



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
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Department of Conservation
Te Papa Atawhai

Aotearoa New Zealand Government Tourism Strategy: Summary

Draft for consultation



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New Zealand Government

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Tourism is important to New Zealand.

More and more visitors want to see our beautiful country.

International visitor arrivals have grown by 43 percent in the last five years¹ and spending by domestic visitors is also rising.²

This increase in tourism growth is only expected to continue. Annual international arrivals are forecast to reach more than five million by 2024³. As New Zealand's population continues to grow, more New Zealanders will also want to experience the attractions on offer.

Significant advantages flow from managing tourism effectively in New Zealand. Tourism can help grow our economy, bring prosperity to the regions and lift our quality of life.

But there are also challenges that need to be carefully thought through. Visitor growth can create infrastructure pressures and overcrowding, as well as environmental impacts. In addition, the costs and benefits from tourism don't always fall in the same place, which can lead to under-investment in the infrastructure required to support visitors and our communities.

We want our tourism growth to be productive, sustainable and inclusive.

To make sure of that, the New Zealand government wants to take a more active, deliberate and coordinated approach to tourism. We want to realise the potential gains from more visitors while making sure we're set up to better manage the impacts. To do this, central and local government want to work together with the tourism industry and New Zealand's regions and communities.

The opportunities for us all are too great to miss. Tourism was our largest export earner in 2017, accounting for more than 20 per cent of our total exports, and will continue to play a significant part of the economy.⁴ Our current tourism system isn't set up to make the most of these opportunities. It features some out-dated policy settings and funding arrangements that were never designed to deal with the scale and pace of change that we have seen in the past five years.

We want to strengthen our stewardship of the tourism system and work more actively with the tourism sector, stakeholders and New Zealanders to shape future growth, manage its impact and better coordinate investments.

The new Tourism Strategy sets out how we propose to do this.

1 International Travel and Migration Survey May 2018, Statistics New Zealand.

2 Tourism Satellite Account 2017, Statistics New Zealand. Note data on domestic visitor volumes is not collected.

3 New Zealand Tourism Forecasts 2018–2024, MBIE.

4 Tourism Satellite Account 2017, Statistics New Zealand.

The government has an important role in tourism

The New Zealand government has played a role in tourism since the 19th century when laws were first passed to create reserves to attract both New Zealand and international visitors. It wasn't long before the government was acting as a direct provider of tourism, buying up failing hotels and tourism businesses. It also began international marketing through the Department of Tourist and Health Resorts.

Today, the government continues to play an active role in the tourism system, including providing facilities, marketing, state highway networks and access to public conservation lands and waters. It is also responsible for the protection and guardianship of many of the natural attractions and biodiversity in them.

The government also intervenes where the market is not delivering the best outcomes or is unlikely to take advantage of certain opportunities, for example, by introducing regulations to improve the safety of adventure activities, by working with tourist areas on local traffic issues, or investing in convention centres.

The government plays an important role in making sure the tourism system delivers the best results for all, including visitors, tourism businesses, our regions and communities, and all New Zealanders.

It does this in two main ways:

- › **As a steward:** the government looks across the whole tourism system to make sure it's working well, and everyone involved has what they need to play their parts. The government's role here includes shaping visitor demand, helping to make sure the market can respond to that demand, providing data and insight, and coordinating, facilitating and regulating activity across the system.
- › **As an actor:** the government also acts directly through its own investments and interventions, for instance, by providing public goods used by visitors such as roads, broadband and public conservation amenities. This requires aligning and communicating with multiple agencies, industry and regional players.

In the current environment of rapid visitor growth, it's particularly important that government plays both these roles well. In particular, government needs to take a stronger stewardship role, working more actively with local government, iwi and regional stakeholders on tourism development, and better aligning its tourism related investments.





The importance of a sustainable tourism system

International and domestic tourism can make a significant contribution to this country's productive, sustainable and inclusive growth.

However, future growth is not without its challenges. A well functioning tourism system will help manage visitor growth challenges, and requires a clear direction and a joined-up approach at the natural and regional level. To achieve this we're taking a new, more active approach to tourism.

The importance of tourism

Tourism creates inclusive growth by distributing economic opportunities and bringing social benefits across our regions, cities and communities. All projections see this growth continuing in line with global trends, however there is always the possibility of external shocks and change.

Tourism provides a pathway for many to enter the workforce, gaining important skills. At the same time, low barriers to entry make it relatively easy for New Zealanders to start up their own tourism business ventures, creating new jobs, products and services.

It also brings wider economic, social and cultural benefits. It provides an opportunity for New Zealand to showcase our unique Māori culture on a world stage and for iwi to leverage their assets. It helps create more vibrant communities and foster the international connectedness critical for a small and distant trading nation.

Domestic visitors also play a significant part. They are more likely to visit a broader range of places, helping smaller communities and businesses in regional New Zealand. The strategy aims to make sure that New Zealanders are able to explore and enjoy their own country, while also providing for the attractions and experiences that international visitors travel to see. This is critical in relation

Key tourism statistics



3,787,000 Visitors
International arrivals
(year ending June 2018)



\$14 Billion or 20% of Exports
Export earnings
(year ending March 2017)



\$14.7 Billion Direct, \$11.3 Billion Indirect
Tourism contribution to GDP
(year ending March 2017)



230,000 Jobs
New Zealanders employed by tourism
(year ending March 2017)¹

¹ These statistics can be found in the Tourism Satellite Account 2017, and the International Travel and Migration Survey May 2018, Statistics New Zealand.

to providing opportunities for New Zealanders to access public conservation lands and waters.

The challenges of visitor growth

While visitor growth provides real opportunities for New Zealand, the growing number of people travelling around the country and using resources inevitably poses challenges. These include increased pressure on the environment and infrastructure, as well as perceptions that the character of some of New Zealand's best loved places may be changing. Due to the relatively low population density in New Zealand, the impact of visitors in some places can be more visible. The impacts are often more pronounced when growth is poorly managed.

A well-functioning tourism system should make sure that the positive effects of visitor growth are maximised, while the negative impacts are managed, mitigated or avoided.

However, the recent pace and scale of visitor growth, combined with an increase in New Zealand's population, has effectively outstripped the capacity of our system to respond in some areas. This means that opportunities are not being fully realised, and pressures are not always well managed.

Challenges include:

- › seasonal and regional travel patterns that exacerbate the pressures (such as on the environment or congestion) and mean that the gains from tourism are not spread evenly across regional New Zealand
- › a fragmented regional picture, with some regions and cities competing rather than

cooperating, or being more focused on attracting visitors rather than meeting expectations of communities and visitors

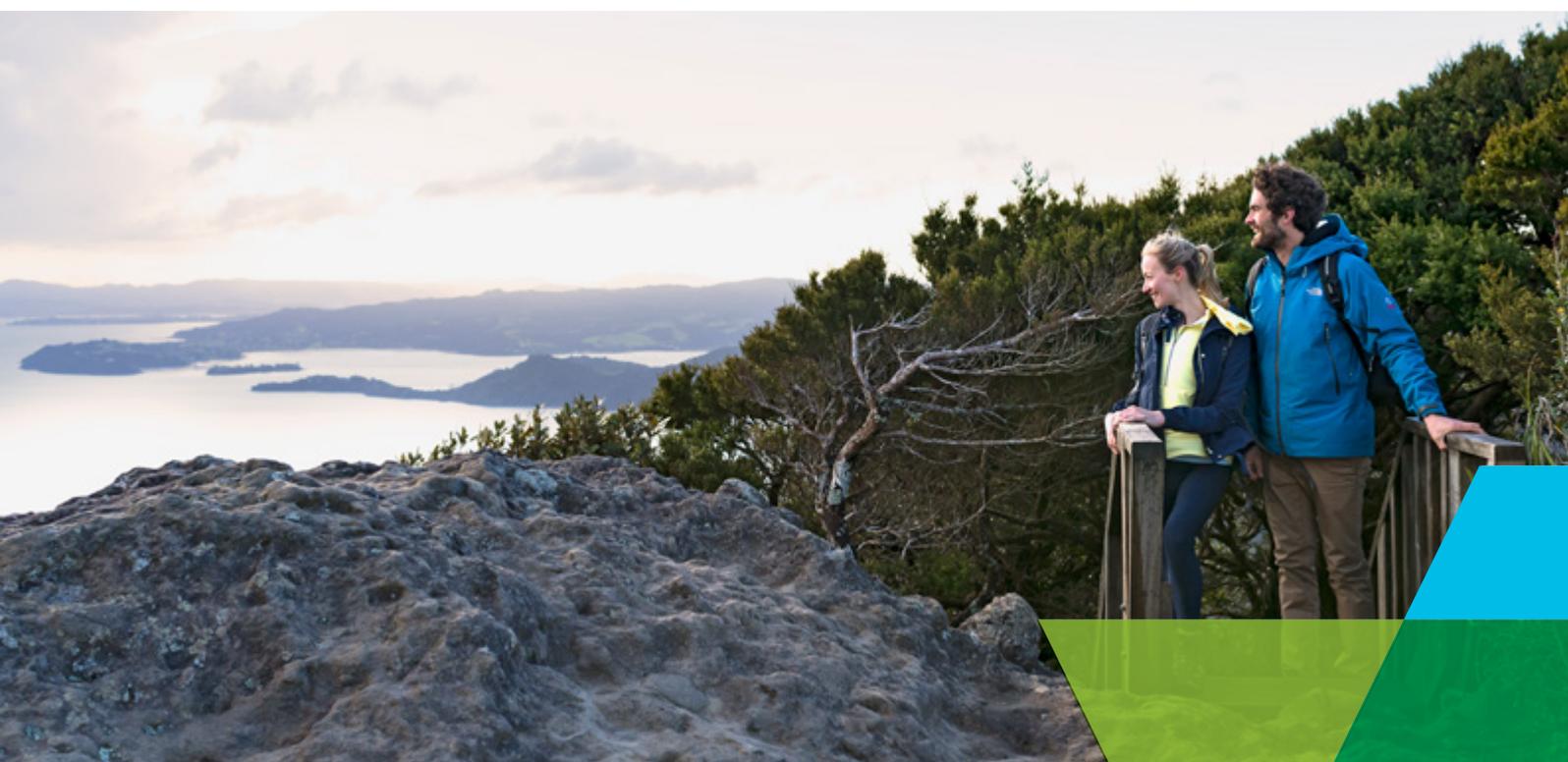
- › funding arrangements that are slow to respond to significant and rapid shifts in visitor volumes, impacting on investments in maintaining and building the necessary infrastructure, amenities and attractions
- › some of the policy settings and institutional arrangements which were established when government was focused on increasing visitor numbers are no longer fit-for-purpose in a high growth environment.

These challenges often show up at a local government level, where much of the infrastructure needed to support tourism is provided. If funding arrangements for infrastructure cannot cope with rapid tourist growth, then ratepayers can be faced with funding any shortfall. This can be particularly challenging for towns with small ratepayer bases but large tourist numbers, such as Franz Josef or Hanmer Springs.

Other examples of challenges include the issue of camping in public places, congestion at popular visitor destinations, and the need for border services and the biosecurity system to adjust to the increased risks posed by higher visitor numbers.

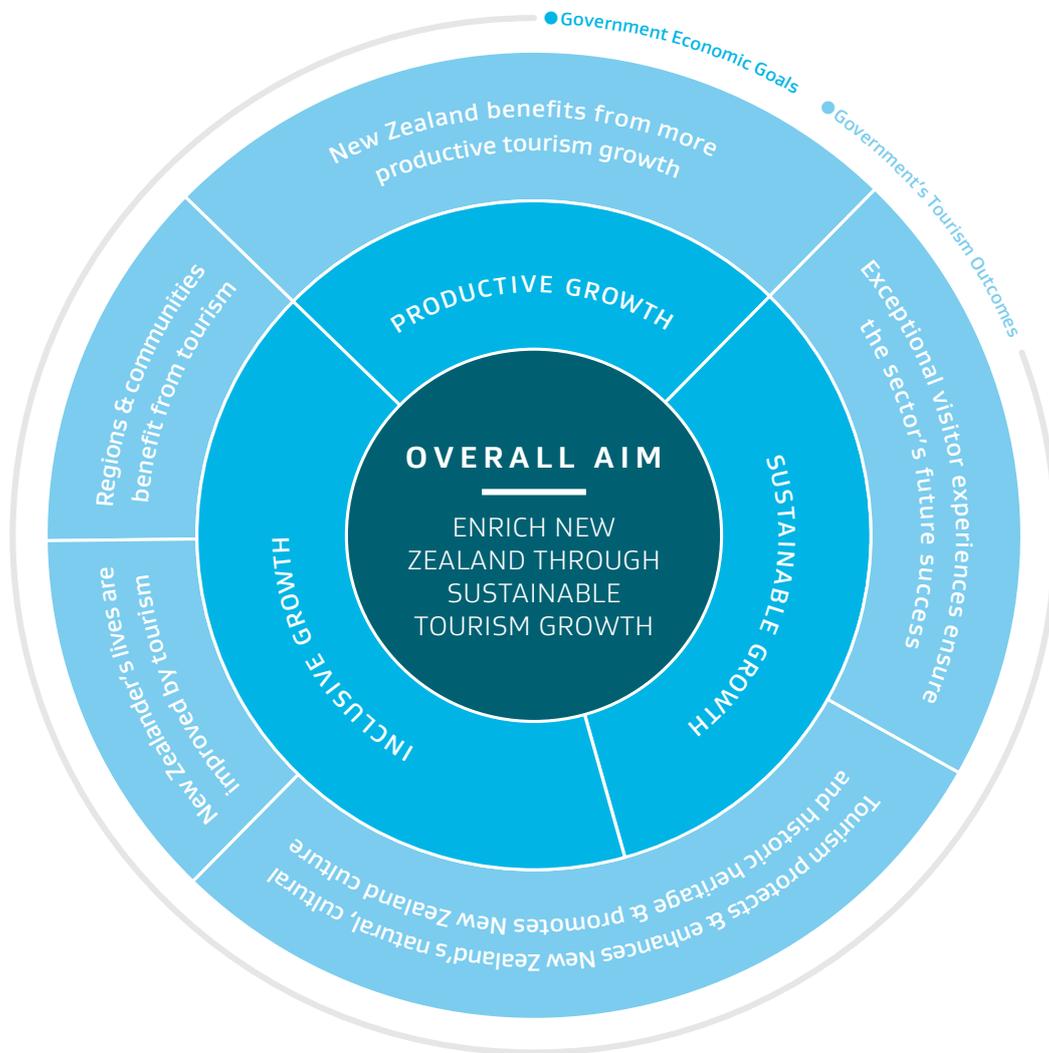
These challenges could have a negative impact on the quality of the experiences we offer our visitors and on New Zealand's reputation as a destination. These issues have also led to more concern from New Zealanders about the impacts of tourism.

So, what are we going to do about it?



Aotearoa New Zealand Tourism Strategy for government

This strategy sets out how the government will work with the tourism sector, iwi, local government, communities and other stakeholders to take advantage of the opportunities offered by both international and domestic visitor growth, and to manage, mitigate or avoid the impacts.



The strategy:

- › outlines the strategic context
- › identifies government's goals for tourism, including in the context of the industry's own Tourism 2025 framework
- › outlines the priorities that government will focus on.

This strategy is supported by a decision making framework to enable government to make better choices about where, when and how it invests in the tourism system.

The framework will act as a guide for government agencies when making tourism related investment decisions, helping them to prioritise and make sure their investments are well aligned with the government's broader tourism goals. It provides a set of criteria and a more robust and transparent way to assess investment choices.

The strategy will also be supported by an implementation plan that will set out:

- › measures of progress (over the short-term, medium-term and long-term)
- › a prioritised work programme for government, including specific action and key milestones
- › how the implementation of the strategy will be resourced.

The aim

The government's overarching aim is to **enrich New Zealand through sustainable tourism growth**.

The focus on sustainability recognises the importance of the future tourism system being environmentally and socially sustainable, as well as economically sustainable. It also recognises the potential impacts of climate change on the sector and supports the government's focus for a just transition to a 'clean, green, and carbon neutral New Zealand.'

The outcomes

The strategy sets out the government's approach to five long-term tourism outcomes. It asks what long-term success would look like in each of these areas, where we are now, what is already happening and what priority areas the government should focus on.

You can see the full draft Tourism Strategy online at mbie.govt.nz/tourism-strategy

These five outcomes show how tourism can help deliver productive, sustainable, inclusive growth.

- › New Zealand benefits from more productive tourism growth
- › exceptional visitor experiences ensure the sector's future success
- › tourism protects, enhances and promotes New Zealand's natural, cultural and historic heritage
- › regions and communities benefit
- › New Zealanders' lives are improved by tourism.

New Zealand benefits from more productive tourism growth

This focuses on the type of economic growth that we want tourism to deliver, with a focus on lifting the productivity of the sector.

Exceptional visitor experiences ensure the sector's future success

The second outcome focuses on how we can make sure the tourism sector is economically sustainable by developing and promoting high-quality, authentic visitor experiences.

Tourism protects & enhances New Zealand's natural, cultural and historic heritage & promotes New Zealand culture.

This goal signals the importance of both maintaining and restoring the quality of the unique natural, cultural and historic heritage that visitors come here to experience.

New Zealanders' lives are improved by tourism

The fourth outcome focuses on ensuring New Zealanders continue to support tourism by enhancing experiences of their own country, as well as shared respect and hospitality.

Regions and communities benefit

This outcome focuses on ensuring the benefits of tourism are distributed across regions and communities, contributing to inclusive growth. This includes ensuring whānau, iwi and hapū benefit from tourism.

How are we going to do it?

Priority work areas

The strategy envisages a number of significant new areas of cross-agency work to help deliver on our aims which will build on work that is already underway in many areas.

These priority work areas signal the action needed to achieve the government's tourism outcomes. These are detailed at the end of the Summary. Some of the key priority actions include:

- › ensuring that funding models cater to tourism growth, and enable those who benefit from infrastructure to contribute to its costs.
- › taking a stronger leadership role in the sector.
- › improving destination plans at a regional level.
- › continuing Tourism New Zealand's strategy of targeting for value over volume and encouraging off-peak growth
- › focusing on tourism sector productivity including addressing seasonality and skills.
- › looking at the likely impacts on the tourism sector of climate change and moving to a low emissions economy
- › implementing the recommendations of the Responsible Camping Working Group
- › supporting iwi to develop authentic visitor experiences and to raise awareness of these.

Next steps

This is a draft strategy and we want your feedback.

We're interested in hearing what you think about the draft Tourism Strategy. In particular, here are some questions we'd like you to think about:

- › What do you think about the government's proposal to take a more active and deliberate role in the tourism system?
- › What are the areas you think should be a particular focus? Are there areas where the government's role should be limited?
- › The draft strategy proposes five tourism outcomes for government. Do you support these outcomes and are these the right outcomes to focus on?
- › The strategy identifies an ambitious work programme for government, what are the highest priority actions from your perspective?
- › What are the areas in this draft strategy that you think could be strengthened?

If you want to provide feedback, you can:

- › Provide it online at mbie.govt.nz/tourism-strategy
- › Email it to tourism@mbie.govt.nz
- › Mail to MBIE Tourism Policy, PO Box 1473, Wellington 6140.

You can provide feedback by 5pm Monday 4 February 2019. Make sure you include your name or the name of your organisation and contact details with any feedback.

Government tourism strategy summary

ENRICH NEW ZEALAND THROUGH SUSTAINABLE TOURISM GROWTH		ENRICH NEW ZEALAND THROUGH SUSTAINABLE TOURISM GROWTH		
Overall aim	PRODUCTIVE GROWTH	SUSTAINABLE GROWTH	INCLUSIVE GROWTH	
Government economic goals Government's tourism outcomes	<p>New Zealand benefits from more productive tourism growth</p> <ul style="list-style-type: none"> Value has grown faster than volume, with average spend per visitor night increasing steadily New Zealand is benefitting from international and domestic tourism at all times of the year with greater uptake of technology The sector is benefitting from a more skilled workforce, with more New Zealanders employed in the sector 	<p>Exceptional visitor experiences ensure the sector's future success</p> <ul style="list-style-type: none"> New Zealand delivers on its brand promise New Zealand delivers on and exceeds international and domestic visitor expectations Visitors enjoy authentic, world-class experiences based on New Zealand's unique nature, culture and heritage, and a strong understanding of visitors' preferences New Zealand has a coherent national visitor proposition that reflects the strengths of our different regions New Zealand welcomes visitors from a diverse range of overseas markets and is not overly reliant on a small number of markets Tourism generates secure, sustainable funding streams for central government, local government regions and the sector, adjusting to the needs of visitors and ensuring the quality of experiences offered to visitors 	<p>Tourism protects & enhances New Zealand's natural, cultural and historic heritage & promotes New Zealand culture</p> <ul style="list-style-type: none"> Visitors and the tourism sector are contributing fairly to protecting New Zealand's natural, cultural and historic heritage The costs of people visiting natural, cultural and historic heritage sites are being met through sustainable, secure, and equitable funding streams As a result of their New Zealand tourism experiences, visitors develop greater awareness of conservation and resource risks and the importance of following best practice to protect our natural, cultural and historic heritage The sector is a world-leading model for environmental sustainability, and is playing a key role in New Zealand's transition towards a low emissions economy Māori tourism experiences are at the heart of the New Zealand visitor experience and encourage New Zealanders and international visitors to connect to and value our land, people, heritage and stories 	<p>Regions and communities benefit from tourism</p> <ul style="list-style-type: none"> Tourism is helping regions and communities to thrive, creating vibrant places to live and, in the case of some disadvantaged rural communities, contributing to their sustainability Tourism is enabling Māori to realise their economic aspirations in the regions Traditional visitor destinations have been able to absorb increased growth and continue to deliver quality experiences New 'must visit' destinations have developed Tourism has brought jobs, new businesses and prosperity to regions that previously welcomed few visitors Regions and communities are determining how they manage and realise their tourism potential, with government supporting or partnering
WHAT DOES LONG TERM SUCCESS LOOK LIKE?	<ul style="list-style-type: none"> Develop a detailed picture of future demand Develop a national destination plan for New Zealand, informed by regional plans Establish a process for generating 'game-changing' new ideas and initiatives, including through deeper understanding of any barriers to innovation Support local government and the sector to identify and develop reliable funding streams Implement the International Visitor and Conservation Levy Identify and implement tourism-related actions arising from the Productivity Commission Inquiry into local government funding Enhance the data, insight and education available to the sector, including by implementing prioritised initiatives from the Tourism Data Domain Plan Continue to focus on marketing to a diverse range of markets and segments 	<ul style="list-style-type: none"> Develop a better understanding of how tourism and the sector can positively contribute to conservation outcomes, including biodiversity Deepen understanding of the implications for the tourism sector of climate change and the move towards a low-emissions economy Enable and support iwi to tell their stories and share the value of places Continue to increase the awareness of Māori tourism, improve the quality and authenticity of the experiences, and incorporate people and culture into the destination brand Extend Landmarks to new regions/themes Complete and implement DOC's heritage and visitor strategy Review DOC's approach to pricing Implement Biosecurity 2035 to manage risks associated with increased tourism Respond to the Parliamentary Commissioner for the Environment's report into tourism 	<ul style="list-style-type: none"> Work with the sector and education providers to strengthen pathways from education into tourism employment while encouraging more New Zealanders into the industry Implement a cross-agency work programme based on the recommendations of the Responsible Camping Working Group Continue work to promote positive visitor behaviour Continue Tourism New Zealand's destination readiness work programmes, including supporting the industry to find ways of giving back to their communities and to communicate this Continue work to improve overseas driver safety 	<ul style="list-style-type: none"> Implement the government investment framework for tourism Work with regions to support them to take a strategic and coherent approach when deciding how they want to plan, manage, market and develop their destinations Collaborate with regions to build a deeper understanding of the impacts that regional decision-making and investment may have on their natural, cultural and historic heritage Support iwi to develop Māori tourism experiences, including distinctive regional offerings Investigate generating new data to deepen understanding of regional visitor flows and tourism's impact on regional economies Ensure that land transport investment supports safe and resilient transport connections in regional New Zealand, to enable all regions to benefit from visitor growth and realise their tourism potential
PRIORITY WORK AREAS	<ul style="list-style-type: none"> Deepen understanding of how the sector's productivity can be lifted Ensure government's levers are used in a joined-up way to lift value and address seasonality Continue Tourism New Zealand's strategy of targeting for value over volume and encouraging off-peak growth Continue to work with the sector to lift the skills of workers Continue to support tourism businesses, including Māori operators, to build capability 			

