

Pinnacle Ski Club Submission on Local Government Funding and Financing

Summary

The Pinnacle Ski Club Incorporated 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 an unelected council.

Introduction

This submission on the Productivity Commission's draft report on 'Local Government Funding and Financing' is made on behalf of The Pinnacle Ski Club Inc. The Pinnacle Ski Club owns a lodge situated on the Whakapapa ski field/Iwikau Village.

Whakapapa and Iwikau Villages - Local Government Services Provided by DoC

Whakapapa and Iwikau villages are slightly unusual in that the services (Three 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.

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 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

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 to explicitly cover this situation may have value to encourage central government to better look after village members interests in this instance.