

# **Eden Project New Zealand**

## **PRE-FEASIBILITY STUDY**



**Prepared for**

**Eden Project New Zealand Trust**

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*Hotel, Tourism and Leisure*

**A member of Crowe Horwath International**

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## **1 INTRODUCTION**

Eden Project New Zealand Trust (“The Trust” or “EPNZT”) (formerly known as The Water for Life Trust) has commissioned Horwath HTL Limited (“Horwath HTL”) to undertake a pre-feasibility study for the proposed Eden New Zealand Project (“EPNZ”), including market demand projections and preliminary economic impact analysis.

### **1.1 SCOPE OF WORK**

We have undertaken the following scope of work:

#### *Stage 1: Market Demand and Revenue Projections*

- reviewed the EUK Annual Report 2014–2015
- travelled to Christchurch to:
  - visit the proposed site
  - attend a workshop with The Trust (and EUK or other parties The Trust wishes to attend) to discuss:
    - the proposed concept and components of the visitor attraction
    - how the development is likely to be staged
    - The Trust’s capital cost estimate
  - meet with Christchurch and Canterbury Tourism
- decided pricing assumptions for EPNZ, which has included:
  - researching the pricing of EUK, other Christchurch visitor attractions, and other relevant attractions around New Zealand
  - discussing and agreeing assumptions regarding ticket prices for adults and children, and concession pricing (eg: seniors, students, families)
  - discussing and agreeing assumptions regarding average commissions / discounts
  - discussing and agreeing assumptions regarding price increases over EPNZ’s first eight years of trading
- undertaken indicative visitor projections for EPNZ’s first eight years of trading under four scenarios (base, medium, high, and low)
  - reviewed available visitor data provided by EUK
  - researched visitor numbers (where available) at other Christchurch visitor attractions and relevant attractions around New Zealand
  - updated our Christchurch supply and demand model to project the number of day and overnight international and domestic visitors to Christchurch

- based on an assumed mix of visitor types (Free Independent Traveller (“FIT”), groups, school students etc.) estimated penetration rates for:
  - international overnight visitors to Christchurch (by country of origin)
  - international day visitors to Christchurch (by country of origin)
  - domestic overnight visitors to Christchurch (by reason for visit)
  - domestic day visitors to Christchurch (by reason for visit)
  - Christchurch and Canterbury residents (by children, adults and seniors)
- commented on visitor seasonality
- commented on the implications of undertaking, or not undertaking, periodic review and refreshment / redevelopment of components of the attraction to maintain competitiveness, and provisioning for the cost of ongoing reinvestment in the attraction.

In addition to the proposed scope, we have:

- undertaken indicative revenue projections for EPNZ’s first eight years of trading under four scenarios (base, medium, high, and low) including:
  - admission revenue
  - value add revenue.
- we have also performed a high level site analysis of the multiple locations proposed as possible sites for the attraction to be developed on
- we have also estimated the incremental visitor expenditure which will be generated in the Christchurch economy as a result of the new attraction (base case scenario).

## **1.2 APPROACH**

We have prepared a pre-feasibility study which covers the following areas:

- market demand projections and scenario analysis
- indicative revenue projections and scenario analysis.

Our visitor projections cover the first eight years of EPNZ’s operation assumed to open in 2020.

The 8 years of projections demonstrates the combined impact of the initial “honeymoon effect” in the local market and EPNZ’s increasing share of domestic and international visitors to Christchurch over time, as well as the impact of continued development throughout the life of the project.

### **1.3 DISCLAIMERS**

Our work is based on certain assumptions, estimates and other information provided by The Trust and others, and based on our knowledge of comparable visitor attractions and their business activity. Some assumptions and forward-looking statements inevitably will not materialise, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the period covered by our analysis may vary from those described in this Report and the variations may be material.

Our report is intended for the use of The Trust. Neither the report nor its contents, nor any reference to our firm may be included or quoted in any other document without our prior written consent.

## **2 BACKGROUND**

EPNZ is a major new visitor attraction/social enterprise proposed for Christchurch based on the very successful Eden Project in Cornwall, England. The preferred site is located in the Avonside Loop in Christchurch. The project will be developed with the intention of making it one of the leading visitor attractions in New Zealand, if not the best. Alternative sites are analysed in Section 8.

### **2.1 THE PROJECT**

The developments in consideration for EPNZ will use concepts similar to The Eden Project in Cornwall, UK (“EUK”), but will be centred more around a water theme. It will tell the story of water through our nature, culture and science, and will generate significant benefits for the Christchurch community and tourism industry.

The preferred site is the Avon Ōtākaro River Corridor (“ARC”) where it will form part of a number of proposals for the ARC. The site has 100 acres of riverside land which has been proposed to provide space for fee paying and non-fee paying visitor attractions, gardens, events, exhibitions, and supporting food and beverage and retail businesses.

The Eden Project has the potential to assist Christchurch regain its position as a major destination for international and domestic visitors. The project will showcase New Zealand’s unique environment and demonstrate our community’s commitment to transformation, re-generation and sustainability.

The UK Eden Project, which opened in 2001, contains extensive gardens and hosts exhibitions, events, experiences and projects that explore how people can work together and with nature towards building a better future. The first stage of the project was to build a global garden in a crater that was once a china clay pit as a symbol of regeneration and “the art of the possible”.

This ‘Living Theatre of Plants and People’ was constructed with the intention of creating an international visitor destination. It celebrates the relationship with and dependence on plants: plants that feed us, clothe us, cure us, make and colour fabrics, and our lives, and even supply the very air we breathe. Two vast greenhouse domes called Biomes house wild landscapes, crops, and allow visitors to explore stories from the Tropical Rainforest and Mediterranean regions. They add significantly to the appeal of the project through their stories and unique architectural form.

The Core, Exhibitions and Education Centre, brings the threads of the story together with a range of permanent and temporary exhibitions, many of which communicate the work of the global outreach projects. The cafes ‘take plant to plate’ and bring stories to life with a range of delicious food. The products in the cafes and shops, and off site licensed products, each have a story to tell and are sourced with the planet in mind.

To be sustainable, the enterprise aims to create a focus for Christchurch and Canterbury citizens and businesses, as well as for domestic and international visitors. It will be designed as a place of wonder, fun, interaction and learning.

Product development will be based on ongoing advice from tourism and education experts from New Zealand and the world.

EPNZ has defined the project's critical success factors as follows:

#### *Regeneration*

- The enterprise will help the city and communities of Christchurch grow again and thrive, stronger and more resilient than ever

#### *Economic*

- The creation of a financially sustainable enterprise in the long term
- Positive economic impact for the city through new visitors and new business activity

#### *Social*

- The creation of new jobs for the project plus the creation of new businesses that serve the project. A range of educational programmes attracts, repeatedly, groups at all stages of learning
- Create training programmes to improve job skills for specific targeted groups
- Provide a place of learning and well-being that all people can come to and be proud of, and which links to other similar nature/education based projects planned for the ARC

#### *Cultural*

- Development of a Ngai Tuahuriri/Ngai Tahu cultural narrative which informs aspects of design, activities and artworks
- Ngai Tuahuriri/Ngai Tahu are design and cultural consultants in the development of the project

#### *Environmental*

- Change peoples' behaviour towards the use of water
- Improve the quality of water across the site
- Create a sustainable development that can provide impetus for better low impact urban design through leading by example

If the development proceeds, it is proposed to be staged over several years, similar to the development of EUK. The visitor attractions will be staged over the



development of the project, and complementary commercial business such as accommodation will be added as demand warrants.

## **2.2 THE EDEN PROJECT NEW ZEALAND TRUST**

Established in 2014, The Eden Project New Zealand Trust was formed specifically to evaluate the opportunity, and viability of the EPNZ project.

The Trust's Vision Statement is:

"People and businesses are inspired to integrate sustainable environmental management practices, especially related to water, into their everyday lives."

The Trust's Mission Statement is:

"To demonstrate our relationship with water, and its social, cultural, environmental and economic value, in an inspirational, fun and educational way."

The Trust has been set up with the understanding that tourism and recreation have an essential role to play in Christchurch's economic and social recovery. Following the earthquake sequence of early 2011, Christchurch has lost over one million visitor nights, with two thirds being international nights. This loss of visitors has taken \$180m from the local economy, for which tourism had previously been estimated as generating 12% of total Christchurch employment.

Very few standalone visitor attractions have the potential to influence decision making to visit a specific destination, as they are typically too small to have an impact of that scale. The scale of the EPNZ project has the probability of being one of New Zealand's most significant and largest visitor attractions and could encourage some people to visit Christchurch (and even New Zealand) purely or mainly because of its existence. It will also help to re-establish Christchurch as a internationally recognisable tourism destination in its own right. Without new attractions, it is unlikely that Christchurch will achieve the growth in international visitors projected in this report.

The Trust has a number of objectives for EPNZ, including education, conservation and benefits to the Christchurch community as a result of increased visitation.

The Trust's Objectives are:

- to develop an international standard visitor attraction that will be financially viable in the long term
- to enhance the attractiveness of Christchurch as a visitor destination and a place to live, work and play
- to showcase how an area devastated by earthquakes can be transformed into a place that promotes resilience and generates pride within the local community



- to foster social enterprise initiatives, learning and the development of skills that enhance the opportunities for all sectors of society
- to 'showcase' the best of New Zealand and Christchurch is recognised as a place 'that makes things happen'
- to act as a forum for discussions on environmental issues that require resolution.

### 3 COMPARABLE VISITOR ATTRACTIONS

To identify the most appropriate price positioning for EPNZ, we have researched the UK Eden Project and partly comparable visitor attractions in New Zealand – including their offerings, admission fees, facilities and visitor numbers.

#### 3.1 EDEN PROJECT UNITED KINGDOM

Table 3.1 summarises our analysis of the average admission fees, approximate annual visitors and visitor mix of EUK, according to the latest available figures.

**Table 3.1: EUK Attraction Analysis**

Attraction	Region	Admission Fee* (Average)	Approx. Visitors (latest figures)	Mix
Eden Project	Cornwall, United Kingdom	Adult: \$49 Youth: \$25 Child: Free Concession: \$40 2A+2C: \$127  <i>**Advance tickets receive a 10% discount.</i>	1,000,000	Family groups: 40%  Intergenerational family: 20%  Mixed age groups; 25%  Older adult groups: 15%

(Source: Edenproject.com)

\* Currency in \$NZD equivalent

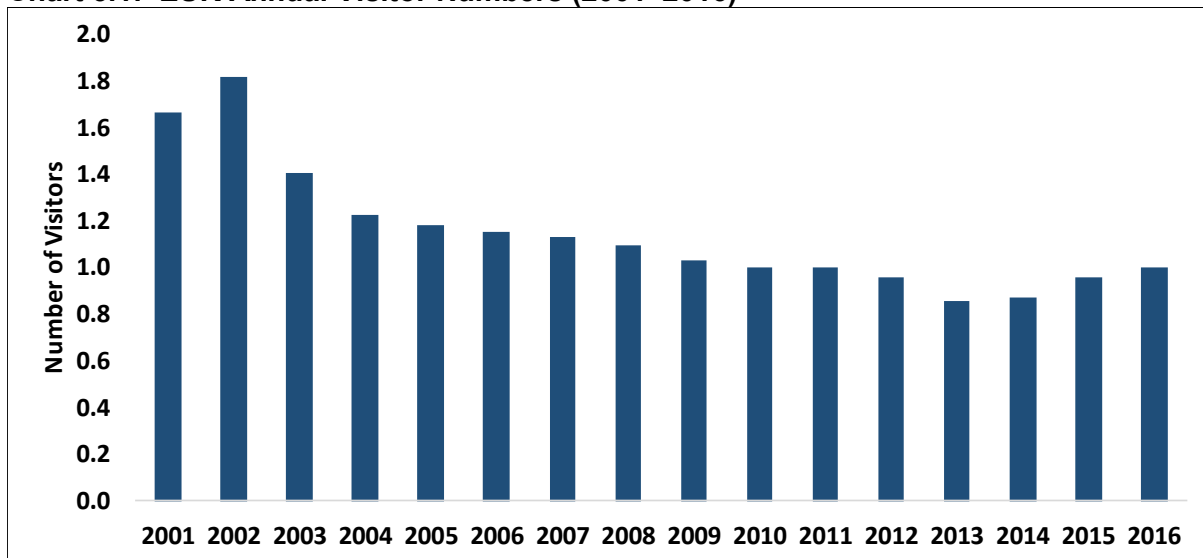
Table 3.2 and Chart 3.1 summarise the visitor numbers to the EUK from its inception in 2001 to 2016.

**Table 3.2: EUK Visitor Number Summary (2000–2016)**

Eden UK	2000 Y1	2013	2014	2015	2016
Visitor Numbers	1,664,911	858,897	867,362	960,029	1,000,363

(Source: Association of Leading Visitor Attractions (ALVA), Eden UK supplied by EPNZT)

**Chart 3.1: EUK Annual Visitor Numbers (2001–2016)**



(Source: Association of Leading Visitor Attractions (ALVA), Eden UK, supplied by EPNZT)

### **Eden Project UK Facilities**

The EUK has the following facilities:

- 50m high Tropical Rainforest and Mediterranean Biomes
- and outdoor gardens with walkways and viewing platforms
- Peter Randall-Page's seed sculpture and interactive exhibits in the core building
- Mediterranean Terrace Restaurant and the Baobab Bar
- rainforest canopy walkway with views of 5,000 varieties of plants over 30 acres of gardens.

In addition to admissions revenue, EUK generates secondary revenue through the following sources:

- private guided tours
- food and beverage ("F&B") sales through the restaurant and bar
- retail sales at the Eden Project shop
- zip wire, giant swing and freefall jump
- ice rink during the winter
- series of concerts
- function facilities for weddings, conferences etc
- onsite accommodation (camping and Snooze Box), with future plans to include an eco-hotel.

Figure 3.1 shows a map of the EUK facilities.

**Figure 3.2: Map of EUK Facilities**



(Source: Edenproject.com)

### Eden UK Local Admission Pricing

Eden UK operates an annual Local's Pass available in November each year for residents of Cornwall and Devon at the same price as normal full price admission, encouraging locals to return more often. This may be a strategy The Trust could replicate.

The Trust has supplied feedback from anonymous locals who visited Eden UK on Local's Passes:

- "a brilliant investment, as every time we visit there's something new to discover"

- “we buy the Locals Pass for our family of 4... It’s brilliant for a few hours, or something to eat from the fabulous restaurant which is amazing value. We go about 8 times a year and haven’t had a bad visit!”
- “knowing we have Locals Passes is brilliant. The children enjoy the freedom to be able to explore and we love the fact that this amazing place is right on our doorstep”.

Table 3.3 provides an analysis of visitors to EUK from 2013–2015.

**Table 3.3: EUK Visitor Analysis (2013–2015)**

<b>Eden UK Profiling</b>	<b>Annual Averages</b>		
	<b>2013</b>	<b>2014</b>	<b>2015</b>
Number of Visitors (#)	858,897	867,362	960,029
Average dwell time (hh:mm)	4:35	4:55	4:46
Average group size (#)	3.4	3.4	3.4
<b>Visitor Clusters (%)</b>			
Family Groups	41%	42%	38%
Intergenerational Family	17%	22%	22%
Mixed Age Adults	25%	21%	25%
Older Adult groups	17%	16%	15%
<b>Purpose of Visit (%)</b>			
A trip from home	28%	31%	32%
Part of a holiday	72%	69%	68%
<b>Age Group Mix (%)</b>			
Under 5	8%	8%	9%
5 to 10	13%	14%	13%
11 to 14	8%	6%	7%
15 to 18	4%	3%	4%
19 to 24	3%	3%	3%
25 to 34	9%	8%	9%
35 to 44	16%	16%	16%
45 to 54	15%	15%	14%
55 to 64	12%	13%	12%
65 to 74	10%	12%	10%
over 75	3%	3%	3%
<b>Frequency of Visit (%)</b>			
1st Time	49%	38%	41%
2nd time	16%	18%	17%
3 or more times	35%	44%	42%

(Source: Eden UK, supplied by EPNZT)

The market mix for EUK is different from the anticipated New Zealand market mix. EUK attracts a large number of domestic visitors due to Cornwall’s position as a summer resort. EPNZ will rely on a higher proportion of international visitors to support the attraction’s revenue. Seasonality will still be an important factor for the

attraction, but the visitor market will not be as skewed towards the summer months, to the same degree as EUK.

### 3.2 NEW ZEALAND VISITOR ATTRACTIONS

There are currently no attractions in New Zealand which are of the same scale as the proposed EPNZ project. This makes it difficult to benchmark visitor numbers and ticket pricing using current New Zealand attractions in operation. However, other attractions from around New Zealand will still be relevant for this purpose where characteristics of these attractions are similar to EPNZ.

Tables 3.1 and 3.2 show a selection of visitor attractions around New Zealand, estimated annual visitors according to the latest available figures, ticket pricing and the estimated visitor mix. For certain attractions where we have information, we have shown the visitor mix by local visitors from the same region as the attraction ("L"), visitors from other regions of New Zealand ("NZ"), and international ("Inter" or "I") visitors. We have also split the admission pricing based on relevant pricing categories for the specific attraction.

Tables 3.4 and 3.5 assess the comparability of the attractions to our expectations of the proposed Eden project.

**Table 3.4: North Island Attractions Summary**

Attraction	Region	Admission Fee (Average)	Estimated Visitors (latest figures)	Mix
Waitangi Treaty Grounds	Northland	Local: \$5 NZ: \$20 Inter: \$40  Child: Free	150,000	L: 20% NZ: 20% I: 60%
Auckland War Memorial Museum	Auckland	Local: Free NZ: Donation Inter: \$25  Child: \$10 – (Inter) 2A + 2C: \$60	890,000	L: 6% NZ: 58% I: 36%
Auckland Zoo	Auckland	Adult: \$28 Child: \$12 Students: \$23 Seniors: \$23	700,000	NA

		1A+2C: \$47 2A + 2C: \$72		
SkyTower	Auckland	Adult: \$21.75 Child: \$9 Student: \$15 Senior: \$ 17.25 2A+2C: \$48.75	400,000	NA
Kelly Tarltons	Auckland	Adult: \$32 Child: \$22 Student: \$24 Senior: \$30 Fam (1A+2C): \$74 Fam (2A+2C): \$105  Groups 10 x Adult: \$29 Groups 10 x Child: \$22	300,000- 400,000	NA
Museum of Transport and Technology (MOTAT)	Auckland	Adult: \$19 Senior I: \$10 Child: \$10 Student: \$10 Senior: \$ Free 2A+2C: \$45	250,000	NA
Rainbows End	Auckland	Adult: \$56  Child: \$46 Senior: \$29.50 1A +2C: \$141 2A+2C: \$194	400,000	NA
Polynesian Spa	Waikato	Adult: \$29 Child: \$9 Various: \$9–64pp	300,000	NA
Te Puia	Bay of Plenty	Adult: \$52 Child: \$26 2A+2C: \$141	500,000	NA



Waitomo Glow-worm Caves (THL-owned caves)	Waikato	Adult: \$50 Child: \$23 2A+2C: \$124	520,000	L: 5% R: 25% I: 70%
Hobbiton	Waikato	Adult: \$79 Youth: \$39.5 Child: \$Free	550,000	NA
Zealandia	Wellington	Adult: \$18.50 Child: \$10 Concession: \$16.50 2A+2C: \$46	125,850	NA

(Source: Attraction websites, Horwath HTL)

**Table 3.5: South Island Attractions Summary**

Attraction	Region	Admission	Estimated Visitors (latest figures)	Mix
Antarctic Centre	Canterbury	Adult: \$59 Child: \$29 Concession: \$45 2A+2C: \$149	200,000	NA
Gondola	Canterbury	Adult: \$28 Child: \$12		NA
Christchurch Tram	Canterbury	Adult: \$25 Child: \$Free	280,000	NA
Dark Sky Reserve	Canterbury	Adult: \$35–145	+/- 200,000	NA
Orana Park	Canterbury	Adult: \$34.50 Youth: \$9.50 Child: Free Concession: \$29.50 2A+2C: \$78.50	200,000	L: 55-60% R: 30% I: 10-15%
Gondola	Queenstown	Adult: \$35 Child: \$22 2A+2C: \$103	800,000+	NA

(Source: Attraction websites, Horwath HTL)

All of the current leading paid attractions in New Zealand are of interest to international visitors, and there is a strong dominance of international visitors. Most of these visitor attractions generally demonstrate or showcase something 'unique' about New Zealand and therefore are not replicated elsewhere.

These visitor attractions have reasonable scale (for New Zealand), and charge relatively high admission fees (for New Zealand), and are heavily reliant on group tours. Tour operators earn reasonable commissions on admission revenue generated. While commission expense is relatively high, it is a necessary expense to generate higher net revenues, and has been established as a reasonably reliable practice.

The dominance of international visitors, and especially groups, means that prospects for future growth in visitor numbers is more secure. Reliance on the local / domestic market is therefore reduced – but these markets can be tapped into through special promotions in the shoulder and off-peak seasons, and special events targeted at the local market (eg: EUK).

A critical point in admission prices is that those attractions with a higher price tend to have visitors stay for a longer period of time. It is the value associated with the cost that potential visitors will assess in their decision to visit or not.

## **4 VISITOR PROJECTIONS**

In Section 4, we summarise our international and domestic visitor forecasts at the following levels:

- New Zealand
- the Canterbury region (including Canterbury, Timaru and McKenzie Regional Tourism Organisation (“RTO”) areas)
- Christchurch.

We use three different measures of visitor demand in our estimates and projections.

At the New Zealand level, the measures of visitor demand are:

- International and domestic visitors
- Visitor nights

At the Canterbury and Christchurch level, the measures of visitor demand are:

- International and domestic visitor nights
- International and domestic overnight visits
- International and domestic day visits

Due to constraints on available data, some measures of international and domestic visitor demand at the New Zealand level have been derived from a different data source to Canterbury and Christchurch visitor demand. As a result, some measures of international and domestic visitor demand at the Canterbury and Christchurch level are not all comparable with the measures of visitor demand at the New Zealand level.

International and domestic visitor nights are a comparable measure of visitor demand at all levels. Domestic overnight visits are a comparable measure of visitor demand at all levels.

### **4.1 NEW ZEALAND - INTERNATIONAL AND DOMESTIC VISITS**

Our international visitor projections are based on the Tourism Forecasts 2017–2023 prepared by the Ministry of Business, Innovation and Employment (“MBIE”), released in May 2017.

As shown in Table 4.1, international visitor arrivals to New Zealand increased by 11.8% in 2016, following relatively strong increases in 2015 (9.6%) and 2014 (5.1%). Historically from 2009–2016 visitor arrivals have increased at a Compound Annual Growth Rate (“CAGR”) of 5.2%.

**Table 4.1: International Visitors to New Zealand (2009–2016)**

International Visitors (m)	2009	2010	2011	2012	2013	2014	2015	2016
Australia	1.09	1.13	1.16	1.16	1.22	1.25	1.33	1.41
USA	0.20	0.19	0.19	0.18	0.20	0.22	0.24	0.29
Japan	0.08	0.09	0.07	0.07	0.07	0.08	0.09	0.10
UK	0.26	0.24	0.23	0.19	0.19	0.19	0.20	0.22
Germany	0.06	0.07	0.06	0.06	0.07	0.08	0.08	0.10
South Korea	0.05	0.07	0.05	0.05	0.05	0.06	0.07	0.08
China	0.10	0.12	0.15	0.20	0.23	0.27	0.36	0.41
Rest of the World	0.61	0.63	0.69	0.65	0.68	0.71	0.76	0.89
<b>All International</b>	<b>2.46</b>	<b>2.53</b>	<b>2.60</b>	<b>2.56</b>	<b>2.72</b>	<b>2.86</b>	<b>3.13</b>	<b>3.50</b>
<i>Growth</i>		2.71%	3.03%	-1.42%	5.97%	5.14%	9.61%	11.75%

(Source: MBIE)

Table 4.2 summarises the forecast growth in visitor arrivals from 2017–2027.

In the period 2024–2027, we have taken a conservative approach to forecasting the continued rate of growth. Over a 10-year period, even if there are fluctuations in the rate of growth in the short term, past evidence has shown that overall growth in visitor numbers will likely return to normal patterns in the medium term. The projected CAGR in visitor arrivals from the end of 2016–2027 is 4.4%.

**Table 4.2: International Visitor Projections to New Zealand (2017–2027)**

International Visitors (m)	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
Australia	1.49	1.56	1.61	1.65	1.69	1.73	1.76	1.79	1.83	1.86	1.90
USA	0.33	0.36	0.38	0.40	0.41	0.43	0.44	0.45	0.46	0.47	0.48
Japan	0.11	0.11	0.12	0.12	0.13	0.13	0.14	0.15	0.15	0.16	0.16
UK	0.25	0.23	0.24	0.25	0.25	0.26	0.27	0.27	0.28	0.29	0.29
Germany	0.10	0.11	0.12	0.12	0.13	0.14	0.14	0.15	0.16	0.16	0.17
South Korea	0.09	0.09	0.09	0.09	0.10	0.10	0.10	0.10	0.11	0.11	0.11
China	0.45	0.51	0.57	0.64	0.72	0.81	0.91	1.00	1.09	1.18	1.27
Rest of the World	0.92	0.95	0.98	1.00	1.03	1.06	1.10	1.13	1.16	1.21	1.25
<b>All International</b>	<b>3.73</b>	<b>3.92</b>	<b>4.10</b>	<b>4.28</b>	<b>4.47</b>	<b>4.66</b>	<b>4.86</b>	<b>5.05</b>	<b>5.24</b>	<b>5.44</b>	<b>5.64</b>
<i>Growth</i>	6.7%	4.9%	4.8%	4.4%	4.4%	4.2%	4.3%	3.9%	3.8%	3.8%	3.6%

(Source: MBIE, adjusted and extended by Horwath HTL)

## International Visitor Nights

International visitor nights in New Zealand are estimated to have increased by 8.9% in 2016 following 8.2% growth in 2015. Historically from 2009–2016, international visitor nights have increased at a CAGR of 4.1%.

The average length of stay in New Zealand by international visitors is estimated as 18.0 nights in 2016. We have projected a reduction in the average length of stay in New Zealand of international visitors between 2017–2027, including from Australian visitors.

This reduction is mainly as a result of the increasing proportion of shorter stay leisure visitors as a proportion of total visitors in each visitor market. Consequently, the

projected total growth in international visitor nights is lower than the total growth in international visitors.

Table 4.3 illustrates the projected international visitor nights to New Zealand between 2017–2027.

**Table 4.3: International Visitor Night Projections in New Zealand (2017–2027)**

International Visitor Nights (m)	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
Australia	13.40	13.88	14.17	14.52	14.72	14.84	14.95	15.24	15.54	15.64	15.75
USA	4.82	5.10	5.37	5.61	5.77	5.93	6.07	6.19	6.31	6.41	6.49
Japan	1.56	1.63	1.71	1.77	1.84	1.90	1.97	2.03	2.10	2.16	2.23
UK	6.81	6.43	6.59	6.75	6.90	7.06	7.24	7.39	7.55	7.70	7.82
Germany	5.23	5.70	6.16	6.56	6.96	7.37	7.86	8.21	8.57	8.94	9.30
South Korea	1.40	1.38	1.40	1.42	1.40	1.39	1.37	1.35	1.36	1.38	1.39
China	7.57	8.64	9.79	11.09	12.56	14.13	15.98	17.26	18.59	20.06	21.60
Rest of the World	26.06	26.58	27.03	26.83	26.76	26.62	26.24	26.15	26.00	25.33	24.52
<b>All International</b>	<b>66.84</b>	<b>69.32</b>	<b>72.21</b>	<b>74.55</b>	<b>76.91</b>	<b>79.23</b>	<b>81.67</b>	<b>83.84</b>	<b>86.01</b>	<b>87.61</b>	<b>89.09</b>
<i>Growth</i>	<i>5.9%</i>	<i>3.7%</i>	<i>4.2%</i>	<i>3.2%</i>	<i>3.2%</i>	<i>3.0%</i>	<i>3.1%</i>	<i>2.7%</i>	<i>2.6%</i>	<i>1.9%</i>	<i>1.7%</i>

(Source: MBIE, adjusted and extended by Horwath HTL)

We have projected 41.1% total growth in international visitor nights in New Zealand over the next 10 years, starting from the year end of 2016. This growth is equivalent to an CAGR of 3.2%.<sup>1</sup>

The international visitor forecast suggests that approximately 70% of the growth (or 9.9 million visitor nights) will be from visitors from China.

Chinese visitor nights are projected to increase 217.3% between Year Ended December 2016–2027, a CAGR of 11.1% over the period. By comparison with the 85.2% growth in Chinese visitor nights over the last three years, the projections of future growth are more conservative.

The high growth in Chinese visitor nights is strongly influenced by the relatively long length of stay of Chinese visitors who are not visiting primarily for leisure / holiday reasons – ie: Visiting Friends and Relatives (“VFR”), Business and Education visitors.

## Domestic Visits

Limited data exists on domestic overnight visits in New Zealand by purpose of visit. Our estimate is that there were 26.2 million domestic overnight visits in 2016.

Table 4.4 summarises the estimated domestic overnight visits in New Zealand from 2009–2016. The estimates are based on research published by MBIE in 2009. The

<sup>1</sup> There will be variations of growth from year to year over the period as has been the case in the past. The MBIE approach to forecasting, which we agree with however, is to predict the medium–long term trend over the period rather than trying to predict significant fluctuations throughout the period. We believe straight–line growth is the best method of forecasting, with the exception of making adjustments for known events where the result is reasonably predictable eg: British and Irish Lions Tour 2017. This spike effect will inevitably result in lower growth in the following year.

estimates are derived from evidence of increases in both domestic spending and the number of nights spent in commercial accommodation.

We estimate that from 2009–2016, domestic overnight visits have increased at a CAGR of 2.5%.

**Table 4.4: Estimated Domestic Overnight Visits in New Zealand (2009–2016)**

Domestic Visitors (m)	2009	2010E	2011E	2012E	2013E	2014E	2015E	2016E
Holiday	9.86	9.90	10.00	10.10	10.30	10.82	11.36	11.93
VFR	8.09	8.10	8.20	8.28	8.45	8.70	8.96	9.23
Business	3.35	3.40	3.45	3.52	3.61	3.79	3.98	4.18
Education	0.32	0.33	0.33	0.34	0.34	0.36	0.37	0.39
Other	0.37	0.38	0.38	0.38	0.39	0.41	0.42	0.44
<b>All New Zealand</b>	<b>22.00</b>	<b>22.10</b>	<b>22.36</b>	<b>22.62</b>	<b>23.09</b>	<b>24.07</b>	<b>25.09</b>	<b>26.16</b>
<i>Growth</i>	<i>0.0%</i>	<i>0.4%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>2.1%</i>	<i>4.2%</i>	<i>4.2%</i>	<i>4.3%</i>

(Source: MBIE (Covec) (2009), Horwath HTL (2010–2016))

After a long period of little or no growth in domestic overnight visits, the last four years have shown growth. This is evident in the Monthly Regional Tourism Expenditure data (“MRTEs”).

The MRTE data provides stronger insight into domestic spend than the former annual Regional Tourism Expenditure (“RTE”) data<sup>2</sup>. Some of the information captured is related to day visits as well as overnight visits which could include business trips between regional locations in New Zealand.

## Domestic Visitor Nights

Table 4.5 shows our projection of the increase in domestic visitor nights in New Zealand between 2017 and 2027.

**Table 4.5: Domestic Visitor Nights in New Zealand (2017–2027)**

Domestic Visitor Nights (m)	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
Holiday	33.94	34.96	35.84	36.55	37.17	37.73	38.26	38.76	39.22	39.69	40.17
VFR	23.49	23.89	24.27	24.64	24.98	25.31	25.61	25.92	26.23	26.55	26.86
Business	9.08	9.35	9.58	9.77	9.97	10.17	10.37	10.58	10.79	11.01	11.23
Education	1.01	1.03	1.05	1.06	1.07	1.07	1.08	1.09	1.10	1.11	1.12
Other	0.97	0.99	1.01	1.04	1.06	1.08	1.10	1.11	1.13	1.15	1.17
<b>All Domestic</b>	<b>68.49</b>	<b>70.22</b>	<b>71.75</b>	<b>73.06</b>	<b>74.25</b>	<b>75.36</b>	<b>76.42</b>	<b>77.46</b>	<b>78.48</b>	<b>79.50</b>	<b>80.55</b>
<i>Growth</i>	<i>2.9%</i>	<i>2.5%</i>	<i>2.2%</i>	<i>1.8%</i>	<i>1.6%</i>	<i>1.5%</i>	<i>1.4%</i>	<i>1.4%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>

(Source: Horwath HTL)

We have projected a significantly lower level of growth in domestic visitor nights (20.1%, as shown in Table 4.5) compared to international visitor nights (41.1%, as shown in Table 2.3) between 2017–2027. This growth is equivalent to a CAGR of 1.8%.

<sup>2</sup> The latest data source for regional spend estimates is the MRTEs; however, the MRTEs do not include information at a Territorial Authority level. The last year of RTE data is 2015.

In recent years, the domestic overnight visitor market has grown relatively slowly, while outbound domestic visits overseas have shown consistent growth. Holiday visits comprise the bulk of domestic overnight visits and this market is also strongest in terms of growth. Domestic holiday visitor nights are projected to increase by 22.5% over the next 10 years, starting from a 2016 base year

### **Average Length of Stay – International and Domestic Visits**

International visits by each of our major markets vary in terms of length of stay, depending on reason for visit and country of origin. The average intended length of stay international visitors was 18.0 in 2016. We are forecasting the average length of stay to reduce to 15.5 nights by 2027.

According to the restated New Zealand Regional Tourism Estimates released by MBIE in July 2012, the average length of overnight domestic visits was 2.5 nights. We have extended this to estimate an average length of stay for domestic overnight visits in 2016 to be 2.54 and for the average length of stay by purpose of visit for domestic overnight visits to remain unchanged to 2027.

## **4.2 CANTERBURY – INTERNATIONAL AND DOMESTIC VISITS**

Regional visitor projections for Canterbury (which were previously published by the former Ministry of Economic Development) have not been released since August 2010, just prior to the Canterbury earthquakes.

Those projections showed that total Canterbury visitor nights were then forecast (based on 2009 actual data) to rise over the period to 2016 by an average of 1.4% per annum – with all of the growth being from international visitor nights. Domestic visitor nights in Canterbury were projected to decline by 1.3% in total over the period.

Subsequent visitor estimates published by MBIE indicates that the earthquake resulted in the opposite outcome in 2011, with 29% lower international visitor nights (compared to the forecast in 2010) and 7% higher domestic visitor nights.

Our forecasts for visitor numbers to the Canterbury region assume that the MRTE data is broadly indicative of the movement in visitor nights for the region. The Canterbury region for the purpose of our forecast includes Timaru and the Mackenzie districts, and both North and South Canterbury regions inclusive of Christchurch.

Our forecasts should be regarded as indicative because:

- they are based on our adjustment to the current 'official' national and regional visitor and population forecasts
- they assume a rate of recovery in international and domestic visitors to Christchurch following the earthquakes which is not based on any official forecasts, but based on other work and projections we have undertaken with



regard to the recovery of the Christchurch and Canterbury tourism industry, including commercial accommodation supply in Christchurch.

In Table 4.6, and 4.7, we summarise the historical international visits by country of origin, and historical domestic visits by purpose of visit to Canterbury. This includes our estimates of international and domestic day visits to Canterbury. Day visits and overnight visits<sup>3</sup> are based on our forecast changes from 'estimated' data for the year ended December 2009 published by MBIE<sup>4</sup>.

Our historical estimates of visitors to Canterbury reflect an estimated change in visitor nights for Canterbury and an expected change in the average length of stay for both international and domestic visitors. Our estimated change in visitor nights reflects the change in spend reported in MBIE's MRTE data, and the growth in guest nights as reported in the Commercial Accommodation Monitor ("CAM").

**Table 4.6: Estimated International Visits to Canterbury (2009–2016)**

<b>International Visits (m)</b>	<b>2009E</b>	<b>2010E</b>	<b>2011E</b>	<b>2012E</b>	<b>2013E</b>	<b>2014E</b>	<b>2015E</b>	<b>2016E</b>
Australia	1.52	1.52	1.05	1.02	1.02	0.97	1.04	1.17
USA	0.24	0.22	0.16	0.15	0.19	0.21	0.25	0.29
Japan	0.13	0.13	0.08	0.08	0.08	0.08	0.10	0.11
UK	0.47	0.44	0.31	0.27	0.27	0.32	0.36	0.37
Germany	0.15	0.15	0.10	0.09	0.13	0.16	0.18	0.20
South Korea	0.05	0.06	0.04	0.04	0.05	0.04	0.06	0.07
China	0.04	0.03	0.03	0.04	0.04	0.06	0.08	0.10
Rest of the World	0.82	0.81	0.63	0.61	0.65	0.72	0.83	0.92
<b>All International</b>	<b>3.41</b>	<b>3.36</b>	<b>2.40</b>	<b>2.28</b>	<b>2.43</b>	<b>2.56</b>	<b>2.90</b>	<b>3.24</b>
<i>Growth</i>		-1.4%	-28.6%	-4.8%	6.4%	5.3%	13.2%	11.6%

(Covec 2009, MBIE, Statistics New Zealand, Horwath HTL)

**Table 4.7: Estimated Domestic Visits to Canterbury (2009–2016)**

<b>Domestic Visits (m)</b>	<b>2009E</b>	<b>2010E</b>	<b>2011E</b>	<b>2012E</b>	<b>2013E</b>	<b>2014E</b>	<b>2015E</b>	<b>2016E</b>
Holiday	4.08	4.18	3.96	4.15	4.34	4.27	4.30	4.39
VFR	2.87	2.93	3.21	3.50	3.87	4.16	4.50	4.89
Business	1.92	1.89	1.90	2.03	2.24	2.43	2.63	2.85
Education	0.12	0.12	0.10	0.10	0.11	0.11	0.12	0.14
Other	0.32	0.33	0.28	0.28	0.29	0.31	0.34	0.38
<b>All Domestic</b>	<b>9.30</b>	<b>9.46</b>	<b>9.46</b>	<b>10.07</b>	<b>10.85</b>	<b>11.29</b>	<b>11.89</b>	<b>12.64</b>
<i>Growth</i>		1.6%	0.1%	6.4%	7.7%	4.0%	5.4%	6.3%

(Covec 2009, MBIE, Statistics New Zealand, Horwath HTL)

However, we have not assumed that growth in international and domestic tourism expenditure is directly proportional to the change in visitor nights. Visitor nights may change by a greater or lesser proportion than the change in expenditure for the region depending on the change in the spend per visitor.

<sup>3</sup> Day and overnight visits do not represent unique visitors, and are not comparable to New Zealand's international visitor arrivals

<sup>4</sup> There are no recent / up-to-date 'official' projections of international or domestic visitors at a regional level

We have assumed that the number of day visits for every overnight visit has remained constant for all international visitors and for domestic visitors where their purpose of visit is holiday, education and other.

In Tables 4.8 and 4.9, we summarise the forecast international visits by type of visit (overnight or day). In Tables 4.10 and 4.11, we summarise the forecast domestic by type of visit (overnight or day).

We have assumed that Canterbury's market share of visitor nights will move towards pre-earthquake levels over the projected period. As a result, growth in projected overnight and day visits to Canterbury reflects an increasing market share of visitor nights for international visitors and domestic travellers in New Zealand<sup>5</sup>.

**Table 4.8: Projected International Overnight Visits to Canterbury (2017–2027)**

<b>International</b>											
<b>Overnight Visits</b>	<b>2017F</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	0.70	0.79	0.89	1.01	1.07	1.13	1.19	1.25	1.30	1.32	1.34
USA	0.20	0.22	0.23	0.24	0.24	0.26	0.27	0.28	0.29	0.30	0.31
Japan	0.06	0.07	0.07	0.08	0.08	0.09	0.09	0.10	0.10	0.11	0.11
UK	0.26	0.25	0.25	0.26	0.27	0.27	0.28	0.28	0.28	0.29	0.29
Germany	0.14	0.16	0.18	0.19	0.21	0.22	0.24	0.25	0.27	0.28	0.30
South Korea	0.04	0.04	0.04	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
China	0.06	0.08	0.09	0.11	0.13	0.15	0.18	0.21	0.23	0.27	0.30
Rest of the World	0.59	0.61	0.64	0.64	0.66	0.66	0.66	0.66	0.66	0.65	0.64
<b>All International</b>	<b>2.06</b>	<b>2.22</b>	<b>2.40</b>	<b>2.58</b>	<b>2.71</b>	<b>2.83</b>	<b>2.95</b>	<b>3.07</b>	<b>3.19</b>	<b>3.26</b>	<b>3.34</b>
<i>Growth</i>	<i>9.1%</i>	<i>7.5%</i>	<i>8.1%</i>	<i>7.5%</i>	<i>5.2%</i>	<i>4.6%</i>	<i>4.2%</i>	<i>4.1%</i>	<i>3.7%</i>	<i>2.4%</i>	<i>2.3%</i>

(Covec 2009, MBIE, Statistics New Zealand, Horwath HTL)

**Table 4.9: Projected International Day Visits to Canterbury (2017–2027)**

<b>International Days</b>											
<b>Visitors (m)</b>	<b>2017F</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	0.58	0.66	0.75	0.84	0.90	0.95	0.99	1.04	1.09	1.10	1.12
USA	0.12	0.12	0.13	0.14	0.14	0.15	0.15	0.16	0.17	0.17	0.18
Japan	0.05	0.06	0.06	0.07	0.07	0.08	0.08	0.08	0.09	0.09	0.09
UK	0.16	0.15	0.16	0.16	0.17	0.17	0.17	0.18	0.18	0.18	0.18
Germany	0.07	0.08	0.09	0.10	0.11	0.11	0.12	0.13	0.14	0.14	0.15
South Korea	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.04
China	0.05	0.06	0.07	0.09	0.10	0.12	0.15	0.17	0.19	0.21	0.24
Rest of the World	0.39	0.41	0.42	0.43	0.44	0.44	0.44	0.44	0.44	0.43	0.42
<b>All International</b>	<b>1.46</b>	<b>1.58</b>	<b>1.72</b>	<b>1.86</b>	<b>1.96</b>	<b>2.05</b>	<b>2.14</b>	<b>2.23</b>	<b>2.32</b>	<b>2.37</b>	<b>2.43</b>
<i>Growth</i>	<i>9.0%</i>	<i>8.1%</i>	<i>8.5%</i>	<i>8.1%</i>	<i>5.4%</i>	<i>4.8%</i>	<i>4.3%</i>	<i>4.3%</i>	<i>3.8%</i>	<i>2.5%</i>	<i>2.4%</i>

(Covec 2009, MBIE, Statistics New Zealand, Horwath HTL)

<sup>5</sup> Overnight and day visits do not measure unique visitors. As a result, these measures should not be compared to visitor arrivals in New Zealand.

**Table 4.10: Projected Domestic Overnight Visits to Canterbury (2017–2027)**

<b>Domestic Overnight Visits (m)</b>	<b>2017F</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	1.41	1.48	1.57	1.65	1.72	1.78	1.83	1.86	1.89	1.92	1.94
VFR	1.25	1.25	1.24	1.23	1.23	1.23	1.23	1.23	1.24	1.24	1.24
Business	0.57	0.60	0.62	0.64	0.66	0.68	0.70	0.72	0.74	0.76	0.78
Education	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Other	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09
<b>All Domestic</b>	<b>3.34</b>	<b>3.44</b>	<b>3.54</b>	<b>3.63</b>	<b>3.72</b>	<b>3.81</b>	<b>3.88</b>	<b>3.93</b>	<b>3.99</b>	<b>4.05</b>	<b>4.09</b>
<i>Growth</i>	<i>2.6%</i>	<i>2.8%</i>	<i>2.9%</i>	<i>2.6%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>1.8%</i>	<i>1.5%</i>	<i>1.4%</i>	<i>1.5%</i>	<i>1.0%</i>

(Covec 2009, MBIE, Statistics New Zealand, Horwath HTL)

**Table 4.11: Projected Domestic Day Visits to Canterbury (2017–2027)**

<b>Domestic Day Visitors (m)</b>	<b>2017F</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	3.18	3.34	3.52	3.70	3.88	4.02	4.11	4.19	4.26	4.33	4.36
VFR	3.53	3.37	3.14	2.83	2.68	2.62	2.60	2.58	2.58	2.58	2.59
Business	2.34	2.33	2.26	2.10	2.07	2.08	2.11	2.17	2.22	2.29	2.36
Education	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Other	0.31	0.32	0.32	0.33	0.34	0.34	0.35	0.36	0.36	0.37	0.37
<b>All Domestic</b>	<b>9.46</b>	<b>9.46</b>	<b>9.36</b>	<b>9.08</b>	<b>9.07</b>	<b>9.17</b>	<b>9.28</b>	<b>9.41</b>	<b>9.54</b>	<b>9.68</b>	<b>9.79</b>
<i>Growth</i>	<i>0.8%</i>	<i>0.0%</i>	<i>-1.1%</i>	<i>-3.0%</i>	<i>-0.1%</i>	<i>1.1%</i>	<i>1.2%</i>	<i>1.3%</i>	<i>1.4%</i>	<i>1.5%</i>	<i>1.1%</i>

(Covec 2009, MBIE, Statistics New Zealand, Horwath HTL)

### 4.3 CHRISTCHURCH – INTERNATIONAL AND DOMESTIC VISITS

The Ministry of Economic Development did not publish visitor estimates at the Christchurch City level. We have used MRTE data, which does publish information at the Christchurch level, to estimate the 2016 base visitor nights, overnight visitors and day visitors to the City.

We have estimated that international visitor nights in Christchurch decreased over the period 2009–2016 by 9.8%. We estimate that international visitor nights reduced by 35% in 2011, and another 7% in 2012, but have increased by 53% since.

Our estimates indicate that total international visitors to Christchurch decreased by 39% in 2011, and another 6% in 2012, but has risen since.

We estimate that the domestic market was less affected by the earthquakes, with domestic visitor nights in Christchurch reducing by 9.5% in 2011, but rising annually since, to increase 9.2% over the period 2009–2016.

Our estimates show total domestic visitors fell by 4.7% in 2011, but have risen since, increasing by 18% in total over the period 2009–2016.

In our projections, we have assumed that Christchurch City's market share of visitor nights will move towards pre-earthquake levels over the projected period. As a result, growth in projected overnight and day visits to Christchurch reflects an

increasing market share of visitor nights for international visitors and domestic travellers in New Zealand<sup>6</sup>.

The development of EPNZ will definitely assist in achieving these projections and will be a key high-profile pillar of a revitalised visitor experience in Christchurch.

In Tables 4.12 and 4.13, we summarise the projected international overnight visits by country of origin, and projected domestic overnight visits by purpose of visit to Christchurch. This excludes our projections of international and domestic day visits to Christchurch.

**Table 4.12: Projected International Overnight Visits to Christchurch (2017–2027)**

<b>International Overnight Visits (m)</b>	<b>2017F</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	0.47	0.54	0.61	0.69	0.74	0.79	0.83	0.88	0.92	0.95	0.98
USA	0.14	0.14	0.15	0.16	0.16	0.17	0.18	0.19	0.20	0.21	0.22
Japan	0.04	0.04	0.05	0.05	0.05	0.06	0.06	0.06	0.07	0.07	0.08
UK	0.16	0.15	0.15	0.16	0.17	0.17	0.18	0.18	0.18	0.19	0.19
Germany	0.08	0.09	0.10	0.11	0.12	0.13	0.14	0.15	0.16	0.17	0.18
South Korea	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.04
China	0.04	0.05	0.06	0.07	0.08	0.10	0.12	0.14	0.16	0.19	0.22
Rest of the World	0.36	0.38	0.39	0.40	0.41	0.42	0.42	0.43	0.43	0.43	0.43
<b>All International</b>	<b>1.32</b>	<b>1.43</b>	<b>1.55</b>	<b>1.68</b>	<b>1.77</b>	<b>1.87</b>	<b>1.97</b>	<b>2.07</b>	<b>2.17</b>	<b>2.25</b>	<b>2.34</b>
<i>Growth</i>	<i>9.2%</i>	<i>8.0%</i>	<i>8.6%</i>	<i>8.2%</i>	<i>5.9%</i>	<i>5.4%</i>	<i>5.1%</i>	<i>5.2%</i>	<i>4.9%</i>	<i>3.7%</i>	<i>3.8%</i>

(Source: Horwath HTL)

**Table 4.13: Projected Domestic Overnight Visits to Christchurch (2017–2027)**

<b>Domestic Overnight Visits (m)</b>	<b>2017F</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	0.80	0.84	0.89	0.93	0.98	1.01	1.04	1.06	1.08	1.10	1.12
VFR	0.61	0.62	0.63	0.64	0.64	0.65	0.66	0.68	0.69	0.70	0.71
Business	0.41	0.43	0.44	0.44	0.45	0.46	0.47	0.48	0.49	0.50	0.51
Education	0.02	0.02	0.02	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03
Other	0.04	0.04	0.04	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
<b>All Domestic</b>	<b>1.89</b>	<b>1.95</b>	<b>2.02</b>	<b>2.08</b>	<b>2.15</b>	<b>2.20</b>	<b>2.25</b>	<b>2.29</b>	<b>2.33</b>	<b>2.38</b>	<b>2.42</b>
<i>Growth</i>	<i>3.1%</i>	<i>3.2%</i>	<i>3.4%</i>	<i>3.1%</i>	<i>3.1%</i>	<i>2.6%</i>	<i>2.1%</i>	<i>1.9%</i>	<i>1.9%</i>	<i>2.0%</i>	<i>1.7%</i>

(Source: Horwath HTL)

In Tables 4.14 and 4.15, we summarise the projected international day visits by country of origin, and projected domestic day visits by purpose of visit to Christchurch.

<sup>6</sup> Overnight and day visits do not measure unique visitors. As a result, these measures should not be compared to visitor arrivals in New Zealand

**Table 4.14: Projected International Day Visits to Christchurch (2017–2027)**

<b>International Day</b>											
<b>Visitors (m)</b>	<b>2017F</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	0.42	0.48	0.54	0.61	0.66	0.70	0.74	0.78	0.82	0.84	0.87
USA	0.08	0.09	0.09	0.10	0.10	0.11	0.11	0.12	0.12	0.13	0.13
Japan	0.04	0.04	0.04	0.04	0.05	0.05	0.05	0.06	0.06	0.07	0.07
UK	0.10	0.10	0.10	0.11	0.11	0.11	0.12	0.12	0.12	0.12	0.13
Germany	0.04	0.05	0.05	0.06	0.06	0.07	0.08	0.08	0.09	0.09	0.10
South Korea	0.02	0.02	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03	0.03
China	0.03	0.04	0.05	0.06	0.07	0.09	0.10	0.12	0.14	0.16	0.19
Rest of the World	0.26	0.27	0.28	0.28	0.29	0.29	0.30	0.30	0.31	0.31	0.30
<b>All International</b>	<b>1.00</b>	<b>1.09</b>	<b>1.18</b>	<b>1.29</b>	<b>1.37</b>	<b>1.44</b>	<b>1.52</b>	<b>1.60</b>	<b>1.69</b>	<b>1.75</b>	<b>1.82</b>
<i>Growth</i>	<i>9.2%</i>	<i>8.6%</i>	<i>9.1%</i>	<i>8.8%</i>	<i>6.1%</i>	<i>5.7%</i>	<i>5.3%</i>	<i>5.4%</i>	<i>5.0%</i>	<i>3.8%</i>	<i>3.9%</i>

(Source: Horwath HTL)

**Table 4.15: Projected Domestic Day Visits to Christchurch (2017–2027)**

<b>Domestic Day</b>											
<b>Visitors (m)</b>	<b>2017F</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	1.91	2.00	2.12	2.23	2.34	2.42	2.48	2.53	2.57	2.62	2.67
VFR	1.83	1.77	1.67	1.52	1.47	1.45	1.46	1.48	1.50	1.53	1.55
Business	1.78	1.75	1.68	1.54	1.49	1.48	1.49	1.51	1.54	1.57	1.59
Education	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09
Other	0.19	0.19	0.19	0.20	0.20	0.21	0.21	0.21	0.22	0.22	0.22
<b>All Domestic</b>	<b>5.79</b>	<b>5.80</b>	<b>5.74</b>	<b>5.57</b>	<b>5.58</b>	<b>5.64</b>	<b>5.73</b>	<b>5.82</b>	<b>5.92</b>	<b>6.03</b>	<b>6.13</b>
<i>Growth</i>	<i>1.0%</i>	<i>0.2%</i>	<i>-1.0%</i>	<i>-3.0%</i>	<i>0.1%</i>	<i>1.2%</i>	<i>1.4%</i>	<i>1.6%</i>	<i>1.7%</i>	<i>1.9%</i>	<i>1.7%</i>

(Source: Horwath HTL)

## 5 VISITOR PROJECTIONS TO EPNZ

We have modelled four visitor scenarios to EPNZ based on four potential market penetrations in year one (2020). These scenarios are summarised below:

Scenario	Penetration (relative)	Starting Visitor Numbers
1	Lower market penetration	300,000
2	Expected market penetration (base case)	400,000
3	Medium market penetration	500,000
4	High market penetration	600,000

Each scenario consists of assumptions about relative penetrations into specific markets, with some key assumptions remaining constant throughout all scenarios. These key constant assumptions are described in Section 5.1

A summary of visitor projections under each scenario is presented in Sections 5.2, 5.3, 5.4 and 5.5.

### 5.1 CONSTANT ASSUMPTIONS

We have made assumptions about each of our eight major international markets regarding their potential interest in EPNZ, categorising them as either 'higher' or 'lower' penetration markets.

The following markets are projected to have a relatively high penetration due to one or a combination of several factors eg: English speaking, long length of stay, similar interests in conservation, familiarity with the product and potential marketing synergies: Australia, USA, Germany, and UK. These international markets will be targeted by EPNZ due to the factors mentioned above.

The following markets are assumed to have a lower penetration to EPNZ, relative to the other international markets: South Korea, China, Japan, and Rest of World.

Our low penetration markets are assumed to have a penetration that is equivalent to 75% of the high penetration markets.

In year 1, we have assumed a penetration for domestic visitors to Christchurch (travelling for the purpose of Holiday) that is equivalent to 50% of the high international visitor penetration (eg: Australia, USA).

From year 2, domestic visitor attraction penetration rates increase at half the rate of growth of international penetration rates (ie: 2.5%). This reflects our expectation that growth in international penetration rates is higher, as Christchurch recovers from the decline in international visitor post-2011.

This assumption is based on international visitors having a larger appetite for visiting paid attractions and having a higher average spend per visit.

We have assumed domestic visits for VFR and Education to be 50% of the domestic Holiday penetration.

We have assumed a much lower penetration for day visitors compared to overnight visitors, both day and overnight, due to day visitors having relatively less time to visit the attraction.

We have assumed a penetration from cruise visitors to Christchurch (Lyttelton / Akaroa) of 5% in 2020.

We have projected all penetrations from international and domestic visitors, including cruise visitors, will increase by 5% annually as the reputation of EPNZ grows.

We have assumed a penetration from local Christchurch residents of 4% for the lower scenario, 5% for the base case scenario and 6% for the higher scenario in 2020. We have assumed that these will all decrease by 5% annually as the local population visits adjusts to the new attraction and it becomes less 'novel'.

The resulting penetrations for each scenario are summarised in Table 5.1–5.3 below.

The penetration rates for domestic and international visitor markets may appear low relative to the unique number of visitors to Canterbury and Christchurch. However, we have not applied these penetration rates to the measures of unique visitors to Christchurch. We have applied these penetration rates to the measures of overnight and day visits to Christchurch. As a result, the actual number of visitors reflected by these penetration rates is reasonably high.

In scenario 1, in 2020, the international penetration rate of 6.0% results in 178,182 visitors to EPNZ. For the same scenario, in 2027 the international penetration rate of 8.9% results in 371,337 international visitors to EPNZ.

In scenario 1, In 2020, the domestic penetration rate of 1.2% results in 94,504 visitors to EPNZ. In 2027, the domestic penetration rate of 1.5% results in 131,364 visitors to EPNZ.

The penetration rates for each scenario, and their corresponding visitor numbers that result can be seen by comparing Tables 5.1–5.4 and Tables 5.5, 5.9, 5.11 and 5.14. Tables 5.5, 5.9, 5.11, 5.14 show the visitor number to EPNZ for the low, base, medium, and high scenario respectively.



**Table 5.1: Scenario 1 – Penetration Summary (2020–2027)**

Visitor Penetration								
Summary	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
International	6.0%	6.7%	7.1%	7.4%	7.8%	8.1%	8.5%	8.9%
Domestic	1.2%	1.3%	1.3%	1.4%	1.4%	1.5%	1.5%	1.5%
Cruise	5.0%	5.3%	5.5%	5.8%	6.1%	6.4%	6.7%	7.0%
<b>Total Visitors</b>	<b>2.8%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.4%</b>	<b>3.6%</b>	<b>3.7%</b>	<b>3.9%</b>	<b>4.1%</b>
Locals	4.0%	3.8%	3.6%	3.4%	3.3%	3.1%	2.9%	2.8%

(Source: Horwath HTL)

**Table 5.2: Scenario 2 – Penetration Summary (2020–2027)**

Visitor Penetration								
Summary	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
International	8.4%	9.3%	9.7%	10.2%	10.7%	11.2%	11.7%	12.3%
Domestic	1.6%	1.6%	1.7%	1.8%	1.8%	1.9%	1.9%	1.9%
Cruise	5.0%	5.3%	5.5%	5.8%	6.1%	6.4%	6.7%	7.0%
<b>Total Visitors</b>	<b>3.7%</b>	<b>4.0%</b>	<b>4.3%</b>	<b>4.5%</b>	<b>4.7%</b>	<b>5.0%</b>	<b>5.2%</b>	<b>5.5%</b>
Locals	5.0%	4.8%	4.5%	4.3%	4.1%	3.9%	3.7%	3.5%

(Source: Horwath HTL)

**Table 5.3: Scenario 3 – Penetration Summary (2020–2027)**

Visitor Penetration								
Summary	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
International	10.8%	11.8%	12.4%	13.0%	13.6%	14.3%	15.0%	15.7%
Domestic	1.9%	2.0%	2.1%	2.1%	2.2%	2.2%	2.3%	2.4%
Cruise	5.0%	5.3%	5.5%	5.8%	6.1%	6.4%	6.7%	7.0%
<b>Total Visitors</b>	<b>4.6%</b>	<b>5.0%</b>	<b>5.3%</b>	<b>5.6%</b>	<b>5.9%</b>	<b>6.2%</b>	<b>6.5%</b>	<b>6.9%</b>
Locals	6.0%	5.7%	5.4%	5.1%	4.9%	4.6%	4.4%	4.2%

(Source: Horwath HTL)

**Table 5.4: Scenario 4 – Penetration Summary (2020–2027)**

Visitor Penetration								
Summary	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
International	13.2%	14.3%	15.0%	15.8%	16.5%	17.3%	18.2%	19.1%
Domestic	2.2%	2.3%	2.4%	2.5%	2.6%	2.6%	2.7%	2.8%
Cruise	5.0%	5.3%	5.5%	5.8%	6.1%	6.4%	6.7%	7.0%
<b>Total Visitors</b>	<b>5.5%</b>	<b>6.0%</b>	<b>6.4%</b>	<b>6.7%</b>	<b>7.1%</b>	<b>7.5%</b>	<b>7.8%</b>	<b>8.2%</b>
Locals	7.0%	6.7%	6.3%	6.0%	5.7%	5.4%	5.1%	4.9%

(Source: Horwath HTL)

## 5.2 SCENARIO 1 – LOW CASE

Under the low visitor scenario, our projections assume that there are approximately 300,000 visitors in 2020, rising to 534,920 visitors in 2027, which is equivalent to an CAGR of 8.6%.

Our projections are summarised in Table 5.5 and 5.6 below:

**Table 5.5: Scenario 1 – Visitor Summary (2020–2027)**

Attraction Visitor								
Summary	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
International	178,182	211,188	233,741	257,938	284,799	313,399	341,082	371,337
Domestic	94,504	100,265	105,750	110,773	115,624	120,681	126,031	131,364
Christchurch Resident	15,389	14,715	14,058	13,431	12,832	12,259	11,712	11,126
Cruise	11,922	12,932	14,029	15,220	16,513	17,916	19,439	21,093
<b>Total Visitors</b>	<b>299,997</b>	<b>339,100</b>	<b>367,579</b>	<b>397,363</b>	<b>429,767</b>	<b>464,255</b>	<b>498,265</b>	<b>534,920</b>
% Change		13.03%	8.40%	8.10%	8.15%	8.02%	7.33%	7.36%

(Source: Horwath HTL)

Under the low visitor scenario, we project a visitor mix of 59% internationals in 2020, rising to 69% by 2027. Domestic and local visitors are both expected to lose market share over the period.

**Table 5.6: Scenario 1 – Visitor Mix**

Mix of Visitors	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
International	59%	62%	64%	65%	66%	68%	68%	69%
Domestic	32%	30%	29%	28%	27%	26%	25%	25%
Christchurch Resident	5%	4%	4%	3%	3%	3%	2%	2%
Cruise	4%	4%	4%	4%	4%	4%	4%	4%

(Source: Horwath HTL)

### 5.3 SCENARIO 2 – BASE CASE

Under the expected visitor scenario, our projections assume that there will be approximately 400,000 visitors in 2020, rising to 712,714 visitors in 2027, which is equivalent to a CAGR of 8.6%.

We have analysed the visitor projections in greater detail under this scenario to show the reasonableness of our assumptions.

Table 5.7 summarises the international visitor projections by country of origin.

**Table 5.7: Scenario 2 – International Visitor Summary**

Total International								
Visitors (m)	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
Australia	113,509	127,516	142,684	158,231	175,998	193,966	209,294	226,040
USA	25,384	27,523	30,487	33,690	37,152	40,914	44,990	49,388
Japan	6,094	6,871	7,669	8,562	9,567	10,705	11,998	13,471
UK	25,823	28,232	30,269	32,601	35,014	37,637	40,489	43,428
Germany	17,556	20,052	22,635	25,764	28,776	32,122	35,839	39,966
South Korea	4,033	4,309	4,606	4,924	5,271	5,774	6,380	6,999
China	8,672	10,953	13,777	17,459	21,169	25,628	31,165	37,891
Rest of the World	48,560	52,263	55,613	58,704	62,757	67,016	70,234	73,241
<b>All International</b>	<b>249,631</b>	<b>277,720</b>	<b>307,739</b>	<b>339,935</b>	<b>375,704</b>	<b>413,762</b>	<b>450,389</b>	<b>490,424</b>
Growth		11.3%	10.8%	10.5%	10.5%	10.1%	8.9%	8.9%

(Source: Horwath HTL)

Table 5.8 summarises the domestic visitor projections by purpose of visit.

**Table 5.8: Scenario 2 – Domestic Visitor Summary**

<b>Total Domestic Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	87,969	94,547	100,431	105,533	110,235	115,034	120,041	125,266
VFR	29,975	30,833	31,918	33,156	34,553	36,100	37,803	39,257
Business	-	-	-	-	-	-	-	-
Education	1,264	1,295	1,352	1,411	1,472	1,536	1,603	1,673
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>119,209</b>	<b>126,675</b>	<b>133,701</b>	<b>140,100</b>	<b>146,260</b>	<b>152,670</b>	<b>159,447</b>	<b>166,196</b>
<i>Growth</i>		6.3%	5.5%	4.8%	4.4%	4.4%	4.4%	4.2%

(Source: Horwath HTL)

Table 5.9 summarises the total visitor projections.

**Table 5.9: Scenario 2 – Visitor Summary**

<b>Attraction Visitor Summary</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
International	249,631	290,653	321,769	355,155	392,217	431,678	469,828	511,518
Domestic	119,209	126,675	133,701	140,100	146,260	152,670	159,447	166,196
Christchurch Resident	19,237	18,394	17,573	16,789	16,040	15,324	14,640	13,908
Cruise	11,922	12,932	14,029	15,220	16,513	17,916	19,439	21,093
<b>Total Visitors</b>	<b>399,998</b>	<b>448,654</b>	<b>487,072</b>	<b>527,263</b>	<b>571,029</b>	<b>617,588</b>	<b>663,354</b>	<b>712,714</b>
<i>% Change</i>		12.16%	8.56%	8.25%	8.30%	8.15%	7.41%	7.44%

(Source: Horwath HTL)

Under the expected visitor scenario, we project a visitor mix of 62% internationals in 2020, rising to 72% by 2027. Domestic and local visitors are both expected to lose market share over the period.

**Table 5.10: Scenario 2 – Visitor Mix**

<b>Mix of Visitors</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
International	62%	65%	66%	67%	69%	70%	71%	72%
Domestic	30%	28%	27%	27%	26%	25%	24%	23%
Christchurch Resident	5%	4%	4%	3%	3%	2%	2%	2%
Cruise	3%	3%	3%	3%	3%	3%	3%	3%

(Source: Horwath HTL)

## 5.4 SCENARIO 3 – MEDIUM CASE

Under the medium visitor scenario, our projections assume that there are approximately 500,000 visitors in 2020, rising to 890,502 visitors in 2027, which is equivalent to an CAGR growth rate of 8.6%. Our visitor projections are summarised in Table 5.11 below:

**Table 5.11: Scenario 3 – Visitor Summary**

<b>Attraction Visitor Summary</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
International	321,079	370,116	409,794	452,369	499,632	549,954	598,571	651,695
Domestic	143,912	153,083	161,649	169,423	176,893	184,657	192,860	201,025
Christchurch Resident	23,084	22,072	21,088	20,147	19,248	18,389	17,568	16,690
Cruise	11,922	12,932	14,029	15,220	16,513	17,916	19,439	21,093
<b>Total Visitors</b>	<b>499,996</b>	<b>558,204</b>	<b>606,560</b>	<b>657,159</b>	<b>712,286</b>	<b>770,915</b>	<b>828,438</b>	<b>890,502</b>
<i>% Change</i>		11.64%	8.66%	8.34%	8.39%	8.23%	7.46%	7.49%

(Source: Horwath HTL)

Under the expected visitor scenario, we project a visitor mix of 64% internationals in 2020, rising to 73% by 2027. Domestic and local visitors are both expected to lose market share over the period, with cruise visitors projected to maintain a 2% share.

**Table 5.12: Scenario 3 – Visitor Mix**

Mix of Visitors	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
International	64%	66%	68%	69%	70%	71%	72%	73%
Domestic	29%	27%	27%	26%	25%	24%	23%	23%
Christchurch Resident	5%	4%	3%	3%	3%	2%	2%	2%
Cruise	2%	2%	2%	2%	2%	2%	2%	2%

(Source: Horwath HTL)

## 5.5 SCENARIO 4 – HIGH CASE

Under the high visitor scenario, our projections assume that there are approximately 600,000 visitors in 2020, rising to 1.068 million visitors in 2027, which is equivalent to an CAGR of 8.6%.

Our projections are summarised in Table 5.13 below:

**Table 5.13: Scenario 4 – Visitor Summary**

Attraction Visitor Summary	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
International	392,527	449,580	497,820	549,585	607,049	668,231	727,315	791,875
Domestic	168,616	179,493	189,599	198,749	207,528	216,645	226,275	235,855
Christchurch Resident	26,932	25,751	24,602	23,504	22,455	21,453	20,496	19,471
Cruise	11,922	12,932	14,029	15,220	16,513	17,916	19,439	21,093
<b>Total Visitors</b>	<b>599,996</b>	<b>667,756</b>	<b>726,051</b>	<b>787,058</b>	<b>853,545</b>	<b>924,246</b>	<b>993,525</b>	<b>1,068,294</b>
% Change		11.29%	8.73%	8.40%	8.45%	8.28%	7.50%	7.53%

(Source: Horwath HTL)

Under the expected visitor scenario, we project a visitor mix of 65% internationals in 2020, rising to 74% by 2027. Domestic and local visitors are both expected to lose market share over the period, with cruise visitors projected to maintain a 2% share.

**Table 5.14: Scenario 4 – Visitor Mix**

Mix of Visitors	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
International	65%	67%	69%	70%	71%	72%	73%	74%
Domestic	28%	27%	26%	25%	24%	23%	23%	22%
Christchurch Resident	4%	4%	3%	3%	3%	2%	2%	2%
Cruise	2%	2%	2%	2%	2%	2%	2%	2%

(Source: Horwath HTL)

## Seasonality

International visitors to Christchurch are seasonal, and this has been the case over a long period of time. Notwithstanding the fact that there have been disruptions to traditional visitor patterns since the earthquakes, we expect that, as visitor numbers to Christchurch continue to trend back towards historic norms, seasonality patterns will return to the previous pattern, or similar to it.

The high ratio of projected international visitors means that there will be a large degree of impact through seasonality on visitor numbers to EPNZ under all scenarios. Similar to patterns observed throughout the country, we assume the period December–March will be significantly busier than the period May–August.

Tourism New Zealand has a major strategic focus to encourage seasonal and regional dispersal of international visitors, however these initiatives alone are unlikely to fundamentally shift travel patterns and remove the issue of seasonality. Domestic visitors will also show some seasonality but significantly less than international visitors.

The local market can be targeted using specific tactical marketing initiatives to attract visitations during the shoulder and low seasons.

## 6 REVENUE PROJECTIONS

Our revenue projections incorporate assumptions about visitor mix, admission pricing, promotions / group discounts and commissions and apply them to our visitor projections for each scenario.

The most significant commissions have been applied to international adult visitors to reflect the use of overseas booking agencies to drive a percentage of sales. International students and international child visitors also have a smaller proportion having commission applied to their admission revenue. The percentage of visitors with commissionable revenue increases as the number of visitors in the scenario increases.

### 6.1 ASSUMPTIONS

#### *Visitor Mix*

Based on our analysis of the EUK visitor mix, we have made the following assumptions about the projected EPNZ visitor mix, summarised in Table 6.1. We have not projected this mix to change over the projection period.

**Table 6.1: Visitor Admission Mix (%) 2020–2027**

	Visitor Type	Mix
International	Adult (Age 15+)	65%
	Tertiary Student	5%
	Child (0-14)	5%
	Family (2A, 2C)	15%
	Senior	10%
Domestic	Adult (Age 15+)	50%
	Tertiary Student	10%
	Child (0-14)	5%
	Family (2A, 2C)	25%
	Senior	10%
Local	Adult (Age 15+)	30%
	Tertiary Student	15%
	Child (0-14)	10%
	Family (2A, 2C)	35%
	Senior	10%

(Source: Horwath HTL)

#### *Admission Pricing*

The proposed pricing has been structured for EPNZ to maximise attendance through the admission mix. Under this structure, adults will be charged the highest prices, with children and lower income earners (ie: seniors and students) being charged lower fees. Family concessions would also apply to make the visit more affordable as a family outing. This is summarised in Table 6.2.

**Table 6.2: Visitor Pricing 2020–2023**

Visitor Type	International/ Domestic Price	Local Price
Adult (Age 15+)	\$70	\$35
Tertiary Student	\$50	\$25
Child (0-14)	\$40	\$20
Family (2A, 2C)	\$187	\$94
Senior	\$50	\$25

(Source: Horwath HTL)

It is proposed that Locals (Greater Christchurch) will have the opportunity to purchase a “Locals Pass” in a specific month of the year that will at the Locals Price enable them to visit any day of the year

We have assumed the admission pricing structure and prices are consistent across all domestic and international visitor markets, but that local pricing is 50% of full price admission. This reflects your intended marketing strategy, aimed at maintaining high local visitor volumes through a discounted “Local Pass”.

We have assumed admission prices increase in year 4 (2023) by 4%, and then increase by another 2% every second year for the rest of the projection period. Admission prices are stated in real 2017 \$NZD (i.e. no allowance for CPI).

We have made assumptions about average promotions / group discounts, with the highest users of promotions and group discounts assumed to be the local visitor market, followed by the domestic market and then international visitors.

Children and students are overall more likely to make use of promotions than other visitor types. We have not modelled these assumptions differently between each of the four scenarios, and held the same assumptions in 2020 constant over the period to 2027.

We have also made assumptions about the commissionable proportion of the admission revenue, with the highest ratio of commissionable admissions being adult international visitors. We have assumed that some domestic admissions are commissionable, but that no local admissions will be commissionable.

Our assumptions regarding commissionable proportion vary between the four scenarios. We have assumed a higher percentage of commissionable admission for the higher visitor scenarios (Scenario 3 and Scenario 4) than the base case, and lower percentage of commissionable admission under the lower visitor scenario (Scenario 1).

This reflects a higher number of group tours projected in Scenario 3 and 4, through more extensive marketing to achieve the higher visitor numbers.

### **Value Added Products and Services**



Additional revenue to the attraction will be made through additional goods and services sold inside the attraction. We have defined this additional revenue as value-add revenue to distinguish it from admission revenue.

The revenue generated from value-adds will be important and make up a significant proportion of the attraction's total revenue. However, not all visitors to the attraction will have the same willingness to spend on additional goods and services inside the attraction.

We have considered the expected spending behaviour of the various ticketing groups and adjusted their propensity to spend on value-adds accordingly. Adults have the highest propensity to purchase value-adds, children and students have the lowest propensity to purchase value-adds, and internationals and domestic visitors have a relatively high propensity to purchase value-adds when compared to local visitors. These assumptions remain fixed throughout the projected forecast period and are the same for each scenario.

Visitors who are willing to spend on value-adds are likely to consider the initial price paid to enter the attraction. On this basis, we have assumed that the various ticket pricing groups are price sensitive to purchasing additional products and services inside the attraction as a multiple of the ticket admission price.

International visitors want to enjoy their experience, and are assumed to have a higher propensity to spend and a higher average spend per \$1 of admission ticket price. Compared to local visitors, domestic visitors – for similar reasoning will have a higher average spend per 1 dollar of admission ticket pricing, but a lower average spend than international visitors.

Locals have the time and ability to visit the attraction frequently and as a result are assumed to be less likely to purchase value adds. Locals are assumed to have the lowest average spend per \$1 of admission ticket pricing.

These value-add assumptions remain the same for each scenario for comparability across scenarios.

The assumed value-add revenue gained per \$1 of admission ticket pricing for each visitor group by visitor origin is:

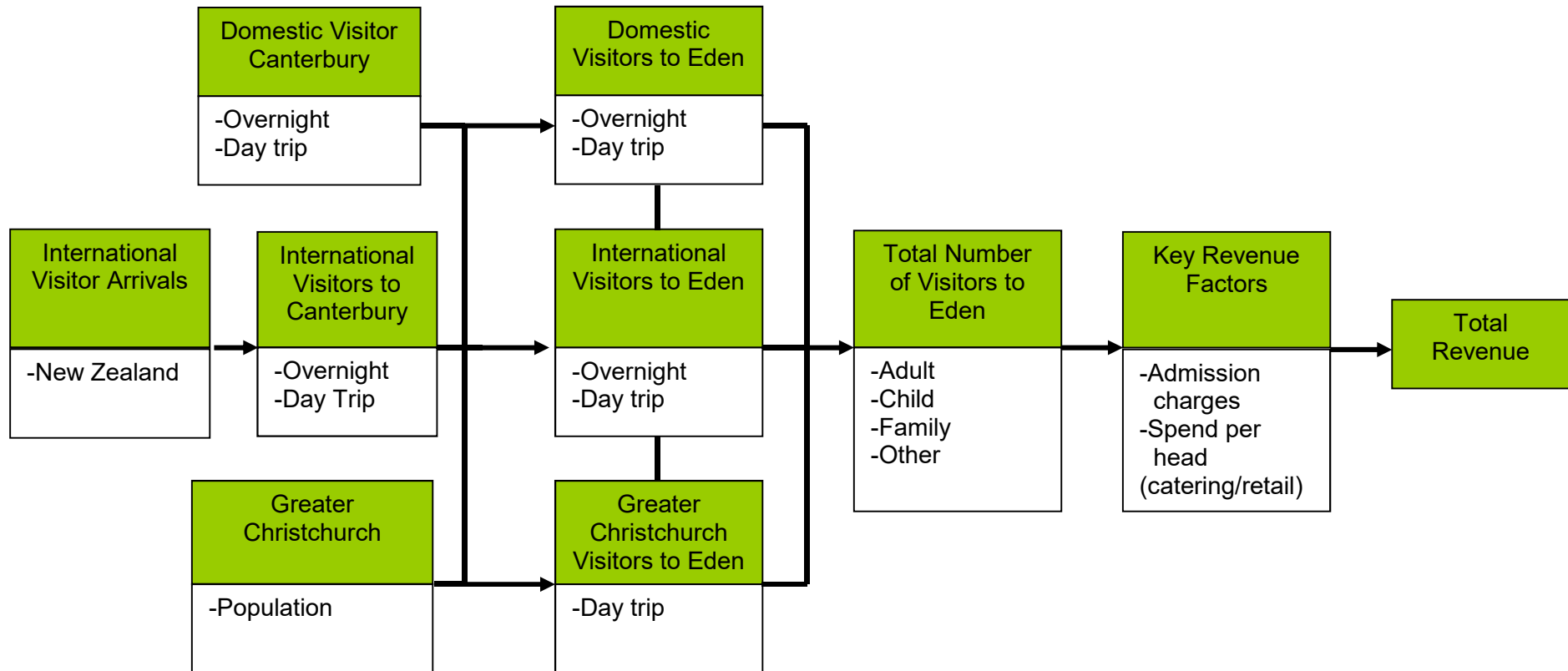
- International – \$1.40
- Domestic – \$1.15
- Local – \$0.80.

For all four scenarios, the resulting additional revenue from value-adds is approximately \$50 per visitor in 2020, and increases to approximately \$57 by 2027. It is understood that EUK typically receive close to £1 of additional revenue per £1 of admission revenue. We have assumed EPNZ will operate similar value-add revenue

functions, which will generate a similar amount of additional revenue per \$1 of admission revenue.

Section 6.2 provides a summary of our approach to forecasting the revenue projections.

## 6.2 EDEN PROJECT VISITOR / REVENUE PROJECTIONS



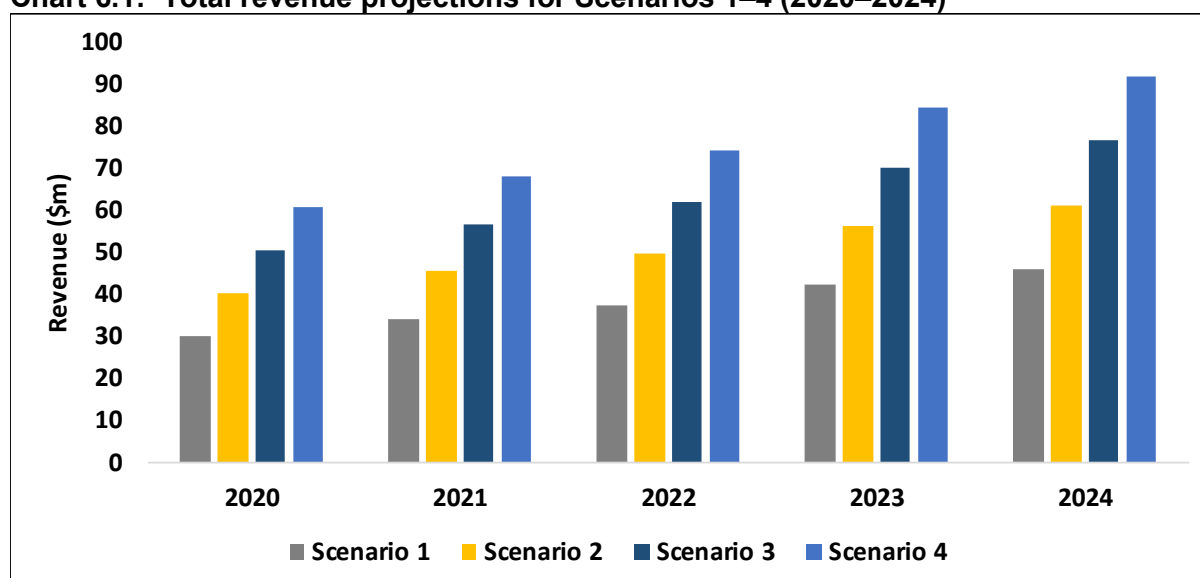
### Base Scenario

Year	2020	2021	2022	2023	2024	2025	2026	2027
Total Visitors	399,998	448,654	487,082	527,263	571,029	617,588	663,354	712,714
Total Revenue (m\$)	40.05	45.35	49.52	56.12	61.10	67.50	72.77	80.25

## 6.3 REVENUE PROJECTIONS

We have projected revenue for the first 8 years of operations, based on the assumptions provided in the previous sections of the report. In this section however, (as per our discussion with the client), we only present 5 years of revenue projections. The extended revenue projections can be found in Appendix A of this report.

**Chart 6.1: Total revenue projections for Scenarios 1–4 (2020–2024)**



(Horwath HTL)

To summarise, the general descriptions for Scenario 1–4 are:

- Scenario 1 – Low case, low market penetration
- Scenario 2 – Base case, expected market penetration
- Scenario 3 – Medium case, medium market penetration
- Scenario 4 – High case, high market penetration

The number of visitors in the opening year of 2020, for Scenario 1–4 are:

- Scenario 1 – 300,000 visitors
- Scenario 2 – 400,000 visitors
- Scenario 3 – 500,000 visitors
- Scenario 4 – 600,000 visitors

The total revenue in chart 6.1 is built up from revenue projections for each ticket group (ie: family, adult etc), and for each visitor origin (ie: international, domestic, local).

Admission pricing only begins to increase from 2023. The increase in revenue from opening year 2020–2024 is therefore largely a result of projected increase in visitors to Christchurch, and the increased penetration into the international visitor market, and domestic visitor market from years 1–5.

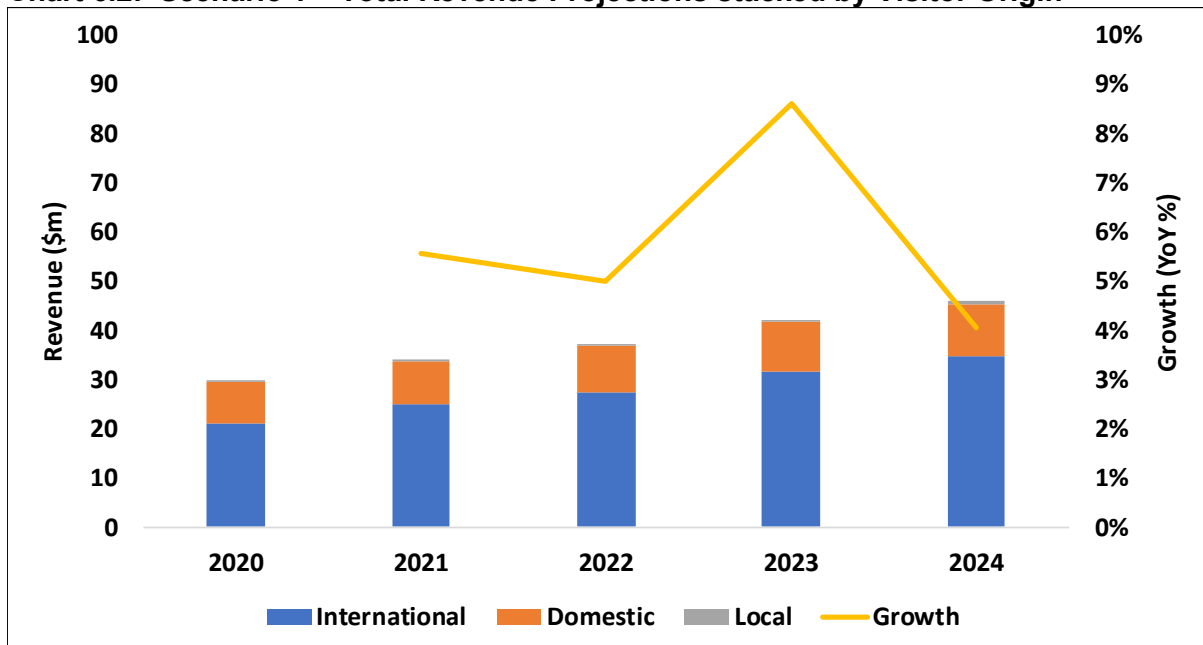
## 6.4 SCENARIO 1 – REVENUE PROJECTIONS

Chart 6.2 summarises total revenue projected under Scenario 1 (combined revenue from admission revenue and revenue from value-add products inside the attraction, from opening year 2020–2024). The columns are stacked by visitor origin with a line graph overlay showing the growth in revenue over the 5-year period.

The local population of Christchurch is small which makes it a difficult market to maintain a high penetration into. The local population will also visit less frequently as an increasing proportion of the market becomes familiar with the attraction.

To reflect this, we have assumed that the attendee penetration into the local market will fall as the novelty of the attraction declines. As a result, the international visitor market is anticipated to become increasingly important to the viability of the operations, and similarly with the domestic visitor market.

**Chart 6.2: Scenario 1 – Total Revenue Projections stacked by Visitor Origin**



(Horwath HTL)

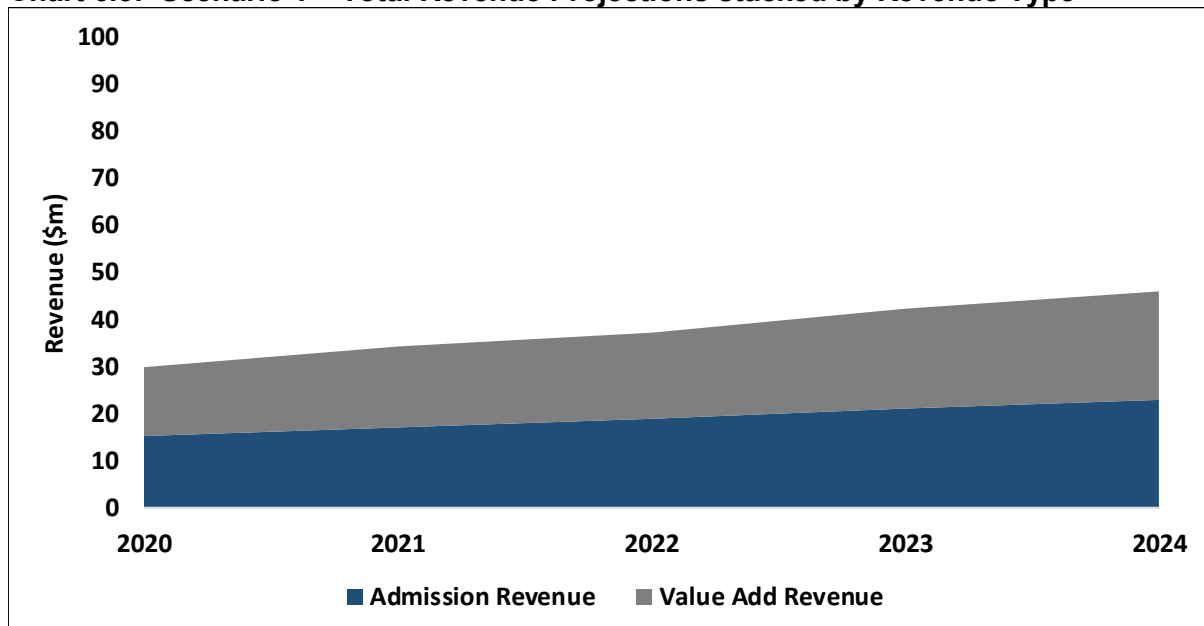
Admission pricing is fixed across all scenarios. We assume the attraction will adopt a marketing strategy which targets attracting a significant visitor volume in the initial years. On this basis, the first increase in ticket pricing is assumed to occur in 2023 resulting in a spike in revenue growth.

Chart 6.3 shows the total revenue projections under Scenario 1 by revenue type. Value add revenue is stacked on top of admission revenue producing a combined revenue of \$29.8 million in year 1 (2020).

Admission revenue is assumed to make up 50% of total revenue in 2020 and remains reasonably constant through to 2024. Admission revenue is projected to

increase at a CAGR of 11.0% from 2020–2024. Value add revenue increases at a CAGR of 11.6% from 2020–2024.

**Chart 6.3: Scenario 1 – Total Revenue Projections stacked by Revenue Type**

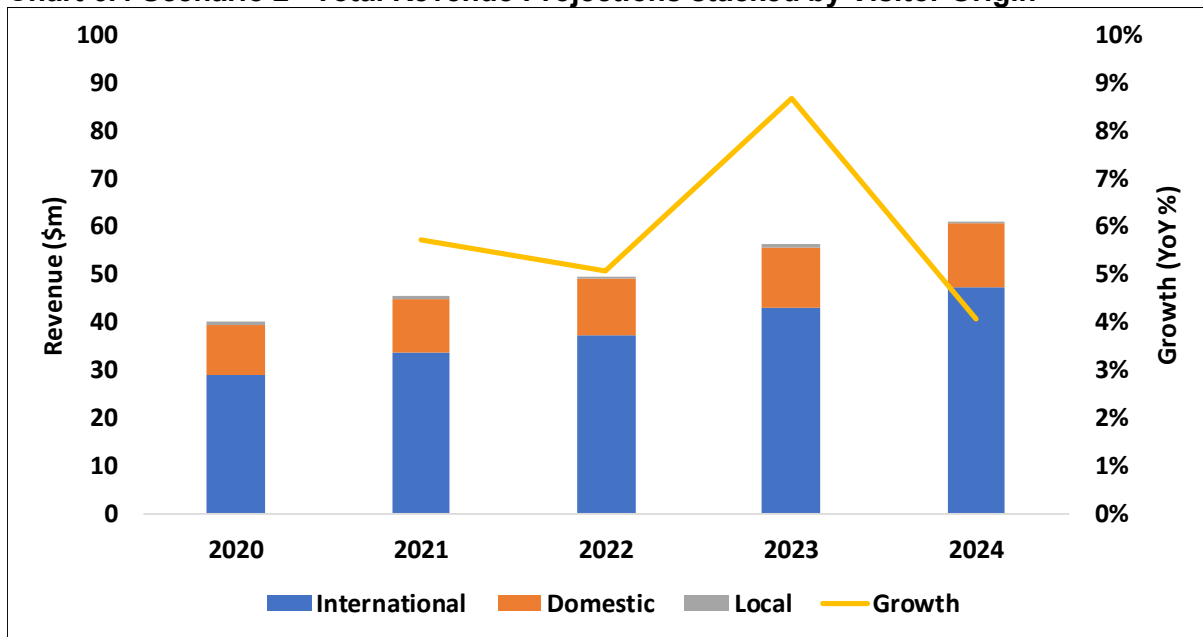


(Horwath HTL)

## 6.5 SCENARIO 2 – REVENUE PROJECTIONS

Chart 6.4 summarises the total revenue projected for Scenario 2 between 2020–2024. The columns are stacked by visitor origin with a line graph overlay showing the growth in revenue over the 5-year period.

**Chart 6.4 Scenario 2 –Total Revenue Projections stacked by Visitor Origin**



(Horwath HTL)

In Scenario 2, revenue from international visitors is assumed to make up 73% of total revenue (admissions revenue plus value add revenue from all international, domestic and local markets) in 2020.

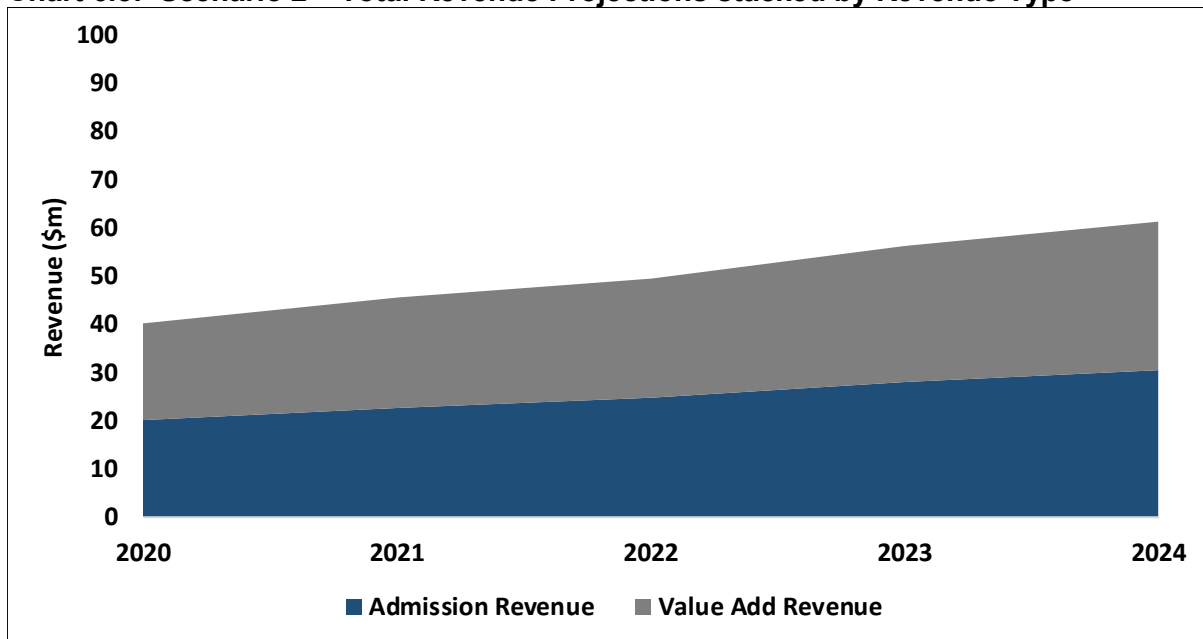
Total revenue from international visitors is assumed to be \$29.1 million in 2020 and projected to increase at a CAGR of 13.0% from 2020–2024.

Total revenue from domestic visitors is projected to increase at a CAGR of 6.3% from 2020–2024. Total revenue from local visitors decreases at an annual growth rate of –3.7% from 2020–2024. The decrease in revenue from local visitors and increased share of revenue from international visitors reflects our assumed increasing importance of the international market.

Chart 6.5 shows the total revenue projections in Scenario 2 by revenue type. Value add revenue is stacked on top of admission revenue producing a combined revenue of \$40.05 million in year 1 (2020).



**Chart 6.5: Scenario 2 – Total Revenue Projections stacked by Revenue Type**



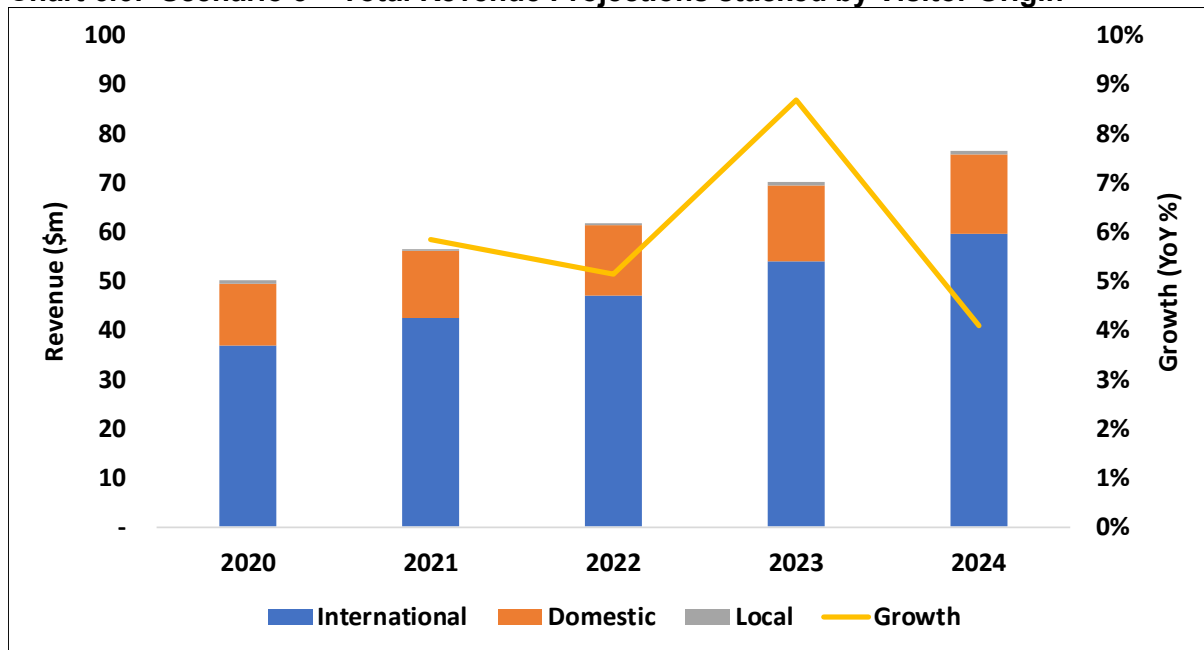
(Horwath HTL)

Consistent with Scenario 1, admission revenue under Scenario 2 is assumed to make up 50% of total revenue in 2020 and remain reasonably constant through to 2024. Admission revenue is projected to increase at a CAGR of 10.9% from 2020–2024. Value add revenue is projected to increase at a CAGR of 11.4% from 2020–2024.

## 6.6 SCENARIO 3 – REVENUE PROJECTIONS

Chart 6.6 summarises the total revenue projected under Scenario 3 between 2020–2024. The columns are stacked by visitor origin with a line graph overlay showing the growth in revenue over the 5-year period.

**Chart 6.6: Scenario 3 – Total Revenue Projections stacked by Visitor Origin**



(Horwath HTL)

In Scenario 3, total revenue from international visitors is assumed to make up 74% of the grand total revenue in 2020. Total revenue from international visitors is \$36.99 million in 2020 and increases at an annual growth rate of 12.7% from 2020–2024.

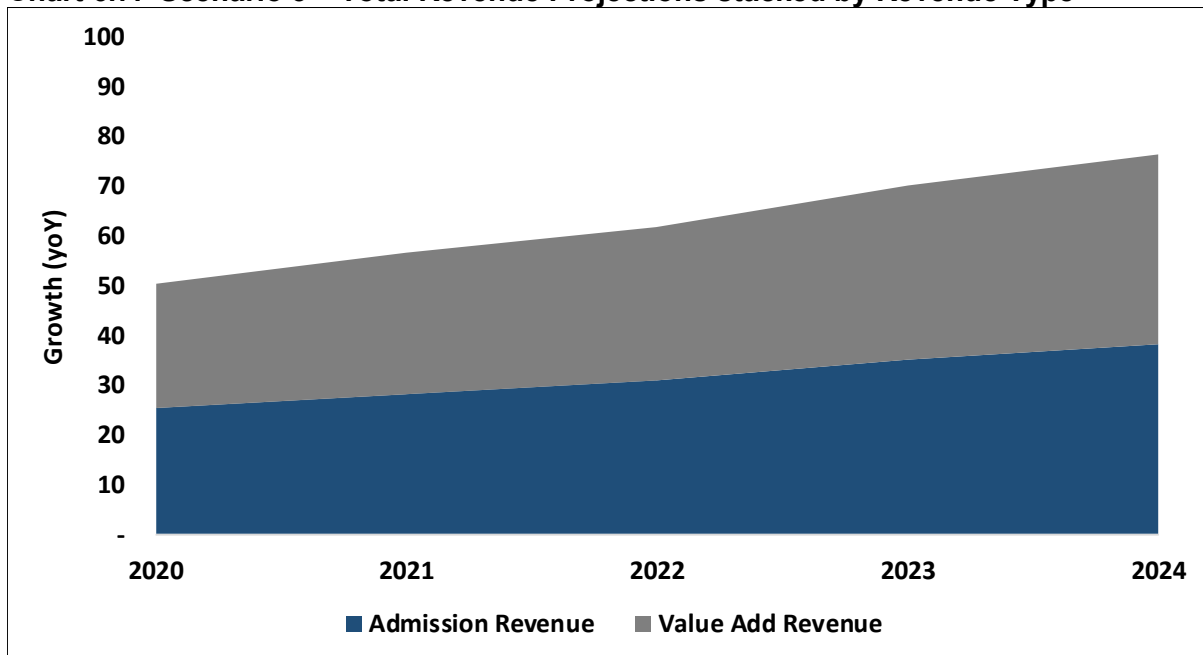
Total revenue from international, domestic and local visitors is projected to increase at similar rates to Scenario 1 and 2 from 2020–2024.

Chart 6.7 shows the total revenue projections in Scenario 3 by revenue type. Value add revenue is stacked on top of admission revenue producing a combined revenue of \$50.26 million in year 1 (2020).

As is assumed in the previous scenarios, admission revenue is assumed to make up 50% of total revenue in 2020 and remain reasonably constant through to 2024.

Admission revenue is projected to increase at a CAGR of 10.8% from 2020–2024. Value add revenue is projected to increase at a CAGR of 11.3% from 2020–2024.

**Chart 6.7: Scenario 3 – Total Revenue Projections stacked by Revenue Type**

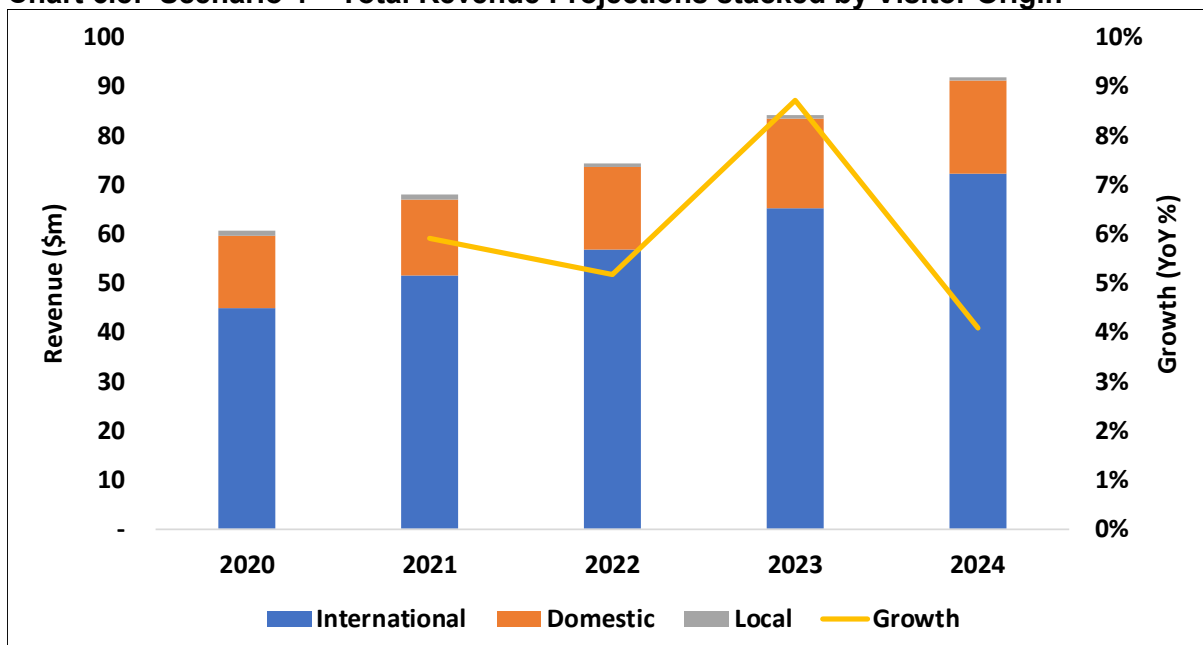


(Horwath HTL)

## 6.7 SCENARIO 4 – REVENUE PROJECTIONS

Chart 6.8 summarises the total revenue projected under Scenario 4 between 2020–2024. The columns are stacked by visitor origin with a line graph overlay showing the growth in revenue over the 5-year period.

**Chart 6.8: Scenario 4 – Total Revenue Projections stacked by Visitor Origin**



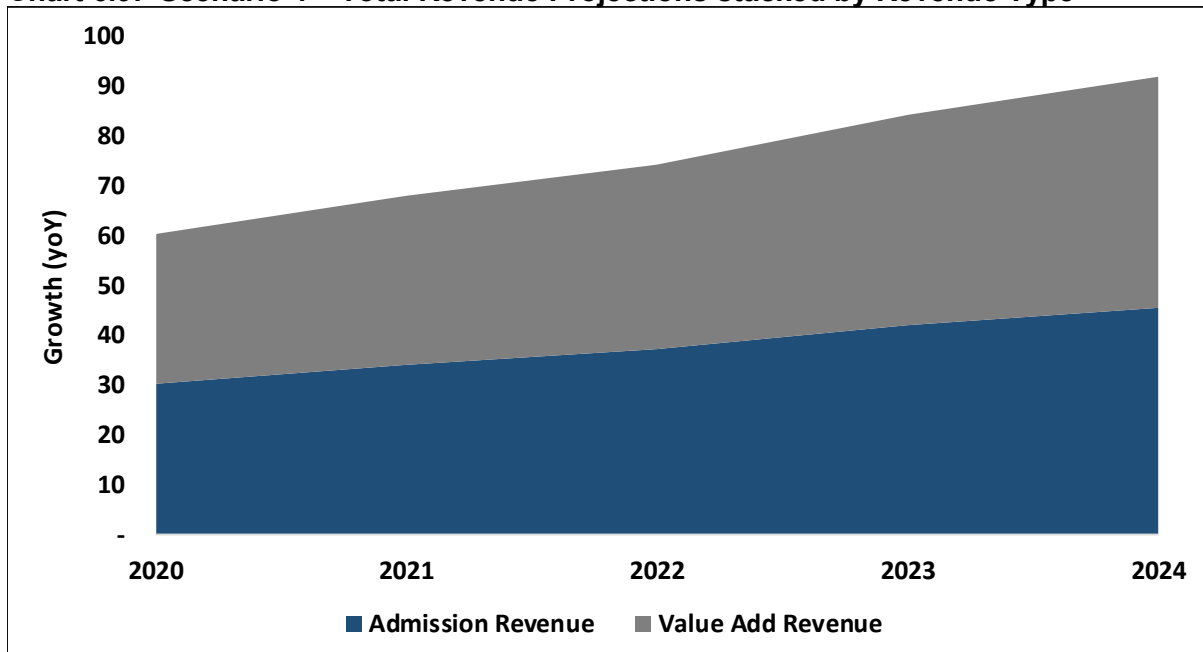
(Horwath HTL)

In Scenario 4, total revenue from international visitors is assumed to make up 74% of the grand total revenue in 2020. Total revenue from international visitors is \$44.92 million in 2020 and increases at an annual growth rate of 11.0% from 2020–2024.

Total revenue from international, domestic and local visitors is projected to increase at similar rates to Scenario 1, 2, 3 and 4 from 2020–2024.

Chart 6.9 shows the total revenue projections in Scenario 4 by revenue type. Value add revenue is stacked on top of admission revenue producing a combined revenue of \$60.46 million in year 1 (2020).

**Chart 6.9: Scenario 4 – Total Revenue Projections stacked by Revenue Type**



(Horwath HTL)

As is assumed in the previous scenarios, admission revenue in Scenario 4 is assumed to make up 50% of total revenue in 2020 and remain reasonably constant through to 2024. Admission revenue is projected to increase at a CAGR of 10.8% from 2020–2024. Value add revenue is projected to increase at a CAGR of 11.2% from 2020–2024.

There are commercial challenges which we assumed will be met in order to achieve the projected revenues under all scenarios.

These include:

- getting the concept and visitor experience right for the target markets
- ensuring the attraction is a compelling experience, which ensures group tour operators will support on an ongoing basis
- developing the attraction experience within a reasonable capex budget that is supported by the net cashflows from operations

- funding the capex
- reinvesting in the attraction on an ongoing basis
- having excellent management and marketing.

To maintain the financial viability of the attraction, revenue will be required to, at a minimum, aim to cover the cost of operating (including repairs and maintenance). A financially successful operation will give Inbound Tour Operators (“ITOs”) the confidence that the attraction will continue to improve. ITOs are more likely to be supportive of an attraction which can continue to attract more international tourists, and gives domestic and locals visitors a strong reason to return to the attraction.

## **7 ECONOMIC IMPACT**

We estimated the possible impact that the development of the attraction will provide to the Christchurch economy by estimating the additional expenditure from visitors who lengthen their stay in Christchurch as a result of the development of the attraction, and additional expenditure from visitors who decide to visit Christchurch as a result of the development of the attraction.

The report does not include at this stage the economic impact of the project's construction stage or the ongoing annual expenditure associated with the operating costs of the facility.

### **7.1 INCREMENTAL IMPACT ON VISITOR SPENDING IN CHRISTCHURCH**

#### **Impact from visitors increasing their length of stay ("LoS")**

EPNZ, if designed as a leading attraction in New Zealand, will help Christchurch become a more appealing visitor destination. Such an attraction will encourage more visitors to extend their stay in Christchurch, and draw additional visitors to the city.

Some visitors to the city will decide to stay longer, some will stay for a longer portion of their day visit, or extend the length of their overnight visit, and possibly even stay for an additional night or nights.

The visitors who stay in Christchurch for an additional amount of time will spend more on goods and services in this additional time. For example, overnight visitors may spend on another night of commercial accommodation, day visitors may spend on an additional meal, and visitors may spend more on petrol to drive to and around the attraction.

We have estimated the effect that the development of the attraction will have on the Average Length of Stay ("ALS"), and total spend in Christchurch City, by making high level assumptions around the average behaviour of the projected visitors to the attraction, and on the average projected spend for visitors to Christchurch.

We have assumed that local visitors will not have an impact on the average length of stay and therefore no impact on the visitor spend to Christchurch.

We have made the following assumptions on domestic visitors:

- a high proportion of domestic visitors are overnight visitors
- a high proportion of domestic overnight visitors will increase their ALS
- a low proportion of domestic visitors are domestic day visitors
- a low proportion of domestic day visitors increase their ALS.

We have made the following assumptions on international visitors:

- a high proportion of international visitors stay overnight
- a low proportion of international overnight visitors increase their ALS
- a low proportion of international visitors are day visitors
- a very low proportion of international day visitors increase their ALS.

We have made the following assumptions on those domestic and international visitors who decide to increase their length of stay:

- domestic and international visitors initially intended to spend time in Christchurch equivalent to their respective ALS
- domestic overnight visitors have the highest capacity to increase their ALS
- international overnight visitors have a lower capacity to increase their ALS due to a limitation of the total time they spend in the country
- domestic and international day visitors have limited capacity to increase their ALS due to the nature of their purpose and method of travel and time spent in Christchurch.

We have made the following assumptions regarding the initial average spend for domestic and international visitors:

- international overnight visitors have the highest average spend per person
- domestic and international day visitors have the lowest average spend per person.

The increase in spend in Christchurch for each visitor market (domestic and international, overnight and day visits) is calculated as the additional day-stay-equivalent, multiplied by the assumed average daily spend for each visitor market.

We have assumed that the average spend for domestic overnight visitors is \$145, and for international overnight visitors \$200. We have assumed that the day visitor spend for domestic day visitors is \$100 and \$75 for international day visitors.

The impact from each of these markets have been combined to provide a total estimate of the increase in spending, resulting from the number of visitors increasing their length of stay largely for the purpose of visiting EPNZ.

### **Impact from additional visitors to Christchurch**

In addition to visitors lengthening their stay, as a leading attraction EPNZ will also encourage more visitors to visit Christchurch. These visitors will further increase the total additional expenditure into the city, driven by the development of the attraction.

Our estimates consider the impact of three groups of additional visitors to Christchurch. These groups are as follows:

- Additional visitors who visit exclusively because of the attraction



- additional visitors who were significantly motivated by the attraction to visit the city
- and a third group of additional visitors, where the attraction was one of several major reasons they visited the city.

How the attraction is assumed to affect each visitor group's decision changes the assumption we have made on the visitor group's contribution to additional expenditure resulting from the development of the attraction.

We have made the following assumptions regarding the proportions of total visitors to the attraction which fall into the above mentioned groups.

- 5% of domestic visitors, visit exclusively as a result of the attraction
- 10% of domestic visitors, are significantly driven to visit by the attraction
- 20% of domestic visitors, visit with the attraction being one of several major drivers.
- 2% of international visitors, visit exclusively as a result of the attraction
- 8% of international visitors, are significantly driven to visit by the attraction
- 20% of international visitors, visit with the attraction being one of several major drivers.

These assumptions result in an estimated 120,189 additional visitors visiting Christchurch as a result of the attraction in 2020.

We have assumed these additional visitors stay in Christchurch for an average length of stay equivalent to the 2016 commercial accommodation average length of stay of 1.96 days.

We have assumed that each additional visitor spends an average expenditure of \$145 for domestic visitors, and \$200 for international visitors.

Each group of additional visitors will contribute a different proportion of their total respective expenditure in Christchurch, to the additional expenditure resulting from the development of the attraction. Only those additional visitors who visit Christchurch exclusively as a result of the attraction, will contribute 100% of their total expenditure to the additional expenditure.

For those other groups of additional visitors, we have assumed that for visitors who were significantly motivated to visit Christchurch, 75% of their expenditure contribute to additional expenditure. This can be interpreted as 75% of these visitors were motivated by the development of the attraction to make the trip to Christchurch and would not have made the trip otherwise.

We have assumed that for visitors where the attraction was one of several major reasons they visited the city, 30% of their expenditure contributes to additional expenditure. This can be interpreted as 30% of these visitors were motivated by the

development of the attraction to make the trip to Christchurch and would not have made the trip otherwise.

Table 7.1 shows the Base Scenario estimated impact on visitor expenditure in Christchurch resulting from the development of the attraction. It summarises the additional expenditure impact from both visitors who increase their length of stay, and from additional visitors to Christchurch who would not have visited if the attraction was not developed.

**Table 7.1: Base Scenario – Incremental impact on visitor expenditure**

<b>Spend Impact</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Number of Visitors (m)</b>								
Visitors not only driven by the attraction	0.28	0.31	0.34	0.37	0.40	0.43	0.46	0.49
Visitors driven by the attraction	0.12	0.14	0.15	0.16	0.17	0.19	0.20	0.22
<b>Total Visitors</b>	<b>0.40</b>	<b>0.45</b>	<b>0.49</b>	<b>0.53</b>	<b>0.57</b>	<b>0.62</b>	<b>0.66</b>	<b>0.71</b>
<b>Number of Visitors - that increase their length of stay/ visit largely due to the attraction (m)</b>								
Visitors that increase their LoS	0.14	0.16	0.17	0.18	0.20	0.21	0.23	0.25
Visitors driven by the attraction	0.12	0.14	0.15	0.16	0.17	0.19	0.20	0.22
<b>Additional Stay Day Equivalent (m , days)</b>								
Visitors that increase their LoS	0.04	0.04	0.05	0.05	0.06	0.06	0.06	0.07
Visitors driven by the attraction	0.11	0.13	0.14	0.15	0.16	0.18	0.19	0.21
<b>Increase in Daily Spend (m)</b>								
Visitors that increase their LoS	6.51	7.19	7.77	8.37	9.00	9.68	10.34	11.06
Visitors driven by the attraction	20.57	23.27	25.40	27.63	30.05	32.63	35.15	37.88
<b>Increase in Daily Spend per Visitor</b>								
Visitors that increase their LoS	161	161	161	162	162	163	164	164
Visitors driven by the attraction	179	180	181	182	182	183	183	184
<b>Total Increase in Daily Spend (\$m)</b>	<b>27.1</b>	<b>30.5</b>	<b>33.2</b>	<b>36.0</b>	<b>39.1</b>	<b>42.3</b>	<b>45.5</b>	<b>48.9</b>
<i>Increase in Daily spend per visitor (\$)</i>	<i>68</i>	<i>68</i>	<i>68</i>	<i>68</i>	<i>68</i>	<i>68</i>	<i>69</i>	<i>69</i>

(Source: Horwath HTL)

\* LoS = Length of Stay

Table 7.1 shows the base case visitors numbers to EPNZ, broken into the groups of those additional visitors who visit as a result largely as a result of the attraction and those that do not. In 2020, we have estimated that 120,000 visitors to EPNZ visit largely as a result of the development of the attraction.

The number of visitors who increase their length of stay will make up a proportion of those visitors who were not only driven by the attraction to visit Christchurch. In 2020, we have estimated that 140,000 visitors to EPNZ will increase their length of stay as a result of the development of the attraction.

The stay-day equivalent is the total number of additional days resulting from the impact of additional visitors deciding to visit Christchurch and from visitors lengthening their stay.

The total increase in visitor expenditure is calculated from the additional visitor days (stay-day equivalent) multiplied by the average spend for the visitor type (day/overnight).

The total increases in visitor expenditure for each visitor type is calculated as follows:

- (Domestic overnight visitor stay-day-equivalent) x (average spend per domestic overnight visitor)
- (international overnight visitor stay-day-equivalent) x (average spend per international overnight visitor)
- (domestic day visitor stay-day-equivalent) x (average spend per domestic overnight visitor)
- (international overnight visitor stay-day-equivalent) x (average spend per international overnight visitor)
- (international additional visitor stay-day-equivalent) x (average spend per international visitor)
- (domestic additional visitor stay-day-equivalent) x (average spend per domestic visitor)

The total of these increases in visitor expenditure for each international and domestic visitor type, as a result of visitors increasing their length of stay to Christchurch, and as a result of additional visitors visiting Christchurch due to EPNZ, has been estimated as providing an additional \$27.1 million in expenditure to the Christchurch economy in 2020. Our estimates project this figure increasing to \$48.9 million by 2027.

We have estimated that in 2020 \$6.51 million additional expenditure is contributed by visitors that increase their length of stay, and \$20.57 million additional expenditure is contributed by visitors that are driven by the attraction to visit Christchurch.

## 8 SITE ANALYSIS

A number of other sites are being considered for the development of this attraction. We have assessed the likely potential of these alternative sites using an approach supplied by you.

The five sites assessed are:

- Avonside Loop
- McLeans Island
- Ferrymead
- Halswell
- Christchurch Airport

In this approach, we have assessed the physical, market and economic/ financial criteria of each of the individual sites, based on factors within these criteria<sup>7</sup>. Our assessment quantifies the relative suitability of each site based on the value placed on factors within these criteria groups, and on the importance of each criteria group to the suitability of the site. We have summarised our assessment of these sites in table 9.1.

**Table 8.1: Assessment of Possible Sites for EPNZ**

PROJECT: CHRISTCHURCH EDEN		Locations				
		Avonside Loop	McLeans Island	Ferrymead	Halswell	Chch Airport
Criteria	Max Score	Total	Total	Total	Total	Total
Physical Criteria	135	125	99	81	101	88
Market Criteria	110	110	53	67	63	90
Economic/Financial Criteria	110	107	64	55	58	57
<b>Total</b>	<b>355</b>	<b>342</b>	<b>216</b>	<b>203</b>	<b>222</b>	<b>235</b>
<b>Ranking</b>		<b>1</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>2</b>

(Source: Horwath HTL)

The factors within these criteria used to assess each site are as follows:

- Physical Criteria
  - Soils/Geology
  - Geotech
  - Hydrogeology
  - Provision of site services
  - Zoning
  - Resource consents
  - Good neighbour
  - Site access

<sup>7</sup> We have not performed a site visit, or any kind of physical, statistical or market research in this approach.

- Site capacity
- Future development capacity
- Market Criteria
  - Markets
  - Accommodation provision
  - Visibility
  - Car parking
  - Population growth
  - Visitor growth
  - Landmark building
  - Political/public
  - Civic pride
- Economic/ Financial Criteria
  - Land costs
  - Planning/design costs
  - Funding potential
  - Construction costs
  - Operational costs
  - Future development costs
  - Revenue potential
  - Economic benefits

Based on this assessment Avonside Loop is the most suitable site for the development of this attraction. Avonside Loop scores the highest in all criteria categories, Christchurch Airport scores the second highest, and Ferrymead the lowest of the five possible sites.

The Avonside Loop is a desirable location because the site forms part of a large area of land deemed to be not suitable for residential housing/ accommodation. This forms, along with attracting visitors to the site, an ideal use of land where the proposed type of attraction is also consistent with the surrounding area.

Whilst land can have advantages and disadvantages to other locations the Christchurch Airport land will likely have issues around zoning and resource consent. It will also likely have an impact on neighbouring residents and have problems with being constrained by land development capacity.

Ferrymead land has poor ground conditions as it is built on a former swamp/ rubbish dump. The Halswell site would also not be as suitable as it is in a relatively isolated

location. McLeans Island is at a relatively remote location and is largely unserved. The site would require additional expense to develop the infrastructure to service the area. It is also on a flood plane, which may cause problems with resource consent.

The Avonside Loop is centrally located providing the opportunity for development of commercial accommodation suitable for domestic / family market, along with camping grounds. The site has relatively high visibility from surrounding areas, where a landmark building would be regularly visible at an open distance given the park like nature of the surrounding area.

The site is likely to be a visitor attraction and a source of considerable civic pride, where it will also be considered to be a suitable use of the land from the public perspective.

The Avonside Loop has unique characteristics as the government has taken possession of the land, providing considerable flexibility to the optimise the design and construction in developing the land. The central location makes it the most easily accessible site with the largest number of visitor markets available to it. The central site provides the greatest ability for a commercial operation to attract funding and optimise upstart costs, due to the higher revenue potential and economic potential as a result of the location.

All other alternative locations are relatively remote or more difficult to access except by the local market, which will result in lower visitor numbers. McLeans Island in which is particularly isolated, would attract significantly lower visitor numbers.

Development at the Ferrymead site would likely receive objections from neighbours including surrounding hillside residential accommodation.

Christchurch Airport, although accessible to the international market and well located from a visitor perspective, would be very expensive site to develop and operate with particularly high land costs. This would constrain the possible growth in visitor numbers for an attraction located at this site.

## 9 APPENDIX A – EXTENDED REVENUE PROJECTIONS

### 9.1 FORECAST ADMISSION REVENUE

Table 9.1 summarises our forecast admission revenue for Scenario 1–4, by visitor origin, from the assumed opening year of 2020 through to 2027.

**Table 9.1: Admission Revenue Projections for Scenario 1–4**

Total Admission Revenue (\$m)	2020	2021	2022	2023	2024	2025	2026	2027
<b>Scenario 1</b>								
International	10.17	11.99	13.25	15.23	16.80	18.74	20.39	22.76
Domestic	4.54	4.82	5.08	5.54	5.79	6.13	6.41	6.84
Local	0.32	0.31	0.30	0.29	0.28	0.27	0.26	0.25
<b>Total Visitors</b>	<b>15.03</b>	<b>17.12</b>	<b>18.63</b>	<b>21.06</b>	<b>22.86</b>	<b>25.15</b>	<b>27.06</b>	<b>29.85</b>
<b>Scenario 2</b>								
International	13.99	16.24	17.96	20.64	22.78	25.43	27.67	30.88
Domestic	5.73	6.09	6.42	7.01	7.32	7.76	8.10	8.65
Local	0.40	0.39	0.37	0.37	0.35	0.34	0.33	0.32
<b>Total Visitors</b>	<b>20.12</b>	<b>22.71</b>	<b>24.75</b>	<b>28.02</b>	<b>30.45</b>	<b>33.53</b>	<b>36.10</b>	<b>39.85</b>
<b>Scenario 3</b>								
International	17.81	20.48	22.67	26.06	28.77	32.11	34.95	39.01
Domestic	6.91	7.35	7.76	8.48	8.85	9.38	9.80	10.46
Local	0.49	0.46	0.44	0.44	0.42	0.41	0.39	0.38
<b>Total Visitors</b>	<b>25.21</b>	<b>28.30</b>	<b>30.87</b>	<b>34.97</b>	<b>38.03</b>	<b>41.91</b>	<b>45.14</b>	<b>49.85</b>
<b>Scenario 4</b>								
International	21.63	24.73	27.37	31.47	34.75	38.80	42.23	47.13
Domestic	8.10	8.62	9.11	9.94	10.38	11.00	11.49	12.27
Local	0.57	0.54	0.52	0.51	0.49	0.48	0.46	0.44
<b>Total Visitors</b>	<b>30.29</b>	<b>33.89</b>	<b>36.99</b>	<b>41.93</b>	<b>45.62</b>	<b>50.28</b>	<b>54.18</b>	<b>59.84</b>

(Horwath HTL)

### 9.2 FORECAST VALUE ADD REVENUE

Table 9.2 summarises our forecast admission revenue for Scenario 1–4, by visitor origin, from the assumed opening year of 2020 through to 2027.

**Table 9.2: Value Add Revenue Projections for Scenario 1–4**

Total Value Add Revenue (\$m)	2020	2021	2022	2023	2024	2025	2026	2027
<b>Scenario 1</b>								
International	10.95	12.91	14.27	16.38	18.07	20.23	22.01	24.45
Domestic	3.73	3.95	4.17	4.55	4.75	5.04	5.27	5.60
Local	0.13	0.13	0.12	0.12	0.11	0.11	0.11	0.10
<b>Total Visitors</b>	<b>14.81</b>	<b>16.99</b>	<b>18.56</b>	<b>21.04</b>	<b>22.93</b>	<b>25.39</b>	<b>27.39</b>	<b>30.15</b>
<b>Scenario 2</b>								
International	15.07	17.49	19.34	22.21	24.51	27.45	29.88	33.18
Domestic	4.70	5.00	5.27	5.75	6.00	6.38	6.66	7.09
Local	0.16	0.16	0.15	0.15	0.14	0.14	0.13	0.13
<b>Total Visitors</b>	<b>19.93</b>	<b>22.64</b>	<b>24.76</b>	<b>28.11</b>	<b>30.65</b>	<b>33.97</b>	<b>36.67</b>	<b>40.40</b>
<b>Scenario 3</b>								
International	19.18	22.06	24.41	28.04	30.95	34.68	37.74	41.92
Domestic	5.67	6.04	6.37	6.95	7.26	7.72	8.06	8.57
Local	0.20	0.19	0.18	0.18	0.17	0.17	0.16	0.15
<b>Total Visitors</b>	<b>25.05</b>	<b>28.29</b>	<b>30.97</b>	<b>35.17</b>	<b>38.38</b>	<b>42.56</b>	<b>45.96</b>	<b>50.64</b>
<b>Scenario 4</b>								
International	23.30	26.64	29.48	33.87	37.39	41.90	45.60	50.65
Domestic	6.65	7.08	7.48	8.16	8.52	9.05	9.46	10.06
Local	0.23	0.22	0.21	0.21	0.20	0.19	0.19	0.18
<b>Total Visitors</b>	<b>30.17</b>	<b>33.94</b>	<b>37.17</b>	<b>42.23</b>	<b>46.11</b>	<b>51.15</b>	<b>55.24</b>	<b>60.89</b>

(Horwath HTL)



### 9.3 FORECAST TOTAL COMBINED ADMISSION REVENUE AND VALUE ADD REVENUE

Table 9.3 summarises our forecast total combined revenue for Scenario 1–4, by visitor origin, from the assumed opening year of 2020 through to 2030.

**Table 9.3: Total Revenue Projections for Scenario 1–4**

Total Revenue (\$m)	2020	2021	2022	2023	2024	2025	2026	2027
<b>Scenario 1</b>								
International	21.12	24.90	27.52	31.61	34.86	38.97	42.41	47.21
Domestic	8.27	8.77	9.25	10.09	10.53	11.18	11.67	12.44
Local	0.46	0.44	0.42	0.41	0.39	0.38	0.37	0.36
<b>Total Visitors</b>	<b>29.84</b>	<b>34.10</b>	<b>37.19</b>	<b>42.11</b>	<b>45.79</b>	<b>50.53</b>	<b>54.45</b>	<b>60.00</b>
<b>Scenario 2</b>								
International	29.05	33.72	37.30	42.85	47.29	52.88	57.55	64.06
Domestic	10.43	11.08	11.70	12.76	13.32	14.14	14.77	15.74
Local	0.57	0.54	0.52	0.51	0.49	0.48	0.46	0.44
<b>Total Visitors</b>	<b>40.05</b>	<b>45.35</b>	<b>49.52</b>	<b>56.12</b>	<b>61.10</b>	<b>67.50</b>	<b>72.77</b>	<b>80.25</b>
<b>Scenario 3</b>								
International	36.99	42.55	47.08	54.10	59.72	66.79	72.69	80.92
Domestic	12.59	13.39	14.14	15.43	16.11	17.10	17.86	19.03
Local	0.68	0.65	0.62	0.61	0.59	0.58	0.55	0.53
<b>Total Visitors</b>	<b>50.26</b>	<b>56.59</b>	<b>61.84</b>	<b>70.14</b>	<b>76.41</b>	<b>84.47</b>	<b>91.10</b>	<b>100.49</b>
<b>Scenario 4</b>								
International	44.92	51.37	56.85	65.34	72.14	80.70	87.83	97.78
Domestic	14.75	15.70	16.58	18.10	18.90	20.06	20.95	22.33
Local	0.80	0.76	0.73	0.72	0.68	0.67	0.64	0.62
<b>Total Visitors</b>	<b>60.47</b>	<b>67.83</b>	<b>74.16</b>	<b>84.16</b>	<b>91.72</b>	<b>101.43</b>	<b>109.42</b>	<b>120.73</b>

(Horwath HTL)

## 10 APPENDIX B – EXTENDED VISITOR PROJECTIONS

### 10.1 SCENARIO 1

#### Penetration Rates

**Table 10.1: Scenario 1 – International Overnight Visit Penetration Rates**

<b>International</b>								
<b>Overnight Visits (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	10%	11%	11%	12%	12%	13%	13%	14%
USA	10%	11%	11%	12%	12%	13%	13%	14%
Japan	8%	8%	8%	9%	9%	10%	10%	11%
UK	10%	11%	11%	12%	12%	13%	13%	14%
Germany	10%	11%	11%	12%	12%	13%	13%	14%
South Korea	8%	8%	8%	9%	9%	10%	10%	11%
China	8%	8%	8%	9%	9%	10%	10%	11%
Rest of the World	8%	8%	8%	9%	9%	10%	10%	11%
<b>All International</b>	<b>9%</b>	<b>10%</b>	<b>10%</b>	<b>11%</b>	<b>11%</b>	<b>12%</b>	<b>12%</b>	<b>13%</b>

(Source: Horwath HTL)

**Table 10.2: Scenario 1 – Domestic Overnight Visit Penetration Rates**

<b>Domestic Overnight</b>								
<b>Visits (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	5%	5%	5%	5%	6%	6%	6%	6%
VFR	3%	3%	3%	3%	3%	3%	3%	3%
Business	0%	0%	0%	0%	0%	0%	0%	0%
Education	3%	3%	3%	3%	3%	3%	3%	3%
Other	0%	0%	0%	0%	0%	0%	0%	0%
<b>All Domestic</b>	<b>3.0%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.3%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>3.6%</b>	<b>3.7%</b>

(Source: Horwath HTL)

**Table 10.3: Scenario 1 – International Day Visit Penetration Rates**

<b>International Day</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	2%	2%	2%	2%	3%	3%	3%	3%
USA	2%	2%	2%	2%	3%	3%	3%	3%
Japan	2%	2%	2%	2%	2%	2%	2%	2%
UK	2%	2%	2%	2%	3%	3%	3%	3%
Germany	2%	2%	2%	2%	3%	3%	3%	3%
South Korea	2%	2%	2%	2%	2%	2%	2%	2%
China	2%	2%	2%	2%	2%	2%	2%	2%
Rest of the World	2%	2%	2%	2%	2%	2%	2%	2%
<b>All International</b>	<b>1.9%</b>	<b>2.0%</b>	<b>2.1%</b>	<b>2.2%</b>	<b>2.3%</b>	<b>2.4%</b>	<b>2.5%</b>	<b>2.7%</b>

(Source: Horwath HTL)

**Table 10.4: Scenario 1 – Domestic Day Visit Penetration Rates**

<b>Domestic Day Visitors</b>								
<b>(m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	1%	1%	1%	1%	1%	1%	1%	1%
VFR	1%	1%	1%	1%	1%	1%	1%	1%
Business	0%	0%	0%	0%	0%	0%	0%	0%
Education	1%	1%	1%	1%	1%	1%	1%	1%
Other	0%	0%	0%	0%	0%	0%	0%	0%
<b>All Domestic</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.7%</b>

(Source: Horwath HTL)

**Table 10.5: Scenario 1 – Christchurch Local Population Penetration Rates**

<b>Christchurch</b>								
<b>Population Visitors</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Population Penetration	4%	4%	4%	3%	3%	3%	3%	3%

(Source: Horwath HTL)

**Table 10.6: Scenario 1 – Cruise Passenger Penetration Rates**

<b>Cruise Passengers</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Cruise Penetration	5%	5%	6%	6%	6%	6%	7%	7%

(Source: Horwath HTL)

## Visitor Projections

**Table 10.7: Scenario 1 – International Overnight Attraction Visitors**

<b>International</b>								
<b>Overnight Visits (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	69,082	77,607	86,838	96,300	107,114	118,049	127,378	137,569
USA	15,874	17,212	19,066	21,068	23,233	25,586	28,135	30,885
Japan	3,705	4,177	4,662	5,205	5,816	6,508	7,294	8,190
UK	16,074	17,574	18,841	20,293	21,795	23,428	25,203	27,033
Germany	11,065	12,638	14,266	16,238	18,136	20,245	22,588	25,189
South Korea	2,488	2,658	2,841	3,037	3,251	3,562	3,935	4,317
China	5,295	6,688	8,412	10,660	12,926	15,649	19,030	23,136
Rest of the World	30,093	32,388	34,464	36,380	38,891	41,531	43,525	45,389
<b>All International</b>	<b>153,676</b>	<b>170,942</b>	<b>189,390</b>	<b>209,182</b>	<b>231,163</b>	<b>254,557</b>	<b>277,088</b>	<b>301,708</b>
Growth		11.2%	10.8%	10.5%	10.5%	10.1%	8.9%	8.9%

(Source: Horwath HTL)

**Table 10.8: Scenario 1 – Domestic Overnight Attraction Visitors**

<b>Domestic Overnight</b>								
<b>Visits (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	46,676	50,166	53,289	55,995	58,490	61,037	63,693	66,466
VFR	15,885	16,509	17,174	17,883	18,658	19,506	20,431	21,220
Business	-	-	-	-	-	-	-	-
Education	623	638	666	695	726	757	790	824
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>63,185</b>	<b>67,313</b>	<b>71,129</b>	<b>74,574</b>	<b>77,874</b>	<b>81,299</b>	<b>84,915</b>	<b>88,511</b>
Growth		6.5%	5.7%	4.8%	4.4%	4.4%	4.4%	4.2%

(Source: Horwath HTL)

**Table 10.9: Scenario 1 – International Day Attraction Visitors**

<b>International Day</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	12,672	14,236	15,930	17,665	19,649	21,655	23,366	25,236
USA	2,016	2,186	2,422	2,676	2,951	3,250	3,573	3,923
Japan	688	776	866	967	1,081	1,209	1,355	1,522
UK	2,195	2,399	2,572	2,771	2,976	3,199	3,441	3,691
Germany	1,229	1,404	1,584	1,803	2,014	2,249	2,509	2,798
South Korea	386	413	441	472	505	553	611	671
China	935	1,181	1,485	1,882	2,282	2,762	3,359	4,084
Rest of the World	4,384	4,718	5,021	5,300	5,666	6,050	6,341	6,612
<b>All International</b>	<b>24,506</b>	<b>27,313</b>	<b>30,321</b>	<b>33,536</b>	<b>37,123</b>	<b>40,927</b>	<b>44,556</b>	<b>48,535</b>
Growth		11.5%	11.0%	10.6%	10.7%	10.2%	8.9%	8.9%

(Source: Horwath HTL)

**Table 10.10: Scenario 1 – Domestic Day Attraction Visitors**

<b>Domestic Day Visitors</b>								
<b>(m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	23,016	24,737	26,277	27,612	28,842	30,097	31,408	32,775
VFR	7,880	7,781	7,893	8,117	8,416	8,771	9,173	9,520
Business	-	-	-	-	-	-	-	-
Education	422	433	452	471	492	513	536	559
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>31,319</b>	<b>32,951</b>	<b>34,622</b>	<b>36,200</b>	<b>37,750</b>	<b>39,381</b>	<b>41,116</b>	<b>42,853</b>
<i>Growth</i>		5.2%	5.1%	4.6%	4.3%	4.3%	4.4%	4.2%

(Source: Horwath HTL)

**Table 10.11: Scenario 1 – Total International Attraction Visitors**

<b>Total International</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	81,754	91,843	102,768	113,965	126,762	139,704	150,744	162,805
USA	17,890	19,398	21,487	23,744	26,184	28,836	31,708	34,808
Japan	4,393	4,953	5,528	6,172	6,897	7,717	8,649	9,711
UK	18,269	19,973	21,414	23,064	24,771	26,626	28,644	30,723
Germany	12,294	14,042	15,850	18,042	20,151	22,494	25,097	27,987
South Korea	2,874	3,071	3,282	3,509	3,756	4,115	4,547	4,988
China	6,230	7,869	9,897	12,542	15,208	18,411	22,389	27,220
Rest of the World	34,477	37,106	39,485	41,680	44,557	47,581	49,866	52,001
<b>All International</b>	<b>178,182</b>	<b>198,256</b>	<b>219,712</b>	<b>242,718</b>	<b>268,286</b>	<b>295,484</b>	<b>321,643</b>	<b>350,244</b>
<i>Growth</i>		11.3%	10.8%	10.5%	10.5%	10.1%	8.9%	8.9%

(Source: Horwath HTL)

**Table 10.12: Scenario 1 – Total Domestic Attraction Visitors**

<b>Total Domestic</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	69,692	74,903	79,566	83,607	87,332	91,134	95,101	99,241
VFR	23,766	24,290	25,067	26,000	27,074	28,276	29,604	30,740
Business	-	-	-	-	-	-	-	-
Education	1,046	1,071	1,118	1,167	1,217	1,270	1,326	1,383
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>94,504</b>	<b>100,265</b>	<b>105,750</b>	<b>110,773</b>	<b>115,624</b>	<b>120,681</b>	<b>126,031</b>	<b>131,364</b>
<i>Growth</i>		6.1%	5.5%	4.7%	4.4%	4.4%	4.4%	4.2%

(Source: Horwath HTL)

**Table 10.13: Scenario 1 – Total Attraction Visitors**

<b>Attraction Visitor</b>								
<b>Summary</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
International	178,182	211,188	233,741	257,938	284,799	313,399	341,082	371,337
Domestic	94,504	100,265	105,750	110,773	115,624	120,681	126,031	131,364
Local	15,389	14,715	14,058	13,431	12,832	12,259	11,712	11,126
Cruise	11,922	12,932	14,029	15,220	16,513	17,916	19,439	21,093
<b>Total Visitors</b>	<b>299,997</b>	<b>339,100</b>	<b>367,579</b>	<b>397,363</b>	<b>429,767</b>	<b>464,255</b>	<b>498,265</b>	<b>534,920</b>
<i>% Change</i>		13.03%	8.40%	8.10%	8.15%	8.02%	7.33%	7.36%

(Source: Horwath HTL)

**Table 10.14: Scenario 1 – Mix of Attraction Visitors**

Mix of Visitors	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
International	59%	62%	64%	65%	66%	68%	68%	69%
Domestic	32%	30%	29%	28%	27%	26%	25%	25%
Local	5%	4%	4%	3%	3%	3%	2%	2%
Cruise	4%	4%	4%	4%	4%	4%	4%	4%

(Source: Horwath HTL)

## 10.2 SCENARIO 2

### Penetration Rates

**Table 10.15: Scenario 2 – International Overnight Visit Penetration Rates**

International								
Overnight Visits (m)	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
Australia	15%	16%	17%	17%	18%	19%	20%	21%
USA	15%	16%	17%	17%	18%	19%	20%	21%
Japan	11%	12%	12%	13%	14%	14%	15%	16%
UK	15%	16%	17%	17%	18%	19%	20%	21%
Germany	15%	16%	17%	17%	18%	19%	20%	21%
South Korea	11%	12%	12%	13%	14%	14%	15%	16%
China	11%	12%	12%	13%	14%	14%	15%	16%
Rest of the World	11%	12%	12%	13%	14%	14%	15%	16%
<b>All International</b>	<b>14%</b>	<b>14%</b>	<b>15%</b>	<b>16%</b>	<b>17%</b>	<b>18%</b>	<b>18%</b>	<b>19%</b>

(Source: Horwath HTL)

**Table 10.16: Scenario 2 – Domestic Overnight Visit Penetration Rates**

Domestic Overnight								
Visits (m)	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
Holiday	8%	8%	8%	8%	8%	8%	9%	9%
VFR	4%	4%	4%	4%	4%	4%	4%	4%
Business	0%	0%	0%	0%	0%	0%	0%	0%
Education	4%	4%	4%	4%	4%	4%	4%	4%
Other	0%	0%	0%	0%	0%	0%	0%	0%
<b>All Domestic</b>	<b>4.5%</b>	<b>4.7%</b>	<b>4.8%</b>	<b>5.0%</b>	<b>5.1%</b>	<b>5.2%</b>	<b>5.4%</b>	<b>5.5%</b>

(Source: Horwath HTL)

**Table 10.17: Scenario 2 – International Day Visit Penetration Rates**

International Day								
Visitors (m)	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
Australia	2%	2%	2%	2%	2%	2%	2%	2%
USA	2%	2%	2%	2%	2%	2%	2%	2%
Japan	1%	1%	1%	1%	1%	2%	2%	2%
UK	2%	2%	2%	2%	2%	2%	2%	2%
Germany	2%	2%	2%	2%	2%	2%	2%	2%
South Korea	1%	1%	1%	1%	1%	2%	2%	2%
China	1%	1%	1%	1%	1%	2%	2%	2%
Rest of the World	1%	1%	1%	1%	1%	2%	2%	2%
<b>All International</b>	<b>1.5%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.7%</b>	<b>1.8%</b>	<b>1.9%</b>	<b>2.0%</b>	<b>2.1%</b>

(Source: Horwath HTL)

**Table 10.18: Scenario 2 – Domestic Day Visit Penetration Rates**

<b>Domestic Day Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	1%	1%	1%	1%	1%	1%	1%	1%
VFR	0%	0%	0%	0%	0%	0%	0%	0%
Business	0%	0%	0%	0%	0%	0%	0%	0%
Education	0%	0%	0%	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
<b>All Domestic</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>

(Source: Horwath HTL)

**Table 10.19: Scenario 2 – Christchurch Local Population Penetration Rates**

<b>Christchurch Population Visitors</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Population Penetration	5%	5%	5%	4%	4%	4%	4%	3%

(Source: Horwath HTL)

**Table 10.20: Scenario 2 – Cruise Passenger Penetration Rates**

<b>Cruise Passengers</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Cruise Penetration	5%	5%	6%	6%	6%	6%	7%	7%

(Source: Horwath HTL)

## Visitor Projections

**Table 10.21: Scenario 2 – International Overnight Attraction Visitors**

<b>International Overnight Visits (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	103,623	116,410	130,257	144,450	160,670	177,074	191,066	206,354
USA	23,811	25,818	28,598	31,603	34,850	38,379	42,202	46,328
Japan	5,557	6,266	6,993	7,807	8,724	9,762	10,941	12,284
UK	24,111	26,361	28,262	30,440	32,693	35,141	37,804	40,549
Germany	16,597	18,957	21,399	24,357	27,204	30,368	33,882	37,783
South Korea	3,732	3,987	4,261	4,556	4,877	5,343	5,903	6,476
China	7,943	10,032	12,618	15,991	19,389	23,473	28,544	34,705
Rest of the World	45,140	48,582	51,696	54,570	58,337	62,296	65,288	68,083
<b>All International</b>	<b>230,514</b>	<b>256,413</b>	<b>284,086</b>	<b>313,774</b>	<b>346,745</b>	<b>381,835</b>	<b>415,631</b>	<b>452,562</b>
Growth		11.2%	10.8%	10.5%	10.5%	10.1%	8.9%	8.9%

(Source: Horwath HTL)

**Table 10.22: Scenario 2 – Domestic Overnight Attraction Visitors**

<b>Domestic Overnight Visits (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	70,014	75,249	79,933	83,993	87,736	91,555	95,540	99,699
VFR	23,828	24,763	25,760	26,824	27,988	29,258	30,647	31,831
Business	-	-	-	-	-	-	-	-
Education	935	958	999	1,043	1,088	1,136	1,185	1,237
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>94,777</b>	<b>100,970</b>	<b>106,693</b>	<b>111,860</b>	<b>116,812</b>	<b>121,949</b>	<b>127,372</b>	<b>132,766</b>
Growth		6.5%	5.7%	4.8%	4.4%	4.4%	4.4%	4.2%

(Source: Horwath HTL)

**Table 10.23: Scenario 2 – International Day Attraction Visitors**

<b>International Day</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	9,886	11,106	12,427	13,781	15,328	16,893	18,228	19,686
USA	1,573	1,705	1,889	2,087	2,302	2,535	2,788	3,060
Japan	537	605	676	754	843	943	1,057	1,187
UK	1,712	1,872	2,007	2,161	2,321	2,495	2,684	2,879
Germany	959	1,095	1,236	1,407	1,571	1,754	1,957	2,182
South Korea	301	322	344	368	394	432	477	523
China	729	921	1,158	1,468	1,780	2,155	2,620	3,186
Rest of the World	3,420	3,681	3,917	4,134	4,420	4,720	4,946	5,158
<b>All International</b>	<b>19,117</b>	<b>21,307</b>	<b>23,653</b>	<b>26,161</b>	<b>28,959</b>	<b>31,927</b>	<b>34,758</b>	<b>37,862</b>
<i>Growth</i>		11.5%	11.0%	10.6%	10.7%	10.2%	8.9%	8.9%

(Source: Horwath HTL)

**Table 10.24: Scenario 2 – Domestic Day Attraction Visitors**

<b>Domestic Day Visitors</b>								
<b>(m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	17,955	19,297	20,499	21,540	22,500	23,479	24,501	25,567
VFR	6,147	6,070	6,157	6,332	6,565	6,842	7,156	7,426
Business	-	-	-	-	-	-	-	-
Education	330	338	352	368	384	400	418	436
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>24,432</b>	<b>25,705</b>	<b>27,008</b>	<b>28,239</b>	<b>29,448</b>	<b>30,721</b>	<b>32,074</b>	<b>33,429</b>
<i>Growth</i>		5.2%	5.1%	4.6%	4.3%	4.3%	4.4%	4.2%

(Source: Horwath HTL)

**Table 10.25: Scenario 2 – Total International Attraction Visitors**

<b>Total International</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	113,509	127,516	142,684	158,231	175,998	193,966	209,294	226,040
USA	25,384	27,523	30,487	33,690	37,152	40,914	44,990	49,388
Japan	6,094	6,871	7,669	8,562	9,567	10,705	11,998	13,471
UK	25,823	28,232	30,269	32,601	35,014	37,637	40,489	43,428
Germany	17,556	20,052	22,635	25,764	28,776	32,122	35,839	39,966
South Korea	4,033	4,309	4,606	4,924	5,271	5,774	6,380	6,999
China	8,672	10,953	13,777	17,459	21,169	25,628	31,165	37,891
Rest of the World	48,560	52,263	55,613	58,704	62,757	67,016	70,234	73,241
<b>All International</b>	<b>249,631</b>	<b>277,720</b>	<b>307,739</b>	<b>339,935</b>	<b>375,704</b>	<b>413,762</b>	<b>450,389</b>	<b>490,424</b>
<i>Growth</i>		11.3%	10.8%	10.5%	10.5%	10.1%	8.9%	8.9%

(Source: Horwath HTL)

**Table 10.26: Scenario 2 – Total Domestic Attraction Visitors**

<b>Total Domestic</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	87,969	94,547	100,431	105,533	110,235	115,034	120,041	125,266
VFR	29,975	30,833	31,918	33,156	34,553	36,100	37,803	39,257
Business	-	-	-	-	-	-	-	-
Education	1,264	1,295	1,352	1,411	1,472	1,536	1,603	1,673
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>119,209</b>	<b>126,675</b>	<b>133,701</b>	<b>140,100</b>	<b>146,260</b>	<b>152,670</b>	<b>159,447</b>	<b>166,196</b>
<i>Growth</i>		6.3%	5.5%	4.8%	4.4%	4.4%	4.4%	4.2%

(Source: Horwath HTL)



**Table 10.27: Scenario 2 – Total Attraction Visitors**

<b>Attraction Visitor</b>								
<b>Summary</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
International	249,631	290,653	321,769	355,155	392,217	431,678	469,828	511,518
Domestic	119,209	126,675	133,701	140,100	146,260	152,670	159,447	166,196
Local	19,237	18,394	17,573	16,789	16,040	15,324	14,640	13,908
Cruise	11,922	12,932	14,029	15,220	16,513	17,916	19,439	21,093
<b>Total Visitors</b>	<b>399,998</b>	<b>448,654</b>	<b>487,072</b>	<b>527,263</b>	<b>571,029</b>	<b>617,588</b>	<b>663,354</b>	<b>712,714</b>
<b>% Change</b>		<b>12.16%</b>	<b>8.56%</b>	<b>8.25%</b>	<b>8.30%</b>	<b>8.15%</b>	<b>7.41%</b>	<b>7.44%</b>

(Source: Horwath HTL)

**Table 10.28: Scenario 2 – Mix of Attraction Visitors**

<b>Mix of Visitors</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
International	62%	65%	66%	67%	69%	70%	71%	72%
Domestic	30%	28%	27%	27%	26%	25%	24%	23%
Local	5%	4%	4%	3%	3%	2%	2%	2%
Cruise	3%	3%	3%	3%	3%	3%	3%	3%

(Source: Horwath HTL)

## 10.3 SCENARIO 3

### Penetration Rates

**Table 10.29: Scenario 3 – International Overnight Visit Penetration Rates**

<b>International</b>								
<b>Overnight Visits (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	20%	21%	22%	23%	24%	26%	27%	28%
USA	20%	21%	22%	23%	24%	26%	27%	28%
Japan	15%	16%	17%	17%	18%	19%	20%	21%
UK	20%	21%	22%	23%	24%	26%	27%	28%
Germany	20%	21%	22%	23%	24%	26%	27%	28%
South Korea	15%	16%	17%	17%	18%	19%	20%	21%
China	15%	16%	17%	17%	18%	19%	20%	21%
Rest of the World	15%	16%	17%	17%	18%	19%	20%	21%
<b>All International</b>	<b>18%</b>	<b>19%</b>	<b>20%</b>	<b>21%</b>	<b>22%</b>	<b>23%</b>	<b>25%</b>	<b>26%</b>

(Source: Horwath HTL)

**Table 10.30: Scenario 3 – Domestic Overnight Visit Penetration Rates**

<b>Domestic Overnight</b>								
<b>Visits (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	10%	10%	11%	11%	11%	11%	12%	12%
VFR	5%	5%	5%	5%	6%	6%	6%	6%
Business	0%	0%	0%	0%	0%	0%	0%	0%
Education	5%	5%	5%	5%	6%	6%	6%	6%
Other	0%	0%	0%	0%	0%	0%	0%	0%
<b>All Domestic</b>	<b>6.1%</b>	<b>6.3%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.8%</b>	<b>7.0%</b>	<b>7.1%</b>	<b>7.3%</b>

(Source: Horwath HTL)

**Table 10.31: Scenario 3 – International Day Visit Penetration Rates**

<b>International Day</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	1%	1%	1%	1%	1%	1%	2%	2%
USA	1%	1%	1%	1%	1%	1%	2%	2%
Japan	1%	1%	1%	1%	1%	1%	1%	1%
UK	1%	1%	1%	1%	1%	1%	2%	2%
Germany	1%	1%	1%	1%	1%	1%	2%	2%
South Korea	1%	1%	1%	1%	1%	1%	1%	1%
China	1%	1%	1%	1%	1%	1%	1%	1%
Rest of the World	1%	1%	1%	1%	1%	1%	1%	1%
<b>All International</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>1.5%</b>

(Source: Horwath HTL)

**Table 10.32: Scenario 3 – Domestic Day Visit Penetration Rates**

<b>Domestic Day Visitors</b>								
<b>(m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%
VFR	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Business	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Education	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>All Domestic</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>

(Source: Horwath HTL)

**Table 10.33: Scenario 3 – Christchurch Local Population Penetration Rates**

<b>Christchurch</b>								
<b>Population Visitors</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Population Penetration	7%	7%	6%	6%	6%	5%	5%	5%

(Source: Horwath HTL)

**Table 10.34: Scenario 3 – Cruise Passenger Penetration Rates**

<b>Cruise Passengers</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Cruise Penetration	5%	5%	6%	6%	6%	6%	7%	7%

(Source: Horwath HTL)

## Visitor Projections

**Table 10.35: Scenario 3 – International Overnight Attraction Visitors**

<b>International</b>								
<b>Overnight Visits (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	138,164	155,214	173,677	192,600	214,227	236,098	254,755	275,139
USA	31,748	34,424	38,131	42,137	46,466	51,173	56,270	61,771
Japan	7,409	8,355	9,324	10,410	11,632	13,015	14,588	16,379
UK	32,148	35,148	37,683	40,587	43,591	46,855	50,406	54,065
Germany	22,129	25,277	28,532	32,476	36,273	40,491	45,176	50,378
South Korea	4,976	5,316	5,682	6,075	6,502	7,123	7,871	8,635
China	10,590	13,376	16,825	21,321	25,852	31,298	38,059	46,273
Rest of the World	60,187	64,776	68,928	72,759	77,783	83,061	87,050	90,777
<b>All International</b>	<b>307,352</b>	<b>341,885</b>	<b>378,781</b>	<b>418,365</b>	<b>462,326</b>	<b>509,114</b>	<b>554,175</b>	<b>603,416</b>
Growth		11.2%	10.8%	10.5%	10.5%	10.1%	8.9%	8.9%

(Source: Horwath HTL)

**Table 10.36: Scenario 3 – Domestic Overnight Attraction Visitors**

<b>Domestic Overnight</b>								
<b>Visits (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	93,352	100,332	106,577	111,991	116,981	122,073	127,387	132,932
VFR	31,771	33,017	34,347	35,766	37,317	39,011	40,863	42,441
Business	-	-	-	-	-	-	-	-
Education	1,246	1,277	1,333	1,391	1,451	1,514	1,580	1,649
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>126,369</b>	<b>134,627</b>	<b>142,257</b>	<b>149,147</b>	<b>155,749</b>	<b>162,599</b>	<b>169,830</b>	<b>177,022</b>
<i>Growth</i>		6.5%	5.7%	4.8%	4.4%	4.4%	4.4%	4.2%

(Source: Horwath HTL)

**Table 10.37: Scenario 3 – International Day Attraction Visitors**

<b>International Day</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	7,098	7,974	8,922	9,895	11,006	12,129	13,088	14,135
USA	1,129	1,224	1,356	1,499	1,653	1,820	2,002	2,197
Japan	386	435	485	542	605	677	759	852
UK	1,229	1,344	1,441	1,552	1,667	1,792	1,927	2,067
Germany	688	786	887	1,010	1,128	1,259	1,405	1,567
South Korea	216	231	247	264	283	310	342	376
China	524	661	832	1,054	1,278	1,547	1,882	2,288
Rest of the World	2,456	2,643	2,812	2,969	3,174	3,389	3,552	3,704
<b>All International</b>	<b>13,726</b>	<b>15,299</b>	<b>16,984</b>	<b>18,784</b>	<b>20,793</b>	<b>22,924</b>	<b>24,957</b>	<b>27,186</b>
<i>Growth</i>		11.5%	11.0%	10.6%	10.7%	10.2%	8.9%	8.9%

(Source: Horwath HTL)

**Table 10.38: Scenario 3 – Domestic Day Attraction Visitors**

<b>Domestic Day Visitors</b>								
<b>(m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	12,892	13,856	14,718	15,466	16,155	16,858	17,592	18,358
VFR	4,414	4,359	4,421	4,546	4,714	4,913	5,138	5,332
Business	-	-	-	-	-	-	-	-
Education	237	242	253	264	275	287	300	313
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>17,542</b>	<b>18,457</b>	<b>19,392</b>	<b>20,276</b>	<b>21,144</b>	<b>22,058</b>	<b>23,030</b>	<b>24,003</b>
<i>Growth</i>		5.2%	5.1%	4.6%	4.3%	4.3%	4.4%	4.2%

(Source: Horwath HTL)

**Table 10.39: Scenario 3 – Total International Attraction Visitors**

<b>Total International</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	145,262	163,188	182,599	202,495	225,233	248,227	267,843	289,274
USA	32,878	35,648	39,488	43,636	48,119	52,993	58,271	63,968
Japan	7,795	8,789	9,810	10,951	12,238	13,693	15,347	17,231
UK	33,378	36,492	39,124	42,139	45,257	48,647	52,333	56,133
Germany	22,818	26,063	29,419	33,486	37,401	41,750	46,582	51,945
South Korea	5,192	5,547	5,929	6,339	6,785	7,433	8,213	9,010
China	11,114	14,038	17,656	22,375	27,130	32,845	39,941	48,560
Rest of the World	62,642	67,419	71,740	75,728	80,957	86,450	90,602	94,481
<b>All International</b>	<b>321,079</b>	<b>357,183</b>	<b>395,764</b>	<b>437,149</b>	<b>483,120</b>	<b>532,038</b>	<b>579,132</b>	<b>630,602</b>
<i>Growth</i>		11.2%	10.8%	10.5%	10.5%	10.1%	8.9%	8.9%

(Source: Horwath HTL)

**Table 10.40: Scenario 3 - Total Domestic Attraction Visitors**

<b>Total Domestic Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	106,244	114,188	121,295	127,456	133,136	138,931	144,979	151,290
VFR	36,184	37,376	38,768	40,312	42,031	43,924	46,001	47,773
Business	-	-	-	-	-	-	-	-
Education	1,483	1,519	1,586	1,655	1,727	1,802	1,880	1,962
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>143,912</b>	<b>153,083</b>	<b>161,649</b>	<b>169,423</b>	<b>176,893</b>	<b>184,657</b>	<b>192,860</b>	<b>201,025</b>
<i>Growth</i>		6.4%	5.6%	4.8%	4.4%	4.4%	4.4%	4.2%

(Source: Horwath HTL)

**Table 10.41: Scenario 3 – Total Attraction Visitors**

<b>Attraction Visitor</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>	<b>2028F</b>	<b>2029F</b>	<b>2030F</b>
Summary	321,079	370,116	409,794	452,369	499,632	549,954	598,571	651,695	710,756	776,370	849,424
International	143,912	153,083	161,649	169,423	176,893	184,657	192,860	201,025	209,635	218,717	228,298
Domestic	23,084	22,072	21,088	20,147	19,248	18,389	17,568	16,690	15,855	15,062	14,309
Christchurch Resident	11,922	12,932	14,029	15,220	16,513	17,916	19,439	21,093	22,889	24,838	26,955
Cruise	499,996	558,204	606,560	657,159	712,286	770,915	828,438	890,502	959,135	1,034,988	1,118,987
<i>% Change</i>		11.64%	8.66%	8.34%	8.39%	8.23%	7.46%	7.49%	7.71%	7.91%	8.12%

(Source: Horwath HTL)

**Table 10.42: Scenario 3 – Mix of Attraction Visitors**

<b>Mix of Visitors</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
International	64%	66%	68%	69%	70%	71%	72%	73%
Domestic	29%	27%	27%	26%	25%	24%	23%	23%
Local	5%	4%	3%	3%	3%	2%	2%	2%
Cruise	2%	2%	2%	2%	2%	2%	2%	2%

(Source: Horwath HTL)

## 10.4 SCENARIO 4

### Penetration Rates

**Table 10.43: Scenario 4 – International Overnight Visit Penetration Rates**

<b>International Overnight Visits (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	25%	26%	28%	29%	30%	32%	34%	35%
USA	25%	26%	28%	29%	30%	32%	34%	35%
Japan	19%	20%	21%	22%	23%	24%	25%	26%
UK	25%	26%	28%	29%	30%	32%	34%	35%
Germany	25%	26%	28%	29%	30%	32%	34%	35%
South Korea	19%	20%	21%	22%	23%	24%	25%	26%
China	19%	20%	21%	22%	23%	24%	25%	26%
Rest of the World	19%	20%	21%	22%	23%	24%	25%	26%
<b>All International</b>	<b>23%</b>	<b>24%</b>	<b>25%</b>	<b>27%</b>	<b>28%</b>	<b>29%</b>	<b>31%</b>	<b>32%</b>

(Source: Horwath HTL)

**Table 10.44: Scenario 4 – Domestic Overnight Visit Penetration Rates**

<b>Domestic Overnight</b>								
<b>Visits (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	13%	13%	13%	13%	14%	14%	14%	15%
VFR	6%	6%	7%	7%	7%	7%	7%	7%
Business	0%	0%	0%	0%	0%	0%	0%	0%
Education	6%	6%	7%	7%	7%	7%	7%	7%
Other	0%	0%	0%	0%	0%	0%	0%	0%
<b>All Domestic</b>	<b>7.6%</b>	<b>7.8%</b>	<b>8.1%</b>	<b>8.3%</b>	<b>8.5%</b>	<b>8.7%</b>	<b>8.9%</b>	<b>9.1%</b>

(Source: Horwath HTL)

**Table 10.45: Scenario 4 – International Day Visit Penetration Rates**

<b>International Day</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	1%	1%	1%	1%	1%	1%	1%	1%
USA	1%	1%	1%	1%	1%	1%	1%	1%
Japan	1%	1%	1%	1%	1%	1%	1%	1%
UK	1%	1%	1%	1%	1%	1%	1%	1%
Germany	1%	1%	1%	1%	1%	1%	1%	1%
South Korea	1%	1%	1%	1%	1%	1%	1%	1%
China	1%	1%	1%	1%	1%	1%	1%	1%
Rest of the World	1%	1%	1%	1%	1%	1%	1%	1%
<b>All International</b>	<b>0.6%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>0.9%</b>

(Source: Horwath HTL)

**Table 10.46: Scenario 4 – Domestic Day Visit Penetration Rates**

<b>Domestic Day Visitors</b>								
<b>(m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	0%	0%	0%	0%	0%	0%	0%	0%
VFR	0%	0%	0%	0%	0%	0%	0%	0%
Business	0%	0%	0%	0%	0%	0%	0%	0%
Education	0%	0%	0%	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%
<b>All Domestic</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>

(Source: Horwath HTL)

**Table 10.47: Scenario 4 – Christchurch Local Population Penetration Rates**

<b>Christchurch</b>								
<b>Population Visitors</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Population Penetration	7%	7%	6%	6%	6%	5%	5%	5%

(Source: Horwath HTL)

**Table 10.48: Scenario 4 – Cruise Passenger Penetration Rates**

<b>Cruise Passengers</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Cruise Penetration	5%	5%	6%	6%	6%	6%	7%	7%

(Source: Horwath HTL)

## Visitor Projections

**Table 10.49: Scenario 4 – International Overnight Attraction Visitors**

<b>International Overnight Visits (m)</b>								
	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
Australia	172,705	194,017	217,096	240,751	267,784	295,123	318,444	343,923
USA	39,685	43,030	47,664	52,671	58,083	63,966	70,337	77,214
Japan	9,262	10,443	11,656	13,012	14,540	16,269	18,235	20,474
UK	40,186	43,935	47,104	50,733	54,488	58,569	63,007	67,582
Germany	27,662	31,596	35,665	40,595	45,341	50,613	56,471	62,972
South Korea	6,220	6,645	7,102	7,593	8,128	8,904	9,838	10,793
China	13,238	16,720	21,031	26,651	32,315	39,122	47,574	57,841
Rest of the World	75,233	80,970	86,160	90,949	97,229	103,826	108,813	113,472
<b>All International</b>	<b>384,191</b>	<b>427,356</b>	<b>473,476</b>	<b>522,956</b>	<b>577,908</b>	<b>636,392</b>	<b>692,719</b>	<b>754,270</b>
<i>Growth</i>		11.2%	10.8%	10.5%	10.5%	10.1%	8.9%	8.9%

(Source: Horwath HTL)

**Table 10.50: Scenario 4 – Domestic Overnight Attraction Visitors**

<b>Domestic Overnight Visits (m)</b>								
	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
Holiday	116,690	125,415	133,222	139,988	146,226	152,591	159,233	166,165
VFR	39,713	41,272	42,934	44,707	46,646	48,764	51,079	53,051
Business	-	-	-	-	-	-	-	-
Education	1,558	1,596	1,666	1,738	1,814	1,893	1,975	2,061
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>157,961</b>	<b>168,283</b>	<b>177,821</b>	<b>186,434</b>	<b>194,686</b>	<b>203,248</b>	<b>212,287</b>	<b>221,277</b>
<i>Growth</i>		6.5%	5.7%	4.8%	4.4%	4.4%	4.4%	4.2%

(Source: Horwath HTL)

**Table 10.51: Scenario 4 – International Day Attraction Visitors**

<b>International Day Visitors (m)</b>								
	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
Australia	4,311	4,843	5,419	6,010	6,684	7,367	7,949	8,585
USA	686	744	824	910	1,004	1,106	1,216	1,334
Japan	234	264	295	329	368	411	461	518
UK	747	816	875	943	1,012	1,088	1,171	1,256
Germany	418	478	539	614	685	765	853	952
South Korea	131	140	150	161	172	188	208	228
China	318	402	505	640	776	940	1,143	1,389
Rest of the World	1,491	1,605	1,708	1,803	1,927	2,058	2,157	2,249
<b>All International</b>	<b>8,337</b>	<b>9,292</b>	<b>10,315</b>	<b>11,409</b>	<b>12,629</b>	<b>13,923</b>	<b>15,157</b>	<b>16,511</b>
<i>Growth</i>		11.5%	11.0%	10.6%	10.7%	10.2%	8.9%	8.9%

(Source: Horwath HTL)

**Table 10.52: Scenario 4 – Domestic Day Attraction Visitors**

<b>Domestic Day Visitors (m)</b>								
	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F
Holiday	7,830	8,415	8,939	9,393	9,812	10,239	10,685	11,150
VFR	2,681	2,647	2,685	2,761	2,863	2,984	3,120	3,238
Business	-	-	-	-	-	-	-	-
Education	144	147	154	160	167	175	182	190
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>10,654</b>	<b>11,210</b>	<b>11,778</b>	<b>12,315</b>	<b>12,842</b>	<b>13,397</b>	<b>13,987</b>	<b>14,578</b>
<i>Growth</i>		5.2%	5.1%	4.6%	4.3%	4.3%	4.4%	4.2%

(Source: Horwath HTL)

**Table 10.53: Scenario 4 – Total International Attraction Visitors**

<b>Total International</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Australia	177,016	198,860	222,515	246,760	274,468	302,489	326,393	352,508
USA	40,371	43,773	48,488	53,581	59,087	65,071	71,553	78,548
Japan	9,496	10,707	11,950	13,341	14,908	16,681	18,696	20,991
UK	40,932	44,751	47,979	51,676	55,500	59,657	64,178	68,837
Germany	28,080	32,073	36,204	41,209	46,026	51,378	57,324	63,924
South Korea	6,351	6,786	7,252	7,754	8,300	9,092	10,046	11,021
China	13,556	17,122	21,536	27,291	33,091	40,062	48,717	59,230
Rest of the World	76,725	82,575	87,868	92,752	99,156	105,885	110,970	115,721
<b>All International</b>	<b>392,527</b>	<b>436,647</b>	<b>483,791</b>	<b>534,364</b>	<b>590,537</b>	<b>650,315</b>	<b>707,876</b>	<b>770,782</b>
<i>Growth</i>		11.2%	10.8%	10.5%	10.5%	10.1%	8.9%	8.9%

(Source: Horwath HTL)

**Table 10.54: Scenario 4 – Total Domestic Attraction Visitors**

<b>Total Domestic</b>								
<b>Visitors (m)</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
Holiday	124,520	133,831	142,161	149,381	156,038	162,830	169,918	177,314
VFR	42,394	43,919	45,619	47,469	49,509	51,748	54,199	56,290
Business	-	-	-	-	-	-	-	-
Education	1,702	1,743	1,819	1,899	1,981	2,067	2,157	2,251
Other	-	-	-	-	-	-	-	-
<b>All Domestic</b>	<b>168,616</b>	<b>179,493</b>	<b>189,599</b>	<b>198,749</b>	<b>207,528</b>	<b>216,645</b>	<b>226,275</b>	<b>235,855</b>
<i>Growth</i>		6.5%	5.6%	4.8%	4.4%	4.4%	4.4%	4.2%

(Source: Horwath HTL)

**Table 10.55: Scenario 4 – Total Attraction Visitors**

<b>Attraction Visitor</b>								
<b>Summary</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
International	392,527	449,580	497,820	549,585	607,049	668,231	727,315	791,875
Domestic	168,616	179,493	189,599	198,749	207,528	216,645	226,275	235,855
Local	26,932	25,751	24,602	23,504	22,455	21,453	20,496	19,471
Cruise	11,922	12,932	14,029	15,220	16,513	17,916	19,439	21,093
<b>Total Visitors</b>	<b>599,996</b>	<b>667,756</b>	<b>726,051</b>	<b>787,058</b>	<b>853,545</b>	<b>924,246</b>	<b>993,525</b>	<b>1,068,294</b>
<i>% Change</i>		11.29%	8.73%	8.40%	8.45%	8.28%	7.50%	7.53%

(Source: Horwath HTL)

**Table 10.56: Scenario 4 – Mix of Attraction Visitors**

<b>Mix of Visitors</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>	<b>2024F</b>	<b>2025F</b>	<b>2026F</b>	<b>2027F</b>
International	65%	67%	69%	70%	71%	72%	73%	74%
Domestic	28%	27%	26%	25%	24%	23%	23%	22%
Local	4%	4%	3%	3%	3%	2%	2%	2%
Cruise	2%	2%	2%	2%	2%	2%	2%	2%

(Source: Horwath HTL)