

# The Way Ahead for NZ Tourism

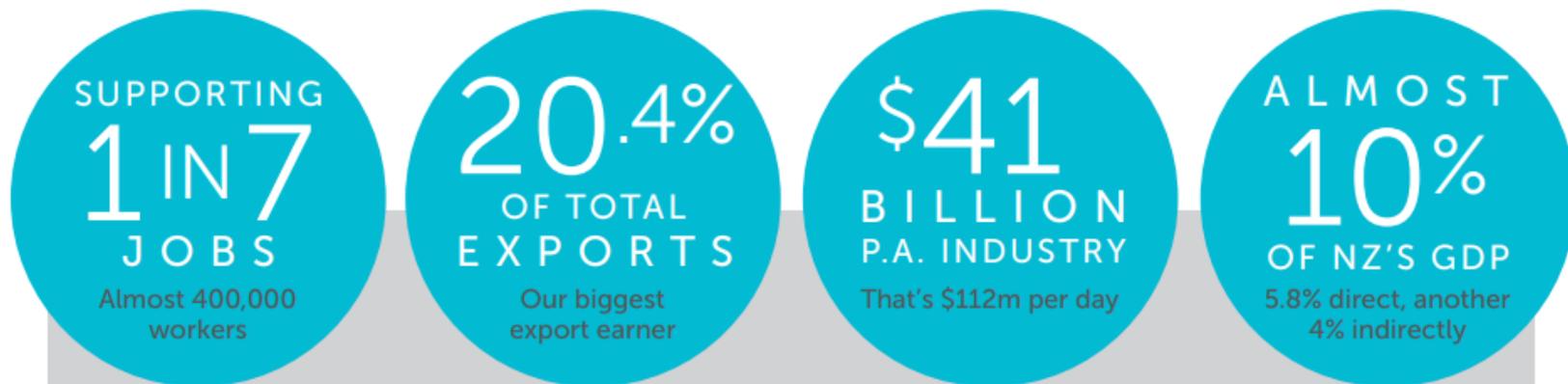


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# TOURISM BY THE NUMBERS

(PRIOR TO THE COVID-19 PANDEMIC)

A vibrant visitor economy has been a central feature of New Zealand's economic success. The revival and revitalisation of tourism is essential for New Zealand's future wellbeing.



The pandemic has been the biggest shock ever faced by the New Zealand tourism industry – impacting on every town, city and region.

# The Pandemic impact in 2020

- \$17.5b pa in international visitor spend *shrunk*
- 40,000+ jobs *gone*
- Small communities reliant on tourism *dying*
- International family and business links *disconnected*



# The ongoing impact in 2021



Visitor expenditure is down **\$11B\*** (now at 2013 level)



Domestic aviation is operating at **87%** capacity



**80%** of hotel rooms available (but occupancy levels are low for many)



**66%** of coach operators are still running but at around **10%** loading



Sector employment is down **40%**



Sector business financial turnover has dropped on average **48%+**



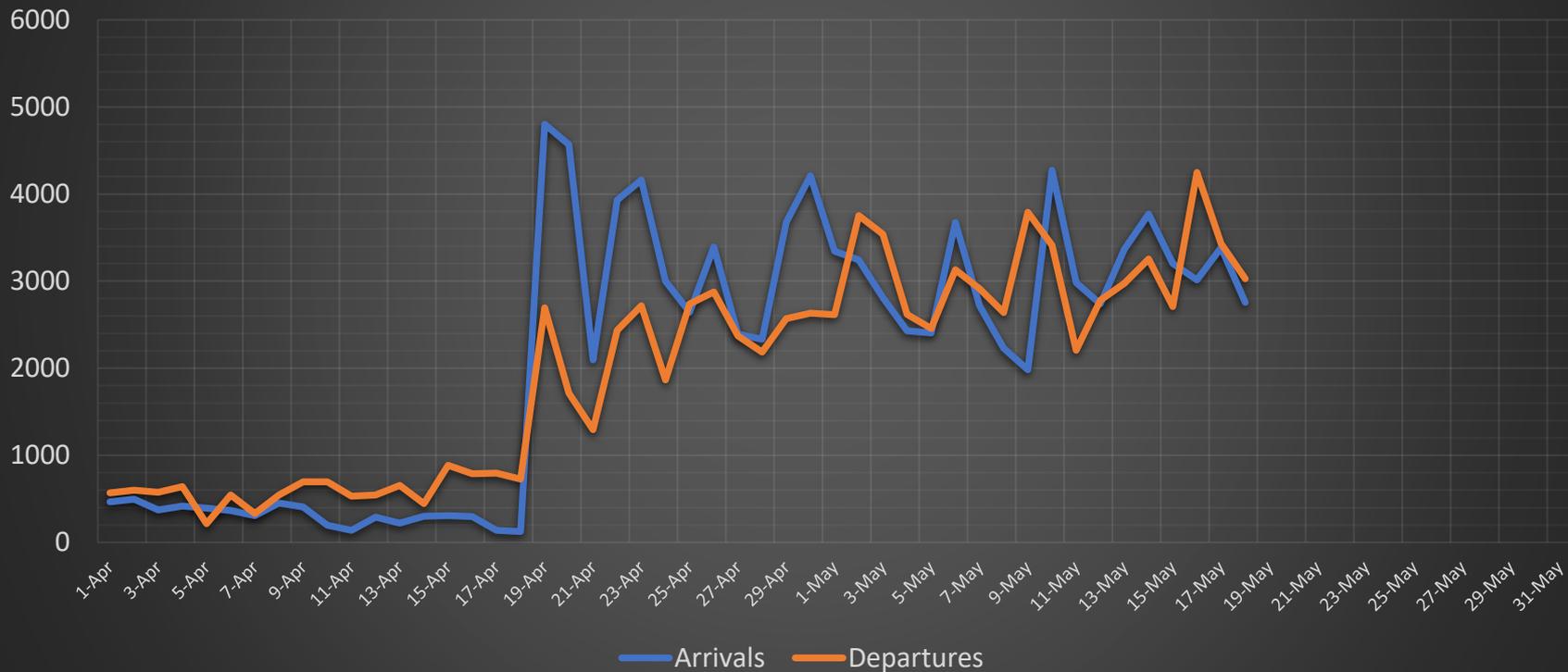
Rental car and camper fleets are operating at **45%** capacity



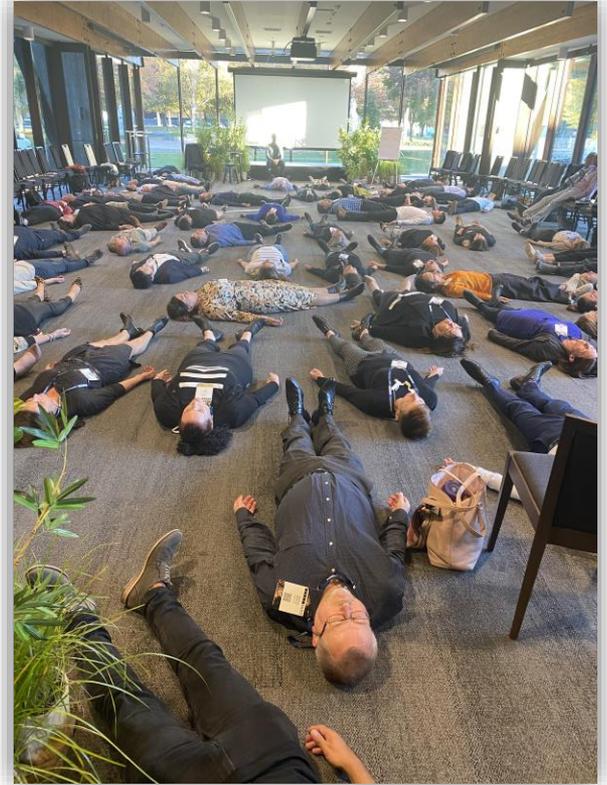
International visitation is down **98%**

\*Excludes airfares, education fees and GST

# Daily International Arrivals and Departures



# TRENZ Hui 2021



# TRENZ HUI 2021

## Get ready for the next stage of tourism

Welcome  
SESSION 1.

OTHERS  
SECTOR  
and  
ME



MEDIA  
RESPONSIBILITY

WE CAN'T DO  
IT WITHOUT  
**YOU!**

ACCOUNTABILITY  
EMPOWER TOURISM AS  
VALUE BASED  
VS  
DISCOUNT BASED

VALUE of  
TOURISM

VALUE of  
STORIES  
TELL OUR  
STORIES



IMPACT from  
COVID-19  
ON NZ

SEASONALITY



COMMUNITY  
EXPECTATIONS



CONSULT  
WITH  
COMMUNITY

INVESTING IN  
OUR PEOPLE

GREAT  
NEW  
IDEAS

AWARENESS of  
OUR AWESOME  
PEOPLE



TOPICS  
1. 2. 3.

OPPORTUNITIES  
FOR OUR FUTURE  
TOURISM INDUSTRY



SELLERS NEEDS



1 IDEAS  
NOW



2 PLAN for  
TOMORROW



3 2030  
SUCCESS



TOURISM AS A GREAT  
CAREER PATH - BETTER  
WAGES, GOOD JOB SECURITY



GREAT WORKPLACE  
CULTURE!  
EMPOWERMENT



PROFIT  
SHARE

UP-SKILL

TIAKI  
PROMISE

WHAT ARE  
the  
BENEFITS  
to the TOURISM  
INDUSTRY?



**SAFETY**

HIGHLIGHT the VALUE



COMMUNITY  
ENGAGEMENT  
IN DESTINATION  
PLANS



BUSY  
STRESSED  
UNCERTAIN  
WORRIED...  
SICK  
UNPREPARED...  
ANXIOUS...



POSITIVE  
OPTIMISTIC  
EXCITED...



...OKAY SEXY

Revive - Reconnect - Revitalise

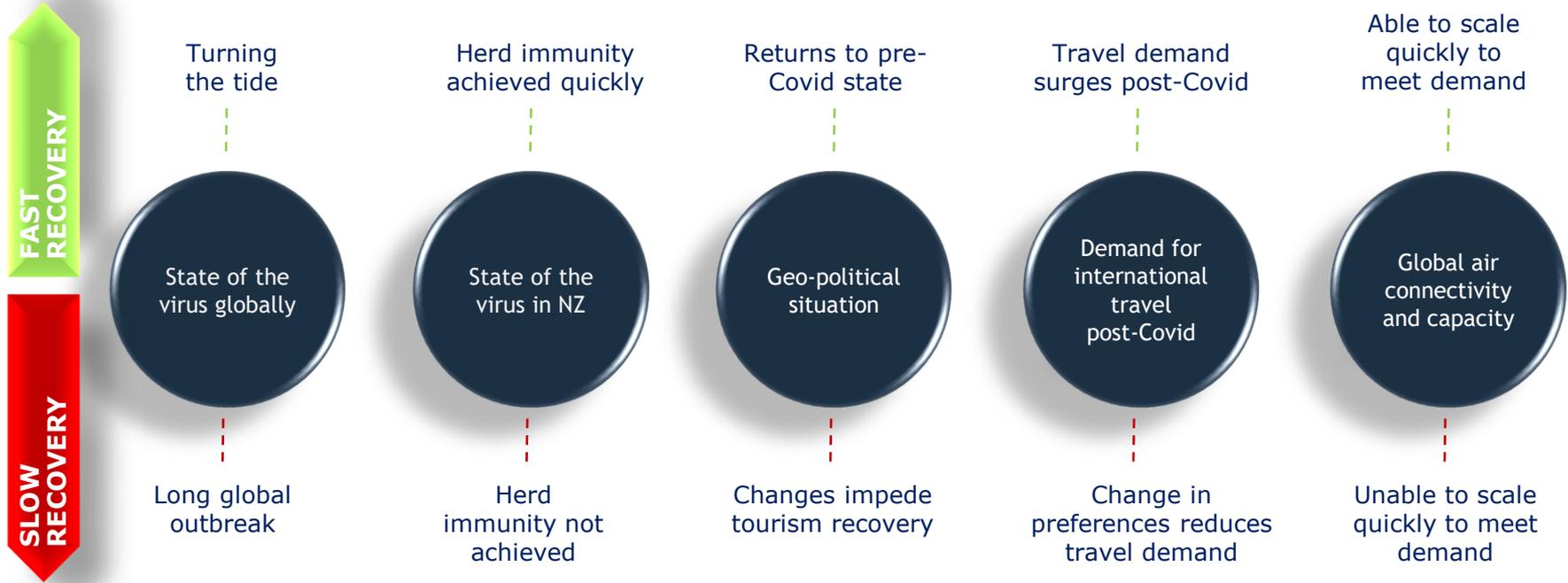
# Industry Roadmap

- Where are we now?
- Where do we want to go?
- What are the known and potential speedbumps?
- Are there any roadblocks and if so, how do we shift them?



*Stocktake, Insights, Scenarios, Interventions*

# Our recovery path is highly uncertain due to factors we can't control



# The best forecast we can provide right now is a 'wedge'



Some recent examples of why we have a wedge:

- Situation in India
- Melbourne outbreak
- Perth/Sydney lockdowns
- Brisbane green zone breach
- Community cases in Fiji
- Slow vaccination rates
- Emergence of new variants

*"The 'wedge' will narrow as we have more certainty"*

*"Contingency planning is critical"*

# Retaining and attracting people will be a significant challenge during recovery

## THEME ONE: WORKFORCE



Industry  
employment  
is down 40%

*Now, access to  
staff is a key issue*



Other sectors are  
competing for our best  
remaining staff

*Australian businesses  
are looking to hire  
Kiwis across the ditch*



Wage rates are  
increasing and the  
Living Wage is a regular  
discussion point

*The jobs are not where  
the people are*



We cannot rely on  
foreign labour

*Retaining existing staff  
will be hard –  
and attracting new staff  
into the sector will  
be even harder due to  
actual/perceived  
volatility*

# Customers must have confidence in our product – especially during recovery

## THEME TWO: PRODUCT



Manage customer expectations regarding your current state of service



Market standard is increasingly flexi-date and low or no cost cancellations



Remember that supply is constrained - the industry is smaller than it used to be, and it will remain smaller for some time



Covid Clean is becoming a new customer expectation – for Kiwis and even more so for international visitors

# Despite reduced volume, social licence remains fragile in a post-Covid world

## THEME THREE: SOCIAL LICENCE

### Insights



Kiwis loved having NZ to themselves in our bubble

*As well as the old fear of "too many tourists", we now also have a new "fear of Covid" and a wariness of change*



Infrastructure concerns may not be able to be addressed as Government faces fiscal hole



Unsafe driving, "toileting issues" and traffic congestion are still a thing with domestic only – but that doesn't mean Kiwis will welcome international visitors with open arms



There will be no lessening of community and government focus on social license issues, even though our sector is doing it tough. Recovery may add more challenges in the near term

*"Inclusion and participation in domestic tourism drives economic resilience - and social licence"*

# Roadmap for businesses (individual actions)

WATCH →

WEDGE UPDATE | ROLLERCOASTER DIPS | AU LEISURE

ACT →

## WORKFORCE

- Be an attractive and flexible employer
- Create your own hire Kiwis strategy
- Collaborate with other employers in your region

## PRODUCT

- Be honest through all communication channels about your current state
- Reduce risk for customers
- Covid Hygiene – in place and visible to Kiwis and international visitors

## SOCIAL LICENCE

- Continue to welcome domestic visitors – particularly local community
- Align your brand and values with your community
- Encourage your customers to embrace the Tiaki Promise
- Participate in local DMP processes

ENSURE →

React to the wedge and plan for all scenarios

# Roadmap for the industry (group actions)

WATCH →

5 EXTERNAL INDICATORS | GOVERNMENT ACTIONS | TRAVEL TRENDS

ACT →

## WORKFORCE

- Lobby government to extend visas for migrants already in NZ
- Monitor and report employment trends
- Extend Go with Tourism programme
- Work with unions and government to redevelop the employment offer

## PRODUCT

- Industry to seek government incentives for capital spend e.g.
  - Accelerated tax depreciation
  - Electrification of fleets

## SOCIAL LICENCE

- Encourage govt to continue TNZ domestic mandate
- Implement outcomes from Responsible Camping reform
- Engage with government on shared infrastructure and funding models
- Define what we mean by 'value' with industry and government

ENSURE →

Industry leads action and sets the recovery path

