

Budget 2020 sending right signals for tourism recovery

Budget 2020 support for New Zealand's devastated tourism businesses sends good signals that the Government has recognised the industry's needs and will be an active partner in its recovery, Tourism Industry Aotearoa says.

"The Government has recognised the critical importance of the tourism industry to New Zealand's future. Tourism was the first industry to be hit by the impacts of COVID-19 and will be the last to recover," TIA Chief Executive Chris Roberts says.

"The Budget package will not be enough to prevent significant job losses across the industry. In terms of immediate survival, the measures announced today are welcome but further initiatives will be required in the months and years ahead."

Mr Roberts says an extension to the wage subsidy had been top of the request list for many tourism businesses. "Almost all will be able to meet the new qualification of showing at least a 50% drop in revenue, but some will be disappointed it is only for an additional eight weeks."

Specific support measures for tourism in the Budget include:

- A \$400 million Tourism Recovery Fund, in two parts:
 - Tourism Transition Programme to provide specialist advice and guidance to businesses to help them switch to the domestic market, prepare for the opening of the Tasman border, to hibernate, or to consider other options
 - Strategic Tourism Assets Protection Programme that recognises that private tourism businesses are often the core element of a region's attractiveness as a destination. It will direct support to businesses that have a strong positive impact on their communities. Where such businesses have exhausted their private sector funding options, government officials will work with them on bespoke solutions.
- Formation of a Tourism Recovery Ministers Group
- Formation of a public-private New Zealand Futures Tourism Taskforce, with an independent chair, to advise Ministers.

The Tourism Recovery Ministers Group is an important signal that the Government takes the survival of our tourism industry seriously, Mr Roberts says. The Tourism Taskforce will have a crucial role to play in advising Government on the long-term recovery and reimagining of tourism.

The tourism industry is also pleased that Tourism New Zealand has retained its full budget, which will have to be smartly refocused in the coming year, with domestic marketing being the initial focus.

TOURISM INDUSTRY AOTEAROA

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The \$1.1 billion investment managed by the Department of Conservation to create 11,000 environment jobs in our regions is also welcome, enhancing our natural attractions and providing regional job opportunities for some of those losing their jobs in tourism, Mr Roberts says.

“Tourism businesses are resilient and are determined to stay in business with a helping hand from Government. I’ve spoken with Tourism Minister Kelvin Davis this afternoon and he has assured me there will be close engagement with the industry on what the next steps should look like and what further business assistance is needed.

“Government and industry need to work hand in hand to get through this crisis and emerge with a new, sustainable tourism economy that delivers for Aotearoa and its people – the Budget is a good start,” Mr Roberts says.

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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.

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