



Deputation to the Waiheke Local Board to undertake holistic 'community economic development' planning for Waiheke Island

Kia ora Board members

A. Summary and proposal

1. The Waiheke Local Board Economic Overview 2019 states (p 4):

“What is the Waiheke local economic development overview? This economic development overview of the Waiheke Local Board area looks at:

- *a range of indicators on Waiheke’s economy*
- *the drivers, trends and linkages that influence the local economy*
- *major private and public initiatives that will impact on the economy in Waiheke*
- *opportunities and issues to growing business and jobs in Waiheke”*

2. **Current and planned economic and community development planning for Waiheke does not attend to the above aspects**; it appears to be limited to disconnected planning for: ‘destination management’ planning; a new ‘Transport Design Model’; other *unspecified* [economic development planning by Council ‘for’ Auckland Local Boards scheduled for 2023](#). Auckland Council’s *Economic Development Action Plan 2021-2024* [mentions Waiheke once only, as having destination management planning](#).

3. Limiting economic development planning for Waiheke to a focus primarily on tourism is based on faulty assumptions that: (i) tourism is or should be a major industry on Waiheke; (ii) the Waiheke community wants tourism; (iii) tourism benefits the Waiheke community at large; and (iv) future tourism is viable.

4. In the past five years, the Waiheke business, self-employed, education, NGO and community sectors have not been significantly or strategically engaged in economic development planning for Waiheke.

5. The Waiheke community comprises a [significantly higher proportion of highly educated, experienced and successful business owners and managers than the NZ general population](#), and highly experienced providers of essential services, conservation services, and people working in community development, as well as senior academics in planning and development.

6. The *Waiheke Local Board Plan 2020* ratifies *Essentially Waiheke* as the continuing blueprint for Waiheke development, and identifies the core objective and focus of building Waiheke’s identity and environments as an ‘island sanctuary’, with environmental and community sustainability as its key tenets.

7. The 2021 evaluation of the governance pilot for Waiheke Island [recommended greater powers of governance to the Waiheke Local Board](#).

Accordingly, Project Forever Waiheke wishes to propose that, for Waiheke 2021-2024:

- I. the Local Board and Council employ a specifically ‘community economic development’ model and approach, for holistic community and economic development on Waiheke Island, rather than the currently fragmented and siloed approach to planning for Waiheke**
- II. *In particular*, no decisions should be made by either Auckland Unlimited or the Waiheke Local Board in relation to ‘destination management’ on Waiheke until

comprehensive engagement has taken place with the broad Waiheke business, education and community development sectors, and the resident community.

B. Current economic situation on Waiheke

The data available on economic outcomes for Waiheke in the period 2020-2022, where tourism has been limited on Waiheke due to pandemic factors, are as follows:

- Pre-pandemic, overtourism on Waiheke fed on itself – bringing additional tourism-focused businesses to the island and creating a low-wage economy that contributed little to the island’s wellbeing, and instead created a housing crisis and eroded community values and cohesiveness.
- A [survey undertaken by Project Forever Waiheke and the University of Auckland \(School of Environment\) in late 2020](#), which focused specifically on the economic and other impacts of the pandemic on Waiheke residents, found that the majority of residents (77%) had *not* been significantly adversely affected economically by the pandemic (albeit acknowledging the contribution of the government subsidies); 7% in fact had increased disposable income due to now working largely from home – a [trend that has continued](#).
- Based on [the available data](#), the Waiheke residential community at large has apparently *not* been significantly adversely affected economically by the absence of tourism due to COVID – in fact the opposite has occurred, as previous hospitality workers found better paid jobs, enrolled for further education or retraining, or started up small businesses, and [continue to reject a persistently low-wage sector](#).
- Long-term adverse effects were felt by a relatively few businesses on the island that had chosen to focus their business growth on unlimited tourist numbers. The [‘growth’ model of economics has also been shown now to be non-viable](#), both in terms of environmental damage, but also because it promotes community poverty at the expense of increasing the wealth of a minority.
- Local Board Chair Cath Handley has consistently commented that tourism has never been the main economic base for the island - despite that claim being the common mantra of both Auckland Unlimited and the Waiheke businesses reliant on high-volume tourism.
- The membership of the Waiheke tourism sector group – WITI – is small at only [152 members](#), compared with the roughly 1,300 residents who commute regularly to jobs in Auckland (2019 data, supplied by Chris Lock at ATEED).
- Many people and businesses who were previously engaged in tourism on Waiheke, either full-time or part-time, have learned (as has NZ and the world) that in a future with climate change, [tourism can never become a sustainable industry](#), either economically or environmentally. Both tourism operators and [workers pivoted into more sustainable industries, assisted by government](#) focused on a [‘reset’ through diversification into stable industries](#).

C. Limitations and risks of fragmented and piecemeal economic development planning

- A focus on tourism planning, in the absence of comprehensive economic development planning for Waiheke, raises the following issues:
 - It is based on an assumption that tourism is a priority focus for economic development on Waiheke, when there is no research or economic data to support that assumption.
 - The hospitality and tourism sector is a low-wage economy which has relied, on Waiheke as elsewhere, on exploiting large numbers of migrant workers, which in

turn seriously exacerbated the rental housing crisis on Waiheke. Bringing back large numbers of these workers will cause that problem to recur.

- It is short-termist, and risks repeating previous dysfunctional development patterns that have resulted in the current problems.
- The experience of unmanaged overtourism on Waiheke in the years 2015-2019 in particular, and the ‘recovery’ in the current peak visitor period of summer 2022-2023, as ferries and roads again became congested, has demonstrated an urgent need for tourism management, not promotion.
- There has still been no strategic planning, or action, as yet by Auckland Council that focuses on protecting Waiheke from further damage due to repeat overtourism.
- There is no evidence that the majority of the Waiheke economy was adversely affected by the downturn in tourism; in fact, the available data indicate that the Waiheke economy has remained stable, with negative growth apparently focused in the tourism sector; in contrast, work has grown in construction, self-employment and commuting to jobs in Auckland.
- Even before the pandemic, there was evidence, from ATEED research, that NZers were less interested in jobs in tourism, and careers advisers were encouraging other options, perceiving that “tourism jobs did not pay well, were low-status, anti-social, temporary and with limited career pathways” ([NZ Herald, 2019](#)). [Overseas research](#) supports the conclusion that such a situation will continue post-pandemic.
- Importing tourism workers from overseas has been a [major factor in the housing crisis](#) on Waiheke, as elsewhere in NZ.
- Torrential rain events in late January 2023 have [“hammered” Waiheke tourism](#) (see comment by Ecozip director Gavin Oliver); given that the NZ Met Service considers these kinds of ‘extreme’ events to be a [regular part of future weather patterns](#), they further demonstrate that the NZ economy, including Waiheke, should not rely significantly on tourism services or development.
- *A focus exclusively on tourism planning ignores the vital importance of broad and cohesive economic planning for all sectors of the Waiheke economy and the Waiheke community.*

D. What kind of economic development does the Waiheke community want?

- The 2020 research by Project Forever Waiheke and the University of Auckland found that the most frequent resident view on “how Waiheke’s economy could become more resilient to crises like the COVID-19 pandemic” focused on diversifying Waiheke businesses and employment, including *specifically reducing reliance on tourism* (29% of respondents).
- The pandemic experience demonstrated several relevant factors, all [reported by residents in the PFW 2021 research](#):
 - The reduction in visitor numbers from mid-2020 to mid-2022 demonstrated significant recovery in the marine and bird life on the island, and a major reduction in pollution of various kinds to the sea and waterways around the island, which was noted by several Waiheke and Auckland Council agencies working in those areas.
 - Reduced visitor numbers in the summer of 2020-2021 allowed Waiheke locals to experience a manageable visitor volume that did not disrupt locals’ lives as overtourism had, e.g. through ferry and road congestion, access to potable water supply, access to health and emergency services.
 - [Community cohesiveness increased remarkably through the pandemic experience](#), and was noticed by Waiheke residents, as commented on by many through the various Waiheke community Facebook pages; that cohesiveness was also a function of residents walking more often on the island’s roads, in ways which had reduced

dramatically before then due to road congestion resulting from visitor traffic (cars and tour buses)

- In response to the 2020 PFW survey question, “In what ways has the absence of tourists due to the COVID-19 lockdowns been either negative or positive for Waiheke Island?”, negative impacts (28% of total comments) were related almost solely to reduced income or a fear of reduced income. In contrast, in the majority of comments (72% positive), residents observed the following:
 - Remarkable recovery in many aspects of the island’s social and natural environments;¹ bird and [aquatic life was significantly more visible and vibrant](#);
 - Reduced traffic congestion resulted in more people feeling safe to walk on the roadsides;
 - Locals came to know their neighbours better through increased street and community contact
 - Locals were more able to access the beaches and cafés commonly previously dominated in summer by tourists.
 - [Locals rediscovered the ‘essential’ Waiheke community and natural environments.](#)
 - Waihekeans recognised that the phenomenon of ‘overtourism’ had resulted in residents gradually accommodating ever greater erosion of their right to enjoy their own neighbourhoods and the very aspects of the island for which people had chosen to live here; in essence, the continued absence of tourists gave residents an opportunity to reset their tolerance levels or ‘social licence’ for high-volume tourism.
- Long-term Waiheke tourism *operators* made the following comments in the survey:

[Reduced tourism is] ... positive for the environment, local social cohesion and individual well-being. It is pleasing to not have tourists gawking at the locals, dropping litter, adding to island waste stream, becoming intoxicated and behaving badly. The island needs and welcomes visitors who stay the night and spend locally, but not overseas package day trippers who add nothing to the local economy but add to local costs and overburden the infrastructure.

Wonderfully quiet land, peaceful like the old days! My sales are down because of lack of overseas visitors. However I do not think we should promote more tourism than we had – I prefer less!
- The majority of PFW’s 2021 survey respondents, including those working in the tourism sector, wanted only sustainable and eco-oriented tourism in future on the island. That finding was mirrored in the 2018 [Waiheke Community Survey](#) by Auckland Council’s RIMU unit.

E. Key factors supporting the ‘community economic development’ (CED) approach

1. A CED approach is especially vital where the community has a strong unique community identity, but is not self-governing, as is the case with Waiheke Island; that situation puts such communities at risk of a ‘top-down’ approach to economic development that prioritises the goals and policies of the governing body over the real needs and clear preferences of the local community.
2. Recent trends in local government development internationally and in NZ [strongly recommend ‘subsidiarity’ as a primary principle in development planning](#) (see **Appendix 1**, below).
3. The community views align with the international development research and experience – that is, planning for *sustainable* economic development necessitates a community economic development paradigm.

¹ *Waiheke Identities and Response to the Pandemic: Report on research into pandemic impacts for the Waiheke community.* Research presentation, Waiheke Island, 4 November 2020.

4. Multiple surveys of Waiheke residents and businesses over the past 12 years (since the creation of the Auckland ‘supercity’) have identified as a serious issue the persistent failure of Auckland Council to understand that Waiheke is not another suburb of the city, and that planning for a small semi-rural island community and unique natural environment needs to differ from urban planning for the metropolitan mainland.
5. The Waiheke community comprises a [significantly higher proportion of highly educated, experienced and successful business owners and managers than the NZ general population](#), along with highly experienced providers of essential services, conservation services, and people working in community development, as well as senior academics in planning and development.
6. The *Waiheke Local Board Plan 2020* ratifies *Essentially Waiheke* as the continuing blueprint for Waiheke development, and identifies the core objective and focus of building Waiheke’s identity and environments as an ‘island sanctuary’, with environmental and community sustainability as its key tenets.
7. *Essentially Waiheke* (in its various iterations, most recently ‘Refresh 2016’) has been accepted by both Waihekeans and Auckland Council as the guiding document that describes (i) the core features of the ‘special character’ of Waiheke and (ii) those features as a blueprint for appropriate, sustainable community, environmental and economic development on the island.
8. Recent research – both by Project Forever Waiheke and by Auckland Council (2018, 2021) - has consistently found that Waihekeans do not trust Auckland Council’s decision-making for the island, and that they want the Local Board to have the major decision-making power in relation to infrastructure decisions and planning.
9. The 2016 application by ‘Our Waiheke’ to the Local Government Commission for Waiheke to secede from Auckland Council was [denied primarily on the irrelevant and irrational grounds](#) that to permit that secession would not be in the greater interests of the metropolitan area; that is, Waiheke was viewed entirely as a commodity for the benefit of greater Auckland.

F. What the Waiheke permanent community wants

Here is what Waiheke residents said they wanted for Waiheke development planning, [in the survey of residents undertaken by Project Forever Waiheke in 2021 \(see in detail pp 35-42\)](#):

“Common themes were:

- The need for holistic, long-term, whole-of-community planning for development of the Waiheke economy and community as a whole, rather than ‘destination management’ planning
- Devolution of control over tourism planning and infrastructure management, including transport on and to Waiheke, to the Waiheke Local Board, based on a common perception that all departments of Auckland Council, including Auckland Transport and Auckland Unlimited, lack understanding of the infrastructure or other needs of a small, semi-rural island community
- A need for visitor education about Waiheke as a ‘sanctuary’ - an environmentally fragile environment
- A focus on regenerative eco-tourism, and voluntourism
- Ceasing active promotion of Waiheke as a tourist destination, on the basis that no promotion is needed, given continuing high visitor volumes under pandemic circumstances; or a focus on attracting visitors who genuinely wish to contribute to the island’s unique environments
- Ongoing research, funded by government, to monitor the impacts of tourism, positive and negative, on Waiheke’s social/community and natural environments and wellbeing

- Robust research to provide a strong evidence-base for ongoing tourism planning, in particular around carrying capacity and level of benefit to the community as a whole”

Some important questions for Community Economic Development on Waiheke now are:

- Why has Auckland Unlimited - which is Council’s economic development arm, but which [the Auckland Mayor](#) recently described as a “glorified tourism agency” - focused only on tourism development in relation to Waiheke, when (i) the [Ministry of Tourism is asking for a ‘reset’ on tourism planning that focuses on community/economic development](#), (ii) the available data indicate that the broad Waiheke economy is healthy, despite (or possibly because of) a significant reduction in tourism, and (iii) Waiheke residents have said repeatedly through robust research that they want *less* tourism?
- Why is the only significant economic development work by Council currently for Waiheke focusing on an unstable industry with a fragile future, when it represents a small minority of Waiheke’s income, industry and permanent population?
- What is the Local Board’s current focus and plan currently for both (i) preventing a repeat of the worst excesses of overtourism on Waiheke and (ii) support to build sustainable industries?
- What is Auckland Council doing now to plan for both (i) preventing a repeat of the worst excesses of overtourism on Waiheke and (ii) diversification to build sustainable industries?
- What attention is being given in the current ‘Destination Management Planning’ exercise by Stafford and Auckland Unlimited to the *Waiheke Island Sustainable Community and Tourism Strategy*, which was developed in consultation with the Local Board, ATEED, the Waiheke Island Tourism Forum (now WITI), and island residents through a very broad community consultation in 2019, prior to the pandemic, when some of the worst aspects of emerging overtourism were affecting Waiheke?

Project Forever Waiheke Working Group

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Appendix 1. Structures and roles for enabling local authorities to maximise their contributions to community wellbeing and adapt to meet future challenges. Background paper prepared for the Future for Local Government Panel

Prepared by [Dr Mike Reid](#), Contributing lecturer to the School of Government, Victoria University. Excerpt p 4.

Principles, theories and concepts

A range of principles and theories have arisen to explain the way in which governance has changed and evolved over time and guide future development, based on the strengths and weaknesses of previous experience. Some, like the **principle of subsidiarity, are normative and are specifically designed to enhance personal and community well-being**, while others, like the range of economic theories, are more explanatory. Some of the more influential principles and theories are described briefly below.

Subsidiarity

The principle of subsidiarity holds that governmental functions should be performed by the lowest practicable unit of government. ² As a principle, subsidiarity comes from 19th - and early 20th-century Catholic thought, which sought to find a middle way between radical individualism and a collectivism.

- ‘Personalism insists that the goal of the society is to develop and enrich the individual human person; the state and society exist for the person and not vice versa.
- **Subsidiarity insists that** no organisation should be bigger than necessary and that **nothing should be done by a large and higher social unit that can be done more effectively by a lower and smaller unit.**
- Pluralism contends that a healthy society is characterised by a wide variety of intermediate groups flourishing between the individual and the state (Greeley, 1977, p. 10 quoted in Hucker 2008).’

The principles have since come to characterise social democratic countries with subsidiarity, in particular, explicitly acknowledged in the design of the European Union and the constitutions of many countries, not to mention multi-lateral organisations like the OECD and World Bank.

In practical terms, **subsidiarity recommends that taxing, spending and regulatory functions should be placed with local governments, or in some cases sub-local government, unless there are overwhelming reasons this should not be the case.**