

# Inside Nigel Coventry Tourism

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## Record arrivals - but spending down!

TOTAL spend by overseas visitors slipped 1.3 percent, to \$6,300 million, last year - despite a 10.4 percent increase in total arrivals, according to the latest International Visitor Survey (IVS).

Reasons for the decline may be due to: the high value of the NZD, which has affected markets such as the UK and US; a 16 percent decline in expenditure by travellers coming here for education - with the Korean and China markets particularly hit; significant shifts in market mix with greatest growth in Australian arrivals, but who spend less than other visitors. And the length-of-stay is now down from an average of 22 to 20 days. Tourism Research Council chairman Lex Henry wonders if we are experiencing the loss of impetus from a range of positive circumstances that we have benefited from over recent years - the America's Cup, *Lord of the Rings* and the safe destination status we accrued following 9/11 and the Iraq war. "Is it simply that the tides of tourism fashion have flowed towards new places around the world?"

## Are we losing our rural heritage?

NEW Zealand seems to be at a cusp, teetering perhaps, with the amount of rapid landscape change affecting rural and city areas up and down the country, New Zealand Institute of Landscape Architects (NZILA) president Di Lucas told a heritage conference in Dunedin. She says that the heritage fabric of towns and countryside is being stretched, worn threadbare - and holes cut in it. "In some towns, streets that were rich in heritage are bulldozed or displaced piece by piece."

### THL's profits up

TOURISM Holdings Limited (THL) has reported an unaudited net profit after tax (NPAT) of \$4.9 million for the six months ended December 31. This is a 17 percent increase on the same period last year. But after adjusting for the losses for Oz Experience, which is subject to a conditional sale due to settle in April, the NPAT for continuing businesses was \$5.9 million, an increase of 18 percent.

## Aussies spending 68% more in China

TOURISM Australia is stepping up its campaign to woo China's mature travellers. The NTO has allotted A\$5.7 million to promotions in China this year, up 68 percent from the previous year.

## IATA chief slams governments' tax take - and greedy airports

GOVERNMENTS must re-think the way that they tax the travel and tourism industry and give it the freedom to run its businesses as businesses.

IATA director-general and CEO Giovanni Bisignani also told the PATA annual conference in Macau that the industry must learn to cooperate and communicate better.

IATA's greatest challenge is to simplify the airline business. "We are at the heart of many of the complex industry systems that make global networks possible. Airline customers value the network, but will not pay for the complexity," he added. The target is: 100 percent e-ticketing by the end of 2007; bar-coded boarding passes; radio frequency identification for baggage management; common use of self-service kiosks for check-in; paperless cargo.

IATA's other major concern involves airports. They must be dedicated to cost efficiency and fair treatment of customers. "Cost efficiency is the industry's mantra...airlines have reduced their non-fuel unit costs by two to three percent each year. Airport charges are about five percent of our operating costs.

"Combined with air navigation charges, this becomes 10 percent of operating costs-and a US\$ 40,000 million annual bill. We pay when we fly, when we land and when we park. And we are at the mercy of monopoly suppliers," he added.

## China to become our greatest visitor source?

CHINA is the biggest emerging market for outbound tourism - and is now the largest tourist generating country in Asia. But by 2020 the PRC will be the number one tourism-generating country.

One session at the PATA conference heard that China is experiencing double digit growth annually - averaging

at 15 percent. Domestic travel was 840 million in 2004. "There are enormous opportunities for both inbound and outbound tourism," agreed MK Corporation chairman Peter Wong.

### **Come on in, says Everitt**

**MANY New Zealand companies are considering entering the China market. And TNZ Asia director Tony Everitt's advice is: come on in!** "It's an important market, growing at 25 percent over the last 12 months. There is a challenge in terms of trying to persuade Chinese visitors to stay longer and perhaps experience more product so we can get greater financial contribution from that market," he tells us.

### **New Zealand makes films that move us**

TWO New Zealand-made films were among 25 movies which literally moved us, according to a leading US magazine.

And Jasons Travel Media CEO John Sandford told a PATA workshop that the reason why New Zealand gained a high profile through the films was because TNZ worked with owners New Line Cinemas to maximise the potential.

### **Dot travel to target SMEs**

**NEW York based Tralliance Corporation is drumming up publicity and support for .travel (or dot travel), an exclusive online register, touted as the Google equivalent for top level domain searches on the industry.**

### **Investors look at more than viability**

INVESTORS in tourism projects are more likely to open their wallets if governments supply assurances along with electricity, water and telecom facilities.

### **Survey reflects industry issues**

**BIRD flu, terrorism, environmental degradation and the ability of infrastructure to handle one of the world's fastest growing industries are only some of the issues identified in PATA's Total Tourism Survey.**

### **Forecasts point to continuing growth...**

EVERY destination covered in the PATA region is predicted to post positive annual growth to 2007, ranging from four percent (Pakistan) to 20.9 percent (Malaysia), according to the just released *Asia Pacific Tourism Forecasts 2005-2007*.

### **Tourism flows to be monitored**

A project to provide better information on tourist movements within New Zealand is under way, says Tourism Minister Mark Burton. The Ministry of Tourism's New Zealand Tourism Flows Model, will map where and how international and domestic tourists move throughout the country.

### **Auckland - is it stuffed?**

GOOD things are happening to Auckland. But the regional strategy is a shambles and the only solution is to start again, a Tourism Auckland forum has been told. Financial journalist Rod Oram told members that Aucklanders need to be driven by an understanding of the city's threats and opportunities, ambition for Auckland to be world class and for leadership to be locked on to these issues. The city has the capability to deliver these outcomes through a strategy that is practical. If it doesn't? "We are stuffed!"

**Most are pleased with 50:50 split PASSENGER clearance service costs at New Zealand's seven international airports will be split around 50:50 between government and industry, and equally among passengers, according to a funding formula agreed by Cabinet.**

### **Govt to educate us on Fiordland Act**

A new law establishing unique local management of the special environment of the South Island fiords has passed through Parliament.

The Fiordland (Te Moana o Atawhenua) Marine Management Bill 2004 had its third reading, giving effect to management measures proposed by the Guardians of Fiordland for Fiordland's marine environment. The measures will enhance the sustainable management and protection of the area.

**Tamaki, now 15, announces new vision TAMAKI Maori Village, Rotorua, turns 15 this year - and has announced a new vision and a bolstered team to help achieve new ambitions.**

### **DoC, developer attacked over walkway**

OPPOSITIONERS of a steel walkway through the treetops in the Hokitika Gorge Scenic Reserve verbally attacked the developer and DoC for what they believe is the despoliation of one of the world's beauty spots.

### **Taiari railway makes \$2.7M**

**TAIARI Gorge Railway has announced annual growth of up to 25 percent. Its net income last financial year was \$2.7 million, up from \$1.8 million in 2000. Total assets grew to almost \$2 million.**

### **MoU will strengthen cultural position**

A formal agreement has been reached between Destination Rotorua Tourism Marketing and the Maori in Tourism Association to strengthen Rotorua's cultural position.

### **TNZ website ever popular**

**TNZ re-launched its industry website - www.tourismnewzealand.com - at the start of 2005. Since then usage has grown by a third.**