



tourism
INDUSTRY
ASSOCIATION NEW ZEALAND

Briefing to the Incoming Ministers

Rt Hon John Key, Prime Minister and Minister of Tourism

Hon Chris Tremain, Associate Minister of Tourism

December 2011



[Click here to read TIA's Tourism Future 2011-14](#)

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1. Introduction

The past three years have been the most challenging faced by the New Zealand tourism industry for many decades.

- The Global Financial Crisis (GFC) has dominated the trading environment and continues to bite in several key visitor markets.
- An appreciating New Zealand dollar has negatively impacted on visitor arrivals.
- The fragile global economic environment has been compounded by a series of natural disasters at home and abroad. The Christchurch earthquakes and Japanese tsunami have in particular had a dramatic and negative impact on the whole industry.
- Rising prices in New Zealand and a high NZ\$ which has made international travel more affordable have put a brake on domestic tourism.

Rugby World Cup

The Rugby World Cup in September and October 2011, while a great event for New Zealand and the image of the country overseas, produced mixed results for tourism businesses. It was 'a game of two halves' with operators in the North Island, where most of the games were located, faring better than businesses in the South Island. The removal of Christchurch as a host city resulted in less visitor flows through the South Island.

Looking forward

Despite the challenges faced by the industry in the past three years, the industry is resilient and it is unwavering in its belief to deliver increased wealth and jobs for New Zealanders. The industry pumps \$63 million each day into the economy. It employs almost one in 10 New Zealanders. It is our second biggest export industry (after dairy), earning \$9.7 billion or 16.8% of the country's foreign exchange earnings.

The industry is targeting high value visitors who spend more and stay longer. It wants to increase its market share of international travellers and attract visitors from a range of traditional and new markets. Increasing business capability will improve the visitor experience and help ensure we achieve our goals.

To fulfil tourism's growth potential, central government buy-in is vital. *The Tourism Future Statement 2011-2014* (refer page x of this document) outlines the industry's five priorities for action for the incoming government over the next three years.

A thriving tourism industry will be fundamental to the new Government achieving its economic growth agenda. If we can lift international visitor arrivals by just 2% in the coming year, it will deliver around an additional \$120 million in annual visitor spending¹.

2. The Value of Tourism

**\$23
billion**

total tourism expenditure for the year ended March 2010.

The tourism industry is made up of a wide range of businesses from large stock exchange-listed companies through to small lifestyle businesses such as bed and breakfast and accommodation operators. More than 85% of tourism businesses are small-to-medium enterprises (SMEs) and many have fewer than five staff. These characteristics make the industry unique.

No.2

export earner for the New Zealand economy.

Tourism has a significant role to play in the New Zealand economy in terms of production of goods and services. The sector plays a major role in the creation of employment opportunities. Tourism expenditure is generated from travel spend, including international, resident New Zealand households, and business and government travellers. International tourism expenditure also includes spending by foreign students who are studying in New Zealand for less than 12 months.

16.8%

of New Zealand's foreign exchange earnings provided by the tourism sector.

Total tourism expenditure reached \$23 billion for the year ended March 2011¹. Tourism is New Zealand's second biggest export industry (after dairy), earning \$9.7 billion or 16.8% of New Zealand's foreign exchange earnings. Visitors generated \$1.7 billion in goods and service tax (GST) revenue.

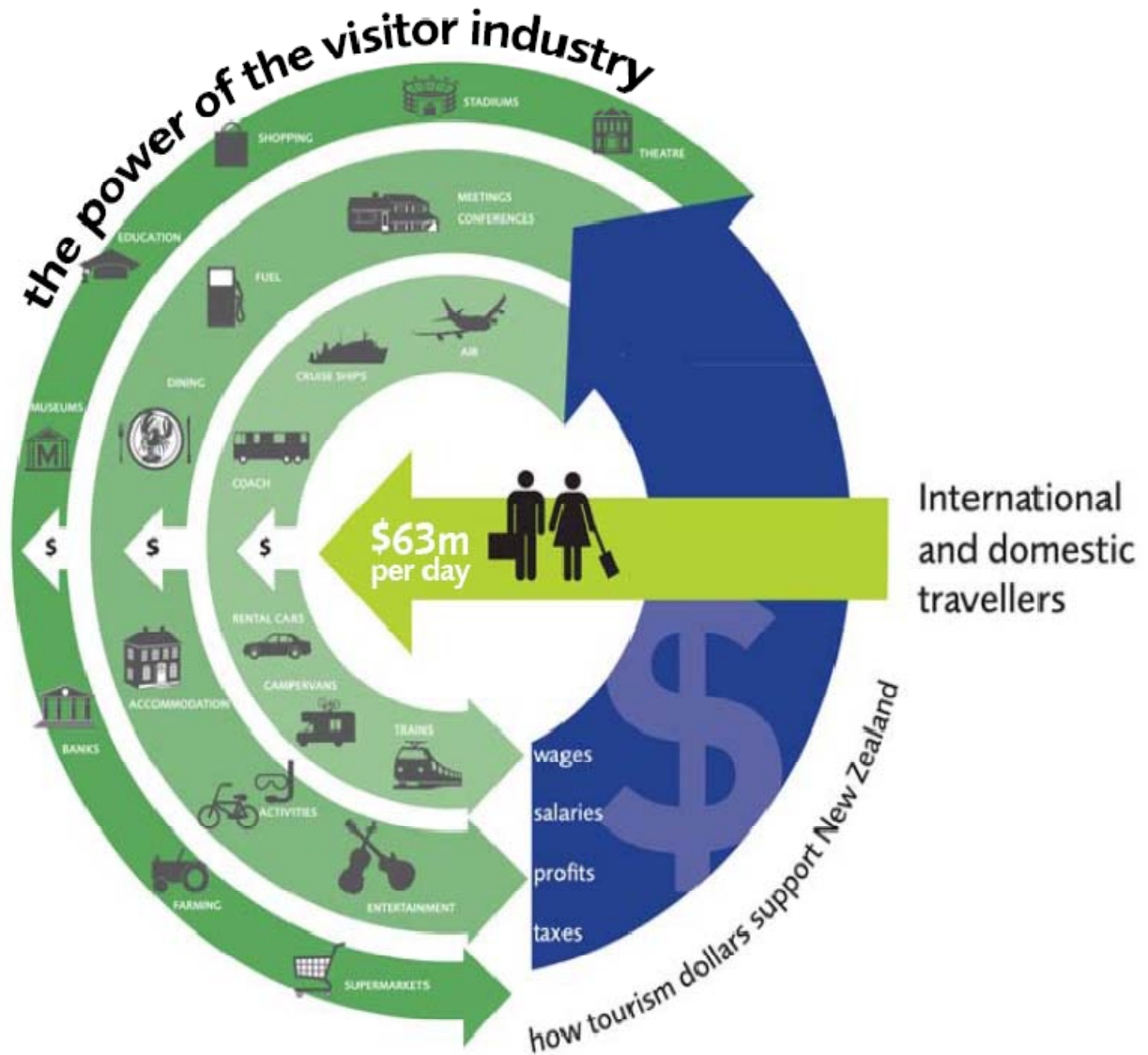
Tourism in New Zealand is a \$63 million per day industry. Tourism delivers \$27 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$36 million in economic activity every day.

**Almost
1 in 10
New
Zealanders**

are employed in the tourism sector directly and indirectly.

Tourism contributes almost 9% of gross domestic product (GDP) for New Zealand. The sector directly and indirectly employs nearly one in ten New Zealanders (182,400 total) in full-time equivalent jobs.

3. The Power of the Visitor Industry



4. The Tourism Future Statement www.tianz.org.nz/nztourismfuture)

In the lead up to the 2011 general election, TIA released the Tourism Future Statement 2011-2014 setting out the tourism industry's priorities for the next three years. The priorities were established following a series of road shows the Association held around the country with more than 700 tourism operators in March and April. The key priorities that industry seeks to partner with the government on are:

- Delivering value - keeping the industry at the centre of political and public attention will be important in building on the gains achieved in the past three years and delivering value to the New Zealand economy.
- Improving Infrastructure - while New Zealand's natural environment provides the setting for a range of visitor experiences, quality infrastructure is needed to support the range of activities that visitors enjoy.
- Making Travel Easier - making travel easier is integral to a great holiday. Creating seamless border experiences and removing barriers for people to travelling to New Zealand will be critical to growing international visitor arrivals.
- Providing Relevant Information - dynamic changes within the industry and economy mean the delivery of relevant and timely information is critical for business planning.
- Stimulating Domestic Tourism - it is time to make a holiday at home aspirational and help New Zealanders see their country through an international lens.

The Tourism Future Statement also contains a number of actions for industry that will be important to achieve in order to deliver world class experiences for visitors to New Zealand. These include:

- Quality visitor experiences - these are critical to growing visitor numbers and spend.
- Changing market mix - there is a need to adapt products and service standards to cater for the needs and desires from new markets like China.
- Environmental responsibility - the environment underpins the New Zealand visitor offering so it will be important to encourage tourism operators to adopt and retain sustainable business practices.
- Increased Maori participation - the tourism industry supports increased levels of participation by Maori in the visitor industry.
- Industry research - continuing to provide timely and relevant information for tourism businesses will be critical for business planning.
- Local government - the tourism sector will continue to improve its relationship and engagement with local government which is itself a major investor in regional tourism development.

5. Other Strategic Initiatives and Relationships

Local Government

As noted in the *Tourism Future Statement*, local government has a major stake in the tourism sector principally through their investment in core utilities, infrastructure and funding the promotion of tourism by Regional Tourism Organisations. The tourism sector is now working much more closely with local government than ever before and seeks the ongoing support of the new government to back the regional visitor economy on the basis that is a key driver of regional economic development.

Adventure Tourism and Commercial Outdoor Sector Safety Review

TIA has been an integral part of the Adventure Tourism and Commercial Outdoor Sector Safety Review since it was called by the Prime Minister in late 2009 in order to strengthen safety across the industry. The government charged TIA and Outdoors New Zealand with implementing five of the recommendations coming out of the review. With the support of the Department of Labour, TIA has now employed an Adventure and Outdoor Project leader who is responsible for working with adventure tourism businesses in helping them to implement the Review's recommendations.

Responsible Camping

TIA initiated the Freedom Camping Forum in 2008 after concerns emerged around the country at the way freedom campers were treating the environment. Now renamed the Responsible Camping Forum, the group includes key tourism operators, the Department of Conservation, the Police, local government representatives and regional tourism organisations. The Forum has developed a website www.camping.org.nz which promotes responsible camping practices for visitors, whether they are from New Zealand or overseas.

Department of Conservation

Over the past five years, the industry has developed a close working relationship with the Department of Conservation (DOC) as a key investor in the visitor economy. The industry also works closely with DOC in the development of conservation management strategies, National Park management plans, as well as meeting regularly with the Commercial Business Unit.

Immigration

Immigration policies that make it easier for tourism businesses to take on staff, especially during seasonal periods, have been an important focus for TIA in the past three years. TIA has developed a very close working relationship with Immigration New Zealand and worked on

initiatives to make it easier and faster for travellers to secure visas to travel to New Zealand, as well as for visitors to work and train while they are here.

TRENZ 2012

Managed by TIA, TRENZ (Tourism Rendez-vous New Zealand), the tourism industry's showcase event is being held in Queenstown from 7-10 May 2012. TRENZ brings together 300 buyers from more than 20 countries who meet to do business with more than 300 exhibitors from the core of the New Zealand industry. Many other activities happen in and around TRENZ, including an international media programme, a VIP programme and a range of functions and evening events. TIA will liaise with your office in early 2012 concerning your attendance at this event.

6. Who is the Tourism Industry Association New Zealand (TIA)?

The Tourism Industry Association (TIA) is the lead association representing the interests of more than 1700 visitor-related businesses. These businesses cover a range of activities – hospitality, transport, accommodation, adventure and activities, attractions and retail – as well as related tourism services. The primary role of TIA is to be the **voice of the visitor industry**, but its other main aims include:

- adding value for members and the industry through increased profile, support and development.
- providing networking opportunities and facilitation services.
- advocacy for members on issues facing them.
- assisting members' businesses to be profitable and improve industry performance.
- supporting the long term sustainable future of the New Zealand visitor industry.

The TIA Team

Tim Cossar, Chief Executive
Chrissy MacDonald, EA to Chief Executive

Advocacy team

Geoff Ensor, Advocacy Manager
Evan Freshwater, Industry Advocate
Rachael Moore, Adventure and Outdoor Project Leader

Communications team

Ann-Marie Johnson, Communications Manager
Rose Northcott, Communications Advisor

Events team

Bronwyn Hollingsworth, Events and Sponsorship Manager
Caroline Beech, Events and Sponsorship Executive
Louisa Turner, Events and Sponsorship Executive
Jaynesh Vallabh, IT and Web Administrator
Colin Yonge, Events and Sponsorship Executive

Membership and Finance team

Tarsha Triplow, Finance and Business Services Manager
Shelley Lancaster, Assistant Accountant
Catherine Tate, Membership Executive

Policy and Research team

Simon Wallace, Policy and Research Manager
Stephen Riley, Industry and Data Analyst

The TIA Board

Norm Thompson (Chair)
Deputy Chief Executive, Air New Zealand
(representing air transport division)

Oscar Nathan (Deputy Chair)
Chief Executive, Destination Rotorua
(representing tourism services division)

Peter Blackwell
Chief Executive, AA Tourism
(representing general industry)

Fergus Brown
Chief Executive, Holiday Accommodation Parks Association
(representing general industry)

Brian Henderson
Chief Executive, Tourmasters South Pacific (NZ) Ltd
(representing distribution division)

Simon Jamieson
General Manager, SKYCITY Hotels Group
(representing hospitality division)

Jeroen Jongjeans
Managing Director, Dive Tutukaka
(representing adventure tourism and outdoor activities division)

Grant Lilly
Director, Aviation Tourism Investments & Consulting Ltd
(representing general industry)

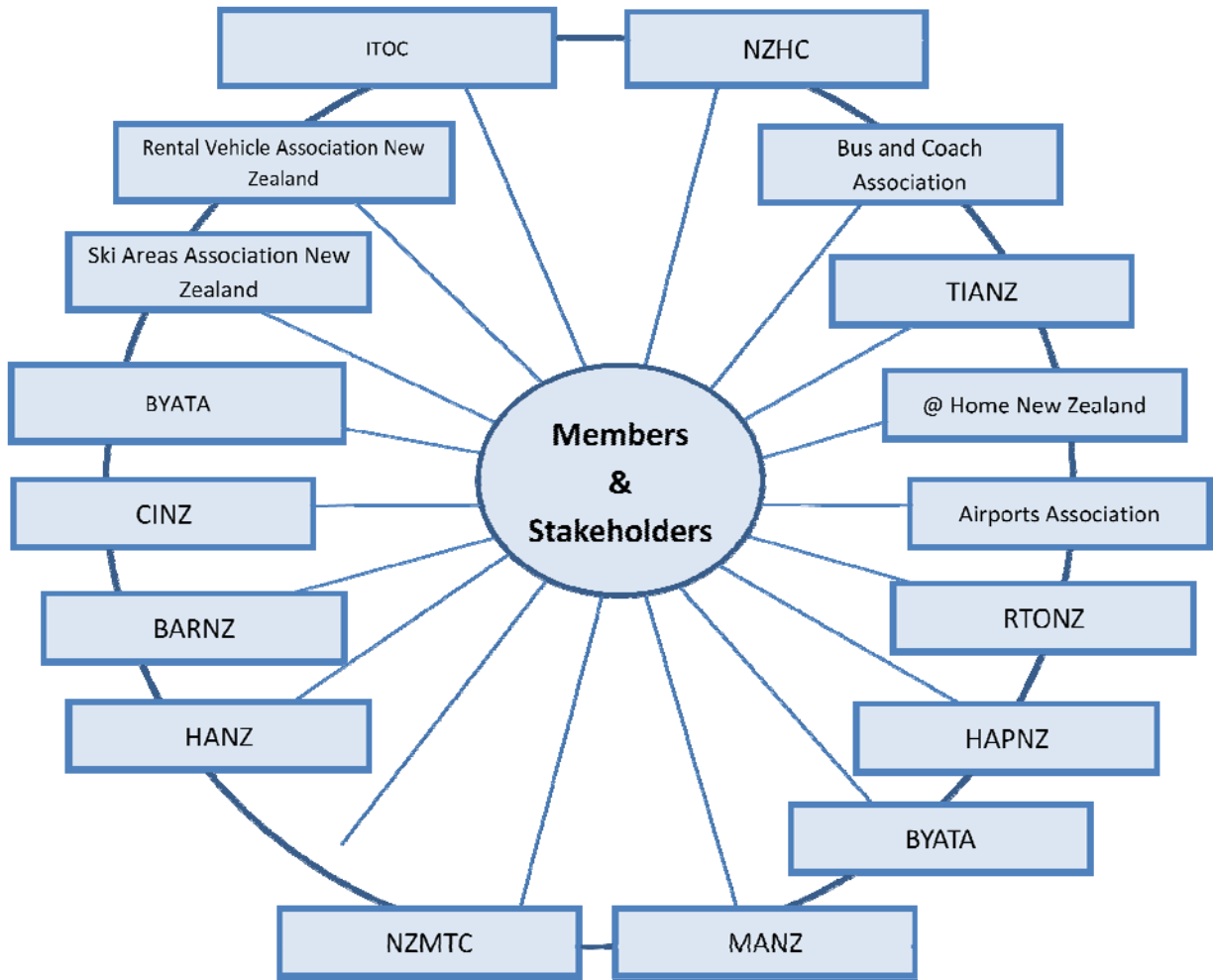
David Perks
Chief Executive, Positively Wellington Tourism
(representing regional tourism)

Paul Richardson
Vice President, Accor Hospitality
(representing Tourism New Zealand)

Sue Sullivan
General Manager, Sales, Tourism Holdings Ltd
(representing surface transport division)

John Thorburn
Chief Executive, Ngai Tahu Tourism
(representing activities and shopping)

7. Industry Structure



8. Connections between tourism industry and public sector bodies

