



COVID-19 Tourism Industry Survey

Summary Report

May 2021

About the Survey

Purpose

To assess tourism industry sentiment through the current phase of the COVID-19 crisis. This is the fourth industry survey conducted by TIA over the past 12 months to track the state of the industry through the different phases we have experienced.

Context

COVID-19 has had, and continues to have, an unprecedented impact on the New Zealand tourism industry. We know the basic parameters in place over the current phase: reasonably strong domestic demand, zero international arrivals with our closed border, and the opening of the trans-Tasman bubble.

This survey of industry businesses and operators was conducted over 9-20 April 2021. This window followed the announcement by Government of the opening of the trans-Tasman bubble with Australia and included two days where the bubble was open.

The survey was developed by TIA with input from Tourism New Zealand and other industry parties that are looking towards creating an industry roadmap or perspective on how the recovery might look. It is pleasing to be on the start of the recovery, but all indications are that it will remain a challenging time for industry as it negotiates the weeks, months and years ahead. Nothing can be taken for granted.

The survey has been designed to establish some key indicators of the year past. A full 12 months on from the closure of New Zealand's border, what has been the impact on business turnover and jobs? Then, the survey asks respondents to look to the future – ability to scale up when the time is right, what areas of concern do they have, etc. Then we ask respondents to take a five-year look at the industry – how it will change and what do they expect for their businesses?

This creates a forward orientation for the industry, albeit knowing that there are plenty of challenges ahead.

Survey Method

This survey was undertaken internally using the survey tool SurveyMonkey. It was released to TIA members on Friday 9 April and closed on Tuesday 20 April. TNZ also distributed the survey via its networks on 13 April with the same closing point.

Total responses were 333.

Care is needed in interpreting the results of the survey as the respondents are clearly those businesses that are still operating, and not those who may have exited the industry. We note that 569 businesses responded to TIA's first COVID-19 survey, compared to 333 this time, a considerable drop-off which may reflect the loss of actively operating tourism businesses.

Key quantitative results are set out in this report, with some interpretation throughout. The two qualitative questions have been analysed to draw out the key themes.

Given that this was the fourth TIA survey through the COVID-19 period, some discussion of the longitudinal findings from these surveys is included.

Executive Summary

The survey quantifies the level of stress the tourism industry is under as a result of COVID-19, how it is managing through and how it sees the future.

Key quantitative findings

- The survey quantified the impact on tourism businesses after one full year of the COVID-19 period (compared to the previous year):
 - **48%** decline in Turnover of respondent businesses (n=323)
 - **40%** decline in the Workforce of respondent businesses (n=279)
- There was considerable spread of the decline in business turnover across the various industry sectors with Land Transport down 77%, whereas the least affected sector was Holiday Parks/Motels and other Accommodation, down by 29%.
- The 40% decline in the 225,384 people directly employed in the tourism industry equates to a drop of 90,000 people employed.¹
- Sectors with a high reliance on international visitation experienced the biggest decreases in workforce, with Culture and Heritage down 64%, whereas Holiday Parks were down by a relatively modest 26%.
- Over half of respondents were either 'operating but on a sharply reduced basis' (46%) or 'in hibernation' (6%), while one-third were staying in business pretty much as is (32%). In the first TIA COVID-19 survey, 33% of respondents were placing their businesses in hibernation for the foreseeable future, compared to 6% in the current survey.
- 57% of respondents assessed their businesses as being viable at half or less of normal business turnover. However, the other 43% of respondents require more than three quarters of their normal turnover to be viable, which indicates there will be considerable pressure to lift turnover levels to the viability thresholds for each business.
- 76% of respondents agreed the importance of the trans-Tasman bubble for their businesses. 95% of respondents are looking to the safe opening of travel from other countries as the key step to get their businesses back on track. Taken together, opening borders is the key objective, and a clear majority require this to be global rather than limited to the trans-Tasman.
- 64% of respondents were confident that they can meet their staffing needs as international travellers return, while 22% were not confident.
- Respondents were seeing shortages of the range of job types that made up about 90% of the work visa approvals for the year ended December 2019. 46% of respondents saw 'Other job types' as being of concern in terms of meeting their workforce needs.
- 24% of respondents considered it was easy to fill vacancies with New Zealanders, compared to 44% answering that it was hard. This result highlights the difficulty faced by the industry in hiring New Zealanders, especially in the places with high visitor density in relation to the resident population. For instance, 58% of Queenstown respondents could not readily find New Zealanders to fill vacancies, and only 10% responded that it was easy.
- In terms of re-establishing capacity, there were two key areas: 61% of respondents considered that 'Availability of labour' will be the biggest impediment they will face while 30% cited 'Lack of funds/access to capital'.

¹ Tourism Satellite Account, Year ended March 2020, Statistics New Zealand, 2020.

- A wide set of factors need to be considered and addressed to ensure a smooth recovery, with Workforce (59%), Quality (56%), Price and quality alignment (51%) and Welcoming New Zealanders (49) being the key factors.
- Responses indicate a clear role for industry to 'Identify issues and barriers' (58%) and to find solutions to them in the recovery process, whether by the industry itself (55%) or Government (53%). The need for a clear industry 'Leadership voice' was identified by 46% of respondents. While there is a role for government, there is a strong desire for industry self-determination in these responses.
- 65% of respondents considered that the most important thing the Government can do is to enable borders to be safely opened.
- At the next level, there are two key areas where respondents see Government assistance is needed: to assist with the rebuilding of the tourism workforce (51% of respondents) and to ensure that viable businesses can survive so they are ready and able to recover (48% of respondents).

Key qualitative findings

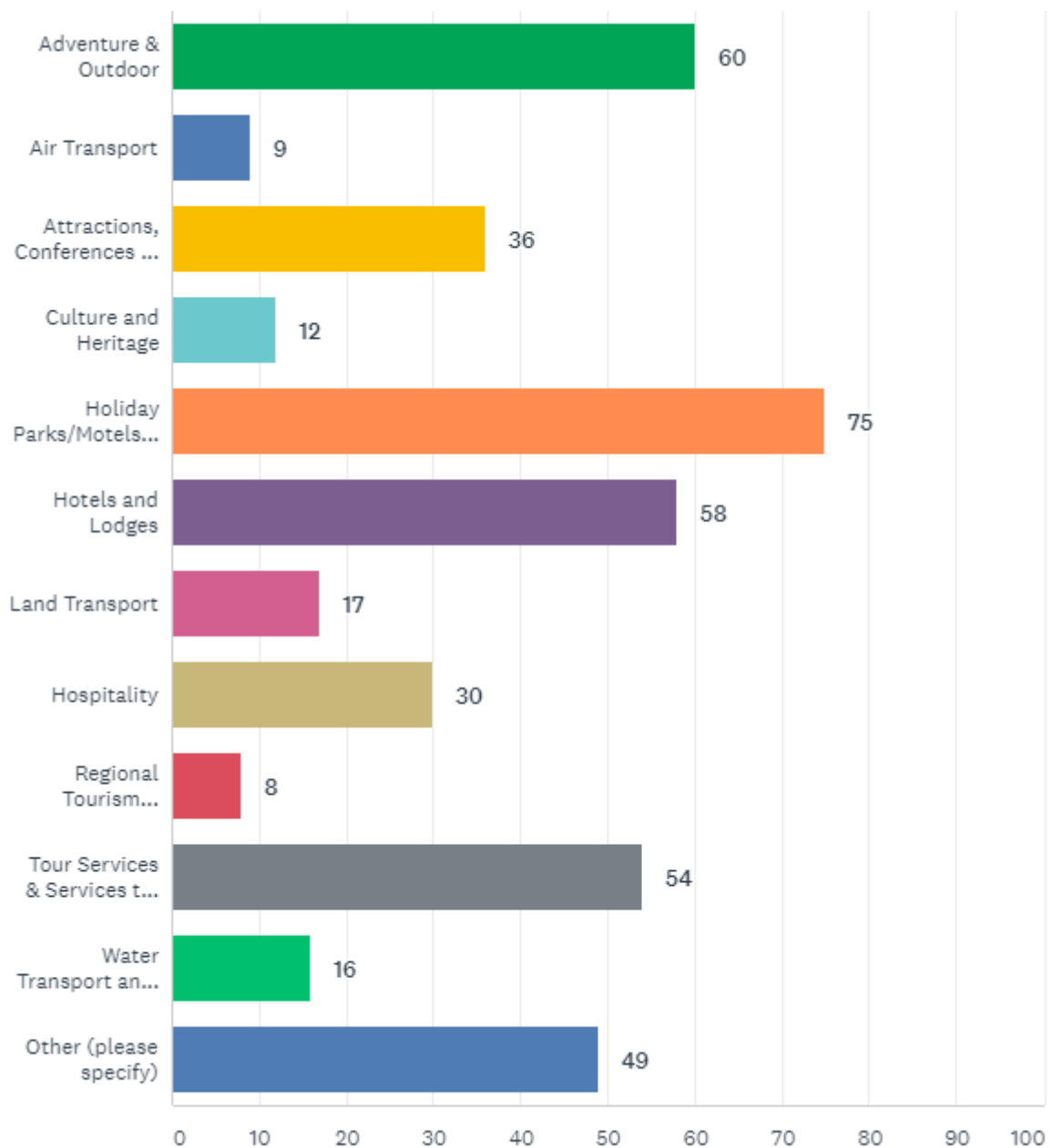
When asked '*in five years, what do you think will be the biggest permanent change in how tourism operates in Aotearoa New Zealand*', the following key themes emerged:

- The overarching theme is around the call for a high value sustainable industry; an industry where issues are dealt with, and which is also attractive and affordable for international and domestic visitors alike.
- As well as sustainability generally, other aspects of a balanced scorecard were mentioned separately, particularly carbon reduction, social licence and business sustainability.
- The preference for a high value industry was equally clear. Getting the balance right around value and volume was expressed by many respondents which indicates a clear industry desire to focus on value as opposed to volume.

When asked '*in five years, what do you expect the state of your business to be?*', the following key themes emerged:

- The overwhelming theme is that respondents were looking positively to the future beyond the COVID-19 period. A smaller group was more cautious.
- 53% of respondents expected to be doing well at higher levels to their pre-COVID positions, 22% expected to be doing well at similar levels, 11% expected to be operating but at a reduced level, and 7% were not likely to be there in five years' time due to business closure, retirement or business sale. 5% did not know.
- These results paint a picture of an industry looking to the future with a good degree of positivity, with a large majority (86%) expecting to be in business and doing reasonably well. It is likely that the 7% not making it through five years is in line with normal business attrition (including business closure, retirement or business sale).

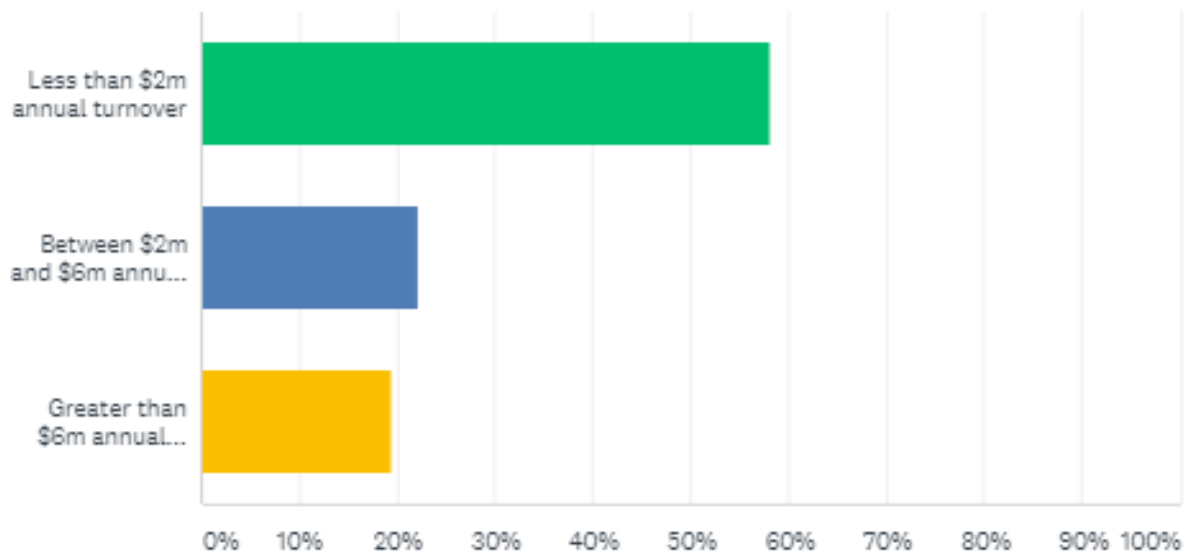
Q2: Industry sector



Q3: Region of Operation

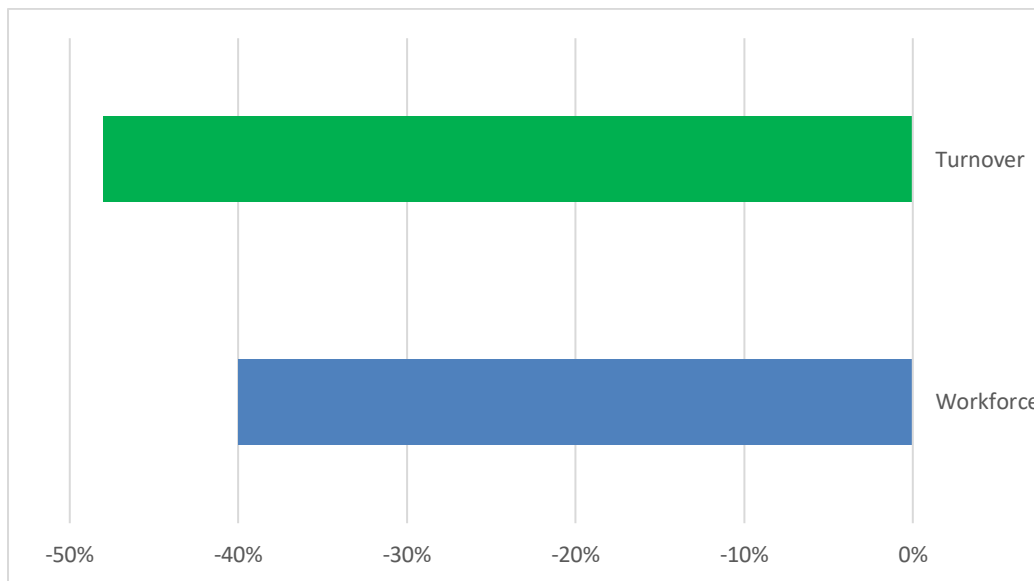
ANSWER CHOICES	RESPONSES	
Auckland	8.41%	28
Bay of Plenty	3.00%	10
Canterbury	0.00%	0
Central Otago	2.40%	8
Chatham Islands	0.00%	0
Christchurch/Canterbury	11.11%	37
Clutha	0.60%	2
Coromandel	3.30%	11
Dunedin	3.30%	11
Fiordland	2.70%	9
Gisborne/Eastland	0.00%	0
Hawkes Bay	1.80%	6
Hurunui	1.80%	6
Kaikōura	2.10%	7
Manawatu	0.90%	3
Marlborough	3.30%	11
Mt Cook/Mackenzie	4.20%	14
Nelson/Tasman	5.41%	18
New Zealand wide	22.82%	76
Northland	6.31%	21
Otago	0.00%	0
Overseas	2.70%	9
Queenstown	9.31%	31
Rotorua	3.60%	12
Ruapehu	3.90%	13
South Otago	1.50%	5
Southland/Stewart Island	3.60%	12
Taranaki	0.60%	2
Taupō	2.70%	9
Waiheke Island	1.20%	4
Waikato	3.60%	12
Wairarapa	0.90%	3
Waitaki	0.90%	3
Wanaka	4.80%	16
Wellington	4.50%	15
West Coast	7.51%	25
Whanganui	0.90%	3
Total Respondents: 333		

Q4: Business size (in a normal year)



ANSWER CHOICES	RESPONSES	
Less than \$2m annual turnover	58.26%	194
Between \$2m and \$6m annual turnover	22.22%	74
Greater than \$6m annual turnover	19.52%	65
TOTAL		333

Q5, Q6: Business turnover and workforce decline from normal year



These results establish a clear quantification of the actual impact on tourism businesses through the COVID-19 period:

- **48%** decline in Turnover of respondent businesses (n=323)
- **40%** decline in the Workforce of respondent businesses (n=279)

These results are important as they establish clear parameters of the impact on industry operators. Notably, these results are consistent with the experience of the tourism industry over the last year where there has been reasonably buoyant domestic tourism and virtually no international tourism.

Business Turnover

Operating at half capacity in terms of business turnover aligns with the statistical and anecdotal record of the period, although this varies considerably by sector and by location.

Analysis by sector shows that the biggest turnover changes were in sectors that had a high reliance on international visitation. For instance, Land Transport (down 77%), Tour Services and Services to Tourism (down 76%), Culture and Heritage (down 59%), Water Transport and Cruise (down 59%), Air Transport (down 52%), Adventure and Outdoor (down 49%) and Hotels and Lodges (down 41%) all experienced significant reductions. The least affected industry sector was Holiday Parks, down 29%.

The change in turnover was reflected regionally with places like Queenstown (down 54%), Christchurch/Canterbury (down 51%) and West Coast (down 49%) reporting significantly reduced turnover.

Workforce

The 40% decline in the 225,384 people directly employed in the tourism industry equates to a drop of 90,000 people employed.² Applying the 40% ratio across both direct and indirect tourism employment (384,186) indicates a reduction of total tourism employment in the region of 150,000.

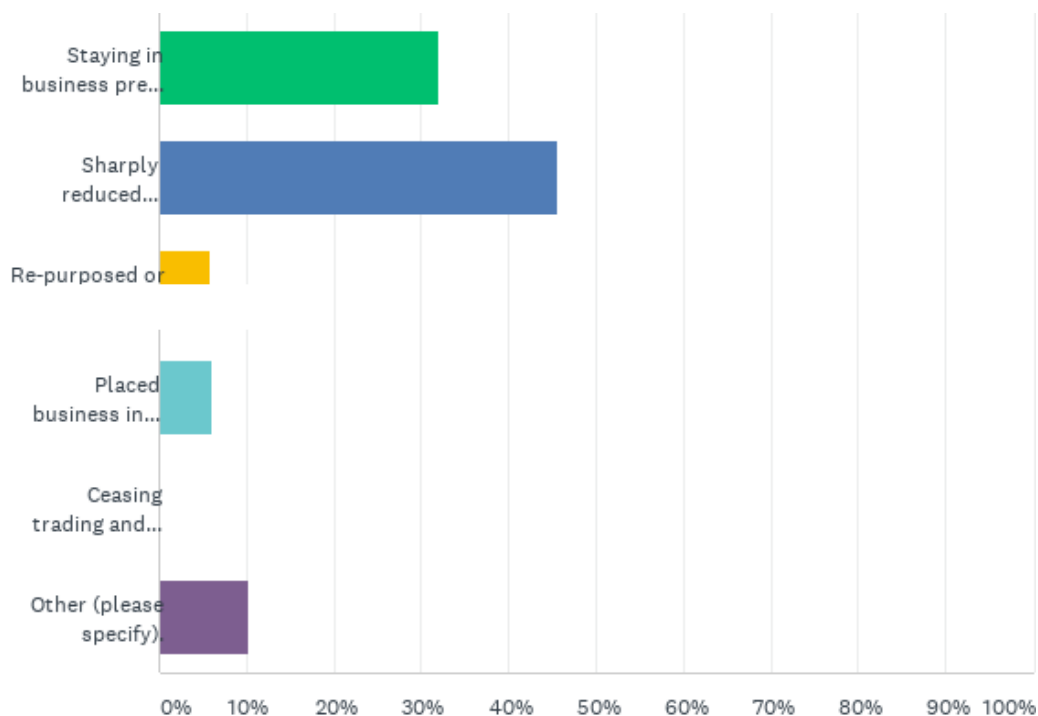
Sectors with a high reliance on international visitation experienced similar decreases in workforce, specifically Culture and Heritage (down 64%), Tour Services and Services to Tourism (down 61%), Land Transport (down 56%), Water Transport and Cruise (down 52%),

² Tourism Satellite Account, Year ended March 2020, Statistics New Zealand, 2020.

and Adventure and Outdoor (down 43%). Holiday Parks were down by a relatively modest 26%.

Workforce analysis shows the lower South Island (Waitaki and below) and lower North Island (Taupō and below) both experienced higher average workforce decreases (down 53% and 44% respectively) than their counterparts in the upper North and South Islands (28% and 37% respectively).

Q7: What is the current status of your business?



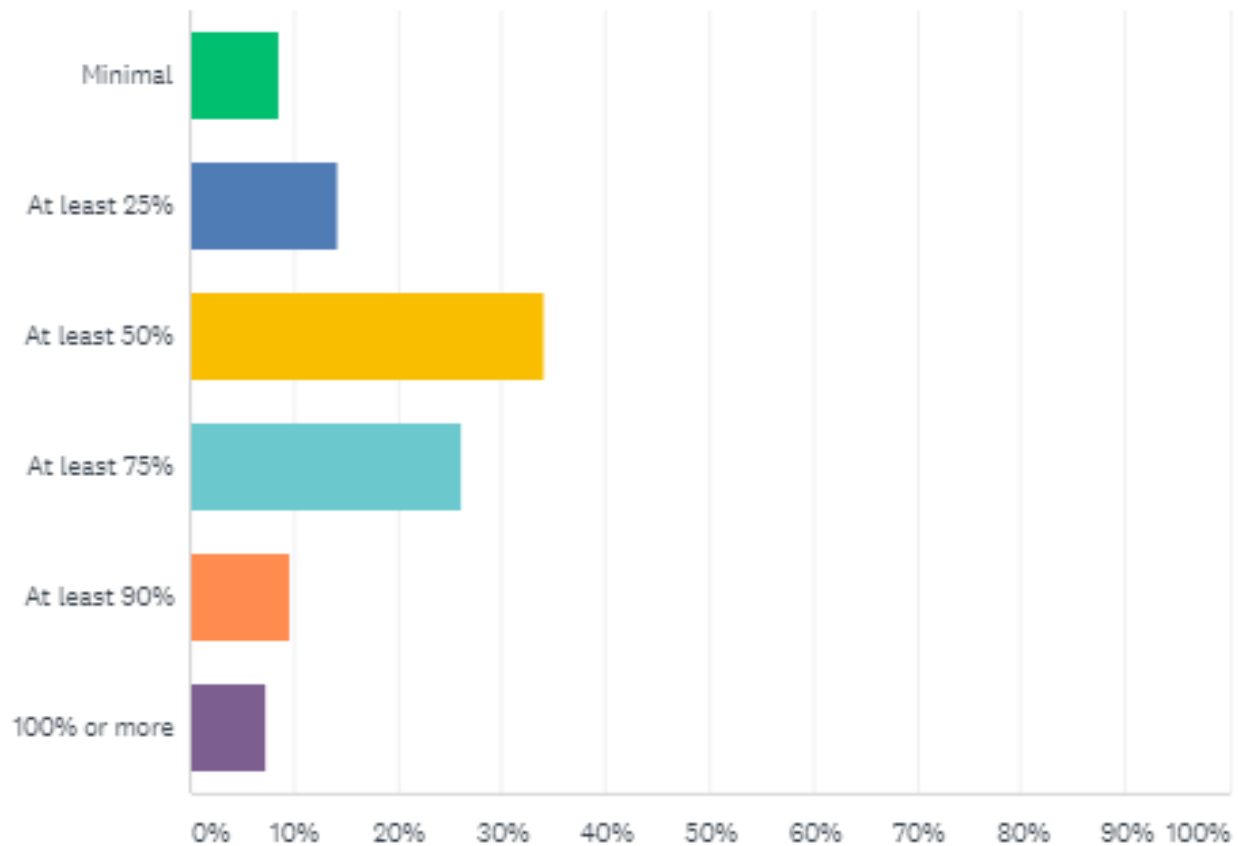
ANSWER CHOICES	RESPONSES	
Staying in business pretty much as is.	31.91%	105
Sharply reduced business size, but continuing to operate.	45.59%	150
Re-purposed or pivoted to other business opportunities.	5.78%	19
Placed business in hibernation.	6.08%	20
Ceasing trading and folding the business.	0.30%	1
Other (please specify).	10.33%	34
TOTAL		329

These results reflect the nature of the operators that are still active in the industry.

Over half of respondent were either 'operating but on a sharply reduced basis' (46%) or 'in hibernation' (6%), while one-third were staying in business pretty much as is (32%).

In the first TIA COVID-19 survey, 33% of respondents were placing their businesses in hibernation for the foreseeable future, compared to 6% in the current survey. Clearly, some operators have exited the industry, either temporarily or permanently.

Q8: For the ongoing viability of your business, what level of your pre-COVID turnover to achieve?

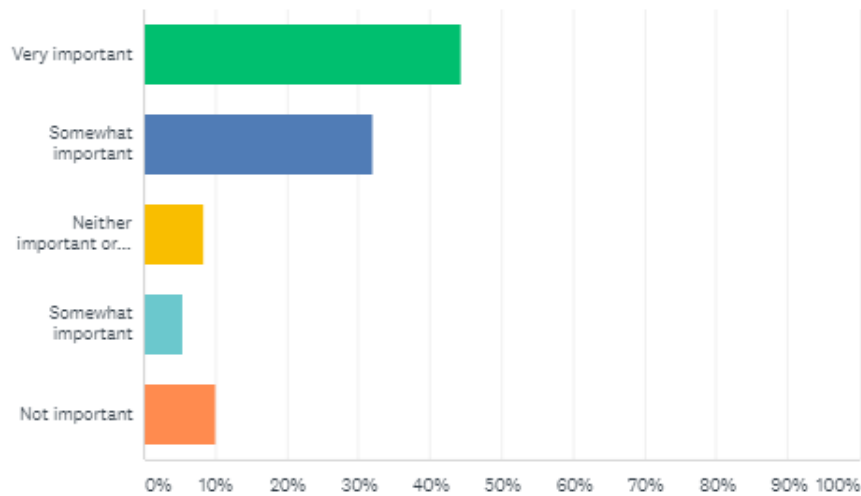


ANSWER CHOICES	RESPONSES	
Minimal	8.51%	28
At least 25%	14.29%	47
At least 50%	34.04%	112
At least 75%	26.14%	86
At least 90%	9.73%	32
100% or more	7.29%	24
TOTAL		329

This result indicates that most tourism businesses can continue to operate at significantly reduced business levels for the COVID-19 period. 57% of respondents assessed their businesses as being viable at 50% or less of normal business turnover.

However, this does mean that the other 43% of respondents need 75% or more of normal turnover to be viable. With this level being greater than the 48% turnover decline experienced by all respondents, there is likely to be considerable pressure to lift turnover levels to the viability thresholds for each business.

Q9: How important is the trans-Tasman travel bubble for your business?

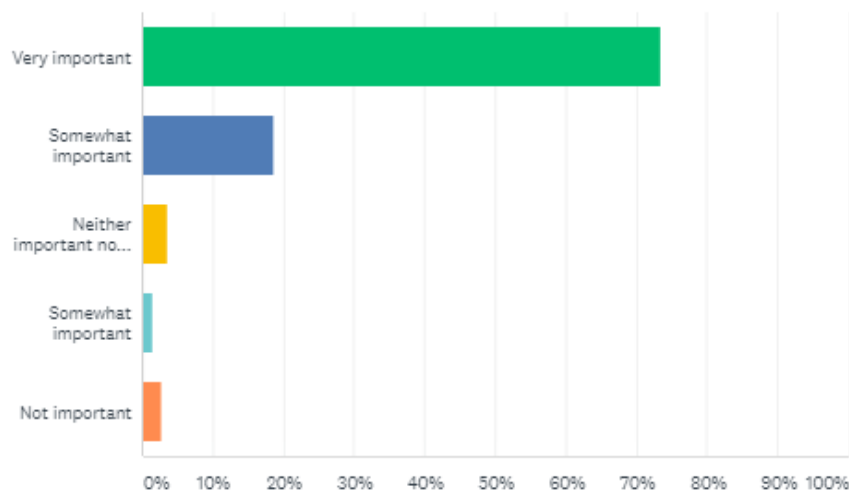


ANSWER CHOICES	RESPONSES	
Very important	44.28%	147
Somewhat important	31.93%	106
Neither important or unimportant	8.43%	28
Somewhat important	5.42%	18
Not important	9.94%	33
TOTAL		332

This result indicates the importance of the trans-Tasman bubble for the majority of respondents (76%).

Of interest is that this level is considerably lower than the 95% result for the 'safe opening of travel from other countries' (refer Question 10). This would indicate that while the trans-Tasman bubble is a very important step for many businesses, it is not that whole answer for those businesses that operate with the wider range of other international markets.

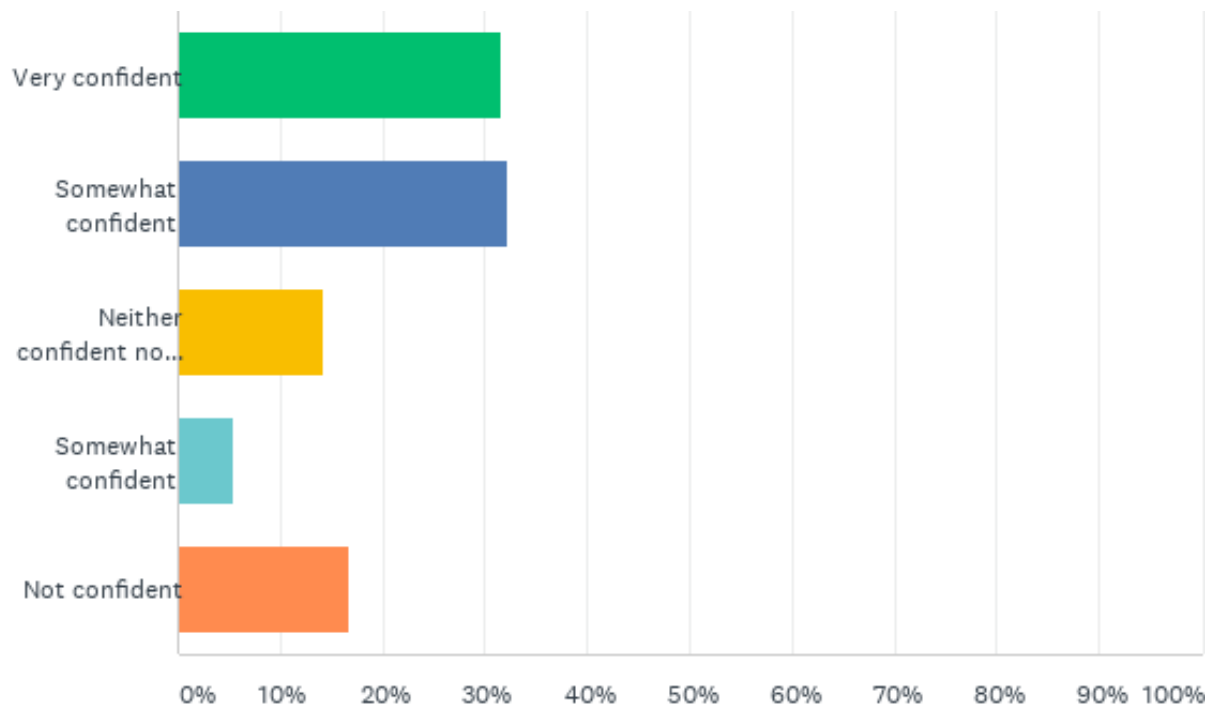
Q10: How important is the safe opening of travel from other countries for your business?



ANSWER CHOICES	RESPONSES	
Very important	73.49%	244
Somewhat important	18.67%	62
Neither important nor unimportant	3.61%	12
Somewhat important	1.51%	5
Not important	2.71%	9
TOTAL		332

As would be expected, the large majority of respondents (95%) are looking to the safe opening of travel from other countries as the key step to get their businesses back on track.

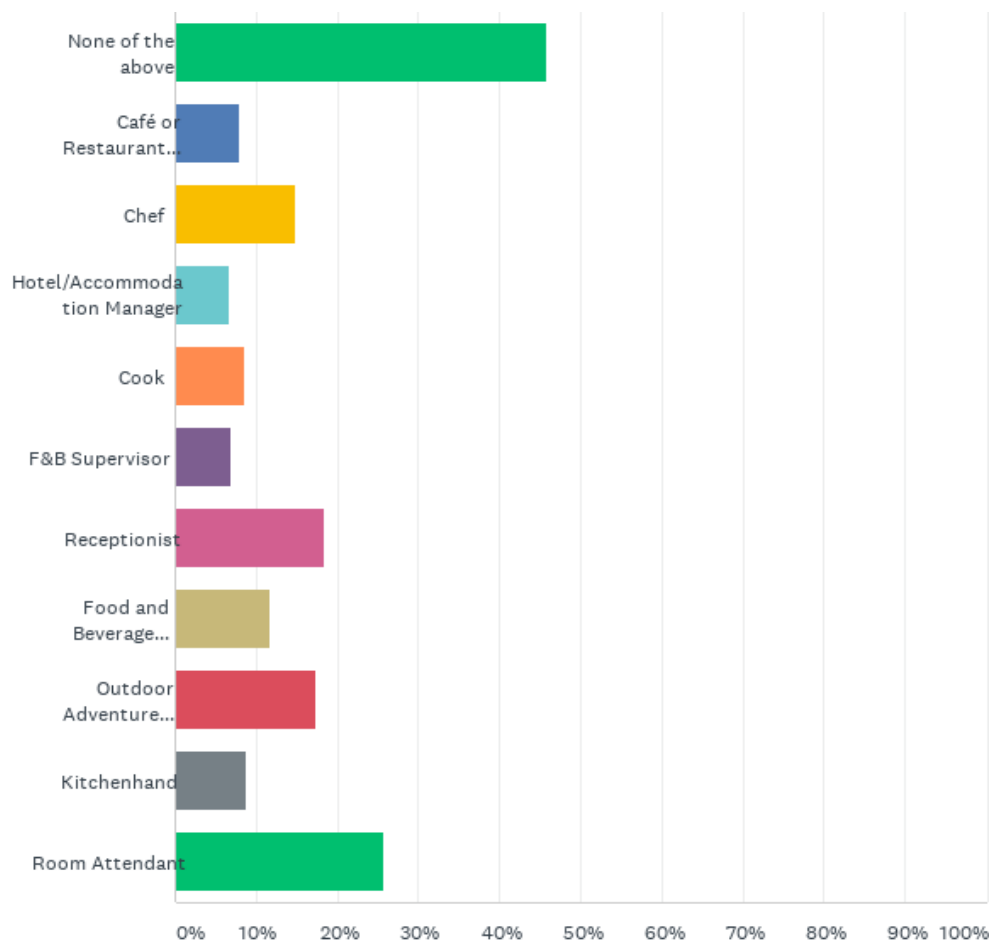
Q11: How confident are you that you will meet staffing needs as international travellers return, for example through a trans-Tasman bubble?



ANSWER CHOICES	RESPONSES	
Very confident	31.52%	104
Somewhat confident	32.12%	106
Neither confident nor unconfident	14.24%	47
Somewhat confident	5.45%	18
Not confident	16.67%	55
TOTAL		330

64% of respondents were confident that they can meet their staffing needs as international travellers return, while 22% were not confident. It is interesting to consider this result in relation to Question 15 where 61% of respondents considered the 'availability of labour' would be the biggest impediment to returning to pre-COVID levels of business.

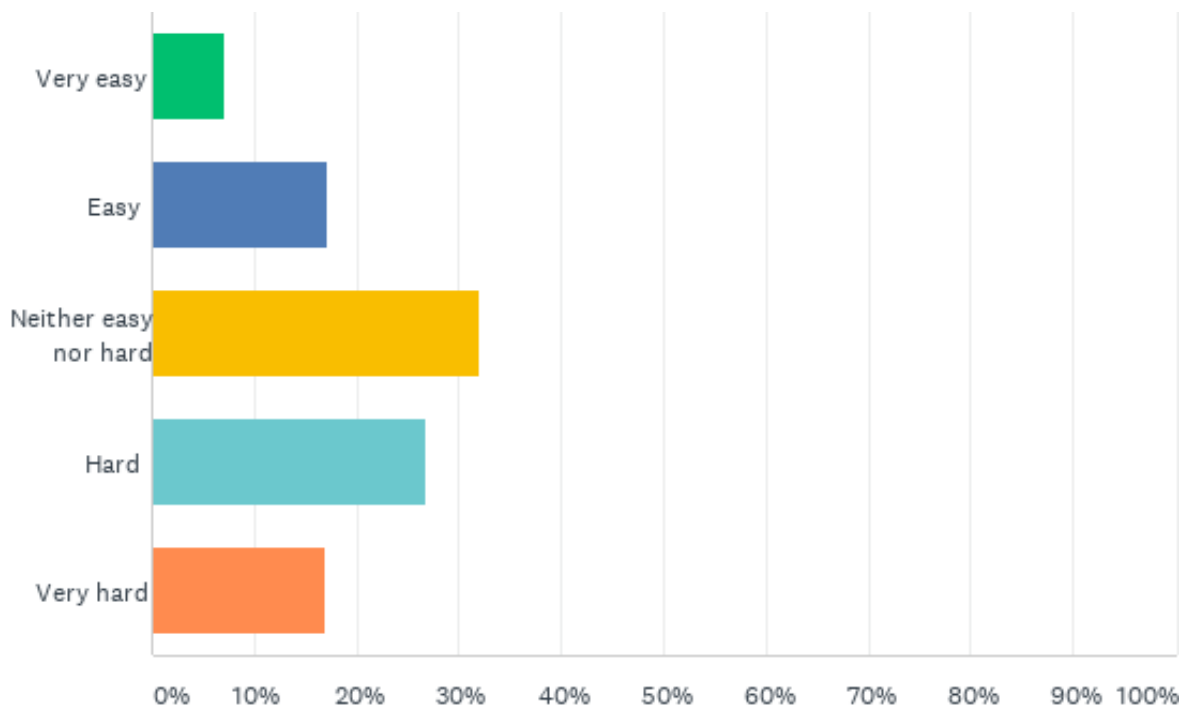
Q12: When you have staff shortages, are they of the following industry job types?



ANSWER CHOICES	RESPONSES	
None of the above	45.71%	144
Café or Restaurant Manager	7.94%	25
Chef	14.92%	47
Hotel/Accommodation Manager	6.67%	21
Cook	8.57%	27
F&B Supervisor	6.98%	22
Receptionist	18.41%	58
Food and Beverage Attendant	11.75%	37
Outdoor Adventure Guides	17.46%	55
Kitchenhand	8.89%	28
Room Attendant	25.71%	81
Total Respondents: 315		

This result highlights that respondents are seeing shortages of the job types that made up about 90% of the work visa approvals YE Dec 2019. 46% of respondents saw other job types as being areas of concern in terms of meeting their workforce needs.

Q13: Where you are filling vacancies, how readily can you fill these with New Zealanders?

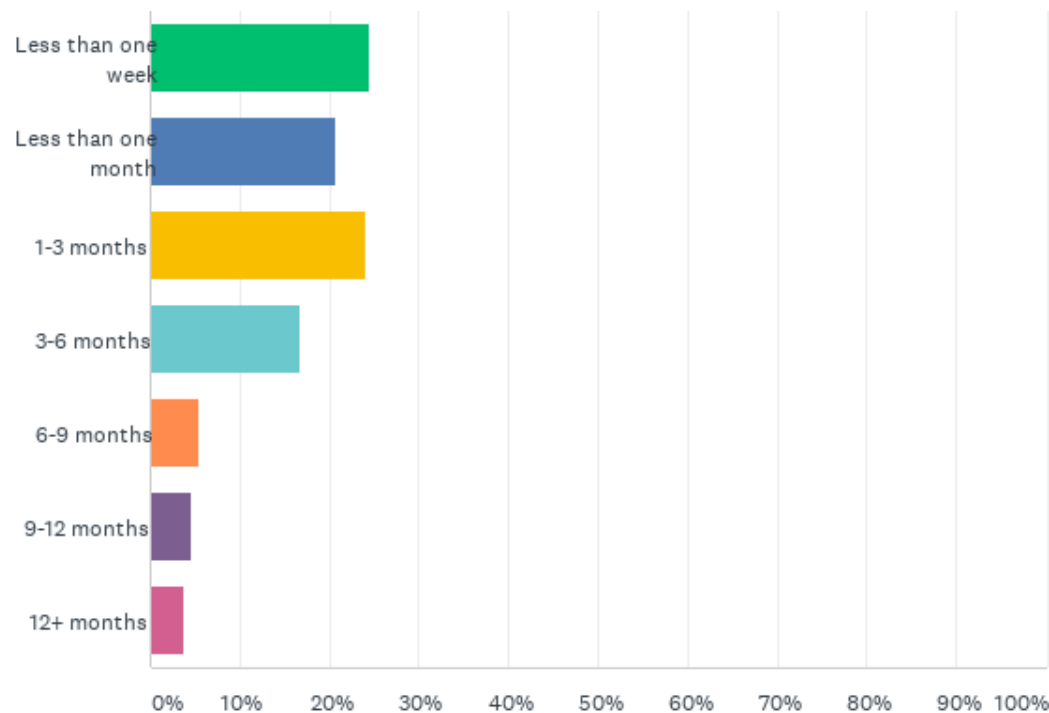


ANSWER CHOICES	RESPONSES	
Very easy	7.03%	22
Easy	17.25%	54
Neither easy nor hard	31.95%	100
Hard	26.84%	84
Very hard	16.93%	53
TOTAL		313

This result indicates that filling vacancies with New Zealanders is an area of concern, with 24% answering that it was easy, compared to 44% answering that it was hard. This result highlights the difficulty faced by the industry in hiring New Zealanders, especially in the places with high visitor density in relation to the resident population.

At a region level, there is considerable spread. Notably, 58% of Queenstown respondents could not readily find New Zealanders to fill vacancies, and only 10% of these respondents said that it was easy.

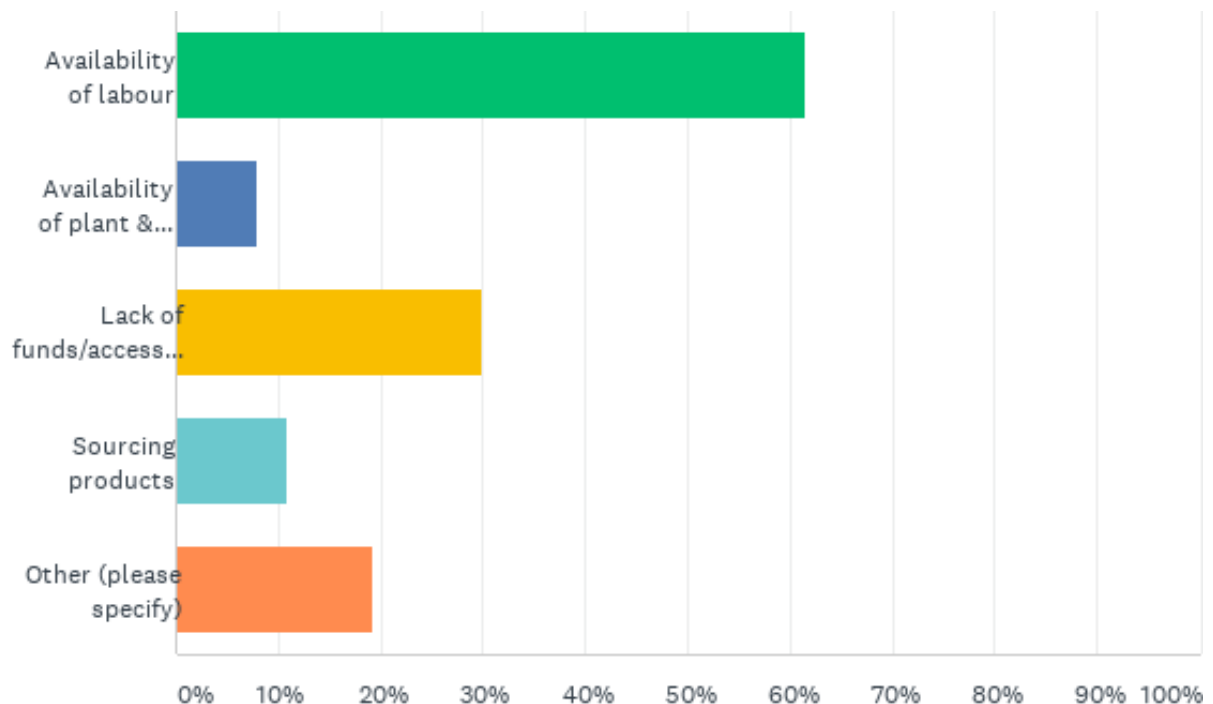
Q14: If demand returned to pre-COVID levels, how quickly could your business return to its pre-COVID capacity (assets and labour)?



ANSWER CHOICES	RESPONSES	
Less than one week	24.46%	80
Less than one month	20.80%	68
1-3 months	24.16%	79
3-6 months	16.82%	55
6-9 months	5.50%	18
9-12 months	4.59%	15
12+ months	3.67%	12
TOTAL		327

This result indicates that there is considerable ability for tourism businesses to restore their capacity should demand return. 86% of respondents indicated that they could return to pre-COVID levels within six months, with 45% within just one month.

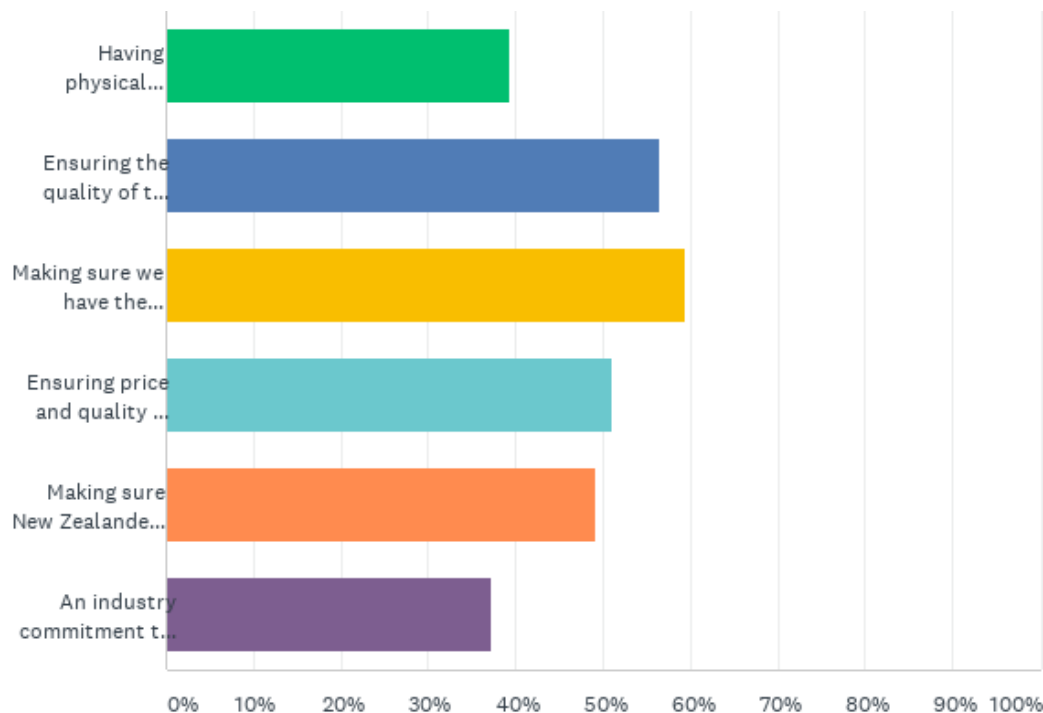
Q15: If demand returned to pre-COVID levels, what would the main impediments be to returning your business to its pre-COVID capacity?



ANSWER CHOICES	RESPONSES	
Availability of labour	61.46%	185
Availability of plant & equipment	7.97%	24
Lack of funds/access to capital	29.90%	90
Sourcing products	10.96%	33
Other (please specify)	19.27%	58
Total Respondents: 301		

This result indicates industry concern around two key areas, with 61% of respondents considering that the 'Availability of labour' will be the biggest impediment they will face, while 30% cited 'Lack of funds/access to capital' would be an impediment.

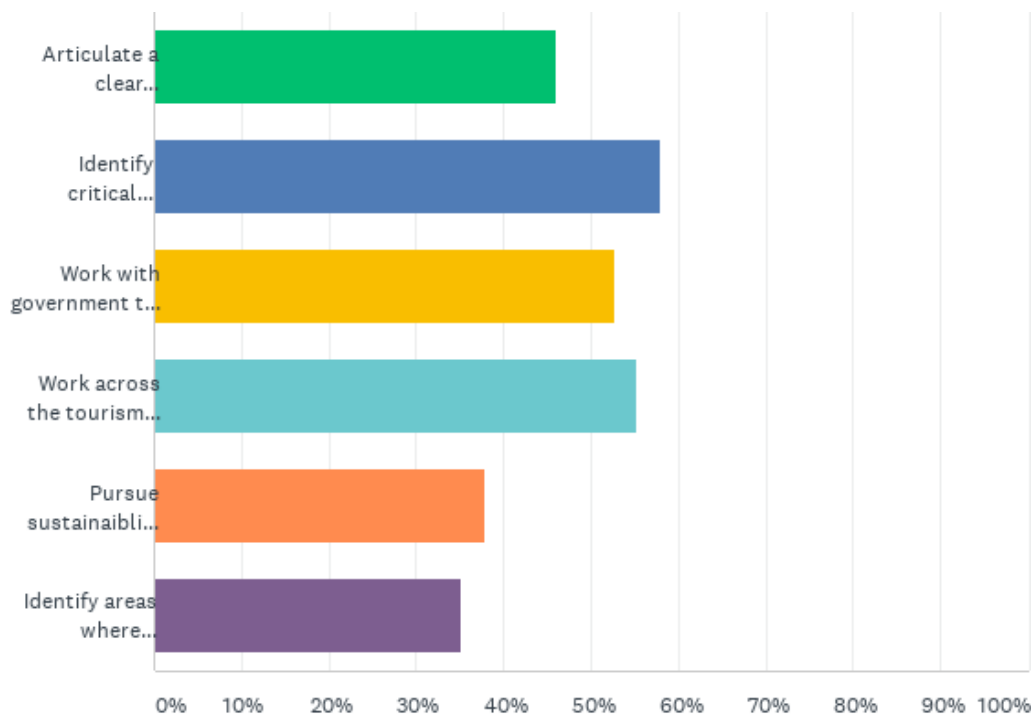
Q16: For the wider tourism industry, what do you see as the key factors that need to be considered to ensure a smooth recovery?



ANSWER CHOICES	RESPONSES	
Having physical capacity to meet demand levels	39.34%	131
Ensuring the quality of the tourism service on offer	56.46%	188
Making sure we have the workforce in line with demand	59.46%	198
Ensuring price and quality of product are in alignment	51.05%	170
Making sure New Zealanders are welcoming visitors back	49.25%	164
An industry commitment to sustainability	37.24%	124
Total Respondents: 333		

This result indicates that a wide set of factors need to be considered and addressed in order to ensure a smooth recovery, with Workforce (59%), Quality (56%), Price and quality alignment (51%) and Welcoming New Zealanders (49%) being the key factors. This indicates that a balanced approach is needed to navigate the recovery process and that there are risks if this is not the case.

Q17: What actions should industry itself be taking to assist the industry recovery out to December 2022?



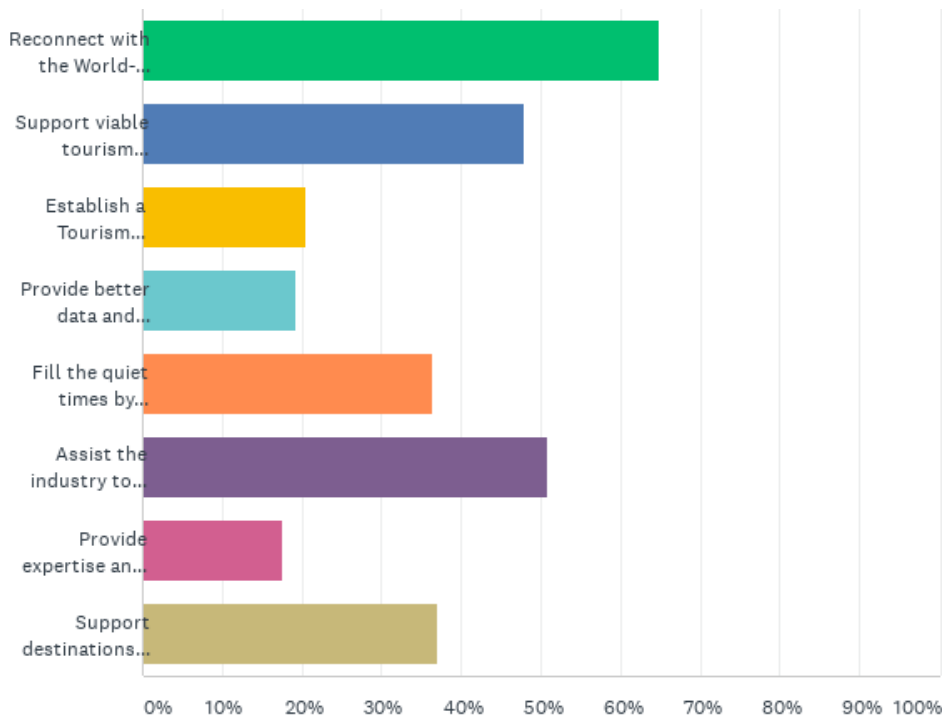
ANSWER CHOICES	RESPONSES	
Articulate a clear leadership voice to galvanise action across the industry	46.06%	152
Identify critical barriers to industry recovery and the steps needed to address them	57.88%	191
Work with government to find solutions to critical barriers to ensure appropriate recovery	52.73%	174
Work across the tourism industry to find solutions to critical barriers to ensure appropriate recovery	55.15%	182
Pursue sustainability as the central platform for industry recovery - immediate and long-term	37.88%	125
Identify areas where communities may be most impacted by the recovery of tourism	35.15%	116
Total Respondents: 330		

The responses indicate a clear role for industry to identify issues and to find solutions to them in the recovery process, whether by government or the industry itself.

Once again, the responses are well spread, indicating that industry needs to be advancing a broad set of actions, including 'Identifying critical barriers' (58%), 'Finding industry solutions to those barriers' (55%), and where needed to 'Work with Government on solutions' (53%).

A clear industry 'Leadership voice' was seen as important for 46% of respondents.

Q18: What actions should government be taking to assist the industry recovery out to December 2022?



ANSWER CHOICES	RESPONSES	
Reconnect with the World- develop and implement a Border Reopening Plan.	64.76%	215
Support viable tourism businesses through the tough phase of the COVID-19 cycle.	47.89%	159
Establish a Tourism Innovation Fund to support product development and productivity.	20.48%	68
Provide better data and research to inform and improve industry decision-making.	19.28%	64
Fill the quiet times by stimulating off-peak domestic tourism, such as with a Kiwi Travel Card.	36.45%	121
Assist the industry to rebuild its workforce, including training and up-skilling. Include access to overseas workers.	50.90%	169
Provide expertise and other support to assist businesses navigate the challenges of training to recovery.	17.47%	58
Support destinations and regions to develop and implement Destination Management Plans.	37.05%	123
Total Respondents: 332		

The most important thing the Government can do is to enable borders to be safely opened (65% of responses). As set out in Question 9 and 10, the majority of respondents looking to getting borders open as being key for industry recovery are seeing this as the key role of Government.

At the next level are two key areas where Government assistance is needed. Firstly, to assist with the rebuilding of the tourism workforce (51% of respondents) and secondly, to ensure that viable businesses can survive the COVID-19 trough so they can be ready and able for the recovery (48% of respondents).

Q19: In five years, what do you think will be the biggest permanent change in how tourism operates in Aotearoa New Zealand?

286 respondents provided additional comments.

Topic of Comment	Frequency
Sustainability	68
Less volume and more value	48
Limit numbers	21
Manage Freedom Campers	17
Domestic tourism	16
Go back to what it was	11
Carbon reduction	9
Social licence	9
Workforce	8
Affordable and value	7
Fewer operators	7

The overarching theme is around the desire for a sustainable high value industry; an industry where issues are dealt with, and which is also attractive and affordable for domestic travellers. There were a lot of crossovers within the comments with sustainability, managing volume and value being used interchangeably in many cases.

As well as sustainability being the most mentioned individual topic in its own right, other aspects of a balanced scorecard were mentioned separately, particularly carbon reduction, social licence and business sustainability.

The preference for a high value industry was equally clear with value/volume expressed by many respondents, with a good number of others commenting that there should be a limit on numbers. Putting the two together clearly indicates a desire to see a reset of the industry in terms of the quantum of visitors and value they contribute to Aotearoa New Zealand.

Sitting at the next level are some interesting signals on other important matters:

- Freedom camping was a widely cited concern with a clear call to manage it effectively to reduce its damage to the fabric of the industry.
- Domestic tourism, and the need to ensure New Zealanders are viewed equally to international visitors, came through strongly. An aspect of this was around needing to keep pricing within range of domestic travellers.
- There were comments that the industry would just go back to what it was, without addressing the key issues. These comments questioned the will to drive the changes needed and the opportunity lost if this was the case.
- Keeping the industry affordable and offering value was a theme, with respondents applying this thinking to both international and domestic visitors.

There were comments that highlighted the need to recover on a sustainable basis across the economic, community and environment spectrum. For instance:

- *Climate Change is the biggest permanent change. Tourism operates with the attitude of respect for cultures, environment and conservation.*
- *Sustainability: Quality tourism vs mass tourism to carefully manage impact on the environment and communities.*
- *Each and every business will be operating a more sustainable business model where the tourism workforce affords a more balanced lifestyle, one that can afford to keep up with cost of living and enjoy a better quality of life.*

- *Ensuring viable business models. Making sure there is enough capital to sustain businesses throughout the tough times.*
- *Social licence strongly in place as an outcome of enhanced infrastructure and effective attendance to the four capitals.*
- *Moving with the climate crisis & addressing this by reducing visitor numbers & ensuring key attractions are protected so there is a future for tourism.*
- *Sustainability and social licence (to operate) will become common parlance for the wider industry and not just small sections.*
- *I would like to think that sustainability is ingrained into what we do – encompassing environmental/social/financial sustainability. COVID has also highlighted that niche products for one market are unsustainable in the long term, and products and offerings will need to be attractive to domestic tourists in the first instance to ensure long term ongoing support.*
- *Greater focus on sustainable high value visitors. This will require a definition or description of what is meant by high value.*
- *Hopefully, we will have worked out better sustainability policies that are easily achievable.*
- *Much more focus on quality sustainable tourism growth - not just open the door to anyone.*
- *Sustainable tourism for the quality, and type of tourist. Including sustainability of our domestic market.*

There were comments on specific industry issues. For instance:

- *Less reliance on thinking government has all the answers and taking more responsibility for its own actions.*
- *Please do something about allowing freedom camping (either with self-contained toilet or without) to not be allowed within 5-10km of existing camping grounds. The existing camping grounds offer toilets, showers, power, water, rubbish removal and screening at a very economical cost.*
- *Controlling the bounce back in numbers to be of quality spenders, not cheap budget travellers who dumb down the products and bring bad habits with them.*
- *We have to drop the romantic ideal of the 1970's that NZ is a place where you can roam for free and often at the expense of residents who pay for toilets, rubbish collection, rates etc. to give others a free holiday.*
- *A more sustainable approach with careful management of tourist numbers.*
- *Better planning at destination level underpinned by truly sustainable principles.*
- *Sustainable businesses will be the most successful. Less people overall visiting. Not as many businesses reliant on tourism.*
- *Sorting out the workforce blend - between visa staff and New Zealanders seeing tourism as a career of choice*

There were comments on the future tourism demand. For instance:

- *Travelling will become more expensive (prices for flights to NZ etc.) for guests from EU. NZ will face more guests that are able to pay more for their holidays but they also expect more for their money (better accommodation with sustainable policies, etc.)*
- *Industry needs to encourage more domestic business by providing NZ Resident prices.*
- *Reduced levels of mass tourism - cheap holidays will less likely be an option, as long-term sustainability and impacts on regions and climate are taken into account.*
- *As long as we don't price ourselves out of the market. I hope to see more kiwis continue to see NZ as their top destination, not overseas travel!*
- *In the immediate future much will depend on the world economy, and whether New Zealand remains affordable.*
- *Realisation that we have a high value product and should protect it as such. More emphasis on attracting the high value tourist. Not so attractive for backpackers and freedom campers.*

There were comments on the risks of doing nothing. For instance:

- *I believe tourism will go back to the way it was as there are no restrictions as to who and how many tourists will enter our borders.*
- *I am not convinced there will be a change. I think when the borders open we will all go back to how it was pre-COVID*
- *Sadly, I think it will go back to being much the same as it was pre-COVID and the reimagining, re-positioning talkfest will be just that, a talk fest. To the detriment of our long-term future.*
- *I fear there will be no change and in five years' time we will be questioning why it didn't happen as planned. Without clear leadership and a well-defined plan of action to bring about change, then there is little scope of anything occurring. It must be owned by those who have influence to make change happen.*

Q20: In five years, what do you expect the state of your business to be?

308 respondents provided additional comments.

Topic of Comment	Frequency
Better/good shape/thriving	137
Okay/similar/normal	60
Back, but reduced	28
Sustainable earnings/business models	27
Don't know/unsure	16
Business sold/retired	14
May not be there	9
Good if borders open	7
Smaller and dynamic	5

The overwhelming theme is that respondents were optimistic for the future five years out with 53% expecting to be doing well (combining the Better/good/thriving group and the Sustainable business models group). 22% are expecting to be doing well at similar levels to their pre-COVID positions. 11% were expecting to be operating but at a reduced level, with a further 7% not likely to be there in five years' time due to business closure, retirement or business sale. 5% did not know where they would be in five years' time.

These results paint a picture of an industry that is looking to the future with a good degree of positivity, with a large majority (86%) expecting to be in business and doing reasonably well. The 7% not making it through five years due to business closure, retirement or business sale is likely to be in line with normal business attrition.

While this positive sentiment prevailed, there were comments that highlighted the caution the sits alongside the positivity. For instance:

- *Back to 70-80%. Provided there are no new Pandemics, and the present worldwide COVID border closures are all lifted, we should be back to 70-80% of business levels. This is due to our core customer(s) demographic being older visitors and I envisage that less will be travelling.*
- *Hopefully better than it is now, but that is going to depend on how much further NZ opens its border to other countries around the world, and how much more domestic travel is encouraged.*
- *Hopefully back to pre-COVID levels. However, this will be subject to the world managing COVID and borders opening.*
- *Very dependent on what happens with Pandemics going forward, but I would hope that the new normal will give us a recovery close to (maybe 90%) of what we had before.*
- *We are going to go through tough times. We can see our tours operating with low numbers for some time to come. This will make tours uneconomic and unviable in the short term to medium term. It is a case of whether we can hang in there long enough.*
- *Still be running, survived the challenging times post covid, engaging more with domestic tourism.*
- *I hope we are still operating strongly but this depends on whether we have access to global tourists by then. We can't expect the NZers to support us for the next 5 years.*
- *I hope we're going to be going well. We've cut our operating costs a lot so hopefully we're more efficient coming out of this.*

Others commented on strengthening their businesses to come back with a stronger and sustainable business. For instance:

- *Sustained recovery, improved systems, significant growth. We will be operating a sustainable business model, a positive contributor to the community and wider tourism sector.*
- *To have a future we need to significantly increase yield. So will be focusing on economic sustainability and will not be entering into discounting of product. Hopefully, others in the industry feel the same - the focus needs to be on value rather than low prices.*
- *Sustainable, more connected focused on quality over volume*
- *I expect us to have completed a reimagining of our business taking it in a new direction of quality over quantity.*
- *Business at a sustainable level so we have surety to employ, invest and be an asset to our community.*
- *In a good state as we are gearing ourselves to be more productive and sustainable.*

Others simply expressed a very positive outlook. For instance:

- *Much better and hopefully flourishing again.*
- *We have been in development over the last 3 years with a year's delay due to Covid like everyone else. By Year 5 we expect to be fully operational and making a healthy profit from our domestic tourism, education and international markets.*
- *In five years, we will be booming.*
- *Back to pre-COVID levels, but leaner and meaner, with more efficiency and with improved effectiveness through technology.*
- *Strong and flourishing with the discerning high value spenders looking for quality experiences.*
- *Generating sustainable profit based on desirable, quality product.*
- *Growth to and beyond 2019 levels of revenue and delivering a sustainable and improved product and service in a welcoming host community.*
- *Booming as we provide a world class service at a world class destination- all built on sustainable interactions with a unique environment.*
- *Very healthy and stronger than ever (if we make it through this year!).*
- *Hopefully out of the red zone, helping to sustain Maori whānau with great wages.*

Others commented on the uncertainty ahead. For instance:

- *Absolutely no idea as we haven't even found a pathway out of the lockdown as yet and this could impact our business for the next 2-3 years which would mean that we will have no business.*
- *If no cruise ships this season, we will more than likely fold.*
- *Very hard to say, trying to survive for now with zero support.*