



VALUE OVER VOLUME

Stuart Nash, New Zealand's newly-minted Minister of Tourism, has announced Tourism NZ's future marketing would target "high-net-worth individuals".

Tourism is a big earner for New Zealand (COVID-19 aside) which contributed 20.4 per cent of export earnings (NZ\$23.7b, 5.8 per cent of GDP) and employed 14 per cent of the workforce in 2019.

The New Zealand Government's 2019 Tourism Strategy calls for "value over volume" which Nash told the Tourism Industry Aotearoa Conference in November was the way out of the COVID-19 downturn.

Subsequently, in a Radio NZ interview, Nash said "We haven't got tourists here at the moment. So we have an opportunity to redefine our global value proposition and market to those who add significant value to our country."

He said there was no point directing marketing efforts towards backpackers and that he would be looking at regulations to stop international tourists from being able to hire vans that don't have toilets because they 'pull over to the side of the road and they s*** in our waterways'.

According to MBIE research however, 123,000 freedom campers visited New Zealand in 2018 (predominately German, Australian & British citizens between 18 and 25 years of age), and that they stayed 46 days compared to the 17 day average of all other visitors and spent \$4,400 each (NZ\$541m in total).

Increased regulation needs to be careful it does not overly depress the number of freedom campers (who were 3.5 per cent of visitors in 2019) as they comprise an important part of seasonal horticultural labour force (sadly missed this season due to the pandemic) and most



West Coast NZ

importantly, today's freedom camper is tomorrow's wealthy tourist who will return to New Zealand to relive their halcyon days.

Backpackers and freedom campers (collectively the "youth market") contributed NZ\$1.5b to tourism revenues in 2019, and are the mainstay of the adventure tourism sector and provide New Zealand with free, enthusiastic marketing through their social media and personal contacts when they return home.

Providing we don't kick the youth market into touch, it makes sense to put a keener focus on high-end tourism as ultimately we can increase international tourism revenues with less visitors overall, which will take pressure off New Zealand's groaning infrastructure (and indeed be able to fund facilities so there's no need to use the wilderness for toileting).

Tourism NZ's peerless '100% Pure' international campaign has already positioned New Zealand as a premium destination in international tourism markets and provides a platform from which we can target high end tourists.



Toucan in Costa Rica rainforest

We can look to Costa Rica as an example of a country that has transformed itself into a high-end tourism destination by building on the reputation of its unique flora and fauna and in the process has literally enriched hundreds of local communities to the extent the Central American nation is regularly named as the happiest in the world.

In the 1980's, after decades of logging and land clearances for farming, only a third of the forests that blanketed Costa Rica in the 1940's remained and it had one of the highest rates of deforestation in

all of Latin America, where an area of rainforest the size of a rugby field has been lost every 6 seconds for over 80 years

The Costa Rican government incentivised landowners to care about the environment and to fight deforestation with a Payment for Environmental Services (PES), which is funded from taxes on fossil fuels and funds the conservation of biodiversity, the protection of clean water sources and/or carbon storage.

PES has enabled Costa Rica to restore many of its lush tropical rainforests (which are home to hundreds of rare species which live in six different ecosystems) to the extent 75 per cent of the country is now forested and although it makes up just 0.03per cent of global landmass, Costa Rica now protects 5 per cent of the world's rapidly-shrinking biodiversity.

Costa Rica's minister of tourism, Gustavo Segura Sancho, summed-up the rationale for PES when he said "We made a decision as a country that tourism would become a tool for social progress, not just an industry that produces jobs. Had we chosen a model of aggressive growth in mass tourism, there would have been no conservation of nature."

Clearly conservation is a critically important factor in Costa Rica's prosperity as multiple new schools, hospitals and health clinics have been financed by tourism taxes which have flowed from the reforestation of the countryside just as sorely needed infrastructure could be financed in New Zealand by the same means.

If plans to increase the number of high-rolling foreign visitors is to succeed, we should follow Costa Rica's example and invest in reforestation to make New Zealand's tourism offer even more desirable and enable it to finance improved infrastructure in a win/win for both visitors and locals.



Tekapo Lupins

In a nutshell, the premium tourism offer to which Nash aspires cannot be achieved without a significant government investment in reforestation and water quality along the lines of Costa Rica's PES.

As a first step in gilding the New Zealand tourism lily; the government should pay for rural waterways marginal planting & fencing as a way of accelerating improvements in water quality and to encourage the proliferation of native flora and fauna.

New Zealand farmers have recently been obliged to fence and plant the margins of waterways on their properties at their own expense, which is a financial burden many struggle to shoulder and the implementation of the policy has been patchy or done on the cheap.

A second step could be the roadside beautification proposal made in the aftermath of the 1987 share market crash by property tycoon Sir Robert Jones.

As unemployment soared in the recession following the crash, Sir Robert proposed the unemployed workers be tasked with planting New Zealand's roadsides with native

trees, shrubs and wildflowers but was pooh-poohed by the Lange government on the basis the proposal was a "make work scheme" and inimical to Rogernomics.

It doesn't take much imagination to envisage how verdant and attractive the environs of all New Zealand's roads would be now if they had been steadily beautified over the 35 years since Sir Robert made his proposal; the road network would be a veritable garden and a high-roller attraction in its own right (along the lines of the renowned and much-photographed Lupins beside Mackenzie Basin roads).

In accord with the aphorism something is 'better late than never' and with the pandemic causing rising unemployment, a nationwide road beautification programme would be particularly timely and provide much needed jobs.

Minister Nash is on the money with his plan to make New Zealand's tourism offer more desirable/lucrative and his government should follow Costa Rica's example by investing in reforestation & beautification.

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