

Hearing Streams 1A + 1B

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1. My evidence provides the technical projections of population and tourism nights for the Queenstown Lakes District. Accurate projections of both factors are critical for a range of Council matters, such as infrastructure planning and zoning decisions.
2. Accordingly, my evidence outlines the projection reviews recently completed by my company (Insight Economics), and the new independent projections that we prepared.
3. Since 2014, Insight Economics has been commissioned to perform various high-level studies of district growth. First, we were asked to review the various population projections used by the Council for planning and strategic purposes.
4. Our review identified a number of issues with the existing projections, for example many assumed pessimistic tourism growth, while others appeared logically inconsistent. As a result, we were asked to derive a fresh set of independent projections for the purposes of the Proposed District Plan.
5. Our projections suggested that population growth would continue apace, with average forecast growth of 3.4% per annum. While this rate was lower than the historic average of 4.3%, it was considerably higher than many of the projections for the Queenstown District existing at the time.
6. However, the most recent estimates from Statistics New Zealand show that population growth has averaged 3.35% per annum in the Queenstown District since 2011, which is just below our forecast of 3.4%. I am therefore confident that our population projections provide a reliable basis for strategic planning.
7. The other key set of projections derived by my company were for tourism nights by accommodation type, such as hotels, motels and so on.
8. Like our population projections, our tourism projections also signalled strong ongoing growth, particularly in light of pending airport capacity expansions (including extended operating hours).
9. Overall, we estimated tourism nights to continue growing at around 3.3% per annum across all accommodation types, with stronger growth in motel and hotel nights.
10. According to the most recent data, these figures are likely to be conservative. For example, the Commercial Accommodation Monitor shows that commercial nights Queenstown in 2015 were 6.4% higher than 2014.
11. Given the local economy's reliance on tourism, and the need for population growth to support it, my work clearly signals the need for the Council to carefully plan and provide for strong ongoing growth in both population and tourism into the foreseeable future.
12. Failure to do so could have significant unintended consequences, including the loss of valuable opportunities to improve social and economic wellbeing.
13. Overall I consider that the studies carried out by Insight Economics indicate sustained population growth in the District for the foreseeable future. I consider that the projections Insight Economics

have come to are sound and are based on appropriate assumptions and methodology, as explained further in the reports attached to my evidence.