



Photo credit: The Langham, Auckland

**Submission to
Greater Wellington Regional Council
on the
Wellington Airport Runway Extension**

- Date: 12 August 2016 -

Tourism Industry Aotearoa (TIA) Hotel Sector – Wellington Region welcomes the opportunity to comment on the Wellington Airport Runway Extension.

EXECUTIVE SUMMARY

1. The TIA Wellington Hotel Sector supports Wellington Airport’s application for resource consent to extend the runway.
2. Strong tourism growth requires a significant investment in infrastructure and as such, the TIA Wellington Hotel Sector is supportive of major infrastructure development such as airports.
3. For the Wellington hotel sector, developments such as the Wellington Convention Centre, the Movie Museum, and developments in the local retail sector are just as important as developments in airport infrastructure. These developments complement each other and are all needed to grow and retain the city’s vibrancy that will attract visitors to Wellington.
4. Understanding where leisure visitors will travel to on arrival in Wellington and what travel routes are likely would assist in building the picture of improved regional dispersal from the proposed extension and maximising our tourism potential.

INTRODUCTION

5. TIA’s Hotel Sector represents the interests of over 140 hotel members throughout New Zealand, including international chain, large independent and privately owned hotels. 23 of these hotels are in the Wellington region.
6. The primary role of TIA’s Hotel Sector is to provide strong support and advocacy on behalf of their members. This includes working for the hotel members on advocacy, policy, communication, events, membership and business capability.
7. TIA’s Hotel Sector is led by Hotel Sector Manager Sally Attfield, together with eight Regional Hotel Chairs. Steve Martin, General Manager James Cook Hotel Grand Chancellor, is the Regional Chair of the Wellington region.
8. Any enquiries relating to this paper should in the first instance be referred to Steve Martin, General Manager James Cook Hotel Grand Chancellor at gm@jamescookhotel.co.nz or by phone on 04 495 0276.

COMMENT

Tourism 2025

9. Tourism 2025 (www.tourism2025.org.nz), an industry-led, government supported economic growth framework was launched in New Zealand in 2014 and has set an aspirational goal of reaching \$41 billion in annual tourism revenues by 2025. The industry’s focus is on growing value faster than volume.

10. The Tourism 2025 framework is based around five key themes which are:

- Insight - this is at the core of the framework recognising that having timely, accessible and relevant insight is what will help tourism businesses with the information they need to support operational and strategic decision making.
- Connectivity - focusing on growing sustainable air connectivity is critical for an island nation that relies on 95% of its visitors arriving on a commercial aircraft.
- Productivity - making more money from the investments we already have and finding new solutions to seasonality (the tourism industry's perennial challenge) and regional dispersal.
- Visitor experience - we can derive more value by creating outstanding visitor experiences that meet the needs of a changing visitor mix and recognising the end to end visitor experience, the need to improve facilitation and be measuring dissatisfaction.
- Target for Value - the identification of targeted opportunities that, if taken up, will deliver the greatest economic benefit.

11. This framework has recently been reviewed ([Tourism 2025-two years on](#)). While the five themes of the framework remain unchanged, the emphasis in some focus areas has shifted. Facilitating infrastructure investment to support tourism growth is one of the themes now being given greater priority.

Our understanding of the issue

12. We understand that Wellington International Airport is seeking resource consents to enable the construction, operation and maintenance of a 355 metre extension to the take-off runway available (TORA) at Wellington International Airport.
13. The TIA Wellington Hotel Sector understands that this extension will largely involve the construction of a reclamation at the southern end of the existing airport runway into the coastal marine area at Lyall Bay.

General

Tourism growth and infrastructure

14. The tourism industry is New Zealand's largest export sector, earning \$11.8 billion (17.4%) of New Zealand's foreign exchange earnings (YE Mar 2015). Tourism in New Zealand is a \$81.6 million per day and \$29.8 billion a year industry.
15. Wellington Airport Monthly Traffic Report June 2016 shows that international passenger movements at Wellington Airport for 2016 (YE June) has increased by 10.9% and domestic passenger movement has increased by 4.7%. International aircraft movements at Wellington

Airport increase by 14.4% for 2016 (YE June) and domestic aircraft movements increased by 2.2%

16. MBIE's New Zealand Tourism Forecasts 2016-2022 show that international visitor numbers are expected to grow by an annual 5.4% and total international spend is forecasted to grow by an annual 7.5% to 2022.
17. Fresh Info's Hotel Forecasting Model prepared for NZTE shows that international demand for hotel room nights is expected to grow by an annual 5.8%, while domestic demand is expected to grow by an annual 2.5% up to 2021. Over the next ten years, the demand for hotel room nights in Wellington is expected to increase by 290,000 nights (2.6% p.a.).
18. This strong tourism growth requires a significant investment in infrastructure and as such, the TIA Wellington Hotel Sector is supportive of major infrastructure development such as airports.

Developments in Wellington

19. Wellington is a vibrant city home to many museums, theatres and arts festivals, including Te Papa Tongarewa, the New Zealand Symphony Orchestra, the Royal New Zealand Ballet and the biennial Festival of the Arts. Large international fashion retailers and department stores are showing an interest in opening stores in Wellington. Other interesting developments for Wellington are the proposed Wellington Convention Centre and Movie Museum.
20. The city is being perceived as unique, dynamic, vibrant and diverse place. Retaining these qualities will depend on the city's ability to support its commercial, residential and recreational activities.
21. Developments as these are equally as important as developments in infrastructure for the hotel sector in Wellington. These developments complement each other and are equally as needed to grow and retain the city's vibrancy that will attract visitors to Wellington. The TIA Wellington Hotel Sector has, of course, a strong interest in this.
22. Understanding where leisure visitors will travel to on arrival in Wellington and what travel routes are likely (e.g. arrive Wellington – upper South Island, arrive Wellington – lower North Island, and combinations of these) would be valuable. This would assist in building the picture of improved regional dispersal from the proposed extension and maximising our tourism potential.

FOLLOW-UP PROCESS

23. The TIA Wellington Hotel Sector wishes to participate further in any follow-up process, including any formal meetings, to ensure that the potential impacts on the hotel sector are adequately represented.

CONCLUSION

24. The TIA Wellington Hotel Sector supports Wellington Airport's application for resource consent to extend the runway.
25. Strong tourism growth requires a significant investment in infrastructure and as such, the TIA Wellington Hotel Sector is supportive of major infrastructure development such as airports.
26. For the Wellington hotel sector, developments such as the Wellington Convention Centre and the Movie Museum, and developments in the retail sector in Wellington are equally as important as developments in airport infrastructure. These developments complement each other and are equally as needed to grow and retain the city's vibrancy that will attract visitors to Wellington.
27. Understanding where leisure visitors will travel to on arrival in Wellington and what travel routes are likely would assist in building the picture of improved regional dispersal from the proposed extension and maximising our tourism potential.

BACKGROUND

28. Tourism for New Zealand is big business as the country's largest export sector. It is a major contributor to the New Zealand economy that will always be here and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean and pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.
29. The tourism industry delivers the following value to New Zealand's economy:
 - Tourism in New Zealand is an \$81.6 million per day and \$29.8 billion a year industry.
 - The tourism industry directly and indirectly supports 12.1% of the total number of people employed in New Zealand. That means 295,908 people – one in eight – are working in the visitor economy.
 - Tourism is one of New Zealand's biggest export industries, earning \$11.8 billion or 17.4% of New Zealand's foreign exchange earnings (year ended March 2015).

End.