



Submission to
Queenstown Lakes District Council
on the
Queenstown Lakes District Proposed District Plan, Section 32 Evaluation, Stage
2 Components October 2017, for Visitor Accommodation

Date: 23 Feb 2018

TOURISM INDUSTRY AOTEAROA

Level 4, 79 Boulcott Street, PO Box 1697, Wellington 6140, New Zealand
P +64 4 499 0104 www.tia.org.nz E info@tia.org.nz

Tourism Industry Aotearoa (TIA) welcomes the opportunity to comment on the proposed regulatory response to visitor accommodation activities in Queenstown Lakes District's residential zone.

This submission is filed without prejudice to TIA's future position. Our ability to prepare a comprehensive submission responding to the consultation document relied on the provision by Queenstown Lakes District Council of information relevant to the connection between the consultation document and the benefits that would accrue. If any information is provided at a later date, TIA reserve the right to comment further.

EXECUTIVE SUMMARY

1. TIA welcomes the pro-active approach by Queenstown Lakes District Council on this issue and we are supportive of the objectives that Queenstown Lakes District Council regulatory response has.
2. TIA advocates for requirements that provide for fairness, quality and provision of a safe and compelling visitor experience, both at traditional accommodation providers and online rental platforms such as Airbnb and Bookabach.
3. TIA would support further analysis into the pros and cons of including a condition in the Queenstown Lake District Council Long Term Plan requiring operators to provide staff accommodation.
4. TIA is very concerned about the loophole in the consultation that allows property owners to apply for a Certificate of Compliance prior to the new rules taking effect. The impact of this loophole is significant and it defeats many of the Council's objectives. We therefore advocate that Queenstown Lakes District Council withdraws the current proposal. The Council needs to realise that in its current format, the objectives it set will not be reached and the proposal will not have the impact it aims to deliver.

RECOMMENDATIONS

5. For Queenstown Lakes District Council to withdraw the current proposal as the objectives it set will not be reached and the proposal will not have the impact it aims to deliver.
6. For Queenstown Lakes District Council to revise the proposal and put a new proposal up for consultation that would include measures, rules and regulations that would actually achieve the proposed objectives.

INTRODUCTION

7. Tourism Industry Aotearoa (TIA) is the peak body for the tourism industry in New Zealand. With over 1,500 members, TIA represents a range of tourism-related

TOURISM INDUSTRY AOTEAROA

Level 4, 79 Boulcott Street, PO Box 1697, Wellington 6140, New Zealand
P +64 4 499 0104 www.tia.org.nz E info@tia.org.nz



activities including hospitality, accommodation, adventure and other activities, attractions and retail, airports and airlines, as well as related tourism services.

8. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events, membership and business capability. The team is based in Wellington and is led by Chief Executive, Chris Roberts.
9. In preparing this submission, TIA has engaged with its members in the Queenstown hotel accommodation sector.
10. Any enquiries relating to this paper should in the first instance be referred to Nienke van Dijken, TIA Policy Analyst at nienke.vandijken@tia.org.nz or by phone on 04 494 1842.

COMMENT

Tourism 2025

11. Tourism 2025 (www.tourism2025.org.nz), an industry-led, government supported economic growth framework was launched in New Zealand in 2014 and has set an aspirational goal of reaching \$41 billion in annual tourism revenues by 2025. The industry's focus is on growing value faster than volume.
12. The Tourism 2025 growth framework is based around five key themes which are Insight, Connectivity, Productivity, Visitor Experience and Target for Value. This growth framework has been reviewed ([Tourism 2025-two years on](#)) in 2016. While the five themes of the framework remain unchanged, the emphasis in some focus areas has shifted. Sustainability is one of the themes being given greater emphasis now. There is a desire and expectation that long term sustainability, from an economic, environmental, cultural, and social aspect, is becoming a core value against which all decisions are being tested. This has led to TIA's development of the [New Zealand Tourism Sustainability Commitment](#).

Our understanding of the issue

13. We understand that Queenstown Lakes District Council seeks to establish an appropriate regulatory response to visitor accommodation activities in the District's residential zones.
14. This regulatory response has the following objectives, policies and rules:
 - a) Objectives that recognise the contribution of visitor accommodation activities to social and economic wellbeing, and continue to provide for it in the most efficient and effective way;
 - b) Objectives that recognise the adverse socio-economic and environmental effects which arise from the proliferation of visitor accommodation activities within predominantly residential areas, including those related to housing availability,

TOURISM INDUSTRY AOTEAROA

Level 4, 79 Boulcott Street, PO Box 1697, Wellington 6140, New Zealand
P +64 4 499 0104 www.tia.org.nz E info@tia.org.nz

affordability, residential cohesion and character, amenity, as well as traffic and parking;

- c) Policies that address the varying scales and geographic distribution of visitor accommodation activities and their potential effects;
- d) Rules that set clear limits on the scale, nature and location of visitor accommodation activities to ensure their adverse effects are managed;

15. The Council aims to achieve these objectives through the following proposed policies:

- a. Provide for visitor accommodation activities in High Density Residential, Visitor Accommodation Sub-Zones or Transitional Commercial or Town Centre Overlays.
- b. Restrict visitor accommodation activities in the Low and Medium Density Residential Zones, Arrowtown Residential Historic Management Zone, Large Lot Residential Zone, Rural, Rural Residential & Rural Lifestyle, Gibbston, Jacks Point (specified locations), Waterfall Park (specified locations), and Millbrook zones (specified locations).
- c. Provide for low intensity residential visitor accommodation activities and homestays in the Low and Medium Density Residential Zones, Arrowtown Residential Historic Management Zone, Large Lot Residential Zone, Rural, Rural Residential & Rural Lifestyle, Gibbston, Jacks Point (specified locations), Waterfall Park (specified locations), and Millbrook zones (specified locations).

General

16. The vision of the New Zealand Tourism Sustainability Commitment, launched by TIA in 2017, is to lead the world in sustainable tourism. To deliver on this, we must achieve ambitious economic goals while sharing the overwhelming benefits with supportive host communities, contributing to restoring, protecting and enhancing our natural environment, and continuing to be a high quality destination of choice for domestic and international travellers.

17. Welcoming, supportive communities are a vital part of what New Zealand has to offer our visitors. Sustainable businesses have to find ways to protect and enhance their social license to operate within their communities.

18. This includes active engagement with the communities in which businesses (and councils) operate. The economic, social and environmental impacts that tourism has on a community should be balanced.

19. Queenstown currently carries a risk of over-tourism and as such, of the loss of community support and tourism's social license to operate in this region.

20. As such, TIA welcomes the pro-active approach by Queenstown Lakes District Council on this issue and we are supportive of the objectives that Queenstown Lakes District Council's regulatory response has.

TOURISM INDUSTRY AOTEAROA

Level 4, 79 Boulcott Street, PO Box 1697, Wellington 6140, New Zealand
P +64 4 499 0104 www.tia.org.nz E info@tia.org.nz

Airbnb

21. TIA is not opposed to Airbnb or other shared or p2p accommodation. It offers additional choice to consumers and fills an important accommodation need, especially over peak periods and/or where there is a lack of commercial accommodation.
22. We have, however, been concerned for some time about the difference in rules, regulations and compliance between online rental platforms such as Airbnb and Bookabach and traditional providers. Our view is that some form of regulatory requirement is needed. Not necessarily regulations that limit disrupters or the advancement they are bringing, but regulations that benefit customers and result in a level playing field between all providers of visitor accommodation.
23. We advocate for requirements that provide for fairness, quality and provision of a safe and compelling visitor experience, both at traditional accommodation providers and online rental platforms such as Airbnb and Bookabach.
24. This would include equitable rating of both residential and commercial accommodation and suitable health & safety requirements for both residential and commercial accommodation.

Shortage of worker accommodation

25. People renting out rooms and houses for short-stay accommodation such as Airbnb is one of the key reasons Queenstown has a shortage of worker accommodation.
26. We are pleased to see Queenstown Lakes District Council acknowledge this issue and aim to reverse the removal of dwellings from the general housing pool for families and workers.
27. Previously some councils in New Zealand had conditions in their annual plans that for any new visitor accommodation build, worker accommodation needed to be provided for as well. In the years following the Global Financial Crisis, there was no need for such regulation and most local councils have removed this from their plans.
28. TIA is of the view that it may be beneficial for operators and Queenstown Lake District Council to discuss the merits of reinstating this condition in the future to assist in meeting future staff accommodation needs.

Loophole in consultation

29. Those currently renting out their dwelling as visitor accommodation have "existing use rights" once the proposed District Plan rules take legal effect.¹

¹ Anderson Lloyd, *Rights to be removed for visitor accommodation in Queenstown*, 30 November 2017, as sourced from <https://www.al.nz/rights-to-be-removed-for-visitor-accommodation-in-queenstown/>

30. Those with existing use rights can continue an activity even if it breaches a new rule, if it was lawfully established before the proposed rule becomes operative (i.e. after any appeals on decisions have been determined) and where the effects of the activity continue to be the same in character, intensity, and scale.² This existing use right ceases to exist, however, if a use is discontinued for 12 months after the new rule becomes operative.
31. If an existing visitor accommodation provider wanted long term certainty about their existing use rights, and not being caught by the new rules, they can apply for an 'existing use certificate' under section 139A of the RMA.³
32. It is open to every dwelling owner, not just existing operators, to apply for a Certificate of Compliance (COC) which is confirmation from Council that it is currently permitted to let a dwelling as visitor accommodation for up to 90 days per year.⁴
33. A COC can be obtained any time up until the decision on the proposed District Plan rules is issued. A COC then runs with the property, just like a resource consent, if the property is sold. Like a resource consent, it lapses if it is not used within 5 years.⁵
34. Anecdotally, we have heard that many dwelling owners are currently applying for a COC which will enable them to operate under existing user rights.
35. This is not because they are currently letting out through Airbnb or Bookabach or have immediate plans to do so, but because they want to keep the option open to be able to do this in the future by applying their existing use rights without falling under the new proposed rules and regulations.
36. In our opinion, this goes directly against the objectives of the proposal and is a major loophole.
37. Because of this loophole and the risk it carries we suggest that Queenstown Lakes District Council withdraws the current proposal. The Council needs to realise that in its current format, the objectives it set may not be reached and the proposal may not have the impact it aims to deliver.
38. We strongly suggest that the Council revises the proposal so that the original objectives are still able to be met. More investigation into the options for this need to be undertaken, but for example an option might be those with newly-approved first-

² Anderson Lloyd, *Rights to be removed for visitor accommodation in Queenstown*, 30 November 2017, as sourced from <https://www.al.nz/rights-to-be-removed-for-visitor-accommodation-in-queenstown/>

³ ibid

⁴ ibid

⁵ ibid

time existing user rights issued after 31 Dec 2017 are required to meet the new rules.

39. We are supportive of the objectives the current proposal aims to deliver and would like to see a revised proposal that does not contain the aforementioned loophole and includes measures, rules and regulations that would actually achieve the proposed objectives.

Follow up process

40. TIA wishes to participate further in any follow-up process, including any formal meetings, to ensure that the potential impacts on tourism are adequately represented.

BACKGROUND

41. Tourism for New Zealand is big business as the country's largest export sector. It is a major contributor to the New Zealand economy that will always be here and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean and pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.

42. The tourism industry delivers the following value to New Zealand's economy:

- Tourism in New Zealand is a \$99 million per day and \$36 billion a year industry. Tourism delivers around \$40 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$59 million in economic activity every day.
- The tourism industry directly and indirectly supports 14.5% of the total number of people employed in New Zealand. That means 399,150 people are working in the visitor economy.
- Tourism is New Zealand's biggest export industry, earning \$14.5 billion or 20.7% of New Zealand's foreign exchange earnings (year ended March 2017).

End.

TOURISM INDUSTRY AOTEAROA

Level 4, 79 Boulcott Street, PO Box 1697, Wellington 6140, New Zealand
P +64 4 499 0104 www.tia.org.nz E info@tia.org.nz

