



# **COVID-19 Tourism Industry Survey**

Summary Report – July 2020

## About the Survey

### Purpose

To establish an assessment of the responses and support needs of the tourism industry through the COVID-19 period. This survey is the second of the series. The first was conducted in April during the Level 4 lockdown, with this July survey conducted at Level 1 with borders closed but with unrestricted domestic tourism.

### Context

COVID-19 has severely impacted societies and economies globally, with a range of outcomes. New Zealand is in a position where COVID-19 has been contained internally and with strict entry requirements to manage the return of New Zealanders. Active COVID-19 cases are limited to those returning travellers within the isolation and quarantine facilities. There has been no community transmission for an extended period, thereby allowing unrestricted movement of people within New Zealand.

With domestic travel permitted, the tourism industry has restarted and over weekend, public holiday and school holiday periods domestic demand has been buoyant. It seems the pent-up demand from the lockdown has resulted in increased activity. In addition, some Kiwis who might have travelled offshore are now travelling domestically. While this domestic activity is positive, it cannot replace the annual international visitor spend in New Zealand of more than \$17 billion.

Clearly, the tourism industry is facing the need to adapt to these changed and reduced circumstances. The impact of COVID-19 will not be resolved quickly. Industry adaptation needs to factor in an extended period where borders are closed or restricted with the possibility that community transmission of the virus could return, necessitating restrictions on domestic travel.

With this context in mind, TIA is tracking the position of its members. Further surveys will be conducted as things change, for instance should a trans-Tasman bubble become established.

The survey findings support TIA's advocacy for the needs of our members through different periods of the crisis, in respect to both the actions industry can take and how the Government can most effectively meet the needs of industry.

### Survey Method

This survey was undertaken by TIA using the online survey tool SurveyMonkey. It was released on Monday 6 July and closed on Monday 13 July.

Total responses for the July survey were 408 (compared to 569 in April).

This report contains the key findings from the survey, with both the quantitative results and qualitative analysis of the open-ended questions.

---

## Executive Summary

This survey provides a snapshot of the tourism industry at a distinct phase of the COVID-19 period, with the border closed and free movement of domestic tourism.

The quantitative responses indicate that the industry is adapting to the changing environment but needs ongoing government support:

- *The majority of respondents have made major changes to their businesses, with 43% sharply reducing business size and capacity; 13% repurposing to other business opportunities and 17% in hibernation.*
- *37% of respondents stated they are staying in business pretty much as is, an increase from 22% in the April survey. This may suggest that a group of businesses has already adapted to the current environment.*
- *Just one respondent stated they are folding their business, compared to eight in April. Of course, there may be other businesses who have closed down and therefore were unable to respond to the survey. In the qualitative answers a number of respondents indicated they will need to close if a trans-Tasman bubble is not in place by early 2021.*
- *Tourism businesses have drawn heavily on the Government support measures, with 93% of respondents accessing the Employer Wage Subsidy scheme for the initial 12 weeks, and 75% for the 8-week extension.*
- *72% of respondents are seeking further extension of the wage subsidy and 39% seek support for fixed business costs such as rents and leases.*
- *Of the other support measures, 32% have accessed the Small Business Cashflow Loan Scheme, 21% the Tax Loss Carry-back scheme and 21% have applied to the Strategic Tourism Assets Protection Programme.*
- *Tourism businesses continue to take a wide range of actions to reduce costs and to utilise support measures. 78% are reducing business costs, 54% are reducing staff and 33% are either selling or mothballing assets. 45% are developing products and services for the domestic market, and 71% are utilising Government support measures.*
- *51% of respondents indicate that they are looking to reduce staff numbers. Of these, 19% are likely to reduce numbers, and 32% will reduce staff numbers unless the wage subsidy is extended. Clearly, many of the people working in the tourism industry need the wage subsidy to keep their jobs.*
- *The 'matters impacting your business' have changed since the April survey, with the resumption of domestic travel. 68% of July respondents cite the 'lumpy nature of domestic demand' (busy weekends and holidays but quiet at other times) as a challenge. Associated with this, 34% are finding it difficult to develop the right product at the right price for the domestic market.*
- *Financial concerns and business liquidity are also impacting respondents, with 27% concerned about their ability to pay creditors and 28% concerned about the ability of others to pay them. However, these levels are down from 51% and 49% respectively in the April survey.*

- 
- *In terms of the further actions they would like to see from Government, respondents are looking for two key approaches: 1) continue with the Government support measures and 2) work on opening the borders.*
  - *55% of respondents are seeking progressive opening of borders without restriction, (e.g. with Australia and Pacific Islands), and 53% are also seeking opening of borders to other visitor markets with quarantine restrictions (e.g. international student, high value visitors).*

The qualitative responses mirror these results while providing greater insight into the underlying thinking.

In the April survey, there was a strong sense of the shock that the industry was experiencing. In this latest survey, there are indications that many parts of the industry are getting on with it and dealing with the market as it stands. However, there is widespread concern that domestic demand will not sustain the industry at current levels and that some sectors cannot benefit from domestic tourism at all.

Businesses are changing tack as best they can: reducing costs and improving efficiency remain strong response mechanisms. They are looking at new products and opportunities, working on their business systems and advancing sustainability in their businesses.

The support measures of Government remain very important and there is a strong call for the extension of the wage subsidy in particular. There are some indications of rehiring of staff to support domestic tourism, but this is a small shift in the wider context. Continued support of the tourism workforce is seen as a critical factor.

How and when we open the border is a major area of concern and interest for respondents. There is a need for care so that opening borders is undertaken safely, while enabling international tourism to be restored as a key part of the New Zealand economy and society.

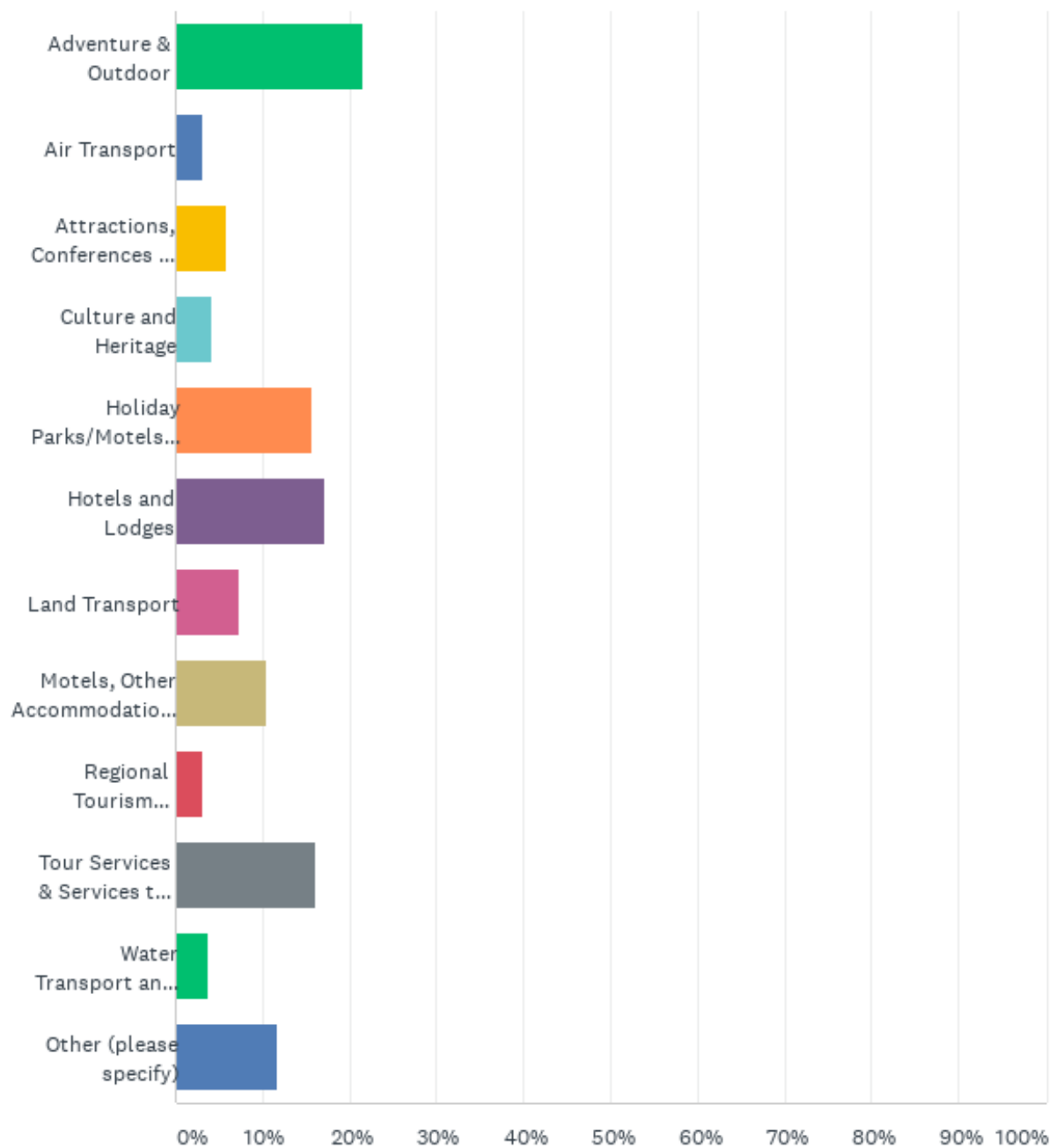
There were many comments that safety is paramount – no tourism business wants to put the safety of our country at risk. A common theme was that while opening the borders is urgent, keeping our people safe is more so, and borders should only open when it is safe to do so.

Looking to the future, there are strong signals from respondents regarding the industry that they want, with achieving value over volume a key requirement, as is sustainability of the industry. The need to address issues of concern in the industry is also considered very important, and in this respect freedom camping is the most cited issue by a considerable margin.

Having a plan for shaping the future is a strong underlying theme in the comments received.

---

## Q2: Industry Sector

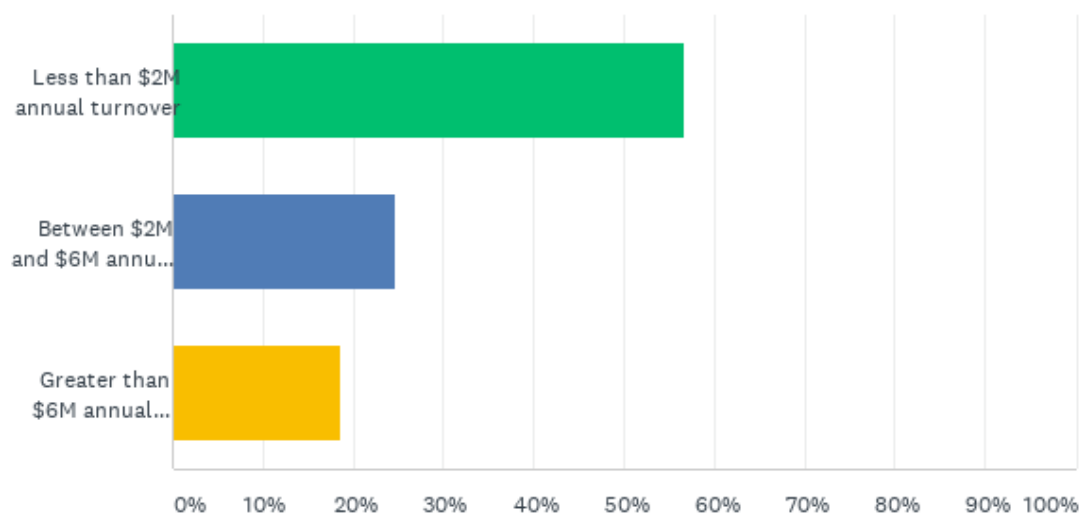




### Q3: Region of Operation

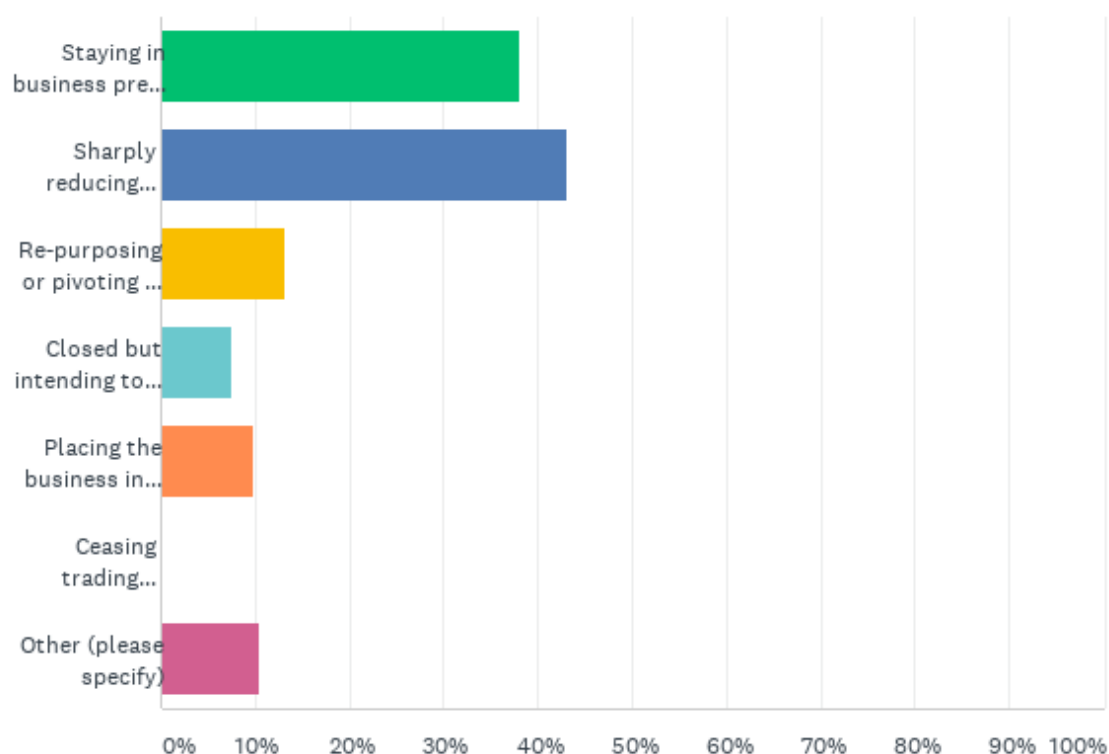
| ANSWER CHOICES ▼           | RESPONSES ▼ |
|----------------------------|-------------|
| ▼ New Zealand wide         | 24.75% 101  |
| ▼ Overseas                 | 2.21% 9     |
| ▼ Auckland                 | 8.58% 35    |
| ▼ Bay of Plenty            | 3.92% 16    |
| ▼ Chatham Islands          | 0.00% 0     |
| ▼ Coromandel               | 2.21% 9     |
| ▼ Gisborne/Eastland        | 0.98% 4     |
| ▼ Hawkes Bay               | 3.43% 14    |
| ▼ Manawatu                 | 0.25% 1     |
| ▼ Northland                | 4.90% 20    |
| ▼ Rotorua                  | 5.88% 24    |
| ▼ Ruapehu                  | 0.98% 4     |
| ▼ Taranaki                 | 1.47% 6     |
| ▼ Taupō                    | 2.70% 11    |
| ▼ Walheke Island           | 0.25% 1     |
| ▼ Waikato                  | 3.43% 14    |
| ▼ Wairarapa                | 0.00% 0     |
| ▼ Wellington               | 4.90% 20    |
| ▼ Whanganui                | 0.49% 2     |
| ▼ Christchurch/Canterbury  | 10.29% 42   |
| ▼ Central Otago            | 5.39% 22    |
| ▼ Clutha                   | 1.23% 5     |
| ▼ Dunedin                  | 2.70% 11    |
| ▼ Fiordland                | 4.41% 18    |
| ▼ Hurunui                  | 1.23% 5     |
| ▼ Kalkōura                 | 2.21% 9     |
| ▼ Marlborough              | 4.41% 18    |
| ▼ Mt Cook/Mackenzie        | 5.15% 21    |
| ▼ Nelson/Tasman            | 6.86% 28    |
| ▼ Queenstown               | 8.82% 36    |
| ▼ Southland/Stewart Island | 3.19% 13    |
| ▼ South Otago              | 2.21% 9     |
| ▼ Waitaki                  | 2.70% 11    |
| ▼ Wanaka                   | 5.39% 22    |
| ▼ West Coast               | 8.33% 34    |
| ▼ Canterbury               | 0.00% 0     |
| ▼ Otago                    | 0.00% 0     |
| Total Respondents: 408     |             |

#### Q4: Business size (in a normal year)



| ANSWER CHOICES                          | RESPONSES  |
|---|------------|
| ▼ Less than \$2M annual turnover        | 56.62% 231 |
| ▼ Between \$2M and \$6M annual turnover | 24.75% 101 |
| ▼ Greater than \$6M annual turnover     | 18.63% 76  |
| Total Respondents: 408                  |            |

**Q5: Current status of your business –With domestic tourism returning but the borders remaining closed, what is the current status of your business? (tick as many as applicable)**



| ANSWER CHOICES ▼   | RESPONSES ▼      |     |
|--|------------------|-----|
| ▼ Staying in business pretty much as is, with some adjustment            | 37.99%           | 155 |
| ▼ Sharply reducing business size and capacity, but continuing to operate | 43.14%           | 176 |
| ▼ Re-purposing or pivoting to other business opportunities               | 13.24%           | 54  |
| ▼ Closed but intending to reopen for the summer                          | 7.60%            | 31  |
| ▼ Placing the business in hibernation for a longer period                | 9.80%            | 40  |
| ▼ Ceasing trading altogether and folding the business                    | 0.25%            | 1   |
| ▼ Other (please specify)   | Responses 10.54% | 43  |
| Total Respondents: 408   |                  |     |

In the April survey, 22.5% of respondents were 'staying in business pretty much as is' compared to 38% in this survey. Also, 32% were 'placing their business in hibernation' compared to 10% in July.

Those stating they are 'sharply reducing business size' is stable at 40% and 43% respectively.

These results may be influenced by the number of businesses that have either closed or hibernated and so were not respondents to this survey.



---

## Q5: 'Other' Comments – Key Themes

43 respondents provided additional comments.

The common theme in the comments reflects the high levels of uncertainty in the industry and the major changes needed to pre-existing business models. The comments generally expand on the Question 6 choices rather than adding new ones.

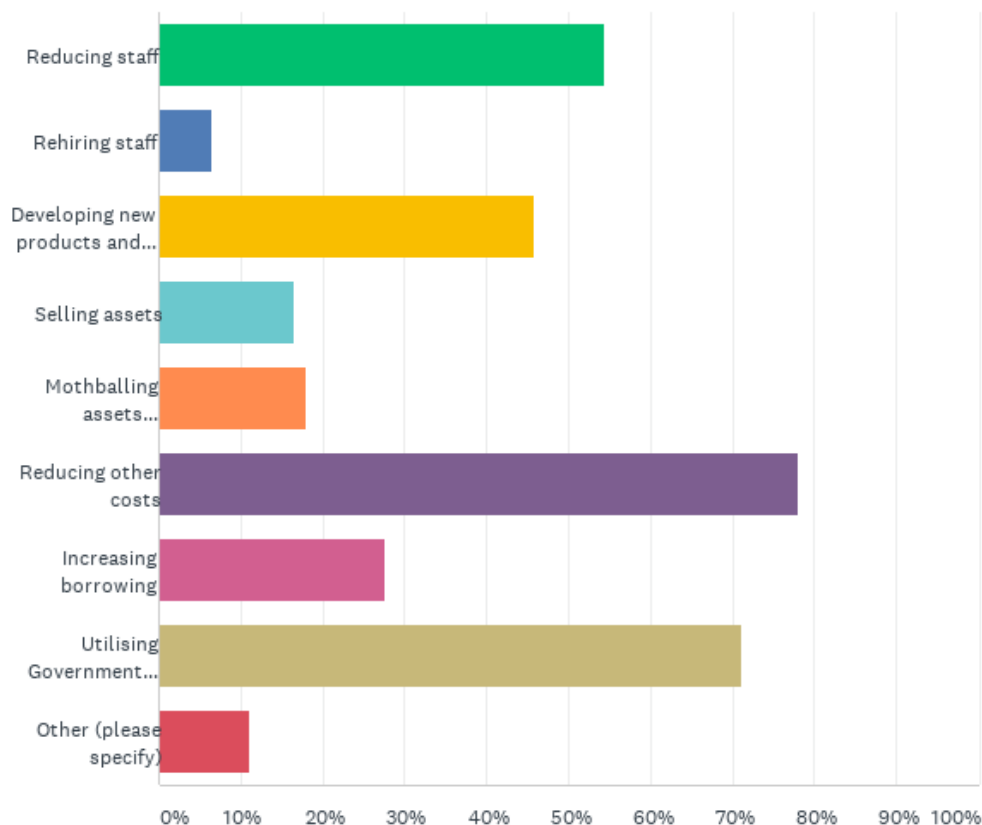
Respondents consistently commented on reducing the size of their operations, pivoting to the domestic market, hibernating and in some instances closing.

While the responses are about scaling down and adapting, they also reflect a high level of stress about the circumstances and the uncertainties involved.

Comment examples:

- *Getting a full-time job and servicing any (rare) bookings with contract driver/guides.*
- *Still trading but looking at having to reduce staff, maybe go into hibernation.*
- *As we rely 98% on international markets, the 2% of NZ travellers who would consider our mode of tourism does not make it viable to operate currently. We are hoping to recommence as soon as the Tasman bubble opens, as 65% of our business is Australian, but with no timeline this is a very worrying time. There's only so much we can pivot, not all tourism businesses can viably pivot.*
- *Considering hibernation or ceasing trading for the first time since the pandemic started.*
- *While the wage subsidy is in place we can retain our staff, however once this is run out we will be looking to make most of our team redundant in order to reduce costs and will look to reducing our operation hours back to weekends only.*
- *We are trying to offer some unique domestic tours with International themes, but so far we haven't been successful in selling them. If no clarity beyond September post-elections on border opening, we will place our business in hibernation.*
- *Our business will be about 10% of what it was like last year. Down \$22m +. We are opening for the sake of Rotorua as a destination and feel we have a corporate duty to NZ tourism to do so.*
- *We have put our Queenstown and cruise sector operations into hibernation and currently working with accountant to decide whether to cease trading altogether.*
- *Waiting for the borders to open for our traditional markets - USA, UK & Australia (Bubble?).*
- *We went into hibernation the week before lockdown as we were already feeling the effects of COVID with bookings being cancelled. We have reopened 03 July for 2 weeks of the school holidays and then Friday to Sunday weekly after that. We will see how we go, if the domestic market is not there we will be forced to hibernate again or shut down.*
- *We might have to place the business in hibernation if the borders stay closed well past Jan 21.*

**Q6: The mitigating actions you are taking – What are you doing to adapt to the current trading environment? (tick as many as applicable)**



| ANSWER CHOICES ▼  | RESPONSES ▼ |     |
|---|-------------|-----|
| ▼ Reducing staff  | 54.43%      | 221 |
| ▼ Rehiring staff  | 6.40%       | 26  |
| ▼ Developing new products and services for the domestic market          | 45.81%      | 186 |
| ▼ Selling assets  | 16.50%      | 67  |
| ▼ Mothballing assets (temporarily retiring assets or capacity from use) | 17.98%      | 73  |
| ▼ Reducing other costs  | 78.08%      | 317 |
| ▼ Increasing borrowing  | 27.59%      | 112 |
| ▼ Utilising Government support measures                                 | 71.18%      | 289 |
| ▼ Other (please specify)  | 11.08%      | 45  |
| Total Respondents: 406  |             |     |

Reducing costs and accessing Government support are the main mitigation approaches businesses are using. This is consistent with the April survey.

46% of respondents are developing products and services for the domestic market. Even so, only a small number of respondents (6%) are rehiring staff.

---

## Q6: 'Other' Comments – Key Themes

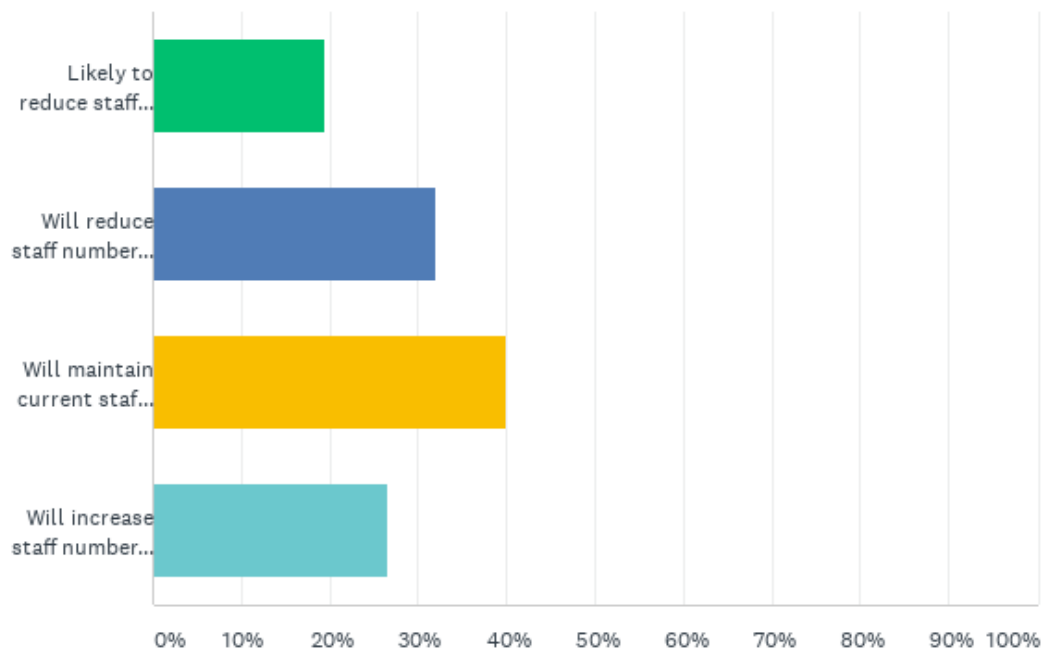
45 respondents provided additional comments.

The key theme is that businesses are responding to the trading conditions as best they can. Reducing staff costs is a key aspect of this, as is adaptation to where the demand now is, that is, the domestic market.

Comment examples:

- *Reducing the days we operate and offering specials.*
- *Keeping a tight rein on staff levels when we re-open or may open reduced hours.*
- *Rationalising to national business but waiting for borders to open. 60-70% business international - so severe change.*
- *We are constantly reviewing our situation. 65% of our visitors pre-COVID were from overseas. We have several scenarios in place to reduce operation of the business significantly and potentially sell assets once the wages subsidy ends.*
- *Working with some Australian lead gen companies with the hope of a trans-Tasman bubble prior normal border opening which sadly will be some time.*
- *Surviving on personal savings.*
- *Reducing pricing to match domestic expectations.*
- *Using the time we are closed as an opportunity to refine everything we do so we are a better business in the future.*
- *All remaining office staff are on greatly reduced hours, 2.5 days a week. But with the wage subsidy running out in Sept, this can't go on much longer without Tasman reopening (even if that excludes Victoria).*
- *It's BAU as much as possible. I expect we will notice more of a difference in the summer with the lack of international guests.*

**Q8: Your staff – To what extent will you be reducing/increasing your staffing levels between now and the end of October? (tick as many as applicable)**



| ANSWER CHOICES  | RESPONSES |     |
|---|-----------|-----|
| ▼ Likely to reduce staff numbers further                    | 19.36%    | 79  |
| ▼ Will reduce staff numbers unless wage subsidy is extended | 32.11%    | 131 |
| ▼ Will maintain current staff numbers                       | 39.95%    | 163 |
| ▼ Will increase staff numbers as demand returns             | 26.47%    | 108 |
| Total Respondents: 408                                      |           |     |

This question was designed to provide an indication of the intentions of tourism businesses with respect to their future staffing needs.

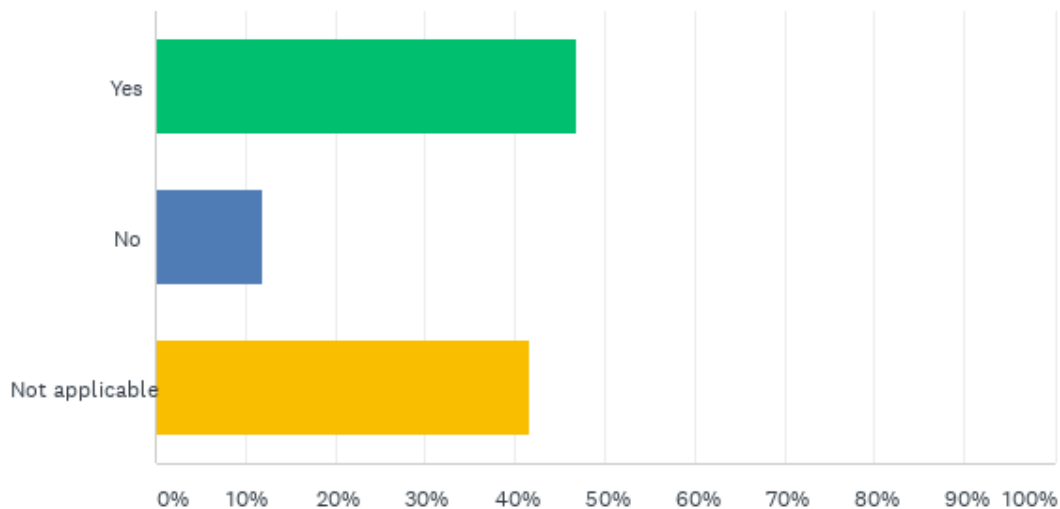
The key finding is that 51% of respondents intend to further reduce staff levels, with 32% indicating they will reduce staff numbers unless the wage subsidy is extended.

With 40% of respondents indicating they will maintain current staff levels, this indicates that there is already a degree of adaption to the current trading conditions.

And on the upside, there is a clear indication by 26% of respondents to increase staff levels as the demand returns. This is an important indicator when considering the ability of the industry to bounce back as COVID-19 conditions ease.

---

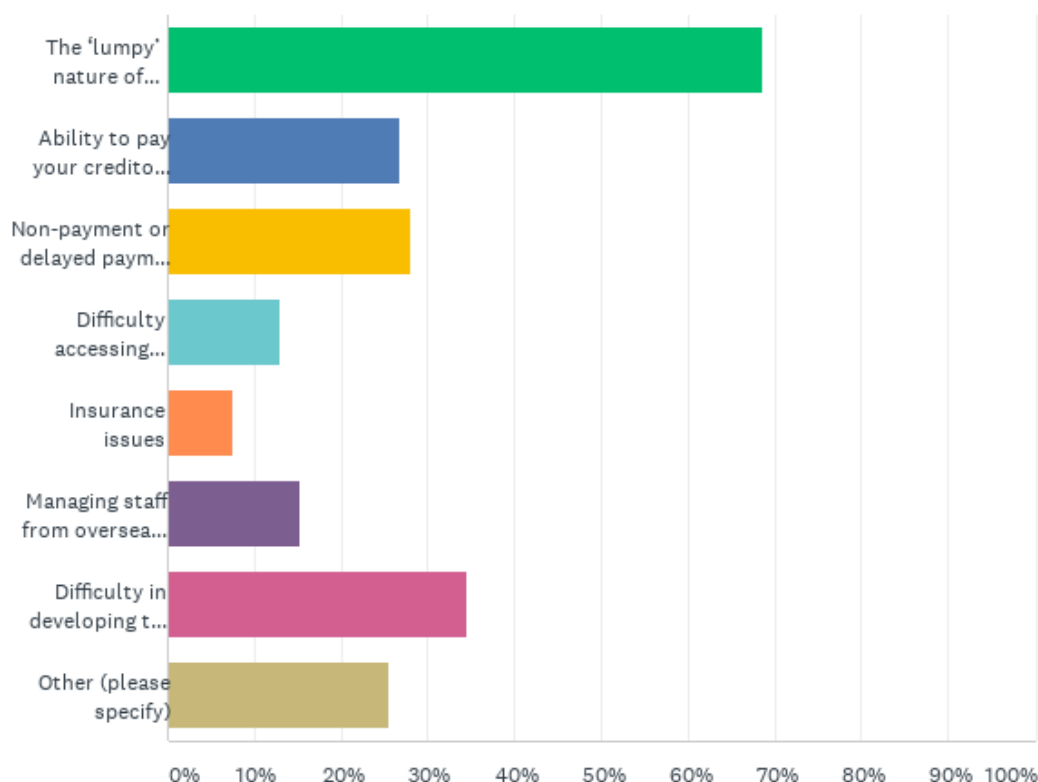
**Q10: Are you maintaining contact with the staff you have let go (or you don't currently have work for), with a view to reemploying or pointing them to other opportunities in future?**



47% of businesses are keeping in touch with employees that they have let go (down from 65% in April). This highlights the importance placed by tourism businesses on the quality and experience of their staff, and the desire to reemploy them as and when conditions allow.

This question was 'not applicable' to 42% of respondents. This is likely an indicator of the many small businesses who responded to the survey (57% of respondents had turnover of less than \$2m). Many of these businesses are owner operated and don't have employees.

**Q11: Other matters impacting your business - Other than lack of demand, what matters are currently impacting your business? (tick as many as applicable)**



| ANSWER CHOICES  | RESPONSES |     |
|---|-----------|-----|
| ▼ The 'lumpy' nature of domestic demand (weekends and school holidays)                                  | 68.56%    | 266 |
| ▼ Ability to pay your creditors and cashflow commitments (e.g. payroll, rent)                           | 26.80%    | 104 |
| ▼ Non-payment or delayed payment by your debtors  | 28.09%    | 109 |
| ▼ Difficulty accessing finance  | 12.89%    | 50  |
| ▼ Insurance issues  | 7.47%     | 29  |
| ▼ Managing staff from overseas on work visas (e.g. Essential Skills Visas, Working Holiday Visas), etc. | 15.21%    | 59  |
| ▼ Difficulty in developing the right product at the right price for the domestic market                 | 34.54%    | 134 |
| ▼ Other (please specify)  | 25.52%    | 99  |
| Total Respondents: 388  |           |     |

The 'lumpy' nature of domestic demand is the main issue, along with developing the right products for the domestic market. This reflects the many challenges faced by the industry in re-orienting their activities to the domestic travellers.

The credit-related matters ('ability to pay creditors' and 'non-payment by your debtors') were prominent (at 27% and 28%), but these are lower than the April survey when the results were 51% and 49% respectively. This may reflect that the more highly stretched businesses in the April survey are no longer operating.



---

## Q11: 'Other' Comments – Key Themes

99 respondents provided additional comments.

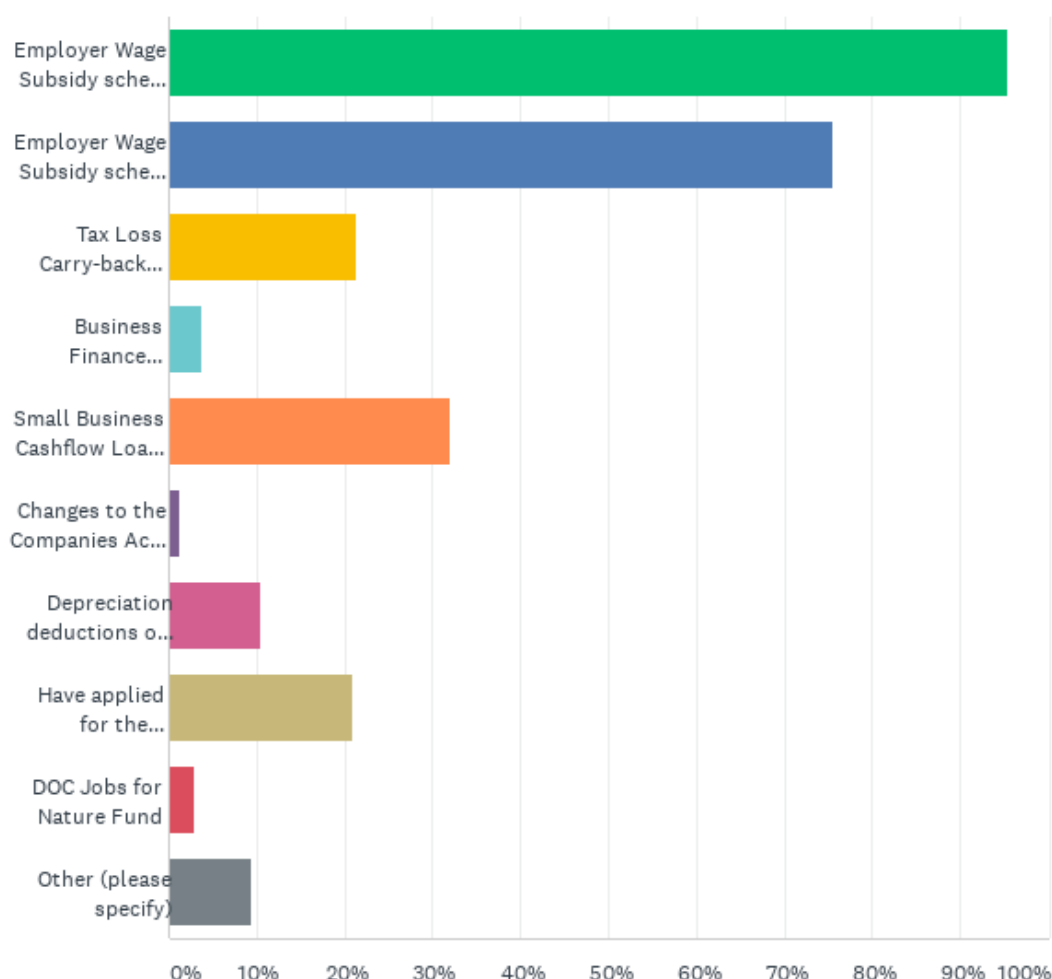
Once again, the uncertainty faced by respondents was the overarching theme. This uncertainty has lots of aspects: when and how borders will open; to what extent will domestic tourism fill the gaps; will domestic visitors consume in the same way as international travellers, and if not, what do they want and what will they pay?

Comment examples:

- *Uncertainty around the domestic market still wanting to travel mid-August after the wage subsidy finishes. While May, June & July have been great, we just don't know what will happen August, September & October. Now migrant workers have had their visas extended a further six months I am unsure now who to lay off and who to keep.*
- *Lack of appreciation and understanding of NZ tourism pricing.*
- *Lack of direction from Government regarding timelines, even tentative worst-case positions.*
- *Competitors discounting below cost price, which is strangling any chance we have to operate unless we follow suit or remove ourselves from that space. It negatively impacts in two ways, firstly it implies to the Kiwi public that we were ripping them off pre COVID (which isn't true), and second is it will make increasing prices once the borders open very difficult. Not to mention it detracts from the premium nature of destinations we used to operate.*
- *Freedom camping sites still being open. People who have rented the cheap campervans are flocking to them. They're full. We're empty. Nothing to do with reputation...we have a great reputation on all online sites. Kiwis just don't want to pay and all want discounts. It is absolutely gutting. We are one of the cheapest sites available and we already give heaps of free stuff.*
- *Hotels in key cities being swallowed up for use as isolation & quarantine facilities introduces uncertainty and unreliability for us as a tour operator - significantly reducing quality accommodation options for tour package deals we are trying to create and implement. So, we are now in competition with the Government for quality accommodation in key tourism areas - and coming off second best.*
- *Retaining key staff who are resigning in the belief that tourism is no longer a wise career option.*
- *Ongoing fixed costs for compliance, insurance, licences without the income to cover these costs which have continued to increase over the past 5 years.*
- *Uncertainty and the lack of a specific date to work towards. We need to know when the borders will open, and what criteria is needed for this to do so. At present we are all in the dark, and if we pivot and invest, how long and how much is invested is reliant on time frames and certainty.*
- *We are finding that Kiwis tend to not book ahead, just turn up or ring on the day and expect a motel or cabin. We find this difficult as you can't plan for staffing what you don't know is arriving.*

- 
- *Issues with NZ customers who don't know how to act or behave, Issues with damage, parties and undesirable behaviour. Problems with payment, drugs, and stolen credit cards. Also, problems with credit cards with very small limits once the guest departs they don't have funds to pay for the damage caused.*
  - *DOC - not understanding the commercial needs of their concessionaires. Contracts are all about to expire with no communication from DOC.*
  - *The lumpy nature of domestic demand has always been an issue for our business.*
  - *We are unable to bring skilled workers based overseas (e.g. ski instructors) back for the winter - this impacts our ability to meet demand for some products.*
  - *Insurance is over \$20,000 per year. But we don't get a reduction in costs as we have less customers. We still have the same number of assets, and there is still risk involved.*
  - *Rent outgoings. Despite government's comments on proposed arbitration (now not happening) and kindness from landlords (not happening for us) we are having to pay to lease commitments is a crippling outgoing.*
  - *We have a phone book sized compliance list we have to adhere to whereas freedom camping sites don't. If we were to sell food or alcohol without a licence in the car park in front of a licenced Tavern or food business we could be fined and shut down, licenced accommodation providers have none of the same protection for their compliance costs.*
  - *Desire to pivot to conservation work and access the Jobs for Nature funding. However, this has not been able to be actioned yet as we wait for information and funding to reach 'the ground' within DOC. We are communicating on multiple levels and have submitted business proposals regarding our 'work ready' labour force and their existing outdoors skills but fear the timing, if successful, maybe too late for many of our guiding team as they seek work in other industries. This loss of fantastic guides and IP will inhibit our ability to scale up again when borders do re-open.*
  - *Air New Zealand fare structure is beginning to have an impact - seems air fares increase for weekend travel and drop midweek.*
  - *Domestic demand is patchy, but it is all we have in the main. Has been surprising the number of international visitors still in NZ.*
  - *Fierce competition now for the domestic market. Our business has always been about 70% domestic - but now lots to choose from and deals, deals, deals!*
  - *Ensuring we can obtain client bookings with accommodation providers who are holding onto tour group bookings commitments for an international market in the hope that our borders open. How long will they hold these until they get released?*

**Q12: Government support measures - Of the support packages the Government has put in place, which have you tapped into or intend to tap into? (tick as many as applicable)**



| ANSWER CHOICES  | RESPONSES |     |
|---|-----------|-----|
| ▼ Employer Wage Subsidy scheme - initial 12 weeks                     | 95.50%    | 382 |
| ▼ Employer Wage Subsidy scheme - 8-week extension                     | 75.50%    | 302 |
| ▼ Tax Loss Carry-back scheme  | 21.25%    | 85  |
| ▼ Business Finance Guarantee scheme (bank loans up to \$500,000)      | 3.75%     | 15  |
| ▼ Small Business Cashflow Loan scheme (Govt loan up to \$100,000)     | 32.00%    | 128 |
| ▼ Changes to the Companies Act placing existing debt into hibernation | 1.25%     | 5   |
| ▼ Depreciation deductions on commercial and industrial buildings      | 10.50%    | 42  |
| ▼ Have applied for the Strategic Tourism Assets Protection Programme  | 21.00%    | 84  |
| ▼ DOC Jobs for Nature Fund  | 3.00%     | 12  |
| ▼ Other (please specify)  | 9.50%     | 38  |
| Total Respondents: 400  |           |     |

Of the wide range of Government support offered, the Employee Wage Scheme is most heavily used, with 96% of respondents accessing the scheme in the initial 12 weeks and 76% for the 8-week extension. This is consistent with the April result (93%).

---

## Q12: 'Other' Comments – Key Themes

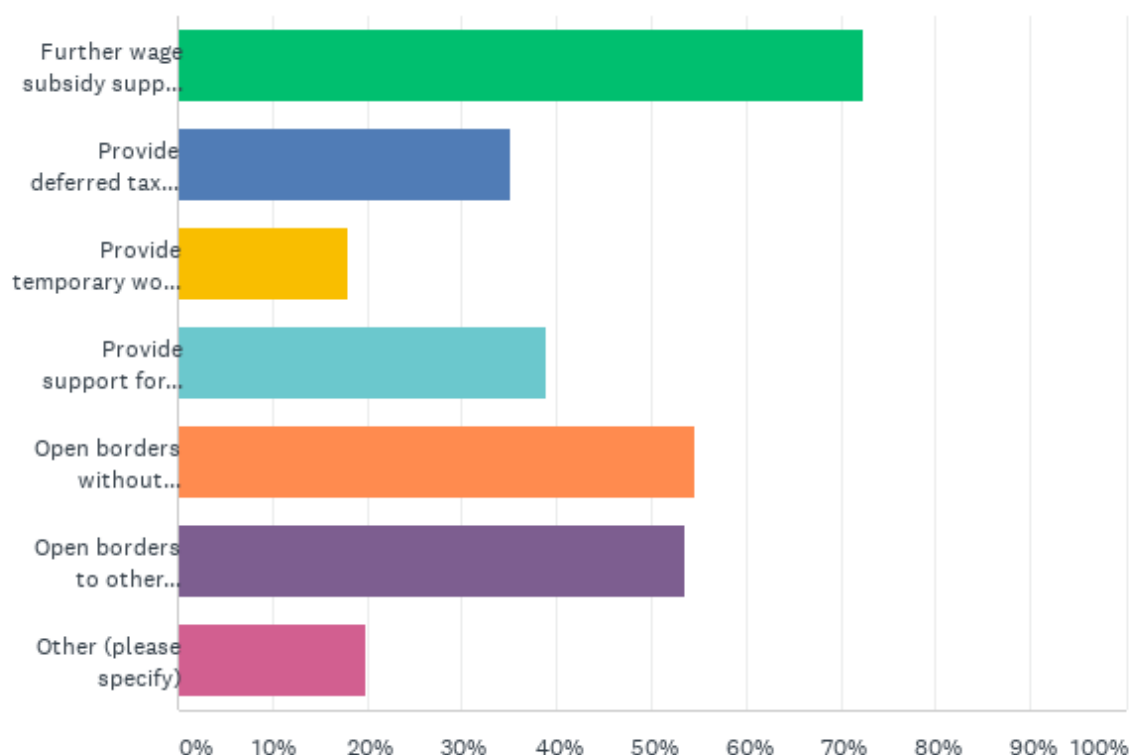
38 respondents provided additional comments.

The Government support is being used widely by tourism businesses, and is appreciated, but it is not necessarily hitting the mark for all businesses. A very wide uptake of the wage subsidy is benefiting the staff involved and not necessarily the businesses. Other support measures have been more recently rolled out and so may not have been fully utilised to date.

Comment examples:

- *We may apply for small business cashflow scheme, but it's very limited. The STAPP did not seem to apply to us,. Extend the scheme and we will apply.*
- *Don't want to apply for another loan. Already have a mortgage and overdraft. Don't want any more.*
- *Wanted to apply for the Strategic Tourism Assets Protection Programme, we ticked all the boxes but the fact we had not used all the finance available to us. .... Very disappointing!*
- *Have used both Regional Business Partners credits (for marketing domestic products for the first time) and Tourism Transition Programme - both would have been fantastic in an environment where there is a more certain future.*
- *Qualmark program which provided a \$5000 grant which was no use at all to help us restructure.*
- *DOC jobs for nature. I have seen announcements. I haven't seen a way to apply for it. Do they expect us to just close our current business completely, lose our loyal customers that have already booked with us while we turn into hippies, clearing bush, and once the government change their plans again try and start another business from scratch? Or are we supposed to keep running our business and schedule our government hippie work around our customers?*
- *As a small tour operator with a seasonal product from Oct to April, we fall completely through the subsidy options. We usually have no business income between late April till October each year. This means we can't prove our income is reduced by 30% or 40% because of Covid.*
- *It will be October when our international guests can't get into the country that we will be hit and won't be able to sell our tours. By then there will be no more government subsidies.*
- *Tried bank finance scheme but because we were link to tourism we were classed to risky. Couldn't claim 2nd wage subsidy for my drivers due to this trading company linked under same company with our other trading company, even though it had earned less than \$500 for that period.*

**Q13: Additional actions from Government - What further actions would you like to see the Government take that will BEST support your business through the current and expected trading environment under the COVID-19 event? (Please tick up to four options)**



| ANSWER CHOICES  | RESPONSES                           |
|---|-------------------------------------|
| ▼ Further wage subsidy support for the tourism industry   | 72.42% 281                          |
| ▼ Provide deferred tax arrangements for businesses  | 35.05% 136                          |
| ▼ Provide temporary work opportunities for displaced staff  | 18.04% 70                           |
| ▼ Provide support for fixed business costs like rents and leases  | 38.92% 151                          |
| ▼ Open borders without quarantine restrictions (e.g. with Australia, Pacific Islands etc.)                                    | 54.64% 212                          |
| ▼ Open borders to other visitor markets with quarantine restrictions (e.g. international students, high-value visitors, etc.) | 53.61% 208                          |
| ▼ Other (please specify)  | <a href="#">Responses</a> 19.85% 77 |
| Total Respondents: 388  |                                     |

Extending the wage support is the highest rated action that respondents want from Government, with 72% seeking this action (the level was 77% in the April survey, ahead of the first extension).

Other well supported actions include deferring tax and support for fixed business costs such as rents and leases.

Notably, respondents recognise the key role of Government in managing the border and are seeking efforts to facilitate a safe opening of the border, in innovative ways with the necessary safeguards.

---

### Q13: 'Other' Comments – Key Themes

77 respondents provided additional comments.

There is a strong sentiment that after the hard work and sacrifice in controlling COVID-19 in New Zealand, we need to be careful in how we go about opening our borders. While opening borders is highly sought after by respondents, we should only do this when it is safe to do so.

In terms of the Government support for the industry to help it through the COVID-19 period, there is a consistent theme that all interventions need to be appropriately designed and targeted to the areas of most need.

Better management of freedom camping comes through regularly in the comments.

Comment examples:

- *Government needs to formulate a plan and clearly communicate with the industry what the steps are for open borders (country by country) with what the milestones need to be along the way so that can take place. If the industry knew what the plans were and what steps or milestones needed to be achieved for that to happen then business could plan, make own assessments about when to re-hire or maintain staff levels, communicate with banks etc. Business cannot survive with no plan. The Government needs to form a talented group to formulate these plans and communicate!! Not leave every decision to the last minute as they did in dropping down the lockdown levels. Business need timelines!! This needs to happen now not in 6 months with another working group!*
- *Immigration needs to make smart individual decisions and not penalize us when we have great staff that are not kiwis. I need them and we are doing well but will be brought to our knees if they do not approve the visas for my current staff.*
- *Open border with Australia with immediate antibody testing on both departure and arrival... Keeping NZ Covid-free will add to the perception of NZ as a clean safe destination.*
- *Stagger domestic school holiday terms. Even if by 1 week.*
- *Amend the Freedom camping act urgently. Add "harm to local businesses" as one of the reasons why Bylaws can take effect. Amend Freedom Camping act so that designated sites are only ever open over the height of the season and are definitely closed autumn through to summer. People have an attitude now that they are entitled to free and shouldn't have to pay. As business owners we pay personal tax, business tax and rates...all of these support freedom camping...which, from what we see, is more often than not, responsible camping. We are very over the lack of support. Why are we the only industry that nobody seems to want to help?*
- *Extend Working Holiday Visa expiry dates for 6 months for those still in the country.*
- *We are a seasonal business. We have spent our reserves and utilised the government small business loan. We need the wage subsidy extended till summer as we do not have sufficient revenue to keep staff employed till then. Hibernation is not really an option as if we let staff go there is no guarantee we will get them back for summer, without qualified staff we will not be able to reopen in summer. We will already be forced to downsize in summer, partly because of demand and partly because we are not expecting to be able to get qualified staff in from overseas.*



- 
- *I have many clients ex USA desperate to come here and prepared to pay for quarantine. I feel we should be able to let them in with pre departure Covid testing and quarantine on arrival.*
  - *Open the borders for the high-end travellers who can, and would pay for quarantine to get away from the problems at home (i.e. USA & UK etc).*
  - *Stop freedom camping! Only let people in the border that can prove they have enough money to pay their way.*
  - *We can't afford to get this virus in our country again. Zero tolerance for this. Keep the borders closed until it is safe.*
  - *We want the borders to open, but not at the cost of negatively impacting the country to COVID-19. We are battling and trying to utilise the resources we have with the situation we have. We want/need the economy to recover and for people to spend for our business to survive. We are proud of our COVID-free country and want this to remain.*
  - *Work on a goal, direction and timeline to open borders. Everyone understands it all depends on global situation and we cannot set things in stone. However, some tangible goals with timelines will help in forward planning to some extent. It will also help to improve the morale.*

---

#### Q14: TIA support - What else could TIA do to support you through this COVID-19 period?

212 respondents provided comments.

The comments cover a lot of ground, but there are key themes. Firstly, TIA has a key role to work with Government to ensure the policies and support for tourism are right. The related lobby and advocacy areas are the most commonly cited areas where TIA can concentrate. Communication to the industry and more widely to the general media are also cited regularly.

With the lobby and advocacy areas, there is strong interest in the process to open the borders to get international tourism back on track. Another theme is how TIA can support businesses, and particularly the many small (and micro) businesses that make up the tourism industry.

Overall, there is a sense that TIA is doing a good job but could be louder in some areas.

| Topic of Comment                            | Frequency |
|---|-----------|
| Lobby Government                            | 46        |
| Advocate for tourism interests and policies | 30        |
| Advocate for border opening                 | 18        |
| Be vocal in media communications            | 15        |
| Updating industry                           | 14        |
| Fix freedom camping                         | 9         |
| Advocate for a plan                         | 9         |

Comment examples:

- Help us understand how the STAPP scheme is being administered. We have heard nothing about our application and see other companies receiving major pay-outs.*
- Lobby for proper clarity on the requirements and timelines for border restrictions easing. We do not have any goalposts to aim at.*
- Advocate funding for small operators where warranted. In Waitomo we have joined together to pool our resources for marketing with a website we have thrown together called gowaitomo.com. This is a good start for us to market together but with funding would certainly help us market to a much greater degree.*
- Help the small business who are being completely ignored as we are viewed as not worth saving.*
- Petition Government for more support to businesses totally dependent on international tourists until the international borders can be reopened.*
- Inform government agencies that NOT ALL tourism Businesses can capture domestic market. Kiwis just don't do coach tours in their own country, when they can confidently drive!*

- 
- *Start now to collect data on the availability of Kiwis for hospitality roles and if not, address visa restrictions now so businesses can ramp up as business comes back.*
  - *I personally think TIA is doing a great job, the government has taken a lead which is good, but tourism has brought so much to NZ now it needs a hand up.*
  - *Advocate for a further wage subsidy if the trans-Tasman bubble is not open by 1 September.*
  - *Recognise that until there is a COVID-19 vaccine our borders will need to be tightly controlled....so TIA should not put pressure on Govt to prematurely open the border.*
  - *More advocacy for unfair trading issues and addressing monopolies and cartels issues in NZ.*
  - *Support the Taskforce to be bold in what it explores. e.g. arrival levies, maximum number of visitors to NZ in a given year or peak season etc.*
  - *All the financial support and future tourism in NZ is geared towards big tour companies and big operators. TIA has been very good at beginning in voicing tourism sector predicament since Minister of Tourism was nowhere to be seen. But I suspect the Tourism Task Force will have the usual big players at the table and once again ignore the unique chance to change the mass tourism approach advocated.*
  - *It is a difficult role to appease all segments of tourism and I think TIA has largely done a fantastic job. One comment would be some of the smaller groups who are TIA members get left behind in the discussion where they are less vocal or treated as secondary to larger portions of the tourism market. It may pay to explore some of the smaller high-growth members, technology led members of TIA. These businesses are growing at a quicker pace than some of the larger established sectors and deserve greater representation.*
  - *We need a framework on when the borders will reopen and what is needed to have them reopen. Even if they release it as three different scenarios. We can't plan or forecast for anything and the government's cryptic one-syllable answers don't help.*
  - *I am so impressed with the support and lobbying provided by Chris and the team at TIA. I was initially very sceptical, but you have been tireless in your efforts and I am very grateful.*
  - *Support the proposition for RTO's to work together regionally. We've talked about this for too long and done nothing of repute or recognition. Incentivise collaboration and disincentivise the lone wolf. We WILL end up with the self-interested model of 31 RTO's in a feeding frenzy with big winners and big losers.*

---

**Q15: Working on your business - In this period of COVID-19, are you doing specific things that will improve your business in the long term, such as improving your sustainability performance, developing new opportunities, etc.?**

280 respondents provided comments.

The overarching theme reflects a desire to get on and adapt to the challenging times. Clearly, some respondents are in survival mode, but many others are looking around at what they can do to prosper in the future. That new products and development are the most cited actions suggests that the industry will evolve positively to the future operating context.

Along the same lines, there are a good number of respondents who are working on their business to improve their capabilities, upgrade their assets, and focus on their sustainability performance.

| Topic of Comment                            | Frequency |
|---|-----------|
| New products and opportunities              | 51        |
| Working on marketing, online and technology | 39        |
| Developing domestic markets                 | 27        |
| Working of efficiency and reducing costs    | 27        |
| Focusing on sustainability                  | 26        |
| Upgrading, improvements and maintenance     | 20        |
| Upskilling/training self or staff           | 16        |

Comment examples:

- We are 100% focused on what the domestic traveller wants from their holiday in NZ. We intend on continuing with our marketing strategy we are using now to ensure we don't end up back with 80% international 20% domestic moving forward.*
- We have developed new products to appeal to the domestic market and will keep exploring new opportunities in this area.*
- We are doing everything we can, streamlining systems to reduce hours, dropping products that don't return decent profit etc.*
- Looking at improvements to our building that are difficult to complete with high occupancy numbers, and reviewing sustainable tourism.*
- Yes, reviewing sustainability, new marketing initiatives and strategic planning.*
- We are working on another business idea which will not solely rely on international tourism.*
- Improved product, moved to carbon positive.*
- We are taking this opportunity to upgrade some of our facilities and have sought other sources of finance to top up funds we had put aside for upgrades, but previously lacked the time to take these facilities out of service. We are maximizing the Covid-19 downturn to our advantage.*

- 
- *Efficiencies in documenting, reporting and becoming a paperless office; Working on a carbon offset program to become carbon neutral ... Targeted social media spend to help grow our domestic market.*
  - *We are promoting heavily to the Dunedin market using a loyal locals pass - we have already seen a lot of repeat business from this initiative.*
  - *Up-skilling staff, training modules, business planning projections, researching ..., joining with community networks to talk to people, boosting online presence.*
  - *Working on TSC and refreshing advertising. Investigating offering packages.*
  - *Pivoted to courier work for cashflow.*
  - *Developing a value package for the domestic (not a discount). Working with other activities providers in our region to create more interest and high profile.*
  - *Absolutely, working harder than ever to tidy up our systems, products. Have put lots of new trade ready product on the market and they are actually gaining traction. Conversions will be welcomed.*
  - *Working hard to increase revenues whilst reducing as much of costs as possible without negative impacts to guest satisfaction or employee motivation.*
  - *Streamlining our operations, simplification of administrative tasks and product delivery. Create delicious food offerings, but at a more attractive price point to appeal to the domestic market.*
  - *All of these measures require capital investment. Currently all capital is going towards keeping staff employed.*
  - *We are thinking about our technology and how we may use this to minimise operational expenses. We are also looking into long term accommodation and changing up to 40 x rooms to long term leases.*
  - *Training team members for higher levels of service delivery.*
  - *Looking at developing new opportunities on our land outside of tourism to assist our tourism venture going forward.*
  - *Strict cost controls in all areas of business, expansion of staff roles to allow more hours worked and suspension of contractors (cleaning, maintenance etc.), refining cafe service to reduce wastage, promote venue as host for local clubs to meet, local deals to promote repeat visitation....*
  - *We put a plan in place immediately to focus on locals followed by domestic. We completely repurposed our offering. Taking the time to think about the future we really want now too.*
  - *We are making ourselves much leaner and this will pay dividends down the track.*
  - *We will build back better and stronger but will have to increase value proposition and yield. I don't want to go through all this and still be the same afterwards - that would be a wasted opportunity.*

---

**Q16: Future of tourism - Thinking about the recovery and the desired future for the New Zealand tourism industry, what are the key features that you would like to see?**

275 respondents provided comments.

The comments are strongly focused on two related features of the desired tourism future, namely quality over quantity, and sustainability of the industry.

Another key issue is the need to get the border open in order to get the industry back on track. There is a desire that this be done safely and appropriately, and perhaps in a staged way.

Freedom camping is another issue frequently highlighted by respondents, illustrating that a high level of concern remains about the management of freedom camping in many parts of the country.

| Topic of Comment                   | Frequency |
|------------------------------------|-----------|
| Quality over quantity              | 66        |
| Sustainability                     | 39        |
| Getting the border safely open     | 33        |
| Freedom camping                    | 25        |
| Regional dispersal                 | 17        |
| Regional collaboration and support | 13        |
| Focus on smaller businesses        | 12        |

Comment examples:

- Sustainable tourism and ethical tourism to be a priority. It is the time to revisit what is on offer. Quality visitor experiences that embrace the story rather than quantity of low engagement. Price will always be a driver, more so for domestic market.*
- Well developed and managed facilities to cater for the large tourism numbers that our country should be able to cater for. The problems we had was not that we had too many tourists but rather not well thought out facilities to cater for them.*
- More focus on the high yield and low impact traveller.*
- Creating state of the art facilities - all around the world these facilities are being built yet New Zealand seems to be many years behind in innovating wonderful pieces of architecture and facilities.*
- Opening a trans-Tasman bubble when safe, instigating a conversation on tourism numbers and how we control numbers. Please don't keep talking of 'high value' visitor industry because NZ can't become just a bunch of luxury lodges. Better infrastructure. -less freedom camping - more sustainability and move away from mass tourism.*



- 
- *Now is an opportunity to set the shape of what we want our future tourism offering to be. We need to put a stop to uncontrolled growth. Many regions are over their ideal capacity during peak months and yet we continue to develop more hotels and activities and push for ever more visitors during these times. Then we wonder why our infrastructure can't cope and where the money is coming from to fix it. Why can't we work within the limits of our existing infrastructure? Ban freedom camping, limit cruise numbers, cap visitor arrivals and support the existing operators. The more growth we have in our peak season, the worse the winter trough is. We need to focus on being the clean, green, 100% pure destination that we hang our marketing hats on.*
  - *Ban freedom camping - what value does this add to NZ?*
  - *Less focus on Chinese tourism & greater attention to other markets. The Chinese sector is not an adventure sector, yet they take up vast chunks of accommodation availability, at the cost to the true adventure market. My belief is that the Chinese tourist market serves the bigger, mass tourism operators that are corporate entities.*
  - *Continued support for domestic tourism programs even after international borders re-open.*
  - *Some support and consultation with the industry from the Government (or an honest up-front conversation about why there is such a lack of support or consultation).*
  - *The ability to plan- some indications from the government about expected dates and what they require for those dates to be a reality, e.g. what they require in order for borders with Australia to be opened.*
  - *Fairness to the small operators that are trying to keep a service going while the big companies have bailed out.*
  - *More engagement with communities on their aspirations for tourism development.*
  - *COLLABORATION not INTERNAL COMPETITION - support the proposition for RTO's to work together regionally. We've talked about this for too long and done nothing of repute or recognition. Incentivise collaboration and disincentivise the lone wolf. We WILL end up with the self-interested model of 31 RTO's in a feeding frenzy with big winners and big losers.*

---

**Q17: Any other comments - Are there any other comments you would like to make?**

152 respondents provided additional comments.

The comments received tend to reiterate many of the points raised elsewhere in the report. An important new point raised here relates to the need for Government support for small tourism businesses.

Comment examples:

- *The business overhead costs are what's killing us - landlords are not taking a hit like we are and yet they are getting the same support as us. It feels like small tourism operators are being ignored in the government funding hand outs. Our overheads have not changed and yet our income has decreased 95%. It feels like the elephant in the room – no-one seems to be talking about how tourism operators are missing out of support.*
- *The big guys are making the rules for all the funding with the government's blessing and they are the only ones benefiting. This is Crony capitalism at its finest and TIA needs to address this as the money can be used to a much greater effect.*
- *This has been a major reset but will give us a time to set new goals and achieve to different levels than previously. This has tested the resilience of the business but has shown our strengths and weaknesses and gives some clarity for future planning.*
- *Keep up the good work. Forward bookings are looking strong so increasingly optimistic.*
- *We see the biggest plus for tourism internationally as the proven successful handling of Covid-19 in New Zealand. This coupled with a 'safe place to visit' and '100% pure' messages gives New Zealand a unique point of difference. We see Taiwan as a first in creating a travel bubble between the 2 countries.*
- *As small to medium businesses we punch above our weight in terms of putting back into our local communities, but nobody seems to support us.*
- *We have a brilliant country with an incredible cultural heritage to share with Kiwis. This affirms their place in the world. This is the type of offer our overseas visitors will relish when they return. We just need to support each other through the challenges ahead. Kia kaha.*
- *Please, Please try and get the wage subsidy extended for the Travel Industry.*
- *I worry about a post isolation period when Govt contributions to hotels stop. Imagine the inventory of 25+ hotels being suddenly unleashed in the market alongside some new Inventory. we MUST plan for this or we will have another phase of job losses, closures etc.*
- *I thought the STAPP programme was very biased to big business that frankly did not need the help.*

- 
- *Government support has been vital and worked well to date. Further assistance to get us through to a reopening of international markets is important and for many businesses is a good investment for the government. For example what our business has received in both wage subsidy rounds (12+8 weeks) is less than our 4 previous net GST payments. In summary it's a good investment to keep businesses like ours running.*
  - *The government are being painfully slow in formulating a vision for the future that we can all feed off and base business decisions on with certainty. They have announced big tourism funding in the budget, however they have been very slow at distributing this, apart from a few big players, which seem to have been pulled out of the queue for no justifiable reason (apart from political positioning).*
  - *The one thing that all of us must remember NZ is a paradise we need to protect and save it for future generations.*
  - *It's great the RTO's are getting some funding to help with their regions. It would be great for the local Promotions groups to get some funding too - these are usually Incorporated societies who run on volunteers - maybe they could get some funding as well.*
  - *Concerns around the leadership from the Govt level to what specific MP's are doing to assist the industry. Many of us are entrepreneurs and have knowledge and experience no need to a talk feast and meetings with the Min of Tourism working group. Just engage with those in the business.*
  - *There are so many questions I don't know where to start but one thing springs to mind is the government tourism fund that really only benefits a very small number of businesses - how do small businesses get a voice and how do we get our voices heard. These small businesses make up the majority of tourism in New Zealand and they cover all aspects of this sector - most of these will struggle to survive for 12 months with the current rate of domestic spending. While there has been some positive on this side this isn't enough to help and keep everyone going.*
  - *Hotel interests appear to be splitting again with the HOA and others moving away from TIA maybe through perceived lack of focus on the sector - by moving into a fractionalised model we again lose voice so you should be trying to make sure you are more relevant to the sector. We are trying to manage our team of staff down to the right size without redundancy - in some ways visas help this and we do not want existing visas to be bulk extended - but we are not far away from needing staff so there will be a very delicate balance between losing some amazing people and then not having enough people.*
  - *We would like to thank TIA for all of your support throughout this crisis. TIA have proved to be the credible and powerful voice of our sector. THANK YOU to every one of you.*