



tourism
INDUSTRY

ASSOCIATION NEW ZEALAND

Draft New Zealand Energy Strategy

Submission

30 March 2007

Introduction

1. This submission is from the Tourism Industry Association of New Zealand (TIA), located at Level 4, Travel and Tourism House, 79 Boulcott Street, Wellington.
2. If you wish to contact us regarding this submission, in the first instance, please telephone Simon Wallace, Policy Manager, on 04 494 1842 or e-mail him at simon.wallace@tianza.org.nz
3. The submission begins with a general overview, including a description of what the tourism industry is already doing with respect to climate change, energy and sustainability issues. The paper then makes specific comment on the government's Draft New Zealand Energy Strategy to 2050 released in December 2006, titled *Powering our Future: towards a sustainable low emissions energy system*.
4. If there is material in this submission relevant to the suite of other energy and climate change documents released by the government in December 2006, in particular the discussion paper titled *Transitional Measures: Options to move towards low emissions electricity and stationary energy supply and to facilitate a transition to greenhouse gas pricing in the future*, we would ask officials to ensure the relevant information is cross-referenced when advice is provided to government.
5. Our Association has worked and consulted widely with its Members to seek their views in the preparation of this submission. We recommend that our submission be read alongside those you may have received from businesses in the tourism and wider transport sector.

About Us

6. TIA advocates for the interests of the tourism industry in New Zealand. The businesses we represent generate more than 85% of New Zealand's tourism-related revenue.
7. Tourism is a \$17.5 billion industry (\$8.4b from international and \$9.1 from domestic tourism) with international tourist expenditure accounting for 18.7% of New Zealand's total export earnings.¹ The industry, directly and indirectly, 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 size, representing 9.4% of New Zealand's GDP, it is:
 - Highly employment intensive;
 - Regionally disparate; and

¹ "Key Tourism Statistics – September 2006", Ministry of Tourism website

- Very diverse - ranging from large stock exchange listed companies to small cottage industries.
8. These businesses cover a range of tourism-related activities – hospitality, transport, adventure and activities, attractions and retail and related tourism services. In many cases, regional tourism businesses have developed around regional assets divested by other industries and have revitalised those assets and the communities that depend on them.
 9. The tourism industry in New Zealand consists of more than 8,000 small and medium sized businesses. Of these businesses, most employ less than five people.
 10. New Zealand welcomes more than two million overseas visitors to its shores every year. The domestic tourism industry is also important in helping to sustain a vibrant tourism industry, as evidenced by the more than \$9 million that comes from domestic visitors each year.

Our Commitment

In order to enhance its position as a premium niche destination for visitors, the tourism industry in New Zealand is committed to addressing the challenges posed by climate change and energy supply. This means the industry must invest in practices that are sustainable in the long-term. It does not mean setting unrealistic targets to achieve carbon neutrality that ignore economic realities. It does mean a solid and collective commitment from all sectors of the industry to agree to incremental change over time in the interests of protecting New Zealand's environment, preserving its global brand positioning and seeing its businesses prosper.

Overview

11. New Zealand's environment and scenery is the major draw card for overseas visitors and forms the basis of the "100% pure" marketing positioning that underpins the country's gross domestic product (GDP) and economic growth. Tourism is the country's largest export earner with total visitor expenditure in 2005 exceeding \$17.5 billion (\$8.4b from international and \$9.1 from domestic tourism). It employs one in ten people and accounts for a further \$5.8 billion value-added spend in industries that support tourism. .
12. The industry recognises that in order to preserve New Zealand's 100% pure positioning and its place as the country's major export earner, it must first and foremost adopt sustainable business practices resulting in protection of the environment. This includes making better use of water, improving waste and recycling processes, using energy more efficiently and reducing its carbon footprint.
13. The tourism industry knows that while climate change could yet prove to be New Zealand's key marketing opportunity, it is also a significant risk. Not only

is the industry challenged to adopt more sustainable practices, the effects of global warming on coastal attractions, like beaches, and on mountain and snow activities, like ski-fields and glaciers, poses a further threat to New Zealand's scenic attractions and 100% pure positioning. In the quest for renewable sources of energy, we must also be careful to protect our natural vistas. For example, we would not want to see some of our iconic natural scenic areas spoilt by wind farms.

14. Securing and conserving a long-term future will continue to be a core objective of the New Zealand Tourism Strategy 2010. The strategy is currently being reviewed with a draft due for release in late April 2007. It is expected this draft will describe the tourism industry's leading role in sustaining New Zealand's natural environment. NZTS 2010 was initiated in 2001 and has been developed in partnership with the public and private sector.
15. As a whole, the tourism industry is generally supportive of government policies that secure New Zealand's position as a sustainable destination and it believes the Draft New Zealand Energy Strategy to 2050 (NZES or "the Strategy") is a step in the right direction, albeit with the qualifications noted in this submission. Building a sustainable nation, as the Prime Minister stated in her speech to Parliament on 13 February 2007, "requires active government working with key stakeholders across the economy and society".
16. The industry supports practical initiatives that contribute towards the Prime Minister's goals, but the cost of doing so cannot be borne entirely by individual businesses and cannot be imposed on business if doing so reduces New Zealand's competitiveness. Business cannot react to short term climate change policy shifts. Instead, what is needed is a solid framework to work within over a period of time. A primary component of that framework is climate change policies that are aligned with those of our competitors so we are able to compete on a level playing field.
17. Environmental sustainability is a national good which requires a central government contribution. Such a contribution may be in the provision of information, education and tools to get businesses off on the right footing and in some cases direct investment by the Government. The tourism industry encourages the government to consider financial incentives to encourage and improve take up of sustainable technologies and practices, especially in the transport sector. Since 2003 the government has assisted the agricultural industry with the Sustainable Farming Fund (SFF) initiative that receives funding of approximately \$9 million per annum. Building rural sustainability is a key aspect of the SFF with funding offered to projects that improve yield and enhance social and environmental measures. A similar scheme for the tourism industry would be hugely beneficial in improving sustainability in the sector. For example, the tourism industry has the same remote location issues as farmers with either limited or non-existent access to Broadband.
18. Some of the proposals contained in the Strategy lack detailed cost benefit analyses and our Association must be careful to support policy options that make sound economic sense. TIA also believes broad cross-party political cooperation on long-term goals is needed to achieve the outcomes the strategy

and business seek. Cross industry alliances will be helpful in getting such a position politically established. Climate change settings are just as critical to New Zealand's economic future as Reserve Bank and other fiscal settings and will require the same level of independence from political capture.

19. Thus, the tourism industry offers a conditionally supportive approach to the document. TIA and its Members are keen to work with government on measures that could practically be implemented in the move towards a sustainable low emissions energy system.

So What Are We Already Doing?

20. The tourism industry has had a long commitment to conservation and environmental practices. As an industry association, TIA has always been active with regard to energy and climate change issues. As early as 2001 TIA commissioned Landcare Research to compile a report on how a carbon tax might affect the tourism industry. This report also compared tourism with other sectors. The report is still valid as a reference point for the tourism industry with regard to its carbon dioxide emissions and impacts on the industry.
21. Many tourism operators have already adopted sustainable business practices, for example, hotels that have invested in water preservation and solar energy, some bus companies that are using more fuel efficient vehicles, camping grounds which offer waste and recycling facilities and the national airline that has invested in a modern fuel efficient fleet.

Accor Hotels – the Accor Hotel chain has its own Environment Charter in which sets out no less than 65 commitments it makes to environmental preservation in the areas of water, energy, waste, wastewater, the ozone layer, biodiversity and green purchases. Some of its measures include the use of solar energy for domestic hot water and to heat swimming pools, flow regulators on faucets and showers, waste recycling and the use of ecological paper.

22. Here are some examples of tourism businesses who over a long period have demonstrated their strong environmental and conservation principles.

Real Journeys offers a range of tourism experiences in Queenstown and Fiordland National Park. Les Hutchins who founded the company in the 1950s was a long time conservation pioneer and his contribution continues through the Leslie Hutchins Foundation. The Foundation funds a number of conservation projects in the South Island from a levy on its passengers. Examples include dolphin research, protection programmes for endangered birds and wilding pine eradication. As well as this, Real Journeys is involved in beach clean up programmes in and around the Fiordland National Park and Stewart Island.

*The **Kiwi Encounter** programme at Rainbow Springs in Rotorua is a visitor attraction based entirely on conservation principles. Its key asset is the working*

hatchery and nursery where kiwi are hatched and nursed as part of the kiwi conservation programme.

Wilderness Lodges of New Zealand is a leader in eco-tourism. Set up by ecologists Dr Gerry McSweeney and Anne Saunders, Wilderness Lodges is an example of how an eco-tourism based accommodation venture can make an economic contribution to the country but also enhance and protect the environment.

23. Below is a stock-take of some of sustainability initiatives currently taking place in the tourism industry.

Environmental Certification

24. *Qualmark* - this is the official mark of quality for the New Zealand tourism industry and is operated as a public/private sector partnership between Tourism New Zealand (TNZ) and the Automobile Association (AA). Scoping work is currently taking place to enhance Qualmark by developing an environmental certification or accreditation programme that is intended to be ready for implementation by the middle of 2008. A Qualmark Green certification could yet be introduced.
25. *Quality Tourism Standards (part of the Qualmark quality assessment system)* – The Adventure Tourism Council began developing Quality Tourism Standards (QTS) in the early 1990's based on the need to raise and improve standards in the adventure tourism sector. Globally, quality standards are developing across all industry sectors, including tourism. These standards have a strong sustainability bent and are linked to ISO 14000 environmental standards. Assessment against QTS is managed by Qualmark with ongoing standards development being managed by TIA. The benefits of QTS see a raising of industry standards, one consistent standard for the adventure sector and acceptance by regulatory authorities of “best professional practice”.

***Knapdale Eco-Lodge** – The Knapdale Eco Lodge, near Gisborne, with a four star plus Qualmark rating, has made energy efficiency a key aspect of the home's eco appeal. A past winner of the Master Builders' energy efficiency category, the house has been designed, built and sited to maximise natural energy sources. Constructed of well-insulated plastered concrete block on an insulated concrete slab base, the three bedroom eco-lodge is heated by warm water running through pipes embedded in the floor, while water in the pipes heats up in the roof space. A stove burning wood from trees grown on the farm's plantations is the other heat source. At Knapdale, electric water heating lies idle for eight months of the year, as the woodstove wetback and solar water heating provide enough energy to heat the lodge.*

26. *Green Globe* – introduced to New Zealand in 2001, this is an international benchmarking and certification programme that facilitates sustainable travel and tourism for consumers, companies and communities. Benchmarking measures include environmental performance over a number of areas, including reusing and recycling waste, energy efficiency and the management of freshwater

resources. In 2002, TIA played a leading role in bringing Green Globe to the tourism industry in New Zealand leading a joint initiative with the Ministry for the Environment (MfE), the Ministry of Tourism (TMT), Zero Waste New Zealand and Lincoln University to promote the merits of the scheme amongst operators and help them become compliant. Around 100 tourism businesses now belong to Green Globe, as does the community of Kaikoura.

Queenstown Top 10 Holiday Park – arguably one of the greenest holiday parks in the world, nearly every structure built has solar hot water facilities. The Park has used mostly recyclable materials in the construction of buildings and has successfully diverted waste from landfills by more than 50%. Guests can use small bags fashioned out of reused newspaper to dispose of their food scraps daily which are then put into a worm farm or compost heap. The move to sustainability at the Park, has according to its owner, Erna Spijkerbosch, improved the management of profitability of the business as well as being a powerful marketing tool, particularly with European visitors.

27. *CarboNZero (EBEX 21)* – the Carbon Zero programme, developed by Landcare Research in Christchurch, is a certification system that can be used by individuals and organisations to market their carbon neutral status. The Tourism Industry Conferences in recent years have been carbon neutral with delegates paying a voluntary fee to offset emissions. At the time of writing, TIA is investigating possibilities to make Tourism Rendezvous New Zealand (TRENZ) 2007 carbon neutral. TRENZ is the showcase event for the tourism industry in New Zealand and one of the country's largest business to business trade events.

New Zealand Tourism Awards

28. In managing the New Zealand Tourism Awards, the objective of TIA has been to raise capability within the industry and encourage, reward and inspire tourism operators to strive for the highest standards of business practice. Sustainability is a key theme in Awards criteria with applicants measured against a carbon calculator.
29. Special Awards include the Green Globe award recognising outstanding operators, currently certified and benchmarked to Green Globe standards. The Conservation in Action Award, sponsored by the Department of Conservation (DOC), is open to any tourism operator who can demonstrate an active commitment to conservation and/or display excellence in conservation interpretation.

Recycling and Waste

30. As the economy grows, managing waste and encouraging recycling is becoming a huge challenge for businesses. The 100% Pure brand positioning makes the issue even more critical for the tourism industry as international visitors are increasingly expecting waste and recycling facilities to be readily available.
31. Some tourism operators already have recycling and waste plans, such as Holiday Parks Accommodation New Zealand (HAPNZ). The challenge many operators face is the lack of support they receive from local authorities in the provision of

waste-related services and infrastructure. TIA is therefore encouraged by the Prime Minister's 13 February 2007 statement that the government will be funding more recycling facilities for use in public places.

32. Our Association, along with DOC, TNZ and other tourism sub-associations, such as HAPNZ, has been involved in a pan-industry group to deal with waste issues. The group supports a philosophy of making waste easier to dispose of and is putting recommendations to government on the co-location of recycling facilities, dump stations, toilets and water services. The group has also developed a waste management strategy for the West Coast.

Care Code for Visitors

33. TIA, HAPNZ, and other government agencies have developed a care code which provides tips for visitors on how to be ecologically friendly when travelling around New Zealand. The Care Code for Visitors lists tips under four headings, waste-wise, water-wise, energy wise and travel-wise and will be handed out by tourism operators to customers and clients.

Tourism/Conservation/Recreation Accord

34. DOC, tourism agencies and recreation groups are shortly to sign an accord that aims to manage, preserve and enhance New Zealand's public conservation values now and in the future. Guiding principles include the promotion and implementation of recommendations related to sustainability found in NZTS 2010 as well as encouraging the tourism industry to promote and adopt business practices that are environmentally responsible and deliver value to New Zealanders.

KEA Campers – A past Supreme Award winner at the New Zealand Tourism Awards, Kea run one of the most fuel efficient rental vehicle fleets in NZ. All their vehicles are diesel powered that have lower emissions than petrol. Their vehicles meet EURO4 emission standards with all the fleet manufactured in NZ. In addition to KEA's energy efficient initiatives, their vehicles are fitted out with plywood imported from Italy, a renewed timber source. KEA also sponsor public dump stations around NZ, while all their clients are given biodegradable bags and they are encouraged to use these for shopping, instead of plastic bags.

Sustainable Tourism Charters

35. Under way in five regions around the country, Northland, the Bay of Plenty, Nelson/Tasman, Wanaka and Southland/Fiordland, the Sustainable Tourism Charter is aimed at helping tourism operators become more sustainable and improve their environmental performance through the use of more energy efficient practices.
36. The Charter projects are encouraging better use of existing resources. Practical initiatives include the installation of energy efficient light bulbs, better waste management practices, the recycling of glass, paper and plastics and purchase of

bio-degradable products. Few of these initiatives come with additional costs and for many operators, measures implemented are actually resulting in long-term energy savings.

The Sustainable Tourism Charter in Rotorua - By late last year, nearly 40 businesses were signed up to the Charter. The Rotorua i-SITE and Rotorua Airport are both involved as is the Regional Tourism Organisation (RTO), Destination Rotorua. The RTO has been actively promoting sustainable Charter members with preferential marketing and signage in the local i-SITE. A local packaging supplier has also been engaged with Charter members to build an understanding of more sustainable packaging options.

37. As of 2006, more than 130 tourism businesses nationwide were signed up to the Charter programmes with one region, Northland, extending the initiative beyond tourism to a range of other businesses. The Charter is funded by TMT with MfE providing implementation and monitoring assistance.

TIA and the Energy Efficiency Conservation Authority (EECA)

38. TIA worked in partnership with EECA in 2003-04 and delivered seminars to tourism operators on how to make their businesses more sustainable. A number of joint workshops were held around the country where TIA and EECA offered practical advice on some basic measures businesses can implement to achieve energy efficiency and make energy savings.

Comment on the Strategy

39. Our Association's comments on the specific elements of the NZES are made with respect to the areas we think impact on, and have the most relevance to, the tourism industry. Given New Zealand's distance from international markets and its dependence on both air and surface transport to get visitors here and around the country, it is clear that transport is a sector where the tourism industry is energy intensive.
40. While domestic transport accounts for 39% of New Zealand's CO₂ emissions, it is important to note tourism transport services are just a small part of New Zealand's total transport emissions.² Air travel is often cited as a major contributor of carbon emissions, yet airlines produce around just 2% of global CO₂ emissions.³
41. For its part, Air New Zealand is focused on maximizing the fuel efficiency of its aircraft fleet through investment in more efficient planes and operational efficiency gains.

² New Zealand Climate Change Inventory Data

³ The Dominion Post, 26 February 2007, p.C1

***Air New Zealand** – The national carrier announced plans in December 2006 to purchase an extra four Boeing 787-9 jets, doubling its order to eight. Smaller than the 747, the 787 is more fuel efficient and is made mostly from carbon composites rather than metal. The 787-9 is said to use 20 percent less fuel than other similar aircraft flying today. These new generation aircraft will give Air New Zealand the lowest emission fleet in the Asia-Pacific region.*

42. With regard to *Part 2, Section 2. Resilient, low carbon transport (pgs 30 -38)*, the tourism industry supports a number of the recommendations made and our comments are set out below.

Bio-fuels

43. The tourism industry fully supports in principle the increased use of bio-fuels as a renewable energy source, but at a practical level we have concerns that such fuels may not be easy to access or affordable. Bio-fuels are an alternative to higher emission fossil fuels but they have two major challenges, firstly, in a New Zealand situation, they are yet to be fully tested and proven and secondly, there is no supply system in this country.
44. Collectively, tourism operators have invested millions of dollars in plant and the government's minimum sales obligation of 3.4% by 2012 must come with guarantees that bio-fuels will not cause mechanical problems of a serious or long-term nature. With regard to supply, tourism services are not confined to specific areas as industries such as forestry and manufacturing are, so supply of bio-fuels would need to be available in a variety of places for example, service stations, airports and rental car depots. Bio-fuels will also require certification to be used in marine and other environs, especially national parks and DOC lands.
45. Tourism operators, as with any other business, cannot react to short term energy and climate change policy shifts, such as those announced for bio-fuels. By way of example, Intercity, which operates New Zealand's largest bus passenger network, replaces its fleet of coaches every eight to ten years at a cost of approximately \$40 to \$50 million. The vehicles Intercity builds next year need to be able to meet the bio-fuel policy requirements of 2016, not 2007, 2008 or even 2012 as the Prime Minister has set. This means a solid framework must be established over a reasonable period of time with a focus on the managed implementation over time of bio-fuels or other renewable energy sources.

***Intercity** – Intercity operates a modern fuel efficient fleet. The company voluntarily meets European Union EURO3 standards that relate to both fuel efficiency and carbon emissions – this means they carry 30 percent more passengers and use 15 percent less fuel leading to a reduction in base emissions. Intercity also voluntarily builds all its vehicles in New Zealand rather than importing vehicles that are often less fuel efficient.*

Other Alternative Fuels

46. In addition to bio-fuels, the NZES discusses the greater use of alternative energy options. If use of alternative fuels improves energy efficiency and reduces carbon emissions at a competitive cost, then this makes good business sense. There are a number of operators in the tourism industry that currently utilise alternative energy sources, particularly solar and wind power, but we also support other renewable sources. In this respect we would welcome discussion with government on possible incentives to encourage take-up.

Second Hand Vehicle Imports

47. The tourism industry supports restricting the import of second hand vehicles that do not meet European emission standards. In fact, TIA believes the government should move immediately to close off all second hand vehicle imports below European standards. The industry readily acknowledges that current vehicle import regulations have led to a declining standard in the quality of buses and coaches operating on the country's roads and pose a huge threat to the industry's reputation in New Zealand. We would support all vehicles imported into New Zealand meeting a minimum EURO2 standard by 2008 and a EURO3 standard by 2012. In our view that would clean up the bottom end of the imports. Removing the low end imports would also serve to promote the use of public transport, an outcome in line with the overarching goal of the NZES.
48. A further point to note with respect to second hand vehicles is that as the purchase cost of an end-of-life imported vehicle is cheaper than those manufactured in New Zealand, these vehicles now largely make up the majority of the tendered school bus fleet in New Zealand. It is one thing for tourism operators to make steps to reduce emissions at a cost to their businesses, but from a domestic perspective the government must be mindful of the high emissions produced by the often cheap and poor quality school buses that continue to operate in New Zealand.
49. Our Association is also concerned that not enough use is being made of regulations and controls that exist within current legislation. For example, it is our understanding that Land Transport New Zealand (LTNZ) and the Ministry of Transport (MOT) are working to develop and apply stricter rules on vehicle emissions and the standards of imported vehicles within the current legislative framework. TIA believes this is an important strategy and we encourage those authorities and others to ensure minimum standards are enforced.

Energy efficient technologies

50. The tourism industry supports the emphasis the draft strategy gives to energy-efficient, sustainable technologies. The industry, however, believes such technologies need government support and suggests a way to encourage take up would be to offer tax breaks to those businesses that are prepared to make long term investments in new technology. This might also include government writing off depreciation charges on older, more energy intensive plant and

equipment. As with bio-fuels and other alternative energy sources, fuel efficient technology needs to be cost effective and introduced over time.

Carbon Pricing

51. TIA is concerned about proposals that may introduce a price of carbon to New Zealand's economy in advance of countries with which we compete as an international visitor destination. New Zealand is now in an increasingly competitive position, not only with traditional markets like Australia, but also with emerging markets, especially in south-east Asia and Latin America. .
52. A number of these countries have no obligations under the Kyoto Protocol, and in Australia's case it has not ratified Kyoto. This means that post 2012, Australia and less developed countries, many of whom are our emerging markets, will be unlikely to have Kyoto obligations. New Zealand, as a signatory to Kyoto, could find itself at a competitive disadvantage because although it positions itself as a top end destination, price remains a key driver for destination decisions.
53. In the short to medium term therefore, any proposal by the Government that imposes carbon pricing in New Zealand needs to be supported by detailed and transparent cost benefit analysis and justified in terms of economic and environmental benefits.

Energy Security

54. As a top end destination, we need to be able to deliver a high quality visitor experience. Energy security is a key component of that experience – the recent electricity blackouts in Auckland are testament to the importance of secure energy supply. TIA is concerned that the Strategy focuses strongly on encouraging renewable energy to combat climate change without providing any assessment of current energy security. There is no analysis either of the impact on energy security that is likely to occur as a result of increasing the contribution of wind, solar power and other renewable energy sources to the national network.

Other Issues

Commerce Act versus Energy/Climate Change Policy

55. TIA believes provisions contained within the Commerce Act 1986 that prevent anti-competitive practices, act as a strong disincentive for tourism operators to explore code-share opportunities and so minimise emissions. A clear example includes the recent decision by the Commerce Commission to prevent an Air New Zealand/Qantas code-share agreement on the Tasman which had it been approved would have resulted in less aircraft flying and reduced emissions (approximately 30,000 tonnes of CO₂ per year). If collaboration could be allowed between some of the many bus and coach operators on the main passenger routes, than that too would lead to improved energy efficiency.

56. The Commerce Act, as currently written, therefore ignores the new economic realities of energy and climate change. Our Association believes the development of the NZES and associated work should consider the implications of the Commerce Act before the government's energy and climate change policies are finalised.

Research

57. It is clear that available research on energy and climate change issues must inform policy development. TIA has recently endorsed a research bid to the Foundation for Research, Science and Technology (FrST) by Lincoln University that proposes to analyse the risk of increasing global oil prices on tourism in New Zealand. We believe this three year project would be hugely beneficial in better understanding New Zealand tourism's dependence on oil, its vulnerability, and measures to reduce our exposure to global oil prices. From a tourism viewpoint, we encourage government agencies to be mindful of this project in the context of future work on climate change and energy policy.

Conclusion

58. The tourism industry in New Zealand is supportive of the government's intent to move to a sustainable low emissions energy system. The tourism industry is aware that in order to deliver on and preserve its "100% Pure" branding image, it must continue to adopt sustainable business practices, otherwise many of its businesses will not be viable. The extent to which tourism operators are already engaged in sustainable practices, and outlined in this paper, is testimony to the commitment our industry is already making to adapt to climate change and energy supply issues.
59. In this submission, the tourism industry has broadly outlined the commitments it wants to make to contribute to New Zealand being a sustainable economy. Business investment in sustainable practice, however, must be supported by government incentives, whether they are for alternative fuels, new technologies, carbon pricing or other initiatives to appeal to those businesses that struggle to raise capital for re-investment. Legislative and regulatory change is also necessary to create minimum standards and apply a level playing field for all businesses whether they are manufacturing in New Zealand or importing plant from overseas.
60. The development of government energy and climate change policies must be cognisant of business reality. In the long-term, knee jerk climate change policies will only end up being detrimental to New Zealand's economic well-being and will surely compromise our ability to deliver fully sustainable practices.
61. As well as being New Zealand's largest export earner, in a global sense tourism is a showcase industry for New Zealand – an international visitor's impression of the country is often the interactions they have with tourism operators. This presents both an opportunity and a threat. It is an opportunity if we are seen to be running our businesses in a sustainable manner because that message will reverberate all around the world, but if we are not, the country's international

brand could be threatened, putting off not only visitors, but valuable foreign investment. To this end, we look forward to opportunities to engage with the government to secure a sustainable and long term future for the tourism industry in New Zealand.

Tourism Industry Association
March 2007