

Eco-Tourism NZ Conference 2009

Speech Notes for Associate Minister of Tourism

Introduction

Tena koutou katoa. It is a great pleasure to be here in Nelson to open the New Zealand Ecotourism Conference for 2009. A warm welcome to all speakers, guests and delegates. I congratulate Tai Poutini Polytech, Nelson Marlborough Institute of Technology, and Ecotourism New Zealand for organising this conference and doing such a wonderful job of putting together yet another great line-up.

I'd like to pass along greetings from the Prime Minister, who is in Cairns this week. The PM is certainly passionate about the importance of tourism – a clear sign of this is the PM taking the tourism portfolio.

This is the fourth annual ecotourism conference, but the first at a new venue – I understand that previous conferences have been held at Tai Poutini on the West Coast.

Not only is Nelson an inspirational spot, but you couldn't find a more appropriate backdrop for an ecotourism conference – with the brilliant

coastline of the Abel Tasman National Park, the secluded Golden Bay, the Kahurangi and Nelson Lakes National Park, Mt Richmond Forest Park, and the Brook Sanctuary right here on the city's doorstep - this region *is* ecotourism in New Zealand at its sensational best.

A New focus and a New Challenge

The focus of this year's ecotourism conference is the economic downturn, which is impacting on tourism globally and on our industry in New Zealand. As local tourism operators, I don't need to tell you about the pressures the industry is under.

As we – government and industry – confront these economic challenges, we need to make the most of our competitive advantages and add value to our quality tourism offering.

This is a time to be reflective and to ask ourselves: what makes our tourism industry unique, what messages are we imparting and are these still relevant, how do the environment and tourism come together, where can we add value, what are our competitors doing, where are our comparative advantages and how can we build on these, and how are we responding to change.

The Value of Tourism

I've been the Associate Minister of Tourism for eight months now, and I've had plenty of time to reflect on the value of tourism in New Zealand.

The default setting is to describe this value through the numbers – tourism generates 20 billion dollars for our economy, 18% of our export earnings. It equates to 9.2% of our GDP and accounts for 1 in 10 jobs.

These figures are pretty impressive. They tell me that tourism is big business and a serious industry in New Zealand. The Government's priority is to grow the New Zealand economy to deliver long-term prosperity, security and opportunities to all New Zealanders.

Tourism directly contributes to making this a reality. Investment in tourism, whether through increased marketing spend or infrastructure, has spin-off effects for other export industries, it stimulates regional growth, supports our international connectedness and influences our international reputation.

Eight months into the role as Associate Minister of Tourism and I know that the numbers alone do not do justice to our tourism industry. I have

talked to local operators, attended conferences, and learnt about how the industry works and fits together. I continue to be amazed at the diverse and dynamic nature of tourism in New Zealand, and the energy, enthusiasm, and creativity of tourism operators.

Tourism is an opportunity to showcase our environment, our culture, our welcoming communities, our values, and our capabilities. And ecotourism can be the glue that binds our tourism offering, and encapsulate the values important to the long-term growth and sustainability of tourism in New Zealand.

The Government's Vision

I believe that New Zealand is an aspirational destination for our international visitors. They expect and want to immerse themselves in New Zealand's landscapes, culture and experiences. Our visitors hope the whole experience will be greater than the sum of its parts.

The Government's vision for tourism is to deliver on these expectations through top-quality, high-value products and maintaining the stunning natural environment we are renowned for. To do this, New Zealand needs to make the most of its competitive advantages.

The Current Economic Climate

The challenge the industry faces is that the economic downturn is affecting all of our major markets simultaneously. The global nature of the problem means that predicting a recovery for the tourism sector, which has been resilient to past shocks, is harder.

The effect of the downturn on discretionary income in our key long-haul markets has led to decreased visitor arrivals, which are down 2.8% in the year to June 2009.

The Ministry's Tourism Forecasts to 2015 were released yesterday. The forecasts provide a seven year outlook to help New Zealand plan for expected tourism demand.

This year's forecasts reflect the challenging economic environment – international arrivals are forecast to grow at an average annual rate of 2.5% - this is down from last year's forecasted growth of 4% per annum.

However there is some good news. The New Zealand dollar has softened, and this increases our competitiveness and supports greater

visitor spend. So while we are getting fewer arrivals, those that do come are spending more while they're here.

Also, the downturn has stimulated domestic tourism as New Zealanders decide to travel at home. Ministry of Tourism research shows that domestic tourism spend has increased by 6.2% to \$8.1 billion in the year to December 2008, compared to the previous year.

Research is also showing that our tourism businesses are resilient and adapting to the challenge before them. We are seeing the industry offer competitive airfares, engage in clever marketing, seek to add value to products, and use focussed discounting where appropriate to stimulate travel activity.

Tourism businesses are staying relatively optimistic, and increasingly confident of demand from domestic and Australian markets to help offset the weakness in long-haul markets.

Confronting the Global Economic Downturn – what can be done?

The difficult times we're enduring require Government and industry to work together.

On the Government side, we are targeting markets that are large, resilient and where we know we can get results, such as Australia. Visitation from Australia rose 4.2% to the year ending June 2009, stimulated in part by the recent 'Our Shout' and the 'What's on' campaign. This year was the first time one million Australian visitors traveled to New Zealand.

We are continuing to invest in the 100% Pure campaign, which has been incredibly successful for promoting New Zealand offshore. The brand has just celebrated its tenth anniversary. This campaign is something to be proud of, but we must not become complacent. We must continue to be creative and visionary in how we present New Zealand to the world.

Looking further than immediate challenges, the Government aims to support projects that provide a balance between short-term benefits for the economy, and also leave long-term assets and skills for the tourism sector.

For example, government has committed \$50 million over three years to develop the New Zealand Cycleway project. The intended result is a series of 'Great Rides' linked by co-ordinated development and branding.

The Ministry has been busy working with local government on identifying possible tracks. The Prime Minister announced the first 7 potential 'Quick Start' tracks last Monday.

This is only the start – the Ministry will be releasing information about how other regions can participate by the end of September.

The project will create jobs in the short-term, and in the longer term provide a high-quality asset that will support regional businesses, and encourage domestic and international visitors to explore our beautiful country.

In terms of helping businesses develop, we're looking to leverage the advantage that cultural tourism brings to New Zealand. An example of an initiative in this regard is the Maori Tourism Mentoring Programme which will assist Maori cultural tourism businesses to achieve Qualmark

accreditation, access international marketing, provide strategies to manage in the current economy and prepare for an upturn.

We also need to raise skills across the sector. I recently approved funding for the Tourism Essential Skills Training programme. The timing of this programme will help the industry prepare for the Rugby World Cup. It aims to be the recognised and trusted standard for entry-level qualifications in the tourism and hospitality industries.

The Natural Environment – New Zealand’s competitive advantage

In times of uncertainty, we must not lose sight of our strengths. The natural environment is New Zealand’s competitive advantage for tourism.

As all of you in this room know, New Zealand’s landscape is the main driver for international visitation. As eco-tourism operators, your tourism product utilises the natural environment in a unique and authentic way.

The principles of ecotourism focus on education, cultural authenticity, and environmental sustainability – these are all key ingredients that underpin the 100% Pure New Zealand brand.

Nature-based tourism is an economic powerhouse in its own right. The Ministry's statistics reveal that 'nature-based' visitors spent \$5 billion on their New Zealand trip – that is 81% of our total international visitor expenditure.

In the year to March 2009, 1.5 million, or 61% of our international visitors participated in a nature-based activity – many of them in the Nelson area, and probably many at your very businesses.

We also know that nature-based visitors are a high-value segment of our tourist market, spending \$3,200 on their trip compared to \$2,800 for all international visitors.

Promoting and protecting our natural environment makes *dollars* and *sense*. This is why the principle of Kaitiakitanga, our guardianship, underpins our New Zealand Tourism Strategy.

And it is why the environment continues to be an important focus of the Ministry's work.

I would like to briefly outline four areas of work that contribute to environmental outcomes for tourism.

Sustainable Tourism Advisers in Regions (STAR) project

The Sustainable Tourism Advisers in Regions programme has been going for a year and 60 businesses are now involved. Despite the economic conditions, businesses are realising the benefits of introducing environmentally friendly practices into their businesses. In the programme, businesses are helped to monitor and improve their resource efficiency. This means lower energy bills and better use of

existing resources - so it makes good economic sense, as well as good environmental and social sense.

Environmental Indicators Project

A separate initiative is the Environmental Indicators Project. The Ministry has developed a set of national environmental indicators to monitor the impacts of tourism on our environment, and on how changes in our environment may impact on tourism.

These indicators cover waste, energy, greenhouse gases, visitor perceptions, biodiversity, biosecurity, and water.

They are unique in being the first national set of indicators for tourism, and have been looked upon with interest by United Nations World Tourism Organisation.

The first report on the environmental indicator set is likely to be released in early 2010. I believe this will be of interest to many of you and I hope

it will be a positive resource, providing you with a tool for communicating and benchmarking environmental performance.

Concessions

Many of you here hold concessions to operate on the Conservation Estate, which covers over one third of New Zealand's land mass.

I support an effective and efficient concession management process. This is essential to delivering a world-class experience while balancing conservation and recreation values.

Concessions are an example of the need for strong partnerships between government and industry to deliver better outcomes for tourism in New Zealand.

A continuing priority for the Ministry of Tourism is to work with the Department of Conservation (DOC) on tourism projects such as a commercial framework that encourages investment without compromising conservation values.

The key to a successful commercial framework will of course be a successful two-way relationship between local tourism operators and DOC, and we are emphasising to officials how important such a relationship is.

Freshwater Issues

Water is a big issue for New Zealand as a whole, and an issue that has implications on the tourism industry. As you may know, the Government has just launched a freshwater reform programme. This work is being led by the Land and Water Forum, involving major water users and includes recreational groups. The Ministry of Tourism has joined the Forum working group. The Tourism Industry Association is seeking to join the Forum's commercial sector group.

Related to this work, I have received correspondence on the potential use of New Zealand's rivers for hydro generation. Two recent examples are proposals on the Matakītiki River, and the Clutha River.

New Zealand's rivers are assets that support tourism and recreational opportunities. Quantifying their economic contribution can go some way

to demonstrating their importance, and the Ministry is considering undertaking further research in this area.

On proposals such as the Matakītaki River, I encourage you to continue, as I know many of you have already done, to raise your concerns using the most effective channels. This means raising your concerns with the Minister for the Environment, who has responsibility for the Resource Management Act 1991.

As a nation, we need to have a discussion about the competing uses of New Zealand's freshwater resources. The Land and Water Forum aims to get this discussion underway. Certainly I can assure you that tourism interests will be considered in the freshwater reform programme.

Concluding Remarks

In conclusion, we all agree the country and the tourism industry is facing challenging times. The Government does not have all the answers and we're looking to work pragmatically with you, the industry. But out of uncertainty and change comes opportunity.

This conference is an occasion for like minded people to get together and work out how you can shape your industry and this sector of the economy. As you discuss ecotourism over the next few days, I ask you to consider - what do we want the tourism industry to look like in ten years time, what value do we want placed on it both here and overseas, and how can we collectively deliver on this vision?

As local ecotourism operators, you shape the views of our visitors, and tell the New Zealand story. You enable visitors to interact with our wonderful natural environment. You connect visitors to our landscapes and provide quality tourism experiences. You help to shape the memories our visitors leave with, and how they in turn report on New Zealand to their friends and family overseas. It's a very important ambassadorial role.

I wish you all the best for a fruitful couple of days and I thank you for inviting me here to officially open the Eco-tourism Conference for 2009.