

### Journal of Sustainability and Resilience

Volume 1 | Issue 2 Article 4

2021

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#### **Recommended Citation**

Haley, Marie and Hussain, Asif (2021) "Government Response to Covid-19 and Gender Discrepancy: Tour Operator Perspective from New Zealand," *Journal of Sustainability and Resilience*: Vol. 1 : Iss. 2 , Article 4. Available at: https://digitalcommons.usf.edu/jsr/vol1/iss2/4

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Publisher's Note: Journal of Sustainability and Resilience (JSR) (ISSN:2744-3620) is published bi-annually by the Sustainability and Resilience Institute (SRI) of New Zealand. The opinions expressed in this paper are those of the authors and do not necessarily reflect the official policy of SRI. SRI remains neutral about jurisdictional claims in published maps and institutional affiliations.

# Government Response to Covid-19 and Gender Discrepancy: Tour Operator Perspective from New Zealand

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Received: 26/07/2021 Revised: 31/07/2021 Accepted: 01/08/2021 Published: 20/08/2021

**How to cite:** Haley, Marie and Hussain, Asif (2021). Government Response to Covid-19 and Gender Discrepancy: Tour Operator Perspective from New Zealand. *Journal of Sustainability and Resilience*, Volume 1, Issue 2, Article 4.

**Abstract:** The New Zealand government closed the international borders for the first time in history to pursuit an elimination strategy to COVID-19. This has had a severe impact upon tour operators who have been excluded from a free and fair market, to protect the broader economic and public health systems. This paper argues that the government response needs a focus at the whanau and community level, with a targeted focus on women empowerment in the communities that are dependent upon international tourism. The government should pursue an approach of engagement with systems to facilitate community lead COVID-19 recovery. Thus, allowing the ability to maintain community cohesion, connection to place, economic stability and support sectors of the community that are hardest hit, such as tourism, Māori and women. Businesses should be engaged to work together, communities empowered to drive their recovery plans and individuals empowered to pursuit creative responses to entrepreneurial and retraining opportunities in situ.

**Keywords:** Government Response, Covid-19, Tour Operators, Regenerative Tourism, New Zealand.

#### Introduction and research method

The New Zealand government moved rapidly to close the international borders on the 19 March 2020, for the first time in history to prevent the increased spread of COVID-19 from offshore and to control the cases of COVID-19 that were already in New Zealand. Prime Minister Jacinda Ardern recognised that "in no time in New Zealand's history has a power like this been used." Control measures of a stringent

lockdown and the tiered alert system worked so well that the government moved to pursue a long term elimination strategy, keeping the New Zealand borders closed with strict quarantine and testing system for New Zealand citizens and residents returning to New Zealand (ImmigrationNZ, 2021; RNZ, 2020).

When New Zealand moved into lockdown on the 25 March 2020, the predictions for the economic fall out of a closed economy

were dire. The economy was expected to contract 4.6 per cent in the year to June 2020 (StatsNZ, 2020b; Stuff, 2021). Economic activity, as measured by gross domestic product (GDP), was down 12.2 percent in the June 2020 quarter. This is the largest quarterly decline in GDP on record.

Retail, accommodation, and restaurants were the largest contributors to the decline, with a fall of 25.2 percent. This was driven by a 47.4 percent decline in accommodation food services, with businesses significantly affected by the fall in international tourists and the physical restrictions in place under alert levels 2 to 4. The government moved swiftly to implement an economic relief and stimulus package with the wage subsidy available to all employees in businesses experiencing a 30% reduction in revenue (Work and Income, 2020), around \$13.7 billion was distributed through this scheme (Robson, 2020).

According to the Controller and Auditor-General (2020), to date, the Scheme has distributed about \$13.7 billion. The latest figures from the Ministry of Social Development show that \$1.9b of that has been paid under the extension to the scheme, which came into effect in early June. More than 1.7 million jobs are being supported by the scheme, which comes to an end in September (Robson, 2020). This study applies mixed methods approach to analyse existing qualitative and quantitative data find stratification between qualitative and quantitative data and draw conclusions (Creswell, 2013; Creswell & Creswell, 2017).

#### **Context and Discussion**

New Zealanders largely supported the governments' COVID-19 strategy (seen by the overwhelming election victory with labour receiving 50% of votes and 65 of the 120 seats in parliament) (Electoral Commission, 2020) and acted as a 'team of

five million' in following the rules and recommendations that were clearly set out and communicated widely on multi-media channels.

The government response to COVID-19 focuses largely on an individual level response, with job creation and retraining, mental health services and business support packages all focused on the individual. The Development Ministry for Social commissioned a literature review 'Social Connectedness and Wellbeing' that found "social connectedness is a key driver of wellbeing and resilience. Socially wellconnected people and communities are happier and healthier and are better able to take charge of their lives and find solute ions to the problems they are facing."

Women are the most severely impacted by job losses from the tourism industry, with Māori women having the greatest reduction in tourism jobs from the pandemic. The governments' response has been to create traditionally male-orientated jobs in the construction, primary industries, as well as low skilled and low-wage environmental jobs.

By September 2020, all wage subsidies had ended, and tourism was heading towards its traditional peak summer season, there was hope by tour operators for an increase in tour bookings from domestic tourism. The government promoted a 'do something new, New Zealand' campaign and had widespread advertising to encourage domestic tourism to somewhat fill the \$17.5 billion hole left by international tourism spending (international students add an extra \$4.2 billion on top of this) (StatsNZ, 2020e).

The results of the tourism NZ campaign have been mixed, with accommodation suppliers close to main centres and some attractions having 'their best winter ever' in 2020 (TVNZ, 2020), while over summer tour operators have low bookings and

struggle to cover their operating and staff costs over the season, whereas, they would traditionally take in enough money to cover their winter costs as well.

The domestic New Zealand economy has bounced back largely on the back of rising house prices, and the consumer price index has risen due to increased accommodation costs. New Zealand has pulled itself out of recession due to lowered interest rates driving a property boom (StatsNZ, 2020c, 2020d). With New Zealand house prices rising at an average of \$332 per day in 2020, it capped with a 19% rise in house prices for the year despite a sharp jump in volumes sold (Chaston, 2021).

#### Government Response

The COVID-19 stimulus package was decried for its slant towards traditionally male-orientated jobs, with construction receiving the lions share of the boost, with and primary construction industries apprentices and training becoming free KiwiBank, (Johnston, 2020; Wallace, 2020). The government also looked towards the environment to create Jobs for Nature in wilding pine removal and pest control, again jobs that are traditionally male-orientated (OECD, 2020).

Women, Māori and people of minorities had the highest rates of loss of employment (StatsNZ, 2020a). These groups are those already less likely to be working full time, with legislation in wage subsidies and income relief payments discriminating against part-time workers. If a person held two part-time jobs and lost one or both, they would only be eligible for one part-time payment, or half the rate of the full-time worker. 22,000 women moved out of employment during 2020. With almost all of these (19,700) losses from tourismrelated industries. The number of Māori women employed in tourism industries was down by 20.5 per cent in the June quarter of 2020. Yet the government's response has

been to create male-oriented job opportunities that are often full-time with poor working conditions, such as 'outside rain or shine' and physically demanding work (Robson, 2020; Sage, 2020). Fine for the young, healthy and those without dependents (Robson, 2020; Sage, 2020). Women and especially Māori and Pacifica women shoulder the burden of unpaid care work and are much less likely to be in full time paid employment (Reilly, 2019).

Many New Zealand tourist towns are remote, being located in beautiful settings that international tourists would travel to see and experience, such as Franz Josef, Kaikoura and Akaroa. These communities have developed economies international tourism, with jobs largely in tourism. In Kaikoura for example tourism jobs traditionally make up 40.4% of the market share (Infomertics, 2020). Jobs in associated support industries hospitality, retail, and transport make up another 37.7% in Kaikoura, a total of 78% of jobs being tourism-related. In Franz Josef it is even higher with 90% of jobs tourism-related (Sage, 2020).

Work retraining will drive changes to small-town population dynamics, with people needing to move to cities for retraining, or shifting to small towns for the environment-based positions. The people who own and operate the small tour companies and who have struggled to keep businesses afloat through the subsidised 2020-21 summer will be forced to reduce staff, and in cases look towards secondary employment. As the borders remain closed indefinitely, businesses are operating in an environment of high uncertainty. Thus, we see examples such as Franz Josef having 1000 residents pre-COVID with 300 remaining in January 2021, with a likelihood that more positions will be lost and local services such as school and voluntary fire brigade suffering this population drain (RNZ, 2021).

#### An Opportunity

Regenerative tourism is touted as the new sustainability, but we have seen with COVID-19 that there is no sustainability in an industry without resilience (Hussain, 2021). There is no resilience without communication, linkages and diversity (Hussain, 2019). Regeneration in its very term is 'grass roots'. It is a term borrowed from the environment, to regenerate is to allow the emergence of a healthy system, one that is not burdened by external pressures, but finds its mauri (lifeforce) that creates within the system energy to selfheal and find a stasis point (self-adjusting biological resilience) (Hussain & Fusté-Forné, 2021).

The government is relying upon the local councils, communities and business owners to retain the tourism operations, facilities and attractions that are key to attracting international and domestic tourists without providing the support for their continued population retention, community cohesion and business operation. If the borders are to remain shut indefinitely, then these communities and businesses will fail, and tourism assets will be lost.

While the international border of New Zealand remains closed due to government legislation the tourism industry carries that burden. The New Zealand government should look beyond wage subsidies and look toward business support. Recouping the wage subsidies paid out to businesses that were not eligible and distributing it to key areas of the tourism economy that are struggling. As in examples overseas such as the Cook Islands where subsidies are continued while the international border remains closed. At the very least use the funds to create locally-driven stimulus, where entrepreneurship is supported, where community support and adviser roles are established to help communities build resilience during this time. Where programs are rolled out within the community for

business and mental health support networks, where tourism recovery planning engages with the host communities and operators to plan for and build a stronger, more productive, resilient and regenerative tourism model that works for all post-Covid scenarios.

#### Conclusion

While aspects of the tourism industry are flourishing under COVID-19 conditions with some regions such as the Able-Tasman reporting a booming summer of domestic tourism and accommodation and attractions close to major centres experiencing a boom especially with winter weekend getaways and family holidays. Other aspects of the tourism industry most notably the tour operations, some regions and places most reliant on international visitation, such as Otago have struggled to remain operating and if so at reduced capacity. Small and new operators without years of media presence have found it difficult to retain market share.

#### Theoretical and Practical Implications

This is the opportunity for New Zealand to do the work to build a world-class regenerative tourism model that connected and resilient across its operations. From the government policy to the grassroots, local operations and host communities. It is across this whole network that new tourism must be created. If it is left longer tourism operations will be hard-pressed financially that they will resume operation at any cost, regardless of the environmental or social outcomes. In the long run, New Zealand's environment, reputation and host communities will suffer.

#### Limitations and Future Research

This research has used secondary data to analyse the research objectives. The concept of regenerative tourism is new, which demands testing using real data. Studies show that there is no sustainability without resilience and the key to resilience is diversity at grass root levels.

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#### **Author profile**



Marie Haley is the founder and guide of The Seventh Generation. She was born and raised on Banks Peninsula, a seventh-generation direct decedent of Akaroa's first French settler. She grew up on the family farm following her Grandfather's footsteps and his Grandfather before. From the age of six, she knew that she would devote her life to the conservation of native species and protect the incredible beauty of New Zealand. In her work as a wildlife ranger and Wildside coordinator, this dream has become a reality. With The Seventh Generation, she wants to share her passion and knowledge with other people to provide a deeper understanding and local connection to her special place's history and nature.

#### **Author profile**



Asif Hussain, PhD, is the founding director of Sustainability and Resilience Institute New Zealand. He specialised in tourism and infrastructure development, focusing on the consequences of infrastructure development on sustainability and resilience. Asif is a dedicated entrepreneur, social worker, philanthropist, and has developed innovative solutions and facilitated numerous community projects that have led to life-changing outcomes. He demonstrated history of working in the higher education industry, sustainable development and resilience.