Queenstown: The Heart of New Zealand’s Tourism Economy

The Challenges of Managing Rapid Tourism Growth

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The New Zealand tourism economy
The New Zealand tourism economy

**Tourism Overview**

**New Zealand vs Queenstown**

<table>
<thead>
<tr>
<th>Category</th>
<th>New Zealand</th>
<th>Queenstown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average stay (days)</td>
<td>8.9</td>
<td>2.9</td>
</tr>
<tr>
<td>Workforce employed in tourism (%)</td>
<td>8.3</td>
<td>48.0</td>
</tr>
<tr>
<td>Contribution to GDP (%)</td>
<td>7</td>
<td>35</td>
</tr>
<tr>
<td>Foreign earnings contribution ($m)</td>
<td>10,300</td>
<td>490</td>
</tr>
<tr>
<td>International visitor to locals ratio</td>
<td>0.65 : 1</td>
<td>133 : 1</td>
</tr>
</tbody>
</table>

**Queenstown**

- Comprises about one-third of the average NZ stay
- Has five times the national average for tourism related jobs
- Has five times greater for contribution from tourism to local GDP
- Earns 5% of NZ's tourism-related foreign earnings (but is 0.7% of NZ economy)
- A ratio of international visitors to local residents 200 time greater than NZ average. Approximate equivalent would be 240 million international visitors to Ulso annually!
## The New Zealand tourism economy

### International Visitors by nationalities and motivation

<table>
<thead>
<tr>
<th>Country</th>
<th>Visitors to NZ (%)</th>
<th>Visitors to Queenstown (%)</th>
<th>Average stay (days)</th>
<th>2014-15 growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>42.0</td>
<td>37</td>
<td>11.3</td>
<td>4.1</td>
</tr>
<tr>
<td>China</td>
<td>10.5</td>
<td>10</td>
<td>8.2</td>
<td>29.5</td>
</tr>
<tr>
<td>USA</td>
<td>7.8</td>
<td>9</td>
<td>13.9</td>
<td>11.1</td>
</tr>
<tr>
<td>UK</td>
<td>6.6</td>
<td>9</td>
<td>28.0</td>
<td>2.4</td>
</tr>
<tr>
<td>Japan</td>
<td>2.7</td>
<td>4</td>
<td>10.2</td>
<td>9.1</td>
</tr>
<tr>
<td>Germany</td>
<td>2.7</td>
<td>5</td>
<td>47.7</td>
<td>7.2</td>
</tr>
<tr>
<td>Korea</td>
<td>2.0</td>
<td>2</td>
<td>12.1</td>
<td>14.1</td>
</tr>
<tr>
<td>India</td>
<td>1.4</td>
<td>2</td>
<td>14.4</td>
<td>25.4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>8.9</td>
<td>7.3</td>
</tr>
</tbody>
</table>
The New Zealand tourism economy

International Visitors by nationalities and motivation

Top Reasons Why Tourists come to NZ:

- **41%** Spectacular scenery
- **38%** Visit friends / family
- **27%** “Bucket List” destination
- **10%** Environmentally friendly
- **10%** The Hobbit Movies
2 Tourism Promotion

7.5% of all local rates (taxes) are allocated to 3 local tourism bodies (one principal and two ancillary)

Those taxed are commercial and accommodation businesses (small residential component)

C.f. 3.5% of Auckland City rates (taxes) contributed to its tourism promotion body

In addition, Queenstown is a major component of international marketing campaigns by:

- **NEW ZEALAND TOURISM**: Principal central government tourism agency
- **Auckland Airport**: NZ largest international airport
- **AIR NEW ZEALAND**: National airline
The “Secrets” of Queenstown’s Success
What enables success?

Good international connections – ZQN International airport

Links with Australia and Auckland airports

Education levels of workforce

Immigration laws - International workforce

Promotion
The benefits of tourism

**NEAR ZERO**
- Unemployment

**84%**
- Growth in jobs over past 10 years

**FAST**
- Economic growth

**GROWING**
- Rating base (local government revenue)

**LOW**
- Crime
6 The costs of tourism success

**FRAGILE ECONOMY**
Vulnerable to international events; e.g. Global Financial Crisis; SARS/pandemics

**DIVERSIFICATION**
Challenge of diversification

**AFFORDABILITY**
Fast population growth not matched by land/housing supply
Local residents competing with international property buyers
Tourism salaries/wages are 20% below national average

**ENVIRONMENTAL IMPACTS**
Traffic, pollution

**DISPROPORTIONATE DEMANDS**
On roading; water; wastewater etc by visitor volumes drives up infrastructure costs
7 Future Goals

ECONOMIC SUSTAINABILITY
Diversification

ABILITY TO FUND GROWTH
Imposition of visitor levy

HIGHER YIELD FROM TOURISTS
Business tourism, etc

INVESTMENT
Today’s visitors are tomorrow’s residents
Queenstown and the World Alps Cities Tourism Association

Collaboration on common tourism issues

Sharing best practice ideas

Promotion of respective destinations within our countries