



June 2022

The contribution of biking to the Queenstown-Lakes economy



Credit: Destination Queenstown

Report commissioned by: Rod Drury

Prepared by: Benje Patterson
Benje Patterson | People & Places
www.benjepatterson.co.nz
June 2022

All work provided and services rendered are at the request of the client and intended for the client's purposes only. Benje Patterson Ltd and its employees do not accept any responsibility on any grounds whatsoever, including negligence, to any other person or organisation. While every effort is made by Benje Patterson Ltd to ensure that the information and analysis are accurate and reliable, Benje Patterson Ltd shall not be liable for any adverse consequences of the client's decisions made in reliance of any report provided by Benje Patterson Ltd. Furthermore, Benje Patterson Ltd make no representations or warranties of any kind as to whether any report provided by Benje Patterson Ltd will assist in the performance of the client's functions. Any reliance will be at your own risk.

1. Table of Contents

2. Executive Summary.....	3
3. Current participation in biking.....	4
4. Current economic impacts from the bike economy	5
5. Current employment supported by the bike economy	7
6. A scenario for future growth in bike.....	8
7. Comparing biking with skiing.....	10
8. Concluding comments	11

2. Executive Summary

This report assesses the contribution of biking to the Queenstown-Lakes economy. The report has been commissioned by Rod Drury. The objective is to understand how much economic activity and employment is supported by visitors and locals who bike. Due to the availability of relevant data into bike visitor behaviour, estimates for visitors pertain to those who spend at least one night in the district.

Key questions addressed by this report include:

1. How many people participate in biking as a recreational pursuit?
2. How much spending is brought into the district by biking?
3. How much employment does this spending support?
4. What could future growth in biking look like?
5. How does biking's contribution to the economy compare to ski?

Biking context in Queenstown-Lakes

Queenstown-Lakes is globally renowned as a biking destination. A key strength is that there is a large variety of high-quality trails to choose from, many of which are readily accessible to visitor accommodation and residential neighbourhoods and can quickly lead into backcountry areas.

Trails span all grades of technical difficulty, from scenic recreational trails suitable for all types of bikers to gnarly downhill and jump parks for the more technically minded. The trails networks and mountain bike areas are run by a variety of trusts, community groups, public organisations, and commercial operators.

Key findings

- About 5,313 locals biked at least weekly for recreation in Queenstown-Lakes in 2021.
- A further 176,634 visitors to Queenstown-Lakes biked in 2021.
- The average bike visitor stays 3.4 nights and spends \$262 per day, compared to 2.6 nights and \$248 per day across all visitors.
- Total spend by visitors who bike while staying in Queenstown-Lakes was \$157.6 million in 2021, with \$101.6 million of this being from bike visitors whose main purpose of visiting was to bike.
- About 806 jobs in 2021 were supported by bike visitors' spending. Of these jobs, 520 were supported by people whose primary purpose of visiting was to bike.
- Under a scenario of international visitors recovering to pre-Covid levels by 2026 and their bike participation rising modestly to the same rate as domestic travellers then:
 - Spending by visitors who bike could climb to \$209.8 million. Of this total \$135.6 million would be from visitors whose main purpose of visiting was to bike.
 - The jobs supported by spending by visitors who bike would rise from 806 in 2021 to 1,072 in 2026. Of the 1,072 jobs in 2026, about 692 would be supported by spending by visitors whose primary purpose of visiting was to bike.
- Comparing bike visitors' spending against previous research into spending by ski visitors shows:
 - Spending by all visitors who biked in the district during the June 2021 year was about 37% of the level of spending by ski visitors from the 2019 winter peak before Covid.
 - If bike visitor spending grows according to the potential growth scenario in this report, then biking could become almost 50% of the size of the ski visitor economy by 2026.
- The total number of days spent biking by locals in 2021 (conservatively estimated at 184,184) is likely to have already exceeded the total days spent skiing by locals in the 2019 season (167,072).

3. Current participation in biking

This section gives estimates of recreational bike participation in Queenstown-Lakes by visitors and locals.

Bike participation by local residents

Sport New Zealand's data shows that 11.0% of Queenstown-Lakes' residents bike at least once per week for recreation¹. Given the district's total population of 48,300 (as at June 2021), this participation implies:

- There are 5,313 local residents who bike recreationally in Queenstown-Lakes.

Participating in recreational pursuits matters for wellbeing. QLDC's Quality of Life Survey (2019) showed sport and recreation is the most common way that residents maintain social networks and connections.

Bike participation by visitors to Queenstown-Lakes

Biking is a key activity that attracts visitors to Queenstown-Lakes. We know that:

- Approximately 12% of recent overnight visitors to Queenstown participated in biking².
- Biking was the primary purpose of a trip to Queenstown for 65% of visitors who biked³.

Almost 1.5 million overnight visitors came to the district in 2021 and an estimated 176,634 biked⁴:

- Around 113,929 visitors had biking as their primary motivation for visiting Queenstown-Lakes.
- A further 62,705 overnight visitors biked, where biking was one of several reasons for coming.

Estimates for 2021 rely on domestic visitors. International visitors' return is captured later in the report.

Summary of bike participation

The following table summarises these estimates of the number of visitors and local residents who bike.

Table 1 – The number of bikers in Queenstown-Lakes, including visitors and locals

Estimates of the total number of people who bike within Queenstown-Lakes		
<i>Author estimates of bikers in Queenstown-Lakes during the June 2021 year</i>		
Biker origin		Number of bikers
Local bikers from Queenstown-Lakes District		5,313
Visiting bikers	Biking is primary purpose of visit	113,929
	Biking is one of several reasons for coming	62,705
Total number of bikers		181,947

As a point of comparison, calculations from the Queenstown Trails Trust's (QTT) 2021 Annual Report suggest there were around 143,787 bikers using the Trust's trails. The Queenstown Trail Network is a key part of the Wakatipu Basin's biking landscape, but there are other public cycle trails elsewhere in the district not captured by QTT data, as well as several community and commercial mountain bike areas.

¹ Source: Active NZ Survey Data in the Sport NZ Insights Tool. The 11% estimate covers people biking for sport or active travel (when travel also has recreational intent). Note: the estimate is less than QLDC's Quality of Life Survey (2021) which showed 27% of locals bike weekly for transport in their spare time. This higher figure isn't used as this report's core measure because not all travel is material (eg. it includes biking 50 metres to shops).

² Source: Queenstown Visitor Survey, March 2022 (prepared by Angus & Associates). Survey captured overnight visitors only. Results were driven by domestic travellers because of border closures.

³ Source: Queenstown Mountain Bike Club 2016/17 online survey of trail users and members.

⁴ Source: Author estimates for the June 2021 year. Estimates draw on a combination of Data Ventures mobile phone monitoring, commercial accommodation data, and a review of overnight vs day tripping visitor trends in a 2018 report by Anthony Byett (Understanding current and forecast visitor flows to the South Island).

4. Current economic impacts from the bike economy

This section gives estimates of the economic impacts of the bike economy based on total spending by bike visitors in Queenstown-Lakes. The reason for focussing the analysis on spending by bike visitors is that their spend represents fresh money in the local economy which would not have existed in the absence of the bikers' visit. Locals' expenditure on biking is separately estimated, but not factored into core measures of the economic impact as it is likely that Queenstown-Lakes residents would simply spend their household budget on other things in the district had they not spent the money on their bikes.

Guest nights by bike visitors

The first step in determining the economic impacts of bike visitors is to assess how long they stay in the district. Research has shown that the average visitor who bikes stays for around 3.4 nights in the area they are biking⁵, which is 30% longer than the typical visitor to Queenstown-Lakes District (average stay is 2.6 nights⁶).

Figure 1 – Average stay length by bike visitors compared to other visitors



Applying an average stay of 3.4 nights to the estimated 176,634 visitors who bike suggests that these bikers spent a cumulative 600,557 nights in Queenstown-Lakes District in the June 2021 year.

Table 2 – Total nights spent by bikers in Queenstown-Lakes

Total visitor nights by bikers in Queenstown-Lakes		
<i>Author's estimate of the total number of nights spent in the district by visitors who bike (June-21 year)</i>		
	Number of visitors who bike	Total nights spent in district by these bikers
Biking is primary purpose of visit	113,929	387,359
Biking is one of several reasons for coming	62,705	213,198
Total across all visitors who bike	176,634	600,557

Economic impacts from spending by bike visitors

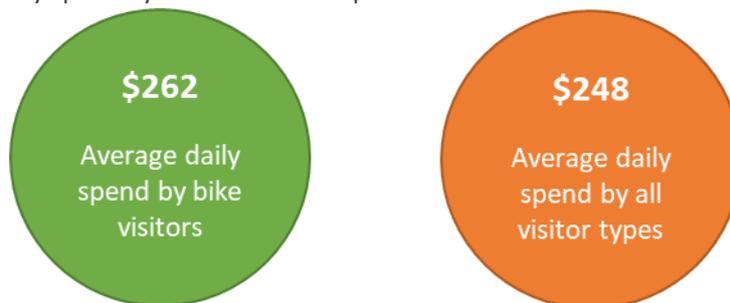
The next step in determining the economic impacts of bike visitors is to estimate how much they spend during their stay. Recent research has shown that the average bike visitor spent about \$262 per day

⁵ This average stay has been drawn from the 2021 Evaluation of Ngā Haerenga Great Rides of New Zealand. The figure is a national average for time spent by bikers staying in the region they are riding; a Queenstown specific figure is not available.

⁶ Source: MBIE's Accommodation Data Programme, June 2021 year.

during 2021⁷. Biking holidaymakers spend around 5% more than the average visitor to Queenstown-Lakes. Previous research shows that average spending by visitors to the district is about \$248 per day⁸.

Figure 2 – Average daily spend by bike visitors compared to other visitors



Combining these daily spend estimates with the guest night figures above suggest that spending in Queenstown-Lakes by visitors who bike totalled \$157.6 million in the June 2021 year.

Now strictly speaking it wouldn't be fair to causally attribute all this additional visitor spend to the bike economy. The reason for this is that some visitors who bike would have visited anyway as biking was simply one of several motivations for their visit. But even if we only factor in the 65% of bike visitors whose main purpose of visiting was to bike⁹, and assume that without biking they wouldn't have come, then that still added \$101.6 million to the Queenstown-Lakes visitor economy in 2021.

Table 3 – Spending brought into Queenstown-Lakes by bikers

Total expenditure by bike visitors to Queenstown-Lakes during 2021	
<i>Author calculations by applying average daily spend to total guest nights by overnight bike visitors</i>	
	Total spend (\$ millions)
Biking is primary purpose of visit	\$101.6m
Biking is one of several reasons for coming	\$55.9m
Total across all visitors who bike	\$157.6m

In comparison, total spend by all visitors across Queenstown-Lakes' visitor economy was \$805 million¹⁰.

Locals spending on biking

Locals' expenditure on biking has not been captured alongside the total spending on biking by visitors. The reason is that economic impact analysis only focusses on new money brought into an area by an activity. On that basis, it is assumed that Queenstown-Lakes residents would simply spend their household budget on other things in the district had they not spent the money on their bikes.

Nevertheless, it is still interesting to consider the relative size of locals' spending on biking compared to how much visitor spending brings into the bike economy. We showed earlier that approximately 5,313 Queenstown-Lakes residents bike regularly for recreation, while previous research has indicated that Queenstown bikers spend just over \$2,500 per year locally¹¹ on all things bike-related. Combining these indicators suggests that total bike spending by Queenstown-Lakes residents in 2021 was \$13.5 million.

⁷ This average spend is from the 2021 Evaluation of Ngā Haerenga Great Rides of New Zealand. The figure is a national average for a biker's spending in the region they ride; a Queenstown specific figure wasn't available.

⁸ Updated and inflation adjusted averages calculated from visitor spending insights contained in Benje Patterson (2021), "The Contribution of skiing to the Queenstown-Lakes economy".

⁹ Source: Queenstown Mountain Bike Club 2016/17 online survey of trail users and members.

¹⁰ Source: Tourism Electronic Card Transactions (MBIE), June 2021 year. Data captures card spending by overnight visitors and day trippers but excludes cash and pre-payments.

¹¹ Source: Inflation adjusted calculations by the author of figures drawn from a Queenstown Mountain Bike Club 2016/17 online survey of trail users and members.

5. Current employment supported by the bike economy

This section outlines the level of employment in Queenstown-Lakes supported by biker visitors' spending. It is important to note that these calculations are based on the theoretical level which could be supported by the bike visitors' spending. Actual outcomes may differ depending on each business' hiring behaviour.

Employment estimates supported by bike visitors

Spending by bike visitors supports a considerable amount of employment. It is estimated that as many as 806 filled jobs in 2021 were supported by bike visitors' spending during their time in Queenstown-Lakes¹². Of these jobs, 520 were supported by people whose primary purpose of visiting was to bike, while the other 286 jobs were supported by visitors who biked as one of several reasons for coming.

Table 4 – Estimates of employment in Queenstown-Lakes supported by bike visitors

Employment in Queenstown-Lakes supported by bike visitors' spending	
<i>Author's estimate of total filled jobs, June 2021 year</i>	
	Filled jobs
Jobs supported by visitors (primary purpose to bike)	520
Jobs supported by visitors (biking is one of several reasons)	286
Total jobs supported by bike visitors	806

To put this employment supported by bike visitors' spending in perspective, data from Infometrics shows that there was a total of 28,832 jobs in total across Queenstown-Lakes in the March 2021 year.

The jobs supported by biker visitors' spending will be in many different types of businesses. For example, bikers spend money not just on biking-related activities, repairs, and retail, but also on a broad range of other activities and services (eg. accommodation and hospitality). A recent report of cycle tourism showed that 37% of bike visitors' spending was directly on bike specific expenses¹³. This spending share suggests that approximately 301 of the 805 filled jobs would be supported within bike-related businesses, with the remaining 505 jobs being in other parts of the economy as bikers spent on other things.

Figure 3 – Jobs supported in Queenstown-Lakes by bike visitors' spending



Jobs supported by locals' spending on biking

Jobs supported by locals' spending on biking have not been captured alongside those supported by bike visitors. The reason is that it is assumed residents would spend their money on other things had they not biked, which could support similar job numbers in other roles. Nevertheless, the estimated \$13.5 million of bike-related expenditure by locals that was calculated earlier, theoretically supports around 69 jobs.

¹² A filled jobs estimate was formed by using a multiplier of tourism spending to jobs (calculated with data extracted on 25/05/22 from Infometrics Queenstown-Lakes [Economic Profile](#)).

¹³ Calculated from spending breakdowns in the 2021 Evaluation of Ngā Haerenga Great Rides of New Zealand.

6. A scenario for future growth in bike

The previous sections of this report identified the current contribution of biking to the Queenstown-Lakes economy. But the current context has been affected by Covid-19 border closures, so it makes sense to also consider what the future could look like once international visitors have returned.

Introducing a potential scenario for growth

Future analysis in this section has been based on the following scenario for growth in biking to 2026:

- The overall Queenstown-Lakes' visitor economy recovers to its pre-Covid level by June 2026¹⁴.
- International visitors' participation in biking rises from its pre-covid rate (8% of international visitors biked before Covid¹⁵) to be on par with the current participation rate for biking by domestic travellers (12%).
- More development of the trails network and the flow-on effects from encouraging more active travel push up the proportion of locals who regularly bike as a form of sport and recreation from 11% to 15%¹⁶.
- Local population growth tracks a more measured path relative to pre-Covid growth trends, rising by an average of 2.4%pa, compared to 5.6%pa growth before 2020¹⁷.

The number of bikers under the future growth scenario

Under the future growth scenario, the total number of people participating in biking in Queenstown-Lakes could rise from 181,947 in 2021 to 243,282 in 2026.

Most of this growth is from overnight visitors who bike (from 176,634 to 235,125), however, the number of locals who bike regularly for recreation will also rise rapidly (from 5,313 to 8,157).

Table 5 – The number of bikers in Queenstown-Lakes, 2021 vs 2026 growth scenario

What happens to the number of people who bike in Queenstown-Lakes under the future scenario? <i>Number of bikers in 2026 under future scenario relative to the 2021 baseline level</i>		
Biker type	2021 level	2026 growth scenario
Local bikers	5,313	8,157
Visiting bikers	176,634	235,125
Total number of bikers	181,947	243,282

¹⁴ This scenario is similar to the Tourism Export Council of New Zealand updated forecasts from 17/05/22 which anticipated a 95% return of visitors by May 2025. Destination Queenstown estimated that there were 3.3 million visitors to Queenstown-Lakes before Covid-19, while author estimates for this report suggest just under 2.0 million of these were overnight visitors. The scenario further assumes that international visitors return to their pre-Covid share of guest nights (approximately 68%).

¹⁵ The International Visitor Survey for the September 2019 year showed that 8.0% of all visitors to New Zealand biked. This estimate is likely to be conservative in the case of Queenstown-Lakes, as the typical visitor to the district is likely to have been more active compared to the typical visitor to New Zealand. MBIE's New Zealand Visitor Activity Forecast Tool had previously estimated in 2019 that the demographics of visitors to Queenstown-Lakes mean that around 12% were likely to be interested in biking during a holiday.

¹⁶ This lift in locals' participation in biking for sport and recreation is reasonable given the 2021 QLDC Quality of Life scenario showed biking is used as a means of active travel at least weekly by 27% of locals in their spare time.

¹⁷ QLDC's most recent population projections (March 2022) show average population growth of 2.4%pa over the current decade, compared to average growth of 5.6%pa over the 10 years to when Covid-19 hit in 2020.

Bike spending and jobs under the future growth scenario

If spending by biking holidaymakers continues to follow a similar pattern to the present day, then the increase in bike visitors estimated above would push total spending by bikers from \$157.6 million in 2021 to \$209.8 million by 2026.

Recall from earlier that it wouldn't be fair to causally attribute all this additional visitor spend to the bike economy as not all bikers only come to bike. But even if we only factored in the 65% of bike visitors whose main purpose of visiting was to bike, then this would still imply a lift from \$101.6 million to \$135.3 million of spending.

Table 6 - Spending brought into Queenstown-Lakes by bikers, 2021 vs 2026 growth scenario

Total expenditure by bike visitors to Queenstown-Lakes in 2021 vs 2026 growth scenario		
<i>Author calculations of bike visitor spend in 2026 scenario relative to the 2021 baseline level, \$ million</i>		
	2021 level	2026 growth scenario
Primary purpose is to bike	\$101.6m	\$135.3m
Biking is one reason for coming	\$55.9m	\$74.5m
Total across all bike visitors	\$157.6m	\$209.8m

Under the growth scenario, the total number of jobs supported by spending across Queenstown-Lakes by all bike visitors would rise from 806 in 2021 to 1,072 in 2026.

Table 7 - Estimates of jobs in Queenstown-Lakes supported by bike visitors, 2021 vs 2026 growth scenario

Total jobs supported by bike visitors to Queenstown-Lakes, 2021 vs 2026 growth scenario		
<i>Author estimates of total filled jobs supported by bike visitors' spending, 2026 scenario vs 2021 base</i>		
Biker type	2021 level	2026 growth scenario
Primary purpose is to bike	520	692
Biking is one reason for coming	286	381
Total jobs supported spending by all bike visitors	806	1,072

Given that around 37.4% of bike visitors' spending during their time in the district is directly on bike-related expenses, this implies that the number of these jobs which are directly in bike-related businesses will climb from 301 to 401. The remaining jobs supported by bike visitors spending in other parts of the Queenstown-Lakes economy during their stay would climb from 505 to 671.

Spending and jobs supported by locals under future scenario

Spending and jobs supported by locals' biking have not been captured alongside the activity supported by bike visitors. The reason is that it is assumed residents would spend their money on other things had they not biked, which could support similar job numbers in other roles.

Nevertheless, the estimated growth in bike participation from 5,313 local riders in 2021 to 8,157 local riders in 2026 would translate into:

- Locals' bike-related expenditure rising from \$13.5 million to \$20.7 million
- Jobs supported by locals' bike-related expenditure would climb from 69 to 106 jobs.

7. Comparing biking with skiing

This section looks at how the relative size of biking measures up against skiing in Queenstown-Lakes. Comparisons have been made from the perspectives of both visitors and local residents.

How do bike and ski visitor activity compare?

Queenstown-Lakes has four of New Zealand's premier major ski resorts, with skiing being the district's key attractor of visitors in the winter months. Biking, on the other hand, is not limited to winter and complements skiing by encouraging people to get out on trails at times of year the snow isn't falling.

Previous research showed that total spending associated with holidaymakers who skied in Queenstown-Lakes during the pre-Covid 2019 winter season peak was approximately \$430.9 million¹⁸.

Table 8 – Comparing spending by bike and ski visitors to Queenstown-Lakes

Comparing spending by bike visitors against spending by ski visitors to Queenstown-Lakes <i>Spending by all bike visitors (2021 and 2026 scenario) against ski visitor spending peak (2019 season)</i>			
	Bike visitor spend (\$m)	Ski visitor spend (\$m, 2019 peak)	Bike as % of ski visitor economy
Bike's current level (2021)	\$157.6m	\$430.9m	37%
Bike's future level (2026 scenario)	\$209.8m		49%

Comparing estimates of ski visitors' spending against the estimates of bike visitors' spending shows that¹⁹:

- Spending by bike visitors in Queenstown-Lakes during the 2021 period of border closures was approximately 37% of the level of spending by ski visitors from the 2019 winter season peak.
- If bike visitor spending grows according to the potential growth scenario in this report then biking would become almost 50% of the size of the ski visitor economy by 2026.

How does locals' participation in biking compare to skiing?

The previous research into skiing's contribution to the Queenstown-Lakes economy highlighted the role that ski plays in locals' identities. The research showed that the 167,072 total days spent skiing by locals in 2019 was the equivalent of 3.7 ski days per person.

By comparison the current study has shown that 11% of locals (5,313 people) bike for recreation at least once per week. Conservatively assuming that these people only bike once per week for the eight months of the year that exclude the winter ski months, it would suggest that there were 184,184 days spent biking by locals for recreation in 2021. This will expand to 282,781 days spent biking by locals for recreation in 2026 if participation rates rise and population trends unfold as per those outlined in the potential growth scenario. As such it seems likely that the total number of bike days by local residents each year already exceeds the total days spent skiing by locals.

¹⁸ Source: Benje Patterson (2021), "The contribution of skiing to the Queenstown-Lakes economy".

¹⁹ Note: comparisons here are made across all bike visitors. The reason is that the ski tourism spending estimate did not distinguish between holidaymakers who had come with the sole purpose of skiing and those for whom skiing was one of several reasons for visiting. As a point of reference, the \$101.6 million subset of bike spending attributable to bikers for whom biking is the main reason for visiting would be equivalent to 24% of total ski visitor spending.

8. Concluding comments

This report has highlighted the significant role that biking in Queenstown-Lakes plays in the economic and employment outcomes within the district, as well as for the identity of locals.

Even during the 2021 period of border closures, it was estimated that spending by visitors who came exclusively to bike was just over \$100 million. Including those who biked as one of many reasons for coming and the estimate of total spending by bike visitors is bumped up to more than \$150 million. At this level of spending, the bike visitor economy is just over a third the size that the ski visitor economy was at its pre-covid peak. Spending by locals on participating in biking during 2021 represented an estimated \$13.5 million of households' recreational expenditure.

There are opportunities for biking to grow further in future. Some of these opportunities will manifest naturally as international tourism returns in the wake of Covid-19, nevertheless there are also opportunities for growth that could come from increased participation. Some increasing in participation will come from the rising prominence of bikes in general as a recreational pursuit, but it will also be enabled by significant investment in trails by community groups, government, and businesses.

Assuming that visitor numbers return to their pre-Covid level and that bike participation can increase from 8% to 12% of international visitors (the same participation rate as domestic visitors), then the bike visitor economy could become worth more than \$200 million per year by 2026. On top of this total, if participation in recreational biking by locals can also rise (from 11% to 15% of local residents) then there would also be another \$20.7 million of bike-related expenditure by households in 2026. At these levels, the visitor dollars earned by biking would total almost half those earned by ski tourism at its pre-Covid peak, with days spent biking by locals comfortably exceeding the number of days locals spend up the slopes skiing each year.