



Hospitality New Zealand

TO MARLBOROUGH DISTRICT COUNCIL

**SUBMISSION ON
ANNUAL PLAN UPDATE 2022-23**

MAY 2022

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About Hospitality New Zealand:

1. Hospitality New Zealand (“Hospitality NZ”) is a member-led, not-for-profit organisation representing approximately 3,000 businesses, including cafés, restaurants, bars, nightclubs, commercial accommodation, country hotels and off-licences.
2. Hospitality NZ has a 119-year history of advocating on behalf of the hospitality and tourism sector and is led by Chief Executive Julie White. We have a team of seven Regional Managers located around the country, and a National Office in Wellington to service our members.
3. Hospitality NZ has a Board of Management, made up of elected members from across the sectors of the industry, and an Accommodation Advisory Council, made up of elected members from the accommodation sector.
4. We also have 20 local Branches covering the entire country, representing at a local level all those member businesses which are located within the region. Any current financial member of Hospitality NZ is automatically a member of the local Branch.
5. This submission relates to the Annual Plan 2022-23 (“the Plan”).
6. Enquiries relating to this submission should be referred to Kim Odendaal, Regional Manager - Upper South Island, at kim@hospitality.org.nz or 027 5035408.

SPECIFIC COMMENTS:

INVESTING IN THE ECONOMY

7. Hospitality NZ supports the Councils proposal on investing in the economy and regional events.

Question 3

What other initiatives or projects would you like the Council to support this year?

8. We do understand the importance of the revenue that rates generate to Council, which enables service delivery, community projects, planned programmes and daily operations. We recommend that instead of increasing rates by such a large percentage and placing burdens on the already struggling rate payers, why does the council not look at other possible revenue sources?
9. We would like the Council to look at the significant growth in short-term rental accommodation (STRA) through providers such as AirBnB or Bookabach, which operate in a highly commercial way, yet only pay residential rates.
10. Hospitality NZ contends that in the interests of fairness, equity and user pays, that Airbnb hosts, or similar, who are operating in the District should be rated accordingly, and also be subject to regulatory requirements.
11. STRA operators do not require the same building and operational compliance as commercial accommodation providers do, and therefore do not attract the associated costs that commercial accommodation providers do. **By placing the relevant**

compliance costs and rates upon STRA would generate additional revenue for Marlborough District Council.

12. STRA operators also have an impact on the communities they operate in, contributing to housing shortages, noise impacts and loss of community.
13. We propose that where premises are operating as a business they should be treated as such
14. Many councils around the country have already identified these issues and are imposing appropriate rates on STRA providers, or at the very minimum, inserting an online registration fee on these businesses.
15. We would like the Council to support that any residence that operates STRA should at a minimum requirement, have to apply for and hold a current Resource Consent and Building Warrant of Fitness, to ensure that their property, location, and the activity is fit for purpose and will not disrupt the neighbour, or natural resources. Resource Consent and Building Warrant of Fitness is required by all hospitality providers and traditional commercial accommodation operators, so there should be no reason why this should not apply to online accommodation providers of private rooms, or entire residences. **This too would generate additional revenue for the Council.**

Conclusion:

16. We thank the Marlborough District Council for the opportunity to provide input into the consultation.
17. We would be happy to discuss any parts of this submission in more detail, and to provide any assistance that may be required.