

Item 1: Destination Queenstown, Lake Wānaka Tourism, and Arrowtown Promotion and Business Association

SESSION TYPE: Workshop

PURPOSE/DESIRED OUTCOME:

To provide an overview of the tourism promotion and support ecosystem in the district, including the mandate, structure, governance, funding arrangements and respective roles of local tourism promotion and support organisations. The workshop will also seek councillor feedback on whether any aspects of the current funding and governance arrangements warrant further investigation or analysis.

DATE/START TIME:

Tuesday, 29 September 2026 at 10.00am

TIME BREAKDOWN:

Presentation: 30 mins
Discussion: 30mins

PRESENTERS:

Mat Woods & Sarah O'Donnell – Destination Queenstown & Lake Wānaka Tourism
Dave Harding & Nicky Busst – Arrowtown Promotions and Business Association

Prepared by:



Name: James Mulcahy
Title: Senior Economic Development Advisor

15 September 2026

Reviewed and Authorised by:



Name: Pennie Pearce
Title: General Manager Strategy and Policy

18 September 2026

ATTACHMENTS:

A	RTO Funding and Structure Report
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Councillor Report

RTO Funding Review

1 EXECUTIVE SUMMARY

This report supports the 29 September 2026 elected member workshop as part of Long Term Plan discussions. It provides context on current destination management and tourism marketing arrangements, including RTO funding and governance, how the model developed and operates, national comparisons, and considerations relevant to its ongoing suitability.

The current model

- Destination Queenstown (DQ), Lake Wānaka Tourism (LWT) and the Arrowtown Promotion and Business Association (APBA) are independent, member-led incorporated societies. They are not council-controlled organisations, and their respective boards are responsible for governance, strategies and expenditure. The APBA is not formally designated as an RTO however it performs a distinct, complementary role in Arrowtown, encompassing local destination management, business representation and targeted destination promotion.
- The tourism promotion rates are expected to collect approximately \$8.23 million including GST in FY26/27, equivalent to approximately \$7.16 million in funding excluding GST. Of the gross amount charged through the rating system, approximately \$7.82 million (95%) is collected from commercial ratepayers and approximately \$0.41 million (5%) from residential ratepayers through the Uniform Annual General Charge (UAGC). On a GST-exclusive basis, these rates collectively represent approximately 3.6% of Council's total rates revenue for FY26/27.
- Funding requests are developed through each organisation's governance arrangements. QLDC considers those requests through its annual budget process and, if approved, sets and collects the associated rates before passing the funds to the respective organisations.
- Existing accountability mechanisms include member-elected sector governance, Council representation, member consultation, annual reporting and audited financial statements.

How Queenstown Lakes compares nationally

- Targeted rates are a common source of RTO funding nationally, while the Queenstown Lakes governance structure is less common. Differences in visitor scale, international market exposure and destination-management pressures are also relevant when comparing the local arrangements with those used elsewhere.
- Nationally, 78% of RTO income comes from local government. Fourteen of 30 RTOs receive funding through targeted rates, including five for which targeted rates account for all council funding towards these RTOs.
- Only about 17% of RTOs are independent member-led societies like the Queenstown Lakes model. The most common structure nationally is a council-controlled body, such as a CCO or business unit, where councils generally have stronger formal governance, planning and accountability roles.
- The local model combines sector-led governance and operational independence with Council involvement through its statutory rate-setting role, governance representation and other accountability mechanisms.

Matters for further consideration

- This report provides context and background on the current arrangements to inform future consideration of Council's funding relationship with the RTOs. It does not assess alternative funding arrangements, or the performance or value for money of individual organisations or programmes.
- The current settings should be considered in the context of their history and purpose, the functions now undertaken by the RTOs, and the scale and characteristics of the district's visitor economy, alongside Council's statutory rate-setting responsibilities and the level of public funding involved.
- Any future consideration of changes to funding or governance settings should weigh how agreed destination functions would be funded and delivered, including implications for funding certainty, sector participation and organisational independence, alongside Council accountability for rate-setting, transparency, strategic alignment and funding equity.
- Central government's Tourism Policy Statement (June 2026) notes pressures on local government tourism funding arrangements and signals further consideration of future funding settings.

2 INTRODUCTION

2.1 PURPOSE

This report has been prepared to support an elected member workshop on 29 September 2026 as part of the Long Term Plan planning process. Its purpose is to provide councillors with context on the district's current destination management and tourism marketing arrangements, to inform future consideration of RTO funding and how those arrangements may operate.

The report provides an overview of how Queenstown Lakes District Council (QLDC or Council) supports destination management and tourism marketing through the current RTO funding and governance arrangements. It explains how the model developed, how it operates today, how it compares with arrangements elsewhere in New Zealand, and the considerations relevant to its ongoing suitability for the district.

The report does not assess the performance or value for money of individual organisations or programmes, nor does it identify or assess any options for reform to the existing funding or governance model. These matters would require further evidence and analysis if Council chose to undertake a more detailed review.

2.2 BACKGROUND AND CONTEXT

QLDC is a founding partner of the Queenstown Lakes Destination Management Plan (DMP), *Travel to a Thriving Future*, alongside Destination Queenstown (DQ) and Lake Wānaka Tourism (LWT).¹ The plan was endorsed by councillors in 2023 after extensive community engagement, reflecting broad support for its direction, and provides a strategic framework for the growth and development of the local sector. Its purpose is to align the activities of key stakeholders, including QLDC and the Regional Tourism Organisations (RTOs), toward tourism outcomes that benefit the local environment, community and visitor experience.

Council plays an active role in destination management, including a dedicated function within the Economic Futures team and integration of DMP objectives across Climate and Resilience, Waste Minimisation and Sustainability, and Community Partnerships work programmes. Increasingly, the RTOs are integrating destination management objectives into their tourism promotion work, alongside sustainability, stewardship, and capability work within the sector. As the scope of RTO activity has expanded to meet the destination management pressures facing the district, ensuring funding arrangements remain fit for purpose is an important consideration.

QLDC currently supports RTO activity through rates-based mechanisms, with revenue collected and passed through to the RTOs. The arrangements combine Council's statutory responsibilities for determining and setting rates with independent RTO governance and operational decision-making. Understanding these respective roles is important when considering how the current model operates and its ongoing suitability.

¹ <https://www.regenerativetourism.co.nz/the-plan>

The report addresses the current environment including:

- Our local organisations
- The evolving role of RTOs
- How RTO and APBA rates are apportioned
- How other RTOs are structured nationally
- Origins and characteristics of the current local model

Following the initial drafting of this report, Destination Queenstown/Lake Wānaka Tourism and the Arrowtown Promotion and Business Association provided further detail and perspective. Their additional input is included in Appendices 1 and 2 respectively.

These appendices present the perspectives of the respective organisations and are included to provide context for elected members. They should be read alongside, and distinguished from, the Council analysis in the main body of this report.

3 THE CURRENT ENVIRONMENT

This section covers analysis of our local setting alongside other local government approaches to funding RTOs. This includes how and why we landed on our local settings, and existing levers of Council oversight and input are also discussed.

3.1 OUR LOCAL ORGANISATIONS

QLDC's local destination ecosystem comprises three independent incorporated societies, each established at a different time and with a distinct governance composition.

Destination Queenstown (DQ)

- The Queenstown Promotion Bureau (QPB) was established by Queenstown's visitor industry and business community in 1984 and incorporated as an independent society in 1985. It was renamed Destination Queenstown in 1995.
- In 1988 QPB consulted business ratepayers on establishing a collective rate-based funding mechanism. Support came from ratepayers representing 84% of the capital value proposed to be rated, and the proposal was formally endorsed by the Wakatipu Development Association and Queenstown Retail Association. Council confirmed the Queenstown Promotion Resource Marketing Separate Rate in September 1989.
- From the outset, the agreement required QPB to provide Council with its objectives, planned activities, operating budget, audited accounts and an annual report on its operations.
- Under DQ's Rules, the Strategic Review Board (SRB) annually reviews and endorses DQ's Strategic Plan and approves the financial resources DQ will formally seek from QLDC. DQ members are also invited to review and provide feedback on the Strategic Plan before its final consideration by the SRB.
- DQ received approximately \$5.30 million excluding GST in FY25/26 via the tourism promotion levy and is proposed to receive approximately \$5.42 million excluding GST in FY26/27. The equivalent

gross amounts collected through the rating system are approximately \$6.10 million and \$6.23 million including GST respectively.

- Growth in the commercial rating base does not automatically increase DQ's funding. Following a member-approved funding increase in April 2019, supported by 79.3% of voting members, the funding level has been subject to annual CPI adjustments.
- From 2025, DQ has provided shared services with Lake Wānaka Tourism.²
- DQ's board comprises six elected directors, one appointed representative of QLDC as a voting director, and the Mayor of QLDC as an ex-officio member without voting rights.³

Lake Wānaka Tourism (LWT)

- Established as an incorporated society in 1993.
- Board of Directors determine funding level.
- Received approximately \$1.36 million excluding GST in FY25/26 via the tourism promotion levy and is proposed to receive approximately \$1.39 million excluding GST in FY26/27. The equivalent gross amounts collected through the rating system are approximately \$1.56 million and \$1.59 million including GST respectively.
- LWT moved to a shared services model with Destination Queenstown in 2025.
- Its board comprises six elected directors and one appointed representative of QLDC.

Arrowtown Promotion and Business Association (APBA)

- APBA was established in 1994 to provide dedicated business advocacy and promotion for Arrowtown, reflecting the town's distinct heritage setting and visitor offering as the Arrowtown Promotions Association.
- Local business representatives subsequently approached QLDC seeking a separate funding mechanism for this activity. Council agreed to the proposal subject to support from at least 75% of affected commercial operators. More than 90% support was recorded, and following the AGM in July 1998, the organisation became incorporated as the Arrowtown Promotions & Business Association, with the name reflecting a broader role spanning business advocacy, stewardship and local activity.
- The original funding agreement required the association to provide Council annually with its strategy, planned activities, operating budget and financial statements. These reporting arrangements remain in place today.
- APBA is not formally designated as an RTO. It is Arrowtown's independent business association and undertakes a broader place-based role encompassing business representation and advocacy, member support and capability, local destination management and stewardship, events, community and stakeholder partnerships, and targeted destination promotion complementary to DQ's regional marketing activity.
- Growth in the commercial rating and accommodation base does not automatically increase APBA funding. Following significant commercial growth in Arrowtown over the last decade, members

² The shared-services arrangement allows DQ and LWT to jointly deliver certain functions and specialist roles while retaining distinct destination brands and governance arrangements.

³ Elected directors are appointed to represent four sectorial interest groups allocated as follows: Accommodation (2), Activities (1), Service and Retail (1), General/Any interest group (2)

approved an increase at the August 2025 AGM, supported by 81.3% of voting members. Funding levels will remain subject to annual CPI adjustments until a further member vote is required.

- APBA's funding was \$235.9k excluding GST in FY25/26 (\$271.3k including GST). The FY26/27 funding amount is approximately \$352.8k excluding GST, equivalent to approximately \$405.7k including GST collected through the rating system.
- Its board comprises 12 elected directors, with an elected Councillor of the Arrowtown-Kawarau Ward sitting ex-officio without voting rights.
- While APBA also sits within DQ's wider Whakatipu catchment and is included in DQ's destination marketing programme, APBA's activity is complementary to DQ's wider RTO role, providing local business representation, place-based coordination and Arrowtown-specific activity with a more localised focus than DQ's regional destination mandate.

The member voting results cited above provide evidence of support among participating members for the relevant funding proposals, but do not in themselves assess wider community benefit, organisational effectiveness or value for money.

Additional detail on decision-making structures can be found in Appendix 3.

3.2 THE EVOLVING ROLE OF RTOS

While DQ and LWT operate as Regional Tourism Organisations, APBA performs a different but complementary place-based role in Arrowtown. The roles of DQ and LWT have broadened over time beyond destination marketing to include a greater focus on destination management, while APBA undertakes locally focused destination promotion, business support and advocacy. According to Regional Tourism New Zealand (2023), RTOs across New Zealand will spend an average forty percent (40%) of their staff time on activities related to destination management and the remaining sixty percent (60%) on destination marketing activities.

Destination marketing activity undertaken by DQ and LWT includes:

- consumer marketing across New Zealand, Australia, the USA, China, and further abroad
- international travel trade relationships across eight global markets
- business events generation through the Queenstown Convention Bureau, including shoulder-season targeting
- media and reputation management activity

Destination management activity undertaken by DQ and LWT includes:

- sustainability and decarbonisation workstreams (waste, emissions, electrification, biodiversity pathways)
- stewardship activity encompassing community and iwi relationships, visitor experience, workforce development, and the Love Queenstown and Love Wānaka funds
- industry capability programmes such as member events, training, and sustainability tools
- data, insights and Destination Management Plan delivery, including visitor insights, community sentiment tracking, and the DMP refresh and measurement framework (the DMP being delivered jointly with QLDC and other partners)

DQ and APBA have provided further detail on their respective roles and perspectives on the current funding model. These are set out in Appendices 1 (DQ/LWT) and 2 (APBA).

The wider policy context is also relevant. The Local Government (System Improvements) Amendment Bill signals a focus on core services and rating discipline, while central government's Tourism Policy Statement (June 2026) identifies RTOs as a delivery mechanism at destination level and confirms a local-government role in domestic destination marketing, delivered in partnership with RTOs.⁴

The scale and characteristics of the Queenstown Lakes visitor economy differ from many other New Zealand destinations. The following sections provide national comparisons and explain how the current funding and governance arrangements operate in the district context.

3.3 HOW RTO AND APBA RATES ARE APPORTIONED

The tourism promotion rate is structured so that 95% is collected from commercial ratepayers based on capital value (CV), and 5% from residential ratepayers through the Uniform Annual General Charge (UAGC) in each ward.⁵

The 5% contribution through the UAGC reflects the rationale within the current funding model that destination management and tourism activity generate benefits beyond the commercial sector, with the remaining 95% funded through targeted commercial rates.

Destination Queenstown advises that, under the current arrangements, the 5% UAGC contribution is used for destination-management activity rather than marketing.

Commercial component (95%, GST-inclusive)

A property falls within the commercial category if it is used exclusively or principally for commercial activities, including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes. Mixed-use apportioned properties are treated as 25% commercial or accommodation and 75% residential (or country dwelling, as appropriate).

The rate per dollar of capital value differs by ward. The proposed FY26/27 rates compared to FY25/26 are set out below.

⁴ [New Zealand's Tourism Policy Statement \(June 2026\)](#)

⁵ A Uniform Annual General Charge (UAGC) is a flat-fee fixed rate charged equally to all rateable properties within a council's jurisdiction to fund public services. Unlike value-based rates, every property owner pays the exact same amount for this portion of their rates bill.

Ward	FY26/27 (cents in the \$)	FY25/26 (cents in the \$)
Wānaka	0.00055501	0.00053752
Whakatipu	0.00055679	0.00055439
Arrowtown	0.00053783	0.00036124

The Arrowtown commercial rate movement between FY25/26 and FY26/27 is materially larger than the movements in the other two wards. This follows a formal motion passed by the Arrowtown Promotion and Business Association membership to increase its requested levy for 2026/27. The increase was subsequently approved by Council through adoption of the Annual Plan, with \$385,420 including GST to be collected from Arrowtown commercial ratepayers under the existing 95% commercial and 5% residential funding split.⁶

APBA considers the member-approved increase evidence that participating Arrowtown businesses continue to see value in collectively funding a locally governed organisation and are prepared to invest further in its work.

As an illustration, the indicative annual commercial tourism promotion charge at three capital value band examples is:

Example commercial CV	Wānaka	Whakatipu	Arrowtown
Low (\$2m CV)	\$1,110.02	\$1,113.58	\$1,075.66
Medium (\$5m CV)	\$2,775.05	\$2,783.95	\$2,689.15
High (\$10m CV)	\$5,550.10	\$5,567.90	\$5,378.30

Residential component (5%, GST-inclusive)

The residential contribution is applied through the UAGC in each ward. As an illustration, the approximate cost per Separately Used or Inhabited Part (SUIP) or dwelling is supplied below.

⁶ Unless otherwise stated, figures describing amounts charged to ratepayers are GST-inclusive, while figures describing funding available to DQ, LWT and APBA are GST-exclusive. This reflects the different purposes of the figures: GST-inclusive amounts show the gross amount charged through the rating system, while GST-exclusive amounts show the funding available to the organisations for their activities. Where both perspectives are relevant, both figures are shown and clearly identified.

Area	Approx. SUIPs	Tourism Promotion Rate (Commercial – 95%)	Resident share (5%)	Approx. cost per dwelling
Whakatipu (DQ)	17,400	\$5,923,027	\$311,738	~\$17.92
Wānaka (LWT)	11,200	\$1,513,529	\$79,659	~\$7.11
Arrowtown (APBA)	1,410	\$385,420	\$20,285	~\$14.50

3.4 HOW OTHER RTOS ARE STRUCTURED NATIONALLY

Governance model and funding mechanism are related but distinct. Across New Zealand, councils use a range of structures that allocate governance, funding and operational decision-making in different ways. Council business units and CCOs typically involve greater direct Council governance and formal public accountability, while incorporated societies place more governance and operational decision-making with members and elected boards.

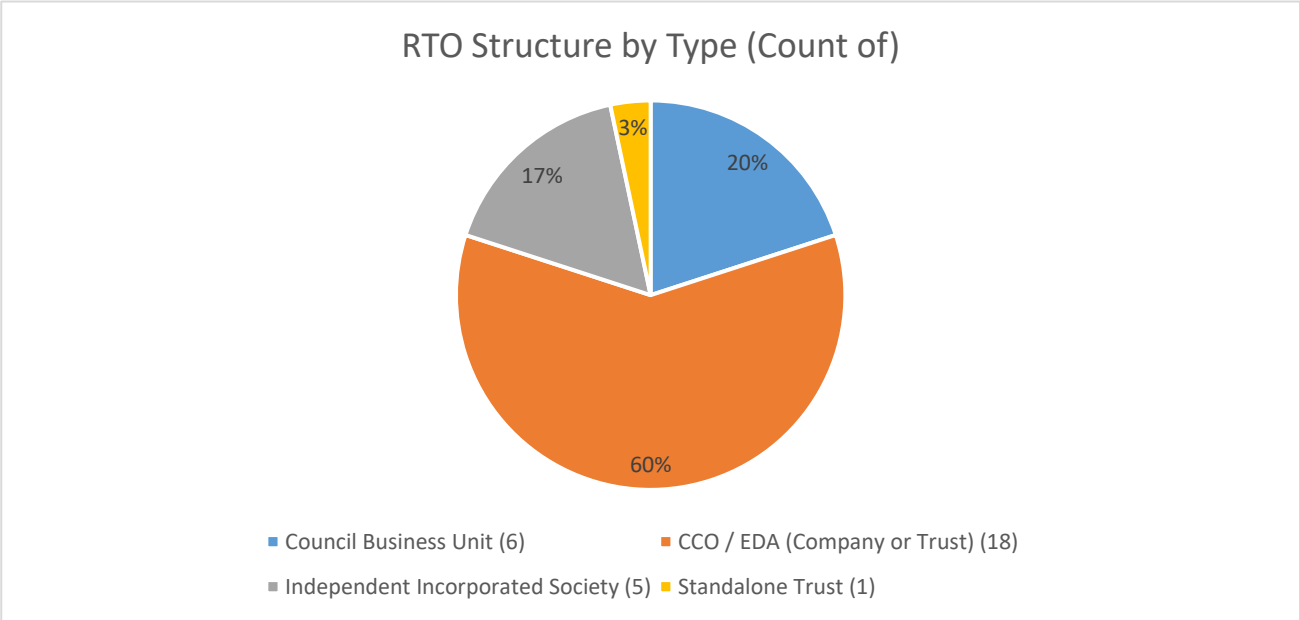
As APBA is not an RTO, the national RTO governance models outlined below should not be treated as direct structural comparators for APBA. Its broader business-association and place-based functions are also relevant when considering the appropriateness of its governance and funding arrangements.

There are four main structural models used by RTOs in New Zealand and these have been summarised below.

Model	Structure	Funding	Council role	Examples (+ count of type)
Council Business Unit	Sits within Council as an internal department	General rates (council budget allocation)	Council determines budget and priorities	Enterprise Dunedin, Tourism Central Otago, Mackenzie, Visit Hurunui, Destination Marlborough (6)
CCO / EDA (Company or Trust)	Council-owned entity at arm's length	General rates plus targeted rates	Council appoints board, approves SOI/budgets, quarterly reporting	ChristchurchNZ, WellingtonNZ, RotoruaNZ, Tātaki Auckland, Great South, CEDA + 12 more (18)
Independent incorporated society	Membership organisation with industry-elected board	Targeted rates (pass-through) or membership fees	Approves funding and collects rate; limited operational control	Destination Queenstown, Lake Wānaka Tourism, Destination Kaikōura, Destination Wairarapa, Clutha Development (5)
Standalone trust	Trust with council-appointed trustees	Council grant plus own investment returns	Trustees appointed by council; moderate oversight	Trust Tairāwhiti (1)

Note: Governance structure and funding mechanism are separate considerations. Council business units and CCOs may also be funded through targeted rates.

The CCO or joint-EDA model is the most common structure nationally, accounting for 18 of approximately 30 RTOs. Independent incorporated societies, including the QLDC arrangement, account for around 17% of the sector.



According to the Regional Tourism Organisations Benchmarking Survey (Martin Jenkins, 2025), 78% of all RTO income nationally comes from local government. The remainder is made up of central government funding (11%), commercial and industry revenue (6%), other non-government income (2%), and “other” (3%).⁷ Fourteen of the 30 RTOs receive funding through targeted rates, accounting for 39% of the total local government funding stream, and five of these RTOs rely on targeted rates for 100% of their council funding.⁸ Notably, the Martin Jenkins report explicitly reclassified the funding for Destination Queenstown and Trust Tairāwhiti from “member subscriptions or fees” to targeted rate funding, on the basis that this more accurately reflects the true source of the revenue. Consequently, with those adjustments made, only six RTOs actively generated revenue from membership subscriptions or fees during the 2024/25 financial year.⁹

Central government has separately identified local-government tourism funding as an area for further consideration. The Tourism Policy Statement states that current tourism funding arrangements are showing signs of pressure, particularly at local government level, and that fit-for-purpose, sustainable settings will be considered. It also recognises that in high-visitor-ratio places, funding and infrastructure pressure can challenge what ratepayers can afford. This does not pre-commit any change to how RTOs are funded, but indicates that the sustainability of local government tourism funding is also being considered at a national level.

⁷ Of the central government component, 91% of this was reported as one-off in nature, typically tied to specific initiatives such as the Regional Events Promotion Funds, Tourism Boost programmes, Destination Management projects, and creative and cultural event support.

⁸ RotoruaNZ, Destination Marlborough, Tourism Central Otago, Destination Kaikōura, and Hurunui Tourism

⁹ ChristchurchNZ (\$231,831), Hamilton Waikato Tourism (\$120,000), Destination Wairarapa (\$67,386), Hawke's Bay Tourism (\$31,802), Destination Kaikōura (\$12,000), and Tourism Central Otago (\$10,350)

3.5 ORIGINS AND CHARACTERISTICS OF THE CURRENT LOCAL MODEL

Queenstown's current RTO structure developed from local visitor-industry initiatives in the mid-1980s rather than as a Council business unit. The Queenstown Promotion Bureau began operating around 1984 and was incorporated in 1985. Following consultation with commercial ratepayers, Council established a capital-value-based rate in 1989 using its statutory rating powers. The Queenstown Promotion Bureau became Destination Queenstown in 1995. The model has continued to combine sector governance with Council rate-setting and collection.

The 2004 Local Government New Zealand and Catalyst Management Services Ltd good-practice guidance identifies several characteristics relevant when considering an incorporated society model, including accountability relationships, board appointment and formal accountability requirements. It concludes that an incorporated society is likely to be appropriate where tourism is foundational to a district's economy, there is sound tourism infrastructure, and a large number of businesses can commit to common aims. The guidance provides historical context for understanding the characteristics of the incorporated-society model. The current funding arrangements also need to be understood in the context of the level of public funding involved, Council's statutory rate-setting role, transparency and alignment with Council priorities.

	Council-led governance (CCO / business unit)	Sector-led governance (incorporated society)
Primary accountability relationship	Accountable primarily to Council	Governed by members and accountable primarily to its membership
Board appointment	Council appoints 50% or more of directors	Members elect the board; Council representation is minority
Formal accountability requirements	Subject to Statement of Intent, LGOIMA and audit requirements	Not subject to the same local-government statutory reporting and information requirements

The local model sits towards the sector-led end of this spectrum. Compared with a CCO or business-unit model, it provides greater operational independence and direct sector governance, while involving less direct Council control and fewer local-government statutory accountability mechanisms. Council-led models provide stronger formal links to Council planning, public reporting and democratic accountability, but involve greater Council influence over governance and strategic settings. The FY26/27 Arrowtown increase illustrates this interaction: APBA members voted to increase the requested levy, which then formed part of Council's annual rate-setting process.

Council's role within the current model

Although the three organisations are independent, QLDC participates in their governance through appointed representation and considers their funding requests through its annual budget process before setting the associated targeted rates. For DQ specifically, the constitution provides for a Strategic Review Board that reviews and approves the annual Strategic Plan and the funding sought from QLDC (see Appendix 3), and for assets to revert to QLDC should the organisation be wound up.



Appendices 4 and 5 provide additional national comparison material on RTO governance structures and the factors commonly considered when assessing them.

3.6 IMPLICATIONS FOR FUTURE CONSIDERATION

The national governance models provide useful comparators, but they are not all direct alternatives available to Council. DQ, LWT and APBA are independent incorporated societies, so any consideration of changes to the current arrangements would primarily concern Council's funding and rate-setting relationship with those organisations. More fundamental changes to how destination functions are governed or delivered would require separate consideration.

Any further assessment would therefore need to define the realistic options available to Council, including whether the current rating-funded arrangements are retained, modified or replaced, and the scale, scope and conditions of any future Council funding. The resulting options could then be assessed against common criteria including strategic alignment, democratic and sector accountability, transparency, effectiveness, efficiency, funding equity, organisational independence and transition implications.

As stated above, the purpose of this report is to establish how the current arrangements operate and the relevant context so that elected members can determine whether further analysis of the funding model is warranted as part of the 2027–37 Long Term Plan process.

REFERENCES

Local Government New Zealand, & Catalyst Management Services Ltd. (2004). *Recommended good practice for governance of regional tourism organisations*.

Martin Jenkins. (2025). *Regional Tourism Organisations (RTO) Benchmarking Survey*.

Queenstown Lakes District Council and Destination Queenstown (2023) *Travel to a Thriving Future: Queenstown Lakes Destination Management Plan 2023–2030*. Queenstown Lakes District Council. Available at: https://www.qldc.govt.nz/media/uuoktkmu/qldc-x-dq_travel-to-a-thriving-future.pdf

Regional Tourism New Zealand. (2023). *Tōnui: A white paper examining the past, present and future of regional tourism in Aotearoa | New Zealand*. Available at: <https://rtnz.org.nz/wp-content/uploads/2023/05/Tonui-Full-Document.pdf>

APPENDIX

APPENDIX ONE – DESTINATION QUEENSTOWN & LAKE WĀNAKA TOURISM PERSPECTIVE

DQ and LWT provided additional information and commentary during development of this report. The following contribution should be distinguished from prior Council analysis, and is based on wording supplied by the RTOs, with light editing for structure and to remove duplication.

History and sector support

The current model has its origins in Queenstown's visitor industry and business community organising collectively to fund and deliver destination promotion. The Queenstown Promotion Bureau was initially funded by voluntary business subscriptions, but by 1988 its Board sought a more equitable and secure funding model and asked Council to establish and collect a capital-value-based levy on the industry's behalf. The proposal demonstrated a clear business mandate: supporting ratepayers represented 84% of the relevant capital-value base, and it was formally endorsed by the Wakatipu Development Association and Queenstown Retail Association.

Growth in the commercial rating base does not automatically increase RTO funding. DQ members last approved an increase in April 2019, with 79.3% voting in favour. Since then, funding has risen only through annual CPI adjustments.

Expanded role and funding

The role of Destination Queenstown, and that of Lake Wānaka Tourism, has evolved from traditional destination promotion into integrated destination leadership encompassing destination marketing, destination management and industry development. Across DQ and LWT, this includes destination brand management, visitor-demand activity, international travel trade, business events, sustainability and decarbonisation programmes, visitor experience, iwi and community relationships, industry capability, insights and advocacy, and delivery of Destination Management Plan initiatives.

DQ and LWT see destination marketing and destination management as complementary functions. Marketing shapes why and when visitors choose Queenstown and Wānaka, while destination management helps shape how they experience the region and the contribution they make while here.

This expanded mandate has developed without a separate destination management funding stream, and both DQ and LWT deliver a substantial programme of Destination Management Plan projects from within existing funding, alongside established destination marketing responsibilities. Delivery involves collaboration with QLDC, industry, iwi, community organisations and national agencies, with the lead and supporting roles differing according to each initiative.

Perspective on potential change

The current arrangements should be considered in the context of their history and purpose. The funding is predominantly contributed by the commercial sector through a model the sector established and has continued to support, rather than being an ordinary allocation from Council's general discretionary budget.



DQ and LWT consider that changes to the funding or governance arrangements would have implications for sector support, organisational independence, long-term planning and the ability to deliver agreed destination outcomes. The views of the commercial ratepayers and members who principally fund the organisations would therefore be important to consider prior to any proposed changes.

DQ and LWT also note that RTOs have limited independent income, so any cut to Council funding is likely to be hard to replace.

APPENDIX TWO – ARROWTOWN PROMOTION AND BUSINESS ASSOCIATION PERSPECTIVE

APBA provided additional information and commentary during development of this report. The following section reflects APBA's perspective and has been supplied by APBA for inclusion in this report.

History and sector support

The Arrowtown Promotion and Business Association (APBA) is an independent, member-led incorporated society that traces its roots back to 1994. Unlike Destination Queenstown and Lake Wānaka Tourism, APBA is not a Regional Tourism Organisation. It represents Arrowtown's commercial community and provides a locally governed mechanism through which businesses collectively support the economic vitality, stewardship and promotion of Arrowtown.

APBA's funding is predominantly contributed by Arrowtown commercial ratepayers through QLDC's rating mechanism, with funding requirements determined through APBA's member governance processes. The recent member-approved increase in the levy for 2026/27, supported by 81.3% of voting members, demonstrates strong business confidence in the collective funding model, reinforces the value members place on APBA's work and delivery, and shows a willingness by the local commercial sector to invest further in the organisation.

This is supported by consistently strong member satisfaction, averaging 80% over the past four years, providing further evidence of member confidence in APBA's role and delivery.

Role and purpose

APBA's role extends well beyond destination promotion and is more closely aligned with that of a local business association, economic development organisation and town custodian. Its work encompasses business representation and advocacy, member support and capability, town stewardship, stakeholder and community coordination, events and activations, and the ongoing economic vitality of Arrowtown.

APBA maintains a strong and collaborative relationship with Destination Queenstown and continues to rely on DQ to provide the significant destination marketing expertise, reach and investment available through its regional role. APBA's own marketing investment is comparatively modest and deliberately targeted, complementing DQ's activity with highly localised content and initiatives tailored to Arrowtown's distinctive visitor market, businesses and identity.

A significant part of APBA's role is place-based. It works to protect and enhance the character, presentation and functionality of Arrowtown while supporting its continued economic development. This includes involvement in issues such as heritage and town amenity, signage and brand guidelines, accessibility, parking and transport, infrastructure, events and the vitality of the town centre.

APBA also provides an important conduit between Arrowtown's business community, QLDC and local community organisations and representative groups. Its established relationships enable business perspectives to be brought into Council planning and policy discussions, while also supporting coordination with other local stakeholders on issues affecting the town. Conversely, emerging Council proposals and issues can be considered through a local commercial lens. This provides QLDC with an established point of



engagement with Arrowtown businesses and helps ensure the business community has a collective and coordinated voice.

Perspective on the current arrangements

APBA considers the independence and local accountability provided by the existing incorporated society model to be important. The organisation is governed by representatives of the commercial community that principally funds it, allowing local priorities to be identified and responded to while maintaining strong working relationships with QLDC, Destination Queenstown and other community and industry partners.

The current model provides Arrowtown with a locally governed organisation able to connect business, community, place stewardship and economic development at a level of focus that would not ordinarily sit within the remit of a regional destination marketing organisation.

Any future consideration of funding or governance arrangements should therefore consider not only its targeted place-based marketing functions, but also the value of local business representation, place-based coordination, sector participation and town stewardship provided through the current model.

APPENDIX THREE – DECISION MAKING STRUCTURES

This appendix sets out the structure and funding decision-making framework for each of the three organisations, as drawn from their current constitutions.

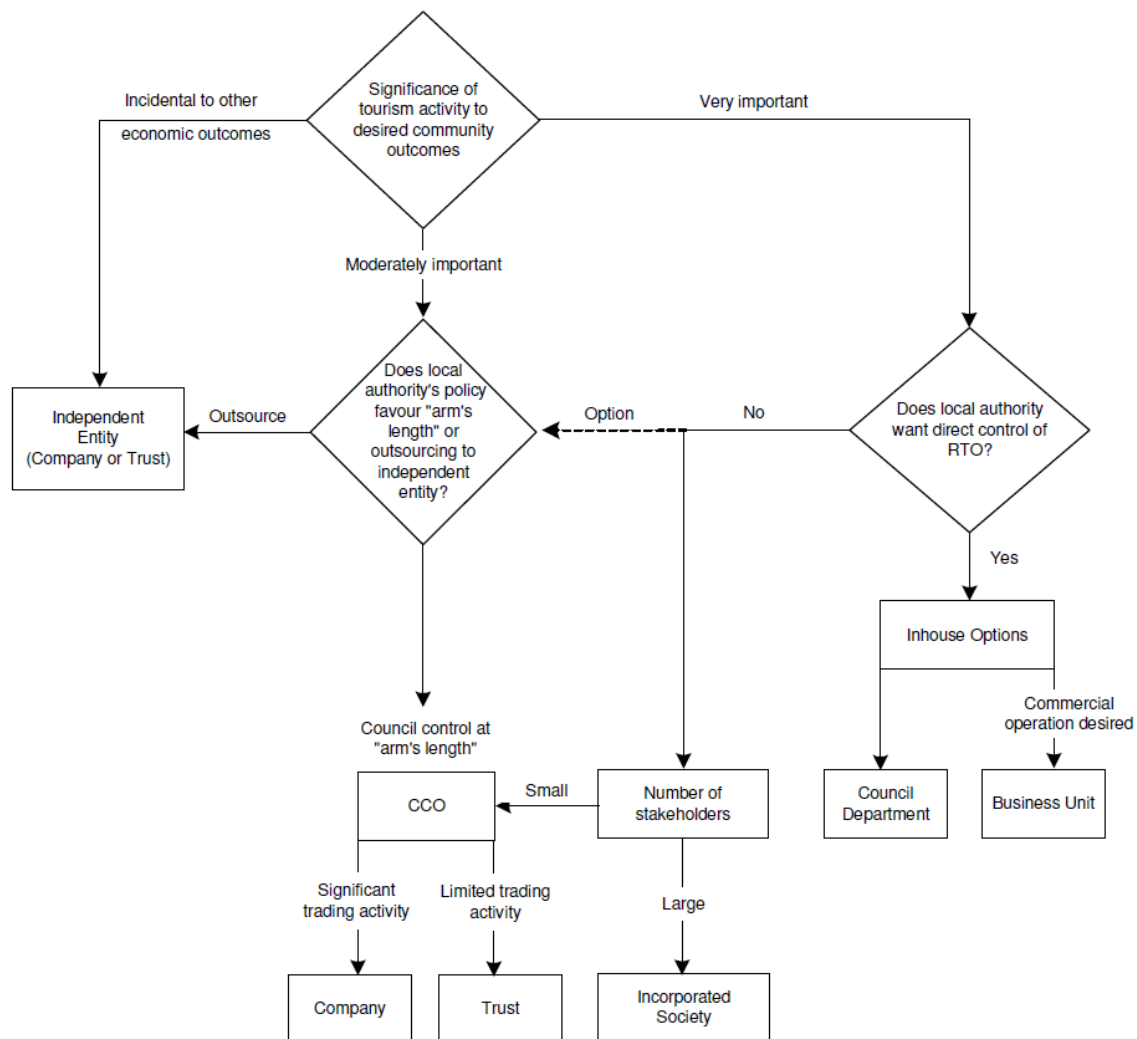
Destination Queenstown. In addition to a sector-representative Board of Directors responsible for administering operational and corporate affairs, DQ has a Strategic Review Board (SRB). The SRB's constitutional purpose is to ensure DQ retains a 'broad market and community focus' and aligns with the broader needs, financial realities, and strategic goals of the Queenstown community. Because tourism affects the entire region, the SRB is designed to be representative. It brings together local government (the Mayor plus two councillors), DQ leadership (the current board and one past director), community associations (chairs of the Queenstown Chamber, APBA, Glenorchy Community Association, and TNZ), key organisations and agencies (Queenstown Airport Corporation, Police, the Department of Conservation, TIA, Shaping our Future), and representatives from specific accommodation and industry sectors.

Under DQ's 2025 rules (clause 8.5), the SRB is mandated to annually review and approve the financial resources DQ seeks from QLDC. However, clause 17.1 provides that the amount of funds received by DQ is determined each year by QLDC as part of its annual budget rate review. Within DQ, the power to determine the funding request rests with the SRB; the power to determine the rate rests with QLDC.

Lake Wānaka Tourism. LWT does not have a Strategic Review Board. Clause 10.1(f) of its rules provides that the Board of Directors manages all of the society's financial affairs, including approving the annual budget and setting membership fees, subscriptions and levies.

APBA. APBA is governed by an elected Board and funded through the Arrowtown Tourism Promotion Rate collected by QLDC. Funding requests are considered through APBA's governance and member processes, with any proposed change to the funding level requiring member support of more than 75% before being submitted to QLDC. QLDC then considers the request through its annual budget process and, if approved, sets and collects the associated rate before passing the funds to APBA.

APPENDIX FOUR – SELECTING AN RTO MODEL



Source: Local Government New Zealand & Catalyst Management Services Ltd, 2004

APPENDIX FIVE – COMPARISON OF RTO GOVERNANCE MODELS

COMPARISON OF RTO GOVERNANCE MODELS					
Feature	Council Department	Business Unit	CCO Company	CCO Trust	Incorporated Society
Legal status	Part of local authority	Part of local authority	Independent entity with strong governance linkages.	Independent entity with very strong governance linkages.	Independent entity – local authority may be a member.
Managerial independence	Subject to local authority's policies	Subject to local authority's policies but likely to be more "commercial" and flexible.	Able to operate commercially without excessive bureaucracy, has power of "general competence".	Able to operate commercially but controlled by trust deed.	Subject to its constitution able to operate commercially without excessive bureaucracy.
Funding implications	Substantially reliant on local authority funding.	Substantially reliant on local authority funding but may manage other revenue earning businesses.	Reliance on local authority funding but can trade freely to source alternative revenues.	Reliance on local authority funding but can trade freely to source alternative revenues. May be more likely to receive industry financial grants.	Reliant on local authority funding but able to source alternative revenues and member support and able to trade.
Governance implications	Governed by local authority and possibly a committee. Accountable within local authority structure.	Governed by local authority who may appoint an advisory board. Independently accountable through local authority structure.	Governed by own board appointed by local authority. Subject to statement of intent and other specific accountability requirements.	Governed by trustees who may be appointed by local authority. Subject to statement of intent and other specific accountability requirements.	Governed by elected committee. Local authority's rights will be specified in constitution. Annual meeting required.
Transaction arrangements with local authority and costs	Annual plan/business plan applies. Very low transaction costs.	Annual business plan and internal service agreement applies. Low transaction costs.	Service contract. Modest transaction costs.	Service contract. Modest transaction costs.	Service contract. Modest transaction costs.
Relationship with stakeholders	May not relate well. Stakeholders have no input to governance.	Stakeholders may be able to input advisory board but no governance role.	Can relate well. Stakeholders can nominate directors.	Can relate well. Stakeholders may have appointment rights.	Can relate well. Members appoint governing body but local authority input may be limited.
Compliance costs and taxation	Minimal compliance costs and no taxation implications.	Minimal compliance costs and no taxation implications.	Significant compliance costs (e.g. separate audit). Subject to taxation unless classified a "charitable".	Significant compliance costs (e.g. separate audit). Subject to taxation unless classified a "charitable".	Modest compliance costs. Subject to taxation except "member's transactions".

Source: Local Government New Zealand & Catalyst Management Services Ltd, 2004