

Before the Hearings Commissioners
at Matamata

in the matter of: A Private Plan Change to the Matamata-Piako District Plan under Schedule 1 of the RMA by Rings Scenic Tours Limited to introduce new objectives, policies and rules, primarily through a Development Concept Plan, to enable the ongoing operation and growth of tourism activities at Hobbiton Movie Set within an appropriate planning framework

to: **Matamata-Piako District Council**

applicant: **Rings Scenic Tours Limited**

Statement of Evidence by **Russell Ian Alexander** on behalf of Rings Scenic Tours Limited

Date: 8 April 2019

INTRODUCTION

- 1 My name is Russell Ian Alexander. I am the Chief Executive Officer of Rings Scenic Tours Limited (RST) and I have held this position from 2011.
- 2 I have been involved in the establishment and on-going development of the Hobbiton Movie Set tours operation since its inception in 2002.
- 3 I approached Bloxam Burnett and Olliver Ltd (BBO) to assist RST in securing a private Plan Change to the Matamata-Piako District Plan to introduce a new Development Concept Plan (DCP) for the Hobbiton Movie Set tours operations undertaken on our property at 487, 501 and 502 Buckland Road, Matamata.
- 4 I have read all the submissions and further submissions that have been received. I have also read the Matamata-Piako District Council's (MPDC) Consultant Planners section 42A hearing report and recommendation that consent be granted to the Plan Change subject to modifications. I support this recommendation but do not support all of the modifications. I have read the supporting evidence that my experts will present on behalf of RST. In summary, I wish to see the recommendations our experts have made be adopted into the decision by Council.

BACKGROUND TO HOBBITON MOVIE SET TOURS

- 5 Hobbiton Movie Set started tours in 2002. The original experience was a tour around the very temporary builds of the set the film makers used in "The Lord of the Rings" trilogy. Visitors were shown through the paddocks, stopping to look at picture boards of how the space looked during filming, and compared to the holes and plywood finishes that were left over. Given the start-up nature of this early attraction, projecting growth was always difficult. We operated under a Resource Consent at that time that allowed up to 150,000 visitors per annum, which we never expected to come close to. The average number of our visitors from 2002 to 2010 was around 23,000 per year and we employed on average 17 staff.
- 6 In 2008/2009 Sir Peter Jackson approached us to come back to film the Hobbiton sections of "The Hobbit". We negotiated a deal over two years, that ended with a 3 way deal with Warner Bros (film location) and Wingnut Films (Jackson) and ourselves (Alexanders) to make a Joint Venture tourist attraction. This upgraded attraction was now to be a tour through the permanent set, with hobbit holes built to last, and a living set that feels still lived in. This change was the catalyst to what we have today, a large

attraction employing over 300 staff and in recent years attracting over 600,000 tourists per year.

- 7 In 2012 with the release of the Hobbit trilogy movies and the building of the permanent set we started experiencing a large pickup in visitor numbers. In 2013 (with visitor numbers being approximately 131,000) we started the process of applying for a new resource consent for up to 250,000 visitors, but by Christmas 2014 it was obvious that this number was going to be insufficient so we adjusted our resource consent to 300,000 visitors - we actually did 360,000 visitors that year so by the time it was processed the initial consent projection was already outdated.
- 8 With the unprecedented and hard to predict growth, we were continually short of infrastructure to keep up with visitor demands. We have continually had to heavily invest in infrastructure such as roads, sewage systems, water and electrical reticulation systems, buildings (shops, café, ticketing, staff facilities, toilets, kiosk, offices, workshops, kitchens, food hall, Millhouse), booking systems and car parking just to name the significant ones. In the meantime, we applied for many facility consents but this was a difficult and very costly exercise, so it was Mayor Jan Barnes who suggested we apply for a zoning change and DCP. From 2012/13 until 2016/17 growth has basically seen 100,000 extra visitors per year and an increase of about 50 staff per year. In the years 2017/18 and 2018/19 visitor numbers have continued to increase but not to the extent of the previous years. This growth in visitors has put tremendous strain on infrastructure and cashflow to keep up and keep growing this business to its potential.
- 9 We have now reached a critical mass in the busy summer seasons, and have capped our daily numbers in order to ensure the quality of the experience remains. The Hearing Commissioners will have seen on the site visit where we are replacing turf outside the Green Dragon. We have our own turf farm and this is needed to keep repairing areas that get a lot of foot traffic. We can't maintain the site looking authentic as it should with numbers above 3,500 per day.
- 10 We are unable to grow any further in summer and regularly have to turn visitors away in this period. Growth during the other seasons is limited by a number of external factors outside of our control, such as lower visitor numbers to NZ, weather etc. The number of visitors in this DCP reflects the maximum that we can sustain without ruining that visitor experience.
- 11 In any event we couldn't accommodate 3500 people every day because the site just wouldn't cope. There is always maintenance and development work going on and we have to have times of low visitor foot traffic to allow the high use areas to recover. The

potential for 3500 visitors for 365 days of the year as suggested by NZTA is just not realistic or practical for our site.

DCP

- 12 We would much rather work under a DCP rather than an out of date resource consent. It will give us a framework of conditions that we can operate within, that will allow us to continue to manage the site and business to its potential and limit the effect on neighbours. It removes uncertainty for management and unnecessary costs for application processes.
- 13 This framework would give us the opportunity to further work on our systems and processes. We can manage within a daily limit of a 3,500 visitors for our movie set tour experience and we are building a framework for the way we are.
- 14 I agree with changes to the DCP boundaries so that they now include the wastewater and storm-water disposal areas. These are areas that have separate resource consents. The MPDC submission asked for these areas to be included in the DCP and that makes sense.
- 15 In Precinct 1 the western boundary is extended to now go down the side of storm-water pond. In Precinct 2 the boundary has moved to include the new and old effluent disposal areas. We are retaining the former area (which has poorer draining soil and so is not as efficient) because it will make a back-up if we ever have a problem with the new area.

MOVIE SET TOURS

- 16 All visitors tour the movie set in groups. They either go in one of our buses that rotate through the day or they come in their own bus which has booked previously and takes one of the tour slots.
- 17 All of the tours begin in the upper car park outside The Shire's Rest. The buses then cross the road to the entrance to what is called Precinct 2 in the DCP. The tours are scheduled throughout the day leaving every 30 minutes in winter or every 7 - 8 minutes in the summer months. That is how we manage the flow of visitors and make sure that the experience is special for everyone.

THE SUBMISSIONS TO THE PRIVATE PLAN CHANGE REQUEST

- 18 I have read through all the submissions and take their contents seriously. There are some key points contained in the submissions I want to comment on and commit to.

Economic impact

- (a) Hobbiton has had a direct economic and employment impact on the Matamata-Piako District and wider Waikato/NZ. In an economic report from 2017, it said that Hobbiton generated \$78m for the Matamata region and 393 jobs. But it is not just about jobs at Hobbiton, it is also about employment with our key external partners and suppliers, be it the local butcher, electrician, and/or builders, and motels (last year for example, we spent over \$300,000 on external accommodation for contractors with the contractors spending additional money on food and beverages within town).

Overnight camping

- (b) We want to continue to support our local neighbour businesses who offer overnight camping options. We support 'no camping' signs within Buckland Road as the impact that freedom camping has on the roads, verges and limited infrastructure in the area impacts all road users. We do want to balance our support of the locals with our obligations under our licence to operate, so that visitors to our site who have a drink and can't drive on, or independent travellers (who would otherwise freedom camp along Buckland Road) have the option to stay in the carpark and move on in the morning.

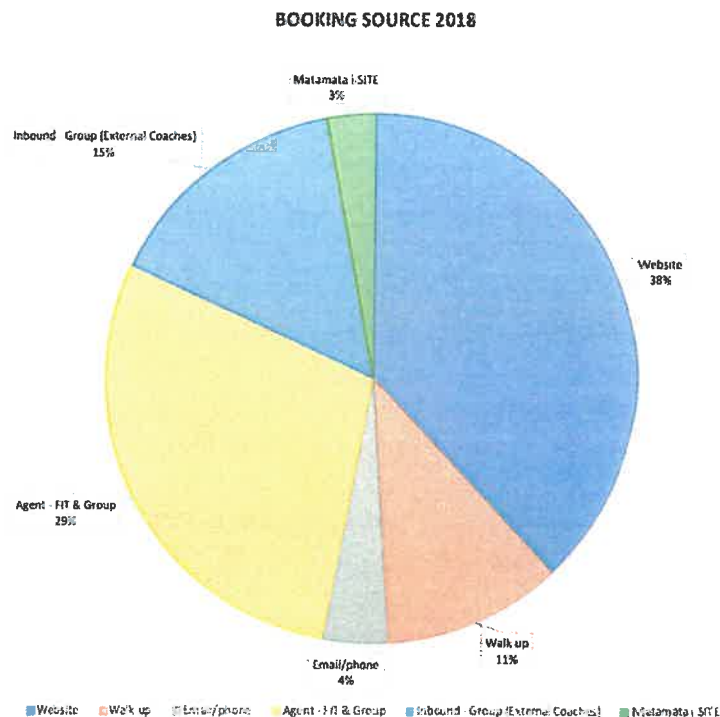
Complaints

- (c) From our database of recorded traffic and noise complaints there have been only 7 since 2014.
- (d) In our history of 18 years, we have only had two large (externally professionally sourced) fireworks events. The first was in 2005 where we learnt heaps and the second in 2013 where full notifications to neighbours were given. Others planned since then were cancelled. I do not believe there has been any stress on stock outside that first event.
- (e) As far as noise is concerned we have held numerous events over the period of the business without any complaints. We held a large event in 2015 with large speakers involved, notification was given and I do not believe any livestock distress occurred. Remember we are a sheep and cattle farm also. We recently had a large corporate event in 2017 but used domestic fireworks for effects and had minimal noise, causing no distress at all.

Vehicle Caps and Visitor Numbers

- (f) In 2017 we introduced a new computerised ticketing system. This is the biggest single management tool we have introduced since inception in 2002. It allows us to manage tour slots, flows and numbers in line with our tour schedules so that tours are evenly spread throughout each day, all year around (winter excepted). Also note the number of tours (and thus tickets) is capped with us turning away customers at booking source to ensure a quality experience and to avoid unnecessary travel. The system pulls bookings from multiple sources (online, agents, walk-ups, phone and email) so the consistent flows are managed and we do not have any tourist peaks during our busy season.
- (g) Naturally, visitors tend to come later and leave earlier during winter months but they are still spread evenly during the day.
- (h) As you see from the graph below 86% of our visitors are pre-booked (trending upwards). Many of these are self-drive, making bookings on-line, over the phone, through agents or at the Matamata iSite. It is only the 11% that walk in off the road and some of the iSite bookings that happen on the day that are not pre-scheduled.

It is impossible to try and manage family and in-bound group sizes or travel modes and hence vehicle numbers. In general our booking system manages vehicle flows by default because of the tour slot (ticketing) control which tells us exactly how many tickets and therefore visitors we have each day.



- (i) I asked our ticketing manager to find out what bookings we have already for 2020. She found that there are 131,982 people pre-booked for 2020. Most of

them are in in-bound tour buses but there are also a large number of private groups that could come in anything from a mini-van to a motorbike. Our online booking system only allows for bookings until March 2020 but we have bookings right through to December in 2020.

- (j) Hannah also found that the bookings for 2020 represent 5481 individual bookings of which 2034 are for in-bound bus tours. Each of those buses has between 20 and 45 people. Therefore over a third of our bookings (and over 80% of all tickets are pre-booked) represent bus tour groups. It is just not reasonable for NZTA to suggest that we could have over 3000 vehicles for 3,500 visitors when such a big proportion come by bus.
- (k) It would be an absolute nightmare for us and our staff to have to keep track of daily vehicle numbers and annual visitor numbers given the current workload that they have and the number and extent of pre-bookings. How do we tell someone on an evening tour, for example, who was given the experience as a birthday or celebration gift that their tour is cancelled because we've exceeded the daily vehicle maximum? How do we tell someone whose flight leaves NZ the next day that sorry we have reached our annual maximum or our daily vehicle maximum? What we can do is ensure that we never exceed 3,500 visitors because we can control that.

Community Liaison

- (l) We are committed to being a good neighbour. Both myself and my staff are always contactable and available to deal with any complaints – this has always been the case – and we are pleased there have been so few complaints to address over the years.
- (m) We are in the process of rolling out our Neighbour Strategy. This focuses on supporting the community that helped us grow, through our Community Partnership programme including:
 - (i) litter picks-ups along Buckland Road and Hinuera Straights;
 - (ii) events to bring the locals together; and
 - (iii) dedicated resources for neighbours to raise any issues of concern so we can manage and eliminate those concerns swiftly.
- (n) This is something we take on as it's the right thing to do for our neighbours and the community, not because it's something that should be written into a District Plan. We don't want to be bound to a rigid condition about community engagement. We would rather have the flexibility to respond to our community as a genuine and long-standing member.

McCosh Submission

- (o) We have offered to put electric fences and additional signage along their boundary to try and assist with trespassers.
- (p) My security staff would also remove any trespassers on the McCosh property if they provided us with the authority to enter the property.
- (q) We support a speed reduction on Buckland Road if that is the desire of residents. From our experience, tourists travel slowly anyway, it is the locals who tend to travel faster.

NZTA

- (r) **In our view a lost tourist is a dangerous tourist.** We would prefer to see directional signage before the Karapiro Road intersection with SH1 and at the SH1/SH29 intersection to ensure that tourists travel the safest routes and avoid the western section of Buckland Road. Several years ago we went to NZTA with some directional signage to help ensure tourists took a safe and direct route to Hobbiton. NZTA initially approved that signage strategy but NZTA will not permit it now.

J Swap

- (s) We have paid hundreds of thousands of dollars to MPDC as contributions over the years as well as paid for physical road upgrades. We are paying more contributions as part of this DCP process as well as the further road upgrades outlined in the evidence of Cameron Inder.
- (t) As a result of this plan change process we have introduced many new management initiatives (improved website to direct visitors via state highways, on-line booking system – people/tour companies now know to book rather than just show up which has spread traffic and ensures parking spaces available, more tourist buses as a percentage, improved way tourists are managed at The Shire's Rest, etc).
- (u) We have put roading improvements and signage in place. This has meant that even though we have been operating at more than 600,000 visitors over the past two years there have actually (in our opinion) been no more issues than in the past and in fact in some areas less issues, for example: road signage improvements; installing ropes across our departure shelters which has reduced visitors walking out onto the road. The entry to The Shire's Rest is another good example of this. We have reconfigured the exit and installed signs to better inform visitors about where the entry is so that we no longer get visitors trying to enter via the exit. This has improved road safety and circulation within the carpark areas.

AMENITY

- 19 The facility is a tourist destination. We want it to look nice and to retain the rural feel that our visitors expect from having seen the films or read the books. We have gone to considerable effort and expense to make the place nice. We will continue to do this.
- 20 Since we started, I have had landscape advice from Brian Massey who was one of the NZ team that won a gold medal at the Chelsea Flower Show a few years ago. Brian was the Chief Greensman for the Lord of the Rings film series and was an Art Director on the Hobbit films. He is very particular about keeping the site looking authentic and he has assisted greatly with the plantings and layout.
- 21 We have tried hard to hide all of the administration, maintenance and catering infrastructure, especially in Precinct 2 and much of that is underground so that visitors don't see anything to detract from the movie set. We are not about to destroy that look and feel with anything more that we do in either Precinct 1 or Precinct 2.
- 22 We are currently building a new main office and conference block and have a resource consent for that. We have to plant additional trees along Buckland Road and down our driveway in Precinct 1 to screen those buildings as a consent condition.
- 23 We have agreed to the landscape plan that the landscape experts have proposed. This involves planting additional specimen trees around Precinct 1.

OVERALL CONCLUSION

- 24 I can confirm that RST supports the various reports that have been submitted on our behalf.
- 25 I believe that this Plan Change will enable us to operate and continue to provide a valuable tourist facility for the District and Region whilst mitigating any negative impact on the environment and local area. Therefore, I ask that MPDC support this Plan Change in accordance with the recommendations that have been made by our experts and grant consent.

Russell Alexander

CEO

Rings Scenic Tours Limited

8 April 2019