

16 April 2009

Christchurch City Council

To whom it may concern

LTCCP – Christchurch & Canterbury Tourism

On behalf of Christchurch International Airport Limited (CIAL) I'd like to show our support for an additional \$250,000 of funding for Christchurch & Canterbury Tourism (CCT) to spend within the Australian market.

As New Zealand's 2nd largest airport that receives the highest proportion of leisure passengers, we strategically rely on the efforts of CCT to drive tourists through our gateway and into this region. As an active organisation in tourism marketing we can not stress highly enough the importance to have a tourism office that is effectively funded to meet and execute the tourism marketing strategy, that is so significant to Canterbury's GDP. Unless CCT does not receive their required budget then we can not expect to grow as a tourism destination, affecting many industries and employees.

We believe that effective marketing of the destination of Christchurch is critical to the ongoing success & development of CIAL and the City of Christchurch as an attractive visitor destination. About 85% of our international passengers come through our airport for leisure related purposes. This destinational drive must be consistent and continual as we compete nationally and internationally all targeting the same tourist dollars.

The core marketing purpose of CIAL is essentially to focus on retaining and growing flights and passenger volumes in and out of Christchurch Airport. This is done through a strategic plan that includes route development strategies, sales and conference participation and tourism marketing partnerships with organisations such as CCT. While The Airport does directly promote this region as a destination, as part of the marketing process, the core focus is on route development and aviation development. Our destinational marketing needs are heavily dependant on CCT's strategy and plans.

Through mutual understand CCT focuses on promoting the Christchurch & Canterbury region in a broader sense. For example, they are building awareness and preference to travel to the destination in the key markets including; Australia, United Kingdom, USA, Japan, China, as well as the domestic market. Approximately 50% of these visitors to the

region arrive through our airport; the remainder arrive via the road (Cruise is in addition to this).

CIAL and CCT work in partnership together on many joint ventures and initiatives to promote this region overseas. These include deals and joint ventures with; Airlines, Tourism New Zealand, Trade Development and joint overseas trips. Both organisations have acknowledged the need for CIAL & CCT to work even more closely in the future and this is underway and ongoing. However, there is still a need to have sufficient investment focussed on the destination especially in key markets therefore CIAL support the CCT submission requesting \$250K to be spent in the Australian market.

We note that the funds Tourism **Auckland receive from their Council is \$2.97m**, recently increased by \$900,000. Their total marketing funds are now around \$5.37m. **Wellington receives \$4.9m from their Council** resulting in over \$6m funds for destination marketing (a further \$2m for the Australian market has been requested and is being reviewed by their Council). **Queenstown has recently increased their funds to around \$3m**, \$1m specifically for the Australian market.

This is at a time when **Christchurch is being asked to reduce their destination funds to \$2.1m from the Council**, resulting in a total of \$3.8m. This is 41% less than what Auckland is spending and 57% less than Wellington. In comparison to guest nights monitored; Canterbury owns 15.5%, Auckland 17.5%, Wellington 8% and Queenstown 10% of bed nights. With reduced funds CCT could lose market share to other regions that are more resourced to market their region.

In 2007 CIAL generated \$1.7b in regional GDP and created employment for 21,000 Full-Time Equivalent employees (FTEs)¹. This is 7.2 percent of annual GDP in the Canterbury Region and 8.8 percent of employment. As a key employer and contributor to this region's GDP we implore you to grant the funds requested to CCT to ensure Tourism within this area is strong and able to grow in a highly competitive, yet rewarding industry. On average \$5.5m is spent on tourism related activities everyday in Christchurch and Canterbury - this is over \$2b a year. Reducing our destination marketing resources will reduce the tourist demand for this region, and subsequently reduce over 20% of this regions' GDP. Can we afford not take action?

Yours sincerely



Jim Boulton
Acting Chief Executive

¹ Source: BERL - Economic Impact of Christchurch Airport - EIS Report - 22 Dec 2008

16 April 2009

Christchurch City Council

To whom it may concern

LTCCP – vbase

On behalf of Christchurch International Airport Limited (CIAL) I'd like to show our support for the development of Canterbury facilities, specifically the expansion of the Convention Centre and the refurbishment and modernisation of the Town Hall, as outlined in vbase's proposal to you.

As New Zealand's 2nd largest airport and the primary air hub for the South Island, we strategically rely on the efforts of vbase in bringing in conference and performing arts related air cargo and passengers through our airport. The conference and performing arts industry passenger market is a growth area for CIAL and one that is important to the viability of this region. The need to have enough capacity to meet the demands throughout the year alongside the need to have a presentable and leading facility is central to the development of this market. Unless vbase receives their required budget it will impact our ability to grow the business and conference tourist market through our airport, affecting many industries and employees.

We believe that having effective entertainment and conference facilities within Christchurch is critical to the ongoing success & development of CIAL and the City of Christchurch. About 12% of our international passengers and 26% of our domestic passengers come through our airport for business related purposes. This market must be met by state of the art facilities that ensure demand is not constrained due to the under-capacity of venues. We compete nationally and internationally with these facilities, all targeting the same conference and performing arts dollars.

The core marketing purpose of CIAL is essentially to focus on retaining and growing flights and passenger volumes in and out of Christchurch Airport. This is done through a strategic plan that includes route development strategies, sales and conference participation and tourism marketing partnerships. The Airport does not directly promote this region as a business or conference destination, the core focus is on route development and aviation

development. We rely on vbase to promote the business and conference facilities alongside ensuring the services and facilities are to the users' expectations.

CIAL support vbase's submission requesting the expansion of the Christchurch Convention Centre and the refurbishment and modernisation of the Christchurch Town Hall. In 2007 CIAL generated \$1.7b in regional GDP and created employment for 21,000 Full-Time Equivalent employees (FTEs)¹. This is 7.2 percent of annual GDP in the Canterbury Region and 8.8 percent of employment. As a key employer and contributor to this region's GDP we implore you to grant the funds requested to vbase to ensure Business Tourism within this region is strong and able to grow in a highly competitive, yet rewarding industry.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jim Boulton', is written over a large, faint, light-colored scribble or watermark that resembles a stylized 'A' or a large letter.

Jim Boulton
Acting Chief Executive

¹ Source: BERL - Economic Impact of Christchurch Airport - EIS Report - 22 Dec 2008