

Tahurangi Ski Club Submission on Local Government Funding and Financing

Summary

Tahurangi Ski Club (TSC) supports the general direction of the Productivity Commission's 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, businesses and clubs. In this scenario, the same principles should apply, regardless of whether it is a council or an entity like DOC which is providing the services.

Introduction

This submission on the Productivity Commission's draft report on 'Local Government Funding and Financing' is made on behalf of the Tahurangi Ski Club (TSC). TSC own a lodge in the Whakapapa village.

We provide limited accommodation to club members. We face increasingly high costs as tourism numbers boom at Whakapapa. There is a risk to clubs of closure as these costs continue to increase. It is unfair and unreasonable to raise prices for our members to cover costs imposed by tourists.

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.

Whakapapa and Iwikau Villages - Local Government Services Provided

by DoC

Whakapapa and Iwikau 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, businesses and clubs of Whakapapa and Iwikau villages.

The residents, businesses and clubs of the village do not have the normal input into decisions on service levels that a democratically elected council process provides.

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. Nor will they have the same motivation to apply fair cost sharing principles.

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.