

Briefing to the Incoming Minister

Minister of Tourism and Hospitality, the Hon. Matt Doocoy

29 November 2023

Congratulations on your appointment as Minister of Tourism and Hospitality.

I am Rebecca Ingram, CE of Tourism Industry Aotearoa, and I am delighted to introduce myself as you take up this positive and rewarding portfolio.

Tourism is an exciting, vibrant and resilient industry that will afford you many opportunities to make a real difference.

TIA is excited by the opportunity to work with you to enable tourism to continue to grow, flourish and contribute for the betterment of New Zealand. We are very proud of the contribution of tourism, and we are dedicated to building this contribution over the near and long terms. Our view of the operating context for tourism is set out in Appendix 5.

TIA is the peak body for the tourism industry in Aotearoa New Zealand and has held this position for 70 years. TIA is funded by its 1300 members and acts as the independent and representative voice for the tourism industry. <https://www.tia.org.nz/>

TIA has recently released the industry strategy for the period to 2050. This is Tourism 2050 – a Blueprint for Action <https://www.tia.org.nz/tourism-2050/>. This sets out the industry's Vision for tourism of: '*Enriching Aotearoa New Zealand through a flourishing tourism ecosystem*' and ten Actions for industry to enable us to achieve our Vision. A Tourism 2050 one-pager is set out in Appendix 4.

Some of these Actions are for industry to advance, but some will require Government assistance.

Central to Tourism 2050 is the concept of 'balanced growth' where we equally advance economic, community, visitor and environmental objectives.

This Blueprint sets out the latest industry strategic thinking and this provides much of the content of this briefing to you. This can be summed up as: Industry and Government working in partnership to address the systemic issues to enable the long-term well-being of tourism and its place in Aotearoa New Zealand.

The Blueprint also provides an excellent grounding on the international context of tourism and sets out the issues faced, the many moving parts in tourism that need to work well together, and an outline of the tourism we want to create in New Zealand.

To get our partnership underway, the TIA Board and I look forward to meeting with you at the nearest opportunity as part of establishing and maintaining a strong working relationship.

The TIA Board is made up of industry leaders and is chaired by Dame Kerry Prendergast. An outline of TIA and a list of its Board members are attached as Appendices 1 and 2.

This briefing will give you an outline of the tourism industry, the most important issues and opportunities as we see them, and pointers on the key matters to advance over the next three years.

Characteristics of tourism

Tourism is a complex interconnected system and it has enormous potential for growing its contribution. TIA has a deep understanding of tourism and how it works. Partnering with you will be vital to enabling the ambitions of the industry to be achieved. An outline of the tourism value chain is set out in Appendix 7.

1. **Powerhouse of the New Zealand economy.**

The country is looking for economic heroes, and tourism is a bright spot. Recently, Westpac said that *'tourism was a ray of sunshine in an otherwise gloomy economic situation'*.

Tourism is large (\$41.4b pre-COVID), recovering well (expecting 80% of pre-COVID levels this coming peak season) and it has excellent potential.

2. **Tourism for good.**

Tourism is a force for social good in New Zealand. It creates jobs, business opportunities and social engagement right around the country benefiting the most remote places and communities in a way no other industry can.

Tourism contributes to the wellbeing of all New Zealanders. For instance, the \$3.9 billion of GST revenues from tourism each year could pay for two new \$1.6 billion Dunedin hospitals, with \$700 million in change for other public services.

3. **People at its heart.**

The magic of tourism is not the places you visit or the things you see or do, but the people you meet along the way. New Zealand does this personal interaction aspect of tourism really well – it is one of our key destination attributes.

This is also why it is important that New Zealanders continue to support tourism in Aotearoa New Zealand (currently 89%). Tourism must work for Kiwis, and it does.

4. **Model for the world.**

Tourism in New Zealand does so many things well and this gets noticed around the world, including our '100% Pure' international campaign, our sustainability programme, how we do indigenous tourism, to name a few.

As we improve how we do tourism in New Zealand, our position as an international role model will only increase.

5. **Tourism is resilient.**

Tourism has proven that it can absorb various shocks and come out the other side as good as ever. Coming through COVID-19 is no exception. We are now heading into our second peak season of recovery, and it is expected that this will be around 80% of pre-COVID levels indicating a strong recovery, but also that we still have a way to go.

6. **Tourism investment**

Tourism is a multi-billion-dollar industry that, like all industries, must reinvest in itself. Just as aircraft and hotels need to be replaced or refurbished, all other parts of tourism need to meet current and raising standards, including infrastructure that tourism uses, public amenities, tracks and other facilities, and for managing tourism.

TIA's position is that the current funding system for tourism is broken, particularly for industry good activities and at local government/destination levels. Remedial action is required with the highest priority.

Your First 100 Days

Key things to advance over your first 100 days as Minister of Tourism and Hospitality.

1. **Establish partnership with industry.**

TIA and other players are ready to engage to advance the contribution of the tourism industry. TIA is ready and willing to partner with you to achieve our shared objectives.

As part of this, we would like to discuss with you how the key Actions from Tourism 2050 that require Government support can be activated and how these can contribute to your objectives for the tourism portfolio.

2. **Confirm MBIE's sustainable tourism funding work.**

TIA believes the MBIE programme to investigate sustainable funding for the industry and local government tourism functions to be of highest priority and should receive your mandate and support.

This project will provide the ideal platform for establishing optimal and sustainable funding mechanisms for the industry to support its investment needs and balanced development. To be undertaken by MBIE, TIA and Regional Tourism New Zealand.

3. **Confirm investment in Tourism New Zealand.**

Tourism New Zealand plays an invaluable role in shaping visitor demand for quality visitors, and this role has never been as important as we strive for the 'balanced growth' envisaged by Tourism 2050.

Recent cuts to TNZ's budget must be reversed and its future budget correctly set for the tasks required of it.

4. **Make IVL decisions.**

An early matter for your consideration will be around the allocation of the International Visitor and Conservation Levy that generates around \$80m per year, half of which is for tourism purposes, with the other half for conservation.

TIA advocates for investments that will have the greatest benefit for tourism, for example a program of business capability to support tourism businesses to operate on a genuinely sustainable basis over the long term.

5. **Support Tourism Data.**

Quality data is a critical input into industry decision-making, and yet the range and quality of tourism data continues to deteriorate. This is causing high level concern across the industry. Stats NZ restructuring as proposed will result in the loss of three further datasets, with serious implications for tourism and the wider economy.

We request that you act with urgency to retain and restore the tourism data sets that the industry needs to thrive and prosper. Your support for the Tourism Data Leadership Group will be important, as will signaling to key agencies their responsibility to deliver the quality data required by the industry, and the wide range of central and local government entities that interface with tourism.

6. **Support Destination Management Plans**

A feature of the tourism industry through the COVID period was the push to get all tourism regions to prepare Destination Management Plans. TIA welcomed this initiative. The ability to manage tourism at place and with community involvement is a vital ingredient of industry success over the long term. The next challenge lies with how the Plans can be implemented and we advocate for your support for advancing this programme to its next phase.

Most important initiatives to boost tourism

Critical matters for you to advance over your term as Minister of Tourism and Hospitality.

1. Address industry funding.

TIA views the investment funding deficit as the most important systemic issue facing tourism. This will be informed by the MBIE sustainable tourism funding workstream and will involve making important changes.

Industry is up for discussing all revenue gathering options, including industry levies. Also, we consider the placement, governance and allocation processes as being as important as the funding itself. Get funding right and the industry will be much more self-reliant thereby reducing on-going demands on Government.

2. Address industry structure.

Related to the funding investigation, is the matter of defining roles and responsibilities across the tourism system to be set out in a National Tourism Policy Statement or other vehicle.

This work is needed to ensure the design of the tourism system can deliver the desired balanced-growth outcomes and that the key participants in the tourism system are mandated and equipped to undertake the tasks required of them.

3. Support transformation of tourism and conservation.

For a number of reasons the tourism and conservation interface does not work well, to the detriment of both tourism and conservation. Your support will be important for generating the momentum needed to achieving progress in this vital part of the tourism industry.

Our objective is to work with the Department of Conservation to make the current settings work as well as they can and to support the changes to legislation that are needed for the longer term.

4. Support sustainability capability.

Evidence is that tourism businesses need support to become sustainable in their operations. Currently, the intervention support that can be provided is limited and we believe this can be scaled up to generate a deeper and enduring improvement to the industry's sustainability performance.

Having the ability to drive industry-wide sustainability action will enable progress of other Tourism 2050 Actions, including net zero carbon, predator free and biodiversity, embed Tiaki, grow the workforce, and others.

5. Support wider policy setting to enable balanced growth of tourism.

There are many matters that are important for tourism that fall outside your jurisdiction as Minister of Tourism and Hospitality. For instance, the bulk of the work to reduce the carbon emissions of tourism lies with other government bodies such as the Ministry for the Environment and the Climate Change Commission, with specific work around developing Sustainable Aviation Fuels and a national EV charging network.

This makes it important to engage with and influence across the wider processes of Government, such as immigration, economic and regional development, education, border services, research and science, resource management reforms, and many others. All these areas will impact on our ability to achieve balanced growth, and so it is important that both Government and industry engage in these processes. Appendix 3 lists key policy areas that TIA is monitoring and contributing to.

These points provide a shorthand summary of the most important things to advance from TIA's perspective, and we would be most pleased to elaborate on any of them.

We also note crossovers with your other portfolios. For instance, concerns about the mental health of tourism operators peaked through the COVID-19 period, with 50% of TIA members citing burnout and mental wellbeing of staff as an imminent challenge. While this has eased to 30%, this remains a major concern for TIA. Likewise, the pathway tourism provides into quality jobs, and the actions we can take to support this, could form a part of your Youth portfolio.

On an ongoing basis we look forward to scheduled quarterly meetings with you that would typically be with myself, Dame Kerry Prendergast and other staff and Board members as appropriate.

TIA can also serve as a conduit for you with the industry. There will be standing invitations for you to attend and speak to TIA's annual Tourism Summit (peak industry conference), the New Zealand Tourism Awards, and the TRENZ annual international trade show. TIA's Board meets quarterly, and this provides a great forum for discussing ideas and matters of interest with industry leaders.

In addition, we will be in touch with you and your office as important matters arise or as interesting intelligence emerges.

We are always available to respond to any questions you have or information you need, or as issues emerge. My number is 021 511 615 should you wish to contact me.

The TIA Board, team and I look forward to working with you in the period ahead.

Ngā mihi,

A handwritten signature in blue ink, appearing to read 'Rebecca Ingram', followed by a period.

Rebecca Ingram
Chief Executive

Appendix 1: Tourism Industry Aotearoa

TIA is the peak body for the tourism industry in Aotearoa New Zealand and has held this position for 70 years. TIA is funded by its members and is not financially supported by Government. It acts as the independent voice for tourism.

With over 1300 members, TIA represents a broad group of key tourism businesses across hospitality, accommodation, adventure and other activities, attractions, retail, aviation, land and sea transport, as well as tourism-related services. TIA members represent around 85% of total tourism turnover.

TIA is headed by Rebecca Ingram, Chief Executive, and we have a team of 19 highly skilled staff that undertake a wide range of activities in support of our members and the wider tourism industry.

TIA has a wide range of functions including industry engagement and advocacy, industry communications, membership services, policy, sustainability capability, industry events and industry strategy-setting. I will highlight three of these that will be of most interest to you:

- **Industry Events.** TIA is responsible for the key tourism industry events that make up the annual cycle, including:
 - TRENZ which is New Zealand’s major tourism trade show. Normally held in May. Work is underway to determine what the future of TRENZ will look like as we see much potential here.
 - Tourism Summit Aotearoa which is the industry’s main tourism conference. Normally held in November.
 - New Zealand Tourism Awards which celebrate excellence by tourism operators. Held in conjunction with the industry Summit.
- **Sustainability.** TIA developed and operates the New Zealand Tourism Sustainability Commitment, a proven programme to enable tourism businesses to operate sustainably. TIA is looking at ways to scale this programme to drive industry sustainability progress.
- **Strategy.** TIA has been responsible for the industry tourism strategy since 2014. The latest iteration was released in November 2023: Tourism 2050 – a Blueprint for Impact. This will provide the focus for industry for the period ahead and with it aligning well with the Government tourism strategy, there is considerable scope for partnership action on the key areas to advance.

TIA has relationships across the wider tourism system. In addition to building and maintaining the relationship with you and your office, we have many touchpoints with officials from the tourism policy team at MBIE at both strategy and operational levels.

We contribute widely to Government policy development processes to ensure these include appropriate consideration of tourism.

Appendix 2: TIA Board

TIA Board (as at November 2023):

Dame Kerry Prendergast, Independent Chair

Kristin Dunne, Miles Partnership. Co-deputy Chair

Fergus Brown, Holiday Parks NZ, Co-deputy Chair

Callum Mallett, SkyCity

David Perks, WellingtonNZ

Debbie Summers, ID New Zealand

James Dalglish, Go Rentals

Jenna Raeburn, Wellington Airport

John Barrett, Kapiti Island Nature Tours

Nicole Botting, ChristchurchNZ

René de Monchy, Tourism New Zealand

Reuben Levermore, Air New Zealand

Teresa Fogarty, Otago Museum

James Doolan, Hotel Council Aotearoa

Anna Black, General Travel

Geoff McDonald, Skyline

Appendix 3: TIA's Live Tourism Policy Matters

TIA is monitoring and contributing to a wide range of policy and operational processes that can or do impact tourism.

These include:

- Immigration settings
- Adventure safety regulations
- Whakaari White Island implications
- Responsible camping, including Self-contained Motor Vehicle Act
- Visiting driver safety
- Air services agreements
- Destination Management Plan processes
- Tourism data, including membership of Tourism Data Leadership Group
- Digitisation of the Arrivals Card
- Tourism research
- Tourism innovation
- Fair Pay Agreement Act and implementation
- Milford Opportunities Project
- Tourism infrastructure
- Tiaki Promise, part of governance group
- Conservation operations and reform
- DOC: Great Walks Pricing Review
- DOC: Discount Policy Review
- DOC: Facilities Closure Policy
- DOC: Wildlife Act Review
- Carbon measurement
- Sustainable Aviation Fuel process
- Climate Change Commission: Draft Advice to Government
- University-level tourism education
- Secondary school education, including NCEA Tourism Achievement Standard
- Tourism training processes
- Review of the New Zealand Emissions Trading Scheme
- Review into the Future of Local Government
- Local Government Long Term Plans
- Resource Management reform
- EV Charging Strategy
- Industry Transformation Plan – Better Work
- Industry Transformation Plan – Environment
- Short term rental accommodation, measurement
- Aotearoa Circle Tourism Climate Change Adaption Roadmap
- Royal Commission on COVID-19 Lessons Learned

Appendix 4: Tourism 2050 – On a Page

Tourism 2050 – a Blueprint for Impact

Outcome 1: Hapori (Community)
 Enhance the vibrancy, culture, health and quality of life of local communities.

Outcome 2: Manuhiri (Visitor)
 Provide timeless experiences that differentiate Aotearoa New Zealand in the minds of manuhiri (local and international).



Outcome 3: Ōhanga (Economic)
 Support productive and prosperous tourism businesses and the Aotearoa New Zealand economy.

Outcome 4: Te Taiao (Environment)
 Invest in the protection, restoration and enhancement of Te Taiao (our natural world).

Appendix 5: Tourism Operating Context

Tourism is a strong and vibrant part of the New Zealand economy and society.

We are a strong and resilient industry that delivers world-class experiences to our international and domestic visitors. Pre-COVID tourism contributed 9.1% of GDP, 19.9% of exports and 13.2% of employment. International visitor satisfaction is 90.9% and Domestic visitor satisfaction is 84%. 89% of New Zealanders think that tourism is good for New Zealand.

Tourism was deeply affected by COVID-19. Now, all signs are that the essential core of the industry is in good heart and recovering well. International arrivals are sitting at 70.1% of pre-COVID levels with 2,694,060 international arrivals in the year to September 2023, and this is progressively improving. Most tourism businesses have come through the pandemic which means the core of the industry is in place and ready to flourish.

Tourism has regained second place amongst New Zealand's export sectors in the year to June 2023, with \$10.3 billion of export receipts. This does leave tourism a long way behind the Dairy sector (\$21.2 billion), but this highlights the enormous potential of tourism to recover lost ground given that tourism and dairy have typically been at similar levels as our largest export sectors.

Following is a one-page document showing the key tourism indicators that TIA uses to track the performance of the industry (Appendix 6). You will notice that in addition to the traditional economic measures, we include those that give us an indication of how tourism is doing across the visitor, community and environmental domains. This multi-faceted view of the industry will become more important as tourism increasingly becomes an integral part of who we are as a nation.

The outlook for tourism remains strong with international aviation to double over the next two decades based on Boeing, Airbus and IATO forecasts. This global growth will provide continued opportunity for New Zealand as a premium visitor destination and will create scope for us to target the visitation that works best for us as a destination.

In the current phase of recovery, the industry is well-placed. Businesses are able to rebuild their operations on a measured basis, workforce shortages experienced over the first post-COVID summer season have been alleviated with additional New Zealand and overseas workers engaged. International aviation links are gradually rebuilding from all markets and in some, particularly the US, have never been as strong.

Looking forward, and with the industry facing the prospect of strong international visitor growth over the long term, there is a very strong imperative to ensure the continued development of the tourism industry that works best for New Zealand.

With balanced growth the objective of the industry, we must ensure that we have the policies, systems and programmes in place so that we can manage tourism effectively so that it delivers to its potential.

Appendix 6: Tourism Tracking Data (as at November 2023)

	Figure	Source, Period and Comment
Economic		
Expenditure		TSA. YE March 2022*
• Total	\$26.6b	Period heavily COVID impacted.
• International	\$1.9b	Pre-COVID (YE March 2020) the figures were:
• Domestic	\$24.6b	Total \$41.4b, International \$17.7b, Domestic \$23.7b.
GDP		TSA. YE March 2022*
• Total	5.1%	Period heavily COVID impacted.
• Direct	3.0%	Pre-COVID (YE March 2020) the figures were:
• Indirect	2.0%	Total 9.1%, Direct 5.4%, Indirect 3.7%
GST paid by tourists	\$2.5b	TSA. YE March 2022*
		Period heavily COVID impacted.
		Pre-COVID (YE March 2020) the figure was \$3.9b
Exports (% on NZ's total exports)	2.4%	TSA. YE March 2022* Period heavily COVID impacted.
		Pre-COVID (YE March 2020) the figure was:
		19.9% of NZ's total exports
Exports (latest BOP data)	\$10.3b	Stats NZ, Balance of Payments. YE June 2023
		This places tourism in second position behind Dairy Products (\$21.2b) and ahead of Meat Products (\$9.2b)
Employment		TSA. YE March 2022*
• Total	240,867	Period heavily COVID impacted.
• Direct	145,032	Pre-COVID (YE March 2020) the figure were:
• Indirect	95,835	Total 366,282, Direct 219,093, Indirect 147,189
• % NZ employment	8.7%	13.2% of NZ's total employment
Visitor		
International Visitor Arrivals	2,767,699	Stats NZ, YE September 2023
% of pre-COVID level	70.1%	Period heavily COVID impacted.
		Pre-COVID (YE September 2019) there were 3,902,924 international visitor arrivals
NZ Resident Arrivals	2,484,271	Stats NZ, YE August 2023
% of pre-COVID level	80.1%	Period heavily COVID impacted.
		Pre-COVID (YE August 2019) there were 3,068,189 NZ resident arrivals to New Zealand
International satisfaction	90.9%	IVS, Q2 2023
		% of international visitors who were satisfied of very satisfied with their experience in NZ
International NPS (Net Promotor Score)	67	IVS, Q2 2023
		Net Promotor Score based on international visitors who would promote NZ as visitor destination
Domestic satisfaction	85%	Domestic Visitor Satisfaction, YE Sept 2023
		% of domestic visitors who were satisfied of very satisfied with their travel experience in NZ
Domestic NPS (Net Promotor Score)	54	Domestic Visitor Satisfaction, YE Sept 2023
		Net Promotor Score based on domestic traveller who would promote NZ as visitor destination
Community		
Sentiment towards tourism by NZers	89%	Kantar, NZers Views of Tourism, May 2023
		Survey of NZers on their views towards international and domestic tourism
Environment		
Tourism carbon emissions	3,562	Stats NZ. Greenhouse Gas emissions, YE 2021
		Kilotonnes of CO2 equivalents.
		Period heavily COVID impacted.
		Pre-COVID (2019) the figure was \$5,831
% of NZ total carbon emissions that are tourism	4.6%	Stats NZ. Greenhouse Gas emissions, YE 2021
		Period heavily COVID impacted.
		Pre-COVID (2019) the figure was \$7.0% of NZ's total tourism emissions of 82,734 kilotonnes of CO2 equivalents
Tourism businesses acting to advance NZ's predator free goals	68.6%	TIA, TSC Survey, 2023
		Survey of TIA members and the actions taken to implement the TSC, including predator control

*Note: TSA for YE March 2023 due in December will provide a more complete picture of recovery.

Appendix 7: Tourism Value Chain¹

Core Tourism Ecosystem					Beyond Tourism		Lasting Impact					
Pre-arrival	Access		Accommodation		Activities		Amenities		Visitor Experience		Residual Impact	
Online aggregators Travel Agents Inbound tour operators	Airlines Airports Cruise Land transport Taxis Ferries Rental vehicles Private vehicles	Hotels Motels Lodges B&Bs Backpackers Peer to peer (Air BnB, Book a Bach, etc) Holiday parks DOC huts and camping	Tour operators Māori culture engagement Museums and festivals Conferences & conventions Cultural experiences Major events Sporting events Natural assets Festivals and concerts Wellness and spas Cultural performances Specialist guides Information centres Cycle and walking trails Sightseeing	Hospitality services Transport networks Walking options Urban environment Park networks Engagement with locals Engagement with culture Engagement with nature Quality of landscape	Quality of service Experienced Manaakitanga Quality of environment Landscape Friendly people Safety Ease of getting around Value for money Experience of a lifetime	NZ Brand reputation Promotor of Destination NZ Become return visitors Purchaser of NZ product exports Lifetime value of the visitor to New Zealand NZ connectedness to the world						
International and domestic visitors												
Visitors	Cruise		Group tour		Independent traveller		Business/conference		Visiting friends and family		Education	
Actors	Minister of Tourism & Hospitality	MBIE	TIA	Other associations	Local government	RTOs & EDAs	Airlines	NZ Māori Tourism	TNZ	Mana Whenua	DOC	MfE
Wider value chain	Biodiversity	Research & Education providers		Communities of NZ	Business opportunity	Workforce	Infrastructure	Environment	Opportunity for Māori		Brand New Zealand	

¹ Adapted from Tourism Sector Climate Change Scenarios and Adaptation Roadmap, Aotearoa Circle, 2023.