

Minutes of a Council Workshop

Thursday 23 January 2025 at 9.00am
Council Chambers, Gorge Road, Queenstown

Present:	Mayor Lewers (Chair)	Councillor Guy (online)
	Councillor Bartlett	Councillor Smith (online)
	Councillor Bruce (online)	Councillor Tucker
	Councillor Cocks	Councillor Wong
	Councillor Gladding	Councillor White
Apologies:	Councillor Ferguson	Councillor Whitehead
In attendance:	Mike Theelen	Anita Vanstone
	Naell Crosby-Roe	Tony Avery
	Gareth Noble	Brent Pearce
	David Wallace	Rebecca Pitts
	Pennie Pearce	Sean Gillespie
	Matthew Hulscher	Miles O'Connor (Bancorp Treasury)
	Michelle Morss	Jon Winterbottom
	Kirsten Wise	Meaghan Miller
	Paddy Cribb	Peter Harris
	Katherine Harbrow	
Media:	No members of the media in attendance.	
Public:	No members of the public in attendance.	

No.	Agenda Item	Actions
1.	<p><u>Regional Deal</u></p> <p>The purpose of this item is to provide an update on the progress towards a joint Regional Deal with Central Otago District Council (CODC) and Otago Regional Council (ORC).</p> <p>Pennie Pearce and Michelle Morss introduced the item and spoke to a PowerPoint presentation (Attachment A).</p> <p>It was noted that:</p> <ul style="list-style-type: none"> CODC did not object to any proposals to date in the consultation period, and that it was anticipated the regional deal will have a strong Central Otago focus. 	No actions were taken.

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	<ul style="list-style-type: none"> • CODC has expressed a desire to ensure any potential Santana Mine royalties come back to their district. • The Mayor expressed that any royalties resulting from the mine should be reinvested into surrounding communities e.g. Luggate, Lake Hāwea, Wānaka. • A proposed regional deal is to be submitted by 28 February 2025; however, it is anticipated it won't be finalised or 'fully fledged' by this date. • Councillor Smith sought clarification around the importance of the Santana Mine to reaching a regional deal. Ms Pearce and Ms Morss noted that details around the Santana Mine royalties will likely be part of the discussions for the regional deal, but it is not a cornerstone of the deal i.e. whether the mine is approved or not the regional deal will progress. • A visitor levy and mining royalty are not the only revenue drivers that form part of the proposed regional deal. • The economic benefits associated from proposed Santana Mine, including increased standards of living and improved productivity were discussed. • Impacts from tourism on the local community were discussed, and how a visitor levy may be applied. • Discussions around airports do not fall within the scope of the regional deal. • Private sector interest in various infrastructure projects were noted, alongside a conversation of how the private sector would be required to integrate investment with the Government to ensure it is delivering critical public infrastructure and services e.g. transport, health. • Next steps for the regional deal, including upcoming consultation with CODC and ORC. <p>Attachments: <i>Attachment A: Regional Deal Update (see workshop agenda)</i></p>	
2.	<p><u>Local Water Done Well</u></p> <p>The purpose of this item is to provide an update on the progress of Local Water Done Well legislation (Local Government (Water Services) Bill) and to discuss the future service delivery model options.</p> <p>Pennie Pearce introduced the item and spoke to a PowerPoint presentation (Attachment A).</p>	No actions were taken.

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	<p>There are three future service delivery options.</p> <ol style="list-style-type: none"> 1. Retaining water services within QLDC (in-house) 2. A standalone Council Controlled Organisation (CCO) 3. A combined/joint CCO with other district councils <p>It was noted that:</p> <ul style="list-style-type: none"> • At this stage there are no plans to make a submission on the new bill (which is currently out for consultation), as a lot of the new information is technical in nature. • The critical element from the bill is the requirement for councils to deliver a financially sustainable ring-fenced system for local water services. • The bill requires any future water service system to adopt a user based/volumetric pricing system i.e. people pay for the water they consume. • Analysis and financial modelling need to be updated to reflect the most recent version of the bill. • There is a new planning and accountability framework being applied to CCOs, including the need for a Water Services Strategy and Annual Report. • It is clear from the legislation that the Central Government is signalling its preferred for councils to establish standalone CCOs (Option 2). • Councillor Gladding expressed concern that this is a step towards privatisation, Ms Pearce then noted that this is not allowed under the legislation. • From an operational perspective, the establishment of a CCO would initially see few changes made e.g. reporting lines, establishment of a board. • Once further analysis has been completed, more information on CCO options can be presented to enable Council to select a preferred option. It was also noted that Council is required to consult with the community at least once. • Ms Pearce outlined the following standards that have been introduced to help reduce water infrastructure costs: <ol style="list-style-type: none"> 1. National wastewater and stormwater environmental performance standards 2. Infrastructure design solutions 3. Mandatory national engineering design standards <p>Attachments:</p>	

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	Attachment A: Local Water Done Well Presentation (see workshop agenda)	
3.	<p><u>Treasury Update</u></p> <p>The purpose of this briefing is to provide elected members with a detailed overview of the current economic conditions in New Zealand and opportunities available.</p> <p>Miles O'Connor (Bancorp Treasury), joined by Katherine Harbrow and Paddy Cribb, introduced the item and spoke to a PowerPoint presentation (Attachment A).</p> <p>It was noted that:</p> <ul style="list-style-type: none"> • The US and NZ 10-year bond yield is at parity for the first time since 2020. • The post-COVID inflationary cycle has peaked, despite a slight uptick in the most recent figures. • Business confidence in the market has increased. However, this business confidence is not reflected across the economy as there is a lot of businesses and individuals struggling. • Market expectations for the Official Cash Rate (OCR) is that the next meeting of the Reserve Bank will see a drop to 3.75%. It is expected in the long term that the OCR will not drop below 3.25%. • The Local Government Funding Agency (LGFA), established in 2011, has had a major (positive) impact on Council funding. <p>Attachments: Attachment A: Treasury Update (see workshop agenda)</p>	No actions were taken.

The workshop concluded at 12:45pm