

**CHRISTCHURCHNZ
CONTRACT FOR DESTINATION MARKETING SERVICES**

PARTIES

The parties to this contract are:

(a) **ChristchurchNZ Limited** (hereinafter referred to as "**CNZ**")

And

(b) **Ashburton District Council** (hereinafter referred to as "**ADC**") *

KEY TERMS

PROJECT NAME

Mid Canterbury Destination Marketing

DETAILS OF FUNDING

ADC has agreed to provide up to \$195,000 NZD to fund destination marketing services for Mid Canterbury (the "Funding") each year for a 3-year period.

PAYMENT TERMS

Payment will be made on receipt of the appropriate invoice as follows (the "Payment Terms"):

- Year 1: Quarterly payments on signing, 01 October 2021, 01 January 2022 and 01 April 2022
- Year 2: Quarterly payments on 01 July 2022, 01 October 2022, 01 January 2023 and 01 April 2023
- Year 3: Quarterly payments on 01 July 2023, 01 October 2023, 01 January 2024 and 01 April 2024

PURPOSE

This contract outlines how ChristchurchNZ will work to progress the purpose of destination marketing of Ashburton and Mid Canterbury to grow tourism and visitation. CNZ will lead on destination marketing as agreed by both parties.

TERM AND EXPIRY

This agreement shall commence upon signing of this agreement by both parties and expire on **30 June 2024** (the "expiry date") unless terminated earlier under the provisions of section 9 of the Terms and Conditions of this agreement. The parties will review the arrangement in the final quarter of this term and may agree to extend the arrangement beyond the term on mutually acceptable terms and conditions.

DELIVERABLES

- ChristchurchNZ will resource the contract to fulfil the duties of the agreement and manage the day-to-day district tourism duties.
- As part of its service delivery, CNZ will develop a set of strategic destination priorities with ADC which will support decision making around activity. These are outlined in Schedule 1.
- The roles and responsibilities are outlined in Schedule 2. A comprehensive schedule of activity will be developed in conjunction with ADC upon signing of the agreement.
- CNZ will work to achieve an agreed set of KPI's (Schedule 3), which will form part of CNZ's quarterly reporting to ADC.

ANNUAL BUDGET AND APPROVAL OF COSTS

The budget will be set annually by ChristchurchNZ, to a total value of \$195,000 plus GST.

ChristchurchNZ will:

- Keep a record of all expense items that are included in the activity cost and make these records available to ADC upon request.

There is no provision for the contract to exceed the total amount of \$195,000 unless third party funding is secured. Should it eventuate that an activity cost is forecast to exceed the contract indicated in Schedule 3, CNZ will seek prior approval from ADC for the additional expense prior to the cost being incurred or propose measures to reduce the expense, to ensure that the established budget can be complied with. Where third party funding is secured ChristchurchNZ will inform Ashburton District Council of the terms and deliverables of this additional funding and report on these accordingly.

Ashburton District Council will:

In year one ADC will provide a vehicle and cover reasonable transportation costs for travel to Council and around the region as a core function of the delivery of services. The provision of the car will be reviewed in years two and three and will take into account the deliverables agreed as part of the KPI re-scoping process.

REPORTING

CNZ will:

- Provide quarterly progress reports, including financial reporting, to ADC and make its representative/s available in Ashburton for review meetings once a year.
- Meet ADC on a quarterly basis to review quarterly reports and align for the next quarter. Digital meetings are acceptable if CNZ staff are unable to meet in person.
- Continue to meet strategic obligations with the Mid Canterbury Tourism Advisory Group (MCTAG) on a quarterly basis.

This Agreement may be executed in any number of counterparts each of which is deemed an original, but all of which together will constitute a single instrument, and either party may enter into this Agreement by executing any counterpart.

SIGNATORIES

Signed for and on behalf of ChristchurchNZ: _____	In the presence of: _____
Signed for and on behalf of Ashburton District Council _____	In the presence of: _____

Dated this day of 2021

TERMS AND CONDITIONS

1. Definitions and interpretation:

1.1. In this agreement:

Agreement means the terms and conditions of this agreement in its entirety, including the Key Terms and all attached schedules.

Confidential Confidential Information means all information concerning the organisation, administration, operation, business, clients, finance and methods of either party, including any information provided by either party to the other under or in connection with this Agreement..

Deliverables means the deliverables set out in the Key Terms.

Force Majeure Event means an event or circumstance beyond the reasonable control of either party which makes compliance with obligations under this agreement impossible or illegal to perform.

Funding means the funding set out in the Key Terms.

GST means goods and services tax chargeable, or to which any person may be liable, under the Goods and Services Tax Act 1985 (New Zealand), and any penalties, additional tax or interest payable in respect of goods and services tax.

Intellectual Property means all rights to copyright, inventions, patents, trademarks, designs, or other proprietary rights or rights derivative of those rights anywhere in the world, whether registered or unregistered.

2. Term

This Agreement commences on the date it is signed by both parties and expires on the Expiry Date, unless terminated earlier in accordance with clause 9 (the "Term").

3. Application of Funding

ChristchurchNZ will only use or apply the Funding in direct connection with the Purpose.

4. Obligations of ChristchurchNZ

4.1 In consideration for the Funding, CNZ must:

- (a) complete the Deliverables by the date as specified in the Key Terms or as agreed in writing by the parties;
- (b) provide and deliver the Deliverables to ADC's satisfaction, acting reasonably.
- (c) exercise reasonable endeavours to perform its obligations and act:
 - (i) in a professional manner and in accordance with practice applicable to an organisation operating in CNZ's industry; and
 - (ii) in accordance with all applicable laws, regulations, rules and professional codes of conduct or practice.

5. Intellectual Property

Each party shall retain ownership of its intellectual property in existence as at the start date. A party may use the trademarks of the other party during the Term in connection with the performance and promotion of the Activities and the Funding subject to complying with the reasonable written requirements of the trademark owning Party as to the use and presentations of its trademarks. Each party warrants that the use by the other Party in accordance with this Agreement of the first Party's intellectual property will not infringe the intellectual property of any third party.

6. Confidentiality

The terms of this Agreement, including any negotiations of or amendments to this Agreement, are Confidential Information. The parties will not, during or after this Agreement, disclose Confidential Information directly or indirectly to any third party except with the other party's prior written consent or as required by law. This clause survives termination or expiration of the Agreement.

7. Health and Safety

Each party shall comply with the requirements of the Health and Safety at Work Act 2015. Each party is responsible for the health and safety of all its staff, contractors and invitees at events

associated with this Collaboration Agreement and for ensuring their compliance with all health and safety requirements when undertaking work associated with this Collaboration Agreement.

8. Force Majeure

Neither party will be liable to the other party for any delays or failure to perform its obligations under this Agreement caused by a Force Majeure Event, provided that each party has taken all reasonable steps to minimise any loss, damage or delay resulting from any Force Majeure Event.

9. Termination

9.1 The parties may agree in writing to terminate this Agreement by giving three months' written notice to the other party.

In the event that this Agreement is terminated under this clause, ADC shall pay for work completed by CNZ up to the date of termination, but without prejudice to the rights of either party against the other accruing prior to the date of termination

9.2 Either party may terminate this Agreement immediately if the other party commits a breach of this Agreement and fails to remedy the breach within ten (10) Working Days of receipt of written notice requiring it to do so.

9.3 Either party may terminate this Agreement immediately by notice in writing if the other party becomes the subject of an Insolvency Event.

10. Resolution of Disputes

The parties acknowledge that they wish to avoid or minimise any disputes between them and will seek to resolve any disputes arising in connection with this Agreement amicably, in good faith and in a timely manner by direct negotiation before instituting legal proceedings.

If the dispute is not resolved by mediation within 30 Working Days of referral to mediation (unless such period is extended by agreement of the parties) either party may refer the dispute to arbitration under the Arbitration Act 1996 before a sole arbitrator agreed by the parties (or failing agreement nominated by the Chair of the Resolution Institute (formerly LEADR)) Limitation of Liability

Save for any claims relating to damage to any physical property, injury to any person, or infringement of any intellectual property rights, each party's liability to each other (in contract, tort, or equity), howsoever caused, shall be limited to the amount of any Fee paid under this Agreement. Neither party shall be liable to the other party for any indirect or consequential losses or damages (whether for loss of profit or otherwise), costs, expenses or other claims for consequential compensation whatsoever, arising out of or in connection with this Agreement.

11. No Waiver

No waiver or amendment of any provision of this Agreement shall be effective unless it is recorded in writing and has been signed by both parties. Any waiver shall only affect the matter that it expressly refers to and shall not apply to any other or later matter.

12. Variation and Whole Agreement

This Agreement contains all terms of the agreement between the parties and supersedes and replaces any prior agreements between the parties. This Agreement may only be modified by written agreement signed by both parties.

13. Governing Law

This Agreement is governed by, and will be construed in accordance with, the laws of New Zealand.

14. Legal Status

Both parties agree that they are independent parties and not the other's agent, partner or employee.

15. Change of Tax Status

ChristchurchNZ must notify ADC in writing of any change in its income tax status. In the event the ChristchurchNZ fails to notify ADC and the New Zealand Inland Revenue Department imposes taxes and penalties on ADC, ChristchurchNZ must reimburse Council for those taxes and penalties on demand and such contract will be recoverable from ChristchurchNZ as a debt due to ADC.

Schedule 1. Strategic Objectives:

The strategic objectives below are valid for the 2021/2022 financial year and will be reviewed annually in consultation with ADC and MCTAG.

The Strategic Objectives are guided by two overarching success measures for the year:

- Grow value from visitor spend 2021/2022: \$57,800,800 (increase of 2%)
- Grow domestic visitor market share 2021/2022: 6.5% (increase from 6.2%)

The above success measures are not attributable to CNZ's work programmes, and therefore should not be considered Key Performance Indicators, but provide a guiding framework to measure success. Performance against these measures will be reported in the Quarterly Report.

Key considerations:

- Strategic priorities beyond FY21-22 will be adjusted to reflect the outcomes and guiding principles of destination management planning and the global economic environment.
- The COVID-19 environment is uncertain and unprecedented. FY21-22 strategic priorities are based on the following assumptions:
 - Australia borders may have reopened however the leisure market opportunity will be Q3/Q4 of FY2021/22 earliest.
 - Longer haul markets may start to open in Q3/Q4 of 2021/22 however a much slower return for leisure travellers is forecasted from these markets.

1. Domestic: Grow domestic visitor value and increase the resilience of the Mid Canterbury visitor economy through greater diversification (mid-long term)

- Well executed 'always on' activity, proactive publicity to target key market segments in Canterbury, Auckland and Wellington and other drive markets
- Maximise ExploreCHC exposure opportunities for the Mid Canterbury region
- Fully leverage partnership opportunities - eg. Tourism New Zealand, ChristchurchNZ, airlines, airport
- Leverage domestic trade opportunities to drive conversion, and utilise ChristchurchNZ's trade communication channels and relationships to increase the profile of Mid Canterbury's product
- Support the promotion of local events and work collaboratively with the sector as a key domestic driver
- Partner with the regional DTO's to harness opportunities for storytelling and itinerary development around food provenance

2. Industry Capability: Provide opportunities for industry to upskill

- Continue to invest in developing key skillsets amongst operators (eg. Digital, domestic marketing/cultural, trade capability)
- Work collaboratively with industry partners and neighbouring districts to ensure a coordinated approach to networking and capability building

3. **Reduce seasonality:**

- Identify new product development which can increase visitation in off-peak times, including: agri-tourism and food provenance, mountain biking, health and wellness
- Ensure a balanced approach to marketing ensuring high seasons are down weighted where capacity issues are identified (e.g. school holidays)

4. **International: Rebuild international markets when appropriate.**

- Fully leverage Mid Canterbury exposure opportunities within ExploreCHC as the vehicle to Australian market
- Work collaboratively with ChristchurchNZ's Asian Markets Manager to rebuild and re-engage China, Japan, Korea markets as/when appropriate
- Work with Tourism New Zealand and the trade and media specialists within ChristchurchNZ to maximise offshore opportunities eg. content integration, media and trade famils, offshore exhibiting
- Understand the new post-COVID trade ecosystem, and share learnings with industry
- Maximise TRENZ as an opportunity to re-engage the 'new trade' industry

5. **Destination Management: Engage in the development of a Destination Management Plan (being managed by ChristchurchNZ) and harness the insights from this process to clarify district brand identity**

- Work with industry and Ashburton District Council to identify destination strengths and key selling points
- Utilise data to understand visitor behaviour, customer segmentation, brand benchmarking and to inform marketing decision making.
- Be an active participant in topics that influence regional profile

Schedule 2. Roles and Responsibilities

<p>Responsibility: ChristchurchNZ – resources the contract and delivers the key responsibilities of a district tourism organisation.</p>	<p>The delivery of the below services is up to the value of \$195,000. CNZ will track value provided to ADC through CNZ’s internal project management process.</p> <ul style="list-style-type: none"> • Local tourism stakeholder management including managing the Mid Canterbury Tourism Advisory Group, and quarterly industry newsletters • Hosting media famils • Content development – written material to market the district and acquisition of photographic material • Manage the local brand identity and domestic marketing campaigns into Christchurch or other national markets • Operator upskill programmes x 2 per annum • Local industry communications and newsletters • Day to day contact person for local Council on tourism issues • Inclusion in ChristchurchNZ regional trade and consumer marketing of Canterbury • Digital support and pages in association with ChristchurchNZ sites • Access to ChristchurchNZ channels for local and domestic marketing (subject to content approval) • Coordinate tradeshow exhibition booth under the Christchurch and Canterbury stand at TRENZ and lead on international travel tradeshow attendance as part of the Tourism New Zealand IMA programme • Centralised Famil coordinator • Host travel trade famils • Trade marketing, engagement, and product updates • Sales – active participation in NZ and Australian based trade events as appropriate. • Data & insights – 6-monthly reports from CNZ data and insights team (2 annual)
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	<ul style="list-style-type: none"> • Operator training and capability building as part of ChristchurchNZ's Business Partner Programme, for industry members • Regional destination management with the Canterbury Mayoral Forum • Contract and team management • Centralised CRM system for the use of the contract
<p>Ashburton District Council</p>	<ul style="list-style-type: none"> • Retains own local brand identity • Retains ownership of own channels and digital assets • Undertakes Council obligations of destination management (infrastructure, toilets etc) • Applies for PGF and TIF investment into new tourism infrastructure • Sets annual strategic priorities in conjunction with ChristchurchNZ

Schedule 3: ChristchurchNZ Mid-Canterbury Key Performance Indicators (KPIs) 2021-2022

The KPIs below are valid for the 2021/2022 financial year and will be reviewed annually in consultation with ADC and MCTAG. Performance against these KPIs will be reported in the Quarterly Report.

KPI	Strategic Priority	Activity	Target	Measure	Risk
Target Domestic Visitors	Grow domestic visitor value and increase market share	Domestic campaigns: 1 x Experience Mid Canterbury 2 x Explore CHC (Canterbury campaign inclusion)	Resident households in Christchurch, Canterbury, Wellington, and Auckland with HHI above \$100,000	Reach: Canterbury – 365,000 digital impressions Auckland – 500,000 digital impressions	Covid-19 re-emerges and New Zealand re-enters lockdown
Social Media Campaigns	Grow domestic visitor value and increase market share Diversify markets and support the reopening of Australia	Up to 3 posts per week on Mid Canterbury's main Facebook and Instagram page 3 post per week on Scenic72 campaign page	Organic and paid growth of followers on both platforms Marketing across Christchurch, Canterbury, Wellington and Auckland, Sydney, Melbourne, and Brisbane.	50% growth in followers per year	Recovery of tourism is hindered due to Covid-19
District Media exposure	Grow domestic visitor value and increase market share Diversify markets and support the reopening of Australia	Host media famils to showcase Mid Canterbury in target markets	Domestic and Australia International long-haul if Covid-19 restrictions allow	\$4,000,000 EAV in 12 months	Note: EAV in 19/20 was \$11m, however this has been reduced due to the closure of international borders
District Trade Exposure: Domestic & International	Grow domestic visitor value and increase market share	IBO Trade Famils	2 x inbound tour operator famils	Establish baseline	Recovery of tourism is



	Diversify markets and support the reopening of Australia	Australian wholesale training Domestic packaging to generate sales	2 x Domestic Travel famil. 2 x Australian travel wholesaler famil 2 x domestic package inclusions (House of Travel and Flight Centre)	Generate revenue through packages	hindered due to Covid-19
Industry Partnerships and Engagement	Strategic priority development	Create cohesion within the local tourism industry through regular engagement	Mid Canterbury Tourism Advisory Group meetings x 4 annually All-of-industry networking x 2 annually	Delivery of planned engagement	Lack of consensus between community groups
Maintain Mid Canterbury Website	Build capability in digital and travel trade	Maintain and review website for best technology and search engine optimisation with Google.	Site is updated with correct and timely information pertaining to the local products and services in Mid Canterbury	Google Analytics Customer Experience	Cyber-security
Local Industry development and upskilling programs	Build capability in digital and travel trade	Capability training, understanding the industry distribution channels and how to use them	70% of industry partners are updated on new developments	40% of the operators have an external agreement with a wholesaler, ITO or a supplier that supports wider distribution of their product.	Industry partners not prepared to create new relationships based on commission and incentives.