

Tararua Tramping Club Submission on Local Government Funding and Financing

The issues identified in section 6.6 of the draft report relating to pressures providing critical infrastructure for small and declining communities, and section 6.7 regarding funding of infrastructure in tourism hotspots are highly relevant to the situation that now exists for outdoor clubs with lodges in Wakapapa and Iwikau Villages.

The Tararua Tramping welcomes and supports recommendation 6.7

“In its review to improve the service delivery of the three waters, the Government should favour models capable of applying efficient scale and specialisation to help small communities meet the challenges of maintaining and upgrading their water, wastewater and stormwater infrastructures.”

And 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.’

However, we would like to see these recommendations extended to situations where the facilities are provided by central government acting as a local authority, but are charged in part or in full to local “residents” and businesses (concessions).

Central government as a Local Territorial Authority

Central government has provided conditional concessions to organisations to provide accommodation and other services within the public estate for many years.

Where demand on environmental protection and public health infrastructure in that public estate arises solely and directly from consumers directly participating in those services then levies on concessionaires to substantially fund local infrastructure directly from those organisations is arguably fair and sustainable.

However, like the case for tourist hotspots in small Local Authority territories, pressures on infrastructure from tourists visiting the public estate put a very large strain on the ability for concessionaires to fund this vital infrastructure as they are not receiving any benefit from the majority of visitors. Scaling investment, required to protect this sensitive environment, to cater for all visitors becomes challenging.

The Tararua Tramping club has a long history of involvement in providing and maintaining public facilities and promoting responsible and safe enjoyment of the New Zealand outdoors by all. We strongly endorse continued freedom of access to the New Zealand conservation estate for all, but equally fully endorse responsible investment in infrastructure, arising from visitor pressure on the estate, to protect this sensitive national treasure.

Whakapapa and Iwikau Villages - Local Government Services Provided by DoC

Services (wastewater, roading, rubbish, etc) normally provided by a local government are provided by the Department of Conservation for “residents” in Whakapapa and Iwikau villages as they lie within Tongariro National Park. Costs for providing and maintaining this environmental protection and health infrastructure for the villages and the road end is currently recovered from residents (concession holders) of Whakapapa and Iwikau villages. The Department of Conservation is in effect an unelected territorial authority. Residents of the villages do not have the normal input into decisions on service levels that a democratically elected council process provides. In this regard the department is more akin to an unregulated monopoly provider.

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.'* 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

We believe making the recommendation of your final report explicitly cover the situation where central government acts as a territorial authority may have value to encourage central government to apply fairness to village “residents”, whilst also protecting our unique and sensitive environment as a whole for the continued enjoyment of all.

In this regard we proposed the recommendation to provide funding from the international visitor levy be extended to include central government agencies, where they are effectively acting as a territorial authority.