

Note from the Chair

March 2017

By Grant Webster, TIA Chair

Yesterday we had the first TIA Board Meeting and 'deep dive' session for 2017. This short update is to keep you informed from a Board perspective on how we see the industry and key activities, plus a general update on TIA.

It has been a busy summer, no doubt, and all the expected pressures on infrastructure continue to develop, although there are more and more positive indicators from government that there may be some assistance on the horizon. We certainly aren't counting any chickens, however.

The shine has been taken off the summer a little with a softening from the China market, which has been felt in Queenstown somewhat, and the very high number of no-fly days for South Island air operators. There is a feeling, however, that, with a late Easter, World Masters Games, Lions tour and a strong shoulder season shift (driven by Tourism New Zealand marketing push and better pricing?), the next quarter could be very strong.

High-level structural shifts

There are some high-level structural shifts that also seem to be developing. The sharing economy has gone from a concept to a fully-fledged industry force in a small period of time, Airbnb being the most visible example, however car, motorhome and other sharing platforms are growing at a rapid rate.

This certainly assists peak season demand and is a far more efficient use of capital for the industry as a whole. The discussion on pricing in peak season is the other shift where there may be some pushback from the wholesale market and we may have seen some group business drop off because of price, not availability. We will see.

Managing the issues

From an issue management perspective, the TIA team and Board are very focused on fighting the Auckland Council proposed targeted rate increase for commercial accommodation in the Auckland area. I don't need to reiterate all the messages in this column, however, the inequity, lack of information and overall approach is one which we must fight with logic and reason to ensure we protect the industry and can encourage future investment.

The Board is very pleased with the way the TIA team has dealt with issues as they have arisen over the last 12 months: visiting driver safety, freedom camping, the Kaikoura earthquake and the Auckland rates issue are all elements of activity that are over and above the planned actions for the organisation. A genuine thanks and well done to the TIA team for the last 12 months' activity.

There is a lot more going on as well for the team - the business plans and budget have been signed off, the General Election manifesto is well underway, the infrastructure projects are nearing conclusion and, of course, TRENZ 2017 is looming.

Tourism sustainability deep dive

The deep dive session was on sustainability, where we challenged ourselves to consider what a sustainability tourism industry would look like in the future from a variety of stakeholder perspectives.

There were no definable outcomes to share from this early session, however a process has begun and we will work on the direction over the coming months. What was notable was the overwhelming support to create clarity from an industry leadership perspective on what sustainability should mean to us all.

We need to gain some shared understanding, align to a direction, commit to a charter of some form and set some aspirational goals from a social, environmental and economic perspective. This will likely all fit in and around the Tourism 2025 framework.

From a TIA perspective, we are always open to your thoughts and views on what else we should be doing and staying focused on, noting we can never please everyone all the time. So, provide your feedback and stay in contact.