

## Government job not yet done for tourism

The tourism industry is feeling underwhelmed by the Government's latest allocation of funding to support devastated tourism businesses, Tourism Industry Aotearoa says.

The Tourism Minister has today announced that 126 operators will receive grants of up to \$500,000, supplemented by the offer of loans. There is a further loan facility for inbound tour operators, a fund for event organisers and support for increasing digital capability.

TIA Chief Executive Chris Roberts says while operators are grateful for all the Government assistance that has been provided to date, especially the wage subsidy, the latest funding falls short of what is needed to ensure the industry is in a position to rebuild when our borders reopen.

"Prior to the pandemic, tourism in New Zealand was a \$112 million per day industry. Much of the package announced today is actually loans that will have to be paid back, but even at \$300 million is equivalent to less than three days of tourism's contribution to New Zealand's economy."

126 organisations out of the 20,000-plus tourism businesses in Aotearoa are receiving direct support. However, the unexpected cap on the grants at \$500,000 will surprise many of the recipients. Businesses will have to very carefully consider whether to take up the offered loans, as they will be reluctant to take on more debt when their incomes are restricted. In particular, it is a surprise that inbound tour operators, who have no income while the borders are closed, are only being offered loans.

"As we pointed out in the [joint industry letter](#) I delivered to Prime Minister Jacinda Ardern on Tuesday, businesses suffering directly from the necessity to have border restrictions will need a supportive Government partner for the foreseeable future. Thousands of vulnerable workers remain desperately worried about their futures. TIA's [Tourism Election 2020 Action Plan](#), released last week, calls on the Government elected on 19 September to prioritise the survival and recovery of tourism businesses," he says.

"Finance Minister Grant Robertson has talked about a 'rolling maul of support' for those businesses directly impacted by the COVID-19 pandemic. Today's package is fine, as far as it goes, but it cannot be the end. We accept that not every tourism business will survive this crisis, not every job can be saved. But in partnership with the Government, we can limit the damage."

TIA's monitoring shows that its own members have already cut more than 13,500 jobs and across the industry job losses could yet exceed 100,000 as the wage subsidy comes to an end.

Mr Roberts is also disappointed that applications to support the [Tourism Sustainability Commitment](#) and the annual [TRENZ](#) tourism trade show were unsuccessful.

### TOURISM INDUSTRY AOTEAROA

Inspire House, 125 Featherston St, Wellington 6011, New Zealand  
P +64 4 499 0104 [www.tia.org.nz](http://www.tia.org.nz) E [info@tia.org.nz](mailto:info@tia.org.nz)



“While not physical assets, both the TSC and TRENZ are essential strategic assets that influence how tourism operates in New Zealand well into the future. TIA will continue to promote the TSC within its own limited resources and pursue the vision of building the world’s most sustainable tourism industry.

“We are also determined to find a way to put on TRENZ 2021, an event that will need to have a large virtual component given border restrictions. With the STAPP funding application rejected, we have immediately begun work on Plan B. TRENZ is the most important way our tourism operators connect with global travel sellers and we need to retain our place and profile in the global marketplace.”

For more information, please contact:

Ann-Marie Johnson

Communications Manager

0276 004 565

[ann-marie.johnson@tia.org.nz](mailto:ann-marie.johnson@tia.org.nz)

## KEY FACTS

Prior to the COVID-19 pandemic:

- Tourism in New Zealand was a \$112 million per day industry. Tourism delivered around \$47 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributed another \$65 million in economic activity every day.
- Tourism was New Zealand’s biggest export earner, contributing \$17.2 billion or 20.4% of New Zealand’s foreign exchange earnings (year ended March 2019).
- 14.4% of the total number of people employed in New Zealand worked directly or indirectly in tourism. That means 393,279 people were working in the visitor economy.
- The [Tourism 2025 & Beyond](#) sustainable growth framework/Kaupapa Whakapakari Tāpoi has a vision of growing a sustainable tourism industry that benefits New Zealanders.

Visit [www.tia.org.nz](http://www.tia.org.nz) for more information

## TOURISM INDUSTRY AOTEAROA

Inspire House, 125 Featherston St, Wellington 6140, New Zealand

P +64 4 499 0104 [www.tia.org.nz](http://www.tia.org.nz) E [info@tia.org.nz](mailto:info@tia.org.nz)

