Substantive Application by NZSki Limited for an Upgrade of The Remarkables Skifield and Extension into Doolan's Basin

Economic peer review for Queenstown Lakes District Council

John Williamson

October 2026

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EXECUTIVE SUMMARY

1. I agree with the general contention in the Economic Assessment prepared by Benje Patterson regarding the economic importance of Queenstown's winter sports industry for the regional and national economy. Queenstown's tourism sector is highly significant for New Zealand's economy with around 63% of tourism expenditure in the QLDC area coming from international visitors compared to a national average of 37%.[1]
2. International visitor spend is additive to the New Zealand economy, rather just a re-allocation of domestic spending, leading to higher GDP, employment, tax revenue and export earnings at the national level. Furthermore, Queenstown plays an important role in attracting international visitors to New Zealand who would otherwise not have visited the country. Between 19% and 38% of international visitors to Queenstown only visit NZ because of Queenstown and do not visit anywhere else.[2]
3. However, I have the following concerns with the Economic Assessment which reports only the gross benefit of the project:
    - Firstly, it does not recognise the important difference between a GDP impact which arises from the substitution of spending versus genuinely additional GDP from expenditure which would not have occurred without the project. The consequence being an overstating of the economic benefit (impact) of the Project.
    - Secondly, the Economic Assessment overlooks important economic costs associated with the operation of the transport network that if left unmitigated will result in an overstatement of the net economic benefit of the Project.
4. As explained below, traffic congestion is a kind of disbenefit that can be quantified and measured in money terms. The traffic assessment indicates that in 2029 this cost is likely to range between $0.88m annually with 4,500 skiers/day to $2.2m annually with 6,000 skiers/day, with a greater impact on GDP.
5. Without being able to fully understand the true extent of the economic benefits and costs it is difficult to accurately determine the regional and national significance of the Project, but in my view, it will likely be lower than is being claimed.

[1] Statistics NZ
[2] Angus & Assoc, 2023 (Q1), Queenstown Visitor Survey. p33.

Introduction

6. My name is John Wiliamson. I hold the academic qualifications of Bachelor of Arts and Master of Arts (with first class honours) in Economics from the University of Auckland and I am a member of the New Zealand Association of Economists (NZAE).

7. I have held the position of director and economist with Ascari Partners Ltd since 2005. Prior to this I was employed by Auckland City Council between 1996 and 2005, holding a number of roles including as Strategy Manager – Infrastructure from 2001 to 2005. Between 2011 and 2023 I also held a number of senior roles with City Rail Link Ltd (2017 -2023) and Auckland Transport's City Rail Link Project Team (2011-2017):

    - CRL Ltd - Programme Director/Member of the Executive Steering Group, CRL Development Opportunities Programme, 2019-2023.
    - CRL Ltd - Interim Chief Executive, 2018.
    - CRL Ltd - General Manager: Strategy and Development, 2017-2018.
    - Auckland Transport - City Rail Link Project Team (2011-2017) Funding Planning Manager (reporting to the Project Director). Responsible for leading project funding and contributing to project delivery strategy.

8. I am an experienced urban and transport economist specialising in economic analysis, business and investment case development, project assessments and funding solutions. My technical skills are complemented by extensive leadership experience in delivering major transport projects. My recent experience includes:

    - Leading and contributing to the development of business cases, economic assessments and funding solutions for many major projects and programmes.
    - Contributing to planning and policy processes including leading the economic assessment for the NZTA Waka Kotahi Queenstown Strategic Network Plan (2025-2025) and acting as the Benefits Lead for the FTAA substantive applications for NZTA's Northland Corridor.
    - Contributing to research in the fields of transport and urban economics.
    - Contributing to the delivery of major transport infrastructure projects in New Zealand through senior leadership and advisory roles.
    - Acting as an independent peer reviewer of business/investment cases and economic assessments for a wide range of transport projects.

9. While acknowledging this is a substantive application made under the FTAA, I confirm that I have read and agree to comply with the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023. This memo has been prepared in accordance with that Code. Unless stated otherwise, the opinions expressed are within my area of professional expertise, and no material facts have been omitted that might alter or detract from those opinions.

Scope of Report

10. This report responds specifically to the applicant's technical information contained in the 'Economic Assessment of the Remarkables Ski Field Expansion Project'

(Economic Assessment) prepared by Benje Patterson.[3] The Economic Assessment states that it helps to answer the following: "

- What is the baseline economic activity supported by spending attracted into the region by the Remarkables Ski Area?
- What is the potential increase in this economic activity that will be directly supported by the proposed Project?
- How significant are these economic benefits in the context of Section 22 of the Fast-Track Approvals Act 2024?"

11. In preparing this report I have reviewed:
    - B.01 Economic Assessment of the Remarkables Ski Field Expansion Project
    - B.24 Remarkables Ski Area Upgrade and Doolans Expansion – Integrated Transport Assessment.
    - A.03A Substantive Application Form
    - A.07 Executive-Summary
    - Draft Transport and Traffic comments by Dave Smith/Mat Collins - Abley Limited on behalf of QLDC.
    - Abley, 2026, Remarkables Ski Area Expansion FTAA Section 53 – Transportation Review

FTAA Context Informing this Report

12. The FTAA's purpose is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.[4] While "significant" is not defined in the FTAA, assistance is provided by section 22(2), which provides the criteria the Minister may have regard to in determining whether to refer a project. Section 22(2)(a)(iv) is the criterion evaluating whether the project will deliver significant economic benefits.
13. The FTAA does not specify whether economic benefits are to be gross or net. I consider that it is important to assess net benefits (which includes disbenefits) associated with granting approval to a project, in order to determine whether a proposal meets the purpose of the Act. This aligns with the findings in the Panel Decision on the Waihi North fast-track project,[5] which include:
    - While it is not mandatory for adverse environmental impacts to be monetised and factored directly into the assessment of economic benefits, any economic disbenefits should be allowed for, particularly if the benefits and disbenefits are of the kinds that have market values against which they can be measured in money terms (Waihi North, at [784]);

[3] B.01 Economic Assessment of the Remarkables Ski Field Expansion Project
[4] s 3 FTAA
[5] Decision-Text-18-December-2025.pdf

14. As explained below, the economic assessment reports only the gross benefit of the project. Traffic congestion is a kind of disbenefit that can be quantified and measured in money terms.

Assessment of Economic Benefits (Impacts)

15. In my opinion the assessment of the economic benefit of the Project in Section 6 is overstated. The Economic Assessment estimates (on page 23) that:

    - *"[F]rom a GDP perspective, the economic value added from this visitor spend would reach a $197 million a year GDP contribution across Otago [region] under the high growth scenario within 10 years."*
    - *"This future GDP across Otago [region] in the high growth scenario would be $82 million a year above its current level, while in the low growth scenario GDP would sit $55 million above its current level."*

16. The Economic Assessment states: _*"In reaching these economic benefits from additional visitor spending, there are no measurable direct economic costs from the Project in terms of it putting off other recreational tourist spend or substituting existing economic uses of the land on which the ski area infrastructure will sit."* I view this statement to be insufficient by not transparently assessing and showing that there are "no measurable economic costs."

17. The Economic Assessment does not differentiate between the future GDP generated by the Project which arises from the substitution of spending that would otherwise have occurred (e.g. from domestic visitors) and genuinely additional spending (e.g. from overseas visitors).

18. For example, the Economic Assessment (p21) assumes that 60% of the projected increase in overall demand across the New Zealand ski industry to 2035 would arise from international visitors and 40% from domestic New Zealand skiers. This assumption appears to underpin the assessment of demand (skier days) for the project and therefore the economic assessment of the GDP impact arising from the project. I am not questioning this assumption but in my view it suggests that all of the economic uplift claimed may not in fact be additional to the economy.

    - International visitor spending and its impact on GDP (and tax revenue) is genuinely additional to the New Zealand economy.
    - However, domestic spending cannot automatically be assumed to be additional to the economy as it may well be a substitution for spending that would otherwise have taken place, either regionally or nationally. The economic assessment does not consider how much of the regional or national economic benefit is associated with substitution of spending that would otherwise have occurred elsewhere in the regional or national economy.

19. The result of not differentiating between these is likely to be an overestimation of the economic benefit of this the Project. To address this the economic assessment needs to be updated to take into account the extent of the substitution effect associated with domestic spending.

Assessment of Economic Costs

20. As pointed out in paragraph 12 the Economic Assessment states (p23) "[T]here are no measurable direct economic costs from the Project in terms of it putting off other

recreational tourist spending [this point was questioned above] or substituting existing economic uses of the land on which the ski area infrastructure will sit."

21. However, in my opinion, there are other important economic costs which have not been considered and which are important when trying to assess the net benefits of the project, accounting for both the gains and losses to society. Traffic congestion is a kind of disbenefit that can be quantified and measured in money terms.

22. There are well documented issues associated with the capacity of Queenstown's transport network and in particular the capacity of SH6 in the vicinity of the ski field access road (eg along the Southern Corridor and Frankton).

23. The SH6 southern corridor is already highly congested during weekday peaks in the ski season with Abley's traffic analysis[6] demonstrating the corridor is currently operating over capacity in morning and evening peak during the winter ski season.

24. This will worsen as future development occurs along the SH6 corridor with trip demand currently increasing annually by around 2,000 additional vehicles per day, due to ongoing development[7] and will be further exacerbated by any increase in ski field traffic

25. Consequently, the likely additional traffic generated by the Project without mitigation[8] will impact significantly on the operation of this section of the roading network leading to worsening congestion and increasing delay for road users.

26. The application proposes transport mitigation through making the current left-turn exit arrangement at the SH6 access permanent.[9] The magnitude of the impact on travel times with the SH6 / Remarkables access intersection continuing to operate as proposed in the FTAA application – that is with all traffic in the peak turning left out and undertaking a U-turn at the Coneburn roundabout is significant:

    - 2026 with 4,500 skiers = 3,866 vehicle hours delay pa.
    - 2026 with 6,000 skiers = 9,666 vehicle hours delay pa.
    - 2029 with 4,500 skiers = 12,623 vehicle hours delay pa.
    - 2029 with 6,000 skiers = 31,556 vehicle hours delay pa.

27. The impact on travel times is described in detail in Abley, 2026, Remarkables Ski Area Expansion FTAA Section 53 – Transportation Review.[10]

28. As a consequence of this, and despite the mitigation measures proposed by the Applicant the additional traffic generated by the Project will create an economic cost that will be borne by road users. This cost can and should be estimated and with the very limited proposed mitigation represents a regional dis-benefit attributable to the project.

29. The most appropriate way of assessing the economic cost of this additional delay to traffic created by the Project is by following the guidance provided by NZTA's Monetised Benefits and Costs Manual (MBCM). This sets out the procedure for

[6] Abley, 2026, Remarkables Ski Area Expansion FTAA Section 53 – Transportation Review. Paras **Error! Reference source not found.**-27.
[7] Abley, 2026, Remarkables Ski Area Expansion FTAA Section 53 – Transportation Review. p11.
[8] Abley, 2026, Remarkables Ski Area Expansion FTAA Section 53 – Transportation Review. p11.
[9] Abley, 2026, Remarkables Ski Area Expansion FTAA Section 53 – Transportation Review. p14.

[10] Abley, 2026, Remarkables Ski Area Expansion FTAA Section 53 – Transportation Review. p11.

assessing the costs and benefits of transport schemes, including delays imposed on other road users.

30. The cost of congestion (dis-benefit) arising due to the additional demand created by the Project is reported in the table below. This is mainly reflective of the time penalty being imposed on road users but includes an increase in vehicle operating cost and emissions. The table reports the 2026 and 2029 effects.

Table 1: Economic Cost of Congestion due to Ski Field Expansion

	4,500 Skiers	6,000 Skiers
2026	$272,105	$680,263
2029	$888,182	$2,220,455

31. Although this is a relatively small value compared to the potential economic impact (benefit) of the Project, this is a genuine economic cost and therefore the mitigation of these effects would increase the net benefit of the Project as well as improving the functioning of the transport network for other users.

32. A number of economic impact assessments have been undertaken recently for NZTA's Roads of National Significance (RoNS) projects using computable general equilibrium (CGE) modelling. These assessments demonstrate a useful relationship between inputs or 'shocks' to the economy (for examples the initial value of travel time savings) and resultant changes in GDP.[11] Based on this relationships the approximated effect of the impact of increased travel times caused by the Project on the wider economy is likely to be significantly higher than the initial cost of congestion to road uses, as reported in the following table. In my view this impact would be appropriate to take into account when considering the net benefit of the Project.

Table 2: GDP Impact Arising from Congestion due to Ski Field Expansion

	4,500 Skiers	6,000 Skiers
2026	$628,530	$1,571,325
2029	$2,051,592	$5,128,981

33. As would be expected this impact is larger than the initial transport impacts (by a factor of 2.31). Again, although this is a relatively small value compared to the potential economic impact (benefit), mitigation will increase the net benefit of the project and its impact on GDP.

Conclusion

34. I concur that this Project has the potential to make a positive contribution to the regional and national economy, but it is important to understand the true extent of the economic benefits and costs and to be able to effectively mitigate any costs, in order to maximise the net benefit of the Project.

35. In my view the economic assessment overstates of the economic benefit (impact) of the Project in two ways:

[11] NZTA, 2025, Northland Corridor Economics and Outcomes Report. Jihttps://www.nzta.govt.nz/assets/projects/northland-corridor/appendices/northland-corridor-appendix-d-economics-and-outcomes-report.pdf

- Firstly, it does not differentiate between a GDP impact which arises from the substitution of spending versus genuinely additional GDP and counts both effects.
- Secondly, the assessment overstates the net economic benefit of the Project by not including the economic costs associated with the increased congestion that will occur if the traffic impacts of the project are left unmitigated.

36. As explained, traffic congestion is a kind of disbenefit that can be quantified and measured in money terms. The traffic assessment indicates that in 2029 this cost is likely to range between $0.88m annually with 4,500 skiers/day to $2.2m annually with 6,000 skiers/day, with a greater impact on GDP.
37. Without being able to fully understand the true extent of the economic benefits and costs it is difficult to accurately determine the regional and national significance of the Project, but in my view, it will likely be lower than is being claimed.

Signed

John Williamson

20 October 2026