# Regulations for Groups of Activities for Councils' Planning & Reporting

Tourism Industry Aotearoa's Submission to the Ministry for Cities, Environment, Regions and Transport

July 2026

SUBMISSION

Kia ora

**Regulations for Groups of Activities for Councils' Planning & Reporting: TIA Submission**

Tourism Industry Aotearoa welcomes the opportunity to submit on the Ministry for Cities, Environment, Regions and Transport consultation on *Regulations for Groups of Activities for Councils' Planning and Reporting*.

## Key Points

Local government has a critical role to play in tourism alongside central government and industry.

The Government's programme of reform of local government has high potential to upset current tourism functionality, and TIA is deeply concerned about this. Government is working to narrow local government activities to core roles, while at the same time its New Zealand's Tourism Policy Statement (TPS) clearly sets out the tourism roles of local government.

In assessing the TPS in relation to the Local Government (Systems Improvement) Amendment Bill (the Bill), we note that the mandate provided by the TPS is not inconsistent with the Bill, particularly the 'purpose of local government' aspect of the Bill as reported back by the Governance and Administration Committee (Section 10).

In assessing the activity groups in the consultation document, we note that some tourism activities of local government are listed, but not all, and there is no overall recognition of the integrated set of activities of tourism that makes up what we, and the TPS, see as the role of local government in tourism.

A comprehensive set of tourism activities includes: destination marketing, destination management, cultural attractions, events and festivals, amenities, infrastructure assets and tourism economic development.

Overall, the eight-group approach in the consultation paper does not work for tourism. We recommend a new group centered on economic development, and which includes the key tourism activities.

Making this change would support the TPS and provide clarity for councils to continue to plan for and report on their tourism activities.

> **Recommendation:** Establish an additional group that is centered on economic development, and which includes the key tourism activities.

## Tourism Industry Aotearoa

TIA is the peak body for the tourism industry in Aotearoa New Zealand. With around 1,200 member businesses, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure activities, attractions, retail, airports and airlines, transport, as well as related-tourism services.

TIA is sharply focused on ensuring the balanced growth of tourism, and this is clearly articulated in our key guiding documents and programmes. This includes the tourism industry's strategic framework, Tourism 2050 – A Blueprint for Impact, He Pae Tukutuku.

This has the Vision of 'Enriching Aotearoa New Zealand through a flourishing tourism ecosystem'. This Vision is centred on the positive role of tourism for the broad betterment of New Zealand and its people across a balanced framework – Economic, Community, Visitor and Environment.

## Tourism as Economic Driver

Tourism is a major part of the New Zealand economy as set out in Stats NZ's annual Tourism Satellite Account.

| Indicator for YE March 2025 | Value | % of NZ Total |
|---|---|---|
| Total expenditure | $46.6b | |
| International expenditure | $18.1b | |
| Domestic expenditure | $28.5b | |
| Total GDP (direct and indirect) | $30.5b | 7.7% |
| Tourism exports | $18.1b | 17.0% |
| Total Employment (direct and indirect) | 327,888 | 11.4% |

Already at one-sixth of New Zealand's export economy, the contribution of tourism will only increase given the Government's goal to double tourism exports by 2034.

Compared to other sectors, Tourism exports of $18.1b (YE March 2025) are only behind Dairy ($23.0b), and well ahead of Meat Products ($9.2b), Wood ($6.0b), Fruit ($5.1b) and Seafood ($2.0b).

## Tourism as a System

Tourism works as a complex system involving central and local government, and the tourism industry, that touches almost every part of New Zealand's economy.  It fosters global and local connections, celebrates our land and cultural richness and creates opportunities for people and place.

Our visitors are people from all walks of life. Two-thirds of tourism expenditure is by New Zealanders travelling domestically. Of our international visitors, Australia is our largest market, followed the United States, China and the United Kingdom. New and emerging markets in Southeast Asia and India are also growing steadily.

Each international visitor spends around $5000 in New Zealand on average, on accommodation, food, experiences, transports, and others, driving local economic activity across multiple sectors, from logistics and retail to creative industries and construction.

The private-sector tourism industry provides the goods and services that visitors use (airlines, accommodation, activities, rental vehicles, hospitality, etc.) right across New Zealand. All this tourism activity takes place within the jurisdiction of local government.

This means that councils are inherently involved in tourism across many functions and services that visitors use and enjoy, including local roads, airports (some), public transport (some), holiday parks (some), the cityscapes and landscapes that visitors enjoy, events, stadia, parks, museums and galleries, conference facilities, cultural precincts, waste and recycling services, and other facilities that create visitor interest.

Also, councils typically recognise the positive contribution that tourism makes to their communities through employment, business opportunities, extra rates income, greater community vibrancy and asset utilisation.

Attachment 2 sets out tourism spend and jobs within New Zealand's Territorial Authorities, along with the number of jobs and the tourism share of total employment. These figures highlight why tourism matters for local government, where 10% of jobs in Far North District are tourism jobs, 17% in Thames-Coromandel District, 13% in Taupo District, 11% in South Wairarapa District, 32% in Kaikoura District, 31% in Westland District, 43% in Mackenzie District, 34% in Queenstown-Lakes District and 6% in Southland District.

Because of this important contribution, councils across New Zealand - as they do globally - recognise the value of using a small proportion of their income on tourism as an investment to generate wider benefits – more economic activity, more jobs and more community vibrancy.

In practice, tourism is local in terms of what people do, where they go and what they experience. This means that local government is the keeper of the 'destination' with this function generally undertaken by the 31 Regional Tourism Organisations (RTOs), all of which are owned and funded by Territorial Authorities (TAs) and on occasion by Regional Councils.

It is estimated that collectively, local government directly invested $60.5 million in RTOs in FY 2024/25, or 78% of total RTO income. TIA considers this to be an investment rather than cost given the objectives to grow the regional economy and outcomes for communities.

From a national perspective, councils have a role to play to enable and support the Government's wider growth agenda. With a clear Tourism Growth Roadmap in place, local government (and the tourism industry) are required to work to ensure we have the supply-side capacity and quality to enable the Government's target to double tourism exports by 2034 to be achieved.

Also, research has consistently established that New Zealanders value and support tourism and what it brings to their communities. In the year to September 2025, the Views on Tourism in New Zealand survey found that 95% of New Zealand residents responded that 'Tourism is good for New Zealand' and 82% report 'having experienced having one or more benefits of tourism activity in their regions'.

## Industry Strategy

TIA's Tourism 2050 recognised the role of local government and called for a review of industry structural arrangements to establish a National Tourism Policy Statement and identified the role of local government within this structure, including the structural funding deficit for local government tourism functions that have been estimated at $250 million per year. TIA's forthcoming refreshed Tourism 2050 will build on this thinking, including that new funding mechanisms are needed to address the identified deficits.

## Government Tourism Policy Statement

The Government's Go for Growth agenda generated a tourism workstream called the Tourism Growth Roadmap. The target established was to 'Double value of tourism exports by 2034, to $19.8 billion'. Seven workstreams have been advanced, including Regions and Communities, Mixed-use Tourism Infrastructure and Tourism System Funding.

The key output of the Tourism Growth Roadmap was delivered with the Government's release of New Zealand's Tourism Policy Statement in June 2026.

In defining the core system roles of central government, local government and industry, The Tourism Policy Statement specifically sets out the roles of local government:

> *Local government's role in placemaking is essential. Events, museums and galleries, public spaces and visitor infrastructure are foundational to tourism.*
>
> *Local government:*
>
> - *Provides core services such as network infrastructure, public transport, museums, venues and other facilities that are intended to deliver broader community outcomes*
> - *Leads place-based planning, destination management, events development and acquisition, and engagement with local communities*
> - *Leads domestic destination marketing*
> - *Owns or invests in tourism facilities like airports, stadiums, galleries, and convention centres.*
>
> *Local government's overall purpose includes meeting community needs for good-quality local infrastructure and public services and, in doing so, supporting local economic growth and development. Councils address local tourism needs while balancing other local responsibilities and expectations.*
>
> *The tourism system benefits particularly from local government's priority focus on providing core services such as network infrastructure, public transport, museums, reserves and other facilities. The other important roles it leads include place-based planning, destination management, events development and acquisition, and engagement with local communities. Councils are often closest to the impacts of tourism growth, and they are central to shaping how tourism contributes to local outcomes through placemaking.*
>
> *In many regions, councils provide funding to RTOs. RTOs are an important part of the tourism system and a critical delivery mechanism at a destination level. They translate strategy into on-the-ground action by coordinating visitor servicing, experience and itinerary development, destination management activity, and regional promotion. RTOs help align the demand and supply sides of the system, strengthen destination propositions, and ensure what is promoted can be credibly delivered by a region.*
>
> *Local government also plays a leading role in domestic destination marketing of place*

*and events. RTOs, in partnership with Tourism New Zealand and local tourism and hospitality businesses, play a vital role here.*

*Local government is also a major owner of, or investor in, tourism-connected activities, amenities and infrastructure which are highly reliant on the visitor economy. These include zoos, stadiums, event venues, art galleries, airports and convention centres, among others.*

*Under the City and Regional Deals initiative, the Government is establishing long-term agreements between central and local government. The deals will unlock funding and resource opportunities to support councils to make improvements in their respective regions. The types of opportunities included in City and Regional Deals will enable local government partners to continue supporting tourism growth, including through events.*

The TPS provides this clear definition and mandate of the roles of local government in tourism, and TIA is in strong agreement with this assessment. We share the view that for tourism to flourish, it must be clearly defined and supported across all parts of the tourism system, including local government.

## Local government reform

TIA has been following and submitting on the reform programme of local government, and other reforms with local government touchpoints, including the Local Government (Systems Improvements) Amendment Bill, rates capping and the resource management reforms.

In this, TIA sees risk that the distinctive needs of tourism are not being factored into the overall local government reform process, despite the very important role that local government plays. TIA views this as a risk to the ability of the tourism system to function effectively, to the detriment of all New Zealanders.

The Local Government (Systems Improvements) Amendment Bill is progressing through parliamentary process with the Governance and Administration Committee having reported back, recommending the wording of the purpose of local government as follows:

**10 Purpose of local government**

The purpose of local government is —

(a) to enable democratic local decision-making and action by, and on behalf of, communities; and

(b) to meet the current and future needs of communities for good-quality, cost effective, and local—

(i) infrastructure; and

(ii) public services; and

(iii) performance of regulatory functions; and

(c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b).

This mandates local government supporting local economic growth and development in so far as this relates to infrastructure and public services, both of which involve tourism activities.

## Assessment of Consultation Questions

The overall interpretation of the consultation paper is that it does not demonstrate understanding of the needs of tourism. As stated above, the complexity of tourism as a system is easy to underestimate.

Accordingly, we are motivated to provide the most pertinent information we can to decisionmakers so that the best decisions for New Zealand society are taken.

Attachment 1 sets out TIA's assessment of the consultation questions and what we recommend. To summarise:

1. Some tourism activities are listed, but not all. To be comprehensive, the list must include at least: destination marketing, destination management, cultural attractions, events and festivals, amenities, infrastructure assets, tourism economic development.
2. 'Tourism' as listed has little relevance, especially within the 'other category'.
3. The tourism grouping does not work at all with various activities placed in different groups. We consider that all the tourism-related activities need to be bundled together then placed in a single group, including removing any from the current 'other' group.
4. We recommend that a new group is established that is centered on economic development, and which includes the key tourism activities.
5. This would be consistent with the revised wording of the Bill recommended by the Governance and Administration Committee, and with New Zealand's Tourism Policy Statement.

## Conclusion

While TIA understands the technical nature of the consultation and that Cabinet consideration of the framework has been undertaken, we believe that having the correct definition of the tourism roles of local government is important, especially given the Tourism Policy Statement and the nature of the Local Government (Systems Improvement) Amendment Bill relating to the purpose and functions of local government.

Taking the step to bundle tourism activities and placing them in a new grouping will represent an important step for ensuring tourism will continue to grow for the wide benefit of our country.

TIA will the pleased to elaborate on any points raised in this submission. If so, please contact Bruce Bassett, Chief Advisor, at bruce.bassett@tia.org.nz or 021 609 674.

Thank you for your consideration of this submission.

Ngā mihi,

RIngram

Rebecca Ingram
Chief Executive

## Attachment 1: TIA Responses to Feedback Table Questions

<table>
<tr><th>Question</th><th>TIA Response</th></tr>
<tr><td>Are there any activities missing from the list that should be added?</td><td>The list contains some aspects of local government roles in tourism, but not all of them and without any cognizance of the overall package of tourism roles.<br><br>In addition, this role of ‘tourism’ is listed – but not defined - in the ‘other category’ that is ‘…used for activities that are not considered core services.’<br><br>What we regard as ‘tourism’ includes:<br><br>• Destination marketing. This marketing function is typically through a Regional Tourism Organisation of which there are 31 nationally. Functions include branding, sector coordination and cohesion, marketing, data, etc.<br><br>• Destination oversight. By default, councils are the keepers of the places where tourism occurs. All RTOS have Destination Management Plans in place which set out community aspirations and development priorities. These DMPs are largely unfunded.<br><br>• Cultural attractions (councils operate facilities such as museums and galleries that serve to provide reasons to travel to a place and create ‘richness’ of a destination).<br><br>• Events and festivals (council run or support these activities for community benefit and also as a lever for attracting visitation. Events and festivals of all types provide the strongest means for boosting out-of-season demand and to places with low demand. Sporting events, concerts, music festivals, business events, special interest events all fall under this heading).<br><br>• Amenities. Councils invest in place for the benefit of residents and visitors. Boardwalks, streetscapes, lighting, market venues, are examples of the many areas where councils can invest to improve their place.<br><br>• Infrastructure assets. Councils are often owners of infrastructure that enables tourism, whether airports, seaports, convention centres, roads, camping grounds, and others. This is typically undertaken for strategic reasons, for instance ensuring a regional airport that delivers connectivity that is needed for regional economic performance and social connections.<br><br>• Economic Development. Councils have an interest in the strength of their economies and have an interest in boosting this where they can. Often tourism is one of the most responsive sectors that can be activated.</td></tr>
<tr><td>Are there activities that you think have been mis-grouped/ belong in another group from where they’ve been allocated?</td><td>Tourism-related activities need to be bundled and included in one of the groups (but not in ‘other’).<br><br>However, due to the multiple aspects of the council activities in tourism, none of the seven groups form a natural fit for various reasons.<br><br>Therefore, TIA recommends that a new group be established. We see that as an economic development group that would incorporate the bundle of tourism activities, plus those other council activities undertaken to boost the local and regional economies.</td></tr>
</table>

| Question | TIA Response |
|---|---|
| **Any other comments?** | The tourism-related activities are important for communities and councils because they represent an investment in the place for the betterment of visitors and communities. What is good for visitors is invariably good for residents.<br><br>International experience is that council investment in tourism generates a positive return, especially when non-financial benefits are considered.<br><br>Accordingly, council spending on its tourism-related activities is an 'investment' to generate greater gains, and not a 'cost'. This fundamentally important point appears absent in the consultation paper and in the wider policy reform process that is underway. In this, TIA has assessed the wording of the Governance and Administration Committee report on the Local Government (System Improvement) Amendment Bill that is currently awaiting its Third Reading.<br><br>The proposed changes provide for local authorities to play a broad role in meeting the current and future needs of the communities for good-quality, cost effective and local infrastructure, public services and performance of regulatory functions, and to support local economic growth and development by fulfilling the purposes set out above.<br><br>TIA sees council roles in tourism as being to support local economic development with the infrastructure and public services purposes. The Groups of Activities for Councils' Planning and Reporting must reflect this, which supports having an economic development category of activities added to those being proposed.<br><br>**Role of RTOs**<br><br>Regional Tourism Organisations address a local market failure (in that a single business cannot represent or position a place), bring together the full destination offering of a region and present it cohesively to national and international markets, closely aligned with Tourism New Zealand.<br><br>An RTO exists to attract visitors to a region by strengthening both the demand and supply sides of the tourism system, creating visibility, alignment, and coordination across a region's experiences, operators, and infrastructure. This is delivered through region-specific marketing complements the national proposition and in return, visitors (domestic and international, attracted through the work of RTOs), contribute external funding to local business rates, employment and grow local economies.<br><br>Investors, such as the asset owners of hotels, and shareholders of airports, need the certainty that they will be supported in their investment locally, through destination promotion, management and placemaking.<br><br>The work RTOs do is long term. The Return on Investment comes in over time, through relationship building with travel trade and consumer marketing in international markets - there are international examples of what happens when destinations de-invest in the work of an RTO of which we are happy to provide you. RTOs are also not a driver of rates increases - with many having experienced minimal funding increases for a number of years. Investing in the RTO has long-term payoff that benefits local business through increased revenue and resulting community benefits through employment - tourism accounts nationally for one in nine jobs, and this is higher in many regions. |

## Attachment 2: Direct Tourism Spend and Jobs by Territorial Authority

**Source:** Estimates modelled by Infometrics with sources including MBIE's Monthly Regional Tourism Estimates (MRTE), Tourism Electronic Card Transaction (TECT) data, and Stats NZ's Tourism Satellite Account (TSA). All data YE March 2024.

The following table highlights tourism's economic footprint by territorial authority, including total tourism spend, direct tourism jobs and the share of local employment. These figures illustrate how tourism delivers real, measurable outcomes for every part of Aotearoa New Zealand.

| Territorial Authority (TA) | Tourism spend ($m) | Jobs | Share of local employment |
|---|---|---|---|
| Far North District | 546 | 2,777 | 10% |
| Whangarei District | 522 | 3,248 | 7% |
| Kaipara District | 140 | 725 | 8% |
| Auckland | 8,276 | 52,747 | 5% |
| Thames-Coromandel District | 501 | 2,318 | 17% |
| Hauraki District | 113 | 575 | 7% |
| Waikato District | 326 | 2,182 | 8% |
| Matamata-Piako District | 184 | 966 | 5% |
| Hamilton City | 1,057 | 7,228 | 7% |
| Waipa District | 228 | 1,448 | 5% |
| Ōtorohanga District | 40 | 263 | 6% |
| South Waikato District | 98 | 555 | 5% |
| Waitomo District | 120 | 280 | 5% |
| Taupo District | 789 | 2,728 | 13% |
| Western Bay of Plenty District | 122 | 730 | 3% |
| Tauranga City | 1,020 | 7,471 | 9% |
| Rotorua District | 779 | 3,326 | 9% |
| Whakatane District | 165 | 1,198 | 7% |
| Kawerau District | 10 | 31 | 1% |
| Ōpōtiki District | 64 | 167 | 4% |
| Gisborne District | 158 | 1,266 | 5% |
| Wairoa District | 27 | 78 | 2% |
| Hastings District | 297 | 2,081 | 4% |
| Napier City | 430 | 2,528 | 8% |
| Central Hawke's Bay District | 64 | 475 | 7% |
| New Plymouth District | 392 | 3,060 | 7% |
| Stratford District | 28 | 135 | 4% |
| South Taranaki District | 73 | 447 | 3% |

| Territorial Authority (TA) | Tourism spend ($m) | Jobs | Share of local employment |
|---|---|---|---|
| Ruapehu District | 147 | 707 | 11% |
| Whanganui District | 183 | 1,343 | 6% |
| Rangitikei District | 72 | 395 | 6% |
| Manawatu District | 86 | 521 | 4% |
| Palmerston North City | 499 | 3,881 | 7% |
| Tararua District | 64 | 359 | 4% |
| Horowhenua District | 144 | 855 | 7% |
| Kapiti Coast District | 200 | 1,138 | 6% |
| Porirua City | 110 | 610 | 3% |
| Upper Hutt City | 76 | 336 | 2% |
| Lower Hutt City | 218 | 1,219 | 2% |
| Wellington City | 1,538 | 10,343 | 6% |
| Masterton District | 105 | 538 | 4% |
| Carterton District | 26 | 91 | 2% |
| South Wairarapa District | 110 | 503 | 11% |
| Tasman District | 372 | 2,145 | 7% |
| Nelson City | 401 | 2,864 | 9% |
| Marlborough District | 460 | 2,547 | 9% |
| Kaikoura District | 169 | 568 | 32% |
| Buller District | 91 | 281 | 6% |
| Grey District | 117 | 517 | 7% |
| Westland District | 324 | 1,496 | 31% |
| Hurunui District | 211 | 725 | 11% |
| Waimakariri District | 127 | 792 | 4% |
| Christchurch City | 2,632 | 18,774 | 7% |
| Selwyn District | 156 | 1,013 | 4% |
| Ashburton District | 270 | 1,753 | 9% |
| Timaru District | 272 | 1,321 | 5% |
| Mackenzie District | 324 | 1,313 | 43% |
| Waimate District | 23 | 169 | 5% |
| Waitaki District | 210 | 859 | 7% |
| Central Otago District | 286 | 1,585 | 11% |
| Queenstown-Lakes District | 2,826 | 11,576 | 34% |
| Dunedin City | 835 | 4,868 | 7% |
| Clutha District | 101 | 457 | 5% |
| Southland District | 340 | 1,051 | 6% |
| Gore District | 87 | 365 | 5% |
| Invercargill City | 338 | 1,817 | 6% |