

Editorial: Lifting Covid restrictions is no fast fix for tourism

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Arrivals dwindled during the depths of the pandemic. Photo / Alex Burton

EDITORIAL

The removal of Covid-19 restrictions is welcome news for the tourism sector, although some in the industry wonder why it took so long.

This week the Government did away with the requirement for seven days of self-isolation for those with Covid, instead recommending isolation for five days on testing positive.

The Government has acted on public health advice that the risk of Covid-19 is low and it was safe to remove final restrictions. But the tourism sector says this is no instant remedy.

A hotel group says compulsory isolation rules are off-putting for tour organisers and other high-value international travellers, especially when most comparable international destinations have long dispensed with the restrictions.

The Tourism Export Council estimates up to 30 per cent of potential bookings have been lost in the last year because New Zealand operators have been disadvantaged compared to countries such as Australia. Demand from Germany and other European source countries has been soft because of the uncertainty. A Covid case among a coachload of visitors could effectively ruin the holiday of a lifetime and restrictions gave an impression of elevated risk.

New Zealand was well behind other countries in opening its borders and the continued isolation rules, left in place to protect the health system through winter, exacerbated economic pain for the tourism sector.

The council warns the Covid legacy will last for years. It will be two to three years of open borders and no restrictions for many businesses to feel secure because most balance sheets are heavily in the red.

Information released this week shows typical hotel revenue over the 12-month period to July 2023 is still below the same period four years ago, pre-Covid, largely because hotels are only two-thirds full on average, rather than 80 per cent occupied.

Overseas tourists on a rolling 12-month period are at around 65 per cent to 70 per cent of pre-Covid numbers although this could be up to 87 per cent by the end of April next year.

But there is residual nervousness that continued high airfares may deter visitors now that most pandemic credits have been used up.

The business events sector is similarly relieved by the policy shift. It was one of the first affected when the Government limited the number of people at events to 100 people, before stopping gatherings altogether. The impact was “catastrophic” but during the pandemic conference centres in Christchurch and recently, Wellington were opened.

Business Events Industry Aotearoa has said international and domestic business events’ organisers and delegates can now plan with confidence and be assured New Zealand’s approach to the pandemic has moved from an emergency response to sustainable long-term management.

The Government has at last made New Zealand rules consistent with the rest of the world. The challenge now is to sell the message that Aotearoa is well and truly open.