



**Submission to
Minister of Transport
on the
Government Policy Statement on Land Transport
2018/19 - 2027/28**

Date: 02 May 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 Government Policy Statement on Land Transport.

This submission is filed without prejudice to TIA's future position. Our ability to prepare a comprehensive submission responding to the Government Policy Statement on Land Transport relied on the provision by the Minister of Transport 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. In previous consultation on the GPS, we expressed concern that the GPS did not adequately reflect the impact of the tourism industry on New Zealand's land transport and the land transport requirements of the tourism industry.
2. We are pleased to see that some of the previous feedback has been acknowledged in this draft GPS on Land Transport. However, we still have concerns that the Government does not fully understand the impact of the tourism industry on New Zealand's land transport and its land transport requirements.
3. The new Safety Strategy is to be based on a strong evidence base. We are of the opinion that currently there is insufficient data available on the different user groups. We would like to see greater recognition given in the GPS to developing better insight into future visitor flows and the impacts on land transport planning.
4. Safety on the road is extremely important to the tourism industry. TIA has been an active participant in the Safer Journeys - Visiting Driver Project. The Project has been successful but more remains to be done and we are concerned that the Government focus may be coming off visiting drivers.
5. We are fully supportive of the Government's increased focus on improving transport connections and the focus on transport investment to improve access and safety for residents and tourists.
6. A stronger uptake of cycling as a mode of transport will not necessary lead to safer roads and fewer road deaths. Proper rules, regulations and infrastructure are needed in support of this strategic priority.
7. We are fully supportive of the Government's continued support of the New Zealand Cycle Network, including the Great Rides and the connecting Heartland Rides and extending connections to the Te Araroa Trail.
8. The importance of a resilient road network to the tourism industry has shown to be extremely important. We strongly urge the Government to assess critical connections from a tourism perspective.

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



9. The tourism industry is taking its responsibility seriously and is involved in many initiatives to offset emissions that have the potential to make travel carbon-neutral. We are supportive of the Government's objective of a land transport system that reduces the adverse effects in the climate, local environment and public health.
10. Any changes the Government may propose to reduce or offset emissions could have a significant impact on rental vehicle operators. As such, we strongly suggest for the Government to consult with the industry on any changes it proposes.
11. Overall, we are concerned that while there is an improved acknowledgement of tourism in the GPS, the investments the Government aims to make guided by the GPS will not adequately recognise and meet the needs of the tourism industry.

INTRODUCTION

12. 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 activities including hospitality, accommodation, adventure and other activities, attractions and retail, airports and airlines, as well as related tourism services.
13. 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.
14. 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.

STAKEHOLDER CONSULTATION

15. In preparing this submission, TIA has engaged with members operating in the land transport sector including rental vehicle operators, road transport operators, Regional Tourism Organisations NZ and Tourism Export Council NZ.

COMMENT

Tourism 2025

16. 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.

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



17. 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 was 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. Facilitating infrastructure investment to support tourism growth is one of the themes now being given greater priority.

18. This year, TIA will be working on a Tourism 2025 reset that will include:

- Integrating sustainable tourism, in particular the Tourism Sustainability Commitment;
- Articulating a longer-term view of tourism in coordination with Central Government;
- Identifying new priority actions to be addressed over the next 1-3 years.

TIA will unveil the initial findings at Tourism Summit Aotearoa in November 2018.

19. Tourism growth is attracting Government attention, which presents both challenges and opportunities. Constant talk of new visitor taxes and levies must be debated robustly, with all the issues and options considered. Any form of national or local tourism tax or levy must be fair, efficient and ring-fenced for tourism-related investments. TIA will vigorously resist any poorly designed tax or levy proposals that could tarnish New Zealand's reputation as a country that welcomes visitors.

Our understanding of the issue

20. We understand that the Government Policy Statement (GPS) Land Transport:

- Aims to guide investment in transport by providing a longer-term strategic view of how the Government prioritises activity in the transport network, and why.
- Includes an overall focus on improving New Zealand's land transport network by prioritising safety, access, environment and value for money.
- Influences decisions on how money from the National Land Transport Fund will be invested across activity classes, such as state highways and public transport.
- Guides the NZ Transport Agency and local government on the type of activities that should be included in Regional Land Transport Plans and the National Land Transport Programme.
- That a second stage GPS is likely to be required in order to fully realise Government's direction for transport investment.

21. The GPS has four strategic priorities:

- Safety
- Access
- Environment
- Value for money

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



Previous consultation on the GPS

22. In April 2017, we provided feedback on the [GPS on Land Transport](#). At that time while we were pleased to see the recognition of the importance of tourism on land transport in the GPS, we were concerned that the GPS did not adequately reflect the impact of the tourism industry on New Zealand's land transport and the land transport requirements of the tourism industry.
23. In February 2018, we provided feedback on the [Auckland Transport Alignment Project](#). Again, we pointed out the importance for decision makers in Central and Local Government to fully understand the impact of the tourism industry on New Zealand's land transport and the land transport requirements of the tourism industry.
24. Other issues we touched on in our feedback were:
- Auckland Airport corridors need to be specified as a priority given the role of the airport to tourism, high value freight, and business connectivity, each of which are rapidly growing.
 - The importance of contextualisation of the different user groups, i.e. freight, day-to-day movements and visitors, is important. We strongly encouraged the Ministry to ensure it developed quality insight into the different user groups in order to answer questions such as how many of the vehicle kilometres travelled are by each group; how much by international and by domestic tourists? What do these different groups want and need out of the transport system?
 - The importance of understanding what constitutes a quality visitor transport journey.
 - The importance of a safe and resilient road network.
 - The need to provide the flexibility to cover future innovations and technology that may exist in ten years' time, and have an impact on the roading network.

General

25. The GPS refers to the Government's goals for tourism and to MBIE's tourism strategy. The MBIE Strategy is a brief two-page document released over two years ago and most of the actions listed in it have now been achieved. The document was purposely aligned with the industry-led framework Tourism 2025. The Government must consider this Tourism 2025 framework when making any decisions that will have an impact on tourism, such as this GPS on Land Transport.
26. We are pleased to see that some of the previous provided feedback has been acknowledged in this draft GPS on Land Transport. However, we still have concerns that the Government does not fully understand the impact of the tourism industry on New Zealand's land transport and the land transport requirements of the tourism industry.
27. In the following sections, we will provide the tourism context of the GPS and outline our concerns and issues where they exist.

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



Insight

28. The new Safety Strategy is to be based on a strong evidence base. We are of the opinion that currently there is not enough data available on the different user groups. Contextualisation of the different user groups, i.e. freight, day-to-day movements and tourism, is important.
29. We strongly encourage the Government to ensure it gets quality insight into the different user groups to answer questions such as, how many of the vehicle kilometres travelled are by each group; how much by international and by domestic tourists? What do these different groups want and need out of the transport system? How do they travel around the country? What routes are they taking?
30. Knowledge about visitor flows has long been an insight gap for the industry. More and more visitors are choosing to self-drive as their preferred way to explore the country. This is driven by different motivations, including New Zealanders getting out and seeing different parts of their country, returning international visitors who want to experience different regions and a growing market of independent travellers who want greater flexibility in their itineraries.
31. As more and more domestic and international visitors choose to self-drive, the need to have a better understanding of visitor flows increases. It is promising to see initiatives underway that seek a better understanding of visitor flows and how this impacts on road planning, such as the collaboration amongst councils in the Southern region being convened by Otago Regional Council.
32. We would like to see greater recognition given in the GPS to developing better insight into future visitor flows and the impacts on land transport planning.
33. The consultation document mentions 'nationally important freight and tourism connections', but does not provide information on what these nationally important tourism connections are. We encourage Government to work closely with the industry on identification of key tourism corridors for roading and land transport.

Safety

34. The Government's objective is a land transport system that is a safe system, free of death and serious injury.
35. Visitor safety is inherent to the value proposition of tourism in New Zealand. Visitors expect to be safe, whether it is undertaking an activity, going out at night, or driving on our roads.
36. TIA has been a key participant in the NZTA Safer Journeys programme for Visiting Drivers, with representatives on both the Governance and Working Groups. TIA also convened a Safer Journeys Tourism Group to co-ordinate industry activity. This led to

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

the development by TIA of the www.drivesafe.org.nz website, which provides international visitors with basic information about New Zealand road rules and etiquette, along with links to more details about everything that drivers unfamiliar with our roads need to know.

37. TIA in partnership with the rental sector spearheaded the rental vehicle [Code of Practice](#). The Code establishes a set of agreed standards and practices for operators to follow when informing visitors about driving in New Zealand and assessing their preparedness. Operators representing approximately 80% of the rental fleet have signed up to the Code.
38. As the above examples show, safety on the road is extremely important to the New Zealand tourism industry. Not only do we want to keep our international and domestic visitors safe on the road; we are aware that crashes involving visiting drivers can have a significant impact on our social license to operate.
39. Although overseas licence holders are only involved in 6% of all serious and fatal crashes on New Zealand roads, they receive high media attention and have a negative impact on how local communities view tourism.
40. TIA highly values the relationship it has with NZTA via the Safer Journeys Signature Programme - Visiting Drivers project. This project has been in place for three years and it is important to the tourism industry that this project continues for the long term.
41. We regard the outcomes to date of the Safer Journeys - Visiting Drivers project as a success. We have contributed to project review meetings and consider the commitment and capability provided by NZTA to this project as integral to its success. We were surprised to see the project wound down towards the end of 2017. The only focus now is a meeting of the governance group from time to time.
42. We are concerned that the focus may have come off visiting drivers and were surprised to see that section 2.2, Strategic Priority: Safety, does not mention the Visiting Drivers project. Will the Government continue to support this project? What amount of funding will be committed specifically to this project?

Access

43. The Government's objective is a land transport system that:
 - a. Provides increased access to economic and social opportunities
 - b. Enables transport choice and access
 - c. Is resilient
44. The first paragraph of this section (Section 2.3, point 46, page 12) notes that one of the three systems to achieve access is through the telecommunications system, which allows people to access opportunities virtually.

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

45. However, there is no explanation in this section what the Government means by this and how it aims to achieve it. As such, it is difficult to provide feedback on achieving access through the telecommunications system.
46. The connection between roading and telecommunications is an important one. For example, there was a high level of concern about the lack of telecommunications on the Inland Road to Kaikoura when SH1 was being revitalised. Visitors were placed at risk on this road through not having telecommunications access if something were to go wrong while travelling this road.

Access – economic and social opportunities

47. One of the results that this strategic priority aims to deliver is better access to markets, business areas, and supporting tourism. The focus will be on national routes where access constraints at specific points are limiting business productivity or tourism ventures.
48. As noted, the consultation document does not specify the national routes, and as such, we are unable to say whether all important tourism connections are being covered.
49. Supported by a number of industry partners, TIA commissioned Deloitte in August 2016 to undertake a comprehensive [National Tourism Infrastructure Assessment](#). Surveys, interviews and various data sources were used to assess 20 categories of infrastructure across 31 regions. The aim was to identify infrastructure gaps that have a high tourism impact, and require a great deal of coordination between the public and private sectors. Road transport, not unsurprisingly, was identified as one of the priority infrastructure types. On a national assessment of tourism infrastructure gaps, road transport was ranked 10th.
50. The National Tourism Infrastructure Assessment showed that Auckland was the only region to identify a significant gap in road transport infrastructure from a tourism perspective. In particular, survey respondents noted the route to and from Auckland Airport as being congested. One of the suggestions to alleviate that constraint was proposed rail links.
51. As the most visited region and gateway to New Zealand, this constraint impacts on a large number of visitors. From a whole-of-economy perspective, TIA considers it important that the Auckland Airport corridors are specified as a priority in the GPS given the role of the airport to tourism, high value freight and business connectivity, each of which are rapidly growing.
52. TIA considers that international quality linkages from the main airport to the CBD is a prerequisite for a quality high-value visitor destination. Given that 71.3% of

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

international visitors arrive via Auckland, this is a national concern for the tourism industry.

Regional Dispersal

53. The GPS aims to support sustainable economic development of regional New Zealand by safer and better transport connections. The GPS supports investment in activities that are complementary to the Provincial Growth Fund and to the Government's goals for tourism – attracting the right visitor mix, responding to visitor demand and ensuring all regions benefit from tourism. Transport's contribution to the tourism strategy includes providing robust safe transport infrastructure.
54. As noted in TIA's [Tourism 2025 – Two Years On](#), by improving the spread of tourism around the country we can ensure all regions benefit from tourism activity while relieving pressure on those places with the highest visitor loads. Better regional dispersal will result in better use of New Zealand's tourism assets. One of the levers to achieve this is developing connectivity to the regions, whether by air, road or sea.
55. Visitors, both domestic and international, have specific demands of our roading network that residents might not have. For example, rest stops and scenic viewpoints along the roads where they can take photos. Provision for this is not only important from a visitor experience perspective, but also from a safety perspective.
56. We are fully supportive of the Government's increased focus on improving transport connections and the focus on transport investment to improve access and safety for residents and tourists.

Access – enables transport choice and access

57. One of the results this strategic priority aims to deliver is an increased mode shift from private vehicle trips to walking, cycling and public transport in towns and cities.
58. The Netherlands is a country where cycling is a very common mode of transport. In 2017, for the first time ever, the number of deaths by cycle accidents overtook the number of deaths by car accidents.¹ The main reason for this was the enormous uptake by Dutch cyclists of electric bikes, especially by the elderly.
59. The New Zealand Government needs to learn lessons from this. A stronger uptake of cycling as mode of transport will not necessarily lead to safer roads and fewer road deaths. Proper rules, regulations and infrastructure are needed in support of this strategic priority.

¹ NOS, *Voor het eerst meer doden op de fiets dan in de auto*, 25/04/2018, as sourced from - <https://nos.nl/artikel/2228884-voor-het-eerst-meer-doden-op-de-fiets-dan-in-de-auto.html>

60. The GPS 2018 supports investment in continued development of the New Zealand Cycle Network, including the Great Rides and the connecting Heartland Rides and extending connections to the Te Araroa Trail. The Great Rides, the Heartland Rides and the Te Araroa Trail are great tourist attractions, popular with many international and domestic visitors. As the Great Rides have shown, a well-developed and serviced cycle trail can bring significant benefits to a region, especially from a socio-economic perspective. It could bring new people setting up a business to the region, more visitors and an overall more prosperous local population.
61. The Government's focus on enabling more people to use active modes of transport could also lead to a stronger interest and confidence in cycling when on a domestic holiday. This could lead to an even better use of the New Zealand Cycle Network by domestic visitors.
62. We are fully supportive of the Government's continued support of the New Zealand Cycle Network, including the Great Rides and the connecting Heartland Rides and extending connections to the Te Araroa Trail.

Access – resilience

63. Over the last few years, the importance of a resilient road network to the tourism industry has shown to be extremely important.
64. The important tourism destination Kaikoura was cut off from the rest of New Zealand following the 2016 Kaikoura earthquake. Although NZTA has put in a massive effort restoring State Highway One, access in and out of Kaikoura is still not what it was before the earthquake.
65. More recently we have seen the impact of Cyclone Fehi and Gita on our road network. The closure of Takaka Hill Road closed off access to the tourism destination Golden Bay; the important visitor route along the West Coast was closed because of the cyclones, leaving some visitors stranded along the West Coast.
66. The consultation document notes that the result of a resilient land transport system would be improved network resilience for the most critical connections. We strongly urge the Government to assess these critical connections from a tourism perspective.

Environment

67. The Government's objective is a land transport system that reduces the adverse effects on the climate, local environment and public health. The tourism industry champions the interests of New Zealand's environment through its own conduct and by being a powerful voice in New Zealand's overall management of its environmental assets. There are genuine gains for tourism if we are looking after our country and advocate for sustainable use.

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



68. Tourism is a non-consumptive conduit between conservation, recreation and economic development. TIA is of the opinion that the wealth-generating capacity of the New Zealand system will be enhanced from being the world leader in reducing emissions.
69. TIA has worked with industry and Government agencies' support to develop a [Tourism Sustainability Commitment](#). The Commitment establishes a set of aspirational goals at both an industry and business level across the areas of economic, environmental, host communities and visitor sustainability. Tourism operators are signing up to the Tourism Sustainability Commitment and working towards implementing the sustainability commitments within their businesses.
70. The tourism industry is taking its responsibility seriously and is involved in many initiatives to offset emissions that have the potential to make travel carbon-neutral. We are supportive of the Government's objective of a land transport system that reduces the adverse effects in the climate, local environment and public health.
71. We note that one of the opportunities the Government is looking at is to improve the vehicles and fuels we use. Many transport tourism operators, such as Tourism Holdings, Jucy, Wilderness Motorhomes, Thrifty Car Rental, Stray New Zealand, Touchdown Car Rentals and others have signed up to the Tourism Sustainability Commitment.
72. Any changes the Government proposes could have a significant impact on these and other operators with a considerable fleet size. As such, we strongly suggest for the Government to consult with the industry on any changes it proposes in this regard.
73. The competitive nature of the tourism industry means it is an embracer of new technology. However, the lack of Government support of innovation and tourism research focused on the tourism industry, is a potential barrier to further uptake of innovation and technology to enable better environmental outcomes.

Value for money

74. The Government's objective is a land transport system that delivers the right infrastructure and services to the right level at the best cost. We understand that one of the pillars that investment decisions are being made on is the return on benefit – expected benefits compared with expected cost.
75. The tourism industry is New Zealand's largest export sector. Many visitors who come to New Zealand will go on a road trip. New Zealand is for many visitors the ultimate road trip destination. Will the Government take the value that tourism brings to the economy into account when making its investment decisions? Will it, for example, be a strong supporter of the Safer Journeys – Visiting Drivers project? Will it focus, in particular, on road resilience to tourism destinations?

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



76. One of the results the Government aims to achieve with the strategic priority of 'Value for Money' is better informed investment decisions. As the consultation document notes, robust business cases that are supported by evidence and good data gathering systems are vital to support this process.

77. As noted earlier, we are concerned there is not enough data available on the different road user groups. Without this data, we are of the opinion that the GPS and the investments the Government aims to make, will not meet the needs of the tourism industry.

Follow up process

78. 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

79. 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.

80. 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

