



1 September 2026

Ministry of Business, Innovation and Employment
Tourism and Hospitality
PO Box 1473
Wellington 6140

Emailed to: ivl@mbie.govt.nz

Tēnā koutou

Feedback from the Manawatū District Council on the Investment Framework for Tourism

The Manawatū District Council (MDC) thanks the Ministry of Business, Innovation and Employment (MBIE) for the opportunity to provide feedback on the proposed IVL Investment Framework for Tourism.

Manawatū District is not traditionally considered a high-tourism area; however, visitor activity has grown in recent years. The District's visitor offering includes rural touring experiences such as The Country Road, alongside walking and cycling experiences, including Te Araroa, Tour Aotearoa, mountain biking and other outdoor and nature-based activities associated with places such as Tōtara Reserve Regional Park and Ruahine Forest Park. The District's visitor economy is predominantly domestic, with domestic visitors accounting for approximately 87% of tourism expenditure (Infometrics, March 2026).

Feilding provides a focal point for visitors, while events and attractions across the wider rural District draw visitors into smaller communities and rural areas. These include agricultural events such as Central District Field Days, the Cross Hills Gardens Country Fair and Kimbolton Sculpture Festival.

While tourism is not on the scale experienced in some parts of New Zealand, growing and dispersed visitor activity creates demand for appropriate infrastructure and amenities. This includes roads and pathways that provide access to visitor destinations and experiences, as well as signage and wayfinding infrastructure that enables visitors to safely navigate the District. MDC therefore has an interest in ensuring the IVL investment framework recognises the infrastructure needs of emerging and developing visitor destinations, as well as areas already experiencing high levels of international tourism.

The following responses focus on those matters within the consultation document that are most relevant to MDC, particularly in its role as a provider of infrastructure and services that support visitor activity.

Question 1: Are these objectives clear enough for discretionary tourism-related investment?

MDC generally supports the proposed investment objectives. However, MDC requests clarification as to what is meant by “retain and enhance the social contract” under Objective 2, as it is not clear what outcome this is intended to achieve or how it would guide investment decisions.

The reference to “increased infrastructure capacity to attract and support visitors” under Objective 1 is of particular relevance to local authorities, given their role in providing much of the public infrastructure and amenities that support visitor activity. MDC therefore supports the recognition of infrastructure capacity within the investment objectives.

Question 2: Do the proposed investment categories and sub-categories sufficiently support the stated framework objectives and assessment criteria?

MDC broadly supports the proposed investment categories and sub-categories. In particular, MDC supports visitor-related infrastructure being identified as a distinct investment category.

MDC considers the proposed sub-categories appropriately recognise the range of infrastructure that supports visitor activity, including visitor facilities and amenities, transport and access infrastructure, and visitor and destination management infrastructure. For MDC, this includes roads and pathways that provide access to and support outdoor and nature-based visitor experiences, as well as signage and wayfinding infrastructure that enables visitors to safely navigate between destinations.

Question 3: Is there enough information to understand what types of investments are likely to be supported? What additional information or guidance would you want to see?

MDC considers that further guidance would be beneficial to help potential applicants understand the types of investments that are likely to be supported.

In particular, greater clarity is sought on how visitor-related infrastructure that provides benefits to both visitors and local communities would be considered. Many of the examples identified in the framework, such as public toilets and amenities, carparks, rest stops and trail networks, are mixed-use assets that support both residents and visitors. Similar questions may arise in relation to infrastructure supporting freedom camping, where facilities may serve visitors while also providing broader community benefits. The framework should make clear how the tourism-related benefits of these investments would be assessed and whether mixed-use infrastructure would be eligible for IVL funding.

MDC also considers that the framework should provide clarity on whether there are any expectations regarding user charges for IVL-funded infrastructure, particularly where infrastructure is also used by local communities. Care would be needed to ensure that

any such expectations do not result in local residents bearing additional costs for infrastructure investment driven primarily by visitor demand.

MDC also seeks clarification on what is meant by investment categories being areas where discretionary tourism-related funding could support a “strategic system shift”. It is not clear what this means for individual investment proposals, including whether local or regional infrastructure projects would need to demonstrate wider tourism system benefits to be eligible for funding. For example, MDC is considering the development of an adaptive mountain biking trail at Mt Lees Reserve. Projects of this nature illustrate the need for clear guidance on the eligibility of locally significant visitor infrastructure, particularly where infrastructure supports both tourism outcomes and recreational opportunities for the local community.

Question 4: Which investment categories and specific types of investments do you think are most important for IVL investments to address immediate tourism needs?

MDC considers visitor-related infrastructure to be an important priority for IVL investment in addressing immediate tourism system needs.

Local authorities provide and maintain much of the public infrastructure and amenities that support visitor activity, including public toilets, carparks, roads and pathways, signage and wayfinding, and recreational facilities. While this infrastructure also provides benefits to local communities, visitor activity can increase demand on these assets and create additional costs for councils.

For MDC, pathways are a significant visitor-related infrastructure cost, particularly given the District's outdoor and nature-based visitor offering. Signage and wayfinding can also involve significant establishment and ongoing maintenance costs, particularly where signage is required on or adjacent to the state highway network.

MDC considers that the costs associated with providing infrastructure to support tourism should not fall disproportionately on local authorities and their ratepayers. IVL investment provides an appropriate mechanism for international visitors to contribute towards the infrastructure that supports their experience and helps communities accommodate visitor activity.

Question 5: Which investment categories and specific types of investments do you think are most important for IVL investments to prioritise on over the next five years, and why?

MDC considers that visitor-related infrastructure should remain a priority for IVL investment over the next five years. As visitor numbers increase, investment will be required to ensure that infrastructure and amenities can continue to accommodate visitor demand and maintain a high-quality visitor experience.

Priority should be given to infrastructure where there is evidence of existing or reasonably foreseeable visitor demand and where visitor activity is placing, or is expected to place, additional pressure on local infrastructure and amenities. This should include consideration of emerging and regional destinations where patterns of visitor activity are changing.

Given the constrained fiscal environment facing both central government and local authorities, IVL investment should be targeted to areas of demonstrated need and where it can provide clear and enduring benefits.

Question 6: Are these the right overall set of principles to guide tourism-related IVL investment decisions?

MDC generally supports the proposed investment principles of strategic alignment, value for money, strategic impact, and partnership and deliverability.

MDC considers these principles provide an appropriate basis for assessing and prioritising IVL investments. However, further clarity is required regarding the practical application of the partnership and deliverability principle, particularly in relation to expectations for co-investment. This is addressed further in our response to Question 7.

Question 7: Are any principles missing, duplicative or difficult to apply in practice? Where do we need to be clearer?

MDC considers that further clarity is required regarding the application of the partnership and deliverability principle, particularly what constitutes “appropriate co-investment arrangements”.

The proposed framework should recognise the changing local government funding environment when considering co-investment. Councils are likely to face increasing constraints on their ability to co-invest in tourism-related initiatives as greater emphasis is placed on the delivery and funding of core services.

In its draft guidance on the proposed regulations for groups of activities, MCERT identifies tourism within the proposed “Other activities” group and states that this group is intended for activities that are not considered core services. This is significant in the context of the Local Government (System Improvements) Amendment Bill, which proposes a greater emphasis on core services in local authority decision-making and financial management. While this would not prevent councils from investing in tourism-related activities, it is likely to make securing local authority co-investment more difficult where tourism initiatives are competing for limited funding against core infrastructure and services.

The IVL Investment Framework should therefore avoid an assumption that local authority co-investment will necessarily be available for otherwise suitable visitor infrastructure projects. The assessment of what constitutes appropriate co-investment should recognise councils' financial circumstances, competing statutory obligations and infrastructure priorities, and the extent to which infrastructure demand is attributable to visitors.

MDC also seeks clarification regarding the “strategic impact” principle, which states that investments should generate significant and enduring system-wide benefits. It is unclear how this principle would be applied to visitor infrastructure projects that may provide significant benefits at a local or regional level but may not, individually, demonstrate system-wide benefits. MDC considers that otherwise suitable local or regional infrastructure projects should not be disadvantaged solely because their benefits are geographically concentrated.

Question 8: What information would applicants need to support a transparent and clear submission process?

MDC supports a transparent and clearly communicated submission process. Applicants should have access to clear information on investment priorities, eligibility requirements, assessment criteria, co-investment expectations, information requirements and key dates before committing resources to developing a proposal.

MDC also considers that further information is required on how the alternative investment pathways would operate, particularly the targeted invitation pathway. The framework indicates that targeted invitations may be used where a defined capability, location, mandate or partnership is required, but it is not clear how organisations would be identified or selected to submit proposals.

To support transparency and fairness, the framework should clearly set out the circumstances in which targeted invitations may be used, how potential applicants will be identified, and how proposals progressed through this pathway will be assessed relative to proposals received through the regular investment process.

MDC also considers there would be merit in exploring whether the IVL investment model should include a two-tier approach to funding for territorial authorities. This would consist of an annual allocation of funding to territorial authorities for smaller-scale visitor infrastructure and amenity needs, and a contestable fund for larger or more strategically significant investments. This could help ensure that IVL investment is distributed across a broader range of communities and visitor destinations, including emerging destinations that may be less likely to secure funding through a nationally contestable process.

Question 9: Would an expression of interest process help applicants submit early-stage ideas?

MDC supports the introduction of an expression of interest (EOI) stage as part of the annual IVL investment process.

An EOI process would provide applicants with an opportunity to test early-stage ideas against the Government's investment priorities before committing significant time and resources to developing a full proposal. This would be particularly beneficial for infrastructure proposals, which can require considerable work and investment to develop to a stage suitable for a full funding application.

To maximise the benefit of the EOI process, applicants would need sufficient information about the Government's investment priorities and assessment criteria, as outlined in our response to Question 8. The timeframe provided for preparing an EOI will also be important and is addressed in our response to Question 10.

Question 10: What would be a reasonable timeframe for preparing an expression of interest or full proposal? Does this depend on the type of proposal (eg infrastructure vs workforce development)?

MDC considers that the proposed timeframe for preparing an expression of interest (EOI) is too short, particularly for local authorities. The proposed process provides for investment priorities to be published in early July, with EOIs closing in late July. This

provides limited time for councils to identify suitable projects, coordinate across relevant teams and prepare an EOI.

A longer EOI period would be preferable. Alternatively, providing early indications of likely investment priorities, together with EOI templates and guidance ahead of the formal opening of the process, would enable potential applicants to undertake some preparatory work.

The timing of final funding decisions also creates practical difficulties where an IVL proposal requires local authority co-investment. The proposed process provides for funding outcomes to be announced post-Budget and before 1 July. This coincides with the period in which councils are finalising and adopting their Long-term Plans or Annual Plans, which must be adopted by 30 June.

Where Council co-investment is required, councils need sufficient certainty about the availability and level of IVL funding for any Council contribution to be considered through their statutory planning and budgeting processes. MDC recommends that the investment process recognise local government planning cycles and, where local authority co-investment is required, provide funding decisions or sufficient funding certainty early enough to inform those processes.

Recommendations

Manawatū District Council recommends that MBIE:

1. Clarifies what is meant by “retain and enhance the social contract” within Objective 2.
2. Provides further guidance on the eligibility and assessment of mixed-use visitor infrastructure that benefits both visitors and local communities.
3. Clarifies what is meant by a “strategic system shift”, including how local and regional infrastructure proposals will be considered.
4. Prioritises visitor-related infrastructure, including pathways, signage and wayfinding infrastructure, where visitor activity is creating, or is reasonably expected to create, additional demand on local infrastructure and amenities.
5. Ensures the assessment of “appropriate co-investment arrangements” recognises the financial constraints facing local authorities and does not assume that local authority co-investment will necessarily be available.
6. Clarifies how the “system-wide benefits” requirement will apply to otherwise suitable local or regional infrastructure projects whose benefits may be geographically concentrated.
7. Provides greater transparency around alternative investment pathways, particularly the circumstances and criteria for targeted invitations.
8. Explores a two-tier IVL funding model that provides territorial authorities with access to an annual funding allocation for smaller-scale visitor infrastructure needs, alongside a contestable fund for larger or strategically significant investments.

9. Introduces an EOI process that enables applicants to test early-stage proposals before committing significant resources to a full proposal.
10. Provides applicants with sufficient advance information, guidance and time to prepare EOIs, including early indications of likely investment priorities where possible.
11. Aligns the IVL investment process with local government planning and budgeting cycles, including providing sufficient funding certainty to inform those processes where local authority co-investment is required.

MDC again thanks MBIE for the opportunity to provide feedback on the IVL Investment Framework for Tourism.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michael Ford', with a long, sweeping horizontal stroke extending to the right.

Michael Ford

Mayor