



**Submission to the
Local Government and Environment Select Committee
on the
Local Government Act 2002 Amendment Bill (No.2) 2016**

Date: 28 July 2016

TOURISM INDUSTRY AOTEAROA

Level 4, 79 Boulcott Street, PO Box 1697, Wellington 6140, New Zealand
P +64 4 499 0104 www.tia.org.nz E info@tia.org.nz

Tourism Industry Aotearoa (TIA) welcomes the opportunity to comment on the Local Government Act 2002 Amendment Bill (No.2).

EXECUTIVE SUMMARY


1. District councils are key enablers of tourism. Councils play an important part in the visitor experience with the investment they make in infrastructure, e.g. roads, water/waste disposal, broadband, and attractions. In addition, councils also contribute to regional promotion.
2. TIA is of the opinion that the legislated removal of barriers to support governance arrangements across multiple districts is a positive development.
3. A joint-governance model across multiple districts provides a potential solution to councils who need to partner in infrastructure investment to achieve the investment. This model would provide the vehicle for joint ownership, sharing benefits and responsibilities, and enabling investment not easily available through the current governance arrangements.
4. TIA encourages collaboration amongst districts to provide a seamless and consistent experience for visitors. This collaboration amongst districts in policy making brings benefits to visitors.
5. Regional collaboration is also very important for successful destination management. Successful destination management, in turn, brings benefits to the region.
6. TIA shares BusinessNZ's concern that although the Bill has the potential to facilitate more effective and efficient local government, there is unlikely to be a rush for change.

INTRODUCTION

7. Tourism Industry Aotearoa (TIA) is the peak body for the tourism industry in New Zealand. With over 1,500 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure and activities, attractions and retail, airports and airlines, as well as related tourism services.
8. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events, membership and business capability. The team is based in Wellington and is led by Chief Executive, Chris Roberts.
9. Any enquiries relating to this paper should in the first instance be referred to Steve Hanrahan, TIA Advocacy Manager at steve.hanrahan@tia.org.nz or by phone on 027 912 2624.

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COMMENT

Tourism 2025

10. Tourism 2025 (www.tourism2025.org.nz), an industry-led, government supported economic growth framework was launched in New Zealand in 2014 and has set an aspirational goal of reaching \$41 billion in annual tourism revenues by 2025. The industry's focus is on growing value faster than volume.

11. The Tourism 2025 framework is based around five key themes which are:

- Insight - this is at the core of the framework recognising that having timely, accessible and relevant insight is what will help tourism businesses with the information they need to support operational and strategic decision making.
- Connectivity - focusing on growing sustainable air connectivity is critical for an island nation that relies on 95% of its visitors arriving on a commercial aircraft.
- Productivity - making more money from the investments we already have and finding new solutions to seasonality (the tourism industry's perennial challenge) and regional dispersal.
- Visitor experience - we can derive more value by creating outstanding visitor experiences that meet the needs of a changing visitor mix and recognising the end to end visitor experience, the need to improve facilitation and be measuring dissatisfaction.
- Target for Value - the identification of targeted opportunities that, if taken up, will deliver the greatest economic benefit.

12. This framework has recently been reviewed ([Tourism 2025-two years on](#)). While the five themes of the framework remain unchanged, the emphasis in some focus areas has shifted. Facilitating infrastructure investment to support tourism growth is one of the themes now being given greater priority.


Our understanding of the issue

13. TIA understands that the Bill implements a set of reforms to enable improved service delivery and infrastructure provision arrangements at the local government level.

14. The main thrust of the Bill seeks to get local authorities to adapt their governance arrangements and structures to lift performance and respond to emerging challenges. Recently three regions have reviewed governance arrangements and decided against amalgamation (Wellington, Hawkes Bay, Northland), preferring instead a collaborative approach while preserving their local autonomy.

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15. The focus of the Bill is to achieve productivity improvements and efficiencies and cost savings, particularly relating to water, transport, and activities with assets in excess of \$10m. The Bill enables, amongst other things, the ability for Council Controlled Organisations (CCOs) to come together across different regions and the Local Government Commission and Minister of Local Government to have greater powers in ensuring these new governance arrangements are enacted.

General

Tourism and local government partners

16. Councils are community driven organisations with a core function of providing community services. Being responsive to the community means being sensitive to a broad range of views. When making decisions affecting the tourism industry, councils are required to consider wider community views. In some circumstances, the investments made by councils in visitor related activities have to be balanced against the concerns of ratepayers who may see that investment better made elsewhere.

17. Councils are also tasked with enabling their communities to be vibrant places with thriving economies and viable businesses. Visitors play an important role in enhancing a community's vibrancy and economic prosperity through expenditure in both council owned experiences and private businesses. The social and economic benefit that visitors provide is felt much wider than direct tourism businesses.

18. District councils are key enablers of tourism. Councils play an important part in the visitor experience with the investment they make in infrastructure, e.g. roads, water/waste disposal, broadband, and attractions. In addition, councils also contribute to regional promotion.

19. Supportive local government partners who are working with tourism operators to attract visitors and manage the impact of growth in visitor numbers are vital for the tourism industry. In July 2016, TIA released the [TIA Local Government Manifesto](#) which highlights the opportunities for councils to capitalise on strong projected growth in visitor numbers and spend.

Collaboration amongst councils

20. The commitment to collaboration amongst district councils is already strong in some regions and proving beneficial to the tourism industry. The Canterbury Mayoral Forum comprising of eleven councils (Ashburton, ECAN, Christchurch, Hurunui, Kaikoura, Mackenzie, Selwyn, Timaru, Waimakariri, Waimate, Waitaki) has already delivered good results for the regional visitor economy including the Canterbury Visitor Strategy, the Christchurch Visitor Strategy, and the Canterbury Responsible Camping Forum.

21. TIA is of the opinion that the legislated removal of barriers to support governance arrangements across multiple districts is a positive development. While the

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aforementioned collaborative approach is working effectively, this 'enabling' legislation is a useful backstop where collaboration is not bringing about the desired results.

Public tourism infrastructure

22. Public tourism infrastructure can require significant investment. Where a publicly-owned attraction located in one district brings visitor benefits to the neighbouring regions, a joint-governance model (e.g. CCO) across multiple districts may be appropriate in managing costs and benefits.
23. This model provides a potential solution to councils who need to partner in infrastructure investment to achieve the investment. A joint-CCO provides the vehicle for joint ownership, sharing benefits and responsibilities, and enabling investment not easily available through the current governance arrangements.

Regional collaboration and the visitor experience


24. Many districts are implementing freedom camping bylaws but there is little evidence (outside of Canterbury) of regional collaboration when doing this. It can be confusing for campers moving from one district to the next and having a different set of policies and bylaws to comply with.
25. We encourage collaboration amongst districts to provide a seamless and consistent experience for visitors. This collaboration amongst districts in policy making brings benefits to visitors.
26. New Zealand and domestic visitors move quickly between regions. Regional disparities can detract from the seamless experience that visitors are looking for and that the tourism industry seeks to deliver.

Destination Management

27. One of the Tourism 2025 actions in our [TIA Local Government Manifesto](#) is Destination Management: the most important tourism related action that councils can do is to look after and invest in the quality of their region as a destination.
28. Investment in the visitor economy requires a return on that investment. The best way this can occur is when all the elements of destination management come together seamlessly to form an effective structural and environmental framework. This type of planning is best carried out when councils, communities and the visitor industry collaboratively decide on visitor priorities, the types of experiences the region wants, how these should be funded and how success should be measured.

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29. Some examples of destination management actions are: facilitating and enabling communities to meet the needs of growing numbers of visitors, as well as residents; identifying their unique selling points as a destination and promoting them; working with neighbouring communities to attract visitors to the wider region.
30. Councils and the visitor industry are interdependent, with all parties seeking to benefit from working together. These partnerships and collaborative efforts enable regions to present a coordinated voice to visitors. They also facilitate opportunities for greater investment in a highly complex and competitive tourism trading environment, therefore increasing the likelihood of achieving positive outcomes.
31. This, once again, shows how important regional collaboration is and how this collaboration amongst districts brings benefits to the region.

Concerns

32. We share BusinessNZ's concern that although the Bill has the potential to facilitate more effective and efficient local government, there is unlikely to be a rush for change, especially if the Local Government Commission promotes solutions which lack local support.

FOLLOW-UP PROCESS

33. TIA wishes to participate further in any follow-up process, including any formal meetings, to ensure that the potential impacts on tourism are adequately represented.

CONCLUSION

34. District councils are key enablers of tourism. Councils play an important part in the visitor experience with the investment they make in infrastructure, e.g. roads, water/waste disposal, broadband, and attractions. In addition, councils also contribute to regional promotion.
35. TIA is of the opinion that the legislated removal of barriers to support governance arrangements across multiple districts is a positive development.
36. A joint-governance model across multiple districts provides a potential solution to councils who need to partner in infrastructure investment to achieve the investment. This model would provide the vehicle for joint ownership, sharing benefits and responsibilities, and enabling investment not easily available through the current governance arrangements.

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BACKGROUND

40. Tourism for New Zealand is big business as the country's largest export sector. It is a major contributor to the New Zealand economy that will always be here and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean and pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.

41. The tourism industry delivers the following value to New Zealand's economy:

- Tourism in New Zealand is a \$81.6 million per day and \$29.8 billion a year industry.
- The tourism industry directly and indirectly supports 12.1% of the total number of people employed in New Zealand. That means 295,908 people – one in eight – are working in the visitor economy.
- Tourism is one of New Zealand's biggest export industries, earning \$11.8 billion or 17.4% of New Zealand's foreign exchange earnings (year ended March 2015).

End.

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