



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
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Briefing for the Incoming Associate Minister of Tourism

18 July 2019

Proactively released

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1. Portfolio overview

1. This section provides you with an overview of the tourism sector. The key focus of the portfolio is ensuring that all New Zealanders benefit from tourism by encouraging the system to operate in a socially, environmentally and economically sustainable way.
2. The aims of the Tourism portfolio have a strong link to the Government's direction of travel on economic development, which seeks to build a productive, sustainable and inclusive economy. We want our economy to thrive, but not at the expense of our people or our environment – productivity, sustainability and inclusiveness are not concepts that should be traded off against each other. Part of this means redefining how we measure success to focus on what economic outcomes mean for the health and wellbeing of our people and environment across current and future generations.

Tourism delivers a wide range of benefits to New Zealanders

3. The tourism sector is a vital contributor to New Zealand's economy, and brings a number of social benefits to our regions, cities and communities. It allows us to celebrate our unique Māori culture, creates economic opportunities, acts as pathways for many to enter the workforce, and grows our international reputation. When international visitors come to our shores and purchase our products and services, it contributes to the success of other export sectors.
4. In the year to March 2018, domestic and international tourism expenditure was \$39.1 billion, and tourism contributed \$15.9 billion (or 6.1%) to New Zealand's total GDP. Tourism is consistently one of the country's top two export earners and the largest services export, contributing \$16.2 billion (or 20.6%) to New Zealand's total exports in the year ended March 2018.¹
5. Tourism is a labour-intensive industry and is a significant employer. Over the year ended March 2018, tourism directly employed 216,012 people – an increase of 2.6 percent from the previous year.
6. A wide range of New Zealanders share in the benefits tourism brings. Tourism provides opportunities for development in New Zealand's regions, employs workers of many different skill levels, and enables Māori to gain direct value from leveraging their cultural assets.

There has been significant growth in the sector in recent years

7. The Ministry of Business, Innovation and Employment (MBIE)'s latest international tourism forecasts estimate that visitor arrivals to New Zealand will grow at 4% a year, reaching 5.1 million visitors in 2025, up from 3.9 million in 2018.²
8. New Zealand's top visitor markets are Australia (39% of total visitors) and China (12% of total visitors). Both visitor markets are likely to continue to grow in the coming years. By 2025, Australian visitor numbers are expected to grow by 19% and Chinese visitor numbers by 55%. New Zealand's marketing activity to international visitors is focussed on a number of key markets around the world, including Australia and China, and a select group of consumers within those key markets, so as to get the maximum yield for the local tourism industry.

¹ Figures are from the Tourism Satellite Account 2018, produced by Statistics NZ.

² New Zealand Tourism Forecasts 2019 – 2025.

9. International visitor spend is expected to reach \$15 billion in 2023, up 34% from 2018. Australia is currently the largest market by spend, and will remain so, though Chinese spend will be a close second by 2025.
10. MBIE's Key Tourism Statistics are provided at **Annex 1**.

It is important for future growth to be sustainable, productive and inclusive

11. Recent and rapid visitor growth has brought significant opportunities for New Zealanders and their communities. However, there are also challenges that will require effort from government (central and local) and industry in the short and long term in order to respond. For example, rapid visitor growth has put significant pressure on visitor-related infrastructure, highlighting the underlying problems with funding models as the system does not currently have the capability to respond to this pressure.
12. This means that the opportunities created by tourism growth are not being fully realised and the pressures placed on the system are not always properly managed.
13. The current system is not set up to make the most of the opportunities that tourism can bring. Emerging market failures and the growing pressures on infrastructure have highlighted the need for government intervention. The system needs better coordination and planning across government and industry, as well as sources of sustainable funding to support the needs of visitor growth.
14. We want tourism growth to be productive, sustainable and inclusive, which means that government and industry must take a more active, deliberate and coordinated approach to tourism.
15. 'Sustainable' includes environmental, social and economic sustainability. We need to make sure the natural environment is protected and enhanced, that communities embrace visitors, and that we are economically better off.
16. The environment - our natural capital - is the economic foundation of New Zealand-Aotearoa and tourism growth will need to be created within ecological limits. Managed well, tourism can enhance the visitor experience while protecting and promoting conservation and biodiversity.

Maintaining community support or "social licence"

17. Community support – or "social licence" – is critical for a successful and sustainable tourism sector. The March 2019 Mood of the Nation survey shows the majority of respondents – 93% – think international tourism is good for New Zealand.¹
18. However, the proportion of New Zealanders who think that international visitor numbers are too high has been increasing in recent years. Continuing visitor growth could lead to more widespread concerns, particularly if New Zealanders feel that the costs outweigh the benefits, or if they feel they are being "pushed out" of their local community, or their own domestic visitor experience.

¹ The Mood of the Nation research is commissioned by TNZ and Tourism Industry Aotearoa (the industry peak body) and measures New Zealanders' perceptions of tourism.

2. New Zealand-Aotearoa Government Tourism Strategy and key priorities

19. This section provides you with an overview of the New Zealand-Aotearoa Government Tourism Strategy (the Strategy) and the key priorities in the Tourism portfolio going forward.

The New Zealand-Aotearoa Government Tourism Strategy

20. The Ministers of Tourism and Conservation released the Strategy in May 2019, which aims to deliver benefits to New Zealanders through productive, sustainable and inclusive tourism growth. It sets out a more deliberate and active role for government in tourism. The Strategy seeks to achieve its goals through the following outcomes:
- Tourism supports thriving and sustainable regions.
 - Tourism sector productivity improves.
 - New Zealand-Aotearoa delivers exceptional visitor experiences.
 - Tourism protects, restores and champions New Zealand-Aotearoa's natural environment, culture and historic heritage.
 - New Zealanders' lives are improved by tourism.
21. A work programme and actions have been developed across these five outcomes, with four top priorities that will deliver across multiple outcomes. These priorities are: coordination across the tourism system, long-term sustainable funding mechanisms, destination management and planning, and better data and insight. The four top priorities are outlined in more detail below.
22. Timely and genuine engagement with the tourism sector will be crucial for achieving all of these outcomes.

Coordination across the tourism system

23. We will take an all-of-government approach to supporting the tourism system, recognising that tourism cuts across many different areas and is one of New Zealand's biggest contributors to exports.
24. The Tourism Chief Executives' Group, chaired by the Chief Executive of MBIE, provides a mechanism for cross-agency coordination and strategic oversight of government agencies' tourism-related activities. It takes a proactive approach to identifying and addressing short-term pressures, ensuring the tourism system can respond to growth in the medium-term and setting a long-term vision for the tourism system. It will also be monitoring implementation of the Strategy.
25. Government needs to engage and coordinate with industry, iwi, local councils, regions and communities. These groups are frequently consulted on issues and representatives from those groups are usually included on working groups. Being visible to these groups by attending events and meetings and giving the sector some profile is also important.
26. To maintain the support of the majority of New Zealanders, it will be important for central government to continue to work with the sector and local authorities to address the specific issues that can undermine the reputation of tourism. For example, freedom camping has been growing in popularity, and receiving increased media attention due to the behaviour of some

campers. MBIE is leading ongoing work to encourage responsible camping. In August 2018, the Government invested NZD \$8.5 million in a pilot to create infrastructure, technology, monitoring and education projects across 27 local councils. A further NZD \$8 million is being made available for the 2019/20 summer, based on the success of last peak season's funding.

27. It will also be important to increase New Zealanders' understanding of the direct and indirect benefits tourism brings, and in doing so, help maintain their support of the sector. The tourism sector is largely responsible for communicating and demonstrating the value of the tourism industry to New Zealanders. However, there is an opportunity for central government to support the sector to create a positive narrative around tourism growth.
28. Finally, an emerging consideration is ensuring that communities are able to self-determine the role tourism plays in their region.

Implementing sources of sustainable funding to cover the costs of tourism

29. Ensuring that central and local government are able to sufficiently monetise tourism and offset costs will be critical to ensuring that tourism continues to be supported by New Zealanders, and that government is able to invest for growth.
30. The recent and rapid growth of tourism has put pressure on existing visitor-related infrastructure and there is a lack of suitable infrastructure in many areas. This is often mischaracterised as a problem in itself, but is actually a symptom of another problem – a lack of suitable, long-term funding sources for visitor-related infrastructure across the system.
31. Tourism, as a system, is heavily reliant on the provision of infrastructure and protection of natural attractions. Current funding models for visitor-related infrastructure, combined with no direct relationship between visitor numbers and revenue, are not fit for purpose. It is often difficult to derive a revenue stream from these types of facilities, so many goods and services used by visitors are not provided by the market.
32. As a result, operating and investment costs for infrastructure often fall on government. For local councils, this can become unaffordable, especially where there are high numbers of visitors relative to the number of ratepayers. There are growing concerns about the costs to communities from tourism and the ability of local councils to meet those costs.
33. This has highlighted a need for sustainable funding arrangements for visitor-related infrastructure that are responsive to visitor growth, taking into account balancing the needs of the tourism sector (central and local government, conservation, and industry) and ensuring that those who benefit from infrastructure investment help pay for that infrastructure.
34. Government is undertaking ongoing work on sources of sustainable funding, including on a local visitor levy for Queenstown, following the referendum in May in which 80 per cent voted in favour of having a levy. This follows work to implement an international visitor levy, which has been collected from July 1. The levy will raise \$450 million across five years, which will be used to fund more sustainable tourism and conservation projects.
35. The Productivity Commission is also currently undertaking a review into local government funding and financing. Its draft report was released in early July 2019 and recommended that central government implement legislation to allow councils in key visitor areas to have local visitor levies, and that councils should be making more use of user-pays charges (e.g. car parking).

Destination management and ensuring that tourism flows across regions support inclusive and sustainable growth

36. Ensuring regional New Zealand benefits from tourism will be important in making sure that tourism growth is sustainable and inclusive.
37. This includes supporting less-visited regions to make the most of their tourism potential, to both allow these regions grow their economies and relieve pressures from the busiest regions. Many regions have identified tourism as a priority sector and MBIE has provided funding for tourism-related initiatives in these areas.
38. It is also important to support those regions that are experiencing pressures from visitor growth, such as Queenstown and *Piopiotahi*/Milford Sound.
39. Destination management and planning will be a key component of work in the Tourism portfolio going forward. It involves central and local government, iwi, industry and other regional stakeholders working together to take a strategic, coherent and consistent approach when deciding how they want to plan, manage, market and develop their destinations.
40. The Government Investment Framework for Tourism uses the '5As framework' which guides government work and investment in supporting well-functioning regional visitor destinations:
 - be able to be readily *accessed* by a range of transport modes and gateways
 - have a range of *attractions* that encourage visitation
 - have adequate *amenities*, including accommodation and public infrastructure, to ensure visitors have quality experiences
 - enjoy a level of *awareness* in the market that ensures they attract visitors
 - have a positive *attitude* to visitors coming to the region.

Ensuring that we have better information, data and insights to guide government and industry

41. There is a need for better, broader information and data sets to inform both government's work and the needs of industry. Currently, some important tourism data is measured too narrowly and a need has emerged for new sources, with better insights. The tourism data environment is changing rapidly in New Zealand and internationally. The sector has voiced concerns that the existing range of data is not meeting their needs.
42. The Tourism Data Domain Plan was completed in 2018, which provided an overview of the tourism data environment. Within the Tourism Data Domain Plan, a need was identified for a Sustainable Tourism Dashboard. The Dashboard is currently under development by MBIE officials, with input from the tourism industry. It will supplement the existing Tourism Dashboard by providing measures for the sustainability areas other than economic growth identified within the Strategy.
43. The Minister of Tourism has invited industry members to a Data Hui to discuss tourism information needs. It will address the challenges identified in discerning data and information needs of government and industry as well as the products that will meet those needs and the appropriate funding source for meeting those needs.
44. Officials have convened an informal working group with government and industry representatives to contribute to co-designing the Data Hui – a date has not yet been decided. Officials will provide regular updates through the weekly report on the activity occurring across the data work streams.

3. Tourism portfolio

45. This section provides you with an overview of the roles of MBIE and Tourism NZ, and tourism budget allocations.

Government's role in relation to the tourism sector

46. Government's role in relation to the sector is not straightforward. The sector is diverse, and ranges from a few large, highly-productive multinationals through to many small and seasonal operators. There is no regulation specific to tourism businesses (health and safety regulation relating to adventure activities includes operators outside the tourism sector) and tourism-specific international agreements – where they exist – are non-binding.
47. What government can do is to be a steward of the tourism system, which it does through setting strategy and providing funding to promote New Zealand as a tourism destination and to build facilities and infrastructure to support visitor experiences. The Tourism Chief Executives' Group helps to coordinate across the range of portfolios that impact on tourism.
48. Many government agencies play a role in tourism-related issues, reflecting the size of the tourism sector and the many different areas that it cuts across.

The main functions within your portfolio are delivered by MBIE and Tourism New Zealand

49. MBIE is responsible for:
- providing policy advice, research and data to promote a high-value tourism sector;
 - monitoring the Crown entities that support the tourism sector;
 - managing the Tourism Infrastructure Fund, as well as other historic funds; and
 - managing the operation of Ngā Haerenga, the New Zealand Cycle Trail, including the management of the Cycle Trail Fund and the Maintaining the Quality of the Great Rides Fund.
50. Given the cross cutting nature of tourism, MBIE is also involved in a wide range of cross-government initiatives.
51. Tourism New Zealand (TNZ) is a Crown Entity, which markets New Zealand as a visitor destination internationally for the long-term benefits to New Zealand. TNZ's specific statutory functions include:
- developing, implementing and promoting strategies for tourism; and
 - advising the Government and the New Zealand tourism industry on matters relating to the development, implementation and promotion of those strategies.
52. TNZ is focused on improving tourism's contribution to New Zealand's economic growth by attracting high value visitors to New Zealand, increasing visitor spend, and regional and seasonal visitation. TNZ targets 15 priority markets. Australia, China, USA, UK, Germany and Japan are the six largest source markets.
53. TNZ markets New Zealand through the 100% Pure New Zealand campaign, the latest iteration being '100% Pure Welcome – 100% Pure New Zealand'. Most of TNZ's financial resources are focused on marketing and PR activity, but it also works closely with travel trade and airlines, engages with the New Zealand tourism industry, provides information for visitors and provides assurance of the quality of New Zealand's tourism product and experience. As New Zealand's

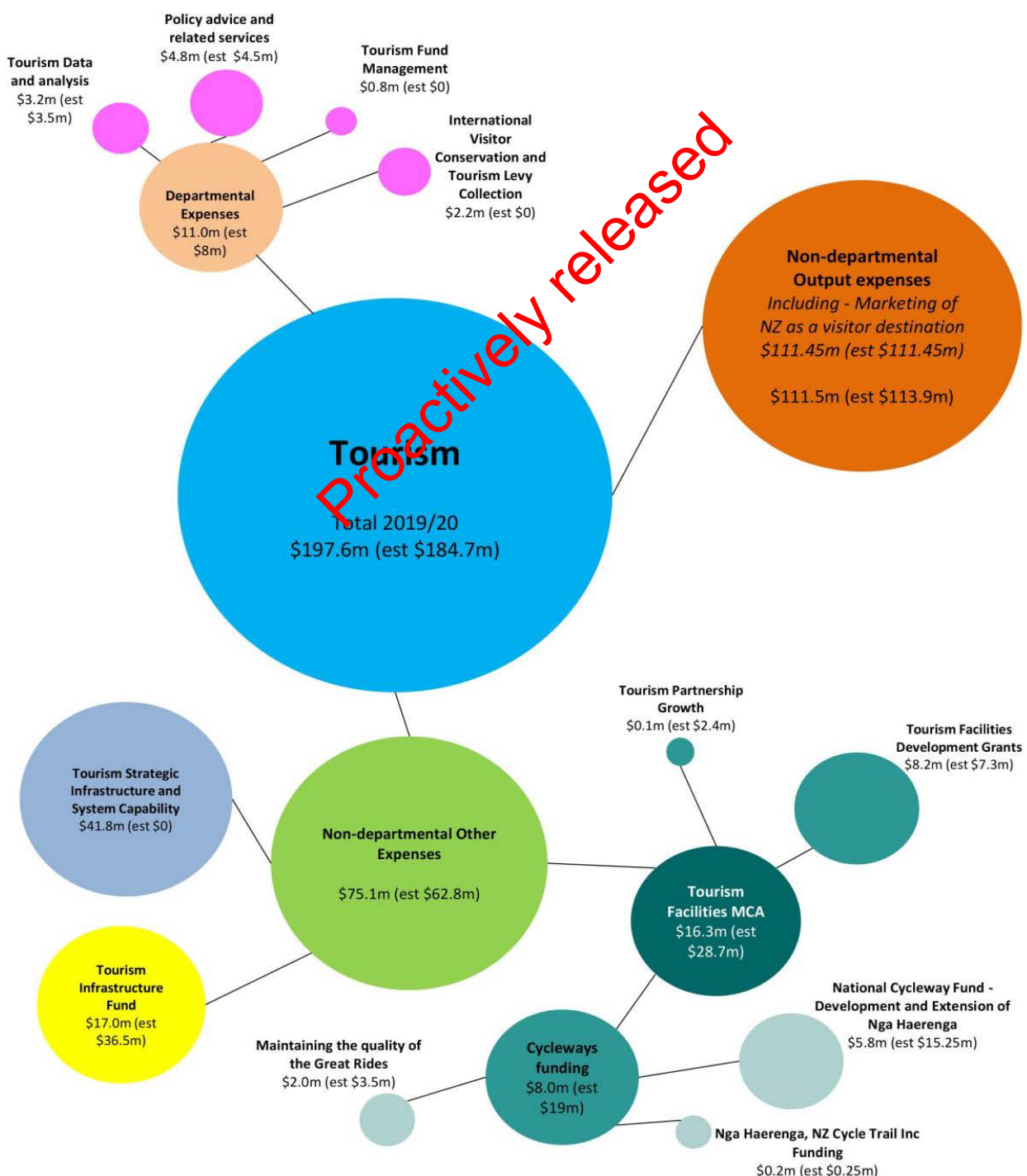
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National Tourism Organisation, TNZ is the only government agency with the mandate and resources to promote 'destination New Zealand' internationally.¹ TNZ is not mandated to promote domestic tourism.

54. MBIE works closely with TNZ to help ensure that its marketing and other activities are aligned with TNZ's strategic direction, and that MBIE's advice is well-informed by market intelligence.

Tourism budget allocations

55. The overall budget allocation for the Tourism portfolio in 2019/20 is \$197.6 million under Vote Business, Science and Innovation. The diagram below sets out the total 2019/20 appropriation for the Tourism portfolio. This captures both departmental funding (funding received by MBIE to provide services directly) and non-departmental funding (funding provided via MBIE to other agencies for them to provide services).
56. There are other government agencies that have funding related to tourism, but which is not managed by MBIE or TNZ e.g. the Department of Conservation.



4. Overview of key initiatives and upcoming opportunities

57. The tourism portfolio has a wide range of responsibilities and work underway. This section outlines key tourism initiatives and opportunities, in addition to the workstreams detailed in earlier sections.
58. Work in the tourism portfolio can be broadly divided into strategic systems and insights and operational work. The overarching strategy and leadership work in the tourism portfolio includes the following activities:
- Tourism system leadership.
 - Implementation of the Strategy.
 - Responsible camping, including summer funding for responsible camping.
 - Sustainable funding mechanisms, including the Productivity Commission inquiry into local government funding and the Queenstown Partnership.
 - Tourism data programme, including the Sustainable Tourism Dashboard and Data Hui.
 - China-New Zealand Year of Tourism.
 - Entity appointments.
59. Operational work includes:
- New Zealand Cycle Trails (including appointments).
 - Landmarks and New Zealand Land Wars Trail.
 - Tourism Infrastructure Fund applications.
 - Oversight of MBIE's destination management programme.
 - Regional workforce and skills.
 - Ministerial servicing (including correspondence and Official Information Act requests).
 - Tourism data releases.

Stakeholder engagement and promotion of the Strategy

60. Stakeholder engagement is a key area in tourism and a large part of the Tourism portfolio includes attendances at events and meetings with stakeholders. As part of your responsibilities, you will support the Minister of Tourism in attending such functions as required, and maintaining relationships with industry associations e.g. Tourism Industry Aotearoa and specialist associations such as the cruise ship sector. **Annex 3** has a list of key stakeholders.
61. You may wish to seek meetings with important stakeholders in the next few months. Some suggestions are set out below:
- **Tourism Industry Aotearoa (TIA)** - the largest tourism membership organisation. TIA represents around 85% of the total tourism industry turnover.
 - **Regional Tourism Organisations New Zealand** - the membership-based and funded organisation that represents the interests of Regional Tourism Organisations.
 - **Tourism Export Council (TEC)** - a trade association that represents the interests of the inbound tourism industry and tourism industry operators.

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- **New Zealand Māori Tourism** – an organisation that works with the Māori tourism sector to allow Māori to take a leadership role in how visitors experience New Zealand.
- **Ngāi Tahu Tourism** - one of the largest tourism operators in New Zealand, operating a number of iconic visitor experiences such as the Shotover Jet, Dart Stables, Franz Josef Glacier Guides and Rotorua Agrodome.
- **New Zealand Cycle Trails Incorporated (NZCT Inc)** - an organisation funded by MBIE, working to promote Ngā Haerenga, the New Zealand Cycle trail brand, grow the economic benefits of the Great Rides, and deliver quality assurance over the Great Rides.
- **Local Government New Zealand** - a membership organisation representing the national interests of councils in New Zealand and leading on best practice in the local government sector.
- **New Zealand Cruise Association** - membership-based industry body representing and advocating for the cruise sector.

62. Events that you may wish to consider attending are noted below:

- **TIA Tourism Summit** on 3 September 2019 - the annual Tourism Summit is the largest national annual tourism event that brings together businesses and government. The Minister of Tourism will be invited to speak at the event.
- **New Zealand Tourism Awards** on 24 October 2019 - these awards are held by TIA in conjunction with Air New Zealand and MBIE.
- **TRENZ** on 18-21 May 2020 - TRENZ is New Zealand's largest tourism trade show, organised by TIA. Exhibitors and buyers from New Zealand's key established and emerging markets connect over targeted 15-minute business-focussed appointments.

Funds and bodies

63. There are a number of funds and bodies within the Tourism portfolio.

Tourism Infrastructure Fund

64. The Tourism Infrastructure Fund (TIF) provides up to \$100 million over four years to support the development of visitor-related public infrastructure such as carparks, toilets, and sewerage and water works. There has been approximately \$60 million allocated from the TIF to date. The TIF was established in 2017, and \$75 million of the TIF is included as part of the Provincial Growth Fund (PGF) allocation.
65. The TIF is a contestable fund with two funding rounds per year, held on 1 March and 1 August. A priorities statement is published ahead of each round that sets out the investment objectives for each round. A panel made up of independent advisors, sector representatives, and officials provides recommendations on approval of projects to receive funding.
66. Round 4 of the TIF opens on August 1. MBIE will assess the eligible proposals and will make recommendations to the TIF Panel. The TIF Panel makes recommendations to the Minister of Tourism for approving projects valued greater than or equal to \$1 million. All other projects less than \$1 million are delegated to the Chief Executive of MBIE for approval.
67. Upcoming announcement opportunities include:
- Opening of Round 4 of the TIF on 1 August.
 - Successful Round 4 applicants in November/December.

Cycleways

68. Ngā Haerenga, the New Zealand Cycle Trail (NZCT) comprises a network of 22 Great Rides (a total of 2,650 km) and approximately 2,600 km of Heartland Rides.
69. NZCT is managed by Ngā Haerenga, the New Zealand Cycle Trail Incorporated (NZCT Inc). There is Ministerial responsibility for appointing the Chair of NZCT Inc.
70. There are currently three sources of NZCT specific funding:
 - National Cycleway Fund: Enhancement and Extension of NZCT - a competitive fund to support projects that improve and extend the network of cycle trails;
 - Maintaining the Quality of Great Rides Fund (MGR) - for enhancements to completed sections of existing Great Rides; and
 - Operating funding for NZCT Inc.
71. Upcoming decisions include:
 - **Funding for Alps 2 Ocean Cycle Trail** - the Alps 2 Ocean Cycle Trail is seeking \$635,000 from the National Cycleway Fund for completion of the trail. A briefing will be sent in July seeking Ministerial views on proposed funding options.
 - **Appointment of new Chair of NZCT** - the current chair's term is due to expire on 30 November 2019. Proposed appointment options will be submitted for Ministerial approval in August.
 - Confidential advice to government [REDACTED]
 - Confidential advice to government [REDACTED]
72. Upcoming announcement opportunities include:
 - The opening of Round 11 of MGR in August.
 - Successful projects in Round 11 of the MGR in October.

Responsible camping funding

73. The Tourism Facilities Development Grants fund is a discretionary fund for assisting with the management of freedom camping and the development of tourism facilities and services. The Minister of Tourism considers grants from the fund on the recommendation of MBIE.
74. Decisions will soon be needed for responsible camping over the 2019/20 peak season. MBIE is currently assessing the applications received and will make recommendations to the TIF Panel. MBIE will produce a briefing with proposed options in September/October.

Oversight of destination management

75. As part of the Strategy, government has a mandate for a more deliberate approach to working with our destinations. MBIE is currently engaging with stakeholders on the government Destination Management guidelines and has roadshows running through to late July 2019 to present insights about destination management to stakeholders.
76. MBIE is currently working on a number of destination management projects with local government and Regional Tourism Organisations. This includes the following:

- The **Milford Opportunities Project** was set up to look at developing innovative solutions for a well-functioning visitor destination at *Piopirotahi* Milford Sound with core values and with a sustainable future in mind. A Cabinet paper setting out development options was approved on 24 June 2019.
- The **Queenstown Partnership** is a collaboration of central government agencies with Queenstown Lakes District Council to address growth challenges, infrastructure needs and a 10-year investment strategy. The partnership will deliver a joint spatial plan in 2019, which can be used to inform discussions about funding and financing needs. A spatial plan is a strategic and evidence-based plan developed through collaboration. It sets the long term (30+ years) vision for a region across social, economic, environmental, and cultural dimensions.

Tourism data releases

77. In addition to the work to broaden and improve information data and insights, there are a number of releases of tourism data throughout the year. There is Ministerial responsibility for managing releases of tourism data. This may include press releases or other publicity in order to raise awareness of and bring attention to relevant data sets.
78. The below table shows the calendar of upcoming tourism data releases, and the responsible agency for each release:

Topic	Organisation	Timing
Accommodation Survey: May 2019	Statistics NZ	12 July
International travel: May 2019	Statistics NZ	15 July
Monthly Regional Tourism Estimates: June 2019	MBIE	25 July
International travel: June 2019	Statistics NZ	9 August
Accommodation Survey: June 2019	Statistics NZ	14 August
International Visitor Survey: Year ending June 2019	MBIE	22 August
Monthly Regional Tourism Estimates: July 2019	MBIE	29 August
Accommodation Survey: August 2019	Statistics NZ	14 October
International travel: August 2019	Statistics NZ	15 October
Monthly Regional Tourism Estimates: September 2019	MBIE	31 October

Tourism workforce and skills

79. MBIE is working with sector organisations and local governments to develop a People and Skills work programme for potential funding from international visitor levy revenue.
80. The purpose of this work is to address system level workforce issues, as part of the implementation of the New Zealand-Aotearoa Government Tourism Strategy. The work also complements the proposed changes to immigration settings, which would require the tourism sector to employ more domestic workers in the low-skilled roles than to rely on temporary migrant workers.

New Zealand Land Wars Trail

81. MBIE received \$50,000 in Budget 2019 to progress a feasibility study regarding a potential New Zealand Land Wars Trail, Confidential advice to government
In addition to being historically significant and a way to encourage people to understand more about nationhood, the New Zealand Land Wars Trail will encompass both tourism and education elements.
82. The programme has the potential to assist with regional dispersal of visitors and enhance the domestic tourism experience.

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5. Major links with other portfolios

83. Beyond the Tourism portfolio, government delivers a range of other interventions that affect the tourism sector. Work within your portfolio can help to ensure these interventions take account of the needs and characteristics of the tourism sector.
84. Key portfolios that interact with the Tourism portfolio include the following:
- Conservation – partner organisation in leading the implementation of the Tourism Strategy, policy work on visitor experience and infrastructure.
 - Local Government – policy work on key strategic issues facing the local government sector and relevant regulatory frameworks, including on responsible camping.
 - Immigration - facilitate high-value, low-risk visitors from visa-required countries, as well as helping to ensure the sector has access to the skilled labour it needs when New Zealanders are not available to fill tourism roles.
 - Transport – policy and operational work on roads, rail infrastructure, air and ship travel.
 - Economic Development and Regional Economic Development - leverage investments in other sectors, such as screen and major events, to benefit the tourism industry, and support regional economic development through the Provincial Growth Fund.

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85. The following model summarises the major links of the tourism policy portfolio across government:



Annex 1: Key tourism statistics

Contribution to the New Zealand economy (year ending March 2018)¹

- \$39.1 billion tourism expenditure – an increase of 7.7 per cent:
 - Domestic tourism = \$23 billion
 - International tourism = \$16.2 billion (20.6 per cent of exports)
- Direct contribution to GDP - \$15.9 billion (6.1 per cent of GDP)
- 216,012 people employed in tourism (8 per cent of total employment)
- \$3.7 billion in GST revenue

International visitor arrivals and spend

- There were 3.86 million visitor arrivals in the year to March 2019 (1 per cent growth from the previous year).²
- Total international visitor expenditure (year ending March 2019) - \$11.23 billion (3 per cent growth)
- Average expenditure per person per trip - \$3,290 (2 per cent growth)

Arrivals and spend – by market (year ending March 2019)

Country	Arrivals, YE	Growth (from previous year)	Spend, YE (millions)	Growth (from previous year)
Australia	1,490,000	0%	\$2,650	2%
China	434,000	-1%	\$1,630	-2%
USA	362,000	7%	\$1,310	-1%
UK	230,000	16%	\$926	-13%
Germany	102,000	1%	\$560	-5%
Japan	99,000	-3%	\$266	-3%

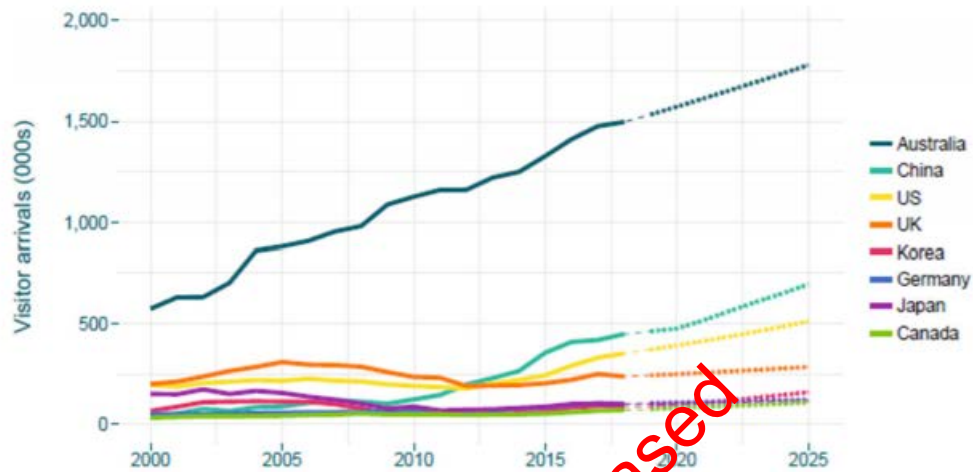
¹ Stats NZ, Tourism Satellite Account. Note that MBIE's quarterly International Visitor Survey also provides a measure of international visitor spending, but it does not include air travel sold by New Zealand companies to international visitors, or the spend of education visitors in New Zealand for less than 12 months.

² MBIE, International Visitor Survey.

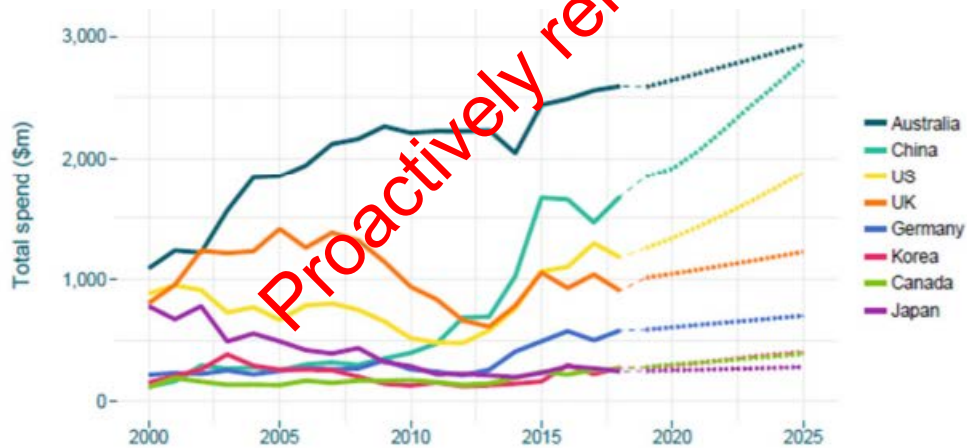
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MBIE's international tourism forecasts (2019 – 2025)

- Total visitor arrivals are estimated to be 5.1 million by 2025 – 4.0 per cent growth per annum
- Total visitor expenditure is estimated to be \$15.0 billion by 2025 – 4.3 per cent growth per annum
- Visitor arrivals from key markets and international visitor spend are expected to grow:



Source: Stats NZ and MBIE



Source: MBIE

Annex 2: Crown entities and statutory bodies

The Minister of Tourism has responsibilities for the following:

- the New Zealand Tourism Board (operating as Tourism New Zealand)
- the New Zealand Māori Arts and Crafts Institute.

Tourism New Zealand

TNZ is the Crown entity responsible for ensuring New Zealand is effectively marketed as a visitor destination to maximise long-term benefits to New Zealand. Its statutory responsibilities under the New Zealand Tourism Board Act 1991 are to develop, implement and promote strategies for tourism, and to advise the government and the New Zealand tourism industry on matters relating to the development, implementation and promotion of those strategies.

TNZ is governed by a board of five to nine directors, each appointed by the Minister of Tourism for a term of up to three years. Jamie Tuuta is the Chair of Tourism New Zealand, Roger Sharp is Deputy Chair, and other board members are Colleen Neville, Kauahi Ngapora, Mike O'Donnell, Jan Hunt and John Thorburn. Stephen England-Hall is the Chief Executive.

MBIE monitors TNZ's performance on behalf of the Minister of Tourism. MBIE also provides advice to accompany TNZ's accountability documents and quarterly reports.

The New Zealand Māori Arts and Crafts Institute

The New Zealand Māori Arts and Crafts Institute, (trading as Te Puia) sells tourism services comprising tours of the Whakarewarewa thermal valley, concerts, carving and weaving demonstrations, as well as retail products.

It was established under the New Zealand Māori Arts and Crafts Institute Act 1963. There is currently a bill passing through Parliament to repeal this Act and vest the assets and liabilities of the Institute to a joint trust of iwi partners. The Minister for Maori Development is the lead minister on this bill.

Annex 3: Key sector stakeholders

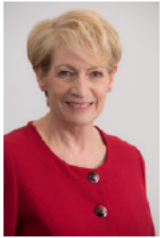



Organisation	Contact	Role
Accor Asia Pacific	Gillian Millar	Vice President, New Zealand, Fiji & French Polynesia
Air New Zealand	Tony Carter	Chair
	Christopher Luxon	Chief Executive
Auckland International Airport Ltd. (AIAL)	Dr Patrick Strange	Chair
	Adrian Littlewood	Chief Executive
Auckland Tourism, Events and Economic Development (ATEED)	Mark Franklin	Chair
	Nick Hill	Chief Executive
China Southern	Lily Wang	General Manager New Zealand
Christchurch International Airport Ltd. (CIAL)	Catherine Drayton	Chair
	Malcolm Johns	Chief Executive
Hospitality New Zealand	Jeremy Smith	National President
	Vicki Lee	Chief Executive
Local Government New Zealand (LGNZ)	Dave Cull	President
	Malcolm Alexander	Chief Executive
New Zealand Cycle Trail Inc (NZCT Inc)	Richard Leggat	Chair
New Zealand Holiday Parks Association	Lisa Cornelissen	President
	Fergus Brown	Chief Executive
New Zealand Māori Tourism (NZMT)	Dale Stephens	Chair
	Pania Tyson-Nathan	Chief Executive
Ngāi Tahu Tourism	Sarah Smith	Chair
	Quinton Hall	Chief Executive
Queenstown International Airport	Prue Flacks	Chair
	Colin Keel	Chief Executive
Regional Tourism Organisations New Zealand (RTNZ)	Graham Budd	Chair
	Charlie Ives	Executive Officer
Rental Vehicle Association New Zealand	Barry Kidd	Chief Executive
SkyCity	Graeme Stephens	Chief Executive
Tourism Infrastructure Fund Panel	Judy Kirk	Chair
Tourism Export Council	Anna Black	President
	Judy Chen	Chief Executive
Tourism Holdings Limited (THL)	Rob Campbell	Chair
	Grant Webster	Chief Executive
Tourism Industry Aotearoa (TIA)	Richard Lauder	Chair
	Chris Roberts	Chief Executive
Wellington International Airport	Tim Brown	Chair
	Steve Sanderson	Chief Executive

Annex 4: How MBIE assists you

86. Responsibility for providing you with advice and support in relation to the Tourism portfolio sits mainly within MBIE's Tourism branch, within the Labour, Science and Enterprise group. The Tourism branch provides advice and analysis to support government and industry decision-making in relation to the sector, oversees the implementation of government priorities; works with industry, and advises on and manages government's investment in tourism-related infrastructure. This consists of four teams: Tourism Policy, Tourism Operations and Partnerships, Tourism Systems and Insights and Investment Management Performance.
87. The **Labour, Science and Enterprise Engagement and Communications** unit in the Engagement, Communications and Ministerial Services branch provides the communications support for the portfolio, and leads the cross-government tourism communications group.
88. The **Business and Economic Development** team in the Evidence and Insights branch collects, analyses and publishes tourism data. This includes the production of official statistics on tourism, which enable you to monitor change and progress in the tourism sector and make well-informed policy and investment decisions. The products produced by this team include:
- The International Visitor Survey, which measures quarterly spend of international visitors (a Tier 1 Statistic)⁷.
 - The Monthly Regional Tourism Estimates – estimates international and domestic spend by region, country of origin and tourism product.
 - The New Zealand Tourism Dashboard – provides a one-stop shop for all tourism data in New Zealand. Information is presented using dynamic graphs and data tables.
 - The International Tourism Forecasts – provides expectations on the future tourism demand in New Zealand. The forecasts are intended to support the tourism sector and government in decision making and planning.
89. In addition:
- The **Evidence and Insights** branch evaluates the effectiveness of government initiatives that impact on tourism (for instance, NZCT).
 - The **Major Events** unit in the Tourism branch administers the Major Events Development Fund (reports to the Minister for Economic Development).

⁷ Tier 1 statistics are the most important statistics for understanding how well New Zealand is performing. They need to be of a high standard so that you, the public and international markets can have trust and confidence in their quality and integrity.

Key MBIE contacts

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