

From: no-reply@mbie.govt.nz
To: [Research, Science and Innovation Strategy Secretariat](#)
Subject: Draft Research, Science and Innovation Strategy submission
Date: Friday, 8 November 2019 3:27:15 p.m.
Attachments: [Online-submission-form-uploadsdraft-research-science-and-innovation-strategy-submissionsWhite-Paper-Research-System-Final-7-November-2019-.docx](#)

Submission on Draft Research, Science and Innovation Strategy received:

Are you making your submission as an individual, or on behalf of an organisation?

Organisation

Name

Bruce Bassett

Name of organisation or institutional affiliation

Tourism Industry Aotearoa

Role within organisation

Industry Strategy Manager

Email address (in case we would like to follow up with you further about your submission)

bruce.bassett@tia.org.nz

Which of the below areas do you feel represents your perspective as a submitter? (Please select all that apply)

If you selected other, please specify here:

Gender

Ethnicity

Name of organisation on whose behalf you are submitting, if different to the organisation named above

In which sector does your organisation operate: (Please select all that apply)

Industry

If you selected other, please specify here:

How large is your organisation (in number of full-time-equivalent employees)?

22

Please indicate if you would like some or all of the information you provide in your submission kept in confidence, and if so which information.

I have two documents that form the submission of Tourism Industry Aotearoa' This submission contains one, and I will set another submission to convey the other document.

Please upload your submission document here

White-Paper-Research-System-Final-7-November-2019-.docx - [Download File](#)

Tourism Industry Aotearoa - White Paper

Developing Tourism Industry Research Capability

8 November 2019

Purpose

To set out the conceptual case and rationale for a new arrangement for supporting the tourism industry to take responsibility of its research requirements.

It is proposed that a portion of the International Visitor Levy (IVL) is assigned to the tourism industry to seed the establishment of an industry-led research capacity and capability. This would be a catalyst for further public and private sector investment in a carefully designed research ecosystem that meets the needs of industry, government, investors and destination managers.

Context

Tourism is an integral element of New Zealand society, and a leading component of New Zealand's export economy. There is a strong national interest in ensuring the sustainable growth of the tourism industry as expressed through the *New Zealand-Aotearoa Government Tourism Strategy* and the industry's *Tourism 2025 & Beyond - A Sustainable Growth Framework*.

Similarly, the introduction of the IVL reflects a commitment and means to invest in those areas of the tourism industry that have historically been under-supported.

It is very important that we get this right. A positive scenario is a tourism industry that generates wealth and quality jobs throughout New Zealand and is a key agent for regional prosperity and environmental regeneration. A negative scenario is tourism being seen by the New Zealand public as an intrusion on day-to-day lives, and a despoiler of the natural environment.

Given these potential pathways, it is essential that we manage the New Zealand tourism system to best effect, and generating new understandings and knowledge is essential for this to occur.

This paper has been prepared in the context of the Data Hui that the Minister of Tourism convened on 17 October 2019. While the Hui focused on 'data' as a clear area in its own right, this has an overlap with what are described as the wider Research, Science and Innovation (RSI) requirements which we see as being at different places on a spectrum of industry knowledge needs. This paper considers both but has emphasis more on RSI given the even more pronounced deficit in this area. The TIA Board has considered this matter and considers there is a pressing macro-industry change needed for research to generate new knowledge.

The Problem

With tourism deeply embedded in the New Zealand economy and impacting all parts of society and the lives of New Zealanders, it is important that there is sufficient understanding of how it works so that it can be effectively managed, and its opportunities are fully harnessed.

Over many years, the tourism industry has failed to find sustainable ways to deliver against its knowledge requirements, whether core tracking and measurement data or its wider research needs. While there is a limited or partial data programme that is delivered through MBIE, an equivalent tourism research capability does not exist.¹

The fallback position for industry has been to rely on government provision of data, with occasional research projects by industry and government. This has provided, at best, a partial solution in terms of the:

- Limited nature, quality and quantum of the work undertaken – some data and very little research
- Sense of dependence on, and lack of control over, the tourism data agenda and outputs
- Lack of ability to leverage resources to be deployed to create a larger R&D programme.

The problem to be solved, therefore, is how to meet the information needs of industry, government, investors and destination managers in the most efficient and sustainable manner.

Why does this Problem exist?

The problem is not a recent issue, but one that has been an inherent characteristic of the tourism system for many years. At its heart, this is a market failure issue. As tourism has grown, the knowledge to support it has not scaled up accordingly. With this, the knowledge deficit has been becoming progressively more acute as a range of growth-related issues have emerged across New Zealand.

There are two general reasons for the problem:

1. The fragmented nature of the industry that does not permit the clubbed action for substantive and ongoing industry-good projects, nor for the collection of the type of supply-side levies that are a standard feature of New Zealand's primary sectors.² There is a very long tail of interests and businesses that benefit from tourism but are not directly tourism businesses.
2. The lack of recognition from the public sector of the importance of investing in industry knowledge as a positive contributor to industry well-being and growth. This has meant that investment in tourism data has been minimised as a cost to be reduced over time, rather than being seen as an investment; and the research-type investment has been largely absent.

Related to both of the above, there is a misconception of who the users and beneficiaries of the data and research resources actually are, and the ability of particular individuals or groups to appropriate gains.

Users of tourism data and research lie along a spectrum from public good, clubbed good, to private good. Within this, there are clear user groups: 1) central government; 2) local government; 3) commentators, analysts, consultants, investors, the public, academics;

¹ MBIE's tourism data programme has an annual budget of around \$3.2m. The Government's annual Science and Innovation spend of \$1.4 billion is substantial, but virtually none of it supports tourism research. Tourism is not included in the National Statement of Science Investment.

² Tourism suffers from a number of structural market failures due to the fragmented nature of the industry where 'clubbed industry-good' cannot be achieved without intervention. Areas where this market failure has been addressed include TIA's advocacy role supported through membership subscription, the Government's large investment in Tourism New Zealand to address the market failure for marketing, and the Government's limited investment in basic industry data. The market failure for substantive tourism research has found no solution.

and 4) the industry itself. This spread of usage means that there is little to no incentive for any tourism business to invest in data and research that will then have any use across these four groups, or along the public good/private good spectrum. There is simply no incentive to do so, even though many of the critical industry issues need to be understood and addressed across this range of users. Tourism is a collective-action system, requiring a broad range of interventions to make it work well.

This problem requires a practical and enduring solution.

What do other sectors do?

Tourism is by no means unique in facing collective action issues. Indeed, most of New Zealand's export industries have these characteristics and our science and innovation systems have been structured to take this into account.

However, the current structural characteristics of the tourism research environment are markedly different to New Zealand's other large export industries, particularly the primaries industries – dairy, beef and lamb, wine, kiwifruit, horticulture, and others.

Each of these industries have substantial programmes to support their industry-good RSI requirements. The common thread is that these industries have a levy on the production of the commodity produced that is then used for industry-good activities, whether advocacy, marketing or research. Often these levies are enacted in legislation thereby providing an assured level of funding for the industries involved. Notably, these funds get vested with the industries themselves, and not a government agency. This enables the industry bodies to focus directly on the issues of most importance to their industry strategies, and to leverage other funding streams, whether public or private.³

For instance, the \$1.7b export wine industry provides a compelling example of a leveraged industry research programme that the tourism industry should aspire to.

The wine industry body, New Zealand Winegrowers, in the year to June 2017 received levy income from the production of wine of \$9.4m, of which \$2.6m was allocated for industry-good research. These funds support an internal research capability and are used to undertake projects and to leverage other public and industry funding sources. Through this approach, New Zealand Winegrowers receives a further \$3.3m from external funding sources for research, and a further \$12.5m over four years from MBIE to establish and operate a regional research hub based in Marlborough. This enables New Zealand Winegrowers to manage a substantial \$9m per year research programme. This includes specialised internal capacity, including a separate Board to guide the research effort, the programme manager, chief scientist, and the research and support staff to run the programme. New Zealand Winegrowers' member survey finds that research is the most valued function delivered to its members.

Similar leveraged programmes are in place for the industry bodies for the various primary industries: DairyNZ; Zespri; Meat and Lamb NZ; and others.

Furthermore, across the primary industries, there is a complex set of funding arrangements and institutions to deliver RSI for these industries. For instance, the industries have levies to generate industry RSI funds, there are Science and Innovation funds that can be tapped into such as MBIE's Endeavour Fund, MPI's Primary Growth Partnerships and Callaghan Institute's programmes, and there are the government-funded Crown Research Institutes (e.g. AgResearch, Plant and Food, forestry's Scion) and universities that have the capability to conduct research programmes. In addition,

³ TIA is the peak tourism industry organisation. It undertakes industry-good activities that are focused on advocacy and communications from its \$1.7m membership fees. Other than occasional projects that TIA supports, there is seen as no scope to substantially raise membership fees to cover industry research needs.

large industry players, such as Fonterra, invest commercially into the levy-based RSI programmes which further increases the overall research effort.

Quantification of the total investment in these areas by industry is difficult, but the scale of the public RSI is large and runs to many hundreds of millions of dollars and the level of work is impressive. For instance, the Fonterra Research and Development Centre, which is an important part of the overall research programme of the \$12.4b dairy export industry, employs 300 staff, 130 of whom are PhDs.

There is no doubt that this RSI support has contributed massively to New Zealand's economic wellbeing and this investment should continue.

However, it is our contention that the \$16.2b export tourism industry, as 21% of New Zealand's export economy, would also benefit significantly from appropriate research support. Persistent tourism industry issues, such as productivity, sustainability, seasonality, regional dispersal, carbon usage, workforce shortages, inadequate investment, and more, all suffer from inadequate knowledge to inform strategies, policies and commercial decisions to address each issue, and to inform industry planning. Furthermore, a range of knowledge is needed to assist the achievement of some broader societal goals, e.g. Maori entrepreneurship, wellbeing, revival of rural communities etc.

What are the solutions?

Conceptually, the tourism industry looks to the primary industries as a template for how the tourism system should be configured to address the current tourism research 'vacuum', or 'deficit'.

While there are some practical actions available to improve the current setting, such as better collaboration and tapping into wider tourism-related programmes,⁴ these do not address the inherent structural deficit that the industry currently faces.

With the IVL, there is a unique opportunity to change the data and R&D settings. The Data Hui is best placed to consider any solutions in the data area, but to date no such process is in place for the wider research requirements.

As such, the following is proposed as a model for further investigation:

Allocate International Visitor Levy funds to industry-led Research

Issue: The structural inability to levy the supply-side of the tourism industry means that the industry cannot meet its research needs and cannot leverage other funding sources. It cannot replicate the methods used by the primary industries, as there is no 'commodity' to levy.

Possible Solution: Consider the International Visitor Levy as a 'demand-side' equivalent to the 'supply-side' levies used by primary industries and assign a portion of the funds raised to the industry to develop its research capability: with resources to undertake industry-good projects and to leverage other funding sources. It is important that these funds are vested with industry to support a programme of work (as opposed to being allocated by government to particular projects) to enable the benefits of leverage to be achieved.

Status: TIA has tested this concept with industry through the TIA Board and wider conversations. The task now is to engage with government with this concept, and then to develop it accordingly. Key things to consider include the structural arrangements, governance, funding arrangements and defining the needs. These components mirror

⁴ In this deficit situation, some initiatives do emerge, such as Lincoln University's Sustainable Tourism for Regions, Landscapes and Communities programme, or Callaghan Institute's support of Lightning Lab Tourism which is positive, but they do not address the key constraints the industry faces to ensure the information that it needs to ensure its sustainable future.

the outcomes of the Data Hui, so it is important that this research work stream is undertaken in conjunction with the examination of industry data needs.

An associated key point for the tourism industry is that the Government's wider RSI system needs to be configured so that it is open to investing in tourism research, which is not the case at present. Ensuring an openness to investing in tourism research from the RSI system is a shift that TIA and the wider industry is advocating for, and it has to be part of the proposed model as set out above and it also has to occur in its own right in the wider interest of New Zealand and its future wellbeing.

Next Steps

This paper sets out the 'problem' of the persistently poor research performance of the tourism industry and the reasons behind this. From this, the concept of an IVL-funded research capability has been developed and TIA is keen to explore this concept with government and its agencies as part of the process to build a broad constituency of support.

Bruce Bassett - Industry Strategy Manager

Chris Roberts - Chief Executive

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Appendix One: Characteristics of the Current Environment

In terms of the underdeveloped tourism research environment, there are two aspects to note:

1. **Publicly-funded Tourism RSI.** The tourism system is poorly served by public Science and Innovation funding. The government's Science and Innovation spend is \$1.4 billion per annum, virtually none of which supports tourism research. Tourism is not included in the National Statement of Science Investment. Criteria for the large contestable funds, such as the Endeavour Fund, requires ground breaking research that does not align to the type of work that the tourism industry needs at this time. The RSI system has three key areas:

- **Investigator-led.** Science excellence is the focus. Includes the university research (PBRF), Centres of Research Excellence, Marsden Fund and the Health Research Council. Totalling around \$500m pa. Tourism supported only via the PBRF with some university research capacity. New Zealand has an academic tourism research capability but the incentives in play via the PBRF means that industry-valued research rarely emerges from this source.
- **Mission-led.** Science excellence is the focus. Largely MBIE-administered. Includes Crown Research Institute funding (\$145m), National Science Challenges (\$132m), MBIE contestable funds (\$190m). Totalling around \$550m pa. Tourism not supported from these funds.
- **Industry-led.** Long term sustainable economic growth, productivity and competitiveness is the focus. Largely Callaghan Institute administered. Totalling around \$230m pa. Occasional tourism projects are supported, e.g. Air New Zealand have been supported, as was the recent Lightning Lab Tourism (\$250k).

In addition, there is around \$120m of departmental Science and Innovation funding, including the MPI-administered \$65m Primary Growth Fund.

The criteria for these funds, especially the Mission-led and Industry-led areas, require industry co-funding which handicaps the tourism industry that has no base funds to leverage.

Overall: the tourism industry is very poorly served by these public RSI funds; inhibited by the nature of the criteria and the requirements for industry co-funding.

2. **Privately-funded Research.** Market-failure within the highly fragmented tourism industry makes collective industry effort extremely difficult to achieve. There is no ability to levy tourism businesses given the size and scale of most tourism businesses, and because much of the benefit of tourism demand is enjoyed widely across the New Zealand economy by parties that are essentially non-tourism government or business stakeholders. Organising industry-good research is consistently difficult due to the lack of ability to appropriate private benefit and to prevent freeriding by non-contributing parties.

Occasional collective effort projects are undertaken, such as TIA's Infrastructure Project (2017) and its Domestic Growth Insight Tool (2017), but these typically are one-off efforts requiring a concerted effort to elicit funding from individual tourism businesses. This approach is not seen as providing the sustainable and structural mechanism required to increase the industry's research capability.

Groups of firms on occasion will club together to commission a piece of research, such as the 2017 McKinsey report, but again this is not a structural solution. Also, some firms do conduct research of various types, with this mostly held as a proprietary resource. There are many examples where innovation by tourism firms has led to exciting product development and also to the export of tourism IP to other countries. However, this innovation is generally ad hoc, rather than systematic.

Overall: there is a structural inability of the tourism industry to address its collective industry-good research requirements. This is a fundamental characteristic, with no ready solution.

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Bruce Bassett

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Tourism Industry Aotearoa

Role within organisation

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bruce.bassett@tia.org.nz

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Please upload your submission document here

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Submission to

**Ministry of Business, Innovation and
Employment**

on

**New Zealand's Research, Science and Innovation
Strategy**

7 November 2019

INTRODUCTION

1. TIA is the peak body for the tourism industry in New Zealand. With over 1600 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure and other activities, attractions and retail, airports and airlines, transport, as well as related tourism services.
2. The role of TIA is to be the 'voice of the tourism industry', working for members on advocacy, policy, communication, events, and business capability.
3. TIA owns the industry's *Tourism 2025 & Beyond - Sustainable Growth Framework* and it developed and operates the *Tourism Sustainability Commitment*. Refer: <http://tia.org.nz/>
4. Enquiries relating to this paper should be referred to Bruce Bassett, Industry Strategy Manager at bruce.bassett@tia.org.nz or by phone on 021 609 674.
5. We engaged with various stakeholders on this submission including the TIA-convened Insight Leadership Panel and key researchers from the tourism research community.
6. This submission is filed without prejudice to TIA's future position. Our ability to prepare this submission relied upon the information provided. If any further information is provided at a later date, TIA reserves the right to comment further.

THIS SUBMISSION

7. This submission is in three parts:
 - a. TIA's key messages within this document
 - b. TIA's responses to the 43 questions in the consultation document (Attachment 1)
 - c. TIA's paper on the future tourism research environment (refer attached)

KEY MESSAGES

8. Tourism Industry Aotearoa (TIA) welcomes the opportunity to comment on the draft New Zealand Research, Science and Innovation Strategy (the Strategy).
9. The timing of the process to prepare this Strategy comes at an important juncture for the tourism industry as the interests of both industry and Government align on the strategic objective for the sustainable growth of the tourism industry to drive economic, social, human and environmental outcomes that benefits New Zealand and New Zealanders.
10. In reading the Strategy, we note the desire to retain the structure of the current RSI system, with a range of important improvements around increasing the investment level to 2% of GDP, to build better connections and to build scale in focus areas, amongst others.
11. We welcome the question raised on 'whether the basic building blocks of the RSI system are working well and fit for purpose?' From a tourism industry perspective, the RSI system is not delivering for an economically and socially important part of Aotearoa New Zealand. That the tourism industry is currently almost entirely absent from the RSI system is a serious anomaly and a clear future risk for New Zealand.
12. As the Chief Executive of Tourism Industry Aotearoa, I am speaking on behalf of an industry that: provides 20.6% of New Zealand's export earnings; directly and indirectly contributes 10.4% of GDP; directly and indirectly employs 13.5% of

workers in New Zealand; and generates total annual expenditure of \$39.1 billion. The point for raising these metrics is to highlight that tourism is a crucial part of the New Zealand Inc. system, and therefore needs to be supported by the right sort of RSI to enable the benefits of the industry to be accrued, optimised and sustained over time.

13. I also speak to the natural fit and role that tourism plays in meeting the strategic objectives of Government. From the opening paragraph of the Consultation Document Summary: *"We have set ourselves an ambitious agenda, including tracking big challenges such as the transition to a zero-carbon economy by 2050, supporting our regions to grow, preserving and protecting our environment, creating fulfilling and high-value jobs, and increasing our wellbeing."* Against each one of these priorities the tourism industry has an important role to play. In one key area – that of carbon – there is an existential risk to the New Zealand industry that needs strong and proactive responses, including a comprehensive RSI response.
14. Our assessment of the current RSI situation is that there has never been a critical mass of industry input, funding or institutional support for driving a tourism RSI agenda, and there has been a lack of access to any other funding (such as commodity levies) to be used as a base to leverage the RSI system.
15. Also, the criteria for many RSI programmes are centred on leading edge and innovative science methods. This essentially excludes most tourism research which needs to focus on the application of a range of existing or new science methods to deliver knowledge that can allow destination New Zealand to maximise the economic returns while minimising adverse social and environmental impacts
16. Because of these issues, over a long period of time the tourism research capacity in New Zealand has become depleted. Producing costly RSI applications has not been a productive use of resources, and as a result, tourism researchers have effectively given up trying to access this funding.
17. As the peak industry body for tourism, we have a strategic objective to reset the knowledge systems supporting our industry. We are supported in this objective by the Government, with the Minister of Tourism convening a successful Data Hui in October attended by public, private and education sector leaders. At the RSI end of the knowledge spectrum, we see the RSI Strategy as a key process through which a much-needed shift to the current settings can be achieved.
18. TIA's replies to the 43 questions in the draft Strategy cover many of the points we want to raise, so rather than repeating these, I will set out what we consider to be the most important points:
 - **Tourism RSI Needs.** The tourism industry faces critical strategic issues where RSI must be part of the process for dealing with these issues and finding solutions. To drive tourism to carbon neutrality is a key area, as is ensuring net positive contributions to nature, communities and society more generally.
 - **Aligned to Government Priorities.** Tourism is integral to the frameworks of Government that set out its objectives, goals and priorities. Given that tourism is an important contributor to the attainment of these goals, it is equally important that the tourism industry is supported by appropriate investment in tourism RSI.
 - **Criteria for Research Types.** The criteria used to define the nature of the research in the RSI system (e.g. research excellence) needs to be flexible enough to meet the needs of tourism. Most tourism issues do not need ground-breaking

'frontier' research methods, but rather the sound application or evolution of existing methods.

- **Programmes, not just Projects.** The RSI system should, at least in part, be able to fund programmes, and not just one-off contestable projects. This is important for creating surety around jobs and careers, developing research capabilities, and providing government, industry, investors and destination managers the information required to grow the industry sustainably.
- **Tourism Must be Signalled.** There is a compelling need in the Strategy to signal that tourism is within scope for RSI investment, and with prioritisation, so that the next tier of documents or action plans can define what this will look like in practice. Ideally, this signalling would indicate a funding envelope for tourism RSI.
- **Develop Tourism RSI Capability.** There is a need to nurture the tourism RSI capability given the low level of the existing capability. This will include developing talent, building connections and building trust.
- **Industry Involvement and Governance.** TIA considers that some form of strategic-level governance in the tourism RSI field is needed. For instance, a Science Advisory Group (SAG) for tourism could be established as the platform, or some other such mechanism. A tourism SAG, for instance, could create the vehicle for linking RSI, tourism policy and industry interests to consolidate funding, setting the RSI agenda and examining how programmes or projects are undertaken. This may also link to discussions currently underway for governance around the tourism data area, or it may be separate. TIA will be very keen to contribute.

19. To supplement this submission, I have attached is a paper prepared by TIA with wide industry input in which we explore the issues around the tourism research environment. While not specifically written as a submission to the RSI consultation, I certainly feel that the paper raises critical questions that we are seeking to address, and which should be factored into the RSI Strategy.

20. Finally, we like the vision statement in the draft RSI Strategy, and we see a tourism RSI programme playing an important role towards achieving this vision.

21. We would be most happy to discuss this submission with you, and how we can assist you in ensuring the RSI system can more effectively support the sustainable future of the tourism industry. This includes TIA being a long-term player in its support of tourism industry RSI.

Ngā mihi

Chris Roberts
Chief Executive
Tourism Industry Aotearoa

Attachment 1. Answers to Specific Questions

No.	Question	TIA Comment
1	Where can the RSI system make the greatest contribution to the transition to a carbon-neutral New Zealand?	Tourism is by nature transport-intensive. Some industry players are exploring carbon reduction innovations, but this is piecemeal and would substantially benefit from a science-based and systematic approach. Aviation emissions are a key risk with questions around acceleration to next technologies, the credibility of off-setting and the response by travellers around the world who may increasingly choose not to travel long-haul to visit destinations like New Zealand.
2	Where else do you see it making major contributions?	Science is needed around a wider range of tourism industry issues such as how to reduce waste, to use tourism to restore nature, ensure community welcoming of visitors, to achieve value over volume, and there are many more topics for which there are information gaps.
3	What else could the RSI system be doing to accelerate the progress towards the government's priorities?	<p>The Government has established priorities, a number of which relate directly to tourism, e.g. building a productive, sustainable and inclusive economy, improving wellbeing of New Zealanders and providing leadership by Government.</p> <p>An RSI system that support tourism would be a key step given that tourism is a key engine of the economy with strong reach into communities and regions throughout New Zealand.</p> <p>The Government, in May of this year, released the New Zealand-Aotearoa Government Tourism Strategy that seeks to coral all parts of government to support the sustainable growth of the tourism industry to enrich Aotearoa and New Zealanders.</p> <p>TIA's Tourism 2025 & Beyond framework is closely aligned to the Government Tourism Strategy.</p> <p>Tourism is a priority for Government in itself, and as an enabler for achieving the Government's other wider goals.</p>
4	Should the RSI strategy be focussed on innovation at the frontier?	Not always. There are many instances that critical research questions can be best solved by existing methods. Tourism has been significantly disadvantaged by the criteria where industry knowledge needs can often be met through existent research methods. This doesn't make the knowledge generated any less important.
5	In what areas does NZ have the ability to solve problems that no one else has solved?	NZ tourism is an industry of competitive advantage given the high value we derive compared to many other destinations. We could build on this, for instance, if we could address carbon issues and make NZ a 'guilt free' destination. NZ's size, scale and isolation means that NZ would be an ideal testing ground for such a move globally.
6	In what areas could NZ be a world leader?	The carbon issue above is an important area, and there are many others. For instance, how can tourism contribute positively to nature, to communities, etc. TIA's Tourism Sustainability Commitment is a world leading programme, with the vision of "Leading the World in Sustainable Tourism" and within it there are many areas that would benefit from RSI.
7	Opportunities available to the NZ RSI system.	There are opportunities for the RSI system in making sure it is aligned to one of New Zealand's the key success industries. By using RSI to make tourism stronger will be a win for the RSI system.
8	What challenges are unique to New	Managing destinations requires unique knowledge and

	Zealand.	solutions. Our culture, communities and ecology require a bespoke response. Yes, we can learn from others, but we need to ensure we can apply it to our unique context.
9	What are the challenges of innovating in the public sector, and differ to the private sector?	As a private sector body, we are seeking public sector RSI because the so much of the knowledge needed has strong public-good elements. This is a challenge, but also an opportunity because no private entity can fill these gaps.
10	Is a key challenge for the RSI system enabling stronger connections?	Yes. Connections built on relationship are key to problem-solving and information flows. Finding better ways to incentivise connections would be widely beneficial. In tourism at the moment, mechanisms to foster RSI connections are weak and ad hoc where they do occur. There are no conference, meetings, or electronic communication to ensure connections. Where connections do occur, they are more likely to be academic through a small number of academic researchers.
11	Do you agree with the definition of excellence?	Yes, as a concept. However, care is needed on what constitutes excellence. In the tourism industry, we have a sense that our best academic researchers are following the excellence criteria to publish internationally in journals. There then doesn't seem any incentive to do more once published. The excellence characteristics of people, global outlook and partnership seem to create a wider view on excellence.
12	How can we achieve diversity within our research workforce?	Signalling research topics that need a diverse workforce could be one way and, more generally, creating an environment with greater tenure or surety in jobs or careers would seem important.
13	Should excellence be seen in a global context?	Yes. RSI should be both outward and inward. For instance, research on a tourism destination management issue, but to do so from the wider understanding of theory and practice globally. In turn, there will be many areas where NZ is the leading global example for others to look to.
14	Is excellence strengthened by stronger connections?	Yes. Working collaboratively will typically yield strong gains. From a tourism perspective, incentives for such connections will be important.
15	How can we improve the ways we measure the impact of research?	This a difficult point for us to comment on as there is little current publicly-funded tourism research to allow impact assessment. A recent research project undertaken by TIA on tourism infrastructure fed into government considerations on addressing gaps, and the result was the development of the Tourism Infrastructure Fund. Not a typical example, but one where there was a direct impact.
16	Where are the weak connections at present?	As tourism is largely absent from the RSI system, connections do not exist. The barriers are the lack of players in the system and the lack of incentives to connect (e.g. no funding, PBRF settings tending to narrow connections to academic circles).
17	What actions will stimulate more connectivity within the RSI system?	The tourism RSI systems needs a funding base, then it needs a strategy and/or agenda to define the priorities for research and then there needs to be processes to build the capability to deliver the desired research. A clear signal that tourism is a player within the RSI system is absolutely essential.
18	How would we improve connections from within the RSI system and with people outside it?	Having a tourism RSI capacity is key. Once in place, industry players will readily engage, especially to set priorities and to contribute to the research process.
19	How can we better nurture and grow	A chronic issue for tourism. There is effectively no

	researchers within New Zealand, and offer stable pathways to retain young talent in NZ?	pathway for young NZ research talent in tourism. Some can make career in academia, but there is no incentive from there to make a wider industry contribution.
20	How could we attract people with unique skills and experience from overseas?	We need the programmes to which they can join. Currently lacking except a small number of academic positions across New Zealand's universities.
21	What changes could be made to support career stability for researchers?	Stable programmes, and not just one-off contestable projects where funding application success rates are low.
22	Do you agree with the initiatives in the Strategy to support and attract talent?	We agree with the comment that funding has tended to be for specific projects, rather than in the RSI talent that invest their careers in working in these fields. A balanced shift of emphasis is supported. For tourism, knowing there was some RSI capacity in place would be much more desirable than periodic and spasmodic projects where there is no surety for either the industry or the researchers.
23	What initiatives will strengthen connections between participants in the RSI system?	No particular views, but we appreciate the importance of purposefully fostering connections as stated earlier.
24	What initiatives will strengthen connections between participants in the RSI system and users of innovations?	As an industry body, we are seeking stronger links with the RSI system, and TIA could be a platform for developing researcher/user linkages.
25	What initiatives will strengthen connections between participants in the RSI system and international experts, business communities and markets?	From a TIA perspective, as above.
26	Are there any other themes to take into account?	Perhaps there is a point that the needs and readiness of different sectors are themselves different. Therefore, more proactivity may be needed in some areas – like tourism - to foster quality RSI outputs and to build the RSI capability.
27	How can I better support the growth of start-ups?	TIA supported the Callaghan Innovation-backed Lightning Lab Tourism earlier this year and now that we know about the programme and how it works, we will provide more support for the 2020 Lightning Lab.
28	Do the initiatives in the draft Strategy to support growth of start-ups need to change?	TIA has no suggestions here, although the threshold for the R&D Tax Incentives would seem higher than what might be useful for start-ups (and indeed for most tourism businesses).
29	What additional barriers exist that prevent start-ups and other businesses from conducting RSI?	TIA is not sure about start-ups particularly, but a key difficulty for RSI for the bulk of tourism businesses is that a primary RSI need for knowledge is public good in nature and relates to how well that whole tourism system can operate. The small business units (SMEs) within the large and diverse tourism system will never be able appropriate sufficient private gain to make such RSI investment worthwhile. This the key structural impediment to developing industry-good tourism R&D. By comparison, most (or all) of New Zealand's primary sectors have government-mandated commodity levies from which the sectors fund their collective-effort activities – whether advocacy, marketing or research. Because tourism has not had the ability to establish such a levy, it has never been able to solve its collective-effort research problem.
30	What elements or initiatives to support innovation for public good are needed?	For TIA, and as set out above, the narrow interpretation of 'public good' has disadvantaged the tourism industry. In a highly fragmented industry like tourism with just a few big players (Air NZ, Auckland Airport, and the like), there is a 'failure' across the rest of the industry. Whether this is 'public good' or 'industry-good' makes little difference in practice.

31	What public good opportunities should initiatives in this area be focussed on.	TIA argues that many key RSI initiatives in tourism have public good characteristics, especially where they have a interface with the wellbeing of our culture, communities and environment. There is a lot of scope in these areas for RSI to inform long term and sustainable tourism interface, with many benefits accruing.
32	What elements will initiatives to build scale in focussed areas need to be successful?	Importance to NZ's wider priorities and the scale of the potential impact are important.
33	Do the initiatives proposed in the Strategy build scale need to be changed.? Are there other areas?	TIA strongly believes that tourism needs to be positioned as a priority area in this strategy. Quite how this is achieved we are not sure, but as 20% of our export economy and over 10% of GDP it is vitally important that the wealth-generating capability of the industry is optimised. An area of specific focus could be around RSI to accelerate the tourism industry journey towards carbon neutrality, with a focus on both international aviation linkages and needed reduction and off-setting strategies, and within New Zealand where a more aggressive carbon neutrality strategy could be pursued. RSI on the net impact of tourism on communities and the environment, and levers for maximising these relationships could be another area of focus. TIA requests that we be engaged with directly to support the development of these suggestions.
34	Does the approach to extend Vision Mātaranga focus on the right areas?	These look good to TIA. Our interest is in the seamless integration of Te Ao Māori across the tourism industry. RSI to support this is welcomed by TIA.
35	How can we ensure the RSI system is open to the best Māori thinkers and researchers?	As more generally, develop more secure career pathways and signal intent to invest in this area.
36	How can we ensure that Māori knowledge, culture and world views are integrated in the RSI system?	By design – make sure the signals are clear, while ensuring the objective of the wider RSI system will be met.
37	How can we strengthen the connections between the RSI system and Māori businesses and enterprises?	Tourism has a thriving Māori business community, and this could provide a platform for developing and testing the connections.
38	Do the current structures, funding and policies encourage research organisations to form coordinated, dynamic network of research across horizons of research and innovation?	The current system may work for some sectors or industries, but it absolutely does not work for the tourism industry. Industry-level RSI is very much geared to primary industries, and not other industries such as tourism regardless of their role in the economy and their contribution to Government goals and objectives. This applies to funding, definition of research type, and the institutions. The result for tourism is limited RSI activity, and where it takes place is fragmented and shorter term rather than out to longer horizons.
39	Is the CRI model operating model working to support dynamic, connected institutions and globally leading research?	The CRIs have limited relevance to tourism as currently structured. The CRI model does appear to be playing an important role for other sectors, so our interest is in getting such institutional support for tourism, if and where appropriate.
40	What additional research and innovation structure is necessary to achieve the goals of this strategy?	As set out above, there is no structure in place to support tourism industry RSI, despite the size and contribution of the industry and the need for RSI to assist the industry to tackle critical questions, e.g. how to get to a carbon-neutral industry, how to ensure net benefits for community and environment from tourism, etc.

		<p>Some form of tourism-oriented RSI structure would likely be a game-changer for the tourism industry. In the RSI system, Science Advisory Groups are used to bring together parties of interest to focus science for important matters.</p> <p>A tourism SAG could create the vehicle for linking RSI, tourism policy and industry interests to consolidate funding, setting the RSI agenda and examining how programmes or projects are undertaken.</p>
40	<p>What additional research and innovation infrastructure is necessary to achieve the goals of this strategy? What opportunities are there to share infrastructure across institutions or with international partners?</p>	<p>Tourism infrastructure, at least initially, will need to be 'soft' rather than 'bricks and mortar' meaning that it will be more about building networks, defining priority needs and then finding ways to build programmes around quality RSI teams or consortiums. Industry engagement will be crucial, and TIA sees that it would have an important role to play.</p>
41	<p>What elements will initiatives in this area need to be successful?</p>	<ol style="list-style-type: none"> 1) Clear statements in the Strategy that tourism RSI is within scope of the Government's investment intentions 2) Clear signals on funding and the institutional support that should be involved. 3) As this will involve a shift to the current low-RSI environment, some form of nurturing will likely be needed, e.g. to engage industry, engage the research community, and to build trust.
42	<p>How should the government prioritise the areas of action, and the initiatives under each area?</p>	<p>The TIA position is that the RSI system needs to be configured to allow and encourage, tourism-related RSI, as a clear shift to the current arrangements. The Government should signal prioritisation for tourism RSI, as it does for tourism within its overarching goals, priorities, plans (e.g. Economic Plan, Sept 2019) and strategies (e.g. the Government Tourism Strategy).</p> <p>While the RSI Strategy is not an allocation or action document, it does direct what these more implementation-related documents will do. Given tourism is essentially 'missing' from the current system, clear statements to show that this has changed is needed within the RSI Strategy itself.</p>
43	<p>Do you have any other comment on the Strategy which have not yet been addressed?</p>	<p>TIA sees that tourism knowledge is needed on a spectrum from basis data and statistics through to more 'blue sky' thinking over longer horizons. TIA and Government (MBIE) are working on a big shift in the data environment and through this RSI process there is opportunity to create an equivalent shift in the research (or RSI) environment.</p> <p>We see these areas as being related and separate at the same time. With the data shift emerging from the recent Data Hui, there was a clear signal that a governance structure of some sort is needed and when this is looked at, whether it might incorporate the RSI field should also be considered.</p> <p>While we don't know how this may shape up, TIA and the wider industry will need to be closely involved in governance and prioritisation processes and discussions around the future settings for tourism RSI.</p>