



Media Release

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## Compromise reached on funding for Hawke's Bay tourism industry

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Hawke's Bay Tourism says the decision by Hawke's Bay Regional Council to provide a consistent level of tourism funding for the next three years is incredibly important for the region.

Annie Dundas, General Manager for Hawke's Bay Tourism, says the industry is pleased the Hawke's Bay Regional Council listened to their concerns about the potential impacts of the proposed cuts to the economic growth of the region.

"While our budget has been reduced in year one of the Council's Long-Term Plan, the compromise to maintain that funding level for three years ensures Hawke's Bay will continue to be competitive and therefore maintain its share of the growing tourism market," says Ms Dundas.

"We understand Hawke's Bay Regional Council was under considerable pressure to fund their proposed plan, and we acknowledge the support they have provided the tourism industry over an extended period."

The revised tourism funding proposal also contains a number of additional directives including investigating alternative funding streams which Hawke's Bay Tourism will discuss with Hawke's Bay Regional Council, alongside consultation with the local and national tourism industries, over the coming months.

Ms Dundas says one potential avenue involves a rating reclassification for peer-to-peer properties, such as those who list on websites like AirBnB, who meet a defined threshold of visitor nights. Auckland, Queenstown and other regions are investigating this potential revenue avenue as well.

"This would go some way to ensuring peer-to-peer accommodation operators who directly benefit from the growth of the tourism industry are making an equitable rates contribution."

The debate over visitor or bed taxes is currently being had at a national level and Hawke's Bay Tourism will feed into that discussion. Ms Dundas says this would require considerable discussion and consultation and ultimately a change in legislation. Hawke's Bay Tourism, alongside Hawke's Bay Regional Council, will continue to be actively involved in the national discussion relating to the funding of tourism, as the industry navigates a path towards sustainability.



Hawke's Bay Tourism would also like to thank those in the industry who submitted in favour of keeping their funding. 261 positive submissions were made as well as submissions on behalf of the Hospitality Association representing ninety-three local businesses.

As at year end March 2018, visitors spent \$636m in Hawke's Bay, this was +6% on the previous year.

**For more information contact:**

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