

# Aorangi Ski Club Inc – submission to The Productivity Commission Inquiry on Local Government Funding and Financing draft report

## Background:

Aorangi Ski Club operates a lodge at Iwikau Village, Whakapapa. As such we are regulated by the Department of Conservation decisions around the Tongariro National Park Management Plan, and are required to contribute to schemes that effect the whole village. The infrastructure of the park is currently under stress from the number of day visitors that visit the park, both during the ski season and at the other times of the year. This is going to increase with the installation of the new Gondola by RAL, which will run all year round.

## Current Situation:

Currently services (3 waters, roading, rubbish, etc) normally provided by a local government entity are provided by a central government entity (the Department of Conservation). All costs for the services are recovered from residents of Whakapapa and Iwikau villages. Residents of the village do not have the normal input into decisions on service levels that a democratically elected council process provides. We are exposed to having decisions made for us by what is akin to an unregulated monopoly provider, and we are obliged to comply. An example of this is the upgrade required to the sewerage scheme servicing Iwikau village which provides sewerage facilities for all the day visitors to the village, as well as the clubs there. The clubs will be required to cover costs of this scheme which is not coping due to the number of day visitors that are now coming to this location. If clubs alone were using the system it would not require an upgrade.

## Conclusion:

Whakapapa and Iwikau Villages are 'small tourist hotspots which cannot reasonably recover all their operating costs of providing mixed-use facilities from tourists through user pays or accommodation levies.' 95% of visitors stay outside the villages, so a 'bed tax' will not recover all the costs imposed by visitors.

We support recommendation 6.8: 'The Government should provide funding from the international visitor levy for councils responsible for small tourist hotspots which cannot reasonably recover all their operating costs of providing mixed-use facilities from tourists through user pays or accommodation levies.' But we would like to see this funding recommendation extended to situations where the facilities are coordinated/defined and regulated by central government, but oncharged to residents/licencees of the area concerned.