

BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL HEARINGS PANEL

UNDER the Resource Management Act 1991

IN THE MATTER of the review of parts of the Queenstown Lakes District Council's District Plan under the First Schedule of the Act

AND

IN THE MATTER of submissions and further submissions by **QUEENSTOWN PARK LIMITED**

**STATEMENT OF EVIDENCE OF SIMON STANLEY MILNE ON BEHALF OF
QUEENSTOWN PARK LIMITED**

RECREATION ECONOMICS

**CHAPTER 21 – RURAL, CHAPTER 22 – RURAL RESIDENTIAL AND RURAL
LIFESTYLE, AND CHAPTER 33 – INDIGENOUS VEGETATION**

21 APRIL 2016

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1. QUALIFICATIONS AND EXPERIENCE

- 1.1 My name is Simon Stanley Milne. I am a Professor of Tourism in the School of Hospitality and Tourism, Auckland University of Technology where I am also Associate Head of School for Research and Development. I have been Director of the New Zealand Tourism Research Institute (www.nztri.org) since its establishment in 1999. NZTRI is a not-for-profit research institute that focuses on more effectively linking tourism to sustainable regional and community development. The Institute has more than 80 international members and currently supports more than 20 PhD students. I also direct a small tourism consultancy business: Tourismworx Ltd.
- 1.2 I hold a BA (1983) and MA (Hons) (1985) from the University of Auckland, New Zealand. I completed a PhD (1989) in Economic Geography at the Cambridge University, UK.
- 1.3 I have published over 155 refereed academic journal papers, book chapters and major international consultancy reports on the relationship between tourism and local economic development. Many of these publications focus specifically on the economic impacts associated with proposed and/or existing tourism product developments.
- 1.4 As primary supervisor I have supervised over 25 PhD students to the completion of their doctoral degrees and currently supervise 8 PhD students. Several of my doctoral students (both past and present) work in the areas of tourism and regional economic development, tourism planning and strategy and industry impact analysis.
- 1.5 My main research experience lies in local and regional economic impact assessment; small and medium enterprise performance; industry sector analysis; tourism labour market analysis, the formulation of tourism-related development strategies; and, the links between information technology, tourism and local economic development.
- 1.6 During the period 1999-2006 I directed a range of research, with funding from the Ski Areas Association of New Zealand, to understand the local, regional and national economic impacts associated with New Zealand's snow sports areas. This work produced a number of reports at national and regional scales with the final

being the NZTE and SAANZ funded report "The Economic Significance of the Southern Lakes Ski Areas – 2005 Winter Season"¹. This report remains the most recent primary research conducted on the economic impact of the region's ski industry. A copy of this report is **attached** as **Attachment C** to this evidence.

- 1.7 As Director of NZTRI I am constantly engaged in research designed to understand current trends in the New Zealand tourism industry, including the emergence of new tourism markets and the evolution of visitor tastes and demand.
- 1.8 In addition to my work in New Zealand I have conducted research on tourism and its related impacts in a range of international settings, including Canada, the Caribbean (Grenada, Tobago and Cuba), the South Pacific (Cook Islands, Tonga, Papua New Guinea, Vanuatu, Kiribati, Niue, Tuvalu, Federated States of Micronesia, Marshall Islands, Samoa), Mexico, Chile, Kenya, Reunion Island, Sri Lanka, the Philippines, Russia, and Vietnam.
- 1.9 I have worked as a consultant for a range of New Zealand and international organizations. The former include the Department of Labour, MAF, Trade and Enterprise New Zealand, FRST, and MBIE. The latter include UNDP, UNEP, UNIDO, UNESCAP, the World Bank (IFC), the Asian Development Bank, the World Tourism Organisation, the European Union, Luxembourg Development, the Canadian International Development Agency, the Chilean Regional Development Agency (CORFO), the US Department of Interior (Office of Insular Affairs) and the Organisation of American States. I have also provided research based consultancy services for a number of New Zealand and international private sector enterprises.

2. CODE OF CONDUCT

- 2.1 I have read and am familiar with the Code of Conduct for Expert Witnesses in the current Environment Court Practice Note (2014), have complied with it, and will follow the Code when presenting evidence to the Council. I also confirm that the matters addressed in this statement of evidence are within my area of expertise, except when relying on the opinion or evidence of other witnesses. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

¹ NZTRI 2005.

3. SCOPE OF EVIDENCE

- 3.1 In this evidence I will present information on the economic impacts associated with the proposed gondola development designed to link the Remarkables Park development with the existing Remarkables ski area. The development also includes the proposed establishment of a "Remarkables Park Station" at a mid-point on the gondola ride.
- 3.2 The first section of my evidence provides a review of the international literature on gondolas and their associated impacts. The focus is on broader trends and some examples are presented that highlight key themes of general relevance to Queenstown Park Limited's gondola proposal (the Queenstown Park gondola).
- 3.3 The second section of my evidence focuses on the likely demand for the proposed gondola experience and related activities. The focus is on broad based shifts in visitor markets and demand and the continued high performance of the Queenstown area as an attractor of both international and domestic visitors.
- 3.4 The final section of my evidence focuses on the likely economic impacts associated with the gondola development – during both construction and operational phases. The focus here is on the yield and length of stay impacts that the gondola may exert on the Queenstown visitor industry and broader economy.

4. GONDOLA IMPACTS – LITERATURE REVIEW

- 4.1 While it is difficult to locate and access global data specifically related to gondolas the International Organisation for Transportation by Rope (**OITAF**) estimates that there are approximately 30,000 cableway installations worldwide². The European Alps account for the highest proportion of new lifts by volume. Eastern Europe and central Asia have become growing markets for cableway installations in recent years³.
- 4.2 The global data highlights the continued demand for cableway/gondola type installations as regions and destinations continue to seek to broaden visitor

² http://www.oitaf.org/index_e.htm

³ http://ec.europa.eu/enterprise/sectors/mechanical/files/cableways/rev-iastudy_en.pdf, see also www.lift-world.info

experiences while also focusing on more sustainable forms of transportation, especially in areas where vehicular access is constrained.

- 4.3 A detailed review of the literature on gondola-related impacts highlights both positive and negative features (shown in **Table 1** below). Much of the literature is derived from expert reports on proposed or completed gondola projects although there is also a small but growing body of peer reviewed research emerging in the area as well.
- 4.4 Gondolas bring important employment opportunities during construction and operation phases⁴. Furthermore, gondolas bring the potential for redevelopment around stations, specifically for tourism-related and service businesses⁵. If there are stations between the first and last stop, gondolas also have the potential to help develop areas around these stations as has happened in the BreckConnect case in the area of Breckinridge⁶.
- 4.5 In some places (e.g. Rotorua and Hong Kong) people may stay longer because there is a Gondola in situ, and in certain cases they may be attracted or strongly influenced to come by the Gondola's presence⁷. This creates a need for additional accommodation and food and generates a range of other spend⁸. The Ngong Ping 360 Cable car in Hong Kong is ranked as one of the top ten tourist attraction in Hong Kong. The cable car takes visitors to a giant Buddha complex and a small fishing village; sites that otherwise would have depended on large numbers of buses of small and tightly winding roads. Passenger numbers have grown steadily since initial operations began in 2006 - reaching a peak in 2014 of over 1.83 million. A decline in visitor numbers to Hong Kong in 2015 saw a fall in annual patronage to 1.62 million with an average daily visitor flow of about 5,100 although at weekends and public holidays this can rise to 8,000 or 13,000 during major holidays. About 29 per cent of visitors in 2015 were from mainland China and Macau, 21 per cent were Hong Kong residents and 50 per cent from Western and other countries⁹.
- 4.6 Gondolas "can be less costly to build than alternative modes of transport, are less costly to run and maintain and thus offer better financial returns"¹⁰.

⁴ Orsi and Genneletti 2014.

⁵ 'Burnaby Mountain Gondola Transit', 2011.

⁶ 'System dossier: BreckConnect', 2015.

⁷ Butcher, Fairweather & Simmons, 2000; www.hongkongextras.com/ngong_ping_360.html

⁸ Butcher, Fairweather & Simmons, 2000.

⁹ www.hongkongextras.com/ngong_ping_360.html

¹⁰ Zhang, Xu, Su & Ryan, 2009, p.552.

4.7 People generally prefer to get to natural areas by cable lifts than going by car or bus, most likely because they are capable of “eliminating the inconveniences of road transport”¹¹. Gondolas can also enhance the tourist experience, with the mode of transport itself becoming a tourist attraction in large part because of the scenic views that are on offer¹².

Table 1: The Positive and Negative Impacts of Gondolas – Literature Review

Positive Impacts	Negative Impacts
Linkage/development of/to other centres/poles	Reduction in traffic flows affects local economies and some local businesses (e.g. transport providers)
Service related facilities at Gondola stations	Increased issues of crowding and commercialization, possible impact on privacy
Employment during construction	Adverse impact on wilderness and backcountry recreational values, negative aesthetic impacts
Employment during operation	More affected by wind and electrical storms than roads
Visitors may stay longer and spend more	Construction brings negative environmental impacts including noise, traffic and soil erosion plus loss of forest and other habitats at tower sites
Reduction in travel time to destinations – general economic efficiency benefits	
Enhanced visitor experience	
Broadens all-season appeal	
Provides soft-adventure experience	
Less affected by snow and on ground conditions than roads	
Reduce traffic congestion and associated car parking ‘footprints’	
Reduction in GHG and CAC emissions	
Relatively safe transportation system	

¹¹ Orsi & Geneletti, 2014, p.29; see also Zhang, Xu, Su & Ryan, 2009.

¹² Zhang, Xu, Su & Ryan, 2009.

- 4.8 Gondolas can significantly reduce travel time and road traffic¹³. They can also operate in snow conditions when roads may be inaccessible¹⁴.
- 4.9 Gondolas can transport large numbers of people in a relatively efficient fashion¹⁵. Through the possible reduction of bus and car use, gondolas have the potential to reduce Green House Gas (**GHG**) and Criteria Air Contaminant (**CAC**) emissions. Gondolas can also reduce noise pollution compared to other transport modes as any significant noise from the gondola tends to be isolated and concentrated at gondola stations rather than spread along the whole journey¹⁶.
- 4.10 Data from Switzerland¹⁷ shows that during 2008 and 2009 funiculars and gondolas/aerial tram transport modes consistently experienced the fewest number of accidents, injuries and deaths per 1,000 passengers when compared to other transport modes. This form of transport remains one of the safest among all alternatives and is certainly safer than road based transport¹⁸.
- 4.11 It is important to acknowledge the negative impacts of Gondola development as these must be factored in to any full and accurate analysis of economic impacts. There is evidence in some settings that gondolas may result in a loss of tourist traffic travelling past towns and businesses along the routes that lead to the destination point(s). There is also obviously the potential for gondolas to take business away from existing businesses and operators with the result that visitor spend is redistributed in the local economy¹⁹.
- 4.12 The ease of bringing people up mountains can lead to over-commercialisation and crowding in areas near the gondola and can result in a loss of natural beauty and wilderness. It can even be said that, in some cases, gondolas “rob” people of the pleasure of climbing to their destination, and it changes the way in which people appreciate nature²⁰. Gondolas can have an adverse effect on wilderness and back

¹³ www.hongkongextras.com/ngong_ping_360.html
¹⁴ Burnaby Mountain Gondola Transit, 2011; Nikšić & Gašparović 2010
¹⁵ Nikšić & Gašparović 2010; www.hongkongextras.com/ngong_ping_360.html
¹⁶ Burnaby Mountain Gondola Transit, 2011
¹⁷ gondolaproject.com/2010/01/01/passenger-safet
¹⁸ gondolaproject.com/2011/10/19/are-gondolas-and-cable-cars-saf
¹⁹ 'Assessment of Access Options', 2012.
²⁰ Zhang, Xu, Su & Ryan, 2008

country recreational values, as well as the use of trail walks²¹. In addition, gondolas are likely to be affected more than roads by extremely high winds and electrical storms²²

- 4.13 Gondola construction and maintenance will lead to some ground disturbance and tree removal, especially around tower sites and stations²³. During construction, the environmental impacts can be quite severe: noise from construction traffic, soil erosion, and the tainting of underground water are the most commonly cited areas of concern²⁴. There is also the possible loss or fragmentation of forest and non-forest habitat to consider²⁵. Also, if many people start using gondolas this may increase crowding in high-elevation areas, which may impact the environment in these sensitive areas²⁶.
- 4.14 Despite these potential negative impacts it is clear from the international literature that by complying with environmental protection measures such costs can be reduced to a minimum and that the gondola can be seen as a relatively environmentally friendly transport option²⁷.
- 4.15 There are several examples of relevance to the Queenstown Park Limited proposal that reveal the generally positive impacts associated with gondola development in terms of local economic benefits. In each case presented below local economic development has been generated through effective design, planning and management. The careful integration of environmental and community dimensions into planning and project implementation has been central to the successful outcomes achieved.
- 4.16 The Sea to Sky Gondola is a 1.9km MDG system, situated in Squamish, British Columbia, and is located immediately off the famous Sea to Sky Highway — a major freeway travelled by over 9.5 million cars each year. The town has a small population (17,000) and is a mid-point between the bustling urban centre of Vancouver and the world-renowned ski-resort of Whistler. The Sky to Sea Gondola takes passengers 885m above sea level to the summit lodge (total vertical rise of 850m). Upon arrival, visitors are presented with a range of outdoor and sightseeing

²¹ 'Assessment of Access Options', 2012.
²² Reconnecting America, nd.
²³ Zhang, Xu, Su & Ryan, 2009.
²⁴ 'Assessment of Access Options', 2012.
²⁵ Assessment of Access Options, 2012.
²⁶ Orsi & Geneletti, 2014.
²⁷ Nikšić & Gašparović, 2010; Squamish Reporter 2012.

experiences. Access to eight sign-posted trails of varying difficulty are immediately available. For those who prefer a gentler form of outdoor recreation, the summit station is located next to a lodge and a suspension bridge is designed to meet the needs of all visitor types. The system has surpassed initial passenger projections and helped the town reach the New York Times top 52 places to visit list in 2015. The Sea to Sky Gondola has contributed significantly to the local economy by generating 60 full time jobs, creating linkages to local suppliers and services and providing 60-80 person years of construction employment totalling approximately \$3.63 million in direct economic spending impact for Squamish in the first 24 months of construction and operation. Estimated additional ongoing impacts are over \$3 million per year. Negative impacts have been reduced through a full evaluation of the ecological sensitivity of the site and the minimization of unnecessary tree cuts²⁸.

- 4.17 The BreckConnect is a 2.3km (1.4mi) cable car, which links the town of Breckenridge to the Breckenridge Ski Resort. The opening of this system in 2006 meant that bus traffic between the two main activity nodes was significantly reduced. This was particularly important since the alpine resort is one of the most popular in America with over 1.5 million annual skier visits. In the past visitors had to board crowded and untimely buses but now many passengers simply use the gondola. The system effectively functions as the backbone of the town's transit network with many connections to the bus system. The gondola was also able to connect to new areas of development at two mid-stations — Shock Hill and Peak 7. The town and the resort continue to work together to stimulate more development, with the Gondola an important part of these links²⁹.
- 4.18 Whistler Mountain, one of the biggest ski regions in North America and the venue for the Alpine competitions of the 2010 Winter Olympics, celebrated the opening of its PEAK 2 PEAK Gondola and the world's longest 3S lift in late 2008. Sightseeing on the PEAK 2 PEAK Gondola has become a popular attraction in its own right in Whistler. A PEAK 2 PEAK Alpine Experience ticket allows the visitor to visit Whistler and Blackcomb Mountains in one day, while also receiving a bird's eye view of the forest and spectacular mountains, valleys and glaciers. Once on the mountain top there are other things to do including a PEAK 2 PEAK Viewing Gallery and the Samsung Alpine Theatre, casual and full service on-mountain dining and in summer,

²⁸ gondolaproject.com/2015/01/27/touring-the-sea-to-sky-gondola; www.seatoskygondola.com/blog/new-model-adventure-tourism-bc

²⁹ 'System Dossier: BreckConnect' gondolaproject.com/2015/06/29.

mountain-top BBQs and alpine hiking trails. This represents a prime example of the ability of Gondolas to generate year round 'four season' economic opportunities and enhanced visitor experiences³⁰.

5. VISITOR DEMAND FOR ALL SEASON EXPERIENCES

- 5.1 The proposed Gondola development is well positioned to benefit from predicted increases in the number of visitors travelling to New Zealand and Queenstown in the coming years and the even greater increases projected for per person visitor spend³¹.
- 5.2 Nationally tourism numbers have grown in recent years and they are projected to continue growing into the future³². **Figures 1 and 2** reveal consistent annual increases in visitor numbers. This has been accompanied by a recent upsurge in visitor spend after a period of some stagnation. The focus on enhancing visitor spend (yield) is reflected in the fact that the Tourism 2025 framework has as its goal a \$41 billion industry by 2025³³. The focus on increasing yield from both new and existing markets requires improved levels of service, new products and experiences. The proposed Queenstown Park gondola experience will fit well with the deeper experiential dimensions needed to build yield from existing and new markets. For example while adding value to the ski field visitor by cutting travel times and removing potential obstacles and dangers related to road transport, the proposed gondola will also deepen the range of all-season travel experiences for non-snow sport visitors to Queenstown.
- 5.3 Within Queenstown, tourism growth has been significant both in terms of numbers (**Figures 3 and 4**) and spend. Regionally there were 2.9 million guest nights in 2013- 2014 period - up 10% on the previous year. The growth in 2015 continued strongly at over 6% with guest nights rising to over 3.1 million (**Table 1**). Growth in hotel nights was particularly strong at 8.8 % from 2014 to 2015 although this same group saw a slight reduction in length of stay of - 5% to 2.69 days. The trends in guest nights have been consistently positive over the past 3-4 years (**Figure 4**).

³⁰ www.doppelmayr.com/en/products/references/28-tgd-peak-2-peak; www.whistler.com/activities/peak-to-peak

³¹ NZTIA 2015.

³² NZTIA 2015.

³³ NZTIA 2015.

- 5.4 In 2014 total visitor expenditure for the region reached a new record of \$1.370B, up from \$1.253B in 2013, a growth of 9.3% - well above the national average of 5.6%. Domestic visitor expenditure in Queenstown grew by 6.5% from \$337M to \$359M again ahead of the national average of 3.3% growth. Queenstown is the number one regional centre in New Zealand for international visitor expenditure, making up 14% of all international spend. Second only to Auckland in international visitor spend, Queenstown recorded a 9.1% increase in international expenditure, up from \$916M last year to \$1.011B. Projections point to increased levels of visitor spend both nationally and within the Queenstown region³⁴.
- 5.5 International visitor arrivals at Queenstown airport have continued to increase significantly – a reflection of increased connectivity to key overseas markets (**Figures 5 and 6**). There has been significant growth in visitors from China, albeit from a low initial base, reflecting the general growth in this market and current government policy initiatives³⁵. Domestic visitation also remains strong.
- 5.6 It is not easy to access reliable published snow sport data. The most recent public data available online is from 2008³⁶. In that year SAANZ estimated 1.4 m skier visits took place on the slopes, with 38% of those being international. This number represented a 40% increase from 2000 when numbers were just over 1 m. Since 2008 snow sports related visits have remained relatively static (**Figure 7**). The ski industry in New Zealand, which is made up of 23 ski areas in all, continues to see around 1.4 million guest visits in any one year. This annual figure is largely dependent on snow conditions, with a good season bringing up to 1.6 million visits. NZSki's three ski areas Coronet Peak, The Remarkables and Mt Hutt account for over one third of the total ski area visits and around 40 per cent of its revenue³⁷. Unpublished 2015 data from SAANZ shows over 1.5 million ski area visits were recorded nationally in 2015, an increase from previous years but lower than the highest numbers in 2009.
- 5.7 The relative stagnation in snow sport visitor numbers reflects a range of trends. In some cases the ski areas are close to reaching physical capacity in terms of transportation and parking facilities and also on mountain offerings. The stagnation in ski related visits also reflects other trends including the fact that the global

³⁴ NZTIA 2015; Statistics NZ 2015; www.queenstownnz.co.nz 2014; MED 2010.

³⁵ NZTIA 2015.

³⁶ New Zealand Snowsports Council NZ Ski and Snowboard Statistics.

³⁷ Statistics New Zealand 2015.

financial crisis saw a general slowdown in tourism internationally plus the rise in the NEW ZEALAND dollar had some impact on arrival figures. More significantly the emerging international growth markets for New Zealand tourism are not known as traditional ski markets although China and other Asian nations do offer strong potential for future growth. The ski industry must also adjust to the aging of many of its traditional markets (e.g. Japan). The evolving profile of the New Zealand domestic visitor is also driving a change in demand for active snow sports. Since the late 1990s the snow sports sector has been viewing with some anxiety the gradually aging domestic population and is well aware that growth through immigration is largely driven by nationalities that generally have a limited background and interest in snow sports³⁸.

5.8 The picture painted above of somewhat stagnant visits to undertake snow sports activities requires a range of important responses from the sector. It is vital to maintain and manage ski field plant and to develop product that is world class in its offerings while also remaining cost competitive and environmentally sustainable. It is also critical that developments be seen as “all season” rather than just winter focused and that the products presented cater to the growing number of domestic and international visitors who are looking for year round alpine experiences without necessarily indulging directly in snow sports activities. While demand continues to exist for alpine experiences in both summer and winter, it is likely that for many future visitors the experiences sought may be less adventurous in nature – focusing on ‘soft adventure’ activities such as walking and sightseeing from a gondola. In summary it is vital that snow sports areas provide a high quality and globally competitive offering that can cater to a range of ethnic and age groupings on an all-season basis.

5.9 There are other factors that are driving the need to develop alpine experiences beyond snow sports. A recent State of the Environment report in New Zealand has highlighted the potential impact of Global Climate Change on seasonal snow conditions and available ski days³⁹. A likely shortening in available ski days⁴⁰ will place greater emphasis on alternate activities that can engage visitors throughout the year. It will also be critical to better maximise the ski days that are available by ensuring that visitors can get to the mountain during snow sports “windows of opportunity” as effectively, efficiently and safely as possible. Seen in this light the

³⁸ NZTRI 2000.

³⁹ New Zealand Ministry of Environment 2015.

⁴⁰ see also Hendrix 2010.

proposed Queenstown Park gondola itself becomes an important new attraction in its own right that can stimulate a range of activities along its route.

- 5.10 Changing visitor tastes are likely to be effectively met by the proposed Queenstown Park gondola. The desired type of holiday experience is shifting, with many industry experts identifying an evolution from rest, relaxation and entertainment to personal development and deeper involvement in 'immersive' activities and events⁴¹. Tourists are seeking and demanding destination experiences which add value to life in a physical, spiritual, or educational way. Themed excursions, customized exploration, adventure and self-improvement, opportunities to learn about history, heritage, nature, produce and local cuisine are all central to meeting the shifting tourist demand⁴². The proposed Gondola is well matched to these demand trends and is also well positioned to link to other products and activities that cater to this form of demand. A Gondola experience immerses people in a unique and thrilling environment while also providing a very safe experience. The unique perspective provided on local landscapes cannot be presented in any other practical way and opens up opportunities for a range of related visitor experiences at the termination point and also station stops along the journey.
- 5.11 The focus on higher yield markets and the growing emphasis on China FIT travellers⁴³ also fits well with the proposed gondola and in particular the development of a Queenstown Park Station experience at a stop-off point on the journey to the final Remarkables ski field destination. There is considerable interest among travellers in soft environmental and adventure experiences⁴⁴ and the proposed mix of walks, agri-tourism, mountain biking and cultural/nature experiences fits well with this market profile. Given that the Chinese market is familiar with gondola based experiences in their homeland and also in traditional nearby markets such as Hong Kong⁴⁵ means that the opportunity to try a gondola in a New Zealand alpine setting is highly likely to be appealing to this key growth market.
- 5.12 The link between the proposed Queenstown Park gondola and the proposed Convention Centre which is to be located in the Remarkables Park development is also worthy of note. The completion of a National Convention Centre in Auckland

⁴¹ World Tourism Organisation 1990.

⁴² Timothy 2011; Prideaux and Timothy 2008; Di Giovine 2009.

⁴³ See TIANZ Tourism 2025.

⁴⁴ WTO 1990; NZTIA 2015.

⁴⁵ Zhang et al 2009; www.hongkongextras.com/ngong_ping_360.html

will create considerable 'satellite' conference/meetings opportunities for Queenstown in addition to the MICE (Meetings, Incentives, Conventions and Events) activities it will attract directly. Convention visitors tend to be high spenders and are often looking for shorter immersive experiences that they can factor into meeting schedules and their free time⁴⁶. In simple terms the gondola/Convention Centre fit is a very strong one that will certainly add value to the MICE offerings already presented by the destination.

- 5.13 The gondola has been shown to be an environmentally efficient way to transport visitors, reducing the use of buses and other vehicular transport and limiting noise footprints related to transportation⁴⁷. This dimension of the product and experience should appeal directly to travellers who are increasingly interested in the environmental sustainability of the experiences they consume while travelling. In this respect providing for low impact visitor uses is a good strategic move that will tap in well to projected New Zealand visitor demand and related national marketing and product development activities⁴⁸. For over fifteen years New Zealand has been promoted internationally as a '100% Pure' destination and this focus on the clean and green offerings of the country will continue to be a significant part of future national marketing and product development strategies⁴⁹.

6. ESTIMATED IMPACTS

- 6.1 The local impacts associated with the development of a gondola are normally focused on the following areas: local employment and income generation during the construction and operating phases; the impact on visitor behaviour and spend, and the creation of broader economic spin-offs and opportunities⁵⁰.
- 6.2 A lack of readily available primary research means that there can only be broad estimates made of the impacts associated with the Queenstown Park gondola proposal. Nevertheless even the very conservative estimates used below show quite clearly the positive economic impacts that are likely to be associated with the development of this important new visitor product.

⁴⁶ NZTIA 2015.

⁴⁷ Nikšić & Gašparović 2010; Burnaby Mountain Gondola Transit, 2011.

⁴⁸ NZTIA 2025.

⁴⁹ NZTIA 2015.

⁵⁰ Brown and Copeland, 2006; Copeland ND.

- 6.3 The estimated cost to construct the Gondola will be \$55 million NZ and this will be spent over an 18 month period. The actual construction crew will be in the order of 20 - 25 people (personal communications with developers). The downstream suppliers and subcontractors also involved will include concrete suppliers, steel reinforcing businesses, helicopters, trucking companies and crane operations.
- 6.4 Following the construction phase the ongoing operation of the Gondola will require at least 10 FTE jobs (personal communications with developers). Using the 1.25 multiplier for employment used in similar previous studies in New Zealand⁵¹ this would then equate to a further three FTE jobs being created indirectly at the local scale (a total of 13).
- 6.5 The Gondola will have total annual operating expenses of approximately 1.7m per year of which approximately \$550,000 will be paid directly as wages and salaries to employees of the business. It is estimated that a further \$350,000 will be spent on externally supplied labour for maintenance and other out sourced operations dedicated to servicing the Gondola (personal communications with developers). Based on the household income multiplier of 1.39 used in previous studies this combined figure of \$900,000 will, generate a total of \$1.25 million in local household income per year of operation⁵².
- 6.6 Other expenditure on non-labour related items such as supplies and services in the local area is likely to be in the range of \$300,000, with the local output multiplier estimated to be 1.30 this will represent a total of \$400,000 being spent and circulated in the local economy.
- 6.7 The recent acquisition of Queenstown Park Station represents a unique opportunity to link Remarkables Park to a high country station, extending the range of development opportunities and providing significant additional land for sport, recreation, visitor facilities and open space. It is estimated that, when operational, this visitor experience will create a number of FTE jobs (exact numbers are not available at present from the developers and will depend on the range of experience developed), this in turn will generate a further range of downstream jobs in the local economy (assuming an employment multiplier of 1.25).

⁵¹

See Brown et al 2006.

⁵²

Brown, Copeland and Co. 2006.

- 6.8 Extra visitor numbers travelling to service providers at the end point of the Gondola and also at the High Country Station will also have a significant impact on employment and local household income. At this stage it is too early to know what the likely expansion of service related employment will be in these locations but based on the review of international literature it is clear that there will be an expected increase in snow sports related staff, general food and beverage staffing plus an expected growth in staff required to run and maintain new and expanded activities outside the snow sport season (mountain biking, guided walks, information provision etc).
- 6.9 Any estimate of the impact of the gondola and related activities on visitor numbers, behaviour and spend is limited by the available data. As noted above it is not possible to get published (non-confidential) aggregate data of snow sport visits for New Zealand and for specific fields including the Remarkables ski field itself. Nevertheless it is possible to extrapolate some likely impacts and unpublished data points to ski visits of over 1.5 million nationally with the Remarkables/Coronet Peak accounting for at least a third of these.
- 6.10 The most recent analysis of the economic impact of snow sport visitors to Queenstown was conducted 10 years ago by NZTRI (2005). This report revealed that the impacts per visitor were approx. \$170 per day - with international spend of \$196 and domestic \$117. Clearly these figures are now dated and *very* conservatively we might estimate that visitor spend has increased by approximately 25% during this period to around \$215 per day (this represents an average of all snow sport visitor types). With an average length of stay of approximately 2.7 days this equates to \$580 per visit in local economic spend.
- 6.11 If the spend per snow sport visitor is \$580 this means that every 10,000 *new* snow sport visitors (approximately 0.5% of total visitors) attracted to Queenstown and the Remarkables by the presence of the Gondola (i.e. visitors that would not have come to Queenstown without the Gondola being part of their experience) will generate approximately \$5.8 million in local spend. Applying the output multiplier of 1.30 sees this figure grow to \$7.5 million.
- 6.12 There will, of course, be other visitors throughout the year who are also strongly influenced in their decision to visit Queenstown by the Gondola's presence, their spend may be lower than the average snow sport visitor but it will still have a significant impact on the local economy.

- 6.13 The number of visitors whose decision to come to Queenstown is heavily influenced by the gondola will, of course, be relatively small compared to those visitors that would come to Queenstown anyway (for a range of reasons), but who decide to add the Gondola as part of their overall destination experience. This will be the largest segment of users. In some cases these visitors will be snow sports enthusiasts who may find that the Gondola eases access to the slopes to such an extent that they are able to fit in more skiing or perhaps spend an extra day in the destination. Non-snow sport visitors are likely to add the gondola to their existing experiences – with the nature of this experience meaning that it may well lead to visitors spending an extra day (or at least extra time) in the local area. For every extra 10,000 days of snow sports related visitation generated by the Gondola we would expect an injection of approximately \$2.15 million into the local economy (based on adjusted 2005 NZTRI data as outlined in section 5.9). By applying the multiplier of 1.3 used in previous studies in the region this figure grows to 2.8 million. On this basis even an extra half day of local stay generated by the Gondola would be expected to generate \$1.4 million per 10,000 snow sports visitors. These estimates do not factor in the per person spend on the Gondola itself – which is estimated at \$30 per return trip for those holding a snow sports pass. If this is included then the figure rises to \$1.7m for every 10,000 snow sports visitors who spend an extra half day in the destination.
- 6.14 It is also worth noting that the projected gondola usage by just over 10% of total Queenstown visitors in the first year of operation (2017) (approx. 250,000 visitors – 50,000 snow sport; 200,000 non-snowsport) (Queenstown Gondola 2015) would generate an average of \$13.5 million in ticket sales alone (based on average gondola ticket prices of \$30 per return trip for skiers and \$60 per return trip for non-snow sport users) this assumes one gondola trip per visitor but of course snow sport visitors, in particular, may make several trips.
- 6.15 As the gondola creates opportunities for ‘spin-off’ visitor experiences such as the High Country Station and new four season experiences at the Remarkables ski field termination point, so we will see increased spend related to these activities. Global evidence from other gondola operations points to the economic impacts of such spin-offs as being significant – in terms of employment, income generation and local supply linkages (see examples presented in 3.15-3.17 above).

- 6.16 For some visitors it is likely that spend on the gondola will simply represent a reallocation of their budget from one local experience to another. In this case there is no net economic gain to the local economy from the gondola. We estimate that the percentage of visitors that fall into this category will be relatively small as there are no directly complementary products on offer (the other existing gondola has a very different focus and location and can be argued to be complimentary to the proposed Queenstown Park offering, for example its length of journey is only five minutes). The evolving New Zealand visitor profile and the nation's strategic focus on attracting high-yield visitors certainly points to an ability for visitors to be able to add new, high quality, soft adventure experiences to their budgets.
- 6.17 The economic impacts associated with this project go beyond jobs and income. The proposed Gondola represents an environmentally efficient form of transportation that is also extremely safe. The likely reduction in traffic and parking congestion and traffic accidents has broader economic and society-wide benefits. For example the Remarkables Road already has a poor reputation globally as a dangerous route and for many visitors, especially sightseers, this will significantly curtail their willingness to visit⁵³. The Gondola and spin-off activities will also help to redirect some visitor activity from high visitor/local concentrations in specific areas of Queenstown. The gondola also offers the opportunity to spread visit impacts into shoulder seasons and to create a four season resort approach to economic development, one that may well prove to be an effective economic strategy as the impacts of global climate change are felt more acutely in the future.

7. CONCLUSIONS

- 7.1 Global evidence points to gondolas being relatively effective ways to generate direct and indirect economic benefits for communities and tourism destinations. While there are inevitable costs these can be largely mitigated with effective planning and management. The features of the proposed Queenstown Park gondola suggest it will deliver the economic benefits associated with these international examples: it is located proximate to a major tourist hub, and it creates a link to an iconic winter attraction that faces transport capacity challenges. The gondola will open up opportunities to expand existing non-winter season visitor experiences and introduce new products including the gondola itself which will be an attraction in its own right.

⁵³

see <http://www.dangerousroads.org/...and.../892-the-remarkables-new-zealand.htm>

- 7.2 The gondola is well placed to meet critical shifts in demand for New Zealand from international tourism source markets and from the domestic market. The proposed offering will open up new experiences to a growing segment of the market who are seeking 'soft-adventure' opportunities and are seeking environmentally friendly attractions. While the ski market has been somewhat static in terms of overall numbers and also faces pressure from climate change concerns, there is little doubt that alpine and environmentally friendly experiences both inside and outside of the winter season will be highly appealing to emerging markets such as China. Such products will also appeal to both traditional long haul markets and to the domestic visitor.
- 7.3 While it is difficult to present exact impact figures at this stage of the development it is clear that the proposed gondola will generate significant economic benefits for the Queenstown area. The construction phase will inject considerable sums of money into the local economy and will also generate a number of skilled and well paid jobs. As the gondola shifts into its operational phase there will be a sustained positive impact (both direct and indirect) on local jobs and household income. It is estimated that the impact on visitor spend and arrivals/length of stay will be significant with downstream benefits being felt for the industry, local suppliers and the broader community.

Simon Stanley Milne

21 April 2016

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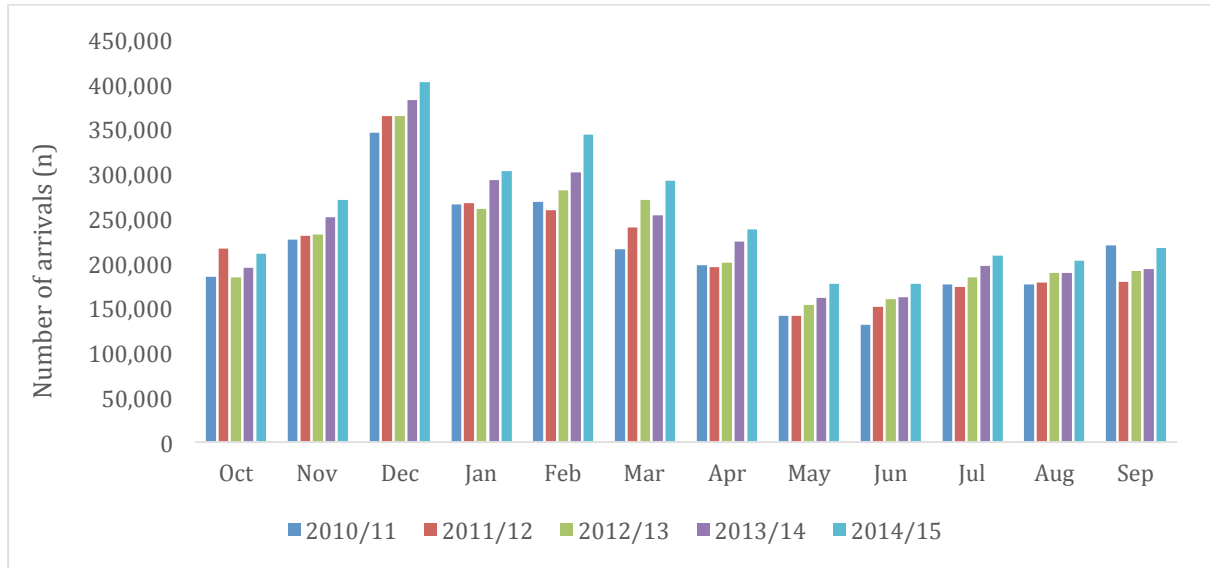
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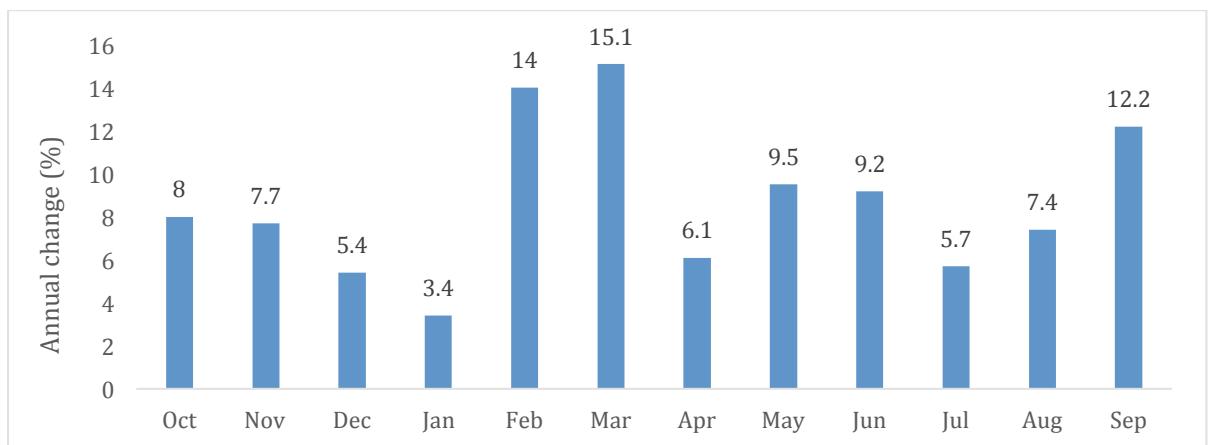
ATTACHMENT B FIGURES

Figure 1 Monthly international visitor arrivals to New Zealand in 2010-2015.



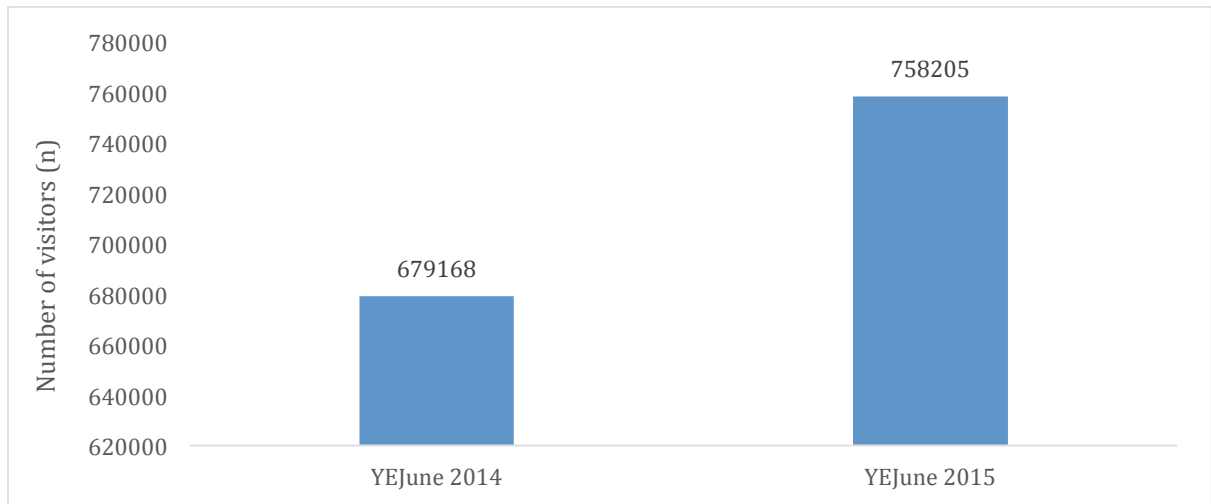
Source: Statistics New Zealand. International Visitor Arrivals to New Zealand: September 2015.

Figure 2 Monthly international arrivals to New Zealand. Change 2013/14 to 2014/15.



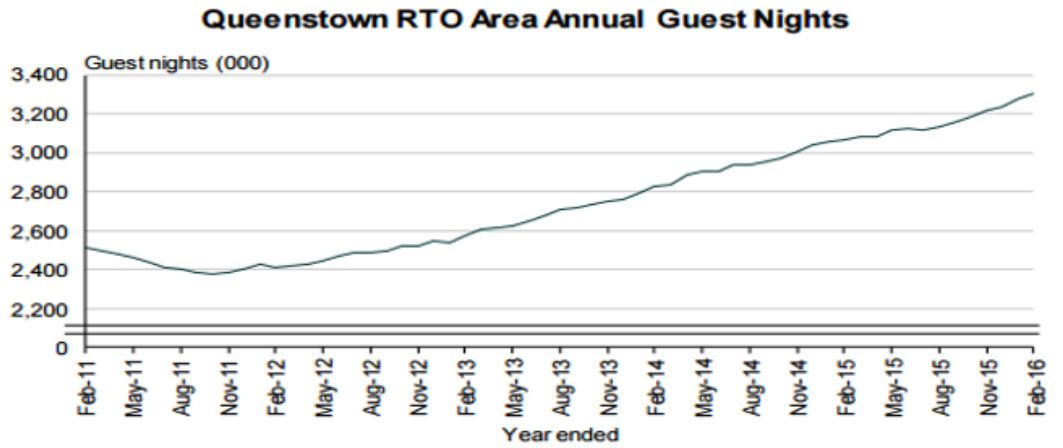
Source: Statistics New Zealand. International Visitor Arrivals to New Zealand: September 2015.

Figure 3 International visitors to Queenstown.

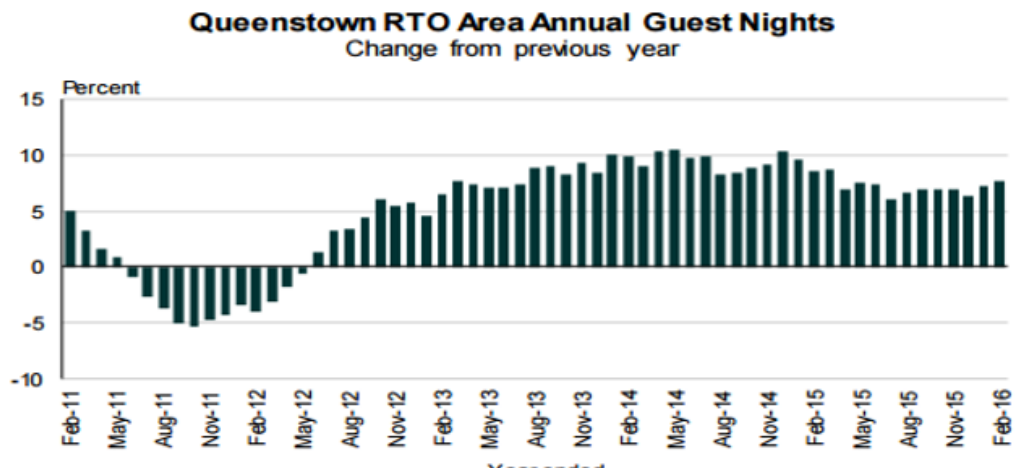


Source: International Visitor Survey. Place Visited (RTO).

Figure 4: Trends in Queenstown RTO Guest Nights 2011 - 2016

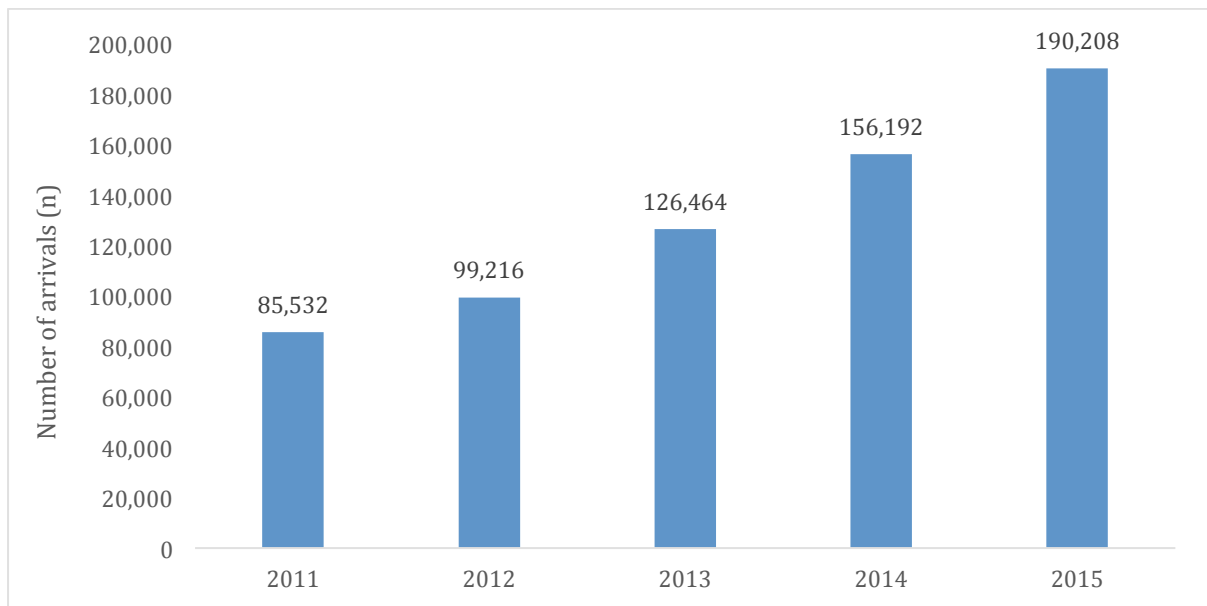


Source: Statistics New Zealand



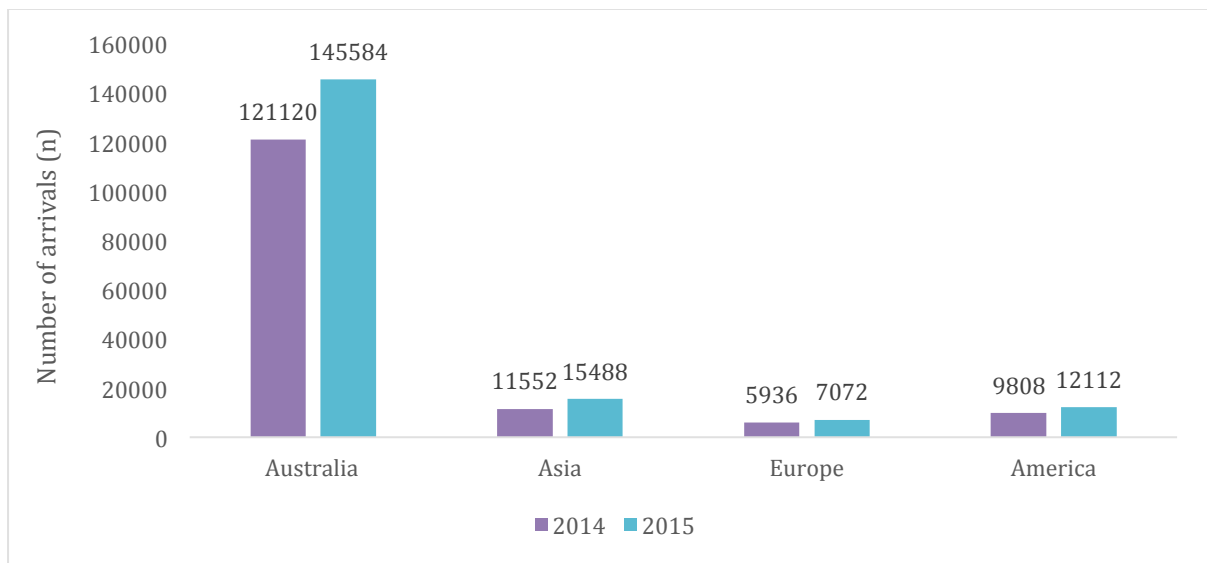
Source: Statistics New Zealand 2016 Commercial Accommodation Monitor: February 2016 Queenstown, Statistics NZ, Wellington pg 3.

Figure 5 International visitor arrivals to Queenstown airport annually in 2011-2015.



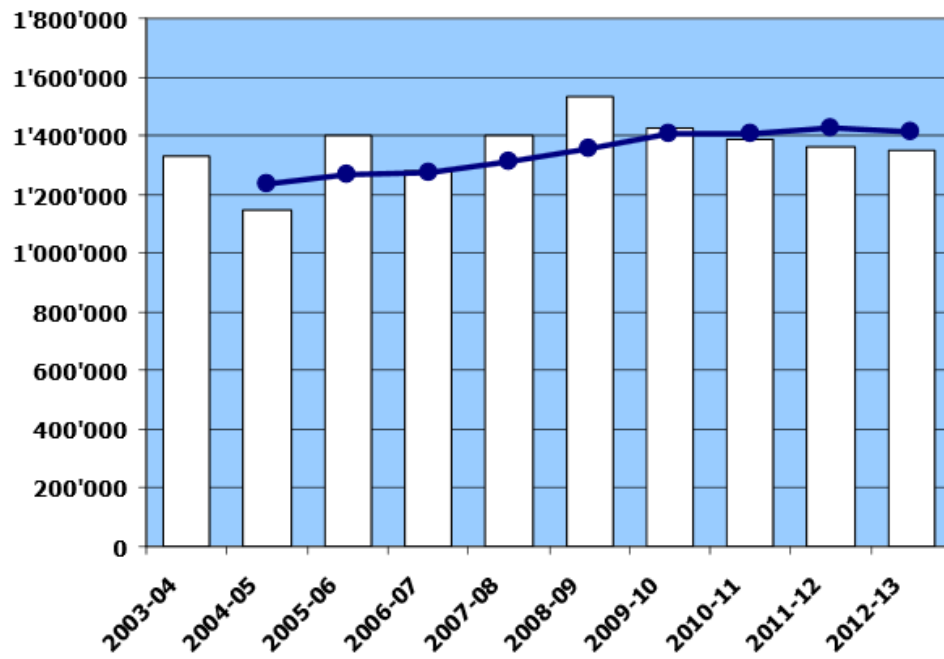
Source: Statistics New Zealand. *International Visitor Arrivals to New Zealand: September 2015.*

Figure 6 International visitor arrivals to Queenstown airport in 2014-2015 by the country of origin.



Source: Statistics New Zealand. *International Visitor Arrivals to New Zealand: September 2015.*

Figure 7 Skier visits to New Zealand



Source: 2014 International Report on Snow & Mountain Tourism Overview of the key industry figures for ski resorts

Table 1 Queenstown Accommodation Variables by accommodation type (year ended)

Accommodation type	September 2014	September 2015	Percentage change
Guest nights			
Total guest nights	2,952,159	3,155,328	6.9
International	1,930,557	2,112,022	9.4
Domestic	1,021,602	1,043,307	2.1
Hotels	1,508,812	1,630,171	8.8
Motels/apartments	607,957	640,137	5.3
Backpackers	553,311	588,200	6.3
Holiday parks	282,060	296,822	5.2
Occupancy rates (%)			
Hotels	69.3	75.0	8.3
Motels/apartments	54.4	60.0	10.2
Backpackers	C	69.1	C
Holiday parks	C	29.7	C
Total	58.8	64.4	9.5
Total excluding holiday parks	C	70.3	C
Average length of stay (days)			
Hotels	2.84	2.69	-5.0
Motels/apartments	2.72	2.98	9.7
Backpackers	2.67	2.84	6.3
Holiday parks	2.06	2.21	7.3
Total	2.68	2.72	1.2
Guest arrivals			
Hotels	532,036	605,083	13.7
Motels/apartments	223,796	214,778	-4.0
Backpackers	207,491	207,444	0.0
Holiday parks	136,732	134,129	-1.9
Total	1,100,056	1,161,435	5.6
Establishments			
Hotels	34	34	0.0
Motels/apartments	53	53	0.0

Backpackers	20	21	5.0
Holiday parks	8	7	-12.5
Total	115	115	0.0

Capacity			
Hotels	1,143,275	1,148,364	0.4
Motels/apartments	458,139	429,400	-6.3
Backpackers	797,288	780,393	-2.1
Holiday parks	453,436	401,865	-11.4
Total	2,852,078	2,760,022	-3.2

Symbol: C confidential

Source: Statistics New Zealand. *The commercial accommodation monitor: September 2015*

ATTACHMENT C
NZTRI 2005 REPORT: THE ECONOMIC SIGNIFICANCE OF THE SOUTHERN
LAKES SKI AREAS – 2005 WINTER SEASON.



The Economic Significance of the Southern Lakes Ski Areas - 2005 Winter Season -

New Zealand
TRADE & ENTERPRISE 



Prepared for New Zealand Trade and Enterprise
and the Southern Lakes Ski Areas
by
The New Zealand Tourism Research Institute

December 2005

EXECUTIVE SUMMARY

- This report focuses on the economic impacts of the Southern Lakes ski areas on the surrounding region and the broader New Zealand economy. We review visitor characteristics and expenditure, and the income and employment generation capabilities of the ski areas and local businesses.
- The Southern Lakes ski areas included in the research are: Treble Cone; Cardrona Alpine Resort; Coronet Peak; The Remarkables; and Snow Park. These five ski areas registered a total of 625,198 skier days during the winter season of which 578,308 are estimated to come from outside the region.
- The research phase of the project was conducted between August 8th and November 2nd 2005 and involved: a web survey of visitors (n=520 responses representing 1275 individuals); a web survey of local businesses (107 businesses) and in-depth interviews with ski area representatives.
- All respondents visited a Southern Lakes ski area during their holiday. Snow sports are the main factor in the decision to visit Queenstown/Wanaka over the winter season for 80% of respondents, and are an important factor for another 15%.
- Overseas respondents are more likely to come from higher income brackets than their domestic counterparts. Well over a quarter have household incomes of more than \$NZ150,000.
- Auckland is the single largest market for domestic visitors (28.7%), followed by the Otago region (25.8%). Australia is the main source of overseas visitors to the Southern Lakes ski areas, accounting for 80% of visitors.
- Overseas visitors surveyed stayed longer in the Southern Lakes region (9.3 nights) than domestic visitors (8.3 nights). Wanaka had a slightly longer overall average length of stay (9.6 nights) than Queenstown/Arrowtown (8.2 nights).
- The majority of international visitors fly directly into Christchurch (40%) or Queenstown (36.2%). Overseas visitors are far more likely than their domestic counterparts to visit other places in New Zealand as part of an overall holiday.
- 33.3% of international visitors came to the region on a package; only 3.8% of domestic visitors did likewise.
- A total of 107 tourism-related businesses participated in the business web-survey. Over half the businesses are located in Queenstown (52.3%), while 41.1% are located in Wanaka. Accommodation establishments represented more than a third (35%) of respondents; retail, restaurant/bars and other businesses represented 39%; and activities a further 12%.
- Almost half (46.7%) of businesses surveyed attribute all of their turnover to tourism, and a further third attribute 51 to 90% to tourism.

- Over 60% of the businesses receive definite benefit to their business from the region's ski areas; only 13% see little or no benefit. Two thirds of Wanaka businesses see definite benefits compared to 57.1% of Queenstown businesses.
- Almost half of businesses (45%) saw definite value in the extension of the snow season through snowmaking; a further 39.3% saw some value in this.
- Average daily expenditure varies dramatically between domestic and international markets. International visitors spend an average of \$196.91 per day (\$47.26 on-mountain, \$149.65 off mountain). Domestic visitors spend an average of \$117.71 per day (\$42.38 on-mountain, \$75.33 off mountain).
- The weighted average daily spend on the mountain by all visitors covered in the visitor survey is \$44.95. The average expenditure off mountain is \$115.57. The average visitor spends \$160.52 per day (on and off-mountain).
- Overall the average international visitor surveyed spent a total of 14.5 nights in the country, of which 9.3 nights were spent in the Southern Lakes region, and 5.2 nights in the rest of the country. They spent on average \$3,394 during their visit to NZ. Domestic visitors spent a total of 11.4 nights on their holiday, 8.3 nights in the Southern Lakes region, and 3.1 nights elsewhere. They spent an average of \$1,458 during their holiday.
- For the 2005 ski season we estimate that \$92.8 million was spent in the Southern Lakes region, and that a further \$68.1m was spent elsewhere in the country on transportation, food, accommodation, activities and so forth. This provides a total national figure of \$161 million in direct spend from snow-sports related visitors to the Southern Lakes ski areas. This figure does not include additional revenues associated with packages.
- We estimate that the total additional spend on packages by international travellers was over \$20m during the snow season. The total spent by domestic travellers was only \$1 million. This information is likely to be an under estimate due to the difficulties in ascertaining the exact break-downs of package costs.
- If estimates of package revenues are added into the process, a total Southern Lakes region spend of \$105m is derived (direct visitor spend plus package related revenues). This, in turn, is estimated to create \$48.3m in direct and indirect income for the regional economy (wages, salaries etc). These figures are based on local payments by those receiving snow tourism revenue directly and also in the jobs created by those that supply the ski area tourists.
- The Southern Lakes region full time equivalent employment created by the \$105m spent during the ski season is estimated to be 3,300. At the national level the total direct spend by Southern Lakes ski area-related visitors is \$182m.
- The ski areas are a vital component of the Southern Lakes economy. The figures presented in this report will be valuable in making future decisions on the local and national value of increased snow-making. They also show quite clearly the broader national economic benefits associated with Southern Lakes ski areas.

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INTRODUCTION

This report examines the economic impact associated with visitors to ski areas in the South Island's Southern Lakes region. This area includes the iconic tourism destination of Queenstown, and the rapidly growing destination of Wanaka. The report examines the demographic characteristics and spending of visitors. It also evaluates the cost structures of local businesses in order to trace not just the direct, but also the indirect, benefits associated with the industry. By combining visitor spend and business cost data, we present a clearer picture of the role of tourism in the region. We also look at the broader impacts of the ski areas on the national economy.

This research was initiated by a group of ski resort operators and related stakeholders who require a clearer picture of the economic impacts associated with the Southern Lakes ski areas at the local, regional and national scales. The research was funded by New Zealand Trade and Enterprise with logistical support from the ski areas themselves. The research complements similar work conducted in other ski areas around the country by the New Zealand Tourism Research Institute.

Research Objectives

The research is designed to deliver the following:

- a brief overview of current tourism and economic development trends in the Southern Lakes area;
- a deeper understanding the characteristics of visitors to the area (decision making processes, demographics etc);
- determination of the Southern Lakes area expenditure (& resulting regional economic multipliers) associated with the Southern Lakes snow sports industry. This incorporates both on mountain and off mountain spending including accommodation, transport, food and beverages, and other tourism activities;
- information on tourism business cost structures and the way in which tourism links to other sectors of the economy;
- information on the job creation (on and off mountain) related to the snow sports visitor;
- details on the broader national economic impacts of visitors to the region;
- the extent to which the Southern Lakes snow industry affects foreign exchange earnings at the national level;
- development of standardised web-based surveys that will assist in the development of a cost-effective 'barometer' to measure the future economic performance of the industry.

Value of Research

The information outlined above will be of value to all stakeholders in the Southern Lakes area and to policy makers and industry players outside the region. Detailed economic information of the type provided by this research can be used in a number of areas, including:

- understanding the impacts associated with future increases and decreases in visitor numbers on the economy of the region;

- understanding the potential economic impacts that snowmaking has on the region;
- providing information for resource management applications and environment court hearings;
- attracting national marketing funding and support;
- guiding on-mountain and off-mountain investment decisions;
- assisting local government facility/infrastructure development decisions;
- enhancing the future planning, marketing and development of facilities at the ski areas.

The Southern Lakes ski areas included in the research are:

- Treble Cone
- Cardrona Alpine Resort
- Coronet Peak
- The Remarkables
- Snow Park

Acknowledgements

This report has been prepared by The New Zealand Tourism Research Institute at Auckland University of Technology, by Vanessa Clark and Simon Milne. Research assistance has been provided by Nathaniel Dobbin, Floris Hegger, and Tinh Bui Duc.

The support of the Southern Lakes ski areas has been crucial to the completion of this research. The managers and marketing staff of Cardrona, Coronet Peak, Snow Park, The Remarkables and Treble Cone have been generous with their time and information, ensuring the visitor survey flyers were distributed, data was supplied and interviews were facilitated.

Destination Queenstown, Lake Wanaka Tourism, and the Queenstown and Wanaka Chambers of Commerce provided invaluable support in the promotion of the local business survey to their members.

The generous support of Cardrona, Coronet Peak, Snow Park, The Remarkables, Treble Cone and Volkl in supplying the prizes for the visitor and business survey incentives was also vital.

Profile of the Southern Lakes Region

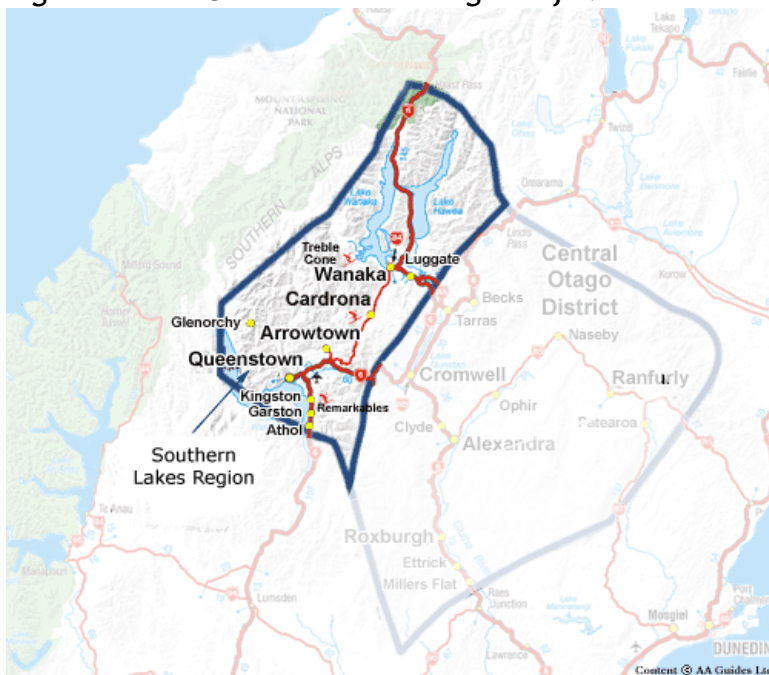
Located around the 45th parallel in the South Island of New Zealand, the Southern Lakes region (Figure 1) encompasses diverse scenery and environments, ranging from lakes to forest to snowy Alps. The region's main town, Queenstown, is known as the adventure capital of New Zealand. Situated on the shores of Lake Wakatipu and overlooked by the impressive Remarkable mountain range, its visitors can take partake in many outdoors and adventure activities including bungy jumping, jet boating, white-water rafting, hiking, horse riding, mountain biking, rock climbing, water skiing, ice skating, skiing and golf. This part of New Zealand has some of the finest water and winter sport facilities in the country; The Remarkables and Coronet Peak ski areas are located close to Queenstown.

Wanaka, the other main tourist town in the region, is situated on the shores of Lake Wanaka and surrounded by snow capped mountains making the area a popular retreat for holiday makers in summer and winter. Wanaka has Treble Cone and Cardrona ski fields close by, as well as the Snow Park Terrain Park and Snow Farm cross-country ski area.

As well as adventure activities, the region offers a great variety of leisure activities on offer such as wine tours, sightseeing tours, guided walks, scenic flights, and museums. While the Southern Lakes region was founded on sheep farming, and experienced a boom when gold was discovered, it now depends on farming, stone fruit orchards, wine and tourism for its livelihood. (Source: aatravel.co.nz, www.qldc.govt.nz).

Traditionally the summer season has been the mainstay of tourism activities in the Southern Lakes region, with the scenery and activities acting as strong visitor attractants. The snow industry, established over 50 years ago, has played an important role in growing the winter tourism market in the region.

Figure 1: The Southern Lakes region of New Zealand



(Source: aatravel.co.nz)

The Queenstown Tourism Region (QTR - represented by the Regional Tourism Organisation (RTO) Destination Queenstown) comprises the Queenstown Lakes District territorial authority excluding the area units of Wanaka, Hawea and Matukituki. The Queenstown Regional Tourism Organisation Regional profile provides the following background on the area:

- The tourism region has a resident population of 15,630 persons (June 2003), and is a key destination for both international and domestic visitors. The RTO area workforce is 8,458 (2003), 0.6% of New Zealand's total, employed in 2,356 business units.
- Queenstown offers access to a vast variety of outdoor adventure activities. As well as sustaining leisure visitors, Queenstown is also a substantial business related destination, attracting many conferences, and also hosting an increasing number of sporting events.
- Queenstown has a comprehensive tourism infrastructure, with a substantial hotel sector as well as strong motel, hosted accommodation and backpacker capacity. Queenstown's airport provides a link with the major North Island markets, as well as providing growing international service links.
- Queenstown visitor nights are dominated by holiday travellers (74% of all Queenstown nights in 2003). Holiday nights in the region are projected to grow by 29.7% to reach 2.8m by 2010 (4.8% of total NZ holiday nights). Visiting Friends and Relatives (VFR) travel is the next largest contributor of nights (336,000 nights in 2003, 1.0% of the national total). The contributions from business, education and other travel are smaller in percentage terms, but still generate 443,000 visitor nights overall.
- Most of Queenstown's commercial visitor nights are spent in hotel accommodation (51%), followed by motels (22%). Backpacker, hosted accommodation and caravan parks/camping grounds handle the remaining 27%. Queenstown RTO establishments accounted for 9.6% of New Zealand's total hotel guest nights and 4.4% of motel guest nights in 2003.

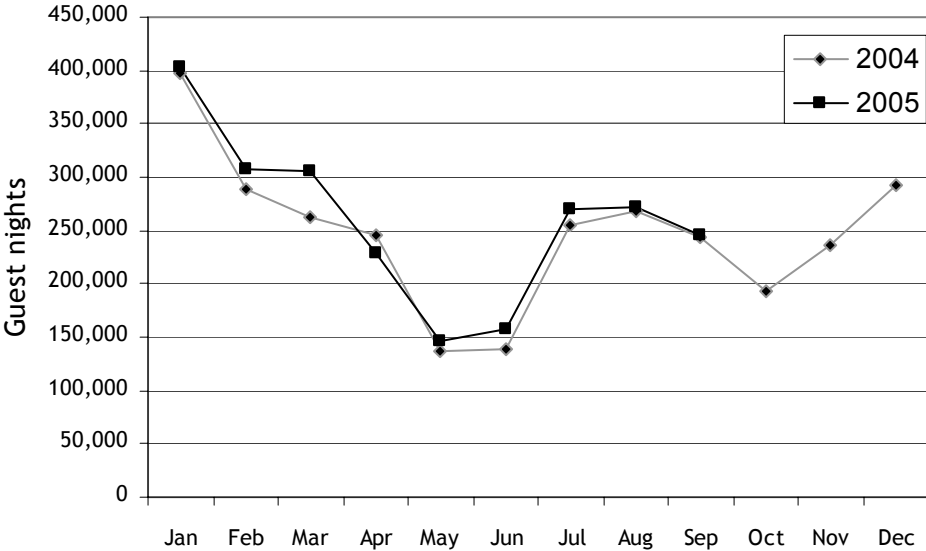
A recent Market Economics Limited report¹ estimates that nearly one in five businesses in Queenstown (19% of the total) derive a significant share of their direct revenue from tourism. These businesses together employ 1,990 FTE staff, accounting for over a third (34%) of all Queenstown's employment.

In the commercial and community-based sectors (which are the main tourism related sectors), tourism-associated businesses account for 24% of outlets, and just under half of Queenstown's employment (44% or 2,547 Full Time Equivalents). Other key employment sectors in Queenstown that rely heavily on tourism are the retail, property, trades and construction sectors.

¹Market Economics Limited, August 2003 - the Effects of Tourism Demand on Water and Sewerage Infrastructure

Guest nights in the region over the winter period are slightly higher than for the same period in 2004, although September is the same as the previous year. An examination of Figure 2 shows the seasonality of tourism in the Queenstown tourism region and the importance of the winter season compared to the main shoulder seasons of April/May and October/November.

Figure 2: Guest nights by month for Queenstown-Lakes/Central Otago District



(Source: Commercial Accommodation Monitor, Queenstown-Lakes/Central Otago RTO, September 2005)

The Winter 2005 Season

International Visitor Arrival data for the winter quarter was not available at the time this report was prepared. Statistics from the Accommodation Survey (September 2005) have been used as a guide. Seasonal occupancy rates ranged from 27% to 41% (Table 1). August had the highest guest nights and best occupancy rate. The month of June had low guest arrivals and nights; nevertheless it is the month showing the greatest increase in guest nights compared to 2004. Using January 2005 as an index (100) for the summer period, winter guest nights (August) are approximately two thirds of the January guest nights.

Table 1: Accommodation statistics for Queenstown-Lakes/Central Otago Regional Tourism Organisation

Month	Jun-05	Jul-05	Aug-05	Sep-05
Establishments at end of month	228	231	236	240
Daily Capacity	11,825	11,912	11,953	12,028
Monthly Capacity	354,750	369,272	370,543	360,840
Occupancy Rate (%)	27.1	40.80	41.25	37.26
Guest Nights	158,306	269,748	271,177	246,467
Guest Arrivals	70,039	94,738	93,279	94,352
Stay Length	2.26	2.85	2.91	2.61
Stay Unit Nights	96,257	150,660	152,856	134,445
Guests per Stay Unit Night	1.64	1.79	1.77	1.83
Stay Units per Establishment	51.9	51.57	50.65	50.12
% of January Guest Nights	39.18%	66.77%	67.12%	61.01%
Guest Night % compared to same month 2004	113.35%	105.85%	101.33%	101.31%

(Source: Accommodation Survey September 2005 RTO main variables, www.stats.govt.nz).

Overall guest nights in the Queenstown-Lakes/Central Otago region increased by 37,116 (5%) for June and August compared to the same period for 2004. A large part of the 35% increase in arrivals has been attributed to the British and Irish Lions rugby tour. Overall the region experienced good growth in the domestic market, (up 8%) and the international market (up 4%).

The growth in the domestic market is a positive sign for the local industry, and an indication of Queenstown's strong positioning in the winter holiday market. This season saw a decline in the Australian market with 28,820 fewer guest nights than last year. A warm Australian Autumn, a strong Australian snow season, and a below average snow season in the Southern Lakes area, contributed to the 13% decline².

New Zealanders accounted for approximately one third of guest nights at accommodation establishments over winter 2005, and of those, Otago was the most common domestic origin market (Table 2). Australians dominate international visitors, followed by Asians and Europeans.

² Source: Inside Tourism, Issue 570, Nov 4th 2005

Table 2: Origin of Guests to Queenstown Lakes/Central Otago Regional Tourism Organisation

	Jun-05	Jul-05	Aug-05	Sep-05
Auckland Region	6920	20010	14640	12120
Wellington Region	1250	3420	2910	2190
Rest of North Island	3070	9710	7850	7770
Canterbury Region	7690	11720	8630	12750
Otago Region	10260	12490	12350	12190
Rest of South Island	5590	14270	15750	13970
NZ Don't Know	17720	27270	22190	22970
Total Domestic	52500	98890	84320	83960
Australia	27330	80700	87420	85980
Japan	4800	10710	13430	14120
Korea	5530	7160	10450	5990
Other Asian	7660	11060	11590	9930
Total Asian	17990	28930	35470	30040
UK / Ireland	40910	33800	29810	18140
Germany	1390	2490	3090	1910
Other Europe	2790	5830	6720	5710
Total European	45090	42120	39620	25760
North America	9320	8850	11480	11350
Other Country	2930	7150	7020	4570
International Don't Know	3150	3110	5850	4790
Total International	105810	170860	186860	162490
Total Guest Nights	158306	269748	271177	246467

(source: Accommodation Survey September 2005 RTO origin of guest, www.stats.govt.nz)

While 2004 had the best snow in over a decade, the 2005 snow season brought less than average snowfall to the Southern Lakes ski areas. The climatic conditions are reflected somewhat in the 2005 figures on visitor days to the ski areas. Although some areas closed earlier than anticipated (Table 3), the season was considered relatively successful, as visitors enjoyed mild weather and sun for most of the season. For commercial reasons the skier days at each ski area cannot be presented - the overall number of skier days was 625,198.

Table 3: Ski Area 2005 Season Duration

	Cardrona	Coronet Peak	Snow Park	Remarkables	Treble Cone
Open date	24-Jun	9-Jun	30-Jun	25-Jun	22-Jun
Close date	9-Oct	11-Sep, reopened 21-25-Oct	9-Oct	9-Oct	2-Oct
Tot.Visitor days	625, 198				

Figure 3: Location of Ski Areas



(Source: www.todaytonight.co.nz Queenstown Visitor Guide)

METHODOLOGY

The research used a visitor survey, business survey (both on-line) and in-depth interviews with key stakeholders and ski area managers. This mixed method approach enables a more robust analysis of the complex relationship between snow sports and economic development. At the same time our goal has been to produce a set of web-based research tools that can easily be adapted for future use.

Visitor Survey

The Visitor Survey questionnaire was developed in conjunction with the Southern Lakes ski areas and draws on some core elements of the current Ski Areas Association NZ Visitor Satisfaction Survey which surveys all commercial ski fields in the country, and presents aggregate nationwide data. Given the difficulties associated with on-site mountain surveys and the fact we wanted to gather spend data at the end of the trip rather than mid-way through, the research team decided to adopt a web-based survey approach. The domain name www.snowsurvey.co.nz was secured and the visitor survey was available in English and Japanese. The survey was tailored to New Zealand and overseas visitors who had visited a Southern Lakes ski area. The ski areas offered an incentive to participants; a chance to win either a Queenstown/Wanaka Holiday package for September 2006, or Volkl Skis or Board.

Flyers promoting the survey were printed in full colour and distributed to the ski areas. The ski areas were asked to distribute the flyers to their customers as widely as possible: at ticket offices; customer service desks; café's; under windscreens; and on their websites. Sheets were also produced inviting visitors to write down their email address which would enable an extra entry into the prize draw. Email information is particularly valuable as it allows the research team to email a link to the online survey directly to potential participants.

The benefits of a web-based survey approach are as follows:

1. It is a cost effective approach to disseminate and collect surveys
2. All data added to the online form by participants is automatically entered into a data-base - saving considerable data entry costs/time.
3. The response rate from internet surveys has been, in our experience, far higher than for mail-out surveys.
4. The survey form and database setup becomes an ongoing resource which can be refined and used to replicate research on a regular basis.
5. Visitor spend data is collected after the completion of the trip, rather than during the visit, enabling a more realistic picture of total spend.

Disadvantages of the method lie in the fact the respondents may be biased toward those with access to a computer and the internet. Given the generally well-educated and higher income nature of skiers/boarders, we feel that this will exert a limited bias on the results. The geographical spread of the ski areas and the length of the season meant that the ski areas were relied on to promote the survey. Some ski areas did a better job of promotion than others and as a result not all fields are equally well represented in the data. The success of future surveys of this type will continue to be dependent on the level of promotion and support provided by the ski areas.

The visitor survey ran from 8th August until 19th October. A total of 520 surveys were completed, 310 from New Zealanders and 210 from overseas visitors. The results of the survey were analysed using Excel and standard statistical techniques. The sample size is large enough to provide statistically valid results. For the general economic analysis presented later in the report, the sample was weighted by New Zealand (46%) to overseas (54%) status to reflect the estimated breakdown of non-Southern Lakes resident ski area visitors.

Business survey

In order to gauge the direct and indirect effects of visitor spending in the region, and gain a picture of how local businesses rely on the winter season, a web-based survey was emailed to Southern Lakes businesses that receive direct revenues from tourism. Destination Queenstown notified members of the invitation to participate in their weekly 'Remarks' newsletter on 5 and 19 October 2005. The Queenstown Chamber of Commerce, Wanaka Chamber of Commerce and Lake Wanaka Tourism also emailed the survey link to their members. Press releases, publicising the research and inviting local businesses to participate, were sent to local media. The local business survey ran from 3rd October until the 2nd of November. An incentive for business to participate was offered: the chance to win one of 5 packs of 10 day passes for the 2006 season. A total of 107 responses were received.

In-depth Interviews

The managers of each of the five participating ski areas were interviewed in order to gain an understanding of the environment the ski area is operating in, relationship with local business and community, and cost structures. Meetings and interviews were held during the research development phase. Less formal discussions were also held with other stakeholders including local education providers and property developers.

Strengths and Weaknesses of the sample

As with any form of survey research, there are factors that can influence the validity of the information being presented. The first and most important of these is the size of the samples being collected.

Data is analysed in a disaggregate manner; where appropriate, weighting of data is adopted. Thus in developing economic impact data the over-representation of domestic visitors is weighted to increase the role of international visitors. Treble Cone was very active in promoting the research to their visitors and this has led to Wanaka being as well represented as Queenstown. General visitor statistics to the region are not available at a town level so there is no basis on which to make any weighting calculations. Snow Park, with a very different product and clientele to the other ski areas is represented proportionately in the sample, although grouped in the 'other' category (including heli-skiing) as the number of respondents is small. The data is further complicated by the fact that many visitors ski/board at Wanaka and Queenstown fields.

The online survey is a self-selecting research process, and may not be representative of the entire visitor skier/snowboarder population to the region.

While we asked people to state whether they had spent money on a prepaid package, experience shows that this is not always filled out confidently by respondents. Even if it is correctly completed it is difficult to get accurate breakdowns of how revenues are distributed between wholesalers and service providers.

Where possible we avoided surveying individuals under 15 years of age as they would normally be part of a group that included some adult input. As a result, school-groups and teenagers travelling alone or with peers are under-represented in the general review of survey respondents, but are captured in the economic spend analysis.

For reasons of data-availability, time and budget, we restrict the majority of our economic impact analysis to two scales: the Southern Lakes area (including Wanaka and Queenstown) and national.

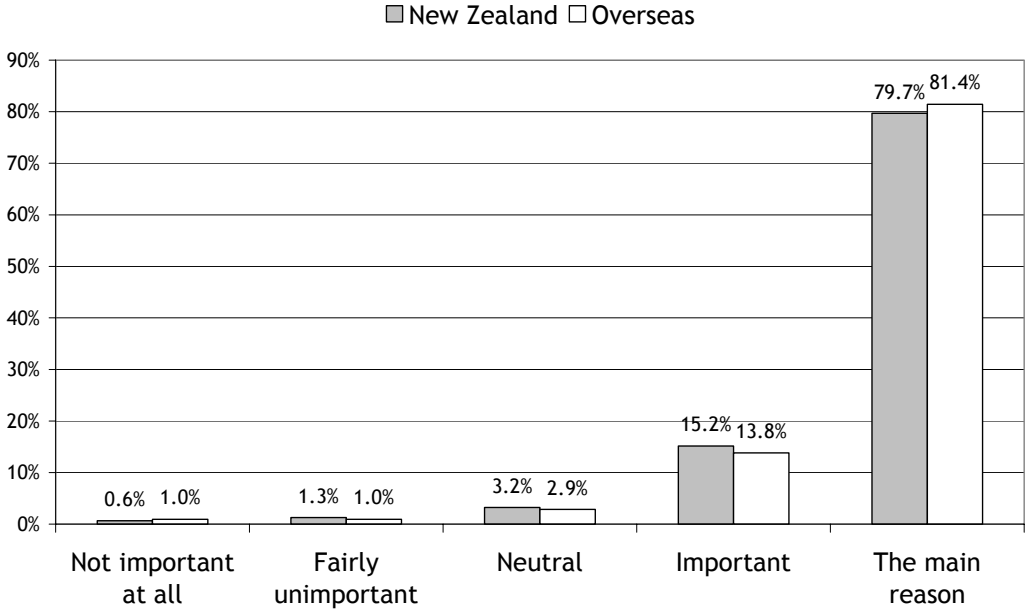
SKIER SURVEY - SAMPLE CHARACTERISTICS

A total of 520 completed surveys were collected over the 10 week web survey period. A total of 310 surveys were completed by domestic travellers, and 210 by visitors from overseas. The following analysis on visitor characteristics is based on the 520 respondents to the survey.

The later expenditure data uses figures from the 520 respondents and their travel companions; a total of 1245 individuals.

The focus of this survey is on people who are visiting the ski areas. The following figure shows that snow sports are the main reason to visit Queenstown/Wanaka for 80% of respondents - both domestic and international. It is an important factor for another 15% (Figure 4).

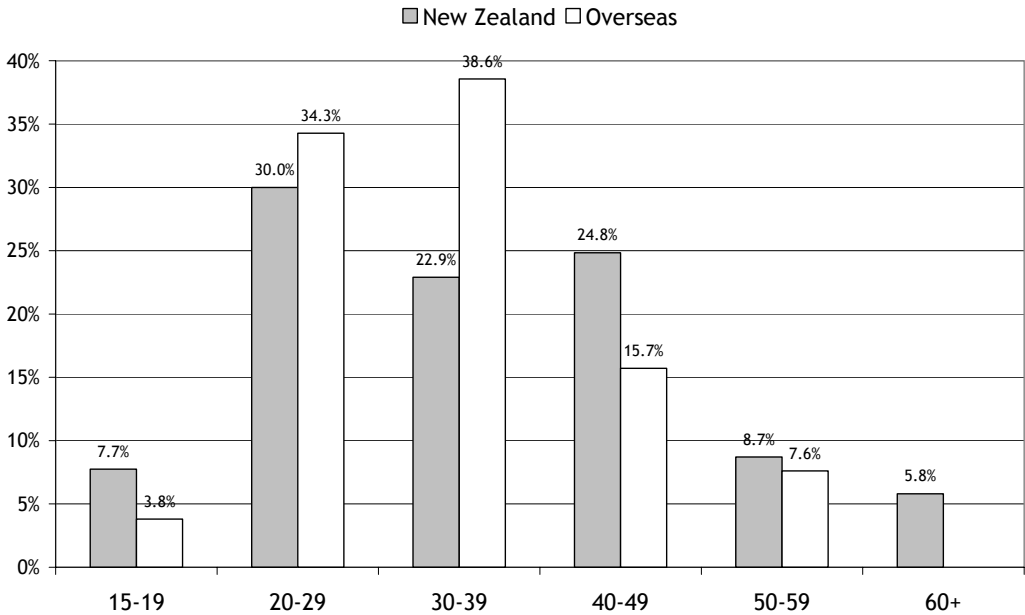
Figure 4: Importance of skiing/snowboarding in decision to visit region for domestic and overseas visitors



The sample is slightly skewed toward males who make up 56% of the respondents. Males represent the majority of the sample for both New Zealanders (54.5%) and visitors from overseas (57.1%), although this is reflected in participation rates in snowsports in general.

Overseas visitors are more likely to be aged 20 to 39 than NZ visitors, who are, in turn, more likely to be aged 15-19 and over 40 (Figure 5). Under 15 year olds were not surveyed as part of the Southern Lakes research.

Figure 5: Age of NZ & Overseas respondents



Overseas visitors are more likely to be employed full time and less likely to be students than NZ visitors (Figure 6).

Figure 6: Employment status

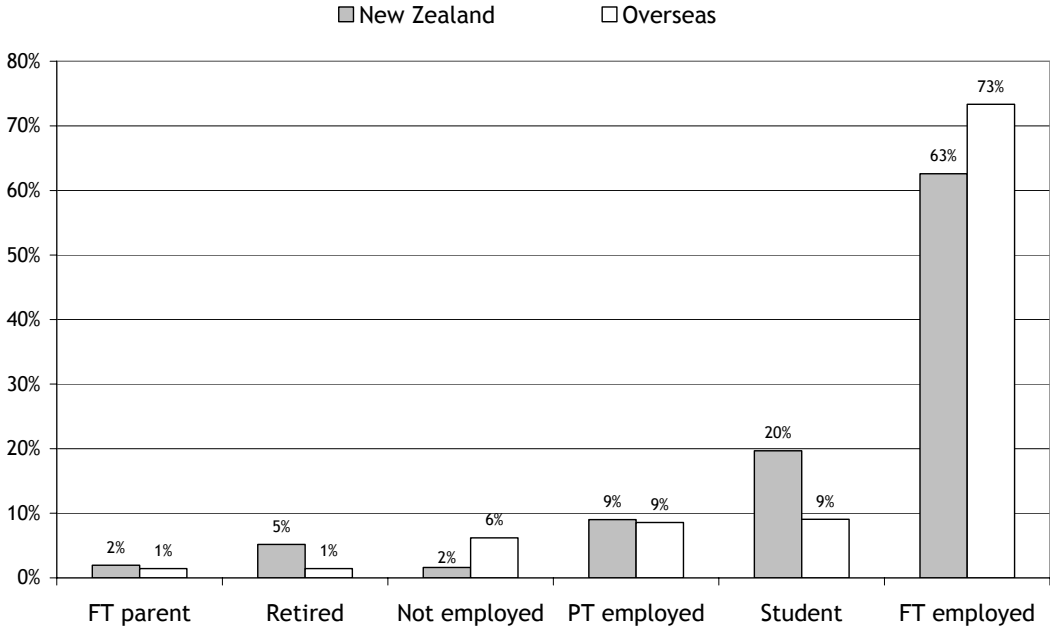
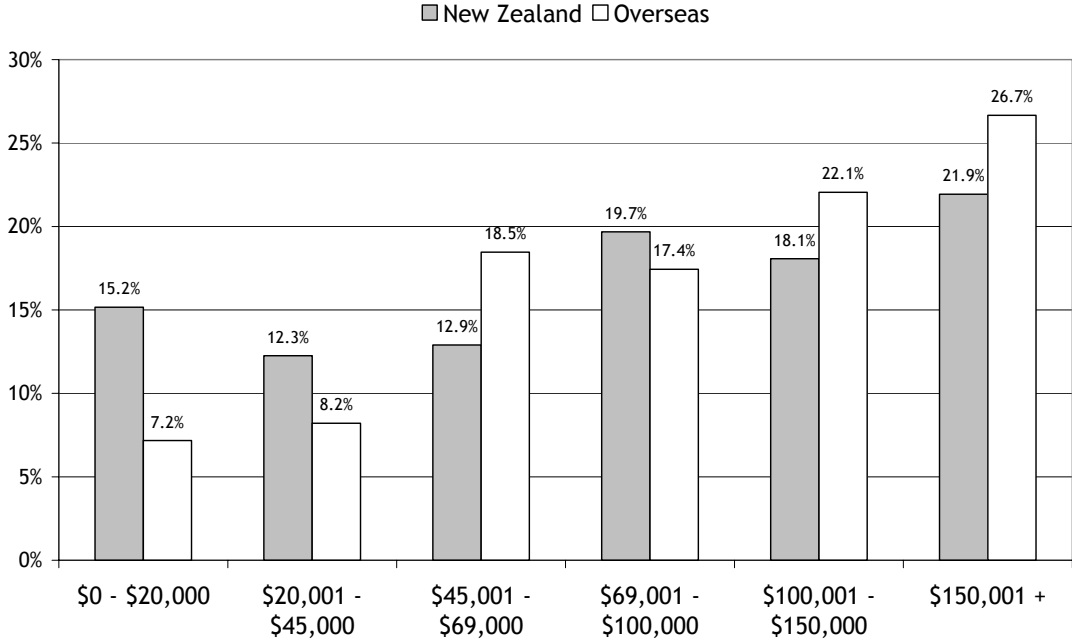


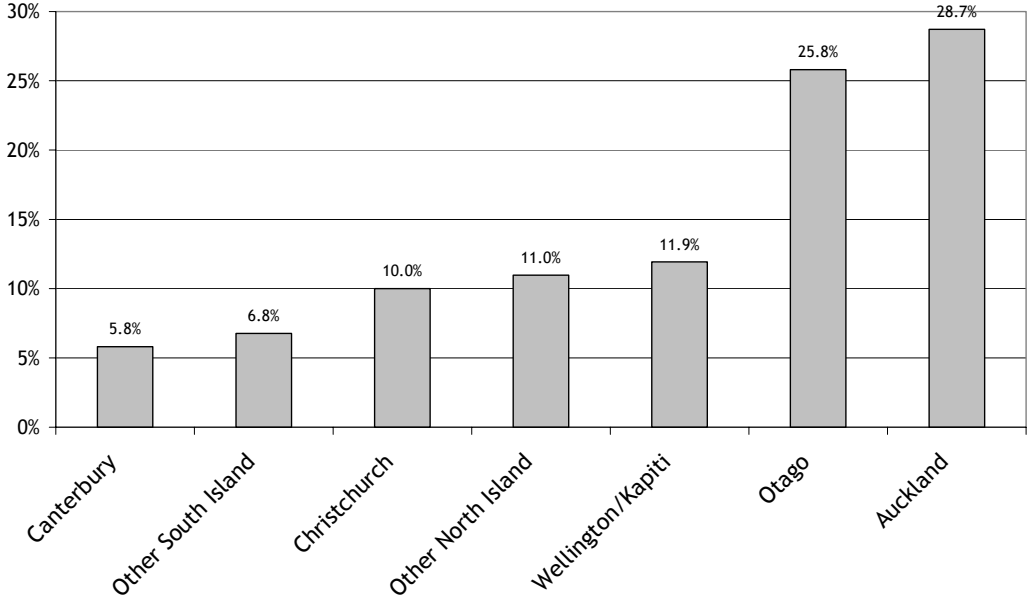
Figure 7 gives an illustration of relative household incomes of domestic and overseas visitors (in NZ\$ - see Appendix 4 Table 4a for currency conversion rates). Overseas respondents are more likely to come from higher income brackets than their domestic counterparts, with well over a quarter having household incomes greater than \$NZ150,000. By way of contrast, the median 2004 NZ household income was \$62,556 per annum (NZ Income Survey).

Figure 7: Household incomes of NZ & overseas respondents



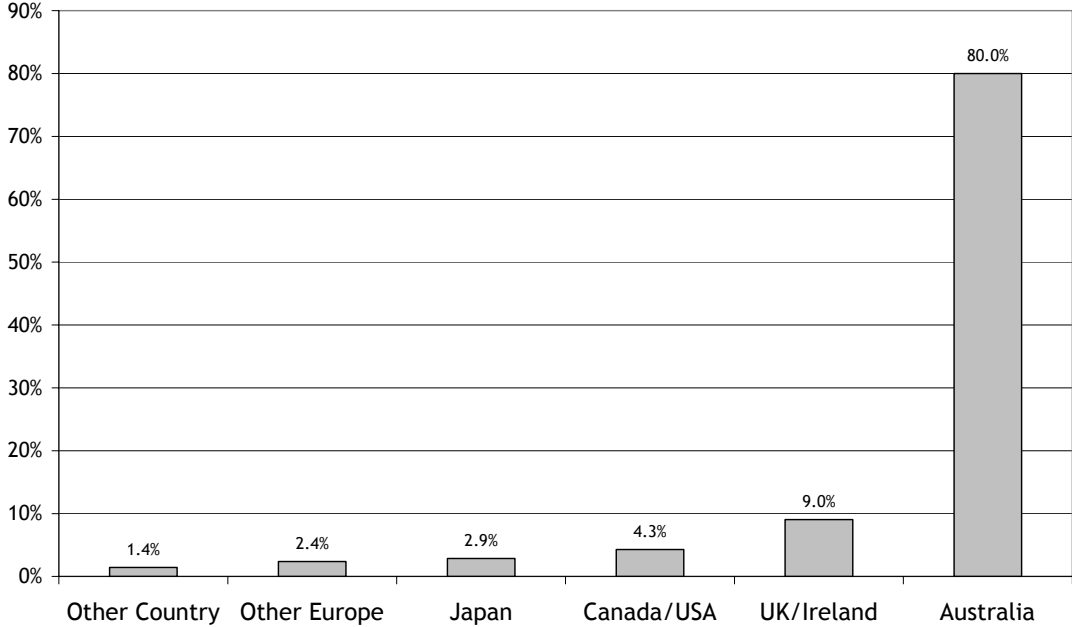
Auckland is the single largest source market for domestic visitors (28.7%), followed by the Otago region (25.8%) (Figure 8).

Figure 8: Where domestic visitors live



Australia is the main source of overseas visitors (80%) (Figure 9). UK/Ireland rank next accounting for 9% of overseas visitors.

Figure 9: Where overseas visitors live



The Wanaka ski areas of Treble Cone and Cardrona were well patronised by survey respondents each receiving visits from over 300 respondents. Treble Cone and Cardrona were favoured by domestic visitors, while the Remarkables and Coronet Peak are more likely to attract overseas visitors (Figure 10). The 'other' category includes Snow Park, Snow Farm and Heliskiing. Many visitors surveyed went to more than one ski area.

Figure 10: Percentage of visitors who visited each ski area

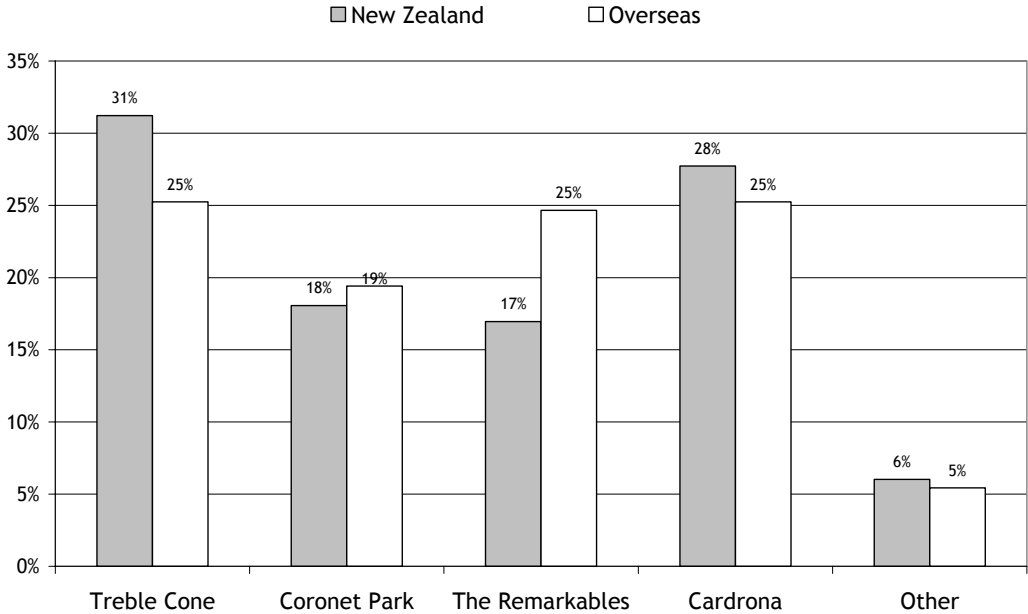


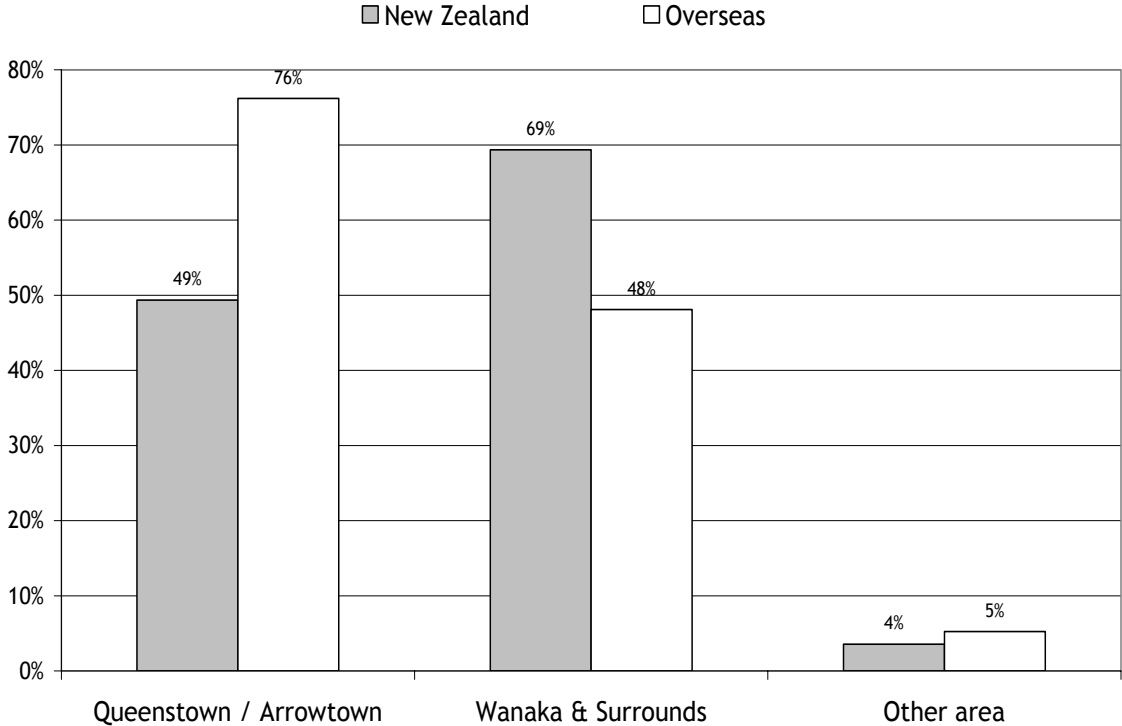
Table 4: Number of visitors who visited each ski area

	Treble Cone	Coronet Peak	The Remarkables	Cardrona	Other
Domestic	197	114	107	175	38
Overseas	130	100	127	130	28
Total	327	214	234	305	66

Note: Visitors may have gone to more than one ski area.

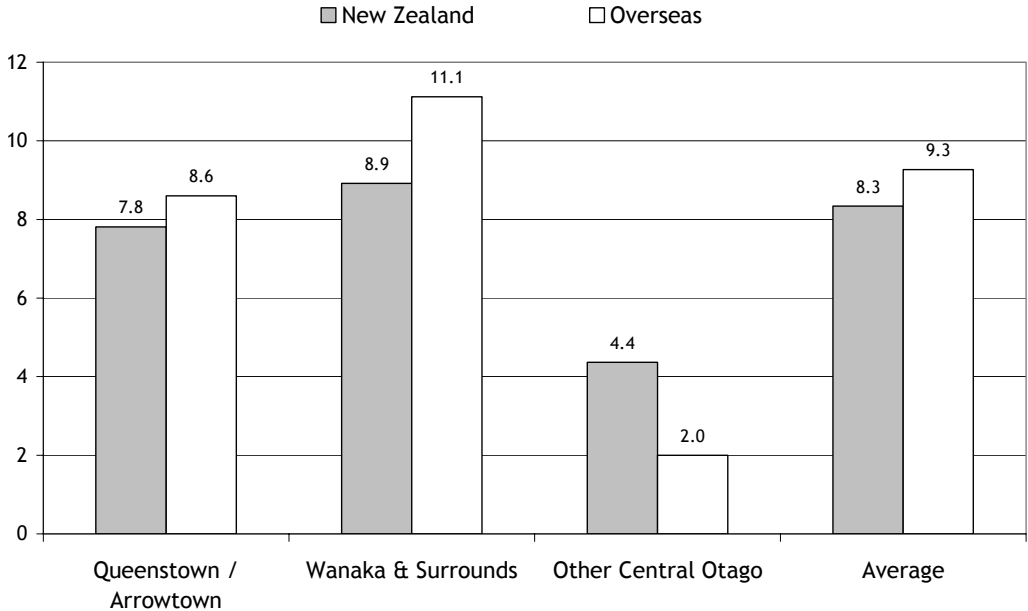
Queenstown/Arrowtown and Wanaka are the common bases for Southern Lakes snow holidays (Figure 11). New Zealanders are more likely to stay in Wanaka than overseas visitors. The latter are more likely to stay in areas other than the main Southern Lakes towns - although the overall numbers in this category remain quite small. 117 respondents stayed in both towns (22.5%): 66 domestic visitors (21%); 51 international (24%).

Figure 11: Percentage of visitors who stayed in each town



Overseas visitors stay longer (9.3 nights) in the Southern Lakes region than domestic visitors (8.3 nights) (Figure 12). The overall average for all visitors is 8.7 nights. Wanaka had a slightly longer total visit average length of stay (9.6 nights) than Queenstown/Arrowtown (8.2 nights).

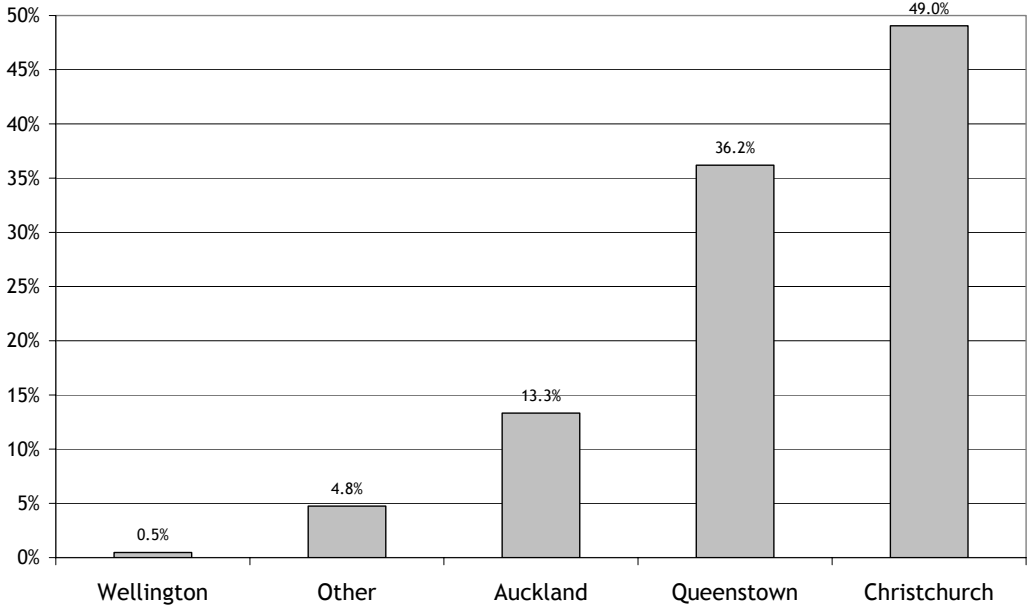
Figure 12: Average length of stay in the region



The average length of holiday in NZ for international travellers was 14.5 nights, for domestic visitors was 11.38. If the two groups are combined the average length of stay for those surveyed is 12.6 nights.

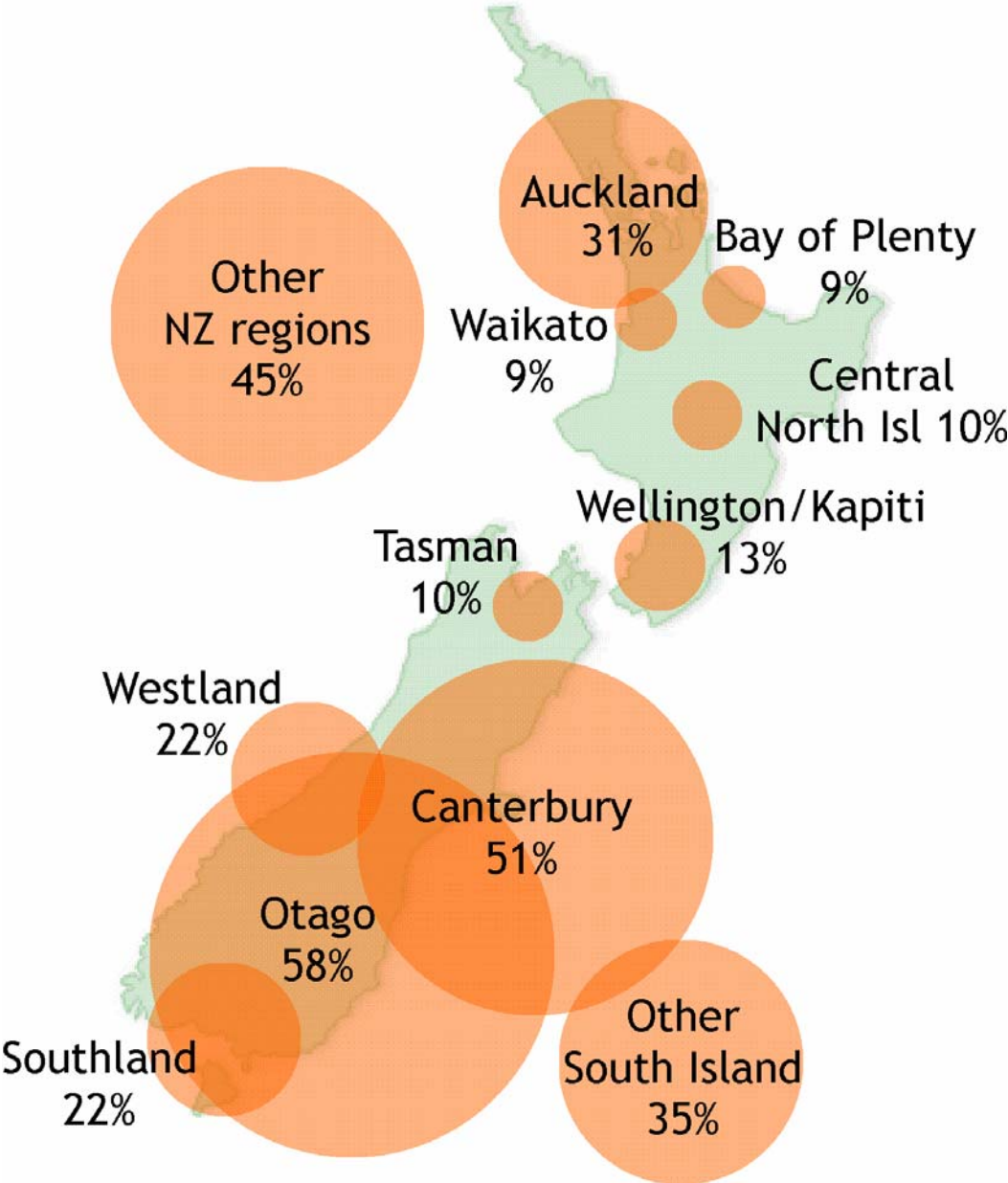
The majority of international visitors fly directly into Christchurch (40%) or Queenstown (36.2%), the closest international airports to the Southern Lakes region (Figure 13).

Figure 13: Port of entry into New Zealand for overseas visitors



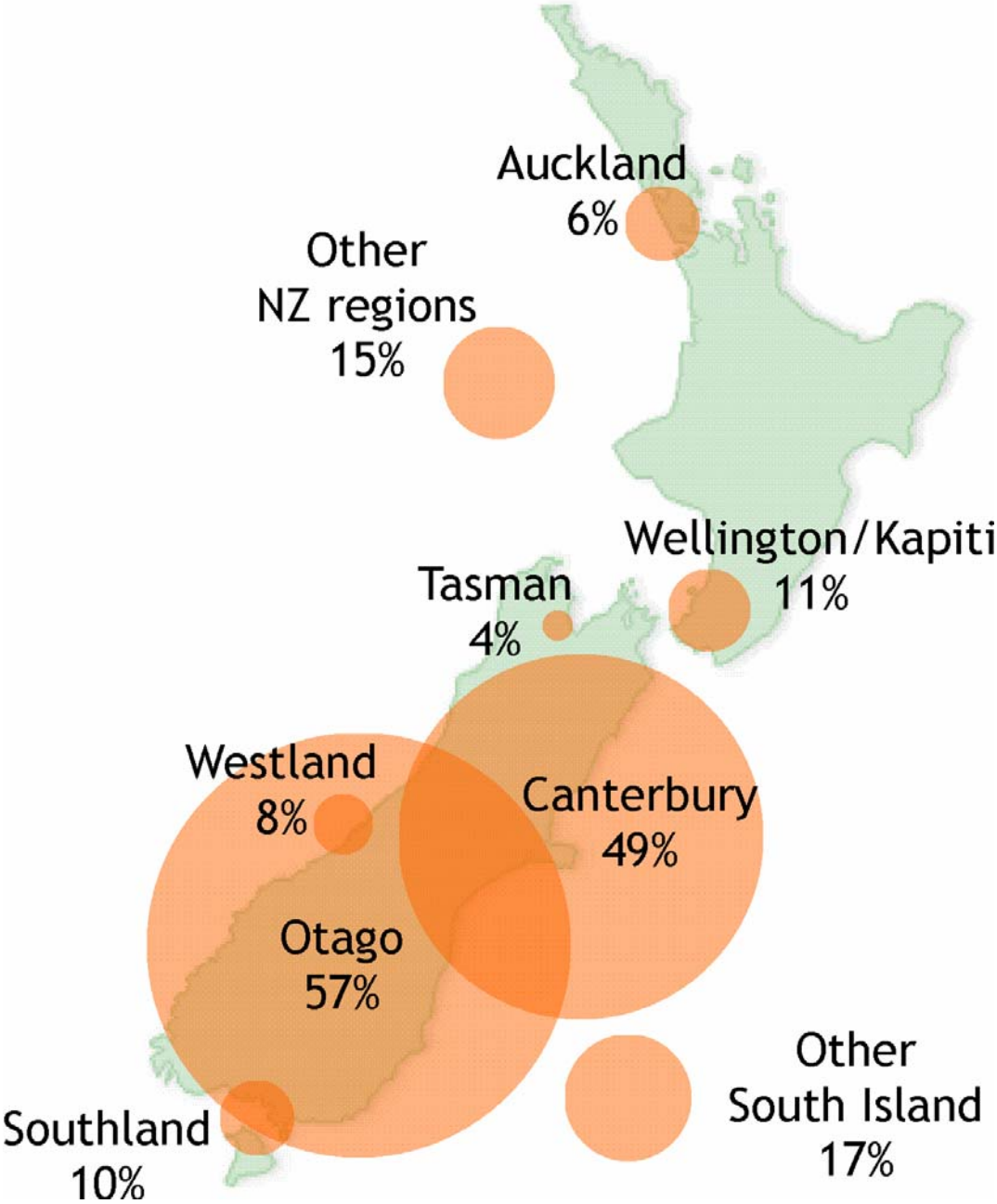
Overseas visitors are much more likely (62.4%) to visit other places as part of their overall holiday in New Zealand than domestic visitors (53.9%) (Figures 14 and 15). Canterbury and Otago which receive similar proportions of NZ and international visitors. Auckland receives visits by almost a third of international Southern Lakes area visitors, illustrating its significance as an international gateway.

Figure 14: Other regions in NZ visited by overseas visitors



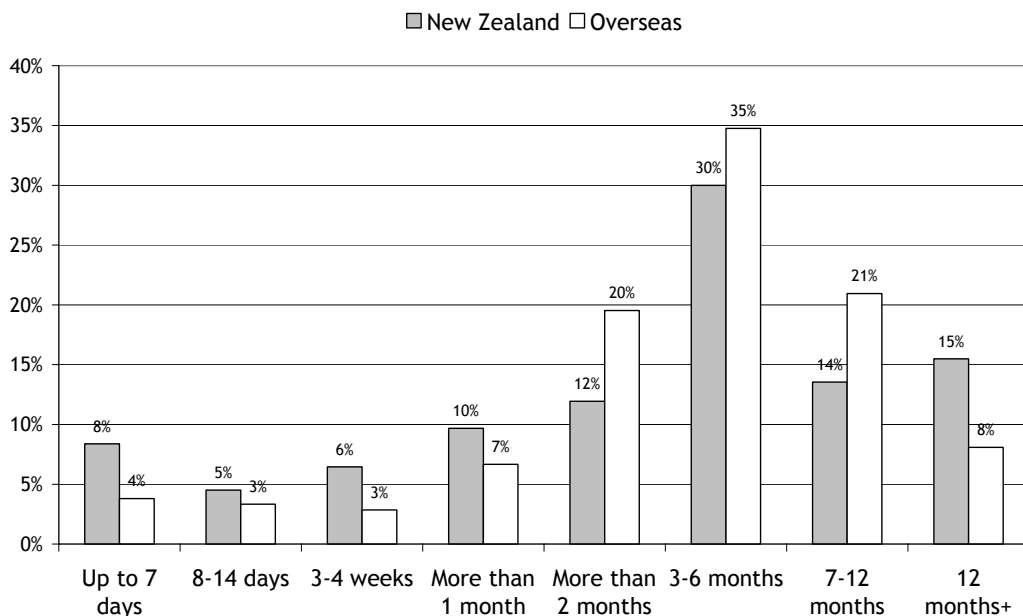
Domestic visitors are less likely to visit other regions in NZ than their international counterparts. Of those 53.9% of domestic visitors who did, neighbouring Otago and Canterbury were most likely to receive a visit in conjunction with a Southern Lakes ski holiday.

Figure 15: Other regions in NZ visited by domestic visitors



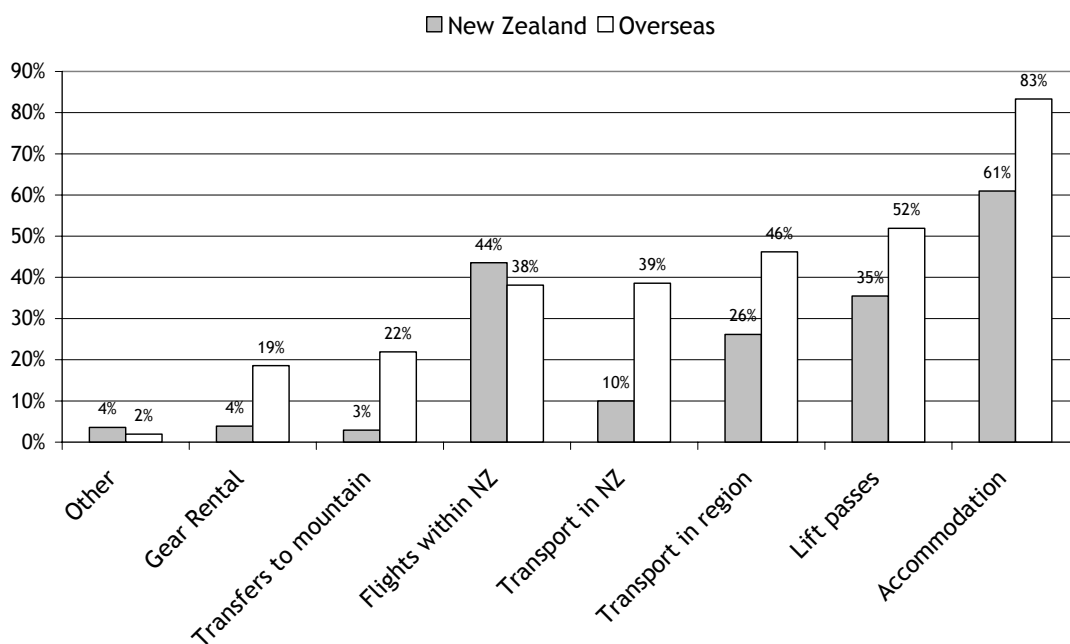
Overseas visitors are most likely to plan their holiday 2 to 12 months in advance (Figure 16). New Zealanders exhibit a somewhat smaller pattern but are more likely to decide on a ski holiday less than 1 month in advance, but they are also more likely to plan over 12 months in advance.

Figure 16: Advance planning of a snow holiday domestic & overseas visitors



Overseas visitors are more likely to pre-book any given aspect of their holiday than New Zealanders with the exception of flights within New Zealand (Figure 17). Over 80% of the international travellers surveyed have pre-booked accommodation.

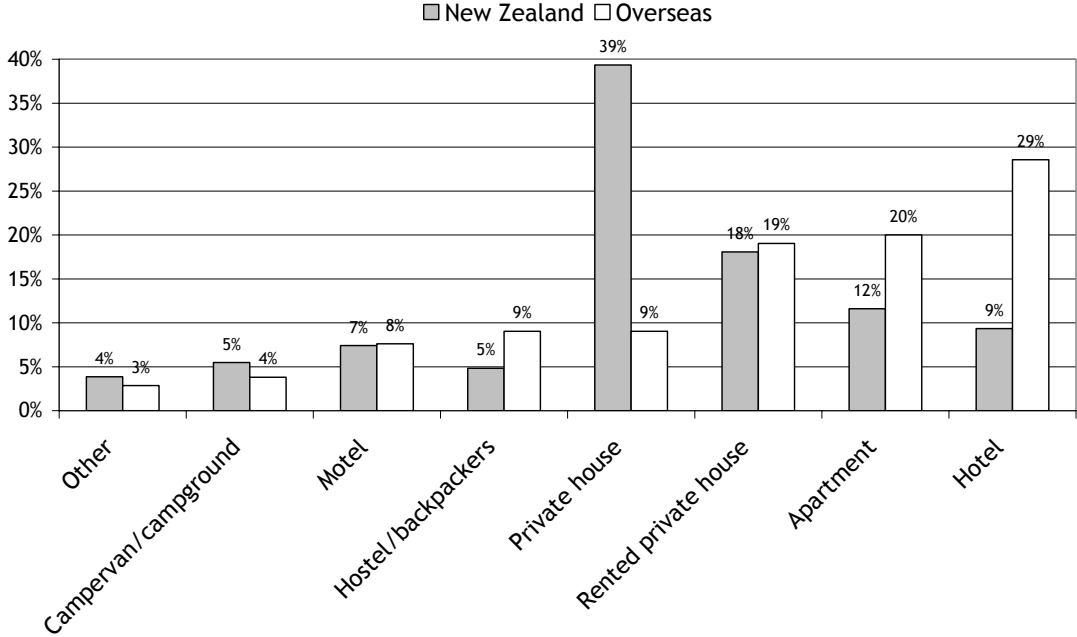
Figure 17: Pre-booked holiday components by domestic & overseas visitors



A third (33.3%) of all international travellers had purchased some form of package (usually including a range of elements: airfares, accommodation, ski area use etc). Only 3.8% of domestic travellers said they had done the same.

Hotels, apartments and hostels/backpackers are more popular with overseas visitors than domestic visitors. The latter are far more likely to stay in private homes (Figure 18).

Figure 18: Type of accommodation stayed in by domestic & overseas visitors



SKIER ECONOMIC IMPACTS

When a Southern Lakes visitor spends money at a ski area or in a local business a part of this sum will quickly be turned into jobs and income within the enterprise (hotel, restaurant etc). This is the direct economic impact of tourism and forms the focus for this report.

For example, if a local business receives \$100,000 in ski-related revenue and spends \$35,000 of this on wages and salaries, in other words 35¢ in every dollar of revenue generated is transformed into direct income.

Another company may employ 100 staff and generate sales revenue from the snow sport sector. This means that one job is generated for every \$10,000 that the firm turns over.

Beyond the direct impacts lie further degrees of interaction with the local economy. Local businesses spend money on necessary goods and services and pass a portion of their tourism-related revenues on to these suppliers. If the next 'link in the chain' is located within the region, more local income and employment will be generated (indirect effect).

By combining the information on visitor expenditure and data on business cost structures and revenue we can estimate the income and employment generated by visitors to the Southern Lakes area.

During their time in the Southern Lakes area, domestic skiers spend a total of \$117.71 per day (Table 5). The overall spend is split \$46.43 in Queenstown and \$69.74 in Wanaka with some remaining spend filtering out of the two dominant areas.

Table 5: Domestic visitor expenditure

<i>Average spend per person per day in NZ \$ by domestic visitors</i>				
<i>Based on N = 781, Nights = 8.3</i>				
	Queenstown / Arrowtown	Wanaka Surrounds	Other Central Otago	Total
Accommodation	\$10.91	\$17.24	\$0.25	\$28.40
Mountain transfers (e.g. shuttle, taxi)	\$0.52	\$0.21	\$ -	\$0.73
Transport in the region (e.g. rental car, bus, taxi)	\$4.36	\$3.66	\$0.06	\$8.07
On mountain snow related (lift passes, gear hire, chains, lessons, etc)	\$8.88	\$17.22	\$ 0.05	\$26.15
Off mountain snow related (lift passes, gear hire, chains, lessons, etc)	\$2.14	\$3.68	\$ 0.29	\$6.11
Restaurants, Cafes, Bars	\$6.68	\$ 8.75	\$0.24	\$15.67
Petrol / Gas	\$2.60	\$4.25	\$0.31	\$7.16
Groceries (e.g. supermarket, liquor store)	\$4.31	\$8.24	\$0.02	\$12.57
Shopping (e.g. souvenirs, clothes)	\$4.04	\$5.09	\$0.04	\$9.17
Other activities	\$1.98	\$1.42	\$0.27	\$3.68
Total	\$46.43	\$69.74	\$1.54	\$117.71

Total on-mountain spend by domestic visitors is estimated to be \$42.38 compared to \$75.33 for off-mountain. Estimates are likely to be conservative.

Whilst they are in the Southern Lakes area international skiers spend a total of \$196.91 per day (Table 6). The overall spend is split \$113.28 in Queenstown and \$79.78 in Wanaka, with the remainder of the region accounting for \$3.85 per day. The accommodation sector benefits strongly - especially the hotel/motel sectors a reflection of the fact that international travellers are less likely than their NZ counterparts to stay in rented/private accommodation. On mountain snow-related spend, and spend in restaurants and cafes are particularly significant areas.

Table 6: International Visitor Expenditure

<i>Average spend per person per day in NZ \$ by International visitors</i>				
<i>Based on N = 494, Nights = 9.3</i>				
	Queenstown / Arrowtown	Wanaka Surrounds	Other Central Otago	Total
Accommodation	\$30.95	\$22.93	\$1.35	\$55.24
Mountain transfers (e.g. shuttle, taxi)	\$1.33	\$0.66	\$0.01	\$2.00
Transport in the region (e.g. rental car, bus, taxi)	\$8.93	\$7.42	\$0.34	\$16.69
On mountain snow related (lift passes, gear hire, chains, lessons, etc)	\$15.60	\$16.20	\$0.02	\$31.82
Off mountain snow related (lift passes, gear hire, chains, lessons, etc)	\$3.97	\$1.57	\$0.02	\$5.55
Restaurants, Cafes, Bars	\$17.79	\$10.24	\$0.59	\$28.62
Petrol / Gas	\$3.94	\$3.95	\$0.60	\$8.49
Groceries (e.g. supermarket, liquor store)	\$7.74	\$7.51	\$0.21	\$15.45
Shopping (e.g. souvenirs, clothes)	\$10.81	\$6.27	\$0.49	\$7.57
Other activities	\$12.21	\$3.03	\$0.23	\$15.48
Total	\$113.28	\$79.78	\$3.85	\$196.91

Total on-mountain spend by international visitors is estimated to be \$47.26 compared to \$149.65 for off-mountain. Estimates are likely to be conservative.

For the purposes of later data analysis the following figure provides the average spend of all ski related visitors that responded to the web survey - weighted to reflect the estimated breakdown of non-local domestic skiers and their international counterparts (46% and 54% respectively).

Table 7: Overall expenditure all visitors

<i>Average spend per person per day in NZ \$ by all visitors</i>				
<i>Based on N = 1275, Nights = 8.7</i>				
	Queenstown / Arrowtown	Wanaka Surrounds	Other Central Otago	Total
Accommodation	\$21.75	\$20.32	\$0.85	\$42.91
Mountain transfers (e.g. shuttle, taxi)	\$0.96	\$0.45	\$0.01	\$1.42
Transport in the region (e.g. rental car, bus, taxi)	\$6.83	\$5.69	\$0.21	\$12.73
On mountain snow related (lift passes, gear hire, chains, lessons, etc)	\$12.51	\$16.67	\$0.04	\$29.21
Off mountain snow related (lift passes, gear hire, chains, lessons, etc)	\$3.13	\$2.54	\$0.14	\$5.81
Restaurants, Cafes, Bars	\$12.68	\$9.55	\$0.43	\$22.67
Petrol / Gas	\$3.33	\$4.09	\$0.47	\$7.88
Groceries (e.g. supermarket, liquor store)	\$6.17	\$7.84	\$0.12	\$14.13
Shopping (e.g. souvenirs, clothes)	\$7.70	\$5.73	\$0.28	\$13.71
Other activities	\$7.51	\$2.29	\$0.25	\$10.06
Total	\$82.56	\$75.17	\$2.79	\$160.52

On mountain spend is the most important component of visitor expenditure - accounting for 28% or \$44.95 of and overall average daily spend (this includes on-mountain ski related spend (\$33.24) plus food & beverage (\$9.12) and Retail (\$2.58). This clearly shows the major 'spin-off' impacts associated with ski areas.

Even when visitors stay in private accommodation their spend in the local area is substantial. 27.1% of all visitors (87% domestic, 13% international) took this accommodation option. These visitors had an average length of stay of 10.2 nights and an average spend per day per person of \$86.22 (see Table 8)

Table 8: Expenditure of all visitors who stay in a private house

	Spend per day
Accommodation	\$12.73
Food & Beverage	\$27.56
Snow related	\$24.32
Transport	\$11.28
Retail	\$6.97
Other	\$3.37
Total	\$86.22

While the analysis presented above is predominantly a regional one it is worthwhile pointing out some key dimensions in the estimation of impacts at the town/municipality scale. Domestic visitors who stayed in Queenstown at least one night have a total daily expenditure in the town of \$124.60, while their international counterparts spend an average of \$187.79 (Table 9).

Table 9: Expenditure of those who actually stayed in Queenstown

Based on # domestic visitors said they spent night in Queenstown / Arrowtown N = 291		Based on # international visitors said they spent night in Queenstown / Arrowtown N = 298	
Expenditure		Expenditure	
Accommodation	\$29.29	Accommodation	\$51.31
Food & Beverage	\$29.50	Food & Beverage	\$42.32
Retail	\$10.84	Retail	\$17.92
Snow related	\$30.96	Snow related	\$34.65
Other	\$24.02	Other	\$41.59
Total	\$124.60	Total	\$187.79

Note: that the figures above are presented for visitors who actually stayed in the Queenstown or Arrowtown, not averaged over all visitors.

Domestic visitors who stay in Wanaka at least one night have a total expenditure of \$132.50, while their international counterparts spend an average of \$203.15 (Table 10).

Table 10: Expenditure of those who actually stayed in Wanaka

Based on # domestic visitors said they spent night in Wanaka & Surrounds N = 411		Based on # international visitors said they spent night in Wanaka & Surrounds N = 194	
Expenditure		Expenditure	
Accommodation	\$32.76	Accommodation	\$58.39
Food & Beverage	\$32.27	Food & Beverage	\$45.18
Retail	\$9.68	Retail	\$15.97
Snow related	\$40.10	Snow related	\$46.92
Other	\$17.72	Other	\$36.68
Total	\$132.53	Total	\$203.15

Note: that the figures above are presented for visitors who actually stayed in the Wanaka, not averaged over all visitors.

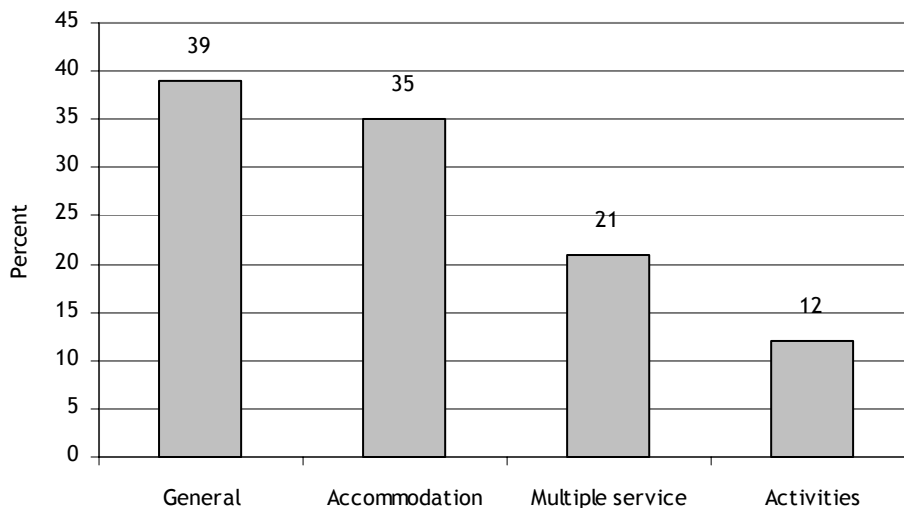
Clearly those staying at least one night in either of these towns have a major impact on the municipal economies. While international travellers are again the highest spenders the impact of domestic travellers is also considerable.

BUSINESS SURVEY CHARACTERISTICS

The focus of this section of the research is to gain insights into the cost structures of local businesses. This information can then be combined with visitor expenditure information to enable an estimation of some of the downstream impacts associated with the ski area sector.

A total of 107 largely tourism-related businesses participated in the web-survey, with accommodation establishments representing a third (35%), retail, restaurant/cafes/bars, transport, entertainment and other businesses representing 39%, and activities 12%. A fifth of business respondents provide more than one core service (Figure 19).

Figure 19: General distribution of local business by service



A more detailed breakdown reveals the wide array of business types captured by the survey (Table 11). Hotels were the dominant respondents in the accommodation sector (23.9%), followed by bed and breakfasts and luxury lodges (15.2% each). General recreation dominates the activities sector (37.9%), while a good spread of businesses are represented in the general category. Restaurant/bar/cafes represent a quarter of businesses in the 'general' category, followed by general retail (19.4%).

Table 11: Main local business services

Services	N =	Percent
Accommodation		
Hotel	11	23.9
Other	9	19.6
Bed and breakfast	7	15.2
Luxury lodge	7	15.2
Motel	5	10.9
Backpacker/hostel	3	6.5
Apartments	2	4.3
Campground/holiday park	2	4.3
Total	46	100
Activities		
General Recreation activities	11	37.9
Adventure activities	8	27.6
Tours	8	27.6
Outdoor activities	2	6.9
Total	29	100
General		
Other	26	41.9
Restaurant/bar/cafe	16	25.8
Retail - other	12	19.4
Other Transport	3	4.8
Retail - snow related	3	4.8
Entertainment	1	1.6
Rental vehicles	1	1.6
Total	62	100

Over half the businesses are located in Queenstown (52.3%), while 41.1% are located in Wanaka (Table 12). A fairly even spread of business types are represented in both towns (Appendix 5 Table 5c).

Table 12: Location of business

Location	N =	Percent
1. Queenstown	56	52.3
2. Wanaka	44	41.1
3. Outside the above towns	5	4.6
4. Arrowtown	2	1.9
Grand Total	107	100

The businesses represented in the survey are relatively well established in the region. Only a fifth of businesses surveyed have been established for 3 years or less, and a further fifth have been operating for 4 or 5 years. Over a third have been established for 6 to 20 years, and 15% have been in business over 25 years. Nearly 40% of respondents have over 6 years experience in the business, a further 26.2% have 2 to 3 years experience. Less than 20% have been in business for less than one year. Most of those responding are owners (62.6%), or managers (29.9%).

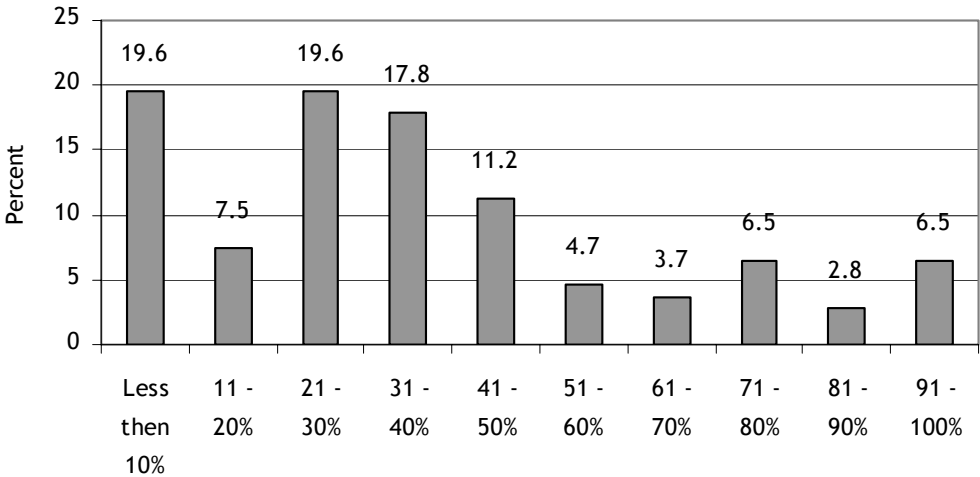
Over half of businesses are small enterprises employing 5 or fewer workers full-time over the winter season (June to October). A further quarter employ 6-20 workers fulltime over the winter season. Most businesses (73.8%) employ 1 to 5 part time workers during the winter season, and a further 14% employ 6 to10. Part time employees are less likely to be year round residents in the region, with only a third of businesses having all their part time employees as year round residents.

Almost a third of businesses surveyed had a turnover of less than \$250,000 in the last financial year. A further 28.4% had a turnover between \$250,000 and 1 million dollars, 21.7% had a turnover of between 1 and 3 million, and 17% turned-over over more than \$3m.

Almost half (46.7%) of businesses attribute all of their turnover to tourism, and a further third attribute 51 to 90% to tourism. Only 9.3% have less than 30% of turnover attributable to tourism.

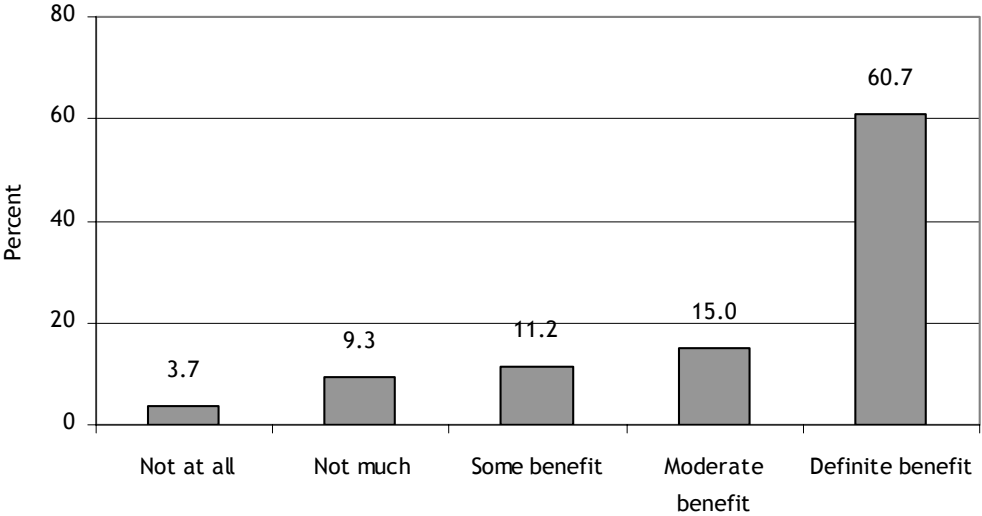
The estimated percentage of turnover that is attributable to ski area visitors is significant. A fifth of businesses attribute less than 10% of turnover to ski area visitors, while 56.1% state that between 10% and 50% of their turnover is derived from these visitors (Figure 20).

Figure 20: Turnover attributable to ski area visitors



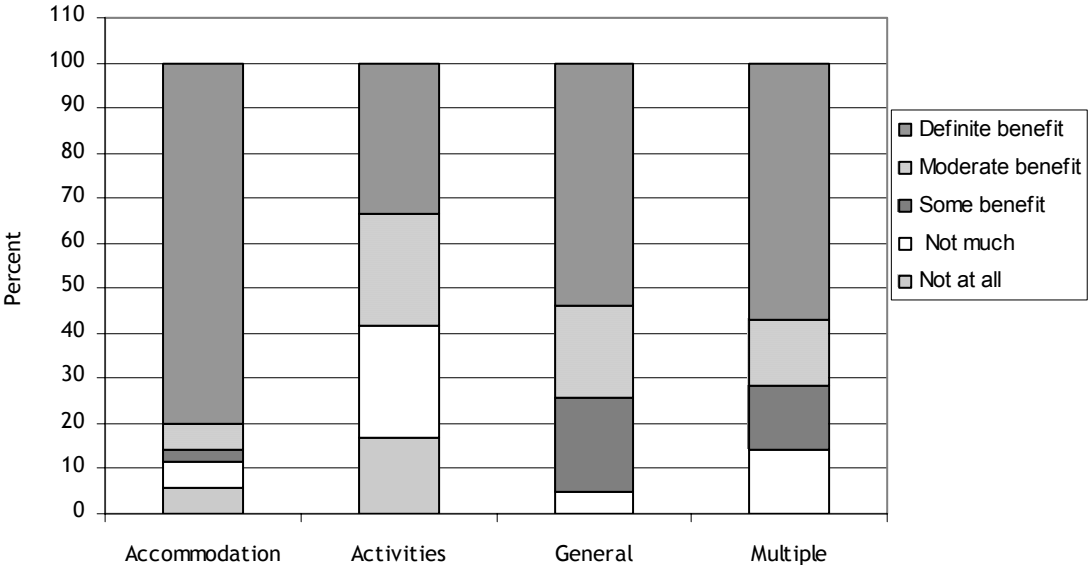
Over 60% of the businesses see a definite benefit to their business from the region’s ski areas (Figure 21). Another 26.2% see some sort of benefit, while only 13% see little or no benefit.

Figure 21: Local business benefit from the region’s ski areas



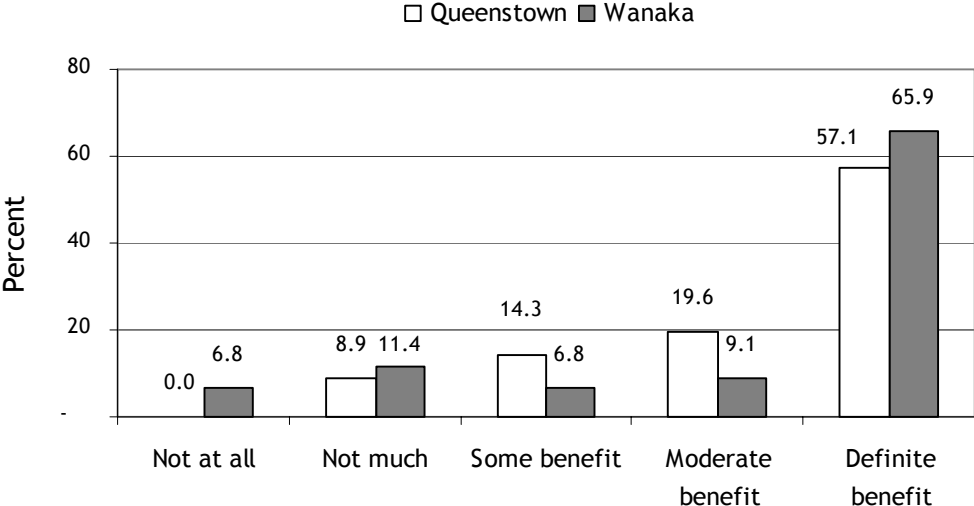
The accommodation sector is most likely to perceive definite benefit stemming from ski area visitors (Figure 22). The majority of businesses in all sectors see moderate to definite benefits to them from the region’s ski areas.

Figure 22: Local business benefit from ski areas by sector



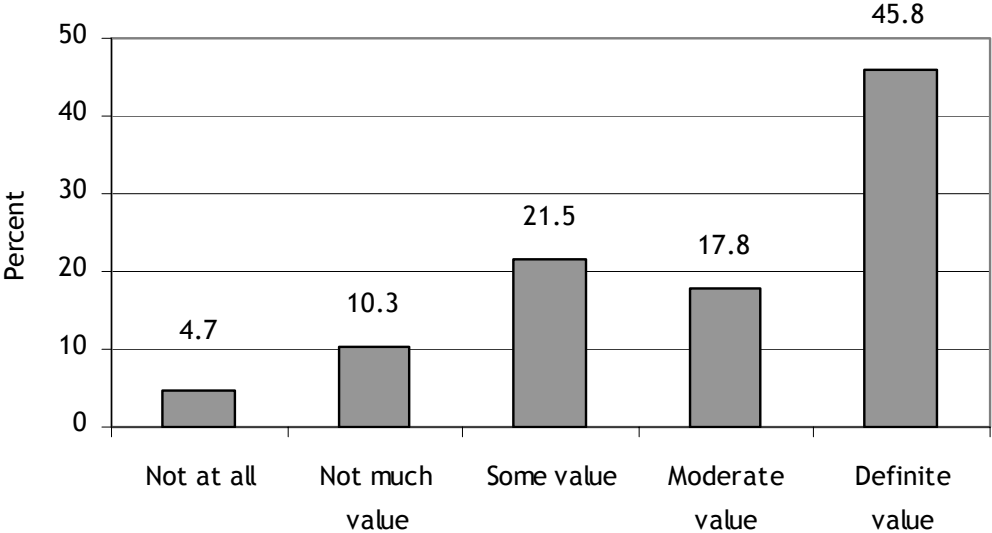
There are intra-regional variations in perceptions on how much a business benefits from ski visitors. Two thirds of businesses surveyed in Wanaka see definite benefit from the ski areas, compared to 57.1% of Queenstown businesses surveyed (Figure 23).

Figure 23: Queenstown & Wanaka business benefit from the region’s ski areas



Asked how valuable an extension of the ski season due to snowmaking would be to the businesses, almost half (45%) saw definite value in the extension of the snow season, and a further 39.3% saw some or moderate value (Figure 24).

Figure 24: Value of extended ski season to local businesses



The accommodation and general sectors are most likely to see definite value in the extension of the season (Table 13).

Table 13: Value of extended ski season to local businesses by sector

	Accommodation		Activities		General		Multiple	
	#	%	#	%	#	%	#	%
Not at all	2	5.7	2	16.7	1			
Not much value	2	5.7	3	25.0	3	14.3	3	14.3
Some value	5	14.3	2	16.7	11	23.8	5	23.8
Moderate value	6	17.1	2	16.7	9	9.5	2	9.5
Definite value	20	57.1	3	25.0	15	52.4	11	52.4
Grand Total	35	100	12	100	39	100	21	100

OVERALL IMPACTS

Total Regional Expenditure

The total Southern Lakes regional spend associated with the ski areas in the 2005 snow season was \$92.83 million dollars. This is based on the weighted daily spend figure (\$160.52 - Table 7) multiplied by the total non-local skier days (578,308 days rather than 625,198). Local skier days are removed from the analysis as these skiers add no money to the regional economy.

Table 14: Total Visitor Spend by sector

Sector / Revenue	Total Revenue	Domestic	International
Accommodation	\$24,814,790	\$ 7,546,990	\$ 17,267,800
Ski related (on & off mountain, mountain transfers)	\$21,073,900	\$ 8,764,606	\$ 12,309,294
Food & Beverage (restaurant/bar/café/groceries)	\$21,278,648	\$ 7,502,960	\$ 13,775,688
Transport (rentals, taxis, petrol)	\$11,920,351	\$ 4,047,925	\$ 7,872,426
Retail	\$7,928,836	\$ 2,436,858	\$ 5,491,978
Other Activities	\$5,815,272	\$ 977,430	\$ 4,837,842
Total	\$92,831,797	\$ 31,276,769	\$ 61,555,028

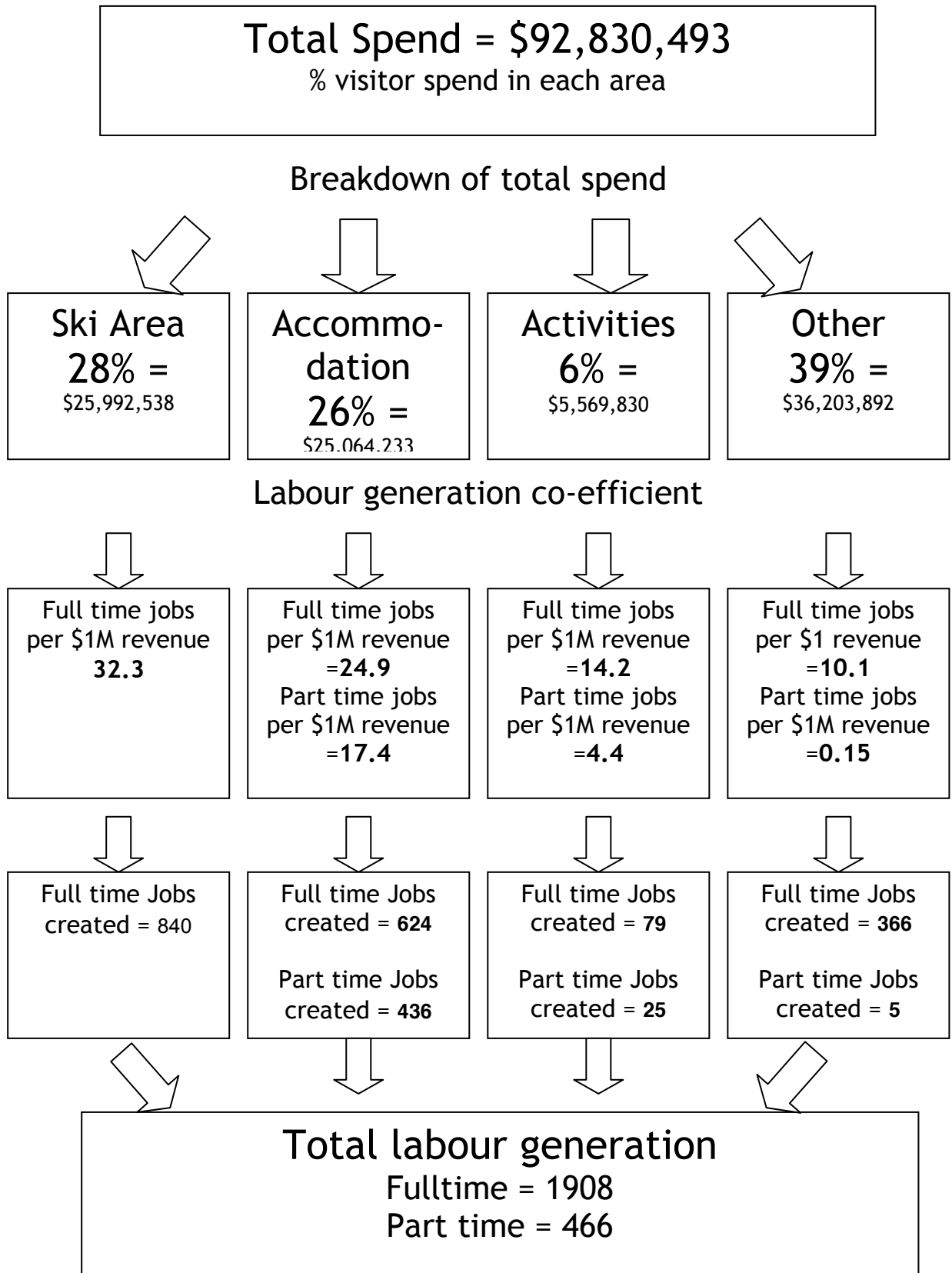
Note: This figure does not incorporate estimates of package spending; the package dimension is addressed in the following section.

The accommodation sector receives over \$24.8 million in revenue and we estimate ski related businesses receive over \$21 million (Table 14). Domestic spend accounts for over \$31 million of expenditure, while international visitors contribute over \$61.5 million.

The direct employment generation created by ski area related foreign exchange and tourist spend in the Southern Lakes region is presented in Figure 25. The total tourist spend of 92 million is estimated to generate over 1900 full-time jobs (both seasonal and annual) and an additional 400 part-time jobs (both seasonal and annual). This equates to approximately 2,100 full-time equivalent positions during the season (2 part-time jobs are calculated to equate to one full-time). In simple terms one full time job is created in the snow sports season for every \$48,600 in tourist expenditure. If part-time are jobs added to the equation then one FTE position is created for every \$43,000 in ski area visitor spend.

There is little doubt, however, that this figure is an underestimate. The main factor here is the influence of package payments which are no included in this level of the analysis. The influence of packages is discussed in more detail in the final section of this discussion.

Figure 25: Regional labour generation

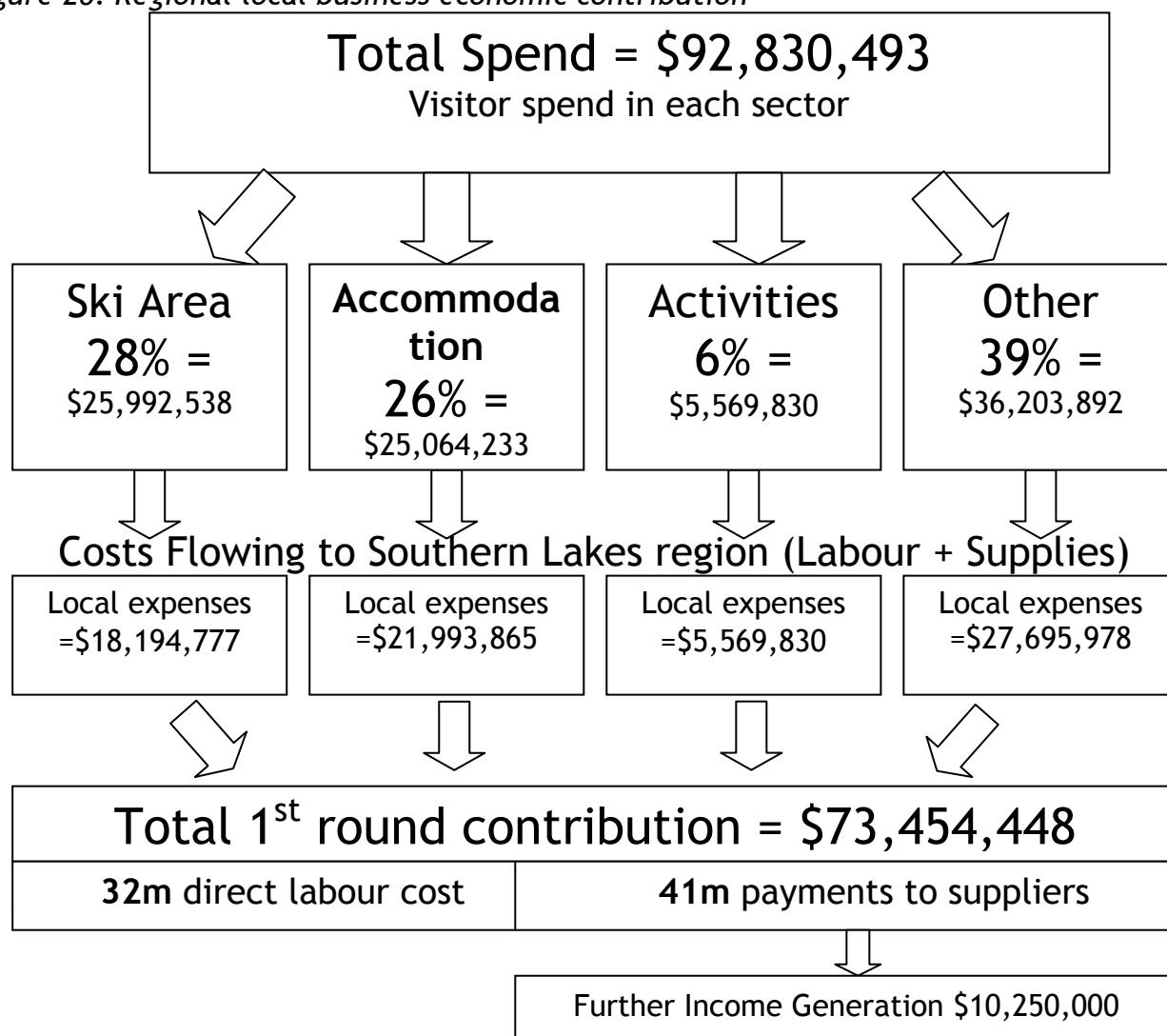


Local Income Generation

The direct income generated by the total \$92.8m of visitor spend is estimated to be approximately \$32,500,000 based on an income generation coefficient of 0.35 (averaged across all sectors including ski areas). In simple terms this means that \$350,000 in every million dollars spent by ski related tourists becomes income for those working in or owning and managing the businesses receiving direct payments from visitors. These individuals will, in turn, spend much of their earnings on local goods and services, rental payments and so on - this will create another round of income and employment generation, (induced) which we are unable to address here.

Income generation does not just stem from the payment of salaries and wages by businesses directly receiving ski related revenues. These businesses themselves then pay money to their own suppliers of goods and services. The business survey reveals that the tourism businesses that receive direct revenue from skiers spend, (in addition to 35 cents in a dollar spent on labour costs), a further 44 cents on purchases of goods and services in the region (Figure 26). This represents a total of \$41 million in the 2005 season.

Figure 26: Regional local business economic contribution



This \$41m is then spent by the suppliers to the tourism sector - generating yet more income and revenue (Figure 26). In total over 73,450,000 of the original 92.8 m visitor spend remains in the Southern Lakes economy to generate further income activity through consumer or business spend.

Of the \$41m that reaches local suppliers we estimate that a further 25% is converted into local income, thus adding another 10,250,000 to the local economy in the form of income (salary, wages etc). We also estimate that another 800 FTE seasonal/annual jobs are created elsewhere in the economy to support the ski areas (using an employment generation coefficient of 20 seasonal/annual FTE jobs created per \$1m of revenue)

The 92.8 million spent by ski area visitors in the Southern Lakes region, creates \$42,750,000 in direct and indirect income for the local economy. Likewise the total FTE seasonal/annual employment during the season is estimated to be 2,900-3,000.

The national economic impact of Southern Lakes ski visitors

The impacts associated with the visitors to Southern Lakes ski areas are not just felt at the local and regional level. Visitors inevitably leave a trail of expenditure around the country, even if their stay outside of the Southern Lakes area is relatively short.

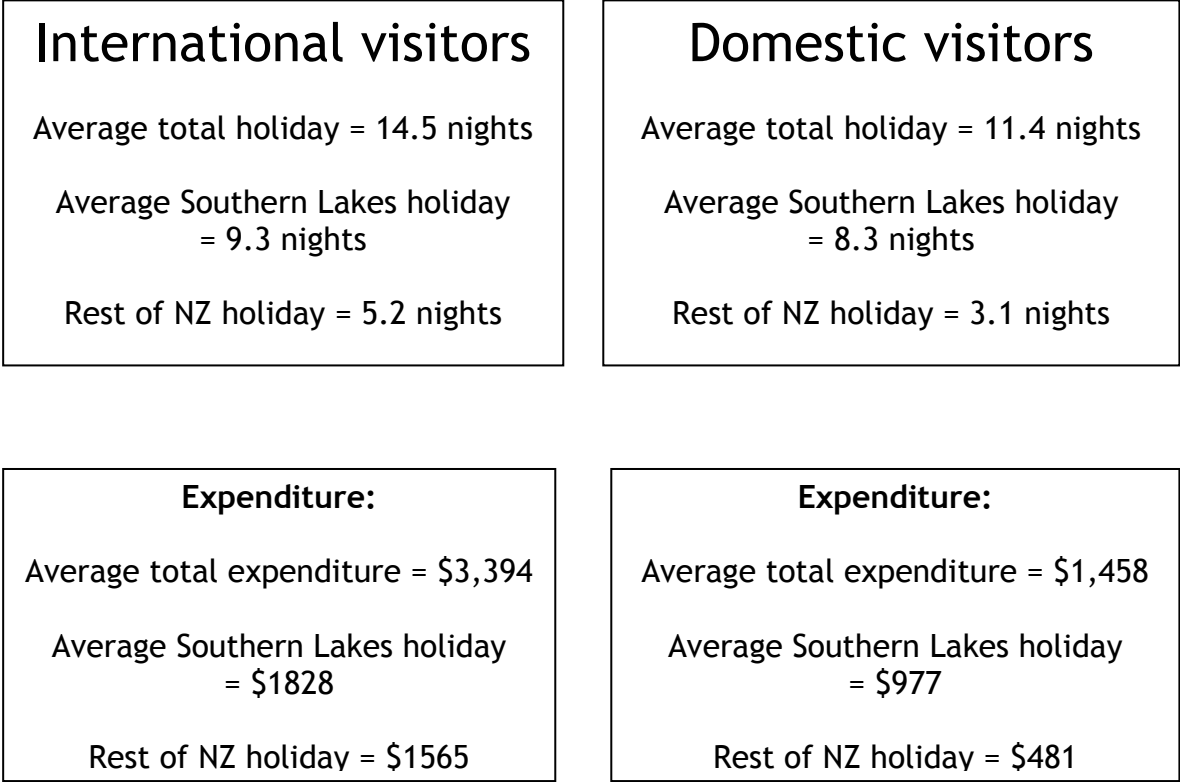
Figure 27 provides a clear sense of the direct national economic impact associated with ski related travellers to the Southern Lakes region. By combining information on average length of stay and spend outside the Southern Lakes area we are able to estimate the additional national economic impact associated with ski area visitors at \$68 million.

For every dollar spent by an international ski area visitor in the Southern Lakes region, 86c is then spent elsewhere in the country, while domestic visitors spend 49c (overall 74c is spent). For the 2005 ski season we estimate that in addition to the \$92.8 million spent in the Southern Lakes region, a further \$68.1million was spent elsewhere in the country on transportation, food, accommodation, activities and so forth. This provides a total national figure of \$161 million in direct spend from snow sports-related visitors to the Southern Lakes ski areas. 71% of this spend is from overseas visitors and represents foreign exchange earnings of \$114.4 million.

While it was impossible to generate a detailed regional breakdown of spend outside the Southern Lakes area it appears from Figures 14 and 15 and that the regions most likely to benefit from additional domestic spend are Otago and Canterbury, while the impacts associated with international travellers are more dispersed throughout the country, particularly neighbouring regions of Southland, Westland and the gateway of Auckland.

Unfortunately it is impossible to estimate the likely national impact on employment and income creation as the cost structure information of relevant businesses is not available.

Figure 27: International and Domestic Ski area visitor holiday patterns and spend

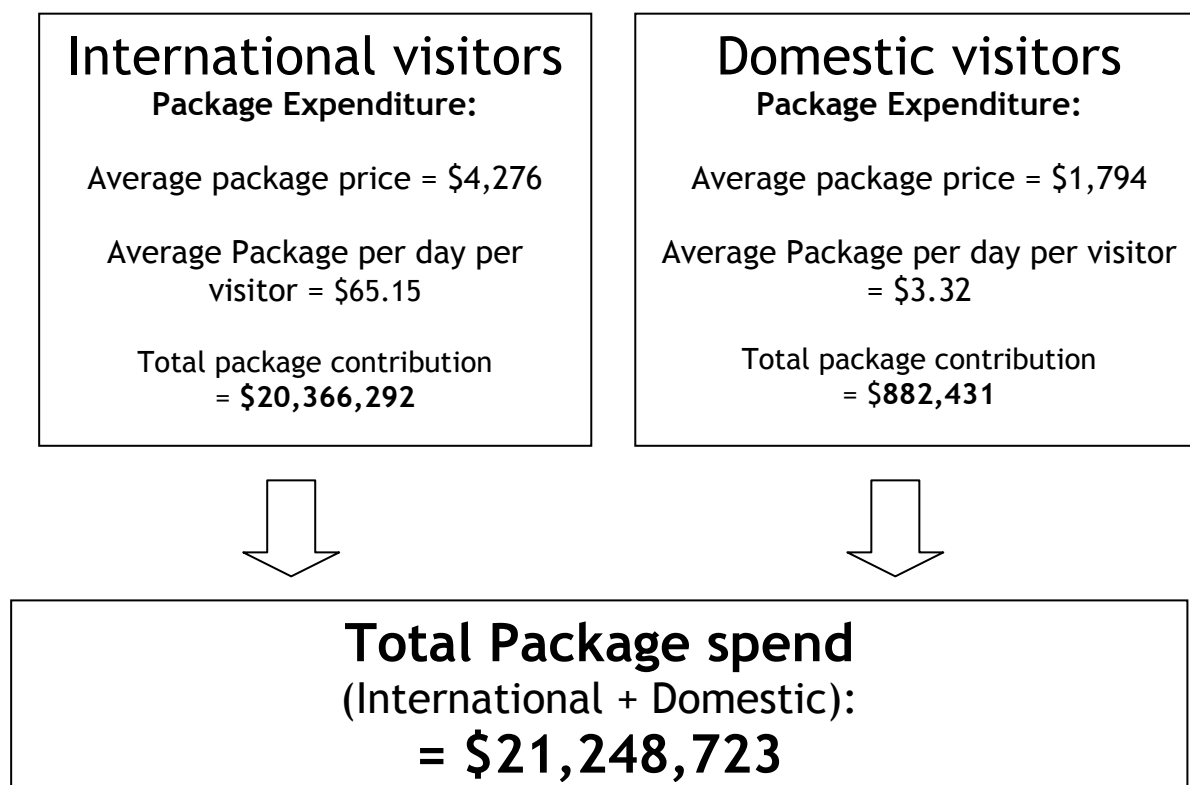


The Package Dimension

While the figures presented in the above sections clearly indicate the important economic role of the ski areas at both local and national levels they do not incorporate one important dimension - that of package costs. The impact of packages and the estimation of how package payments are distributed is very difficult as many cost structures are hidden. Visitors will spend money on packages which combine a series of product elements such as accommodation, flights and snow facilities. Our survey revealed a far greater propensity for international travellers to travel by package than for their domestic counterparts.

The average spend per person, per day on package related costs is \$65.15 for international travellers and a much lower \$3.32 for domestic visitors. Only 3.8% of the total 310 domestic travellers surveyed described themselves as being on a package, by way of contrast 33.3% of international travellers were on a package - with an average cost of \$4,276 (Figure 28).

Figure 28: Package expenditure by international and domestic visitors



We estimate that the total additional spend on packages by international travellers was over \$20m during the snow season. The total spent by domestic travellers was only \$1 million. This information is again likely to be an under estimate due to the difficulties in ascertaining exact break-downs of package costs.

We estimate that 60% of the total package revenues flow back to the Southern Lakes area, adding another \$12.5m to the local economy, with much of this flowing to the ski areas and some to accommodation and transport. This creates an overall total estimated impact of \$105m on the local economy.

The \$105m total spend in the Southern Lakes area (direct visitor spend plus package related revenues) creates \$48.3million in direct and indirect income (first round) for the local economy. The total FTE employment (seasonal and annual) during the winter season is estimated to be 3,300.

At a national level the additional \$21m creates a total direct impact of \$182m which can be directly attributed to the Southern Lakes ski areas.

Of this \$182 million, \$134.9 million (74%) is foreign exchange earnings.

Conclusions

When the New Zealand Prime Minister, Helen Clark, opened a new chairlift at Cardrona Alpine Resort on 1st July 2004, she commented on the importance of the winter snow sports industry for the nation.

“One of the top priorities of the New Zealand tourism strategy is to spread visitors beyond the summer months into the shoulder season and into winter. A strong winter sports culture and good facilities help us do that... the key part of the strategy is to ensure that the value or yield from tourism products grows faster than the numbers.”

The Prime Minister went on to note that spending by snow sports visitors, both on and off the mountain, provides *“enormous benefit to the Southern Lakes area”*.

This report shows clearly just how beneficial the ski areas are to this region and to the rest of the nation. The research has highlighted the way in which both domestic and international visitors bring real benefits to the area - even domestic travellers staying in privately owned accommodation have been shown to make a significant impact on a daily and seasonal basis.

Seasonal spending in the Southern Lakes region of over \$105m (including pre-paid package spend) generates over \$48m in local income at the direct and indirect (first round) levels, and a total of 3,300 seasonal full time equivalent jobs in the economy. If the data existed to enable further indirect and induced elements to be factored into the equation there is no doubt that these figures would rise still higher.

The positive local impact associated with the ski areas does, of course, go far beyond the economic. All of the ski area management interviewed recognise the importance of local communities in supporting their business, not least as their most loyal customers. In turn, the ski areas have a number of ways in which they support their local communities, from reduced season passes, to special schools programs, community events and purchasing from local suppliers.

Of equal significance is the broader economic impact that the Southern Lakes ski areas have on the national economy. Our analysis has shown that total Southern Lakes ski-area visitor spend within New Zealand is over \$180m (\$135m in foreign exchange earnings) and that the impacts are spread widely around the country - especially by international travellers.

Without the Southern Lakes ski areas these economic benefits would not accrue to the local economy and the region would clearly face a very difficult time between the summer seasons. If the ski areas struggle with climatically induced shorter seasons there will be major negative impacts on local business revenue and related job and income creation. These negative impacts will also be felt through the national economy, and particularly on the economies of Canterbury, Otago and Westland.

On the other hand the more the ski season can be extended into the ‘shoulder seasons’ of early June and late October through snow-making activities, the greater will be the ability for the Southern Lakes region, and the nation as a whole,

to benefit in terms of revenue, income and employment creation. It is clear that snow-making activities create significant economic spin-offs for not just the local region but also the nation as a whole.

This report has also highlighted the potential for cost-effective, web-based survey tools to generate information that is of value to planners, industry and the broader community. The opportunity now exists for similar surveys to be refined and run on a regular basis - enabling the potential development of a tourism 'economic impact' barometer. Such a tool would be invaluable in future attempts to create and monitor yield-based tourism marketing and development strategies in the Southern Lakes region.

Appendix 1: Ski Area information

Table 1a: Ski Area Main Features and Facilities

	Coronet Peak	Remarkables	Cardrona	Treble Cone	Snow Park
Elevation:	1649m	Highest elevation: 1943m. Base elevation: 1620m	Highest lifted point 1894m, Base elevation 1670m	Elevation 833m (base to summit)Lowest Lift Point 1255m, Highest Lift Point 1960m, summit elevation 2088m (6,850 ft)	1500 M / (5500ft)
Vertical:	420m	357m	Vertical drop 390m	705m	120 metres
Skiable Area:	280 Hectares	220 Hectares	320 Hectares	550ha (1,359 acres)	
Lifts:	1 High Speed Six Seater, 1 Express Quad Chair, 1 Double Chair, 1 T- Bar, 1 Magic Carpet and 1 Beginner Tow	3 Quad Chairs, 1 Magic Carpet & 1 Beginner Tow	2 Quad fixed chairs, 1 Quad express chair, 3 Magic Learner Lifts, 1 Platter lift	6 Seater high speed detachable chairlift, Quad fixed grip chairlift, Double chairlift, 1 Tbar, Platter (on beginner slope), Magic Carpet	Fixed Quad Chairlift
Lift Capacity:			Lift capacity 7,800 people per hour	6,905 people/hour	
Terrain:	Beginners 20%, Intermediates 45%, Advanced 35% (excludes Back Bowls)	Beginners 30%, Intermediates 40%, Advanced 30%	25% Learner runs, 55% Intermediate runs, 20% Advanced runs, 1000m terrain park consisting of rails, fun boxes and a range of jumps and table features.	10% beginner, 40% Intermediate, 50% Advanced	
Season:	Early June - Early October	Late June - mid October	24th June - 9th October 2005	Late June to early October	
Facilities:	Fully licensed Coronet Brasserie and bar and the Westend Cafe. Rental - Ski, Boots and poles, Snowboard Repair, Ski storage. Retail outlet - ski accessories and clothing. First aid and emergency services. Licensed creche and dedicated Children's handle tow. 2 FIS specification half pipes and terrain park.	Self service Cafe. Rental - Ski, Boots and Poles, Snowboard and boots and clothing. Ski and Snowboard Repair, Ski storage. Retail outlet - ski accessories and clothing. First aid and emergency services. Licensed creche and dedicated children's handle tow. Xbox Terrain & Rail park with Superpipe. Novice terrain park. Ozone Tubing Park.	4 halfpipes - International, Rookie, Moro Monster, Johnny, 800m sculpted gravity cross course		Approximately 40 rails and boxes of varying sizes, 10-25 rollers, hits and jumps, Snow skate area, Super Pipe, Beginner pipe, Quarter Pipe, Wall rides, Camp Pipe, Jungle Café &
Snowmaking:	Extensive coverage, top to bottom	Beginner areas, Alta Green & Turquoise trails and Ozone Tubing Park.	No snowmaking	50 hectares	
Drive from town:	25 minutes (18kms) from Queenstown.	45 minutes (26kms) from Queenstown.	35 min from Wanaka (34km), 60 min from Queenstown (58km)	35 min from Wanaka (19km sealed, 7km unsealed), 1.5hr drive from Queenstown.	35km from Wanaka, 55km from Queenstown
Ski Shuttles:	Daily service to/from Queenstown	Daily service to/from Queenstown	Wanaka - Daily shuttle with Edgewater Adventures & Alpine Coachline Snow Shuttles,	Wanaka - Daily shuttle with Edgewater Adventures & Alpine Coachline Snow Shuttles, Queenstown	Wanaka - Daily shuttle with Edgewater Adventures & Good Sports, Queenstown - Daily

			Queenstown - daily shuttle with Kiwi Discovery, Gravity Action, Info & Track	- daily shuttle with Kiwi Discovery	shuttle.
Longest Run:	M1 - 1.8km	Homeward Bound- 1.5km, 350 vertical Metres		4.3km (Tims Table to base lodge)	
Annual Snowfall			2.7 metres		50cm
Groomed Terrain				Over 50ha per night	

Table 1b: Ski area lift pass rates 2005

	Cardrona	Coronet Peak	Snow Park	The Remarkables	Treble Cone
Adult	\$71	\$79	\$60	\$74	\$89
Youth	\$35	\$41	\$35	\$39	\$37
Student	\$58	\$61	\$50	\$55	\$57
Senior 60+	\$37	\$41		\$39	\$37
Super Senior		75+ Free		75+ Free	70+ Free
Children	Free under 6 Yrs	Free 6 Yrs & under		Free 10 Yrs & under	Free under 6 Yrs

Appendix 2: Domestic Visitor Questionnaire

Evaluating the Economic Significance of Southern Lakes Ski Areas - Domestic Visitor Survey

ABOUT YOUR VISIT TO THE REGION																	
Q1.	<p>Which skifield(s) did you go to on your visit to the area, and for how many days?</p> <table border="1"> <tr> <td>Treble Cone</td> <td>0 days</td> </tr> <tr> <td>Coronet Peak</td> <td>0 days</td> </tr> <tr> <td>The Remarkables</td> <td>0 days</td> </tr> <tr> <td>Cardrona</td> <td>0 days</td> </tr> <tr> <td>Snow Park</td> <td>0 days</td> </tr> <tr> <td>Snow Farm</td> <td>0 days</td> </tr> <tr> <td>Heliski</td> <td>0 days</td> </tr> <tr> <td>Other</td> <td>0 days</td> </tr> </table>	Treble Cone	0 days	Coronet Peak	0 days	The Remarkables	0 days	Cardrona	0 days	Snow Park	0 days	Snow Farm	0 days	Heliski	0 days	Other	0 days
Treble Cone	0 days																
Coronet Peak	0 days																
The Remarkables	0 days																
Cardrona	0 days																
Snow Park	0 days																
Snow Farm	0 days																
Heliski	0 days																
Other	0 days																
Q2.	<p>Which towns did you stay in, and for how long?</p> <table border="1"> <tr> <td>Queenstown/Arrowtown</td> <td>0 nights</td> </tr> <tr> <td>Wanaka & Surrounds</td> <td>0 nights</td> </tr> <tr> <td>Other Central Otago</td> <td>0 nights</td> </tr> <tr> <td>Other</td> <td>0 nights</td> </tr> </table>	Queenstown/Arrowtown	0 nights	Wanaka & Surrounds	0 nights	Other Central Otago	0 nights	Other	0 nights								
Queenstown/Arrowtown	0 nights																
Wanaka & Surrounds	0 nights																
Other Central Otago	0 nights																
Other	0 nights																
Q3.	<p>What type of accommodation did you stay at most often?</p> <p> <input type="checkbox"/> Hotel <input type="checkbox"/> Motel <input type="checkbox"/> Hostel/backpackers <input type="checkbox"/> Hosted <input type="checkbox"/> Day trip <input type="checkbox"/> Campervan/campground <input type="checkbox"/> Apartment <input type="checkbox"/> Rented private house <input type="checkbox"/> Private house <input type="checkbox"/> Club lodge <input type="checkbox"/> Other (please specify) <input type="text"/> </p>																
Q4.	<p>Where did you last visit before arriving in the Queenstown/Wanaka region?</p> <p><select> <input type="text"/></p>																
Q5.	<p>How did you get to the Queenstown/Wanaka region? <i>(tick as many as apply)</i></p>																

	<input type="checkbox"/> Air <input type="checkbox"/> Rental Car/Campervan <input type="checkbox"/> Public Transport <input type="checkbox"/> Tour Group transport <input type="checkbox"/> Private Car <input type="checkbox"/> Other (please specify) <input type="text"/>															
Q6.	<p>How important was skiing/snowboarding/snowsports in your decision to visit Queenstown/Wanaka?</p> <p><input type="checkbox"/> 1 - Not important at all <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 - The main reason</p>															
Q7.	<p>How long ago did you make the decision to take your Queenstown/Wanaka snow holiday?</p> <p><input type="checkbox"/> Up to 7 days <input type="checkbox"/> 8-14 days <input type="checkbox"/> 3-4 weeks <input type="checkbox"/> More than 1 month <input type="checkbox"/> More than 2 months <input type="checkbox"/> 3-6 months <input type="checkbox"/> 7-12 months <input type="checkbox"/> 12 months+</p>															
	<p>EXPENDITURE</p> <p>The following questions are designed to help us find out how much money is being spent by visitors to the southern ski areas and communities. We would appreciate if you could fill this section out as accurately as possible.</p>															
Q8.	<p>How many people in total are included in these estimates? (e.g. you, your partner and child = 3, just yourself = 1)</p> <p><input type="text"/> Adults <input type="text"/> Children</p>															
Q9.	<p>Please estimate your total spend for your holiday (NZ\$) in the region:</p> <table border="1"> <thead> <tr> <th></th> <th>Queenstown/ Arrowtown</th> <th>Wanaka & Surrounds</th> <th>Other Central Otago</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Accommodation</td> <td>\$ <input type="text"/></td> <td>\$ <input type="text"/></td> <td>\$ <input type="text"/></td> <td>\$ <input type="text"/></td> </tr> <tr> <td>Mountain transfers (e.g. shuttle, taxi)</td> <td>\$ <input type="text"/></td> <td>\$ <input type="text"/></td> <td>\$ <input type="text"/></td> <td>\$ <input type="text"/></td> </tr> </tbody> </table>		Queenstown/ Arrowtown	Wanaka & Surrounds	Other Central Otago	TOTAL	Accommodation	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	Mountain transfers (e.g. shuttle, taxi)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	Queenstown/ Arrowtown	Wanaka & Surrounds	Other Central Otago	TOTAL												
Accommodation	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>												
Mountain transfers (e.g. shuttle, taxi)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>												

	Transport in the region (e.g. rental car, bus, taxi)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	On mountain snow related (lift passes, gear hire, chains, lessons etc)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	Off mountain snow related (lift passes, gear hire, chains, lessons etc)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	Restaurants, Cafes, Bars	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	Petrol/Gas	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	Groceries (e.g. supermarket, liquor store)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	Shopping (e.g. souvenirs, clothes)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	Heliski	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	Other Activities (e.g. bungy, gondola, tour, movie)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	Other (please specify) <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
Q10.	Which parts of your holiday were booked before arrival? <i>(tick as many as apply)</i>				
	<input type="checkbox"/> Lift passes <input type="checkbox"/> Gear Rental <input type="checkbox"/> Transfers to mountain <input type="checkbox"/> Accommodation <input type="checkbox"/> Flights within NZ <input type="checkbox"/> Transport in region <input type="checkbox"/> Transport in NZ <input type="checkbox"/> Other (please specify) <input type="text"/>				
Q11.	If you went on a package, how much did it cost? \$ <input type="text"/>				
	THE REST OF YOUR HOLIDAY				
Q12.	How many days was your holiday away from home in total? <input type="text" value="<select>"/>				
Q13.	Where else did you visit in NZ on this holiday? <i>(tick as many as apply)</i>				
	<i>(Map of NZ regions)</i>				
	<input type="checkbox"/> Auckland <input type="checkbox"/> Wellington/Kapiti				

	<input type="checkbox"/> Otago <input type="checkbox"/> Northland Waikato <input type="checkbox"/> <input type="checkbox"/> Eastland <input type="checkbox"/> Bay of Plenty <input type="checkbox"/> Hawkes Bay Taranaki <input type="checkbox"/> <input type="checkbox"/> Manawatu/Wairarapa <input type="checkbox"/> Central North Island Wanganui <input type="checkbox"/> <input type="checkbox"/> Southland Westland <input type="checkbox"/> <input type="checkbox"/> Canterbury Tasman <input type="checkbox"/> <input type="checkbox"/> Other North Island <input type="checkbox"/> Other South Island
Q14.	What was your total spend on your trip away from home? \$ <input type="text"/>
ABOUT YOU	
Q15.	Are You: <input checked="" type="checkbox"/> Male <input type="checkbox"/> Female
Q16.	Who did you travel with on this holiday? (<i>tick as many as apply</i>) <input type="checkbox"/> By myself <input type="checkbox"/> Friends <input type="checkbox"/> Partner/spouse <input type="checkbox"/> Family <input type="checkbox"/> Organised group (e.g. school etc) <input type="checkbox"/> Other (please specify) <input type="text"/>
Q17.	What is your current employment status? <input type="text" value="<select>"/>

Q18.	What is your age group? <input data-bbox="592 141 775 185" type="text" value="<select>"/>
Q19.	Where do you live? <input data-bbox="531 208 858 253" type="text" value="<select>"/> <i>Note: Overseas visitors had this question customised to overseas countries rather than NZ regions</i>
Q20.	What is your approximate household income level? NZ\$ <input data-bbox="970 306 1217 351" type="text" value="<select>"/>

Appendix 3: Local Business Questionnaire

Local Business Survey							
ABOUT THE BUSINESS							
Q1.	Which of the following best describes the main focus of your business? <table border="1"> <tr> <td>Accommodation</td> <td><select></td> </tr> <tr> <td>Activities</td> <td><select></td> </tr> <tr> <td>General</td> <td><select></td> </tr> </table>	Accommodation	<select>	Activities	<select>	General	<select>
Accommodation	<select>						
Activities	<select>						
General	<select>						
Q2.	Where is the business located? <select>						
Q3.	How long has the business been operating? <select>						
Q4.	What is your role in the business? <select>						
Q5.	How long have you worked in or owned the business? <select>						
STAFFING							
Q6.	How many workers do you employ full time over the Winter season (June to October)? <select>						
Q7.	What proportion of your full time employees are year round residents in the region? <select>						
Q8.	How many workers do you employ part time over the Winter season (June to October)? <select>						
Q9.	What proportion of your part time employees are year round residents in the region? <select>						
Q10.	Have you experienced any problems with getting enough STAFF this winter season? <input type="checkbox"/> Yes <input type="checkbox"/> No Please explain <div style="border: 1px solid gray; height: 40px; width: 100%;"></div>						
COST STRUCTURES							
Q11.	What was your annual turnover in the last financial year? <select>						
Q12.	In the last financial year, what percentage of the annual turnover of this business was attributable to Tourism in general? <select>						
Q13.	What percentage of this turnover was attributable visitors attracted to the regions ski areas? <select>						
Q14.	Of your total of annual expenses, please estimate what proportion each expense category accounts for:						

	Labour	<input type="text"/>	%
	General Operating Expenses (e.g. goods for resale, consumables, stock)	<input type="text"/>	%
	Other Fixed Expenses (e.g rent, power, phone)	<input type="text"/>	%
	Total: all annual expenses =		100%
Q15.	Please indicate what percentage of your General Operating Expenses are spent in the Southern Lakes District area: <input type="text" value="<select>"/>		
Q16.	Does your business benefit from the region's ski areas? <input type="checkbox"/> Not at all <input type="checkbox"/> Not much <input type="checkbox"/> Some benefit <input type="checkbox"/> Moderate benefit <input type="checkbox"/> Definite benefit		
Q17.	How does your turnover this winter season compare to last year? <input type="text" value="<select>"/> What do you attribute this to? <input type="text"/>		
Q18.	Snowmaking allows the snow season to potentially be extended by 2 months by starting earlier, in June and ending later, in October. How valuable is this extension of the ski season to your business? <input type="checkbox"/> Not at all <input type="checkbox"/> Not much value <input type="checkbox"/> Some value <input type="checkbox"/> Moderate value <input type="checkbox"/> Definite value		

Appendix 4: Skier Survey baseline data

This appendix presents figures for all visitors (domestic and international combined). It also presents additional data broken down by domestic and international not shown in the main body of the report.

Figure 4a: Importance of skiing/snowboarding in decision to visit region- all visitors

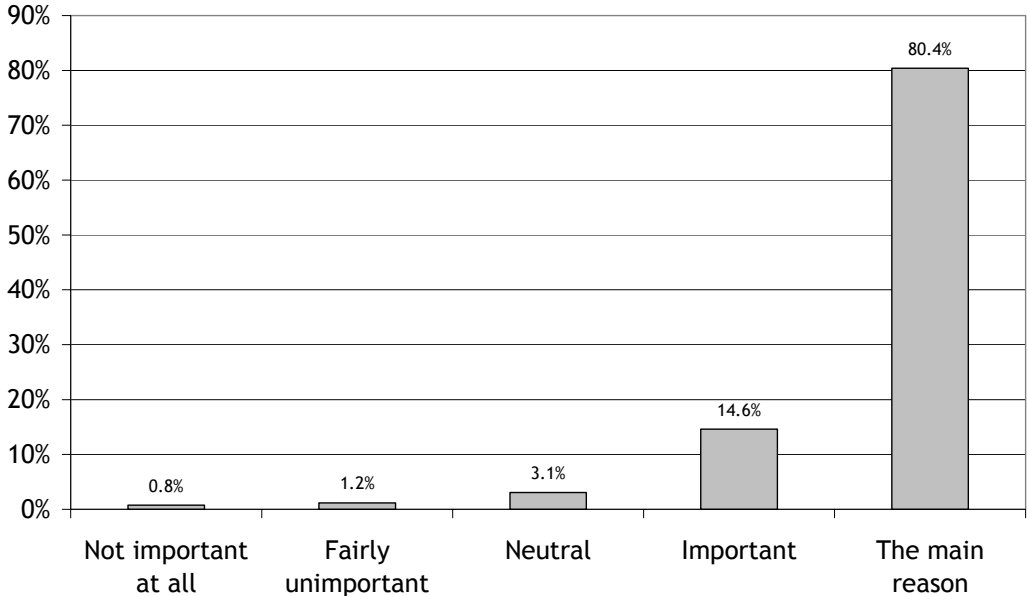


Figure 4b: Age of all visitors

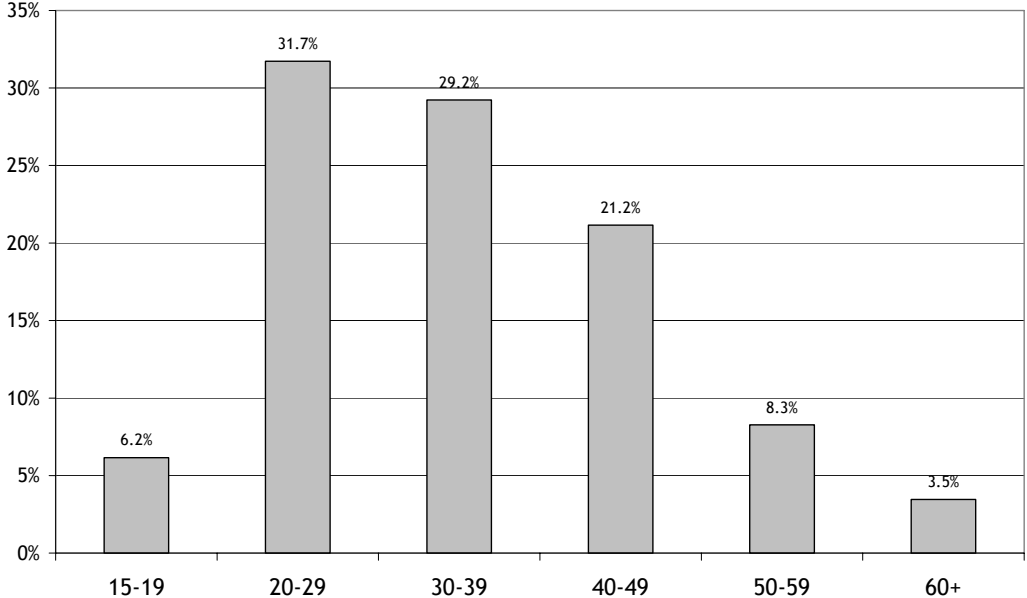


Figure 4c: Employment status of all visitors

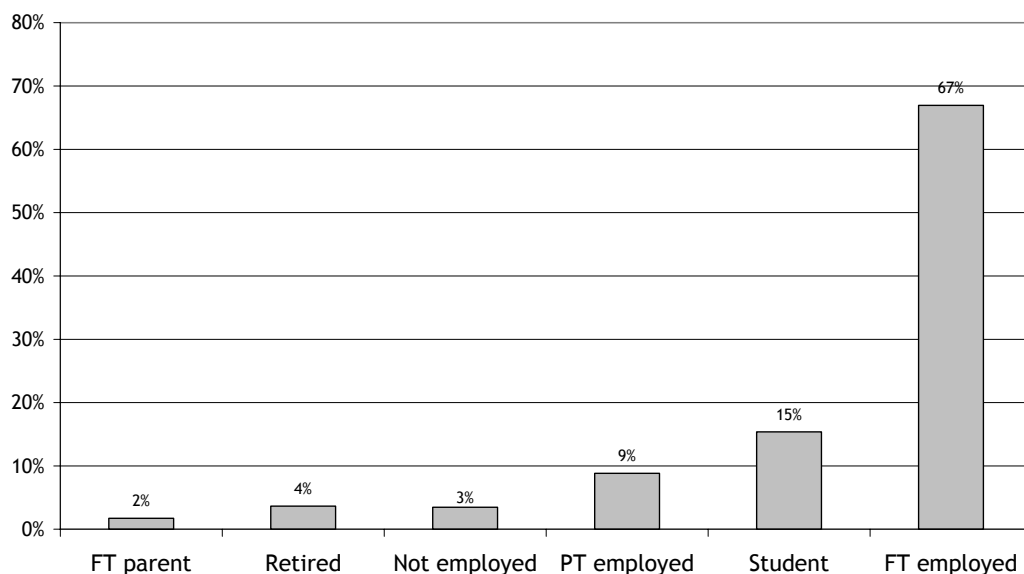


Figure 4d: Household Income for all respondents (adjusted to NZ\$)

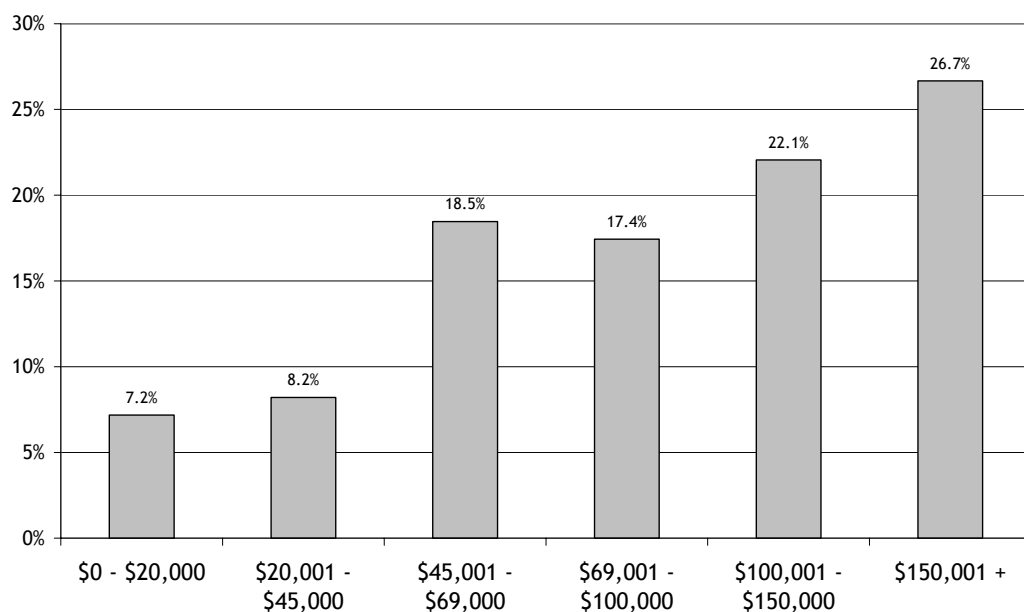


Table 4a: Currency conversion rates used for household expenditure comparison

0.012555	Yen
1.44103	USD - United States Dollar
2.51621	GBP - British Pound
1.22997	CAD - Canadian Dollar
1.7273	EUR - Euro
1.08247	AUD - Australian Dollar

Figure 4e: Where all respondents are from

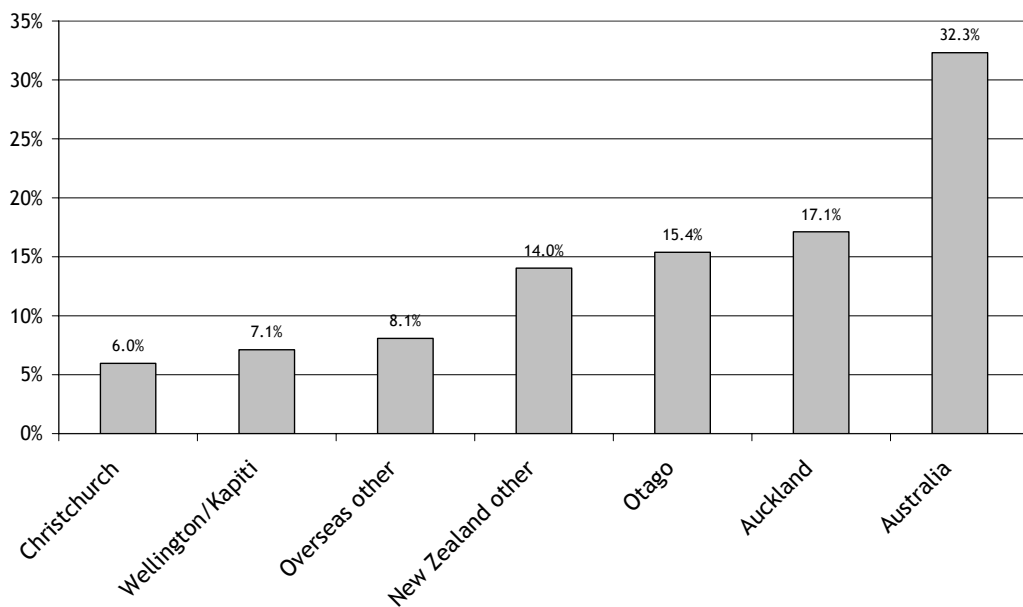
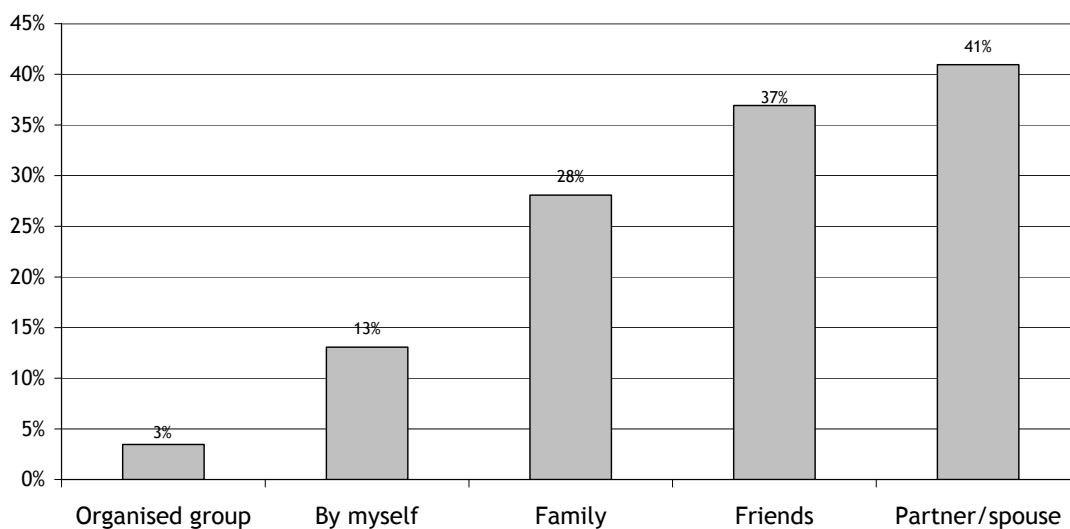


Figure 4f: Snow holiday travel companions - all visitors



New Zealanders are more likely to be visiting the region with family than visitors from overseas, while similar proportions visit with friends and their partner/spouse. Note: respondents could indicate more than 1 type of travel companion so totals do not add to 100%.

Figure 4g: Snow holiday travel companions for domestic & overseas visitors

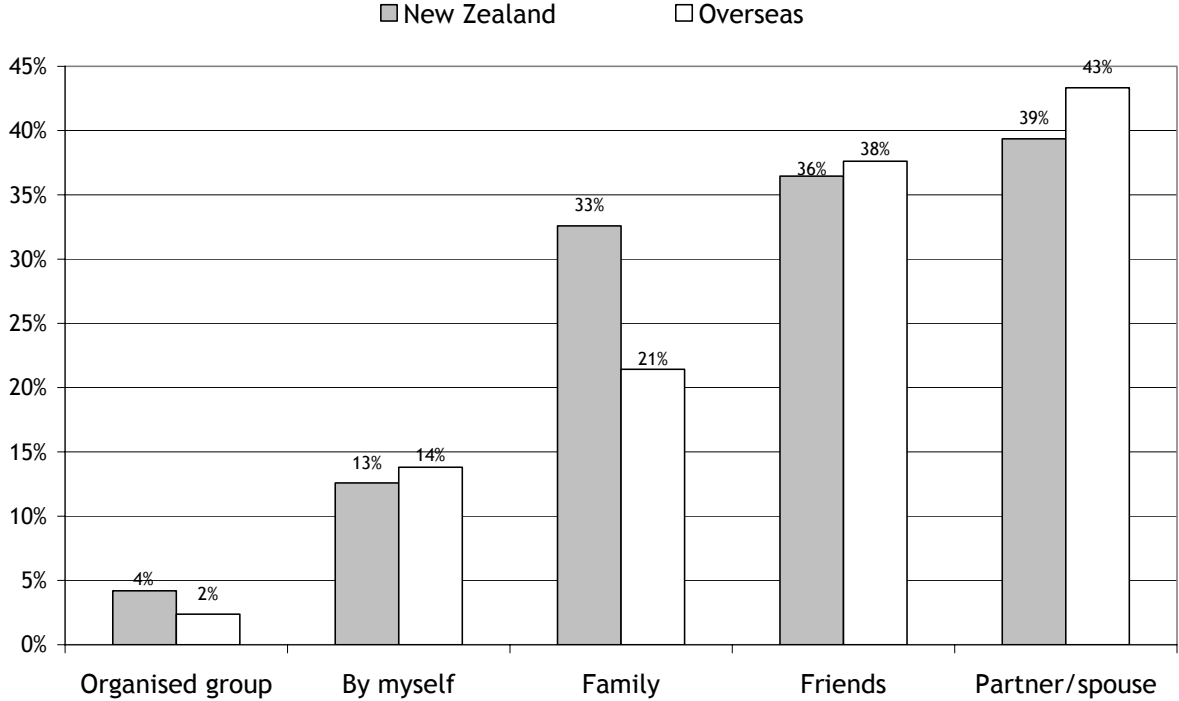
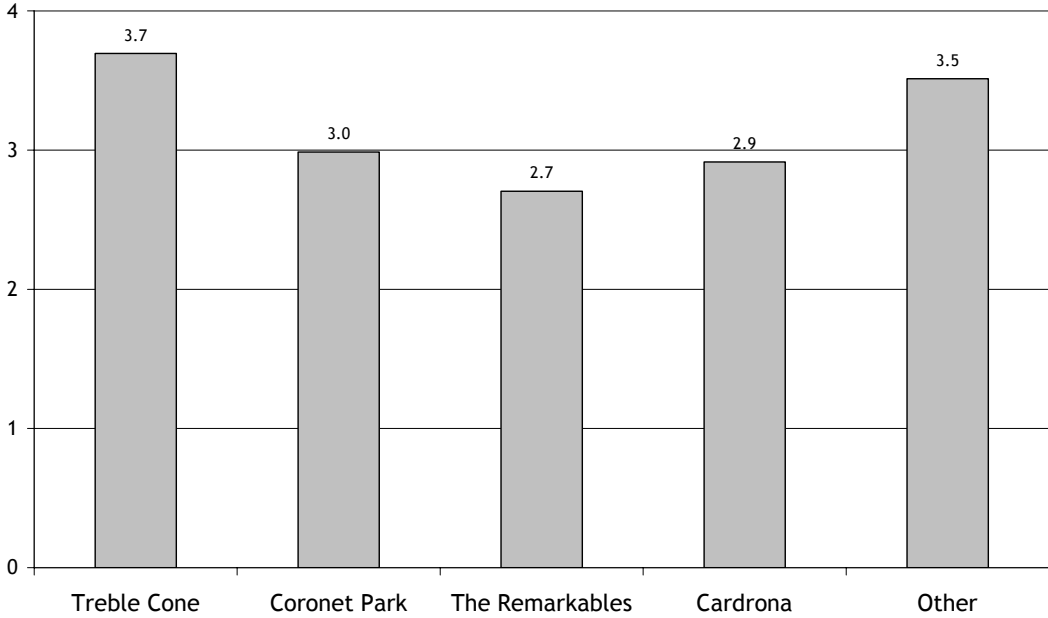


Figure 4h: Average number of days at each ski area- all visitors



Domestic visitors are likely to spend longer at Treble Cone and Coronet Peak, while those from overseas are more likely to spend time at other fields/activities ('Other' includes Snow Park and heli-skiing).

Figure 4i: Average number of days at ski area for domestic & overseas visitors

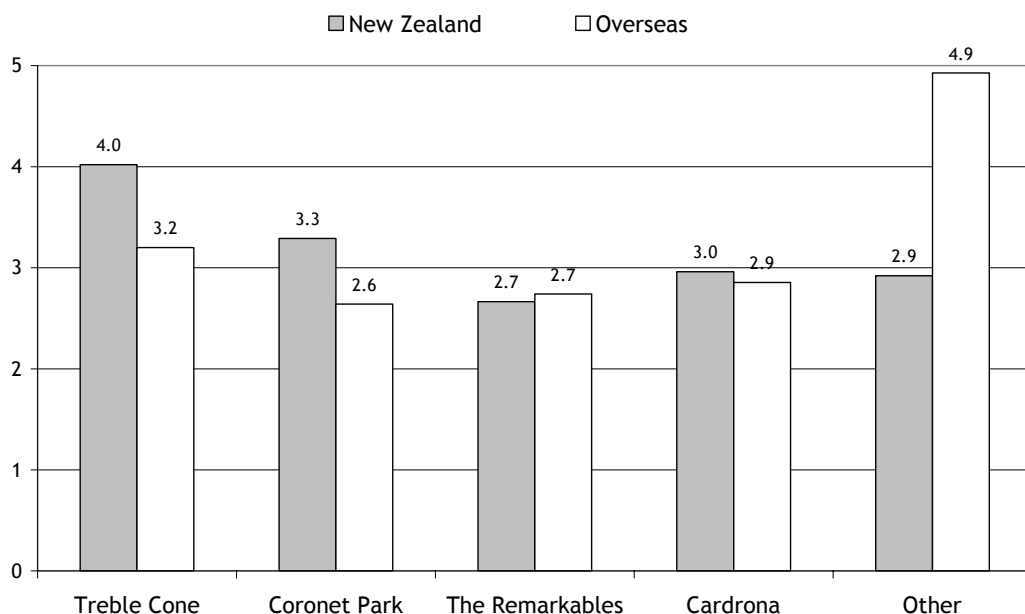


Table 4b: Number of people and length of visit to each ski area for all respondents

Days	Treble Cone	Coronet Peak	The Remarkables	Cardrona	Other
1	116	98	108	107	28
2	57	48	46	77	14
3	40	17	31	40	10
4	15	8	10	26	2
5	20	9	10	17	6
6	11	2	6	5	2
7	8	4	2	11	3
8	8	1	3	3	
9	8	1	4	2	
10	44	26	14	17	11

Figure 4j: Average length of stay in the region for all visitors

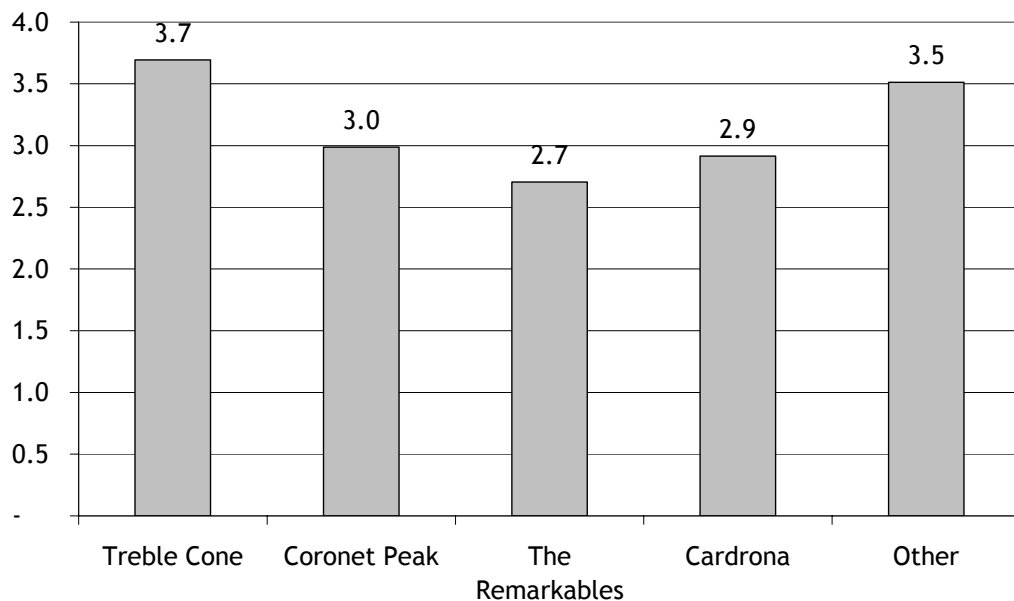


Figure 4k: Advance planning of a Queenstown/Wanaka snow holiday - all visitors

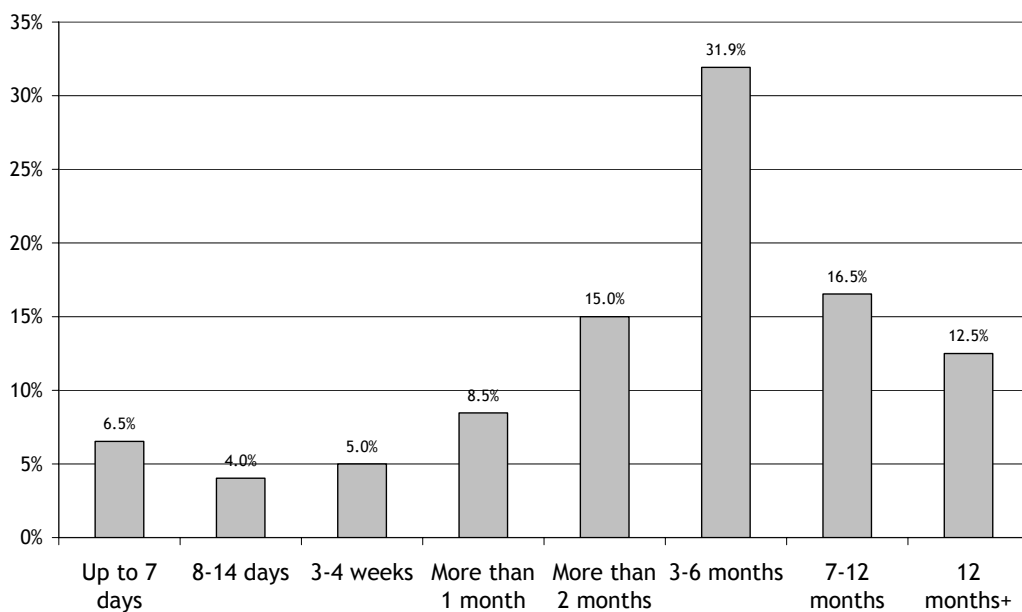


Figure 4l: Last region visited before arriving in the Southern Lakes Region - all visitors

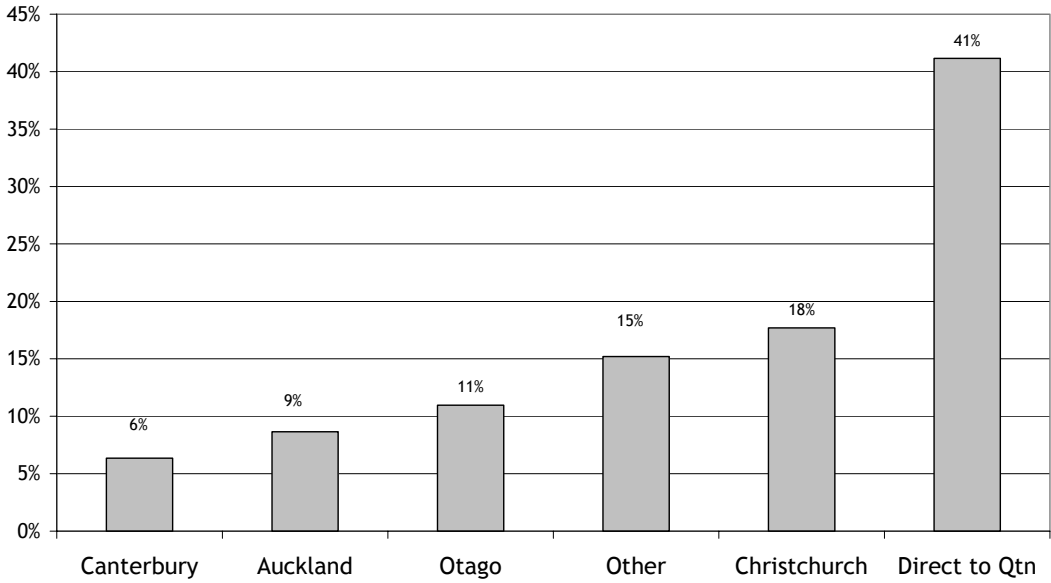


Figure 4m: Whether all visitors visit other regions in NZ while on their holiday

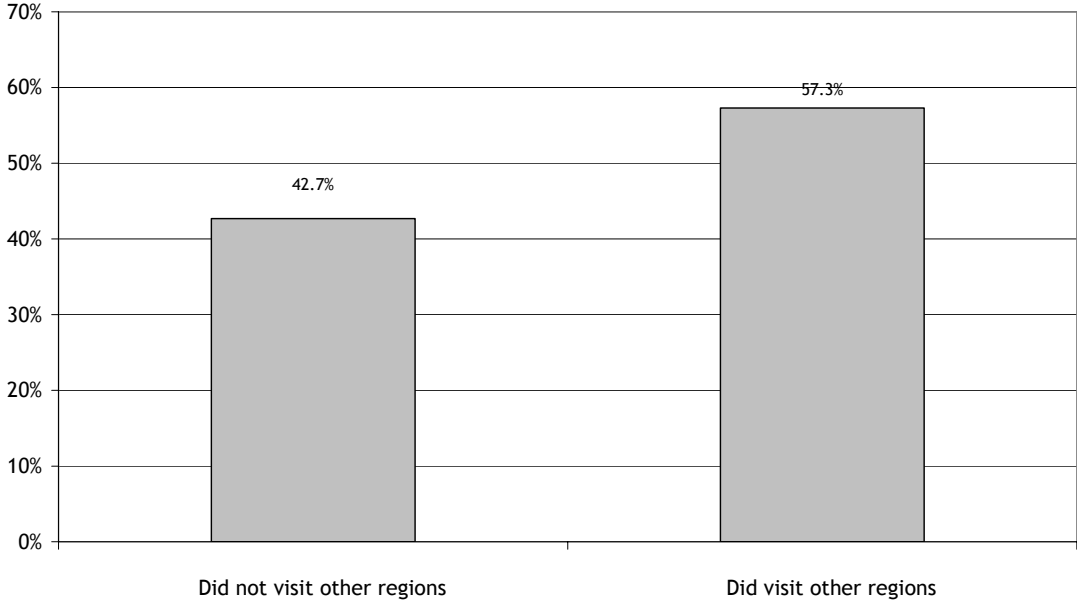


Figure 4n: Other regions in NZ visited by all respondents

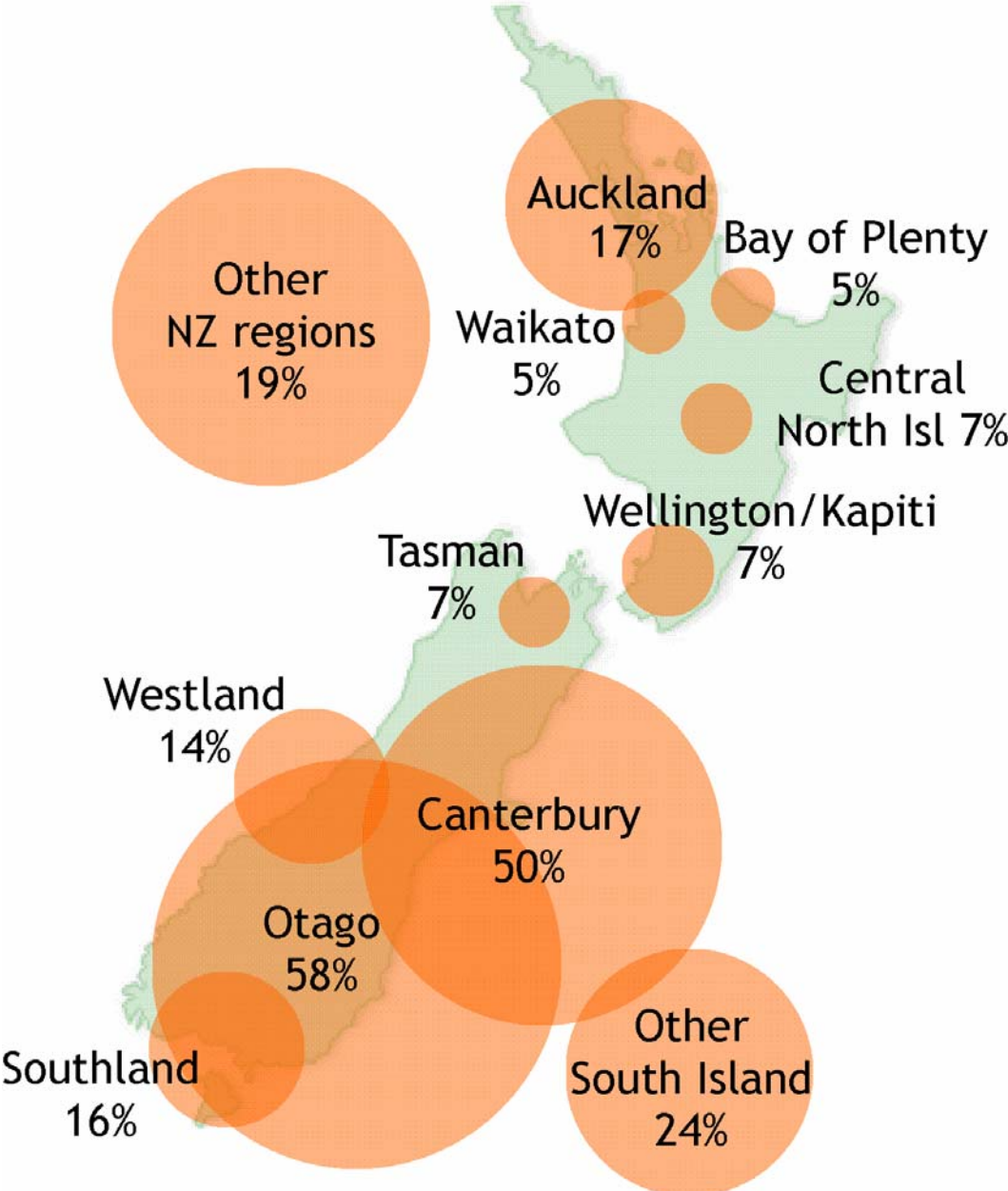


Table 4c: Length of holiday in New Zealand

Total days away from home	NZ	Overseas	Combined
1-3 days	7.0%	0.5%	4.3%
4-6 days	18.3%	4.4%	12.6%
7-9 days	30.7%	31.4%	31.0%
10-14 days	25.0%	31.9%	27.8%
15-19 days	4.0%	9.2%	6.1%
20-24 days	3.3%	2.9%	3.2%
25-29 days	2.7%	3.9%	3.2%
30+ days	9.0%	15.9%	11.8%
N=	300	207	507
Average days	11.4	14.5	12.6

Figure 4o: Last region visited before arriving in the Southern Lakes Region

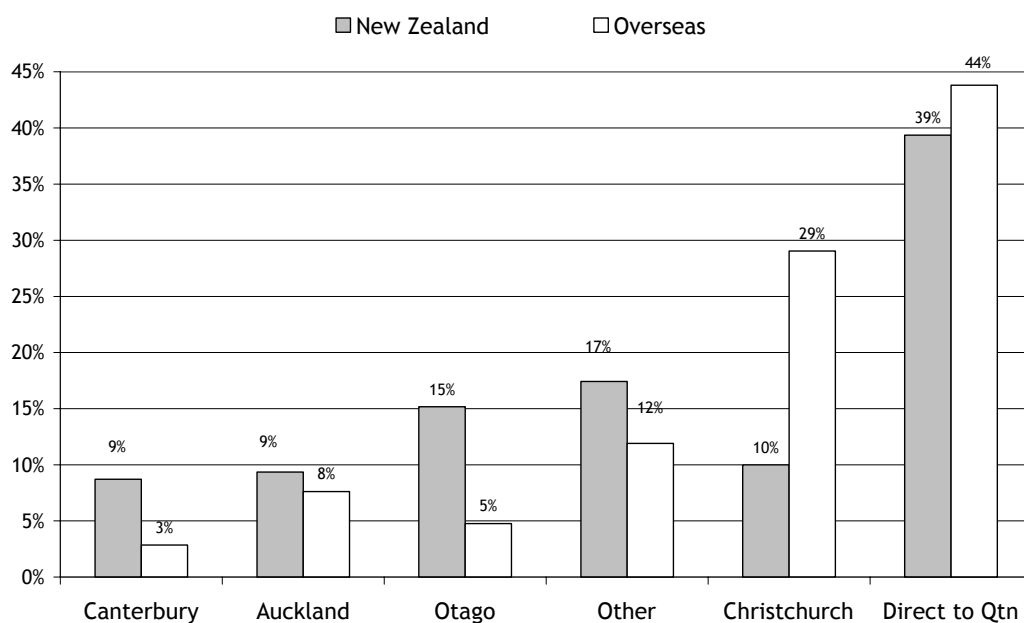


Figure 4p: Advance planning of a Queenstown/Wanaka snow holiday - all visitors

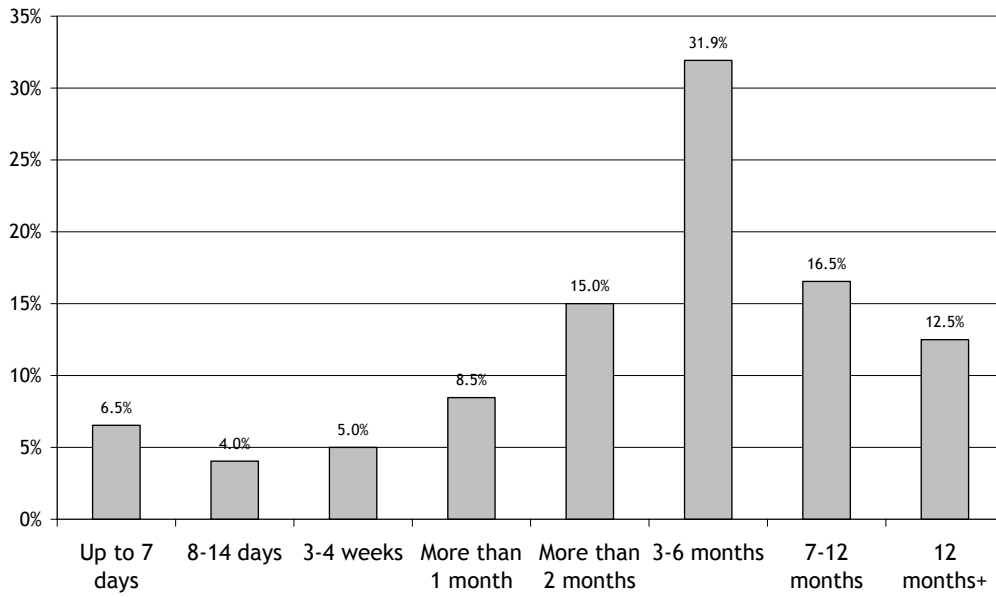


Figure 4q: Pre-booked holiday components - all visitors

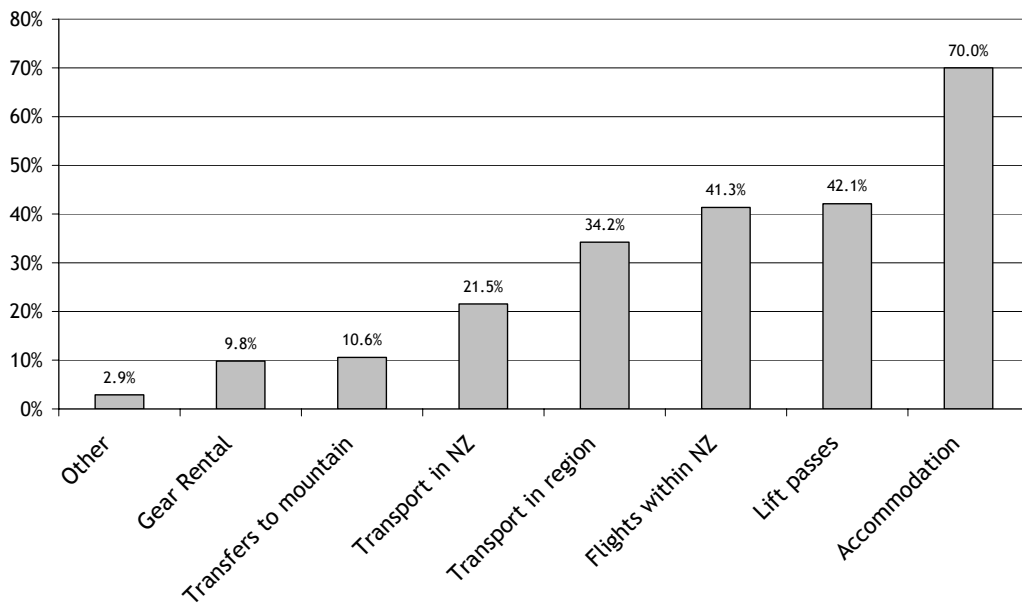


Figure 4r: Transport to the Southern Lakes Region by all visitors

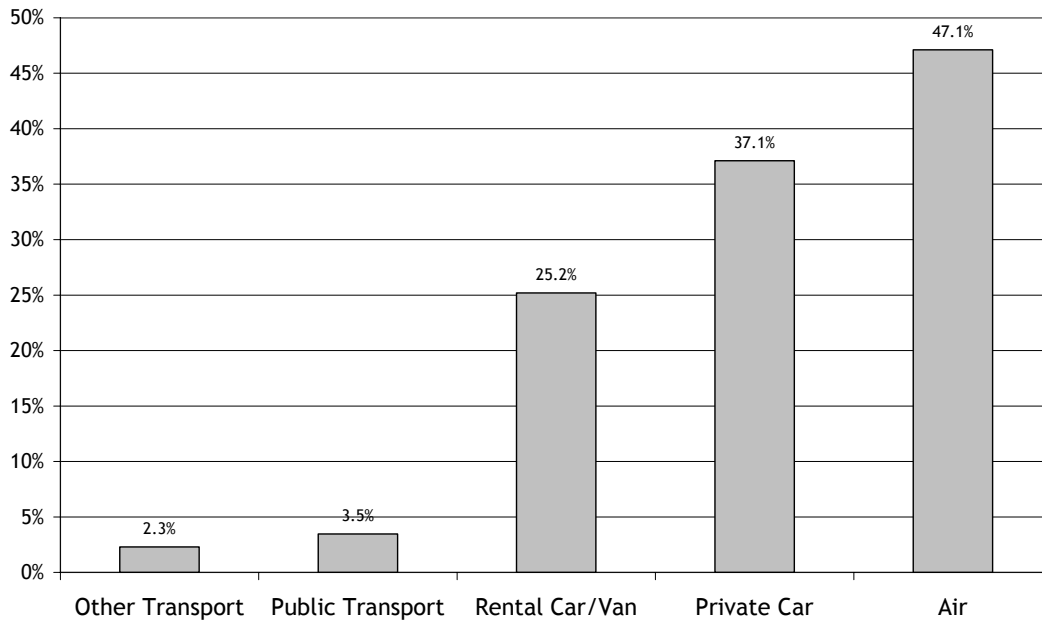


Figure 4s: Transport to the Southern Lakes Region by domestic & overseas visitors

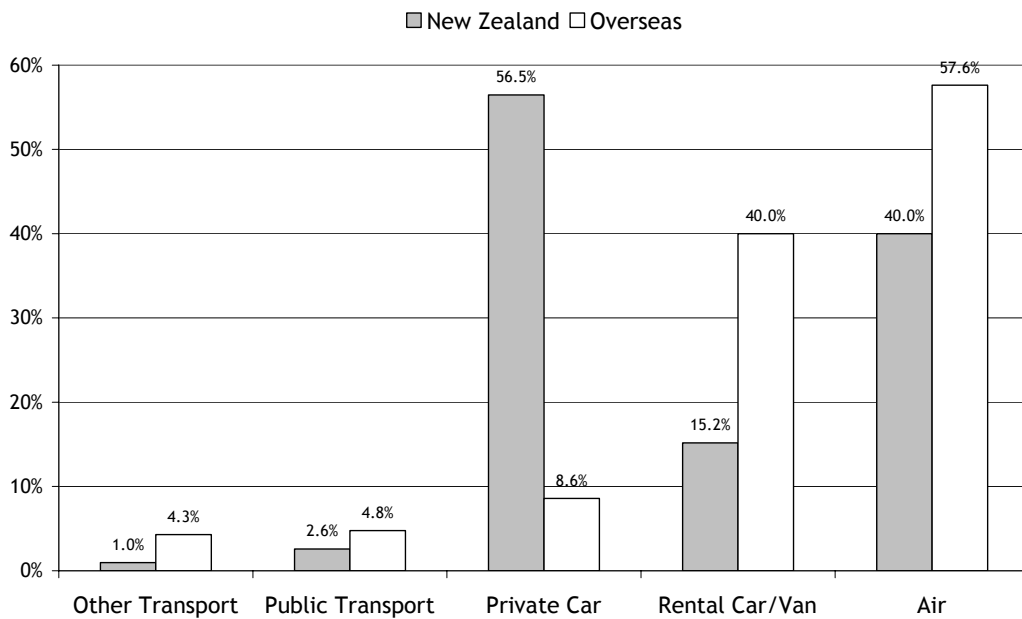
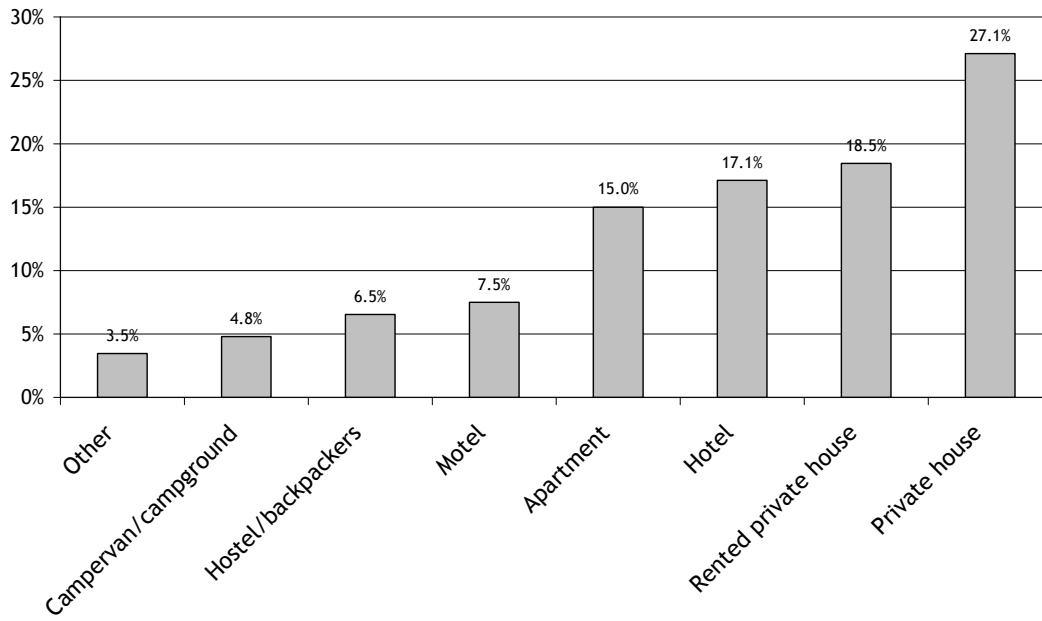


Figure 4t: Type of accommodation stayed in by all respondents



Appendix 5: Local Business Survey baseline data

This appendix presents data and information used to calculate linkages and local economic cost structures. Ski area data is not presented for confidentiality reasons.

Table 5a: The length of time of business operation

Length of time	N =	Percent
Less than 1 year	3	2.8
1 year	4	3.7
2 years	7	6.5
3 years	11	10.3
4 years	14	13.1
5 years	8	7.5
6 to 10 years	13	12.1
11 to 15 years	12	11.2
16 to 20 years	12	11.2
21 to 25 years	7	6.5
25+ years	16	15.0
Grand Total	107	100

Figure 5a: The role of respondents in businesses

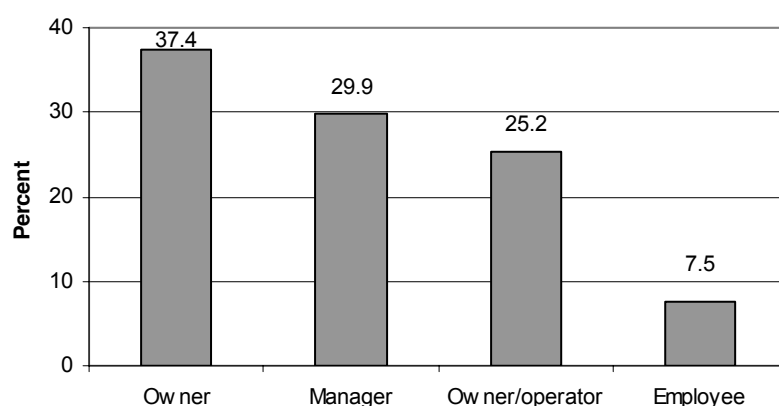


Figure 5b: The length of time of respondents have worked or owned business

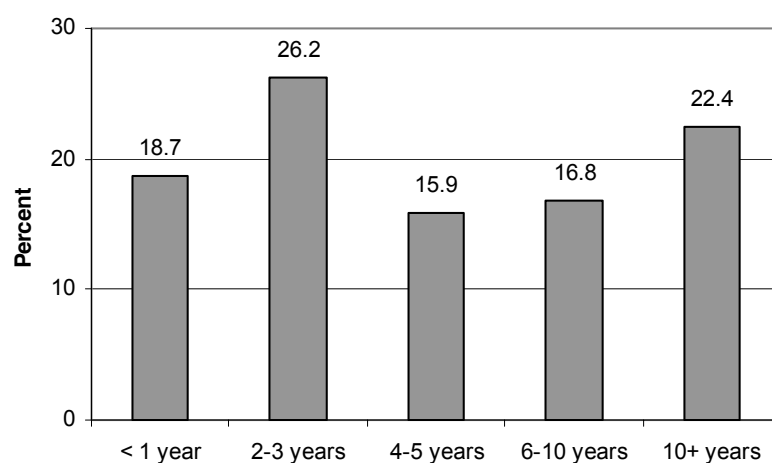


Table 5b: Average number of full-time workers employed by business over winter

Type of service	Average Number of worker	Average No. of workers (without outlier > 100 workers)
Accommodation	12.7	9.7
Activities	10.1	10.1
General	10.2	10.2
Multiple services	13.3	8.3
Average	11.6	9.7

Wanaka accommodation businesses outnumber those of the larger centre Queenstown, while general businesses are more represented from Queenstown.

Table 5c: Distribution of local business by locations

Location	Accommodation	Activities	General	Multiple	Grand Total
Arrow Town	-	-	1	1	2
Outside the above towns	2	2	-	1	5
Queenstown	15	6	25	10	56
Wanaka	18	4	13	9	44
Grand Total	35	12	39	21	107

Table 5d: Number of full-time workers employed over winter

No. of Full-time workers	N =	Percent
1 - 5 workers	60	56.1
6 -10 workers	18	16.8
11 - 20 workers	9	8.4
21 - 30 workers	14	13.1
30 - 40 workers	2	1.9
41 - 50 workers	1	0.9
61 -70 workers	1	0.9
100 - 109 workers	2	1.9
Grand Total	107	100

The breakdown of worker by sector shows that for each sector firms employing 1-5 fulltime workers dominate.

Table 5e: Number of full-time workers employed by sector over winter

No. of full time workers	Accommodation		Activities		General		Multiple service		Grand Total	
	#	%	#	%	#	%	#	%	#	%
1 - 5	21	19.6	6	5.6	19	17.8	14	13.1	60	56.1
6 -10	6	5.6	1	0.9	9	8.4	2	1.9	18	16.8
11 - 20	2	1.9	3	2.8	3	2.8	1	0.9	9	8.4
21 - 30	4	3.7	2	1.9	7	6.5	1	0.9	14	13.1
30 - 40	1	0.9	-	-	-	-	1	0.9	2	1.9
41 - 50	-	-	-	-	-	-	1	0.9	1	0.9
61 -70	-	-	-	-	1	0.9	-	-	1	0.9
100 - 109	1	0.9	-	-	-	-	1	0.9	2	1.9
Grand Total		32.7	12	11.2	39	36.4	21	19.6	107	100

Figure 5c: Full-time employees resident in the region year round

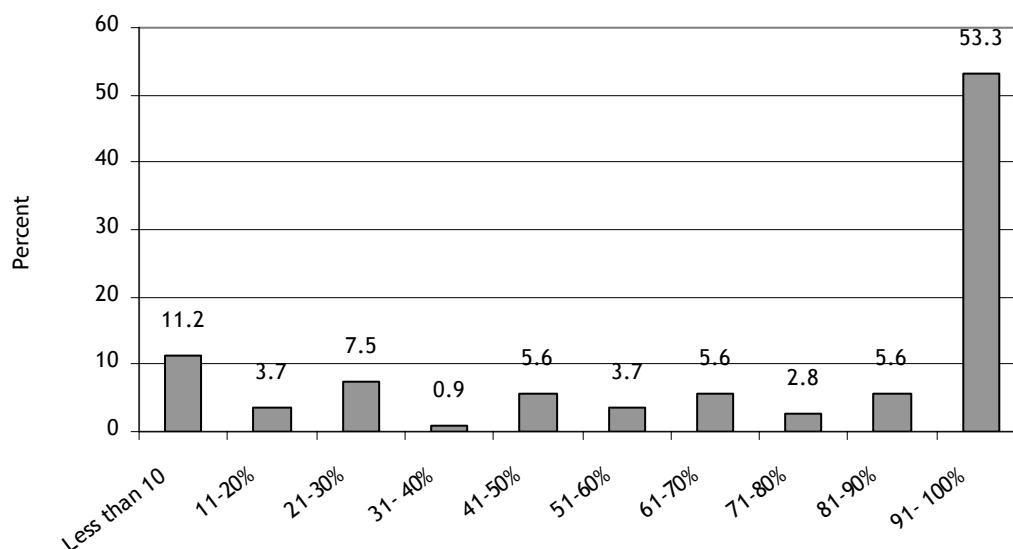


Table 5f: Full-time employees as year round residents by sector

Proportion	Accommodation		Activities		General		Multiple Service		Total	
	#	%	#	%	#	%	#	%	#	%
< 10%	8	22.9	0		2	5.1	2	9.5	12	11.2
11 to 20%	1	2.9			2	5.1	1	4.8	4	3.7
21 to 30%	3	8.6	1	8.3	3	7.7	1	4.8	8	7.5
31 to 40%	-	-	-	-	-	-	1	4.8	1	0.9
41 to 50%	4	11.4	-	-	2	5.1	-	-	6	5.6
51 to 60%	1	2.9	-	-	3	7.7	-	-	4	3.7
61 to 70%	1	2.9	1	8.3	4	10.3	-	-	6	5.6
71 to 80%	1	2.9	-	-	1	2.6	1	4.8	3	2.8
81 to 90%	2	5.7	1	8.3	3	7.7	-	-	6	5.6
91 to 100%	14	40.0	9	75.0	19	48.7	15	71.4	57	53.3
Grand Total	35	100	12	100	39	100	21	100	107	100

Table 5g: Average number of part-time workers employed by business over winter

Type of business	Average number of part-time employees	Average No. of part-time workers (without outlier >100 employees)
Accommodation	8.9	8.9
Activities	3.1	3.1
General	8.6	3.6
Multiple services	5.3	5.3
Average	7.4	5.6

Table 5h: Number of part-time workers employed by local business over winter

No. of part-time employee	N =	Percent
1 - 5 workers	79	73.8
6 - 10 workers	15	14.0
11 - 20 workers	5	4.7
21 - 30 workers	2	1.9
31 - 40 workers	3	2.8
41 - 50 workers	2	1.9
Over 150 workers	1	0.9
Grand Total	107	100

Table 5i: Number of part-time workers employed by sector over winter

No. of workers	Accommodation		Activities		General		Multiple services		Grand total	
	#	%	#	%	#	%	#	%	#	%
1 - 5	23	65.7	11	91.1	30	76.9	15	71.4	79	73.8
6 - 10	4	11.4	-	-	7	17.9	4	19.0	15	14.0
11 - 20	2	5.7	1	8.3	1	2.6	1	4.8	5	4.7
21 - 30	2	5.7	-	-	-	-	-	-	2	1.9
31 - 40	2	5.7	-	-	-	-	1	4.8	3	2.8
41 - 50	2	5.7	-	-	-	-	-	-	2	1.9
Over 150	-	-	-	-	1	2.6	-	-	1	0.9
Grand Total	35	100	12	100	39	100	21	100	107	100

Figure 5d: Part-time employees resident in the region year round

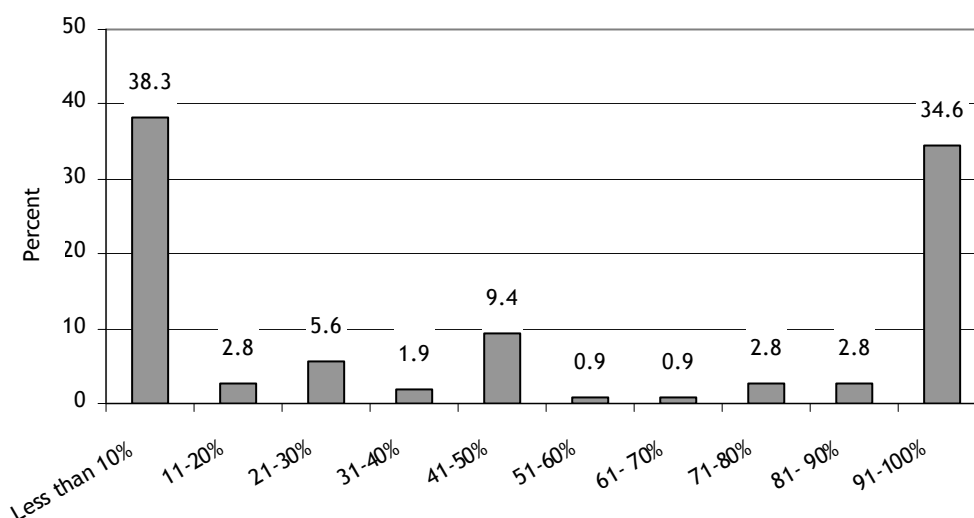


Table 5j: Proportion of part-time employees is year round residents in the region by sector

Proportion	Accommodation		Activities		General		Multiple Service		Grand total	
	#	%	#	%	#	%	#	%	#	%
< 10%	14	40.0	2	16.7	19	48.7	6	28.6	41	38.3
11 to 20%	2	5.7	-	-	1	2.6	-	-	3	2.8
21 to 30%	3	8.6	1	8.3	2	5.1	-	-	6	5.6
31 to 40%	2	5.7	-	-	-	-	-	-	2	1.9
41 to 50%	3	8.6	1	8.3	5	12.8	1	4.8	10	9.3
51 to 60%	1	2.9	-	-	-	-	-	-	1	0.9
61 to 70%	-	-	-	-	-	-	1	4.8	1	0.9
71 to 80%	1	2.9	-	-	1	2.6	1	4.8	3	2.8
81 to 90%	-	-	1	8.3	1	2.6	1	4.8	3	2.8
91 to 100%	9	25.7	7	58.3	10	25.6	11	52.4	37	34.6
Grand Total	35	100	12	100	39	100	21	100	107	100

Table 5k: Local business problems experienced getting enough staff this winter

Services	NO		YES	
	#	%	#	%
Accommodation	29	82.9	6	17.1
Activities	11	91.8	1	8.3
General	33	84.6	6	15.4
Multiple Service	17	80.9	4	19.1
Grand Total	90	84.1	17	15.9

Figure 5e: Local business turnover in last financial year

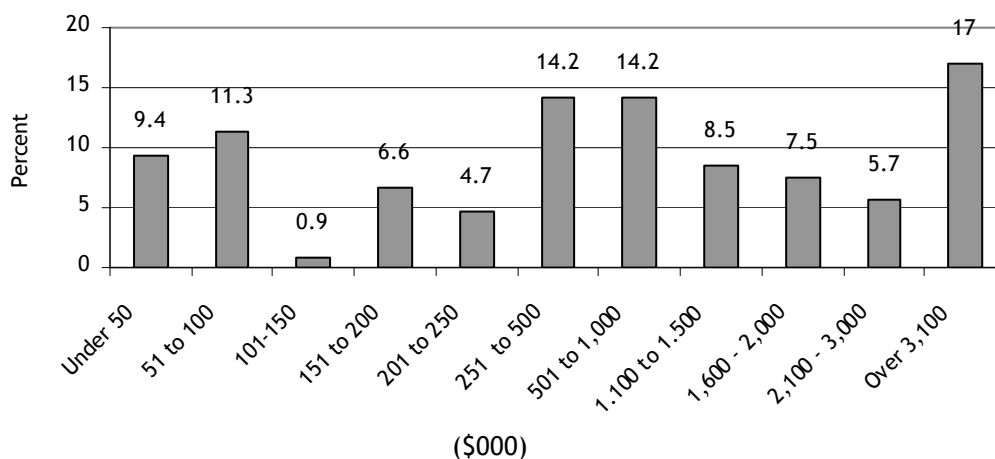


Table 5l: Turnover of local business in last financial year

Turnover (\$)	Accommodation		Activities		General		Multiple		Grand Total	
	#	%	#	%	#	%	#	%	#	%
Under 50,000	4	11.4	1	8.3	3	7.7	2	9.5	10	9.4
50,000 to 100,000	4	11.4	3	25.0	2	5.1	3	14.3	12	11.3
100,001 to 150,000	1	2.9	-	-	-	-	-	-	1	0.9
150,001 to 200,000	1	2.9	-	-	4	10.3	2	9.5	7	6.6
200,001 to 250,000	2	5.7	-	-	3	7.7	-	-	5	4.7
250,001 to 500,000	5	14.3	3	25.0	4	10.3	3	14.3	15	14.2
500,001 to 1 million	6	17.1	-	-	7	17.9	2	9.5	15	14.2
1.1m to 1.5 million	1	2.9	1	8.3	4	10.3	3	14.3	9	8.5
1.6 million to 2 million	4	11.4	-	-	2	5.1	2	9.5	8	7.5
2.1 million to 3 million	1	2.9	2	16.7	3	7.7	-	-	6	5.7
\$3.1 million+	5	14.3	2	16.7	7	17.9	4	19.0	18	17.0
Grand Total	34	100	12	100	39	100	21	100	106	100
Median Turnover (\$)	525,000		708,332.5		964,258.8		1,416,665			

Figure 5f: Turnover attributed to tourism in last financial year

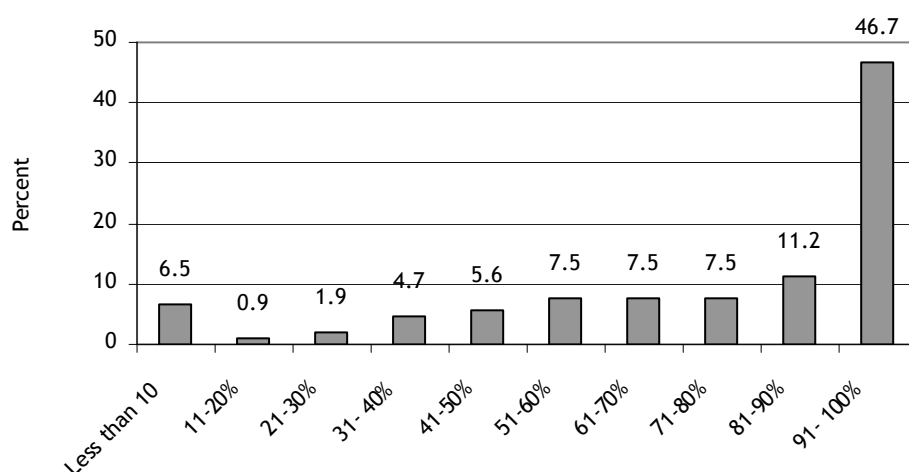


Table 5m: Turnover attributed to tourism by sector

% for turnover from tourism	Accommodation		Activities		General		Multiple	
	#	%	#	%	#	%	#	%
Less than 10%	-	-	-	-	6	15.4	1	4.8
11% to 20%	-	-	-	-	1	2.6	-	-
21% to 30%	-	-	-	-	1	2.6	1	4.8
31% to 40%	-	-	-	-	4	10.3	1	4.8
41% to 50%	1	2.9	-	-	5	12.8	-	-
51% to 60%	2	5.7	2	16.7	1	2.6	3	14.3
61% to 70%	3	8.6	-	-	4	10.3	1	4.8
71% to 80%	2	5.7	1	8.3	3	7.7	2	9.5
81% to 90%	6	17.1	-	-	6	15.4	-	-
91% to 100%	21	60.0	9	75.0	8	20.5	12	57.1
Grand Total	35	100	12	100	39	100	21	100
Median		95.07		100		75.6		98.1

Table 5n: Turnover attributed to ski area visitors by sector

% of turnover	Accommodation		Activities		General		Multiple	
	#	%	#	%	#	%	#	%
Less than 10%	5	14.3	5	41.7	7	17.9	4	19.0
11 - 20%	4	11.4	-	-	3	7.7	1	4.8
21 - 30%	8	22.9	2	16.7	5	12.8	6	28.6
31 - 40%	8	22.9	1	8.3	7	17.9	3	14.3
41 - 50%	3	8.6	-	-	7	17.9	2	9.5
51 - 60%	3	8.6	-	-	1	2.6	1	4.8
61 - 70%	-	-	1	8.3	2	5.1	1	4.8
71 - 80%	2	5.7	-	-	3	7.7	2	9.5
81 - 90%	-	-	-	-	2	5.1	-	-
81 - 91%	-	-	-	-	1	2.6	-	-
91 - 100%	2	5.7	3	25.0	1	2.6	1	4.8
Grand total	35	100	12	100.0	39	100.0	21	100.0
Median percentage		23.80		32.50		35.50		24.75

Figure 5g: Turnover comparison with 2004 winter season, all businesses

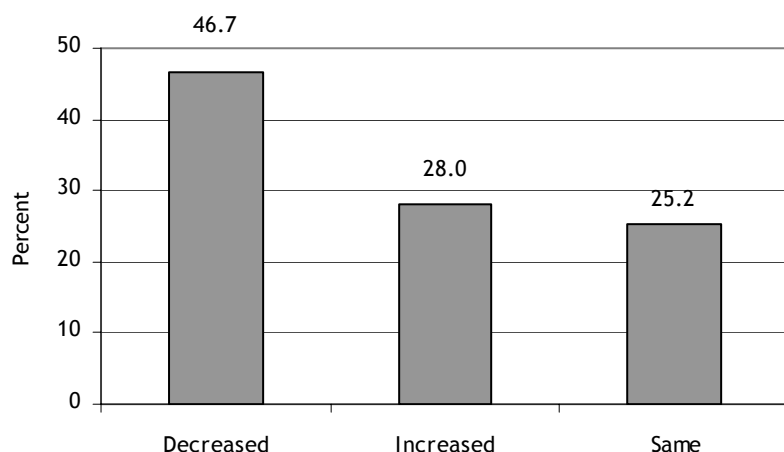


Figure 5h: Turnover comparison with 2004 winter season - Queenstown & Wanaka Businesses



Table 5o: Average proportion of annual expenses by cost items

Services	Average cost (%)			Total
	Labour	General operating cost	Other fixed cost	
Accommodation	27.2	30.6	42.3	100
Activities	47.8	27.7	24.5	100
General	35.8	39.7	24.4	100
Multiple	31.4	38.5	30.2	100
Mean	33.5	35.2	31.3	100

Table 5p: Proportion of annual expenses by cost items

Proportion	Annual expenses by cost items					
	Labour		General Operating Cost		Other Fixed Expense	
	#	%	#	%	#	%
Less than 10%	2	2.1	2	2.1	5	5.1
10 - 20%	23	24.0	23	24.0	29	29.3
21 - 30%	18	18.8	22	22.9	27	27.3
31 - 40%	25	26.0	22	22.9	16	16.2
41 - 50%	12	12.5	8	8.3	7	7.1
51 - 60%	10	10.4	9	9.4	11	11.1
61 - 70%	2	2.1	3	3.1	2	2.0
71 - 80%	2	2.1	4	4.2	-	0.0
81 - 90%	1	1.0	2	2.1	1	1.0
91 - 100	1	1.0	1	1.0	1	1.0
Total	96	100	96	100	99	100

Table 5q: Proportion of general operating expenses spent in the area

Proportion	N =	Percent
Less than 10%	9	8.4
11% to 20%	5	4.7
21% to 30%	3	2.8
31% to 40%	3	2.8
41% to 50%	1	0.9
51% to 60%	6	5.6
61% to 70%	14	13.1
71% to 80%	21	19.6
81% to 90%	22	20.6
91% to 100%	23	21.5
Grand Total	107	100
Median		74.2

Table 5r: Proportion of labour cost by sector

	Accommodation		Activities		General		Multiple		Grand total	
	#	%	#	%	#	%	#	%	#	%
< 10%	-	-			1	2.6	1	5.6	2	2.1
10 - 20%	8	27.6	1	9.1	8	21.1	6	33.3	23	24.0
21 - 30%	9	31.0	1	9.1	6	15.8	2	11.1	18	18.8
31 - 40%	5	17.2	4	36.4	12	31.6	4	22.2	25	26.0
41 - 50%	5	17.2	1	9.1	4	10.5	2	11.1	12	12.5
51 - 60%	2	6.9	2	18.2	4	10.5	2	11.1	10	10.4
61 - 70%	-	-	-	-	2	5.3	-	-	2	2.1
71 - 80%	-	-	1	9.1	-	-	1	5.6	2	2.1
81 - 90%	-	-	-	-	1	2.6	-	-	1	1.0
91 - 100	-	-	1	9.1	-	-	-	-	1	1.0
Total	29	100	11	100	38	100	18	100	96	100

Table 5s: Proportion of general operating expenses by sector

Operating cost	Accommodation		Activities		General		Multiple		Grand total	
	#	%	#	%	#	%	#	%	#	%
Less than 10%			1	10.0	-	-	1	5.6	2	2.1
10 - 20%	11	36.7	2	20.0	7	18.4	3	16.7	23	24.0
21 - 30%	8	26.7	2	20.0	7	18.4	5	27.8	22	22.9
31 - 40%	7	23.3	3	30.0	10	26.3	2	11.1	22	22.9
41 - 50%	-	-	1	10.0	5	13.2	2	11.1	8	8.3
51 - 60%	3	10.0	-	-	3	7.9	3	16.7	9	9.4
61 - 70%	-	-	-	-	3	7.9	-	-	3	3.1
71 - 80%	-	-	1	10.0	2	5.3	1	5.6	4	4.2
81 - 90%	-	-	-	-	1	2.6	1	5.6	2	2.1
91 - 100	1	3.3	-	-	-	-	-	-	1	1.0
Total	30	100.0	10	100	38		18	100	96	100

Table 5t: Proportion of other fixed costs by sector

	Accommodation		Activities		General		Multiple		Grand total	
	#	%	#	%	#	%	#	%	#	%
Less than 10%			2	18.2	2	5.1	1	5.9	5	5.1
10 - 20%	4	12.5	3	27.3	20	51.3	2	11.8	29	29.3
21 - 30%	7	21.9	3	27.3	10	25.6	7	41.2	27	27.3
31 - 40%	6	18.8	2	18.2	4	10.3	4	23.5	16	16.2
41 - 50%	5	15.6		0.0	1	2.6	1	5.9	7	7.1
51 - 60%	7	21.9	1	9.1	1	2.6	2	11.8	11	11.1
61 - 70%	2	6.3	-	-	-	-	-	-	2	2.0
71 - 80%	-	-	-	-	1	2.6	-	-	1	1.0
81 - 90%	1	3.1	-	-	-	-	-	-	1	1.0
91 - 100	-	-	-	-	-	-	-	-	-	-
Total	32	100.0	11	100.	39	100.	17	100.	99	100.0

Table 5u: Average proportion of annual expenses of business by cost items

Services	Average cost (%)			Total
	Labour	General operating cost	Other fixed cost	
Accommodation	27.2	30.6	42.3	100
Activities	47.8	27.7	24.5	100
General	35.8	39.7	24.4	100
Multiple	31.4	38.5	30.2	100
Mean	33.5	35.2	31.3	100

Table 5v: The proportion of annual expenses of business by cost items

Proportion	Annual expenses by cost items					
	Labour		General Operating Cost		Other Fixed Expense	
	#	%	#	%	#	%
Less than 10%	2	2.1	2	2.1	5	5.1
10 - 20%	23	24.0	23	24.0	29	29.3
21 - 30%	18	18.8	22	22.9	27	27.3
31 - 40%	25	26.0	22	22.9	16	16.2
41 - 50%	12	12.5	8	8.3	7	7.1
51 - 60%	10	10.4	9	9.4	11	11.1
61 - 70%	2	2.1	3	3.1	2	2.0
71 - 80%	2	2.1	4	4.2	-	0.0
81 - 90%	1	1.0	2	2.1	1	1.0
91 - 100	1	1.0	1	1.0	1	1.0
Total	96	100	96	100	99	100

Table 5w: The proportion of general operating expenses spent in the Region

Proportion	N =	Percent
Less than 10%	9	8.4
11% to 20%	5	4.7
21% to 30%	3	2.8
31% to 40%	3	2.8
41% to 50%	1	0.9
51% to 60%	6	5.6
61% to 70%	14	13.1
71% to 80%	21	19.6
81% to 90%	22	20.6
91% to 100%	23	21.5
Grand Total	107	100
Median		74.2

Table 5x: Proportion of general operating expenses spent in the Region by sector

	Accommodation		Activities		General		Multiple service	
	#	%	#	%	#	%	#	%
Less than 10%	-	-	-	-	8	20.5	1	4.8
11% to 20%	1	2.9	-	-	-	10.3	-	-
21% to 30%	-	-	-	-	1	2.6	2	9.5
31% to 40%	2	5.7	-	-	-	-	1	4.8
41% to 50%	-	-	-	-	-	-	1	4.8
51% to 60%	1	2.9	-	-	4	10.3	1	4.8
61% to 70%	5	14.3	4	33.3	3	7.7	2	9.5
71% to 80%	7	20.0	2	16.7	9	23.1	3	14.3
81% to 90%	10	28.6	4	33.3	5	12.8	3	14.3
91% to 100%	9	25.7	2	16.7	5	12.8	7	33.3
Grand Total	35	100	12	100	39	100	21	100
Median proportion		87.75		100		80.5		90.5