



**Benje
Patterson**
People & Places

April 2023

The silver tourism economy in the West Coast



Credit: Nimmo Photography

Prepared by: Benje Patterson & Emma Riley

Benje Patterson | People & Places

www.benjepatterson.co.nz

April 2023

All work provided and services rendered are at the request of the client and intended for the client's purposes only. Benje Patterson Ltd and its employees do not accept any responsibility on any grounds whatsoever, including negligence, to any other person or organisation. While every effort is made by Benje Patterson Ltd to ensure that the information and analysis are accurate and reliable, Benje Patterson Ltd shall not be liable for any adverse consequences of the client's decisions made in reliance of any report provided by Benje Patterson Ltd. Furthermore, Benje Patterson Ltd make no representations or warranties of any kind as to whether any report provided by Benje Patterson Ltd will assist in the performance of the client's functions. Any reliance will be at your own risk.

1. Contents

2. Report overview.....	2
3. How big is silver tourism?	3
4. What do we know about the silver tourist?	5
5. What do silver tourists like to do?	9
6. Opportunities for future growth in silver tourism	11
7. Concluding remarks	13

2. Report overview

This report provides a detailed analysis of the contribution of silver tourism to the West Coast economy.

The silver tourism economy captures activity from travellers who are aged 65 years or older. Silver tourism is an increasingly important part of the visitor economy, with the population of people over the age of 65 years expected to be the fastest growing population group over the coming decade.

This report explores the current size of silver tourism and its expected growth in the coming years. It also focusses on the characteristics of the silver tourist, including where they travel from and how long they stay. Furthermore, the types of accommodation and activities that are most frequently used by silver tourists are laid out.

Baseline data for the silver tourism insights in this report are indicative of peak tourism levels that prevailed immediately prior to when the Covid-19 pandemic hit in early 2020, while the outlook considers growth expectations over the coming decade.

2.1. Key findings

- There were 272,328 guest nights by silver tourists on the West Coast in 2019, which equated to 21% of all guest nights in commercial accommodation in the region.
- Silver tourists spent \$87 million, which was 18% of the West Coast's total tourism expenditure in the same year.
- There were 646 jobs supported by silver tourism in the West Coast in 2019, which was 18% of all tourism jobs in the region.
- Of the guest nights by silver tourists on the West Coast, 53% were international, while 47% were domestic. In comparison, total tourism guest nights across all age groups on the West Coast were split into 64% international and 36% domestic.
- Silver tourists enjoy activities that showcase New Zealand's natural environment the most. They are also far more likely to participate in leisure and history-based activities and less likely to partake in adventure-based activities.
- Silver tourists tend to stay slightly longer in a destination than other tourists (about 15% longer). In terms of their budgets, domestic silver tourists spend less per day than the average domestic tourist, while international silver tourists spend a similar amount per day to the average international tourist.
- Hotel accommodation is the most popular type of accommodation for silver tourists, followed by staying with friends and family, which a silver tourist is far more likely to do than the average tourist.
- Silver tourism has significant growth potential over the next decade as population growth among over 65s is expected to be high. If the West Coast can continue to capture a similar share of nationwide growth in silver tourism, then guest nights by silver tourists on the West Coast each year could rise by more than 75,000 to reach almost 350,000 guest nights a year within a decade.

2.2. Data Sources

The modelling and data presented in this report draws on several sources. These include: the Ministry of Business, Innovation, and Employment's (MBIE) International Visitor Survey, Commercial Accommodation Monitor, and Monthly Regional Tourism Estimates, as well as Tourism NZ's Domestic Growth Insight Tool (DGIT), and Statistics New Zealand's Tourism Satellite Account. Population insights were drawn from Statistics New Zealand and the OECD.

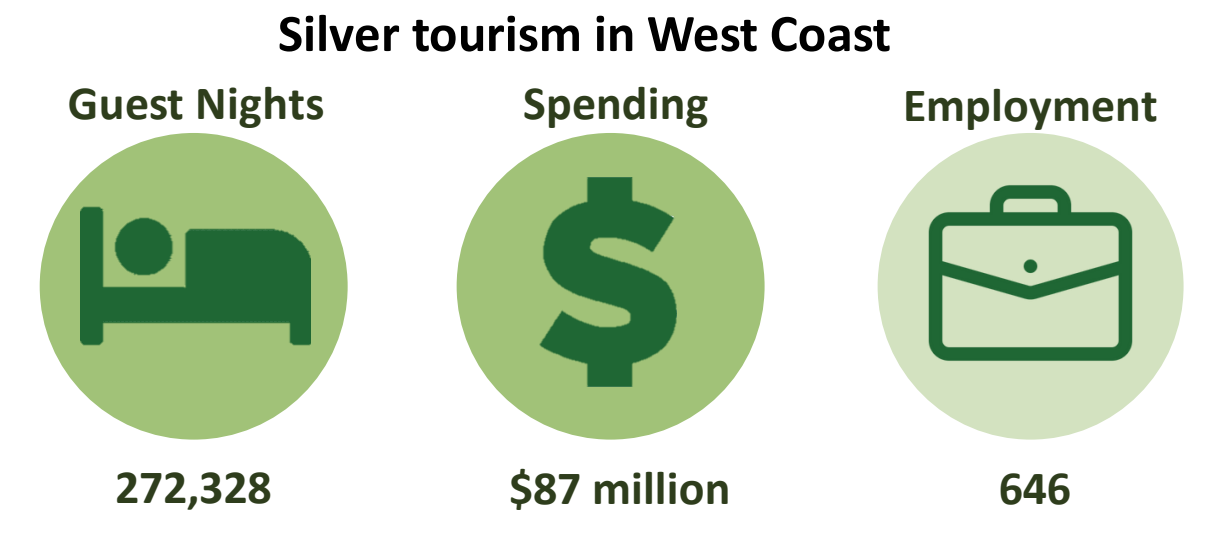
3. How big is silver tourism?

This section of the report highlights how big silver tourism is in the West Coast. Findings are presented relative to the rest of the West Coast visitor economy, and against silver tourism in other parts of New Zealand. The analysis uses data prior to the Covid-19 pandemic to simulate a 'normal' baseline level.

3.1. Silver tourism in the West Coast

- In the West Coast there were 272,328 guest nights by silver tourists in 2019, which accounted for 21% of all guest nights in commercial accommodation in the region.
- Silver tourists spent \$87 million, which was 18% of the West Coast's total tourism expenditure in the same year.
- There were 646 jobs supported by silver tourism in the West Coast, which was 18% of all tourism jobs in the region.

Figure 1 – Overview of silver tourism in the West Coast, author calculations



3.2. Silver tourism at a National Level

- Throughout New Zealand there were 7.7 million silver tourist guest nights in 2019, which represented 19% of total tourism guest nights in commercial accommodation.
- National silver tourism expenditure totalled \$4.8 billion in 2019, which was 16% of the country's total tourism spending.
- In 2019, there were 35,557 jobs supported by silver tourism in New Zealand, which accounted for 16% of total jobs in the tourism sector.

Figure 2 – Overview of silver tourism across New Zealand, author calculations

Silver tourism in New Zealand



3.3. Comparison with other regions

- 21% of guest nights on the West Coast are people over the age of 65 years compared to the national average of 19%.
- The West Coast has the tenth highest proportion of silver guest nights to total guest nights of all regions in New Zealand, and the third highest in the South Island.
- Silver guest nights in the West Coast account for 4% of all silver tourism nights in New Zealand.

Table 1 – Proportional rankings of silver guest nights to total guest nights by region, author calculations

Ranking of regions based on the proportionate sizes of silver guest nights to total guest nights	
1	Whanganui
2	Taranaki
3	Gisborne
4	Wairarapa
5	Timaru
6	Central Otago
7	Hawke's Bay
8	Manawatu
9	Waikato
10	West Coast
11	Marlborough
12	Southland
13	Clutha
14	Northland
15	Canterbury
16	Bay of Plenty
17	Nelson-Tasman
18	Dunedin
19	Auckland
20	Wellington
21	Waitaki
22	Mackenzie
23	Fiordland
24	Taupo
25	Coromandel
26	Rotorua
27	Queenstown
28	Wanaka
29	Hurunui
30	Ruapehu

4. What do we know about the silver tourist?

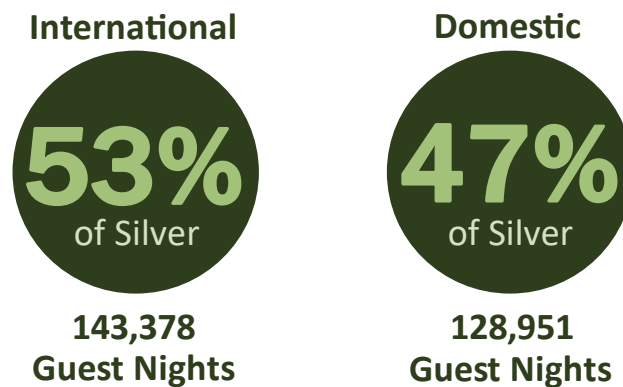
This section outlines what we know about the silver tourist, including where they come from, how long they typically stay in a destination, and how their daily budget compares to other tourists.

4.1. Where do silver tourists come from?

In 2019, 53% of silver tourist guest nights in the West Coast were by internationals, while the remaining 47% were from domestic silver tourists. The share of domestic silver tourists on the West Coast is much higher than the domestic tourist share of total tourism. Domestic visitors accounted for only 36% of total tourism guest nights in the West Coast, compared to 64% by internationals.

Figure 3 – Proportion of international and domestic silver guest nights in the West Coast, author calculations

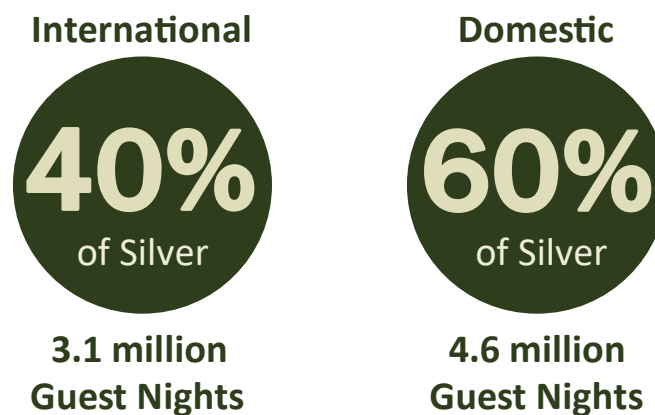
Origin of silver tourism guest nights in West Coast



At a national level international visitors over the age of 65 years accounted for approximately 40% of all silver guest nights in the country, while domestic silver tourists accounted for the remaining 60% of silver guest nights in New Zealand. These shares are relatively similar to the split of international and domestic tourism in general at a national level. In terms of total tourism in New Zealand across all age groups, 42% of guest nights are by international tourists and 58% are from domestic visitors.

Figure 4 – Proportion of International and Domestic Silver Guest Nights in New Zealand, author calculations

Origin of silver tourism guest nights in New Zealand



4.1.1. International silver tourists

The largest proportion of New Zealand's international tourists come from Australia, regardless of their age. Australians over the age of 65 years account for 34.4% of international silver tourism. This is slightly lower than the 39.8% share of total international tourism that Australians account for.

Table 2 – Distribution of New Zealand's international tourists by where they live, Source: Data from the International Visitor Survey (2019)

Places of Origin	Silver International Tourists	All International Tourists
Australia	34.4%	39.8%
USA	16.1%	9.6%
UK	13.1%	6.4%
China	6.3%	11.2%
Rest of Europe	6.2%	6.3%
Rest of Asia	6.0%	10.3%
Rest of Oceania	5.9%	4.1%
Canada	3.4%	1.9%
Japan	2.9%	2.5%
Africa and Middle East	2.2%	1.4%
Germany	1.6%	2.8%
Republic of Korea	1.2%	2.4%
Rest of Americas	0.9%	1.4%
Total*	100%	100%

**Total is subject to rounding error*

The United States and the United Kingdom account for 16.1% and 13.1% respectively of international silver tourism to New Zealand. A silver tourist in New Zealand is far more likely to be from the United States or the United Kingdom than the average tourist.

China and the Rest of Asia make up over 12% of New Zealand's international silver tourism. However, in total these countries represent over 20% of international tourism in New Zealand. Thus, tourists to New Zealand over the age of 65 years are less likely to be from these countries than the average traveller. A similar scenario can be seen with tourists from Korea, and Germany.

4.1.2. Domestic silver tourists

Auckland is the biggest source of domestic tourists in general across New Zealand, accounting for 33.5% of all domestic tourists. The City of Sails is also our biggest source of silver tourists, albeit with a slightly lower share of 24.1% of domestic silver travellers. Given that Auckland was home for 26.8% of New Zealand's silver population in 2019, the lower share of Aucklanders aged over 65 who travel domestically suggests that silver Aucklanders are slightly less likely to travel than their counterparts from throughout the rest of the country.

Table 3 – Distribution of New Zealand’s domestic tourists by where they live, Source: Data from DGiT

NZ Regions	Silver Domestic Tourists	All Domestic Tourists
Auckland	24.1%	33.5%
Canterbury	9.3%	11.5%
Bay of Plenty	8.1%	5.5%
Waikato	8.0%	8.5%
Wellington	6.7%	10.1%
Northland	6.6%	3.7%
Southland	5.0%	2.9%
Taranaki	4.4%	3.2%
Gisborne	4.3%	2.0%
Marlborough	4.1%	1.5%
West Coast	3.2%	1.4%
Manawatu	3.0%	2.9%
Hawke's Bay	2.6%	2.2%
Dunedin	2.0%	3.0%
Nelson-Tasman	1.8%	1.3%
Wairarapa	1.2%	0.9%
Timaru	0.7%	1.1%
Rotorua	0.6%	0.9%
Whanganui	0.6%	0.7%
Hurunui	0.5%	0.3%
Waitaki	0.5%	0.4%
Clutha	0.5%	0.2%
Lake Taupo	0.4%	0.4%
Central Otago	0.4%	0.4%
Fiordland	0.3%	0.1%
Coromandel	0.3%	0.7%
Ruapehu	0.2%	0.1%
Kaikoura	0.2%	0.1%
Queenstown	0.1%	0.2%
Mackenzie	0.0%	0.1%
Lake Wanaka	0.0%	0.1%
Total*	100%	100%

*Total is subject to rounding error

The next biggest sources of domestic silver tourists are Canterbury and Bay of Plenty, which account for 9.3% and 8.1% respectively of domestic silver tourists. These areas are followed by Waikato (8.1% of domestic silver tourists) and Wellington (6.7%).

Somewhat surprisingly is that Northland (6.6%) and Southland (5.0%) closely follow Wellington as being key sources of domestic silver tourists. This is particularly surprising for Southland, considering the proportion of people over the age of 65 years that live in the area represent only 2.3% of New Zealand’s silver population, while Northland has 4.9% of New Zealand’s over 65 population.

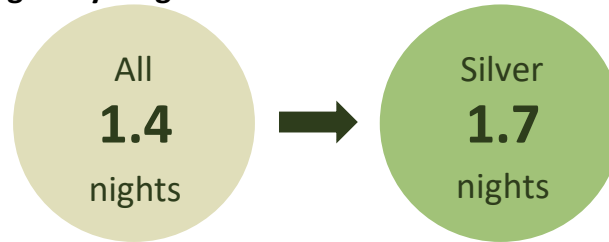
4.2. How long do silver tourists stay for?

Evidence from visitor surveys show that a silver tourist will typically stay 15% longer in one place than the average tourist. In terms of the West Coast, the average visitor tended to stay in a location for 1.4 nights at a time in 2019. Applying the 15% stay premium for people over the age of 65 years, would suggest that the average stay for a silver tourist on the West Coast would be 1.7 nights¹.

¹ Figures are rounded to one decimal place.

Figure 5 – Average length of stay by visitors in a location on the West Coast, author calculations

Average stay length in accommodation in West Coast



4.3. What is a silver tourist's budget?

It is estimated that domestic silver tourists tend to spend \$200 per day in 2019 on their travels around New Zealand. This expenditure is lower than the average domestic tourist, who is estimated to spend \$218 each day. However, as mentioned **Error! Reference source not found.**, silver tourists tend to stay longer in a location than the average traveller on their visits thus, even though a domestic silver traveller spends less on a daily basis, they still tend to spend more across their whole trip than the typical domestic traveller.

Figure 6 – Average daily spend by domestic tourists (2019), author calculations

Domestic traveller daily spend



Silver international tourists are estimated to spend \$195 per day in 2019 while travelling in New Zealand, which is similar to the \$193 per day which the average international tourist is estimated have spent.

Figure 7 – Average daily spend by international tourists (2019), author calculations

International traveller daily spend



5. What do silver tourists like to do?

This section outlines what is known about the activities that silver tourists like to do, where they like to stay, and why they travel. Data presented is from the International Visitor Survey.

5.1. Activities

The most popular activities that international tourists like to participate in, regardless of their age, are ones that showcase and immerse visitors in New Zealand's natural environment. Going for a walk, hike, trek, or tramp is the most preferred activity, with the highest proportion of all tourists (77%) and silver tourists (74%) taking part in such activities.

For international silver tourists, the next most popular activities involve other natural attractions, native birds and national parks, with 68%, 67%, and 63% respectively of tourists over the age of 65 years partaking in these activities when they visit New Zealand. International silver tourists are also far more likely to want to participate in activities that involve a historical element, such as museums and art galleries, than the average international tourist.

Highly physical adventure and adrenaline filled activities are the least likely kind of activity that international silver tourists will participate in, compared to the average international tourist.

Table 4 – Top ten most popular activities for silver international tourists, source: International Visitor Survey (2019)

Activities	Proportion of silver international tourists	Proportion of all international tourists
Go for a walk, hike, trek or tramp	74%	77%
Other natural attraction (e.g. mountain, lake, river)	68%	72%
Native birds	67%	63%
A national park	63%	64%
A beach	56%	62%
A public museum or art gallery	56%	49%
Scenic boat trip	50%	47%
A place that is significant to Māori	40%	36%
Seals	39%	39%
A geothermic park (hot mud and possibly geysers)	38%	39%

5.2. Accommodation

The largest proportion of New Zealand's international silver tourists prefer to stay in a hotel on their travels, as does the average international tourist. Hotels account for 35% of the places where international people over the age of 65 years stay in New Zealand. This is very similar to the proportion for the average international tourist.

Many silver tourists like to stay with friends and family while they are travelling, which accounts for 28% of international silver tourist's main accommodation type. By comparison, 20% of all international tourists stay with friends and family.

A tourist staying in campervan or backpackers is far less likely to be over the age of 65 years than the average international tourist. Somewhat surprisingly, this is also the case for staying in a bed and breakfast.

Table 5 – Distribution of international silver tourists by main accommodation type used on their holiday, source: International Visitor Survey (2019)

Main accommodation	Proportion of silver international tourists	Proportion of all international tourists
Hotel	35%	34%
Friends and Family	28%	20%
Motel	13%	11%
Bed and Breakfast	11%	14%
Campervan	5%	9%
Backpackers	2%	5%
Own Home	2%	1%
Other	1%	1%
DOC Lodging	1%	1%
Unknown	4%	3%
Total*	100%	100%

*Total is subject to rounding error

5.3. Purpose of Travel

Many international tourists who come to New Zealand are travelling with the purpose of a holiday; of the silver population this accounts for half of the tourists.

Visiting friends and family is another popular reason for travel, representing 37% of New Zealand's silver international tourists. This is the only travel purpose in which a tourist is more likely to be silver than the average tourist. This helps to explain why a tourist using friends and family as their main accommodation for their travels is more likely to be over the age of 65 years, because their reason to visit New Zealand, is more likely to align.

Furthermore, a tourist travelling to New Zealand for business is less likely to be a silver tourist than the average. With business representing only 2% of travel purposes for international silver tourists, rather than 10% for total international tourism.

Table 6 – International tourists by main reason for travel, source: International Visitor Survey

Travel Purpose	Proportion of silver international tourists	Proportion of all international tourists
Holiday or Vacation	50%	52%
Visiting friends and family	37%	28%
Other	10%	11%
Business	2%	10%
Total*	100%	100%

*Total is subject to rounding error

6. Opportunities for future growth in silver tourism

Throughout the world the silver population is expected to grow significantly over the coming years. This section of the report focuses on the implications this expected growth will have on silver tourism in New Zealand over the next 10 years.

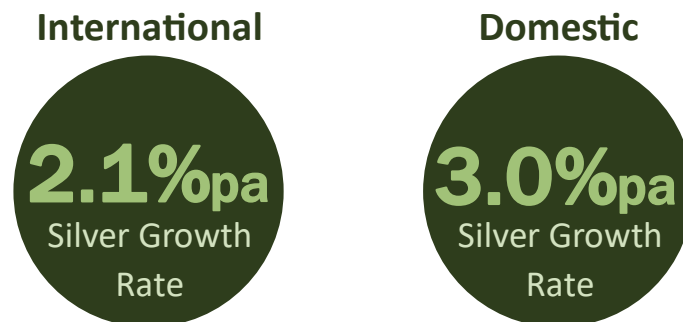
6.1. Rapid growth in silver population is an opportunity

The silver population of people aged 65 years and older is expected to grow much faster than the general population over the next decade. This statement holds true both domestically, and among New Zealand's key international sources of tourists.

New Zealand's silver population is expected to grow by 3.0%pa on average over the next decade, while the silver population of OECD² countries is expected to grow at a rate of 2.1%pa over the same period.

Figure 8 – Average annual growth rates for the silver population over the next decade, author calculations from Statistic's New Zealand and OECD data

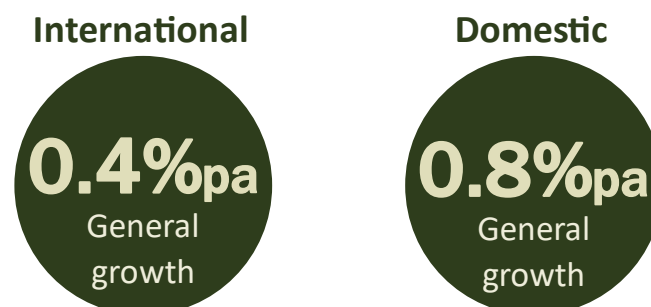
Silver population growth rates (next 10 years)



In contrast, the entire population of New Zealand is expected to only grow by 0.8%pa over the next 10 years. Furthermore, the population of the OECD countries is expected to grow by 0.4%pa.

Figure 9 – Average annual growth rates in the general population over the next decade, author calculations from Statistic's New Zealand and OECD data

General population growth rates (next 10 years)



If silver tourism in New Zealand expands in line with these average silver population growth rates over the coming decade then total guest nights by silver tourists could rise to approximately 10 million guest nights per annum within 10 years, compared to 7.7 million guest nights now.

² Population growth for OECD countries has been used to approximately estimate the growth of international tourism in New Zealand, as many of New Zealand's tourists originate from one of these countries.

Table 7 – Implied future opportunity for silver tourism guest nights if they grow in line with silver population growth, author calculations

Silver Tourists	Annual guest nights by silver tourists across New Zealand	
	Now	10 years
International	3,090,004	3,803,401
Domestic	4,603,928	6,163,172
Total	7,693,931	9,966,574

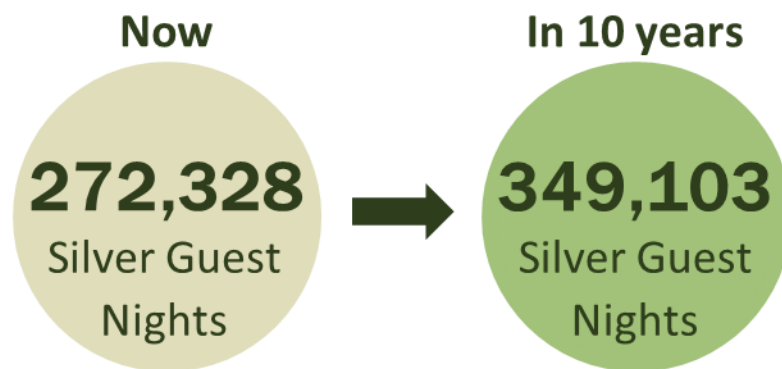
6.2. What does this opportunity mean for West Coast?

Currently, silver tourists account for 272,328 guest nights each year out of 1,317,906 total tourism guest nights in the West Coast.

If West Coast can maintain its share of the New Zealand silver tourism economy over the coming decade, then total silver guest nights in West Coast would increase by more than 75,000 guest nights per year to reach 349,103 nights.

Figure 10 – Scenario of potential silver tourist guest nights over the next decade, author calculations

Scenario of potential future silver guest nights in West Coast



7. Concluding remarks

This report has highlighted that the silver tourism economy represents a key opportunity for tourism in our regions. In the West Coast's case, guest nights by those aged 65 years and older could rise by more than 75,000 per annum to reach almost 350,000 within 10 years.

But to attract their share of silver tourism growth and unlock this opportunity, destinations need to be cognisant of the different needs and wants of older travellers. Silver tourists tend to travel differently than the average tourist and value different experiences, thereby requiring destinations to tailor their pitch and their supporting touristic infrastructure to match an older audience.

