

Submission

to the

Productivity Commission

Re: Draft Report on Local Government Funding and Financing

by the Art Deco Trust Inc.

1. The Art Deco Trust Inc is a non-profit, charitable organisation with the mission to preserve, restore, promote, and celebrate Art Deco Heritage for the benefit of Napier and Hawkes Bay.
2. The Trust is well aware of, and see's first-hand, the challenges created from increased visitor numbers on the infrastructure and resources of regional areas like Napier and Hastings and their hinterland.
3. The current 100,000 plus cruise ship passengers off 70 odd vessels in 2018/19 season created significant and excessive demands on the available infrastructure which cannot be funded purely from the available rating base.
4. In the 2019/20 season, Napier Port has scheduled bookings for 87 cruise vessels and an estimated additional 40,000 passengers within the cruise season. The problems will be compounded further, this coming year.
5. Likewise with significant major regional events like the Art Deco Festival held each year in February, and the Horse of the Year held in March each year, there is huge pressure on the infrastructure and resources of the region. The activities of the Art Deco Festival alone, over its 5 days, sees some 15000 plus people attend the Festival with some 34% or over 5000 being NZ regional visitors and some 4% or 615 international visitors. The event generated over 18,000+ visitor accommodation nights. (Figures – Economic Impact Assessment by Fresh Info. May 2019)
6. The Trust strongly supports local Councils like Napier and Hastings having the ability to;
  - (i) access funding from the international visitor levy to help offset the additional associated infrastructural and resourcing costs of public toilets, bus and campervan parking, traffic management, event management as well as other health, safety and logistical costs due to growing cruise ship visitor numbers, and
  - (ii) implement an accommodation levy to equally help fund the additional associated infrastructure and resourcing costs of major regional events such as public toilets, bus, campervan and car parking, traffic management, event management as well as other health, safety and logistical costs to help reduce the impact of such costs on the ratepaying base, where user payer recovery is impossible.
7. The definition of small tourism hotspots will be too narrow, as many of the same issues arise where it is the share weight of visitor numbers that drive the complexities and an unequal imposition on local infrastructure and resources, hence ratepayers.
8. The Trust is happy to discuss their views more fully, if the Productivity Commission feel it appropriate.