



TOWNPLANNING
GROUP

**[14] ECONOMICS ASSESSMENT
PROPERTY ECONOMICS
QUEENSTOWN CABLE CAR**



PROPERTY ECONOMICS



QUEENSTOWN CABLE CAR

Client: Southern Infrastructure (Cable Car) Limited

FAST TRACK ECONOMIC

Project No: 52539

IMPACT ASSESSMENT

Date: October 2025



SCHEDULE

Code	Date	Information / Comments	Project Leader
52539.7	October 2025	Report	Phil Osborne / Tim Heath

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1. INTRODUCTION

Property Economics have been commissioned by Southern Infrastructure (Cable Car) Limited ("SIL") to assess the economic benefits of their proposed Stage 1 of the Queenstown Cable Car development to connect downtown Queenstown to Frankton / Queenstown Airport and Ladies Mile ("the QCC Project"), under the Section 22(2) of the Fast-track Approvals Act 2024 ("FTAA").

The QCC Project is a fully offline public transport connection between Queenstown's Airport and its town centre via hubs at Frankton Hub, Lake Johnson and Queenstown Hill – referred to as the "Airport to Town Centre line". The proposal also includes a service between Frankton and Ladies Mile. Two alternative route options are proposed for this line, including:

- Route A: Frankton North – Ladies Mile Line
- Route B: Frankton Flats – Ladies Mile Line

These two alternative route options are illustrated in Figure 1.

Key features of the QCC Project include:

- Passenger cabins that can carry 10 passengers arriving every 12 seconds and capable of transporting up to 3,000 passengers per hour in each direction.
- Approximately 10-kilometre cableway route with nine towers.
- Four primary stations: Town Centre, Frankton Bus Hub, Frankton North and Queenstown Airport.
- Electric-powered, low-emission cable car system with automated operations for reliability.

Construction is planned for 2027-2028, with operations anticipated to commence in 2029.

Queenstown is among New Zealand's fastest-growing urban areas, driven by a combination of rapid population growth, a thriving tourism sector, and expanding support industries. This growth is placing significant and increasing pressure on local infrastructure, particularly the transport network. According to Stats NZ, the Queenstown-Lakes District's population has grown by around 3.7% per annum over the last 6 years (2018-2024), which is more than double the growth rate of both the Otago Region (+1.1% per annum) and New Zealand as a whole (+1.3% per annum)¹.

¹ Note that this is based on Stats NZ's Subnational Population Estimates at June 2018 and 2024.

In addition, the Queenstown-Lakes Spatial Plan forecasts that the district's peak day population will grow to around 204,000 by 2051, including approximately 78,000 permanent residents and 126,000 visitors. This represents nearly a doubling of the total resident and visitor population from 2021, highlighting the pressing need for strategic infrastructure investments, such as the proposed cable car, to help relieve pressure on the already constrained state highway network.

While improvements to the existing roading network may help alleviate traffic congestion, the earlier Queenstown Business Case (endorsed in 2021) identified that expanding road capacity on SH6A between Frankton and Queenstown is not feasible due to significant cost and geotechnical constraints.

"A key outcome of the assessment process was that additional road capacity for State Highway 6A (SH6A) between Frankton and Queenstown would be unfeasible due to cost and geotechnical challenges. Furthermore, a step change is required to achieve the 40% alternative mode share needed during the PM peak on SH6A by 2028 to meet the investment objectives"².

The urgency of investment in transport infrastructure is also highlighted in Otago Regional Council's Queenstown Public Transport Business Case 2024:

"In the face of population growth that will double in the next thirty years, tourism growth, worsening traffic congestion, and pressing environmental concerns, the need for significant investment in public transport has never been more critical in Queenstown.

Queenstown currently stands at a crossroads, where a congested network needs rapid intervention through a mode shift to non-car modes. Investing in robust public transport services is a pivot step towards supporting a sustainable, efficient and more accessible Queenstown that will thrive in the future and bring economic benefits to New Zealand.

There is also a risk of not acting- which may cause Queenstown to stagnate resulting in poor liveability for residents, and negative economic and reputational outcomes for the area and the rest of New Zealand."³

Given the above context, this Economic Impact Assessment ("EIA") is designed to provide an economic assessment of the benefits of the QCC Project based on economic injection, employment, and scale of economic impacts / benefits for the economy to support the application for referral into the FTAA process.

² Queenstown Business Case – Key Problems, Page 1

³ Queenstown Public Transport Business Case, Section 3.3, Page 9

Provisions of the FTAA that are directly relevant to this assessment include Section 22 of the FTAA which sets out the following criteria for assessing referral applications:

- Whether the project “*will deliver new regionally or nationally significant infrastructure or enable the continued functioning of existing regionally or nationally significant infrastructure*” (Section 22(2)(a)(ii)); and
- Whether the proposal “*will increase the supply of housing, address housing needs, or contribute to a well-functioning urban environment (within the meaning of policy 1 of the National Policy Statement on Urban Development 2020)*” (Section 22(2)(a)(iii)); and
- Whether the proposal “*will deliver significant economic benefits*” (Section 22 (2)(a)(iv)).

This economic impact estimates the total additional gross economic output⁴ into the Otago regional economy that would be facilitated by the QCC Project. The initial specifications and details have been provided by the applicant and represent the development's configuration and costings at this point in time. The assessed economic impacts are not site specific but are QCC Project specific, i.e. the estimated economic impacts are not tied to the subject land, and the related infrastructure is not dependent on any particular location.

The assessment has not endeavoured to identify the extent to which particular parts of the Otago Region will benefit economically. It assesses the likely economic impacts upon aggregate Otago business activity given the composition of the development proposed.

The economic impacts likely to be experienced as a result of the QCC Project are broken down by the development phase which includes the construction costs (CAPEX⁵) of the facilitated activities and the proportion of those costs that are retained within the Region.

The *direct economic impacts* are derived from the actual spending / expenses incurred through the operation of the facilitated development.

Indirect economic impacts are the increased spending brought about by those firms / households and their employees / occupants, who supply the development.

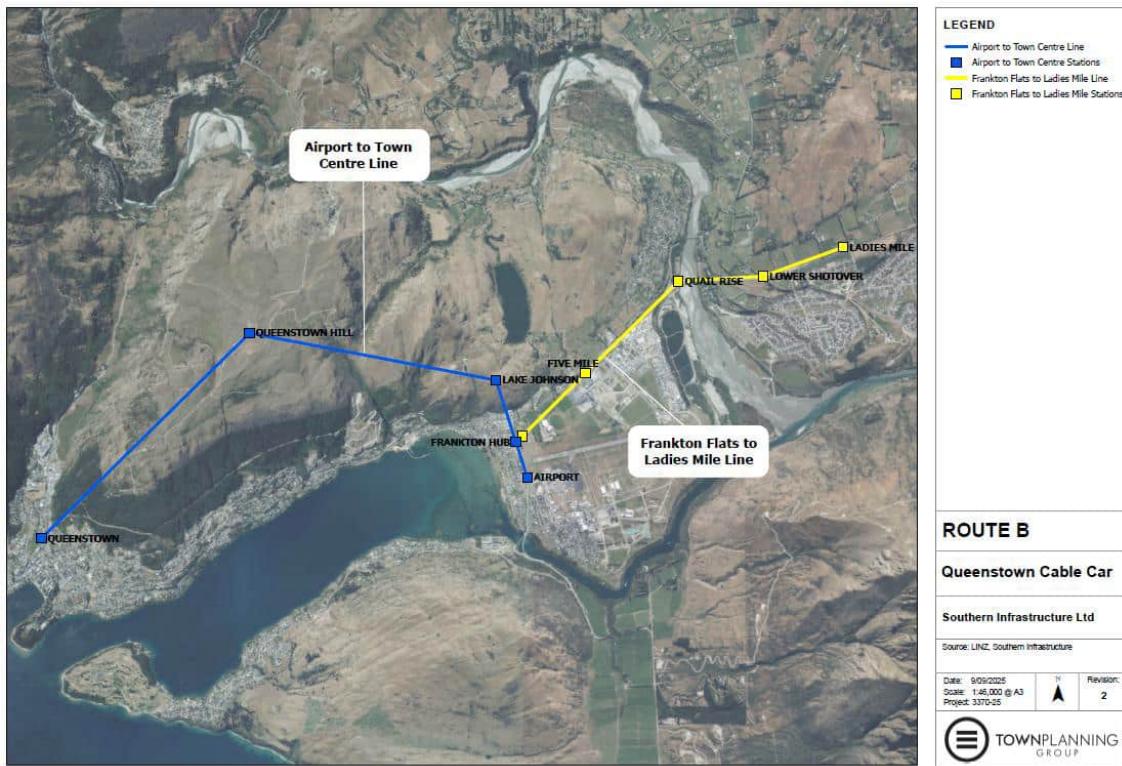
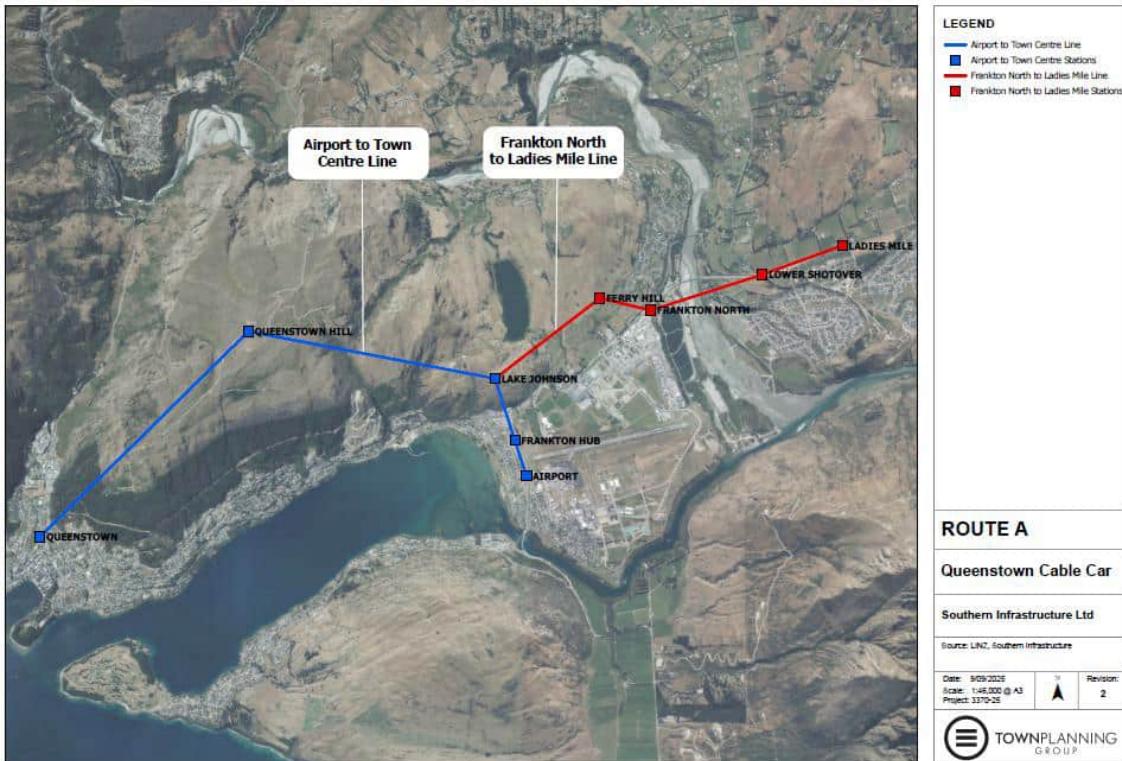
Induced economic benefits are measured in terms of the additional income that will be spent in the area due to increased business activity.

⁴ For example, this has not taken into account the short-term loss of operational employment currently on site

⁵ CAPEX – Capital Expenditure

Figure 1 provides an outline of the concept plan of the QCC Project:

FIGURE 1: OVERVIEW OF THE TWO ALTERNATIVE ROUTE OPTIONS



Source: SII

2. EXECUTIVE SUMMARY

The QCC Project is an offline public transport connection between Queenstown's Airport and its town centre via hubs at Frankton Hub, Lake Johnson and Queenstown Hill. The proposal also includes a service between Lake Johnson and Frankton North via Ferry Hill (Route A option). The Route B option is from Frankton Flats to Ladies Mile. It is our understanding Route A and Route B options have very similar construction and development costs, and therefore the analysis has treated the expenditure as equivalent.

The total quantitative and qualitative economic impact on the Otago regional economy as a result of the QCC Project is summarised in the following table:

Estimated Quantitative Economic Impact on Otago Regional Economy:	
Total NPV ⁶ over a 5-year development period ⁷ :	\$249m
FTE ⁸ s during the peak development and operation year ⁹ :	796 FTEs
Total FTE years over the 5-year development period:	2,141 FTE years
Total direct employment over the development period:	813 FTE years
Total indirect and induced employment over development period:	1,328 FTE years
Qualitative Economic Benefits:	
<ul style="list-style-type: none"> • Significant improvement to regional transport infrastructure network • Supporting future regional economic and population growth • Reduced commuting time and friction between key employment areas • Expanded labour market catchment • Greater tourism growth and increased visitor spend • Improved land and vertical airspace use efficiency • Encouraging denser, more compact land use • Catalysing further development and investment • Improved productivities and agglomeration benefits • Supporting urban intensification • Unlock Te Pūtahi Ladies Mile Development Opportunities • Improve urban form efficiency (Route B) 	

⁶ Net Present Value.

⁷ The development period in this EIA represents the years economic activity is generated by the project's development, not just the construction period. This includes pre-construction activities such as planning, design work, procurement, contracting and consulting.

⁸ Full time equivalents (FTE) years - these are all jobs created through the direct development and construction phases of the project including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.

⁹ Employment Multipliers relate to the level of indirect and induced employment activity generated through the expenditure on and off site.

The quantified economic injection (increase in economic activity) into the regional economy and employment opportunities, and the QCC Project's qualitative economic benefits, would result in significant regional benefits.

We consider that advancing the QCC Project would yield significant economic benefits for the regional as well as the local community. Overall, our assessment supports the QCC Project from an economic perspective in the context of the FTAA (and RMA).

3. GENERAL INFORMATION

3.1. STATEMENT OF EXPERIENCE

Philip Osborne - I am an economic consultant and Director of Property Economics Limited, based in Auckland.

My qualifications include Bachelor of Arts (History / Economics), Masters in Commerce, and Masters in Planning Practice from the University of Auckland.

I have 25 years' experience advising local and regional councils, central government agencies, and private developers throughout New Zealand in respect of a wide range of property issues, including economic impact assessments, commercial and residential market assessments, economic cost benefit analyses and forecasting market growth and land requirements across all property sectors. I have undertaken numerous Economic Impact Assessments for fast track applications (including under the Covid-19 Recovery Fast Track Consenting Act 2020).

I have extensive experience and am frequently commissioned to provide expert evidence in the Environment Court.

Tim Heath – I am founder and Managing Director of Property Economics Limited with 30 years' experience undertaking strategic property market analyses for major commercial and government clients.

My qualifications include Bachelor of Arts (Geography) and Bachelor of Planning from the University of Auckland.

My areas of specialisation include economic profiling of markets, property sector analysis, market demand / supply assessments, economic impact assessments, capacity modelling, development feasibility assessments, business land assessments, and cost-benefit analysis.

My comprehensive knowledge of property market drivers allows me to deliver research that bridges planning ideology and commercial realities to ensure recommendations have 'real world' practicality and can be successfully implemented.

I have extensive experience and am frequently commissioned to provide expert evidence in the Environment Court I have also been involved in undertaking economic assessments for dozens of Fast Track applications.

1.1. INFORMATION & DATA SOURCES

Information has been obtained from a variety of reliable data sources and publications available to Property Economics, including:

- Input / Output Tables - Stats NZ
- Business Frame Data – Stats NZ
- Proposed Development Costings – SIL
- Development Concept Plan – Southern Infrastructure Limited

1.2. GLOSSARY OF TERMS

Below is a list of terms relevant to this economic impact assessment. Note that the definitions of some terms may differ from those provided in the relevant statutory definitions and are intended solely for the purposes of this economic analysis. This does not affect the economic analysis conducted in this report or our economic position.

TERM	DEFINITION
ANZSIC	Australia New Zealand Standard Industrial Classification 2006 - A standard method used to classify businesses and organisations based on their primary economic activity. It provides a framework for analysing and comparing economic data across industries in Australia and New Zealand. ANZSIC is widely used by government agencies, researchers, and businesses for statistical, policy, and planning purposes.
CAPEX	capital expenditure
Development contributions	fees that developers pay to territorial authorities for the provision of infrastructure and upgrades required as a consequence of development, which may include water supply, sewerage connections, roads and community infrastructure
Direct economic impacts	derived from the actual spending / expenses incurred through the construction of the anticipated development
Economic benefits	refer to the positive outcomes that enhance the well-being of individuals, businesses, and communities, typically arising from an activity, development, or policy. These benefits may be expressed in financial or non-financial terms. In the context of urban development, economic benefits reflect the extent to which a proposal contributes to local and regional prosperity, market efficiency, and the effective alignment of supply with demand.
Economic costs	the value of what is given up when choosing one economic activity over another. Economic costs also include opportunity costs, which are the value of the next best alternative that is forgone.

Employment multipliers	the level of indirect and induced employment activity generated through the expenditure on and off site.
FTE years	these are all jobs created through the direct development and construction phases of the project including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.
Indirect economic impacts	the increased spending brought about by those firms / households and their employees / occupants, who supply the development
Induced economic impacts	measured in terms of the additional income that will be spent in the area due to increased business activity
GDP	gross domestic product
Net Present Value (NPV)	the present value of future cash inflows and / or cash outflows which in this report has been calculated with reference to a 6% discount rate.
Transaction costs	costs that arise as part of engaging in an economic trade. This can include compliance costs, planning costs, variation costs, etc.

4. ECONOMIC CONTEXT

In assessing the potential economic impacts of the QCC Project, it is important to firstly establish the context in which they will be assessed. For the purposes of this assessment the three important parameters are:

- 1) The geospatial extent of the economic impact. While facilitation of additional business development and spend is likely to have a national economic impact, the majority of impacts are likely to be retained within the Otago Region. As identified, for the purposes of this assessment, the extent of economic impacts is focussed on the retention¹⁰ of economic activity within this area.
- 2) The economic impacts are those resulting from the construction of the QCC Project over a 5-year period.
- 3) Regarding statutory considerations, the RMA provides context in terms of the utilisation of resources and the resulting impact on their price and provision. It calls for the “*efficient use and development of natural and physical resources*” (Part II section 7 (b) RMA), with economic efficiency being defined as “*the effectiveness of resource allocation in the economy as a whole such that outputs of goods and services fully reflect consumer preferences for these goods and services as well as individual goods and services being produced at minimum cost through appropriate mixes of factor inputs*”¹¹.

The QCC Project is likely to have economic impacts that are felt beyond the specific benefits within the region.

Additionally, as addressed in the various environmental assessment reports prepared in support of the application for referral of the QCC Project into the FTAA, there are likely to be other, non-economic effects that may result in further economic impacts, such as land value changes (e.g. improved accessibility can increase associated property values). These other potential further economic impacts are excluded to avoid double counting of effects. For the most part, these other, non-economic effects, e.g., environmental effects, have not been addressed in this report.

¹⁰ In this context retention relates to the level of direct spend that is attributable to the Otago Region. This is based on a large number of factors e.g. the origin of machines, businesses that service this development.

¹¹ Pass, Christopher and Lowes, Bryan, 1993, *Collins Dictionary of Economics* (2nd edition), Harper Collins, Page 148

5. TOTAL ECONOMIC ACTIVITY FROM DEVELOPMENT AND CONSTRUCTION

5.1. METHODOLOGY

This section assesses the potential economic activity generated within the Otago Region specifically attributable to the QCC Project through spending on the general civil works and development.

This section aims to understand the overall economic consequences of the QCC Project. It considers the direct effects (the immediate changes caused by the QCC Project), indirect effects (changes in spending by suppliers to the QCC Project), and induced effects (changes in spending by households due to increased income from the QCC Project).

Multipliers:

Multipliers are coefficients that translate direct changes in economic activity into the total economic impact. For example, a job multiplier shows how many jobs are created in total (directly, indirectly, and induced) for each new job created directly. Similarly, an output multiplier indicates how much total output increases for each dollar increase in output in a specific industry (e.g. the construction sector). Each direct expenditure results in different 'flow on' impacts depending on the regional economy's composition and size. These are aggregated to allow for the development (earthworks, consulting fees etc), and construction (built form) multipliers identified later.

The total impact assessed sums the direct, indirect, and induced effects to determine the overall anticipated economic impact. This begins with an initial direct 'expenditure' for the QCC Project; however not all of this expenditure is spent on goods or services from Otago. The component that is spent on goods and services from Otago is said to be retained within the region. From this point the retained expenditure flows through the regional economy resulting in indirect and induced impacts, the total of which is outlined in this section of the EIA.

This assessment is based on estimated development and construction costs.

The impact of the QCC Project's capital expenditure on the initial business cycle has been calculated through the use of a 'construction multiplier'. This construction multiplier was based on the national input-output tables produced by Statistics New Zealand (based on 48 sectors), which were then assessed at a regional level based on Otago economic activity, composition and productivities.

The economic modelling estimates the 'leakage' (i.e. and conversely how much of this construction and development cost is spent in the region) from the regional economy (within

specified sectors), and therefore the overall regional production (within a given business cycle) for each \$1 injected.

The modelling was performed for the general and commercial construction sectors. These multipliers are based on 'net' flows by broad sector type and are therefore approximations.

Total output impacts to the Otago catchment for the QCC Project include:

- Direct Construction Cost x 'Construction Multiplier' +
- Direct Development Cost x 'Development Multiplier' +
- Direct Increased Commercial Spending x 'Commercial Multiplier' +
- Indirect Business Spend x 'Commercial Multiplier' +
- Induced Retail Spending x 'Retail Multiplier'

Each identified multiplier relates simply to the economic sector from which the activity is generated.

5.2. ASSUMPTIONS, UNDERPINNING DATA AND EXCLUSIONS

We have applied the following assumptions, exclusions and underpinning data in this impact analysis in order to assess the level of economic injection the QCC Project will have into the overall regional economy at this time. These listed matters have some (limited) impact on the extent of regional impacts but can be quickly adjusted to accommodate more specific construction costs and injections.

1. It has been assumed that the construction costs will fall within the definition of the following categories (based on a standard 'special' commercial ratio): 'non-residential construction', 'non-building construction', 'other construction services'.
2. Financial or loan costs on capital primarily fall outside of the local catchment and impact the national economy.
3. The origin of labour has been assessed based on regional labour movements furnished by Statistics NZ based on 2018 data. However, employment data has been updated as per the Statistics NZ Business Frame data¹² to March 2024.
4. The economic activity generated is based on the QCC Project's gross activity and does not consider the QCC Project redirecting growth opportunities from elsewhere in the catchment. That is, it is assumed that there is enough resource in the region to generate this activity while supporting existing activity.

¹² Business Frame Data – provides Statistics NZ measure of employment in an area by ANZSIC sector.

5. An 8% discount rate has been applied.
6. Labour movements are based on average retention rates rather than specific company locations.
7. The proportion of materials and labour internalised in direct benefits to Otago are based on standardised labour movements as well as employment and production composition within the Otago Region. The amount of each 'flow-on' dollar retained in Otago is based on the movement of resources (including labour) between other regions.

Table 1 below outlines the resulting impacts on the Otago regional economy as a result of the QCC Project, applying the methodology, multipliers and assumptions set out above.

5.3. TOTAL OTAGO REGIONAL ECONOMIC ACTIVITY

TABLE 1: TOTAL GROSS OTAGO REGIONAL ECONOMIC INJECTION OF THE QCC PROJECT (\$M)

	2025	2026	2027	2028	2029	Total
Direct Expenditure (\$m)						
Land						
Earthworks / Civil Works		\$22.7	\$35.7	\$6.5		\$65
Civil Consultants	\$0.5	\$2.3	\$2.3	\$1.4		\$6
Other				\$146.0	\$146.0	\$292
Infrastructure						
Total Development Costs (excl. land)	\$0.5	\$25.0	\$38.0	\$153.9	\$146.0	\$363
Total Construction						
Other						
Total Construction			\$56.1	\$70.1	\$29.6	\$156
Total Construction and Development Costs (excl. Land)	\$0.5	\$25.0	\$94.0	\$224.0	\$175.6	\$519
Increased Local Spend*			\$0.3	\$0.7	\$1.2	\$2
Total Direct Expenditure (excl. land)	\$0.5	\$25.0	\$94.3	\$224.7	\$176.8	\$521
Level 2 Multiplier Impacts						
Total Auckland Output (48 sector multipliers)						
Total Otago Output NPV (48 sector multipliers)**	\$0.4	\$20.2	\$76.2	\$105.3	\$46.4	\$249
Household Income						
Employment (FTE Years)						
Development Employment	6	206	306	138	31	
Construction Employment			441	540	224	
Other Employment	1	25	49	112	63	
Total Employment (FTE years)	7	230	796	790	317	2,141

Source: Property Economics

*The impacts on Otago as a result of direct, indirect and induced activities.

By way of explanation of the items listed in Table 1:

- The reference to "Development Costs" includes costs associated with the development of the land, earthworks, etc. Note these costs are separated out from Construction costs due to the high level of capital (machinery) to labour ratio.
- The reference to "Construction Costs" includes built form costs.
- The Direct Expenditure line includes all expenditure on the QCC Project, both in the Otago Region and externally to the region.
- The total employment generated through the development and construction works is 1,822 full time equivalent years.

The "Level 2 Multiplier Effects" section identifies the proportion of the direct expenditure that is experienced in the Otago Region only. This incorporates consideration of the economic multipliers described in the following section.

Aggregating Impacts:

The following steps form the basis for the value and employment multipliers to quantify the number of FTE years generated by the QCC Project.

Step 1: Allocate total project expenditure by ANZSIC category.

Step 2: Apportion the extent of each expenditure category that is likely to be retained within the Region. This is based on business and employment composition, business size, capital formation, inflows of GDP (technically GRP), etc. This is direct regional spend and hence smaller than the total generated.

Step 3: Utilising Stats NZ Input / Output tables generate regionally specific Level 1 multipliers (i.e. where each \$1 spent goes through the first cycle). These multipliers are specific for each of the 48 sectors and are proportionally combined to produce the development multiplier: earthworks, fees, etc (due to these having a materially different labour to capital breakdown) and the construction multiplier- built form.

Step 4: Utilise a similar process to assess the Level 2 multipliers for indirect and induced activities.

Step 5: These three (direct, indirect and induced impacts) are then aggregated and discounted to get the NPV seen in Table 1.

Table 1 illustrates that the total impact on business activity within Otago as a result of the QCC Project over a 5-year period is estimated to be in the order of \$250 million.

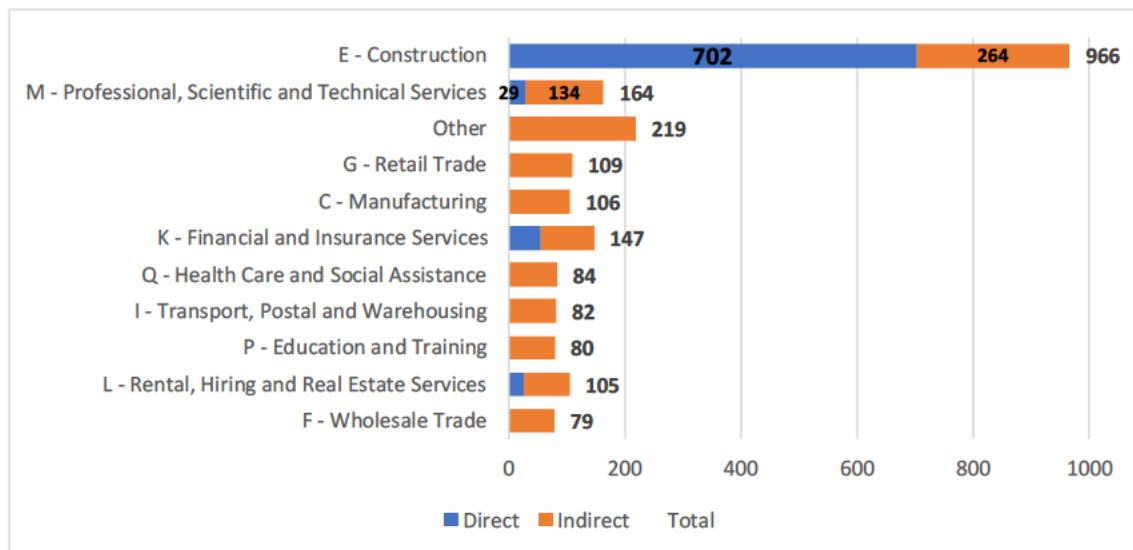
In terms of employment multipliers this would contribute an estimated 796¹³ jobs during the peak construction year within Otago, with a total number of FTE years at 2,141 over the development and construction period.

5.4. TOTAL OTAGO DIRECT AND INDIRECT EMPLOYMENT

Figure 2 below disaggregates employment generated by sector and direct and indirect (including Induced) FTE employment over the identified period. It illustrates the significant direct impact of the QCC Project on the construction sector (as well as construction services).

The figure also illustrates the sectors associated with direct employment measure approximately 813 FTE years with the remaining around 1,328 FTE years resulting from indirect and Induced activity as a result of the QCC Project.

FIGURE 2: OTAGO EMPLOYMENT GENERATION BY SECTOR (DIRECT, INDIRECT AND INDUCED)



Source: Property Economics

¹³ NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs).

6. OPERATIONAL REGIONAL ECONOMIC BENEFITS

In addition to the previously quantified economic injection outlined above, the QCC Project would create a variety of other potential (non-monetised) economic benefits. These are outlined in the following analysis.

OPERATIONAL ECONOMIC BENEFITS

- ⊕ **Significant improvement to regional transport infrastructure network:** The Queenstown Business Case 2020 highlighted the problems on SH6A, as well as issues on the wider transport network. In 2024, the Queenstown Public Transport Business Case again confirmed the problems and proposed a series of public transport activities to increase capacity and maximise mode shift.

Both businesses cases identified the need for a future off-line public transport service between Frankton and Queenstown, acknowledging that the current route, and even the route after any on-line improvements, simply cannot accommodate the projected future demand.

In response to this need, the QCC Project offers a high-capacity, zero-emission alternative capable of transporting up to 3,000 passengers per hour in each direction. By diverting a large share of passenger demand away from road-based transport, the system would assist alleviating congestion pressures while minimising conflicts with existing road infrastructure. Over the long term, this would also reduce the need for costly roading upgrades and ongoing maintenance.

- ⊕ **Supporting future regional economic and population growth:** With the Otago Region expected to grow by approximately +70,300 people (an increase of around +27%) by 2048, the QCC Project will play a key role in supporting and accommodating the travel needs of this future growth. Specifically, under Stats NZ's High growth scenario, the Queenstown-Lakes District is projected to reach a population of around 82,700 by 2048, equating to an average annual increase of approximately +1,260 people over the next 24 years.

As regional and district population expands, so too does demand for efficient transport infrastructure that can accommodate increased volumes of commuters, freight, and service vehicles. The QCC Project will help accommodate these needs by reducing congestion, and improving travel time reliability, thereby potentially unlocking access to new residential, commercial, and industrial development opportunities.

- ⊕ **Reduced commuting time and friction between key employment areas:** The QCC Project would provide a fast, frequent, and reliable public transport link between two of Queenstown's key urban nodes, the Town Centre and Frankton. This is critical in a context where road congestion, limited road capacity, and a constrained geographical

environment inhibit conventional transport expansion. Reduced travel times would increase worker productivity and business efficiency, particularly for those commuting between residential areas, retail and hospitality jobs, or visitor-related services.

- ⊕ **Expanded labour market catchment:** By enhancing mobility between residential areas and employment clusters (Town Centre, Queenstown Airport, tourism areas), the proposed cable car effectively broadens the pool of accessible jobs. Likewise, employers in the Town Centre would gain better access to a wider talent pool, including part-time, casual, and off-peak workers who might otherwise struggle with limited bus services or parking.
- ⊕ **Greater tourism growth and increased visitor spend (increased tourism infrastructure asset):** As a visually aesthetic and environmentally sustainable mode of transport, the proposed cable car has the potential to be a tourist attraction, offering panoramic alpine and lake views during transit. The experience of riding the cable car may encourage tourists to explore both Queenstown and Frankton more thoroughly, potentially extending their time spent in the region and increasing spending across retail, food and beverage, and activity sectors.
- ⊕ **Improved land and vertical airspace use efficiency by reducing the need for surface-based transport infrastructure:** Because cable cars operate above ground, they free up space that would otherwise be utilised for road widening, car parks, or bus lanes, allowing for more productive and intensive land uses at street level, especially in constrained commercial and tourism activity areas.

In addition, the cable car allows travel over terrain and urban structures, making use of the vertical airspace rather than competing for limited land-based infrastructure (e.g., roads or bus lanes). This is particularly valuable in a topographically constrained area like Queenstown, where the basin's steep slopes and lakefront setting limit horizontal expansion.

- ⊕ **Encouraging denser, more compact land use:** By providing fast and frequent aerial connections, the cable car reduces pressure on roads and encourages the intensification of land uses near terminals. This can catalyse more vertical (multi-storey) development around nodes in the Town Centre and Frankton, supporting a more efficient urban form and reducing urban sprawl.
- ⊕ **Catalysing further development and investment:** Enhanced infrastructure delivered by the QCC Project could act as a catalyst for further development activity in the Otago Region, potentially stimulating interest in both additional urban development and complementary commercial and service-oriented developments.

This growth dynamic would not only help facilitate expansion demand but also strengthen the local economic base by attracting new businesses and services to emerging communities.

In turn, this attraction of new businesses and services will foster job creation, increased consumer spending, and broader regional economic integration, providing long-term momentum for sustainable urban and economic development throughout the region.

- ⊕ **Improved productivities and agglomeration benefits:** The QCC Project would boost productivity and generate agglomeration benefits by enhancing the efficiency of movement for both residents and visitors across the district. Improved connectivity will further facilitate greater economic clustering by bringing businesses, workers, and services into closer proximity. Essentially, the QCC Project will increase the propensity for employment clustering and thereby density, leading to wider economic benefits such as - agglomeration benefits (generally through increased density), labour supply impacts (through larger employment base), and the impacts of improved competition.

This agglomeration effect encourages knowledge-sharing, collaboration, and innovation, while also expanding the accessible labour pool for employers. In the long term, these dynamics would foster a more vibrant, interconnected regional economy with higher overall output, stronger business networks, and increased competitiveness.

- ⊕ **Unlock Ladies Mile Development Opportunities:** With transport constraints being a significant barrier to further development within Ladies Mile, the QCC Project would make a significant contribution to unlocking development opportunities within Te Pūtahi Ladies Mile, an area of critical importance to efficiently accommodating future growth within Queenstown.

Facilitating development of this growth area is important in mitigating house price growth, creating competition in the market, bringing a broader range of housing typologies and choice to the market.

This would accelerate employment opportunities, particularly in the construction sector, economic activity, growth and investment within the region to the benefit of the community.

- ⊕ **Improved Urban Form Efficiency (Route B):** Urban form efficiency refers to how well a city's physical layout supports compact, connected, and accessible land use patterns. This includes minimising unnecessary land consumption, reducing infrastructure and transport costs and making better use and accessibility of existing developed areas.

Route B of the QCC project provides direct access to existing commercial, retail, employment, community and recreational services and facilities. This generates increased efficiency with cable car stations in locations people highly utilise. This affords the community and visitors additional opportunity to undertake high frequency trips without vehicle involvement required.

7. CONCLUSION

Given the scale of its strategic and long-term benefits, the QCC Project's potential to strengthen market connectivity, tourism potential and support infrastructure planning provides a clear rationale for its acceleration under the FTAA. Delaying the delivery of this Project risks compounding avoidable economic inefficiencies and undermines the growth potential of NZ's most internationally recognised tourist destination.

Route B provides the additional benefit of enhancing urban form efficiency outcomes by improving economic productivity, reducing environmental impacts, improving market accessibility and therefore community wellbeing.

In light of the economic impact assessment and economic benefits analysis outlined in this report, Property Economics considers that advancing the Project would yield significant economic benefits for the regional economy and local communities. This meets the purpose of the FTAA and notably, section 22(2).