



A lot of loos in a lot of places

Big growth in tourism over recent years is great for the economy but it has put an extra burden on infrastructure.

We already have an infrastructure deficit. Nationally we need more roading and other transport investment, while Auckland and other cities need more and better infrastructure like water pipes, sewer pipes and stormwater pipes.

There's already debate about how to pay for the large infrastructure expenditure needed.

Local government and central government tend to have differing views on who should pay how much for what. The idea of letting the private sector pay for infrastructure tends to get lost in the debate. For some forms of infrastructure – major roads for example - it would be quite appropriate to let the private sector shoulder the cost and recoup their investment through tolling or user pays.

The tourism boom has exacerbated our infrastructure deficit, increasing the load on roads, parks, parking, utilities, sanitation, and public toilets.

In New Zealand a lot of tourists visit quite remote places – on the great walks - Heaphy, Routeburn, Tongariro, Milford tracks and so on, and the new cycleway networks.

During the peak seasons, visitor numbers out in the wops can be huge. On the Tongariro crossing there can be up to 1,800 visitors on the mountain at a time.

For this volume of visitors, the need for public toilets in particular is becoming acute, and the growth in freedom campers is contributing more pressure. Lack of public toilets in regional areas has the potential to create a health hazard.

A toilet deficit may seem humorous, but we do have a huge need to build a lot of loos in a lot of places.

How should we fund this, and other, infrastructure required for tourism?

A number of suggestions have been made.

A bed tax (taxing motels, B&B operators and other accommodation providers) is one suggestion.

Taxing tourists (requiring them to pay an additional tax on arrival or departure) is another.

Other suggestions include entry fees for attractions like the great walks or cycleways.

But there are drawbacks to all these.

A bed tax would be fairly discriminatory against a small group of service providers (i.e. those providing beds) given that tourists consume a wide range of other services when they are here. Also, many people using accommodation aren't tourists but locals on business or holiday.

Taxing tourists an additional amount on arrival or departure would be administratively simple to arrange. But there are dangers in simple overlays of additional tax – which tend to get siphoned into funds which over time attract uses other than originally intended.

As a general principle, additional taxes are pretty much always bad news. Allowing one new tax always encourages calls for more, and allowing a new tax in one new industry (like tourism) sets a precedent for taxing any other new industries that might become established.

New Zealand's tax system is comparatively free from the multitude of taxes seen in some other countries, with our relatively simple, broad-based tax base – this is good for business and worth retaining.

The idea of entry fees for the great walks and cycleways like the Heaphy or Queen Charlotte tracks would have the advantage of allowing funds raised to be spent on infrastructure on the walks or cycleways themselves. Politically, it could be hard to introduce though, as it would mean locals also having to pay to access those attractions.

Among the many suggestions, the simplest solution can tend to be overlooked – user pays.

Anyone travelling to Europe will attest to the benefits of user-pays toilets which are generally spotless and serviced by in-house cleaners.

Having self-funding user-pays toilet facilities in our tourist hotspots would make a great deal of sense.

Perhaps self-composting facilities without reticulation requirements; perhaps with solar-powered showers – new technology raises many possibilities for this important infrastructure.

Payment technology is also well-developed too. New innovations and apps now make it possible to charge access for toilets and other amenities used by campers such as showers.

Private providers could be contracted by local councils to run such facilities to get services that meet customers' demands.

The scale of investment needed for more loos in many parts of New Zealand requires good economics – in this case user-pays would be a good solution.

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