

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

Between **Wayfare Group Limited (#31024)**

Submitter

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**Summary of Evidence David Bridgman**

22 June 2021

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- 1 Wayfare Group has a long history of being at the forefront of tourism and environmental best practice in New Zealand. It has demonstrated its commitment to operating Walter Peak successfully as a key tourism attraction in the QLDC region. This is evidenced by the Group's substantial expenditure to date on improving the natural landscape and environment.
- 2 Wayfare's investment at Walter Peak enables visitors to enjoy an immersive high country farm experience where they learn about New Zealand's history and rural economy. Walter Peak's special character and attractiveness to visitors is enhanced by the fact that most visitors travel there via the 109-year-old coal fired steamship TSS Earnslaw.
- 3 This historical record at Walter Peak demonstrates Wayfare's credibility and means reliance can be placed on its intentions for the Property and the fact that it will continue to be a responsible owner.
- 4 Together Walter Peak and the TSS Earnslaw constitute a substantial tourism business that serves as a drawcard for Queenstown. Other local businesses and the region as a whole benefit from their continued successful operation. It remains important that the local tourism industry continues to have a strong and sustainable foundation that is underpinned by sound operators with proven ability.
- 5 Due to both global and local factors, tourism is changing. New Zealand's tourism sector requires a reset so that the country derives greater value from its tourism industry rather than relying solely on increasing tourist volumes. This means that Walter Peak will need to expand and enhance its range of visitor offerings so that guests stay longer and participate in more activities, as well as meeting changing consumer preferences.
- 6 Diversification will reduce Walter Peak's seasonality, lessen reliance on historical tourism patterns, and broaden the business base. It will assist Wayfare to undertake further investment, even where there is no immediate financial return, especially environmental and sustainability initiatives.
- 7 Walter Peak is a substantial asset for Wayfare. Over the last 10 years, more than \$9M has been invested on improvements at Walter Peak, on top of the \$9.5M paid to acquire the Property in 2013. The Property's tourism use, and its physical isolation from Queenstown and conventional infrastructure and services, necessitates a substantial ongoing investment program. Walter Peak is self-sufficient with all its own services provided on site. Future development plans do not rely on any QLDC infrastructure.
- 8 The investment required at Walter Peak is extensive. Whilst all the different categories of investment are foreseeable, the precise nature and timing of

individual investments cannot be determined at present. Instead, Wayfare needs to have confidence in its ability to undertake investment as and when circumstances and market opportunities dictate.

- 9 Justification of that investment needs an assured planning framework, especially since many investments deliver no immediate or direct benefit. Instead they depend on subsequent investments also being undertaken.
- 10 Residential development at Walter Peak could take many forms. It will diversify the business base and assist in justifying further tourism orientated development of the Property. Such development will help to defray the cost of infrastructure. Private dwellings could serve a dual purpose as visitor accommodation, as is common elsewhere in New Zealand.
- 11 Walter Peak's evolution from being a remote high country working farm to its predominant use today as a unique visitor attraction would be difficult to replicate. Allowing further enhancement of this existing asset seems preferable to allowing the asset to devalue through an uncertain planning regime, which could result in Walter Peak becoming less attractive in future and at risk of being replaced a new development in another rural location.
- 12 There are close parallels between Walter Peak and ski areas. Both are capital intensive businesses requiring substantial upfront investment, and returns are uncertain and take time to materialise. Both forms of business occupy designated areas where there is a need to have a comprehensive and cohesive approach to overall long-term management of the asset.
- 13 Walter Peak has alternative uses. From an economic standpoint tourism does not necessarily represent the Property's highest and best use over the longer term, especially if further investment is not feasible. If the Property was acquired for an alternative use, there is no guarantee that the same enhanced economic or environmental outcomes will be realised.
- 14 If Walter Peak ceased to exist as a key tourist attraction this would adversely impact the economics of operating the TSS Earnslaw. Its iconic and unique status alone does not ensure its commercial success, instead these characteristics make the vessel costly to operate and maintain.
- 15 Over the peak season Walter Peak and TSS Earnslaw employ approximately 100 staff, with a permanent staff of approximately 60. Overall, Wayfare employs more than 350 people who live in the QLDC region. If Walter Peak has a broader range of facilities and activities additional staff will be needed.