

ŌTĀKOU OTAGO

AT A GLANCE

Our focus in Otago will be on supporting urban development in Dunedin and Queenstown to enable thriving communities and encourage increased use of public transport, walking and cycling. Across the region we will work to create a safer, more resilient land transport system, that supports economic and regional growth as part of the COVID-19 recovery, maintains critical connections and provides appropriate levels of service across all transport networks.

COVID-19 INSIGHTS AND IMPACTS

This section sets out the how the current pandemic might impact on land transport in Otago. Significant levels of uncertainty remain regarding the scale and duration of COVID-19 impacts, particularly in the medium to long-term. We will continue to monitor and update as things change.

POTENTIAL IMPACTS ON KEY SECTORS

- Otago is forecast to be the region most heavily affected by the pandemic and associate economic downturn because of tourism impacts felt in and around Queenstown.
- Otago region has the second highest tourism spend in the country, with 55% of total spend from international visitors (rising to 63% in Queenstown Lakes District). The ability to offset these losses through domestic tourism is challenged by the cost of travel from major centres.⁵⁴
- Otago has the highest proportion of temporary migrant workers of any region (5.2% of labour force) and is highly reliant on net migration for population growth. An expected reduction in immigration would slow growth and negatively impact the construction sector, particularly in and around Queenstown.³⁵
- Dunedin is expected to perform better because of its lower reliance on tourism, and its role as a hub for education, healthcare and other government services.
- Rural areas in Clutha and Waitaki are also expected to avoid the worst effects of the economic slowdown.

POTENTIAL IMPACTS ON EMPLOYMENT

Under the slower recovery scenario:

- the Otago region's forecast fall in employment to 2021 (relative to BAU) is -10.2%, significantly higher than the national average of -6.7%³⁵
- Queenstown Lakes (-21.5%) and Central Otago Districts (-9.1%) are the hardest hit, reflecting their reliance on the tourism sector³⁵

- this is likely to result in a severe loss of capacity across the tourism sector that will not be quickly recovered. Total employment in Queenstown Lakes will remain below pre-COVID-19 levels until at least 2025 and will be 16% below BAU in 2031³⁵
- employment in Central Otago District is forecast to be 12% below BAU in 2031³⁵
- elsewhere in the region, employment levels are forecast to be near BAU levels by 2025³⁵
- population growth expected to slow, at least in the short to medium-term, given the region's reliance on net migration.

POTENTIAL IMPACTS ON THE LAND TRANSPORT SYSTEM OVER THE COMING DECADE

- Outside the Queenstown Lakes and Central Otago districts, no significant changes are expected in the nature, scale and location of transport demand over the medium to long-term.
- Transport needs to play its part in supporting the recovery of the tourism industry. Pre-existing growth pressures in Queenstown also need to be addressed. However, the current situation provides an opportunity to re-evaluate what is required and where, and the scale and sequencing of growth and investment to achieve objectives in the Queenstown spatial plan.
- Maintaining safe and reliable road and rail freight connections to Port Otago remain important to supporting the recovery.

- There will be an ongoing need for transport services to support COVID-19 recovery by improving access to employment and essential services for vulnerable communities.
- There will be ongoing pressure on transport revenue as a result of the COVID-19 lockdown.

REGION STEP CHANGES

IMPROVE URBAN FORM

Queenstown’s geographical constraints have limited the size of the main centre and access roads. With limited transport options this has created a heavy dependency on private vehicles.

The new Dunedin Hospital, investment in Otago University infrastructure, and the central city upgrade will support renewal of the central city, influencing both transport connections and the wider urban area.

TRANSFORM URBAN MOBILITY

Many areas in Dunedin and Queenstown have limited access to public transport and poor walking and cycling facilities, resulting in increasing the use of private vehicles.

Dunedin has a relatively young demographic because of the number of university students which contributes to a relatively high level of walking journeys in the inner city.

SIGNIFICANTLY REDUCE HARMS

Crashes in the region highlight the need to focus in Dunedin and surrounding townships, Queenstown and Wanaka, SH1 between Dunedin and Oamaru and high-risk rural roads.

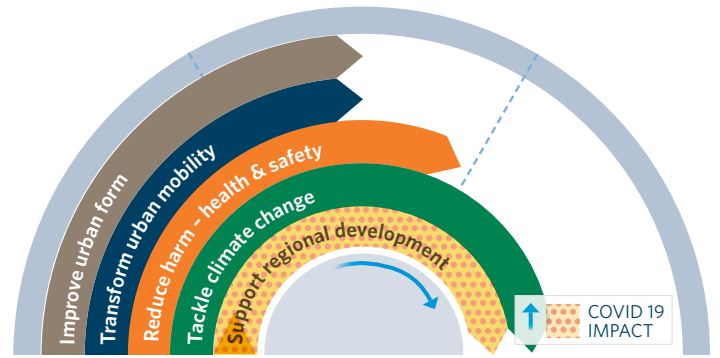
TACKLE CLIMATE CHANGE

There are sections of the inter-regional coastal corridor, containing both a major rail line and the state highway north and south of Dunedin, at risk from the impacts of climate change. Low-lying residential and commercial areas in south Dunedin are also impacted by coastal flooding.

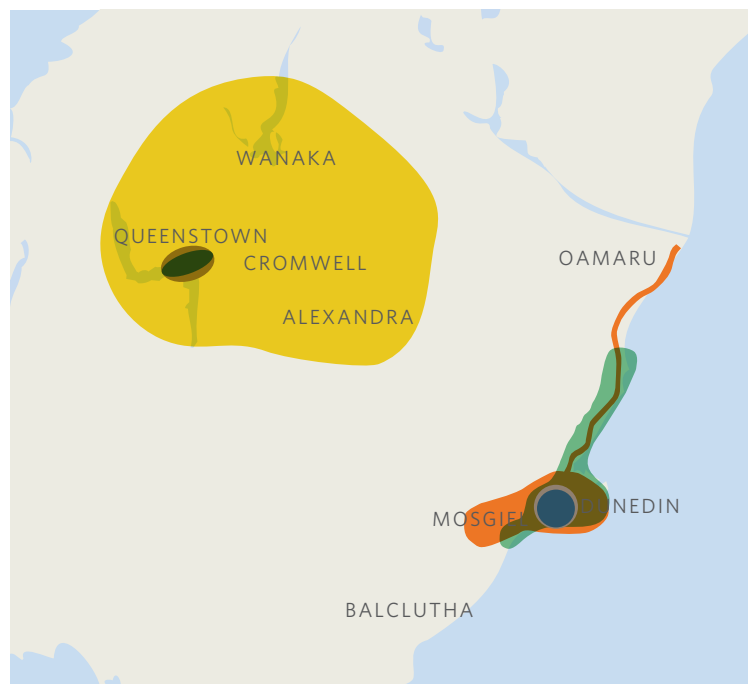
SUPPORT REGIONAL DEVELOPMENT

The economic impact of COVID-19 will be felt strongly in Otago because of its high dependence on international tourism and migrant workers, with Queenstown Lakes and Central Otago impacted most significantly.

There is likely to be increased unemployment, particularly among young people. These communities need improved access to employment, education and essential services.



SIGNIFICANCE OF STEP CHANGE TO REGION 2021-31



225,186
REGIONAL POPULATION²⁵

11.2%
REGIONAL POPULATION GROWTH 2013-18²⁵

4.8%
OF NATIONAL POPULATION²⁵ 2018

6.5%
OF NATIONAL DEATHS & SERIOUS INJURIES (DSI)⁴⁷
196 TOTAL DSI⁴⁷ ANNUAL AVERAGE FOR PERIOD 2016-19

5%
OF NATIONAL VEHICLE EMISSIONS⁴⁸

4.4%
OF NATIONAL GROSS DOMESTIC PRODUCT YEAR END MARCH 2018²⁶

3.4%
REGIONAL UNEMPLOYMENT RATE

4.1%
NATIONAL RATE YEAR END JUNE 2019⁴⁹

Pre COVID-19 data

OTAGO TODAY

Because of the level of uncertainty of population and economic trends, this section has not been reviewed in detail for Arataki V2.

OTAGO IS NEW ZEALAND'S SECOND LARGEST REGION BY LAND AREA AND HAS A POPULATION OF APPROXIMATELY 225,000. DUNEDIN, THE REGION'S LARGEST URBAN CENTRE HAS AROUND 115,000 RESIDENTS.²⁵

Queenstown is a nationally significant tourism destination. While the resident population of the town is relatively small, (28,000 residents), it has grown strongly in recent years boosted significantly by increasing numbers of domestic and international visitors. Ensuring the effective movement of people and goods in and around Queenstown is important to the region and the country.

Otago's economy is dominated by the accommodation, food service and education sectors, reflecting the importance of tourism, prior to COVID-19, and Dunedin's educational

assets (the University of Otago alone has been estimated to contribute to around 15% of the city's GDP).⁶⁷ In rural areas, primary production and processing continue to be the key economic drivers.

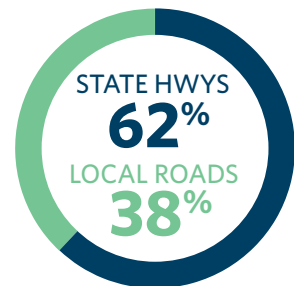
The Otago transport system is largely fit for purpose, with much of the system providing good capacity and reliable travel times on a day-to-day basis. While some parts of the system are subject to resilience issues and disruption, particularly during winter storms, there are appropriate alternate routes in most locations.

While Dunedin's transport is dominated by private vehicle use, trips by public transport, walking and cycling make up a significant contribution in some locations, particularly the city centre and North Dunedin. Queenstown is very car dependent, which is increasingly restricting access to the town centre.

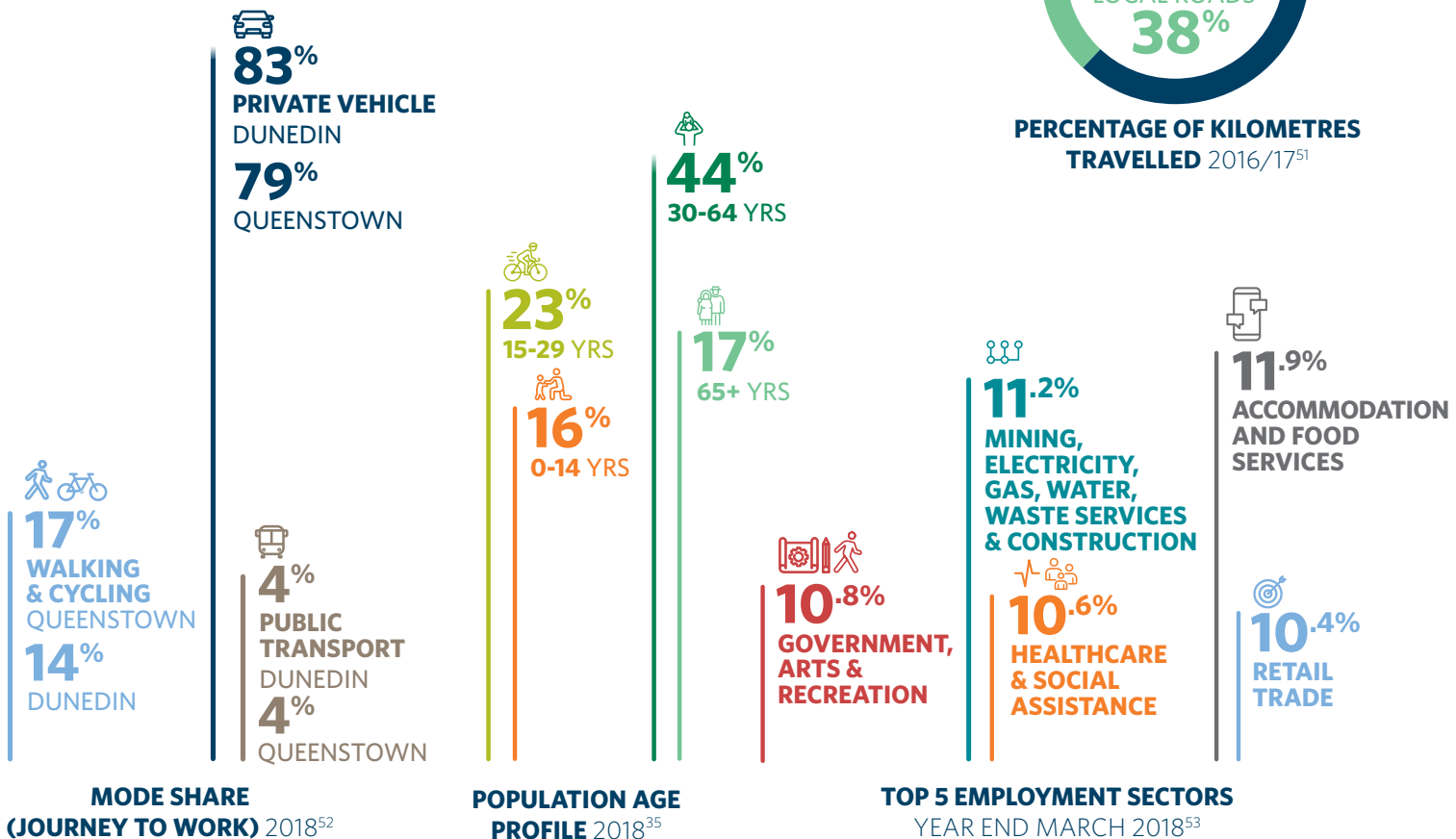
The key inter-regional journeys in Otago are the north and south road and rail connections to Canterbury and Southland respectively, and the road corridors that link Queenstown to Milford Sound and other key tourist destinations across the South Island. High quality access to the port and airport in Dunedin is important to the success of the wider Otago and Southland economies.



KILOMETRES OF NETWORK IN REGION 2016/17⁴⁰⁺⁴¹



PERCENTAGE OF KILOMETRES TRAVELLED 2016/17⁵¹



OTAGO TOMORROW

Prior to COVID-19, Dunedin was forecast to grow with economic and employment growth focused in and around the city centre. High-growth population and visitor growth was projected in Queenstown and towns such as Wanaka and Cromwell. Most of the population and business growth in Queenstown was expected to be in and around Frankton, with the Queenstown town centre remaining the hub for tourism. With limited alternative transport services, there is a risk of increasing network constraints and locking visitors and residents into dependence on private vehicles.

Otago is forecast to be impacted more than any other region by the COVID-19 slowdown, because of its reliance on international tourism, high proportion of migrant workers relative to the total labour force, and reliance on net migration for population growth. All of these factors will be severely impacted by border restrictions in the short to medium-term. The impacts will be felt in both the down-turn of the local economy and also a slowing of population growth.

The impacts will not be shared evenly around the region. The rural districts of Waitaki and Clutha, and Dunedin City, are forecast to be impacted slightly less than the national average (in terms of total employment), while employment in Queenstown Lakes and Central Otago districts are forecast to drop by approximately 20% and 9% respectively. The remainder of the region is forecast to return to near BAU levels of employment in 2025, while employment in Queenstown Lakes and Central Otago is forecast to remain significantly below BAU levels for the coming decade.

Elsewhere in the region sheep and beef farming, along with fruit growing are likely to remain important contributors to the regional economy.

While international tourism will drop sharply in the short to medium-term, Queenstown remains an internationally renowned tourist destination, and visitor numbers are expected to rebound over the long-term, although may not return to pre-COVID-19 levels.

Employment in public services, services industries and construction in Dunedin, Queenstown and other urban centres, is forecast to grow over the longer-term, after an initial post-COVID-19 slowdown. Employment in the electricity industry is increasing and manufacturing and health will continue to be important.

The COVID-19 pandemic will lead to issues such as higher unemployment and rates of young people not in employment, education or training (NEETs). Otago's NEET rate is currently lower than the national rate.⁶¹ Māori, particularly young people, are vulnerable to the impact of COVID-19 because they are more likely to be engaged in part-time or casual employment in sectors such as tourism and hospitality.

Otago faces a range of effects from climate change and natural hazards. A total of 25 significant natural hazard risks have been identified within the Otago region. These are mostly from the risk of rockfall, landslip, flooding and ice/snow along state highways 6, 8 and 88. The steep and unstable terrain also presents a significant risk when the hazards occur.

Sea level rise, flooding and storms are predicted to intensify over the next 30 years along with increased slips and erosion, increasing risk to communities and the road and rail networks that support them. South Dunedin, the most densely populated part of the city, is particularly at risk of sea level rise and rising groundwater levels. Surface flooding is also expected to increase around Dunedin Airport.

Technological changes expected during the next decade will offer new travel choices in Dunedin and Queenstown that may reduce carbon emissions, the reliance on private transport and improve network management. These include Mobility as a Service, on-demand travel options and intelligent transport systems.

There will also continue to be increasing demand to plan, book and pay digitally for journeys. The growing popularity of online purchasing and home delivery will impact on-demand travel, including the movement of freight.

Emerging technologies, such as on-demand shuttles, could provide a feasible shared transport option in the future to help people get around within these communities, and improve access to services in Dunedin and Queenstown. Improved access to high-quality data and information will enable better management of the existing transport system to get the most out of existing infrastructure.

If population and visitor growth return to pre-COVID-19 levels, the Queenstown-Lakes and Central Otago districts will face challenges to fund new infrastructure and services to keep pace with that growth. There will also be greater pressure on the ability of councils such as Waitaki and Clutha to maintain and fund new infrastructure and provide appropriate services to residents, as a result of an increasing number of the population living on fixed incomes.

KEY SYSTEM INSIGHTS

- Population growth expected to slow in the region in the short to medium-term because of the region's reliance on net migration.
- Future growth in Dunedin is expected to be concentrated within the existing urban area. The city centre is undergoing a period of renewal, with ongoing expansion of Otago University and the construction of a new hospital. This extended period of construction will create traffic management challenges in the central city.
- Increasing population and tourist numbers drove strong growth in Queenstown pre-COVID-19, placing heavy demands on the land transport network. Levels of demand post COVID-19 will need to be carefully monitored to understand the longer-term impacts of the pandemic on population growth, the tourism sector and the Queenstown transport system.
- Both Dunedin and Queenstown's transport are currently dominated by private vehicle use with low, but growing, public transport usage. There are opportunities to deliver transport choice and support increased use of public transport, walking and cycling and away from single occupancy vehicles.
- Coastal flooding in South Dunedin and other coastal areas, especially SH1, along with potential seismic events on the Alpine Fault are key challenges for maintaining system resilience and managing the impacts of climate change.
- The state highway network is critical to the movement of rural goods to production centres and markets, and also domestic and, in time, international visitors. Safe and reliable access to Port Otago and airports in Dunedin and Queenstown is important to the success of the wider Otago and Southland economies. Forecast growth in freight volumes at Port of Otago will need to be provided for, while managing safety and noise impacts on nearby residential areas.
- Otago's road safety record is poor with issues on high-risk rural roads, at high-risk urban intersections and in urban areas with high numbers of vulnerable users.
- Regional development can be supported by improved access for goods to market and by improving access to employment, education, training and essential services for communities with increased unemployment, particularly in Queenstown Lakes and Central Otago. Young people are particularly vulnerable to the impacts of COVID-19.

FOCUS OF EFFORT: 2018-21

This section represents the existing commitments (eg the NLTP and NZUP). V2 has not been updated to include economic stimulus packages as that space continues to evolve.

With strong growth during recent years in both population and tourist numbers, work is underway to better understand the future transport needs for Queenstown. The Queenstown Integrated Transport Programme Business Case (QITPBC) has been developed in partnership with Queenstown Lakes District Council (QLDC), Otago Regional Council and Queenstown Airport Corporation. The QITPBC signalled the requirement for four detailed business cases (DBC). These being a town centre DBC, SH6A DBC, water taxi DBC and an active travel network DBC. This work is needed to better understand the future transport needs and options for Queenstown.

Investigations will continue during the next three years into Otago's public transport networks. These will focus on opportunities to expand the network, increase capacity and frequency of services, and the use of new technology to increase use of public transport.

Additional commitments include:

- improved network integrated planning in Dunedin
- improved flood mitigation on SH1 north of Kakanui River/south of Oamaru
- planning for improved safety on SH1 between Oamaru and Dunedin
- continuing the expansion of Dunedin's cycleway network, including completion of the SH1 separated cycling lanes
- intersection upgrades to address safety issues on SH6 and SH8B in Cromwell
- SH6 improvements including bus hub and public transport priority intersection improvements in Queenstown
- walking and cycling underpass and crossing facilities in Queenstown
- public transport projects on SH6 and SH6A, between Ladies Mile, Kawarau Falls Bridge and Queenstown's town centre.

This map shows all projects underway during the period

KEY

	Safety project		Access project
	Walking and cycling project		Key routes
	Port		Project delivered
	Public transport project		Project underway
	Resilience project		Project in pipeline

Queenstown Package

- SH6A corridor improvements
- SH6 Ladies Mile corridor improvements
- SH6 improvements, including bus hub
- SH6 Grant Road to Kawarau Falls improvements

Queenstown town centre improvements (business case)

SH6/SH8B Junction Cromwell intersection upgrade

SH1 North of Kakanui River to South of Oamaru flood mitigation

SH1 Katiki Beach resilience coastal erosion protection (consenting phase)

SH88 shared path (construction tender stage)

Dunedin public transport (new ticketing system roll-out by end of 2019)

Dunedin city improvements (consultation)

New SH8 Beaumont Bridge (detailed design)

Peninsula Connection (construction)

Dunedin cycle network and pedestrian connectors (construction)

AREAS OF FOCUS: OTAGO 2021-31

TACKLE CLIMATE CHANGE (HIGH)

We will continue to work to understand the opportunities to support climate change adaptation and mitigation.

ADAPTATION

We will focus on:

- engaging in local planning processes to avoid infrastructure and development in areas at increased risk of natural hazards and effects of climate change
- work with our partners and communities to prioritise responses and better understand risks in the region
- investigating options for alternate routes that are less likely to be impacted by sea level rise
- seeking continuous improvement in network resilience through maintenance and renewals, and 'low-cost/low-risk' investments
- engaging in long-term strategic planning to respond to the vulnerability of existing assets
- enabling quick recovery following disruption to the land transport system.

MITIGATION

We will focus on:

- engaging in local planning processes to ensure urban form and transport planning supports reductions in emissions, private vehicle travel and average trip length
- ensuring network design and operation makes the best use of existing systems to manage demand and reduce emissions by prioritising the movement of public transport and low emission options, and actively managing speed, urban freight and congestion
- ensuring climate change and carbon emission targets are embedded in the Regional Land Transport Plan
- supporting walking, cycling and lower emission modes.

SUPPORT REGIONAL DEVELOPMENT (HIGH)

The COVID-19 pandemic is likely to increase unemployment, particularly in Queenstown Lakes and Central Otago. Young people are expected to be most impacted. These communities will need improved access to employment, education and essential services. To support this, we will:

- contribute to COVID-19 economic recovery planning in Otago, including for industry sectors to optimise the contribution of transport
- support and help deliver compact, connected, land-use development with access to transport options
- expand public transport services and urban cycleways, and explore opportunities to improve the affordability of public transport
- improve access to employment and essential services for isolated communities
- explore opportunities to support the mobile delivery of education and essential services
- continue to support inter-regional connectivity
- support freight initiatives that are multi-modal, efficient and safe.

SIGNIFICANTLY REDUCE HARMS (MEDIUM)

SAFETY

We will support implementation of *Road to zero: New Zealand's road safety strategy 2020-2030* and associated *Action plan 2020-22*, and regional strategies, with an emphasis on:

- safety treatments targeting high-risk rural and urban intersections, and run-off road and head-on crashes on high-risk rural roads (rural roads are roads with speed limits >80km/h)
- infrastructure improvements to provide safe walking and cycle trips
- speed management to provide safe and appropriate speeds on high-risk rural roads, at high-risk urban intersections, and in urban areas with high numbers of vulnerable users.

HEALTH

Our approach to delivering better health outcomes, particularly the reduction of harmful emissions, will primarily be through initiatives that target other step changes, including improved urban form, increasing access to and use of public transport, walking and cycling, and efforts to reduce carbon emissions.

We will support future pandemic planning by drawing on our COVID-19 experience and initiative such as low-cost and temporary street calming and active transport projects that enable social distance while bringing health benefits from increased physical activity and reduced air emissions.

We will also continue to work to ensure that the noise impacts of transport are appropriately managed through a mix of land-use planning and mitigation work.

IMPROVE URBAN FORM

We will support a well-integrated and well-designed land-use and transport system to make Queenstown and Dunedin great cities to live, work and play.

QUEENSTOWN (MEDIUM)

Continue to strengthen the partnership between Waka Kotahi and councils through planning work with central government and other surrounding local bodies to:

- work with QLDC and central government to implement the Queenstown Spatial Plan
- support further development where it supports relevant transport capacity enhancement measures
- work with QLDC to help ensure urban development occurs around corridors that have potential for public transport
- work with QLDC to review growth projections in light of COVID-19 impacts and consider the timing and sequencing of investment in the transport system required to support urban development.

DUNEDIN (MEDIUM)

While our focus for delivering improved urban form is on multi-agency partnerships in largest and fastest growing areas, we recognise the potential for growth in and around Dunedin and the need to support a safe and thriving city, with increased access to public transport, walking and cycling options and reduced carbon emissions.

We will focus on engaging in planning processes and supporting improvements to ensure that new development:

- enhances existing communities and supports healthy and safe streets, making them a better place to work, live and play
- supports an increase in active modes, including trips by foot and bike
- reduces the need to travel long distances to access employment and services
- results in lower emissions per capita to support a reduction in GHG and improve air quality
- maintains or improves the safety and efficiency of the transport system
- enables an increase in the number of residents residing in central Dunedin.

TRANSFORM URBAN MOBILITY

While population growth in the region is forecast to slow over the short to medium-term, it is expected to return over the longer-term. Future growth will increase demand for travel on the region's networks and provide opportunities to support increased use of public transport, walking and cycling.

QUEENSTOWN (MEDIUM)

To support the wider vision for Queenstown, we will:

- support delivery of the outcomes of the QITPBC
- support improvements to walking and cycling networks, with a focus on providing safe and efficient access to, and within, activity centres and schools, and connecting and expanding existing infrastructure to provide better connected networks
- support public transport services including on demand services where these provide a basic level of access to employment and essential services, more affordable transport choice, improve throughput on constrained corridors and help shape a more vibrant city
- work with QLDC to manage car-parking in the city centre, city fringe area and other key centres to increase uptake of public transport, walking and cycling for trips to these locations.
- work with QLDC to review growth projections in light of COVID-19 impacts and consider investment in the transport system (particularly public transport and active modes) if capacity triggers are met.

DUNEDIN (MEDIUM)

To support the wider vision for Dunedin, we will:

- support improvements to walking and cycling networks, with a focus on providing safe and efficient access to, and within, activity centres and schools, and connecting and expanding existing infrastructure to provide better connected networks
- support public transport services, including on demand services, where these provide a basic level of access to employment and essential services, more affordable transport choice and help shape a more vibrant city
- support the Connecting Dunedin project which seeks to better coordinate and improve the design of walking and cycling, and public transport improvements in the central city
- work with Dunedin City Council to consider options to support mode shift through more active management of commuter parking.

