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Media release

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## Keeping New Zealand safe puts heavy burden on tourism operators

While recognising that the extension of the COVID-19 Alert Levels is needed to protect the health of New Zealanders, it will put more pressure on tourism businesses around the country who are desperately trying to survive, says Tourism Industry Aotearoa.

The industry was already reeling from the effects of the first lockdown and the ongoing border closures – and then almost two weeks ago the Alert Levels were raised to contain a community transmission outbreak in Auckland.

Consumer spend data shows that tourism operators from one end of the country to the other are being adversely impacted by the Level 3 restrictions in Auckland.

The information, provided by the Ministry of Business, Innovation and Employment, comes from electronic transaction **data**. It shows that total consumer spend in Auckland fell by 24% in the week ended 16 August compared to the previous week, reflecting the first five days of Level 3 restrictions.

For most other regions in New Zealand overall spend was up for the week, suggesting that most economic activity was continuing under Level 2.

However, in taking a closer look at the numbers and removing international visitor data, this shows that accommodation spend by New Zealanders was down 24% across the country compared to the week before.

Food and beverage spend by New Zealanders was also down 27% compared to the week before, with transport and travel spend down 36% compared to the week before.

“In other words, the spend on tourism and hospitality across New Zealand has been significantly curtailed by the restrictions on travel into and out of Auckland,” says TIA Chief Executive Chris Roberts. “While Aucklanders have suffered the greatest restrictions, the economic impact is being felt by tourism operators across the country.”

Mr Roberts says tourism businesses are relying solely on domestic visitors for the foreseeable future and many are struggling to survive with the diminished demand.

“Losing a third of the domestic visitor market has been a serious blow on top of the closed borders.”

Continuing alert level restrictions, including restrictions on large gatherings, will put more pressure on tourism businesses and jobs, so further targeted government support will be necessary, TIA says.

“While the safety of New Zealanders is paramount, the Government must acknowledge that COVID-19 responses have disproportionately impacted the tourism industry. The package announced back in the May Budget cannot be the end – if we are to have a

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tourism industry that survives the biggest crisis in its history, there will need to be ongoing targeted relief.”

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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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