

19 March 2020
Media release

Tourism businesses closing, laying off thousands

Medium and large tourism businesses around the country will be forced to lay staff off and close their doors if they do not receive immediate assistance from the Government.

While the Government's Business Continuity Package released on Tuesday has given smaller businesses (around 20 employees) three months of breathing space, the \$150,000 cap on the wage subsidy is of little value to larger tourism businesses with multi-million dollar payrolls, Tourism Industry Aotearoa Chief Executive Chris Roberts says.

Tourism Minister Kelvin Davis told Parliament yesterday that Treasury had been directed to work on a package that would cover larger businesses, but this would likely roll-out on a "case-by-case basis".

Yesterday TIA sent the Minister's office detailed information from 65 large tourism businesses who desperately need assistance to hang onto staff and stay operating.

"Across those businesses, there is a minimum of 4890 planned job losses. 22 of the operators are preparing to close their businesses and another 21 are planning partial closures," Mr Roberts says.

The first of those layoffs are happening today and the first closures will be next week.

"These include some of our most iconic, well-respected and award-winning operators. Every one of these 65 businesses is desperate for a conversation with government. TIA is pleading for the Government to act with extreme urgency to try and save these New Zealanders' livelihoods," he says.

"There seems little prospect that the tourism economy will have any level of recovery in the next six months, and it will likely take several years to get back to previous levels. But if we are to recover, we need our businesses to be able to retain the skills and experience of their employees, so they are ready to respond when the COVID-19 crisis is over."

Note for Editors: The information provided was confidential, but several business owners are prepared to speak to media. Please contact TIA for details.

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KEY FACTS

- Tourism in New Zealand is a \$112 million per day industry. Tourism delivers around \$47 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$65 million in economic activity every day.
- Tourism is 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 work directly or indirectly in tourism. That means 393,279 people are 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 for more information

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