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28 November 2025

File: Homestead Bay
Your ref: FTAA-2506-1071

Tēnā koe,

Response to Further Information Requested by the Homestead Bay Expert Panel under s 67 Fast-track Approvals Act 2024

Request for information

1. The EPA requested further information for the Queenstown Lakes District Council (**QLDC** or **Council**) under section 67 of the Fast-track Approvals Act 2024 on 24 November 2025. The EPA sought the following information:

> *The application provided further information dated 17 November 2025 from Stantec (Technical Note) and Urban Economics, to the effect that submitter concerns about removing Homestead Bay from the Council scheme and therefore raising perunit costs and weakening the business case for the wider network is not borne out by QLDC's latest analysis (QLDC/Beca).*
>
> *The Stantec analysis (Table 3) indicates- a slightly lower wastewater upgrade cost per additional DUE if Homestead Bay is not included in the Council scheme ($5,785 vs $6,166), and Stantec expressly concludes there is no increase in perDUE- unit cost through reduced economies of scale, given available spare capacity and prior investments.*
>
> *While at a high-level- that work directly addresses the asserted "fragmentation" effect and, on balance would weighs against the claimed adverse regional cost impact.*
>
> *Can QLDC please provide its comment/response to the applicant's high-level assessment, and whether it is in general agreement with the same, and it not, the reasons why.*

Summary of response

2. QLDC does not agree with the applicant's high-level assessment. QLDC considers that the Stantec Technical Note (**Stantec Memo**) is not a fair comparison of the costs per DUE for the following reasons (in summary):

- It does not include a cost comparison for the Stage 1a upgrade;
- The assessment is based on incorrect assumptions;
- The costs per DUE are only CAPEX costs and does not include whole of life costs;
- It does not accurately compare servicing of entire area as it doesn't include costs of onsite WWTP.

3. QLDC's detailed comments are set out below in the following format:

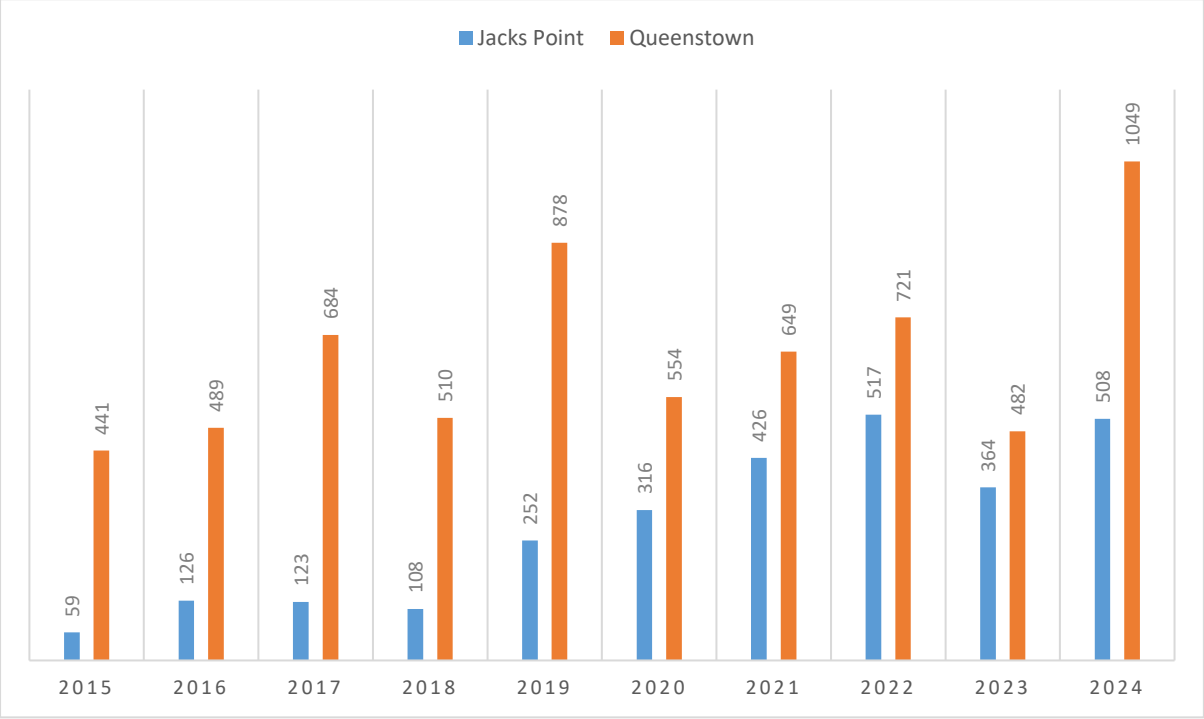
- Comments on Urban Economics Memo
- Comments on Stantec Memo Generally
- Comments on the Assumptions made in Stantec Memo

Comments on Urban Economics Memo

4. The Council has reviewed the memo from Urban Economics concerning the "Wastewater System Economies of Scale" and makes the following comments.

5. The final paragraph on page 2 asserts that "Homestead Bay would have an additive impact on growth of 124%. This means that the total rate of growth in Queenstown would be 150–200 units per annum faster with the Homestead Bay development..." However, this assertion is difficult to verify as the memo does not provide the underlying calculations or data supporting these figures.

6. To provide context on whether the assertion is valid, it is important to consider historical trends in new dwelling building consents approved within Queenstown over the past decade (see Graph 1).



Graph 1: New Dwelling Building Consents Approved between 2015- 2024 - Jacks Point and Queenstown – Source Statistics NZ

7. Graph 1[1] outlines the number of consents approved in Jacks Point[2] and Queenstown. Jacks Point includes the development known as Hanley's Farm (developed by the applicant for this Fast Track Consent application) and is now nearing completion. The graph shows that:

   - Queenstown has had between 441 and 1049 building consents approved annually, averaging approximately 650 per year over this period.
   - Jacks Point has had between 59 and 508 new dwelling building consents approved annually, averaging approximately 280 per year.
   - From 2015 to 2019 and in 2024, Queenstown had a least one to two other developments providing competition to Jacks Point (notably Shotover Country and Frankton). When development in Shotover Country reduced as development was nearing completion, competition slowed in Queenstown , leaving Jacks Point as the only large development area. In 2024, while consents remained high in Jacks Point, a development in Frankton provided 254 new dwelling building consents (the highest number of building consents approved in Queenstown over the past decade).
   - Given that the same developer responsible for the significant level of development in Jacks Point—specifically Hanley's Farm over the past five years—will continue building in Jacks Point, albeit in a different location, it is challenging to support Urban Economics' assertion in their final paragraph on page 2 that *"this is evident in other towns across New Zealand, where new developments result in a dramatic increase in the rate of new construction."* Such an outcome might be expected if a new developer were entering the market rather than continuing development in the same area (in a new location within that area), but that is not the situation in this case.

8. Graph 2 illustrates the proportion of new dwelling building consents in Jacks Points compared to the total consents issued in Queenstown, reinforcing the observations noted above. When there is increased competition in the market, the opportunities for development to be concentrated in a single area are reduced.

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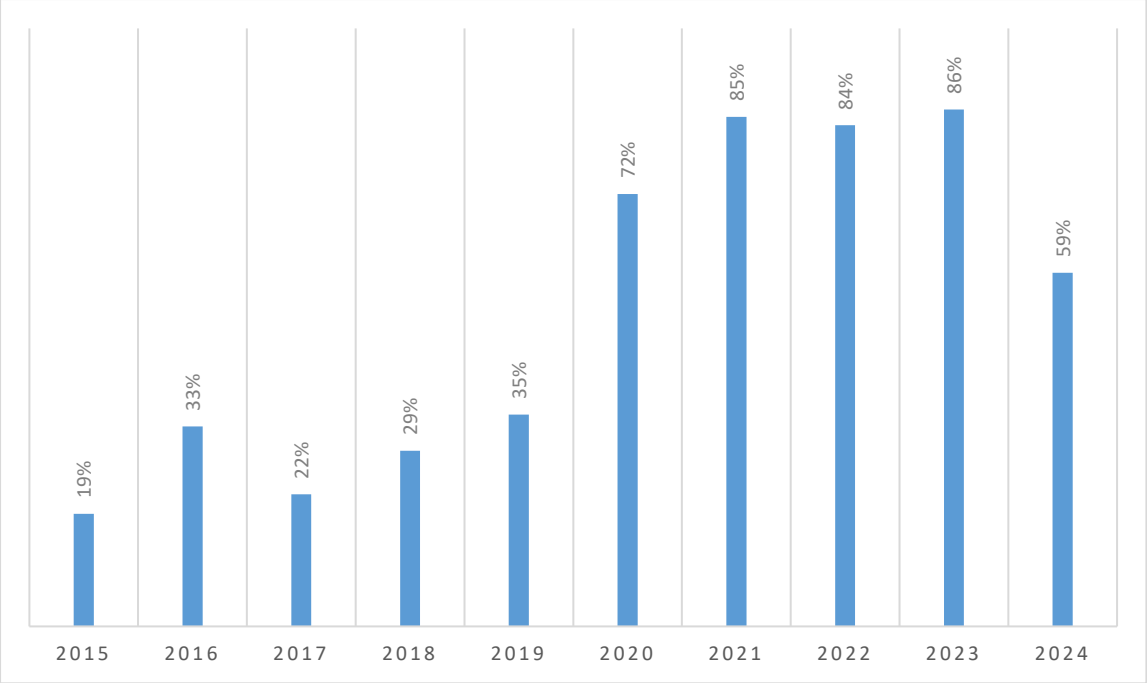
1 Data in graph 1 and 2 uses calendar years (January to December)

2 Jacks Point- SA2 as used by Statistics New Zealand for the data in the graphs has a similar geographic scope as the Te Tapuae Southern Corridor Structure Plan



Graph 2:Proportation of new dwelling building consents issued in Jack Points compared to Queenstown
Source: Statistics NZ

9. Alongside the applicant's development through this application, a new development in Ladies Mile[3] is expected to commence during 2026, expected to introduce 2,400+ homes with a variety of housing types. This development will increase competition in the Queenstown market alongside Jacks Point and Frankton. These developments along with existing and other developments within the Jacks Point (outside of the applicant's development) will provide for the demand for housing through growth as stated in the Council's recently adopted Housing and Business Capacity Assessment 2025[4].

10. Therefore QLDC does not accept the statements made by Urban Economics in the final paragraph of their memo to the Panel.

Comments on Stantec Memo Generally

11. The information provided by Stantec considers the staged upgrades required to service the 9300 DUEs for QLDC's preferred option for servicing the TTSC: a whole of corridor approach with wastewater being conveyed to the existing Shotover WWTP for treatment and disposal. The Stantec Memo uses the costs estimates used for the design and construction of the projects as per the Beca 2025 report. It therefore only uses the CAPEX costs. It does not cover the whole of life costs associated with the infrastructure.

12. The Beca report states the following regarding the cost estimate:

> "*This estimate is based on high-level pre-concept design information. The estimate is deemed to be a Class 5 estimate in terms of the AACE Cost Estimate Classification System guidelines. The expected estimate accuracy range is likely no better than -30% +50%*."

3 located to the west of Shotover River and to the east of Waiwhakaata Lake Hayes, with State Highway 6 running west to east through the area

4 https://www.qldc.govt.nz/media/twujq1ls/4a-hba-assessment.pdf

13. The cost estimates would be refined as the project continues, and as the design is refined. The final costs per DUE in the Stantec report does not include a sensitivity of the -30% to +50% range.

14. The Stantec Memo also only considers the costs for the wastewater infrastructure that will form the whole of corridor approach. In the analysis, it does not include the costs of the standalone, onsite solution that will be constructed and remain in private ownership. Although these costs will not affect developments outside of Homestead Bay, it will be a cost the future residents of the of the Project area. The cost of the standalone, onsite solution will include capital costs for the developer as well as ongoing operational, and monitoring and compliance costs for the future residents.

15. To achieve the whole of corridor approach to service the entire TTSC a staged approach is proposed and is illustrated in Appendix 1 of this letter. This is summarised in the table below, along with the project status. The Stantec memo focuses on the theory that if Homestead Bay does not connect into Council's whole of corridor approach, then the Stage 2 upgrade is not required or not required in its entirety, this is summarised below:

    - the rest of the TTSC can be serviced with only Stage 1a and Stage 1b upgrades and the Stage 2 upgrade is not required, if existing Jacks Point Residential remains private and does not connect to Council whole of corridor system.

    OR

    - that instead of the Stage 2 upgrade being for 123 l/s, if can be for 35 l/s, so in theory a lesser upgrade would be required costing less money (with Jacks Point Residential connecting to Council Reticulation).

16. It is unclear why Stage 2 has been focussed on by Stantec, and not Stage 1a. Stage 2 includes a larger catchment area, including Industrial and Patterson, whereas Stage 1a is only for the southern catchment. Therefore proportionally, there is less future DUEs in the southern catchment and Homestead Bay makes up a larger portion of this catchment. It is anticipated that this catchment would have a larger effect on neighbouring developments and it is likely that it is this upgrade that the neighbouring land owner are referring to. The catchments are illustrated in Appendix 1 of this letter.

17. In the Urban Economics report it states that: *QLDC have provided an uncertain timeframe for Homestead Bay to connect into the existing public wastewater system, raising the prospect of delays to the project, along with its economic and housing supply benefits.* This is incorrect. QLDC have provided clear stages of when the upgrades are required, which aligns with the anticipated growth of 350 new DUEs a year. A summary of the staged upgrades are provided in the table below. For the purpose of this memo, they have been referenced as Stage 0, 1a, 1b and 2, and are illustrated in Appendix 1 of this letter.

	Stage Upgrade and description
Stage 0	Upgrade to the existing Hanleys Farm Pump Station (HFPS) In pre-commissioning phase with project complete ETA: December 2025.
Stage 1a	Conveyance within Southern Corridor - Pipelines and PSs

	Provision of a new trunk conveyance rising main from Homestead Bay, through Jack's Point and Hanley's Farm to HFPS
Stage 1b	Conveyance upgrades in Frankton - Pipelines and PSs new reticulation in Frankton to increase capacity in network from north of the Kawarau Bridge to Shotover WWTP
Stage 2	Conveyance within Southern Corridor - Pipelines and PSs Duplicate Hanley's Farm Pumpstation / wetwell and rising main, including a new pipe across the bridge along with additional reticulation in Frankton Required by 2036. Funding for this is currently shown in QLDC LTP 2024

18. To ascertain the costs of per DUE for the two scenarios, being (1) wastewater upgrades to service the entire corridor, including Homestead Bay and (2) wastewater upgrades to service the entire corridor, excluding Homestead Bay the Stantec memo make several assumptions that are incorrect, described in detail in the following section below.

Comments on Stantec Memo Assumptions

19. The below table breaks down all the assumptions that QLDC identified in reviewing the memo. Commentary is provided as to whether they are agreed with or not by QLDC.

	Subject	**Stantec Assumption**	**QLDC Comment**
1	Demand (section 2 of Stantec memo)	This QLDC assessment is based on 600 litres/site/day of wastewater. This is lower than that required in the QLDC Code of Practice (750 litres/site/day) and used for the Homestead Bay Fast Track Consent application. For this Technical Note Stantec have followed this new figure.	Agree – no comment
2	Demand (section 2 of Stantec memo)	This QLDC assessment assigns 3000 Dwelling Unit Equivalents (DUE) to Homestead Bay. For this Technical Note Stantec have adjusted figures to allow for 2531 DUEs as in the proposal for the Homestead Bay development.	Agree. For this assessment, this is reasonable, considered it is considering the number of DUEs as per the fast track consent.
3	Demand (section 2 of Stantec memo)	This QLDC assessment allows for wastewater from 58 hectares of commercial development. However, Coneburn Industrial (19.5 hectares) received Resource Consent on 23 September 2025	Agree with the conversion of wastewater flows (l/s) to DUEs.

	Subject	Stantec Assumption	QLDC Comment
		(RM25.251.01)) for on-site wastewater treatment and disposal from that development. For this Technical Note Stantec have adjusted figures to allow for this reduction in contributing wastewater and assessed it as DUE for the remaining peak flow at 325 DUE up to year 2036 and 750 DUE occurring following year 2036.	
4	Demand (section 2 of Stantec memo)	Table 2	This table incorporates the assumptions above. Overall agree. These are based on the anticipated demand as shown in Appendix D of the Beca report.
5	Capacity (section 3 of Stantec memo)	Pumping capacity without further upgrades – 173 litres/sec	Agree. To clarify: This is the increased pumping capacity of the HFPS following Stage 0 upgrade (currently in the pre-commissioning phase)
6	Capacity (section 3 of Stantec memo)	Pumping capacity with upgrades to downstream reticulation in Frankton – 215 litres/sec (upgrade referred to as Stage 1b)	Agree. To clarify: The pumps installed under Stage 0 are variable speed drive pumps and can be increased to 215 l/s. However, these cannot be increased to this flow, until upgrades to Frankton reticulation are undertaken. Following the upgrades to Frankton retic, the capacity will be 215 l/s
7	Capacity (section 3 of Stantec memo)	Pumping capacity with adoption of Option 6 (see Section 1) and upgrades to downstream reticulation in Frankton – not specified.	Agree. To clarify: The Stage 2 upgrades will be sized to accommodate the Ultimate demand for the corridor.
8	Capacity (section 3 of Stantec memo)	There is sufficient capacity in the existing Hanley's Farm connection to Shotover Treatment Plant to cater for	There is capacity to supply future growth in the TTSC area following Stage 0 upgrade to HFPS.

	Subject	Stantec Assumption	QLDC Comment
		existing demand and early stages of Homestead Bay	However, this memo focusses on Homestead Bay doing a self-contained / onsite wastewater system. It is unclear as to why capacity for their development is therefore being considered here. .
9	Capacity (section 3 of Stantec memo)	There is sufficient capacity in the existing Hanley's Farm connection to Shotover Treatment Plant to cater for all expected demand outside of Homestead Bay by 2036.	Peak flow from "Other Southern Corridor Catchments" (table 2 in Stantec memo) in 2036 is 126.8 l/s. Capacity following Stage 0 upgrade is 173 l/s. Therefore agree. However, this omits the required Stage 1a upgrade (which is to take WW from the south to HFPS).
10	Capacity (section 3 of Stantec memo)	With proposed upgrades in Frankton there is sufficient capacity in the Hanley's Farm pumping system to cater for all expected demand (including Homestead Bay) to 2036.	Peak flow from "Total" (table 2 in Stantec memo) in 2036 is 214.7 l/s. Capacity following Stage 1b upgrade is 215 l/s. Therefore agree. However, this omits the required Stage 1a upgrade (which is to take WW from the south to HFPS).
11	Capacity (section 3 of Stantec memo)	Upgrade of the Hanley's Farm pumping system (by Option 6 or other method) is needed to cater for all expected demand (including Homestead Bay) to 2044 – upgrade would be nominally required by 2036. (This upgrade is referenced as Stage 2 upgrade and includes duplicating the PS & retic from HFPS to Shotover WWTP)	Agree that the Final staged upgrade is required by 2036. This timing aligns with the funding in the LTP.
12	Capacity (section 3 of Stantec memo)	Lesser upgrade of the Hanley's Farm pumping system (upgrade capacity reduced from 123l/s to 35l/s) is needed to cater for all expected demand outside Homestead Bay by 2044.	- Following the Stage 1b upgrade the capacity is 215 l/s. - Peak flow from "Other Southern Corridor Catchments" for ultimate (table 2 in Stantec memo) is 250.4 l/s -----Difference of **35l/s**

	Subject	Stantec Assumption	QLDC Comment
			- Peak flow from "Total" for ultimate (table 2 in Stantec memo) is 338.3 l/s -----Difference of **123l/s** Therefore, agree with calculation to determine the reduced demand values. However, this omits the required Stage 1a upgrade (which is to take WW from the south to HFPS).
13	Capacity (section 3 of Stantec memo)	The figures in the QLDC/Beca report assume that the land disposal scheme that currently services the Jacks Point Residential areas will be discontinued and instead connect into the Council network, which is an uncertain proposition. If this does not occur, little if any additional capacity may need to be added to the Hanley's Farm pumping system.	Council's preferred approach is to have a whole of corridor approach to service the wastewater in the area. Council have spoken to representatives from the private scheme while creating the structure plan
14	Estimated Costs (section 4 of Stantec memo)	Limitations stated in the QLDC/Beca report are recorded in Appendix A of this Technical Note – use of these estimates in this Technical Memo for comparison purposes are consistent with those limitations.	The Beca report "*This estimate is based on high-level pre-concept design information. The estimate is deemed to be a Class 5 estimate in terms of the AACE Cost Estimate Classification System guidelines. The expected estimate accuracy range is likely no better than -30% +50%*." The cost estimates will be refined as the projects continues, and the design is refined. The final costs per DUE in the Stantec report does not include a sensitivity of the -30% to 50% range.
15	Estimated Costs (section 4 of Stantec memo)	Stage 1 is assumed to be to reach 215 litres/second effective capacity from Hanley's Farm pump station.	Correct following Stage 1b "Conveyance upgrades in Frankton - Pipelines and PSs" the effective capacity from HFPS will be 215 l/s

	Subject	Stantec Assumption	QLDC Comment
16	Estimated Costs (section 4 of Stantec memo)	Costs for conveyance within the Southern Corridor are assumed to be those to connect catchments to HFWWPS and then to Frankton.	For Stage 1a "Conveyance within Southern Corridor - Pipelines and PSs" this is the reticulation to take flows from all the developable area in the south to HFPS only. For Stage 2 "Conveyance within Southern Corridor - Pipelines and PSs" is the costs to duplicate the HFPS and rising main (incl new pipe on bridge) and the reticulation in Frankton. Noting that when Stage 1b is done (upgrades to Frankton retic) a twin main is installed for efficiency so some of the Frankton retic upgrade required for Stage 2 is undertaken in Stage 1b. The costs also include a new rising main from JPVPS and additional storage at the PS. Ref Beca Report Table 5.4.1.2: Option 6 Staging Plan. "Sub Option 1 (cost estimate option). Requires Frankton Beach Pump Station upgrade project to be operational by 2030. Install new twin DN450mm in SH6 corridor from Kawarau bridge to alignment just north of Airport runway, nominally 950m. Estimated construction duration 6 months for 950 lm of pipe along SH6 berm."
17	Estimated Costs (section 4 of Stantec memo)	Contingency and escalations have not been included as they are not required for purposes of comparison here.	No sensitivity was done to consider contingency and cost estimations. The major upgrade is required in 10 years time.
18	Estimated Costs (section 4 of Stantec memo)	Costs for "purchase of treatment capacity" have not been included as they are anticipated to be proportional to the contributing flow (or DUE) and therefore not	Agree.

	Subject	Stantec Assumption	QLDC Comment
		required for purposes of comparison here.	
19	Estimated Costs (section 4 of Stantec memo)	The QLDC/Beca report indicates that their Stage 2 costs of $23.85M associated with the Southern Corridor includes the following components: 1. New second rising main additional to Stage 1 from Homestead Bay to Hanley's Farm and Pump Station upgrade (estimated at 2km) 2. New rising main from Jacks Point Village and other areas to Hanley's Farm and Pump Station upgrade (estimated at 3km). 3. New rising main from Hanley's Farm to the Kawarau Bridge and Pump Station upgrade (estimated at 4km).	This break down of costs is incorrect. 1. Incorrect. Only one DN450 rising main from Homestead Bay to Hanley's Farm is included in the cost estimates. This will happen in Stage 1a, subject to further work to determine how to deal with early low flows. 2. Correct. A small rising main is included along with additional storage at the PS and minor upgrade to the PS. 3. Correct, this is required, alongside duplication of the reticulation in Frankton. However, Table 5.4.1.2 states: *Assuming duplication of pipeline between HFPS and RESA. Approximately 5 km (assuming twin main installed previously between Bridge and Shotover in option C).* Not 4km.
20	Estimated Costs (section 4 of Stantec memo)	The omission of Homestead Bay from the Southern Corridor removes the requirement for the new second rising main from Homestead Bay to Hanley's Farm.	Incorrect. A second rising main was not considered in the cost estimates. All this work was costed to be done in Stage 1a. No cost estimates assessment of stage 1a have been included in the memo.
21	Estimated Costs (section 4 of Stantec memo)	It also results in a maximum flow between Hanley's Farm and the Kawarau Bridge of 250 L/s (above the capacity of the Hanley's Farm pumps of 215 litres/second.	The HFPS capacity is constrained and it cannot accommodate the required 250 l/s.

	Subject	Stantec Assumption	QLDC Comment
		the addition of a booster pump station at the junction of Kingston Road and Peninsula Road enables the additional 35 L/s to be conveyed through the existing rising main. This also removes the requirement for the new rising main from Hanley's Farm to the Kawarau Bridge.	Stantec proposal this can be resolved with a booster pump station. P&I operational team have previously raised concerns regarding inline booster pump stations. This option of a booster pump station has not been agreed with QLDC.
22	Estimated Costs (section 4 of Stantec memo)	Overall, this results in a reduction of $23.85M x 6/9 = $15.9M. The revised Stage 2 cost then becomes $7.95million	Councils understanding is that this calculation of 6/9 is from the 2km + 3km + 4km = 9km of pipe referenced in #19. This calc alludes to that only 4km of pipe are required. As per #19, this is an incorrect assumption. It is also not clear which 4km of pipe is required. It is also a very big assumption that the cost of installing the different size pipes through the different areas will be the same cost per linear metre.
23	Estimated Costs (section 4 of Stantec memo). Table 3	Item: Conveyance in Southern Corridor and to Frankton - Stage 1: same for both scenarios - Stage 2: reduction by $15.9M	Item: Conveyance in Southern Corridor and to Frankton - Stage 1: If Homestead Bay to not go to HFPS, then it will result in a reduction in Pump Station and pipe size. However, the cost of cannot be easily extrapolated out as costs of construction costs, TMP etc. will not change linearly. - Stage 2: Discussed in #19 and #22. Council do not agree with the assumptions made to obtain this reduction.

Yours sincerely, Nāku noa nā

Neil Harkin

Senior Planner, Queenstown Lakes District Council

Appendix 1: Map Illustrating Council's Proposed Staged Wastewater Upgrades For TTSC – Taken from *Three Water Servicing Plan Te Tapuae Southern Corridor Prepared for Queenstown Lakes District Council Prepared by Beca Limited 24 October 2025, Appendix D*