New Zealand

Tourism in the economy

Tourism directly contributed NZD 16.2 billion or 5.8% to New Zealand's GVA in 2019. The indirect value added of industries supporting tourism generated an additional NZD 11.2 billion. International tourism is New Zealand's largest export earner (20.4% of exports), directly employing 230 000 people, representing 8.4% of total employment, and generating NZD 3.8 billion in goods and services tax revenue. Travel exports accounted for 63.8% of total service exports in 2018.

Latest official international tourism forecasts estimate that visitor arrivals to New Zealand will grow at 4% a year, reaching 5.1 million visitors by 2025, up from 3.9 million in 2018. Between 2017 and 2018 arrivals grew by 3.5%. Top visitor markets are Australia (38% of international tourists), China (12%), and the United States (9%). By 2025, Australian visitors are expected to increase by 19% and Chinese visitors by 55%. Australia is currently the largest market by spending although Chinese spending will be a close second by 2025. Total international visitor spending is expected to reach NZD 15 billion in 2025, up 34% from 2018. Domestic tourists accounted for 22.8 million nights in 2018, up 2.5% over 2017.

Tourism governance and funding

The Ministry of Business, Innovation and Employment (MBIE) provides advice to the Government on creating productive, sustainable and inclusive growth in the tourism sector. The New Zealand Tourism Board, Tourism New Zealand (TNZ), markets the country as a visitor destination internationally. Two subsidiary organisations of TNZ - Qualmark Limited and Visitor Information Network Incorporated - play an important role in efforts to improve visitor satisfaction and product quality. The Tourism Chief Executives' Group co-ordinates the Government's tourism-related activities and manages relationships across a range of ministers whose portfolios intersect with the tourism sector.

Local and regional authorities in New Zealand provide tourism-related infrastructure and local planning frameworks to help communities grow and manage local tourism challenges. Regional Tourism Organisations (RTOs) are responsible for promoting their regional destinations. Some are also starting to take an interest in destination management, and MBIE is working with these RTOs to develop destination management plans. The funding structures of RTOs vary – they are largely funded and governed by local or regional governments, but some RTOs also receive additional funding from other sources, including central government, and annual membership fees from local industry and industry partnership funding.

The government budget directly related to tourism for the 2019/20 financial year is NZD 227.1 million, with NZD 111.4 million allocated to TNZ for marketing of New Zealand as a visitor destination, NZD 41.8 million from the International Visitor Conservation and Tourism Levy for Tourism Strategic Infrastructure and System Capability, and NZD 33.3 million for the Tourism Infrastructure Fund. The total budget includes NZD 12.7 million for departmental expenses, NZD 19.5 million for cycleways, and NZD 8.4 million Tourism Facilities Development Grants.

New Zealand: Organisational chart of tourism bodies
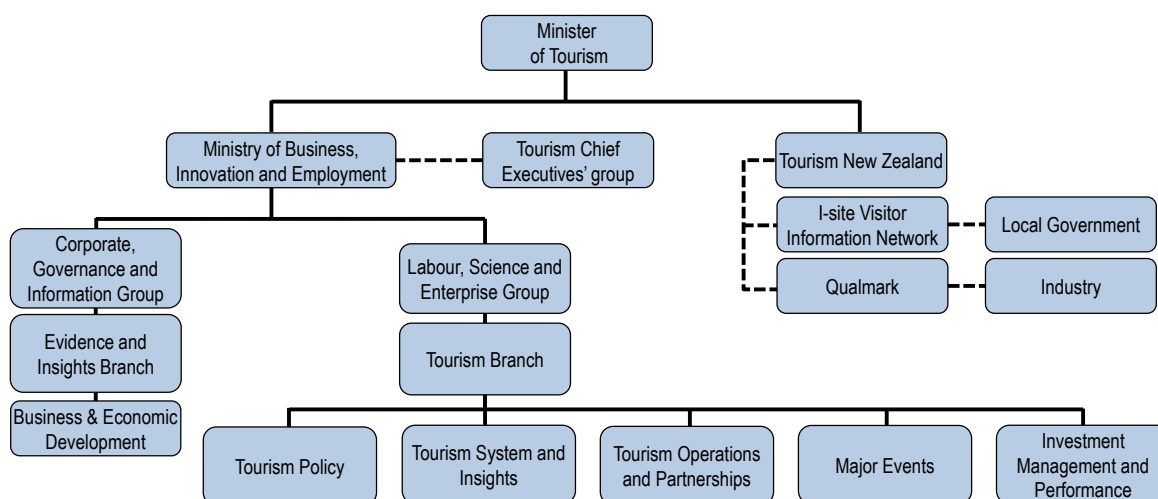
Source: OECD, adapted from the Ministry of Business, Innovation and Employment, 2020

Tourism policies and programmes

Launched in May 2019, the New Zealand-Aotearoa Government Tourism Strategy aims to encourage a whole-of-government approach to productive, sustainable and inclusive tourism growth. The Strategy is a joint initiative of the MBIE and the Department of Conservation, and sets out five outcomes: i) tourism supports thriving and sustainable regions; ii) tourism sector productivity improves; iii) New Zealand-Aotearoa delivers exceptional visitor experiences; iv) tourism protects, restores and champions New Zealand-Aotearoa's natural environment, culture and historic heritage; and v) New Zealanders' lives are improved by tourism.

Key themes addressed by the Strategy include:

- Ensure that tourism's benefits are more equitably spread – both regionally and across the seasons – while ensuring quality outcomes for all involved, along with the protection of the local environment: Community support – or "social licence" – is critical for a successful and sustainable tourism sector. New Zealanders' perceptions of tourism are measured through the Mood of the Nation research, commissioned by TNZ and Tourism Industry Aotearoa. The March 2019 survey showed the vast majority of respondents (93%) think international tourism is good for New Zealand. However, there is a growing concern about the costs to communities of hosting visitors, and the ability of local government to meet these costs.

- Better data and information to provide insight for both Government and industry: Tourism data is often narrow, and existing sources fail to account for new developments, for example the sharing accommodation sector. A new Tourism Data Domain Plan prepared by MBIE in 2018 contains 29 initiatives designed to fill current and future gaps in tourism statistics, and ensure that the data being collected is relevant, useful and meets future needs, and is also assessed, analysed and understood to enable better decision making (see box). In October 2019, the Minister of Tourism held a Tourism Information and Data *Hui* (Assembly) to set the path towards a collaborative dynamic tourism data system that generates value, building on the work of Tourism Data Domain Plan. MBIE will continue to work with other government agencies and the wider tourism sector to implement the outcomes of the *Hui*.

Top action priorities for 2019/20 include: strong co-ordination across the tourism system using the principle of the whole-of-government approach, the implementation of the new International Visitor Conservation and Tourism Levy (Box 1.9) and actions relating to sustainable funding sources, destination management and planning using priority regions and best practice guidance, and producing better data and insight via the Tourism Data Domain Plan, and a focus on future trends.

Long term tourism data development in New Zealand

New Zealand's Tourism Data Domain Plan takes a strategic approach to tourism data. It aims to build a long term picture of tourism data needs and provides a framework for determining the highest priority tourism information needs in New Zealand. Revised in 2018, the Plan sets out the Government's tourism data priorities for the next 5 to 7 years and takes a broader approach than the previous plan, which focused on official statistics. The Plan contains a list of 29 initiatives to fill current and future tourism information gaps. These are grouped in five topic areas: value of tourism, sustainability of tourism, tourism businesses and workforce, tourism behaviours and characteristics, and data usability and capability. Opportunities for new sources of data including GPS-based location data, new types of data from phones, wearable devices, cars and new services such as peer-to-peer accommodation and transport are recognised. While such sources can make data collection more cost-effective, they can also be subject to issues around ownership, data protection and relevance.

The Plan was developed over an 8 month period, and adopted a transparent and participative approach for the strategic review of data needs to enhance credibility and accountability, and secured buy-in from public and private actors. A Project Advisory Group, comprising representatives from various industry stakeholders and key government agencies, provided feedback and comment on the draft domain plan, including input on questions and gaps. The Project Advisory Group voting determined the topic priorities, and the list and rankings of the initiatives. Extensive stakeholder engagement included central and local government agencies, the industry (including operators), representative organisations, consultants, researchers and academics. Data development is a key pillar of New Zealand's tourism strategy. Key stakeholders are kept up-to-date on progress on the data domain plan via regular communications.

Other important policy initiatives include:

- *Tiaki* Care for New Zealand aims to encourage visitors to act as *kaitiaki* (guardians) of New Zealand, with public and private sector tourism organisations proactively coming together to encourage positive visitor behaviour.

- To support more responsible camping, the 2011 Freedom Camping Act was introduced to help authorities better manage freedom camping and its impacts. In August 2018, the Government invested NZD 8.5 million to create infrastructure, technology, monitoring and education projects across 27 local councils with similar levels of funding agreed for 2019/20. Visitor management was improved by using real-time availability and AI to guide camper behaviour, helping to reduce the number of people camping in inappropriate places. The data also provided councils with better information about visitor volumes and behaviour, informing the locations of infrastructure, amenities and other support such as ambassador programmes.

- The Provincial Growth Fund invests in regional tourism opportunities, with NZD 264 million committed to tourism-related projects at 31 May 2019. Other initiatives include the annual NZD 25 million Tourism Infrastructure Fund to develop tourism-related infrastructure that supports regions facing pressure from tourism growth, and NZD 42 million new funding for the Department of Conservation sourced from the International Visitor and Conservation levy.

- MBIE is currently developing a sustainable tourism dashboard aligned with the UN's Sustainable Development Goals and the Government's climate change objectives.

- The Department of Conservation undertook a trial of differential pricing on the Great Walks of New Zealand where international visitors were charged more to stay in huts and campsites. This trial allowed more New Zealanders to experience the Great Walks, and increased the proportion of revenue contributed by international visitors. People wanting to use public conservation land to run a business or activity are also required to get a concession and pay a fee. For example, businesses who wish to run guided walks on conservation land must pay an initial fee of NZD 400 for up to 10 tracks, plus a further fee for additional tracks.

- The Milford Opportunities Project aims to develop innovative solutions to manage the Milford Sound *Piopiotahi* with core values and a sustainable future in mind. With visitor numbers forecast to reach 2 million by 2035, the current management and infrastructure are insufficient to protect conservation and deliver a safe and high-quality visitor experience. A vision and masterplan for the destination have been development, and next step to achieve this vision are currently being defined.

Statistical Profile

New Zealand: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	20 757	21 536	22 050	22 225	22 778
Hotels and similar establishments	7 145	7 305	7 393	7 423	7 661
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Inbound tourism[1]					
Total international arrivals	2 854	3 129	3 494	3 723	3 858
Overnight visitors (tourists)	2 772	3 039	3 370	3 555	3 686
Same-day visitors (excursionists)	82	90	124	168	172
Top markets					
Australia	1 210	1 287	1 351	1 393	1 413
China	263	353	404	412	442
United States	213	235	280	315	338
United Kingdom	192	201	217	244	232
Japan	80	85	99	98	96
Nights in all types of accommodation	13 854	14 718	16 451	17 239	17 589
Hotels and similar establishments	5 063	5 527	6 214	6 510	6 796
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	2 276	2 412	2 611	2 853	3 020
Overnight visitors (tourists)	2 256	2 390	2 583	2 819	2 991
Same-day visitors (excursionists)	20	21	28	34	29
Top destinations					
Australia	1 091	1 137	1 176	1 222	1 205
United States	165	177	197	204	215
Fiji	130	146	160	178	192
China	77	86	101	121	132
United Kingdom	101	112	110	123	125
TOURISM RECEIPTS AND EXPENDITURE, MILLION NZD					
Inbound tourism					
Total international receipts	11 901	14 984	15 774	16 546	17 690
International travel receipts	10 369	13 421	14 107	14 910	15 903
International passenger transport receipts	1 532 e	1 563 e	1 667 e	1 636 e	1 787
Outbound tourism					
Total international expenditure	6 155	6 587	6 832	7 620	8 213
International travel expenditure	4 950	5 356	5 679	6 247	6 666
International passenger transport expenditure	1 205 e	1 231 e	1 153 e	1 373 e	1 547

.. Not available; e Estimated value
1. Arrivals from demand side surveys; Nights from supply side surveys.
Source: OECD Tourism Statistics (Database).

StatLink 🔗 http://dx.doi.org/10.1787/888934077540

New Zealand: Enterprises and employment in tourism

	Number of establishments	Number of persons employed				
	2018	2014	2015	2016	2017	2018
Total	..	**174 972**	**191 763**	**210 093**	**208 251**	**221 046**
Tourism industries		**143 772**	**157 542**	**172 236**	**170 937**	**181 593**
Accommodation services for visitors	5 280	22 899	25 014	26 373	26 847	28 920
Hotels and similar establishments	..	..	..	..	..	..
Food and beverage serving industry	16 767	48 048	54 960	61 122	59 919	63 525
Passenger transport	..	8 178	8 781	9 423	10 155	10 224
Air passenger transport	..	8 178	8 781	9 423	10 155	10 224
Railways passenger transport	..	..	..	..	..	..
Road passenger transport	..	..	..	..	..	..
Water passenger transport	..	..	..	..	..	..
Passenger transport supporting services	..	13 026	13 854	15 246	15 333	16 731
Transport equipment rental	..	4 089	4 134	4 128	4 296	4 500
Travel agencies and other reservation services industry	..	..	..	..	..	..
Cultural industry	..	6 855	7 299	8 220	8 064	8 307
Sports and recreation industry	..	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	28 839	31 053	34 326	32 637	34 479
Other country-specific tourism industries	..	11 838	12 447	13 398	13 686	14 907
Other industries	..	**31 206**	**34 215**	**37 866**	**37 314**	**39 453**

.. Not available
Source: OECD Tourism Statistics (Database).

StatLink 📊 http://dx.doi.org/10.1787/888934077559

New Zealand: Internal tourism consumption

Million NZD

	2018		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	**20 954**	**14 626**	**35 580**
Tourism characteristic products	10 136	8 069	18 206
Accommodation services for visitors	1 370	1 786	3 157
Food and beverage serving services	2 016	2 582	4 598
Passenger transport services	5 935	3 701	9 636
Air passenger transport services	2 844	2 478	5 322
Railways passenger transport services	..	..	..
Road passenger transport services	..	..	..
Water passenger transport services	..	..	..
Passenger transport supporting services	..	..	..
Transport equipment rental services	..	..	..
Travel agencies and other reservation services industry	..	..	..
Cultural services	..	..	..
Sports and recreation services	..	..	..
Country-specific tourism characteristic goods	815	0	815
Country-specific tourism characteristic services	..	..	..
Other consumption products	10 818	6 557	17 375
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
Non-consumption products	..	..	..

.. Not available
Source: OECD Tourism Statistics (Database).

StatLink 📊 http://dx.doi.org/10.1787/888934077578