



COVID-19 Tourism Industry Survey

Summary Report – May 2020

About the Survey

Purpose

To establish a quantitative and qualitative assessment of the impacts of COVID-19 on the tourism industry and the actions being taken in response, including the extent to which Government support is being utilised and what else is needed.

Context

COVID-19 is having an unprecedented impact on the New Zealand tourism industry. The impact on demand is well known, but less known is the impact on the thousands of businesses that make up the supply side of the tourism industry.

TIA conducted this survey of its 1600 members to provide a comprehensive assessment of the status and intentions of tourism businesses. The responses received also serve to reinforce the findings emerging from TIA's industry outreach programme.

The survey was developed by TIA in discussion with Regional Tourism New Zealand and the Tourism Export Council New Zealand, and the draft survey was tested with the Ministry of Business, Innovation and Employment and Tourism New Zealand. Some questions were repeated in a separate survey undertaken by Tourism New Zealand.

The survey was designed to cover the key points arising from the industry's progression through the COVID-19 period. This included COVID-19 impacts on businesses, what mitigation actions are being taken, jobs lost, what government support is being utilised and what further support is needed. In addition to the quantitative questions, a number of text questions invited comments.

Survey Method

This survey was undertaken internally using the online survey tool SurveyMonkey. It was released on Monday 20 April and closed on Friday 24 April.

Total responses were 569, or 36% of TIA's membership.

Key quantitative results have been made available, with further analysis set out in this report and in separate sector and regional reporting.

While this was a one-off survey, there is opportunity to repeat it over time to track industry progress through the wider COVID-19 period and to assist in identifying pain points as we move through the cycle.

Executive Summary

The survey quantifies the level of stress the tourism industry is under as a result of COVID-19.

Key Findings

- 78% of respondents are taking major steps to adapt their businesses to the changed operating environment, including one third of businesses (33%) indicating they are going into hibernation for the foreseeable future. 40% are sharply reducing business size and capacity, and 21% are scrambling for capital in order to survive.
- Just eight respondents (1.4%) stated they are folding their business, but we suspect more have already taken this step and so were not captured by the survey, and for others it is too soon to tell what they will do.
- Tourism businesses are taking a wide range of actions to reduce costs and to utilise support measures. Two thirds (64%) are reducing staff, 83% are reducing other costs and 82% are utilising Government support measures. One quarter (24%) are increasing borrowing.
- The 569 respondents to the survey indicated they would normally have employed 27,635 FTEs in April and this will be halved due to COVID-19 – or 13,668 FTE jobs lost. This reflects the extent of the scaling back of tourism jobs, and this is relatively early in the COVID-19 influenced period. The gravity of this impact is emphasised when applying this ratio across the 393,000 people directly or indirectly employed by tourism.
- Financial concerns and business liquidity are top of mind for respondents with half (51%) concerned about their ability to pay creditors, and half (49%) concerned about the ability of others to pay them. 11% cite difficulties in accessing finance and 19% of respondents are concerned about how they manage staff from overseas.
- In terms of current intentions in emerging from the COVID-19 period, 80% expect to gradually scale up their operations aligned with demand levels. One third (30%) expect to restart with a different business model or reinvented offer. Just eight respondents stated they would not re-enter business.
- Tourism businesses have drawn heavily on the Government support measures, with 93% of respondents accessing the Employer Wage Subsidy Scheme. 30% have accessed tax relief measures.
- In terms of the further actions they would like to see from Government, respondents are looking for a wide range of support measures. 78% want an extension of the wage subsidy; half (49%) want deferred tax arrangements; 45% want a freeze on local government rate increases; 37% want the Business Finance Guarantee Scheme to be made more useful for tourism businesses; and 37% want concession and fee relief.

The qualitative responses mirror these results but provide greater insight into the underlying thinking.

It is clear there is a high degree of 'state of shock' relating to the COVID-19 crisis – the situation requires new thinking. There is a strong thread of the natural optimism of people in the industry, with new opportunities, pivoting and re-imagining very much on their minds. On the other hand, there is tremendous uncertainty. The duration of the crisis is unknown, and the timing is not in the hands of operators.

In the meantime, businesses are under enormous financial stress. Some have the structure and capital to see out an extended period of uncertainty, whereas others are less secure. Some businesses have closed already, many are hibernating, and no doubt other businesses will fold over coming months. This will have great human cost for the business owners and their staff. Also, as each business goes, a piece of the highly connected tourism industry network will disappear. If too many businesses go under, then the industry may not be in the position to recover quickly when demand returns.

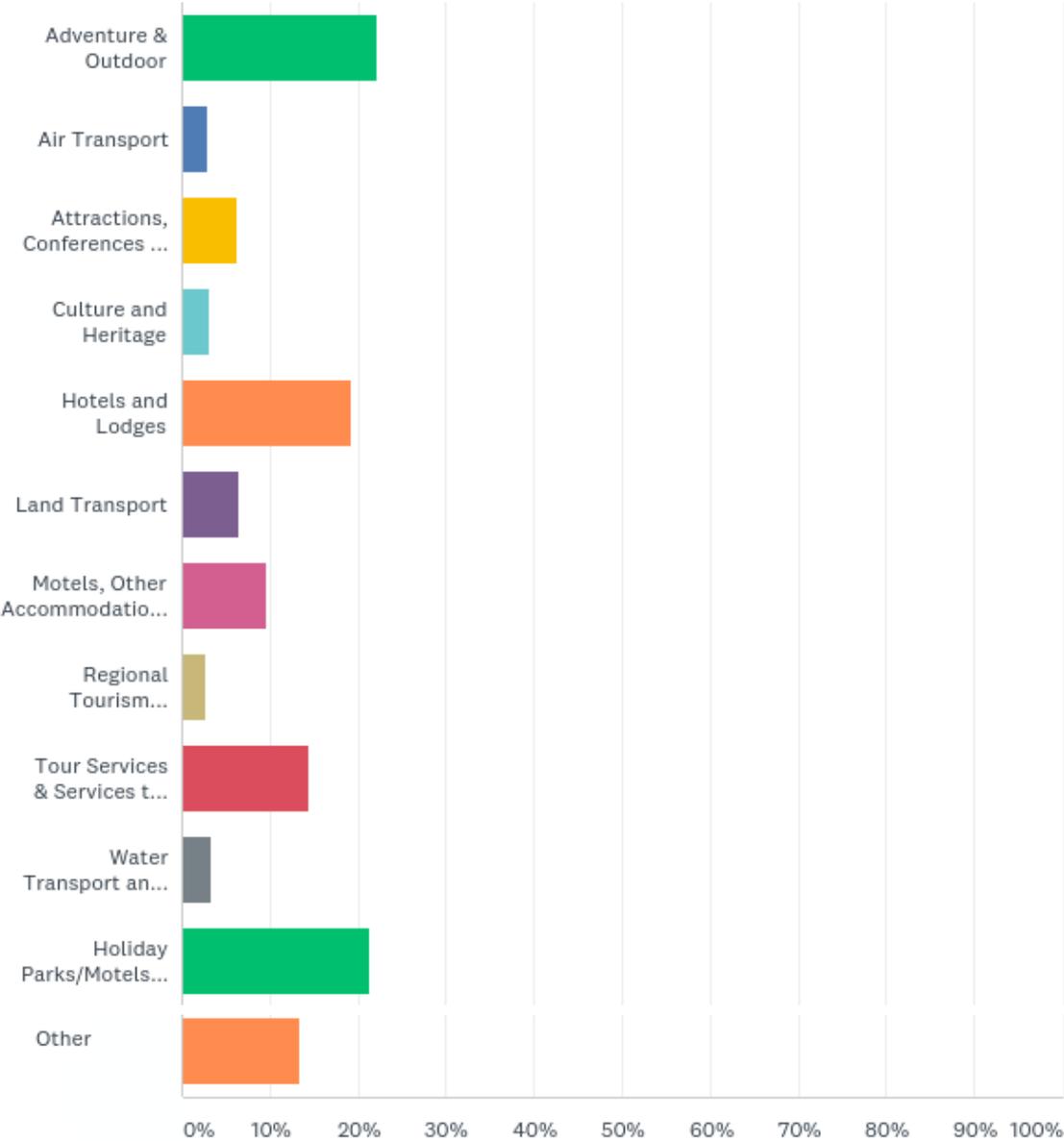
This makes the role of Government very important in assisting the industry to navigate its way through this crisis. There has been very high uptake of the wage support programme and some of the other support measures, and this will have retained many jobs for the moment. The survey has highlighted areas where Government can do better, including around the fees and compliance requirements faced by many tourism businesses. In this crisis, these costs can be gamechangers for businesses. The survey also highlights that rents and leases, and other such fixed costs, have a bearing on the ability of businesses to survive.

The pressing question now is: what's next?

A strong theme from the qualitative responses is the degree of uncertainty around what lies ahead. The demand situation is critical: can the industry pivot to domestic travel to sustain the greater part of the industry? Can a trans-Tasman bubble be established, and when? When will borders to other markets open up and under what conditions? Each of these is an unknown at this stage. On the supply side, what state will the industry be in when demand returns? Will aspirations to positively 'reimagine' the industry be achievable or will commodity pressure to provide low-cost travel in the near future make it difficult to attract high-value markets in the future?

The industry and Government working together will be critical. Government has a clear role to play and a theme from this survey is that some form of bespoke support for tourism is needed beyond the initial 12 weeks of the wage subsidy programme. Some of the current universal support programmes are not working well for many tourism businesses, and no other industry has been as affected by COVID-19.

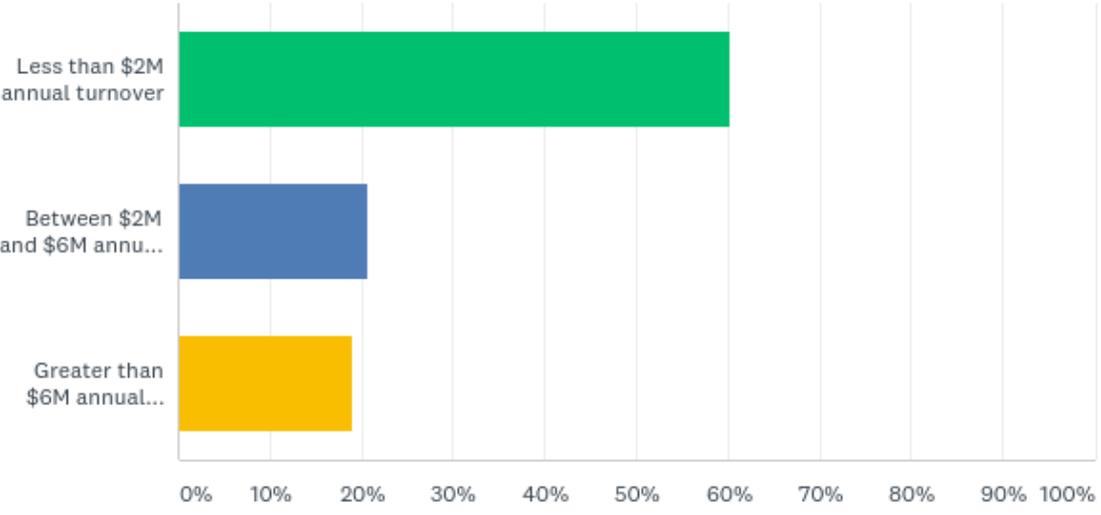
Q2: Industry sector



Q3: Region of Operation

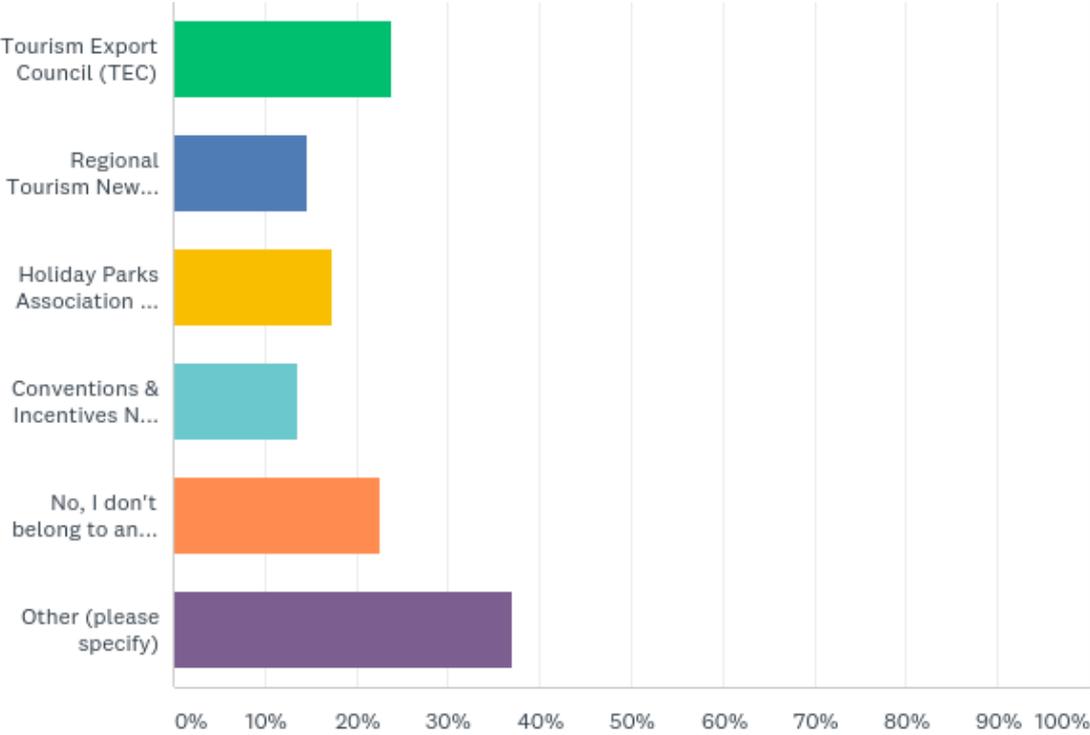
ANSWER CHOICES	RESPONSES	
New Zealand wide	20.21%	115
Overseas	2.28%	13
Auckland	7.91%	45
Bay of Plenty	4.57%	26
Chatham Islands	0.18%	1
Coromandel	3.16%	18
Gisborne/Eastland	1.23%	7
Hawkes Bay	2.99%	17
Manawatu	0.70%	4
Northland	7.38%	42
Rotorua	5.45%	31
Ruapehu	1.23%	7
Taranaki	0.70%	4
Taupō	4.04%	23
Waiheke Island	0.18%	1
Waikato	4.57%	26
Wairarapa	0.88%	5
Wellington	4.39%	25
Whanganui	0.70%	4
Christchurch/Canterbury	11.78%	67
Central Otago	4.92%	28
Clutha	1.05%	6
Dunedin	2.11%	12
Fiordland	2.81%	16
Hurunui	1.05%	6
Kaikōura	1.58%	9
Marlborough	3.87%	22
Mt Cook/Mackenzie	3.87%	22
Nelson/Tasman	5.45%	31
Queenstown	7.56%	43
South Canterbury	0.00%	0
Waitaki	1.93%	11
Wanaka	5.27%	30
Southland/Stewart Island	2.28%	13
West Coast	7.73%	44
South Otago	1.05%	6

Q4: Business size (in a normal year)



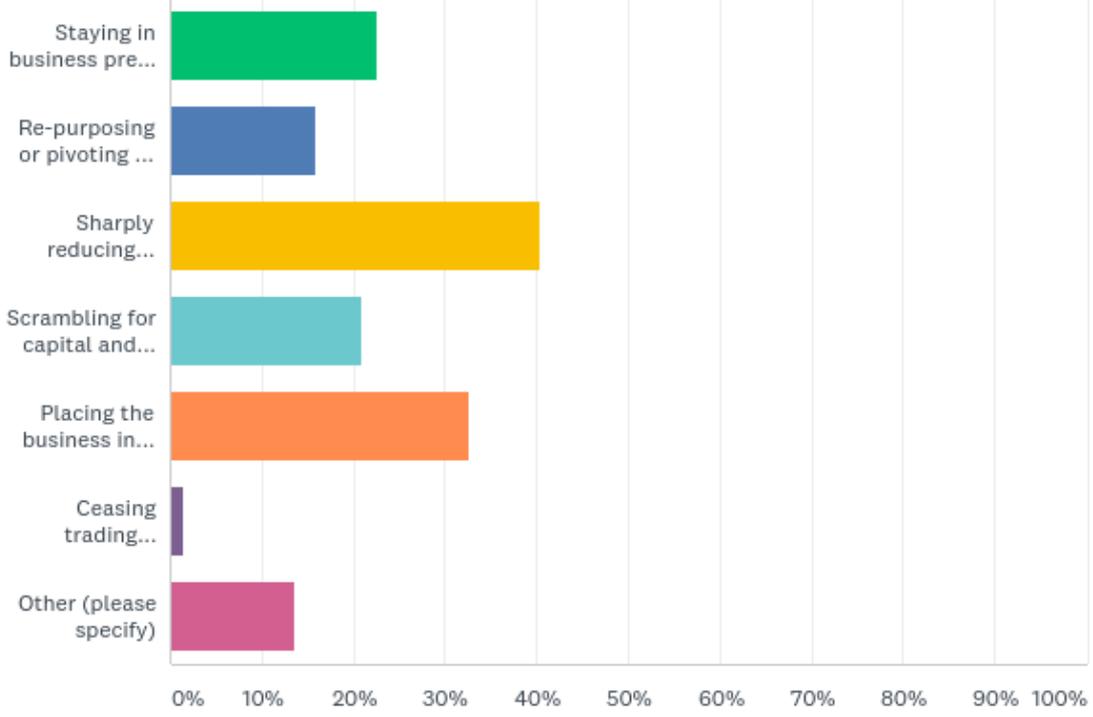
ANSWER CHOICES	RESPONSES	
Less than \$2M annual turnover	60.28%	343
Between \$2M and \$6M annual turnover	20.74%	118
Greater than \$6M annual turnover	18.98%	108
Total Respondents: 569		

Q5: In addition to your TIA membership, are you a member of other industry associations?



ANSWER CHOICES	RESPONSES	
Tourism Export Council (TEC)	23.82%	131
Regional Tourism New Zealand (RTNZ)	14.73%	81
Holiday Parks Association of New Zealand (HPNZ)	17.45%	96
Conventions & Incentives New Zealand (CINZ)	13.64%	75
No, I don't belong to any industry associations other than TIA	22.55%	124
Other	37.09%	204
Total Respondents: 550		

Q6: Current status of your business – What are you doing in response to the collapse of tourism demand?



ANSWER CHOICES	RESPONSES
Staying in business pretty much as is, with some adjustment	22.50% 128
Re-purposing or pivoting to other business opportunities	15.99% 91
Sharply reducing business size and capacity, but continuing to operate	40.42% 230
Scrambling for capital and want to survive	20.91% 119
Placing the business in hibernation for the foreseeable future	32.69% 186
Ceasing trading altogether and folding the business	1.41% 8
Other	13.53% 77
Total Respondents: 569	

Q6: 'Other' Comments – Key Themes

77 respondents provided additional comments.

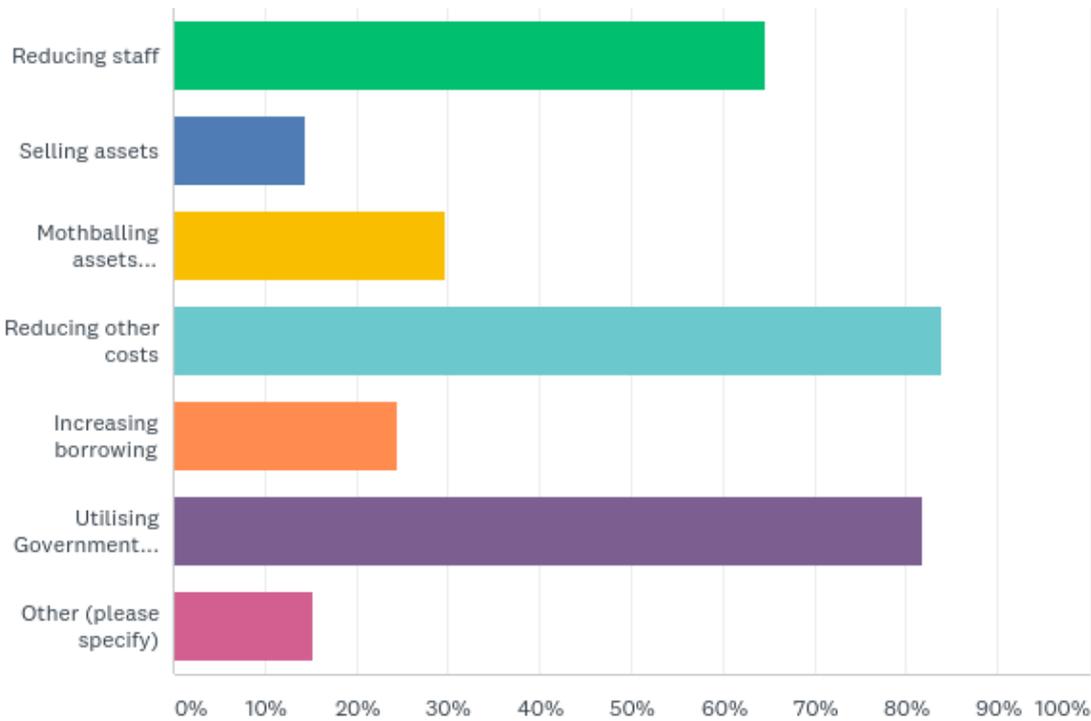
The common theme reflected the state of uncertainty and the reality that major changes are needed to the pre-existing business models. The comments generally expanded on the Question 6 choices rather than adding new themes.

Consistently, respondents were focused on reducing their operations, hibernating, and in some instances closing and pivoting to the domestic market. There was a high level of stress apparent within the vast majority of comments.

Comment examples:

- *The above is the survival instinct - The Reality may be different if the Winter Trade is too depleted and with the loss of income that sees us through to Spring.*
- *While we are staying in business as indicated, we are making BIG adjustments, not Some. We expect our business to be operating at a significantly lower level (say, down 40% at least in the next year), simply because while overseas visitors provided only ~10% of our income pre-Covid-19, we expect much fiercer competition for our domestic guest base over the next 3 to 5 years.*
- *It is impossible to hibernate a business that has extensive assets, finance and insurance costs.*
- *Dear God we need some help. Our rent is going to sink us. Help our business, help our staff, help our landlord, help the banks. The flow on is huge. We will lose everything without help asap. Real help not these half-hearted useless tax changes.*
- *Still working through options as to whether we can generate sufficient income to cover overheads and whether we close down temporarily or permanently or whether we sell our house to inject capital.*
- *Putting businesses into hibernation and reducing costs where possible while planning to restart operations as soon as physically possible. Trying to retain staff by putting them on casual agreements to retain scalability where possible while keeping people engaged with the company with the hope of giving them some ongoing income.*
- *We are planning to open again when it is safe to do so. But we have mountain bikes, canoes, vans and a bus - so may need to sell bits and pieces, then re-build as demand increases.*
- *With 100% reliance on international and no likelihood of product being able to pivot to domestic it's unlikely to survive beyond six months of hibernation.*
- *Aggressively cutting non-essential expenses and analysing all angles of our business and reformulating how to approach handling our business with border closures and financial challenges.*
- *Exploring possibilities to create product for the emerging domestic market - all dependant on how many of our tour partners survive and their new health & safety guidelines during/post Covid-19. If not possible may have to hibernate until a vaccine is found.*

Q7: The mitigating actions you are taking – If you are still trading, what are you doing to adapt to the current and expected trading environment under the COVID-19 event?



ANSWER CHOICES	RESPONSES
Reducing staff	64.62% 347
Selling assets	14.53% 78
Mothballing assets (temporarily retiring assets or capacity from use)	29.61% 159
Reducing other costs	83.80% 450
Increasing borrowing	24.39% 131
Utilising Government support measures	81.75% 439
Other	15.27% 82
Total Respondents: 537	

Q7: 'Other' Comments – Key Themes

82 respondents provided additional comments.

The comments generally set out the business examples of the Question 7 choices rather than adding new themes.

Consistently, respondents were focused on the steps they need to take to reduce or hibernate their businesses – accessing Government support, reducing costs of staff and rent, and managing business finances and exposures.

There were many comments around business redesign and pivoting to new ideas and opportunities. Also, the prospect of job losses once the wage subsidy ends is well signalled.

Comment examples:

- *I have not reduced staff yet, I had to make two positions that were due to start in April redundant, I am waiting to see whether the government subsidy will continue, if it doesn't I will have to put the business into hibernation and everyone will lose their jobs probably including myself (managing director).*
- *We are holding all staff due to the Govt wage subsidy. If no further assistance to keep them 2/3 will be made redundant in July unfortunately.*
- *At the moment we have done nothing drastic. We are fairly fortunate so far as we don't have a lot of debt and our staff are usually seasonal. We will look at borrowing in the near future and we have always paid more than we have to on loans so can cut back to minimum payments. Government wage subsidy has helped but none of the other government support has really been helpful at all.*
- *Waiting for Government support package. Have already gone Interest only with bank. Have reviewed and readjusted Taxable Income. Have taken up the Wage subsidy. But will not retain staff once this finishes.*
- *We have not reduced staff yet as we are using the Govt subsidy, however depending on business levels when we do re-open (probably at Stage Two) we may need to make some redundancies.*
- *Properties have utilised the 'wage subsidy' and have closed off areas on their complex to save outgoings. They have also liaised with their landlords with unfortunately mixed results.*
- *Only utilising the employment grant scheme at this point to keep staff as long as we can but in the end job losses will be greater than 75% of our previous to Covid-19 staffing levels.*
- *Regarding staff question to follow - we are holding staff with subsidy, when that end will need to half our staff levels - from 20 to 10. But not yet. Will wait and see what happens with subsidy and if extended for industry.*
- *Currently and during the wage subsidy period, there have been no redundancies. However, at the end of the 12 weeks (14th June) a reduction in staffing levels is rendered inevitable unless further subsidies are being paid.*
- *Unable to access GOVT backed loans through banks. ANZ. Not lending to Tourism, despite our 'balance sheet of assets'.*

Q8: Your staff – To what extent are you reducing your staffing levels because of COVID-19 (excluding any normal seasonal changes)?

Number of FTEs you had planned to have from April 2020	27,635
Number of FTEs you will let go of due to COVID-19	13,668

This question was designed to provide an indication of the quantum of jobs that are likely to be lost from the tourism industry in the COVID-19 period compared to normal seasonal levels.

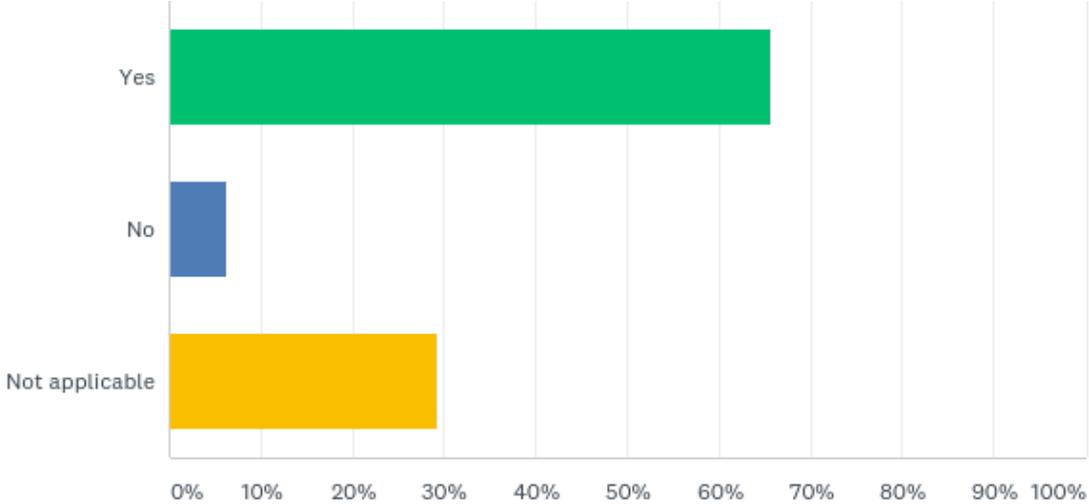
The results find that the 569 respondents would normally have employed 27,635 FTEs in April and this will be halved due to COVID-19 – or 13,668 FTE jobs lost.

Given that the response rate is one-third of the TIA membership, the overall loss of jobs (from TIA members) will likely be triple the number identified in this survey.

The significance of these results lies in the extent of the scaling back of tourism jobs, and this is relatively early in the COVID-19 influenced period so this will get worse the longer the crisis continues. The exact levels need to be considered with care due to a number of factors, not least that the respondents may or may not have factored in the wage subsidy and its role in retaining jobs over its 12-week period. More job losses will likely arise once the subsidy ends as indicated in the comments.

To understand the possible loss of tourism employment more widely, it is appropriate to apply the ratio of lost jobs from the results above to the entire 393,000 people employed (directly and indirectly) in the tourism industry. This suggests that the total number of tourism jobs that may be lost is in the region of half the current total tourism workforce.

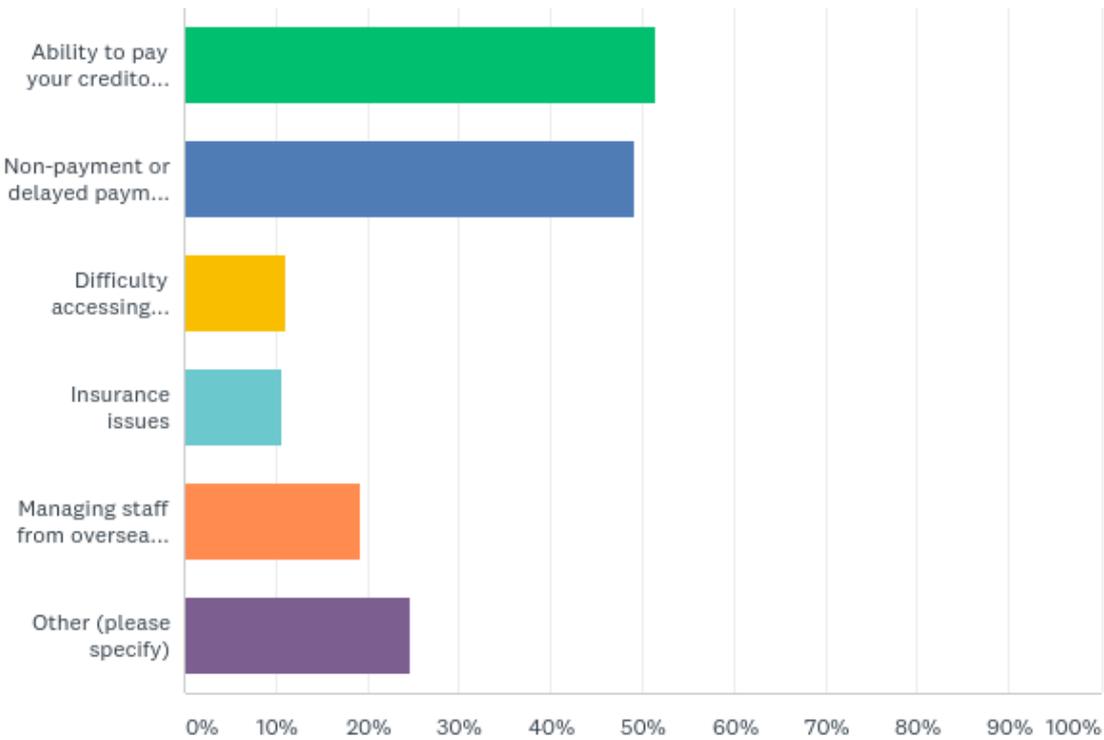
Q9: Your staff – Are you maintaining contact with the staff you are letting go, with a view to employing or pointing them to other opportunities in future?



ANSWER CHOICES	RESPONSES	
Yes	65.73%	374
No	6.33%	36
Not applicable	29.35%	167
Total Respondents: 569		

65% of businesses are keeping in touch with employees that they have had to let go. This highlights the importance placed by tourism businesses on the quality and experience of their staff.

Q10: Other matters impacting your business - Other than lack of demand, what matters have arisen that are impacting your business in the COVID-19 period?



ANSWER CHOICES	RESPONSES
Ability to pay your creditors and cashflow commitments (e.g. payroll, rent)	51.49% 293
Non-payment or delayed payment by your debtors	49.21% 280
Difficulty accessing finance	11.07% 63
Insurance issues	10.72% 61
Managing staff from overseas on work visas (e.g. Essential Skills Visas, Working Holiday Visas), etc.	19.33% 110
Other	24.60% 140
Total Respondents: 569	

Q10: 'Other' Comments – Key Themes

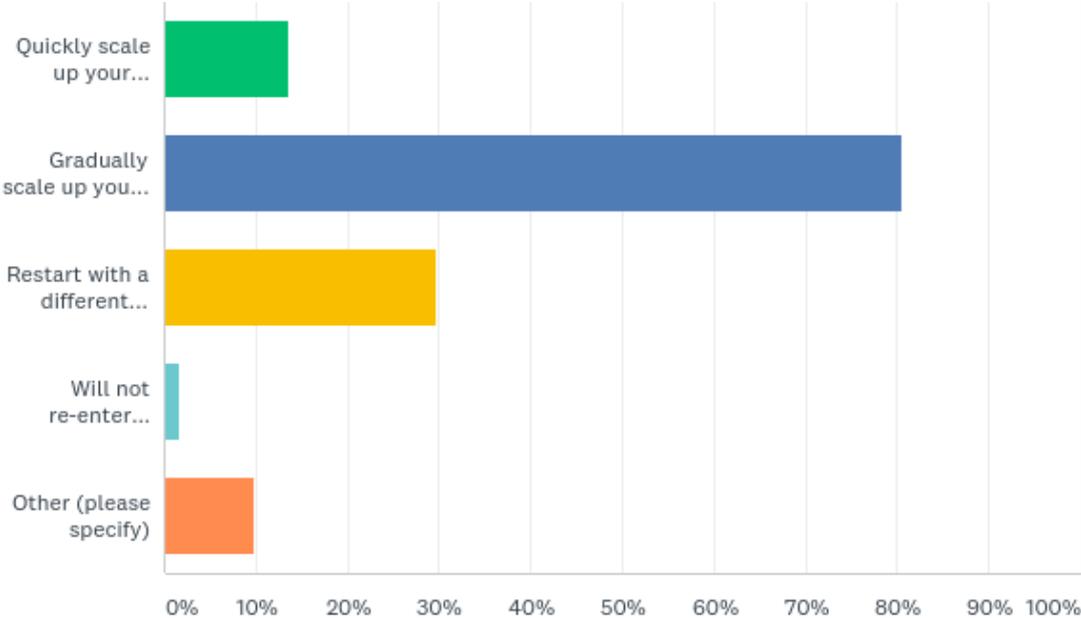
140 respondents provided additional comments.

Financial matters are at the forefront of respondents' minds, with liquidity a major area of concern especially in relation to the uncertainty around the duration of the COVID-19 event. Related to this are a range of concerns around managing staff, including how to reduce staffing levels and how to manage employees from overseas.

Comment examples:

- *Non-payment by major offshore travel agents is a huge issue.*
- *Lack of Information and direction. Very disappointed that we are getting no information or updates on what progress is being made with the Government.*
- *Ongoing council compliance costs. Wish to reduce compliance costs to same level as non-compliant accommodation businesses*
- *Lack of support from government. \$50 million to assist 'media', but nothing specific to the tourism sector (largest employer, second largest contributor to NZ economy).*
- *The refunds on deposits paid for holidays during the lockdown period.*
- *Employment Issues - How to make staff redundant under the current IEA frameworks.*
- *The govt backed loan scheme is good as a back-up but for goodness sake why the condition that we need to exhaust all other debt first e.g. \$35k overdraft and \$27k Mastercard. Seems harsh. Govts plan for business seems to be encourage borrowing.*
- *No ability to carry out winter maintenance on vessels/coaches. If it carries on for some time, this rolls on to compliance issues and ability to have key assets ready for some form of restart next summer.*
- *Lack of clarity on timelines particularly when domestic tourism can start and when international tourism is likely to restart. We are spending money staying in a limbo for unknown time. Need to know urgently what other support if going to be offered - this lack of information is making it impossible to plan for any future.*
- *The question how long our cashflow will last, how far we need to reduce overheads.... to enable cashflow to last for whatever period necessary? Which we don't know? Based on how long this will last and when a trickle of visitors will return - or better.*
- *No clarity as to potential ski field operation at Level 2 given the visitor numbers are potentially restricted.*
- *The biggest challenge being the inability to predict the length of time our borders will remain closed and if the wage subsidy will be extended - I would hope for IBOs the wage subsidy will be extended until the borders reopen.*
- *We have seasonal staff currently stuck unable to return home who we will not be able to support once the wage subsidy expires. The jobs they were going to head to during our low season are not currently operating so they would not be able to earn an income in their current role if they return.*
- *Key industry partners going into liquidation. Will impact on recovery.*

Q11: Your current recovery intentions - We don't know what pathway the COVID-19 period will take – we know the depth, but not the duration. Even so, what do you expect to do once we get into recovery?



ANSWER CHOICES	RESPONSES	
Quickly scale up your operations to former levels	13.53%	77
Gradually scale up your operation to a level aligned to returning demand	80.49%	458
Restart with a different business model and reinvented offer	29.70%	169
Will not re-enter business	1.58%	9
Other (please specify)	9.84%	56
Total Respondents: 569		

Q11: 'Other' Comments – Key Themes

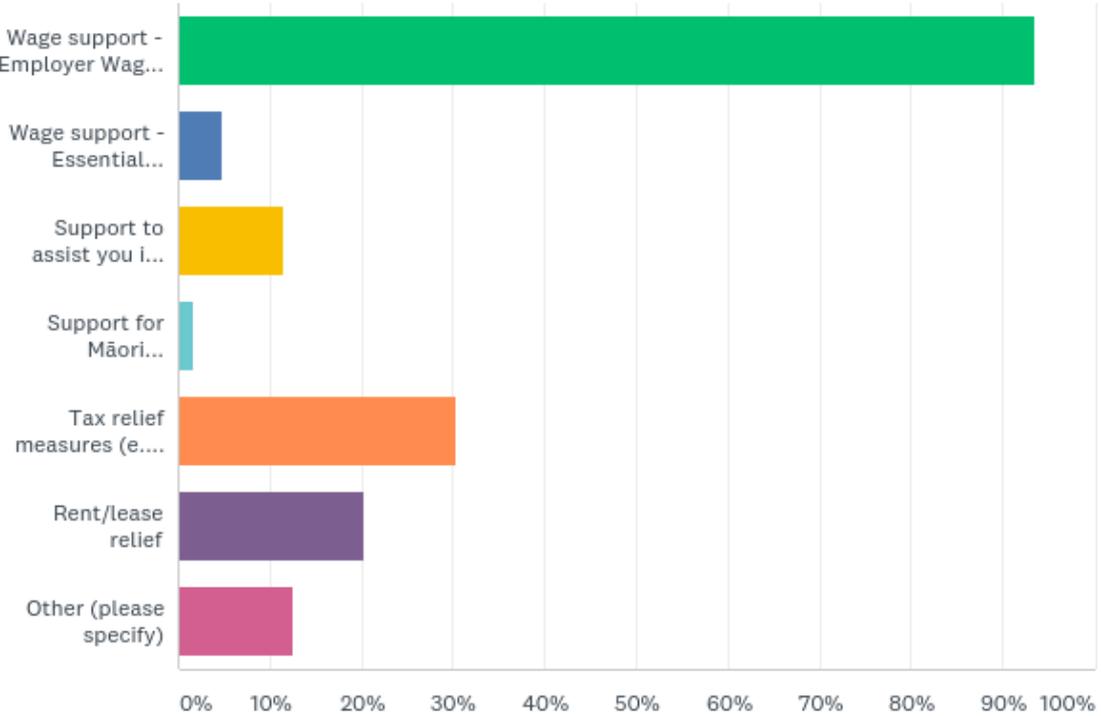
56 respondents provided additional comments.

With the quantitative results indicating a high level of intention to stay in the industry and be part of the recovery, the primary theme in comments relates to the uncertainty of the recovery – how and when the recovery will take place. Gaining clarity and reducing uncertainty will be key for guiding key business decisions around reactivating businesses.

Comment examples:

- *Timing is everything. If the borders with Australia are opened by the summer, I will struggle but I might survive.*
- *If summer comes and no borders open, then no other decision but to close down.*
- *May close this business and try to get council planning permission to change the usage of the property away from accommodation and tourism.*
- *If it takes more than six months, we will have closed.*
- *Unsure, as waiting for Government initiatives to restart tourism. We are totally dependent of tourists, both national and international.*
- *Unsure if we could get suitably qualified staff to scale up. Most of our qualified guides are from other countries.*
- *It is hard to say at this stage as it depends on whether Australia market will come on board. It will be a hard fight to maintain a profitable business and pay overheads with the limited domestic market of Kiwis, while everyone in the industry will be going for their attention as well. It will be very competitive and will require cheaper products which doesn't necessarily match up financially with overhead costs etc.*
- *Tighten up product offerings, keep it simple and adjust to what we learn each day to be prepared to move forward when opportunity presents.*
- *Support the economy and sectors, help retain and support our businesses. Developing a shared recovery plan with our councils.*
- *Best case scenario is gradually scaling up the business to the returning demand. Currently considering closing business and not re-entering. Staying in the market with limited restart volumes until Oct 21 will result in unmanageable debt.*
- *Seriously WHO KNOWS. It's hard to answer this question as it would be pure speculation without knowing the length of the pathway!*
- *Question is hard to answer currently. We certainly hope to restart the business but expect things may be drastically different so will prepare to work differently/change the business if required.*
- *We have effectively written off 90% of our operational season for 2020. We hope to operate over Mar-Jun 2021. If we cannot, I do not know what will happen.*
- *Wait for international borders (ANZAC bubble?) to reopen as the domestic market won't sustain us sufficiently.*
- *Ours will be a 2 to3 year recovery at best, and we have to staff ourselves as lean as possible at the beginning if we are to stand a chance.*

Q12: Government support measures - What support packages the Government has put in place have you tapped into or do you plan to tap into?



ANSWER CHOICES	RESPONSES
Wage support - Employer Wage Subsidy Scheme	93.50% 532
Wage support - Essential Workers Leave Payment Scheme	4.75% 27
Support to assist you in accessing finance, including Business Finance Guarantee Scheme	11.42% 65
Support for Māori communities and businesses	1.58% 9
Tax relief measures (e.g. building tax depreciation)	30.40% 173
Rent/lease relief	20.21% 115
Other (please specify)	12.65% 72
Total Respondents: 569	

Q12: 'Other' Comments – Key Themes

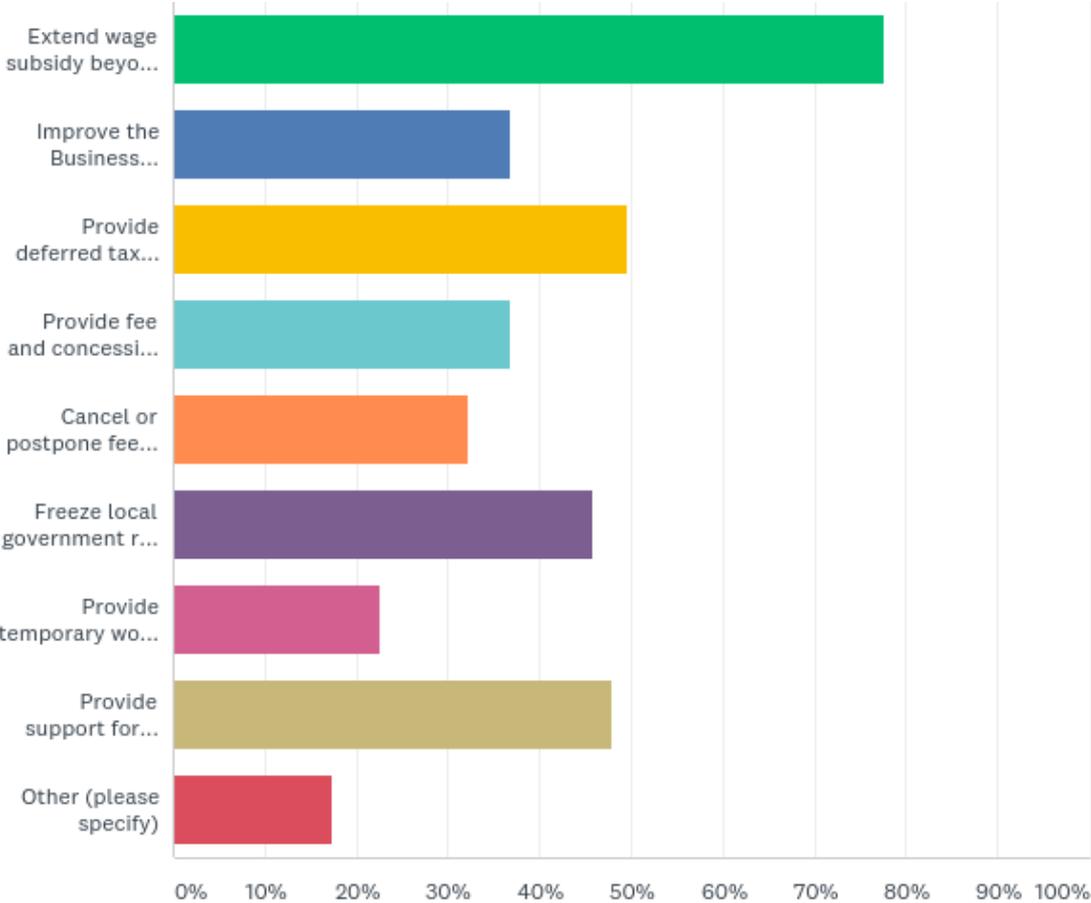
72 respondents provided additional comments.

The primary theme was that Government support is being used widely by tourism businesses, and is appreciated, but that this is not necessarily hitting the mark for all businesses. While there is very wide uptake of the wage subsidy, this was actually benefiting the staff involved, and not necessarily the businesses. Other support measures have been more recently rolled out and so may not have been fully utilised to date.

Comment examples:

- *Apart from making some changes to the Tax System, this Government has provided no Support for Business. The wage subsidy is for the workers and was more than happy to apply for this on their behalf, I hope for my staff's sake this continues beyond 12 weeks. The Finance Guarantee scheme is a nothing, and the banks recognise that we need to know what is ahead regarding support.*
- *Loans declined. \$3 million profitable business declined for \$40k loan.*
- *Working with DOC and MNZ on deferring some compliance and concession charges.*
- *What rent relief? There should be a nothing box because the wage subsidy isn't for me. My staff are loving this while we drown.*
- *Landlord will not provide any rent/lease relief. When we contacted him, he advised any non-payment will be charged interest and legal/collection costs, even though he is receiving Building Tax depreciation relief. The Building Tax depreciation is nothing more than a windfall gain to our (greedy) landlord and fails to meet its objective of assisting the tenant. Landlord is ignoring specific directions of government to reach an agreement with us. If we were to fall over, he stands to make a \$1 million windfall gain by reselling the motel lease! I suspect this is his strategy in the pandemic circumstances.*
- *None available as we are a start-up business with two owner-operators and don't draw a regular wage so do not qualify.*
- *Rent and lease relief has fallen well short.*
- *It's not clear if wage support will be available to winter seasonal businesses.*
- *Requested rent relief but our council is still in negotiation, not looking hopeful.*
- *We intend to utilise the tax measures, but they are of little immediate value. They will only help if one can survive.*
- *Business finance guarantee is a dead duck because extremely difficult to access for tourism businesses. Too many hoops and only ones benefiting are the banks.*
- *My understanding is that the Business Finance Guarantee Scheme is too restrictive for banks to be able to use it effectively. For one thing, it doesn't allow banks to change their risk profile, which limits their ability to help businesses.*
- *As a small, until COVID-19 growing business, we have been unable to qualify for anything other than the wage subsidy. The latter only of being of benefit to our staff who would otherwise have been let go. We have vehicle finance, insurance, rent (for another 10 months) that we can't turn off.*

Q13: Additional actions from Government - What further actions would you like to see the Government take that will BEST support your business through the current and expected trading environment under the COVID-19 event?



ANSWER CHOICES	RESPONSES
Extend wage subsidy beyond 12 weeks	77.68% 442
Improve the Business Finance Guarantee Scheme to make it more useful for tourism businesses	36.73% 209
Provide deferred tax arrangements for businesses	49.56% 282
Provide fee and concession relief (central and local government)	36.91% 210
Cancel or postpone fee and concession increases (central and local government)	32.16% 183
Freeze local government rate increases	45.87% 261
Provide temporary work opportunities for staff	22.67% 129
Provide support for fixed business costs like rents and leases	47.98% 273
Other (please specify)	17.40% 99
Total Respondents: 569	

Q13: 'Other' Comments – Key Themes

99 respondents provided additional comments.

In line with the wider range of possible Government actions set out above, respondents cited a wide range of areas where Government could assist, or do better with, the support programmes that are already in place. Finance, rent, visa arrangements, rates, concession fees, wage support were all mentioned.

What tourism activity is allowed at the different alert levels is cited, and of course, the most important thing is how quickly can Government safely open the borders to allow tourism flows to recommence.

Comment examples:

- *The Finance Guarantee scheme is just not working as the banks want all the usual lending criteria.*
- *Find the way of open the borders earlier while also controlling the virus spreading.*
- *Governments past and present have enjoyed the benefits of a very profitable Tourism sector, for many years, to turn the tap completely off on this sector needs a commitment to help the quality operators that were profitable get through this time. My company, all be it small, has contributed well above its weight in this regard (GST, Income Tax and employment)*
- *Support in the way of Rent/Lease support is a starting point. Personally, my business has enough cash reserves to get operators that were profitable get through this time. With measures taken immediately my business has enough cash reserves to get through to December 2020 with no income, I feel fortunate that my good management has allowed for this, past this point the future is unknown. Make no mistake we are looking at all avenues to create income once we know when we can operate again. Banks also have a responsibility to share in this devastation, acknowledging good business's with interest relief, but don't insult us with mortgage holidays or the like.*
- *I have a sponsored staff member with our business, but how can we get her work visa changed so she can work for another employer.*
- *Councils should give rate decreases for large asset-based operations.*
- *Specific support for work visa staff who are intending to stay in NZ.*
- *We pay a lot to DOC for landings on conservation areas. There's no tourists so deferring payment on DOC fees for now doesn't help. We'd like to see the DOC fees reduced for the future. Current rate is \$32 per person to land on snow or glacier. It would help us a lot if this was less. We could then reduce the cost to the client making the experience more affordable.*
- *The wage subsidy scheme needs to be adjusted, and the government needs to decide if all tourism can be saved before throwing any more money at it, the 30% drop was way too light, we have had almost a 100% drop, and perhaps a 70% drop might have been a better filter to use.*
- *The wage subsidy has been fantastic and a good mechanism for government to get money into people's hands without massive pressure on unemployment registration. That said, the reality is the businesses must downsize. As I understand it, the wage subsidy is intended to keep people engaged in the business which will have continued employment which is very positive but it*

creates a false reality. Would only support the idea of a wage subsidy extension if intended for team members who have a future at that business.

- Need to be ticking all of these boxes as a broad set of support measures.*
- RENT RELIEF paid to the tenant asap, the flow on effect will save thousands of businesses and landlords. All I want to do is pay my rent in full. If I can do that, we all survive. If I can't pay my rent, we all lose.*
- I would expect us to be profitable in the 2nd half of the FY based on previous years domestic demand and this may claw back the losses of the first 6 months. But the damage of those losses will be jobs, additional debt burdens etc... If the tax loss carry back has some half yearly mechanism that would change a lot of decisions, probably save jobs and a better opportunity to bounce back strongly.*
- We were just about to restructure our business and bring in an investor to inject capital and IP into scaling up the business. As a result of COVID-19 this deal cannot proceed.*
- When we queried our bank on the guarantee scheme as an alternative to raising capital, they said no as we had no guarantee of income.*
- Any and all ideas for how tourism businesses can be supported in order to survive this excruciating period, retain staff, reduce overheads and support businesses when we are trying to restart the industry will be a big help.*
- We need a holiday of any fees or other money we have to pay to the Government in particular, for example DOC concession fees. We have recently had huge concession fee increases which we need rescinded and we need DOC to help assist us in getting back to business rather than having them continue to try and reduce our concession limits. We can only operate in small weather windows so have to be able to "make hay when the sun shines" but this is being more and more limited. We cannot support conservation and the economy if DOC continues to persistently stifle our opportunity to do business. Tourism and DOC need to work together hand in hand helping each other achieve each other's goals and objectives, and not wasting energy and money in conflict. Together we can achieve great things, whereas continuing to oppose each other can only end in the demise and potential destruction of both.*
- Wage subsidy extension would be good, but it only covers the wages - not all the other overheads.*
- Lower the income limit for the Business Finance Guarantee Scheme - reduce to \$100k turnover minimum.*
- It is the uncertainty that makes it impossible to plan. Level 2 could be 3 weeks, or it could be 6 months. Govt can't answer that, but some sort of framework for the next 6 months would at least help.*
- For small and medium sized businesses - what about some sort of loan that is interest free (i.e. like the student loans schemes?) - even for a limited period? Loans that are available are quoted at 22% and over for interest if it does not cripple you now, will do so in the future. Don't need a handout but a reasonable loan maybe, that can be worked on with no interest - why not?*
- I think the crux will be the support measures put in place for the redevelopment of the industry rather than the short-term fixes to keep people afloat - what will they do to support safe openings of borders, promotion of the country and travel.*

Q14: TIA and other association support - What else could TIA and/or other associations do to support you through this COVID-19 period?

376 respondents provided additional comments.

These comments covered a lot of ground with the most frequent topics set out in the table below. Notably these are mainly things that are outside of the control of TIA and other associations. Instead, they provide a clear sense of direction on the advocacy work that needs to be undertaken. Supporting the domestic campaign, opening the Australian border, supporting tourism businesses, and communicating with Government are key themes to take forward.

Topic of Comment	Frequency
NZ campaign, then Australia	55
Cash injection, continued wage subsidy	19
Tourism specific packages	19
Be active in re-imagination work	19
Open Australian border	18
Share best practice	16
Support small businesses	12
Stronger communications to government	11
More detailed information on government talks	11
Freedom camping changes	11
Reduce compliance costs	11
Free membership and events	10
TIA doing great job now	53

Comment examples:

- *Getting the domestic market going is going to be the only lifeline.*
- *Assist with the formulating of policies which will enable New Zealanders this winter, and then Australians next summer to travel throughout New Zealand.*
- *The simplest and most effective way to increase domestic tourism is a public holiday long weekend - we have missed out on Easter and Anzac. Government should give long weekends in May, June and November, so long as outside of school holidays. Long weekend domestic spending lifts income for tourism, hospitality and retail.*
- *We will rise again but we need all the support we can get. We accept it will be different for some time, which is fine. What is not fine is seeing this industry only being provided the same support as all other industries when the impact of COVID-19 on tourism is disproportionately greater.*
- *Push the messages regarding domestic travel and buy NZ Made.*
- *Push for tourism business funding to help small new businesses, under \$250k revenue.*
- *Support just the tourism and hospitality sector. At present even builders can apply for the wage subsidy support if their turnover is down for just 1 month. Builders face minimal fixed costs when shut down.*
- *We have a long hard road ahead. Fight for air capacity rebuild. That's key in the near term.*

Q15: Working on your business - In the COVID-19 period, are you doing specific things that will improve your business in the long term, such as improving your sustainability performance, looking at how you can be part of the re-imagined tourism industry, developing new opportunities, etc.?

294 respondents provided additional comments.

These comments reflected a large group of respondents who, while in a very difficult time, are continuing to look for opportunities to provide light at the end of the tunnel. At the same time, there is no illusion that this will be easy for businesses – and examining opportunities and pivots is a necessity. Given this work is focused mostly towards a smaller domestic market, there won't be a solution for all.

The comments also reflect a lot of 'working on the business' activities that will be essential for enabling businesses to come through this period in the best state possible. Good business practice and sustainability are key aspects of this effort.

Topic of Comment	Frequency
New opportunities	115
Good business management (housekeeping)	104
Sustainability	62
Survival mode	56
Re-imagining work	50
Increasing online capability	33
Pivoting	20
Local collaboration	18

Comment examples:

- *We are taking the time to review all of our documentation to increase the sustainability, usability, relevance of our documentation.*
- *I am tidying up a lot of admin that gets put on the back burner. Refreshing stories about our area and history. Being part of the bigger picture in our area and thinking where we can be more visible, learning how to be more social media savvy. New ideas on how we can become more visible other than just in our region, work with our RTO always planning new scenarios for our day to day business.*
- *Looking at overseas models, networking with new channels, improving the website, booking engine, images, working on social media and upskilling staff*
- *We are working on environmental sustainability plans, working on staff education in non-strength areas, working on high-level marketing campaigns.*
- *We are looking to be more well-rounded, catering to a larger more diverse demographic.*
- *We are looking at what our next markets are going to be - first local market and then NZ*
- *Domestic Market and then possibly Australia. Adapting packages to suit markets.*
- *Keeping informed and joining discussion on how we can be part of the re-imagined tourism industry, developing new opportunities, marketing and*

promotion for domestic market and administrative matters - and planning for Level 2/1.

- *Looking at new opportunities, connecting with other businesses with whom to partner with, going back to do the basics we had not done due to lack of time.*
- *We are thinking of other markets/communities and how we can use our asset moving forward.*
- *Our ongoing commitment to improve our sustainability performance remains the same at this stage but some initiatives may be impacted in the short term.*
- *We've created a local district tourism regeneration group involving a range of operators to be post COVID-19 ready.*
- *Experiences sought may be different and aware there is a growing sense of urgency around sustainability.*
- *You need money to invest in sustainable practices. Stop pretending this is a blank sheet opportunity to change what we do. It's a catastrophic decline in demand with quarter of a million people screaming for income and jobs. Get real, focus on building the demand and stop getting distracted by illusions of grandeur around a brave new world.*
- *I think the re-imagined tourism project is a waste of resource. Our industry is big and diverse, with high and low cost activities. Our business offerings for high end clients don't meet the needs of domestic visitors. Likewise, volume tourism is not what our customers want. We have a successful brand that doesn't need re-imagining. The only thing we would like to change is freedom camping and the mess they make but we have good initiatives in place for it.*
- *Finishing our accreditation to GSTC - first NZ company to attain this sustainability standard if we are successful (find in 1-2 weeks).*
- *We look forward to hearing more about the re-imagined tourism industry, especially in Rotorua.*
- *Bought forward maintenance work. Investigating how the property could be used for alternative purposes such as residential rather than tourism.*
- *Building sustainability by developing cultural offerings aimed at domestic market - using the talents of my Māori staff.*
- *We have a unique opportunity to market NZ as a safe destination, sustainable and advanced. Technology enhancement in our industry is key. Truly customizing our operations to exceed guest interaction from planning, experiencing and post departure.*
- *Making plans to use our four cabins for local housing for six months to boost our income.*
- *Hard to plan when we have no timelines to work with and only a crystal ball to gaze at. Business survival and cashflow are the only two things that matter - sustainability is a nice to do but will not put food on the table.*
- *We will continue to work on how we can lessen our environmental impact. We intend to market specific groups, e.g. walking and cycling groups and provide good facilities to cater for these groups. We are looking at introducing walking tours of our local town. We are looking at collaborating with other local businesses to offer combined packages.*

Q16: Any other comments - Are there any other comments you would like to make?

214 respondents provided additional comments.

These comments reflect varied perspectives. Without a doubt, there is a large group struggling to see a way through the COVID-19 crisis, with a negative perspective that is compounded by the high levels of uncertainty about recovery.

Some respondents see the opportunity to pivot and to reimagine tourism, but there needs to be a tourism industry in place and ready to respond as domestic tourism recommences and as borders open for international tourism.

In terms of Government support, respondents are clear there is an essential role and that tourism-specific interventions are needed given the distinct nature and characteristics of the industry.

Topic of Comment	Frequency
Feeling negative/uncertain about the future	29
Government support needed	23
Re-imagining tourism	19
Likely to go out of business	13
Pivot to domestic	11
Relief needed from high fixed costs/rents	10
TIA doing great job/thanks	40

Comment examples:

- *It is very upsetting to not know what the future of our tourism businesses entail. We own 3 different brands and they greatly rely on international Tourism. It seems hard to survive on just the kiwi market into the future...*
- *The reimagining tourism work is unnecessary. Problems with tourism choke points are often due to doc's poor management as much as lack of resources. The boarder levy promised a lot more resource to fix these issues.*
- *Please can TIA lead us forward into the recovery! Tourism NZ and DOC are most definitely not the right entities to do so. The recovery needs to be led by the tourism industry itself - an entrepreneurial spirit will always be far more effective for recovery than Government directives.*
- *The government MUST step in and assist businesses that cannot physically open up operations until Level 1. Restrictions at Levels 2-4 make it impossible to operate a Jet boat company as we are unable to social/contact distance in a Jet boat.*
- *Just want to re-iterate how important rent relief is for a business like us. We have partnered with developers to open lodges and hotels which means now we have 350K of rent to pay each month across our 8 commercial sites which is not survivable long term.*
- *Compliance costs in the Maritime industry are 'very' out of hand (and have been for some time). These need to be addressed for all maritime businesses to be able to proceed into a future.*
- *NZ must not return to the days and ways of the mass tourist market. The resources we utilise for the benefit of tourism are too finite and delicate. The pause that CV-19 has given us is a gift. We can reset and move forward with a*

saner model, based on added value not mass-market appeal. Where we ensure dollars earned stay in NZ for the benefit of NZers. That will mean making some difficult hard-line calls with what were major market sectors. Let's give up 'chasing the numbers'. This isn't a re-set ... it needs to be a new beginning, learning lessons from what had in reality become an ugly past.

- *As we average at 95% international and haven't had much success with domestic market, we have decided to wait until the borders reopen.*
- *It was a great business, but income has literally gone to zero, and outgoings remain. We hope to tap into the domestic market or any other opportunities as the open up, but our aim for next season is simply to cover costs so we can keep our key staff. If things do not look like improving the following season, we will have to consider closing.*
- *The majority of smaller tourism adventure businesses derive their entire income from within the DOC estate. DOC's commercial management ability is a chronic inability to understand any form of commercialisation. Professional commercial management of concessionaires absolutely must be addressed immediately to ensure small to middle sized tourism businesses can start to function once the borders open to tourism. This commercial management needs to be removed from within DOC and placed with a commercially-minded entity.*
- *It is extremely tough out here at the moment for owner operators of small to medium sized businesses. We have invested our entire lives savings, homes - everything into our businesses. We won't just be "closing our doors on a business" we will be losing EVERYTHING. We are trying our best to keep our heads above water, keep our staff morale up and their heads above water and we are the ones worrying about our staff's families - how to keep them warm/fed/bills paid, all while trying to take care of our families and battle with our own stresses of having no income and fears of losing our businesses - the foreseeable future is so unknown. We have ZERO income. We need hope. We need firm plans. We have amazing ideas - how can we feed these ideas in to regional and national bodies to start the cogs moving!!! It feels like we are starring in the Titanic movie. Some of us have gut wrenchingly already gone down with the ship, and some of us are still bobbing out in the middle of the ocean all alone - PLEASE throw us a life raft before we all drown!!!! Tourism WAS our country's leading export earner - our industry HAS to survive. We need to start doing something..... now.*
- *Certainty is key, not just from a business perspective but for our people, we cannot give them that if we don't get it ourselves. They need to know. The longer business has uncertainty the more jobs that are going to be lost.*
- *For Maori businesses, many of which have are extremely reliant on the international market, will need border restrictions lifted by October, if only for Australia which would provide a very much needed lifeline. Many Maori businesses are 90% plus international.*
- *Work with Govt/TNZ and Australian authorities on a guideline for recovery - what winter looks like (local NZ), potential spring opportunities (Australia/Pacific) and what is required for any international tourists in the summer months - tests for the virus on and off planes etc. The industry needs a timeline to plan on... without it there will be many more tourism businesses closing soon.*
- *We would need to have our business back up and running by February 2021 if we are to survive.*
- *The Govt has done an awesome job to date and we need to support them. We have a chance to make a better society where everyone pays their fair share - lets grasp it!*

- *We need to see this as an opportunity! How we treat our resident staff is paramount. Can we develop training and conservation projects that will keep them engaged and valued? They are the backbone of our industry. Tourism shareholders who have been doing well out of tourism need to stomp up and give back to the people and the communities that have worked for them. :)*
- *The Government just need to tell us Yes or No, are we going to get assistance/help to survive. Right now, it feels like they aren't going to help us. Everyone is clinging on to hope, But, it seems to be miss-founded. Put us out of our misery and get onto something else.*
- *We all need to support each other and we need to work from our regions down not from our individual businesses up. NZers are going to want to holiday so it is about 7 days in Central Otago not about 1 night in a small BnB on the Rail Trail.*
- *The lack of information around how long the border closure will be in place is really challenging.*
- *A separate package for tourism operators would need to be rolled out in order for small businesses to survive.*
- *TIA needs to continue to lobby the government in a strong way for members to feel the true value of what it means to be part of the TIA. We appreciate everything you have done for the industry in the past and have faith that you will continue to deliver this in such a difficult time.*