

NEW ZEALAND TOURISM STRATEGY 2015

VISION IN 2015, TOURISM IS VALUED
AS THE LEADING CONTRIBUTOR TO
A SUSTAINABLE NEW ZEALAND ECONOMY





BY EMBRACING THESE **KEY VALUES**, WE WILL ACHIEVE OUR VISION FOR 2015

KAITIAKITANGA

The guardianship and sustainable management of natural, built and cultural resources for the collective benefit of current and future generations

MANAAKITANGA

Sharing exceptional and natural hospitality, knowledge and beliefs, on the basis of mutual respect between host and visitor

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ACKNOWLEDGEMENTS

Many people have contributed to this Strategy. They include the 400 delegates at the Tourism Industry Conference held in August 2006, as well as the many hundreds who attended meetings to discuss the Strategy between October 2006 and January 2007.

More than 100 individuals and organisations provided substantive feedback on the draft Strategy when it was released in May 2007. They include representatives from the private sector, local and central government, the education and training sector, and related organisations.

A Ministerial Advisory Group, chaired by the Hon Damien O'Connor, Minister of Tourism, provided advice throughout the process.

The Tourism Industry Association, Ministry of Tourism, and Tourism New Zealand led the preparation of the document. Geoff Burns as strategy director, and project manager Ross Corbett provided vital input to the consultation process and development of the draft.

BUILDING ON SUCCESS

He mihi nui ki a koutou katoa

The New Zealand Tourism Strategy 2015 sets out our vision for a successful, world-leading industry, and an ambitious path to achieve this. In the Strategy draft I put forward a challenge, and I was delighted that the response to this was clear and consistent. New Zealand's tourism sector is fully prepared to set bold goals for the future, to show leadership to the rest of New Zealand and others around the world, and to take action to build on our success.



Caring for and sustainably managing our culture and our natural and built environment in the spirit of kaitiakitanga (guardianship) must be the enduring foundation for New Zealand's tourism sector. Welcoming our visitors with mutual respect, and sharing our hospitality, knowledge, stories, and beliefs in the spirit of manaakitanga (hospitality) will make sure the experience we offer is world-class and benefits our visitors and our communities. By understanding and delivering on these principles, the tourism sector will succeed in delivering on the aims of this Strategy and sustaining the true meaning of achieving a 100% Pure New Zealand for our visitors.

I firmly believe we can achieve a tourism sector that is environmentally, economically, culturally, and socially sustainable. In implementing this Strategy we have the opportunity to demonstrate leadership in sustainability both within New Zealand and around the world. We have the opportunity to create tourism experiences that are not only treasured and inspirational, but also help visitors to learn about and contribute to our society and our environment. By doing so, we will add more value to what is already New Zealand's largest export industry and a key employer and driver of our economy. Creating economic value is a vital part of tourism's success story, and will grow New Zealand's success.

The overall sustainability of our nation is central to tourism's success, as it will impact significantly on how we can market New Zealand to the world. The 100% Pure New Zealand brand has defined how our country and our exports are viewed across the globe, giving New Zealand an opportunity other countries can only wish for. The true potential of our tourism industry will be realised only if we are a country with unique sustainability credentials for all of our industries, our environment, culture, and society, and particularly if we can deliver a clear plan for continual improvement.

It is time to take action – to take up the opportunities outlined in this Strategy and forge a future that is the very best it can be. To achieve this, all of New Zealand needs to be aligned and working together towards a sustainable future. The government strongly supports this goal. I look forward to seeing it actioned.

A handwritten signature in black ink, reading 'Damien O'Connor'. The signature is fluid and stylized, with a long horizontal stroke at the end.

Hon Damien O'Connor
Minister of Tourism

A STRATEGY FOR THE FUTURE

Tena ra koutou katoa

We are pleased to release the New Zealand Tourism Strategy 2015. It provides the vision, values and direction to lead the tourism sector into the future.

The Strategy looks at what the tourism sector needs to do to deliver the type of tourism that is best for New Zealand, that is, sustainable tourism. Sustainable tourism delivers the maximum benefit – economic, social, cultural, and environmental – with as few unwanted effects as possible.

The Strategy sets four outcomes and the priorities and actions needed to deliver sustainable tourism. It also sets targets to help us measure our progress in delivering it.

The Strategy has been informed by the input we have received from a wide range of organisations and individuals. It is stronger for the level of interest, participation, and commitment shown throughout its development from members of the tourism sector and from others across government and the wider economy.

This level of interest reflects the central importance of tourism to New Zealand's economy, at national, regional, and community levels. Tourism is New Zealand's largest earner of foreign exchange, and it employs one in every ten New Zealand workers. To build on our progress, we must continue to 'get it right' so that the economic value of tourism keeps growing.

Getting it right means doing the fundamentals exceptionally well – satisfying our visitors through quality experiences, protecting the environment on which we depend, and partnering with the communities that host our visitors to ensure their needs, too, are met.

The ability to look at the big picture, to think critically about the challenges we face, and to work together to develop our strategy for the future is an excellent reflection on the maturity of our industry. We have come a long way since the launch of the original New Zealand Tourism Strategy 2010, in 2001. Just some of those many achievements are identified in Appendix A.

The Ministry of Tourism, the Tourism Industry Association and Tourism New Zealand are committed to implementing the New Zealand Tourism Strategy 2015. Each of our agencies has a crucial role to play, but to succeed in delivering on this ambitious strategy and achieving the vision we want for the future, support and leadership from right across the tourism sector, and across New Zealand, are necessary.

We are pleased to commend the Strategy to you. We look forward to working with you to see the vision we share for the future become a reality.



Ray Salter
Ministry of Tourism



Fiona Luhrs
Tourism Industry Association



George Hickton
Tourism New Zealand



EXECUTIVE SUMMARY

THE NEW ZEALAND TOURISM STRATEGY 2015 UPDATES THE NEW ZEALAND TOURISM STRATEGY 2010, WHICH WAS RELEASED IN 2001. IT RESPONDS TO THE CHANGES THAT WE HAVE SEEN IN THE GLOBAL AND LOCAL TOURISM MARKETPLACE OVER THE PAST FIVE YEARS, AND PUTS FORWARD A CLEAR PATHWAY TO MAKE SURE THAT NEW ZEALAND GETS THE BEST POSSIBLE VALUE FROM THE CHANGES THAT WE ANTICIPATE IN THE FUTURE.

Tourism is a significant contributor to the New Zealand economy. It contributes \$18.6 billion to the economy each year, and involves all New Zealanders, whether they own and operate tourism and hospitality businesses, supply products to them, or are visitors or hosts.

The audience for this Strategy is therefore very wide – everyone connected to or involved with New Zealand’s tourism sector, including operators, local government, central government, and training, education and research institutions.

Two values central to this Strategy are **kaitiakitanga** (guardianship) and **manaakitanga** (hospitality). Originally incorporated into the 2010 Strategy following consultation with a Maori advisory group, these values continue to provide a foundation for a sustainable approach to the development of the industry.

KAITIAKITANGA means guardianship, care and protection. It provides a basis for our approach to sustainably managing our natural, cultural, and built environment for current and future generations.

MANAAKITANGA implies a reciprocal responsibility upon a host, and an invitation to a visitor to experience the very best we have to offer. Applying these values throughout the Strategy reflects our intention to move forward together, based on a shared and uniquely New Zealand approach.

The Strategy’s vision is that in 2015, tourism is valued as the leading contributor to a sustainable New Zealand economy. The sector faces a number of challenges in achieving this. Globally, it faces the impacts of climate change on worldwide travel patterns, exchange rate fluctuations and restricted aviation capacity. At a local level, challenges include the availability of appropriately qualified and skilled staff, environmental management, and domestic air capacity and transport links.

To guide the sector towards its vision, the Strategy contains four key outcomes, and the priorities and actions needed to achieve them. The following section summarises the Strategy’s vision, outcomes, and priorities.

IN 2015, TOURISM IS VALUED AS THE LEADING CONTRIBUTOR TO A SUSTAINABLE NEW ZEALAND ECONOMY

OUTCOME ONE

NEW ZEALAND DELIVERS A WORLD-CLASS VISITOR EXPERIENCE

- New Zealand is seen by visitors as a desirable, high-quality destination
- The New Zealand tourism industry offers booking services that are easy to use
- The i-SITE network is recognised by visitors as being a source of high-quality and objective visitor information
- Qualmark is recognised by consumers as a mark of quality
- The tourism sector is committed to monitoring visitor satisfaction and perceptions of quality
- New Zealand's infrastructure supports a quality visitor experience at all stages of the journey
- Domestic travellers help create a strong demand for visitor products and services
- Maori actively participate and invest in the tourism sector.

OUTCOME TWO

NEW ZEALAND'S TOURISM SECTOR IS PROSPEROUS AND ATTRACTS ONGOING INVESTMENT

- Tourism businesses identify and put in place strategies that will consistently increase their returns on investment
- Businesses deliver products and experiences that meet the expectations of high-value visitors
- Tourism attracts and retains an appropriately skilled workforce
- The tourism sector improves demand during the off-season
- New Zealand's tourism research is accessible, timely, high-quality, and relevant to the decisions that need to be made.

OUTCOME THREE

THE TOURISM SECTOR TAKES A LEADING ROLE IN PROTECTING AND ENHANCING THE ENVIRONMENT

- The tourism sector contributes to a whole-of-New Zealand approach to ensure that New Zealand's environment will continue to be enjoyed by future generations and visitors, in the spirit of kaitiakitanga (guardianship)
- The expectations of our visitors are clearly understood, and visitors are able to easily identify and select products that deliver good environmental performance
- The tourism sector leads the way in introducing initiatives that will reduce carbon emissions and increase the energy efficiency of transport within and en route to New Zealand
- The tourism sector improves its energy efficiency, energy conservation, and use of renewable energy at all levels
- The tourism sector takes active steps to reduce and manage its waste, encourages other sectors to do the same, and engages with the local, regional, and national agencies that provide waste-management standards and facilities
- Tourism businesses have the capability and knowledge to take a leading role in protecting and enhancing the environment
- The tourism sector, DOC, and other key agencies continue to work together to make sure that conservation values are enhanced
- Visitors' tourism experiences give them the opportunity to learn about and contribute to New Zealand's environmental and conservation goals.

OUTCOME FOUR

THE TOURISM SECTOR AND COMMUNITIES WORK TOGETHER FOR MUTUAL BENEFIT

- The tourism sector is an active partner in planning and managing our communities
- Local authorities understand the benefits tourism offers and lead destination-management and planning initiatives and processes to maximise these benefits
- Tourism decision-making by local government, communities, iwi, and the tourism sector is informed by high-quality research
- Regions and communities preserve and promote their local culture and character and incorporate this into all aspects of the visitor experience
- Core infrastructure and facilities are appropriately funded.

The Strategy recognises that for tourism to prosper and benefits to be shared, all of New Zealand must be sustainable, and all sectors must work collectively towards this. The Strategy identifies and shows the linkages between other initiatives and strategies that have implications for the development of the tourism sector.

MEASURING OUR SUCCESS

A number of ambitious targets have been set to drive us towards our vision for 2015. While growth in the volume of visitor arrivals is important, and indeed arrivals are forecast to increase at around 4% per annum, the targets focus on value and quality-based tourism development. A shift in focus towards value is needed to ensure the ongoing sustainability of the industry. Immediate targets relate to visitor satisfaction, visitor spend, and seasonality. Measures for the environmental and community impacts of tourism will also be developed.

IMPLEMENTATION OF THE NEW ZEALAND TOURISM STRATEGY 2015

The Strategy includes a number of priorities and recommended actions to achieve our vision for tourism. These are wide-ranging and will require all stakeholders to play a part. Relevant stakeholders for each priority have been identified in this document.

The next step is to develop a detailed implementation plan. This will be led by the Ministry of Tourism, the Tourism Industry Association, and Tourism New Zealand, in consultation with all relevant stakeholders. This will be completed in early 2008.

An update of the New Zealand Tourism Strategy 2015 is planned around 2012.



TOURISM

IN NEW ZEALAND

PhotoNewZealand / Stephen Goodenough

TOURISM IS A LARGE AND GROWING PART OF NEW ZEALAND'S ECONOMY. IT PROVIDES FOREIGN EXCHANGE, JOBS, AND HOUSEHOLD INCOME.

Tourism is shaped by, and closely connected to, our environment, our culture, and our society. All New Zealanders are part of the tourism sector, whether they are travelling away from home, hosting guests, or simply giving directions to someone in the street. The values of kaitiakitanga (guardianship) and manaakitanga (hospitality) provide the foundation for a uniquely New Zealand approach to the development of the industry.

Tourism affects all our communities. Directly or indirectly, it involves a huge range of businesses, from accountants and builders to hotels and supermarket workers.

TOURISM AND NEW ZEALAND'S ECONOMY

Tourism is important for New Zealand's future economic growth. It contributes \$18.6 billion to the economy each year – 9% of New Zealand's gross domestic product. It is also an important source of employment. One in every 10 New Zealanders works in the tourism industry.

Tourism is our largest export sector. International visitors contribute \$8.3 billion to the economy each year, which accounts for 19.2% of export earnings¹. During 2006, 2.4 million international visitors arrived in New Zealand².

Unlike other export sectors, which make products and sell them overseas, tourism brings its customers to New Zealand. The product we are selling is New Zealand itself – the people, the places, the food, the wine, the experiences.

Domestic visitors are also a vital part of the tourism industry. They contribute \$10.3 billion to the economy each year, and they help sustain tourism businesses during the low season³. Product development for the domestic market provides a springboard for building export capability.

KEY STATISTICS ABOUT TOURISM

TOURISM IS ONE OF THE WORLD'S FASTEST GROWING INDUSTRIES.

TOTAL WORLD INTERNATIONAL TOURIST ARRIVALS ARE FORECAST TO INCREASE BY **4.1%** EVERY YEAR UNTIL 2020.

INTERNATIONAL ARRIVALS TO EAST ASIA/PACIFIC COUNTRIES (INCLUDING NEW ZEALAND) ARE EXPECTED TO INCREASE BY **6.5%** EVERY YEAR OVER THE SAME PERIOD.

NEW ZEALAND'S INTERNATIONAL VISITOR ARRIVALS HAVE DOUBLED SINCE 1993, TO **2.4 MILLION** IN 2006.

NEW ZEALAND'S INTERNATIONAL VISITOR ARRIVALS ARE FORECAST TO INCREASE BY **4.0%** EVERY YEAR FOR THE NEXT SEVEN YEARS.

¹ Tourism Satellite Account 2006, Statistics New Zealand.

² International Visitor Arrivals, Statistics New Zealand.

³ Tourism Satellite Account 2006, Statistics New Zealand.

Sources: United Nations World Tourism Organisation Forecasts to 2020; International Visitor Arrivals, Statistics New Zealand; New Zealand Tourism Forecasts, 2006-2013, Ministry of Tourism.

Tourism has many other advantages.

- Tourism adds value to other export sectors by promoting the 100% Pure New Zealand brand internationally. It also adds value to industries within New Zealand that benefit from adding tourism experiences to their product offering, such as farm stays, factory tours, and winery restaurants.
- Tourism helps drive regional economic growth and supports the revitalisation of towns and communities. This helps build regional pride and creates employment opportunities.
- Tourism provides Maori with important opportunities to nurture, celebrate, and present their culture to the world. Maori culture, in turn, adds a unique dimension to tourism in New Zealand.
- Tourism improves the value of national parks and other protected natural areas. It also benefits from them. The \$8.8 million the Government spends each year on Fiordland National Park has helped generate 1600 jobs, \$196 million in spending in the regional economy, value-added income of \$78 million, and household income of \$55 million⁴. Concessionaires benefit from and add value to conservation lands.
- Tourism has helped drive local government investment in infrastructure and leisure facilities, such as museums, art galleries, and convention centres. It has also encouraged urban renewal. This investment helps meet the needs of residents and visitors alike.

THE FUTURE GROWTH OF TOURISM IN NEW ZEALAND

Tourism is a large and growing part of the global economy. In 2006 there were 842 million international arrivals, an increase of 4.9% on the previous year. Total international expenditure on tourism was US\$735 billion, an increase of 8.5%.

In the global context, New Zealand is a very small player, with just 0.3% of international arrivals and 0.6% of international tourism expenditure.

New Zealand's international visitor arrivals have doubled since 1993, and they are expected to keep growing at a rate of about 4% a year. Domestic tourism is expected to grow more slowly – by about 0.8% annually⁵. Income from international tourism is forecast to overtake that of domestic tourism by 2011.

Figure One shows the expected growth until 2015.

FIGURE ONE: NEW ZEALAND TOURISM FORECASTS 2007-2013⁶

COMPONENT	2013 OFFICIAL FORECAST	EXTENDED TO 2015
International visitor arrivals	3.2 million arrivals or 4.0% annual growth	3.4 million arrivals
International visitor expenditure	\$10.5 billion or 7.4% annual growth	\$12 billion
Domestic trips (day and overnight)	55.0 million trips or 0.8% annual growth	55.9 million trips
Domestic expenditure (day and overnight trips)	\$9.1 billion or 2.8% annual growth	\$9.6 billion

⁴ Department of Conservation, 2006.

⁵ Overnight trips only. Source: New Zealand Tourism Forecasts 2007-2013, Ministry of Tourism.

⁶ New Zealand Tourism Forecasts 2007-2013, Ministry of Tourism.



SUSTAINABILITY

THE WAY AHEAD

The Remarkables. Photo: Ben Crawford

SUSTAINABLE DEVELOPMENT MEANS MEETING THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS⁷

The principles of kaitiakitanga (guardianship) and manaakitanga (hospitality) are the basis for a uniquely New Zealand approach to sustainability. By delivering on these principles, the tourism sector will provide hospitality to its visitors while protecting and managing our culture and environment.

A sustainable tourism sector means that:

- our customers will enjoy their time in New Zealand, and will want to travel here for the unique and sustainable tourism experiences we offer
- tourism businesses will be financially profitable, able to reinvest in their businesses, and attract and retain the skilled workers they need
- the natural environment will be protected and enhanced, and the environmental footprint of the tourism sector will continue to shrink
- we work with communities for mutual benefit.

Tourism relies more than any other sector on our continuing sustainability as a nation. This is because New Zealand itself is the product we are selling.

True sustainability reaches across all areas of life – environmental, economic, social, and cultural. These areas are interdependent and mutually reinforcing. For the tourism sector to prosper, we need to deliver on all of them.

Visitors see their experience as a whole, not as component parts. There is no point in providing comprehensive recycling facilities if our communities are unwelcoming, or delivering exemplary service if our streams are polluted. We need to make a greater commitment to using our resources more sustainably in order to protect both our environment and our economic potential.

Sustainable products and services are in growing demand globally. We already have a reputation for being ‘clean and green’. This has been reinforced by Tourism New Zealand’s 100% Pure New Zealand campaign.

Managing our reputation and delivering true sustainability will create opportunities that will benefit all New Zealand businesses, including those in tourism.

⁷ World Commission on Environment and Development (The Brundtland Report), 1987.

A sustainable tourism sector requires us to achieve a balance between running financially viable businesses, satisfying our customers, protecting our physical environment, and supporting our communities.

A WHOLE-OF-NEW ZEALAND APPROACH

A sustainable tourism sector cannot be achieved in isolation. The tourism sector is so intimately woven into New Zealand's economy and across New Zealand's communities that we need a nationwide commitment to sustainability. This requires all areas of government and all economic sectors to play their part and to acknowledge the connections that exist between us.

In particular, we need to develop a whole-of-New Zealand environmental management plan that demonstrates our commitment as a nation to a clear, coordinated response to environmental issues. This needs to encompass all the work being done across government to address climate change, including the New Zealand Emissions Trading Scheme. A clear national framework, articulating a national direction and national priorities, will provide certainty and context for the tourism sector.

CONNECTIONS WITH OTHER STRATEGIES AND INITIATIVES

Other strategies and initiatives underway that will help us achieve our sustainability goals include:

- the programme being implemented to develop Auckland as an internationally competitive city, with high-quality, attractive infrastructure, facilities, and streetscapes
- New Zealand's Digital Strategy, which is being implemented to make sure that we have the information and communications technology we need to do business
- the New Zealand Emissions Trading Scheme, which will encourage sectors across the economy, including tourism businesses, to find smart, efficient ways to cut back their emissions
- the New Zealand Transport Strategy, which seeks to ensure that we have a sustainable transport network throughout the country
- the economy-wide energy initiatives of the Energy Efficiency and Conservation Strategy.

Further details about these, and other initiatives and strategies that will help us achieve our sustainability goals are outlined in Appendix B.



TOURISM IN NEW ZEALAND FACES A NUMBER OF CHALLENGES IF IT IS TO GROW SUCCESSFULLY. SOME OF THE CHALLENGES ARE INFLUENCED BY WHAT IS HAPPENING IN THE GLOBAL MARKET. OTHERS ARE INFLUENCED BY THE DOMESTIC MARKET.

GLOBAL INFLUENCES

CLIMATE CHANGE

International concern about climate change is increasing, particularly in our key markets in the United Kingdom and Europe. This may start to affect visitor arrivals to New Zealand if people start flying less as a result.

New Zealand's response to these concerns will be fundamental to the future success of the tourism sector. We need to respond to our visitors' concerns and provide them with options for reducing or mitigating their carbon emissions. We must also demonstrate best-practice environmental management within New Zealand.

THE GLOBAL ECONOMY

The growth of New Zealand's tourism sector is dependent on the economic growth in our visitors' countries of origin. This is the biggest influencer of demand for travel to New Zealand – the greater the economic growth in a country, the more visitors arrive here from that country. Recent research suggests that visitor arrivals to New Zealand increase by 1.7% for every 1% increase in world economic growth⁸.

AVIATION CAPACITY

International visitor flows to New Zealand are shaped by the decisions made by the airlines that fly here. The routes they choose, the prices they charge, the types of aircraft they use, and their seating capacity all affect international visitor numbers.

One change that is likely to affect visitor numbers is the introduction of the new, long-range 787 Dreamliner aircraft by Air New Zealand in approximately mid 2010. This will increase the number of Pacific Rim countries from which direct flights to New Zealand are possible.

The airline industry is highly competitive, and it makes decisions about flight routes and frequency based on business profitability. We cannot control these business decisions, but we can help to make New Zealand an attractive destination by making it easy to enter and by providing appropriate infrastructure.

⁸ Exchange Rates and Tourism Relationships in New Zealand, 2007, Ministry of Tourism.

We need to keep coordinating our own offshore marketing with the marketing being done by the airlines. In particular, we need to keep working closely with those airlines that have a long-term commitment to flying to and from New Zealand.

INTERNATIONAL COMPETITION

The global tourism industry is highly competitive and the popularity of different destinations is constantly changing. This is strongly influenced by how much our competitors spend on marketing and on the development of new products.

New Zealand will always be a niche destination because of how far it is from the international markets, and how much time and money it costs to get here. To retain and grow our market share we need to position New Zealand as a trend-setter, rather than a follower, and develop products to back this up.

The public and private sectors also need to coordinate their marketing efforts, so that tourism can leverage off New Zealand's reputation in other export sectors, such as wine and film. This involves taking a 'New Zealand Inc.' approach to our international brand.

FLUCTUATIONS IN THE EXCHANGE RATE

Exchange rates have a relatively small effect on total international visitor arrivals. However, fluctuating exchange rates do affect how much visitors spend while they are here. Every 1% increase in the value of the dollar reduces expenditure per visitor by around 0.81%.

Some visitors are more sensitive to fluctuations in the exchange rate than others. Visitors from Australia and the UK (almost 50% of our visitor arrivals), business travellers, and those visiting friends and relatives are reasonably insensitive to the fluctuations. Holiday visitors and those arriving from Germany, Japan, the United States, and South Korea are more sensitive.

Increases in the value of the New Zealand dollar have a negative effect on domestic tourism. This is because it makes New Zealanders more likely to travel overseas instead of within the country⁹.

The tourism sector needs to be aware of, and plan for, the likely effects of exchange-rate fluctuations.

DOMESTIC INFLUENCES

PROFITABILITY OF THE SECTOR

Tourism as a sector is dominated by a large number of small and medium-sized businesses. Some owners are not necessarily motivated by profit. However, in general, profitability must increase or tourism businesses will not be able to reinvest to maintain or improve the quality of their product. This is also important if the sector is going to be attractive to employees in an increasingly competitive labour market.

AVAILABILITY OF PEOPLE

Tourism is a service-based, highly labour-intensive sector. Any growth in visitor numbers requires more people working in the tourism sector to serve them. However, New Zealand now has almost full employment, particularly over the summer period, which is the high season for both tourism and the horticulture industry.

⁹ Exchange Rates and Tourism Relationships in New Zealand, 2007, Ministry of Tourism.

The tourism sector also pays less, on average, than other sectors. It needs to offer attractive and competitive pay rates and working conditions if it is going to compete successfully for labour with other New Zealand industries.

One way of doing this is to increase the profitability within the sector. This should be done by increasing the amount that visitors spend during each visit and spreading arrivals across the seasons, rather than simply focusing on total arrivals and expenditure, as has been the case in the past. This would help lift returns on investment in the sector, making it easier for tourism businesses to increase their pay rates and compete for staff with other sectors of the economy.

LOCAL INFRASTRUCTURE

Delivering a world-class experience to our visitors requires appropriate, high-quality infrastructure. The needs of our communities are equally as important. This means ensuring we have, for example, a reliable energy supply, good roads and public transport, adequate public toilets, car parks, road signage and recycling facilities. We need to ensure that the infrastructure needs of tourism and host communities are met and appropriately funded.

DOMESTIC AIR CAPACITY AND TRANSPORT LINKS

Affordable domestic air connections and other convenient transport links are essential for the growth of domestic tourism. They will also help the industry maximise the value of international visitors by making it easy for them to explore more widely – and spend more while they are here.

WHAT KIND OF TOURISM IS BEST FOR NEW ZEALAND?

The best kind of tourism for New Zealand is sustainable tourism, that is, tourism that delivers maximum value – economic, social, cultural, and environmental – with as few unwanted effects as possible.

Twenty years ago, the debate about what kind of tourism would be best for New Zealand largely centred on how many international visitors would be appropriate.

Now the debate is much more complex. There are many factors we need to consider if we are to achieve our goal of becoming a sustainable nation and increase the value of tourism to our visitors, our businesses, our environment, and our communities. These include:

- how much visitors spend while they are here
- what time of year they come
- what sort of experiences they expect while they are here.

In order for the tourism sector to prosper we need to increase the amount that each visitor spends during their visit. We also need to find ways of reducing seasonal fluctuations in visitor arrivals. At present, arrivals are at their highest between November and March.

It is also important to provide products that will meet the needs of visitors who are becoming increasingly concerned about their environmental footprint.

A thriving domestic market is important, too. Domestic travel keeps many tourism businesses going, and it helps operators develop and refine new products before launching them on the international market.

All these issues are addressed as part of the Strategy.

Bearing these issues in mind, in order for the tourism sector to deliver the best kind of tourism for New Zealand it must:

- focus on steady, managed growth with an emphasis on increasing expenditure per arrival
- attract visitors who respect New Zealand's environmental, cultural, and social environments and who share our values
- provide a wide range of products, from wilderness experiences to urban attractions, that promote interaction with New Zealand's environmental, cultural and social values and that contribute towards our economic objectives
- maintain and keep improving the products that meet the needs of our ideal visitors
- provide compelling reasons for travel in the four 'shoulder' months of March, April, September, and October
- encourage visitors to travel off the beaten track and experience the local character of New Zealand's regions
- hold more conventions and stage events, such as the World of WearableArt, to help make the sector less seasonal and increase profits.



STRATEGY

TO 2015

**IN 2015, TOURISM IS VALUED AS THE LEADING CONTRIBUTOR
TO A SUSTAINABLE NEW ZEALAND ECONOMY**

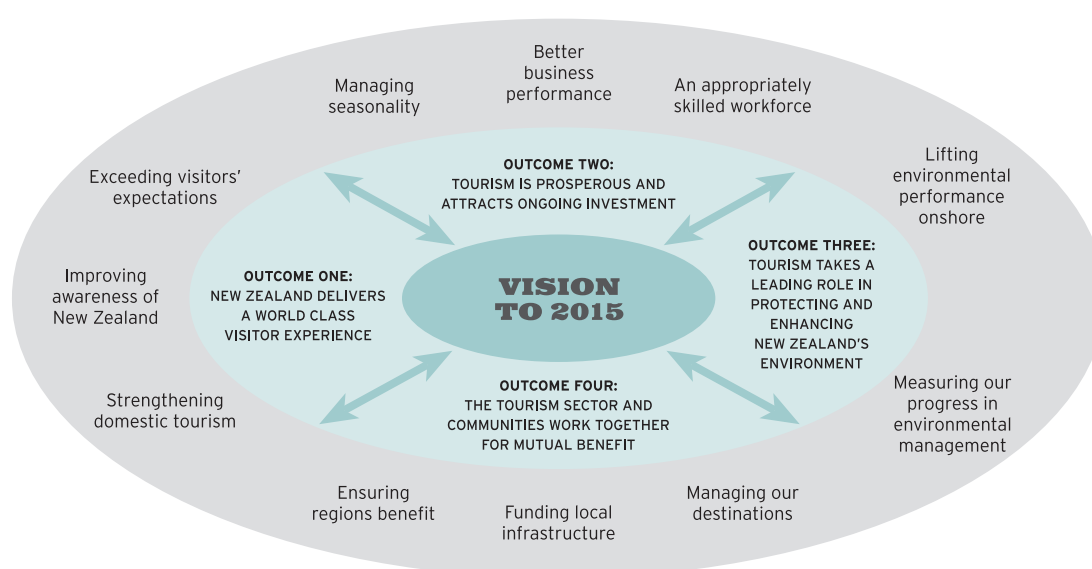
A FRAMEWORK FOR ACTION

The vision of the New Zealand Tourism Strategy 2015, and the framework that supports it, set out the role that the tourism sector will play in helping New Zealand develop a more sustainable economy and society.

Within this wider context of sustainability, the overall focus of the Strategy is on increasing the value of tourism. This means value in its broadest sense – economic value, the value of the experience had by our visitors and the communities that host them, and the value of the environment within which tourism occurs.

The structure of the Strategy sets four outcomes and the actions needed to achieve them (see Figure Two).

FIGURE TWO: DELIVERING THE VISION: THE NEW ZEALAND TOURISM STRATEGY 2015



The four outcomes are interdependent and equally important. They are set out below.

OUTCOME ONE

NEW ZEALAND DELIVERS A WORLD-CLASS VISITOR EXPERIENCE

Visitors must receive a world-class experience at every stage of their journey.

This starts with the image of New Zealand that potential visitors have when planning their trip. Quality marketing is an essential first step to encourage both domestic and international visitors to explore New Zealand and its regions.

Our marketing promise must then be backed up with quality information supplied through traditional and online channels, and through the i-SITE network.

It continues with the quality of the experience visitors have once they are here. We must provide world-class products, appropriate infrastructure, and unique experiences that provide an insight into New Zealand's culture and make the most of the different experiences our regions offer. These must be supported by the Qualmark accreditation system.

OUTCOME TWO

NEW ZEALAND'S TOURISM SECTOR IS PROSPEROUS AND ATTRACTS ONGOING INVESTMENT

Tourism businesses need better returns on investment. To achieve this, tourism operators need better management skills, more business assistance, and new financial strategies.

We also need to target those visitors who might increase the amount they spend while they are here, and to develop products that will encourage them to do so. In addition, we need to increase the number of people who visit during the shoulder seasons. This will help make sure that assets are used all year round, and will help boost profitability and financial sustainability.

It is also essential to attract and retain an appropriately skilled workforce through training initiatives, improved productivity, better career paths, and improved pay rates.

All of these initiatives need to be informed by research and information that is accessible and accurate.

OUTCOME THREE

THE TOURISM SECTOR TAKES A LEADING ROLE IN PROTECTING AND ENHANCING NEW ZEALAND'S ENVIRONMENT

The tourism sector must protect and enhance the environment on which it depends, so that it can be enjoyed by future generations – and future visitors.

This requires a whole-of-New Zealand approach in order to be successful. At the regional and community levels there needs to be specific environmental management to make sure that destinations retain their essential environmental attributes.

Within this larger picture, the tourism sector can show leadership by taking initiatives in areas such as transport, energy use, waste reduction and management and conservation.

The tourism sector needs to understand and meet visitors' environmental expectations. It also needs to develop opportunities for visitors to contribute to the conservation and management of New Zealand's environment.

Better information will help businesses to meet standards such as the environmental elements in the Qualmark licensing system, and it will help visitors to make environmentally sound choices.

OUTCOME FOUR

THE TOURISM SECTOR AND COMMUNITIES WORK TOGETHER FOR MUTUAL BENEFIT

Communities are the setting for almost all our tourism businesses. They welcome visitors in the spirit of manaakitanga (hospitality).

The tourism sector must work with communities while planning for and managing tourism, so that it can maximise its benefits and minimise any negative impacts.

Local authorities need to take an active role in destination management. Together with the tourism sector, they can help create a unique sense of place and an attractive environment for both visitors and residents.

These initiatives must be informed by regional and local research, and a thorough understanding of the type of tourism that each community wants to host.



OUTCOME ONE:

NEW ZEALAND DELIVERS

A WORLD-CLASS VISITOR EXPERIENCE

Wildfire, Princes Wharf, Auckland. Photo: Tourism Auckland

OVERVIEW

NEW ZEALAND'S REPUTATION AS A VISITOR DESTINATION RELIES ON OUR ABILITY TO CONSISTENTLY PROVIDE WORLD-CLASS VISITOR EXPERIENCES WITH A DISTINCTLY NEW ZEALAND FLAVOUR.

World-class experiences are authentic, unique, and delivered with superb service. They must also demonstrate a high standard of environmental management and they must stand out as being different from the experiences available in other countries.

The key to meeting this outcome is quality. Delivering quality experiences to both domestic and international visitors in the spirit of manaakitanga (hospitality) is central to maintaining New Zealand's reputation as a visitor destination, and to achieving the Strategy's vision.

The world-class visitor experiences anticipated by this Strategy will:

- be consistent, high-quality experiences that are seen by visitors as providing value for money
- share and celebrate the unique aspects of New Zealand's culture and heritage
- demonstrate respect and care for the environment. Visitors will also share the value we place on the quality of our natural and cultural assets
- provide visitors with a rich experience of our cultural, environmental, and social values through quality interpretation and opportunities to learn and engage.

GETTING IT RIGHT FROM THE START

For the visitor, the experience starts when they first start planning their trip. It includes the information and booking process, what happens when they first arrive at the New Zealand border, and the experience they have once they are here. The expectation is that these experiences will meet – and hopefully exceed – the promises made by the 100% Pure New Zealand marketing campaign.

The 100% Pure New Zealand campaign is regularly cited as one of the best destination-marketing campaigns in the world. It has created a compelling brand by delivering a relevant message to our key markets and by meeting the expectations of visitors once they are in the country.

The campaign has a clear target market, the Interactive Traveller. Interactive Travellers are looking for the kinds of experiences the campaign promises – a chance to hear New Zealand's stories, meet its people, and interact with its remarkable landscape.

Our natural attractions and adventure activities are treasured both here and overseas, and our network of national and marine parks and world heritage areas has international standing. Within this setting, Maori culture provides a distinctive element.

It is the combination of these things – our landscape, our culture, and our heritage – that gives New Zealand its unique position as a tourist destination.

Visitor satisfaction with the New Zealand product is historically high. The sector recognises and supports quality products through the Qualmark licensing system, the Tourism Industry Awards, and hospitality sector standards and awards.

However, the market is starting to change. While the domestic market still makes up the largest part of the industry, both in terms of visitor numbers and expenditure, international visitor expenditure is increasing at a faster rate. This is forecast to continue. The international visitor mix is also changing. Figure Three shows actual and forecast arrivals from New Zealand's core markets. While it shows strong growth from our traditional markets of Australia and the UK, it also shows strong growth from the emerging market of China.

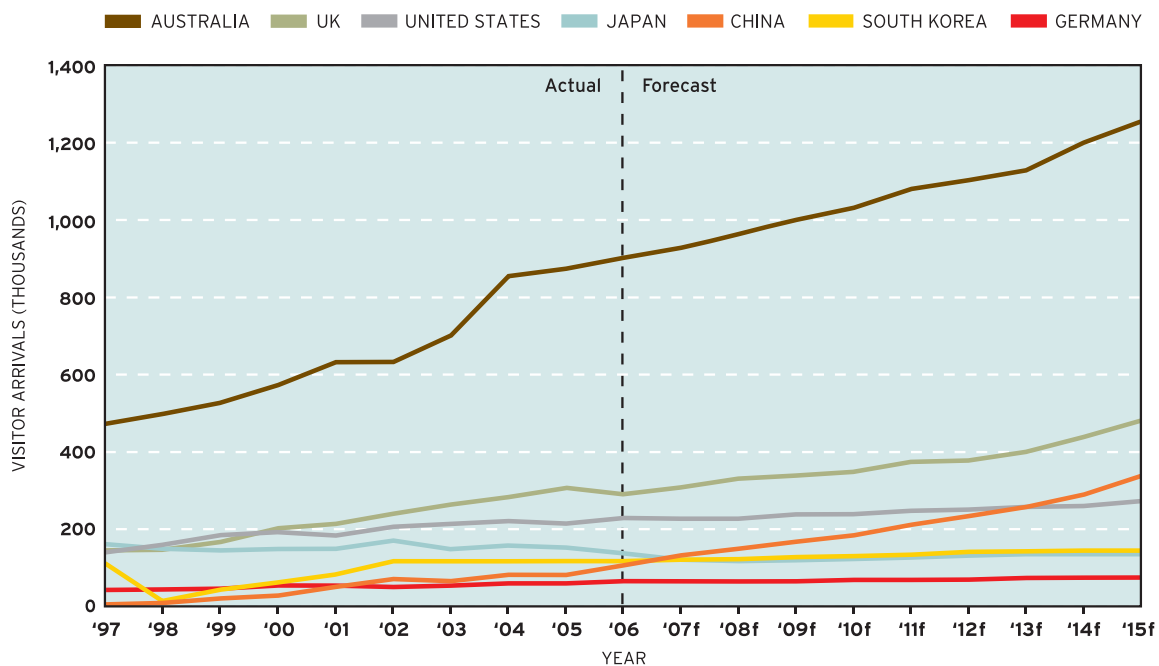
DEFINITION: INTERACTIVE TRAVELLERS

Interactive Travellers are regular international travellers who seek out new, authentic experiences that involve engagement with natural and cultural environments.

They enjoy sharing these with others. Interactive Travellers commonly use the internet to plan, schedule and book their holidays. They tend to have a strong interest in indigenous culture and they are very interested in interacting with people.

Research by Tourism New Zealand has identified a large pool of Interactive Travellers in key and emerging markets, where they represent 35-50% of the long-haul market.

FIGURE THREE: VISITOR ARRIVALS BY TOP SEVEN INTERNATIONAL MARKETS



Source: International Visitor Survey and New Zealand Tourism Forecasts 2007-2013 (Ministry of Tourism)

Part of our reputation for delivering a world-class experience will depend on our ability to meet the needs of these changing markets. Each segment of the market has a different expectation of the type of experience that New Zealand will deliver. Travellers generally are also becoming more discerning about what they want to do, and are more likely to look for tailored, high-quality experiences.

Products that evolve from New Zealand's unique arts, culture, and heritage help to give visitors the experience they are looking for.

However, some factors are outside the direct control of operators. These include:

- the decisions that airlines make about capacity, flight routes, and frequency
- the impact of fluctuations in the exchange rate on visitors' decisions to travel
- 'rest-of-New Zealand' factors such as the infrastructure that visitors encounter, and the type of service and products they experience outside the tourism sector.

A WORLD-CLASS VISITOR EXPERIENCE

- **OFFERS OUTSTANDING CUSTOMER SERVICE**
- **IS DEEP, RICH, AUTHENTIC, AND UNIQUE**
- **OFFERS REAL CONSUMER BENEFITS**
- **ALLOWS CUSTOMERS TO EXPLORE, EXPERIMENT AND GET INVOLVED**
- **CAN BE CUSTOMISED TO MEET SPECIFIC VISITOR NEEDS**
- **PROVIDES HIGH-QUALITY INTERPRETATION OF ENVIRONMENTAL, CULTURAL, AND HERITAGE STORIES**
- **IS CONVENIENT AND USES TIME EFFICIENTLY**
- **IS ENVIRONMENTALLY SUSTAINABLE**
- **MANAGES VISITOR EXPECTATIONS**
- **OFFERS VALUE FOR MONEY**
- **IS SAFE FOR VISITORS AND THEIR POSSESSIONS**



LOOKING FORWARD

WHAT NEEDS TO BE DONE IN ORDER TO DELIVER A WORLD-CLASS EXPERIENCE TO ALL VISITORS?

CONSISTENTLY MEETING AND EXCEEDING VISITOR EXPECTATIONS

Providing safe, quality experiences is one of the strengths of the New Zealand tourism sector. However, quality levels across the sector are not always consistent. Some operators compete solely on price, and pay little attention to quality.

Delivering high-quality experiences that meet or exceed visitors' expectations requires action in several areas. The sector must continue to invest in developing distinctive, value-added products and world-class facilities. Continuing investment is only possible if businesses are able to make good returns on their investments. Price-based competition drives margins down and severely constrains the level of potential investment.

The sector also needs to provide easily accessible, accurate information, such as that which is available through the i-SITE network. Those working in the sector need to be able to use the latest information technology and understand how their visitors are using it.

Consistently high standards of service throughout the sector are also absolutely vital. It is essential to monitor visitors' perceptions of their experiences to make sure that we meet or exceed their expectations. Historically, satisfaction levels have been high, particularly for the Interactive Traveller segment, but we need to get a better idea of what drives satisfaction across other market segments. Even more importantly, we need to understand what aspects of their experience are not satisfying visitors, so that these can be addressed.

The tourism sector also needs skilled, knowledgeable staff and excellent training in order to deliver high-quality services. Customer-service skills, technical skills, interpretation and story-telling skills, and commercial skills are all critical. Many employers say they are being constrained by a lack of skilled staff. This has serious consequences for the industry. The Tourism and Hospitality Workforce Strategy, released in 2006, outlines what needs to be done to make sure that the industry has the right people to achieve this growth and to make sure that everyone in the sector is working together on workforce issues.

THE VALUE OF QUALMARK

New Zealand is fortunate to have an independent mark of quality in tourism that is upheld and recognised across the country. Qualmark allows visitors and the travel trade to buy products and services with confidence, knowing they have gone through an independent assessment. The Qualmark licensing system has become a world-leading quality assurance programme. Other countries are now using it as a benchmark for their own quality systems.

Research shows that visitors who use Qualmark-graded or accredited products have higher levels of satisfaction with their New Zealand experience. The challenge is for Qualmark to stay relevant in the face of constantly changing consumer and operator expectations. To do this we must:

- keep raising the bar for assessment standards
- extend the areas that are assessed to include things such as service standards
- provide benefits for tourism operators and consumers
- make sure the rating and endorsement system is readily recognised and clearly understood.

GROWING MAORI TOURISM

Maori tourism adds a rich dimension to both the domestic and international visitor experience. New Zealand is a unique country with a distinctive identity, culture and heritage. Maori culture is a major component of this uniqueness, and sets us apart from the rest of the world. Engaging with Maori culture has the ability to deepen the quality of visitor interaction with our communities and our landscape, particularly in relation to the value of kaitiakitanga (guardianship).

The importance of Maori tourism and its contribution to the New Zealand tourism experience should not be underestimated.

The demand for authentic Maori products is increasing, particularly those that combine traditional values and knowledge within a contemporary product. This means there is huge potential for greater Maori participation in the sector, by infusing Maori cultural elements across the whole range of tourism products. The Maori Tourism Council plays an important role in the further development of Maori tourism as our unique point of difference in the global market place.

One of the challenges for Maori tourism is to make sure that Maori are supported to consistently deliver high-quality experiences. This is a challenge for all tourism businesses.

There have already been significant improvements since the last Strategy was published in 2001. As a result there are now more high-quality Maori tourism products available and more Qualmark-accredited businesses. These products also have a higher international profile.

Maori tourism businesses must continue to meet industry quality standards and strive to continually improve their performance to meet visitor demand.

DELIVERING THE RIGHT INFRASTRUCTURE

Appropriate, high-quality infrastructure underpins the visitor experience. Visitors expect a reliable energy supply, good roads and good public transport networks and facilities such as rubbish disposal, recycling centres, public toilets, car-parking, good signage, and easy access to information.

Central and local government and the private sector all have a critical role to play in providing these.

Auckland is a particular area of need. More than 70% of all international arrivals and departures are made through Auckland, which means it must provide an appealing gateway to New Zealand. Good airport facilities, efficient border control, easily available travel information (print and online), and transport links between the airport and city all help create good first-and-last impressions of the country.

Anecdotal evidence suggests that improving the transport link between the airport and the city, and reducing traffic congestion would significantly increase the satisfaction of international visitors.

New Zealand would also benefit from investment in infrastructure such as a large national convention centre, better cruise-ship facilities at our ports, and more four and five-star hotel accommodation. This would allow the tourism sector to compete more effectively for high-value and growing segments of the market, such as conferences and visits by cruise ships.

IMPROVING AND CAPITALISING ON THE AWARENESS OF NEW ZEALAND IN OFFSHORE MARKETS

The strength of the New Zealand brand means it has maintained its position in an increasingly crowded tourism market. However, more investment in international marketing would help encourage prospective visitors to travel to New Zealand now, rather than later. This involves focusing on the traditional key markets, as well as important new ones.

International marketing requires a long-term approach. It takes a long time to create awareness of a country brand, then to translate that into actual travel. Different markets also require different approaches, although in all cases there is an increasing need to use advanced technology.

The Government's existing investment in New Zealand's primary tourism markets already has good return. The return on investment in the Australian market is \$26 for every \$1 spent, while in the UK the return is \$11 for every \$1 spent and in the US it is \$16 for every \$1 spent¹⁰.

Research undertaken in 2005¹¹ identified that Tourism New Zealand's focus on promoting awareness of and preference for New Zealand has been appropriate and effective. However, additional emphasis is needed at the 'intention to travel' and purchasing end of marketing. An industry presence is needed to 'close the deal' and make sure that New Zealand is a destination that is easy to travel to.

Tourism New Zealand's 'What's On' campaign in Australia¹² is a good example of how this focus on 'closing the deal' with the industry involved, both in terms of participation and financial commitment, can increase conversion rates in this market at least. Bridging the gap between strategic, generic destination marketing and private-sector tactical marketing by tourism businesses will become increasingly important.

RESPONDING WITH SPEED AND FLEXIBILITY TO CHANGING INTERNATIONAL MARKETS

At present, New Zealand's tourism products, distribution channels, market intelligence, infrastructure, and approach to business are oriented to our past and present visitor mix. The tourism sector needs to respond to the opportunities – and risks – that are presented as new markets emerge and consolidate, and existing markets flatten or decline.

China is one recent example. It is now New Zealand's fastest-growing international visitor market, and it is projected to be our fourth largest market by 2010. As a result, the tourism sector is committed to improving the experience that Chinese visitors have in New Zealand. Recent changes to the existing Approved Destination Status (ADS) process¹³ will make sure that the growth of this market is well managed, and that it delivers a high-quality and authentic product.

Travellers are becoming more discerning about what they want to do and they are more likely to look for customised, high-quality experiences. This trend is likely to be exacerbated by concerns about climate change and environmental sustainability.

¹⁰ Tourism New Zealand Baseline Review, 2005, Ministry of Tourism.

¹¹ Tourism New Zealand Baseline Review, 2005, Ministry of Tourism.

¹² Tourism New Zealand's 'What's On' campaign was launched in Australia in August 2006. It aims to give Australians new reasons to visit New Zealand by advertising during specific events, to encourage more travel to the regions, and to increase visitation in the quieter months of spring, autumn, and winter.

¹³ The ADS system is a bilateral tourism arrangement between the Chinese government and a foreign destination. Countries with ADS status are permitted by China to host Chinese visitors undertaking leisure travel in groups. Australia and New Zealand were the first western destinations to be granted ADS by the Chinese Government in 1999. The New Zealand Government agreed in early 2007 that its ADS system should be strengthened and that operators in this market be required to adhere to a new Code of Conduct.

This makes it important for the industry to appeal to visitors who want a premium experience with a point of difference, rather than a conventional, mainstream experience.

These changes in the market provide opportunities for Maori, and the arts, culture, and heritage sectors to create unique products by injecting distinctive, local, cultural elements and values into the tourism experience.

MEETING THE EXPECTATIONS OF DOMESTIC VISITORS

The domestic tourism market has been relatively flat in recent years. This is due to a number of factors including cheaper international airfares and more favourable exchange rates. In addition, many New Zealanders are now opting to buy a house or consumer goods rather than go on holiday.

However, domestic tourism is a vibrant and profitable part of the industry, and we need to increase this market to get the best value from it.

Domestic visitors have the same expectations of a quality experience as international visitors. New Zealanders are widely travelled and most have a range of tourism experiences under their belt.

The recent strength of the New Zealand dollar means that many are now opting to travel overseas rather than within the country. We need to encourage them to stay here by finding out what kinds of experiences they want and delivering them. This means obtaining better information, which can be done through enhancing our existing data collections.

The Automobile Association's national marketing campaign '101 Must Do's for Kiwis', introduced in 2006, has already helped increase domestic tourism opportunities. The challenge for the regions is to take ownership of these opportunities and provide compelling reasons for New Zealanders to travel by promoting one-off events, shoulder-season and off-peak packages, and new or upgraded products.

One way of doing this is by offering appealing packages for domestic consumers. This would involve greater collaboration between airlines and other transport operators, those who provide accommodation and activities, and the Regional Tourism Organisations. The overall aim must be to increase the total amount of domestic travel, rather than simply shifting it from one region to another.

MAKING DOMESTIC TRAVEL AFFORDABLE

It is important to make holiday travel within New Zealand affordable, particularly for domestic visitors. The average New Zealand income is lower than that of most international visitors.

One of the aims of this Strategy is to increase the amount that visitors spend while they are here. One of the effects of this is that prices may increase for some experiences. This could have an impact on domestic tourism. It is important to make sure that New Zealanders can continue to afford the experiences they want.

We need to look at developing products that are priced to appeal to the New Zealand market. Possibilities include family-friendly holiday packages, family-oriented events, off-season specials, or special rates targeted at New Zealanders. These kinds of strategies will make sure that we can increase the amount that international visitors spend while addressing domestic price sensitivities.

To do this, we need to get more information about the role of domestic tourism in the economy, what domestic visitors expect, what they are prepared to pay, and how this market is likely to change and develop in the future. This will help us make sure that the traditional Kiwi summer holiday continues to be affordable to 2015 and beyond.

SETTING PRIORITIES TO DELIVER A WORLD-CLASS VISITOR EXPERIENCE

FOR NEW ZEALAND TO DELIVER A WORLD-CLASS VISITOR EXPERIENCE,
WE NEED TO MAKE SURE THAT:

- NEW ZEALAND IS SEEN BY VISITORS AS A DESIRABLE, HIGH-QUALITY DESTINATION
- THE NEW ZEALAND TOURISM INDUSTRY OFFERS BOOKING SERVICES THAT ARE EASY TO USE
- THE I-SITE NETWORK IS RECOGNISED BY VISITORS AS BEING A SOURCE OF HIGH-QUALITY AND OBJECTIVE VISITOR INFORMATION
- QUALMARK IS RECOGNISED BY CONSUMERS AS A MARK OF QUALITY
- THE TOURISM SECTOR IS COMMITTED TO MONITORING VISITOR SATISFACTION AND PERCEPTIONS OF QUALITY
- NEW ZEALAND'S INFRASTRUCTURE SUPPORTS A QUALITY VISITOR EXPERIENCE AT ALL STAGES OF THE JOURNEY
- DOMESTIC TRAVELLERS HELP CREATE A STRONG DEMAND FOR VISITOR PRODUCTS AND SERVICES
- MAORI ACTIVELY PARTICIPATE AND INVEST IN THE TOURISM SECTOR.

ACTIONS NEEDED TO DELIVER A WORLD-CLASS EXPERIENCE

NEW ZEALAND IS SEEN BY VISITORS AS A DESIRABLE,
HIGH-QUALITY DESTINATION

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

1. Invest in strengthening New Zealand's global marketing campaign with more funding for Tourism New Zealand.
2. Develop marketing initiatives that focus on changing consumer attitudes and expectations in China and other new markets.
3. Coordinate the investment in overseas marketing (public and private) to improve the conversion of preference to travel to actual travel.
4. Make sure that the unique elements of Maori culture are reflected in the way New Zealand's brand is positioned internationally, and in national and regional product development.

STAKEHOLDERS: Tourism New Zealand, New Zealand Maori Tourism Council, Regional Tourism Organisations, Ministry of Tourism, airlines, tourism operators

THE NEW ZEALAND TOURISM INDUSTRY OFFERS BOOKING SERVICES
THAT ARE EASY TO USE

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

5. Monitor how and where international and domestic visitors make their bookings, so that we invest in the most effective distribution channels, and educate tourism operators about how to get the most out of those channels.

6. Make sure that tourism operators invest in the technology they need to best manage their bookings and inventory.
7. Make sure that quality Maori tourism products and services are better integrated throughout the full range of wholesale and retail distribution channels.

STAKEHOLDERS: i-SITEs, Tourism New Zealand, Tourism Industry Association, Inbound Tour Operators Council, tourism industry associations, tourism operators, New Zealand Maori Tourism Council, Maori Regional Tourism Organisations

THE i-SITE NETWORK IS RECOGNISED BY VISITORS AS BEING A SOURCE OF HIGH-QUALITY AND OBJECTIVE VISITOR INFORMATION

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

8. Build on the common business and information systems in the i-SITE network to make sure that i-SITEs across the country offer a consistent experience.
9. Carry out research into ways in which the i-SITE network could be used to help improve visitor experiences. This would build on previous research into the information needs of i-SITE users.

STAKEHOLDERS: i-SITEs, Tourism New Zealand, Regional Tourism Organisations

QUALMARK IS RECOGNISED BY CONSUMERS AS A MARK OF QUALITY

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

10. Broaden Qualmark's coverage by adding new categories into the existing range of gradings and endorsements, and increasing the uptake of Qualmark by tourism operators.
11. Make sure that Qualmark's assessment systems are consistently applied, and are recognised and supported by the tourism sector.
12. Help domestic and international consumers get a better understanding of the Qualmark grading system, so that they feel more confident about selecting Qualmark-endorsed products, and they know what these services will deliver.

STAKEHOLDERS: Qualmark, Tourism New Zealand, Automobile Association, Tourism Industry Association, Ministry of Tourism

THE TOURISM SECTOR IS COMMITTED TO MONITORING VISITOR SATISFACTION AND PERCEPTIONS OF QUALITY

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

13. Enhance the quality of the accuracy of the International Visitor Survey and Domestic Tourism Survey.
14. Integrate all the research about visitor satisfaction into one common platform or database.
15. Extend the Regional Visitor Monitor (RVM) into more regions, and expand the focus of both the RVM and the Domestic Tourism Survey to provide information about buying behaviour and what drives travel trends.

STAKEHOLDERS: Ministry of Tourism, Tourism New Zealand, Regional Tourism Organisations, Tourism Industry Association

NEW ZEALAND'S INFRASTRUCTURE SUPPORTS A QUALITY VISITOR EXPERIENCE AT ALL STAGES OF THE JOURNEY

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

- 16.** Make sure that there is enough investment in the infrastructure needed to meet growing visitor demand. This includes roads, the availability of broadband, especially in more rural and remote areas, water supplies, managing waste water, public toilets, signage, and car parks.
- 17.** Make sure that airport authorities and border control agencies have the information they need to plan for tourism growth so that they have the staff and resources they need to cope at peak times.
- 18.** Investigate the case for developing national facilities such as a national convention centre and cruise-ship facilities.

STAKEHOLDERS: Local Government New Zealand, Ministry of Tourism, Ministry of Economic Development, Ministry of Tourism, Tourism Industry Association, Department of Conservation, local authorities, border agencies, airport authorities

DOMESTIC TRAVELLERS HELP CREATE A STRONG DEMAND FOR VISITOR PRODUCTS AND SERVICES

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

- 19.** Establish a domestic tourism working group to develop a domestic tourism plan.
- 20.** Encourage and support Regional Tourism Organisations to communicate with stakeholders the importance of regional campaigns in driving the domestic market and creating opportunities to increase domestic travel.

STAKEHOLDERS: Regional Tourism Organisations, tourism industry associations and operators, Automobile Association, airlines, Tourism New Zealand, Tourism Industry Association

MAORI ACTIVELY PARTICIPATE AND INVEST IN THE TOURISM SECTOR

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

- 21.** Keep building business capability through the Maori Business Facilitation Service.
- 22.** Increase the number of Maori tourism businesses involved in quality accreditation schemes such as Qualmark and Toi Iho.
- 23.** Help tourism businesses to incorporate a Maori dimension into the products and services they provide.
- 24.** Increase the range of Maori products and services being offered to the international and domestic markets.
- 25.** Strengthen relationships between Regional Tourism Organisations and Maori Regional Tourism Organisations to maximise the development of a Maori tourism product that reinforces regional differentiation and meets visitor demand.

STAKEHOLDERS: Te Puni Kokiri, New Zealand Maori Tourism Council, Maori Regional Tourism Organisations, Regional Tourism Organisations, Industry Training Organisations



A WORLD-CLASS EXPERIENCE: DIVE! TUTUKAKA

JUST NORTH OF WHANGAREI, DIVE! TUTUKAKA OFFERS A WORLD-CLASS DIVING EXPERIENCE THAT CONSISTENTLY EXCEEDS CUSTOMER EXPECTATIONS.

Service and quality are paramount to the company, which won the Supreme Award at the 2006 Tourism Industry Awards.

In six years, the business has increased its number of boats from three to seven, and it now employs nearly 50 staff, depending on the season. With 12,000 customers a year, Dive! Tutukaka is New Zealand's largest dive charter operator.

IT PROVIDES A BENCHMARK FOR OTHER TOURISM BUSINESSES TO ASPIRE TO.

A key factor in the company's success has been its commitment to the environment – something that is particularly important to its customers. It has pushed to have the Poor Knights Marine Reserve made into a World Heritage Park and it provides financial support to local conservation boards. It also educates staff, visitors, and the wider public about the importance of preserving the marine environment.

DIVE! TUTUKAKA IS QUALMARK ACCREDITED AND THE COMPANY STRONGLY SUPPORTS THE QUALMARK SYSTEM.

'The Qualmark system gives our customers the benefits of an independent audit to check the quality and delivery of our product,' says the director, Jeroen Jongejans.

Dive! Tutukaka is continually upgrading its service. It has launched several innovative products over the past three years, including the use of underwater video cameras, which are linked to television screens on-board the boats.

The company weaves Maori and natural history information into the experience it offers. It also provides annual trips to the Poor Knights Islands to local school children, who are introduced to scuba diving and taught about the environmental treasures on their doorstep.

Dive! Tutukaka's success as a top-quality tourism venture has been further confirmed by several international endorsements. These include being nominated as a National Geographic dive centre – the only one in New Zealand – and twice winning the prestigious PADI ASIA PACIFIC award for Most Outstanding Business and Tourism Operator, in 2005 and 2007.



OUTCOME TWO:

NEW ZEALAND'S TOURISM SECTOR IS

PROSPEROUS

AND ATTRACTS ONGOING INVESTMENT



Abel Tasman National Park. Photo: Antonia Westmacott

OVERVIEW

THE SUCCESS OF NEW ZEALAND'S TOURISM SECTOR IS ULTIMATELY DEPENDENT ON THE PERFORMANCE OF THE BUSINESSES WITHIN IT. IF THEY ARE SUCCESSFUL, THE SECTOR WILL KEEP GROWING, WHICH WILL DELIVER SIGNIFICANT BENEFITS TO THE BUSINESSES THEMSELVES, TO THEIR COMMUNITIES, AND TO THE NEW ZEALAND ECONOMY AS A WHOLE.

SUCCESSFUL TOURISM BUSINESSES

Successful businesses will underpin a prosperous tourism sector that attracts ongoing investment and can deliver significant benefits for New Zealand's economy, communities, and businesses. Prosperous businesses:

- provide owners with attractive returns on the capital they have invested, allowing them to reinvest in quality staff and expand their businesses
- generate income and create employment opportunities for their communities
- create sustainable economic growth, generate export earnings, and help New Zealand become more internationally connected.

TO INCREASE THE VALUE OF TOURISM AND TO DELIVER ON OUR VISION TO 2015, THE TOURISM SECTOR NEEDS TO PROSPER AND GROW IN A SUSTAINABLE WAY.

Tourism's contribution to New Zealand's gross domestic product has increased since 2001. Revenue has increased, and there are now more international visitors, more tourism businesses, and more people working in the tourism industry. This represents significant financial and human investment.

The Strategy has a strong focus on increasing the return on that investment.

In particular, it is important to increase the economic value of each individual visitor. This is one way of making sure the sector keeps growing despite some of the challenges it faces. These include labour shortages and the highly seasonal nature of the industry.

These seasonal patterns have proved very difficult to shift. The gap between high, shoulder, and off-peak season business creates problems such as assets being underused, difficulties in retaining staff, constraints on productivity, and difficulties meeting demand during the relatively brief peak periods.

WHAT MAKES A SUCCESSFUL TOURISM BUSINESS?

Successful tourism businesses are those that identify the mix of products and financial strategies that generate the best sustainable returns. These businesses will:

- focus on maximising profit and maintaining the long-term success of the business by
 - using resources such as staff, capital, and energy more efficiently
 - developing quality products that are highly valued by visitors and that can be priced accordingly
 - planning and marketing effectively, including investing in quality accreditation and environmental sustainability initiatives
- reinvest or successfully attract capital investment to allow the business to grow and develop
- implement business solutions to increase demand across the shoulder seasons and the off season so that assets are used more often and staff can be retained
- compete successfully for an appropriately skilled and knowledgeable workforce
- compete successfully in the international marketplace.

These are the business fundamentals that will underpin a prosperous and profitable tourism sector. They will ensure a successful, economically sustainable future for New Zealand's tourism sector and, by doing so, will deliver on the vision of the Strategy.

LOOKING FORWARD

WHAT ARE THE OPPORTUNITIES WE HAVE AND THE CHALLENGES WE NEED TO TACKLE IN ORDER TO CREATE A TOURISM SECTOR THAT IS PROSPEROUS AND ATTRACTS ONGOING INVESTMENT?

LIFTING BUSINESS PERFORMANCE

For businesses to develop and increase their return on investment, their owners need more financial and management skills. This is a particular problem for the small and medium-sized businesses that make up a substantial part of the sector.

Better general management skills are particularly important. Many studies have shown that managers in New Zealand lack important skills, such as financial skills and the skills needed to compete in international markets. They cannot gain these skills on their own. Tourism is a competitive and demanding commercial environment and the sector needs to help them.

A range of business assistance programmes has already been developed to do this. However, they lack a consistent approach and there is confusion about which programme or organisation to take the lead from. We need to rationalise the existing programmes and to start focusing on lifting business performance to increase return on investment.

Businesses could also cluster together to allow economies of scale and more efficient use of resources, such as managing supply chains or investing in marketing. There are opportunities for operators to share services in order to lower costs, especially in the shoulder period and off season. In the accommodation sector, for example, there are opportunities to improve investor prospects through pricing strategies, benchmarking, and more effective cooperation both within the accommodation sector and between it and other parts of the industry.

Better access to broadband internet services is also essential to allow businesses to operate efficiently and deliver a world-class visitor experience. At present many tourism destinations and businesses are located in parts of New Zealand that do not have access to broadband services. Visitors use the internet for the initial planning of a holiday, and then for booking accommodation and activities while in New Zealand. They expect at least the same level of access to broadband internet services that they would enjoy in their home country or region, as well as good cellphone reception.

Widespread broadband internet access provides for much greater consistency in the provision of quality websites, online brochures and online booking capability. For these reasons, it is important that key New Zealand tourism destinations are given priority for the introduction of broadband technology as the New Zealand Digital Strategy¹⁴ is implemented. The tourism industry must work to ensure that improvements are matched by a commitment to provide quality, up-to-date content and booking services that meet the expectations of visitors.

MAXIMISING RETURNS FROM OUR TARGET VISITORS

The recent focus on attracting Interactive Travellers has been very successful. Their numbers have increased proportionately more than other segments of the market. This has helped make sure there is a good match between the products we offer and the experiences they are looking for.

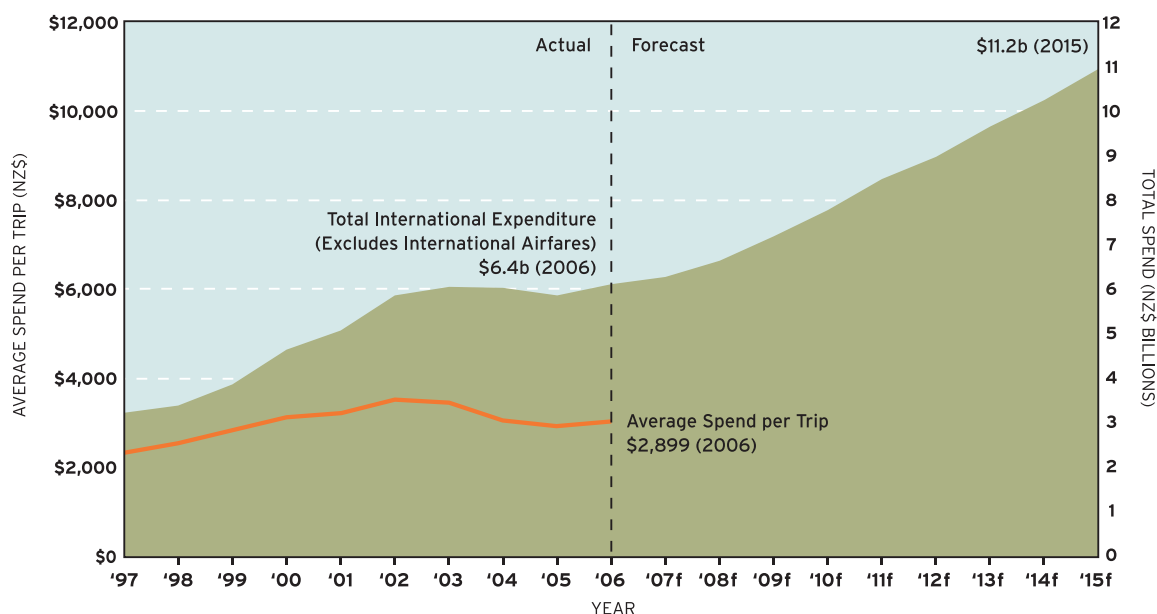
Their seasonal and regional spread is also better than other visitors, and they are generally more satisfied with their experience and more likely to recommend New Zealand to others.

While Interactive Travellers have higher average disposable incomes than other visitors, this is not currently reflected in how much they spend while they are here. We need to look at getting better returns from this target market as the focus on Interactive Travellers evolves between now and 2015. However Tourism New Zealand will always have a targeting and segmentation strategy and the tourism industry will always need to be able to maximise its returns from that strategy.

As Figure Four shows (see overleaf), over the past decade growth in total visitor expenditure has been almost solely due to growth in visitor arrivals (noting that this graph does not reflect the impact of currency fluctuations on visitor spending).

¹⁴ Further information about the New Zealand Digital Strategy is provided in Appendix B.

FIGURE FOUR: TOTAL INTERNATIONAL VISITOR EXPENDITURE (ACTUAL AND FORECAST) AND AVERAGE SPEND PER TRIP



Please note: exchange rate fluctuations are not reflected in this graph.

Source: International Visitor Survey and New Zealand Tourism Forecasts 2007-2013 (Ministry of Tourism)

In order to get the maximum possible returns from our target market and increase visitor expenditure at a faster rate than visitor arrivals we must:

- develop appropriate, profitable products, based on visitors' willingness to pay
- encourage tourism operators to use research and development, marketing, pricing, up-selling, and/or cross-selling to generate greater returns
- make sure that visitors are aware of the products and opportunities available
- focus our marketing on attracting visitors who deliver the best sustainable economic return to New Zealand.

ATTRACTING AND RETAINING AN APPROPRIATELY SKILLED WORKFORCE

People are the tourism sector's major asset, and interactions between visitors and hosts are what visitors value, remember, and get great satisfaction from.

The tourism sector employs approximately one out of every 10 people in New Zealand's workforce. It is a labour-intensive industry that offers exciting and varied opportunities, but like most other sectors, it is now facing some real challenges created by recent changes in the labour market. These changes include:

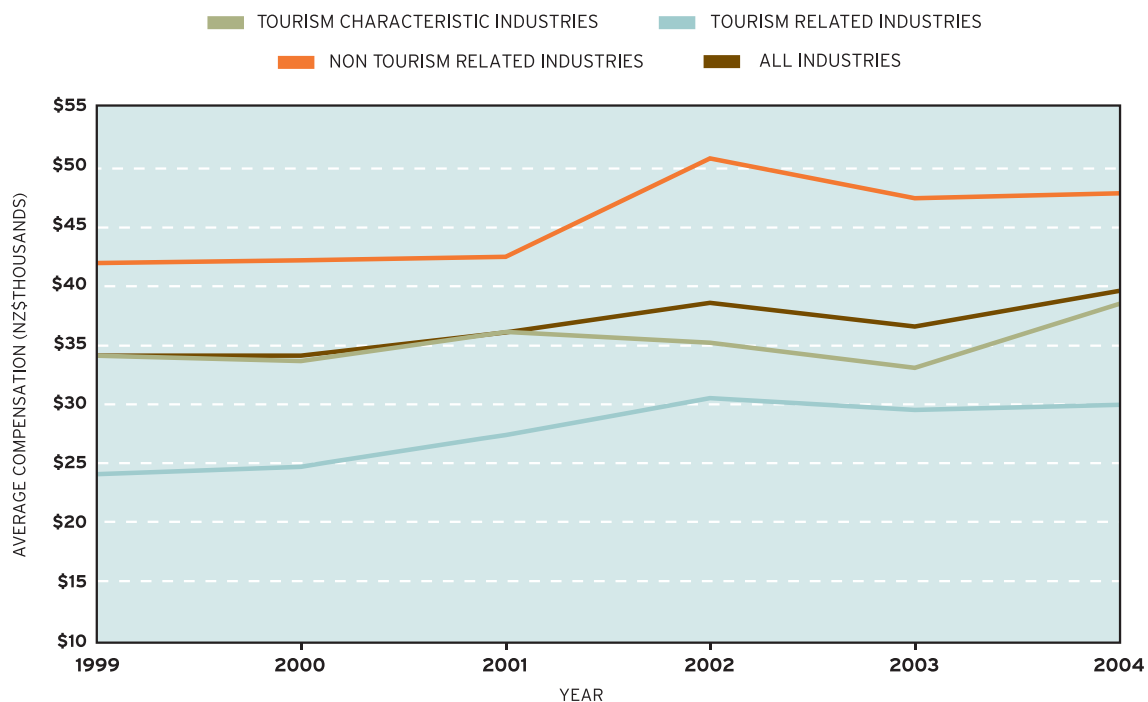
- a drop in unemployment to unprecedented levels (currently stable at approximately 3.6%)
- a corresponding rise in labour to full utilisation levels (hours worked by those in employment)
- shortages of skilled, semi-skilled, and unskilled labour right across the economy
- the emergence of tourism-specific skill shortages, particularly to meet future growth based on the industry's current structure.

Changes in New Zealand's workforce are also occurring. As the baby boomer generation starts to leave the workforce, there are fewer people replacing them. These conditions are not expected to change in the medium and longer term. This means we have to find solutions which will work in this new labour-market environment.

Immigration is one possible source of staff, although the sector's need to provide a unique and authentic New Zealand experience limits the scope for this. However, targeted programmes, such as working holiday schemes, have a role to play in filling critical skill gaps that cannot be otherwise addressed.

In the past, significant tourism volume growth has been possible through the availability of relatively inexpensive labour. However, in a tight labour market, tourism wages do not compare well with other sectors (see Figure Five). Making wages more competitive is an essential part of attracting and retaining appropriately qualified and skilled staff. It is also important to develop good employment relationships by providing training and career options for employees, as well as flexible work practices.

FIGURE FIVE: EMPLOYMENT COMPENSATION BY INDUSTRY



Source: Tourism Satellite Account 2006 (Statistics New Zealand)

No single initiative will address these labour challenges, but if they are given sufficient priority they can be managed in ways that will result in a more resilient and prosperous industry.

TRAINING AND DEVELOPMENT IN THE TOURISM SECTOR

Training and development has a critical role to play in tourism. Well-trained people tend to be more satisfied, which improves productivity through efficiency gains, a better-quality product, better service delivery, and reduced costs. This can translate directly to improvements in the financial performance of the business, and reduce the need for additional labour.

A focus on education and training across all aspects of the tourism sector is required. We need people who have the skills and personal attributes to deliver a world-class New Zealand experience. Also, people should be attracted to the tourism sector by its reputation as a place to gain skills and grow professionally.

This need for more education and training has already been identified by the Tourism and Hospitality Workforce Strategy¹⁵. The Workforce Strategy, which is currently being implemented, calls for a whole-of-industry approach to identify solutions at both national and regional levels. The actions and priorities of this Strategy are aligned with those in the Workforce Strategy. The tourism sector will only achieve the prosperity it wants with a skilled and capable workforce.

Recent reforms in the tertiary sector mean courses are now funded based on their strategic relevance to industry rather than student numbers. If the sector wants to achieve gains from this change it must become an active partner with the tourism education and training sector. The way forward demands excellent, relevant courses with increasing national consistency. It also demands workplace training, and creative, innovative and flexible learning solutions that are not restricted by traditional boundaries between business, educational institutions and industry training organisations.

Tourism also has strengths that can be used to gain advantages in the labour market. The sector is seen as exciting and dynamic, it can offer flexible working hours and part-time options, and it offers employment opportunities in regional communities. It can also broaden its traditional labour pool to include mature workers seeking interesting and flexible employment.

CHANGING OUR SEASONALITY PATTERNS

New Zealand tourism has traditionally built its growth on high demand over the summer months. Domestic demand also peaks during this period, reinforcing the industry's seasonal pattern.

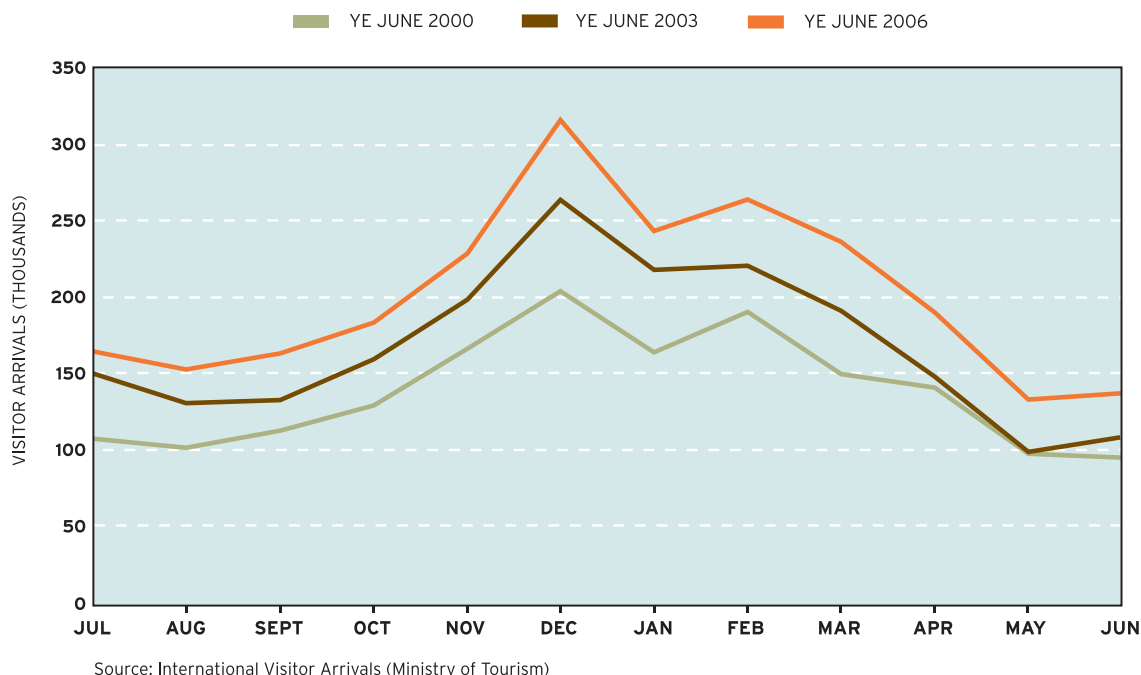
The New Zealand Tourism Strategy 2010 identified the importance of managing seasonality as a way of making sure that assets are used more, increasing employment opportunities, reducing congestion, and improving return on investment. Some recommendations made at that time have gained traction, including:

- regional differentiation strategies by Regional Tourism Organisations and Tourism New Zealand, and marketing partnerships specifically targeting off-season travellers in Australia
- recognising the benefits of major off-season events, such as the Lions tour held over the 2005 winter
- developing less season-specific markets, such as conferences.

The increase in the number of Interactive Travellers has helped spread arrivals into the shoulder season. However, as Figure Six shows, the growth in international visitors has generally reinforced existing seasonality patterns.

¹⁵ Further information about the Tourism and Hospitality Workforce Strategy is provided in Appendix B.

FIGURE SIX: SEASONALITY OF INTERNATIONAL VISITOR ARRIVALS



We need to stimulate demand outside the peak season. One way of doing this is by holding cultural and sporting events during this time. To do this the industry needs to work together with local and central government. One recent example is the united effort made to win the hosting rights for the Rugby World Cup in 2011.

Marketing campaigns designed to attract visitors during the off-season months are another way of managing seasonality. This has worked in the Australian market, and it needs to be the focus for emerging markets such as India and China, where people tend to travel outside the high season anyway.

Business travellers are another source of shoulder and off-season visitors. They already tend to travel outside the busiest period, and products could be developed to encourage them to extend their stay.

Conferences and conventions are another source of shoulder and off-season demand. These kinds of events generate high expenditure and often include add-on leisure travel. Building this market is one way of managing seasonality. However, this cannot happen until we have a venue that can cater for major conventions, most likely in Auckland.

Arts, culture, and heritage tourism also have a role to play in broadening our off-season appeal, as does cruise travel. So does providing all-weather options, which have advantages during the high season as well.

IMPROVING OUR RESEARCH

The tourism sector already understands the importance of good information. It uses key data and research to underpin decisions about investment, allocating resources, product development, policies, and marketing.

The sources of this information include private research carried out by individual businesses, regional information gathered by Regional Tourism Organisations, and academic research undertaken by universities. Information also comes from data prepared by financial institutions, and information compiled by industry bodies and by Tourism New Zealand and the Ministry of Tourism.

The sector is better placed than it was in 2001, particularly with the development of the Core Tourism Data Set, which is managed by the Ministry of Tourism. New partnership projects, such as the Regional Visitor Monitor and the New Zealand Hotel Council collections, have also been developed, and a major research project has been undertaken on tourism sector yield.

However, our research needs to improve. We also need to focus on data that is accurate at regional levels, and on measures that more accurately reflect the net benefits and costs of tourism, particularly in terms of economic and environmental sustainability.

Funding mechanisms for research, as currently configured, contribute only a proportion of the sector's needs. The development of new funding mechanisms, including industry and government partnership approaches, is essential to ensure that key research is carried out. We also need to look more strategically at the sector's long-term research needs.

SETTING PRIORITIES FOR A PROSPEROUS TOURISM SECTOR

FOR NEW ZEALAND'S TOURISM SECTOR TO BE PROSPEROUS AND ATTRACT ONGOING INVESTMENT, WE NEED TO MAKE SURE THAT:

- **TOURISM BUSINESSES IDENTIFY AND PUT IN PLACE STRATEGIES THAT WILL CONSISTENTLY INCREASE THEIR RETURNS ON INVESTMENT**
- **BUSINESSES DELIVER PRODUCTS AND EXPERIENCES THAT MEET THE EXPECTATIONS OF HIGH-VALUE VISITORS**
- **TOURISM ATTRACTS AND RETAINS AN APPROPRIATELY SKILLED WORKFORCE**
- **THE TOURISM SECTOR IMPROVES DEMAND DURING THE OFF-SEASON**
- **NEW ZEALAND'S TOURISM RESEARCH IS ACCESSIBLE, TIMELY, HIGH-QUALITY, AND RELEVANT TO THE DECISIONS THAT NEED TO BE MADE.**

ACTIONS NEEDED FOR A PROSPEROUS TOURISM SECTOR

TOURISM BUSINESSES IDENTIFY AND PUT IN PLACE STRATEGIES THAT WILL CONSISTENTLY INCREASE THEIR RETURNS ON INVESTMENT

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

1. Improve resource efficiencies, workforce management, and profitability opportunities for all businesses through more clustering, joint ventures, and other industry cooperation initiatives.
2. Encourage the hotel industry, inbound tour operators, and airlines to work together on things such as pricing, seasonal campaigns, and the way products are packaged to increase occupancy rates and profitability.
3. Streamline and improve the focus of existing business-assistance programmes to help operators increase their return on investment and develop quality products.
4. Build management capability by identifying and developing staff to undertake effective management training programmes.
5. Make sure that tourism operators and destinations get better access to broadband services when the New Zealand Digital Strategy is being implemented.

STAKEHOLDERS: tourism operators, Tourism Industry Association, tourism industry associations, Ministry of Tourism, Tourism New Zealand, Ministry of Economic Development

BUSINESSES DELIVER PRODUCTS AND EXPERIENCES THAT MEET THE EXPECTATIONS OF HIGH-VALUE VISITORS

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

6. Target those markets that are likely to spend more than average.
7. Develop existing products and services so that they increase the value of the visitor experience and encourage higher levels of spending.

8. Provide better service delivery and interpretation, including on-site interpretation at visitor attractions.
9. Ensure businesses have access to research and other market intelligence to assist them in their product development.

STAKEHOLDERS: Tourism New Zealand, Regional Tourism Organisations, tourism operators, Tourism Industry Association

TOURISM ATTRACTS AND RETAINS AN APPROPRIATELY SKILLED WORKFORCE

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

10. Implement the Tourism and Hospitality Workforce Strategy by:
 - making sure the tourism sector has a strong voice with labour, education and training policy makers
 - identifying and promoting opportunities for the sector to increase its productivity.
11. Get more benefits from education and training through an active partnership with the education and training sector. This should be underpinned by closer links between businesses, providers of training, and industry-training organisations. The industry also needs to coordinate its input to the Tertiary Education Commission reviews.
12. Identify opportunities to make the best use of people, including:
 - investing in technology that improves business efficiency and means that employees are engaged in the most productive activities
 - developing visitor experiences that are less labour-intensive but do not compromise quality.
13. Seek targeted immigration to fill critical skill gaps and provide workers during the peak period. This will require coordination within the industry, and cooperation with the Department of Labour.
14. Develop ways for tourism businesses to monitor labour productivity and improve the contribution that their people make to the performance of their business.

STAKEHOLDERS: Tourism and Hospitality Workforce Leadership Group (Tourism Industry Association, Hospitality Standards Institute, Hospitality Association of New Zealand, Aviation, Tourism and Travel Training Organisation, Ministry of Tourism, Department of Labour, New Zealand Hotel Council, Bus and Coach Association New Zealand, Sport, Fitness and Recreation Industry Training Organisation), tourism operators

THE TOURISM SECTOR IMPROVES DEMAND DURING THE OFF-SEASON

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

15. Bid for, and secure, major international events, which will help reduce seasonality.
16. Coordinate existing conference and incentive marketing activities to increase the performance in this market.
17. Invest in marketing initiatives that target those domestic and international visitors who are more likely to travel in the shoulder and off-peak seasons.

18. Identify and develop products that are likely to increase travel during the shoulder and off-peak seasons. Examples include Matariki and the Pasifika Festival. Products with all-weather options are another possibility.

STAKEHOLDERS: Tourism New Zealand, Regional Tourism Organisations, Ministry of Tourism (Events), Tourism Industry Association, Automobile Association, Conferences and Incentives New Zealand, Māori Regional Tourism Organisations, New Zealand Trade and Enterprise

NEW ZEALAND'S TOURISM RESEARCH IS ACCESSIBLE, TIMELY, HIGH-QUALITY, AND RELEVANT TO THE DECISIONS THAT NEED TO BE MADE

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

19. Develop and fund an industry-government partnership model to advance sector research, including determining priority research and then directing, funding, and managing the delivery of this research.
20. Establish quality measures for the Core Tourism Data Set and develop and implement ways of achieving the agreed quality standards.
21. Make more sectoral and regional data available to the sector through:
 - further analysis of existing data sources
 - collecting additional data through industry partnerships.
22. Establish a set of measures to track performance in the sector, including financial performance, managing seasonality, and increasing visitor satisfaction.

STAKEHOLDERS: Ministry of Tourism, Tourism Industry Association, research providers, Statistics New Zealand, academic institutions



LEADING THE WAY IN GROWING DOMESTIC TOURISM: POSITIVELY WELLINGTON TOURISM

When it comes to making the most of the domestic tourism market, Positively Wellington Tourism is a leader. The capital's tourism marketing agency has helped the city establish a niche for itself, most recently with the successful 'Have a Love Affair with Wellington' campaign.

Wellington's domestic tourism campaign began more than 10 years ago, in a bid to increase the weekend occupancy rate at the city's hotels. In the mid 1990s the average hotel weekend occupancy was between 30 and 40%.

THANKS TO THE WORK OF POSITIVELY WELLINGTON TOURISM, AND THE SUPPORT OF THE INDUSTRY, THAT HAS NOW DOUBLED TO 69%.

"Wellington's success has only been possible because of collaboration and partnership," says Positively Wellington Tourism CEO Tim Cossar. "We are funded by Wellington City Council, and leverage that investment through private sector partnerships. Our 'Have a Love Affair with Wellington' campaign is supported by Air New Zealand, Te Papa, and 22 Wellington hotels."

As well as doubling hotel occupancy, Wellington has continued to increase its domestic visitor market. Domestic visitor nights for the year ended June 2007 were up 12% on the previous year.

The growth of Wellington's events programme has played a key role in driving this growth. The city has also gained some major assets over the past decade, helping to make it an exciting visitor destination. These include Te Papa and the Westpac Stadium. The airport has also been redeveloped and Wellington's downtown area has become more vibrant.

POSITIVELY WELLINGTON TOURISM HAS MATCHED THE CITY'S DEVELOPMENT WITH ITS LEADING-EDGE DOMESTIC MARKETING.

"It's important for us to remain creative in our approach to domestic tourism," says Tim. "Wellington has a wealth of amazing experiences to offer visitors. It's our role to showcase these to their best advantage, in order to deliver direct benefits for our tourism sector and city."

That creativity was recognised in 2006, when the 'Have a Love Affair with Wellington' campaign won the Tourism Marketing award in the Tourism and Transportation Services section at the Tourism Industry Awards. It was also the Major Category Winner of the same section.

A scenic landscape photograph of a lake and mountains. A person wearing a hat and a dark jacket is standing on a wooden boardwalk path, looking out over the water. The sky is blue with some clouds. In the top left corner, there is a white line-art graphic of a hand holding a leaf.

OUTCOME THREE:

THE TOURISM SECTOR TAKES A LEADING ROLE IN PROTECTING & ENHANCING NEW ZEALAND'S ENVIRONMENT

Kepler Track, Te Anau. Photo: Tourism New Zealand

OVERVIEW

NEW ZEALAND'S ENVIRONMENT IS OUR TOURISM PRODUCT. IT IS THE MAIN REASON WHY INTERNATIONAL VISITORS COME HERE, IT IS IMPORTANT FOR DOMESTIC TRAVEL, AND IT FORMS THE BASIS OF THOUSANDS OF TOURISM BUSINESSES.

The stories we tell about our landscape, and the people and culture that exist within it, add meaning and value to the world-class visitor experiences New Zealand offers.

The 100% Pure New Zealand campaign has been extremely successful for New Zealand tourism. It has helped define how our country and the products we export are viewed around the world. This positive image has been reinforced by the leadership we have shown in managing one-third of the country as public conservation lands, which has international recognition.

Over the past few years, there has been a growing desire by all New Zealanders to respond to environmental challenges, especially those created by climate change¹⁶. The need for environmental management is increasingly being seen as a whole-of-nation issue, which requires a significant response across all areas of the economy.

The tourism sector needs to protect and enhance the environment on which it depends, so that it can continue to be enjoyed by future generations and future visitors. This is not optional – it is a necessity if tourism is going to continue to be one of New Zealand's biggest export industries.

LEADING THE WAY

The sector's goal is ambitious – to take responsibility, to take action, and to show leadership to the rest of New Zealand and the world. To achieve this, tourism must be the first and most visible sector in New Zealand to meet, or exceed, new environmental standards and take up new environmental initiatives. To do this, New Zealand needs a national environmental management plan.

Opinions about the best way to deal with climate change are evolving rapidly. The tourism sector needs to be well informed so that it can respond quickly and appropriately as views change and new environmental management measures are implemented.

Existing initiatives to reduce the environmental impact of tourism in New Zealand are wide ranging. Examples include the Kaikoura community's Green Globe status, investment in fuel-efficient aircraft and coaches, and the recent decision to make the annual Tourism Industry Conference and TRENZ¹⁷ carbon neutral.

¹⁶ Nick Jones, Nick Jones and Associates, Tourism Industry Conference 2007.

¹⁷ Tourism Rendezvous New Zealand.

However, they tend to be developed in isolation. This means that while more tourism operators are moving towards more environmentally focused business practices, the gains have been ad hoc and they have lacked coordination and visibility.

If New Zealand's tourism sector is to succeed in protecting and enhancing the environment on which it depends, it must, with other stakeholders, have a shared understanding of what it wants to achieve. It must demonstrate leadership, both internationally and within New Zealand. It must consider the environmental motivations and expectations of our visitors, and it must deliver superb environmental management throughout the industry.

LOOKING FORWARD

WHAT ARE THE OPPORTUNITIES WE HAVE, AND THE CHALLENGES WE FACE IN DELIVERING THE TOURISM SECTOR'S VISION FOR AN INDUSTRY THAT PROTECTS AND ENHANCES NEW ZEALAND'S ENVIRONMENT?

UPHOLDING THE VALUE OF KAITIAKITANGA

Kaitiakitanga gives a basis for a distinctively New Zealand approach to managing our natural and built environment. It is a value that is firmly connected to our indigenous culture and history.

Kaitiakitanga means guardianship, care, and protection, recognising that:

**WHATU NGARONGARO TE TANGATA, TOITU TE WHENUA
MAN WILL PERISH, BUT THE LAND REMAINS**

The principles of kaitiakitanga stress the importance of managing natural, cultural, and built resources for the collective benefit of the people living here now, and those who will live here in the future.

All members of the tourism sector must understand and support these principles in order to protect the environment. Respecting the principles of kaitiakitanga will give New Zealanders a shared foundation for future action.

It also conveys a powerful message to visitors about the value of the connection that New Zealanders have with their landscape, which is an integral part of our national identity.

EXCEEDING THE EXPECTATIONS OF INTERNATIONAL AND DOMESTIC VISITORS IN OUR ENVIRONMENTAL PERFORMANCE

New Zealand is a long-haul destination for most of our international markets, which makes it vulnerable to the growing concerns about carbon emissions and the environmental impacts of tourism. These are increasing in some of our core markets, such as the UK and Germany.

In addition, visitors arrive expecting to see the same sort of environmental standards that exist in their home countries. In many cases these are more stringent than ours.

Opinions about and responses to environmental concerns, especially climate change, are developing all the time. Given our distance from key markets, the expectations raised by the 100% Pure New Zealand campaign, and the nature of our product, New Zealand's tourism sector needs to respond to environmental challenges visibly and promptly. This will help us gain competitive advantages internationally.

We need to focus on two areas – ways of reducing and mitigating carbon emissions and improving environmental management in a visible and credible way.

REDUCING CARBON EMISSIONS

The tourism sector generates only about 6% of New Zealand's greenhouse gas emissions, a relatively small contribution compared with other sectors. However, for international visitors, the flight to and from New Zealand accounts for 90% of the carbon emissions generated by their visit¹⁸.

Airlines are becoming increasingly fuel efficient, and Air New Zealand has one of the world's most fuel-efficient fleets. However, despite increasing fuel efficiency, carbon emissions from air travel are expected to increase because of forecast growth in worldwide travel.

We need to work with Air New Zealand and other airlines to provide our visitors with options to minimise and mitigate the carbon emissions they generate travelling to and within New Zealand. These initiatives need to address consumers' concerns about climate change, and focus on areas that will have the greatest environmental impact. Good market intelligence is needed to obtain this information.

Within New Zealand, transport emissions dominate the industry's carbon footprint. They account for about 75% of the tourism sector's energy use and carbon emissions, most of which are generated by internal air travel, private and rental vehicles, and coaches.

We need to look at ways that travellers can reduce the impact their transport use has. Options include:

- promoting holidays based in just one region
- encouraging the use of lower impact forms of transport, such as coaches instead of planes
- encouraging the use of public transport, bicycles, or walking
- providing more fuel-efficient vehicle fleets
- introducing carbon offsetting mechanisms.

The New Zealand Emissions Trading Scheme will assist in the reduction of emissions by factoring the cost of emissions into the price of transport fuels, and therefore encouraging more efficient fuel use.

Tourism operators can lead the way by being among the first to buy Euro IV and V diesel engines, using biofuels, and adopting emissions testing as part of their regular fleet maintenance.

ENVIRONMENTAL MANAGEMENT IN NEW ZEALAND

To achieve the results we want, and to fulfil the tourism sector's desire to show leadership in protecting and enhancing our environment, the sector's own environmental performance must improve. This will produce many benefits for innovative businesses.

Tourism operators need to develop products that are attractive to environmentally focused domestic and international visitors. To do this, they need to know what visitors expect in terms of leading-edge environmental management. They then need to respond to these expectations in a way that is sincere and focuses on those things that will genuinely improve New Zealand's environment.

¹⁸ TIA, 2002; Landcare Research 2006.

The whole sector needs to develop a product base that is so appealing to visitors that they are willing to make personal trade-offs in terms of cost, or reducing their own environmental impact, because of the unique, high-quality experience they will have in New Zealand.

A number of environmental management programmes already exist for businesses and government. Some include certification. Green Globe is an international programme for tourism businesses and Qualmark is developing environmental accreditation specifically for New Zealand's tourism sector.

One of the key contributions tourism operators can make to New Zealand's environmental performance is to adopt more sophisticated environmental management practices. The sector can help operators work towards best practice in this area by providing advice that is easy to understand and implement, including guides and toolkits.

Waste management practices also need to improve to bring New Zealand into line with the standards in many of the countries our international visitors come from. This includes effectively managing roadside rubbish and campervan waste, and providing recycling services in public spaces, such as downtown areas and airports.

High standards in waste management and consistency across urban and rural areas are an essential part of effective environmental management. It is also essential to protect and enhance the quality of water used for drinking, recreation, and conservation purposes.

THE NEED FOR A NATIONAL APPROACH

The 100% Pure New Zealand campaign is a global success story for New Zealand. It adds value to our national brand, to other export industries such as food and beverages, and to experiences such as winery visits, farm tours, and visiting farmers' markets.

However, the campaign creates expectations about the type of experience visitors will get when they come here. The tourism sector is ready to take a lead in adopting environmental initiatives. But if we are to deliver on our 100% Pure brand, all areas of the economy must be equally and visibly responsible for our environment.

The tourism sector needs to engage with local, regional, national, and international organisations in order to implement initiatives that will protect the environment. Examples of initiatives that are already in place include:

- the Sustainable Water Programme of Action
- the Transport Strategy and new transport regulations
- the Energy Strategy
- the New Zealand Emissions Trading Scheme
- the Biosecurity Strategy
- the Waste Strategy.

The sector also needs to encourage the Government and business leaders to introduce innovative programmes that would help New Zealand become a world leader in environmental responsibility.

Historically, national policies that affect tourism's environmental performance have been inconsistent. The Resource Management Act 1991 was a world leader in legislating for an effects-based approach to development. However, because New Zealand lacks vehicle-import standards and emission controls, old coaches that emit high levels of carbon have been imported into the country for many years.

National regulations governing transport and waste management will make a huge difference to the sector's environmental performance. However, such standards are economy-wide in scope; they cannot be introduced by the tourism sector alone.

New Zealand needs a national environmental management plan to show that it is committed as a country to responding to environmental issues in a clear and coordinated way. This needs to encompass government's 'all of New Zealand' approach to climate change which includes the New Zealand emissions trading scheme. In order to make the most of the opportunities offered by the 100% Pure New Zealand brand, the concept needs to be supported by the infrastructure we provide, our agricultural and manufacturing industries, the service industry, and our way of life. Tourism cannot deliver this on its own.

BENEFITING PEOPLE, PARKS, AND RESERVES

Tourism has brought many benefits for our parks and reserves, the environment, local communities, and regional economies. The tourism sector has played a crucial role in protecting and managing many of New Zealand's threatened ecosystems and flora and fauna. Examples include protecting marine mammals and native bird species, pest eradication, and forest regeneration.

The interests and economic benefits of tourism now form part of the strategic direction being taken by the Department of Conservation (DOC)¹⁹. However, the increasing commercial use of public conservation areas, particularly in the past 10 to 15 years, has led DOC to more actively manage these areas so that their environmental value is not compromised.

Tourism concessionaires make significant investments in the conservation estate. They also help DOC to meet its environmental outcomes. This means that DOC needs to take their investment into account when it is considering concession applications.

However, the concessionaires also have a responsibility to deliver consistently high-quality visitor experiences, meet stringent standards, and achieve best practice in conservation management, whether they are land or marine based.

New Zealand's reputation as a global leader in conservation management gives New Zealand tourism a huge competitive advantage. Learning about and helping to protect the environment should become an important part of a New Zealand holiday experience.

At the same time, creating advocates for the natural environment demonstrates tourism's commitment to the principles of kaitiakitanga and manaakitanga, and can benefit the numerous conservation projects throughout New Zealand that require voluntary assistance to go ahead.

¹⁹ In which decision making is required to recognise society's values, nature's inherent qualities and scientific criteria. View the Strategic Direction at www.doc.govt.nz.

MEASURING OUR PROGRESS

International measures to monitor the environmental impacts of tourism are likely to be developed soon. This may have significant implications for New Zealand's international competitiveness, given how far we are from our long-haul markets. We need to prepare for this by developing a good understanding of the current position.

The first step is to establish baseline measures. This will make it possible for the tourism sector to measure how well it is doing in improving its environmental performance. By regularly measuring our progress, we will then be able to assess what works well, and where better progress or new approaches are needed.

We also need to establish baseline information on the attitude of travellers to environmental sustainability and climate change. Once those are established we can keep gathering information that will help us understand and respond to any changes in what our customers want.

As an initial step, Tourism New Zealand and the Ministry of Tourism are using existing surveys to establish our customers' attitudes to sustainability and climate change issues, and how they behave towards the environment when they are at home.

SETTING PRIORITIES TO PROTECT AND ENHANCE NEW ZEALAND'S ENVIRONMENT

FOR THE TOURISM SECTOR TO TAKE A LEADING ROLE IN PROTECTING AND ENHANCING NEW ZEALAND'S ENVIRONMENT, WE NEED TO MAKE SURE THAT:

- THE TOURISM SECTOR CONTRIBUTES TO A WHOLE-OF-NEW ZEALAND APPROACH TO ENSURE THAT NEW ZEALAND'S ENVIRONMENT WILL CONTINUE TO BE ENJOYED BY FUTURE GENERATIONS AND VISITORS, IN THE SPIRIT OF KAITIAKITANGA (GUARDIANSHIP)
- THE EXPECTATIONS OF OUR VISITORS ARE CLEARLY UNDERSTOOD, AND VISITORS ARE ABLE TO EASILY IDENTIFY AND SELECT PRODUCTS THAT DELIVER GOOD ENVIRONMENTAL PERFORMANCE
- THE TOURISM SECTOR LEADS THE WAY IN INTRODUCING INITIATIVES THAT WILL REDUCE CARBON EMISSIONS AND INCREASE THE ENERGY EFFICIENCY OF TRANSPORT WITHIN AND EN ROUTE TO NEW ZEALAND
- THE TOURISM SECTOR IMPROVES ITS ENERGY EFFICIENCY, ENERGY CONSERVATION, AND USE OF RENEWABLE ENERGY AT ALL LEVELS
- THE TOURISM SECTOR TAKES ACTIVE STEPS TO REDUCE AND MANAGE ITS WASTE, ENCOURAGES OTHER SECTORS TO DO THE SAME, AND ENGAGES WITH THE LOCAL, REGIONAL, AND NATIONAL AGENCIES THAT PROVIDE WASTE-MANAGEMENT STANDARDS AND FACILITIES
- TOURISM BUSINESSES HAVE THE CAPABILITY AND KNOWLEDGE TO TAKE A LEADING ROLE IN PROTECTING AND ENHANCING THE ENVIRONMENT
- THE TOURISM SECTOR, DOC, AND OTHER KEY AGENCIES CONTINUE TO WORK TOGETHER TO MAKE SURE THAT CONSERVATION VALUES ARE ENHANCED
- VISITORS' TOURISM EXPERIENCES GIVE THEM THE OPPORTUNITY TO LEARN ABOUT AND CONTRIBUTE TO NEW ZEALAND'S ENVIRONMENTAL AND CONSERVATION GOALS.

ACTIONS TO PROTECT AND ENHANCE NEW ZEALAND'S ENVIRONMENT

THE TOURISM SECTOR LEADS A WHOLE-OF-NEW ZEALAND APPROACH TO ENSURE THAT NEW ZEALAND'S ENVIRONMENT WILL CONTINUE TO BE ENJOYED BY FUTURE GENERATIONS AND VISITORS, IN THE SPIRIT OF KAITIAKITANGA

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

1. Seek the completion of a national environmental management plan to clearly articulate priorities for all of New Zealand by December 2008.
2. Understand and use the value of kaitiakitanga (guardianship) as the basis for the tourism sector's actions to enhance the environment.
3. Participate in and influence global forums and agreements on environmental issues that affect New Zealand tourism, and implement their requirements.

4. Both advocate for and actively support stronger environmental policies, standards and regulations throughout New Zealand.
5. Develop indicators for the sector (at both a national and operator level) to measure, manage, and monitor environmental impacts, and use these to evaluate performance over time.

STAKEHOLDERS: Ministry of Tourism, Tourism Industry Association, Tourism New Zealand, New Zealand Maori Tourism Council, Maori Regional Tourism Organisations, Regional Tourism Organisations, tourism operators, Ministry for the Environment, Department of Conservation, Ministry of Transport, Local Government New Zealand

THE EXPECTATIONS OF OUR VISITORS ARE CLEARLY UNDERSTOOD, AND VISITORS ARE ABLE TO EASILY IDENTIFY AND SELECT PRODUCTS THAT DELIVER GOOD ENVIRONMENTAL PERFORMANCE

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

6. Understand the environmental aspirations of our current and future international visitors, and how they view New Zealand's environmental management.
7. Use this information in marketing and to develop tourism products, targeting visitors who support New Zealand's environmental values and whose ethics, behaviour, and impacts align with those values.
8. Help consumers to make informed product choices that align with their environmental values by using environmental ratings and labelling, and making consumers aware of environmental accreditation schemes.

STAKEHOLDERS: Qualmark, Green Globe, Tourism New Zealand, Ministry of Tourism, Tourism Industry Association, Regional Tourism Organisations, tourism operators

THE TOURISM SECTOR LEADS THE WAY IN INTRODUCING INITIATIVES THAT WILL REDUCE CARBON EMISSIONS AND INCREASE THE ENERGY EFFICIENCY OF TRANSPORT WITHIN AND EN ROUTE TO NEW ZEALAND

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

9. Make sure that tourism vehicle, aircraft, and boat fleets are New Zealand's most fuel-efficient and produce the lowest emissions possible by, for example:
 - using transport fuels that contain the highest available proportion of biofuels, and encouraging visitors to do the same
 - buying vehicles for commercial and rental fleets that are the most fuel-efficient for their intended use, such as diesel or hybrid vehicles
 - buying Euro IV standard engines for diesel transport fleets, and Euro V standard engines once compatible fuel is introduced on 1 January 2009.
10. Improve the fuel efficiency of operators and visitors by, for example:
 - adopting best-practice standards for fuel-efficient fleet management. This includes engine maintenance, tyre pressure, and reducing visible smoke emissions
 - recommending the most fuel-efficient transport to visitors to meet their travel needs
 - educating operators and visitors about driving to improve fuel efficiency.

11. Work with Air New Zealand and other airlines to develop options that allow tourists to reduce and/or offset the carbon emissions they generate by flying to New Zealand.
12. Support government initiatives to adopt and enforce emissions testing and minimum emissions standards for importing vehicles into New Zealand.
13. Promote the use of public transport, rail, coaches, cycling, and walking as environmentally friendly modes of transport. Advocate for and support the development of the services and infrastructure needed to make these forms of transport possible.

STAKEHOLDERS: Tourism Industry Association, tourism operators, Ministry of Tourism, Energy Efficiency and Conservation Authority, Landcare Research, Bus and Coach Association New Zealand, Ministry for the Environment, Qualmark, tourism industry associations, airlines

THE TOURISM SECTOR IMPROVES ITS ENERGY EFFICIENCY, ENERGY CONSERVATION, AND USE OF RENEWABLE ENERGY AT ALL LEVELS

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

14. Work with organisations such as the Energy Efficiency and Conservation Authority on initiatives to improve environmental management in tourism and to implement the goals of the New Zealand Energy Efficiency and Conservation Strategy.
15. Make sure new buildings and retrofits use the highest possible energy-efficient building standards, and that eco-verified procurement criteria are used when buying products and appliances.
16. Adopt energy-management practices and new technologies to reduce overall energy consumption. This includes using timers, thermostats, occupancy sensors, and renewable and local sources of energy wherever possible.

STAKEHOLDERS: Tourism Industry Association, tourism operators, Ministry of Tourism, Energy Efficiency Conservation Authority, Ministry for the Environment, tourism industry associations, local authorities, the Sustainable Business Network, Department of Building and Housing

THE TOURISM SECTOR TAKES ACTIVE STEPS TO REDUCE AND MANAGE ITS WASTE, ENCOURAGES OTHER SECTORS TO DO THE SAME, AND ENGAGES WITH THE LOCAL, REGIONAL, AND NATIONAL AGENCIES THAT PROVIDE WASTE-MANAGEMENT STANDARDS AND FACILITIES

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

17. Tourism operators must regularly audit the amount of waste they produce, take steps to reduce, reuse, and recycle waste, and provide facilities that encourage visitors to do the same.
18. Work with local government to develop appropriate facilities, standards, and planning for waste management. Examples include public recycling in all main centres, developing policies on freedom camping, and preparing regional waste strategies.

STAKEHOLDERS: tourism operators, Ministry of Tourism, Local Government New Zealand, local authorities, Ministry for the Environment, Department of Conservation, Waste Management Working Group, Tourism Industry Association

TOURISM BUSINESSES HAVE THE CAPABILITY AND KNOWLEDGE TO TAKE A LEADING ROLE IN PROTECTING AND ENHANCING THE ENVIRONMENT

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

19. Encourage tourism operators to use the environmental elements in Qualmark to lift their environmental performance, and look at ways of increasing the uptake of these elements across the sector.
20. Work with Qualmark or other service providers to build operator capability in delivering environmentally sustainable products and services.

STAKEHOLDERS: Qualmark, Green Globe, Ministry of Tourism, Tourism Industry Association, tourism industry associations, Ministry for the Environment, Energy Efficiency and Conservation Authority, Department of Conservation

THE TOURISM SECTOR, DOC, AND OTHER KEY AGENCIES CONTINUE TO WORK TOGETHER TO MAKE SURE THAT CONSERVATION AND RECREATION VALUES ARE ENHANCED

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

21. Take an early interest in the development of national park management plans, conservation management strategies, reserve management plans, marine plans, and other related processes, to make sure that they are developed in a collaborative, proactive style and address the interests and needs of operators, visitors, and local communities.
22. Make sure that all DOC visitor monitoring and evaluation is carried out in a consistent manner, and that the data is used to establish appropriate management objectives and shared with the relevant tourism agencies.
23. Look at developing visitor services and facilities, such as walking and mountain biking tracks and interpretation centres, in places where they can provide social, cultural, economic, and conservation benefits.
24. Investigate potential funding mechanisms for visitors to contribute towards adding value to the visitor experience and the provision of facilities and services on lands and waters managed for the benefit of the public.
25. Manage issues at key sites where important values (environmental, social, or cultural) are perceived to be under pressure environmentally and/or socially.

STAKEHOLDERS: Tourism Industry Association, tourism operators, Department of Conservation, Ministry of Tourism, Local Government New Zealand, local authorities

VISITORS' TOURISM EXPERIENCES GIVE THEM THE OPPORTUNITY TO LEARN ABOUT AND CONTRIBUTE TO NEW ZEALAND'S ENVIRONMENTAL AND CONSERVATION GOALS

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

26. Develop products that make it possible for visitors to reduce their environmental footprint and leave New Zealand 'better than they found it'. Possibilities include conservation projects that encourage visitor interaction, such as ecological restoration, pest eradication, or investment in renewable energy.

27. Make sure all visitors and tourism operators have the opportunity to participate in verified carbon offsetting programmes for any remaining emissions.
28. Develop national guidelines for running major events within New Zealand that incorporate environmental requirements into any government-funded events.

STAKEHOLDERS: Ministry of Tourism, Ministry for the Environment, Department of Conservation, Biosecurity New Zealand, local authorities, environmental interest groups, Tourism Industry Association, tourism operators



AN EXAMPLE OF GOOD ENVIRONMENTAL PRACTICE: WANAKA HOMESTEAD

WANAKA HOMESTEAD DEMONSTRATES THE BENEFITS OF SMART THINKING.

The homestead's stone and timber lodge and adjoining cottages, built in 2003, were designed to blend into the local environment and reflect the area's long history. They were also designed to be as energy efficient as possible.

That means the homestead not only looks good, it saves money too. Its annual monthly power bill is just \$390, compared with \$2000 to \$4000 for most buildings of the same size.

WANAKA HOMESTEAD'S ENERGY EFFICIENCY WAS RECOGNISED WITH A HIGHLY COMMENDED AWARD IN THE 2004 ENERGYWISE AWARDS.

The homestead is warmed by the sun in winter, but it has been designed to make sure it doesn't get too hot in the summer. It has high levels of insulation and double-glazed windows, and it uses solar energy to heat water and provide under-floor heating.

Eight solar-hot-water roof panels soak up the heat of Wanaka's dry, sunny climate. The energy is stored then distributed through a heat exchange system. The hot water, hot tub, and under-floor heating systems operate independently, to provide guests with their preferred temperature and water pressure.

The system is supplemented with LPG during the winter. LPG also provides backup all year round.

THIS GUARANTEES THAT GUESTS ARE ALWAYS WARM AND COMFORTABLE — A TRUE WIN-WIN SITUATION.

The initiatives at Wanaka Homestead not only work environmentally, they also make sound business sense, providing the business with a marketable, competitive edge.



OUTCOME FOUR:

THE TOURISM SECTOR & COMMUNITIES

WORK TOGETHER

FOR MUTUAL BENEFIT

Nelson Arts Festival. Photo: Scott Venning

OVERVIEW

TOURISM NEEDS WELCOMING, WELL-MANAGED COMMUNITIES IF IT IS TO BE SUCCESSFUL. WITHOUT THEM THE SECTOR CANNOT OFFER VISITORS A WORLD-CLASS EXPERIENCE. THE TOURISM SECTOR CAN ALSO OFFER MANY BENEFITS TO THE COMMUNITIES IT OPERATES IN.

Each needs to appreciate and understand the role the other plays. Welcoming, thriving communities will gain substantial economic and social benefits from tourism, and they will help the tourism sector satisfy its visitors.

Communities, with leadership from local government, have a dual role to play.

- They need to welcome and support visitors in the spirit of manaakitanga (hospitality).
- They need to protect their local environment, culture, and quality of life, and manage the effects of tourism in the spirit of kaitiakitanga (guardianship).

Together the tourism sector and communities must identify the type of tourism that will best address their economic, social, environmental, and cultural needs, and the tourism products and positioning that will do that.

This interplay between the tourism sector and communities will deliver on the vision of the Strategy.

CREATING WELCOMING COMMUNITIES

New Zealanders possess a strong spirit of manaakitanga. We offer exceptional and natural hospitality. Manaakitanga is about sharing and mutual respect between hosts and visitors. It recognises that this creates an obligation to care for one another, and to respect those shared experiences.

Friendly, welcoming hosts are the basis of any world-class visitor experience. This is the case whether the visitors come from overseas, come from elsewhere in New Zealand, or are friends or family. We are known for our friendliness, which is one of the main drivers of satisfaction for both international and domestic visitors.

But it takes more than just friendly residents to create a welcoming community. Local government also has a crucial role to play. It needs to provide leadership and undertake destination planning to make sure that communities get the most out of tourism and to minimise any negative effects it might have.

Just as a visitor's holiday can be enhanced or spoiled by the behaviour of local residents, so too can residents have their lives enriched or degraded depending on how well managed tourism experiences are.

The level of expertise and focus that local authorities have in this area varies considerably. This has resulted in uneven visitor and community experiences. Helping local authorities become more skilled at supporting informed management of tourism is a priority for the Strategy.

Local authorities are also under increasing funding pressure, at a time when ratepayers are becoming increasingly resistant to the idea of rates increases. Simply meeting the costs of essential infrastructure and maintaining their resources is expensive. Add in the potential costs of responding to climate change and competing economic development priorities, and tourism can start to seem like a discretionary activity.

However, ad hoc destination management and uncertainty about the funding for destination marketing by the Regional Tourism Organisations means communities may not benefit from tourism as much as they could. It also puts the quality of the visitor experience at risk.

Communities that plan the type of tourism they want and successfully manage its impacts will experience:

- economic benefits from visitor spending in the area
- employment and lifestyle opportunities
- facilities, retail outlets, and services that the local population could not sustain on its own
- a more vibrant, active community. Tourism can help revitalise small towns and create a sense of local identity and pride
- events that give both residents and visitors the opportunity to celebrate and experience what is special and unique about their community. Examples include the Napier Art Deco Festival, the Hokitika Wildfoods Festival, the Whitianga Scallop Festival, and the Bluff Oyster and Southland Seafood Festival
- a reputation that will attract new investment and new residents.

These communities will be vital and welcoming, and they will deliver world-class hospitality to their visitors. This can only be achieved if the tourism sector and communities work together.

The tourism sector needs to engage with local communities to understand their needs and develop relationships that will benefit them both. This will help communities as they plan for the type of tourism – and the type of tourists – that will best meet their long-term objectives. Tourism development needs to be driven by the communities in which it is based.

LOOKING FORWARD

WHAT ARE THE OPPORTUNITIES WE HAVE AND THE CHALLENGES WE NEED TO TACKLE TO MAKE SURE THAT THE TOURISM SECTOR AND COMMUNITIES WORK TOGETHER FOR THEIR MUTUAL BENEFIT?

THE TOURISM SECTOR AND COMMUNITIES SUPPORT EACH OTHER

The Local Government Act 2002 has significantly changed the role of local government and its relationship with the tourism sector. Local authorities are now required to achieve the economic, environmental, social, and cultural outcomes that their community seeks.

This process provides a formal opportunity for communities to engage better with local government. It is essential that the tourism sector takes up this opportunity by providing local authorities with the information they need to understand the value that tourism and visitors can bring to a region. At the same time, tourism operators need to appreciate that not all communities see tourism as a top priority.

It is important to make sure that a community gets the type and the amount of tourism it wants. This will help make sure that the community retains the unique character that makes it attractive to visitors in the first place. Communities with a vibrant and exciting culture and a strong sense of local identity are much more appealing places to visit.

Tourism businesses help communities achieve good environmental, social, and cultural outcomes in many different ways. One example is the Karori Sanctuary in Wellington, a true community enterprise that has delivered social and environmental benefits for local residents. Another is Footprints Waipoua in Northland. It was developed with iwi support and participation, and it delivers a world-class tourism product.

The benefits of tourism are more than economic. By meeting together regularly, the tourism sector, local government, and communities can get a better idea of what these benefits are and what opportunities tourism can offer them all.

PLANNING AND MANAGING TOURISM IN COMMUNITIES

While nature provides the scenic backdrop for New Zealand's tourism experiences, local government provides the setting. It does this principally through its investment in core utilities and infrastructure, and by managing, together with DOC, the country's natural resources. The role of local government is to provide:

- infrastructure and facilities, such as roads, water, waste management, lighting, and, in some areas, public transport. Many local authorities also operate attractions such as museums, art galleries, gardens, sports venues, and events for the enjoyment of both locals and visitors
- visitor information and marketing services through the i-SITE network, signs, and the Regional Tourism Organisations
- planning support for the tourism sector, including regional tourism strategies, destination-management plans, Long-Term Council Community Plans, and District Plans.

This means that local government has a critical role to play in destination management. Only the country's local authorities can make sure that New Zealand's regions, urban environments, and communities meet visitors' needs, and that they get the maximum possible value from tourism. Only the country's local authorities have the power to plan for and manage any unwanted impacts of tourism.

Their ability to do this varies greatly, depending on their size, what skills they have, and how much they focus on tourism. These differences, combined with different approaches to planning, can create confusion and inconsistencies for visitors and communities.

The tourism sector has an opportunity to work with councillors and council officers to make sure they have the best possible information and the right skills to manage tourism in a way that will meet the needs of the community.

Tourism is highly dependent on preserving the quality of our natural environment. New Zealand's scenery and the unspoiled state of much of our environment are a crucial part of the New Zealand visitor experience.

The tourism sector needs to work with local government to manage the impacts of climate change and to develop appropriate planning responses to future development, from housing to wind farms. Areas of scenic beauty, water quality, and coastal access are all examples of where they can work together to protect the long-term interests of communities and the environment, and potential economic impacts on tourism.

INVESTING EFFECTIVELY IN TOURISM COMMUNITIES

Visitor growth and increased tourism activity are putting pressure on local government to invest more in infrastructure.

This raises two key questions:

- Are the costs imposed by the tourism sector being fairly recovered from the sector?
- Has local government planned for and can it fund the infrastructure needed to meet tourism growth and the expectations of visitors and the community?

Infrastructure issues can be challenging for several reasons. These include the long lead times needed for planning, the need to make sure that costs and benefits are spread fairly across different sectors, and the need to build for future capacity within existing funding.

Local authorities too, are, constantly reassessing their economic development priorities. Funding of Regional Tourism Organisations, tourism promotion, and destination management is by no means guaranteed, particularly because councils sometimes see tourism as a discretionary activity. This is even more of an issue in areas where a low rating base is already stretching resources.

Adding to the pressure is the tourism sector's susceptibility to market failure, and the diverse nature of the industry. This makes it extremely difficult to apply and collect an industry-wide levy.

However, the tourism sector recognises that local authorities may have to prioritise their funding and look for new or alternative funding sources. There is some support for the use of targeted rates, as long as the revenue collected is specifically reinvested into tourism destination marketing and management in the region. Wellington, Taupo, Tauranga, and Queenstown all apply targeted rates on the business or tourism sector, to help to fund destination-marketing activities.

PROVIDING GOOD EXPERIENCES FOR VISITORS AND COMMUNITIES

Peak holiday times can create capacity problems in some parts of New Zealand. At peak times, accommodation may be full, public spaces such as parks, beaches, or museums are more crowded than usual, and infrastructure or services may struggle to cope. These services include processing at ports and airports, toilet facilities, and rubbish collection.

However, it is possible to manage crowding and capacity issues, and this is important to protect the quality of experiences for both visitors and locals. Visitors who feel they have been crowded are likely to be less satisfied with their holiday. Local residents who feel overwhelmed by visitor numbers are likely to be less welcoming hosts.

At present, we measure international and domestic visitor satisfaction through several different surveys. However, we could extend our understanding of what drives domestic visitor satisfaction by extending the Regional Visitor Monitor beyond the six regions it now covers.

We also need to develop research to monitor what impact local residents think tourism is having on their communities. That information could be used by local government and by the tourism sector to plan for and manage tourism activities that satisfy both visitors and residents.

DELIVERING REGIONAL BENEFITS

The economic benefits of tourism could be spread more widely if visitors were dispersed more evenly throughout New Zealand. This would also help spread the costs and impacts of tourism, and help prevent problems with crowding and capacity.

Travel itineraries have remained largely the same for the past 20 years, particularly for international visitors. Any changes are usually driven by the introduction of new, innovative products, such as whale watching in Kaikoura, or food and wine in Hawke's Bay. Travel patterns can also change as the market becomes older and shifts away from coach travel to more independent travel.

Concerns about climate change are likely to start affecting whether visitors travel widely throughout New Zealand or remain based in one place.

Communities have a role to play in deciding where and how they would like tourism to occur across their region. Tourism spread also requires planning, infrastructure, and the development of new, innovative products. It is likely to create impacts that will need to be managed.

SETTING PRIORITIES FOR THE TOURISM SECTOR AND COMMUNITIES TO WORK TOGETHER

For the tourism sector to work with communities for mutual benefit, we need to make sure that:

- **THE TOURISM SECTOR IS AN ACTIVE PARTNER IN PLANNING AND MANAGING OUR COMMUNITIES**
- **LOCAL AUTHORITIES UNDERSTAND THE BENEFITS TOURISM OFFERS AND LEAD DESTINATION-MANAGEMENT AND PLANNING INITIATIVES AND PROCESSES TO MAXIMISE THESE BENEFITS**
- **TOURISM DECISION-MAKING BY LOCAL GOVERNMENT, COMMUNITIES, IWI, AND THE TOURISM SECTOR IS INFORMED BY HIGH-QUALITY RESEARCH**
- **REGIONS AND COMMUNITIES PRESERVE AND PROMOTE THEIR LOCAL CULTURE AND CHARACTER AND INCORPORATE THIS INTO ALL ASPECTS OF THE VISITOR EXPERIENCE**
- **CORE INFRASTRUCTURE AND FACILITIES ARE APPROPRIATELY FUNDED.**

ACTIONS FOR THE TOURISM SECTOR AND COMMUNITIES TO WORK TOGETHER

THE TOURISM SECTOR IS AN ACTIVE PARTNER IN PLANNING AND MANAGING OUR COMMUNITIES

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

1. Engage with communities at a strategic level through increased engagement at the governance level – for example, through community boards and councils.
2. Contribute to local government processes by providing coordinated comments and submissions on, for example:
 - district plans
 - long-term council community plans
 - annual business plans
 - regional tourism
 - destination-management or economic development strategies
 - Resource Management Act processes.
3. Use the best available advice and information, such as Have Your Say, published by the Tourism Industry Association, to participate in local government processes.
4. Work with local authorities to increase the value that tourism brings to their communities and to manage and mitigate any undesirable effects.

STAKEHOLDERS: Tourism Industry Association, tourism operators, Regional Tourism Organisations, Maori Regional Tourism Organisations, Local Government New Zealand, local authorities

LOCAL AUTHORITIES UNDERSTAND THE BENEFITS TOURISM OFFERS AND LEAD DESTINATION-MANAGEMENT AND PLANNING INITIATIVES AND PROCESSES TO MAXIMISE THESE BENEFITS

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

5. Refine and promote the tools and statistical resources that now exist to help local authorities to plan for, invest in, and manage tourism.
6. Prepare tourism strategies or destination-management plans that establish what strategic directions, management, infrastructure, and product development are needed and what the community outcomes of tourism will be.
7. Review 'Postcards From Home', the Local Government New Zealand Tourism Strategy.
8. Take part in national decision-making on tourism issues, such as strategy development, policy, and funding.
9. Keep strengthening the governance, management, and operations of Regional Tourism Organisations through wider uptake of the Roles and Guidelines for Tourism Organisations advice produced as a result of the New Zealand Tourism Strategy 2010.
10. Provide certainty of funding to Regional Tourism Organisations and i-SITEs through a more proactive use of the range of funding tools currently available.

STAKEHOLDERS: Ministry of Tourism, Local Government New Zealand, local authorities, Tourism Industry Association, Department of Internal Affairs, Regional Tourism Organisations, Department of Conservation

TOURISM DECISION-MAKING BY LOCAL GOVERNMENT, COMMUNITIES, IWI, AND THE TOURISM SECTOR IS INFORMED BY HIGH-QUALITY RESEARCH

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

11. Make sure that high-quality research is available to local communities to inform decision-making by local government and the tourism sector, including information on the social, economic, environmental, and cultural benefits of tourism to communities.
12. Research affordability issues for domestic tourism, including expectations, price sensitivities, and pricing mitigation options, to inform business positioning, product differentiation, and market segmentation decisions.
13. Research the perceptions and experiences of crowding at times of peak capacity from a community perspective. This includes assessment of impacts on communities and visitor satisfaction, case studies, management options, and tools for local authorities to use. This should sit alongside work previously undertaken by DOC in relation to capacity issues on the conservation estate.

STAKEHOLDERS: Ministry of Tourism, Tourism New Zealand, Tourism Industry Association, Department of Conservation, Regional Tourism Organisations, local authorities, academic institutions

REGIONS AND COMMUNITIES PRESERVE AND PROMOTE THEIR LOCAL CULTURE AND CHARACTER AND INCORPORATE THIS INTO ALL ASPECTS OF THE VISITOR EXPERIENCE

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

- 14.** Strengthen existing events and set up new events and products that promote regional identity and differentiation.
- 15.** Build the capability of the i-SITE network to promote local culture, and build connections with the local tangata whenua and with the iconic landscape of each region.
- 16.** Communicate and promote the concept of manaakitanga and its importance in hosting both domestic and international visitors.

STAKEHOLDERS: Regional Tourism Organisations, New Zealand Maori Tourism Council, Maori Regional Tourism Organisations, Tourism New Zealand, local authorities, Ministry of Culture and Heritage, New Zealand Historic Places Trust, i-SITEs, Tourism Industry Association

CORE INFRASTRUCTURE AND FACILITIES ARE APPROPRIATELY FUNDED

TO ACHIEVE THIS WE NEED TO DO THE FOLLOWING.

- 17.** Assess core needs, and investigate and consider funding models to improve the standard and provision of appropriate infrastructure.

STAKEHOLDERS: Ministry of Tourism, Department of Internal Affairs, Local Government New Zealand



COMMUNITIES AND TOURISM WORKING TOGETHER: THE DEVELOPMENT OF THE OTAGO CENTRAL RAIL TRAIL

AN INNOVATIVE NEW USE FOR A DISUSED RAILWAY LINE HAS HELPED REINVIGORATE SEVERAL SMALL COMMUNITIES IN CENTRAL OTAGO.

The Otago Central Rail Trail is a 150km cycle and walking trail that follows the track of the railway that once ran from Clyde to Middlesmarch. It attracts more than 60,000 people to the area every year.

The railway closed in 1990, at a time when the rural community was in a state of stagnation. But four local residents with vision and passion saw it as an opportunity to develop a new tourism product.

They faced a lot of opposition. Many of the local farmers and landholders who border the trail found it hard to see why anyone would want to travel along an old railway that goes through one of the country's driest and harshest landscapes. Despite the opposition, they persevered and set up the Otago Central Rail Trail Trust.

The Department of Conservation (DOC) could also see the potential for outdoor recreation the rail land offered. It bought the land in 1993. Working with the trust, DOC spent six years and more than \$850,000 preparing and upgrading the closed railway.

The rail trail opened in 2000 and since then it has developed from a basic track with minimal interpretation and support services to one that offers shelter sheds, interpretation, toilets, and sources of water. More than 14,000 people now complete the whole trail every year, and another 50,000 walk or cycle sections of it.

The locals have changed their attitudes too. Many of those who first opposed the trail now provide services such as farmstays, farm visits, cafes, and accommodation. Other businesses have developed to provide support services for trail users, and new activities, such as curling, high country tours, and horse riding, have been added to the experiences offered.

The trail has reinvigorated small communities like Waipiata, Otarehua, and Omakau, saving local businesses and protecting the long-term future of many community services. It has also helped the locals develop a new pride in their communities.

The Otago Central Rail Trail is an example of how the tourism industry can be strengthened by building strong relationships with the whole community, and by managing a destination so that it meets the needs of communities as well as visitors.



SETTING TARGETS

Paradise, near Glenorchy, Southern Lakes. Photo: Fri Gilbert

THIS STRATEGY SETS OUT A NUMBER OF PRIORITIES AND ACTIONS TO GUIDE THE DEVELOPMENT OF NEW ZEALAND'S TOURISM SECTOR TO 2015.

It also sets the four outcomes the sector wants to achieve during that time. They are:

OUTCOME ONE
NEW ZEALAND DELIVERS A WORLD-CLASS VISITOR EXPERIENCE

OUTCOME TWO
NEW ZEALAND'S TOURISM SECTOR IS PROSPEROUS AND ATTRACTS ONGOING INVESTMENT

OUTCOME THREE
THE TOURISM SECTOR TAKES A LEADING ROLE IN PROTECTING AND ENHANCING THE ENVIRONMENT

OUTCOME FOUR
THE TOURISM SECTOR AND COMMUNITIES WORK TOGETHER FOR MUTUAL BENEFIT

The best way of measuring our progress in achieving these outcomes is by setting targets. Targets give us something to strive for, and they provide us with a way of monitoring our progress towards 2015 and beyond.

The targets indicate what kind of future we want. They can only be achieved if we succeed in all areas of the Strategy. Success in one area depends on and will influence success in other areas. For example, we cannot deliver a world-class visitor experience if we fail to take a leading role in protecting and enhancing our environment.

Success also depends on the whole tourism sector taking responsibility for achieving the targets. One successful organisation or business alone is not enough. We need to work together, with the support of the Government, to meet these targets and to make sure we are headed in the same direction.

The targets are focused on improving quality and value, rather than on increasing volume. The overall volume of the sector is forecast to grow anyway, with international visitor arrivals forecast to increase by 4% every year.

We have set the targets so that we can measure the overall quality of the sector in a way that is independent of these changes in volume. By achieving the quality targets in combination with achieving or exceeding the forecast growth in volume, we will deliver a tourism sector that is economically, environmentally, socially, and culturally sustainable.

The targets are set across five key areas.

- Increasing visitor satisfaction
- Increasing the amount that visitors spend
- Reducing seasonality
- Delivering environmental best practice
- Creating positive community outcomes.

In many cases the targets are ambitious. For example, changing the seasonal patterns of tourism in New Zealand will be a challenge. They are deeply entrenched and they have not changed for the past 20 years. Increasing satisfaction levels will also be difficult, given that they are already high.

We will be focusing on high-level indicators of performance in the tourism sector. These will help us monitor and evaluate how well the Strategy is being implemented.

THE NEW ZEALAND TOURISM STRATEGY TARGETS: STREAM ONE

The targets in Stream One can be measured using existing sources of data. The Ministry of Tourism will publish a tracking series on its research website. The series will be updated as new data becomes available.

INCREASING VISITOR SATISFACTION

TARGET: Increase by four percentage points the number of international travellers who rate their overall experience of New Zealand as eight or more on a 10-point scale. This would see an increase from the current average of 83% to 87% by 2015.

INCREASING THE AMOUNT VISITORS SPEND

TARGET: Increase the average amount that visitors spend per night from \$130 to \$160 by 2015. This figure has been adjusted for the Consumer Price Index and the Trade Weighted Index, and does not include education travellers.

REDUCING SEASONALITY

TARGET: Increase the number of international visitors who arrive in the shoulder season (March and April, September and October) at a rate that is 25% faster than the overall annual forecast growth rate every year between now and 2015.

NEW ZEALAND TOURISM STRATEGY TARGETS: STREAM TWO

There are not yet any reliable sources of data to measure the targets in Stream Two. We need to develop these so that we can establish and implement these targets.

The Ministry of Tourism will be responsible for coordinating this, starting in late 2007. The Ministry's research website will provide information on how this process is progressing.

DELIVERING ENVIRONMENTAL BEST PRACTICE

CARBON EMISSIONS

We must develop ways of measuring the amount of carbon emitted by the tourism sector, relate these to economy-wide policies, and define and implement measurable targets.

SATISFACTION WITH ENVIRONMENTAL PERFORMANCE

We must develop ways of measuring how satisfied visitors are with New Zealand's environment performance, and define and implement measurable targets. This can be done by enhancing our existing data-collection tools.

CREATING POSITIVE COMMUNITY OUTCOMES

We must develop ways of measuring how local government accommodates and promotes tourism and how residents feel about the tourism activities taking place in their communities. We then need to define and implement measurable targets.

DOMESTIC TOURISM

We must develop measures for satisfaction, seasonality, and spend for domestic tourism in New Zealand, and define and implement measurable targets.

APPENDIX A: ACHIEVEMENTS 2001–2006

THE NEW ZEALAND TOURISM STRATEGY 2010 MADE RECOMMENDATIONS THAT HELPED GUIDE ACTIVITIES AND DECISIONS IN THE SECTOR BETWEEN 2001 AND 2006. THIS HAS RESULTED IN MANY ACHIEVEMENTS, SOME OF WHICH ARE SUMMARISED BELOW.

TOURISM IS A MAJOR DRIVER OF THE NEW ZEALAND ECONOMY

Total tourism expenditure grew from \$13.7 billion in 2000 to \$18.6 billion in 2006. For the year to March 2006, tourism accounted for 19.2% of New Zealand's exports and 9% of our gross domestic product.

Domestic tourism expenditure grew from \$7.8 billion in 2000 to \$10.3 billion in 2006. International expenditure grew from \$5.9 billion in 2000 to \$8.3 billion in 2006²⁰.

NEW ZEALAND'S GLOBAL MARKETING CAMPAIGN IS RECOGNISED AS ONE OF THE WORLD'S BEST

The 100% Pure New Zealand brand has been successful in positioning New Zealand as an aspirational destination in our key markets. The campaign has won many awards, for example the 2004 PATA Grand Award.

By delivering one single message it has created very high levels of recognition among consumers²¹. As a result, New Zealand has been rated as one of the world's top three destinations in many major travel polls²².

The brand has also been used in the international media programme, on Tourism New Zealand's consumer website, and for promoting and leveraging events such as the Lord of the Rings movie trilogy.

PRIVATE SECTOR REINVESTMENT IN ASSETS AND INVESTMENT IN NEW PRODUCTS CONTINUE TO INCREASE

The accommodation sector has experienced strong growth. More than \$1.1 billion was invested in hotels and other short-term accommodation between 2001 and 2006.

In the past two years hotel investment in Auckland, Wellington, and Christchurch has grown at rates of between 13% and 28%. The luxury lodge sector has also expanded enormously; there are now hundreds of bed and breakfast businesses throughout the country, and many commercial holiday parks have been upgraded.

Many new activities and attractions have also been developed. A total of 142 new export-ready products and companies exhibited at TRENZ between 2002 and 2006. A total of 47 new export companies and 58 new export products exhibited at this year's TRENZ.

²⁰ Tourism Satellite Account (TSA) 2006. All TSA figures are for years ending in March.

²¹ '100% Pure New Zealand' is recognised as the 10th strongest nation brand in the world: Anholt - GMI Nation Brand Index.

²² Such as the Lonely Planet, Conde Nast Traveller, the UK Guardian and Observer and Daily Telegraph.

MORE MAORI ARE INVOLVED IN TOURISM

New Zealand tourism's most unique feature – Maori culture – now has a much greater presence in the sector. There are more than 350 Maori tourism businesses in New Zealand²³, and 20% of all international visitors experience Maori cultural activities while they are here²⁴.

Twelve percent of New Zealand's tourism workforce is Maori, of whom 91% are employees and 9% are employers. Many of the employers are small operators, 65% of whom do not employ anyone else.

This growth has been supported by the New Zealand Maori Tourism Council and the 13 Maori Regional Tourism Organisations.

LOCAL GOVERNMENT IS MORE ENGAGED IN THE TOURISM SECTOR

Local government plays a huge role in the tourism sector. Local authorities are responsible for a vast range of attractions, including museums, parks, gardens, reserves, coastal walkways, and art galleries. They also provide essential infrastructure, and they are the primary investors in the Regional Tourism Organisations and the i-SITE network.

More than 10 councils have prepared tourism plans or strategies since 2001.

Regional Tourism Organisations have continued to develop operational best practice, and they have formed international marketing alliances with Tourism New Zealand.

Regional Tourism Organisations in Auckland, Wellington, and Christchurch have invested heavily in attracting and promoting events to attract domestic and international visitors. They have particularly focused on increasing the number of Australian visitors.

MORE CENTRAL GOVERNMENT PARTICIPATION IN THE TOURISM SECTOR

Central government's role in facilitating the growth and management of tourism has expanded since 2001. This includes ongoing investment in national marketing through Tourism New Zealand, the establishment of a Ministry of Tourism in 2002, development of the Core Tourism Data Set, and support for research, events, and tourism-focused Major Regional Initiatives.

A number of business assistance programmes have been introduced. There has also been a focus on the development of tourism planning tools for local government, including a Tourism Flows Model, and grant assistance to rural communities faced with major water and waste-water infrastructure pressures resulting from tourism growth.

TOURISM IS WORKING TO MINIMISE ENVIRONMENTAL EFFECTS

Since 2001, many businesses have continued to invest in environmental and conservation schemes.

These include the decision by Air New Zealand and some major road transport operators to invest in fuel-efficient aircraft and coaches. Air New Zealand's investment in Boeing 777s, and the newest Boeing 787s, means much more efficient aircraft, and the airline has saved \$18 million since 2004 in fuel burn through implementing new operating procedures (representing a 58,000 tonne reduction in greenhouse gas emissions).

More than 190 tourism businesses in six regions have participated in the Ministry for the Environment and Ministry of Tourism's Sustainable Tourism Charters programme.

²³ 37% are guided tours, 15% accommodation, 15% arts/crafts, 12% attractions, 11% retail, 7% eating out, 5% transport, 5% concerts/hangi, 1% Marae stay. Source: New Zealand Maori Tourism Council.

²⁴ Measurement of Maori in Tourism, Ministry of Tourism, October 2004.

In 2002, the Tourism Industry Association led an initiative to encourage operators to use the environmental accreditation programme Green Globe. About 100 tourism businesses, as well as the entire community of Kaikoura, are now certified to Green Globe.

The association also worked with the Energy Efficiency and Conservation Agency in 2003 and 2004 to deliver seminars to tourism operators on how to make their businesses more sustainable.

Stakeholder working groups to address the issues of tourism waste management and tourism activity on conservation lands have been established. These include private sector, government, and interest group representation.

Since 2001 assessment criteria in the annual Tourism Industry Awards have included a measure of carbon usage. Special awards include the Green Globe award and the Conservation in Action Award.

The annual New Zealand Tourism Industry Conference has been carbon-neutral for the past five years.

MANAGEMENT OF TOURISM OPPORTUNITIES ON PUBLIC CONSERVATION AND RECREATION LANDS CONTINUES TO IMPROVE

Planning for and managing tourism on public conservation and recreation lands has continued to improve. Developments include:

- funding a national programme to upgrade visitor facilities
- a Recreation Opportunities Review
- improvements to the tourism concession process
- developing a Visitor Monitoring Toolkit to assist management of effects on visitor experiences and natural values
- the establishment of a Tourism on Public Conservation Lands forum for tourism and conservation interests to discuss and address shared issues
- a new conservation award recognising the efforts of operators who contribute towards conservation projects at the annual Tourism Industry Awards.

CULTURAL TOURISM HAS INCREASED

Our cultural tourism capability has lifted and we now have a greater understanding of cultural tourism opportunities. Developments include:

- the establishment of an interagency group to monitor the progress of the cultural tourism recommendations in the New Zealand Tourism Strategy 2010
- a report into the demand for, and uptake of, cultural tourism activities, which was released in December 2003
- five regions have participated in a regional cultural tourism development programme aimed at increasing the quality of existing cultural tourism products within the region, and creating visitor demand for cultural tourism products
- the Ministry for Culture and Heritage, with funding from the Digital Strategy, launched www.NZLive.com to help potential international and domestic visitors find out about New Zealand's cultural offerings online. It provides potential visitors with information and links to booking sites.

APPENDIX B: OTHER STRATEGIES AND INITIATIVES

A WIDE RANGE OF STRATEGIES AND INITIATIVES IN PLACE ACROSS GOVERNMENT AND OTHER SECTORS ARE CRITICALLY IMPORTANT TO TOURISM. THE STRATEGY BOTH CONTRIBUTES TO AND REQUIRES INPUT FROM MANY OF THESE STRATEGIES. AS HAS BEEN NOTED, THE TOURISM SECTOR IS A VITAL PART OF NEW ZEALAND'S ECONOMY.

FOR TOURISM TO PROSPER AND BENEFITS TO BE SHARED, ALL OF NEW ZEALAND MUST BE SUSTAINABLE, AND ALL SECTORS MUST COORDINATE IN OUR WORK TOWARDS THIS.

IN THE DEVELOPMENT AND DELIVERY OF THE NEW ZEALAND TOURISM STRATEGY 2015, WE MUST ACKNOWLEDGE THE CONNECTIONS BETWEEN TOURISM AND OTHER PARTS OF THE ECONOMY. EXAMPLES THAT HAVE BEEN REFLECTED IN THE NEW ZEALAND TOURISM STRATEGY 2015 INCLUDE THE FOLLOWING.

THE AUCKLAND METRO PROJECT

About 70% of international arrivals and departures are made through Auckland International Airport.

This means Auckland must provide an appealing gateway to the rest of New Zealand. The aim of the Auckland Metro Project is to position Auckland as an internationally competitive city. To succeed it must have a world-class airport, terminals for cruise ships, and efficient connections into the city – and to the rest of New Zealand. The city also needs to provide efficient, user-friendly infrastructure and superb standards of service.

Because of its size, Auckland has the potential to act as a year-round drawcard for international visitors, business travellers, and major events. To do this successfully it needs to be more attractive – particularly the waterfront and downtown areas – and it needs to offer better transport links, public transport, and large-scale facilities.

THE NEW ZEALAND DIGITAL STRATEGY

The New Zealand Digital Strategy is intended to address the digital needs of all New Zealanders, including access to broadband internet service.

Many tourism destinations and businesses are located outside urban centres, where broadband access is an issue. Our visitors expect access to broadband internet services, as well as good cellphone reception. Without them the sector cannot offer visitors a world-class experience.

Tourism businesses need to provide quality websites, online brochures and online booking services to remain competitive in the rapidly changing online environment. Widespread broadband internet access provides for much greater consistency in the provision of these services.

For these reasons, the needs of the tourism sector must be reflected in the New Zealand Digital Strategy. Further information about the New Zealand Digital Strategy can be found at www.digitalstrategy.govt.nz.

THE NEW ZEALAND EMISSIONS TRADING SCHEME

Accepting the responsibility to act on climate change is critical for New Zealand and New Zealand tourism. The New Zealand Emissions Trading Scheme is a key economy-wide mechanism to reduce New Zealand's emissions. The Scheme addresses domestic emissions. It does not apply to carbon emitted on the flight to and from New Zealand.

The Scheme establishes a market that will impose a cost on carbon emissions. It will become more expensive to behave in ways that increase emissions, and relatively cheaper to behave in ways that don't. That will encourage businesses to find smart, efficient ways to cut back their emissions.

Transportation is the major source (75%) of tourism's onshore emissions. The Scheme will impact on the cost of fuel and will encourage transport providers to opt for more efficient fleets. The Scheme's effects will also be felt through the cost of electricity, particularly in the accommodation sector.

New Zealand's Emissions Trading Scheme provides good credentials for New Zealand and New Zealand businesses. Tourism businesses will be able to tell the story of New Zealand's efforts to reduce carbon emissions, as well as that of their own voluntary carbon reduction and other environmental sustainability efforts.

Further information on the proposed Scheme can be found at www.climatechange.govt.nz

ENERGY EFFICIENCY

The New Zealand Energy Strategy emphasises renewable energy development, while at the same time achieving security of supply.

Renewable energy is essential in order to create a truly sustainable nation. The tourism sector has a role to play in supporting projects that achieve this goal, and ensuring that any impacts on the natural environment are balanced against the other aspects – economic, social and cultural – of sustainability.

The New Zealand Energy Efficiency and Conservation Strategy sets out an action plan to achieve a sustainable energy future across eight broad areas, including transport, buildings and appliances. The goals of the NZTS 2015 reflect and support the goals of the NZEES.

THE BIOSECURITY STRATEGY

More than any other developed country, New Zealand depends on good biosecurity to protect us from imported pests and diseases that could damage our agriculture industry, our native species, and the health of our communities.

The Biosecurity Strategy, led by the Ministry of Agriculture and Forestry Biosecurity New Zealand (MAFBNZ), sets out what needs to be done to make sure that we have good levels of biosecurity.

The tourism sector can work with MAFBNZ and other border agencies to help them get a better understanding of where our visitors come from. This will allow them to introduce tailored approaches to dealing with biosecurity.

The sector also needs to work with regional councils and the recreational industries to prevent didymo and other freshwater pests from spreading through our rivers and lakes.

We also need to educate visitors about the importance of biosecurity and what their responsibilities are. This will allow them to have a positive impact on New Zealand's environment.

WORKFORCE STRATEGY

The tourism sector needs to attract adequate numbers of appropriately skilled people, and provide appealing workplaces.

The aims of the Workplace Productivity Agenda and Tertiary Education Strategy are supported by the existing Tourism and Hospitality Workforce Strategy, and by the actions suggested in this Strategy. The focus is on training and education that meets the needs of employers and contributes to good economic, social, cultural, and environmental outcomes for New Zealand and New Zealanders.

TRANSPORT

An efficient, safe, integrated, and sustainable transport network is an essential requirement for the tourism sector. Visitors need to be able to move around the country easily using different forms of transport. An environmentally sustainable transport system is essential if we are to deliver on the promises of our 100% Pure New Zealand brand.

The objectives of the New Zealand Transport Strategy are to assist economic development, assist safety and personal security, improve access and mobility, protect and promote public health, and ensure environmental sustainability.

The New Zealand Tourism Strategy 2015 includes a number of actions that aim to position the tourism sector as a leader in the field of environmentally sustainable transport.

WASTE AND WATER

The New Zealand Waste Strategy and the Sustainable Water Programme of Action are of both very important to the tourism sector.

Managing and disposing of waste, including litter and recyclable waste, need a consistent approach and high standards across all industries, sectors, and local authorities.

Tourism relies on fresh water for many of the experiences it offers. Water is also an integral part of New Zealand's landscape. Allocating water for competing uses, such as irrigation, dairy farming, hydro electricity generation, and recreation, is also becoming an increasingly important issue.

The tourism sector has an active role to play in adopting its own best-practice management of waste and the wise use and management of fresh water sources.

HERITAGE PROPERTIES

New Zealand's history and culture are an important part of the tourism experience. They help create our national and local identity, and create a sense of place.

The New Zealand Historic Places Trust has established a heritage destinations division to help give more focus to its 45 nationally significant heritage properties. The Trust wants to make the properties more accessible so that they can better tell the stories of New Zealand to both domestic and international visitors.

This fits well with the Strategy's focus on developing the quality of visitor experiences through more regional differentiation, better interpretation, the sharing of stories, and promoting local culture.

The Historic Places Trust and the tourism sector need to work closely together to achieve these shared goals.

INTERNATIONAL EDUCATION AGENDA

The International Education Agenda sets the direction for government's engagement in international education, and identifies priority areas for government action. It describes how New Zealand can achieve the internationalised education system needed to fully integrate with the global economy.

While one clear focus of the Agenda is enhancing the quality of international education as an export industry, the growing awareness of New Zealand as an education destination has implications for international tourism. It increases the potential for attracting visiting friends and relatives, encouraging repeat visitation once international students have returned to their home country and spreading positive word of mouth feedback about New Zealand as a visitor destination.

APPENDIX C: ROLES AND RESPONSIBILITIES

THE TOURISM SECTOR IS INTEGRATED THROUGHOUT NEW ZEALAND'S ECONOMY, REGIONS, AND SOCIETY, AND THEREFORE ENCOMPASSES A RANGE OF DIFFERENT PLAYERS. THE ROLES AND RESPONSIBILITIES OF SOME OF THESE PLAYERS ARE IDENTIFIED BELOW.

TOURISM INDUSTRY ASSOCIATION NEW ZEALAND (TIA)

TIA is the industry's peak trade association representing around 2,000 members ranging from small owner-operator businesses to large stock exchange-listed companies. It is the 'voice' of the industry.

A private sector, membership-based organisation, TIA advocates for the interests of its members to central and local government, and other decision makers. It provides information, advice and tools to help members run successful businesses, and organises tourism industry events each year. These include the international business-to-business trade shows, TRENZ (Tourism Rendezvous New Zealand) and PURE LUXURY New Zealand, the Tourism Industry Awards and the Tourism Industry Conference.

www.tianz.org.nz

www.trenz.co.nz

www.pureluxury.co.nz

www.nztourismconference.co.nz

www.tourismawards.co.nz

MINISTRY OF TOURISM (TMT)

The Ministry of Tourism is a government agency. Its role is to make sure that tourism makes a sustainable and increasing contribution to New Zealand's economy.

The Ministry provides policy advice to the Minister of Tourism. It also administers and monitors the Government's investments in tourism marketing and other programmes.

The Ministry manages the Core Tourism Data Set and distributes this and other research information to the public and private sectors. It is also responsible for the Major Events Development Fund, and provides advice to attract, retain, and grow major events in New Zealand.

www.tourism.govt.nz

www.tourismresearch.govt.nz

www.majorevents.govt.nz

TOURISM NEW ZEALAND (TNZ)

Tourism New Zealand is a crown entity responsible for marketing New Zealand as an international visitor destination. It owns the 100% Pure New Zealand brand, under which the global campaign is managed.

Tourism New Zealand follows up that marketing message by providing quality information to visitors, through the i-SITE network, and setting standards through the Qualmark quality assurance programme.

Tourism New Zealand works with national tourism bodies and offshore tourism distributors to promote New Zealand tourism.

www.newzealand.com

www.tourismnewzealand.com

OTHER CENTRAL GOVERNMENT AGENCIES

Government departments, ministries, and other government organisations that influence the tourism sector, either directly or indirectly, include the following.

- Department of Internal Affairs
- Ministry for the Environment
- Ministry of Economic Development
- Energy Efficiency and Conservation Authority
- Department of Conservation
- Ministry for Culture and Heritage
- Ministry of Education
- Ministry of Health
- Ministry of Transport
- New Zealand Trade and Enterprise
- Department of Labour (including Immigration New Zealand)
- Ministry of Foreign Affairs and Trade
- Te Puni Kokiri
- Tertiary Education Commission
- Ministry of Research, Science and Technology and Foundation for Research Science and Technology

LOCAL GOVERNMENT

New Zealand's local government is made up of:

- 12 regional councils
- 73 territorial authorities.

Councils must make decisions about and set directions for promoting the social, cultural, environmental, and economic well-being of their communities. Their role in the tourism sector is that they manage assets such as public land, and they provide important infrastructure. They also represent the host communities.

The national interests of the 85 councils are represented by Local Government New Zealand (LGNZ). LGNZ represents the national interests of all 85 councils of New Zealand. It promotes best practice in the local government sector and provides policy support, advice, and training to councils. For example, in 2003, Local Government New Zealand produced *Postcards From Home*, a local government response to the New Zealand Tourism Strategy 2010.

REGIONAL TOURISM ORGANISATIONS

Regional Tourism Organisations act as a bridge between tourism operators, national tourism bodies, and local and central government. Regional Tourism Organisations are also responsible for promoting their regions to domestic and international visitors.

There are currently 28 Regional Tourism Organisations. They vary widely in size, structure, and the scope of activities they undertake. Regional Tourism Organisations are mostly funded by local authorities.

The interests of the Regional Tourism Organisations are represented by their umbrella organisation, Regional Tourism Organisations New Zealand.

NEW ZEALAND MAORI TOURISM COUNCIL

The New Zealand Maori Tourism Council works to promote Maori tourism opportunities. To do this, it:

- promotes Maori in tourism, by supporting and developing Maori Regional Tourism Organisations at a national level
- recommends the appointment of Maori tourism representatives to national tourism bodies
- provides national advocacy for the promotion of Maori in tourism
- assists with the implementation of the New Zealand Tourism Strategy
- engages with other national and international tourism industry organisations for the promotion of Maori in tourism
- facilitates opportunities for national and international marketing of Maori in tourism.

There are also 13 Maori Regional Tourism Organisations that help member operators and promote regional Maori tourism.

ECONOMIC DEVELOPMENT AGENCIES

Economic Development Agencies are regionally based government agencies providing advice to businesses and regional groups to assist sustainable economic growth in their respective regions. They also offer networking, education and training, support and mentoring services to the business community. These include help with attracting investment and securing grants and funding, business incubators, management of i-SITE centres, networking opportunities, and community-based projects.

Specific programmes include the Biz Info Centre and a range of employment, enterprise, and youth training programmes.

INDUSTRY ASSOCIATIONS

As well as the Tourism Industry Association, there are a number of major industry organisations in New Zealand which represent the interests and work to maintain the standards of different sectors within the tourism industry. These include, but are not limited to:

- Inbound Tour Operators Council of New Zealand
- Travel Agents Association of New Zealand
- Bus and Coach Association New Zealand
- Motel Association of New Zealand
- New Zealand Hotel Council
- Hospitality Association of New Zealand
- Holiday Accommodation Parks of New Zealand
- @home NEW ZEALAND
- Restaurant Association of New Zealand
- New Zealand Retailers Federation.

TRAINING AND EDUCATION

Training and education in the tourism sector is provided by a range of tertiary institutions. They include universities and polytechnics offering tourism and hospitality-related courses and degrees, and specialist institutions such as the Queenstown Resort College, which is dedicated specifically to the training of tourism professionals.

Three organisations, the Aviation, Tourism and Travel Training Organisation (ATTTO), the Sport, Fitness and Recreation Industry Training Organisation (SFRITO) and the Hospitality Standards Institute (HSI), also coordinate training under the Industry Training Act 1992. Their roles include:

- developing the arrangements for the delivery of training (on and off the job)
- developing the arrangements for the monitoring of training and assessment of trainees (on and off the job)
- providing leadership within industry on matters relating to skills and training needs by identifying current and future skill needs, developing strategic training plans to assist the industry to meet those needs, and promoting training that will meet those needs to employers and employees.

These organisations offer apprenticeship schemes that provide on-the-job experience and training for students doing a national certificate in tourism.

RESEARCH PROVIDERS

Government research into the tourism sector is primarily provided by the Ministry of Tourism, working with Statistics New Zealand. They develop and maintain a number of data sets on international and domestic travel patterns. This is used for analysis and forecasting. This information is available free on the Ministry of Tourism website.

Other research is carried out by tertiary institutions and central government agencies. A number of private research providers also undertake research for the tourism sector at national, regional, and business levels.

GLOSSARY

Added value	increased worth in terms of the return on investment
Carbon emissions	releases of greenhouse gases as measured in tonnes of carbon dioxide released into the atmosphere
Competitiveness	qualities or features of a destination or product that attract customers over other destinations or products
Concessionaire	a business licensed to operate in areas managed by the Department of Conservation
Conservation	the preservation and protection of natural and historic resources for the purpose of maintaining their intrinsic values, providing for their appreciation and recreational enjoyment by the public, and safeguarding the options for future generations (Conservation Act 1987)
Conversion	turning intent to travel into actual travel
Domestic Travel Survey	telephone survey of New Zealand households to measure the activities and expenditure of New Zealanders travelling for holidays, business, or to visit friends and relatives
Global campaign	New Zealand's offshore marketing programmes, encompassing the 100% Pure New Zealand brand
Green Globe	an environmental accreditation programme
Gross Domestic Product	the market value of all final goods and services produced within a country in a given period of time. Gross domestic product = consumption + investment + government spending + exports - imports
Indicators	elements of a sector where change can be measured over time – for instance, level of carbon emissions, spend per visit, number of operators engaged in environmental accreditation programmes
Interactive Traveller	Interactive Travellers are regular international travellers who consume a wide range of tourism products and services. They are travellers who seek out new experiences that involve engagement and interaction

International Visitor Survey	a survey of visitors leaving New Zealand that measures their activities and expenditure
i-SITE New Zealand	New Zealand's official network of visitor information centres
Kaitiakitanga	the guardianship and sustainable management of natural, built, and cultural resources for the collective benefit of current and future generations
Manaakitanga	sharing exceptional and natural hospitality, knowledge, and beliefs, on the basis of mutual respect between host and visitor
Productivity	a ratio between inputs (labour, materials) and outputs (revenue)
Qualmark	the New Zealand tourism industry's mark of quality, managed through Tourism New Zealand and part owned by the Automobile Association
Share of voice	New Zealand's share of advertising spend in source markets relative to other competing destinations
Sustainability	the concept of managing environmental, social, cultural, and economic resources for present and future generations. In the context of tourism, this refers to present and future visitors and host communities
Sustainable Charters	a three-year pilot programme to improve environmental performance of tourism businesses. Participating regions are Northland, Bay of Plenty, Rotorua, Southland/Fiordland, Nelson, and Wanaka
Tourism forecasts	annual forecasts prepared by the Ministry of Tourism covering the main tourism variables with a seven-year outlook
TRE NZ (Tourism Rendezvous New Zealand)	New Zealand's largest annual international tourism tradeshow, where overseas buyers of tourism products meet with local operators
Tourism sector	private sector, public sector (central and local government), community organisations, and non-governmental organisations involved directly or indirectly in tourism. The sector encompasses visitors, the environment, the industry, and communities
Tourism Satellite Account	analysis by Statistics New Zealand to integrate tourism within New Zealand's official national accounts
Value proposition	an offer to visitors that results in more benefit to them (through satisfaction, financial reward, or other measures) than the costs incurred

ABBREVIATIONS

ADS	Approved Destination Status
ATTTO	Aviation, Tourism and Travel Training Organisation
CINZ	Conferences and Incentives New Zealand
DOC	Department of Conservation
DTS	Domestic Travel Survey
EDA	Economic Development Agency
EECA	Energy Efficiency and Conservation Authority
EU	European Union
FTE	Full Time Equivalent (a measure for numbers of full-time employees)
GDP	Gross Domestic Product
GST	Goods and Services Tax (12.5% on all goods and services in New Zealand)
HSI	Hospitality Standards Institute
ITO	Industry Training Organisation
IVA	International Visitor Arrivals
IVS	International Visitor Survey
LGNZ	Local Government New Zealand
MfE	Ministry for the Environment
MRTO	Maori Regional Tourism Organisation
MTFS	Maori Tourism Facilitation Service
NZMTC	New Zealand Maori Tourism Council
NZTE	New Zealand Trade and Enterprise
NZTS 2010	New Zealand Tourism Strategy 2010
NZTS 2015	New Zealand Tourism Strategy 2015
PATA	Pacific Asia Travel Association
RTO	Regional Tourism Organisation
RVM	Regional Visitor Monitor
SFRITO	Sport, Fitness and Recreation Industry Training Organisation
SME	Small to Medium Enterprises (usually up to 10 FTEs)
TIA	Tourism Industry Association New Zealand
TMT	Ministry of Tourism
TNZ	Tourism New Zealand
TRENZ	Tourism Rendezvous New Zealand (the industry's largest trade show)
UK	United Kingdom
US	United States of America

NOTES

This strategy is printed onto 9lives offset paper which is 55% recycled containing 30% post-consumer and 25% pre-consumer recycled fibre. The paper mill holds a forest stewardship council certificate and is both ISO 14001 and ISO 9001 accredited. The ink used in this publication is 100% vegetable based, mineral oil free and based on 100% renewable resources.



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