destination Management Plan lays out the economic value of tourism to our city. The tourism industry contributed \$267m towards GDP in Ōtepoti Dunedin in 2022. (Source: Dunedin City Annual Economic Profile 2022, Infometrics.)

Tourism is a key employer in Dunedin, with an average of 4,683 people (7.1% of our population) employed within the sector in 2022.

Growth in the sector in Dunedin has averaged 3.5% over the past decade compared to 2.4% sector growth across New Zealand.

Cruise sector economic value to the country and our city

Statistics NZ figures showed pre-pandemic growth in the cruise tourism sector. Statistics NZ (2019, 2020) calculated cruise ship expenditure to be \$474 million in the 2018/2019 season (up 28% from the previous season), and \$547 million in 2019/2020 (despite being shortened by Covid); with the majority of this expenditure being spent onshore by passengers and crew. This total is made up of:

- Spending by cruise visitors (\$356.4 million) – shore excursions, and spending ashore by passengers and crew;
- Spending associated with the ships (\$138.7 million) – port and other fees, purchase of fuel, produce and other supplies; and
- GST from cruise expenditure (\$52.0 million).

Although it was an incomplete season, the 2019/20 regional spend in the Otago region from the cruise sector totalled \$49.8m.

Last season's figures are not available, although the country experienced a significant rebound in cruise tourism following the re-opening of the country's borders.

Overview of Cruise in Dunedin 2022/3 season in review

- 101 visits – 88 to Port Chalmers, 13 to Dunedin
- 149,169 passengers
- 73,383 crew visits
- Directly supports 37 tour operators, 6 bus companies, 19 taxi operators.

How Dunedin residents view tourism

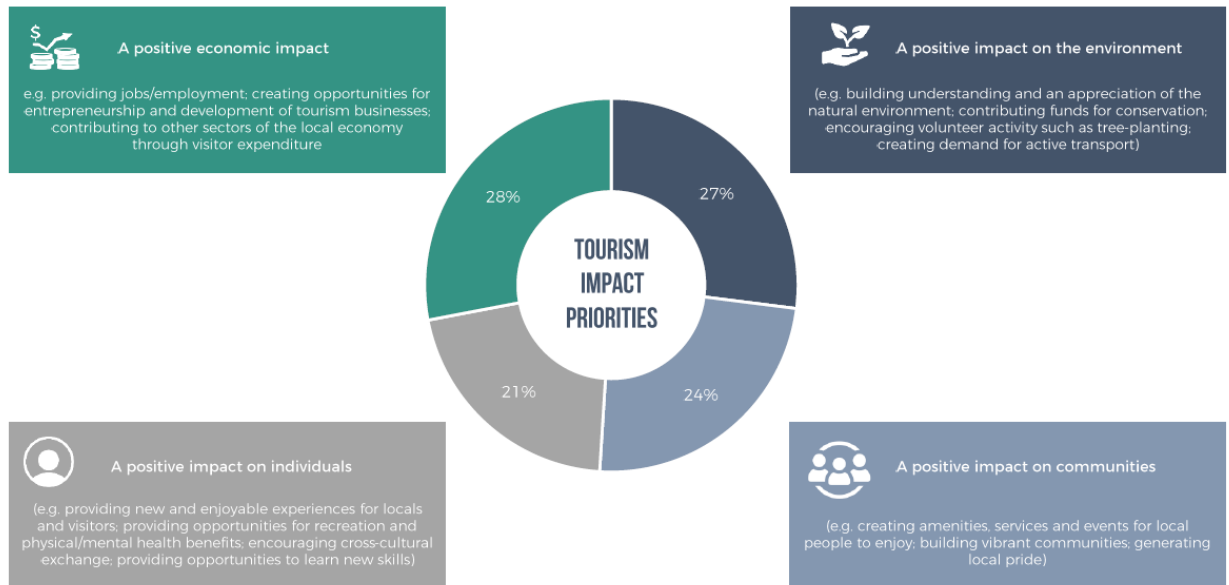
The DMP was informed by research carried out by Angus & Associates to survey residents' views. Seven workshops, including a hui with local Mana Whenua to ensure an understanding of their perspective, and a survey of 478 residents led to the *Ōtepoti Dunedin community views on tourism and destination management* report in November 2022.

Key findings:

- Almost 90% of residents see international (inbound) tourism as a force for good, both at a national (for New Zealand) and regional (for Ōtepoti Dunedin) level.
- Tourism (including Accommodation and Food Service) is seen as the most important sector of Dunedin's economy by 16% of residents, putting it third in ranking behind Education and Training (55%), and Healthcare and Social Assistance (28%).
- More than half of residents who work outside of the tourism/accommodation and food services sector – e.g. retail trade, construction, financial services and education – believe that the region's tourism activities and recreational assets are important to the success of the sector in which they work.
- Almost 40% of residents believe that international tourism places too much pressure on their region.
- Just 10% of residents have not benefitted from tourism in their area (well below the New Zealand average of 24%).
- At the same time, 80% of residents indicate they have experienced negative impact of tourism in their area. Most commonly perceptions relate to litter and waste, carparking and traffic congestion, damage to the natural environment and perceived pressures on community infrastructure.
- Relative to New Zealand norms, Dunedin residents are more likely to call for efforts to reduce the impact of visitors on their local environment, to involve visitors in the regeneration of their local environment and to develop/promote more authentic and/or indigenous experiences for visitors.

VIEWS ON TOURISM IN ŌTEPOTI DUNEDIN TOURISM IMPACT PRIORITIES

Following are four areas in which action could be taken to ensure that tourism has positive impacts. To help in prioritising action plans, please tell us how important you think each of these is by allocating a total of 100 points between them.



New Zealanders' views on tourism

Angus & Associates' 2022 findings from the Views on Tourism research, reveal a significant increase in support for international visitors in New Zealand.

Managing Director of Angus & Associates, Chris Roberts says the closing of borders due to the pandemic has clearly had an impact on attitudes. "It seems that Kiwis are now more aware of the benefits that tourism activity in their community can deliver, because they have also seen what is lost when there are no international visitors."

- The Tourism Approval Rating considers both the positive and negative impacts of tourism on local communities. The International Tourism Approval Rating in New Zealand had shown a steady decline from a net positive 42 in 2018, to a net positive 28 in 2021. But in 2022 this rebounded to a positive rating of 44.
- The proportion of New Zealand residents aged 18 and over who have personally experienced any adverse local impacts of tourism has also fallen from 73% in 2019 (pre-Covid) to 64% in 2022.

Community support for international tourism bounces back



Source: www.angusassociates.co.nz/support-for-tourism-bounces-back-in-nz/

Environmental sustainability:

Consideration of environmental sustainability is a critical when assessing the demands placed on regions to sustain tourism activities. The cruise sector recognises the critical importance of reducing its environmental footprint, and protecting the natural environments it relies on. The CLIA has a focus on destination sustainability. This is backed by global regulations for the sector which are set by the United Nations through the International Maritime Organization (IMO).

CLIA, Australian Cruise Association and the New Zealand Cruise Association developed a Cruise Industry Sustainability Guide in 2018. It outlines initiatives across emissions reductions, waste and recycling management, destination sustainability, and sustainability partnerships.

Significant steps have been made to protect the environment. For example, CLIA's mandatory wastewater discharge policy prohibits the discharge of untreated sewage from ocean-going cruise ships anywhere in the sea, this exceeds the IMO legal requirements and the existing regulations of the vast majority of the maritime industry. The Resource Management (Marine Pollution) Regulations 1998 (the Regulations) outline treatment standards that specify where wastewater can be discharged in order to control pollution of the sea from sewage.

Focus on lowering emissions

As part of an industry-wide effort, cruise lines are using technology, infrastructure and operations to decarbonise, with multiple pilot projects underway and new propulsion technologies being planned and tested.

Given the high priority cruise tourists place on sustainability, cruise line operators have made commitments to reduce their carbon emissions.

CLIA ocean-going cruise lines are pursuing net-zero carbon cruising by 2050 across the global fleet, and are on track to reduce the rate of carbon emissions by 40% by 2030. CLIA cruise lines made a global fleet-wide commitment in December 2018 to reduce the rate of carbon emissions by 40% by 2030 compared to 2008 levels.

- The Royal Caribbean Group is the first cruise line to pursue science-based emission reduction targets as it aims to get to net zero emissions by 2050. Known as its Destination Net Zero strategy, the company has plans to decarbonize its operations by 2050.
- The world's largest cruise line, Carnival Corporation, has a goal to achieve net carbon-neutral ship operations and zero-emissions ships by 2050.
- MSC Cruises is a member of the Hydrogen Council, a global initiative of more than 100 companies working towards the large-scale use of hydrogen as fuel.

Improvements in hull design has been important in finding efficiency gains. Many of the environmental technologies found onboard ships have been led by the cruise industry including Exhaust Gas Cleaning Systems (EGCS). EGCS technology has been shown to reduce the level of sulphur oxides in a ship's exhaust by as much as 98 percent, offering an alternative to low-sulphur fuels to achieve emission reduction goals.

Several of the largest international cruise companies have multiple orders for LNG-fuelled ships over the next few years, and 87 alternative fuel ships are in the pipeline between 2018 and 2026. CLIA has worked with the International Maritime Organization (IMO) to develop mandatory measures for a 30 percent reduction in new marine vessel CO² emissions by 2025.

Shore power is an emerging technology. Utilising the land-based electricity grid to power ships while at dock lowers emissions if the source is carbon neutral and close to the port. Approximately 21 percent of CLIA Cruise Lines are equipped to use shore power. Only 11 ports (out of more than 1,000 ports worldwide) visited have shoreside electricity capacity, and the majority of these are in the United States. The first southern hemisphere A\$60 million (NZ\$66m) shore power facility is due to open in Sydney in 2024. The power needs of ships while in port are significant (for larger ships carrying 4000 passengers and up to 1800 crew power needs can exceed the ability for current infrastructure to provide power to Port Chalmers). Servicing this additional demand requires substantial capital investment in city-wide electricity network transmission and port infrastructure.

For some cruise lines, it makes more commercial and environmental sense to invest in emissions reduction technology rather than shore power enabled vessels, particularly when these vessels cover a wide deployment where shore-power is not an option.

Forecasts indicate that 60 percent of the ships scheduled to debut between 2023 and 2028 would rely on liquefied natural gas (LNG) for their primary propulsion. LNG is a transition fuel, producing 25 per cent less carbon dioxide, zero sulphur emissions and up to 95 per cent less nitrogen oxide than conventional fuel. While LNG is not currently offered at New Zealand ports, CLIA, ACA and NZCA are working closely with the cruise lines to support their port infrastructure needs.

The development of next generation carbon-free fuel is attracting significant investment into R&D to produce synthetic LNG, biofuels and hydrogen fuel cells.

As technologies are being developed some cruise lines are also investing in carbon off-sets. For example, Virgin Voyages have invested in wind and solar projects.

Current emissions profile

The Cruise Action Group is committed to working with the cruise industry on realising these shared environmental aspirations.

The Dunedin City Council has modelled a city-wide emissions profile and recommended an overall emissions reduction target of (40% reduction by 2030) for all marine activity in-line with the CLIA and IMO target, however there is no data available currently apportioning cruise tourism emissions to Dunedin. Accounting for net emissions, and analysis to avoid double-counting and double-offsetting are factors to be considered as cruise lines take proactive steps to invest in reductions and off-sets.

Respecting and enhancing our unique cultures:

Managing the growth in visitor numbers to find a sustainable balance between benefits and costs to communities is a priority for cruise lines and destinations.

As the wider tourism sector grows, the cruise industry recognises that destination overcrowding needs to be tackled in a sustainable and responsible way. For example, Carnival Group has a Sustainable Tourism 2030 goal addressing this challenge:

“Establish partnerships with destinations focused on sustainable economic development, preservation of local traditions and capacity management.”

Commitments like these recognise that to achieve sustainability in nature and heritage tourism, partnerships are required to achieve both quality visitor experiences and the preservation of natural and heritage resources.

Octagon Gateway to Ōtepoti

There are opportunities to elevate the cultural experience for cruise visitors. Tangata whenua see nature as something intrinsically intertwined with their own lives. For Māori, every mountain, every river, every tree has a story. These stories form part of their own identities and help to shape their place in the world.

Tiaki – Care for New Zealand, (www.tiakinewzealand.com) was created through a collective desire to share a connection to the natural world, inspiring and helping visitors to travel safely and conscientiously. It is a concept that helps to connect people to the place around them and to reflect this in our attitudes and behaviours. To commit to travelling in this way is to take the Tiaki Promise. It is an approach with potential to add to the visitor experience through respecting and elevating our cultural uniqueness, while preserving our natural and heritage resource.

The Octagon is home to Ayesha Green’s *Kō te Tūhono* sculpture which is described as “gateway connecting us with our deep ancestral ecologies.”

“If you can come into Dunedin via a gateway and a pōwhiri and share a cultural experience we are saying: ‘you are as us, you’ve responsibilities as we do to treasure our taonga, through respect, you will be welcomed on your return’.” – Action plan workshop participant.

Environment, heritage and culture important motivators

Otago University’s Cruise Tourism Research Survey of Cruise Passengers in New Zealand 2022-23 asked passengers for their motivations for visiting a region.

Motivations which were rated as very important include: Natural Scenery (sightseeing, beautiful scenery, varied and diverse scenery), discovering new places, visiting historical attractions/events, increasing one’s knowledge and learning new things. Learning about the local culture was also an important motivator.

The Dunedin Destination Management Plan reinforces this view with views from residents highlighting the following 9 ‘must-do’s’ for visitor experiences:

1. A place where education and lifelong learning are valued and celebrated
2. A place where visitors enjoy and learn about local wildlife
3. A global leader in conservation, where protecting biodiversity and the environment are top priorities
4. A place with a highly connected network of tracks and trails which provide opportunities for travel, transport and active recreation
5. A place with a diverse and thriving food and drink scene
6. A place with a full year-round calendar of sporting, arts, music, culinary and cultural events
7. A place that celebrates early settler history and achievements, where visitors can explore the old parts of the region and their heritage buildings/sites
8. A place that celebrates the sites, stories and histories of significance to mana whenua
9. An inclusive society that celebrates diversity.

- Angus & Associates - Ōtepoti Dunedin community views on tourism and destination management Nov. 2022

Critical Cruise Infrastructure – Effectively constrains visitor capacity:

An MBIE report into tourism infrastructure in 2016 highlights the following critical aspects to cruise infrastructure, which hold today:

- *“The number of cruise ships able to be in port at any one time is restricted by the number of berths. Scheduling cruise ships on different days within the season can alleviate this problem, to a point.*
- *The length and depth of available berths is also a factor, with length being a more important factor than depth for cruise ships. As the size of cruise ships increases, some ports will require the lengthening of wharves before cruise ships can dock. In cases where ships are not able to dock, tenders (small boats) are used to transport passengers to the shore (though this is a less satisfactory experience for passengers).*
- *Processing facilities for passenger arrivals are also required at ports if the passengers start or finish their cruise there. For very large cruises, these facilities must be capable of processing thousands of people in a short amount of time (both those exiting the voyage and those joining it).*
- *In addition to processing facilities, supply of accommodation and transportation are essential for passengers starting or finishing their trip in a specific port.”* MBIE – Tourism Infrastructure Insight Series, August 2016

Port Chalmers

Port Chalmers is a deep-water port with capacity for two cruise vessels to berth simultaneously. The majority of cruise vessels berth at the Port for approximately 10 hours. Smaller longer-stay ‘expedition vessels’ have the ability to cruise up the harbour channel and berth in town at the Fryatt Street Wharf.

Port infrastructure has berths that accommodate a combination of log vessels, container vessels and general shipping as well as cruise vessels. This mix of shipping out of Port Chalmers is critical to ensuring the smooth functioning of the Otago region.

As a result of demand for berths from these competing sectors significant co-ordination is required to ensure services are maintained. It also sets up a natural balance of use which constrains significant growth in Dunedin as a visitor destination.

Port Otago invested \$750,000 in cruise terminal facilities in 2019 at Port Chalmers. The facility handles border entry requirements, supports visitors with destination information with an i-Site on-wharf, transportation management and provides additional services including free Wi-Fi, seating and dedicated bathroom facilities for visitors. These facilities support current visitation levels.

In 2020, Port Otago assumed responsibility and ownership of the Port Chalmers Maritime Museum building and picked up the Museum's building-related costs. The museum is managed by the Port Chalmers Historical Society. Renovation of the building will enable easier access for tourists to this important heritage collection.

Port Otago infrastructure effectively constrains visitor capacity:

- Port Chalmers’ wharves only allow two ships to berth simultaneously during the cruise season
- Scheduling demand for wharf facilities constrain availability to accommodate container shipping and log shipping vessels
- Eastern Channel depth and city berth facilities limit inner harbor capacity to smaller long-stay expedition cruise vessels
- 653 vessels called at all Port Otago facilities in 2022/23.

Port Chalmers has seen an increase in investment in public facilities, which also benefit visitors, including the following:

- The most recent addition is the development of the Port Chalmers to Dunedin City Shared path – Te Ara Moana (the Ocean Path).
- Back Beach is home to Port-To-Port Cruises and Wildlife Tours and Ferry, a popular tourist attraction.
- Port Chalmers has facilities that enables a craft market to be held on cruise days.
- SH88 connecting Dunedin to Port Chalmers is currently in the final stages of a safety improvements project
- Toilet facilities.
- Availability of excellent viewing platforms (Lady Thorn Dell and Flagstaff)
- Uniqueness of shopping with owner operated stores including bookshops, galleries, clothing, giftware, homewares
- Range of food and drink options with several cafes, craft pub and historic hotel.

Dunedin city

- Dunedin has an i-SITE Visitor Centre located in the Octagon providing additional visitation information to passengers who are not on pre-arranged private tours.
- The Octagon is set up as a central hub for cruise-line coach/bus transport on cruise days for ease of visitor transport demand.
- Private tour operators collect visitors from Port Chalmers and link them to popular destinations spreading visitor experience to locations including Larnach Castle and the Albatross colony.
- Rail excursions into Otago are possible through the services offered by Dunedin Railways.

Outlook

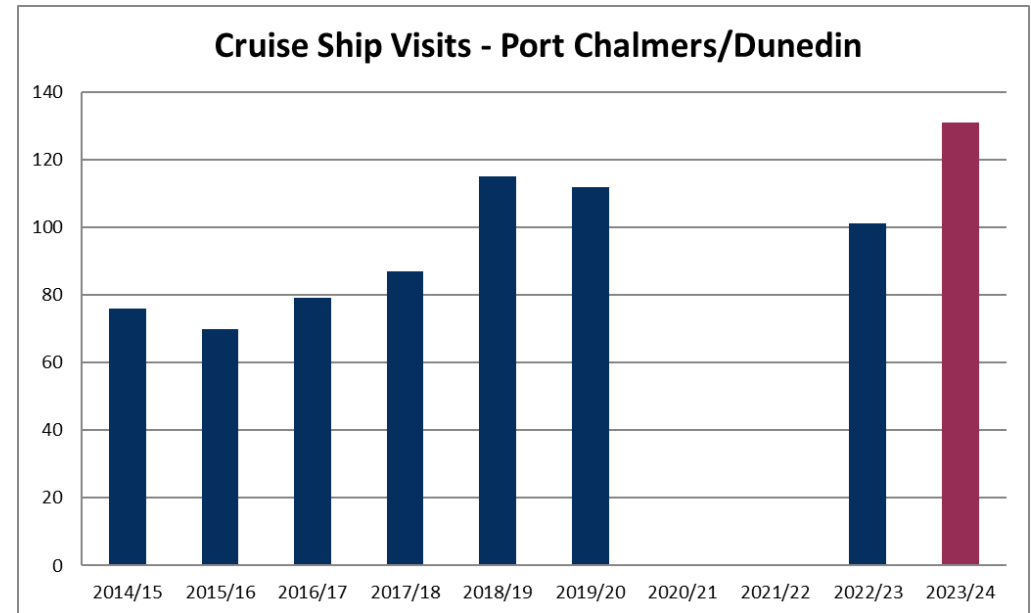
The outlook - Looking ahead to the 2023/4 season:

There is a trend for cruise line operators to tentatively book 2-3 seasons in advance to secure berths early so they can advertise their destinations. As operators have this medium-term view, they are looking for stability and certainty of experience for their clients.

Dunedin is an important hub to the leading attraction in the South Island, Milford Sound. It is also pitched to clients as a wildlife and heritage location, with opportunities for visitors to experience these city and harbour attractions. The Cruise Action Group workshops identified the risk to Dunedin of Fiordland's future being uncertain given the Milford Opportunities Project's current status. While this will become clearer over time as the Project progresses, the medium-term outlook for Dunedin is set to remain stable.

Dunedin is set to benefit from the following global cruise tourism trends:

- Global rebound from the pandemic and continued international demand for cruising
- Increased demand from the 'millennial' visitor
- The continued emergence of luxury expedition cruise ships
- Increased focus on sustainability by cruise lines.



Related sector and city activity

The following work was identified as having potential impact or links to activities developed by the Cruise Action Group as annual plans are developed:

Tourism New Zealand Environment Action Plan

- Tourism New Zealand is developing a Draft Environment Action Plan. Their mission is to empower the tourism industry to help to restore the mauri of our climate and environment by swiftly achieving carbon zero targets and embracing a regenerative approach.

New Zealand Cruise Association National Cruise Strategy

- Cruise New Zealand is developing a National Cruise Strategy.

Waka Kotahi – Roding programme

- Development of Dunedin roading and shared path infrastructure, especially regarding SH88 connecting the city centre of Dunedin with Port Chalmers.

DCC – Zero Carbon Plan

- The Zero Carbon Plan will set out the changes that Dunedin needs to become a Zero Carbon city, and what the DCC is going to do next to help make that happen.

Port Otago Harbour amenity plan

- A draft plan for how Port Otago approaches infrastructure that provides public amenity for the community, and lays out its relationships with the community, iwi and regulatory bodies.

ORC's Regional Transport Plan

- The introduction of zero-carbon emission buses for public transport.

Milford Opportunities Project

- A new governance model for the management of Milford Sound Piopiotahi.

The Leadership Group focused on **three pillars...**



* Understanding and adapting tourism to the impacts of climate change

Transforming Aotearoa New Zealand's visitor economy to a low carbon emissions industry

Restoring our biodiversity and ecosystems through tourism

*The adaptation pillar has been addressed by the **Aotearoa Circle's Tourism Adaptation Roadmap**. Our draft Tourism Environment Action Plan focusses on the remaining two pillars.

SWOT

The Cruise Action Group asked workshop members to identify cruise sector's Strengths, Weaknesses, Opportunities and Threats

Strengths	Weaknesses	Opportunities	Threats
<i>What do we do that's better than our competition / or is valued by visitors or residents?</i>	<i>What do we need to improve on to lift visitor and resident experiences?</i>	<i>What trends should we respond to, to lift visitor and resident value?</i>	<i>What are the key threats to a sustainable and successful cruise sector in Dunedin?</i>
• Location • Wildlife • History & cultural identity • Scottish Heritage • Dunedin's built heritage • Milford and the overlander • Variety of experiences • Seen as a safe destination • Cruise terminal • Condensed destination • Multiple berthing • Markets our city to a wide audience • Perceived kiwi/southern hospitality is strong/high satisfaction • Food quarter • First port and last port • Adds vibrancy to our city • Economic value to the city • Income keeps local businesses afloat at key times of the year • Lifelong passenger = lifelong value	• Seasonal • Transport in-out of Dunedin city • Cost of fares (Shuttle costs are high relative to public transport) • At times unpleasant experiences for visitors and locals • Closed shops • Climate change, emissions from cruise – likely significant but as yet unknown • Resistance to change • Loss of the commuter train • Lack of understanding of cruise benefits by the community • Capacity issues - transport • Lack of diversity amongst shore options • Culture not highlighted • Welcome is not as positive as some competitor ports • Infrastructure lacking (e.g. e-bike/harbour tour hub/bus parking) • Communications lack co-ordination	• Utilising the shared path • Opportunities for the cruise sector to give back to the local communities and the environment – business opportunities here • Using transport options in the harbour – boat/cycle/train/bus combos • Emissions reduction opportunities (shore power and other emerging tech to set up for the future) • Business optimisation for cruise • Engage, educate, change perception • Increased Govt funding for enviro initiatives • Change community and media perception • Develop unique experiences • Back Beach amenity • Te Aka Ōtākou– bike trails/e-bikes • Luxury food and beverage – local district kai/wine/beer	• Location – Fiordland future unclear Milford Opportunities Project is unclear • Tourism consumer desires are changing – and experiences are being regulated globally • Unforeseen world – weather events (floods), geological (earthquakes), pandemic • Climate change • Transport in/out of Dunedin • Community perception of tourism contribution • Cost of operator transport fares • Loss of native wildlife due to Climate change • Unknown Government policy changes • Access to finance to develop businesses to support the sector • Itinerary changes • Environmental regulation changes impacting arrivals • Tourism trends • Technology – virtual reality tourists

	• Shop opening hours can be limited • Lack of currency exchange • Congestion as a result of road infrastructure projects • Public perception could lift	• Package up the Dunedin Sound, Dunedin Fashion/Dunedin Scene • Development of expedition cruising • Technology – new fuel etc • Economic – benefits of being the first or last destination • Comms • Currency exchange • Promote the cultural experience • Invest in the roading transport infrastructure (Waka Kotahi) • Provedoring	• Economic impacts – Recession/fuel pricing • Lack of available and skilled service industry labour • Businesses in the region failing – detracting from the experience • Lack of significant, ongoing funding for local wildlife
--	--	--	--

Our Partners & Stakeholders

Sector and community partners - Port Otago - Kati Huirapa Rūnaka and Ōtākou Runanga - West Harbour Community - University of Otago - Dunedin HOST - Business South - Hospitality Association - DVML - New Zealand Cruise Association - Regional Tourism Organisations - Travel Agents - Cruise Lines International Association Australasia - Australian Cruise Association - Port Agents - Provedores & Stevedores - Hospitality and retailers	Central and Local Government - Dunedin City Council - Otago Regional Council - Relevant NZ Government Depts: - Ministry of Business Innovation and Employment - Department of Conservation - Immigration, Maritime, Waka Kotahi, Health, Customs - Tourism New Zealand
--	---

Areas of Responsibility

Port Otago Limited
• Communication regarding booked cruise days to ground handlers • Berthing/disembarkation • Security • Wharf presentation • Passenger transit facilities
Dunedin City Council – Enterprise Dunedin
Council consideration of cruise in planning and strategies.
Dunedin Marketing
• Marketing to inbound operators to include Dunedin tourism operators in Cruise Ship packages • Information to tourism industry around cruise market demand • Familiarisations for inbound operators/product buyers and crew • Information for visitors, collateral/ website
Economic Development Unit
• Lead Destination Management • Business Development Advice and operator support
i-SITE Visitor Centre
• Information Centre on wharf and in city
DCC – Transportation Planning and Parking
• Approval for designated cruise shuttle parking • Approval of road closures and Traffic Management Plans • Responsible for developing the cycleway network in Dunedin
Dunedin Host
• Advocate for visitor industry • Targeted networking and training
Transport Operators
• Shuttles into city, commentary, info for visitors • Apply for road closures and temporary traffic management plans for additional shuttle parking on double days • Charged for road closures and traffic management plans

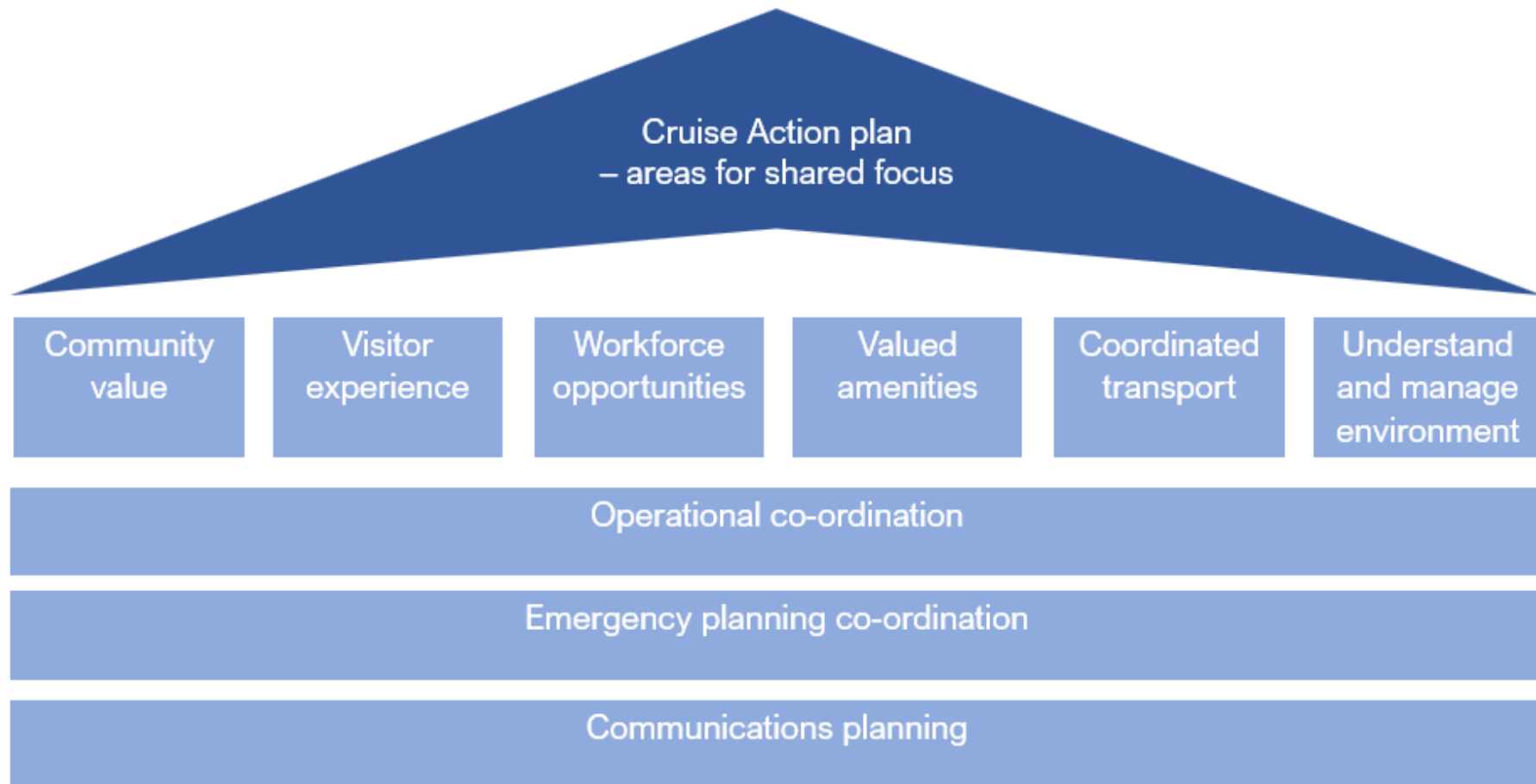
ORC-Otago Regional Council
• Ensure a robust public transport system on cruise days • Ensure adequate capacity on service on cruise days • Ensure bus routes are clearly advertised and displayed for visitors.
Business South
• Business representation and advocacy • Work with shop owners/retailers • Training provider • Business development in tourism
University of Otago
• Research • Presentations
Port Chalmers Community/Business Community
• Providers of tourism experiences, goods and services
Waka Kotahi - New Zealand Transport Agency
• Development and maintenance and operation of Dunedin state highway roading (enables key SH88 access) • Safer Journey mandate • Monitors operator compliance • Where applicable approving traffic management plans
Department of Conservation – Te Papa Atawhai
• Conserves New Zealand’s natural and historic heritage.

Understanding priority areas for action

The Cruise Action Group asked workshop members what we should collectively start doing, do more of, and stop.

Start	Do More	Stop
• Ease transport issue • Address shuttle/public transport issues • Work together across all pain points and projects • Align emergency plans – transport and wider – civil defence/medical emergencies • Emissions baseline – reduction work • Identify clear tranches of work – comms/transport/resources/tourism • Comms for social licence	• Variety of options for visitors • Help start-up operators • Align special events with cruise • Leverage gateway and unique cultural experience • Research on the experience • Feedback on progress • Communicate with Waka Kotahi/DCC around roadwork disruption during cruise season • Communicate	• Silos – working in isolation • Negative sentiment

OUR ACTIONS



Strategic areas of focus:

The Cruise Action Plan has 6 key areas of focus:

1. Community value

Why it's important:

- Greater community understanding of benefits leads to greater tolerance and support for sector activity.
- A coordinated focus on community benefit has greater potential to realise economic, social, cultural and environmental gains from cruise.

2. Visitor experience

Why it's important:

- Ensuring an experience that is valued by visitors sustains visitor numbers and GPD for our region. This provides confidence for stakeholders to invest in developing services and infrastructure to benefit the community and the cruise sector.
- Being able to provide a range of cultural, heritage and natural experiences that resonate with visitors, and respond to their needs, drives re-visitation, and enhances our city's reputation.

3. Workforce opportunities

Why it's important:

- The sector presents a variety of opportunities for employment – both seasonally and year-round.
- Skilled staff are needed to maintain a high-level of service.

4. Valued amenities

Why it's important:

- Visitor experiences are heavily influenced by the uniqueness, quality and range of amenities in the host city.
- Having a range of infrastructural amenities around the harbour, in the city, and the wider region supports perceptions of value by visitors.
- When well-planned with the community in-mind, amenities have wider benefit outside of servicing tourism.

5. Coordinated transport

Why it's important:

- Providing a smooth, effective and inexpensive transport experience is critical to maintaining both visitor experience and community benefit, perception of the cruise sector.
- Access and accessibility of transport, especially for people with limited mobility, and port/city infrastructure to manage waiting crowds, are areas that could be further explored to lift visitor and resident experience.

6. Understanding and managing environmental impact

Why it's important:

- All activities have impacts on our resources and environment. Understanding these impacts helps us manage, mitigate, reduce, remove and restore environments. Explaining progress provides an improved visitor experience and community appreciation of that progress.

Overarching actions

The areas of focus are supported by overarching actions covering operational co-ordination, emergency planning co-ordination and communications planning.

	Action	Why it is needed	Potential partners	Desired outcomes
1	Operational co-ordination	Cruise Action Group to lead actions in the plan that drive towards clearly identified, reportable success factors.	DCC, University of Otago, ORC, Port Otago, Enterprise Dunedin, Rūnaka o Ōtakou, Dunedin Host, Business South, Waka Kotahi, Cruise NZ	- Cruise Advisory Group guides cruise industry actions for Dunedin - Achieves DMP's Shared Vision
2	Emergency planning co-ordination	To develop a co-ordinated response to localised emergency, or city-wide civil defence emergency	DCC, ORC, Civil Defence, Emergency Services, Port Otago, Waka Kotahi.	- Prepared partners who respond appropriately when faced with emergency situations.
3	Communications planning	To coordinate sharing of information, to better listen to our communities and respond with clear communications.	All	- Greater community understanding of the sector and day-to-day activity, leads to greater tolerance of sector activity. - A sector that's more responsive to hearing from its community to manage performance.

As this is a working action plan the following specific actions are to be addressed, amended and added to as needed by the Cruise Action Group. NB. Budget info included as needed. Most recently updated 13/02/24.

Operational co-ordination

Action	Responsible	Timeline	Budget
Maintain a Cruise Advisory Group to guide cruise industry planning and actions for Dunedin – membership from DCC, Port Otago, Enterprise Dunedin, ORC, Dunedin Host, Business South, University of Otago, West Harbour Community	DCC -i-Site Manager	2-3 meetings annually	Nil
Cruise Coordination activity oversight lies within the responsibilities of the Enterprise Dunedin (i-Site Manager)	DCC	Cruise Action Plan updated annually	DCC funded
Co-ordinating and acting as the main contact point between stakeholders. This includes working on projects around the logistics of the cruise industry, such as, signage around Port Chalmers and the city, co-ordinating transportation to and around the city, i-Site both on the port and in the city. Conducting cruise industry briefings and industry upskilling.	DCC – VIA – i-Site/ Port	On-going 2 cruise briefings annually. Annual work plan created	Nil
Coordination and liaison with various DCC departments and organizations to prepare the city readiness at the least inconvenience (parking, transport, road control etc.). Embed cruise season into DCC departments planning	DCC – VIA, ORC	Pre-season. As per work plan	Nil

Emergency planning co-ordination

Action	Responsible	Timeline	Budget
Health and safety planning due to civil defence emergency/pandemic – information to stakeholders to manage risk	Port Otago (planning), Civil Defense, Medical officer. Dunedin Host, CAG	Annual work plan	
Emergency scenario planning due to localised events (e.g. pedestrian/road accidents, medical events)	Port Otago, CAG, Emergency Services, Waka Kotahi		
Missing persons/accident/illness: Refresh communication system to ensure smooth management of any incidents.	Port Otago, CAG, DCC- i-Site, Waka Kotahi	Annual work plan	

Communications planning

Action	Responsible	Timeline	Budget
Develop an annual communications plan for sector stakeholders - Promote benefits of cruise visitors to stakeholders, annual presentation to council - Annually provide facts/key stats to Cruise Action Group to share - Prepare and distribute agreed partner communications and messages pre-season - Reflect community feedback to stakeholders to support decision-making.	ED/DCC/Port Otago CAG	Annual Work Plan	
Liaise and work with Cruise New Zealand to ensure Dunedin is represented and advocated as a key port.	CAG	Annual work plan	
Ensure Dunedin is a 'must see' in cruise itineraries and remains attractive for cruise lines.	DCC Marketing, Port	Annual Work Plan	

1. Community value

Action	Responsible	Timeline	Budget
Measure and report contribution and impact from the sector to the local and regional community via communications and stakeholder engagement plan – e.g. Cruise contribution to development of shared amenities and services that have public benefit.	ED, CAG, VIA, DCC	Annual	
Stakeholders to feedback to CAP on the successes, challenges, and financial impacts (e.g. ORC on transport outcomes).	CAG		
Refresh research on buying behaviour of cruise passengers to inform community of areas of benefit, opportunity and future need.	Otago University CruiseNZ via Port Otago,	Annual	
Provide fast facts and key stats to Cruise Action Group to share. Prepare and distribute agreed partner communications and messages pre-season.	Port O, CruiseNZ, ED	Pre-season	
Port Otago to broker partnerships with cruise line clients on projects to regenerate the region and provide community value (local projects)	Port O	Ongoing	
Develop a scope for an external assessment of economic benefit from the cruise sector to Port Otago, the city and region	Port O		
Develop scope for report on regenerative cruise tourism as it applies to Ōtepoti Dunedin	DCC		
Partner with mana whenua Rūnaka o Ōtakou & Aukaha to develop the capability & training programme to lift cultural capability of operators, link to Tiaki promise and lift cultural identity and visitor responsibility for our natural environment.	ED (& Aukaha) Rūnaka o Ōtakou Port O, CAG,	Ongoing	

2. Visitor experience

Action	Responsible	Timeline	Budget
Maintain research database to share with visitor industry and enable informed future decision making. Include – broad future trends for the world and NZ (available through Cruise NZ), Update industry through briefings.	CruiseNZ, Otago Uni	Annual measurement	
Leverage research on buying behaviour and experience of cruise passengers to inform service providers of visitor experiences, future trends and market needs.	CAG, Otago Uni		
Review of visitor expectations for communications, including passenger destination information and how it is delivered – explore Dunedin magazine, app, map, signage, web	ED VIA, Port Otago	Post-season	
Encourage retailers to display welcome signs for both passengers and crew in their windows	ED VIA	Annual reminder	Nil
Develop familiarisation experiences for key crew (to again encourage promotion to passengers and other crew members)	ED VIA, CAG, Port O	Annual review	Nil
Promote Port Otago's plan to develop a crew lounge which gives crew their own space on arrival.	Port O	Annual review	Nil

Work with attractions and service providers to ensure their opening hours and experiences offered are appropriate to cruise market and they have plans to communicate to cruise passengers	DCC – ED	Annual updates & advice	Nil
Provide information on how to easily access banking, internet, foreign exchange and telephone services.	i-SITE, Port Otago	Annual review	Nil
Co-ordinate consistent and authentic approach to welcome/farewell	ED VIA, Port O, DCC ED/	Annual	
Liaise with Cruise NZ partners and other ports to improve NZ cruise experience	DCC-ED, Port Otago	Ongoing. 1 annual meeting	

3. Workforce opportunities

Action	Responsible	Timeline	Budget
Create communications to highlight employment value to the region and opportunities to encourage local community to take on roles that leverage the cruise tourism sector	CAG, ED VIA, CruiseNZ, Business South	Annual	
Private Tour operator capacity building to lift visitor experience. E.g. development and training opportunities/ highlight importance of customer trends - sustainability/cultural experience. Investigate accreditation options that incentivise capability development (e.g. Qualmark)	CAG, Business South, ED (& Aukaha)	Annual	
Pre-season briefings for prospective service providers who employ staff to support forecast demand for services	ED, CAG	Annual	
Highlight workforce opportunities through the development of cruise related infrastructure/amenities (e.g. rise in e-bike services/ferry/rail/opportunities for Back Beach re-development)	CAG, Business South	Annual	
Work with retailer groups and transport providers to encourage sales training and cruise readiness	CAG, ED, Port Otago	Annual	

4. Valued amenities

Action	Responsible	Timeline	Budget
Upgrade Port Chalmers i-site	Port O/ED VIA	Ongoing	
Assess Port Chalmers amenities for options that support managed demand – e.g. supply of infrastructure to leverage shared path, harbour ferry services and proposed development of Back Beach to provide improved community amenity	CAG	Ongoing	
Upgrade Port Otago cruise terminal facilities at the city harbour basin to provide improved visitor experience	Port O	Ongoing	
Encourage investment into Port infrastructure and city that supports low-emissions initiatives		Ongoing	
At Port facilities, regularly review clear and prominent signage; toilet facilities; and communication facilities	Port O	Annual review	
Investigate provision of covered areas where appropriate outside Port's operational facilities (to protect from weather elements) to encourage more passengers to disembark and therefore increase the potential to provide revenue for the destination	Port O	Annual Review	Nil
Provide a dedicated cruise passenger walkway to enhance H&S at disembarkation/embarkation	Port O	Ongoing	
Assess customer experience from re-designed museum to support planning of future infrastructure/amenity projects	Port O	Post-season	
Ensure adequate provision of designated space for central bus/shuttle parking at both ends of journey ORC to consider temporary on-street PT ticket vending pop-up.	ORC	Pre-season	Nil
Encourage welcome signage for individual ships for retailers	OCCI	Annual reminder	
Develop central city sheltered arrival and departure points	DCC – ED	Annual review.	Nil
Provide signage around the city identifying where attractions/activities are located ('you are here' signs)	DCC – ED	City signage review	

5. Coordinated transport

Action	Responsible	Timeline	Budget
Investigate transport planning options to resolve peak demand for public transport vs cruise line shuttle options. ORC – Review successes/challenges 2023-24 ORC additional bus services.	ORC	Annual	
Establish pre-season planning process and regular season check-ins between Port Otago and ORC, DCC (other stakeholders as needed) to plan ahead and manage peak cruise ship volumes and public transport demand requirements.	ORC/Port O/DCC	Ongoing	
Consult with community regarding any disruption caused by the sector (such as road closures)	DCC	Ongoing	

Establish pre-season planning process between Port Otago and Waka Kotahi, DCC transport and roading, ORC busses to discuss peak flows and potential SH88 development/city roading improvement disruption (e.g. Roadworks and closures). Look to provide stakeholder and public comms where needed.	Port O and Waka Kotahi, DCC transport and roading, ORC	Ongoing	
ORC Bus services – pre-season driver briefings and information on managing public communications	ORC	Pre-season	
Communicate transport costs/payment clearly to passengers/ Inbound tour operators before arrival (via websites)	Dunedin Marketing	Pre-season	
Assess current amenity infrastructure and hire options for cycling/e-bikes, cycle parking.	ED VIA		
Establish pre-season planning process to investigate reestablishment of heritage rail services.	Port O/Rail transport	Pre-season	
Investigate larger-scale Port to city ferry options	Port O	Ongoing	

6. Understanding and managing environmental impact

Action	Responsible	Timeline	Budget
Partner with mana whenua Rūnaka o Ōtakou & Kati Huirapa Rūnaka to lift cultural identity and visitor responsibility for our natural environment.	All	Ongoing	
Review and update communications resources for tourism sector service providers, and cruise providers that highlight Ōtepoti Dunedin's environmental taonga, natural environment and biodiversity (e.g. on City website/Wild Dunedin)	ED – VIA	Ongoing	
Establish Cruise Sector Carbon Emissions baseline	Port O	Ongoing	
Track emissions reduction actions by cruise operators	DCC	Ongoing	
Conduct audit to reduce/recycle potential cruise related marketing waste (e.g. printed cruise guides).	ED VIA/DCC, Port O	Ongoing	

References/Resources

- Ōtepoti Dunedin Destination Management Plan - https://infocouncil.dunedin.govt.nz/Open/2023/06/ED_20230629_AGN_2462_AT.htm
- Angus & Associates – Ōtepoti Dunedin community views on tourism and destination management 2022
- Tourism Infrastructure – MBIE Tourism Insight Series 2016
- Cruise Tourism Economic Overview 2020 – New Zealand Cruise Association
- Dunedin Cruise Action Plan 2017 – Cruise Action Group
- Otago University Cruise Tourism Research study – Sanz-Blas et al. 2019; Weeden, Lester & Thyne, 2011.
- Otago University's Cruise Tourism Research Survey of Cruise Passengers in New Zealand 2022-23
- Tiaki – Care for New Zealand www.tiakinewzealand.com
- [2023 State of the Cruise Industry Report](#) – Cruise Lines International Association
- Cruise Association Sustainability Guide – <https://newzealandcruiseassociation.com/wp-content/uploads/2018/11/Cruise-Industry-Sustainability-Guide-Dec-2018-1.pdf>
- Carnival Group Sustainable Tourism 2030 – <https://carnivalsustainability.com/sustainability-goals>
- United Nations International Maritime Organisation Strategic Plan – <https://wwwcdn.imo.org/localresources/en/About/strategy/Documents/A%2030-RES.1110.pdf>