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New Zealand Infrastructure Commission
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Kia ora

Draft National Infrastructure Plan

Tourism Industry Aotearoa welcomes the opportunity to submit on the Draft National Infrastructure Plan prepared by the New Zealand infrastructure Commission.

1. Summary

TIA supports the Draft National Infrastructure Plan and its intent to establish a consistent and systematic approach for ensuring New Zealand puts in place the infrastructure it needs to support economic and societal aspirations.

Given the major role the Plan will have in New Zealand's future in guiding infrastructure investment, TIA submits that a stronger positioning of tourism must be included in the Plan, reflective of the importance of tourism as one-fifth of New Zealand's export economy.

To achieve this, TIA recommends the Final Plan:

1. Includes specific recognition of the role of tourism as a productive sector with specific infrastructure requirements by making it the eighth separate sector in the Plan.
2. Provides a significantly fuller outline to the infrastructure requirements of the aviation sector, and the plan for addressing its requirements.
3. Ensure that the funding structures set out will enable consideration of the 'whole of system' investment needs of tourism, and that the Commission links with other relevant workstreams, including the Tourism Growth Roadmap.

2. Tourism Industry Aotearoa

TIA is the peak body for the tourism industry in Aotearoa New Zealand. With around 1,200 member businesses, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure activities, attractions, retail, airports and airlines, transport, as well as related-tourism services.

TIA is sharply focused on ensuring the balanced growth of the industry, and this is clearly articulated in our key guiding documents and programmes. This includes the tourism industry's strategic framework, *Tourism 2050 – A Blueprint for Impact, He Pae Tukutuku*.¹

This has the Vision of 'Enriching Aotearoa New Zealand through a flourishing tourism ecosystem'. This Vision is centred on the positive role of tourism for the broad betterment

¹ <https://www.tia.org.nz/tourism-2050/>

of New Zealand and its people across a balanced framework – Economic, Community, Visitor and Environment.

Tourism 2050 has just ten Actions that are the most important strategic workstreams to advance to enable the industry to achieve its Vision. Critically, two are focussed on the systems and funding needed to enable our vision to be achieved. These being:

1. **Design Tourism Industry Settings for 2050.** To clearly define and articulate the structures, roles and responsibilities to specify what all parts of the tourism system need to be doing in a well-functioning future tourism industry.
2. **Address Industry Funding.** To ensure the industry can invest in the infrastructure, capability-building, destination management, knowledge climate change adaptation that the tourism industry needs to secure its future. Mechanisms for providing and allocating the needed funds are the initial focus.

Both Actions have strong connections to infrastructure. Firstly, to ensure the provision of the needed infrastructure for tourism to function well and, secondly, to ensure that there are funds available to meet the infrastructure requirements.

3. Tourism Industry - one-fifth of New Zealand's export economy

Tourism is a major part of the New Zealand economy. It makes up 7.5% of GDP, 10.7% of employment and 17.2% of exports.²

The tourism contribution to exports is particularly important. While tourism has not yet recovered to its pre-COVID level, for long term planning purposes, the structural position of tourism in our economy needs to be factored into strategic processes. For instance, in the five years preceding COVID, tourism averaged 20.3% of New Zealand's exports. Over each of those five years, tourism was markedly larger than the Dairy industry, with Tourism averaging \$16.2b per year, and Dairy \$14.5b.

For the National Infrastructure Plan, these economic numbers matter as the Plan must be oriented to supporting the operation and growth of our productive sectors.

Another key aspect of the tourism industry is its linkage to the aviation sector and its role in enabling a valuable proportion of New Zealand's goods trade. Figure 1 sets out the value of New Zealand's trade with the world that is carried by our international aviation connections.

Figure 1. New Zealand's Aviation-based Trade³

	Nature of Trade	Value (NZ\$)
Tourism		
	Exports	16.0b
	Imports	7.5b
Goods (via airports)		
	Exports	11.7b
	Imports	22.6b
Total value		57.7b

It is well understood that it is the tourism activity that creates the demand that supports our air connectivity that, in turn, creates the capacity for the valuable goods that are carried on the holds of these aircraft. This highlights the integration of our aviation linkages to our ability to function as a remote island nation.

² <https://www.stats.govt.nz/information-releases/tourism-satellite-account-year-ended-march-2024/>

³ https://statisticsnz.shinyapps.io/trade_dashboard/

In addition to the international tourism aspect, domestic tourism is larger again at \$27.5b annually and this level of activity also needs to be factored into consideration of the overall infrastructure requirements of the tourism industry.

Within New Zealand, tourism operates by utilising the infrastructure, facilities and commercial services that exist in our country. For instance, visitors use the roading network, the ferries, ports, airlines, public amenities, conference facilities, and so on. Typically, visitors and the tourism operators that support their clients in building itineraries and booking travel, both need assurance that the network is working well. For instance, State Highway 1 is the central road route through the country, but this includes the port facilities and ferries that connect our two main islands, carrying \$15b in freight and many domestic and international visitors. If there is uncertainty on the part of visitors and their inbound tour operators around the quality and reliability of any part of this transportation system, then tourism activity will be impacted.

This highlights the integration of tourism into our wider national system meaning that it has two perspectives on its infrastructure needs: 1) for infrastructure that is specific to tourism such as airports, passenger port facilities, hotels, events and conference facilities etc.; and 2) for infrastructure where tourism activity adds a layer of demand over and above base levels for New Zealanders, such as roading, public transport, public amenities and facilities, water, telecommunication, electricity, etc.

It is important that the National Infrastructure Plan incorporates a tourism perspective to enable a well-functioning tourism system that supports a high-quality visitor experience and can accommodate growth of tourism in the years ahead.

4. Tourism Growth Roadmap

It is important that the Infrastructure Commission factors into the Plan the work established by the Minister of Tourism, Hon Louise Upston, earlier in 2025 to advance a Tourism Growth Roadmap that has the objective to double the value of tourism exports by 2034.⁴

The Roadmap process recognises that to achieve growth, several aspects of the capacity and quality of the supply side will need to be addressed, with seven work streams to be advanced. These include Mixed-use tourism infrastructure, Tourism system funding, and Aviation and cruise connectivity.

Aligning these workstreams with the completion of the National Infrastructure Plan is a clear requirement over the near term.

5. TIA Feedback

Overall, the draft Plan is sound in terms of its analysis of needs and its identification of different infrastructure types of central government, local government and commercial, and funding pathways.

However, the draft Plan is silent on tourism, with just a few references to 'airports', and this needs to be addressed in the final Plan. TIA is concerned that without tourism being appropriately placed within the National infrastructure Plan, there is considerable risk that tourism interests will not be met by the Plan.

At one-fifth of our New Zealand export economy, and with Government driving an ambitious growth agenda for tourism, its infrastructure requirements must be met. This is for both the tourism-specific infrastructure and the general network infrastructure that visitors use as they travel around our country, and to support the communities they visit.

⁴ <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-growth-roadmap>

Key points and recommendations:

1. **Recognise Tourism.** A tourism lens must be placed over the entire Plan given its reliance on all sorts of infrastructure as visitors travel around the country, including some that is tourism specific (e.g. airports, airlines, road and sea transport, cruise, hotels, conference and events facilities) and other general network infrastructure (e.g. land and sea transport networks, urban facilities, national and regional parks, etc.).

We appreciate that the Plan is not designed to be sector-specific, but the nature and importance of tourism warrants the appropriate positioning within the final Plan. Tourism can only occur when there is an infrastructure system in place, and typically this involves a complex mix of interests across central and local government, specialist infrastructure providers (such as for fuel and electricity) and industry providers. Historically, getting cohesion with these interests has been difficult to achieve meaning we have failed to keep up with infrastructure development and improvement across the industry. Now, as we advance the industry in line with Government and industry objectives for growth, we must find ways to address these infrastructure issues on a coordinated basis.

We see the work of the Infrastructure Commission to recognise these issues and to engage with the tourism industry to advance a tourism response to its infrastructure problems.

Recommendation: Final Plan to include specific recognition of the role of tourism as a productive sector with specific infrastructure requirements by making it the eighth separate sector in the Plan.

2. **Aviation Infrastructure.** The overall nature of the aviation system needs to be clearly set out in the Plan as a discrete and important part of the New Zealand infrastructure system and economy. For instance, travel and goods imports and exports carried by aircraft totaling \$57.7b.

The Plan to set out the overall aviation system and its broad infrastructure aspects, including the various roles of central government, local government and the private sector. For instance, central government elements include navigation, border services, meteorology, etc. Local government has ownership stakes in airports for strategic, dividend and economic development motivations. The private sector includes airport ownership and a wide range of related services. As such, the infrastructure needs of the tourism industry as a system must be factored into the Plan, recognising these different elements.

While there is a focus on international connectivity, aviation within the country is equally important, and there are ongoing constraints around funding for regional airports and the services that airlines can provide.

We understand that the Commission is in discussion with the aviation sector about addressing the paucity of aviation sector coverage in the draft Plan. Given this, we anticipate our concerns will be addressed in the final Plan and we would be pleased to contribute to this work.

Recommendation: Final Plan to provide a thorough outline on the infrastructure requirements of the aviation sector, and the plan for addressing these requirements.

3. **Infrastructure Funding.** Within the tourism system, funding is a challenging area, with industry suffering from systemic funding deficits in key areas. For instance, local government can support some regional functions but increasingly lacks the ability to fund enabling mixed-use infrastructure, the private sector invests in infrastructure for commercial gain, but this typically does not enable the overall system. Central

government invests in some areas, but this is often very specific and not sufficient for addressing system needs.

The Government's increasing shift to user-pays in the tourism system may enable more investment in future. On the other hand, TIA is concerned at the cumulative cost of multiple user-pays charges that risk impacting the position of destination New Zealand in a very competitive global tourism market.

Given this structural funding issue impacting tourism, we view the Plan as playing a vital role in elevating the importance of tourism-related infrastructure that will in turn allow tourism to benefit from subsequent implementation of the Plan.

The context for this discussion lies with the work the tourism industry has advanced over recent years to define its funding needs. There have been numerous processes and reports produced that highlight infrastructure-related funding gaps.⁵

Over many years the tourism industry has highlighted the substantial funding deficit for mixed-use infrastructure, now estimated at over \$250m per year and that a new sustainable funding mechanism is needed to fill the gap, along with a plan to improve that infrastructure. The National Infrastructure Plan can assist with this.

Another factor of relevance for funding of infrastructure lies with who benefits, and who pays. This varies greatly across the spectrum of tourism infrastructure, with some always provided commercially (private good) and others that can only be provided with public assistance (public good). The spectrum is important and forms a key dynamic in examining and delivering tourism infrastructure.

Recommendation: Ensure that the funding structures set out in the Final Plan will enable consideration of the 'whole of system' investment needs of tourism, and that the Commission links with other relevant workstreams, including the Tourism Growth Roadmap.

6. Next steps

Given the nature of this feedback, it would be highly desirable to engage with the Commission on the key points raised. From our contacts within tourism, we know that there will be other parties who would also appreciate this opportunity.

To arrange this engagement or for any further information, please contact [REDACTED] on [REDACTED] or [REDACTED] if you have any questions.

Many thanks for your consideration of this submission.

Ngā mihi,



[REDACTED]
Acting Chief Executive

⁵ Includes reports by McKinsey, EY, Productivity Commission, Deloitte, Tourism Futures Taskforce, NZTE and others. TIA can assist in accessing this material.

Associations supporting this submission:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Regional Tourism New Zealand
Bus and Coach Association NZ
BYATA
Hospitality New Zealand
NZ Airports Association