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SUBMISSION TO MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT ON THE DRAFT TOURISM ENVIRONMENT ACTION PLAN 2023

Thank you for the opportunity to present this submission on the draft Tourism Environment Action Plan 2023 He Āhurutanga Taiao (draft Action Plan).

This is a joint submission endorsed by Queenstown Lakes District Council (QLDC) and Regional Tourism Organisations (RTOs) Lake Wānaka Tourism and Destination Queenstown. Collectively, these organisations form the Destination Management Steering Group (DMG) leading the Queenstown Lakes District (QLD) Regenerative Tourism Plan that was adopted in early 2023. The Regenerative Tourism Plan and this submission are testament to the collaborative approach to destination management taken in the Queenstown Lakes District.

In principle, the DMG is supportive of the vision captured in the draft Action Plan. However, the DMG has serious concerns that the draft Action Plan:

- has not taken a destination management approach at a national level that is required
- lacks the ambition, leadership and drive towards fundamental systems change that is needed
- does not reflect the urgent need to decarbonise tourism
- does not instill confidence that the actions are sufficient and will be achieved within the required timeframe.

The DMG would like to be heard at any hearings that result from this consultation process. It should be noted that due to the timeline of the process, this submission will be ratified by full Council retrospectively at the next council meeting. Thank you again for the opportunity to comment.

Yours sincerely,



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Chief Executive,
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Glyn Lewers
Mayor QLDC



Tim Barke
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1.0 Queenstown Lakes District visitor context

- 1.1 Prior to COVID-19, the QLD saw a tourism boom. Visitor expenditure grew rapidly from \$1.3B in the year ending October 2009 to \$3.1B in 2019 (Ministry of Business, Innovation and Employment (MBIE) monthly regional tourism estimates). For the year ending April 2023, there were 4M guest nights spent in the QLD, which is approaching the peak of 4.6M of year ending April 2019 (MBIE Commercial Accommodation Monitor). Tourism is a foundation of the local economy, accounting for 39% of GDP and 55% of all employment in 2019 (Infometrics).
- 1.2 At the same time, the QLD is also one of the fastest growing populations in New Zealand Aotearoa, with 5.6% average growth per annum over the ten years to June 2022. The district has a resident population of 50,160, an average total daily population of 66,532 (visitors and residents) and a peak daily population of 102,648¹. The total population growth has been 74% over the past ten years, and Statistics NZ predicts that the district's population will grow an additional 48% by 2043.
- 1.3 QLDC, Lake Wānaka Tourism and Destination Queenstown partnered to develop the Regenerative Tourism Plan² for the region, that also included Kāi Tahu and the Department of Conservation. The strong working relationship between these groups is founded on the shared fundamental objective to be a leader in regenerative tourism.
- 1.4 The Regenerative Tourism Plan is an output of the QLD Grow Well Whaiora Spatial Plan, in partnership with the Crown Kāi Tahu and Otago Regional Council.

2.0 Outline of this submission

- 2.1 MBIE is seeking feedback on whether the draft Action Plan accurately captures the vision for the future of tourism and the environment in Aotearoa New Zealand, which actions in the draft Action Plan are most important, and how actions should be prioritised and sequenced and whether other critical actions are missing.
- 2.2 The thrust of this submission is that the draft Action Plan lacks the future focus and bravery that is needed. The submission provides feedback first on the need for a national destination management approach and a system wide change, followed by input on the proposed Tirohanga Hou. For the DMG, the priority focus is on the decarbonisation of the visitor economy. This submission also outlines how the Queenstown Lakes is primed to take a leadership role across the motu in this space, and looks forward to collaborating with MBIE to achieve this.

3.0 Isolating Te Taiao will result in a fragmented approach that is inconsistent with the holistic nature of destination management, systems-thinking and regenerative tourism. A 'whole-of-system' approach is essential.

- 3.1 The draft Action Plan fails to take the holistic approach that by definition is required to achieve regenerative tourism. Considering the environment in isolation misses a key tenet of regenerative tourism which requires a whole of system approach. The tourism system includes communities, Māori, Iwi, Hapū, Department of

¹ <https://www.qldc.govt.nz/community/population-and-demand> (date accessed: 5 July 2023).

² <https://www.queenstownnz.co.nz/regenerative-tourism-2030/> (date accessed: 5 July 2023).

Conservation, public transport, health services, retail and wider businesses in the economy. The vital role played by local communities in destination management is glaringly absent from the draft Action Plan.

- 3.2 Through the development of the Regenerative Tourism Plan for the Queenstown Lakes District, people in the community expressed their aspirations for what tourism can become on an unprecedented scale. The DMG recognises that public support for tourism is currently at risk, and a growing number of residents in the district have become concerned that the benefits of the visitor economy are beginning to be outweighed by disadvantages. Building communities is therefore a guiding principle and a key pillar in the Regenerative Tourism Plan, so that it is recognised that communities are at the heart of destination management, and that they are given an authentic voice and opportunity to shape their future. The DMG recommends that there is greater emphasis in the draft Action Plan on community voice and less emphasis on tourism marketing.
- 3.3 Overarching the need for greater consideration of destination management principles in the draft Action Plan is the requirement of a more appropriate strategy and structure. There is currently no nationwide destination management strategy or approach; this is inhibiting united action in this space, and means that to the extent that destination management is occurring, is being inconsistently applied. The DMG recommends that central government consider the formation of a specific directorate tasked with delivering destination management, to ensure that there is a genuine departure from the current volume-based approach to tourism. The status quo needs to be replaced with a values and regenerative contribution based approach.
- 3.4 The draft Action Plan does not instill confidence that the necessary actions will occur within a reasonable timeframe, nor does it propose the system wide step change that is required. Whilst it is stated that the actions are deliberately light on detail at this stage, it is imperative that central government take a leadership role in assigning timeframes to the final Action Plan to ensure accountability and achievement of the actions at pace, and build the confidence of our communities with respect to tourism.

Recommendations

R.1 – The DMG recommends that the pivotal role that communities play is considered in more detail and integrated directly in the final Action Plan, in line with fundamental destination management principles.

R.2 – To ensure a consistent, genuine commitment, a national destination management approach and structure should be considered. A departure from the current volume-based approach to tourism is needed, and replaced with a values and regenerative contribution approach.

R.3 – It is recommended that concrete milestones are included in the final Action Plan to ensure timely delivery.

4.0 Tirohanga Hou - Tourism journeys are decarbonised

- 4.1 Aotearoa New Zealand has a commitment under the Paris Agreement to reduce greenhouse gas emissions. The Nationally Determined Contribution is to reduce greenhouse gas emissions by 30 per cent below 2005 levels by 2030.
- 4.2 The DMG submit that the Tirohanga Hou of decarbonising tourism journeys to achieve net zero emissions tourism by 2050 does not recognise the urgency with which Aotearoa New Zealand must respond to the climate crisis in relation to tourism, nor do the focus areas as outlined in the draft Action Plan reflect the priority that needs to be placed on the implementation of actions to assist in the reduction of carbon emissions.

- 4.3 In addition, whilst the draft Action Plan acknowledges that carbon emissions from international transport must be addressed as a top priority, the actions for this Tirohanga Hou fail to address this. The transportation sector is the most significant source of greenhouse gas emissions within the district's economy and international aviation is the largest single emissions source³. Overall, a deeper level of discussion and action is required in the draft Action Plan with respect to decarbonisation. A nationally led approach to addressing emissions from international aviation that is consistent and fair is also indicated. The 'soft' actions proposed do not go far enough, fast enough.
- 4.4 The keystone project of reaching carbon zero by 2030 in the Queenstown Lakes District Regenerative Tourism Plan is intentionally ambitious in order to fuel the necessary urgency in this space. The Carbon Zero discussion paper⁴ that accompanies the Regenerative Tourism Plan outlines necessary steps to guide decarbonisation across the district, including understanding current gaps in data. Many of the actions cannot be achieved by the district in isolation and require collaboration and input from central government. The DMG are concerned that although it has adopted a plan of action that is ground breaker and industry leading, the need for a collaborative approach with MBIE and other central government agencies is still to be fully developed, which is hindering progress.
- 4.5 The QLD is primed for actions leading to rapid decarbonisation. Local residents are ready for change. Many individuals, businesses and industries have been adopting regenerative business practices for years. The district has a special combination of being a long-standing visitor destination with all of the necessary resources, skills, size, connection, reputation, and collaboration needed to effect change. It is small enough to be nimble and confident enough to experiment with new climate action initiatives. The district has the capacity to be a leader in this arena, with the subsequent opportunities to share learnings across Aotearoa New Zealand and positively impact national reputation on the international stage.
- 4.6 The district faces a complex electricity challenge due to the capacity of the infrastructure, the topography, landscape values and protections, seismic risk of the landscape, the rapid increases in energy demand and the affordability of asset investment and maintenance programmes. Currently the Queenstown Lakes District is subject to significant vulnerabilities from both a disruptive shock to the district's transmission network as well as the stress of insufficient capacity to manage the increased demand from decarbonisation. In light of these vulnerabilities, visitor needs must be incorporated into future generation and transmission network planning, as well as consideration of how smart technology and local generation can assist to alleviate pressure on the grid and avoid the risk of capital over-investment. This includes ensuring adequate provision of electric vehicle (EV) charging facilities to support the large fleet of rental vehicles and campervans that are based in the district.
- 4.7 The DMG strongly supports initiatives to address energy requirements. A whole of government approach is needed to address these issues. noting that the appropriate management of visitor experiences will benefit residents and visitors alike, especially in the Queenstown Lakes context, that have a high visitor to resident ratio. The DMG submits that the focus points regarding decarbonisation lack strategic actions to address these challenges.

Recommendations

R.4 – The DMG recommend an increase in the urgency of decarbonisation actions, to meet Paris Agreement commitments.

³ Carbon Zero Discussion Paper at page 6. [Regenerative Tourism By 2030 \(queenstownnz.co.nz\)](https://www.queenstownnz.co.nz) date accessed: 4 July 2023.

⁴ Ibid.

R.5 - The draft Action Plan needs to include greater assessment and options analysis relating to international aviation.

R.6 – A collaborative approach with central government is supported, so that the district can be a leader and share its learnings in this space nationally.

R.7 – It is recommended that more proactive, strategic, and robust actions are proposed regarding energy challenges related to decarbonisation.

5.0 Tirohanga Hou - Visitor management is optimised for te taiao

- 5.1 The DMG support this Tirohanga Hou as a priority. However, the draft Action Plan fails to take the whole of system regenerative approach that is necessary, as discussed in section 3.0 of this submission. By taking Te Taiao in isolation “managing visitor volumes at particularly sensitive sites” as articulated in the draft Action Plan is too narrow and fails to consider the interrelationship between the environment, communities, and infrastructure as a whole.
- 5.2 The shortcoming of taking a narrow focus that isolates Te Taiao extends to the action of assessing ideal minimum and maximum visitor numbers at specific sites. Among other projects, understanding optimum visitation levels based on carbon intensity and impact on biodiversity has been identified as an immediate action to reach carbon zero by 2030 in the Queenstown Lakes. This is a massive undertaking and critical to a smooth transition and growing economy, but it does not solely relate to carrying capacity, or “minimum and maximum visitor numbers” as stated in the draft Action Plan. There is a myriad of factors involved in optimal visitation levels, and to focus on carrying capacity does not reflect the destination management approach that takes community perception of tourism into account that is needed for this work to be successful.
- 5.3 As with decarbonisation, a collaborative approach to obtaining these baseline measurements using agreed methodology is imperative to the consideration of any of the levers proposed to deliver regenerative tourism. As discussed above with respect to decarbonisation, the district has the capacity and appetite to lead in this space, and want to ensure that the findings are transferrable across the motu.
- 5.4 There are several reasons why undertaking this work in the district now will benefit Aotearoa New Zealand including:
 - 5.4.1 The Queenstown Lakes can accelerate the decarbonisation of the national tourism economy by trialing innovations at both individual and systemic levels.
 - 5.4.2 Innovations here may give rise to new products and markets in areas like clean transportation that can be replicated around Aotearoa New Zealand.
 - 5.4.3 Decarbonisation of the Queenstown Lakes tourism economy can create investment opportunities in neighbouring districts and will require technology from throughout Aotearoa New Zealand.
 - 5.4.4 Understanding optimum visitation levels and ideal visitor parameters presents a significant opportunity to attract global investment and innovation to Aotearoa New Zealand.
 - 5.4.5 Queenstown Lakes can share inspiration and learning to de-risk the national visitor economy and protect a vital economic sector for Aotearoa New Zealand.
 - 5.4.6 There is the opportunity for national benefit in the destination management arena by leveraging the positive reputation and internationally known brand of the Queenstown Lakes.

- 5.5 The DMG recommends that in addition to looking beyond a volume-based approach and carrying capacity, that the draft Action Plan's suite of levers to maintain visitor numbers within certain parameters goes beyond marketing strategies, and also delineates what it would take for these levers to be feasible.

Recommendations

R.8 – A regenerative approach needs to be taken towards optimising visitor management for te taiao, both regionally and nationally, not site specific.

R.9 - The district is primed to undertake essential optimal visitation level work, and seeks a collaborative approach with central government, to ensure the transferability of the outcomes nationally.

R.10 – Consideration needs to be given to the balance of short haul/domestic and long-haul travel in how Aotearoa New Zealand is marketed. The DMG rejects the status quo model of continuing to grow visitor numbers expecting it to have a positive impact on the environment. National marketing strategies need to evolve, and this cannot occur in isolation to the goals of the Tourism Industry Transformation Plan.

6.0 Tirohanga Hou - Accelerated technology uptake and innovation enable regeneration

- 6.1 To accelerate technology uptake and innovation enabled regeneration, four actions are identified. These are:
- 6.1.1 Harness emerging technology within the tourism system.
 - 6.1.2 Organise an in-person event showcasing existing and emerging technology.
 - 6.1.3 Establish a tourism innovation lab.
 - 6.1.4 Contribute tourism perspectives to economy-wide innovation programmes.
- 6.2 The DMG fully supports this Tirohanga Hou, and emphasises the point that the Queenstown Lakes has the proven capability to be a national leader in this space, with international expertise in situ, a global brand that can be built on, the appeal of the district to others to spend time here adding value, and a concentration of visitors and industry leaders who can test and validate ideas quickly.
- 6.3 An innovation lab where tourism firms can co-locate and develop, test, and commercialise innovative ideas that could help the shift to a regenerative model is supported, and it is recommended that such a lab be based within the Queenstown Lakes District. It must be set up to build innovation capability alongside outputs, and whilst being ambitious, not solely focus on projects that only have a slim chance of success.
- 6.4 The district has the ability to progress these actions with the urgency that is required, and share the outcomes. The DMG recommends a strong collaborative approach with MBIE to enable the Queenstown Lakes to be a pilot for technology and innovation.

Recommendations

R.11 – The DMG recommends a strong collaborative approach with MBIE to enable Queenstown Lakes to be a pilot for technology and innovation.

R.12 – It is proposed that the Queenstown Lakes is the ideal location for an innovation lab.

7.0 Tirohanga Hou - Tourism businesses are incentivised and enabled for sustainability and regeneration

- 7.1 To lift awareness and accelerate the adoption of practices that protect and enhance the natural environment, four actions are proposed. The action of responding to research that deepens understanding of tourism operators' motivations, opportunities, and barriers to adopting more sustainable and regenerative policies and practices is specifically supported. This is because motivation, opportunities and barriers must be understood before creating solutions. This work should include evidence on how best to spark behaviour change.
- 7.2 The DMG agrees that fostering a collaborative approach between tourism operators is important. This should be based on research and experience, such as cluster development methodology, that recognises that building trust amongst operators who naturally see themselves as competitors is a long-term process and takes active facilitation.

Recommendations

R.13 – It is recommended that an evidence-based approach is taken to determine the best actions to drive behavior change, to ensure effectiveness.

8.0 Tirohanga Hou - The tourism system and its levers are optimised and resourced to support regeneration

- 8.1 The DMG agree that all parts of the tourism system need to work together, but are disappointed that the 'actions' set out are not truly actions, but 'assessments', 'reviews' and 'refreshes', that do not reflect the leadership and systems changes needed from central government to progress this Tirohanga Hou. A step change in attitude and practice is required at every level of the system.
- 8.2 Funding structures and mechanisms that will enable a regenerative tourism system are a high priority for the Queenstown Lakes District. While strong tourism growth has benefited the district, it has also led to serious capacity constraints and infrastructure pressures, which risk compromising the visitor experience, constraining future growth, and negatively impacting Aotearoa New Zealand's tourism industry.
- 8.3 Among Aotearoa New Zealand's main tourist centres, the Queenstown Lakes has an unparalleled ratio of international tourists-to-residents. MBIE's accommodation data programme shows that there were 1.5M guest arrivals for the year ending April 2023, which is a ratio of 30 guests for every resident in the district. However, this does not capture day visitors or visitors staying in private accommodation, so this ratio will be higher. This means that the very small cohort of Queenstown residents and local businesses are currently funding the service and infrastructure needs of visitors that number in far greater proportion to the resident population.
- 8.4 QLDC has taken important steps to address these challenges through its work on a visitor levy. A referendum on the issue received resounding support (over 80%) from the community, and significant progress was made to putting a visitor levy framework in place prior to the COVID pandemic. Visitor levels are now nearing pre-pandemic levels⁵ and the district cannot fund the level of investment required without compromising other levels of service.

⁵ Total arrival numbers through Queenstown airport in July 2022 were around 97% of what they were in 2019.

- 8.5 Concrete action and support has been sought and is required from central government in order to prevent an eroded visitor experience in the district, that will have negative flow on effects for Aotearoa New Zealand as a whole, that benefits from a positive Queenstown visitor experience⁶.
- 8.6 Incorporating destination management into Aotearoa New Zealand’s tourism system in this Tirohanga Hou is strongly supported, and the DMG recommend that this foundational principle is carried throughout the draft Action Plan more clearly and that all stakeholders work together to prioritise regenerative tourism.

Recommendations

R.14 – More concrete actions are required in the draft Action Plan are recommended in order to achieve appropriate resourcing for regenerative tourism.

R.15 - Central government support and collaboration is needed in order to efficiently implement a visitor levy for Queenstown, and avoid an eroded visitor experience that would negatively affect Aotearoa New Zealand as a whole.

R.16 - It is recommended that destination management is incorporated more clearly and directly throughout the draft Action Plan.

⁶ Pre-COVID-19 visitors who came to Aotearoa New Zealand because of Queenstown spent a total of \$1.44–\$1.74 billion per annum nationally. This spending contributes \$1.3–\$1.6 billion to New Zealand’s overall GDP and 13,700–17,000 jobs nationally.