



**REGIONAL TOURISM NEW ZEALAND**

Level 3 i-Payroll House  
93 Boulcott Street  
PO Box 9336  
WELLINGTON 6140  
**P:** (027) 230 2293  
**E:** [charlie@rtnz.org.nz](mailto:charlie@rtnz.org.nz)  
**W:** [www.rtnz.org.nz](http://www.rtnz.org.nz)

27 August 2019

**Submission by Regional Tourism New Zealand on the Productivity Commission's Local Government funding & financing Draft Report**

**Introduction**

1. This submission is from Regional Tourism New Zealand (RTNZ), located in Wellington. If you have any queries regarding this submission please contact Charlie Ives, Executive Officer on 027 230 2293 or [charlie@rtnz.org.nz](mailto:charlie@rtnz.org.nz)
2. In accordance with the conditions of lodging this submission, RTNZ has no objection to the contents of the submission being made a matter of public record.
3. RTNZ has consulted with its constituent members to seek their views on this submission.

**Draft Report**

4. Regional Tourism New Zealand (RTNZ) congratulates the Productivity Commission on the depth to which the Draft report has considered tourism in the context of the funding and financing issues facing local government.
5. As the peak body for the 31 regional tourism organisations in New Zealand the focus of RTNZ is to encourage better coordination amongst RTOs, as well as ensuring collective RTOs are engaged and consulted with on issues critical to the development of the regional tourism sector in New Zealand. Therefore, our response to the Draft report is primarily in the context of how local government funding and financing impacts tourism at a regional level.
6. Regional Tourism Organisations are primarily funded by territorial authorities, through various structures (Economic Development Agencies, Council Controlled Organisations or Business Units). They therefore have a vital interest not only in sustainable funding to support their strategic initiatives, but also local government support for the sector through local infrastructure investment, policy and planning, and destination development and management, which support the visitor experience.

## **Draft report and Regional Tourism**

### *Tourism as a system*

7. The recently released New Zealand – Aotearoa Government Tourism Strategy identifies that for the benefits of tourism to be realised a tourism system is required, that is able to create a clear direction, adapt to external changes, and bring communities along with it.

An effective tourism system is one where there is a strong partnership between central and local government, the industry, and wider communities. There needs to be broad agreement on robust long term destination planning, infrastructure and product development, contained within a destination management framework, with a marketing plan aligned to each of these pillars.

In simpler terms it can be described as a virtuous circle, where all elements, as identified above, synchronise together to support the tourism system.

Regions, by the very nature of their differing visitor attractors, community sentiment, size and resourcing ability, will develop Destination plans that are aligned to their aspirations. Therefore, a “one size fits all” approach to tourism system development would be unrealistic.

We would recommend that the Final report reflects tourism in this context, as we note the Draft report has a predominant focus on infrastructure development. While infrastructure is important, there is little consideration of the other elements within the tourism system that must also be resourced for the system to function effectively.

### *Tourism funding systems*

8. We support the view expressed in the Draft report that additional tourism funding methods be developed at a regional level, as pressures on rating based mechanisms to support the tourism system are at their limit in many territorial authority areas. Resident concerns over rising rates, while perhaps not just tourism related, must be considered if the industry at a local level is to retain both the ability to fund tourism activity and the community social license to operate.

Existing government schemes are relatively small, short-term and interventionist solutions. If the tourism market is to achieve its potential, more sustainable forms of funding that allow local communities to share in the financial benefits need to be established.

Therefore, we support the Draft report conclusion that a user pay system be regionally implemented, and that that any system be nationally consistent, and available as an additional funding tool, and not a replacement for, existing funds allocated for tourism development and activity from rates.

In addition, we see as crucial a robust investment framework be developed to ensure funds collected from any user pay system be only used for agreed tourism purposes. A framework may vary regionally, depending on differing priorities, but the essential tenant will be to support the tourism system.

## **Summary**

RTNZ commends the authors of the Draft report, and supports its direction. We will be willing participants in helping implement the final recommendations, with the following qualifications.

Tourism is considered in the context of a system, and all parts of that system be proportionally funded to support the whole, so the system is able to function effectively.

A user pay system be regionally implemented, and that that any system be nationally consistent, and available as an additional funding tool, and not a replacement for, existing funds allocated for tourism development and activity from rates.

A robust investment framework be developed to ensure funds collected from any user pay system be only used for agreed tourism purposes.

## **About Regional Tourism New Zealand**

Regional Tourism of New Zealand (RTNZ) is the name for the incorporated trust of 30 existing Regional Tourism Organisations (RTOs).

RTNZ was established as a Charitable Trust in 2005 to represent the interests of the collective RTO sector in New Zealand.

As the peak body for RTOs, RTNZ aims to encourage better coordination amongst RTOs as well as ensuring collective RTOs are engaged and consulted with on issues critical to the development of the regional tourism sector in New Zealand.

The activities RTNZ engages in include:

- Developing submissions on issues and draft plans that impact the collective
- Providing advice and assistance to members
- Developing and maintaining ongoing relationships with stakeholder agencies
- Negotiating and executing project-based funding contracts
- Managing and implementation of projects on behalf of RTNZ
- Coordination of media enquiries
- Advocacy of the RTO sector and the important role it plays in the New Zealand tourism landscape