

# Tourism can no longer be built on the back of cheap labour' - Stuart Nash

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The tourism sector can no longer be built on the back of cheap labour and must do better, minister Stuart Nash says.

Tourism Minister Stuart Nash Photo: RNZ / Samuel Rillstone

Nash told the virtual Otago Tourism Policy School on Friday morning the industry needed to strive towards a regenerative industry and that also meant improving staffing practices as well as the environment.

Workers in tourist towns often faced high living costs but their wages might not reflect that and it wasn't sustainable, he said.



He was challenged by some tourism leaders in the conference who raised their concerns about the costs being passed on to visitors and the implications of increasing wages.

The country's median wage is \$27 an hour which impacts the requirements and conditions of Essential Skills Work Visa.

"You know I have no problem with people operating at the first rung in the tourism sector earning \$27.

"If it means that people need to put their prices up for tourists, so be it. But as far as I'm concerned, tourism can no longer be built on the back of cheap labour."

The government's Tourism Industry Transformation Plan programme would tackle systemic workforce issues with a draft action plan expected out later this year, he said.

He acknowledged that there was a lot of operators who provided great work for their staff, but said the report would not shy away from highlighting the discomfiting truths where there was poor employment practice.

"The current reality must not prevent overdue changes being made. I acknowledge that, of course, for many tourism operators, just keeping the cash coming in has been an immense challenge over the past two years," Nash said.

"So, this conversation may seem like it comes at a hard time. But a continued 'race to the bottom' with low wages and poor conditions will not serve anyone well. Least of all workers.

"This is the industry's chance to make a commitment to rebuilding on a better model. And the government will support operators to get there."

He laid down a gauntlet to all tourism businesses to be an active participant in a rejuvenated New Zealand brand.

"To consider how you present yourselves to visitors, the way you support your employees and think about ways to strengthen your links to your communities and our wonderful environment," Nash said.

"Because if we don't 'live the brand' we will never be the premier destination we desire to be. If we are mediocre in our service delivery, no amount of crazy scenery and breath-taking experiences will lift us above many other destinations around the world."

He also gave more details on the targeting of 'high-value' visitors, saying it was distinct from high net worth.

"My thoughts about 'high value' do not exclude the backpackers or budget-conscious travellers. They will always be welcome and that is why we moved quickly to re-open the working holiday visa applications," Nash said.

"High-value tourism, to be clear, is the framework we take to our international marketing activities. High-value, high quality visitors give back more than they take. They travel across seasons and across regions. They are environmentally conscious, and seek to off-set carbon emissions.

"They are respectful of local communities and cultures. They appreciate the efforts and intrinsic worth of the people in the local workforce they meet. They want to learn about local history and culture, and try new experiences. That is a high value tourist."

Nash also wanted to ensure more work was underway with Destination Management Plans, saying they were crucial for the sector and for its social licence to operate.

Regional tourism organisations (RTOs) have received more than \$40 million in the past two years to develop these plans to prioritise regenerative practices.

"I need to be absolutely direct with you - I was surprised to learn that fewer than half of our RTOs have completed their Destination Management plans after two years. I urge RTOs to get these plans completed as soon as possible, for all of our sake.

"We will closely follow the tourism re-start across your communities. I look forward to seeing tourism blossom again in those places where it has been sorely missed - and for those communities to embrace it as well."

He outlined the second phase of the Industry's Transformation Plan that would focus tourism's environmental impact and start later this year.

Aotearoa Circle would carry out a climate change Adaptation Roadmap for the Tourism Industry.

Nash said climate change would bring massive changes to the physical environment which the tourism industry relied on so heavily.

"We're already seeing this occur with extreme weather events, and we will soon see access issues, sea level rises and steadily decreasing snowfall.

"In addition to improving their regeneration credentials, many in the tourism industry will also need to adapt to changing consumer behaviours, such as visitors becoming increasingly conscious of their personal carbon footprints, especially with New Zealand being so distant from some of our key markets."

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RNZ: <https://www.rnz.co.nz/news/top/463982/tourism-can-no-longer-be-built-on-the-back-of-cheap-labour-stuart-nash>