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Media release

Tourism business revenue plunging 60%, new survey shows

Tourism operators are seeing their revenue plunging in an extremely difficult operating environment, according to a new survey by Tourism Industry Aotearoa.

TIA worked with a network of tourism sector associations to survey industry operators about the current state of business. Almost 200 operators responded to the pulse survey which was conducted between Thursday 17 February and Monday 21 February.

Respondents expect their revenues will be down by 59.8% on average for the period 1 February-30 April 2022, compared to the same period of 2021. This in turn was half that of pre-COVID levels due to the loss of income from international visitors.

95% of respondents classified the current operating environment as difficult, with 66% saying it is extremely difficult.

"The survey results paint a clear picture of the challenges facing the tourism industry as a result of the Red setting. Respondents were from every region in Aotearoa New Zealand and represented accommodation, transport, activities and attractions, as well as events, hospitality and tourism services," TIA Communications Manager Ann-Marie Johnson says.

"Many tourism businesses are arguably now in the most difficult financial position they have been since the pandemic began, with New Zealanders reverting to a lockdown mentality and not travelling. TIA is sharing these results with the Government and is continuing to advocate for targeted support until we can get back to business."

The financial support for business announced by the Government this week ticks some boxes for the industry. TIA has today launched another survey to assess how effective it will be in meeting operators' needs.

Ahead of the announcement, 91% of respondents said government support would be important to enable them to survive the current period, with 61% saying it was very important.

Almost 18% of respondents were keen on an extension of the Small Business Cashflow Scheme, which was included in yesterday's announcement.

However, the reinstatement of wage subsidies was considered to be the most important assistance that the Government could offer (84%), closely followed by Business Resurgence Payments (77%). These were not included in the new business support package.

TOURISM INDUSTRY AOTEAROA

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29% of respondents sought relief from government fees and levies such as Department of Conservation concession fees. 15% considered there was a need for more mental health and wellbeing support. TIA will continue to advocate for these measures. When asked what else they would like the Government to do, 89% of respondents identified the removal of self-isolation requirements for international visitors as the top priority.

This was closely followed (85%) by speeding up the border reopening timeframes when Omicron is widespread in the community. Australian visitors are not currently scheduled to return until July. Under current settings, they will be required to self-isolate when they arrive.

"The removal of self-isolation requirements for international visitors is the critical change TIA is seeking from the Government. The industry cannot resume making its contribution to Aotearoa New Zealand's economy – up to \$17.5 billion a year pre-COVID – until holidaymakers can come here without having to self-isolate," Ms Johnson says.

"With Omicron endemic in New Zealand, the case for self-isolation essentially disappears. As soon as we get past the spike of Omicron over the coming weeks, TIA will be calling for self-isolation requirements to be removed so the industry can plan for a future where other forms of government support will not be needed."

Survey respondents also showed strong support for stepping down from the Red level as soon as possible (70%) and adjusting the stand-down requirements for close and casual contacts (64%).

"The tourism industry is not seeking long-term government support. The need for support will likely disappear when we can once again welcome international manuhiri with no self-isolation requirement. We are pressing Government to act with urgency on the removal of self-isolation as soon as possible," Ms Johnson says.

To see the survey results, [click here](#).

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KEY FACTS

- TIA is New Zealand tourism's peak industry body. We are the only independent association that represents all sectors of New Zealand's large and diverse tourism industry.
- TIA has about 1300 member businesses from across the industry, ranging from small owner/operators to large publicly listed tourism corporates and international hotel chains.
- TIA is deeply involved in discussions on recovery and what the future of tourism in New Zealand will look like.
- TIA leads implementation of the industry's **Tourism Sustainability Commitment** which aims to see every New Zealand tourism business contributing positively to our people and cultures, our environment and our economy
- TIA delivers a comprehensive and diverse range of industry events including TRENZ, New Zealand Tourism Awards, Discussing Tourism regional events and the Tourism Summit Aotearoa.

Visit www.tia.org.nz for more information

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