



**Submissions on Queenstown Lakes District Council  
Draft Economic Development Strategy 2014**

# **Arrowtown's tourism promotion -- and the QLDC's Economic Development Strategy Consultation Report.**

*(Submission by Arrowtown Promotion and Business Association ("APBA") September 2014)*

## **Background**

The QLDC's Economic Development Strategy Consultation Report suggests the Queenstown, Arrowtown, and Wanaka regional tourism promotional organisations (RTOs) might better be integrated into one central body. (Pge 69).

It notes that of the \$4.1 million per annum contributed by QLDC to visitor promotion, \$117,000 (which is 2.85%) is allocated to APBA, and \$738,000 (18%) to Wanaka. (pge 22).

The \$4.1 million is 95% raised via a commercial ratepayer contribution levied for promotional purposes.

## **Summary of APBA Position.**

APBA is opposed to being included in such an amalgamation because:

- It will not save money - unless Arrowtown's promotion is greatly reduced.

- It would wipe out APBA – whose success promoting Arrowtown is well established.

- It would harm Arrowtown business, and the town's community.

- It would also serve Queenstown and Wanaka poorly.

## **Present Promotion of Arrowtown.**

Led by APBA, Arrowtown's recent tourism growth is one of the region's promotional success stories.

Two years ago 19% of Lakes District visitors went to Arrowtown. Now the figure is more than 30%. (Source *VIP Research Reports* for Destination Queenstown). This is a large increase in a short period.

APBA has made better use of the \$117,000 invested in it, than a central office could achieve on a similar budget.

This happens because the efforts of APBA's board members and its membership add great extra value in both cash and kind.

The strength of the present funding structure is that it supports an organisation which:

*Gathers or marshalls considerable extra cash to be spent on Arrowtown's promotion.*

*Saves further money by using the skilled and experienced free labour of its membership.*

*Accesses outside board talent at no charge.*

*Marshalls cash and hands-on support for important event providers.*

APBA notes that the calculation method used to fund its \$117,000 results in an underpayment, because Millbrook ratepayers are excluded from it.

## **Examples of how APBA adds extra value to funds provided it.**

The following are among the many examples of how, operating as a board with direct connections into its business community, APBA adds significant value to its base budget.

***The Official Arrowtown Visitors Guide.*** Introduced with 50,000 copies in 2013-14, but will be 75,000 this year. Distributed by Jason's and by our own members in Arrowtown. Editorial content provided by a co-opted board member at no charge. The guide is enabled by the \$30,000 of paid advertising support gathered from members.

***Walking Tracks and Bicycle Trails.*** Because of APBA's official status, it has been able to work with organisations such as The Trails Trust, DoC and the Arrowtown Village Association in the development of public resources.

***Arrowtown Market Research.*** The 2013 Arrowtown Brand and Visitor Research Report has helped reshape Arrowtown's marketing. The research was directed by a co-opted board member who has a research background. Value, approx. \$7500. Actual cost: Approx \$1000.

***Arrowtown Brand.*** Arrowtown launched its new branding and slogan in 2014. APBA owns the brand which is an investment in the town's future. After a co-opted member with brand development experience was appointed to direct the project, we were able to complete the brand launch at a cost of less than \$15,000. Previous estimates had been more than \$60,000.

***Arrowtown Branded Merchandise.*** Retailer's sales of souvenir type clothing and goods in Arrowtown have been hampered by the lack of Arrowtown product to sell. APBA has licensed a supplier to create Arrowtown branded product to fill this gap for its retailers. (APBA will receive a license income).

***Arrowtown Calendar.*** An APBA promotional product sold via members, which has provided a further \$8000 cash towards APBA's work during the last two years. (One thousand calendars printed annually).

***Twice Yearly Industry Famils.*** These are arranged and managed by APBA and supported by our members. Fifty front-line staff were hosted at the last famil – with 17 members providing food and drinks, vouchers, and gifts.

*Examples of events which are assisted by APBA's support are:*

**Motatapu Marathon events.** APBA supports as a paying sponsor, but also coordinates membership contributions – 18 member retailers and food outlets provide \$7000 worth of prize vouchers for the 4000 participants plus supporters.

**Arrowtown Autumn Festival.** APBA has supported this major festival long term as both a sponsor and adviser.

**New Zealand Golf Open Welcome Party.** APBA sourced \$16,000 worth of sponsorship from members for the first Welcome Party this year. 2000 people attended on a wet night –expect more of both for the next.

**Trolley Derby.** APBA assists via promotion.

**Jazz Festival.** APBA is a sponsor.

**The Arrowtown Long Lunch.** Supported in its development by APBA. Thirteen of our members from the hospitality sector participated in 2013.

## **The “Central Office” alternative to APBA.**

We don’t know how APBA’s \$117,000 might be re-allocated in a Central Office, but assume Arrowtown work would require full or part time dedication by at least one staffer.

However:

It is unlikely this person would start with specific Arrowtown knowledge, and each new appointment would require retraining.

The presence of the APBA board means substantial Arrowtown knowledge is available to support its present staffer. It is unlikely a central office could match the quality of this support.

The employee will not have the status or connections to be as effective in gathering financial and other support from Arrowtown businesses for the many promotional projects in which their participation is desirable.

The person will not have the authority to represent the town’s businesses as a group, and won’t have “skin in the game.”

In short – the “Central Office” alternative mooted would not only reduce the true size of the financial pie, but would also reduce the effectiveness with which the money is spent.

Suggested amalgamation benefits via “reduction of overheads” and “duplication” seem illusory because:-

APBA has no office, no vehicles, no management tiers, and incurs no “up the line” management costs to Destination Queenstown or QLDC.

It spends very little on “duplicated” promotion of the Queenstown region.

It owns a lap top computer, and spends approximately \$30,000 of its income on a paid part-timer who uses her own home office.

## **APBA's Structure**

APBA's Structure is:

*The Board*, which meets monthly

*The Strategy Committee*, which meets monthly for closer detail work.

*The Co-opted Board Members*. 3 people. APBA has changed its constitution to bring in outside talent with specific skills. Currently these are Deputy Chairman *Kim Carpenter*, who has a resort and golf marketing background via senior positions in mainland USA, Hawaii, and NZ; *John Lapsley* a former Australian Direct Marketer of the Year; *Brian Spicer* who manages Millbrook.

*APBA Co-ordinator* – Sue Patterson. Part time. Four years' experience in the position.

## **APBA's relationship to its Commercial Ratepayers, to QLDC, and to Destination Queenstown.**

APBA's constitution does not include any governance or reporting relationship with Destination Queenstown or QLDC.

QLDC's Arrowtown ward councillor sits on the board as an ex-officio non-voting member as per the APBA constitution. APBA also provides QLDC with its annual plan.

It has been suggested during preliminary discussions that QLDC is funding APBA via a "tax" it collects on commercial ratepayers - and may therefore have greater responsibilities in shaping or agreeing how such funding is used.

The background to the present situation is:

APBA was incorporated in 1999 to represent those from Arrowtown who contribute to the commercial rate established by QLDC's Special Order of May 1992. (The \$117,000 APBA receives- 95% it from its commercial ratepayers).

APBA's board has direct constitutional responsibility to the commercial Arrowtown ratepayers who both fund it – with the money channelled via QLDC - and who elect it.

APBA believes that in the context of any "tax and representation" discussion, the present direct representation is appropriate. It also offers a less filtered representation than a central body.

In the 1990s APBA was funded by local donations, which was hugely limiting. With Council support APBA members David Clark and Ray Ferner door knocked to raise the 75% in favour vote needed from Arrowtown commercial ratepayers (as per council requirement), for APBA to be funded as Destination Queenstown is, and as per the present model.

The process of establishing APBA was rigorous, democratic, and time consuming. The 15 year existence of the funding model, indicates historic acceptance by QLDC of APBA's role.

In terms of the ***District*** promotional structure, Destination Queenstown, the senior partner, rightfully carries the main responsibility for the region's promotion, and Queenstown is its main beneficiary.

But Arrowtown and Wanaka are also towns with important, specialised tourist economies.

Co-operation between the three towns is generally good. However the towns and their businesses are also competitors – this offers extra strength by diversity, which assists the region's development of its tourism product.

There is occasional “creative tension.” But much of the negative is dispersed simply because the wisdom of the present structure also *allows* each to get on with its own work for its own members.

None of the three groups involved in the proposed amalgamation wants it. If the three are forcibly lumped together we'd create a central organisation which, while it had many mutual objectives, was badly distracted by the competitive ones that divided it.

## **Conclusion.**

Arrowtown is a growing, important and different part of the Lakes District's tourism offering.

Its mix of history and nature is attractive to the more discerning, higher value tourist the Lakes District wishes to attract. (Key indicators - the Arrowtown visitor is twice as likely to be 55+ as the Queenstown visitor. 79% come in private or rental vehicle ---- 2013 Arrowtown Visitor Research).

Arrowtown's visitor numbers are growing at a greater rate than the region's. A significant part of this growth is attributable to APBA's work, which is motivated by healthy local self-interest.

APBA appreciates its success also depends on Queenstown's success. It co-operates with, and supports, Destination Queenstown.

But Arrowtown will contribute more to the region's tourism industry if APBA is allowed to get on with doing what it is already doing well. Having to reconstitute APBA at some later date after what might be a failed centralization experiment, would be difficult.

Any extensive review of APBA's existence seems unnecessary, because it is clearly representative of the commercial ratepayers who fund it, and clearly does its job both successfully and cost effectively.

*“If it ain't broke, why fix it?”*

## **APBA Contacts.**

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Submission to QLDC. 16.10.2014

QLDC

16 OCT 2014

Economic Development Strategy.

The Economic Development Strategy Consultation Document is of some real importance to Queenstown. It asks questions that many of us would prefer not to think about as we just want to get on with our business. However, the report does not really give the answers to those questions that many of us should be thinking about. e.g. "So what happens now?" Although the author might quite fairly state the exemplars given are the answers that Queenstown will have to make up its own mind about.

For a motelier in this busy little town I tend to want all matters tied to the needs and the development of Tourism because my business will grow as Tourism grows.

The following comments are intended as thoughts related to the usefulness of the report. Each comment is focussed on some of the proposals.

Proposal 1. The senior economic development capability probably exists already (information is known to QLDC, Chamber of Commerce, DQ etc). We need to use all of this information available. It is a matter of coordination.

Proposal 2. Reviewing what is already known seems unnecessary. Each separate entity is marketing successfully and should be encouraged to achieve more.

Proposal 3. New economies will grow from the success and hard work of each activity. The Council cannot do everything but the Council can support each industry by consultation and encouragement (financial or otherwise).

Proposal 5. The suggested group responsible will agree each is doing their job well. They will also agree each has different targets and different aims so each entity should remain separate. When there is a decrease in achievement for one of these entities that is the time to review that entity.

Proposal 6. The Convention Centre must go to Lakeview.

Proposal 7. Perhaps the Chamber of Commerce is playing this role or could play this role.

Proposal 8. Major opportunities will be formulated by the "Shaping our Future" inventive thinking. Why reinvent the wheel?

Proposal 9. Probably a task for the finance committee with the named entities as the information must be available. It will be the criteria established for the baseline achievement that allows some determination of success.

Proposal 10. Events must be linked to the times when visitors will travel to Queenstown.

Proposal 11. It is imagined the building/development section of Council is working with these bodies now.

General.

It just seems that the report is emphasising what should be happening or has already been planned to happen. We (Queenstown) need to get on with the task(s).

Reviewing to find out what is happening is a waste of time and money. The knowledge is with the various sectors of our town so it must be used development. This is how QLDC can encourage each sector.



Michael McMillan.

Manager,

Blue Peaks Lodge and Apartments





**COMMENT/SUBMISSION ON DRAFT ECONOMIC STRATEGY  
REPORT TO THE QLDC**

15 October 20014

Bruce McGechan  
Managing Director



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**EXECUTIVE SUMMARY**

1. MartinJenkins has recommended that the council implement two objectives,
  - *Encourage higher value visitor activity. This priority is about growing the proportion of higher value visitors, encouraging visitors to spend more in the District, and further reducing seasonality in visitor expenditure.*
  - *Facilitate the growth of knowledge-based industries. Facilitating growth in knowledge-based industries in which Queenstown Lakes has some genuine advantages on which to build, particularly education, health, screen and some professional service industries*
2. This submission supports the good work MartinJenkins has done in recommending *the growth of knowledge-based industries* - more work here will be well worthwhile.
3. However, this submission says the consultant's analysis and recommendations on *encouraging higher value visitor activity* seem lightweight. This should have been either left as a general and very obvious objective without the need for further explanation, or the commentary should have been much more insightful and in-depth.
4. In the case of Queenstown and higher value visitor recommendation, this submission states that:
  - Higher value visitors is an obvious objective however the strategy is complex and multi-faceted.
  - That using country of origin as an indicator of high value is superficial analysis.
  - That targeting an accommodation type is a poor proxy for high value visitor, with length of stay not being much better.
  - That targeting high value visitors is a tactical marketing task that cannot be judged by an economic consultant.

- The MartinJenkins recommended actions that flow from this higher value visitor objective seem arbitrary. They should have been excluded or been much more comprehensive.
5. MartinJenkins has recommended that the council *evaluates the return on investment from marketing activities through a more rigorous performance measurement and evaluation framework*.
  6. In the case of DQ, this submission states that:
    - A marketing performance measurement and evaluation framework is in place at DQ.
    - That this cannot be done by economists as seen by the NZIER / TNZ report cited below.
    - That this can be done through a combination of independent government supplied visitor statistics, campaign analysis and business consumer research, and that DQ already uses such consumer research, website traffic and government visitor statistics to measure marketing performance in key target markets.
    - Any new “rigorous performance measurement and evaluation framework” is duplicate and wasteful council expenditure.
    - Regardless, as the report points out (p.19), *the Queenstown RTO area experienced the fastest growth in visitor expenditure over the period out of all RTOs at 7.6 percent per annum*. The facts show superb performance.
  7. This submission agrees with the Key Priority: Facilitate The Growth Of Knowledge-Based Industries.
  8. This submission believes that the report ignores the funding eco-system of that these Knowledge-Based Industries require to thrive.
  9. This submission agrees with the establishment of an EDU.

## **RECOMMENDATIONS**

10. “Encourage higher value visitor activity” remains as an obvious key priority but should defer to DQ’s business plan (and perhaps Lake Wanaka Tourism, of which I have little knowledge).
11. All actions under “Encourage higher value visitor activity” should be either deleted or moved to one of the “Supporting Priorities”:
  - The convention centre action be moved to one of the “Supporting Priorities”.
  - The marketing performance evaluation action is based on lack of knowledge about the DQ marketing performance framework – it should be deleted.

- The shoulder season events funding action is given too much prominence - it should just be deleted (but remain included in any DQ or QLDC event plan).
  - The business improvement district action should be moved to one of the supporting properties.
12. That a comprehensive presentation on what it really takes to encourage high value visitor activity is made by DQ to the council and its officers.
  13. That the council ignores Action 9 (evaluate marketing performance) on page 50 of the report.
  14. That the council ignores Action 5 (RTO integration) on page 50 of the report.
  15. That the council help establish an Incubator or an Accelerator that's linked to Angel investor and venture capital networks for later stage financing.
  16. That the council encourage an Incubator or Accelerator be established and directly support this with cheap office space and a co-ordinator. That the governance would be by successful entrepreneurial residents and one or two council representatives.
  17. That the council creates an EDU, but one that has industry governance which includes council representation, but is not based within council.

#### **KEY PRIORITY: HIGHER VALUE VISITOR ACTIVITY**

18. The aim of higher value visitation, rather than simple visitor growth, is to encourage growth and industry profitability without stressing infrastructure and the environment. It is a key objective of Tourism NZ (3 Year Marketing Strategy), TIA Tourism2025, and the major RTOs including DQ.
19. However it is not clear what a high value visitor looks like, here are some of the challenges defining this elusive visitor type.

##### Country of Origin

- Visitor Insight Programme research, quoted by MartinJenkins, suggests the Australian visitor spends the most, however other IVS data suggests that Australians spends the least of our major markets (IVS). The VIP data does not split out the International data into separate countries meaning the VIP can be troublesome when comparing Australians to International markets, in particular the long staying UK, German and US markets.
- External events can lead to rapid swings in visitor market value e.g. UK air passenger duty in 2009/10, GFC in the Japanese markets.

- NZ Forex changes for one country can lead to overnight changes in that country's visitor expenditure in NZ.
- Lower value emerging markets may be low spenders but help spread our market exposure thereby provide better resilience when high value markets are in turmoil.
- Seasonality vs. High Value during Peak. India could be said to be a high value market because they often travel in the off peak, despite their lower spend. This off peak travel assists businesses to achieve break-even volumes.
- Long haul vs. Australia. A visitor from the US may spend more in the one lifetime trip vs. an Australian visitor trip, but a visitor from Australia comes many times and spends more in total.

#### Accommodation type

- There is a hypothesis that marketing should focus on the premium sector and related accommodation e.g. five star hotels and luxury resorts. However guests may spend little on activities and more on retail, whereas a backpacker may spend much more on adventure activities.

#### Length of stay

- Length of stay is used as a proxy for value. However a one night stay by a billionaire American may lead to helicopter rides, high end retail purchase and a high end restaurant dinner; and a 7-night stay by a young German could lead to six adventure products being purchased, and 7 nights of partying at local bars and restaurants. What's more, the backpackers spend will likely stay in the local economy whereas the high-end retail spend will "leak" overseas to high-end retail multi-nationals.

#### Shoulder season

- Regardless of their absolute spend, every visitor in the shoulder season helps Queenstown businesses to break even, assists with year round employment, and avoids peak infrastructure use.

20. Professional marketers in the tourism industry have learned that higher value visitors come from understanding what drives consumer travel decisions and communicating these benefits. This involves understanding the specific motivations of travel consumers who will pay a little more to travel to a destination that delivers something they truly value e.g. adventure, golf, ski, bike or wine. This marketing definition and analysis of a high value consumer seems to have been missed by MartinJenkins.

### **ACTION: PERFORMANCE ANALYSIS OF MARKETING ACTIVITY**

21. MartinJenkins asserts, *Identifying the direct impact of marketing activities on visitor outcomes is challenging, but there are ways of getting a better sense of attribution than through activity and output measures and a more rigorous performance measurement and evaluation framework may be desirable given the level of investment.* (p.22)

22. MartinJenkins is certainly correct when they say, *Identifying the direct impact of marketing activities on visitor outcomes is challenging*.
23. Tourism NZ (TNZ) recognised this and asked an economics agency, NZIER, to report on what was driving the sudden increase in Western markets visitor growth to NZ in 2013 (“2013 Western market visitor growth”, March 2014). Predictably, the economists at NZIER said that visitor growth to NZ was somewhat explained by home market economic growth - however this didn’t explain much of the increase. So they applied regression analysis to calculate how much the exchange rate, air capacity and one off factors impacted visitor growth. This still didn’t explain much of the increase, indeed in the case of the forex rate it forecast a decrease in visitation. So they looked at marketing.
24. Specifically NZIER looked at the Tourism NZ Middle-Earth advertising campaigns (not the movie itself). It used the campaign research to measure campaign awareness and preference for NZ holidays versus other countries. The research showed that these preference scores increased by 12-18% across Australia, US, Germany, UK and Japan (but, interestingly, not China). For example, US visitors have grown by 13.4% of which: 4.5% can be accounted for by US economic growth, 2.1% other economic factors and 6.8% “NZ specific effects”.
25. NZIER go on to say *the range of information we have squares more clearly with the efficacy of marketing bringing many more advanced economy visitors to NZ in 2013*. However they’re still uneasy and say that they only make such a statement when backed up with campaign research, International Visitor Surveys, Matamata Regional Tourism Indicators (i.e. Hobbiton region expenditure growth), and timing of visitors (i.e. those arriving during and after the campaign).
26. Economists can tell us how much growth economic factors account for, then they refer to marketing research.
27. One Colorado tourism paper (Siegel 2009) likewise used market research, rather than economics to understand marketing performance. It used consumer market research to explain why Colorado tourism fell after the Colorado Tourism Office was closed for 7 years and then increased when a new office was opened and advertising increased.
28. MartinJenkins cites the NZ government report, “Evaluation of International Tourism Marketing Joint Venture Partnerships 2009/10” (Dec-10, MED, NZ) when it asserts, *there are ways of getting a better sense of attribution than through activity and output measures*. This MED report uses *a combination of visitor data, website traffic, and market research on destination awareness and consideration was used to measure the impact of JV campaigns* to evaluate RTO and TNZ Australian joint venture campaigns.

29. Which is what DQ also does. It uses a similar type of research noted in the report above as well as carefully monitoring Queenstown visitor statistics, website statistics and advertising performance indicators.

**KEY PRIORITY: FACILITATE THE GROWTH OF KNOWLEDGE-BASED INDUSTRIES.**

30. MartinJenkins states, *There are a range of niche sectors in the education, health, screen production, professional, technical and ICT services which have a solid track record, are built on unique elements of the District's economy, and have the potential to grow further. However, many of the niches are currently small scale and it will take a significant change in the level of activity for knowledge-based enterprises and industries to account for a reasonable proportion of economic activity.* (p.29)
31. It then outlines some actions but ignores the funding eco-system of that these sectors require to thrive. The establishment of an Incubator or an accelerator that's linked to Angel investor and venture capital networks for later stage financing would have been a good action to include in the report. The council probably would not one to be involved in the funding itself – given the high-risk investment nature of these ventures – but cheap office space would be ideal. For example the Kiwi Landing Pad in San Francisco, *offers New Zealand technology companies residence at their office in San Francisco. Tenants gain access to a wealth of experience and are able to create invaluable networks in the US technology, business and investment community.* (About Kiwi Landing Pad)
32. Although the council may fund the office space, the board would be made up of successful entrepreneurial residents and one or two council representatives.
33. Major projects that require extensive council involvement, on the other hand, may best fit an Economic Development Unit. This submission supports the creation of an EDU, but one that has industry governance which includes council, but is not based within council.

**SUPPORTING PRIORITIES**

34. I support the intent of the two supporting priorities in particular investigating funding options for infrastructure and housing costs.

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About Kiwi Landing Pad <http://kiwilandingpad.com/about/>

# FEEDBACK ON QUEENSTOWN LAKES DISTRICT COUNCIL ECONOMIC DEVELOPMENT STRATEGY REPORT

TO: Queenstown Lakes District Council, Private Bag 50072, Queenstown 9348

FROM: Destination Queenstown Inc. PO BOX 353, Queenstown 9300

## Introduction

Destination Queenstown wishes to offer feedback regarding QLDC's draft Economic Development Strategy. As the report highlights there are many issues facing the district. An overall district wide strategy is an important initiative and DQ supports the intent of an economic development strategy for the region. We believe this shouldn't be at the expense of destination tourism marketing activity and that destination marketing should be managed separately to the new economic development initiatives that are intended to broaden our district's economy.

## Tourism - Our key economic driver

Tourism forms the backbone of our region's economy and we must ensure we remain a leading destination in an increasingly competitive global tourism market. Tourism marketing comprises many layers with multiple agencies co-operating to grow visitor spend and numbers.

- Tourism New Zealand works to drive demand for New Zealand in international markets. Destination Queenstown partners with, and leverages, this activity to create demand for our region. We achieve this through trade, consumer and media channels.
- DQ also works closely with the Tourism Industry Association, Tourism Export Council of New Zealand and Conference & Incentives New Zealand to target international visitors.
- We also undertake our own marketing activity in Australia and have sole accountability for promoting Queenstown to the domestic market, which comprises approximately 35% of our visitors.
- The current funding is utilised by DQ to promote the destination which provides a return for the established businesses that pay those rates.
- Tourism is, and will remain, the dominant economic driver in the QLDC region.

## Priority One – EDS Report

DQ agrees with the first priority from the EDS report, to target higher value visitor activity. This is consistent with DQ's core strategies for growth. For many years this has been our focus, driving high value visitor markets and countering seasonality. We have been successfully achieving and measuring these objectives.

We strongly agree with the reports first recommended action of building the Lakeview Convention Centre. DQ has actively supported and made submissions on the project and sees it as the number one priority to achieve growth in a higher value visitor segment – the business events market.

We highlight the report's findings that Queenstown has significantly outperformed the national picture against key visitor measures (page 19 EDS report – attached in Appendix One). This is testament to the success of DQ over the years in positioning and promoting Queenstown to international and domestic visitors.

Queenstown is NZ's most important international holiday destination – second only to Auckland in international visitor spend.

### **Priority One – Measurement and Evaluation**

We strongly challenge the assertion in paragraph 4, page 22 of the report, questioning the evaluation of promotion activity and the impact it has had on growth in our region. With a governing Board and a wider community and sector Strategic Review Board (SRB), the performance and quality of return on the business sector investment is highly measured and accountable against multiple KPIs, these include both activity and outcome measures. The report itself notes the excellent performance of Queenstown versus national figures over a sustained period.

The level of measurability and accountability – directly to the funders of the activity – is highly effective and transparent. We therefore submit that it is completely unnecessary to have any further external review of DQ performance.

The reports assertion that it is “unclear what the RTO has contributed relative to national efforts” is also totally rejected. This illustrates a lack of understanding of DQ's initiatives and the very close partnership and strong relationship the RTO has with Tourism NZ and other national organisations such as Air New Zealand. Note, that both these organisations have representatives on the SRB.

DQ has a culture of building effective partnerships and relationships and leveraging these efficiently to assist in achieving its overall objective of 4% compounding annual visitor growth and \$1.5 billion spend by 2018.

Much of our marketing activity is undertaken in partnership and collaboration with other regions and organisations. This is to share resources for efficiency and maximise effectiveness.

This includes the Southern Lakes International Marketing Alliance (IMA) in which Destination Queenstown and Lake Wanaka Tourism with Destination Fiordland combine resources to service the long haul travel trade through international industry events as well as combined marketing resources. The Southern Lakes IMA has been held up as the benchmark for IMAs across the country.

Other partnerships include joint venture activity for ski marketing (Ski Tourism Marketing Network), with Christchurch International Airport through the SOUTH initiative, with Auckland and Queenstown Airports and with Tourism New Zealand, particularly in the Australian market.



Partnerships, and leveraging of same, are at the core of nearly everything DQ does. Major local events are leveraged to drive visitors as well as to grow our international brand profile. Key public infrastructure is leveraged to facilitate growth in specific market segments. A recent example of this is the development of the biking SIG (Special Interest Group). To optimise the increased public trail infrastructure DQ developed a targeted SIG marketing plan to grow the segment to deliver business to the region. The resulting success has led to an internationally renowned bike festival, a growing reputation as a leading bike destination in NZ and a profile on the world stage for competitive and leisure biking.

#### **Priority Two – Facilitate the growth of knowledge based industries.**

DQ fully supports the priority for encouraging growth in other industry sectors. DQ supports the establishment of an independent economic development unit. We recommend an agency that has an industry governance, or advisory structure, which includes council, but is not based within council.

Where the development of sectors requires marketing or promotional initiatives the role of destination marketing that DQ currently undertakes could, in principle, be broadened. As an example this is already occurring with DQ engaged in discussions with the education sector about how this could be facilitated.

It is essential that the current funding levels and resources for tourism promotion be protected. This is the purpose and intent of the current targeted levy funding. Any additional sector marketing or economic development must be addressed with incremental resource for that purpose.

#### **Priority Three – Enhance the quality of local environment for businesses to thrive and for residents to live and work**

DQ supports the intent of priority three to make Queenstown an attractive area in which to live and work. We agree with the opportunities identified in the report, particularly relative to improvement of regulatory and consent processes.

#### **Priority Four – Future proof infrastructure**

DQ supports the intent of this priority particularly regarding the need for quality infrastructure to enhance the region's environment for residents and visitors alike. DQ supports the observations and opportunities identified in the report and would be very keen to be part of any future discussions around infrastructure funding.

#### **Conclusion**

DQ has a history of evolving to meet its members and the community's needs. It is a flexible organisation that has grown and changed over its 30 years. This evolving model is continually tested

by its strong governance model, consisting of the independently elected Board of Directors and a wider sector representative Strategic Review Board.

DQ believes this model provides very solid governance and the membership see DQ as responsible to them, the members (via the DQ Board and SRB). This has seen the financially contributing businesses and industry partners measuring the performance of DQ – rather than a third party.

In a recent survey of the DQ membership, overwhelming support was given to retaining the current structure of DQ, including the funding mechanism and governance, to ensure destination tourism marketing remains unaffected by the establishment of an economic development unit. At the recent DQ AGM the membership independently proposed a motion be passed that “any Queenstown economic development strategy ensures Destination Queenstown and the Strategic Review Board be retained and supported in their current successful form.” This was carried unanimously by the attendees.

DQ and its membership wish to convey that they firmly believe that destination marketing should remain separately managed to investment in new economic development initiatives.

Destination Queenstown would however welcome the opportunity to be part of the wider discussion on economic development and would offer support to the implementation of a strategy.

From the Context and Analysis section, Priority One, of the Economic Development Strategy Consultation Report.

Page 19:

### **Visitor nights and expenditure**

As noted earlier, the District has achieved strong performance on measures of visitor attraction over the last decade:

- Commercial accommodation guest nights have risen strongly at two and half times the national rate of growth over the last decade (3.2 percent compound annual growth compared to 1.2 percent nationally), with both Queenstown and Wanaka regional tourism organisation (RTO) areas achieving relatively high growth. For the year ended June 2014, the District captured over 10 percent of all of New Zealand's commercial accommodation guest nights (compared to the 0.7 percent it represents of the national population).
- Across all accommodation types, estimated visitor nights also grew strongly at double the national rate over 2006-2011 (2.1 percent compound annual growth compared to 1 percent nationally), although this was driven by growth in Queenstown rather than Wanaka.
- The District also has a high estimated average length of visitor stays, with the Queenstown RTO having the highest average length of stays in commercial accommodation for the year ended June 2014 (2.64 days compared to 2 days on average nationally).
- Visitor expenditure in Queenstown Lakes was estimated to be over \$1.5 billion in 2013, around 8.5 percent of nationwide visitor expenditure, and the second highest level of expenditure in any territorial authority. Growth in nominal visitor expenditure over 2009-2013 in the District has been higher than growth in most other districts in New Zealand (5th highest growth) and the Queenstown RTO area experienced the fastest growth in visitor expenditure over the period out of all RTOs at 7.6 percent per annum (Wanaka experienced more moderate growth at around 2 percent per annum).

# SUBMISSION

TELEPHONE 0800 327 646 I WEBSITE [WWW.FEDFARM.ORG.NZ](http://WWW.FEDFARM.ORG.NZ)

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To: Queenstown Lakes District Council

Submission on: Draft Economic Development Strategy

From: Federated Farmers Otago Province

Date: 17 October 2014

Contact: **DAVID COOPER**  
Senior Policy Advisor

Federated Farmers of New Zealand  
PO Box 5242 Dunedin 9058, New Zealand

**P** 03 4777361  
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## SUBMISSION TO QUEENSTOWN LAKES DISTRICT COUNCIL ON THE DRAFT ECONOMIC DEVELOPMENT STRATEGY

## **Summary of submission**

**Overall** - Federated Farmers recommends that further work is undertaken to ascertain Council's role in delivering upon the priorities, once these are confirmed.

We encourage Council to develop a principles based assessment framework for involvement in economic development of this nature, including a 'stocktake' of agencies, organisations and individuals who may also be involved.

**In terms of funding** - Federated Farmers believes the tourism and commercial focus of the draft Strategy justifies the retention of a targeted rating approach for the funding of these activities.

We support the draft Strategy's recommendations for investigation of whether this targeted rate funding may be used for broader economic development objectives, the potential for greater use of private sector sponsorship, and the development of clear criteria for the use of particular funding options.

**Priority 1** - Federated Farmers believes there should be an investigation into whether an industry good controlled and funded body should be developed to address Priority 1.

**Priority 2** - Federated Farmers notes there is some risk to this priority. However, we agree there is potential for Council to perform monitoring, data collection and liaison roles, in order to identify potential for and barriers to growth, and to facilitate district-wide discussions.

**Priority 3** - We encourage Council to play a facilitative/advocacy role in addressing Priority 3.

**Priority 4** - We consider this an important priority as well as an area where Council has primary responsibility for identifying and addressing issues at the District level.

## 1.1 Introduction

- 1.2 Federated Farmers welcomes the opportunity to submit to Queenstown Lakes District Council's draft Economic Development strategy (the draft Strategy).
- 1.3 The Federation takes a keen interest in local government's involvement in economic development. This is both because ongoing economic development is important for local communities, and also because if economic development initiatives are poorly planned or executed, the result may be significant opportunity cost or even net economic cost.
- 1.4 Federated Farmers broadly agrees that there is a role for Council to play in promoting economic development. As outlined on page 15 of the draft Strategy, economic development is both related to, and reliant on, Council's key roles in respect to the delivery of infrastructure (community outcome 1). In addition, it is an understandable and reasonable expectation that QLDC will take reasonable steps to provide for a diverse and resilient economy (community outcome 5).
- 1.5 However, given a set of priorities has now been developed, Federated Farmers considers further questions should be asked around the optimal division of roles and responsibilities between Council and the private sector, or industry good bodies.

**Recommendation: That further work is undertaken to ascertain Council's role in delivering upon the priorities, once these are confirmed.**

## 2.1 Funding matters

- 2.2 Federated Farmers' primary concern in respect to local government involvement in economic development is both how these efforts are funded, and the efficiency and equity implications of council attempting to deliver upon private sector objectives without private sector accountability mechanisms.
- 2.3 In short, Federated Farmers does not want to see money levied from the wider District through rates, to be allocated to funding activities for the primary and direct benefit of specific businesses, in a way that may or may not deliver effective outcomes in an efficient manner. As Stephen Bailey, writing on Strategic Issues for Local Public Finance, says:

*"It is a general economic prescription for efficiency in the allocation of resources that the most efficient means of financing the provision of goods and services is to charge individual consumers and users directly at the point of consumption. In this way, willingness to pay can be matched directly with the provision and use of goods and services whether by organisations in the public or private sectors."*<sup>1</sup>

- 2.4 Federated Farmers is supportive of Council's current approach to the funding of visitor promotion, primarily funded through targeted rates levied on the commercial ratepayers of the District. We note the discussion around current initiatives on page 26 of the draft Strategy, including the particular focus on visitor promotion, and we

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<sup>1</sup> Bailey, Stephen, "Strategic Issues for Local Public Finance", Strategic Public Finance, 2003, p.231.

reiterate the need to maintain a targeted rate approach for both visitor promotion and Events.

- 2.5 Use of a targeted rate ensures there is a direct connection between the expectations for use of the funding sourced, and the outcomes that result. Targeted rates for activities that provide specific and direct benefit to a particular group of ratepayers means greater equity and efficiency, and allows effective prioritisation and targeting of spending. Federated Farmers believes the tourism and commercial focus of the draft Strategy justifies the retention of a targeted rating approach for the funding of these activities.
- 2.6 We note and support the draft Strategy's recommendation that "broader promotion of the District's advantages as a place to do business and investment facilitation may be most appropriately supported through this funding mechanism" (in reference targeted rates, page 48). We also note and support the draft Strategy's comments that:

*"several districts and regions receive a much greater proportion of visitor promotion budgets through private sector sponsorship or other contributions relative to funding from councils or via rates. For example, we note that several districts and regions receive a much greater proportion of visitor promotion budgets through private sector sponsorship or other contributions relative to funding from councils or via rates. Other support options, such as the use of rate holidays or land offers may be appropriate for specific activities, such as attracting major investments, and there should be clear criteria for when those options should be considered".*

#### **Recommendations:**

**Federated Farmers believes the tourism and commercial focus of the draft Strategy justifies the retention of a targeted rating approach for the funding of these activities.**

**We support the draft Strategy's recommendations for investigation of whether this targeted rate funding may be used for broader economic development objectives, the potential for greater use of private sector sponsorship, and the development of clear criteria for the use of particular funding options.**

#### **3.1 Priority 1: Encourage higher value visitor activity**

- 3.2 Clearly, Tourism is an important component of Queenstown Lakes District's economy. The Otago Economic Overview 2012 (BERL Economics) outlines that Tourism related sectors such as Retail Trade and Services, and Arts and Recreation Services comprise a significant proportion of the District's GDP, as well as a significant proportion of FTE and business units.
- 3.3 However, the fact that the tourism and tourism reliant industries are so numerous in the District begs the question why Council is the primary agency responsible for undertaking what is effectively industry good promotion.
- 3.4 Page 22 of the draft Strategy outlines that the District collects about \$4.1 million per annum for visitor promotion allocated to Destination Queenstown, Lake Wanaka Tourism and the Arrowtown Business Association. The subsequent discussion

within the document around Council's involvement in these focusses around whether there is a need for "a broader approach to investing in economic development and infrastructure".

- 3.5 Federated Farmers considers the priority question is whether it is Council's responsibility to deliver on a priority that is wholly focussed on providing direct benefit to one (private) sector of the community. We believe there should be an investigation of whether an industry good controlled and funded body should be developed to address Priority 1.
- 3.6 As an example, farmers specifically and directly fund a number of industry good bodies, including DairyNZ and Beef+Lamb (through production levies), Federated Farmers (through voluntary levies) and various processors who contribute in a number of ways towards industry good activities.
- 3.7 As we discuss earlier in this submission, in respect to funding, we believe this results in more effective identification of need and delivery on expectations, as well as increasing the efficiency of the use of available funding.

**Recommendation: Federated Farmers believes there should be an investigation into whether an industry good controlled and funded body should be developed to address Priority 1.**

#### **4.1 Priority 2: Facilitate the growth of knowledge based industries**

- 4.2 Federated Farmers is not in a position to assess the viability of further development of the industries identified as having potential to grow, in order to meet the desired outcomes under this priority. We note that a number of other councils similarly aspire to deliver the outcomes sought under this priority, to the extent it is considered the 'holy grail' of economic development, with varying results.
- 4.3 Given this priority is common to most economic development strategies, it is important that it is delivered in a way which recognises the Queenstown Lakes District's comparative advantages. There is also a risk that attraction of businesses of the nature outlined in the strategy results in a 'race to the bottom' between councils, with all districts competing to achieve the same outcomes.
- 4.4 However, we do broadly agree with the discussion on pages 29 and 30 that there is potential for Council to perform monitoring, data collection and liaison roles, in order to identify potential for and barriers to growth. We also agree with the proposal to convene an investment panel.
- 4.5 We recommend Council develop a set of strategic principles to inform involvement across the priorities identified in the draft Strategy (or as amended after public consultation). In particular, Federated Farmers believes Council's strategic framework for promoting economic development should include:
  - A stocktake of the agencies responsible or able to provide for economic development, in the District, and a broad discussion around the roles each agency may play, including the Council (facilitation, advocacy, provider, funder),
  - Ideally this would incorporate a principled consideration of the particular priorities identified in the draft strategy, including the extent to which Council involvement is justified, rather than the private sector,



- Detailed consideration of the nature of the issue being addressed, particularly the extent to which the issue may be considered as or divided into a private good, and a public good.

#### **Recommendations:**

**Federated Farmers notes there is some risk to this priority. However, we agree there is potential for Council to perform monitoring, data collection and liaison roles, in order to identify potential for and barriers to growth, and to facilitate district-wide discussions.**

**We encourage Council to develop a principles based assessment framework for involvement in economic development of this nature, including a 'stocktake' of agencies, organisations and individuals who may also be involved.**

- 5.1 Priority 3: Enhance the quality of the local environment for businesses to thrive and for residents to live and work, and Priority 4: Future proof infrastructure**
- 5.2 Federated Farmers agrees these should be focusses for the Council's role in promoting economic development. For many public goods (particularly infrastructure) and for district-wide strategic issues, the Council is well positioned to identify issues and liaise or interact with external agencies over issues, challenges, priorities, and resources. This is particularly the case given the District has particular challenges distinct from those most other Districts are facing.
- 5.3 In respect to Priority 3, we encourage Council to play a facilitative/advocacy role. In respect to Priority 4, we consider this an important priority as well as an area where Council has primary responsibility for identifying and addressing issues at the District-level.

#### **Recommendations:**

**Federated Farmers agrees with Priorities 3 and 4.**

**We encourage Council to play a facilitative/advocacy role in addressing Priority 3.**

**We consider Priority 4 is an important priority as well as an area where Council has primary responsibility for identifying and addressing issues at the District-level.**

#### **6.1 About Federated Farmers**

- 6.2 Federated Farmers welcomes the opportunity to comment on the Draft Queenstown Lakes District Economic Development Strategy.
- 6.3 Federated Farmers of New Zealand is a voluntary, member-based organisation that represents farming and other rural businesses. Federated Farmers has a long and proud history of representing the needs and interests of New Zealand farmers.

- 6.4 The Federation aims to add value to its members' farming businesses. Our key strategic outcomes include the need for New Zealand to provide an economic and social environment within which:
- Our members may operate their business in a fair and flexible commercial environment;
  - Our members' families and their staff have access to services essential to the needs of the rural community; and
  - Our members adopt responsible management and environmental practices.

[REDACTED]

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**From:** QLDC Services <SERVICES@QLDC.GOV.T.NZ>  
**Sent:** Thursday, 16 October 2014 10:44 AM  
**To:** Louise Gill  
**Subject:** FW: DEDP [#1251EK]  
**Attachments:** SKMBT\_C220 14101608110[2].pdf

-----Original Message-----

**From:** "Jeremy McGuinness" [REDACTED]  
**Sent:** Thursday, 16 October 2014 10:14 AM  
**To:** "[Services@qldc.govt.nz](mailto:Services@qldc.govt.nz)" <[Services@qldc.govt.nz](mailto:Services@qldc.govt.nz)>  
**Subject:** FW: DEDP

To whom it may concern.

I would like register my full support of the Wanaka Chamber of Commerce's recommendations as outline in their recent feed back. Please see attachment.

The QLDC needs to recognises that Wanaka needs more support from the Council.

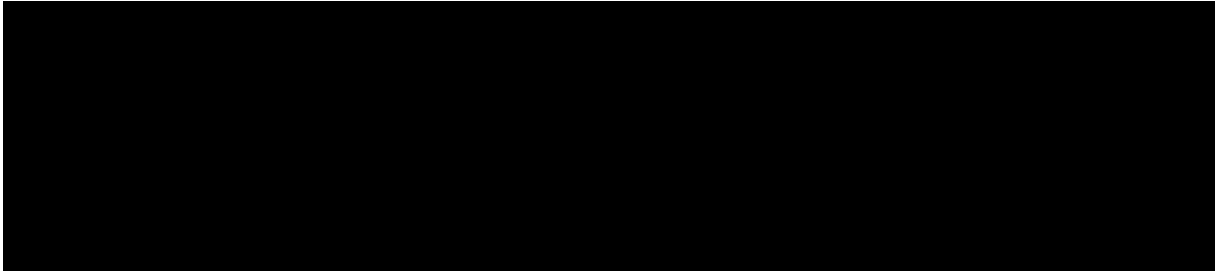
Sincerely

J J McGuinness (rate payer)

Wanaka.

----- End of Forwarded Message

From: Mike Toepfer <mike@aspiringlaw.co.nz>  
Subject: FW: QLDC Draft Economic Development Strategy  
Date: 15 October 2014 10:40:03 AM NZDT  
To:



Attachment, 2 KB

As mentioned at a recent BNI meeting, the QLDC has asked for feedback on its draft economic development strategy. A copy of it can be found on the QLDC website. Unfortunately any feedback must be sent to the Council by this Friday, 17 October 2014.

Please note that this is not a request for a formal submission, but just a request for feedback. This can be in the form of a letter or an email, there is no set form required – it can be informal.

The Wanaka Chamber of Commerce has already given feedback.

In summary, the Council's strategy proposes two key priorities – encouraging higher value visitor activity (rather than volume) and trying to attract knowledge based industries to the area. It also proposes two supporting priorities, being enhancing the quality of the local environment and future proofing infrastructure.

The Chamber generally supports the proposals, with the following qualifications

- The Chamber does not agree that the district as a whole has achieved "*enviable long term growth and measures of visitor attraction*". That may be true of Queenstown, but not of Wanaka. Wanaka has plenty of capacity in the area of visitor accommodation and needs more visitors to the township, and for those visitors to stay longer.
- The report makes a brief mention of the airports, but does not make any recommendations as to how Wanaka can complement Queenstown Airport. The Chamber sees two possibilities to make better use of Wanaka Airport – attracting flight schools to operate from the Airport (this will also create demand for accommodation) and making the airport a centre for construction and repair of aircraft.
- There are some suggestions that Lake Wanaka Tourism be merged with Destination Queenstown and the Arrowtown Tourism Board to create one organisation covering the whole district. The Chamber strongly opposes this as the Wanaka story would be lost. Wanaka and Queenstown have different offerings and must have different voices.
- The report recommends Council funding being allocated to shoulder season activities rather than peak season activities. The Chamber would be concerned if this means diverting assets away from events held in the peak season, as those events are still marginal and in need of Council support.
- The report sees the convention centre in Queenstown as a priority. The Chamber supports that provided delegates are not captured in Queenstown but encouraged to visit the wider region.
- The report recommends certain measures to improve the Queenstown Town Centre. The Chamber makes the point that we also need improvements to the Wanaka Town Centre, in particular connecting the Town Centre to the lakefront.
- The Chamber also sees an opportunity to increase the number of visitors through sports tourism if an adequate sports facility and pool are built.
- The Chamber agreed that knowledge based businesses would be suitable businesses for the district. As the report points out, the district is disadvantaged by transport costs due to its location, but the establishment of businesses based on digital delivery of goods and services makes that disadvantage less relevant. They also have less environmental impact.
- The Chamber also recommends that the Council work to make UFB available throughout the Wanaka area, rather than just to the Town Centre. The Council should also assist Wanaka in the Gigatown competition and to leverage off that competition if it wins it.

- The report recommends the establishment of an investment panel for the district, to source and attract new businesses to the area. The Chamber proposes a separate panel be created for Wanaka.
- The Chamber also pointed out that Wanaka had ample land available for a large educational facility to be established, with associated student accommodation.
- The chamber also said that protection of the local environment be made a key priority, particularly protection of our water ways.
- The Chamber also recommended consideration be given to making Wanaka a truly eco town or green town, based on green towns models in Canada or Sweden. This would give us a point of difference that other resorts/towns in New Zealand.
- The report mentions lack of low cost housing as an issue. The Chamber felt that there was more land available in Wanaka for low cost housing so that may be less of an issue here than it would be in Queenstown, but it is still an issue to be considered in future planning.
- The Chamber saw parking in the town as an issue which need to be addressed for the future.

You may wish to write to the Council adopting some or all of the Chamber's recommendations as set out above, or add your own recommendations.

Council must receive your letter or email by Friday. Their e mail address is [servcies@qldc.co.nz](mailto:servcies@qldc.co.nz).

Regards

*Aspiring Law*<sup>®</sup>

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## Lake Wanaka Tourism: Feedback on the Draft Economic Development Strategy

Authors – Brent Harridge (Chairman), James Helmore (General Manager)

The following feedback was gathered after consultation with LWT board and key stakeholders.

### Key Points:

1. The EDS needs to encompass solutions **for the whole district**. These need to be clearly identified and articulated in the strategy.
2. Economic development needs to be consistent with and *support the long term social/economic/environmental* (aspirations) of the Upper Clutha/Wanaka community.
3. **Tourism is and will remain a dominant economic driver in the district**, we must ensure we maintain its relevancy and ability to grow domestic and international markets.
4. Lake Wanaka Tourism's goal (as outlined in its Strategic Plan) is to increase ***tourism numbers and value***
5. Support UFB/Giga speed as **key Wanaka economic driver**
6. Event funding criteria already encompass shoulder season as a priority along with other key event funding criteria – **do not deviate from current event strategy criteria**.
7. An **economic development officer** for Wanaka should sit outside council (governance and structure as set out below).

### Feedback and Recommendations:

#### Feedback 1: Higher Value Visitor Activity

- LWT agrees the district, including Wanaka, should build a higher value, diversified visitor economy, focusing on volume/value and yield whilst maintaining a unique visitor experience.
- Broadly speaking LWT's approach is to **attract more people to stay longer and spend more** as outlined in its Strategic Plan. Specific strategies to offset seasonality include a focus on developing events, conference/incentive markets as they provide compelling reasons for people to visit in the shoulder and off peak periods.

#### Feedback 2: Events funding reallocation

- LWT support the **current events strategy criteria**.

- The events strategy was constructed through the shaping our future public process by event industry leaders, the criteria set out within the strategy were carefully constructed to encourage the right events at the right time including consideration of shoulder seasons.

### **Feedback 3: Higher speed internet**

- Key to the economic infrastructure of Wanaka is facilitating access to ultrafast broadband.
- The report states (pg 35) “most industry representatives spoken to indicated that broadband rollout and width was not a constraint to business” this is patently untrue from a Wanaka and wider district stand point.
- Higher speed internet in Wanaka has been identified as a key supporting factor to its future economic growth.
- High speed internet facilitates the opportunity to grow knowledge based services in the Upper Clutha eg: in aviation/IT/food/education/health/high performance sport sector.

#### **Outcome:**

- Council support Giga town opportunities and identified means to deliver Giga speed internet to Wanaka CBD and industrial area.
- EDS recognise Giga speed internet as key component of Wanaka districts economic diversification and growth

### **Feedback 4: Acknowledge the quality of local environment**

- The economic strategy needs to acknowledge and protect urban boundary, zoning and density in accordance with the majority of community wishes. There also needs to be appropriate zoning for activities.
- Future economic decisions need to reflect the importance of the natural environment on Wanaka’s economy.
- EDS strategy needs to enable economic development whilst considering our natural environment. Economic development needs to encourage higher wages and diversified housing options.

### **Feedback 5: RTO evaluation**

Tourism is, and will remain, the dominant economic driver in the QLDC region and we must ensure we remain relevant in an increasingly competitive global tourism market.

- LWT is owned, funded and governed by the businesses of the Lake Wanaka region. This provides a tight accountability cycle and is the strongest way to reflect the aspirations of the Lake Wanaka region and drive our economy forward.
- Ensuring the Lake Wanaka region has an identity that is differentiated but complimentary to Queenstown is the foundation stone for our success.
- LWT performance is measured against its 10 year Strategic Plan and Annual Operational Plan.

- LWT proactively works with Destination Queenstown at board and staff level where it doesn't compete and is relevant to do so.
- LWT partners with Destination Queenstown and Fiordland to undertake collaborative long-haul trade marketing through its co-ownership Southern Lakes Tourism.

### **Feedback 6: Land Availability**

- Wanaka has an economic opportunity with the current land capacity available to grow within the community agreed boundaries (based on Wanaka 2020 and other relevant consultation processes) with minimal impact on the surrounding environment.
- The economic strategy needs to acknowledge the economic opportunities this provides Wanaka and the Upper Clutha within its current urban boundaries, zoning and density rules.

## **Key Recommended Outcome:**

### **Wanaka Economic Development Agency Recommendation**

Lake Wanaka Tourism recommends that an economic development officer (EDO) for the Upper Clutha/Wanaka area should sit outside council to ensure it can be nimble and responsive to opportunities.

- Governance should be administered by key stakeholders - Wanaka Chamber of Commerce in collaboration with representatives from QLDC, Lake Wanaka Tourism and business leaders.
- Funding recommended to be obtained from the general rate as this role benefits the whole community. The current RTO funding model was recommended as a good framework but with economic development costs levied across all ratepayers.
- Collaboration, communication, accountability and governance guidelines would need to be clearly set out between council and other district EDA's
- With this role sitting outside council, it would then have the ability to apply for outside finance/funding to compliment and leverage base funding.
- A Wanaka based Economic Development officer could facilitate both business and community initiatives. Combining community and commercial facilities eg: sports facility (including investigating private/public arrangements and funding).
- Wanaka EDO could leverage off existing LWT infrastructure for cost savings, close collaboration, communication and support where relevant.



**Name:**

Mark Quickfall

**1. Establish senior economic development capability and / or funding within the Queenstown Lakes District Council.**

Agree with this proposal

Comments

See my full submission for comments

**2. Review the economic development funding and support, including the targeted levy the Council collects.**

Disagree with this proposal

Comments

See my full submission for comments

**3. Expand economic development activities to include industry development, education and investment promotion; assess how they could be integrated with a regional tourism organisation.**

Neutral

Comments

See my full submission for comments

**4. Set up an Economic Forum as a Council committee with representation from the private sector, to oversee the implementation of the economic development.**

Disagree with this proposal

Comments

See my full submission for comments

#### Page 4

**5. Assess the effectiveness of the current split of visitor promotion and facilitation arrangements, and whether and how the promotional arrangements should be integrated.**

Disagree with this proposal

Comments

See my full submission for comments

**6. Finalise and build the proposed Queenstown Convention Centre.**

Agree with this proposal

Comments

(No response)

**7. Set up an investment panel to assess major business and investment opportunities, and advise how to progress them.**

Neutral

Comments

See my full submission for comments

**8. Bring together groups representing the health, education, screen and professional and technical service industries, along with the Chambers of Commerce, NZTE and Callaghan Innovation, to identify major opportunities for the district and see what could be done to make them happen.**

Neutral

Comments

See my full submission for comments

**9. Evaluate the return on investment from marketing and promotion activities to identify how to get maximum leverage from national partners and initiatives; how to attract higher spending visitors and provide higher value offerings; and how to get visitors to spend more in Wanaka.**

Neutral

Comments

See my full submission for comments

**10. Ensure that a high proportion of events funding goes to events held in the shoulder season.**

Agree with this proposal

Comments

(No response)

**11. Establish a Queenstown town centre business improvement district to upgrade the town centre; ensure the reviewed district plan reflects the town centre strategy and explore ways for regulatory or planning support to upgrade the town centre.**

Agree with this proposal

Comments

(No response)

**12. Develop a business relationship model for major investment projects and consent processing.**

Agree with this proposal

Comments

(No response)

**13. Review the benefits and costs of options for funding infrastructure long-term; and develop a funding guide and strategy for infrastructure investment.**

Agree with this proposal

Comments

(No response)

**14. Work with industry and the government to investigate factors impacting on housing costs and ways to improve the supply of housing in the long term, including whether and how development and building timeframes and costs could be reduced.**

Agree with this proposal

Comments

(No response)

**15. Evaluate the impact that Plan Change 24 and the Queenstown Lakes Community Housing Trust have had on housing access and affordability.**

Neutral

Comments

(No response)

**General Comment:**

See my full submission for comments

## Economic Development Strategy Consultation Report Submission – Mark Quickfall

Contact: Mark Quickfall, [REDACTED]

Postal address: [REDACTED]

September 2014

### Economic Development Strategy

I support an overarching strategy however not at the expense of tourism.

We already have sufficient established organisations so let's avoid establishing an administrative and bureaucratic economic development agency.

EFFECTIVE and COORDINATED

#### ► **DESTINATION MANAGEMENT**

Queenstown Lakes District Council

Central Government

Health and support services, Police, Transit NZ, Govt Agencies, Regulatory Agencies (CAA, MSA, LTSA), DOC

Emergency Services

Local Agencies, Shaping our Future

Social, Community and Sporting Groups

#### ► **DESTINATION MARKETING AND COMMERCE**

Destination Queenstown, Lake Wanaka Tourism, Southern Lakes Marketing Group

Queenstown and Wanaka Chambers of Commerce

TNZ, TIA, Airlines, QAC, Tourism Industry

Commercial Enterprises

Commerce Industry Groups

Govt Agencies

Economic Development is only one element of a district wide strategy. As the report correctly highlights there are many other issues facing the district. I propose an overall district wide all encompassing strategy is agreed to before an EDS, growth has already produced a range of issues that require addressing before more growth is encouraged. Robust debate and discussion on whether we need an EDA is required as the town naturally attracts opportunities and growth management needs to be addressed first.

- ▶ **Infrastructure – planning, development and management**
- ▶ **Traffic Management, roading network, air access, public transport, Kawarau Bridge, parking, cycle ways**
- ▶ **Economic Development – diversity, resilience**
- ▶ **Tourism – Expectations, quality, service, reinvestment, ROI sustainability, seasonality, Asian centric**
- ▶ **Commerce – community relationship, partnerships**
- ▶ **Community wellbeing – visitor conflicts, crowding, diversity**
- ▶ **Work force issues – retention, career development, training, customer service**
- ▶ **Housing – affordability, capacity, suitability**
- ▶ **Accommodation – standards, mix, capacity**
- ▶ **Positioning of Queenstown, reputation and destination marketing, identity**
- ▶ **Sensible Planning – protecting environment, research**
- ▶ **Town Centre**
- ▶ **Conference Facilities, Recreation Facilities**
- ▶ **RMA - Resource Consents, Land Tenure, Concessions**
- ▶ **Education, Crime, Health**

**The priorities for the Future of the District identified by the Community Forums of Shaping our Future listed below are similar to my list. Not surprisingly all of the issues identified in the above list slot in somewhere to the Shaping or Future priorities.**

**a) Preserve and enhance the environment**

i) Protection of water, air and landscape. Restoration of native and other ecosystems. Maintain and increase accessibility to wild places

**b) Engagement in Governance**

ii) Increase participation, remove barriers, encourage local influence, encourage voices to be heard, comprehensive spatial planning, District Plan to clearly express community vision.

**c) Community Development**

iii) Working together, improve: connectedness, neighbourliness, community spirit, communication. Create facilities to gather, educate & socialise and preserve attractions of living here

**d) Diverse Economy**

iv) Strong local economy, affordability, right use of natural resources, events destination, increasing self sufficiency of economy, economic diversification

**e) Education**

v) Innovation centres (sports, arts, business), incubators, lifelong learning, niches

**Infrastructure / Facilities**

vi) High performance facilities for sports, culture, education, health, care for young and old, sewerage, water and stormwater.

**g) Build Self Sufficiency**

vii) Local energy, local food production, land use, building design. Move away from 'ship in, ship out' systems.

**h) Connectivity**

viii) Internet (broadband), transport, public transport, tracks and trails

**i) Tourism**

ix) Build high value contributing tourism. Create respectful markets, such as through long stay tourism.

**j) Town Development**

x) Community hubs, sensible response to climate change threats and opportunities, locally sourced energy such as micro generation, warm healthy houses, and high environmental standards for development.

**k) History**

xi) Value and retain the towns and heritage. Strengthen heritage connections

In terms of growth management and the many other issues facing the district we currently rely on central and local government and the myriad of agencies, groups and associations to address these issues. This model has evolved over time and it may not be the most appropriate for our district however it would be very difficult to change so we need to work with it. Typically people attracted to live here are positive, entrepreneurial and driven and this makes the dynamics for this area different from others. To use a common term "We have to punch above our weight" How do we best harness and encourage this energy and how do we help everyone, whether it is the young family moving here for their children's benefit, single people looking for a life style choice or older people still young at heart wishing to retire but remain active. Their wishes are all the same, that is for our area to be the best possible place to visit and live. With our economy so intricately tied to tourism we cannot separate issues confronting visitors away from those facing residents. The only difference is residents are forced to fund solutions, visitors would argue they provide the revenue stream in the first place so should expect delivery of infrastructure and service as an inclusion for their expenditure in our towns. Based on the average number of nights visitors spend in the area, for every full time resident we have roughly the equivalent of one full time visitor.

To best put the myriad of agencies, groups and associations to work we require strong leadership and coordinated planning, not only at council level but as a collective. We should be looking to who owns each issue and who support/influences the solution so we have a coordinated approach, we need to apply accountability to where the issue is owned. This model is effective in business management so there is no reason it would not be effective in managing the district. Some people may raise their eyebrows at this suggestion however I would argue the recent performances leading up to the general election highlights the wasted energy and resource in promoting and progressing the current model. We have the opportunity to establish a model and demonstrate that a coordinated approach will drive a smart economy to benefit everyone in our district.



If however it is determined an EDS is required separate to an overall district wide all encompassing strategy then we need to establish a sensible structure. It is important not to change the current models that are the envy of other destinations simply because of the current trend to build one stop shops for tourism and economic development. We will be better off if we improve the coordination. There was similar debate to this one in the past when the Chamber of Commerce was set up as a result of an identified need. Let's not overlap with what they and others do.

Below is what I believe is a sensible model to progress the EDS.

**Proposed interim model:**

- **If a separate EDS is required appoint a volunteer Board to develop and coordinate an overarching strategy.**
- **RTOs and Chambers of Commerce can coordinate and encourage sector groups to come together to promote their sectors e.g. technology, film, events, education. DQ already has this approach with Special Interest Groups; Adventure, Wine, Biking, Golf.**
- **QLDC should be represented at the table and support, but not control the process.**

QLDC is represented on the RTO Boards and Strategic Review Boards (SRB), I am surprised QLDC see it as necessary to include the review of the RTOs as part of the EDS consultation process.

**Economic Development Strategy Consultation Report Actions: Encourage higher value visitor activity Growing the proportion of higher value visitors, encouraging visitors to spend more in the District, and further reducing seasonality in visitor expenditure**

Finalise the convention centre proposal and construct the convention centre at Lakeview

Evaluate the return on investment from marketing activities to identify how to get maximum leverage from national partners and initiatives, how best to secure higher spend visitors and how to improve growth in visitor expenditure in Wanaka

Ensure that a high proportion of events funding is allocated to shoulder season events

Establish a Queenstown town centre business improvement district to upgrade the town centre

**I submit these actions are already in train with collective input by DQ, LWT, SLTG, QCC, WCC, SOF and QLDC.**

These tasks have been corner stone objectives of DQ and the Southern Lakes Marketing Group for many years. I am surprised the EDS consultation report authors are not aware of this fact. The consultants either do not understand or did not take the time to understand what we are already achieving. The consultants engaged have stated the Queenstown district should adopt the same approach they recommended for Dunedin, Auckland and Taranaki and that is to establish a one stop shop for tourism and economic development. Queenstown and Wanaka are unique in that tourism will continue to be the dominant economic driver in the QLDC region and destination marketing should be managed separately from economic development.

As the report notes there are differences in the visitor offerings and source markets between Wanaka and Queenstown, and Arrowtown has its own value proposition, I submit separate organisations are required to deliver differentiated and effective marketing efforts. Combined efforts when appropriate are already in place to achieve cost effective results through the Southern Lakes Marketing Group.

In terms of the performance of the RTOs - The RTO model (Destination marketing) for Queenstown and Wanaka is the envy of other areas and it works well because of the governance structure. As a past and now current Chairman of DQ I will focus on the DQ model and the risks associated with changing the current model. It has been clearly understood by DQ members that the council is simply the vehicle to collect DQ funds.

The DQ members (the 800+ business operators who fund DQ) see the elected DQ Board and Strategic Review Board (SRB) as the gatekeepers with council represented on both the DQ board and SRB. This process is challenging the DQ membership on who should measure DQ's performance - the DQ Board and SRB (on which QLDC is represented by the QLDC CEO, Mayor and two councillors) or QLDC or someone they decide to appoint? The SRB is made up of representatives from a wide range of industry sectors to ensure DQ retains a broad market and community focus. Feedback is DQ members are opposed to the current model changing as it works well for them and they see value in their investment.

The SRB annually reviews and approves:

- (i) the Strategic Plan forwarded by the Destination Queenstown Directors and Management; and
- (ii) the financial resources to be sought from the Queenstown-Lakes District Council

The measurement of DQ's performance is the role of the DQ Board and SRB and not QLDC and the RTOs should not be lumped in with an EDA. One is about marketing the destination and the other about economic development.

It should be noted the RTOs do not see themselves responsible to the rating mechanism but rather to their members. The current governance structures already provide sufficient accountability as they are representative of commercial ratepayers.

My understanding is legally QLDC does not have the ability to amend the DQ business and financial plan other than through its representation on the DQ Board and SRB. It can decline to strike the rate as a whole but not in part. It can amend or withhold the general rate contribution.

The solid tourism base that 30 years of hard work by DQ has developed will be difficult to recover if the current model is set aside. My concern is that these consultants' bright ideas may see the baby thrown out with the bath water.

**I submit that the DQ model remains unchanged with the elected DQ Board and SRB measuring DQ's performance.**

The market will drive the economy, not an EDA. I am not convinced that commercial rate payers will wish to see part of their rates diverted to encourage new commercial activity. Current funding promotes the destination which in turn provides more business for the established businesses that actually pay the rates. I agree \$5 million of combined support for visitor promotion and events funded through rates is significant given the size of the District however this is tested by those providing the funding (SRBs) and considered a worthwhile investment. Tourism is, and will remain, the dominant economic driver in the QLDC region and we must ensure we remain relevant in an increasingly competitive global tourism market.

#### **Current landscape and structure:**

- **Tourism is, and will remain, the dominant economic driver in the QLDC region.**
- **The Destination Queenstown and Lake Wanaka Tourism RTO models provide strong governance via their sector representative Boards.**
- **DQ and LWT are also governed by Strategic Review Boards (SRB). The SRBs are excellent structures embracing wide sector representation.**
- **The RTOs are funded predominately by commercial rates levys collected via QLDC.**
- **The Chamber of Commerce is a membership funded organisation and represents wider commercial enterprises, beyond (but not excluding) tourism.**

#### **Proposed funding for a new EDA:**

- **There is currently discussion about whether the commercial rate take could be extended to cover an EDA or funds diverted from tourism promotion.**
- **My belief is that this is not a viable proposition while funding for the Convention Centre, by way of a rate take, is underway.**

#### **What is required next?**

- **Debate on what is required first; an all encompassing overarching strategy for the district or an EDS.**

I do support a number of the other recommendations in the report, particularly in regard to QLDC being business friendly by removing costly barriers such as consenting and planning frustrations. An EDA is not required to address these issues. We must strive for a governance model that will make our area the best possible place to visit and live.

## **MARK QUICKFALL EXPERIENCE PROFILE:**

### **DESTINATION QUEENSTOWN INCORPORATED**

October 1999 – September 2000 Chairman

September 2009 – 2014 Chairman

### **TOUR OPERATORS COUNCIL OF NZ** (now known as the Tourism Export Council of New Zealand)

1996 – 2010 Director

### **SKYLINE ENTERPRISES LIMITED**

2011 - 2012 Consultant to Board

2012 - 2014 Director

2014 – Chairman

Skyline operates a diverse range of businesses: gondola, luge and related food and beverage operations; adventure, aviation and marine activities; casino and entertainment operations; accommodation businesses and ownership and rental of Queenstown commercial properties.

### **TOTALLY TOURISM LIMITED**

1999 – 2011 Owner and Managing Director

2011 – 2014 Director

2014 - Chairman

Operator of adventure, aviation and marine activities in the South Island

### **THL LEISURE**

1992 – 1996 Sales & Marketing Manager

1996 – 1999 General Manager

### **TOURISM HOLDINGS LIMITED**

General Manager

1996 – 1999

Tourism Holdings Limited (THL) owned and operated a comprehensive range of tourism related transport, attractions and activity operations in New Zealand.



The Motel Association of New Zealand (MANZ) Queenstown Branch wishes to respond to the document 'Consultation Report, Economic Strategy' (Martin Jenkins). MANZ Qn is very pleased to note that QLDC has had the forethought to commission a report (EDS) and thanks the QLDC for the opportunity to make comment.

MANZ Qn makes quite a considerable contribution to the economy of Queenstown and it believes this will increase as visiting numbers (both International and Domestic) increase.

**Comment:**

1. The report has been prepared consulting "stakeholders" (Page 51). MANZ Qn would challenge the breadth of consultees noting that the accommodation industry was not consulted.
2. The report and the subsequent summary of proposed actions shows a prominent interest in 'review'. While it is important to review processes, and most organisations have their reviews methods applying annually or more often, MANZ Qn believes continual review will stifle development.  
Our view was that the document would show leadership with a plan (strategy) for development. In finding what is happening (consultation) the report would provide direction for taking that element of the Queenstown economy on to a higher level. Instead the report continually gives the impression that reviews must take place to find out what is happening. It is our view that this is a limiting factor for the credibility of the document.
3. The report sensibly considers a variety of opportunities for the future, namely the four proposed priorities, yet it seems to deliberately to avoid stating what really determines Queenstown's economy. The reality is Queenstown's economy is based on Tourism. Queenstown does not have a major industry or university education centre but it does have Tourism. Other features of Queenstown's economy will develop by entrepreneurial enterprise. It is the responsibility of QLDC to be encouraging and supporting such ventures: thus a coordinating body such as that proposed in "action 4" (Pg 49) may be of value.

**Comment on Priorities:**

MANZ Qn offers the following comment on the priorities listed in the report.

Priority One – EDS report.

- Higher value requires definition.
- Agreed 'higher value' can give added value.

Priority Two – Growth of knowledge-based industries.

- Support the encouragement of any other industry sector.
- Question strongly the use of current funding beyond visitor marketing and promotion.
- Note "opportunities" for business in this district (Pp29,30) are limited to stakeholders listed on page 51.

QLDC  
16 OCT 2014  
QUEENSTOWN

- Current programmes devised, implemented and reviewed by DQ must be maintained at current or better financially resourced levels.
- Other sectors would require separate QLDC funding or use their own funds.

#### Priority Three – Enhance the quality of local environment for businesses ....

In general agreement with this priority as variety will help the economy grow and develop community opportunities. (ie more employment possibilities)

#### Priority Four – Future Proof Infrastructure.

- The priority and the commentary in the report were somewhat vague.
- Infrastructure must be future-proofed as Queenstown is and will continue to grow.
- Satisfaction of residents is one measure (ie P38 water quality) but it should be a consequence of sound planning rather than answering a questionnaire.

#### **Comment on Proposals: (Pg 49)**

##### Proposal One:

- General acceptance.
- Tourism, this town's main economic opportunity, should remain separately funded and administered.
- Destination Queenstown and its appointed board must remain quite separate from any devised entity established as having a 'senior economic development capability'.

##### Proposal Two:

- DQ has a focused and governed function.
- DQ's commitment to the Queenstown economy by its work is measured annually.
- DQ must continue in its present form.

##### Proposal Three:

- Agree generally with this proposal.
- Integrating into Council management risks Tourism drive being diluted and effectiveness lost.
- No support for any change to the current structure for Destination Queenstown.
- Visitor marketing and promotion remains the task of DQ.

##### Proposal Four:

- Who would take part in the overseeing committee is not addressed.
- 'Council oriented tourism' (Council committee" Pg 49) may not reflect the drive of current tourism businesses.

##### Proposal Five:

- The proposal shows little understanding of what is currently good, currently effective and currently profitable.
- The proposal shows little appreciation of the tourism business of each district (Queenstown, Arrowtown and Wanaka).

- The very different promotional needs and requirements cannot be integrated into one agency.
- This proposal could stress that successful entities should extend their current activities expanding the opportunities through their current systems.(Development)
- 'Should be integrated' is such a limiting clause!

Proposals Six to Fifteen.

Each appears to be Council oriented and should remain with that direction. It is noted that the convention centre should be constructed at Lakeview.

Brainstorming, as most proposals require, will be an essential element of development for creating new business.

Interestingly proposed action 10 seems out-of-kilter with other proposals. Did the writer of the report not consider market requirements and the patterns of travel to Queenstown? Forcing events to times when visitors do not travel seems somewhat faulty!

### **General:**

MANZ Qn is pleased to have the opportunity to respond to the EDS document.

It is felt the report offers little to the development of the Queenstown (or other town) economy.

- It is felt the report is introspective rather than progressive.
- Review is fine and necessary and for most sectors of the Queenstown economy "review" occurs as a matter of course.
- The need to "develop" requires some creativity and entrepreneurial direction: the report lacks these ingredients and as such is a somewhat limited document for forward direction.
- The focus of this town is currently firmly based on Tourism. The report fails to emphasise and promote this business.
- Any report on an Economic Development Strategy for the town must enhance and add to the existing structures and businesses for Tourism. Encouragement is necessary not challenge.



Ann Cowan,

President, for MANZ Queenstown

(On behalf of the Motel Association Queenstown)



## New Zealand Institute of Architects Southern Branch

01 October 2014

To whom it may concern

### SUBMISSION ON THE QLDC DRAFT ECONOMIC DEVELOPMENT STRATEGY

The Southern Branch of NZ Institute of Architects has read the proposed strategy and welcome the opportunity to comment.

The strategy is a detailed analysis of the QLDC economy and concludes we are largely a low wage tourism economy, with the average wage below that of the New Zealand medium wage.

The Strategy sets out that wealthier residents are earning better wages through internet services, commuting out of the district, are already wealthy and choosing to live here, or are in a high paying managerial job in the area (but there are few high paid jobs). The strategy seeks to attract higher paid industries, or higher spending tourists to the area.

The aspiration of the strategy is set out as

**"A higher value economy-higher value jobs and industries, higher quality urban and natural environments."**

And goes on to say

**...."our natural and built environment is managed in a way that makes the District a place of choice to live, work and visit".**

And proposes to achieve this by priority three

#### **Enhance the quality of the local environment, (by)**

Ensuring local policies and processes facilitate enterprise, the provision of sufficient land and quality office space for commercial endeavours and affordable housing (by)

Developing a business model for major investment projects and consent processes.

Our concern is that this strategy does not place enough emphasis or **value** upon the quality of the built and natural environment and read as a standalone strategy may be interpreted as a "business knows best" strategy.

The qualities of the district that make it so desirable to visit or work in are not mentioned, nor are any enhancements to these qualities considered (for example- improving access to walking tracks, improved public transport for residents and visitors, etc) that would improve the desirability of the town to investors or visitors, apart from a recommendation in the report that Council upgrade the town centre.

We believe that good design is good business, and the protection and enhancement of our natural environments, and the promotion of quality in our built environments are a top economic priority.





## New Zealand Institute of Architects Southern Branch

If the council implemented its own Urban Design and Town Centre strategies, the town centres would be constantly being reviewed and areas upgraded (see goals 4.2 High quality Urban Environments of the Urban Design Strategy and Queenstown Town Centre Strategy), and it would not need an economic strategy to tell us an upgrade is required. Trees from the town centre roads would not be removed in favour of areas for shops to put out their rubbish, and the additional footpath around Fregburger would have been reviewed by the Urban Design Panel prior to acceptance. (See action 5.1 Leadership, of the Urban Design Strategy).

There are many more aspects of the urban design strategy which if implemented would influence the economic outcomes of the area positively. We would like the council to review the Urban Design Strategy and include in the Economic Strategy those aspects supportive of "higher quality urban and natural environments" so that we build an economic policy that is referenced and integrated with Councils existing other strategies. The Health and Wellbeing Strategy is similarly lacking in reference.

It is very hard to dictate what businesses might choose to locate in the QLDC and bring higher paying jobs. Our beautiful, compact and scenic environment is our only draw card to entice people to the bottom of the world. Ensuring the environment is well connected, well planned, well designed, well protected and continues to be so, is the best we can offer.

Our recommendation is

**"That Councils Draft Economic Strategy is amended to strengthen and integrate objectives supportive of "higher quality urban and natural environments" by specific reference to the councils Urban Design strategy"**

In doing so we believe the right balance of business and environmental protection can be achieved. The Southern Branch of the NZIA is willing to assist in peer reviewing any revision.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'P. Stevens', with a long horizontal flourish extending to the right.

Preston Stevens  
Chair, NZIA Southern Branch



17 October 2014

Queenstown Lakes District Council  
Private Bag 50072  
Queenstown

### **Submission on Draft Economic Development Strategy**

Queenstown Airport (QAC) welcomes the opportunity to provide a written submission on the Draft Economic Development Strategy. These submissions have been prepared by the senior management team at QAC closely involved in the company's Strategy and Master Planning.

We are available to expand on any matter raised in this submission if needed.

Our feedback is structured in line with the four priorities and recommended potential actions in the Draft Economic Development Strategy.

#### Executive Summary

It is disappointing that much of the public comment on the report to date has focused on whether or not the region's tourism organisations (RTOs) should be merged and/or operated under a different format, and the role of an economic development agency funded from the same targeted rate currently funding these RTOs.

This has detracted from what QAC believes are bigger economic opportunities and threats for our region. In QAC's submission these are:

- QAC successfully finalising the compulsory acquisition process to secure land from Remarkables Park Limited that will allow the region's international airport and general aviation industry to grow.
- Expanding the operating window at Queenstown Airport, starting with the introduction of after-dark flights, and securing early morning departing flights to allow same day commutes to major metropolitan centres.
- Developing an easily accessible and affordable public transport network to reduce road congestion and enhance the ambience of Queenstown CBD. The airport is the natural hub for such a network.
- Resolving the 3 Waters issues to ensure the community can handle growth well into the future while protecting the quality of our waterways.
- Building a convention centre with scale in Queenstown
- Pushing forward community-enabling infrastructure such as affordable housing as well as schools and health care services and facilities.
- Tackling the issue of infrastructure funding head on with central Government

## **Priority 1. Encourage higher value visitor activity**

### General Comments/Observations

*"Tourism supports a range of service industries and helps the District to attract migrants, investment and build business relationships. Tourism also supports amenities and activities that locals would not be able to support on their own, contributing to quality of life." Page 19*

It is encouraging to read this affirmation of tourism, recognising its importance to the wellbeing of our community and the many services we take for granted.

It is important the debate on our region's future economic development does not overlook this important setting. Queenstown Airport, for example, is only able to provide the local community with the current level of direct trans-Tasman and NZ metropolitan services because of the inbound visitor numbers.

The objective to grow higher value tourism is fully supported by QAC to the extent it is not at the expense of visitor growth per se. The comments at page 23 under 'The Opportunities' suggest a trade-off is appropriate. We disagree, and we believe any suggestion that this region can afford to implement policies that will single out any visitor segment as low yielding and therefore unwelcome is wrong. We do not believe the priority is intended to be positioned this way, but there is risk it could be interpreted such.

QAC's key focus is driving growth in total visitor numbers, without distinction of the number of nights they stay or their spend. However, our strategy to improve capacity and connectivity via international hubs like Auckland or Sydney supports the objective to grow higher value long haul visitors, particularly from Asia. The same strategy also makes short break visits more convenient and viable for short haul visitors to fly directly from these centres to Queenstown.

QAC sees great opportunity to grow the 'short break' visitor market from Auckland, Wellington and East Coast Australia through increased flight frequency linked with the introduction of evening flights (Christchurch residents are already well served by flights that enable short breaks).

The report sets out in detail how the region's tourism industry has outperformed other regions, so it therefore seems disingenuous to question the effectiveness of the RTO's contribution to this success compared to national promotion efforts. Equally, to suggest the \$5m spent in support of tourism and events is excessive because it is double what other Districts spend is an irrelevant comparison. The comments appear biased and are unhelpful in the wider tourism debate.

### Comments on Recommended potential actions

QAC supports all the recommended potential actions and the achievement of them all in full.

The vision of the Lakeview Convention Centre developed in combination with a hotel, retail shops and/or hot pools development is compelling and needs to be progressed without delay.

## **Priority 2. Facilitate the growth of knowledge-based industries**

### General Comments/Observations

QAC accepts the priority is valid and agrees with the tenor of "*knowledge-based businesses and related industries can potentially be an important contributor to economic growth in Queenstown Lakes.*" However, we think the analysis is too simplistic in its comment "*Successful businesses with growth potential outside the tourism sector will often rely on scenery and lifestyle elements to differentiate their product from those on offer elsewhere in New Zealand or overseas*" The region has more to offer than scenery and lifestyle. The pertinent point should be that success in diversifying our economy will only occur alongside a vibrant and growing tourism industry.

We believe further work is warranted on the region's aeronautical business potential in line with a cluster approach to new business growth. Wanaka Airport, for example, is an important part of the region's infrastructure and can support more business activity. For example, NASA is investigating Wanaka Airport as a new base for its scientific balloon test flights programme. Flight training and specialist maintenance bases could also be grown.

### Comments on Recommended potential actions

The establishment of an economic development/business development unit within Council is worth exploring. Will the unit be passive or proactive in its search for new business ventures? If the later, then the unit needs to be targeted in the sectors it promotes and supports.

The unit must be standalone from the region's tourism promotion body(s). Having a combined unit risks distracting efforts in visitor promotion for the more difficult task of identifying and developing new business ventures.

## **Priority 3. Enhance the quality of the local environment for businesses to thrive and for residents to live and work**

### General Comments/Observations

We believe this priority does not go far enough in its analysis by restricting its focus to ease of new business investment and affordable housing. In our experience businesses and the people they wish to attract to work for them will also carefully consider the options and quality of the region's schools and health care.

Government is investing in new school infrastructure and the community needs to continue its support of schools to ensure they recruit and retain the best teachers. A lack of appropriate health care and hospital facilities may inhibit growth into the future and deserves further work.

### Comments on Recommended potential actions

We have no specific comments on the recommended potential actions.

## **Priority 4. Future proof infrastructure**

### General Comments/Observations

This priority is under developed and needs more work. The analysis begins by following a format similar to the other priorities before being side tracked by infrastructure funding.

QAC acknowledges funding future infrastructure is a major issue facing our community and it needs to be resolved, and done so quickly. QAC favours a broad-based visitor levy, supplemented by targeted rates.

An Airport Departure Tax has sometimes been mooted as a solution to fund community infrastructure. QAC does not recommend this action. Legalities aside, the fact that QAC only hosts a portion of all visitors to the region pass through the airport (estimated less than 50%) means a departure tax would not be broad-based enough to be neutral in its impact.

#### Comments on Recommended potential actions

There are no recommended potential actions for this priority and they are needed.

QAC is pursuing a number of strategies that will future proof the airport infrastructure, assist other priorities and contribute economic benefits for our community. We submit that the following outcomes should be considered for inclusion in a regional Economic Development Strategy.

- Completing the compulsory acquisition of neighbouring land from Remarkables Park Limited to provide the land needed to accommodate the future growth of the airport and the general aviation industry that operate from the airport.
- Expanding QAC's operating window with flights after dark and securing airline commitments to fly after dark.
- Overnighing scheduled jet aircraft in Queenstown to allow early morning departures - this will make day commutes to Auckland and Wellington possible (it is currently only possible to fly to/from Christchurch within the day and achieve a day's business).

Success on each of these actions will be game changers for the region. Conversely, failure to deliver on them will hold the region back and will restrict economic activity, in our opinion.

Thank you for reading our submission and considering our views. QAC takes its role seriously as an enabler of visitor growth for the region and we welcome the wider debate this draft Economic Development Strategy will promote.

Yours sincerely



Scott Paterson  
**Chief Executive Officer**



**Economic Futures Forum – Draft Economic Development Strategy Feedback**  
**Queenstown Memorial Hall, 23rd September 2014 (29 attendees)**  
**Task Force – Tim Barke, Eric Billoud, Jane Shearer, Alistair Porter**

The following feedback was gathered from the Shaping our Future community forum on the Draft Economic Development Strategy. It represents the views of the Queenstown community. Some of the feedback is included in the specific questions asked by the council in their feedback survey. The raw data from the forums is available by visiting [www.shapingourfuture.org.nz](http://www.shapingourfuture.org.nz) or by contacting [executive@shapingourfuture.org.nz](mailto:executive@shapingourfuture.org.nz).

#### **General Comments:**

##### *Priority 1 – Encourage Higher Value Visitor Activity*

- **The District needs to establish an EDA**, independent of Council, with a mandate to carry the message of what the community seeks. Any decisions need to consider impact on existing heritage & environment – the businesses in Queenstown are reliant on the natural environment and maintaining it. This is not currently well recognised in the document. E.g. tall buildings will reduce views, reduce sunlight and increase wind which will negatively impact Queenstown environment.
- **Convention Centre – don't build one if it is just ordinary**, it would need to be high quality. Carry out proper consultation on a fully described and costed proposal with cost/benefit analysis associated.
- **Projects and plans need to be world class and aspirational.**
- **Define infrastructure needed to give a great visitor experience.**
- **Broaden branding without devaluing current reputation for adventure.** Use the adventure and innovation brand already created and leverage off it. This can be done successfully by an independent EDA.

##### *Priority 2 – Facilitate the Growth of Knowledge-Based Service Industries*

- **Leverage off the existing adventure branding** as above. Change wording to 'facilitating entrepreneurship and innovation around our core strengths'
- The District needs **strategies to direct new business in education and technology**. We need a strategy to target types of business and sectors that enhance goals for District – maintaining heritage & environment. Logical industries to develop to maintain quality of the environment.
- **Establish EDU independent of QLDC.**

##### *Priority 3 - Enhance the quality of the local environment*

- **See point in Priority 1** above regarding protecting the natural environment.

- It was recommended that the title of this priority needed to be expanded to “**Enhance quality of commercial and living environment**”. It was recognised at the forums that there is a lack of affordable rental for commercial and living.

#### *Priority 4 - Future Proof Infrastructure*

- **Sell problems as ideal opportunity** to bring innovative people to come and work with the District to collaboratively create solutions.
- **Include transport options** in infrastructure considerations – opportunity for innovation.
- **Infrastructure (in the broad sense of the word i.e. buildings and the physical services they require) is highly important** – no point in having an excellent convention centre if we can’t invest in the infrastructure that make for an excellent commercial and living environment.

Note the following common themes that were seen as important in influencing an Economic Strategy:

- Don’t reinvent the wheel - don’t waste time and resource on investigating or doing things we are already doing successfully.
- Concern about the underlying assumption that growth is necessary and that this isn’t being questioned properly – there should be intelligent growth, not growth for its own sake.
- Council control – how much is necessary? How much is appropriate?

#### **Specific Council Asked Questions:**

##### **1. Establish senior economic development capability and / or funding within the Queenstown Lakes District Council.**

- Agree with this proposal
- Disagree with this proposal
- Neutral

#### **Comments**

We can’t make a statement about the question because it is multiple questions within one. We think the statement should be “within the District”, not within the “Council”

The question should be broken into the following 3 questions (our answers in CAPS):

1. Should we establish senior economic development capability for the District? AGREE
2. Should we establish funding for such capability? AGREE BUT FUNDING MODEL NEEDS TO BE DETERMINED
3. Should it be within the QLDC? DISAGREE – MUST BE INDEPENDENT OF COUNCIL

##### **3. Expand economic development activities to include industry development, education and investment promotion; assess how they could be integrated with a regional tourism organisation.**

- Agree with this proposal
- Disagree with this proposal
- Neutral

#### **Comments**

We cannot make a statement about this question because it is two questions in one. The question should be broken into the following 2 questions (our answers in CAPS):

1. "Create economic development activities including industry development, education and investment promotion." AGREE
2. "Should these be integrated into a regional tourism organisation." DISAGREE – EDU SHOULD BE INDEPENDENT OF COUNCIL BUT WITH COUNCIL REPRESENTATION. Note: the "DISAGREE" option was unanimous and it was considered that an EDU independent of QLDC would be the only acceptable option when discussed at SoF workshop. Other options not selected were: EDU fully inside Council, EDU made up of Council & independents, do nothing

**4. Set up an Economic Forum as a Council committee with representation from the private sector, to oversee the implementation of the economic development.**

- Agree with this proposal
- ***Disagree with this proposal***
- Neutral

***Comments***

We disagree because there is no support for the Economic Forum to be a Council Committee (as described in relation to the preceding questions), whether it has representation from the private sector or not. An Economic Forum or EDA MUST be independent of QLDC but have Council representation.

**5. Assess the effectiveness of the current split of visitor promotion and facilitation arrangements, and whether and how the promotional arrangements should be integrated.**

- Agree with this proposal
- Disagree with this proposal
- Neutral

***Comments***

We cannot make a statement about this question because it is unclear.

Clarification is required regarding: what are 'facilitation arrangements', what type of facilitation is referred to? If this means are people happy with how the RTOs spend their money, the answer is that RTOs should stay as they are because people are satisfied with them in their current form and how they currently operate.

The question should be rephrased as: "Should the existing promotional arrangements in the QLDC be integrated?" Our answer would be DISAGREE

**7. Set up an investment panel to assess major business and investment opportunities, and advise how to progress them.**

- Agree with this proposal
- Disagree with this proposal
- Neutral

***Comments***

We cannot answer this question because we do not consider an investment panel should be set up as a stand alone entity. Investment would be one of the tasks of an EDA, which should be set up.



**8. Bring together groups representing the health, education, screen and professional and technical service industries, along with the Chambers of Commerce, NZTE and Callaghan Innovation, to identify major opportunities for the district and see what could be done to make them happen.**

- Agree with this proposal
- Disagree with this proposal
- Neutral

***Comments***

This is a repeat of the question above. As above, we consider that an EDA should be set up and work with the groups identified and other groups as deemed important / appropriate.

**9. Evaluate the return on investment from marketing and promotion activities to identify how to get maximum leverage from national partners and initiatives; how to attract higher spending visitors and provide higher value offerings; and how to get visitors to spend more in Wanaka.**

- Agree with this proposal
- ***Disagree with this proposal***
- Neutral

***Comments***

We disagree because we consider that tourism marketing & promotion review is already being undertaken and is effective; therefore further review is not necessary for this area.

**10. Ensure that a high proportion of events funding goes to events held in the shoulder season.**

- Agree with this proposal
- Disagree with this proposal
- ***Neutral***

***Comments***

We are neutral in that this activity is already being implemented by the Events Task Force & DQ.

**12. Develop a business relationship model for major investment projects and consent processing.**

- Agree with this proposal
- Disagree with this proposal
- Neutral

***Comments***

The question is not clear as to what is meant by a “business relationship model” and should be rephrased and re-asked.

We AGREE if this question means assisting businesses to get through regulatory processes more efficiently.

**13. Review the benefits and costs of options for funding infrastructure long-term; and develop a funding guide and strategy for infrastructure investment.**

- Agree with this proposal
- Disagree with this proposal

- Neutral

#### **Comments**

This question needs to be clarified in regard to what 'infrastructure' means. Does 'infrastructure' refer to buildings, sewage/road/electrical? IT infrastructure is not mentioned. The question should also be divided into two questions.

1. "Review the benefits and costs of options for funding infrastructure long-term." needs to be clarified. Does this question mean "Should long-term infrastructure investment models be reviewed?" If so AGREE
2. "Should we develop a funding guide and strategy for infrastructure investment." AGREE But our answer is also "What – you don't have one yet?" We need a strategy to prioritise infrastructure which will encourage higher value visitor activity, not just tourism activity.

#### **14. Work with industry and the government to investigate factors impacting on housing costs and ways to improve the supply of housing in the long term, including whether and how development and building timeframes and costs could be reduced.**

- Agree with this proposal
- ***Disagree with this proposal***
- Neutral

#### **Comments**

We disagree as existing information should be used, including the relevant Productivity Commission report. This is not an area that QLDC has power over in most instances; it can only control planning & development levies.

It should be noted that the Forum considered that affordable living was seen as a very important aspect for the District.

#### **15. Evaluate the impact that Plan Change 24 and the Queenstown Lakes Community Housing Trust have had on housing access and affordability.**

- Agree with this proposal
- Disagree with this proposal
- ***Neutral***

#### **Comments**

We are neutral because this was not specifically discussed in the SoF Forum.

**The following questions were considered and answered by the taskforce but were not dealt with by the forum directly.**

#### **2. Review the economic development funding and support, including the targeted levy the Council collects.**

- Agree with this proposal
- ***Disagree with this proposal***
- Neutral

#### **Comments**

We disagree because there is no current targeted economic development levy, only a marketing levy. Therefore there is nothing to review.

The actual question that should be asked (our answer in CAPS) is: "Should the current Destination Marketing Levy be subsumed into a targeted Economic Development Levy?" DISAGREE - this question wasn't dealt with by the forum

**11. Establish a Queenstown town centre business improvement district to upgrade the town centre; ensure the reviewed district plan reflects the town centre strategy and explore ways for regulatory or planning support to upgrade the town centre.**

- Agree with this proposal
- Disagree with this proposal
- Neutral

### **Comments**

We cannot make a statement about this question because it is 3 questions in one. The question should be broken into the following 3 questions (our answers in CAPS):

1. Should there be a Queenstown town centre business improvement district? This was not specifically addressed by the StF Forum but views were expressed regarding maintaining the social quality of downtown Queenstown.
2. Should regulatory and planning support be used to drive upgrading of the town centre? AGREE IF IT IS SUPPORT ASSISTING BUSINESSES UNDERTAKE UPGRADING ACTIVITIES.  
DISAGREE IF IT IS MORE REGULATION

**6. Finalise and build the proposed Queenstown Convention Centre.**

- Agree with this proposal
- Disagree with this proposal
- Neutral

### **Comments**

We cannot make a statement about this question because it is two questions in one. The question should be broken into the following 2 questions (our answers in CAPS):

1. Do you support having new Convention Centre Facilities? GENERALLY ACCEPTED
2. Do you want the currently proposed Convention Centre? NO CLEAR MANDATE AS NOT CLEAR WHAT THE PROPOSAL CURRENTLY IS. Some Shaping the Future participants support the Lake View proposal, some support an alternative proposal, some support both and some do not support either.
3. This question was not dealt with specifically by forum attendees.





**Economic Futures Forum – Draft Economic Development Strategy Feedback**  
**Lake Wanaka Centre, 24th September 2014 (16 attendees)**  
**Task Force – Ed Taylor, Brent Harridge**

The following feedback was gathered from the Shaping our Future community forum on the Draft Economic Development Strategy. It represents the views of the Wanaka community. The raw data is available for view at [www.shapingourfuture.org.nz](http://www.shapingourfuture.org.nz) or contact [executive@shapingourfuture.org.nz](mailto:executive@shapingourfuture.org.nz)

**There were some common themes that the forum attendees voiced including:**

1. The need for Wanaka to have *its own path set out in the economic development strategy*. The EDS needs to encompass solutions for the whole district - it needs more work for Kingston, Hawea, Makarora, Glenorchy or Luggate
2. Wanaka wants its own, different path to Queenstown.
3. Wanaka wants to build a *higher value, diversified economy*.
4. Economic development needs to *support the long term social/economic/environmental* (aspirations) of the Wanaka community.

## **Recommended Outcomes:**

### **Outcome 1: Higher Value Visitor Activity**

- Wanaka wants to build a higher value, diversified economy, focusing on volume/value and yield whilst maintaining a unique visitor experience.
- Future economic decisions need to reflect the importance of the natural environment on Wanaka's economy.
- Wanaka has an economic opportunity with the current land capacity available to grow within the community agreed boundaries with minimal impact on the surrounding environment.
- The forum supported the current events strategy criteria.

**Outcome 2 - Facilitate the opportunity to grow knowledge based services in the Upper Clutha.**

- The forum identified specific opportunities in aviation/food/education/health/sports to become “a place where talent wants to live”.
- Higher speed internet was identified as a key supporting factor to this economic growth.
- The forum recommended an Economic Development Officer specifically for Wanaka (see below for more information)

### **Outcome 3 – Acknowledge the quality of local environment**

- The economic strategy needs to acknowledge and protect urban boundary, zoning and density in accordance with community wishes, appropriate zoning for activities.
- QLDC policy needs to enable economic development whilst considering our natural environment. Economic development needs to encourage higher wages and diversified housing options.

### **Outcome 4 – Future proof local infrastructure**

- A Wanaka based Economic Development officer could facilitate both business and community initiatives. Combining community and commercial facilities eg sports facility (including investigating private/public arrangements and funding).
- Key to the economic infrastructure of Wanaka is facilitating ultrafast broadband.

### **Wanaka Economic Development Agency Recommendation**

The forum discussed the pros and cons of an officer being within or outside of council. It was unanimously decided an economic development officer for Wanaka should sit outside council.

- The governance administered by Wanaka Chamber of Commerce in collaboration with Lake Wanaka Tourism, QLDC and include council representatives and business leaders.
- The current RTO model was recommended as a good framework but with economic development costs levied across all ratepayers.
- In future the economic development officer would have the ability to apply for outside finance/funding.



## Public Health South

**Dunedin:** Private Bag 1921, Dunedin 9054  
Ph: 03 476 9800 Fax: 03 476 9858

**Invercargill:** PO Box 1601, Invercargill 9840  
Ph: 03 211 0900 Fax: 03 211 0899

**Queenstown:** PO Box 2180, Frankton, Queenstown 9349  
Ph: 03 450 9156 Fax: 03 450 9169

15 October 2014

Queenstown Lakes District Council  
Private Bag 50072  
QUEENSTOWN 9340

Dear Shelley Dawson,

### Economic Development Strategy

With the consultation of the Economic Development Strategy currently underway, it is timely for Southern District Health Board (Southern DHB) to present recommendations to the Queenstown Lakes District Council (QLDC) through its Public Health Service. This Service is the principal source of expert advice within Southern DHB regarding matters concerning Public Health. Southern DHB has responsibility under the New Zealand Public Health and Disability Act 2000 to improve, promote and protect the health of people and communities. Additionally there is a responsibility to promote the reduction of adverse social and environmental effects on the health of people and communities.

We commend the QLDC for having the foresight to develop this report however, as the authors acknowledge on page 44, the strategy *has largely focused on visitor promotion and responding to growth pressures*. This approach does assist with QLDC addressing the projected growth for the District but falls short of fully exploring the consequences of promoting a business friendly environment from a public health perspective. This additional step is important for communities to flourish, to mitigate health disparities and to provide optimal environments for healthier living.<sup>1</sup>

Southern DHB would welcome the opportunity to work with council to assist staff investigate the impact that future policy decisions (such as this Economic Development Strategy) will have on a community before they are adopted. As mentioned in previous District Annual Planning submissions,<sup>2</sup> we recommend QLDC incorporates a "Health in All Policies" (HiAP) approach into council planning processes. HiAP is about promoting healthy public policy; it is a way of encouraging all sectors to consider the health impacts of their policies and practices, and at the same time it examines the contribution that a healthier population can make towards achieving the goals of other sectors.

We believe the application of this approach would have been beneficial for this Strategy as it is well recognised that the health of the population has a significant impact on the functioning of an economy.<sup>3</sup> A policy that has negative consequences for the health and

<sup>1</sup> Rajotte, B.R., Ross, C.L., Ekechi, C.O. & Cadet, V. N. (2011). *Health in All Policies: Addressing the Legal and Policy Foundations of Health Impact Assessment*. Journal of Law, Medicine & Ethics, Spring, 27-29.

<sup>2</sup> 2013/14, 2014/15

<sup>3</sup> Department of Health. (2011). *The South Australian approach to Health in All Policies: background and practical guide*. South Australia: Government of South Australia [accessed 9 October 2014], from <http://www.sahealth.sa.gov.au/wps/wcm/connect/cb6fa18043aece9fb510fded1a914d95/HiAPBackgroundPracticalGuide-v2.pdf?MOD=AJPERES&CACHEID=cb6fa18043aece9fb510fded1a914d95>

wellbeing of the population will impact on the economy, both through lost productivity and the increasing costs of the health care system as shown in the following figure.

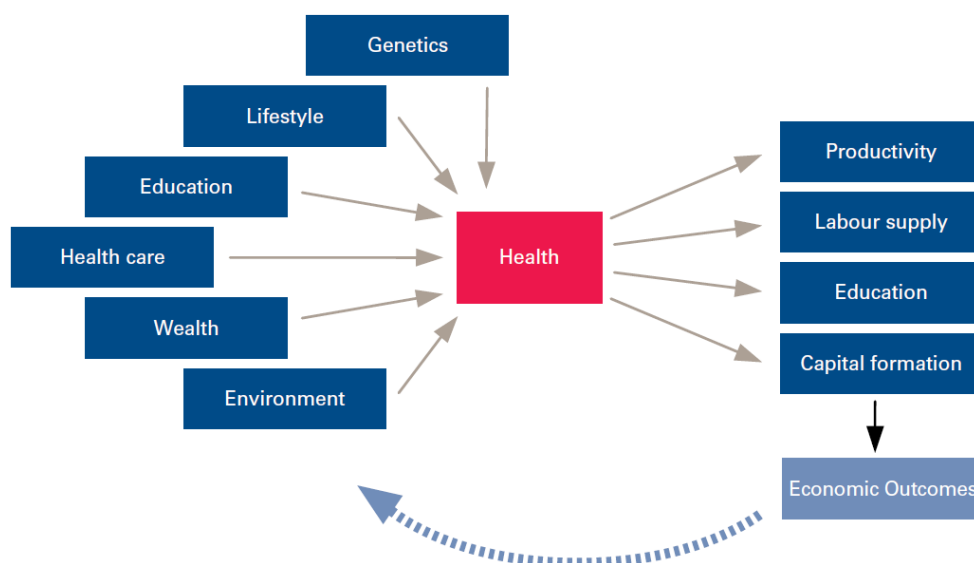


Figure 1.1: Health as a major economic and social driving force

Source: [http://europa.eu.int/comm/health/ph\\_determinants/healthdeterminants\\_en.htm](http://europa.eu.int/comm/health/ph_determinants/healthdeterminants_en.htm)

After reviewing the current document, supporting Priorities 3 and 4 are a great start and begin to explore some of the many issues which should be considered. In Priority 3: *Enhance the quality of the local environment for business to thrive and for residents to live and work*, the document does begin to discuss the relationship between the business sector and residents. It specifies that housing affordability has been raised as an important issue and identifies it as one of four key areas of interest under this priority heading. There are 15 actions identified at the conclusion of the strategy but unfortunately the timeframe associated with affordable housing (actions 14 and 15); are reported to be addressed within 24 or 48 months respectively. These medium length timeframes imply that housing issues are less important to QLDC compared with the majority of other actions listed. This suggests that council is undervaluing the importance of housing affordability. This conclusion is further supported by the opening statement contained under bullet point 3 on page 36, "The District is already doing more than others to directly provide for lower cost housing... ". In contrast, it was very pleasing to see that a review of the effectiveness of both the Community Housing Trust and Plan Change 24 activities were planned.

In conclusion we wish to highlight the value gained by our community and our own organisations of working in partnership with local government. This is highly beneficial when considering the impact of various council activities and plans on population health. Positive community health outcomes accrue when local government remains mindful of its potential to impact upon the health of citizens. We welcome opportunities to discuss this further with you.

Yours sincerely

**Dr Derek Bell**  
Medical Officer of Health

**and Dr Leanne Liggett**  
Public Health Analyst



## WANAKA AND DISTRICTS CHAMBER OF COMMERCE

9 October 2014

Queenstown Lakes District Council  
Private Bag 50072  
Queenstown 9348

### DRAFT ECONOMIC DEVELOPMENT STRATEGY FEEDBACK

The Wanaka and Districts Chamber of Commerce Inc. would like to make the following comments on the draft economic development strategy;

#### 1. Overview of the Strategy

- 1.1. The Chamber agrees with the aspiration for a higher value economy, and the need to diversify the economy, and also agrees with many of the recommended actions.
- 1.2. However, the Chamber has some concerns about certain aspects of the strategy being Queenstown-centric, and not paying enough attention to Wanaka and other parts of the District.
- 1.3. While Queenstown may be experiencing rapid economic growth, that cannot be said about Wanaka or other parts of the district.
- 1.4. The Chamber notes that the key priorities are listed as encouraging higher value visitor activity and facilitating the growth of knowledge based industries. The Chamber agrees with those. However, the strategy lists enhancing the quality of the local environment and future proofing infrastructure as *supporting* priorities. We understand that the feedback from the "Shaping Our Future" forums placed protecting the local environment as a key priority, and ensuring adequate infrastructure (in terms of protecting waterways through adequate drainage etc.) is an integral part of protecting the environment. The environment is overwhelmingly the main reason why people come to the district to live and visit. Protecting that environment should be a *key* priority, as encouraging higher value visitor activity will be dependent on protecting the environment. A truly green and sustainable township would also be a point of difference from other destinations in New Zealand as well as Australasia.

#### 2. Encouraging Higher Value Visitor Activity

- 2.1. While the Chamber generally agrees that it is desirable to attract higher value visitors to the district for the reasons stated in the strategy, the comment that the district has "*achieved enviable long term growth in measures of visitor attraction*", while true of Queenstown, is not true for other areas in the district, including Wanaka. Wanaka still has plenty of capacity in visitor accommodation and needs more visitors to the township, and for those visitors to stay longer.
- 2.2. The report touches on the ability of "*the airport*" to enable reliable flights and handle higher volume. Presumably this is reference to Queenstown Airport. The report does not make any recommendations at all as to how Wanaka Airport can complement Queenstown

Airport. The Chamber sees at least two possibilities to make better use of Wanaka Airport. There is a worldwide shortage of flight schools, so the Council should be encouraging flight schools (both national and international) to locate to Wanaka Airport. There is plenty of land available around the airport to establish dormitories for trainee pilots etc. The airport could also become a centre for the construction and repair of aircraft. There may be other possibilities, such as the Wanaka Airport becoming an overflow destination for traffic to the district if Queenstown Airport has capacity issues. It may also be that private jets are directed to Wanaka Airport to be parked, leaving Queenstown Airport free for commercial traffic.

- 2.3. The report makes recommendations regarding the origin of visitors and comments that Destination Queenstown's market development strategy is to attract more high spending and independent visitors from major cities in China. The Chamber understands that this is also Lake Wanaka Tourism's strategy, but this is not mentioned in the report.
- 2.4. The report recognises that the visitor proposition is different in Wanaka compared to Queenstown. The Chamber agrees that the two towns do offer different value propositions and appeal to different types of visitors. That is an excellent reason for keeping the Queenstown RTO, Arrowtown RTO and the Wanaka RTO as separate entities, rather than merging them. The Chamber is very concerned that the Wanaka story would become lost if the Wanaka RTO was merged into the Queenstown RTO. The three RTOs can work more closely together without merging. The Chamber is strongly opposed to any merger of the RTOs.
- 2.5. The Chamber sees the seasonality issue as a major issue. The report claims that Queenstown Lakes has less of a visitor seasonality issue than many other comparable territorial authorities in New Zealand. Auckland and Rotorua are mentioned. That is questionable, but if true, places like Auckland and Rotorua still have other industries to rely on to support their economies, whereas Queenstown and Wanaka are more heavily dependent on tourism. The Chamber sees seasonality as a major issue.
- 2.6. The report recommends that Council funding be allocated to shoulder season activities, rather than peak season activities. The Chamber would be concerned if this meant diverting assets away from events held in the peak season, as those events are still marginal, at least in Wanaka, and still need Council's support. In fact, events in the peak season such as Challenge Wanaka need increased Council support rather than less support. Council needs to continue to support events generally, not just in terms of funding.
- 2.7. The Chamber supports the Convention Centre in Queenstown, provided delegates or the partners of delegates are also encouraged to visit the wider region, rather than just being captive in Queenstown.
- 2.8. The report recommends certain measures to improve the Queenstown Town Centre. There is also a need to improve the Wanaka Town Centre, particularly to connect the town centre to the lake front, which is perhaps the major attraction for visitors to Wanaka.

- 2.9. The Chamber also sees an opportunity to increase the number of visitors through sports tourism. When Wanaka gets the promised sports facility and an adequate swimming pool, individuals and teams can be attracted to the town to train and compete. Teams can come for pre-season visits, and individuals can come to train for events such as Challenge Wanaka, skiing and snow sports, and other events. The town is ideally placed for biking, snow sports and water based activities in particular, and a number of athletes already take advantage of the high altitude training opportunities in the Cardrona Valley.

### **3. Knowledge based Industries**

- 3.1. The Chamber generally agrees with the comments made in this section, and agrees that knowledge based businesses, such as IT and education, are ideally suited to the area. As the report points out, the district is disadvantaged by transport costs due to its location. The establishment of businesses with digital delivery of their goods/services makes that disadvantage less relevant. Those types of businesses will also have a low impact on the environment.
- 3.2. . The report mentions that the Chamber has been working with the Council and Chorus Limited to roll out UFB in the Wanaka Town Centre. The Chamber believes that connectivity will become a major constraint to growth if not addressed more broadly than just the town centre, and the aim should be to make UFB available throughout the Wanaka area. There are many professionals and small businesses that rely on the internet and which are operated from people's homes. The report also does not recognise that Wanaka was leading the Gigatown competition, or recognise the benefits that would come if Wanaka were to win that competition. Wanaka is now in the finals of that competition, and the Council should be doing everything it can to support Wanaka in that competition (and Council has been supporting it, and we are grateful for that support) and to assist Wanaka to leverage off the competition if it manages to win.
- 3.3. The Chamber supports the establishment of investment panels, and recommends that a separate panel is established for Wanaka/the rest of the district. However, the Chamber also proposes that a new position be created – that of an economic development officer, to act as a salesperson for Wanaka. This person would source opportunities for businesses to relocate to Wanaka, and would support any businesses which are considering relocating to or establishing themselves in Wanaka. The person would act both as a source of information and advice, as well as facilitating interested businesses who wish to find out about how to relocate or establish themselves in Wanaka, by making introductions, providing information etc. That person would need a strong link to Council, and would potentially be employed by Council, but will be accountable to a new Wanaka Economic Development Board, which board would include representatives from Council, LWT, the Chamber, and other appropriate stakeholders. The economic development officer's position could be funded by a rates surcharge on all rate payers, rather than just on businesses, as the person would benefit everyone in the area through lifting the local economy. Other potential funding sources should also be explored.
- 3.4. Wanaka also has ample land available for a large educational facility, including land for association student accommodation.

### **4. Enhance the Quality of the Local Environment**

- 4.1. As mentioned earlier, this should be a key priority, as it is the reason why the vast majority of people live and work here or visit the area.

- 4.2. One of the main environmental issues is water and waste water. It should be a priority to keep our waterways and lakes in pristine condition, as that is arguably the primary attraction for visitors to the region. It is essential that wastewater is managed effectively so that there is no degradation of the natural waterways.
- 4.3. Attention should also be paid to the potential contamination of the water ways through farming activities etc. This can be controlled through the district plan.
- 4.4. Wanaka needs to establish a "point of difference" from other towns. The Chamber sees an opportunity to do this by making Wanaka New Zealand's first totally "green" town, using sustainable practices (for example, based on the model of Hammerby Sjostad in Sweden). Council can assist, for example by adopting sustainable practices in everything it does in Wanaka, and encouraging residents to do so. Also, Council could allow solar panels to be paid for via rates at very low rates of finance, with the aim of the vast majority of houses generating most of the electricity they use within a specified time frame, and with all schools and public buildings generating their own power. That is just one example. A truly green town would be a factor in attracting people and businesses to relocate here.

## 5. Infrastructure

- 5.1. The report mentions housing affordability. While this may be an issue in Queenstown, the Chamber does not think that it is a major issue in the Wanaka area. There are a wide range of housing options available within a reasonable 10 – 20 minute commute from Wanaka. There are constraints on available land for housing in Queenstown due to the topography, there are no such constraints in Wanaka. There is plenty of land available in and around Wanaka for both housing and industrial/business. The report needs to recognise that fact/opportunity.
- 5.2. The report refers to the road network, but the Chamber considers that the roading in and around the region are generally in fairly good condition. The report talks about road congestion, but that is only an issue for a few roads in Queenstown, and not for the rest of the district. The Chamber does not see roading as a significant issue.
- 5.3. While roading is not a significant issue for Wanaka at present, planning for future growth is required. The issue of parking in the Wanaka town centre is an issue, and is likely to get worse. Council needs to do something to address the parking issue. We understand that this is to be addressed in Council's transport strategy.
- 5.4. The issue of low cost housing may be more of an issue in Queenstown than it is in Wanaka, due to more land being available for development in Wanaka, but provision does need to be made, especially as the town grows. There will always be a need for it to cater for those working in the tourism and hospitality industries, for example, which tend to be more low paying jobs. Hopefully, the requirement for low cost housing will be limited if we can achieve a higher value economy.

Yours faithfully

A handwritten signature in black ink, appearing to be 'M. U.', followed by a period.

For and on behalf of the Wanaka and Districts Chamber of Commerce

**Name:**

John Glover

**1. Establish senior economic development capability and / or funding within the Queenstown Lakes District Council.**

Agree with this proposal

Comments

(No response)

**2. Review the economic development funding and support, including the targeted levy the Council collects.**

Agree with this proposal

Comments

(No response)

**3. Expand economic development activities to include industry development, education and investment promotion; assess how they could be integrated with a regional tourism organisation.**

Agree with this proposal

Comments

(No response)

**4. Set up an Economic Forum as a Council committee with representation from the private sector, to oversee the implementation of the economic development.**

Agree with this proposal

Comments

(No response)

**5. Assess the effectiveness of the current split of visitor promotion and facilitation arrangements, and whether and how the promotional arrangements should be integrated.**

Agree with this proposal

Comments

(No response)

**6. Finalise and build the proposed Queenstown Convention Centre.**

Agree with this proposal

Comments

(No response)

**7. Set up an investment panel to assess major business and investment opportunities, and advise how to progress them.**

Agree with this proposal

Comments

(No response)

**8. Bring together groups representing the health, education, screen and professional and technical service industries, along with the Chambers of Commerce, NZTE and Callaghan Innovation, to identify major opportunities for the district and see what could be done to make them happen.**

Agree with this proposal

Comments

(No response)

**9. Evaluate the return on investment from marketing and promotion activities to identify how to get maximum leverage from national partners and initiatives; how to attract higher spending visitors and provide higher value offerings; and how to get visitors to spend more in Wanaka.**

Agree with this proposal

Comments

(No response)

**10. Ensure that a high proportion of events funding goes to events held in the shoulder season.**

Agree with this proposal

Comments

(No response)

**11. Establish a Queenstown town centre business improvement district to upgrade the town centre; ensure the reviewed district plan reflects the town centre strategy and explore ways for regulatory or planning support to upgrade the town centre.**

Agree with this proposal

Comments

(No response)

**12. Develop a business relationship model for major investment projects and consent processing.**

Agree with this proposal

Comments

(No response)

**13. Review the benefits and costs of options for funding infrastructure long-term; and develop a funding guide and strategy for infrastructure investment.**

Agree with this proposal

Comments

(No response)

**14. Work with industry and the government to investigate factors impacting on housing costs and ways to improve the supply of housing in the long term, including whether and how development and building timeframes and costs could be reduced.**

Agree with this proposal

Comments

(No response)

**15. Evaluate the impact that Plan Change 24 and the Queenstown Lakes Community Housing Trust have had on housing access and affordability.**

Agree with this proposal

Comments

(No response)



## General Comment:

Comments on the QLDC Draft Economic strategy

General issues.

I am a strong believer in an old fashioned town planning approach - decide what you need in your community and ensure the town plan will allow it to happen. Councils job is then to incentivise the 'triple word score' developments to ensure they happen.

As an observer of the planning process over the years it is quite apparent that unless something is zoned and anticipated in the District Plan it is almost a given that mis matched applications for projects are doomed to a lengthy and expensive path to failure.

Examples would be the United World College that would have bought 40 plus teaching positions to the Glenorchy area or the proposal for film studios at Arthur's Point. Both of these projects tick all our boxes, but both faced insurmountable objections.

We are short of space for the big box players of Tertiary Education, Health Campus, Film Studios, catering & engineering for overnighting aircraft and must ensure we have provided locations and zoning that will bring them into fruition.

Rural viewpoint.

The economics of our smaller communities will differ greatly from the centres. We lack the landlord investors and big business owners that raise the median wealth levels in the District. Additionally, rural living and building costs are higher. An economic analysis could usefully be undertaken to benchmark a rural community against the centres as different strategies may stem from the results.

Why does tertiary education in our District just have to be for hospitality and tourism? The report rightly identifies our natural landscape as a key strength. So why not look at teaching and research in rural life, agriculture and the natural environment?

Could we establish a field studies centre to attract visiting scientists, NIWA staff or other NZ researchers to base themselves in our rural community with our surroundings being their research laboratory

It would have been helpful for the report to identify barriers to economic prosperity affecting the smaller or rural communities. Obvious examples are poor internet speeds, lack of ready access to health services, lack of facilities for the elderly, lack of township zoned land for residential development and affordability of housing.

Lack of office / work space in smaller communities could be addressed by identifying public

buildings that could be adapted for this purpose. This could increase the usage of rural libraries, halls and community rooms.

Council could consider applying local occupancy covenants to new developments as a means of reducing house price pressure. Ways to do this are well established overseas.

The strategy should look at the connectivity between rural communities and the centres eg walking trails (what gaps exist, particularly on Te Araroa trail), public transport, cycle ways etc.

Economic development unit within Council

In order to close the loop from policy to delivery, there has to be a function in Council to bring developers and land owners on board to be part of the process rather than the adversarial situation that currently exists. The unit needs to ensure the economic policy feeds into other Council plans and policies.

Tourism Promotion

It makes sense to save costs by simplifying the management and administrative arrangements for the three Tourism Promotion boards. However, given the geographic separation and competition for customers between them it will require exceptional leadership to produce a result where the whole is greater than the sum of the parts.

**Name:**

Glenorchy Community Association

**1. Establish senior economic development capability and / or funding within the Queenstown Lakes District Council.**

(No response)

Comments

(No response)

**2. Review the economic development funding and support, including the targeted levy the Council collects.**

(No response)

Comments

(No response)

**3. Expand economic development activities to include industry development, education and investment promotion; assess how they could be integrated with a regional tourism organisation.**

(No response)

Comments

(No response)

**4. Set up an Economic Forum as a Council committee with representation from the private sector, to oversee the implementation of the economic development.**

(No response)

Comments

(No response)

**5. Assess the effectiveness of the current split of visitor promotion and facilitation arrangements, and whether and how the promotional arrangements should be integrated.**

(No response)

Comments

(No response)

**6. Finalise and build the proposed Queenstown Convention Centre.**

(No response)

Comments

(No response)

**7. Set up an investment panel to assess major business and investment opportunities, and advise how to progress them.**

(No response)

Comments

(No response)

**8. Bring together groups representing the health, education, screen and professional and technical service industries, along with the Chambers of Commerce, NZTE and Callaghan Innovation, to identify major opportunities for the district and see what could be done to make them happen.**

(No response)

Comments

(No response)

**9. Evaluate the return on investment from marketing and promotion activities to identify how to get maximum leverage from national partners and initiatives; how to attract higher spending visitors and provide higher value offerings; and how to get visitors to spend more in Wanaka.**

(No response)

Comments

(No response)

**10. Ensure that a high proportion of events funding goes to events held in the shoulder season.**

(No response)

Comments

(No response)

**11. Establish a Queenstown town centre business improvement district to upgrade the town centre; ensure the reviewed district plan reflects the town centre strategy and explore ways for regulatory or planning support to upgrade the town centre.**

(No response)

Comments

(No response)

**12. Develop a business relationship model for major investment projects and consent processing.**

(No response)

Comments

(No response)

**13. Review the benefits and costs of options for funding infrastructure long-term; and develop a funding guide and strategy for infrastructure investment.**

(No response)

Comments

(No response)

**14. Work with industry and the government to investigate factors impacting on housing costs and ways to improve the supply of housing in the long term, including whether and how development and building timeframes and costs could be reduced.**

(No response)

Comments

(No response)

**15. Evaluate the impact that Plan Change 24 and the Queenstown Lakes Community Housing Trust have had on housing access and affordability.**

(No response)

Comments

(No response)

## General Comment:

Rural viewpoint.

The economics of our smaller communities will differ greatly from the centres. We lack the landlord investors and big business owners that raise the median wealth levels in the District. Additionally, rural living and building costs are higher. An economic analysis could usefully be undertaken to benchmark a rural community against the centres as different strategies may stem from the results.

Why does tertiary education in our District just have to be for hospitality and tourism? The report rightly identifies our natural landscape as a key strength. So why not look at teaching and research in rural life, agriculture and the natural environment?

Could we establish a field studies centre to attract visiting scientists, NIWA staff or other NZ researchers to base themselves in our rural community with our surroundings being their research laboratory

It would have been helpful for the report to identify barriers to economic prosperity affecting the smaller or rural communities. Obvious examples are poor internet speeds, lack of ready access to health services, lack of facilities for the elderly, lack of township zoned land for residential development and affordability of housing.

Lack of office / work space in smaller communities could be addressed by identifying public buildings that could be adapted for this purpose. This could increase the usage of rural libraries, halls and community rooms.

Council could consider applying local occupancy covenants to new developments as a means of reducing house price pressure. Ways to do this are well established overseas.

The strategy should look at the connectivity between rural communities and the centres eg walking trails (what gaps exist, particularly on Te Araroa trail), public transport, cycle ways etc.

**Name:**

Doug and Jo Champion from Amity Lodge Motel & Apartments

**1. Establish senior economic development capability and / or funding within the Queenstown Lakes District Council.**

Neutral

Comments

(No response)

**2. Review the economic development funding and support, including the targeted levy the Council collects.**

Disagree with this proposal

Comments

We are happy with the status quo, with Council collecting levies from Rates and passing money on to DQ. If it goes to a collective fund within the Council, this money could be split in to different directions for things other than promotion of our town. We all thrive and rely on tourism, therefore promotion of our town should be run by a separate identity such as DQ. The Council should not be involved with this type of promotional work as this needs specialized attention and expertise. In other words, stick to what councils do best i.e. roading, rubbish, sewerage, parks and water (even if we have to get it by the bucket load! ). Areas such as Wanaka and Arrowtown should be left to promote themselves as they have the local knowledge and are doing well, and if Council try to amalgamate these areas, independence of these communities will be lost. (there is no substitute for local knowledge). If Council requires more funding for infrastructure then collect it directly from the tourist as a....( dare i say it) bed tax - A user pay tourist tax, as they do everywhere else where there are large tourist numbers with a small rate payer base !! DQ must stay! 'If it aint broke, dont fix it'.

**3. Expand economic development activities to include industry development, education and investment promotion; assess how they could be integrated with a regional tourism organisation.**

Agree with this proposal



Comments

(No response)

**4. Set up an Economic Forum as a Council committee with representation from the private sector, to oversee the implementation of the economic development.**

Neutral

Comments

Representation from the private sector should cover a broad spectrum of people from all businesses and industries. I note that there was no representative from the accommodation sector when the initial consultation was done for this EDS proposal.

**5. Assess the effectiveness of the current split of visitor promotion and facilitation arrangements, and whether and how the promotional arrangements should be integrated.**

Neutral

Comments

What are facilitation arrangements????

**6. Finalise and build the proposed Queenstown Convention Centre.**

Agree with this proposal

Comments

Preferred site at Lakeview.

**7. Set up an investment panel to assess major business and investment opportunities, and advise how to progress them.**

Agree with this proposal

Comments

so long as Tourism was the main focus.

**8. Bring together groups representing the health, education, screen and professional and technical service industries, along with the Chambers of Commerce, NZTE and Callaghan Innovation, to identify major opportunities for the district and see what could be done to make them happen.**

Agree with this proposal

Comments

(No response)

**9. Evaluate the return on investment from marketing and promotion activities to identify how to get maximum leverage from national partners and initiatives; how to attract higher spending visitors and provide higher value offerings; and how to get visitors to spend more in Wanaka.**

(No response)

Comments

There are 2 parts to this proposal - you cannot lump them together.  
Wanaka Promotion Board should be responsible for promoting their own area.

**10. Ensure that a high proportion of events funding goes to events held in the shoulder season.**

Agree with this proposal

Comments

(No response)

**11. Establish a Queenstown town centre business improvement district to upgrade the town centre; ensure the reviewed district plan reflects the town centre strategy and explore ways for regulatory or planning support to upgrade the town centre.**

Neutral

Comments

Is stepping on the toes of Chamber of Commerce a good idea?

Queenstown in general has to be careful that it doesn't become "like everywhere else".

Our town has to remain unique otherwise we may see a drop in visitor number like The Gold Coast did many years ago and still hasn't really really recovered.

**12. Develop a business relationship model for major investment projects and consent processing.**

Neutral

Comments

(No response)

**13. Review the benefits and costs of options for funding infrastructure long-term; and develop a funding guide and strategy for infrastructure investment.**

Agree with this proposal

Comments

(No response)

**14. Work with industry and the government to investigate factors impacting on housing costs and ways to improve the supply of housing in the long term, including whether and how development and building timeframes and costs could be reduced.**

Agree with this proposal

Comments

(No response)

**15. Evaluate the impact that Plan Change 24 and the Queenstown Lakes Community Housing Trust have had on housing access and affordability.**

Neutral

Comments

(No response)

### **General Comment:**

Please make any further comment on any aspect of the draft strategy:

It sounds like the Council are struggling with how to proceed with many aspects of development, infrastructure, promotion and funding.

We are a town with a small rates base but want so many facilities for our tourists and locals.

User pays must come in to effect therefore we feel that a 'bed tax' would be the fairest and best way to alleviate this problem.

**Name:**

Darren Craig

**1. Establish senior economic development capability and / or funding within the Queenstown Lakes District Council.**

Agree with this proposal

Comments

See additional comments at the end.

**2. Review the economic development funding and support, including the targeted levy the Council collects.**

Agree with this proposal

Comments

(No response)

**3. Expand economic development activities to include industry development, education and investment promotion; assess how they could be integrated with a regional tourism organisation.**

Neutral

Comments

See previous comments. I don't agree on combining the area marketing groups such as DQ.

**4. Set up an Economic Forum as a Council committee with representation from the private sector, to oversee the implementation of the economic development.**

Agree with this proposal

Comments

(No response)

**5. Assess the effectiveness of the current split of visitor promotion and facilitation arrangements, and whether and how the promotional arrangements should be integrated.**

Disagree with this proposal

Comments

Don't agree with merging the marketing efforts. Perhaps there's scope for more joint ventures, but they already do that and I'm not close enough to be able to provide further comment apart from taking on board views expressed at the DQ AGM.

**6. Finalise and build the proposed Queenstown Convention Centre.**

Agree with this proposal

Comments

See earlier comments - there's a very very fine line with conference centre developments and the location of it versus ruining the character of the town and decreasing the affordability in the long terms. Locals have to be considered very carefully in here, and I'm not convinced a CBD location is the best due to this.

Any development in this area could be tied to attracting more visitors that may help drive the knowledge economy growth.

**7. Set up an investment panel to assess major business and investment opportunities, and advise how to progress them.**

Agree with this proposal

Comments

See earlier comments. Needs a body very familiar with the knowledge economy which is very different to traditional bricks and mortar businesses.

**8. Bring together groups representing the health, education, screen and professional and technical service industries, along with the Chambers of Commerce, NZTE and Callaghan Innovation, to identify major opportunities for the district and see what could be done to make them happen.**

Agree with this proposal

Comments

Yes, definitely, and get widespread representation and distribution of thoughts. There's already groups that will have been setup through business and council back organisations, but there's also other independent groups. Although these may be minor they very much represent the new way of thinking and new economies - e.g. Startup Weekend Group (almost 80 people taking part), Facebook entrepreneurial group (over 300 members), TEDx group (not directly business related, but similar mindset), and Queenstown Technology Group (small, but related). I've am involved/organising 3 of these, and I think you may get very different and wider input from this sector than traditional business associations, and this is key.

**9. Evaluate the return on investment from marketing and promotion activities to identify how to get maximum leverage from national partners and initiatives; how to attract higher spending visitors and provide higher value offerings; and how to get visitors to spend more in Wanaka.**

Agree with this proposal

Comments

(No response)

**10. Ensure that a high proportion of events funding goes to events held in the shoulder season.**

Agree with this proposal

Comments

(No response)

**11. Establish a Queenstown town centre business improvement district to upgrade the town centre; ensure the reviewed district plan reflects the town centre strategy and explore ways for regulatory or planning support to upgrade the town centre.**

Agree with this proposal

Comments

Already seems to be moving forward. Perhaps need to consider this on a bigger scale as its important there's not just a CBD association looking after improving that, then in the long term Frankton has a very different focus, which ends up looking like some concrete monstrosity in front of the Remarkable mountains. Although the CBD group is important, we need to retain balanced thinking around commercial activities.

**12. Develop a business relationship model for major investment projects and consent processing.**

Agree with this proposal

Comments

See other notes. Need to grow the attraction of other projects, particularly around widening the economy.

**13. Review the benefits and costs of options for funding infrastructure long-term; and develop a funding guide and strategy for infrastructure investment.**

Agree with this proposal

Comments

See other comments



**14. Work with industry and the government to investigate factors impacting on housing costs and ways to improve the supply of housing in the long term, including whether and how development and building timeframes and costs could be reduced.**

Agree with this proposal

Comments

35 sections being snapped up in an hour shows how big a deal this is. There's many highly skilled people in this area with professional level jobs that can't afford housing, never mind the tourism and hospitality related workers.

**15. Evaluate the impact that Plan Change 24 and the Queenstown Lakes Community Housing Trust have had on housing access and affordability.**

Agree with this proposal

Comments

(No response)

**General Comment:**

Feedback on Economic Strategy Review

I would like to feedback on the strategy review, particularly around the development of the knowledge economy, high value visitors and the economic affordability for locals.

I generally agree with the proposal but have a lot of thoughts and opinions on various elements.

I apologise if this feedback is too long!

Knowledge Economy

I think the QLDC area is a prime example of a location that can grow this economy sector over time as it offers some key benefits that are also offered by places such as Boulder, Colorado which has a huge ICT sector in startups.

Many larger players in the US established bases there to retain and attract highly educated and

qualified individuals whilst offering the lifestyle comparable to the QLDC area. I recently spoke with someone from Wanaka who is over there and he said the scene over there is 'off the charts' with activity.

There are many entrepreneurs and 'solopreneurs' based in this area and it's vital to get one body that represents them involved in the discussion, some of which may be made through forums like Shaping Our Future. Most current representatives seem to be from established companies, but it would be good to get individuals involved as well as this sector can be very different from a more 'traditional' style company such as Magic Memories or MedRecruit (I realise they have unique aspects of them too!).

There are many businesses offering internet based services globally who would love to relocate to a place such as this (take Trey Ratcliffe as one example, and not all the "money can't buy this" exposure Queenstown in particular has had through him).

Even on a small scale, I sell online courses about digital and tourism marketing, mainly to overseas users, and when I do everything is delivered electronically.

#### Incubators

Although this is more detail than required for this feedback it would be great to get a body together who understands this sector well, and form a group such as Grow Wellington or the equivalent.

I am one of the organisers of Startup Weekend Queenstown and although we haven't had a huge amount of PR we're just scratching the surface of what's possible in the longer term, which is directly related to this review and the knowledge economy. We pretty much sold out, despite very little PR and not many people knowing about the event.

Like Trey, this is only one example - there will be many more, but generally they are stumbled upon, rather than shouted about which would be required moving forward.

#### Internet Access

Internet access is described as quite good in the report however I think it's quite bad. Although UFB is being rolled out, and will continue to be this type of access is really required for the knowledge economy. When you can't stream YouTube videos successfully, it's a good sign the infrastructure isn't great - a simple example and oversimplifying it but a real one.

UFB may be different, but much of this economy requires super fast upload, not just consumption, the film industry being a prime example. Multi million dollar shoots going on regularly and I assume they go elsewhere to do all the uploading and editing (an assumption). I believe the Rydges had half of NZ's international bandwidth pumped into it for a Future of the Internet conference, so

it can be done. Again, don't quote me on that, it was just part of a conversation.

The Gigatown competition on the face of it is great, but I don't think it's a great use of money to pump in the equivalent of the prize money for what is a commercial venture (again, I don't know these numbers accurately). Think about how much lost productivity around NZ has resulted in an 18 month(?) commercial competition.

We already have providers such as Lightspeed that do not throttle upload speed. This type of access is essential to the knowledge economy from film production, right down to the solo-preneur like myself that sells content via webinar style delivery, live to a global audience. Prior to something like Lightspeed my screen would have been jumping and stuttering to the end users, and this is a real example.

I'm sure there's many people in town suffering from relatively poor internet access, and others (like myself) who would even check availability of it before moving house, and I do this at a small scale at the moment.

The fastest internet I've had was 7 years ago in a Chinese hostel, yet here we still suffer from only 30 minutes free in town when you buy a coffee. I realise there are many commercial decisions that go into that, but it doesn't encourage the existing knowledge economy people to get out from their home office. This is just my opinion.

## Conferences

Initially I was against a conference centre in Queenstown, the main reason was that I didn't want busloads of 'high value' visitors being bussed into town, coming out and taking over our restaurants and bars, then heading home, only to buy a second home in Queenstown a few months later, driving up the price of housing for locals and damaging the affordability, and potentially drastically changing the visitor mix that makes this area special. This is an extreme example, but again I believe it's real.

Why build a conference centre to pad out the shoulder season if it has negative long term affects for locals?

In saying that, I've come round to the idea, particularly as I see many conferences on the Gold Coast that I'd love to see here. I think there has to be a real push to attract these rather than just sales incentive groups, who could fall into the first paragraph of user types above.

Although it's better to promote Queenstown (in particular) having a CBD conference centre I believe it's a very very fine line about balancing these visitors with the locals, and keeping the CBD alive (relating to the CBD association that's just being formed).

To this end, I think Frankton would be a better location - keep that as the business side of Queenstown.

I'm not the most qualified in the economics of conference centres, but just my thoughts. I understand even the current MICE market is more diverse than I realise, but wouldn't it be great to get them move involved in the local economy as they are often hidden. I understand there was a group from LinkedIn over here recently, and the Future of the Internet conference. I (and many others I'm sure) would have loved to network over a coffee, but they are effectively invisible from locals, apart from the business owners.

### High Value Visitors

Touching on high value visitors I think this is a misleading term, that was thankfully explained at the recent DQ AGM. I'm pleased to find out that I was once a high value visitor in my backpacking days.

Both my partner and I visited this area almost 10 years ago independently and thought 'wouldn't it be great to live here', then we moved over 6 years later bringing high value knowledge and expertise in the ICT and marketing areas. Initially we were in Wellington for 6 months and it was only by chance jobs came up at the right time which meant we never had to go back. There are many visitors like this in town and it would be amazing to have more opportunities for them to stay and contribute more long term.

I think 'high value visitor' is a term that can be misleading to locals and puts the affordability fear into people.

### Employers

Relating to earlier comments I think there has to be some change in some local employers, and what I'm about to say may appear as a big generalisation, but I don't think it is based on conversations.

This area is renowned amongst business owners about the high costs relating to staff turnover due to short term workers, and wasted time and money training people who disappear after a few months and I get why this is a real issue for them. Despite this, many local employers don't seem to appreciate the value of some of the staff they already have, and some can still have the small company mentality that treats everyone like seasonal workers.

I believe this is very damaging to the economy as these very same staff are quite often pushed away, back overseas, or up to Auckland to find work that's valued, and paid accordingly. In many professional jobs in town I reckon they pay significantly (up to 40%?) less than elsewhere in the country, despite the living cost not being any better in many cases. Some of the stats in the report

may paint a better picture than this though.

There's only so long that this area can keep paying below city salaries for professional (and perhaps tourism) related jobs, yet try to build the economy. It's a catch 22 situation - employers complain about high turnover and costs, whilst employees often complain about dubious employment practices, low salaries, feeling undervalued and many more circumstances that don't encourage them to stick around. I can think of many, many situations like this and it's a very difficult one to solve.

I truly believe this is pushing away many of those sought out highly skilled staff to other areas, and back overseas, which is hurting the economy. Either that or it brings out the entrepreneurial spirit and people break out on their own (and I'm an example of that), and may struggle.

### Destination Marketing

There's a very strong feeling that the destination marketing groups shouldn't be merged by those involved. DQ seems to have an enviable reputation amongst the RTOs and I don't think this should be interfered with.

Queenstown, Wanaka and Arrowtown have very different offerings, and I understand they do combine their marketing efforts where relevant.

### Future

I don't have all the answers for the future, but I think there needs to be :

- more inclusion of individuals to better understand the knowledge economy future
- more press about what's going on in the current groups to get a better understanding
- bodies established (perhaps like Shaping our Future, or as part of that strategy) to show a 'common voice' that tells one story to potential interested parties
- more push in the conferences about the knowledge economy sectors  
(this could bring many high value influential people who may help drive investment in the economy, but there's probably a need to get them networked better locally if there's a chance)
- more focus on establishing faster and better internet access (including uploads)  
(also free wifi in town!?!?...which would go down badly with commercial operators)

All in all I like the potential being discussed in this review, but I think its a delicate balance between the growth in the economy, alongside nurturing and retaining the experienced people in the area versus attracting more people in, and needs a definite focus on the affordability of the region.

I've even known of people in the knowledge economy, well followed bloggers, wanting to remain in Queenstown and they moved on due to lack of decent accommodation, never mind affordability, and this isn't the kind of publicity Queenstown and QLDC want.

I hope this feedback is of value and it wasn't too long!

Regards

Darren Craig

[REDACTED]

[REDACTED]

Co-organise of Startup Weekend Queenstown.

**Name:**

Ann Cowan

**1. Establish senior economic development capability and / or funding within the Queenstown Lakes District Council.**

Agree with this proposal

Comments

General acceptance. TOURISM is this town's main economic opportunity and should remain separately funded and administered.

Destination Queenstown and its appointed board must remain separately funded and administered.

**2. Review the economic development funding and support, including the targeted levy the Council collects.**

Disagree with this proposal

Comments

Destination Queenstown has a focused and governed function and is committed to the Queenstown economy by its work that is measured annually.

DESTINATION QUEENSTOWN must continue in present form.

**3. Expand economic development activities to include industry development, education and investment promotion; assess how they could be integrated with a regional tourism organisation.**

Agree with this proposal

Comments

Integrating into council management risks Tourism being diluted and effectiveness lost. I do not support any change to the current structure for Destination Queenstown. No support for any change to current Destination Queenstown structure.

**4. Set up an Economic Forum as a Council committee with representation from the private sector, to oversee the implementation of the economic development.**

Neutral

Comments

Who would take part in the overseeing committee is not addressed. ,  
'Council orientated tourism' may not reflect the drive of current tourism businesses.

**5. Assess the effectiveness of the current split of visitor promotion and facilitation arrangements, and whether and how the promotional arrangements should be integrated.**

Disagree with this proposal

Comments

This proposal shows little understanding of what is currently good, currently effective and currently profitable.  
The proposal shows little appreciation of the tourism business of each district.(queenstown, Wanaka and Arrowtown) They all have very different promotional needs.

**6. Finalise and build the proposed Queenstown Convention Centre.**

Agree with this proposal

Comments

I have agreed previously to this proposal and think Lakeview is the right site.

**7. Set up an investment panel to assess major business and investment opportunities, and advise how to progress them.**

Agree with this proposal



Comments

(No response)

**8. Bring together groups representing the health, education, screen and professional and technical service industries, along with the Chambers of Commerce, NZTE and Callaghan Innovation, to identify major opportunities for the district and see what could be done to make them happen.**

Agree with this proposal

Comments

But not at the expense of the Tourism Dollar.

**9. Evaluate the return on investment from marketing and promotion activities to identify how to get maximum leverage from national partners and initiatives; how to attract higher spending visitors and provide higher value offerings; and how to get visitors to spend more in Wanaka.**

Agree with this proposal

Comments

(No response)

**10. Ensure that a high proportion of events funding goes to events held in the shoulder season.**

Disagree with this proposal

Comments

I understood this was for community funding and isn't an event such as 'winter Festival" a great event to have locals involved.

,

**11. Establish a Queenstown town centre business improvement district to upgrade the town centre; ensure the reviewed district plan reflects the town centre strategy and explore ways for regulatory or planning support to upgrade the town centre.**

Agree with this proposal

Comments

(No response)

**12. Develop a business relationship model for major investment projects and consent processing.**

Agree with this proposal

Comments

(No response)

**13. Review the benefits and costs of options for funding infrastructure long-term; and develop a funding guide and strategy for infrastructure investment.**

Neutral

Comments

(No response)

**14. Work with industry and the government to investigate factors impacting on housing costs and ways to improve the supply of housing in the long term, including whether and how development and building timeframes and costs could be reduced.**

Agree with this proposal

Comments

(No response)

**15. Evaluate the impact that Plan Change 24 and the Queenstown Lakes Community Housing Trust have had on housing access and affordability.**

Agree with this proposal

Comments

(No response)

**General Comment:**

I believe growth is great but you have to look at current unoccupied space and consider occupancy rates etc. Occupancy in this town have decreased by 10%+ in the past 10 years. We have a council that continues to allow holiday homes being utilized for short term rental at the detriment of Motels, hotels that are paying commercial rates.

**Name:**

Alastair (Al) Luke, and Joy Luke

**1. Establish senior economic development capability and / or funding within the Queenstown Lakes District Council.**

Agree with this proposal

Comments

DQ should remain a separate entity. Elected community representatives on allow a democratic approach to spending of marketing funds, already overseen by a Strategic Review Board.

**2. Review the economic development funding and support, including the targeted levy the Council collects.**

Disagree with this proposal

Comments

The targetted levy must remain for the visitor marketing and promotion of Queenstown. This impacts on every business in Queenstown in a positive way.

**3. Expand economic development activities to include industry development, education and investment promotion; assess how they could be integrated with a regional tourism organisation.**

Disagree with this proposal

Comments

The present form of the DQ Board has elected tourism business people and council representatives and production, promotion and facilitation would better come from this Board.

**4. Set up an Economic Forum as a Council committee with representation from the private sector, to oversee the implementation of the economic development.**

Disagree with this proposal

Comments

Is this not the Strategic Review Board?

**5. Assess the effectiveness of the current split of visitor promotion and facilitation arrangements, and whether and how the promotional arrangements should be integrated.**

Disagree with this proposal

Comments

Each area is unique and requires different promotional strategies to obtain the best results

**6. Finalise and build the proposed Queenstown Convention Centre.**

Agree with this proposal

Comments

(No response)

**7. Set up an investment panel to assess major business and investment opportunities, and advise how to progress them.**

Agree with this proposal

Comments

(No response)

**8. Bring together groups representing the health, education, screen and professional and technical service industries, along with the Chambers of Commerce, NZTE and Callaghan Innovation, to identify major opportunities for the district and see what could be done to make them happen.**

Agree with this proposal

Comments

(No response)

**9. Evaluate the return on investment from marketing and promotion activities to identify how to get maximum leverage from national partners and initiatives; how to attract higher spending visitors and provide higher value offerings; and how to get visitors to spend more in Wanaka.**

Agree with this proposal

Comments

Regarding activities - is a backpacker a high spend visitor, while also being a low spend visitor on accommodation?

**10. Ensure that a high proportion of events funding goes to events held in the shoulder season.**

Agree with this proposal

Comments

(No response)

**11. Establish a Queenstown town centre business improvement district to upgrade the town centre; ensure the reviewed district plan reflects the town centre strategy and explore ways for regulatory or planning support to upgrade the town centre.**

Agree with this proposal

Comments

(No response)

**12. Develop a business relationship model for major investment projects and consent processing.**

Agree with this proposal

Comments

(No response)

**13. Review the benefits and costs of options for funding infrastructure long-term; and develop a funding guide and strategy for infrastructure investment.**

Agree with this proposal

Comments

(No response)

**14. Work with industry and the government to investigate factors impacting on housing costs and ways to improve the supply of housing in the long term, including whether and how development and building timeframes and costs could be reduced.**

Agree with this proposal

## Comments

As employers we are not discussing with staff the need for increased wages - more and more we are discussing their personal situations eg cost and availability of housing, and the social pressure that they come under.

## **15. Evaluate the impact that Plan Change 24 and the Queenstown Lakes Community Housing Trust have had on housing access and affordability.**

Agree with this proposal

## Comments

(No response)

## **General Comment:**

We firmly believe that if you can do business in Queenstown, you are highly likely to be able to do it anywhere in New Zealand. The pressures of costs of doing business here and the 7 day nature of Queenstown requires sacrifice and there are negatives socially and otherwise.

Tourism attracts the top business people of the world, and opportunities in Queenstown are often impacted on by world wide interest.

Local Business people should be consulted at a high level to help the council through this decision process. Elected officials have been given the authority.

This should be respected.



**Name:**

T & E Spijkerbosch household

**1. Establish senior economic development capability and / or funding within the Queenstown Lakes District Council.**

Disagree with this proposal

Comments

Needs to be outside of council but with a council ( or 2) representative

**2. Review the economic development funding and support, including the targeted levy the Council collects.**

Disagree with this proposal

Comments

not aware of any current targeted levy for economic development funding and would want to know more before agreeing to such a levy

**3. Expand economic development activities to include industry development, education and investment promotion; assess how they could be integrated with a regional tourism organisation.**

Disagree with this proposal

Comments

Economic development is very different to an RTO's activity and should not be confused nor combined. The RTO should however be represented on any Economic Development board

**4. Set up an Economic Forum as a Council committee with representation from the private sector, to oversee the implementation of the economic development.**

Disagree with this proposal

Comments

Should be outside of council but with council representative on the board. Believe best created as a branch of the Chamber of Commerce. Any business entrepreneur going to a new town will automatically seek out a Chamber for local business information.

**5. Assess the effectiveness of the current split of visitor promotion and facilitation arrangements, and whether and how the promotional arrangements should be integrated.**

Disagree with this proposal

Comments

Ain't broke don't damage it! Economic development and RTO promotions are two distinctly different actions.

**6. Finalise and build the proposed Queenstown Convention Centre.**

Neutral

Comments

unable to comment

**7. Set up an investment panel to assess major business and investment opportunities, and advise how to progress them.**

Neutral

Comments

not actually councils knitting

**8. Bring together groups representing the health, education, screen and professional and technical service industries, along with the Chambers of Commerce, NZTE and Callaghan Innovation, to identify major opportunities for the district and see what could be done to make them happen.**

Agree with this proposal

Comments

yes but outside of council.

**9. Evaluate the return on investment from marketing and promotion activities to identify how to get maximum leverage from national partners and initiatives; how to attract higher spending visitors and provide higher value offerings; and how to get visitors to spend more in Wanaka.**

Disagree with this proposal

Comments

This is the RTO's brief and being done very well. leave it alone.

**10. Ensure that a high proportion of events funding goes to events held in the shoulder season.**

Neutral

Comments

depends on what the events are and what ROI can be expected. Must be done in consultation with RTO to ensure limited overlaps of events and conferences.

**11. Establish a Queenstown town centre business improvement district to upgrade the town centre; ensure the reviewed district plan reflects the town centre strategy and explore ways for regulatory or planning support to upgrade the town centre.**

Agree with this proposal

Comments

(No response)

**12. Develop a business relationship model for major investment projects and consent processing.**

Neutral

Comments

council should have a business relationship with ALL investment projects.

**13. Review the benefits and costs of options for funding infrastructure long-term; and develop a funding guide and strategy for infrastructure investment.**

Agree with this proposal

Comments

(No response)

**14. Work with industry and the government to investigate factors impacting on housing costs and ways to improve the supply of housing in the long term, including whether and how development and building timeframes and costs could be reduced.**

Agree with this proposal

Comments

(No response)

**15. Evaluate the impact that Plan Change 24 and the Queenstown Lakes Community Housing Trust have had on housing access and affordability.**

Agree with this proposal

Comments

(No response)

**General Comment:**

(No response)

**Name:**

Remarkables Park Limited

**1. Establish senior economic development capability and / or funding within the Queenstown Lakes District Council.**

Disagree with this proposal

**Comments**

We disagree with this proposal on the basis that the question is of a leading nature and contains more than one question that cannot be answered in a simple singular response. By simplifying the recommended action into a single question it fails to detail the actual recommendation within the report and serves to limit any respondent's ability to separately respond to the recommendation that Council should be responsible for this action. A proper independent survey would not contain leading questions or multiple questions within a question. As such any response to the above question is likely to deliver a misleading or biasing result that could open to manipulation.

Clearly there is a well-recognised need to establish a dedicated and focused economic development agency for the district. However we strongly argue against this capability being contained within the Council. Council has a role to play in Economic Development but as it is not one of Council's core business functions such a role needs to be of a supporting nature.

We strongly argue against this function being part of Council. The Economic Development Strategy document acknowledges that there is no existing resources within QLDC and that such resources need to be of a senior capability. Council has no track record in managing economic development within the district. Page three of the report acknowledges that the private sector leads the decision making processes that drive economic growth outcomes while government creates the framework and policies for decision making. The private sector, the various Chamber of Commerce bodies and the Shaping Our Future committees have demonstrated a better track record in this area and would be better placed to work collaboratively to create and source funding for an independent Economic Development agency.

An independent agency would also negate the risk of conflict of interest and lack of impartiality identified. An external agency could also be more focused on economic development and avoid being bogged down in bureaucracy. Both of these issues were acknowledged as risks within the report.

## **2. Review the economic development funding and support, including the targeted levy the Council collects.**

Disagree with this proposal

### **Comments**

Again we must disagree with this proposal on the basis that the question is misleading in nature and contains more than one question that cannot be answered in a simple singular response. The question also fails to correctly summarize the full recommendation made in the report and does not seek to question the recommendation that Council should lead the responsibility for this action.

The question is flawed on the basis that the only current funding model is solely for the purpose of visitor promotion and destination marketing. A marketing levy should not be confused with a funding model to deliver a comprehensive economic development strategy.

We acknowledge the success of DQ and Lake Wanaka Tourism in their successful promotion of the Queenstown Lakes District and abide by the old adage that “if it isn’t broke don’t try and fix it”. We also acknowledge that QLDC may have an important role to play in the collection and administration of any proposed economic development funding model, however this should not be confused with the need to create an independent Economic Development Agency that sits outside Council.

## **3. Expand economic development activities to include industry development, education and investment promotion; assess how they could be integrated with a regional tourism organisation.**

Disagree with this proposal

### **Comments**

Again we must disagree with this proposal on the basis that the question is misleading in nature and contains more than one question that cannot be answered in a simple singular response. The question also fails to correctly summarize the full recommendation made in the report and does not allow the respondent to separately question the recommendation that Council should have initial responsibility for managing these functions.

We believe the benefits of tourism promotion should be managed separately from the need to expand economic development. However we do not accept that this responsibility should sit with

Council and therefore support the creation of an independent Economic Development Agency that sits outside of Council.

We strongly argue against the suggested recommendation of integrating these activities within a Regional Tourism Organisation. We acknowledge the success of DQ and other RTO's in their successful promotion of the Queenstown Lakes District. An independent agency outside of both Council and the RTO structure is more likely to maintain a focus on broader economic development industry initiatives.

#### **4. Set up an Economic Forum as a Council committee with representation from the private sector, to oversee the implementation of the economic development.**

Disagree with this proposal

##### **Comments**

Again we must disagree with this proposal on the basis that the question is misleading in nature and contains more than one question that cannot be answered in a simple singular response. The question also fails to correctly summarize the full recommendation made in the report and does allow the respondent to separately question the recommendation that Council should have initial responsibility for managing these functions.

We acknowledge the need for, and potential benefits of, an Economic Forum. We strongly disagree that this should be a Council committee. We maintain that an Economic Forum should form part of an Economic Development Agency. It should be independent of Council with majority representation by the private sector and minority Council representation.

We strongly disagree with the recommendation that Council should be responsible for overseeing the implementation of the economic development strategy and major economic development initiatives. This is not the role of Council. In addition Council is not resourced to perform this function and has no track record in this area. There is also an acknowledged risk of conflicts of interest, lack of impartiality, bureaucracy and a lack of singular focus on economic development. All of these issues are identified as risks in the report.



## **5. Assess the effectiveness of the current split of visitor promotion and facilitation arrangements, and whether and how the promotional arrangements should be integrated.**

Disagree with this proposal

### **Comments**

Again we must disagree with this proposal on the basis that the question is misleading in nature and contains more than one question that cannot be answered in a simple singular response.

There is already an existing mechanism for reviews of DQ whereby plans and budgets are approved by their Strategic Review Board. This is a process that DQ has been following for 30 years and the results speak for themselves. It is surprising that there was no understanding or acknowledgment of this process within the report.

We strongly oppose any attempt to merge the various RTO agencies due to the particular issues and challenges faced by each RTO, We strongly oppose any attempt by Council to exercise control over these hugely successful independent organizations.

## **6. Finalise and build the proposed Queenstown Convention Centre.**

Disagree with this proposal

### **Comments**

Again we disagree with this proposal for several reasons.

The question is misleading in nature and contains more than one question that cannot be answered in such a simple singular response. The question also fails to correctly summarize the full recommendation made in the report and does allow the respondent to separately question the recommendation that Council should have responsibility for delivering a Convention Centre.

How are respondents supposed to answer such a question when issues like cost, risk, timeframes and legal issues are not understood or documented? There has not been sufficient information provided by Council in which to answer this question as fully developed design plans and costs are months or years away from being determined.

The \$52.5m budget is woefully inaccurate and is not accurately costed. No experienced real estate developer would proceed with such a significant development without a clear understand of the

costs, risks and likely return on investment. Why should Council expect QLDC ratepayers to expect any different.

We strongly oppose Council playing the role of developer. Council should not be the developer of a convention centre. The Local Government Act prohibits this and to define a Convention Centre as infrastructure is disingenuous.

Council already has its hands full managing multiple operations inaccurately defined as infrastructure. Queenstown Events Centre is an example.

The report fails to acknowledge that any convention centre (not just the Lakeview proposal) will deliver the same economic development benefits reported. In the case of the private sector proposal, this may deliver more economic benefits given that the ongoing legal, development, construction and operation risks could be substantially avoided by QLDC and ratepayers.

Of great concern is that there is no acknowledgement of the risks associated with competition from a private sector proposal at Remarkables Park convention centre which could significantly affect revenue available as RPCC competes vigorously in the market.

The opportunity cost of the Lakeview site for alternative uses such as Public Housing or land sale to assist infrastructure capital requirements and/or Queenstown's affordable housing issues has not been considered within the Council proposal and is not considered in their cost model.

## **7. Set up an investment panel to assess major business and investment opportunities, and advise how to progress them.**

Disagree with this proposal

### **Comments**

Again we disagree with this proposal. The question is misleading as it does not detail nor allow the respondent to separately question the recommendation that Council should have responsibility for managing this initiative.

We acknowledge the potential benefits of an Investment Panel. We strongly disagree that this should be a Council led initiative. We maintain that such a committee should sit within an Economic Development Agency. It should be independent of Council with majority representation by the private sector and minority Council representation.

Again this is not a core function of Council. Council is not resourced to perform this function and has no track record in this area. The report acknowledges the important role that the private sector

plays in economic development. Why Council is being recommended to take sole responsibility or the lead responsibility on every recommendation needs to be questioned.

**8. Bring together groups representing the health, education, screen and professional and technical service industries, along with the Chambers of Commerce, NZTE and Callaghan Innovation, to identify major opportunities for the district and see what could be done to make them happen.**

Disagree with this proposal

Comments

Again we disagree with this proposal. The question is misleading as it does not detail nor allow the respondent to separately question the recommendation that Council should have responsibility for managing this initiative.

This question is similar to the previous question regarding an investment committee. We acknowledge the potential benefits of a strategy that focuses on growth industries outside of tourism. We strongly disagree that this should be a Council led initiative. We maintain that such a committee should sit within an Economic Development Agency. It should be independent of Council but have both private sector and Council representation.

Again this is not a core function of Council. Council is not resourced to perform this function and has no track record in this area. The report acknowledges the important role that the private sector plays in economic development. Why Council is being recommended to take sole responsibility or the lead responsibility on every recommendation needs to be questioned.

**9. Evaluate the return on investment from marketing and promotion activities to identify how to get maximum leverage from national partners and initiatives; how to attract higher spending visitors and provide higher value offerings; and how to get visitors to spend more in Wanaka.**

Disagree with this proposal

Comments

Again we must disagree with this proposal on the basis that the question is misleading. In fact it contains five questions. The question is misleading as it does not detail nor allow the respondent to separately question the recommendation that Council should have responsibility for managing this initiative.

Again this is not a core business function of Council. Council is not resourced and does not have the expertise to perform or oversee this function.

As per previous responses there is already an existing mechanism for such reviews within DQ whereby plans and budgets are approved by their Strategic Review Board. This is a process that DQ has been following for 30 years and the results speak for themselves. It is surprising that there was no understanding or acknowledgment of this process within the report.

We strongly oppose any attempt to merge the various RTO agencies due to the particular issues and challenges faced by each RTO, We strongly oppose any attempt by Council to exercise control over these hugely successful independent organizations.

#### **10. Ensure that a high proportion of events funding goes to events held in the shoulder season.**

Disagree with this proposal

##### **Comments**

Funding shoulder season events may be appropriate but there may be good arguments to fund high profile / yielding events that are held in the main season. For example The New Zealand Winter Games and The Queenstown Marathon.

#### **11. Establish a Queenstown town centre business improvement district to upgrade the town centre; ensure the reviewed district plan reflects the town centre strategy and explore ways for regulatory or planning support to upgrade the town centre.**

Neutral

##### **Comments**

Any decision to establish a Queenstown Town Centre Business Improvement District and the funding of such an organization should be left to the businesses and property owners within the Queenstown Centre. It may be appropriate for council to fund streetscape improvements in the town centre but if a BID aims to control or guide the location and quality of town centre businesses (as foreshadowed in the report) it should be funded by its members and not by council.

Aspects of the 2009 Town Centre Strategy may be suitable for inclusion in the district plan but they need to go through the proper Plan Change or District Plan Review process with community input (not driven solely by an economic development strategy).

We disagree with the concept that regulatory or planning processes should be used to control where businesses may establish within the town centre. A comment at Page 13 of the report states: There have been concerns from landlords and retailers that there is insufficient building maintenance, an increasing number of low-end-of-spectrum retail shops and restaurants,” This is not a matter for council or its planners to control. If town centre businesses wish to manage such retail activity, that must be done independently of council’s district plan and must not be funded by council.

## **12. Develop a business relationship model for major investment projects and consent processing.**

Neutral

### **Comments**

There may be benefits in the business relationship model but too much depends on the particular personnel within council who would become the lead manager for each project. We acknowledge the potential benefits of a business relationship model and dedicated resourcing structure. However in the first instance we would prefer to see a consistent approach being applied by council planners to quality major investment projects in the district.

## **13. Review the benefits and costs of options for funding infrastructure long-term; and develop a funding guide and strategy for infrastructure investment.**

Agree with this proposal

### **Comments**

Council should already be regularly reviewing the funding options for infrastructure but it is critical that council understands the difference between infrastructure such as roading, water supply and waste disposal, for which it should take responsibility, and other investments that it might see as being desirable for the district to have. The report discusses the proposed conference centre and other facilities as infrastructure, with the inference that it is appropriate for council to fund such a facility. This misconception should not become accepted thinking within council (or the wider community).

**14. Work with industry and the government to investigate factors impacting on housing costs and ways to improve the supply of housing in the long term, including whether and how development and building timeframes and costs could be reduced.**

Disagree with this proposal

Comments

We disagree with this proposal because it is not necessary for local government to spend ratepayers money on these issues. Central government is reviewing housing costs and housing supply. We should await the outcome/benefits of that work before embarking on, or committing resources to a study.

Although housing costs are higher in Queenstown Lakes District than elsewhere, the report does not provide compelling evidence that they are currently limiting economic development. The focus should be on new initiatives for generating long-term economic growth that broaden the economic base of the district and are compatible with the special Queenstown Lakes District environment.

There is a distortion in the average housing costs within Queenstown. Any analysis should be based on the average cost of permanent resident worker housing and this should not be distorted by the much high cost of absentee owner or wealthy retiree housing. The report states that approximately 40% of existing housing is owned by absentee owner before taking into consideration the housing owned by wealthy retirees.

**15. Evaluate the impact that Plan Change 24 and the Queenstown Lakes Community Housing Trust have had on housing access and affordability.**

Neutral

Comments

Given central government is reviewing housing costs and housing supply there is merit in awaiting the outcome/benefits of that work before embarking on, or committing resources to a study.

### **General Comment:**

Pages 49 & 50 of The Martin Jenkins report outlines 15 recommended actions that the consultant believes would help achieve the four priorities outlined in the draft Economic Development Strategy. In every instance the recommendation is for Council to be responsible or take the lead responsibility in consultation with other organisations in delivering the strategy. No adequate justification is provided for this recommendation especially when page three of the report acknowledges that the private sector leads the decision making processes that drive economic growth outcomes.

An economic development agency within council is going to have difficulty sourcing funding from some sources such as charitable trusts who do not fund council activity.

This survey questionnaire is misleading and flawed in many ways. In almost every case the question asks multiple questions which (as noted) cannot be answered by a single response, fails to correctly summarize the full recommendation made in the report and/or does not allow the respondent to separately respond to the consistent recommendation that Council should have either lead or initial responsibility for managing the initiative.

All too often the questions are loaded or fail to disclose the detail. A proper independent survey would not contain such questions. As such any response to this type of question is likely to deliver a misleading or biased result that leaves the result open to manipulation.

Respondents who may agree with the proposal outlined in the questionnaire but disagree with the recommendation that Council should be responsible will result in a distortion of the respondent's actual opinion. Therefore an approval of any of the proposals should not be confused with a vote for council to be responsible.

It should be noted that this is the second time this year that Council has sought responses from the general public to a questionnaire that is misleading, is full of loaded questions, lack the necessary detail and where the results can be manipulated to suit the Council agenda.

Importantly it should be noted that the answers given to these types of surveys which have not been put together on an independent unbiased basis could not be expected to carry any weight in a court process. Similarly they should not be taken as a mandate for determining community or otherwise for the questions asked.

In closing we share the view that in matters relating to economic development QLDC should have a seat at the table but not own the table.

**Name:**

Martin Langford

**1. Establish senior economic development capability and / or funding within the Queenstown Lakes District Council.**

Agree with this proposal

Comments

(No response)

**2. Review the economic development funding and support, including the targeted levy the Council collects.**

Agree with this proposal

Comments

(No response)

**3. Expand economic development activities to include industry development, education and investment promotion; assess how they could be integrated with a regional tourism organisation.**

Agree with this proposal

Comments

(No response)

**4. Set up an Economic Forum as a Council committee with representation from the private sector, to oversee the implementation of the economic development.**

Agree with this proposal



Comments

(No response)

**5. Assess the effectiveness of the current split of visitor promotion and facilitation arrangements, and whether and how the promotional arrangements should be integrated.**

Neutral

Comments

(No response)

**6. Finalise and build the proposed Queenstown Convention Centre.**

Agree with this proposal

Comments

(No response)

**7. Set up an investment panel to assess major business and investment opportunities, and advise how to progress them.**

Agree with this proposal

Comments

(No response)

**8. Bring together groups representing the health, education, screen and professional and technical service industries, along with the Chambers of Commerce, NZTE and Callaghan Innovation, to identify major opportunities for the district and see what could be done to make them happen.**

Agree with this proposal

Comments

(No response)

**9. Evaluate the return on investment from marketing and promotion activities to identify how to get maximum leverage from national partners and initiatives; how to attract higher spending visitors and provide higher value offerings; and how to get visitors to spend more in Wanaka.**

Agree with this proposal

Comments

(No response)

**10. Ensure that a high proportion of events funding goes to events held in the shoulder season.**

Neutral

Comments

(No response)

**11. Establish a Queenstown town centre business improvement district to upgrade the town centre; ensure the reviewed district plan reflects the town centre strategy and explore ways for regulatory or planning support to upgrade the town centre.**

Agree with this proposal

Comments

(No response)

**12. Develop a business relationship model for major investment projects and consent processing.**

Agree with this proposal

Comments

(No response)

**13. Review the benefits and costs of options for funding infrastructure long-term; and develop a funding guide and strategy for infrastructure investment.**

Agree with this proposal

Comments

(No response)

**14. Work with industry and the government to investigate factors impacting on housing costs and ways to improve the supply of housing in the long term, including whether and how development and building timeframes and costs could be reduced.**

Agree with this proposal

Comments

(No response)

**15. Evaluate the impact that Plan Change 24 and the Queenstown Lakes Community Housing Trust have had on housing access and affordability.**

Agree with this proposal

Comments

(No response)

**General Comment:**

Please make any further comment on any aspect of the draft strategy:

(No response)