



**Tourism
Industry
Association
New Zealand**

Tourism Industry Association New Zealand

Comments on the Government Transport Review

February 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.

Tourism is a \$15 billion industry and generates 13% 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 size. 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 almost 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.

TIANZ welcomes the opportunity to comment on this review which is examining the appropriateness of current structure of central government transport agencies.

Tourism and transport

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 decisions affecting transport will necessarily have an impact on the tourism industry.

The foundation of tourism in New Zealand is based on robust domestic visitor movements, which makes up around 60% of all tourism activity.

Principles for transport for tourism

TIANZ supports the following principles for a national land transport policy:

- To maintain the existing transport network to set standards and to provide the mechanisms to enable New Zealand's transport infrastructure to grow to meet the demands placed on it by New Zealand's economic development, including tourism growth.

- To enable New Zealanders and visitors to New Zealand to have reasonable access to the transport mode of their choice, providing that the appropriate pricing and funding mechanisms are in place to establish, and sustain such transport modes.
- Users of the transport system should meet the costs of their transport use. At the same time, central and local government assistance is necessary to enable the viability of services such as passenger transport, where the provision of such services has demonstrative benefits to the transport sector, and the wider economy.
- The funding derived from users should be dedicated to fund the maintenance of the transport network, and to provide for future investment in the network, and should not be ‘siphoned’ off for other purposes.
- Funding and management decisions should reflect an agreed national transport strategy, and any applicable regional transport strategies.

TIANZ is guided by these principles when making comment on any new transport policy initiatives, including new legislation.

The Current System

The current system is characterised by a range of different government transport agencies including:

- Ministry of Transport (MOT) which is the government’s principle policy advisor
- Civil Aviation Authority (CAA), the aviation safety regulator
- Land Transport Safety Authority (LTSA), which provides advice, and promotes initiatives on land transport safety
- Maritime Safety Authority, charged with providing advice on maritime safety and environmental issues
- Transport Accident Investigation Commission (TAIC), which determines the causes and circumstances behind accidents
- Transit New Zealand, which manages State Highways
- Transfund New Zealand, which is responsible for funding state highways and a portion of local roads
- New Zealand Police (we understand that the Police structure falls outside of this review)
- Local Government.

Clearly, there are currently a considerable number of agencies involved in transport.

The Review Process

TIANZ notes that this review considers whether the current structure is the most appropriate one to be effective in implementing current transport policies, including the New Zealand Transport Strategy. We are aware that this review does not evaluate the effectiveness and performance of agencies.

We also note that stakeholders are effectively being asked to have input to this review without the ability to consider proposals put forward by the review team, other than some general options which contain limited detail. This limits the ability of the industry to make a detailed evaluation of the options available. However, in the next section we provide our initial assessment of the advantages and the shortcomings of the existing structure.

Positive characteristics of the current system

TIANZ believes that the current system has the following positive characteristics:

- Agencies are in existence for a defined purpose which can lead to an enhanced focus and coverage, and increased profile of an area of transport activity e.g. road safety
- Accountability mechanisms are clear, with each agency being headed by its own management team and Board (in some cases)
- Each agency is able to recruit a core of expertise relevant to the activities the agencies specialise in. This also helps each agency create a ‘culture’ that enhances its concentration on their particular activity
- It is generally easy to identify which agency has a particular function. This is important to stakeholders
- In general, agencies have developed both formal and informal ways of working together and mechanisms for co-ordinating activities, in addition to the requirements for agencies to work with other agencies as part of their formal functions. In reality, the effectiveness of such co-operation also depends on the ability and willingness of staff and management to work collaboratively with the other agencies.

Shortcomings of the current system

Overview comments

TIANZ' key concerns with the current structure relate to the large number and range of agencies involved with transport at the central government level. There appears to be (in practice) no lead agency that provides a central policy overview to ensure the work of the many agencies 'dovetail' effectively with the work programmes of the other agencies .

Many agencies employ their own separate policy staff which can lead to non-holistic policy making, and to policy being used to justify operational decisions, rather than policy determining operational decisions.

This is compounded by the following issues:

Competing objectives

Each agency has its own objectives, performance criteria and reporting lines. This can lead to agencies concentrating on their own objectives which can be at the expense of wider transport objectives that cut across the entire transport sector. This raises doubts as to whether the government transport sector in its current form will be able to work effectively towards the execution of the New Zealand Transport Strategy.

Limited Government-industry partnerships and interfacing with stakeholders

The current structure generally requires each agency to interface separately with stakeholders. Interaction with stakeholders is therefore sporadic, and agency and issue based and stakeholder input is restricted to commenting on particular projects or issues as they arise. This limits the ability of the private sector and other key stakeholders to provide holistic input to central government transport policy-making, which can perpetuate "policy silos".

Tourism provides an example of a strong government industry partnership based on a small number of government agencies working closely with our industry, with leadership from the New Zealand Tourism Strategy 2010.

Limited ability to 'dovetail' with local government

While local government is clearly outside of the scope of this review, TIANZ questions whether the current structure facilitates a co-operative relationship between government agencies with Road Controlling Authorities (where relevant). Given that local government is an important partner in the provision of transport services, TIANZ believes that this review should consider whether the structure in place ensures effective and co-ordinated working relationships with councils where these are needed.

Greater “whole of government” approach needed

Increasingly, there are complex public policy issues that require involvement by a large number of diverse organisations and groups, both within and outside of government. An example of such an issue in our industry is the sustainable management of the Milford Sound area as a visitor attraction. The existence of a large number of separate agencies makes it more difficult for the government transport sector to have an effective involvement in such issues. Invariably, each agency must be separately invited to take part, and will bring a different perspective to different issues, making it difficult for a “whole of government” transport sector response to be given.

On balance

On balance, TIANZ perceives the government transport sector to be fragmented and not structured in a way that facilitates a ‘whole of government’ approach to the delivery of quality transport services. This also makes it difficult for government agencies to interface with key stakeholders, which reduces the ability for them to form valuable working partnerships, and to work in a strategic way.

Overall, TIANZ believes that the government tourism sector (under the leadership of the New Zealand Tourism Strategy 2010) provides a successful model for the Review Team to consider.

TIANZ suggestions for the direction of the review

TIANZ recommends that the Review Team:

- Notes the points raised above on behalf of the tourism industry
- Notes that on balance our industry perceives there to be a problem with fragmentation in the government transport sector
- Considers options to reduce the fragmentation in the government transport sector while causing the minimum disruption to work-in-progress
- Considers the government tourism sector, as a sector that has been successfully working with local government and the industry to develop a robust and fast growing industry.
- Recommends that the government publicly consult on any options developed by the Review Team, to enable interested stakeholders to comment on these options before they are implemented.

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