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Media release

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## Govt must focus on tourism at Level 1

Government support must now focus on businesses still directly impacted by border restrictions at Alert Level 1, says Tourism Industry Aotearoa.

TIA has welcomed the announcement this afternoon that New Zealand will move to Alert Level 1 at midnight tonight.

“With most domestic business activity possible, the move to Level 1 will be a great relief to many,” says TIA Chief Executive Chris Roberts. “But for tourism businesses, a return to normal is still a long way off. Many tourism operators and their staff will need ongoing and well-targeted support while the border restrictions remain in place.”

New Zealand’s borders are likely to remain closed to many parts of the world for the remainder of 2020, with a return to anything like the previous level of international tourism predicted to take 3-5 years.

Mr Roberts says the industry is keenly awaiting further announcements on the trans-Tasman bubble, with Australia being New Zealand’s largest market for international visitors.

The Government’s Strategic Tourism Assets Protection Programme offers support for some larger businesses, while the extension of the Small Business Cashflow Scheme is useful for smaller operators.

However, Mr Roberts says industry members are hoping for a further extension of the wage subsidy.

“Helping our tourism operators to retain essential staff for the purpose of securing future revenue means we will be ready to welcome visitors from different markets as they open up again.”

Mr Roberts says the impact on communities from losing tourism businesses and jobs is immense, especially in many smaller towns with a large reliance on the visitor economy.

“Estimated tourism spend in April was down 90% at \$240 million, compared with \$2.5 billion in April 2019. With a drop of well over \$2 billion, this is the equivalent of having lost in one month the annual value of the kiwifruit or the seafood industry.”

“The road to recovery is going to be a long one. Tourism, along with other sectors of the economy impacted by the closed border, is going to need ongoing government assistance.”

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## 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

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