

Infrastructure Commission agrees: Queenstown congestion a national infrastructure priority



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Queenstown's Frankton Road will exceed 10 million vehicle trips for the first time in 2025, making it one of New Zealand's busiest single-carriageway roads. Resolving the district's transport issues has been studied in multiple business cases spanning the past decade, during which time traffic volumes on arterial roads around Queenstown have approximately doubled.

The New Zealand Infrastructure Commission (**Infracom**) has taken notice, formally endorsing a proposal by Southern Infrastructure Limited (**Southern Infrastructure**) – a privately-led purpose-driven infrastructure company backed by Rod Drury – to address congestion on Frankton Road as a **national infrastructure priority** worthy of inclusion in the **National Infrastructure Plan**.

Southern Infrastructure chief executive Ross Copland said, "We have worked hard over the last 18 months to articulate the enormity of the challenge Queenstown faces after a decade in which the last few percent of capacity in our roads, pipes and power lines were used up and very little new capacity was added. We're delighted that Infracom is listening – their acknowledgement that this problem is a **National Infrastructure Priority** is particularly timely and will give confidence to Central and Local Government that this is a logical and urgent next step for our transport network."

Infracom Chief Executive Geoff Cooper says, "[...] while endorsement doesn't guarantee funding, or prioritisation by Government, it sends a strong signal to decision-makers about infrastructure priorities that have passed independent scrutiny."

Building on the 17 proposals endorsed in round one of the Infrastructure Priorities Programme (IPP) released in June 2025, the second round of assessments by Infracom adds 25 new proposals ranging across transport, waste, defence, and health infrastructure.

"Each endorsed proposal has been rigorously assessed against criteria including strategic alignment with New Zealand's needs, value for money, and deliverability," Cooper says.

In its submission to Infracom in April this year, Southern Infrastructure summarised the work of recent transport business cases commissioned by Central and Local Government. The proposal noted that cost overruns exceeding 400% on budgets in the approved Queenstown [Transport] Business Case had led to significant public transport upgrades being cancelled or deferred, leaving the town with a large hole in its transport investment plans.

Southern Infrastructure's proposal built on work from earlier business cases which concluded that a cable car (gondola) from the airport to Queenstown CBD would eventually be needed to avoid gridlock on Queenstown's key arterial roads.

Infracom gave the proposal an ‘amber’ rating overall, noting that the supporting business case data needed a refresh. They also encouraged Local Government and Southern Infrastructure to work together to coordinate and optimise transport network and service planning. “Since making our submission in April, we have been in regular contact with both Queenstown Lakes District Council and Otago Regional Council to ensure alignment, so this acknowledgement is welcomed encouragement,” Copland said.

Copland said, “Our unique geography and high land prices make expansion of roads or construction of dedicated busways costly and slow. The Queenstown Cable Car delivers many times the bus network capacity at a capital cost similar to the BP Intersection upgrades, in about half the time. There is now an overwhelming consensus among the people we’re engaging with that this project is the logical next step, given the lack of timely, affordable alternatives that are proven and ready to go.”

Infracom’s endorsement comes as Southern Infrastructure ramps up progress on the first stage of its proposed cable car network.

“We lodged a Fast Track Approvals Act application for the project in October and it is currently working its way through the EPA to the Minister for consideration. We have also received and evaluated tenders from Doppelmayr and Leitner, and we’ll be announcing our preferred supplier for the first stage of the project before Christmas. Selecting a preferred supplier early in the process is essential to ensure we can give landowners certainty about where towers will be located, how high they will be, and what the network will look like. We have deliberately prioritised our engagement with landowners along the route, responding to their feedback, and we will continue to give this our full attention as we work through the process including consultation and registering easements over the months ahead,” said Copland.

Technology has advanced rapidly in the cable car industry over the past decade.

“These firms are the Boeing and Airbus of the urban cable car industry, and the innovation they’ve brought to market over the past few years is very impressive, with autonomous operation, huge cabins, 28% faster operating speeds, and even an option for the gondola cabins to exit the last cable car station and drive autonomously to a final destination. Both Doppelmayr and Leitner have more than NZD\$2 billion annual turnover, and they are delivering more than 100 installations globally this year alone. I’m very confident we’ve prequalified the two best firms that have the balance sheet, track record, and safety systems to deliver a project Queenstown locals will be proud of and happy for their family to ride. I look forward to announcing the successful tenderer very soon,” says Copland.

ENDS

Notes to the Editor

The New Zealand Infrastructure Commission (Te Waihanga) is the Crown entity tasked with providing independent, expert advice on infrastructure to lift economic performance, improve New Zealanders' wellbeing and address climate change. Its Infrastructure Priorities Programme (IPP) is the country's independent, evidence-based "gateway" for identifying the most important infrastructure proposals. Using a rigorous traffic-light system (Red-Amber-Green), the IPP assesses every submission against strategic alignment, value for money, and deliverability.

An **Amber rating** means the Commission judges that the proposal already "makes a strong case for investment" and is ready to progress to the next stage, with identified opportunities to further strengthen the case.

Stage 1 endorsement confirms that Queenstown's severe transport-capacity constraints represent a priority problem for New Zealand and clears the project to advance to the next stage.

The Commission assessed Southern Infrastructure's high-capacity gondola linking Queenstown Airport, Frankton Hub and the town centre together with Queenstown-Lakes District Council's wider Transport Package. Key positives highlighted include:

- A clearly defined problem with strong alignment to national goals (net-zero carbon, productivity, liveable towns).
- The gondola's ability to deliver a genuine "step-change" in capacity beyond on-road solutions.
- Preliminary benefit-cost ratios of **1.2–2.3** and zero direct emissions.
- Alignment with GPS Land Transport 2024 and the Emissions Reduction Plan.

Independent modelling by WSP (August 2025) reinforces the case. Under a stressed-growth scenario (~3.5 % annual growth to 2055), the gondola is forecast to carry up to **1,900 passengers per hour one-way**, capture **40 % mode share** on the SH6A corridor, and deliver approximately **6.5 million one-way trips per year** (4.5 million under base QLDC forecasts). These conservative figures exclude sightseeing trips and assume no road pricing – measures that would drive patronage even higher.

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