

31 January 2020

by email

Simon Upton

Parliamentary Commissioner for the Environment
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Dear Simon

Thank you for your work examining what ongoing growth in domestic and international tourism could mean for how we manage and protect our environment. Tourism Industry Aotearoa agrees that as we look out to 2050 and beyond, new approaches will be needed. We have accepted your challenge to put forward some 'bold ideas' and these are outlined in this letter.

As you are aware, TIA welcomed your report '*Pristine, Popular... Imperilled? The Environmental Consequences of Projected Tourism Growth*'. Being 'future ready' is a desired position for all parties with an interest in the tourism industry, whether government, operators, communities, or stakeholders.

TIA has a strong future-focus to its work. Our strategic framework *Tourism 2025 & Beyond* has an obvious medium-term lens and includes over 40 specific immediate actions, but it also takes a longer-term perspective. At the heart of this framework is the concept and practice of balanced-scorecard sustainability which includes economic, community, visitor and environmental perspectives as inter-dependent elements. The Māori values of Kaitiakitanga, Manaakitanga and Whanaungatanga also guide the industry, and taking a long-term view is inherent to these values.

The *New Zealand Tourism Sustainability Commitment* (TSC) is TIA's vehicle to activate these sustainability aspirations. The TSC has received strong industry support to date with 1300 businesses having joined up. With this very solid uptake, we are now focused on progressively strengthening the TSC. Raising standards and supporting individual TSC supporters to make real changes in their businesses are the two key action areas for 2020.

The intent of the TSC is to get all tourism businesses and organisations continuously improving their practices, thereby contributing to overall industry sustainability.

We are very mindful that while the tourism industry can act in positive ways, it needs the other parts of the tourism system and the wider national system to be enabling and supporting the desired practices. The policy settings and programmes that shape how the industry operates are key. This is where we see tremendous value in the next phase of your investigation. We see this as a unique opportunity to address difficult or fundamental questions that cannot be easily considered in the normal course of events.

Importantly, we believe that the next phase needs to be undertaken from an 'opportunities' perspective, as opposed to being limited to 'problems to be solved'. New Zealand has competitive advantages in tourism that we need to understand and utilise to

best effect. (New Zealand tourism has inherent advantages over other destinations, and it also has inherent advantages over alternative economic activities in New Zealand).

Your Report paints a picture of a future with significantly higher visitor activity, from a compounding growth in international arrivals. We are also likely to see a significant growth in the resident New Zealand population. Domestic tourism is currently 60% of the total industry and has remained around that level for a long time.

With its modest, albeit growing, domestic population and its isolated position on the globe, New Zealand will always be a niche visitor destination. The key question is how we will best use (or not) the tourism assets and attributes that we have, many of which are based on the environment.

Far-Sighted Policy Options

Your Report concluded that “There is a need for some far-sighted choices” and signalled your intention to “follow-up with a second report that will elaborate on some of the policy options we should at least be prepared to debate.” TIA is very happy to contribute to this debate.

As a guiding principle, TIA considers that the focus should be on bold options for ‘system change’ that could shape and form the future development of the tourism industry to deliver the most benefit for New Zealand. (TIA’s own purpose statement is “Shaping Tourism for the ongoing benefit of Aotearoa and our people”. This reflects that TIA is an active player constantly seeking to shape tourism-related outcomes allowing the industry to develop in a sustainable way, which delivers tangible benefits for businesses, communities, government, visitors and our environment.)

With 2050 as the endpoint, we have considered your request for suggestions with the filter of ‘what are the areas that most need to change to ensure the 2050 tourism industry will be delivering the most benefit for New Zealand.’

From an industry perspective, private businesses will continue to operate where they see opportunity and will act and invest accordingly. We see this as healthy as this will shape how, where and when resources will be most effectively deployed. Protecting and enhancing the environment needs to be an essential opportunity element, not seen as a cost or barrier. The tourism system must be optimised to allow the industry to reach its potential to provide wide national benefit.

TIA has identified six areas where there are persistent or structural issues that limit sustainable tourism development. For each we suggest some approaches that could be taken. (NB. these are provided in the spirit of your request for ‘bold ideas’ and do not necessarily reflect current TIA policy).

1. Tourism/Conservation

The current tourism/conservation interface is sub-optimal. New policy, procedures and tools are required to ensure effective management and facilitation of future visitor interaction with conservation areas.

Issue: The Conservation Act 1987 and National Parks Act 1980 did not anticipate the growth of international tourism, or an additional 2 million New Zealanders, and the demands on DOC to facilitate and manage ever increasing numbers of people wanting an outdoor experience. As a result, there are many areas that are not operating well, including: planning and management review processes for National Parks; commercial

arrangements with existing service providers; decisions on new concessions; facilitating tourism businesses to support conservation; and managing half a dozen or so tourism 'hot spots' on conservation land. The Conservation Act does not provide for an adequate set of powers and tools for DOC, which is constantly forced to find 'workarounds' as it looks to balance competing demands. The legislative and regulatory framework is not working and is failing conservation, recreation and tourism.

TIA Suggestion: PCE to recommend a thorough review of the legislation governing public conservation land, with the intent of replacing it with a balanced, future-proofed legislative and regulatory framework.

2. Destination Management

Tourism takes place in local communities. Regional destinations must take ownership and determine the sort of tourism future they want and how to get there.

Issue: At the region or destination level within the New Zealand tourism system, the community voice must be heard. There are many public and private sector parties that need to work together to ensure that community desires are met. Within this context, local government has a key role to play given that it is responsible for: delivering services such as 3 waters, local roads, waste systems, amenities, etc.; managing regulatory functions such as planning and resource management; and supporting some tourism-specific roles such as RTOs and EDAs. As such, local government must play a central role in destination management, which the Report identifies as highly desirable (and TIA agrees). Ensuring the engagement and capability of local government for destination management will have a crucial bearing of how destinations develop over time.

TIA Suggestion: PCE to recommend that MBIE expands its programme of assisting regions with destination management planning, with regions required to have an agreed Destination Management Plan in place to be eligible for contestable government funding support.

3. Managing Demand

New levers and policy instruments are needed to manage demand levels, at certain places at certain times.

Issue: The notion of over-tourism is current widely expressed globally and most commonly refers to pressure on urban destinations, such as Barcelona and Amsterdam. The question is what this term means in a New Zealand context. By any measure, New Zealand has a low overall visitor density. However, the tolerance thresholds here are driven by visitor, community and environmental perspectives that are highly site-specific and often time-specific. Currently, our information and tools are weak which inhibits our ability to manage our pressure points effectively. There are some good examples in place now, (e.g. Tongariro Crossing, Cathedral Cove) but future demand levels will increasingly require use of innovative demand management tools. It may seem a simple answer to just say 'enough', and put in place visitation limits, but in practice how might this work? The lack of research and data around carrying capacity and impacts means that decision-making is seriously inhibited, and this needs to be addressed also.

TIA Suggestion: PCE to recommend an investigation into the development of innovative demand management tools, coupled with robust carrying capacity assessments, to ensure tourism operates within thresholds of acceptability.

4. Government Policies and Levers

The Government has numerous policies and levers that relate to tourism and/or the environment, but these must be better coordinated if we are to have a well-functioning tourism system.

Issue: Tourism operates within the wider economy and society, and due to its pervasive reach across many economic, social and environmental fields, it is impacted by many policies of Government. We find that many of these policies and settings lack a tourism perspective meaning that tourism is very often not considered in the policymaking and implementation of these areas. The Government's own Tourism Strategy acknowledges failings with the current Tourism System and that it needs to take "a more active, deliberate and coordinated approach to tourism". There are examples where tourism is now being referenced, such as in the Government Policy Statement on Land Transport, but this is a rare occurrence and more such examples are needed.

TIA Suggestion: PCE to support an all-of-Government approach to managing the tourism system, especially its interface with the environment, with all agencies required to assess the impact of their policies and levers on tourism and to coordinate their actions with other agencies.

5. Carbon Risk and Mitigation

New Zealand can show global leadership by moving towards a carbon neutral tourism industry, by industry and Government together identifying the most effective strategies available to reduce and mitigate carbon emissions.

Issue: Carbon emissions and climate change are together the key existential threat facing the tourism industry, and this will likely increase in the period to 2050. There are limits to mitigation strategies available, particularly for international air transport, which the Report identifies as providing 26% of tourism-related emissions for New Zealand. The industry has a strong desire to be the most progressive tourism industry globally, but it will need support to do this. While the current regulatory framework (e.g. the Carbon Zero Act and related policies) creates the operating context for the industry, other areas of support are needed, such as carbon-related research, incentivising to adoption of proven technologies such as electric transport, strengthening carbon off-setting and understanding how climate change adaptation might work for the tourism industry.

TIA Suggestion: PCE to recommend the Government works with industry to achieve a carbon neutral tourism industry by an agreed date (significantly sooner than the Carbon Zero Act's 2050 target for the full economy).

6. Data and Research

The available data, research and analysis needs to be significantly bolstered to enable the wide range of tourism management and policy changes that need to be undertaken.

Issue: It is accepted that many actions are needed to get us to the optimal tourism future for Aotearoa, but all these actions must be based on sound knowledge. The tourism industry needs a much stronger base of data and research than we currently have. The Report highlights the paucity of data and research to support the management of the tourism system but does not set out remediating actions. TIA is

actively discussing with Government how this deficit can be addressed, and it would be of real value to have the PCE further set out its perspective on this gap in the tourism industry system, and what to do about it.

TIA Suggestion: PCE to identify its specific concerns about information and data gaps and advocate with Government for these gaps to be addressed.

It is important to note that these six recommendations are closely linked in that they point to the need for the tourism industry in New Zealand to be better managed and understood, with a wide range of parties – industry, government, local government, communities, Iwi, and special interest groups – all having an interest in achieving the right outcomes. We endorse this approach and we have started to see this occur as the Government steps up its tourism stewardship role. As the voice for the tourism industry, TIA welcomes changes that create a coherent tourism system where industry can prosper for the benefit of New Zealand's people and environment.

We have also considered the specific issue of how best to ensure a Māori perspective is included in the future development of the tourism industry. The Report has done a good job in identifying Māori values and issues as they relate to tourism and the environment. Our sense is that our six suggestions above all require Māori perspectives to be considered as an integral part of their development.

Conclusion

Thank you again for the opportunity to provide some ideas for your consideration, although the timeframe was challenging!

We feel that there is general consensus on the nature of the tourism industry that we want as New Zealanders. It must benefit New Zealand in the broadest sense – industry, communities, Iwi, government, visitors, and critically, our environment. The commonality of this position across the Government's Tourism Strategy and TIA's *Tourism 2025 & Beyond* is clear evidence of this alignment.

The challenge is to put this into effect, and we see your role as the Parliamentary Commissioner for the Environment as having a unique opportunity to give light to the difficult questions facing the industry, now and increasingly in the future. We are hopeful your independent voice will assist us to get traction on those issues that otherwise may be seen as too hard or difficult, both operationally and politically.

I know you asked us for two or three 'big ideas', but we feel that each of six we have identified are important, and it is better that you understand that there are a number of broad areas that need to be advanced in unison, rather than either/or.

TIA requests the opportunity to meet with you to discuss our thinking as outlined here, and we are happy to lend you any further support as you work on selecting your areas of focus for your second report.

Ngā mihi



Chris Roberts

TIA Chief Executive