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Media Release

Budget 2018 not positive for tourism

Cutting Tourism New Zealand's funding is short-sighted and will end up costing the economy through lost export earnings, Tourism Industry Aotearoa says.

"We are disappointed that today's Budget has reduced Tourism New Zealand's budget by almost \$6 million," TIA Chief Executive Chris Roberts says.

"International travellers have an enormous range of destination choices, and we must be able to maintain and build our presence in our key markets."

Within TNZ's allocation, the biggest cuts are to the marketing and promotional budgets.

"TNZ is a very effective marketing organisation. Its funding must be seen as an investment, not a cost," Mr Roberts says.

"Reducing your marketing spend when it has proved successful is bad business. Destination marketing influences travel decisions next year, the year after and the years after that. Even this small cut could hurt New Zealand's efforts to retain its share of global tourism."

However, Mr Roberts noted there were small funding increases to support TNZ in providing visitor information and for industry engagement.

TIA is pleased at the increase in funding for the Department of Conservation. New Zealand's natural environment is the main reason why international visitors come here and TIA's [2017 Tourism Election Manifesto](#) called for the Government to demonstrate a serious commitment to protecting the environment.

"While we are delighted to see the increased funding for DOC's core conservation roles, it is only getting \$1 million next year for better visitor management at some of the most popular spots. That's not going to achieve much," Mr Roberts says.

TIA also notes that the Tourism Infrastructure Fund of \$25m a year, established by the last Government, is now considered part of the \$1b a year Provincial Growth Fund.

TOURISM INDUSTRY AOTEAROA

Level 4, 79 Boulcott Street, PO Box 1697, Wellington 6140, New Zealand
P +64 4 499 0104 www.tia.org.nz E info@tia.org.nz



For further information, please contact:

Ann-Marie Johnson
Communications Manager
Tourism Industry Aotearoa
Mobile: 027 600 4565
Email: ann-marie.johnson@tia.org.nz
www.tia.org.nz
www.tourism2025.org.nz

KEY FACTS

- Tourism in New Zealand is a \$99 million per day industry. Tourism delivers around \$40 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$59 million in economic activity every day.
- Tourism is New Zealand's biggest export earner, contributing \$14.5 billion or 20.7% of New Zealand's foreign exchange earnings (year ended March 2017).
- 14.5% of the total number of people employed in New Zealand work directly or indirectly in tourism. That means 399,150 people are working in the visitor economy.
- The [Tourism 2025](#) growth framework has a goal of growing total tourism revenue to \$41 billion a year by 2025.

Visit www.tia.org.nz for more information

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