

11 May 2017

Media Release

Govt tourism support package a step in right direction

The Government's new Tourism Infrastructure Fund is a step in the right direction, Tourism Industry Aotearoa says.

At **TRENZ 2017** today, Tourism Minister Paula Bennett announced new Government funding to support the booming tourism industry.

TIA is welcoming the establishment of the TIF. Chief Executive Chris Roberts says the Government has correctly recognised that regions with small populations and growing tourism demand need a helping hand to provide some of the basic infrastructure to support the growth of tourism in their area.

"We realise that the Government has to balance competing priorities and there will always be budget trade-offs. We are pleased to have the fund but would have liked it to have been bigger," he says.

At \$25 million a year, it replaces two existing tourism funds, the Tourism Growth Partnership (\$8m a year) and the Mid-sized Regional Tourism Facilities Fund (\$3m a year).

In January 2016, TIA called for an Infrastructure Fund of \$100m a year to ensure opportunities to secure tourism growth were not lost. The Government response in last year's Budget was the Mid-sized Facilities Fund of \$3m a year.

"This was a tentative first step but was never going to be enough, and that has since proved to be the case, with the fund heavily over-subscribed."

TIA recently completed a comprehensive National Tourism Infrastructure Assessment. This research reinforced the need to support investment in local and mixed-use infrastructure – items like public toilets, parking, access ways, and water and sewerage systems that are typically provided by local government and serve both local residents and visitors.

"This work has reinforced our view that an investment of around \$100m per year would make a real difference and allow a significant infrastructure need across New Zealand to be met.

"Given that the tourism boom since 2014 has provided the Government with more than \$1 billion in additional GST revenue from overseas visitors, this would be a worthwhile investment to grow tourism's economic contribution even further," Mr Roberts says.

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“The TIF as currently funded will be able to do some of that job, but further initiatives will be required. The fund may need to be expanded in future if the demand is shown to be there.

“There is certainly no time to waste – tourism opportunities are ready to be grasped and we must get on and make these investments.”

TIA is also pleased with Conservation Minister Maggie Barry’s announcement at TRENZ 2017 of new funding of \$76 million for the Department of Conservation, for new and improved tourism infrastructure.

“We know that a few of the most popular locations on the public conservation estate are under pressure. This funding will help relieve that pressure by creating new destinations. It also supports the tourism industry’s **Tourism 2025** goal of improving regional dispersal,” Mr Roberts says.

TIA looks forward to working with the Government to ensure all the new funding announced today maximises the economic benefits of tourism to New Zealand.

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KEY FACTS

- Tourism in New Zealand is a \$95 million per day industry. Tourism delivers around \$40 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$55 million in economic activity every day.
- Tourism is New Zealand’s biggest export earner, contributing \$14.5 billion or 20.7% of New Zealand’s foreign exchange earnings (year ended March 2016).
- 13.2% of the total number of people employed in New Zealand work directly or indirectly in tourism. That means 332,322 people are working in the visitor economy.
- The [Tourism 2025](#) growth framework has a goal of growing total tourism revenue to \$41 billion a year by 2025.

Visit www.tia.org.nz for more information

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