

New Zealand

Tourism in the economy and outlook for recovery

New Zealand's international borders have reopened in stages to visitors following closure for most of 2020-21. In the year ending March 2020, tourism directly contributed NZD 16.3 billion, or 5.5% of GDP. The impacts of the pandemic saw this fall to NZD 8.5 billion, or 2.9% of GDP, in the year ending March 2021. Tourism directly employed 218 580 people in 2020, representing 7.9% of total employment. This fell to 146 295 people (5.2% of total employment) in the year ending March 2021, a 33% reduction in the tourism workforce from pre-pandemic levels.

Strict border closures saw international visitors fall to 996 000 in 2020 and to 207 000 in 2021, remaining 94.7% below 2019 levels. This caused a 91% decline in international tourism expenditure, which fell to NZD 1.5 billion in the year ending March 2021. International visitors accounted for 43% of total tourism expenditure prior to the pandemic. Prior to COVID-19, 39% of international arrivals to New Zealand were from Australia. Some of New Zealand's largest international visitor markets are the United States, the United Kingdom, and Japan.

Domestic tourism expenditure increased to NZD 24.6 billion in the year ending March 2021, 2.6% above pre-pandemic levels.

Tourism governance and funding

The Ministry of Business, Innovation and Employment (MBIE) advises the government on creating productive, sustainable and inclusive growth in the tourism sector. MBIE works closely with other government agencies whose portfolios intersect with the tourism sector. These include the Department of Conservation, Department of Internal Affairs, Ministry of Culture and Heritage, and Ministry of Transport. Tourism New Zealand (TNZ), a public body, markets the country as a visitor destination internationally.

Local and regional authorities provide tourism-related infrastructure and local planning frameworks to help communities grow and manage local tourism challenges. Regional Tourism Organisations (RTOs) have traditionally been responsible for promoting their destinations. In recent years, RTOs have also assumed leadership in bringing together local stakeholders to develop destination management plans to ensure their destinations are well-managed and sustainable.

RTOs are largely funded and governed by local or regional councils, with some RTOs receiving additional funding from other sources, including central government, annual membership fees from local industry and industry partnership funding. The RTOs' destination management work has been accelerated through COVID-19 funding packages provided by the central government and with the support of their membership organisation, Regional Tourism New Zealand. By the end of 2022, every RTO in New Zealand is expected to have a published destination management plan for their region.

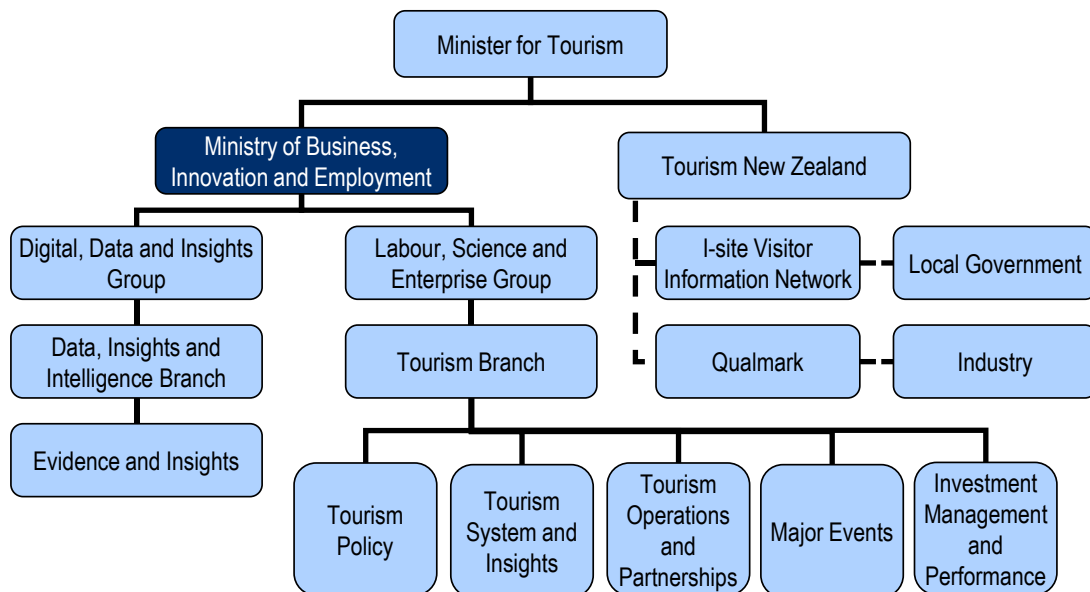
The New Zealand Government Budget directly related to tourism for the 2022/23 financial year is NZD 296 million. This includes NZD 3 million for tourism data. Budget 2022 reflects the shift away from

time-bound COVID-19 funding back towards ‘business as usual’ levels as borders reopened. The main areas of the tourism-related budget include:

- NZD 112 million allocated to TNZ for the promotion of New Zealand to key markets as a visitor and business destination.
- NZD 54 million for the development of a Tourism Innovation Programme.
- NZD 32 million for the funding of New Zealand’s tourism infrastructure, including cycle trails.
- Additional funding to meet COVID-19 response programme commitments.

A feature of the New Zealand tourism funding landscape is revenue from the International Visitor (Tourism and Conservation) Levy. Revenue is tied to the volume of international visitors. Most visitors are required to pay the levy, with some exceptions. In 2022/23, NZD 5 million was allocated from the International Visitor (Tourism and Conservation) Levy for additional tourism data funding.

New Zealand: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Business, Innovation and Employment, 2022.

Tourism policies and programmes

In 2019, the New Zealand-Aotearoa Government Tourism Strategy was released. The Strategy sets out a stewardship role for the government in tourism to ensure tourism enriches New Zealand through more productive, sustainable and inclusive growth. Priority actions for delivering this include co-ordination across the tourism system, developing long-term sustainable funding mechanisms, facilitating destination management and planning, and better data and insight.

In 2020-21, New Zealand provided a range of support to the tourism sector to enable its eventual recovery from the pandemic. In 2020, immediate support came from economy-wide support measures, including NZD 1.8 billion through a Wage Subsidy scheme and NZD 285 million through a Small Business Cash Flow scheme. An NZD 400 million Tourism Recovery Package was also provided, which funded initiatives including a Strategic Tourism Assets Protection programme.

In 2021, an NZD 200 million Tourism Communities: Support, Recovery and Reset Plan invested in new programmes such as psycho-social support and wellbeing services, small business support, tourism

infrastructure, the conservation estate, and Māori development. The plan focused on five communities with a high dependence on international tourism in their local economies while advancing a nationwide re-set.

New Zealand has taken the COVID-19 pandemic as an opportunity to accelerate work streams that focus on transforming the tourism industry into a regenerative model. The focus is shifting from survival and recovery to supporting the tourism industry to reflect the new model. The Minister of Tourism has announced four key principles that will guide the recovery and transformation of New Zealand's tourism sector. These are: i) elevate 'Brand New Zealand' so international travellers see New Zealand as a leading aspirational destination, ii) rebuild tourism on a sustainable and regenerative model (see Box 3.10), iii) ensure that tourism's costs and negative impacts are mitigated or priced into the visitor experience, and iv) establish partnerships between the government and industry.

In 2021, the Minister of Tourism announced reforms to freedom camping laws to improve the sustainability of freedom camping, protect the environment, and ensure local communities support the hosting of freedom campers. Increasing numbers of freedom campers have placed burdens on the natural environment and some communities in New Zealand. A Freedom Camping Bill is currently being considered by the House of Representatives.

In 2022, the Minister of Tourism announced an NZD 54 million Innovation Programme for Tourism Recovery. As New Zealand welcomes international visitors, there is a need to look to the future and innovate. The programme is designed to help stimulate a shift towards a regenerative, low-carbon, productive, and innovative tourism sector. The programme is targeted at transformative initiatives that deliver on climate, environmental sustainability and technology outcomes, improve the sector's resilience, or promote and protect things of social and cultural value to Māori across the visitor journey. A Tourism Data Co-Governance Group was appointed in 2022. The group is to provide leadership on the collection, dissemination and understanding of tourism data and recommend needs for future investment in tourism data. Representatives from industry and government previously agreed that a co-governed data system would create value for users of tourism data.

Work on the Tourism Industry Transformation Plan (ITP), which has the overarching objective of establishing a regenerative tourism model, is underway (see box below). The ITP is created in a partnership between the government, tourism industry, Māori, unions and workers. The first phase focuses on Better Work, addressing some of the workforce challenges in tourism. The second phase will focus on the environment.

Tourism Industry Transformation Plan in New Zealand

In 2021, the New Zealand Minister of tourism announced that work would begin on a Tourism Industry Transformation Plan (ITP). The ITP has an overarching objective of establishing a regenerative model of tourism, to create a sector that adds more than only economic value and gives back to the community and the environment in which it operates. The ITP is designed and delivered through a partnership of government, Māori, industry, and workers.

The first phase of the Tourism ITP, Better Work, will identify a series of practical actions that can be taken by actors in the tourism system to address workforce challenges. Several systemic challenges exist in the tourism workforce, including negative perceptions of working in the sector; difficulty attracting and retaining talent; reliance on low-paid, temporary and migrant labour; and seasonality.

The second phase of the Tourism ITP will identify practical actions for the tourism industry to adapt to and mitigate climate change and promote positive ecological outcomes. Ensuring the tourism industry has a positive impact on the environment is critical to achieving a regenerative tourism model.

Statistical Profile


New Zealand: Domestic, inbound and outbound tourism

	2017	2018	2019	2020	2021
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	22 225	22 778	..	..	23 648
Hotels and similar establishments	16 963	17 279	..	..	15 343
Other collective establishments	5 262	5 499	..	..	8 305
Private accommodation	..	..	..	..	..
Inbound tourism¹					
Total international arrivals	3 723	3 858	3 888	996	207
Overnight visitors (tourists)	3 555	3 686	3 702	949	205
Same-day visitors (excursionists)	168	172	186	48	2
Top markets					
Australia	1 393	1 411	1 445	360	160
United Kingdom	244	232	225	94	6
United States	315	338	348	125	5
China (People's Republic of)	412	441	395	59	2
Japan	98	96	94	26	1
Nights in all types of accommodation	17 239	17 589	..	..	1 372
Hotels and similar establishments	14 539	14 723	..	..	1 216
Other collective establishments	2 700	2 867	..	..	156
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	2 860	3 045	3 225	511	234
Overnight visitors (tourists)	2 814	2 989	3 072	..	..
Same-day visitors (excursionists)	29	29	29	..	..
Top destinations					
Australia	1 222	1 205	1 250	..	..
United States	204	215	206	..	..
Fiji	176	192	191	..	..
China (People's Republic of)	121	132	142	..	..
United Kingdom	123	125	129	..	..
TOURISM RECEIPTS AND EXPENDITURE, MILLION NZD					
Inbound tourism					
Total international receipts	16 560	17 504	17 920	10 809	..
International travel receipts	14 924	15 717	15 988	8 869	..
International passenger transport receipts	1 636 e	1 787 e	1 932 e	1 940 e	..
Outbound tourism					
Total international expenditure	7 645	8 232	8 280	4 004	..
International travel expenditure	6 272	6 670	6 527	2 227	..
International passenger transport expenditure	1 373 e	1 562 e	1 753 e	1 777 e	..

.. Not available; e Estimated value

1. Arrivals from demand side surveys; Nights from supply side surveys.

Source: OECD Tourism Statistics (Database).


StatLink  <https://stat.link/be9k17>

New Zealand: Enterprises and employment in tourism

	Number of establishments	Number of persons employed				
		2017	2018	2019	2020	2021
Total	..	208 251	221 046	219 867	218 580	146 295
Tourism industries	..	170 937	181 593	180 975	179 427	113 922
Accommodation services for visitors	5 763	26 847	28 920	28 761	27 318	12 529
Hotels and similar establishments	..	..	..	..	..	..
Food and beverage serving industry	17 583	59 919	63 525	62 202	62 085	47 078
Passenger transport	..	10 155	10 224	14 907	15 156	9 234
Air passenger transport	369	10 155	10 224	10 677	10 818	5 128
Railways passenger transport	6	..	..	..	..	..
Road passenger transport	8 067	..	..	..	..	..
Water passenger transport	174	..	..	..	..	..
Passenger transport supporting services	..	15 333	16 731	12 669	13 080	2 596
Transport equipment rental	1 500	4 296	4 500	4 488	4 455	3 831
Travel agencies and other reservation services industry	1 965	..	..	..	..	..
Cultural industry	3 621	8 064	8 307	8 598	8 433	6 918
Sports and recreation industry	6 201	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	32 637	34 479	33 480	32 751	23 874
Other country-specific tourism industries	..	13 686	14 907	15 870	16 149	7 863
Other industries	..	37 314	39 453	38 895	39 153	32 373

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/wlyxn8>


New Zealand: Internal tourism consumption

Million NZD

	2021		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	22 390 p	1 331 p	23 722 p
Tourism characteristic products	9 287 p	752 p	10 042 p
Accommodation services for visitors	1 492 p	283 p	1 776 p
Food and beverage serving services	2 371 p	249 p	2 621 p
Passenger transport services	4 553 p	220 p	4 774 p
Air passenger transport services	2 306 p	147 p	2 454 p
Railways passenger transport services	..	..	..
Road passenger transport services	..	..	..
Water passenger transport services	..	..	..
Passenger transport supporting services	..	..	..
Transport equipment rental services	..	..	..
Travel agencies and other reservation services industry	..	..	..
Cultural services	..	..	..
Sports and recreation services	..	..	..
Country-specific tourism characteristic goods	871 p	0 p	871 p
Country-specific tourism characteristic services	..	..	..
Other consumption products	12 012 p	496 p	12 504 p
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
Non-consumption products	..	..	..

.. Not available; p Provisional data

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/veftqm>



From:
OECD Tourism Trends and Policies 2022

Access the complete publication at:

<https://doi.org/10.1787/a8dd3019-en>

Please cite this chapter as:

OECD (2022), "New Zealand", in *OECD Tourism Trends and Policies 2022*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/f5a50606-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.