

Before Queenstown Lakes District Council

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In the matter of                      The Resource Management Act 1991

And                                      A requested change to the Mount Cardrona Station Special  
Zone of the Queenstown lakes District Council's Operative  
District Plan – **Plan Change 52**

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**SUMMARY EVIDENCE OF FRASER COLEGERAVE FOR**

Mt Cardrona Station Limited

Dated 11 July 2017

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## INTRODUCTION AND QUALIFICATIONS

- 1 My full name is Fraser James Colgerave
- 2 I am the managing director of Insight Economics Limited – an economics consultancy based in Auckland. I have 15 years' experience as an economics consultant, the last 12 of which I was a founding director of Covec Limited. I have a first-class honours degree in economics from the University of Auckland, and am a member of the New Zealand Association of Economists, and the Resource Management Law Association.
- 3 I have successfully led and completed over 200 consulting projects, including several in the Queenstown Lakes district, such as:
  - (a) Economic evidence on plan change 24 (affordable housing)
  - (b) Economic/retail analysis on plan change 16 (Three Parks)
  - (c) Detailed land-use projections for plan change 19
  - (d) Demographic and dwelling demand projections
  - (e) Analysing options for minimising speculative land banking
  - (f) Analysis of possible funding options for the proposed Convention Centre
  - (g) Projections of retail supply and demand (to support retail planning), and
  - (h) Economic evidence on the PAK'nSAVE and Mitre 10 Mega applications.
- 4 I have complied with the Code of Conduct for Expert Witnesses contained in the Environment Court Consolidated Practice Note 2014. This evidence is within my area of expertise, except where I state that I am relying on another person, and I have not omitted to consider any material facts known to me that might alter or detract from the opinions I express.

## SUMMARY EVIDENCE

- 5 I refer to and adopt my report, Economic Impacts of the Proposed Mt Cardrona Station Development dated 25 November 2016 (**Report**).
- 6 The methodology for my Report describes the two options under consideration; the existing provisions of the Mt Cardrona Station Special Zone and the proposed provisions (Plan Change 52), and notes their similarities and differences. The Report then outlines the methodology used to derive economic impacts of Plan Change 52. The analysis starts by identifying the likely yields from each option and translating them into a set of financial impacts, which are

then overlaid with regional economic multipliers to derive the resulting economic impacts. These comprise both the one-time effects of development planning, design and construction, plus the ongoing impacts of commercial operations, including the golf course and likely visitor accommodation. A comprehensive set of models was developed to complete the analysis. These incorporate more than 130 user-defined parameters, which are fully-documented and for which the rationale behind key assumptions is explained.

- 7 My Report covers findings on one-off economic impacts and ongoing economic impacts at maturity. It concludes that the proposed development delivers higher ongoing impacts than the existing provisions. This is because our modelling assumes that the golf course:
  - (a) Helps support greater commercial activity at MCS, which generates greater ongoing impacts, and
  - (b) Will also attract additional tourists, whose non-golf expenditure generates further ongoing impacts, particularly for the wider District. Accordingly, the proposed provisions are expected to deliver much greater ongoing impacts than the existing provisions.
- 8 In addition to the higher impacts estimated, the proposed provisions will:
  - (a) Directly support the NZ international golf tourism strategy;
  - (b) Enable Cardrona to become a year-round tourism location.
  - (c) Make a better contribution to dwelling supply (because it will achieve lower selling prices and hence be more affordable than the existing provisions), and
  - (d) Accelerate the delivery of critical wastewater infrastructure, which is required to service and enable other nearby developments.
- 9 Given the higher economic impacts, both quantitatively and qualitatively, my Report recommends that proposed Plan Change 52 be accepted.
- 10 I am happy to answer any questions the Panel has regarding my Report.

**Dated this 11<sup>th</sup> day of July 2017**