

14th May 2021

Attn: Long Term Plan Submissions
Otago Regional Council

Online via: yoursay.orc.govt.nz/ltp

Dear Sir / Madam,

SUBMISSION TO THE OTAGO REGIONAL COUNCIL LONG TERM PLAN 2021-31

Queenstown Lakes District Council (QLDC) would like to thank the Otago Regional Council (ORC) for the opportunity to present its submission on its Long Term Plan 2021-31. As one of the taonga of the district, the inclusion of the rehabilitation of Lake Hayes is very much appreciated. QLDC looks forward to a programme of improvement that will restore both the amenity and ecological value of this lake.

As you may be aware, the Queenstown Lakes District currently occupies an unenviably unique position in New Zealand after COVID 19. With an economy dominated by tourism and hospitality, many of the district's residents are facing severe financial and employment challenges with little reassurance of fast recovery. These challenges are not being experienced to the same degree across the rest of the region and this has significantly influenced the QLDC's submission.

QLDC has taken the opportunity to comment on each of the key issues, but does not support the preferred options offered. Additionally, the submission addresses a number of other projects, including air quality in Arrowtown, adaptation pathways in Glenorchy, emergency management, public transport and climate change. A common theme across all of these is the desire to continue to build a collaborative partnership with the ORC to achieve good outcomes for the district's communities.

QLDC would like to be heard on its submission. It should be noted that due to the timeline of the process, this submission will be ratified by full council retrospectively at the next council meeting.

Yours faithfully,



Jim Boulton
Mayor



Mike Theelen
Chief Executive

1.0 Introduction

1.1 QLDC welcomes the opportunity to comment as part of this process and thanks the Otago Regional Council (ORC) for the inclusion of the rehabilitation of Lake Hayes in its Long Term Plan.

1.2 QLDC strongly supports the ORC's focus on climate change and extends an offer of support and collaboration in building a shared understanding of its implications for our communities. It is essential that our residents experience a unified sense of urgency, clarity around initiatives and easily accessible data.

1.3 The community vision for the Queenstown Lakes District places a significant focus on the reduction of emissions and the protection of the environment¹. It has never been more important for local and regional authorities to operate in partnership, as good environmental health is essential to the wellbeing of our communities.

1.4 This submission is structured in two component parts:

- Part A – Responses to Key Issues
- Part B – Responses to Other Projects

1.5 QLDC would like to be heard in relation to its submission

¹ Vision Beyond 2050 <https://www.qldc.govt.nz/your-council/our-vision-mission#:~:text=Vision%20Beyond%202050&text=This%20progressed%20to%20a%20group,and%20representation%20from%20Central%20Government>.

Part A – Responses to Key Projects

2.0 Helping Manage Pests – Support Option One, Option A (not ORC’s preferred options)

2.1 QLDC supports Option One – immediate and significant increase in capacity and capability to manage pests.

2.2 QLDC is unable to support Option Two (ORC’s preferred option), for the following reasons:

- It would delay reduce support to community-led responses, which are critical to maintaining and improving pest management solutions in our geographically and topographically dispersed, sparsely populated district.
- It would delay the creation of a Regional Freshwater Lake Management Plan, which is of significant importance to the QLD.
- It would delay progress in relation to Wilding Conifer control, postponing the creation of a Regional Wilding Conifer Management Strategy and the appointment of dedicated biosecurity advisors.

2.3 QLDC encourages ORC to support the significant network of community pest-control groups operating in and around the Queenstown Lakes District. In a district that is geographically dispersed, topographically constrained and sparsely populated, these groups and their networks provide an important service to the community.

2.4 Furthermore, QLDC notes that the rabbit population in the district appears to be increasing and ORC should take steps toward active intervention and control.

2.5 QLDC supports Option A as a mechanism for funding pest management via the general rate as per the current model. Not only does this generate maximum income for an important component of ORC’s work, but reflects a system-based approach. The concept of ‘benefit’ in regards to ecosystem management is largely redundant as all components are inter-related.

2.6 QLDC urges the ORC to reconsider its funding policy to consider application of a broad based approach to funding matters relating to biodiversity and ecosystem management.

2.7 Furthermore, with respect to pest control, QLDC recommends that the ORC utilises its general reserve to make significant and ambitious improvements in this space. The current approach is at risk of maintaining pest populations, rather than making demonstrable progress. Funding and leveraging the expertise of community groups effectively offers the potential for widespread change.

3.0 Balancing the Budget – Support Option Two (not ORC’s preferred option)

3.1 QLDC supports Option Two – use of a ‘general reserve’ to smooth rates increases over the next 10 years to sustainably fund operational expenditure. This would require the ORC to borrow money and subsequently repay it, deferring the impact of the increased expenses.

3.2 QLDC is unable to support Option One (the preferred option) due to the cost increase this would represent to households in the district.

- 3.3 Under Option Two the median CV household would pay \$113 per annum, as opposed to \$184 per annum under Option One.
- 3.4 Whilst the dollar values are not high over the course of a year, the Queenstown Lakes District has experienced significant hardship as a result of COVID 19 and affordability is a serious concern.
- 3.5 The dominance of the tourism and hospitality industry has left many households without work or operating on reduced hours and pay. The economic and psycho-social wellbeing of the community has been placed under considerable pressure and many (largely small) businesses have hibernated, lost staff or closed.
- 3.6 In addition to this pressure, Aurora’s price rises are now underway, representing an increase of 10% per annum over the next five to eight years.
- 3.7 In light of this, QLDC requests that the ORC utilises its ‘general reserve’ and reduces the financial impact its proposals will have on the residents of the district. The QLDC has also made best efforts to ensure its plan remains affordable for its communities with its draft Ten Year Plan proposing an average rates rise of 4.3% over the ten years.

4.0 Funding the Rehabilitation of Lake Hayes – Support Option Two (not ORC’s preferred option)

- 4.1 QLDC supports Option 2 – use the existing river and water management targeted rate to fund this work, socialising the cost across the Queenstown Lakes District.
- 4.2 QLDC thanks the ORC for including the rehabilitation of this body of water in its Long Term Plan and looks forward to engaging with the ORC in relation to the methodologies and timelines proposed for flushing, de-stratification and capping.
- 4.3 It is noted that Lake Hayes is an important component of the lakes and waterways that characterise the district’s unique landscapes. It’s therefore important that the rehabilitation is undertaken at a scale that is commensurate with its importance to the district.
- 4.4 QLDC is unable to support Option One (ORC’s preferred option) for the following reasons:
- The application of an economic benefit assessment to a body of water that exists as part of a complex ecosystem is contrary to systems thinking, which is at the heart of best practice biodiversity management and sustainable development².
 - QLDC would appreciate a greater understanding of mana whenua’s position in relation to these proposals. A targeted rate that places 40% of cost on only 290 rateable units, could be considered to be conferring an overt sense of ownership and responsibility on a very small number of people.
 - Assumptions relating to affordability should not be made in a highly disrupted period post COVID 19. As outlined in the preceding section, the Queenstown

² [Ecological Impact Assessment \(EclA\)-EIANZ guidelines for use in New Zealand: terrestrial and freshwater ecosystems](#)

Lakes District has been severely impacted by the pandemic and in this context, an increase of \$334.86 per annum is not inconsiderable.

- QLDC also notes that this project could set a funding precedent that would be problematic in other locations. Would the same model be applied to Lake Tuakitoto for example, where the nearest township (and according to this model, beneficiaries) are in Kaitangata?
- The economic benefits assessment highlights that the damage to Lake Hayes is an historical issue, starting with deforestation in the 1740s and exacerbated by agriculture throughout the 1800s and remedial works in the 1900s³. The problems that now require rehabilitation were well-established by the 1960s. QLDC recommends that the costs of legacy issues such as this are shared across the district. It should be noted that in the energy industry, a similar principle has been adopted in relation to transmission pricing, with all localised costs prior to 1992 being shared across the grid⁴. Option One seeks to place the cost of rehabilitation of the lake on the current residents i.e. the very people who have been actively seeking to improve the lake in recent years.

4.5 QLDC supports Option Two, which proposed to share costs across the district, via the existing targeted rate. At an average of \$9.03 increase per rate unit, this appears to be a non-distortionary and equitable share of the cost for the enjoyment of a public good.

4.6 QLDC also encourages the ORC to fully understand philanthropic potential in relation to offsetting some of the costs of rehabilitating Lake Hayes and would welcome the opportunity to assist in connecting the ORC with relevant groups.

³ Schallenberg & Schallenberg 2017, Castelia report 2018.

⁴ The sharing of costs arising from legacy decisions is one of the most durable components of the electricity industry's Transmission Pricing Methodology. Despite a decade of litigation, the idea that costs incurred for decisions made prior to the modern regulatory era has remained relatively non-controversial. See <https://www.ea.govt.nz/assets/dms-assets/26/26851TPM-Decision-paper-10-June-2020.pdf>

Part B – Responses to Other Projects

5.0 Environment

- 5.1 QLDC welcomes the introduction of integrated catchment action plans and is keen to understand how this will relate to three waters in an era of reform.
- 5.2 QLDC has concerns over the “pausing” of air quality programmes for two years. Air quality remains a health concern and an important consideration in parts of our district, particularly Arrowtown (Air Zone One). Submissions to the QLDC Ten Year Plan demonstrated significant appetite in Arrowtown to continue progressing air quality programmes at pace.
- 5.3 There will be important opportunities within the next two years for the the continued advancement of the Air Quality Strategy, in which the ORC’s leadership will be essential.
- 5.4 Reducing the use of wood & coal fire heating within the district is an important part of the QLDC Climate Action Plan and a shift in public awareness and central government mandates will likely create momentum around the electrification of space heating. QLDC looks forward to partnering with the ORC and Public Health South to deliver good health outcomes for our communities.
- 5.5 However, this issue is also increasingly complex in terms of energy resilience. In a highly seismic area with a very cool climate, neighbourhoods that solely rely on electric heating may lack resilience in the event of power disruption during winter.
- 5.6 Complete reliance on electricity in the context of an unreliable network and cold alpine climate presents a challenge to the welfare of the district’s residents. Whilst QLDC is pursuing the challenges of the electricity network via other channels, QLDC encourages ORC to help lead the investigation into low emission fuel burning technologies. These will help to provide alternatives to electrification in the short term.

6.0 Safety and Resilience

- 6.1 QLDC understands that the ORC has initiated activity with the Glenorchy community to identify an appropriate flood adaptation pathway.
- 6.2 Whilst QLDC notes that the adaptation pathway model presents an effective conceptual approach, a more integrated and collaborative partnership with QLDC is requested in future.
- 6.3 QLDC recommends the ORC carefully considers the potential implications of Resource Management Act Reform and the forthcoming National Adaptation Plan in relation to the community’s appetite for risk, as the detail of the proposed legislation becomes clearer. To be clear, we do not recommend slowing the progress of this work, but rather to be mindful of the impact that proposed legislation might have on the community’s preferred pathway.
- 6.4 QLDC also requests that ORC continues to support other natural hazard projects in the district, such as the Gorge Road Alluvial Fan project and new risk reduction projects associated with wildfire risk (e.g Mt Iron).

6.5 The QLDC thanks the ORC for its recent focus on improving emergency management in the district. QLDC encourages the ORC to continue to grow and support the Emergency Management Group, with particular regard to the level of investment in FTE and resources. Community resilience remains an imperative in the district, given the revised scientific forecasts for an AF8 earthquake. This, combined with the very real risk that Climate Change brings to the potential for natural disasters, necessitates the ORC to continue its investment into the district's emergency preparedness.

7.0 Transport

7.1 The provision of effective public transport in the district is of significant importance to the Queenstown Lakes District, with significant investment planned for the public transport interchange on Stanley Street in Queenstown.

7.2 Transport is the highest source of greenhouse gas emissions in the district, with 37% of all emissions attributable to road transport⁵. The ORC needs to recognise its role in the development of a strategic programme to counter this and help target net zero carbon emissions by 2050 as per the Climate Change Response (Zero Carbon) Amendment Act.

7.3 Having strongly advocated for the \$2 bus fare, mode shift remains one of the greatest challenges facing the district. The provision of active and public transport options will be key to success and as such, they should automatically be afforded high priority status by the ORC in its Regional Land Transport Plan (RLTP).

7.4 The ORC and Waka Kotahi need to move away from the paradigm of a demand-led public transport provision, into an approach that creates effective public transport solutions that work well for the region. This will include routes that reflect travel pattern demands, provide faster travel than by private vehicle, significantly reduce emissions and provide affordable intercity and regional connections.

7.5 During the QLDC Ten Year Plan process, the district's communities demonstrated a strong demand for enhanced public transport across the Wakatipu basin and for the provision of public transport in the Upper Clutha. QLDC urges the ORC to actively test the demand for a public transport provision in the Upper Clutha and the associated costs.

7.6 QLDC would like to echo the submission made to the recent RLTP process, encouraging a greater transport focus on both adaptation and mitigation in recognition of the strategic role it plays in behaviour change.

7.7 However, the provision of more fossil-fuel powered public transport will not provide a low-emissions long term solution. QLDC encourages ORC to work with Waka Kotahi to take a more ambitious approach in building an innovative, low-emissions solution for the region. Hydrogen and electric models could offer a bold, responsible solution.

8.0 Regional Leadership

8.1 QLDC welcomes every opportunity to partner with the ORC in relation to climate change and to build on the work that is already underway. Efforts to collaborate in the

⁵ <https://www.qldc.govt.nz/media/qvyn4f4d/qldc-2019-ghg-inventory-report.pdf> p4

development of a consistent approach to data and emissions measurement are already in progress.

- 8.2 QLDC encourages the ORC to ensure sufficient funding and resources are in place to continue to build this relationship and develop a consistent, authoritative data set.
- 8.3 QLDC would like to thank the ORC for its representation on the QLDC Climate Reference Group. The quality of the expertise and insights provided by this group has been notable and is helping the QLDC to determine its priorities in relation to climate action.
- 8.4 QLDC notes that the ORC has joined the QLDC spatial plan partnership fully for the next process in 2023/24. QLDC recommends the ORC ensures that sufficient resources and budget are available to support effective input into the development of the next spatial plan and its associated data sources.
- 8.5 It should also be noted that QLDC has partnered with the Regional Tourism Organisations to begin the development of a Destination Management Plan for the district. In the near future, QLDC will work with ORC to understand its role in the process.