

/ Framing a Sub- Regional Deal for Otago Central Lakes /

FINAL DRAFT – FOR APPROVAL BY COUNCILS

Section 1

Regional Deal Strategic Framework

Overview of Regional Deal Strategic Framework



The purpose of regional deals is to deliver on shared objectives between central and local government

- > Deals will be based on a (existing) 30-year vision
- > Deals will have negotiated 10-year strategic plans
- > Deals will represent long-term commitments intended to endure

‘Regional’ can be regional, sub-regional or another appropriate scale, so long as they are defined economic and geographic areas with functional local authorities. It is up to Councils to determine how they group themselves in support of a regional deal

Guiding principles aim to help set the foundation for regional deals



Partnerships



Certainty of decision making



Adaptability



Accountability & transparency

Regional deals are to focus on priority objectives



Build economic growth

- > Increased jobs and skills
- > Improved standard of living
- > Increased productivity



Delivering connected and resilient infrastructure

- > Better connected communities and businesses through infrastructure
- > Infrastructure built (and identified investment in support of it) is more resilient against the impacts of natural hazards and climate change
- > Infrastructure built enables development, including housing, objectives



Improving the supply of affordable, quality housing

- > Increased supply of build ready land (both greenfield and brownfield), including ensuring the necessary infrastructure is in place for development
- > Improved housing affordability for rental and home ownership



‘Regional’ can be regional, sub-regional or another appropriate scale, so long as they are defined economic and geographic areas with functional local authorities. It is up to Councils to determine how they group themselves in support of a regional deal.

DIA have made clear that it is expected that QLDC, CODC and ORC partner on a regional deal proposal for Otago Central Lakes (Queenstown Lakes + Central Otago districts).

What are we committing to?

QLDC, CODC and ORC are agreeing, in principle, to enter into a partnership with each other, central government, and the private sector, to deliver a range of initiatives to address critical needs and support economic growth. This proposal is a starting point for discussion and negotiation of a potential deal, it is not final. The Government has not yet written the “rules of engagement” for regional deals. Agreeing to submit this proposal means councils are agreeing to work together on “one side of the table” when negotiating with central government, with this proposal as the starting point.

In agreeing to submit this proposal councils **are not** agreeing to deliver the packages exactly as set out in this proposal. Some of the needs identified are not immediate and the proposed initiatives may not be necessary for some time. Entering into a regional deal sets the basis of a long term partnership with government. If we are unsuccessful in securing a regional deal this proposal provides a strong basis for ongoing regional collaboration on critical spatial priorities.

What is in it for CODC?

This proposal is based around a package of investments that will benefit Queenstown Lakes and Central Otago. Much of the investment leverages the significant growth in resident and visitor numbers across the districts and the associated issues being created, to create benefits for local communities. The proposal improves Central Otago’s access to:

- > Health services
- > Energy security
- > Mechanisms to enable perpetual affordable housing
- > Mechanisms to ensure growth pays for growth
- > Managing the impacts from new mining activities
- > Public transport for people who work in Whakatipu and Wānaka but live in Central Otago
- > International visitation that prompts post-visit exports and offers other long term economic benefits
- > Local Visitor User Charge to fund infrastructure and activities related to visitor impacts
- > International Visitor Levy to invest in growing tourism productivity
- > Partnership with government to obtain access to international investment in growth and grow the productivity of the tourism sector

Why does ORC support it?

ORC is supportive of the regional deals package to support the communities in Queenstown Lakes and Central Otago. It will support the development of much needed infrastructure and resolve the congestion and roading issues that are currently limiting potential, and constraining development and the ease of living and working in the Otago Central Lakes. In particular, the package aligns with the following Strategic Directions from ORC’s Long Term Plan.

Strategic Direction – Transport: Otago has an integrated transport system that contributes to the accessibility and connectivity of our community, reduces congestion and supports community wellbeing aspirations. The delivery of a package of transport solutions, including off road mass rapid transit (MRT) , will make a transformational difference to living and working in the area. Evidence shows there is a current problem with the transport network which is projected to increase significantly. It also shows that even if significant mode shift targets are achieved, the demand to travel (via PT and private vehicles) will exceed the operating capacity of the network. Therefore an off-road solution is required. MRT can shift a large number of people off the roads, and move them around the district, in an integrated and sustainable manner. Strong connections with a road based network would augment this service, optimising coverage and efficiency.

Strategic Direction – Climate: Otago is a climate resilient region that plans for an invests in initiatives that reduce emissions and help us adapt to our changing climate. The transport package assists in achieving the government direction to move away from fossil fuels for public transport, to reduce emissions. ORC is on track to electrify the bus fleet in the coming years and having an integrated network with MRT and an electric bus fleet would go toward emissions reductions goals.

Section 2

Light Touch Proposal

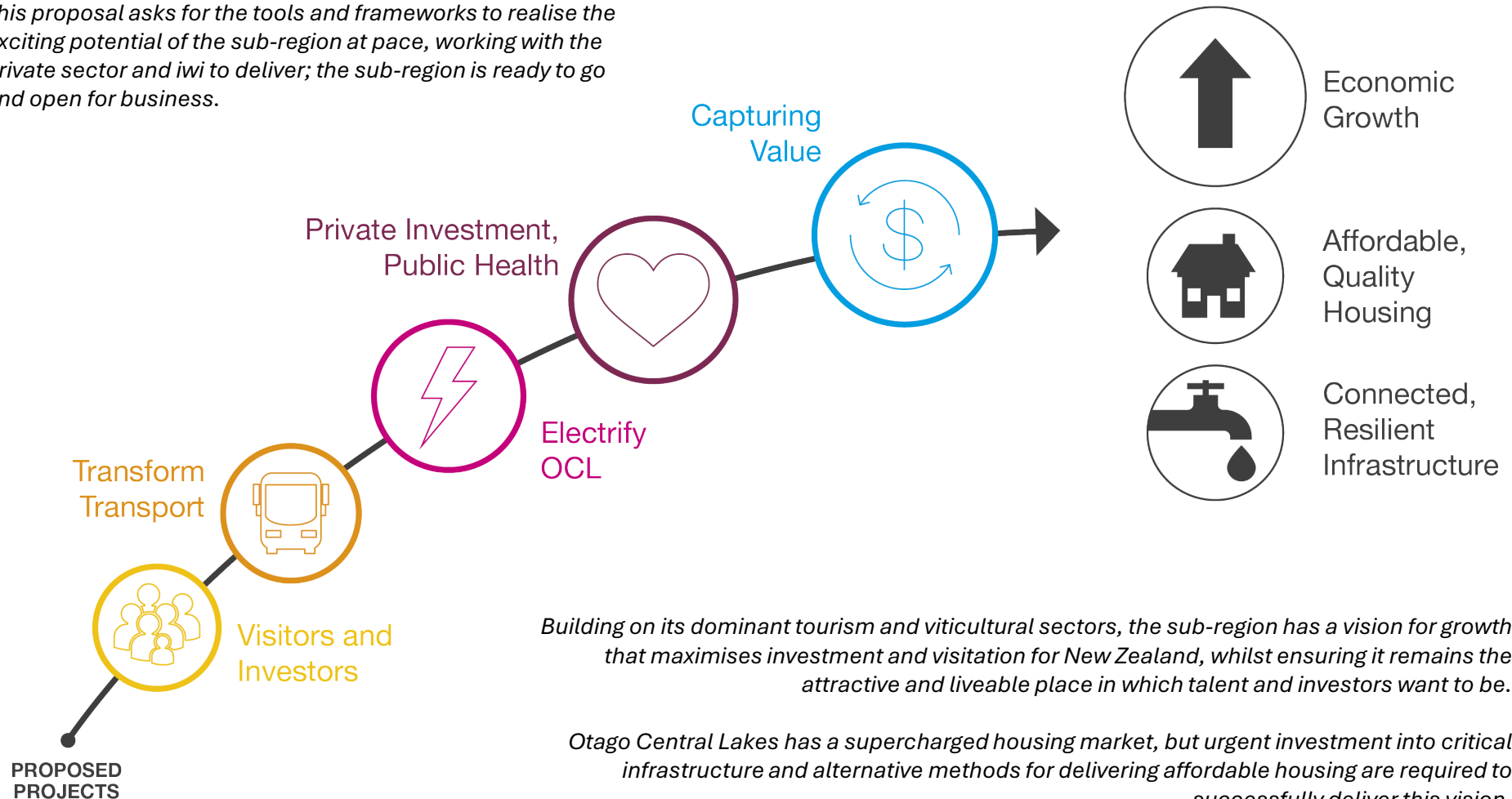
Light touch proposal requirements:

High-level vision for the region

Summary of the proposed regional deal

Otago Central Lakes – from tourism gateway to investment hub. High growth, massive opportunity.

This proposal asks for the tools and frameworks to realise the exciting potential of the sub-region at pace, working with the private sector and iwi to deliver; the sub-region is ready to go and open for business.



Building on its dominant tourism and viticultural sectors, the sub-region has a vision for growth that maximises investment and visitation for New Zealand, whilst ensuring it remains the attractive and liveable place in which talent and investors want to be.

Otago Central Lakes has a supercharged housing market, but urgent investment into critical infrastructure and alternative methods for delivering affordable housing are required to successfully deliver this vision.

Light touch proposal requirements:

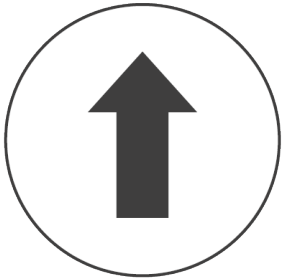
High-level vision for the region

Region's economic role in New Zealand

Otago Central Lakes is the logical choice to move the dial on New Zealand's economic growth as the first Regional Deal partner.

This proposal aims to deliver a more productive future for Otago Central Lakes:

- > Current GDP: \$6.1 billion pa
- > GDP in 10 years if current trends continue: >\$11 billion pa
- > GDP in 10 years if productivity is increased to match NZ's: >\$12 billion pa
- > GDP in 10 years if productivity exceeds NZ's by 25%: >\$15 billion pa



Otago Central Lakes will already add billions of growth to NZ's GDP over the next decade, but the sub-region could:

- > add billions more with the right infrastructure and services in place
- > act as a shopfront for broader opportunities for NZ Inc
- > be a test bed for regional models that could be rolled out elsewhere

Executive Summary (Contribution of the region to NZ's economy)

Light touch proposal requirements:

- Region's economic role in New Zealand

The attractiveness of Otago Central Lakes as a destination provides a strong platform for economic growth, for the sub-region and for the wider economy.

Queenstown is NZ's iconic visitor gateway with 1 in 3 international visitors passing through Queenstown. The majestic natural landscapes and world-class tourism system make it the most visited destination in NZ, after Auckland.

International visitors to NZ come for Queenstown and then go on to visit other destinations in the South Island and beyond. Queenstown is an important travel hub, facilitating access for visitors to a wide range of destinations across the South Island. Spending by visitors to Queenstown Lakes totalled \$2.8 billion in 2023 and 11,919 people were employed in the tourism sector (38% of jobs).

Central Otago is known for its world class landscapes, cycle trails, vineyards and wineries and horticulture. The unique environment makes Central Otago the premium location for making pinot noir wine in the world. Spending by visitors to Central Otago totalled \$282 million in 2023. Central Otago has a comparative advantage in agriculture (including viticulture and horticulture) with the sector making up 19% of employment compared to 5% nationally. About 12% (1,768) of jobs in Central Otago are attributable to tourism, compared to 6.9% nationally.

This has flow-on benefits for the national economy. Queenstown attracts visitors who contribute over \$1.3 billion to New Zealand's GDP and created 13,700–17,000 jobs nationally. These visitors spend three times more across the South Island than those who don't visit Queenstown. Queenstown's own GDP was \$4.2 billion, and Central Otago's was \$1.9 billion, in 2024. Tourism's export demand impact is estimated is currently at over \$600 million, and there is significant room to improve this contribution.

Investment in Otago Central Lakes is critical to building tourism across New Zealand.

Queenstown is NZ's premium tourism destination and the visitor economy in the rest of the country is impacted by what happens in Queenstown. Visitor number increases in Queenstown result in increased visitor numbers, and spend nationally, ("halo" effect). The reputation of Queenstown, and the experiences of visitors in Otago Central Lakes impacts NZ's tourism reputation. Therefore we must invest in what is NZ's "hero" tourism destination to leverage opportunities to build growth in tourism for NZ. Queenstown is a high profile destination globally with a world-renowned brand that can be leveraged for NZ.

Otago Central Lakes has recovered from the effects of the pandemic.

Queenstown Airport international arrivals are 28% higher and total arrivals are 8% higher than in 2019, and Central Otago visitors spend is 25% higher than 2019. This shows that the region has been resilient and innovative, and the rest of the tourism sector could learn from this.

However, the infrastructure pressures and social licence issues that had built up before the pandemic have also returned. Infrastructure capacity is constrained, with the small ratepayer base required to fund infrastructure needed to support tourism as well as growth. While tourism and growth benefits the community, the investment required is disproportionate to the ratepayer population size. This is approaching the limit that residents will endure without a material impact on the visitor experience; decreases in the experience, particularly for domestic visitors is already evident.

The sub-region has also focussed on building other sectors to mitigate risks of being overly reliant on tourism and to increase productivity.

Tourism is a low productivity sector compared to other sectors, and NZ's tourism sector is lower productivity than other comparable countries. With the disproportionately high amount of employment and earnings in the sub-region based on tourism, building the productivity of these businesses is critical to economic growth for the sub-region, and for NZ. Tourism operators in the district have invested in improving yield without increasing numbers; a number of case studies are attached to this proposal for reference.

The sub-region is also well placed to develop other industries that are more highly productive than tourism. For example, the land area utilised for horticulture and viticulture in Central Otago expanded by 21% in 2023 alone. Businesses that leverage passion for the outdoors, like Mons Royale, have established in the sub-region; scaling up these types of businesses should be a key future focus. Technology Queenstown is building a tech sector, and this has the potential to add up to \$1.3 billion to the economy.

Light touch proposal requirements:

Description of up to five initiatives

Economic outcomes you are proposing will be delivered by each initiative

Actions required to achieve economic outcomes

1. Visitors and Investors

Leverage the region's unique position as the tourism gateway to NZ to support the sub-region as NZ's centre of tourism innovation excellence focussed on increasing tourism productivity for NZ Inc.

Outcomes sought:

- > A sustainable tourism system.
- > A diverse economy where everyone can thrive.

Action required:

- > Position the sub-region as NZ's international gateway for investment and business by establishing an Invest NZ / NZTE presence.

- > Build partnerships across agencies to increase post-visit economic benefit
- > Provide \$800k over five years from the IVL for projects to increase the yield from tourism.
- > Create a Special Economic Zone to create specific regulatory and immigration settings for the sub-region's nascent highly productive sectors (eg tech and film)
- > Rapid establishment of MBIE's tourism data leadership group's 2 year roadmap for robust tourism data.
- > \$250k from IVL to operationalise the optimal visitation model project

2. Transform Transport

Transforming urban mobility, this package accelerates offline MRT delivery, maximizes network capacity, and supports a growing population and economy with resilient transport routes. This will be delivered by partnering with the private sector and leveraging innovative planning and funding, it boosts land availability, density, and economic growth.

Outcomes sought:

- > Provides more efficient and reliable access for people and goods that
 - Sustainably manages growth
 - Enables enhanced land use.
- > Adaptable to change and disruption.

Action required:

- > Provide a streamlined pathway for partnership with private sector.
- > Provide access to tools such as PPPs, IFFA, road pricing, International Visitor Levy, reprioritised central government funding.
- > Revise the public transport funding model to enable long term private sector partnering for offline MRT.
- > Provide streamlined planning and land acquisition pathway for offline MRT.
- > Support development of a sub-regional commuter network.

3. Electrify Otago Central Lakes

Unlock investment to drive economic growth as a fully electrified sub-region, powering innovation in untapped renewable energy potential and building a home for national, economically-important pilot projects.

Outcomes sought:

- > Energy infrastructure that allows the economy to thrive, in terms of economic growth, productivity and diversification.
- > Affordable and secure energy supply for businesses and households
- > A highly innovative, electrified destination that provides a strong brand proposition

Action required:

- > Bring power and innovation home: Explore the possibilities presented by a relaxation of code, regulation and legislation for energy innovation in the sub-region. Use Otago Central Lakes as the pilot location for innovative schemes as part of the Special Economic Zone.
- > Supercharge Solar and Batteries: Launch a Ratepayer Assisted Scheme for rooftop solar and batteries, providing 20% investment share from central government (will earn a return). Leverage the potential of the RAS to build and train a solar and advanced electrification installation workforce from within Otago Central Lakes.
- > Change regulations to include Queenstown in the interconnected National Grid and improve cost distribution
- > Require Transpower to undertake additional options analysis of cost implications per household, implications of rapid solar uptake and trigger points to defer investment in additional line upgrades.
- > Provide streamlined planning and land acquisition pathway for a transmission corridor.

4. Private investment, public health

There are opportunities to enhance publicly-funded health services by partnering with private hospitals, clinics and investors that are either going through the planning process or have started building in the sub-region.

This package requests support for the continued growth in Otago Central Lakes through a partnered approach to delivering public health services that results in a significant increase in public health services for Otago Central Lakes, with limited increases in operational costs and no capital costs.

Outcomes sought:

- > Timely, fit-for-purpose, and contemporary health infrastructure that supports the district's future population, workforce, productivity and economic growth.
- > Medical tourism contributes to both the economy and the community, increasing the availability of health services to New Zealanders while developing new economic growth from international markets.
- > Health infrastructure is available to grow the local health system, making existing health services more resilient and able to treat more complex patients.

Action required:

- > A small up-front investment of \$1.5million, and commitment to the approach, to develop the partnered model to a point where it can be implemented for six high priority projects:
 - Otago Central Lakes Hospital in Queenstown
 - Te Taumata Lakeview Clinic maternity services
 - Integrated Care Hub in Wānaka
 - Aged Care Facilities in Clyde
 - Wānaka Health Precinct
 - Further Investigation in Central Otago

5. Capturing value

Address the Otago Central Lakes' unique housing and growth challenges by capturing the value from growth and visitors and reinvesting it back into critical infrastructure and affordable housing using new tools. Work with the successful Queenstown Community Housing Trust to continue to build a strong model across the sub-region for affordable housing. Continue to deliver consistently high volumes of new houses to the market. In 2024, QLDC granted the highest number of building consents per 1000 residents in the country.

Outcomes sought:




- > Community can easily access quality, stable, affordable housing now and into the future.
- > Growth pays for growth.
- > Visitors contribute their fair share of the cost of providing infrastructure and services.

Action required:

- > Local Visitor User Charge for all visitors to fund a portion (30%) of the costs of providing infrastructure to support peak visitor numbers that in Queenstown Lakes are double the resident population.
- > Legislation that would enable bespoke arrangements to be agreed with developers to provide:
 - upfront development contributions
 - land or funding for affordable housing
- > This proposal requests a package of regulatory tools to enable affordable housing, complementing traditional planning solutions, which both Councils continue to prioritise.
 - Legislation to enable bespoke agreements with developers to provide land, or funding, for perpetual affordable housing through a registered Community Housing Provider.
 - Incentives for building on land already zoned and serviced
 - Incentives for build to rent
 - Update to Accommodation Supplement boundary to reflect existing urban areas
 - Mandate short-term letting providers (such as AirBNB) to provide data to Councils
- > Portion of the anticipated mining royalties to be reinvested in wider economic and water resilience, and infrastructure that will be impacted by mining growth.

Light touch proposal requirements:

- Alignment of outcomes with the Strategic Framework priority objectives
- Alignment of the proposed outcomes to the secondary objectives (optional)

| | | Alignment to priority objectives | | |
|--|--|--|--|--|
| Proposed Package: | Proposed Outcomes: |  |  |  |
| Leveraging the visitor economy to boost economic growth | <ul style="list-style-type: none"> > A sustainable tourism system. > A diverse economy where everyone can thrive. | <ul style="list-style-type: none"> ✓ <input type="checkbox"/> ✓ <input type="checkbox"/> | | |
| Transforming the transport system | <ul style="list-style-type: none"> > Provides more efficient and reliable access for people and goods. > Adaptable to change and disruption. > Enhances the livability and quality of the natural and built environment. | <ul style="list-style-type: none"> ✓ <input type="checkbox"/> <input type="checkbox"/> ✓ <input type="checkbox"/> | <ul style="list-style-type: none"> ✓ <input type="checkbox"/> ✓ <input type="checkbox"/> <input type="checkbox"/> | <ul style="list-style-type: none"> ✓ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Securing energy needs for the future | <ul style="list-style-type: none"> > Reliable, resilient and affordable energy supply for businesses and households > A highly innovative, electrified destination that provides a strong brand proposition for visitors and investors alike > Energy infrastructure that allows the economy to thrive, in terms of diversification, productivity and growth | <ul style="list-style-type: none"> ✓ <input type="checkbox"/> ✓ <input type="checkbox"/> ✓ <input type="checkbox"/> | <ul style="list-style-type: none"> ✓ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | |
| Leveraging private investment to deliver public health services | <ul style="list-style-type: none"> > Timely, fit-for-purpose, and contemporary health infrastructure that supports the district’s future population, workforce and economic growth. > Medical tourism contributes to both the economy and the community, increasing the availability of health services to New Zealanders while developing new economic growth from international markets. > Health infrastructure is available to grow the local health system, making existing health services more resilient and able to treat more complex patients. | <ul style="list-style-type: none"> ✓ <input type="checkbox"/> <input type="checkbox"/> ✓ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> ✓ <input type="checkbox"/> | <ul style="list-style-type: none"> ✓ <input type="checkbox"/> <input type="checkbox"/> ✓ <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> ✓ <input type="checkbox"/> | |
| Sharing the value from growth | <ul style="list-style-type: none"> > Community can easily access quality, stable, affordable housing now and into the future > Growth pays for growth. > Visitors contribute their fair share of the cost of providing infrastructure and services. | | <ul style="list-style-type: none"> <input type="checkbox"/> ✓ <input type="checkbox"/> ✓ <input type="checkbox"/> | <ul style="list-style-type: none"> ✓ <input type="checkbox"/> <input type="checkbox"/> |

What is the region seeking from central government?

Light touch proposal requirements:

Outline actions the region will require from government under each heading

Outline in order of priority, under each category, how each intervention applies to your proposed projects/initiatives

In priority order under each heading

Regulatory relief

1. Legislation enabling bespoke arrangements with developers (eg HASHAA).
2. Change regulations to include Queenstown as part of the interconnected National Grid
3. Incentives for build to rent schemes
4. Incentives for building on land already zoned and serviced
5. Streamlined pathway to enable timely partnering with the private sector
5. Streamlined planning and land acquisition pathway to enable critical projects and protect key corridors for eg offline MRT, transmission lines, future transport routes
6. sub-region specific regulatory conditions, for specified highly productive industries, to make it easier for overseas investors and businesses to set up, operate and relocate people. This could be done through a Special Economic Zone and may include:
 - > special visas for workers / investors and their families
 - > ability for workers / investors to purchase properties (over a certain value) with a levy that must be reinvested into the industry
 - > accelerated depreciation if investment made in certain assets
 - > tax deductions to NZ taxpayers on investment in this sub-region
 - > streamlined consenting processes to make it easier for industry specific infrastructure to be built here eg commercial technology precinct, university campus, film infrastructure
 - > Provision for energy innovation initiatives and electrification pilot projects
8. Updated Accommodation Supplement boundary to reflect existing urban areas
9. Mandate short-term letting providers (eg AirBNB) to provide data to Councils.

Improved use of existing or new planning, funding and financing tools

1. A new Visitor User Charge, levied through accommodation providers, for all visitors, to contribute to the cost of providing infrastructure used by visitors.
2. Use of road pricing, Public Private Partnerships, IFFA; refer “Capability, Capacity and Readiness to Implement and Deliver” section for proposed use.
3. Changes to the public transport funding model to enable long term private sector partnering for offline MRT.
4. Use of strategic leasing model for health services.
5. Allocation of funding from the International Visitor Levy to:
 - > critical roading projects and offline MRT
 - > projects that increase the yield from tourism
 - > Stage 2 of the Optimal Visitation model
 - > progress the health models of care for private / public delivery
 - > health services for visitors for which Queenstown Hospital is not funded
5. A portion of mining royalties to be reinvested in wider economic resilience of the sub-region and infrastructure impacted by growth in mining activities.

Government coordination

1. Establish an on the ground advisory function representing NZTE / Invest NZ
2. Launch the Ratepayer Assistance Scheme for solar and batteries, with a pilot in Otago Central Lakes
3. Require Transpower to undertake additional options analysis in the development of the REDP in considering the new line.
4. Partnership with NZTE and Education NZ to focus on increasing post-visit economic benefit (exports, study, skilled migrants).
5. Commitment from Health NZ to ensure that the innovative approach for health services can be accommodated alongside more traditional models.
6. Rapid establishment of robust tourism data sets per MBIE’s Tourism Data Leadership Group’s Ara Whānui 2-year road map.
7. A ‘one-stop’ film permitting process across local government, LINZ, NZTA and DOC to make it easier for films to be produced here.

Reprioritisation of specific existing central government spending

1. Reprioritisation and 10 year commitment of NLTP funding.
2. Ensure that health funding model is based on appropriate population projections and visitor presentations.
3. Prioritise promotion of the sub-region as an outdoor/adventure/location filming hub to attract more international production.

What will the region bring to a regional deal?

Light touch proposal requirements:

Summarise what the region will bring to a deal. This could include (not limited to):

Coordination of planning and funding tools

- Planning decisions
- Funding and financing
- Contributions in kind

Consistent delivery of high numbers of new houses. Queenstown Lakes consistently delivers the highest number of new houses per capita in NZ (29 in 2024 compared to the NZ average of 5), and Central Otago consistently delivers the third or fourth highest (11 in 2024). QLDC has enabled over 1,300 new residential dwelling consents per year (on average since 2019), which is nearly double the residential population demand of approximately 650 to 700 houses per year, and 2-3 times the national average. In 2024 the total number of building consents delivered across the sub-region was exceeded only by Auckland and Christchurch.



Across Otago Central Lakes approximately 7,800 new dwellings, 6,350 in Queenstown Lakes, have been consented since 2019

Continued commitment to Going for Housing Growth. QLDC and CODC District Plans have enough zoned capacity to meet projected growth for the next 30+ years and additional capacity is also anticipated in Master and Spatial Plans. District Plans also enable residential flats inline with recent government changes. QLDC's HBCA shows capacity for over 64,500 additional houses and 84,800 through the proposed intensification plan change over the next 30 years. Central Otago's District and Spatial Plans allow for over 16,000 additional homes over the next 30 years



Across Otago Central Lakes approximately 80,850 to 101,000 additional houses will be enabled over the next 30 years (compared to a demand for housing from residents of approximately 26,000)

Delivering a pipeline of affordable housing. HASHAA enabled QLDC to partner with developers and the Queenstown Lakes Community Housing Trust (QLCHT) to deliver an ongoing pipeline of affordable housing. Land was vested, or the equivalent financial contribution provided to the QLCHT to be held in perpetuity and made available to residents as rentals or to own.



QLDC has facilitated the provision of \$49.6M to the QLCHT through a value capture process from private plan changes and the HASHAA

Private sector investment. There are motivated and well funded private sector players who are committed to partnering with government and council's to deliver key infrastructure for the sub-region.



The private sector has invested an estimated \$1.5bn in tourism over the last 5 years

History of quickly adopting new planning, funding and financing tools. A range of traditional and new tools have been utilised to unlock housing across the sub-region.



HASHAA: Approx. 2,000 houses

IAF: Approx. 5,700 houses

Streamlined Planning Process (Ladies Mile): Approx. 2,400 houses

Policy 5 of the NPS-UD (intensification plan change): Approx. 20,300 houses

Progress has been made on growth infrastructure. The first tranche of critical transport projects from the Queenstown Transport Business Case (QTBC) is well underway. Two major transport projects from the QTBC have been completed, including major upgrades to inground assets, and QLDC's strategic Lakeview development enabled the early delivery of a section of Arterial Stage 2. The full Arterial route has also been designated in perpetuity. As a result of these projects, a multidisciplinary Alliance has been established and is now delivering Government's Queenstown Package.



- Cardrona Water Supply and Wastewater schemes (\$XXM QLDC, \$XXM developer)
- Water Supply compliance upgrades (\$XXM)
- Queenstown town centre upgrades (\$35M QLDC, \$35M Government),
- Queenstown arterial stage 1 (\$82M QLDC, \$50M Government)
- Lakeview portion of Queenstown arterial stage 2 (\$XXXM from who)

Financial commitment to future growth infrastructure. Development of new, and major upgrades to existing, water and wastewater assets are underway across the sub-region. QLDC has committed \$979M in the 2024 LTP to growth related infrastructure, including water infrastructure and local share of transport projects and this will unlock >10,000 houses. This investment may need to be increased to address approved fastrack consents. Central Otago has committed \$110M for growth related infrastructure in the 2024 LTP.



QAC is investing approx. \$400M in implementing its masterplan

Supporting reinvestment of Queenstown Airport Corporation (QAC) profits to support growth. As the 75% shareholder of QAC, QLDC is facilitating QAC's development of the airport to ensure it remains a strong enabler of economic development for decades to come. This work is underway.

What drives growth in the region?

Light touch proposal requirements:

- ☑ Identify areas of growth, existing and potential, and key drivers of that growth
- ☑ Identify action we intend to take to unlock or enable growth
- ☑ Identify action required from central government to support growth

- ☑ Identify the anticipated growth that would be triggered by a regional deal
- ☑ Identify key growth sectors and estimate annual expected growth in revenue and % increase

Maximum 4 paragraphs, additional information may be attached.

Otago Central Lakes is one of NZ's fastest growing areas. In 2000 Otago Central Lakes had only 17% of Otago's population but it now makes up 31% of Otago's population. Within 25 years the combined population will be the same as that of Dunedin and is already only slightly below that of New Plymouth. That growth is significantly fuelled by the sub-region being the tourism gateway to New Zealand. Queenstown Lakes' resident population grew from 42,500 in 2018 to 51,000 in 2023, averaging 3.7% annually and is projected to reach 100,558 by 2053 (2.3% increase from 2023). Central Otago's population grew from 22,200 in 2018 to 26,000 in 2023, averaging 3.2% annually, and is expected to reach 43,390 by 2054 (1.5% increase from 2023). The population growth rate nationally over the five years to 2023 was 1.4%. The national population is forecast to grow 0.8% over the next ten years and 0.7% of the next 25 years.

50% of all growth in Otago's GDP has occurred in Otago Central Lakes since 2000. The Otago Central Lakes economy is \$4.5 billion larger in 2024, in real terms, than it was in 2000 (from \$2.1 billion in 2000 to \$6.6 billion in 2024).

Queenstown Lakes economy has continued to grow in large part due to tourism. Queenstown visitor numbers have recovered much quicker than the rest of NZ, in large part because of Queenstown Airport's work on route development with Australia; international visitor arrivals are 28% higher than in 2019. International visitor spending in 2024 was \$646 million, 110% of 2019 levels.

Central Otago's economy is well diversified and continues to grow rapidly. There has been significant investments and developments in the construction, agriculture, horticulture, viticulture and tourism sectors. Central Otago's GDP grew by 2.8% annually over five years to 2023, outpacing the national rate of 2%. Construction and agriculture, the largest sectors, account for over 35% of employment and have grown despite the recession. Horticulture and viticulture expanded from 3,821 hectares in 2018 to 4,609 hectares in 2023. Visitor spending in 2023 was \$282 million, 28% above 2019 levels and higher in real terms than pre-pandemic.

High growth is putting pressure on infrastructure. Visitor hosting and growth are compromised. Planned 10-year water investments will unlock housing growth, but transport networks are at capacity, energy needs are unmet, health services are insufficient, and current tools fail to ensure visitors and growth contribute to infrastructure costs.

To meet the government's ambition for economic growth fuelled by tourism, investment is required to maintain the visitor experience and resident quality of life. Queenstown Lakes' Tourism Approval Rating score is the lowest in NZ, sitting at 19 which indicates disapproval. As visitor numbers grow, residents' sentiment toward tourism declines, resulting in a less welcoming community and impacting visitor experiences. Transport and infrastructure issues are a major factor. Without intervention, Queenstown risks becoming the next Barcelona.

The fundamental premise of the visitor experience is the landscape, and this must be protected to sustain the experience for decades to come. Visitors can wine taste, bungy jump, jet boat, walk and ride trails anywhere, but people come here because they can do it in this landscape and under these stars. The environment needs to be preserved so that the sub-region has a strong and successful industry in 50 years time.

Otago Central Lakes' stands out as a prime investment destination, offering unique opportunities to increase the productivity of tourism for NZ Inc and to develop new highly productive industries. NZ tourism productivity is lower than other countries. Central Otago's GDP per job is 11% below the national average and Queenstown Lakes is 9% below the national average. Boosting high-productivity sectors and the productivity of tourism will drive economic growth. This proposal requests partnership with, and co-investment from, the government to accelerate these activities, and to ensure the provision of infrastructure requirements to support mining growth and foundational infrastructure to attract high-productivity industries like tech.

Example: Building highly productive sectors. Building the tech sector could add up to 3,000 workers, contribute \$650M-\$1,300M more to GDP, and create over 5,000 jobs in related industries. Technology Queenstown is building this sector.

Example: Building tourism productivity. A 2.5% increase in productivity would add \$26.4M pa to the region's economy and could add \$292M pa to the national economy if productivity improvements were applied across NZ. The development and use of technology to increase tourism productivity would both grow new sectors and increased the yield from tourism.

Light touch proposal requirements:

- ☑ Provide summary of any current or previous collaboration between the councils involved in this application and central government (eg urban growth partnership), including information about how long they have been in place, what activities they cover and their outcomes.

- ☑ Identify any relationships outside of existing central government partnerships that may need to be engaged as part of a Regional Deal.
- ☑ Explain how these partnerships would support a Regional Deal.

Maximum 6 paragraphs only for whole partnership section.

Grow Well Whaiora Urban Growth Partnership (“GWW partnership”)

QLDC and ORC are part of the GWW partnership. The UGP has been in place since 2018 and includes representatives from Ngāi Tāhu, NZTA, Kainga Ora, Department of Internal Affairs, Ministry of Housing and Urban Development, Ministry of Business, Innovation and Employment and Ministry of Education. Treasury has also been involved at times when required. CODC will be formally invited to join the partnership. It is anticipated that this partnership would be leveraged as the governance for a Regional Deal. The structure, membership and responsibilities would need to be reviewed to ensure it is fit for purpose. NZ Trade and Enterprise and Health NZ would also need to be engaged in a Regional Deal, and in a revised GWW partnership, depending on the agreed packages.

Way 2 Go Partnership

QLDC, ORC and NZTA make up the Way to Go partnership, responsible for the roading packages under the Queenstown Business Case. This group is already part of the wider spatial plan activities overseen by the GWW partnership. It is anticipated that the link with the GWW partnership may need to be more formalised.

Kā Huanui a Tāhuna, Whakatipu Transport Programme Alliance

QLDC, ORC and NZTA have partnered with four design and construction companies (Beca, WSP, Downer, Fulton Hogan) to deliver several key cornerstone projects for Queenstown (including COVID shovel ready projects).

Southern Lakes Health Services Working Group

CODC and QLDC are currently collaborating through a working group on the Health Services and Assets Strategic Report for Southern Lakes. This work was independently led and involved Mayors, local MPs, Health NZ, rural health providers, Kāi Tāhu, kaupapa māori health providers and private providers.

Otago Regional Economic Development (ORED) Group

Economic development managers from across the Otago region regularly meet and collaborate on economic development matters. It is expected that this group would continue and support the agreed activities under a Regional Deal.

Partnership with the Queenstown Lakes Community Housing Trust (QLCHT)

QLDC has an enduring partnership with the Queenstown Lakes Community Housing Trust (QLCHT). To date QLDC has facilitated \$49.6M worth of land and monetary contributions to the QLCHT through a value capture process, and \$11M from direct land transfers from Council. This has been enabled by both local and central govt. through district plan and the HASHAA legislation. This collaboration between local govt, developers and a registered community housing provider is covered by many agencies across NZ. QLCHT currently has 195 homes in its portfolio and has assisted over 330 households. Another 70 are under construction, with a further 50 in design and planning stage.

Regional Tourism Organisations

Destination Queenstown, Lake Wānaka Tourism, Tourism Central Otago partner together through Southern Lakes Event Investment Panel, Southern Lakes International Marketing Alliance, and Southern Way and have partnered with the respective councils on Destination Management Plans.

Film Otago Southland

A Trust supporting screen productions across Otago and Southland and is funded by the Otago councils including CODC and QLDC. Film offices at each council work together and with FOS to collaborate on film opportunities across the sub-region.

Technology Queenstown

A development agency established after collaborative between the private sector, QLDC and MBIE. Now fully private sector funded and operated.

Other BAU collaboration

ORC, QLDC and CODC regularly collaborate on public transport planning. ORC and QLDC have a strong proactive, collaborative relationship for hazard management eg Head of the Lake adaption strategy.

A regional deal would require new formal relationships between councils and the private sector, Health NZ, NZ Trade and Enterprise, Invest NZ, Overseas Investment Office and Immigration NZ.

Light touch proposal requirements:

All participating Councils must show commitment to broader government reform objectives. Outline current and planned actions councils will take to progress towards alignment with:

- Local Water Done Well
- Going for Housing Growth
- Fast-Track Consenting Bill

- RM reforms
- National Infrastructure Pipeline / Infrastructure Priorities Programme
- GPS Land Transport
- “Anything else relevant” e.g. NPS-UD
- Include how central government can help councils meet reform expectations.

Maximum 6 paragraphs only for whole partnership section

This proposal sets out a range of ways that government support through a regional deal can support the partner councils’ ability to implement key government reforms. To achieve the objectives of these reforms the sub-region needs transformation in the approach to infrastructure investment.

The proposal supports the ability to progress Going for Housing Growth and Fast Track Consenting by enabling faster pace of infrastructure investment alongside Council investment. The packages also support the ability of partner councils to fund planned growth infrastructure (e.g. water) and ensure that “growth pays for growth” and visitors contribute their fair share.

Queenstown Lakes District Council:

Local Water Done Well: QLDC has shown that in-house water services could be financially sustainable. While a combined Otago Southland water services entity was considered, other councils opted out. QLDC is exploring a joint entity with a smaller group and working with DIA on options for a single council CCO.

Going for Housing Growth: QLDC District Plan has enough zoned capacity to meet projected growth for the next 30+ years. Additional capacity is also anticipated through the intensification plan change and the Spatial Plan. The proposed intensification plan change promotes density in the right locations, and the PDP enables a range of mixed uses. QLDC is confident that it already complies with, or is working towards, the majority of the requirements, including reviewing its DC policy. This doesn’t require any joining up across the region.

Fast Track Consenting: QLDC has developed a process to review and submit on fast track proposals. All responses will be aligned with the QL Spatial Plan and infrastructure investment priorities. There is one fast track proposal that spans QL and CO districts and QLDC and CODC are considering this project together.

RM Reforms: The potential challenges of inter-district collaboration in spatial and district planning is being discussed, and the differences between inland and coastal Otago may lead to sub-regional groupings for these activities. CODC has initiated the process to join the Grow Well Whaiora partnership.

NIP / IPP: QLDC regularly supplies updates for the NIP and will be submitting key projects referred to in this proposal for the IPP.

GPS Land Transport: QLDC has reprioritised its transport programme based on the revised transport priorities and is confident that this proposal aligns with them.

Central Otago District Council:

Local Water Done Well: CODC has determined that the status quo delivery of three waters services is not financially sustainable and is exploring establishing either a single council CCO water services entity (WSE) or a regional CCO WSE. The four councils collaborating on the regional CCO WSE are working closely with DIA.

Going for Housing Growth: CODC has completed spatial planning for Vincent, Cromwell and Teviot Valley specifically to accommodate future growth in housing, commercial and industrial capacity. Coupled with this has been the ongoing District Plan rolling review with the Residential Chapter addressing future housing growth completed in 2024 and the Rural Chapter will be reviewed 2025-26. CODC is confident that it already complies with, or is working towards the majority of requirements.

Fast Track Consenting: CODC has developed a process to review and submit on fast track proposals and will be working closely with the regional council in coordinating efforts. CODC has two to consider with the more significant one being the planned gold mine in the Bendigo-Tarras area. The second project spans Central Otago and Queenstown Lakes and CODC and QLDC are considering this project together.

Central Otago District Council (continued):

RM Reforms: CODC is actively looking at how respective spatial plans for Cromwell are synchronised. CODC is confident that this will extend to Alexandra as growth pressure continues to expand out from the Queenstown-Cromwell-Wanaka triangle. CODC has initiated the process to join the Grow Well Whaiora urban growth partnership.

NIP / IPP: CODC has not previously provided project updates to the NIP and with the planned adoption of its Long Term Plan in June 2025, will be in a position to start contributing with a much higher degree of certainty. Relevant or significant projects will be submitted for the IPP as well from that date.

GPS Land Transport: CODC has reprioritised its transport programme based around the revised transport priorities and is confident this proposal aligns with them.

Otago Regional Council:

Local Water Done Well: For LWDW, ORC is a regulator. The importance of understanding and delivering high quality infrastructure is critical to looking after our environment, especially recognising that the region's unique landscapes are one of the major attractions for tourists.

Going for Housing Growth: ORC is a partner in the Grow Well Whaiora urban growth partnership, and a contributor to the second generation Spatial Plan. As for QLDC, ORC is committed to doing its part to achieve these government objectives.

Fast Track Consenting: ORC has developed a process to manage any applications lodged under the Fast Track Approvals Act 2024. This process will ensure effects on the environment are understood and provided to the decision maker. ORC retains its regulatory roles on any granted consents.

RM Reforms: ORC understands one of the reform objectives is better aligned regional plans. This means ORC is in the unique position to deliver on this, leveraging the direction in the Regional Policy Statement and the existing relationships with QLDC (and DCC) to deliver Future Development Strategies.

NIP / IPP: Not applicable to regional councils.

GPS Land Transport: ORC is committed to achieving the direction set under the GPS for Land Transport, including actively working to increase our private share for public transport.

Light touch proposal requirements:

- ☑ Confirm if there is an existing commitment to clear regional spatial priorities as set out in a regional plan, growth strategy, FDS

- ☑ Comment on how the regional spatial priorities support the regional deal.
- ☑ Comment on how the regional deal could improve the spatial plan.

Maximum 4 paragraphs only.

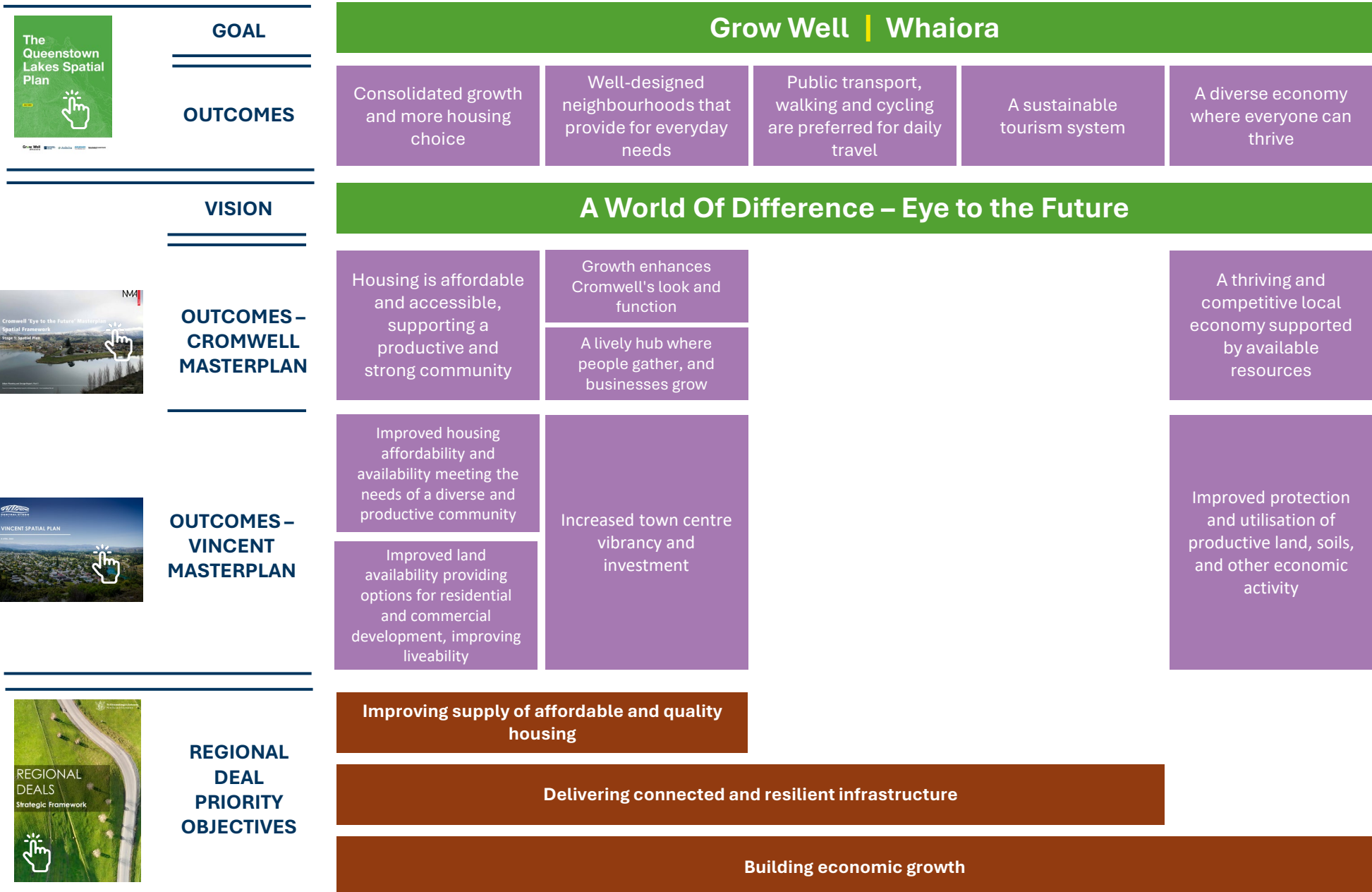
There are currently separate Spatial / Master Plans for Queenstown Lakes, Cromwell and Vincent, although the visions and outcomes across these are consistent with a common strategic direction for the Otago Central Lakes. The various visions and outcomes have been mapped to each other, and the Regional Deal Strategic Framework, on the following page. This includes:

- > Consolidated growth with improved housing affordability and quality
- > Well designed town centres and neighbourhoods
- > Delivering connected and resilient infrastructure including Public Transport
- > A sustainable tourism system
- > A thriving economy
- > Protection and utilisation of productive land

These joint regional spatial plan priorities are directly aligned to the priority objectives of the Regional Deal Strategic Framework (alignment outlined on the next page) and have formed the basis for the outcomes sought from this proposal. The proposal sets out packages of work that have been envisioned for some time as critical to achieving Otago Central Lakes spatial priorities; the regional deal is seen as an effective vehicle to deliver these projects and outcomes. The regional deal will provide a pathway to deliver the infrastructure investment needed to preserve the environment, resident quality of life and the visitor experience, whilst enabling the Otago Central Lakes to *Grow Well*.

The QL Spatial Plan is the primary output from the Grow Well Whaiora urban growth partnership. This document considered Cromwell as a “soft boundary” in identifying challenges, future needs and outcomes. The future vision for Central Otago and Queenstown Lakes are intertwined due to the integrated nature of economic flows, commercial sectors (e.g. construction), dispersed mobile workforce, freight needs and the underpinning importance of tourism. CODC contributed to the QL Spatial Plan and attended the key stakeholder workshops. In addition, CODC has been attending the Grow Well Whaiora Partnership Steering Groups and has initiated the process to join formally. ORC is a member of the Grow Well Whaiora partnership to ensure that agreed spatial priorities are reflected in future regional plans.

This proposal is based on existing strategic planning documents and aims to achieve Otago Central Lakes spatial priorities. It outlines essential projects and sees the regional deal as crucial for delivering these outcomes. Without the deal, the sub-region knows what is needed for growth, preserve visitor experience and residential quality of life but lacks a way to implement it.



Light touch proposal requirements:

Outline the region's readiness to deliver a regional deal, including:

- ☑ What support will there be from the private sector and iwi/māori for the proposal, including what role they may play in funding and implementing initiatives.
- ☑ Provide relevant example of delivering infrastructure projects and how these were

managed.

- ☑ Include references to proven existing partnerships with key entities in the region such as the private sector and iwi/māori.

Examples of partnering to deliver infrastructure projects

This proposal for the most part sets out infrastructure projects that would be delivered by the private sector or central government agencies rather than by the local government partners directly.

The transport package requires partnership between regional government, local government, central government and the private sector to progress. QLDC has partnered with central government and the private sector to deliver key transport projects through the Way 2 Go partnership and the Ka Huanui a Tahuna Alliance. The Alliance has successfully delivered Queenstown town centre upgrades, the first stage of the Queenstown arterial and is currently delivering further stormwater upgrades in the Queenstown town centre and the Frankton Intersection and Bus Hub Improvement project.

There are significant lessons learned through this partnership that would inform the establishment of delivery and oversight arrangements for a regional deal.

Furthermore, the development of the REDP is the result of effective partnering between Transpower, the EDBs and QLDC. Territorial authorities do not typically become highly involved in energy demand forecasting and transmission planning, but the problem is acute in the sub-region and has required extensive advocacy.

Potential role of the private sector

There is significant opportunity for the private sector to invest in the proposed packages in various different forms. There are opportunities for traditional Public Private Partnerships as well as more innovative partnering arrangements to enable the parallel delivery of private and public services. There are also opportunities for private financing and delivery of infrastructure that is then leased by the public sector, or provides services to the public sector under contract.

There are a number of private sector parties that have expressed committed interest in investing in an offline MRT and developing private facilities that public health services can be delivered from.

Potential role of Ngāi Tahu

Ngāi Tahu's seven Papatipu Rūnanga have expressed their collective support for an Otago Central Lakes Regional Deal to drive smart economic growth and much-needed infrastructure. They have confirmed commitment to collaborating to realise shared goals.

This collaboration will secure the durability of the Ngāi Tahu Claims Settlement Act 1998 and enable Papatipu Rūnanga to realise economic and environmental aspirations that benefit the whole community. Ngāi Tahu has expressed a range of multi-faceted interests in a regional deal, in particular:

Economic Growth and Sustainability: Queenstown Lakes is a significant economic hub for the Otago region and New Zealand as a whole. A Regional Deal would ensure

sustainable growth, long-term national economic benefits, and stable employment opportunities. A Regional Deal would also facilitate increased Ngāi Tahu investment in this region, at a point in time when – Papatipu Rūnanga and Te Rūnanga o Ngāi Tahu – are searching for new opportunities. Coordinated investment and growth targets would assist in this regard.

Collaborative Governance: A Regional Deal is an opportunity for Papatipu Rūnanga, central government, local government, and the private sector to demonstrate partnerships that materially benefit all participants and society. This advances an overarching desire of Papatipu Rūnanga to enrich the communities we are part of. These constitute strong foundations upon which a Regional Deal can be built.

Light touch proposal requirements:

- How will the initiatives be successfully funded, implemented and delivered

The proposed regional deal will be delivered by a mixture of traditional and new funding and financing tools. Specific delivery mechanism will need to be designed on a project-by-project basis, working within the urban growth partnership governance structure. It is likely that these will require a combination of public and private partnerships developed on a case by case basis.

New tools:

- > **Infrastructure Funding and Financing Act** could be used to finance bridges, offline MRT, balance of the Queenstown Arterial.
- > **Private sector** could finance, deliver and operate an offline MRT, and finance and deliver a hospital in Queenstown.
- > **Road pricing** could be used to shift demand to offline MRT or to a different time to alleviate peak time congestion or to fund infrastructure builds.
- > **Public Private Partnerships** could be used to finance and deliver critical infrastructure builds.
- > **Local Visitor User Charge** could be charged through accommodation providers and enable visitors to contribute to the cost of infrastructure required to support visitors.
- > **International Visitor Levy** could be used to create a fund for the sub-region to contribute to the cost of delivering critical infrastructure required support growth as well as projects that grow the visitor economy.
- > **Transport network augmentation charges** could be used so that future greenfield developments must contribute to the cost of state highway improvements required to support growth.

Traditional tools:

- > **National Land Transport Fund.** If Otago Central Lakes is successful in their proposal and a Regional Deal is made with Government, this indicates the importance of the sub-region to economic growth in NZ. On that basis the NLTF should be reprioritise to reflect this.
- > **Farebox recovery for offline MRT.** It is anticipated that offline MRT will be partially funded through direct charging to users with differential pricing for residents and visitors. Offline MRT could yield \$18M from farebox charges annually by 2028 and \$37M by 2048, with a \$5 fare for an end-to-end trip. There is potential for higher revenue by increasing mode-share through land use intensification, redesigning bus services and parking strategy changes.
- > Council's will continue to fund local share of transport projects, and other growth infrastructure, through their LTPs.

Light touch proposal requirements:

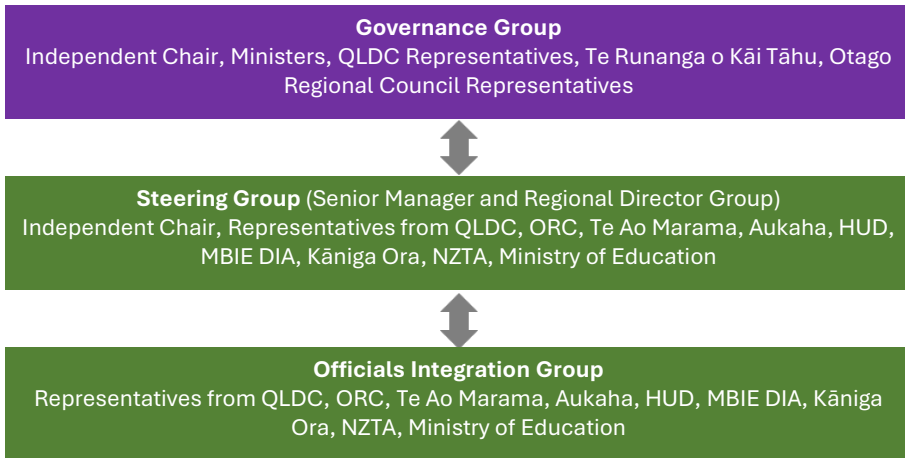
- ☑ What are the proposed governance arrangement between local authorities working together within the regional deal

No limit on content for this section.

The Grow Well Whaiora Partnership has been operating since 2018

The Grow Well Whaiora Partnership (GWW) was established in 2018 under the government’s Urban Growth Agenda. The GWW is a partnership between central government (primarily HUD, DIA, Kāinga Ora, NZTA, MBIE & Ministry Education), Ngāi Tāhu, ORC and QLDC. The core purpose is to provide a forum for the parties to collaborate on the strategic direction for the Queenstown Lakes area through aligning and prioritising objectives, effective coordination and delivery, improved ways of working together and supporting new/amended polices, legislation and tools. CODC has initiated the process to join the Grow Well Whaiora urban growth partnership.

The GWW partnership currently has a tiered governance structure, as set out below, with an independent chair and whose primary purpose is to oversee the delivery and implementation of the QL Spatial Plan through a joint work programme.



The GWW partnership (with the below modifications) is considered an ideal structure to implement a Regional Deal.

The advantages of leveraging the existing UGP are:

- > Strong partnership with existing structure
- > A collaborative approach to tackling growth, which has considered subregional interactions
- > Buy-in from all partners to implement the QL Spatial Plan. This could be easily extended to include Cromwell and Vincent Masterplans.
- > Simple structure with proven track record with systems set up
- > Buy-in from the community and other key stakeholders

Opportunity to build on and expand the role of the GWW partnership

The following would need to be considered as part of the Regional Deal negotiations:

- > Membership & Structure : Role, representation and membership of each of the groups, including the role of the private sector.
- > Secretariat: The setting up of an external secretariat, independent chair and role of internal staff (GWW currently managed internally by QLDC).
- > Funding & financing agreement between parties
- > Relationship with other groups eg CE and Mayor forum.
- > Delegations (if any).
- > Delivery models, including standalone entities.
- > Implementation monitoring.

UNDER DEVELOPMENT

References / sources – to be completed at final stages

Section 3

Proposed Priority Packages

Refer Attached A3s

Visitors and Investors

STRATEGIC VISION

The rapid increase in visitors and residents across Otago Central Lakes has stretched infrastructure networks and is putting pressure on the environment and social licence from the community. In addition, recent experiences of COVID and a prolonged domestic recession have reinforced the region's reliance on a few key industries, leaving the economy particularly vulnerable to external forces.

The Otago Central Lakes vision focuses on building economic resilience, capability and productivity, and prioritises increasing the yield and holistic value of tourism. These are reflected in two key spatial priorities:

✓ A sustainable tourism system

- > Better coordination across the tourism system is needed to ensure visitors tread lightly and are a welcome contributor to the social, economic, cultural and environmental story of the sub-region.
- > Infrastructure must support a great visitor experience and a welcoming host community.
- ✓ A diverse economy where everyone can thrive / A thriving and competitive local economy
- > Proactive steps must be taken to diversify the economy, supported by well located space for business and resilient transport connections.

OUR PROPOSED INVESTMENT PACKAGE

Position Otago Central Lakes as NZ's investment and business 'shopfront'

With direct flights to major cities, dramatic landscapes and high living standards, the sub-region is highly attractive to expatriates, digital nomads and business executives alike, fostering a conducive business environment.

Position the sub-region as NZ's international gateway for investment and business by establishing an Invest NZ / NZTE presence. This would allow visiting investors and businesspeople to connect with agencies and businesses (including local) focused on growing NZ exports, investment and innovation.



Reallocation of funding from NZTE / Invest NZ towards targeted promotion and on-the-ground advisory function



Able to commence immediately.

Increase the total value of the visitor economy



There is potentially \$3.6B in additional economic benefit that could be generated by boosting post-visit NZ export sales and attracting talent and investment

Partnership between Councils, Regional Tourism Operators, NZTE and Education NZ can increase post-visit economic benefit through:

- > Enhancing marketing to leverage brand loyalty to sell more NZ exports to people who have visited the region.
- > Attracting talent via study and skilled migration through targeted campaigns to visitors.



2.5% increase in tourism productivity could add \$26.4M pa to the region's economy and \$292M to NZ's economy

Funding from the International Visitor Levy can be used to increase the yield from tourism by:

- > Supporting technologies and tourism business models that boost productivity and retain greater profits within NZ.
- > Promoting NZ developed technology solutions for hospitality and tourism as an export niche.
- > Using data collection and analytics to enhance marketing, visitor satisfaction, product development, and impact management.



\$800k pa over 5 years from the IVL



Could commence immediately

Power sustainable tourism through data driven insights

Otago Central Lakes is a high growth sub-region with NZ's strongest tourism economy, which has further potential to grow. The ability to continue to host visitors while delivering a positive visitor experience will be compromised by both decreasing community sentiment and infrastructure that is at capacity.

Otago Central Lakes councils have invested \$250,000 in an "Optimal Visitation Model" to help understand potential tourism impacts and identify intervention points (including investment) for sustainable tourism. However, the lack of quality data on the visitor economy hinders tourism impact modelling. Consistent and comparable tourism data is crucial for setting strategic targets, and making decisions that benefit the community and economy at a local and national level.

There are opportunities to maximise economic growth and investment opportunities across the tourism system for NZ by investing now in:

- > Rapid establishment of robust tourism data sets per MBIE's Tourism Data Leadership Group's [Ara Whānui 2-year road map](#).
- > Stage 2 of the OV model development so that the prototype can be operationalised and stage 3 of the OV model to extend for wider use.



IVL contribution of \$250k to operationalise the OV Model.



Could commence immediately.

Grow highly productive sectors

Building on the recently announced Active Investor Plus Visa, further sub-region specific regulatory conditions should be created, to make it easier for overseas investors and businesses to set up, operate and relocate people. This could be done through a Special Economic Zone.

Case Study: Accelerating growth of a regional tech sector

- > Accelerated planning approvals for commercial technology precinct and university campus
- > Special visas for technology sector workers / investors and their families, tied to the sub-region
- > Ability for technology sector workers / investors to purchase properties (over a certain value), with a levy reinvested into sector growth in the sub-region.
- > Accelerated depreciation for investment in digital enabling assets and cyber security services

- > Tax deductions to NZ taxpayers on investment in Otago Central Lakes technology companies
- > Corporate tax relief in early establishment



The region's tech sector could reach \$1bn in 20 years without government help. Technology Queenstown believes these low-cost regulatory interventions could achieve this in half the time.

Case Study: Building the film industry

- > Streamlined consenting processes to make it easier for film related infrastructure to be built here.
- > A 'one-stop' film permitting process across local government, LINZ, NZTA and DOC to make it easier for films to be produced here.
- > Promotion of the sub-region as an outdoor/adventure/location filming hub to attract more international production.



Potential costs and revenues have not yet been assessed.



Able to commence immediately.

Visitors and Investors (continued)

| PROPOSED REGIONAL DEAL OBJECTIVES | ALIGNMENT WITH REGIONAL DEAL STRATEGIC FRAMEWORK PRIORITY OBJECTIVES | ALIGNMENT WITH GOVERNMENT'S PRIORITIES |
|---|---|--|
| 1. A sustainable tourism system | ✓ Economic growth (Jobs and skills, Productivity) | ✓ Backing economic growth, tourism |
| 2. A diverse economy where everyone can thrive / A thriving and competitive local economy | ✓ Economic growth (Jobs and skills, Standard of living, Productivity) | ✓ Invest NZ establishment & NZTE refocus |

THE CASE FOR CHANGE

Otago Central Lakes' ability to host continued visitor growth is increasingly compromised by infrastructure capacity and community sentiment. The Otago Central Lakes vision focusses on leveraging our strengths by ensuring that growth occurs in a sustainable way so that the sub-region enjoys a thriving tourism sector for decades to come. Private investment by tourism businesses has been significant in the last five years (estimated at over \$1.5bn), but there is limited appetite to continue investment if the Government doesn't invest in critical infrastructure.

Without intervention there is a significant risk that community sentiment and the condition of the natural landscape declines and that this translates into an unwelcoming and negative visitor experience.

The Otago Central Lakes vision for the visitor economy, as set out in the respective Destination Management Plans and funded through Council LTPs, aims to boost tourism business productivity while managing infrastructure, environmental, and community impacts...

...while also supporting the development of new, highly productive sectors that can attract overseas investment and new businesses.

Case Study: The "Barcelona effect"

International destinations like Barcelona have seen resident protests against tourism, garnering worldwide attention and creating a reputation of local hostility. Queenstown Lakes is one of the few destinations in NZ that has the potential for similar behaviour. The area's dispersed residential layout may be the primary reason such displays of discontent haven't yet occurred.

Negative resident sentiment to tourism significantly impacts visitor experience. Queenstown Lakes resident's approval ratings have been decreasing consistently since border restrictions were eased and significant volumes of visitors returned and are significantly lower than for the rest of NZ, particularly as it relates to international tourism.



This stark difference shows the precariousness of tourism's social license in this sub-region and highlights the urgent need to cultivate positive community attitudes by improving infrastructure and implementing effective destination management practices. This will ensure visitor satisfaction, maintain the destination's appeal, and encourage return visits.

Case Study: Achieving Growth Through Strategic Capacity Management

Like other leading tourism destinations, Cardrona Alpine Resort recognised that unchecked visitor growth can erode the quality of the visitor experience. The resort identified a direct link between rising visitor numbers and a declining Net Promoter Score (NPS), showing that growth without controls can undermine satisfaction.

In response, Cardrona introduced a capacity management model to regulate daily numbers and implemented dynamic pricing to influence visitor behaviour.

These measures led to a measurable improvement in NPS and increased profitability by 6–7%, demonstrating that growth can be achieved through higher-value visitation rather than simply increasing numbers.

By prioritising experience over volume, Cardrona strengthened its financial position, enabling investment in infrastructure and the expansion into Soho Basin.

This approach directly aligns with the Otago Central Lakes vision, which sets out a clear pathway for growing the visitor economy through smarter management of visitor flows, investment in high-quality experiences, and community-focused development.

Government support will ensure that the sub-region can deliver on this strategy, securing long-term economic benefits while maintaining Otago Central Lakes' reputation as a world-class destination.

Case Study: Establishing a Technology Sector

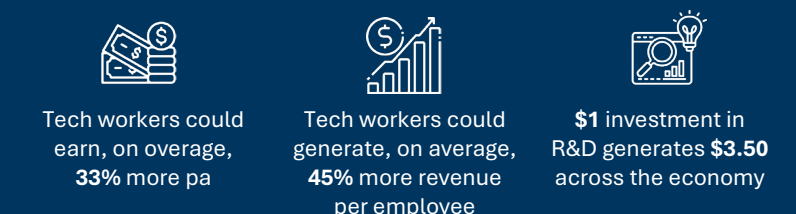
A dedicated technology development agency has been established to accelerate building a world-class sector in the sub-region. This was initially co-funded by QLDC and MBIE but is now fully private sector funded and is an example of how a small amount of public investment can kick-start significant economic benefits.

POTENTIAL BENEFITS:

Potential size of a thriving tech ecosystem by 2043:



Broader economic benefits from the tech ecosystems:



* Sourced from Accenture's "Building a world-class technology sector in Queenstown Lakes District" report

STRATEGIC TRANSPORT VISION

Otago Central Lakes’ vision is to establish a resilient and efficient transport network that bolsters economic growth and enhances the visitor experience. The vision emphasizes sustainable development and innovative solutions to overcome geotechnical challenges, ensuring the sub-region remains a top-rated destination for tourists and continues to grow as an economic hub. The future envisions optimized travel times using a transport network that moves people and freight in the most sustainable and efficient manner.

The vision considers transport needs relating to tourism, workforce movements and freight. Cromwell is an increasingly important hub for freight and commercial businesses serving the wider sub-region and there is a large mobile workforce that travels across the sub-region.

Efficient and resilient transport is critical to achieving three spatial priorities:

- ✓ Consolidated growth and more housing choice
- ✓ Well designed neighbourhoods
- ✓ Public transport, walking, cycling are preferred for daily travel
- ✓ A sustainable tourism system
- ✓ A diverse economy

The vision identifies the following initiatives to deliver these outcomes:

- > A future offline MRT solution is anticipated as roading solutions alone will not be sufficient. Set out in NZTA’s [Queenstown Business Case](#), ORC’s [Queenstown Public Transport Business Case](#), [QL Spatial Plan](#).
- > A sub-regional public / on demand transport service connecting Alexandra, Cromwell, Wānaka and Queenstown, providing options for residents and visitors to travel conveniently around the sub-region. Set out in ORC’s [Otago Regional Public Transport Plan](#), [Queenstown Public Transport Business Case](#), [QL Spatial Plan](#).

TRANSFORMATIONAL TRANSPORT - PROPOSED INVESTMENT PACKAGE

This proposal recommends a transformation of the transport network to unlock housing and economic growth...

The proposed Regional Deal would deliver a redesigned transport network based on innovative integration between offline Mass Rapid Transport and road based transport in Queenstown. MRT is required to maximise the limited operating capacity of the transport network. Offline MRT, such as ropeways (eg Gondola, Whoosh), helps alleviate road congestion by offering transport that bypasses traditional road networks. The Queenstown Transport Business Case clearly sets out the case for MRT in Queenstown as a long-term solution. The proposed Regional Deal would bring forward offline MRT.

The proposed Regional Deal would also deliver a bus service linking Alexandra, Cromwell, Wānaka and Queenstown. This service would efficiently move the dispersed workforce across Otago Central Lake required to support economic growth. Not only will this provide a cost-efficient and congestion-reducing solution, the easy commute to Queenstown would enable further development in Central Otago and provide greater housing choice.

...supported by resilient transport routes that cater to the growing population ...

The proposed Regional Deal would review the current transport investment package to identify critical short to medium term investments that will require alternative tools (outlined below) and commitment to a contribution within appropriate timeframes through the NLTP. These projects will be needed alongside offline MRT to support growth in priority development areas and facilitate efficient transport networks (eg Frankton Flats upgrades), facilitate efficient freight movements across the sub-region (eg Kawarau Gorge upgrades), and ensure key routes are resilient to shock events (eg Arthurs Point bridge upgrades). Planning for future needs on strategic routes (eg Kawarau Gorge) and protection of future strategic corridors (eg SH6 realignment) also needs to be prioritised to ensure that the needs of today do not overshadow ensuring that economic growth can continue for the next 30 years. The proposed Regional Deal would deliver a streamlined consenting / designation pathway for critical projects and protection of future strategic corridors.

... delivered through partnership with the private sector...

A major advantage of offline MRT is that there are clear opportunities for private financing and long term operation that are not available for traditional roading projects. The local private sector has already begun investing in solutions and have indicated they are ready to immediately partner to deliver an offline MRT solution.

The Regional Deal will facilitate partnership with the private sector to develop an optimised, connected, well-planned transport network that provides connectivity

between offline MRT and the roading network.

The Regional Deal would deliver a streamlined pathway to enable timely partnering with the private sector to deliver this transformation for the transport sector. The best party to lead the project will be enabled to do so.

There are a number of potential critical roading investments that could suit a Public Private Partnership approach supported by road pricing. For example the balance of the Queenstown town centre arterial road stages.

...enabled by a range of non-traditional planning, funding and financing tools.

The Regional Deal would leverage a range of non-traditional tools to fund / finance this package and to shift road usage to offline MRT:

- > Private sector financing
- > Road pricing (congestion charging to shift demand to offline MRT or to a different time to alleviate peak time congestion)
- > Road pricing (tolls to fund infrastructure builds – bridges, arterial)
- > Public Private Partnerships (to finance and deliver bridges, arterial)
- > Local Visitor User Charge and/or International Visitor Levy (to part fund critical roading projects and/or offline MRT)

- > IFFA (to finance bridges, offline MRT, arterial)
- > Fare box recovery (to fund offline MRT, regional bus link)
- > Reprioritisation, and longer-term commitment, of NLTP funding (to fund critical roading projects)
- > Network augmentation charges for future greenfield developments

The Regional Deal would deliver a streamlined planning and land acquisition pathway for an offline MRT corridor so that solutions can be delivered in a timely and efficient manner, as well as changes to the public transport funding model to enable long term private sector partnering for offline MRT.



Costs have been estimated for most parts of the proposed package through business cases , but these need to be updated to ensure currency to fully reflect an agreed package. The **total package cost would likely be >\$500M**



Costs of the proposed package will be offset by fare box revenue as well as revenue earned through potential road pricing, IFFA levies and network augmentation charges. Further work needs to be completed to fully understand the revenue opportunities of an agreed package, but it is likely the **total package revenue could exceed \$40M per year.**



Could commence immediately

Many interventions included in the proposed package are well developed and could commence immediately. Private sector work is underway and delivery could likely be within 2 years.

Transform Transport (continued)

THE CASE FOR CHANGE

Addressing transport needs across Otago Central Lakes is critical to ensure that tourism and other businesses continue to grow, that a high quality of life continues to attract residents and businesses, and a high quality visitor experience continues to attract visitors.

- > Whakatipu’s roading network will reach capacity with existing zoned development, before considering greenfield development or intensification. Some routes already exceed capacity 40% of the time.
- > Key tourist, freight and commuter routes are susceptible to shock events due to their age, condition and reliance on a small number of key routes. Disruption to these routes would have significant economic impacts on the sub-region, and NZ’s, economy.
- > Visitor feedback highlights traffic congestion as the main drawback in an otherwise highly rated destination, risking visitors bypassing Otago Central Lakes leading to tourism impacts for the sub-region and NZ Inc.
- > Peak hour people trips are forecast to double on key routes.
- > By 2028, average travel times will match today's peak. For example, peak times between Lake Hayes Estate and Queenstown Town Centre (11km trip) are projected to regularly exceed 60 minutes.
- > By 2028, Queenstown Town Centre would require an additional 3,000 car parking spaces.

Percentage of peak period travelers using alternatives to private cars must increase to 60% by 2048 on key routes to prevent these impacts because additional road capacity for key routes is unfeasible due to cost and geotechnical challenges.



A model update is currently being procured; since modelling was done growth has occurred faster and investment slower than anticipated.

Modelling is being updated to consider the:

- > impact of accelerated growth from proposed Fast Track consents. For example, high-level analysis suggests that by 2027/28, peak travel times between the Southern Corridor / Te Tapuae and Queenstown Town Centre will regularly exceed 60 minutes.
- > changing make up of the workforce across Otago Central Lakes. Enabling commuter transport to Queenstown from other parts of the sub-region would enable greater housing choice and affordability by opening up Central Otago as a viable, commutable option for housing for people working in Queenstown.

| PROPOSED REGIONAL DEAL OBJECTIVES | ALIGNMENT WITH REGIONAL DEAL STRATEGIC FRAMEWORK PRIORITY OBJECTIVES | ALIGNMENT WITH GOVERNMENT’S REFORM PRIORITIES |
|--|--|--|
| 1. Provides more efficient and reliable access for people and goods that [source: QTBC] : <ul style="list-style-type: none"> - Sustainably manages growth - Enables enhanced land use <p><i>The proposal aims to ensure that residents and visitors can move easily around the sub-region, enabling productivity improvements, and continued business and housing growth across Otago Central Lakes.</i></p> | <ul style="list-style-type: none"> ✓ Economic growth (Standard of living, Productivity) ✓ Connected and resilient infrastructure (Connected communities and businesses, Enables development including housing) ✓ Affordable, quality housing (Build ready land) | <ul style="list-style-type: none"> ✓ Going for Housing Growth ✓ Fast-Track Consenting ✓ GPS Land Transport (Economic growth and productivity, Increased maintenance and resilience) |
| 2. Adaptable to change and disruption [source: QTBC] <p><i>The proposal aims to ensure the resilience of critical freight, commuter and tourism routes.</i></p> | <ul style="list-style-type: none"> ✓ Connected and resilient infrastructure (Resilient to natural hazards and climate change) | <ul style="list-style-type: none"> ✓ GPS Land Transport (Increased maintenance and resilience) |

WHAT LOCAL GOVERNMENT IS BRINGING TO THE DEAL

Financial contribution to first tranche of critical transport projects. The first tranche of critical projects is well underway. Two major transport projects from the QTBC have been completed, including major upgrades to inground assets – Queenstown town centre upgrades (\$35M QLDC, \$35M Government), Queenstown arterial stage 1 (\$82M QLDC, \$50M Government) and QLDC's strategic Lakeview development enabled the early delivery of a section of Arterial Stage 2. As a result of these projects, a multidisciplinary Alliance has been established and is now delivering Government's NZUP Queenstown Package (~\$250M). The full Arterial route has also been designated in perpetuity.

Well established Tier 1 and 2 contracting market. QLDC’s sustained investment in infrastructure assets and services and a secure forward pipeline of works has led to the development of a well-established contracting market.

Financial commitment to growth infrastructure. QLDC has committed \$979M in the 2024 LTP to growth related infrastructure, including local share of transport projects, and this will unlock >10,000 houses. Central Otago has committed \$110M for growth related infrastructure in the 2024 LTP.

Commitment to Going for Housing Growth. QLDC’s HBCA shows capacity for over 64,000 additional houses and 81,000 through the proposed intensification plan change over the next 30 years. A recent Central Otago Plan Change enables an additional 20,000 houses over the next 30 years.

BENEFITS:

2021 evidence shows that investment would boost productivity by attracting new businesses, residents, and high-value visitors:

- > Doubling corridor capacity in the most constrained areas was estimated to unlock between \$670M and \$1.2B of economic growth.
- > Implementing MRT and travel demand management will improve network travel times by over 20% and significantly enhance reliability.
- > Offline MRT could yield \$18M annually by 2028 and \$37M by 2048, with a \$5 fare for an end-to-end trip. There is potential for higher revenue by increasing mode-share through land use intensification, redesigning bus services and parking strategy changes.

New Zealand benefits from Otago Central Lakes’ visitor experience:

- > International tourists visiting Otago Central Lakes spend over three times more in the rest of the South Island than those who don’t.
- > Visitors attracted to NZ by Otago Central Lakes contributed \$1.3B to NZ’s GDP and over 13,000 jobs.

Investing in sub-regional public transport will result in productivity increases by ensuring that tourism, commercial, freight and commuter travelers can move efficiently across the network and will increase accessibility of affordable housing in Central Otago. Economic analysis has not been undertaken to quantify this impact.

VISION: TO BE THE MOST HIGHLY ELECTRIFIED, INNOVATIVE PLACE IN NZ

Otago Central Lakes' vision is to drive economic growth as a fully electrified sub-region, powering innovation in untapped renewable energy potential and building a home for national, economically-important pilot projects.

Power supply in the sub-region has long been a challenge. Growth across Wānaka, Cromwell and Queenstown has put pressure on the capacity of the system to provide sufficient electricity, in an affordable and resilient fashion. This creates reputational risk and puts a handbrake on investment and economic growth. Access to affordable and secure energy is essential for economic growth and productivity, a premise that underpins the economic development and destination management vision for the sub-region.

If Otago Central Lakes is to retain its premier destination role, long-term secure, affordable, stable and sufficient energy supply will be essential. A step-change in capacity provision and resilience is required to shift the sub-region out of continued marginal energy capacity and reliability.

Future energy solutions will need to combine the reliability of traditional power infrastructure, with the resilience and affordability of local and household generation on a massive scale. This will be essential for economic growth, diversification, improved productivity and affordable living. Reliable supply will be essential for economic growth in the sub-region.

Visitation has bounced back in Otago Central Lakes far better than elsewhere in the country, which demonstrates the economic value of a destination brand that has been predicated on increased electrification since Covid 19. A growing tourism system with high energy demands (snow sports) requires affordable, secure and reliable supply, especially in peak season. The system has identified a unique market advantage to being highly electrified and this requires a step-change in capacity required (e.g. aviation).

ELECTRIFY OTAGO CENTRAL LAKES – PROPOSED INVESTMENT PACKAGE

Project 1: Bring power and innovation home in a Special Economic Zone

Otago Central Lakes has a long heritage of pioneering innovation in the energy sector, with the first hydro power station and transmission line in the southern hemisphere (Bullendale) and the first electric gold dredge in the world (Branches). Today, it hosts significant hydroelectric infrastructure, like the Clyde Dam.

Otago Central Lakes is poised for further growth, potentially becoming an innovation hub across various sectors. Alexandra's astro-tech sector could thrive with supportive policies, and Queenstown Airport Corporation (75% owned by QLDC) aims to transition to electric aviation. The government could amend electric aviation rules to make Otago Central Lakes a test ground for this technology, potentially attracting significant foreign direct investment (FDI). Region-specific regulatory changes could be captured through the creation of a Special Economic Zone for the sub-region.

The large-scale adoption of solar and batteries via the RAS offers a unique chance for the government to innovate the energy system. This could involve:

- Trialling a new regulatory regime for streamlined installation sign-offs.
- Increasing household electricity exports to the grid with symmetrical import/export tariffs.
- Exploring Ara Ake and FlexForum's work on flexibility deployment.
- Researching solar and battery use in agriculture, viticulture, and horticulture.
- Creating a hub for solar and electrification training

Designating the sub-region as a hub for solar and electrification training and innovation could create a new industry, enhancing economic diversification and productivity in the Otago Central Lakes sub-region, benefiting all of New Zealand



Estimated Revenue: Significant opportunity for business community



Estimated Cost: No cost to government



Timeline: Can be initiated quickly – long term programme



Benefits: Pilot location, enhanced destination brand proposition, new industry development and economic diversification.



Risks: Very low risk provided individual pilots are well designed



Central government: Provides regulatory, code and legislative relaxation / change within Otago Central Lakes.



Otago Central Lakes: Provides support through usual economic development channels, review District Plan



Private Sector: Provide projects and investment to pilot.

Project 3 – Include Queenstown as part of the interconnected National Grid

Queenstown is the largest urban area on a spur line in the country, not connected to the 'interconnected' National Grid. Consequently, local residents bear the full cost of transmission upgrades under the Electricity Code, leading to elevated energy costs.

This proposal urges the government to reconsider this legacy arrangement and implement the necessary regulatory changes to include Queenstown within the interconnected National Grid model. This would help alleviate the financial burden on local residents and ensure more equitable energy costs.

Project 2: Supercharge Solar and Battery uptake in Otago Central Lakes as national pilot

Local distributed generation provided by rooftop solar panels and batteries offer significant advantages to the electricity network. They help reduce the load on the grid by generating electricity locally and provide a more affordable and resilient supply (where pylons are vulnerable to seismic activity).

High uptake of rooftop solar and batteries could significantly reduce the load on the electricity network and could defer the need for longer term upgrades in Otago Central Lakes. However, high uptake of solar and batteries requires the removal of inefficient financial barriers: (i) lack of access to long-term finance and (ii) high cost of installation through soft costs driven by inefficient/outdated regulations and standards.

Rewiring Aotearoa has been working with LGNZ and LGFA to develop a Ratepayer Assisted Scheme (RAS) for solar installation. This would remove the prohibitive initial capital outlay for businesses and households and provide instead a long-term, low interest loan that banks have been unable to offer. This proposal requests government facilitate the launch of this programme as a pilot scheme in Otago Central Lakes. The initial equity investment for the full national scheme is \$30m – with 20% provided by government and the rest split between six councils. Dividends will be earned after approximately four years. This proposal is requesting government activates this scheme with Otago Central Lakes as a pilot location.

Updated regulations and standards, aligned to Australian installation reforms 15 years ago, will enable the installation process to be more efficient, lowering installation costs to the household and business. These reforms could be tested initially in the sub-region via a regulatory 'sandbox', before rolling out across the country.



Estimated Revenue: Govt dividend from RAS after Y4



Estimated Cost: Investment in RAS pilot scheme. Approx \$6m



Timeline: Activated in 12 months



Benefits: Increased resilience, reduced costs affordable living, increased energy capacity, enables growth, faster process, streamlined installation process, scalable nationally, emissions reduction, trusted pilot location



Risks: Low financial risk



Otago Central Lakes: Provides active support, promotion and community engagement, review District Plans and Development Contributions



Central government: Invests in RAS, regulatory changes



Private Sector: Enjoys opportunities of large scale solar installation and costs savings for businesses

Electrify Otago Central Lakes (continued)

Project 4: Support the REDP and ask Transpower to deepen its analysis for the new transmission line

As Otago Central Lakes grows and welcomes more visitors, increasing electricity demand strains existing infrastructure. While short to medium-term upgrades are planned, long-term solutions are lacking, potentially inhibiting growth.

Otago Central Lakes supports the Regional Electricity Development Plan (REDP) by Transpower and distribution companies to increase supply capacity, focusing on an additional line into Queenstown, affecting Wanaka, Cromwell, and the proposed Santana mine.

This proposal requests the government to:

- Require Transpower and EDBs to analyze the cost burden on Otago Central Lakes households and businesses under the Transmission Pricing Methodology for each investment option.
- Include an ambitious forecast of solar and battery uptake with the RAS launch.
- Identify tipping points that would delay new line investments, such as the percentage of capacity served by solar/batteries at peak hours.

Additionally, the proposal seeks government support for a smooth consenting and land acquisition process for the new infrastructure corridor.



Estimated Revenue: N/A



Estimated Cost: No new commitment from government



Timeline: Can be included in work underway



Benefits: Increased resilience, reduced costs affordable living, increased energy capacity, enables growth, faster process



Risks: Very low risk, but faster process through Outstanding Natural Landscapes may be challenging



Central government: Directs Transpower, provide infrastructure corridor process



Otago Central Lakes: Continues to participate and shape forecast, support infrastructure corridor process



Private Sector: EDBs continue to participate

Key Benefits

- Increase capacity for economic growth, productivity increases and future electrification
- Prevent energy supply from inhibiting economic, residential and visitor growth
- Prevent energy supply from inhibiting commercial innovation and productivity
- Increase resilience for businesses and households – especially AF8
- Reduce costs for businesses and households
- Reduce bureaucracy and therefore costs for solar installation
- Unlock large-scale adoption of solar and reduce emissions
- Create a recognised and trusted pilot project location
- Develop solar and advanced electrification industry (to be quantified)
- Enhance visitor brand proposition – NZ's most electrified destination

| PROPOSED REGIONAL DEAL OBJECTIVES | ALIGNMENT WITH REGIONAL DEAL STRATEGIC FRAMEWORK PRIORITY OBJECTIVES | ALIGNMENT WITH GOVERNMENT'S REFORM PRIORITIES |
|--|--|---|
| Energy infrastructure that allows the economy to thrive, in terms of economic growth, productivity and diversification | ✓ Economic growth (Jobs and Skills, Standard of living, Productivity) | ✓ Electrifying NZ ✓ Backing economic growth |
| Affordable and secure energy supply for businesses and households | ✓ Connected and resilient infrastructure (Connected communities and businesses, Resilient to natural hazards and climate change, enables development, including housing) ✓ Economic growth (Standard of living) | ✓ Going for Housing Growth ✓ Fast track consenting Bill ✓ Electrifying NZ ✓ Backing economic growth, |
| A highly innovative, electrified destination that provides a strong brand proposition for visitors and investors alike | ✓ Economic growth (Jobs and Skills, Standard of living, Productivity) | ✓ Electrifying NZ ✓ Backing economic growth |

THE CASE FOR CHANGE

Project 1: Bring power and innovation home

Parts of the Otago Central Lakes have limited economic diversity and would benefit from the growth and productivity of new energy sectors. Attracting foreign direct investment (FDI) by leveraging its tourism gateway position could significantly boost New Zealand's economy. Further analysis is needed.

Project 2: Supercharge Solar and batteries

Increasing local solar generation will provide abundant, easily scalable, affordable and future-proofed capacity. It will reduce grid pressure, supporting economic, residential, and visitor growth without the risk of outages. This is crucial during the high-demand winter season, which poses reputational risks for the visitor industry.

Research by Rewiring Aotearoa shows New Zealand has reached the electrification tipping point, where households can save \$4,500 annually with the right financing, such as the RAS. This also enhances resilience, preventing business disruptions during emergencies or seismic events

Project 3 – Interconnected National Grid

This inequitable legacy situation places the full cost of transmission upgrades on Queenstown residents, raising the cost of living, developing and doing business.

Project 4: REDP

The urgent case for increasing capacity has been recognised and acknowledged in establishing the REDP. Growth in Queenstown electricity demand will exceed the ~100MVA capacity of the line at some point between 2030 and 2032 under a 'BAU' growth assumption. However, more ambitious use of smart EV charging could see this investment need deferred by up to four years. Aggressive uptake of solar and batteries needs to be modelled.

IN SUMMARY

Through partnership, the Regional Deal should deliver:

Project 1 – Interconnected National Grid

Regulatory change to include Queenstown as part of the interconnected National Grid.

Project 2 – Special Economic Zone

Relaxation of code, regulation and legislation for energy innovation in the sub-region. Use Otago Central Lakes as the preferred pilot location for innovative projects and schemes (including the RAS, flexibility pricing, symmetrical import/export tariffs, electric aviation etc).

Leverage the potential of the RAS to build and train a solar and advanced electrification installation workforce from within Otago Central Lakes.

Project 3 – Supercharge Solar and Batteries

Launch the Ratepayer Assisted Scheme for rooftop solar and batteries, as devised by LGNZ, LGFA and Rewiring Aotearoa. Provide the 20% investment share from central government and create a pilot project in Otago Central Lakes.

Project 4 – REDP

Complete the existing REDP to define line requirements, with additional options analysis of cost implications per household, implications of rapid solar and battery uptake and trigger points for investment deferral. Provide streamlined planning and land acquisition pathway for a transmission corridor.

STRATEGIC VISION

The vision for healthcare in Otago Central Lakes, as identified by the recently completed “Health Services and Assets Strategic Report”:

A collaborative effort independently led.

Central Otago and Queenstown Lakes together;

broader than government-funded health services;

leveraging private opportunities;

to deliver what the community needs (visitors and residents)

This work supporting the strategic report is a collaborative effort involving Health New Zealand, CODC, QLDC, rural health providers, iwi, including kaupapa Māori health providers, and the community to accelerate planning and investment in health services and infrastructure in Otago Central Lakes alongside committed investment in Dunedin Hospital and wider planning for services in the southern region.

The strategic report identifies a way forward that will contribute to meeting the communities’ needs and assist in delivering health services within budget and capacity constraints. It aligns with government signals around public-private partnerships and will contribute to meeting the Minister’s health priorities in Otago Central Lakes.

The Strategic Report identifies opportunities to increase public health services in Otago Central Lakes by partnering with the private sector to invest in services and infrastructure that would benefit the sub-region.

While health service planning is outside the scope of council’s spatial planning, the vision expressed in the strategic report is consistent with the wider vision for Otago Central Lakes.



This package does not directly result in increased revenue, however without this investment economic growth will be slowed, impacting on GDP for the sub-region and NZ.



Work could commence immediately. The next phase of work could be completed within 18 months. Delivery of facilities / services is project specific.

OUR PROPOSED INVESTMENT PACKAGE

This proposal recommends continued growth in Otago Central Lakes be supported by a partnered approach to delivering public health services ...

There are opportunities to enhance publicly-funded health services by partnering with private hospitals, clinics and investors that are either in the planning process or have started building in the sub-region.

The partnering model has four core components, two of which are well tested in Australia but not used extensively in NZ:

- Public services are delivered through private operators under contract (common in NZ)
- Working with private providers to identify profitable markets that will subsidise and make affordable health services for residents.

- Public services are delivered from privately owned facilities that the public service leases and from which private services are also delivered, and
- A shared workforce is built so that both private and public services can call on the same resource pool making separately unviable private and public services viable from a clinical staffing and support service perspective.

...resulting in a significant increase in public health services for Otago Central Lakes, with limited increases in operational costs and no capital costs.

This approach aims to redeploy current public health services more efficiently, bringing services delivered outside Otago Central Lakes into the sub-region by leveraging facilities provided by the private sector and a shared workforce. Consequently, a cost redistribution, rather than increase, is expected.

A small up front investment, and commitment to the approach, is requested to develop the partnered model to a point where it can be implemented.

The next phase of this work is to deliver clinical care models, workforce models, business cases and service-level agreements for the six high-priority projects identified in the strategic report. This is broader than the public service and will complement Health NZ’s clinical framework, service planning, and capital plan.



The work to prepare the strategic report cost \$250k and has been philanthropically funded. For the next phase of work \$450k has been philanthropically sourced and this proposal requests a further \$1.5M to deliver the work required to enable the private and public sector to implement the approach. Given the pressure placed on the health system by high levels of visitation, it is suggested that this is funded from the IVL.

Commitment from Health NZ on the partnered model is also requested to ensure that this innovative approach can be accommodated alongside more traditional models, and to enable more fulsome modelling of need, costs and potential future revenue sources. Ensuring that funding reflects appropriate population projections and visitor presentations is essential to a sustainable health service.

Otago Central Lakes Hospital in Queenstown

- > A hospital facility built and financed by a private investor from which public services can be delivered by Health NZ following Treasury’s strategic leasing guidance. This is currently in the planning stage.
- > Private services also delivered from the facility, using a shared workforce and clinical support services. Private services can decrease over time as public services grow.

Te Taumata Lakeview Clinic

- > A private surgical hospital, expected to open in 2027, in Queenstown that presents opportunities to strengthen the medical workforce and provide much-needed local maternity services.
- > Health NZ could contract secondary care for maternity, until public has its own facility, rather than requiring people to travel to Invercargill or Dunedin for these services.

Integrated Care Hub in Wānaka

- > A private day surgery for low-risk procedures in the planning stages, with opportunities to include space for after-hours and other publicly-funded services.
- > Potential for public health services to be delivered using the strategic leasing model; 10-20 bed inpatient service, expanding to Acute care / ED in time.

Aged Care Facilities in Clyde

- > Aged Care Facilities under construction could be expanded to include a full suite of publicly-funded services for older people in Central Otago.
- > An expanded (public) model of care for larger numbers of older people in Cromwell/Clyde; intermediate options between living at home and moving to residential care.

Wānaka Health Precinct

- > Anchored by a private surgical hospital; with potential to integrate publicly-funded health services with the private surgical facilities using the strategic leasing model.
- > There are plans for more than 70 beds, four operating theatres and the current design leaves open the option for 24-hour public-access emergency services.

Further Investigation in Central Otago

- > Securing land and investors for future public health infrastructure in Central Otago, followed by planning services (locations depend on the progress of the other five projects).
- > This sits alongside planning for support services and delivery of integrated primary care across Otago Central Lakes.

Private Investment, Public Health (continued)

THE CASE FOR CHANGE

70% of people in NZ who live more than two hours from a base hospital live in Otago Central Lakes, and residents disproportionately bear the economic burden of this.

Patients often endure long road trips (2-4 hours each way) for simple specialist appointments, urgent helicopter flights, and face risks when flights are delayed. This extensive travel burden presents an increased cost for businesses, reduced productivity, impact on customer service and employee performance. 41% of respondents to the Queenstown Lakes Quality of Life Survey had to travel outside the district for medical treatment in the last year.

Health NZ has not planned any further investment...

Otago Central Lakes, with a population nearly as large as New Plymouth, is one of New Zealand's fastest-growing areas. Despite significant projected population increases over the next decade, Health NZ's ten-year plan includes no additional investment.

... while the private sector is planning private services

Significant private investment is planned for private hospitals and medical tourism, creating a two-tiered health system. Those who can pay will access world-class services, while others must travel long distances for public healthcare.

Without intervention the lack of adequate health services will limit economic growth

Without investment in critical foundational infrastructure, including healthcare, the sub-region will not be able to adequately support continued increases in visitor numbers or attract the businesses, people and investment needed to grow existing, and develop new, businesses.

Visitor presentations at the Queenstown Hospital are up to 66% of total presentations (17,367 in Queenstown, 1500 in Clyde), but the hospital is bulk funded based on NZ averages and is not funded for this high proportion of visitors (even those who pay). GP clinics regularly report that their urgent care centres service one third international visitors, one third domestic tourist and one third local residents. As both the resident and visitor numbers continue to grow the hospital's ability to provide adequate and safe services continues to decline.

A recent report by Accenture identified lack of adequate health services as one of the key foundational influences on whether a technology sector could be built in the sub-region.

Partnering with the private sector can boost public health services through joint investment in services and infrastructure

Collaboration with skilled commercial developers can speed up infrastructure construction and access private sector capital. Private sector services can also enhance public workforce recruitment and retention through shared workforce models and increased learning opportunities.

This unique solution leverages the growth of the emerging private health sector while it seeks to connect and contribute to the wider health system and be welcomed into the community.

| PROPOSED REGIONAL DEAL OBJECTIVES | ALIGNMENT WITH REGIONAL DEAL STRATEGIC FRAMEWORK PRIORITY OBJECTIVES | ALIGNMENT WITH GOVERNMENT'S REFORM PRIORITIES |
|---|--|---|
| 1. Otago Central Lakes has timely, fit-for-purpose, and contemporary health infrastructure that supports the district's future population, workforce, productivity and economic growth. | | |
| 2. Medical tourism contributes to both the economy and the community, increasing the availability of health services to New Zealanders while developing new economic growth from international markets. | <ul style="list-style-type: none"> ✓ Economic growth (Jobs and skills, Standard of living, Productivity) ✓ Connected and resilient infrastructure (Enables development, including housing) | <ul style="list-style-type: none"> ✓ Backing Economic Growth ✓ Going for Housing Growth |
| 3. Health infrastructure is available in Otago Central Lakes to grow the local health system, making existing health services more resilient and able to treat more complex patients. | | |

BENEFITS:

The proposed approach is a low-cost (compared to traditional models) way to support continued growth across Otago Central Lakes and ensure much needed equitable access to healthcare. Economic modelling has not been undertaken to fully understand the impact of the proposed approach. However, it is reasonable to assume that the approach will result in lower costs and faster delivery.

- > Provision of higher level of public health services for a lower cost.

Economic modelling has not been undertaken to understand the full impact of deficits in critical foundational infrastructure, like healthcare, on the future economic growth of the sub-region. However, healthcare was highlighted in the recently completed whitepaper "Building a world-class technology sector in Queenstown Lakes District" as a critical foundation if the sub-region wanted to grow significantly.

- > The report notes that provision of comprehensive, high quality health services, together with other critical infrastructure, has the potential to unlock over \$1B of economic growth by enabling the growth of tourism and other businesses.

There is significant opportunity to work with private health providers to build the medical tourism sector.

- > The medical tourism sector has the potential significantly boost the economy. Impacts are opportunity specific; some case studies have been included below.

Leaning into provision of private services to leverage public services provides social benefits to the community outside of economic benefits:

- > more equitable and efficient access across Otago
- > reduced pressure on Dunedin and Invercargill hospitals
- > improved health outcomes for the Otago Central Lakes population (residents and visitors)
- > more health services are located in Otago Central Lakes

The critical risk is that seed funding comes too late, and the project loses momentum as a 'window of opportunity' for Health NZ to engage with the private sector closes.

There is also a risk that Health NZ's operational budget constraints limit their ability to expand services in line with population projections.

Case Study: Medical tourism enables New Zealanders to access new cancer treatments and builds economic growth through new industries

- > BioOra and Malaghan Institute have partnered to offer immunotherapy treatments for non-Hodgkins lymphoma that are otherwise unavailable in NZ.
- > In Phase 1 Trials, the treatment effectively cured one out of two palliative patients, reducing side effects and thus the need for hospital treatment. This CAR T-cell therapy can be made publicly available to New Zealanders when scaled up and approved, with the support of medical tourism.
- > Medical tourism is foundational to the business case, with international patients spending 10 days in NZ rather than paying \$3m in the USA for similar treatment. It is estimated this could result in an additional \$600M to NZ's economy as well as the treatment being made available to over 200 New Zealanders per annum.
- > BioOra will work with private or public hospitals in Queenstown to provide aftercare for residents and 5-star hotels for international patients.

Case Study: Maternity care for mothers and babies

- > Discussions are underway with a US and NZ medical group which will be part of the Lakeview Te Taumata Clinic in Queenstown.
- > The need for better maternity care is obvious with service gaps described as 'third world' by some who work in them.
- > The group is looking to strike the right balance between NZ publicly funded cases (fee for service) and a fee-paying international client group. It is estimated this could result in an additional \$78M to NZ's economy and services being made available to Otago Central Lakes
- > They are ready to agree and document the Obstetrics model of care with local clinical leaders and work towards this vital service.

STRATEGIC GROWTH VISION

Otago Central Lakes has grown significantly due to its attractive scenery and climate, clean environment, outdoor lifestyle, economic opportunities and improved connectivity. Growth in resident and visitor numbers has brought economic benefits, such as GDP growth that is more than double the New Zealand average and low unemployment. It is anticipated that high growth will continue.

The Otago Central Lakes vision promotes a consolidated and mixed-use approach to accommodating future growth. This means the changes needed to accommodate future growth will be achieved within, and around, existing urban areas through intensification and extension of urban boundaries.

To achieve this vision, investment is needed to ensure there is sufficient infrastructure capacity in networks to support a quality visitor experience, provide for community needs and protect the environment. This investment needs to be equitable so that it doesn't continue to fall disproportionately on a small ratepayer base. Developers and visitors must pay their share of the costs of growth.

The desirability of the sub-region means there are competing demands for housing, and this has resulted in housing affordability issues; Otago Central Lakes is one of the most expensive places in New Zealand to buy or rent a home, and many residents struggle to find suitable, affordable, secure homes.

The Otago Central Lakes vision aims to capture value from growth and visitors and invest it back into critical infrastructure (including affordable housing). This will contribute to four spatial priorities:

- ✓ Consolidated growth and more housing choice
- ✓ Public transport, walking, cycling are preferred for daily travel
- ✓ A sustainable tourism system
- ✓ A diverse economy where everyone can thrive

OUR PROPOSED INVESTMENT PACKAGE

The Regional Deal would address the Otago Central Lakes' unique housing and growth challenges by capturing the value from growth and visitors and reinvesting it back into critical infrastructure and affordable housing using new tools

Local visitor user charge

Otago Central Lakes attracts a large number of tourists in contrast to its small resident base and those numbers continue to increase. In 2023 the Queenstown Lakes peak day population was 99,220 of which 48,211 (48%) were visitors and 51,009 were residents. By 2053 the peak day population is expected to exceed 217,000.

Visitor numbers in the sub-region have surpassed 2019 levels, with 2024 arrivals at Queenstown airport up 25% from 2019. Overall international and domestic arrivals have both increased by over 30%. Despite having only 1% of New Zealand's population, Queenstown Lakes hosts 11% of all guest nights and 19% of international guest nights. Visitor numbers are projected to grow at pre-Covid rates, maintaining tourism's crucial role locally and nationally.

Currently, the small ratepayer base funds the additional demand placed by visitors on infrastructure such as roads, water and waste. While the community benefits from the tourism industry, the size of the investment needed to support the tourism economy is disproportionate to the size of the ratepayer population. \$756M of QLDC's 2024-34 LTP expenditure is attributable to visitors and represents a 105% increase from the 2018 LTP.

In a 2019 local referendum, 81% of voters supported a visitor user charge on short-term accommodation.



This proposal requests a visitor user charge, levied through accommodation providers, for all visitors.



Example: 5% levy on the \$413M estimated to have been spent in 2023 on accommodation in QLD would generate \$210M over ten years, covering 30% of costs attributed to visitors.

Direct Mining Royalties to Fund Growth Infrastructure

There is opportunity to invest royalties from mining activities back into the sub-region to enable upfront infrastructure investment, investment in water resilience to grow other areas of the economy.



This proposal requests a portion of anticipated mining royalties within the sub-region to be reinvested in wider economic and water resilience and infrastructure impacted by growth in mining activities.

Upfront Developer Contributions

Otago Central Lakes struggles to recover infrastructure costs promptly, leading to a mismatch where growth doesn't pay for itself. Current tools are inflexible to varying growth patterns, placing financial risk on councils and costs on ratepayers.

40% of the QLDC's LTP capital programme is attributed to growth, however it is only a portion of this is recovered over this period.



This proposal requests legislation that would enable bespoke arrangements to be agreed with developers to obtain upfront development contributions.

Tools to enable affordable housing

Addressing housing needs is complex and requires a partnership approach. Despite significant capacity enabled through District Plans, the market alone is unlikely to deliver affordable housing. As the sub-region already delivers the second highest number of new houses per capita in NZ, other tools are required alongside traditional planning tools to enable the delivery of affordable housing (rental and home ownership).

Previous legislative settings through the Housing Accords and Special Housing Areas Act (HASHAA) enabled Councils to partner with developers and the Queenstown Lakes Community Housing Trust (QLCHT) to deliver a pipeline of affordable housing. The sub-region took advantage of this legislation well, providing more than \$25M of land, or the equivalent land value, to the QLCHT.

Opportunities exist to leverage past work with central government and the QLCHT to establish a perpetual affordable housing pipeline for Otago Central Lakes. QLCHT is willing to collaborate with QLDC and CODC to achieve this, supporting both housing and economic growth, and potentially used to support the delivery of affordable housing via Fast Track consents (similar to the HASHAA).



This proposal requests a package of regulatory tools to enable affordable housing, complementing traditional planning solutions, which both Councils continue to prioritise.

- > **Legislation to enable bespoke agreements with developers to provide land, or funding, for perpetual affordable housing through a registered Community Housing Provider.**
- > **Incentives for build to rent; both local and central government**
- > **Incentives for building on land already zoned and serviced**
- > **Update to Accommodation Supplement boundary to reflect existing urban areas**
- > **Mandate short-term letting providers (such as AirBnB) to provide data to Councils to enable a better understanding of the impact of short-term letting on housing affordability and availability. This is interconnected with the visitor user charge and will be required to monitor and enforce this.**

Capturing Value (continued)

THE CASE FOR CHANGE

Despite accelerated supply of housing, the sub-region remains one of the most expensive places in NZ to buy or rent a house.

Queenstown Lakes consistently delivers the highest number of new houses per capita in NZ (29 in 2024 compared to the NZ average of 5), and Central Otago consistently delivers the third or fourth highest (11 in 2024). QLDC has consistently enabled >1,000 new residential dwelling consents and subdivision consents per year, which is nearly double the residential population demand of approximately 550 to 650 houses per year and 2-3 times the national average. In 2024 the total number of building consents delivered was exceeded only by Auckland and Christchurch.

There is a seemingly insatiable demand for second homes, holiday homes and short term accommodation and this means that even with maintaining the region’s position as a leader in housing delivery, the market is unlikely to delivery affordable housing on its own. Queenstown Lakes’ Housing and Business Capacity Assessment supports this.

Housing affordability is a \$1b problem in Queenstown Lakes

That is roughly how much the district’s incomes would need to increase by to make its house prices and rents as affordable as the national level (which itself is not very affordable). There are approximately 1,350 households on the Queenstown Lakes Community Housing Trust Waitlist

The cost of not being able to attract and retain staff is 3-6% of Queenstown Lakes’ GDP

Essential workers leave and businesses struggle to attract and retain suitable staff. It is estimated that the higher labour turnover rate is costing the local economy around \$150 - \$200M p.a. For each worker we can make more secure stable in their home, community and work, the economic benefit is \$55,000 to \$110,000 (Sense Partners, 13 July 2022).

Housing development and infrastructure planning must be coordinated and jointly funded to effectively support growth

Developers building in new areas benefit from land value increases in greenfield areas, while infrastructure providers must invest in unscheduled projects. However, there is significant untapped potential in already zoned and serviced areas, such as Remarkables Park (~4500 dwellings) and Frankton North (~3000 dwellings + commercial) in Queenstown Lakes. Embracing both new and existing opportunities can drive balanced and sustainable growth.

| PROPOSED REGIONAL DEAL OBJECTIVES | ALIGNMENT WITH REGIONAL DEAL STRATEGIC FRAMEWORK PRIORITY OBJECTIVES | ALIGNMENT WITH GOVERNMENT’S REFORM PRIORITIES |
|---|---|---|
| Community can easily access quality, stable, affordable housing now and into the future [source: QL JHAP] | ✓ Affordable, quality housing (Affordable housing for rental and home ownership) | ✓ Going for Housing Growth |
| Growth pays for growth | ✓ Connected and resilient infrastructure (Enables development) | ✓ Going for Housing Growth ✓ Fast-Track Consenting Bill |
| Visitors contribute their fair share of the cost of providing infrastructure and services | ✓ Connected and resilient infrastructure (Enables development, including housing) | ✓ Going for Housing Growth ✓ Fast-Track Consenting Bill ✓ Backing economic growth |

BENEFITS:

A 5% visitor levy visitors would collect around \$21M annually, with little impact on visitor numbers.

Upfront developer contributions would reduce costs to ratepayers and this would be reinvested in the local economy.

Already planned greenfield developments could provide 1,000 affordable homes, through the QLCHT. This would provide homes for 2,600 people over 30 years generating \$100M in economic benefit. OECD modelling shows improved housing supply boosts labour productivity by 0.5% annually.

Partnership in Action Case Study: Tewa Banks

A total of 58 affordable homes will be delivered by 2026 and this includes 15 Public Housing units, 4 Affordable Rentals, 5 Rent Saver homes, and 44 Secure Homes.

- > QLDC provided \$10m worth of land
- > HUD provided \$20m worth of loans and investment
- > QLCHT is delivering the houses

Partnership Case Study: Lake Hāwea

A range of tools were used to unlock housing in Lake Hāwea and the surrounding area:

- > Longview *Special Housing Area* (established via the HASHAA) will deliver a mixed used area and 460 new homes with 58 sections provided to QLCHT for perpetual affordable housing.
- > \$24M from the *Infrastructure Acceleration Fund* and >\$60M QLDC funding now, with a further \$22M of QLDC investment over the next ten years, is delivering enabling infrastructure for the township.
- > HASHAA & District Plan changes have significantly extended the urban growth boundary, enabling around 5,700 additional homes, through enabling greenfield development and urban intensification (currently being processed).
- > Construction at Longview SHA and the broader area will create an estimated 233-419 construction jobs.

WHAT LOCAL GOVERNMENT IS BRINGING TO THE DEAL

Significant delivery of high numbers of new houses. Queenstown Lakes consistently delivers the highest number of new houses per capita in NZ (29 in 2024 compared to the NZ average of 5), and Central Otago consistently delivers the third or fourth highest (11 in 2024). QLDC has consistently enabled >1,000 new residential dwelling consents and subdivision consents per year, which is nearly double the residential population demand of approximately 550 to 650 houses per year, and 2-3 times the national average. In 2024 the total number of building consents delivered across the sub-region was exceeded only by Auckland and Christchurch. **Across Otago Central Lakes approximately 7,800 new dwellings, 6,350 in Queenstown Lakes, have been consented since 2019.**

Progress has been made on growth infrastructure. Two major projects from the Queenstown Transport Business Case have been completed, including major upgrades to inground assets, and QLDC’s strategic Lakeview development enabled the early delivery of a section of Arterial Stage 2. The full Arterial route has also been designated in perpetuity. As a result of these projects, a multidisciplinary Alliance has been established and is now delivering Government’s Queenstown Package (Transport).

Financial commitment to future growth infrastructure. New, and major upgrades to existing, water and wastewater assets are under development. QLDC has committed \$979M in the 2024 LTP to growth related infrastructure, including water and local share of transport projects, and this will unlock >10,000 houses. Central Otago has committed \$110M for growth related infrastructure in the 2024 LTP.

Continued commitment to Going for Housing Growth. District Plans have enough zoned capacity to meet projected growth for the next 30+ years and additional capacity is anticipated in Master and Spatial Plans. District Plans also enable residential flats inline with recent government changes. QLDC’s HBCA shows capacity for over 64,500 additional houses and 84,800 through the proposed intensification plan change over the next 30 years. Central Otago’s District and Spatial Plans allow for over 16,000 additional homes over the next 30 years. **Across the sub-region 80,000 - 100,000 additional houses will be enabled over the next 30 years.**

Delivering a pipeline of affordable housing. HASHAA enabled QLDC to partner with developers and the Queenstown Lakes Community Housing Trust (QLCHT) to deliver an ongoing pipeline of affordable housing. \$49M worth of land, or financial contributions, have been provided to the QLCHT to be held in perpetuity and made available to residents as rentals or to own.