



**tourism  
INDUSTRY**  
ASSOCIATION NEW ZEALAND

# Media Release

## Research to help boost prosperity of tourism industry

6 December 2007

*The Tourism Industry Association represents about 2000 businesses and organisations within the tourism industry.*

*Members include airlines, airport companies, and regional tourism organisations, rental car, coach and taxi companies, inbound tour operators, accommodation providers, tourism attractions, researchers, training organisations and tourism services providers.*

*Tourism is New Zealand's largest export earner – accounting for 19.2% of this country's export earnings.*

*The Tourism Industry Association organises the New Zealand Tourism Industry Conference, TRENZ, PURE LUXURY New Zealand and the New Zealand Tourism Industry Awards as agent of the Tourism Industry New Zealand Trust.*

*Go to [www.tianz.org.nz](http://www.tianz.org.nz)*

Groundbreaking new research proves that tourism makes a significant contribution at all levels of New Zealand's economy, the Tourism Industry Association New Zealand (TIA) says.

The three-year Yield Research Programme shows central government, local government and communities all receive benefits from tourism. It also shows that the tourism sector generally has positive financial yields but these could be increased through improvements in business performance.

“We will be using the findings from the three-year Yield Research Programme to develop programmes and resources to enable small and medium tourism businesses to improve returns, attract investment, cope with market volatilities and generate better profits,” TIA Chief Executive Fiona Luhrs says.

“This research gives us a clear steer on the challenges many people face in running a tourism business. The ongoing success of tourism in New Zealand depends on every business delivering a quality experience to visitors, and doing it profitably and sustainably.”

TIA partnered with Lincoln University and the Ministry of Tourism, with support from Tourism New Zealand, on this major project which examined the drivers of financial and economic sustainability in the tourism sector. The project also benefited from funding provided by TIA members Air New Zealand, Budget Rent a Car, Inbound Tour Operators Council (ITOC), Jasons Travel Media, New Zealand Hotel Council, Regional Tourism Organisations New Zealand (RTONZ) and SKYCITY Entertainment Group.

“As far as we are aware, tourism is the first industry to analyse its financial performance in this way and the research may well be a world first,” Ms Luhrs says.

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An international expert, Professor Larry Dwyer (Qantas Professor of Travel and Tourism Economics at the University of New South Wales) peer reviewed the project. He praised it, saying it provides significant new directions and findings in tourism research. As a result, New Zealand now has what is perhaps the most comprehensive and detailed dataset on the performance of tourism operators, he says.

“TIA is proud to have played a key role in the project and we look forward to continuing work with Lincoln University and the Ministry of Tourism to improve the tourism industry’s performance in light of these findings,” Ms Luhrs says.

An immediate and practical outcome of the Yield Research Programme is the Financial Yield Calculator, available on TIA’s website [www.tianz.org.nz](http://www.tianz.org.nz)

This tool enables tourism operators to calculate and benchmark their own financial yields against similar businesses, and suggests ways to improve yield. The calculator can be used at any time to enter new data and save it so users can see how their performance has changed each year.

“The research clearly shows that tourism operators want to build successful businesses but some lack the tools and know-how to do so. As a result of this project, we now know much more about what is needed,” Ms Luhrs says.

The findings from this research will feed directly into the implementation of the recently released New Zealand Tourism Strategy 2015 (NZTS 2015) [www.nztourismstrategy.com](http://www.nztourismstrategy.com) NZTS 2015’s vision is that “in 2015, tourism is valued as the leading contributor to a sustainable New Zealand economy”.

The Summary Report of the Yield Research Programme is available at [www.tianz.org.nz](http://www.tianz.org.nz) and [www.tourismresearch.govt.nz](http://www.tourismresearch.govt.nz). The full set of research reports is available at [www.tourismresearch.govt.nz](http://www.tourismresearch.govt.nz) or [www.lincoln.ac.nz](http://www.lincoln.ac.nz)

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*Key statistics about tourism:*

- *Tourism is the world's fastest growing industry*
- *New Zealand tourism arrivals have increased by 61% since 1999 to 2.4 million*
- *Forecast annual growth is 4% on average for at least the next five years*
- *Tourism is New Zealand's single largest export sector, earning more than dairy, meat or wood. Tourism contributed \$8.3 billion dollars to the economy in the year ended March 2006. That is 19.2% of exports*
- *Domestic tourism contributes \$10.3 billion to the economy each year*
- *Tourism directly and indirectly employs 10 percent of the work force. That is one in 10 jobs in New Zealand.*
- *Tourism represents 8.9% (\$12.8 billion) of gross domestic product and generates \$531 million in GST returns from international visitors each year. Tourism is the only export sector whose international clients pay GST.*

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