

Full Council

9 October 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [5]

Department: Strategy & Policy

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

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to seek the Council's retrospective approval of two Queenstown Lakes District Council (QLDC) submissions. A third submission, "Energising Queenstown Future Options" has been submitted on behalf of the Otago Central Lakes Group (OCL) as it is relevant to the content of the Regional Deal proposal, however presented for approval by each of the member councils separately.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the information provided in this report on the:
 - a. Local Government (Systems Improvements) Amendment Bill;
 - b. Energising Queenstown Future Options; and
 - c. Draft Government Policy Statement on Housing and Urban Development 2025.
2. **Approve** retrospectively QLDC's submission to the Governance and Administration Committee on the Local Government (Systems Improvements) Amendment Bill.
3. **Approve** retrospectively the submission to Energising Queenstown on Future Options made on behalf of the Otago Central Lakes group, however approved individually by each member Council.
4. **Approve** retrospectively QLDC's submission to the Ministry for Housing and Urban Development on the draft Government Policy Statement on Housing and Urban Development 2025.

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18 September 2025

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18 September 2025

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. The Governance and Administrative Committee released the Local Government (**Systems Improvements**) Amendment Bill for consultation between 13 July and 27 August 2025. The Systems Improvement Bill is part of wider work programme initiated by the Minister for Local Government aimed to help councils' 'get back to basics', and to improve efficiency and accountability in the sector. The draft submission was circulated to councillors 15 to 22 August. The Council's submission is included as Attachment A.
3. Transpower, Aurora and PowerNet (**Energising Queenstown**) released 'Future Options' for consultation from 21 July 2025 to 19 September 2025. These options present ways forward to meet the future electricity demands of Queenstown, with implications for the wider sub-region. The Otago Central Lakes (**OCL**) group (consisting of Otago Regional Council (ORC) and Central Otago Regional Council (CODC)) submitted on this process given the priority set in the OCL Regional Deal Proposal to 'Electrify OCL'. The draft submission was circulated to councillors 3 to 11 September. The OCL submission is included as Attachment B.
4. The Ministry for Housing and Urban Development (**MHUD**) released the Draft Government Policy Statement on Housing and Urban Development 2025 (**GPS-HUD**). The GPS-HUD sets out the government's long-term direction for housing and urban development, alongside five priority actions aimed at addressing the causes of Aotearoa New Zealand's housing challenges. The draft GPS-HUD was open for engagement from 25 August to 21 September 2025. QLDC's draft submission on GPS-HUD was circulated to councillors for feedback between 15 and 18 September. The Council's submission is included as Attachment C.

Analysis and Advice | Tatāritaka me kā Tohutohu

Local Government (Systems Improvements) Amendment Bill

5. The submission is supportive of the Systems Improvement Bills' overarching objectives to address cost of living pressures and ensure councils focus on the basics first. However, the submission makes a wide range of recommendations related to the content of the proposed amendments.
6. The submission highlights the importance of considering local context, and the drawbacks of a one-size-fits-all approach when comparing councils to better measure efficiency and publicise performance. Attention was drawn to Queenstown Lakes' position as a premier tourist destination, challenging alpine topography and high rates of growth which set it apart from other councils. For example, the Department of Internal Affairs performance measures quote the district's population as around 50,000 residents, which does not consider visitor numbers that cause numbers to fluctuate between approximately 80,000 and 120,000.

7. The submission did not support the repeal of the four aspects of wellbeing and highlighted how focusing on the basics first is not at odds with promoting wellbeing. Attention was drawn to Queenstown Lakes' 'getting the basics right' approach to its 2024-2034 Long Term Plan as evidence of this point. The submission gave examples of a variety of plans and strategies that Council has developed in partnership with government agencies and local partners that may be reduced in scope due to the introduction of a narrower purpose of local government.
8. Recommendations called for a more holistic purpose of local government, greater recognition of future generations throughout the bill and a focus on sustainable economic development. The submission also sought clarification regarding what is considered 'cost effective', as well as asking for legislative and implementation certainty throughout the transition period. This is to ensure councils can integrate the wide ranges of reforms currently occurring throughout the local government sector.
9. Regarding transparency and accountability proposed amendments, the submission expressed general support for a standardised code of conduct but called for more flexibility for councils to shape standing orders (with a proposed threshold of 75% councillor support for changes from a standard model). The submission supported principles fostering the free exchange of information but called for clarity regarding what is considered 'reasonably necessary' to withhold information, it also called for greater consequences for members who consistently do not uphold codes of conduct to ensure a collaborative work environment is fostered.
10. The submission was generally supportive of proposed amendments looking to provide regulatory relief but did not support the repeal of the consideration of tikanga Māori when identifying skills, knowledge and experience of directors.

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 (**LGA**).
12. Option 1 Agree to retrospectively approve the contents of the submission to the Governance and Administration Committee on the Local Government (Systems Improvements) Amendment Bill (Attachment A).

Advantages:

- The submission will be considered by Governance and Administration Select Committee and influence the proposed amendments to the Local Government Act.
- Council will be able to speak to its submission during hearings by the Select Committee later in the year.

Disadvantages:

- No disadvantages to this option.

13. Option 2 Request that Governance and Administration Select Committee withdraw the submission.

Advantages:

- If the position of QLDC is inaccurate in the submission, 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 views of Governance and Administration Select Committee.
- QLDC will not be able to speak to its submission at the Select Committee hearings.

14. This report recommends **Option 1** for addressing this matter to ensure that Council's position on the Local Government (Systems Improvements) Amendment Bill is considered by the Governance and Administration Committee.

Energising Queenstown's Future Options

15. The Otago Central Lakes (OCL) group (consisting of QLDC, Otago Regional Council (ORC) and Central Otago Regional Council (CODC)) submitted on this consultation given one of the key priorities within OCL's Regional Deal proposal is to 'Electrify OCL' through a combination of traditional transmission capacity security and increased uptake of Distributed Energy Resources (DER).
16. The drafting of the submission was led by QLDC (on behalf of OCL), due to subject matter expertise and that the consultation focuses on electricity transmission critical to Queenstown. ORC and CODC had an opportunity to provide input and feedback on the submission and then a draft was shared with each council for their relevant approval processes.
17. The Joint Regional Deal Negotiation Committee was provided with the submission for feedback, and retrospective endorsement is being sought at its next meeting on 7 October. Due to report timing matters, officers will provide a verbal update as to the outcome.
18. The submission recommends early coordination and planning to ensure sufficient transmission capacity for population growth and electrification goals. OCL supports option two (Cromwell → Arrow Junction, 110 kV double-circuit line with a new Arrow Junction substation). As based on the information provided, it offers the best whole-of-life value. Additionally, it would deliver additional capacity within five to seven years, supporting community growth and electrification while moderating near-term customer costs and with certain design considerations this option presents an opportunity for futureproofing.
19. Phased transmission upgrades undertaken in line with the Spatial Plan and Regional Deal is recommended to avoid overbuilding and unnecessary costs.

20. The submission recommends that options must consider and reduce single points of failure, increase assurance around rapid repair and reinstatement, and lift local energy self-sufficiency. It highlights that an Alpine Fault (AF8) earthquake would likely damage the single-corridor electricity transmission lifelines that serve communities and result in a large population without grid power for an extended period. The submission notes that all short-listed transmission options all remain vulnerable to seismic events. It encourages Energising Queenstown to work with QLDC and Emergency Management Otago to embed energy resilience into regional emergency response and recovery plans.
21. Energising Queenstown is encouraged to actively consider the potential for DER to reduce future community energy costs by deferring major investment upgrades and support localised resilience. It is recommended that Energising Queenstown proactively communicate these benefits with the community and launches a partnered DER programme to accelerate solar, batteries, smart EV charging, and flexible commercial energy use.
22. Finally, it is submitted that the project should be delivered based upon a staged decision-making process that considers the uptake of solar and batteries, establishes clear ‘trigger points’ and can defer investment, if not required.

Options

23. 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 (LGA).
24. Option 1 Agree to retrospectively approve the contents of the submission to Energising Queenstown on Future Options (Attachment B).

Advantages:

- The submission will be considered by Energising Queenstown in relation to future investment decisions and help to address the long-term electricity transmission challenges in the Queenstown/Whakatipu Basin and the wider Central Lakes sub-region.
- The submission is a key opportunity for OCL to advocate for key priorities in the regional deal proposal.

Disadvantages:

- No disadvantages to this option.

25. Option 2 Request that Energising Queenstown withdraw the submission.

Advantages:

- If the position of OCL is inaccurate in the submission, 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 views of Energising Queenstown.

26. This report recommends **Option 1** for addressing this matter to ensure that the Council's position on 'Energising Queenstown' on Future Options is presented as part of the Otago Central Lakes group.

Government Policy Statement on Housing and Urban Development 2025 (GPS-HUD)

27. QLDC is largely supportive of the long-term vision and outcomes set in the draft GPS-HUD.

28. The submission highlights that a key priority of the OCL Regional Deal proposal is to address the sub-regions' unique housing and growth challenges by capturing the value from growth and visitors and reinvesting it back into critical infrastructure and affordable housing.

29. The submission identifies that the district has plan-enabled capacity to accommodate housing growth that is more than sufficient to meet the projected demand. However, the most critical barrier to development in the Queenstown Lakes District (QLD) is timely provision of infrastructure to support development on already-zoned land.

30. In the QLD, a significant upfront investment is required to ensure there is sufficient infrastructure capacity to support growth, plan-enabled developments and the additional demands from visitors. The submission is strongly supportive that the Pillar 2 of Going for Housing Growth reflects the principle that 'growth pays for growth' and that mechanisms for councils to recover capital expenditure costs from developments.

31. As a large part of the infrastructure required to enable new developments is not controlled by councils, it is recommended that the GPS-HUD is clear on the reliance on **all** infrastructure providers for growth. A systems approach is required to ensure that investment and delivery of infrastructure across all providers can keep pace with strategically enabled growth.

32. The submission highlights the housing affordability challenges for the QLD and recommends that the GPS-HUD sets clear direction for interventions to enable affordable housing. It recommends a value capture mechanism which sets a legislative requirement for new developments to enable affordable housing through developer contributions (land or financial). It also recommends that the GPS-HUD considers the impact of short-term letting or secondary homes on housing affordability, especially in tourism centres such as QLD.

33. The submission recommends that the outcomes in the GPS-HUD must recognise the risk associated with climate change and natural hazards, in particular for dynamic alpine environments such as the QLD. The future housing system must recognise the impact and build resilience for existing and future developments.

Options

34. 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 (LGA).
35. Option 1 Agree to retrospectively approve the contents of the submission to MHUD on the draft Government Policy Statement on Housing and Urban Development 2025 (Attachment C).

Advantages:

- The submission will be considered by MHUD and influence the vision, outcome, priorities and long-term housing direction set in the GPS-HUD.

Disadvantages:

- No disadvantages to this option.

36. Option 2 Request that MHUD withdraw the submission.

Advantages:

- If the position of QLDC is inaccurate in the submission, 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 views of MHUD.

37. This report recommends **Option 1** for addressing this matter to ensure that the Council's position on the draft Government Policy Statement on Housing and Urban Development 2025 is presented to the Ministry for Housing and Urban Development.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

38. The decision to make a submission on these matters is of low significance, as determined by reference to criteria set out in the Council's Significance and Engagement Policy 2024.
39. The persons who are affected by or interested in this matter are residents, ratepayers and visitors of the district.

Māori Consultation | Iwi Rūnaka

40. Council did not engage with Iwi or Rūnaka in preparing the submissions.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

41. This matter relates to the Strategic/Political/Reputation risk category. It is associated with:

- RISK10006 Ineffective planning for property and infrastructure within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.
- RISK10009 Strategy for growth fails to meet objectives within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.
- 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.

42. The 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

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

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

44. The recommended option is consistent with the principles set out in the following policies, plans and strategies:

- QLDC Strategic Framework;
- Vision Beyond 2050;
- 30 Year Infrastructure Strategy;
- Climate and Biodiversity Plan;
- Operational and Proposed District Plan;
- 2024-34 Long Term Plan; and
- Otago Central Lakes Regional Deal Proposal.

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

45. Section 10 of the LGA 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 wellbeing of communities in the present and for the future.

46. Feedback provided by QLDC in the submission/s 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.

47. The recommended option to retrospectively approve the submission:

- Can be implemented through current funding under Council's 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 on Local Government (Systems Improvements) Amendment Bill
B	OCL submission on Energising Queenstown Future Options
C	QLDC submission on draft Government Policy Statement on Housing and Urban Development 2025