

6

## Other Comments

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Would you like to comment on any other aspect of this draft 10 Year Plan?

Please see attached submission





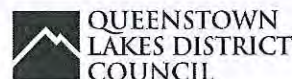
# STOP!

Please think about making your submission online.  
[www.qldc.govt.nz](http://www.qldc.govt.nz)

## Submission Form

10 Year Plan 2015–2025 Consultation Document

### WHAT DO YOU THINK?



Name: *Millennium + Copthorne Hotels New Zealand Ltd*

Email: *takeshi.ito@millenniumhotels.com*

Phone: *(09) 353 5010*

Address: *Po Box 5640, Wellesley Street, Auckland 1140*

Resident/Ratepayer: ☒ Wakatipu ☐ Wanaka/Upper Clutha

I wish to speak at the hearing: ☒ Yes ☐ No

All submissions will be made public

(We use the contact details you provide to get in touch with you regarding the Council's response to your submission. Email is our preferred method of contact.)

#### 1 Queenstown Convention Centre – Revised Rating Model

Do you support the revised rating model for the proposed convention centre?\*

- ☐ Yes  
☒ No  
☐ I choose not to answer

Comment:

*Please see attached detailed submission*

*You can attach more comment*

\* If you choose not to answer this question you can still make a general comment by way of a submission.

#### 2 Wanaka Pool

The majority of the Wanaka community (that responded) accepted paying a projected cost of \$184 per residential property per year in the Wanaka Ward. Do you prefer that this project begins now with the rate charged from 2017 or the pool and rate be deferred until 2023?

- ☐ 2017  
☐ 2023

Comment:

*We have no comments to make on this issue.*

*You can attach more comment*

#### 3 Transport Planning

Is the Council taking the right approach to address congestion issues in central Queenstown by planning to reduce future traffic movements by 20 percent?

3a

- ☐ Yes  
☐ No

Comment:

*Please see the attached detailed submission*

*You can attach more comment*

Should Council increase parking charges and use any additional parking revenue to make public transport more affordable?

3b

- ☐ Yes  
☐ No

Comment:

*Please see the attached detailed submission.*

*You can attach more comment*



# WHAT DO YOU THINK?



4

Frankton  
Library

Should the Council build a library hub at Frankton in 2020, at an estimated cost of \$5.3m?

☐ Yes

☐ No

Comment:

Please see the attached  
detailed submission

You can attach more comment

5

Water and  
wastewater –  
a standardised  
rate

Do you agree that Council should further investigate the principle of a standardised rate for water and wastewater?

☒ Yes

☐ No

Comment:

Please see the attached  
detailed submission.

You can attach more comment

6

Would you like  
to comment  
on any other  
aspect of this  
draft 10 Year  
Plan?

☐ Yes

☒ No

Comment:

—

You can attach more comment

SUBMISSIONS CLOSE

29 April 2015



GO ON-LINE at  
[www.qldc.govt.nz](http://www.qldc.govt.nz) to  
submit your comments



OR FREEPOST TO:  
Queenstown Lakes District Council,  
Freepost 191078,  
Private Bag 50072,  
Queenstown 9348.  
No stamp required.



**Submission by Millennium & Copthorne Hotels New Zealand Limited**  
**in relation to the QLDC 10 year Plan Consultation Document 2015-2025:**

**About Millennium & Copthorne Hotels New Zealand Limited:**

Millennium & Copthorne Hotels New Zealand Limited (MCHNZ) is one of New Zealand's leading and largest hotel owner operators. It is listed on the New Zealand Stock Exchange (NZX) and has a New Zealand portfolio of 21 hotels located across the country.

MCHNZ has three hotels in Queenstown:

Millennium Hotel Queenstown – a four star deluxe property located on Frankton Road and Stanley Street with 220 suites and guestrooms, a restaurant (The Observatory), and ballroom / conferencing facilities;

Copthorne Hotel & Resort Queenstown Lakefront– a four-star property located on Frankton Road and Adelaide Street with 241 suites and guestrooms, also with restaurant and conferencing facilities; and

–Copthorne Hotel & Apartments Queenstown Lakeview – a four-star property located on Frankton Road with 85 apartments and guestrooms, a restaurant and conferencing facilities.

MCHNZ currently has about 1000 full-time and part-time employees across its network.

**MCHNZ submits the following in relation to the questions set out in the Consultation Document:**

**1. Do you support the revised rating model for the proposed convention centre ?**

MCHNZ **does not support** the revised rating model for the Proposed Convention Centre (PCC) for the reasons set out below:

In terms of funding the PCC development, we oppose the increase of the CBD catchment area for commercial and commercial accommodation rates for Queenstown properties. We believe that such an approach is inequitable and short-sighted.

We also believe that use of public funds in this way is inappropriate – the PCC will not be a sustainably profitable operation and we therefore believe that Council must review and reconsider their financial projections for the PCC.

MCHNZ is acutely aware that the dynamics of the conference and convention markets in any part of New Zealand can change and change dramatically. We do not believe that a convention centre sitting idle or underutilised would enhance the attractiveness of Queenstown as a destination and we question whether Council and its consultants have done sufficient modelling work based on a worst-case scenario based on the competitive nature of the bidding process for convention and conference events to be held in New Zealand and Australia.

We question why accommodation providers and commercial rate payers alone need to bear the burden of the cost of the PCC under the proposed rating model. Our opposition to using rates as a means to fund the PCC was made clear in our May 2014 submission on the PCC itself.

We also question why Council does not favour a private sector option (whether in co-operation with the Council or stand alone). We have not seen evidence as to whether Council is willing to look at such options in order to alleviate future rates burdens to all ratepayers within the QLDC district.

We would also point out that other major accommodation providers outside of the CBD as well as other participants in the tourism industry such as the airlines (Air New Zealand, Jetstar, Virgin Australia and Qantas), transport providers, ski fields and activity providers such as Shotover Jet, and wineries who host tourists and delegates such as Amisfield, Gibbston Valley and others will not be subject to these proposed rate increases. If Council's policy is to impose additional charges on commercial accommodation providers, then it needs to act equitably and apply those increases to all commercial accommodation providers, not just those in the proposed rezoned CBD area. In addition, non-accommodation providers who would benefit from conference delegates such as tourist attractions, airlines, taxis, coaches, rental vehicle companies, petrol stations etc. should pay their share of the costs of the PCC. Then the principle of equitable treatment of "who benefits also pays" would be transparent rather than singling out the accommodation providers' sector who, if they are outside the 750 person PCC area, are unlikely to benefit. We submit that the use of public funds, be it national or from local councils, and revenue raised from additional levies must not favour one section of the community or business at the expense and detriment of others.

Our submission on this point is based on fairness – the main beneficiaries of the PCC will be those properties and businesses that are within walking distance to the PCC. This is because the proposed size of the PCC (accommodating approximately 750 delegates) could be accommodated by hotels and apartments located in the existing CBD area around the shores of Lake Wakatipu. By our calculation, there are 1095 hotel rooms within a one kilometre radius of the PCC. We are aware from conference delegates and professional conference organisers that there are significant logistical challenges when getting delegates to venues by bus and other transport to venues in and around the existing Queenstown CBD. As such, there is no reason to increase the rates burden on properties and accommodation outside this area when they derive no practical or tangible benefit from the centre whatsoever. We would further submit that the publicly funded PCC plus increased rates and levies to the accommodation providers duplicates existing facilities and can only cannibalise business away from their investments.

The consultation document makes clear that there will be significant increases in rates for commercial and commercial accommodation ratepayers in order to fund the PCC. MCHNZ estimates that these rates will be at the "High" end which would result in an increase of at least 10.8% or even 28.8% depending on the final zoning of its properties. Given that MCHNZ is unlikely to derive material benefits from the PCC, increasing rates on MCHNZ's properties is unfair and unjustifiable.

In addition, we reiterate what we said in our May 2014 submission – given the investment MCHNZ makes each year promoting Queenstown domestically and globally through its own website, sales calls and participation in trade shows and expositions in NZ and overseas, increased rates are unfair. Over and above our own marketing spend we contribute via our current rates in the funding of DQ (Destination Queenstown and Conference bureaux). We therefore believe that we would be paying a disproportionate and unfair amount in order to fund not only the PCC but the Council's tourism / conference and convention promotion activities as well. Therefore, if, despite industry and resident objections, Council is minded to impose a rates increase or charge for the construction of the PCC, MCHNZ submits that it should be imposed across all stakeholders and participants who may benefit from the PCC directly or indirectly, not just those in a given catchment area.

As we said in our May 2014 submission, MCHNZ has some reservations about the accuracy of the figures contained in the various reports obtained by Council (and restated in the Consultation Document) in relation to the benefits that the proposed convention centre is likely to bring. The reports appear to look at the effects of the proposed centre as a stand-alone facility devoid of competition. We believe that the PCC will be subject to intense competition from other destinations around New Zealand. We question the basis of the calculations in the Consultation Document.

In the Convention Activity Survey Year to September 2014 published by the Ministry of Business, Innovation and Employment (MBIE), we note the following:

- For the year ended September 2014, Queenstown held only 256 conference and convention events. By comparison Christchurch held 508 events, Wellington held 989 events and Auckland held 1703 events;
- In terms of delegate days (single-day and multi-day events), Queenstown held only 1.3% of the single-day delegate days and only 6.5% of the multi-day delegate days;
- In relation to meetings and seminars, Queenstown only recorded 295 single-day events and 156 multi-day events being 1.2% and 3% of the national total. By comparison, Christchurch captured 2,287 single-day meetings / seminars (9.3% of total) and 413 multi-day meetings / seminars (8.2% of total), Wellington had 3,964 single-day meetings / seminars (16.2% of total) and 994 multi-day meetings / seminars (19.6% of total) and Auckland recorded 8,111 single-day meetings / seminars (33.1% of total) and 1,981 multi-day meetings / seminars (39.1% of total). Queenstown's share of the total delegate days was 2% of the total;
- Queenstown's share of trade shows and exhibitions was no more than 4% of the total delegate days and a total of 39 events being 3.8% of the total number of events held nationally. Christchurch held 21% of the number of delegate days in this sector (138,964) and 90 events with Auckland capturing 25% of market share nationally) and a total of 71,054 delegate days. The Hamilton & Waikato area captured the most number of delegate days nationally at 155,130 (24%).
- The most productive conference / convention size in Queenstown was 10 to 30 people (73 events) with 60 or under events in the 31-60 person, 61-100 person and 101-200 person range and only 18 events with over 200 people attending.

Our view is that these statistics do not support the building of a 750 person convention centre when it is clear that it is not likely to attract the number of events and delegates needed to ensure that it is a sustainable operation over the medium to long term.

Further, we question whether Council should direct any increased spending to be directed to the PCC and instead prioritise the upgrade of existing infrastructure. Building the PCC without addressing the additional pressures that it would likely add to the wastewater / stormwater systems, the roading network and other infrastructure.

MCHNZ is also aware that Council is actively considering the imposition of a 'tourism levy' or "bed tax". We strongly oppose any move to impose any such charge which would be just as unfair and inequitable for the reasons stated above. Singling out accommodation providers would be tantamount to favouring those around the PCC and discriminating against others not around the PCC as well as not sharing the burden on to other stakeholders who would stand to gain from visiting conference delegates.

As we said above, other tourism industry operations such as the airlines, transport providers, rental vehicle operations and taxis, ski fields, tourist attractions / wineries in and around Queenstown would be hosting these conference delegates. We reiterate our submission that it would be fair and equitable if all stakeholders and participants who would benefit from conference delegates should pay their share for the benefits that Council say will materialise from the PCC. Council should not discriminate against business sectors and charges to be imposed by Council must not favour one section of the community or business at the expense and detriment of others.

As an alternative based on fairness, we suggest that Council lobby central government for special legislation to allow it to impose a "delegate fee / visitor charge" to be applied rather like a goods and services tax. This charge, which we believe could be small, could be applied across all stakeholders involved in the convention and meetings sector including the airlines which bring delegates to Queenstown (Air New Zealand, Qantas and Jetstar), event organisers, all accommodation and transport providers, activity providers, all food and beverage venues and all other direct participants who are actively involved in meetings, conventions, conference and related events.

In terms of the merits or otherwise of the proposed convention centre, MCHNZ reiterates its submission made in May 2014 in relation to same.

## **2. Wanaka Pool**

MCHNZ has no submission to make on the Wanaka Pool.

## **3. Transport**

- a. Is the Council taking the right approach to address congestion issues in central Queenstown by planning to reduce future traffic movements by 20 percent ?
- b. Should Council increase parking charges and use any additional parking revenue to make public transport more affordable ?

MCHNZ submits that reducing traffic movements in and around central Queenstown would have a negative effect on visitor movements in and around the CBD. We reiterate what we have submitted above in relation to the existing difficulties of moving conference delegates efficiently around the town and these difficulties are likely to be exacerbated if traffic movements are reduced.

MCHNZ has no submission to make on the use of parking charges for public transport. .

## **4. Frankton Library**

MCHNZ submits that the proposed library could be co-located at the Queenstown Events Centre and that the estimate cost of \$5.3 million could be deployed to other infrastructure.

## **5. Water and wastewater – standardised rate**

MCHNZ submits that the Council should do further work on water charges generally and should look to apply not only water charges but other charges based on fairness and considering the impact on all ratepayers affected as stated in the Consultation Document.

6. Other aspects of the 10 Year Plan

MCHNZ has no other submissions to make on the proposed 10 Year Plan.

WE WISH TO APPEAR IN SUPPORT OF OUR SUBMISSION IF HEARINGS ARE HELD



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Signed: Takeshi Ito, Group Company Secretary & Legal Counsel

Date: 24 April 2015

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