

Before the Queenstown Lakes District Council

Under the Resource Management Act 1991

In the matter of a submission under clause 6, Schedule 1 of the Resource Management Act 1991 on Stage 3B of the Queenstown Lakes Proposed District Plan

**Wayfare Group Limited (#31024)**

Submitter

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**Statement of Evidence of Fiona Black**

28 May 2021

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## **Introduction**

- 1 My full name is Katherine Fiona Black. I work for Real Journeys Limited maintaining Real Journeys and its allied companies Department of Conservation Concessions; Resource Consents and other regulatory authorisations, along with other operational related duties. I am authorised by these companies to give this evidence on their behalf.
- 2 I have worked in the New Zealand Tourism industry for 34 years; the last 17 years, for Real Journeys; in the first instance as the Milford Sound Branch Manager and for the last fourteen years in my current role. Consequently I have gained a considerable knowledge of the tourism industry, including the evolving challenges faced by this industry. Also since 2011, I have been a member of the Southland Conservation Board.
- 3 In preparing this evidence I have reviewed the following documents:
  - Helen Mellsop's May 2019 QLDC Rural Visitor Zone Review – Landscape Assessment;
  - Chapter 46 Rural Visitor Zone proposed provisions and variations;
  - Elias Matthee Section 42A Report of 4 March 2021;
  - Robert Bond Geotechnical Evidence of 4 March 2021;
  - Helen Mellsop's Landscape Evidence of 4 March 2021; and
  - Paul Norris's evidence.

## **Executive Summary**

- 4 The Wayfare Group and its subsidiary companies (Cardrona Alpine Resort, International Antarctic Centre, Go Orange and Real Journeys), are a significant business interests providing noteworthy tourism, recreational, social, and cultural benefits to the Queenstown Lakes District. Wayfare offers many unique quality tourism and recreational experiences within the District, and through these products provides considerable direct and indirect employment opportunities in the region.
- 5 My evidence covers operational and detailed aspects of the Wayfare Group operations in the Queenstown Lakes District, and in particular its operations, history, and growth at Walter Peak. I have reviewed the evidence of Paul Norris, and where relevant I refer to and rely on his evidence relevant to the Wayfare Group aspirations, goals, and philosophies for operation.

- 6 The development of the Walter Peak site as a visitor destination, since the 1970's has largely reflected the changes and growth of the tourism industry in Queenstown. Investment into the Site including through infrastructure upgrades, environmental enhancement, and building restoration have all been due to the success of tourism operations of *TSS Earnslaw* and Walter Peak.
- 7 In my experience of consenting and planning work, Outstanding Natural Landscape (ONL) classification of a site of an application (or discretionary activity classification), and even ONL classification adjacent the site of an application complicates the consenting pathway and can make a resource consent application untenable due to uncertainty and the requirement for multiple site assessments or costly mitigation especially when trying to trial a new product which has an unknown outcome at the application stage.
- 8 Given that the tourism industry is never static and needs to constantly evolve with changing visitor expectations; we need a planning framework which recognises our need to continue to provide for development opportunities at Walter Peak to cater for the ongoing success of Real Journeys "TSS Earnslaw" / Walter Peak products. That is, a Zone to allow our Walter Peak business to continue to grow and diversify in the same way that it has to date. Without this opportunity, the business may stagnate and there will be economic, conservation, employment and community losses.

### **History of Walter Peak development and ownership**

- 9 The Wakatipu Basin was initially settled by two pioneer friends William Rees and Nicholas von Tunzelmann in the early 1860's. Von Tunzelmann procured 'Run Number 350', on the western side of Lake Wakatipu, which included the current Mount Nicolas and Walter Peak High Country Stations. In the late 1880s, the Mackenzie family took over Walter Peak and the Mackenzies' would farm the area for 80 years. In its prime, Walter Peak station covered more than 170,000 acres, ran 40,000 sheep, and employed 50 staff.
- 10 The Colonel's Homestead was constructed in 1908 as a wedding present for Hugh's son, Colonel Peter Mackenzie. After a fire damaged the homestead in 1977, it was reconstructed. The Mckenzie's were also responsible for constructing 'Middle House', 'Ardmore House' (which are still on site now) and the development of the gardens around the Homestead in the 1870s which remain as an attraction today.
- 11 More modern tourism related development of Walter Peak commenced in the late 1960s; when George Wiles purchased 1,300 acres, including the land now owned by Real Journeys, and had the land rezoned for tourism.

Wiles developed a 'Tea Room' in Middle House and converted the Homestead into a museum, both of which were serviced by "TSS Earnslaw". Wiles's ownership was short lived, as the property was resold in 1972 to Reid Development which later morphed into Walter Peak Resort Limited.

- 12 Real Journeys have been custodians of Walter Peak since 1991, a land parcel on the western side of Lake Wakatipu accessed primarily by the "TSS Earnslaw". The then Fiordland Travel Limited took over Walter Peak High Country Farm operation, a 155 Hectare block which was subdivided from the much larger 25,899-hectare Walter Peak High Country Station in the late 1970s and had passed through several hands before being bought by Convelle Enterprises in 1991.
- 13 However the "TSS Earnslaw" has been calling into the site since she was launched in 1912, transporting sheep, cattle and passengers to and from the high-country station; and Fiordland Travel commenced operating half day trips to Walter Peak in the summer of 1972-73.
- 14 In the 1980s Walter Peak Destination Resort (a Joint Venture between Walter Peak Resort Limited and Remarkable Enterprises Limited) planned to develop the site as "a world class luxury resort" including: the construction of an Arnold Palmer-designed golf course; village; a 300-room hotel with a swimming pool and tennis courts; and 1,000 apartments / chalets. Consent was sought (under Lakes Queenstown-Wakatipu Combined District Scheme) for this proposal and led to the establishment of resort's special visitor zone; that is, Queenstown's first "Rural Visitor Zone". A copy of the Walter Peak Destination Resort Brochure which outlined the proposed scope of the Walter Peak Resort development is attached as **Appendix 1**.

Figure 1. Drawing from the 1980's Boffa Miskell assessment prepared for Walter Peak Resort Ltd & Remarkable Enterprises Ltd



### Development of the site since 1991

- 15 The Walter Peak buildings Fiordland Travel first leased included the rebuilt Colonel's Homestead, the original stone Middle House, Ardmore House, a manager's house, and a shearing / woolshed. In 1992, Fiordland Travel made extensions to the Colonel's Homestead at Walter Peak to cater for the increase in passenger numbers.
- 16 During the 13 years Real Journeys leased Walter Peak, the site was further developed (project managed and funded by Real Journeys) including the construction of more staff housing and in 1999 the "Long Room" was added on to the Colonel's Homestead, in response to increasing demand from visitors seeking a dining experience in this unique setting. A barbeque lunch option also commenced.
- 17 Since 1991 various tourism product offerings have been tried at Walter Peak and sometimes abandoned. Specifically in 1996 a backroad Bus excursion from Queenstown introduced. Visitors travelled via the *TSS Earnslaw* to Walter Peak, coach through the Von Valley to Te Anau and on to join the Milford Wanderer overnight cruise at Milford Sound. (Since discontinued). Heritage Tours of Walter Peak were tried in the early 2000s and more recently Electric Bike Farm tours were introduced in 2016 and were disestablished in 2019 as these E Bikes proved so unreliable. This

illustrates how the tourism industry is always evolving and Real Journeys is constantly trialing new product ideas to keep up with this evolution.

- 18 Without planning certainty or flexibility, Real Journeys does not have the ability to grow, diversify and change with the market.
- 19 Today's product offers include retail; Walter Peak Farm Excursions; Walter Peak Barbeque Lunch or Dinner (licenced bar and restaurant); morning and afternoon teas; Horse Treks; transfers to and from Walter Peak for mountain biking, all of which are undertaken in conjunction with a "TSS Earnslaw" cruise to and from Queenstown Bay. That is, our tourism offerings at Walter Peak are inextricably linked to the operation of the "TSS Earnslaw".
- 20 Part of Walter Peaks winning formula are the Walter Peak Farm Excursions as the activities demonstrated to visitors; dogs working the merinos, shearing, and spinning are integral to the fabric of the site; namely a small portion of the original Walter Peak High Country Station.
- 21 In addition to the "TSS Earnslaw" we have operated Fiordland Class vessels on Lake Wakatipu for decades. The Fiordland Class vessels (Fiordlanders) were built in the 1960s when the company secured the contract to transport workers across Lake Manapouri for the construction of the hydroelectric power scheme. The Fiordlanders are used on Lake Wakatipu to substitute for the "TSS Earnslaw"; undertake charters and transport staff, contractors, and freight to and from Walter Peak.
- 22 Moreover, much of the business undertaken at Walter Peak and on the "TSS Earnslaw" is what is known in the industry as 'MICE'; meetings, incentives, conferences, and events. These functions have become increasingly important to our operation in the wake of COVID-19.
- 23 The most significant developments of Walter Peak have occurred since Real Journeys' ownership of the property in 2013; including the development of a 'master plan for the site in 2017; the further extension of the Colonels Homestead (and a DoC Land Exchange process to enable this); the construction of a new rural demonstration area (the Amphitheater), new generator shed and storage shed; including significant landscaping and provision of more staff accommodation in 2019.
- 24 In 2014, when Real Journeys sought to construct a new pergola in front of the Homestead to increase the Homestead's dining capacity and provide a better barbeque facility, it was found that appropriately 700m<sup>2</sup> of the Colonels Homestead and its cobblestone deck; occupied part of the Lake Wakatipu marginal strip in Beach Bay.
- 25 Hence Real Journeys went through a land exchange process pursuant to section 24E of the Conservation Act where 700 m<sup>2</sup> of Crown Land (marginal

strip) was exchanged with 2000 m<sup>2</sup> of Real Journeys' land to create the Beach Point picnic area. As the land exchange had to be for the 'public benefit', during the winter of 2016 Real Journeys also upgraded the track to Beach Point and installed picnic tables, rubbish bins, a shelter, barbeque, toilet and landscaped the picnic area and continue to maintain the track and the picnic area on an ongoing basis. The Land Exchange was concluded in October 2016.

*Figure 2 – Photo of Beach Point Picnic Area after completion*



*Figure 3 – Photo of Beach Point Picnic Area Today*



26 However, before the picnic area could be established, Beach Point had to be cleared of Wilding Pines. The wilding pines were so dense at this site, we had to crawl around the area when investigating the area for the land exchange. Specifically, in early 2014 Real Journeys engaged Neill Simpson (awarded the Queen's Services Medal for conservation, a former DOC ranger, an acknowledged expert on native plants and the effects of exotic pests on ecosystems) to develop a vegetation management plan for Walter Peak. From Neill's recommendations and working in partnership with the Wakatipu Wilding Conifer Control Group (WCG) and the Department of Conservation Real Journeys developed the Walter Peak Land Restoration Project. The Vegetation Management Plan is attached as **Appendix 2**.

**Walter Peak Land Restoration Project / Conservation of Walter Peak**

*Figure 4 – Photo of Von Peninsula February 2015*



*Figure 5 – Photo of Von Peninsula October 2016*





*Figure 6 – Photo of Von Peninsula May 2021*

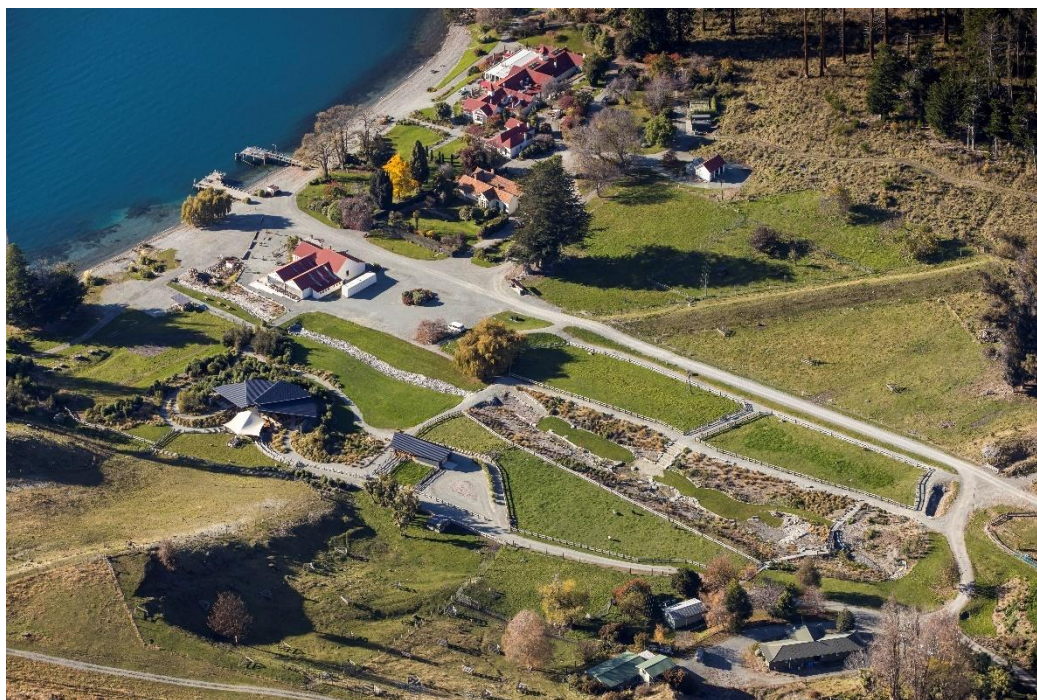


27 In the winter of 2015, the smaller wilding pines were sprayed. Logging of the larger pines followed and 4000 tonnes of the best timber (20% of the trees) was trucked out to Bluff for export. This helped offset a small portion

of the cost of the project. The rest of the trees were inferior timber that was slashed and trimmed, then cut up for firewood. The remaining stumps were burnt or buried with the clearance concluding in the winter of 2016. Wilding Pines were also removed from the Beach Bay Recreation Reserve however the non-wilding conifers in the reserve and on Real Journeys land, such as *Sequoiadendron giganteum* (giant sequoia; also known as giant redwood, or Wellingtonia) were retained.

- 28 In February 2017 Neill Simpson produced a further report outlining how other areas of the Real Journeys' land parcel could be fenced, planted and areas of remnant native shrubland that could be enhanced to create a mosaic of exotic and native parkland, wetlands, pockets of native shrublands and small forest areas providing habitat for native birds, lizards, and insects. The Report is attached as **Appendix 3**. The objective was to provide areas to show visitors a small representation of the original forest that clothed this area and allow interpretation of the human history and vegetation. Neill Simpson's plans involved planting natives in pockets, which were then to seed the adjacent land, so that in particular, the Von Peninsula slopes above the lakes edge would be clothed in natives.
- 29 Through 2016 - 2017 12,000 native trees and shrubs were planted, and since then thousands more (at least 6,000) natives have been planted and hours of work have gone into controlling other weed species that have flourished since the removal of the wilding pine canopy cover. Our restoration project is aligned with the Government goal of planting a billion trees by 2028; the One Billion Trees Programme. Overall, this restoration project has cost Real Journeys about \$500k. Our efforts have been assisted by Walter Peak Station providing stock to graze the peninsula tops.
- 30 Further landscaping of the site occurred when the Amphitheater was completed in 2017, and in the winter of 2019 when the creek bed that runs parallel to Mount Nicolas - Beach Bay Road was fenced off and planted out in natives (refer image below). In addition, Real Journeys Walter Peak staff undertake on going pest control work; trapping possums, feral cats and maintaining bait stations for vermin, mainly around the perimeter of our buildings.

Figure 7 – May 2021 view of Amphitheater and adjacent Landscaping



- 31 Moreover, since 2015 Walter Peak has been the venue for Real Journeys Annual (except 2020) Birds of a Feather Charity Ball which raises about \$50K per ball for conservation initiatives such as such as Kakapo Recovery Programme, Tamatea/Dusky Sound Restoration Project, Wakatipu Wildlife Trust, Routeburn Dart Wildlife Trust, and Cardrona Kārearea Conservation Project.<sup>1</sup>
- 32 The aforementioned development, upgrades and restoration has only been possible through the success and growth of the Wayfare Group's tourism businesses, and in particular the growth in popularity of the *TSS Earnslaw* and Walter Peak. These developments reflect the Company's vision and values including fostering Kaitiakitanga; Manaakitanga; and Whanaungatanga as detailed in Paul Norris's evidence. In particular we aim to provide high value and quality products and through this be a responsible employer; a pivotal player in tourism industry; reinvest in our business, our environment and community; and operate in a safe and environmentally responsible manner.
- 33 With respect to the development, upgrades and restoration on our land at Walter Peak this has specially translated into further 'beautification' of the

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<sup>1</sup> <https://www.odt.co.nz/business/tourism-aligned-conservation>

site to enhance its attractiveness for visitors. It is in Real Journeys best interests to ensure Walter Peak is developed in such a way that the site is enhanced and not degraded by any development and this also goes for any future development.

### **Tourism development in Queenstown**

- 34 Queenstown's central location is a key element of its success as a tourism destination. Queenstown can be accessed readily by road from the west, north, east and south. Further, Queenstown is located within one day's drive of Christchurch and is en-route to Milford Sound. This direct route to Milford Sound attracts many of the visitors to Queenstown. In fact Queenstown markets itself as the 'gateway' to the Fiordland National Park. Consequently it is also the landscapes outside the District also play a significant part in attracting visitors to Queenstown itself.
- 35 Around the turn of the 20th century, it was the region's many walking tracks and Lake Wakatipu itself that created the early beginnings of the tourism industry in Queenstown. Yet it was the establishment of Coronet Peak Ski Field in the 1947, that began Queenstown's rise as one of New Zealand's favourite holiday destinations. Jet boating along with scenic cruises on the *TSS Earnslaw* followed in the 1960's; then commercial rafting activities and the opening of Cardrona and Treble Cone in the 1970s; bungy jumping, and further ski field development followed in the 1980s. Access and accommodation improved; as more people came from overseas, the tourist industry boomed.<sup>2</sup>
- 36 Real Journeys has also grown since establishment of our Queenstown Operations in 1969. During the early years of Fiordland Travels charter of the *TSS Earnslaw* she was operated from Queenstown Bay to Kingston via Halfway Bay undertaking day trips. The *TSS Earnslaw* was coaled up in Kingston at that stage hence had to make trip to Kingston. Because the trip covered a route that could mostly be taken by vehicle on land; took all day; it did not sell well as the duration of trip did not fit in well with visitors' schedules as it has always been a truism that visitors are continually time poor.
- 37 In 1972-73 summer, Fiordland Travel started operating a half day trip on *TSS Earnslaw* to Walter Peak departing at 2.00pm as she does today, and this trip was far better suited to visitors' requirements and in consequence was much more successful. We kept taking trips to Walter Peak until about 1983 when Walter Peak Resort Limited and Remarkable Enterprises

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<sup>2</sup> <https://media.newzealand.com/en/story-ideas/queenstown-birthplace-of-adventure-tourism/>  
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Limited (Walter Peak Destination Resort) sought to increase per passenger fee for visiting Walter Peak by 66%.

- 38 Fiordland Travel then changed the “TSS Earnslaw’s” destination to Mount Nicolas Station and kept visiting this site for 7-8 Years until Walter Peak Destination Resort went into receivership and the parcel of land at Walter Peak was bought by Convelle Enterprises in 1991. The company then entered into a lease agreement with Convelle Enterprises to secure access to Walter Peak.
- 39 The key to success of “TSS Earnslaw” / Walter Peak product also hinges on the attractiveness of Walter Peak itself and the ability to increase the number passengers carried because some passengers remain at Walter Peak while “TSS Earnslaw” cruises back to central Queenstown, picking up additional passengers. Even when Walter Peak is busy it is relatively tranquil with no traffic (a great place to chill out) and a beautiful setting compared to central Queenstown.
- 40 Accordingly as the attractiveness of Walter Peak is one of the draw cards for our “TSS Earnslaw” / Walter Peak product, Real Journeys does not want to compromise this site through inappropriate development.
- 41 In 1983 *TSS Earnslaw* underwent a major refit, including closing in top deck, rebuilding bridge and opening of engine room for passenger viewing; 1984 a luxury coach service was introduced linking Queenstown to the company’s Manapouri, Te Anau and Milford Sound excursions. To meet the demand for sightseeing flights, two aircraft were bought into service in 1987; with the successful development of this operation, a third aircraft was introduced in 1989.
- 42 Real Journeys operated a flightseeing company based in Queenstown, in sole ownership and as joint venture entities, until 2015 when we sold out to Totally Tourism. These Flightseeing operations mainly service Milford Sound however charter and MICE groups also fly to Walter Peak (landing on the airstrip at the western edge of the property) either as the main destination or as a back-up destination when the weather in Milford Sound precludes access.
- 43 In 1987 the Queenstown Sightseeing Shop opened a joint venture with Shotover Jet (Real Journeys still has a similar retail outlet today); 1995 Fiordland Travel opened a new visitor centre in the Steamer Wharf; 1996 Fiordland Travel entered a joint-venture with Vance and Carol Boyd, establishing Queenstown Rafting; 2010 Real Journeys commenced its Walter Peak Independent and Guided Cycling excursions in conjunction with partners; 2012 we celebrated “TSS Earnslaw” 100 year history and

Real Journeys jointly purchases the St Omer and O'Regans Wharves in Queenstown.

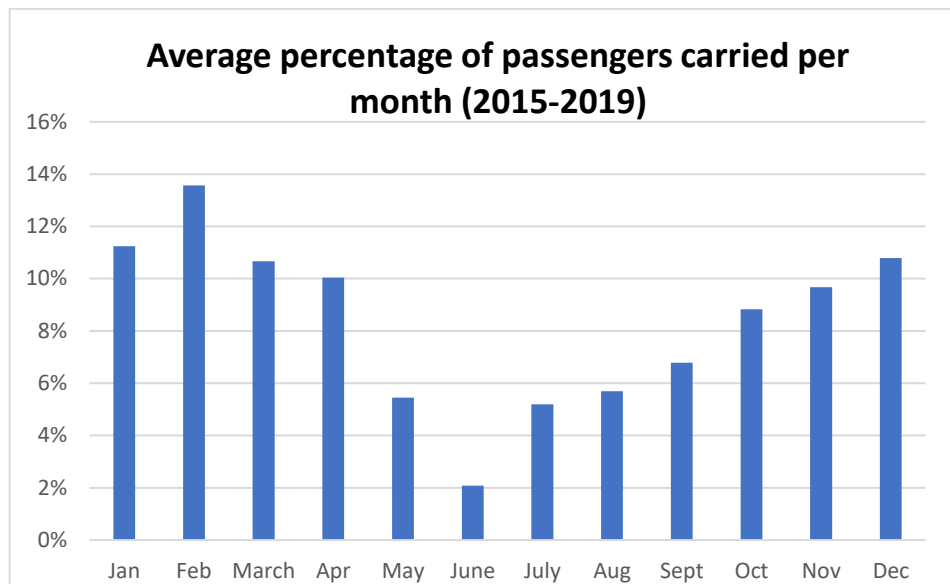
- 44 Prior to the 1990s the company's sales and marketing functions were operated out of Te Anau and in the late 1980's - early 1990's these functions were gradually transitioned to Queenstown, establishing the company sales and marketing functions in the District. This transition was partly driven by the establishment of the Queenstown Lakes District Regional Tourism Organisation in 1985. Now much of the company's support functions such as HR, finance, and IT are based in Queenstown. Also pre-COVID-19 we operated a fleet of fifteen 50-to-60-seater luxury coaches out of Queenstown to deliver passengers mainly to our Fiordland based operations.
- 45 This growth in Real Journeys is reflected in the following passenger numbers (our passenger statistics for the last 10 years prior to the effects of COVID-19).

Figure 8 - "TSS Earnslaw" & Walter Peak Passenger Numbers (including FOC)

46 Real Journeys Passenger Numbers				
Calendar Year	TSS Earnslaw Cruise only (all)	Walter Peak (all)	Total	Comment
2009	50,498	89,394	<b>139,892</b>	
2010	51,158	95,990	<b>147,148</b>	
2011	44,821	89,242	<b>134,063</b>	Fall after GFC
2012	54,339	96,989	<b>151,328</b>	
2013	56,984	117,854	<b>174,838</b>	
2014	56,810	134,502	<b>191,312</b>	
2015	58,117	168,052	<b>226,169</b>	Increase in dinning capacity
2016	64,064	194,436	<b>258,500</b>	
2017	64,956	207,804	<b>272,760</b>	new Amphitheater
2018	61,168	227,813	<b>288,981</b>	
2019	62,003	226,667	<b>288,670</b>	
2020	43,823	82,212	<b>126,035</b>	Fall due to COVID-19
2021	13,800	28,496	<b>42,296</b>	until end of April 21

- 47 Yet there is a strong seasonality in our visitor numbers with 75% of the total TSS Earnslaw and Walter Peak passenger numbers (average from 2019-2015) travelling between 1 October until 30 April the following year. With the peak month being when Chinese New Year falls; usually being February, and June being the quietest month.

Figure 9 – Percentage of passengers carried per month



- 48 My previous evidence to the District Plan Review<sup>3</sup> discusses the environmental impacts of tourism development and landscapes. Real Journeys takes issue with the assumption that farmers are somehow superior custodians of rural land compared to other land owners. Farming has a longstanding history of degrading New Zealand’s environment which continues today, with the ongoing pollution of waterways and other environmental changes, especially due to dairy farming.
- 49 I struggle with the concept of using farming as a way of maintaining the current landscapes when farmers readily change land uses to stay in business, with no apparent regard for the effects on landscape values. This can be seen throughout New Zealand where, in recent years, shelter belts have been removed and large areas have been irrigated to facilitate dairying, changing the character of these areas.
- 50 Tourism operators have a vested interest in ensuring the landscape values which attract visitors to the District are maintained. This has been demonstrated by the effort (and funds) Real Journeys has put into clearing wilding pines from Walter Peak and our ongoing work to re-establish native vegetation at the site; as ‘Wilding Conifers’ are a major threat to New Zealand’s unique landscape and are the country’s fastest growing pest.
- 51 Wilding Trees compete with native plants and animals for sunlight and water and can severely alter natural and ‘pastoral’ landscapes. Wildings overpower the native bush, tussock and beech forests, blanketing the high

<sup>3</sup> [0621\\_1341\\_0607\\_1342\\_Real\\_Journeys\\_and\\_Te\\_Anau\\_Developments\\_T01B\\_Fiona\\_Black\\_Evidence](#); [S0621\\_Realjourney\\_T02\\_Black\\_F\\_Evidence](#); [S0621\\_Realjourney\\_T03\\_Black\\_F\\_Evidence](#); [C0607\\_S0621\\_Realjourneys\\_T05\\_Blackf\\_Evidence](#)

country with conifer needles and destroying the natural habitat for a large number of native species. They create ‘tree deserts’ which are eerily silent, are also a fire risk and absorb more water than natives which decreases river flows and impacts on aquatic ecosystems .

- 52 As outlined in Neill Simpson’s plans, the areas in native vegetation are to expand over time so that in particular, the Von Peninsula slopes above the lake edge (outside the centre of Beach Bay) will be covered in natives. Nonetheless some pasture will need to be maintained for Real Journeys small sheep flock, which are used for the rural demonstrations in our ‘Walter Peak Farm Excursion’ product. That is, part of our use of the Walter Peak site is the operation of a small farm and naturally enough requires undertaking some typical farming activities.
- 53 Real Journeys does acknowledge that there is potential for the Tourism Industry to have significant adverse effects on the environment, but this usually arises when the infrastructure cannot keep up with demand. We do not want this to happen at Walter Peak, hence the requirement to have a flexible planning framework to provide for further development, including infrastructure at Walter Peak.
- 54 One of Real Journeys values is “share our backyard” as an organisation we are mindful that we share southern New Zealand’s amazing places with the ‘community’, incredible endemic flora, and fauna thus as a whole we must work to protect and/ or nurture the environments and the communities we operate in. For instance in the winter of 2020 we donated the surplus food from our Milford Sound storage facility to a foodbank in Queenstown and our chefs utilised the kitchen at Canyon Brew to prepare meals for the Districts needy.
- 55 That is, as an organisation we work to maintain our ‘social licence’ to operate in the District, and part of the way we do this, is by offering high quality and high value visitor experiences which are relevant and keep up with visitor expectations including expectations around operating in an environmentally and socially responsible manner. To deliver this, Real Journeys invests heavily in its people, product development, maintenance and improvement our assets and infrastructure. Hence, we aim to provide for quality tourism growth and require certainty to sustain this investment through an appropriate PDP zoning framework.

### **The future of tourism in Queenstown**

- 56 From the Ministry of Tourism; through to the Parliamentary Commissioner for The Environment (Pristine, Popular – Imperilled? and Not 100% - but four steps closer to sustainable tourism) and the wider community; we in



the Tourism Industry are being called on to 'reimagine' tourism especially now that COVID-19 has pushed pause on international visitor arrivals. Real Journeys is 'on board' with rethinking New Zealand's approach to tourism and creating a more sustainable tourism industry.

- 57 Specifically, Real Journeys is investigating ways to move away from the company's reliance on fossil fuels including the use of hydrogen powered coaches; use of EVs (Electric vehicles and vessels) and developing alternative power generation at Walter Peak such as micro-hydroelectric power generation; wind turbines and solar panels. In addition Real Journeys is always looking at ways to address the seasonality of our business including the seasonality of our "TSS Earnslaw" – Walter Peak operation.
- 58 It has always been Real Journeys' objective to attract high value tourists (quality over quantity) and we have positioned the company as a premium brand especially in the competitive Milford Sound market. This illustrated by our 'nature cruise' product (pre-COVID-19), which was our most expensive day cruise, and the most expensive cruise and coach option ex Queenstown and from about 2016 onwards this product attracted increasing numbers and out preformed our Milford Sound 'scenic cruise' product which was tailored to tour groups.
- 59 In addition, since 1984 Real Journeys has actively worked to offer products that provide a door-to-door coach service which reduces the use of private or rental vehicles. This has been facilitated through the provision of our own coach services; offering products designed for coach tour groups and providing for tour groups to book optional tours on our services rather than driving their own tour coaches to the likes of Milford Sound.
- 60 Pre-COVID-19 these coach offerings had developed into numerous coach - cruise/tour – coach packages where we offered coach tours to Milford Sound (overnight and day cruises), Te Anau Caves, Milford Track day walks, Doubtful Sound (overnight and day cruises), connections to the Stewart Island ferries and Go Orange products included coach transfers for Queenstown Rafting; Fiordland cruises and sea kayaking. This evolution of enhanced transport opportunities and has allowed Real Journeys to diversify its business while also taking some of the load off Council and NZTA infrastructure.
- 61 However the ongoing consequences of COVID-19 for the Tourism Industry are unknown, moreover it is likely to take some time to figure out what the fallout will be. For instance, at present, domestic visitors are very reluctant to travel in coaches; Real Journeys is only operating one coach ex

Queenstown to / from Milford Sound each day (instead of the up to 12 coaches per day per COVID-19) and for the majority of the summer we have only averaged about 12 passenger per day on this one coach. This behaviour was also seen at the Districts ski fields last winter, where there were over flowing car parks and 'car' queues to get up the mountains<sup>4</sup>. That is, the vast majority of visitors to the region, prefer to self-drive to enable their travelling party to remain in their own travel 'bubble'.

- 62 The *TSS Earnslaw* and Walter Peak are part of Real Journeys vision to evolve our company into a more sustainable business (including reducing seasonality) and create an industry that esteems value over volume and having an enabling consenting framework for Walter Peak is central to this. One aspect which is key to improving the sustainability of the industry is levelling out the troughs and peaks of visitor arrivals, and for Real Journeys, Walter Peak has a part to play in this. Namely because Queenstown attracts visitors in the winter there is an opportunity for us to develop a more attractive winter product at Walter Peak that would capitalise more on this ski business.
- 63 As detailed above Real Journeys has tried many different products at Walter Peak, some have been successful such as barbeque lunches and dinners which were first introduced in 1999 and others that proved unproductive or overly problematic such as the E-Farm Bikes tours. Moreover a consenting pathway is required to enable the move away from reliance on diesel generators such as wind turbines or solar panels that will likely need project structures above the skyline of the Von Peninsula.
- 64 It is predicted that Queenstown will remain a major drawcard for domestic and international tourists alike, with its airport allowing direct access; unsurpassed scenery and year-round array of attractions; recreational opportunities and variety of accommodation options. It is expected that in the short term, with only the New Zealand and Australian market to rely on, that there will be much more emphasis on providing fulfilling recreational activities; opportunities to unplug, relax and connect with friends and family; rather than 'traditional' tourism activities and attractions. This can be seen by the busyness of 'The Great Walks' (the Milford Track selling out within the hour of bookings coming online<sup>5</sup>),

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<sup>4</sup> <https://www.stuff.co.nz/travel/experiences/snow-ski-holidays/122561238/thousands-turned-away-from-southern-ski-areas-after-seasons-biggest-snow-dump>

<sup>5</sup> <https://www.stuff.co.nz/travel/destinations/nz/123543817/spots-on-recently-damaged-repaired-milford-track-sell-out-within-an-hour>

Stewart Island having its best summer (high number of visitors) in 30 years<sup>6</sup>; and bike sales tripling in 2020<sup>7</sup>.

### **The *TSS Earnslaw* and Walter peak**

- 65 Since the acquisition of the “TSS Earnslaw” in 1969, (and in other parts of the company) Real Journeys has tried various cruise options on Lake Wakatipu such as cruises to and from Kingston, champagne breakfast, morning tea and evening cruises through Frankton Arm and ‘scenic’ lake cruises, with no specific destination.
- 66 We have also trialled ‘scenic’ lake cruises on Lake Manapouri and Te Anau, even as recently as 2013, (when the Milford Road was closed for months due to the rock fall risk above the western portal of the Homer Tunnel<sup>8</sup>) however such ‘scenic’ lake cruises, with no specific destination do not sell as satisfactorily as cruises with a destination. Especially a destination that cannot be reached readily by road. Our 2013 efforts to offer an alternative to Milford Sound, through a Lake Te Anau cruise, were an utter failure, only a handful of departures took place with very few passengers, as this cruise option simply did not sell.
- 67 Even our cruises on Milford Sound and Doubtful Sound do not sell as well if the cruise does not go out to the Tasman Sea, in particular our Doubtful Sound cruise passengers are dissatisfied if we do not make it out to the Shelter Islands to see the seals.
- 68 Prior to working for Real Journeys, I had over 15-years’ experience, operating a cruise company on Otago Harbour, where the importance of having a cruise destination, in this case Taiaroa Head, was vital to attract patronage. Nonetheless our offering was always undermined because Taiaroa Head could always be reached by road, and there was always a segment of the market, we could never convince you could experience more from the ‘sea’.
- 69 Hence it was only when “TSS Earnslaw” started cruising to the destination of Walter Peak or Mount Nicolas (sites which cannot be promptly reached by road ex Queenstown) that the company hit on a winning formula. That is, the success of our “TSS Earnslaw” operation is inextricably linked to our operation at Walter Peak and vice versa.

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<sup>6</sup> <https://www.nzherald.co.nz/nz/stewart-island-proving-a-hit-with-domestic-travellers/ZTEPAHHSZNHQKJ4BEVQWQPMDNA/>

<sup>7</sup> <https://www.stuff.co.nz/national/123019534/covid19-global-shortage-of-bikes-follows-turbocharged-coronavirusfuelled-demand>

<sup>8</sup> <https://www.odt.co.nz/regions/southland/milford-road-reopens>

- 70 The vintage steamship aspect of the “TSS Earnslaw” (as the only surviving coal fired steam ship in the Southern hemisphere) attracts customers to our Queenstown product offerings as can be seen by comparing “Spirit of Queenstown” passenger numbers and “TSS Earnslaw” passenger numbers. The ‘hook’ of the vintage steamship “TSS Earnslaw”, remains in this post COVID-19 environment, as a cruise on the “TSS Earnslaw” is on the ‘bucket list’ of many New Zealanders and certainly the vast majority of Otago and Southland residents. Namely, currently our “TSS Earnslaw” and Walter Peak products are selling ahead of the likes of our Milford Sound cruises.
- 71 Pre-COVID our *TSS Earnslaw* – Walter Peak package was sufficiently attractive to entice cruise ship passengers; which is difficult when cruise ship packages are all inclusive and visitors predominantly do not want further expense of paying for additional meals or accommodation which they have already paid for in their cruise fare.
- 72 Cruise ship passengers would either disembark in Port Chalmers and travel overland to Queenstown; undertake a *TSS Earnslaw* cruise plus Walter Peak dining; overnight in Queenstown and travel through to Milford Sound to re-join their cruise ship, or passengers would disembark in Milford Sound and undertake the cross-land journey to Port Chalmers to re-embark including overnighing in Queenstown. That is, Real Journeys *TSS Earnslaw* – Walter Peak package provided an opportunity for the District to actually benefit from cruise ship visits where the cruise ship industry generally only benefits New Zealand coastal cities.
- 73 Specifically, Walter Peak and “TSS Earnslaw” are run as one business unit and the money that is generated to Walter Peak helps ‘subsidise’ the very high operating costs of the “TSS Earnslaw”; in particular, her maintenance and annual vessel survey costs. The “TSS Earnslaw” upkeep costs are greater than any of our other vessels, simply due to her age and the current infrastructure used to slip her at Kelvin Heights. Accordingly the ongoing sustainability of the “TSS Earnslaw” is also reliant on the continuing viability of our Walter Peak operation therefore we need to provide for future development, diversification and opportunities at Walter Peak as the tourism industry evolves.
- 74 We also seek to not only have development suitably enabled on our property at Walter Peak but also in Beach Bay. In particular, it is one of the company’s visions to have an electric vessel operating on Lake Wakatipu in support of the “TSS Earnslaw” to enable visitors to cruise one-way to Walter Peak on a historic steam ship and cruise the other way on a ‘state of the art’ E-Vessel, potentially with solar / wind generation to support on

board batteries.<sup>9</sup> In addition, if we sought to develop more visitor accommodation at Walter Peak, it is likely the site would need facilities to berth water taxis. Accordingly, the potential operation of more vessels in and out of Walter Peak would require additional jetties and if these further vessels are arriving and departing Walter Peak at the same time the “TSS Earnslaw” is manoeuvring, then these supplementary jetties will need to be well clear of the “TSS Earnslaw” Walter Peak berth to give “TSS Earnslaw” enough ‘sea room’ when she is coming and going due to her handling characteristics (detailed in previous evidence).

- 75 We have already sought to provide for more water-based activities in Beach Bay. In 2019 we applied for and were granted a concession to cross the marginal strip and utilise the Beach Point picnic site for access and egress to Lake Wakatipu, to operate guided kayaking trips in the bay. We also applied for Resource Consent approval to operate kayaking trips in Beach Bay (RM191351) however the application has not been progressed since early 2020, when it became apparent the COVID-19 was going to have significant impacts.
- 76 Nevertheless it is still our intention to develop a ‘taste’ of kayaking product at Walter Peak much as we offer (operated by Walter Peak Stables Limited) ‘taste’ of horse trekking experience now. As we aim to provide visitors with more activities to undertake at Walter Peak. Because this proposed kayaking will need to be undertaken well away from the “TSS Earnslaw’s” routes in and out of Beach Bay this activity will be ‘staged’ well north of the current Walter Peak jetties. Moreover because this is to be a kayak product pitched at novices, we may need to install a kayaking launch facility to get visitors in and out of kayaks easily without getting their feet wet. Refer photo below.

*Figure 10 – Example of kayak launch facility.*



<sup>9</sup> <https://www.weforum.org/agenda/2020/12/swedish-firm-wind-powered-cargo-ships>

77 Also typically where we operate kayaking trips for novices, such as on our Fiordland overnight cruise vessels,' we have a safety support vessel in attendance to retrieve kayakers if the capsizes. Hence a kayaking launch facility could provide a place to base the support vessel during the hours of operation of the kayaking.

### **Consenting**

78 In my experience consenting proposals in zones and locations subject to a discretionary activity classification create a significantly more uncertain, time consuming and costly consenting pathway, particularly where QLDC planners require applications to be reviewed by landscape architects. These complicating factors, make it much harder to plan for diversification; keep up with current, and projected tourism market trends.

79 Even the controlled activity status consenting pathway for activities at Walter Peak under the QLDC ODP, has proved expensive and problematic over the years especially with respect to perceived visual effects and effects on landscape values. Most of our Walter Peak applications have attracted greater council scrutiny and interference compared to our consent applications for activities undertaken the Fiordland National Park. For instance:

- Our 2015 application to install food storage containers behind the Colonels Homestead where the consenting staff made us decide on the spot what colour to paint the containers exterior. There was no trust that we would choose an appropriate recessive colour so that the containers were not visually conspicuous, which was our aim.
- The 2016 application for the Shelter at Beach Point; council staff wanted us to paint the shelter the same colour as the Colonels Homestead and Woolshed in Beach Bay and we had to argue very hard that this was inappropriate as we did not want this structure to be visually conspicuous, but blend into the background.
- With the 2016 application to install a 40-foot container (beside the wool shed), to store the E-Farm Bikes, again the council sought the implementation of a noticeable paint scheme. They wanted the roof of the container painted red just like the woolshed, which we adamantly opposed.
- The most significant issue we have had is in respect visual and landscape effects of our proposals, is the landscaping around the amphitheatre. Real Journeys spent thousands of dollars for Beca Consultants to do a landscape assessment, for the proposal, yet the

Council did not accept the Beca landscape evidence or Neill Simpson's recommendations, engaging a peer reviewer and eventually, we had to agree to make changes to the proposal.

Neill Simpson's 2014 vegetation management plan for Walter Peak outlined how the area in Beach Bay in the immediate vicinity of the Homestead should be maintained in exotics to enhance the existing garden landscape, then transition to native forest on the peninsula, the council ignored Neill Simpson's advice and insisted the area around the amphitheatre be planted in natives.

- 80 Also all our resource consent applications for major projects (in particular) at Walter Peak have not been processed in a timely manner. Which has sometimes meant that the work has had to be postponed for another year so the work could be completed during the winter when there are fewer visitors at Walter Peak. Even the simple resource consent to convert some of our new staff accommodation into visitor accommodation took months to obtain resource consent approval and ultimately, we missed the window of opportunity to offer this product during the school holidays; despite being a permitted activity under the PDP, and controlled activity under the ODP.
- 81 Such time delays play havoc with our asset and engineering team as planned work has to be rescheduled and sometimes alternative contractors engaged which can result in the outlay of more funds. In addition 'tourism' is the most perishable of all products because if you cannot sell a tour today, then that is a sales opportunity lost forever. Hence consenting delays directly affect our bottom-line.
- 82 The requirement to develop new tourism products in a cost effective and timely manner has been exemplified by the need to 'pivot' our business post COVID-19. Specifically, Real Journeys has looked at several product development proposals since coming out of "lockdown", and most of these propositions had to be abandoned as they were too costly and could not be achieved fast enough to provide sufficient benefit. In the last 9 months we were only able to change our product offerings to activities which were already consented.
- 83 From this immediate experience, we contend the proposed ONL provisions will create unnecessary barriers to development at Walter Peak and do not reflect the significant development history and use of the site.

## **The Future and Vision for Walter Peak**

- 84 Although significant development plans have been drawn up for the site in the past, including the development of a “Master Plan” for the site in 2017, these plans are not necessarily being pursued at this point in time. However the aforementioned development plans, reflect possibilities and opportunities for site improvement which may be appropriate in the future.
- 85 Nonetheless, since COVID-19 the Wayfare Group is re-examining the company’s direction and alignment; for instance Go Orange is being absorbed back into Real Journeys. In particular, the Wayfare Groups purpose has recently been amended to: “accelerate the World’s shift to sustainable tourism by delivering Aotearoa’s most memorable experiences”.
- 86 As such, the development plans for Walter Peak will evolve and are likely to focus, in the short term, on alternative energy sources to run our operation at Walter Peak; opportunities for our Walter Peak visitors to actively engage in projects such as “Trees that Count” (to support the Billion Trees initiative); plus the provision of larger network of pest traps to improve the biodiversity of the site.
- 87 Namely, Walter Peak offers a forum, close to Queenstown, where we can trial and showcase the company’s sustainable tourism initiatives, alongside our existing product offerings, and as outlined by Neill Simpson specifically offer visitors an opportunity to experience some of the original forest that clothed this area, including delivery of relevant interpretation. These proposed activities may include the development of further visitor accommodation on site, to enable visitors an immersive experience in what is a very tranquil setting, when all, the day-visitors leave the site at the end of the day. (NB in 2020 consent approval was sought to undertake a visitor accommodation activity within some of our new staff housing buildings as this staff accommodation was underutilised due to the effects of COVID-19.)

## **Natural Hazards**

- 88 The QLDC Natural Hazards Database and 2011 ORC Otago Alluvial Fans: High Hazard Investigation Report<sup>10</sup> identifies among other hazards that Walter Peak is subject to alluvial-fan hazard and as tenants and now

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<sup>10</sup> <https://www.orc.govt.nz/media/2948/otago-alluvial-fans-high-hazard-fan-investigation.pdf>



owners of the site, we have experienced recurrent debris, debris-flood flow and floodwater-inundation alluvial-fan processes at Walter Peak. In the late 1990's a debris-flood flow event brought rocks and mud down across the Mount Nicolas – Beach Bay Road and through our Woolshed and there have been less significant floods since then. Indeed we hold a DoC concession (PAC 13-04-70) to construct rock culverts and rock armouring, undertake stream deepening and tree planting in the Beach Bay Recreation Reserve, as part of flood protection programme to protect mainly the Colonels Homestead.

- 89 These hazards have also been examined and considered by the Council as part of the consenting processes for the Amphitheatre; and our new staff accommodation. I understand that these two projects natural hazard risks were assessed differently, as the Amphitheatre is only used in the day time whereas the staff accommodation are dwellings that can potentially be occupied 24-7.
- 90 Specifically, in very adverse weather events, that can cause debris-flood flows at Walter Peak it is highly unlikely we would be operating the “TSS Earnslaw”. During high rainfall events the “Steamer Wharf” in Queenstown Bay is often over topped with water and passengers can-not be embarked or disembarked.

*Figure 11 – Photo of Steamer Wharf during December 2019 Flood*



- 91 Adverse weather events on Lake Wakatipu are one of the reasons we maintain a Fiordlander on Lake Wakatipu to ‘evacuate’ people from Walter Peak when “TSS Earnslaw” cannot sail because it is unsafe to do so, as she is such a high sided vessel and can be badly affected by strong winds. We

now have more ready access to Queenstown Water Taxis to expedite passenger transfer back to Queenstown Bay.

- 92 In Fiordland and at Rakiura Real Journeys operations are subject to more significant natural hazard risks compared to Walter Peak. At a basic level, the weather and the sea are hazardous to our operations, as we are a 'maritime company' operating 32 vessels (pre-COVID) across Real Journeys and Go Orange. For instance Foveaux Strait is identified as one of the roughest stretches of water in the world, due its shallowness, being in the roaring 40s where the westerly winds are strengthened as they are channelled through the strait, along with strong currents and tides.
- 93 Moreover in Milford Sound, due to the mountainous terrain, the wind can be funnelled in from the Tasman Sea with winds reaching speeds of 100 to 120 knots. These high velocity wind events can occur around six times per year and at short notice, resulting in Real Journeys having typically four or five vessels out on the fiord (with nowhere to hide) putting somewhere around 800 passengers and crew at risk. Even our Te Ana-au Caves, operation is subject to significant risks; from the vessel journeys to and from the caves; flooding of the river through the caves (a regular occurrence); earthquakes; and landslides potentially blocking off the single point of egress. In comparison our operating environment in Queenstown is relatively benign.
- 94 The February 2020 Fiordland/Southland flood event also exemplifies the natural hazard risks the company is exposed to, without even considering the potential risks that earthquakes, landslides, tsunamis, and seiches pose to our customers and staff. As a result the company has a strong Health and Safety culture with a 'belts and braces' approach to customer safety. We have various operating parameters where we will not sail when weather conditions reach a certain threshold; emergency plans and extensive Health and Safety plans, monitoring, procedures, SOPs including managing natural hazards as required under Health and Safety at Work Act 2015 and other legislation such as the Maritime Transport Act 1994.
- 95 Given that the council has identified that Walter Peak is subject to natural hazards, especially in the area designated as 'lower landscape sensitivity,' in Stage 3b notified Chapter 46 of the PDP, this presents further difficulties in costs and uncertainty for development opportunities.
- 96 In general, climate change projections for the Otago region include warmer temperatures, with more hot days and fewer frosts. More severe extreme rainfall events are anticipated, as are the severity and frequency of windy days. Winter and spring are expected to be wetter, but with significant

decreases in seasonal snow likely. In essence, the seasonality of climate in the Otago region is expected to become more pronounced.<sup>11</sup> These anticipated more extreme rainfall events are likely to create more frequent debris-flood flow occurrences at Walter Peak. Accordingly, some form of development on what the Council regards as ‘high landscape sensitivity’ areas on higher ground may be a safer (and therefore more appropriate) option for Real Journeys to consider.

- 97 With respect to the ‘moderate-high landscape sensitivity’ area identified in stage 3b of PDP, most of this area is not considered usable for development by Real Journeys. As we wish to retain a serviceable airstrip at Walter Peak and due to the need to not obstruct access to the strip and potential noise effects.

Figure 12 - Proposed Walter Peak Zoning in PDP

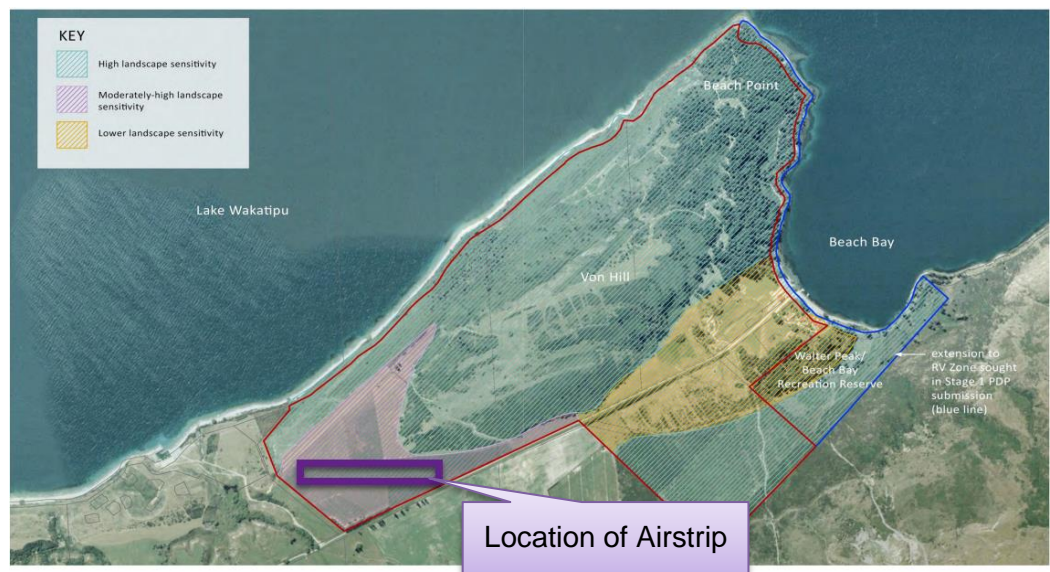


Figure 18: Walter Peak RV Zone landscape sensitivity.

- 98 An airstrip at Walter Peak, plays an important role in attracting MICE groups to Walter Peak. MICE groups often undertake novel activities such as scenic flights, archery or treasury huts and as stated above MICE is an increasingly important market for Real Journeys in this post COVID-19 environment. Thus it is essential we retain this airstrip.

### Conclusion

- 99 Real Journeys and now the wider Wayfare group has had a long association with the Queenstown District and through the development of tourism products in the District the company has been able to expand and succeed. Much of this success has been predicated on taking risks such as the taking on the “TSS Earnslaw” when it was thought that she had no future; and

<sup>11</sup> <https://www.orc.govt.nz/media/9653/tt-otago-climate-change-risk-assessment-2021.pdf>

trailing new products; effectively constantly evolving to meet the ever-changing needs of the tourism market.

- 100 Expressly Walter Peak has been a success for Real Journeys by providing an appealing viable destination for our “TSS Earnslaw” cruises and the funds generated through our Walter Peak operation have assisted over the years in keeping the “TSS Earnslaw” running. Therefore the ongoing viability of the “TSS Earnslaw” is contingent on the continued ability of our Walter Peak operation to generate income.
- 101 Our business evolution needs to continue to allow us to remain financially successful, an industry leader and address the likes of the appeals for the tourism industry to ‘re-set’ and tackle the issues identified by industry critics such as the Parliamentary Commissioner for the Environment.
- 102 For us Walter Peak is central to the evolution of our business and offers a unique opportunity to pivot our business to a more sustainable operation. That is, as the owner of the land at Walter Peak we control our destiny at this site, and we can for instance, progress the site away from reliance on fossil fuels. In comparison much of our other operations are based on public conservation land, which means additional hurdles to make modifications to the way we do business.
- 103 Nonetheless, because the ‘attractiveness’ of the Walter Peak site is central to the success of our Walter Peak site and it is in our best interests to develop the site to maintain the areas visual ‘attractiveness’. Accordingly we only want to provide for quality products and for appropriate development at Walter Peak to ensure we do not undermine our overall objectives.
- 104 We acknowledge that Walter Peak is subject to natural hazard risks nonetheless for us the setting at Walter Peak is relatively benign compared to the other places where we operate. However due to the sites natural hazard risks, Real Journeys is very concerned that the proposed Walter Peak Zoning (high to low landscape sensitivity) in the PDP is effectively shutting the door on any further development at Walter Peak. Real Journeys needs the ability to develop some of the land in the ‘high landscape sensitivity’ zone as this, with the likely effects of climate change, may be the only area that is appropriate for some developments such as addition visitor accommodation.
- 105 In summary, as the Tourism Industry is ever changing, and we need to keep up with these changes or we run the risk of the business stagnating. To do this Real Journeys needs a planning framework that provides certainty to enable us to trial new products without undue expense. Furthermore the

PDP planning framework must recognise our requirements to evolve and provide for development opportunities at Walter Peak to deliver ongoing success for Real Journeys “TSS Earnslaw” / Walter Peak products.

**Fiona Black**

**Dated this 28<sup>th</sup> day of May 2021**

**Appendix 1 - A copy of the Walter Peak Destination Resort Brochure**

## Appendix 2 - Vegetation Management Plan

## **Appendix 3 – Further Report by Neill Simpson**