

Full Council

8 October 2026

Report for Agenda Item | Rīpoata moto e Rāraki take [7]

Department: Strategy & Policy

Title | Taitara: Retrospective approval of Queenstown Lakes District Council submission

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to seek the Council's retrospective approval of Queenstown Lakes District Council's (QLDC) submission to the Ministry of Business, Innovation and Employment (MBIE) regarding its consultation on an International Visitor Conservation and Tourism Levy (IVL) investment framework for tourism.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report, in particular the information provided in this report on the MBIE IVL investment framework for tourism; and
2. **Approve** retrospectively QLDC's submission to the Ministry of Business, Innovation and Employment regarding its consultation on an IVL investment framework for tourism.

Prepared by:



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7 September 2026

Reviewed and Authorised by:



Name: Pennie Pearce
Title: Acting General Manager, Strategy & Planning
15 September 2026

Context | Horopaki

1. QLDC makes submissions on proposals that could have a significant impact on the district. This paper seeks retrospective approval of submissions where the consultation timeframes did not align with a Council meeting.
2. MBIE released a draft IVL investment framework for sector feedback from 10 August to 2 September 2026. The consultation period for the submission therefore did not align with a full Council meeting. Draft feedback points were circulated to councillors between 25 to 28 August 2026. Council's final submission is included as **Attachment A**.
3. MBIE sought stakeholder feedback on a proposed investment framework for the tourism component of the International Visitor Conservation and Tourism Levy (IVL)¹ to guide the prioritisation of a fixed \$35 million annual allocation for new discretionary tourism-related investments, that would come into effect for the 2028/29 financial year. It is intended to provide greater transparency and support more strategic and enduring investment decisions, while retaining flexibility to respond to changing tourism system needs.
4. The proposed framework comprises four parts: investment objectives, investment categories, investment principles and an investment process. It would guide annual IVL investment plans and support a shift from short-term or fragmented decisions towards a clearer, long-term pipeline of strategic investments. MBIE also proposed a more predictable annual process, potentially including a transparent expression-of-interest stage through which early ideas could be assessed against published priorities before full proposals are developed.
5. On 8 September 2026, following the close of the consultation period, the National Party announced that if elected, IVL funding would be split three ways: \$100M per annum to Department of Conservation, \$50M per annum for a Tourism Priorities Fund, and all remaining IVL funding, starting at \$86 million in 2027/28 and rising to an estimated \$106 million in 2030/31, will be distributed directly to councils.² The media release associated with this announcement states that Queenstown Lakes would be eligible for an estimated \$17.1 million in the first year, with more funding potentially available over time.³ While this announcement does not represent current government policy and is separate to MBIE's consultation, QLDC's submission remains relevant to this process, and Council will continue to monitor any changes to IVL settings through its ongoing advocacy work.

¹ General information on the IVL structure is available from MBIE: [Accessing the IVL | Ministry of Business, Innovation & Employment](#)

² 9 September 2026 National Party policy document: [0907 International Visitor v3.indd](#)

³ 8 September 2026 National party media release: [International Visitor Levy reset to keep taxes low | National Party](#)

Analysis and Advice | Tatāritaka me kā Tohutohu

QLDC's response to the proposal

6. The submission reiterates that the IVL is not a substitute for a local visitor levy or other destination funding tools and cannot meet the full scale of visitor-related infrastructure and destination-management needs.
7. QLDC supports the initiative and proposed approach but requests amendments. The submission welcomes MBIE's intention to establish a clearer, more transparent and enduring framework, while noting that the proposal does not yet provide enough clarity about the outcomes sought, how competing investments would be prioritised, or how annual decisions would contribute to long-term change in the tourism system.
8. QLDC recommends reframing the objectives around tourism's net economic contribution, visitor experience and public consent, and tourism system productivity, capability and resilience. It also seeks stronger priority for visitor-related infrastructure, operations, destination management and other supply-side pressures, particularly in high-use destinations where international visitors contribute materially to local costs. QLDC does not support discretionary IVL funding being used for general Tourism New Zealand marketing.
9. QLDC requests clearer and more proportionate guidance for applicants, including published priorities, assessment criteria, funding ranges, eligible costs, co-investment expectations and pathways for proposals at different stages of maturity. It also recommends strengthening the investment principles to address full lifecycle and operating costs, the connection between proposals and international visitation, measurable benefits and responsibility for future costs.
10. QLDC supports a transparent and genuinely light-touch expression-of-interest process, supported by a visible pipeline for strategically important proposals requiring further development.

Options

11. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
12. Option 1: Agree to retrospectively approve the contents of the submission to MBIE on the proposed Investment Framework (Attachment A).

Advantages:

- The submission will be considered by MBIE to inform its advice to the Minister for Tourism and Hospitality regarding the proposed Investment Framework.

Disadvantages:

- No disadvantages to this option.

13. Option 2: Request that MBIE withdraw the submission.

Advantages:

- If the position of QLDC is inaccurate, it could be removed from the public record going forward.

Disadvantages:

- Withdrawal of the submission would not correct any influence the submission has already had on the view of MBIE.

14. This report recommends **Option 1** for addressing the matter because it will enable QLDCs voice to be heard as part of this process.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi i kā Whakaaro Hiraka

15. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy 2024.

16. The persons who are affected by or interested in this matter are residents, ratepayers and visitors of the district.

Māori Consultation | Iwi Rūnaka

17. Council did not engage with Iwi or Rūnaka in preparing this submission.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

18. This matter relates to the Strategic/Political/Reputation risk category. It is associated with RISK10056 Ineffective provision for the future planning and development needs of the district within the QLDC Risk Register. This risk has been assessed as having a moderate residual risk rating.

19. Approval of the recommended options will allow Council to retain the risk at its current level. It will support Council by allowing it to implement additional controls for this risk. Future changes in government policy, legislation and regulation will be monitored so issues that directly affect QLDC and the district's community can be addressed.

Financial Implications | Kā Riteka ā-Pūtea

20. There are no financial implications for Council to submit on this consultation.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

21. The following Council policies, strategies and bylaws were considered:

- The principles of the Strategic Framework including the Vision Beyond 2050: Our Strategic Framework | Queenstown Lakes District Council;
- Travel to a thriving future, Queenstown Lakes' Regenerative Tourism Plan
- Otago Central Lakes Regional Deal Proposal; and
- QLDC 2024-34 Long Term Plan

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

22. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. Feedback provided by QLDC in the submission will guide decision making across both processes to better prioritise the social, economic, environmental, and cultural wellbeing of the district's present and future communities. As such, the recommendations in this report are appropriate and within the ambit of Section 10 of the LGA.

23. The recommended option:

- Can be implemented through current funding under the Long Term Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	QLDC submission to MBIE on the proposed tourism investment framework for discretionary funding from the IVL
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