



**tourism**  
**INDUSTRY**  
ASSOCIATION NEW ZEALAND

**Submission to the**  
**Queenstown Lakes District Council**  
**on the**  
**2011/2012 Draft Annual Plan**  
**16 May 2011**

## Comment

1. This submission is from the Tourism Industry Association New Zealand (TIA or "the Association") located in Wellington and relates specifically to the option in the Draft Annual Plan to reduce road gritting in and around roads in the Queenstown region. TIA has been approached by a number of its members in the area concerned about the impacts of this proposal for the local and international visitor industry.
2. The Association is opposed to the option in the QLDC Annual Plan to reduce gritting on local roads in an effort to reduce costs. A reduction in gritting will compromise public safety for locals and visitors and in adverse weather conditions may limit the operations of many tourism businesses, such as vehicle rental operators, tour buses and ski associated product operators, if roads are closed.
3. The Queenstown-Lakes roading situation is almost a unique one. It's an alpine environment with ice on roads a continuous threat not only in winter, but also in spring and autumn. Not only do frosty roads become a problem for drivers, so too does ice and snow on the deep mountain roads such as the Crown Range. Many of the roads on which QLDC is planning to reduce gritting will become impassable during severe weather conditions.
4. The main concerns of tourism operators centre around:
  - a. Safety
  - b. Economic impact
  - c. Road delays and closures
  - d. Health costs
  - e. Reputation

## Safety

5. In the words of one member that has contacted TIA about the QLDC proposal:

*"Public safety should not be compromised to save \$130,000. One life lost or one major injury will outweigh any perceived saving by Council".*

From a tourism perspective, safety is the main concern with the reduction in gritting on roads likely to have a significant impact on visitors. Delaying gritting on many local roads will increase the risk of accidents, especially for visitors not accustomed to driving in ice and snow. Many visitors who come to the Queenstown region hire rental cars and campervans. Roads that are not gritted will see visitors more likely to have accidents becoming a danger not only to themselves but also to other road users.

## Economic Impact

6. The cost-benefit analysis of reducing gritting is questionable given the impact that likely road closures will have on the region. Closure of local roads may simply deter visitors, especially independent travellers in rental cars and campervans from visiting local attractions and activities. It could see some visitors exiting the region early and travelling to other parts of the country, and while it is hard to quantify the economic value lost to the region, it might see visitors spending their money elsewhere.

7. Perhaps the best example of the economic affect is the impact on ski fields and in particular the Crown range road which is the main route to Cardrona, Wanaka and Treble Cone from Queenstown. As another member who contacted TIA said:

*"The Crown Range is the main and only practical route to Cardrona, the Snow Farm and Snow Park ski fields from Queenstown. It is used by many private vehicles, tourist rental vehicles (including campervans) as well as commercial ski transport operators. It is vital that this route is maintained to provide access to the ski fields. If access is compromised, not only will the ski fields be economically affected, so too will many local businesses and the reputation of Queenstown as a world class ski resort".*

#### Road delays and closures

8. Without traction, vehicle owners and visitors alike will be forced to use chains when they might not otherwise be required. Chains can cause damage to the surface of roads that will require extra road maintenance and resulting extra costs to the Council. This is the very thing QLDC is trying to avoid.

#### Health Costs

9. Reducing gritting on local roads will be false economy in terms of the health costs that will accrue from the proposal. A rise in the number of accidents will result in the increased costs of emergency service attendance, medical and hospital care for accident victims and more liability for ACC. These costs will fall on individuals, businesses and local and central government.

#### Reputation

10. The loss of reputation to the Queenstown, Southern Lakes and New Zealand brand is arguably the biggest impact that this proposal will have. To quote a TIA member who contacted the Association on this proposal:

*"Safety is paramount on any traveller's mind and our (tourism businesses) primary concern is safety of visitors. If it is viewed that visitor safety is being compromised, this could have an extremely detrimental effect on tourism numbers visiting not only this region but the entire country".*

#### Summary

11. On behalf of its members, TIA does not support the proposal to reduce gritting on local roads in the QLDC region in order to save the Council \$130,000 in costs. In the view of TIA, the benefits of continuing with road gritting far outweigh the economic, health, safety and reputational costs that may result from a reduction in current gritting services.

#### Background

12. As New Zealand's single largest export industry, tourism provides valuable export dollars with much of this money spent in the country's more rural and remote regions. Below is a snapshot of the economic value provided by tourism to the New Zealand economy:

- Tourism contributes more than 8.7% of gross domestic product (GDP) for New Zealand as well as directly and indirectly employing one in ten New Zealanders.
- Tourism in New Zealand is a \$61 million per day industry. The New Zealand tourism industry delivers \$26 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$35 million in economic activity every day.
- Tourism expenditure reached \$22.4 billion for the year ended March 2010. International visitor expenditure accounted for \$9.5 billion or 18.2% of New Zealand's foreign exchange earnings.
- Importantly, and despite more challenging times in the past three years, tourism is again New Zealand's largest foreign exchange earner with its contribution felt at national, regional and local levels.

#### **About TIA**

13. TIA has been the lead association that represents the interests of about 1,700 tourism businesses in New Zealand. The Association was first established in 1955 and the businesses TIA represent cover a range of tourism-related activities – hospitality, transport, accommodation, adventure and activities, attractions and retail as well as related tourism services.
14. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events and membership and business services. The TIA team is based in Wellington and led by Chief Executive Tim Cossar.

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