



**Submission to
Auckland Council
on the
Publicly notified resource consent application
Panuku Development, Auckland
Coastal Permit – Queens Wharf Mooring Dolphins
Application number: CST60323353**

Date: 05 October 2018

TOURISM INDUSTRY AOTEAROA

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Tourism Industry Aotearoa (TIA) welcomes the opportunity to comment on the publicly notified resource consent application by Panuku Development Auckland on the Queens Wharf cruise ship wharf upgrade.

This submission is filed without prejudice to TIA's future position. Our ability to prepare a comprehensive submission responding to the resource consent application relied on the provision by Panuku Development Auckland of information relevant to the connection between the resource consent application and the benefits that would accrue. If any information is provided at a later date, TIA reserve the right to comment further.

EXECUTIVE SUMMARY

1. TIA is supportive of the resource consent application for the Queens Wharf mooring dolphins. In our opinion, this is the best available option for the infrastructure issues the cruise ship sector is experiencing in Auckland.
2. The cruise sector is an important economic contributor in the New Zealand tourism industry.
3. TIA is of the opinion that the mooring dolphins are a low impact way to accommodate larger cruise ships without extending the wharf itself. As New Zealand's largest city and a key port for New Zealand cruise itineraries, it is important that Auckland has facilities that can cater for large cruise ships.
4. The economic benefits of cruise ship visits benefits not only the local Auckland economy, but also the many regional communities that the cruise ships go on to visit. The dolphins will make it possible for these large ships to berth rather than tender, making it more likely that cruise lines commit more of the newest and largest cruise ships to New Zealand.
5. The proposal will have a range of positive effects on Auckland.
6. Currently, ships exceeding the wharf size must stay in the harbour channel and transfer their guests to the port via the ship's tenders. This gives these tourists a sub-optimal experience in Auckland. It also limits the economic contribution these cruise ship visits can provide, not only because some passengers may elect not to go ashore, but also because the ship is limited in what stores they can load while at anchor.
7. We are mindful of the impacts that the dolphin may have on other maritime operators and encourage the commissioners to work with all parties so that any potential negative impacts on the dolphin moorings are at least minimised if they cannot be eliminated.

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RECOMMENDATIONS

8. TIA strongly recommends that the resource consent be granted.

INTRODUCTION

9. Tourism Industry Aotearoa (TIA) is the peak body for the tourism industry in New Zealand. With around 1,600 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure and other activities, attractions and retail, airports and airlines, transport, as well as related tourism services.
10. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events, membership and business capability. The team is based in Wellington and is led by Chief Executive, Chris Roberts.
11. Any enquiries relating to this paper should in the first instance be referred to Steve Hanrahan, TIA Advocacy Manager at steve.hanrahan@tia.org.nz or by phone on 027 9122 624.

STAKEHOLDER CONSULTATION

12. In preparing this submission, TIA has engaged with members in the maritime sector.

COMMENT

Tourism 2025

13. [Tourism 2025](#), an industry-led, government supported economic growth framework was launched in New Zealand in 2014 and has set an aspirational goal of reaching \$41 billion in annual tourism revenues by 2025. The industry's focus is on growing value faster than volume. The Tourism 2025 growth framework is based around five key themes which are Insight, Connectivity, Productivity, Visitor Experience and Target for Value. This growth framework has been reviewed ([Tourism 2025-two years on](#)) in 2016. While the five themes of the framework remain unchanged, the emphasis in some focus areas has shifted. Facilitating infrastructure investment to support tourism growth is one of the themes now being given greater priority.

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Our understanding of the issue

14. We understand that:

- Panuku Development has applied for a resource consent to upgrade the eastern Queens Wharf cruise ship berth to provide for the mooring of cruise ships up to 362m in length.

- This involves:
 - the construction of two new cruise ship mooring dolphins located at distances of 49m and 82 m north of the northern end of Queens Wharf
 - a gangway connection to Queens Wharf
 - strengthening the southern end of Queens Wharf
 - seven new wharf bollards on the eastern side, at the southern end of Queens Wharf
 - additional fender clusters on the eastern side at the northern end of Queens Wharf

General

The importance of New Zealand's cruise sector

15. The cruise sector is an important economic contributor in the New Zealand tourism industry. It has grown fivefold in the last ten years.

16. In the June 2018 year¹:

- cruise ship expenditure in New Zealand was \$434.0 million, up 18.3% from 2017
- 259,000 cruise ship passengers visited New Zealand in the June 2018 year, up 17% from 2017
- Auckland was the most visited port with 211,652 passengers arriving in the June 2018 year.
- If the cruise sector were a country, it would be the 4th largest group of visitor arrivals, behind Australia, China, and the USA, ahead of the UK, Germany and Japan.

17. The cruise industry in New Zealand is growing faster than cruise tourism in the rest of the world (global growth about 7%; New Zealand about 13-14%). It also grows faster than other tourism sectors in New Zealand. However, New Zealand still only gets a very small share of the global cruise industry.

18. New Zealand is an attractive destination for cruise travellers, and cruise operators see opportunity to deliver even more economic benefit if appropriate cruise

¹ StatsNZ, *Cruise ship traveller and expenditure statistics: Year ended June 2018*, August 2018 – as sourced on <https://www.stats.govt.nz/information-releases/cruise-ship-traveller-and-expenditure-statistics-year-ended-june-2018>

infrastructure can be developed in Auckland to support the newest and largest cruise ships. New Zealand is seen as a safe and attractive place to visit.

19. According to Cruise Lines International Association (CLIA), 80% of cruise passengers agree that cruise is a good way to sample destinations that they may wish to visit again on a land-based holiday. Nearly 40% of cruise passengers state that they had returned to holiday at a destination first visited on a cruise².
20. Future cruise trends include the building of larger cruise ships, which will bring greater numbers of visitors to New Zealand at any one time and increase the pressure on our infrastructure catering to cruise visitors. This has prompted a renewed focus on work to upgrade New Zealand's infrastructure - with Cruise New Zealand, regional tourism organisations and relevant government bodies working together on this issue.
21. The dolphins are a low impact way to accommodate larger cruise ships without extending the wharf itself. As New Zealand's largest city and a key port for New Zealand cruise itineraries, it is important that Auckland has facilities that can cater for large cruise ships. The economic benefits of cruise ship visits benefits not only the local Auckland economy, but also the many regional communities that the cruise ships go on to visit. The dolphins will make it possible for these large ships to berth rather than tender, making it more likely that cruise lines commit more of the newest and largest cruise ships to New Zealand.
22. For years, Auckland Council has promoted Captain Cook Wharf as the long-term cruise ship venue. There has however been no funding allocated over the next 10 years in the council's most recent Long-Term Plan for the implementation of the Central Wharves Strategy³. With no immediate prospect of this becoming the long-term cruise ship venue we are of the opinion that the mooring dolphins are the best available solution.
23. With cruise ships now stopping at ports around the country, it is also a sector that has potential benefits for many regional tourism hubs. Spend by cruise passengers is largely focussed around key cruise regions, such as Bay of Islands, Auckland, Tauranga, Napier, Wellington, Picton, the Marlborough Sounds, Christchurch, Dunedin and Fiordland, but can also include further inland regions such as Rotorua, Waitomo and Queenstown. Without Auckland, these ports are less likely to receive the larger ships impacting on the regional tourism economy of their regions.

² Tourism New Zealand, *Cruise Sector*, 2017 - as sourced on <https://www.tourismnewzealand.com/markets-stats/sectors/cruise-sector/market-trends/>

³ NZHerald, *Julie Stout: Resist pier pressure on city for mega ships*, 4 October 2018 – as sourced on https://www.nzherald.co.nz/opinion/news/article.cfm?c_id=466&objectid=12136429

24. Cruise is an increasing source of visitor value, both in terms of direct expenditure and also as an excellent seasonality and regional dispersal lever. There are good opportunities to position ourselves to benefit even more from this sector. One of the actions out of the Tourism2025 framework is to keep growing the value of the cruise sector, including: growing Auckland's use as an exchange hub; securing a good share of the passenger volume increases resulting from the opening up of a larger, wider Panama Canal lane (previously a major obstacle preventing up to 50% of the world's cruise fleet from travelling to Oceania for the Southern Hemisphere cruise season); and positioning Oceania as a viable off-season option for the growing number of cruise ships operating within the Asian circuit.

The proposal will have a range of positive effects on Auckland

25. "Auckland is New Zealand's cruise hub". Auckland has lots of appealing characteristics as a destination for cruise lines and their customers. The lack of ability to berth large vessels negatively impacts the attractiveness of Auckland as a cruise hub and the absence of a major city on an itinerary reduces the appeal of a country as a whole. TIA agrees with the applicant's economic report that "potential constraints on Auckland's ability to host cruise vessels may affect port calls across the rest of New Zealand".

26. According to the New Zealand Cruise Association, cruise lines will not consider Auckland as a destination for greater numbers of turnarounds of larger ships until port infrastructure issues to enable berthage are resolved.

27. Auckland is the country's only exchange port - people fly into New Zealand before boarding a ship or fly out at the end of a cruise. It is also the main beneficiary of passenger spending as well as the cruise company restocking ships with food, fuel and supplies.

28. In the year ended June 2018, the cruise industry spend a total of \$131.4 million in Auckland (+11.2% on 2017).⁴ Cruise ship visits reached 108, up from 100 in the previous year.⁵

29. There are significant economic benefits from granting consent to the proposal. A report commissioned by Panuku suggests that the dolphins are expected to contribute an average \$26.5m to GDP per annum and an extra 670 FTE jobs in the Auckland region alone. Even in the unlikely event of no growth in extra-large cruise vessels the investment will still deliver net positive economic benefits.

⁴ StatsNZ, Cruise ship traveller and expenditure statistics: Year ended June 2018, August 2018 – as sourced on <https://www.stats.govt.nz/information-releases/cruise-ship-traveller-and-expenditure-statistics-year-ended-june-2018>

⁵ Tourism Ticker, *POAL: Cruise numbers jump with more to come for 2018/19*, October 2018 – as sourced on <https://www.tourismticker.com/2018/10/04/poal-cruise-numbers-jump-with-more-to-come-for-2018-19/>

30. The following figures provided in the applicant's economic assessment provide a reasonable, if conservative, indication of the economic benefits to the Auckland tourist economy if larger cruise ships can visit due to the mooring dolphin being in place.
- a. The Conservative Future Option indicates a Nett Present Value (NPV) in each year of \$30.4 million, and assumes that the large vessels are transit only – i.e. no passenger exchanges. Once the dolphins are in place passenger exchanges of the larger ships become much more likely.
 - b. The mid-range Likely Future Option shows a NPV in each year of \$107 million, a significant amount more than three times that of the Conservative Future Option.

The importance of the visitor experience to the New Zealand tourism industry

31. The visitor experience, driving value through outstanding visitor experience, is one of the pillars of the Tourism 2025 framework. Individually and collectively, the tourism industry is increasing visitor value by increasing visitor satisfaction. By putting themselves in the shoes of the visitors, by building on what they are doing well and by eliminating areas of dissatisfaction, visitors stay longer, travel more widely, and spend more.
32. Currently, ships exceeding the wharf size must stay in the harbour channel and transfer their guests to the port via the ship's tenders. This gives these tourists a sub-optimal experience in Auckland. It also limits the economic contribution these cruise ship visits can provide, not only because some passengers may elect not to go ashore, but also because the ship is limited in what stores they can load while at anchor.

Concerns from maritime operators in the Viaduct Basin

33. We are aware of concerns held by a ferry company operating in the basin around Queens Wharf in regards to the proposals. They have expressed concern that the dolphin structure may impact journey times due to the requirement to bypass the moorings, leading to a potential reduction in the number of trips and also increased journey times.
34. We would encourage local maritime operators and the cruise sector to work in a joined-up approach with Panuku with a view to minimising any significant negative impacts of the dolphin moorings. TIA offers their support in this process.

Follow up process

35. TIA wishes to participate further in any follow-up process, including any formal meetings, to ensure that the potential impacts on tourism are adequately represented.

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BACKGROUND

36. Tourism for New Zealand is big business as the country's largest export sector. It is a major contributor to the New Zealand economy that will always be here and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean and pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.

37. The tourism industry delivers the following value to New Zealand's economy:

- Tourism in New Zealand is a \$99 million per day and \$36 billion a year industry. Tourism delivers around \$40 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$59 million in economic activity every day.
- The tourism industry directly and indirectly supports 14.5% of the total number of people employed in New Zealand. That means 399,150 people are working in the visitor economy.
- Tourism is New Zealand's biggest export industry, earning \$14.5 billion or 20.7% of New Zealand's foreign exchange earnings (year ended March 2017).

End.

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