BEFORE THE HEARINGS COMMISSIONER APPOINTED BY ENVIRONMENT SOUTHLAND REGIONAL COUNCIL

UNDER	the Resource Management Act 1991
IN THE MATTER	of an application under section 88
BY	**MITRE PEAK CRUISES LIMITED**
	Applicant

STATEMENT OF EVIDENCE OF MARK QUICKFALL

Dated: 3 November 2026

Todd Walker

Solicitor acting
R E M Hill / L C King
PO Box 124 Queenstown 9348
P: 03 441 2743
rosie.hill@toddwalker.com
lucy.king@toddwalker.com

Statement of evidence of Mark Quickfall

Introduction

[1] My name is Mark Quickfall.

[2] I am the Director of Mitre Peak Cruises Limited (**Applicant**). I am also the founder and CEO of Totally Tourism Limited, the parent company of Mitre Peak Cruises. I have been a Director of the Applicant Company since 2008. My current responsibilities include governance, management, financial oversight, vessel procurement, health and safety and operational planning.

[3] I have authority to give this evidence on behalf of the Applicant.

[4] I have read the section 42A report prepared for this application. I have also read the evidence prepared by Mr Sean Dent.

Scope of evidence

[5] The Applicant has lodged an application for a coastal permit to undertake a commercial surface of the water activity within the coastal marine area of Milford Sound, Fiordland (APP-20262029) (**Application**).

[6] My evidence provides the corporate and operational background to the Application. I will address:

(a) the ownership and history of the Applicant,

(b) reasons why a replacement boat is necessary,

(c) the process, cost, and timeframe involved in commissioning a new purpose-built vessel,

(d) the reasons for the proposed size and configuration of MV Mitre Peak III;

(e) longer-term business planning considerations; and

(f) why a ten-year consent term is, in our view, the minimum term that provides sufficient certainty to warrant the significant capital investment required.

Mitre Peak Cruises / the Applicant

[7] The Applicant has operated commercial sightseeing cruises within Milford Sound / Piopiotahi for 30 years. Its business is focused on providing scenic cruises within the Sound. It specialises in smaller, purpose-built vessels that give visitors an up-close experience of the fiord. The Applicant holds Maritime New Zealand operator certification under an approved Maritime Transport Operator Plan (**MTOP**), coastal permits from Environment Southland, and a Department of Conservation Marine Mammal Viewing Permit (15955-MAR).

[8] The business started in 1996 and has specialised in small-vessel, scenic cruises of the spectacular Milford Sound / Piopiotahi. It offers regular two-hour trips through the fiord and to the mouth of the fiord at the Tasman Sea.

[9] Totally Tourism Limited purchased Mitre Peak Cruises in 2008. The business has developed since then, offering visitors a range of personalised experiences, including cruises, coach and cruise packages, and fly (helicopter/fixed wing) and cruise packages. Mitre Peak Cruises currently operates 2 vessels, Mitre Peak I and Mitre Peak II. Mitre Peak Cruises employs 5 full-time skippers, 4 casual skippers, 8 boat hosts, and an office manager. Totally Tourism provides overall management support, including General Management, Finance, HR, Sales and Marketing and ICT. Mitre Peak Cruises' annual passenger numbers are just over 100,000. Our current Milford Sound operation uses two vessels, MV Mitre Peak I and MV Mitre Peak II. MV Mitre Peak I operates under coastal permit AUTH-20191120. MV Mitre Peak II operates under coastal permit AUTH-20242682.

[10] The Applicant is not seeking to add a third vessel to its consented commercial operation through this Application. MV Mitre Peak III is intended to replace MV Mitre Peak I. Before the new consent is exercised, its holder, Totally Tourism Limited, will surrender AUTH-20191120. As chief executive of Totally Tourism Limited, I confirm that it will do so. This requirement is also reflected in draft condition 1 recommended in the section 42A report

[11] That distinction is important from our perspective. The investment in MV Mitre Peak III is about replacing ageing infrastructure and putting the business in a position to continue operating safely and reliably into the future. It is not a proposal to add another vessel or increase the number of trips presently authorised for MV Mitre Peak I.

MV Mitre Peak I and the need for replacement

[12] MV Mitre Peak I was built by Gough Brothers Marine Engineering in Invercargill and launched in 2000. The vessel is now approximately 26 years old.

[13] Like any commercial vessel, MV Mitre Peak I's increasing age brings practical considerations. The vessel is maintained to a high standard and must pass regular survey. However, it is an ageing vessel with older technology, and its design does not give passengers adequate cover in wet weather. We have not decided to replace MV Mitre Peak I simply because we would prefer a newer or larger boat. From a business perspective, we need to plan and replace major operating assets before their age begins to compromise the operation's resilience and reliability.

[14] In my view, waiting until MV Mitre Peak could no longer be operated economically or reliably would not be responsible business planning. It would expose the Applicant to the risk that an essential operating asset had reached the end of its useful life without a replacement being available.

Business continuity and investment

[15] A vessel such as MV Mitre Peak III is not an off-the-shelf asset. It is a substantial, purpose-built commercial vessel designed for Milford Sound's particular operational requirements.

[16] Commissioning a purpose-built vessel cannot be done at short notice. If the Applicant waited until MV Mitre Peak I could no longer operate before commencing that process, there would potentially be a significant period during which we did not have an appropriate replacement vessel available.

[17] If MV Mitre Peak I became unavailable and no replacement was ready, the Applicant would lose about half of its consented capacity in Milford Sound. MV Mitre Peak II could not absorb that demand, because it is limited to four trips a day under its own consent. Bookings already made, including coach-and-cruise and fly-and-cruise packages sold through travel partners, would have to be cancelled or rebooked. That would cost revenue and damage our reputation with customers and the trade. The crew employed to operate MV Mitre Peak I would have no vessel to work on, and the Applicant would risk losing experienced, Milford-based staff who are difficult to replace. A prolonged loss of capacity would also affect the wider business and the other operators and suppliers who rely on our passenger numbers.

[18] The proposed vessel is to be constructed by Gough Brothers Marine Engineering in Invercargill, which also constructed MV Mitre Peak I. The expected build period for MV Mitre Peak III is approximately one to two years, once the Applicant can commit to the build.

[19] That construction period is only one component of the replacement process. Before construction can commence, there is a sequence of steps to be completed: final design and contracting with Gough Brothers, arranging finance, and procuring the engines and equipment. Before MV Mitre Peak III can carry passengers, it must also be surveyed and added to the Applicant's MTOP with Maritime New Zealand approval, and the Applicant must obtain a new Department of Conservation Marine Mammal Viewing Permit for it. The existing permit is limited to vessels with a capacity of 75 passengers.

[20] Constructing MV Mitre Peak III represents a significant capital investment for the Applicant. The current anticipated capital cost is approximately $4,000,000, excluding GST. As a result, a decision on replacement must be made well in advance of the date a replacement vessel is needed.

[21] The present consent for MV Mitre Peak I expires on 30 October 2029. We applied for the proposed replacement consent well before that date because we need sufficient certainty that MV Mitre Peak III can lawfully

operate before committing the company to the significant expenditure associated with its construction.

Proposed consent term

[22] The investment decision cannot sensibly be separated from the duration of the resource consent. Before committing that level of capital, we need reasonable certainty that there will be an adequate operating period over which the company can obtain a return from the vessel and recover the costs of its investment.

[23] I understand that a five-year consent term has been proposed by some parties. From a business perspective, I do not consider five years provides sufficient certainty to justify committing the Applicant to the construction of MV Mitre Peak III.

[24] Once the construction lead-in is accounted for, the vessel represents a multi-million-dollar investment. MV Mitre Peak I, built by the same builder, has now been in service for approximately 26 years, and I expect MV Mitre Peak III to have a comparable operating life. A five-year consent would therefore require us to make that investment knowing that, only three to four years after commencing operations (because the term runs from the date of grant and the vessel will take one to two years to build), the authority to use the vessel in Milford Sound could cease or materially change.

[25] The ten-year term sought is not intended to provide the Applicant with an unusually long or indefinite right to operate. In fact, it is materially shorter than the expected operating life of a vessel of this nature MV Mitre Peak I has been in service for approximately 26 years. I also understand that previous permits for this activity were granted for 15-year terms.

[26] A ten-year term is, from the Applicant’s perspective, the minimum period that gives us sufficient certainty to responsibly warrant the proposed investment. That certainty is relevant not only to recovering the purchase price. It affects the company's ability to make sensible decisions around finance, staffing, maintenance programmes, health and safety investment, and longer-term business planning.

[27] In my view, ten years is the minimum workable term for the following reasons:

(a) Because the term runs from the date of grant and the vessel will take one to two years to build, a ten-year consent would in practice provide around eight to nine years of operation over which to recover a capital investment of approximately $4.6 million (including GST).

(b) A shorter term would be commercially unworkable for a new build. For example, aligning the expiry with MV Mitre Peak II's permit (11 February 2030) would give a term of just over four years, before deducting the build period.

(c) I understand that an expiry in 2036 would sit between the average (13 October 2035) and median (14 June 2037) expiry dates of the other commercial surface water permits in Milford Sound. A ten-year term would not put the Applicant out of step with the rest of the fleet.

(d) The Applicant has a good compliance record under its existing permits, as the section 42A report records, and holds a Fiordland Clean Vessel Pass.

(e) A ten-year term still means the activity will be reassessed within a reasonable period, including against any new provisions arising from the Regional Coastal Plan review. The conditions can also be reviewed during the term under recommended condition 19.

Design and size of Mitre Peak III

[28] The decision to replace MV Mitre Peak I also presented an opportunity to consider what the Applicant requires from a vessel that will operate for the next 25 years.

[29] It would not, in my view, make commercial or operational sense to spend several million dollars constructing an exact replica of a vessel designed more than 25 years ago, without considering the experience gained from operating that vessel.

[30] A particular issue we have experienced with MV Mitre Peak I is its limited enclosed passenger space. Milford Sound receives frequent wet weather, and when passengers move inside, the vessel's covered areas can become crowded and the windows fog from additional moisture within the cabin.

[31] The proposed design provides greater internal capacity and passenger comfort during poor weather. The additional capacity therefore needs to be understood in the context of providing a modern replacement vessel and improving the way passengers can be accommodated onboard, rather than as a means of increasing the intensity of the operation.

[32] Importantly, we are not proposing to increase the number or frequency of trips authorised for MV Mitre Peak I. The proposed consent retains the presently authorised maximum of seven trips per day from 1 October to 30 April and three trips per day from 1 May to 30 September.

[33] Mitre Peak Cruises currently operates two consented vessels in Milford Sound:

(a) MV Mitre Peak I is authorised under AUTH-20191120. It is 18.3 metres long, with a beam of 5.76 metres, and carries a maximum of 64 passengers (including crew).

(b) MV Mitre Peak II is authorised under AUTH-20242682. That consent provides for a vessel up to 20 metres long, with a maximum capacity of 85 passengers (including crew).

[34] MV Mitre Peak III is proposed to be 24 metres long, with a beam of 7.2 metres, an overall height above the waterline of approximately 5.7 metres, and a maximum capacity of 154 persons (including crew).

[35] Although MV Mitre Peak III is longer and wider than MV Mitre Peak I, the difference in height is small. MV Mitre Peak I is approximately 5.56 metres above the waterline, while MV Mitre Peak III is designed to be approximately 5.7 metres above the waterline.

[36] From an operational perspective, I regard MV Mitre Peak III as a replacement of the same general type of vessel, rather than a

fundamentally different form of operation. In that the vessel design is to be similar to that of MV Mitre Peak I and II, the trip purpose is the same, as are the routes and speeds. The same builder that built MV Mitre Peak I will build MV Mitre Peak III. It will offer the same scenic day cruises of approximately two hours within the internal waters of Milford Sound. It will follow the same established route: out along the southern side and back along the northern side, travelling clockwise in accordance with the Southland Navigation Safety Bylaws and the Milford Sound Code of Practice. The existing speed limits will continue to apply, being 5 knots within 200 metres of the shoreline or within 500 metres of a seal or penguin colony. Its cruising speed of approximately 11.5 knots is like MV Mitre Peak I's typical speed of 10 to 12 knots. There will be no landings, no ancillary activities such as tenders, kayaks, diving or swimming, and no new structures. MV Mitre Peak III will use the existing MV Mitre Peak I berth at Freshwater Basin, and all rubbish and wastewater will be retained on board and discharged ashore

[37] The engines and gearboxes proposed for MV Mitre Peak III are the same type currently used in MV Mitre Peak II and recommended as the most modern and efficient for our type of operation. MV Mitre Peak III will have twin shafts driven by two Scania DI 13 078M engines (686 kW in total), compared with MV Mitre Peak I's single Scania DI 13 077M engine, which is de-rated to 492 kW. From the Applicant’s perspective, the key point is that replacing MV Mitre Peak I does not involve an expansion in the number of vessel movements authorised by its consent. MV Mitre Peak III will operate the same Milford Sound route and within the same seasonal limits on daily trips presently applying to MV Mitre Peak I.

Conclusion

[38] MV Mitre Peak I has operated in Milford Sound for approximately 26 years. The Applicant should now plan for its replacement rather than waiting until the vessel reaches a point where replacement is unavoidable or urgent.

[39] The replacement process requires substantial advance planning. A purpose-built vessel takes approximately one to two years to construct

once the company commit to the build, and the expected capital investment is approximately $4,600,000 (incl. GST).

[40] MV Mitre Peak III has been designed having regard to our operational experience with MV Mitre Peak I, including the need for improved covered passenger space and a vessel suitable for the company's longer-term operational, health and safety and business requirements.

[41] The proposed vessel is larger, but its introduction does not involve another vessel being added to the Applicant's consented operation or an increase in the number of trips authorised for MV Mitre Peak I. The existing consent AUTH-20191120 will be surrendered by Totally Tourism Limited before the new consent is exercised.

[42] Against that background, a ten-year term is important to us. It is the minimum period that provides sufficient certainty for the Applicant to commit responsibly to the multi-million-dollar investment required to construct MV Mitre Peak III and to undertake the associated long-term financial, health and safety and business planning.

Dated: 3 November 2026

Mark Quickfall