



**Tourism
Industry
Association
New Zealand**

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Submission to the

**Transport and Industrial Relations Select
Committee**

on the

Land Transport Amendment Bill

August 2004

About Our Association and Industry

The Tourism Industry Association New Zealand (TIANZ) represents the interests of over 3,500 businesses in the tourism industry. Membership of our Association is drawn from the surface transport, accommodation, attractions, cultural tourism and shopping, distribution, and adventure and outdoors tourism sectors.

Tourism is a \$16.5 billion industry and generates 17.8% of New Zealand's exports. The tourism industry employs 1 in 10 New Zealanders in a diverse range of businesses – the majority of which are small and medium sized enterprises. Not only is tourism important because of its contribution to GDP. It is also:

- Highly employment intensive;
- Regionally dispersed;
- Has the flexibility to change its target markets quickly as conditions change;
- Can offer a good return on investment.

The tourism industry in New Zealand consists of more than 15,000 small and medium sized businesses. Of these businesses, most employ less than five people. New Zealand welcomes over two million overseas visitors to its shores every year. The domestic tourism industry is also important in helping to sustain a vibrant tourism industry. TIANZ estimates that over 75 million visitor nights are spent by New Zealanders every year.

Tourism and transport

Land transport infrastructure is critical to the sustenance and future development of the tourism industry. Tourism is about visitors (both domestic and international) being able to be moved, and to move themselves around the country. Any strategic and regulatory decisions affecting transport will necessarily have an impact on the tourism industry.

TIANZ wishes to focus its submission on particular aspects of the Bill, in particular the reference to the licensing of courtesy vehicle operations, the introduction of the “chain of responsibility” contained in Part 6A of the Bill, and stricter offences.

Specific Comments-Courtesy Vehicle Licensing

TIANZ welcomes a pragmatic approach to public policy that leads to minimal levels of legislative intervention. At the same time, TIANZ encourages tourism businesses to engage in business practices that support high standards of customer service and professional conduct.

TIANZ notes that there have been previous comprehensive discussions on the issues behind courtesy vehicle licensing. These have included the release of a discussion document in May 2001 and a series of meetings held with stakeholders.

TIANZ has consistently advocated for a clarification of the legal position of the licensing of courtesy vehicles, and a confirmation in legislation that vehicles used for services without reward and that are not integral to a business should not need to be licensed. We have also suggested that from a risk and safety perspective, the mandatory licensing of courtesy vehicles is not justified.

TIANZ notes that the Bill does not provide for the licensing of courtesy vehicles (they fall outside of the licensing criteria in Part 4A of the Bill). We also note that officials (based on the explanations given on P27 in the explanatory notes to the Bill) do not believe that the licensing of courtesy vehicles is necessary on the grounds of safety. We are aware that some tourism businesses will continue to seek licensing for the courtesy vehicle services they provide as a matter of principle, even though this would not be required under the proposed Bill. TIANZ supports and encourages such voluntary behaviour.

At the same time, we support the Part 4A provisions in the Bill in their current form and the advice that officials have given in the preparation of this Bill that the licensing of courtesy vehicles should not be mandated by law.

The lack of a definition of “courtesy vehicle” in the Bill

TIANZ is concerned that there is no definition of “courtesy vehicle” in the Bill. This lack of clarification creates the risk that some operators running what they believe are courtesy operations may in fact be operating services that need to be licensed. The only way to avoid this would be for business operators to seek expensive legal advice prior to establishing a courtesy service to clarify their legal position.

To help remedy this situation, we recommend that further work be undertaken in consultation with our industry to clarify in the legislation what is meant by a courtesy vehicle operation, so that the distinction between a courtesy operation and a full passenger service operation becomes clearer to business operators. TIANZ would be pleased to assist officials with this work where possible, and to facilitate any consultation with our members.

Offences-Part 6A

This Part of the legislation introduces stricter penalties and also a new category of offence through a “chain of responsibility”. We support the more severe penalties for operating an unlicensed vehicle that is required to be licensed (excluding courtesy vehicles), as those operating such unlicensed service secure an unfair advantage over licensed operators.

We also support the concept of the “chain of responsibility” contained in clauses 79E, 79J and 79O (2). Our industry has serious concerns about customers and their agents directing coach drivers to exceed driving hours so they can do more shopping, visit additional attractions, or stretch an itinerary.

Clause 79M creates an offence of failing to pay passenger service fares. TIANZ supports this and we would like to ensure that the wording of this provision is sufficiently clear so that it also captures passengers who over-ride on buses.

We do not seek to be heard by the Select Committee.

*Tourism Industry Association
August 2004*