

19th February 2026
Submitted via website

SUBMISSION TO THE DEPARTMENT OF INTERNAL AFFAIRS ON SIMPLIFYING LOCAL GOVERNMENT – A DRAFT PROPOSAL.

Thank you for the opportunity to provide feedback on the draft Simplifying Local Government (SLG) proposal.

Queenstown Lakes District Council (QLDC or Council) is supportive of the proposals' intent to 'simplify local government' and acknowledges the case for change.

The Council has some feedback regarding the proposed approach, which is summarised below.

- QLDC broadly supports the submissions of Taituarā and Local Government New Zealand (LGNZ).
- The Council emphasises the scale of reforms impacting the sector; prioritising system integration, quality outcomes, and a smooth transition period, should be front of mind throughout this period.
- Ensuring reforms achieve the best possible outcomes can be done through:
 - building bi-partisan support to provide certainty to the sector,
 - working in partnership with councils throughout the reform process,
 - incorporating the nature and scale of changes impacting the sector into implementation guidelines (including anticipated timelines), as well as providing regulatory relief to councils throughout the reorganisation process,
 - providing funding for councils to undertake complex change processes, this will ensure resources are not diverted from essential services, and changes are implemented appropriately.
- The proposed Combined Territory Boards (CTBs) model can also be further refined by:
 - focusing the boards' purpose on developing reorganisation plans, not regional governance, which should remain with regional councillors during the transition period,
 - allowing a diversity of perspectives, such as a Crown Commissioner/s in an advisory role,
- Council also calls for more clarity on how democratic principles will be operationalised in practice for CTBs,
- If the principle of 'effective representation' is to be used to balance voting power, factors beyond population, such as economic contribution, should be considered.
- Finally, Council calls for greater autonomy from central government to legislate and raise revenue to accompany the reform package. This will give councils the necessary 'toolkit' to design lasting local solutions to local problems.

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,



John Glover
Mayor



Michelle Morss
Chief Executive

SUBMISSION ON SIMPLIFYING LOCAL GOVERNMENT - A DRAFT PROPOSAL

1.0 The Queenstown Lakes District context and summary of position

- 1.1 Queenstown Lakes District (QLD) is both one of the fastest growing districts in the country and New Zealand's most sought-after visitor destination. These characteristics make it challenging for QLDC to provide services with a limited ratepayer base, but also bring immense opportunity to the district, wider Otago region and New Zealand as a whole.
- 1.2 Addressing the districts' long-term challenges, and capitalising on its opportunities, requires bespoke legislative tools, integrated planning, and a joined-up approach across local and central government. In this context, QLDC agrees there is a need to reform the local government sector to ensure the system has the appropriate structures and tools to address the challenges facing the district.
- 1.3 Despite Councils' support for the intention to reform and simplify local government, QLDC has identified opportunities for refinement regarding the proposed approach, as well as potential unintended consequences.
- 1.4 A 'once in a generation' reform of local government is a complex and costly programme of work. A rushed process that prioritises quick wins over quality will lead to worse outcomes and magnify existing vulnerabilities in the sector. The Simplifying Local Government (SLG) proposal presents New Zealand an exciting opportunity, but to capitalise on this opportunity, the reform programme needs to approach the sector from a systems and intergenerational perspective. This approach should prioritise political certainty, a transparent and considered transition, as well as allow sufficient capacity and funding to allow councils to plan and integrate multiple-change processes whilst ensuring essential services continue to function.
- 1.5 This submission will outline several recommendations for consideration and is intended to support the sector submissions made by Taituarā and LGNZ.

2.0 QLDC has concerns with the proposal's coherence with the current reform programme and practical feasibility

- 2.1 As highlighted in Taituarā's submission, SLG is one of several ongoing reforms focused on councils, with the resource management system, development contributions, as well as three waters related services all undergoing significant change. These reforms need to approach the local government sector from systems perspective and acknowledge the degree of resourcing that is involved in planning and embedding these changes. A constantly shifting reform direction not only impacts the local government sector's long-term planning and recruitment prospects but ultimately impacts communities and ratepayers who rely on predictable local government services every day. This is pertinent considering the proposed 'rate target model' i.e. rate capping, which constrains councils' capacity at a critical time of change.
- 2.2 Due to councils' limited resources, as well as limited capacity to raise funds through rate rises, reform programmes should incorporate means to implement and embed change processes without sacrificing the quality of services delivered for ratepayers. Providing statutory relief to release staff capacity throughout the reform process can also be used as means to ensure change processes do not impact services. Ensuring

change processes are adequately resourced (funded) will ensure that the implementation of structural changes results in more efficient and effective services in the long run.

- 2.3 Whilst there is a common thread in the local government reform programme, such as encouraging use of shared services and improving efficiency, more certainty is needed regarding the overarching policy objectives and framework underpinning the SLG reform. QLDC supports Taituarā's submission point that if there is a preferred model of governance or organisational structure in mind, it should be communicated early and clearly. Without an overarching direction, a collection of structures as complicated as the existing system may be the outcome - as was the case with the Local Water Done Well (LWDW) reform programme.
- 2.4 Despite these concerns, Council continues to see the SLG reform as an opportunity. QLDC has long called for a more joined up approach between councils, as well as with central government agencies. These changes also provide the opportunity to develop a more fit for purpose local government 'toolkit' to address challenges at the local and regional level. If territorial and regional councils are going to change in shape and scale, having more autonomy to legislate, raise revenue, and enforce local laws should go hand in hand with this step change. This could look like giving councils the necessary powers to capture the value it creates to invest locally, as well as the necessary legislative and enforcement powers to design local solutions to local problems.

Recommendations

1. For the SLG reform to be implemented effectively, it needs to:
 - prioritise certainty across parliamentary election cycles (bipartisanship),
 - engage with the local government sector in partnership, this could look like engaging with councils and the sector informally throughout the development of transition and implementation plans,
 - work cohesively with the range of reforms occurring, such as through phasing and displaying legislative changes in a way where changes can be treated as a comprehensive package over time,
 - building in allowances for regions to have more time to reorganise if needed, this will prioritise long term outcomes over 'quick wins',
2. The SLG reform programme should be accompanied with funding to prevent the costs of complex change processes diverting resource away from essential services and to ensure they are implemented effectively,
3. If the goal is to 'simplify local government', more clarity on the overarching direction may be needed to ensure a baseline consistency of governance and delivery structures across the country.
4. Council calls for local government to gain more autonomy to legislate and raise revenue to accompany the SLG reforms.

3.0 QLDC supports the continuation of regional councillors for the current triennium

- 3.1 Mayors are elected to represent and govern their districts, not to make day-to-day decisions at the regional level. The proposal relies heavily on territorial level mayoral legitimacy without a clear mandate nor allowances for their capacity to meaningfully contribute to both local *and* regional governance. Mayors are also required to simultaneously guide the development of reorganisation plans, adding further to their workload. Bringing elected members from the territorial level into regional government, while retaining their existing responsibilities, will also inevitably result in less time and attention spent at the city and district level.

This creates distance between communities and their local representatives, eroding local democratic representation and responsiveness during transition periods.

- 3.2 QLDC calls for regional councillors to fulfil their elected terms and to continue to make regional governance decisions. Retaining regional councillors ensures operational consistency, retention of institutional knowledge, as well as upholding their democratic right.
- 3.3 The phasing of the proposed new structures should also consider the upcoming local government election periods to ensure a smooth and consistent transition. This could look like dissolving regional councillors after the 2028 local government elections, and refining reorganisation plans throughout the following triennium (2028 onwards).

Recommendations

5. Regional councillors should retain their role in governing at a regional level.
6. The phasing of reforms should consider upcoming local election timing.

4.0 CTBs can be further refined

- 4.1 QLDC supports LGNZ's submission point that calls for more flexibility to explore changes beyond existing regional council boundaries. This will help CTBs to approach their region as whole when thinking of how best to organise council functions, which may not neatly align with existing regional boundaries. This is particularly the case for large diverse regions that contain areas which significantly differ economically, geographically or demographically within a regional boundary.
- 4.2 QLDC acknowledges that Crown commissioners provide valuable direction during reorganisation. However, Council does not support a commissioner led reorganisation process, nor commissioners having veto power on the CTBs. Commissioners' roles should primarily be focused on providing elected members with advice and expertise regarding national objectives to ensure a consistent approach across the country. A non-voting (advisory) commissioner, or a commissioner with no more voting power than any other member, will contribute towards providing important diversity of perspective on CTBs.

Recommendations

7. The reorganisation process should give CTBs flexibility to reorganise beyond regional boundaries.
8. Council acknowledges that Crown commissioners may have a role to play but should not lead reorganisation, nor have greater voting powers than any other member.

5.0 Voting and representation arrangements lack clarity and leave significant power to the Local Government Commission

- 5.1 The Council acknowledges that weighing voting powers is required but cannot endorse an approach without more guidance on what democratic principles look like in practice. The democratic principles of 'effective representation' and 'effective governance' both have merit, but how they are implemented will determine councils' support. Council calls for the Local Government Commission to involve the sector during their design

of voting arrangements. This will contribute towards a system that is practical, democratic, and builds trust in the reorganisation process.

- 5.2 If 'effective representation' is used as a guiding principle, QLDC calls for the consideration of factors beyond population when balancing voting powers. Considerations such as visitor/non-resident population ratios, economic contribution and land areas set QLD apart from many districts of similar population. These characteristics should be reflected in voting and representation arrangements.

Recommendations

9. The proposed voting arrangements lack clarity; more detail is needed to provide robust feedback.
10. Involving the local government sector during the design of voting arrangements will help build trust in the process.
11. Factors beyond population should be considered when balancing voting arrangements.

6.0 Reorganisation plans assessment criteria can be strengthened

- 6.1 In their current state the reorganisation plans assessment criteria prioritises affordability, potentially at the cost of financial and environmental sustainability. LGNZ's submission signals amendments which could be made to the assessment criteria to better reflect councils' role as a democratic and place-based institution, not simply as a service provider.
- 6.2 As previously mentioned, focusing solely on affordability may result in adverse consequences for future generations of New Zealanders, as well as its natural environment. This is significant on the backdrop of a national infrastructure deficit, climate change and biodiversity pressures. More clarity regarding councils' role in managing assets for future generations in the context of a changing climate, as well as acknowledgement of councils' duties to protect the environment more generally is needed in the assessment criteria.

Recommendations

12. Reorganisation criteria should include councils' obligations regarding financial sustainability and the natural environment.