BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL HEARINGS PANEL

UNDER	the Resource Management Act 1991
IN THE MATTER	of the review of parts of the Queenstown Lakes District Council's District Plan under the First Schedule of the Act
AND	
IN THE MATTER	of submissions and further submissions by **REMARKABLES PARK LIMITED AND QUEENSTOWN PARK LIMITED**

STATEMENT OF EVIDENCE OF SIMON STANLEY MILNE ON BEHALF OF REMARKABLES PARK LIMITED AND QUEENSTOWN PARK LIMITED

(TOURISM AND ECONOMIC GEOGRAPHY)

STREAM 13 REZONING HEARINGS

9 June 2017

BROOKFIELDS
LAWYERS
J D Young / M Broekman
Telephone No. 09 379 9350
Fax No. 09 379 3224
P O Box 240
DX CP24134
AUCKLAND

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1. QUALIFICATIONS AND EXPERIENCE

1.1 My name is Simon Stanley Milne. I am a Professor of Tourism in the School of Hospitality and Tourism, Auckland University of Technology where I am also Associate Head of School for Research and Development. I have been Director of the New Zealand Tourism Research Institute (www.nztri.org) since its establishment in 1999. NZTRI is a not-for-profit research institute that focuses on more effectively linking tourism to sustainable regional and community development. The Institute has more than 50 international members and associates and currently supports a number of PhD students and international graduate interns. I also direct a small tourism consultancy business: Tourismworx Ltd.

1.2 I hold a BA (1983) and MA (Hons) (1985) from the University of Auckland, New Zealand. I completed a PhD (1989) in Economic Geography at Cambridge University, UK.

1.3 I have published over 160 refereed academic journal papers, book chapters and major international consultancy reports on the relationship between tourism and local economic development. Many of these publications focus specifically on the economic impacts associated with proposed and/or existing tourism product developments.

1.4 As primary supervisor I have supervised over 25 PhD students to the completion of their doctoral degrees and currently supervise four PhD students. Several of my doctoral students (both past and present) work in the areas of tourism and regional economic development, tourism planning and strategy and industry impact analysis.

1.5 My main research experience lies in the assessment of the local and regional economic impacts associated with tourism; the development of evidence based decision support systems for localities and nations; small and medium enterprise performance; industry sector analysis; tourism labour market analysis, and the formulation of tourism-related strategy.

1.6 During the period 1999-2006 I directed a range of research, with funding from the Ski Areas Association of New Zealand, to understand the local, regional and national economic impacts associated with New Zealand's snow sports areas. This

work produced a number of reports at national and regional scales with the final being the NZTE and SAANZ funded report "The Economic Significance of the Southern Lakes Ski Areas – 2005 Winter Season"[1]. This report remains the most recent primary research conducted on the economic impact of the region's ski industry. A copy of this report is **attached** as **Attachment 'C'** to this evidence.

1.7 As Director of NZTRI I am constantly engaged in research designed to understand current trends in the New Zealand tourism industry, including the emergence of new tourism markets and the evolution of visitor tastes and demand.

1.8 In addition to my work in New Zealand I have conducted research on tourism and its related impacts in a range of international settings, including Canada, the Caribbean (Grenada, Tobago and Cuba), the South Pacific (Cook Islands, Tonga, Papua New Guinea, Vanuatu, Kiribati, Niue, Tuvalu, Federated States of Micronesia, Marshall Islands, Samoa), Mexico, Chile, Kenya, Reunion Island, Sri Lanka, the Philippines, Russia, and Vietnam.

1.9 I have worked as a consultant for a range of New Zealand and international organisations. The former include the Department of Labour, MAF, Trade and Enterprise New Zealand, FRST, and MBIE. The latter include UNDP, UNEP, UNIDO, UNESCAP, the World Bank (IFC), the Asian Development Bank, the World Tourism Organisation, the European Union, Luxembourg Development, the Canadian International Development Agency, the Chilean Regional Development Agency (CORFO), the US Department of Interior (Office of Insular Affairs) and the Organisation of American States. I have also provided research based consultancy services for a number of New Zealand and international private sector enterprises.

2. CODE OF CONDUCT

2.1 I have read and am familiar with the Code of Conduct for Expert Witnesses in the current Environment Court Practice Note (2014), have complied with it, and will follow the Code when presenting evidence to the Council. I also confirm that the matters addressed in this statement of evidence are within my area of expertise, except when relying on the opinion or evidence of other witnesses. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

[1] NZTRI 2005.

3. SUMMARY

3.1 My main conclusions are as follows:

(a) Global evidence points to gondolas being relatively effective ways to generate direct and indirect economic benefits for communities and tourism destinations. While there are inevitable costs, these can be largely mitigated with effective planning and management.

(b) The features of the proposed Queenstown Park gondola suggest it will deliver the positive economic benefits associated with many international examples: it is located proximate to a major tourist hub, and it creates a link to an iconic winter attraction that faces transport capacity challenges. The gondola will open up opportunities to expand existing non-winter season visitor experiences and introduce new product dimensions to Queenstown, including the gondola itself, which will be an attraction in its own right.

(c) The gondola is well placed to meet critical shifts in demand for New Zealand from international tourism source markets and from the domestic market. The proposed offering will open up new experiences to a growing segment of the market who are seeking 'soft-adventure' opportunities and are seeking to travel in an environmentally responsible fashion. The proposed gondola also represents a relatively sustainable and safe way for visitors to travel an area currently serviced by a challenging road – something that will become even more important as visitor number grow.

4. INTRODUCTION

4.1 In this evidence I will present information on the economic impacts associated with the proposed gondola development designed to link the Remarkables Park development with the existing Remarkables ski area. The development also includes the proposed establishment of a "Remarkables Park Station" at a mid-point on the gondola ride.

4.2 The first section of my evidence provides a review of the international literature on gondolas and their associated impacts. The focus is on broader trends and some examples are presented that highlight key themes of general relevance to Queenstown Park Limited's gondola proposal (the Queenstown Park gondola).

4.3 The second section of my evidence focuses on the likely demand for the proposed gondola experience and related activities. The focus is on broad based shifts in visitor markets and demand and the continued high performance of the Queenstown area as an attractor of both international and domestic visitors.

4.4 The final section of my evidence focuses on the likely economic impacts associated with the gondola development – focusing specifically on 'snow sports' visitors. The focus here is on the direct economic impacts that the gondola will bring in terms of increasing Queenstown snow sport visitor spend. This work supplements and supports the broader and more comprehensive economic impact analysis provided in the Brief of Evidence from John Ballingall.

5. GONDOLA IMPACTS – LITERATURE REVIEW

5.1 While it is difficult to locate and access global data specifically related to gondolas, the International Organisation for Transportation by Rope (**OITAF**) estimates that there are approximately 30,000 cableway installations worldwide[2]. The European Alps account for the highest proportion of new lifts by volume. Eastern Europe and central Asia have become growing markets for cableway installations in recent years[3].

5.2 The global data highlights the continued demand for cableway/gondola type installations as regions and destinations continue to seek to broaden visitor experiences while also focusing on more sustainable forms of transportation, especially in areas where vehicular access is constrained.

5.3 A detailed review of the literature on gondola-related impacts highlights both positive and negative features (shown in **Table 1** below). Much of the literature is derived from expert reports on proposed or completed gondola projects although there is also a small but growing body of peer reviewed research emerging in the area as well.

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2 http://www.oitaf.org/index_e.htm.

3 http://ec.europa.eu/enterprise/sectors/mechanical/files/cableways/rev-iastudy_en.pdf, see also www.lift-world.info.

5.4 Gondolas bring important employment opportunities during construction and operation phases[4]. Furthermore, gondolas bring the potential for redevelopment around stations, specifically for tourism-related and service businesses[5]. If there are stations between the first and last stop, gondolas also have the potential to help develop areas around these stations as has happened in the BreckConnect case in the area of Breckinridge[6].

5.5 In some places (e.g. Rotorua and Hong Kong) people may stay longer because there is a gondola in situ, and in certain cases they may be attracted or strongly influenced to come by the gondola's presence[7]. This creates a need for additional accommodation and food and generates a range of other spend[8]. The Ngong Ping 360 Cable car in Hong Kong is ranked as one of the top ten tourist attractions in Hong Kong. The cable car takes visitors to a giant Buddha complex and a small fishing village; sites that otherwise would have depended on large numbers of buses over small and tightly winding roads. Passenger numbers have grown steadily since initial operations began in 2006 - reaching a peak in 2014 of over 1.83 million. A decline in visitor numbers to Hong Kong in 2015 saw a fall in annual patronage to 1.62 million with an average daily visitor flow of about 5,100, although at weekends and public holidays this can rise to 8,000 or 13,000 during major holidays. About 29 per cent of visitors in 2015 were from mainland China and Macau, 21 per cent were Hong Kong residents and 50 per cent from Western and other countries[9].

5.6 Gondolas "can be less costly to build than alternative modes of transport, are less costly to run and maintain and thus offer better financial returns"[10].

5.7 People generally prefer to get to natural areas by cable lifts than by car or bus, most likely because they are capable of "eliminating the inconveniences of road transport"[11]. Gondolas can also enhance the tourist experience, with the mode of transport itself becoming a tourist attraction, in large part because of the scenic views that are on offer[12].

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4 Orsi and Genneletti 2014.
5 'Burnaby Mountain Gondola Transit', 2011.
6 'System dossier: BreckConnect', 2015.
7 Butcher, Fairweather & Simmons, 2000; www.hongkongextras.com/ngong_ping_360.html.
8 Butcher, Fairweather & Simmons, 2000.
9 www.hongkongextras.com/ngong_ping_360.html.
10 Zhang, Xu, Su & Ryan, 2009, p.552.
11 Orsi & Geneletti, 2014, p.29; see also Zhang, Xu, Su & Ryan, 2009.
12 Zhang, Xu, Su & Ryan, 2009.

Table 1: The Positive and Negative Impacts of Gondolas – Literature Review

Positive Impacts	Negative Impacts
Linkage/development of/to other centres/poles	Reduction in traffic flows affects local economies and some local businesses (e.g. transport providers)
Service related facilities at gondola stations	Increased issues of crowding and commercialisation, possible impact on privacy
Employment during construction	Adverse impact on wilderness and backcountry recreational values, negative aesthetic impacts
Employment during operation	More affected by wind and electrical storms than roads
Visitors may stay longer and spend more	Construction brings negative environmental impacts including noise, traffic and soil erosion, plus loss of forest and other habitats at tower sites
Reduction in travel time to destinations – general economic efficiency benefits	
Enhanced visitor experience	
Broadens all-season appeal	
Provides soft-adventure experience	
Less affected by snow and on ground conditions than roads	
Reduce traffic congestion and associated car parking 'footprints'	
Reduction in GHG and CAC emissions	
Relatively safe transportation system	

5.8 Gondolas can significantly reduce travel time and road traffic[13]. They can also operate in snow conditions when roads may be inaccessible[14].

5.9 Gondolas can transport large numbers of people in a relatively efficient fashion[15]. Through the possible reduction of bus and car use, gondolas have the potential to reduce Green House Gas (**GHG**) and Criteria Air Contaminant (**CAC**) emissions.

[13] www.hongkongextras.com/ngong_ping_360.html.
[14] Burnaby Mountain Gondola Transit, 2011; Nikšić & Gašparović 2010.
[15] Nikšić & Gašparović 2010; www.hongkongextras.com/ngong_ping_360.html.

Gondolas can also reduce noise pollution compared to other transport modes as any significant noise from the gondola tends to be isolated and concentrated at gondola stations rather than spread along the whole journey[16].

5.10 Data from Switzerland [17] shows that during 2008 and 2009 funiculars and gondolas/aerial tram transport modes consistently experienced the fewest number of accidents, injuries and deaths per 1,000 passengers when compared to other transport modes. This form of transport remains one of the safest among all alternatives and is certainly safer than road based transport[18].

5.11 It is important to acknowledge the negative impacts of gondola development as these must be factored in to any full and accurate analysis of economic impacts. There is evidence in some settings that gondolas may result in a loss of tourist traffic travelling past towns and businesses along the routes that lead to the destination point(s). There is also obviously the potential for gondolas to take business away from existing businesses and operators with the result that visitor spend is redistributed in the local economy[19].

5.12 The ease of bringing people up mountains can lead to over-commercialisation and crowding in areas near the gondola and can result in a loss of natural beauty and wilderness. It can even be said that, in some cases, gondolas "rob" people of the pleasure of climbing to their destination, and it changes the way in which people appreciate nature[20]. Gondolas can have an adverse effect on wilderness and back country recreational values, as well as the use of trail walks[21]. In addition, gondolas are likely to be affected more than roads by extremely high winds and electrical storms[22].

5.13 Gondola construction and maintenance will lead to some ground disturbance and tree removal, especially around tower sites and stations[23]. During construction, the environmental impacts can be quite severe: noise from construction traffic, soil erosion, and the tainting of underground water are the most commonly cited areas

16 Burnaby Mountain Gondola Transit, 201.
17 gondolaproject.com/2010/01/01/passenger-safet.
18 gondolaproject.com/2011/10/19/are-gondolas-and-cable-cars-saf.
19 'Assessment of Access Options', 2012.
20 Zhang, Xu, Su & Ryan, 200.
21 'Assessment of Access Options', 2012.
22 Reconnecting America, nd.
23 Zhang, Xu, Su & Ryan, 2009.

of concern[24]. There is also the possible loss or fragmentation of forest and non-forest habitat to consider[25]. Also, if many people start using gondolas this may increase crowding in high-elevation areas, which may impact the environment in these sensitive areas[26].

5.14 Despite these potential negative impacts it is clear from the international literature that by complying with environmental protection measures such costs can be reduced to a minimum and that the gondola can be seen as a relatively environmentally friendly transport option[27].

5.15 There are several examples of relevance to the Queenstown Park Limited proposal that reveal the generally positive impacts associated with gondola development in terms of local economic benefits. In each case presented below, local economic development has been generated through effective design, planning and management. The careful integration of environmental and community dimensions into planning and project implementation has been central to the successful outcomes achieved.

Examples of gondola development worldwide

5.16 The Sea to Sky Gondola is a 1.9km MDG system, situated in Squamish, British Columbia, and is located immediately off the famous Sea to Sky Highway — a major freeway travelled by over 9.5 million cars each year. The town has a small population (17,000) and is a mid-point between the bustling urban centre of Vancouver and the world-renowned ski-resort of Whistler. The Sky to Sea Gondola takes passengers 885m above sea level to the summit lodge (total vertical rise of 850m). Upon arrival, visitors are presented with a range of outdoor and sightseeing experiences. Access to eight sign-posted trails of varying difficulty are immediately available. For those who prefer a gentler form of outdoor recreation, the summit station is located next to a lodge and a suspension bridge is designed to meet the needs of all visitor types. The system has surpassed initial passenger projections and helped the town reach the New York Times top 52 places to visit list in 2015. The Sea to Sky Gondola has contributed significantly to the local economy by generating 60 full time jobs, creating linkages to local suppliers and services and

24 'Assessment of Access Options', 2012.
25 Assessment of Access Options, 2012.
26 Orsi & Geneletti, 2014.
27 Nikšić & Gašparović, 2010; Squamish Reporter 2012.

providing 60-80 person years of construction employment totalling approximately $3.63 million in direct economic spending impact for Squamish in the first 24 months of construction and operation. Estimated additional ongoing impacts are over $3 million per year. Negative impacts have been reduced through a full evaluation of the ecological sensitivity of the site and the minimization of unnecessary tree cuts[28].

5.17 The BreckConnect is a 2.3km (1.4mi) cable car, which links the town of Breckenridge to the Breckenridge Ski Resort. The opening of this system in 2006 meant that bus traffic between the two main activity nodes was significantly reduced. This was particularly important since the alpine resort is one of the most popular in America with over 1.5 million annual skier visits. In the past, visitors had to board crowded and untimely buses but now many passengers simply use the gondola. The system effectively functions as the backbone of the town's transit network with many connections to the bus system. The gondola was also able to connect to new areas of development at two mid-stations — Shock Hill and Peak 7. The town and the resort continue to work together to stimulate more development, with the Gondola an important part of these links[29].

5.18 Whistler Mountain, one of the biggest ski regions in North America and the venue for the Alpine competitions of the 2010 Winter Olympics, celebrated the opening of its PEAK 2 PEAK Gondola and the world's longest 3S lift in late 2008. Sightseeing on the PEAK 2 PEAK Gondola has become a popular attraction in its own right in Whistler. A PEAK 2 PEAK Alpine Experience ticket allows the visitor to visit Whistler and Blackcomb Mountains in one day, while also receiving a bird's eye view of the forest and spectacular mountains, valleys and glaciers. Once on the mountain top there are other things to do including a PEAK 2 PEAK Viewing Gallery and the Samsung Alpine Theatre, casual and full service on-mountain dining and in summer, mountain-top BBQs and alpine hiking trails. This represents a prime example of the ability of Gondolas to generate year round 'four season' economic opportunities and enhanced visitor experiences[30].

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28 gondolaproject.com/2015/01/27/touring-the-sea-to-sky-gondola; www.seatoskygondola.com/blog/new-model-adventure-tourism-bc

29 'System Dossier: BreckConnect' gondolaproject.com/2015/06/29.

30 www.doppelmayr.com/en/products/references/28-tgd-peak-2-peak; www.whistler.com/activities/peak-to-peak.

6. VISITOR DEMAND FOR ALL SEASON EXPERIENCES

6.1 The proposed Gondola development is well positioned to benefit from predicted increases in the number of visitors travelling to New Zealand and Queenstown in the coming years, and the even greater increases projected for per person visitor spend[31].

6.2 Nationally, tourism numbers have grown in recent years and are projected to continue to grow in the future[32]. **Figures 1** and **2** reveal consistent annual increases in visitor numbers across all seasons. This has been accompanied by a recent upsurge in visitor spend after a period of some stagnation. The focus on enhancing visitor spend is reflected in the fact that the Tourism 2025 framework has as its goal a $41 billion industry by 2025 with international spend expected to account for 15bn by 2023[33]. The focus on increasing yield from both new and existing markets requires improved levels of service, new products and experiences. The proposed Queenstown Park gondola experience will fit well with the deeper experiential dimensions needed to build visitor spend from existing and new markets. For example, while adding value to the ski field visitor by cutting travel times and removing potential obstacles and dangers related to road transport, the proposed gondola will also deepen the range of all-season travel experiences for non-snow sport visitors to Queenstown.

6.3 Within Queenstown, tourism growth has been significant both in terms of total numbers and guest nights (**Figures 3** and **4**). International visitor numbers have surpassed one million. There were 3.5 million guest nights in the year to March 2017 - up over 5% on the previous year and well up on the 3.1 million registered in 2015. The trends in guest nights have been consistently positive over the past 5 years (**Figure 4**).

6.4 In the year ended March 2015 total visitor expenditure for the region reached a new record of $1.69B (MBIE RTO). Queenstown ranks second only to Auckland in international visitor spend, Queenstown recorded an increase from $1.011B in 2014 to $1.180B in 2015. Projections point to increased levels of visitor spend both nationally and within the Queenstown region[34].

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31 NZTIA 2015.
32 NZTIA 2015.
33 NZTIA 2015; MBIE 2017.
34 NZTIA 2015; Statistics NZ 2015; www.queenstownnz.co.nz 2014; MED 2010.

6.5 International visitor arrivals at Queenstown airport have continued to increase significantly – a reflection of increased connectivity to key overseas markets (**Figure 5**). Growth rates have outstripped other key airports and there has been significant growth in visitors from China, albeit from a low initial base, reflecting the general growth in this market and current government policy initiatives[35]. Domestic visitation also remains strong.

6.6 It is not easy to access reliable published snow sport data. The most recent public data available online is from 2008[36]. In that year, SAANZ estimated 1.4 million skier visits took place on the slopes, with 38% of those being international. This number represented a 40% increase from 2000 when numbers were just over 1 million. Since 2008, snow sports related visits have remained relatively static (**Figure 6**). The ski industry in New Zealand, which is made up of 23 ski areas in all, continues to see around 1.4 million guest visits in any one year. This annual figure is largely dependent on snow conditions, with a good season bringing up to 1.6 million visits. NZSki's three ski areas Coronet Peak, The Remarkables and Mt Hutt account for over one third of the total ski area visits and around 40 per cent of its revenue[37]. Unpublished 2015 data from SAANZ shows over 1.5 million ski area visits were recorded nationally in 2015, an increase from previous years but lower than the highest numbers in 2009.

6.7 The relative stagnation in snow sport visitor numbers reflects a range of trends. In some cases, the ski areas are close to reaching physical capacity in terms of transportation and parking facilities and also on mountain offerings. The stagnation in ski related visits also reflects other trends including the fact that the global financial crisis saw a general slowdown in tourism internationally, and the rise in the New Zealand dollar had some impact on arrival figures. More significantly, the emerging international growth markets for New Zealand tourism are not known as traditional ski markets, although China and other Asian nations do offer strong potential for future growth. The ski industry must also adjust to the aging of many of its traditional markets (e.g. Japan). The evolving profile of the New Zealand domestic visitor is also driving a change in demand for active snow sports. Since the late 1990s the snow sports sector has been viewing with some anxiety the gradually aging domestic population and is well aware that growth through

35 NZTIA 2015.
36 New Zealand Snowsports Council NZ Ski and Snowboard Statistics.
37 Statistics New Zealand 2015.

immigration is largely driven by nationalities that generally have a limited background and interest in snow sports[38].

6.8 The picture painted above of somewhat stagnant visits to undertake snow sports activities necessitates a range of important responses from the sector. It is vital to maintain and manage ski field plant and to develop product that is world class in its offerings, while also remaining cost competitive and environmentally sustainable. It is also critical that developments be seen as "all season" rather than just winter focused, and that the products presented cater to the growing number of domestic and international visitors who are looking for year round alpine experiences without necessarily indulging directly in snow sports activities. While demand continues to exist for alpine experiences in both summer and winter, it is likely that for many future visitors the experiences sought may be less adventurous in nature – focusing on 'soft adventure' activities such as walking and sightseeing from a gondola. In summary, it is vital that snow sports areas provide a high quality and globally competitive offering that can cater to a range of ethnic and age groupings on an all-season basis.

6.9 There are other factors that are driving the need to develop alpine experiences beyond snow sports. A range of recent studies and reports highlight the potential impact of global climate change on seasonal snow conditions and available ski days[39]. A likely shortening in available ski days[40] will place greater emphasis on alternate activities that can engage visitors throughout the year. It will also be critical to better maximise the ski days that are available by ensuring that visitors can get to the mountain during snow sports "windows of opportunity" as effectively, efficiently and safely as possible. Seen in this light, the proposed Queenstown Park gondola itself becomes an important new attraction in its own right that can stimulate a range of activities along its route.

6.10 Changing visitor tastes are likely to be effectively met by the proposed Queenstown Park gondola. The desired type of holiday experience is shifting, with many industry experts identifying an evolution from rest, relaxation and entertainment to personal development and deeper involvement in 'immersive' activities and events[41]. Tourists are seeking and demanding destination experiences which add value to life

38 NZTRI 2000.
39 New Zealand Ministry of Environment 2015 pg 41; Statistics NZ 2015b.
40 Hendrix 2010.
41 World Tourism Organisation 1990.

in a physical, spiritual, or educational way. Themed excursions, customised exploration, adventure and self-improvement, opportunities to learn about history, heritage, nature, produce and local cuisine are all central to meeting the shifting tourist demand[42]. The proposed gondola is well matched to these demand trends and is also well positioned to link to other products and activities that cater to this form of demand. A gondola experience immerses people in a unique and thrilling environment, while also providing a very safe experience. The unique perspective provided on local landscapes cannot be presented in any other practical way and opens up opportunities for a range of related visitor experiences at the termination point and also station stops along the journey.

6.11 The focus on higher yield markets and the growing emphasis on China FIT travellers [43] also fits well with the proposed gondola, and in particular the development of a Queenstown Park Station experience at a stop-off point on the journey to the final Remarkables ski field destination. There is considerable interest among travellers in soft environmental and adventure experiences [44] and the proposed mix of walks, agri-tourism, mountain biking and cultural/nature experiences fits well with this market profile. Given that the Chinese market is familiar with gondola based experiences in their homeland and also in traditional nearby markets such as Hong Kong[45], the opportunity to try a gondola in a New Zealand alpine setting is highly likely to be appealing to this key growth market.

6.12 The link between the proposed Queenstown Park gondola and the proposed convention centre which is to be located in the Remarkables Park development is also worthy of note. The completion of a National Convention Centre in Auckland will create considerable 'satellite' conference/meetings opportunities for Queenstown in addition to the MICE (Meetings, Incentives, Conventions and Events) activities it will attract directly. Convention visitors tend to be high spenders and are often looking for shorter, immersive experiences that they can factor into meeting schedules and their free time[46]. In simple terms, the gondola/convention centre fit is a very strong one that will certainly add value to the MICE offerings already presented by the destination.

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42 Timothy 2011; Prideaux and Timothy 2008; Di Giovine 2009.
43 See TIANZ Tourism 2025.
44 WTO 1990; NZTIA 2015.
45 Zhang et al 2009; www.hongkongextras.com/ngong_ping_360.html.
46 NZTIA 2015.

6.13 The gondola has been shown to be an environmentally efficient way to transport visitors, reducing the use of buses and other vehicular transport and limiting noise footprints related to transportation[47]. This dimension of the product and experience should appeal directly to travellers who are increasingly interested in the environmental sustainability of the experiences they consume while travelling. In this respect, providing for low impact visitor uses is a good strategic move that will tap in well to projected New Zealand visitor demand and related national marketing and product development activities[48]. For over fifteen years New Zealand has been promoted internationally as a '100% Pure' destination and this focus on the clean and green offerings of the country will continue to be a significant part of future national marketing and product development strategies[49].

7. ESTIMATED IMPACTS

7.1 Analysis of the local impacts associated with the development of a gondola is normally focused on the following areas: local employment and income generation during the construction and operating phases; the impact on visitor behaviour and spend; and the creation of broader economic spin-offs and opportunities[50]. The focus of this evidence is placed on some broad based estimates of the impacts of associated increases in snow sports related visitor flows.

7.2 The most recent analysis of the economic impact of snow sport visitors to Queenstown was conducted 10 years ago by NZTRI (2005). This report revealed that the average direct economic impact per visitor was approximately $170 per day - with international spend of $196 and domestic $117. Clearly these figures are now dated and conservatively we estimate that snow sport visitor spend has increased by approximately 25% during this period to around $215 per day (this represents an average of all snow sport visitor types). With an average length of stay of approximately 2.7 days this equates to $580 per visit in local economic spend.

7.3 There will, of course, be other visitors throughout the year who are also strongly influenced in their decision to visit Queenstown by the gondola's presence, their spend may be lower than the average snow sport visitor but it will still have a significant impact on the local economy.

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47 Nikšić & Gašparović 2010; Burnaby Mountain Gondola Transit, 2011.
48 NZTIA 2025.
49 NZTIA 2015.
50 Brown and Copeland, 2006; Copeland ND.

7.4 The number of visitors whose decision to come to Queenstown is heavily influenced by the gondola will, of course, be relatively small compared to those visitors that would come to Queenstown anyway (for a wide range of reasons including leisure, business etc.), but who decide to add the gondola as part of their overall destination experience. This will be the largest segment of users. In some cases, these visitors will be snow sports enthusiasts who may find that the gondola eases access to the slopes to such an extent that they are able to fit in more skiing or perhaps spend an extra day in the destination. Non-snow sport visitors are likely to add the gondola to their existing experiences – with the nature of this experience meaning that it may well lead to visitors potentially spending an extra day (or at least extra time) in the local area. For every extra 10,000 days of snow sports related visitation generated by the gondola, we would expect an injection of approximately $2.15 million into the local economy (based on adjusted 2005 NZTRI data as outlined above). By applying the multiplier of 1.3 used in previous studies in the region this figure grows to 2.8 million. On this basis, even an extra half day of local stay generated by the gondola would be expected to generate $1.4 million for every 10,000 snow sports visitors. These estimates do not factor in the per person spend on the gondola itself – which is estimated at $30 per return trip for those holding a snow sports pass. If this is included, then the figure rises to $1.7m for every 10,000 snow sports visitors who spend an extra half day in the destination because of the gondola.

7.5 As the gondola creates opportunities for 'spin-off' visitor experiences, such as the High Country Station and new four season experiences at the Remarkables ski field termination point, so we will see increased spend related to these activities. Global evidence from other gondola operations points to the economic impacts of such spin-offs as being significant – in terms of employment, income generation and local supply linkages (see examples presented in above).

7.6 For some visitors it is likely that spend on the gondola will simply represent a reallocation of their budget from one local experience to another. In this case there is no net economic gain to the local economy from the gondola. I estimate that the percentage of visitors that fall into this category will be relatively small as there are no directly complementary products on offer (the other existing gondola has a very different focus and location and can be argued to be complimentary to the proposed Queenstown Park offering with the latter providing a much shorter journey and very different visual experiences). The evolving New Zealand visitor profile and the nation's strategic focus on attracting high-yield visitors certainly points to an ability

for visitors to be able to add new, high quality, soft adventure experiences to their budgets.

7.7 The economic impacts associated with this project go beyond jobs and income. The proposed gondola represents an environmentally efficient form of transportation that is also extremely safe. The likely reduction in traffic and parking congestion and traffic accidents has broader economic and society-wide benefits. For example, the Remarkables Road already has a poor reputation globally as a dangerous route and for many visitors, especially sightseers, this will significantly curtail their willingness to visit[51]. The gondola and spin-off activities will also help to redirect some visitor activity from high visitor/local concentrations in specific areas of Queenstown. The gondola also offers the opportunity to spread visit impacts into shoulder seasons and to create a four season resort approach to economic development, one that may well prove to be an effective economic strategy as the impacts of global climate change are felt more acutely in the future.

8. CONCLUSIONS

8.1 The evidence presented here points to the proposed gondola delivering important benefits for Queenstown. It is clear that the proposed gondola will generate significant economic benefits for the Queenstown area. In addition to the estimated economic impacts associated with extra snow sport related visitation and related length of stay, there are a number of other important benefits that stem from the development including: a more diversified tourism product base that fits well with evolving demand, a stronger 'all season' experience that enhances shoulder period opportunities, and a more sustainable and safer visitor transportation experience.

Simon Stanley Milne
9 June 2017

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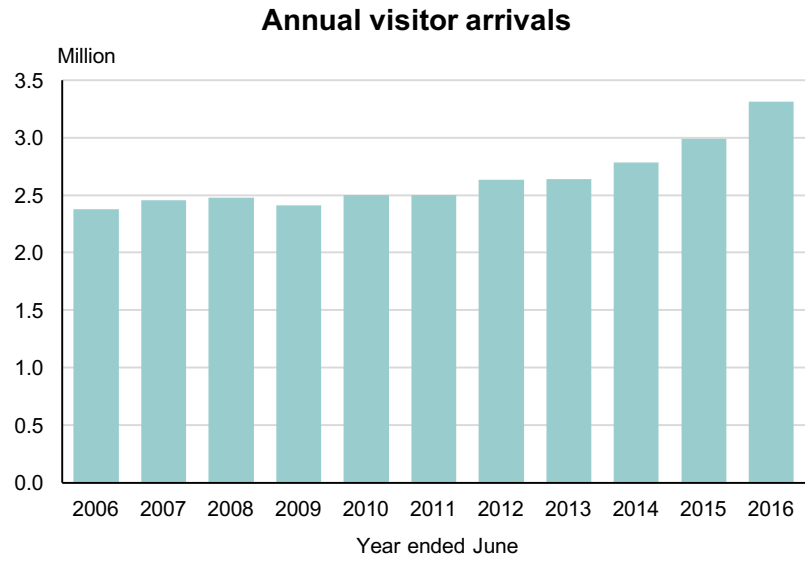
ATTACHMENT B
FIGURES

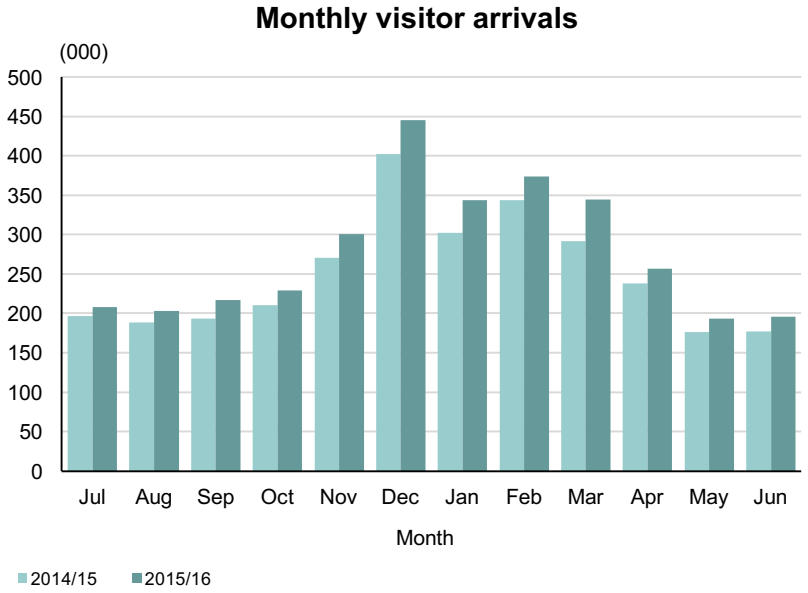
Figure 1 Monthly international visitor arrivals to New Zealand in 2006-2016.



Source: Statistics New Zealand

Source: Statistics New Zealand. International Visitor Arrivals to New Zealand: September 2015.

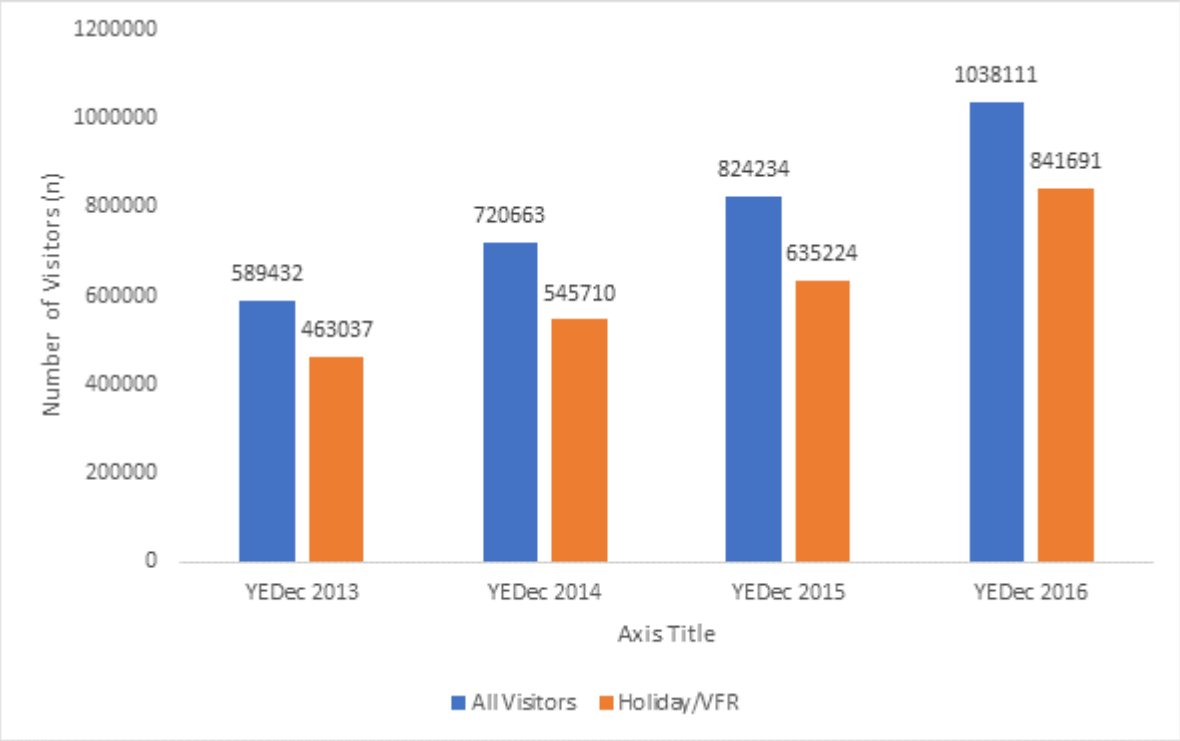
Figure 2 Monthly international arrivals to New Zealand. Change 2014/15 to 2015/16.



Source: Statistics New Zealand

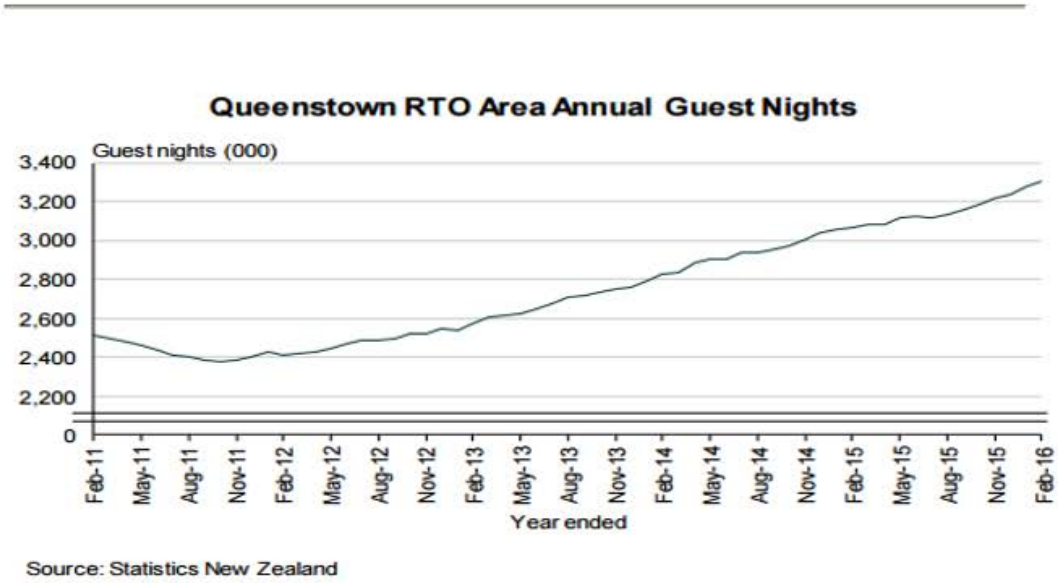
Source: Statistics New Zealand. International Visitor Arrivals to New Zealand: September 2015.

Figure 3 International visitors to Queenstown.

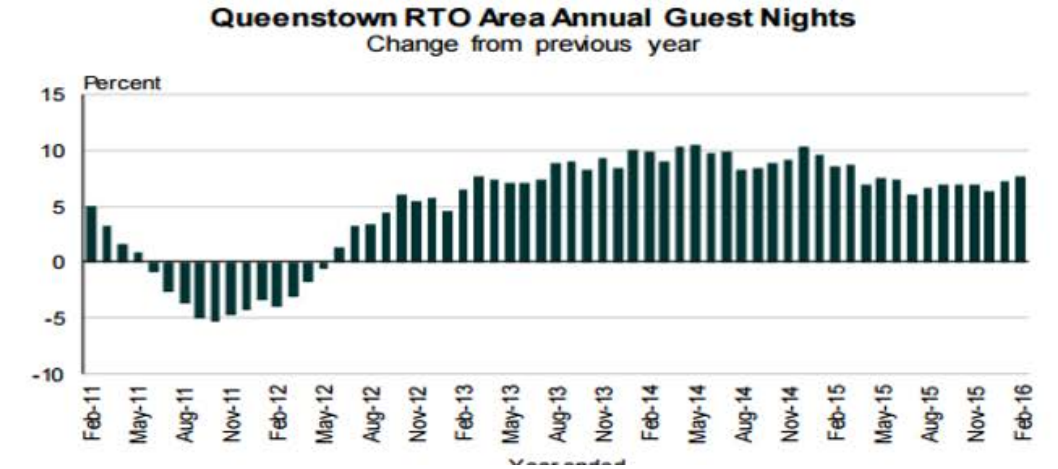


Source: Statistics New Zealand International Visitor Survey. Place Visited (RTO).
http://nzdotstat.stats.govt.nz/wbos/Index.aspx?DataSetCode=TABLECODE7573#

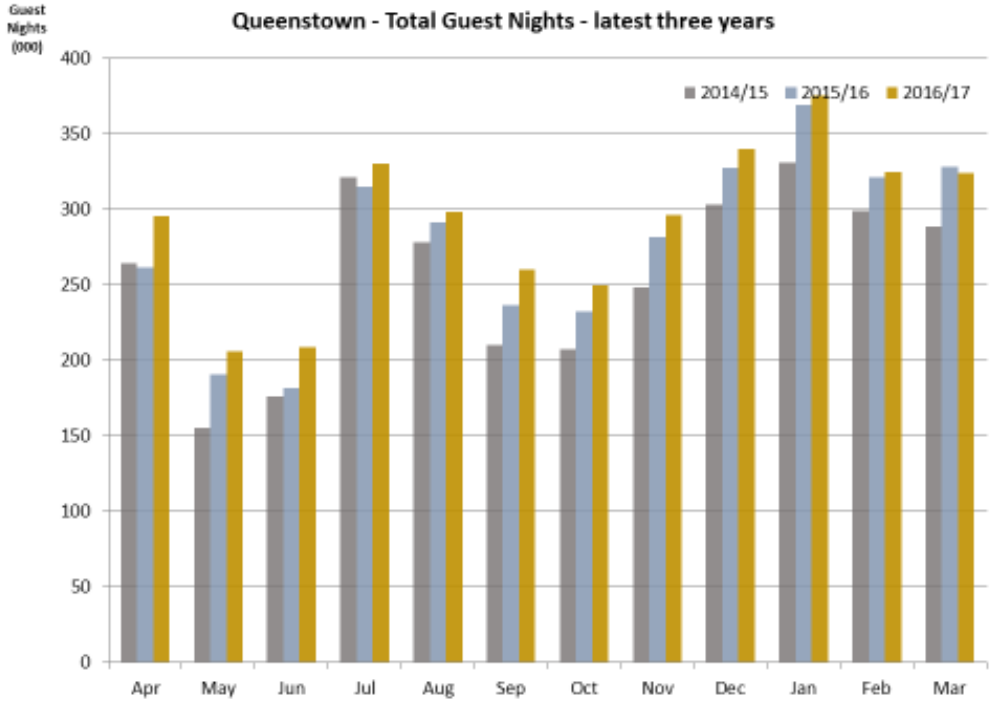
Figure 4: Trends in Queenstown RTO Guest Nights 2011 - 2017



Source: Statistics New Zealand



Source: Statistics New Zealand 2016 Commercial Accommodation Monitor: February 2016 Queenstown, Statistics NZ, Wellington pg 3.



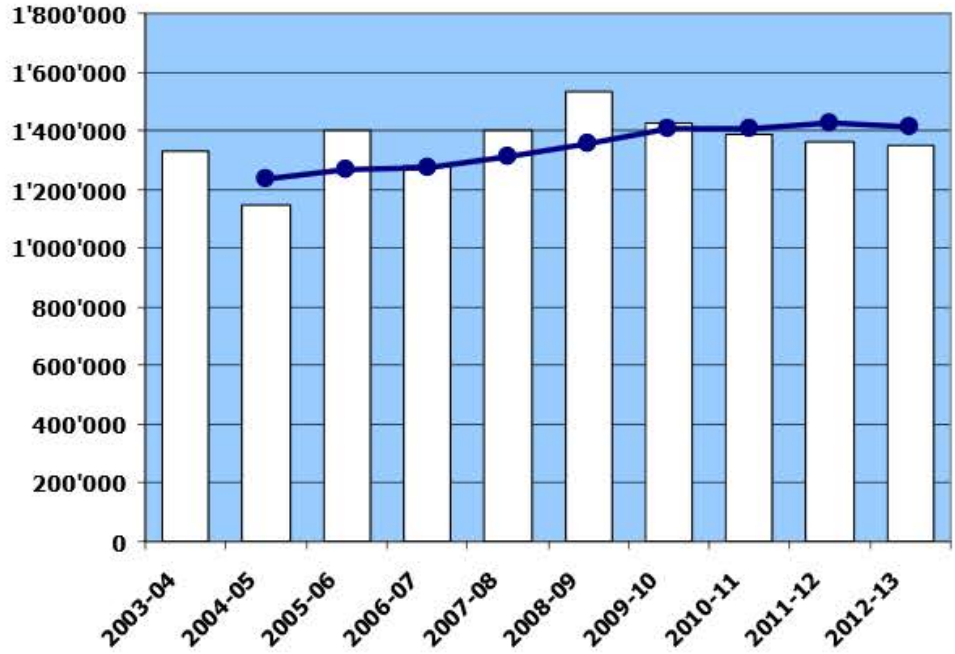
Source: MBIE Accommodation Survey 2017

Figure 5 NZ Airport International Arrivals June 2012-2016

Location	2012	2013	2014	2015	2016	2015/16 Increase	2015/16 % increase
All Visitors							
Auckland airport	1,870,224	1,878,128	1,981,104	2,121,056	2,350,304	229,248	10.8
Christchurch airport	417,456	395,408	410,464	438,080	477,520	39,440	9
Queenstown airport	95,088	115,264	146,192	182,656	221,280	38,624	21.1
Wellington airport	183,744	180,080	184,992	194,864	217,216	22,352	11.5
PR China							
Auckland airport	161,568	206,448	218,560	282,544	348,064	65,520	23.2
Christchurch airport	10,144	11,856	17,488	24,144	38,192	14,048	58.2
Queenstown airport	1,088	2,336	2,640	4,848	8,448	3,600	74.3
Wellington airport	1,472	1,488	1,264	1,424	1,760	336	23.6

Source: Statistics NZ, International Visitor Arrivals to NZ 2016

Figure 6 Skier visits to New Zealand



Source: 2014 International Report on Snow & Mountain Tourism Overview of the key industry figures for ski resorts

ATTACHMENT C

NZTRI 2005 REPORT: THE ECONOMIC SIGNIFICANCE OF THE SOUTHERN LAKES SKI AREAS – 2005 WINTER SEASON.

The Economic Significance of the Southern Lakes Ski Areas - 2005 Winter Season -

New Zealand TRADE & ENTERPRISE

CARDRONA ALPINE RESORT • NEW ZEALAND

CORONET peak

remarkables Queenstown • New Zealand

snow park nz.

TREBLE CONE WANAKA NEW ZEALAND

Prepared for New Zealand Trade and Enterprise
and the Southern Lakes Ski Areas
by
The New Zealand Tourism Research Institute

December 2005

EXECUTIVE SUMMARY

- This report focuses on the economic impacts of the Southern Lakes ski areas on the surrounding region and the broader New Zealand economy. We review visitor characteristics and expenditure, and the income and employment generation capabilities of the ski areas and local businesses.

- The Southern Lakes ski areas included in the research are: Treble Cone; Cardrona Alpine Resort; Coronet Peak; The Remarkables; and Snow Park. These five ski areas registered a total of 625,198 skier days during the winter season of which 578,308 are estimated to come from outside the region.

- The research phase of the project was conducted between August 8th and November 2nd 2005 and involved: a web survey of visitors (n=520 responses representing 1275 individuals); a web survey of local businesses (107 businesses) and in-depth interviews with ski area representatives.

- All respondents visited a Southern Lakes ski area during their holiday. Snow sports are the main factor in the decision to visit Queenstown/Wanaka over the winter season for 80% of respondents, and are an important factor for another 15%.

- Overseas respondents are more likely to come from higher income brackets than their domestic counterparts. Well over a quarter have household incomes of more than $NZ150,000.

- Auckland is the single largest market for domestic visitors (28.7%), followed by the Otago region (25.8%). Australia is the main source of overseas visitors to the Southern Lakes ski areas, accounting for 80% of visitors.

- Overseas visitors surveyed stayed longer in the Southern Lakes region (9.3 nights) than domestic visitors (8.3 nights). Wanaka had a slightly longer overall average length of stay (9.6 nights) than Queenstown/Arrowtown (8.2 nights).

- The majority of international visitors fly directly into Christchurch (40%) or Queenstown (36.2%). Overseas visitors are far more likely than their domestic counterparts to visit other places in New Zealand as part of an overall holiday.

- 33.3% of international visitors came to the region on a package; only 3.8% of domestic visitors did likewise.

- A total of 107 tourism-related businesses participated in the business web-survey. Over half the businesses are located in Queenstown (52.3%), while 41.1% are located in Wanaka. Accommodation establishments represented more than a third (35%) of respondents; retail, restaurant/bars and other businesses represented 39%; and activities a further 12%.

- Almost half (46.7%) of businesses surveyed attribute all of their turnover to tourism, and a further third attribute 51 to 90% to tourism.

- Over 60% of the businesses receive definite benefit to their business from the region's ski areas; only 13% see little or no benefit. Two thirds of Wanaka businesses see definite benefits compared to 57.1% of Queenstown businesses.

- Almost half of businesses (45%) saw definite value in the extension of the snow season through snowmaking; a further 39.3% saw some value in this.

- Average daily expenditure varies dramatically between domestic and international markets. International visitors spend an average of $196.91 per day ($47.26 on-mountain, $149.65 off mountain). Domestic visitors spend an average of $117.71 per day ($42.38 on-mountain, $75.33 off mountain).

- The weighted average daily spend on the mountain by all visitors covered in the visitor survey is $44.95. The average expenditure off mountain is $115.57. The average visitor spends $160.52 per day (on and off-mountain).

- Overall the average international visitor surveyed spent a total of 14.5 nights in the country, of which 9.3 nights were spent in the Southern Lakes region, and 5.2 nights in the rest of the country. They spent on average $3,394 during their visit to NZ. Domestic visitors spent a total of 11.4 nights on their holiday, 8.3 nights in the Southern Lakes region, and 3.1 nights elsewhere. They spent an average of $1,458 during their holiday.

- For the 2005 ski season we estimate that $92.8 million was spent in the Southern Lakes region, and that a further $68.1m was spent elsewhere in the country on transportation, food, accommodation, activities and so forth. This provides a total national figure of $161 million in direct spend from snow-sports related visitors to the Southern Lakes ski areas. This figure does not include additional revenues associated with packages.

- We estimate that the total additional spend on packages by international travellers was over $20m during the snow season. The total spent by domestic travellers was only $1 million. This information is likely to be an under estimate due to the difficulties in ascertaining the exact break-downs of package costs.

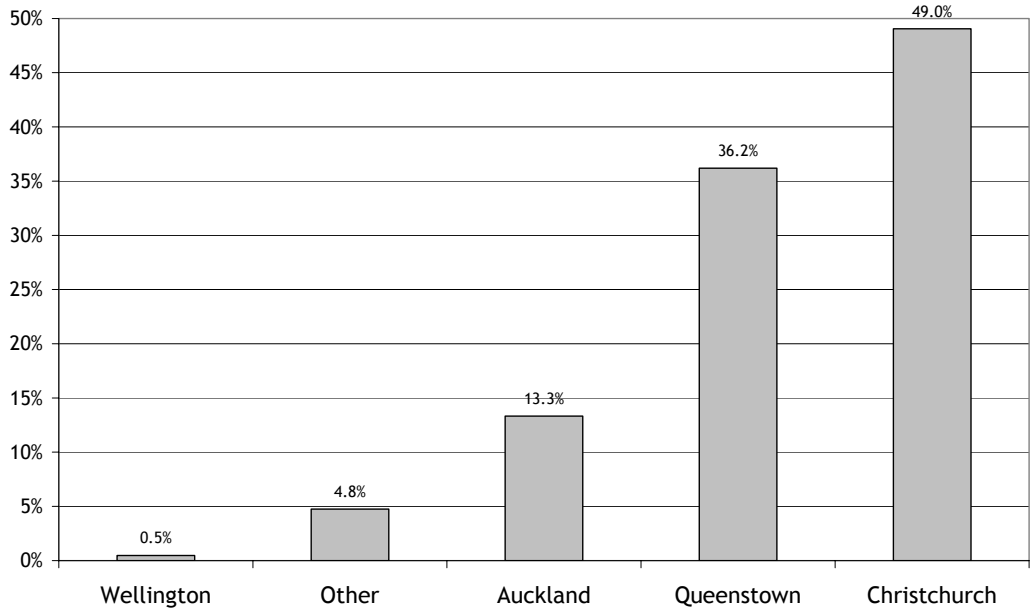
- If estimates of package revenues are added into the process, a total Southern Lakes region spend of $105m is derived (direct visitor spend plus package related revenues). This, in turn, is estimated to create $48.3m in direct and indirect income for the regional economy (wages, salaries etc). These figures are based on local payments by those receiving snow tourism revenue directly and also in the jobs created by those that supply the ski area tourists.

- The Southern Lakes region full time equivalent employment created by the $105m spent during the ski season is estimated to be 3,300. At the national level the total direct spend by Southern Lakes ski area-related visitors is $182m.

- The ski areas are a vital component of the Southern Lakes economy. The figures presented in this report will be valuable in making future decisions on the local and national value of increased snow-making. They also show quite clearly the broader national economic benefits associated with Southern Lakes ski areas.

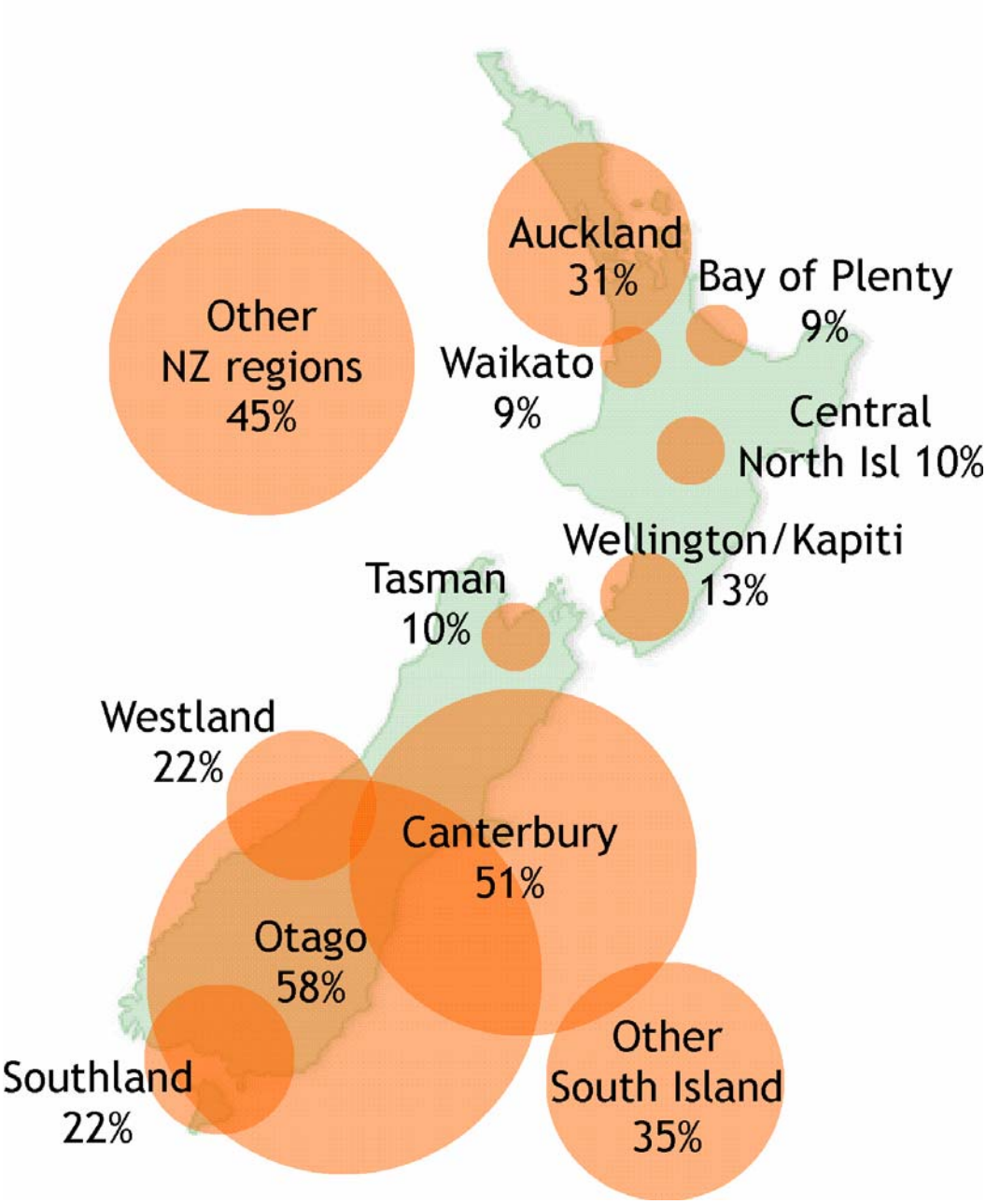
The majority of international visitors fly directly into Christchurch (40%) or Queenstown (36.2%), the closest international airports to the Southern Lakes region (Figure 13).

Figure 13: Port of entry into New Zealand for overseas visitors



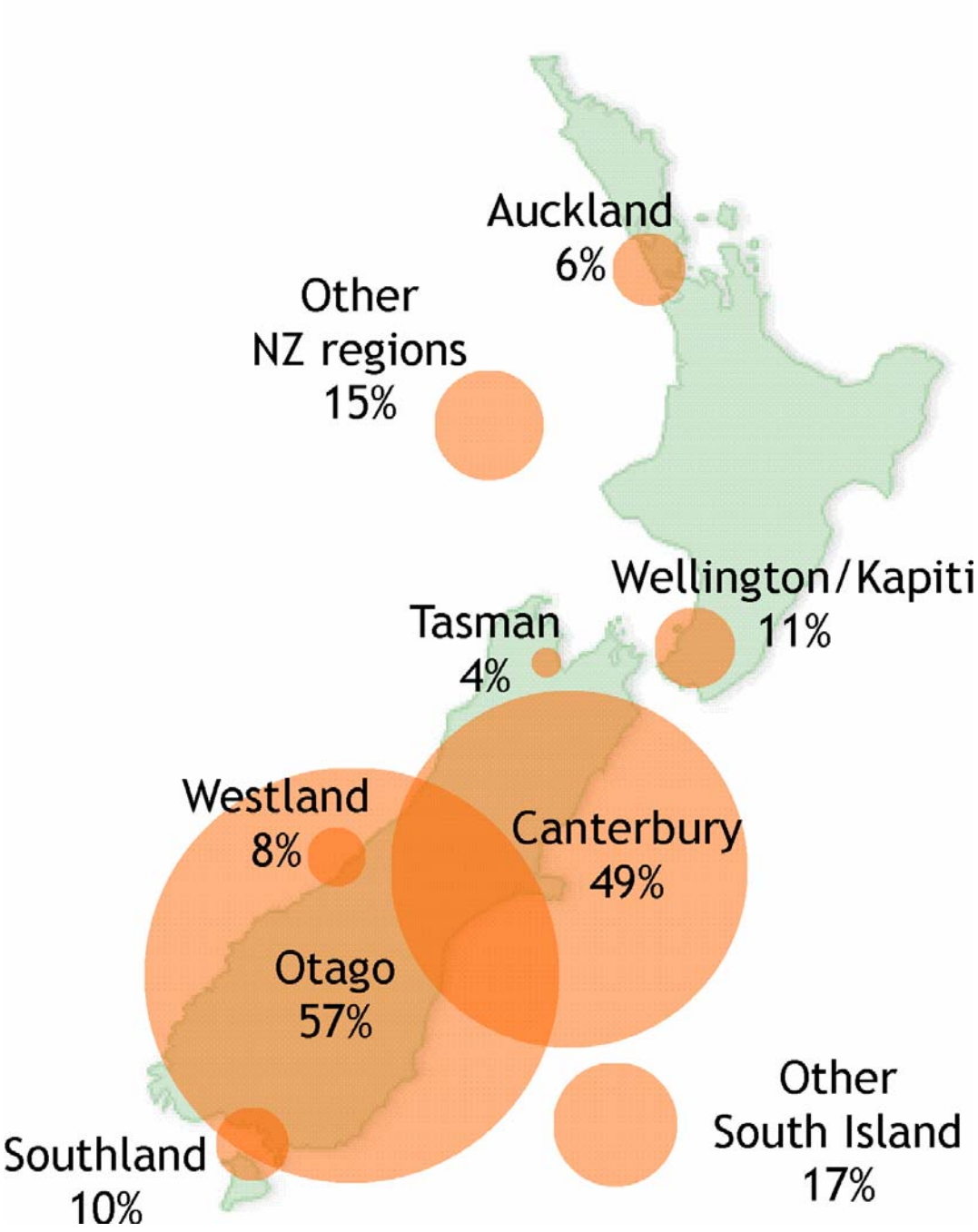
Overseas visitors are much more likely (62.4%) to visit other places as part of their overall holiday in New Zealand than domestic visitors (53.9%) (Figures 14 and 15). Canterbury and Otago which receive similar proportions of NZ and international visitors. Auckland receives visits by almost a third of international Southern Lakes area visitors, illustrating its significance as an international gateway.

Figure 14: Other regions in NZ visited by overseas visitors



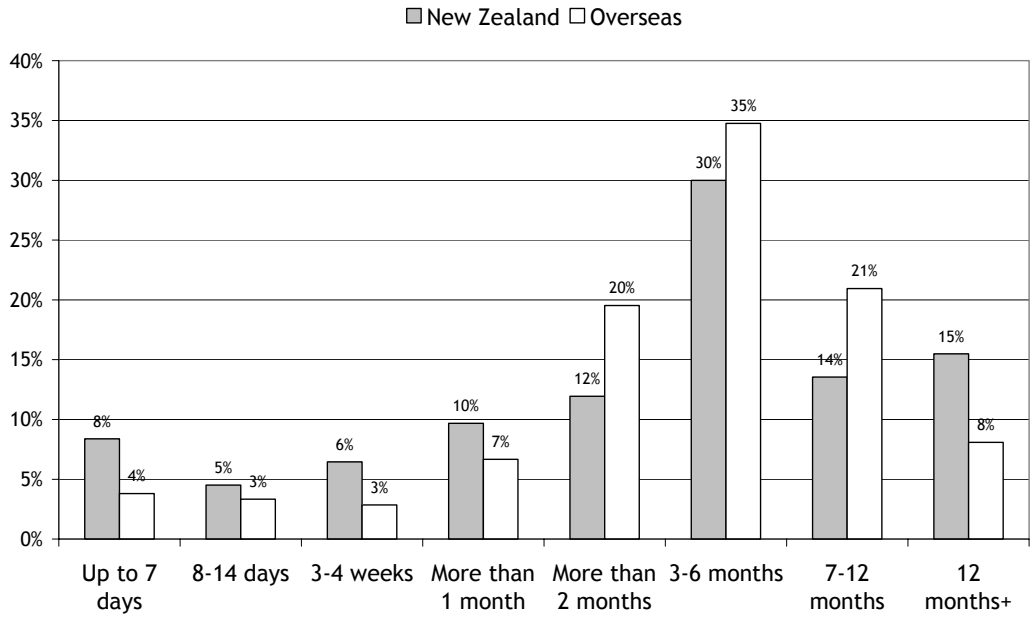
Domestic visitors are less likely to visit other regions in NZ than their international counterparts. Of those 53.9% of domestic visitors who did, neighbouring Otago and Canterbury were most likely to receive a visit in conjunction with a Southern Lakes ski holiday.

Figure 15: Other regions in NZ visited by domestic visitors



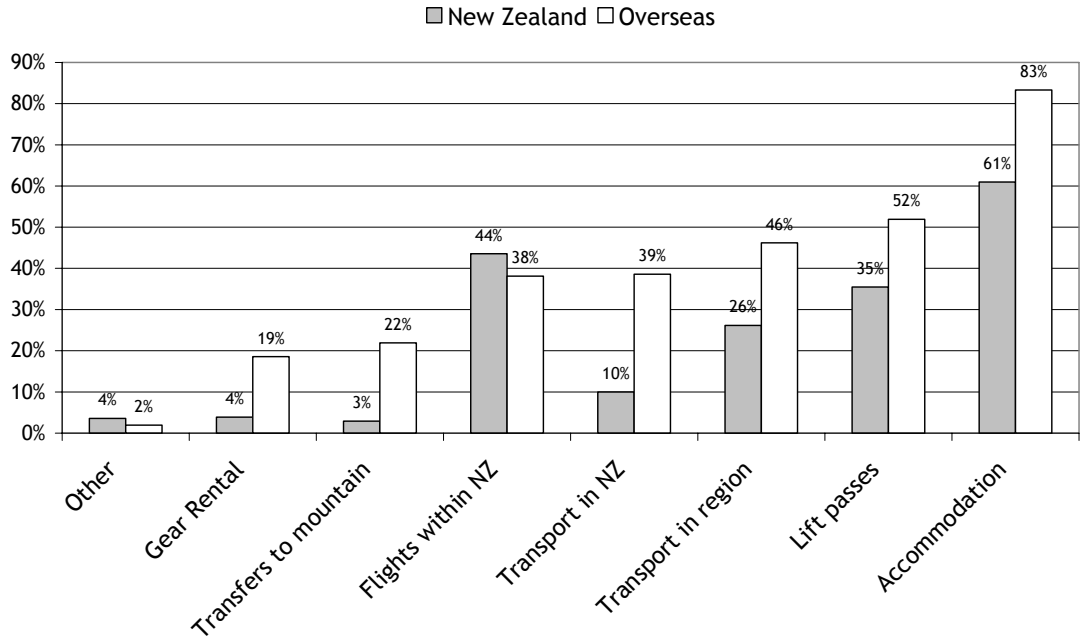
Overseas visitors are most likely to plan their holiday 2 to 12 months in advance (Figure 16*)*. New Zealanders exhibit a somewhat smaller pattern but are more likely to decide on a ski holiday less than 1 month in advance, but they are also more likely to plan over 12 months in advance.

Figure 16: Advance planning of a snow holiday domestic & overseas visitors



Overseas visitors are more likely to pre-book any given aspect of their holiday than New Zealanders with the exception of flights within New Zealand (Figure 17*)*. Over 80% of the international travellers surveyed have pre-booked accommodation.

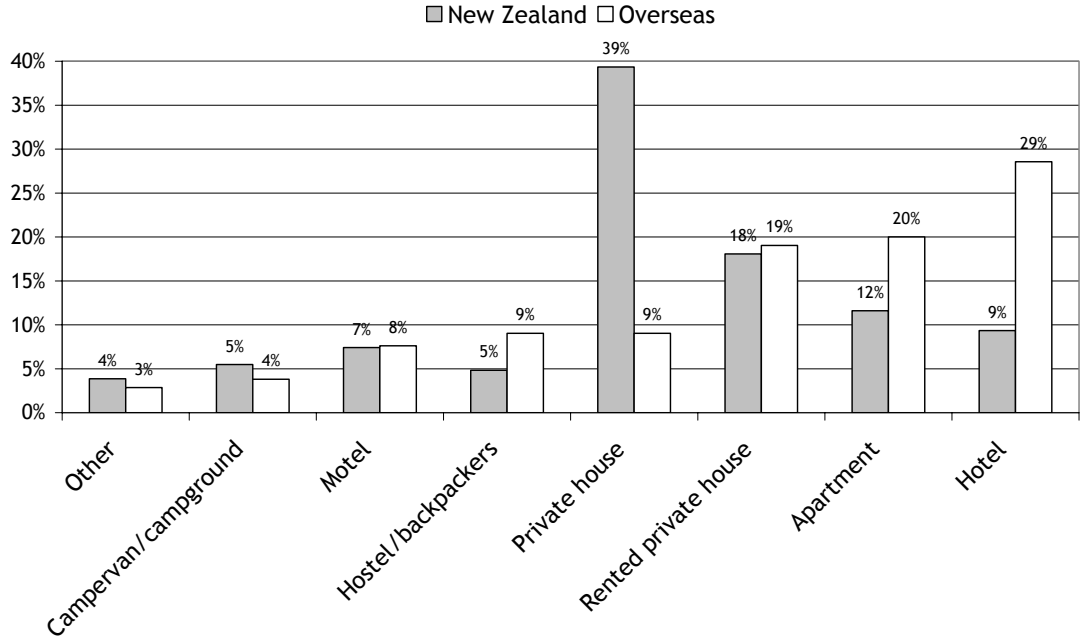
Figure 17: Pre-booked holiday components by domestic & overseas visitors



A third (33.3%) of all international travellers had purchased some form of package (usually including a range of elements: airfares, accommodation, ski area use etc). Only 3.8% of domestic travellers said they had done the same.

Hotels, apartments and hostels/backpackers are more popular with overseas visitors than domestic visitors. The latter are far more likely to stay in private homes (Figure 18).

Figure 18: Type of accommodation stayed in by domestic & overseas visitors



SKIER ECONOMIC IMPACTS

When a Southern Lakes visitor spends money at a ski area or in a local business a part of this sum will quickly be turned into jobs and income within the enterprise (hotel, restaurant etc). This is the **direct** economic impact of tourism and forms the focus for this report.

For example, if a local business receives $100,000 in ski-related revenue and spends $35,000 of this on wages and salaries, in other words 35¢ in every dollar of revenue generated is transformed into direct income.

Another company may employ 100 staff and generate sales revenue from the snow sport sector. This means that one job is generated for every $10,000 that the firm turns over.

Beyond the direct impacts lie further degrees of interaction with the local economy. Local businesses spend money on necessary goods and services and pass a portion of their tourism-related revenues on to these suppliers. If the next 'link in the chain' is located within the region, more local income and employment will be generated (**indirect** effect).

By combining the information on visitor expenditure and data on business cost structures and revenue we can estimate the income and employment generated by visitors to the Southern Lakes area.

During their time in the Southern Lakes area, domestic skiers spend a total of $117.71 per day (Table 5). The overall spend is split $46.43 in Queenstown and $69.74 in Wanaka with some remaining spend filtering out of the two dominant areas.

Table 5: Domestic visitor expenditure

Average spend per person per day in NZ $ by domestic visitors				
Based on N = 781, Nights = 8.3				
	Queenstown / Arrowtown	Wanaka Surrounds	Other Central Otago	Total
Accommodation	$10.91	$17.24	$0.25	$28.40
Mountain transfers (e.g. shuttle, taxi)	$0.52	$0.21	$ -	$0.73
Transport in the region (e.g. rental car, bus, taxi)	$4.36	$3.66	$0.06	$8.07
On mountain snow related (lift passes, gear hire, chains, lessons, etc)	$8.88	$17.22	$ 0.05	$26.15
Off mountain snow related (lift passes, gear hire, chains, lessons, etc)	$2.14	$3.68	$ 0.29	$6.11
Restaurants, Cafes, Bars	$6.68	$ 8.75	$0.24	$15.67
Petrol / Gas	$2.60	$4.25	$0.31	$7.16
Groceries (e.g. supermarket, liquor store)	$4.31	$8.24	$0.02	$12.57
Shopping (e.g. souvenirs, clothes)	$4.04	$5.09	$0.04	$9.17
Other activities	$1.98	$1.42	$0.27	$3.68
Total	$46.43	$69.74	$1.54	$117.71

Total on-mountain spend by domestic visitors is estimated to be $42.38 compared to $75.33 for off-mountain. Estimates are likely to be conservative.

Whilst they are in the Southern Lakes area international skiers spend a total of $196.91 per day (Table 6). The overall spend is split $113.28 in Queenstown and $79.78 in Wanaka, with the remainder of the region accounting for $3.85 per day. The accommodation sector benefits strongly – especially the hotel/motel sectors a reflection of the fact that international travellers are less likely than their NZ counterparts to stay in rented/private accommodation. On mountain snow-related spend, and spend in restaurants and cafes are particularly significant areas.

Table 6: International Visitor Expenditure

Average spend per person per day in NZ $ by International visitors				
Based on N = 494, Nights = 9.3				
	Queenstown / Arrowtown	Wanaka Surrounds	Other Central Otago	Total
Accommodation	$30.95	$22.93	$1.35	$55.24
Mountain transfers (e.g. shuttle, taxi)	$1.33	$0.66	$0.01	$2.00
Transport in the region (e.g. rental car, bus, taxi)	$8.93	$7.42	$0.34	$16.69
On mountain snow related (lift passes, gear hire, chains, lessons, etc)	$15.60	$16.20	$0.02	$31.82
Off mountain snow related (lift passes, gear hire, chains, lessons, etc)	$3.97	$1.57	$0.02	$5.55
Restaurants, Cafes, Bars	$17.79	$10.24	$0.59	$28.62
Petrol / Gas	$3.94	$3.95	$0.60	$8.49
Groceries (e.g. supermarket, liquor store)	$7.74	$7.51	$0.21	$15.45
Shopping (e.g. souvenirs, clothes)	$10.81	$6.27	$0.49	$7.57
Other activities	$12.21	$3.03	$0.23	$15.48
Total	$113.28	$79.78	$3.85	$196.91

Total on-mountain spend by international visitors is estimated to be $47.26 compared to $149.65 for off-mountain. Estimates are likely to be conservative.

For the purposes of later data analysis the following figure provides the average spend of all ski related visitors that responded to the web survey – weighted to reflect the estimated breakdown of non-local domestic skiers and their international counterparts (46% and 54% respectively).

Table 7: Overall expenditure all visitors

Average spend per person per day in NZ $ by all visitors				
Based on N = 1275, Nights = 8.7				
	Queenstown / Arrowtown	Wanaka Surrounds	Other Central Otago	Total
Accommodation	$21.75	$20.32	$0.85	$42.91
Mountain transfers (e.g. shuttle, taxi)	$0.96	$0.45	$0.01	$1.42
Transport in the region (e.g. rental car, bus, taxi)	$6.83	$5.69	$0.21	$12.73
On mountain snow related (lift passes, gear hire, chains, lessons, etc)	$12.51	$16.67	$0.04	$29.21
Off mountain snow related (lift passes, gear hire, chains, lessons, etc)	$3.13	$2.54	$0.14	$5.81
Restaurants, Cafes, Bars	$12.68	$9.55	$0.43	$22.67
Petrol / Gas	$3.33	$4.09	$0.47	$7.88
Groceries (e.g. supermarket, liquor store)	$6.17	$7.84	$0.12	$14.13
Shopping (e.g. souvenirs, clothes)	$7.70	$5.73	$0.28	$13.71
Other activities	$7.51	$2.29	$0.25	$10.06
Total	$82.56	$75.17	$2.79	$160.52

On mountain spend is the most important component of visitor expenditure - accounting for 28% or $44.95 of and overall average daily spend (this includes on-mountain ski related spend ($33.24) plus food & beverage ($9.12) and Retail ($2.58). This clearly shows the major 'spin-off'' impacts associated with ski areas.

Even when visitors stay in private accommodation their spend in the local area is substantial. 27.1% of all visitors (87% domestic, 13% international) took this accommodation option. These visitors had an average length of stay of 10.2 nights and an average spend per day per person of $86.22 (see Table 8)

Table 8: Expenditure of all visitors who stay in a private house

	Spend per day
Accommodation	$12.73
Food & Beverage	$27.56
Snow related	$24.32
Transport	$11.28
Retail	$6.97
Other	$3.37
Total	**$86.22**

While the analysis presented above is predominantly a regional one it is worthwhile pointing out some key dimensions in the estimation of impacts at the town/municipality scale. Domestic visitors who stayed in Queenstown at least one night have a total daily expenditure in the town of $124.60, while their international counterparts spend an average of $187.79 (Table 9).

Table 9: Expenditure of those who actually stayed in Queenstown

Based on # **domestic visitors** said they spent night in **Queenstown / Arrowtown** N = 291	
Expenditure	
Accommodation	$29.29
Food & Beverage	$29.50
Retail	$10.84
Snow related	$30.96
Other	$24.02
Total	$124.60

Based on # **international visitors** said they spent night in **Queenstown / Arrowtown** N = 298	
Expenditure	
Accommodation	$51.31
Food & Beverage	$42.32
Retail	$17.92
Snow related	$34.65
Other	$41.59
Total	$187.79

Note: that the figures above are presented for visitors who actually stayed in the Queenstown or Arrowtown, not averaged over all visitors.

Domestic visitors who stay in Wanaka at least one night have a total expenditure of $132.50, while their international counterparts spend an average of $203.15 (Table 10).

Table 10: Expenditure of those who actually stayed in Wanaka

Based on # **domestic visitors** said they spent night in **Wanaka & Surrounds** N = 411	
Expenditure	
Accommodation	$32.76
Food & Beverage	$32.27
Retail	$9.68
Snow related	$40.10
Other	$17.72
Total	**$132.53**

Based on # **international visitors** said they spent night in **Wanaka & Surrounds** N = 194	
Expenditure	
Accommodation	$58.39
Food & Beverage	$45.18
Retail	$15.97
Snow related	$46.92
Other	$36.68
Total	**$203.15**

Note: that the figures above are presented for visitors who actually stayed in the Wanaka, not averaged over all visitors.

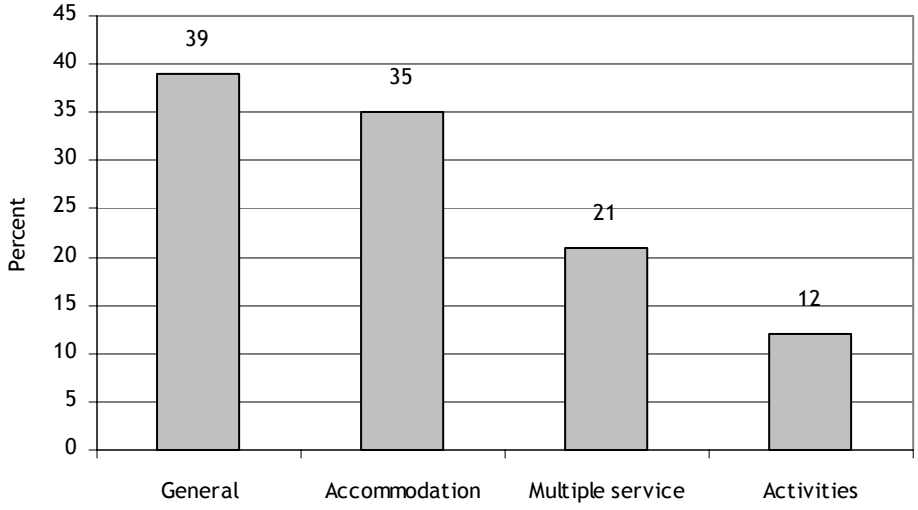
Clearly those staying at least one night in either of these towns have a major impact on the municipal economies. While international travellers are again the highest spenders the impact of domestic travellers is also considerable.

BUSINESS SURVEY CHARACTERISTICS

The focus of this section of the research is to gain insights into the cost structures of local businesses. This information can then be combined with visitor expenditure information to enable an estimation of some of the downstream impacts associated with the ski area sector.

A total of 107 largely tourism-related businesses participated in the web-survey, with accommodation establishments representing a third (35%), retail, restaurant/cafes/bars, transport, entertainment and other businesses representing 39%, and activities 12%. A fifth of business respondents provide more than one core service (Figure 19).

Figure 19: General distribution of local business by service



A more detailed breakdown reveals the wide array of business types captured by the survey (Table 11). Hotels were the dominant respondents in the accommodation sector (23.9%), followed by bed and breakfasts and luxury lodges (15.2% each). General recreation dominates the activities sector (37.9%), while a good spread of businesses are represented in the general category. Restaurant/bar/cafes represent a quarter of businesses in the 'general' category, followed by general retail (19.4%).

Table 11: Main local business services

Services	N =	Percent
Accommodation		
Hotel	11	23.9
Other	9	19.6
Bed and breakfast	7	15.2
Luxury lodge	7	15.2
Motel	5	10.9
Backpacker/hostel	3	6.5
Apartments	2	4.3
Campground/holiday park	2	4.3
Total	**46**	**100**
Activities		
General Recreation activities	11	37.9
Adventure activities	8	27.6
Tours	8	27.6
Outdoor activities	2	6.9
Total	**29**	**100**
General		
Other	26	41.9
Restaurant/bar/cafe	16	25.8
Retail - other	12	19.4
Other Transport	3	4.8
Retail - snow related	3	4.8
Entertainment	1	1.6
Rental vehicles	1	1.6
Total	**62**	**100**

Over half the businesses are located in Queenstown (52.3%), while 41.1% are located in Wanaka (Table 12). A fairly even spread of business types are represented in both towns (Appendix 5 Table 5c).

Table 12: Location of business

Location	N =	Percent
1. Queenstown	56	52.3
2. Wanaka	44	41.1
3. Outside the above towns	5	4.6
4. Arrowtown	2	1.9
Grand Total	**107**	**100**

The businesses represented in the survey are relatively well established in the region. Only a fifth of businesses surveyed have been established for 3 years or less, and a further fifth have been operating for 4 or 5 years. Over a third have been established for 6 to 20 years, and 15% have been in business over 25 years. Nearly 40% of respondents have over 6 years experience in the business, a further 26.2% have 2 to 3 years experience. Less than 20% have been in business for less than one year. Most of those responding are owners (62.6%), or managers (29.9%).

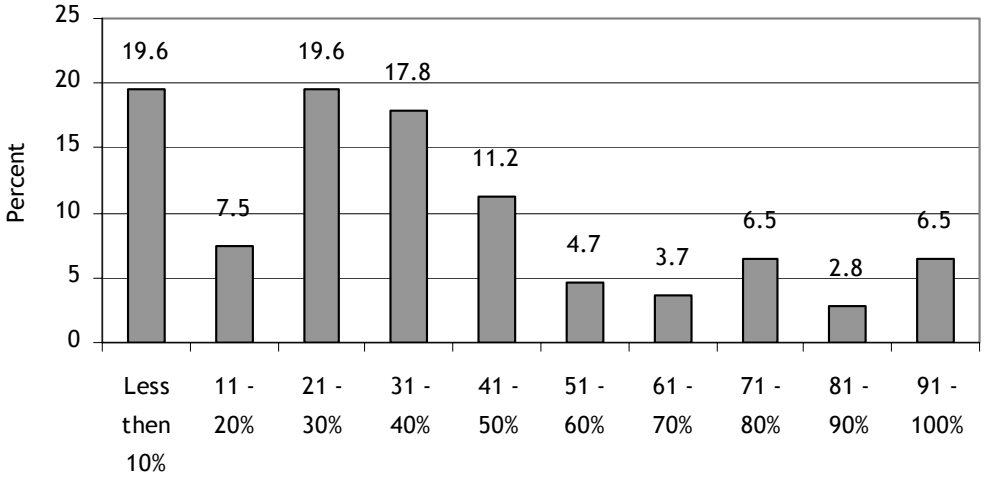
Over half of businesses are small enterprises employing 5 or fewer workers full-time over the winter season (June to October). A further quarter employ 6-20 workers fulltime over the winter season. Most businesses (73.8%) employ 1 to 5 part time workers during the winter season, and a further 14% employ 6 to10. Part time employees are less likely to be year round residents in the region, with only a third of businesses having all their part time employees as year round residents.

Almost a third of businesses surveyed had a turnover of less than $250,000 in the last financial year. A further 28.4% had a turnover between $250,000 and 1 million dollars, 21.7% had a turnover of between 1 and 3 million, and 17% turned-over over more than $3m.

Almost half (46.7%) of businesses attribute all of their turnover to tourism, and a further third attribute 51 to 90% to tourism. Only 9.3% have less than 30% of turnover attributable to tourism.

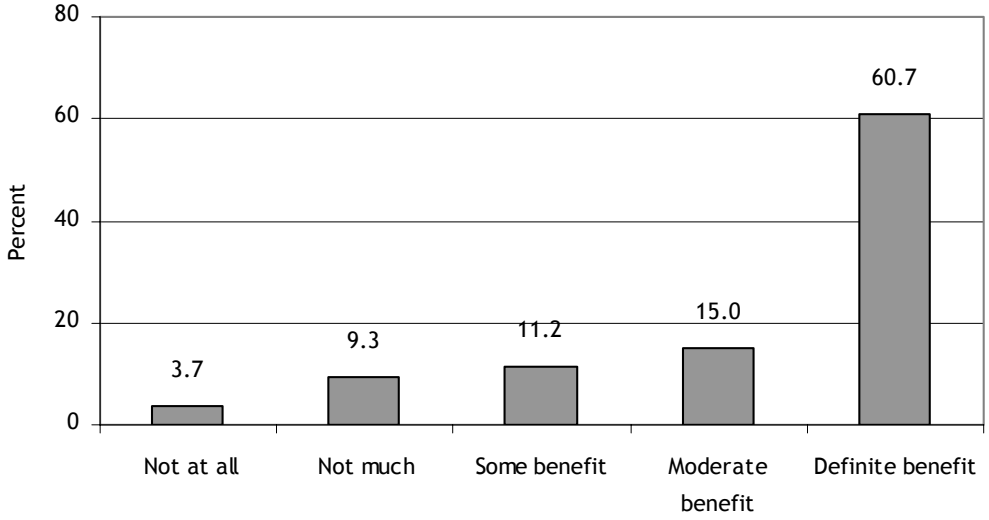
The estimated percentage of turnover that is attributable to ski area visitors is significant. A fifth of businesses attribute less than 10% of turnover to ski area visitors, while 56.1% state that between 10% and 50% of their turnover is derived from these visitors (Figure 20).

Figure 20: Turnover attributable to ski area visitors



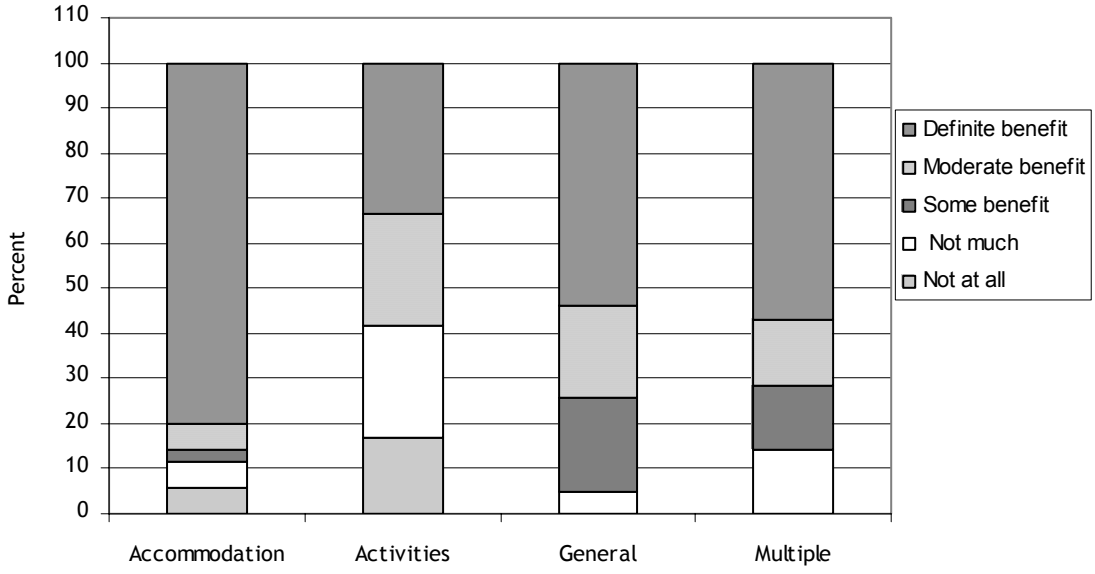
Over 60% of the businesses see a definite benefit to their business from the region's ski areas (Figure 21). Another 26.2% see some sort of benefit, while only 13% see little or no benefit.

Figure 21: Local business benefit from the region's ski areas



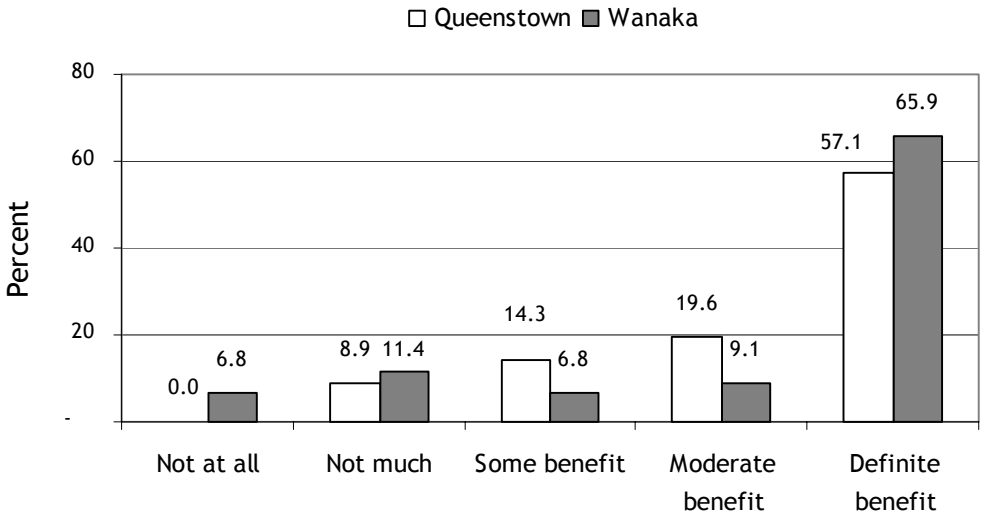
The accommodation sector is most likely to perceive definite benefit stemming from ski area visitors (Figure 22). The majority of businesses in all sectors see moderate to definite benefits to them from the region's ski areas.

Figure 22: Local business benefit from ski areas by sector



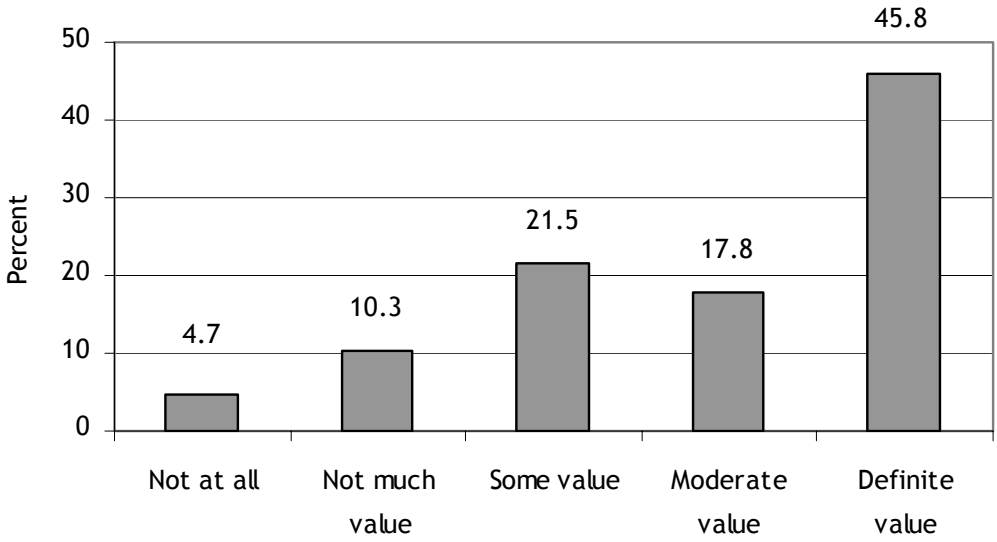
There are intra-regional variations in perceptions on how much a business benefits from ski visitors. Two thirds of businesses surveyed in Wanaka see definite benefit from the ski areas, compared to 57.1% of Queenstown businesses surveyed (Figure 23).

Figure 23: Queenstown & Wanaka business benefit from the region's ski areas



Asked how valuable an extension of the ski season due to snowmaking would be to the businesses, almost half (45%) saw definite value in the extension of the snow season, and a further 39.3% saw some or moderate value (Figure 24).

Figure 24: Value of extended ski season to local businesses



The accommodation and general sectors are most likely to see definite value in the extension of the season (Table 13).

Table 13: Value of extended ski season to local businesses by sector

	Accommodation		Activities		General		Multiple	
	#	%	#	%	#	%	#	%
Not at all	2	5.7	2	16.7	1			
Not much value	2	5.7	3	25.0	3	14.3	3	14.3
Some value	5	14.3	2	16.7	11	23.8	5	23.8
Moderate value	6	17.1	2	16.7	9	9.5	2	9.5
Definite value	20	57.1	3	25.0	15	52.4	11	52.4
Grand Total	**35**	**100**	**12**	**100**	**39**	**100**	**21**	**100**

OVERALL IMPACTS

Total Regional Expenditure

The total Southern Lakes regional spend associated with the ski areas in the 2005 snow season was $92.83 million dollars. This is based on the weighted daily spend figure ($160.52 – Table 7) multiplied by the total non-local skier days (578,308 days rather than 625,198). Local skier days are removed from the analysis as these skiers add no money to the regional economy.

Table 14: Total Visitor Spend by sector

Sector / Revenue	Total Revenue	Domestic	International
Accommodation	$24,814,790	$ 7,546,990	$ 17,267,800
Ski related (on &off mountain, mountain transfers)	$21,073,900	$ 8,764,606	$ 12,309,294
Food & Beverage (restaurant/bar/café/groceries)	$21,278,648	$ 7,502,960	$ 13,775,688
Transport (rentals, taxis, petrol)	$11,920,351	$ 4,047,925	$ 7,872,426
Retail	$7,928,836	$ 2,436,858	$ 5,491,978
Other Activities	$5,815,272	$ 977,430	$ 4,837,842
Total	$92,831,797	$ 31,276,769	$ 61,555,028

Note: This figure does not incorporate estimates of package spending; the package dimension is addressed in the following section.

The accommodation sector receives over $24.8 million in revenue and we estimate ski related businesses receive over $21 million (Table 14). Domestic spend accounts for over $31 million of expenditure, while international visitors contribute over $61.5 million.

The direct employment generation created by ski area related foreign exchange and tourist spend in the Southern Lakes region is presented in Figure 25. The total tourist spend of 92 million is estimated to generate over 1900 full-time jobs (both seasonal and annual) and an additional 400 part-time jobs (both seasonal and annual). This equates to approximately 2,100 full-time equivalent positions during the season (2 part-time jobs are calculated to equate to one full-time). In simple terms one full time job is created in the snow sports season for every $48,600 in tourist expenditure. If part-time are jobs added to the equation then one FTE position is created for every $43,000 in ski area visitor spend.

There is little doubt, however, that this figure is an underestimate. The main factor here is the influence of package payments which are no included in this level of the analysis. The influence of packages is discussed in more detail in the final section of this discussion.

	Labour	%
	General Operating Expenses (e.g. goods for resale, consumables, stock)	%
	Other Fixed Expenses (e.g rent, power, phone)	%
	Total: all annual expenses =	100%
Q15.	Please indicate what percentage of your General Operating Expenses are spent in the Southern Lakes District area: <select>	
Q16.	Does your business benefit from the region's ski areas? ☐ Not at all ☐ Not much ☐ Some benefit ☐ Moderate benefit ☐ Definite benefit	
Q17.	How does your turnover this winter season compare to last year? <select> What do you attribute this to?	
Q18.	Snowmaking allows the snow season to potentially be extended by 2 months by starting earlier, in June and ending later, in October. How valuable is this extension of the ski season to your business? ☐ Not at all ☐ Not much value ☐ Some value ☐ Moderate value ☐ Definite value	

Appendix 4: Skier Survey baseline data

This appendix presents figures for all visitors (domestic and international combined). It also presents additional data broken down by domestic and international not shown in the main body of the report.

Figure 4a: Importance of skiing/snowboarding in decision to visit region- all visitors

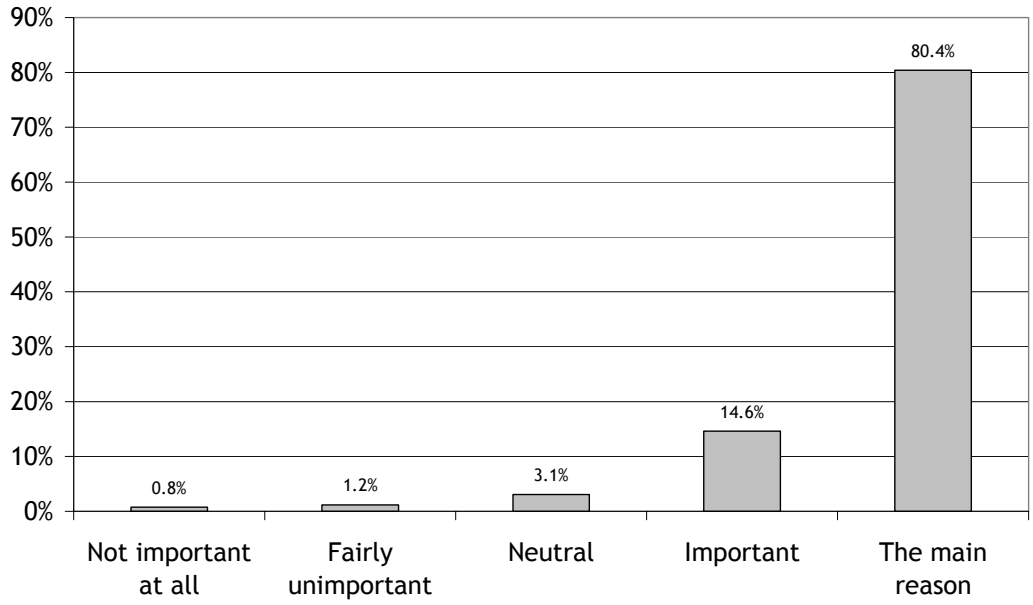


Figure 4b: Age of all visitors

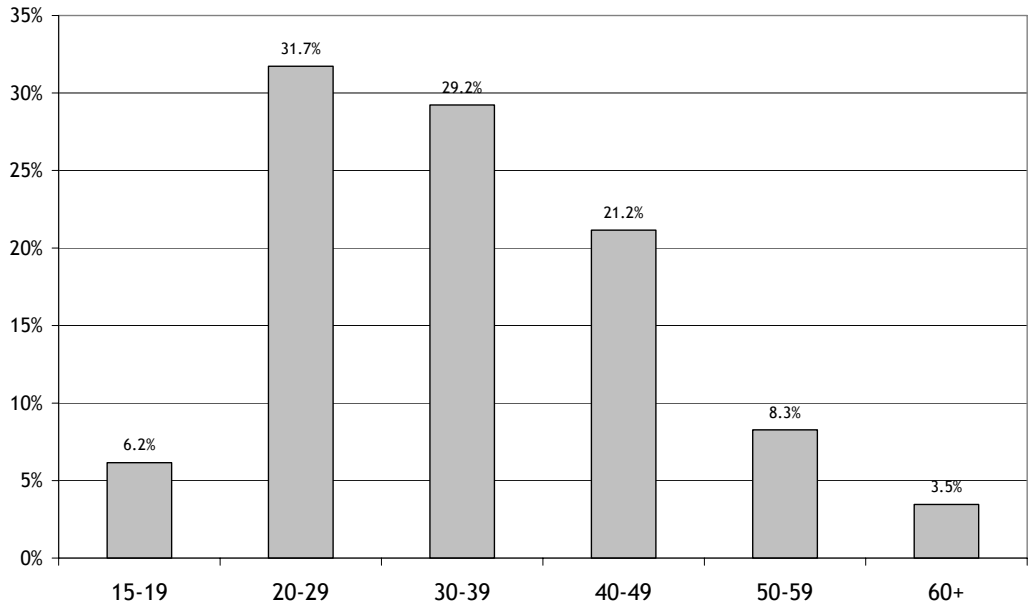


Figure 4c: Employment status of all visitors

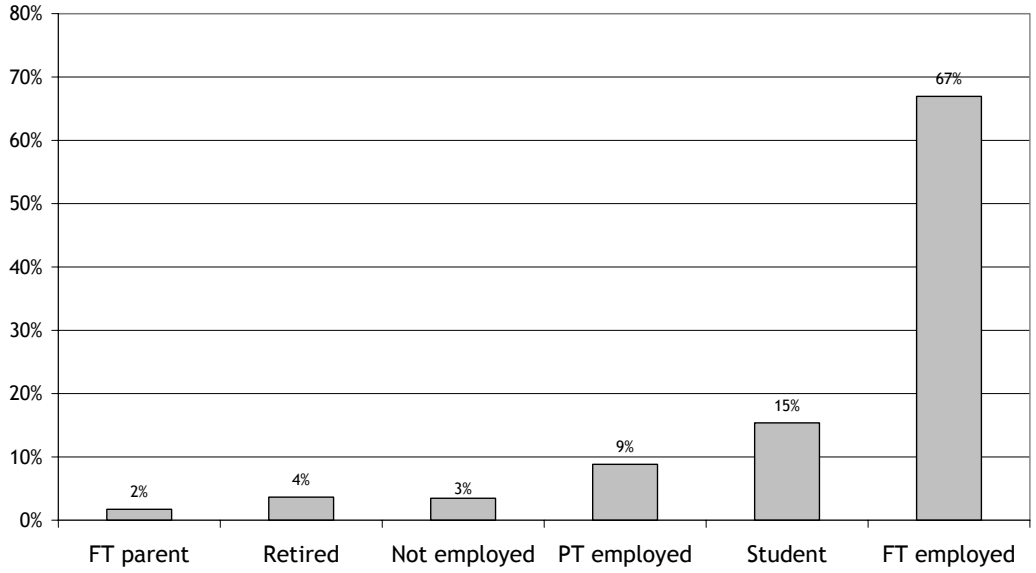


Figure 4d: Household Income for all respondents (adjusted to NZ$)

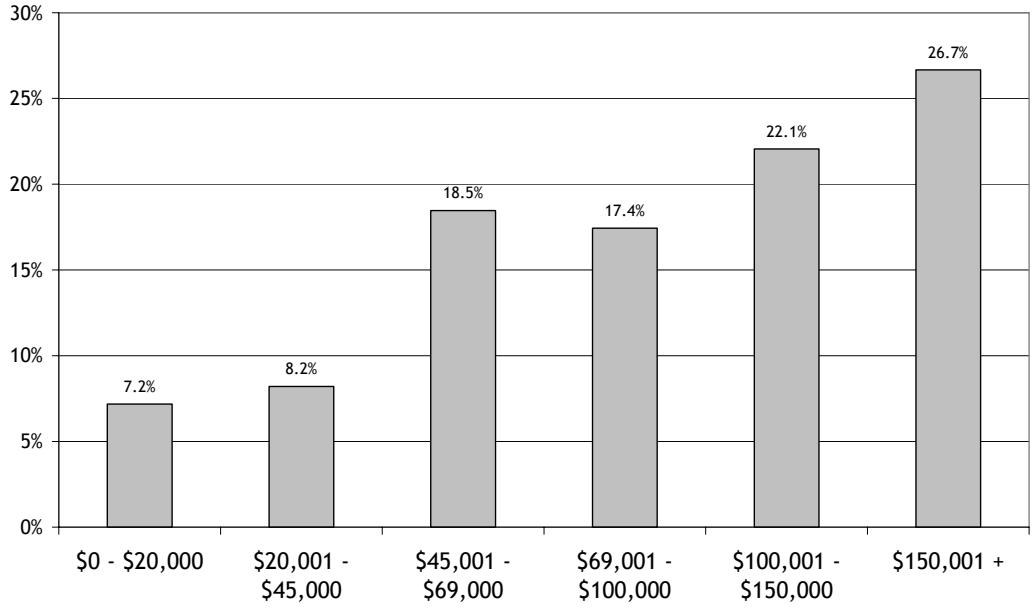


Table 4a: Currency conversion rates used for household expenditure comparison

0.0125555	Yen
1.44103	USD - United States Dollar
2.51621	GBP - British Pound
1.22997	CAD - Canadian Dollar
1.7273	EUR - Euro
1.08247	AUD - Australian Dollar

Figure 4e: Where all respondents are from

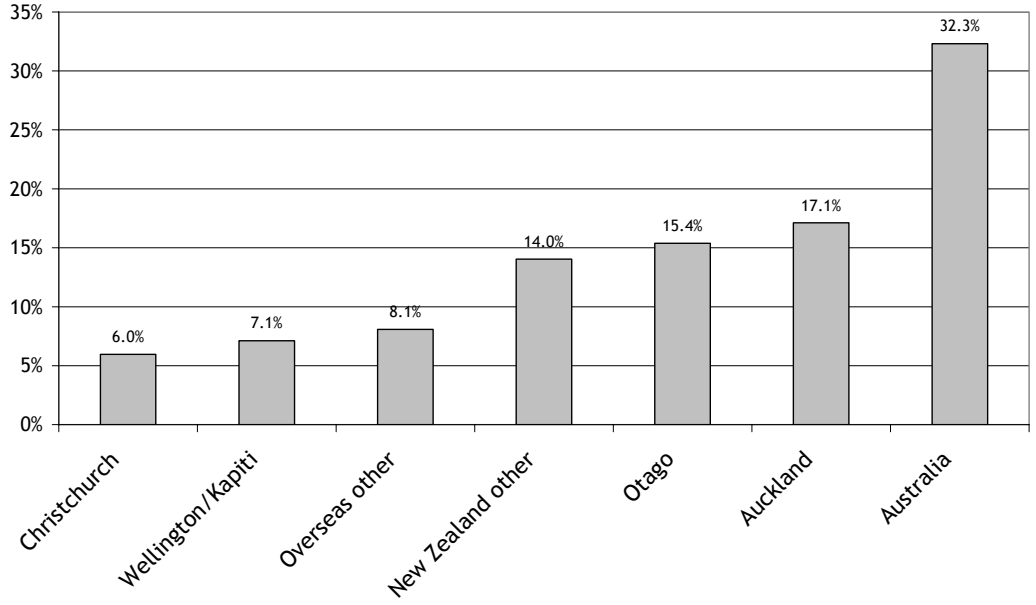
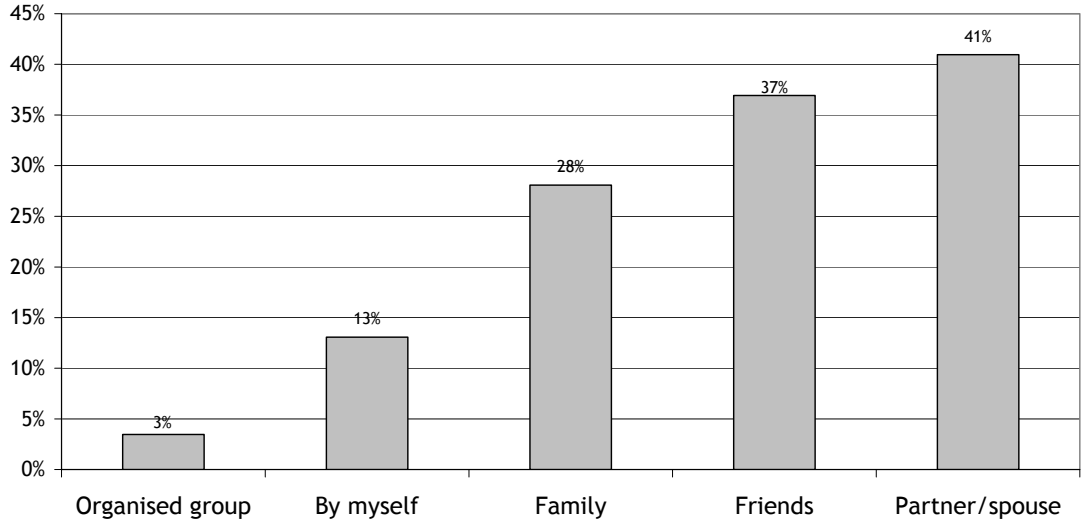


Figure 4f: Snow holiday travel companions – all visitors



New Zealanders are more likely to be visiting the region with family than visitors from overseas, while similar proportions visit with friends and their partner/spouse. Note: respondents could indicate more than 1 type of travel companion so totals do not add to 100%.

Figure 4g: Snow holiday travel companions for domestic & overseas visitors

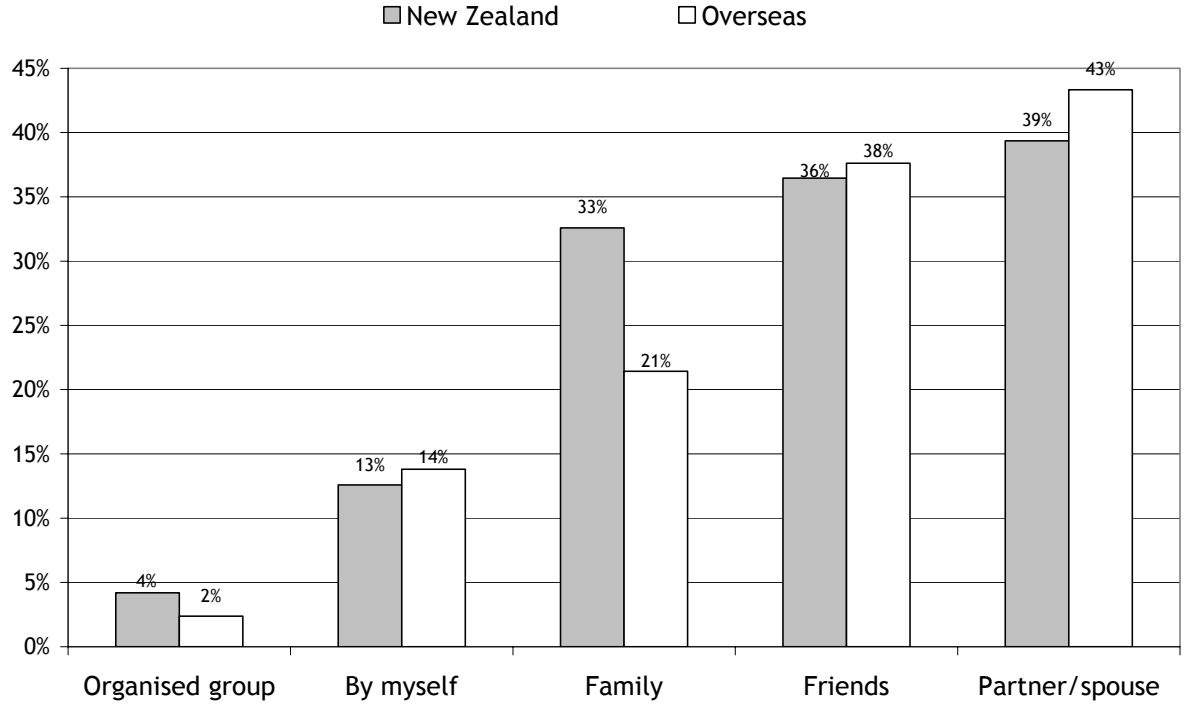
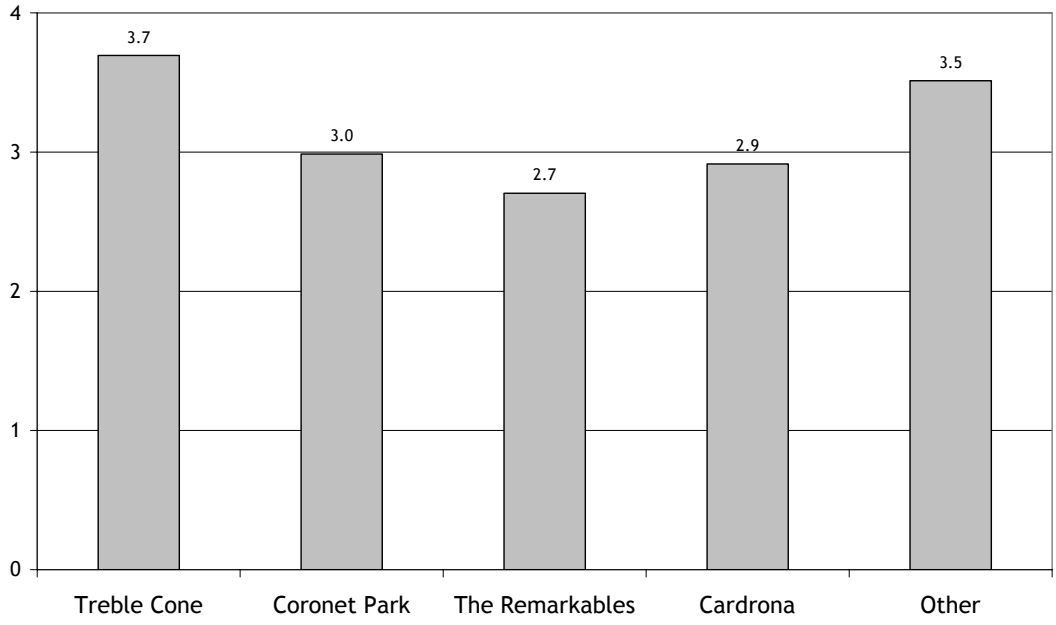


Figure 4h: Average number of days at each ski area- all visitors



Domestic visitors are likely to spend longer at Treble Cone and Coronet Peak, while those from overseas are more likely to spend time at other fields/activities ('Other' includes Snow Park and heli-skiing).

Figure 4i: Average number of days at ski area for domestic & overseas visitors

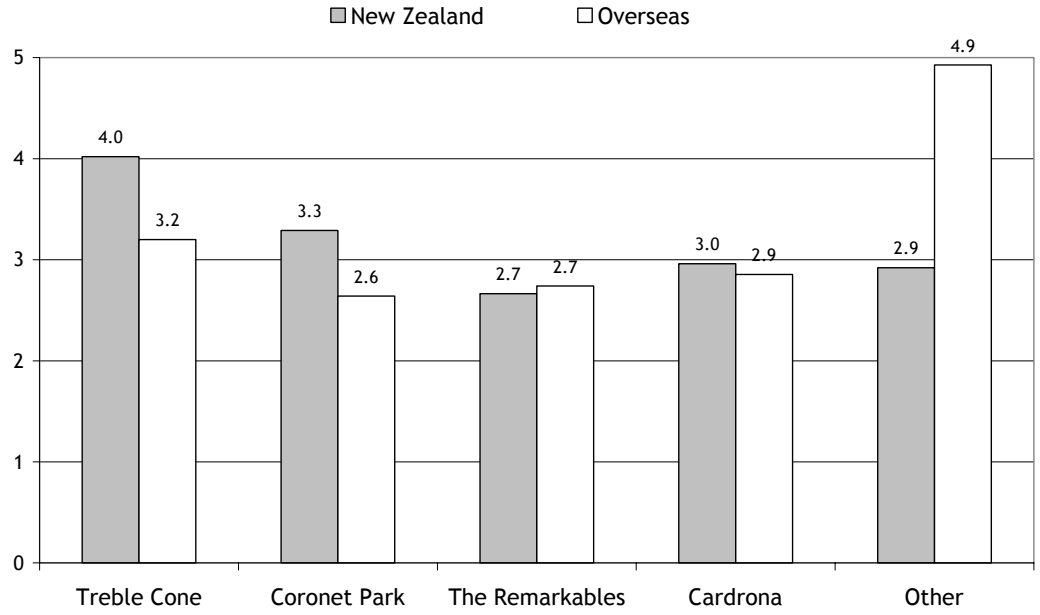


Table 4b: Number of people and length of visit to each ski area for all respondents

Days	Treble Cone	Coronet Peak	The Remarkables	Cardrona	Other
1	116	98	108	107	28
2	57	48	46	77	14
3	40	17	31	40	10
4	15	8	10	26	2
5	20	9	10	17	6
6	11	2	6	5	2
7	8	4	2	11	3
8	8	1	3	3	
9	8	1	4	2	
10	44	26	14	17	11

Figure 4j: Average length of stay in the region for all visitors

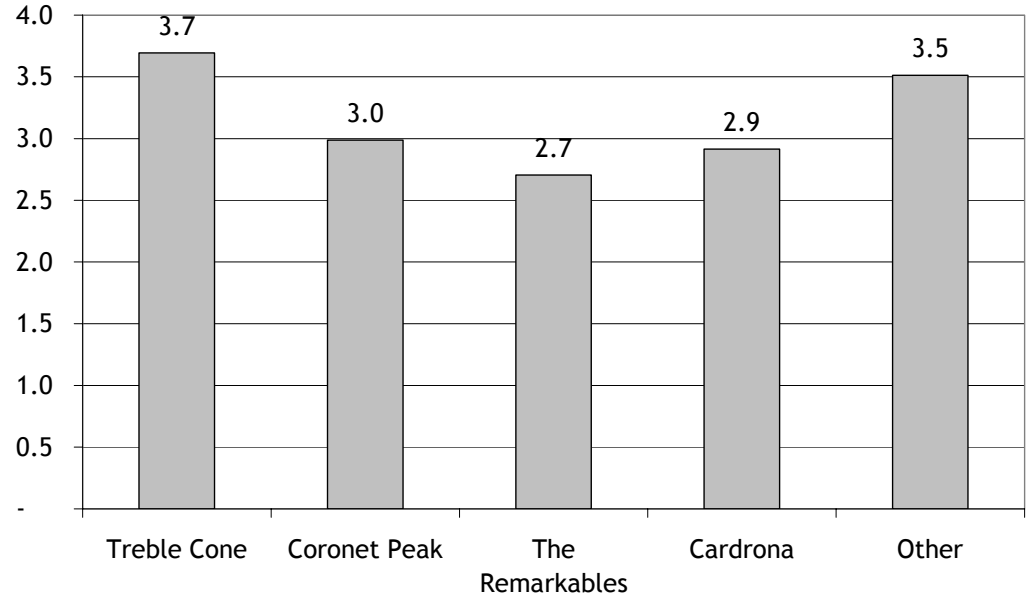


Figure 4k: Advance planning of a Queenstown/Wanaka snow holiday – all visitors

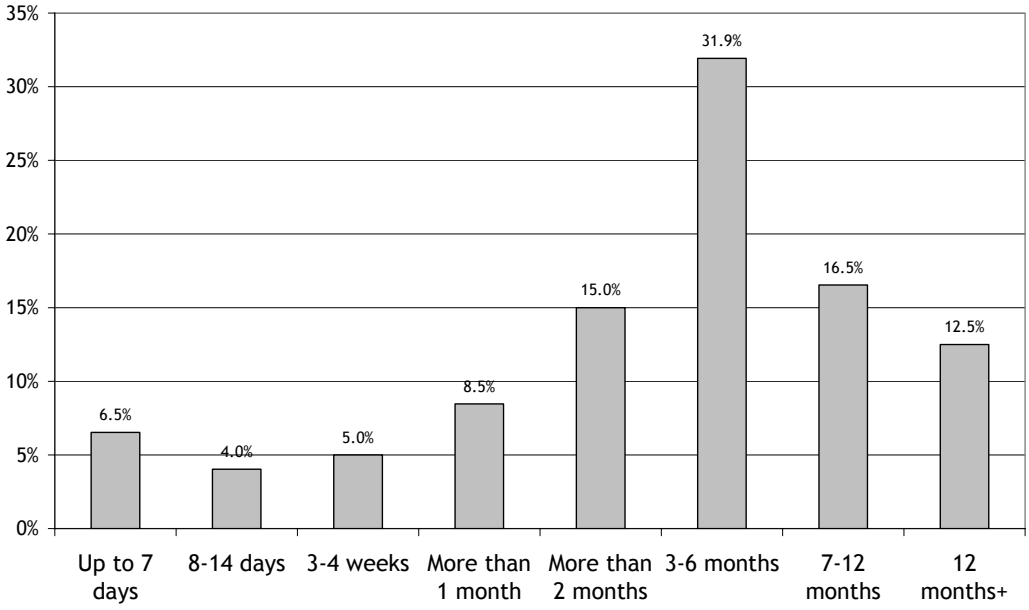


Figure 4l: Last region visited before arriving in the Southern Lakes Region – all visitors

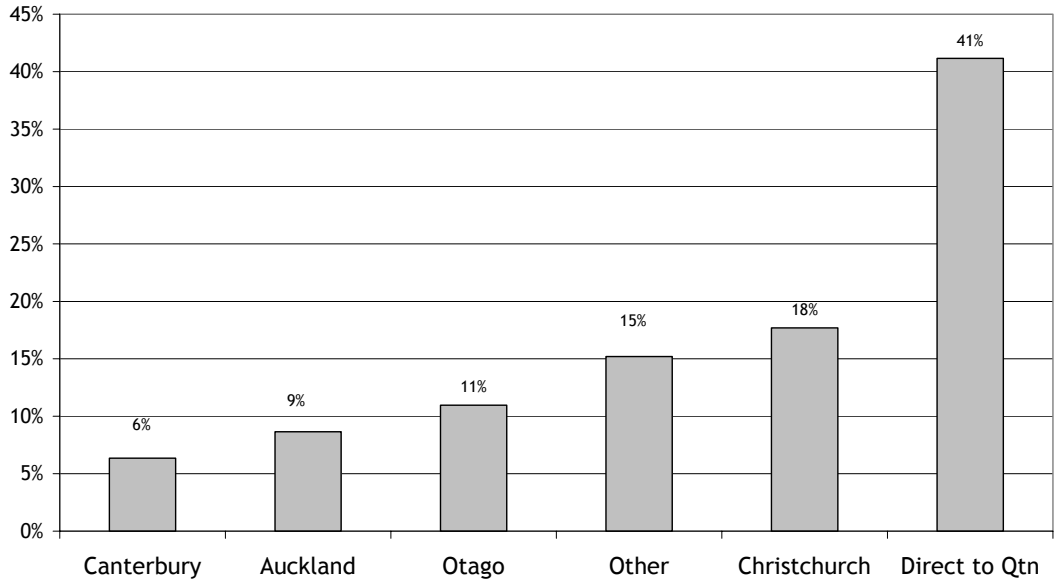


Figure 4m: Whether all visitors visit other regions in NZ while on their holiday

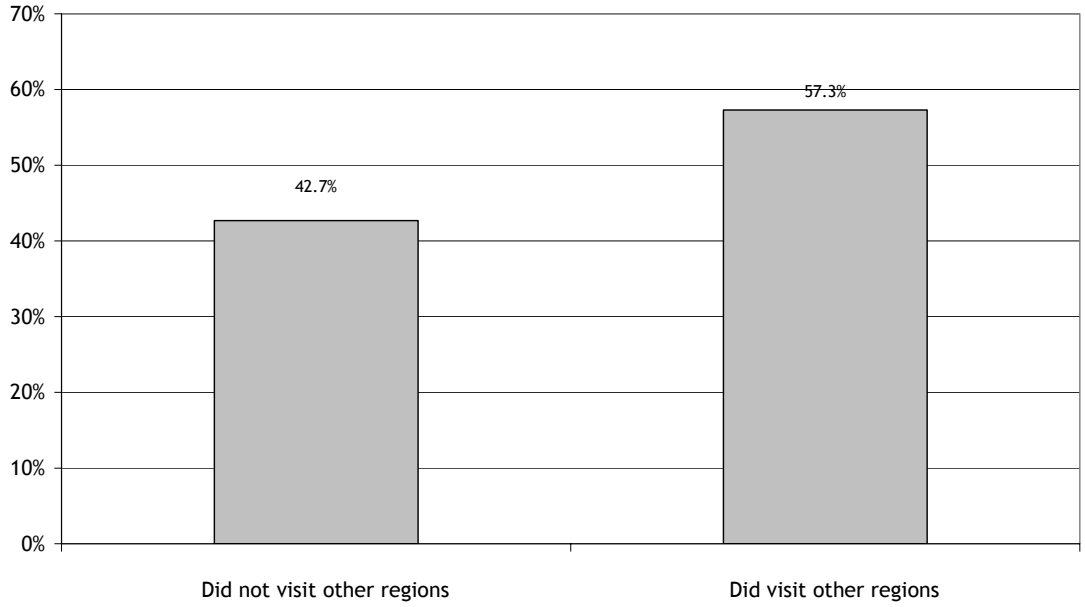


Figure 4n: Other regions in NZ visited by all respondents

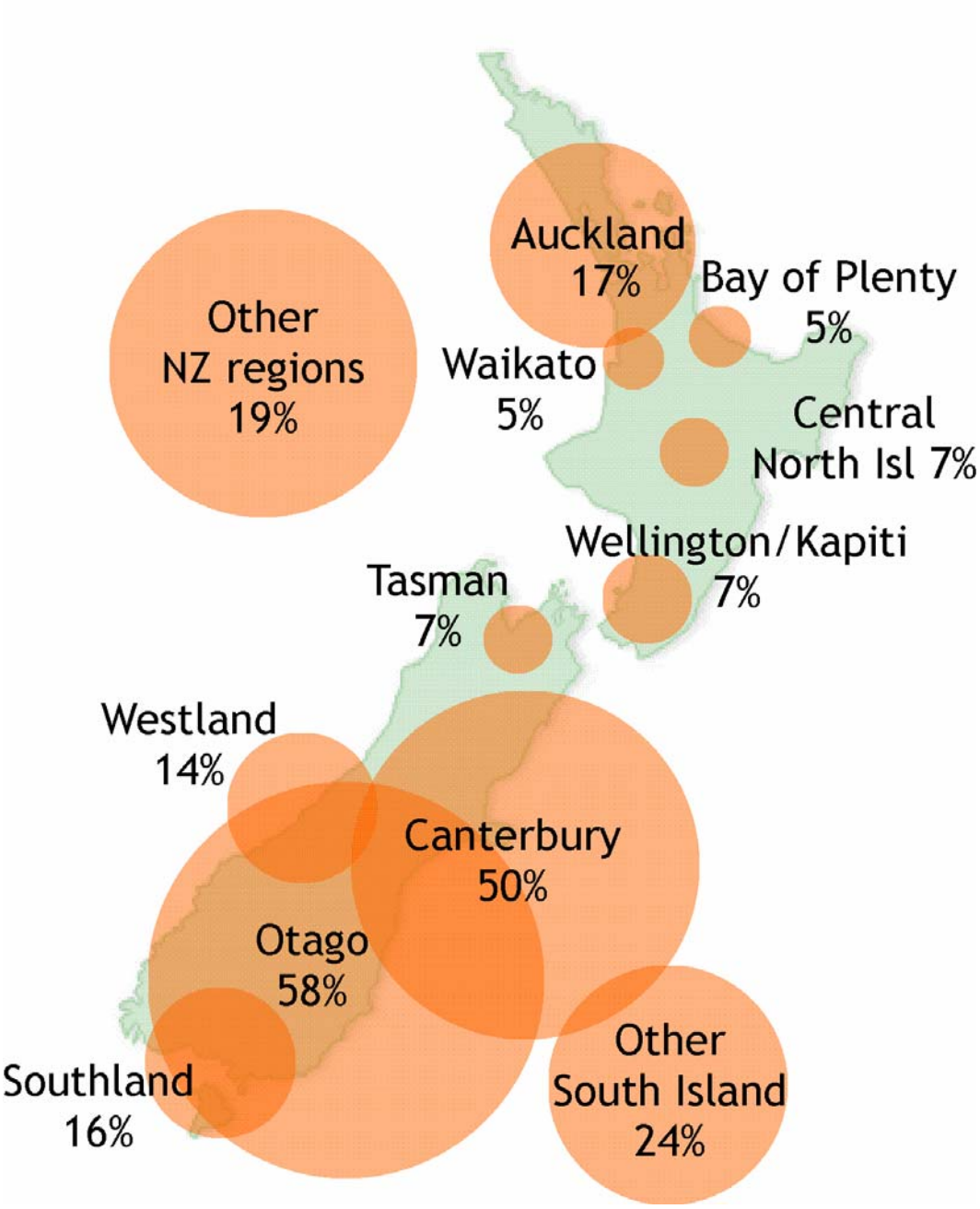


Table 4c: Length of holiday in New Zealand

Total days away from home	NZ	Overseas	Combined
1-3 days	7.0%	0.5%	4.3%
4-6 days	18.3%	4.4%	12.6%
7-9 days	30.7%	31.4%	31.0%
10-14 days	25.0%	31.9%	27.8%
15-19 days	4.0%	9.2%	6.1%
20-24 days	3.3%	2.9%	3.2%
25-29 days	2.7%	3.9%	3.2%
30+ days	9.0%	15.9%	11.8%
N=	300	207	507
Average days	11.4	14.5	12.6

Figure 4o: Last region visited before arriving in the Southern Lakes Region

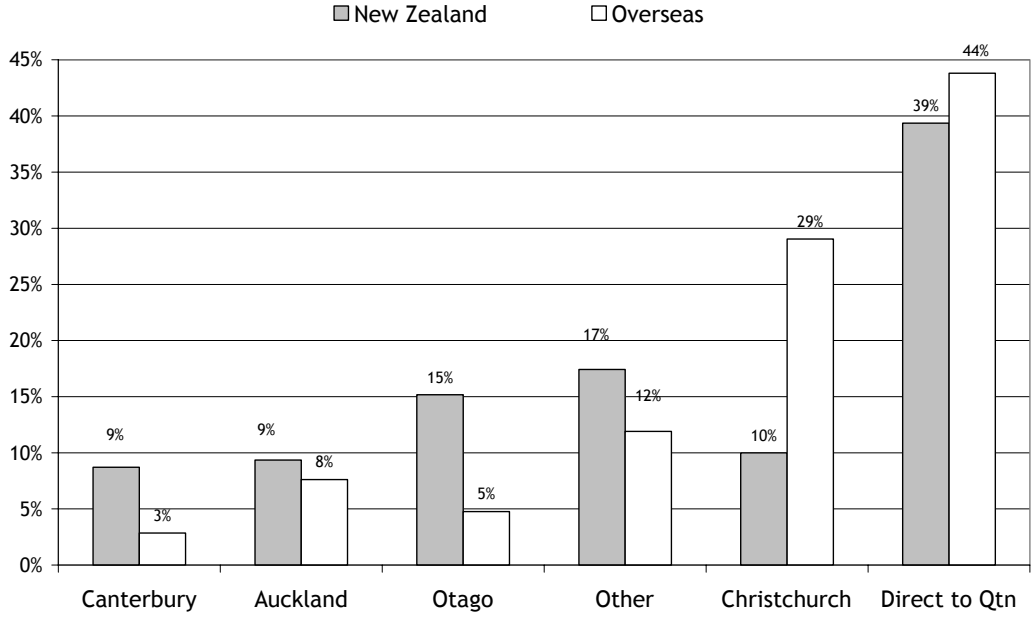


Figure 4p: Advance planning of a Queenstown/Wanaka snow holiday – all visitors

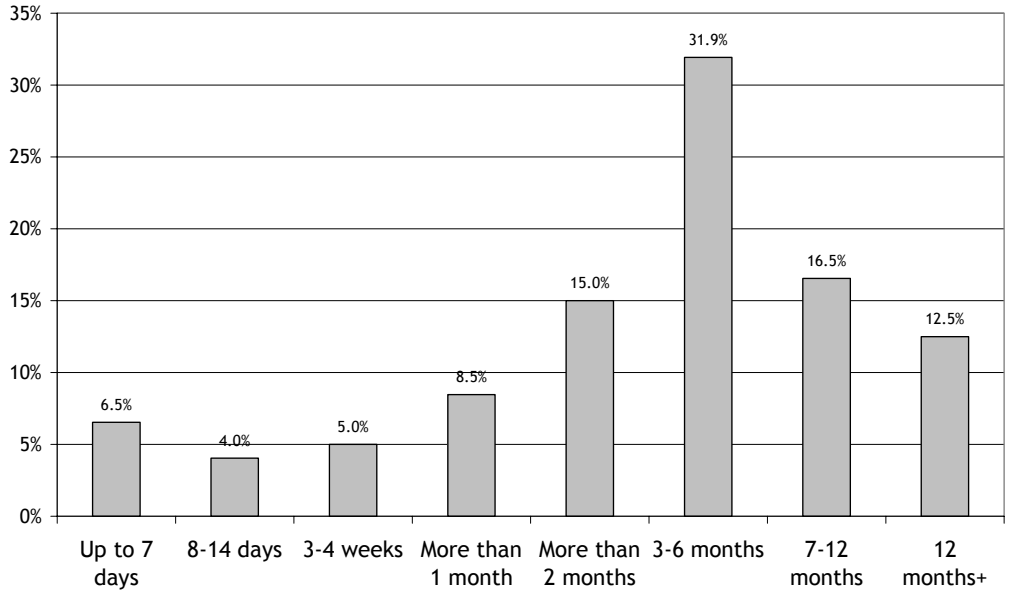


Figure 4q: Pre-booked holiday components – all visitors

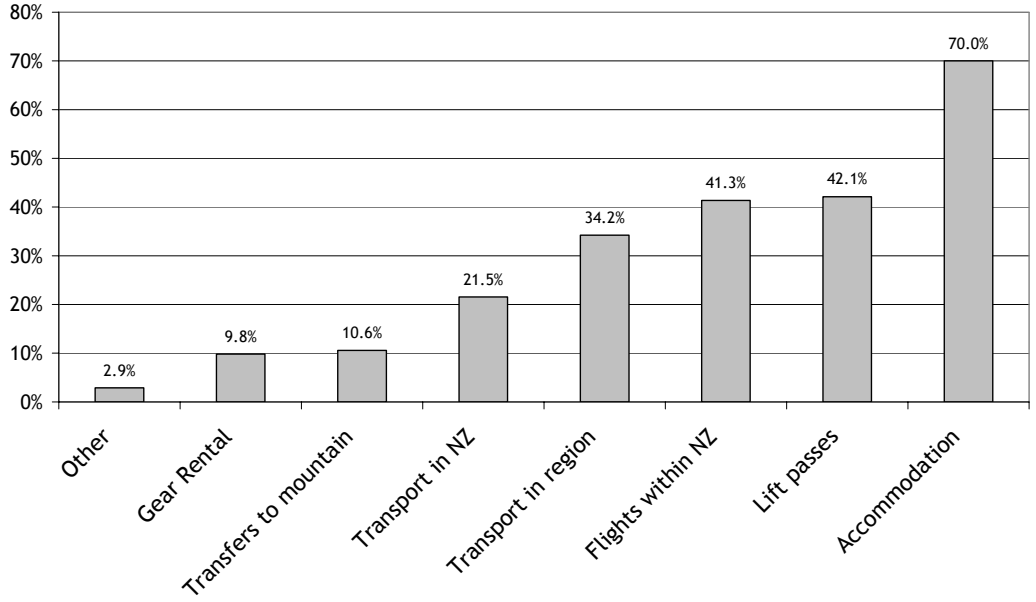


Figure 4r: Transport to the Southern Lakes Region by all visitors

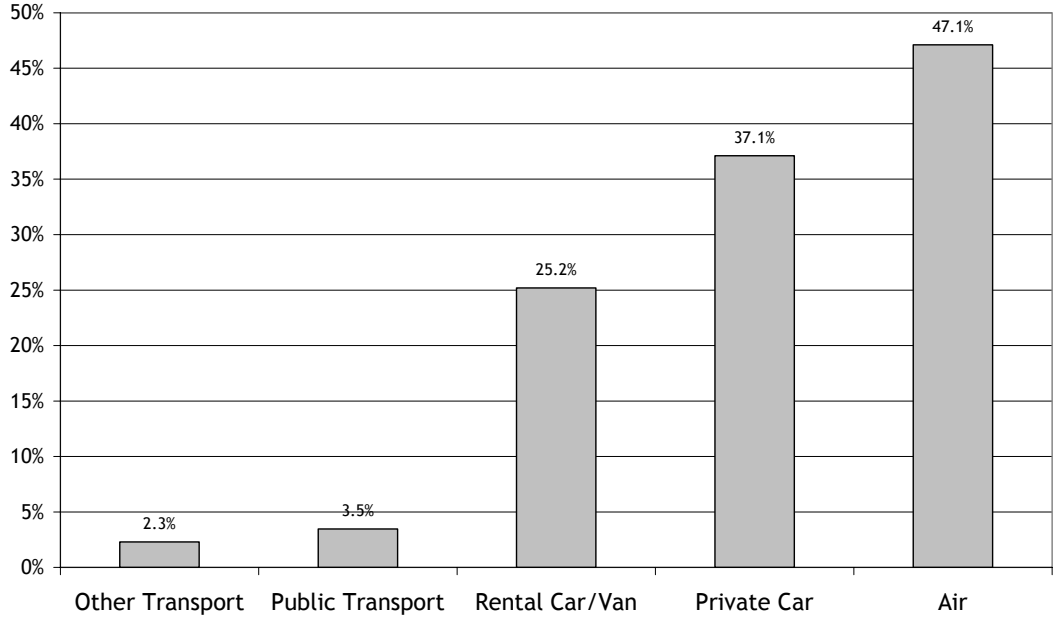


Figure 4s: Transport to the Southern Lakes Region by domestic & overseas visitors

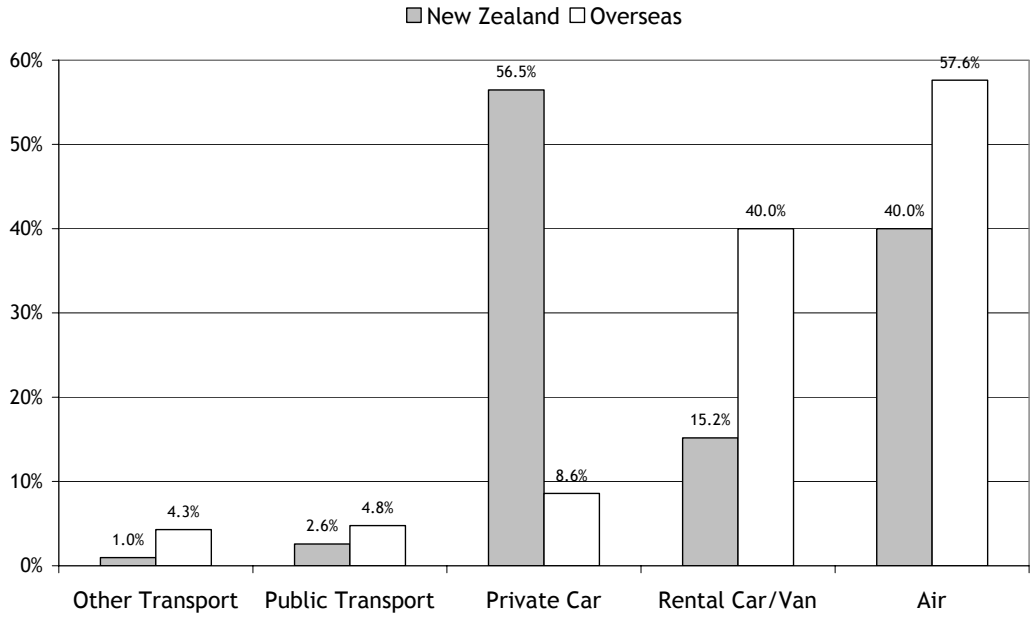
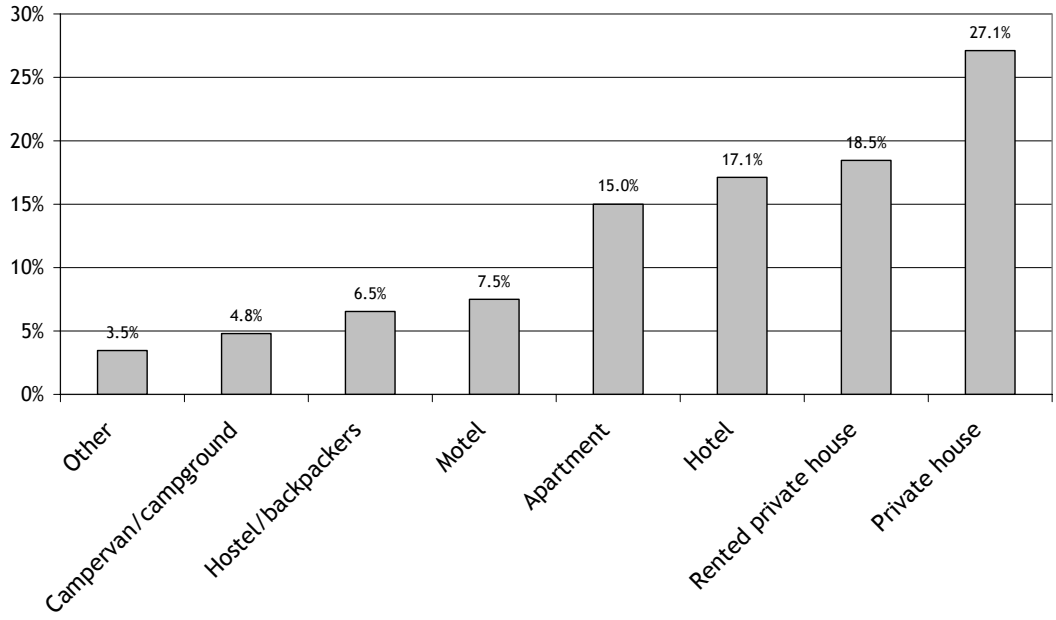


Figure 4t: Type of accommodation stayed in by all respondents



Appendix 5: Local Business Survey baseline data

This appendix presents data and information used to calculate linkages and local economic cost structures. Ski area data is not presented for confidentiality reasons.

Table 5a: The length of time of business operation

Length of time	N =	Percent
Less than 1 year	3	2.8
1 year	4	3.7
2 years	7	6.5
3 years	11	10.3
4 years	14	13.1
5 years	8	7.5
6 to 10 years	13	12.1
11 to 15 years	12	11.2
16 to 20 years	12	11.2
21 to 25 years	7	6.5
25+ years	16	15.0
Grand Total	**107**	**100**

Figure 5a: The role of respondents in businesses

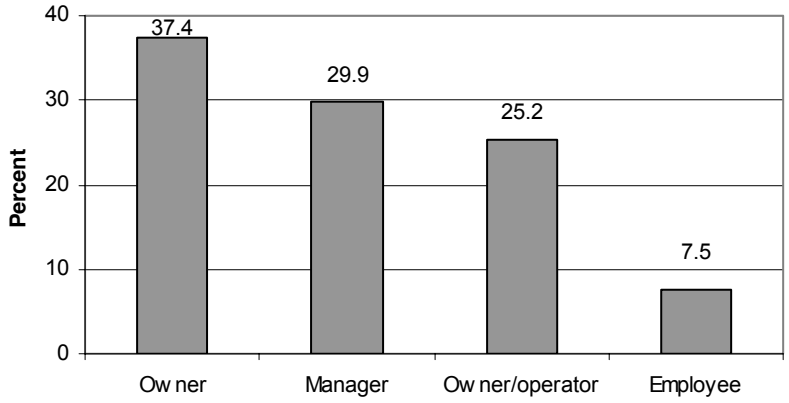


Figure 5b: The length of time of respondents have worked or owned business

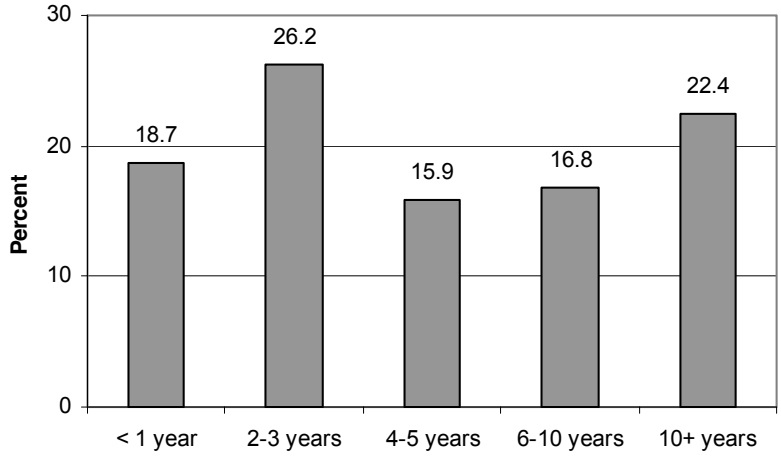


Table 5b: Average number of full-time workers employed by business over winter

Type of service	Average Number of worker	Average No. of workers (without outlier > 100 workers)
Accommodation	12.7	9.7
Activities	10.1	10.1
General	10.2	10.2
Multiple services	13.3	8.3
Average	**11.6**	**9.7**

Wanaka accommodation businesses outnumber those of the larger centre Queenstown, while general businesses are more represented from Queenstown.

Table 5c: Distribution of local business by locations

Location	Accommodation	Activities	General	Multiple	Grand Total
Arrow Town	-	-	1	1	2
Outside the above towns	2	2	-	1	5
Queenstown	15	6	25	10	56
Wanaka	18	4	13	9	44
Grand Total	**35**	**12**	**39**	**21**	**107**

Table 5d: Number of full-time workers employed over winter

No. of Full-time workers	N =	Percent
1 - 5 workers	60	56.1
6 -10 workers	18	16.8
11 - 20 workers	9	8.4
21 - 30 workers	14	13.1
30 - 40 workers	2	1.9
41 - 50 workers	1	0.9
61 -70 workers	1	0.9
100 - 109 workers	2	1.9
Grand Total	**107**	**100**

The breakdown of worker by sector shows that for each sector firms employing 1-5 fulltime workers dominate.

Table 5e: Number of full-time workers employed by sector over winter

No. of full time workers	Accommodation		Activities		General		Multiple service		Grand Total	
	#	%	#	%	#	%	#	%	#	%
1 - 5	21	19.6	6	5.6	19	17.8	14	13.1	60	56.1
6 -10	6	5.6	1	0.9	9	8.4	2	1.9	18	16.8
11 - 20	2	1.9	3	2.8	3	2.8	1	0.9	9	8.4
21 - 30	4	3.7	2	1.9	7	6.5	1	0.9	14	13.1
30 - 40	1	0.9	-	-	-	-	1	0.9	2	1.9
41 - 50	-	-	-	-	-	-	1	0.9	1	0.9
61 -70	-	-	-	-	1	0.9	-	-	1	0.9
100 - 109	1	0.9	-	-	-	-	1	0.9	2	1.9
Grand Total		**32.7**	**12**	**11.2**	**39**	**36.4**	**21**	**19.6**	**107**	**100**

Figure 5c: Full-time employees resident in the region year round

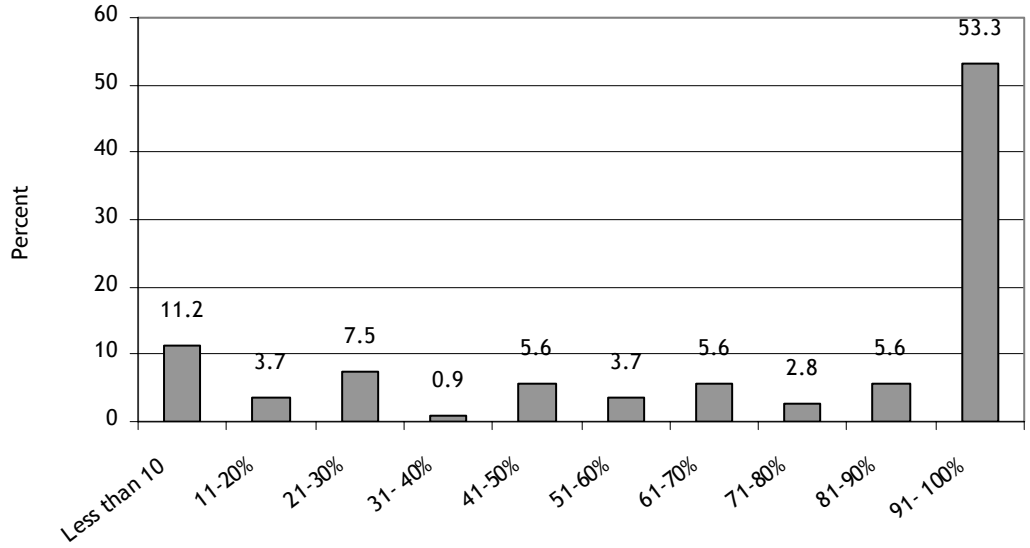


Table 5f: Full-time employees as year round residents by sector

Proportion	Accommodation		Activities		General		Multiple Service		Total	
	#	%	#	%	#	%	#	%	#	%
< 10%	8	22.9		0	2	5.1	2	9.5	12	11.2
11 to 20%	1	2.9			2	5.1	1	4.8	4	3.7
21 to 30%	3	8.6	1	8.3	3	7.7	1	4.8	8	7.5
31 to 40%	-	-	-	-	-	-	1	4.8	1	0.9
41 to 50%	4	11.4	-	-	2	5.1	-	-	6	5.6
51 to 60%	1	2.9	-	-	3	7.7	-	-	4	3.7
61 to 70%	1	2.9	1	8.3	4	10.3	-	-	6	5.6
71 to 80%	1	2.9	-	-	1	2.6	1	4.8	3	2.8
81 to 90%	2	5.7	1	8.3	3	7.7	-	-	6	5.6
91 to 100%	14	40.0	9	75.0	19	48.7	15	71.4	57	53.3
Grand Total	**35**	**100**	**12**	**100**	**39**	**100**	**21**	**100**	**107**	**100**

Table 5g: Average number of part-time workers employed by business over winter

Type of business	Average number of part-time employees	Average No. of part-time workers (without outlier >100 employees)
Accommodation	8.9	8.9
Activities	3.1	3.1
General	8.6	3.6
Multiple services	5.3	5.3
Average	**7.4**	**5.6**

Table 5h: Number of part-time workers employed by local business over winter

No. of part-time employee	N =	Percent
1 - 5 workers	79	73.8
6 - 10 workers	15	14.0
11 - 20 workers	5	4.7
21 - 30 workers	2	1.9
31 - 40 workers	3	2.8
41 - 50 workers	2	1.9
Over 150 workers	1	0.9
Grand Total	**107**	**100**

Table 5i: Number of part-time workers employed by sector over winter

No. of workers	Accommodation		Activities		General		Multiple services		Grand total	
	#	%	#	%	#	%	#	%	#	%
1 - 5	23	65.7	11	91.1	30	76.9	15	71.4	79	73.8
6 – 10	4	11.4	-	-	7	17.9	4	19.0	15	14.0
11 - 20	2	5.7	1	8.3	1	2.6	1	4.8	5	4.7
21 - 30	2	5.7	-	-	-	-	-	-	2	1.9
31 - 40	2	5.7	-	-	-	-	1	4.8	3	2.8
41 - 50	2	5.7	-	-	-	-	-	-	2	1.9
Over 150	-	-	-	-	1	2.6	-	-	1	0.9
Grand Total	**35**	**100**	**12**	**100**	**39**	**100**	**21**	**100**	**107**	**100**

Figure 5d: Part-time employees resident in the region year round

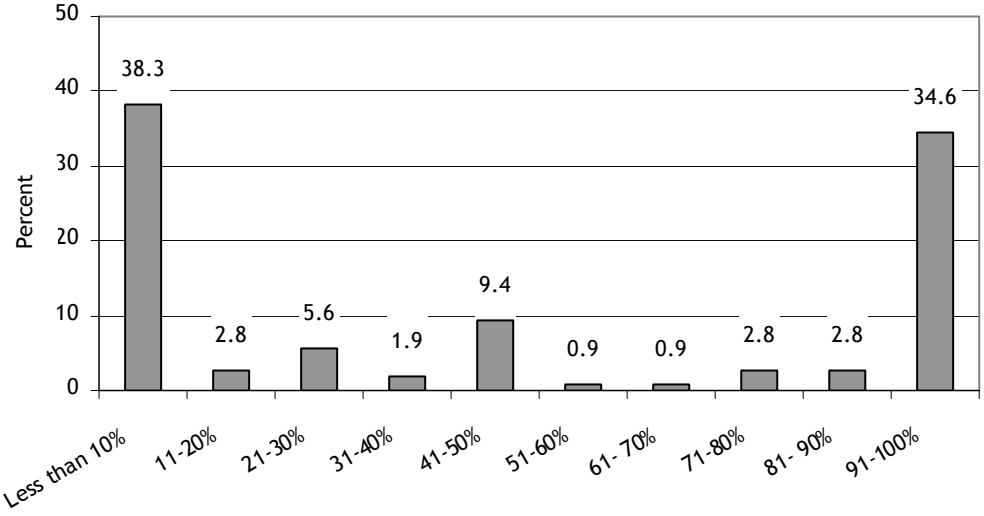


Table 5j: Proportion of part-time employees is year round residents in the region by sector

Proportion	Accommodation		Activities		General		Multiple Service		Grand total	
	#	%	#	%	#	%	#	%	#	%
< 10%	14	40.0	2	16.7	19	48.7	6	28.6	41	38.3
11 to 20%	2	5.7			1	2.6	-	-	3	2.8
21 to 30%	3	8.6	1	8.3	2	5.1	-	-	6	5.6
31 to 40%	2	5.7					-	-	2	1.9
41 to 50%	3	8.6	1	8.3	5	12.8	1	4.8	10	9.3
51 to 60%	1	2.9	-	-	-	-	-	-	1	0.9
61 to 70%	-	-	-	-	-	-	1	4.8	1	0.9
71 to 80%	1	2.9	-	-	1	2.6	1	4.8	3	2.8
81 to 90%	-	-	1	8.3	1	2.6	1	4.8	3	2.8
91 to 100%	9	25.7	7	58.3	10	25.6	11	52.4	37	34.6
Grand Total	**35**	**100**	**12**	**100**	**39**	**100**	**21**	**100**	**107**	**100**

Table 5k: Local business problems experienced getting enough staff this winter

Services	NO		YES	
	#	%	#	%
Accommodation	29	82.9	6	17.1
Activities	11	91.8	1	8.3
General	33	84.6	6	15.4
Multiple Service	17	80.9	4	19.1
Grand Total	**90**	**84.1**	**17**	**15.9**

Figure 5e: Local business turnover in last financial year

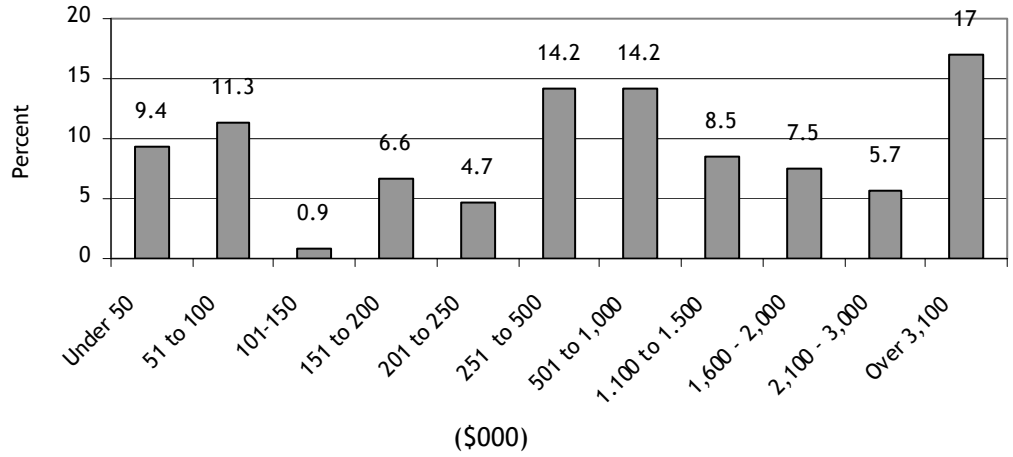


Table 5l: Turnover of local business in last financial year

Turnover ($)	Accommodation		Activities		General		Multiple		Grand Total	
	#	%	#	%	#	%	#	%	#	%
Under 50,000	4	11.4	1	8.3	3	7.7	2	9.5	10	9.4
50,000 to 100,000	4	11.4	3	25.0	2	5.1	3	14.3	12	11.3
100,001 to 150,000	1	2.9	-	-	-	-	-	-	1	0.9
150,001 to 200,000	1	2.9	-	-	4	10.3	2	9.5	7	6.6
200,001 to 250,000	2	5.7	-	-	3	7.7	-	-	5	4.7
250,001 to 500,000	5	14.3	3	25.0	4	10.3	3	14.3	15	14.2
500,001 to 1 million	6	17.1	-	-	7	17.9	2	9.5	15	14.2
1.1m to 1.5 million	1	2.9	1	8.3	4	10.3	3	14.3	9	8.5
1.6 million to 2 million	4	11.4	-	-	2	5.1	2	9.5	8	7.5
2.1 million to 3 million	1	2.9	2	16.7	3	7.7	-	-	6	5.7
$3.1 million+	5	14.3	2	16.7	7	17.9	4	19.0	18	17.0
Grand Total	**34**	**100**	**12**	**100**	**39**	**100**	**21**	**100**	**106**	**100**
Median Turnover ($)	**525,000**		**708,332.5**		**964,258.8**		**1,416,665**			

Figure 5f: Turnover attributed to tourism in last financial year

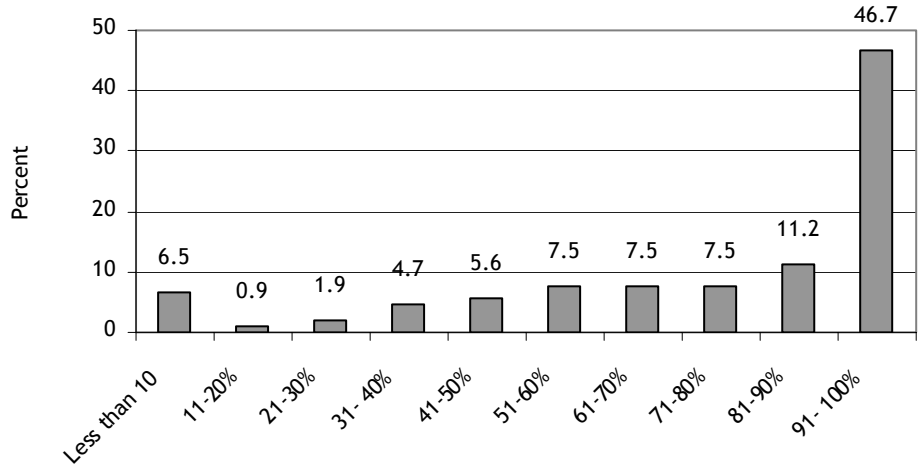


Table 5m: Turnover attributed to tourism by sector

% for turnover from tourism	Accommodation		Activities		General		Multiple	
	#	%	#	%	#	%	#	%
Less than 10%	-	-	-	-	6	15.4	1	4.8
11% to 20%	-	-	-	-	1	2.6	-	-
21% to 30%	-	-	-	-	1	2.6	1	4.8
31% to 40%	-	-	-	-	4	10.3	1	4.8
41% to 50%	1	2.9	-	-	5	12.8	-	-
51% to 60%	2	5.7	2	16.7	1	2.6	3	14.3
61% to 70%	3	8.6	-	-	4	10.3	1	4.8
71% to 80%	2	5.7	1	8.3	3	7.7	2	9.5
81% to 90%	6	17.1	-	-	6	15.4	-	-
91% to 100%	21	60.0	9	75.0	8	20.5	12	57.1
Grand Total	**35**	**100**	**12**	**100**	**39**	**100**	**21**	**100**
Median		**95.07**		**100**		**75.6**		**98.1**

Table 5n: Turnover attributed to ski area visitors by sector

% of turnover	Accommodation		Activities		General		Multiple	
	#	%	#	%	#	%	#	%
Less then 10%	5	14.3	5	41.7	7	17.9	4	19.0
11 - 20%	4	11.4	-	-	3	7.7	1	4.8
21 - 30%	8	22.9	2	16.7	5	12.8	6	28.6
31 - 40%	8	22.9	1	8.3	7	17.9	3	14.3
41 - 50%	3	8.6	-	-	7	17.9	2	9.5
51 - 60%	3	8.6	-	-	1	2.6	1	4.8
61 - 70%	-	-	1	8.3	2	5.1	1	4.8
71 - 80%	2	5.7	-	-	3	7.7	2	9.5
81 - 90%	-	-	-	-	2	5.1	-	-
81 - 91%	-	-	-	-	1	2.6	-	-
91 - 100%	2	5.7	3	25.0	1	2.6	1	4.8
Grand total	**35**	**100**	**12**	**100.0**	**39**	**100.0**	**21**	**100.0**
Median percentage		**23.80**		**32.50**		**35.50**		**24.75**

Figure 5g: Turnover comparison with 2004 winter season, all businesses

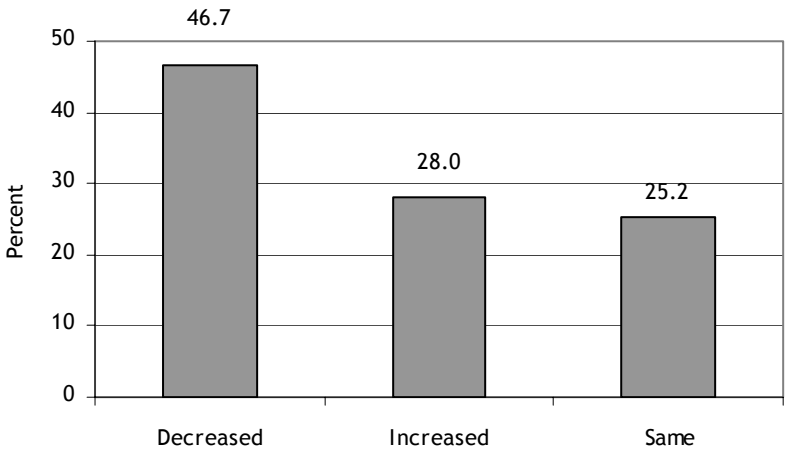


Figure 5h: Turnover comparison with 2004 winter season – Queenstown & Wanaka Businesses

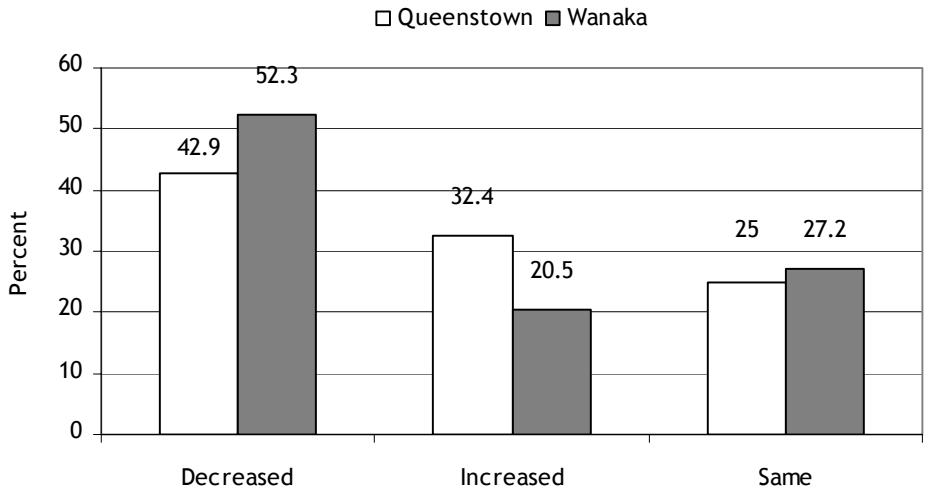


Table 5o: Average proportion of annual expenses by cost items

	Average cost (%)			Total
Services	**Labour**	**General operating cost**	**Other fixed cost**	
Accommodation	27.2	30.6	42.3	100
Activities	47.8	27.7	24.5	100
General	35.8	39.7	24.4	100
Multiple	31.4	38.5	30.2	100
Mean	**33.5**	**35.2**	**31.3**	**100**

Table 5p: Proportion of annual expenses by cost items

Proportion	Annual expenses by cost items					
	Labour		General Operating Cost		Other Fixed Expense	
	#	%	#	%	#	%
Less than 10%	2	2.1	2	2.1	5	5.1
10 - 20%	23	24.0	23	24.0	29	29.3
21 30%	18	18.8	22	22.9	27	27.3
31- 40%	25	26.0	22	22.9	16	16.2
41 - 50%	12	12.5	8	8.3	7	7.1
51- 60%	10	10.4	9	9.4	11	11.1
61 - 70%	2	2.1	3	3.1	2	2.0
71 - 80%	2	2.1	4	4.2	-	0.0
81 -90%	1	1.0	2	2.1	1	1.0
91 - 100	1	1.0	1	1.0	1	1.0
Total	**96**	**100**	**96**	**100**	**99**	**100**

Table 5q: Proportion of general operating expenses spent in the area

Proportion	N =	Percent
Less than 10%	9	8.4
11% to 20%	5	4.7
21% to 30%	3	2.8
31% to 40%	3	2.8
41% to 50%	1	0.9
51% to 60%	6	5.6
61% to 70%	14	13.1
71% to 80%	21	19.6
81% to 90%	22	20.6
91% to 100%	23	21.5
Grand Total	**107**	**100**
Median		**74.2**

Table 5r: Proportion of labour cost by sector

	Accommodation		Activities		General		Multiple		Grand total	
	#	%	#	%	#	%	#	%	#	%
< 10%	-	-			1	2.6	1	5.6	2	2.1
10 - 20%	8	27.6	1	9.1	8	21.1	6	33.3	23	24.0
21 30%	9	31.0	1	9.1	6	15.8	2	11.1	18	18.8
31- 40%	5	17.2	4	36.4	12	31.6	4	22.2	25	26.0
41 - 50%	5	17.2	1	9.1	4	10.5	2	11.1	12	12.5
51- 60%	2	6.9	2	18.2	4	10.5	2	11.1	10	10.4
61 - 70%	-	-	-	-	2	5.3	-	-	2	2.1
71 - 80%	-	-	1	9.1	-	-	1	5.6	2	2.1
81 -90%	-	-	-	-	1	2.6	-	-	1	1.0
91 - 100	-	-	1	9.1	-	-	-	-	1	1.0
Total	**29**	**100**	**11**	**100**	**38**	**100**	**18**	**100**	**96**	**100**

Table 5s: Proportion of general operating expenses by sector

Operating cost	Accommodation		Activities		General		Multiple		Grand total	
	#	%	#	%	#	%	#	%	#	%
Less then 10%			1	10.0	-	-	1	5.6	2	2.1
10 - 20%	11	36.7	2	20.0	7	18.4	3	16.7	23	24.0
21 30%	8	26.7	2	20.0	7	18.4	5	27.8	22	22.9
31- 40%	7	23.3	3	30.0	10	26.3	2	11.1	22	22.9
41 - 50%	-	-	1	10.0	5	13.2	2	11.1	8	8.3
51- 60%	3	10.0	-	-	3	7.9	3	16.7	9	9.4
61 - 70%	-	-	-	-	3	7.9	-	-	3	3.1
71 - 80%	-	-	1	10.0	2	5.3	1	5.6	4	4.2
81 -90%	-	-	-	-	1	2.6	1	5.6	2	2.1
91 - 100	1	3.3	-	-	-	-	-	-	1	1.0
Total	**30**	**100.0**	**10**	**100**	**38**		**18**	**100**	**96**	**100**

Table 5t: Proportion of other fixed costs by sector

	Accommodation		Activities		General		Multiple		Grand total	
	#	%	#	%	#	%	#	%	#	%
Less then 10%			2	18.2	2	5.1	1	5.9	5	5.1
10 - 20%	4	12.5	3	27.3	20	51.3	2	11.8	29	29.3
21 30%	7	21.9	3	27.3	10	25.6	7	41.2	27	27.3
31- 40%	6	18.8	2	18.2	4	10.3	4	23.5	16	16.2
41 - 50%	5	15.6		0.0	1	2.6	1	5.9	7	7.1
51- 60%	7	21.9	1	9.1	1	2.6	2	11.8	11	11.1
61 - 70%	2	6.3	-	-	-	-	-	-	2	2.0
71 - 80%	-	-	-	-	1	2.6	-	-	1	1.0
81 -90%	1	3.1	-	-	-	-	-	-	1	1.0
91 - 100	-	-	-	-	-	-	-	-	-	-
Total	**32**	**100.0**	**11**	**100.0**	**39**	**100.0**	**17**	**100.0**	**99**	**100.0**

Table 5u: Average proportion of annual expenses of business by cost items

	Average cost (%)			Total
Services	Labour	General operating cost	Other fixed cost	
Accommodation	27.2	30.6	42.3	100
Activities	47.8	27.7	24.5	100
General	35.8	39.7	24.4	100
Multiple	31.4	38.5	30.2	100
Mean	**33.5**	**35.2**	**31.3**	**100**

Table 5v: The proportion of annual expenses of business by cost items

Proportion	Annual expenses by cost items					
	Labour		General Operating Cost		Other Fixed Expense	
	#	%	#	%	#	%
Less then 10%	2	2.1	2	2.1	5	5.1
10 - 20%	23	24.0	23	24.0	29	29.3
21 30%	18	18.8	22	22.9	27	27.3
31- 40%	25	26.0	22	22.9	16	16.2
41 - 50%	12	12.5	8	8.3	7	7.1
51- 60%	10	10.4	9	9.4	11	11.1
61 - 70%	2	2.1	3	3.1	2	2.0
71 - 80%	2	2.1	4	4.2	-	0.0
81 -90%	1	1.0	2	2.1	1	1.0
91 - 100	1	1.0	1	1.0	1	1.0
Total	**96**	**100**	**96**	**100**	**99**	**100**

Table 5w: The proportion of general operating expenses spent in the Region

Proportion	N =	Percent
Less than 10%	9	8.4
11% to 20%	5	4.7
21% to 30%	3	2.8
31% to 40%	3	2.8
41% to 50%	1	0.9
51% to 60%	6	5.6
61% to 70%	14	13.1
71% to 80%	21	19.6
81% to 90%	22	20.6
91% to 100%	23	21.5
Grand Total	**107**	**100**
Median		**74.2**

Table 5x: Proportion of general operating expenses spent in the Region by sector

	Accommodation		Activities		General		Multiple service	
	#	%	#	%	#	%	#	%
Less than 10%	-	-	-	-	8	20.5	1	4.8
11% to 20%	1	2.9	-	-	-	10.3	-	-
21% to 30%	-	-	-	-	1	2.6	2	9.5
31% to 40%	2	5.7	-	-	-	-	1	4.8
41% to 50%	-	-	-	-	-	-	1	4.8
51% to 60%	1	2.9	-	-	4	10.3	1	4.8
61% to 70%	5	14.3	4	33.3	3	7.7	2	9.5
71% to 80%	7	20.0	2	16.7	9	23.1	3	14.3
81% to 90%	10	28.6	4	33.3	5	12.8	3	14.3
91% to 100%	9	25.7	2	16.7	5	12.8	7	33.3
Grand Total	**35**	**100**	**12**	**100**	**39**	**100**	**21**	**100**
Median proportion		**87.75**		**100**		**80.5**		**90.5**