



# **Backpacker Youth Adventure Travel Association**

## **Briefing for the Incoming Ministers**

**12 November 2020**

## **Briefing for Incoming Ministers:**

**Hon Stuart Nash: Minister of Tourism, Regional Economic Development**

**Hon Kris Faafoi: Minister of Immigration, Minister of Primary Industries**

**Hon Grant Robertson: Deputy Prime Minister, Minister of Finance, Minister of Maori Development, Minister of Economic Development**

## **Who are the Backpacker Youth Adventure Travel Association (BYATA)?**

1. BYATA is a collective of 130+ of tourism businesses which rely heavily on 18-35yo youth travellers to New Zealand. The group Advocates, Collaborates, and Communicates on behalf of members to ensure a healthy youth tourism sector.
2. The BYATA Board formally congratulate the appointment of the Labour government and its new Ministers. We look forward to working closely with the Government to grow meaningful jobs for New Zealanders in all cities and regions, rebuild New Zealand's tourism sector with a focus on value creation over volume and contribute to a more prosperous and sustainable nation.

## **Actions BYATA would like to see:**

1. The "Trans-Tasman Bubble" opened with Australia as soon as is reasonably safe to do so. Outline what a "safe" border reopening will look like to enable the tourism industry to plan and recruit for this moment.
2. The Working Holiday Visa (WHV) program reinstated when the "Trans-Tasman Bubble" is opened.
  - International visitors based in Australia be encouraged to apply, including allowing those who have previously utilised a WHV for New Zealand to reapply for 2021 only.
  - WHV holders currently left in New Zealand be extended a further 12 months with restrictions to work in regional destinations only that are desperate for this labour.
  - Tourism New Zealand (TNZ) be given the remit to target Australian youth to take up their Overseas Experience (OE) in New Zealand.
3. Targeted cohorts of high value International Students welcomed back to New Zealand for the 2021 academic year with the cost of quarantining at their own expense.
4. To review and implement a refreshed, equitable and transparent STAPP program to aid financial support for BYATA members until NZ borders can reopen to greater tourism.

## **BYATA member Information the Minister needs to know:**

1. International youth arrivals (18-35yo) account for a quarter of all visitor arrivals to NZ and contribute a \$1.5bn spend to the economy.
2. BYATA members are in crisis. While TNZ's "*Do Something New, New Zealand*" campaign has yielded good results since its inception, it has not had any significant impact for the youth travel sector. National occupancy in backpacker hostels from June through September 2020 was just 24% representing about a 60% decrease on previous years. Further, just 25% of these visitors are domestic tourists compared to 88% for the wider accommodation industry. Compounding this issue is rates dropping below cost as businesses look to gain cashflow in a sudden highly competitive and over-saturated market.

3. BYATA members are up to four times more reliant on International visitors than other sectors of the tourism industry. In the same way 18-35yo Kiwis consider it a rite of passage to travel overseas for their OE, so in turn do international youth travellers visit NZ for their OE.
4. Based on domestic tourism numbers since June, many members have indicated it will be difficult to continue trading if there is not some return of international travel (Australia) during the coming summer. Consideration must be given to more equitable use of the STAPP funding if the industry is not to see widespread closures.
5. Youth travellers are a critical segment to target in the national tourism Covid-19 recovery plan. TNZ are preparing to market to the 18-30yo “Crisis Resilient Traveller” when borders reopen. Further, TNZ have stated that for every international visitor 12 domestic visitors are required to replace the same value spend across the entirety of their trip to restore parity to the NZ economy. TNZ have also reported that international youth travellers are three times more likely to spend on activities than older demographics.
6. Previously, each year up to 50,000 WHVs are granted. These travellers have one of the highest overall spend of any tourist demographic and are deemed high value spend visitors as they stay for up to a year or longer. They get further off the beaten track, fulfil the TNZ remit of regional dispersal, and work mainly in the industries where there are casual positions available such as Horticulture, Agriculture, and Hospitality. Thus, not depriving kiwis of jobs.
7. BYATA members in key regional destinations, such as Queenstown and Rotorua, traditionally rely on short term international workers and are currently struggling to recruit and retain tourism (and hospitality) staff, something which is becoming even more difficult as summer approaches. The Working Holiday Visa program will not only help alleviate this but will promote regional economic recovery while these visitors fulfil purposeful travel in New Zealand. Just 13,000 WHVs remain in New Zealand.
8. International students and WHV holders are more likely to pay for quarantine costs as they reside in the country for much longer periods than other demographics. In the case of international students, it is presumed that host universities and colleges will factor quarantine costs into the study program. Recent Hostelworld research shows that 83% of youth travelers surveyed in the UK intend on travelling when borders reopen.
9. Tourism Australia are further ahead in terms of their strategy planning for the safe return of their equivalent Working Holiday Maker program and International Student Education markets. One idea they have is to target NZ youth job seekers in this country to work in Australia for one year. In this same vein, TNZ should look to target both Australian youth and young international visitors currently in Australia who are eligible to apply for the WHV scheme.
10. While it is unlikely North Americans and Europeans will openly visit New Zealand's shores in 2021, consideration must be given to an expanded “bubble” which includes South East Asian and Pacific nations when it is deemed safe to do so. But this must not be at the expense of domestic tourism in this country.