

Full Council

26 June 2025

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

Department: Strategy & Policy

Title | Taitara: Regional Deal Negotiation Approach

Purpose of the Report | Te Take mō te Pūroko

Central Otago District Council (CODC), Otago Regional Council (ORC) and Queenstown Lakes District Council (QLDC) have partnered on a proposed Regional Deal for the Otago Central Lakes (OCL) region. A Cabinet decision is expected in June 2025 on proposals to advance to the next phase and the expectation is that successful Council groupings will be ready to enter the negotiation process immediately. Agreeing a negotiation approach in advance will put OCL in the best position to participate in a Regional Deal negotiation.

The purpose of this paper is to set out the analysis, options and recommendations for a negotiation approach, priorities and negotiating principles.

Executive Summary | Whakarāpopototaka Matua

Central government wants to partner with local government to deliver shared objectives and outcomes through an agreed 30-year vision and 10-year strategic plan. Central government has made clear objectives and outcomes that deals must be centred around ensuring a focus on building economic growth and productivity. Government has outlined what Regional Deals will/will not do, and how it will participate. QLDC partnered with Central Otago District Council (CODC) and Otago Regional Council (ORC) in preparing a Regional Deal proposal for Otago Central Lakes based on the Government's Strategic Framework.

This paper sets out the recommended approach for the three partner councils to collaboratively make decisions and participate in any Regional Deal negotiation focussed on the following components:

- Authorising Authority – Who will be authorised to agree to what?

Recommendation: Joint Committee with limited delegations.

- Negotiating Authority – Who will meet, and directly negotiate, with Government?

Recommendation: Delegate to the Joint Committee the ability to determine the approach (either Option 1: combination of Chief Executives (CEs) and independent negotiator, or Option 2: independent negotiator), based on government process and preferences.

- Negotiating Principles – What are the principles that will guide negotiations with Government?

Recommendation: Agree to the negotiating principles set out in this report.

- Priorities: What are the priorities that will guide negotiation if Government is not able to agree to everything requested?

Recommendation: Agree to the priorities for QLDC set out in this report and delegate to the joint committee the ability to agree joint priorities with CODC and ORC for OCL.

- Establishing a Joint Committee, if the recommended option for authorising authority is approved.

Recommendation: Approve the attached Memorandum of Agreement and appoint the joint committee.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Note** a similar report was considered by Central Otago District Council and Otago Regional Council on 25 June 2025;
3. **Note** that a verbal update on the decisions made by Central Otago District Council and Otago Regional Council on 25 June 2025 will be provided in this meeting;

Authorising Authority

4. **Approve** Option 1, namely, establish a joint committee with limited delegations;
5. **Note** that the Council will retain approval of the final form of the deal;

Negotiating Authority

6. **Delegate** to the Joint Committee the ability to determine the approach (Option 1 or Option 2), based on government process and preferences;

Negotiating Principles

7. **Approve** the negotiating principles [listed in paragraph 21], namely:
 - a. Streamlined planning / consenting / permitting / land acquisition pathways must relate only to projects specified under the Regional Deal.

- b. Streamlined planning / consenting / permitting / land acquisition pathways must be consistent with the partner councils' climate and biodiversity, spatial and destination management plans.
- c. Delivery staging for the health and transport packages will be consistent with dependencies identified by partner councils.
- d. An agreed deal will uphold Te Tiriti o Waitangi and its principles and will be delivered in partnership with Ngāi Tāhu.
- e. Deal components must be within the scope of the activity areas outlined in the proposal;

Priorities

- 8. **Approve** the priority ranking for Queenstown Lakes [outlined in paragraph 26], namely:
 - a. Transform Transport
 - Refresh transport strategy and network design around offline MRT and subregional commuter, visitor and freight connections
 - Establish bespoke settings to enable offline MRT
 - Establish alternative funding / financing / ownership / delivery mechanisms for critical public transport, roading and bridge infrastructure.
 - b. Capturing Value
 - Bespoke settings to ensure growth pays for growth
 - Local visitor levy
 - Bespoke settings to enable affordable housing
 - Mining royalties
 - c. Electrify OCL
 - Provide streamlined planning and land acquisition pathway for a transmission corridor
 - Establish bespoke settings to allow Queenstown to be treated as part of the Grid
 - Require Transpower to undertake additional options analysis for the new Queenstown line
 - Launch the Ratepayer Assisted Scheme for rooftop solar and batteries.
 - Establish bespoke settings to enable innovation in alternative energy generation
 - Establish bespoke settings to enable increased uptake of solar
 - d. Private Investment, Public Health
 - Use OCL resident and visitor numbers in funding model
 - Accelerate the delivery of a comprehensive health needs assessment for the region
 - Develop integrated private / public healthcare models
 - Deliver partnered health services based on high priority needs and private opportunities

- e. Visitors and Investors
 - Grow highly productive sectors
 - Increase total value of the visitor economy
 - Position OCL as NZ's investment and business shopfront
 - Power sustainable tourism through data driven insights
- 9. **Note** that the priorities for Queenstown Lakes will guide collaborative development of joint priorities for the Otago Central Lakes with Central Otago District Council and Otago Regional Council;
- 10. **Delegate** to the Joint Committee the power to agree joint priorities for the Otago Central Lakes;
- 11. **Note** that Otago Central Lakes priorities will only guide negotiations with government;

Establishing a Joint Committee

- 12. **Note** that to appoint a joint committee a Memorandum of Agreement must be agreed by all partner councils;
- 13. **Note** that the Memorandum of Agreement outlines that the joint committee will have two elected members from each partner council and that one of these is the Mayor / Chair, but that each Council will determine how to appoint the other member;
- 14. **Approve** Option 1 for the additional member of the joint committee representing Queenstown Lakes District Council (Chair of the Planning and Strategy Committee); and
- 15. **Approve** the Memorandum of Agreement, noting that this will appoint the Joint Committee based on the powers and delegations outlined in the Memorandum of Agreement.

Prepared by:



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16 June 2025

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17 June 2025

Context | Horopaki

Central government want to partner with local government to deliver shared objectives and outcomes through an agreed 30-year vision and 10-year strategic plan.

1. Government intends Regional Deals to be long-term commitments that endure and focus both central and local governments on building economic growth. To better deliver shared objectives and outcomes between central and local government, the deals will align with local government 10-year planning cycles rather than central government's three-year planning cycles.
2. Government intends Regional Deals to be a vehicle for greater regional collaboration and coordination, enhanced private sector involvement and improved local government decision-making, funding and financing. This is intended to promote innovative and collaborative ways of working between central and local government, ensuring resilient cities and regions. Deals will aim to unlock economic and regional growth, remove regulatory bottlenecks and support investment in infrastructure funding and provisions, in exchange for commitments from local government to investment and support for key government initiatives. Government's aspiration is that this will provide better value for ratepayers and taxpayers.

Central government has made clear objectives and outcomes that deals must be centred around to ensure a focus on building economic growth and productivity.

3. The Regional Deal Strategic Framework sets out priority objectives that will be the focus for central government across Regional Deals. Central and local government will need to agree on what projects will be best placed to support these objectives, which could involve trade-offs and priority setting as Regional Deals are negotiated.

Priority Objectives	Outcomes
Build economic growth	<ul style="list-style-type: none"> > Increased jobs and skills > Improved standard of living > Increased productivity
Deliver connected and resilient infrastructure	<ul style="list-style-type: none"> > Better connected communities and businesses through infrastructure > Infrastructure (and identified investment in support of it) is more resilient against the impacts of natural hazards and climate change > Infrastructure enables development, including housing objectives
Improve the supply of affordable, quality housing	<ul style="list-style-type: none"> > Increased supply of build ready land (both greenfield and brownfield), including ensuring the necessary infrastructure is in place for development. > Improved housing affordability for rental and home ownership

Government has outlined what Regional Deals will/will not do, and how it will participate.

4. Regional Deals will:

- Bring together councils and central government to develop a long-term approach to meeting key regional needs.
- Coordinate existing investment better and identify new ways to fund essential infrastructure development and delivery.
- Encourage participation from the private sector and iwi / māori.
- Provide an opportunity to remove regulatory barriers that get in the way of the work of councils, communities and businesses.
- Contribute to certainty over future investment in infrastructure pipelines.

5. Regional Deals will not:

- Provide guaranteed government funding for projects.
- Enable devolution of powers to local government.
- Replace existing partnerships, commitments and processes.
- Support “non-core” initiatives.

QLDC partnered with Central Otago District Council (CODC) and Otago Regional Council (ORC) in preparing a Regional Deal proposal for Otago Central Lakes based on the Government’s Strategic Framework.

6. Central Otago District Council, Otago Regional Council and Queenstown Lakes District Council have partnered on a proposed Regional Deal for the Otago Central Lakes (OCL) region. QLDC Council approved the proposal in February 2025 and the proposal was submitted to the Department of Internal Affairs in February 2025.

The OCL proposal recommended five key packages on which the Regional Deal should focus.

7. The core narrative behind the proposal is as follows:

- Economic growth in OCL needs to leverage its unique position as the tourism gateway to NZ while increasing the productivity of tourism and enabling more productive industries to thrive.
- Lifting productivity requires the right enablers, including having infrastructure and services in place with the funding models, partnerships, and regulatory settings to allow things to happen.
- To address OCLs unique housing and growth challenges we need to capture the value from growth and visitors and reinvest this back into critical infrastructure and affordable housing.

8. The five packages of work in the proposal to support economic growth are:

- Transform transport
- Capturing value
- Electrify Otago Central Lakes
- Private investment, public health

- Visitors and investors

9. The full proposal can be found as part of the agenda report for the 25 February 2025 Council meeting. A summary is included as Attachment A.

This paper sets out the recommended approach for the three partner councils to collaboratively make decisions and participate in any regional deal negotiation.

10. A Cabinet decision is expected in June 2025 on proposals to advance to the next phase and the expectation is that successful regions will be ready to enter the negotiation process immediately. Agreeing a negotiation approach in advance will put OCL in the best position to participate in a Regional Deal negotiation process should the opportunity arise.

Analysis and Advice | Tatāritaka me kā Tohutohu

11. This section describes the analysis, options and recommendations for the four key components of the negotiation approach, as outlined below. These need to be considered separately and then in combination to recommend the most appropriate approach.

- A. Authorising Authority – Who will be authorised to agree to what?
- B. Negotiating Authority – Who will meet, and directly negotiate, with Government?
- C. Negotiating Principles – What are the principles that will guide negotiations with Government?
- D. Priorities: What are the priorities that will guide negotiation if Government is not able to agree to everything requested?

12. In all scenarios the Negotiating Authority and Authorising Authority will be supported by a cross council working group (CODC, ORC and QLDC) of relevant leadership and subject matter experts. A secretariat function will be needed to support the advisory work of this group. At this stage it is assumed that the private sector will be engaged through a separate mechanism.

13. If option 1 for the authorising authority is approved, a joint committee will need to be established. This section outlines:

- E. Establishing a Joint Committee – Process
- F. Establishing a Joint Committee – Memorandum of Agreement

A. Authorising Authority – who will be authorised to agree to what?

14. The following key elements informed the options analysis:

- a. Government has expressed a desire to work with a small group of officials, empowered to negotiate in a timely and efficient manner without disruption from local government elections. Any option that is unlikely to enable timely negotiation with Government was not recommended.
- b. Councillors expect that appropriate democratic oversight is maintained throughout the process, reflecting the importance and impact of the outcomes sought on the community.

Any option that does not provide an appropriate level of democratic oversight was not recommended.

- c. In considering democratic oversight it is important to note the following:
- The partner councils' role in delivering the full range of the programme is relatively limited. The primary role for the partner councils lies in striking the deal and setting it up for success and in influencing central government agencies and Ministers to invest in areas of priority for OCL.
 - Those components of the proposal that QLDC is directly responsible for have previously been consulted on, as outlined in the 'Significance and Engagement' section below.
 - Those components of the deal that would be subject to further public consultation under the Local Government Act 2002 (LGA) would remain so, unless the government changes the legislative settings in the LGA. For example, if any changes to the transport strategy triggered consultation requirements for QLDC, consultation would be undertaken.
 - Those components of the deal that fall within the remit of other Councils or central government agencies would be subject to the usual public sector oversight requirements of those Councils / agencies. For example, decisions about where public funded health services would be located and who in the private sector Te Whatu Ora will partner with will be driven by Te Whatu Ora's decision-making framework.

15. The following table sets out the options, the analysis supporting the options and the recommended approach to determining the authorising authority.

Option	Analysis and Recommendation
<p>OPTION 1: Joint Subcommittee – Some Delegation</p> <p>A joint subcommittee is established by the three partner Councils and is made up of the Mayors/Chair, one other Elected Member and the CEs. The joint subcommittee would be in place for the duration of the negotiations only. The ongoing governance structure to provide oversight of the deal itself would be agreed during the negotiations.</p> <p>Councils empower the joint subcommittee to:</p> <ul style="list-style-type: none"> • appoint the negotiating authority, • agree in principle to deal components in line with the negotiating principles, • use its discretion to determine whether deal components are in line 	<p>RECOMMENDED</p> <p>Provides an appropriate balance between ability to flexibly and efficiently negotiate with Government and democratic oversight of outcomes sought.</p> <p><i>Advantages:</i></p> <ul style="list-style-type: none"> • Provides ability to efficiently make decisions to progress the negotiation. • Provides for democratic oversight of outcomes for the region through Councils retaining responsibility to set negotiating principles and as the ultimate approver on the final form of the deal. <p><i>Disadvantages:</i></p> <ul style="list-style-type: none"> • Doesn't provide the highest level of democratic oversight from partner councils of outcomes for the region of all options. • Doesn't provide the highest ability of all options

Option	Analysis and Recommendation
<p>with, or outside of, the negotiating principles,</p> <ul style="list-style-type: none"> • agree joint prioritisation, and • apply the negotiating principles to determine whether direction needs to be sought from partner Councils, via workshop, to inform negotiations. <p>The joint subcommittee would provide regular updates to partner Councils on progress and agreements made with Government.</p> <p>Councils retain responsibility to:</p> <ul style="list-style-type: none"> • agree to deal components outside the negotiating principles and ratify the final form of the deal. 	<p>to efficiently make decisions to progress the negotiation.</p>

Option	Analysis and Recommendation
<p>OPTION 3: No Joint Subcommittee</p> <p>The three partner councils retain responsibility for all components of negotiating and finalising a Regional Deal.</p>	<p>NOT RECOMMENDED</p> <p>Would not enable efficient decisions to progress the negotiation.</p> <p><i>Advantages:</i></p> <ul style="list-style-type: none"> • Provides the highest level of democratic oversight of outcomes for the region of all options. <p><i>Disadvantages:</i></p> <ul style="list-style-type: none"> • Does not provide the ability to efficiently guide negotiations and make decisions that will enable negotiations with the Government to progress in a timely manner. As such would not meet Government expectations.

B. Negotiating Authority – Who will meet, and directly negotiate, with Government

16. The following key elements informed the options analysis:

- a. Government has expressed a desire to be able to work with a small group of officials, empowered to negotiate in a timely and efficient manner without disruption from local government elections. Any option that is unlikely to enable timely negotiation with Government was not recommended.

17. The following table sets out the options, the analysis supporting the options and the recommended approach to determining the negotiating authority.

Option:	Analysis and Recommendation:
<p>OPTION 1: Combination of CEs + Independent Negotiator</p> <p>Negotiations with government representatives would be undertaken by a team made up of the CEs of the three partner councils, supported by someone with specific experience and expertise in both negotiating and establishing long term work programmes with Government.</p> <p>This person would also be independent of all partner councils in that they would not have specific ties to, or previous political or employment experience with, any individual partner council.</p> <p>The negotiator would likely be appointed as outlined above.</p>	<p>Recommended if Government allows a small group to negotiate.</p> <p><i>Advantages:</i></p> <ul style="list-style-type: none"> • Having both an independent negotiator and the CEs working as a team on negotiations with the government ensures that the views of the three partner councils are appropriately weighted. The independent negotiator brings a neutral perspective, while the CEs, despite not being independent, collectively represent the interests of the three councils effectively. • Someone skilled in negotiation would maximise the opportunities available through the Regional Deal by being able to navigate best where there is flexibility and where there is not. • Someone skilled in establishing long term work programmes with Government would be able to “speak the same language” as Government and enable OCL to best understand what Government is looking for and how to integrate this what is best for • The CEs have detailed knowledge of the proposal and the supporting strategies that informed the proposal as such they will have a clear understanding of what falls within the scope of their decision making and where they must revert to the subcommittee or partner councils. • The CEs understand the unique context of the sub-region and are invested in such a way that will reduce the risk of missing important opportunities. • This option mitigates all the disadvantages of the having either only an independent negotiator or the CEs as the negotiating authority. <p><i>Disadvantages:</i></p> <ul style="list-style-type: none"> • This will require the co-ordination of a larger team to participate in the process, which may present some challenges.

Option:	Analysis and Recommendation:
<p>OPTION 2: Independent negotiator.</p> <p>Negotiations with government representatives would be undertaken by someone with specific experience and expertise in both negotiating and establishing long-term work programmes with Government.</p> <p>The negotiator would be independent of all partner councils in that they would not have specific ties to, or previous political or employment experience with, any individual partner council.</p> <p>The negotiator would likely be appointed through a direct appointment process following the government rules of sourcing guidance for such appointments. The procurement approach would be agreed by the relevant party based on the authorising authority agreed above.</p>	<p>Recommended if Government requires one party to negotiate.</p> <p><i>Advantages:</i></p> <ul style="list-style-type: none"> Someone independent of the three partner councils would bring a neutral perspective, ensuring that the views of the three partners were appropriately weighted in discussions and negotiations with Government. Someone skilled in negotiation would maximise the opportunities available through the Regional Deal by being able to navigate best where there is flexibility and where there is not. Someone skilled in establishing long term work programmes with Government would be able to “speak the same language” as Government and enable OCL to best understand what Government is looking for and how to integrate this what is best for OCL. <p><i>Disadvantages:</i></p> <ul style="list-style-type: none"> An independent negotiator won’t have detailed knowledge of the proposal or the supporting strategies that informed the proposal as such they will need to be given very clear and specific instructions about where they can make agreements and where they must revert to the subcommittee or partner councils. An independent negotiator won’t understand the unique context of the sub-region and are invested in such a way that will reduce the risk of missing important opportunities.
<p>OPTION 3: Partner Council CEs</p> <p>Negotiations with government representatives would be undertaken by a team made up of the CEs of the three partner councils.</p>	<p>Not Recommended if Government allows a small group to negotiate.</p> <p>Option 1 enables the disadvantages of this option (and option 2) to be mitigated.</p> <p><i>Advantages:</i></p> <ul style="list-style-type: none"> The CEs have detailed knowledge of the proposal and the supporting strategies that informed the proposal as such they will have a clear understanding of what falls within the scope of their decision making and where they

Option:	Analysis and Recommendation:
	<p>must revert to the subcommittee or partner councils.</p> <ul style="list-style-type: none"> • The CEs understand the unique context of the sub-region and are invested in such a way that will reduce the risk of missing important opportunities. • While the CEs are not independent of the three partner councils, having all three negotiating would ensure that the views of the three partners were appropriately weighted in discussions and negotiations with Government. <p><i>Disadvantages:</i></p> <ul style="list-style-type: none"> • While CEs have broad management experience, they may lack the specialised negotiation skills that an expert independent negotiator possesses. This could result in less effective negotiation strategies and outcomes. • Differences in opinions and approaches among CEs could lead to internal conflicts, which could weaken the negotiation stance and reduce overall effectiveness of the negotiating team.
<p>OPTION 4: Mayors / Chair Negotiations with government representatives would be undertaken by a team made of the Mayors / Chair of the three partner councils.</p>	<p>Not recommended. As this would be unlikely to meet government expectations this option is not reasonably practicable, as such an option of the Mayors / Chairs + independent negotiator has not been considered.</p> <p><i>Advantages:</i></p> <ul style="list-style-type: none"> • The Mayors and Chair have good knowledge of the proposal and the supporting strategies that informed the proposal as such they will have a clear understanding of what falls within the scope of their decision making and where they must revert to the subcommittee or partner councils. • The Mayors and Chair understand the unique context of the sub-region and have “skin in the game” and so will not miss identifying “game changing” opportunities. • While the Mayors and Chair are not independent of the three partner councils, having all three negotiating would ensure that the views of the three partners were appropriately weighted in discussions and negotiations with Government.

Option:	Analysis and Recommendation:
	<p><i>Disadvantages:</i></p> <ul style="list-style-type: none"> • The local body election scheduled for October 2025 is in the middle of the negotiation period. This could result in all, or some, of the members of the committee, and therefore all Councillor members of the subcommittee, not being re-elected. This would result in new members having to be appointed and educated in the matter. This would slow down the ability to negotiate and would be unlikely to meet Government expectations. • While the Mayors and Chair have broad management experience, they may lack the specialised negotiation skills that an expert independent negotiator possesses. This could result in less effective negotiation strategies and outcomes • Differences in opinions and approaches among the Mayors and Chair could lead to internal conflicts, which could weaken the negotiation stance and reduce overall effectiveness of the negotiating team.

18. It is recommended that Council approve options 1, 2 and 3 and delegate to the joint committee the ability to determine which approach is taken based on confirmation from government about their process, if OCL are invited to participate in a negotiation. This could include a hybrid of both options.

C. Negotiating Principles – What are the principles that will guide negotiations with Government?

19. To enable the authorising authority and negotiating authority to negotiate with government they will need parameters within which to operate. Negotiating principles will guide the negotiations, enabling the authorising and negotiating authorities to make agreements with government without having to come back to partner Councils for direction or authorisation. While the authorising and negotiating authorities will be able to make agreements (within the negotiating principles) during negotiations, this will not be binding until the final form of the deal has been ratified by the partner Councils.

20. The negotiating principles below have been developed based on discussions with partner Councils about what will be important to them during a negotiation. As such this forms advice, options analysis has not been completed.

21. It is recommended that Council approves the negotiating principles listed below to guide Regional Deal negotiations:
- a. Streamlined planning / consenting / permitting / land acquisition pathways must relate only to projects specified under the Regional Deal.
 - b. Streamlined planning / consenting / permitting / land acquisition pathways must be consistent with the partner Council's climate and biodiversity, spatial and destination management plans.
 - c. Delivery staging for the health and transport packages will be consistent with dependencies identified by partner Councils
 - d. An agreed deal will uphold Te Tiriti o Waitangi and its principles and will be delivered in partnership with Ngāi Tahu.
 - e. Deal components must be within the scope of the activity areas outlined in the proposal.
22. It is worth noting that in previous council workshops, the allocation of mining royalties, local visitor levy and affordable housing contributions were included in the negotiating principles. Upon further analysis, it was considered that such allocations would require further discussion and oversight from the councils and as such is addressed in the delegations for the joint subcommittee instead.
- D. Priorities – What are the priorities that will guide negotiation if Government is not able to agree to everything requested?**
23. The packages all represent critical priorities for OCL that have been discussed by this Council for many years, preferably they would be ranked equally. All packages identified are required to enable Queenstown Lakes to “grow well”. The packages were selected because they all relate to delivering critical infrastructure that if not delivered will result in significantly decreasing quality of life for residents, experience for visitors, resilience and impacts on the environment. Any negotiations would push to incorporate all these packages; however, Government may not be able to progress all these packages at the same time. The Regional Deal is intended to be a long term partnership, and it will likely be necessary to stage delivery.
24. The Regional Deal is also a partnership with CODC and ORC, and they may have different priorities. Understanding Council's priorities will guide discussions first with partner Councils, and then with government, on what should be progressed first. However, priorities will not dictate staging of delivery; Government's priorities and resources will ultimately likely dictate this. As the packages all represent key priorities for OCL it is unlikely that the order they are delivered in would be a key barrier to agreeing a deal. As such the proposed prioritisation is based on a high level qualitative assessment only. Any dependencies between initiatives have also been considered in determining priority; the dependencies will be critical to negotiations.
25. The prioritisation below has been developed based on a qualitative assessment of factors informed by discussions with Council about what is most important to them, as shown at Attachment B.

26. It is recommended that Council approve the proposed priority ranking for Queenstown Lakes set out below, which is based on the approach outlined in Attachment B. The detailed assessment can also be found in Attachment B.

a. Transform Transport

- Refresh transport strategy and network design around offline MRT and subregional commuter, visitor and freight connections
- Establish bespoke settings to enable offline MRT
- Establish alternative funding / financing / ownership / delivery mechanisms for critical public transport, roading and bridge infrastructure.

b. Capturing Value

- Bespoke settings to ensure growth pays for growth
- Local visitor levy
- Bespoke settings to enable affordable housing
- Mining royalties

c. Electrify OCL

- Provide streamlined planning and land acquisition pathway for a transmission corridor.
- Establish bespoke settings to allow Queenstown to be treated as part of the Grid
- Require Transpower to undertake additional options analysis for the new Queenstown line
- Launch the Ratepayer Assisted Scheme for rooftop solar and batteries.
- Establish bespoke settings to enable innovation in alternative energy generation
- Establish bespoke settings to enable increased uptake of solar

d. Private Investment, Public Health

- Use OCL resident and visitor numbers in funding model
- Accelerate the delivery of a comprehensive health needs assessment for the region
- Develop integrated private / public healthcare models
- Deliver partnered health services based on high priority needs and private opportunities
-

e. Visitors and Investors

- Grow highly productive sectors
- Increase total value of the visitor economy
- Position OCL as NZ's investment and business shopfront
- Power sustainable tourism through data driven insights

E. Establishing a Joint Subcommittee – Process Requirements

27. If QLDC approves the authorising authority as set out in option 1, then a joint committee between CODC, ORC and QLDC will need to be established. Outlined below is the process for establishing

a joint subcommittee and how each step will be executed.

a. *Reach agreement with partner councils to appoint a joint committee.*

An agreement to establish a joint committee must be made between the partner councils, and the agreement must specify:

- the number of members each partner council may appoint to the committee,
- how the Chairperson and deputy Chairperson of the committee are to be appointed,
- the terms of reference of the committee,
- what responsibilities (if any) are to be delegated to the committee by each partner council, and
- how the agreement may be varied.

b. *Partner Councils appoint, and agree delegations and powers of, the joint committee*

By reaching agreement on the matters above, the partner councils appoint the joint committee and approve the role, function, terms of reference and delegations of the joint committee.

c. *Joint committee appoints Chairperson and Deputy Chairperson.*

The joint committee once established can appoint a Chairperson and deputy Chairperson.

d. *Joint committee appoint a subcommittee and delegates its powers to that subcommittee*

Membership of the Committee cannot include an employee of the partner councils acting in the course of their employment, as such the Chief Executives cannot be members of the Committee. However, employees can be members of a subcommittee. To ensure continuity of membership of the group overseeing deal negotiations over the local body election period, the Committee will establish a subcommittee and delegate all its powers and responsibilities to that subcommittee.

F. Establishing a Joint Committee – Memorandum of Agreement

28. If Council approves the authorising authority as set out in option 1, then a joint committee will need to be established. To establish a joint committee agreement must be reached between the partner councils. A Memorandum of Agreement (MoA) is commonly used for the purposes of obtaining this agreement.

29. Once a MoA is approved by all partner councils the joint committee is appointed and powers delegated to it.

30. Attached at Attachment C is a Memorandum of understanding that address the requirements of the Local Government Act 2002, as outlined below.

a. The number of members each partner council may appoint to the committee.

Section 2 of the MoA sets out that the joint committee is to be comprised of two elected members from each Council and this must include the Mayor / Chair. The MoA does not specify how each Council will determine the second member. Options for how QLDC

should determine the second member are outlined below. The key considerations for the options were a) whether the option provides for the widest view of the district's economic and infrastructure challenges and opportunities to be considered in negotiation of the Regional Deal and b) whether the option would enable membership to be quickly reconfirmed after the election.

Option 1: Planning and Strategy Committee Chair	Recommended. <i>Advantages:</i> <ul style="list-style-type: none"> • The Regional Deal proposal is based on the Spatial Plan. The strategic growth team reports regularly into the P&S Committee in relation to all matters and outputs from the Spatial Plan. If successful, the Regional Deal will likely have implications for the structure and delivery programme of the urban growth partnership (Grow Well Whaiora Spatial Plan). • Would not require a specific resolution to Council to appoint a new member of the Joint Committee after the election. <i>Disadvantages:</i> <ul style="list-style-type: none"> • Doesn't provide the greatest representation of QLDC infrastructure challenges.
Option 2: Deputy Mayor	Not Recommended. <i>Advantages:</i> <ul style="list-style-type: none"> • The Deputy Mayor would bring leadership and relationship building skills to the committee. • Would not require a specific resolution to Council to appoint a new member of the Joint Committee after the election. <i>Disadvantages:</i> <ul style="list-style-type: none"> • Leadership and relationships skills will be strongly represented through the Mayor's membership and that of the two other Mayor/Chair. • Potentially not the best Spatial Plan reporting alignment.
Option 3: Infrastructure Committee Chair	Not Recommended: <i>Advantages:</i> <ul style="list-style-type: none"> • This option would provide the greatest representation of QLDC infrastructure needs. • Would not require a specific resolution to Council to appoint a new member of the Joint Committee after the election. <i>Disadvantages:</i> <ul style="list-style-type: none"> • Potentially not the best Spatial Plan reporting alignment.

<p>Option 4: Specified individual selected by Council majority vote</p>	<p>Not recommended. Does not enable continuity through the election.</p> <p><i>Advantages:</i></p> <ul style="list-style-type: none"> • All members of Council can be considered for membership. <p><i>Disadvantages:</i></p> <ul style="list-style-type: none"> • A Council resolution would be required to select a new member after the election if the appointed person were no longer an elected member. • Depending on who is appointed, it could require the elected member to increase their level of knowledge about the Spatial Plan and could require significant additional workload.
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- b. How the Chairperson and Deputy Chairperson of the committee are to be appointed.
Section 3 of the MoA sets out the process by which a Chairperson and Deputy Chairperson will be selected.
 - c. The terms of reference of the committee
Section 6 of the MoA sets out the terms of reference of the Committee, outlining the role, functions, activity areas and negotiating principles of the Committee.
 - d. What responsibilities are to be delegated to the committee by each partner council.
Section 7 sets out the delegations of the Committee.
 - e. How the agreement may be varied.
Section 11 of the MoA sets out the approach to varying the MoA.
31. The attached MoA also addresses the points below, although these are not required by the Local Government Act 2002.
- a. Whether a quorum must include 1 or more members appointed by each partner council.
Section 4.1 sets out the quorum required for a meeting. The quorum for each meeting will be three members and this must include one member from each partner council to ensure that there is always an appropriate balance of representation. The Chairperson and Deputy Chairperson have no additional voting powers.
 - b. The extent to which the standing orders of any partner council apply to meetings of the joint committee.
Section 4.3 sets out that the standing orders of QLDC will apply to this Committee. Adopting the standing orders of one of the partner councils is the most efficient way of enabling this committee. This section makes clear that if there is any inconsistency between the MoA and the Standing Orders that the MoA takes precedence.

- c. That the committee will not be discharged at the point of the next election to maximise continuity of the negotiation process over the election period.

Section 2.5 sets out that the Committee will not be discharged at the next election, and that any members of the Committee who remain elected members of the partner councils will remain members of the Committee after the election.

32. That the Committee has been expressly created for the purpose of negotiating the deal, and it will be discharged on completion of the deal negotiations. Section 1.3 sets out that the Committee will be automatically discharged on completion of the Regional Deal negotiation phase, or after 18 months, whichever comes first. Separate governance for the deal itself will be agreed during the negotiations and will depend on the final form of the deal.

33. By approving the MoA, the partner councils appoint and empower the joint Committee. The MoA sets out the role, functions, activity areas and delegations of the Committee and as such encompasses the Terms of Reference.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi i kā Whakaaro Hiraka

34. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy 2024, based on the analysis outlined in the table below. As such no consultation will be undertaken on this matter.

35. Significance has been determined based on the significance of the decisions requested in this paper as they relate to establishing the approach for the negotiation phase of the Regional Deal. This assessment has considered the points below.

Consideration	Assessment
Importance to the Queenstown Lakes District	The decisions in this paper are designed to establish the structure, democratic oversight and methodology to support negotiations. The structures recommended in this paper will shape and influence the development of the Regional Deal but will not have ultimate decision-making authority.
Community interest	There is a strong community interest in the outcomes outlined within the Regional Deal proposal, but this paper seeks to establish structure, democratic oversight and methodology to support negotiations. The level of community interest is less pronounced in relation to this.

Consideration	Assessment
Consistency with existing policy and strategy	<p>The Regional Deal proposal itself and all the negotiating principles proposed in this paper are consistent with the following adopted strategies and plans that have previously been consulted on:</p> <ul style="list-style-type: none"> • Economic Development and Destination Management Plans (enablement of highly productive sectors, increasing the value of tourism, NZTE / Invest NZ presence in OCL) • Long Term Plan / Financial Strategy (alternative mechanisms for funding and financing infrastructure including a local visitor levy) • Spatial Plan (local visitor levy, mechanisms supporting affordable housing, energy security, alternative mechanisms for funding and financing) • Joint Housing Action Plan (mechanisms supporting affordable housing, including value capture for affordable housing) • Transport Business Case (roading interventions to support growth including offline MRT) • Infrastructure Strategy (roading interventions to support growth and resilience, including offline MRT) • Proposed Climate and Biodiversity Plan (transport interventions that reduce reliance on private cars, specifically MRT) <p>The proposed decision making approach outlined in this paper would ensure that decisions on a Regional Deal are consistent with these strategies and plans.</p>
Impact on Council's capability and capacity	<p>Establishing an appropriate approach to the negotiation phase of the Regional Deal will set the foundation for future decisions relating to Council's capability and capacity but will not (at this stage) impact directly beyond the commitment of resources needed to participate.</p>
Climate change	<p>Establishing an appropriate approach to the negotiation phase of the Regional Deal will set the foundation for future decisions relating to Council's climate change actions but will not (at this stage) impact directly beyond the commitment of resources needed to participate. This decision does not conflict with Council's current Climate and Biodiversity Plan.</p>
Mana whenua	<p>Establishing an appropriate approach to the negotiation phase of the Regional Deal will set the foundation for future decisions relating to partnership with mana whenua throughout the process. Approach to this partnership will require further discussion with central government to define the appropriate model and pathway.</p>

Māori Consultation | Iwi Rūnaka

36. Whilst Ngāi Tahu's seven Papatipu Rūnanga have expressed their collective support for an Otago Central Lakes Regional Deal to drive smart economic growth and much-needed infrastructure, they were not consulted directly on the content of this paper outlining the approach to the negotiation phase.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

37. This matter relates to the Strategic/Political/Reputation risk category. It is associated with RISK10015 Ineffective Governance within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.
38. The approval of the recommended options will allow Council to make progress towards implementing additional controls. This will be achieved by being able to participate in a negotiation process with government, enabling exploration of the opportunities a regional deal may provide.

Financial Implications | Kā Riteka ā-Pūtea

39. The recommended option to appoint an independent negotiator would have an associated cost. This cost would be shared amongst the partner councils with QLDC's portion being funded through existing budgets and will be subject to existing organisational financial delegations and procurement processes.

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

40. The Regional Deal proposal was developed specifically in alignment with the vision set for Queenstown Lakes through the strategies and plans outlined below and as such the proposal is consistent with the principles set out in these strategies and plans.
- Queenstown Lakes Spatial Plan
 - New Pathways to a Thriving Future (Economic Diversification Plan)
 - Travel to a Thriving Future (Destination Management Plan)
 - 2024-34 Long-Term Plan
 - 2024-54 Infrastructure Strategy
 - 2024-54 Financial Strategy
 - Joint Housing Action Plan
 - Proposed 2025 Climate and Biodiversity Plan
41. The Regional Deal proposal refers to, and relies upon, growth related transport and infrastructure outlined in the 2024-34 Long Term Plan. If the Proposal is accepted by Government certain projects may be able to be accelerated through alternative funding or financing arrangements, depending on the outcome of future negotiations. The recommendations in this paper regarding the negotiation phase do not have any direct implications for the Long Term Plan.

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

42. Section 10 of the Local Government Act 2002 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 well-being of communities in the present and for the future.

43. The recommendations set out in this report relate to enabling QLDC to formally partner with CODC and ORC and to participate meaningfully in a negotiation with central government, with the objective being to enter into a Regional Deal agreement. The analysis supporting the recommended options specifically address ensuring the appropriate level of democratic oversight of the elements that are directly QLDC's responsibility to deliver. As such the recommendations of this report are appropriate and within the ambit of Section 10 of the Act.

44. The recommended option:

- Can be implemented through current funding under the 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	Otago Central Lakes Regional Deal Proposal Summary
B	Rationale supporting proposed prioritisation
C	Memorandum of Agreement to establish Regional Deal Negotiation Joint Committee