

Otago Central Lakes Regional Deal



Otago
Regional
Council



QUEENSTOWN
LAKES DISTRICT
COUNCIL

Contents

What does the Regional Deal mean for our communities?	4
Map of Otago Central Lakes	6
Why does Otago Central Lakes need a Regional Deal?	8
What are the Regional Deal priorities?	10
1. Funding and financing mechanisms to enable growth	12
2. Affordable housing	14
3. Reliable transport	16
4. Better health services	18
5. Energy resilience and innovation	20
6. Attracting investment	22
7. Enabling key sectors	24
8. Partnership for growth	26



What does the Regional Deal mean for our communities?

The Otago Central Lakes Regional Deal is about making growth work better for local communities.

It brings councils, central government, mana whenua and the private sector together to plan, fund and deliver the infrastructure, housing, transport, health services, and energy resilience the region needs to enable economic growth over the next decade.

For residents, the aim is simple: better infrastructure, more housing choice, improved access to services, stronger local jobs and a region that remains a great place to live, work and visit.

About the City and Regional Deals

A City and Regional Deal is a long-term partnership between local and central government to coordinate planning, investment and decision-making. New Zealand's City and Regional Deal framework was launched by the Government in August 2024 to help regions unlock economic potential, improve productivity and support long-term resilience.

Otago Central Lakes is one of three regions selected to negotiate a Deal, bringing government, Queenstown Lakes District, Central Otago District and Otago Regional Councils together around shared priorities for the region's future.

The shared vision: Otago Central Lakes – From Premier Destination to Hub for Investment

To leverage New Zealand's premier tourist destination by attracting investment to deliver a business and lifestyle experience that is a magnet for new and international investment, entrepreneurship and production, to amplify the region's growth, economic diversification and resilience.

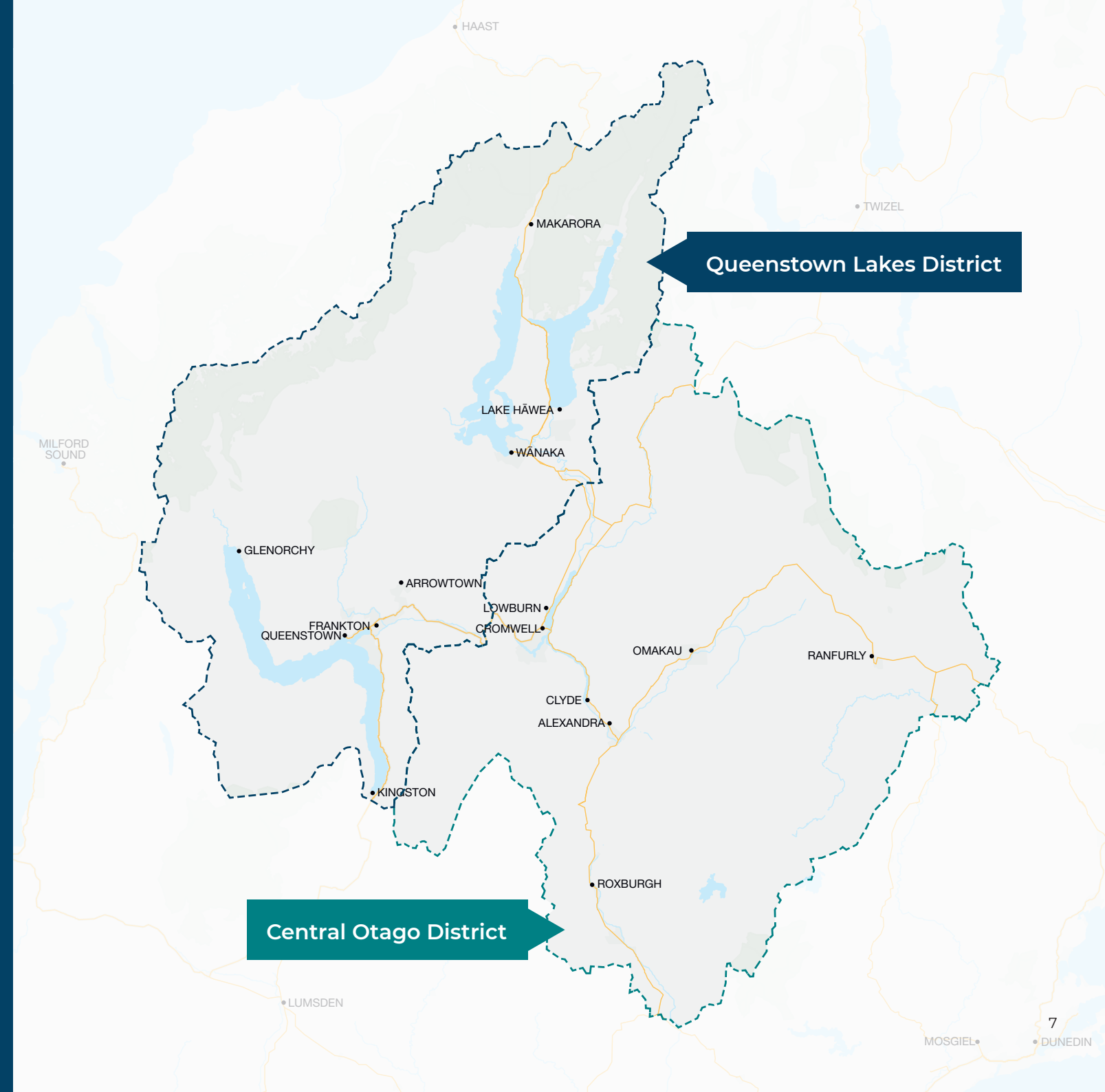
In practice, this vision means using the region's strong reputation as a place to visit, live and do business to attract more investment, create new opportunities and build a stronger local economy.

For residents, it means growth that is better supported by infrastructure, housing, transport, health services and energy systems, so the region can keep its quality of life while managing the pressures that come with growth and tourism.

The Regional Deal meets central governments' current priority objectives which are: building economic growth; delivering connected resilient infrastructure; and improving the supply of affordable quality housing.

Otago Central Lakes Regional Deal

Otago Central Lakes is one of three regions selected to negotiate a Deal, bringing government, Queenstown Lakes District, Central Otago District and Otago Regional Councils together around shared priorities for the region's future.



Why does Otago Central Lakes need a Regional Deal?

Otago Central Lakes is growing quickly and is one of New Zealand's most desirable places to live, work and visit. That growth brings major opportunities, but it also puts pressure on the services and infrastructure communities rely on every day.

High visitor numbers adds pressure on local services:

The region has a small resident population but many visitors, adding pressure on roads, water, waste and community facilities that are largely funded through rates.

Infrastructure is under strain:

The pace of growth has stretched the capacity of existing infrastructure, making it harder to keep up with what communities and visitors need.

Current funding tools are not keeping pace with growth:

The speed and location of growth mean existing tools do not always ensure growth pays for the infrastructure and services it needs.

Housing is unaffordable for many local people:

High demand from residents, visitors, second homes and short-term accommodation mean the market is unlikely to deliver enough affordable homes on its own.

The economy needs to be more resilient:

The region relies heavily on a small number of lower-productivity industries. A more diverse economy helps protect local jobs and businesses and supports stronger long-term growth.

The region's energy supply needs to be more secure:

A stronger and more reliable electricity system is needed to support growth, resilience and diversification.

Healthcare has not kept pace with growth:

Many residents travel long distances for specialist services, and future growth will increase demand for local healthcare.

Investment opportunities are being missed:

The region's strong national and international profile could be used more effectively to attract investment, talent and business opportunities.

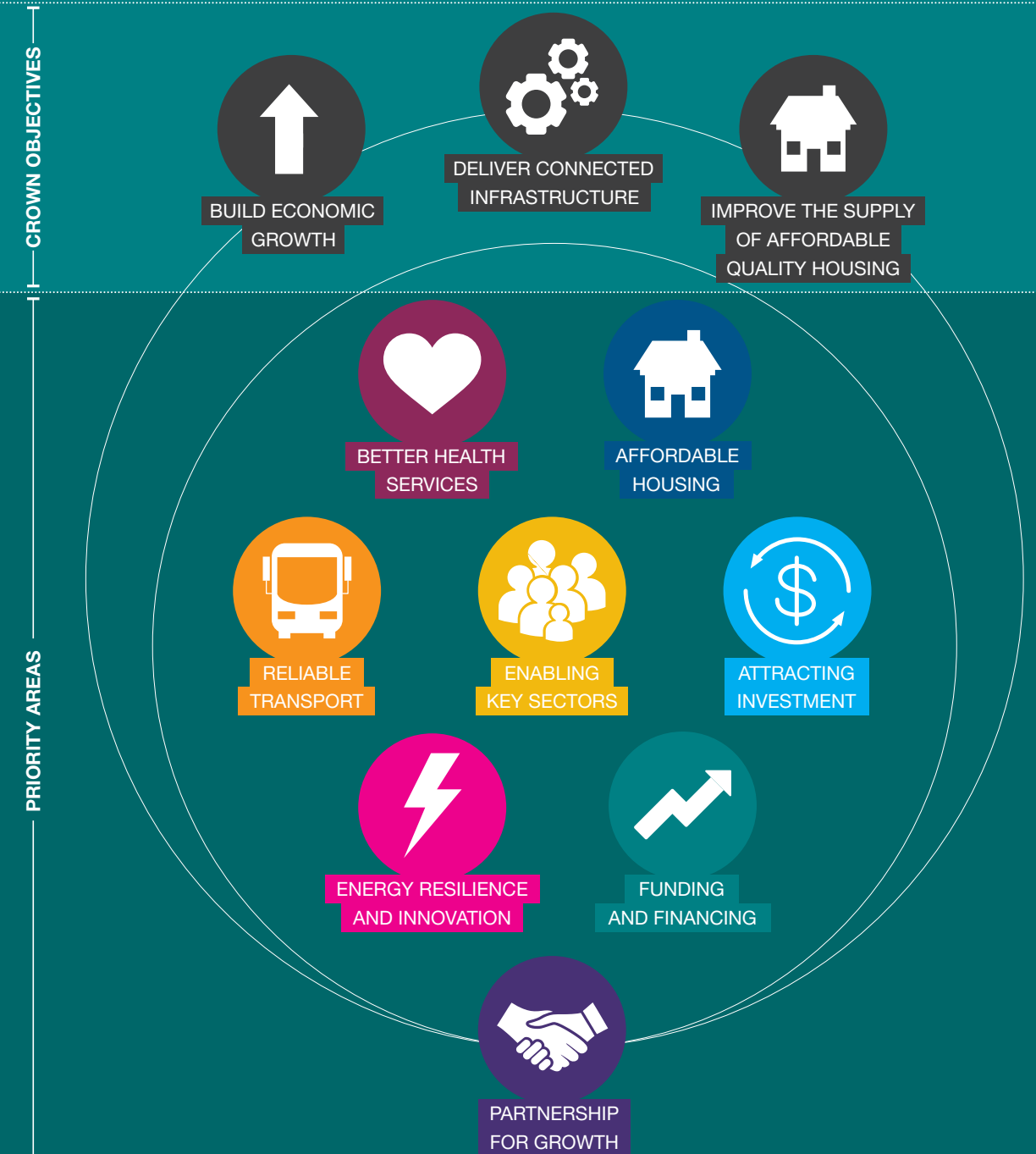
The Deal provides a way for councils, central government, mana whenua and the private sector to work together on the actions, funding and responsibilities needed to help the region "grow well".

What does the Regional Deal cover?

The Deal aims to help Otago Central Lakes grow well by making sure growth is supported by the right infrastructure, housing, transport, services and investment.

The goal is to create a more affordable, connected, resilient and economically diverse region, while protecting the quality of life that makes it a great place to live, work and visit.

To deliver on this goal, the Deal is built around eight interconnected priority areas that work together to support the outcomes the district needs. Each area supports the others, helping align growth with the housing, infrastructure, services, investment and partnerships needed for communities to thrive.





1. Funding and financing mechanisms to enable growth

Growth requires significant investment in infrastructure, services and community facilities. The Deal is a commitment to explore new funding and financing tools so growth and visitor-related costs can be shared more fairly, reducing pressure on existing ratepayers and helping deliver critical infrastructure sooner.

THE DEAL WILL EXPLORE THE FOLLOWING:

Visitor costs:

The Government recognises the additional costs that tourism places on our region and will explore ways to contribute to these costs, with the aim of introducing solutions in 2027.

Time-of-use charging:

Charges could apply on some roads at busy times, with different settings for locals and visitors, to reduce congestion and help fund transport projects.

Infrastructure Funding and Financing Act arrangements:

Costs could be spread over time and charged to those who benefit from growth, helping deliver infrastructure sooner and reduce pressure on ratepayers.

Asset recycling:

Councils could sell, lease or redevelop suitable public assets and reinvest the value into infrastructure and services for growth.

Share of mining royalties:

A share of mining royalties could help fund infrastructure that supports mining growth and wider economic development.

What this could mean for our residents

- > More funding options to help pay for infrastructure needed to support growth, including transport, community facilities and other major projects.
- > Less reliance on existing ratepayers to fund growth-related costs.
- > Better long-term planning for infrastructure needs across the region.



2. Affordable housing

Housing affordability is one of the biggest challenges facing communities across Otago Central Lakes. High demand from residents, visitors, second homes and short-term accommodation means the local housing market faces pressures that are different from many other parts of New Zealand.

The Deal provides an opportunity for councils and central government to work together on planning, funding and development tools that could increase the supply of quality, affordable housing and help more people live close to where they work and study.

More affordable housing and choice:

Councils and central government will explore ways to support affordable housing in the right locations, including building on inclusionary housing work already undertaken by the Queenstown Lakes District Council and the Queenstown Lakes Community Housing Trust.

Renewed commitment to tackle housing together:

The Deal provides an opportunity to strengthen delivery of the Joint Housing Action Plan and consider whether relevant actions could also apply across Central Otago. This includes using all the planning tools available, working with developers, employers and community housing providers to meet the housing needs of the community.

What this could mean for our residents

- > More affordable, well-located homes for local people, including workers, families, older people and young people who want to stay in the region, with housing closer to jobs, schools, services and public transport.
- > Stronger partnerships to deliver practical housing solutions, with councils, government, mana whenua, community housing providers, employers and developers working together to increase affordable housing and support long-term affordability.



3. Reliable transport

Growth and visitor numbers are putting pressure on roads and transport connections across Otago Central Lakes. The Deal will help councils, government and partners agree which transport improvements matter most, how they should be funded, and how they can be delivered over time. The aim is to make it easier, safer and more reliable for people to move around the region.

Agreed transport priorities:

The Deal will initially focus on progressing priority transport projects already identified for the Whakatipu, and on developing the funding and financing pathways needed to deliver them.

It will then support comprehensive transport network planning across the wider Otago Central Lakes sub-region, including investigating specific solutions for key routes and connections, so future priorities are coordinated, ready for investment and deliver safer, more reliable travel for communities

More travel choices:

Better public transport between communities and new options for busy areas, such as offline mass transport where it makes sense.

Smarter transport management:

Parking and congestion reduction initiatives, to improve traffic flow, make journeys more reliable, and get more value from existing transport infrastructure.

Fairer ways to pay:

Visitors, government and private partners help fund transport improvements, rather than relying on local ratepayers.

Stronger regional connections:

Improvements to key routes and bridges could help keep communities connected during busy periods, disruptions and future growth.

What this could mean for our residents

- > Less congestion and more reliable travel, especially in the busiest parts of the network.
- > Better public transport within and between Queenstown, Wānaka, Cromwell and Alexandra.
- > More transport choices, so people do not always have to rely on private cars.
- > Safer and more resilient roads and bridges connecting communities across Otago Central Lakes.
- > Transport planning that supports housing growth and improves access to jobs, education, services and community facilities.



4. Better health services

As the region grows, people need better access to healthcare closer to home. The Deal supports more local services now, as well as planning for the health facilities the region may need in the future. It also commits central government to the implementation of the Central Lakes Clinical Services Plan.

More services closer to home:

This includes more mental health, addiction, cancer care, radiology, blood testing and other community-based services.

Better maternity care:

The Deal will explore a local maternity care model that supports both planned and urgent maternity needs closer to home.

Planning for future hospital services:

The Deal will look at whether a future hospital is needed for Otago Central Lakes, including consideration of the best location, timing and infrastructure needed. If a hospital site is confirmed, councils would work with central government on enabling the infrastructure required to service the site. Central Otago District Council has indicated that land could be made available if Cromwell is identified as the preferred location.

What this could mean for our residents

- > More healthcare services available locally, resulting in less travel for routine appointments, tests and treatment.
- > Better access to mental health, maternity and specialist services.
- > Long-term planning for health facilities that match population growth.
- > Stronger coordination between local and central government on the region's health needs.



5. Energy resilience and innovation

A growing region needs a reliable and affordable energy supply. The Deal will support upgrades to the electricity network, new energy ideas, and ways to spread the cost of major upgrades more fairly over time.

More reliable electricity:

Network upgrades, such as a new transmission line, will help support homes, businesses and essential services as the region grows.

Fairer costs for major upgrades:

Energy providers and regulators will look at how to spread the cost of large electricity upgrades over time.

Easier access to solar and home energy improvements:

Some homeowners may be able to spread the cost of solar panels or other improvements through their rates bill, instead of paying the full cost upfront.

Testing new energy ideas:

The region will trial new energy technologies, with proper checks and approvals, to improve resilience and affordability.

What this could mean for our residents

- A more reliable power supply for homes, businesses and local services.
- Better planning for the region's future energy needs.
- More affordable ways for some households to access solar panels or energy upgrades.
- Support for renewable energy and new technology.
- Fairer ways to share the cost of critical electricity upgrades.

“As we grow, we need to provide strong foundations for our communities. We can only do that by planning and partnering to deliver the investment in transport networks, health, education, energy supply and other social infrastructure, all of which are fundamental to successful development. None of us can do this in isolation.”



Queenstown Lakes District
Mayor John Glover



6. Attracting investment

The Deal will help Otago Central Lakes attract new investment, businesses and skilled people, by working more closely with New Zealand Trade and Enterprise and local businesses. This is about using the region's strong national and international reputation to create more local jobs, support local businesses and build a more diverse economy.

What this could mean for our residents

- > Support for new businesses and local business growth, creating greater job and career opportunities.
- > Better connections between local businesses, investors and government agencies.
- > A stronger, more diverse economy that is less reliant on a small number of industries.

“Otago's lakes, rivers, mountains, and productive landscapes are central to our region's success. This partnership recognises that a strong economy and a healthy environment go hand in hand. By working together, we can support growth, strengthen our communities and protect the natural assets that make Otago such a special place to live, work and visit.”



Otago Regional Council Chair
Hilary Calvert



7. Enabling key sectors

The Deal will support growth in key sectors such as tourism, technology, film, innovation, agriculture and renewable energy. Its focus is on establishing Otago Central Lakes as a centre of excellence for tourism productivity research. The aim is to create more diverse jobs and business opportunities, while making sure growth is supported by the right housing, infrastructure and services.

This will help the region move beyond relying too heavily on a small number of industries and build a stronger, more resilient economy for local communities.

More education and research opportunities:

Proposed new University of Otago campus would focus on technology, innovation and applied research, helping grow the region's tech sector and creating stronger links between tertiary education, local businesses and industries such as tourism. This could include using artificial intelligence and other technologies to improve productivity and support a more diverse local economy.

Planning for future community and education needs:

Queenstown Lakes District Council will work with the Crown, through the Ministry of Education, to investigate whether the Council-owned land at 516 Ladies Mile could help provide future community and education facilities.

Better support for agriculture and renewable energy:

Infrastructure improvements to help improve water security, renewable energy and agricultural productivity.

Increased support for the film sector:

The Deal will make it easier for film productions to work in the region by improving approvals, guidance and support, especially where public land is involved.

What this could mean for our residents

- > More opportunities and career pathways for local people to study and train in technology-related fields without leaving the region.
- > Stronger links between education, business and industry, helping local companies adopt new technologies and become more productive.
- > Stronger water security and infrastructure to support rural communities and food production.
- > A simpler process for film productions, helping attract work that supports local jobs and businesses.
- > Growth that is planned alongside housing and infrastructure, so benefits are shared more widely.



8. Partnership for growth

The Deal will create a stronger partnership between local councils, central government, mana whenua and key regional partners. Better partnerships help to align decisions about growth, infrastructure, housing, transport, health, energy and economic development across Otago Central Lakes.

In practice, this means:

- > Councils and Government will work together on the big issues that cross council boundaries.
- > Ministers, Mayors and the Regional Chair will meet every six months to provide strategic oversight and leadership for the Deal.
- > Building on Queenstown Lakes District Council's Grow Well Whaiora partnership, a new oversight board will help guide and monitor delivery of the Deal. Councils will support the Deal by establishing a Joint Council Committee.
- > Mana whenua, the private sector and key community partners will be part of the wider partnership approach through advisory groups and community engagement. These partners will also have the opportunity to attend forums with Ministers.

“The true success of this Regional Deal will not be measured by the signing, but by what endures decades from now. Built on trust, collaboration, and a commitment to our people and our place, this partnership is designed to outlast election cycles and create lasting opportunities for future generations.”



Central Otago District Mayor
Tamah Alley



Otago
Regional
Council



QUEENSTOWN
LAKES DISTRICT
COUNCIL