

Submitted via website

SUBMISSION TO THE GOVERNANCE AND ADMINISTRATION COMMITTEE ON THE LOCAL GOVERNMENT (SYSTEM IMPROVEMENTS) AMENDMENT BILL

Thank you for the opportunity to present this submission on the Local Government (Systems Improvements) Amendment Bill (the bill). Queenstown Lakes District Council (QLDC or Council) is supportive of the bill's policy objectives to address cost-of-living concerns and ensure that councils focus on the basics first.

QLDC has high level feedback on proposed amendments to the Local Government Act 2002 for the committee to consider. These are:

- QLDC is concerned that the removal of the four aspects of wellbeing potentially reduces councils' role in identifying local challenges and opportunities, supporting cross agency partnerships and serving communities' needs as expressed through the democratic process. QLDC also highlights that promotion of well-being is not at odds with focusing on the basics first and supporting economic development.
- QLDC recommends that the purpose of local government (s.10(c)) is amended to support 'sustainable' growth and development.
- QLDC is supportive of the continued recognition of the needs of future generations in the purpose of local government and calls for greater recognition of future generations throughout the proposed amendments.
- QLDC calls for legislative certainty during the transition period and consideration by Ministers on the administrative burden continuous reforms have on councils' limited resources.
- QLDC is generally supportive of an updated standardised code of conduct and recommends that it is complemented with greater training and development opportunities for elected members.
- QLDC does not support a binding set of "one-size-fits-all" standing orders and recommends that local authorities are able to amend standing order to suit local circumstances with a 75% threshold.
- QLDC supports updated principles related to information sharing and transparency but requests clarification regarding what conditions are 'reasonably necessary' for provision of information.
- QLDC generally supports greater consistency in activity reporting across councils and providing regulatory relief to councils.
- QLDC does not support the repeal of s.57(3), the consideration of the relevance of tikanga Māori when identifying skills, knowledge, and experience required of directors.

QLDC welcomes avenues where local solutions can be developed in partnership, such as regional deals, and looks forward to working together with central government and regional partners to deliver good quality infrastructure and capitalise on the region's economic potential through the regional deal framework.

QLDC would like to be heard at any hearings that result from this consultation process. Due to the timeline of the process, this submission will be ratified by Council retrospectively at the next Council meeting.

Thank you again for the opportunity to comment. Yours sincerely,



Glyn Lewers
Mayor



Mike Theelen
Chief Executive

SUBMISSION ON THE LOCAL GOVERNMENT (SYSTEM IMPROVEMENTS) AMENDMENT BILL

1.0 The Queenstown Lakes District context

- 1.1 Queenstown Lakes is both one of the fastest growing districts in the country and New Zealand's most sought-after visitor destination. The district's resident population is projected to nearly double over the next 30 years¹, and currently over one in every three international visitors pass through Queenstown.² There are, on average, 0.5 visitors per resident in the district, at peak times this increases to 1.25³. This means that the district's population (including visitors) fluctuates between approximately 80,000 and 120,000 people depending on the time of year, this is more than double the resident population quoted in the Department of Internal Affairs' (DIA's) council profile⁴.
- 1.2 Queenstown Lakes' size, growth in resident and tourist numbers, and alpine geography, has made it challenging for the Council to provide quality infrastructure and services with its limited ratepayer base. QLDC is also host to the highest number of freedom campers in the country⁵, who require infrastructure and services and are undercounted in visitation datasets, such as the 'guests per capita' dataset quoted by DIA's performance metrics website⁶.
- 1.3 Due to these pressures, QLDC has explicitly taken the approach of 'getting the basics right' in its 2024-2034 Long Term Plan. This involved prioritising infrastructure (particularly water infrastructure), community facilities and ensuring a consistent level of service instead of expanding service provision and taking on discretionary projects. If QLDC is unable to increase rates in the future the Council may be unable to deliver further essential capital projects due to hitting debt limits.
- 1.4 As shown in the DIA's council profile, QLDC allocated 89% of its 2024 capital expenditure towards water and roading related activities, with much of the remainder going towards community facilities. This is the second highest proportion in the large metro group, and 11th highest out of the 76 councils profiled⁷. This shows that the current approach of QLDC aligns with the objective of 'getting back to basics' and highlights the importance of considering regional context when comparing council performance across simplified metrics with the intent of establishing benchmarks.
- 1.5 QLDC emphasises that issues regarding rates rises are shaped by a wide range of factors and welcomes avenues where solutions can be developed collaboratively between regional partners and government, such as through regional deals. QLDC and its partners look forward to working together to test and refine local solutions to local problems through the regional deal's framework.

Recommendations

R.1 - QLDC recommends that local characteristics and context are considered when assessing and benchmarking council spending and rates revenue, particularly for high growth councils and those with high levels of visitation.

¹ <https://www.qldc.govt.nz/community/population-and-demand>

² <https://teic.mbie.govt.nz/teiccategories/databreleases/ivs/>

³ qldc.govt.nz/media/4x3b0dnq/qldc-demand-projections-methodology-may-2025.pdf

⁴ local.government.performance.metrics-dia.govt.nz

⁵ Campermate app, Overnight Stays at 'free camps', 2024

⁶ local.government.performance.metrics-dia.govt.nz

⁷ local.government.performance.metrics-dia.govt.nz

2.0 Comments on refocusing the purpose of local government

- 2.1 While supportive of the overall goal to reduce the rates burden, QLDC expresses concern that changes to the purpose of local government may impact Councils' ability to progress issues raised through the democratic process. The focus on 'hard' infrastructure in the proposed bill also minimises the role that councils play as an enabler of community, environment and economic development efforts as a significant asset holder, regulator and place-based institution with deep community ties.
- 2.2 These characteristics make councils well placed to identify local challenges and provide vital knowledge when designing solutions. They also allow Council to facilitate the development of well-designed commercial centers and neighbourhoods with well-functioning transport and green space networks, as well as social infrastructure, such as sport and community facilities, that are essential to building strong communities beyond 'hard' infrastructure.
- 2.3 Many Council plans are developed and delivered in partnership with different sectors, including government agencies. These types of plans include QLDC's Spatial Plan⁸, Climate and Biodiversity Plan⁹, Joint Housing Action Plan,¹⁰ Welcoming Communities Plan¹¹, Economic Diversification Plan¹² and Destination Management Plans¹³ and the Creative, Culture and Heritage Strategy¹⁴. These have all been developed with strong support from residents, community organisations and central government agencies, and deal with salient local and national issues such as transport, housing, economic growth, cost of living, visitation levels and climate change. These plans and strategies risk being reduced in scope due to the proposed new purpose of local government.
- 2.4 QLDC also highlights that retaining the four aspects of well-being is not at odds with focusing on the basics first. The provision of core Council services such as libraries, community venues, sports facilities, clean drinking water and community and green spaces all contributing towards wellbeing. Furthermore, Council funding for projects such as wilding pine eradication, cultural and art events, and Air Rescue, provides vital support to initiatives which would not be able to continue without Council funding or partnership. Having a narrow purpose of local government and static list of core services would risk 'freezing' councils' ability to respond to changing and diverse needs of communities, as well as Councils' ability to provide vital support to local initiatives - many of which are volunteer run and led. These initiatives directly and indirectly contribute towards economic growth, the natural environment and community vibrancy, and will have no alternative funding sources unless there is an expansion of the role central government agencies plays to complement this reform.
- 2.5 In the event that the Select Committee decides to proceed with the proposed amendments to the purpose of local government, Council recommends that the purpose in Section 10(c) be altered to 'support sustainable local economic growth and development' to acknowledge the need to increase standards of living within environmental limits. Council also supports the recognition of 'future needs of communities' in Section 10(b) and calls for greater recognition of future generations throughout the Act, such as in in Section 101 (2)(b), to

⁸ [Spatial Plan - QLDC](#)

⁹ [QLDC Climate Action Plan](#)

¹⁰ [Improving housing outcomes in Queenstown Lakes](#)

¹¹ [Our progress towards a Welcoming Plan](#)

¹² [qldc.govt.nz/media/hmvpntis/queenstown-lakes-economic-diversification-plan_final.pdf](#)

¹³ [The Plan | Regenerative Tourism NZ](#)

¹⁴ [QLDC - Creativity, Culture and Heritage Strategy](#)

signal the importance of considering community and infrastructure resilience in the context of a changing climate.

- 2.6 QLDC acknowledges the need to ensure that residents have certainty over the standard of infrastructure and services they receive. Council recommends that the definition of 'good quality' infrastructure is both determined by national standards as well as input from residents and communities to ensure that local voices shape service delivery and expectations. Council also recommends that the definition of 'cost effective' in the proposed purpose in Section 10 (b) is altered to acknowledge that Council considers a variety of criteria when making decisions, such as environmental, community, social, equity and intergenerational considerations. A singular focus on short term monetary cost reduction during decision making may result in undervaluing criteria such as the environmental impact, intergenerational costs, social acceptability and quality of services; it may also open up councils to legal risk and challenges by well-resourced parties looking to influence the decision-making process.
- 2.7 Responding to, and contributing towards, reforms and legislative changes requires resource and disrupts long-term planning processes. Like any service provider, councils require legislative certainty to focus on increasing efficiency and to plan. QLDC requests that government more explicitly consider the administrative and disruption costs to sector when carrying out reforms and consider the role legislative certainty plays in contributing towards long-term planning and increasing sector efficiency. For example, adding more prescriptive processes, such as changes to Section 200 (1) and (4a) Regarding Development Contributions, would require internal policy change and potentially add to council administrative compliance burden.
- 2.8 Government can provide more certainty to councils through this process by explicitly stating the transition period for the amended purpose of local government, and for consideration of Council timelines, such as Long-Term Plan and Annual Planning, when setting a transition period.

Recommendations

R.2 – The repeal of the four well-beings from the purpose of local government is not supported.

R.3 – A more holistic purpose of local government that acknowledges territorial authorities' role as a key partner in creating and delivering local solutions is recommended.

R.4 - QLDC recommends that Section 10(c) is amended 'to support sustainable local economic growth and development.'

R.5 - Council supports the recognition of the needs of future communities when providing infrastructure, services and regulatory functions and asks for future communities to be further referenced in the Act, such as in Section 101(2)(b).

R.6 - Council recommends for the definition of 'cost effective' to be amended to give more discretion to councils and to reduce legal risk.

R.7 - Legislative and implementation certainty in the transition period for the revised purpose of local government is requested.

3.0 Better measuring and publicising council performance

- 3.1 Council welcomes the intent of improving planning and reporting consistency across councils and supports greater harmonisation between councils' activity groups to allow for the public and elected members to better understand 'what good looks like'.
- 3.2 For the setting of performance measures, QLDC again highlights the need to consider unique characteristics of a district when setting measures. QLDC's position as a high growth council with substantial visitor numbers, and a mountainous topography with expensive build costs and limited health care access, all influences the Council's ability to make investments in infrastructure that meet high community expectations.
- 3.3 Responding to reforms and reporting on metrics comes at an administrative cost. Council calls for the Minister to explicitly consider administrative burden when prescribing reporting requirements and as well as the cumulative effect constant reforms to elements within council control (such as three waters, resource management) have on the wider sector. Ensuring these reforms are integrated and work together will be essential to ensure systems continue to function. Council encourages government to provide councils with regulatory relief in other areas throughout these reforms.

Recommendations

R.8 – Council supports greater consistency in activity reporting across local government but calls attention to the role unique characteristics in certain regions such as high growth, high visitation and geographical isolation.

R.9 – Council recommends that government consider the increased administrative burden reforms and reporting have on the sector.

4.0 Strengthening council transparency and accountability

- 4.1 Council welcomes a standardised code of conduct and supports the Local Government Commission and councils working together closely when developing a national code to ensure it is fit for purpose and practical to implement.
- 4.2 Council also considers that the code should be complemented with greater training and development opportunities to upskill councillors and foster the behaviours required for complex decision-making and collaboration.
- 4.3 Council supports the intent of proposed changes to the governance principles, however, highlights that the responsibility to work collaboratively ultimately lies with elected members themselves not council staff. QLDC calls for greater consequences for elected members who consistently do not uphold codes of conduct to ensure the organisation can effectively play its role in fostering a collaborative work environment.
- 4.4 Council does not support the creation of a binding set of uniform standing orders. Standing orders should reflect local circumstances and a "one-size-fits-all" model does not suit the diversity of councils across the country. Council recommends that the committee considers allowing councils to amend a broad standing order model with a 75% threshold.
- 4.5 QLDC strongly agrees with fostering the free exchange of information. This aligns with the organisation's commitment to transparency, principles in the Local Government Official Information and Meetings Act 1987 and guidance from the office of the Ombudsman. Council requests clarification on conditions which are

‘reasonably necessary’ regarding proposed amendment Section 42(2)(h)(ii), as conditions such as commercial sensitivity or privacy may qualify withholding.

Recommendations

R.10 – Council recommends that the standardised code is complemented with training and development opportunities for elected members.

R.11 – Council does not support the creation of a binding standing orders and calls for flexibility for local authorities to amend a broad standing order model with a 75% threshold.

R.12 – Council requests that greater consequences for members who consistently breach codes of conduct are considered.

R.13 – Council supports the principle of fostering the free exchange of information and highlights that ‘reasonably necessary’ may need to be further clarified.

5.0 Providing regulatory relief to councils

5.1 Council is generally supportive of the proposed bill’s amendments relating to regulatory relief; however, it does not support the repeal of the consideration the relevance of tikanga Māori when identifying skills, knowledge, and experience required of directors. This repeal will be unlikely to provide a significant degree of regulatory relief and disregards the valuable role local iwi, such as Kāi Tahu in the case of Queenstown Lakes, play in the guardianship of water bodies.

Recommendations

R.14 – Council is generally supportive of the proposed bill’s amendments related to regulatory relief.

R.15 – Council does not support the repeal of s.57(3), the consideration of the relevance of tikanga Māori when identifying skills, knowledge, and experience required of directors.