



Final Report: 25 July 2022

## Economic Assessment of Fast-Track Application for Proposed Hotel Development in Queenstown

Prepared for:  
The Queenstown Hotel (NZ) Limited Partnership

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# 1. Executive Summary

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## Context & Purpose

The Queenstown Hotel (NZ) Limited Partnership (the Partnership) and its project partners wish to develop a 175- to 185-room luxury hotel located off Man Street, on the western edge of the Queenstown CBD. To expedite the development, the Partnership is seeking consent to commence the development under the COVID-19 Recovery (Fast-track Consenting) Act 2020. To assist, this report assesses the likely economic effects of the development, particularly its impacts on regional and national GDP, incomes, and employment. In addition, it considers a range of wider economic effects.

## Importance & Role of Tourism and Accommodation

To help set the scene, we briefly recap the importance of tourism to Queenstown's local economy, then acknowledge the crippling effects of Covid-19 on the district. Next, we explain the broader role of accommodation in attracting and retaining visitors and hence generating tourism spending. Using MRTE data from 2010 to 2019, we show that – holding all other factors constant – each additional dollar of accommodation spending by international visitors was met with \$5.40 of spending on all other tourism goods and services. Accordingly, accommodation plays a pivotal role in attracting and retaining tourists, so quality additions to Queenstown's accommodation stock will boost its long term tourism potential.

## One-Off National Economic Impacts

Next, we briefly explain the methodology used to estimate the development's economic impacts, which comprise both one-off and ongoing components. Over the estimated construction period of 2 to 3 years, the one-off impacts of site preparation and hotel construction could provide:

- A one-time boost in national GDP of \$20 million;
- Employment for 198 people-years (or about 180 FTEs for two years); and
- Household incomes of \$12.3 million.

Following are the number of people directly and indirectly employed during the project.

- In 2022, 4 direct FTE jobs will be created in the region in the planning/design/consent stages, with a further 1 FTE job created indirectly in sectors that support planning/design/consent.
- In 2023, 21 direct FTE jobs will be created in the region in the infrastructure/land development stage, with a further 9 FTE jobs created indirectly in sectors that support infrastructure and land development.

- In 2023-2025, 64 direct FTE jobs will be created in the region in the building construction stage, with a further 39 FTE jobs created indirectly in sectors that support this building construction.

### **Ongoing Economic Impacts**

In addition to boosting the district's stock of quality, centrally-located visitor accommodation, spending by future guests of the proposed hotel will also help to support the district's economy. In fact, we estimate that spending by future guests will generate annual economic impacts equal to regional GDP of \$27 million, employment for 400 people, and household incomes of \$11 million. In addition, but noting inevitable overlaps with the annual visitor impacts just noted, future operations of the hotel will also provide ongoing employment for approximately 100 FTEs.

### **Wider Economic Effects**

In addition to the quantifiable economic impacts of the development, as summarised above, we also briefly considered a range of wider economic effects. These are significant, and include:

- **Help for Covid-Affected Workers** – While the proposed development is not a panacea for the economic woes foisted on the district by the Covid-19 pandemic, it will provide a strong and enduring demand for labour, some of which can be filled by workers that have lost their jobs to Covid-19.
- **Project Acceleration** – Not only will the project provide meaningful employment for a wide range of workers, but gaining approval via the Fast-Track process will also help those jobs to be created much sooner than they would do otherwise. This is critical given the dire state of the district's economy and labour market. The sooner this project begins, the sooner it can help keep the local economy afloat until our borders fully reopen and international tourism recommences. Absent Fast-Track approval, the proposal will presumably otherwise undergo a publicly-notified, non-complying resource consent process. In our experience, this process can take up to two years for large and complex developments like this (including the possibility of an Environment Court appeal). The Fast Track process sidesteps these delays and helps the district recover much sooner.
- **Highest & Best Use of Land** – the proposal will put the land to its highest and best use, which enables economic efficiency to hold in the underlying land market.
- **Investment Signals** – finally, the development will provide a strong signal of confidence in the district economy, which may help spur on, accelerate, or bring forward other development.

Given the development's considerable and enduring economic benefits, as described above, we strongly support it on economic grounds.

## 2. Introduction

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### 2.1. Context and Purpose of Report

The Partnership is seeking to develop a parcel of land located off Man Street (“the site”), on the western edge of the Queenstown CBD. The site, which is currently used as a car park, has iconic views of Lake Wakatipu, the Ben Lomond mountain range and the CBD, and is within easy walking distance of many of Queenstown’s key attractions.

The Partnership and its project partners wish to develop a 175- to 185-room luxury hotel on the site. To expedite the development, they are seeking consent under the COVID-19 Recovery (Fast-track Consenting) Act 2020. To assist, this report assesses the likely economic effects of the development, particularly its impacts on regional and national GDP, incomes, and employment. In addition, this report briefly considers a range of wider economic effects.

### 2.2. Purpose of Fast-Track Legislation

The purpose of the COVID-19 Recovery (Fast-track Consenting) Act 2020 (“the Act”) is to urgently promote employment to ensure New Zealand’s economic recovery from COVID-19, whilst promoting certainty of ongoing investment in New Zealand’s economy.

As per Section 19 of the Act, the Minister may consider various factors when considering whether a project will help to achieve the purpose of the Act. These include, but are not limited to:

- The project’s economic benefits and costs for people or industries affected by COVID-19;
- The project’s effect on the social and cultural well-being of current and future generations; and
- Whether the project may result in a public benefit by generating employment.

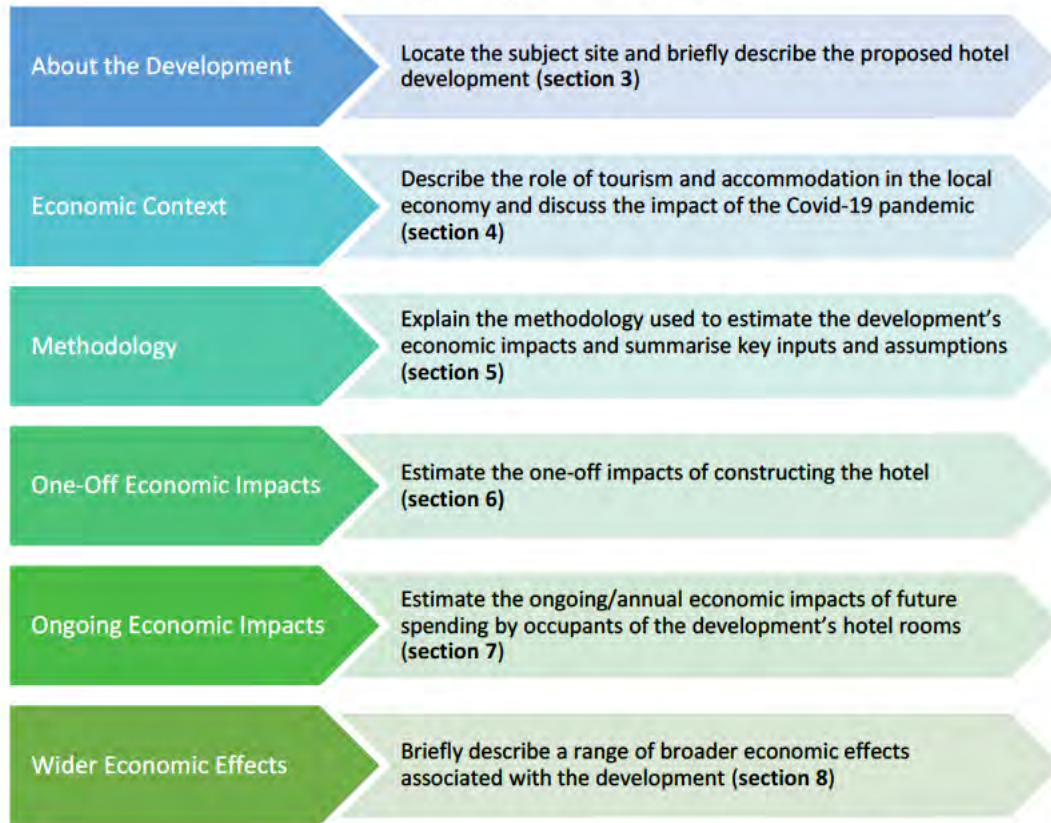
Accordingly, throughout this report, emphasis is placed on how the proposed development delivers economic benefits through employment, incomes and flow-on effects to the wider Queenstown economy and beyond to aid recovery from Covid-19.



### 2.3. Steps in Assessment & Structure of Report

Figure 1 shows the key steps in our assessment and identifies the section of this report in which each is addressed.

**Figure 1:** Key Steps in Analysis & Corresponding Report Sections



### 3. About the Development

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This section locates the subject site and briefly describes the proposed development.

#### 3.1. Site Location & Description

The subject site is located off Man Street, on the western edge of the Queenstown CBD. It is bound by Man Street to the north, mixed commercial uses to the east and south, and vacant land to the west. It is currently in use as a public parking lot consisting of over 500 underground spaces. The site itself spans just over 3,960 square metres, and is rectangular in shape. It slopes steeply towards the south, in the direction of the Queenstown Bay waterfront, which is less than 200 metres away.

In the broader context of the area, the site is situated between the Town Centre and the proposed higher-density Lakeview development, within the Queenstown Town Centre Zone. It is within walking distance of several tourist attractions, including the Skyline gondola, which is approximately five minutes' walk. The site's proximity to the CBD is illustrated in Figure 2 below.

Figure 2: Proximity of Site to the Queenstown Town Centre (CBD)





### 3.2. Proposed Development

The proposed hotel development, “Queenstown Hotel”, has been designed by acclaimed architecture studio Woods Bagot, and will be built to luxury accommodation standards. Once complete, it will include approximately 175- to 185-hotel rooms set over six storeys, with views over Lake Wakatipu and out to the distance mountain ranges. Other features include a bar and restaurant with outdoor terrace, and a gymnasium.

Figure 3 below shows the concept design for the hotel, as viewed from Man Street.

Figure 3: Concept Design – View from Man Street



The hotel design is informed by its visibility from both the waterfront and higher vantage points such as the Skyline gondola. An aerial view of the concept plan is shown in Figure 4 below.

Figure 4: Concept Design – Aerial View



## 4. Role & Importance of Tourism & Accommodation

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This section describes the role and importance of tourism and accommodation to the Queenstown economy, and considers its role in helping to recover from the impacts of the Covid-19 pandemic.

### 4.1. Role of Queenstown in the National Tourism Sector

Queenstown has been described as the jewel in New Zealand's crown, with both Lonely Planet and Trip Advisor naming it as one of the top experiences in the country. It is a major drawcard for overseas travellers. In fact, one in every ten international visitor guest nights is spent in the district.<sup>1</sup> The value of these visitors spreads well beyond Queenstown itself. According to Council's 'Covid-19 Recovery Intelligence Report',<sup>2</sup> visitors to Queenstown spend three times more elsewhere in the South Island than other international visitors. This additional spend is estimated to contribute approximately \$1b to South Island GDP. With North Island tourism included, contribution to national GDP is estimated to be as high as \$1.6b.

### 4.2. Importance of Tourism to Queenstown Economy

Not only is Queenstown (arguably) New Zealand's pre-eminent tourism destination, but tourism is also the driving force behind Queenstown's economy. For example, according to Infometrics<sup>3</sup>, the tourism sector contributed an estimated 44% to Queenstown's pre-Covid<sup>4</sup> district GDP. This far surpasses other tourist hot-spots around the nation.<sup>5</sup> In addition, tourism is a major source of employment in Queenstown, with more than half of all district jobs (56%) attributable to the tourism sector in the twelve months to March 2020, compared to less than 9% nationwide.

### 4.3. Impact of Covid-19 on Queenstown Tourism

While New Zealand has done an outstanding job of stopping the spread of Covid-19 by entering lockdown earlier than most other countries, and has also benefitted from its isolated geography, the pandemic's economic effects have still been profound. The greatest impacts have been felt in tourism-dependent areas, particularly those that rely on a steady influx of international visitors, such as Queenstown.

A recent economic assessment of Covid-19 by Infometrics for the Treasury describes the situation in stark and sobering detail. With tourism accounting for well over half of the district's economy, the report projects that Covid-19 will reduce district GDP by almost 25%. Several articles have also appeared in the *Otago Daily Times*, documenting the pandemic's ravaging effects on the district economy, with Mayor Jim Boulton imploring central Government to intervene.

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<sup>1</sup> Queenstown Lakes District COVID-19 Recovery Intelligence Report (April 2021), p7

<sup>2</sup> Ibid, p6

<sup>3</sup> Accessible here via online portal: <https://ecoprofile.infometrics.co.nz/Queenstown-Lakes%2bDistrict>

<sup>4</sup> Year ending March 2020

<sup>5</sup> . For example, the next highest contribution was in Westland District, with 21%, followed by Thames-Coromandel District (15%), and Ruapehu District (14%). Overall, tourism contributed an estimated 5.1% to the national economy in the same period.

While a strong domestic tourist season brought some relief, activity has once again been disrupted by travel restrictions following the arrival of the Delta and Omicron variants on our shores. And, as we know, the trans-Tasman bubble proved to be short-lived. Infometrics' most recent economic indicators<sup>6</sup> continue to tell a story of contracting GDP, diabolical employment rates and plummeting consumer spending.

Further, at the time of writing (22 December 2021), the Omicron variant had started to spread rapidly worldwide.

#### **4.4. Role of Accommodation in Rebuilding Queenstown's Economy**

Tourism is a broad concept, which includes day visitors (at one end of the spectrum), and international visitors at the other. While all visitors have the potential to stimulate the economy, those that travel from further away (and thus also typically stay longer) tend to spend more. This is reflected in the fact that many analyses of tourism spend focus on both the length of stay and the average spend per day. Together these determine total spending by each visitor.

Because total visitor spend is positively correlated with length of stay, it logically follows that increasing the quantity/quality/range visitor of accommodation options available in an area is likely to help attract and retain more tourists for longer, thereby boosting total tourism spend. This is particularly the case for long-haul visitors, who have travelled far to reach our shores, and who's willingness to dwell in an area will depend (in part) on the accommodation options available.

To examine the historic relationship between accommodation spending and all other spending by international tourists, we used the former MRTE dataset published by MBIE to plot them against each other by Territorial authority and by year from 2010 to 2019 (i.e. a full decade). The data strongly confirm that increased accommodation spending is highly correlated with higher spending on all other tourism goods and services. In fact, the correlation coefficient was 97%. Further, the result show that – holding all other factors constant – each additional dollar of accommodation spending leads to \$5.40 of spending on all other tourism goods and services. Accordingly, quality additions to Queenstown's visitor accommodation stock will help to aid economic recovery by increasing the options available to prospective future visitors.

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<sup>6</sup> Accessible here: <https://qem.infometrics.co.nz/queenstown-lakes-district>

## 5. Methodology

This section describes the methodology used to estimate the development’s economic impacts.

### 5.1. Overview

This report focuses on the quantifiable economic impacts of the development, which include both one-off and ongoing components. One-off impacts reflect one-time increases in economic activity associated with construction, while ongoing impacts capture increased economic activity occurring (onsite and offsite) once the development is operational.

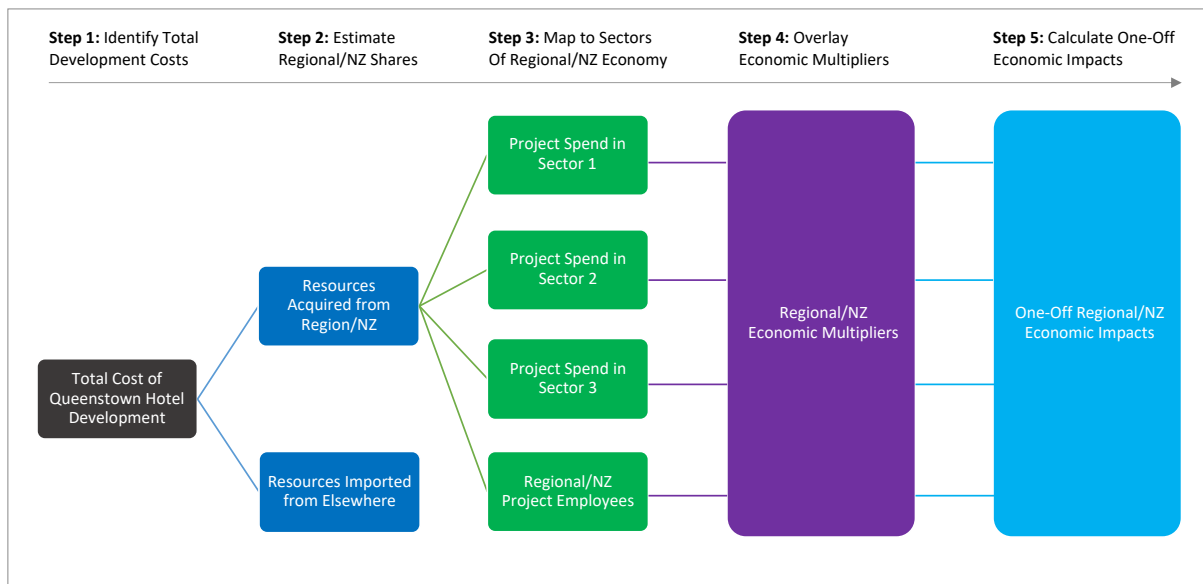
### 5.2. Estimating One-Off Impacts

The process of planning for, designing, constructing, and fitting out the hotel will draw in a wide range of workers and hence create jobs and incomes for numerous district residents. For example, the following workers would be required to complete the project, many of which would be locals.

- Architects, planners, lawyers;
- Quantity surveyors;
- Civil and structural engineers;
- Building contractors and sub-contractors;
- Plumbers, electricians, glaziers; and so on.

The diagram below illustrates the process used to estimate the resulting one-off impacts.

Figure 5: Methodology for Estimating One-Off Economic Impacts



In short, our methodology first identifies the project resources (staff and supplies etc) that will be sourced either regionally or nationally, then splits those costs into different industries based on the various tasks involved in the construction process, such as land development, building

development, infrastructure servicing, marketing, and so on. Then, we overlay those regional/national costs estimates with corresponding economic multipliers to derive the one-off impacts on GDP, incomes, and employment. In addition, we capture the impacts of people employed by the development process, and model subsequent spending by them in the regional/national economy to estimate the overall impacts, including flow-on effects.

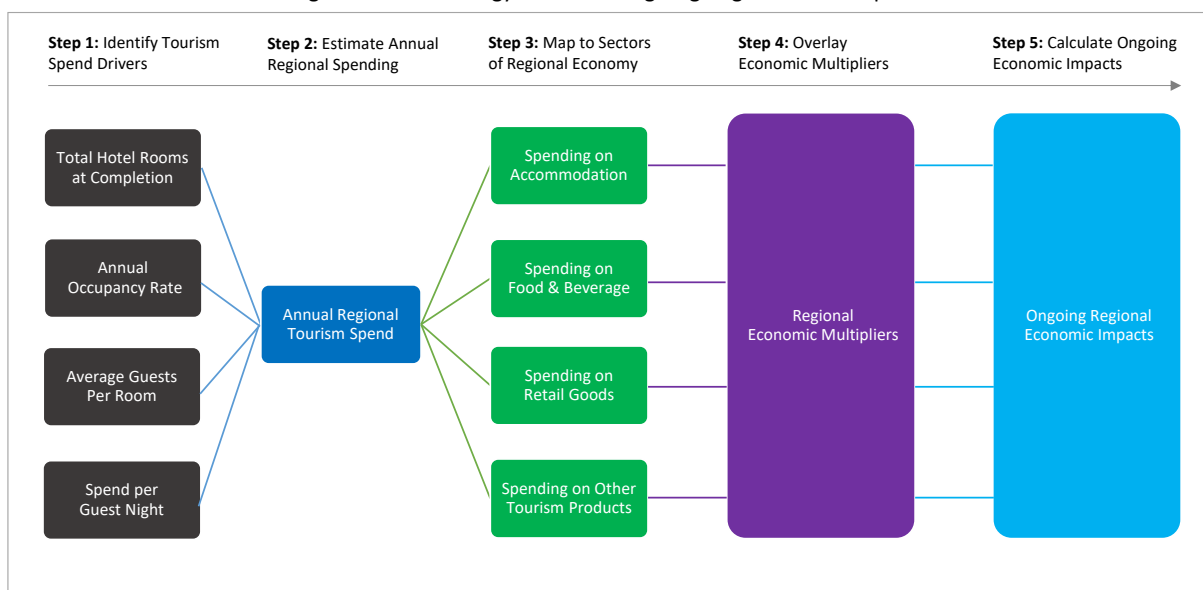
### 5.3. Estimating Ongoing Impacts

Once complete, the development will add 184 hotel rooms, which will significantly boost the district’s inventory of quality, centrally-located commercial accommodation. District spending by future occupants of those rooms will also boost the district’s economy and thus give rise to ongoing annual economic impacts. For example, once operational, the hotel itself will employ a large permanent workforce, comprising:

- Concierge and porters;
- Front desk staff;
- Chefs and kitchen hands;
- Waiters/waitresses;
- Housekeepers;
- Event planners;
- Management and back-office staff; and so on.

In addition, future hotel visitors will create additional economic impacts via spending at a wide range of regional businesses, including local cafes/restaurants/bars, retailers, tourism operators, commercial services providers, and so on. The diagram below illustrates how we estimate these ongoing economic impacts.

Figure 6: Methodology for Estimating Ongoing Economic Impacts



In short, our methodology translates the proposal's future visitor accommodation capacity into estimates of annual stay unit nights based on an assumed average annual occupancy rate. These stay unit nights are then converted to estimates of annual guest nights based on the average number of occupants per unit. Next, we overlay estimates of spend per guest night to yield annual regional tourism spending. This is disaggregated by tourism product (such as accommodation, food and beverage, retail, and so on) before overlaying regional economic multipliers to derive the annual impacts of future tourism on GDP, incomes, and employment.

#### 5.4. Introduction to Multiplier Analysis

As indicated above, we quantified the likely one-off and ongoing economic impacts of the proposal using regional and national economic multipliers. These multipliers are derived from detailed matrices called input-output tables, which describe the supply chains that comprise an economy. As a result, they enable the wider economic impacts of a change in one sector (or sectors) to be traced throughout the economy to estimate the overall impacts, including flow-on effects. These impacts are typically measured in terms of changes in regional/national GDP, household incomes, and employment.

Specifically, the economic impacts estimated by multiplier analysis comprise two parts:

- **Direct Effects** – these are the direct economic effects of the entity (or entities) in question, plus the economic effects of their immediate suppliers.
- **Flow-On Effects** – these are the overall economic impacts of the wider supply chain that support the entity's immediate suppliers. In addition, they capture the additional economic stimulus of increased spending by people employed because of the project (either directly or indirectly).

These effects are typically measured in terms of:

- **Contributions to value-added (or GDP).** GDP measures the difference between a firm's outputs and the value of its inputs (excluding wages and profits). It captures the value that a business adds to its own inputs to produce its outputs. Formally, GDP can be measured as a firm's earnings before interest, tax, depreciation, and amortisation (EBITDA), plus wages and salaries paid.
- **The number of people employed** – this is measured in terms of employment counts, which include both part-time and full-time workers.
- **Total wages and salaries paid to workers**, which are reported as 'household incomes.'



## 5.5. Tourism Assumptions

The Partnership provided us with financial forecasts for the first five years of the hotel's operations, including occupancy, which we combined with publicly-available data to estimate future tourism spending by the hotel's guests. Overall, spend per guest night will be higher than average because the hotel will target higher-end tourists. Table 1 summarises our tourism inputs/assumptions.

Table 1: Assumptions Used in the Assessment

<b>General Assumptions</b>	<b>Total</b>
Number of Hotel Rooms	175-185
Average Occupancy (from 2025)	85%
Average Guests per Unit	1.9
<b>Spend per Guest Night</b>	
Accommodation	\$210
Food and beverage services	\$75
Retail trade	\$50
Other tourism products	\$50
<b>Total</b>	<b>\$385</b>

## 5.6. Construction Inputs and Assumptions

We were provided with a high-level summary of the development's likely construction costs. While this information is commercially sensitive, we note that total project costs are near \$80m. About 85% of this is expected to be spent in the Otago region, with the remaining 15% spent across the rest of New Zealand.

## 5.7. Multipliers Used in the Assessment

Insight Economics develops and sells customised input-output tables to dozens of public and private sector organisations across New Zealand. The impacts estimated in this report are based on our proprietary 2017 input output tables, which we derived in 2019 to replace Statistics New Zealand's current (2013) versions.

## 6. Estimated One-Off Impacts

### 6.1. Regional Impacts

Table 2 presents our estimates of the one-off impacts of the proposal on the regional economy, which will attract about 85% of estimated project expenditures.

Table 2: One-Off Regional Impacts (spread over 2 to 3 years)

<b>Planning/Design/Consent</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Regional GDP (\$ millions)	\$0.4	\$0.1	\$0.1	\$0.6
Employment (People-years)	5	1	1	7
Salaries/Wages (\$ millions)	\$0.2	\$0.0	\$0.0	\$0.3
<b>Land Development</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Regional GDP (\$ millions)	\$1.5	\$0.5	\$0.2	\$2.3
Employment (People-years)	11	5	3	19
Salaries/Wages (\$ millions)	\$0.7	\$0.2	\$0.1	\$1.0
<b>Hotel Construction</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Regional GDP (\$ millions)	\$15.0	\$7.7	\$3.5	\$26.2
Employment (People-years)	142	87	40	269
Salaries/Wages (\$ millions)	\$9.2	\$4.0	\$1.4	\$14.6
<b>Development Totals</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Regional GDP (\$ millions)	\$17.0	\$8.3	\$3.8	\$29.1
Employment (People-years)	158	93	44	295
Salaries/Wages (\$ millions)	\$10.1	\$4.3	\$1.5	\$16.0

Table 2 shows that the proposal will have considerable economic impacts, particularly in the construction phase. For clarity, we restate these below in terms of the number of people directly and indirectly employed at each stage of the project's development. These figures assume that FTEs equal 90% of employment counts based on recent Australian construction employment data.

- In 2022, 4 direct FTE jobs will be created in the region in the planning/design/consent stages, with a further 1 FTE job created indirectly in sectors that support planning/design/consent.
- In 2023, 21 direct FTE jobs will be created in the region in the infrastructure/land development stage, with a further 9 FTE jobs created indirectly in sectors that support infrastructure and land development.
- In 2023-2025, 64 direct FTE jobs will be created in the region in the building construction stage, with a further 39 FTE jobs created indirectly in sectors that support this building construction.

While the proposed development is also expected to generate induced impacts, where people employed by the project spend wages/salaries locally and cause additional effects, these are less

tangible than the direct and indirect effects noted above. Accordingly, we focus on direct and indirect effects here.

## 6.2. National Impacts

The corresponding national impacts, which reflect both higher shares of project costs and higher average flow-on multipliers, are provided in Table 3 below.

Table 3: One-Off National Impacts (spread over 2 to 3 years)

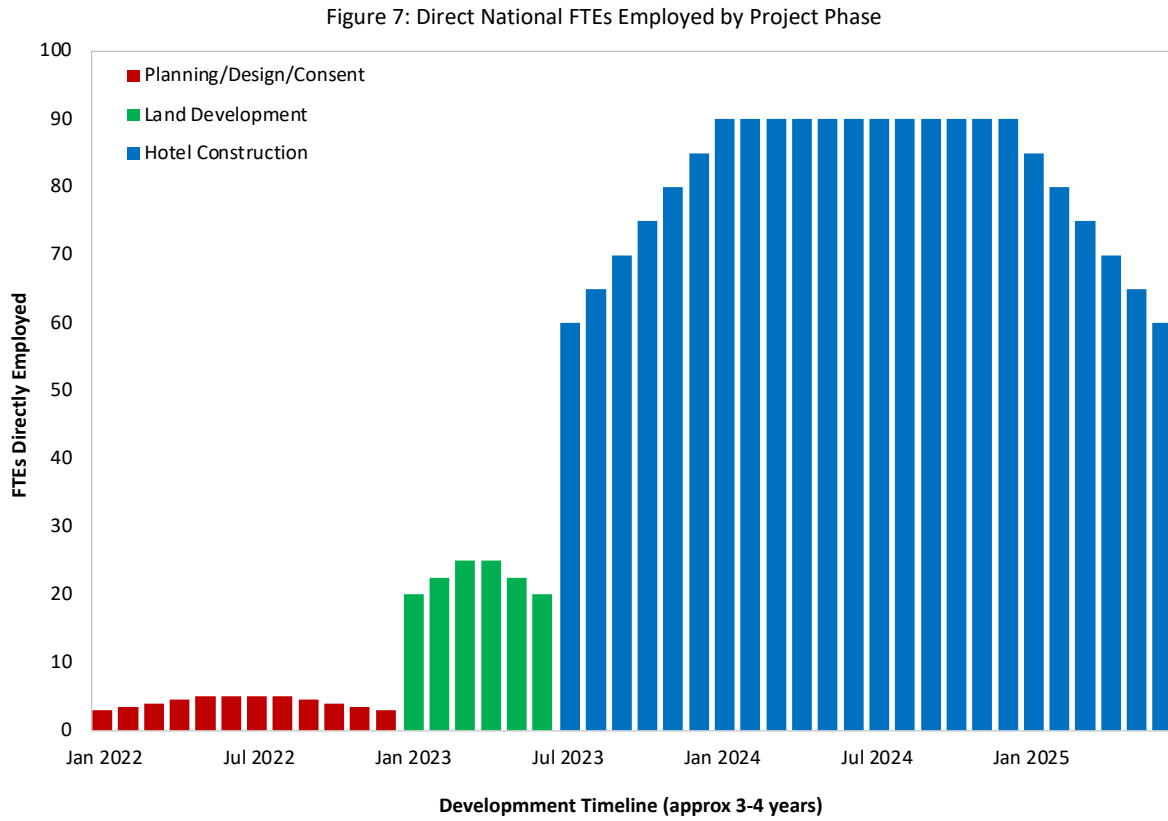
<b>Planning/Design/Consent</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
National GDP (\$ millions)	\$0.5	\$0.2	\$0.3	\$1.0
Employment (People-years)	5	2	2	10
Salaries/Wages (\$ millions)	\$0.3	\$0.1	\$0.1	\$0.5
<b>Land Development</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
National GDP (\$ millions)	\$1.8	\$1.5	\$1.0	\$4.3
Employment (People-years)	12	13	9	34
Salaries/Wages (\$ millions)	\$0.8	\$0.7	\$0.4	\$1.8
<b>Hotel Construction</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
National GDP (\$ millions)	\$17.7	\$41.3	\$21.7	\$80.7
Employment (People-years)	181	411	198	790
Salaries/Wages (\$ millions)	\$11.3	\$20.0	\$8.2	\$39.5
<b>Development Totals</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
National GDP (\$ millions)	\$20.0	\$43.1	\$22.9	\$86.0
Employment (People-years)	198	427	209	834
Salaries/Wages (\$ millions)	\$12.3	\$20.8	\$8.7	\$41.8

To summarise:

- In 2022, 4 direct FTE jobs will be created nationally in the planning/design/consent stages, with a further 2 FTE jobs created indirectly in sectors that support planning/design/consent.
- In 2023, 22 direct FTE jobs will be created nationally in the infrastructure/land development stage, with a further 23 FTE jobs created indirectly in sectors that support infrastructure and land development.
- In 2023-2025, 81 direct FTE jobs will be created nationally in the building construction stage, with a further 185 FTE jobs created indirectly in sectors that support this building construction.

The proposal's wider (offsite) effects mainly reflect increased activity by the numerous organisations across New Zealand that will support the project's direct suppliers. i.e. by providing them with inputs to enable the design, manufacture, and installation of various building products.

Figure 7 below presents a stylised illustration of the number of national FTEs directly employed by project phase.



## 7. Ongoing Annual Impacts

This section estimates the annual economic impacts of spending by future guests of the hotel.

### 7.1. Annual Spending

Once developed, the hotel will include 175 to 185 guest rooms. Based on our assumptions in section 5.5, we estimate that future occupants of these rooms will spend nearly \$42 million per annum. Of this, \$24.8 million will be spent onsite (including accommodation), with \$16.9 million leaking out to a wide range of district tourism businesses. Table 4 provides the details.

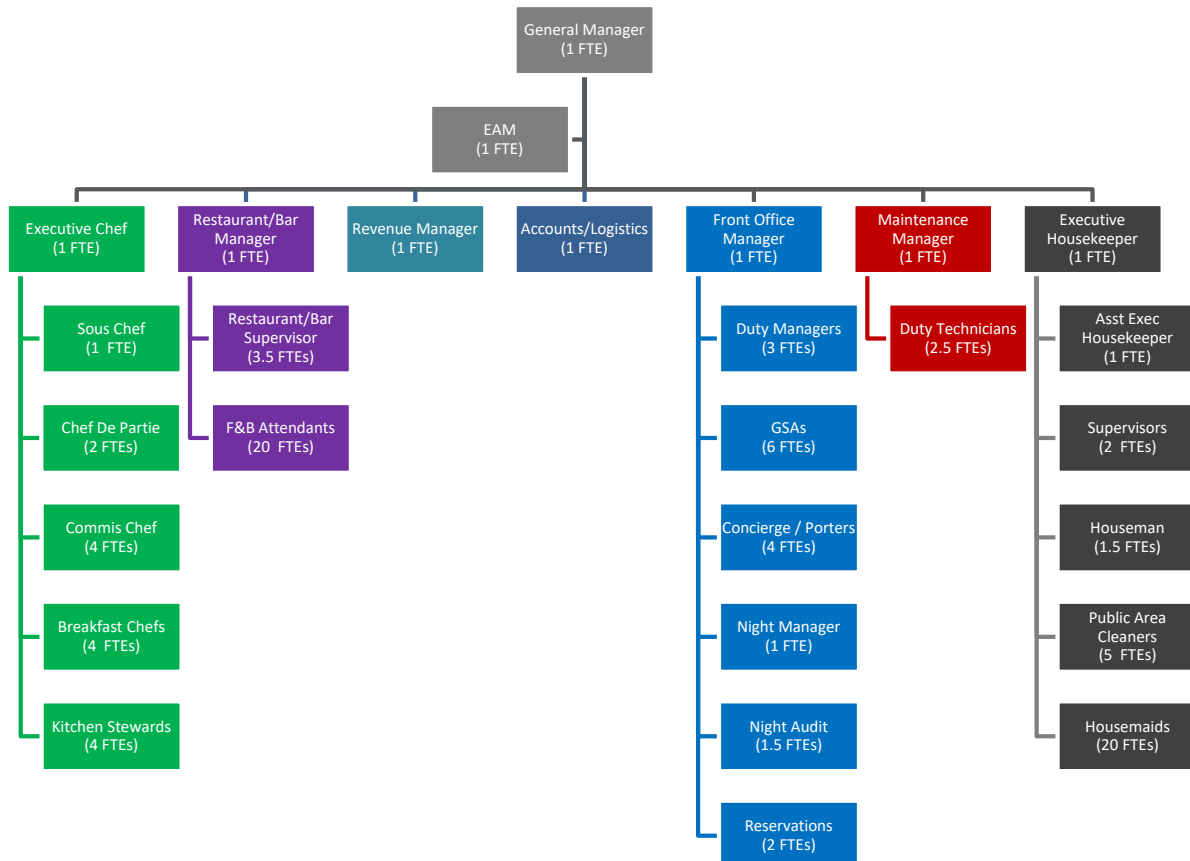
Table 4: Estimated Annual Spending by Overnight Guests

Spend Categories	Annual Spend \$m	% Spent Onsite	Onsite Sales \$m	Offsite Sales \$m
Accommodation	\$22.8	100%	\$22.8	\$0.0
Food and beverage services	\$8.1	25%	\$2.0	\$6.1
Retail trade	\$5.4	0%	\$0.0	\$5.4
Other tourism products	\$5.4	0%	\$0.0	\$5.4
<b>Totals</b>	<b>\$41.8</b>		<b>\$24.8</b>	<b>\$16.9</b>

### 7.2. Future Onsite Employment

The Partnership provided us with estimates of expected future hotel employment by department, which is reproduced in the figure below. It includes permanent employment for nearly 100 FTEs across its seven key departments (including external housekeepers shown in dark grey).

Figure 8: Expected Employment Requirements by Hotel Department/Function



### 7.3. Overall Annual Impacts

To calculate the development’s overall ongoing impacts, including the onsite employment depicted above, we mapped the annual expenditures in Table 4 to sectors of the local economy and corresponding economic multipliers. Table 5 shows our resulting estimates of the to measure the likely annual economic impacts of future visitors to the Queenstown Hotel once fully operational.

Table 5: Estimated Ongoing Annual Impacts

<b>Regional Ongoing Impacts</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Regional GDP (\$ millions)	\$20.9	\$2.7	\$3.3	\$26.9
Employment counts	340	30	30	400
Wages/Salaries (\$ millions)	\$9.1	\$1.1	\$1.1	\$11.3

To summarise: Once fully operational, we estimate that spending by guests of the hotel will generate annual economic impacts equal to:

- Regional GDP of \$26.9 million;
- Employment for 400 people; and
- Household incomes of \$11.3 million.



## 8. Wider Economic Effects of Proposal

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This section briefly considers a range of wider economic effects of the proposal, including those specifically unlocked via Fast-Track consent.

### 8.1. Support for Covid-Affected District Workers

While the proposed development is not a panacea for the economic woes foisted on the district by the Covid-19 pandemic, it will provide a strong demand for labour in the short term, some of which can be filled by workers that have lost their jobs to Covid-19.

### 8.2. Project Acceleration

Not only will the project provide meaningful employment for a wide range of district workers, as illustrated earlier, but gaining approval via the Fast-Track process will also help those jobs to be created much sooner than they likely would otherwise. This is critical given the dire state of the district's economy and labour market. Hence, the sooner this project begins, the sooner it can provide a much-needed lifeline to help keep the local economy afloat until our borders reopen and international tourism recommences.

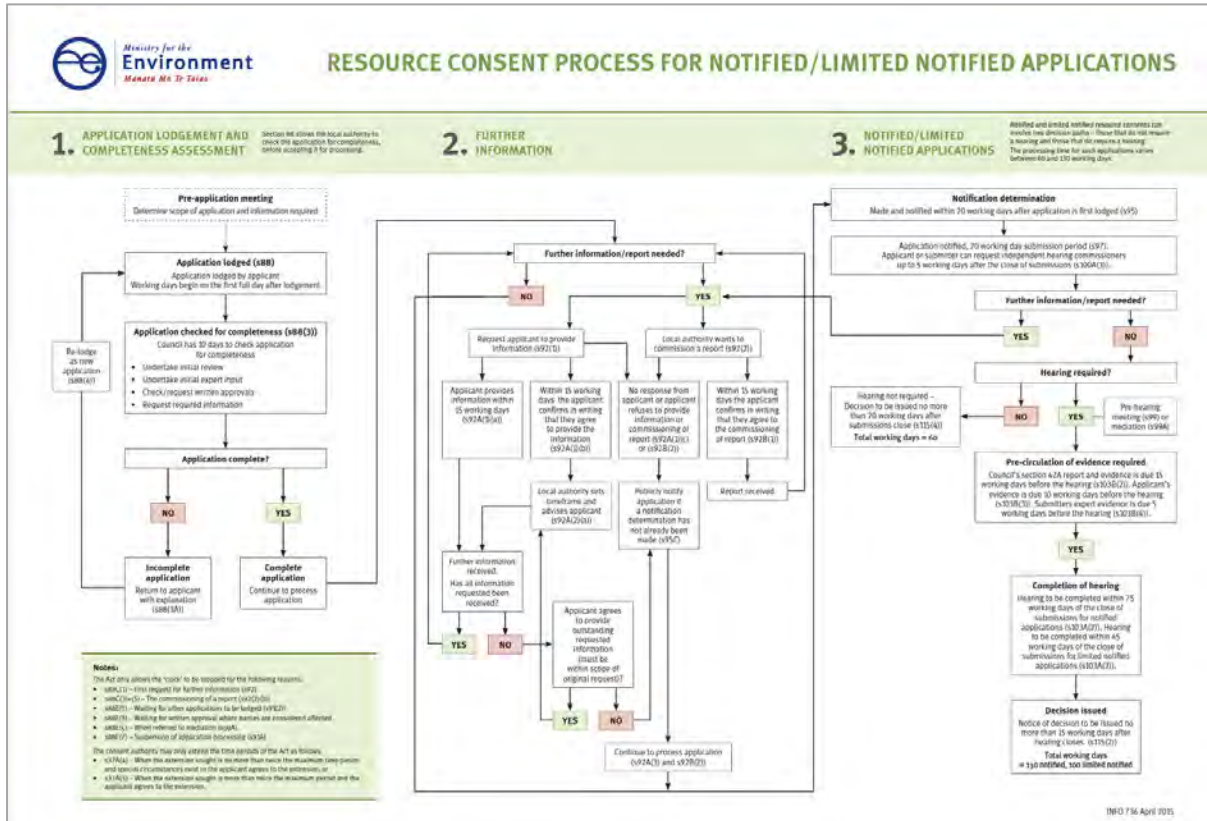
Absent the Fast-Track process, the proposal would presumably otherwise be subjected to a publicly-notified, non-complying resource consent process under the RMA.

In our experience, non-complying resource consent processes for large projects like the proposal could take up to two years to complete. There are several factors that may prolong it, including:

- The need for comprehensive effects assessments across multiple technical disciplines to support and inform the Assessment of Environmental Effects (AEE).
- Multiple rounds of further information requests under section 92 of the RMA;
- Submitters raising unexpected or complicated issues during public consultation;
- Lengthy evidence exchange periods prior to the hearing (which can be exacerbated by the higher onus associated with non-complying consents. i.e. the gateway tests);
- The number of witnesses required to give evidence at the hearing;
- Long periods taken to reach a decision; and
- The numerous tasks associated with potential appeals to the Environment Court.

Figure 9 demonstrates the potential complexity of a fully-notified consent process under the RMA. By avoiding these lengthy processes, gaining Fast-Track consent instead will help bring forward the project by up to 18 or 24 months, and therefore help the district recover from the devastating effects of Covid-19 faster than it would otherwise.

Figure 9: Process for Fully Notified Resource Consent Applications



### 8.3. Highest & Best Use of Land

The proposal will enable the land to be put to its highest and best use, which is a precondition for economic efficiency to hold in the underlying land market.

### 8.4. Investment Signal Effects

Finally, we note that the development will provide a signal of confidence in the district economy, which may help spur on, accelerate, or bring forward other development.