

**BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL**

**IN THE MATTER OF** of the Resource  
Management Act 1991

**AND**

**IN THE MATTER OF** the Queenstown Lakes  
Proposed District Plan  
Submissions and  
Further Submissions on  
Chapter 3 Strategic  
Direction

**BY** Skydive Queenstown  
Limited

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**STATEMENT OF EVIDENCE BY CLARK SCOTT**  
**Dated this 23rd day of March 2016**

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## **1. Introduction**

1.1 My full name is Clark Scott. I am the General Manager of Skydive Queenstown Limited (trading as NZONE Skydive) (“SQL”) and am authorised to give evidence on its behalf.

1.2 I was appointed General Manager of SQL in January 2016. Prior to this I worked for Shotover Jet for over twenty years, and served as General Manager for the past ten years.

1.3 I hold a New Zealand Certificate of Engineering degree from Central Institute of Technology.

## **2. Submission and Further submission**

2.1 SQL filed two submissions on the Proposed District Plan (“PDP”) (#23 and 122) and various further submissions supporting and opposing original submission of other submitters.

2.2 Of relevance to today’s hearing are the further submissions SQL lodged in support of the original submissions of Real Journeys Limited (#621), Ngai Tahu Tourism Limited (#716) and Te Anau Developments Limited (#607) in respect of the Strategic Direction chapter of the PDP.

2.3 Those original submissions sought amendments to the Strategic Direction Chapter to provide for greater strategic direction for commercial recreation and tourism activities, their growth and protection from activities that are inappropriately sited.

## **3. SQL – An Overview**

3.1 A brief overview of the business’ history and activities are as follows:

- (a) SQL was New Zealand's first tandem skydive operation, established in July 1990;
- (b) The previous Directors had progressively invested back in the business, developing facilities and a superior product to any other offered by skydive companies in NZ and arguably the world;
- (c) SQL has built an enviable reputation in the adventure market;
- (d) SQL offers Tandem Skydiving and Freefall Photography as well as a limited amount of XLR8, learn to skydive program;
- (e) The business has grown from a team of three to one which now employs approximately 70 increasing to around 80 during peak summer period;
- (f) SQL purchased Skydive Paradise in 2010, employing 8 personnel. The company is supported by SQL's administration, operations and marketing, however each company stands alone financially, simply sharing resources between both locations to maximise product delivery and efficiency;
- (g) Skydive Paradise offers Tandem Skydiving and Handicam Photography;
- (h) Each company share the same policies, procedures and systems but offer a slightly different experience in terms of camera product;
- (i) The company strategy has always been to focus on quality and long term objectives rather than short term financial gain to build a superior product and robust business which in turn has resulted in gaining a strong market reputation;
- (j) SQL has carried over 275,000 customers during 25 years of operation;
- (k) SQL are Tourism Industry Award Winners – Supreme Winner 2007; and
- (l) SQL is NZ's largest skydiving operation.

3.2 A brief overview of the recent investment into the business is as follows:

- (a) On 30 October 2015, Skydive the Beach Group Limited (“SKB”), a publically listed company on the Australian Securities Exchange (ASX:SKB) acquired SQL and Skydive Paradise;
- (b) SKB has released information to the market that confirms FY16 guidance is that the entire company will complete 130,381 tandem skydives in the financial year and will turnover \$54.9 million;
- (c) The Board of Directors of SKB made the strategic decision to enter the Queenstown market given the quality product that SQL offers its customers, the sustainability and viability of the business, and the fact that it forms one piece of the broader adventure tourism service offering to the customers that visit the region. As a means to fund the acquisition of SQL, SKB went to the market and raised funds through an Accelerated Non-Renounceable Entitlement Offer (ANREO) and this was over-subscribed. Both institutional and retail Investors voted with own investments in their support of the Queenstown adventure tourism market; and
- (d) This investment will allow SKB to assist SQL grow and ensure that many more customers that visit the Queenstown region, and indeed broader New Zealand, will be able to experience one of the most spectacular tandem skydives in the world.

#### **4. SQL’s Contribution to the District**

4.1 Wollongong City Council published a document late 2015 indicating that the Skydive the Beach Group provided an economic benefit to the Wollongong region and its surrounds in the vicinity of \$28.6 million per annum (AUD). Adopting the same rationale, the

calculation of the economic benefit that SQL provides the Queenstown economy is in excess of NZ\$34 million per annum. We are confident that this figure will only grow as the business continues to expand; since SKB's acquisition, SQL has increased its customers by more than 20% year on year.

## **5. Summary**

- 5.1 SQL considers that aviation activities play an integral role in supporting the District's commercial recreation and tourism industries and that requests that such activities be better recognised, promoted and protected in the Strategic Direction Chapter of the PDP.



**Clark Scott**

**23 March 2016**