



# 1 getting to grips with tourism

## 1. Getting to grips with tourism

Tourism is the world's biggest and fastest growing industry. In New Zealand, tourism is a hugely significant contributor to our economy – earning 9 percent of New Zealand's income (GDP) and supporting one in 10 jobs.<sup>1</sup>

**The United Nations defines tourism as: "The activity of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business or any other purpose."**

Tourism includes everything from the traditional holiday to educational travel, visiting friends and relatives, attending a conference, or going to a sports or cultural event. It may be close to home or it may involve travel to the other side of the world. The visitor may be looking for new cultures and new experiences, or simply a place to relax and rest.

The tourism industry is made up of the many and varied businesses catering to visitors including transport, food and beverage, accommodation, tours and activities, entertainment, retail and other services.

For New Zealand, our scenery is the basis of our tourism industry, as it is the drawcard for international visitors. The tourism industry benefits from our natural environment and is playing an increasing role in helping to preserve it. Visitors are also increasingly interested in our Maori culture and heritage.

### Characteristics

Ultimately, it's all about the visitor's experience – whether they are from New Zealand or overseas.

Tourism is a service industry so people working in tourism are providing services at all times of the day and night. It's the people that make the difference – not only the people visiting your business, but also the people delivering your product. International visitors report they come for the scenery and go home saying how great the people are.

Tourism is demand-driven, growing and changing in response to the requirements of international and local visitors.

It is a seasonal industry, because there are preferred times for travel and activities in New Zealand (and other parts of the world). It's also highly competitive. New Zealand is competing with the world's hottest destinations, and within New Zealand regions and individual businesses are competing for the visitor dollar.

Tourism is fast-paced. Increasingly, the internet is the preferred option for research and, frequently, bookings. Customers are starting to take advantage of the speed of the technology to make their plans and bookings closer to their date of travel.

These factors all contribute to making tourism a complex industry to operate in.

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1. Statistics New Zealand 2005 *Tourism Satellite Accounts*.

## Tourism in New Zealand

Overall, New Zealand tourism is a success story, growing steadily over recent years to the point where it now plays a key role in our economy. Tourism is a major employer, with 105,000 people working directly in tourism and over 70,000 indirectly employed<sup>2</sup>. In the last five years alone, 26,000 new tourism jobs have been created, many of them in regional communities.

There are between 13,000 and 18,000<sup>3</sup> businesses in the New Zealand tourism industry, the vast majority small or medium enterprises (SMEs).

International tourism is New Zealand's single biggest export earner, earning \$8.1 billion,<sup>4</sup> compared to the \$5.7 billion earned by the dairy industry. Domestic tourism (New Zealanders travelling in New Zealand) earned \$9.4 billion. Overall, tourism directly and indirectly contributes 9 percent of GDP (New Zealand's income).

Domestic tourism
Year ended March 2006
<ul style="list-style-type: none"> <li>• New Zealanders took 14.4 million overnight trips away from home to other parts of New Zealand.</li> <li>• They stayed away for an average of just over three nights.</li> <li>• New Zealanders also made 31.5 million day trips of over 40 kilometres from home, almost half in Auckland, Waikato or Canterbury.</li> </ul>
<i>Monthly updates on visitor figures can be found on the Ministry of Tourism's website <a href="http://www.tourismresearch.govt.nz">www.tourismresearch.govt.nz</a>.</i>

International tourism
Year ended July 2006
<ul style="list-style-type: none"> <li>• The total number of international visitors was 2.38 million.</li> <li>• Over a third (34 percent) visited in summer (December-February).</li> <li>• The biggest group were Australians (37 percent), followed by the UK (12.2 percent), the USA (9.4 percent), Japan (6.1 percent) and South Korea (4.6 percent).</li> <li>• Around half of the visitors (49.6 percent) came here for a holiday, followed by visiting friends and relatives (28.8 percent), business (11.2 percent) and "other" (10.4 percent).</li> <li>• The average length of stay was 19.9 days.</li> </ul>
<i>Monthly updates on visitor figures can be found on the Ministry of Tourism's website <a href="http://www.tourismresearch.govt.nz">www.tourismresearch.govt.nz</a>.</i>

2. Statistics New Zealand. 2005. *Tourism Satellite Accounts*.

3. Ministry of Tourism [www.tourism.govt.nz](http://www.tourism.govt.nz).

4. Statistics New Zealand. 2005. *Tourism Satellite Accounts*.

## The support team

The key players supporting the tourism industry include:

**The Tourism Industry Association New Zealand (TIA)** is the largest representative body of tourism operators in the country. It is a private sector organisation, independently funded, and representing the interests of over 2000 Members. [www.tianz.org.nz](http://www.tianz.org.nz).

**The Ministry of Tourism** provides tourism policy advice to the Minister of Tourism, works with other government departments on key tourism policy issues and provides tourism research and statistics. [www.tourism.govt.nz](http://www.tourism.govt.nz) or [www.tourismresearch.govt.nz](http://www.tourismresearch.govt.nz).

**Tourism New Zealand** is the crown entity responsible for marketing New Zealand internationally as a visitor destination. Tourism New Zealand markets this country with the 100 % Pure New Zealand campaign [www.newzealand.com](http://www.newzealand.com). Information for the industry is provided on its industry website [www.tourismnewzealand.com](http://www.tourismnewzealand.com).

**Regional Tourism Organisations (RTOs)** are responsible for promoting their regions. Each is structured differently but all receive some local government funding. They work in partnership with tourism businesses in their region. There are 30 RTOs and a small number of District Tourism Organisations (DTOs). To locate your RTO see the list on the TIA website [www.tianz.org.nz](http://www.tianz.org.nz) or go to [www.tourism.govt.nz/rtonz](http://www.tourism.govt.nz/rtonz).

**Maori Regional Tourism Organisations (MRTOs)** operate in 13 regions. The umbrella organisation, the New Zealand Maori Tourism Council, provides a mutually supportive network for the development of business growth and prosperity for Maori in tourism. [www.maoritourism.co.nz](http://www.maoritourism.co.nz).

**Inbound Tour Operators Council (ITOC)** represents the inbound tour operators who are an important link in the chain that sells New Zealand tourism products to overseas travel companies and individuals. [www.itoc.org.nz](http://www.itoc.org.nz).

**i-SITE Visitor Centres** are located throughout New Zealand in most towns and cities. They are open seven days a week and are responsible for providing information and/or selling a range of products and services to meet the needs of domestic and international visitors. To find out where your local i-SITE Visitor Centre is located, visit [www.i-SITE.org](http://www.i-SITE.org).

**Qualmark** is New Zealand tourism's official quality assurance agency owned by Tourism New Zealand and the New Zealand Automobile Association. Qualmark licenses professional and trustworthy New Zealand tourism businesses to use the Qualmark® – tourism's official quality mark. Qualmark is also a business development tool. [www.qualmark.co.nz](http://www.qualmark.co.nz).

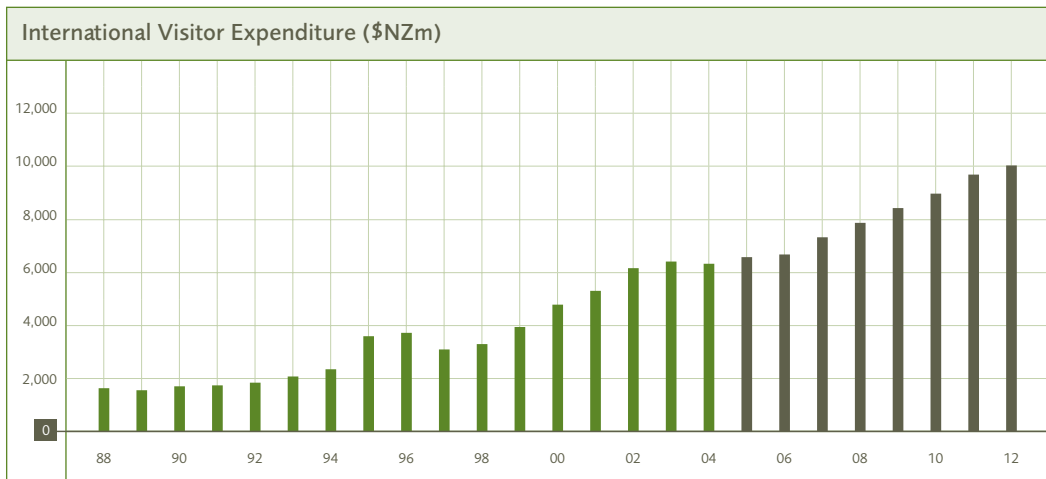
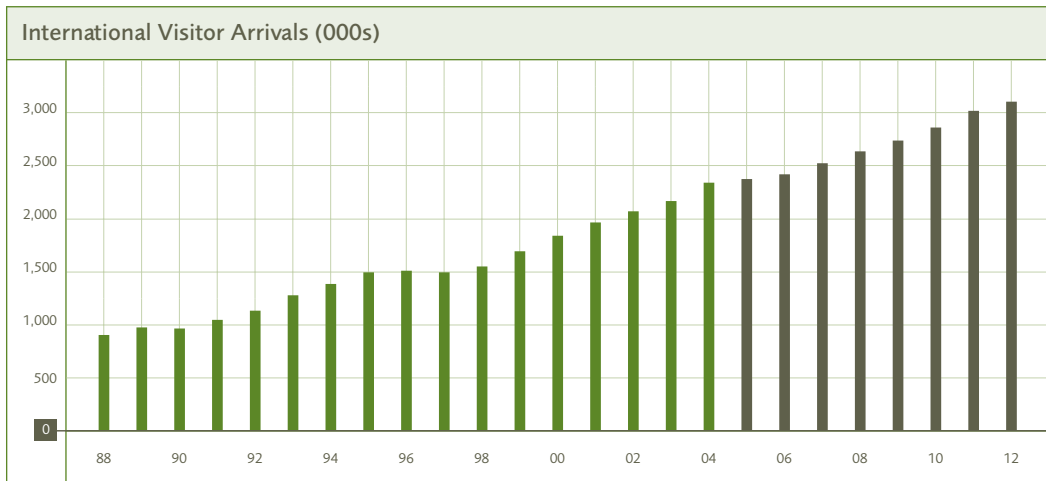
**New Zealand Trade and Enterprise (NZTE)** is the New Zealand government's national economic development agency. It aims to grow New Zealand's economy by boosting the capability of businesses and regions and facilitating their sustained and profitable participation in overseas markets. [www.nzte.govt.nz](http://www.nzte.govt.nz).

There are a wide range of other groups and associations linked to tourism. See *Further Information* on page 39.

### Looking ahead

Tourism in New Zealand can look forward to continued growth, although the predictions are that the rate of growth will be slower than the recent past.<sup>5</sup>

The numbers of international visitors and the amount they spent grew rapidly over the decade to 2002. In 2003 and 2004, visitor numbers continued to grow, but they stayed for shorter visits and the amount they spent did not increase at the same rate. This reflects a worldwide trend towards shorter breaks. There's also been a reduction in the number of visitors coming here for education. In 2006 official forecasts<sup>6</sup> predict that over the next five years both the number of visitors and the amount they spend will continue to increase, as shown in the graphs on these pages.



5. Ministry of Tourism. 2006. *New Zealand Tourism Forecasts 2006-2012*.

6. Ministry of Tourism. 2006. *New Zealand Tourism Forecasts 2006-2012*.

These graphs give the overall picture but each region is subject to slightly different influences, meaning regional forecasts will be different; for example, the number of visitors from North East Asia is forecast to increase more quickly than the number from Europe. For the detailed picture, visit the Ministry of Tourism's research website [www.tourismresearch.govt.nz](http://www.tourismresearch.govt.nz).

<p><b>External events that cannot always be forecast also have an impact on tourism.</b>  <b>These potential impacts include:</b></p>
<ul style="list-style-type: none"> <li>• A flu pandemic or another international outbreak of disease. Even the possibility that there may be a health risk may deter some people from travelling.</li> </ul>
<ul style="list-style-type: none"> <li>• Increasing energy prices. This is likely to push up the cost of travel, a particular issue for New Zealand because of our distance from many markets.</li> </ul>
<ul style="list-style-type: none"> <li>• Terrorism and national security. Incidents may impact on international travel patterns; for example making people feel less secure about international travel and therefore more likely to stay home, or alternatively driving them to seek out destinations they consider "safe".</li> </ul>
<ul style="list-style-type: none"> <li>• Natural disasters such as floods or earthquakes or other environmental events such as global warming. A natural disaster at home will stop people travelling, while an event in New Zealand may put them off coming here.</li> </ul>

Internationally, tourism is the largest industry in the world, with more than 650 million people travelling globally each year and steady growth predicted. There is increasing competition for New Zealand as new countries and regions develop their tourism industries. However, overall the outlook for New Zealand tourism is positive.