

**NOTICE SEEKING CLEARANCE FOR A BUSINESS ACQUISITION
UNDER SECTION 66 OF THE COMMERCE ACT 1986**

9 August 2023

The Registrar
Competition Branch
Commerce Commission
PO Box 2351
Wellington
New Zealand

registrar@comcom.govt.nz

Pursuant to section 66(1) of the Commerce Act 1986, notice is hereby given seeking clearance of a proposed business acquisition in which Ngāi Tahu Tourism Limited (or a wholly-owned subsidiary) will acquire the tourism jet boating business trading as "KJet" and related assets (including 100% of the shares in Time Tripper Limited) from Kawareau Jet Services Holdings Limited, KJet Limited, and Time Tripper Limited.

EXECUTIVE SUMMARY

1. Ngāi Tahu Tourism Limited or a wholly-owned subsidiary (the **Purchaser**) is proposing to acquire the tourism jet boating business trading as "KJet" (**KJet**) and related assets (including 100% of the shares in Time Tripper Limited) from Kawarau Jet Services Holdings Limited, KJet Limited, and Time Tripper Limited (the **Vendors**) under the terms of the Agreement for Sale and Purchase between the parties (the **Agreement**), referred to in this application as the **Proposed Acquisition**. The Purchaser and the Vendors are together referred to as the **Parties**.
2. The Purchaser provides tourism activities in Te Ika a Māui / the North Island and Te Waipounamu / the South Island, including jet boating activities in Tāhuna (Queenstown) through its Shotover Jet and Dart River Adventures experiences. The Vendors operate KJet and Time Tripper Underwater World in Tāhuna.
3. Completion of the Agreement is conditional on the New Zealand Commerce Commission (**NZCC**) giving clearance for the Proposed Acquisition.
4. The relevant market is the market for retail adventure tourism activities in the Queenstown Lakes region.
5. The Proposed Acquisition will not have the effect or likely effect of substantially lessening competition in that market (or any other market if a narrower market definition is adopted). This includes because:
 - (a) The Purchaser will continue to be significantly constrained post-acquisition by existing competition, which includes other adventure tourism operators including at least six other jet boat operators. There is fierce competition to be one of the activities that a visitor to the Queenstown Lakes region chooses, and visitors looking for an adventure activity have a broad array of options including jet boating, bungee jumping, skiing / snowboarding, parasailing, skydiving, indoor skydiving, hang gliding, paragliding, scenic flights, zipline, giant swing, climbing, rafting, kayaking, 4WD and off-road rides, canyoning, and horseback riding.
 - (b) The Purchaser will also be constrained by:
 - (i) adventure tourism operators in other parts of New Zealand, given visitors travelling around New Zealand or Te Waipounamu may choose activities from different areas. For example, for tourists who are travelling around Te Waipounamu looking for a jet boat experience, there are a large number of other operators; and
 - (ii) other non-adventure tourism activities in the Queenstown Lakes region.
 - (c) There is also significant potential for new entry by adventure tourism activity operators. While COVID-19 had a severe impact on the tourism industry, the industry is rebuilding and visitor numbers are increasing. The presence of a large range of adventure activity operators in the Queenstown Lakes region shows that barriers to entry are not substantial.
 - (d) The Proposed Acquisition will not enhance coordination between adventure tourism operators, as the market is highly competitive, with a large number of suppliers and differentiated offerings.

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PART 1: PARTY AND TRANSACTION DETAILS

Applicant's details

6. This notice is given by Ngāi Tahu Tourism Limited (which proposes to make the Proposed Acquisition itself or through a wholly-owned subsidiary).

Contact details

7. The Purchaser's contact details are:

- (a) Postal address:

PO Box 3075
Christchurch 8140
New Zealand

- (b) Physical address:

15 Show Place
Addington
Christchurch 8024
New Zealand

- (c) Phone number: +64 3 371 2614

- (d) Web address: <https://www.ngaitahutourism.co.nz/>

- (e) Contact person:

[]
[]
Ngāi Tahu Tourism Limited
[]
[]

8. Please direct all correspondence and enquiries for the Purchaser in respect of this notice to:

Buddle Findlay
PO Box 1433
Auckland 1140
Attention: Tony Dellow / Anna Parker
Phone: +64 4 498 7304 / +64 9 363 0639
Email: tony.dellow@buddlefindlay.com / anna.parker@buddlefindlay.com

Structure

9. The Purchaser provides tourism activities in Te Ika a Māui and Te Waipounamu including jet boating activities in Tāhuna through its Shotover Jet and Dart River Adventures experiences.
10. The Purchaser is one of six business units that make up the commercial operations of Ngāi Tahu Holdings Corporation Limited, which manages the commercial activities and assets of Te Rūnanga o Ngāi Tahu (the central governance entity of Ngāi Tahu).¹ Te Rūnanga o Ngāi Tahu is the trustee

¹ Ngāi Tahu is the collective of individuals descending from the whakapapa of Ngāi Tahu, Ngāti Māmoe, and Waitaha.

of the Ngāi Tahu Charitable Trust, a charitable trust incorporated under the Charitable Trusts Act 1957 with the objective of providing, promoting, and acting for the benefit of Ngāi Tahu whānui.

11. The Ngāi Tahu Charitable Trust owns 100% of the shares in Ngāi Tahu Holdings Corporation Limited, which itself owns 100% of the shares in the Purchaser. An ownership structure diagram for the Purchaser is set out in Appendix 01.

Heritage and purpose

12. The box below provides further information about the Purchaser's background and objectives, including its focus on sustainability and extending Ngāi Tahu tanga and cultural expression:

At Ngāi Tahu, we are deeply connected to our cultural heritage. Our stories, passed down from our tīpuna (ancestors), shape who we are today. We believe in the importance of our people, our land, and our unique narratives. When manuhiri spend time with us, they feel that connection. Whether we are gathering food from the sea, sharing stories through song, or embracing the wisdom of our ancestors in the stars, we embody the spirit of our land and traditions. We are proud of our Māori heritage and strive to integrate it authentically into all our experiences.

Sustainability is a core value for us, and we strive to be leaders in the tourism industry. One ground-breaking initiative we are undertaking is becoming the world's first tourism business to operate electricity-powered jetboats. This fusion of traditional knowledge and innovative practices is just one example of our commitment. By inspiring others and contributing to a sustainable future, we hope to make a meaningful impact on our industry and Aotearoa as a whole.

We are on a continuous journey to enhance the integration of cultural content and storytelling throughout all our experiences. Collaborating with multiple runanga in the areas we operate ensures that we share the right stories of the land. We invest in training and supporting our staff to deliver these cultural narratives with pride and excellence. Providing authentic experiences that truly reflect the essence of Ngāi Tahu takes time and care, but it is a commitment we hold dear. Increasing the number of Ngāi Tahu iwi members working within our businesses is key to achieving our goals and the success of our cultural initiatives.

In addition to our commitment to our manuhiri and kaimahi, we are passionate about sharing our learnings and insights with the wider tourism industry. We believe that by being transparent about our journey, we can inspire and facilitate sustainable practices in other organisations. We know that collective action is key to addressing climate change, and we are eager to play our part in the broader mission of achieving substantial environmental goals.

When manuhiri choose to experience Ngāi Tahu, they are not just visiting a premium destination. They are connecting with a people who hold deep-rooted cultural values and a dedication to sustainability. By choosing Ngāi Tahu experiences, manuhiri are giving back to the land and the community that have shaped us for generations to come. It is an experience that is true, authentic, and filled with aroha (love), rangatiratanga (leadership), and kaitiakitanga (stewardship).

Since 1999, Ngāi Tahu Tourism has grown to become one of the largest tourism operators in Aotearoa, with 9 businesses spread across the North Island and the South Island. Before COVID, we welcomed over 1 million visitors annually, with 80% of them coming from overseas. Though the pandemic impacted our numbers in 2021 and 2022, we are targeting 391,000 visitors in FY23, and we're already ahead of our budget.

New Zealand is renowned as a premium destination, attracting visitors from all over the world who travel great distances to experience our offerings. We strive to provide world-class experiences at every touchpoint, offering a unique taste of Aotearoa, and leaving our visitors with a lasting impression of our hospitality (manaakitanga).

Ngāi Tahu not only enable manuhiri to embark on a remarkable journey, but also play a vital role in preserving and honouring our heritage. It is an opportunity to forge connections with the captivating stories, the vibrant people, and the majestic land that have profoundly influenced us. We pride ourselves on being able to create meaningful experiences and working towards building a sustainable future for Aotearoa and all those who visit our shores.

Annual reports and financial statements

13. The most recent annual report for Te Rūnanga o Ngāi Tahu is available here: <https://ngaitahu.iwi.nz/investment/ngai-tahu-annual-reports/>. The most recent audited summary group financial statements are available at <https://ngaitahu.iwi.nz/wp-content/uploads/2023/03/NT-2021-Summarised-Accounts.pdf>.
14. The most recent financial statements for the Ngāi Tahu Tourism Group (being the Purchaser and the trusts for which the Purchaser and its subsidiaries act as trustee), Ngāi Tahu Tourism Trust (for which the Purchaser is the trustee), and Shotover Jet Trust (for which Shotover Jet Limited is the trustee) are attached as Confidential Appendix 02.

Other parties' details

15. The other parties to the transaction are the Vendors: Kawarau Jet Services Holdings Limited, KJet Limited, and Time Tripper Limited.
16. The Vendors' contact details are:

Kawarau Jet Services Holdings Limited and KJet Limited

- (a) Postal address:

C/- BDO Southern Lakes & Central Otago Limited
 PO Box 459
 Queenstown 9348
 New Zealand

- (b) Physical address:

Level 1, Suite 3
 9-11 Marine Parade
 Queenstown 9300

- (c) Phone number: +64 3 442 6142

- (d) Web address: <https://www.kjet.co.nz/>

- (e) Contact person:

[]
 []
 Kawarau Jet Services Holdings Limited
 []
 []

Time Tripper Limited

(a) Postal address:

C/- RVG Law Limited
Level 3, 32 Rees Street
Queenstown 9300
New Zealand

(b) Physical address:

Level 1, Suite 3
9-11 Marine Parade
Queenstown 9300

(c) Phone number: +64 3 442 6142

(d) Web address: <https://www.kjet.co.nz/our-trips/time-tripper/>

(e) Contact person:

Stephen Brent
Legal Counsel
RVG Law Limited
Phone number: +64 27 248 5020
steve@rvg.nz

17. Please direct all correspondence and enquiries for the Vendors in respect of this notice to:

RVG Law Limited
Level 3, 32 Rees Street
Queenstown 9300
Attention: Stephen Brent
Phone: +64 27 248 5020
Email: steve@rvg.nz

18. The Vendors operate a tourism jet boating business trading as KJet. KJet is the world's first commercial jet boat operator, established in 1958. The business also includes the Time Tripper Underwater World, an underwater experience established in 2019 in a theatre beneath the surface of Lake Whakatipu involving a 15-minute animated show.

19. The Vendors are ultimately owned and controlled by Shaun Kelly and the Skeggs Group, which is owned by trusts associated with Bryan, Graeme, and David Skeggs.

20. The Vendors' most recent financial report and management report are attached as Confidential Appendix 03.

Overview of the Proposed Acquisition

21. The Purchaser proposes to acquire:

(a) the Vendors' tourism jet boating business trading as "KJet" and related business activities as carried on by the Vendors in Tāhuna and its vicinity, including Time Tripper Underwater

World, a jet boat workshop, and a shared kiosk ticket office at Main Town Pier in Tāhuna (collectively referred to as the **Business**); and

- (b) the assets owned by the Vendors and employed in the Business. The specific assets to be acquired are detailed in the Agreement, and include:
 - (i) 100% of the shares in Time Tripper Limited;
 - (ii) []

22. []

23. []

24. A copy of the Agreement is attached as Confidential Appendix 04. A copy of the Information Memorandum is attached as Confidential Appendix 05.

Rationale for the Proposed Acquisition

25. []² The Vendors engaged Deloitte to undertake a competitive sales process in 2022, which resulted in the Purchaser being selected as the preferred buyer.

26. The Purchaser's rationale for the Proposed Acquisition is set out in the investment case document attached as Confidential Appendix 06. In summary, the Purchaser's rationale includes to expand its jet boat offering (as KJet has consents to run jet boat operations on Lake Whakatipu, and Kawarau and Kimiākau (Lower Shotover) Rivers), and use its capabilities and experience in the tourism industry to achieve synergies and a further extension of Ngāi Tahu tanga, cultural expression, and employment opportunities for whānau. For example:

- (a) **Synergistic opportunities:** Synergies include consolidating premises and reducing overhead costs (including sales, marketing, finance, human resources, legal, and information technology costs). The Proposed Acquisition will also provide additional revenue offerings for the Purchaser, such as:
 - (i) having alternative options for customers when rain affects the operation of Shotover Jet. Currently when there is significant rain in the area, the Shotover Jet business is closed as the river level is too high for safe operations. This does not affect businesses that operate on Lake Whakatipu or Kawarau River. The Proposed Acquisition would mean that manuhiri who are unable to enjoy their Shotover experience on a rain affected day can be rebooked to KJet, rather than having their booking cancelled; and
 - (ii) additional ancillary revenue (for example, photo and retail sales using the Purchaser's technology and sales capability).
- (b) **Extend Ngāi Tahu tanga and cultural expression:** the Vendors hold a number of consents to run jet boat operations on Lake Whakatipu and the Kawarau and Kimiākau (Lower Shotover) Rivers, and hold leases of prominent sites in Tāhuna, such as Tāhuna Main Town Pier, Lapsley Butson wharf (waterfront), and the newly established Queenstown Marina. The Proposed Acquisition will enable the further extension of Ngāi Tahu tanga and cultural

² Mr Skeggs also owns Southern Discoveries, a long-term Queenstown/Fiordland tourism business, which has been for sale since late 2020.

expression (eg, the Purchaser considers there is opportunity to expand the commentary on KJet's jet boat experience to include the Ngāi Tahu history and names of the area, and the stories of Ngāi Tahu on the whenua and awa).

The Purchaser's intentions for the KJet and Time Tripper businesses

27. []

28. []

29. []

Scenario without the Proposed Acquisition

30. If the Proposed Acquisition did not occur:

(a) the Purchaser would continue to operate its existing tourism operations in the Queenstown Lakes region in the same manner; and

(b) the Vendors would look for an alternative purchaser, and in the meantime operate the existing KJet and Time Tripper businesses in the same manner.

31. As such, the likely counterfactual is the status quo (ie, the Vendors continuing to operate separately from the Purchaser).

Other agencies being notified of the Proposed Acquisition

32. The Proposed Acquisition only relates to assets in New Zealand. No competition agencies in other jurisdictions have been or will be notified of the Proposed Acquisition.

PART 2: INDUSTRY CONTEXT AND RELEVANT MARKETS

Industry overview

33. The Purchaser and the Vendors operate in the tourism industry. The industry comprises a range of activities, services, and attractions for international and domestic tourists including accommodation, restaurants, cafes and bars, sightseeing, adventure activities, and other experiences.
34. The tourism industry in the Queenstown Lakes region attracts both international and domestic tourists. A key reason that tourists visit the region is to experience its natural landscape.³ Other reasons include participating in the range of tourism activities that are available, such as jet boating, bungy jumping, skiing / snowboarding, parasailing, skydiving, indoor skydiving, hang gliding, paragliding, scenic flights, zipline, giant swing, climbing, rafting, kayaking, 4WD and off-road rides, canyoning, and horseback riding. While the range of adventure tourism activities in Tāhuna is a major draw for tourists seeking adventure activities (Tāhuna is sometimes referred to as "The Adventure Capital of the World"),⁴ in recent years the Purchaser considers there has been an increasing shift to tourists primarily visiting Tāhuna to experience its natural landscape rather than to specifically participate in adventure activities.
35. Independent research commissioned by the Purchaser in 2017 indicates that visitors to Tāhuna will typically stay for 4.5 days and participate in around three tourism activities on average during that time. Destination Queenstown's recent Queenstown Visitor Survey Report Q1 2023 Update (attached as Appendix 07) states that domestic tourists to Tāhuna stayed an average of 4 nights and international tourists stayed an average of 5 nights for the year ending March 2023.
36. Most tourists to Tāhuna will visit nearby locations. Specifically, the Queenstown Visitor Survey Report Q1 2023 Update reports that:
 - (a) 87% of domestic visitors are exploring areas beyond the Queenstown town centre/Frankton area, most commonly Arrowtown, Cardrona, and Lake Hayes. A third of domestic visitors include Wānaka on their itinerary and one in five include Central Otago; and
 - (b) 84% of international visitors to Tāhuna explore areas beyond the Queenstown town centre/Frankton area, most commonly Arrowtown, Glenorchy, and Cardrona. In Q1 2023, 61% of international visitors to Queenstown included Wānaka on their itinerary, 35% included Central Otago, and 30% included both Wānaka and Central Otago. The majority of international visitors (62%) travel to Queenstown from another destination in New Zealand, most commonly Auckland and Wānaka.
37. The COVID-19 pandemic had a severe impact on the tourism industry, but the industry is rebuilding.⁵ For example, the Purchaser understands from Destination Queenstown that airline

³ See Confidential Appendix 12, the Queenstown Visitor Survey Q1 2023 Update (attached as Appendix 07), the Segment Insight Guide – Queenstown Visitor Experience Survey April 2022 to March 2023 (attached as Appendix 08), and the [Queenstown Visitor Survey 2021/22](#).

⁴ [Queenstown New Zealand - The Adventure Capital of the World \(queenstownnz.co.nz\)](#).

⁵ See, for example, [2022 Government's Tourism Snapshot](#).

capacity into Tāhuna has returned to approximately 80% of pre-pandemic levels, and is expected to exceed 2019 figures in mid-2024.⁶

Services provided by the Purchaser

38. The Purchaser provides tourism activities in Te Ika a Māui / the North Island and Te Waipounamu / the South Island. Most relevant to this application, the Purchaser (through subsidiary entities) provides two jet boating adventure tourism experiences in the Queenstown Lakes region:
- (a) [Shotover Jet](#): Shotover Jet offers a high speed 25 minute jet boat ride on the Shotover River. Shotover Jet operates on an exclusive area of the Shotover River. Ngāi Tahu's connection to the Kimiākau (Shotover River) goes back centuries, before the arrival of Europeans. The experience combines adrenaline, pristine natural landscape, and Ngāi Tahu culture; and
 - (b) [Dart River Adventures](#): Dart River Adventures offers a 2 hour wilderness jet boat experience on the Dart River (leaving from Glenorchy, a 46km drive from Queenstown). In contrast to Shotover Jet, the focus of the Dart River experience is a wilderness/scenic trip rather than a short high-speed thrill ride. Dart River also offers a Funyak (inflatable canoe) guided trip.
39. The Purchaser holds resource consents that allow it commercial access to the Shotover and Dart Rivers for jet boating (RM970219 and RM960417),⁷ as well as a consent to conduct Funyak experiences on the Dart River. Confidential Appendix 09 includes further information about some specific details/conditions of the consents, such as in relation to operating hours and number of boats.
40. The Purchaser (through its subsidiary) also has a concession agreement with the QLDC (**Concession Agreement**), which grants Shotover Jet the exclusive right to operate a commercial jet boat operation on the gorge sections of the Shotover River. This concession is required due to the special status of the area in the Shotover River in which Shotover Jet operates under the Lakes District Waterways Authority (Shotover River) Empowering Act 1985. The Concession Agreement (attached as Confidential Appendix 10) imposes obligations on the Purchaser relating to Shotover Jet, including []. The current term of the Concession Agreement is due to expire in March 2024. There is one further right of renewal of five years remaining (which is available if Shotover Jet complies with all material terms of the agreement), meaning that the final expiry of the Concession Agreement will be in March 2029.
41. The Purchaser leases an area in Morning Star Beach Reserve (adjacent to the Shotover River at Arthur's Point in Tāhuna) from the Department of Conservation under the Reserves Act 1977 for its Shotover Jet operations. The lease had a 30 year term from 1993 (with a right of renewal for a further 30 year term).⁸ The site includes a booking office/reception area, workshops, storage area, and an access road to the beach. The Purchaser owns a jetty on Shotover River where Shotover

⁶ See also [Airport Passenger Statistics | Queenstown Airport](#).

⁷ The resource consents and related documents can be viewed at [eDocs » Queenstown Lakes District Council \(qldc.govt.nz\)](#).

⁸ In 2022, Te Rūnanga o Ngāi Tahu made an application for a part of Morning Star Beach Recreation Reserve to be vested in it as an administering body (see [Proposal to vest part of Morning Star Beach Recreation Reserve: Consultations 2022 \(doc.govt.nz\)](#)), and is awaiting a response from the Minister of Conservation.

Jet departs. It has an access arrangement with Land Information New Zealand for a strip of beach area that customers walk over to get to the jetty.

42. The other tourism activities provided by the Purchaser include:⁹
- (a) All Blacks Experience, Tāmaki Makaurau (Auckland);
 - (b) Agrodome, Rotorua;
 - (c) Dark Sky Project, Takapō (Tekapo);
 - (d) Franz Josef Glacier Guides, Kā Roimata O Hinehukatere (Franz Josef);
 - (e) Franz Josef Glacier Hot Pools, Kā Roimata O Hinehukatere;
 - (f) Hollyford Wilderness Experience, Tāhuna.
 - (g) Hukafalls Jet, Taupō; and
 - (h) National Kiwi Hatchery, Rotorua.

Services provided by the Vendors

43. The Vendors provide tourism activities in Tāhuna, namely:
- (a) [KJet](#): KJet (based on the Main Town Pier) offers a 60-minute jet boat trip that covers 45km of the Kawarau and Shotover Rivers. It also offers an airport transfer product (see <https://www.kjet.co.nz/our-trips/airport-transfer/>); and
 - (b) [Time Tripper](#): Time Tripper (Queenstown's only underwater experience) is an animated show situated under Lake Whakatipu that tells the Māori legends of the lake and the story of the creation of the Whakatipu region. The show is 15 minutes, with a further 15 minutes of underwater viewing available afterwards to see slinky eels, ducks, and trout that live in Lake Whakatipu.
44. The Vendors hold resource consents that allow commercial access to the Kawarau and Shotover Rivers for jet boating.¹⁰ The Vendors also hold a consent to offer ferry services to various wharves and jetties on Lake Whakatipu (RM181023), and a consent to conduct rafting/funyak experiences on the Shotover/Kawarau Confluence to Morven Ferry Road (RM050410) (but do not currently offer ferry, rafting, or funyak services). Confidential Appendix 09 includes further information about some specific details/conditions of the consents relating to jet boating, such as in relation to operating hours and number of boats.
45. The Vendors have a number of lease and licence arrangements for properties used by KJet, including a lease with QLDC for wharf access on Main Town Pier, where KJet currently departs

⁹ See [Top New Zealand Experiences | Ngāi Tahu Tourism | Ngāi Tahu Tourism \(ngaitahutourism.co.nz\)](#) for further details of the experiences.

¹⁰ RM040414(a), RM040414(c), RM040414(d), RM990113, RM990112, RM920057, and RM171091. The resource consents and related documents can be viewed at [eDocs » Queenstown Lakes District Council \(qldc.govt.nz\)](#).

from. As mentioned, []. Further information about the terms of KJet's key access arrangements for wharves/jetties in Tāhuna is set out in Confidential Appendix 11.

Revenue and volume figures for the Purchaser and the Vendors

46. The table attached as Confidential Appendix 09 provides a summary of the revenues, volumes, and capacity for Shotover Jet, Dart River Adventures, and KJet over the last five financial years (with FY23 forecasted from March-June 2023). The volume figure represents the number of customers that purchased a Shotover Jet, Dart River Adventures, or KJet experience, and the capacity figure represents the maximum number of customers that Shotover Jet, Dart River Adventures, and KJet could have under their resource consents. Confidential Appendix 09 also sets out more detail about the capacity of Shotover Jet, Dart River Adventures, and KJet in terms of the number of jet boats owned by each operator, the number of jet boat trips per day, and passenger capacity.

Relevant markets

47. The relevant market for the purposes of this application is the market for the provision of retail adventure tourism activities in the Queenstown Lakes region. This is consistent with the approach that the NZCC took in its decision to grant clearance to Bungy New Zealand Limited to acquire the business of Pipeline Bungy in Tāhuna (Decision 504, 24 July 2003), referred to as the **2003 Decision**.

Product dimension

48. The Purchaser considers that the product market is adventure tourism activities. This is consistent with the approach taken by the NZCC in the 2003 Decision, where it concluded that "*On the basis of the adventure tourism operators interviewed by the Commission and the buying behaviour of Queenstown tourists, the Commission considers a market definition that includes the range of thrill/adrenalin inducing activities in Queenstown as best reflecting the competitive dynamic between adventure tourism operators*".¹¹
49. The NZCC took a different approach in Queenstown Bungy Limited and Taupō Bungy Limited [2019] NZCC 13 (the **2019 Decision**). In that case, the NZCC did not need to conclude on the product market definition because even on a narrow market definition it did not consider that the relevant acquisition would cause a substantial lessening of competition. However, it did consider whether the market for adventure tourism activities (which was the definition used in the 2003 Decision and the definition relied upon by Queenstown Bungy Limited in its application) remained relevant to Queenstown Bungy Limited's application.
50. The NZCC did not find clear evidence that other adventure tourism activities were substitutable for bungy jumping. In making that finding, the NZCC found that:
- (a) adventure tourism operators only monitored the prices of other adventure tourism operators in limited instances;
 - (b) some adventure tourism operators in the Rotorua/Taupō region did not think their service was a close substitute for bungy jumping; and

¹¹ Decision 504, paragraph 50.

- (c) there is no supply side substitution between adventure tourism operators because they require different assets and consents.

51. The Purchaser submits that, unlike in the 2019 Decision, there is sufficient evidence to establish that other adventure tourism activities are close substitutes for jet boating. This includes because:

(a) **There is a high degree of demand side substitutability.**

As described above in the industry overview, visitors to the Queenstown Lakes region choose tourism activities based on the limited time they have in the region and limited discretionary expenditure. Adventure tourism providers compete to be one of the activities chosen by the visitor, and customers choose from a range of different activities.

This is reflected in tourism marketing and websites used by visitors to Queenstown when deciding what tourism activities to choose. For example:

- (i) Tourism New Zealand's [webpage](#) on activities in the Queenstown region has an 'Adrenaline' [subpage](#) that includes activities such as jet boating, bungy, ziplining, canyon swing, 4WD, quad biking, rafting, skydiving, iFLY, river boarding, climbing, canyoning, paragliding, hang gliding, and parasailing.
- (ii) Similarly, Queenstown NZ's "Adventure Activities" webpage (see Figure 1) sets out a range of activities for adrenaline seekers, including bungy, swing, and zip, jet boating, skydiving, white water rafting, paragliding and hang gliding, and quad biking.

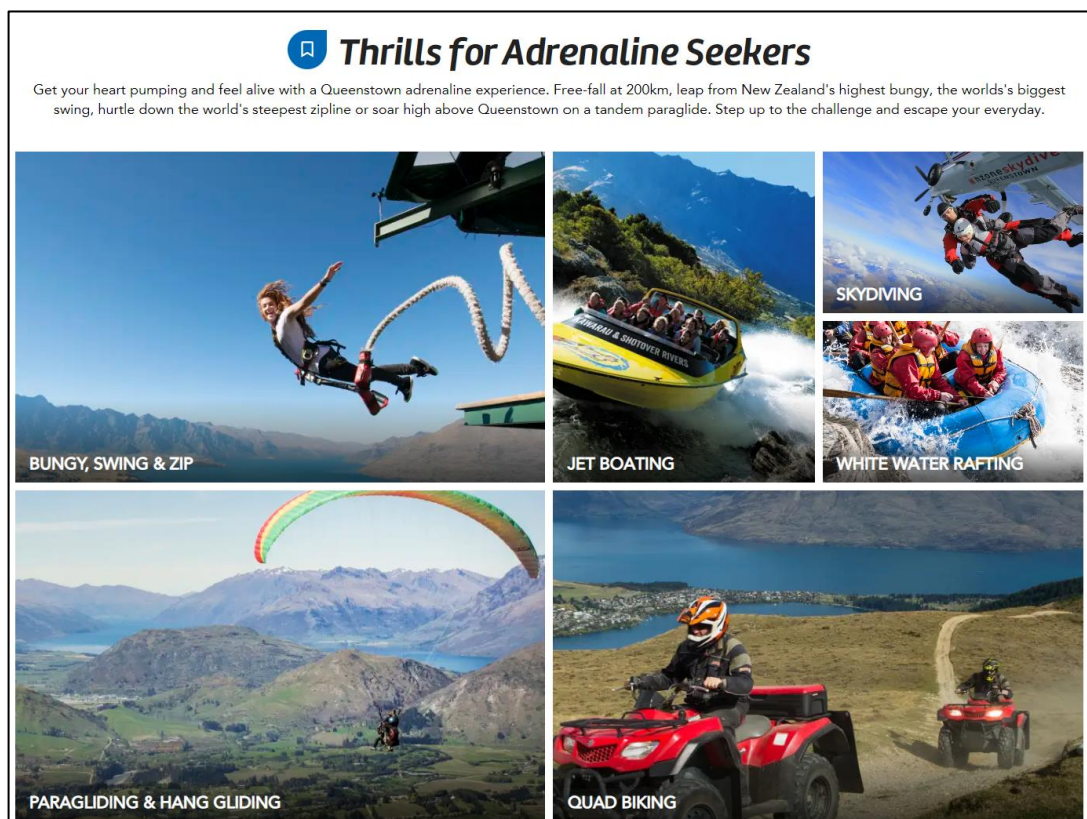


Figure 1: Adventure Activities by Queenstown New Zealand, 2023, www.queenstownnz.co.nz

- (iii) GetYourGuide's website includes jet boating in its "Extreme sports & adrenaline" [webpage](#) alongside a number of other activities like ziplining, quad biking, scenic

flights, and skydiving. Jet boating is also included in the site's "[Nature and adventure](#)" webpage alongside other activities like Spirit of Queenstown lake cruise, TSS Earnslaw, Milford Sound cruises, scenic flights, and Lord of the Rings tours, and in its "[Cruise & boat tours](#)" webpage.

- (iv) Similarly on Bookme.com, jet boating is displayed with a wide range of other activities and included in the site's "Adventure" [webpage](#) alongside mountain biking, paragliding and hang gliding, skydiving, white water rafting and river surfing, and zip lines, flying fox and rope courses (see Figure 2).

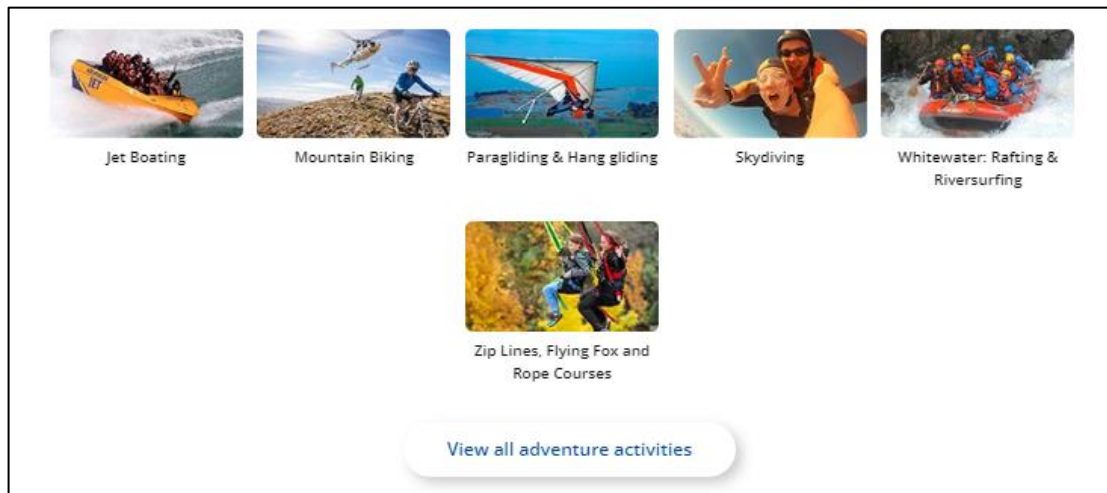


Figure 2: Queenstown Activities by Bookme, 2023, www.bookme.co.nz

The substitutability and competition between different activities are also reflected in past market research reports undertaken for the Purchaser (see Confidential Appendices 12 and 13). For example, [].

(b) **The Purchaser considers the pricing of other adventure tourism providers.**

In contrast to the 2019 Decision, the Purchaser monitors the prices of other adventure tourism activities and considers those prices when setting the prices for Shotover Jet and Dart River Adventures. It also considers that its main competitors are other high-budget, adventure tourism activities being:

- (i) for Dart River Adventures: all-day adventure tourism activities with a scenic / nature focus in the ~\$600-1,000+ price bracket such as scenic/helicopter flights and exclusive guided walking tours; and
- (ii) for Shotover Jet: adventure tourism activities in the ~\$150+ price bracket with an adrenaline-inducing aspect or 'once in a lifetime' aspect such as scenic/helicopter flights, skydiving, bungy-jumping, and exclusive Milford Sound tours.

[]

52. Defining a narrow market or markets just focussed on jet boating would not capture the competitive dynamics between jet boat activities and other adventure tourism activities.
53. The 2019 Decision can also be distinguished on the basis that it was focused specifically on bungy jumping, which has a narrower customer base than jet boating and some other adventure tourism

activities. Jet boating attracts a broader range of customers than bungy jumping, including a higher range of ages and families, who want a fast-paced, action-filled experience. Bungy jumping, in contrast, mostly attracts intense thrill-seeking adults.

54. Alternatively, the Purchaser considers that the relevant market could be defined to include all tourism activities in the Queenstown Lakes region given the shift towards more tourists visiting Queenstown for nature-based experiences as opposed to adventure activities, how tourists choose which tourism activities they will participate in while they are in the region, and the subsequent realities of the competitive pressures faced by the Purchaser. However, for the purpose of considering the effect of the Proposed Acquisition on competition, the Purchaser has adopted the narrower product market of adventure tourism activities. It is clear that, given there will be no substantial lessening of competition in the narrower product market, there will also be no substantial lessening of competition in the broader product market.

Geographic dimension

55. The Purchaser considers that the geographic market is adventure tourism activities in the Queenstown Lakes region (encompassing broadly the area within the Queenstown Lakes District Council). This is consistent with the approach taken by the NZCC in the 2003 Decision,¹² and reflects that tourists to the region will travel around the region to different activities.
56. As outlined below, there are constraints imposed by activities outside the geographic region. Most visitors to Tāhuna will visit nearby locations (see paragraph 36 above), and tour groups and backpacker buses travel to Tāhuna from other areas such as the West Coast.
57. The geographic dimension of the relevant market may also be expanding in light of accommodation shortage issues in Tāhuna, which means that visitors may stay outside central Tāhuna and therefore be attracted to activities in a broader geographic market.
58. However, given the Proposed Acquisition will not result in a substantial lessening of competition in the narrower Queenstown Lakes region market, it is not necessary to analyse the broader geographic market further.

Functional dimension

59. As in the 2003 Decision, the essential transaction involves the activity operator and the tourist. While some sales are made by an intermediary, the Purchaser considers that the relevant functional market is that for the provision of retail adventure tourism activities.

Competitors of the Parties

60. The Parties compete with other retail adventure tourism activities in the Queenstown Lakes region, including:
- (a) Other jet boat providers such as:
- (i) RealNZ, which operates the Queenstown Jet:
<https://www.realnz.com/en/experiences/jet-boating/>. Queenstown Jet offers 25 minute or 60 minute trips down the Kawarau river (leaving from the Tāhuna town centre).

¹² The 2019 Decision did not reach a conclusion of the geographic extent of the market in that case, but appeared to adopt at least a regional market.

RealNZ also operates other retail adventure tourism activities such as the TSS Earnslaw Cruise;

- (ii) Skippers Canyon Jet: www.skipperscanyonjet.co.nz. Skippers Canyon Jet offers a 25 minute jet boating experience in the upper Shotover Canyons. The trip includes a guided bus trip from the Tāhuna town centre, with a total duration for the experience of around 2.5 to 3 hours;
 - (iii) Goldfields Jet: www.goldfieldsjet.co.nz. Goldfields Jet offers a 40 minute jet boat ride on the Kawarau River, leaving from Highlands Motorsport Park (an approximately 40 minute drive from Queenstown);
 - (iv) Oxbow: www.oxbow.co.nz. Oxbow offers a 10 minute jet sprint boat trip on a custom-built jet sprint course. Oxbow also offers other retail adventure tourism activities such as an off-road adventure in an all-terrain vehicle;
 - (v) Go Jets Wānaka: <https://www.gojetswanaka.co.nz/>. Go Jets offers a 60 minute high speed jet boat ride on the Clutha River, as well as a 60 minute scenic jet boat ride on the Clutha River. The Purchaser understands that Go Jets Wānaka has recently started to operate again after being in hibernation for a couple of years;
 - (vi) Wānaka River Journeys: <https://www.wanakariverjourneys.co.nz/>. Wānaka River Journeys offers a half day jet boating adventure on the Matukituki River leaving from Wānaka (as well as packrafting and helicopter flights); and
 - (vii) Lakeland Wanaka: <https://www.lakelandwanaka.com/>. Lakeland Wanaka offers a 60 minute jet boat ride on the Clutha River leaving from Wānaka, as well as other activities such as jet ski tours, jet ski hire, boat hire, and kayak/SUP hire.
- (b) Other providers of tourism activities such as:
- (i) AJ Hackett: www.bungy.co.nz (bungy jumping, swings and catapults, and a zip ride);
 - (ii) NZONE Skydive: www.nzoneskydive.co.nz (skydiving experiences);
 - (iii) Shotover Canyon Swing: www.canyonswing.co.nz (a canyon swing/cliff jump);
 - (iv) Southern Discoveries: <https://www.southerndiscoveries.co.nz/> (which offers cruises on Lake Whakatipu and Milford Sound trips including scenic flights, cruises, and kayaking);
 - (v) Cardrona Alpine Resort: www.cardrona.com (which offers skiing during winter and mountain biking, a gondola ride, and mountain carting during summer);
 - (vi) Coronet Peak: www.coronetpeak.co.nz (which offers skiing during winter and activities such as mountain biking and a gondola ride during summer);
 - (vii) Remarkables Ski: www.themarkables.co.nz (skiing);
 - (viii) Ziptrek Ecotours: www.ziptrek.co.nz (ziplining);
 - (ix) Skyline Queenstown: www.skyline.co.nz (gondola and luge);
 - (x) iFLY Indoor Skydiving: www.iflynz.co.nz (indoor skydiving);

- (xi) Challenge Rafting: www.raft.co.nz (whitewater rafting on the Kawarau and Shotover Rivers);
- (xii) Hydro Attack: <https://www.hydroattack.co.nz/>. Hydro Attack offers a high-speed ride in a 'semi-submersible shark', which travels at speeds of up to 80kph across the water and 40kph diving under the water;
- (xiii) Scenic Heli or fixed wing providers in Queenstown: see <https://www.queenstownnz.co.nz/things-to-do/sightseeing/scenic-flights/>; and
- (xiv) Milford Sound cruise providers: see <https://www.queenstownnz.co.nz/things-to-do/sightseeing/scenic-cruises/>.

61. The names and contact details for the main competitors of the Parties are set out in Appendix 17.
62. Agents and resellers also compete in some cases with providers of tourism activities in relation to the sale of tickets.
63. There are also other jet boat providers in Te Waipounamu / the South Island that the Purchaser competes with for tourists who are travelling around Te Waipounamu looking for a jet boat experience, such as:
 - (a) Beaumont Jet: www.beaumontjet.co.nz (located in Central Otago, approximately 1 hour and 20 minutes from Tāhuna);
 - (b) Wilkin River Jet: <https://www.wilkinriverjets.co.nz/> (leaves from Makarora, approximately 2 hours from Tāhuna);
 - (c) Fiordland Jet: www.fjet.nz (located in Te Anau, approximately 2 hours and 10 minutes from Tāhuna);
 - (d) Haast River Safari: <https://www.haastriver.co.nz/> (located approximately 3 hours from Tāhuna);
 - (e) Buller Canyon Jet: www.bullercanyonjet.co.nz (Murchison);
 - (f) Amuri Jet Adventures: www.jetboatinghanmerssprings.co.nz (Hanmer Springs);
 - (g) Thrillseekers Jet: www.hanmersspringsattractions.nz (Hanmer Springs); and
 - (h) Alpine Jet Thrills: www.alpinejetthrills.com (Canterbury).

Customers of the Parties

64. The Purchaser and the Vendors sell their tourism experiences in New Zealand both directly to customers and indirectly to customers through other retail and wholesale channels, including booking agents.
65. Specifically, the Purchaser makes sales through the following channels:
 - (a) directly to customers online through the Purchaser's individual websites for each tourism experience offering;
 - (b) directly to customers through other means, including via the phone or onsite at the Shotover Jet and Dart River Adventures Queenstown booking office (located at The Station Building) in

Queenstown or the Shotover Jet and Dart River base buildings (located at Arthurs Point and Glenorchy respectively); and

- (c) intermediaries such as local agents (eg, iSite and hotels), inbound tour operators (who promote and sell New Zealand travel packages to overseas visitors) and other wholesalers.

66. []
67. Intermediaries/agents are typically paid on a commission basis. []
68. []
69. Customers include those who plan their trip independently, do their own research, and book their own activities (either directly or through intermediaries/agents), compared with others who have the assistance of a travel agent, adventure tour company or tour guide (eg, as part of a pre-paid package tour). Some customers plan most of the trip and activities in advance, before arriving, while others are 'walk in' customers (who do not book in advance).
70. Intermediaries/agents advertise tourism providers' offerings directly to customers, including through their own websites, in-person stores, and using advertising material such as brochures. The extent to which tourism providers are included in advertising material depends on the strength of the tourism provider's sales team, the nature of the provider's relationship with the agent, and the quality of the offering. Generally, agents will feature all of the tourism providers that they work with in their advertising material, which can result in multiple jet boat operators being featured in the same brochure. There can be a competitive element as to which tourism provider will be on the cover of the advertising material, which will be influenced by a range of different factors including the uniqueness of the product and customer satisfaction.
71. [] A breakdown of the Purchaser's sales channels is set out in Confidential Appendix 18.¹³ The Appendix covers the sales made in FY2019 and FY2023 and, given the impact of COVID-19 border restrictions on New Zealand's tourism industry, it excludes sales made in FY2020 to FY2022.
72. [] A breakdown of the Vendors' sales channels is set out in Confidential Appendix 19.¹⁴
73. The names and contact details for the key customers (agents) (top 5) of the Parties, and the revenue earned from each in the last financial year, are set out in Confidential Appendix 20. Confidential Appendix 20 also sets out the key customers (agents) of KJet in 2019 pre-COVID-19. The Purchaser's key agents in 2019 are the same as those in the last financial year.

Trade and industry associations

74. The name and contact details of trade and industry associations in which the Parties participate are set out in Appendix 21.

¹³ Please note that the breakdown of the sales channels in Confidential Appendix 18 covers all of the Purchaser's customers (not just customers of Shotover Jet and Dart River Adventures).

¹⁴ []

PART 3: COMPETITION ANALYSIS

75. The market for the provision of retail adventure tourism activities in the Queenstown Lakes region is highly competitive, with a number of existing and potential competitors (including other jet boating providers and other adventure tourism providers). There will be no substantial difference in competition with and without the Proposed Acquisition, given the large number of other operators in the market and potential for new entry and expansion.

How firms compete

Dimensions of competition

76. Adventure tourism providers compete to be one of the activities chosen by visitors during their time in the region. There are a variety of factors that influence the choice of activity and provider, including:
- (a) recommendations/reviews (eg, word of mouth, local tourism office, online recommendations such as Tripadvisor, and travel guides);
 - (b) scenery/views as part of the activity;
 - (c) adventure/thrill aspects of the activity;
 - (d) price and value for money; and
 - (e) availability.¹⁵
77. The weight of these factors on a visitor's choice of adventure tourism activity will depend on the needs of the particular visitor. A visitor who wants to do a high adrenaline-inducing activity is likely to be more influenced by the adventure/thrill aspects of an activity, and more willing to pay a higher price and travel to a different location that is not easily accessible. A visitor walking around in the main centre of Queenstown who wants to do a quick, last-minute activity is more likely to be influenced by an activity's price, duration, and accessibility of location.
78. Dimensions of competition include a variety of factors, such as price, duration, accessibility, ease of the experience, uniqueness of the offering, and confidence in the brand and business. For example, the Purchaser focuses on offering premium products with unique points of difference that are focused on the customer experience.
79. Packages (combining different experiences) are also offered by operators and intermediaries that combine different experiences. The Purchaser does not consider that packages/bundles change the competitive dynamics of the adventure tourism market.¹⁶
80. As outlined above, customers are acquired both directly (through bookings online, over the phone, or onsite) and through agents/intermediaries.

¹⁵ See, for example, Confidential Appendix 12.

¹⁶ While packages/bundles have historically been popular and a way for tourism operators to promote their offering (for example, by packaging a newer, less popular tourism activity with a more popular tourism activity at low cost), the Purchaser's observation is that packages/bundles are becoming less popular with tourists.

Jet boat operators

81. In relation to jet boating operators in the Queenstown Lakes region specifically, the jet boating experiences are differentiated based on different factors. For example:¹⁷
- (a) Shotover Jet offers shorter, fast-paced, action rides in the narrow canyons of the Shotover River. The Purchaser is the only jet boating operator to have consent to operate in that area. A map showing the operational area of Shotover Jet is attached as Appendix 22. The ride duration for the experience is 25 minutes. The pricing for Shotover Jet (currently \$159 per adult) is higher than all other jet boating operators except for Skippers Canyon Jet, Dart River Adventures, and Wānaka River Journeys. The Purchaser expects that it has higher operating costs than some other providers, because of higher dock costs, higher boat maintenance costs due to operating only twin engine boats, and additional costs arising from the Purchaser's commitment to undertaking boat servicing and staff training beyond the regulatory requirements.
 - (b) Dart River Adventures offers a longer, slower-paced, scenic jet boat ride that operates on the Dart River and travels through Mount Aspiring National Park. There are a few 360 degree spins during the ride, but the focus of Dart River Adventures is to provide access to incredible landscapes and scenery. The price for Dart River Adventures is higher than the other jet boating experiences (currently \$279 per adult), reflecting the location and longer duration of the ride (which means that fuel costs are higher). Wānaka River Journeys similarly has a higher price point, reflecting the longer duration of the trip.
 - (c) KJet operates on Lake Whakatipu, the Kawarau River, and only travels to the lower Shotover River. It is based at the Main Town Pier in Queenstown, and has a ride duration of 60 minutes. A map showing the route of KJet is attached as Appendix 22. There is an adrenaline aspect to KJet's trip, including travelling at high speeds and 360 degree spins, but the jet boat trip is not as thrilling as jet boat trips offered in the canyons of the upper Shotover River (being Shotover Jet and Skippers Canyon Jet). Its current pricing is \$129 per adult.
 - (d) Skippers Canyon Jet offers a "two trips in one" 2.5 to 3 hours activity, comprising a guided tour of Skippers Canyon (via Skippers Road) and a 25-minute fast-paced, thrilling jet boat ride in the narrow canyons of the upper Shotover River (an area which it has sole consent to operate in).¹⁸ Other unique aspects of the trip include experiencing gold mining relics and Lord of the Rings locations. The pricing for Skippers Canyon Jet (currently \$189 per adult) is higher than most other jet boating operators, except for Dart River Adventures and Wānaka River Journeys which offer longer trips. The Skippers Canyon Jet is one of the two most adrenaline-inducing jet boat trips, offering high speeds through narrow canyons.
 - (e) Real NZ operates on Lake Whakatipu and the Kawarau River. Like KJet, it is based at the Main Town Pier in Queenstown and has a ride duration of 60 minutes.¹⁹ Its current pricing is \$119 per adult.

¹⁷ A further example is that, in the 2003 Decision, the NZCC recorded that in a previous decision (Shotover Jet Ltd/Helijet) the NZCC had defined separate markets for "thrill seeking jet boat rides" and "eco-tourism jet boat rides", based on the thrill aspect of the Shotover jet boat ride versus the exploration of nature aspect of the ride sold by Helijet.

¹⁸ See Skippers Canyon Jet's description of their offering on their website; <https://www.skipperscanyonjet.co.nz>

¹⁹ Real NZ also offers a 25 minute ride at a slightly cheaper price.

- (f) Goldfields Jet operates on the Kawarau River, and is located near to the Kawarau Gorge near Cromwell (approximately 45 minutes out of Queenstown). The ride duration is about 40 minutes. The Purchaser considers that Goldfields Jet's strongest jet boat competitors are most likely to be KJet and Real NZ. Its current pricing is \$130 per adult.
- (g) Oxbow offers a jet boat speed ride on a custom built jet sprint course located in the Gibbston Valley. The thrill aspect is the rapid acceleration and speed of the jet boat. Each ride is 10 minutes in duration. Its current pricing is \$149 per adult.
- (h) Go Jets Wānaka offers both high speed and scenic jet boat ride options (both of a 60 minute duration) on the Clutha River. Lakeland Wanaka similarly offers a high speed jet boat ride on the Clutha River. The Purchaser considers that Go Jets Wānaka and Lakeland Wanaka primarily differentiate themselves from the other jet boating operators by their location in Wānaka. Their current pricing is \$139 per adult and \$129 per adult respectively.
82. The Purchaser considers that Shotover Jet has considerable differentiation in its offering compared to other jet boat providers, which contributes to Shotover Jet's main competition being from other adventure tourism providers rather than other jet boat operators (including KJet). Most of the visitors to Shotover Jet choose it specifically, primarily through word of mouth recommendations and because of Shotover Jet's strong reputation as an iconic, high adrenaline-inducing activity.²⁰ Due to Shotover Jet's location at Arthurs Point Road approximately 7km out of Queenstown, the Purchaser expects that last minute walk-ins are less common than for jet boat providers who operate from the Main Town Pier in Queenstown. Visitors either need to bring themselves to Shotover Jet or have booked a shuttle from the Station Building in central Queenstown beforehand. As such, the Purchaser expects that a relatively small proportion of visitors to Shotover Jet would not know the differences between Shotover Jet and other jet boat providers in Queenstown.
83. The closest jet boat competitor to Shotover Jet would be Skippers Canyon Jet, which also offers a jet boat trip through the canyons on the Shotover River. However, the Purchaser views other high-budget/premium adventure tourism activities such as bungy and skydiving as closer competitors than Skippers Canyon Jet. This is because Skippers Canyon Jet's experience requires a longer time commitment, involves a guided tour, is unable to be accessed by visitors using their own transport, and does not have the same iconic "must do" brand. Rather, the Purchaser's view is that Skippers Canyon Jet is a stronger competitor to its Dart River Adventures offering because it offers a multifaceted jet boat experience (including a guided tour) and a considerably reduced price point. Both activities are remotely located, such that visitors do not travel to the experiences themselves.²¹
84. In contrast, KJet faces stronger competition from other jet boat providers than Shotover Jet, particularly from Real NZ. As described above, KJet and Real NZ have very similar offerings. KJet's location at the Main Town Pier in Queenstown means that it attracts visitors walking by who want to do a last-minute activity. As such, the Purchaser considers it is likely that a significantly higher proportion of visitors to KJet do not know the difference between the jet boat offerings in

²⁰ Shotover Jet has developed its iconic reputation through word of mouth recommendations and its relationships with international trade agents who promote the brand overseas. Visitors' responses to Shotover Jet's survey question "Why did you choose to book Shotover Jet" exemplify this, see Confidential Appendix 23.

²¹ See Confidential Appendix 13 for analysis regarding the differentiation of the Dart River Adventures offering.

Queenstown compared with visitors to Shotover Jet. Such customers are likely to be more price driven.

85. While KJet has a thrill-seeking aspect to it, for those seeking an adventure activity, the experience also attracts visitors who want to see the scenery of Lake Whakatipu. As such, other water-based activities at Lake Whakatipu such as the TSS Earnslaw and the Spirit of Queenstown lake cruise are likely to provide greater competition to KJet than Shotover Jet.
86. Oxbow is differentiated based on the nature of its offering (a custom built course, and short ride with rapid acceleration), as well as its location.
87. Goldfields, Go Jets Wānaka, and Lakeland Wanaka are also differentiated based on location. While Go Jets' and Lakeland Wanaka's location in Wānaka means that they do not compete as closely with Shotover Jet or KJet, many visitors visit Wānaka in addition to Queenstown, so they could decide to do a jet boat experience there instead of in Queenstown. As set out in paragraph 36, 87% of domestic and 84% of international visitors to Tāhuna explore areas beyond the Queenstown town centre/Frankton area. Approximately one third of domestic visitors and two thirds of international visitors include Wānaka on their itinerary, and 20% of domestic visitors and 35% of international visitors include Central Otago. As an example of jet boat providers outside Tāhuna competing for visitors to Tāhuna, Bookme's Queenstown jet boating webpage (<https://www.bookme.co.nz/things-to-do/queenstown/activities/adventure/jet-boating>) includes Goldfields, a Wānaka jet boat (Lakeland Wanaka), and Fiordland Jet.

Customer demographics

88. The customer demographics for Shotover Jet, KJet, and Dart River Adventures (and likely other jet boat operators in the Queenstown Lakes region) are quite diverse. There is a broad range of countries of origin, ages, and groupings (ie, solo travellers, couples, and families), which reflects that the activities are available to a range of ages and can be undertaken as a group. Confidential Appendix 24 sets out the countries of origin of the Purchaser's customers in FY2019 and FY2023. Further information about Shotover Jet's customer demographic can also be found in Confidential Appendix 12.

Market share data²²

89. The Purchaser has not calculated market shares within the retail adventure tourism market in the Queenstown Lakes region because it does not have sufficient information to be able to do so and market share data is not readily available. Table 1 sets out the Purchaser's estimate of competing tourism providers' customer numbers as a percentage of Shotover Jet's customer numbers. This is based on the Purchaser's internal estimates by looking at each of the operations and roughly working out what their customer numbers could be on any given day, along with market intelligence from the Purchaser's on-the-ground sales team who get some information from local agents. The

²² The market share data set out in this application has been primarily calculated using actual customer numbers because the Purchaser does not have access to its competitors' revenue or capacity information. The Purchaser also does not consider that tourism providers' revenue would provide a an accurate picture of which tourism attractions visitors are choosing given different pricing across providers.

estimates in Table 1 are based on the Purchaser's understanding of operations from pre COVID-19, but the Purchaser does not expect that there will have been significant changes to the estimates.

Table 1

Competing adventure tourism providers	Estimate of customer numbers compared with Shotover Jet
AJ Hackett Bungy	[]
Aviation products	[]
Cardona	[]
Coronet Peak	[]
iFLY	[]
NZONE	[]
Rafting	[]
Remarkables Ski	[]
Shotover Canyon Swing	[]
Skyline	[]
Smaller / miscellaneous operators	[]
TSS Earnslaw	[]
Zipline	[]

90. The data attached as Confidential Appendix 25 shows [].
91. The Purchaser's estimate of the market shares of jet boating operators in or very close to the Queenstown Lakes region is set out in Table 2. The estimates in Table 2 are from pre COVID-19, as the Purchaser has not been monitoring the customer numbers of other competition tourism providers in the post COVID-19 environment. However, the Purchaser does not expect that there will have been significant changes to the estimates. It understands that Skippers Canyon went into

hibernation during the COVID-19 period, but expects that Skippers Canyon's market share has likely bounced back to the estimate in the table below.

Table 2²³

Jet boating operator	Estimated market share
Shotover Jet	[]
Dart River Adventures	[]
KJet	[]
Skippers Canyon	[]
Real NZ (previously Thunder Jet and Go Orange)	[]
Goldfields	[]
Oxbow	[]
Go Jets Wānaka	[]
Wānaka River Journeys	[]
Lakeland Wanaka	[]

Concentration indicators

92. In the retail adventure tourism market in the Queenstown Lakes region, it is clear that the Proposed Acquisition will not fall outside the NZCC's concentration indicators.
93. If the NZCC adopts a narrower market focused only on jet boating operators in the Queenstown Lakes region, the Proposed Acquisition would fall outside the concentration indicators. However, the market shares for jet boating operators in the Queenstown Lakes region are clearly not reflective of the competitive landscape, given the significant constraint imposed by other adventure tourism activities as discussed further below.

Purchaser will be constrained by large number of other tourism operators in the region

94. The Purchaser will be constrained post-acquisition by a large number of existing competitors in the retail adventure tourism market in the Queenstown Lakes region. The Purchaser competes with other tourism operators for the discretionary tourist dollar. As outlined above, the Purchaser

²³ This information is based primarily on the Purchaser's internal information gathering. Specifically, Shotover Jet staff take counts of other jet boating providers' customers during a particular daily departure time. For operators who do not leave from a similar place to Shotover Jet, the Purchaser has provided a rough estimate based on its experience in the industry of what it expects an operator's share may be. [] The Purchaser does not have any insight into other jet boat providers' revenue, and so cannot provide market share on the basis of revenue (and in any case market share based on revenue would not reflect the different pricing across providers). It also does not consider that market share on the basis of capacity is very useful, as while other providers may have a certain amount of capacity based on current jet boats and trip schedule, competitors may be able under their resource consents to increase their capacity by purchasing more jet boats or increasing the number of jet boat trips per day.

competes with other tourism providers to persuade visitors to the region to choose Shotover Jet or Dart River Adventures rather than another tourism activity.

95. This is supported by the Purchaser's internal documents (see Confidential Appendices 12 and 13), which show that the Purchaser sees other adventure tourism operators (not only jet boating operators) as competitors. []
96. Visitors to the Queenstown Lakes region can easily choose from a wide array of activities (including adventure and other general tourist activities), and switch to other operators if an operator's price is not competitive or quality deteriorates (eg, if there are negative online reviews). Any changes to pricing or the quality of the Purchaser's services will therefore be significantly constrained by existing competition from both other adventure tourism operators as well as non-adventure tourism activities.
97. The webpage examples in paragraph 51(a) provide strong evidence of competition between tourism activities for the discretionary tourist dollar, with a multitude of different activities presented as competing options for a visitor to choose from based on a range of factors including price, type of activity, and location.

Purchaser will also be constrained by other jet boat providers in New Zealand

98. The Purchaser also faces competition from other jet boat providers in New Zealand. If a visitor to New Zealand (or to the Queenstown Lakes region for domestic tourists) wants a jet boat experience, and is planning on travelling to another place in New Zealand that offers a jet boating experience, they may compare the jet boat experiences in the Queenstown Lakes region with those offered in the other location. For example, as outlined in paragraph 36 above, over 60% of international tourists who visit Queenstown travel to Queenstown from another destination in New Zealand.
99. Differences in price, quality, or scenery may result in the visitor deciding to purchase a jet boat experience in the other location and an alternative adventure tourism experience in Queenstown (particularly one that is not offered at that other location). In that sense, jet boat operators in other areas of New Zealand also provide a competitive constraint on the jet boat operators in Queenstown.

Purchaser will be constrained by countervailing power of agents and wholesalers

100. As mentioned above, a substantial portion of the Purchaser's sales have typically been made through agents and wholesalers. [] The Purchaser [] and expects that the number of sales made through agents and wholesalers will increase once the numbers of international tourists to Tāhuna increase to pre-COVID-19 numbers. These agents and wholesalers generally act as agents and wholesalers for a number of tourism providers. If the agents and wholesalers are not satisfied with the services or price/commission offered by the Purchaser, they would likely turn to other activities (both adventure and other tourism activities), for example rafting or Milford Sound tours. This is

particularly the case for tour operators, who form a sizeable portion of the Purchaser's customer base, who could substitute other activities into a tour package.

Potential competition (entry and expansion)

101. The Purchaser will also be constrained post-acquisition by the potential entry or expansion of other adventure tourism providers (including other jet boat providers). The main requirements for entry are resource consent (either obtaining a new resource consent or purchasing a resource consent from an existing tourism provider), the establishment of facilities and acquisition of equipment, and hiring labour (which may require businesses setting up operations in Tāhuna to obtain staff accommodation due to accommodation shortage issues in Tāhuna). The cost will depend on the nature of the activity. As stated in the 2003 Decision, while resource consent may be seen as a barrier to entry, the presence of a large range of adventure activity providers in the Queenstown Lakes region (and recent entry of a range of providers as discussed further below) suggests that the consent process is not a substantial barrier to entry.
102. In relation to commercial jet boating specifically, the main requirements are:
- (a) Infrastructure/equipment: There are no significant barriers to acquiring jet boating infrastructure in New Zealand. New Zealand has a considerable number of jet boat manufacturers with the ability, history, and availability to supply new boats to the industry, and second-hand jet boats are readily available (the Maritime Rules, discussed further below, do not impose any age limit on jet boats). New Zealand is also a major producer of jet boat components for both the manufacture and maintenance of jet boats. The Purchaser understands that the New Zealand Commercial Jet Boat Association also assists existing and potential jet boat operators to source jet boating equipment. Confidential Appendix 26 sets out a high level estimate of costs to acquire the infrastructure/equipment required to establish a jet boat operation similar to Shotover Jet and KJet.
 - (b) Wharf/jetty access: While access around the Main Town Pier is limited, the Purchaser understands that there is a significant amount of available jetties/moorings around Lake Whakatipu and berth space available at Queenstown Marina. All jetties/moorings in the Queenstown Lakes District are privately owned, and jetty/mooring access can be purchased or leased from private owners. Resource consent is required to establish a new jetty/mooring. Further information about jetty/mooring access, including permit and consent requirements to own a jetty/mooring, is provided on the QLDC's website.²⁴ For the Queenstown Marina, an agreement with Lakes Marina Projects would be needed (further information about the marina is available at <https://www.queenstownmarina.com/>). As described in Confidential Appendix 11, [].
 - (c) Resource consents: A jet boat operator in the Queenstown Lakes region would require resource consent from the QLDC. The Purchaser understands that it would be difficult for a new entrant to obtain consent for jet boat operations in the specific areas in which existing providers are operating in Lake Whakatipu and the Shotover, Kawarau, and Dart Rivers due to environmental and safety considerations. A new entrant could:

²⁴ <https://www.qldc.govt.nz/recreation/lakes-and-boating/jetties-and-moorings>

- (i) purchase the benefit of existing consents from existing operators;²⁵ or
- (ii) apply for consent to operate in other locations (eg, as Oxbow has).

By design, jet boats can operate in any waterway, which means there is opportunity for a vast scope of potential operating areas, including remote locations (which can benefit potential operators through low infrastructure costs). For example, there are various waterways close to the Queenstown Lakes region that have the potential for additional jet boating (such as waterways off Lake Ohau and Lake Takapō).

A number of different types of locations can be suitable for jet boating, as illustrated by the number of jet boating operations that have been established around New Zealand including Auckland Harbour (Auckland Adventure Jet), braided alpine rivers (eg, Alpine Jet Thrills in Canterbury), canyons (eg, Buller Canyon Jet), and remote/wilderness locations (eg, Wairaurahiri Jet in Fiordland).

Information on the resource consent process is set out at <https://www.qldc.govt.nz/services/resource-consents>. The [QLDC District Plan](#) sets out the objectives, policies, and rules for resource management activities across the district, which is currently in a review process (see [Proposed District Plan \(qldc.govt.nz\)](#)). The District Plan and Proposed District Plan set out further information on waterways in the district used for jet boating and restrictions (or proposed restrictions) on such use (see, for example, <https://www.qldc.govt.nz/media/s3rlfa1o/4-district-wide-april-2021.pdf> and <https://www.qldc.govt.nz/media/1b1gqi4h/pdp-chapter-21-rural-mar-2023.pdf>).

- (d) Concessions and permits: If operating in a conservation area, a concession for the jet boat and customers entering the area is required under the Conservation Act 1987. Concessions are managed by the Department of Conservation. Concession holders must pay the Department of Conservation a percentage of their revenue annually for the concession. Further information on the process for a Department of Conservation concession is set out at <https://www.doc.govt.nz/get-involved/apply-for-permits/application-process/>.

If operating in a river area that may need clearance of rocks / grit in bad weather conditions, a permit from Otago Regional Council is required, the costs for which typically comprise an annual fee of between \$5,000 to \$10,000. Further information on applying for a water permit is set out at <https://www.orc.govt.nz/consents-and-compliance/ready-to-apply-for-a-consent>.

For completeness:

- (i) as mentioned above, Shotover Jet also has a Concession Agreement with the QLDC, which is required due to the special status of the area of the Shotover River in which

²⁵ Land use consents under the Resource Management Act 1991 (RMA) (which are the consents necessary for jet boat operations) have no expiry date unless specified in the consent. As such, the consents are indefinite unless they:

- lapse under section 125 because they were not implemented within five years of being granted (or some other timeframe specified in the consent); or
- are cancelled by the QLDC under section 126 of the RMA (which enables the consent authority to cancel the consent if has not been exercised in the past five years, unless otherwise specified in the consent).

If a resource consent lapses or is cancelled, then the new entrant would need to apply for a new consent.

Compliance with the conditions of a resource consent are monitored by the relevant consent authority (see Part 12 of the RMA for provisions relating to enforcement). A consent authority may review the conditions of a consent in the circumstances set out in section 128 of the RMA – for example, for any purpose specified in the consent or to deal with any adverse effect on the environment which may arise from the exercise of the consent and which it is appropriate to deal with at a later stage.

Shotover Jet operates under the Lakes District Waterways Authority (Shotover River) Empowering Act 1985. This type of concession agreement is not necessary for jet boat operations in other waterways in the Queenstown Lakes District.

- (ii) the Shotover River Bylaw 2021 relates to the area of the Shotover River in which Shotover Jet operates, and is therefore only relevant to Shotover Jet. Public access to the Shotover River Concession Area is restricted to provide for navigation safety, and the Bylaw provides for permits to be granted for public access to the area as outlined at <https://www.qldc.govt.nz/services/permits/shotover-river-concession-area-permit>.
- (e) Other regulatory requirements: The Maritime Rules Part 82 (Commercial Jet Boat Operations - River) apply to every operator and driver of a commercial jet boat who is operating or driving a commercial jet boat on a river. The Rules require that:
 - (i) commercial jet boat operators have a Jet Boat Operator Certificate. Certificates are issued by the Director of Maritime New Zealand following an application process and the payment of an application fee;
 - (ii) the operator's fleet of jet boats meet the standards under the Rules; and
 - (iii) any person operating a commercial jet boat holds a current New Zealand Commercial Jet Boat Driver (River) Licence.

The QLDC's Navigation Safety Bylaw 2018 requires every person in charge of a jet boat that is a commercial vessel to ensure that the jet boat is operated and navigated strictly in accordance with the applicable Maritime Rules.

The New Zealand Commercial Jet Boat Association can help to support the establishment of new commercial operators and develop existing operators, for example by offering training, systems support, and assisting with the procurement of jet boating equipment.

- 103. Existing operators could also expand their operations, for example, by expanding operating hours or number of trips. Relevantly, the Purchaser understands that none of the jet boating operators in the Queenstown Lakes region are operating at the maximum capacity permitted by their resource consents.
- 104. The most recent new entrants to the adventure tourism market in the Queenstown Lakes region that the Purchaser is aware of are:
 - (a) Oxbow (described above) which began operations in 2020;
 - (b) iFLY, New Zealand's first indoor skydiving centre, which opened in August 2018;
 - (c) a [Heli Gin Tour](#) offered by Altitude Tours, which commenced in 2021;
 - (d) the [Great Glenorchy Alpine Base Camp](#), which opened in March 2022 and offers tourism experiences as well as accommodation; and
 - (e) [Kiwi Water Park](#) in Cromwell.

105. Other new entrants to the wider tourism market in the region include [Kingpin](#) (February 2022), [Putt n' Glow](#) (a new offering from Thrillzone), [Altitude Tours](#) (2017), and [Authentic As Tours](#) (which provide guided tours, including stargazing tours).
106. A new jet boating operator (Tekapo Jet) was established in Lake Takapō (on the main tourist route through Te Waipounamu / the South Island and easily accessible to the tourism market) in 2019 prior to the COVID-19 pandemic. While Tekapo Jet is currently closed, it provides an example of how easily and rapidly an operator can establish a business, and quickly gain market impact through various channels (for example, tourists to Takapō choosing Tekapo Jet over another tourism activity in Takapō, and tourists travelling to both Takapō and Tāhuna choosing Tekapo Jet over a Tāhuna-based jet boating activity).

No adverse co-ordinated or vertical effects on competition

107. The Proposed Acquisition will not enhance the ability of the Purchaser and other competitors to co-ordinate their behaviour. This includes because the relevant market is highly competitive, and includes an array of large and small operators with differentiated offerings.
108. The Proposed Acquisition also does not raise any vertical integration issues.
109. Accordingly, for the reasons set out in this application, the Proposed Acquisition would not have the effect or likely effect of substantially lessening competition in a market.

PART 4: CONFIDENTIALITY

110. Confidentiality from the public is sought for the information in this application and Appendices 17 and 21 included in square brackets and highlighted as follows:

[●] information is confidential from the public

[●] information is confidential from the public and the Vendors.

111. Confidentiality is also sought for Confidential Appendices 02 to 06, 09 to 16, 18 to 20, and 23 to 28.

112. A public version of this notice with confidential information deleted will be provided to the NZCC.

113. The Purchaser requests that it be notified of any request made under the Official Information Act 1982 for the confidential information included in this application, and be given the opportunity to be consulted as to whether the information remains commercially sensitive at the time that the request is made.

114. These requests for confidentiality are made because the information is commercially sensitive and disclosure would be likely to unreasonably prejudice the commercial position of the Purchaser or, alternatively, the person who is the subject of or who provided the information. A schedule setting out the reasons for each request is attached as Confidential Appendix 28.

PART 5: DECLARATION

I, _____, have prepared, or supervised the preparation, of this notice seeking clearance.

To the best of my knowledge, I confirm that:

- all information specified by the Commission has been supplied;
- if information has not been supplied, reasons have been included as to why the information has not been supplied;
- all information known to the applicant that is relevant to the consideration of this notice has been supplied; and
- all information supplied is correct as at the date of this notice.

I undertake to advise the Commission immediately of any material change in circumstances relating to the notice.

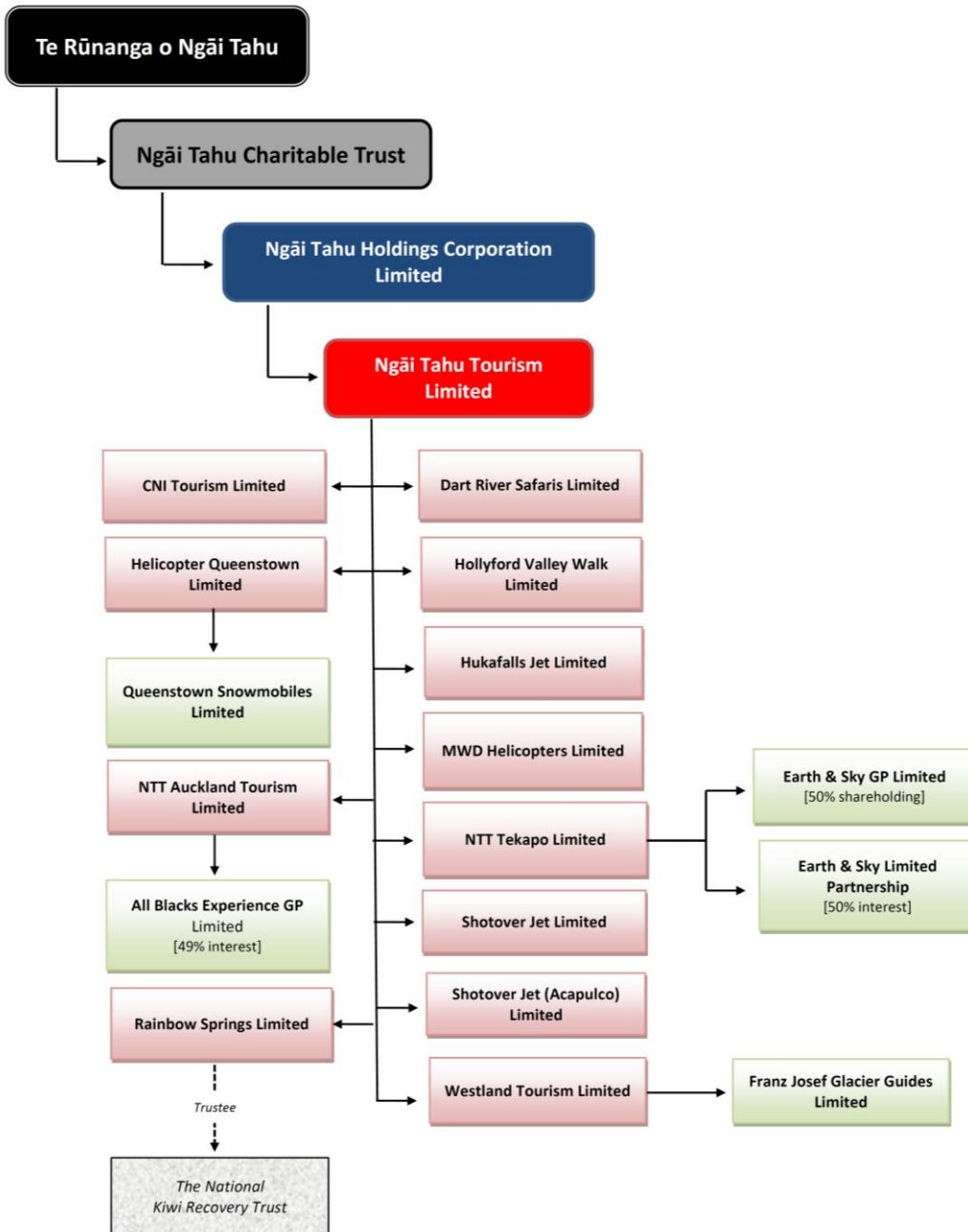
I understand that it is an offence under the Commerce Act to attempt to deceive or knowingly mislead the Commission in respect of any matter before the Commission, including in these documents.

I am a director/officer of Ngāi Tahu Tourism Limited and am duly authorised to submit this notice.

Name and title of person authorised to sign:

Sign: _____ Date: _____

APPENDIX 01 – PURCHASER'S OWNERSHIP STRUCTURE DIAGRAM

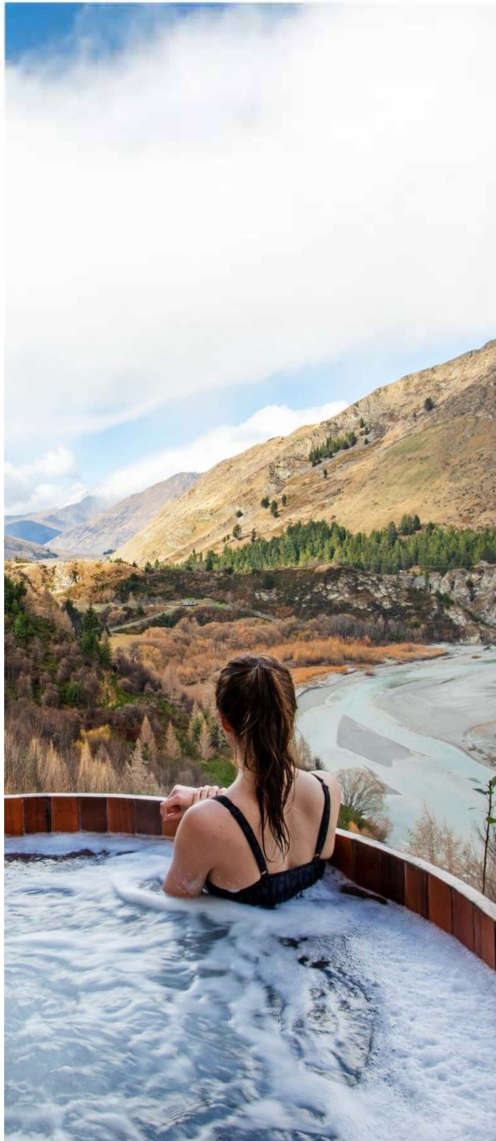


APPENDIX 07 – QUEENSTOWN VISITOR SURVEY REPORT FOR Q1 2023 UPDATE

QUEENSTOWN VISITOR SURVEY

Q1 2023 UPDATE

DOMESTIC VISITOR INSIGHTS - YEAR ENDING MARCH 2023



VISIT MOTIVATORS

The purpose of travel for domestic visitors to Queenstown continues to diversify post-Covid. In the year ending March 2023 72% of domestic visitors surveyed were travelling for a holiday or short break, 12% to visit family or friends (including an event held by them), and 9% for business (including attending a conference, convention, or other business event). Two in five domestic visitors base their Queenstown trip around one specific attraction or experience. In Q1 2023, this as most commonly Milford Sound, a Gibbston Valley concert, Onsen Spa, and Skyline Queenstown.

Over half (53%) of domestic visitors to Queenstown visit to spend time with their family, friends, or partner (up from 45% in the year ending March 2022), and 29% want to engage in a sport or recreational activity they enjoy (up from 22%). Domestic visitors to Queenstown are most likely to be influenced in their decision to visit by Queenstown's natural environment/scenery and Queenstown's tourism activities/experiences. Further, a third (34%) are influenced by Queenstown's weather/climate, or the season (up from 25% in the year ending March 2022).

TRAVEL BEHAVIOUR

More than four in five domestic visitors to Queenstown have visited before and 87% are exploring areas beyond the Queenstown town centre/Frankton area – most commonly Arrowtown, Cardrona, and Lake Hayes. Four in five domestic visitors travel directly from their region of residence. A third of visitors include Wānaka on their itinerary, and one in five include Central Otago.

The median length of stay in Queenstown is four nights. Two thirds of domestic visitors are travelling with a partner/spouse, and a quarter with children.

Hotels and rented private homes/holiday homes are the most common types of accommodation used, with location, suitability for a group, and price key factors in visitors' accommodation choices. In Q1 2023, restaurants and cafes, shopping and sightseeing were the most common activities or experiences undertaken. Compared to Q1 2022, a higher proportion of visitors went to wineries or other wine experiences (36% vs 23%) and played golf (15% vs 6%).

Domestic flights are the most common means of getting to Queenstown, although Cantabrians are more likely to opt to use a private vehicle. A rented vehicle and walking are the two most common means of getting around Queenstown.

DOMESTIC VISITOR INSIGHTS - YEAR ENDING MARCH 2023 CONT.



SATISFACTION WITH VISITOR EXPERIENCE

Domestic visitors remain very satisfied with their experience in Queenstown, however there are unfavourable shifts across most metrics compared to YE March 2022. These unfavourable shifts tend to be larger when compared by quarter.

Domestic visitors rate their overall experience in Queenstown an average 8.5 out of 10 (down from 8.9 out of 10 in the year ending March 2022). Queenstown's Net Promoter Score (NPS) of +59 reflects strong enthusiasm with the destination (although the NPS is down from +69 in the year ending March 2022). NPS appears to be higher for residents of the Waikato or Auckland, those who only visited the town centre/Frankton, and those who undertook golf, wineries or other wine experiences or a flying/air activity.

All transport satisfaction metrics decreased with the largest unfavourable shifts being the ease of walking or driving around Queenstown, and Queenstown's Airport passenger facilities. The biggest pressure point remains ease of parking a vehicle.

Queenstown is well regarded as a safe and welcoming destination, but several metrics decreased significantly compared with the year ending March 2022. In particular, the town centre/urban area being clean and tidy (7.6, down from 8.5 out of 10) and ease of getting around Queenstown (7.4, down from 8.3 out of 10).

The most commonly cited opportunities for improvement remain Queenstown's roadworks and the associated disruption to accessibility and businesses, overall value for money, and car parking facilities. In Q1 2023, stages of the large urban redevelopment in the town centre were completed, and this is likely to ease some of these pressure points. Satisfaction metrics will be closely monitored in future reports to see if this is the case.

Half of domestic visitors (51%) intend to return to Queenstown within the next 12 months, and this increases to 64% for Cantabrians. Queenstown's natural environment/scenery, food/wine experiences, and the presentation of Queenstown are the biggest highlights for domestic visitors.

INTERNATIONAL VISITOR INSIGHTS - YEAR ENDING MARCH 2023



The sample of international visitors is continuing to grow, and early insights from this market are included below.

VISIT MOTIVATORS

87% of international visitors to Queenstown are travelling for a holiday or short break, and 6% to visit family or friends. Half are drawn to Queenstown by one specific attraction or experience, and in Q1 2023 this was most commonly Milford Sound, Skyline Queenstown, the Milford and Routeburn Tracks, and wineries.

International visitors most want to experience Queenstown's outstanding natural landscapes and the opportunity to explore and discover a new place and/or new experiences. The top three drivers for international visitors' decision to visit are Queenstown's natural environment and scenery, Queenstown's abundance of outdoor activities/experiences, and Queenstown's tourism activities/experiences.

TRAVEL BEHAVIOUR

One in two Australians are visiting Queenstown for the first time, and this increases to three in four of all other international visitors. 84% of international visitors explore areas beyond Queenstown's town centre/Frankton area - most commonly visiting Arrowtown, Glenorchy, and Cardrona. In Q1 2023, 61% of international visitors to Queenstown included Wānaka on their itinerary, 35% included Central Otago and 30% both Wānaka and Central Otago.

The majority of international visitors (62%) travel to Queenstown from another destination in New Zealand, most commonly Auckland and Lake Wānaka. Only 44% of Australian visitors travel to Queenstown direct from their state of residence.

The median length of stay is five nights. Australian visitors are more likely to have a longer stay - 74% stay in Queenstown for four nights or more, compared to 46% of other international visitors. 69% of international visitors are travelling with a partner/spouse, while 16% are travelling with friends.

INTERNATIONAL VISITOR INSIGHTS - YEAR ENDING MARCH 2023 CONT.



Similar to domestic visitors, hotels and rented private homes/holiday homes are the most popular accommodation options, but international visitors are more driven by the accommodation's location, price, positive reviews and booking flexibility. In Q1 2023, the most common activities/experiences were restaurants and cafes, 'walking, hiking, climbing, trekking and tramping', and shopping.

Scheduled flights are the most common transport method used by international visitors to get to Queenstown. While 54% of Australian visitors arrive into Queenstown via a scheduled international flight, other international visitors are more likely to travel to Queenstown via a scheduled domestic flight or rented vehicle (both 33%). The most common forms of transport used to get around Queenstown are walking, rented vehicles and taxis.

SATISFACTION WITH VISITOR EXPERIENCE

International visitors are generally more satisfied with their experience in Queenstown than domestic visitors – overall experience in Queenstown rates at an average of 8.8 out of 10 and the Net Promoter Score (NPS) is +73. NPS appears to be higher for residents of the United States, those who included Kelvin Heights/Kelvin Peninsula on their itinerary, and those who undertook 'golf' or a 'land activity'.

Transport metrics are broadly in line with domestic visitors, although ease of walking around Queenstown has a more favourable rating (8.6, compared to 8.1 out of 10), as does ease of parking your vehicle (5.7, compared to 5.2 out of 10).

Queenstown is perceived as a safe and welcoming destination by international visitors, and compared to domestic visitors, they're more likely to see Queenstown as a destination that cares about the environment (8.3, vs 7.6 out of 10), where it is easy to interact with local people (8.3, vs 7.7 out of 10), and where the town centre/urban area is clean and tidy (8.2, vs 7.6 out of 10). International visitors are also more satisfied with the value for money they experience (7.3, compared to 6.8 out of 10).

48% of international visitors surveyed intend to return to Queenstown within the next two years. This increases to 56% for Australians. Visitors' view on opportunities for improvement commonly centre around Queenstown's roadworks (and impacts on accessibility), availability of car parking and issues with public transport (e.g. cancellations and punctuality). The biggest highlights for international visitors are Queenstown's natural environment/scenery, the great service and friendly locals, and food/wine experiences.

BACKGROUND & METHODOLOGY



The Queenstown Visitor Survey (QVS) helps Destination Queenstown and members better understand the profile, travel behaviour, expectations and experiences of visitors to the Queenstown region.

The QVS sample currently includes both domestic and international visitors. In order to be included in the sample, visitors must be 18+ and have spent at least one night in the Queenstown region (the area between Glenorchy, Cardrona, Gibbston Valley and Kingston). Respondents are recruited at key visitor sites around Queenstown, on randomly selected days each quarter. A combination of sites is used to ensure a good cross-section of visitors is included in the survey.

Visitors can provide an email address for distribution of a link to the online survey or scan a QR code to access and complete the survey on their own device at the time of intercept. A tablet is also available for visitors who wish to complete the survey at the time of intercept but don't have a suitable device on which to do so. As an incentive to participate respondents are offered the chance to enter a quarterly prize draw to win a NZ\$250 Prezzy card.

Prior to July 2022, a sample of n=150 responses were collected from domestic visitors each quarter, aggregating to n=600 responses per year, and in the year ending June 2022, a further n=96 responses were collected from international visitors (including n=66 Australian visitors).

From Q3 2022, a sample of n=100 responses are collected from domestic visitors and n=100 responses are collected from international visitors each quarter, aggregating to n=400 domestic and n=400 international responses per year. Of the n=100 responses from international visitors, a minimum of n=50 are responses from Australian visitors. The current combined sample size attracts a margin of error of +/- 6.9% on a quarterly basis and +/- 3.4% on an annual basis.

Following are the latest findings in an ongoing series of quarterly updates. Responses are from visitors to Queenstown during April 2021 – March 2023.

DOMESTIC VISITORS



PURPOSE OF TRAVEL

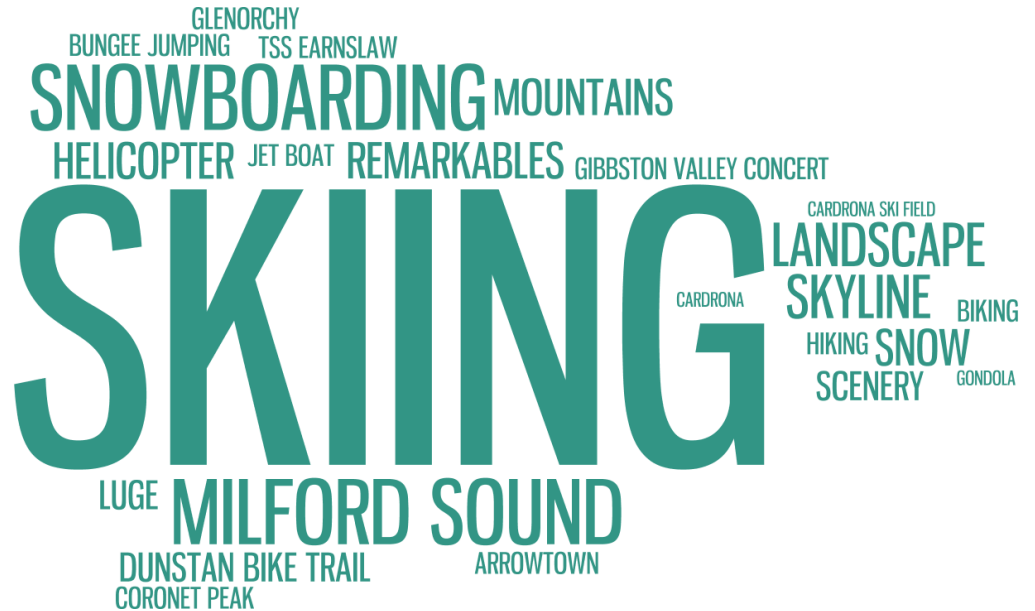


Firstly, what is/was the main purpose of your visit to Queenstown?
 [Of holiday/short break visitors] Was there one specific attraction or experience that your visit to Queenstown is/was based around?
 [Of holiday/short break visitors] What is/was that attraction or experience?

Purpose of Travel	
Holiday/vacation or short break	72%
Visit family or friends	6%
To attend an event held by friends or family	6%
To attend an event held by someone else	5%
To attend a conference, convention, or other business event	5%
For other business reasons	4%
To make a transport connection/just passing through on way to somewhere else	1%
For education/study	0%
Other	2%
Base: Domestic Sample YE Mar 2023	n=494

The diversity in visitors' purpose of travel continues to grow. Comparing YE Mar 2023 with YE Mar 2022, 12% of visitors travelled to Queenstown to visit or attend an event held by family or friends (up from 5%), and a further 9% travelled for business (up from 4%).

→ **41%** of visitors on holiday/vacation or a short break travelled to Queenstown to see/do one specific attraction or experience, which included....



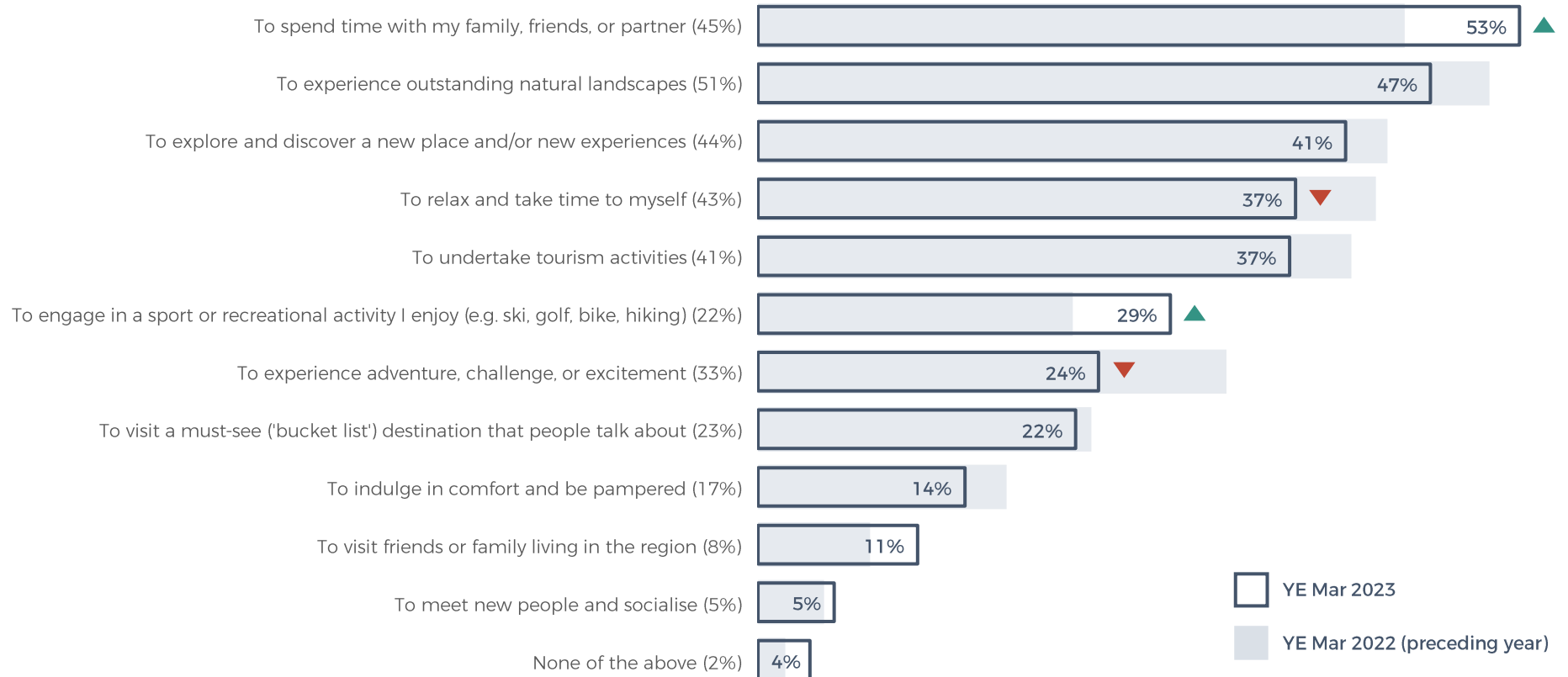
In Q1 2023, 30% of holiday visitors based their visit to Queenstown around one specific attraction or experience. The most mentioned 'driver' attractions/experiences in Q1 2023 were Milford Sound, a Gibbston Valley Concert, Onsen Spa and Skyline.

DOMESTIC VISITORS
VISIT MOTIVATORS



And which, if any, of the following do/did you want from your visit to Queenstown?

Motivator (% in YE Mar 2022 – preceding year)



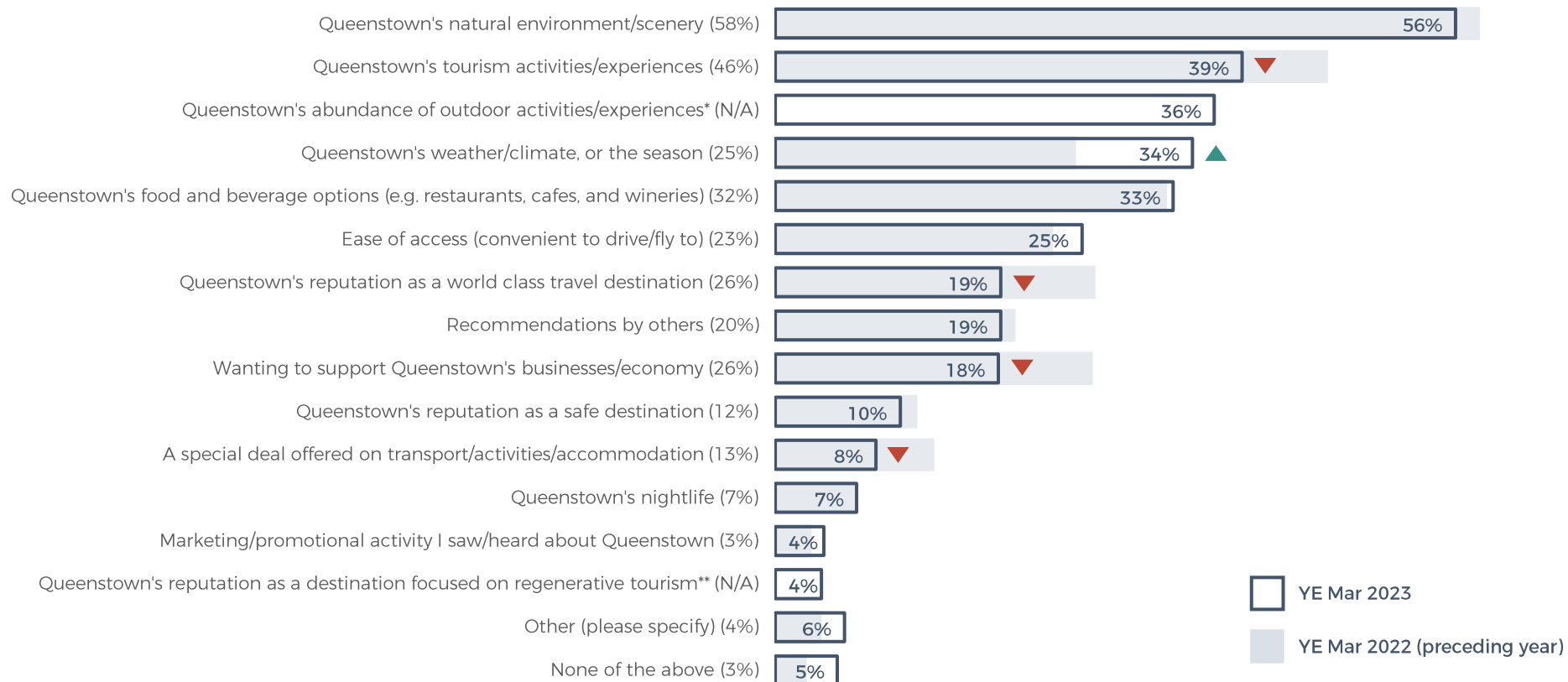
Comparing Q1 2023 with Q1 2022, domestic visitors are more likely to want to visit Queenstown to spend time with their family, friends, or partner (56% vs 43%) or to visit friends or family living in the region (18% vs 7%) than there were previously.

DESTINATION DECISION DRIVERS



Which, if any, of the following were also important in your decision to visit Queenstown?

Destination Driver (% in YE Mar 2022 – preceding year)



* Added Q3 2021 ** Added Q3 2022



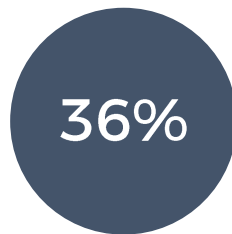
Cantabrians are less likely than other domestic visitors to be influenced to visit by Queenstown's natural environment/scenery (30% vs 56% overall), abundance of outdoor activities/experiences (18% vs 36% overall), tourism activities/experiences (26% vs 39% overall) and weather/climate, or the season (14% vs 34% overall).



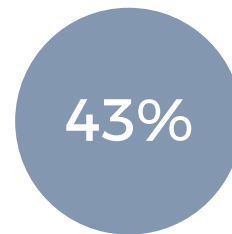
How many times have you visited Queenstown?



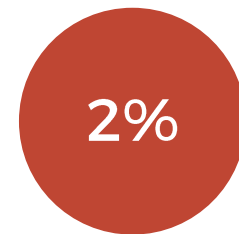
First visit
to Queenstown



Visited
once/few times



Visited
many times



Used to live
in Queenstown



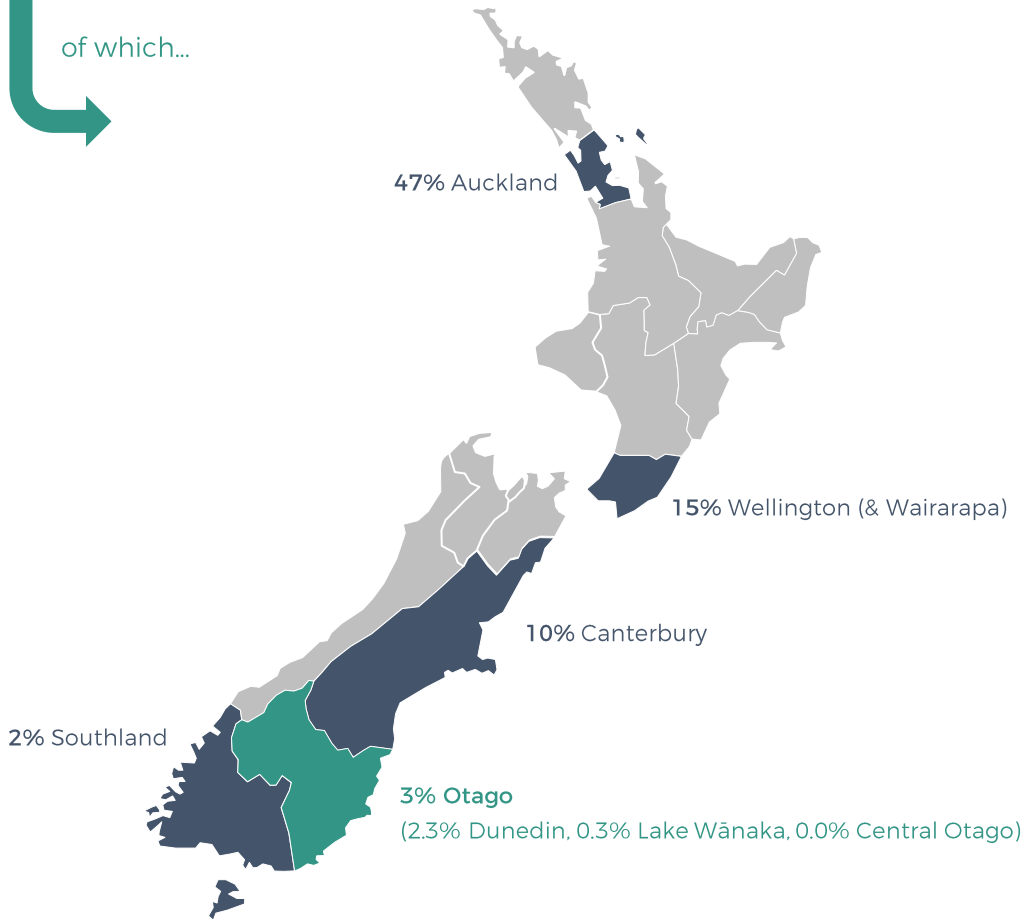
Comparing YE Mar 2023 data with YE Mar 2022, a greater proportion of Queenstown's domestic visitors are currently repeat visitors. In YE Mar 2022, 23% were visiting for the first time and only 35% had visited many times.

On your current (or most recent) trip to Queenstown, what location/region did you last stay overnight in before arriving in Queenstown?

79% of domestic visitors travelled to Queenstown directly from their region of residence



of which...



Of the 21% of visitors not travelling to Queenstown directly from their region of residence, the last locations stayed in overnight before arriving in Queenstown are most commonly...

Auckland 24%, Waikato 18%, Wellington (& Wairarapa) 16%, Canterbury 10%, and Bay of Plenty & Manawatū-Whanganui (both 8%.)

Location last stayed overnight before Queenstown (top 10 overall)

Auckland	40%
Wellington	13%
Christchurch	7%
Hamilton/Waikato (excl. Taupō & The Coromandel)	5%
Southland	5%
Bay of Plenty (excl. Rotorua)	4%
Canterbury (excl. Christchurch)	4%
Lake Wānaka	4%
Dunedin	3%
Northland (including Whangārei and the Bay of Islands)	2%

Base: Domestic Sample YE Mar 2023

n=494

DISPERSAL/FLOWS CONT.



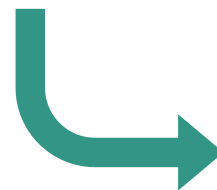
What locations have you visited, or did you visit, on your trip to Queenstown?
And what New Zealand locations outside of Queenstown have you visited, did you visit, or do you intend to visit, as part of your trip?

Dispersion within Queenstown region	
Queenstown town centre	85%
Frankton	63%
Arrowtown	63%
Cardrona	30%
Lake Hayes	25%
Gibbston Valley	23%
Glenorchy	20%
Arthur's Point	17%
Kelvin Heights/Kelvin Peninsula	13%
Kingston	7%
Other Queenstown urban area	15%
Other	12%
Base: Domestic Sample YE Mar 2023 n=494	



13 percent of domestic visitors only visit the town centre/Frankton area

Other regions visited	
None - Queenstown region only	46%
Wānaka	36%
Central Otago *	21%
Other location(s) in Otago outside of Queenstown, Wānaka and Central Otago *	10%
Milford Sound	15%
Other location(s) in Fiordland outside of Milford Sound (incl. Te Anau)	13%
Southland (including Invercargill)	8%
Canterbury (including Christchurch)	8%
West Coast	6%
Other South Island region(s)	4%
North Island region(s)	5%
Base: Domestic Sample YE Mar 2023 n=494	



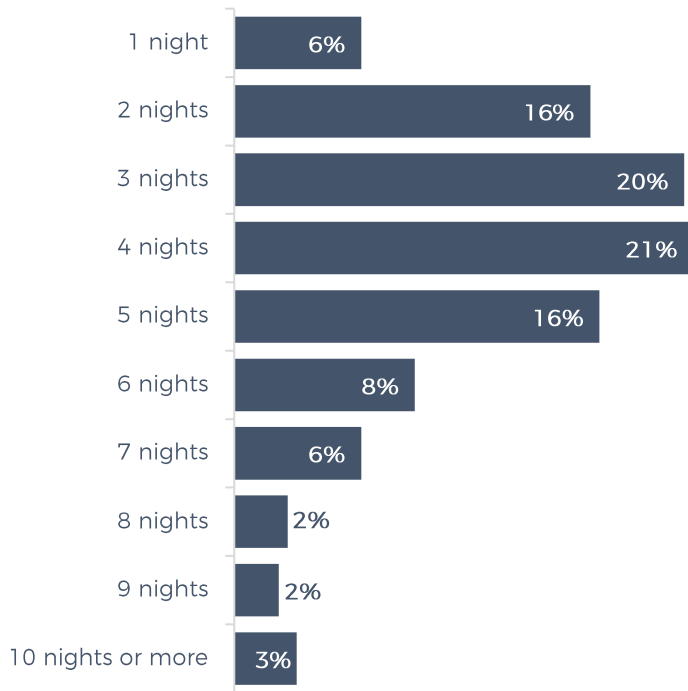
% who included on their itinerary... (in Q1 2023)	
Queenstown <u>and</u> Milford Sound	17%
Queenstown <u>and</u> Wānaka	37%
Queenstown <u>and</u> Central Otago	26%
Queenstown, Wānaka <u>and</u> Central Otago	15%
Base: Domestic Sample Q1 2023 n=110	

LENGTH OF STAY / TRAVEL COMPANIONS



How many nights in total do you intend to stay, or did you stay, in Queenstown?
Who travelled/is travelling with you?

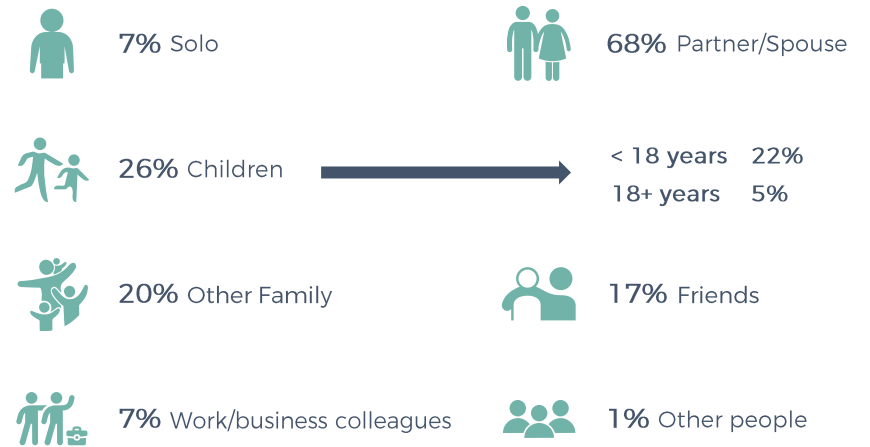
Length of Stay



The median length of stay is 4 nights

It appears that the average length of stay in Queenstown is growing. In YE Mar 2022, the proportion of visitors staying in Queenstown for 4 or more nights was 47%, and in YE Mar 2023 this proportion has grown to 58%.

Travel Party



Group types



- 7% Travelling alone
- 37% Couples only
- 71% Family groups (incl. couples) only *
- 23% Family groups with children only **
- 9% Friends only

* Respondent travelled with any of their partner/spouse, children of any age and/or other family members but no others

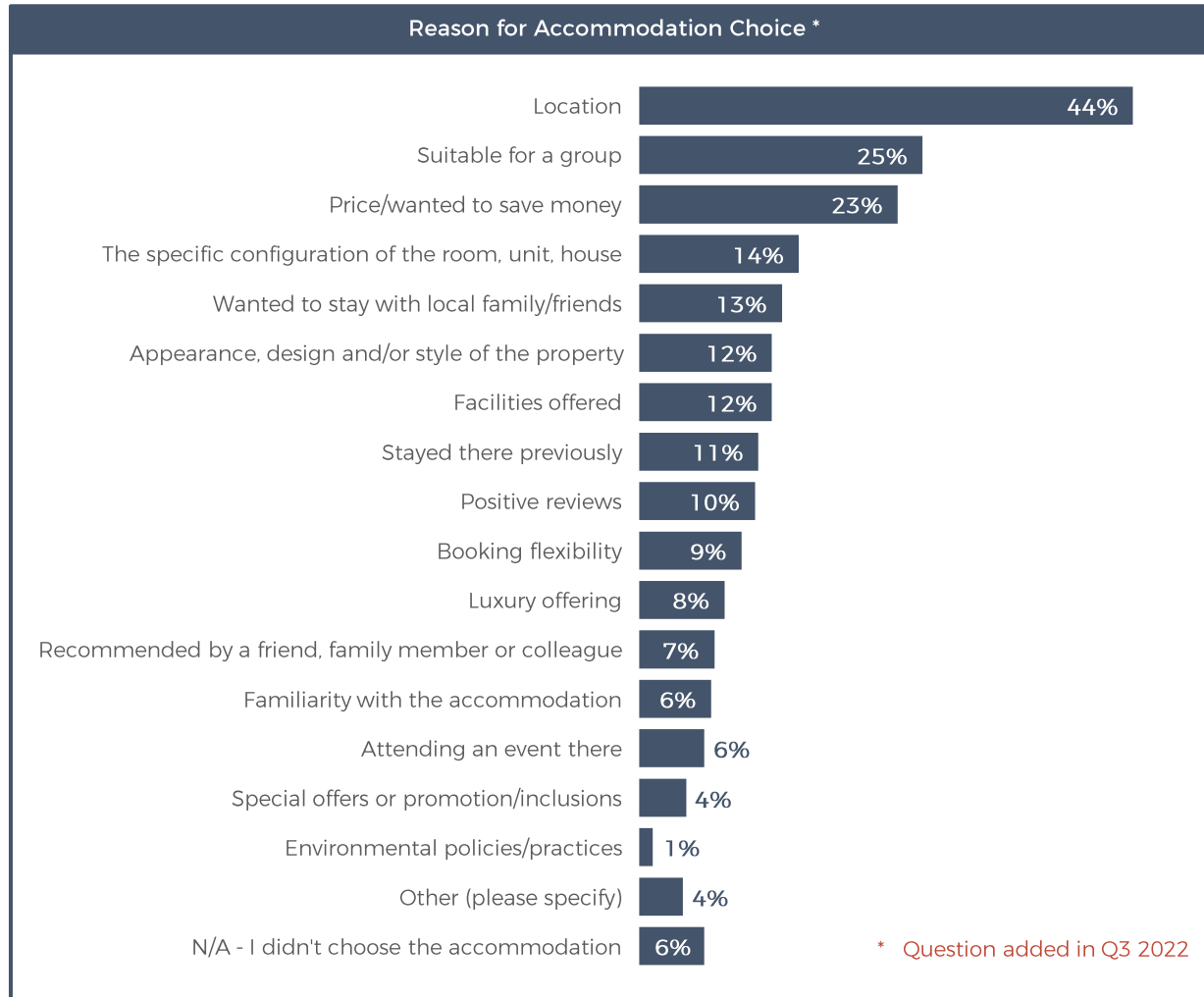
** Respondent travelled with their child/children (of any age) and no others apart from partner/spouse and/or other family members where applicable



What is/was the main type of accommodation you used on this trip to Queenstown?
 What was the main reason you chose this type of accommodation?

Accommodation Type	
Hotel	37%
Private home/holiday home - rented	23%
Private home/holiday home - no payment made	13%
Serviced apartment	8%
Motel	6%
Backpackers/hostel	3%
Luxury lodge	3%
Camp ground/holiday park	2%
Bed and Breakfast, Homestay or Farmstay	2%
Freedom camping	0%
Other	2%
Base: Domestic Sample YE Mar 2023 n=494	

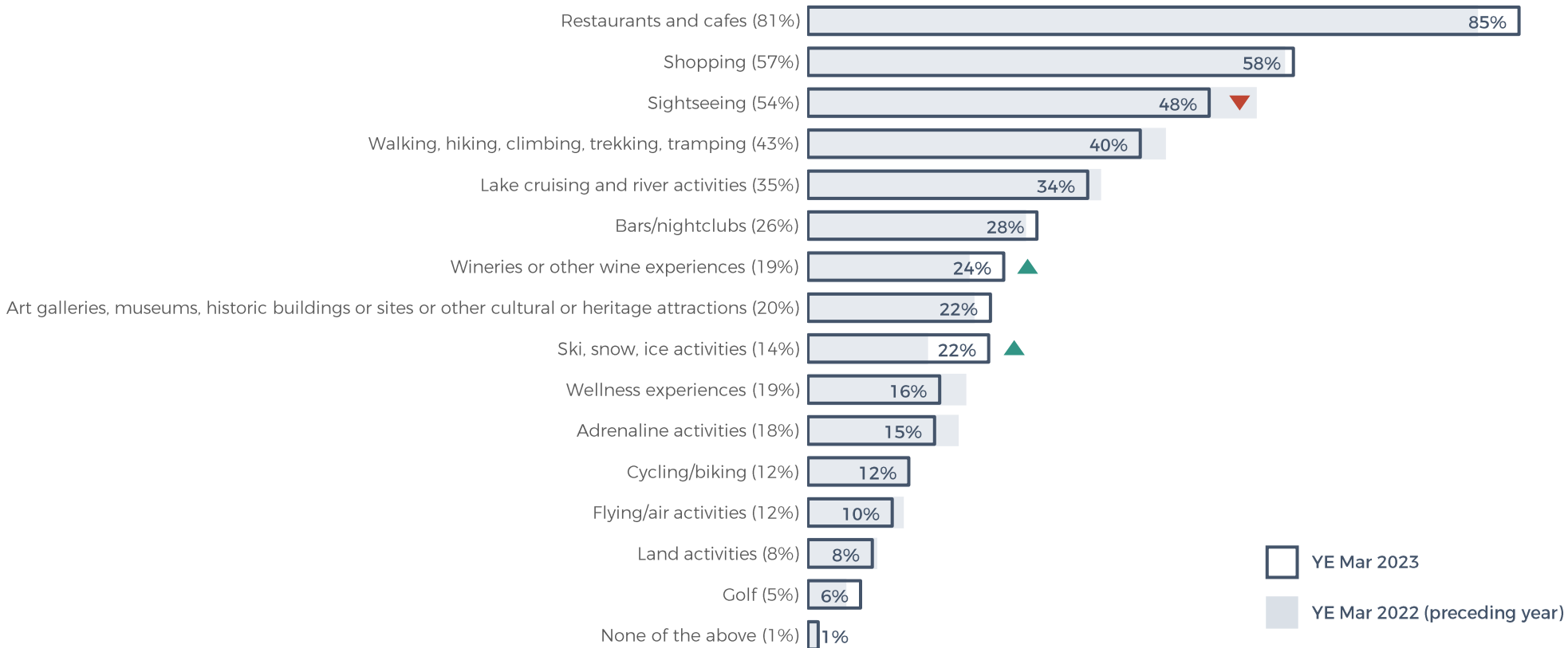

 Comparing YE Mar 2023 with YE Mar 2022, there is a greater proportion of domestic visitors staying in private homes/holiday homes now, both rented (23% vs 16%) and with no payment made (13% vs 8%).





Which of the following have you done, or did you do, while in Queenstown? (on this trip)

Activity/Experience (% in YE Mar 2022 – preceding year)



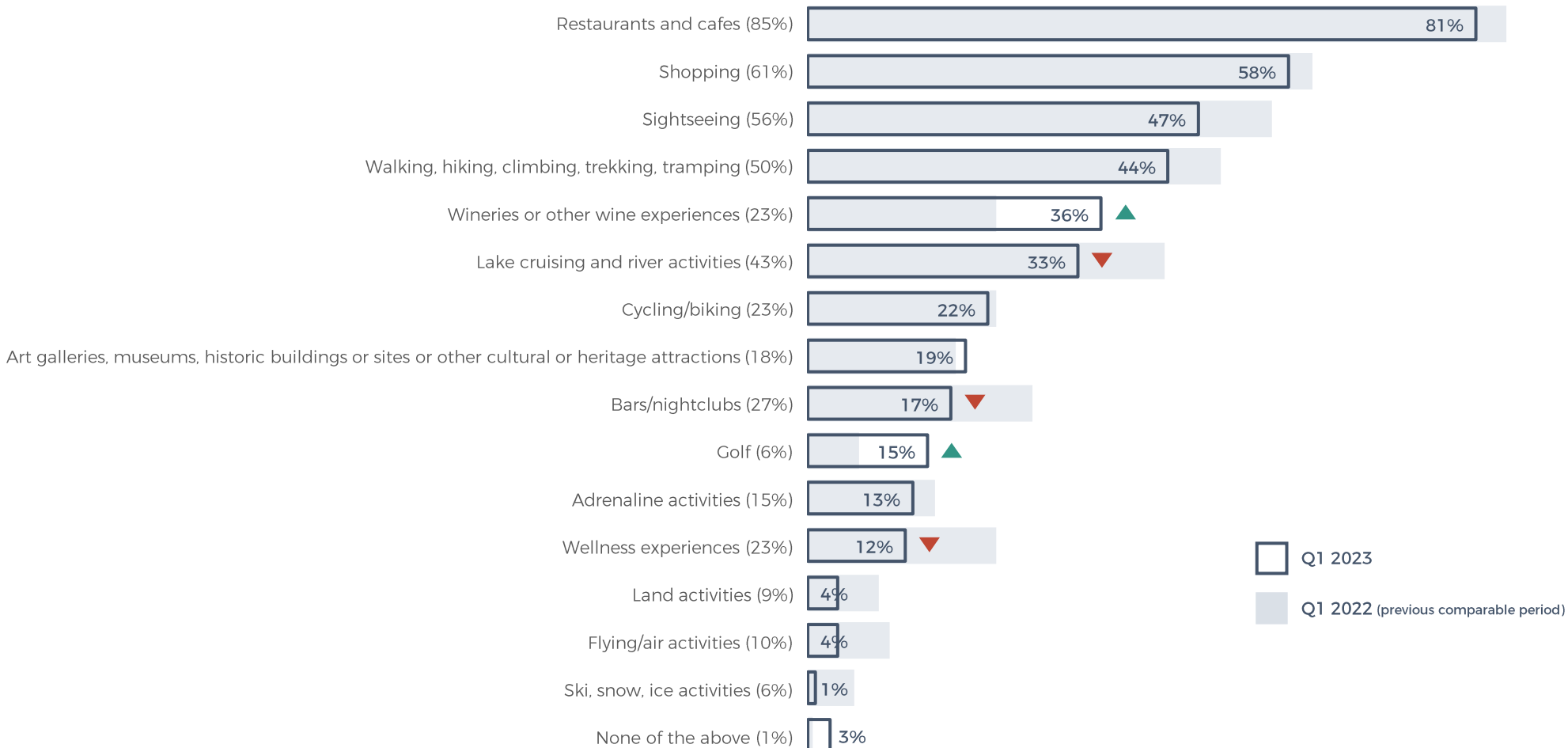
While in Queenstown, Cantabrians are less likely to go shopping (42% vs 58% overall) and to go sightseeing (30% vs 48% overall).

ACTIVITIES/EXPERIENCES – Q1 2023



Which of the following have you done, or did you do, while in Queenstown? (on this trip)

Activity/Experience (% in Q1 2022 – previous comparable period)





How did you get to Queenstown?
What transport have you used (or did you use) for getting around Queenstown?

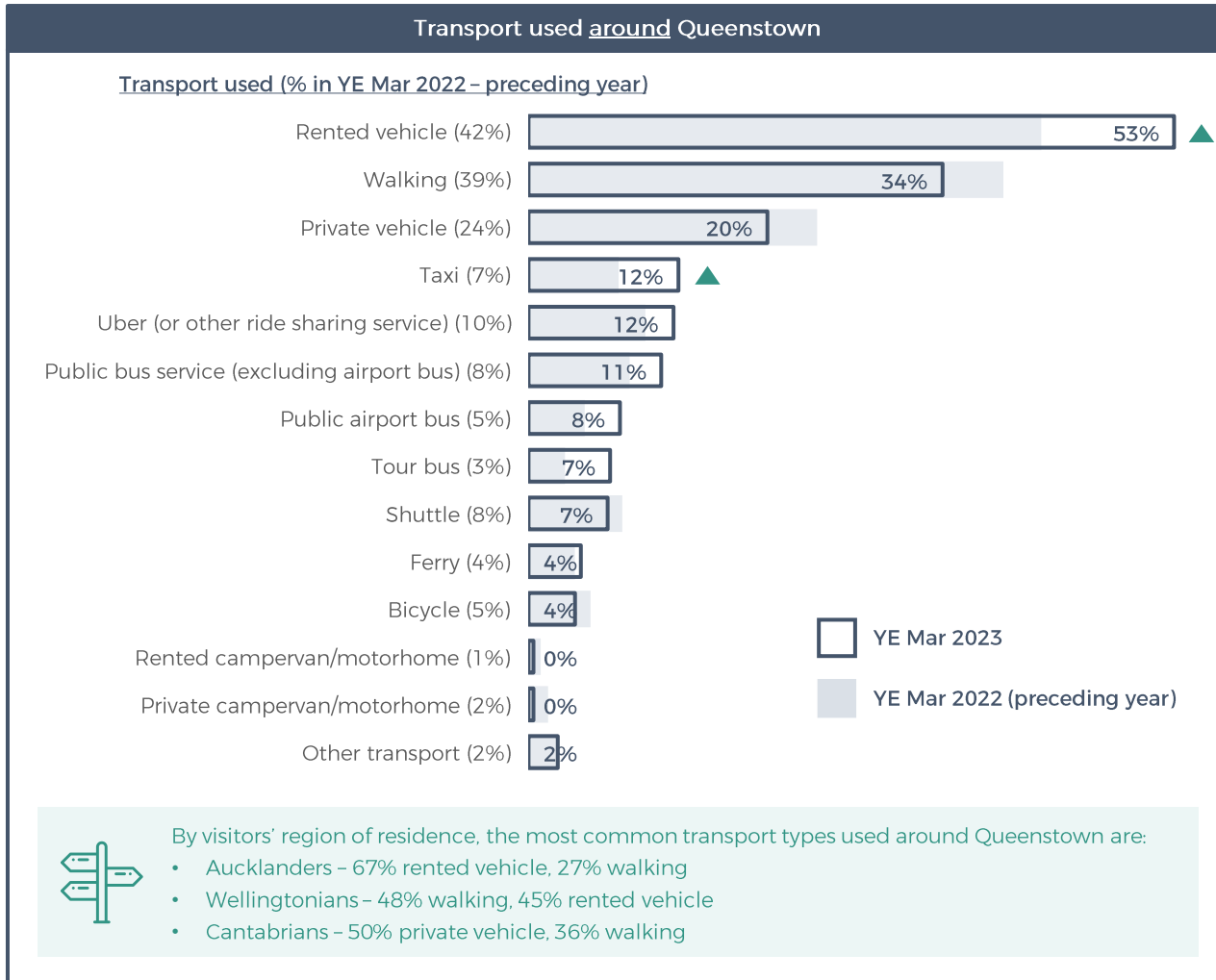
Transport used <u>to</u> Queenstown	%
Scheduled domestic flight	79%
Private vehicle	13%
Rented vehicle	7%
Scheduled bus/shuttle service	2%
Scheduled international flight	0%
Other transport	0%



Domestic visitors are more likely to have travelled to Queenstown via a scheduled domestic flight this year (79% vs 63% in the preceding year).



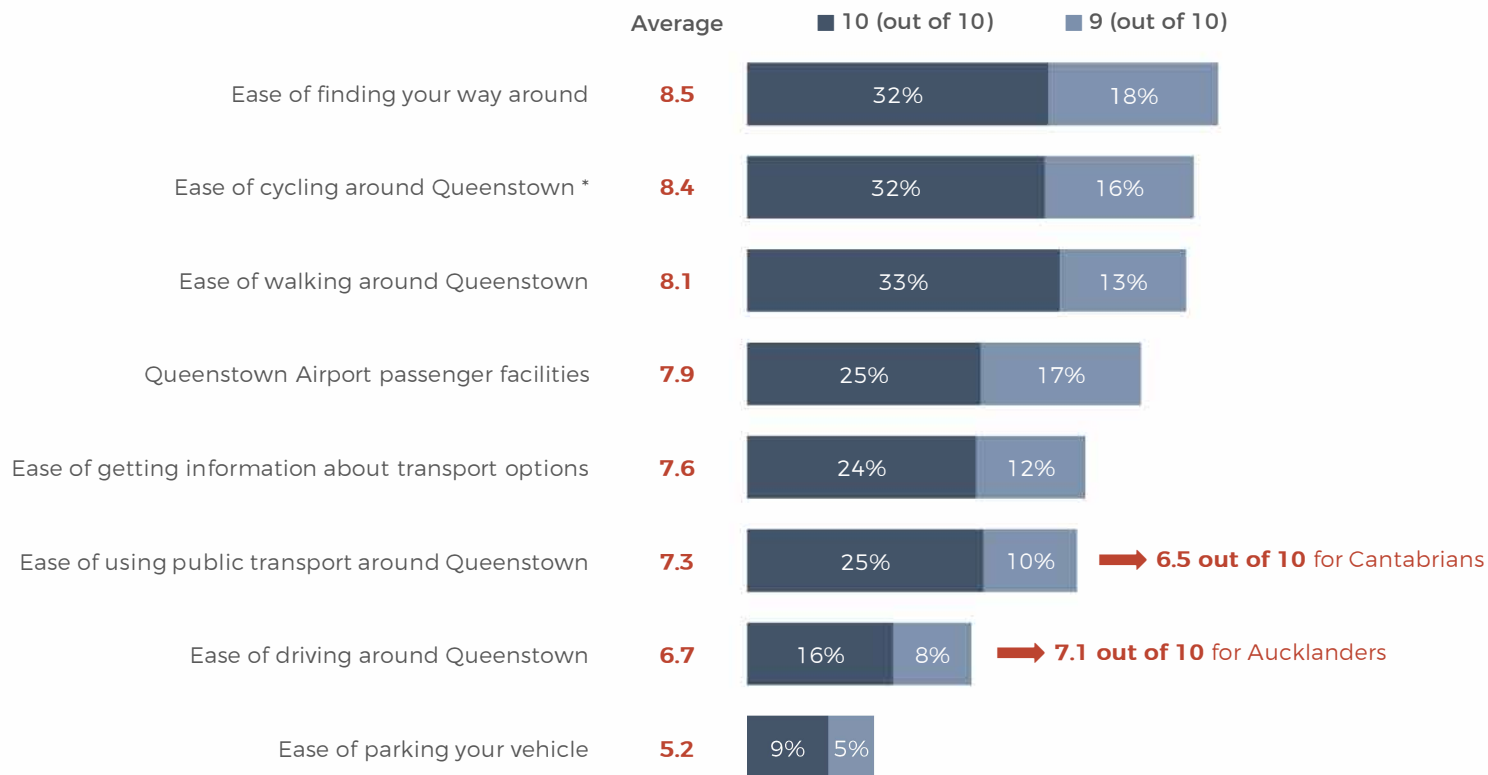
Aucklanders are more likely than domestic visitors overall to travel to Queenstown on a domestic flight (89% vs 79%). Cantabrians are much less likely to take a domestic flight (44%), instead tending to opt for private vehicles (52%).



TRANSPORT SATISFACTION



On a scale of 0 (not at all satisfied) to 10 (extremely satisfied), how satisfied are you with these aspects of transport in Queenstown?
(some options display only if transport type used)

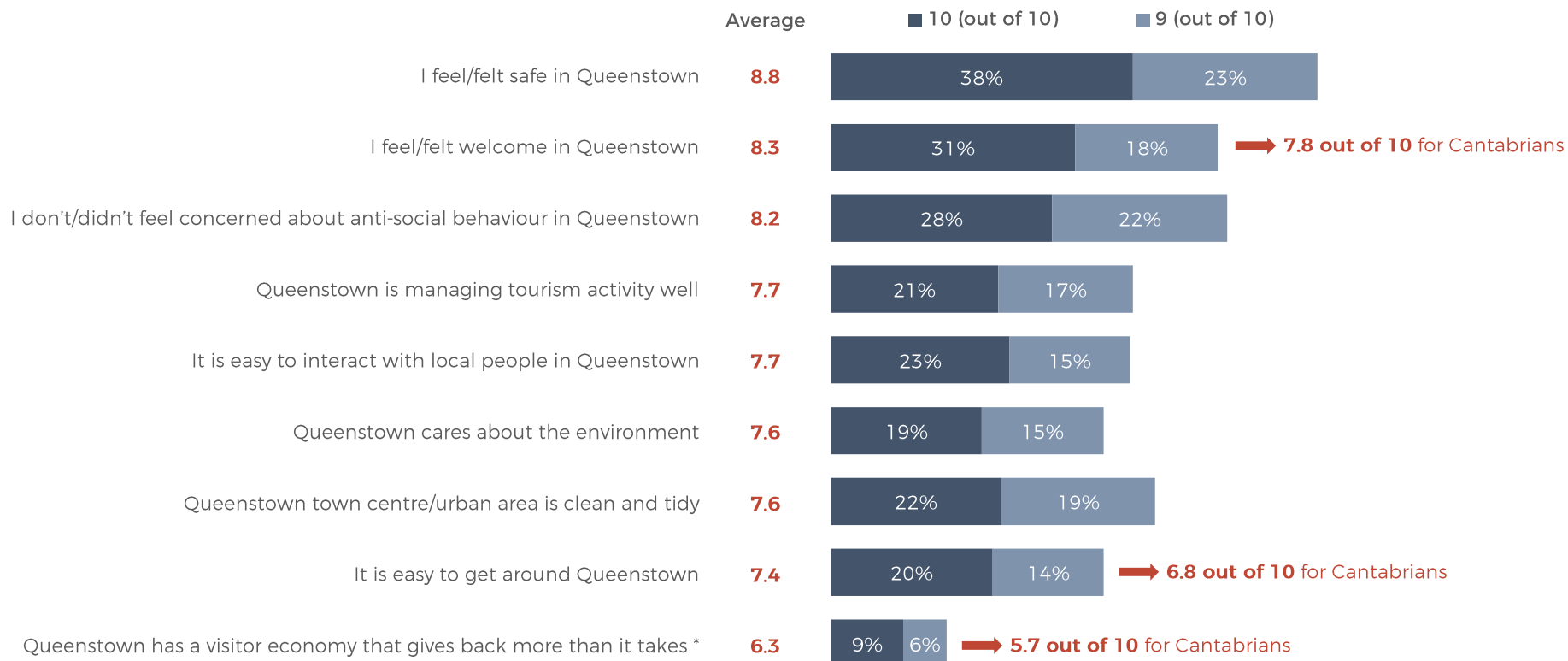


Satisfaction with Queenstown's transport infrastructure continues to decrease. All metrics had an unfavourable change compared to the preceding year. The biggest movers are 'ease of walking around Queenstown' (8.1, down from 8.9 out of 10), 'ease of driving around Queenstown' (6.7, down from 7.5 out of 10), and 'Queenstown Airport passenger facilities' (7.9, down from 8.6 out of 10).

QUALITY OF VISITOR EXPERIENCE



To what extent do you agree or disagree with the following statements? [On a scale of 0: Strongly Disagree to 10: Strongly Agree]



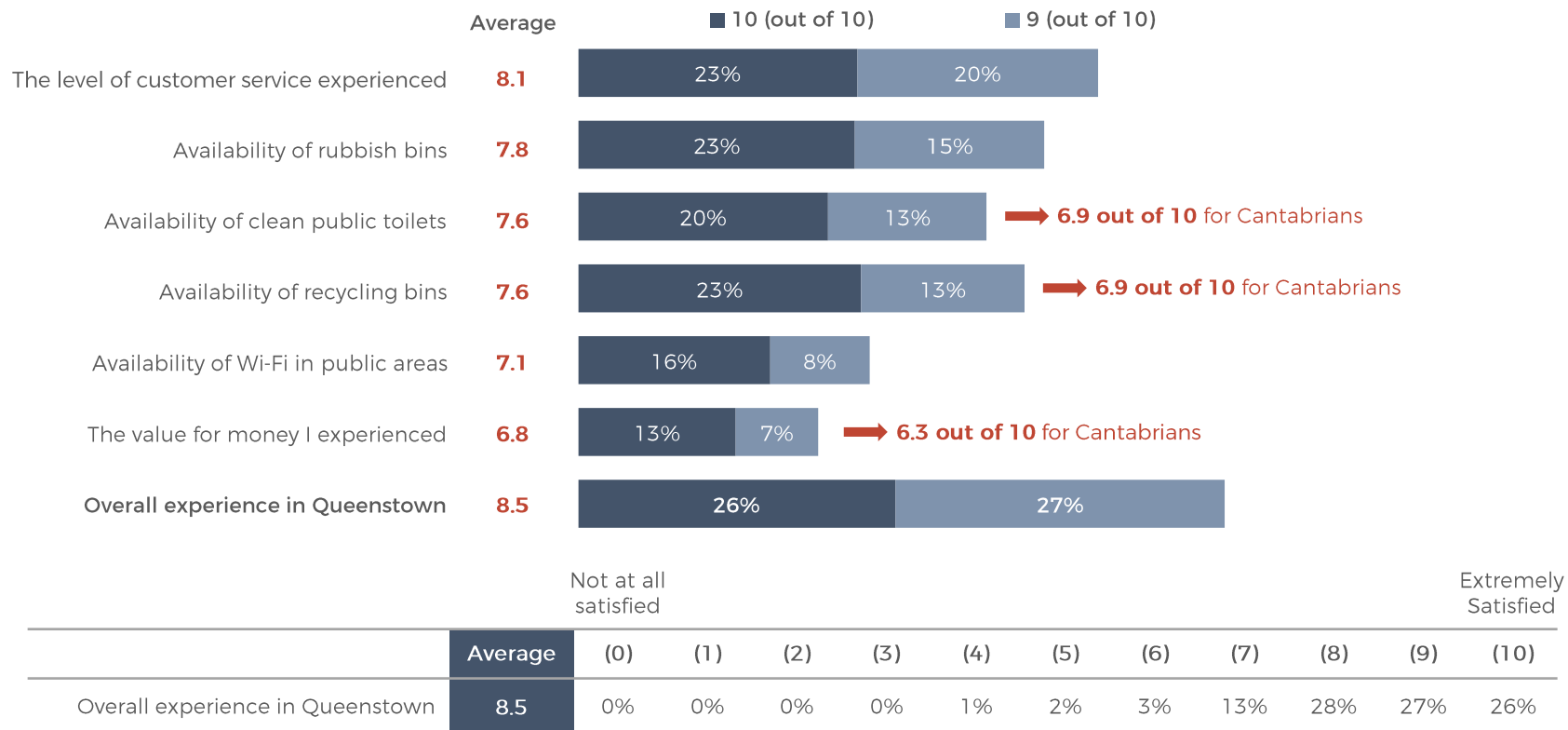
Comparing YE Mar 2023 with YE Mar 2022 there is an unfavourable shift in the extent of agreement across all visitor experience metrics, with the biggest movers being - 'Queenstown town centre/urban area is clean and tidy' (7.6, down from 8.5 out of 10), 'it is easy to get around Queenstown' (7.4, down from 8.3 out of 10), 'Queenstown is managing tourism activity well' (7.7, down from 8.4 out of 10) and 'Queenstown cares about the environment' (7.6, down from 8.3 out of 10).

By quarter, the unfavourable shifts are larger, in particular 'it is easy to get around Queenstown' (from 8.4 out of 10 in Q1 2022 to 7.3 in Q1 2023).

DESTINATION SATISFACTION



On a scale of 0 (not at all satisfied) to 10 (extremely satisfied), how satisfied are you with these aspects of your visit to Queenstown?



A comparison of YE Mar 2023 with YE Mar 2022, shows that there has been an unfavourable shift in satisfaction across all destination satisfaction metrics with the largest decline for 'availability of clean public toilets' (7.6, down from 8.5 out of 10), 'availability of Wi-Fi in public areas' (7.1, down from 7.8 out of 10), 'the level of customer service experienced' (8.1, down from 8.7 out of 10) and 'the value for money I experienced' (6.8, down from 7.4 out of 10).

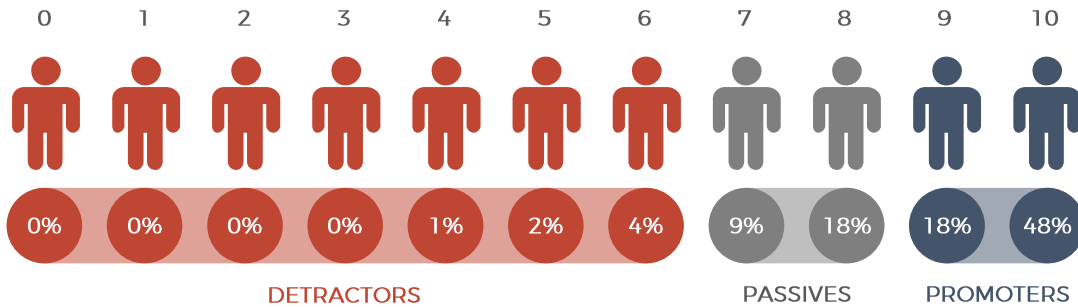
Overall experience in Queenstown for Q1 2023 is an average of 8.5 out of 10, down from 8.7 in Q1 2022.

NET PROMOTER SCORE (NPS)



How likely are you to recommend Queenstown as a visitor destination to other people?

Net Promoter Score (NPS) is an indicator used globally to measure customer engagement and advocacy, based on the likelihood of a customer to recommend your product or service. Any positive score means that you have more loyal advocates willing to recommend your product or service (promoters) than unhappy critics (detractors). A passive customer is satisfied, but unenthusiastic. A high score of +100 means that every customer is a promoter, while a low score of -100 means that every customer is a detractor.



Queenstown's NPS is +59
 PROMOTERS (65.8%) minus DETRACTORS (6.4%)

NPS has decreased from +69 in YE Mar 2022.
 NPS has decreased from +68 in Q1 2022 to +56 in Q1 2023.

NPS for New Zealand for YE Mar 2023 is +56.

NPS is higher than average for

- Residents of Waikato +68 and Auckland +65
- Those who attended an event – held by family or friends +64, someone else +71, or a conference, convention or other business event +65
- Those who only visited the town centre/Frankton +69
- Those who visited Gibbston Valley +68 or Arthur's Point +65
- Those who undertook 'golf' +74, 'wineries or other wine experiences' +71 or a 'flying/air activity' +70
- Those who stayed in a serviced apartment +69, hotel or motel +65
- Those who were born in another country +66

NPS is lower than average for

- Residents of Bay of Plenty +39 and Canterbury +52
- Those whose main reason to visit was to see family or friends +43
- Those who visited Kelvin Heights/Kelvin Peninsula +54
- Those who undertook 'walking, hiking, climbing, trekking, tramping' +54
- Those who travelled with their work/business colleagues +50
- Those who stayed in a private home-holiday home with no payment +44
- Those who included on their itinerary – Central Otago +50, Southland +51 or the West Coast +52

INTENTION TO RETURN



And do you think you will return to Queenstown in future?

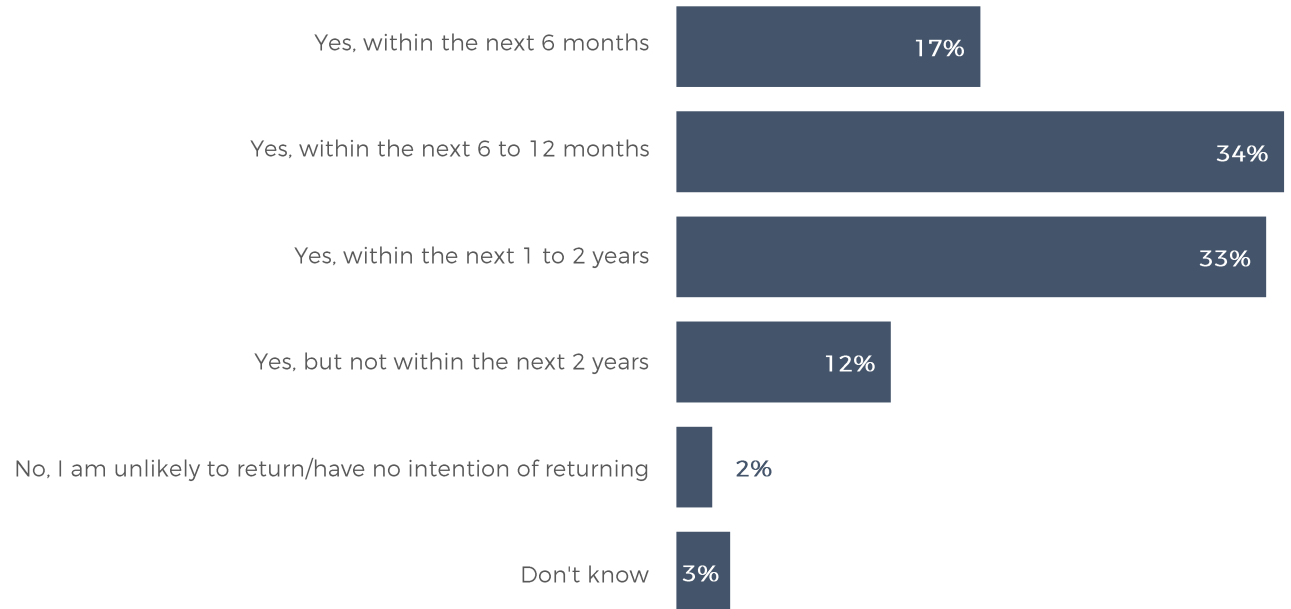


83% of visitors are
intending to return to
Queenstown in the next two
years

85% of Aucklanders

85% of Wellingtonians

88% of Cantabrians



OPPORTUNITIES FOR IMPROVEMENT



What one main thing, if anything, could have improved your Queenstown experience?

Opportunities for Improvement	
Roadworks	21%
Pricing	12%
Car parking	11%
Traffic management	9%
Bad service and unfriendly locals	5%
Public transport	5%
Greater variety of shops, attractions and entertainment	4%
Staff shortages	3%
Issues with booking or cancellations	2%
Provision of visitor information and signage	2%
Having more time in Queenstown	2%
Base: Domestic Sample YE Mar 2023	n=494



In Q1 2023, the most commonly cited opportunities for improvement are still Queenstown's ongoing roadworks and the disruption to businesses, pricing and overall traffic management.



And what, if anything, are you enjoying, or did you enjoy most about your time in Queenstown?

Highlights	
Queenstown's natural environment and scenery	29%
Food and wine experiences	12%
Presentation of Queenstown (e.g. beautiful, clean)	7%
Great service and friendly locals	6%
Weather	6%
Skiing and snowboarding	5%
Variety of attractions and sites	4%
Atmosphere and vibe of Queenstown	4%
Ease of accessibility (i.e. getting around)	3%
Relaxing & quiet experiences	3%
Adventure and outdoor activities (generally)	3%
Walking and hiking	3%
Golf (including frisbee golf)	3%
TSS Earnslaw (and other lake cruises)	3%
Skyline Queenstown	2%
Accommodation facilities	2%
Spending time with friends and family	2%
Base: Domestic Sample YE Mar 2023	n=494

"Love the relaxation and weather, nice to come back and see tourists around"

"The weather, scenery, the food, the uber was good and easy. Loved the \$2 bus ride."

"Ease of access to everywhere, very little traffic congestion, friendly people!"

"Swimming at Bob's Cove"

"The market opposite The Ramada in Frankton is great. We are looking to move to Queenstown and had a successful time looking at options."

"The cycling paths were well formed and made for a great way to explore. New Years festivities were great with the fireworks too!"

"Beautiful outdoors environment. Outstanding meal at Sherwood Restaurant."

"There is a good variety of shops in Queenstown and also many tourist type activities in engage in. Our trip on the Earnslaw to Walter Peak was a highlight of our visit to Queenstown."

"The scenery is spectacular and the weather has been amazing! Also the amount of activities to do in such a small area has been great."

"Vibe, food, scenery. Felt like we where on holiday as soon as we got off plane."

"The place we rented through Airbnb afforded the most spectacular scenery and space. We also really enjoyed the wineries and food."

"The bike trails. Food & Beverage. The summer concert at Gibbston Valley."

"The vibe n how everyone on holiday"

A photograph of three people riding bicycles on a paved path through a vineyard. The scene is dimly lit, possibly in the early morning or late afternoon. In the background, there is a small white building and a hillside covered in trees. The overall tone is serene and active.

INTERNATIONAL VISITORS

INTERNATIONAL VISITORS
PURPOSE OF TRAVEL




Firstly, what is/was the main purpose of your visit to Queenstown?
 [Of holiday/short break visitors] Was there one specific attraction or experience that your visit to Queenstown is/was based around?
 [Of holiday/short break visitors] What is/was that attraction or experience?

Purpose of Travel	
For a holiday/vacation or short break	87%
To visit family or friends	6%
To attend a conference, convention, or other business event	2%
To attend an event held by friends or family	1%
For other business reasons	1%
To attend an event held by someone else	1%
To make a transport connection/just passing through on way to somewhere else	1%
For education/study	1%
Other	1%
Base: International Sample YE Mar 2023 n=395	

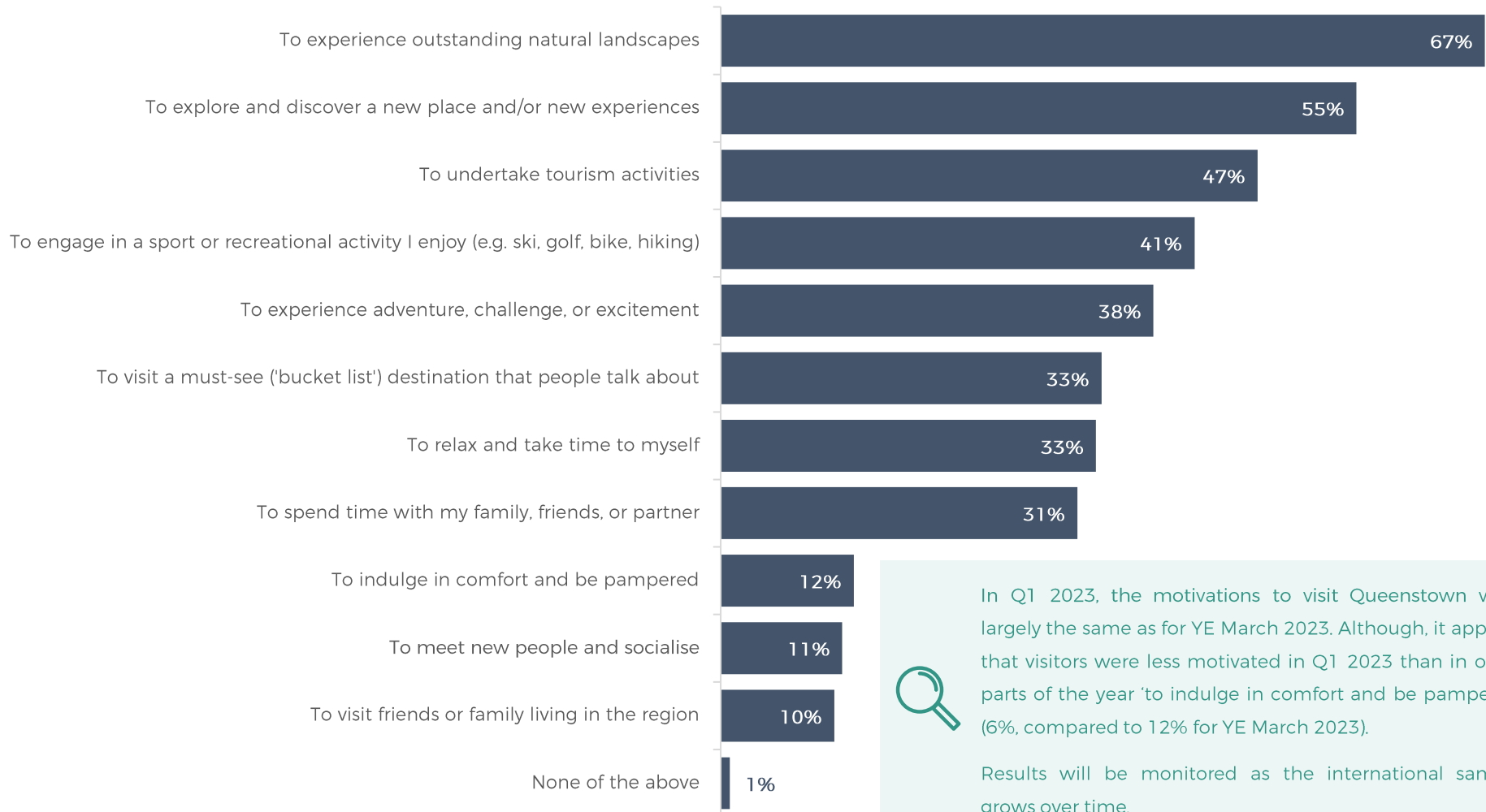
→ **48%** of visitors on holiday/vacation or a short break travelled to Queenstown to see/do one specific attraction or experience, which included....




 In YE Mar 2023, for 4% of Australians the main purpose of visiting Queenstown was to visit family and friends. This increases to 9% for other international visitors.

 In Q1 2023, 39% of holiday visitors based their visit to Queenstown around one specific attraction or experience. The most mentioned 'driver' attractions/experiences in Q1 2023 were Milford Sound, Skyline Queenstown, the Milford track, the Routeburn track, and the wineries.

And which, if any, of the following do/did you want from your visit to Queenstown?

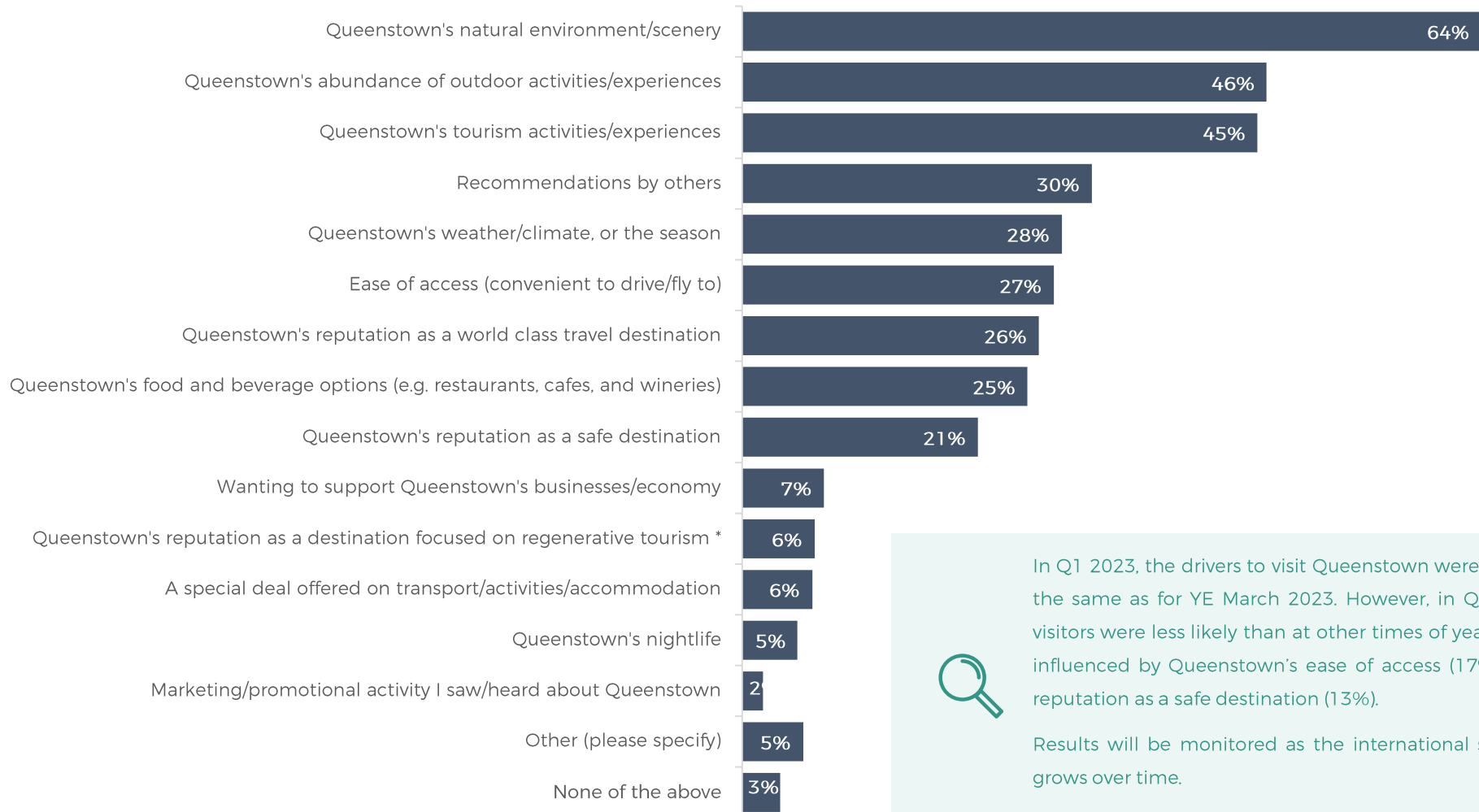


 In Q1 2023, the motivations to visit Queenstown were largely the same as for YE March 2023. Although, it appears that visitors were less motivated in Q1 2023 than in other parts of the year 'to indulge in comfort and be pampered' (6%, compared to 12% for YE March 2023). Results will be monitored as the international sample grows over time.

DESTINATION DECISION DRIVERS



Which, if any, of the following were also important in your decision to visit Queenstown?



In Q1 2023, the drivers to visit Queenstown were largely the same as for YE March 2023. However, in Q1 2023 visitors were less likely than at other times of year to be influenced by Queenstown's ease of access (17%) and reputation as a safe destination (13%).



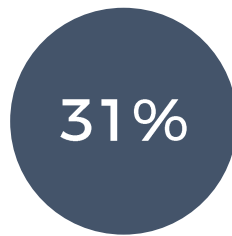
Results will be monitored as the international sample grows over time.



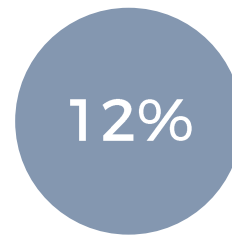
How many times have you visited Queenstown?



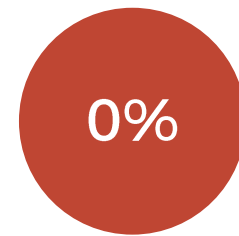
First visit
to Queenstown



Visited
once/few times



Visited
many times



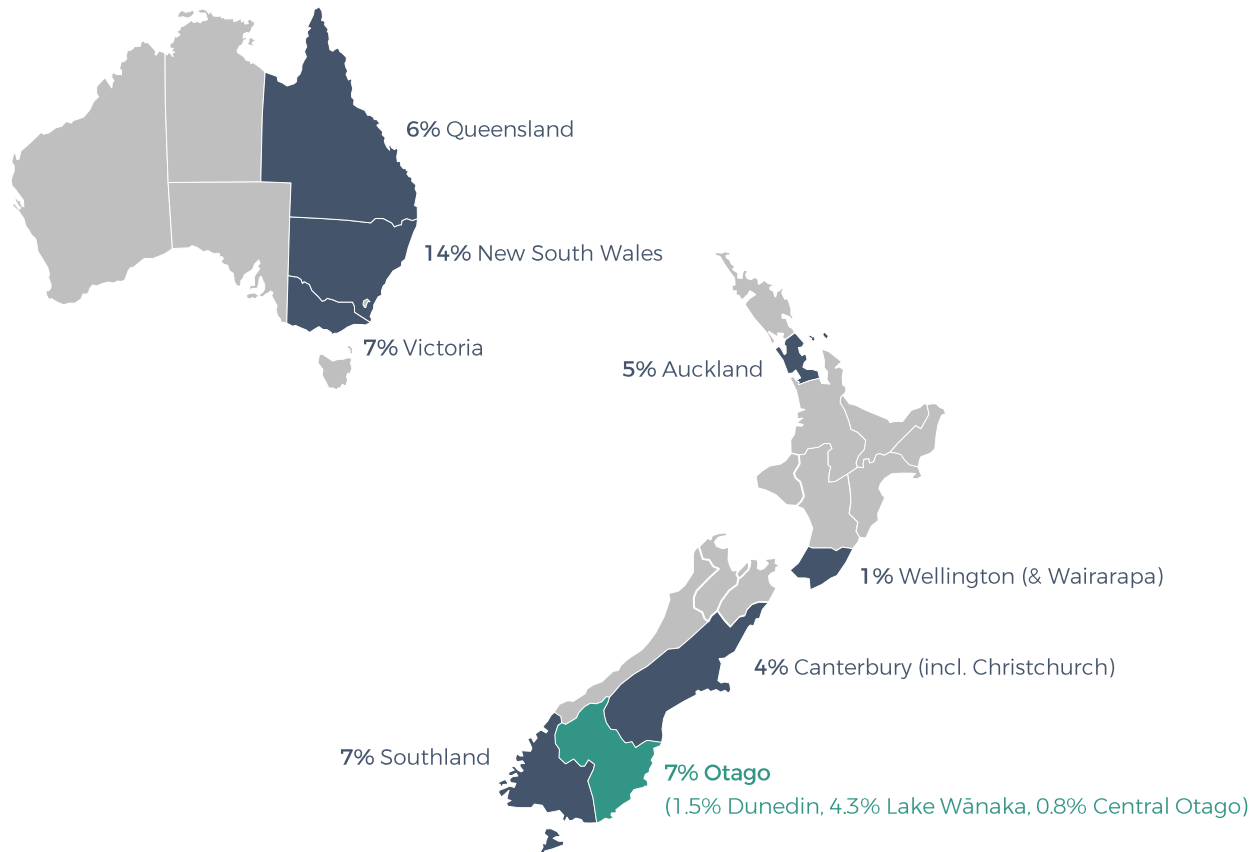
Used to live
in Queenstown



48% of Australian visitors and 72% of other international visitors are visiting Queenstown for the first time.

On your current (or most recent) trip to Queenstown, what location/region did you last stay overnight in before arriving in Queenstown?

 **44%** of Australian visitors travelled to Queenstown directly from their state of residence



Location last stayed overnight before Queenstown (top 10 overall)	
Australia (generally)	31%
Location outside of New Zealand/Australia	7%
New South Wales (AU)	14%
Victoria (AU)	7%
Southland	7%
Queensland (AU)	6%
Auckland	5%
Lake Wānaka	4%
Christchurch	2%
Canterbury (excluding Christchurch)	2%
Western Australia (AU)	2%
Base: International Sample YE Mar 2023 n=395	

DISPERSAL/FLOWS CONT.



What locations have you visited, or did you visit, on your trip to Queenstown?
And what New Zealand locations outside of Queenstown have you visited, did you visit, or do you intend to visit, as part of your trip?

Dispersion within Queenstown region	
Queenstown town centre	91%
Frankton	54%
Arrowtown	53%
Glenorchy	32%
Cardrona	24%
Gibbston Valley	20%
Arthur's Point	21%
Lake Hayes	19%
Kingston	12%
Kelvin Heights/Kelvin Peninsula	10%
Other Queenstown urban area	13%
Other	12%
Base: International Sample YE Mar 2023	n=395

(Other Queenstown locations include Coronet Peak, The Remarkables, Milford Sound, Walter Peak and Jack's Point)

16%

Only visit the town centre/Frankton area

(13% Australians, 22% Other international)

Other regions visited	
None - Queenstown region only	19%
Wānaka	48%
Central Otago *	25%
Other location(s) in Otago outside of Queenstown, Wānaka and Central Otago *	21%
Milford Sound	42%
Other location(s) in Fiordland outside of Milford Sound (incl. Te Anau)	24%
Southland (including Invercargill)	13%
Canterbury (including Christchurch)	32%
West Coast	18%
Other South Island region(s)	21%
North Island region(s)	29%
Base: International Sample YE Mar 2023	n=395

% who included on their itinerary... (in Q1 2023)

Queenstown <u>and</u> Milford Sound	50%
Queenstown <u>and</u> Wānaka	61%
Queenstown <u>and</u> Central Otago	35%
Queenstown, Wānaka <u>and</u> Central Otago	30%

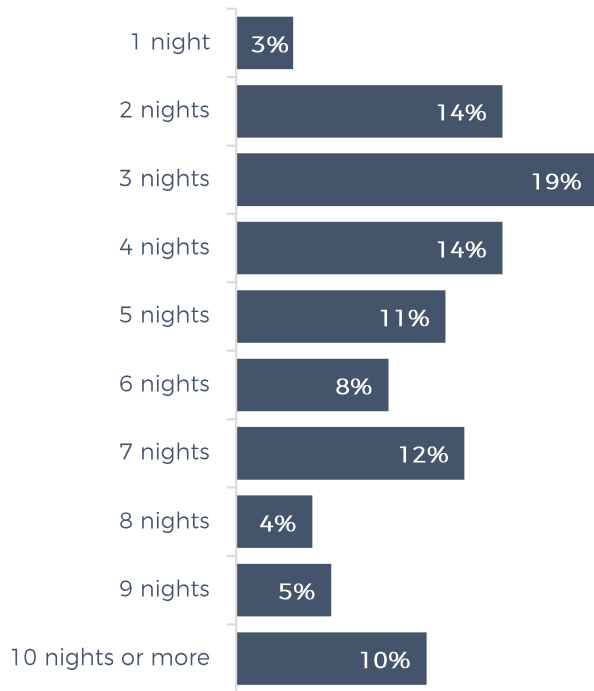
Base: International Sample Q1 2023 **n=110**

LENGTH OF STAY / TRAVEL COMPANIONS



How many nights in total do you intend to stay, or did you stay, in Queenstown?
Who travelled/is travelling with you?

Length of Stay

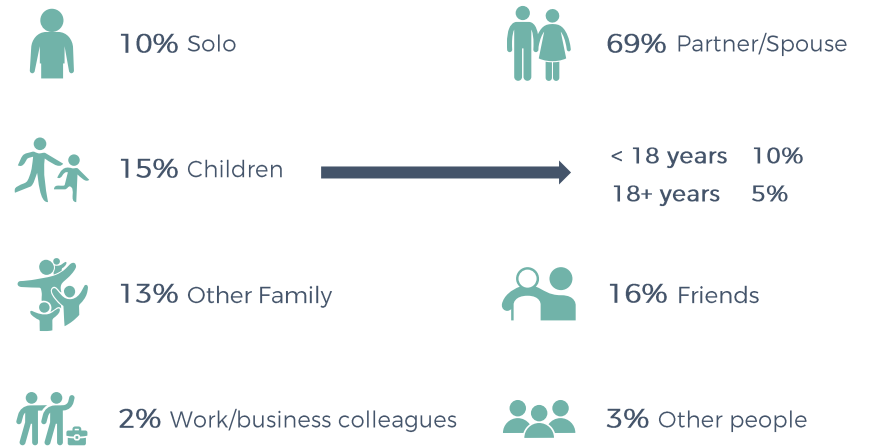


The median length of stay is 5 nights



International visitors from outside of Australia are more likely to stay in Queenstown for three nights or less (54%, vs only 26% of Australian visitors).

Travel Party



Group types



- 11% Travelling alone
- 47% Couples only
- 70% Family groups (incl. couples) only *
- 13% Family groups with children only **
- 9% Friends only

* Respondent travelled with any of their partner/spouse, children of any age and/or other family members but no others

** Respondent travelled with their child/children (of any age) and no others apart from partner/spouse and/or other family members where applicable

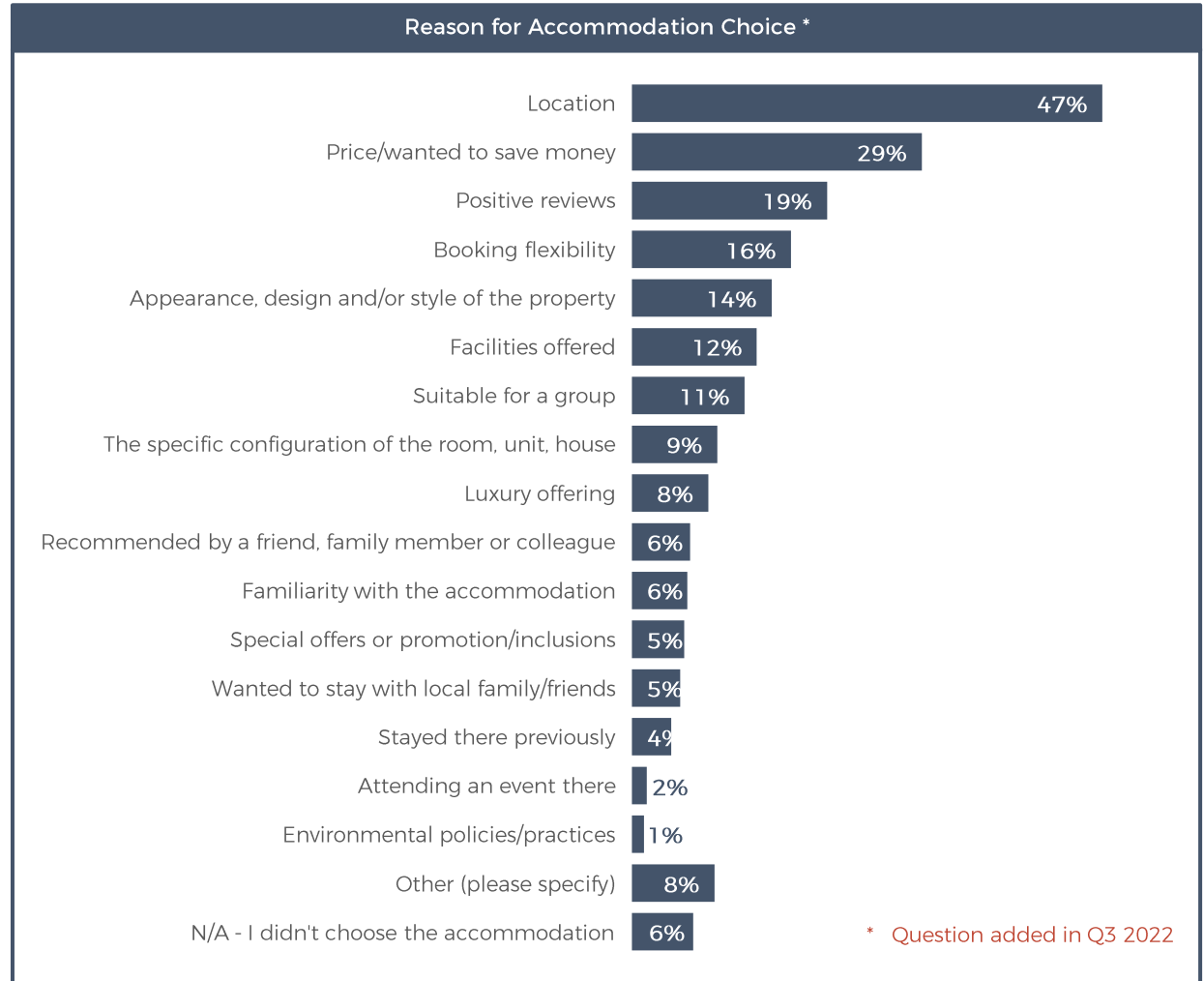
ACCOMMODATION



What is/was the main type of accommodation you used on this trip to Queenstown?
 What was the main reason you chose this type of accommodation?

Accommodation Type	
Hotel	38%
Private home/holiday home - rented	21%
Serviced apartment	9%
Backpackers/hostel	8%
Private home/holiday home - no payment made	7%
Motel	7%
Camping ground/holiday park	6%
Luxury lodge	2%
Bed and Breakfast, Homestay or Farmstay	1%
Freedom camping	0%
Other	0%
Base: International Sample YE Mar 2023 n=395	

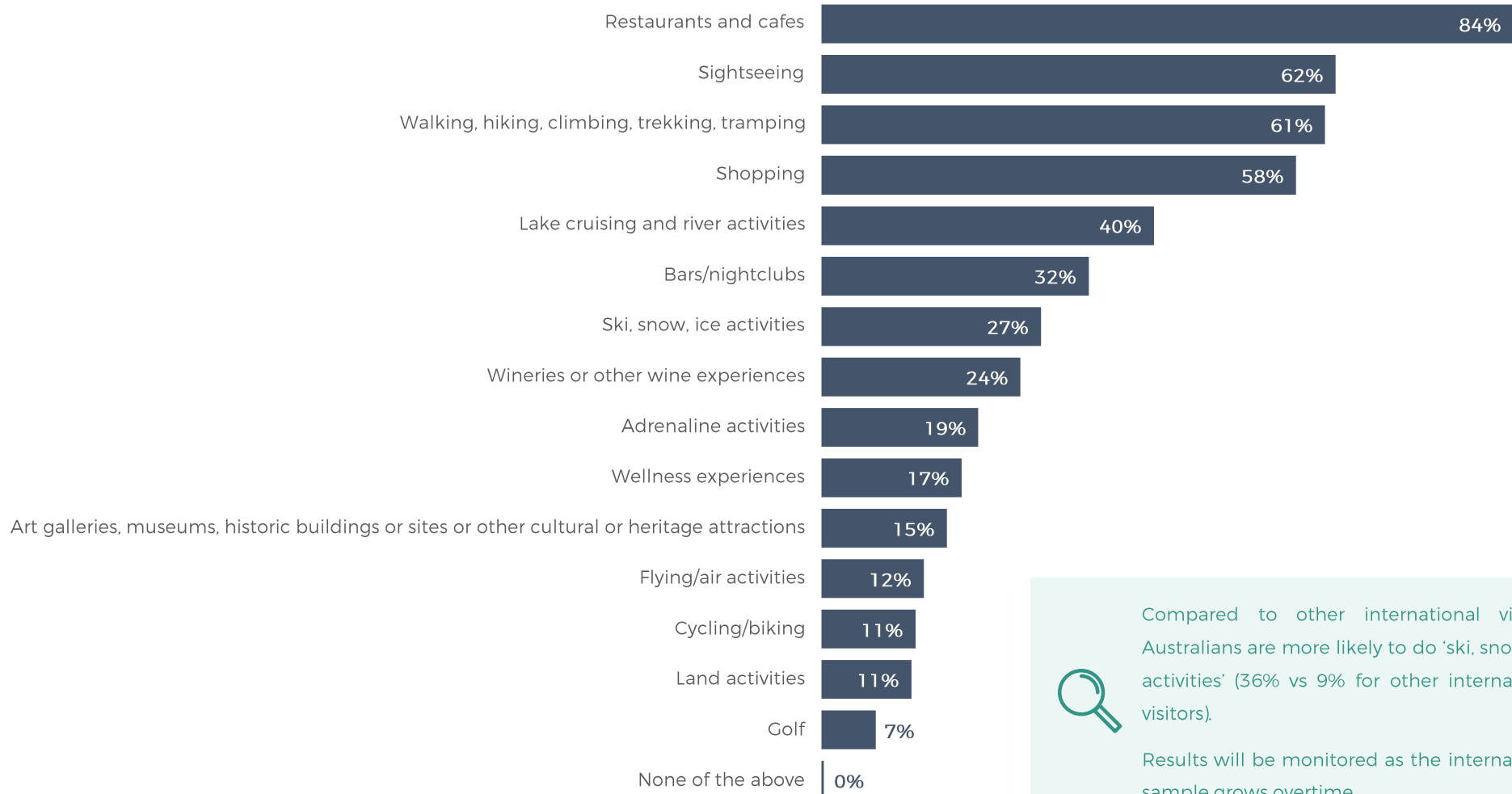
 Compared to Australian visitors, international visitors from outside Australia are more likely to use a backpackers/hostel (16%, 4% for Australian visitors)



INTERNATIONAL VISITORS
ACTIVITIES/EXPERIENCES



Which of the following have you done, or did you do, while in Queenstown? (on this trip)



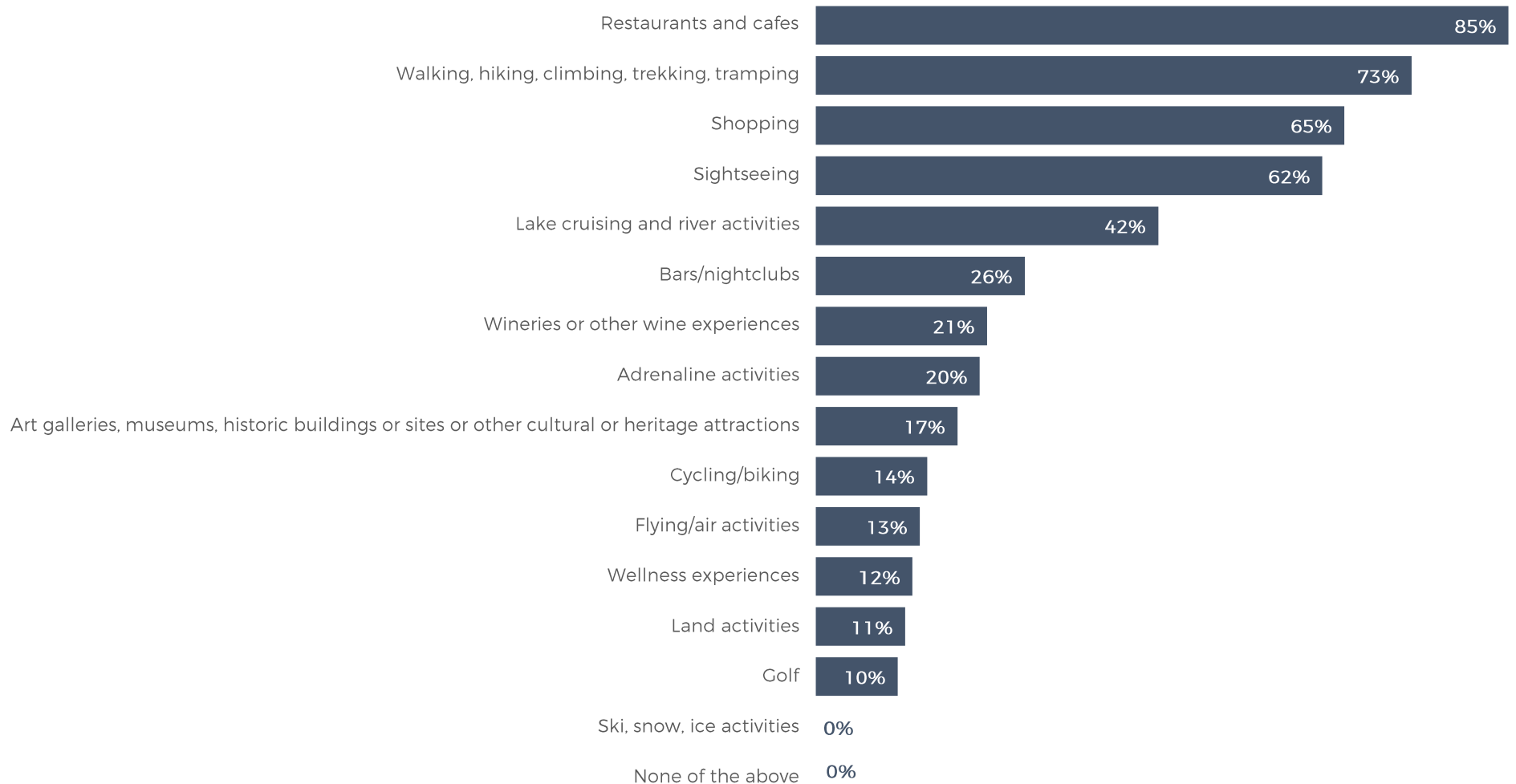
Compared to other international visitors, Australians are more likely to do 'ski, snow, ice activities' (36% vs 9% for other international visitors).

Results will be monitored as the international sample grows overtime.

ACTIVITIES/EXPERIENCES – Q1 2023



Which of the following have you done, or did you do, while in Queenstown? (on this trip)



TRANSPORT

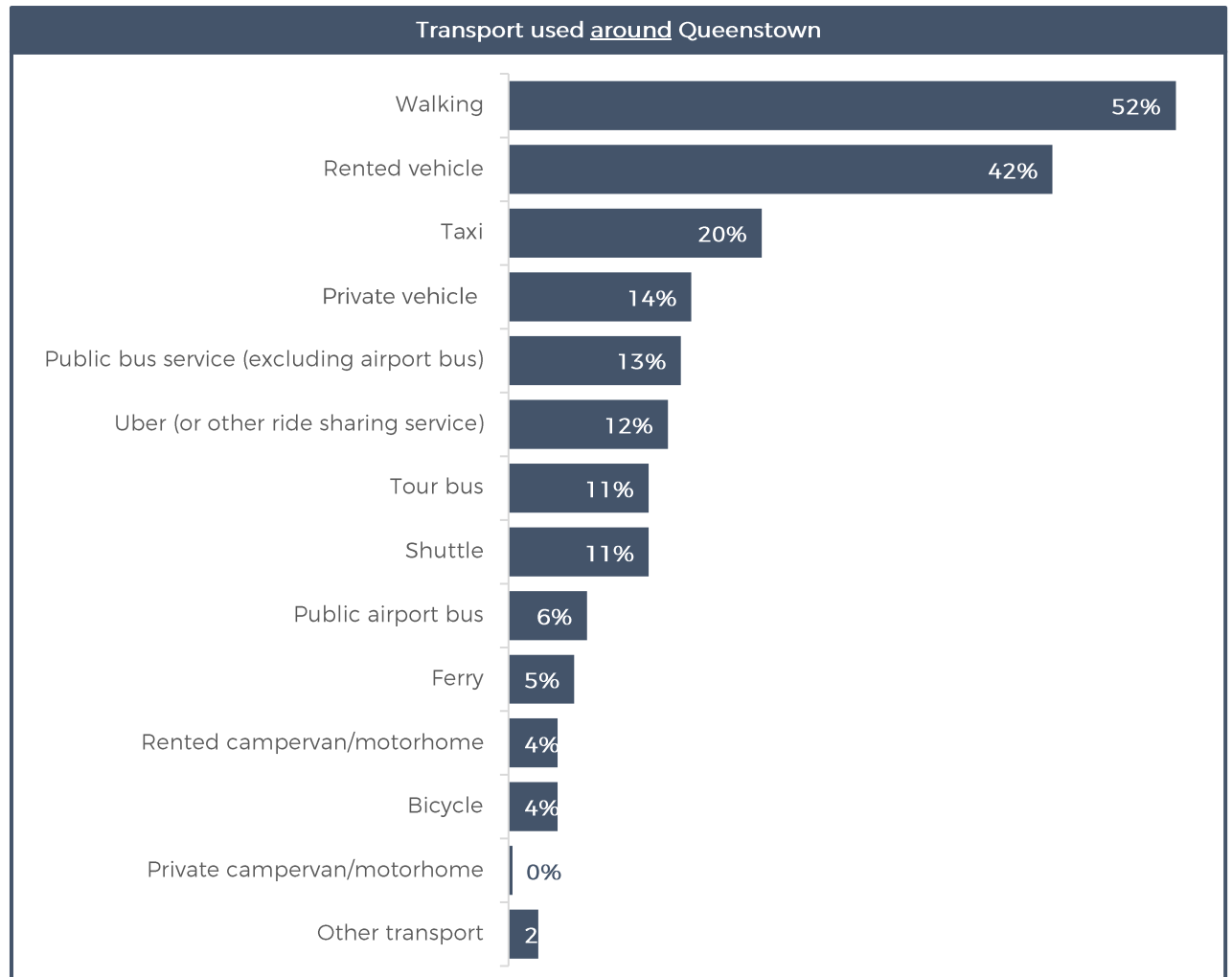


How did you get to Queenstown?
 What transport have you used (or did you use) for getting around Queenstown?

Transport used <u>to</u> Queenstown	%
Scheduled international flight	40%
Scheduled domestic flight	23%
Rented vehicle	26%
Private vehicle	6%
Scheduled bus/shuttle service	4%
Other transport	1%

54% of Australian visitors arrive into Queenstown on a scheduled international flight, however this proportion is significantly lower for other international visitors (14%).

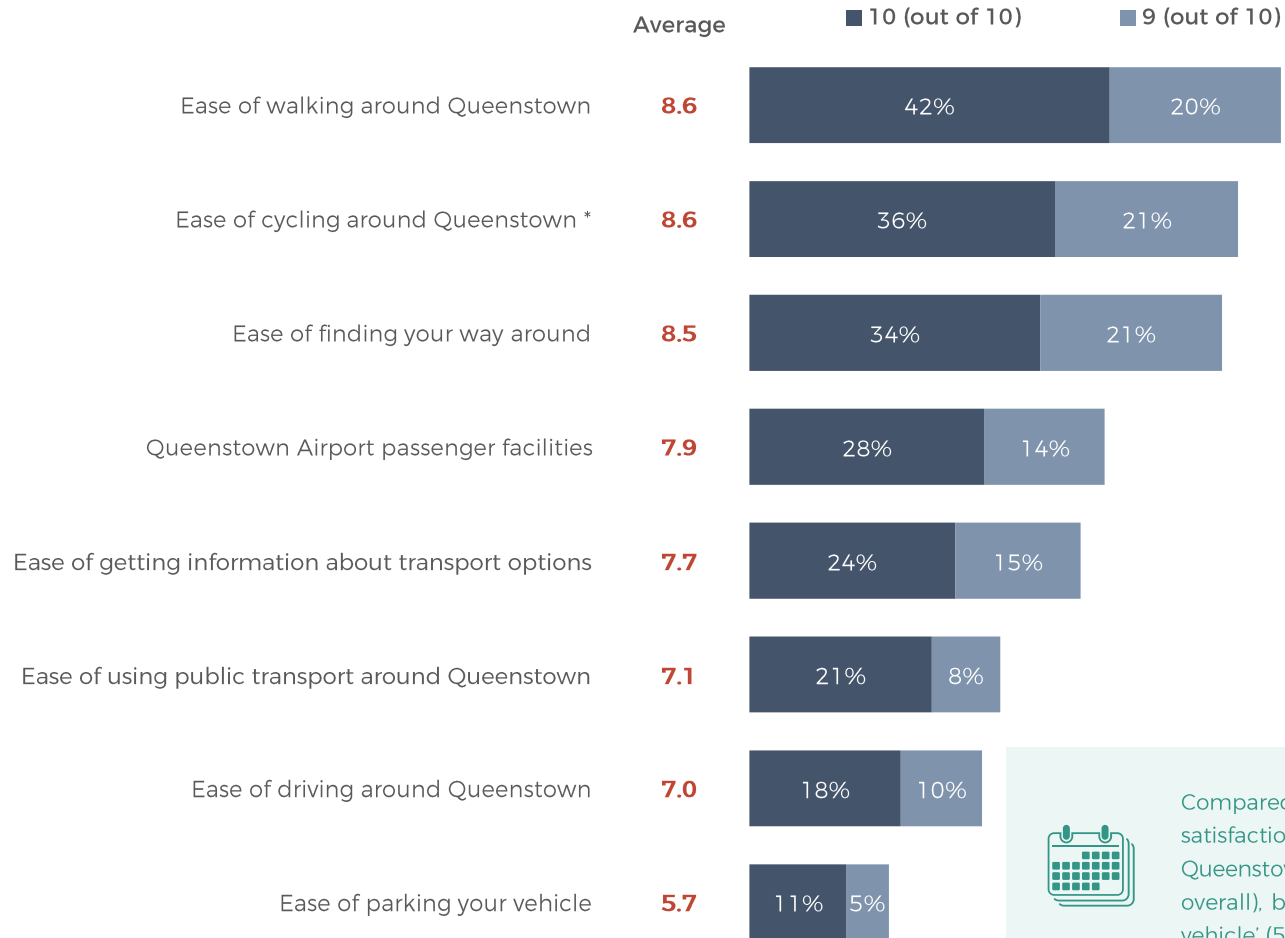
Other international visitors are more likely to travel to Queenstown on a scheduled domestic flight (33%) or with a private vehicle (13%).



TRANSPORT SATISFACTION



On a scale of 0 (not at all satisfied) to 10 (extremely satisfied), how satisfied are you with these aspects of transport in Queenstown?
(some options display only if transport type used)

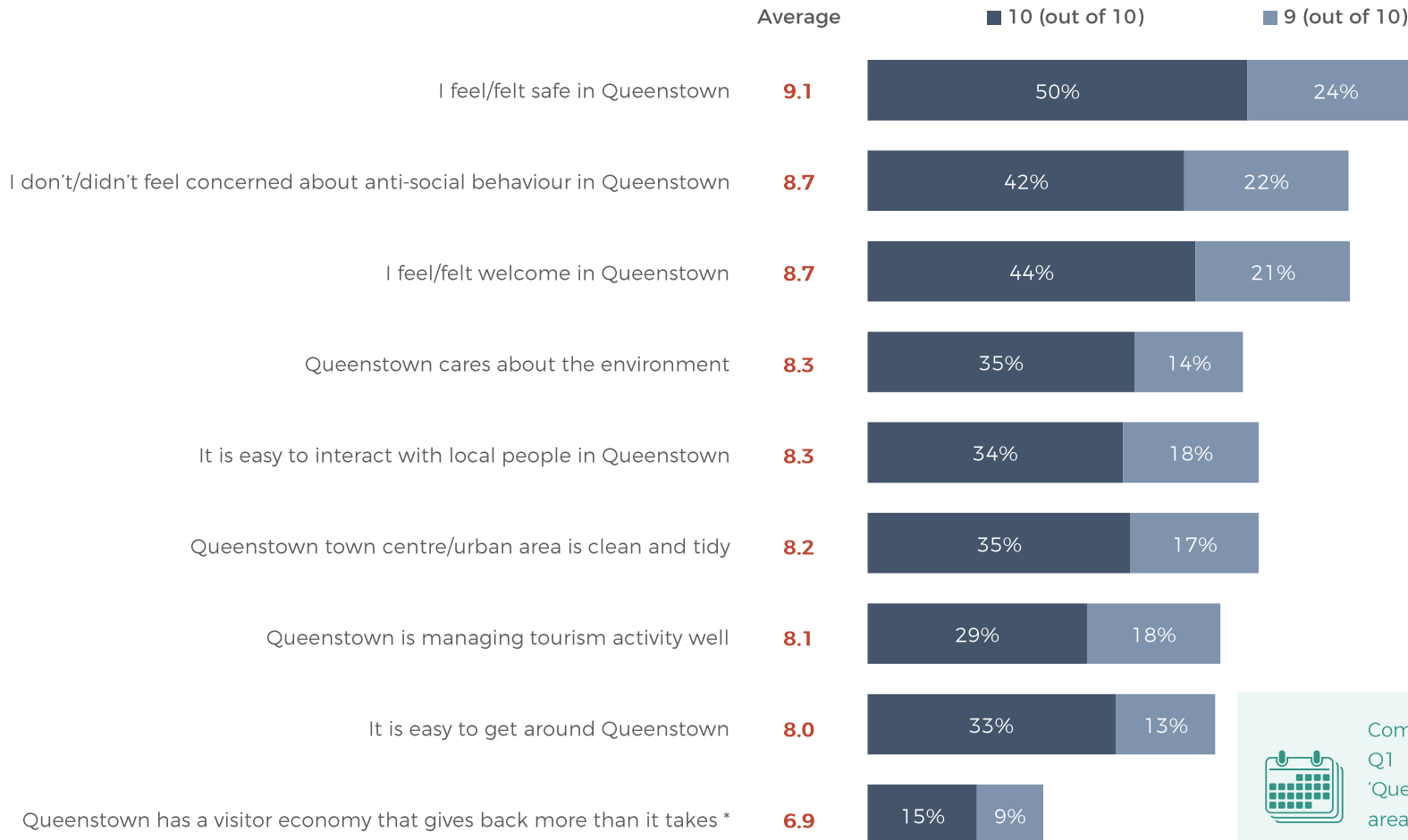


Compared to YE March 2023, in Q1 2023, satisfaction with the 'ease of walking around Queenstown' was higher (9.0 vs 8.6 out of 10 overall), but lower for 'ease of parking your vehicle' (5.1 vs 5.7 out of 10 overall).


QUALITY OF VISITOR EXPERIENCE



To what extent do you agree or disagree with the following statements? [On a scale of 0: Strongly Disagree to 10: Strongly Agree]



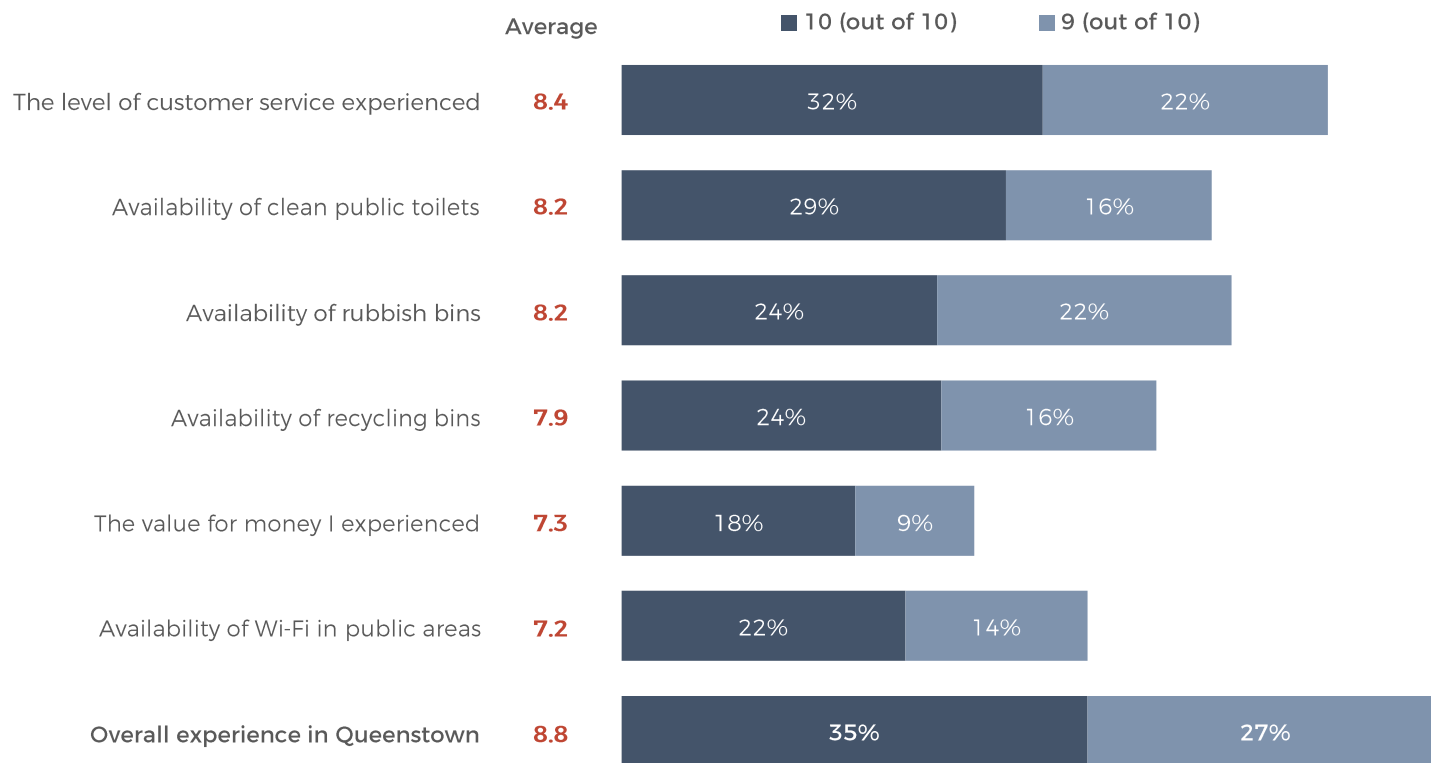
Compared to YE March 2023, in Q1 2023, agreement that the 'Queenstown town centre/urban area is clean and tidy' was higher (8.8 vs 8.2 out of 10 overall).



INTERNATIONAL VISITORS
DESTINATION SATISFACTION



On a scale of 0 (not at all satisfied) to 10 (extremely satisfied), how satisfied are you with these aspects of your visit to Queenstown?



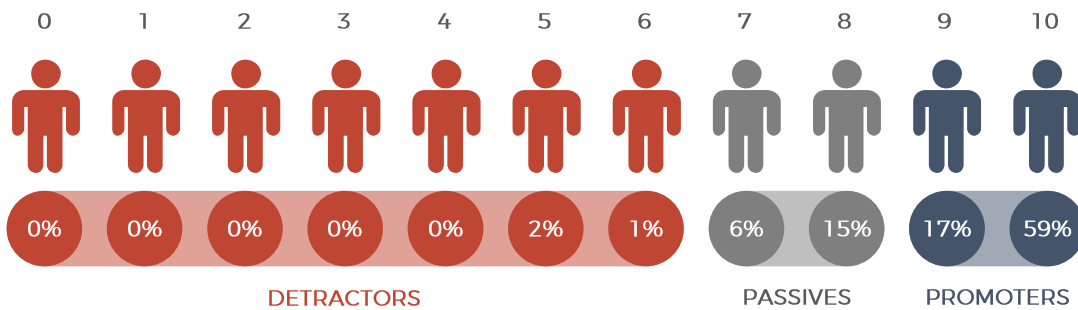
	Average	Not at all satisfied										Extremely Satisfied
		(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Overall experience in Queenstown	8.8	0%	0%	0%	0%	0%	2%	2%	8%	25%	27%	35%

NET PROMOTER SCORE (NPS)



How likely are you to recommend Queenstown as a visitor destination to other people?

Net Promoter Score (NPS) is an indicator used globally to measure customer engagement and advocacy, based on the likelihood of a customer to recommend your product or service. Any positive score means that you have more loyal advocates willing to recommend your product or service (promoters) than unhappy critics (detractors). A passive customer is satisfied, but unenthusiastic. A high score of +100 means that every customer is a promoter, while a low score of -100 means that every customer is a detractor.



Queenstown's NPS is +73

PROMOTERS (76%) minus DETRACTORS (3%)

NPS is +75 amongst Australian visitors and +70 amongst other international visitors.

^ NPS is **higher** than average for

- Residents of the United States +84
- Residents of New South Wales +87 or Queensland +79
- Those who stay in Queenstown for 7 or more nights +83
- Those who stayed in a Serviced Apartment +84
- Those who visited Kelvin Heights/Kelvin Peninsula +90
- Those who travelled with their child/ren (generally) +85 or with a friend/friends +84
- Those who undertook 'golf' +92, a 'land activity' +91, 'wellness experience' +84, or 'lake cruising and river activity' +81
- Those who only visited Queenstown on their trip +85

∨ NPS is **lower** than average for

- Residents of Victoria +58
- Those who stayed in a motel +62 or a rented private home/holiday home +68
- Those who travelled alone +56
- Those who also visited the following on their trip to Queenstown – Central Otago +64, Southland or the West Coast +66

INTENTION TO RETURN

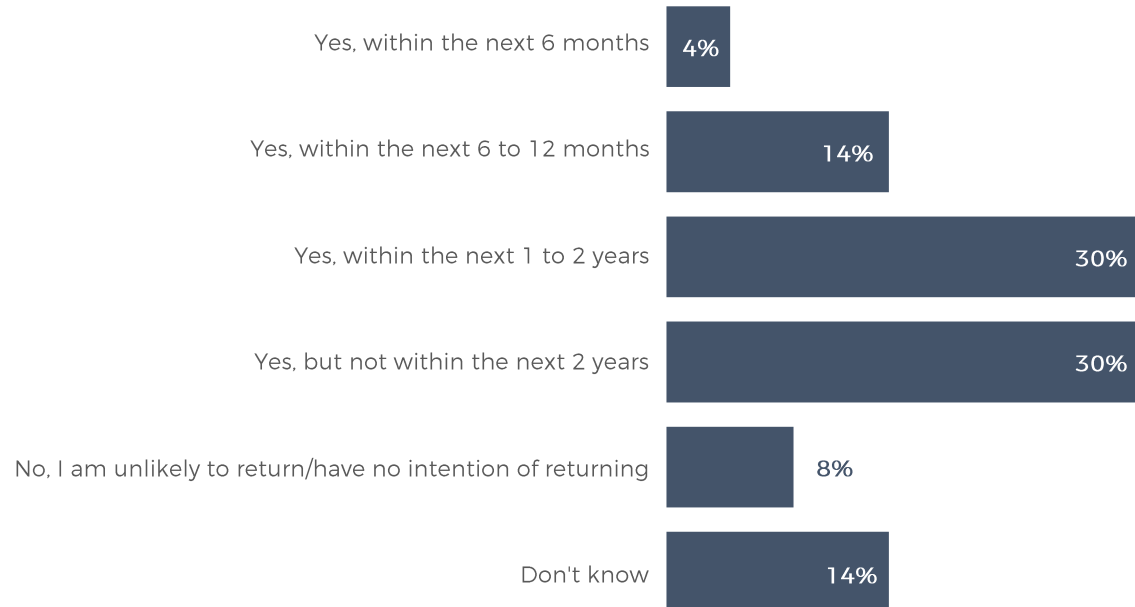


And do you think you will return to Queenstown in future?



48% of visitors are
intending to return to
Queenstown in the next two
years

56% of Australians
32% of other international visitors





And what, if anything, are you enjoying, or did you enjoy most about your time in Queenstown?

"Beautiful landscapes and sceneries, amazing golf courses"

"Driving to Milford sound was the best part of the travel"

"Ease of walking into the city from our hotel; the mix of free activities on the waterfront, making it accessible for kids, families, and places to sit and of course swim. Fabulous!"

"Absolutely everything, atmosphere, people, activities, food, hotel & landscape. So much to do & experience in Queenstown."

"The weather was fantastic and Queenstown is close to Wanaka"

"Live-Music at the Marine Parade/Shopping Area, watching the sunset and just the whole vibe"

"It's easy to get around, the views are amazing and something you never get sick of. There is so much to do and its so easy to visit other places on day trips when staying in Queenstown."

"Just spending time walking, running and interacting with family"

"We loved all the activities available and were particularly impressed with the quality of the food in every place we visited"

"All the nature and adrenaline activities. The local people are all so nice as well!"

"The scenery and natural beauty is amazing and I could not get enough of it. Luckily we had great weather for the week. Happy hours were great!"

"The locals are super friendly and lovely"

"Mixture, range and choice of activities and natural environments in a relatively small area"

"The beauty of the natural surroundings and easy to walk around on foot"

"The breweries"

"Friendly customer service at all facilities. Ate out every night and had great meals. Great golf courses."

"The Kiwi ❤️❤️❤️. Also, (the drive to) Glenorchy and surrounding area is STUNNING."

"The golf experience was top class"

"How friendly the people are"

A dark blue background featuring a wooden building with a sign that reads "GLENORCHY" and a large white circle on the left side. The building is a simple wooden structure with a gabled roof and a sign above the entrance. The sign is white with the word "GLENORCHY" in dark letters. The building is set against a backdrop of trees and a body of water. The overall scene is dimly lit, suggesting dusk or dawn.

DEMOGRAPHICS

SAMPLE PROFILE



	New Zealand	Australia	Other international
Gender			
Male	47%	49%	49%
Female	52%	50%	51%
Gender Diverse	0%	0%	1%
Prefer not to say	1%	1%	0%
Age			
18-19 years	2%	2%	1%
20-24 years	8%	9%	7%
25-29 years	10%	13%	15%
30-34 years	14%	14%	20%
35-39 years	9%	11%	9%
40-44 years	11%	9%	5%
45-49 years	11%	5%	3%
50-54 years	10%	10%	6%
55-59 years	6%	9%	5%
60-64 years	8%	6%	11%
65-69 years	7%	6%	9%
70-74 years	4%	5%	7%
75+ years	2%	2%	1%
Country of birth (domestic only)			
New Zealand	69%		
Other country	31%		
Base: YE Mar 2023	n=494	n=257	n=138

SAMPLE PROFILE CONT.



New Zealand	
Region of residence	
Northland	3%
Auckland	43%
Waikato	9%
Bay of Plenty	5%
Cisborne	0%
Hawke's Bay	2%
Taranaki	2%
Manawatu-Whanganui	3%
Wellington (& Wairarapa)	15%
Tasman	1%
Nelson	2%
Marlborough	0%
West Coast	0%
Canterbury	10%
Otago	2%
Southland	2%
Base: YE Mar 2023	n=494

Australia	
Area of residence	
Australian Capital Territory	2%
New South Wales	38%
North Territory	2%
Queensland	21%
South Australia	4%
Tasmania	2%
Victoria	24%
Western Australia	7%
Base: YE Mar 2023	n=257

Other international	
Country	
United Kingdom	28%
United States	23%
Singapore	7%
Canada	4%
Malaysia	4%
Germany	4%
Ireland, Republic Of	4%
France	3%
Netherlands	3%
Sweden	3%
Korea, Republic Of	2%
Spain	2%
Hong Kong	1%
Taiwan	1%
Base: YE Mar 2023	n=138

Countries with only one respondent have been excluded from the table above, but collectively they make up 9% of the sample. They are Argentina, Austria, Brazil, China, Croatia, Finland, Hungary, Indonesia, Japan, Luxembourg, Switzerland, Thailand and United States Minor Outlying Islands.



angus
& ASSOCIATES

**APPENDIX 08 – SEGMENT INSIGHT GUIDE – QUEENSTOWN VISITOR EXPERIENCE
SURVEY APRIL 2022 TO MARCH 2023**

Biking Insights Guide

Queenstown is world-renowned for having some of the best mountain biking and trail biking in the Southern Hemisphere. Queenstown is home to three lift-assisted parks, world-class jump lines and technical trails, and a well-connected network of maintained trails throughout the region with a variety of trails to suit all levels and styles. Bikers appreciate the range of amenities such as bike rental, transport options and a welcoming bike community. Off-trail experiences, high-profile biking events, food and drink offerings and the unique, natural scenery all elevate Queenstown's biking proposition.

Queenstown Insights*

70

Net Promoter
Score

8.8

Overall
satisfaction

12%

Participation rate
(Visitor)

43%

Participation rate
(Resident)

5.7

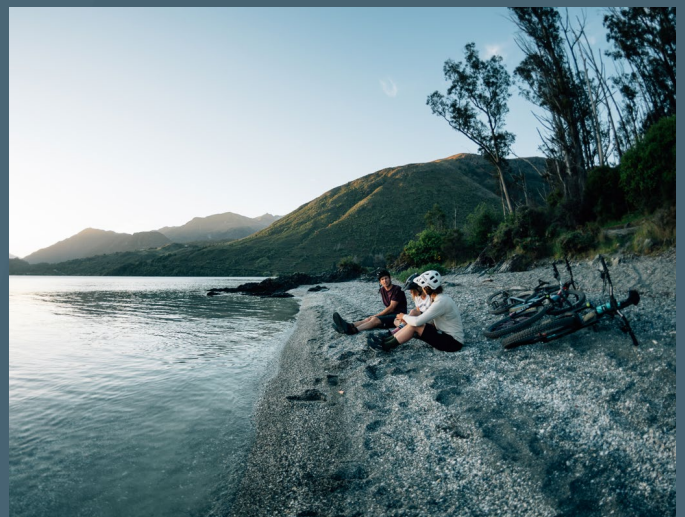
Length of stay (nights) Intend to return in the
next 12 months

49%

- The biking segment can be split broadly into two types of visitors:
 - **Holiday first.** People who consider the biking offer at a destination, but it's not the key driver for destination selection. They form most of the biking segment and will hire bikes in destination.
 - **Passion first.** People who select the destination due to the biking offering, smaller in numbers but play an important role in building the destination reputation. They often bring their own bikes.
- Largely from New Zealand and Australia.
- Having rental shops/ bike hire/ specialist retail is an important part of the visitor experience.
- Generally, biking visitors are between 30-60 years old, are well-educated and have higher than average earnings.
- Visitors who participate in biking are high spending – on average spending 50% more.

Global Trends

- Biking's popularity is increasing globally, with rapid growth during the pandemic. The mountain bike market is expected to grow by 10% in the next five years.
- Advancements in bike technology such as e-bikes and frames tailored to specific demographics (such as youth and women) is appealing to a wider audience.
- Travellers seeking "slow travel" are turning to biking as an ideal mode of transportation to explore destinations at a relaxed pace.
- Queenstown has a thriving biking community and a rapidly growing network of trails.



Find out more

- [Biking Market Development Plan - Destination Queenstown.](#)
- [Queenstown Trails Trust | Queenstown Mountain Bike Club](#)
- [Mountain Biking in Australia](#)

Walking & Hiking Insights Guide

Queenstown is a spectacular destination for outdoor enthusiasts and nature lovers, with a range of trails catering to all abilities. Queenstown serves as the gateway to three of New Zealand's Great Walks and several national parks, including the renowned UNESCO heritage site Te Wāhipounamu - South West New Zealand, which visitors can explore via a variety of short walks and multi-day hikes. Queenstown also provides infrastructure support, including track transport, Department of Conservation services, lodging, guiding, and fully-inclusive hiking packages.

Queenstown Insights*

69

Net Promoter
Score

8.8

Overall
satisfaction

48%

Participation rate
(Visitor)

58%

Participation rate
(Resident)

4.8

Length of stay
(nights)

58%

Intend to return in the
next 12 months

- Hiking visitors often use Queenstown as a base for undertaking their outdoor activities, and frequently return. Over 65% have been to Queenstown at least once before.
- Visitors are mostly from New Zealand, Australia, the UK and North America, as well as Japan, Korea and Germany.
- They are generally younger, between 25-39 years old, as well as strong interest from 50-64-year-olds.
- International travellers who come to NZ for walking and hiking stay longer and spend more than the average visitor: \$4,100 compared to \$3,900 and stay 19 days compared to 16 days.
- 51% of international visitors to New Zealand are interested in short walks (three hours or less). 23% are interested in a day or overnight walk.

Global Trends

- Visitors are looking for sustainable travel options, leading to a rise in walking and hiking tours that focus on reducing waste, supporting local communities, and minimising environmental impact.
- Visitors looking for immersive experiences in nature are turning to multi-day walking and hiking tours.
- Wellness-focused walking/hiking tours offer complementing yoga, meditation, and spa treatments to enhance health benefits and promote holistic wellness.



Find out more

- [Walking and Hiking - Special Interest Sectors](#) - Tourism New Zealand
- [Soft adventure motivation: an exploratory study of hiking tourism](#) - Emerald Insight
- [Visitor Research](#) - Department of Conservation
- [Recreation reports and research](#) - Department of Conservation
- [Summer 2021/22 visitor insights report](#) - Department of Conservation



Golf Insights Guide

Queenstown is New Zealand's premier golf destination. Surrounded by stunning landscapes, Queenstown has eight easily accessible courses including four championship courses. Host destination of the New Zealand Open, Queenstown's temperate climate and long days provide an attractive setting for keen golfers. A variety of off-the-green activities, accommodation and sophisticated food and drink offering enhances Queenstown's golf proposition.

Queenstown Insights*

82

Net Promoter Score

8.7

Overall satisfaction

7%

Participation rate (Visitor)

15%

Participation rate (Resident)

6.1

Length of stay (nights)

68%

Intend to return in the next 12 months

- Current estimated daily capacity across the seven facilities: over 450 players in peak season, and over 330 players in shoulder season.
- Typically play between 0.5 and 0.75 rounds per day during their stay.
- Most golf visitors are from New Zealand and the Eastern Seaboard of Australia.
- While smaller in numbers, golf visitors from Asia and North America stay longer and spend more than average international visitors.
- Golfers are generally 60+ years old, but there is popularity in the 20-24 age bracket.
- Spend an estimated 20% of their total expenditure at golf facilities, so upwards of 80% of expenditure is dispersed through the wider visitor economy.
- Restaurants, wineries, and luxury accommodation are all important destination elements that golf visitors seek out.

Global Trends

- Popularity increased during the pandemic. New Zealand experienced a 9.3% increase vs 2019.
- Golf is becoming more diverse and inclusive, with rising interest from women and youth, as seen in increased club memberships and rounds played.
- Golf is an active-leisure activity that offers visitors the opportunity to experience natural environments which is increasingly being sought out by visitors.
- Due to visitor's time limitations, there are many short format courses being built.



Find out more

- [Golf Market Development Plan - Destination Queenstown](#)
- [Golf New Zealand | Discover Golf NZ](#)
- [Golf Australia Participation Report - Golf Australia](#)
- [Golf's 2020 Vision: The HSBC Report - HSBC](#)
- [Travel Motives and Golf Tourists: An Exploratory Study - Journal of Tourism Insights](#)



Ski & Snow Sports Insights Guide

Queenstown is the Southern Hemisphere's most attractive ski and snow sports destination. Four ski areas are within easy access, offering quality snow and diverse terrain. A range of snow activities outside of the ski areas such as heliskiing, snowshoeing and alpine pursuits are available. Several high-profile events take place during the winter months including Winter Pride, Winter Games and Snow Machine. Queenstown's vibrant town centre offers over 150 bars and restaurants, diverse accommodation options, and services including ski rentals and mountain transportation.

Queenstown Insights*

66

Net Promoter
Score

8.6

Overall
satisfaction

24%

Participation rate
(Visitor)

53%

Participation rate
(Resident)

5.7

Length of stay (nights)

63%

Intend to return in the
next 12 months

- The four ski areas have a total estimated daily capacity of 17,000 skiers.
- Most visitors are from New Zealand (largely Auckland and Wellington), and the Eastern Seaboard of Australia (QLD, VIC and NSW).
- Majority of Australians are beginner level (66%).
- Varying range of age profiles – anywhere between 20–54 years old.
- Residents account for one of every five skier days.
- Serviced apartments and short-term holiday rentals become the preferred accommodation type over the ski months.
- Ski/ snowboarding is the number one activity that New Zealanders associate Queenstown with (67%), and number two for Australians (30%).

Global Trends

- Increased profile and felt impacts of climate change have meant ski resorts are adopting policies and working to reduce their impact on the environment and climate. Visitors are also seeking sustainable travel options in the ski industry.
- Increased diversification in experience offerings such as mountain biking from ski areas.
- Travelers seeking unique experiences, such as ice climbing, snowshoeing and backcountry skiing.
- There is a growing emphasis on diversity and inclusion, specifically making the sport more accessible for all backgrounds and abilities.



Find out more

- [Ski – Special Interest Sectors](#) - Tourism New Zealand
- [Trend Report: The Evolution of Winter Travellers](#) - Skift
- [Understanding and Quantifying Mountain Tourism](#) - UNTWO
- [How The Ski And Snowboard Industry Is Changing & What Comes Next](#) - Forbes



Adrenaline Insights Guide

Queenstown has earned global recognition as the "adventure capital of the world" due to its thriving adventure tourism industry. The diverse environment and year-round thrills have attracted adventurers and entrepreneurs, resulting in world-firsts such as commercial jet boating and bungee jumping, and New Zealand's first commercial ski field, rafting, paragliding and skydiving. From high-octane adrenaline to gentle and accessible experiences, Queenstown adventures are inclusive. Queenstown's history and love of adventure continues to shape the vibrant culture, inspiring innovative new ways to challenge and thrill visitors.

Queenstown Insights*

83

Net Promoter Score

9.0

Overall satisfaction

17%

Participation rate (Visitor)

4.8

Length of stay (nights)

63%

Intend to return in the next 12 months

- Age profile skews toward a younger demographic – between 20-35 years olds.
- 1 in 3 international visitors to New Zealand take part in an adrenaline activity.
- Adrenaline activities are the third activity association that New Zealanders associate Queenstown with (62%), and the fifth for Australians (27%).
- Strong participation rates from New Zealand, Australia and the UK.
- New Zealanders are increasingly viewing adrenaline travel as an element of adventure travel.
- New Zealand audiences define adventure travel as "getting off the beaten track" and "seeing or doing something new".
- Adventure travellers are motivated by aspects like "recharging the batteries" and "being curious to explore new places".

Global Trends

- What is viewed as "adrenaline travel" has expanded to include authentic cultural immersion like hiking to remote villages and involvement with philanthropic ventures.
- Travel operators and agents are increasingly offering expertise and curated itineraries for adrenaline travel experiences.
- Solo adrenaline adventures are on the rise, driven by personal growth, self-discovery, and the thrill of pushing limits in unfamiliar environments.
- Women are becoming increasingly interested and involved in adrenaline travel, participating in extreme sports and empowering themselves.



Find out more

- [Intrepid Adventure Index New Zealand](#) - Intrepid Travel
- [Adventure Travel Trends 2023](#) - Adventure Travel Trade Association
- [State of the Industry Snapshot](#) - Adventure Travel Trade Association
- [Adventure Travel Trade Association](#)



Food & Drink Insights Guide

Queenstown boasts over 150 bars, restaurants and cafés offering an extensive range to tempt all tastebuds. From fine dining to bustling eateries, family-friendly cafes and boutique restaurants, Queenstown is home to people from around the globe which makes for a diverse, innovative food scene. Seasonal local produce and international flavours are widely celebrated on menus around town. Queenstown is also home to New Zealand's highest and most southerly wine region, featuring world-renowned Central Otago Pinot Noir and other varietals.

Queenstown Insights*

70

Net Promoter Score

8.8

Overall satisfaction

85%

Participation rate (Restaurant & cafes)

31%

Participation rate (Bars & Clubs)

25%

Participation rate (Wineries)

61%

Intend to return in the next 12 months

- Not surprisingly almost all visitors that come to Queenstown experience a restaurant or café during their visit.
- Visitors who engage with a winery or wine experience tend to:
 - Have a high Net Promoter Score (77).
 - Be from New Zealand (66%).
 - Be between 25-34 or 60-69 years old.
- Visitors who experience a bar or club tend to:
 - Have a high Net Promoter Score (72).
 - Be between 20-34 years old.
- 75% of food and drink offerings are in the Queenstown CBD.
- Majority of local producers are beverage (namely wine, craft beer and spirits).

Global Trends

- Food and drink providers are adopting sustainable/ regenerative practices, such as reducing waste and using local ingredients to minimise environmental impact.
- Technology is being integrated, improving efficiency and enhancing experience.
- Providers are creating immersive experiences to engage their guests, for example interactive cooking and foraging.
- Guests/ visitors are increasingly interested in locally sourced and authentic offerings.
- Craft beer, natural wine, artisanal cocktails, and alcohol-free options are growing popularity.



Find out more

- [Food and Drink Market Development Plan - Destination Queenstown](#)
- [Wine & Food – Special Interest Sectors - Tourism New Zealand](#)
- [Taste of place report: New Zealand - World Food Travel](#)
- [Food tourism's moment in the New Zealand sun - Emerald Insight](#)



APPENDIX 17 – CONTACT DETAILS FOR MAIN COMPETITORS

Competitor	Website	Address	Contact details
Real NZ	https://www.realnz.com/en/experiences/jet-boating/	88 Beach Street Queenstown 9300 New Zealand	Steve Bruce - General Manager Sales [] []
Skippers Canyon Jet	www.skipperscanyonjet.co.nz	PO Box 522 Queenstown, 9300 New Zealand	Gavin Larsen – Marketing Manager [] []
Goldfields Jet	www.goldfieldsjet.co.nz	Corner SH6 and Sandflat Road Cromwell 9384 New Zealand	Cameron Jones – Owner [] []
Oxbow	www.oxbow.co.nz	2696 Gibbston Highway Gibbston 9371 New Zealand	David Richmond – Managing Director Oxbow [] []
Go Jets Wānaka	https://www.gojetswanaka.co.nz/	c/- Solve Chartered Accountants Limited 4c Sefton Street East Timaru 7910 New Zealand	Patrick Perkins – Owner [] []
Wānaka River Journeys	https://www.wanakariverjourneys.co.nz/	PO Box 47 Lake Hawea 9345 New Zealand	Jonathan Curin – Owner [] []
Lakeland Wanaka	https://www.lakelandwanaka.com/	Lake Wanaka Waterfront 100 Ardmore Street Wanaka	contact@lakelandwanaka.com +64 3 443 7495

AJ Hackett	www.bungy.co.nz	25 Shotover Street Queenstown 9300 New Zealand	Marc Perry – Strategic Planning / Business Development [] []
NZONE Skydive	www.nzoneskydive.co.nz	35 Shotover Street Queenstown 9300 New Zealand	Tom Broe – Business Development Manager [] []
Shotover Canyon Swing	www.canyonswing.co.nz	34 Shotover Street Queenstown 9300 New Zealand	Clark Scott – Chief Executive Officer [] []
Southern Discoveries	https://www.southerndiscoveries.co.nz/	St Omer Wharf, 110 Beach Street Queenstown 9300 New Zealand	Kerry Walker – General Manager [] []
Cardrona Alpine Resort	www.cardrona.com	50 Cardrona Valley Road Wānaka 9305 New Zealand	Steve Bruce – General Manager Sales [] []
Coronet Peak	www.coronetpeak.co.nz	PO Box 359 Queenstown 9300 New Zealand	Nigel Kerr - Ski Area Manager Coronet Peak [] []
Remarkables Ski	www.themarkables.co.nz	PO Box 359 Queenstown 9300 New Zealand	Paul Anderson – CEO NZSki [] []

Ziptrek Ecotours	www.ziptrek.co.nz	45 Camp Street Queenstown 9300 New Zealand	Trent Yeo – Executive Director [] []
Skyline Queenstown	www.skyline.co.nz	PO Box 17 Queenstown 9300 New Zealand	Wayne Rose – General Manager [] []
iFLY Indoor Skydiving	www.iflynz.co.nz	27 Brecon Street Queenstown 9300 New Zealand	Matt Wong – Owner [] []
Challenge Rafting	www.raft.co.nz	37 Camp Street Queenstown 9300 New Zealand	Mark Quickfall – Director Totally Tourism [] []
Hydro Attack	https://www.hydroattack.co.nz/	Beach Street Queenstown 9300 New Zealand	David Lynott – Owner Operator [] []

APPENDIX 21 – CONTACT DETAILS FOR TRADE/INDUSTRY ASSOCIATIONS

Association	Website	Address	Contact details
Destination Queenstown	www.queenstownnz.co.nz	PO Box 353 Queenstown, 9348 New Zealand	Mat Woods [] []
Queenstown Chamber of Commerce	www.queenstownchamber.org.nz	Bradley Building Level 3/19 Rees Street Queenstown, 9300 New Zealand	Sharon Field, Chief Executive [] []
Qualmark NZ	www.qualmark.co.nz	1 Nelson Street Auckland 1010 New Zealand PO Box 91018 Auckland 1142 New Zealand	Steven Dixon, General Manager [] []
Tourism Industry Aotearoa	www.tia.org.nz	Level 2, Inspire House 125 Featherston Street Wellington, 6140 New Zealand PO Box 1697 Wellington, 6140 New Zealand	Rebecca Ingram, Chief Executive [] []
Tourism Export Council	www.tourismexportcouncil.org.nz	Level 3, Westpac Building 318 Lambton Quay Wellington, 6011 New Zealand	Lynda Keene, CEO [] []

		PO Box 19258 Wellington 6141 New Zealand	
Backpacker Youth Adventure Tourism Association	www.byata.org.nz		Becs Annan, General Manager [] []
New Zealand Commercial Jet Boat Association	www.nzcjba.co.nz		Simon Thew, Chairman [] []

**APPENDIX 22 – MAP SHOWING THE OPERATIONAL AREAS / ROUTES OF SHOTOVER JET
AND KJET**



The Tunnel
-44.982°S, 168.666° E

Arthurs Point

Tucker Beach
-44.990° S,168.722°

Shotover Jet operational area

KJet's route

