

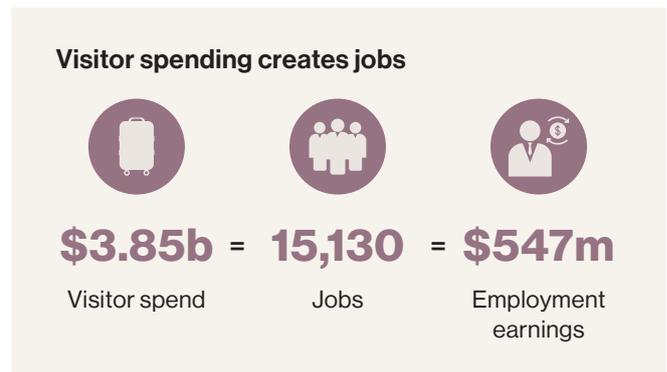
# How do visitors contribute to Central Otago's wellbeing?

December 2022

## Visitor spending sustains a significant amount of employment and income in Central Otago<sup>1</sup>

Domestic and international visitors spent \$3.85 billion in the Central Otago economy in 2019. This expenditure supported 15,130 jobs in the region and \$547 million of wage and salary income. This is equivalent to 30% of all jobs in Central Otago, and 23% of all wage and salary income.

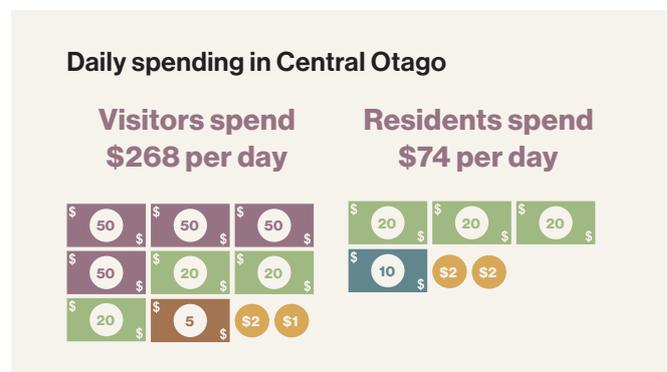
**The hidden value of tourism is its ability to create and sustain things that enhance the lives of Central Otago residents (see below).**



## Visitors spend a lot more money per day than residents, which is good for business

Visitors to Central Otago each spent an average of \$268 per day in the region in 2019. This is around 3.6 times higher than the \$74 each day residents spent.

The high spending power of visitors lifts the productivity of local businesses and makes them highly attractive customers.



## Visitors underwrite Central Otago's high level of domestic and international air connectivity

The number of destinations Central Otago residents can fly directly to, and the frequency of flights, far exceeds what the resident population could sustain. This high level of connectivity is due to the demand for direct air services created by domestic and international visitors.

Central Otago residents benefit from the availability of these air services while only bearing around 10% of the cost (based on their share of passenger movements).



<sup>1</sup> Central Otago is defined as the combined Queenstown-Lakes District and Central Otago District local authority areas.

## The ability to connect by air is a critical driver of Central Otago's visitor economy

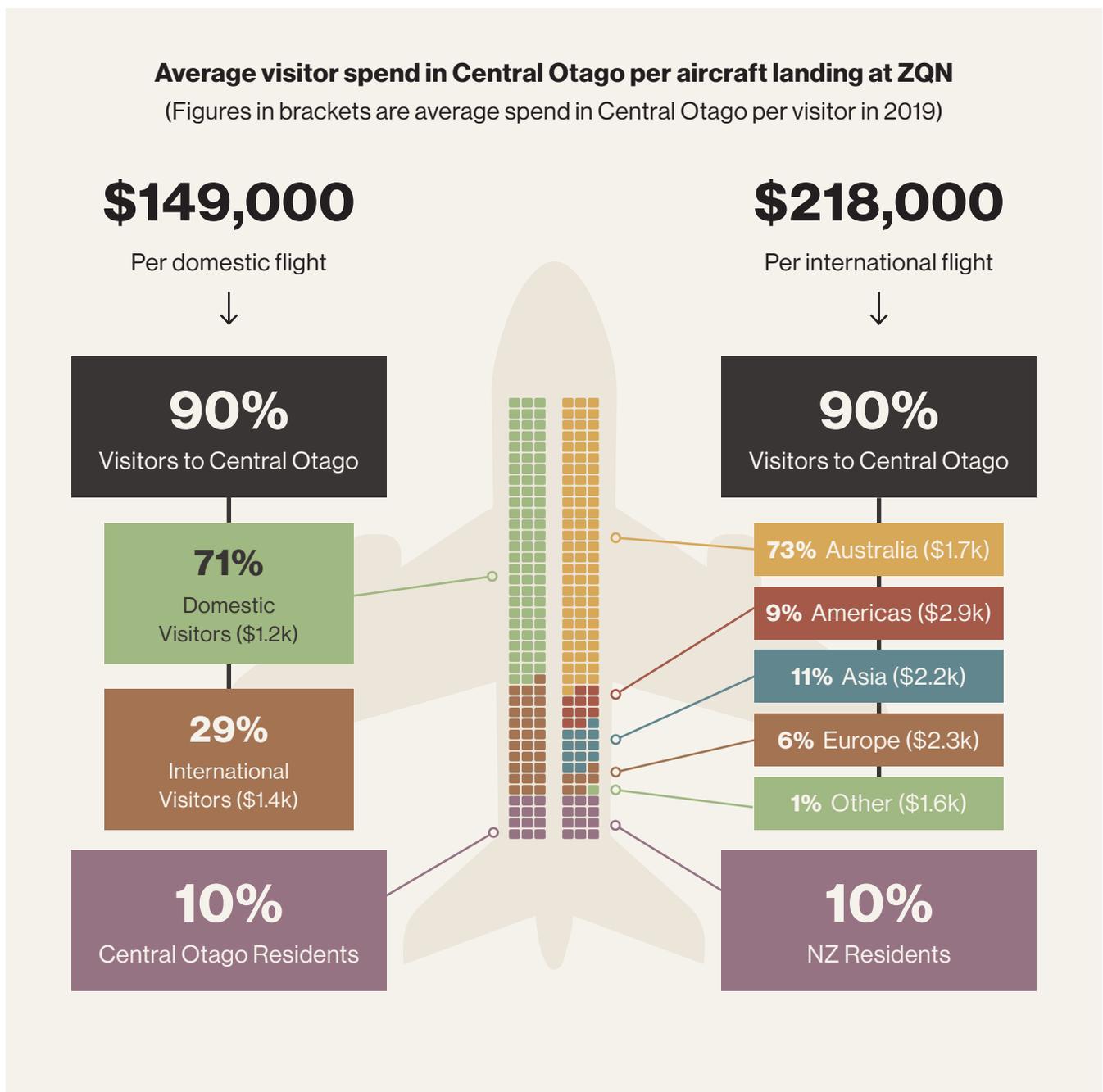
**90%** of passengers arriving in Central Otago on domestic and international flights in 2019 were visitors to the region.

Visitors who arrived in Central Otago by air spent **\$1.55 billion** in the region (40% of all visitor expenditure).

Domestic visitors who arrived in Central Otago on domestic flights spent **\$643 million** in the region (45% of all domestic visitor expenditure).

International visitors who arrived in Central Otago on international or domestic flights spent **\$909 million** in the region (38% of all international visitor expenditure).

Passengers on each international flight spent an average of **\$218,000** in Central Otago in 2019, compared with **\$149,000** for a domestic flight.



## Visitors who arrive by air are more aligned with a high-quality visitor strategy than those arriving by road

On average, visitors who arrive in Central Otago by air will stay around 20% longer and spend 60% more money in the region than those arriving by road.

A visitor arriving in Central Otago by air will stay an average of 4.7 nights and spend \$1,475 in the region, compared with 3.9 nights and \$940 for a visitor arriving by road.

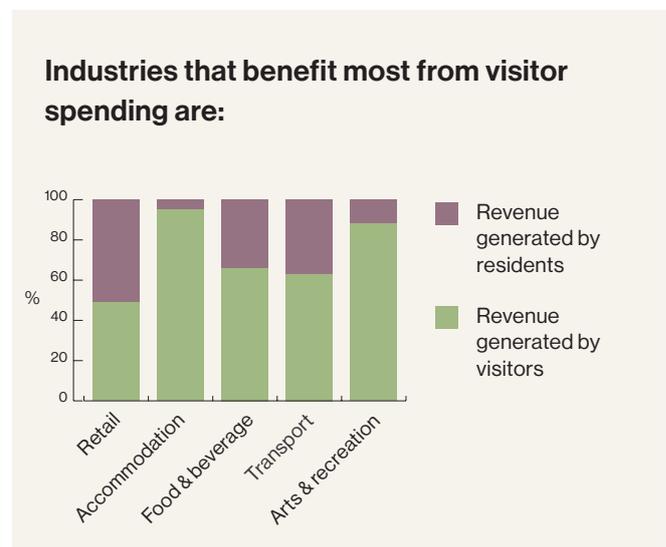


## Visitor spending sustains businesses that Central Otago residents enjoy having access to

The \$3.85 billion of visitor spending in Central Otago is spread across a wide range of businesses including retailers, accommodation providers, cafes & restaurants, transport providers, and arts & recreation providers.

Many of these businesses sell their goods & services to Central Otago residents as well as visitors, and would need to close or reduce their hours in the absence of visitor spending (as seen during the COVID-19 pandemic).

Research conducted using Stats NZ data shows visitors account for 30% of all purchases from Central Otago businesses by value.



## Visitor spending sustains a wide range of recreational activities that residents use too

Having plenty of recreation activities in and around a community is a key driver of liveability and social wellbeing. The recreation options available to Central Otago residents far exceed what the local population could sustain by itself. This is due to demand created by domestic and international visitors.

Examples include:

-  Ski fields
-  World class golf courses
-  Cycle trails
-  A range of indoor and outdoor activities for children



## Visitors make major events in Central Otago commercially viable

In addition to significant economic benefits, major events bring excitement and vibrancy to Central Otago and provide opportunities for residents to participate.

The social benefits of events are easy to overlook, but independent research conducted by event economists Fresh Info shows that they often exceed the financial benefits.

Examples of major events in Central Otago that are sustained by visitor demand include:

- Winter Games NZ
- Rhythm & Alps
- Warbirds Over Wanaka
- NZ Golf Open
- Winter Pride
- Queenstown Marathon

## Visitors make a critical contribution to Central Otago's workforce

Data compiled by Stats NZ shows there were over 15,000 people working on visitor visas in the wider Otago region in 2019. While the statistics aren't broken down to the Central Otago level, it is likely that most of these people were employed in Central Otago.

This visitor workforce raises the productive capacity of Central Otago and allows the economy to grow well beyond the limits of its permanently resident population.

Key sectors in Central Otago that benefit from the large visitor workforce include:



## Visitor activity is widely distributed across Central Otago

A 'population centroid' represents the geographic centre or 'balance point' of a regional population.

Central Otago's resident population centroid is located at Roaring Meg which is approximately halfway between Queenstown and Tarras (the red circle on the map).

The centroid for domestic visitor nights spent in Central Otago is near the summit of the Crown Range (the blue circle on the map).

The centroid for international visitor nights spent in Central Otago is near Arrowtown (the yellow circle on the map).

