Full Council

12 November 2026

Report for Agenda Item | Rīpoata moto e Rāraki take [7]

Department: Community Services

Title | Taitara: Queenstown Events Centre Indoor Courts Facility Project

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to seek Council approval to proceed with the Queenstown Events Centre (QEC) Indoor Courts Project based on the Detailed Business Case and Facility Concept Design. If approved, early market engagement will be undertaken through a Notice of Information process in preparation for Design & Build procurement.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;

2. **Note** the direction provided at the 29 September and 22 October 2026 Council workshops to progress the four-court option and associated facilities;

3. **Approve** the progression of the QEC Indoor Courts Facility Project, comprising four additional indoor courts, health and wellness facilities and other associated facilities, based on the Detailed Business Case (Attachment A);

4. **Note** the release of the QEC Indoor Courts Facility Concept Design (Attachment B) to the market as part of an early Notice of Information process (Attachment C), commencing in November 2026, to prepare potential suppliers for the proposed Design & Build procurement; and

5. **Note** that a detailed procurement plan, including the proposed Design & Build procurement approach and associated financial delegations, will be presented to Council for separate approval in December 2026.

Prepared by:	**Endorsed by:**	**Reviewed and authorised by:**
		
Name: Greg Rozen **Title:** Interim Programme Director and IQA Role 27 October 2026	**Name:** Simon Battrick **Title:** Strategic Projects Manager – Community Services 27 October 2026	**Name:** Ken Bailey **Title:** General Manager - Community Services 27 October 2026

Context | Horopaki

1. The Queenstown Events Centre (QEC) is the Queenstown Lakes principal indoor sport, recreation and events facility. Its two existing indoor courts and wellness facilities are increasingly under pressure by population growth, rising participation and competing demands between community sport and events.

2. The need for additional indoor court capacity has been identified since 2018, with subsequent reviews confirming the need for four additional courts. Sport New Zealand's national planning benchmark of 1 court per 7,800 residents indicates a current shortfall of approximately three courts in Queenstown. Indoor court participation increased from approximately 50,000 in 2015 to 115,000 in 2025, demonstrating sustained growth in demand.

3. Participation in activities provided by Alpine Health & Fitness has grown by 44% since 2021 with increasing pressure on the spaces available for delivery. During winter months fire cell capacity limits are reached requiring a one in, one out system. The Leisurely program for +65-year-olds reaches waiting times of 5 weeks to participate and other gym programmes have growth limitations due to a lack of room availability.

4. The QEC Indoor Courts Facility project is included in Council's 2024–2034 Long Term Plan, with Council approving progression to Concept Design in April 2025.

5. The Facility Concept Design (Attachment B) proposes a single-storey facility comprising four additional indoor courts, health and wellness facilities, multifunction spaces and associated supporting infrastructure. This will provide greater capacity and flexibility for community sport and events.

6. A Detailed Business Case (Attachment A) has been completed that assesses the strategic, economic, financial, commercial and management cases for investment. This includes consideration of alternative court configurations, project costs, operational implications, benefits, risks and the proposed delivery approach.

Councillor direction on QEC Indoor Courts Facility Projects

7. Councillors provided direction on the scope and timing of the QEC Indoor Courts Facility Project at workshops on 19 May 2026 and 29 September 2026. Councillors provided direction to progress the four-court indoor sports facility option while protecting opportunities for future expansion. Direction was also given to explore delivery acceleration options and third-party funding opportunities.

8. The QEC Indoor Courts Facility project will pilot a structured approach to third-party community investment and partnership funding. The pilot will not seek funding for construction of the courts, but will explore external contributions towards enhancements, fit-out, equipment and activation elements outside the core build such as public art. Options may include philanthropy, sponsorship, grant funding and other forms of community investment.

9. A six-court option at QEC was investigated, with subsequent direction at the 29 September 2026 Council workshop to not pursue this further.

10. The Detailed Business Case for the four-court indoor sports facility was presented at a Council workshop on 22 October 2026.

11. Council approval is now sought to proceed with the four-court project based on the Detailed Business Case and Facility Concept Design, enabling further design development and early market engagement. A detailed procurement plan will return to Council for approval in December 2026.

Analysis and Advice | Tatāritaka me kā Tohutohu

Investment case and options considered

12. The Detailed Business Case confirms the need for additional indoor court capacity and health and wellness facilities to meet growing demand and reduce competition between community sport and events for existing facilities.

13. The options assessed included doing nothing or providing two, four or six additional courts. Four additional courts were identified as the preferred option, addressing current demand while providing capacity for future growth.

14. The six-court option was further investigated following direction from Councillors at the workshop on 19 May 2026. While offering greater future capacity, it would require additional land, parking, infrastructure and consenting work, together with approximately $19 million in additional funding. The additional investigations and redesign required would push project completion beyond 2030, compared with the anticipated 2029 completion of the four-court option, delaying the provision of additional indoor court capacity.

15. The four-court option has progressed through Concept Design and the Detailed Business Case. Sport New Zealand will undertake a peer review of the Concept Design to further validate the proposed court provision and associated health and wellness spaces.

Alignment with QEC strategic context

16. The project also needs to be considered within the wider strategic direction for QEC and Queenstown Lakes District Council's (QLDC) broader sport and recreation network.

17. QEC is defined as a Strategic Asset in the QLDC's Significance and Engagement Policy 2024 as it holds a key role in the provision of sport & recreation/community wellbeing across the district.

18. In 2018, a draft QEC Masterplan was completed which identified the future provision of indoor courts and additional sport and recreation facilities and has been a guiding document to future proof sport and recreation provision for the site. The 2024-34 30 Year Infrastructure Strategy also

defines QEC as a major integrated Sport and Recreation Hub with additional sport & recreation facility provision in "spokes" in areas such as the Eastern Corridor, Arrowtown, and Southern Corridor.

19. The role of QEC as a major hub is also consistent with the Central Otago/QLDC Places & Spaces Strategy 2026 and identifies the increased provision of indoor courts as a key recommendation to achieving the wider Council community outcomes.

20. QEC is a strategic land parcel as it intersects the Whakatipu basin and is under increasing pressure from a range of different parties wishing to utilise the land for components such as cable car stations/pylons, QLDC wastewater upgrades, stormwater overflow areas, transport initiatives, possible Council building locations and additional community facilities (both sport and non-sport).

Financial and funding implications

21. The current estimated project cost is $46.0 million excluding GST. The project is included in Council's 2024–2034 Long Term Plan (LTP), with the final cost and funding position confirmed through the Detailed Business Case. The existing LTP budget includes allowances for inflation and cost escalation. It excludes third-party funding contributions

22. See below tables with detailed breakdown of original 24-34 LTP, the Current Adjusted LTP and also the proposed adjusted 27-37 LTP inflated budgets.

LTP 24-34

	Yr 1	*Yr 2*	*Yr 3*	*Yr 4*	*Yr 5*
Total 10YP Bud Infl Funding 24-34	***Bud Infl Funding 2024/25***	***Bud Infl Funding 2025/26***	***Bud Infl Funding 2026/27***	**Bud Infl Funding 2027/28**	**Bud Infl Funding 2028/29**
46,014,013	250,000	770,325	4,189,200	20,183,352	20,621,136

Current Adjusted LTP24-34

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Total 10YP Bud Infl Funding 24-34	***Actuals 2024/25***	***Actuals 2025/26***	***Bud Infl Funding 2026/27***	***Bud Infl Funding 2027/28***	***Bud Infl Funding 2028/29***
46,060,298	50,218	838,103	1,242,937	23,307,904	20,621,136

Proposed Adjusted LTP27-37 (incl prior years)

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5

	Yr 1	*Yr 2*	*Yr 3*	*Yr 4*	*Yr 5*
Total 10YP Bud Infl Funding 27-37	***Actuals 2024/25***	***Actuals 2025/26***	***Bud Infl Funding 2026/27***	***Bud Infl Funding 2027/28***	***Bud Infl Funding 2028/29***
46,985,487	50,218	838,103	1,242,937	26,292,206	18,562,023

23. The Detailed Business Case considers the ongoing operational implications of the expanded facility, including staffing, operating costs and revenue. An Operational Implementation Business Case will be prepared by February 2027, ahead of contractor procurement, to provide a 12-month operational business plan that will be reviewed annually.

24. Third-party funding opportunities continue to be explored, including potential contributions towards fit-out and project enhancements. Unconfirmed third-party funding will not be relied upon to deliver the base project. That said if additional third party is received it will be reconciled against the current project estimate.

Delivery Pathway

25. Subject to Council approval, the project will progress into further design development, including technical assessments, consenting and design refinement.

26. Subject to Council approval, an early Notice of Information (NOI) process will commence in mid-November 2026, releasing the Facility Concept Design to allow prospective suppliers to familiarise themselves with the project and form Design & Build teams. This will support accelerated procurement, with the NOI closing in January 2027 and a Request for Proposal anticipated in March 2027. No contract commitment will be made at this stage. A detailed procurement plan and financial delegations will return to Council for approval in December 2026.

27. A Design & Build delivery approach is proposed to support programme efficiencies and opportunities for accelerated delivery, subject to Council approval of the detailed procurement plan in December 2026.

28. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.

29. Option 1: Approve the QEC Indoor Courts Facility Project

    (Approve the four-court QEC Indoor Courts Facility Project based on the Detailed Business Case and Facility Concept Design, enabling further design development and early market engagement through a Notice of Information process. A detailed procurement plan will be presented to Council for separate approval in December 2026).

Advantages:

- Responds to the identified indoor court capacity gap and provides additional capacity for current and forecast demand.
- Responds to the gap in provision for health and wellness facilities for the community.
- Increases provision at QEC from two to six indoor courts, bringing provision more closely in line with the identified Sport New Zealand measures.
- Enables the developed Facility Concept Design to progress through further design and procurement.
- Progresses the option that has been developed through the Detailed Business Case and aligns with the current strategic direction for QEC and with the existing LTP Funding allocation.
- Enables an early NOI process, allowing prospective Design & Build suppliers to familiarise themselves with the project and establish suitable delivery teams ahead of formal procurement.
- Provides an opportunity to accelerate the delivery programme, enabling the additional indoor court capacity to be available to the community sooner.
- Maintains the opportunity to pursue third-party funding in parallel, including potential contributions towards fit-out or project enhancements.

Disadvantages:

- Commits Council to progressing a significant capital investment with associated ongoing staffing, operating and maintenance costs.
- Results in the loss of an existing sports field, and grass athletics track and overflow carparking at QEC. This requires the development of another sports field within the Queenstown District to cope with current usage levels.
- Requires the reconfiguration of Hole 2 at the Frankton Golf Centre to avoid golf balls hitting the facility/carpark areas.

30. Option 2: Do not approve progression of the QEC Indoor Courts Facility Project

(Do not approve the Detailed Business Case and Concept Design. No further work to be completed on the project.)

Advantages:

- Avoids Council commitment to a significant capital investment, as well as the ongoing staffing, operational and maintenance costs.
- Retains the existing sports field.
- Avoids disruptions to existing users of the QEC.
- Avoids the need to reconfigure Hole 2 of the Frankton Golf Centre.

Disadvantages:

- Does not meet the identified Level of Service indoor court capacity gap.
- Delays delivery of additional indoor court capacity.
- May result in significant dissatisfaction from both residents and visitors (event users).
- Will create additional operational pressures for staff to manage the increasing demand for services.
- May result in additional project costs associated with delay and remobilisation if the project is stopped and then restarted later. Creates design-team demobilisation and future remobilisation risk.

31. This report recommends **Option 1** for addressing the matter as it addresses the identified need for additional indoor court capacity and enables the developed four-court proposal to progress to the next stage of design and procurement.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

32. This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because this project is of significant importance due to the scale and long-term nature of the investment, its impact on the provision of sport and recreation facilities in the Whakatipu Basin, the proposed change to the QEC site, including the loss of an existing sports field, and the level of community and stakeholder interest in the project.

33. The persons who are affected by or interested in this matter include users of QEC, indoor and outdoor sporting codes, event organisers, community and recreation groups, residents and ratepayers, Sport New Zealand, Queenstown Airport Corporation and NZ Transport Agency Waka Kotahi.

34. The Council has undertaken engagement during development of the project which has included QEC operational staff, sport and recreation representatives and relevant technical specialists. Engagement with Sport New Zealand/Sport Central, Queenstown Airport Corporation and NZ Transport Agency Waka Kotahi has also informed or is informing the project. Council-led communications are in place to provide ongoing project information and respond to stakeholder and community enquiries.

Māori Consultation | Iwi Rūnaka

35. Engagement with Kai Tāhu will be progressed following Council confirmation of the project's direction. This will be coordinated through Council's Māori Strategy and Partnerships Manager to ensure appropriate consultation is undertaken in accordance with Council's obligations.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

36. This matter relates to the Community & Wellbeing risk category. It is associated with RISK10005 Ineffective planning for community services or facilities within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.

37. The approval of the recommended option will allow Council to implement additional controls for this risk. This will be achieved by undertaking effective planning i.e. detailed business case for the provision of indoor courts and health and wellness facilities.

Financial Implications | Kā Riteka ā-Pūtea

38. The cost to build the facility that is included in the 2024-34 Long Term Plan is $46,014,013. Operational budgets are expected to increase by $1,384,000 per annum.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

39. The following Council policies, strategies and bylaws were considered:

- Vision Beyond 2050: Our Strategic Framework | Queenstown Lakes District Council
- Significance and Engagement Policy 2024
- Draft QEC Masterplan 2018
- Central Otago/QLDC Places & Spaces Strategy 2026 (To be considered by Council for approval November 2026)
- Proposed and Operative District Plan
- Reserves Act 1977

40. The recommended option is consistent with the principles set out in the named policies.

41. This matter was in the 2018-2028, 2021-2013 and 2024-2026 Long-Term Plans/Annual Plans. There is $46.2M in the 2024-34 LTP to build the new facility.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kīaka

42. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; (b) to meet the current and future needs of communities for good-quality, cost-effective, and local — (i) infrastructure; (ii) public services; (iii) performance of regulatory functions; and (c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b). Approving the QEC Indoor Courts Facility Project will provide additional indoor courts and health and wellness facilities that will support the social well-being of communities across the district. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

43. The recommended option:

- Can be implemented through current funding under the Long-Term Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	QEC Indoor Courts Facility Detailed Business Case
B	QEC Indoor Courts Facility Concept Design
C	QEC Indoor Courts Facility Notice of Information (NOI)

Attachments circulated separately.