

# **Decision Paper: Southern Infrastructure request to use Council reserve land**

## **Purpose of report**

1. To seek written agreement for Southern Infrastructure (Cable Car) Limited (**SICCL**) to use Council-administered reserve land for the Queenstown Cable Car project (**Cable Car**).

## **Decision Sought**

2. SICCL seeks Council's agreement in principle for written agreement to the Queenstown Cable Car activity being undertaken on QLDC reserve land identified in **Appendix A.1**. Council's agreement is sought in its capacity as owner or administering body of that reserve land. Written agreement is required before SICCL can lodge its substantive application under the Fast-track Approvals Act 2024 (**FTAA**).
3. SICCL seeks that Council delegates to the Chief Executive the authority to agree the final terms of Council's written agreement and provide the formal written agreement as part of SICCL's substantive application under the FTAA.
4. SICCL seeks a resolution in these or similar terms:

### ***Council resolves to:***

- a) provide agreement in principle for the Queenstown Cable Car activity to be undertaken on reserve land owned or managed by Council as identified in Appendix A.1 subject to agreeing terms with SICCL; and***
  - b) record that Council reserves all other rights to comment on the substantive fast-track application, recommend conditions, and make any later statutory, regulatory, commercial, landowner, funding or transport planning decision on its merits.***
  - c) delegate authority to the Chief Executive to agree the terms of the use of that reserve land, those terms to be submitted as part of the substantive fast-track application; and***
  - d) authorise the Chief Executive to provide written agreement for the Queenstown Cable Car use of the reserve land identified in Appendix A.1 once the proposed terms to be submitted as part of the substantive application are agreed.***
5. This agreement in principle is not itself a statutory approval and does not predetermine Council's position on any approval, condition, land tenure, commercial term, funding matter or subsequent statutory process.
  6. The FTAA empowers the Fast-track hearing panel to determine the Reserve Act approvals. However, a FTAA application without the Council's approval cannot proceed. SICCL must agree the terms of any reserve use with the Council.
  7. The Council will retain the opportunity to provide comment and recommend any conditions that should be imposed in respect of approvals sought through the Fast-track process.
  8. SICCL cannot obtain permission through the FTAA to carry out the Cable Car activity on Council's non reserve land. Commercial terms will need to be agreed in respect of the use of Council's freehold land and the other land interests identified in **Appendix A.2** and **A.3**.

## **Background**

9. The Queenstown Cable Car is an electrically powered aerial ropeway public transport system. The Cable Car links Queenstown Airport and Frankton to the Queenstown town centre. It also connects the Ladies Mile area with the rest of the network, unlocking growth in that area. The

Cable Car is intended to operate as a high-capacity public transport spine, with buses, active modes of transport, taxi, rideshare and other local services feeding into cable car stations.

10. The current request seeks Council's written agreement only for use of reserve land needed to progress the fast-track substantive application. Other matters, including remuneration for the use of Council reserve land, commercial tenure over Council freehold land, airspace leases, road stopping, design detail, funding arrangements and any Council conditions, would be addressed through separate, subsequent decisions by Council or through the FTAA process.
11. The detail around the exact alignment for the Cable Car is commercially sensitive because there is another proposal under development which may seek to follow similar routes. Co-location of these proposals is unlikely to be possible. The alignment information is provided in confidence to the Council to inform the request for written agreement to use reserve land.

### **Statutory context**

12. The FTAA provides a streamlined process for infrastructure and development projects with regional or national benefits. For reserve land owned or managed by a local authority, a substantive application seeking Reserves Act approvals must include confirmation that the local authority has provided written agreement for the activity to occur on that reserve land.
13. SICCL is seeking this approval from Council to enable it to progress with lodging its substantive application for approval under the FTAA.
14. Under the FTAA process, in addition to the written agreement from Council, SICCL is required to provide detailed information about the activity proposed to be undertaken on reserve land including an assessment of its effects and any proposal to mitigate effects, consideration of whether the project could reasonably be undertaken in a different location and another area within a reserve where effects would be less, information about the extent to which the activity is in keeping with the reserve purpose, the reasons for requesting any lease, licence or easement and details of any consultation undertaken with Council amongst other things. This information will enable the Fast-track panel to complete a thorough assessment of the proposal on the identified reserve parcels.
15. However, ultimately delivery of the Cable Car as a whole will be dependent on decisions that are still to be made. One of those decisions will be agreeing the terms of any access agreements with Council in respect of any freehold land.
16. SICCL therefore asks that Council treat the requested written agreement as an enabling step for lodgement, not as the final determination of occupation rights and commercial terms.
17. Written agreement for the purpose of progressing the fast-track substantive application does not fetter Council's decision-making role in any later statutory, regulatory, landowner, commercial or funding decision. It enables the next steps to be taken in relation to the Project.
18. SICCL notes that, under the FTAA, the local authority must "not unreasonably withhold its agreement" and "in deciding whether to give its agreement, must take into account the purpose of this Act and any relevant matters under the Reserves Act 1977."<sup>1</sup>
19. The purpose of the FTAA is to "facilitate the delivery of infrastructure and development projects with significant regional or national benefits." The Cable Car achieves the purpose of the FTAA. In accepting the Cable Car's referral application, the Acting Minister for Infrastructure confirmed the Cable Car is an infrastructure or development project that would have significant regional benefits. SICCL's referral application sets these significant regional benefits out in depth. This report also further addresses the economic impact of the Cable Car below.
20. The Council will need to further consider any relevant matter under the Reserve Act 1977, including consistency with Reserve Management Plans. We address the relevant Reserve Management Plans in relation to the Cable Car below.

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<sup>1</sup> FTAA, Schedule 6, clause 7(4).

## Reserve land

21. Council-owned or Council-administered reserve land is needed for the cable car corridor, tower locations and some station sites.
22. The proposal identifies a number of Council-administered reserve titles. These reserve parcels are detailed in **Appendix A.1**. **Appendix A.1** also describes whether the reserve parcel is required for a station building or whether it is required for cables and towers only.
23. **Appendix A.2** details the remaining Council-owned land that is affected by the Cable Car. SICCL wishes to engage with the Council to secure the necessary landowner permission and access rights for these parcels of land. However, this approval is not a pre-requisite for processing of the substantive FTAA application (unless the Council confirms that any of these parcels are subject to the Reserves Act).

## Proposed Route Alignment

24. The Cable Car project includes two main routes:
  - (a) Airport to Queenstown Town Centre
  - (b) Frankton to Ladies Mile

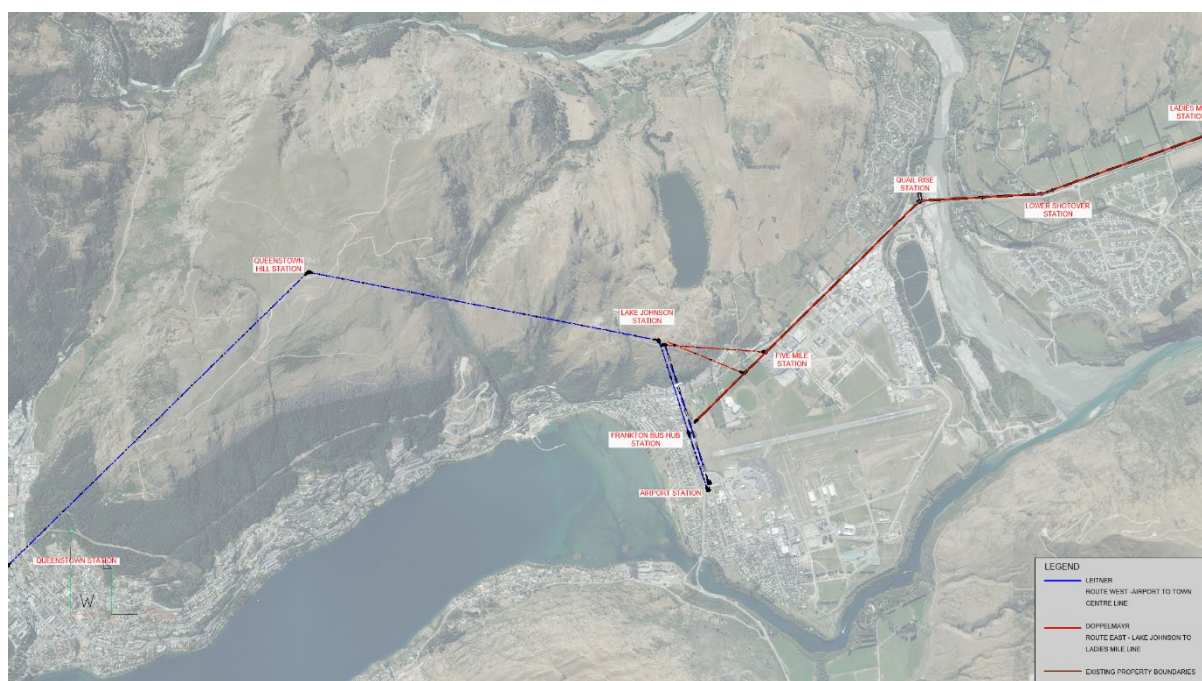


**Figure 1:** Proposed route options for Queenstown Cable Car

### *Airport to Queenstown Town Centre ("Town Centre Line")*

25. There are two options for the Cable Car along State Highway 6 (SH6); one on either side of the road carriageway.
26. The Cable Car alignment located on the *eastern* side of the road is expected to be located within the SH6 road corridor. However, subject to detailed design, it may be that a minor encroachment on the Frankton Golf Course land is necessary. Accordingly, the Golf Course land has been included in the list of parcels of Reserve Land for which SICCL is seeking written agreement. The alignment is shown on Sheet 104.
27. The eastern option for the Town Centre Line starts from a station located near the Hospital in Frankton, adjoining the Queenstown Airport carpark. This station will collect people arriving

from the Airport. It travels along SH6 and then over private land up to the Lake Johnson Station.

28. The *western* option route for the Town Centre Line starts opposite the Queenstown Airport car park site, within the SH6 road reserve administered by NZTA. This station alignment traverses the QLDC reserve running parallel to SH6 up to the Lake Johnson Station. A mid-point station is located to the north of Ross Street, within the QLDC reserve. Passengers going to Queenstown will continue on from there to the Lake Johnson Station, passengers going to Frankton/Ladies Mile would exit at the Frankton Bus Hub Station and proceed to the station on the eastern side of SH6 via an at grade crossing point. This alignment and the station locations are also shown on Sheet 104.
29. From Lake Johnson, there is only one route option. The Cable Car travels along Queenstown Hill to a station located on private land above the town centre. It then comes down the hill into the Town Centre with the final station located on the Boundary Street car park.
30. There are four stations on the Airport to Queenstown Town Centre route following the eastern alignment, and up to six stations on the western alignment. The two additional stations on the western alignment are at the Frankton Bus Hub station and within the golf course reserve.
31. Note that if the eastern alignment along SH6 is advanced, there is no need for either the Frankton Bus Hub Station or the golf course reserve station.

#### *Airport to Ladies Mile Line ("Ladies Mile Line")*

32. Three alignment options have been assessed for the Airport to Ladies Mile Line, shown in Figure 2
33. Following engagement with Council, SICCL understand that Option 1 (**orange line** crossing the event centre) is not supported. Option 1 is retained by SICCL as an option to be considered given its benefits to the transportation network and requests the Council reconsiders this alignment. This was the alignment shown in the Frankton Integrated Transport Programme Business Case prepared by GHD for QLDC. It maximises transport benefits, resilience, network integration and mode-shift.
34. Option 2 (**purple line**) is the reconfigured route designed entirely to address the Council's feedback on Option 1.
35. Option 3, the **red line** with the Five Mile Station shown at Location A, was considered as a potential route. However, due to a number of constraints it cannot be pursued further. The alignment crosses over a power transformer, which creates safety concerns and it would require the removal of a 100 year old heritage tree, which is not supported by the landowners.

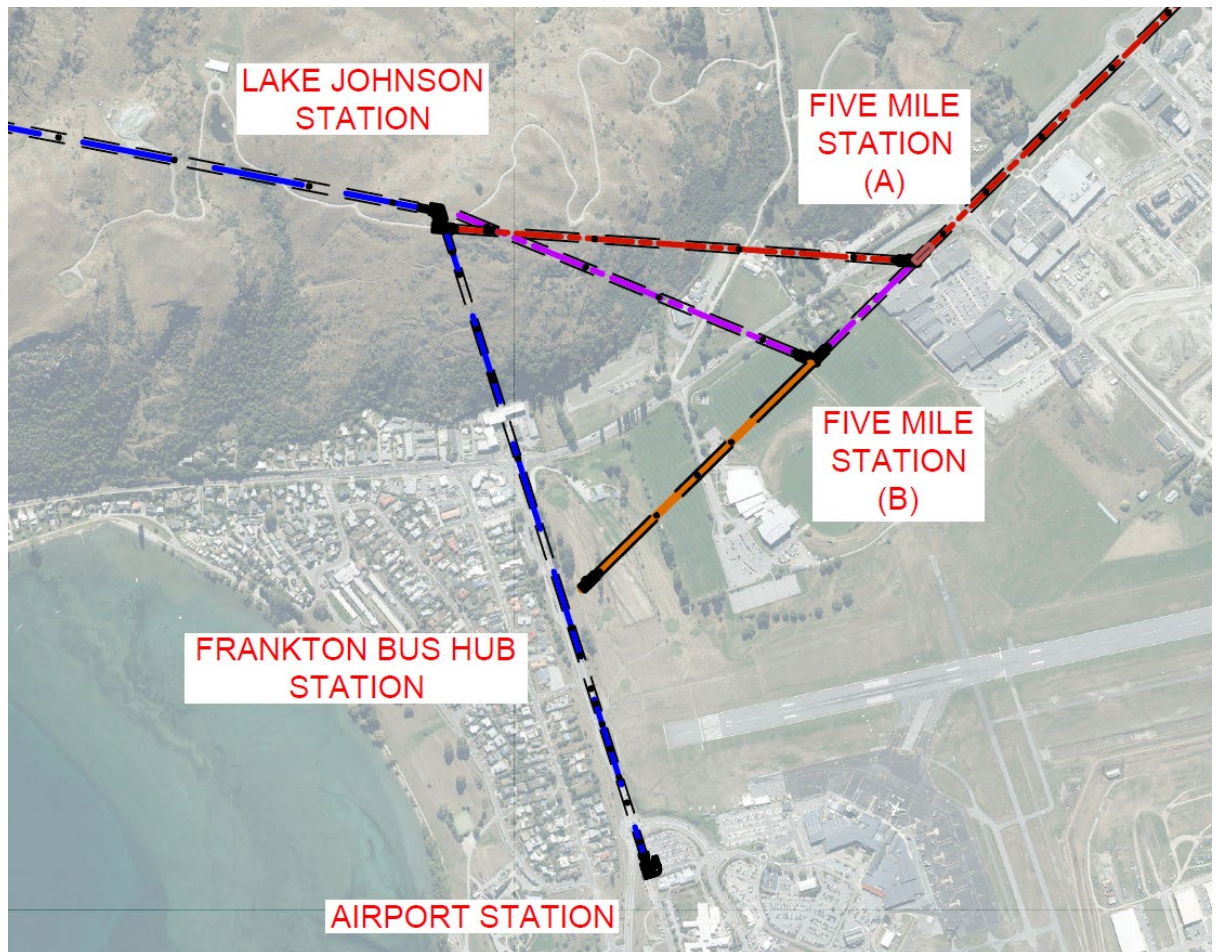


**Figure 2:** Option 1 (orange line), Option 2 (purple line) and discounted Option 3 (red line)

*Option 1 — Frankton Flats route (orange alignment)*

36. Option 1 (orange alignment) branches from the station in the golf course reserve, crosses the event centre land and runs via:
  - (a) Five Mile Station - on the southern berm of SH6, directly north of the Five Mile Shopping Centre;
  - (b) Quail Rise Station - directly north of the western abutment of the Shotover Bridge, on the existing Council public gravel car park;
  - (c) Lower Shotover Station; and
  - (d) Ladies Mile Station.
37. Option 1 was SICCL's original alignment for the Ladies Mile Line. Option 1 required the Cable Car to cross the Queenstown Events Centre land, including the hockey turf and the golf course. Council asked that the alignment be moved off that land. SICCL wishes to retain Option 1 for further consideration. SICCL has however designed an alternative alignment that avoids the hockey turf and the golf course, shown on the figure above as Option 2.

*Option 2 – Lake Johnson Route*

38. Option 2 (purple line) branches from the Lake Johnson Station and comes down the hill, across the City Impact Church Site to the Event Centre Station location and runs via:
  - (a) Event Centre Station - on the northern edge of the Event Centre Land just behind the Grant House;

- (b) Quail Rise Station - directly north of the western abutment of the Shotover Bridge, on the existing Council public gravel car park;
- (c) Lower Shotover Station; and
- (d) Ladies Mile Station.

#### What is the extent of reserve occupation required

39. SICCL is seeking a number of different occupation rights based on the type of infrastructure to be placed on reserves.

| Infrastructure Type | Occupation right that will be sought                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Station             | <p>Ground Lease</p> <ul style="list-style-type: none"> <li>- Frankton Bus Hub Station occupies a footprint of approximately 740m<sup>2</sup></li> <li>- Golf Course Reserve Station occupies a footprint of approximately 560m<sup>2</sup></li> <li>- Queenstown Events Centre Station occupies a footprint of approximately 960m<sup>2</sup></li> <li>- Quail Rise station occupies a footprint of approximately 2,600m<sup>2</sup></li> </ul> <p>Temporary construction licence</p> <ul style="list-style-type: none"> <li>- There may be a need for a slightly larger temporary occupation licence during the construction phase</li> </ul> |
| Pylon               | <p>Easement</p> <ul style="list-style-type: none"> <li>- Each pylon will occupy a space of approximately 1m<sup>2</sup></li> </ul> <p>Temporary construction licence</p> <ul style="list-style-type: none"> <li>- There may be a need for a slightly larger temporary occupation licence during the construction phase</li> </ul>                                                                                                                                                                                                                                                                                                              |
| Cable               | <p>Airspace easement</p> <ul style="list-style-type: none"> <li>- Proposed corridor is approximately 16.8m wide.</li> <li>- In most locations, the cable car will be approximately 8.5m above the ground so there will be little restriction on the use of the reserve land under the cable car.</li> </ul>                                                                                                                                                                                                                                                                                                                                    |

40. These areas are indicative as they will need to be confirmed through detailed design. The diagrams in **Appendix A.1** show the approximate spatial extent of occupation.

### **Duration of the occupation sought**

41. SICCL seeks an initial term of 49 years for the leases required for station sites, with easements for pylons and the airspace corridor granted in perpetuity or for an equivalent term. A long term is sought for a specific reason rather than as a matter of preference.
42. The uptake of mass rapid transit infrastructure is closely related to land use change within the walkable catchment of stations. That principle is embedded in the National Policy Statement for Urban Development, which directs councils to enable greater development density in areas well served by public transport. For that land use response to occur, and for the transport and urban form benefits of the Cable Car to be realised, the transport service must be durable and long term. A short or uncertain tenure would undermine the very outcome the investment is intended to deliver, and would not support the financing of the project.
43. The term sought does not remove the land from Council ownership. Council remains the owner and administering body throughout, and the terms on which the land is used would be settled through the process described in this report.

### **Exclusivity of the occupation sought**

44. The degree of exclusivity sought differs by infrastructure type, and in most locations the occupation is not exclusive at all:
45. Airspace easements for the cable. In most of the reserve land locations the cable passes approximately 8.5m to 12m above ground level and the land beneath remains available for its existing reserve use. These easements are not exclusive. Where the cable passes over a sportsfield or other active recreation area, the effect on the underlying use requires closer assessment, and that is addressed in the effects section below. Height is relatively easy to change so if Council requires a higher clearance for a specific purpose we are happy to receive this feedback and revise the design to accommodate where possible.
46. Easements for pylons. Each pylon occupies a footprint at ground level of approximately 1m<sup>2</sup>. The surrounding land remains available for its existing use. By way of comparison, a typical cellular tower structure occupies a materially larger area of road reserve.
47. Ground leases for stations. Stations require exclusive occupation of the land they sit on, in the footprints set out in the table above and in **Appendix A.1**.
48. Temporary construction licences. A larger area may be required during construction. For a station of the type proposed, SICCL expects approximately four months of site activity, with a site compound located outside the active playing area where a station adjoins sportsfields.

### **Effect on the existing reserves and their users**

49. SICCL has commissioned Hutch Consulting Ltd to assess the recreational effects of the Cable Car on the affected reserves and their users. That assessment is in preparation and will be provided to Council once it is complete. It will also form part of the information required to accompany the substantive application under Schedule 6 of the FTAA.
50. In advance of that assessment, the following is noted about the nature of the effects. Where the cable passes overhead the land beneath remains in its existing use, and the principal effects to be assessed are those arising at station sites and pylon locations, together with construction effects. The effects that require assessment include the loss of reserve area to station footprints, effects on the continued operation of sportsfields and other active recreation over which the line passes, pedestrian desire lines and consequent wear on turf, shading, noise, service and emergency access, and construction phase effects.
51. SICCL met with Council's Queenstown Events Centre operational team on 15 September 2026 to work through the matters raised in relation to that land. A number of the matters raised are capable of resolution through design, including pedestrian and cycle connections to the station, service and emergency access within the proposed footprint, and lighting where any shading occurs. SICCL has also moved the alignment off the hockey turf and the golf course in response to that engagement, as described above. SICCL will continue to work with the Events Centre team on the remaining matters.

52. SICCL acknowledges that reserve land in the Frankton area is in high demand and that land committed to the Cable Car is not readily replaced. That is a relevant consideration for Council and for the Fast-track panel, and it is one of the reasons SICCL has sought to minimise the ground level footprint of the proposal and to adjust the alignment where Council has identified particular concerns.

### **Reserve management plans**

53. Clause 3(e) of Schedule 6 of the FTAA requires an application for a Reserves Act approval to include information about the extent to which the project is consistent with any management plan approved under section 41 of the Reserves Act 1977. Clause 7(1)(b) provides that the panel may consider any reserve management plan of the administering body. The reserve management plans that apply to the affected parcels are therefore part of the statutory framework against which the proposal will be assessed, and are relevant to Council's consideration of this request.
54. SICCL has reviewed the reserve management plans published by Council. One applies directly to the reserve land for which written agreement is sought, and the assessment below addresses it. A full assessment will accompany the substantive application.

### **Te Taumata o Hakitekura Ben Lomond and Te Tapunui Queenstown Hill Reserve Management Plan**

55. This reserve management plan was adopted by Full Council on 31 July 2025 and replaces the 2005 plan. It applies to two of the parcels listed in **Appendix A.1**: Lot 2 DP 496901 and Section 1 SO Plan 503041 (record of title 732627, recreation reserve, 61.98ha), and Lot 4 DP 447835 (record of title 569609, recreation reserve, 6.05ha). Both are on Te Tapunui Queenstown Hill, and on both the Cable Car requires cable and pylons only. No station is proposed on either parcel.
56. The following policies are directly relevant.
57. Policy 14.6.3 acknowledges that the geographical location of Te Tapunui Queenstown Hill Reserve forms part of a potential transport corridor. The reserve management plan therefore expressly contemplates the use of this reserve for transport purposes. That is the single most relevant provision to the present request.
58. Policy 14.3.10 provides that new commercial activities will generally be limited in scale and location to protect the natural character and recreational values of the reserves, but that proposals demonstrating a significant wider public benefit, such as improvements to sustainable transport, accessibility or community connectivity, may be considered, subject to robust assessment under the Reserves Act 1977 and appropriate statutory and community consultation. The Cable Car is precisely such a proposal, and the Fast-track process provides the robust assessment the policy anticipates.
59. Policy 14.4.17 permits the placement and maintenance of utility services where the reserve will not be materially altered or permanently damaged and the ability of reserve users and commercial operators to use the reserve will not be permanently or adversely affected. A cable passing overhead, with pylon footprints of approximately 1m<sup>2</sup>, is consistent with that test.
60. Objective 12.16 promotes built structures that support the recreation uses of the reserves, positively contribute to reserve amenity and provide public benefit. Objective 12.15 provides for accessible connections into the reserves, and policy 14.6.14 encourages active travel to the reserves. The Cable Car would materially improve public access to the reserve.
61. Aerial ropeway infrastructure is an established and accepted use of reserve land in this location. Policy 14.3.6 recognises the continued operation of the Skyline gondola corridor and terminal buildings, and the Ziptrek Ecotours operation of twelve towers and six ziplines with air access, on the adjoining Te Taumata o Hakitekura Ben Lomond Reserve.

### **Matters requiring further assessment under the plan**

62. Policy 14.3.8 limits commercial activities on Te Tapunui Queenstown Hill to those requiring limited facilities and having minimal impact on the natural quietness of the reserve. Cable and pylons only, with no station and no drive machinery on this reserve, is consistent with that policy.
63. The reserve is subject to an active wilding conifer removal programme. Policy 14.4.2 makes implementation of the Te Tapunui Queenstown Hill Forestry Plan a priority, the reserve carries Council designation 374 for forestry operations, and a separate Te Tapunui Queenstown Hill Reserve Restoration Management Plan was adopted in September 2025. Construction access, ongoing maintenance access and cable clearance over a canopy that will change substantially over the term all need to be coordinated with that programme. SICCL sees this as an opportunity for alignment rather than a conflict, and is willing to work with Council on sequencing.
64. Policies 14.6.5 and 14.6.6 require that the design, colours and materials of structures are of high quality and do not detract from the character or amenity of the reserve, and that structures are designed to mitigate natural hazards. Policy 14.4.19 requires the effects of natural hazard risk to be assessed before any land use change. Section 9.1 of the plan records land instability and rockfall as material issues. Pylon foundations and construction access will require geotechnical assessment.
65. Policy 14.3.13 restricts helicopter landings to reserve operational purposes. If helicopter access is required for pylon erection, that will need to be specifically addressed with Council.
66. The alignment should avoid the Te Tapunui Queenstown Hill Time Walk, which policy 13.2.2.1 preserves as the primary walking-only trail on the reserve, and the Kerry Drive Jump Park, which is licensed to the Queenstown Mountain Bike Club.
67. No reserve management plan published by Council applies to the Frankton parcels listed in **Appendix A.1**, including the Frankton Bus Hub, Airport Station, golf course and Frankton North parcels. For those reserves the assessment under Schedule 6 will turn on the reserve classification and purpose, the Reserves Act, and Council's wider strategic documents including the Open Spaces Strategy, rather than on a site-specific management plan.

### **Parks and Open Spaces Strategy and Future Parks and Reserves Provisions Plan**

68. Council's Parks and Open Spaces Strategy (Version 1, edited November 2021) and the accompanying Future Parks and Reserves Provisions Plan (March 2022) are not reserve management plans prepared under section 41 of the Reserves Act 1977. They are not therefore documents that clause 3(e) or clause 7(1)(b) of Schedule 6 require to be addressed. They are nonetheless relevant to Council's consideration of this request in its capacity as owner and administering body, and SICCL addresses them for completeness.
69. The Strategy supports the proposal in several respects. Connections is one of the Strategy's defined park types: open space should be distributed to create a contiguous network establishing recreational trail, cycling and walking linkages, and the Strategy records that connections can make moving around neighbourhoods easy and can provide an alternative and sustainable mode of active transport. A transport function on reserve land is therefore contemplated by the Strategy's own typology.
70. One of the Strategy's five objectives is that open spaces are well designed, accessible, connected and valued, and the goals under that objective include being well connected to encourage active transport options. The Strategy also lists among the economic benefits of open space the provision of active transport routes and networks, and the addition of value to properties and localities. The Cable Car would materially improve public access to the affected reserves and to the wider open space network.
71. SICCL also acknowledges the matters in the Strategy that weigh against the proposal, and does not seek to minimise them. The Strategy records that the district is the fastest growing in New Zealand, that much of the existing reserve land is under pressure from population growth, and that the steep topography of the region means flat, usable, accessible land is in short supply, is under pressure, and is becoming more difficult and more expensive to

acquire. That is a fair statement of the position in Frankton in particular, and it is the reason SICCL has sought to minimise the ground level footprint of the proposal and has adjusted the alignment where Council has identified specific concerns. It is also why SICCL accepts that the area of reserve permanently committed to station footprints is the aspect of the proposal that most warrants Council's scrutiny.

72. Two classifications in the Strategy require specific attention. The Queenstown Events Centre is classified as a Sportsground Park (Premier), one of only two in the district, the other being the Wānaka Recreation Centre. Any proposal affecting that land engages the district's premier sporting facility rather than an ordinary reserve, and SICCL has adjusted the alignment accordingly. Separately, the Strategy excludes golf courses from its park types because of their limited public accessibility, but expressly carves out Frankton Golf Course as the exception. The public accessibility of that land is therefore a matter the Strategy itself identifies as distinguishing it.
73. The Future Parks and Reserves Provisions Plan sets levels of service for reserve provision per resident, identifies priority areas for acquisition and investment, and addresses when developers should provide reserve land and when Council should acquire it. It is directed at the provision of new reserves through subdivision and development rather than at the use of existing reserves for infrastructure, and SICCL does not consider it to be directly engaged by this request. SICCL raises it because the Strategy and the Provisions Plan are intended to be read together, and because the provision analysis in the Provisions Plan is relevant background to the pressure on reserve land described above.

### **Economic return to Council**

74. Council has asked what economic return it would receive for the use of its reserve land. SICCL addresses that in three main parts: the economic benefits the Cable Car delivers, the direct commercial benefits to Council as a landowner and shareholder, and the costs Council avoids.

#### *Regional economic activity during development*

75. Property Economics assessed the direct, indirect and induced activity generated during the five-year development period at approximately \$249 million (net present value) injected into the Otago regional economy, 796 FTE jobs at peak construction, and 2,141 FTE job-years in total, of which 813 are direct.

#### *National economic benefits*

76. ECPC Limited's independent assessment, lodged with the Referral Application, estimates incremental economic gains of over \$25 million annually by 2035, deferred public sector investment in alternative bus infrastructure valued at between \$200 million and \$500 million, and the removal of a transport constraint on housing delivery with the potential to influence up to 8,600 new homes by 2055. It also identifies unmet international tourism demand and wider agglomeration and productivity benefits from an expanded labour market catchment.

#### *Transport benefits*

77. The economic assessment in the IPP submission, carried out in accordance with NZTA's Monetised Benefits and Costs Manual and supported by network modelling from WSP and Abley, returns a benefit-cost ratio of between 2.7 and 5.6 and a 60-year net present value of benefits of between \$3.0 billion and \$6.2 billion. Modelled outcomes include a reduction in State Highway 6A traffic volumes of up to 29% in the high-diversion scenario, a public transport journey time saving of approximately 10 minutes between Frankton and Queenstown, and a construction period of approximately 18 months against approximately four years for the equivalent intersection and bus hub works.

#### *Cost of inaction*

78. Previous Council and NZTA business cases estimate that, without intervention, between \$670 million and \$1.2 billion will be lost from the Queenstown economy over 40 years through congestion and inefficiency. That estimate is based on 2017 analysis and is likely conservative, as growth has since exceeded projections.

*Direct commercial benefits to Council as landowner and shareholder*

79. The Cable Car is expected to increase the value of Council-owned land within the walkable catchment of stations. Council holds, or has a direct commercial interest in, land at or immediately adjacent to several proposed stations.
80. The relationship between rapid transit stations and adjacent land value is well studied. International and New Zealand evidence generally finds rail and light rail proximity increases property values in the order of 8 to 15%, with bus rapid transit showing a smaller but still positive effect of around 5 to 10%. On Auckland's City Rail Link, CBRE reports residential values rose 29% district-wide over the decade to 2024, against 36% within station catchments, and the 2015 business case valued development expected in station precincts at \$1.2 to \$1.4 billion, expressly noting possible income for the council where development occurs on its own landholdings. On Sydney Metro Northwest, University of Sydney research found properties within 800m of stations recorded price growth up to 15% higher than the broader market.
81. Council land within station catchments includes the Boundary Street car park in Queenstown, Council's own freehold land on which the Town Centre station would terminate; the reserves and adjoining Council land at the Frankton North station, a growth area identified in the spatial plan currently carrying low amenity and underlying land value; and Council land at Ladies Mile, within the walkable catchment of the proposed Ladies Mile station in one of the district's highest-growth areas, where the Te Pūhahi Ladies Mile variation already anticipates significant intensification.
82. Council also holds 75% of Queenstown Airport Corporation (QAC). The Cable Car directly addresses the transport constraint between the airport, Frankton and the town centre that currently limits the commercial and operational potential of the airport precinct. Any resulting increase in the corporation's commercial value or dividend capacity accrues substantially to Council as majority shareholder. Council received \$14.7 million of the QAC's \$19.9 million dividend in FY24, QAC profitability and therefore QLDC dividend is expected to increase as land values rise.
83. SICCL has not yet sought to quantify the land value uplift, as it depends on future development, zoning and market decisions that sit with Council. SICCL expects to quantify it the extent possible, as part of the substantive application, and would welcome assessing it jointly with Council in the meantime.

*Avoided cost to Council, NZTA and ratepayers*

84. The Cable Car is estimated to cost between \$140 million and \$270 million less than delivering equivalent capacity through the bus-based alternative identified in prior business cases. That alternative is also contingent on completion of the NZUP Queenstown Package, now estimated at up to \$700 million once full completion is included, a cost the Cable Car does not carry. The Cable Car requires no further road widening, land acquisition or bus priority infrastructure on State Highway 6A to achieve its design capacity, and is privately financed, designed, constructed and initially funded by SICCL.
85. Specific lease and/or easement payment. The Cable Car is public transport infrastructure. Any rental or similar charge would therefore form part of the operating cost of the service, and operating costs are typically recovered through fares and targeted rates. A QLDC reserve land charge would therefore fall either on the travelling public or on Otago Regional Council, which would in turn allocate it to transport users and/or ratepayers. Council has previously indicated concern about the cost of new transport infrastructure to ratepayers, and extensive work on fare-setting in Queenstown by ORC has identified public transport users exhibit highly elastic demand response – i.e. increasing fares would decrease mode-shift, other things being equal.
86. Taking those matters together, SICCL does not consider that a further direct payment for the right to use or pass over reserve land is appropriate in this case. SICCL recognises that Council may take a different view. If Council considers that a payment should be made for the use of reserve land, SICCL is open to receiving a counter-proposal and discussing it as part of the negotiation of terms for the wider bundle of land rights required for the project.

87. The assessments relied on above are: Property Economics, Queenstown Hill Cable Car Fast Track Economic Impact Assessment, and the subsequent update reported in the IPP Round 3 submission; ECPC Limited, Economic Effect of Queenstown Cable Car (28 October 2025), lodged with the Referral Application; SICCL, Queenstown Transport Improvements, Infrastructure Priorities Programme Stage 2 Proposal (22 January 2026), including the economic case and network modelling by WSP and Abley; and the Queenstown Business Case (2020) and Queenstown Public Transport Business Case (2024). SICCL can provide any of these to officers on request.

### Use of other Council Land

88. SICCL will also require permission from QLDC to use other parts of Council owned land that are not classified as reserve.
89. Permission to use these other parcels of land does not form part of the current request. This approval is not required to enable SICCL to continue with preparation of the Substantive Application under the FTAA. However, it is useful context for the Council.
90. SICCL will engage further with Council on the design of the cable car, the possible location of infrastructure on other Council land and the commercial terms for the use of that land.
91. Below is a high level overview of the Cable Car Project:
92. **Appendix A.2** is a list of all of the Council owned properties that might be affected by the proposed route options.
93. The Queenstown Events Centre is currently held as Freehold land and therefore no reserve permission is sought in respect of it. However, either of the two options set out above for the Ladies Mile Line would require QLDC's approval.
94. A further Council-owned reserve is the Boundary Street carpark. This is proposed as the final destination on the Airport to Town Centre Line.



**Figure 3:** Artist's impression of Boundary Street Car Park Station (indicative only)

95. SICCL seeks to engage with QLDC on the design of these stations and how they might integrate with the surrounding infrastructure and any plans that QLDC might have for these areas.

## Programme and confirmation of the alignment

96. Below is an outline of the programme that SICCL has been working to. A commitment from Council to use Reserve Land is important to achieve the required milestones and deliver a new public transport service in 2029.

| When          | Milestone                                                                                                                                                 | Why it matters to Council                                                                                                                                                                         |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aug 2026      | NZTA Board considers the final Queenstown Strategic Network Plan (note this milestone has been delayed and it is not clear what the revised timeframe is) | Sets the strategic frame for the 2027–30 investment cycle. Council feedback is being sought in relation to the final version now.                                                                 |
| Now – Q4 2026 | Design engagement window                                                                                                                                  | The last point at which Council can shape the overall design and alignment economically. After lodgement, changes become materially more difficult and costly.                                    |
| Q4 2026       | Fast-track substantive application lodged                                                                                                                 | Requires resolved land tenure, including Council's written agreement under Schedule 6.                                                                                                            |
| 2026–27       | NIFF market-led proposal process; IFF levy proposal development ongoing                                                                                   | If IFF funding is pursued, Council's role as levy collection agent and its policy positions are needed as inputs.                                                                                 |
| Q4, 2027      | Final investment decision                                                                                                                                 | Follows resolution of funding, land and consent. Any conditional land approval must have converted to committed terms by this point.                                                              |
| 2027–30 cycle | State Highway Investment Proposal, Regional Land Transport Plan, National Land Transport Programme, ORC Regional Public Transport Plan                    | The window for the project to be recognised in the statutory planning documents.                                                                                                                  |
| 2029/30       | Construction complete, commissioning, PT services commence 2030.                                                                                          | Operation of the Cable Car is aligned with the renewal of ORC's public transport contracts. Missing that alignment defers integration into the bus network, potentially by a full contract cycle. |

97. These dates are largely fixed by NZTA, ORC, the National Infrastructure Funding and Financing Ltd process, and the statutory timetable. The 2029/30 commissioning target is the earliest that could be achieved provided FID can be reached by the end of 2027. Having the cable car operational by then would enable it to be integrated into the bus network at the earliest opportunity. Any delay beyond that date would defer the opportunity to deliver an integrated transport solution to alleviate congestion in Queenstown with all of the associated annual economic and environmental costs and disbenefits of congestion.

## Options for Council to consider

98. **Option 1:** Provide written agreement for SICCL to undertake the Cable Car activity on QLDC reserve land for the purpose of progressing the FTAA substantive application.

| Advantages                                                        | Disadvantages                                                                      |
|-------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Enable SICCL to progress with its substantive application to seek | Specified parcels of reserve land will be committed for use by the Cable Car. This |

|                                                                                                                                                                                                                       |                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| authorisations for the Queenstown Cable Car and provide an alternative solution to the current traffic congestion problem experienced by Queenstown residents and visitors.                                           | use will be by way of a lease for station sites, but other uses remain possible where the ropeway crosses reserves. |
| Council retains the ability to agree the commercial terms for the use of QLDC land.                                                                                                                                   |                                                                                                                     |
| No impact on QLDC's ability to participate in the FTAA process and does not predetermine Council's position on any approval, condition, land tenure, commercial term, funding matter or subsequent statutory process. |                                                                                                                     |
| Council takes advantage of the opportunity to have input into the alignment of the Cable Car.                                                                                                                         |                                                                                                                     |
| Commences a process under the FTAA that includes a detailed assessment of the use of the reserve land in accordance with the Reserves Act.                                                                            |                                                                                                                     |
| Enables an approval process to be advanced at no burden to the QLDC or ratepayers.                                                                                                                                    |                                                                                                                     |

99. **Option 2:** Decline to provide written agreement for SICCL to undertake the Cable Car activity on QLDC reserve land.

| Advantages                                                                 | Disadvantages                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reserve land will not be subject to Cable Car Infrastructure or easements. | SICCL will not be able to progress with its substantive application and delivery of an alternative transport solution to relieve Queenstown traffic congestion will be further delayed.                                                                                                                                                                                                                                       |
|                                                                            | SICCL will need to consider alternative routes that do not require use of Council reserve land. Council will have limited ability to input into design. Any alternative alignment is likely to be less direct, less integrated with the wider public transport network (for example the Frankton Bus Hub) and will reduce the transport benefits of the project while shifting, rather than avoiding, infrastructure effects. |
|                                                                            | Refusal is also likely to delay the project beyond key transport planning, funding and public transport contract renewal windows, including the 2027 to 2030 investment cycle and the 2029 ORC contract renewal timing. That may reduce the prospect of the Cable Car being integrated into the public transport network at the next available opportunity.                                                                   |

|  |                                                                                                                        |
|--|------------------------------------------------------------------------------------------------------------------------|
|  | QLDC will need to find an alternative solution to the traffic congestion issue, at a cost and burden to the ratepayer. |
|--|------------------------------------------------------------------------------------------------------------------------|

## Appendix A — Schedule of Council land interests

### A.1 Council-administered reserves that SICCL requires written agreement from Council to use for the Cable Car Activity

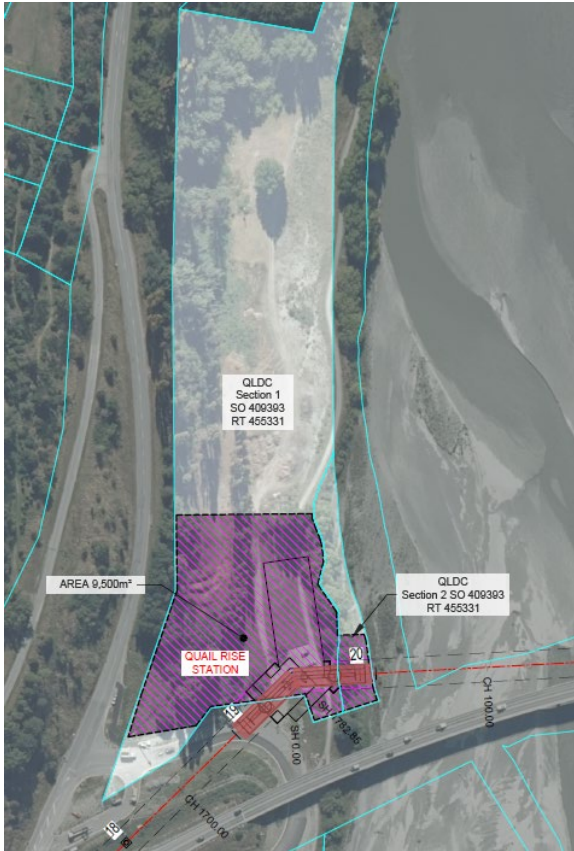
| Record of title | Appellation                                         | Address                                 | Infrastructure                          | Route                       | Image                                                                               | Likely occupation area required (approximate) |
|-----------------|-----------------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------|
| 257274          | Section 12 and Section 14 Block XX Town of Frankton | Gray Street, Kawarau Road / Ross Street | Cable, pylons, Frankton Bus Hub Station | Airport to Town Centre Line |  | 4,704m2 and 618m2                             |

| Record of title | Appellation                                                                                                   | Address                                 | Infrastructure                 | Route                       | Image                                                                                | Likely occupation area required (approximate) |
|-----------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------|-----------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------|
| 544617          | Section 24 Block VII and Section 26 Block I and Section 17 Block XII and Section 18 Block XI Town of Frankton | Gray Street, Kawarau Road / Ross Street | Cable, pylons, Airport Station | Airport to Town Centre Line |    | 4,376m <sup>2</sup>                           |
| 22741           | Lot 6 DP 305684                                                                                               | Off Duncan Place                        | Cable and possibly pylon       | Airport to Town Centre Line |  | 291m <sup>2</sup>                             |

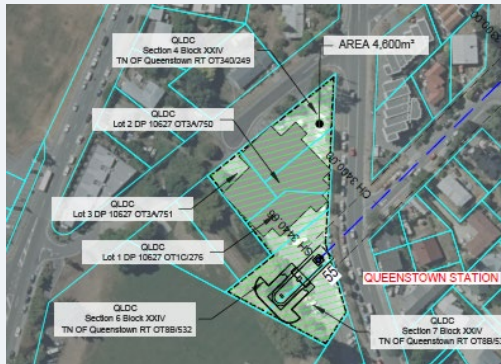
| Record of title | Appellation                                            | Address                           | Infrastructure  | Route                       | Image                                                                                                                                                                  | Likely occupation area required (approximate) |
|-----------------|--------------------------------------------------------|-----------------------------------|-----------------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 732627          | Lot 2 DP 496901 and Section 1 SO Plan 503041 (see A.4) | Off Kerry Drive (Queenstown Hill) | Cable and pylon | Airport to Town Centre Line |   | 1514m2 and 8,357m2.                           |

| Record of title | Appellation                   | Address                           | Infrastructure  | Route                       | Image | Likely occupation area required (approximate) |
|-----------------|-------------------------------|-----------------------------------|-----------------|-----------------------------|-------|-----------------------------------------------|
| 569609          | Lot 4 DP 447835               | Off Kerry Drive (Queenstown Hill) | Cable and pylon | Airport to Town Centre Line |       | 3,592m2                                       |
| 941475          | Section 4 SO 544308 (see A.4) | Off Frankton-Ladies Mile Highway  | Cable and pylon | Ladies Mile Line            |       | 2,305m2                                       |

| Record of title | Appellation                               | Address  | Infrastructure           | Route                                                                                         | Image                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Likely occupation area required (approximate) |
|-----------------|-------------------------------------------|----------|--------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 1091078         | Section 5-6 Block XXXIII Town of Frankton | Frankton | Station, cable and pylon | Airport to Town Centre Line (only necessary if alignment on eastern side of SH6 is preferred) | <p>NOTES:</p> <p>PLAN INFORMATION</p> <ul style="list-style-type: none"> <li>BOUNDARY AND TITLE INFORMATION IS SOURCED FROM GRIP AND THE LINZ DIGITAL CADASTRAL DATABASE (DCDB), LANDONLINE, ON 16.07.2025.</li> <li>CARPARK LINE WORK PROVIDED FROM JASBAX.</li> </ul> <p>PROPOSED AREAS REQUIRED FOR CABLE CAR</p> <ul style="list-style-type: none"> <li>ALL AREAS, DIMENSIONS, PROPOSED LAND AND LEAS AREAS ARE INDICATIVE ONLY.</li> </ul> <p>PROPOSED CABLE CAR ROUTE</p> <ul style="list-style-type: none"> <li>ALL CABLE CAR ROUTES ARE INDICATIVE ONLY.</li> <li>TOWER POSITIONS PROVIDED FROM LEITNER &amp;</li> </ul> | 7,046m2 and 1,469m2                           |

| Record of title | Appellation                      | Address           | Infrastructure        | Route               | Image                                                                               | Likely occupation area required (approximate) |
|-----------------|----------------------------------|-------------------|-----------------------|---------------------|-------------------------------------------------------------------------------------|-----------------------------------------------|
| 455331          | Section 1-3<br>SO Plan<br>409393 | Shotover<br>River | Quail Rise<br>Station | Ladies Mile<br>Line |  | 9,500m2                                       |

**A.2 Council fee simple titles (note written agreement not required in respect of these parcels unless they are treated as Reserve under the Reserves Act 1977)**

| Record of title | Appellation                                         | Address             | Infrastructure     | Route                       |                                                                                      |         |
|-----------------|-----------------------------------------------------|---------------------|--------------------|-----------------------------|--------------------------------------------------------------------------------------|---------|
| OT8B/532        | Section 6 and Section 7 Block XXIV TN of Queenstown | 5 Boundary Street   | Queenstown Station | Airport to Town Centre Line |   | 4,600m2 |
| OT340/249       | Section 4 Block XXIV Town of Queenstown             | 7-9 Boundary Street | Queenstown Station | Airport to Town Centre Line |  |         |
| OT3A/750        | Lot 2 DP 10627                                      | 24 Gorge Road       | Queenstown Station | Airport to Town Centre Line |                                                                                      |         |
| OT3A/751        | Lot 3 DP 10627                                      | 5 Boundary St       | Queenstown Station | Airport to Town Centre Line |                                                                                      |         |

| Record of title | Appellation                                                | Address                                                                               | Infrastructure        | Route                       |                     |
|-----------------|------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------|-----------------------------|---------------------|
| OT1C/276        | Lot 1 DP 10627                                             | 22 Gorge Road                                                                         | Queenstown Station    | Airport to Town Centre Line |                     |
| 659427          | Lot 1 Deposited Plan 25073 and Lot 2 Deposited Plan 476309 | 33 Joe O'Connell Drive (as spelt in the source; understood to be Joe O'Connell Drive) | Cable, pylon, station | Airport to Ladies Mile Line | 3,729m2 and 2,467m2 |
| 627621          | Lot 100 DP 468142                                          | 0 Grant Road                                                                          |                       |                             |                     |

### A.3 Airspace over Council roads

| Road                           | Interest sought | Purpose        |
|--------------------------------|-----------------|----------------|
| Gorge Road, central Queenstown | Airspace lease  | Cable crossing |

| Road                                                                   | Interest sought | Purpose                                   |
|------------------------------------------------------------------------|-----------------|-------------------------------------------|
| Weaver Street / Hallenstein Street / Duncans Place, central Queenstown | Airspace lease  | Cable crossing                            |
| Gray Street, central Queenstown                                        | Airspace lease  | Cable crossing                            |
| Lucas Place, Frankton                                                  | Airspace lease  | Pedestrian overbridge to Airport terminal |

## A.4 Reserve status notes

The Reserves Parcels Status Summary of 15 August 2025 records the following.

- Lot 6 DP 305684 (off Duncan Place) — vested in Council under s239 RMA 1991 on deposit of the plan; cable and easement only; no right of first refusal. The Summary notes it appears to be local purpose reserve despite the “(recreation)” notation.
- Lot 2 DP 496901 (off Kerry Drive) — recreation reserve, vested in Council under s5 Queenstown Reserves Vesting and Empowering Act 1971; cable and easement only; a right of first refusal exists but is recorded as not applicable given the vesting in Council.
- Section 1 SO Plan 503041 (off Kerry Drive) — the Affected QLDC Properties schedule groups this parcel with Lot 2 DP 496901 under record of title 732627. The Summary treats it separately and records its status as unclear and subject to a land swap, not investigated because it is not on the corridor, with a right of first refusal whose application is unconfirmed. Southern Infrastructure does not seek any interest over this parcel unless the corridor position changes, and will confirm the position before commercial terms are agreed.
- Lot 4 DP 447835 (off Kerry Drive) — very likely vested in Council, having been subject to a 2016 land exchange; cable and easement only; no right of first refusal.
- Section 4 SO 544308 (off Frankton–Ladies Mile Highway) — local purpose (beautification), vested in Council under s5 of the 1971 Act; no right of first refusal. The two source documents previously gave different survey office plan numbers for this parcel. That discrepancy is resolved: the Paterson Pitts plan set (P240854-011, sheet 106) records the parcel as Section 4 SO 544308, and **Appendix A.1** has been corrected accordingly.
- Section 12 Block XX Town of Frankton — local purpose (transport) reserve; not vested in Council but with the Crown, the Frankton Domain Board having been appointed to control and manage per NZ Gazette 23 November 1974. Station and lease required for Frankton Bus Hub Station. Right of first refusal applies as the land is vested in the Crown. Reclassified by gazette in 2024.

- Section 14 Block XX Town of Frankton — recreation reserve; not vested in Council but with the Crown. The Summary records that this appears to be a Council appointment to control and manage per NZ Gazette 23 November 1974, rather than a Frankton Domain Board appointment. Right of first refusal applies.
- Section 24 Block VII and associated sections (Airport Station) — local purpose (beautification); recorded as vested in Council per gazette 965833.1. The Summary records a right of first refusal but expressly notes that land status is uncertain and whether the right applies depends on the vesting. A manual copy of gazette 965833.1 was requested and a land status report has been commissioned. This parcel should be treated as unresolved until that work is complete.
- Sections 5–6 Block XXXIII Town of Frankton — the two sources disagree on tenure. The Affected QLDC Properties schedule records this as a Council fee simple title (record of title 1091078); the Summary records it as a recreation reserve vested in the Crown, with the Lake Country Council appointed to control and manage per NZ Gazette 1961 p.1453, and describes whether a lease or easement is required as unclear. The consent pathway differs materially depending which is correct.