



**TIA Submission to:
Tourism Futures Taskforce
on:**

The Future of New Zealand Tourism

15 September 2020

TOURISM INDUSTRY AOTEAROA
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BACKGROUND

1. Tourism Industry Aotearoa (TIA) is the peak body for the New Zealand tourism industry with over 1500 members. The primary role of TIA is to be the voice of the tourism industry, including advocacy, policy, communication, events, membership and business capability. The team is Wellington-based and led by Chief Executive, Chris Roberts.
2. Enquiries relating to this paper should be referred to Bruce Bassett, Industry Strategy Manager, at bruce.bassett@tia.org.nz or 021 609 674.
3. This submission represents the views of Tourism Industry Aotearoa as a collective whole and may not necessarily represent the views of individual members. This submission is provided without prejudice to TIA's future position should further or different information become available.

INTRODUCTION

4. The Government has established the Tourism Futures Taskforce as a strategic response to the COVID-19 crisis. It has the objective to ensure the tourism industry is better, stronger and a more sustainable industry when it returns, with key issues addressed to enable this future. As the peak industry body, TIA can share its deep knowledge of the industry as a contribution to the Taskforce.
5. COVID-19 has perversely served to starkly demonstrate the importance of tourism to New Zealand. We know the pre-COVID metrics, the \$17.2 billion p.a. export tourism industry, the 20.4% of export earnings and 393,279 people directly and indirectly employed through tourism. But now, with borders closed, we are seeing what the loss of visitor demand actually feels like around the country: to regional economies; to the many thousands of small tourism businesses; and to all those people who no longer have their jobs. The onus falls on us all to not only work to revive the industry, but to bring it back better as a world-class and genuinely sustainable tourism industry to enrich New Zealand and New Zealanders. An industry that delivers what communities want, that is best for our land and our people, and will be the best it can be for future generations.

STRUCTURE OF THE TIA SUBMISSION

6. The work of the Taskforce will necessarily traverse all aspects of the industry and will likely spend the most time and effort on the most difficult and perpetual issues. Given this, this submission is structured as three Sections:
 1. Overarching perspective of TIA on the future tourism system and its strategic settings.
 2. An overview of the 16 key topic areas we see as important to address. The submission briefly outlines each of these topics and suggests where further Taskforce work is required to establish the solutions or pathways needed.
 3. Position Papers have been prepared for seven of these key topics where TIA has deeper knowledge and clear ideas about the solutions and responses that the Taskforce should take. These papers, although part of this submission, can also serve as stand-alone documents.

SECTION ONE - OVERARCHING TIA PERSPECTIVE

7. We strongly support and endorse the task given to the Tourism Futures Taskforce and we will support its work in any way we can. By stepping out from the current issues, the Taskforce can look towards the tourism industry we, as a country, want to have in 10, 20, 30 years and beyond. This is a unique opportunity and we must collectively work to this end.
8. While acknowledging the dramatic impact of the COVID-19 pandemic on our industry, we welcome the brief given the Taskforce that the existing strategic frameworks for the industry should be used as the platform for its work. We have carefully assessed the *New Zealand-Aotearoa Government Tourism Strategy (GTS)* and TIA's *Tourism 2025 & Beyond – Sustainable Growth Framework Kaupapa Whakapakari Tāpoi*. While they were developed pre-COVID, we consider that both lay out a framework for a sustainable tourism future that can be readily built upon. The work put in by Government and TIA to align these strategic documents means that there is shared position for the Taskforce to advance. Thinking of the tourism industry as a system, with its various sub-systems, is an approach supported by TIA.
9. We are also interested in the extent to which the Taskforce will establish a blueprint for the industry – if not a strategy, is it a plan, vision, roadmap or something else? How prescriptive does the Taskforce intend to be around the design of the tourism system? Will there be a move towards a national plan for tourism that sits above the regional destination plans that are currently being developed? Or is it about fixing the issues that we know are holding the industry back from its sustainable future and allowing industry to take the wheel once the road is clear? TIA considers that there are pros and cons for each approach and very much wants to be involved in these considerations.
10. In our view the key questions for the Taskforce include: what is limiting our ability to activate the agreed frameworks and system supports? Why do we have perpetual issues that fail to be substantively addressed? What different thinking can the Taskforce identify that will drive the changes needed?
11. TIA is asking the Taskforce to be bold in its thinking and to tie this boldness to implementable actions – actions that are supported, funded and positioned to succeed. We must cut through the inertia and address these perpetual issues.
12. In this submission, our primary interest is that the fundamentals of the industry are well set. If we get this right, we will have the information, capacity and frameworks in place to address issues as they arise and indeed to act ahead of the curve.
13. For these reasons, and firmly with the future tourism system in mind, we see two levels where the Taskforce can have the strongest impact – Game Changers and Optimising the System.

Game changers. These are the bold initiatives to 'do tourism' in a different way in Aotearoa. Central to this is the securing of sustainable funding streams and capability to tackle the perpetual problems. It also requires efficient division of resources and tasks across the public and private sectors given that there are areas where industry leadership and delivery will be more effective than direct public service provision.

TIA identifies the game-changing topics as:

1. **Embed sustainability.** Enable both Government and industry strategic objectives to be achieved by endorsing the Tourism Sustainability Commitment as the sustainability programme for the New Zealand tourism industry. This also involves ensuring the wider NZ Inc. system contributes to difficult areas that individual tourism businesses cannot tackle themselves e.g. achieving zero carbon, eliminating waste, etc.
2. **Sustainable funding: Industry-good activities.** Develop the mechanisms for undertaking industry-good activities at the required scale for advocacy, policy, research, sustainability, etc. By industry, for industry. TIA has identified this lack of funding for industry-good capability as the major deficiency of the institutional arrangements of the industry.
3. **Sustainable funding: Infrastructure provision.** Establish mechanisms for ensuring infrastructure requirements are met in time. Targeted particularly at addressing the major gap in local government provision of infrastructure that supports quality tourism activities.
4. **Elevate tourism insight.** Quality insight is a vital precursor for tackling the wide range of issues being addressed by the Taskforce. For data, we must prioritise its importance, right-size the investment, and focus initially on the key deficits identified in this submission. For research, we must establish a sustainable programme of industry-good research, science and innovation.
5. **Review conservation legislation.** We must address issues at the conservation/tourism interface, which TIA considers is becoming increasingly dysfunctional over time, to achieve improved conservation outcomes. The current legislative framework governing conservation and tourism is not working effectively and needs to be reviewed and renewed to ensure it is fit for the future.

Optimising the system. These are the more progressive changes that can be activated to enable a well-run and cohesive tourism industry system. They vary in scale and complexity and some reflect a continuation of work already underway that needs further support. These being:

6. **Te Ao Māori**
7. **Destination management**
8. **Tourism value**
9. **Visitor experience**
10. **Social licence**
11. **Responsible camping**
12. **Natural environment**
13. **Carbon and climate change**
14. **Business operating environment**
15. **Workforce planning**
16. **Domestic tourism**

14. We have also considered the institutional arrangements for the tourism industry. We appreciate that the tourism policy function capability within MBIE has been expanded and post-COVID it should be able to tackle work that supports industry progress. We appreciate that the accepted industry market failure around international destination marketing continues to be addressed through the work of Tourism New Zealand. We are

starting to see more cross-government work by government agencies, for instance on developing sustainability indicators. However, there are still too many siloed, ad hoc approaches and some clear examples where tourism issues are ignored. As such, we give the public sector tourism institutions a pass mark, with plenty of room for improvement.

15. What is really missing from the institutional model of tourism is a well-supported capability to deliver the various industry-good activities. TIA and other sector associations are in place, but each operates on an extremely 'thin' basis. For instance, TIA has a strong interest in improving the data and research capacity of the industry, but this is just 0.2 FTE of effort by TIA staff. The Tourism Sustainability Commitment is the sustainability platform for the industry, but with just 2 FTE dedicated to it. We strongly consider, as set out elsewhere in this submission, that there needs to be serious investment in raising the game in meeting the various industry-good functions that are important to overall industry wellbeing and performance.
16. TIA has a progressive and ambitious view of the future of the tourism industry in Aotearoa. We firmly believe New Zealand can lead the world in sustainable tourism. We have placed our sustainability model at the heart of the *Tourism 2025 & Beyond* framework and the recent refreshing of the Tourism Sustainability Commitment has shifted the underlying ethos from 'sustaining' (minimising harm) to more restorative or regenerative perspectives. Notably, the TSC provides a platform for tourism businesses to do their part in tackling many of the focus areas in this paper.
17. We look forward to the results and outcomes of the work of the Taskforce. As the owner of the *Tourism 2025 & Beyond - Sustainable Growth Framework*, we are very keen to further develop and evolve this framework, which will surely be shaped by the work of the Taskforce. Having a clear industry strategic view will continue to be an essential part of the tourism system.
18. We would welcome the opportunity to speak to any of the points set out in this submission.



Chris Roberts
TIA Chief Executive



Grainne Troute
TIA Chair

Endorsed by TIA's Board:

Anna Black	General Travel
Colin Keel	Queenstown Airport
David Perks	WellingtonNZ
Debbie Summers	ID New Zealand
Fergus Brown	Holiday Parks New Zealand
Gillian Millar	Accor Hotels
Graeme Stephens	SkyCity
Jacqui Wilkinson	Adventure Capital
James Dalglish	GO Rentals
Phillipa Tocker	Museums Aotearoa
Reuben Levermore	Air New Zealand
Trent Yeo	Ziptrek Ecotours
Grant Webster*	Tourism Holdings
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*Did not directly contribute to content, given their roles with the Taskforce.

SECTION TWO – GAME CHANGERS

1. Sustainability

Both the government and industry frameworks are based on the foundation of sustainable growth. TIA's Tourism Sustainability Commitment (TSC) has the Vision of '*Leading the world in sustainable tourism*'. How sustainability is embraced and achieved right across the industry is the significant challenge and the TSC has the crucial role to play as New Zealand tourism's sustainability programme (with applicability beyond tourism too). Advancing the TSC would benefit from wider support, including from Government, in terms of policy and funding settings.

Of particular interest is the matching of policy settings (which are top down by nature) and the TSC as a bottom-up programme. Alignment of these are vital and beneficial for both. For instance, the TSC can get its supporters working to reduce their carbon footprints, with this being much easier to achieve with clear government policies and programmes to enable the desired carbon reductions. The Climate Change Response (Zero Carbon) Amendment Act is in place, but what policies, programmes and measurement systems are available to enable the desired changes?

In [Position Paper 1, Embedding the Tourism Sustainability Commitment](#), we examine the matter of industry sustainability in more depth, including the role that the TSC can play as the widely endorsed sustainability platform.

Note also that sustainability is the objective within most, if not all, of the other topic areas in this paper, whether destination management, carbon, visitor, value, social licence, responsible camping, and the rest. Sustainability is completely integral to how the New Zealand tourism systems works, and it will take a very broad effort to ensure we reach the vision we have set for it.

In this section, the focus is on the place of sustainability within the tourism system, and what is needed to bed this in, particularly with the TSC as the activation programme. The specifics under each topic are set out within the topic headings throughout this paper.

Solutions for the Taskforce:

- **Integrate** the Tourism Sustainability Commitment into its ideal design of the New Zealand tourism system as the sustainability platform for the industry.
- **Recommend** Government funding support of an industry-developed TSC platform that can be taken to a new level with resourcing put behind it.
- **Identify** where Government action is needed to advance critical sustainability issues that cannot be wholly addressed by tourism operators themselves, for instance, carbon reduction and waste elimination systems.
- **Determine** that Research, Science and Innovation is important in driving and achieving sustainability, and that investment is needed for this.

2. Sustainable Funding: Industry-good activities

A major structural weakness of the tourism system is the lack of sustainable funding streams to ensure that needed activities are undertaken to a high standard. This has been an ongoing area of concern, and we consider that the Taskforce must take a strong stance on this.

A particular gap in the New Zealand tourism industry is its inability to support to a high standard a range of industry-good activities. These include research capability, tourism

data, workforce development, advocacy/policy, and industry-led initiatives such as the Tourism Sustainability Commitment. To date, the TSC has been supported largely by a series of charitable grants. There is a strongly held view that the lack of such industry-good funding has prevented genuine innovation in the private sector.

Other industries use levy systems to fund these work programmes. For instance, our primary industries have commodity levies to fund their industry-good activities such as policy, advocacy, research and marketing, amongst others. As an industry made up of a wide range of goods, services and experiences purchased by visitors, there is no single commodity to place a levy on. Notably, these primary industry levies are established by legislation, with the income vested with the industries themselves. By contrast, TIA relies on membership fees for its advocacy capacity, but it can support little else apart from keeping a watching brief on such things as data and research. TIA has developed and operates the TSC, but at a lower level of resourcing than would be desirable.

There is now a levy on the industry's customers following the introduction in 2019 of the Government's International Visitor Conservation and Tourism Levy (IVL). The revenue received is allocated through MBIE and DOC for tourism and conservation priorities approved by the respective Ministers. The IVL has become a government income stream and is being used accordingly, which TIA sees as a lost opportunity to address the gap in well-funded industry-good activities. Other funding solutions have been considered to address this area and TIA considers an allocation equivalent to 1% of tourism-generated GST could be established in lieu of a supply-side industry levy. This could be called the Tourism Industry Development Fund.

TIA's view is that funding for industry-good activities needs to be managed by the industry itself, as per the model of the primary industry sectors. As such, TIA is proposing that new funding for industry good purposes needs to be utilised by industry itself, as set out in [Position Paper 2: Sustainable Funding Models](#).

Solutions for the Taskforce:

- **Establish** a funding stream to enable the industry to own and operate the key functions it needs to do to ensure the industry operates effectively and sustainably. This could be either an assignment from the International Visitor Levy or a new funding stream.

3. Sustainable Funding: Infrastructure provision

Tourism growth means there is an ongoing need to invest in the quantity and quality of the public infrastructure that supports and enables tourism activities. By nature, this infrastructure is often needed where visitors go and often this does not align to where New Zealanders live and pay their rates.

When it comes to funding public tourism infrastructure there are two main funding sources – central and local government. Central government has a range of funding streams such as NZTA's National Land Transport Fund, the \$3bn Provincial Growth Fund and the \$100m Tourism Infrastructure Fund. Local government mostly uses rates to fund local infrastructure.

Both sources are problematic, with tourism struggling to be included in the big infrastructure funding programmes, and local government typically struggling to fund significant tourism infrastructure requirements. From a TIA perspective, the provision of dedicated funds for tourism infrastructure that can be diverted to developments particularly at local government levels, would solve a range of problems, including the

ability to implement destination management plans, build amenities that benefit visitors and locals, reduce congestion and crowding, raise the quality of the visitor experience, and more.

In [Position Paper 2: Sustainable Funding Models](#), we propose Government establishes a Regional Tourism Fund for local government to address local tourism-related needs.

Solutions for the Taskforce:

- **Recommend** the establishment of a substantial fund (e.g. \$300 million p.a.) to support local government investment in tourism infrastructure and amenities.

4. Insight

Deeply understanding the tourism system is a vital ingredient for industry success, whether commercial performance, sustainability, workforce quality, social licence and many more areas. Essentially, knowledge must be the lubricant to the industry decision-making processes. It is the enabler of improving all other aspects of the tourism system.

This importance is well signalled in key industry strategic documents and yet the delivery against this aspiration remains poor. While Insight is the overarching area, there are two distinct aspects that need different solutions:

1. **Data.** [Position Paper 3: Resetting the Tourism Data System](#) sets out the case for better tourism data and requests that the Taskforce recommend the establishment of a future-proofed and enduring tourism data system that provides comprehensive, trusted and independent data for the wide range of users. This will build on and amplify the current Data Hui implementation processes.
2. **Research.** [Position Paper 4: Tourism Industry Research Capability](#) sets out the structural weaknesses in the current tourism system with respect to industry research structures or programmes. The paper seeks the establishment of an industry-led tourism research capability with responsibility and resources to establish and deliver the research agenda. Changes are sought to the Government's Science and Innovation system to allow better support for tourism research and innovation, including to engage with the new tourism research capability.

Solutions for the Taskforce:

- **Identify** a future-proofed and enduring system for the provision of comprehensive, trusted and independent data as an essential baseline component for the future tourism system.
- **Set** out the requirements for the future Tourism Data System with specification of the actions needed to ensure its successful implementation.
- **Recommend** that a portion of the International Visitor Levy (IVL) or some other industry-good funding is used to establish an industry-led capability for managing and undertaking research, and for leveraging wider funding sources to build an ongoing research programme.
- **Recommend** that the public Science and Innovation system is configured to better allow the development of tourism science and innovation programmes (in conjunction with point 1 above).

5. Tourism/Conservation interface

Tourism and conservation are inherently connected. Nature is firmly at the heart of New Zealand's tourism offering - both for international visitors and for Kiwis exploring their

own country. Equally, connecting people with our natural and cultural heritage is at the heart of successful conservation outcomes.

This relationship is highlighted in the vision and outcome statements of the Department of Conservation, Te Papa Atawhai (DOC). The vision statement is that: *'New Zealand is the greatest living space on Earth. A place where, increasingly, the knowledge and commitment of New Zealanders is focused on restoring and sustaining a natural environment'*. The supporting outcome statement is that: *'New Zealanders gain environmental, social and economic benefits from healthy functioning ecosystems, recreation opportunities, and from living our history'*.

Given this, it could be expected that the tourism and conservation systems would work together to deliver strong conservation outcomes and support and enable a sustainable tourism industry. Instead, we find ourselves in a position where DOC's legislative and operational frameworks serve to consistently work against the desired alignment.

When DOC was established, the Conservation Act (1987) did not anticipate the modern international tourism industry. This also applies to the National Parks Act (1980). As a result, the core riding instructions for the Department in relation to tourism are not well tied to its statutory base.

Over many years, TIA and DOC officials have put considerable effort into achieving better conservation and tourism outcomes within the existing system. Despite this effort and much goodwill by all parties, we have failed to achieve lasting and meaningful results. Instead, the strong tourism growth over the past decade has exposed more system failures. TIA would characterise the current situation as being in crisis.

In order to deliver better conservation and better tourism outcomes, the Taskforce must make it clear that the base legislation and management planning functions need to be reviewed and improved. In this, tourism has to be quite clear that this is not to reduce conservation values but the opposite, by requiring robust planning that takes into account Te Tiriti o Waitangi and the tourism system, by expecting and enabling strong conservation support from tourism operators, and from the international and domestic visitors who are able to enjoy our special conservation places.

Note that this call to action is aligned to a research project underway by the Environmental Defence Society that is taking a broad examination of the conservation laws, including the tourism-related aspects. This work is being supported by DOC.

[*Position Paper 5: Resetting the Tourism/Conservation Interface*](#) sets out more detail on the context, the issues involved and the risks with remaining trapped within an increasingly outdated conservation system. The paper identifies four key matters to be addressed to reset this relationship for the future tourism system as set out below.

Solutions for the Taskforce:

- **Acknowledge** that the conservation/tourism interface is becoming increasingly dysfunctional and that the current legislative framework governing conservation and tourism is failing, and that this can be rectified by:
 - Reviewing and updating the Conservation and National Parks Acts
 - Reviewing DOC's management planning and concessions functions
 - Requiring DOC to enable businesses to deliver conservation outcomes
 - Increasing DOC's core funding to enable it to deliver on its role in the tourism system.

SECTION THREE – OPTIMISING THE SYSTEM

6. Te Ao Māori

He pai te tirohanga ki ngā mahara mō ngā rā pahemo, engari ka puta te māramatanga i runga i te titiro whakamua.

It is good to remember the past, but wisdom comes from being able to prepare opportunities for the future.

A strong direction of travel in the New Zealand tourism industry is the ongoing embracing of Te Ao Māori as part of who we are as an industry. Kaitiakitanga, Manaakitanga and Whanaungatanga are integral to the Tourism Sustainability Commitment, and to Tiaki – Care for New Zealand. The result of these and other efforts is that these values are being increasingly adopted across the industry.

A new TSC Commitment - Commitment 5: Culture and Heritage - was included in the TSC refresh launched on 27 August 2020. It relates to how we embrace Aotearoa New Zealand’s culture and heritage as part of delivering a unique and authentic visitor experience, with tourism businesses to give effect to this by:

- Living the values of Kaitiakitanga (guardianship), Manaakitanga (hospitality) and Whanaungatanga (relationships).
- Embracing Te Ao Māori¹, including the use of Te Reo Māori.
- Knowing and proudly sharing the stories of the cultures, people and places in which we operate.

In 2018, TIA made the commitment to develop its own competency in Tikanga Māori and is seeking to further weave Te Ao Māori into the way we go about our business.

We consider that an important opportunity and responsibility exists for the Taskforce to take a strong leadership position to ensure the future tourism system is increasingly well versed in Tikanga Māori and Te Ao Māori and make it part of who we are. As an industry, we need to recognise New Zealand’s unique status as a bicultural country where the Crown and Māori are equal partners.

Solutions for the Taskforce:

- **Ensure** that the future tourism system is imbued in the values and Tikanga of Māori as tangata whenua and as integral participants in the tourism industry.

7. Destination management

The Government Tourism Strategy has a strong focus on destination management and TIA welcomes this, especially the movement towards stronger community-supported plans. There are several regions with good plans in place already, and work is progressing to ensure all regions have such plans. Collaboration between regions is being encouraged and in TIA’s view this is essential, as is having sustainability embedded within all plans.

These destination plans, which are typically local government-led initiatives, need to interact well with other planning and development approaches. Examples include the regional Milford Opportunities Project and nationally, DOC’s spatial planning work. TIA

¹ The Māori world view (te ao Māori) acknowledges the interconnectedness and interrelationship of all living & non-living things.

considers that well-grounded plans are key to both shaping the nature and quality of regional tourism, and for addressing those issues that impact community support for tourism (social licence).

For the future tourism system, the key requirement is that the destination planning focus and effort is sustained, and the leadership and support programmes are in place to retain the current focus. This will include ensuring the funding and capability needed to pursue these programmes are in place.

The desired outcome is for unique but collectively cohesive, destination plans that: capture community wishes; identify, capitalise upon and protect a destination's assets and characteristics; and allow for investment and infrastructure needs to be well signalled and planned for, with community endorsement. It is important that communities have a say on how the tourism works in their places, including on visitation levels. The geographic scale of the plans will be important and this needs to be governed by the task at hand. For instance, there is a good case for some macro-region cooperation such as for international marketing or spatial planning, and in some situations sub-regional plans will be needed for special places with distinct attributes and needs.

Also, having a complete set of regional destination plans logically means that a national picture is built. TIA is interested in how the destination plans may contribute to a more designed national-level industry. TIA sees advantages in a planned perspective, but also the risks in prescribed approaches.

Solutions for the Taskforce:

- **Ensure** that all the current destination planning initiatives are adequately resourced and integrated into the future tourism system.

8. Tourism value

This topic falls into the 'much discussed, but not actioned' category.

For decades, strategic tourism documents have called for creating 'value over volume', but what does this mean and how do we know when or if we have achieved it? What is the right balance, and how does this quest relate to other objectives, whether sustainability, social licence, environmental footprint, etc? For instance, are Kiwis being priced out of some destinations, do locals feel like they cannot afford to live in their own communities, is a visitor to a less popular region or coming in the off-season 'more valuable', do high value activities like helicopter flights contribute to carbon reduction goals, or not? There are many other such questions.

TIA strongly supports a multi-dimensional perspective on 'value'. To do this there is a need for data and research capability that can shine light on the interrelationships between the competing objectives on what is value. Such work can be shaped by the premise that New Zealand is a valued niche market within the wider global tourism marketplace and that we should act to leverage this scarcity to create value.

How we do this is the key factor and a fundamental question for the future tourism industry in Aotearoa. Even more important than insight, is to know and understand the tools and levers to effect change. This has been a major failure – as the intent to deliver value has not been matched by effective actions to raise the destination New Zealand value proposition.

Value is an essential component to be considered, and the Taskforce is encouraged to have brave discussions on how value is defined in the future tourism system, and how it can be increased.

Solutions for the Taskforce:

- **Ensure** the future tourism system has the capability to undertake multi-dimensional analysis of what constitutes value in tourism and uses this insight to systematically increase the tourism value proposition. We need to identify the available levers and know how to use them.

9. Visitor experience

The tourism industry is a service industry that is completely reliant on its customers, or visitors in this case. There is no tourism without visitors.

This means that all aspects of the industry must consider the perspective of the visitor. Are we meeting their needs and making them happy? This is the key to creating value in tourism: essentially, the happier the visitor, the greater the value created. We must welcome and care for them. This impacts the price that can be charged and ultimately the reputational standing of destination New Zealand.

As such, the Taskforce must make the visitor perspective central in its considerations, with many inter-connected issues needing to be covered. What is the visitor view on 'good value'; what is an 'authentic experience'; how does the visitor wish to contribute to restoring nature, etc. We must understand the customer well in order to understand the trade-offs involved, and how to identify and target the most valued market segments.

As an industry, we need to be aware of our attributes as a destination, whether our offer is aligned to visitor expectations, if we are really meeting their needs and if we are letting people know how to be great visitors in New Zealand. *Tiaki – Care for New Zealand* has an important role to play in letting visitors know what is expected of them while in New Zealand – and educating New Zealanders how to be good travellers in their own country.

One quadrant of the Tourism Sustainability Commitment is on the Visitor, with the focus on understanding satisfaction levels and educating them on how to be great visitors. Here, the TSC and Tiaki operate together very effectively.

Solutions for the Taskforce:

- **Ensure** that the future tourism system is visitor-centric so that the mutual needs of the visitor, tourism industry and host communities can be most optimally achieved.

10. Social licence

The support of communities, or social licence, is possibly the single most powerful indicator of the wellbeing of the New Zealand tourism industry. It is vital that communities continue to welcome and benefit from having visitors in their midst and have confidence in both tourism operators and the industry itself.

Tourism's social licence has been under considerable pressure in certain New Zealand locations in recent years as the speed of growth in the visitor economy has outstripped the ability to manage that growth in a planned and deliberate way. As a result, community sentiment has swung against tourism in some places, most notably in the lower half of the South Island where freedom campers, road crashes involving

international drivers, overcrowding and congestion, and concerns about the endless growth outlooks have created considerable community angst.

While these problems do not exist in every region, the impact of them has been felt nationwide due to media attention and the conversations taking place within communities. Over the barbeque discussions on too many freedom campers, soiled toilet areas, dangerous driving etc, have without a doubt slowly changed people's attitudes to tourism.

TIA recognised this emerging issue back in 2015 and joined with Tourism New Zealand to commission the twice yearly 'Mood of the Nation' research into public attitudes to international visitors. Community support is a key element of the Tourism Sustainability Commitment, with the Mood of the Nation metric used as a key indicator. Tourism industry participants each have a responsibility to communicate with their communities and tell the positive stories of tourism.

Importantly, specific workstreams have been established by industry and government to directly address areas of major social licence concern. For instance, the Minister of Tourism's Responsible Camping Working Group and TIA's Responsible Camping Forum have worked to improve management of freedom camping, and the Safer Journeys for Visiting Drivers programme has worked to reduce visiting driver accident levels. Great initiatives, but there is more to do.

The Tourism Futures Taskforce provides an opportunity to identify and promote work on areas of social licence concern, and the COVID-19 context can better allow the industry to be proactive. The pressures of unmanaged growth have been relieved, temporarily, so now we need to identify the fixes, to prevent the same issues from recurring. Where remediation processes are slow, such as where legislation is needed or for large scale and long-term capital investments, it is easy to get behind the issue in question.

TIA is very keen that the Taskforce considers not just current issues but those that we can foresee in the future tourism system especially as recovery gets underway. Social licence is a theme that crosses many parts of the Taskforce's work but is a critical subject in its own right. Whatever approach it takes, the Taskforce needs to have a deep understanding of social licence impacts as it progresses its work.

Solutions for the Taskforce:

- **Consider** the social licence impact of every recommendation it makes and adopt the principle that New Zealanders should understand, support, shape and benefit from tourism operating in their communities.

11. Responsible camping²

The negative impact of poorly managed freedom camping has been one of the biggest issues impacting New Zealanders' view of tourism, with a consequential loss of social licence. It is also a significant irritant for holiday park, hostel and other accommodation providers, and as such needs to be addressed separately.

While freedom camping concerns have had a high profile, it is also clear that campers are an important aspect of the New Zealand tourism industry which, by nature, is a touring destination. Campers, domestic and international, travel widely through the country, tend

² Responsible Camping is a behavioural expectation around good camping practices. Freedom Camping is a category of camping, defined by legislation.

to travel for a long time and spend money on a wide range of goods and activities. The vast majority of people freedom camping want to do the right thing, with the negative perceptions of freedom campers typically caused by the poor behaviour of a few.

As a result of growing community concerns, in 2017 the Tourism Minister convened the Responsible Camping Working Group (RCWG) to identify ways to better manage the freedom camping system. Importantly the RCWG view is that responsible camping in our public places has a place in New Zealand, and that we should protect New Zealanders' rights to access and use our public spaces. It has recommended long-term policy and regulatory changes to the responsible camping system, and short-term practical actions that can be taken to help councils manage camping in their regions. Following its most recent meeting in June 2020, the RCWG asked for three priorities to be advanced: 1) review the self-contained vehicle standards and how they are administered; 2) review the Freedom Camping Act; and 3) continue the regional Ambassador programme.

Our [Position Paper 6: A Stronger Stance on Responsible Camping](#) sets out some approaches for the Taskforce to consider beyond the current work of the RWCG. These are aimed at reducing the negative impacts of freedom campers and thereby reducing negative impacts on New Zealanders. We are raising these proposals as a matter for debate and while they may address some of the freedom camping issues, they do not come without a downside.

Solutions for the Taskforce:

- **Identify** bold, decisive action to be taken by central and local government, working with industry, to create a properly managed camping market in New Zealand. Three proposals for consideration:
 - Freedom camping is restricted to self-contained vehicles which meet NZS5465
 - Prohibit any freedom camping within an agreed perimeter of all holiday parks
 - Prohibit free camping in urban areas.

12. Natural environment

As a destination, New Zealand is highly reliant on our natural environment – it is the canvas upon which the industry is built. While this, in itself, is critically important, the tourism interest in the environment is not limited to this. Tourism has a values-based or Kaitiaki role with nature – not just do no harm, but act as a Guardian and improve for the long term, to be restorative or regenerative. This is a central tenet of the Tourism Sustainability Commitment.

The way the tourism industry engages with the environment is also a key influence on the social licence of the industry. Communities care for their places and respond positively or negatively where they see the environment being impacted by tourism. Community sentiment is a key indicator of the conduct and contribution of tourism, and this relationship needs to be understood and acted upon.

Another issue that requires a concentrated response is moving to eliminating waste. This is a TSC commitment that signals that businesses are committing to eliminating their waste, but once again achieving this is predicated on the systems that are in place in our society. For instance, Council recycling systems, leverage on the supply chains to improve their waste profile performance and the policy frameworks around recycling, incentivising or enabling recycling within New Zealand, and provision of research and innovation.

Tourism can and must have a positive relationship with our natural environment, but it also needs the support of the wider societal systems.

Solutions for the Taskforce:

- **Elevate** the importance of the environment in the future tourism system and identify how policy and research settings can be configured to support and enable a positive restorative relationship between the environment and tourism.

13. Carbon and climate change

An unavoidable aspect of the environmental footprint of tourism is its carbon emissions profile. As the proverbial 'elephant in the room', it demands special attention.

In normal times, the climate change question for tourism is dominated by the carbon emitted by the international air services that bring visitors to New Zealand and take Kiwis to the world. Aviation is the enabler of tourism, and the modern tourism industry could not exist without it.

While the current regulatory framework creates the operating context for tourism and other industries in relation to carbon emissions, there is a need for further government action, such as carbon-related research into new technologies, incentivising the adoption of proven technologies such as electric transport, strengthening carbon offsetting and understanding how climate change adaptation might work for the tourism industry.

The Tourism Sustainability Commitment has a Carbon Reduction commitment requiring that tourism businesses commit to 'act urgently to contribute to Aotearoa New Zealand's transition to a net zero carbon economy'. While businesses can do much to measure, manage and then reduce their carbon emissions, there are areas of the tourism system that clearly need attention, including aviation.

The carbon footprint of a visitor may well be an aspect that needs to be accounted for when considering the Value question raised under issue 7. A domestic visitor typically has a much smaller carbon footprint than an overseas one; and a visitor from Australia will have used far less carbon than someone from Europe to get here (and get home).

The Climate Change Response (Zero Carbon) Amendment Act 2019 establishes New Zealand's framework for developing and implementing climate change policies that contribute to meeting the Paris Agreement requirements. It set the target for New Zealand to be Carbon Zero by 2050. Tourism must be part of the solution towards attaining this target.

Given the magnitude of the challenge, TIA considers that appropriate support needs to be put in place, including Government policy settings, the provision of research and innovation programmes and involvement in international processes working in these areas. A broad plan of attack is needed.

The related matter of climate change adaptation presents a parallel challenge and also requires a whole-of-system response.

Solutions for the Taskforce:

- **Call** on the Government and its agencies to work with industry to achieve a carbon neutral tourism industry by an agreed date, which is significantly sooner than the Carbon Zero Act's 2050 target for the full economy.

14. Business operating environment

Businesses operating in competitive markets are continuously adapting and changing as their operating environment changes. Now, the very pronounced impacts of COVID-19 have raised questions about both recovery and what the future operating environment will look like. The overarching objective is to ensure that tourism businesses can operate successfully and sustainably.

Many factors need to be considered in this. Set out below are some near-term but underlying and enduring matters that would benefit from examination by the Taskforce. The key themes include:

- **Increase technology uptake and use.** One of the main capability gaps identified in the Tourism Transitions Programme is the need for increased capability in technology, which has resulted in a \$10 million investment in this area. A significant improvement in how the industry adopts and uses technology could be a key driver in achieving innovation, resilience and productivity gains. The TTP investment needs to be well deployed to lift and accelerate enterprise uptake of the technologies that work for them.
- **Understand whether and how disrupters are adding or detracting to the overall industry.** This debate is not new but continues to be of relevance. For instance, the impacts of online travel agents (OTAs) and Peer to Peer accommodation providers such as Airbnb have resulted in significant disruption to parts of the industry. This can result in two sets of rules, and there are consistent requests from industry for regulatory interventions to even-up the playing field.
- **Explore new ways for how deposits are managed/refunded.** TIA has advocated for Government to investigate the new French Cancellation Law. This approach allows tourism and travel companies to keep funds received for travel services for up to 18 months, in return for rebooking clients on the same or an equivalent service. The scheme protects tourism operators from negative cashflow, where refunds exceed new revenue, and ensures consumers receive 100% value of their booking.
- **Focus on a thriving tourism SME community.** Tourism enterprises are heavily dominated by SMEs with 77% employing 0-5 staff and 94% employing less than 19 staff. How well do we recognise this in a wide range of industry and government processes? What do we need to do to make sure the SME base of the tourism industry is doing well in the long-term?

Solutions for the Taskforce:

- **Consider** how the commercial sector in the future tourism system can most effectively operate and thrive, recognising that the tourism industry has a very wide array of sectors and business types.

15. Workforce planning

Prior to COVID-19 there were 230,000 people directly employed in the industry, with another 164,000 indirectly employed, accounting for 14.4% of the workforce. As the industry has scaled back as a result of COVID-19, the tourism workforce has been decimated with estimated job losses by the end of 2020 of at least 100,000.

Ironically, while business demand for staff is low in the COVID-19 environment, a new concern has arisen as the skilled tourism workforce moves to employment in other

industries that provide greater certainty in employment. Migrants are being encouraged to return home, and no new temporary workers are allowed in.

There is also a higher expectation by government and industry that businesses make greater efforts to employ New Zealanders. While New Zealanders view tourism and hospitality as a fun industry to work in they also see it as providing average pay and there is little knowledge of the excellent career paths or job opportunities that exist in tourism.

Good work was underway on changing those perceptions pre-COVID-19, including the 'Go with Tourism' (GWT) initiative, though arguably the industry has been set back 10+ years in terms of perceptions due to COVID-19. Many parents and young people will be reluctant to support jobs in tourism until the industry can demonstrate a strong recovery and stable employment.

The vocational education sector is moving into a period of significant change. New Workforce Development Councils (WDC) come into effect in 2021 to provide skills leadership. Industry Training Organisations will be disestablished, and ITPs (Institutes of Technology & Polytechnics) come under the new umbrella organisation New Zealand Institute of Skills and Technology. Now more than ever, we need a vocational training sector that is responsive to the changing needs of the tourism industry.

The rebuild of the tourism workforce presents an opportunity to be better than we were.

Refer to [Position Paper 7: Rebuilding the Tourism Workforce](#) for more detail on each proposal.

Solutions for the Taskforce:

- **Recognise** the tourism workforce as an important aspect of destination New Zealand and that the industry must be seen as an employer of choice with training support that creates clear career pathways. Four proposals for consideration:
 - Support the development of a Workforce Development Strategy for the tourism and hospitality workforce
 - Ensure Government policy settings support workforce needs, including educational and immigration policy
 - Endorse the Tourism Sustainability Commitment (TSC) goal for employers to become Employers of Choice
 - Ensure that the Go With Tourism (GWT) programme has a sustainable funding stream through to at least 2025 to support the recovery of the tourism and hospitality workforce.

16.Domestic tourism

While domestic tourism has always made up the greater part of the New Zealand tourism industry, with its share sitting around 60% of total visitor spend for decades, somewhat inexplicably it has generally been regarded as the 'poor cousin' to international tourism. Some previous governments have had little interest in domestic tourism.

The key reason for this is that international tourism is an export earning industry, whereas domestic tourism is internal transfer of existing wealth. Economists might say that spending on a fridge, home renovations or a domestic holiday all have an equivalent effect on the level of domestic economic activity.

COVID-19 has brought the importance of domestic tourism to the fore. How it facilitates the distribution of wealth around the country, how it supports regional employment and business opportunities, how domestic tourism can be an export substitution strategy by encouraging Kiwis to travel in their own country, how important is it for New Zealanders to see and experience their own place? There are many questions along these lines. For TIA and a few others who have long championed the importance of domestic tourism, it seems everyone suddenly wants to join the party.

With the closing of the border, domestic tourism is the industry lifeline. With this elevated importance, the weaknesses in understanding domestic tourism have been exposed. Tourism New Zealand has been charged with domestic marketing for the first time and is seeking to replicate the customer knowledge that it typically has for its international markets. It has quickly discovered the paucity of good information.

In the first post-lockdown period, all indications were that New Zealanders were keen to do more internal travel and discover their own country. We must tap into this sentiment, which has enormous social and cultural benefits, as well as economic. In the longer term, there is opportunity for the Taskforce to have a wide-ranging consideration of the role and place of domestic tourism in the future tourism system. Topics to explore include:

- Is greater recognition of the value of domestic tourism and its contribution to cultural understanding and sense of community required?
- Should domestic tourism be more strongly positioned within the wider industry given its role in providing the base level of demand for many destinations and businesses?
- Are public policy shifts required to better activate and use domestic tourism to best effect e.g. staggered school holidays?
- What domestic tourism insight do we need on an ongoing basis?
- Could regional domestic tourism promotion be better organised?
- Should Tourism New Zealand have a permanent domestic stimulus role?

Solutions for the Taskforce:

- **Determine** the desired future role of domestic tourism, and the nature of the policy, insight and marketing support it needs to deliver sustainable social, cultural and economic benefits.

SECTION 3 – TASKFORCE SOLUTION SUMMARY

1. Sustainability

- **Integrate** the Tourism Sustainability Commitment into its ideal design of the New Zealand tourism system as the sustainability platform for the industry.
- **Recommend** Government funding support of an industry-developed platform that can be taken to a new level with resourcing put behind it.
- **Identify** where Government action is needed to advance critical sustainability issues that cannot be wholly addressed by tourism operators themselves, for instance, carbon reduction and waste elimination systems.
- **Determine** that Research, Science and Innovation is important in driving and achieving sustainability, and that investment is needed for this.

2. Sustainable Funding: Industry-good activities

- **Establish** a funding stream to enable the industry to own and operate the key functions it needs to do to ensure the industry operates effectively and sustainably. This could be either an assignment from the International Visitor Levy or a new funding stream.

3. Sustainable Funding: Infrastructure provision

- **Recommend** the establishment of a substantial fund (e.g. \$300 million p.a.) to support local government investment in tourism infrastructure and amenities.

4. Insight

- **Identify** a future-proofed and enduring system for the provision of comprehensive, trusted and independent data as an essential baseline component for the future tourism system.
- **Set** out the requirements for the future Tourism Data System with specification of the actions needed to ensure its successful implementation.
- **Recommend** that a portion of the International Visitor Levy (IVL) or some other industry-good funding is used to establish an industry-led capability for managing and undertaking research, and for leveraging wider funding sources to build an ongoing research programme.
- **Recommend** that the public Science and Innovation system is configured to better allow the development of tourism science and innovation programmes.

5. Tourism/Conservation Interface

- **Acknowledge** that the conservation/tourism interface is becoming increasingly dysfunctional and that the current legislative framework governing conservation and tourism is failing, and that this can be rectified by:
 - Reviewing and updating the Conservation and National Parks Acts
 - Reviewing DOC's management planning and concessions functions
 - Requiring DOC to enable businesses to deliver conservation outcomes
 - Increasing DOC's core funding to enable it to deliver on its role in the tourism system.

6. Te Ao Māori

- **Ensure** that the future tourism system is imbued in the values and Tikanga of Māori as tangata whenua and as integral participants in the tourism industry.

7. Destination Management

- **Ensure** that all the current destination planning initiatives are adequately resourced and integrated into the future tourism system.

8. Tourism Value

- **Ensure** the future tourism system has the capability to undertake multi-dimensional analysis of what constitutes value in tourism and uses this insight to systematically increase the tourism value proposition. We need to identify the available levers and know how to use them.

- 9. Visitor Experience**
 - **Ensure** that the future tourism system is visitor-centric so that the mutual needs of the visitor, tourism industry and host communities can be most optimally achieved.
- 10. Social Licence**
 - **Consider** the social licence impact of every recommendation it makes and adopt the principle that New Zealanders should understand, support, shape and benefit from tourism operating in their communities.
- 11. Responsible Camping**
 - **Identify** bold, decisive action to be taken by central and local government, working with industry, to create a properly managed camping market in New Zealand. Three proposals for consideration:
 - Freedom camping is restricted to self-contained vehicles which meet NZS5465
 - Prohibit any freedom camping within an agreed perimeter of all holiday parks
 - Prohibit free camping in urban areas.
- 12. Natural Environment**
 - **Elevate** the importance of the environment in the future tourism system and identify how policy and research settings can be configured to support and enable a positive restorative relationship between the environment and tourism.
- 13. Carbon and Climate Change**
 - **Call** on the Government and its agencies to work with industry to achieve a carbon neutral tourism industry by an agreed date, which is significantly sooner than the Carbon Zero Act's 2050 target for the full economy.
- 14. Business Operating Environment**
 - **Consider** how the commercial sector in the future tourism system can most effectively operate and thrive, recognising that the tourism industry has a very wide array of sectors and business types.
- 15. Workforce Planning**
 - **Recognise** the tourism workforce as an important aspect of destination New Zealand and that the industry must be seen as an employer of choice with training support that creates clear career pathways. Four proposals for consideration:
 - Support the development of a Workforce Development Strategy for the tourism and hospitality workforce
 - Ensure Government policy settings support workforce needs, including educational and immigration policy
 - Endorse the Tourism Sustainability Commitment (TSC) goal for employers to become Employers of Choice
 - Ensure that the Go With Tourism (GWT) programme has a sustainable funding stream through to at least 2025 to support the recovery of the tourism and hospitality workforce.
- 16. Domestic Tourism**
 - **Determine** the desired future role of domestic tourism, and the nature of the policy, insight and marketing support it needs to deliver sustainable social, cultural and economic benefits.

SECTION 4 - POSITION PAPERS

More detailed Position Papers have been prepared in areas where TIA has well developed thinking that we consider will be useful to the Taskforce in its considerations.

As such, Position Papers are attached as follows:

1. [Embedding the Tourism Sustainability Commitment](#)
2. [Sustainable Funding Models](#)
3. [Resetting the Tourism Data System](#)
4. [Tourism Industry Research Capability](#)
5. [Resetting the Conservation and Tourism Relationship](#)
6. [A Stronger Stance for Responsible Camping](#)
7. [Rebuilding the Tourism Workforce](#)