Item 1: Transport Strategy Update

SESSION TYPE: Briefing

PURPOSE/DESIRED OUTCOME:

To provide updates across a number of transport workstreams, including external programmes.

To clarify the overlaps between the Otago Central Lakes Transport Network Plan and the NZTA Strategic Network Plan.

DATE/START TIME:

Tuesday, 14 July 2026

TIME BREAKDOWN:

Presentation: 30 minutes
Questions *or* Debate/Discussion: 60 minutes

PRESENTERS:

Tony Pickard, Strategy Planning Manager (Transport)

Prepared by:	**Reviewed and Authorised by:**
Name: Tony Pickard **Title:** Strategy Planning Manager (Transport) 25 June 2026	**Name:** Tony Avery **Title:** General Manager, Property and Infrastructure 3 July 2026

ATTACHMENTS:

A	Transforming Transport: Transport Planning and Investment

Transforming Transport

Transport Planning and Investment

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Transport Strategic Workstreams

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Part A – Transport Network Plan

Part B – Infrastructure Strategy

PART A

Otago Central Lakes Transport Network Plan

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Workstream Alignments

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Alignment is needed across multiple workstreams at this point in each LTP cycle. This year the workstreams across the Strategic Network Plan and Transport Network Plan have added to the complexity. The strategic documents must recognise the multiple inputs and the need for integration of both planning and funding.

- Strategy Planning (Transport) QLDC — *Strategic Inputs to projects and programmes*
- W2G Programme — *Joint working with QLDC /ORC /NZTA*
- OCL Regional Deal — *Transport Lead – QLDC / ORC / CODC*
- LTP/RLTP/NLTP
- Infrastructure Strategy
- Strategic Network Plan (NZTA)

Overview

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As one of the fastest growing regions in the country, the Otago Central Lakes region requires a more aligned approach to planning for future infrastructure, housing, transport, and economic development.

For transport, there have been many strategies, business cases and plans developed in recent years to guide transport decision making and investment across the region. However, these have typically covered a discrete location or focused on a single mode or outcome.

Transforming Transport

Otago Central Lakes Transport Network Plan

Planning our shared future together

Purpose and Scope

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The purpose of the TNP is to bring this information together and provide a single, consolidated document outlining the ‘current state’, a desired vision and future state for the sub-region, and the projects and actions to bridge this gap.

This will provide an agreed long-term plan that provides the foundation for investment prioritisation and planning for OCL.

The geographic scope includes all of Queenstown Lakes District and key urban centres and connecting transport corridors in the Central Otago District. The content scope includes all transport modes.

What good looks like

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- Planned, agreed programme of interventions
- Implementation plan confirmed
- Funding confirmed
- Growth areas supported
- Unplanned growth areas responded to from a defensible position

Stages of development

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Define the current state

- Strategic context
- Transport and land use context
- Key issues and challenges
- Overarching summary

Vision

- Aspirational Vision
- Objectives (defines the framework for the TNP)
- Principles – to guide decision making and trade-offs

Desired future state

- Key areas of focus
- Aspirational network plan
- Implementation Plan

Deliverables due early September 2026

Link with NZTA's Strategic Network Plan

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- Both strategic documents are confirming a long-term direction, which will inform subsequent implementation plans.
- The TNP will include actions that are common to both, especially Travel Demand and Parking Management.
- The SNP is limited to the State Highway Network in and around Frankton.
- Common features are:
    - Recognition that major transport projects have not attracted committed funding through existing funding mechanisms.
    - A different approach to funding is required.
    - Both projects still rely of the three pillared approach.

Link with proposed Regional Deal

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- Strategic Network Plan alignment
- Offline Public Transport
- Funding and Finance
- Transport Network Plan

Relationships

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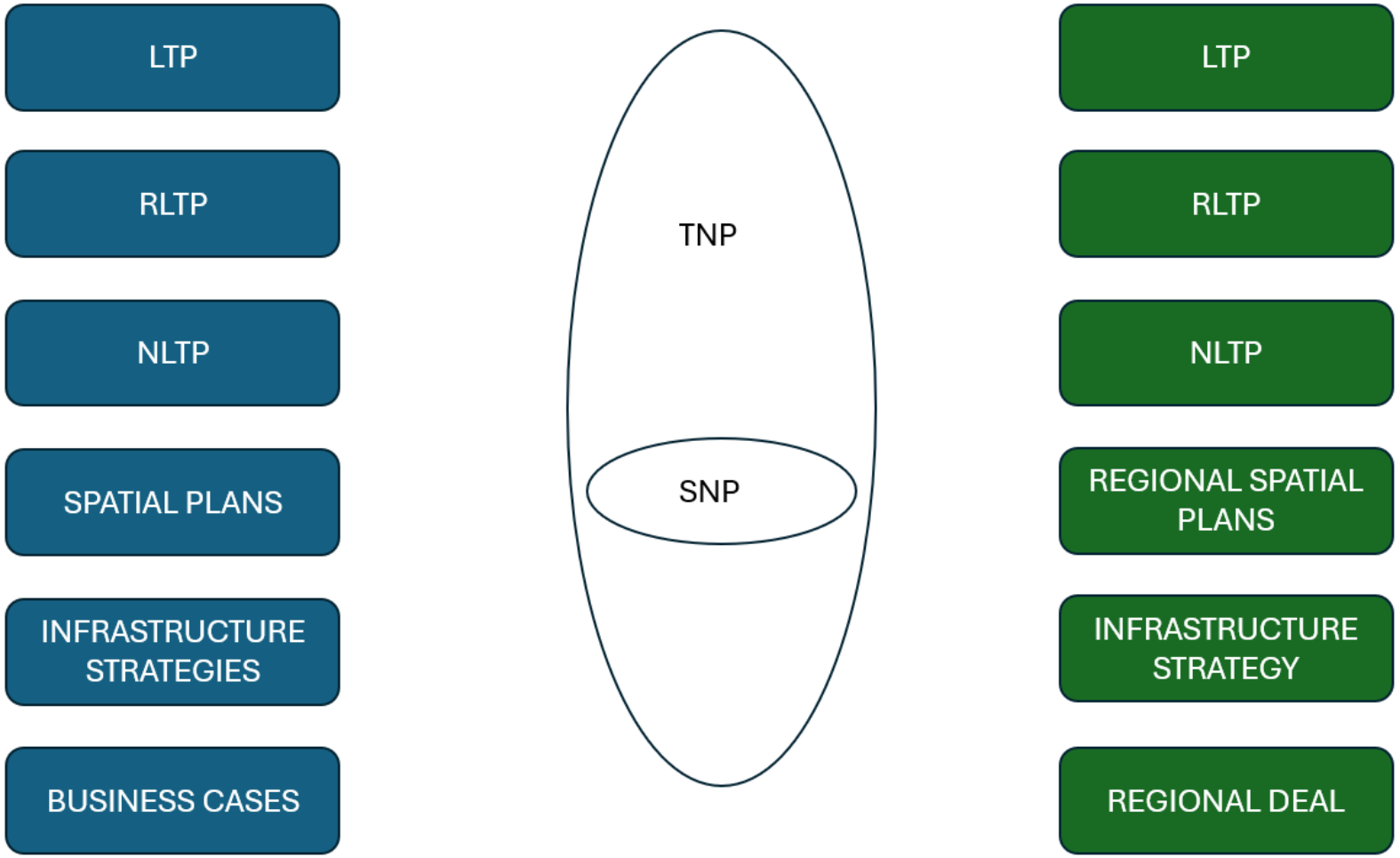

Opportunities

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- Joint approach is needed – priorities are very constrained by existing processes.
- Paradigm shift in funding is required.
- Interventions can still be short / medium / long terms but commitment to staging is required now.
- Opportunity to inform (regional) Spatial Plan - not react to it.

Link with ORC's Public Transport planning

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- Wānaka / Upper Clutha
- Sub-regional network
- Whakatipu network - (ORC work in progress)
  - *the TNP will include looking at options for future a multi-modal PT network including integration between buses, active travel and offline solutions.*
- Timeline
- Offline Mass Rapid Transport

Upper Clutha – Emerging Preferred Option

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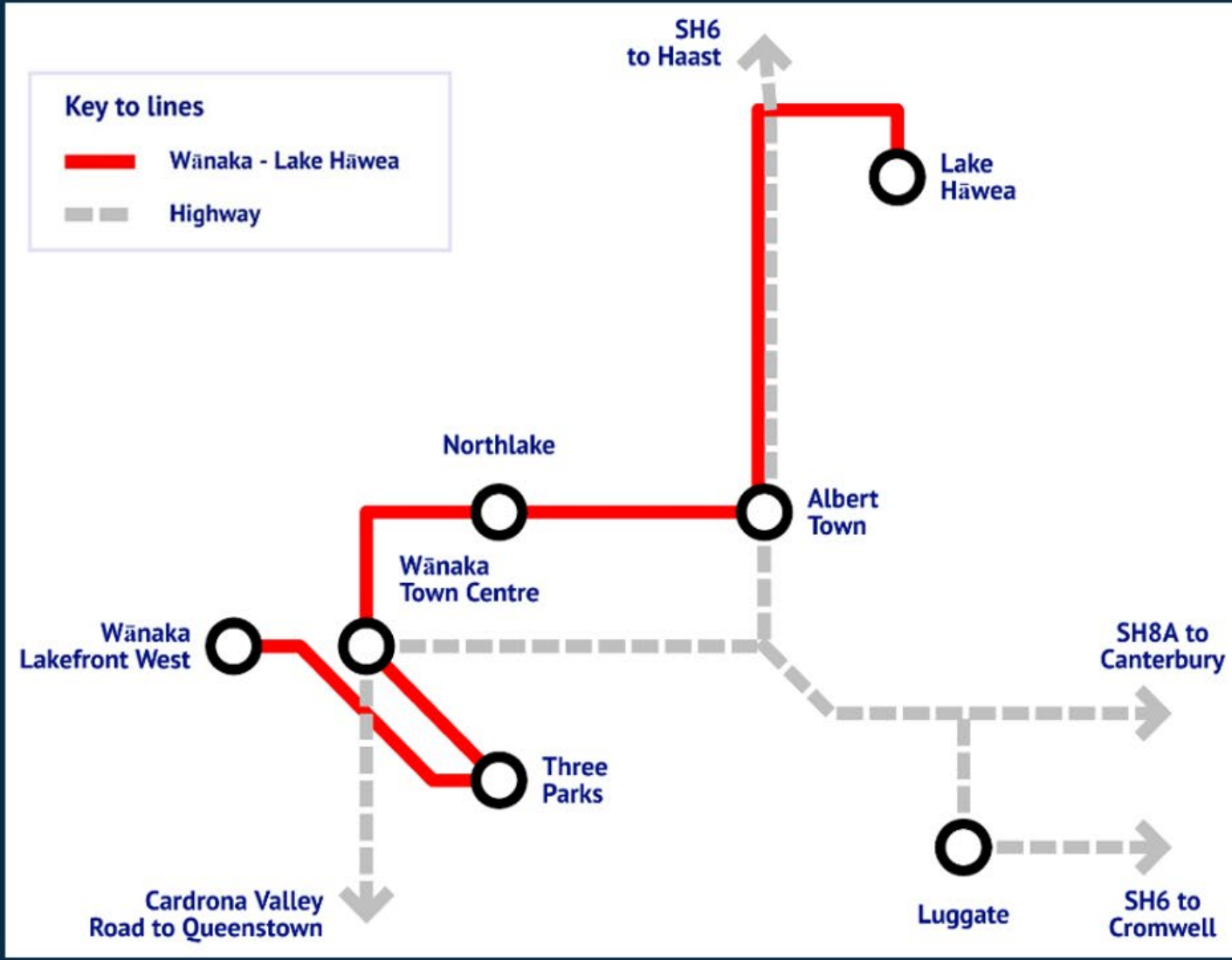
Scope	Hāwea, Albert Town, Three Parks, Wānaka, Southern Wānaka
Service	8 trips per day
Delivery	Subsidised (gross cost contract)
Timing	Phase over Years 1-10 of the next Long-Term Plan
Funding	Fares, third-party funding, local rates and NZTA co-funding
Cost	$1,172,700 (indicative)



Economic Analysis Results (SP9)

- **BCR:** 1.1
- **IPM:** meets LCLR criteria (HHM – priority order 3)

Sub-regional network

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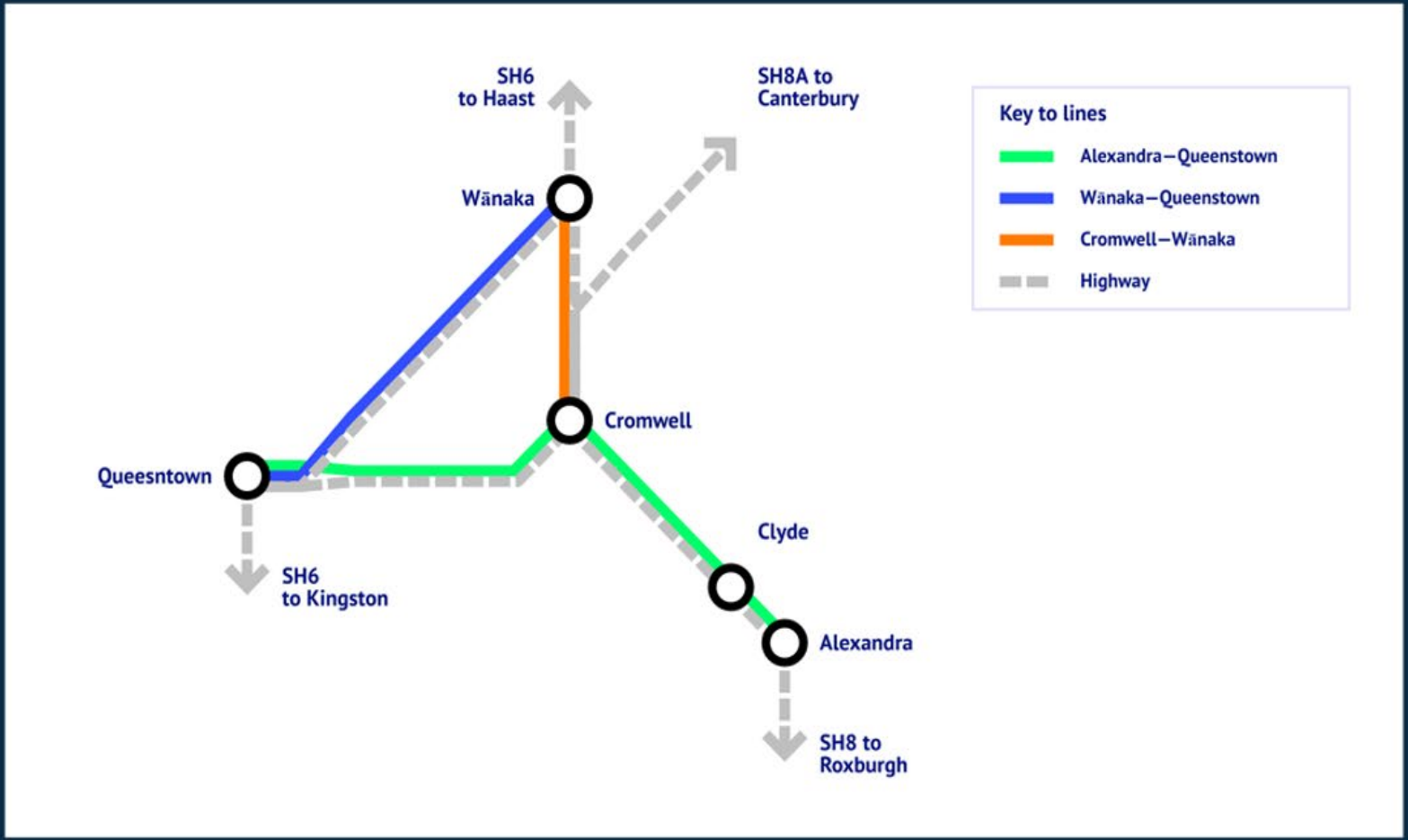

Indicative Timeline

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July 2026	Upper Clutha and OCL sub-regional PT investigations goes to Council
Aug – Sep 2026	ORC LTP work programme development
Late 2026	Draft GPS released
Dec 2026 – Jan 2027	RLTP improvement programme development
July 2027	LTP adoption
Late 2027 – 2028	Upper Clutha operator procurement and service implementation planning (LTP Y1)
2028 – 2029	Upper Clutha service launch (LTP Y2)
2029 – 2037	Upper Clutha service improvements up to 8 trips per day (LTP Y3-Y10)
2030 – 2031	OCL sub-regional service launch (LTP Y4)
2031 – 2037	OCL sub-regional service improvements up to preferred option (LTP Y5-Y10)

Offline Mass Rapid Transport

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- Whakatipu will need an alternative to either the current road network, to create more capacity for PT vehicles, or an off-line system.

- QLDC requirements from PT:
  - Service that supports planned growth areas
  - Fully protected route
  - Integrated with other transport modes
  - Complements planned interventions, not replaces them
  - Affordable
  - Accessible

Questions

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PART B

Infrastructure Strategy

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Significant issues in context

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SIGNIFICANT ISSUE	WHAT IT MEANS FOR TRANSPORTATION
Growth and demand outpacing capacity	Previous long-term planning through the central government's preferred processes have not been effective. Whilst the planning and interventions required are sound, the levels of investment have not been forthcoming. Growth through spatial planning has been based on the presumption of the planned and sequenced so the network is now witnessing a decline in levels of service. Further acceleration of growth in the planned areas is now superseding the original levels - meaning that interventions are required faster, which is opposite of the delivery so far.
Misalignment between service models and future needs	The causes of misalignment for transport between servicing the current and future needs is caused by two main factors: (1) Investment processes not suitable for the task; and (2) Local ratepayer base is not sufficient to support the infrastructure programme which uniquely services a comparatively vast tourist network
Increasing exposure to disruption and limited system resilience	The district has a relatively simple network which contains several vulnerable routes and structures. Whilst these are more obvious in the rural areas, the Whakatipu Basin has significant constraints and very limited alternate routes that result in a highly sensitive network. Disruption of routes through accidents or natural events leads to significant economic and accessibility issues.
Infrastructure's impact on climate, biodiversity, and the natural environment	Physical infrastructure for transport can have high level impacts on a visually sensitive location. New structures and roading, lighting and noise impacts can all be seen as detrimental to the environment. Emissions from vehicles is widely acknowledged as being a major cause for pollution affecting both air quality and land through particulate matter, as well as contaminants in the stormwater systems. Adverse effects are not limited to exhaust emissions, as the power sources required to manufacture and transport furls to distribution points further exacerbate the level of potential harm. Even the generation of electricity to supply electric vehicles (and other infrastructure) have some elements of environment impact – although not necessarily in the location where a vehicle is being used.
Increasing affordability pressures and the need for trade-offs	Transport has a significant effect on affordability for users - and affordability for investment in transport is significant constrained due to the high levels required. The disposable income of users (residents and business) can be significantly impacted if mode choice is not provided or utilised. The availability of funding to maintain and improve transport is also derived from the same users. Central government support has not been provided in sufficient amounts to maintain levels of service in the district. Without these requisite levels, transport projects are all provide only limited improvements – to the point where levels of service are now dropping, in effect sending the planned programme backwards.

Strategic direction and objectives

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Transport improvements must be based on a long-term network approach.

To give effect to significant levels of transport improvements, we must consider a joint approach with other programmes of our external partners. Adopting a strategic Transport Network Plan will enable this to be jointly advanced. It will also provide a robust evidence base to resist development pressure in unplanned areas.

At a high level this requires recognition that NZTA will focus on GPS led improvements meaning that they will focus improvement in the Frankton area. ORC as the current Public Transport Authority will focus on service improvements in the Whakatipu Basin, sub regional services and potentially the implementation of services in the Wānaka / Upper Clutha area. At the time of writing, this may also include a first national aerial network to provide predominantly public transport services.

For QLDC, we must consider either new ways to fund the planned programme or identify a priority element of the planned programme. Piecemeal interventions across the district will neither support partner work programmes, nor sharing results in the improvement of levels of service (and may even see further decline).

The strategic response to funding is to fully identify the scale of the transport programmes and fully explore the available mechanisms - including from private and central government sources. The alternative is to focus on objectives but within a smaller area than the full district; these include a focus on either Wānaka, the Queenstown Town Centre, or the Whakatipu basin. To support each or all of these, a toolkit programme will be required.

OBJECTIVES

- Support growth without increasing private car dependency
- Reduce transport emissions
- Improve accessibility and mode choice
- Achieve significant mode shift from private cars to alternative modes
- To lead land use planning by developing corridors rather than reacting to developer-led proposals

NB: objectives will be reviewed as part of the Transport Network Plan, due completion Sept 2026

Transport interventions require a synergistic planning approach alongside our key partner; NZTA (State Highway networks) and ORC (Public Transport services). Integration with the partner programmes remains key.

Recently, funding ability from all partners has been extremely limited when considered against the scale of the overall need.

Enabling toolkit

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Built-infrastructure alone cannot meet the district's future transport needs. A coordinated transport toolkit is essential to optimise network performance and make best use of existing and future infrastructure. This toolkit underpins all potential planning pathways identified for the district.

TRAVEL DEMAND MANAGEMENT

TDM aims to facilitate behavioural change across a range of user groups.

Network wide optimisation depends on significant levels of mode choice improvements being delivered, which reduces the capital outlay for new infrastructure.

PARKING MANAGEMENT

Parking Management Plans are being developed for areas within Queenstown, Frankton & Wānaka.

New areas can be added or extensions considered to these first plans.

Monitoring of the performance of the areas, especially occupancy levels will inform if further changes are required.

NETWORK PLANNING

A Transport Network Plan is being developed - creating a clear pathway to the future desired state.

Subsequent implementation plans will provide an ongoing pipeline of improvements over the life of the Long-Term Plan.

INTELLIGENT TRANSPORT SYSTEMS

Parking management and monitoring require improvements in technology.

Technology is also required to enable Time of Use Charging, Tolls and variable controls over the network. Notably, this is the key tool to enable revenue generation from parking, TOUC and Tolls.

Wānaka / Upper Clutha

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WĀNAKA – UPPER CLUTHA

Corridor Improvements that deliver safety and/or capacity upgrades across the Wānaka transport network.

Active travel routes leverage the strong existing uptake of cycling and walking. New routes will improve connectivity, accessibility, and safety across the network at relatively low cost – offering strong value-for-money.

Network Optimisation will be achieved through targeted interventions that respond to known or emerging issues/opportunities

Public transport infrastructure will be provided to support investment from the ORC to new public transport services

Short-term (Y1-3)	Medium-term (Y4-10)
$53M	$20M (TBC)

Wānaka presents the best value for money approach.

The same transport related problems are beginning to emerge in Wānaka as are now seen in the Whakatipu. Congestion, Travel Time Reliability, parking demand will all present as problematic within ten years. Currently transport habits are good in this area, walking and cycling are actively encouraged and Public Transport is under current consideration, despite the town's size being a previous reason to hold off on that mode. Optimising the physical network and services in a planned manner will encourage mode choice and allow the existing network to last for some time.

Infrastructure capacity and levels of service depend on growth remaining within assumed planning settings.

This programme of interventions is based on the base case planning settings scenario, which directs growth to the identified priority growth areas, including the two Wānaka South areas now entering the structure planning phase. While Council must plan and provide infrastructure to respond to both planned and unplanned growth, any additional intensification or urban expansion beyond the assumed planning settings would increase demand beyond the scope of this investment programme and may result in reduced levels of service and infrastructure deficits over time.

KEY RISKS / UNCERTAINTIES

- No allowance for unplanned growth areas.
- Relies on Public transport services being implemented in the short to medium term.

OPPORTUNITIES

Growth is a significant cost driver indicating that many of these interventions could attract Development Contributions / Levies.

Queenstown Town Centre

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QUEENSTOWN TOWN CENTRE

Arterial Route Stage 3 will establish the full route; Stage 2 will then optimise its performance. The completed bypass will improve network efficiency and town centre urban amenity.

PT Interchange will create a central public transport hub that improves network efficiency, accessibility, and connection to the town centre.

Parking facilities are required to ensure enough parking is available in the right places for a variety needs. A modelled shortfall of 1,100 spaces could be met through one large facility or multiple smaller facilities.

Street Upgrades will progressively transform key streets to create safer, more accessible, and people-focussed public spaces that enhance the town centre experience.

Short-term (Y1-3)	Medium-term (Y4-10)
$60M	$346M

Maintaining Queenstown's economic performance requires continued investment

Queenstown remains the district's primary destination and a significant contributor to both the local and national economy. While the required interventions represent a substantial investment, the economic case for delivery remains strong. Investment in the town centre and supporting transport network will enable continued growth in visitor activity, improve accessibility and journey reliability, and support the productivity of businesses, workers and residents. Conversely, as congestion worsens, the district faces increasing economic disbenefits, including reduced network productivity, constraints on business activity, a poorer visitor experience, and risks to future visitor growth. Given the importance of tourism and the town centre to the wider economy, the cost of underinvestment is likely to exceed the cost of the interventions required to maintain Queenstown's long-term economic performance and competitiveness.

Transport investment underpins the town centre's future growth.

Building on recent investment, continued improvements to the walkable town centre as well as public transport and tourist coach interfaces will help sustain Queenstown's attractiveness, accessibility and economic performance. To support this, the remaining stages of the arterial route should be progressed now will improve cost certainty for later construction phases and allow property to be secured early and reduce the risk of route encroachment. These interventions are key to the town's planned extension areas, including major development sites at Lakeview and Manawa, as well as increased intensification enabled through Plan Change 50 and the recent Urban Intensification Variation.

KEY RISKS / UNCERTAINTIES

- Significant development areas – Lakeview, Manawa and the town centre extension area are all assumed to be significantly implemented in years 1 – 10.
- Public transport continues to see frequency improvements in years 1 – 10.

OPPORTUNITIES

Growth is a significant cost driver indicating that many of these interventions could attract Development Contributions / Levies or could be packaged with NZTA / ORC transport projects as part of an IFFA deal. There are also opportunities for revenue generation and mode shift through the use of time of use charging and parking charges

Whakatipu

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WHAKATIPU

Arthurs Point Crossing will provide significant network-wide resilience as well as localised safety, capacity, and efficiency improvements. The existing historic bridge has reached end-of-life and cannot be relied upon into the medium-term.

Malaghans Corridor low-cost improvements, particularly around the new Arthurs Point Crossing, will support network safety and efficiency as usage grows.

Park and Ride facilities at key network limits (Eastern, Southern, Western) that interface with PT services, supporting PT uptake in increasingly congested areas.

Whakatipu Active Travel Network has been gradually evolving; further investment to complete key routes within the network will increase safety and accessibility for users, and promote greater uptake.

Vulnerable Roads is a project that will address a number of low use roads that are comparatively high cost to maintain.

Network Optimisation will be achieved through targeted interventions that respond to known or emerging issues/opportunities (e.g. Rd 10 formation, Quail Rise Link, Hawthorne Dr improvements, PT facilities).

Short-term (Y1-3)	Medium-term (Y4-10)
TBC	$73M

Local network upgrades remain essential to support growing demand

While much of the wider basin will be influenced primarily by NZTA and ORC initiatives, there are still a number of local road and local service improvements that need to be progressed. NZTA's Strategic Network Plan will shape the strategic highways approach, particularly around Frankton. ORC's fleet improvements should deliver a substantial shift in commuter travel and some tourism demand. However, any savings in road capacity are likely to be absorbed through induced demand, with space quickly taken up by freight, tourism, trades, and private vehicle trips.

Arthurs Point corridor provides a strategic, resilient alternative to SH6 / SH6A

Pressure from increasing growth in Frankton supports optimising the limited alternate routes that already exist. Improvements to the route between Queenstown and Arrowtown via Arthurs Point should include intersection upgrades, added capacity, and better access starting at Gorge Road, along with a new river crossing at Arthurs Point to Arrowtown. This route is also a viable alternative to SH6 and SH6A, which makes Time Of Use Charging more feasible. A toll should be considered for the Arthurs Point Crossing.

KEY RISKS / UNCERTAINTIES

- Funding assistance from NZTA is assumed to be provided for the new bridge at Arthurs Point.
- Park and Ride, is at least partly funded by NZTA and can be serviced by ORC.

OPPORTUNITIES

Growth is a significant cost driver indicating that many of these interventions could attract Development Contributions / Levies or could be packaged with NZTA / ORC transport projects as part of an IFFA deal. Park and Ride facilities would be revenue generating. Possible revenue generation from time of use charging and tolling on key routes.

Overview of potential planning pathways

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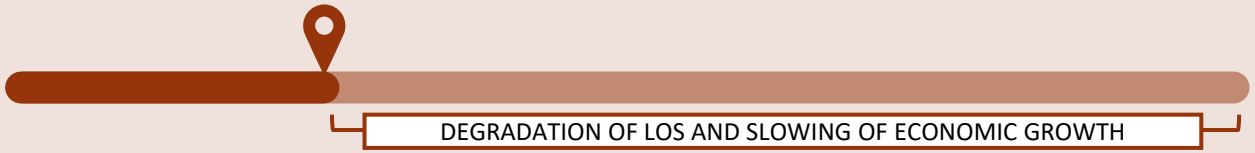
Three principal transport planning pathways have been identified. These pathways contemplate the scale, location, and pace at which we invest in the transformation of the transport network. Early, aggressive investment is required to maximise whole-of-life cost and address LOS erosion.

Years of underinvestment mean the next decade must focus on catching up on infrastructure deficits and growth pressures. Delivering this programme will require alternative funding and delivery mechanisms, as traditional LTP and NLTP pathways are unlikely to be sufficient or affordable.

REACTIVE
Toolkit investment and major asset replacements

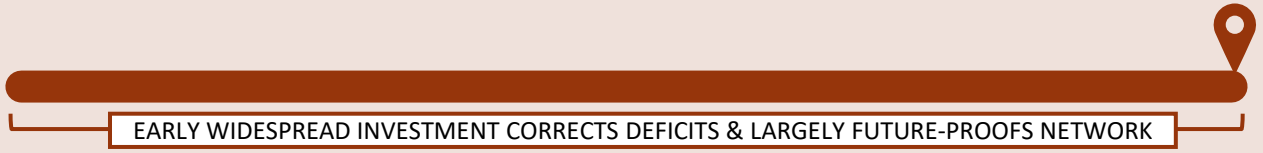


Focus on low-cost enabling initiatives (TDM, parking management, ITS, network planning) and asset replacements as required.

PROGRESSIVE
Early delivery of Wānaka interventions ahead of demand to maximise VfM

Focus on Wānaka optimisation works (first 3-years), followed by Whakatipu & Queenstown Town Centre works primarily within first 10-years.

AGGRESSIVE
Wānaka and QTN town centre accelerated, delivering majority within first 10-years



An optimised programme prioritises most known needs and opportunities within the first 10-years. Quick wins in Wānaka get ahead of demand, while major Queenstown and wider Whakatipu interventions are delivered as quickly as possible.

Pathways

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	REACTIVE	PROGRESSIVE	AGGRESIVE
Description	**Toolkit projects plus essential replacements** Directed towards behavioural change rather than construction. Replacing key structures / routes only when forced.	**Area based interventions** Acknowledges likelihood of limited local funding and government assistance. Matches intervention advocacy for longer term returns.	**Major project investment in the short to medium term** Signals a bold commitment to leading growth by providing infrastructure and services that facilitate behavioural change and early uptake of alternate transport modes.
Response to significant issues	● Provides an early and ongoing responses to advocating for behavioural change. Provides a resilient alternate arterial route to support the State Highway network.	●●● Strengthens the transport facilities and services in a defined area, promoting a balance level of service for the mid to long term.	●●●●● Strong alignment with major interventions and supports economic growth.
Delivery of objectives	● Provides minimum coverage of wider issues outside advocacy and one key structure.	●●● Provides good coverage of transport implementations in one urban area.	●●●●● Strong coverage of significant implementations leading to measurable benefits.
Implementation feasibility	●●● Achievable with existing levels of resourcing.	● Achievable but will require additional resources for design and implementation sprints.	●●● Achievable but will require significant additional resources for design and implementation sprints.
Y1-3 Capex	Toolkit Projects: $20M + Arthurs Point Crossing: $80M	Toolkit Projects: $20M + Arthurs Point Crossing: $80M + Wanaka based interventions: $53M	Toolkit Projects: $20M + Arthurs Point Crossing: $80M + Qtown town centre pre-implementation: $60M
Y4-10 Capex	Ongoing travel demand management, including parking: $20M	Ongoing travel demand management, including parking: $20M + Qtown town centre & Whakatipu: $479M	Ongoing travel demand management, including parking: $20M +Qtown town centre implementation followed by Wānaka and Whakatipu: $472M
Improvement Programme Total*	**$120M**	**$650M**	**$650M**

** The improvement programme is additional to the continuous and low cost low risk programmes which are approximately $300M over ten years*

This programme will not be funded wholly by rates, as there are significant opportunities to fund through Development Contributions, IFFA levies, time of use charging and tolls that will be explored as the capital programme is further developed.

Questions

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