AccommNews column
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From Chris Roberts, Chief Executive, TIA

$39.1 billion tourism industry's focus turns to maintenance

The end of 2018 brought excellent news for the tourism industry – it hit an estimated value of $39.1 billion, according to the latest Tourism Satellite Account figures.

This is a huge milestone for us, and means we are well on our way to reach our 2025 goal of being a $41 billion industry.

However the consequences of this growth are obvious, and TIA continues to advocate for greater investment to support and manage it.

In 2016 TIA engaged Deloittes to undertake a National Tourism Infrastructure Assessment. This highlighted historic under-investment in 'local and mixed use' infrastructure – which is used by locals and visitors alike and is generally provided by local councils. It also recognised that many councils are cash-strapped and need a helping hand.

The previous Government responded to our report with the $100m Tourism Infrastructure Fund that councils can access to improve significant infrastructure and management of camping systems. Under the current Government, the Provincial Growth Fund is supporting numerous regional tourism projects and already seeing results by encouraging visitor dispersal.

The TIA Board recently decided a more active role is required in the discussion on regional funding models. A Board subcommittee is being formed to identify a new regional funding model that is fair and equitable and in the best interests of the tourism industry. The Productivity Commission's inquiry into local government funding and financing will not be released until November 2019 and we will take the opportunity to assist in finding a solution to this national community issue.

The new International Visitor and Conservation Levy will provide around $80m a year when it is introduced in the second part of 2019, and TIA has been vocal about making sure that the money is used on infrastructure that will benefit the visitors who pay it.

Industry taxes have been a focus of TIA's work this year, particularly with the Auckland Council's 'Airbnb' rate, which failed to reduce unfairness for traditional accommodation providers.

In our submission on the targeted rate last year, we noted the difficulty of identifying those who should be paying it, and as we have seen this year, the Council has been unable to implement the rate fully due to this inability.

TIA recognises that peer-to-peer accommodation offers additional choice to consumers and that it fills an important need, especially over peak periods. However, there needs to be appropriate management of this sector, with requirements that provide for fairness, quality and provision of a safe and compelling visitor experience.

Looking forward to 2019, TIA and the wider tourism industry will be maturing our commitment to sustainability, and there are many initiatives which will be showing results in the New Year; namely the update of the Tourism 2025 Growth Framework, and meeting our goal of having 1000 tourism operators signed up to the Tourism Sustainability Commitment.

And continued alignment with the government has resulted in proposed changes to the immigration work visa process, which will make it easier for industries and regions to get the workers they need. This directly affects the accommodation sector and TIA will be submitting on improvements to the visa process to ensure that a regional approach, which was identified in TIA's People and Skills 2025 report, is the basis for the new visa framework.

All in all, the outlook for 2019 looks strong, and we look forward to the opportunities and challenges that a new year will bring.