

BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL

IN THE MATTER of the Resource Management Act
1991

AND

IN THE MATTER of the Proposed District Plan
Proposed Plan Review (Chapters
21 and 22)

STATEMENT OF EVIDENCE OF HAMISH MCCROSTIE

21 April 2016

Darby Planning LP (#608),
Soho Ski Area Limited (#610),
Treble Cone Investments (#613)
Lake Hayes Ltd (#763)
Lake Hayes Cellar Ltd (#767)
Mount Christina Limited (#764)

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1. **Qualifications and Experience**

1.1 My name is Hamish McCrostie. I am a consultant to Darby Asset Management and hold the qualifications of Bachelor of Applied Management Degree with major in Strategic Management. I have been involved professionally in the ski industry for 37 years in New Zealand and internationally. I have held the following senior roles within the industry: Manager The Remarkables Ski Area 1994 – 2006, Manager Coronet Peak Ski Area 2007 – 2012. NZ Mountain Safety Council Snow and Avalanche Advisory Committee 1986 – 2011, Convenor 2002 – 2011, NZ Mountain Safety Council Executive Board 2007 – 2011. Snow Sports NZ (NSO) Board member 2012 – 2015. Currently I am Ski Area Consultant to Darby Asset Management with responsibility for Planning and Development of Soho Basin Ski Area and strategic planning for Treble Cone Ski Area.

1.2 In preparing this evidence I have reviewed:

(a) The reports and statements of evidence of other experts giving evidence relevant to my area of expertise, including:

- (i) Submissions OS 376, OS 407, OS 572, OS 615
- (ii) QLDC 02 Rural Chapter 21 Rural Appendix 1 revised chapter
- (iii) QLDC 02 Rural Chapter 21 Rural Appendix 2 Submissions table
- (iv) QLDC 02 Rural Chapter 21 Rural Appendix 4 Section 32AA
- (v) QLDC Rural Chapter 21 Rural Section 42A Report

1.3 I have read the Code of Conduct for Expert Witnesses in the Environment Court Practice Note. This evidence has been prepared in accordance with it and I agree to comply with it. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

2. SCOPE OF EVIDENCE

- 2.1 I have been asked to prepare evidence on Chapter 21 Rural, Chapter 22 Rural Residential and Rural Lifestyle of the Proposed District Plan ("PDP") on behalf of Treble Cone Investments and Soho Ski Area Ltd.

3. EXECUTIVE SUMMARY

- 3.1 The provision of the listed activities within the definition of ski area activities provides more scope for ski areas to develop to their full potential.
- 3.2 The inclusion of a wider range of appropriate activities allowed in the SASZ's is consistent with the efficient use and development of the SASZ's resources, facilities and equipment.
- 3.3 The provision of ski area accommodation activities above 1100m elevation will increase ski areas international competitiveness and improve financial sustainability of ski areas within the SASZ's.

4. DESCRIPTION OF SITES

Soho Ski Area

- 4.1 The Soho Ski Area is located on the south and western facing slopes of the mountain range extending north of the Crown Range, including Mount Sale and Mount Cardrona and runs roughly parallel to the Cardrona Valley Road. This area has long been associated with heli-skiing, it has recently obtained resource consents for the construction of a chair lift within the Soho Basin, a groomer shed in the Willow Basin and staff access to the area from Cardrona Valley Road over an adjoining parcel, known as the Blackmans Creek freehold land.
- 4.2 The groomer shed and compound are constructed and part of the access is under construction, with the balance due for completion this summer. Access into the Soho Basin in preparation for the chair lift construction and support of cat skiing operations has also been constructed.
- 4.3 The planned investment in infrastructure as part of the ski area development is significant. It contributes to the range of outdoor

recreation activities available within the District and enhancing its reputation as a major national and international tourist destination.

- 4.4 The continued viability of the region's ski areas requires significant ongoing capital investment to continue to develop their offerings to remain attractive and competitive. The recognition of the expansion of ski area activities and ski areas as year round attractions is very important in supporting the ongoing financial sustainability of the region's ski areas.
- 4.5 The recognition of the intrinsic relationship between the access and operation of ski areas activities, given the nature of their locations is important and the creation of access corridors through extension of the Ski Area Sub Zones, including both land based and passenger lift and other systems and provision for infrastructure and services, provides the most appropriate framework for managing these ski area related activities and is critical to the comprehensive use and management of the regions ski areas into the future. This also aligns with and supports the objectives of the Ski Area Sub Zones.

Treble Cone Ski Area

- 4.6 Treble Cone Investments Limited own and operate the Treble Cone Ski Area. The ski area is located within Ski Area Sub Zone (SASZ) of the operative and Proposed Queenstown Lakes District Plans. Given the continued the historic use, investment and comprehensive ongoing use and management of the area as a world class ski and year round recreation destination, the provisions arising from the District Plan Review are critical to enabling the SASZ while ensuring activities and potential effects are managed appropriately.
- 4.7 The Treble Cone SASZ is located on east facing slopes below Treble Cone (alt. 2058m), approximately 23 km from Wanaka Township. Treble Cone is an established ski area accessed from the western side of Wanaka Mount Aspiring Road and includes two main chair lifts located on the front side and in saddle basin
- 4.8 The future aspirational development plans for the Treble Cone SASZ are significant.

- 4.9 These include: improved access from valley to on mountain activities, visitor accommodation, expansion of terrain at higher elevations, improved access to higher elevations, additional hospitality facilities.

5. APPROPRIATE ACTIVITIES IN SASZS

- 5.1 Ski areas have significant potential to develop and improve year round, commercial recreation, hospitality, accommodation and a more integrated means of access/passenger transport from the valley floor, to improve the full package of services offered, improve attractiveness and draw in greater numbers of visitors.
- 5.2 The submissions and further submissions of Treble Cone and Soho Basin seek that the matters underlined below be added to the definition of 'Ski Area Activities'. These additions are designed to expand the range of enabled activities within these areas, and to clarify the appropriate status for activities which already exist. Under each of the activities I have added my explanation as to why it is appropriate that activity be classified as a "Ski Area Activity"
- 5.3 *recreational activities either commercial or non-commercial;*
- (a) It is appropriate to accept a wider list of recreational activities within the SASZ as demand grows for year round activities and the necessity to support the ongoing financial sustainability of the ski areas through better utilisation of resources, facilities and equipment.
- (b) Including but not limited to: Snow sports, mountain biking, Mountain walking/running, passive alpine activities.
- 5.4 *...passenger lift systems to facilitate access and commercial recreational activities;*
- (a) passenger lift system has been included so that this listed activity is not so prescriptive as to preclude technology advancements and innovations in passenger transport mechanisms used to take or carry passengers up the mountain for access and or the activity. For example Funicular rope and rail systems are widely used in European resorts. These are ground based passenger lifts (like a train carriage that goes up hill on inclines that can be steep, they run on rails and use a haul rope to pull the carriages

up hill. Other lift types include conveyor type surface lifts and above ground haul rope lifts which can be single or multi cable lifts.

5.5 *use of snowgroomers, snowmobiles and 4WD vehicles for support of operational activities.*

- (a) These vehicles are necessary to support a modern ski area and activities. It is appropriate to identify these as activities that support all aspects of operations to avoid any doubt as to their appropriateness.

5.6 *activities ancillary to commercial recreational activities.*

- (a) It is appropriate to include these activities without being prescriptive to enable use of activities that may be contemplated with advances in technology and innovation environmentally friendly remote toilet blocks and passive non snow indoor activities

5.7 *in the Waiorau Snow Farm SASZ vehicle and product testing activities, being activities designed to test the safety, efficiency and durability of vehicles, their parts and accessories*

- (a) n/a

5.8 *Visitor accommodation associated with ski area activities*

- (a) More and more of the visiting ski area guests have experienced overseas winter sports destinations where ski in/ski out accommodation is a large part of the overall experience. Demand is growing for on snow accommodation in NZ. This requires accommodation to be located above a defined elevation level within the SASZ.
- (b) The attraction for guests is a much improved winter alpine experience combining easy access and egress to and from the snow, the character and ambience of the overall experience akin to a Northern Hemisphere winter mountain experience.
- (c) The type and scale of lodges that are likely to meet a need of ski area guests, and work with the New Zealand environment are:

- (i) Small scale lodges and clusters of small accommodation units in appropriate locations within the SASZ
 - (ii) Medium sized lodges located in close proximity to base lodge facilities within the SASZ
- (d) The evidence provided by Chris Ferguson of Boffa Miskell describes changes required to provide ski area accommodation which includes workers, staff and visitor accommodation up to a period of 6 months. I support a provision for a maximum 6 months duration of stay rather than 3 months as the skiing season can run up to 4-5 months in length. Staff and workers are required pre and post winter season; provision should be made for wealthier guests staying for the seasons' entirety and for the annual fluctuation in the seasons' length.
- (e) The concept of staff and other workers staying on the mountain provides many benefits the ski areas. Ski areas in winter are a 24 hour/7 days/week operation including snow grooming, snow making, snow storm management and logistics management. Staff and workers work shifts and provision of accommodation benefits the areas through efficiencies of the operation safety via less fatigue and less transport issues on the access roads. It also provides benefits to the staff and workers by providing affordable accommodation on site.
- (f) The concept of visitor accommodation is a growing trend on NZ ski areas with major accommodation consents being issued by DOC at Porter Heights Ski Area in Canterbury and Cardrona Alpine Resort operating its 15 units at or near capacity through most of winter and into summer operations. Cumulative benefits will be realised through guests staying on the mountain and using existing food and beverage outlets improving the financial sustainability of the ski areas.
- (g) Our international guest expectation is for ski in/ski out accommodation availability as it is prevalent in most other alpine areas of the world. This activity will have a positive impact on the international competitiveness of our southern lakes ski areas.
- (h) It makes sense that any accommodation for staff, workers and visitors maximises the ski in/ski out capability. Use of the term

above snowline would be difficult to quantify as this depends on winter weather, freezing levels and importantly aspects, South facing slopes usually get and keep snow to lower elevations therefor the identification of a suitable elevation above which ski area accommodation would be suitable could be adopted. My experience at various ski areas in the district is that most reasonable consistent snow lies from 1100m and above and snow activity occurs from this elevation. For the reasons above I would support the inclusion of 1100m elevation above which ski area accommodation can occur.

5.9 *Commercial activities associated with ski area activities or recreation activities*

- (a) This point has been noted to allow for activities such as those listed below that will complement and add to the visitors' experience on the mountain, such as:
 - (i) Indoor passive activities for example, movies, educational facilities and courses, gym facilities;
 - (ii) Events and competitions for example competitive racing and events and corporate events and activities; and
 - (iii) High Quality Accommodation and services like corporate retreats, health and well-being retreats and spa activities.

5.10 *Guest facilities including ticketing, offices, restaurants, cafes, rental equipment and retailing associated with any commercial recreation activity*

- (a) It is appropriate to identify these activities for the avoidance of doubt.

5.11 *Ski area operations, including avalanche safety and ski patrol*

- (a) Licenced use and storage of explosives and delivery systems
- (b) Provision for ski area operators to close areas to the public for safety purposes.

5.12 *Installation and operation of snow making infrastructure, including reservoirs, pumps, snow makers and associated elements.*

- (a) The inclusion of associated elements is to avoid any doubt that reticulation of water and electrical is implicit in this activity.

5.13 The formation of trails and other terrain modification necessary to operate the SASZ.

- (a) Terrain modification is an accepted and commonly used method for trail development to assist safe and efficient skier flows, assist with snow management and retention and development of base area layouts and beginner areas.
- (b) Aggregation of activities ancillary to commercial recreation activities as proposed in s. 42A report is too limiting by including some activities and not others and minimising the statements describing what is included creates doubt as to what else may be included or accepted.

5.14 The provision of vehicle and passenger lift system access and parking

- (a) It is appropriate to specifically include this as use of vehicle access is an accepted method of access, in fact the only method currently in use in all SASZs. The establishment of access roads may still be the most cost effective access method for financial sustainability.
- (b) However passenger lift systems also need to be allowed for to allow provision for uphill transport other than vehicles such as gondola and funicular type systems to facilitate easier and safer high capacity access. Funicular rope and rail systems are widely used in European resorts. These are ground based passenger lifts (like a train carriage that goes up hill on inclines that can be steep, they run on rails and use a haul rope to pull the carriages up hill. Other lift types include single, double and triple cable gondola type systems

5.15 The provisions of servicing infrastructure, including water supply, wastewater disposal, telecommunications and electricity

6. **BENEFITS OF APPROPRIATE ACTIVITIES**

- 6.1 The above listed examples of activities already occurring, and those suggested to be provided for through the plan all exhibit the potential for increased benefits from using and developing the SASZs' existing

resources. International trends are towards the consolidation of ski area operations and the formation of mega areas by combining or connecting adjacent resorts to gain economies of scale and sustain financial/commercial success. There is also a growing global trend toward year round 4 season use of the ski area resources facilities and equipment. The best example of this is the Whistler Blackcomb model in BC Canada. From a small beginning in 1960 as Whistler mountain with a competitor mountain Blackcomb opening in 1980 to the merger in 1997 of Whistler Mountain Ski Corp and Intrawest Limited creating one of the largest mountain resort companies in the world. The following 20 years have been spent building Whistler Blackcomb into a 4 season resort supporting the year round tourism economy of Whistler village and the surrounding region. It is world renowned for mountain snowsports, mountain biking and mountain hiking with summer revenues in some years equalling winter revenues.

- 6.2 Whistler Blackcomb also has the reputation for being one of the best environmental and social stewardships for ski and mountain resorts globally. Our winter tourism competitors are the easily accessible mountains of Japan, North America and Europe and the beaches of the South Pacific. Enabling these activities will assist the ski areas in providing an continually improving and innovative mountain experiences assisting with remaining competitive nationally and internationally.

Access

- 6.3 Ensuring better access to the SASZs by linking on-mountain facilities with road network on valley floor will allow visitors and residents to enjoy the natural values of the landscape, thereby adding to their intrinsic values.
- 6.4 Diversifying and improving passenger transport from valley floor up the mountain] by way of vehicle access and high capacity passenger lift systems facilitating easier and safer access to the SASZ's.

Seasonal restrictions

- 6.5 Expanding existing opportunities both seasonally and generally, in terms of diversification and expansion, is an efficient use of the existing resources and of the significant investment already undertaken on the mountains.

- 6.6 Use of mountain access facilities, on mountain resources and facilities in the non-winter months provides for accessible mountain experiences and for better utilisation of facilities that would otherwise be idle. The use of buildings lifts and services for mountain biking and hiking access and access to alpine accommodation is planned to enable all year round use of the ski area.

Ski Area Accommodation

- 6.7 The type of accommodation being envisaged is:
- (a) Small scale lodges and clusters of small accommodation units in appropriate locations within the SASZ
 - (b) Medium sized lodges located in close proximity to base lodge facilities within the SASZ
 - (c) In some cases parts of existing base building may be converted into accommodation
 - (d) More and more of the visiting ski area guests have experienced overseas winter sports destinations where ski in/ski out accommodation is a large part of the overall experience. Demand is growing for on snow accommodation in NZ. This requires accommodation to be located above the consistent snow level within the SASZ. Cardrona Alpine Resort currently have 15 on mountain apartments ranging from 2 to 4 bedrooms, these have a very high occupancy rate throughout winter often being full while the demand for summer occupancy is growing.
 - (e) The attraction for guests is a much improved winter alpine experience combining easy access and egress to and from the snow, the character and ambience of the overall experience akin to a Northern Hemisphere winter mountain experience.

Informal airports

- 6.8 Permitted activity status for informal airports is supported, particularly where it applies to land located outside of public conservation land or the crown estate. Within the SASZ it is considered informal airports should be given particular recognition because of the regular use of these areas for safety purposes e.g. transportation of the injured, as well as the amenity expectations for these areas where aircraft (mostly helicopters)

are an expected and regular occurrence. The limit of 3 flights per week is low and therefore should be increased. Demand for helicopter access to the ski areas by guests is growing and it is important that this option is retained and not curtailed by restrictive rules. Data available on ski area heli-transfers indicates approximately a 30% growth in demand from 2012 – 2015..

- 6.9 The amended provisions above better reflect the types of infrastructure that are currently being used, and which can be anticipated within SASZs. These amendments will ensure sufficiently broad language is used so that potential innovations and modes of access and lift transport are not inhibited, while provide appropriate safeguards for the protection of natural amenity values.

7. **CONCLUSION**

- 7.1 The inclusion of a wider range of appropriate activities allowed in the SASZ's is consistent with the efficient use and development of the SASZ's resources, facilities and equipment.
- 7.2 The inclusion of the wider range of appropriate activities allowed in the SASZ's supports the District Plan SASZ Objective 21.2.6. The future growth, development and consolidation of ski area activities is encouraged within identified Ski Area Sub Zones while avoiding remedying or mitigating adverse effects on the environment.

Hamish McCrostie

Dated this 21st day of April 2016