



**Submission to the
Ministry of Economic Development
on
Maximising our Mineral Potential
Stocktake of Schedule 4 of the Crown Minerals Act and
Beyond**

26 May 2010

Introduction

1. This submission is from the Tourism Industry Association New Zealand (TIA), located in Wellington. If you wish to contact us regarding this submission, in the first instance, please telephone Simon Wallace, TIA Policy Manager on 04 494 1842 or 0272 489 375 or e-mail him at simon.wallace@tianza.org.nz or Geoff Ensor, TIA Advocacy Manager on 04 496 4889 or 0272 430 800 or e-mail him at geoff.ensor@tianza.org.nz
2. Over the past few months, TIA has sought comment from its members on the *Stocktake of Schedule 4 of the Crown Minerals Act and Beyond*. This comment was sought through a formal survey of TIA members in March and April.
3. The position taken by TIA in this submission is one that for the most part reflects the views of the members who responded to the survey. The Association has taken an industry position on some of the broader strategic considerations that have arisen as a result of the government's proposals.
4. This paper begins with an overview of the relationship between conservation and tourism, followed by a snapshot of the survey results, detailed analysis and comment and then background about the tourism industry and TIA.
5. In accordance with the conditions of lodging a submission, TIA has no objection to the submission being made a matter of public record.

The relationship between tourism and conservation

'...enjoying public conservation lands and waters is a popular activity for many New Zealanders and overseas visitors, and outdoor recreation is often perceived by many to be central to our identity and way of life...'

6. New Zealand's environment and scenery is a major draw card for overseas visitors forming the basis of the country's green and clean image that underpins gross domestic product (GDP) and economic growth. The land, sea and air operators that ply the national parks and conservation lands ensure domestic and international visitors are able to enjoy New Zealand's natural environment and it is essential that this access is continued. Tourism businesses also invest and develop public amenities and infrastructure that improve the quality of the visitor experience.
7. The following principles underpin the relationship between tourism and conservation and over time have led to a strengthening of this relationship as well as a growing spirit of cooperation:
 - a) policies that sustain economic development and tourism businesses while protecting the environment in which they operate.
 - b) legislation interpreted and applied in a way that leads to the achievement of a mutual relationship between use and conservation.
 - c) lands that provide an economic and social return to New Zealand in a way that is consistent with the values that New Zealanders place on them.
 - d) a fair rate paid by concessionaires for use of public lands to run their businesses in return for a fair consultative process in the management of that land.
 - e) meeting visitor expectations of excellence by insisting concession holders meet quality industry standards.
 - f) ongoing and robust review of the Department of Conservation's research priorities and capabilities so future decisions are always made on a sound evidence basis.

Comment and Analysis

8. This issue has arguably been one of the most polarising for TIA members and the wider tourism industry for some time. Since the government first raised the prospect of mining on conservation land at the end of last year, the Association has received a surge of communication from its members. Prior to a formal member survey being sent out by TIA in March and April, some members said 'no' to the very idea, but others had tempered their views and responses with an acknowledgement that they wanted to see the government's discussion document before establishing a position.
9. On the basis of members' responses, the position of TIA was to hold its stance until it had seen the government's discussion paper. At that time it would go out to its membership in a formal way to seek their views and opinions on the significant matters covered in the document. TIA did this through the survey.
10. In this section, comment is made on:
 - The members' survey
 - Brand and perception
 - National parks
 - Outside national parks
 - Governance
 - Other considerations

Survey snapshot

11. Following the government's release of the discussion document on 22 March 2010, TIA put together a survey based on the information contained in the document. Between Monday 29 March 2010 and Thursday 8 April 2010, TIA formally surveyed its members to determine their views on the government's proposals for mining protected land under Schedule 4 of the Crown Minerals Act.

Headline results

12. The results of the survey resulted in a 50/50 split between those TIA members either fully or partly supporting land being removed from Schedule 4 and those against land being removed from Schedule 4. Those either fully or partly support of land being removed were 50.6% and those against were 49.4%.
13. Of those supporting the government's proposals, the nature of replies was centred on the need for New Zealand to take advantage of the mineral potential to improve the country's economic well-being, create more jobs and bring in overseas investment. Other members said the areas for removal from Schedule 4 were small enough not to warrant concern. Many members in favour of the proposal tempered their responses with the need for mining to be carried out in a sustainable way and said they would be happy provided the strict controls imposed under the Resource Management Act were met to limit the impact on the environment. Some members said that tourism ventures had developed on the back of New Zealand's mining history, an example being Shantytown on the West Coast. Meanwhile several members said domestic tourism could benefit with the return from mining putting more money into the pockets of New Zealanders for discretionary spending. A snapshot of

the most commonly held views of those in favour of mining were as follows:

Examples of what members said who support mining on Schedule 4 land:

“The New Zealand economy needs to use all its resources we have and it can be done in a sustainable way.”

“It will provide employment for many New Zealanders – the government needs to make certain that most of the profits are kept in the country.”

“The eco-opportunity for the country is to show the world how it is possible for mining and the environment to work hand-in hand for everyone’s benefit.”

“The potential benefits to us as a tourism destination and as a country as a whole far outweigh the highly media-exaggerated impacts of limited high-value mining and exploration activity.”

“We need to utilise our resources to better the country and with the strict controls imposed under the Resource Management Act, there will be minimal impact on the environment.”

“New Zealand needs minerals to help bring in overseas funds, and the small areas that will be sacrificed won’t make any difference in the long run as land can be restored”.

“I believe we should not lock out commercial activity on any state owned land, including mining, but we should examine each proposal on a case by case basis.”

14. Of those opposing the government’s proposals, the recurring theme was one about damage to New Zealand’s green, clean brand and the perception issues in the country’s international visitor markets. Numerous responses mentioned the enduring and successful ‘100% Pure New Zealand’ campaign and while a tourism initiative, people talked about how other industries had leveraged this brand to grow their sectors, for example, wine, food and horticulture. Other members said the costs outweighed the benefits and they did not see the mining proposals as creating many new jobs for New Zealanders or delivering much, if any, profit to the local economy. A number of members said that the risks and benefits of mining had not been properly quantified by the government in the discussion paper. A snapshot of the most commonly held views of those opposed to mining were as follows:

Examples of what members said who oppose mining on Schedule 4 land:

“The costs outweigh the benefits. Land has been placed in Schedule 4 because of its conservation values so therefore to remove it from that status so it can be mined does not make sense.”

“Just as NZ had the courage to make a stand on the nuclear issue, it should now have the determination not to ‘sell the family jewels’ in order to have the same living standards as Australia.”

“Guaranteed damage to the 100% brand. This brand may have originally been intended as ‘experiential’ rather than “natural/environmental” but the worldwide perception is more strongly the latter, and that’s what counts.”

“Green, clean,, natural and pure is the reason most people make the effort to travel here. Destroy that brand and NZ will quickly be compared with the industrialised destinations of Mexico, Germany and Russia.”

“The costs outweigh the benefits.”

“Mining creates very few jobs and they are very low paid”.

“We feel that once conservation land is removed from Schedule 4 it will be the tip of the iceberg and open the gate for exploitation of other conservation areas throughout NZ.”

“Return from mining to the country would be negligible. Mining Schedule 4 lands would open the door in future for more large-scale mining. This could pollute rivers, endanger wildlife and greatly reduce recreation areas for New Zealand and foreign tourists.”

“Any damage done to national reserves, national parks, and conservation land damages the image of New Zealand as clean and green. We run an eco-retreat. Our guests come to New Zealand because of the natural landscape. Tourists will see these actions as a departure from New Zealand’s commitment to the environment and it will affect our business.”

Brand and Perception

15. The need to protect and preserve New Zealand's green, clean image has clearly been the dominant theme expressed by TIA members. Whether by accident or design, New Zealand has carved out this image based on a landscape with wide open spaces and a pristine and unspoilt environment. New Zealand's 'no-nukes' stance, its independent foreign policy and its indigenous Maori culture have strengthened this image and solidified the 'greenish' position the country now holds. Any damage to this position, whether perceived or real, will in a viral and fast-paced world attract scrutiny, even if New Zealand is better at managing its environment compared to other countries.
16. At an economic level, the tourism industry has always vied with agriculture as New Zealand's largest export sector and this will still be the case if traditional manufacturing industries continue to decline in importance. Nevertheless, to excel internationally New Zealand will need a well balanced range of exports beyond tourism and agriculture to build and grow its economy in the future. As such, the tourism industry is not opposed to the concept of mining as long as it adds value, is done in a sustainable manner and does not damage the country's green-clean brand perception. On current evidence, however, the case for mining has still to be proven.
17. While tourism has had a clear brand strategy for more than a decade (100% Pure New Zealand¹) the country as a whole has lacked a national brand strategy. This is more than just a brand mark. It is a set of principles that New Zealand as a nation needs to develop in order to frame its economic prosperity. A defined, well understood national brand, with green and clean at its heart, would provide a formal reference point from which all export industries in New Zealand could use and leverage to sell their products on the world stage.
18. Other industries and sectors have gained leverage from the tourism brand, but 100% Pure New Zealand is not a formally established national brand that defines the country's selling points across all its export sectors. In the past decade, the green and clean image has become significantly more embedded across other sectors and has been a key driver of the value New Zealand is able to obtain for its goods and services in the international market place. Attached as *Appendix 1* is a list of such companies and a description of how they have leveraged the country's green and clean image.
19. Image and brand issues are also well understood by political and other industry leaders. Only recently the Prime Minister was reported as saying "*100% Pure forms a big part of our brand marketing for New Zealand Inc*". Mr Key also said "*We think it's a foundation brand to carry on into the future. We can use that to leverage not just our tourism activities but also*

¹ At its inception ten years ago, '100% Pure New Zealand' was primarily a visitor promotion strategy developed by Tourism New Zealand, the government's international marketing agency. It set out to celebrate and encapsulate everything that made New Zealand special including culture, food, history, scenery, biodiversity and the country's unique and pristine environment. It was really about an entire experience. The Lord of the Rings trilogy that began in 2001 was the catalyst for '100% Pure New Zealand' to reach a new level of domestic and international awareness. It was also the point when its environmental component became for many, the dominant one. Since then, '100% Pure New Zealand' has created an expectation for visitors based upon New Zealand's environmental credentials

our trade promotion and general promotion of New Zealand". TIA supports any move in this direction by the government.

Why national brands matter

20. Work on the value of national brands has been done by global marketing agency *FutureBrand*. *FutureBrand*'s philosophy is based on the notion that countries themselves 'have the potential to become some of the world's strongest brands, rivalling big corporate organisations like Nike, Sony and IBM'. *FutureBrand* says countries that are well branded use amongst other things, global sports events, environmental reputation and occasionally charismatic political leaders to grow their economy, investment and exports. New Zealand has used its environmental reputation to build its brand.
21. In *FutureBrand*'s country brand index of 2009, New Zealand was placed 4th behind the USA, Canada and Australia on the list of top ten country brands. The experts who ranked the top 10 country brands said New Zealand's 100% Pure New Zealand brand campaign was consistently well managed and effectively delivered through the visitor experience and in products the country offered.
22. The position of the USA, Canada and Australia ahead of New Zealand might raise doubts about these countries' environmental record. However, *FutureBrand* assesses more than just environmental credentials and the USA, Canada and Australia have used a diverse range of assets to keep their brands relevant. Their relative size, compared to New Zealand means they have had the advantage of isolating economic activity that might be regarded as potentially damaging to the environment. Australia's mining activity for example, takes place away and out of sight from normal visitor activity. New Zealand's size does not allow it this luxury.
23. As *FutureBrand* points out however, 'building a true country brand requires more than a focus on tourism'. There are many other factors that come into the mix. New Zealand's independent foreign policy and indigenous culture have already been mentioned, but international reputation is also built on stable government, security, free trade, a supported health and welfare system, acceptable labour standards, protecting intellectual property and friendly people. New Zealand excels in most of these factors.
24. Green and clean means more and is much deeper than just the country's environment and scenery. The fact that New Zealand excels in areas other than the environment, adds more substance and vitality to the country's proposition. When considering the pros and cons of mining on the conservation estate, it is these wider set of principles that New Zealanders need to think about when framing the country's future economic prosperity.

Global visitor recognition

25. Global visitor recognitions is important and in 2008 New Zealand came out on top in a survey asking tourism organisations from around the world to rank the best destination brands. The survey, published by the United Nations World Tourism Organisation (UNWTO) and European Travel Commission (ETC) asked 165 National Tourism Organisations (NTOs) what countries they considered to be good at destination branding. These were some of the results from the survey.
 - respondents cited the consistency and credibility of '100% Pure New Zealand'.

- respondents said the strong imagery of the campaign, the instantly recognisable brand and the strong positioning statement ('100% Pure New Zealand') set New Zealand ahead of other destinations.
- respondents praised New Zealand for addressing the country's isolated location "at the edge of the world" and turning that into a positive.
- respondents also considered the brand as successful in "going beyond tourism" to pull together a number of different sectors under a unified country proposition.

Perception counts for a lot

26. An interesting analogy may be drawn between the proposal to mine on public conservation land and the recent applications for cubicle farming of cows in the Mackenzie Basin. Tim Deane, Milk Supply Manager for Fonterra, said the plans for the Mackenzie Basin could undermine its international reputation for free range farming, *"It's perception more than anything else, the type of intensive feed-lot stall-based farming that's being proposed doesn't sit well with the perception of New Zealand's pasture-based farming system."*

27. The rise of online social media networks in the past few years cannot be ignored. Just as sites like Facebook, Twitter and Trip Advisor are being used to promote New Zealand (Tourism New Zealand is using this median in current campaigns), they can just as easily be used in a negative sense to send stories around the world. TIA believes the government must be aware that viral networks have the ability to significantly influence visitors' travel decisions.

28. The worldwide brand and perception of green and clean New Zealand should not be underestimated as the government considers the international reaction and repercussions from mining on public conservation land. While some mining activity may have a relatively small environmental footprint if strict RMA controls are imposed, it is the possibility of opening up previously protected land for mining that could over time, erode confidence in the country's green and clean image.

National parks are New Zealand's crown jewels

29. Having considered all the views of members, TIA believes that the current Schedule 4 status, as it applies to New Zealand's fourteen (14) national parks, should remain. National parks represent a high quality chain of conservation land recognised and celebrated by special status. They are known internationally for the recreational opportunities they provide and the biodiversity they contain. The Association and its members do not want to see their status diminished in any way.

30. The Association is aware of consideration being given to national park boundary changes as a way of circumventing Schedule 4 status. TIA is not supportive of any attempt to review national park boundaries as a mechanism to allow mining. Such a move could carry the same risks to New Zealand's reputation as to making changes to Schedule 4 within national park boundaries.

31. The excerpt below, taken from the Department of Conservation website, describes their purpose:

The purpose of national parks

National parks have existed in New Zealand since 1887, when Te Heuheu Tukino gifted to the nation the summits of Tongariro and Ruapehu as our first national park – Tongariro National Park – for the benefit of all. Since that time national parks have grown in number, area and status. As a people, New Zealanders look on these places as priceless areas representing their natural and historical and cultural heritage, and as part of the nation’s birthright which must be protected for future generations to treasure and enjoy. This expectation is expressed in the National Parks Act 1980:

“...the provisions of this Act shall have effect for the purpose of preserving in perpetuity as national parks, for their intrinsic worth and for the benefit, use, and enjoyment of the public, areas of New Zealand that contain scenery of such distinctive quality, ecological systems, or natural features so beautiful, unique, or scientifically important that their preservation is in the national interest.” (section 4(1), National Parks Act 1980);

and;

“Subject to the provisions of this Act and to the imposition of such conditions and restrictions as may be necessary for the preservation of the native plants and animals or the welfare in general of the parks, the public shall have freedom of entry and access to the parks, so that they may receive in full measure the inspiration, enjoyment, recreation, and other benefits that may be derived from mountains, forests, sounds, seacoasts, lakes, rivers, and other natural features.” (section 4(2)(e), National Parks Act 1980).

32. Kerry Marshall, a past Chair of the New Zealand Conservation Authority and current Mayor of Nelson, made the following comment in the General Policy for national parks. *“General Policy for national parks provides guidance for managing national parks – the jewels of New Zealand public conservation lands. They are places that have been set aside for their intrinsic worth and for the benefit, use and enjoyment of the public. The bottom line of course, is that national parks are preserved and maintained in perpetuity. We must be ever vigilant to ensure this basic tenet is not massaged or eroded”.*
33. TIA believes that the potential risk to tourism and New Zealand's wider green and clean image is simply too important for mining to be considered in the country's national parks. As some TIA members have said any attempt to allow activity that clearly falls outside environmental preservation and public enjoyment is a real concern for tourism businesses.
34. Rigorous processes over many years have led to the establishment of New Zealand's many national parks. To place these special areas at risk in the absence of compelling information and research that proves their mineral worth is a risk that TIA does not believe is worth taking.

Economic value

35. A report in 2006 by Geoff Butcher examined the value made by conservation to the economy with a specific focus on three national parks, Fiordland, Abel Tasman and

Tongariro and West Coast conservation land. The report examines the role of the public conservation estate in deriving economic benefit for tourism and a range of other industries.

36. Headline results from the Butcher report detailed the economic value of Fiordland and Abel Tasman National Parks and West Coast conservation land as follows:

Fiordland National Park

Economic impact on the Southland and Queenstown Lakes District in 2005

DOC spending \$8.8m

Jobs 1600

Output \$196m

Value-added income \$78m

Household income \$55m

Abel Tasman National Park

Economic impact on the Nelson-Tasman region

DOC spending \$1.2m/yr

Jobs 370

Output \$45m/yr

Value added income \$18m/yr

Household income \$11m/yr

West Coast conservation land

Economic impact on the West Coast region in 2003

DOC spending \$13.0m

Jobs 1814

Output \$221.6m

Value added income \$117.7m

Household income \$62.1m

37. The full report can be downloaded here:

<http://www.doc.govt.nz/upload/documents/conservation/value-of-conservation.pdf>

Outside National Parks

38. Reputational risk still exists in areas in Schedule 4 outside national parks that are being considered for mining. While TIA members have said they are less opposed to mining in these areas, they have indicated concerns about the potential to mine valuable areas of land on the Coromandel Peninsula and Great Barrier Island.
39. The Coromandel Peninsula relies heavily on domestic visitors. Ministry of Tourism data showed that 2.43 million domestic visits were made to the Coromandel region in 2008 and this is expected to grow by about 4% annually to 2015. This shows how valuable visiting New Zealanders are to the region's economic growth.
40. On Great Barrier Island tourism is arguably the lifeblood of the community and any threat to the Island's pristine environment could stem the flow of visitors, many of whom come from Auckland for weekend stays. There are nearly 100 accommodation operators dotted around Great Barrier and the people who stay in these establishments have come to enjoy the

scenery created by the Island's special conservation status. While it could be argued that mining may bring in workers who stay in commercial accommodation and use the Island's services, the benefit is probably only short-term compared to the long-term tourism potential.

41. TIA is less opposed to a case by case approach of assessing mining applications in areas outside of national parks. The Association's support for this is made on that basis as long as strict RMA and environmental processes are followed.

Governance

Joint Ministerial approval for access to Crown Land

42. In the government's discussion document, it is proposed that both the land-holding Minister (Minister of Conservation) and the Minister of Energy and Resources will be able to jointly approve access arrangements for mineral exploration on Crown land. TIA believes the land-holding Minister must retain exclusive rights to approve such applications if mining goes ahead on Schedule 4 land. By way of explanation, a variety of activities are represented within the commercial sector operating on public conservation land. None require dual Minister sign-off. To illustrate this point, a transport concessionaire operating on public conservation land does not require approval from both the Minister of Transport and the Minister of Conservation. Such decisions should be the responsibility of the respective portfolio minister and/or local authority.
43. A further point to note is that the Minister of Conservation already has a responsibility to balance both economic and conservation values when considering applications from a range of industries seeking to operate commercially on the public conservation estate.

Public notification

44. TIA is concerned at the apparent inequity between the public notification criteria that applies to many tourism concessionaire applications and an apparent lack of public notification requirements for mining access arrangements. If this is correct, the Association believes mining should be subject to the same public notification criteria as applied to tourism concessionaires.

Contestable Fund

45. The Association supports the set up of a Contestable Fund to return mining royalties back to the public conservation estate. It will be important that the independent panel administering this fund includes a make-up of representatives from industry, conservation, non-government organisations and government in order to bring balance to the decision-making process. TIA would like to see the tourism industry represented on this independent panel.
46. If, as the government suggests, the Schedule 4 lands are abundant in minerals, a return of more than \$10 million a year to the Contestable Fund needs to be realised to demonstrate the economic value of mining the conservation estate. There should be no cap of \$10 million applied to mining's contribution. Tourism concessionaires alone pay in excess of \$10 million a year in fees to the Department of Conservation, not to mention the extra spending their visitors bring to services that operate in and around the public conservation estate.

47. The Association believes a thorough cost-benefit analysis needs to be completed to better understand the economic value of mining on conservation land to New Zealanders and the economy. The discussion document provides only limited evidence or data of the economic potential to be realised from mining on Schedule 4 land.

Other considerations

Nature Based Tourism

48. Nature-based tourism visitors to New Zealand have over time been highly valuable to the tourism sector. In 2008, for example, international visitors who took part in nature based activities stayed longer on average (24 nights) than other international visitors (21 nights). In terms of expenditure, international nature-based visitors in 2008 spent more on average (\$3040) than other international visitors (\$2680). From this, it is clear that nature based visitors are higher yielding, stay longer and are environmentally motivated.

International Agreements

49. TIA believes the government needs to be mindful of its long history of involvement in international conservation as part of a global community. New Zealand experts have been involved in the International Union for Conservation of Nature (IUCN) programmes for many years and the country also participates in other international forums relevant to the management of national parks.

Biodiversity

50. Open cast or underground mining can have a range of negative environmental outcomes that can be mitigated to some degree, but never eliminated. Roads, power, water, traffic and spoil will all be features of any mining activity. The Association would be interested to know how compensation packages from mining companies to the environment will be worked out.

51. The Association is aware that the Department of Conservation is investigating the concept of biodiversity offsetting in New Zealand. However, TIA is also aware that the methodology underpinning offsetting is in its infancy. Much more research is required covering ecological measurement and comparison of impact and offset sites, establishment of an appropriate offset currency and development of effective implementation techniques.

Conclusions and Recommendations

52. Without question, the government's proposal to consider mining public conservation land has engaged the country over the past few months. The response that TIA has had from its members and the wider tourism industry is reflective of the interest from all New Zealanders on the issue.
53. Taking the results of the member's survey alone, there have been an equal number of tourism businesses both in support and in opposition to mining on conservation land. Those operators in favour of mining on conservation land have supported their reasons for doing so with informed opinions and comments. Similarly, those operators opposed to the government's proposals have been clear and concise in justifying their position.
54. The Association has considered the opinions of members, industry personnel from large, medium and small tourism enterprises, interested parties and onlookers both in New Zealand and overseas and many other individuals also. From all this feedback, the most predominant theme that has emerged is the one around New Zealand's brand and perception. Other dominant themes have centred on protecting national parks, recognising the economic value derived from the conservation estate and ensuring governance arrangements are rigorous.
55. On balance, the Association has therefore reached the following conclusions and key recommendations :
 - a. Brand and Perception - The goodwill and leverage, built up from New Zealand's green and clean image is priceless. The tourism industry and other sectors that have leveraged from this image may be at risk if additional mining goes ahead in national parks.
 - b. National parks – National parks are New Zealand's crown jewels and no additional mining should be allowed within their boundaries.
 - c. Outside national parks – Mining may be considered on certain Schedule 4 land outside of national parks but only under strict RMA and environmental criteria. TIA does not support removal of Schedule 4 status from the Coromandel and Great Barrier Island.
 - d. Governance – The land-holding Minister alone should have sign-off on approvals to mine on Schedule 4 land outside national parks.
 - e. Governance – The contribution of royalties by the mining industry to the Contestable Fund should be reconsidered. The tourism industry would like to have a representative on the independent panel considering funding applications to this Fund should such a fund be established.

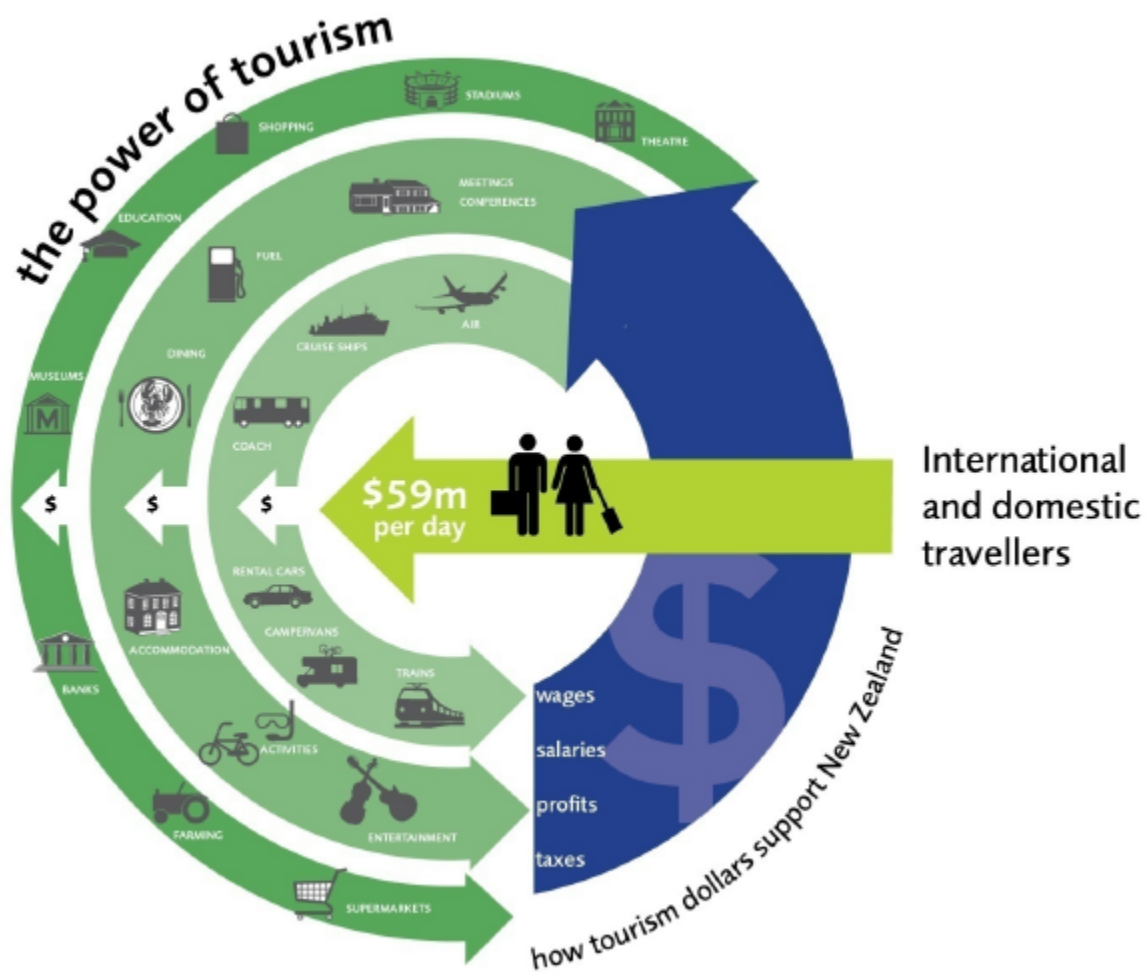
Background on the Tourism Industry

A bedrock of New Zealand's economy

56. Tourism is a major contributor to the New Zealand economy that will always be here – and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. Thanks to our 100% Pure positioning, New Zealand is recognised as one of the most beautiful, unspoiled and scenic places on earth. 100% Pure signifies pride in our country, pride in our people and culture, and pride in the unique environment and experiences that New Zealand offers.
57. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity. Indeed, the green, clean, pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.
58. If New Zealand Inc. is to continue to prosper, to attract investment and to raise its position in OECD rankings, then it is vital that the tourism industry, and the positive image it projects, remain strong.

Delivering Value

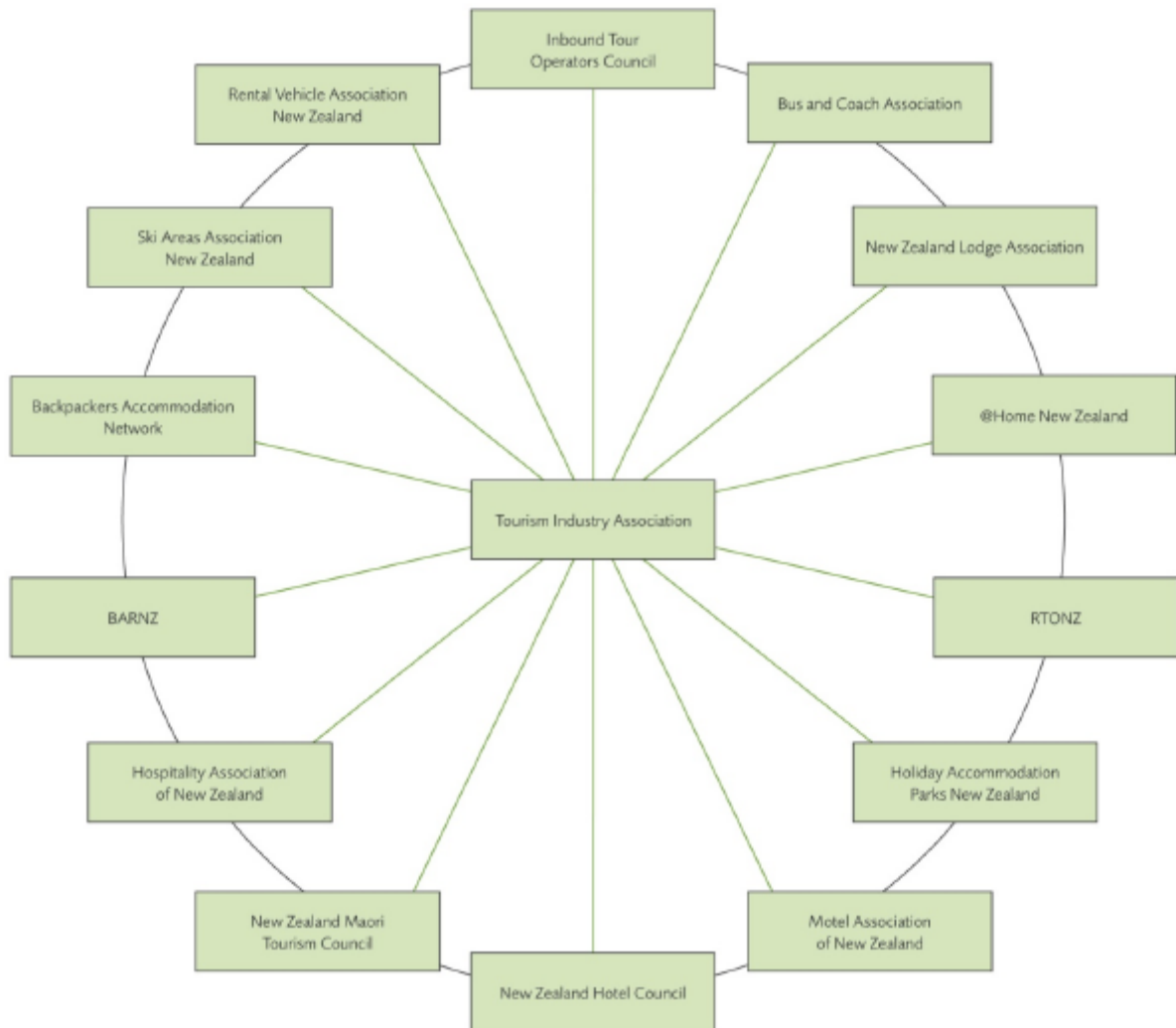
59. Below is a snapshot of the economic value provided by tourism to the New Zealand economy.
- Tourism contributes more than 9.1% of gross domestic product (GDP) for New Zealand as well as directly and indirectly employing one in ten New Zealanders.
 - Tourism in New Zealand is a \$59 million per day industry. The New Zealand tourism industry delivers \$25 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$34 million in economic activity every day.
 - Tourism expenditure reached \$21.7billion for the year ended March 2009. International visitor expenditure accounted for \$9.3 billion or 16.4% of New Zealand's foreign exchange earnings, with tourism second only to agriculture as the country's largest export industry.
 - Importantly, and despite more challenging times in the past two years, tourism remains one of New Zealand's largest foreign exchange earners and its contribution is felt at national, regional and local levels.



About TIA

60. TIA has been the lead association that represents the interests of about 1,700 tourism businesses in New Zealand. The Association was first established in 1955 and the businesses TIA represent cover a range of tourism-related activities – hospitality, transport, accommodation, adventure and activities, attractions and retail as well as related tourism services.
61. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events and membership and business services. The TIA team is based in Wellington and led by Chief Executive, Tim Cossar.

Main Industry Associations in the Tourism Sector



Appendix 1 – Companies leveraging the green, clean image

Comvita

Multiple export-award winner Comvita has evolved into a very successful international marketer of high quality functional food and healthcare products. It targets the premium end of consumer markets. The New Zealand origin of its products and sustainability are at the core of what it does and give it a competitive advantage in global markets. www.comvita.com

ZESPRI

ZESPRI is the world's largest and most successful marketer of kiwifruit and sustainability has been a key part of its brand for more than 10 years. Its customers and consumers have a positive perception of a green, clean New Zealand and the environment where kiwifruit come from and it is investing in schemes such as tracking the carbon footprint of a kiwifruit throughout its life cycle to ensure it can support claims around sustainability.

Emerald Foods Group

Emerald Foods Group (manufacturer of premium ice cream, sorbets and frozen yoghurt) is an 2009 International Business Award winner and a company that has increased export sales by 300% and successfully expanding into 20 new markets over the past three years. The Managing Director says its export strategy has been driven primarily by the identification of a huge, untapped international demand for the green, clean image that is associated with food products from New Zealand. www.icecream.co.nz

Antipodes Water

Antipodes Water, the world's first premium water brand to be carbon neutral. The award winning water is described by its Chief Executive Simon Woolley as "the world's best water from the world's purest country - a natural reflection of clean, green New Zealand".

Icebreaker

Icebreaker uses only pure merino, hand-picked from high country stations scattered throughout New Zealand's Southern Alps to produce its high performance clothing. Using the best technology, ethical manufacturing and environmentally sound business practices, the merino is transformed into hand-made Icebreaker garments- clothing coveted by athletes and adventurers around the globe. "Put together it's an authentic, natural high-performance merino clothing system – a fresh set of ideas based on respect for nature and sustainability," explains Icebreaker founder and CEO Jeremy Moon. "We've shown it's possible to build a successful company that doesn't deliver at the expense of the environment."

www.icebreaker.com

NZ King Salmon

King Salmon has successfully turned its isolated geographical position at the end of the world into a huge competitive advantage. "Having a product that's clean and green is vital to us - not just commercially but also in terms of what we stand for," says King Salmon's Export Sales

Manager, Graeme Tregidga. New Zealand Trade and Enterprise's Lynn Korcheski says: "They are great ambassadors for green, clean, pure New Zealand."

<http://www.nzte.govt.nz/features-commentary/Success-stories/Pages/King-Salmon-crowned-at-food-show.aspx>

Pipfruit NZ

Pipfruit NZ Inc is the representative organisation for the New Zealand pipfruit industry, of which apples account for about 98% of earnings, worth about \$500 million annually, mostly in exports. Chief Executive Peter Bevan says initiatives its s undertaking to underpin its reputation for innovation and environmental and social responsibility and are critical if New Zealand wants to stay ahead of the competition and continue to command a premium price for our apples in the marketplace.

www.pipfruitnz.co.nz

Trilogy (natural skincare products)

A commitment to environmental, cultural and ethical sustainability is at the heart of the Trilogy brand. This commitment and its ability to tap into the fast moving consumer goods market (particularly in the UK) has seen it win a place on the Deloitte 50 fastest growing companies list for the past three consecutive years (06, 07, 08) with 690%, 198% and 156% year-on-year growth. The launch of Trilogy natural skincare products in 2002 was timed to take advantage of the rapid growth of the market commonly defined as LOHAS, consumers seeking a lifestyle of health and sustainability and who want products and services that support their values.

www.trilogyproducts.com

Steinlager

Managing Director Peter Kean said the future for the business lay in harnessing new market opportunities, particularly ones with export potential. "With Steinlager Pure we have bottled the spirit of New Zealand," said Kean. "Both Steinlager and New Zealand have enormous brand equity abroad. The natural New Zealand ingredients and additive and preservative free brewing, coupled with the stylish pack design of Steinlager Pure captures the best of both, making for a highly compelling export proposition," he said.

<http://www.scoop.co.nz/stories/BU0705/S00663.htm>

Anchor Butter – their tagline is Anchor – pure New Zealand butter

<http://www.anchorbutter.com/AnchorButter.html>

¹ At its inception ten years ago, '100% Pure New Zealand' was primarily a visitor promotion strategy developed by Tourism New Zealand, the government's international marketing agency. It set out to encapsulate and promote New Zealand's unique and pristine environment and while the scenery, outdoors and un-crowded nature of the landscape were all a key focus of the marketing, '100% Pure New Zealand' was an appeal to visitors about the other things special to the country including food, wine and indigenous culture. It was really about an entire experience. The Lord of the Rings trilogy that began in

2001 was the catalyst for '100% Pure New Zealand' to reach a new level of domestic and international awareness. It was also the point when its environmental component became for many, the dominant one. Since then, '100% Pure New Zealand' has created an expectation for visitors based upon New Zealand's environmental credentials