

Submission on the Productivity Commission's Draft Report "Local Government Funding and Financing" (July 2019).

Summary

Ruapehu Mountain Club Association (RMCA) supports and endorses the Commission's recommendation 6.8. in the draft report on Local Government Funding and Financing.

'R6.8 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.'

RMCA seek that the '*funding from the international visitor levy for councils responsible for small tourist hotspots*' be extended to unique locations that although fall outside of councils, are under the jurisdiction of Central Government, Department of Conservation.

Whakapapa, is a small Tourist Hotspot. The key attractions include:-

- World Heritage Park and a National Park
- The Whakapapa Ski-Field at Iwikau Village
- Numerous short walks close to Whakapapa Village
- The epic Tongariro Crossing and Northern Tongariro Circuit

The unique Levy base falls far short of being able to fund the necessary infrastructure required to appropriately and safely manage the increased pressure from tourism.

Introduction

Ruapehu Mountain Club Association (RMCA) represent 46 tramping/ski clubs with lodges within the Tongariro National Park. The club lodges were established 45-65 years ago and are core to the fabric of Iwikau and Whakapapa Villages.

The lodges pay Department of Conservation a community services levy to fund key infrastructure within the villages such as wastewater, stormwater, roading, parking, general waste and re-cycling. Whakapapa lodges are levied for potable water as well. In addition, the clubs pay rates to Ruapehu District Council. These are invoiced by Department of Conservation as a pass through and cover services outside the Tongariro National Park such as district roading, transport and public facilities.

The lodges are predominantly used for club members. Some are also well utilised for school groups for their winter and summer programmes. The clubs/lodges are restricted by the DoC license to use the lodges for non-members other than for school, sporting and youth groups. The clubs/lodges are restricted by the DoC license to increase bed nights beyond what is specified in the license.

Discussion

Infrastructure maintenance and upgrade costs for Iwikau and Whakapapa Villages are forecast to increase over 800% within a decade, compared to 2018 costs. The levy-paying base is not increasing and is not able to increase. Over the past decade there has been an increasing number of tourists (local & overseas) visiting both Whakapapa and Iwikau Villages. Most visitors utilise the services that

the Iwikau and Whakapapa community fund through the DoC levy and Ruapehu District Council rates. Without a doubt, these visitors put pressure on the local infrastructure. Most of the visitors, however, do not stay at Iwikau or Whakapapa i.e. they are day visitors to the area and so a visitor accommodation tax is not viable.

User pays is being explored by the levy controller, Dept of Conservation. However, this is likely to fall short of generating equitable funding for services utilised by day visitors. As an example, on a 'busy' winter day at Iwikau Village, when 8000-10000 people may visit, the Clubs/Lodges amount to only 15%-20% of users. And for the 8 non-winter sports months, the Clubs/Lodges amount to less than 5% of users.

Of great concern is the use and potential failure of 'public health and safety' infrastructure such as wastewater, water and general waste. These items do need to be maintained; however the small levy base is unable to cover or recover the costs of the much larger 'user group' called day visitors.

RMCA notes and supports the Commission's recommendation 6.8

'R6.8 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.'

Although the recommendation appears to be specific to 'councils', RMCA seek that the Commission consider the uniqueness of Iwikau and Whakapapa Villages and extend the recommendation to include Department of Conservation in locations where the Department operate and levy 'community services', especially of a public health and safety nature eg a waste water system.

Ends

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