

Lack of demand challenges industry

Tim Cossar, Chief Executive, Tourism Industry Association

It won't be any surprise that operators cite lack of international demand as the biggest challenge facing them. That is coming through loud and clear at the seven Tourism Regional Leadership workshops we've held so far. With three to go as I write this column, I don't expect that to change.

Other common themes to emerge at the workshops include the lack of domestic demand; the need for greater local and central government support for tourism; utility costs, especially the need for access to high-speed broadband and cellular coverage at a reasonable cost; and marketing – many industry players are confused by the plethora of new media and social marketing technology.

These workshops are an opportunity for TIA to talk to local businesses about what support they need to maximize the opportunities to grow the industry so that we can understand and plan for the future. We'll be putting the priority issues and solutions that come out of the workshops before industry leaders, including the Prime Minister and Ministers of Transport, Communications & Information Technology, and Immigration at our Tourism Leaders Symposium in Wellington on 6 October.

We have timed the regional workshops and Leaders Symposium one year on from the release of our Tourism Industry Election Manifesto, which identified the industry's top issues for the incoming government to address. While we've made great progress on the priorities highlighted in the manifesto there's no question of business as usual. Our industry is dealing with one of the most difficult trading environments in years, with arrivals expected to decline by 4.2% in 2009, the largest annual decrease in six decades and a reflection of the recent global recession and influenza pandemic.

Most of the workshops are attracting 50 plus operators, and they are telling us they want greater central government support for tourism - more money invested in Tourism New Zealand for additional international marketing and research, and a reduction in unnecessary compliance and red tape that prevents them from focusing on initiatives that actually grow their business.

Operators also want much greater alignment of all the government agencies whose actions impact on tourism – Conservation, Immigration, Tourism, Environment, Labour, Transport, ICT – a coordinated national strategy and vision and recognition that tourism is one of this country's largest employers and foreign exchange earners.

That same collaborative approach and recognition of the importance of tourism needs to extend to local government, where some regions say the 'fiefdom' approach that exists between local government agencies is a barrier to growth and needs to stop.

Priorities differ by region, particularly when it comes to infrastructure development. Several workshops also flagged issues around access to finance and lack of suitably trained staff. Nelson and West Coast

stressed the importance of environmental sustainability and the need to live up to the promise of the 100% Pure NZ brand.

None of these issues are new, nor are they rocket science. But they reaffirm where TIA is focusing its advocacy efforts, and they clarify where, why and what support is needed in order to ensure that our industry and individual businesses prosper and grow as the world starts travelling again.