

In confidence

Queenstown Strategic Network Plan

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Purpose: For endorsement

This paper seeks Board endorsement of the Queenstown Strategic Network Plan (QSNP) following the Board workshop in June 2026.

Recommendations

Management recommends the Board **endorses** the Queenstown Strategic Network Plan.

Key points

- It is neither affordable nor practical to provide the road expansion required to resolve Queenstown's strategic network challenges. A balanced multi-modal approach is required that makes better use of the existing infrastructure, targets additional capacity to move more people in less space, and actively manages demand.
- The QSNP does not seek funding for a particular programme of work. It identifies effective and efficient activities that contribute towards addressing Queenstown's strategic network long term challenges and gives decision makers investment choices that can respond to the context at the time (e.g. GPS direction and funding availability).

What you need to know

Queenstown's Strategic Network faces significant and complex challenges

In 2025, demand in Queenstown exceeded 85% of network capacity for up to 6.5 hours per day. On the busiest days, peak travel times along the ~7km SH6A journey exceeded 80 minutes. Significant forecast resident and visitor growth will increase demand with peak day population (residents plus number of visitors on busiest day of the year) in the Whakatipu Basin increasing from 83,000 today to more than 143,000 by 2055.

The QSNP identifies four main challenges:

- The network doesn't have capacity to cater for current and future demand, resulting in increasing congestion, delays and poor travel reliability.
- The strategic network is not fulfilling its intended functions within the wider transport system.
- The lack of alternative routes means the system is reliant on key parts of the strategic network, leading to widespread disruption during unplanned incidents.
- There are areas of unacceptable impacts on people, the environment, and quality of life.

A balanced multi-modal approach is needed to address these challenges

Physical and financial constraints mean we cannot solely build our way out of these challenges and a balanced multi-modal approach is needed. This involves providing selective road improvements,

maximising the use of buses with high-capacity vehicles and the eventual addition of offline public transport. Managing the demand for travel with tools such as time of use charging will also be critically important. The QSNP substantially improves network performance and accommodates forecast growth, but congestion will remain on parts of the network. The QSNP identifies a three-part strategic approach:

1. **Best use of infrastructure** – prioritise smarter use of existing corridors by network optimisation, managing key bottlenecks and incremental investment in capacity and bus priority.
2. **Move more people in less space** – maximise the existing bus network and shift to higher capacity public transport (bus and offline).
3. **Actively manage demand** – use pricing and access management tools to reduce pressure at peak times and make better use of capacity.

The QSNP has been developed separate to, but cognisant of, various private off-line transport proposals (gondola and others). The QSNP identifies that demand will exceed the capacity provided by other modes, and that an off-line public transport system will be required. The QSNP is agnostic to the technology. Details regarding technology and the integration with the wider transport system will be investigated as part of a subsequent investment case.

There are numerous gondola proposals being pursued, the most advanced being the Southern Infrastructure Limited proposal called the Queenstown Cable Car which proposes connecting the town centre with the airport, Frankton, and potentially future residential areas such as Ladies Mile. Southern Infrastructure are currently working with National Infrastructure Funding & Financing on a Market Led Proposal application (which NZTA is supporting). This will test the public interest of the proposal (for example, how well it aligns with the QSNP) and whether exclusive negotiation is justified. Once this review is complete, it is expected that a bespoke process will be required to consider the range of funding streams which may be required (PT subsidy, availability payment, IFF levies, Crown grant). In April 2026, the Queenstown Cable Car referral application was accepted under the Fast-track Approvals Act, and Southern Infrastructure have indicated a substantive application will be lodged with the Environmental Protection Authority later this year. The Holmes Solution's 'Whoosh' proposal is also being progressed but is less advanced. We understand Whoosh are also proposing connecting Frankton with the Queenstown town centre.

The QSNP identifies potential future activities for prioritisation and development

The QSNP is an indicative 30-year plan for Queenstown's strategic network that identifies potential activities for further development, broad timing and next steps. Not all activities may be needed or delivered over 30 years. Prioritisation and delivery decisions will be made through normal investment processes, such as the 2027 SHIP and development of the NLTP.

The plan reinforces the need for many activities already in long-term plans and key policy initiatives like time of use charging. Most newly identified activities are individually relatively small-scale and focus on optimising the network in places under greatest pressure. The plan identifies in the order of \$1.4 - \$2.6b of potential improvement activities (total capital cost) over 30 years plus an additional \$11m - \$25m in ongoing annual public transport opex.

This level of investment is proportionate to the likely benefits and the economic risk of inaction. A modelled scenario where worsening transport performance reduces long-term visitor growth by just 0.5% results in an estimated \$3.9b Net Present Value (NPV) loss over 40 years in GDP. Given traditional transport benefits such as travel time savings have not been calculated, this understates the full value of investment.

Stakeholder feedback

The plan identifies areas where NZTA will need to influence others to deliver the QSNP's strategic approach. The plan is heavily referenced in the Otago Central Lakes City & Regional Deal with an intent to work in partnership to deliver the plan's initiatives. It was discussed with elected representatives from Otago Regional Council and Queenstown Lakes District Council in July. It was well received with both Councils supportive of the proposed strategic direction.

Following this discussion, Otago Regional Councillors shared further feedback for consideration. This feedback noted their concern the plan may be underestimating the scale and pace of growth and is too cautious on providing additional roading capacity. They remain supportive of the balanced multi-modal approach, staging and sequencing, but want NZTA to take a bigger, more ambitious view that is less cost constrained. Our view is this feedback does not change the underlying assumptions or recommendations in the QSNP. We will continue to engage with ORC through multiple relationship forums as we embed the QSNP. The plan is expected to be a significant input into regional spatial planning processes.

Next steps

Immediate next steps are to use the QSNP to identify high-priority activities as part of the 2027 SHIP and NLTP processes. We are also scoping further work to investigate how risks and opportunities relating to the potential offline public transport solution can be managed best.

Attachments

Attachment 1

Summary of Queenstown Strategic Network Plan

Resource Centre (Diligent)

Document 1

[Final Draft Queenstown Strategic Network Plan](#)