

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**

**SUPPLEMENTARY STATEMENT OF EVIDENCE OF JOHN STACEY BALLINGALL ON
BEHALF OF REMARKABLES PARK LIMITED AND QUEENSTOWN PARK LIMITED
ADDRESSING QUEENSTOWN-LAKES DISTRICT'S TOURISM GDP**

ECONOMICS

STREAM 13 REZONING HEARINGS

6 SEPTEMBER 2017

**BROOKFIELDS
LAWYERS**

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1. Philip Osborne¹ notes that:
 - (a) The tourism industry contributes over \$650m per annum to the District's economy and supports nearly 40% of the employment accommodated within its boundaries (Para 4.3); and
 - (b) Additionally, the District's high visitor profile operates as a gateway to the wider Otago region supporting greater levels of visitor spend and economic contribution to the Region. Tourism contributes 25% of regional GDP operating as a developer of higher levels of amenity for the local population and driving growth in most other commercial sectors (Para 4.4).
2. Unfortunately, "tourism" is not classified as a single sector by Statistics New Zealand. It covers a wide range of sub-sectors such as accommodation, restaurants and bars, transport, etc. Therefore, there is no official estimate of Queenstown-Lakes District's tourism GDP.
3. However, it is possible to estimate based on other data sources, as Mr Osborne has done, to get to a good non-official estimate.
4. Data from Ministry of Business, Innovation and Employment shows that Queenstown-Lakes District's total real GDP (i.e. the size of the whole economy) was \$1.79 billion in the year to March 2016.²
5. Using NZIER's TERM-NZ model, and data on tourism spending from MBIE³, I estimate Queenstown-Lakes District's nominal tourism GDP to be \$524 million, and real GDP to be \$393 million.
6. Mr Osborne suggests it is \$650 million, though it's not clear what methodology he used to generate this estimate, or whether it is real or nominal (though I suspect the latter).
7. I estimate that the gondola will generate:

¹ Statement of Evidence of Philip Osborne on behalf of QLDC, 6 April 2016.

² <http://www.mbie.govt.nz/info-services/sectors-industries/regions-cities/research/modelled-territorial-authority-gross-domestic-product/interactive-web-tool>

³ MBIE April-2017 Annual Tourism Estimates for RTO/Country/Product.

- (a) \$29.9 million of additional real GDP across the economy⁴ during the construction phase; and
 - (b) \$20.4 million of additional real GDP across the economy once it is operational and bringing in tourists and when the visitor accommodation is constructed.
8. Compared to current economywide real GDP of \$1.78 billion, and tourism real GDP of \$393 million, I believe these gains are reasonable, if not conservative.

John Stacey Ballingall

6 September 2017

⁴ Note that my GDP estimates are for the economy as a whole, not just tourism sector GDP.