

31 October 2011

Auckland Council
The Auckland Plan
Private Bag 92300
Auckland 114
Freepost Authority 237170

Dear Sir/Madam

This submission to the Draft Auckland Plan is made on behalf of the Tourism Industry Association New Zealand (TIA). TIA is a private sector membership based organisation representing the interests of about 1,700 tourism businesses. These businesses cover a range of tourism-related activities, attractions and retail, as well as related tourism services. The primary role of the Association is as the voice of the tourism industry which includes working for members on advocacy, policy, communications, events, membership and business services.

Background information

Tourism for New Zealand is big business as the country's second largest export sector. It is a major contributor to the New Zealand economy that will always be here – and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. Thanks to our 100% pure positioning, New Zealand is recognised as one of the most beautiful, unspoiled and scenic places on earth. 100% Pure signifies pride in our country, pride in our people and culture, and pride in the unique environment and experiences that New Zealand offers.

The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean, green, pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.

Delivering Value

Below is a snapshot of the economic value provided by tourism to the New Zealand economy:

- Tourism contributes more than 8.6% of gross domestic product (GDP) for New Zealand as well as directly and indirectly employing one in ten New Zealanders.
- Tourism in New Zealand is a \$63 million per day industry. The New Zealand tourism industry delivers \$27 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$36 million in economic activity

every day.

- Tourism expenditure reached \$23.0 billion for the year ended March 2011. International visitor expenditure accounted for \$9.7 billion or 16.8% of New Zealand's foreign exchange earnings.
- Importantly, and despite more challenging times in the past three years, tourism is New Zealand's second largest foreign exchange earner (after dairy) with its contribution felt at national, regional and local levels.

State of the Sector

The past few years have arguably been the most challenging faced by the New Zealand tourism industry for many decades:

- The Global Financial Crisis (GFC) has dominated the trading environment and continues to bite in several key visitor markets.
- An appreciating New Zealand dollar has negatively impacted on visitor arrivals and visitor spend.
- The fragile economic environment has been compounded by a series of natural disasters at home and abroad with the Christchurch earthquakes, the Japanese tsunami, the Queensland floods and the Chilean ash cloud all contributing to a negative impact on the whole industry.
- Domestic tourism has been impacted by a combination of rising prices in New Zealand and the high NZ\$ making international travel more affordable for New Zealanders.

The Draft Auckland Plan

Auckland is the country's main international visitor gateway, a major tourism destination in its own right and critically important to the country's overall health and well-being. At a national level, the tourism industry has a shared interest in what happens in Auckland given this is where more than 70% of the country's international visitors (approximately 1.75 million people) arrive or depart. A strong Auckland with quality visitor infrastructure and services, efficient public transport and a vibrant centre are all critical to the overall visitor experience.

While TIA supports the strategic intent of the document, in general it believes the visitor economy should be given a higher profile and importance in the Plan, particularly in the priorities relating to Auckland's economy, infrastructure and transport. This higher profile would also be consistent with Mayor Len Brown's aspirations for Auckland to become a world class

city where visitors are a key driver of economic growth.

The comments that TIA makes in the document are focused mainly on those chapters that are seen to have a direct link with development of the city's visitor industry, namely Auckland's economy, Auckland's infrastructure and Auckland's transport.

Auckland's Economy

The Association broadly supports the strategic direction set out in Chapter 4, but as noted, TIA believes the visitor economy's importance to the city has perhaps been understated in this section. Information prepared by the Ministry of Economic Development (MED) measured the value of Auckland's visitor economy at \$3.90 billion in 2010 (at a national level, the economic contribution made by tourism is \$23 billion).

The Association also thinks there should be a strong alignment between the Draft Auckland Plan and the Visitor Plan which TIA understands will soon be released by the Auckland, Tourism, Events and Economic Development (ATEED) agency.

Auckland's Infrastructure

The construction of a national convention centre for New Zealand (located in Auckland), improvements in cruise ship port facilities and other components of key national infrastructure have been top priorities for the tourism industry over the past three years. The news earlier this year that a national convention centre is likely to be built in Auckland will boost New Zealand's economy by \$90 million annually. It would also make a valuable contribution to the economy in the transfer of knowledge, education and innovation.

Tourism development has been hampered in past years by the failure of New Zealand to market itself as a destination for hosting international business conferences. TIA believes progressing the construction of a national convention centre should be a key directive as part of Auckland's Physical and Social Infrastructure Plan, as set out in Chapter 10.

The burgeoning growth of the cruise industry has been limited by poor quality port facilities at many of New Zealand's ports, including Auckland. As one of the fastest growing and most lucrative sectors of the visitor industry (seasonally worth more than \$3 million a day in foreign exchange earnings), the development of a world class facility in Auckland, is critical. The Association believes this too should be a key directive in the Draft Auckland Plan.

Improving road and passenger networks in Auckland have been well signalled in several chapters of the Plan and TIA supports directives that will lead to better roads and public transport options in Auckland. Local infrastructure is also important and the Association would be supportive of Council initiatives that lead to improvements in public recycling, toilets and signage.

Auckland's Transport

The Draft Auckland Plan acknowledges the transport challenges facing the city. It will be important that improvements to transport infrastructure take place, so the system works well for businesses, residents and visitors.

As the major gateway for international visitors, Auckland Airport is a critical asset. While the airport itself is performing exceptionally well by international standards, it is let down to an extent by an efficient public transport link to take people to and from the CBD. Future planning for Auckland is giving protection for a dedicated rail corridor between the airport and the city, but the completion of the loop is not scheduled to occur until 2031 at least. TIA believes the rail loop needs to be finished earlier if Auckland is to flourish as a hub for aviation in the Asia-Pacific region.

TIA's Tourism Future Statement

In the lead up to this year's general election, TIA developed a Tourism Future Statement, 2011-2014. In this document, the Association sets out the industry's priorities to central government for the next three years. TIA believes these priorities may be helpful for the Auckland Council in helping to understand the challenges facing the tourism sector and the opportunities for Auckland in particular. The document can be viewed here <http://www.tianz.org.nz/nztourismfuture/>

Summary

In summary, TIA is supportive of the strategic intent of the Draft Auckland Plan, but feels that given the value of the visitor economy to the city and region, it should be given a higher profile, especially in the section relating to Auckland's economy. The Association also thinks there will need to be better alignment between the directives in the Draft Auckland Plan and the Visitor Plan. It will also be important to progress key infrastructure projects for Auckland supported by improved public transport networks that grow businesses and encourage more visitors to come to Auckland.

Yours sincerely

Tim Cossar
Chief Executive