

19 August 2019

The New Zealand Productivity Commission
141 The Terrace
Wellington 6011

**Submission on the Local Government Funding and Financing – Draft Report
Central Plateau Schools Alpine Charitable Trust**

Dear Sir/ Madam,

The Central Plateau Schools Alpine Charitable Trust (CPSACT) is a recently formed charitable organisation which owns and administers a mountain lodge on Mount Ruapehu for the use of schools in the Taupo District for educational purposes. The lodge (Memorial Hut) is located in the Iwikau Village (Whakapapa Skifield) and relies on services provided by the Department of Conservation (rather than the local Ruapehu District Council – noting that the Trust also pays rates to RDC). Hence, the Trust, along with other hut owners in Iwikau are required to contribute to the majority of the cost of infrastructure at Iwikau, demand for which is largely driven by seasonal visitor numbers. The Trust is funded by member schools and revenues derived from schools using the hut. The Trust endeavours to keep the cost of use as low as possible so that all children have the opportunity to experience and learn in the alpine environment.

Whilst we have not reviewed the 306 page *Local Government Funding and Financing Draft Report* in detail, we do support Recommendation 6.8:

R6.8

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.

The infrastructure in the Iwikau Village needs to accommodate large numbers of seasonal day trip visitors, many of whom do not stay in accommodation in the village, and many of whom do not undertake any activities through which “user pays” fees could be obtained (hiking, sightseeing etc). Therefore the cost of maintaining and upgrading the infrastructure at Iwikau falls on a relatively small number of permanent residents, such as our Trust.

For those reasons, we strongly support recommendation 6.8 as an equitable solution to providing high quality infrastructure in tourist hotspots such as the Iwikau Village.

Yours sincerely



Craig Stephenson
Trustee and Treasurer – CPSACT