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Media release

Staff retention top of mind for desperate tourism businesses

Almost three quarters of tourism businesses want further wage support from government, according to a new survey by Tourism Industry Aotearoa.

There are warnings of further, significant job losses if the assistance is not provided.

The majority of the 408 tourism operators who responded to the survey have already made major changes to their businesses and almost a third say they will be forced to let more staff go if there is no further government support.

The survey was conducted 6-13 July, after Prime Minister Jacinda Ardern announced that the current wage subsidy would not be extended.

96% of respondents had accessed the first 12-week wage subsidy and 76% the 8-week extension.

72% say they need a further extension of the wage subsidy to support their business through the current and expected trading environment, while 39% want support for fixed business costs such as rents and leases.

TIA Chief Executive Chris Roberts says the Government needs to provide further targeted support for businesses directly impacted by the closed borders.

"We know that many tourism businesses have gone into hibernation and some have closed since our previous survey in April. These results reflect the outlook from businesses that are still operating. Without further support, we will see thousands more job losses and hundreds of business closures," Mr Roberts says.

After the request for help in retaining staff, the next two highest priorities for tourism businesses are opening quarantine-free borders with Australia and the Pacific as soon as it is safe to do so; and allowing in certain visitor segments, like students and high-value visitors, who are prepared to meet isolation requirements.

"In terms of current trading conditions with the borders closed, the biggest challenge is the lumpy nature of domestic demand, which tends to be at weekends and holidays. More than a third of tourism businesses say they are also facing difficulty in developing the right product at the right price for the domestic market."

Mr Roberts says tourism operators are resilient and determined to survive the current crisis.

"43% of respondents have sharply downsized their businesses, while 13% are exploring other business opportunities. 10% of respondents are planning for a lengthy hibernation – especially if the trans-Tasman bubble is not in place by early 2021."

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Almost half are taking the opportunity to develop new products and services. "With well targeted Government support, our industry will survive this crisis and emerge revitalised," Mr Roberts says.

"A strong theme coming from the survey respondents is the high degree of uncertainty around what lies ahead. They want to understand the criteria that will enable our borders to be opened so they can make plans to be ready when demand returns."

TIA will release its Tourism Election 2020 Action Plan next Thursday, setting out the industry's priorities for action from the incoming Government.

Click here to view the full survey report: <https://tia.org.nz/assets/3496d67358/COVID-19-Survey-Report.pdf>

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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 for more information

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