

SUNZ Submission on Local Government Funding and Financing

Summary

Scripture Union NZ (SUNZ) has previously submitted on this inquiry and supports the general direction of the Productivity Commissions draft report. In particular we welcome 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 recommendation extended to situations where the facilities are provided by central government, but charged to local residents. E.g. Where a central government agency (in our case DoC) is acting as a unelected council.

Introduction

This submission on the Productivity Commission's draft report on 'Local Government Funding and Financing' is made on behalf of Scripture Union NZ (SUNZ). SUNZ own a lodge 'Adventure Lodge' in the Whakapapa village.

Whakapapa and Iwaka Villages - Local Government Services Provided by DoC

As outlined in our previous inquiry submission Whakapapa and Iwaka villages are slightly unusual in that the 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 Iwaka villages.

As such they (DoC) are unelected and the residents of the village do not have the normal input into decisions on service levels that a democratically elected council process provides. They are more akin to an unregulated monopoly provider.

Unable to Recover Costs of Day Visitors From Outside Villages

Whakapapa and Iwaka 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.*'

As outlined in our previous submission this is because 95% of visitors stay outside the villages, which have quite limited accommodation, so a 'bed tax' will not recover all the costs imposed by visitors.

Value of Productivity Commission Recommendation

As DoC are not elected by village members they may not have the same motivation to look after village members interests as an elected council might. So making the recommendation of your final report explicitly cover this situation may have value to encourage central government to better look after village members interests in this instance.