



**Submission to the  
Department of Conservation  
on the  
Concessions Review 2009 – Concessions and Resource  
Consent Interface**

**21 December 2009**

## Introduction

1. This submission is from the Tourism Industry Association New Zealand (TIA), located in Wellington. The Association convened a teleconference with a representative group of tour operators on Tuesday 8 December 2009 to discuss the questions posed by Marie Long of the Department of Conservation (DOC) in her 20 November letter sent to TIA and other businesses. The comment in this paper is a summary of the views expressed in the teleconference. Also contained in this paper is background for DOC about the tourism industry's current performance and forecasts. If you wish to contact TIA regarding this submission, please telephone Geoff Ensor, TIA Advocacy Manager on 04 496 4889 or e-mail him at [geoff.ensor@tianza.org.nz](mailto:geoff.ensor@tianza.org.nz)

## Comment

### Alignment of Concession and Resource Consent Processes

2. TIA believes concessionaires should have the choice of either aligning concession and resource consent processes or choosing to run them as two separate processes.
3. A range of scenarios exist that will determine the choice a concessionaire or prospective concessionaire may choose to make. Two of these are shown below:
  - *Existing concession and resource consent holder at the time of renewal.* In this case, the concessionaire will assess how closely aligned the two processes are at the time of a renewal. For example, if the resource consent still has significant time to run when the concession is due for renewal, the operator may choose to not align processes on the grounds of time, cost and simplicity. If, however, the time difference between expiry dates is reasonably close, then the decision to align may become more attractive.
  - *Operators applying for a new opportunity that will require a concession and resource consent.* Depending on a range of factors including the size, complexity or sensitivity of location, an operator may choose to apply for only the resource consent as 'proof of concept' before committing to the additional costs and work associated with a concession application.
4. Providing choice is provided, TIA supports the seven (7) bullet points listed in 1., however, we wish to make the following point:

Bullet points 4 and 5 make sense provided an active approach to timely and effective consultation is adopted nationally by DOC. It is critical that all affected parties are identified and contacted promptly if TIA is to have confidence in the proposed changes.

5. It is very important that choice between alignment and non-alignment is supported by a general shift toward longer concession terms, irrespective of which one is chosen. For smaller operators, the direct and indirect costs associated with undertaking these processes are significant and it is the opportunity for investment over a long term that stimulates both the initial interest and ultimately the commitment and confidence to proceed.
6. Irrespective of alignment versus non-alignment, it is critical that work continues on improving the concession process. Just as the RMA review has focused on streamlining the process without eroding its core principles, so too must the concession review.

In summary:

*What advantages/disadvantages would you anticipate from a synchronised concession and resource consent process?*

7. Some of this is covered above, but in essence the process should lead to better communication between key decision-makers and applicants, less duplication, greater efficiency and in some cases, less cost. Disadvantages may include a loss of separation between the two processes, additional cost, less efficiency and conflict between decision-makers.
8. On balance, TIA supports synchronisation providing considerable thought is put into establishing a process that is focused on overcoming well-known shortcomings of the regime. There must be clear, measurable gains in efficiency and cost saving from synchronisation, while ensuring the integrity of the two separate processes is preserved – an inability to demonstrate/prove these principles should mean synchronisation is not pursued.

*How frequently would you expect to make use of an option to seek concession and consent through a synchronised process?*

9. TIA is not able to answer this question without more robust consultation with our concessionaire members. We feel DOC is better placed to assess the likely and forecast frequency.

*If combined hearings were enabled, should they be simultaneous, consecutive or unified?*

10. TIA supports 'simultaneous' as the process for running combined concession and consent hearings. We believe this would assist 'local knowledge' to be retained as a key decision-making ingredient and also help to keep the two processes separate and in doing so, preserve their integrity.

*Should synchronised processing apply to all applications for activities requiring both concession and consent, or should applicants also have the option of seeking concession and resource consent separately for the same activity?*

11. As outline above, TIA is strongly in favour of applications being offered the option e.g. having the choice remains important.

### **A single process for 'nationally significant' applications**

12. In principle, TIA supports a single process for managing applications of national significance.
13. The make-up of the Board will determine to a great extent the success of such a process. For example, it must include representatives from the affected area to ensure local knowledge is injected into the decision-making process. Absolute transparency and effective Board representation will also help to reassure those fearful of national gain taking unbalanced precedent over local concerns and impacts.
14. The role of the Conservation Boards and the New Zealand Conservation Authority need to be clarified within the proposed process.

In summary:

*What advantages/disadvantages would you anticipate from a Board of Inquiry process for nationally significant applications that require both concession and resource consents?*

15. Advantages may include greater efficiency, less duplication, fewer costs, less time and the ability to actually make a decision. All of the potential advantages may be undermined if the Board compilation is flawed or any lack of absolute transparency undermines public confidence.

*How frequently would you expect to engage in such a process?*

16. Given the relatively small number of large tourism businesses in New Zealand, it is likely that our members would only infrequently make a nationally significant application. However the impact on regional and national tourism from such significant projects may be profound and therefore the transparency of the processing regime is of great importance to us.

*What if any scope should there be for an applicant to seek reconsideration of a concession decision arising from such a process? How should any reconsideration be conducted?*

17. Given that there is no appeal process for an RMA Board of Enquiry decision (except on narrow legal points), TIA questions whether a concession application should be treated any differently in this case. Such a move may encourage applicants to take particular care when going through the process and to introduce all relevant material in support of their application.

## **Background on the Tourism Industry**

### **A bedrock of New Zealand's economy**

18. Tourism is a major contributor to the New Zealand economy that will always be here – and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. Thanks to our 100% Pure positioning, New Zealand is recognised as one of the most beautiful, unspoiled and scenic places on earth. 100% Pure signifies pride in our country, pride in our people and culture, and pride in the unique environment and experiences that New Zealand offers.
19. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean, green, pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.
20. If New Zealand Inc. is to continue to prosper, to attract investment and to raise its position in OECD rankings, then it is vital that the tourism industry, and the positive image it projects, remain strong.

### **Delivering Value**

21. Below is a snapshot of the economic value provided by tourism to the New Zealand economy.
  - Tourism contributes just over 9% of gross domestic product (GDP) as well as directly and indirectly employing nearly one in ten New Zealanders.
  - Tourism in New Zealand is a \$50 million per day industry. The New Zealand tourism industry delivers \$24 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$26 million in economic activity every day.
  - Tourism expenditure reached \$21.7 billion for the year ended March 2009. This represents 16.4% of New Zealand's foreign exchange earnings, with tourism second only to dairy as the country's largest export industry.
  - Importantly, and despite more challenging times in the past 12 months, tourism remains one of New Zealand's largest foreign exchange earners and its contribution is felt at national, regional and local levels.

### **About Us**

22. TIA has been the lead association that represents the interests of about 1700 tourism businesses in NZ since the Association was first established in 1955. The businesses TIA represent cover a range of tourism-related activities – hospitality,

transport, accommodation, adventure and activities, attractions and retail, as well as related tourism services.

23. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events and membership and business services. The TIA team is based in Wellington and led by Chief Executive, Tim Cossar.

## **Tourism Forecasts 2009-2015**

### *International visitors*

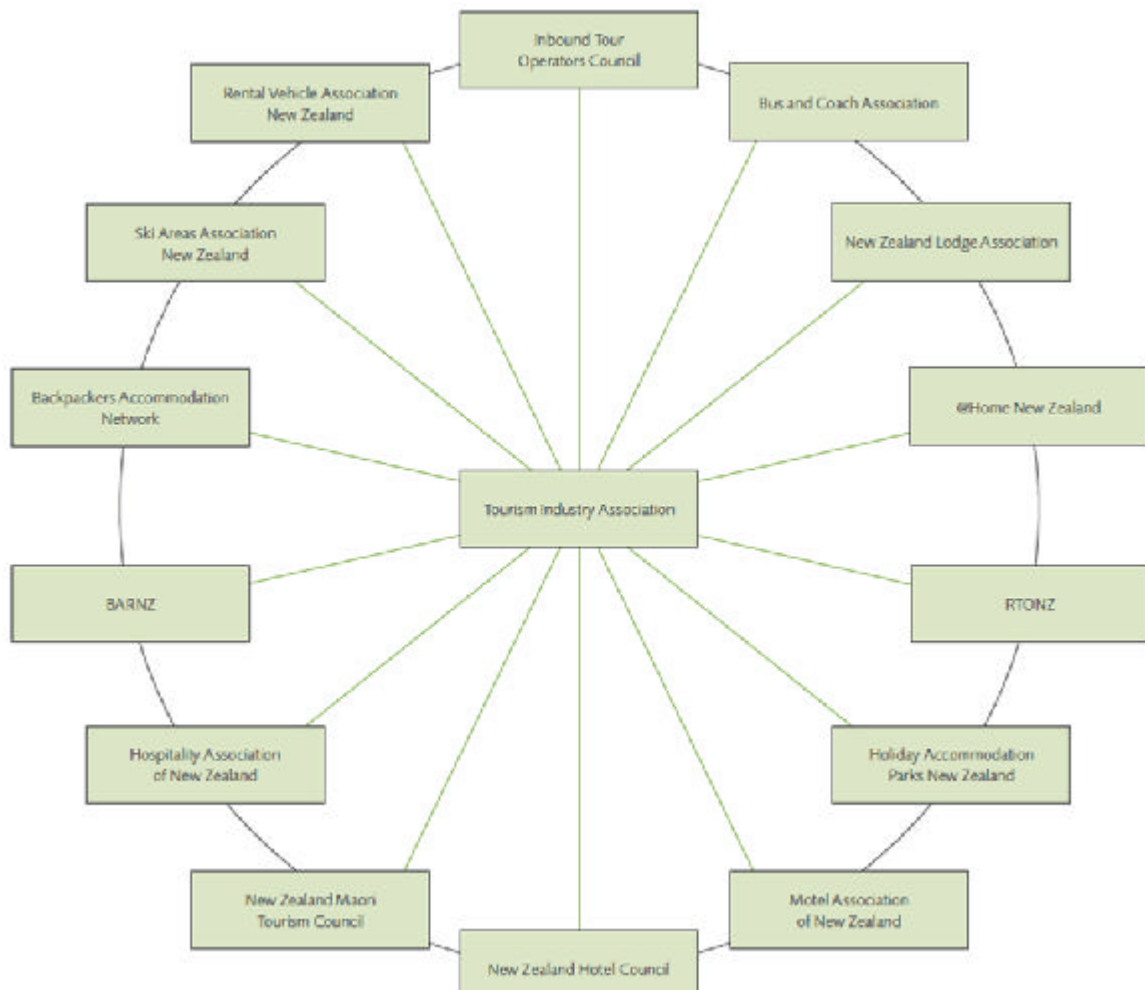
24. The tourism forecasts (international visitors) for the period from now until 2015 have been largely influenced by the global economic recession while the outbreak of influenza A (H1N1 or swine flu) has created extra uncertainty for the short-term outlook. The forecast for the next 6-12 months shows falls in most major markets, although this is partially offset by short-haul growth out of the Australia market. The outlook for New Zealand to 2015 includes:

- A fall in visitor arrivals of 4.2% in 2009 and a slight recovery in 2010 with growth of 2.5%.
- A strong rebound in 2011 with visitor arrivals up 6.5% driven by global economic recovery and the Rugby World Cup in the latter part of 2011.
- A gradual return to growth out to 2015 with annual growth of about 3.5%.

### *Domestic visitors*

25. The recession continues to influence the travel patterns of domestic visitors as well. With less New Zealanders travelling overseas, there has been a temporary increase in domestic travel activity in 2009-10 and this has been positive for the tourism industry in the short-term.

## **Main Industry Associations in the Tourism Industry**



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