

# Māori Tourism Quarterly

October 2016



**NZ MĀORI  
TOURISM**

HE TOA TAKITINI

'OUR STRENGTH IS IN UNITY'

**Tēnā tātou, te whānau whānui o Tāpoi  
Māori o Aotearoa i ngā tini āhuatanga o  
te kōanga. Ki nga mate huhua puta noa i  
te motu, kei te mihi atu, kei te tangi atu.  
Moe mai, moe mai, moe mai rā. Hoki  
wairua atu koutou. Tātou te kānohi ora,  
tēnā tātou.**

Nau mai ki tā mātou pūrongo tuatoru, te Māori Tourism Quarterly. Kei roto, ko nga tatari mo nga whakahaerenga moni e pa ana ki nga umanga Tāpoi. Ko te tūmanako, ka pārekareka koutou ki tēnei pūrongo.

Welcome to the third edition of Māori Tourism Quarterly (MTQ). Your feed back has been valuable and will help to improve MTQ, so keep it coming.

In the last edition we focussed on the increased visitor numbers to Māori tourism experiences, which whilst good news, raised questions about the quality. We have progressed this line of questioning and hope to report back to you in the next MTQ if not sooner. Yes, we have the same concerns as you about the categories and questions, which we are working on.

It's fantastic to see that once again we are doing incredibly well with growth, growth and more growth! Numbers are up across the board which is creating some interesting challenges, including the fact that numerous Māori tourism businesses have not had a chance to take a break during the shoulder season, as there hasn't been time to have one!

We are working on ways to address and influence the things that we can, like training opportunities that can be done from 'your place' e.g. webinars, business advisory services and of course at 'our place' - policy initiatives like reducing compliance. None of these are overnight solutions but they are important for busy business owners and staff.

Enjoy this edition of MTQ and as always, if you have any questions or topics you'd like to see discussed here, please let me know.

Ngā mihi nui, nā



Pania Tyson-Nathan  
Chief Executive, New Zealand Māori Tourism

# Economic backdrop – investor and consumer confidence favour tourism

The number of overseas visitor arrivals into New Zealand in the year to August 2016 was the highest ever at 3,358,580. This was 341,568 (or 11.3%) more than during the year to August 2015.

The number of nights that international visitors spent in commercial accommodation in the year to July 2016 was also the highest ever at 15,749,000. This was 1,307,000 (or 9.0%) more than during the year to July 2015.

The annual rate of growth in the number of international arrivals was the highest since 2004 and the annual rate of growth in the number of international guest nights was the highest on record, so it is reasonable to talk about a tourist boom. But an inevitable question is: when will the tourism boom in New Zealand come to an end?

The short answer is: barring a major adverse event (e.g. large earthquake or another global financial crisis), probably not for a while yet.

Global economic conditions have a major effect on international tourism, so it is worth noting that the world economy has performed slightly better than

expected this year. Moreover, most of the world's major stock market indexes (e.g. the Dow Jones, the FTSE 100 etc.) have increased, despite a shaky start to the year, and the occasional short-term hiccup. This signifies that investors are generally confident about the future. Consumer confidence is also reasonably firm globally.

High levels of investor and consumer confidence help to explain the recent high levels of activity in the tourism sector in New Zealand, and they suggest that the prospects for continued growth are good. Future growth might be held back, however, by the strength of the kiwi dollar, which has made New Zealand relatively expensive for international visitors and which makes overseas holidays cheaper for New Zealanders. The kiwi dollar is strong for a number of reasons, including the fact that New Zealand still has relatively high interest rates by international standards and because the global market price for dairy products shows signs of recovering.

But all this might mean is that the short-term rate of growth in tourism in New Zealand could simply ease back a notch: from breath-taking to merely brisk.



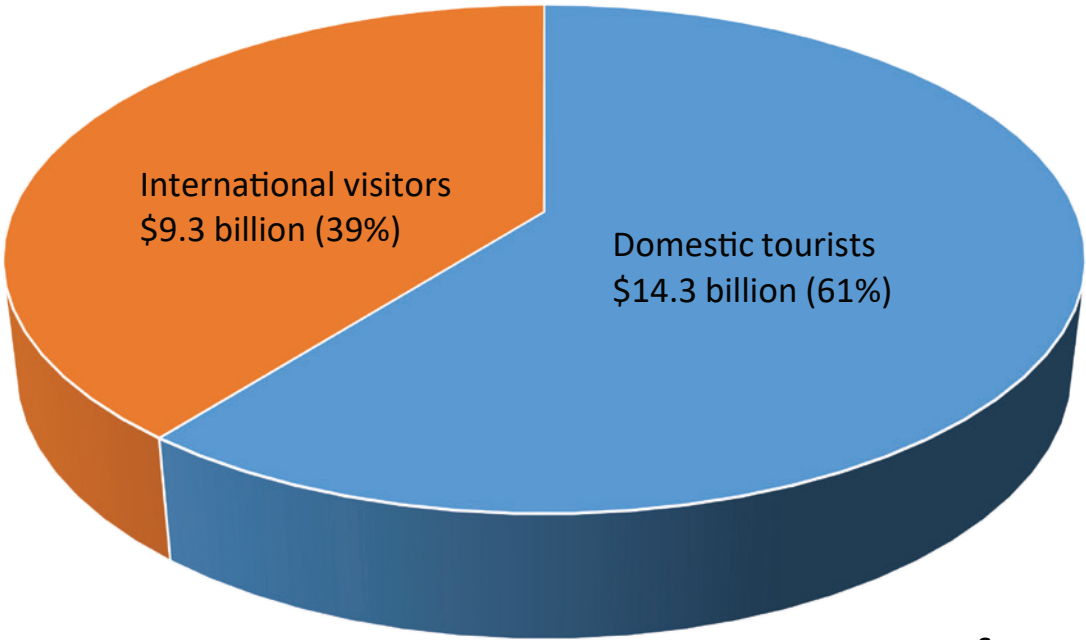
# Domestic tourism – vital but often overlooked

International tourism is catching up but, using data from Statistics New Zealand’s Accommodation Survey, we showed in the July 2016 edition of this newsletter that there are consistently more domestic guest nights (i.e. nights spent by New Zealanders in hotels, motels, backpackers and holiday parks) than there are international guest nights. Here we look at new data from the Ministry for Business, Innovation and Employment (MBIE) to compare domestic tourists’ and

international visitors’ spending. The data is from MBIE’s **Monthly Regional Tourism Estimates**.

The chart below indicates that, in the year ended July 2016, domestic tourists in New Zealand spent \$5 billion more than international visitors did. To put it another way, domestic tourists spent roughly half as much again as international visitors.

Breakdown of total spending by tourists in New Zealand, year ended July 2016



Source: MBIE

The table on the next page shows that, during the same period, international visitors spent more than domestic tourists did in only 3 out of the 16 regions of the country: Auckland, Otago and the West Coast.

Even in these three regions, international visitors spent only slightly more than domestic tourists did, whereas domestic tourists out-spent international visitors in the other regions by a considerable margin.

## Tourist spending, by region, year ending July 2016, \$ million

Region	Domestic	International
Auckland	3,270	3,415
Canterbury	1,885	1,168
Waikato	1,709	515
Otago	1,536	1,693
Wellington	1,509	671
Bay of Plenty	1,118	494
Manawatu-Whanganui	721	147
Northland	718	222
Hawke's Bay	411	134
Southland	335	193
Taranaki	252	62
Marlborough	223	122
Nelson	202	100
West Coast	190	230
Tasman	167	96
Gisborne	104	23

Source: MBIE

The graph below also shows that domestic tourists out-spent international visitors in terms of each product group except food and beverage serving services (i.e. cafes and restaurants). This suggests that domestic tourists are more likely than international visitors to use self-catering accommodation (including their own holiday homes), or to stay with friends and relations. This is borne out by the finding that international visitors spent almost as much on accommodation as

domestic tourists, even though they spent considerably less overall.

From a Māori perspective it is unfortunate that cultural, recreation and gambling spending are lumped together into one product group in this dataset. However, as will be seen in the final topic in this newsletter, the International Visitor Survey does separate Māori cultural activities from other activities.

## Tourist spending, by product group, year ending July 2016





Interested individuals can also drill into the data to show the breakdown by visitor's country of residence and by Regional Tourism Organisation (RTO) area. But

the overall message is clear: the domestic tourism market will remain important, regardless of how quickly international tourism is growing.

## International visitors – who are the biggest spenders?

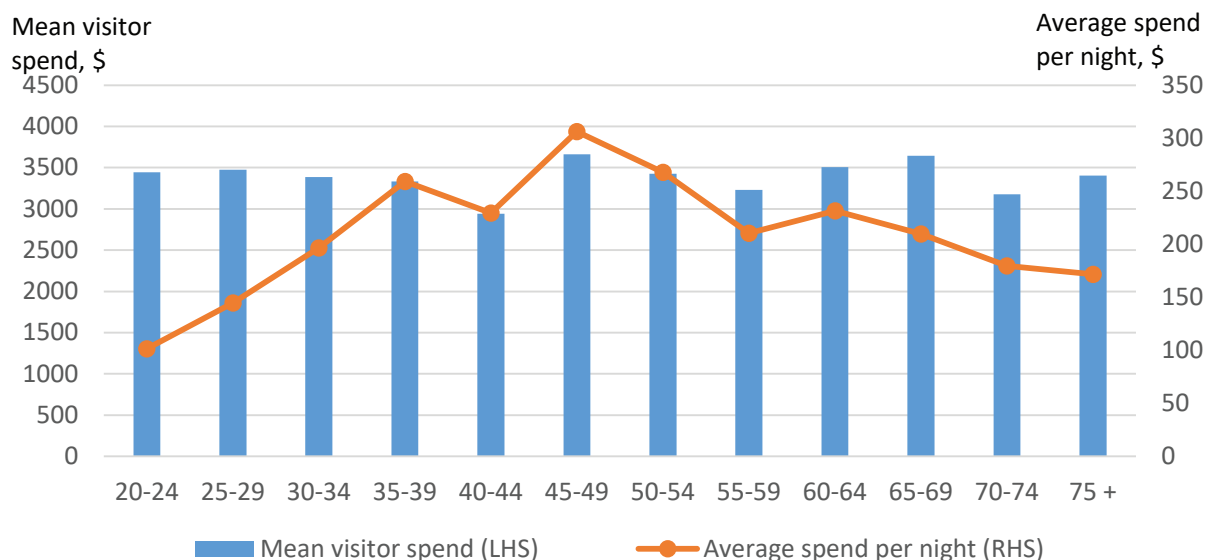
Back on the subject of international visitors, data from the Ministry for Business, Innovation and Employment (MBIE), based on the International Visitor Survey (IVS), can be analysed to show which groups of visitors spend the most during their stay in New Zealand.

Surprisingly, perhaps, the graph below shows that the average total spend per visitor (shown on the left hand axis) does not vary much across the different age groups. In fact, the highest spending age group (45-49 years olds) spends only 20% or so more than the lowest spending age group (40-44 year olds).

However, the average nightly spend (shown on the right hand axis) does vary considerably. For example, 45-49 year olds spend roughly three times as much as visitors in the 20-24 age group.

What the figures underlying the graph imply is that younger visitors (aged 20-34 years) and older visitors (aged 65 years plus) actually spend less per night than those in the middle age groups, but they spend roughly the same in total because they stay longer in the country. At one end of the scale, visitors in the 20-24 age group stay an average of 34 nights. At the other end of the scale, visitors in the 45-49 age group stay an average of 12 nights.

International visitor spending (y/e June 2016), by age group



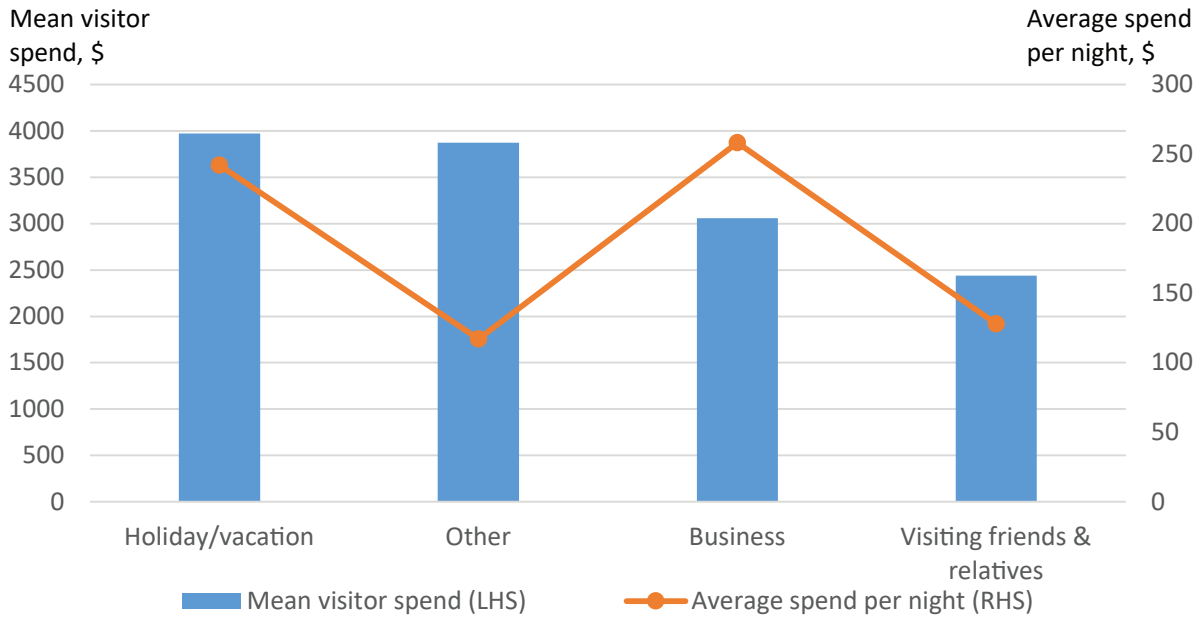
Note: In this context the mean and the average are the same thing

Source: MBIE

The next graph shows that visitors who come to New Zealand for a *holiday* spend, on average, considerably more than *business* visitors and people *visiting friends and relations*. Visitors in the “*other*” category (which is a diverse group that includes students, attendees at conferences, seasonal workers and people in the country to play sport) spend almost as much, on average, as holiday makers.

However, the graph also shows that *business* visitors spend slightly more per night than *holiday* makers. They also spend roughly twice as much per night as visitors in the *other* and *visiting friends and relatives* categories.

### International visitor spending (y/e June 2016), by purpose of visit



Lastly on this topic, the next graph shows that the mean visitor spend and the average spend per night vary significantly according to the origin of visitor. German visitors spend considerably more overall than any other nationality, but they have a low average spend per night (which implies that they stay for a long time).

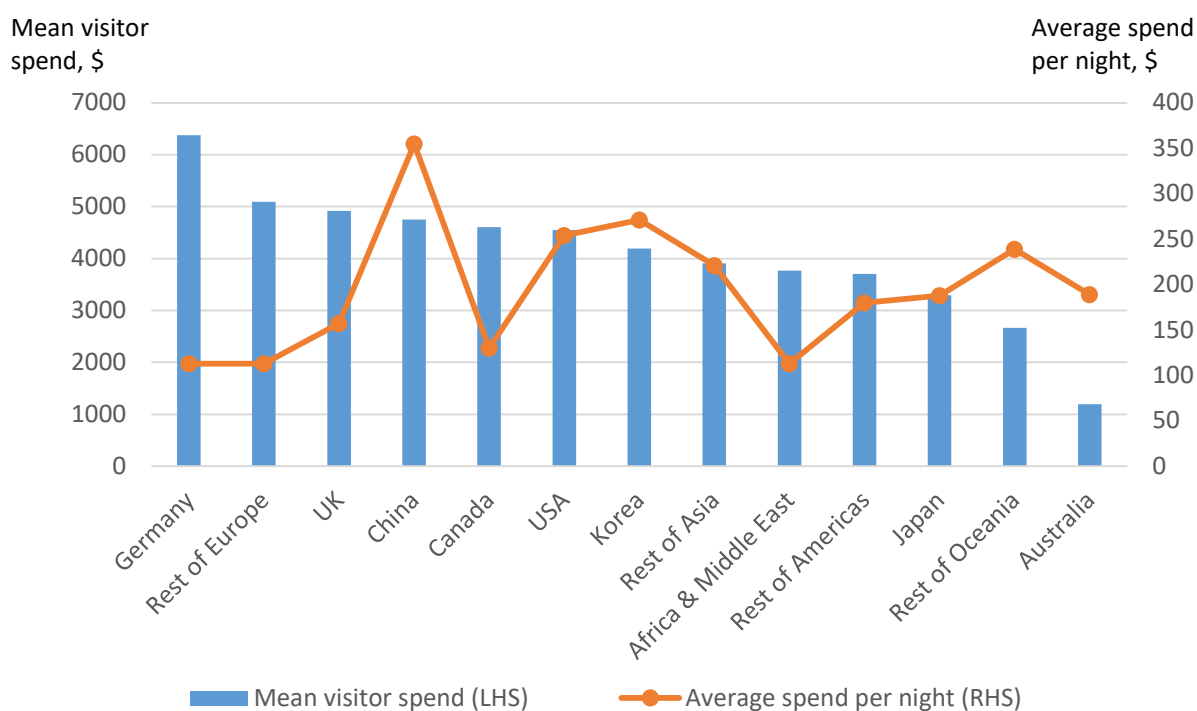
Visitors from Australia spend relatively little overall, but their average spend per night is reasonably high. This reflects the fact that they tend to make short duration (and, possibly, frequent) trips because they don't have to travel especially far, compared to other visitors.

The graph also shows that Chinese visitors have the highest average spend per night, while the fact that their mean overall spend per visitor is not

particularly high implies that their trips are also of relatively short duration.



## International visitor spending (y/e June 2016), by country of origin



Individual tourism businesses already know that visitors vary considerably according to their age, origin, purpose of visit, how long they stay and how much they spend. However, if the industry as a whole is to continue growing, it will be important to fully under-

stand the complexities of the market, and the sort of analysis above will contribute to a better understanding of the different market segments and how they need to be served.

## Māori tourism activities – number of visitors still booming

Still on the subject of the International Visitor Survey, the latest data show that the rapid growth in the number of visits to Māori tourist activities, which we have highlighted in previous editions, has continued.

During the year ended June 2016:

- There were **3.8 million visits** to activities specifically identified in the IVS as Māori (see table below). This

was **18.9% more** than during the year ended June 2015.

- There were also **2.2 million visits** to other activities generally associated with Māori (e.g. through business ownership). This was **17.0% more** than during the year ended June 2015.
- There were **37.3 million visits** to all activities (i.e. both Māori and non-Māori). This was **17.7% more** than during the year ended June 2015.



In summary, these numbers show that international tourism in New Zealand is continuing to flourish, and that Māori tourism activities are performing especially well.

This is excellent news, of course, but there is no room for complacency. As we showed in the previous edition, visitors' satisfaction with Māori activities was high, but not as high as their satisfaction with all the activities

they experienced in New Zealand. Continued growth in the number of visits to Māori tourism experiences cannot be taken for granted, and it will depend in part on dedication, on the part of Maori tourism operators, to the principle of continual improvement.

## Māori tourism activities

Activity	Number of visits in year ending:			Percentage change:	
	June 2014	June 2015	June 2016	June 2014-15	June 2015-16
Visited a place significant to Māori	776,232	795,053	975,802	2.4%	22.7%
Ate Māori food	293,077	315,954	352,969	7.8%	11.7%
Experienced a Māori tradition, e.g. story-telling	251,700	229,507	335,832	-8.8%	46.3%
Saw Māori arts and crafts being created	283,794	326,140	378,062	14.9%	15.9%
Saw Māori artefacts etc. in an exhibition	577,318	602,765	711,054	4.4%	18.0%
Visited a marae	455,670	510,200	604,811	12.0%	18.5%
Experienced some other Māori activity	402,033	433,517	462,722	7.8%	6.7%
<b>Total: all activities specifically related to Māori</b>	<b>3,039,824</b>	<b>3,213,136</b>	<b>3,821,252</b>	<b>5.7%</b>	<b>18.9%</b>
Visited a geothermal park	787,711	839,567	1,011,161	6.6%	20.4%
Visited glow worm caves	546,536	589,440	699,223	7.9%	18.6%
Went jet-boating	279,968	316,046	339,007	12.9%	7.3%
Went whale watching	127,625	147,069	164,516	15.2%	11.9%
<b>Total: other activities associated with Māori</b>	<b>1,741,840</b>	<b>1,892,122</b>	<b>2,213,907</b>	<b>8.6%</b>	<b>17.0%</b>
<b>Total: all activities specifically related to, and associated with, Māori</b>	<b>4,781,664</b>	<b>5,105,258</b>	<b>6,035,159</b>	<b>6.8%</b>	<b>18.2%</b>
<b>Total: all Māori and non-Māori visitor activities</b>	<b>30,230,751</b>	<b>31,704,056</b>	<b>37,331,147</b>	<b>4.9%</b>	<b>17.7%</b>

Source: MBIE

