

Who should pay to support tourism growth?

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It's been a boomer summer for New Zealand tourism, with a record number of international visitors enjoying all we have to offer.

That's been important for our economy, especially at a time when dairy farmer returns are suffering. And the rapid growth is putting the tourism industry ahead of schedule to achieve our Tourism 2025 goal of \$41 billion total tourism revenue per year.

However, we've also seen numerous media stories highlighting what we might call 'growing pains'. Issues with freedom campers, visiting drivers, staff shortages and tight accommodation at peak periods have all hit the headlines.

When asked recently about freedom camping, Prime Minister and Tourism Minister John Key said there was an argument that government should provide funding for infrastructure like toilets in tourism hotspots.

TIA agrees that government assistance is desirable but we would want it to cover a wide range of infrastructure needs, not limited to toilets and carparks.

As an aside, it's helpful that we now have some evidence, courtesy of MBIE, of the value of visitors who choose free camping. It's the preferred option for just 0.4% of international visitors and overall they are good spenders – spending an average \$4880 on their visit, compared to \$2814 for those using other forms of accommodation.

It has long been recognised that local councils with small rating bases and high visitor numbers face particular challenges in providing infrastructure and services.

The government provides \$113 million a year for Tourism New Zealand to market our destination internationally. That provides an incredibly good return on their investment, with international visitor revenues now in excess of \$13 billion a year.

We believe there is a strong argument for the government to help our communities host those visitors attracted by TNZ's marketing efforts.

Of course, a government fund is only one part of a multi-faceted solution.

Private sector infrastructure investment is vital and we are seeing it, as tourism businesses feel confident that the growth of the past two years is likely to continue. Numerous hotel refurbishments and committed plans for new hotels are demonstrating this private sector commitment.

As an industry, we are still striving to overcome seasonality issues and encourage more regional dispersal. Achieving these goals would help spread visitors more evenly around the country throughout the year, improving our industry's productivity.

TNZ's international marketing now focuses on encouraging shoulder season visitation and many regions are putting more effort into giving people reasons to travel beyond Auckland, Rotorua and Queenstown.

TIA is working more closely with local government to support them in addressing destination management and infrastructure development. This is particularly important leading into the local body elections in October.

For TIA, addressing infrastructure needs and developing New Zealand's capacity to manage higher visitor numbers is our key focus.

It has been over a decade since New Zealand last saw double digit tourism growth. We should celebrate this success and work together – government and industry – to ensure we have sustainable growth while continuing to deliver outstanding visitor experiences.