



Hon Kelvin Davis  
Minister of Tourism  
Parliament Buildings  
Wellington

9 April 2020

Dear Minister,

I note your announcement of the establishment of a taskforce to “reimagine the way we govern tourism, how we market domestically and internationally, who we market to, and how we manage visitors when they arrive on our shores”.<sup>1</sup>

This description of the taskforce’s mission has a commendably long-term feel about it. I would encourage you to ensure that this remains its focus.

There is, of course, a short-term crisis for every tourist operator and it seems clear that in the short term it will be the domestic side of the industry that will be up and running first. The announcement that you and the Minister of Conservation have made to review the way in which the international visitor levy is to be spent makes good sense in this context. That said, I trust that the original intention of the IVL to invest in “sustainable tourism and conservation projects”<sup>2</sup> remains central.

However, it is the long-term focus of your taskforce that I would like to address. There will inevitably be pressure to divert attention to the somewhat shorter-term goal of getting the international side of the business up and running again. The basis on which this is handled will determine whether the industry that emerges is more sustainable and resilient to global shocks or just an updated version of the old one.

In the wake of past shocks – the 9/11 terrorist attack, the severe acute respiratory syndrome (SARS) outbreak, the global financial crisis – visitor arrivals returned to previous levels in less than one year. While that sort of speedy turnaround is very unlikely to be repeated, demand for what we have to offer will bounce back once travel restrictions are eased. The quality of New Zealand’s tourism offering can give us some confidence of that.

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<sup>1</sup> Beehive, 2020. Planning for the future of tourism. Media release, 8 April 2020. [www.beehive.govt.nz/release/planning-future-tourism](http://www.beehive.govt.nz/release/planning-future-tourism).

<sup>2</sup> MBIE, 2019. International Visitor Conservation and Tourism Levy. <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-funding/international-visitor-conservation-and-tourism-levy/>.

For that reason, any process of reflection needs to resist the temptation to go back to old ways. Your decision to nominate Tourism New Zealand as the lead agency for the taskforce runs this very risk. TNZ's statutory mandate and primary area of expertise is marketing. Its role in the broader tourism policy landscape is limited. 'Reimagining' the way we govern tourism, how and to whom we market New Zealand and how we manage our visitors requires a different perspective.

As I outlined in my report *Pristine, popular... Imperilled?*<sup>3</sup> tourism is a far from environmentally benign activity. Modelling undertaken for that report indicated that tourism activity accounted for nine per cent of New Zealand's total domestic greenhouse gas emissions in 2017. And emissions are by no means the only environmental issue at stake. Tourism growth has had a detrimental effect on solid waste volumes, natural quiet in our conservation estate, biosecurity risk and the quality of our freshwater.

Neither is it a resilient industry. I identified a number of systemic vulnerabilities (including the potential for disruption caused by a pandemic). Tourism is a sector that has enjoyed considerable government support. In 2019, the Government spent \$111 million on marketing New Zealand's tourism offering abroad and another \$64 million developing tourism attractions and infrastructure via the Provincial Growth Fund.

The question must be asked whether the public money that has been spent on the industry over the last decade has secured a sustainable, high value-added sector that can weather some of the risks that tourism faces.

This implies strategic rather than tactical thinking. One decision to emerge from recent events sums up for me the difference that is needed. As you may recall, at the very outset of the COVID-19 outbreak when the virus was largely confined to China, TNZ was allocated an additional \$10 million to boost marketing in countries that were unaffected. At the time, there was an opportunity to step back and assess the broader systemic risk that COVID-19 could pose for tourism. But the almost instinctual response was to look for opportunities to prop up the sector by trying to attract market share from elsewhere.

*Pristine, popular... Imperilled?* dispassionately set out the environmental pressures that have been building. I took a lot of trouble to try to delineate the quite different pressures that have been building and, if allowed to continue, could undermine the very tourism offering that makes New Zealand such an attractive destination. I sought feedback on the problem analysis detailed in the report. It has not been seriously contested.

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<sup>3</sup> Parliamentary Commissioner for the Environment, 2019. *Pristine, popular... Imperilled?* The environmental consequences of projected tourism growth. Wellington: PCE.  
<https://www.pce.parliament.nz/publications/pristine-popular-imperilled-the-environmental-consequences-of-projected-tourism-growth>

The pressures I identified are, as the industry repeatedly reminds us, not just a result of overseas visitor growth. The consequences of domestic growth are significant too.

I have already started phase two of the investigation, which involves analysing a small number of policies that could, if implemented, significantly shift the tourism sector towards a more environmentally sustainable pathway. This work was not planned to be finalised until the end of the year. However, I would be happy to provide earlier insights if the topics we choose to work on align with those identified by your taskforce.

Can I stress again the need to focus on the long term. Short-term fixes risk confirming what appears to me to have been an unsustainable pathway. Resetting towards a sustainable pathway is now possible if foresight is allowed for.

Because tourism remains a part of my work programme, I will be following carefully the evolution of policies over the coming weeks, including the advice available to Ministers. I would be more than happy to engage with officials along the way.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Simon Upton', with a stylized, cursive style.

Simon Upton  
Parliamentary Commissioner for the Environment

CC: Hon Eugenie Sage.