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Media release

Wage subsidies must continue at Level 2, TIA says

Tourism Industry Aotearoa is calling for wage subsidies to continue if Auckland's boundaries remain closed next week, even if the city moves to Alert Level 2.

"For tourism businesses in Auckland and around the country, the boundary restriction will have the same impact as Auckland remaining at Alert Level 3," TIA Chief Executive Chris Roberts says.

With New Zealand's borders closed and no international visitors, 42% of the total visitor market is unavailable. Aucklanders provide another 20% of that total visitor spend across New Zealand - and are also unavailable.

"So while borders are closed, including Auckland's, the available visitor market is about a third of what it was. It's tough to survive when two-thirds of the customer base is gone," Mr Roberts says.

Auckland at Level 2 with a closed boundary means tourism businesses in Auckland won't have any visitors from the rest of New Zealand. And tourism businesses outside of Auckland won't have any Auckland visitors.

Many tourism businesses were hoping for increased business during the October school holidays. There should be some pick-up, but booking levels are generally not encouraging.

"The wage subsidy should continue. Keeping Auckland's boundaries closed will present trading conditions just as difficult for tourism businesses as Level 3. Many of our operators around the country will still have at least a 40% reduction in revenue and be able to meet the wage subsidy criteria if it is still offered.

"And in Auckland, a hotel that's empty now will still be empty at Level 2."

TIA says while tourism businesses are vulnerable and need government support, there is one thing they can do.

"Encourage everyone to get vaccinated so that we can have free movement of people again and revive the visitor economy."

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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 committed to sustainability.
- 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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