Ten Year Plan 2021-31 | He Mahere Kahurutaka 2021-31

Volume Two

QUEENSTOWN LAKES DISTRICT COUNCIL

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Our Decision Making Process | Tō Mātou Hātepe Whakatau

Our Partnership with Māori

Formal consultation with Māori is a valuable and important part of the decision making process at the Council.

The Local Government Act 2002 supports this approach, in providing principles and requirements that are intended to enable participation by Māori in local authority decision-making processes and facilitate formal consultation. This recognises and respects the Crown's responsibilities in Te Tiriti o Waitangi and maintains and improves opportunities for Māori to actively contribute.

The legal requirements are Council's minimum bottom line to deliver on our Māori outcomes. The Council aims to move away from transactions into more relationship-based partnering with Māori, by ensuring we are including the right people, at the right level, at the right time and on the right terms. We aim to have fewer one-off consultations and more collaborative partnerships and processes with agreed mutual outcomes, and where practicable seek to early engage and partner iwi on key, agreed projects.

Understanding and recognising Te Ao Māori, its values, tikaka and decision-making frameworks is an essential step when developing policy and decision-making. The Council will take into account the relationship of Māori culture and traditions with its ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taoka when making significant decisions about a body of water or land. We will always provide opportunities for Māori to contribute to and be involved in the decision-making process as follows:

- Provision of an effective and efficient consultation process to develop relationships, strategies, policies, processes and plans that relate to local government and resource management issues;
- Application of Te Tangi a Tauira 2008, the Resource and Environmental Management Plan agreed with Ngāi Tahu ki Murihiku; and
- Provision of support for projects initiated by Māori that involve direct management of the region's natural resources.

The Council also works to help create opportunities and capacity for contribution to the decision making process directly, by undertaking the following:

- Provision of resources to support consultation, such as maps and GIS services;
- Relationship building with Māori through official hui, informal meetings and broader practicable community exercises in capacity building; and
- Potential support for training, engagement and promotion of matters that are of mutual benefit to the Council and Māori.

In order to ensure that the Council fully understands the needs and expectation of Māori in relation to the Local Government Act 2002 and the Resource Management Act 1991, the organisation will support all staff and elected members in developing skills and capabilities in Māoritaka, Tikaka Māori and Te Reo Māori.

Financial and 30 Year Infrastructure Strategies

Key to this Ten Year Plan are the Financial Strategy and the 30 Year Infrastructure Strategy. These strategies are aligned to provide the strategic direction and context for this Ten Year Plan. They lay the foundations that support prudent financial management and efficient asset management over the long-term.

Both strategies contribute to a broad range of community outcomes, as they are integral to the way we work. However, they are most closely associated with:

THRIVING PEOPLE

> Our environments and services promote and support health, activity and wellbeing for all

DEAFENING DAWN CHORUS

> We are all kaitiaki of our protected and restored incredible environment, flora and fauna

OPPORTUNITIES FOR ALL

> Our economy is strong and diverse with sustainable and inclusive growth

ZERO CARBON COMMUNITIES

> Our public transport is the cleanest, greenest, innovative choice for district-wide connectivity

> Active travel is an integral part of an accessible and safe network for all of our people

> Zero waste is just something we do here

DISASTER-DEFYING RESILIENCE

> Our infrastructure is as resilient as our people

Financial Strategy

The Financial Strategy describes the challenges that will impact the district over the next ten years, and how the Council will respond in a responsible and affordable way.

Infrastructure Asset Management Strategy

The infrastructure asset management strategy details the challenges that will impact the district over the next 30 years, as they relate to transport, water, wastewater, stormwater and solid waste. By covering 30 years the strategy aims to accommodate both the needs of current and future generations by providing good quality, cost effective infrastructure.

Financial Strategy | Te Rautaki Ahumoni

QLDC's Financial Strategy is aimed at responding to the needs of our district today and into the future in a responsible and affordable way.

Strategic Destination

QLDC's Financial Strategy is aimed at responding to the needs of our district today and into the future in a responsible and affordable way.

It is important that the council continues to invest in its core infrastructure to ensure statutory compliance in the 3 waters services as well as to improve transportation outcomes for residents and visitors alike. Council recognises the economic benefit of continuing to invest in its capital programme in order to provide stimulus to the local economy as well as to take advantage of very low interest rates. It is also critical that an alternative funding mechanism to support the continued investment in tourism-related infrastructure (visitor levy) is introduced with the support of central government. It is unreasonable to expect local ratepayers to fund tourism-related infrastructure where it can be demonstrated that the main beneficiaries are visitors to the district, the wider region and New Zealand as a whole. It is also important that the costs of providing facilities with long lives are shared between today's ratepayers and those in the future.

If this aim is successfully realised, the following outcomes should be achieved:

> Prioritised Capital Programme – delivering the 'right' projects in order to achieve compliance with water supply and wastewater services within statutory deadlines;

> Prioritised Capital Programme – delivering the 'right' projects ahead of growth so that development is supported in areas identified in the spatial plan;

> Alternative Funding Method – QLDC visitor levy is introduced within 4 years;

> Rates increases set at maximum of 9% gross (6% net) per annum (subject to changes in growth forecasts);

> Debt levels maintained at affordable levels (i.e. within Borrowing Limits);

> Debt levels at the end of the 10 year period have stabilised and sufficient headroom exists to provide financing flexibility for future councils; and

> Excellent service continued to be provided within financial constraints.

Purpose

The financial strategy is a requirement for the Ten Year Plan as per section 101A of the Local Government Act 2002.

The purpose of the financial strategy is to:

1) facilitate prudent financial management by the local authority by providing a guide for the local authority against which to consider proposals for funding and expenditure; and

2) provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt and investments.

The financial strategy is also required to provide additional information to allow ratepayers to understand the Council's overall financial position and the main issues or factors that have a significant impact in this area.

Many of the elements of the Council's financial strategy are included in the various funding and financial policies required under Section 102 of the Local Government Act 2002. As such this financial strategy will not attempt to replicate the detail contained within these policies, but rather will summarise the important principles.

Significant Factors

There are several factors that are expected to have a significant impact on the district for the 2021 to 2031 period. Each of the factors is discussed in more detail in the following sections:

> **Growth and changes in land use –** the district is expected to return to a position of strong population and visitor growth which significantly impacts capital expenditure and creates funding challenges.

> **Capital expenditure to maintain levels of service –** a large proportion of the capital programme is required for renewals of core infrastructure: roading; water supply; wastewater and stormwater.

> **Capital expenditure to improve current levels of service –** there are several large programmes which are driven by either statutory requirement or community desire for service improvements (Water Treatment Plants; Wastewater upgrades; Queenstown Town Centre Arterials and Streetscape improvements; Public Transport; Wanaka Lakefront Development).

Capital expenditure over the next ten years is much higher than previously forecast. It amounts to $1.673b (2018: $990M) which represents an increase of $682M or 69% more than the 2018 Ten Year Plan. The capital expenditure programs have been prioritised in order meet the statutory deadlines set for improvements to water supplies and to meet our existing commitments with regard to "shovel ready" transport projects in Queenstown and Housing Infrastructure Fund (HIF) projects. The 2021-31 capital programmes have been derived from updated asset management plans that include the latest growth projections and which incorporate the integrated transport master plans for Queenstown and Frankton.

CAPITAL EXPENDITURE ($000)											
DESCRIPTION	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	TOTAL
Significant Projects - Gross Cost (inflation adjusted)											
COMMUNITY SERVICES AND FACILITIES											
Performing Arts Centre	-	-	-	3,660	2,963	15,049	21,205	8,399	-	-	51,276
Two new courts added to current stadium	1,015	447	-	-	-	9,897	4,347	-	-	-	15,706
Ballantyne Road Recreation Centre - Sportsfields	-	-	-	3,202	3,315	3,393	-	-	-	-	9,910
Wanaka Lakefront Development Plan	2,305	-	-	2,697	3,607	-	-	-	-	-	8,608
Coronet Forest Revegetation	462	670	2,817	1,614	446	380	389	399	205	210	7,593
Queenstown Events Centre - Training Fields Eastern End	-	-	-	-	-	-	-	714	6,590	-	7,304
Queenstown Events Centre - Clubrooms	-	-	-	-	33	249	5,796	1,189	-	-	7,267
Open Spaces / Plaza	-	-	-	331	340	911	1,895	2,933	-	-	6,410
Ballantyne Road Recreation Centre - Waste Water	650	1,541	3,471	-	-	-	-	-	-	-	5,662
Queenstown Events Centre Field Improvements	-	-	-	1,294	-	1,357	-	1,427	-	1,499	5,578
Queenstown Events Centre - Waste Water Heat Recovery System	-	-	-	-	-	2,669	2,736	-	-	-	5,405
Queenstown Gardens Development	-	-	-	-	2,989	2,030	-	-	-	-	5,019
Balance of projects less than $5m	18,048	8,152	6,979	15,380	17,012	24,095	20,477	12,332	5,436	9,102	137,012
WATER SUPPLY											
Wanaka Water Treatment (WS)	3,960	6,150	31,855	10,476	-	-	-	-	-	-	52,441
Two Mile Water Treatment Plant (WS)	1,000	2,071	21,237	7,639	-	-	-	-	-	-	31,946
Coneburn Scheme (WS)	-	-	-	-	-	-	-	190	1,968	18,259	20,417
Beacon Point Intake & Rising Main (WS)	4,152	6,448	-	-	-	-	-	-	-	-	10,600
Kingston Housing Infrastructure Fund New Scheme (WS)	5,392	1,681	-	-	11	3,289	67	-	-	-	10,440
Ladies Mile Storage & Mains (WS) Housing Infrastructure Fund	-	-	-	65	667	-	-	80	368	8,132	9,312
Hawea Reservoir Capacity (WS)	50	1,501	-	-	-	-	62	1,255	2,673	2,755	8,297
Cardrona Water Supply Scheme (WS)	1,400	6,676	-	-	-	-	-	-	-	-	8,076
Demand Management - Wanaka	114	150	-	-	2,653	2,727	2,411	-	-	-	8,055
Water Supply - Renewals - Queenstown (WS)	349	402	497	605	638	766	860	841	851	2,091	7,899
Demand Management - Queenstown (WS)	163	135	-	-	-	-	-	2,385	2,467	2,179	7,328
Southern Corridor Water Treatment (WS)	-	-	-	-	-	-	-	81	153	7,085	7,319
Ladies Mile New Scheme (WS) Housing Infrastructure Fund	-	-	-	-	-	-	576	7,015	94	-	7,685
Arrowtown Water Storage (WS)	-	-	64	1,310	2,694	2,770	-	-	-	-	6,837
Western Wanaka Level of Service (WS)	5,406	1,399	-	-	-	-	-	-	-	-	6,806
Shotover Country New Water Treatment Plant (WS)	4,961	1,284	-	-	-	-	-	-	-	-	6,245
Water Supply - Renewals - Wanaka (WS)	331	351	417	503	541	520	738	647	835	677	5,560
Luggate Water Supply Scheme (WS)	4,000	-	-	-	-	-	12	1,231	-	-	5,243
Balance of projects less than $5m	16,838	15,748	3,782	8,112	9,201	3,285	1,781	3,395	3,943	4,580	70,665

CAPITAL EXPENDITURE ($000)											
DESCRIPTION	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	TOTAL
Significant Projects - Gross Cost (inflation adjusted)											
WASTEWATER											
Southern Conveyance Network (WW)	200	-	-	-	-	-	-	431	4,455	41,068	46,153
Project Shotover Plant Upgrade (WW)	-	-	777	18,142	9,680	866	-	-	-	-	29,465
Central Business District to Frankton Conveyance (WW)	1,819	8,283	14,866	1,091	-	-	-	-	-	-	26,058
Hawea Wastewater Management (WW)	2,500	10,353	13,273	-	-	-	-	-	-	-	26,126
Wastewater - Renewals - Queenstown (WW)	1,490	2,292	2,257	2,860	2,542	2,800	2,995	2,239	2,514	2,856	24,844
Glenorchy Wastewater Scheme (WW)	-	-	-	-	202	692	10,713	10,337	-	-	21,945
Kingston Housing Infrastructure Fund New Scheme (WW)	7,896	2,407	4,883	-	-	5,202	109	-	-	-	20,497
Pump Station Emergency Storage - Wanaka (WW)	-	-	15	1,532	1,617	5,786	1,671	1,728	1,787	1,842	15,978
Wastewater - Renewals - Wanaka (WW)	747	862	889	1,015	1,016	1,021	1,159	1,220	3,677	3,815	15,421
Rising Main to Project Pure (WW)	-	-	-	137	2,694	9,002	2,857	-	-	-	14,691
Pump Station Emergency Storage - Queenstown (WW)	-	-	9	1,405	5,061	976	1,007	1,041	1,077	1,110	11,686
Cardrona Wastewater Scheme (WW)	11,000	-	-	-	-	-	-	-	-	-	11,000
Project Pure Upgrade (WW)	6,480	4,382	-	-	-	-	-	-	-	-	10,862
Frankton Beach to Shotover Conveyance (WW)	-	-	99	1,015	8,366	1,073	-	-	-	-	10,553
Lake Esplanade Catchment Diversion (WW)	-	-	-	-	-	-	-	78	791	7,497	8,366
Remarkables Park & Kawarau Place Pump Station (WW)	-	-	71	1,310	4,850	1,385	-	-	-	-	7,616
North Wanaka Conveyance (WW)	5,800	1,501	-	-	-	-	-	-	-	-	7,301
Balance of projects less than $5m	11,061	4,328	2,535	4,551	7,593	3,883	4,501	11,332	3,052	6,516	59,351
STORMWATER											
Treatment - Wakatipu (SW)	-	-	-	662	851	1,094	1,410	1,820	2,355	3,034	11,225
State Highway 6 - Glenda Dr Extension (SW)	-	-	-	3,667	3,772	3,324	-	-	-	-	10,763
Stormwater - Renewals - Wakatipu (SW)	713	996	934	950	594	1,309	1,302	1,468	643	898	9,809
Wanaka Improvements - High Risk (SW)	-	75	2,383	2,449	3,029	28	25	-	-	-	7,990
Kingston Housing Infrastructure Fund New Scheme (SW)	1,902	1,720	1,389	-	-	1,509	-	-	-	-	6,520
Treatment - Wanaka (SW)	-	-	-	347	446	574	739	955	1,235	1,591	5,886
Conveyance - Wakatipu (SW)	-	-	-	329	423	545	703	912	1,177	1,515	5,605
Stormwater - Renewals - Wanaka (SW)	334	339	348	419	370	928	929	875	405	414	5,362
Investigations - Wakatipu (SW)	151	197	251	322	416	534	687	888	918	947	5,311
Wakatipu Improvements - High Risk (SW)	-	47	561	1,241	1,707	1,132	468	-	-	-	5,156
Lakeview Development Servicing (SW)	3,829	1,699	-	-	-	-	-	-	-	-	5,528
Balance of projects less than $5m	3,642	7,241	1,190	1,622	4,376	1,568	1,141	2,660	1,621	1,770	26,832

CAPITAL EXPENDITURE ($000)											
DESCRIPTION	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	TOTAL
Significant Projects - Gross Cost (inflation adjusted)											
TRANSPORT, INCLUDING ROADING, PARKING AND FOOTPATHS											
Queenstown Street Upgrades (TR) Crown Infrastructure Partners	43,230	13,090	-	-	-	-	-	-	-	-	56,320
Arterial - Stage One (TR) Crown Infrastructure Partners	20,808	22,697	5,849	-	-	-	-	-	-	-	49,353
Arterial - Balance of Route (TR)	-	-	-	-	-	-	10,789	2,295	9,454	12,159	34,697
Queenstown Parking Improvements (TR)	2,500	2,063	-	-	-	-	595	-	-	-	5,159
Queenstown Public Transport Interchange (TR)	-	-	-	-	-	-	240	24,665	-	-	24,905
Wakatipu - Minor Improvements Low Cost Low Risk (TR)	2,000	2,063	2,125	2,186	2,250	2,315	2,382	2,451	2,524	2,597	22,893
Wanaka - Minor Improvements Low Cost Low Risk (TR)	2,000	2,063	2,125	2,186	2,250	2,315	2,382	2,451	2,524	2,597	22,893
Wanaka Primary Cycle Network (TR)	-	-	-	1,640	5,624	5,121	-	-	-	-	12,385
Queenstown Public Transport Improvements (TR)	39	4,104	8,061	5,073	-	-	-	-	-	-	17,277
Arthurs Point Bridge - Road Crossing (TR)	-	-	-	-	-	-	-	-	1,262	12,985	14,247
Wakatipu - Sealed Road Resurfacing (TR)	1,200	1,238	1,275	1,312	1,350	1,389	1,429	1,471	1,514	1,558	13,736
Road Safety Programme - Wakatipu (TR) Low Cost Low Risk	172	682	755	1,366	1,405	1,446	1,488	1,531	1,577	1,622	12,045
Wakatipu - Unsealed Road Metalling (TR)	845	872	898	924	950	978	1,006	1,036	1,066	1,097	9,672
Wanaka - Sealed Road Resurfacing (TR)	800	825	850	874	900	926	953	980	1,010	1,039	9,157
Lakeview Development - Road & Public Realm (TR)	8,016	3,544	-	-	-	-	-	-	-	-	11,560
Road Safety Programme - Wanaka (TR) Low Cost Low Risk	112	446	493	892	918	944	972	1,000	1,030	1,060	7,866
Wakatipu Public Transport Low Cost Low Risk (TR)	1,000	1,032	1,062	547	562	579	595	613	631	649	7,270
Wakatipu Active Travel Low Cost Low Risk (TR)	1,000	1,032	1,062	547	562	579	595	613	631	649	7,270
Lake Wakatipu Ferry Infrastructure Improvements (TR)	1,000	-	-	-	-	56	2,382	3,477	-	-	6,915
Wanaka - Unsealed Road Metalling (TR)	600	619	637	656	675	694	715	735	757	779	6,868
Frankton Track Improvement (TR)	-	3,095	3,187	-	-	-	-	-	-	-	6,282
Wakatipu - Sealed Road Pavement Rehab (TR)	500	516	531	547	562	579	595	613	631	649	5,723
Wanaka - Sealed Road Pavement Rehab (TR)	500	516	531	547	562	579	595	613	631	649	5,723
Wanaka Active Travel Low Cost Low Risk (TR)	500	516	531	547	562	579	595	613	631	649	5,723
Wanaka Pool to School Active Travel (TR)	-	2,063	3,187	-	-	-	-	-	-	-	5,250
Balance of projects less than $5M	19,835	23,078	6,051	9,906	9,527	5,462	7,813	8,407	10,387	9,738	110,204
WASTE MANAGEMENT											
New Wakatipu Waste Facilities (WM)	1,150	1,605	5,309	9,821	12,462	4,385	-	-	-	-	34,732
Balance of projects less than $5M	2,984	4,393	2,753	1,506	1,661	1,159	809	959	1,246	891	18,362
ECONOMY											
Balance of projects less than $5M	63	296	66	311	70	71	73	75	77	79	1,181
REGULATORY FUNCTIONS AND SERVICES											
Balance of projects less than $5M	78	58	106	582	99	23	63	34	36	42	1,120
LOCAL DEMOCRACY											
Balance of projects less than $5M	30	21	21	21	22	22	23	23	24	24	232
FINANCE AND SUPPORT SERVICES											
Queenstown One Office (Project Connect)	141	-	-	8,121	8,702	30,105	10,282	-	-	-	57,350
Resilient Infrastructure Networks (IN)	250	256	-	1,072	1,096	1,120	1,145	1,171	1,197	1,224	8,531
Balance of projects less than $5M	5,734	2,088	2,898	1,935	1,844	2,087	1,162	1,677	1,829	1,219	22,473
TOTAL	247,248	196,399	168,212	155,072	161,330	182,134	145,448	139,998	91,956	185,397	1,673,193

A. Growth and changes in land use

The Council has completed detailed population projections for the district as part of the long term planning process. This information is updated annually and considers growth in ratepayers (usually resident), as well as visitors which contribute to peak day figures. The district-wide results are summarised below:

USUALLY RESIDENT –
increase of 31.3% from 40,746 (2021) to 53,512 (2031)

AVERAGE DAY –
increase of 68.9% from 50,552 (2021) to 85,372 (2031)

PEAK DAY –
increase of 41.5% from 102,348 (2021) to 144,782 (2031)

The growth in the usually resident population is assumed to occur in areas which can provide additional capacity based on proposed district plan zoning rules. The Council's dwelling capacity model and historic growth rates have been used to apportion the expected growth into each census area unit.

The cost impacts of growth in population have been assessed for the next ten years. Just over 37% or $619M (2018: 33%) of the total capital expenditure is required to provide infrastructure to meet the demands of future growth.

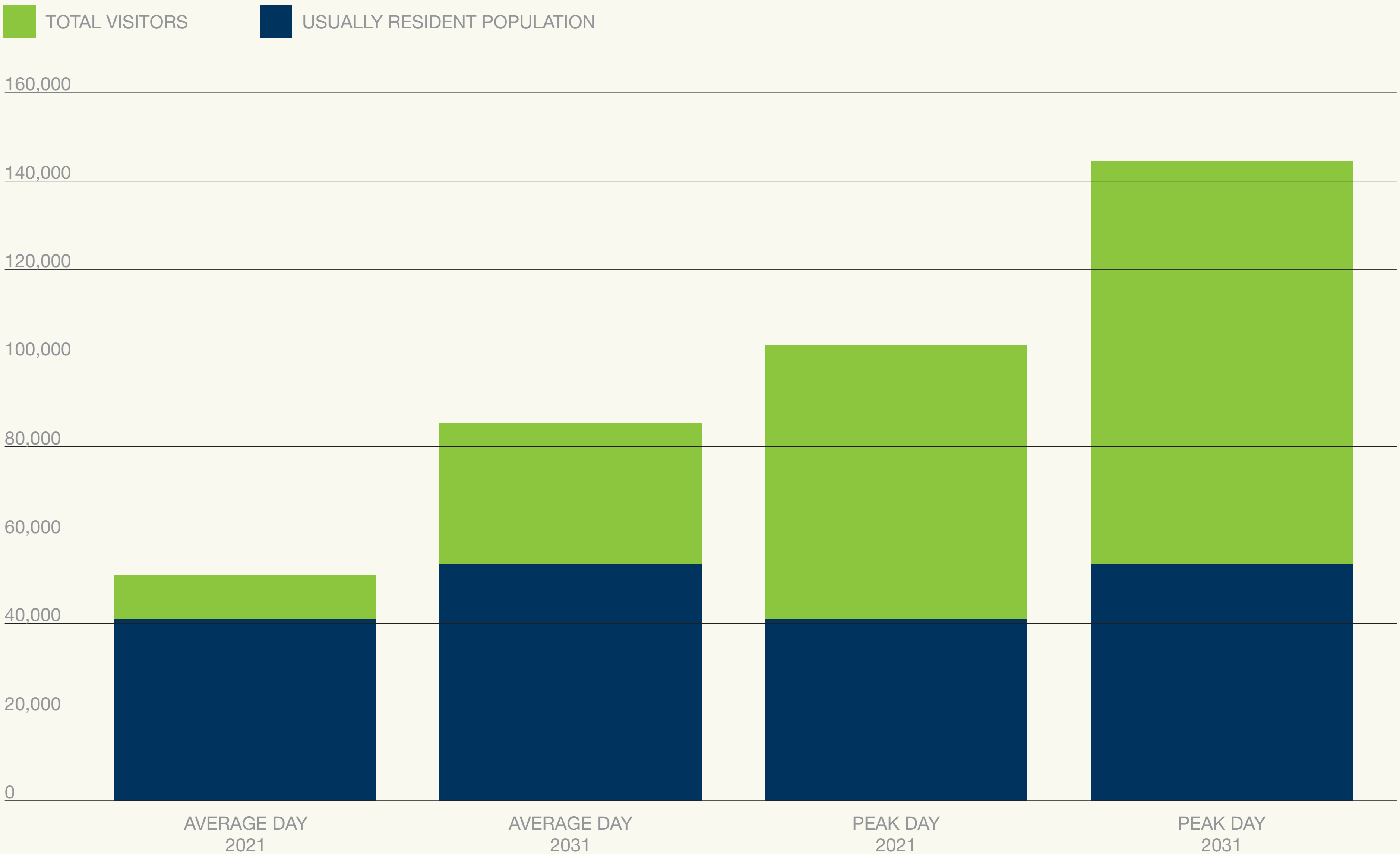
A significant proportion of this growth demand is associated with an increase in visitors to the district. The Council is well advanced with central government in the process to introduce an alternative funding mechanism (visitor levy) to support the continued investment in tourism-related infrastructure. It is unreasonable to expect local ratepayers to fund tourism-related infrastructure where it can be demonstrated that visitors to the district benefit the wider region and New Zealand as a whole. Due to the global effects of COVID-19 on the tourism industry and travel, the Council has temporarily halted the process for drafting the necessary legislation which seeks to provide a QLDC visitor levy. Now planned in for introduction in 2024, the proposed levy will provide additional funding for tourism-related infrastructure investment in order to maintain visitor experience and sustain tourism growth.

The 2021-31 capital programme is very large but is fundable and deliverable with the continued assistance of our investment partners, particularly the Crown and NZTA. Over the ten years we have assumed $296M of capital subsidies to be available primarily through the Crown or NZTA for improvements to transport infrastructure.

Council acknowledges that we have an ambitious work programme. We are aware of the challenge in delivering this programme and the specific risks that we will need to mitigate. To deliver the expanded programme we will need to manage all aspects closely and do some things differently. We have already made changes in planning for this and are gearing up in other areas to enable delivery (see pg 30 of Volume 1 for details).

The Council was successful with two applications for "CIP - Shovel Ready Projects" which is a central government initiative to provide capital funding to support infrastructure projects which provide stimulus to local economies in the form of new jobs and which are ready to go. This CIP funding of $85M has been confirmed and the work will be completed by 2023.

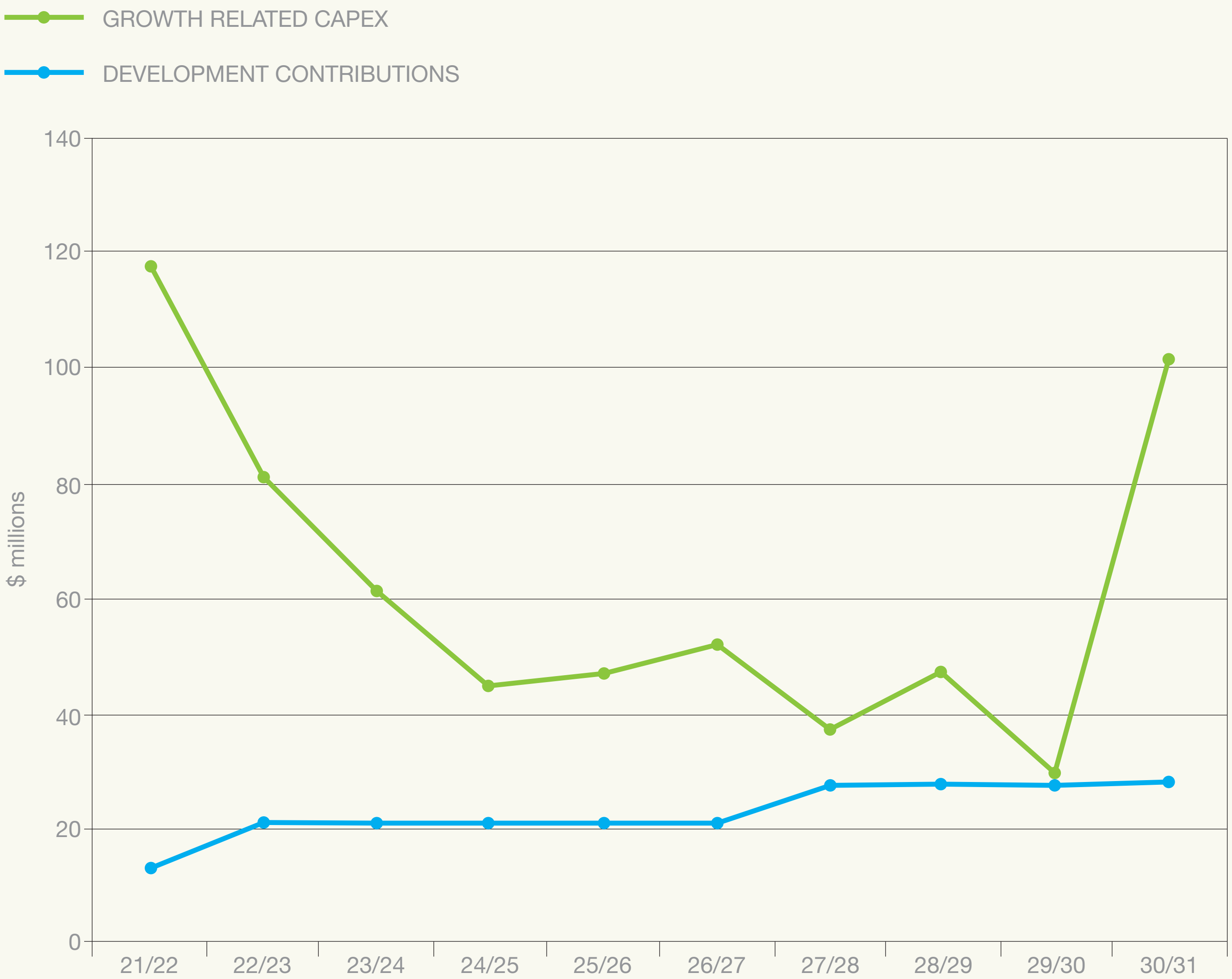
GROWTH PROJECTIONS



GROWTH RELATED CAPEX (EXCLUDING VESTED ASSETS) VS DEVELOPMENT CONTRIBUTIONS

The Council is subject to debt constraints based on a proportion of revenue. This results in funding issues particularly when the timing of growth is uncertain. In time, most of this expenditure will be recovered from developers through the charging of development contributions, however in the interim a large proportion of this cost must be borrowed. In cases, where Council is unable to fund the construction of new infrastructure to support growth within optimal timeframes, Council will look to accelerate the delivery through the use of third party financing as provided for under new legislation Infrastructure Financing Funding and Financing Act (IFF). The graph below shows growth related capital expenditure and forecast development contribution income:

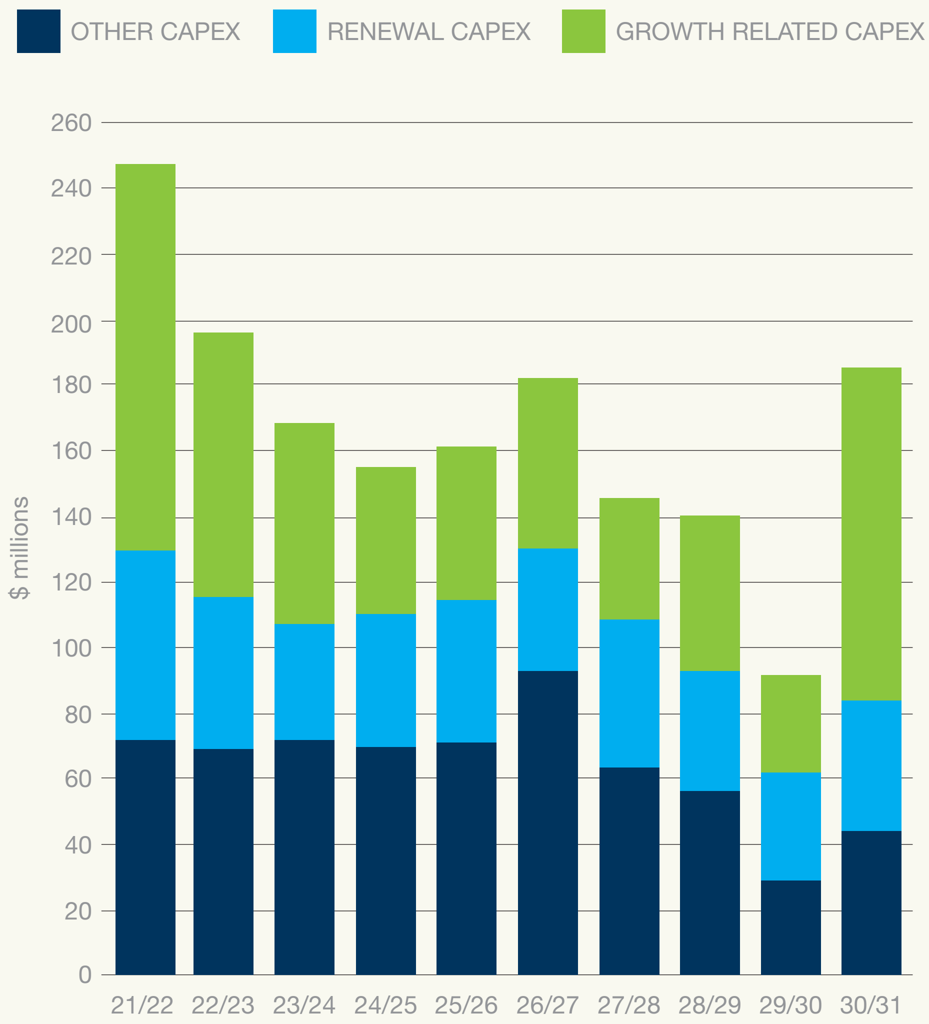
TEN YEAR FINANCIAL ANALYSIS GROWTH RELATED CAPEX VS DEVELOPMENT CONTRIBUTIONS



Of the total capital cost of $1.673b for the period, $619M (37%) is required due to expected growth. Not included in this figure is $226M of vested assets (infrastructural assets transferred to the Council through the subdivision approval process). Around 25% of the total capital expenditure is required to renew or replace existing assets and around 38% is required to provide increased levels of service.

In terms of operating expenditure, growth does have a direct impact on many expenses. As the population grows and more land is developed to accommodate the new arrivals, costs increase as there are more roads and footpaths to maintain or reserves to mow. It is estimated that growth accounts for approximately 10% of the increase in direct operating costs over the period. The total increase in direct operating costs is $121M or 69% over the ten years.

CAPITAL EXPENDITURE BY COST DRIVER WHOLE COUNCIL (PHYSICAL WORKS ONLY)



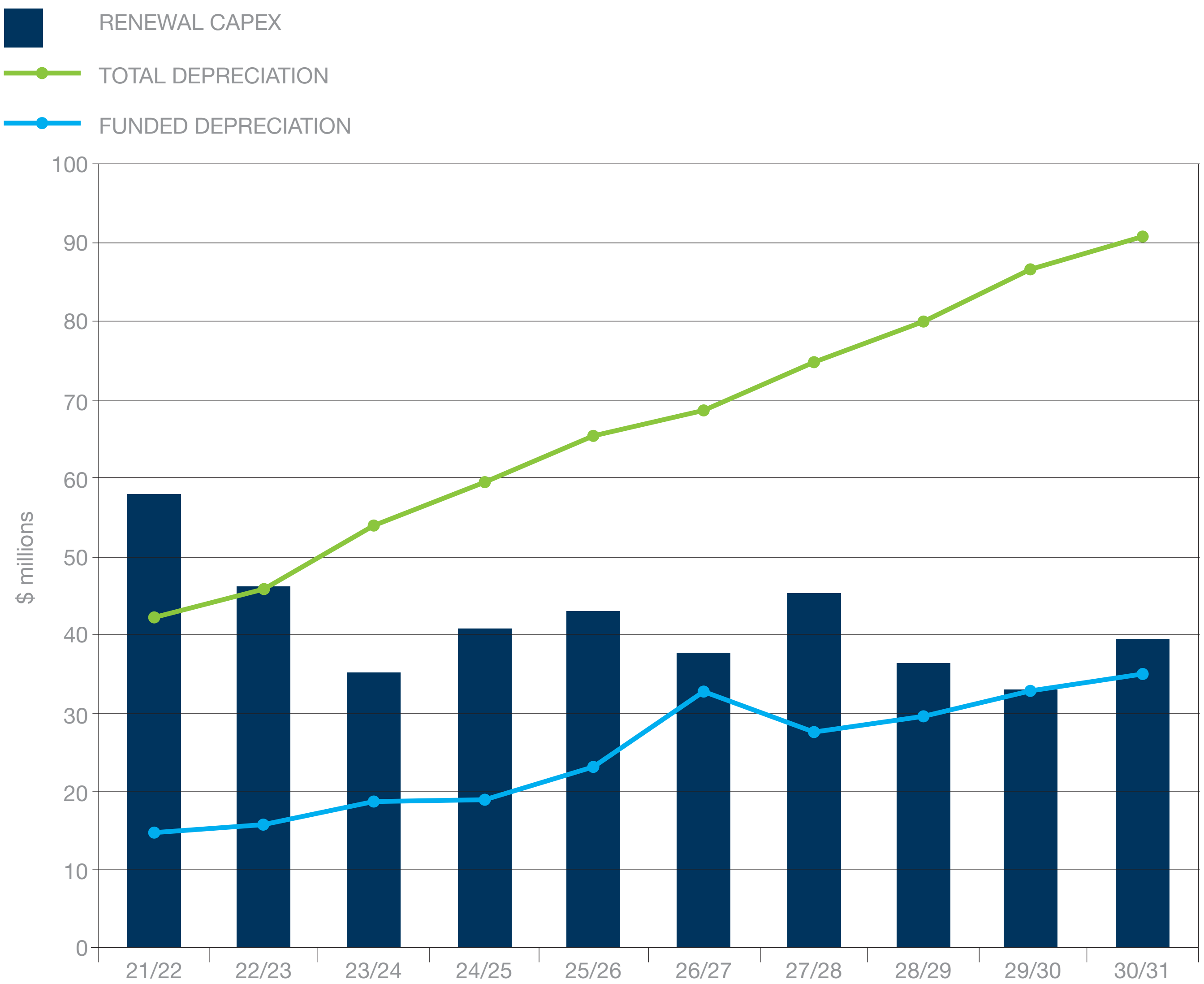
In periods of slow growth or where growth is less than forecast, it is recognised that development contribution income will not be sufficient to fund the full cost of servicing 'growth' loans. In these circumstances, the Council will fund the shortfall by a combination of:

- Additional internal loans (repayments funded by general rates);
- Utilising the Housing Infrastructure Fund available via the central government; and
- Utilising 'excess' depreciation funds (especially roading).

B. Capital expenditure to maintain existing levels of service

The cost impacts of renewing or replacing existing assets have been assessed for the next ten years. Of the total capital cost of $1.673b for the period, $414M (25%) is required due to renewals.

TEN YEAR FINANCIAL ANALYSIS RENEWALS VS DEPRECIATION



Most of the renewal expenditure is funded from rates or debt. The graph demonstrates that there is sufficient funded depreciation to meet the forecast renewal spend for core infrastructure (i.e. 3 waters and roading) with around 35 to 40% of the depreciation expense being provided for in the rates levied on properties in the district. The gap in the early years reflects the high level of renewal component included in the $56.3M Queenstown Streetscape "shovel ready project" which attracts a 57% crown subsidy. The funding of depreciation is discussed further in the following section, Balancing the Budget.

The largest portion of renewal expenditure is providing for certain core infrastructure totalling $272M. This is spread across the relevant core activities as follows:

> Roading $163M

> Water supply $30M

> Wastewater $64M

> Stormwater $15M

This amounts to 65% of the total renewal expenditure over the ten year period ($272M).

C. Capital expenditure to improve existing levels of service

The cost impacts of capital expenditure to improve existing levels of service have been assessed for the next ten years. Of the total capital cost of $1.673b for the period, $639M (38%) is required for this purpose. It is not uncommon for a capital project to have a mixture of reasons for construction (known as cost drivers). A large project like Queenstown town centre arterials Stg 1 ($49.3M) (new Queenstown bypass) is a good example.
The project provides additional capacity for the future; so is partly required to be funded from growth sources (loans and development contributions). There is also a large component which clearly provides an enhanced level of service. The new road will provide for reduced congestion and faster trips and as such around 46% of the cost of the project has been attributed to increased level of service.

The largest portion of capital expenditure due to increased levels of service totals $483M and relates to the following activities in the Ten Year Plan:

> Roading $134M

> Community/Recreation $90M

> Water supply $129M

> Wastewater $130M

This amounts to 76% of the total of $639M for this category over the ten year period. The main projects in Community which are providing increased levels of service are the Queenstown Performing Arts Centre ($17.9M); Wanaka Recreation Centre improvements and extensions ($8.5M): Wanaka Sportsfields ($5.3M) and the Queenstown Events Centre improvements and extensions ($28.2M).

The water supply projects include proposals to provide improved treatment facilities in both Wanaka ($29.5M) and Queenstown ($20.5M). The wastewater projects include upgrades to both Wanaka and Queenstown wastewater disposal plants ($24.4M); significant upgrades to the Hawea scheme ($13M) as well as a new scheme in Glenorchy ($16.3M). The roading projects total includes the Integrated Transport Masterplans for Queenstown (Queenstown town centre arterials; Queenstown parking improvements; public transport; combined total $56.8M) and also represents the portion of overall capital expenditure not attributable to growth or renewal. Often this reflects an improvement made to enhance the road or footpath, for example widening or improved surface.

Balancing the budget

The Local Government Act 2002 (the Act) contains a requirement to balance the budget. Section 100 states:

1) A local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

2) Despite subsection (1), a local authority may set projected operating revenues at a different level from that required by that subsection if the local authority resolves that it is financially prudent to do so, having regard to:

    a) The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long term Council community plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.

    b) The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity to assets throughout their useful life.

    c) The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.

    d) The funding and financial policies adopted under section 102.

The Council meets these requirements over the timeframe of the plan based on key assumptions around external funding sources. The forecast Statement of Financial Performance over the next ten years shows consistent operating surpluses, which demonstrates the Council is balancing its budget requirements. There is a minor breach of this requirement in 2023/24 which coincides with a dip in revenue before the visitor levy is assumed to be introduced in 2024/25.

FUNDING OF DEPRECIATION

The funding of depreciation is an implied requirement of the "balanced budget" provision. It requires that the Council fully fund all operating costs, including reductions in the useful life or quality of assets. The requirement arises from Government concern that some local authorities were not adequately maintaining infrastructural assets. In instances where this occurred, current ratepayers were paying too little and leaving a major financial burden for future generations.

The Council has provided adequately for asset renewal in recent years. A major effort has been made over the past decade or so to address deferred maintenance and the budgets have provided appropriately for the renewal of infrastructure. The Council now has far more reliable asset information and a much better understanding of the life cycle of its assets. The Act provides a more flexible approach in the requirement to fully fund depreciation. This has allowed some flexibility which the Council has taken advantage of in four key areas in preparing the Ten Year Plan:

i The Council needs to fund depreciation only on its share of roading expenditure. The component attributable to NZTA should not be funded as the NZTA subsidy funds this. Allowing for all subsidisable costs, 32% of roading depreciation will be funded in 2021/22 (2018/19 - 53%). This increases to around 40% by year 10. There is no impact on current levels of service from this approach, as the cash collected over the 10 years will fully fund the local share of renewal programmes.

ii Depreciation on community facilities may not need to be funded as they are often funded by non-Council sources and are not expected to be replaced in the same form at the end of their useful life. Depreciation on buildings such as halls, libraries, and other facilities (including the Queenstown Events Centre and Wanaka Recreation Centre) will therefore not be funded.

iii The Council accepts that it is unreasonable to fund depreciation where a community has funded a water or sewerage scheme by lump sum contributions or loan charges as that community ends up paying twice – for loan charges and depreciation.

iv As we have generally maintained the value of our infrastructure, the Council will use funded depreciation to finance renewal projects and repay loans. It will not be used to fund new assets or asset improvements. The impact of the above approach has led to the following depreciation amounts not being funded:

(000's)	Total Depreciation 2021/22	Depreciation not funded 2021/22	Funded %	Total Depreciation 2030/31	Depreciation not funded 2030/31	Funded %
Roading	17,665	12,064	31.7%	35,132	21,216	39.6%
Wastewater	7,927	4,751	40.1%	16,284	9,512	41.6%
Water Supply	5,707	3,471	39.2%	13,172	7,338	44.3%
Stormwater	4,837	3,213	33.6%	8,987	5,392	40.0%
Community/Other	6,764	4,560	32.0%	17,244	12,353	28.4%
Total	**42,899**	**28,098**	**34.57%**	**90,819**	**55,812**	**38.5%**

Revenue & Financing policy

Section 103 of the Act outlines that the revenue and financing policy must state the Council's policies in respect of the funding of both operating expenses and capital expenditure.

FUNDING SOURCES – OPERATIONAL EXPENDITURE

The 'revenue' part of the title 'revenue and financing policy' relates to funding of operating expenditure.

The following sources of income are recognised by the Council:

Rates

A number of the Council activities are funded by a combination of revenue types. The Council practice is to initially account for income from fees and charges, grants and subsidies or other income sources. If the activity still requires additional funding, the remaining balance is usually funded by way of a rate which is applied to relevant properties within the district.

The Council uses a capital value rating system across the district. Capital value is preferred to land value as the Council believes that it generally provides a better method for the fair allocation of cost for the Council services. Rates are generally used where it is economically impractical to use fees and charges.

There are two classification types for rates:

> General rates - include uniform annual general charge (UAGC) and capital valued based rate.

> Targeted rates - include capital valued based roading rate, tourism promotion rate, governance rate, recreation and events rate, regulatory rate, water supply rate and stormwater rate; fixed annual charges for sewerage, water supply, waste management, recreation and events, governance and regulatory, Queenstown aquatic centre, Wanaka aquatic centre and sports, halls and libraries; and proposed capital value based transport improvements rate.

Generally, the policy indicates that where a private benefit exists, the cost of this should be recovered by user fees or a targeted rate. The cost of public benefits is usually general rate funded, with the capital value rate used to fund 'property' related activities and the UAGC used to fund 'people' related activities.

Fees and Charges

There is a wide range of revenue in this category. Generally, the Council will look to user fees and charges to recover the 'private benefit' costs of a particular activity if it is economically viable to do so.

Grants and Subsidies

Some of the Council activities qualify for a grant or subsidy from the Crown. In particular, the Council receives a subsidy from NZTA for qualifying roading expenditure. Other smaller grants are also received from the Crown, e.g. Creative NZ.

Interest and Dividends from Investments

Interest income is recognised from all investment sources but is very minor. The majority of investment income is used to offset rates. The Council receives a regular dividend from Queenstown Airport Corporation (QAC) via its 75.01% ownership stake. It is proposed to continue to utilise forecast dividends from QAC to repay generally funded debt.

Other Sources of Income

Other sources of income include parking infringement fines, petrol tax, rates penalties and concession income. Council also expects that a visitor levy will be introduced by the 2023/24 year. Although mainly a tool for funding visitor related capital expenditure, it is expected that a portion of the levy will fund visitor related operational expenditure. This is a catch-all classification and the income is treated in the same way as fees and charges.

FUNDING SOURCES - CAPITAL EXPENDITURE

Funding to pay for new assets will come from a mix of borrowing, development contributions, grants and subsidies, visitor levy, capital revenue, reserves and asset sales. Generally the costs of new assets will not be met from rates; however a portion of the costs of servicing loans will be funded by rates.

Funding for new capital works will depend on the nature of the work, in particular the reasons (cost drivers) which have made the work necessary. There are three main cost drivers recognised by the Council:

- Growth
- Renewal
- Level of service shift

Capital Expenditure Due to Growth

The Queenstown Lakes District has experienced significant growth in its resident population, visitors, housing and commercial development and the local economy. This growth generates high levels of subdivision and development activity which places increasing pressure on the assets and services provided by the Council. Significant investment in additional assets and services is therefore required to meet the demands of growth. The Council intends to fund the portion of capital expenditure that is attributable to growth from development contributions wherever it is reasonable to do so. In cases, where Council is unable to fund the construction of new infrastructure to support growth within optimal timeframes, Council will look to accelerate the delivery through the use of third party financing as provided for under new legislation Infrastructure Funding and Financing Act (IFF).

The Council considers that development contributions are the best mechanism available to ensure the cost of growth (net of any external funding) is funded by those who have created the need for that cost. The Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of growth. The Council has adopted a Policy on Development Contributions (DC Policy) as part of the Ten Year Plan since 2004. This is updated on a three yearly basis.

Types of assets included in the DC Policy are:

- Network infrastructure for water supplies, wastewater, stormwater and roading; and
- Community infrastructure including the development and acquisition of reserve land to use as reserve and facilities needed on that reserve and other public amenities such as halls, libraries, public toilets, parking facilities and the like.

Funding sources for growth capital expenditure in order of priority:

i Vested assets

ii Development contributions

iii Capital grants and subsidies attributable to growth portion

iv Borrowing

Capital Expenditure Due to Renewals

Renewal works are those capital expenditure costs that are incurred in restoring an asset to previous service levels, usually reflected in the amount that an asset has depreciated. Therefore, by using depreciation funds, the Council will be maintaining infrastructural networks to at least their existing service level. The funding of depreciation is an implied requirement of the 'balanced budget' provision of the Act (see above). It requires that the Council fully fund all operating costs.

Funding sources for renewal capital expenditure in order of priority:

> Depreciation reserves
> Visitor Levy (to cover the visitor related portion)
> Borrowing
> Rates

Capital Expenditure Due to Shifts in Levels of Service, Statutory Requirements or Other Reasons, but not including Growth or Renewals

The cost driver for some of the capital works within the Queenstown Lakes District relates to increasing levels of service for the community. Sometimes these improvements to levels of service are required because of changes to legislation or resource consent conditions, which means that there is often little discretion with regard to the decision. An example of this would be the requirement to provide additional water treatment facilities as a result of the introduction of new Water Treatment Standards.

In other cases, the increase in level of service is a community driven decision. An example of this would be the construction of Aquatic Centres. The Council's approach to funding for this type of capital expenditure is to apply for grants from national and local funding organisations initially and to apply the proceeds of land sales from the Commonage in Queenstown or Scurr Heights in Wanaka.

Funding from the Commonage in Queenstown is restricted by statute to be applied for the benefit of the Old Queenstown Borough for the purposes of water and sewerage upgrades. Proceeds from Scurr Heights land in Wanaka is restricted for use to the Wanaka ward and can be applied to a variety of infrastructure purposes including water, wastewater, roading or community (recreational) purposes.

Funding sources for other capital expenditure in order of priority:

> Capital grants and subsidies
> Visitor Levy (to cover the visitor related portion)
> Capital revenues and asset sale proceeds
> Capital reserves
> Borrowing
> Rates

Quantified Limits On Borrowing

In order to deliver the substantial capital programme included in this plan, the Council will need to rely on borrowing. The amount of borrowing required is significantly above the amount anticipated in the 2018 plan. The Council has maitained a credit rating of AA- which will facilitate a higher borrowing limit and has spent a considerable amount of time and effort working through the capital programme to ensure that it is affordable, necessary and deliverable.

This has meant that a number of projects have been deferred or omitted because of funding and financing constraints. It is expected that by the end of year seven, external debt will have risen to $709M (2018: $441M) and by the end of the ten year period it will be at $701M (2018: $323M).

The growth portion of the capital programme (some $619M) will be largely funded by development contributions in the long run, but must be funded primarily by debt in the first instance. Some of this debt will be via the Housing Infrastructure Fund to allow the Council to prepare for anticipated growth and to direct development activities in specific areas. This allows for the Council to spread the cost of large infrastructural projects over the expected life of the asset.

Using debt in this way means that future residents and ratepayers contribute a fair share to the use they make of a facility. The proposed level of borrowing is within the debt parameters in the Council's Liability Management Policy. The borrowing limits have increased as a result of a change to debt covenants for borrowers with the LGFA. This was introduced to recognise the changed economic environment as a result of COVID-19. Many Councils are facing a shortfall in revenue which in turn impacts the important "debt to revenue" borrowing limit.

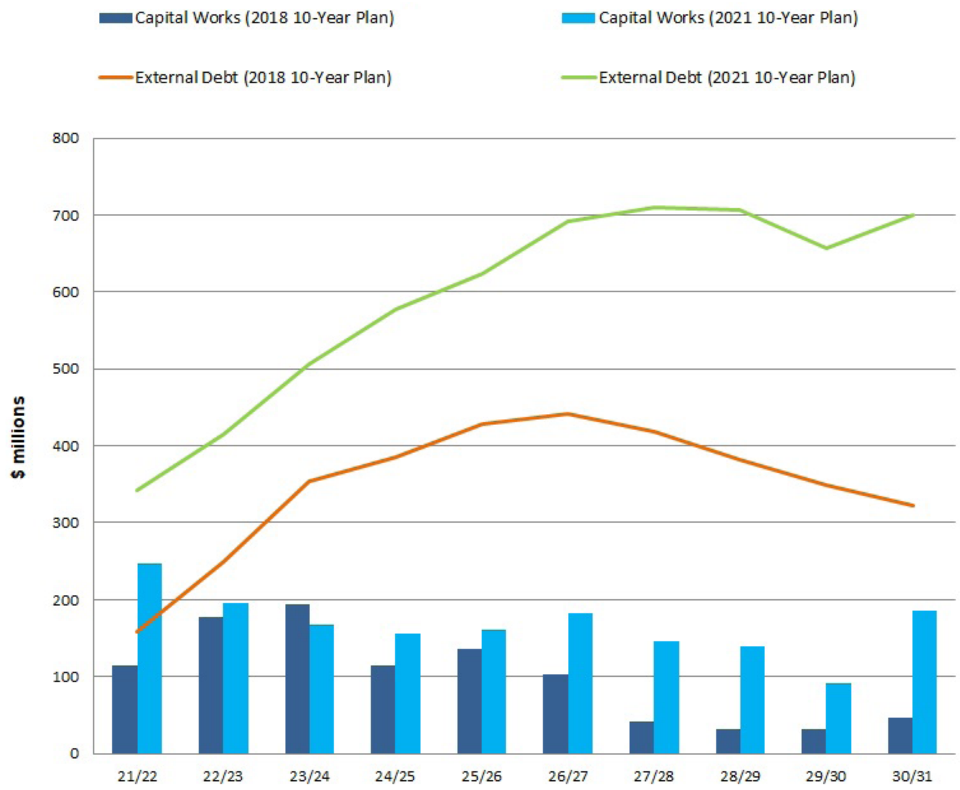
LGFA Borrowing Limits (%)	Actual 2019/20	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2030/31
Interest Expense/ Rates < 30%	4.8%	7.2%	9.2%	10.5%	10.1%
Interest Expense/ Total Revenue < 20%	2.7%	3.2%	4.3%	5.9%	5.6%
Net Debt/Total Revenue < 280%*	74.6%	157.7%	189.5%	250.6%	213.7%

**Limit has been increased to 300% for 2021/22; 295% for 2022/23; 290% for 2023/24; 285% for 2024/25; & 280% thereafter*

The Council is within all of the debt parameters, which means that the affordability of the Ten Year Plan can be demonstrated. The Council is within all of the debt limits provided by the LGFA for the full ten years; this is important because compliance with these limits is an important requirement for continued financing. The debt ratios show that the headroom provided in the 2018 Ten Year Plan has reduced due to the significant investment required in the district over the ten year period.

The following graph shows a comparison of the 2021 Ten Year Plan to the 2018 Ten Year Plan for capital works and external debt over the ten years. The increase in the debt position at the end of the period is over $358.3M.

TEN YEAR FINANCIAL ANALYSIS EXTERNAL DEBT VS CAPITAL WORKS



Security for Borrowing

The Council generally does not offer assets other than a charge over rates or rate revenue as security for general borrowing. This is achieved through a debenture trust deed which is a legal mechanism that provides assurance to lenders and is administered by an independent trustee.

Quantified Limits On Rates

Operating expenditure (excluding interest and depreciation) is shown to increase over the ten year period by an average of 6.7% (2018: 4.9%) per annum. The forecasts do include a provision for inflation after the first year as well as increases as a result of projected growth within the district. Operating revenue for the same period increases by an average of 5.2% (2018: 2.7%) per annum. With the significant increase in capital expenditure and debt, forecast rates increases are also higher. The average net annual increase over the ten years (after allowing for growth) is now 4.4% up from 3.4% (2018).

The following graph shows that rates are increasing at a lower rate than operating costs over the ten year period. As discussed earlier, rates are influenced by a number of factors including core recurring operating costs; growth in the district; inflation and the capital programme. The capital expenditure in previous years will affect rates through the impact of depreciation and interest costs.

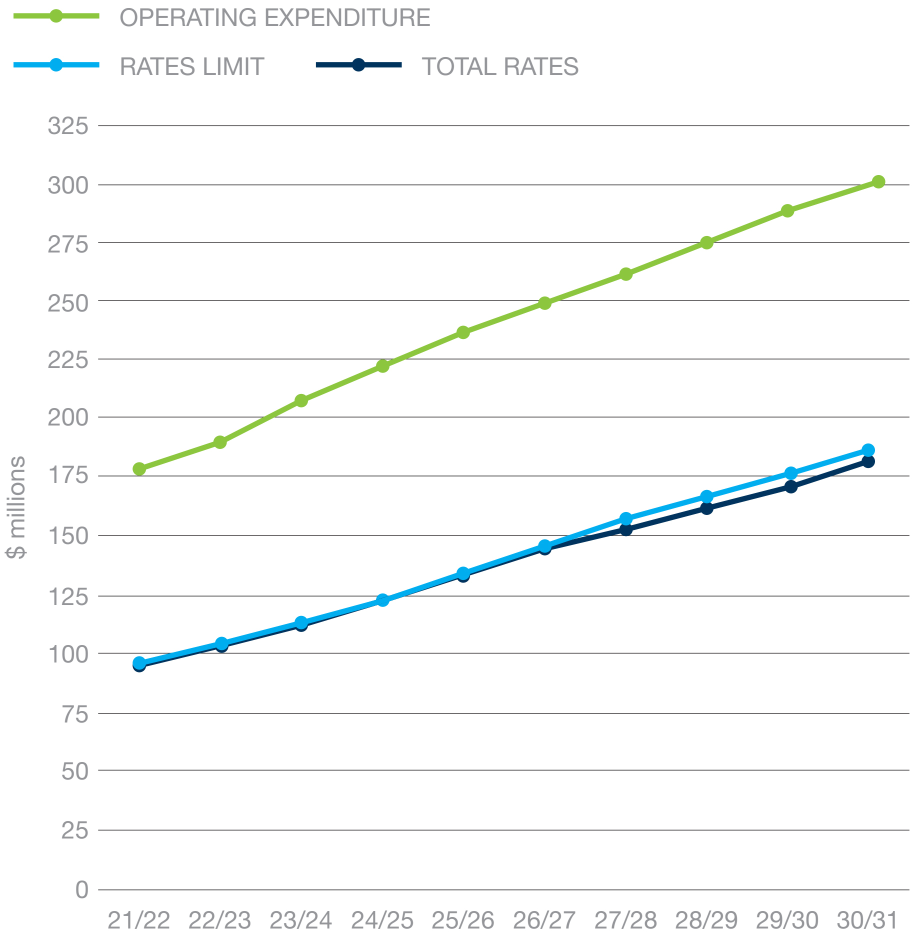
Rates can also be affected if the community demands or central government requires an improvement in levels of service for a particular activity. Where there is a significant rates impact for a proposal of this nature (i.e. water treatment and Queenstown transportation improvements), the Council will disclose the rating impact as part of the consultation process. The forecast rates increases reflect the assumption that a visitor levy is introduced from Year 4 – 2024/25. If this is not the case, this will have a significant impact on both the capital programme and rates increases. For example, the average rates increase after growth for the last seven years would be 6.3% without the levy in contrast to 3.9% with it, assuming no changes to the capital programme.

In order to determine a sensible quantified limit on rates, it is necessary to take account of the various influences on rating levels. The limit should also be easily understood. The following graph shows that rates are increasing by an average of 7.4% (gross) over the ten years. Gross rates is before allowing for the projected growth in the numbers of ratepayers. We have attempted to smooth the impact of rates increases as the increased costs associated with new plant and facilities is recognised. The forecast gross rates increases for the first six years are slightly higher as they reflect the cost impact of increased levels of service.

It is proposed therefore to set a rates increase limit of 9% gross (6% net) per annum (subject to changes in growth forecasts) for the ten years. It is also proposed that rates income will not exceed 55% of total revenue. The average growth rate in the district is 3.0% per annum and this will reduce the impact of any rates increase for existing properties.

Operating Expenditure and Rates Revenue

OPERATING EXPENDITURE & RATES REVENUE



FINANCIAL INVESTMENTS AND EQUITY SECURITIES

The Council holds very few financial investments as we are a net borrower. Surplus cash will be invested for short periods from time to time in line with the Council's Investment Policy.

The Council does hold equity securities (shares) in a controlled entity. This Council Controlled Trading Organisation (CCTO) exists or has been established to perform specific important functions within our community. Shares are held in the following entity:

Name:
Queenstown Airport Corporation

Ownership Interest:
75.01%

The shareholding in Queenstown Airport Corporation is both commercially and community oriented. The Council continues to hold a controlling interest in QAC as the airport is seen as a critical piece of local tourism infrastructure. The airport is the fastest growing in Australasia and it is seen as essential that it remain under community control to ensure that it continues to make decisions in the best interests of the district. Until 2010, the Council was the sole shareholder but with the equity investment from Auckland International Airport Ltd, regular dividends have been paid until the impact of COVID-19 has temporarily halted dividend payments for 2020-2021 and 2021-2022.

Over the next three years, $10.6M of dividend income is forecast to be received. The Council intends to use this income to repay existing debt.

30 Year Infrastructure Strategy | Te Rautaki Whakahaere Riroka

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Kuputaka | Key terms

ACTIVTY / ASSET MANAGEMENT PLAN (AMP)

A long-term plan which is a written representation of the intended asset management programmes over the whole life of the assets, to provide a specific level of service in the most cost-effective manner.

LEVEL OF SERVICE

The amount or quality of a service or activity that is provided to the community. Also referred to as 'service level'.

RENEWAL

A replacement of an existing asset at the end of its useful life.

FINANCIAL STRATEGY

The Council's agreed long-term approach to financial management as contained in the Ten Year Plan.

STRATEGIC INFRASTRUCTURE

Significant infrastructure that is required to allow the development of growth, manage climate change, demand management or ongoing development within the district. Is generally provided by the Council.

LOCAL INFRASTRUCTURE

Infrastructure that is required to provide services within a development, generally provided by developers. This can be either public infrastructure vested in the Council or private infrastructure.

PUBLIC INFRASTRUCTURE

Infrastructure that is owned and managed by the Council or another public entity. Public infrastructure may have been constructed by developers and vested in the Council.

HOUSING INFRASTRUCTURE FUND (HIF)

Housing Infrastructure Fund is a Government backed funding arrangement that provides 10-year interest free funding for specified growth projects.

1.0 About the strategy

1.1 PURPOSE

The purpose of the 30-year Infrastructure Strategy (the Strategy) is to identify significant infrastructure challenges and opportunities for Queenstown Lake District Council (QLDC) over the next 30 years; and to identify the principal options for managing those challenges and the implications of those options.

The Strategy gives effect to Council's Asset Management Policy. This document is designed to meet the requirements of section 101B of the Local Government Act 2002.

1.2 SCOPE

The Strategy outlines QLDC's approach to managing and investing in the Queenstown Lakes District's infrastructure including what will be required, when, and how much it will cost across the following infrastructure:

> Water
> Wastewater
> Stormwater
> Transport
> Waste Management and Minimisation

Ensuring existing infrastructure networks and services are well-maintained, safe, and compliant is Councils core infrastructure business. To achieve this, a step-change in capital expenditure is required to respond to aging infrastructure, levels of service, and changing legislation.

The effect of this high-cost, essential investment is a portfolio that is predominantly aligned to our people and economic strategic outcomes. People will be protected from harm, and services will strike a balance of quality and affordability. We will invest in protecting our natural environment and take positive steps towards understanding and building resilience.

The first ten-years of infrastructure investment will create the necessary foundations to realise our health promotion, economic stability, resilient communities, and environmental regeneration goals.

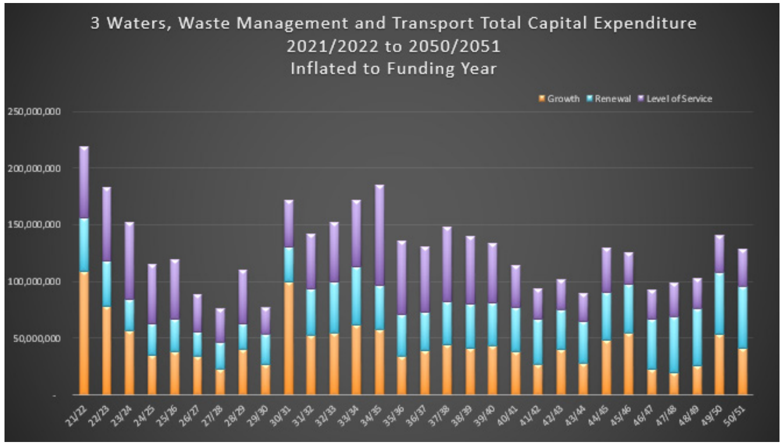
Years eleven to thirty of this Strategy are an indicative estimate of QLDC's future infrastructure needs. It is not a budget and by itself does not commit QLDC to any future project, cost or timing. It is a statement of current assumptions and thinking about what infrastructure will be required to address the key issues facing the district over the next 30 years.

1.3 IMPACTS OF AFFORDABILITY AND COVID-19

The economic impacts of COVID 19 on the community and QLDC's financial position has had major impacts on the capital investment programme as outlined in the 2021 Ten Year Plan document. Further, the programme is subject to the complexities of multi-agency and multi-programme overlaps, which themselves are subject to COVID19 impacts. As noted in the Strategy, at the time of writing (June 2021), there is still significant uncertainty about the funding coming from these external agencies, particularly Waka Kotahi.

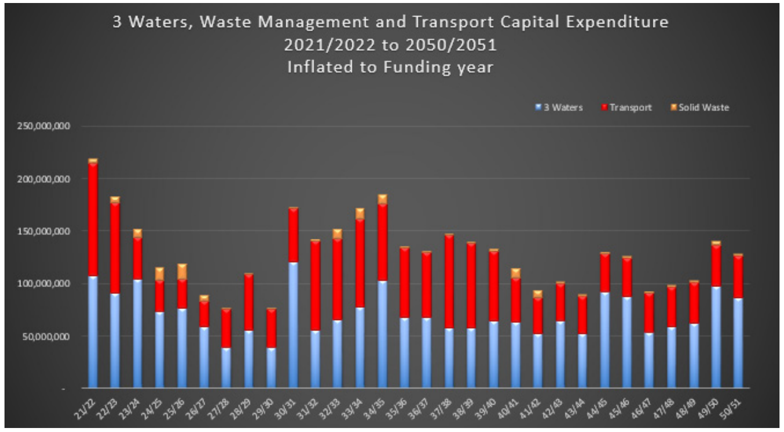
This strategy draws together information from QLDC's AMPs, Master Plans, Ten Year Plan and other key strategic documents. The total capital programme is $3.884BN, of which the cost impact of growth has been assessed at 35% or $1.359BN over the next thirty years. Of the total capital programme, 29% ($1.145BN) is required for renewal or replacement of existing assets and 36% ($1.380BN) for increasing level of service.

Figure 1: Expenditure by Cost Driver



Issues of affordability are considered in detail as part of QLDC's Financial Strategy, as required by section 101A of the Local Government Act. Options for funding investment are modelled and discussed in this document. Typically, QLDC funds investment through debt, to enable intergenerational charging, over the life of these long-lived assets, for those that benefit from their use. Total capital annual expenditure for three waters, waste management and transport for the 30-year period is shown in Figure 2 below.

Figure 2: 30 Year Capital Expenditure



1.4 CLIMATE CHANGE

The Strategic Outcomes Framework discussed later in this document, has a goal specific to protecting the environment – whilst all three supporting objectives have a very clear link to climate change. QLDC is adhering to ensure climate change is inherent in everything we do. Some examples of the connections to climate change are:

> Climate change will culminate in sudden natural events – therefore we plan to mitigate the event, survive the event, or recover quickly following the event – or most likely a combination of all three. We can't do this without understanding the impacts of climate change and our contribution to it.

> We are committed to respecting and enhancing the natural environment – part of this is preventing further degradation (either directly or indirectly) – climate change = degradation of landscapes and ecosystems.

> Climate impacts the way we interact with the environment – we should consider how our networks perform (and users interact with them) in changing climate conditions. Material if we are creating opportunities for people to be more active, recreate, and connect.

> Services that protect and promote health have direct links to climate e.g. temperature change may impact the bacterial loading at wastewater treatment plants, algae bloom patterns may change directly impacting our water treatment train etc.

> Responding to demand for services in a way that balances quality and affordability expectations of our community necessitates us to consider their expectations in relation to climate change.

2.0 Vision and Community Outcomes

2.1 VISION BEYOND 2050

Vision Beyond 2050 was developed in partnership with our community, providing eight defining principles for how we live, work, and play. A diverse group of thinkers were convened to reflect the many voices in the district and key concepts, including tākata whenua, the rich heritage of the area, today's diverse communities, and the business and tourism perspectives. Perspectives were sought from disabled people, voices from the elderly, iwi, farming, community support and development services, ethnic minorities, and representation from Central Government.

Further community engagement delivered the resulting community vision - titled 'A Unique Place. An Inspiring Future | He Wāhi Tūhāhā. He Āmua Whakaohooho'. In March 2019, the Council unanimously agreed to commit to the vision as a guiding document to inform future planning and decision-making.

Figure 3: Vision 2050 Defining Principles

THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

The three central figures are the people within the communities thriving. With the sun rising behind them.

EMBRACING THE MĀORI WORLD | WHAKATINANA I TE AO MĀORI

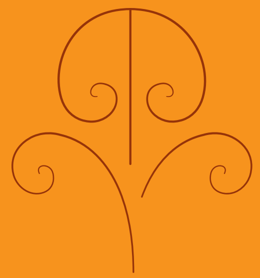
The koru and the traditional haehae lines represent te ao Māori as a whole.

BREATHTAKING CREATIVITY | WHAKAOHOOHO AUAHATAKA

This icon is representative of an atom, but also creativity itself.

DEAFENING DAWN CHORUS | WARAKI

This icon shows a tūī singing as a new day starts reflecting a healthy and thriving environment and ecosystem.

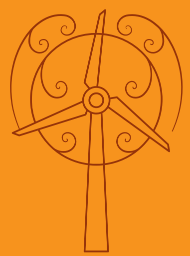


OPPORTUNITIES FOR ALL | HE ŌHAKA TAURIKURA

The koru and mangopare show the different paths and opportunities that are available.

DISASTER DEFYING RESILIENCE | HE HAPORI AUMANGEA

The puhoro are representative of speed and swiftness, in this case representing the swiftness that we take in making sure we are resilient in such situations. Then the koru bringing life and hope.



ZERO CARBON COMMUNITIES | PARAKORE HAPORI

The koru surrounding the wind turbine represent the life or more so the energy that is produced so that we may thrive in a zero carbon community.

PRIDE IN SHARING OUR PLACES | KIA NOHO TAHI TĀTOU KĀTOA

This icon shows our whenua and the pride we have in it, with the different styles of koru representing the different elements within the rohe.

2.2 COMMUNITY WELLBEINGS

In 2019, an amendment to the Local Government Act reinstated the community wellbeing's giving Councils a clear directive that community wellbeing needed to be a core consideration in any decision making. These four wellbeing's had consistently underpinned Council planning and decision-making, and the legislative clarification was welcomed by QLDC and reflects our commitment to promoting the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

The reintroduction of the four aspects of community wellbeing was welcomed by QLDC, as it gave local government a clear directive that community wellbeing needed to be a consideration in policy making, service delivery and decision-making.

It reflects our commitment to promoting the environmental, social, cultural and economic, wellbeing of our communities in the present and for future generations.

Aligned with the communities' Vision Beyond 2050 principles, these four aspects of wellbeing have also been a foundation in developing this 30 Year Infrastructure Strategy and will continue to be a key factor in Council decision-making processes.

Whaiora | Grow Well – The Spatial Plan

The first ever joint Crown-District Council-Iwi Spatial Plan for the Queenstown Lakes establishes an integrated, long term, collaborative strategy that improves community wellbeing, protects the environment, and maintains a world class visitor experience. The Spatial Plan is currently in draft, pending consultation and adoption in the first half of 2021. The Spatial Plan is intended to guide new approaches with support from Central Government to help address the challenges in the Queenstown Lakes District.

Three principles and five spatial outcomes guide the direction of the Spatial Plan and address the challenges and opportunities facing the Queenstown Lakes District. The Spatial Plan also identifies strategies and key initiatives to achieve the outcomes; these were developed and tested in collaboration with the community.

The 30-year Infrastructure Strategy aligns with the objectives, principles and desired outcomes of the Spatial Plan.

Figure 4: QLDC Spatial Plan: Whaiora Goals, Outcomes & Principles

3.0 Infrastructure Strategic Outcome Framework

To deliver the Vision Beyond 2050 and the infrastructure strategic outcomes, a Strategic Outcome Framework was developed to understand and align our contribution to the community's vision. This framework has guided the formation of our thirty-year Infrastructure Investment Portfolio.

Figure 5: Part B: Strategic Outcomes Framework

For each of the four outcomes, we have defined five goals and eleven strategic objectives.

- Each outcome, goal and objective are discussed in the following section of the Strategy. Section 4, "Infrastructure Focus Areas" identifies significant capital decisions that are anticipated over the next 30 years and options that will need to be considered as part of the decision-making process.
- The key external factors that may impact infrastructure investment opportunities and timing are discussed in the External Factors section
- Examples of types of partnerships, and the challenges and opportunities that the Council faces for delivery of infrastructure is discussed in the Partnership Opportunities section.

The following are the headline four outcomes from the Strategic Outcomes Framework which are presented in more detail on the following page, and are a significant driver for Council infrastructure matters.

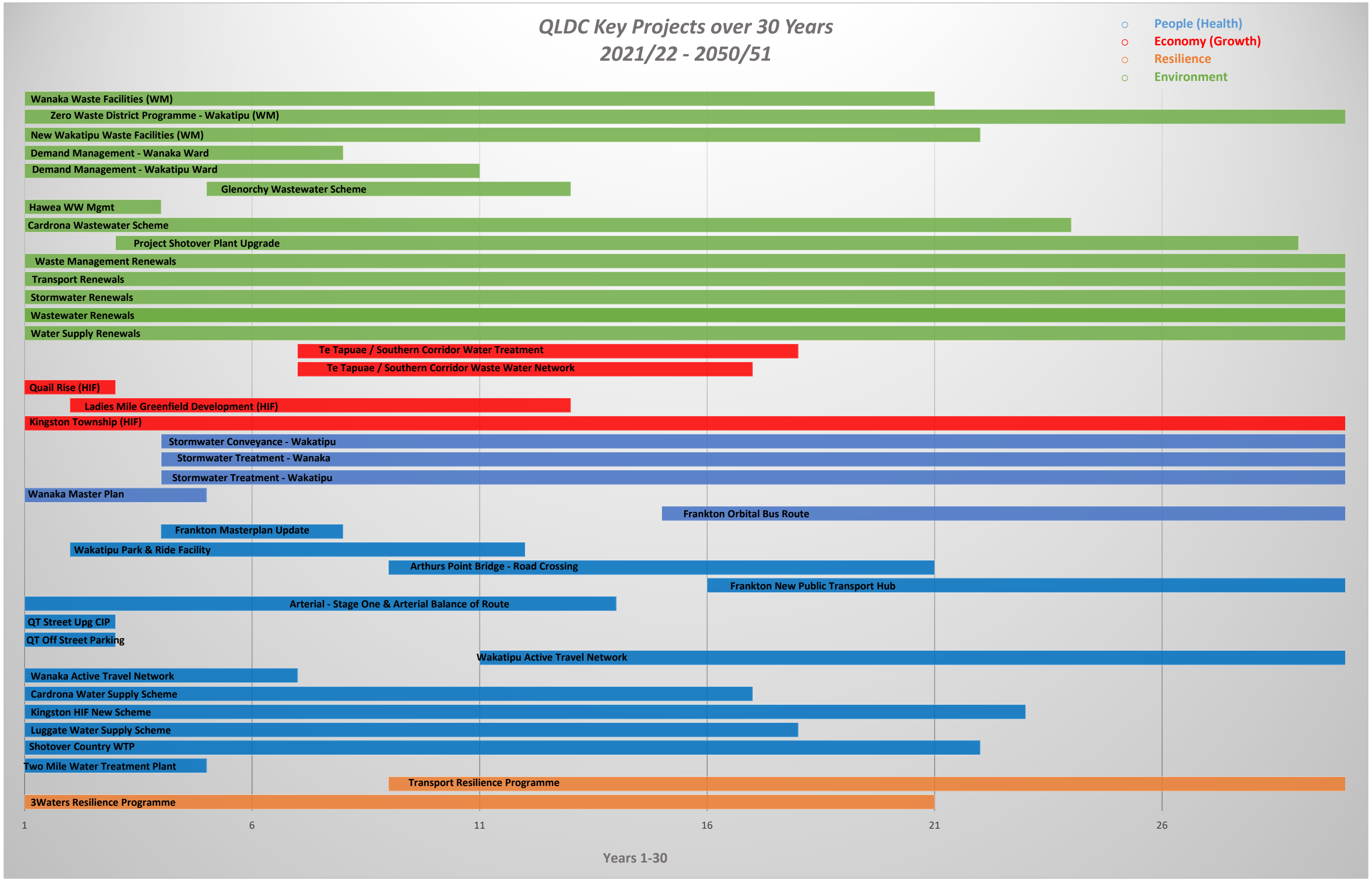
Figure 5: Part B: Strategic Outcomes Framework (headline outcomes)

Figure 5: Part C: Strategic Outcomes Framework

OUTCOMES	GOALS	OBJECTIVES
ALL PEOPLE CAN LIVE HEALTHY LIVES	Harness our position as a service provider to promote health	> Services reliably protect people from harm > Services create opportunities for people to increase activity, recreation, and social connection
THE ECONOMY IS STABLE AND OUR PEOPLE PROSPER	Provide high-quality, affordable services	> Respond to demand for services in a way that meets customer quality and affordability expectations > Sustain the affordability of services through efficiency, effectiveness, and funding opportunities
	Support a stable district economy	> *Sustain annual market spend to support and strengthen the district's economy* > *Build the diversity and capability of the district's businesses*
COMMUNITIES ARE RESILIENT TO SUDDEN NATURAL EVENTS	Support the social and economic recovery of our district following a natural event	> Ensure the continuity of essential services following natural hazard events > *Optimise the recovery of all services following natural hazard events*
THE NATURAL ENVIRONMENT'S MAURI IS RESPECTED AND PROTECTED	Protect and regenerate the natural environment	> Contaminants from our services are prevented from entering the natural environment > Services reduce impact on global emissions and resource extraction > Identify and prioritise opportunities for environmental regeneration

3.1 SIGNIFICANT CAPITAL EXPENDITURE DECISIONS REQUIRED

Key projects are discussed in the next section: Infrastructure Focus Areas. The figure below highlights our key projects over 30 years, when investment or decisions will be required and which strategic outcome they largely represent.



4.0 Infrastructure Focus Areas

The following section identifies Council's key infrastructure focus areas in response to the outcomes required. We recognise most projects achieve several outcomes. For the purposes of the Strategy, we have highlighted the primary outcome delivered by the investment.

OUTCOME 1:
All people can live healthy lives

GOAL	**Harness our position as a service provider to promote health**
OBJECTIVES	Services reliably protect people from exposure to harm Services create opportunities for people to increase activity, recreation, and social connection
ABOUT	Our **infrastructure services are central to creating a holistic health-supportive environment** (physical, mental, and social wellbeing). Safe and reliable services that promote the health of individuals, communities, and the surrounding natural environment will be readily accessible to all. Non-traditional opportunities to support communities' whakawhanaungatanga through our physical investments will be explored.

This is about reliable services which directly impact public health and safety, including damage to property from flooding. The potential for harm through environmental contamination is addressed in our environmental outcome area.

Active travel, as well as any opportunity to improve activity and recreation through how we develop sites should be measured.

Our infrastructure services are central to creating a holistic health-supportive environment (physical, mental, and social wellbeing) for our community. Safe and reliable services which promote health of individuals, communities and the surrounding natural environment will be readily accessible to all. Non-traditional opportunities to support communities' whakawhanaugatanga through our physical investments will continue to be explored.

The objective is to achieve reliable services which directly impact on public health and safety to prevent damage to property from flooding and provide safe drinking water.

The potential for harm through environmental contamination is addressed in our environmental outcome area.

4.1 DRINKING WATER COMPLIANCE

As the primary water supplier to the district, QLDC are required to provide a supply of water to homes and businesses that is safe for human consumption. Safe and reliable drinking water supplies are recognised as being crucial to the wellbeing and prosperity of our district.

Due to the geography of our district, our smaller townships have their own distinct schemes, which are supplied from local bores takes. Our larger towns, Queenstown and Wanaka, are predominately serviced by lakes intakes from 2-Mile, Kelvin Heights, Beacon Pt and Western. The Shotover Country supply is from a bore field.

Significant investment is required to upgrade our water treatment facilities to ensure that we are compliant with New Zealand Drinking Water Standards (NZDWS). This includes investment to address the problem of lake algae found in the networks where we have direct lake intakes, Wanaka and Queenstown.

Further investment is required for several of our smaller schemes, mainly Luggate, Glenorchy, Kingston, and Cardrona where the investment is a combination of upgrades to existing schemes and new schemes.

Our long-term strategy provides for the following significant investments:

Wanaka – The provision of new water treatment plants (WTP) and supporting reticulation upgrades to distribute compliant water across Wanaka and to remove algae from the network.

Queenstown – The provision of new and upgraded water treatment plants (WTP) and supporting reticulation upgrades to distribute compliant water across Queenstown and to remove algae from the network.

Private Water Supply Schemes – As part of Central Government's proposed changes to drinking water regulation private suppliers will be required to comply to new or enhanced regulatory requirements. Territorial authorities will be expected to inform themselves of the nature of community drinking water supplies in their districts. Where problems are identified, Council will need to work with supply owners to reach a sustainable solution. It is possible that Councils will be required to take ownership of these drinking water supplies. Council has commenced work to understand the scale and nature of private water supply networks in the district; to understand the risks and investment cost of the requirement.

The new drinking water regulator (Taumata Arowai) will come into effect during 2021. Non-compliance risk mitigation activities will continue to be prioritised, implemented and monitored through our Water Safety Plans, until full compliance is achieved throughout the district.

4.1.1 SIGNIFICANT CAPITAL EXPENDITURE DECISION: WITHIN THE FIRST TEN YEARS

Key options for decisions include:

- Purchase of land, granting of designations and easements – this may affect the location of future WTP sites. This will require negotiation with third parties, which is beyond Council's' control.
- Treatment technology – this may affect the level of investment required. Trials are underway in both Lake Wanaka and Lake Wakatipu to determine the effectiveness of filtration technology.
- Additional lake intakes and facilities to service the Te Tapuae/ Southern Corridor

- Decommissioning of the Kelvin Heights WTP is subject to assuring resilience within the water supply network.
- Private schemes – Further work to understand the timing, scale, investment needs and risks of private scheme ownership moving to Council

PROJECT	COST DRIVER	Y1-3	Y4-10	Y11-20	Y21-30
Two Mile Water Treatment Plant	LOS	$24.3M	$7.6M	-	$18.5
Wanaka Water Treatment	LOS	$42M	$10.5M	-	-
Luggate Water Supply Scheme	Renewal	$4M	$1.2M	$2.2M	-
Kingston HIF New Scheme (WS)	Growth	$7.1M	$3.4M	$800k	$10M
Cardrona Water Supply Scheme	Growth	$8.1M	-	$1.5M	-

4.2 ACTIVE TRAVEL

Cycling and walking are highly sustainable models of transport with significant health and wellbeing benefits. There are opportunities to provide improved infrastructure and encourage sustainable travel through a behaviour change program. By improving the active experience as a first mile/last mile mode of travel to compliment public transport trip making. The district has commuting areas of flat terrain which supports this behaviour change. In areas with more challenging terrain the electric bike technology has the opportunity to overcome this barrier.

Active modes are considered a critical element to resolving transport capacity constraints to enable population and visitor growth. Increased uptake in active modes will also assist with working towards health and environmental objectives within relevant planning and policy documents.

4.2.1 WAKATIPU ACTIVE PROPOSED TRAVEL NETWORK

The Wakatipu Active Travel Single Stage Business Case proposes a network of walking and cycling paths across the Wakatipu area. The focus is on providing key connections between the urban areas across the basin including Fernhill, Arthurs Point, Arrowtown, Frankton, Shotover Country, Lake Hayes Estate and Jacks Point.

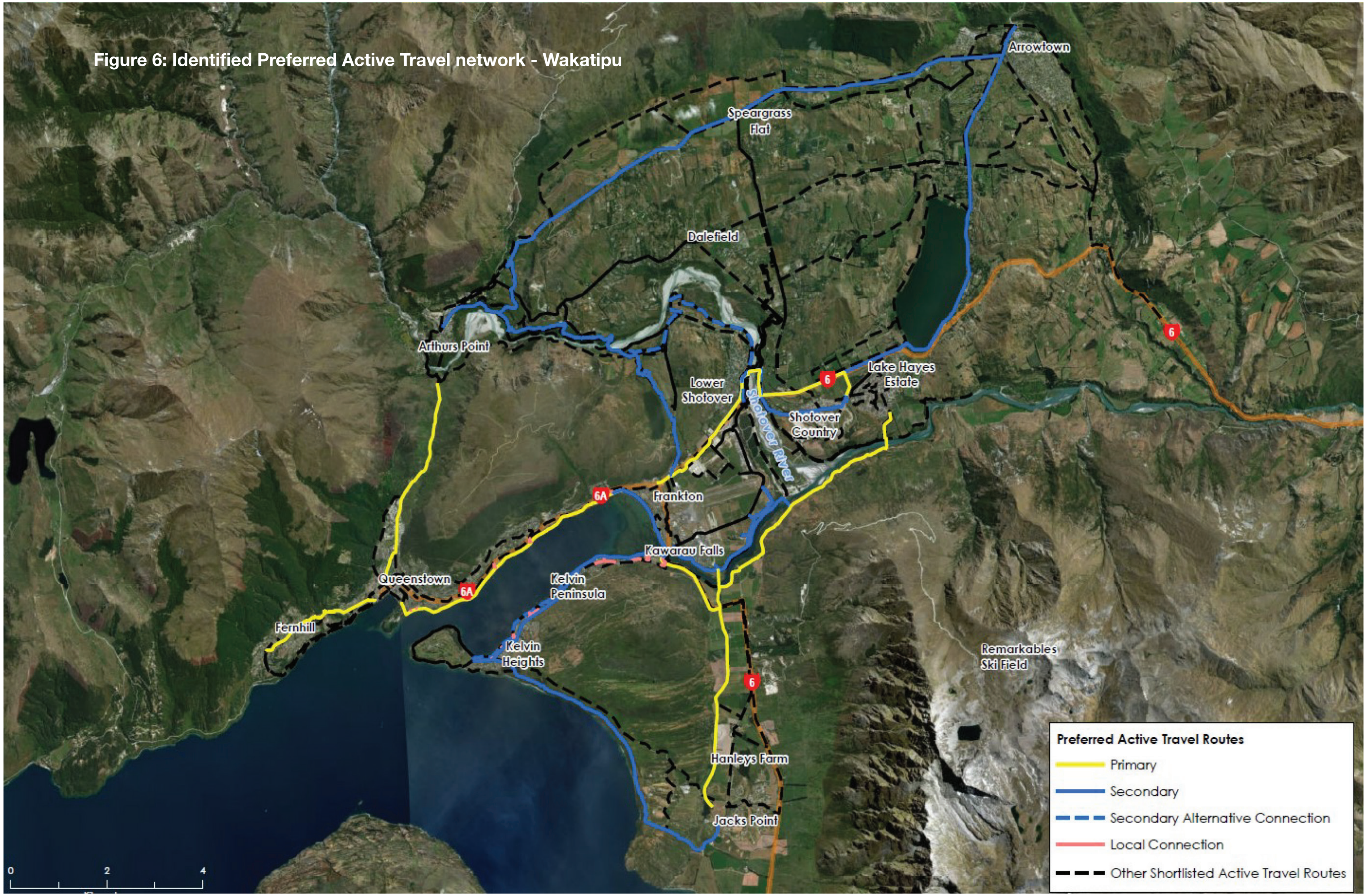


Figure 6: Identified Preferred Active Travel network - Wakatipu
Arrowtown
Speargrass Flat
Dalefield
Arthurs Point
Lower Shotover
Shotover River
Lake Hayes Estate
Shotover Country
Frankton
Kawarau Falls
Queenstown
Kelvin Peninsula
Fernhill
Kelvin Heights
Remarkables Ski Field
Hanleys Farm
Jacks Point
6
6A
0
2
4
Preferred Active Travel Routes
Primary
Secondary
Secondary Alternative Connection
Local Connection
Other Shortlisted Active Travel Routes

4.2.2 WANAKA ACTIVE PROPOSED TRAVEL NETWORK

The Integrated Transport Programme Business Case proposes improved walking and cycling provision and connectivity across the wider Wanaka area.

Figure 7: Identified Preferred Active Travel network - Wanaka

4.2.3 SIGNIFICANT CAPITAL EXPENDITURE DECISION: YEAR 2022

A decision will be required by 2022 to inform the 2024 Ten Year Plan. If delayed beyond this time, the wider transport mode shift will be further affected.

Key options for decisions include:

> Behavioural change to encourage or where necessary force mode shift away from the private car.

> Parking management and enforcement as an incentive lever.

PROJECT / PROGRAMME	COST DRIVER	Y1-3	Y4-10	Y11-20	Y21-30
Wanaka Active Travel	LOS	$5.3M	$12.4M	-	-
Wakatipu Active Travel Network	LOS	-	-	$73.2M	$89M

OUTCOME 2:

The economy is stable and our people prosper

GOAL	**Provide high-quality, affordable services**	**Support a stable district economy**
OBJECTIVES	Respond to demand for services in a way that meets customer quality and affordability expectations Sustain the affordability of services through efficiency, effectiveness, and alternative funding opportunities	Sustain annual market spend to support and strengthen the district's economy Build the diversity and capability of the district's businesses
ABOUT	**Economic stability is essential to ensuring our district is a desirable place** to live, work, and play. Our infrastructure planning, funding, and delivery will give the local market confidence to invest and diversify. We will continually seek out improved ways of meeting our community's service needs.	

Our services must respond to community expectations, but in the pursuit of affordability we need to explore different service offerings with the community (including reliability, quality, etc)

This can be achieved in the way we procure from suppliers, but potentially also through new local economic development initiatives relevant to infrastructure services

We should avoid a boom-bust cycle of expenditure to help local business invest and grow

4.3 ENABLING GROWTH

The Spatial Plan has identified several development areas; a future urban area that builds on existing developments to create critical mass to support frequent public transport, local services and community facilities.

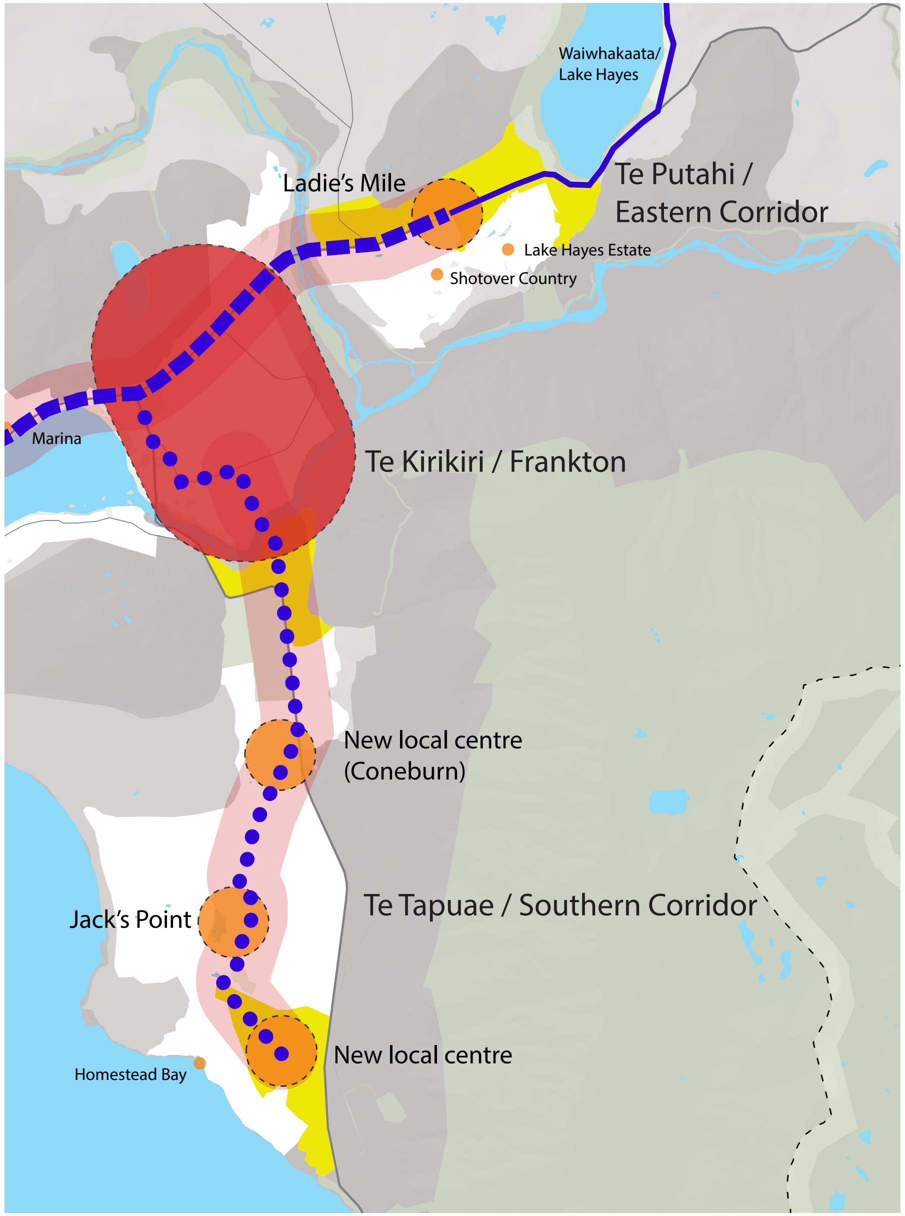
4.3.1 TE TAPUAE /SOUTHERN CORRIDOR

Queenstown's Te Tapuae / Southern Corridor ("the Te Tapuae") can generally be described as land between the Kawarau River crossing and Homestead Bay, extending to the east and west of State Highway 6. Te Tapuae has been identified as a priority development area within the draft Queenstown Lakes Spatial Plan.

A wide range of community infrastructure (e.g. 3Water, transport, waste management and minimisation, community facilities, open spaces) will be needed to support planned and anticipated development in the area. Te Tapuae is largely located beyond our existing infrastructure scheme boundaries.

Developing and funding the future infrastructure needs of Te Tapuae in a way that is affordable, agile, and timely will be a significant challenge for Council. In the short-term, modest growth within the approved Special Housing Area can be supported by existing infrastructure. Beyond this, extensive infrastructure networks will need to be developed, and existing assets upgraded.

It is anticipated that considerable infrastructure investment will occur in Te Tapuae over 2029 – 2031. It is unlikely this investment will be sized to meet the ultimate potential development capacity of Te Tapuae. Accordingly, further infrastructure investment will be required as Te Tapuae continues to develop. Council recognise that there is an appetite to develop Te Tapuae sooner than our infrastructure investment currently allows. The intention is to explore alternative funding and delivery mechanisms that may enable such development to be programmed earlier.



4.3.2 SIGNIFICANT CAPITAL EXPENDITURE DECISION: YEAR 2028

Key options for decisions include:

PROJECT / PROGRAMME	COST DRIVER	Y1-3	Y4-10	Y11-20	Y21-30
Te Tapuae / Southern Conveyance Network (WW)	Growth	$200K	$46M	-	-
Te Tapuae / Southern Corridor Water Scheme (WS) & Coneburn Scheme (WS)	Growth	-	$27.7M	$7.2M	-

4.3.3 QUEENSTOWN TOWN CENTRE MASTER PLAN

Queenstown is a town in transition. Long-regarded as the jewel in the crown of the New Zealand tourism industry, Queenstown has reached a stage where proactive planning and infrastructure investment is required to meet today's demands and support tomorrow's aspirations. For a district of just 35,000 people, Queenstown is playing a critical role. During a peak day, Queenstown is already the 8th largest centre in New Zealand. Looking ahead to 2050, it could be the size Tauranga is now.

The increase in demand on the town centre has resulted in consistent problems with congestion, access, liveability, loss of heritage and culture and reduced quality of local and visitor experiences in the Town Centre.

Queenstown is a gateway to the lower South Island and a critical introduction to the district. The type of experience people has when they come to Queenstown and enter the town centre will be one that determines whether they come back again.

A key part of the masterplan is considering integrated transport solutions that provide better access to and through the town centre. Equally important is the economic benefit that comes from an efficient transport system to support the movement of people, goods and services. Freight is an important part of this equation and it requires specific consideration, planning and allocation.

QLDC has opted to take a masterplan approach to ensure that the solutions identified to address the problems facing the town are integrated and aspirational. The preferred programme reflects this approach and the diagram below demonstrates how the transport aspects of the masterplan programme work together to deliver better Queenstown experiences. Masterplans and their associated business cases will be periodically review and updated throughout the life of the strategy.

- New town centre arterial from Melbourne Street to One Mile Roundabout, enabling the town centre to grow, public and passenger transport to have more direct access, improvement of parking supply and management, and public realm enhancements to improve the liveability and experience for all.
- Improved parking supply and management, through the introduction of new parking buildings on the town centre fringes; expansion of the town centre paid parking area; development of park and ride facilities; introduction of parking management technology and demand management to optimise occupancy levels. This project supports the objectives of increasing public transport use.
- A new public transport hub on Stanley Street supports the growth in bus services and forecast passenger increases, while supporting improved arrangements for passenger transport (which includes coaches, tourist operations and small passenger services vehicles.)
- Development of wharf facilities to support waterborne transport.
- Preservation of mass transit corridor options in the longer term to enable future growth.

- An adaptable transport development programme that has the flexibility and adaptability to respond to disruption through changes in technology.
- A programme of public realm improvements that aim to enhance the visitor and local experience in the town centre through enhancing streets and lanes, improving connections between attractions and celebrating Queenstown's unique heritage and culture.
- Introduction of technology to better manage and connect people with public transport and parking options.
- Improved walking and cycling routes and facilities in the town centre, supporting the uptake of active transport and integrating with wider networks.
- Marketing communications campaigns to better educate people about transport options.
- Increased mobility for all users in the town centre.

4.3.4 SIGNIFICANT CAPITAL EXPENDITURE DECISION: YEAR 2024

Key options for decisions include:

- Ongoing funding support is crucial, and not necessarily only from Central Government. Private investment is an option for significant and innovative programmes of work.

PROJECT / PROGRAMME	COST DRIVER	Y1-3	Y4-10	Y11-20	Y21-30
Queenstown Off Street Parking	LOS	$4.6M	$600K	-	-
Queenstown Street Upgrades (TR) CIP	Renewal	$56.3M	-	-	-
Arterial - Stage One & Arterial Balance of Route (TR)	Renewal	$49.4M	$34.7M	$115.1M	-
Frankton New Public Transport Hub	LOS	-	-	$9M	
Arthurs Point Bridge - Road Crossing (TR)	Renewal		$14.2M	$17.3M	
Wakatipu Park & Ride Facility (TR)	Renewal	$1.8M	$2.2M	-	
Frankton Masterplan Update (TR)	LOS	-	$109k	-	-
Frankton Orbital Bus Route	LOS	-	-	$1.2M	-

4.3.5 WANAKA TOWN CENTRE MASTER PLAN

With resident and visitor numbers projected to more than double in the next 30 years; growth is both a threat and an opportunity for Wānaka. Planning and preparation for increases in numbers of people living and visiting Wanaka is essential. This will prevent traffic becoming unmanageable and protecting the intrinsic attractiveness for both residents and visitors. The opportunity for the town centre to be re-imagined in a way that supports all modes of transport and emphasises the quality and experiences offered by all ages and abilities, there is a clear opportunity to welcome increased numbers of people while simultaneously improving the attractiveness and function for the community as a whole.

The Wanaka Town Centre Master Plan includes an interwoven package of place making and movement initiatives which strongly support Wānaka Town Centre as the “heart of the community” for locals and visitors, while at the same time encouraging mode shift to more sustainable modes through the provision of walking and cycling networks and public transport. It will also, through a more comprehensive and pro-active approach to parking management, and shifting current lake front parking towards areas accessible from Brownston Street, support the reduction of drivers circling through the town centre in search of parking, behaviour that currently contributes significantly to town centre congestion and serves to separate the town centre from the lake front.

These changes and improvements will not happen instantly, unfolding over a 10 to 30-year horizon. Wānaka is expected to be a much larger community by the time implementation is complete, transformed by additional residents and rising numbers of visitors. The aim of these changes and improvements is to manage the process of community growth in a way that maintains and enhances the characteristics that have made Wānaka so attractive and desirable.

We will continue to maintain the strategic planning layer, using toolkits that model, monitoring and provide innovation in collaboration with the community.

4.3.6 SIGNIFICANT CAPITAL EXPENDITURE DECISION: YEAR 2030

Key options for decisions include:

> Ongoing funding support is crucial, and not necessarily from Central Government. Private investment could be used in significant and innovative programmes.

PROJECT / PROGRAMME	COST DRIVER	Y1-3	Y4-10	Y11-20	Y21-30
Wanaka Master Plan	Growth	$500K	$109K		-

4.3.7 NEW HOUSING SCHEMES – HOUSING INFRASTRUCTURE FUND (HIF)

Queenstown as a recognised ‘high growth urban area’ successfully secured funding from Central Government’s Housing Infrastructure Fund (HIF) to bring forward the development of transport and water infrastructure required for new housing. QLDC secured $50 million – 3,200 houses – for the following developments:

Ladies Mile - In May 2019 Council began developing a Masterplan for the Ladies Mile area to ensure that any future medium-long term change was made holistically with the whole community in mind. This long term planning document provides a conceptual layout to guide the future growth and development which needs to be supported by reliable infrastructure. Through this process QLDC are aiming to achieve an improved public transport network and easy, convenient, and safe cycle and walking tracks. Additionally, more community facilities, parks and sportsgrounds are planned as well. New Three Waters infrastructure will be required to support the new development, including a new water reservoir, storm water detention area and a new wastewater pump station.

Quail Rise - The Quail Rise South project will enable the construction of up to 1,100 residential dwellings near Frankton Flats. The development includes a new road linking Ferry Hill Drive to the roundabout at the junction of SH6 and Hawthorne Drive, and pedestrian/cycleway access beneath SH6.

Kingston – This will bring forward the provision of Three Waters infrastructure schemes. This will enable the development of special zone land and other sites within Kingston township, allowing approximately 950 more houses. Benefits include affordable housing for the district and improved public health for the community.

4.3.8 SIGNIFICANT CAPITAL EXPENDITURE DECISION: WITHIN 10 YEARS

The HIF provides a 10-year interest-free loan to high-growth Councils. The funds provide core infrastructure to support housing development and increase housing supplies.

Key options for decisions include:

> The ability to extend or fund beyond the central government ten-year interest free loan period, should there be delays in delivering these schemes.

PROJECT / PROGRAMME	COST DRIVER	Y1-3	Y4-10	Y11-20	Y21-30
Kingston Township	Growth	$27.3M	$10.2M	$810k	$19.5M
Ladies Mile Greenfield Development	LOS/ Growth	$490K	$20.7M	$218k	-
Quail Rise Greenfield Development	Growth/ LOS	$9.9M	-	-	-
Note: HIF programmes include water, wastewater stormwater and transport infrastructure costs					

4.3.9 PUBLIC TRANSPORT INFRASTRUCTURE

Public transport investment is split between infrastructure and services. Both can be funded by Otago Regional Council (ORC), QLDC and Waka Kotahi (NZTA). Traditionally QLDC or ORC would provide minor infrastructure (i.e. bus stops) with funding assistance from Waka Kotahi. ORC will provide services – again with assistance from Waka Kotahi.

The scale of our investments in the first ten-year period will be limited to low level of service improvements and Public Transport Hubs (Frankton and Queenstown). The NZ Upgrade Programme will provide infrastructure including public transport priority measures in years 1 – 3. Beyond that, significant expenditure by ORC in public transport services, including a step change to a more frequent, direct mass transit network would be required.

4.3.10 DELIVERING OUR RENEWALS PROGRAMME

Assets are renewed (replaced) when they reach the end of their useful life to ensure our levels of service are maintained and that we can provide high quality, affordable services.

A 'useful life' of asset is determined through a combination of the following:

> An assets theoretical useful life as determined by the manufacturer

> Condition of the asset deteriorates to a point where it is no longer economical to maintain the asset

> When technology that the asset is based on becomes obsolete

> When the asset can no longer carry out the function that it was intended to do

Except for critical assets (as identified under the QLDC Risk Management Framework) all assets will be operated under a run to fail model as they can be replaced with generic or off the shelf replacement parts with only minor disruption to customer services. Where practicable, QLDC will optimise and extend the effective life / capacity of existing infrastructure to reduce investment in new infrastructure (i.e. make best use of what is already in place).

Critical assets consequences of failure or interruption of service is extremely high and disruptive to the district. QLDC's first-generation criticality framework analyses the potential failures for each asset, and assesses against the PESTLE scoring framework (political, economic, social, technical, legal, and environmental dimensions) resulting in a criticality score for each asset. Specifics are included in the individual Asset Management Plans.

QLDC has established levels of service considering two separate ways for Three-Water and Roading infrastructures. Firstly, there are customer levels of service which are how the customer receives the service or activities. Secondly there are technical levels of service which describe how Council provide the service. These details are given in individual Asset Management Plans.

When comparing operational expenditure depreciation budgets and capital expenditure renewals budgets, transport and waste management are renewing more than 50% of their depreciation. However, 3 Waters assets reflect a lower percentage, this may indicate these assets are not being replaced.

Further work is planned over the next three years to confirm and refine QLDC's asset life values given the age of its network and local environmental factors (i.e. longer asset life values may be appropriate for our ground conditions). Initial indicators are asset materials selection, combined with favourable ground conditions, and a young asset life is suggesting a longer asset life may be appropriate in our district. Precedents exist nationally and internationally that this could be the case.

The rates of depreciation in this plan are not influenced by investment in new assets for growth, i.e. the Housing Infrastructure Zones, they are based on best available asset performance data.

Figure 8: % Renewals by Depreciation

ACTIVITY	% RENEWALS BY DEPRECIATION
Water Supply	41%
Stormwater	60%
Waste Water	47%
Transport	62%
Waste Management	119%

4.3.11 SIGNIFICANT CAPITAL EXPENDITURE DECISION: EVERY 3 YEARS

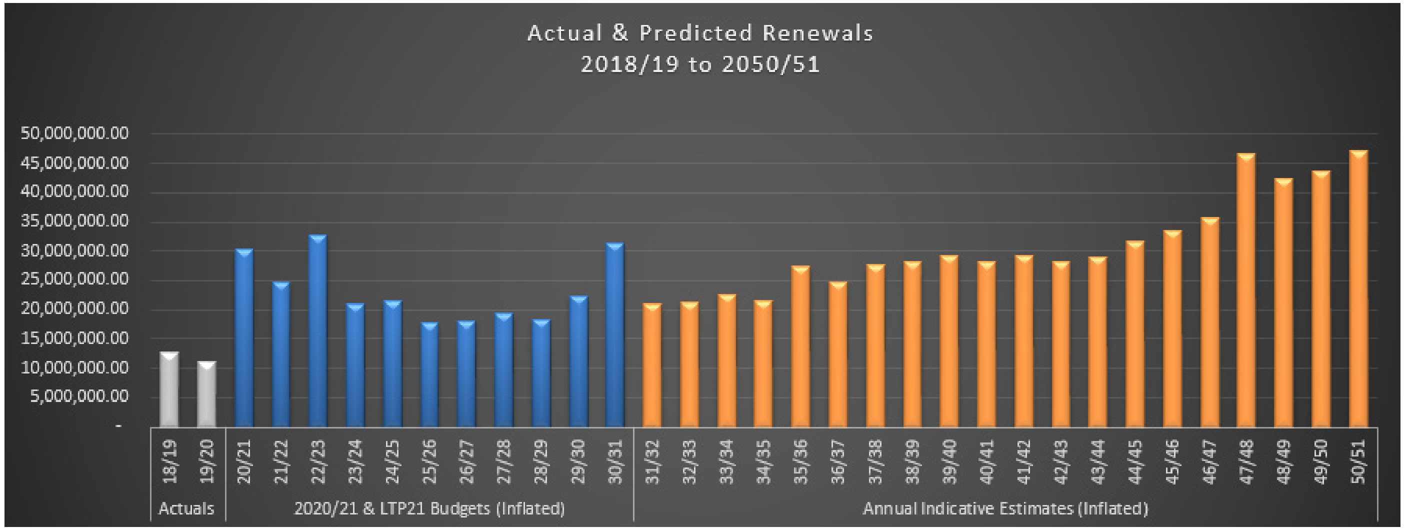
The 30-year period of this strategy includes appropriate capital spend on the renewal of infrastructure. Whilst there has been a focus to address deferred maintenance over the past decade, the timing for renewals is reliant on other major projects e.g. Queenstown Town Centre Masterplan.

Issues of affordability are considered in detail as part of QLDC's Financial Strategy, as required by section 101A of the Local Government Act. Options for funding investment are modelled and discussed in this document.

Key options for decisions include:

- If major capital projects timings were to change, planned timing for renewals may be brought forward.
- The ability to continue renewals investment typically through debt, to enable intergenerational charging, over the life of these long-lived assets, for those that benefit from their use.

Figure 9: Actual & Predicted Renewal Spend



The renewals forecasts range from $17M to $32M per annum over the first ten years 21/22-30/31.

PROJECT / PROGRAMME	COST DRIVER	Y1-3	Y4-10	Y11-20	Y21-30
Water Supply Renewals	Renewal	$9.1M	$26.8M	$44.3M	$83.7M
Waste Water Renewals	Renewal	$16M	$39.6M	$74.5M	$85.6M
Stormwater Renewals	Renewal	$3.7M	$11.5M	$17.3M	$59.9M
Transport Renewals	Renewal	$45.8M	$68.3M	$113.5M	$137M
Waste Management Renewals	Renewal	$3.8M	$2.7M	$1.9M	$1.1M

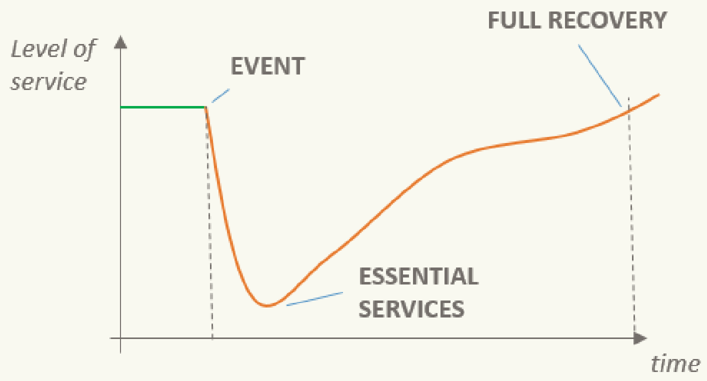
OUTCOME 3:

Communities are resilient to sudden natural events

GOAL	**Support the social and economic recovery of our district following a sudden event**
OBJECTIVES	Ensure the continuity of essential services following natural hazard events Optimise the recovery of all services following natural hazard events
ABOUT	We need to invest in our services in a way that means **our community is well-supported in a sudden natural event** (e.g. earthquake, flood), and that **we are agile to opportunities** that arise as a result of disruption. In doing this, we aim to minimise the cost of recovery and ensure the pace of recovery is rapid.

We need to get essential services back up and running ASAP; recognising that the community's preparedness plays a role. ES recovery needs to be done to a level of service agreed with the community.

This also calls for an agreed resilience standard that ensures service recovery does not hamper the District's recovery, but is also done in a way which maximises opportunities for improvement



Geohazards include earthquake risk from the Alpine fault, Cardrona fault, and the Moonlight fault lines, associated liquefaction and seiche waves from significant earthquake shaking, landslips and rockfall. Significant landslips into the lakes also have the potential to result in seiche waves inundating the lake edge and affecting nearby townships.

Climate-related hazards include increased frequency and intensity of extreme rainfall events and flooding, higher temperatures, droughts, landslides, wind, and increased fire risk weather[1]. For example, under RCP[2]8.5, average summer temperatures are projected to increase by up to 3.2°C for Wanaka and 3.0°C in Queenstown by the end of the century. Queenstown is also likely to experience on average a 35% increase in rainfall by 2090 in winter and Wanaka on average a 14% increase in rainfall.

At a national level, there are several initiatives aimed at building resilience to natural hazards and climate change. These include the National Climate Change Risk Assessment which identified New Zealand's key climate change risks, and the National Disaster Resilience Strategy produced by the National Emergency Management Agency, which outlines the vision and long-term goals for Civil Defence Emergency Management in NZ. Additionally, under the recently adopted Climate Change Response (Zero Carbon) Amendment Act 2019, Councils will be required to report on how they are responding to identified climate risks.

Council is committed to building resilience to natural hazards both within their communities and within the Council as an organisation. The Vision Beyond 2050 commits to 'Disaster Defying Resilience' and Council is currently developing a broader resilience strategy which will contribute to this vision. Council is also progressing and implementing their Climate Action Plan which includes actions to reduce carbon emissions and build resilience to key climate risks and issues. One of these actions is developing an Adaptation Plan, to be developed in 2021.

Delivering resilient outcomes requires an integrated set of policies and actions across all of Council's activities – this includes: the spatial plan, financial strategy, Civil Defence and Emergency Management response plan, as well as the Infrastructure Strategy and associated Asset Management Plans.

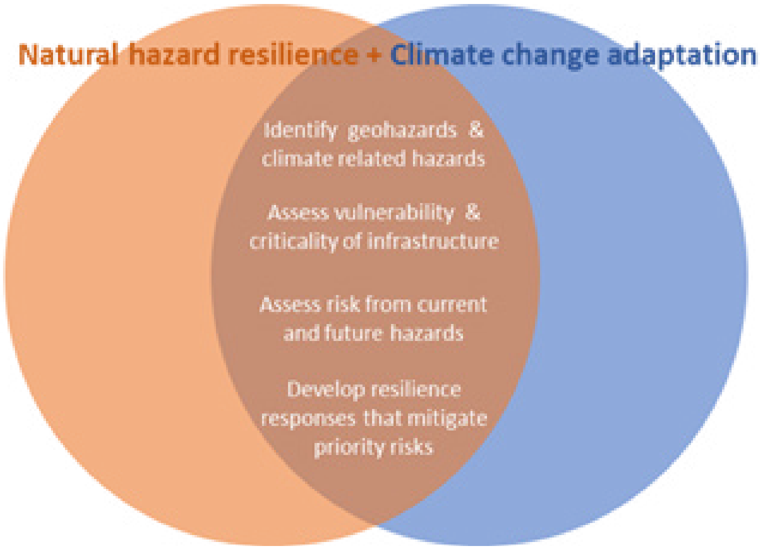
4.4 BUILDING INFRASTRUCTURE RESILIENCE

Resilience can be defined in several ways. The National Infrastructure Unit (NIU) defines as follows:

"The concept of resilience is wider than natural disasters and covers the capacity of public, private and civic sectors to withstand disruption, absorb disturbance, act effectively in a crisis, adapt to changing conditions, including climate change, and grow over time" – NIU (2014)

Building infrastructure resilience to natural hazards requires a clear understanding of the natural hazard environment, as well as the vulnerability and criticality of the exposed infrastructure. It also requires a transparent, risk-based approach to prioritising risks and then developing resilience (risk mitigation) responses:

Figure 10: Hazard Mitigation and Climate Adaptation Planning Process



[1] Reference: Niwa Climate Change report for Otago Region, 2019

[2] A Representative Concentration Pathway (RCP) is a greenhouse gas concentration (not emissions) trajectory adopted by the IPCC (Intergovernmental Panel on Climate Change)

When addressing identified infrastructure risks, a range of resilience responses should be considered. These include:

- Improving infrastructure resilience such as increasing robustness, building redundancy, or considering 'safe failure' mechanisms within designs. These improvements could relate to specific asset / network designs, codes of practice, and should be strongly linked to strategic direction.
- Land use planning / urban form responses through a risk-based approach to avoid or limit further development in elevated risk areas - through regional and district plan provisions.
- Improving organisational resilience for Council (and its CDEM functions) including:
- Change readiness: To enable early discovery and fast recovery from unforeseen events
- Networks: Building strong networks within Council and between council and critical infrastructure providers (lifelines)
- Leadership & Culture: Ensuring that resilient thinking is embedded across the organisation
- Appropriate financial capacity to fund resilience and adaptation responses and ensuring appropriate risk transfer (insurance) is in place for high impact events.

Infrastructure resilience will continue to be a key area of strategic focus for QLDC. At present QLDC has a good understanding of the natural hazard landscape, and an improving understanding of the risk this poses to infrastructure. Key risks to the Three Waters network, and the transport network - particularly from earthquake and liquefaction, but also from flooding and other climate-related hazards.

Best-practice approaches to planning and design can be adopted from other jurisdictions, including, for example, 'water sensitive' approaches that can provide improved resilience (particularly to climate related hazards), and offer a wide range of co-benefits, including improved stormwater quality, amenity, and biodiversity. These approaches, along with the considerations listed above, will ensure resilience is embedded across the organisation in the future.

4.5 TRANSPORT SYSTEM RESILIENCE

A transport system that is resilient is an objective that sits within "better travel options" a key strategic priority of the Government Policy Statement (GPS).

The GPS covers resilience to climate change events and resilient freight and tourism connections. NZ Transport Agency's Statement of Intent includes a resilience position statement: Our position is the resilience of the land transport system is increased by managing risks and long-term resilience challenges and helping communities quickly recover from disruptions.

The Regional Land Transport Plan (RLTP) seeks improvement in the performance and capability of the transport network, and network resilience. The RLTP highlights the impact of poor resilience on the network on the economy, highlighting the impacts of growth in Queenstown/Wanaka/Central Otago. The RLTP seeks improvement in the performance and capability of the transport network, and network resilience. The RLTP has an objective to support system resilience to change through providing an adequate public transport offering.

The district's transport network is constrained geographically, with numerous parts of the district served by one route. A number of routes are vulnerable to closure and roads are the only viable means of transport. The physical topographical constraints restrict the feasibility and viability of providing additional infrastructure and limits the resilience of the network to incidents or events that may impact on the transport network such as weather events, crashes, and natural disasters.

QLDC is moving away from a purely land transport system and exploring and investing in alternative modes like water-based transport such as ferries. This may offer some additional resilience in some areas in the future.

- Network Operating Framework (NOF): We are developing a NOF and Plan which is part of the strategic planning layer sitting alongside master plans and the Spatial Plan. It will allow us to plan long-term development and land use, and plan and react to events. It will align with the Waka Kotahi's ONF and work in tandem with an improved transport model.

- Arthur's Point Bridge: Design and construction of a new bridge to replace the existing two way single lane bridge which is under increasing pressure from traffic growth.
- Head of the Lake: ORC are currently leading a project focusing on natural hazards at the head of Lake Wakatipu - pending the outcome of this project, QLDC will develop a business case & subsequent implementation for infrastructure (bridges, roads, alternative modes and routes).

4.6 WATER SUPPLY AND WASTEWATER SYSTEM RESILIENCE

In a major event it is likely all major lifelines will experience a significant outage including water and wastewater.

For water if the loss occurs at the source (or rising main), delivery of water to the towns can occur from reservoirs. QLDC have several projects to increase the storage at existing reservoir locations, but more importantly, there are also projects to build reservoirs at new locations. The proximity of the reservoirs to the population is important in increasing the resilience to the network, simply speaking the shorter the pipe length from reservoir to resident the less likely the outage. Reservoirs act as a buffer to supply residents if essential repair is required to the intake.

- Wanaka: majority of storage is in the north of the town, QLDC are planning to increase the available storage in the south of Wanaka.
- Queenstown: The water network is typically connected by several road bridges, which are at an elevated risk of failure during a sudden event. Council plans to increase resilience by having reservoirs service in distinct areas
- Arthur's Point: Both the bore intake and reservoir are located on the south side of the Edith Cavell Bridge. A reservoir on the north side of the bridge would increase resilience to the town

For wastewater QLDC are currently undertaking a network wide risk assessment to increase its resilience. The main outcomes from this will look at emergency storage for pump stations and standby generators.

4.6.1 SIGNIFICANT CAPITAL EXPENDITURE DECISION: EVERY THREE YEARS

Key options for decisions include:

- QLDC has completed a natural hazard assessment across the district. This has been combined with the latest generation asset criticality assessments. QLDC has a balanced programme of asset reinforcement, relocation and de-risking supporting its insurance and other financial provisions for risk management.
- Advancing Council's understanding of transport resilience and potential future investment needs

PROJECT / PROGRAMME	COST DRIVER	Y1-3	Y4-10	Y11-20	Y21-30
Three Waters Resilience Programme	LOS/ Growth/ Renewal	$500k	$8M	$155.1M	-
Transport Resilience Programme	LOS	-	$14.2M	$42M	$890k

OUTCOME 4:

The natural environment's mauri is respected and protected

GOAL	**Protect and regenerate the natural environment**
OBJECTIVES	Contaminants from our services are prevented from entering the natural environment. Services reduce impact on global emissions and resource extraction Identify and prioritise opportunities for environmental regeneration
ABOUT	**Our relationship with nature will be defined by respect and an attitude of guardianship;** treading lightly in terms of what we extract from, and return to, nature. Our infrastructure will be developed and managed in a way that enhances the mauri of the surrounding natural environment.

This covers stormwater, road runoff, leaching from the landfill, and discharge from wastewater.

This is both how we reduce emissions from P&I activities, as well as how we enable the community to achieve emissions reductions. Reduction in resource extraction primarily comes from a circular economy and energy efficiency.

There are opportunities to regenerate such as nitrogen uptake through native planting/wetlands, and the way we use organic waste.

The principal environmental areas of concern for infrastructure relates to waste generation, use/depletion of finite natural resources through the production and consumption of goods and services, water quality, biodiversity conservation, and carbon emissions.

Lake water quality is influenced by discharges and runoffs from a range of polluting sources, both rural and urban. These are typically related to developments, forestry, and agriculture. Council proactively pay close attention to legislative obligations, as local authorities are required to respond and give effect to a range of national and regional policies, many of which have been enacted over recent years. The National Policy Statement for Freshwater Management (NPSFM) introduces new bottom lines for freshwater quality, and an updated National Environmental Standard (NES) will regulate activities that pose risks to freshwater health when they come into effect next year.

There is currently little intensive farming activity in the district, however it is recognised that this has potential to increase in the future, which might be driven by the Proposed National Policy Statement for Highly Productive Land. Given that lake environments are under increasing pressure due to degrading water quality, further work is required to better understand the influence of rural activities on waterways and on lake water quality (e.g. increased nitrogen concentrations).

Urban environments also introduce a range of contaminants to receiving water bodies. There are no current regional requirements for consenting to stormwater discharges, Council is interested in better understanding the sources and contaminants associated with stormwater. QLDC is currently working on catchment planning and contaminated load modelling to better understand the nature of stormwater contaminants that are being discharged into the lakes. It is important to note that there is currently only minor treatment of urban stormwater.

Wastewater overflows occasionally occur (previous overflows have been a result of blockages opposed to exceeding capacity), with some having been reported as discharging to water. These occur 4 – 6 times per year (on average) and are not consented. QLDC responds rapidly when these discharges to water occur. It is understood that the government is considering a new NES which may look to establish minimum treatment standards for wastewater and stormwater and establish targets on the volume and frequency of wet weather overflows.

The groundwater table in the areas around Kingston and Glenorchy is shallow, which leaves it vulnerable to contamination from increased nutrients and E. Coli from septic tanks. A move to a reticulated system is being investigated for Kingston and Glenorchy.

Sediment runoffs and erosion are significant issues linked with forestry and housing developments. As sediment is a visible contaminant, it attracts concern from the public and community groups. New guidelines have been developed and sediment controls are being improved to help manage these known issues.

Because of both urban and rural activities, elevated levels of nutrients can occur within water bodies throughout the district. Although no significant issues have been identified to date, algae can proliferate under these conditions. Lindavia algae is a current concern, particularly for water operations. This is an introduced species and can impact infrastructure by clogging water filters and water meters. Research efforts are ongoing into this issue.

The district has a range of unique natural environments (alpine, mountain, lakes, rivers, etc.) which QLDC aim to preserve allowing support to a variety of iconic native New Zealand species such as kea, alpine tussock, and herb fields. The pressures from growth, urban development and infrastructure provision will continue to have detrimental effects on the environment and biodiversity. Biodiversity conservation, driven by the Proposed National Policy Statement for Indigenous Biodiversity, could become a larger issue in the coming years.

Air quality is also a key issue for the district as an increase in population has significant potential to increase carbon emissions from vehicles, as well as from heating demand. This may affect the air quality through the continued use of inefficient wood burners.

Transition to a low waste and low emissions community and district is an ongoing objective for Council.

We need to change our mental models, systems, and incentives so we minimise waste creation in our production and distribution processes. Having high public awareness of waste choices and clear responsibilities for end of use recovery and treatment activities (and associated costs), and low-waste pathways that are easy for the public to access.

Moving to a low waste society will also contribute to moving towards a circular economy. Two of the aims of a circular economy are to design out waste and pollution, and to keep products and materials in use.

Research shows societal habits have developed many wasteful attitudes towards products and materials. According to the World Bank in terms of urban waste, New Zealand rates as the tenth most wasteful country in the world. The average New Zealander, for instance, throws away 734kg of rubbish a year. The historic model of Council's collecting rubbish and recycling from the kerbside is no longer adequate in today's changing environment. For example, China's recent ban on importing some of NZ's recyclable material is having an impact locally. Innovation and adaption are required as expecting that sending our recycling overseas is the right solution is not a sustainable long term solution.

To achieve truly sustainable solutions, Council needs to work and educate our communities. We need to significantly reduce our levels of consumption and shift away from the linear thinking of 'take - make - waste'. Transitioning to a circular economy where resources are kept in effective and efficient use for as long as possible and do not harm the environment should be a goal for our district. Improvements to our current recycling infrastructure and support for new circular strategies for waste will assist in achieving sustainable solutions.

Council investments that move us towards zero waste, including new and upgraded facilities that inspire and work with the community to minimise waste, improve resource recovery and recycling, reduce landfill gas emissions, and ensure safe, appropriate waste disposal facilities.

4.7 IMPLICATIONS FOR INFRASTRUCTURE PLANNING

The above environmental pressures require QLDC to continue and improve its focus on environmental sustainability, particularly as it relates to infrastructure provision. New requirements from Central Government also indicates these issues will gain increasing prominence over time.

Key areas for improved focus are:

4.8 STORMWATER CATCHMENT MANAGEMENT

The Council identifies there is a need to manage urban catchment activities to minimise the risk to public health and safety and effects on the environment. The crucial factor in stormwater management is integrating land-use, stormwater, and infrastructure management.

For stormwater management activities to be effective, it is important that they are guided by strategies or plans. A 'Catchment Management Plan' is the basic planning and management tool for stormwater at the individual catchment level. It links strategic level policies and the implementation of stormwater management initiatives and controls.

This strategy incorporates numerous stormwater projects identified through a risk-based scoring system via the stormwater Catchment Management Plans (CMP) developed for the district. This system has resulted in several stormwater related projects planned for the next 10 years with a total estimated cost of $106M.

QLDC has been using different investigation and monitoring methods (hydraulic models, contaminant load models, water quality monitoring data, flooding complaints, ground investigations) to identify and assess the issues relating to stormwater management under existing and likely future conditions within the catchment, considering the measures required to achieve environmental outcomes. Environmental outcomes are defined as the Stormwater Management objectives, within the identified catchment.

The options were identified for achieving Stormwater Management Objectives by considering the range of point source and non-point source discharges within urban catchments to address the catchment-specific stormwater management issues. The solutions (projects) include a more holistic view of stormwater treatment solutions prior to discharge to receiving environments which integrates the water cycle into land use planning and engineering design approaches. We acknowledge the importance of safeguarding these sources irrespective of the treatments we apply.

These projects were prioritised and have been planned in the first ten years. The added 'co-benefits' of stormwater treatment approaches are enhanced amenity, flood retention (resilience) and biodiversity

Wastewater overflow and cross-contamination investigation into the stormwater network and implementing any reduction plans will have an increased focus in the next ten years.

Stormwater per capita demands are expected to remain unchanged where increases in impermeable surfaces are offset with appropriate sustainable urban design and potential increases in rainfall events due to climate change effects over the longer term.

4.8.1 SIGNIFICANT CAPITAL EXPENDITURE DECISION: ONGOING

A risk-based scoring approach is used to prioritise project investment for solutions identified in the catchment level to meet the district's stormwater management objectives.

The process of modelling and developing CMPs is about 50% complete. Therefore, some projects are placeholders for future anticipated investment. Investment scale and timing will be refined as the CMPs are completed.

Key options for decisions include:

> Policy changes driven by central government and Otago Regional Council

> Completion and findings of CMPs to better inform placeholder investment

PROJECT / PROGRAMME	COST DRIVER	Y1-3	Y4-10	Y11-20	Y21-30
Stormwater Treatment - Wakatipu (SW)	LOS	-	$11.2M	$33.9M	$41.4M
Stormwater Treatment - Wanaka (SW)	LOS	-	$5.9M	$33.9M	$41.4M
Conveyance - Wakatipu (SW)	LOS	-	$5.6M	$19.5M	$25M

4.9 WASTEWATER TREATMENT PLANT (WWTP) UPGRADES

Project Pure – Wanaka: Project Pure WWTP will continue to provide high quality treatment of wastewater for the Wanaka ward and Luggate. The capacity of this treatment plant will be increased to cater for future growth within the region. The current consent is valid until 2041.

Project Shotover – Queenstown: We will continue major investment in the upgrade and improvement of the Shotover wastewater treatment plant with a view to reducing the environmental impact. A major shift in our treatment and disposal of wastewater has seen treated effluent discharged to land rather than into the Shotover River. The quality of treated effluent will continue to improve as phased improvements and upgrades continue at the Shotover treatment plant. The next stage of upgrades puts all flows through the MLE plant to enabling decommissioning of the oxidation ponds (allowing space for the Kimiakau Eco Park) improving effluent quality and allowing for growth.

Additional investment will be made to deliver other significant works at this site;

> Supply and installation of a dedicated treatment process to deal with fats, oil and grease

> Decommissioning oxidation ponds.

Project Shotover WWTP is approaching its consents limits. With the reduced demand due to the districts post Covid populations it has prolonged the time until the consent limits are breached. We will continue to monitor the discharges and accelerate the delivery of plant upgrades if it moves beyond an acceptable level.

Cardrona Wastewater Servicing – The need to invest in the Cardrona wastewater scheme is driven by several risks to public health and the environment. There is a significant risk of contamination of the water supply due to the current wastewater disposal fields (Norovirus outbreak, 2012). The existing WWTPs do not complying with resource consents and operating costs are high due to reactive mitigations. Growth in Cardrona is restricted due to insufficient wastewater treatment capacity. Provisions have been made for a new scheme in 2022.

Wastewater schemes: These communities do not have a wastewater scheme and most properties are serviced by septic tanks. ORC has identified Glenorchy as a septic tank contamination hotspot[3]

The performance and contamination risks are currently unknown for Gibbston. Growth in these communities is potentially constrained by the lack of infrastructure servicing. Provisions have been made in the strategy for wastewater schemes in 2027-29 (Glenorchy) and Gibbston (2048-50).

Hawea Wastewater Servicing: The Hawea WWTP is continuously breaching its consent conditions for nitrogen discharge. There is an insufficient opportunity to use the land disposal system (spray irrigation) causing breaches of consent conditions. The existing consent expires in 2022 and it is expected that more stringent discharge conditions will be imposed in the revised consent.

A permanent solution for Hawea's wastewater will not be achieved before the current consent expires. There is a risk that a new, temporary consent will not be granted. Council are exploring options to improve the existing plant's performance to mitigate these risks during the first tranche of the Three Waters Reforms.

4.9.1 SIGNIFICANT CAPITAL EXPENDITURE DECISION: YEAR 2021

Key options for decisions include:

- Timing and scale of growth (load) in Hawea Flats and Hawea Township, due to upcoming developments including the SHA.
- Septic tanks and the discharge to ground are controlled through the Otago Regional Council (ORC). ORC is making ongoing changes which may in the future require communities to have reticulation.

PROJECT / PROGRAMME	COST DRIVER	Y1-3	Y4-10	Y11-20	Y21-30
Project Shotover Plant Upgrade (WW)	LOS	$800K	$28.7M	-	$48.4
Cardrona Wastewater Scheme (WW) & Cardrona Wastewater Scheme - upgrades	Growth/ LOS	$11M	-	$4.1M	$5.1M
Hawea Wastewater Management (WW)	Growth/ LOS	$26.1M	-	$1.7M	-
Glenorchy Wastewater Scheme (WW)	LOS	-	$21.9M	-	-

4.10 WATER DEMAND MANAGEMENT

The average per capita water consumption is currently around 400L/p/day throughout the district. This is significantly higher than the NZ average of around 280L/p/day. Household metering is currently not possible in some communities due to the lindavia algae in Wanaka and Wakatipu lake water sources. Water treatment solutions have been identified to improve levels of service and enable metering options

The 2018 District Wide Water Demand Management Plan (WDMP) outlines the Council's vision, goals, objectives and targets as well as the Council's action plan for increasing water use efficiency and addressing scheme-specific demand issues

The primary purposes of the district wide WDMP are to:

- Comply with water abstraction resource consent requirements
- Ensure the sustainable use of water resources throughout the Queenstown Lakes District
- Manage existing capacity limitations
- Reduce unnecessary capital and operational expenditure.

[3] ORC report Groundwater Contamination Risk, Septic Tank Density and Distribution within Otago (2015)

QLDC is trialling the latest water metering technology in Glenorchy to understand what insights can be attained from that specific investment. Insight including demand (volume and flow patterns), leakage (private side and network), delivery pressure and water quality. Investment for water demand management contains a range of workstreams including leak reduction (where required), education, pressure management, etc. The meters would enable volumetric (or similar) charging, subject to consultation.

Using the results of the Glenorchy trial a districtwide demand management strategy will be developed and used as the basis for public consultation.

4.10.1 SIGNIFICANT CAPITAL EXPENDITURE DECISION: EVERY THREE YEARS

Key options for decisions include:

> Public consultation and adoption of a demand management strategy will drive the investment scale and timing

> Identifying the preferred metering technology

> The current Ten Year Plan assumes that demand management savings will be achieved. Should these reductions not be met then capital investment will need to be brought forward to increase capacity in the water supply network to meet water demand.

PROJECT / PROGRAMME	COST DRIVER	Y1-3	Y4-10	Y11-20	Y21-30
Demand Management - Wakatipu Ward	LOS	$2.1M	$9.7M	-	-
Demand Management - Wanaka Ward	LOS	$1.5M	$7.8M	-	-

4.11 ZERO WASTE PROGRAMME

Delivering the long-term Vision for the District “Towards Zero Waste” would be achieved through a greater focus on waste minimisation at source through behaviour change programmes, learning opportunities and redesign of systems and processes. This will also be supported by new recycling, recovery, and treatment facilities.

There are several considerations which would enable the efficient and effective delivery of waste management and minimisation schemes in the district. These include:

> The potential future land use of closed landfills once environmental hazards have been managed or mitigated. For example, designations which allow for either ongoing waste management activities, sale of land, or re-purposing of the land for other Council activities e.g. Parks and Reserves.

> The designation of land specifically for biosolids and organic waste stream collection, treatment, disposal and application to land as soil amendments. Optimise the locations of initiatives such as composting close to raw water sources, establish odour buffer zones for new and existing developments. Improving soils can positively impact agriculture, food production, can reduce water runoff and waterway pollution.

> Regional and Central Government priorities for regional waste facilities that deliver efficiencies and consider e.g. distances from market, cartage/fuel costs, transport network impacts, new technology and innovation, regional land designations, shared services models.

> Build infrastructure and networks to recover energy from materials that cannot be reused or recycled and that move us away from fossil fuels e.g. waste to energy by anaerobic digestion, pyrolysis, heat exchange, landfill gas capture etc. Energy can be used to power Council facilities, electric transport schemes, or be sold to the grid. This would have the added benefit of reducing the load on existing energy capacity and could deliver power in areas not connected to the grid.

> Provide planning and design guidelines and regulations for architects, building designers, developers and planners to ensure residential, commercial, public space and mixed development infrastructure maximises the users waste reduction behaviours.

> Managing traffic demand for new and upgraded waste management facilities – aligning with transport strategies.

> Local economic development and social enterprise models to maximize and enable commercial and community waste initiatives e.g. availability of land or funding.

A key project is the development of the Kimiakau Zero Waste Community Eco Park. An Environmental Learning Park component could be an integrated space, working with community partners transforming the way we live and work for a better community, economy, and environment – now and for the future. The location of the Eco Park is situated in relation to where people live, work, and play so to have a greater chance of connecting people to place and strengthen sense of stewardship among users and community.

Recreation opportunities promoting healthy lifestyles are an integral component and would be tightly integrated with other parts of the Kimiākau/Shotover Delta. The Eco Park would include a range of compatible activities, promoting physical activity such as walking, biking, and gardening. A Re-sell Store, Resource Recovery Park and Recycling Facility for the community's recyclables could be co-located with a purpose built, modern, enclosed waste transfer station where materials are temporarily staged during their journey to the landfill.

To reduce our dependence on landfills and ensure a zero-waste future, the facilities would also ensure materials and resource stewardship are enabled through recovery of construction materials, organics, and other reusable items. Improvements to the physical infrastructure managing the community's wastewater will offer opportunity to re-generate natural eco-systems associated with the braided river system of Kimiākau.

Growth in our waste and recycling service delivery to eligible properties (i.e. kerbside bin service) would be met through the contract with Waste Management. New facilities and upgrades to existing key facilities are anticipated to meet demand and improve levels of service.

Ongoing operation costs are likely to escalate while we await the completion of new facilities. We are also at risk of extended service outages should existing plant fail. We have scheduled new/upgraded facilities as early as possible based on most likely consenting timeframes.

4.11.1 SIGNIFICANT CAPITAL EXPENDITURE DECISION: YEAR 2024

The Council reviews its Waste Management and Minimisation Plan every six years. The next review is due in 2024.

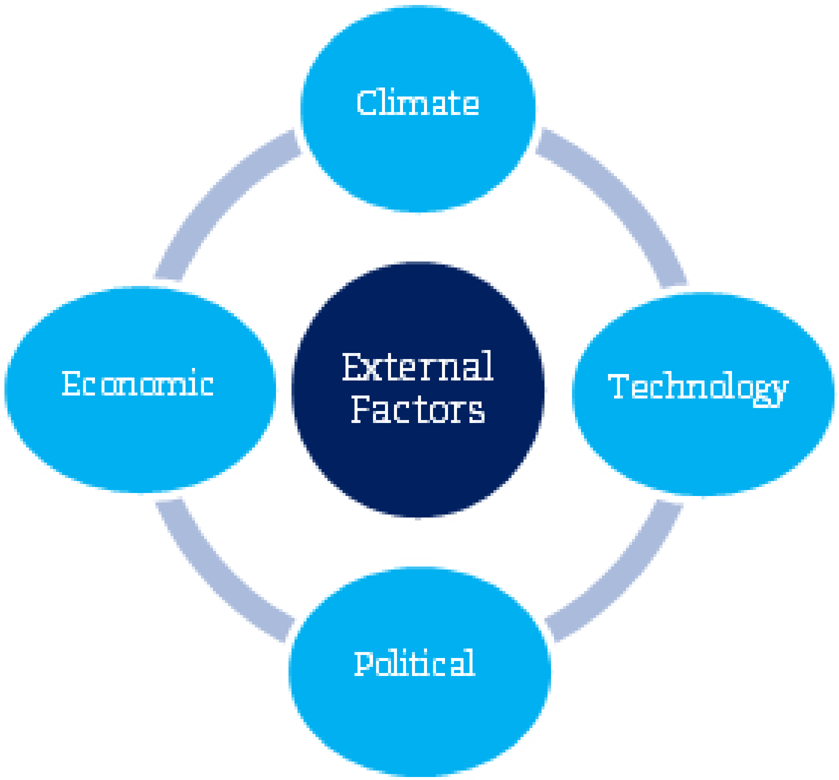
Key options for decisions include:

> Waste management and minimisation presents potentially attractive alternative funding and/or service delivery models that will continue to be explored by Council with its partners and key stakeholders, including the Ministry for the Environment, Otago Regional Council, and other Otago / Southland Councils.

PROJECT / PROGRAMME	COST DRIVER	Y1-3	Y4-10	Y11-20	Y21-30
New Wakatipu Waste Facilities (WM)	LOS	$8.1M	$26.7M	$1.9M	$5M
Zero Waste District Programme - Wakatipu (WM)	LOS	$700K	$2.2M	$4.4M	$5.4M
Wanaka Waste Facilities (WM)	LOS	$3.5M	-	$5.1M	-

5.0 External factors & uncertainty

There are many external factors that will impact on how the Council delivers infrastructure in the future. These factors are beyond the control of the Council; It is important that we continue to monitor and respond to them to ensure that our infrastructure plans take advantage of new opportunities and remain fit for purpose.



5.1 CLIMATE

Climate change is the biggest environmental challenge of our time. It is already affecting our communities, businesses, native ecosystems, infrastructure, health, and biosecurity, and if left unchecked, will have broad and ongoing implications for all New Zealand. The most recent Intergovernmental Panel on Climate Change (IPCC) special report SR15 (2018) confirms we must target 1.5°C with 'no or limited overshoot' and underscores the need for urgent and transformative climate action as climate impacts increase in scale, frequency, and intensity.

The Climate Change Response (Zero Carbon) Act 2019 was recently adopted in New Zealand. The purpose of this Act is to provide a framework by which New Zealand can develop and implement clear and stable climate change policies that limit the global average temperature increase to 1.5°C. The Climate Change Commission (CCC) was also established and has the role of providing the government with independent advice from experts on achieving targets set in the Zero Carbon Act, as well as monitoring them. The CCC will recommend the first three, 5-yearly carbon budgets, out to 2035, by mid-2021, and this will highly likely require steep reductions across all sectors.

5.1.1 COUNCIL'S ROLE

Cities and districts play a vital role in driving carbon emission reductions for their communities. As presented in the recent C40 Cities report "Cities can deliver or influence just over half of the savings needed to put cities on a 1.5 degree trajectory - either through direct action or via collaboration with partners such as the private sector[4]. Councils have a significant role in both reducing their own emissions as well as leading, coordinating and supporting community efforts to reduce emissions.

In 2019, the Council declared a climate emergency.

QLDC has developed a 2019-2022 Climate Action Plan (CAP) and a significant part of the CAP relates to QLDC leading by example by reducing their own emissions, for example from their transport fleet,

[4] Deadline 2020: how cities will get the job done by C40 and ARUP (2020)

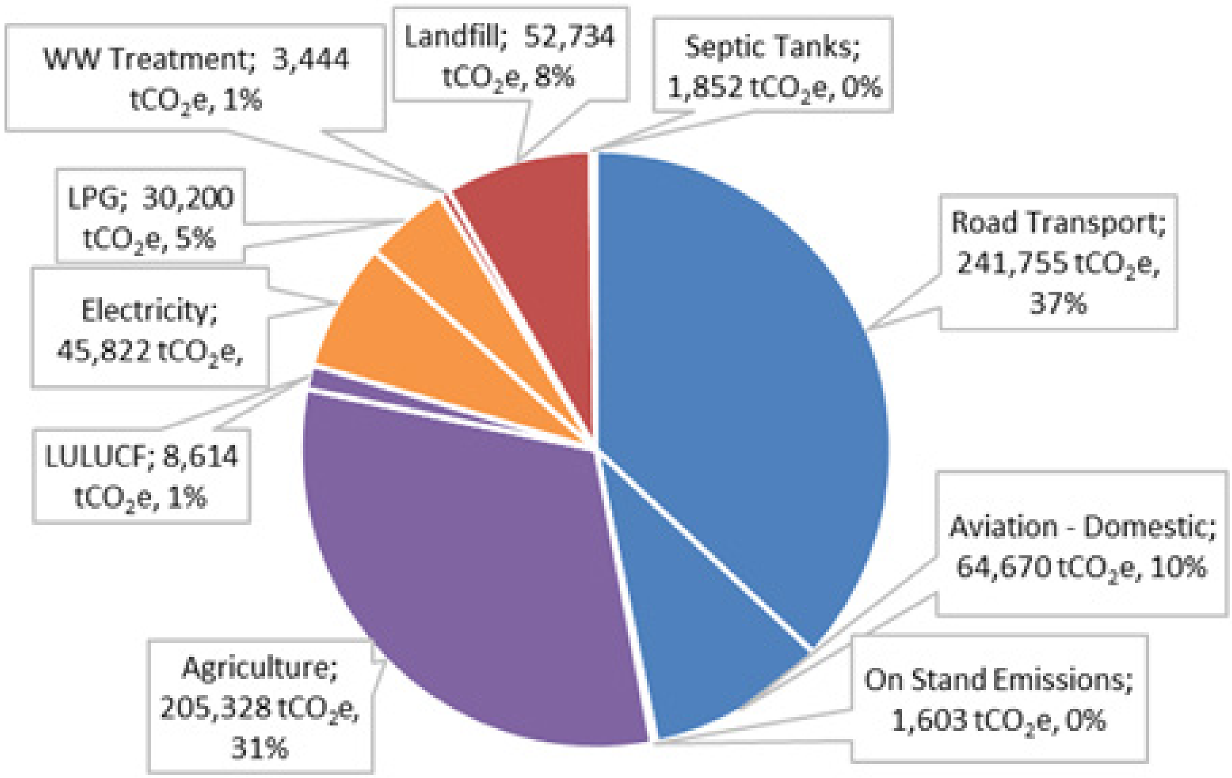
[5] Greenhouse Gas Community Inventory. 2019 Update for the Queenstown Lakes District. Prepared for QLDC by Tonkin & Taylor Ltd (July 2020).

energy consumption, wastewater treatment and landfill operations[5]

QLDC has a goal of net zero carbon emissions by 2050. In support of this goal, an infrastructure investment objective that 'our services reduce impact on global emissions and resource extraction' has been established. To achieve a net reduction across our infrastructure portfolio, we will consistently measure and financially account for carbon in all of our investment decisions and business activities. This information will ensure that, where a necessary intervention worsens our emissions profile, we can provide for an equal or greater emissions reduction benefit elsewhere to offset the impact. Portfolio-level emission targets will be set and periodically reviewed within the context of wider organisational climate change planning.

The 2019 Greenhouse Gas (GHG) Community inventory showed that road transport is the largest contributor of GHG emissions for the District - at 37%. This is then followed by Agriculture, Forestry and Other Land Use (AFOLU) with 31%.

Figure 11: 2019 Gross Ghg Emissions For The QLDC Area By Sub-Sector



5.1.2 MITIGATION CHALLENGES

There are a wide range of climate change mitigation options (i.e. human interventions to reduce the sources or enhance the sinks of GHG emissions). As mentioned above, the transport sector contributes the greatest amount of CO2e within the district. This is a key opportunity for QLDC and - requires a focus on reducing these emissions through activities such as increased public transport, improved urban form and increased encouragement of vehicle electrification and alternate fuels.

Figure 12: Example of Carbon Emission Mitigation Options

5.1.3 INFRASTRUCTURE CONSIDERATIONS

Infrastructure plays a fundamental role in determining carbon emissions for a district. The extent of infrastructure can guide and shape the physical layout and design of a district. The method of construction can influence the emissions generated through the construction process and the type of infrastructure can influence the emissions generated from the operations and maintenance processes.

Basel (2019) reported 'that 75% of the infrastructure that will exist globally in 2050 has not yet been constructed'. Currently, significant sums are being invested in infrastructure to jump start the economy, and therefore it is imperative to ensure that new infrastructure contributes to achieving NZ's climate change targets and is ultimately 'low carbon infrastructure'.

Infrastructure related carbon emissions are typically categorised as either Capital or Operational emissions – as discussed below:

5.1.4 CAPITAL CARBON

Capital carbon typically includes emissions arising from embodied carbon (e.g. those associated with materials), upfront carbon (e.g. those associated with transportation and construction emissions), as well as carbon used in refurbishment and decommissioning[7].

The greatest potential for reducing capital carbon is during the preliminary stages of planning and design and the key steps are build nothing, build less, build clever and build efficiently.

5.1.5 OPERATIONAL CARBON

Operational carbon emissions are those arising from the operation and maintenance of infrastructure, for example the pumping of water and transport system users. These make up the majority of carbon emissions over an asset's lifecycle.

5.1.6 COUNCIL'S RESPONSE TO CLIMATE UNCERTAINTY

We will continue to refine our methodology in line with QLDC's implementation of the Climate Action Plan (and supporting plans and tools such as the Emissions Reduction Masterplan and Sequestration Plan) and seek best practice guidance for all our significant infrastructure investment decisions. The Council's emissions Reduction Master Plan (draft) will inform the pathway for achieving net zero carbon emissions by 2050. It is likely solutions will require a mix of behavioural and technological changes in tandem with carbon sequestration (biological and technical).

Towards Zero Waste - Support and alignment with the Ministry for the Environment plans to review the New Zealand Waste Strategy. Explore opportunities to align with national waste minimisation targets. Look to explore collaborative investment applications to the additional waste min funds available from 2023.

Transport Emissions Reduction: Explore ways to reduce carbon transport emissions in line with local and national targets. This may include existing programmes (focussed on mode shift) and emerging programmes or services, for example facilitating conversion to electric and hydrogen vehicle propulsion.

New climate response initiatives have been and will continue to be incorporated into various Council documents as part of their annual or 3-year review, including:

> Annual Plans
> Ten Year Plans
> Activity Management Plans
> QLDC Land Development and Subdivision Code of Practice

5.2 TECHNOLOGY

New technology may increase the demand for certain infrastructure, redefine how we use infrastructure, or even lead to an entirely new infrastructure system. This would need to be supported by an accessible and sustainable charging infrastructure system.

Technology and pace of change is an important challenge when considering our long-life assets. Some of our aging physical assets may become obsolete or inadequate as technology advances, leaving them redundant. For example, roads may not be designed to work with smart autonomous vehicles, or our regional power supply may not be able to provide supply for an electric vehicle fleet.

Technology can facilitate changes in behaviours and can provide alternative methodologies of delivery. It plays a key role in monitoring and understanding the condition, demand, and usage of our infrastructure assets.

Awareness that technology can have a significant impact on the type and timing of infrastructure required, but it can also be used to help deliver services differently and alter what infrastructure is required to gain efficiencies in the networks.

Managing infrastructure systems in a smarter way could reduce the need to construct new assets in the face of increasing demand. Opportunities exist for technology to increase the effective capacity of our infrastructure, reduce maintenance and operating costs, and improve reliability and safety.

5.2.1 FUTURE TRANSPORT TECHNOLOGY

Potential future technologies provide an opportunity to change how people travel around the district including the ability to reduce travel demand and encourage more uptake of sustainable modes of transport. Concepts such as mobility-as-a-service, electric and hybrid vehicles, e-mobility/micro-mobility (e-bikes and e-scooters), autonomous and connected vehicle technology and highly efficient mass transit vehicles have the potential to shape the way in which visitors to and residents of the District travel on a daily basis. Understanding the development of Council's network to support these step changes in technology is a crucial challenge to address.

5.2.2 COUNCIL'S RESPONSE TO TECHNOLOGICAL UNCERTAINTY

Council's planning for technological change is driven through:

- A new Digital Infrastructure Masterplan planned for completion in 2022/23, with corresponding investment in our network and service analytics in 2023/24.
- New technologies are being incorporated into relevant Activity Management Plans as part of their 3-year review.
- Optimisation of the existing transport network, including the role of technology and supporting network management infrastructure
- Collaborating on national metadata standards such as Waka Kotahi Transport Agency's Asset Metadata Standards. Builds possibilities with digital twins and interoperability of data and systems between asset classes.
- Smart Water Metering trials and the consideration of District-wide water metering to manage water demand and delay infrastructure network upgrades.
- New technologies to improve early detection of wastewater overflows to (i.e. smart manhole lids)
- Working with suppliers to enable access to electric charging points.
- Understanding Council's role as a service provider for new technologies and potential revenue opportunities

5.3 ECONOMIC FACTORS

There are several megatrends that are likely to influence the economic, socioeconomic, and political economic challenges and opportunities faced by the district over the next 30 years. Megatrends are long-term overarching global and domestic forces that have significant implications for business, economy, society, and the personal lives of people.

5.3.1 AN AGING DEMOGRAPHIC

The districts younger, under 15 demographic is projected to decrease but the share of those aged 65 and over is still rising. In 2009, 9.1% of the district's population was aged 65+, while by 2019 that share had already risen to 10.9%. An aging population matters not just for patterns of housing and infrastructure demand, but also for workforce development. When older workers eventually retire, replacement demand for workers will rise and competition for young workers will intensify between regions.

5.3.2 INCREASING CONNECTEDNESS TO OTHER AREAS

It is important to explore not just the activity that occurs within the district's political boundaries, but also the district's connectedness to neighbouring areas. People and businesses do not go about their day-to-day activities being constrained by political boundaries. Instead, their lives revolve around where they choose to work, live, play, and do business. The evidence suggests increasing economic and labour market integration between the Queenstown-Lakes and Central Otago districts. The key entry points into our district are on the State Highways from Cromwell and Kingston, and Queenstown Airport - our main transport corridors provide these social and economic connections.

5.3.3 AN EVENTUAL NEED TO PAY DOWN PUBLIC DEBT

Debt from the COVID-19 crisis is going to have lingering effects on public balance sheets. Eventually debt will need to be paid down. An austerity approach followed the Global Financial Crisis, but there is an increasing appetite to consider generating revenue from intergenerational transfers using things like wealth, property and inheritance taxation. Whatever path is taken, politicians will be wary of burdening younger generations. Youth have already disproportionately felt the economic consequences of COVID-19 to protect the health of the vulnerable, who are concentrated among older demographics.

5.3.4 SUSTAINABILITY CONSIDERATIONS TO CONTINUE EVOLVING

Environmental and sustainability considerations will continue to shape actions within local government. The present key focus is on Three Waters, but other focuses are likely to emerge that affect infrastructure investment, and patterns of business and household behaviour. The Government policy will also create costs and constraints as we work towards zero carbon and more circular flow models in waste streams. Transportation is likely to have an increasing focus, particularly mass transit options and initiatives to support the electrification of the vehicle fleet. Concerns over aviation emissions is another environmental sustainability trend that may directly be affected.

5.3.5 COUNCIL'S RESPONSE TO ECONOMIC UNCERTAINTY

While the economic impacts of COVID-19 on Queenstown Lakes are well documented, some aspects of the recovery agenda are relevant to a 30 year perspective on infrastructure

Workforce - Queenstown Lakes workforce has a high reliance on people who enter the country on a work visa of some sort. COVID-19 highlighted that those on work visas have no (government-funded) social safety net, and thus introduces a certain fragility into the workforce that is exposed in times of economic volatility. While the highest concentration of (low paid) migrant workers are in the hospitality industry, the infrastructure industry also has a component of its workforce that is visa-tied. We need to be careful that central government desire to transition to a lower dependency on migrant labour does not restrict our ability to attract and retain moderate-highly skilled people from other countries into positions in infrastructure.

Diversification: More broadly than workforce, COVID-19 highlighted the economy's significant exposure to the tourism industry - 55% of GDP and 63% of jobs are tied somewhat directly to tourism. As a result, Queenstown Lakes is the most undiversified economy in New Zealand. While the Council had a program of diversification initiatives pre-COVID-19 the need to diversify in order to create economic stability is now ever more palpable. The significant investment in infrastructure signalled in QLDC's 2018 TYP has already created a degree of diversification through the growth in engineering and construction firms in the district. It is important that this is recognised, and actions taken to preserve and increase this diversification of the economy. Further, opportunities to expand up the infrastructure value chain to "smart" infrastructure should be done, as much as possible, in a way that goes beyond procurement of products and services to encouraging investment by firms in building smart tech capability in the district.

International reputation: Notwithstanding the need to increase the diversification of the economy, the reality is that the outstanding natural beauty and entrepreneurial spirit of the district will always attract a significant number of international visitors and thus be a central component of NZ Inc. The reputation of Queenstown is thus synonymous with the reputation of the country. This places a high expectation on the quality of local infrastructure insofar as it impacts the core values of that brand, especially environmental performance.

5.4 POLITICAL

Changes in the Government's direction can mean altering policy and priorities, including governments expectations, requirements, and priorities for the delivery of infrastructure. Policy changes can have a significant impact on what investments Council makes through incentivising services and types of infrastructure through funding mechanisms and targeted use of subsidies.

5.4.1 THREE WATERS REFORM

The Government has indicated an intention to establish public multi-regional entities for water service delivery to realise the benefits of scale. The design of the proposed new arrangements will be informed by discussion with the local government sector, QLDC staff will play a proactive role in this work.

In July 2020, the Government announced a funding package of $761 million to support the reform of local government water delivery. The reform funding is split into a local allocation to each Council and a regional allocation. The regional allocation is to encourage territorial authorities to have collaborative Three waters investment conversations with their neighbouring Councils, and to advance collective participation by Councils in the reform programme.

QLDC acknowledges the reform is currently being framed as 'opt in' but to ensure the best options are available for consideration, the Southland and Otago TA's are working on influencing the scope and commercial design of the entity, the role TAs will play in its future, and a managed transition to the new model.

To this end the Otago and Southland Mayoral Forums have agreed to invest $2 million of the allocated funds from Central Government to Otago and Southland TA's to be used to set up a Lower South Island Water Secretariat. This demonstrates serious commitment from Otago and Southland TAs and puts Council in the best possible position to influence the future of the water industry both regionally and nationally.

5.4.2 LEGISLATIVE CHANGES

The following have been identified as significant changes to legislation and policy, influencing the future response of the Council:

Resource Management Act (1991) Reform

The Government is moving to transform the Resource Management Act (RMA). The reform will look to increase affordable housing development and radically reduce complexity, while also increasing freshwater quality and fighting climate change.

Key recommendations (June 2020) for consultation are:

The repeal of the Resource Management Act 1991 (RMA) and its replacement with new legislation

Natural and Built Environments Act (NBEA) - The focus would be on enhancing the quality of the environment and on achieving positive outcomes to support the wellbeing of present and future generations. This would include recognition of the concept of Te Mana o te Taiao which refers to the importance of maintaining the health of our natural resources, such as air, water and soil, and their capacity to sustain life. This new focus would be achieved through a system designed to deliver specified outcomes, targets and limits for both the natural and built environments. Significant changes to processes are recommended including stronger national direction and the introduction of combined plans for each region. We expect these changes to result in clearer direction, reduced complexity and opportunity for enhanced environmental quality.

Strategic Planning Act - would set long-term strategic goals and facilitate the integration of legislative functions across the Resource Management system. These would include functions exercised under the new Natural and Built Environments Act, the Local Government Act, the Land Transport Management Act and the Climate Change Response Act. This legislation is also designed to integrate land use planning with the provision of infrastructure and associated funding and investment. Regional spatial planning will play a critical part in delivering the intended outcomes for the resource management system. The new legislation would include strategic planning for urban growth and responding to change, measures to respond to the effects of climate change, and the identification of areas unsuitable for development due to their natural values or importance to Māori.

National Policy Statement on Urban Development

The National Policy Statement on Urban Development (NPS-UD) 2020 came into effect on 20 August 2020. It requires Councils to plan well for growth and ensure a well-functioning urban environment for all people, communities, and future generations. This includes:

- Ensuring urban development occurs in a way that considers the principles of the Treaty of Waitangi (te Tiriti o Waitangi)
- Ensuring that plans make room for growth both ‘up’ and ‘out’, and that rules are not unnecessarily constraining growth
- Developing, monitoring and maintaining an evidence base about demand, supply and prices for housing and land to inform planning decisions
- Aligning and coordinating planning across urban areas
- The NPS-UD 2020 contains objectives and policies that Councils must have in their resource management decisions
- The NPS-UD 2020 also causes the prohibition of parking standards in District Plans and will likely lead to an expectation of more on-street provisions by Council. This comes at a time when we are looking to reduce on-street parking in urban centres, and probably in larger subdivisions, to encourage amenity, accessibility and assist modal shift. A Parking Management Strategy is required to address these issues, whilst master planning / spatial planning will assist in the utilisation of future development areas

Water Services Bill

The bill is expected to become law during 2021. The main purpose is to ensure that drinking water suppliers - provide safe drinking water to consumers by:

providing a drinking water regulatory framework that is consistent with internationally accepted best practice, including a duty on drinking water suppliers to:

- Have a drinking water safety plan; and
- Comply with legislative requirements (such as drinking water standards) on a consistent basis; and
- Providing a source water risk management framework that, together with the Resource Management Act 1991, regulations made under that Act, and the National Policy Statement for Freshwater Management, enables risks to source water to be properly identified, managed, and monitored; and
- Providing mechanisms that enable the regulation of drinking water to be proportionate to the scale, complexity, and risk profile of each drinking water supply; and
- Providing mechanisms that build and maintain capability among drinking water suppliers and across the wider water services sector; and
- Providing a framework for the continuous and progressive improvement of the quality of water services in New Zealand.

5.4.3 COUNCIL'S RESPONSE TO POLITICAL UNCERTAINTY

The Council will continue to work closely with relevant Government Ministers and officials to understand changes in policy direction as quickly as possible to respond to any new opportunities. A deliberate focus is being put on strengthening relationships and looking for opportunities to be innovative in service and infrastructure delivery.

Other policy changes cannot easily be anticipated, and so current planning is undertaken based on the current and well-known policy priorities and legislation.

Whilst we acknowledge the three water reforms will have an impact on QLDC, there are no fundamental assumptions in the TYP or 30YIS in regard to 3W (or 2W) being removed from Council – the TYP and 30YIS reflects a continuation of the current service delivery within Council.

6.0 Partnering opportunities

The Council cannot on its own provide all the district's infrastructure and community needs. The Council is continually looking for opportunities to partner with others to provide services and infrastructure. Key partners involved in the delivery of infrastructure include:

- Community and philanthropic organisations
- Developers
- Other local and regional councils
- Government and its agencies

The Council will consider the partnership opportunities that exist for projects when it is prioritising what infrastructure investment decisions to progress within strategies and plans.

6.1 DEVELOPERS

The development community is a key partner in delivering infrastructure driven by demand. While the Council may undertake some strategic infrastructure projects for changes in demand, the timing of projects is set when a developer or group of developers undertake their investment and make the land available for the market.

The Council works closely with developers to ensure as much as possible the planning for expenditure on demand-related infrastructure is timed to match developers' intentions. Developers have access to the same capacity modelling used by QLDC. QLDC's Code of Practice for land and subdivisions is a key tool for the Council to align infrastructure intent of council and development.

With the introduction of QLDC's Spatial Plan it will ensure that infrastructure capacity can play a bigger role in where development may occur in the future.

For core network demand projects, the Council provides strategic infrastructure projects when it is reasonable for only the Council to provide due to the project scale or because the infrastructure services a large area or multiple developments. The majority of other core network infrastructure will be provided by developers.

6.2 OTHER LOCAL COUNCILS AND OTAGO REGIONAL COUNCIL

There are also opportunities to grow the capacity and resilience of infrastructure through projects that service the sub-region, rather than just the district, for example waste recycling facilities. Before Council invest in major new infrastructure capacity, the benefits of shared projects and investment will be explored.

As a key partner to deliver public transport, QLDC works closely with **Otago Regional Council** to build public transport services and infrastructure.

The Council is involved in a collaborative partnership called **Way To Go** which also includes Waka Kotahi and Otago Regional Council. It operates under a MoU and recognises the unique transport challenges faced by Council. It is committed to working collaboratively to provide residents, visitors, and ratepayers with an enduring, affordable, safe transport system.

6.3 GOVERNMENT

The responsibilities and expectations of local authorities have continued to expand over recent years, while service funding and delivery models have remained stagnant. Significant resources are required to ensure infrastructure services are safe, resilient, and protect the natural environment for future generations. To realise our community outcomes, and minimise trade-offs within our investment portfolio, we plan to explore alternative models of service delivery, funding, and financing. This could include value-based commercial arrangements for the provision of our services, financing models that enable infrastructure to be delivered off balance sheet, collaboration with other authorities to realise efficiencies, and opportunities to generate new revenue streams.

The Government partners with the Council in providing and funding infrastructure that has benefits beyond the local area.

In 2017 the Government offered five cities experiencing high population growth, access to the **Housing Infrastructure Fund (HIF)** loan. Across the five Councils, a total of $1B is available interest free for ten years for infrastructure that enables housing growth. QLDC has been allocated a proportion of the HIF loan to assist with the work needed to enable growth in the district. This provides substantial financial benefit in interest savings totalling approximately $19.5M over the ten years

Central Government Crown Infrastructure Partnership - Council has taken advantage of the opportunity to advance several transport / public realm projects that were already being considered in the improvements programme. Direct Central Government grants have injected $85M to the local programme managed by QLDC and a further $90M into State Highways. Further opportunities will be actively sought by QLDC with an intention to keep infrastructure projects “race ready”.

Wakatipu Transport Programme Alliance - QLDC is working with Waka Kotahi to set up the Wakatipu Transport Programme Alliance. This alliance will deliver several crucial projects including the Town Centre Street Upgrades, Stage 1 of the Arterial, the NZ Upgrade Programme, and part of the Active Travel Network. The alliance model means we can achieve the best possible integration and customer focus to ensure the successful delivery of these projects.

New Zealand Upgrade Programme - The $90m New Zealand Upgrade Programme Package for Queenstown provides bus lanes and bus priority on SH6A, a new bus hub on SH6, improvements to the SH6a/SH6 intersection, a new roundabout at Howards Drive and an underpass at Ladies Mile to provide better walking and cycling connections. These improvements are part of the $6.8 billion New Zealand Upgrade Programme transport investment to improve travel choices, get our cities and regions moving and boost productivity in the country’s growth areas.

We are reliant on funding from third parties – Waka Kotahi NZ Transport Agency. Changes to the agency’s ability to fund, or misalignment of expectations, could compromise our ability to deliver the proposed investment

We will foster strategic partnerships with existing and new funders, establish alliances where possible, and engage frequently to ensure planning and investment programmes are aligned and expectations are managed.

In the event we cannot secure all of the third-party funding anticipated, we will re-optimise our portfolio’s composition to ensure the best value for our community is achieved.

7.0 The Council's plan

7.1 IDENTIFYING SIGNIFICANT EXPENDITURE DECISIONS

In considering what expenditure decisions the Council will need to make in the next 30 years are significant, the drivers for the projects identified in AMPs and Ten Year Plan budget processes have been considered. Where there are key decisions of the Council that will have a major impact on driving capital expenditure, these have been grouped together – for example the decision to extend strategic infrastructure into a growth cell to enable new development.

Other projects or programmes have been identified as significant capital decisions given the public interest in these decisions. These are often projects where there may be an obvious public impact or there has been, or likely to be, significant public involvement in the decision-making process.

Decisions have been identified as significant in this Infrastructure Strategy where there is substantial effect on:

> Changes to future service levels
> Council finances
> Ability to reverse a decision.
> Potential for major inconsistency with a prior decision / position of the Council.
> Known prominent levels of public interest.
> Extent of community that may be impacted.

The following capital decisions relating to infrastructure over the next 30-years have been identified as significant. These are discussed in our infrastructure challenges and focus areas section.

> Renewal Programme every ten years
> New and upgraded water treatment plants
> New and upgraded wastewater treatment plants
> Greenfield investment focus in Kingston, Te Tapuae/Southern Corridor and Ladies Mile/Quail Rise
> Prioritising active travel
> Water demand management interventions
> New and upgraded Waste Management facilities

7.2 MOST LIKELY SCENARIO

This Strategy provides the overview of the Council's most likely scenario for the management of its infrastructure. This scenario has been determined by:

> The preferred options for the significant capital decisions discussed in the Infrastructure Challenges and Focus Areas section of the Strategy are those that are included in the Ten Year Plan budget (where applicable).
> The plans and forecasts for the first three years have the most detail and confidence as the greatest amount of planning be completed. The investments identified between four and ten years are an outline and have a reasonable degree of confidence. The forecasts beyond year 10 should be viewed as indicative estimates and will be developed further as time passes and more information is obtained.
> Projects through the Ten Year Plan that are unable to fit within the financial provision set by the Financial Strategy have been pushed to year 11 onwards.
> Changes to the requirements and management of infrastructure are expected to occur and the Council will consider the appropriate approach as part of the future relevant Ten Year Plan process.

COVID-19 has had a significant reduction on QLDC's financial health which in turn impacts the affordability of our programme:

> There was a total revenue budget reduction of $17.9m in the 20/21 financial year with 42.5% of this figure directly impacting Rates;
> Tourism Related revenues down by at least 50% - $4.7m;

- The previously forecast QAC Dividend $5.8m will not be paid (used 100% to repay debt);
- Other user fees down by 20% $2.9m;
- Development Contribution income down $4.5m;
- For noting QLDC borrowing's capacity is largely restricted by its Total Revenue;
- Debt repayments were also suspended to keep the current financial years rates increase down to an acceptable level which was acknowledge at the time as a one-off temporary position.

The forecast expenditure is higher than historical expenditure. For the next five years, the average annual forecast capital expenditure is over $153M. The most significant driver of this expenditure is the investment required in infrastructure for water treatment in Wanaka, the Queenstown Street Upgrades and Queenstown Arterials Stage 1 (the latter two projects funded by CIP).

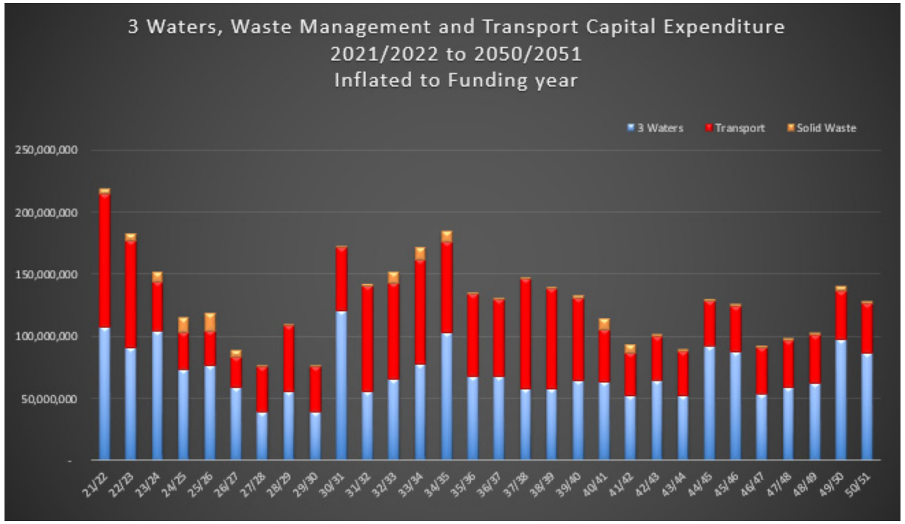
All capital expenditure in this document is represented as inflated to funding year. QLDC's methodology for applying inflation to capital forecasts is based on economic predictions sourced from Business and Economic Research Limited (BERL), a NZ company who specialise in economic research, analysis, advice and consultancy.

The total capital programme is $3.884BN, of which the cost impact of growth has been assessed at 35% or $1.359BN over the next thirty years. Of the total capital programme, 29% ($1.145BN) is required for renewal or replacement of existing assets and 36% ($1.380BN) for increasing level of service.

This includes addressing a backlog in investing in water quality and capacity projects. This backlog has occurred overtime through previously low projections of growth, delays in implementing volumetric water charges, and delays in confirming the most appropriate method of meeting the drinking water standards. Over the same period, $1.9BN is expected to be spent on operating costs, (excluding interest, overheads and depreciation).

The estimated requirement for capital investment over the next 30 years has been prepared and is shown below.

Figure 13: Three Waters, Waste Management and Transport Capital Expenditure 2021/2022 to 2050/2051



There are 5 projects held at the portfolio level, to deliver a technical digital masterplan, network and service analytics, resilient infrastructure networks and a stimulus delivery plan (approximately $136M over 30 years, these dollars have not been represented in the chart above).

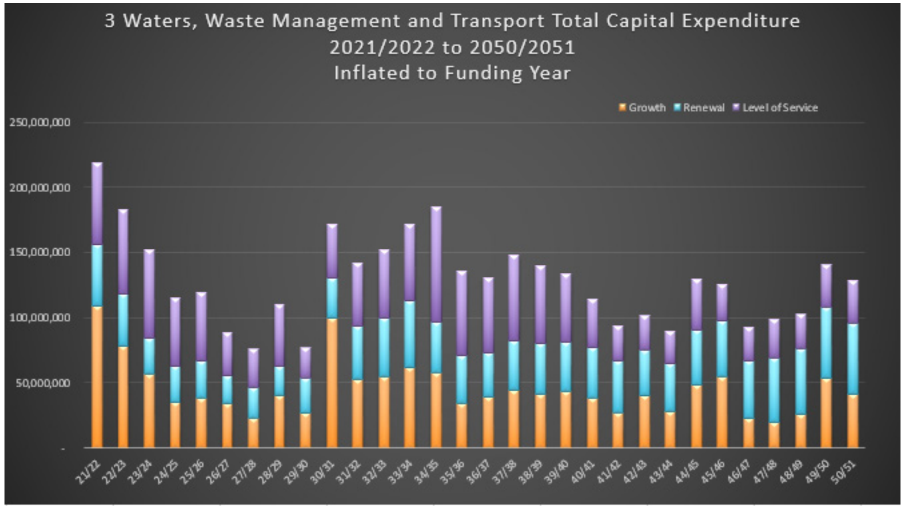
The forecast expenditure from 2031 to 2041 is another period where there will be significant capital investment required. This is due to an investment phase for the further development of the Wakatipu Active Travel Network.

While there are significant increases in the expenditure forecast to provide for growth, there is also a large increase in level of service related projects, this is due to increased investment in stormwater treatment and water supply compliance.

QLDC has assumed the following in regards to changes in Levels of Service:

- Our current transport programmes are designed to improve our level of service – especially reducing congestion, improving the liveability of Queenstown Town Centre and improving multimodal network accessibility. Consultation and customer engagement has been undertaken throughout the business case process.
- The primary LoS change for water services is the staged upgrade of drinking water supplies to compliance with the New Zealand Drinking Water Standards. This will be consulted on through the TYP.
- The changes in LoS for solid waste includes increased investment in kerbside collections to the majority of the district including separated glass recycling. Further investment in improved organics and construction waste management was also highlighted in the WMMP 2018.
- Funding for these service changes, along with additional headcount, has been included in the TYP funding models through the finance department.

Figure 14: Three Waters, Waste Management and Transport By Cost Driver 2021/2022 to 2050/2051



There is a high likelihood that over time the indicative estimates beyond ten years in this Strategy will need to change to reflect:

- Changes in assumed growth rates
- Changes to legislation or resource consent conditions
- New technologies and options for provision of infrastructure
- New models for the funding and delivery of infrastructure (these may include the Council not funding and/or owning infrastructure)
- Greater certainty about the nature and timing of the projects that are required
- Affordability and ability for QLDC to deliver the programme.

QLDC's Financial Strategy has been updated through the development of the 2021-31 Ten Year Plan. The Financial Strategy has a 10-year horizon and is aimed at responding to the needs of our District today and into the future in a responsible and affordable way.

The Financial Strategy describes the impact on debt and rates of the QLDC budget. Over the next ten years debt will remain within a prudent net-debt to revenue limit of <280% while funding an increased investment in looking after QLDC's existing assets and building new infrastructure.

QLDC's Financial Strategy notes that at a net-debt to revenue rating below 280%, QLDC maintains its strong credit rating (AA-) and still has capacity to fund any unforeseen events. The net-debt to revenue ratio figure above includes the HIF loan.

The borrowing limits have increased as a result of a change to debt covenants for borrowers with the LGFA. This was introduced to recognise the changed economic environment as a result of covid19. Many Councils are facing a shortfall in revenue which in turn impacts the important "debt to revenue" borrowing limit.

The development of indicative expenditure on assets for the next 30 years has allowed QLDC to gain a preliminary view of the sustainability of its finances and infrastructure for the next 20 years.

The estimated capital expenditure has been used to project the effect on QLDC's net-debt to revenue ratio and the financial strategy debt limit. This has been prepared using the following assumptions:

- Capital and operating expenditure in Years 1-10 as included in the 10-Year Plan budget
- The shown unfunded projects from the 10-Year Plan will need to be undertaken and a provision for these projects is included by equally spreading their value over Years 11-15
- Net-debt to revenue ratio is set at a limit of 280% (as in the 10-Year Plan budget) and remaining the limit into the future
- Rates increases as in the 10-Year Plan (Average increase of 5.2% per annum after allowing for growth).

Beyond the next ten years, the financial estimates indicate that there will be increased demands for capital expenditure. This is driven by:

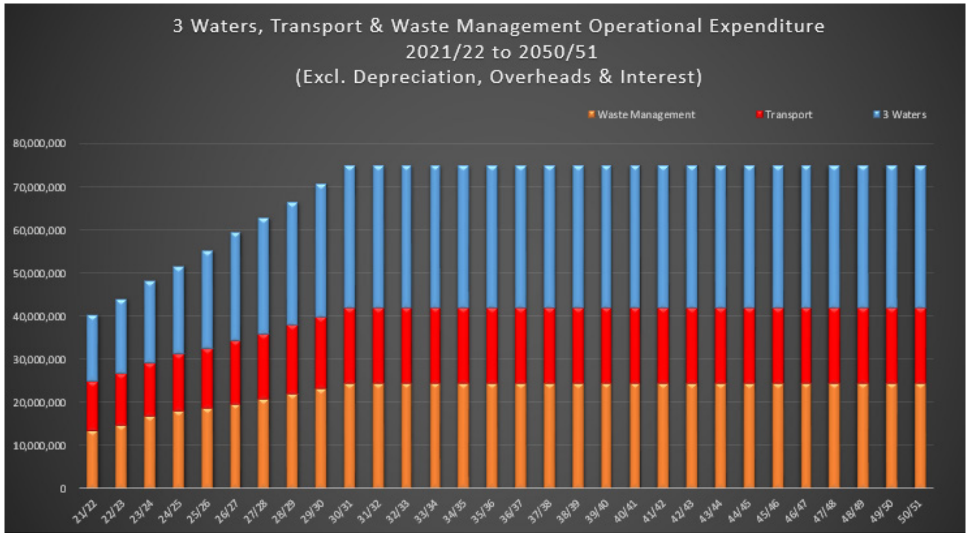
- Significant expenditure to provide for growth, particularly for waste management and public transport improvement projects.
- An allocation made for projects and programmes that have not been included in the 2021-31 Ten Year Plan and remain unfunded but are likely to be required in the future.
- The reduction of net-debt to revenue ratio in the years beyond 2025 should be understood within the context of:
  - a need for significant growth-related capital expenditure needed for strategic infrastructure from 2031 onwards
  - the very high uncertainty of projected debt levels given the assumptions that are needed to be made in relation to the compounding effects of inflation, rates increase, new assets and their operation and depreciation.

QLDC will manage the long-term sustainability for infrastructure through:

- Seeking capital grants subsidies for eligible projects
- Funding through the Visitor Levy (to cover the visitor related portion), capital reserves, rates and borrowing
- Exploring other funding mechanisms that will result in off-balance sheet arrangements for the Council
- Reviewing timing and scope as more information becomes available. This reduces uncertainty
- Investigating options for new technology as this develops and becomes available
- Continuing to improve asset management planning to ensure the best possible programme for managing timing of large projects
- Working with other agencies to ensure efficient delivery and joint funding opportunities
- Moderation through future Ten Year Plan and then Annual Plan processes
- Quality business cases prior to final approval for projects to proceed.

Operational expenditure for the 30 years has also been estimated. The forecasts for the first ten years are from the 2021-31 Ten Year Plan and longer-term estimates have been based on applying inflation and estimated growth factors.

Figure 15: Three Waters, Waste Management and Transport Operational Expenditure 2021/2022 to 2050/2051



8.0 The Council's activities

8.1 WATER SUPPLY

The Council is responsible for the treatment, storage, distribution, and management of the districts water supply. The water treatment plant sources raw water from Lake Wakatipu, Lake Wanaka, and bores along the Arrow and Shotover Rivers and treats it to provide a high standard of drinking water. The treated water is pumped to reservoirs from where it is distributed through a network to meet the needs of residential and commercial/industrial properties.

8.1.1 CONTEXT

The districts water supply system is made up of 12 treatment plants, 25 reservoirs and over 637km of associated pipe network.

8.1.2 WATER TREATMENT

The treatment plants rely on Lake Wakatipu, Lake Wanaka, Lake Hawea and bores along the Arrow and Shotover Rivers, Buckler Burn (Glenorchy) and ground water aquifer in Luggate as water sources. The sustainable peak treatment capability of the plant is about 78 million litres per day. During summer, peak demand has reached up to 90 million litres per day and in the evenings a substantial portion of the demand for water is met from reservoir storage.

8.1.3 WATER STORAGE

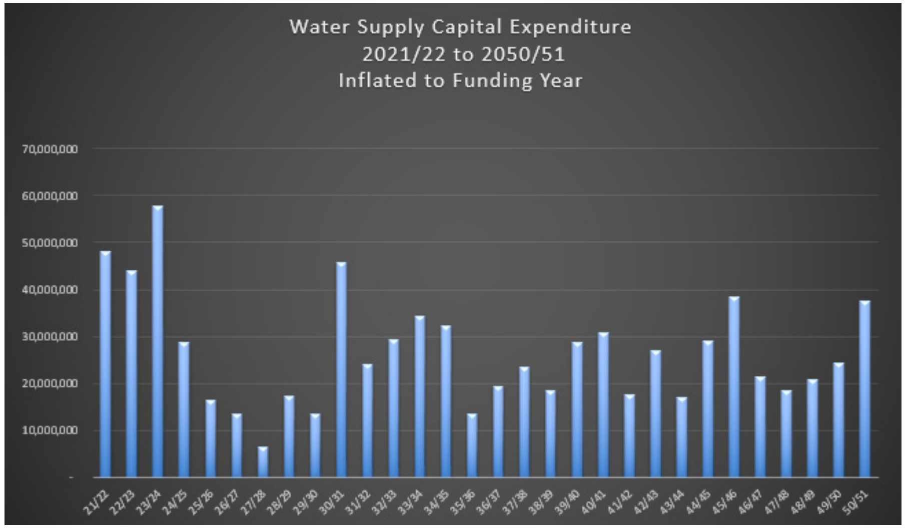
The district has 25 reservoirs, providing a total of 30 million litres of storage. Water storage equivalent to peak demand per day is required for emergency purposes. However, as the city grows, additional reservoir storage will be required for emergency purposes and water supply during peak periods.

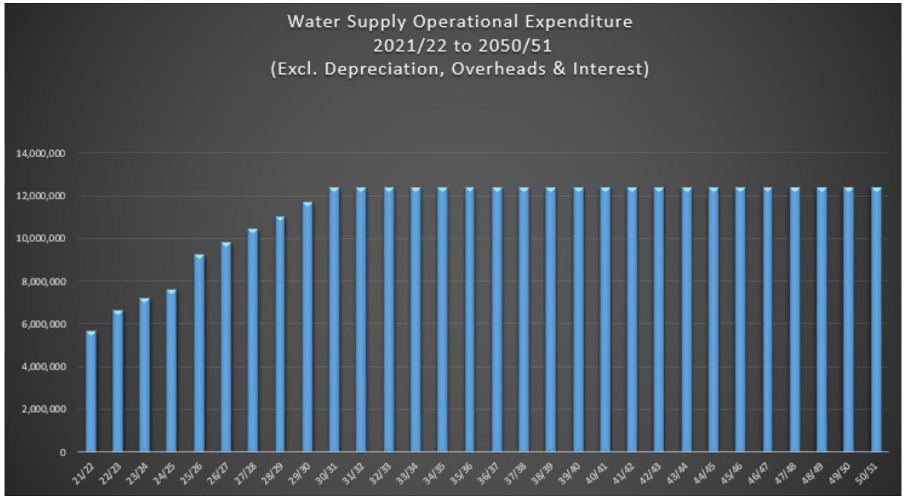
8.1.4 WATER DISTRIBUTION

Treated water is pumped from the treatment plant to the reservoirs and through approximately 637km of pipe network. As expected in any urban centres, the network is made up of various pipe materials of different ages, which results in some water loss through leakage. The leakage in the district is estimated to currently be about 33% of water that is treated.

ASSET GROUP	ASSET TYPE	PURPOSE AND DESCRIPTION	QUANTITY	VALUE IN $000S
Water Treatment	Civil, structural, mechanical, electrical and automation	Treatment plant that treat water for human use.	12	5,125
Storage	Reservoirs	Used to store treated water.	25	14,294
Network	Service connections	Pipe that connects the private water pipe within a property to the water network.	24,138	18,167
	Bulk watermains	Bulk watermains carry treated water from the treatment plant to the reservoirs.	118 km	34,792
	Reticulation pipes	Pipes of decreasing sizes that carry treated water from treatment plant or reservoirs to properties.	477 km	135,146
	Valves	Devices to control the flow of water from one pipe to the next (includes service valves).	20,735	15,196
	Hydrants	Above-ground connection that provides access to a water supply for the purpose of fighting fires for flushing.	2,771	5,598
	Meters	Measure water use for our commercials and industrial customers and bulk water flows within the network.	1,092	408
	Backflow Preventers	These devices prevent water from private pipes re-entering into the water network.	76	422
	Pump stations	These are used to transfer water from sources or to boost the pressure in reticulation.	33	8,999

Indicative Cost Estimates





8.2 WASTEWATER

The Council is responsible for the collection, transfer, treatment and disposal of the district's wastewater and trade waste. Wastewater and trade waste are discharged from properties into a network of gravity and pressure pipelines, which take the wastewater to the treatment plant.

8.2.1 CONTEXT

The district's wastewater system is comprised of six wastewater treatment plants, 65 pump stations and over 570km of connecting pipework. The system services over 23,000 households and provides trade waste services to 2,800 commercial and industrial premises.

8.2.2 WASTEWATER RETICULATION AND PUMP STATIONS

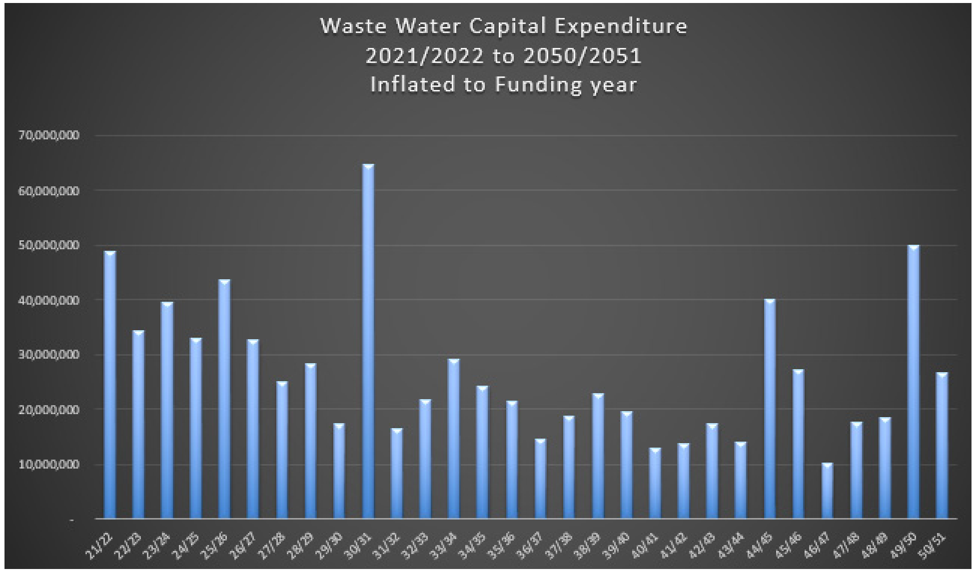
Wastewater is removed from commercial, industrial, and residential properties via various pumping stations and pipe networks to the nearest wastewater treatment plant. As is expected in any urban centre, the network is made up of various pipe materials and ages, which results in some water infiltration. The district has 65 pump stations which are controlled by a centralised computer system.

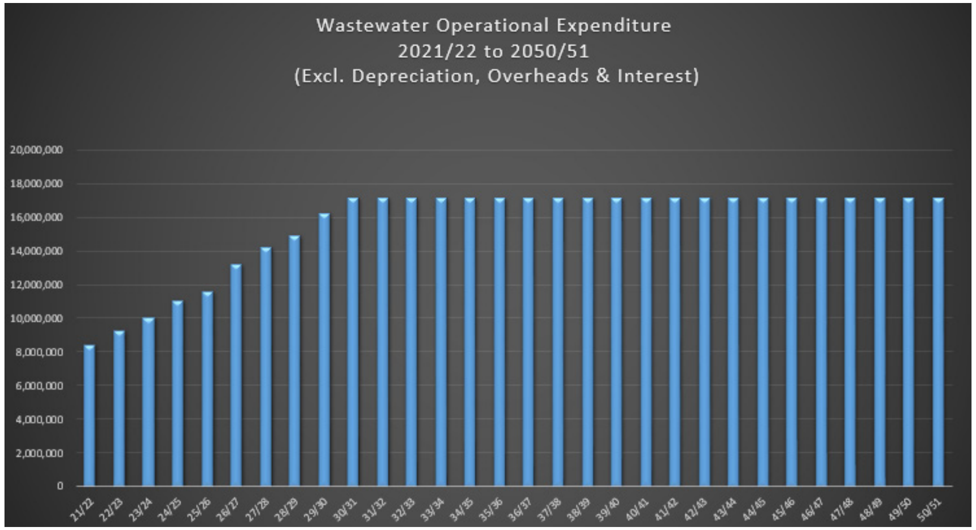
8.2.3 WASTEWATER TREATMENT

The treatment plants provided treatment of over 5 million cubic metres of wastewater in the 2019/20 financial year. The wastewater treatment plants primarily discharge to land. The quality of final discharge has improved over time as capital improvements have occurred onsite. There are two principal challenges. Firstly, peak flow into the plant, which is typically experienced during high rainfall events. Secondly, the health of the biology at the plant, which can be impacted by external events.

ASSET GROUP	PURPOSE AND DESCRIPTION	QUANTITY	VALUE IN $000S
Service connections	A pipe that connects the private sewer within a property to the wastewater network.	26,515 Connections	42,495
Pipes	Once the wastewater leaves a property it travels in pipes to the treatment plants. There are several different types of pipes within our network including: > Gravity pipes > Rising mains > Trunk mains	487km	191,127
Manholes	Service opening which allows access for inspection, cleaning, or maintenance of the public wastewater network.	8,035	39,809
Pump stations	Pump stations are installed at low points in the network so that wastewater flowing from these areas can be lifted to a higher point and continue its journey to the treatment plant under gravity.	65	13,184
Treatment plant	The treatment plant converts wastewater and trade waste into a disposable effluent and solids.	6	34,876

Indicative Cost Estimates





8.3 STORMWATER

Stormwater refers to the runoff of water from urban surfaces generated by rainfall, which is not absorbed by the ground.

Run-off flows overland or manmade storm-water infrastructure into our streams, rivers, and lakes. In the urban catchment, there are a higher percentage of impermeable surfaces and therefore volume of run-off is high. Stormwater picks up pollutants and contaminants including litter, animal excrement, dust, plant materials, petrol, oil, lead, and other metals or materials left behind on city roads.

The Council is responsible for the collection, transfer, and treatment of the stormwater before releasing into the District's streams, rivers, and lakes. The Council's stormwater system consists of pipes, channels, treatment devices and open watercourses.

8.3.1 CONTEXT

The stormwater network is comprised of pipes, open channels, inlet/outlet structures, treatment devices and other stormwater associated infrastructures. The District's pipe network is approximately 370 km long including the open channels.

The Section 8.3.2 provide overview of the Council owns stormwater assets.

QLDC's stormwater network services have a variety of land uses including:

> Residential land uses (e.g. private homes and driveways).
> Industrial and commercial land uses (e.g. wholesale and retail outlets, depots, manufacturing sites, warehouses, workshops).
> Roads and car parks.
> Community facilities.
> Runoff from undeveloped catchments.

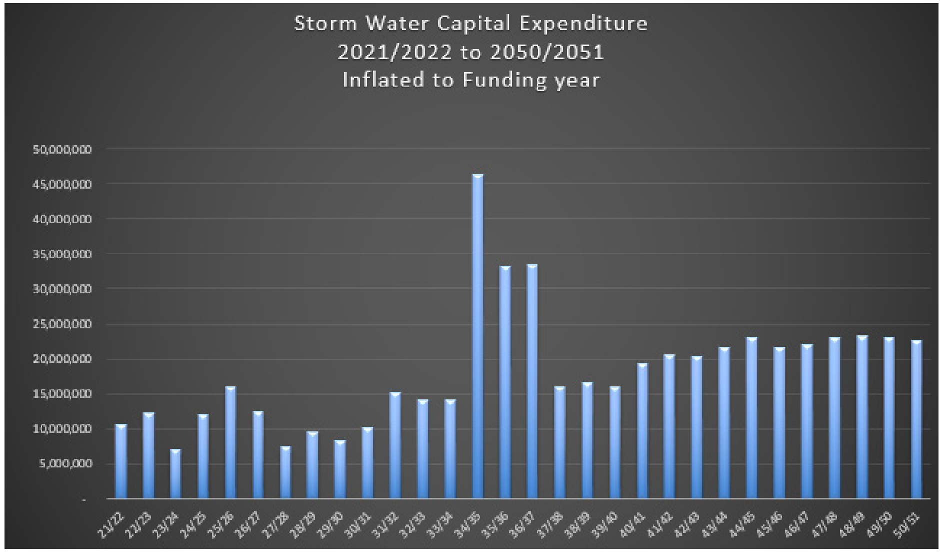
The stormwater network is also used to dispose of potable water during the maintenance of reservoirs, and from flushing and testing of fire hydrants.

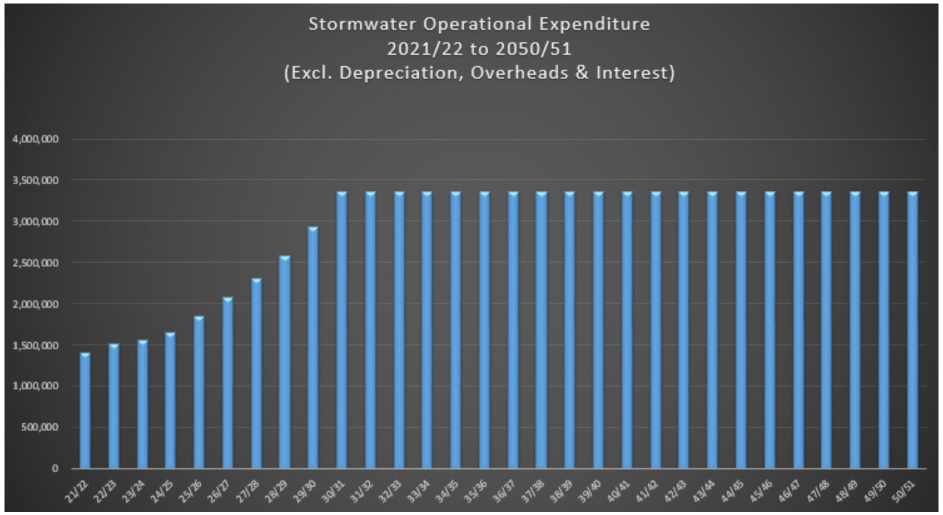
QLDC stormwater pipes are generally young and the average age is about 20 years and in good condition. The stormwater network can be viewed as providing a certain level of service to the community, property, infrastructure and CBD generally. The principal service to be provided is the removal of excess stormwater without undue flooding, flood damage to buildings, roads and property or risk to the community, and this driver generally sets the size, extent and cost of the network.

8.3.2 OVERVIEW OF ASSETS

ASSET GROUP	ASSET TYPE	PURPOSE AND DESCRIPTION	QUANTITY	VALUE IN $000S
Network	Service connections	A pipe that connects the private stormwater pipe within a premise to the stormwater network.	6,597	19,803
	Reticulation pipes	Once stormwater leaves a property it can travel in pipes to an open watercourse.	325km	211,278
	Manholes	Service opening which allows assess for inspection, cleaning or maintenance of the public stormwater piped network.	6,250	34,700
Treatment	Treatment/ detention/flood management	Ponds, wetlands and bunded areas that treat stormwater and or detain stormwater during high rainfall events to protect downstream properties from flooding.	169	166
Assets within streams and rivers	Lined open watercourses	Drains and streams that transport water to other streams.	40km	not valued
	Outlets and Inlets	Located at the end of the pipe, outlets and inlets prevent erosion and scouring of the open watercourse to which stormwater is discharged.	1,515	5,504

Indicative Cost Estimates





8.4 TRANSPORT

Council provides and manages a safe, resilient, and efficient transport system for Queenstown that supports modal choice and addresses current and future demand for economic and social opportunities.

Council's services include operation and maintenance of the existing network. Council works on the principles of maintaining, renewing and improving our multi modal transport system whilst considering a cost effective 'whole of life' approach.

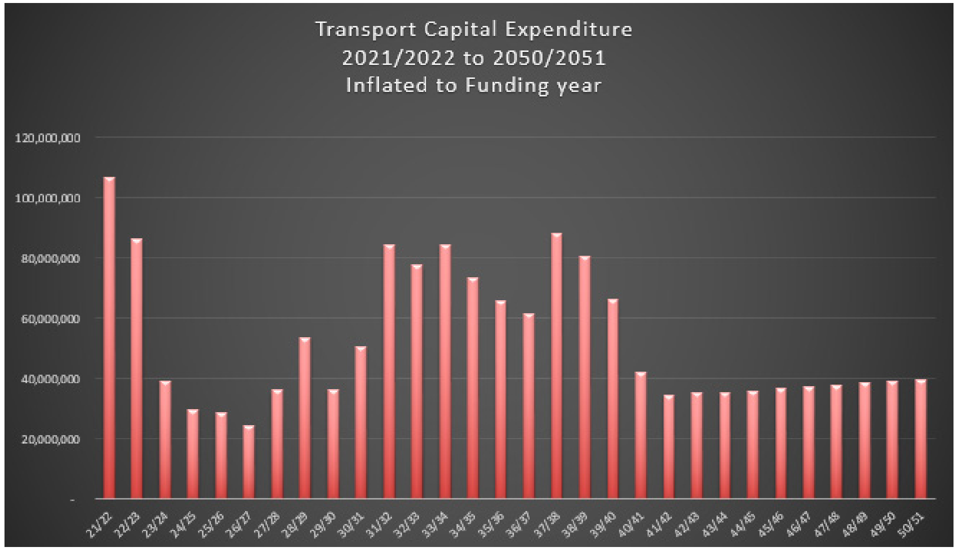
8.4.1 CONTEXT

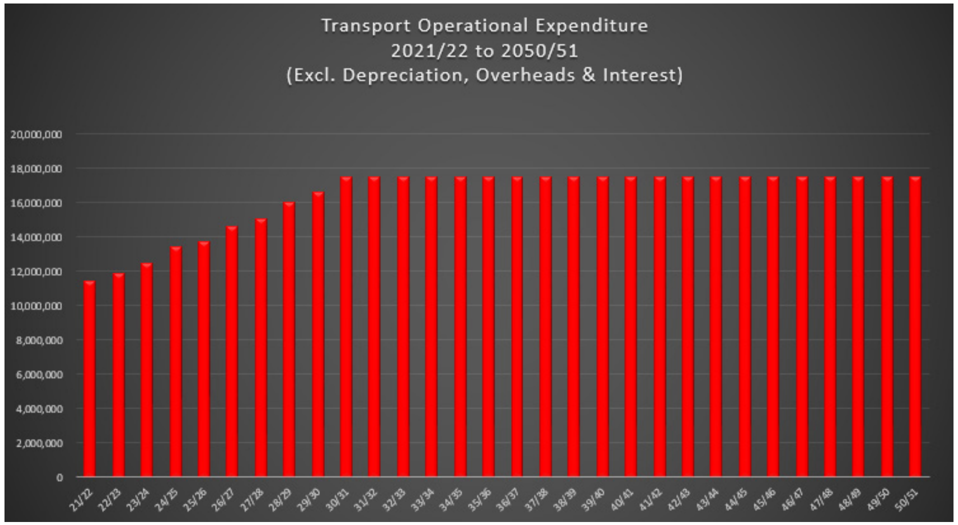
Our district is made up of the two main towns of Queenstown and Wanaka, with emerging communities such as Frankton, and Arrowtown which are becoming much more urbanised and settlements. Growth areas such as Ladies Mile and the Te Tapuae / Southern Corridor are also emerging as partly self-sufficient neighbourhoods in terms of transport demand. There are several smaller remote communities which play an integral part in our community and Council is focused on strengthening their connection to the main centres, particularly through active travel and public transport. With a small number of ratepayers supporting ever increasing visitor numbers. Population projections show this will continue over the next 30 years, putting pressure on Council's current capacity to maintain the network.

8.4.2 OVERVIEW OF ASSETS

ASSET TYPE	PURPOSE AND DESCRIPTION	QUANTITY	VALUE $ ORC
Bridges and Bridge Culverts	Bridges and large culverts (area >3.4sqm) classified as bridges	100	59,254,400
Drainage	Culverts, flumes, catch pits, subsoil drains, soak holes and headwalls	94,918m	37,697,174
Footpath	Roadside footpaths and pedestrian accessways	893,567sqm	65,422,757
Minor Structure	Roadside furniture and utilities including bus shelters	1,231ea	5,202,096
Railing	includes all railing types and use	38,418m	9,183,251
Retaining Wall	Constructed walls	40,685sqm	83,635,391
Surface Water Channel	Kerb and channel, concrete channels	1,589,558m	80,211,791
Signs	Includes all signage associated with guiding the flow of traffic	10,486ea	5,744,379
Street lights	Streetlight poles, brackets and lanterns	15,950ea	23,194,124
Traffic Facility	Paint markings and road markers	5,326ea	136,609
Pavement Formation	Road platform including shoulders	30,703,725sqm	204,001,856
Pavement Sealed Layers	The pavement granular layers including subbase and basecourse used to form the road carriageway where the surface is sealed	37,491,592sqm	250,951,594
Pavement Unsealed Layers	The pavement granular layers including subbase and basecourse used to form the road carriageway where the surface is unsealed	493,737sqm	10,730,489
Pavement Surface	The pavement material (chip seal, asphalt concrete) that forms the running surface on the road.	4,908,342sqm	64,710,683
Total value			**900,076,594**

Indicative Cost Estimates





8.5 WASTE MANAGEMENT

Waste Management activity ensures sustainable waste management that protects public health and the environment. The solid waste management activity is managed in three sub- activities: waste minimisation and recycling, refuse collection and landfill provision.

8.5.1 CONTEXT

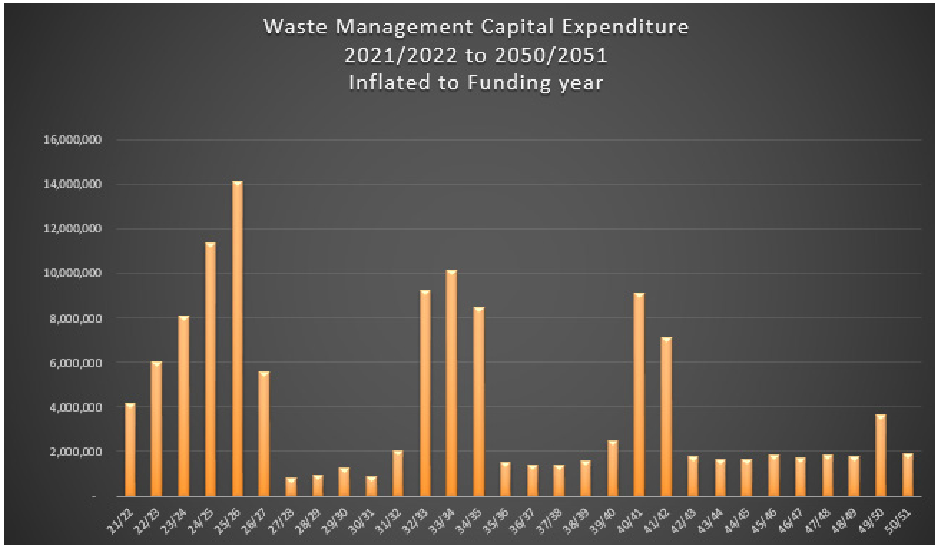
Council waste minimisation and management services and facilities include:

- Kerbside refuse and recycling collections
- Rural refuse collection points and recycling drop-off facilities
- Transfer stations at Frankton (Queenstown) and Wanaka
- Wakatipu Recycling Centre and Material Recovery Facility
- Victoria Flats landfill – owned by Queenstown Lakes District Council, operated by SCOPE Resources Ltd. Accepts waste from the Queenstown Lakes and Central Otago Districts.
- Rural greenwaste drop off points in Glenorchy, Kingston, Luggate, Hawea and Makarora
- Biosolids processing and disposal
- Provision and servicing of public place recycling and litter bins
- Inorganic (bulky items) collections in Glenorchy, Makarora and Kingston
- Subsidised ‘Bokashi’ bins for home composting initiative
- Monitoring and maintenance of nine closed landfills.

8.5.2 OVERVIEW OF ASSETS

ASSET GROUP	REPLACEMENT COST	QUANTITY
Easement Road	$40,436	$29,467
Landfill Site Roads	$255,049	$250,961
Water Bore & Pump	$16,865	$11,794
Irrigation System & Pump	$13,293	$7,622
Bins	$126,807	$31,702
Firefighting / Potable Water Supply	$90,605	$58,157
Cables - Phone & Power	$30,354	$22,794
Workshop	$106,861	$54,945
Weighbridge	$60,309	$38,623
Admin Office	$41,939	$21,058
Hazardous Goods Shed	$9,367	$4,143
Fencing, Access Gates & Landscaping	$124,089	$27,379
Storage	$3,968	$595
Leachate Ponds	$534,342	$431,957
Refuse Cells 1 to 6	$7,494,318	$6,496,183
Bunds	$101,200	$101,200
Water Race	$210,086	$186,977
Machinery	$2,414,762	$1,651,408
Monitoring	$12,123	$2,026
Totals	**$11,686,773**	**$9,428,989**

Indicative Cost Estimates



9.0 Assumptions

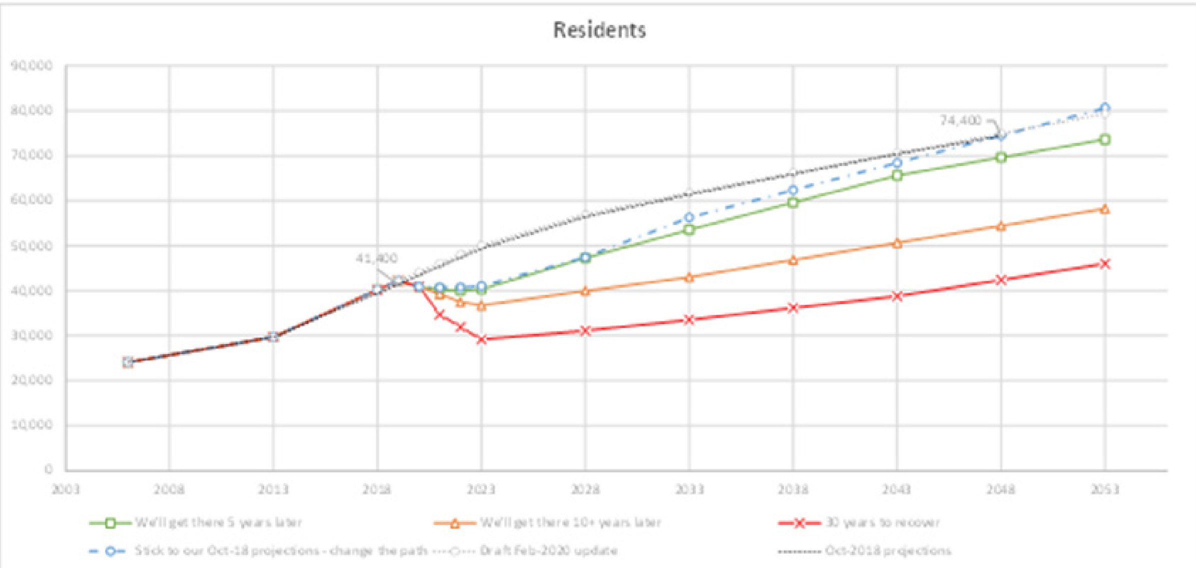
The Infrastructure Strategy has been prepared using the assumptions stated below, which are consistent with the significant forecasting assumptions contained in the Ten Year Plan 2021-31.

9.1 ASSUMPTIONS FOR GROWTH

Following the COVID-19 pandemic it has been assumed there will be a slowdown in international / national migration in the first ten years but long-term growth by 2051 will remain the same as predicted in the previous 2018-48 Infrastructure Strategy, which is the district would nearly double in size over the next 30 years. To put that into context, it would see the total population grow from a city the size of Napier to a city the size of Lower Hutt or Dunedin.

While the demand projections are indicative of what QLDC's strategic decision making is based on, it is with awareness that the projected change may take shorter or longer than 30 years. The projections are reviewed regularly and adjusted if required. More details of population growth, projections and demand for services are given in https://www.qldc.govt.nz/community/population-and-demand

Figure 16: ref: QLDC 2020 Demand Projections



The key changes from the previous 2018 projections are:

Strong resident population growth, increasing to nearly 77,500 people by 2051. This is near doubling of the projected 2021 starting point.

Continued growth in the number of houses, increasing to over 39,300 houses by 2051. The overall increase of nearly 17,000 houses is similar to the previous projections.

The increase in visitor numbers takes the average day total population to nearly 120,000 people.

QLDC will measure, update and confirm demand for services on an annual basis to ensure future projects for services are based on best available information, and is able to consider the effectiveness of demand management programmes.

9.2 GENERAL ASSUMPTIONS

ASSUMPTION	LEVEL OF UNCERTAINTY	RISK AND CONSEQUENCE	APPROACH TO MITIGATION OF RISK
By 2031 the District's population is projected to increase to 85,370 on an average visitor day, 144,780 on a peak visitor day. The District's rating units will increase to 34,300. A detailed breakdown of the Demand assumptions can be found in Volume One of this Ten Year Plan on page 13.	High	Population and rating unit growth occurs at a higher or lower rate than expected. A significant or consistent higher rate may adversely affect the ability of the Council to deliver some services to existing service levels. A significant and consistent lower rate may adversely affect the ability of the Council to set rates at a level that is affordable to the community.	The Council actively monitors population demand every six months. Generally, small movements in population can be managed within the existing level of service and budgets. Where growth requires additional infrastructure, the Council can require development contributions for this work. Where growth requires investment to maintain current levels of service or growth is significantly lower, the Council has the ability to adjust budgets as required through the Ten Year Plan/Annual Plan process. This may mean a reprioritisation of work programmes.
Population and dwelling projections are used to plan core infrastructure using dwelling capacity modelling, and resource consent and building consent data.	Medium	Incorrect forecasts from Council's dwelling capacity projections result in delayed or excess infrastructure. The result of which would be a change in work programmes.	QLDC has been recognised as a 'Tier 2 Urban Environment' by Central Government under the National Policy Statement on Urban Development 2020. This policy is about recognising the national significance of growth urban environments and their ability to change and to provide sufficient development capacity. It drives additional modelling, forecasting and reconciliation of information from the Planning and Infrastructure teams to report back to Central Government on the development of infrastructure to service urban growth. A requirement of the National Policy Statement on Urban Development 2020 is to produce a future development strategy – our Spatial Plan will meet these requirements. The 30 Year Infrastructure Strategy will ensure the infrastructure response is addressed. All key strategic planning documents utilise the same Demand Projections.

ASSUMPTION	LEVEL OF UNCERTAINTY	RISK AND CONSEQUENCE	APPROACH TO MITIGATION OF RISK
Weather pattern changes may have an effect on core infrastructure, as outlined in the Infrastructure and Asset Management Strategy.	High	The effects of weather pattern changes are more or less severe than expected. Weather pattern changes are likely to create additional costs to mitigate their impacts, such as improving protection of critical infrastructure or increased maintenance costs.	Climate change effects are assessed in all infrastructure planning and design as stated in the 30 Year Infrastructure Strategy. Required capital and operational programmes are addressed through the Ten Year Plan/Annual Plan process. Looking to use the Land Development and Subdivision Code of Practice review as a longer term risk mitigation for climate change impact on infrastructure and also develop a trunk infrastructure design standard for use where the Land Development and Subdivision Code of Practice isn't suitable.
Carbon credits will be effectively managed in accordance with the Emissions Trading Scheme.	Low	The targets for waste diversion that are set within the Waste Minimisation Strategy are not met, increasing the value of carbon credits due.	Scope 1 emissions associated with WWTP are important to lower in order to meet targets set by the Zero Carbon Bill, but WWTPs are not currently NZ ETS participants.
Climate change impacts will arise over the life of the Ten Year Plan. The Climate Action Plan is the primary tool for proactively managing the effects of climate change on our community. However, the impact of weather pattern changes and climate change on core infrastructure is also outlined in the 30 Year Infrastructure Strategy.	Medium	The effect of Climate Change occurring more quickly than anticipated may require Council to review and change its current activities and levels of service. This could have a significant financial impact on the community. There is gap between our aspirations in the Climate Action Plan and our ability to deliver on these.	The Climate Action Plan outlines actions that are based upon sound data (Bodecker Climate Report, Greenhouse Gas Audit, Emissions Reduction Roadmap and Sequestration Analysis), good advice (Climate Reference Group) and clear governance (Finance, Audit and Risk Committee). Developments will be addressed through the annual review of the Climate Action Plan and the 30 Year Infrastructure Strategy will be adjusted accordingly.
Infrastructure Services (Three Waters, Transport, and Waste) will continue to be owned and provided by Queenstown Lakes District Council.	High	Responsibility for the provision of an infrastructure service is transferred to a different entity.	QLDC signed a memorandum of understanding with Central Government in 2020 and is participating in the exploration of future service delivery options. Regardless of the final service delivery model, the community will need 3 waters services whether this Council delivers them or not. Therefore these activities are reflected in the financial strategy and the infrastructure strategy and assumed to be delivered within the Ten Year Plan.

ASSUMPTION	LEVEL OF UNCERTAINTY	RISK AND CONSEQUENCE	APPROACH TO MITIGATION OF RISK
Estimates have been made in relation to the revaluation of infrastructural assets beginning in 2021 and continuing on a two-yearly cycle. The revaluation amount is based on an adjustment made to asset values for movements in costs for opening infrastructural values and capital additions made during intervening years.	High	There may be a difference between the Council's forecast future value of assets and the actual valuation in the future, which may impact on the assets operating cost.	The Council revalues infrastructure assets every three years through qualified and experienced asset valuers, this value is the amount used for insurance purposes. The BERL price adjustors are the preferred indicators of price through the Ten Year forecast process and used extensively as an indication of future infrastructure asset values. The Council will review its budget annually through the Ten Year Plan/ Annual Plan process and may adjust work programmes and budgets where necessary to smooth any fluctuations in the Ten Year Plan revaluation amounts.
Infrastructural assets, with the exception of land under roads, are depreciated on a straight-line basis to write off the fair value of the asset to its estimated residual values over its estimated useful life.	Medium	In the event that a change of depreciation method was approved, or accounting standards changed, operating expenses might change, and these costs may be over or under stated.	Approved valuers utilise the latest accounting standards and provide improvement recommendations with each valuation report. These should highlight upcoming changes to standards and any cost implications. Asset life is based on the estimates of engineers and valuers. These are regularly reviewed through asset monitoring and analysis of project contract costs.
All drinking water standards across the district will be met by end of 2024.	Medium	The capital cost of providing infrastructure to meet New Zealand Drinking Water Standards is higher than forecast. Funding may not be available to provide the infrastructure if capital costs increase.	The Council will review its budget annually through the Ten Year Plan/ Annual Plan process and may adjust work programmes and budgets where necessary based on risk profile to incorporate additional costs.
Vested asset estimates have been based on average values for the past five years, adjusted for inflation annually.	High	The value of assets vested with the Council are less than that forecast, resulting in reduced capital revenue.	The level of vested assets is difficult to forecast, therefore past levels of vested assets are the best indicator of future levels. The Ten Year average adjusted for inflation remains the most robust indicator of vest asset values.
Agreements will be successfully entered into with lenders to provide the necessary financing.	Medium	The Council's external funding requirements are not met. This could result in changes to operational expenditure due to increased lending rates.	Prudent debt levels are maintained to mitigate risk for financial institutions. Relationships are maintained with the various funding institutions and the Council regularly monitors credit markets.

ASSUMPTION	LEVEL OF UNCERTAINTY	RISK AND CONSEQUENCE	APPROACH TO MITIGATION OF RISK
At the end of 2017 the Council applied for a credit rating from Fitch Ratings. This has been granted at AA-, the level of this rating enables the Council to access a higher debt limit within the Affordability benchmarks. This Draft Ten Year Plan assumes that the Council's retains a level of credit rating to allow this higher limit and have utilised this additional available debt to fund the draft capital programme.	Medium	The Fitch rating reduces below the level required to maintain this higher level of debt, resulting in the Council being outside of its funding limits and in breach of its borrowing ratios from the Local Government Funding Agency. A breach would require immediate repayment of all loan funds.	The Fitch rating is based on full disclosure of the financial forecasts within the Ten Year Plan. A change to the rating will only result if there is a significant change to these forecasts. The annual review with rating agency will allow any such changes to be discussed and the implications for the credit rating to be considered. If required, the Council review its budget annually through the Ten Year Plan/Annual Plan process and may adjust work programmes and budgets where necessary to adjust for any changes.
All resource consents for infrastructural capital works will be obtained. Other projects, particularly new roads, will depend upon successfully acquiring the necessary designations if they don't currently exist.	Medium	A resource consent is not obtained or renewed, or conditions imposed are unacceptable. The non-granting or non-renewal of a major resource consent for a Council activity would have significant impacts on costs and the ability to provide that activity. A major non-renewal may mean an entirely new approach to the activity would be required. Non-granting or a delay in granting of a resource consent may delay a project.	Appropriate planning, in sufficient time, to obtain resource consents should ensure that they are obtained. Existing monitoring of compliance with existing resource consent conditions will provide a record of compliance for future processes. The renewal of consents is dependent upon the legislative and environmental standards and expectations that exist at that time.
A number of resource consents for discharge to the environment will expire during the life of the plan. It is assumed they will be re-consented.	Medium	A resource consent is not obtained or renewed, or conditions imposed are unacceptable. The non-granting or non-renewal of a major resource consent for a Council activity would have significant impacts on costs and the ability to provide that activity. A major non-renewal may mean an entirely new approach to the activity would be required. Non-granting of a resource consent may delay a project.	Appropriate planning, in sufficient time, to obtain resource consents should ensure that they are obtained. Existing monitoring of compliance with existing resource consent conditions will provide a record of compliance for future processes. The renewal of consents is dependent upon the legislative and environmental standards and expectations that exist at that time.

ASSUMPTION	LEVEL OF UNCERTAINTY	RISK AND CONSEQUENCE	APPROACH TO MITIGATION OF RISK
Relationships with key stakeholders will be well maintained, with international, national, central government, regional, local and industry groups.	Low	Key stakeholder relationships are eroded, inhibiting Council processes.	Key stakeholder relationships are identified in the Council's Risk Register. Staff within QLDC are responsible for managing these relationships.
Capable staff may not always be readily available for employment, with effective recruitment and retention. Staff turnover will be targeted at under 20%.	Medium	The Council will not be able to recruit and retain the right staff. If the risk occurs, then increased reliance may be placed on contractors which may impact on operational expenditure.	The Council has a People Strategy which has gone through a substantive review through this Ten Year Plan process. It sets out QLDC's long term people related objectives and shorter term key performance indicators, staff turnover being one of these. It also sets a plan to ensure gaps in workforce capability and capacity can be closed over time. This may require an increase in resourcing in the short term to ensure longer term risks can be effectively managed, and that the organisation is flexible, adaptable and change-ready for the changing needs of our community. Human Resource activities over a three to five year period are also mapped out in the plan, focussed on building capability, attracting, retaining and developing the right staff in the right roles. The staff turnover measure is monitored monthly. If capable staff are not able to be recruited adjustments to work programmes and budgets can be made through the Annual Plan/Ten Year Plan process.
All financial information in this Strategy includes inflation unless stated otherwise.	High	High degree of uncertainty as based on long-term inflation forecasts that are likely to change and errors would have a compounding effect over time. Increased or decreased inflation could have a material impact on the accuracy of financial forecasts. This would result in the need to either decrease or increase funding in order to continue to deliver the same service levels and programme.	As our understanding of inflationary cost pressures becomes apparent through time, QLDC's Infrastructure Investment Portfolio will be reoptimised to reflect the emerging cost changes alongside strategic priorities, investment objectives, and financial/funding position.

ASSUMPTION	LEVEL OF UNCERTAINTY	RISK AND CONSEQUENCE	APPROACH TO MITIGATION OF RISK
There is sufficient capacity within the professional services and contractor market to undertake the capital programme.	High	High level of uncertainty as there are high levels of forecast capital expenditure from other central and local government agencies in the upper North Island as well as ongoing strong demand for new housing and development. Impact could be high as budgets may not be sufficient to undertake the works as planned. The council has included a higher inflation rate in its budget (specifically forecast for the sub region by BERL) to mitigate this risk.	QLDC will undertake a review of capacity constraints and develop a resource plan to identify how QLDC will manage the resource constraints and the impacts on the delivery of our programme. In order to lower the uncertainty for our delivery partners, QLDC will continue to use professional services and contract panels as part of its infrastructure procurement strategy in order to give these external partners more clarity on the future programme and be able to jointly optimise changes to the capital programme.
Waka Kotahi approve our National Land Transport Programme funding application as submitted for both Continuous and Improvement Programmes. It is assumed the National and Regional Land Transport Programmes prioritisation will align with QLDC's submission. Waka Kotahi's investment approval process aligns with QLDC's TYP.	High	Reduced funding from Waka Kotahi due to unaligned priorities Waka Kotahi have insufficient funds to meet our request for funding Misaligned timeframe means there is uncertainty on what the final investment allocation will be.	Close engagement on the Transport Programme between QLDC and Waka Kotahi throughout the parallel funding streams. The QLDC transport programme has been developed in close alignment with Waka Kotahi and the Road Efficiency Group national framework. This programme has been developed to meet national, regional and local strategic drivers i.e. Government Policy Statement, Regional Land Transport Plan and Beyond Vision 2050. QLDC are offering investment scenarios for the Programme via the Activity Management Plan to demonstrate where level of service and deliverables may change depending on level of investment.

Significant Assumptions | Whai mōhiotaka

Assumption		Level of Uncertainty of the Assumption	Risk and Consequence	Severity of Risk	Approach to Mitigation of Risk
CLIMATE CHANGE					
1	Budgeted pricing for carbon credits will be consistent with current market prices.	Medium	The risk is that the targets for waste diversion that are set within the Waste Minimisation Strategy are not met, increasing the value of carbon credits due. Given proposed changes to the auction system within the Emissions Trading Scheme (ETS) and the forthcoming gas capture and destruction facility at the landfill site, there is a medium level of uncertainty around this assumption.	Moderate	The waste management, waste minimisation, finance and climate action teams are working together to consider the implications of the proposed changes on the way the ETS managed on behalf of the district. Effective management of the ETS is part of a broader system of technological and behaviour change that all need to work in a complementary fashion to reduce emissions and the cost associated with purchasing carbon credits. Legislative change move quickly in this area of discipline and as such, officers will ensure that all changes are understood and actioned quickly. The impact of carbon credits in accordance with the Emissions Trading Scheme is reviewed on an annual basis to ensure pricing of waste services is amended in-line with forecast prices for carbon credits.
2	Climate change impacts will arise over the life of the Ten Year Plan. The Climate Action Plan is the primary tool for proactively managing the effects of climate change on our community and all priority initiatives will be met. However, the impact of weather pattern changes and climate change on core infrastructure is also outlined in the 30 Year Infrastructure Strategy.	Medium	The risk is that the effect of Climate Change occurring more quickly than anticipated may require Council to review and change its current activities and levels of service. This could have a significant financial impact on the community and could result in a gap between our aspirations in the Climate Action Plan and our ability to deliver on these.	Moderate	The Climate Action Plan outlines actions that are based upon sound data (Bodeker Climate Report, Greenhouse Gas Audit, Emissions Reduction Roadmap and Sequestration Analysis), good advice (Climate Reference Group) and clear governance (Finance, Audit and Risk Committee). Developments will be addressed through the annual review of the Climate Action Plan and the 30 Year Infrastructure Strategy will be adjusted accordingly.
DEMAND PROJECTIONS					
3	By 2031 the District's population is projected to increase to 85,370 on an average visitor day, 144,780 on a peak visitor day. The District's rating units will increase to 34,300. A detailed breakdown of the Demand assumptions can be found in Volume One of this Ten Year Plan on page 22.	High	The risk is that population and rating unit growth occurs at a higher or lower rate than expected. A significant or consistently higher rate may adversely affect the ability of the Council to deliver some services to existing service levels. A significant and consistent lower rate may adversely affect the ability of the Council to set rates at a level that is affordable to the community.	Moderate	The Council actively monitors population demand every six months. Generally, small movements in population can be managed within the existing level of service and budgets. Where growth requires additional infrastructure the Council can require development contributions for this work. Where growth requires investment to maintain current levels of service or growth is significantly lower, the Council has the ability to adjust budgets as required through the Ten Year Plan/Annual Plan process. This may mean a reprioritisation of work programmes.

Assumption		Level of Uncertainty of the Assumption	Risk and Consequence	Severity of Risk	Approach to Mitigation of Risk
DEMAND PROJECTIONS					
4	Population and dwelling projections are used to plan core infrastructure using dwelling capacity modelling, and resource consent and building consent data.	Medium	The risk is that incorrect forecasts from Council's dwelling capacity projections result in delayed or excess infrastructure. The result of which would be a change in work programmes.	Moderate	QLDC has been recognised as a 'Tier 2 Urban Environment' by Central Government under the National Policy Statement on Urban Development 2020. This policy is about recognising the national significance of growth urban environments and their ability to change and to provide sufficient development capacity. It drives additional modelling, forecasting and reconciliation of information from the Planning and Infrastructure teams to report back to Central Government on the development of infrastructure to service urban growth. A requirement of the National Policy Statement on Urban Development 2020 is to produce a future development strategy – our Spatial Plan will meet these requirements. The 30 Year Infrastructure Strategy will ensure the infrastructure response is addressed. All key strategic planning documents utilise the same Demand Projections.
FINANCE					
5	At the end of 2017 the Council applied for a credit rating from Fitch Ratings. This has been granted at AA-, the level of this rating enables the Council to access a higher debt limit within the Affordability benchmarks. This draft Ten Year Plan assumes that the Council retains a level of credit rating to allow this higher limit and has utilised this additional available debt to fund the draft capital programme.	Medium	The risk is that the Fitch rating reduces below the level required to maintain this higher level of debt, resulting in the Council being outside of its funding limits and in breach of its borrowing ratios from the Local Government Funding Agency. A breach would require immediate repayment of all loan funds.	High	The Fitch rating is based on full disclosure of the financial forecasts within the Ten Year Plan. A change to the rating will only result if there is a significant change to these forecasts. The annual review with rating agency will allow any such changes to be discussed and the implications for the credit rating to be considered. If required, the Council can review its budget annually through the Ten Year Plan/Annual Plan process and may adjust work programmes and budgets where necessary to adjust for any changes.
6	The forecast receipts of dividends from Queenstown Airport Corporation are in line with the corporation's projections and dividend policy.	Medium	The risk is that the dividend receipts are not received as forecast, resulting in reduced debt repayment as forecast.	Moderate	The Council will review its budget annually through the Ten Year Plan/Annual Plan process and may adjust work programmes and budgets where necessary to smooth any fluctuations in debt repayment and the associated interest costs.

Assumption		Level of Uncertainty of the Assumption	Risk and Consequence	Severity of Risk	Approach to Mitigation of Risk
FINANCE					
7	The Council has increased the 2020 provision for loss in relation to potential leaky building claims. The increased provision is based on an analysis of potential liability as at 31 May 2021. Any claims received subsequent to 30 June 2009 are not covered by insurance. Other claims covered by insurance are subject to a cap as to the level of cover provided.	High	The risk is that the Council may be found liable in relation to future claims, this could be significant and may adversely affect the ability of the Council to set rates at a level that is affordable to the community for that period.	Moderate	The Council will review its budget annually through the Ten Year Plan/Annual Plan process and may adjust work programmes and budgets where necessary should the Council be found liable. As at 31 May 2021, Council is actively defending five weather-tightness claims. The 2020 loss provision has been increased based on the analysis of the latest claims information. Whilst the provision for loss has been increased, the forecast financial statements do not include an estimate of settlement for any claim. Any claims received subsequent to 30 June 2009 are not covered by insurance. Other claims covered by insurance are subject to a cap as to the level of cover provided.
8	Waka Kotahi (WK) approve our National Land Transport Programme funding application as submitted for both Continuous and Improvement Programmes. Although in previous TYP's WK have generally approved a high percentage of our programme, given WK's current financial constraints following the Covid pandemic, the risk around WK not approving the programme is high. It is assumed in the draft TYP that the National and Regional Land Transport Programmes prioritisation will align with QLDC's submission. As the timing of Waka Kotahi's investment approval process does not meet our draft TYP requirements, we may look to use the TYP submission process to realign our internal programmes if funding is not as requested.	High	The risk is that there is reduced funding from Waka Kotahi due to unaligned priorities or that Waka Kotahi have insufficient funds to meet out request for funding. Misaligned timeframe means there is uncertainty on what the final investment allocation will be.	Moderate	The QLDC transport programme has been developed in close alignment with Waka Kotahi and the Road Efficiency Group national framework. This programme has been developed to meet national, regional and local strategic drivers ie. Government Policy Statement, Regional Land Transport Plan and Vision Beyond 2050. QLDC are offering investment scenarios for the Programme via the Activity Management Plan to demonstrate where level of service and deliverables may change depending on level of investment. On 31 May 2021, Waka Kotahi informed all local authorities of their indicative funding allocations for the next 3 years for road maintenance activities (including renewals). As with many local authorities, there is now a difference between the amount of subsidy assumed in the 10YP compared to the indicative allocation for this period. It is our intention to re-prioritise road maintenance activities to stay within our current "local share" budgets over the next 3 years. Council will therefore adjust 10YP budgets accordingly in August 2021 once the final funding decision is made by Waka Kotahi for all roading programmes.

Assumption		Level of Uncertainty of the Assumption	Risk and Consequence	Severity of Risk	Approach to Mitigation of Risk
FINANCE					
9	All financial information provided in the Ten Year Plan includes inflation. This is based on the inflation rates for periods beyond 2021/22 taken from the Local Government Cost Index (LGCI) prepared by BERL Economics as at September 2020.	High	The risk is that actual inflation significantly differs from forecast inflation resulting in a higher or lower cost for both operational and capital expenditure. This may also affect consistency of levels of service to the community.	Moderate	The Council actively monitors inflation rate changes and adjusts each year through the Annual Plan budgeting process to capture actual change. This process allows the Council to identify any local specific cost changes, as well as the ability to reprioritise the work programme if required to maintain consistency in levels of service.
10	The majority of funding will continue to be available through the Local Government Funding Agency (LGFA), with a cumulative balance of $700M by year 10.	High	The risk is that the LGFA cannot meet its obligations to lenders as a result of a default by a borrowing local authority on interest or principal payments to the LGFA. The Council no longer qualifies for LGFA funding.	Moderate	LGFA has a credit rating from Fitch Ratings ("Fitch") and meets with the agency annually. In 2020 Fitch affirmed QLDC's Long-Term, Local-Currency Issuer Default Rating at AA- with a Stable Outlook. This will need to be reviewed by Fitch after the Ten Year Plan has been adopted. QLDC and the Council continually monitor that all required ratios are within the LGFA lending requirements.
11	Asset lifecycles are outlined in the Asset Management Plans and each asset category is reflected in the Statement of Accounting Policies. The useful lives of assets are consistent with the assumptions applied to valuing each asset category and were determined by experienced and qualified asset valuers.	Medium	The risk is that an asset's useful life may differ from assumptions made, resulting in increased capital and operational costs if the asset does not perform for as long as expected.	Low	The Council performs programmed and reactive asset performance and condition assessments to better inform remaining asset lives. These lifecycles are further analysed through regular asset revaluations.
12	Visitor Levy will be implemented from Year 4 of the Ten Year Plan at the levels indicated in the business case ($162.9M across Years 4 - 10).	High	If the visitor levy were not available, the capital programme for 2024 to 2031 would have to be significant reduced or the rates increased by a further 2.3% per annum for the last seven years of the Ten Year Plan.	High	QLDC have been working with Central Government officials to propose and introduce a local bill to Parliament, however due to COVID-19 and the uncertainty around when international travel will return, the visitor levy was put on hold. In developing this Ten Year Plan, our assumption is that work will recommence on this project and the levy will be introduced for Year 4.

Assumption		Level of Uncertainty of the Assumption	Risk and Consequence	Severity of Risk	Approach to Mitigation of Risk
FINANCE					
13	Development contributions will align with infrastructure investment. The Council has revised the revenue expected to 100% of that indicated in the Development Contributions and Financial Contributions Policy for 2021/22.	Low	The risk is that projected revenue from development contributions is not sufficient to fund the growth portion of the forecast capital programme.	Low	The methodology for the apportionment and calculation of development contributions is outlined in the Council's Policy on Development Contributions and Financial Contributions. The key concept of the approach is to define the total capital expenditure for growth consumed by the growth population over a period of time. The calculation utilises past expenditure and forecast expenditure from this Ten Year Plan mitigating the risk of non-alignment with future investment. Developer agreements will be entered into for the growth projects that are funded through the Housing Infrastructure Fund. These agreements will set output targets to ensure development aligns with infrastructure provision. The Council's Financial Strategy recognises that development contribution income may not be sufficient to fund the full cost of servicing 'growth' loans, if growth is not as high as forecast. In this circumstance any shortfall will be funded by a combination of additional internal loans, the housing infrastructure fund or utilising excess depreciation funds.
14	Interest rates are expected to average 3% across the ten years.	High	The risk is that the rate of interest changes throughout the Ten Year Plan, resulting in increased or decreased operational costs.	Moderate	The Council has a Liability Management Policy which contains strategies to protect ratepayers against significant fluctuations. The Council will review its budget annually through the Ten Year Plan/Annual Plan process and may adjust work programmes and budgets where necessary to smooth any fluctuations in interest rate changes.
15	Investment property is forecast to increase in line with BERL property CPI, which is re-valued annually.	High	The risk is that the rate of inflation differs from that assumed resulting in a change to revenue and expenditure. This could be significant and may adversely affect the ability of the Council to set rates at a level that is affordable to the community.	Moderate	The Council will review its budget annually through the Ten Year Plan/Annual Plan process, along with the revaluation of investment property, and may adjust work programmes and budgets where necessary to smooth any fluctuations in inflation rate changes.

Assumption		Level of Uncertainty of the Assumption	Risk and Consequence	Severity of Risk	Approach to Mitigation of Risk
FINANCE					
16	The district will not experience a further pandemic response lockdown.	High	The risk is that current or future national controls are insufficient to prevent the community transmission of COVID-19, thereby requiring the district to experience further lockdowns. This will have profound social and economic consequences and funding initiatives to support these circumstances may be difficult.	High	The Council has a strong business continuity plan which will be deployed in the event of further lockdowns in order to minimise disruption to the community and the services provided. A number of initiatives implemented during the first set of lockdowns will be re-activated in the event of a further lockdown through the emergency response and recovery teams. These initiatives are designed to mitigate social and economic consequence insofar as is possible at a local level. Central government and philanthropic funding avenues will be pursued actively.
17	Agreements will be successfully entered into with lenders to provide the necessary financing in relation to all covenants.	Medium	The risk is that the Council's external funding requirements and covenants are not met. This could result in changes to operational expenditure due to increased lending rates.	Moderate	Prudent debt levels are maintained to mitigate risk for financial institutions. Relationships are maintained with the various funding institutions and the Council regularly monitors credit markets.
18	The district will experience a gradual improvement in economic conditions with tourism picking up initially with the return of trans-Tasman business during 2021-2022, and other international travel from 2022-2023. This aligns with airline industry and government travel bubble assumptions for the same period. We have also assumed that all revenue streams return to 100% of pre-COVID levels by 2023-2024.	High	The risk is that borders will remain closed for longer than anticipated and the lack of international travel will have a greater than anticipated impact on revenue streams.	High	The Council will continue to monitor available data sources, international developments and government guidance to maintain awareness and shape decision-making. Relevant data and intelligence will be shared with key partners as it becomes available.
INFRASTRUCTURE					
19	Infrastructure Services (Three Waters, Transport, and Waste) will continue to be owned and provided by Queenstown Lakes District Council.	High	The risk is that responsibility for the provision of an infrastructure service is transferred to a different entity.	Moderate	QLDC signed a memorandum of understanding with Central Government in 2020 and is participating in the exploration of future service delivery options. Regardless of the final service delivery model, the community will need 3 waters services whether this Council delivers them or not. Therefore these activities are reflected in the financial strategy and the infrastructure strategy and assumed to be delivered within the Ten Year Plan.

Assumption		Level of Uncertainty of the Assumption	Risk and Consequence	Severity of Risk	Approach to Mitigation of Risk
INFRASTRUCTURE					
20	Estimates have been made in relation to the revaluation of infrastructural assets beginning in 2021 and continuing on a two-yearly cycle. The revaluation amount is based on an adjustment made to asset values for movements in costs for opening infrastructural values and capital additions made during intervening years.	High	The risk is that there may be a difference between the Council's forecast future value of assets and the actual valuation in the future, which may impact on the assets operating cost.	Low	The Council revalues infrastructure assets every three years through qualified and experienced asset valuers, this value is the amount used for insurance purposes. The BERL price adjustors are the preferred indicators of price through the Ten Year forecast process and used extensively as an indication of future infrastructure asset values. The Council will review its budget annually through the Ten Year Plan/Annual Plan process and may adjust work programmes and budgets where necessary to smooth any fluctuations in the Ten Year Plan revaluation amounts.
21	Infrastructural assets, with the exception of land under roads, are depreciated on a straight-line basis to write off the fair value of the asset to its estimated residual values over its estimated useful life.	Medium	The risk is that in the event that a change of depreciation method was approved or accounting standards changed, operating expenses might change and these costs may be over or under stated.	Low	Approved valuers utilise the latest accounting standards and provide improvement recommendations with each valuation report. These should highlight upcoming changes to standards and any cost implications. Asset life is based on the estimates of engineers and valuers. These are regularly reviewed through asset monitoring and analysis of project contract costs.
22	QLDC water supply schemes will be compliant with current NZ Drinking Water Standards by December 2024. To achieve this, major capital investment is required within the Queenstown and Wanaka schemes (~79.5m over four years). It is assumed that there is at least one available treatment technology that will work with the unique lindavia intermedia present in our lakes, and that necessary land can be acquired within or before the 22/23 financial year.	Medium	The risk is that the capital cost of providing infrastructure to meet New Zealand Drinking Water Standards is higher than forecast. Funding may not be available to provide the infrastructure if capital costs increase.	Moderate	The Council will review its budget annually through the Ten Year Plan/Annual Plan process and may adjust work programmes and budgets where necessary based on risk profile to incorporate additional costs.
23	Vested asset estimates have been based on average values for the past ten years, adjusted for inflation annually.	High	The risk is that the value of assets vested with the Council are less than that forecast, resulting in reduced capital revenue.	Moderate	The level of vested assets is difficult to forecast, therefore past levels of vested assets are the best indicator of future levels. The ten year average adjusted for inflation remains the most robust indicator of vest asset values.

Assumption		Level of Uncertainty of the Assumption	Risk and Consequence	Severity of Risk	Approach to Mitigation of Risk
INFRASTRUCTURE					
24	It is assumed that the proposed capital expenditure is achievable across 3Waters, Transport, Waste Minimisation and Management.	High	The risk is that the capital expenditure programme will not be achieved due to changes in market forces, labour availability, policy settings, regulation or funding.	High	QLDC's Asset Management planning involves a process of on-going assessment to identify areas of risk that informs a plan of action (the Improvement Plan) and an evolution of continuous improvement. QLDC has an ambitious capex programme and there is risk there is not capacity to deliver. This has set into action a number of initiatives and work programmes to address (some complete, in action and some in development): - Establishment of Council's procurement team to support delivery functions - QLDC/Waka Kotahi Procurement Strategy - Development of Council's contract and procurement policy - Establishment of the long term technical, engineering and specialist support panels - QLDC's Asset Management policy - The development of delivery frameworks supported by collaborative contract models - Addressing issues raised in annual smart buyer assessments (see Transport AMP) - Implementation of a strategic procurement plan for 3 Waters Programme, including the creation of delivery panels (Design and Contracts Work Panels) - Continuity in the delivery of the 3 Waters Programme from the previous TYP. Consenting, land acquisition and design is significantly progressed for many projects - Implementation of improved programme delivery systems, processes and people capability as recognised by QLDC PMO's Advisory Partner Ernst Young
25	It is assumed that there is not a significant change in the way that people work and gather in the district.	Medium	The risk is that COVID-19 will permanently disrupt patterns and needs for infrastructure and services.	Low	There is no evidence to date that a permanent, significant change in patterns and needs has been established. QLDC will continue to review data and evidence to understand behavioural changes in the short to medium term. Visitor numbers are an essential component in determining infrastructure and service demand in the district, so further insights will be obtained once borders are open and international travel resumes.

Assumption		Level of Uncertainty of the Assumption	Risk and Consequence	Severity of Risk	Approach to Mitigation of Risk
PLANNING AND CONSENTING					
26	Consent volumes will continue to increase proportionally with economic growth.	High	The risk is that Resource and Building consent volumes grow at a different rate than that assumed, resulting in over or understated operational revenue and expenditure.	Moderate	Consent volumes are monitored quarterly and compared with forecast volumes. The use of external contractors enables the Council to release or increase resource immediately, minimising any impact on operational cost and revenue.
27	A number of resource consents for discharge to the environment will expire during the life of the plan. It is assumed they will be re-consented and new consents will be obtained and conditions met. Planning authorisations for other projects, particularly new roads, will consist of successfully acquiring the necessary designations or consents if they don't currently exist.	Medium	The risk is that a resource consent is not obtained or renewed or conditions imposed are unacceptable. Decline of a new resource consent or designation or non-renewal of an existing major resource consent would have significant impacts on costs and the ability for the Council to provide that activity. The non-renewal of a major resource consent may mean an entirely new approach to the activity would be required because the existing activity would no longer be authorised under the RMA 1991. The decline of a new resource consent may delay a project and may require consideration of alternative options.	Moderate	Appropriate planning, in sufficient time, should ensure that resource consents are obtained. Existing monitoring of compliance with existing resource consent conditions will provide a record of compliance for future processes. The renewal of consents is dependent upon the legislative and environmental standards and expectations that exist at that time.
STAKEHOLDER MANAGEMENT					
28	Relationships with key stakeholders will be essential to the achievement of the Ten Year Plan, particularly with regard to the visitor levy and the Spatial Plan. These relationships will be well maintained, with international, national, central government, regional, local and industry groups.	Low	The risk is that key stakeholder relationships are eroded, inhibiting Council processes.	Low	Key stakeholder relationships are identified in the Council's Risk Register. Staff within QLDC are responsible for managing these relationships.

Assumption		Level of Uncertainty of the Assumption	Risk and Consequence	Severity of Risk	Approach to Mitigation of Risk
STATUTORY PROCESS					
29	All activities will be undertaken to comply with the legislation of the day. Any future government legislative, regulatory or policy changes will not significantly increase the Council's costs.	Low	The risk is that unforeseen legislation is introduced that significantly affects the Council's costs resulting in changes to assumptions for revenue, operational and capital expenditure. Where legislation requires Councils to provide additional services or increased levels of service, this may require cost recovery through increases to rates or user fees.	Low	The Council regularly monitors existing and potential legislative change across its activities as it moves through the parliamentary cycle. The Council will submit on legislation where appropriate to encourage reduced or improved impacts on Council operations and value for money for ratepayers. Where legislation requires review of any Council processes or staffing, the Council will seek to achieve the most efficient and cost effective way forward.
30	The electoral cycle will not influence the timing and prioritisation of decision making, because the Ten Year Plan has been completed based on decisions already made.	Low	The risk is that the electoral cycle generates change to capital and operational programmes, resulting in funding changes.	Low	The Council will review its budget annually through the Ten Year Plan/Annual Plan process and may adjust work programmes and budgets where necessary.
31	It is assumed that the electoral boundaries and numbers of elected members will be reviewed within the lifecycle of the plan.	Low	A change in size of the electoral boundaries and numbers of elected members may affect capital and operational programmes.	Low	Any changes in political structure will occur through either representation review processes or formal processes driven either by the community, the Council or central government.
32	QLDC has been named as a Tier 2 Authority in the National Policy Statement on Urban Development (NPS UD) which means the Council is required to prepare a Future Development Strategy (FDS) in time to inform the 2024 TYP and 30 year infrastructure strategy. This FDS must also be jointly prepared and funded with the Otago Regional Council, as they are also a Tier 2 Authority that share jurisdiction over the urban environment of Queenstown. It also needs to be reviewed every three years. The assumption is that this will not incur additional costs.	Medium	The risk is that delivering the NPS UD/FDS requirements will have cost implications for Council, which are not yet fully scoped or realised as the work on the FDS is not officially set to start until August 2021.	Moderate	The Council will engage with the Otago Regional Council to prepare a joint work programme for the 2024 Future Development Strategy requirements. The Council will review its budget annually through the Annual Plan process and may adjust work programmes and budgets where necessary.

Assumption		Level of Uncertainty of the Assumption	Risk and Consequence	Severity of Risk	Approach to Mitigation of Risk
WORKFORCE					
33	Capable staff may not always be readily available for employment, particularly in specialist roles. However, with effective recruitment and retention staff turnover will be maintained at under 20%.	Medium	The risk is that the Council will not be able to recruit and retain the right staff. If the risk occurs then increased reliance may be placed on contractors which may impact on operational expenditure. COVID-19 is likely to have a medium to long term impact on fluctuations in the demand and supply of labour. What that looks like is not yet known, but this will need to be a point of continued focus for the organisation, particularly during years 1 and 2 of the Ten Year Plan.	Moderate	The Council has a People Strategy which has gone through a substantive review through this Ten Year Plan process. It sets out QLDC's long term people related objectives and shorter term key performance indicators, staff turnover being one of these. It also sets a plan to ensure gaps in workforce capability and capacity can be closed over time. This may require an increase in resourcing in the short term to ensure longer term risks can be effectively managed, and that the organisation is flexible, adaptable and change-ready for the changing needs of our community. Human Resource activities over a three to five year period are also mapped out in the plan, focussed on building capability, attracting, retaining and developing the right staff in the right roles. The staff turnover measure is monitored monthly. If capable staff are not able to be recruited adjustments to work programmes and budgets can be made through the Annual Plan/Ten Year Plan process.
34	There is sufficient capacity within the professional services and contractor market to undertake the capital programme.	High	The risk is that there is a high level of forecast capital expenditure from other central and local government agencies in the upper North Island, as well as ongoing strong demand for new housing and development. Impact could be high as budgets may not be sufficient to undertake the works as planned. The council has included a higher inflation rate in its budget (specifically forecast for the sub region by BERL) to mitigate this risk.	Moderate	QLDC will undertake a review of capacity constraints and develop a resource plan to identify how QLDC will manage the resource constraints and the impacts on the delivery of our programme. In order to lower the uncertainty for our delivery partners, QLDC will continue to use professional services and contract panels as part of its procurement strategy in order to give these external partners more clarity on the future programme and be able to jointly optimise changes to the capital programme.

Assumption		Level of Uncertainty of the Assumption	Risk and Consequence	Severity of Risk	Approach to Mitigation of Risk
WORKFORCE					
35	Full Time Equivalent (FTE) Employees will increase by 4.9% in year 1, 2.6% in year 2 and 1.7% in year 3. Growth of FTE numbers will then align with the Ten Year Plan growth projections through to Year 10.	Medium	The risk is that actual requirement for employees significantly differs from the forecast number of employees resulting in a higher or lower cost for both operational and capital expenditure. This may affect consistency of levels of service to the community and may result in increased reliance on contractors which may also impact operational and capital expenditure.	Moderate	The Council will review its budget annually through the Ten Year Plan/Annual Plan process and may adjust work programmes and budgets where necessary and confirm or align employee requirements as necessary.
PROPERTY					
36	The Council has a number of surplus properties that will be divested in some form during the period. Proceeds will be available to reduce debt on infrastructure investment.	Medium	The risk is that the market may change resulting in the net gain being significantly more or less than that forecast in this Ten Year Plan. If the net gain is significantly less this may adversely affect the ability of the Council to deliver some services to existing service levels or affect the ability of the Council to set rates at a level that is affordable to the community.	Moderate	The Council will review its budget annually through the Ten Year Plan/Annual Plan process, along with the valuation of this surplus property, and may adjust work programmes and budgets where necessary to smooth any fluctuations that may arise due to a change in the market.

Our costs in detail | Te Utu Whakahaere

Prospective Financial Statements | Kā wawata ahumoni

PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Operating revenue										
	Revenue from non-exchange transactions										
86,275	Targeted rates	92,875	100,992	110,098	120,068	130,140	141,151	150,178	158,966	167,738	176,258
2,424	General rates	2,994	3,038	2,947	2,994	3,305	3,762	3,124	3,387	3,593	5,416
5,794	User charges - subsidised	6,317	6,720	6,998	7,332	7,809	8,333	8,689	9,211	9,625	10,256
29,141	Grants and subsidies	73,970	62,661	28,884	22,409	21,945	27,017	33,075	38,173	26,816	33,827
11,095	Vested assets	19,600	20,239	20,783	21,381	22,026	22,695	23,463	24,325	25,258	26,173
15,297	Development contributions	13,355	21,209	20,645	20,669	20,860	20,985	27,310	27,475	27,663	27,851
-	Visitor levy	-	-	-	14,500	22,935	23,623	24,332	25,062	25,814	26,588
4,370	Other income	4,933	5,676	6,308	6,519	6,757	7,041	7,293	7,595	7,866	8,234
375	Revaluation of investment property	2,341	1,826	1,630	1,673	1,782	1,762	1,947	2,002	2,131	1,961
	Revenue from exchange transactions										
26,166	User charges - full cost recovery	33,204	32,154	36,638	39,599	40,707	42,495	44,631	47,513	49,819	52,135
-	Dividend income	-	4,866	5,720	7,057	7,798	8,110	7,550	7,452	8,547	9,340
2,451	Other income - full cost recovery	2,841	3,355	4,260	4,410	4,611	4,817	5,023	5,244	5,480	5,758
7,080	Other gains/(losses) - full cost recovery	-	23,393	3,142	-	13,914	3,322	(1,427)	4,911	6,801	-
190,468	**Total revenue**	**252,430**	**286,130**	**248,053**	**268,611**	**304,589**	**315,113**	**335,188**	**361,316**	**367,151**	**383,797**
	Operating expenditure										
5,131	Local democracy	5,554	6,451	6,729	6,768	7,114	7,358	7,291	7,788	7,987	8,060
36,092	Community services & facilities	41,456	40,267	42,117	43,473	45,379	48,102	51,269	54,732	57,497	59,291
9,988	Economy	12,190	13,197	13,654	13,999	14,388	14,757	15,013	15,551	15,953	16,428
14,994	Environmental management	15,506	15,906	16,598	17,408	18,020	18,668	19,043	20,016	20,715	21,545
14,886	Regulatory functions & services	14,682	15,418	16,450	17,197	17,951	18,914	19,356	20,500	21,156	22,239
24,991	Transport	32,193	34,173	39,037	42,974	45,567	47,479	49,160	51,274	53,987	56,567
19,190	Wastewater	20,765	22,984	25,343	28,106	30,252	33,084	35,498	38,010	40,311	42,400
13,318	Water supply	14,300	16,615	20,081	22,035	25,417	26,590	27,413	28,460	29,219	30,731
6,112	Stormwater	7,258	7,984	8,836	9,472	10,198	11,037	12,063	13,018	13,887	14,693
14,287	Waste management	15,921	17,411	19,908	21,514	22,544	23,656	25,451	26,655	27,562	29,029
(100)	Finance & support services	(298)	(393)	(589)	(584)	(579)	(574)	(569)	(563)	(558)	(551)
158,889	**Total operating expenditure ***	**179,527**	**190,013**	**208,164**	**222,362**	**236,251**	**249,071**	**260,988**	**275,441**	**287,716**	**300,432**
31,579	**Operating surplus**	**72,903**	**96,117**	**39,889**	**46,249**	**68,338**	**66,042**	**74,200**	**85,875**	**79,435**	**83,365**
	*** Operating expenditure includes:**										
35,180	Depreciation	42,899	45,954	54,440	59,775	65,133	68,707	74,112	80,760	86,322	90,819
7,178	Interest	7,553	10,827	13,131	15,468	17,268	18,919	20,140	20,347	19,578	19,609

PROSPECTIVE STATEMENT OF OTHER COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDING 30 JUNE ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
31,579	Operating surplus	72,903	96,117	39,889	46,249	68,338	66,042	74,200	85,875	79,435	83,365
	Other comprehensive revenue and expense										
-	Gain/(loss) on revaluation	31,501	29,202	24,939	29,543	29,506	33,369	34,409	39,596	41,586	40,492
-	Transfer from reserves	5,554	1,373	2,540	1,052	(1,279)	3,232	493	(3,426)	(69)	(3,573)
31,579	**Total comprehensive income**	**109,958**	**126,692**	**67,368**	**76,844**	**96,565**	**102,643**	**109,102**	**122,045**	**120,952**	**120,284**

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1,642,092	Forecast opening equity	1,771,292	1,881,250	2,007,941	2,075,310	2,152,153	2,248,719	2,351,362	2,460,464	2,582,509	2,703,461
31,579	Total comprehensive revenue and expense	109,958	126,692	67,368	76,844	96,565	102,643	109,102	122,045	120,952	120,284
1,673,671	**Forecast closing equity**	**1,881,250**	**2,007,941**	**2,075,310**	**2,152,153**	**2,248,719**	**2,351,362**	**2,460,464**	**2,582,509**	**2,703,461**	**2,823,745**

PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Current assets										
3,511	Cash and cash equivalents	3,512	3,513	3,516	3,514	3,515	3,516	3,521	3,519	3,519	3,518
15	Other financial assets	15	15	15	15	15	15	15	15	15	15
10,042	Receivables from non-exchange transactions	7,684	7,683	7,683	7,683	7,683	7,683	7,683	7,682	7,683	7,683
9,256	Receivables from exchange transactions	11,391	11,391	11,391	11,391	11,391	11,391	11,391	11,391	11,391	11,391
912	Other current assets	2,278	2,278	2,278	2,278	2,278	2,278	2,278	2,278	2,278	2,278
28,393	Development property	-	-	-	-	-	-	-	-	-	-
1,290	Inventories	53	3,705	53	3,683	53	4,037	53	53	53	53
53,419	**Total current assets**	**24,933**	**28,585**	**24,936**	**28,564**	**24,935**	**28,920**	**24,941**	**24,938**	**24,939**	**24,938**
	Non-current assets										
12,133	Investments	8,907	8,907	8,907	8,907	8,907	8,907	8,907	8,907	8,907	8,907
-	Development property	11,266	7,614	7,614	3,984	3,984	-	-	-	-	-
17,428	Investment property	60,877	62,703	64,333	66,006	67,788	69,550	71,498	73,500	72,631	74,592
1,923,369	Property, plant and equipment	2,178,820	2,377,097	2,536,592	2,682,813	2,828,663	2,996,576	3,125,781	3,243,452	3,315,930	3,477,173
1,952,930	**Total non-current assets**	**2,259,870**	**2,456,321**	**2,617,446**	**2,761,710**	**2,909,342**	**3,075,034**	**3,206,186**	**3,325,859**	**3,397,469**	**3,560,673**
2,006,349	**Total assets**	**2,284,802**	**2,484,906**	**2,642,382**	**2,790,274**	**2,934,277**	**3,103,953**	**3,231,127**	**3,350,797**	**3,422,407**	**3,585,610**
	Current liabilities										
29,480	Payables from exchange transactions	24,656	24,656	24,656	24,656	24,656	24,656	24,656	24,656	24,656	24,656
25,746	Other current liabilities	36,525	36,525	36,525	36,525	36,525	36,525	36,525	36,525	36,525	36,525
69,000	Borrowings	103,000	104,000	126,000	115,000	94,000	104,000	106,000	106,000	99,000	105,000
124,226	**Total current liabilities**	**164,181**	**165,181**	**187,181**	**176,181**	**155,181**	**165,181**	**167,181**	**167,181**	**160,181**	**166,181**
208,452	**Non-current liabilities**	**239,371**	**311,784**	**379,891**	**461,940**	**530,377**	**587,410**	**603,482**	**601,107**	**558,765**	**595,684**
332,678	**Total liabilities**	**403,552**	**476,965**	**567,072**	**638,121**	**685,558**	**752,591**	**770,663**	**768,288**	**718,946**	**761,865**
1,673,671	**Net assets**	**1,881,250**	**2,007,941**	**2,075,310**	**2,152,153**	**2,248,719**	**2,351,362**	**2,460,464**	**2,582,509**	**2,703,461**	**2,823,745**
	Equity										
917,723	Revaluation reserve	1,049,186	1,080,214	1,106,784	1,137,999	1,169,288	1,204,419	1,240,776	1,282,374	1,326,090	1,368,543
18,427	Operating reserves	23,981	25,354	27,894	28,946	27,667	30,899	31,392	27,966	27,897	24,324
26,298	Capital reserve	26,298	26,298	26,298	26,298	26,298	26,298	26,298	26,298	26,298	26,298
711,223	Accumulated funds	781,785	876,075	914,334	958,910	1,025,466	1,089,746	1,161,999	1,245,872	1,323,176	1,404,580
1,673,671	**Total equity**	**1,881,250**	**2,007,941**	**2,075,310**	**2,152,153**	**2,248,719**	**2,351,362**	**2,460,464**	**2,582,509**	**2,703,461**	**2,823,745**

Jim Boult
Mayor
30 June 2021

Mike Theelen
Chief Executive
30 June 2021

The mayor and chief executive that authorised the issue of the prospective financial statements by Queenstown Lakes District Council are responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures

PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Cash flows from operating activities										
172,092	Receipts from customers	230,489	235,805	216,778	238,500	259,069	279,224	303,655	322,626	324,414	346,323
-	Dividends received	-	4,866	5,720	7,057	7,798	8,110	7,550	7,452	8,547	9,340
	Cash was applied to:										
(116,531)	Payments to suppliers and employees	(143,231)	(133,232)	(140,593)	(147,119)	(153,850)	(161,445)	(166,736)	(174,334)	(181,816)	(190,004)
(7,178)	Finance costs paid	(7,553)	(10,827)	(13,131)	(15,468)	(17,268)	(18,919)	(20,140)	(20,347)	(19,578)	(19,609)
48,383	**Net cash inflow from operating activities**	**79,705**	**96,612**	**68,774**	**82,970**	**95,749**	**106,970**	**124,329**	**135,397**	**131,567**	**146,050**
	Cash flows from investing activities										
10,080	Proceeds from asset sales	-	25,000	6,794	-	19,423	4,900	2,557	10,400	9,801	-
	Cash was applied to:										
(184,199)	Purchase of property, plant and equipment	(247,249)	(196,397)	(168,211)	(155,074)	(161,329)	(182,134)	(145,445)	(139,999)	(91,957)	(185,397)
-	Purchase of intangible assets	-	-	-	-	-	-	-	-	-	-
(174,119)	**Net cash outflow from investing activities**	**(247,249)**	**(171,397)**	**(161,417)**	**(155,074)**	**(141,906)**	**(177,234)**	**(142,888)**	**(129,599)**	**(82,156)**	**(185,397)**
	Cash flows from financing activities										
175,910	Proceeds from borrowings	236,545	177,786	196,646	198,101	161,158	164,265	122,564	100,200	56,589	138,346
	Cash was applied to:										
(47,000)	Repayment of borrowings	(69,000)	(103,000)	(104,000)	(126,000)	(115,000)	(94,000)	(104,000)	(106,000)	(106,000)	(99,000)
128,910	**Net cash inflow/(outflow) from financing activities**	**167,545**	**74,786**	**92,646**	**72,101**	**46,158**	**70,265**	**18,564**	**(5,800)**	**(49,411)**	**39,346**
3,174	Net increase/(decrease) in cash and cash equivalents	1	1	3	(3)	1	1	5	(2)	-	(1)
337	Forecast cash and cash equivalents at 1 July	3,511	3,512	3,513	3,516	3,513	3,514	3,515	3,520	3,518	3,518
3,511	**Forecast cash and cash equivalents at 30 June**	**3,512**	**3,513**	**3,516**	**3,513**	**3,514**	**3,515**	**3,520**	**3,518**	**3,518**	**3,517**
	Represented by:										
3,511	Cash and cash equivalents	3,512	3,513	3,516	3,513	3,514	3,515	3,520	3,518	3,518	3,517
-	Bank overdraft	-	-	-	-	-	-	-	-	-	-
3,511	**Total cash and cash equivalents**	**3,512**	**3,513**	**3,516**	**3,513**	**3,514**	**3,515**	**3,520**	**3,518**	**3,518**	**3,517**

PROSPECTIVE OPERATING EXPENDITURE BY ACTIVITY ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Local Democracy										
2,377	Governance	1,714	2,114	2,073	2,141	2,351	2,296	2,342	2,603	2,532	2,618
1,832	Community Engagement	2,285	2,836	2,952	3,036	3,129	3,228	3,247	3,419	3,492	3,584
561	Community Leadership	431	443	608	466	478	644	504	518	685	547
361	Emergency Management	1,124	1,058	1,096	1,125	1,156	1,190	1,198	1,248	1,278	1,311
5,131		**5,554**	**6,451**	**6,729**	**6,768**	**7,114**	**7,358**	**7,291**	**7,788**	**7,987**	**8,060**
	Community										
14,294	Community Facilities	14,448	15,486	16,254	16,387	16,726	17,533	18,964	20,899	22,765	23,651
13,449	Active & Passive Recreation	13,629	14,596	15,359	16,189	17,297	18,607	19,762	20,656	21,379	22,121
328	Community Property	284	289	311	365	396	574	972	1,258	1,190	1,046
1,655	Community Grants	2,230	2,529	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538
2,810	Libraries	3,810	3,960	4,147	4,392	4,683	4,952	5,022	5,248	5,383	5,553
368	Waterways Facilities	348	387	406	426	460	513	521	519	518	519
227	Cemeteries	201	223	231	216	229	247	257	266	276	287
2,043	Public Toilets	1,470	1,530	1,579	1,643	1,699	1,752	1,814	1,896	1,959	2,042
731	Forestry	3,823	6	6	6	6	6	6	6	6	6
187	Wānaka Airport	1,213	1,261	1,286	1,311	1,345	1,380	1,413	1,446	1,483	1,528
36,092		**41,456**	**40,267**	**42,117**	**43,473**	**45,379**	**48,102**	**51,269**	**54,732**	**57,497**	**59,291**
	Economy										
1,624	Property	1,588	1,665	1,784	1,785	1,799	1,775	1,753	1,776	1,800	1,822
2,740	Economic Development	4,838	5,768	5,962	6,129	6,321	6,526	6,610	6,926	7,098	7,305
5,624	Tourism Marketing	5,764	5,764	5,908	6,085	6,268	6,456	6,650	6,849	7,055	7,301
9,988		**12,190**	**13,197**	**13,654**	**13,999**	**14,388**	**14,757**	**15,013**	**15,551**	**15,953**	**16,428**
	Environmental Management										
5,596	District Plan	5,021	5,176	5,359	5,551	5,679	5,816	5,919	6,097	6,261	6,491
9,398	Resource Consents	10,485	10,730	11,239	11,857	12,341	12,852	13,124	13,919	14,454	15,054
14,994		**15,506**	**15,906**	**16,598**	**17,408**	**18,020**	**18,668**	**19,043**	**20,016**	**20,715**	**21,545**
	Regulatory Functions and Services										
8,418	Building Consents	8,184	8,357	8,753	9,083	9,439	9,815	10,097	10,597	10,985	11,420
6,468	Enforcement	6,498	7,061	7,697	8,114	8,512	9,099	9,259	9,903	10,171	10,819
14,886		**14,682**	**15,418**	**16,450**	**17,197**	**17,951**	**18,914**	**19,356**	**20,500**	**21,156**	**22,239**
	Transport										
23,551	Roading and Footpaths	30,746	32,553	37,246	41,067	43,547	45,456	47,141	48,989	51,826	54,377
1,440	Parking Facilities	1,447	1,620	1,791	1,907	2,020	2,023	2,019	2,285	2,161	2,190
24,991		**32,193**	**34,173**	**39,037**	**42,974**	**45,567**	**47,479**	**49,160**	**51,274**	**53,987**	**56,567**
19,190	**Waste Water**	20,765	22,984	25,343	28,106	30,252	33,084	35,498	38,010	40,311	42,400
13,318	**Water Supply**	14,300	16,615	20,081	22,035	25,417	26,590	27,413	28,460	29,219	30,731
6,112	**Stormwater**	7,258	7,984	8,836	9,472	10,198	11,037	12,063	13,018	13,887	14,693
14,287	**Waste Management**	15,921	17,411	19,908	21,514	22,544	23,656	25,451	26,655	27,562	29,029
(100)	**Finance and Support Services**	(298)	(393)	(589)	(584)	(579)	(574)	(569)	(563)	(558)	(551)
158,889	**Total operating expenditure**	**179,527**	**190,013**	**208,164**	**222,362**	**236,251**	**249,071**	**260,988**	**275,441**	**287,716**	**300,432**
35,180	Depreciation (included in above)	42,899	45,954	54,440	59,775	65,133	68,707	74,112	80,760	86,322	90,819
7,178	Interest (included in above)	7,553	10,827	13,131	15,468	17,268	18,919	20,140	20,347	19,578	19,609

PROSPECTIVE DEPRECIATION EXPENSE BY ACTIVITY ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
19	Local democracy	18	19	21	22	24	25	19	20	21	23
4,703	Community	5,257	5,711	5,973	5,744	6,000	6,596	7,752	9,118	10,842	11,530
8	Economy	20	17	154	178	188	192	194	196	197	198
47	Regulatory functions and services	66	71	82	87	95	89	76	68	52	50
12,245	Transport	17,663	18,277	22,041	24,852	27,155	28,359	29,967	31,156	33,286	35,132
7,254	Waste water	7,927	8,690	9,774	10,790	11,528	12,117	13,318	14,811	15,705	16,285
5,030	Water supply	5,707	6,277	8,082	8,666	10,149	10,879	11,397	12,205	12,563	13,172
4,176	Stormwater	4,837	5,253	5,904	6,272	6,496	6,843	7,544	8,168	8,647	8,987
150	Waste management	220	314	579	807	881	1,003	1,828	1,860	1,793	2,007
1,548	Finance and support services	1,184	1,325	1,830	2,357	2,617	2,604	2,017	3,158	3,216	3,435
35,180	**Total depreciation expense**	**42,899**	**45,954**	**54,440**	**59,775**	**65,133**	**68,707**	**74,112**	**80,760**	**86,322**	**90,819**

PROSPECTIVE CAPITAL ASSET EXPENDITURE BY ACTIVITY ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Local Democracy										
-	Emergency Management	-	-	-	-	-	-	-	-	-	-
-		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Community										
9,757	Community Facilities	8,931	3,345	4,602	4,269	6,508	28,108	26,163	5,090	7,747	3,045
8,244	Active & Passive Recreation	13,465	10,603	11,579	20,614	23,855	17,611	10,708	10,982	9,101	11,466
262	Community Property	99	78	138	4,092	3,445	18,131	23,680	15,584	164	90
896	Libraries	504	400	670	1,796	482	956	499	817	502	820
83	Waterways Facilities	889	184	26	1,723	958	69	77	48	5	83
-	Cemeteries	10	10	116	297	188	11	12	12	12	12
953	Public Toilets	-	-	631	-	-	-	696	-	-	750
-	Wānaka Airport	1,540	-	-	-	-	-	-	-	-	-
20,195		**25,438**	**14,620**	**17,762**	**32,791**	**35,436**	**64,886**	**61,835**	**32,533**	**17,531**	**16,266**
	Economy										
2,508	Property	2,870	871	66	311	70	71	73	75	77	79
2,508		**2,870**	**871**	**66**	**311**	**70**	**71**	**73**	**75**	**77**	**79**
	Regulatory Functions and Services										
43	Enforcement	78	58	106	582	99	23	63	34	36	42
43		**78**	**58**	**106**	**582**	**99**	**23**	**63**	**34**	**36**	**42**
	Transport										
45,709	Roading and Footpaths	107,265	88,560	43,818	34,497	33,562	29,604	40,765	58,982	41,875	56,293
2,986	Parking Facilities	2,500	2,063	-	-	-	-	595	-	-	-
48,695		**109,765**	**90,623**	**43,818**	**34,497**	**33,562**	**29,604**	**41,360**	**58,982**	**41,875**	**56,293**
58,814	**Waste Water**	52,488	38,231	43,464	37,495	48,191	37,393	29,880	33,459	22,605	70,151
42,055	**Water Supply**	55,679	47,601	61,419	32,917	20,737	17,821	11,122	21,910	18,331	50,923
12,942	**Stormwater**	14,643	16,526	11,378	16,456	20,570	17,273	12,301	14,670	13,661	15,683
3,665	**Waste Management**	4,134	5,998	8,062	11,328	14,122	5,544	808	960	1,246	890
6,376	**Finance and Support Services**	1,754	2,108	2,919	10,077	10,568	32,214	11,466	1,701	1,853	1,243
195,293	**Total capital asset expenditure**	**266,849**	**216,636**	**188,994**	**176,454**	**183,355**	**204,829**	**168,908**	**164,324**	**117,215**	**211,570**

PROSPECTIVE CAPITAL DEBT REPAYMENT EXPENDITURE BY ACTIVITY ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Local Democracy										
	Governance	-	-	-	-	-	-	-	-	-	-
	Community Engagement	-	-	-	-	-	-	-	-	-	-
	Community Leadership	-	-	-	-	-	-	-	-	-	-
-	Emergency Management	-	-	-	-	-	-	-	-	-	-
-		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Community										
239	Community Facilities	540	2,098	2,480	2,342	2,118	2,023	3,712	5,448	6,147	6,809
-	Active & Passive Recreation	60	837	936	1,180	1,618	1,845	2,728	3,077	3,519	3,568
-	Community Property	50	50	50	50	3,649	250	250	250	250	300
-	Community Grants	-	-	-	-	-	-	-	-	-	-
-	Libraries	50	50	80	50	250	276	460	500	576	459
-	Waterways Facilities	150	298	231	-	166	358	251	281	166	105
-	Cemeteries	-	-	-	-	-	-	-	-	-	-
134	Public Toilets	169	-	100	290	391	387	300	582	434	391
-	Forestry	-	-	-	-	-	-	-	-	-	-
-	Wānaka Airport	50	148	148	148	148	148	148	148	148	148
373		**1,069**	**3,481**	**4,025**	**4,060**	**8,340**	**5,287**	**7,849**	**10,286**	**11,240**	**11,780**
	Economy										
-	Property	-	-	4,100	100	2,000	2,200	3,000	7,800	10,400	500
-	Economic Development	-	-	-	-	-	-	-	-	-	-
-	Tourism Marketing	-	-	-	-	-	-	-	-	-	-
-		**-**	**-**	**4,100**	**100**	**2,000**	**2,200**	**3,000**	**7,800**	**10,400**	**500**
	Environmental Management										
-	District Plan	-	1,910	2,000	2,000	2,000	2,000	2,000	2,000	381	-
-	Resource Consents	-	-	-	-	-	-	-	-	-	-
-		**-**	**1,910**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**381**	**-**
	Regulatory Functions and Services										
-	Building Consents	-	-	-	-	-	-	-	-	-	-
21	Enforcement	25	28	9	27	-	25	35	53	38	48
21		**25**	**28**	**9**	**27**	**-**	**25**	**35**	**53**	**38**	**48**
	Transport										
497	Roading and Footpaths	1,267	1,227	4,402	9,033	13,078	15,962	13,841	16,383	15,480	15,796
2,100	Parking Facilties	-	-	-	1,000	1,000	1,000	1,000	400	400	400
2,597		**1,267**	**1,227**	**4,402**	**10,033**	**14,078**	**16,962**	**14,841**	**16,783**	**15,880**	**16,196**
1,036	**Waste Water**	548	11,777	3,074	5,777	7,139	8,084	11,864	12,431	12,791	12,491
375	**Water Supply**	1,463	2,100	3,155	8,577	13,162	14,827	17,308	17,028	18,466	18,489
1,919	**Stormwater**	1,167	1,456	1,910	3,194	4,012	3,366	4,449	4,777	6,655	6,821
-	**Waste Management**	-	1,998	3,820	3,927	14,174	5,527	5,014	3,956	5,714	5,935
-	**Finance and Support Services**	50	100	3,100	2,100	5,500	10,000	4,996	6,500	8,000	9,500
6,321	**Total capital debt repayment expenditure**	**5,589**	**24,077**	**29,595**	**39,795**	**70,405**	**68,278**	**71,356**	**81,614**	**89,565**	**81,760**

PROSPECTIVE TOTAL CAPITAL EXPENDITURE (INCLUDING DEBT REPAYMENT) BY ACTIVITY ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Local Democracy										
-	Emergency Management	-	-	-	-	-	-	-	-	-	-
-		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Community										
9,996	Community Facilities	9,471	5,443	7,082	6,611	8,626	30,131	29,875	10,538	13,894	9,854
8,244	Active & Passive Recreation	13,525	11,440	12,515	21,794	25,473	19,456	13,436	14,059	12,620	15,034
262	Community Property	149	128	188	4,142	7,094	18,381	23,930	15,834	414	390
896	Libraries	554	450	750	1,846	732	1,232	959	1,317	1,078	1,279
83	Waterways Facilities	1,039	482	257	1,723	1,124	427	328	329	171	188
-	Cemeteries	10	10	116	297	188	11	12	12	12	12
1,087	Public Toilets	169	-	731	290	391	387	996	582	434	1,141
-	Wānaka Airport	1,590	148	148	148	148	148	148	148	148	148
20,568		**26,507**	**18,101**	**21,787**	**36,851**	**43,776**	**70,173**	**69,684**	**42,819**	**28,771**	**28,046**
	Economy										
2,508	Property	2,870	871	4,166	411	2,070	2,271	3,073	7,875	10,477	579
-	Tourism Marketing	-	-	-	-	-	-	-	-	-	-
2,508		**2,870**	**871**	**4,166**	**411**	**2,070**	**2,271**	**3,073**	**7,875**	**10,477**	**579**
	Environmental Management										
-	District Plan	-	1,910	2,000	2,000	2,000	2,000	2,000	2,000	381	-
-		**-**	**1,910**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**381**	**-**
	Regulatory Functions and Services										
64	Enforcement	103	86	115	609	99	48	98	87	74	90
64		**103**	**86**	**115**	**609**	**99**	**48**	**98**	**87**	**74**	**90**
	Transport										
46,206	Roading and Footpaths	108,532	89,787	48,220	43,530	46,640	45,566	54,606	75,365	57,355	72,089
5,086	Parking Facilities	2,500	2,063	-	1,000	1,000	1,000	1,595	400	400	400
51,292		**111,032**	**91,850**	**48,220**	**44,530**	**47,640**	**46,566**	**56,201**	**75,765**	**57,755**	**72,489**
59,850	**Waste Water**	53,036	50,008	46,538	43,272	55,330	45,477	41,744	45,890	35,396	82,642
42,430	**Water Supply**	57,142	49,701	64,574	41,494	33,899	32,648	28,430	38,938	36,797	69,412
14,861	**Stormwater**	15,810	17,982	13,288	19,650	24,582	20,639	16,750	19,447	20,316	22,504
3,665	**Waste Management**	4,134	7,996	11,882	15,255	28,296	11,071	5,822	4,916	6,960	6,825
6,376	**Finance and Support Services**	1,804	2,208	6,019	12,177	16,068	42,214	16,462	8,201	9,853	10,743
201,614	**Total capital expenditure**	**272,438**	**240,713**	**218,589**	**216,249**	**253,760**	**273,107**	**240,264**	**245,938**	**206,780**	**293,330**

CAPITAL ASSET EXPENDITURE (GROWTH) BY ACTIVITY GROUP ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
-	Local Democracy	-	-	-	-	-	-	-	-	-	-
5,788	Community	11,261	6,755	8,530	14,026	12,925	22,163	18,235	12,151	8,072	6,893
385	Economy	1,455	655	-	84	-	-	-	-	-	-
-	Environmental Management	-	-	-	-	-	-	-	-	-	-
-	Regulatory Functions and Services	-	-	5	-	-	-	-	-	-	-
15,132	Transport	52,363	41,376	19,887	15,494	14,948	13,733	18,592	25,135	18,531	24,349
27,630	Waste Water	33,588	18,236	21,676	15,789	21,009	19,804	10,599	12,174	11,411	51,840
23,093	Water Supply	27,180	24,267	24,465	12,291	9,869	10,015	6,362	14,050	9,833	36,310
6,807	Stormwater	11,080	9,863	6,888	8,330	10,038	8,427	6,409	7,877	7,348	7,961
1,187	Waste Management	20	41	42	-	-	-	-	-	-	-
675	Finance and Support Services	86	106	434	126	133	392	139	138	146	144
80,697	**Total capital asset expenditure (Growth)**	**137,033**	**101,299**	**81,927**	**66,140**	**68,922**	**74,534**	**60,336**	**71,525**	**55,341**	**127,497**

CAPITAL ASSET EXPENDITURE (RENEWAL) BY ACTIVITY GROUP ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
-	Local Democracy	-	-	-	-	-	-	-	-	-	-
6,909	Community	8,463	4,672	6,712	11,036	12,959	15,632	20,885	12,877	4,471	7,864
572	Economy	63	65	66	68	70	71	73	75	77	79
-	Environmental Management	-	-	-	-	-	-	-	-	-	-
-	Regulatory Functions and Services	-	-	23	6	48	23	1	3	12	-
18,968	Transport	35,658	26,250	11,873	11,591	10,607	8,994	13,742	11,758	15,239	16,589
4,235	Waste Water	3,736	5,752	7,245	7,489	8,479	5,353	5,129	4,932	7,362	8,701
5,302	Water Supply	5,556	3,681	2,809	2,174	1,658	1,947	2,160	3,054	2,891	3,828
726	Stormwater	1,298	1,400	1,282	1,369	964	2,238	2,231	2,342	1,048	1,312
1,085	Waste Management	2,017	2,896	3,925	5,664	7,061	2,772	404	480	623	445
3,095	Finance and Support Services	1,145	1,540	1,116	1,335	1,127	613	538	890	1,147	637
40,892	**Total capital asset expenditure (Renewal)**	**57,936**	**46,256**	**35,051**	**40,732**	**42,973**	**37,643**	**45,163**	**36,411**	**32,870**	**39,455**

CAPITAL ASSET EXPENDITURE (OTHER) BY ACTIVITY GROUP ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
-	Local Democracy	-	-	-	-	-	-	-	-	-	-
7,498	Community	5,714	3,193	2,520	7,729	9,552	27,091	22,715	7,505	4,988	1,509
1,549	Economy	1,352	151	-	159	-	-	-	-	-	-
-	Environmental Management	-	-	-	-	-	-	-	-	-	-
43	Regulatory Functions and Services	78	58	78	576	51	-	62	31	24	42
14,597	Transport	21,744	22,997	12,058	7,412	8,007	6,877	9,026	22,089	8,105	15,355
26,949	Waste Water	15,164	14,243	14,543	14,217	18,703	12,236	14,152	16,353	3,832	9,610
13,660	Water Supply	22,943	19,653	34,145	18,452	9,210	5,859	2,600	4,806	5,607	10,785
5,410	Stormwater	2,265	5,263	3,208	6,757	9,568	6,608	3,661	4,451	5,265	6,410
1,393	Waste Management	2,097	3,061	4,095	5,664	7,061	2,772	404	480	623	445
2,605	Finance and Support Services	523	462	1,369	8,616	9,308	31,209	10,789	673	560	462
73,704	**Total capital asset expenditure (Other)**	**71,880**	**69,081**	**72,016**	**69,582**	**71,460**	**92,652**	**63,409**	**56,388**	**29,004**	**44,618**
195,293	**Total capital asset expenditure**	**266,849**	**216,636**	**188,994**	**176,454**	**183,355**	**204,829**	**168,908**	**164,324**	**117,215**	**211,570**

CAPITAL DEBT REPAYMENT EXPENDITURE BY ACTIVITY GROUP ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
-	Local Democracy	-	-	-	-	-	-	-	-	-	-
373	Community	1,069	3,481	4,025	4,060	8,340	5,287	7,849	10,286	11,240	11,780
-	Economy	-	-	4,100	100	2,000	2,200	3,000	7,800	10,400	500
-	Environmental Management	-	1,910	2,000	2,000	2,000	2,000	2,000	2,000	381	-
21	Regulatory Functions and Services	25	28	9	27	-	25	35	53	38	48
2,597	Transport	1,267	1,227	4,402	10,033	14,078	16,962	14,841	16,783	15,880	16,196
1,036	Waste Water	548	11,777	3,074	5,777	7,139	8,084	11,864	12,431	12,791	12,491
375	Water Supply	1,463	2,100	3,155	8,577	13,162	14,827	17,308	17,028	18,466	18,489
1,919	Stormwater	1,167	1,456	1,910	3,194	4,012	3,366	4,449	4,777	6,655	6,821
-	Waste Management	-	1,998	3,820	3,927	14,174	5,527	5,014	3,956	5,714	5,935
-	Finance and Support Services	50	100	3,100	2,100	5,500	10,000	4,996	6,500	8,000	9,500
6,321	**Total capital debt repayment expenditure**	**5,589**	**24,077**	**29,595**	**39,795**	**70,405**	**68,278**	**71,356**	**81,614**	**89,565**	**81,760**

STATEMENT OF RESERVE FUNDS ($'000)

Reserve fund - Purpose of the fund	Opening Balance 2021/22	Deposits	Withdrawals	Closing Balance 2030/31
Development funds	18,427	228,022	(222,125)	24,324
These arise from Development and Financial Contributions levied by the Council for capital works and are intended to contribute to the growth related capital expenditure of Roading, Water Supply, Sewerage, Stormwater, Reserve Land and Improvements and Community Facilities.				
Asset renewal funds	1,602	249,466	(242,163)	8,905
The Council sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability to provide services.				
Asset sale reserves	17,653	54,056	(61,359)	10,350
Proceeds from asset sales which are used to fund the portion of capital expenditure attributable to increased level of service for Roading, Water Supply, Sewerage, Stormwater, Reserve Land and Improvements and Community Facilities.				
Trust funds	17	-	-	17
Funds held on behalf of various community organisations.				
Queenstown Airport dividend reserve	2,200	66,440	(66,440)	2,200
Unallocated portion of dividends received from QAC.				
Transport improvement fund	1,630	-	-	1,630
Funds set aside to subsidise public transport and the development of public transport infrastructure.				
Lakes Leisure reserve	3,196	-	-	3,196
Funds transferred from Lakes Leisure at dis-establishment that are to be used to fund charitable purposes in line with the company's constiution.				
Total Reserve Funds	**44,725**	**597,984**	**(592,087)**	**50,622**

Statement of Accounting Policies | Taukī o kā Kaupapa Here Moni

Reporting Entity

The Queenstown Lakes District Council ("the Council" or "QLDC") is a territorial local authority governed by the Local Government Act 2002.

The Council has controlling interests in Queenstown Events Centre Trust (100% - dormant) and Queenstown Airport Corporation Limited (75.01%). Pursuant to the Local Government Act 2002, these controlled entities are council controlled organisations ("CCOs"). The Council has elected not to consolidate the CCOs for the purposes of the prospective financial information contained in this Ten Year Plan in accordance with the Local Government Act 2002.

The prospective financial statements have been prepared in accordance with Section 111 of the Local Government Act 2002, the Financial Reporting Act 1993 and generally accepted accounting practice. The prospective financial statements comply with Public Benefit Entity (PBE) Standards for Tier 1 entities. The Council has complied with PBE FRS42 in the preparation of these prospective financial statements.

The prospective financial information contained in this Ten Year Plan relates to the Queenstown Lakes District Council only as the controlling entity of the economic entity. The Council has not presented prospective financial statements for the economic entity because the Council believes that the controlling entity prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the Ten Year Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service.

The level of rate funding required is not affected by controlled entities except to the extent that the Council obtains distributions from those controlled entities. Distributions from the Council's controlled entity, Queenstown Airport Corporation Ltd are included in the prospective financial statements of the Council.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity ("PBE") for the purposes of complying with generally accepted accounting practice.

Basis of Preparation

The financial statements have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the year. The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Actual financial results are incorporated into opening balances for year 1 of the long term plan where possible.

STATEMENT OF COMPLIANCE

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements of the Council comply with Public Benefit Entity (PBE) Standards.

The financial statements have been prepared in accordance with Tier 1 PBE Standards.

The actual financial results achieved for the period covered are likely to vary from the information presented and the variations may be material.

The Council does not intend to update the prospective financial statements after presentation.

PRESENTATION CURRENCY AND ROUNDING

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Accounting standards and interpretations issued but not yet effective

The following new standards, interpretations and amendments have been issued but are not yet effective as at 1 July 2021. Council had not early adopted these standards and interpretations in the 2020/21 annual plan comparative figures.

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 supersedes most of PBE IPSAS 29 Financial Instruments: Recognition and Measurement. This standard is effective from the year ending 30 June 2022 and will be adopted by Council from year two of the TYP but does not expect to have any material impact on the Council's reporting requirements.

Summary of Significant Accounting Policies

REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Council and Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, taking into account contractually defined terms of payment, net of discounts and GST.

The specific recognition criteria described below must also be met before revenue is recognised

(I) REVENUE FROM NON-EXCHANGE TRANSACTIONS

General and Targeted Rates

General and targeted rates are set annually and invoiced within the year. The Council and Group recognise revenue from rates when the Council has set the rate and provided the rates assessment. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable.

User Charges and Other Income – Subsidised

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as community activities, liquor licencing, water connections, dog licensing, etc.), and where a shortfall is subsidised by income from other activities, such as rates. Generally, there are no conditions attached to such revenue.

Revenue from subsidised services is recognised when the Council issues the invoice for the service. Revenue is recognised at the amount of the invoice, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council) if the service is not completed.

Grants and Subsidies

Government grants are received from NZTA which subsidises part of the Council's costs in maintaining the local roading infrastructure. The subsidies represent revenue from non-exchange transactions and are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other grants and subsidies are recognised upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

A deferred revenue liability is recognised instead of revenue to the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset.

Vested Assets

Certain infrastructural assets have been vested to the Council as part of the subdivision covenant process. Vested assets are recognised at fair value at the date of recognition with an equal amount recognised as revenue unless there are conditions attached to the asset in which case revenue is deferred as a liability until the conditions are met.

Development Contributions

The revenue recognition point for development and financial contributions is at the later of the point when the Council is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

(II) REVENUE FROM EXCHANGE TRANSACTIONS

User Charges and Other Income – Full Cost Recovery

Revenue from the rendering of services (such as resource consents, building consents, waste management, car parking etc.) is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Interest Revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Interest revenue is included in other revenue.

Dividend Revenue

Dividends are recognised when the entitlement to the dividends is established.

Property Sales

Net gains or losses on the sale of investment property, property, plant and equipment, property intended for sale and financial assets are recognised when an unconditional contract is in place and it is probable that the Council and Group will receive the consideration due.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Borrowing Costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Council and Group have chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Statement of Financial Performance on a basis representative of the pattern of benefits to be derived from the leased asset.

(a) Council and/or Group as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

(b) Council and/or Group as Lessee

Assets held under finance leases are recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

(c) Lease Incentives

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Tax currently payable is based on taxable profit for the period. Taxable profit differs from net surplus as reported in the Statement of Financial Performance because it excludes items of income or expense that are taxable in other years and it further excludes items that are never taxable or deductible. The Council's and Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit and is accounted for using the comprehensive balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting surplus. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the Council and Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Council and Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised as an expense or income in the Statement of Financial Performance, except when it relates to items credited or debited to other comprehensive income, in which case the deferred tax is recognised directly in other comprehensive income.

Goods and Services

Tax Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and other short-term highly liquid deposits that are readily convertible to a known amount of cash.

Financial Instruments

Financial assets and financial liabilities are recognised on the Council's or Group's Statement of Financial Position when the Council and/or Group becomes a party to contractual provisions of the instrument. Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through surplus or deficit which are initially valued at fair value.

(I) FINANCIAL ASSETS

Financial assets are classified into the following specified categories: financial assets 'at fair value through surplus or deficit', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method, referred to below, is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial Assets at Fair Value through Surplus or Deficit

Financial assets are classified as financial assets at fair value through surplus or deficit where the financial asset:

> Has been acquired principally for the purpose of selling in the near future;

> Is a part of an identified portfolio of financial instruments that the Council and Group manages together and has a recent actual pattern of short-term profit-taking; or

> Is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in the Statement of Financial Performance. The net gain or loss is recognised in the Statement of Financial Performance and incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described later in this note.

Held-to-Maturity Investments

Investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis. The Council and Group do not hold any financial assets in this category.

Available-for-Sale Financial Assets

Equity investments held by the Council and Group classified as being available-for-sale are stated at fair value. Fair value is determined in the manner described later in this note. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, with the exception of impairment losses which are recognised directly in the Statement of Financial Performance. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is included in the Statement of Financial Performance for the period.

Dividends on available-for-sale equity instruments are recognised in the Statement of Financial Performance when the Council's and Group's right to receive payments is established.

Loans and Receivables

Policy under PBE IPSAS 29

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Council or Group will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is expensed in the Statement of Financial Performance.

Loans, including loans to community organisations made by the Council at nil, or below market interest rates, are initially recognised at the present value of their expected future cash flows and discounted at the current market rate of return for a similar asset/ investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Statement of Financial Performance as a grant.

Policy under PBE IPSAS 41

Trade and other receivables are classified as financial assets at amortised cost and are initially measured at fair value and subsequently measured at amortised cost less the recognition of any expected credit loss over the life of the asset (see Impairment Policy).

Loans, including loans to community organisations made by the Council at nil, or below market interest rates, are classified as financial assets and measured at fair value through surplus or deficit.

Impairment of Financial Assets

Policy under PBE IPSAS 29

Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Policy under PBE IPSAS 41

Financial assets, other than those at fair value through surplus or deficit, have expected lifetime credit losses recognised when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Council measures the loss allowance for that financial instrument at an amount equal to 12 months of expected credit losses. The assessment of whether expected lifetime credit losses should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime expected credit losses represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months expected credit losses represent the portion of lifetime expected credit losses that are expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Calculation of recoverable amount

The recoverable amount of the Council's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial instruments) and adjusted for expected credit loss. Receivables with a short duration are not discounted. The recoverable amount of other assets is the greater of their market value less cost to sell and value in use.

As a PBE, Council uses depreciated replacement cost to assess value in use where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Council would, if deprived of the asset, replace its remaining future economic benefits or service potential.

(II) FINANCIAL LIABILITIES

Trade and Other Payables

Trade payables and other accounts payable are recognised when the Council and Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.

Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Statement of Financial Performance over the period of the borrowing using the effective interest method.

(III) DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into certain derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date. The resulting gain or loss is recognised in the Statement of Financial Performance immediately unless the derivative is designated and effective as a hedging instrument (in the case of Queenstown Airport Corporation Ltd (QAC)), in which event the nature and timing of the recognition in surplus or deficit depends on the nature of the hedging relationship. QAC designates certain derivatives as cash flow hedges. Council does not undertake hedge accounting in relation to its derivative financial instruments.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Fair Value Estimation

The fair value of financial instruments traded in active markets (such as listed equities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Council and Group is the current bid price; the appropriate quoted market price for financial liabilities is the current offer price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council and Group use a variety of methods and makes assumptions that are based on market conditions existing as at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term investment and debt instruments held

Hedge Accounting

Queenstown Airport Corporation Ltd (QAC) designates certain hedging instruments, which may include derivatives, as cash flow hedges.

At the inception of the hedging relationship the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, QAC documents whether the hedging instrument that is used in a hedged relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Cash Flow Hedges

The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges are recognised in other comprehensive revenue and expenses and accumulated as a separate component of equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit.

Amounts recognised in the hedging reserve are reclassified from equity to surplus or deficit (as a reclassification adjustment) in the periods when the hedging item is recognised in the surplus or deficit, in the same line as the recognised hedged item.

However, when the forecast transaction that is hedged results in the recognition of a nonfinancial asset or a non-financial liability, the gains and losses previously recognised in the hedging reserve are reclassified from equity and included in the initial measurement of the cost of the asset or liability (as a reclassification adjustment).

Hedge accounting is discontinued when QAC revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss recognised in the hedging reserve at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in the hedging reserve is recognised immediately in the surplus or deficit.

Development Properties

Development properties are stated at the lower of cost or net realisable value. Cost includes planning expenditure and any other expenditure to bring the development property to its present condition.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis with an appropriate allowance for obsolescence and deterioration.

Properties Held for Sale

Properties intended for sale are measured at the lower of carrying amount and fair value less costs to sell. Properties are classified as intended for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Property, Plant and Equipment

The Council has the following classes of property, plant and equipment:

Operational Assets

> Council owned land, buildings and building improvements, plant and equipment, motor vehicles, furniture and office equipment, computer equipment and library books.

Campground Assets

> Council owned land and buildings leased as campgrounds and listed as strategic assets in the Significance and Engagement policy.

Infrastructure Assets

> Infrastructural assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function:

> sewer, stormwater, water

> roads, bridges and lighting

> land under roads

(I) COST

Operational assets and land under roads are recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

(II) ACCOUNTING FOR REVALUATIONS

Infrastructural assets, other than land under roads, are stated at fair value less accumulated depreciation and any impairment losses recognised after the date of revaluation.

Infrastructure assets, land and buildings acquired or constructed after the date of the latest revaluation are carried at cost, which approximates fair value. Revaluations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the balance sheet date.

The results of revaluing are credited or debited to an asset revaluation reserve via other comprehensive income for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed to the Statement of Financial Performance.

Any subsequent increase in revaluation that offsets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve via other comprehensive income for that class of asset.

Campground Assets

Campground assets are classified as reserve land and held to earn rentals. Campground assets are stated at fair value using the income capitalisation approach.

Sewer, Stormwater, Water

Sewer, stormwater and water supply assets are stated at valuation which is optimised depreciated replacement cost value as at 30 June 2019 by Aon New Zealand, independent valuers. Acquisitions subsequent to 1 July 2018 are at cost.

Roads, Bridges and Lighting

Roading assets are stated at valuation which is optimised depreciated replacement cost value as at 30 June 2020 by WSP Opus New Zealand Limited, independent valuers. Acquisitions subsequent to 1 July 2019 are at cost.

(III) DEPRECIATION

Operational assets with the exception of land, are depreciated on a straight-line basis to write off the asset to its estimated residual value over its estimated useful life.

Infrastructural assets, with the exception of land under roads, are depreciated on a straight-line basis to write off the fair value of the asset to its estimated residual values over its estimated useful life.

Expenditure incurred to maintain these assets at full operating capability is charged to the Statement of Financial Performance in the year incurred.

The following estimated useful lives are used in the calculation of depreciation.

OPERATIONAL ASSETS	RATE (%)	METHOD
Buildings	2.0% - 33%	SL
Building improvements	1.67% - 6.67%	SL
Plant and machinery	5.5% - 28%	SL
Motor vehicles	20% - 26%	DV
Furniture and office equipment	10% - 33%	SL
Computer equipment	25%	SL
Library books	10%	SL
INFRASTRUCTURAL ASSETS	**RATE (%)**	**METHOD**
Sewerage	1.37% - 10%	SL
Water supply	1.42% - 10%	SL
Stormwater	1.55% - 10%	SL
Roading	1.68% - 10%	SL
AIRPORT ASSETS	**RATE (%)**	**METHOD**
Buildings	2.5%-33%	DV
Airport runway	1%-20%	SL
Roading and car parking	4.8%-50%	DV

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

(IV) DISPOSAL

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance in the period the asset is derecognised.

Forestry Assets

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Statement of Financial Performance.

The costs to maintain the forestry assets are included in the Statement of Financial Performance.

Emission Trading Scheme Accounting Policy

New Zealand Units ("NZUs") allocated as a result of the Council's participation in the Emissions Trading Scheme ("ETS") are treated as a prepayment (when purchased in advance) and expensed during the year in the period to which they cover.

Liabilities for surrender of NZUs (or cash) are accrued at the time the forests are harvested, or removed in any other way, in accordance with the terms of the ETS legislation.

Liabilities are accounted for at settlement value, being the cost of any NZUs on hand to meet the obligation plus the fair value of any shortfall in NZUs to meet the obligation.

Investment Properties

Investment properties are held to earn rentals and/or for capital gains. Property held to meet service delivery objectives or held for strategic purposes is excluded from investment properties and included with property, plant and equipment. The investment properties are measured at fair value at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in the Statement of Financial Performance in the period in which they arise.

Investment properties are derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance in the period the asset is derecognised. Any associated balance in the revaluation reserve is transferred to accumulated funds via equity.

Finite Life Intangible Assets

Finite life intangible assets are recorded at cost less accumulated amortisation. Amortisation is charged on a straight line basis over their estimated useful life. The estimated useful life and amortisation period is reviewed at the end of each annual reporting period.

Intangible Assets - Software Acquisition and Development

Acquired computer software licenses are recorded at cost less accumulated amortisation. Amortisation is charged on a straight line basis over their estimated useful life. The estimated useful life and amortisation period is reviewed at the end of each annual reporting period.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Impairment of Non-Financial Cash-Generating Assets

At each reporting date, the Council reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential. In assessing value in use for cash-generating assets, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease, via other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase, via other comprehensive income.

Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Council in respect of services provided by employees up to reporting date.

Provisions

Provisions are recognised when the Council and Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts and demand deposits that the Council invests in as part of day to day cash management.

Operating activities include cash received from all income sources of the Council and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the Council.

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted and Council Created Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability the Council will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if the Council assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with PBE FRS 42, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Allocation of Overheads

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on the cost drivers and related activity/usage information. Direct costs are those costs that are directly attributable to a significant activity. Indirect costs are those costs that cannot be linked in an economically feasible manner to a specific significant activity.

Critical Accounting Estimates and Assumptions

In preparing these prospective financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural Assets

There are a number of assumptions and estimates used when determining fair value using optimised Depreciated Replacement Cost (DRC) for infrastructural assets. These include:

> the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, sewerage and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;

> estimating any obsolescence or surplus capacity of an asset;

> estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual deprecation charge recognised as an expense in the Statement of Financial Performance. To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimate.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Provision for Legal Claims against Council

Council's liability in relation to claims relating to alleged weather tightness building defects has not been established. It is not possible to determine the outcome of claims at this stage. The loss provision is based on current knowledge and historic settlement of claims against Council.

Financial Reporting and Prudence Disclosure Statement | Kā Rīpoata Ahumoni ahumoni

What is the Purpose of this Statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its TYP in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

RATES AFFORDABILITY BENCHMARK

The Council meets the rates affordability benchmark if:

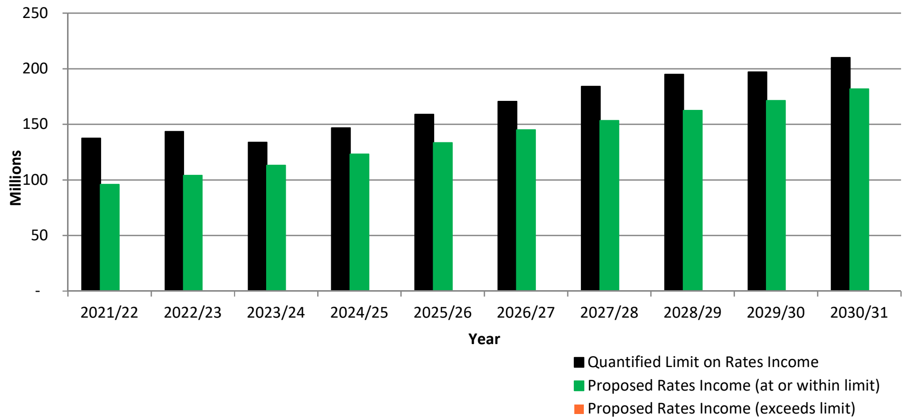
> its planned rates income equals or is less than each quantified limit on rates; and

> its planned rates increases equal or are less than each quantified limit on rates increases.

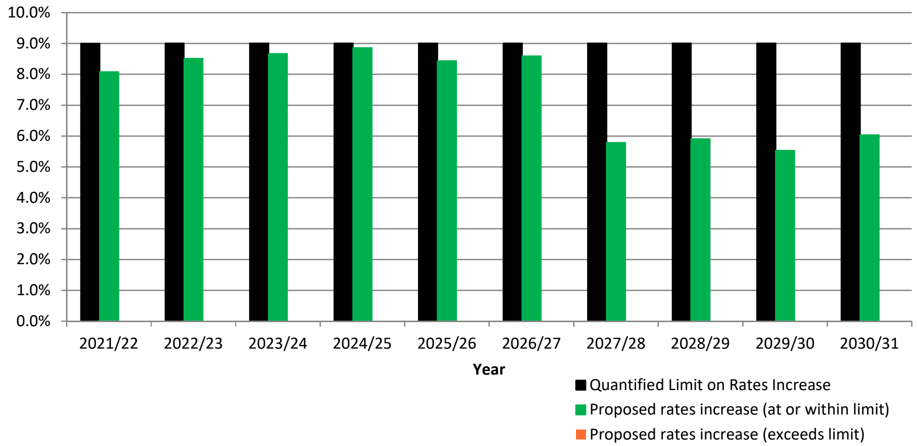
Rates (income) affordability - The following graph compares the Council's planned rates income with a quantified limit on rates contained in the Financial Strategy included in the Council's Ten Year Plan. The quantified limit is that rates income will not exceed 55% of total revenue.

Rates (increases) affordability - The following graph compares the Council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's Ten Year Plan. The quantified limit is that rates increases are set at a maximum of 9% (gross) per annum for each year in the ten year plan (subject to changes in growth forecasts).

Rates Affordability Benchmark - Rates (Income) Affordability



Rates Affordability Benchmark - Rates (Increases) Affordability

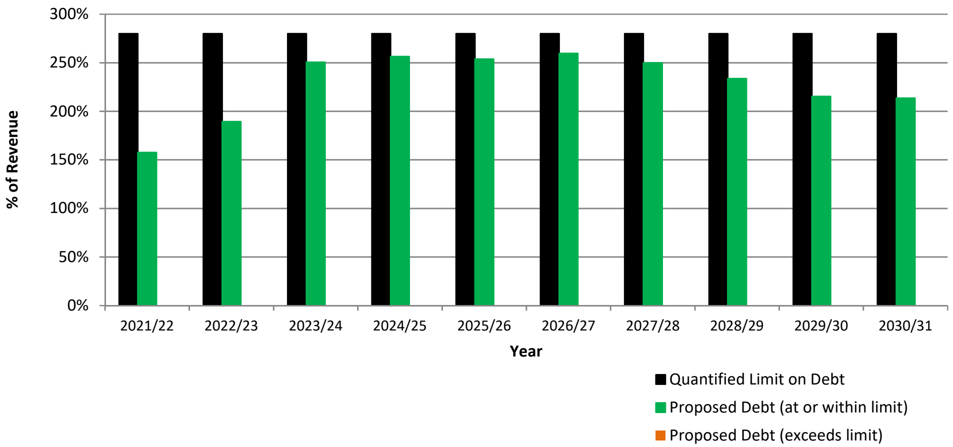


DEBT AFFORDABILITY BENCHMARK

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the Council's planned debt with the quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is that the debt to revenue ratio will be under 280%.

Debt Affordability Benchmark (Net Debt/Total Revenue)

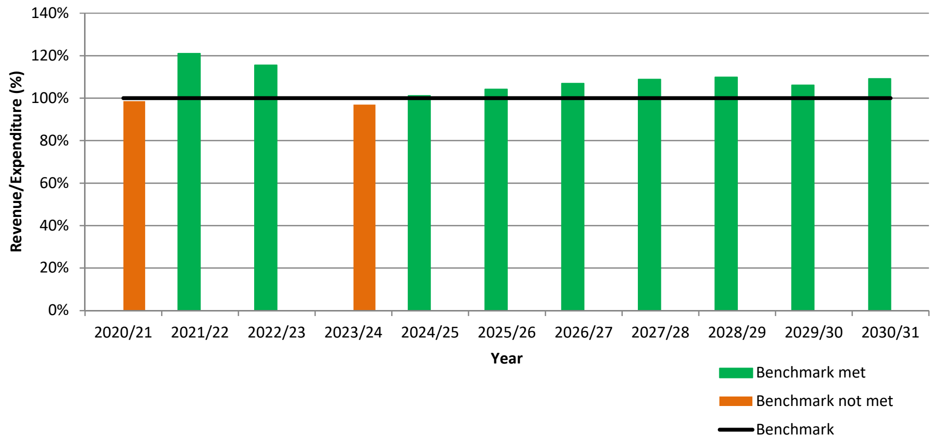


BALANCED BUDGET BENCHMARK

The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.

Balanced Budget Benchmark

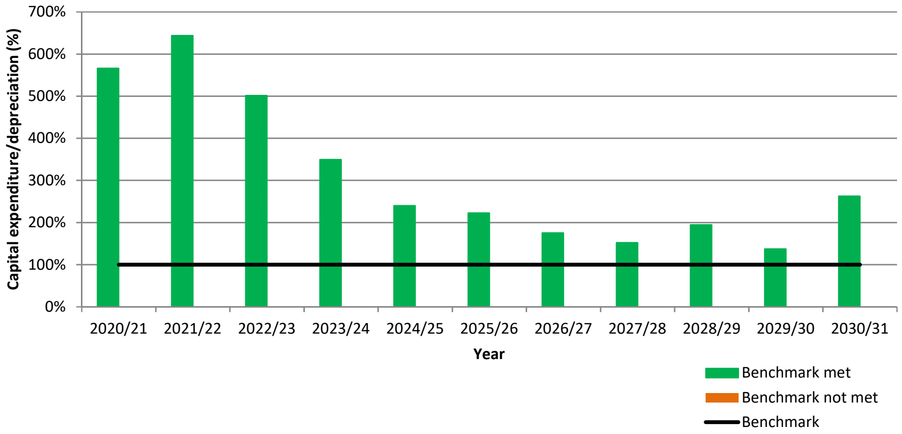


ESSENTIAL SERVICES BENCHMARK

The following graph displays the Council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

The Council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Essential Sevices Benchmark

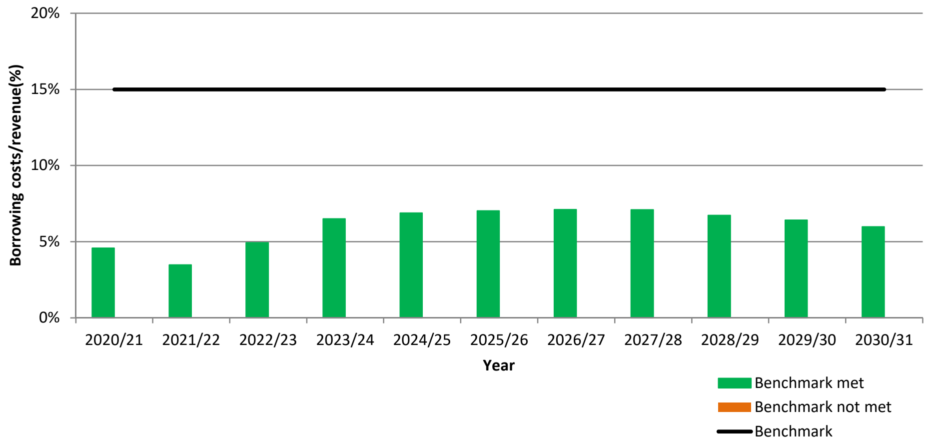


DEBT SERVICING BENCHMARK

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

Debt Servicing Benchmark



ADDITIONAL INFORMATION OR COMMENT

The Council meets all of the forecast benchmarks except for one year for the Balanced Budget Benchmark in 2023/24. From year four onwards, we are budgeting to receive visitor levy income which helps us to meet this benchmark.

Our policies | ō Mātou kaupapa here

Revenue and Financing Policy | Te Kaupapa Here Whiwhi Moni

Proposed Changes to Policy

The Revenue and Financing Policy has been reviewed and there are a number of proposed changes. These can be summarised as follows:

> Update potential funding tools to include proposed Visitor Levy and provisions of Infrastructure Funding and Financing Act (IFF)

> Update activity description for changes to council activities (waste contract; rural fire; economic development etc.)

> Review funding targets in some activities where significant variances have occurred

The table below shows the proposed changes to funding targets to a number of activities where changes have occurred in recent years:

	Existing Funding Target		Proposed Funding Target		Reason
Activity	**Private**	**Public**	**Private**	**Public**	**For change**
Community Facilities	30%	70%	40%	60%	A
Community Grant	10%	90%	12%	88%	B
Communications	10%	90%	1%	99%	C
Library Services	10%	90%	2%	98%	C
Aquatics	60%	40%	45%	55%	C
Waterways Facilities	40%	60%	10%	90%	D
Parks and Recreation Facilities	40%	60%	20%	80%	C
Community Development	10%	90%	6%	94%	D
Waterways Control	65%	35%	6%	94%	D
Landfill Provision and Management	60%	40%	75%	25%	E

The main reasons for change are listed below:

A Increased revenue due to Health and Fitness centre

B Increased revenue

C Increased activity scope but revenue increase not appropriate

D Reflects current revenue level

E Increased activity scope with revenue increase

FEE INCREASES

The review of the Policy has also resulted in a proposal to increase user fees in a number of activities where funding targets will not be met. This is discussed in the Consultation Document under Big Issue #4. The following activities are affected: Resource Consents; Building Consents; Aqautics; Dog Registration, Environmental Health; Waste Management and Cemeteries.

Background

Section 102(4) (a) of the Local Government Act 2002 requires each Council to adopt a Revenue and Financing Policy, which must be adopted through the special consultation process.

Section 103 outlines that this Policy must state the Council's policies in respect of the funding of both operating expenses and capital expenditure from listed sources, with the sources as outlined in section 103(2) being:

- **A** general rates including:
  - i choice of valuation system;
  - ii differential rating; and
  - iii uniform annual general charges;
- **B** targeted rates;
- **C** fees and charges;
- **D** interests and dividends from investments;
- **E** borrowing;
- **F** proceeds from asset sales;
- **G** development contributions under the Local Government Act 2002; H financial contributions under the Resource Management Act 1991; I grants and subsidies; and
- **J** any other source.

Section 101(3) states that in identifying the appropriate sources the Council must consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community. The Council must also consider with regards to each activity to be funded:

- **A** the community outcomes to which the activity primarily contributes;
- **B** the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
- **C** the period in or over which those benefits are expected to occur;
- **D** the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- **E** the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Queenstown Lakes District Council has undertaken several comprehensive reviews of its funding principles in the past through the development, adoption and review of its Revenue and Financing Policy. These reviews were completed in 1998, 2001 and again in 2002. Comprehensive reviews under the Local Government Act 2002 were undertaken during 2005/06, 2008/09, 2011/12 and 2015/16.

[A] Funding Sources - Operational Expenditure

The ‘revenue’ part of the title ‘Revenue and Financing Policy’ relates to funding of operating expenditure. The following sources of income are recognised in the operating statement:

RATES

A number of the Council activities are funded by a combination of revenue types. The Council practice is to initially account for income from fees and charges, and grants and subsidies or other income sources. If the activity still requires additional funding, the remainder is funded by way of a rate which is applied to relevant properties within the district.

The Council will use a capital value rating system across the district. Capital value is preferred to land value because the Council believes that it generally provides a better surrogate for the allocation of cost for Council services. Rates are generally used where it is economically impractical to use fees and charges.

There are two classification types for rates:

> **General rates -** include uniform annual general charge (UAGC) and capital valued based rate.

> **Targeted rates -** include capital valued based roading rate, tourism promotion rate, governance rate, recreation and events rate, regulatory rate, water supply rate and stormwater rate. As well as fixed annual charges for sewerage, water supply, waste management, recreation and events, governance and regulatory, Queenstown Aquatic Centre, Wanaka Aquatic Centre and sports, halls and libraries.

In the next section of the policy ‘Funding Operational Expenditure by Activity’ the tables illustrate the outcome of the analysis undertaken by the Council in relation to Section 101 (3). The last table for each activity details how the activity is proposed to be funded. Generally, these tables show that where a private benefit exists, the cost of this is recovered by user fees or a targeted rate. The cost of public benefits is usually rate funded, with the general rate and a range of targeted capital value rates used to fund ‘property’ related activities and the UAGC, fixed targeted annual charges and a range of targeted capital value rates used to fund ‘people’ related activities.

FEES AND CHARGES

There is a wide range of revenue under this general title. Generally, the Council will look to use fees and charges to recover the ‘private benefit’ costs of a particular activity (see table on following page) if it is economically viable to do so.

GRANTS AND SUBSIDIES

Some activities of the Council qualify for a grant or subsidy from the Crown. In particular, the Council receives a subsidy from the New Zealand Transport Agency (NZTA) for qualifying roading expenditure. Other smaller grants are also received from the Crown, for example; NZ Fire Service and Creative NZ.

INTEREST AND DIVIDENDS FROM INVESTMENTS

Interest income is recognised from all investment sources but is very minor. The majority of investment income is used to offset rates.

The Council receives a regular dividend from Queenstown Airport Corporation (QAC) via its 75.01% ownership stake. It is proposed to continue to utilise forecast dividends from QAC to repay generally funded debt.

OTHER SOURCES OF INCOME

Other sources of income include parking infringement fines, petrol tax, rates penalties and concession income. Council also expects that a visitor levy will be introduced by the 2023/24 year. Although mainly a tool for funding visitor related capital expenditure, it is expected that a portion of the levy will fund visitor related operational expenditure. This is a catch-all classification and the income is treated in the same way as fees and charges.

FUNDING OPERATIONAL EXPENDITURE BY ACTIVITY

The tables in the following section illustrate the outcome of the analysis undertaken by the Council in relation to Section 101 (3). The first table in each activity analysis labelled ‘Community Outcome’ shows the community outcomes to which each activity primarily contributes and thereby satisfies the requirement of Section 101(3) (a) referred to in the background section. This table shows only the primary contributions and it is acknowledged that some activities contribute to more outcomes than those shown.

The second table in each activity analysis labelled 'Funding Principles' shows how the funding principles in Section 101(3) b) to e) above relate to the activity.

This analysis assists the Council in determining which funding mechanisms are appropriate for each activity. Generally those activities which score low for user pays or for cost/benefit of separate funding are best funded by general rates, whilst those scoring higher in those areas are best funded by user charges or targeted rates. The low/medium/ high rating relates to the degree by which each activity conforms to the following economic principles:

1 Distribution of benefit - degree to which benefits can be attributed to individuals/ groups rather than community as a whole.

2 Period of benefit - degree to which benefits can be attributed to future period.

3 Extent of action/inaction - degree to which action or inaction of group or individuals give rise to need for expenditure.

4 Cost/benefit of separate funding - degree to which cost and benefits justify separate funding of this activity.

The third table in each activity details how each activity is proposed to be funded. Generally, this table shows that where a private benefit exists, the cost of this is recovered by user fees or a targeted rate. The cost of public benefits is usually general rate funded, with the capital value rate used to fund 'property' related activities and the UAGC used to fund 'people' related activities.

Governance

Community Leadership

The community outcomes that this activity primarily contributes to:

COMMUNITY LEADERSHIP	
	Pride in sharing our places > Our welcome is warm and genuine, and visitors respect what is expected of them
	Thriving people > Our doors and minds are open; everybody is warmly welcomed
	Embracing the Māori world > Our diverse, multicultural past and present strengthens our district's future

This activity includes strategic planning and the setting of the overall direction by the Council, Community Board and various committees. This also includes all activities undertaken in relation to public involvement in the democratic process including elections, the holding of public meetings as well as the preparation of the statutory plans and reports, including the Council Community Plan, Annual Plan and Annual Report.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Community Leadership	Low	Med	Low	Low

This activity is completely public good with no scope for user charges and will therefore be funded 80% from the district-wide targeted capital value based Governance Rate and 20% from the Governance and Regulatory Charge.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Leadership	0%	100%	0%	0%	100%	-	Gov Rate (80%)/Gov & Reg Chg (20%)

Communications

The community outcomes that this activity primarily contributes to:

COMMUNICATIONS	
	Pride in sharing our places > Our welcome is warm and genuine, and visitors respect what is expected of them
	Thriving people > Our doors and minds are open; everybody is warmly welcomed
	Disaster-defying resilience > Our people stand tall through any challenge, caring for whānau, neighbours and visitors alike.
	Embracing the Māori world > Our diverse, multicultural past and present strengthens our district's future

The purpose of this activity is to provide for the distribution of information to residents and ratepayers. It is also designed to help keep residents informed via social media; the Council newsletter 'Scuttlebutt' and the website.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Communications	Low	Low	Low	Low

This activity is largely public good and will therefore be funded 90% from the district- wide targeted capital value based Governance Rate and the Governance and Regulatory Charge with the remainder provided by cost recoveries.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Communications	0%	100%	0%	1%	99%	–	Gov Rate (80%)/Gov & Reg Chg (20%)

Economic Development

Tourism Promotion

The community outcomes that this activity primarily contributes to:

TOURISM PROMOTION	
	Opportunities for all > Our economy is strong and diverse with sustainable and inclusive growth > Ours is a place that works hard and thinks big, where workers and entrepreneurs flourish and inequality is reduced > Technology enables us to connect locally, regionally and globally
	Thriving people > Our doors and minds are open; everybody is warmly welcomed
	Pride in sharing our places > Our welcome is warm and genuine, and visitors respect what is expected of them

The Council makes grants to ward based promotion organisations, which market the district as a visitor destination and therefore increases the economic benefits to the district from its major industry.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Tourism Marketing	Low	Low	Low	Low

This activity exhibits a large degree of private benefit with a distinct group of beneficiaries and will be funded 95% from the Targeted Rate for Tourism Promotion based on capital value and applied on a ward basis, and 5% from the Uniform Annual General Charge.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Tourism Marketing	95%	5%	0%	95%	5%	Targeted CV Rate (Tourism Promotion)	UAGC

Community Assets

The community outcomes that this activity primarily contributes to:

COMMUNITY ASSETS	
	Thriving people > People of all ages are able to seek a future here > Our environments and services promote and support health, activity and wellbeing for all

The Council is involved in these activities to provide the maximum possible return from assets involved. This activity includes residential and commercial subdivisions, Queenstown Lakeview Holiday Park, leased camping grounds, Wanaka Airport, forests, rental housing, elderly person housing and road closing/legalisation. This activity also includes any undeveloped areas of land which will be maintained at a minimum level until decisions about their final use is made.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Community Assets	High	High	Low	High

This activity almost exclusively provides private goods to clearly distinct groups of beneficiaries and will be funded by user charges with any surplus derived used to reduce general rate requirement.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Assets	100%	0%	0%	100%	0%	Fees & Charges	–

Community

Library Services

The community outcomes that this activity primarily contributes to:

LIBRARY SERVICES
Thriving People > Our doors and minds are open; everybody is warmly welcomed
Breathtaking creativity > Free-thinking innovation and locally distinct arts make our place a byword for brilliance
Embracing the Māori world > Our diverse, multicultural past and present strengthens our district's future

The purpose of this activity is to help meet the information, cultural, educational and recreational needs of its users in a timely, convenient and cost effective manner. This is achieved through the joint management of libraries with the Central Otago District. There are seven libraries within the district; at Queenstown, Frankton, Arrowtown, Wanaka, Hawea, Kingston and Glenorchy. The services include book and magazine loans, a reference and information service, compact disc and video rentals and research. Other specialist services provided include a local history collection and special needs services including large print and talking books and foreign language text. The libraries also hold community information and contact names and addresses.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Library Services	Med	Low	Low	Low

This activity provides a relatively high degree of private good but there is also a significant element of public good. The Council wishes to encourage the use of library facilities and will therefore limit the user charge element to the minimum. The activity will therefore be funded 98% from the district-wide targeted fixed Sports, Halls and Libraries Charge and 2% from user charges for some specialised or high demand services. The Sports, Halls and Libraries Charge will be targeted at properties with a residential component and not at businesses.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Library Services	65%	35%	0%	2%	98%	Fees, Charges & Fines	Fixed Sports, Halls & Libraries Charge

Community Development

The community outcomes that this activity primarily contributes to:

COMMUNITY DEVELOPMENT
Breathtaking creativity > Our economy supports arts, culture and heritage industries
Thriving people > People of all ages are able to seek a future here
Opportunities for all > Ours is a place that works hard and thinks big, where workers and entrepreneurs flourish and inequality is reduced
Pride in sharing our places > Our lives are enhanced by measuring wealth in wellbeing as well as dollars

The purpose of this activity is to promote economic development in the district by supporting a diverse and sustainable economy. This activity also helps keep residents informed of the recreational, social and cultural opportunities in the area and to assist groups in maximising the benefits they provide to the community. Assistance will also be provided to those seeking financial support from organisations other than the Council. This activity promotes a balanced portfolio of sporting, arts and cultural events that meet community objectives for the district. The Council is also directly involved in events including programmes at New Year and the annual Christmas Show.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Community Development	Low	Low	Low	Low

This activity is largely public good with for the recreational and cultural activities and will therefore be funded 94% from the district-wide targeted capital value based Recreation and Recreation and Events Charge with the remainder provided by cost recoveries.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Development	0%	100%	0%	6%	94%	Fees & Charges	Rec & Events Rate (50%)/ Rec & Events

Community Grants

The community outcomes that this activity primarily contributes to:

COMMUNITY GRANTS	
	Breathtaking creativity > Artists and art lovers unite in both dedicated spaces and beyond the boundaries of venues and facilities > Our economy supports arts, culture and heritage industries > Our breath-taking landscapes and diverse people attract strong talent and create space for reflection

The purpose of this activity is the provision of grants to assist community groups to provide a range of activities and services in the district. These include the Lakes District Museum; Aspiring Arts Trust; Sports Central; the Wakatipu Trails Trust and various community associations.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Community Grants	Low	Low	Low	Low

This activity is largely public good with no scope for user charges and will therefore be 74% funded from the Uniform Annual General Charge and 14% funded from the district-wide targeted capital value based Recreation and Events Rate and Recreation and Events Charge for the grants made to organisations for recreational purposes. This analysis relates to the cost of the activity after allowing for the receipt of grants by the Council in its role as agent.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Grants	0%	100%	0%	12%	88%	Crown Grants	Rec & Events Rate (7%)/ Rec & Events Chg (7%)/ UAGC (74%)

Public Toilets

The community outcomes that this activity primarily contributes to:

PUBLIC TOILETS	
	Disaster-defying resilience > Our infrastructure is as resilient as our people
	Thriving people > Our environments and services promote and support health, activuty and wellbeing for all > Ours is the most accessible, barrier-free district in Aotearoa New Zealand for all people

The purpose of this activity is to provide a range of public toilets throughout the district to meet the needs of locals and visitors. The principal objective is to protect the public environment through the provision of clean, accessible and conveniently located public toilets.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Public Toilets	Med	Med	Low	Low

This activity provides a relatively high degree of private good but there is also a significant element of public good. Council recognises that these facilities are used to a large degree by visitors to the district and has considered the option of user charges but has rejected this on the basis of efficiency. The activity will therefore be funded 100% from the district-wide targeted capital value based Recreation and Events Rate and the Recreation and Events Charge.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Public Toilets	80%	20%	0%	0%	100%	–	Rec & Events Rate (50%)/ Rec & Events Chg (50%)

Cemeteries

The community outcomes that this activity primarily contributes to:

CEMETERIES	
	Thriving People > Our environments and services promote and support health, activity and wellbeing for all

The purpose of this activity is to provide for cemeteries throughout the district. Services provided by the Council include areas for the burial of human remains, internment of human ashes, the maintenance of burial records and the maintenance of grounds.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Cemeteries	High	Med	Low	Med

This activity provides a relatively high degree of private good but there is also a significant element of public good. This activity will therefore be funded 60% from user charges in the form of plot sales and burial fees with the balance of 40% coming from the Uniform Annual General Charge

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Cemeteries	60%	40%	0%	60%	40%	Fees & Charges	UAGC

Community Facilities

The community outcomes that this activity primarily contributes to:

COMMUNITY FACILITIES	
	Breathtaking creativity > Our breath-taking landscapes and diverse people attract strong talent and create space for reflection
	Thriving People > Our environments and services promote and support health, activity and wellbeing for all > Ours is the most accessible, barrier-free district in Aotearoa New Zealand for all people

The purpose of this activity is to help provide community halls, community swimming pools and other multi-use indoor facilities for the district. This includes the facilities at the Queenstown Events Centre; Wanaka Recreation Centre; Lake Wanaka Centre; Memorial Hall; Lake Hayes Pavilion; Arrowtown Hall; Arrowtown Pool and Wanaka Community Pool. The Queenstown and Wanaka Aquatic Centres are included in a separate activity – Aquatics (see below).

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Community Facilities	High	Med	Low	Med

This activity provides a relatively high degree of private good but there is also a significant element of public good. Council wishes to encourage the use of community facilities and will therefore limit the user charge element to 40%. The Council has also determined that it will not seek to fund the depreciation expense associated with these assets. The activity will therefore be funded 60% from the district-wide targeted fixed Sports, Halls and Libraries Charge and 40% from user charges. The Sports, Halls and Libraries Charge will be targeted at properties with a residential component and not at businesses.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Facilities	70%	30%	0%	40%	60%	Fees & Charges	Fixed Sports, Halls & Libraries Charge

Aquatics

The community outcomes that this activity primarily contributes to:

AQUATICS	
	Thriving People > Our environments and services promote and support health, activity and wellbeing for all > Ours is the most accessible, barrier-free district in Aotearoa New Zealand for all people

The purpose of this activity is to help provide indoor aquatic facilities for the district. This includes the Queenstown Aquatic Centre (Alpine Aqualand) and the new Wanaka Aquatic Centre.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Aquatics	High	Med	Low	Med

This activity provides a relatively high degree of private good but there is also a significant element of public good. The Council wishes to encourage the use of aquatic facilities and will therefore limit the user charge element to 45%; this is lower than the original feasibility report which indicated that 60% of operational costs should be recovered from users directly. The Council has also determined that it will not seek to fund the depreciation expense associated with these assets.

This activity will therefore be funded 55% from the ward based Aquatic Centre Charges only and 45% from user charges. The Aquatic Centre Charge will be targeted at properties with a residential component and not at businesses.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Aquatics	70%	30%	0%	45%	55%	Fees & Charges	Fixed Aquatics Charge (100%)

Waterways Facilities

The community outcomes that this activity primarily contributes to:

WATERWAYS FACILITIES	
	Thriving People > Our environments and services promote and support health, activity and wellbeing for all

The purpose of this activity is to help provide affordable and accessible water based recreation facilities throughout the district that may also be used by commercial operators. This activity includes the maintenance and development of the Council owned waterways facilities including ramps, jetties and marinas. This does not include facilities which are attached to Council land but owned by other organisations i.e. yacht clubs, individuals or companies, nor does it include facilities that are leased out such as the Queenstown Main Town Pier.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Waterways Facilities	High	Med	Low	Med

It is recognised that there are real difficulties in terms of designing an effective and efficient regime for the collection of boating user fees and that we must rely on our local bylaw for fees. Accordingly, this activity will be funded 10% from user charges with the balance of 90% coming from the revenue generated from waterways based concessions.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Waterways Facilities	90%	10%	0%	10%	90%	Fees & Charges	Waterways Concession

Parks & Recreation Facilities

The community outcomes that this activity primarily contributes to:

PARKS & RECREATION FACILITIES	
	Thriving people > Our environments and services promote and support health, activuty and wellbeing for all > Ours is the most accessible, barrier-free district in Aotearoa New Zealand for all people
	Breathtaking creativity > Artists and art lovers unite in both dedicated spaces and beyond the boundaries of venues and facilities
	Deafening dawn chorus > We are all kaitiaki of our protected and restored incredible environment, flora and fauna

The purpose of the activity is to help provide affordable and accessible recreation facilities throughout the district. This includes the maintenance and development of primarily outdoor recreation facilities that are owned by the Council. This activity includes most items that are traditionally called parks and reserves and covers the maintenance and development of outdoor passive recreation areas, as well as sports fields, playgrounds and the trail network.

This activity does not include facilities which are on Council land, but are owned by other organisations i.e. some bowling, tennis and golf clubs. Multi-use indoor facilities are covered in the Community Facilities activity.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Parks & Recreation Facilities	Low	Med	Low	Low

The analysis delivers a funding target of 2% for user fees with the balance of 18% (for the private funding target) being met from commercial lease income derived from reserves. This leaves 80% recovered from the district-wide targeted fixed Sports, Halls and Libraries Charge (30%) for sports fields and 50% from the district-wide targeted capital value based Recreation and Events Rate and the Recreation and Events Charge for the balance of costs.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Parks & Recreation Facilities	35%	65%	0%	20%	80%	Lease Income (18%) / Fees & Charges (2%)	Fixed Sports, Halls & Libraries Charge (30%) / Rec & Events Rate (25%) / Rec & Events Chg (25%)

Environmental Management

District Plan

The community outcomes that this activity primarily contributes to:

DISTRICT PLAN	
	Deafening dawn chorus > We are all kaitiaki of our protected and restored incredible environment, flora and fauna
	Embracing the Māori world > We celebrate the unique history of our rohe and Aotearoa New Zealand

This activity includes work on the development, adoption and refinement of the District Plan. (note that processing of resource consents is covered under Regulatory Services). The objectives of the District Plan are set out in the Resource Management Act, "the establishment, implementation and review of the objectives, policies and methods of achieving integrated management of the effects of the use, development or management of land and associated natural and physical resources of the district".

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
District Plan	Low	High	Med	Low

This activity is largely public good with some scope for user charges (private plan changes and district plan sales). The balance of the cost of this activity will be funded from the proposed district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
District Plan	5%	95%	0%	5%	95%	Fees & Charges	Regulatory CV Rate / Reg Chg

Resource Consent Administration

The community outcomes that this activity primarily contributes to:

RESOURCE CONSENT ADMINISTRATION	
	Deafening dawn chorus > We are all kaitiaki of our protected and restored incredible environment, flora and fauna
	Zero carbon communities > Our homes and buildings take the best ideas from the world, but use sustainable , locally-sourced materials

This activity includes all aspects of the resource consent process, including receiving and processing the applications; managing files; monitoring consents and responding to public enquiries.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Resource Consent Administration	Low	High	Med	Low

The private benefit element of resource consent processing activities (assessed at 80%) will be funded from user charges, with the public element funded from the proposed district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Resource Consent Administration	80%	20%	0%	80%	20%	Fees & Charges	Regulatory CV Rate / Reg Chg

Building Consent Administration

The community outcomes that this activity primarily contributes to:

BUILDING CONSENT ADMINISTRATION	
	Zero carbon communities > Our homes and buildings take the best ideas from the world, but use sustainable , locally-sourced materials
	Thriving people > Everyone can find a healthy home in a place they choose to be

This activity includes all aspects of the building consent process, including receiving and processing applications; managing files; inspecting building work; issuing PIMS and LIMs and responding to public enquiries.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Building Consent Administration	High	Med	Med	High

The private benefit element of building consent processing activities (assessed at 80%) will be funded from user charges, with the public element funded from the proposed district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge. The exacerbator factor reflects the time and cost incurred in managing weather-tightness claims.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Building Consent Administration	80%	5%	15%	80%	20%	Application Fees & Hourly Charges	Regulatory CV Rate / Reg Chg

Bylaw and General Enforcement

The community outcomes that this activity primarily contributes to:

BYLAW AND GENERAL ENFORCEMENT	
	Thriving people > Our environments and services promote and support health, activity and wellbeing for all
	Deafening dawn chorus > We set the standard for combating biodiversity loss

This activity includes the management and enforcement of the Council bylaws, managing files, issuing permits and responding to public enquiries.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Bylaw and General Enforcement	High	Low	High	Med

This activity provides some degree of private good but there is also a significant element of public good and exacerbator factor. The private benefit element of bylaw and enforcement activities (assessed at 40%) will be funded from user charges with the public element funded from the proposed district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Bylaw and General Enforcement	25%	50%	25%	40%	60%	Permit Fees and Hourly Charges	Reg Rate (80%)/ Reg Chg (20%)

Parking Administration

The community outcomes that this activity primarily contributes to:

PARKING ADMINISTRATION	
	Thriving people > Our environments and services promote and support health, activity and wellbeing for all

This activity includes the patrolling of all designated, time restricted and metered areas in Queenstown, Wanaka and Arrowtown and other general patrolling; managing files; issuing and processing of parking infringement notices and responding to public enquiries.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Parking Administration	Med	Low	High	Med

The private benefit element of parking administration activities (assessed at 100%) will be funded from infringement fees and user charges.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Parking Administration	15%	15%	70%	100%	0%	Infringement Fines and Rental Charges	N/A

Environmental Health

The community outcomes that this activity primarily contributes to:

ENVIRONMENTAL HEALTH	
	Thriving people > Our environments and services promote and support health, activity and wellbeing for all

This activity includes the inspection and licensing of premises involved in the manufacture/preparation/sale of food, hair dressers, mortuaries, camping grounds, winemakers etc.; managing files; investigation and enforcement of public health issues and responding to public enquiries.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Environmental Health	High	Low	Med	High

This activity provides some degree of private good but there is also a significant element of public good. Environmental health will therefore be funded 70% from user charges and 30% from the district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Environmental Health	60%	30%	10%	70%	30%	Certification Fees and Hourly Charges	Reg Rate (80%)/ Reg Chg (20%)

Liquor Licensing

The community outcomes that this activity primarily contributes to:

LIQUOR LICENSING	
	Thriving people > Our environments and services promote and support health, activity and wellbeing for all

This activity includes the inspection, monitoring and licensing of premises involved in the sale of liquor; managing files; issuing and renewal of licences and certificates and responding to public enquiries.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Liquor Licensing	High	Low	Med	High

This activity provides some degree of private good but there is also an element of public good and exacerbator factor. Liquor licensing will therefore be funded 70% from user charges and 30% from the district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Liquor Licensing	60%	30%	10%	70%	30%	Licensing and Certification Fees and Hourly Charges	Reg Rate (80%)/ Reg Chg (20%)

Animal Control

The community outcomes that this activity primarily contributes to:

ANIMAL CONTROL	
	Thriving people > Our environments and services promote and support health, activity and wellbeing for all
	Pride in sharing our places > Our everyday experiences are enriched by focusing on shared values not volume

This activity includes the inspection, monitoring and licensing of premises involved in the sale of liquor; managing files; issuing and renewal of licences and certificates and responding to public enquiries.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Animal Control	Med	Low	High	High

This activity provides some degree of private good but there is also an element of public good and exacerbator factor. Liquor licensing will therefore be funded 70% from user charges and 30% from the district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Animal Control	10%	30%	60%	70%	30%	Registration and Impound Fees	Reg Rate (80%)/ Reg Chg (20%)

Waterways Control

The community outcomes that this activity primarily contributes to:

WATERWAYS CONTROL	
	Deafening dawn chorus > Our people and visitors respect the privilege of accessing our rivers, lakes and mountains > Our waterways and lakes are drinkable

The purpose of this activity is to control waterway based activities in the district. This is achieved under the Waterways Bylaw through the activities of the Harbourmaster in the inspection, enforcement and promotion of the safe use of local waterways.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Waterways Control	Med	Low	Med	Med

This activity provides some degree of private good but there is also a significant element of public good. Waterways Control will therefore be funded from user charges under the Bylaw as far as practicable (estimated at 6%), and thereafter from the revenue generated from waterways based concessions.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Waterways Control	35%	65%	0%	6%	94%	Fees & Charges	Waterways Concession

Emergency Management

The community outcomes that this activity primarily contributes to:

EMERGENCY MANAGEMENT	
	Disaster-defying resilience > Our communities are resilient to disasters and adapting to a changing global climate > Our people stand tall through any challenge, caring for whanau, neighbours and visitors alike > Our infrastructure is as resilient as our people > Recovery empowers our people to quickly find a new normal

The purpose of this activity is to ensure the district is prepared to respond appropriately to Civil Defence emergencies by having appropriate plans and procedures in place. This is primarily achieved by the development of a Civil Defence Plan and the establishment and maintenance of the required communications and other infrastructure. There are also arrangements in place to ensure additional trained resources are available when required.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Emergency Management	Low	Low	Med	Low

This activity is largely public good with no scope for user charges and will therefore will be funded by the capital value based General Rate. This analysis relates to the cost of the activity after allowing for any central government subsidies in this area (estimated at 30%).

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Emergency Management	0%	100%	0%	0%	100%	–	General CV Rate (70%) / Grants (30%)

Landfill Provision and Management

The community outcomes that this activity primarily contributes to:

LANDFILL PROVISIONS AND MANAGEMENT	
	Zero Carbon communities > Zero waste is just something that we do here
	Deafening dawn chorus > We are all kaitiaki of our protected and restored incredible environment, flora and fauna

The purpose of this activity is to provide facilities for the purpose of recycling and disposing of solid waste and the provision of hazardous waste facilities for the district in accordance with Regional Council and environmental requirements. This activity includes the operation of one sanitary landfill and transfer stations in Queenstown and Wanaka. In addition, the Council is required to monitor and rehabilitate its disused landfill sites at Hawea, Tuckers Beach, Wanaka, Kingston, Glenorchy and Makarora.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Landfill Provision and Management	Med	High	High	Med

This activity provides some degree of private good, but there is also a significant element of public good and exacerbator factor. This activity will therefore be funded 75% from user charges in the form of transfer station fees and disposal fees (excluding landfill levy), 25% coming from the targeted fixed Waste Management Charge.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Landfill Provision and Management	70%	20%	10%	75%	25%	Fees & Charges	Waste Management Charge (25%)

Refuse Collection

The community outcomes that this activity primarily contributes to:

REFUSE COLLECTION	
	Zero Carbon communities > Zero waste is just something that we do here
	Deafening dawn chorus > We are all kaitiaki of our protected and restored incredible environment, flora and fauna

The purpose of this activity is to provide a kerbside recycling and residual waste collection service for residential properties in Queenstown, Arrowtown, Glenorchy, Kingston, Wanaka, Hawea, Albert Town Luggate and Makarora.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Refuse Collection	High	Low	Med	High

This activity is largely private good but is provided through a rate funded universal contract and will therefore be funded 100% from waste management charge.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Refuse Collection	90%	10%	0%	100%	0%	Waste Management Charge	–

Utilities

Water Supply

The community outcomes that this activity primarily contributes to:

WATER SUPPLY	
	Deafening dawn chorus > We are all kaitiaki of our protected and restored incredible environment, flora and fauna
	Disaster-defying resilience > Our infrastructure is as resilient as our people

The purpose of this activity is to provide reliable, high quality water supplies for domestic and commercial consumers and for fire fighting purposes. The Council has provided water schemes in Queenstown, Arrowtown, Glenorchy, Lake Hayes, Arthurs Point, Wanaka, Hawea, Albert Town and Luggate.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Water Supply	High	High	Med	High

This activity is largely private good in nature and the Council recognises that the best way of recovering cost would be via volumetric charges and water meters. However, the costs of introducing such a system are seen as prohibitive at present, and this activity will therefore be funded 40% from the Targeted Uniform Rate (Water) which will be charged to all serviceable properties in the nature of a supply charge and 60% from a Targeted Water Rate based on capital value and applied on a scheme basis to all properties connected to the public water supply.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Water Supply	90%	10%	0%	100%	0%	Targeted Uniform Rate (water) / Targeted CV Rate (water)	–

Stormwater

The community outcomes that this activity primarily contributes to:

STORMWATER	
	Deafening dawn chorus > We are all kaitiaki of our protected and restored incredible environment, flora and fauna
	Disaster-defying resilience > Our infrastructure is as resilient as our people

The primary purpose is to provide reliable and efficient stormwater collection and disposal systems from buildings and land in Queenstown, Arrowtown, Glenorchy, Wanaka, Hawea and Albert Town.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Stormwater	Low	Med	Med	Med

This activity is largely public good in nature and will therefore be funded 100% from a Targeted Stormwater Rate based on capital value and applied on a ward basis to all urban properties.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Stormwater	0%	100%	0%	0%	100%	–	Stormwater CV Rate/ Waterways concession

Wastewater

The community outcomes that this activity primarily contributes to:

WASTEWATER	
	Deafening dawn chorus > We are all kaitiaki of our protected and restored incredible environment, flora and fauna
	Disaster-defying resilience > Our infrastructure is as resilient as our people

The primary purpose is to provide reliable and efficient sewage collection, treatment and disposal systems that meet all discharge consent conditions. Sewerage schemes are provided in Queenstown, Arrowtown, Arthur's Point, Wanaka, Hawea, Albert Town and Lake Hayes with feasibility studies underway for Kingston, Glenorchy.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Wastewater	High	High	Med	High

This activity is largely private good and the operational costs will therefore be funded by a Targeted Uniform Sewerage Charge, which is charged out on the basis of the number of connected pans/urinals within the property. A rating unit used primarily as a residence for one household shall be deemed to have not more than one pan / urinal in accordance with the Local Government (Rating) Act 2002. Remission policies have been developed in relation to the application of this rate to businesses with multiple connections and to various non profit organisations.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Wastewater	90%	10%	0%	100%	0%	Sewerage Charge	–

Roading and Footpaths

Town Centres

The community outcomes that this activity primarily contributes to:

TOWN CENTRES	
	Thriving people > Our environments and services promote and support health, activity and wellbeing for all > Ours is the most accessible, barrier-free district in Aotearoa New Zealand for all people
	Zero Carbon communities > Our public transport is the cleanest, greenest, innovative choice for district-wide connectivity > Active travel is an integral part of an accessible and safe network for all our people

The purpose of this activity is to provide attractive and safe town centres that are well maintained and developed to meet the changing needs of the district. This includes the maintenance and development of street furniture, specialised lighting, signage and other facilities that contribute to the atmosphere of the town centres. It also includes street cleaning in these areas. This is considered as a separate activity as the requirements of these areas are significantly different to that of an urban street.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Town Centres	Med	Med	High	Med

This activity provides some degree of private good but there is also a significant element of public good. After allowing for any NZTA subsidy this activity will be funded 100% from a Targeted Roading Rate based on Capital Value and applied on a ward basis to all properties.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Town Centres	50%	50%	0%	50%	50%	Roading CV Rate	Roading CV Rate

Parking Facilities

The community outcomes that this activity primarily contributes to:

PARKING FACILITIES	
	Thriving people > Our environments and services promote and support health, activity and wellbeing for all

The objective of this activity is to provide a range of on and off street parking in the town centres of the district. The enforcement of parking and other restrictions are covered as a separate activity within Regulatory Services.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Parking Facilities	High	Med	Med	High

This activity provides a large degree of private good, but there is also a minor element of public good. This activity will therefore be funded 100% from user charges.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Parking Facilities	80%	20%	0%	100%	0%	Fees & Charges	–

Roading

The community outcomes that this activity primarily contributes to:

ROADING	
	Zero Carbon communities > Our public transport is the cleanest, greenest, innovative choice for district-wide connectivity > Active travel is an integral part of an accessible and safe network for all our people
	Thriving people > Our environments and services promote and support health, activity and wellbeing for all

The objective of this activity is to provide a range of on and off street parking in the town centres of the district. The enforcement of parking and other restrictions are covered as a separate activity within Regulatory Services.

ACTIVITY	FUNDING PRINCIPLES			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Roading	Low	Med	High	Med

This activity provides a large degree of private good, but there is also a minor element of public good. This activity will therefore be funded 100% from user charges.

ACTIVITY	ECONOMIC BENEFIT ASSESSMENT			FUNDING TARGETS		FUNDING MECHANISM	
	Private	Public	Exacerbator	Private	Public	Private	Public
Roading	50%	20%	30%	45%	55%	NZTA Subsidy / Petrol Tax	Roading CV Rate

[B] Funding Sources - Capital Expenditure

Funding to pay for new assets will come from a mix of borrowing, development or financial contributions, grants and subsidies, capital revenue, reserves and asset sales. Generally the costs of new assets will not be met from rates; however a portion the costs of servicing loans will be funded from rates.

Funding for new capital works will depend on the nature of the work in particular the reasons (cost drivers) which have made the work necessary. There are three main cost drivers recognised by Council:

> Growth

> Level of service shift

> Renewal

[A] CAPITAL EXPENDITURE DUE TO GROWTH

The Queenstown Lakes District has experienced significant growth in its resident population, visitors, housing and commercial development and the local economy. This growth generates high levels of subdivision and development activity which places increasing pressure on the assets and services provided by the Council.

Significant investment in additional assets and services is therefore required to meet the demands of growth. The Council intends to fund the portion of capital expenditure that is attributable to growth from development contributions wherever it is reasonable to do so. In cases, where Council is unable to fund the construction of new infrastructure to support growth within optimal timeframes, Council will look to accelerate the delivery through the use of third party financing as provided for under new legislation Infrastructure Funding and Financing Act (IFF).

The Council considers that development contributions are the best mechanism available to ensure the cost of growth (net of any external funding) is funded by those who have created the need for that cost. The Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of growth. The Council has adopted a Policy on Development Contributions (DC Policy) as part of the Ten Year Plan since 2004. This is updated on a three yearly basis.

Types of assets included in the DC Policy are:

> Network infrastructure for water supplies, wastewater, stormwater and roading.

> Community infrastructure including the development and acquisition of reserve land to use as reserve and facilities needed on that reserve and other public amenities such as halls, libraries, public toilets, parking facilities and the like.

Section 101(3) of the LGA 2002 requires that the following be considered:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

(i) the community outcomes to which the activity primarily contributes.

(ii) the distribution of benefits between the community as a whole, any identifiable part of the community and individuals.

(iii) the period in or over which those benefits are expected to occur.

(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.

(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

(vi) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural wellbeing of the community.

Responses to these requirements in relation to the Development Contributions and Financial Contributions Policy are:

(i) Community outcomes

This policy contributes to:

> Sustainable growth management

> World class landscapes are protected

> Appropriate public access

> Effective and efficient infrastructure

> Effective and efficient community facilities

> Quality built environments that meet local needs and respect the local character.

(ii) Distribution of Benefits

The Council apportions all capital expenditure into the classifications of growth, renewal, level of service and statutory obligations by the geographic areas of benefit. This apportionment represents the distribution of benefit to the community as a whole, to identifiable parts of the community and to individuals.

(iii) Period Over Which the Benefits are Expected to Occur

Once a Development or Financial contribution has been paid in relation to a subdivision or development, the benefits of the asset, service, or environmental enhancement shall occur indefinitely (at a set level of service for that asset, service, or environmental enhancement as defined at any one time).

(iv) Action or Inaction that Contributes to the Need for this Activity

The provision of assets, services, or environmental standards that promote the community outcomes may not be willingly provided by the development community. In addition the Council is often the only viable supplier (often legally required to provide services) of these services and therefore the Council has a moral and legal obligation to supply additional assets, services to meet the new community needs.

(v) Costs and Benefits of Funding this Activity (Development and Financial Contributions)

The benefits to the existing community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development and financial contributions.

(iv) Allocation of Liability for Revenue Needs

The liability for revenue falls directly with the development community. At the effective date of this Policy, the Council does not perceive any impact on the social, economic, environmental and cultural wellbeing of this particular sector of the community. At any stage in the future where there maybe impacts of this nature, the Council may revisit this Policy.

Types of assets included in the Development Contribution Policy are:

> network infrastructure for water supplies, wastewater, stormwater and roading

> reserve land

> community infrastructure, including the development and acquisition of reserve land to use as reserve and facilities needed on that reserve and other public amenities such as halls, libraries, public toilets, parking facilities and the like.

Funding Sources for Growth Capital Expenditure in Order of Priority:

i. Vested assets

ii. Development contributions or where appropriate IFF

iii. Capital grants and subsidies attributable to growth portion

iv. Borrowing

[B] CAPITAL EXPENDITURE DUE TO SHIFTS IN LEVELS OF SERVICE, STATUTORY REQUIREMENTS OR OTHER REASONS BUT NOT INCLUDING GROWTH OR RENEWALS

The cost driver for a significant portion of capital works within the Queenstown Lakes District relates to increasing of levels of service for the community. Sometimes these improvements to levels of service are required because of changes to legislation or resource consent conditions, which means that there is often little discretion with regard to the decision. An example of this would be the requirement to provide additional water treatment facilities as a result of the introduction of new Water Treatment Standards.

In other cases, the increase in level of service is a community driven decision.

An example of this would be the construction of Aquatic Centres. The Council's approach to funding for this type of capital expenditure is to initially apply for grants from national and local funding organisations and to apply the proceeds of land sales from the Commonage in Queenstown or Scurr Heights in Wanaka.

Funding from the Commonage in Queenstown is restricted by statute to be applied for the benefit of the Old Queenstown Borough for the purposes of water and sewerage upgrades. Proceeds from Scurr Heights land in Wanaka is restricted for use to the Wanaka ward and can be applied to variety of infrastructure purposes including water, wastewater, roading or community (recreational) purposes.

Funding Sources for Other Capital Expenditure in Order of Priority:

i. Capital grants and subsidies

ii. Visitor Levy (to cover the visitor related portion)

iii. Capital revenues and asset sale proceeds

iv. Capital reserves

v. Borrowing

vi. Rates

[C] CAPITAL EXPENDITURE DUE TO RENEWALS

Renewal capital works are those capital expenditure costs that are incurred in restoring an asset to previous service levels, usually reflected in the amount that an asset has depreciated. Therefore by using those depreciation funds the Council is attempting to maintain infrastructural networks to at least their existing service level.

The funding of depreciation is an implied requirement of the 'balanced budget' provision of the Local Government Act. It requires that the Council fully fund all operating costs, including reductions in the useful life or quality of assets. The requirement arises from Government concern that some local authorities were not adequately maintaining infrastructural assets. In instances where this occurred, current ratepayers were paying too little and leaving a major financial burden for future generations.

The Council has provided adequately for asset renewal in recent years. A major effort has been made over the past decade or so to address deferred maintenance and the budgets have provided appropriately for the renewal of infrastructure. The Council now has far more reliable asset information and a much better understanding of the life cycle of its assets. The Act provides a more flexible approach in the requirement to fully fund depreciation. This has allowed some flexibility which the Council has taken advantage of in four key areas in preparing the Ten Year Plan.

i. The Council needs to fund depreciation only on its share of roading expenditure. The component attributable to NZTA should not be funded as the NZTA subsidy funds this. Allowing for all subsidisable costs, 32% of roading depreciation will be funded in 2021/22 (2018/19 - 53%). This increases to around 39% by year 10. There is no impact on current levels of service from this approach, as the cash collected over the 10 years will fully fund the local share of renewal programmes.

ii. Depreciation on community facilities may not need to be funded as they are often funded by non-Council sources and will never be replaced in the same form at the end of their useful life. Depreciation on halls, libraries, and other facilities (including the Queenstown Events Centre and Wanaka Recreation Centre) will therefore not be funded.

iii. The Council has accepted that it is not reasonable to fund depreciation where a community has funded a water or sewerage scheme, by lump sum contributions or loan charges. That community ends up paying twice, for loan charges and depreciation.

iv. Because we have generally maintained the value of our infrastructure the Council will use funded depreciation to finance renewal projects and repay loans. It cannot be used to fund new assets or asset improvements.

Funding Sources Renewal Capital Expenditure in Order of Priority:

i. Depreciation reserves

ii. Visitor Levy (to cover the visitor related portion)

iii. Borrowing

iv. Rates

FUNDING IMPACT STATEMENT - WHOLE COUNCIL ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Sources of operating funding										
3,324	General rates, uniform annual general charges, rates penalties	3,894	3,938	3,847	3,894	4,205	4,662	4,024	4,287	4,493	6,316
86,275	Targeted rates	92,875	100,992	110,098	120,068	130,140	141,151	150,178	158,966	167,738	176,258
31,960	Fees and charges	39,521	38,874	43,636	46,931	48,516	50,828	53,320	56,724	59,444	62,391
6,115	Subsidies & grants for operating purposes	5,920	6,185	6,436	8,207	8,215	12,596	15,086	10,960	8,411	8,846
-	Interest and dividends from investments	-	4,866	5,720	7,057	7,798	8,110	7,550	7,452	8,547	9,340
5,921	Fuel tax, fines, infringement fees & other receipts	6,874	8,131	9,668	10,029	10,468	10,958	11,416	11,939	12,446	13,092
133,595	**Total sources of operating funding**	**149,084**	**162,986**	**179,405**	**196,186**	**209,342**	**228,305**	**241,574**	**250,328**	**261,079**	**276,243**
	Applications of operating funding										
116,531	Payments to staff and suppliers	129,075	133,232	140,593	147,119	153,850	161,445	166,736	174,334	181,816	190,004
7,178	Finance costs	7,553	10,827	13,131	15,468	17,268	18,919	20,140	20,347	19,578	19,609
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
123,709	**Total applications of operating funding**	**136,628**	**144,059**	**153,724**	**162,587**	**171,118**	**180,364**	**186,876**	**194,681**	**201,394**	**209,613**
9,886	**Surplus/(deficit) of operating funding**	**12,456**	**18,927**	**25,681**	**33,599**	**38,224**	**47,941**	**54,698**	**55,647**	**59,685**	**66,630**
	Sources of capital funding										
23,026	Subsidies & grants for capital expenditure	68,050	56,476	22,448	14,202	13,730	14,421	17,989	27,213	18,405	24,981
15,297	Development & financial contributions	13,355	21,209	20,645	20,669	20,860	20,985	27,310	27,475	27,663	27,851
7,080	Gross proceeds from sale of assets	-	23,393	3,142	-	13,914	3,322	(1,427)	4,911	6,801	-
128,910	Increase/(decrease) in debt	167,545	74,786	92,646	72,101	46,158	70,265	18,564	(5,800)	(49,411)	39,346
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Visitor levy	-	-	-	14,500	22,935	23,623	24,332	25,062	25,814	26,588
174,313	**Total sources of capital funding**	**248,950**	**175,865**	**138,881**	**121,472**	**117,597**	**132,615**	**86,768**	**78,861**	**29,272**	**118,766**
	Applications of capital funding										
	Capital expenditure										
69,602	- to meet additional demand	117,433	81,060	61,144	44,759	46,896	51,839	36,873	47,200	30,083	101,324
40,892	- to replace existing assets	57,936	46,256	35,051	40,732	42,973	37,643	45,163	36,411	32,870	39,455
73,704	- to improve the level of service	71,880	69,081	72,016	69,582	71,460	92,652	63,409	56,388	29,004	44,618
1	Increase/(decrease) in reserves	14,157	(1,606)	(3,649)	(2)	(5,508)	(1,577)	(3,979)	(5,491)	(3,000)	(1)
-	Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-
184,199	**Total applications of capital funding**	**261,406**	**194,791**	**164,562**	**155,071**	**155,821**	**180,557**	**141,466**	**134,508**	**88,957**	**185,396**
(9,886)	**Surplus/(deficit) of capital funding**	**(12,456)**	**(18,926)**	**(25,681)**	**(33,599)**	**(38,224)**	**(47,942)**	**(54,698)**	**(55,647)**	**(59,685)**	**(66,630)**
-	**Funding balance**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

RECONCILIATION OF FUNDING IMPACT STATEMENT TO PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE ($'000)

ANNUAL PLAN 2020/21		TEN YEAR PLAN 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	INCOME										
	Statement of Financial Peformance										
190,468	**Total operating income**	**252,430**	**286,130**	**248,053**	**268,611**	**304,589**	**315,113**	**335,188**	**361,316**	**367,151**	**383,797**
	Funding Impact Statement										
133,595	Total sources of operating funding	149,084	162,986	179,405	196,186	209,342	228,305	241,574	250,328	261,079	276,243
	Plus sources of capital funding:										
23,026	Subsidies & grants for capital expenditure	68,050	56,476	22,448	14,202	13,730	14,421	17,989	27,213	18,405	24,981
15,297	Development & financial contributions	13,355	21,209	20,645	20,669	20,860	20,985	27,310	27,475	27,663	27,851
-	Visitor levy	-	-	-	14,500	22,935	23,623	24,332	25,062	25,814	26,588
7,080	Gross proceeds from sale of assets	-	23,393	3,142	-	13,914	3,322	(1,427)	4,911	6,801	-
	Plus non-cash items:										
11,095	Vested assets	19,600	20,239	20,783	21,381	22,026	22,695	23,463	24,325	25,258	26,173
375	Revaluation - non-current assets	2,341	1,826	1,630	1,673	1,782	1,762	1,947	2,002	2,131	1,961
190,468	**Total income**	**252,430**	**286,130**	**248,053**	**268,611**	**304,589**	**315,113**	**335,188**	**361,316**	**367,151**	**383,797**
	EXPENDITURE										
	Statement of Financial Peformance										
158,889	**Total operating expenditure**	**179,527**	**190,013**	**208,164**	**222,362**	**236,251**	**249,071**	**260,988**	**275,441**	**287,716**	**300,432**
	Funding Impact Statement										
123,709	Total applications of operating funding	136,628	144,059	153,724	162,587	171,118	180,364	186,876	194,681	201,394	209,613
	Plus non-cash items:										
35,180	Depreciation	42,899	45,954	54,440	59,775	65,133	68,707	74,112	80,760	86,322	90,819
158,889	**Total expenditure**	**179,527**	**190,013**	**208,164**	**222,362**	**236,251**	**249,071**	**260,988**	**275,441**	**287,716**	**300,432**

Rates
Rēti

Rates Impact | Kawekawe Rēti

The proposed average rates increase for 2021-2022 is 5.45% (after allowing for growth of 2.5% in the rates database).

In contrast to the 1.59% average increase that was delivered in the 2020- 2021 Annual Plan (specifically revised as a direct response to the unique circumstances of the global pandemic) it is not sustainable within this draft plan to maintain an average increase at that reduced level for the reasons outlined in this Consultation Document. The higher increase this year reflects the need to continue investing in the comprehensive programme of works and ensure that we have an organisation that can deliver it as well as maintaining the levels of service expected by our communities.

The average net annual increase over the ten years (after allowing for growth) is now 4.4% up from the 3.4% forecast in 2018. The forecast rates increases reflect the assumption that a visitor levy is introduced from year four (2024-2025). If this is not the case, this will have a significant impact on both the capital programme and rates increases. For example, the average rates increase after growth for the last seven years would be 6.3% without the levy in contrast to 3.9% with it, assuming no changes to the capex programme.

FINANCIAL YEAR ENDED 30 JUNE	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Net Rates increase (after growth)	5.45%	5.87%	5.50%	5.70%	5.11%	5.43%	2.71%	2.82%	2.46%	2.95%
Gross Rates increase (before growth)	8.08% Limit 9.0%	8.51% Limit 9.0%	8.67% Limit 9.0%	8.86% Limit 9.0%	8.44% Limit 9.0%	8.59% Limit 9.0%	5.79% Limit 9.0%	5.90% Limit 9.0%	5.53% Limit 9.0%	6.04% Limit 9.0%

RATING CHANGES FOR 2021-2022

The proposed rates increases below include the following elements:

CHARGE TYPE	CHARGE DETAIL
Uniform Annual Charge	Increase of $14 per property
Waste Charge	Increase of $21 per property (residential only)
Aquatic Centre Charges	Wānaka decrease of $26 per property (residential only); Wakatipu $18 increase
Increase in rates for wastewater	Queenstown $54 per connection per annum; Wānaka $14; Lake Hayes $80
Increase in rates for water supply	Wānaka $20 per connection per annum; Lake Hayes $32; Glenorchy $10; Hāwea $10; Arthurs Point $20; Luggate $40

The increase in waste management charges mainly reflects the forecast price increase from $25 to $35 per unit of Emission Trading Scheme (ETS) credits required to offset emissions at the landfill. The increases proposed for water and waste-water schemes reflect the required increases in depreciation funding (discussed above), interest payments related to capital expenditure and increases to electricity and maintenance contract costs.

We have attempted to minimise the impact of all these factors but increases in these areas are inevitable and we will continue to look to smooth the impact over future years.

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 2021-2022				
MEDIAN VALUES				
Property Type	CV	Location	Draft Rates %	Draft Rates $
Residential	$1,090,000	Queenstown	5.19%	$173
Commercial	$1,890,000	Queenstown	7.15%	$459
Accommodation	$2,081,000	Queenstown	5.66%	$595
M/U Accommodation	$1,260,000	Queenstown	5.06%	$217
Vacant	$700,000	Queenstown	4.76%	$112
M/U Commercial	$1,250,000	Queenstown	5.67%	$228
Residential	$845,000	Wānaka	5.21%	$162
Commercial	$1,045,000	Wānaka	5.40%	$264
Accommodation	$1,100,000	Wānaka	3.66%	$268
M/U Accommodation	$900,000	Wānaka	4.69%	$182
Primary Industry	$5,050,000	Wānaka	5.78%	$252
Country Dwelling	$1,560,000	Wānaka	4.54%	$115
Vacant	$550,000	Wānaka	4.28%	$96
M/U Commercial	$880,000	Wānaka	5.19%	$189
Residential	$890,000	Arrowtown	3.18%	$100
Commercial	$1,650,000	Arrowtown	5.66%	$335
Accommodation	$1,700,000	Arrowtown	3.58%	$279
M/U Accommodation	$900,000	Arrowtown	3.22%	$120
Vacant	$720,000	Arrowtown	4.66%	$108
M/U Commercial	$900,000	Arrowtown	3.67%	$130
Primary Industry	$4,100,000	Wakatipu	8.73%	$287
Country Dwelling	$2,050,000	Wakatipu	7.09%	$186
Residential	$700,000	Glenorchy	6.11%	$155
Residential	$820,000	Lake Hayes	7.84%	$225
Residential	$570,000	Hāwea	5.04%	$132
Residential	$520,000	Luggate	4.30%	$94
Residential	$650,000	Kingston	5.71%	$100
Residential	$860,000	Arthurs Point	3.82%	$118

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 2021-2022				
HIGHER VALUES				
Property Type	CV	Location	Draft Rates %	Draft Rates $
Residential	$3,650,000	Queenstown	6.20%	$383
Commercial	$22,700,000	Queenstown	6.80%	$5,550
Accommodation	$57,000,000	Queenstown	6.70%	$19,164
M/U Accommodation	$4,250,000	Queenstown	5.93%	$544
Vacant	$1,010,000	Queenstown	5.37%	$144
M/U Commercial	$1,655,000	Queenstown	5.95%	$275
Residential	$1,820,000	Wānaka	5.99%	$261
Commercial	$10,700,000	Wānaka	5.48%	$2,696
Accommodation	$16,900,000	Wānaka	4.11%	$3,570
M/U Accommodation	$3,550,000	Wānaka	5.28%	$528
Primary Industry	$21,750,000	Wānaka	6.38%	$929
Country Dwelling	$3,710,000	Wānaka	4.90%	$214
Vacant	$1,430,000	Wānaka	4.90%	$164
M/U Commercial	$1,150,000	Wānaka	5.43%	$224
Residential	$2,230,000	Arrowtown	3.64%	$173
Commercial	$4,400,000	Arrowtown	5.96%	$865
Accommodation	$3,000,000	Arrowtown	3.27%	$497
M/U Accommodation	$2,200,000	Arrowtown	3.77%	$226
Vacant	$980,000	Arrowtown	5.20%	$134
M/U Commercial	$1,070,000	Arrowtown	3.81%	$145
Primary Industry	$18,300,000	Wakatipu	9.83%	$1,128
Country Dwelling	$6,080,000	Wakatipu	8.14%	$452
Residential	$920,000	Glenorchy	6.52%	$185
Residential	$1,150,000	Lake Hayes	7.88%	$251
Residential	$870,000	Hāwea	5.62%	$169
Residential	$700,000	Luggate	4.42%	$106
Residential	$900,000	Kingston	6.01%	$120
Residential	$1,275,000	Arthurs Point	4.20%	$151

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 2021-2022				
LOWER VALUES				
Property Type	CV	Location	Draft Rates %	Draft Rates $
Residential	$750,000	Queenstown	4.91%	$145
Commercial	$430,000	Queenstown	5.29%	$144
Accommodation	$685,000	Queenstown	4.12%	$167
M/U Accommodation	$830,000	Queenstown	4.75%	$170
Vacant	$345,000	Queenstown	3.82%	$76
M/U Commercial	$800,000	Queenstown	5.25%	$176
Residential	$730,000	Wānaka	5.07%	$150
Commercial	$520,000	Wānaka	4.95%	$157
Accommodation	$570,000	Wānaka	3.59%	$142
M/U Accommodation	$690,000	Wānaka	4.50%	$156
Primary Industry	$1,330,000	Wānaka	4.85%	$102
Country Dwelling	$1,100,000	Wānaka	4.38%	$93
Vacant	$440,000	Wānaka	4.16%	$87
M/U Commercial	$600,000	Wānaka	4.86%	$153
Residential	$925,000	Arrowtown	3.20%	$102
Commercial	$550,000	Arrowtown	4.11%	$124
Accommodation	$520,000	Arrowtown	2.49%	$88
M/U Accommodation	$760,000	Arrowtown	3.12%	$109
Vacant	$390,000	Arrowtown	3.77%	$74
M/U Commercial	$775,000	Arrowtown	3.56%	$119
Primary Industry	$1,410,000	Wakatipu	6.98%	$135
Country Dwelling	$1,015,000	Wakatipu	6.29%	$117
Residential	$480,000	Glenorchy	5.58%	$125
Residential	$730,000	Lake Hayes	7.83%	$218
Residential	$480,000	Hāwea	4.83%	$121
Residential	$430,000	Luggate	4.23%	$89
Residential	$460,000	Kingston	5.43%	$85
Residential	$690,000	Arthurs Point	3.62%	$105

Estimated Rating Changes for 2022–2023

The proposed rates increases below include the following elements:

CHARGE TYPE	CHARGE DETAIL
Sports, Halls & Library Charge	Increase of $5 per property (residential only)
Waste Charge	Decrease of $3 per property (residential only)
Aquatic Centre Charges	Wakatipu decrease of $4 per property (residential only); Wānaka $1 decrease
Increase in rates for wastewater	Queenstown $30 per connection per annum; Wānaka $70; Lake Hayes $20; Hāwea $100; Arrowtown $10
Increase in rates for water supply	Wānaka $30 per connection per annum; Lake Hayes $16; Glenorchy $40; Luggate $60

The increases proposed for water and waste-water schemes reflect the required increases in depreciation funding, interest payments related to capital expenditure and increases to electricity and maintenance contract costs.

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 22/23				
Median Values			Draft Rates	Draft Rates
Property Type	CV	Location	%	$
Residential	$1,090,000	Queenstown	4.47%	$157
Commercial	$1,890,000	Queenstown	4.45%	$306
Accommodation	$2,081,000	Queenstown	4.87%	$541
M/U Accommodation	$1,260,000	Queenstown	4.55%	$205
Vacant	$700,000	Queenstown	3.86%	$95
M/U Commercial	$1,250,000	Queenstown	4.37%	$185
Residential	$845,000	Wānaka	6.78%	$221
Commercial	$1,045,000	Wānaka	7.81%	$402
Accommodation	$1,100,000	Wānaka	8.37%	$636
M/U Accommodation	$900,000	Wānaka	6.81%	$277
Primary Industry	$5,050,000	Wānaka	6.84%	$316
Country Dwelling	$1,560,000	Wānaka	5.53%	$146
Vacant	$550,000	Wānaka	6.54%	$152
M/U Commercial	$880,000	Wānaka	6.76%	$259
Residential	$890,000	Arrowtown	2.90%	$94
Commercial	$1,650,000	Arrowtown	3.94%	$246
Accommodation	$1,700,000	Arrowtown	4.45%	$359
M/U Accommodation	$900,000	Arrowtown	3.23%	$125
Vacant	$720,000	Arrowtown	2.77%	$67
M/U Commercial	$900,000	Arrowtown	2.99%	$110
Primary Industry	$4,100,000	Wakatipu	3.77%	$135
Country Dwelling	$2,050,000	Wakatipu	3.82%	$107
Residential	$700,000	Glenorchy	6.65%	$179
Residential	$820,000	Lake Hayes	2.97%	$92
Residential	$570,000	Hāwea	7.67%	$211
Residential	$520,000	Luggate	5.85%	$134
Residential	$650,000	Kingston	2.97%	$55
Residential	$860,000	Arthurs Point	2.68%	$86

Estimated Rating Changes for 2023–2024

The proposed rates increases below include the following elements:

CHARGE TYPE	CHARGE DETAIL
Sports, Halls & Library Charge	Decrease of $13 per property (residential only)
Waste Charge	Increase of $12 per property (residential only)
Aquatic Centre Charges	Wānaka increase of $21 per property (residential only); Wakatipu $5 increase
Increase in rates for wastewater	Queenstown $26 per connection per annum; Wānaka $76; Lake Hayes $10; Hāwea $182; Luggate $20
Increase in rates for water supply	Wānaka $30 per connection per annum; Lake Hayes $10; Queenstown $20; Hāwea $40; Luggate $90 Arrowtown $30

The increase in waste management charges mainly reflects the forecast price increase of Emission Trading Scheme (ETS) credits required to offset emissions at the landfill. The increases proposed for water and waste-water schemes reflect the required increases in depreciation funding, interest payments related to capital expenditure and increases to electricity and maintenance contract costs.

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 23/24				
Median Values			Draft Rates	Draft Rates
Property Type	CV	Location	%	$
Residential	$1,090,000	Queenstown	4.16%	$152
Commercial	$1,890,000	Queenstown	6.53%	$469
Accommodation	$2,081,000	Queenstown	5.25%	$612
M/U Accommodation	$1,260,000	Queenstown	4.48%	$211
Vacant	$700,000	Queenstown	3.61%	$92
M/U Commercial	$1,250,000	Queenstown	4.74%	$210
Residential	$845,000	Wānaka	6.81%	$237
Commercial	$1,045,000	Wānaka	7.39%	$410
Accommodation	$1,100,000	Wānaka	7.09%	$584
M/U Accommodation	$900,000	Wānaka	6.53%	$283
Primary Industry	$5,050,000	Wānaka	2.89%	$143
Country Dwelling	$1,560,000	Wānaka	2.68%	$75
Vacant	$550,000	Wānaka	4.84%	$120
M/U Commercial	$880,000	Wānaka	6.85%	$280
Residential	$890,000	Arrowtown	3.90%	$130
Commercial	$1,650,000	Arrowtown	7.40%	$481
Accommodation	$1,700,000	Arrowtown	6.02%	$508
M/U Accommodation	$900,000	Arrowtown	4.32%	$172
Vacant	$720,000	Arrowtown	3.48%	$87
M/U Commercial	$900,000	Arrowtown	4.56%	$172
Primary Industry	$4,100,000	Wakatipu	3.48%	$129
Country Dwelling	$2,050,000	Wakatipu	3.10%	$90
Residential	$700,000	Glenorchy	4.16%	$119
Residential	$820,000	Lake Hayes	2.61%	$83
Residential	$570,000	Hāwea	11.78%	$349
Residential	$520,000	Luggate	5.84%	$141
Residential	$650,000	Kingston	2.61%	$50
Residential	$860,000	Arthurs Point	1.92%	$63

TYP Rating Policy Matters

There is the following rating policy related matter that we need to highlight as part of the Ten Year Plan:

1. A new targeted rate for the cost recovery of Queenstown Town Centre Masterplan (QTCMP) – note this will not come into effect until 2025.

TARGETED RATE FOR COST RECOVERY OF QUEENSTOWN TOWN CENTRE MASTERPLAN (QTCMP)

In 2018, we sought your feedback on a proposal to pay for the Queenstown Masterplan, a $330M integrated transport strategy which included the Queenstown CBD arterial road, the CBD street upgrades, car parking provision, a public transport hub, public transport and active travel options and other associated small projects.

Since the last Ten Year Plan, we have re-prioritised some elements of the initial programme. The biggest change sees Stage 3 of the arterial road deferred beyond the ten-year timeframe. The revised ten-year programme is summarised below:

QUEENSTOWN INTEGRATED TRANSPORT STRATEGY						
RATING IMPACT (YEAR TEN)	**BENEFIT ALLOCATION**					
Queenstown Integrated Transport Strategy Programme	Total Capex $000's	Rates Funded $000's	Town Centre %	Balance of Ward %	Town Centre $000's	Balance Ward $000's
Public Transport Improvements	24,905	7,444	50.00%	50.00%	3,722	3,722
Town Centre Pedestrianisation	46,590	11,219	94.00%	6.00%	10,546	673
Water Taxi/Ferry infrastructure	6,915	1,999	50.00%	50.00%	1,000	1,000
Arterial - Stage 1 (CIP)	49,353	1,495	50.00%	50.00%	748	748
Town Centre Arterials Stage 2	34,697	9,691	50.00%	50.00%	4,845	4,845
Total	157,610	31,848			20,860	10,988
					65.5%	**34.5%**

AT YEAR TEN	ANNUAL COST	TOTAL TO FUND	INTEREST RATE	TERM
Town Centre Share	1,064,280	20,860,362	3.00%	30 years
Balance of Ward Share	560,589	10,987,791	3.00%	30 years

As highlighted in Big Issue 2 in the consultation document - Meeting the transport needs of our communities and ensuring capacity and choice, some funding has been forthcoming from the Crown Infrastructure Partners' shovel ready programme towards the arterial road and Queenstown CBD street upgrades. With the remainder of the funding that could not be sourced from Waka Kotahi NZTA, Council considered it was important to agree what would be fair and equitable and who would benefit the most from this significant investment.

It is proposed that all properties within the area of benefit (see map below) will be subject to the new targeted Town Centre Transport Rate. The proportion of costs allocated to this area will be determined by the relative benefit assessed as accruing to the area of benefit versus the balance of the ward. Although an additional targeted rate may not be welcomed by everyone in the current context, we consider that this approach ensures that a greatly improved Queenstown CBD experience and environment is principally funded by those who will benefit directly.

For most of the categories of work, the benefit assessment has resulted in a 50/50 split of benefit. The pedestrianisation category, however, shows a 94% local benefit to the greater town centre area with 6% applying to the wider ward. Overall, the assessment denotes around 65% of the benefits accruing to the wider town centre area. The remaining 35% will be recovered from the wider Wakatipu ratepayers.

The alternative option is that 100% of costs are recovered from all Wakatipu ratepayers through the existing roading rate. The main benefits of this approach are reduced rates burden on town centre properties and a simpler rating method.

In order to ensure that future generations continue to pay for the benefit of the investment, a 30-year repayment period has been modelled, amounting to $1.63M per annum (including 3% interest).

IMPACT ON RATES

The large capital investment for the Queenstown Masterplan described above will have a significant impact on rates. Whilst, the growth portion of this investment will be funded by development contributions, the portion related to increasing levels of service will come largely from rate funded debt. The table below shows the impact on rates for affected properties at both years five (2025-2026) and ten (2030-2031).

QUEENSTOWN TOWN CENTRE ROADING		
Project	Queenstown Town Centre Year Five	Queenstown Town Centre Year Ten
Capital Cost	$92.1M	$157.6M
Timing	2021 to 2025	2021-2031
Ratepayers Affected	Wakatipu Ward	Wakatipu Ward
Main Impact	Properties within wider Queenstown CBD area	Properties within wider Queenstown CBD area
Rates Increase	0.1% to 5.7%	0.4% to 9.2%
Residential Impact ($)	New Targeted rate: Within wider CBD $39 to $189 per annum. Outside wider CBD: $2 to $10 per annum	New Targeted rate: Within wider CBD $62 to $303 per annum. Outside wider CBD: $13 to $61 per annum
Debt impact	$13.0m	$31.8m

CONSULTATION OUTCOME

Council received a number of submissions against the proposal from residential ratepayers within the proposed rating area. Council has made no final decision on the proposal and intends to consider the matter further during the next twelve months.

Rates and Charges for 2021/22 | Kā rēti me kā utu mō 2021/22

Proposed Rates and Charges for 2021/22

The rating system used by Council is based on Capital Value. Property valuations produced by Quotable Value as at 1 July 2017 are to be used for the 2021/22 rating year. All proposed rates in the section that follows are inclusive of GST.

Uniform Annual General Charge

Pursuant to sections 15 of the Local Government (Rating) Act 2002 (the Act), Council proposes to set a uniform annual general charge of $79.00 on each separately used of inhabited part of every rating unit in the district.

The uniform annual general charge revenue ($2,312,536) will be used to fund the costs associated with the following activities:

> Cemeteries.
> Community development and grants.
> Property including housing and Wanaka airport
> A general contribution to the promotion of the district.

Sports, Halls & Libraries Annual Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted annual charge on each separately used or inhabited part of every rating unit in the district as follows:

1. Residential	$420.00
2. Residence plus Flat	$588.00
3. Vacant Sections	$420.00
4. Primary Industry	$420.00
5. Country Dwelling	$420.00
6. Country Dwelling plus Flat	$588.00
7. Mixed Use Apportioned	$420.00

The targeted Sports, Halls & Libraries Annual charge revenue ($10,368,904) will be used to fund the costs associated with the following activities:

> Community grants (for recreational activities).
> District library services.
> Public halls and other community facilities.
> Active recreation facilities including sportsfields and community swimming pools (excludes Alpine Aqualand and Wanaka Aquatic Centre).

Governance Rate

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential governance rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1.	Residential	0.000158 cents in the $
2.	Residence plus Flat	0.000158 cents in the $
3.	Hydro Electric/Utilities	0.000079 cents in the $
4.	Vacant Sections	0.000158 cents in the $
5.	Accommodation	0.000158 cents in the $
6.	CBD Accommodation	0.000158 cents in the $
7.	Commercial	0.000158 cents in the $
8.	CBD Commercial	0.000158 cents in the $
9.	Primary Industry	0.000118 cents in the $
10.	Country Dwelling	0.000158 cents in the $
11.	Country Dwelling plus Flat	0.000158 cents in the $
12.	Other	0.000158 cents in the $
13.	Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The governance rate revenue ($5,479,350) will be used to fund 80% of the costs associated with the following activities:

> Cost of democratic functions including Council and standing committees

> Cost of communications and management of Council including corporate, financial and rating administration services.

Regulatory Rate

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential regulatory rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1.	Residential	0.000227 cents in the $
2.	Residence plus Flat	0.000227 cents in the $
3.	Hydro Electric/Utilities	0.000119 cents in the $
4.	Vacant Sections	0.000227 cents in the $
5.	Accommodation	0.000238 cents in the $
6.	CBD Accommodation	0.000238 cents in the $
7.	Commercial	0.000238 cents in the $
8.	CBD Commercial	0.000238 cents in the $
9.	Primary Industry	0.000170 cents in the $
10.	Country Dwelling	0.000227 cents in the $
11.	Country Dwelling plus Flat	0.000227 cents in the $
12.	Other	0.000227 cents in the $
13.	Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The regulatory rate revenue ($7,968,192) will be used to fund 80% of the costs associated with the following activities:

> Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing.

Governance & Regulatory Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Governance & Regulatory Charge on each separately used or inhabited part of every rating unit in the district as follows:

1.	Residential	$105.00
2.	Residence plus Flat	$147.00
3.	Hydro Electric/Utilities	$191.00
4.	Vacant Sections	$105.00
5.	Accommodation	$137.00
6.	CBD Accommodation	$137.00
7.	Commercial	$191.00
8.	CBD Commercial	$191.00
9.	Primary Industry	$194.00
10.	Country Dwelling	$105.00
11.	Country Dwelling plus Flat	$147.00
12.	Other	$105.00
13.	Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Governance & Regulatory Charge revenue ($3,361,885) will be used to fund 20% of the costs associated with the following activities:

> Cost of democratic functions including Council and standing committees

> Cost of communications and management of Council including corporate, financial and rating administration services.

> Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing.

Recreation & Events Rate

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential recreation and events rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1.	Residential	0.000242 cents in the $
2.	Residence plus Flat	0.000242 cents in the $
3.	Hydro Electric/Utilities	0.000121 cents in the $
4.	Vacant Sections	0.000242 cents in the $
5.	Accommodation	0.000847 cents in the $
6.	CBD Accommodation	0.000847 cents in the $
7.	Commercial	0.000242 cents in the $
8.	CBD Commercial	0.000242 cents in the $
9.	Primary Industry	0.000048 cents in the $
10.	Country Dwelling	0.000145 cents in the $
11.	Country Dwelling plus Flat	0.000145 cents in the $
12.	Other	0.000242 cents in the $
13.	Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The recreation and events rate revenue ($9,733,025) will be used to fund 67% of the costs associated with the following activities:

> Passive recreation areas, gardens, walkways and reserves.

> The provision on public toilets.

> Provision of events and facilitation events.

> Contribution to the operating shortfall of Alpine Aqualand attributable to non-residents

Recreation & Events Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a new targeted Recreation & Events Charge on each separately used or inhabited part of every rating unit in the district as follows:

1.	Residential	$130.00
2.	Residence plus Flat	$182.00
3.	Hydro Electric/Utilities	$221.00
4.	Vacant Sections	$130.00
5.	Accommodation	$520.00
6.	CBD Accommodation	$520.00
7.	Commercial	$221.00
8.	CBD Commercial	$221.00
9.	Primary Industry	$104.00
10.	Country Dwelling	$104.00
11.	Country Dwelling plus Flat	$145.60
12.	Other	$130.00
13.	Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The recreation and events charge revenue ($4,793,878) will be used to fund 33% of the costs associated with the following activities:

- Passive recreation areas, gardens, walkways and reserves.
- The provision on public toilets.
- Provision of events and facilitation events.
- Contribution to the operating shortfall of Alpine Aqualand attributable to non residents

General Rate

Pursuant to Sections 13 and 14 of the Act, Council proposes to set a differential general rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1.	Residential	0.000030 cents in the $
2.	Residence plus Flat	0.000030 cents in the $
3.	Hydro Electric/Utilities	0.000015 cents in the $
4.	Vacant Sections	0.000030 cents in the $
5.	Accommodation	0.000036 cents in the $
6.	CBD Accommodation	0.000036 cents in the $
7.	Commercial	0.000030 cents in the $
8.	CBD Commercial	0.000030 cents in the $
9.	Primary Industry	0.000036 cents in the $
10.	Country Dwelling	0.000036 cents in the $
11.	Country Dwelling plus Flat	0.000036 cents in the $
12.	Other	0.000030 cents in the $
13.	Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The general rate revenue ($1,130,017) will be used to fund the costs associated with the following activities:

- Provision of emergency services (civil defence & rural fire).
- Waste management including landfill establishment.
- Forestry including wilding pine control

Roading Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential roading rate based on land use on the rateable capital value of all property within the Wanaka ward on the Queenstown Lakes District as follows:

1.	Residential	0.000344 cents in the $
2.	Residence plus Flat	0.000344 cents in the $
3.	Hydro Electric/Utilities	0.000086 cents in the $
4.	Vacant Sections	0.000516 cents in the $
5.	Accommodation	0.00129 cents in the $
6.	CBD Accommodation	0.00129 cents in the $
7.	Commercial	0.00129 cents in the $
8.	CBD Commercial	0.00129 cents in the $
9.	Primary Industry	0.000279 cents in the $
10.	Country Dwelling	0.000344 cents in the $
11.	Country Dwelling plus Flat	0.000344 cents in the $
12.	Other	0.000344 cents in the $
13.	Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wanaka roading rate revenue ($5,026,491) will be used to fund the costs associated with the following activities:

> Wanaka wards roading network, which includes footpaths and other amenities within the road reserve.

> The development of town centre areas.

> The maintenance and upgrading of roading drainage systems.

Roading Rate (Queenstown/ Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential roading rate based on land use on the rateable capital value of all property within the Queenstown/Wakatipu and Arrowtown wards of the Queenstown Lakes District as follows:

1.	Residential	0.000228 cents in the $
2.	Residence plus Flat	0.000228 cents in the $
3.	Hydro Electric/Utilities	0.000057 cents in the $
4.	Vacant Sections	0.000342 cents in the $
5.	Accommodation	0.000855 cents in the $
6.	CBD Accommodation	0.000855 cents in the $
7.	Commercial	0.000855 cents in the $
8.	CBD Commercial	0.000855 cents in the $
9.	Primary Industry	0.000185 cents in the $
10.	Country Dwelling	0.000228 cents in the $
11.	Country Dwelling plus Flat	0.000228 cents in the $
12.	Other	0.000228 cents in the $
13.	Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wakatipu/Arrowtown roading rate revenue ($9,521,368) will be used to fund the costs associated with the following activities:

> Wakatipu/Arrowtown ward's roading network, which includes footpaths and other amenities within the road reserve.

> The development of town centre areas.

> The maintenance and upgrading of roading drainage systems.

Stormwater Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted stormwater rate based on land use of the rateable capital value of the following categories of property within the Wanaka ward of the Queenstown Lakes District as follows:

1.	Residential	0.000181 cents in the $
2.	Residence plus Flat	0.000181 cents in the $
3.	Hydro Electric/Utilities	0.000045 cents in the $
4.	Vacant Sections	0.000181 cents in the $
5.	Accommodation	0.000181 cents in the $
6.	CBD Accommodation	0.000181 cents in the $
7.	Commercial	0.000181 cents in the $
8.	CBD Commercial	0.000181 cents in the $
9.	Other	0.000181 cents in the $
10.	Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wanaka stormwater rate revenue ($1,462,937) will be used to fund the costs associated with the following activities:

> The maintenance and upgrading of stormwater reticulation systems.

Stormwater Rate (Queenstown/ Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted stormwater rate based on land use of the rateable capital value of the following categories of property within the Queenstown/Wakatipu and Arrowtown wards of the Queenstown Lakes District as follows:

1.	Residential (ii)	0.000144 cents in the $
2.	Residence plus Flat plus Flat (ii)	0.000144 cents in the $
3.	Hydro Electric/Utilities	0.000036 cents in the $
4.	Vacant Sections (ii)	0.000144 cents in the $
5.	Accommodation	0.000144 cents in the $
6.	CBD Accommodation	0.000144 cents in the $
7.	Commercial	0.000144 cents in the $
8.	CBD Commercial	0.000144 cents in the $
9.	Other	0.000144 cents in the $
10.	Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

Note (ii) Excludes property within the Jacks Point Special Zone.

The Wakatipu/Arrowtown stormwater rate revenue ($2,684,008) will be used to fund the costs associated with the following activities:

> The maintenance and upgrading of stormwater reticulation systems.

Tourism Promotion Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Wanaka ward of the Queenstown Lakes District as follows:

1.	Accommodation	0.001003 cents in the $
2.	CBD Accommodation	0.001003 cents in the $
3.	Commercial	0.001003 cents in the $
4.	CBD Commercial	0.001003 cents in the $
5.	Hydro Electric/Utilities	0.000251 cents in the $
6.	Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wanaka tourism promotion rate revenue ($1,245,585) will be used to fund the costs associated with the following activities:

> To finance promotional activities of Lake Wanaka Tourism.

Tourism Promotion Rate (Queenstown/Wakatipu Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Queenstown/Wakatipu Wards of the Queenstown Lakes District as follows:

1.	Accommodation	0.000817 cents in the $
2.	CBD Accommodation	0.000817 cents in the $
3.	Commercial	0.000817 cents in the $
4.	CBD Commercial	0.000817 cents in the $
5.	Hydro Electric/Utilities	0.000204 cents in the $
6.	Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Wakatipu tourism promotion rate revenue ($4,828,624) will be used to fund the costs associated with the following activities:

> To finance promotional activities of Destination Queenstown

Tourism Promotion Rate (Arrowtown Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Arrowtown Ward of the Queenstown Lakes District as follows:

1.	Accommodation	0.000794 cents in the $
2.	CBD Accommodation	0.000794 cents in the $
3.	Commercial	0.000794 cents in the $
4.	CBD Commercial	0.000794 cents in the $
5.	Hydro Electric/Utilities	0.000198 cents in the $
6.	Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

The Arrowtown tourism promotion rate revenue ($222,984) will be used to fund the costs associated with financing the following activities:

> To finance promotional activities of the Arrowtown Promotion Association.

Waste Management Charges

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted waste management charge on each separately used or inhabited part of every rating unit in the district, as follows:

1.	Residential	$334.00
2.	Residence plus Flat	$468.00
3.	Hydro Electric/Utilities	$153.00
4.	Vacant Sections	$153.00
5.	Accommodation	$153.00
6.	CBD Accommodation	$153.00
7.	Commercial	$153.00
8.	CBD Commercial	$153.00
9.	Primary Industry	$334.00
10.	Country Dwelling	$334.00
11.	Country Dwelling plus Flat	$468.00
12.	Other	$153.00
13.	Mixed Use Apportioned	$334.00

The Waste Management Charge revenue ($8,085,086) will be used to fund the costs associated with the following activities:

> To fund the operating deficit of the transfer stations and the recycling initiatives proposed in the Waste Management Strategy.

Aquatic Centre Charge (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Aquatic Centre charge on each separately used or inhabited part of every rating unit with a residential component in the Queenstown / Wakatipu and Arrowtown Wards, as follows:

1. Residential	$118.00
2. Residence plus Flat	$165.00
3. Vacant Sections	$118.00
4. Primary Industry	$118.00
5. Country Dwelling	$118.00
6. Country Dwelling plus Flat	$165.00
7. Mixed Use Apportioned	$118.00

The Aquatic Centre Charge revenue ($1,765,744) will be used to fund the costs associated with the following activities:

> To fund the operating shortfall of Alpine Aqualand attributable to residents

Aquatic Centre Charge (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Aquatic Centre charge on each separately used or inhabited part of every rating unit with a residential component in the Wanaka Ward, as follows:

1. Residential	$164.00
2. Residence plus Flat	$230.00
3. Vacant Sections	$164.00
4. Primary Industry	$164.00
5. Country Dwelling	$164.00
6. Country Dwelling plus Flat	$230.00
7. Mixed Use Apportioned	$164.00

The Aquatic Centre Charge revenue ($1,584,070) will be used to fund the costs associated with the following activities:

> To fund the operating shortfall of Wanaka Aquatic Centre attributable to residents

Water Supply Rates

Queenstown and District Water Supply, Arrowtown Water Supply and Wanaka Water Supply

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted rate for water supply on each separately used of inhabited part of every connected or serviceable rating unit within the respective water supply areas as follows:

Queenstown and District water supply:	$300.00
Arrowtown water supply:	$250.00
Wanaka and District water supply:	$200.00
Arthurs Point water supply:	$300.00
Glenorchy water supply:	$460.00
Hawea water supply:	$180.00

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential water supply rate based on land use on the rateable capital value of all rating units connected in the following water supply areas.

	QUEENSTOWN (CENTS IN THE $)	ARROWTOWN (CENTS IN THE $)	WANAKA (CENTS IN THE $)	ARTHURS PT (CENTS IN THE $)	GLENORCHY (CENTS IN THE $)	HAWEA (CENTS IN THE $)
1. Residential	0.000164	0.000221	0.000201	0.000261	0.000457	0.000233
2. Residential plus Flat	0.000164	0.000221	0.000201	0.000261	0.000457	0.000233
3. Accommodation	0.000295	0.000398	0.000362	0.000467	0.000823	0.000419
4. CBD Accommodation	0.000295	0.000398	0.000362	-	-	-
5. Commercial	0.000262	0.000354	0.000322	0.000418	0.000731	0.000373
6. CBD Commercial	0.000262	0.000354	0.000322	-	-	-
7. Primary Industry	0.000121	0.000163	0.000149	0.000193	0.000338	0.000172
8. Country Dwelling	0.000134	0.000181	0.000165	0.000214	0.000375	0.000191
9. Country Dwelling plus Flat	0.000134	0.000181	0.000165	0.000214	0.000375	0.000191
10. Other	0.000164	0.000221	0.000201	0.000261	0.000457	0.000259
11. Mixed Use Apportioned	See note (i)	See note (I)	See note (i)	See note (i)	See note (i)	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential (or plus Flat) or Country Dwelling (or plus Flat) as appropriate.

Note (ii) those properties comprising a Residence plus Flat and Country Dwelling plus Flat will charged the targeted rate a factor of 1.5.

OTHER WATER SUPPLIES

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted rate for water supply on each separately used or inhabited part of every rating unit connected to the respective scheme, and a half charge on each separately used or inhabited part of every serviceable rating unit.

WATER SUPPLY	FULL CHARGE ($)	HALF CHARGE ($)
Lake Hayes	512.00	256.00
Luggate	540.00	270.00

The Targeted Water Supply Rates revenue ($11,790,921) will be used to fund the costs associated with the following activities:

(i) To provide supplies of potable (drinkable) water to the above communities.

Note (i) those properties comprising a Residence plus Flat and Country Dwelling plus Flat will charged the targeted rate a factor of 1.5.

Sewerage Rates

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted sewerage rate on every rating unit connected to a district sewerage scheme, on the basis on one full charge per first pan or urinal connected, with a discounted charge on every subsequent pan or urinal connected. A half charge will apply to every serviceable rating unit. The charges for each scheme are set out in the schedule below.

Note (i): every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.

Note (ii) those properties comprising a Residence plus Flat and Country Dwelling plus Flat will charged the targeted rate a factor of 1.5.

SEWERAGE SCHEME	CHARGE FOR 1ST PAN CONNECTED ($)	HALF CHARGE CAPABLE OF CONNECTION ($)	CHARGE PER PAN AFTER 1 CONNECTED ($)
Wanaka/Albert Town	662.00	331.00	331.00
Arrowtown	692.00	346.00	346.00
Arthurs Point	620.00	310.00	446.40
Hawea	530.00	265.00	265.00
Lake Hayes	560.00	280.00	280.00
Luggate	800.00	400.00	400.00
Queenstown	718.00	359.00	359.00

The Targeted Sewerage Rates revenue ($16,874,235) will be used to fund the costs associated with providing public sewerage services to the above communities.

Due Dates for Payments

The Council proposes that the above rates and charges for the financial year commencing on the 1st day of July 2021 are payable in four instalments, the due dates and last days for payment without penalty being as follows:

	DUE DATE	LAST DAY FOR PAYMENT (WITHOUT PENALTY)
Instalment One	3 September 2021	24 September 2021
Instalment Two	22 October 2021	26 November 2021
Instalment Three	14 January 2022	25 February 2022
Instalment Four	15 April 2022	27 May 2022

Payment of Rates

Rates payments can be made during normal office hours at:

> Civic Centre, 10 Gorge Road, Queenstown

> Wanaka Service Centre, Ardmore Street, Wanaka

> Arrowtown Public Library, Buckingham Street, Arrowtown

Or by direct debit and internet banking.

Additional Charges (Penalties)

Pursuant to Sections 24, 57 and 58 of the Act, Council proposes that the following penalties will apply under delegated authority to the Rating Administrator:

> A penalty of 5% will be added to the rates and charges levied in each instalment which remains unpaid on the day after the last day for payment date as shown above (i.e. the penalty will be added on 25 September 2021, 27 November 2021, 26 February 2022 and 28 May 2022 respectively).

> A penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year and remaining unpaid on 30 September 2021.

> A second penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year which remains unpaid on 31 March 2022.

Differential Matters Used to Define Categories of Rateable Land

Where Council's propose to assess rates on a differential basis they are limited to the list of matters specified in Schedule Two of the Local Government (Rating) Act 2002. Council is required to state which matters will be used for what purpose, and the category or categories of any differentials.

DIFFERENTIALS BY LAND USE

The categories are:

1. Residential

All rating units which are used exclusively or principally for residential purposes, but excluding properties categorised as pursuant to clause 9 (Primary Industry), clause 10 (Country Dwelling) or to clause 13 (Mixed Use Apportioned).

2. Residential Plus Flat

All rating units comprising a single dweliing and a residential flat which are used exclusively or principally for residential purposes, but excluding properties categorised as clause 11 (Country Dwelling plus Flat).

3. Hydro Electric/ Utilities

All rating units on which there are structures used exclusively or principally for, or in connection with, the generation of hydro-electric power, including structures used to control the flow of water to other structures used for generating hydro-electric power and all rating units used exclusively or principally for network utility services including water supply, wastewater, stormwater, electicity, gas & telecommunications.

4. Vacant Sections

All rating units which are vacant properties and suitable for development.

5. Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis (nightly, weekly or for periods up to a month) including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties; but excluding properties categorised as pursuant to clause 13 (Mixed Use Apportioned) or clause 6 (CBD Accommodation).

6. CBD Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as pursuant to clause 13 (Mixed Use Apportioned).

7. Commercial

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes; but excluding properties categorised as Hydro-Electric Power, Accommodation, CBD Accommodation, Primary Industry, or pursuant to clause 13 (Mixed Use Apportioned) or clause 8 (CBD Commercial).

8. **CBD Commercial**

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as CBD Accommodation or pursuant to clause 13 (Mixed Use Apportioned).

9. **Primary Industry**

All rating units:

Used exclusively or principally for agricultural or horticultural purposes including dairying, stock fattening, arable farming, sheep, market gardens, vineyards, orchards, specialist livestock, forestry or other similar uses, or which are ten hectares or more in area and located in any of the Rural or Special Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year.

10. **Country Dwelling**

All rating units of less than 10 hectares, located in any of the Rural Zones (except for the land zoned as Rural Residential north of Wanaka township in the vicinity of Beacon Point Road bounded by the low density residential zone to the south, Penrith Park zone to the north and Peninsula Bay to the east and the land zoned as Rural General off Mt Iron Drive comprising of Liverpool Way; Cascade Drive; Bevan Place and Islington Place) or Special Zones (excluding Penrith Park; Remarkables Park; Quail Rise; Woodbury Park; Lake Hayes Estate; Shotover Country; Jacks Point; Peninsula Bay; and Meadow Park) as shown in the Queenstown Lakes District Council's District Plan, which are used exclusively for Residential purposes.

11. **Country Dwelling Plus Flat**

All rating units comprising a single dwelling pursuant to clause 10 and a residential flat which are used exclusively or principally for residential purposes.

12. **Other**

Any rating unit not classified under any of the other categories.

13. **Mixed Use Apportioned**

All rating units which are used in part, but not exclusively, for residential purposes, and in part, but not principally, for commercial or accommodation purposes. Usage in part may be determined by:

a. The physical portion of the rating unit used for the purpose, or

b. The amount of time (on an annual basis) that the rating unit is used for the purpose.

Note: the Mixed Use Apportioned classification will not be applied to residential rating units used for accommodation purposes for a single period of up to 28 consecutive days in any rating year.

These categories are used to differentiate the following rates:

general rate, targeted rates: sports halls & libraries charge; governance rate; regulatory rate; recreation & events rate; governance & regulatory charge; recreation & events charge; roading rate; stormwater rate; tourism promotion rates; waste management charge; aquatic centre charges; water supply rates.

Targeted Rates Based on Location

The categories are:

1. **Location within the Wanaka ward.**
2. **Location within the Queenstown/Wakatipu ward or the Arrowtown ward.**

These categories are used to differentiate the following targeted rates:

> roading rate; stormwater rate; tourism promotion rates; aquatic centre charge.

Targeted Rates Based on Availability of Service

The categories are:

1. **Connected**

   Any rating unit that is connected to a Council operated water scheme or is connected to a public sewerage drain.

2. **Serviceable**

   Any rating unit within the area of service that is not connected to a Council operated water scheme but is within 100 metres of any part of the waterworks and to which water can be supplied. Any rating unit within the area of service, that is not connected to a public sewerage drain, but is within 30 metres of such a drain, and is capable of being connected.

These categories are used to differentiate the following targeted rates:

> water supply rates, water scheme loan rates, sewerage rates, sewerage scheme loan rates.

Definition of "Separately Used or Inhabited Parts of a Rating Unit"

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definitions will apply:

> Any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.

> Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

The following are considered to be separately used parts of a rating unit:

> Individual flats or apartments

> Separately leased commercial areas which are leased on a rating unit basis

> Vacant rating units

> Single rating units which contain multiple uses such as a shop with a dwelling or commercial activity with a dwelling

> A residential building or part of a residential building that is used, or can be used as an independent residence.

An independent residence is defined as a liveable space with its own kitchen, living and toilet/bathroom facilities that can be deemed to be a secondary unit to the main residence. Note: the definition of a kitchen comes from the District Plan.

The following are not considered to be separately used parts of a rating unit:

> A residential sleep-out or granny flat that does not meet the definition of an independent residence

> A hotel room with or without kitchen facilities

> A motel room with or without kitchen facilities

> Individual storage garages/sheds/portioned areas of a warehouse

> Individual offices or premises of business partners.

District Plan definition of a Kitchen:

Means any space, facilities and surfaces for the storage, rinsing preparation and/or cooking food, the washing of utensils and the disposal of waste water, including a food preparation bench, sink, oven, stove, hot-plate or separate hob, refrigerator, dish-washer and other kitchen appliances.

Rates Remission and Postponement Policy | Te Kaupapa Here hei Tinakuhia i kā Rēti

These policies are prepared pursuant to Sections 102, 109 and 110 of the Local Government Act 2002.

Remission Policies

A. COMMUNITY, SPORTING AND OTHER ORGANISATIONS

Objective

To facilitate the ongoing provision of community services or recreational opportunities for the residents of the Queenstown Lakes District Council.

The purpose of granting rates remission to an organisation is to:

> Assist the organisation's survival.

> Make membership of the organisation more accessible to the general public, particularly children, youth, young families, aged people and economically disadvantaged people.

Conditions and Criteria

The land must be owned by the Council or owned, occupied or leased by an organisation (with liability for rates), which is used exclusively or principally for sporting, recreation, or community purposes. The organisation must not operate for private pecuniary profit. The application for rate remission must be made to the Council prior to 15 July of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

Organisations making application should include the following documents in support of their application:

- statement of objectives,
- full financial accounts,
- details of any leases (where applicable),
- information on activities and programmes, and
- details of membership or clients.

Application

Generally, the Policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Remissions to any qualifying organisation shall be on the basis of 100% reduction in rates and charges except that no remission will be granted on targeted rates/charges for water supply, sewerage disposal or refuse collection or areas used for bars.

The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chair of the Community and Services Committee and the Finance Manager.

B. LAND PROTECTED FOR NATURAL, HISTORIC OR CULTURAL CONSERVATION PURPOSES

Objective

To preserve and promote natural resources and heritage, to encourage the protection of land for natural, historic or cultural purposes.

Conditions and Criteria

Ratepayers with rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this part of the Policy. Land that is non-rateable under Section 8 of the Local Government (Rating) Act 2002 and is liable only for targeted rates covering water supply, sewage disposal or refuse collection will not qualify for remission under this part of the Policy.

Application

Applications must be in writing and should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the covenant or other legal mechanism. This may include areas of land protected under the District Plan as significant indigenous vegetation or heritage buildings classified as QLDC Category 1.

In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:

- The extent to which the preservation of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.
- The degree to which features of natural, cultural or historic heritage are present on the land.
- The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.

The extent of any remission shall be determined by the Community and Services Committee on a case by case basis.

If an application is approved, the Council may direct its valuation service provider to inspect the rating unit and prepare a valuation that will take into account any restrictions on the use that may be made of the land imposed by the protection mechanism. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

In granting remissions under this part of the Policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

C. LAND AFFECTED BY NATURAL CALAMITY

Objective

To enable rate relief to be provided where the use that may be made of any land has been detrimentally affected by natural calamity.

Conditions and Criteria

The Council may remit wholly or in part, any rate or charge made and levied in respect of the land, where it considers it to be fair and reasonable to do so.

Application

The extent of any remission shall be determined by the Community and Services Committee on a case by case basis.

If an application is approved the Council may direct its valuation service provider to inspect the rating unit and prepare a valuation that will take into account any restrictions on the use that may be made of the land as a result of the natural calamity. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

D. UNIFORM ANNUAL CHARGES AND TARGETED RATES ON CONTIGUOUS RATING UNITS IN SEPARATE OWNERSHIP, USED JOINTLY AS A SINGLE ENTITY

Objective

To limit the incidence of multiple charges where a farming or other business entity consists of a number of contiguous rating units with different owners.

Conditions and Criteria

Each rating unit must be leased to the operator for a term not less than five years. The operator must provide the Council with a statutory declaration confirming that each unit will be operated as part of the entity. The ratepayer will remain liable for at least one uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Finance Manager

E. RATE PENALTIES

Objective

To enable the Council to remit penalties where:

- payment has not been received by the penalty date, due to circumstances outside the ratepayer's control; or
- it is deemed equitable to remit the penalty for other reasons.

Conditions and Criteria

Each application will be considered on its merits and remission may be granted where it is considered just an equitable to do so.

The Council will consider remission of rate penalties where an application is made and meets any of the following criteria:

- payment has been late due to significant family disruption. [significant family disruption would include death, illness, or accident]; or
- the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control; or
- penalties have arisen through processing errors in the Council's records or an outstanding balance has arisen as a result of a shortfall caused by the operation of an agreed payment plan; or
- the ratepayer provides a reasonable explanation of the circumstances which caused the late payment, and this is the first occasion on which late payment has occurred. Application The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Finance Manager.

F. SUNDRY REMISSIONS

Objective

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be recovered pursuant to Sections 67-76 of the Local Government (Rating) Act 2002, or where the Council or its delegated officer(s) consider the levy impractical to recover.

Conditions and Criteria

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller. Application The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chair of the Community and Services Committee and the Financial Controller.

G. POLICY FOR REMISSION AND POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND

Section 102(4)(f) of the Local Government Act 2002 requires the Council to adopt a policy on the remission and postponement of rates on Maori freehold land; section 108 and Schedule 11 set out the matters to be considered.

Objective

To recognise that certain Maori freehold land may have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide for remission from certain rates and to avoid further alienation of Maori freehold land.

Conditions and Criteria

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is subject of such an order may qualify for remission under this policy. Council will consider remission of rates on land that comes within the following criteria:

- the land is unoccupied and no income is derived from that land; and/or
- the land is better set aside for non-use (whenua rahui) because of its natural features; and/or
- the land is inaccessible and unoccupied.

Application

The policy shall apply to ratepayers who meet the relevant criteria as approved by the Finance Manager.

H. REMISSION OF POSTPONED RATES

Objective

The Council has adopted a number of policy statements that grants a postponement of rates to ratepayers under certain circumstances. A number of these policies contain a provision that allow the postponed rates to be written off or remitted after a predetermined period, subject to the terms and conditions of the policy being complied with. This policy statement provides the power for those postponements to be remitted in accordance with the postponement policies.

Conditions and Criteria

1. The conditions that gave rise to the postponement of the rates must have been fully complied with over the term of the postponement period.
2. Subject to the conditions and criteria being complied with as set out in (1) above, Council will remit the applicable postponed rates without any further applications being required from the ratepayer.
3. This policy statement will only apply to those rate postponement policy statements that provide for the rates to be remitted after a predetermined period of time. Application The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

I. REMISSION OF RATES ON LAND THAT HAS MADE LUMP SUM CONTRIBUTIONS

Objective

A number of water and sewerage schemes have been developed using loans. In certain cases the ratepayers were offered the opportunity to make a lump sum contribution rather than paying an annual loan rate. Because some ratepayers made the lump sum contributions it would be inappropriate to charge them any costs relating to these loans. The most appropriate solution to resolving this problem would be to offer these ratepayers a remission of rates equal to the amount of the rate that they were previously exempt from paying. This policy statement provides the authority to make the necessary remissions.

Conditions and Criteria

1. Rating unit must have previously paid a lump sum contribution in lieu of paying a loan rate.
2. The amount of the remission must not exceed the amount of the exemption from paying the loan rate.
3. The remission will only apply for so long as the underlying loan which gave rise to the loan rate remains in existence.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Finance Manager

J. RATING OF SEPARATELY USED OR INHABITED PARTS OF A RATING UNIT

Objective

To limit the incidence of multiple charges on a property containing separate uses or separate inhabitants, where it is equitable to do so.

Conditions and Criteria

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definitions will apply:

> Any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.

> Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use

The following are considered to be separately used parts of a rating unit:

> Individual flats or apartments.

> Separately leased commercial areas which are leased on a rating unit basis.

> Vacant rating units.

> Single rating units which contain multiple uses such as a shop with a dwelling or commercial activity with a dwelling.

> A residential building or part of a residential building that is used, or can be used as an independent residence.

An independent residence is defined as a liveable space with its own kitchen, living and toilet/ bathroom/laundry facilities that can be deemed to be a secondary unit to the main residence. Note: the definition of a kitchen comes from the District Plan.

The following are not considered to be separately used parts of a rating unit:

> A residential sleep-out or granny flat that does not meet the definition of an independent residence. > A hotel room with or without kitchen facilities.

> A motel room with or without kitchen facilities.

> Individual storage garages/sheds/portioned areas of a warehouse.

> Individual offices or premises of business partners.

District Plan definition of a kitchen:

Means any space, facilities and surfaces for the storage, rinsing preparation and/ or cooking food, the washing of utensils and the disposal of waste water, including a food preparation bench, sink, oven, stove, hot-plate or separate hob, refrigerator, dish-washer and other kitchen appliances.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Finance Manager.

Postponement Policies

K. RESIDENTIAL LAND SUBJECT TO ZONE CHANGES

Objective

To ensure that owners of residential rating units which are rezoned are not unduly penalised by an increase in rates as a result of the zone change.

Conditions and Criteria

To qualify for postponement under this part of the Policy, the rating unit must:

> Be situated within the area of land that has been rezoned.

> Be listed as a ‘residential’ property for differential rating purposes.

In addition the ratepayer must:

> Have been the property owner prior to the zone change being initiated.

> Reside permanently in the rating unit.

> Will not have actively sought rezoning.

Postponement of rates will apply to the change in land value only of the property as a result of zoning changes.

Any postponed rates will be postponed until:

> the death of ratepayer(s); or

> until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or

> until the ratepayer(s) ceases to use the property as his/her residence; or

> until a date determined by the Council in any particular case.

At any time, the applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed per this Policy by paying the postponed rates or any part thereof.

Postponed rates will be registered as a Statutory Land Charge on the rating unit’s title.

The Council will add to the postponed rates all financial and administrative costs to ensure neutrality. The financial cost will be the interest the Council will incur at the rate of Council’s cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include the Council’s own in-house administrative costs).

Application

The application for rate postponement must be made to the Council prior to 15 July of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated. If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district. Ratepayers should note that the valuation service provider’s decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Finance Manager. The extent of any postponement will be based on valuations supplied by its valuation service provider.

L. POSTPONEMENT POLICY - EXTREME FINANCIAL HARDSHIP

Objective

To assist ratepayers experiencing extreme financial hardship.

Conditions and Criteria

The ratepayer must make written application to the Council.

When considering whether extreme financial circumstances exist, all of the ratepayer’s personal circumstances will be relevant.

The Council must postpone rates in accordance with the Policy where the application meets all of the following criteria:

- The ratepayer must be the current owner of the rating unit.
- Generally, this policy will apply to rating units used for residential purposes.
- The Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over after the payment of rates, for normal health care, appropriate provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day to day living expense.
- The ratepayer must not own any other rating units or investment properties or other realisable assets.
- The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

The Council may add a postponement fee to the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

Any postponed rates will be postponed until:

- the death of ratepayer(s); or
- until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- until the ratepayer(s) ceases to use the property as his/her residence; or
- until a date determined by the Council in any particular case.

At any time, the applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed to this Policy by paying the postponed rates or any part thereof.

Application

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title. The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chair of the Community and Services Committee and the Finance Manager.

M. POLICY FOR RATE POSTPONEMENT FOR FARMLAND

Objective

To ensure that owners of rural rating units used as farmland but with the potential for non-farming development are not unduly penalised by rating valuations which reflect in some measure the potential use to which the land may be put.

Conditions and Criteria

The policy will apply to the rating units that are:

- Actively farmed by the ratepayer as an economic farming unit and be the primary source of income for the property owner.
- Ten hectares in area or more.
- Farmland whose rateable value in some measure is attributed to the potential use to which the land may be put for residential, commercial, industrial, or other non-farming development.

The application for rate postponement must be made to the Council prior to 15 July of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

Ratepayers making application should include the following documents in support of their application:

- Details of ownership of the rating unit.
- Full financial accounts.
- Information on the farming activities.

Application

If an application is approved, the Council will request its Valuation Service Provider to determine a rates-postponement value of the land. The purpose of this requirement is to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use in order to preserve uniformity and equitable relativity with comparable parcels of farmland whose valuation do not contain any such potential value.

The rates postponed for any rating period will be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable land value of the property and the amount of the rates that would be payable for that period if the rates postponement land value of the property were its rateable land value.

No objection to the amount of any rate-postponement value determined by the Council and its Valuation Service Provider will be upheld.

- All rates whose payment has been postponed and which have not been written off become due and payable immediately on.
- The land ceasing to be farmland.
- The land being subdivided.
- The value of the land ceasing to include a portion of its value attributable to the potential use to which the land may be put for residential, commercial, industrial, or other non-farming development.
- The interest of the person who was the ratepayer at the date on which the rates postponement land value was entered on the Council's Rating Information Database becoming vested in another person other than the ratepayer's spouse, the executor/administrator of the ratepayer's estate or where the ratepayer was the proprietor of the interest as a trustee, a new trustee under the trust.

Postponed rates may be registered as a charge against the land so that in the event that the property is sold the Council has first call against any of the proceeds of that sale.

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Finance Manager.

N. POLICY FOR RATE POSTPONEMENT FOR ELDERLY

Objective

To give ratepayers 65 years of age and over a choice between paying rates now or later subject to the full cost of postponement being met by that ratepayer and Council being satisfied that the risk of loss in any case is minimal.

General Approach

Only rating units defined as residential or country dwelling and resided in permanently by the applicant(s) will be eligible for consideration of rates postponement under the criteria and conditions of this policy.

Current and all future rates may be postponed indefinitely if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older, until one of the conditions a-c (under conditions) becomes applicable.

Owners of units in retirement villages will be eligible provided that the Council is satisfied payment of postponed rates can be adequately secured.

The Council will add to the postponed rates all financial and administrative costs to ensure neutrality.

The Council will establish a reserve fund out of which to meet any shortfall between the net realisation on sale of a property and the amount outstanding for postponed rates and accrued charges, at the time of sale. This will ensure, that neither the ratepayer(s) nor the ratepayer(s') estate will be liable for any shortfall.

Conditions and Criteria

a) Eligibility

Ratepayers are eligible for postponement provided that the following criteria are met by the ratepayer(s):

- Be at least 65 years of age.

- Reside permanently in the residence and use for personal residential purposes.
- Be a New Zealand citizen.
- Own no other property.
- The rateable property must be classified as 'residential' or 'country dwelling' in the Council's rates database.

b) Risk

The Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid is negligible. To determine this, a financial model has been developed that will forecast expected equity when the payment falls due. Eligibility for full postponement is dependent upon remaining equity forecast by this model being acceptable to the Council. If it is not, the Council will adjust its postponement offer to bring it within an acceptable level.

c) Insurance

The property must be insured for its full value and evidence of this produced annually.

Conditions

Any postponed rates (under this policy) will be postponed until:

a) The death of the ratepayer(s) or named individual or couple;

b) Until the ratepayer(s) ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another within the Council's District, Council will consider transferring the outstanding balance, or as much as is needed, to facilitate the purchase, provided it is satisfied that there is adequate security in the new property for eventual repayment); or

c) Until the ratepayer(s) ceases to use the property as his/her residence.

The Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs and may vary from year to year.

The financial cost will be the interest the Council will incur at the rate of the Council's cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include the Council's own in-house costs, a 1% p.a. levy on outstanding balances to cover external management and promotion costs, and a reserve fund levy of 0.25% p.a., and a contribution to cover the cost of counselling).

To protect the Council against any suggestion of undue influence, applicants will be asked to obtain advice from an appropriately qualified and trained counsellor.

A counsellor's certificate confirming this, will be required before postponement is granted. This service will be provided by a council approved and suitably qualified organisation.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Review or Suspension of Policy

The policy is in place indefinitely and can be reviewed subject to the requirements of the Local Government Act 2002 at any time. Any resulting modifications will not change the entitlement of people already in the scheme. This includes the suspension while the ratepayers having to pay future rates but not previously postponed rates, until the ratepayer is required under conditions (a-c) to make payment.

The Council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80% of the rateable value of the property as recorded in the Council's rating information database.

The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

Application

Applications for rate postponement must be made on the required application form which will be available from the QLDC offices.

The application must be made to the Council prior to 15 July of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

Development Contribution Policy | Te Kaupapa Here Whakawhanake Hekeka Utu

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Glossary of Terms

Accommodation units [or Stay units]	Defined in section 197 of the LGA 2002 as: "…units, apartments, rooms in 1 or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation."
Activity	A grouping of council functions required for development contributions – listed in Section *1.1.4.*
Allotment [or Lot]	Defined in section 218 of the RMA 1991 as: "a) any parcel of land under the Land Transfer Act 2017 that is a continuous area and whose boundaries are shown separately on a survey plan, whether or not: (i) the subdivision shown on the survey plan has been allowed, or subdivision approval has been granted, under another Act; or (ii) a subdivision consent for the subdivision shown on the survey plan has been granted under this Act; or b) any parcel of land or building or part of a building that is shown or identified separately; (i) on a survey plan; or (ii) on a licence within the meaning of subpart 6 of Part 3 of the Land Transfer Act 2017; or c) any unit on a unit plan; or d) any parcel of land not subject to the Land Transfer Act 2017"
Applicant	The person(s) applying for a resource consent, building consent, or service connection.
Community Facilities	Defined in section 197 of the LGA 2002 as: "land, or development assets on land, owned or controlled by the territorial authority for the purpose of providing public amenities; and includes land that the territorial authority will acquire for that purpose"
Community Infrastructure	Defined in section 197 of the LGA 2002 as: "means the following assets when owned, operated, or controlled by a territorial authority: a) community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated: b) play equipment that is located on a neighbourhood reserve: c) toilets for use by the public"
Contributing Area (See Development Contribution Supporting Documents for Contributing Area Maps)	A defined geographic area where development contributions are to be calculated by the method described herein and delivering a standard development contribution in terms of $/Dwelling Equivalent. Contributing areas take an integrated approach to the effects of land subdivision/development and associated physical resources and assesses the overall requirements of an identified geographic area. Contributing areas should enable standard development contributions to be determined efficiently and equitably.
Council	Queenstown Lakes District Council (QLDC)
Development	Defined in section 197 of the LGA 2002 as: "any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but does not include the pipes or lines of a network utility operator"

Development Agreement	Defined in section 197 of the LGA 2002 as: “means a voluntary contractual agreement made under sections 207A to 207F between 1 or more developers and 1 or more territorial authorities for the provision, supply or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in 1 or more districts or part of a district”
Development contribution objection	Defined in section 197 of the LGA 2002 as: “means an objection lodged under clause 1 or Schedule 13A against a requirement to make a development contribution”
Dwelling Equivalent [or DE]	A typical residential dwelling, however representing a unit of demand for which non-residential land uses can be described by. Non-residential activities, such as visitor accommodation and business categories, can be converted into dwelling equivalents using land use differentials. Dwelling equivalents enable the demand of different land uses to be considered collectively.
Gross Floor Area [or GFA]	The sum of the gross area of all floors of all buildings on a site, measured from the exterior faces of the exterior walls, or from the centre line of walls separating two buildings. For the purpose of this policy this definition of GFA, excluding car parking areas, will be used.
Impervious Surface Area [or ISA]	Sealed area of a site or area that is not capable of absorbing rainwater.
Land Use Differentials	Factors which are used to convert non-residential properties into dwelling equivalents. Impact on, benefit from and consumption of assets by different land uses can be converted into, and described as dwelling equivalents. They have two functions 1) to determine the total dwelling equivalents for apportioning total CAPEX for growth to determine a standard development contribution and 2) enabling a new subdivision or development to be converted into dwelling equivalents, such that the development contributions can be calculated.
Lodged	The point in time at which an application that complies with all the requirements in section 88(2) of the Resource Management Act 1991 (RMA 1991) or section 45 of the Building Act 2004, has been received by Council and accepted as complete.
Network Infrastructure	Defined in section 197 of the LGA 2002 as: “the provision of roads and other transport, water, wastewater, and stormwater collection and management”
Service Connection	Defined in section 197 of the LGA 2002 as: “a physical connection to a service provided by, or on behalf of, a territorial authority”
Stay units [or Accommodation units]	Accommodation units defined in section 197 of the LGA 2002 as: “…units, apartments, rooms in 1 or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation.”
Ten Year Plan [or TYP]	Refers to Queenstown Lakes District Council Ten Year Plan 2021-31
Wakatipu Area	Means Queenstown-Wakatipu Ward and Arrowtown Ward.
Wānaka Area	Means Wānaka Ward.

Part 1: Introduction

1.1. PURPOSE OF THE POLICY

1.1.1. The Queenstown Lakes District has traditionally experienced significant growth in its population, visitors, development and the local economy. The impacts of COVID-19 has seen a decline in growth pressure in the short-term with a particular impact on visitor numbers, however revised growth projections released by Council in August 2020[1] show that by 2031, both the number of residents and visitors will be back on par with the expectations of previous models. Growth continues to generate high levels of subdivision and development which places increasing pressure on the assets and services provided by the Council. Investment in additional assets and services is accordingly required to meet the demands of growth.

1.1.2. The purpose of the Policy is to ensure that a fair, equitable and proportionate share of the total cost of capital expenditure necessary to service growth over the long term is funded by development. Council may achieve this by using **Development Contributions** under the Local Government Act 2002 (LGA 2002).

1.1.3. Council considers that Development Contributions are the best mechanism available to ensure the cost of growth sits with those who have created the need for that cost. The Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of growth.

1.1.4. Development contributions can be collected for growth related projects for:

Reserves
Local and Community Parks
Sportsground Parks
Reserve Improvements

Network Infrastructure
Water
Wastewater
Stormwater
Roads and Transportation

Community Infrastructure
Land, or development assets on land, owned or controlled by the territorial authority for the purpose of providing public amenities including but not limited to:

- Public Toilets
- Libraries
- Community Centres and town halls
- Event/recreation centres and recreation facilities
- Swimming Pools
- Waterways

1.2. STATUTORY REQUIREMENT FOR THE POLICY

1.2.1. Council is required to have a policy on development contributions and financial contributions as a component of its funding and financial policies under section 102(2)(d) of the LGA 2002.

The Policy meets this requirement.

1.3. COMMUNITY OUTCOMES

1.3.1. The Policy contributes directly to the themes articulated in 'Vision Beyond 2050', thriving people, opportunities for all and disaster-defying resilience.

In particular the following community outcomes:

- Everyone can find a healthy home in a place they choose to be

[1] Demand Projections Summary – July 2020 https://www.qldc.govt.nz/community/population-and-demand

- Our environments and services promote and support health, activity and wellbeing for all
- Our economy is strong and diverse with sustainable and inclusive growth
- Our infrastructure is a resilient as our people

1.3.2. As a dedicated growth funding source development contributions provide a mechanism for funding water, wastewater, stormwater, roading, community infrastructure and reserves required to cater for growth in the District. This ensures QLDC's vision and outcomes extend to new communities as well as the existing population.

1.4. CHANGES TO DEVELOPMENT CONTRIBUTIONS POLICY 2021

1.4.1. Updates made to the Development Contributions Policy 2021 are listed below:

- Updated policy format
- Change of contribution name from 'Community Facilities' to 'Community Infrastructure' in line with wording in the Local Government Act 2002.
- Change of the average dwelling size from 140m² to 180m²
- Removal of local/community reserve land and community infrastructure contributions from non-residential developments
- Inclusion of table of definitions of land use categories
- Expansion and reclassification of Commercial and Industrial land use categories
- Removal of land use categories: Country Dwelling; Country Dwelling Flat; CBD Commercial; CBD Accommodation; Home Occupation; Primary Industry.
- Change of method of calculating visitor accommodation
- Updated Policy differentials
- Inclusion of basis of differentials into the policy
- Inclusion of parameters by which to guide Special Assessments
- Reduction in size of Local/Community Reserve Land Contributions per dwelling equivalent and the introduction of Premier Sportsground Reserves Land Contribution
- Updated land valuations
- Updated Contributing Area Maps
- Grouping of contributing areas in and around Queenstown to reflect how the areas are serviced for water supply and wastewater.

1.4.2. As a result of the Long Term Plan Consultation Process; several changes have been made to the Policy (when compared to the notified version of the policy). These are as follows:

- Applying a ground floor area based credit for dwellings that are being converted to visitor accommodation.
- Grouping Hāwea with Makaoroa, Luggate and Cadrona for local/community park cash contributions as detailed in section 3.6.7. This has altered the reserve land value for both Wanaka areas.
- As a result of changes to the capital programme, some contribution amounts have changed. These changes are minor in terms of impact.

1.4.3. These changes will apply to any application for resource consent, building consent or application for service connection lodged on or after 1 July 2021.

1.5. NAVIGATING THIS DOCUMENT

1.5.1. The Policy outlines Council's approach to funding development infrastructure via development contributions under the LGA 2002.

1.5.2. The Policy has four main parts:

- Part 1: Introduction
- Part 2: Administering the Policy
- Part 3: The Charges
- Part 4: Policy Details

1.5.3. Supporting Documents relating to this Policy include:

- Contributing Area Maps
- Asset Schedules
- Parks Provision Guidelines

Part 2: Administering the Policy

2.1. WHAT ACTIVITIES ATTRACT DEVELOPMENT CONTRIBUTIONS?

2.1.1. Development contributions may be sought in respect of any development that generates a demand for reserves, network and community infrastructure. If subdividing, building, connecting to Council services, or otherwise undertaking development in the District, development contributions will need to be assessed. Development contributions apply to developments within the areas shown in the Contributing Area Maps (see supporting documents).

2.1.2. In some circumstances, development contributions may not apply or may be reduced. Further information on these circumstances can be found in the section: *2.2.7 Limitations; 3.8. Credits.*

2.1.3. Development of new infrastructure sometimes means that areas not previously liable for development contributions become so. For example, a bare section in a subdivision may be liable for development contributions whereas previously constructed houses on the same subdivision were not. The current Development Contributions Policy will reflect those changes. Council officers will be available to help resolve any uncertainty about development contribution liabilities.

2.2. WHEN AND HOW ARE DEVELOPMENT CONTRIBUTIONS LEVIED?

The usual steps for assessing and requiring payment of development contributions are:

TRIGGER – ASSESSMENT – NOTICE – INVOICE – PAYMENT

2.2.1. Trigger

Council can require development contributions for a development upon the granting of:

- A resource consent
- A building consent or certificate of acceptance
- An authorisation for a service connection for water, wastewater or stormwater services

2.2.1.1. Residential development (excludes Visitor Accommodation)

For purely residential developments, QLDC shall assess the entire development contribution under the policy in place the time at which the subdivision consent application is lodged with all required information. Any residential development that does not require a subdivision consent (e.g. second residential units or additional residential flats) shall be assessed under the policy in place at the time the relevant building consent application is lodged with all required information.

2.2.1.2. Non-residential development (includes Visitor Accommodation)

For a non-residential subdivision, QLDC shall levy a portion of the development contribution based on the following table under the policy in place at the time the subdivision consent is lodged with all required information.

LAND USE	LOT SIZE	ESTIMATED GROSS FLOOR AREA (GFA)	IMPERVIOUS SURFACE AREA (ISA)
All land uses except Residential, Multi-unit residential and Residential flat	≤500m²	50m²	62.5m²
	>500m² ≤2000m²	100m²	125m²
	>2000m²	400m²	500m²

The remainder of the development contribution shall be assessed when the relevant building consent is lodged with all required information. The assessment will be undertaken in reference to the development contributions policy in place at that time. This provides the most accurate assessment once the final plans, gross floor areas and land use category of the development are confirmed.

In all cases, land use resource consents with no related building consents will be assessed under the policy in place the time at the land use resource consent is lodged.

2.2.2. Assessment

On receiving an application for resource consent, building consent, certificate of acceptance, or service connection, Council will check that:

(A) The development generates a demand for reserves, community infrastructure or network infrastructure; and

(B) The effect of that development (together with other developments) is to require new or additional assets or assets of increased capacity in terms of community facilities; and

(C) Council has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by Council in anticipation of development.

Council has identified the assets and areas that are likely to meet the requirements of (B) and (C), and these are outlined in Schedule of Assets (see supporting documents) and Disclosure Tables (past and future assets funded by development contributions) and the Contributing Area Maps (see supporting documents). Where a development is within one of the areas covered by the Contributing Area Maps, development contributions will be assessed.

Should connection to Council's network occur for a development outside of the existing scheme boundary, then a bespoke development contribution may be negotiated, typically under a Private Development Agreement.

2.2.3. Notice

Under the LGA 2002 Section 198(1), a development contribution notice can be issued from the point at which a resource consent, building consent, certificate of acceptance, or service connection authorisation is granted. In some cases, the notice may be issued or re-issued later.

If multiple consents or authorisations are being issued for a single development, a development contributions notice may be issued for each consent or authorisation. However, where payments are made in relation to one of the notices, actual credits will be recognised for the remaining notices.

Development contribution notices will issued via email to the property owner, the consent applicant, and/or their representatives. Development contribution obligations remain with the land and/or property in the event of a change of ownership.

2.2.4. Invoice

An invoice for development contribution charges will be issued to provide an accounting record and to initiate the payment process.

If a development contribution required by Council is not invoiced as a result of an error or omission on the part of Council, the invoice will be issued when the error or omission is identified. The development contributions remain payable.

If there is a delay between when a notice is issued and when an invoice is issued, the Council may adjust the charges levied in the invoice to account for inflation[2] or changes in GST.

[2] See paragraph *3.3.2.* below

2.2.5. Payment

As set out at *2.2.3.* above, under the LGA 2002 Section 198(1), a territorial authority may require a development contribution to be paid from the date of granting the related consent. Payment to Council must be made as follows:

- Resource Consent (subdivision) – prior to the issue of S224c;
- Resource Consent (change of land use) – on receipt of the development contributions notice or prior to the commencement of the resource consent[3], whichever is earlier;
- Building Consent – prior to the issue of the code compliance certificate or certificate of acceptance;
- Service connection – prior to authorisation being granted.

2.2.6. Non-payment of Development Contributions

Until the development contributions have been paid in full, Council may (as applicable):

- Prevent the commencement of a resource consent;
- Withhold a certificate under Section 224(c) of the RMA 1991;
- Withhold a code compliance certificate under Section 95 of the Building Act 2004 or certificate of acceptance under section 99 of the Building Act 2004;
- Withhold a service connection to the development;

Where invoices remain unpaid beyond the payment terms Council will start debt collection proceedings, which may involve the use of a credit recovery agent. Council may also register the development contribution under the Land Transfer Act 2017, as a charge on the title of the land in respect of which the development contribution was required.

2.2.7. Limitations

Council is unable to require a development contribution in certain circumstances, as outlined in section 200 of the LGA 2002, if, and to the extent that:

- It has, under section 108(2)(a) of the RMA, imposed a condition on a resource consent in relation to the same development for the same purpose;
- The developer will fund or otherwise provide for the same reserve or network infrastructure;
- A third party has funded or provided, or undertaken to fund or provide, the same reserve or network infrastructure;
- The Council has already required a development contribution for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance.

In addition, Council will not require a development contribution in any of the following cases:

- Where, in relation to any dwelling, replacement development, repair or renovation work generates no additional demand for reserve or network infrastructure.
- The application for a resource or building consent, authorisation, or certificate of acceptance is made by the Crown.

[3] The consent holder and property owner must contact Council if the resource consent is due to commence and no Development Contribution has been paid.

2.2.8. Waivers and/or Reductions

Development contributions may be waived or reduced if:

- A resource consent or building consent does not generate additional demand for any community facilities (such as a minor boundary adjustment); or
- One of the circumstances outlined in section *2.2.7. Limitations* apply; or
- Credits apply as outlined in section *3.8. Credits.*

If a subsequent resource consent (including a change to a condition of a resource consent), building consent, certificate of acceptance, or service connection is sought, a new assessment may be undertaken using the Policy in force at that time. Any increase in the number of DEs, relative to the original assessment, will be calculated and the contributions adjusted to reflect this.

This means Council will require development contributions where additional units of demand are created.

Examples of where these would be needed, include:

- Minimal development contributions have been levied on a commercial development at subdivision or land use consent stage as the type of development that will happen will only be known at building consent stage.
- The nature of use has changed, for example from a low infrastructure demand non-residential use to a high infrastructure demand non-residential use.

2.2.9. Development Agreements

Council may enter into specific arrangements with a developer for the provision and funding of particular infrastructure under a development agreement, including the development contributions payable, as provided for under sections 207A-207F of the LGA 2002. For activities covered by a development agreement, the agreement overrides the development contributions normally assessed as payable under the Policy.

Part 3: The Charges

3.1. OVERVIEW OF CALCULATION METHODOLOGY

3.1.1. Growth capital expenditure

The key concept of the approach is to define the total cost of capital expenditure (CAPEX) for growth consumed by the growth in population over a set period of time. This consumption of CAPEX for growth is then apportioned among the increased number dwelling equivalents (DE) over the same time period. This defines the average cost per DE. This can be represented by the following formula.

$$\text{DE CONTRIBUTION} = \frac{\text{SUM OF GROWTH CAPEX}}{\text{SUM OF NEW DE}}$$

Capital expenditure for growth is based on Financial Reports (past expenditure) and Ten Year Plan (TYP) budgets (projected expenditure).

Only growth capital expenditure is considered in the model. All operational expenditure is excluded, including internal overheads.

3.2. DETERMINING INFRASTRUCTURE IMPACT

The Policy is centred around a dwelling equivalent (DE), in other words, an average household in a standard residential unit and the demands they typically place on community facilities. The basis of these are detailed in section *3.5 Basis of Differentials*.

The number of DEs charged is one per new residential allotment or residential unit created.

When calculating the number of DEs for a residential subdivision, Council will adjust the assessment to account for any:

> Credits relating to the site (refer to the section *3.8. Credits*).

> Allotment which, by agreement, is to be vested in Council for a public purpose.

> Allotment required as a condition of consent to be amalgamated with another allotment.

3.3. SCHEDULE OF DEVELOPMENT CONTRIBUTIONS

3.3.1. For each infrastructure activity where development contributions are required, the development contribution payable is calculated by multiplying the number of DE generated through the development by the charge for that activity. This is then aggregated for all activities to give the total charge.

3.3.2. These charges may be adjusted for inflation annually in line with the Producers Price Index outputs for Construction, as permitted by sections 106 (2B) and (2C) of the LGA 2002. The charge for a DE for each contributing area and activity is summarised below.

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS PER DWELLING EQUIVALENT REQUIRED BY CONTRIBUTING AREA (EXCLUDING GST)

Contributing area[4]	Water Supply	Wastewater	Stormwater	Reserve Improvements	Premier Sportsground - Reserve land contribution	Community Infrastructure	Transportation	Transportation - EAR[5]	Total Cash Contribution	Local/ Community Reserve Land
Queenstown	$4,454	$6,317	$3,670	$1,233	$500	$3,711	$3,389	$763	$24,037	17.5m²/ DE in applicable areas[6]
Frankton Flats	$4,454	$6,317	$4,883	$1,233	$500	$3,711	$3,389	$763	$25,250	
Arrowtown	$3,941	$3,349	$446	$1,233	$500	$3,711	$3,389		$16,569	
Glenorchy	$10,688	^	$434	$1,233	$500	$3,711	$3,389		$19,955	
Lake Hayes	$4,454	$3,984		$1,233	$500	$3,711	$3,389		$17,271	
Shotover Country	$4,454	$1,938		$1,233	$500	$3,711	$3,389		$15,225	
Arthurs Point	$1,867	$6,317		$1,233	$500	$3,711	$3,389		$17,017	
Kingston Township # %	$9,516 #	^	^	$1,233	$500	$3,711	$3,389		$18,349	
Kingston - KVL zone *%	$1,977	$2,719	$1,388	$1,233	$500	$3,711	$3,389		$14,917	
Ladies Mile	$4,454	$2,384	^	$1,233	$500	$3,711	$3,389		$15,671	
Southern Corridor	$4,454	$6,317		$1,233	$500	$3,711	$3,389		$19,604	
Wānaka	$7,034	$5,821	$2,119	$2,434		$3,808	$1,873		$23,089	
Hāwea	$5,543	$16,942	$403	$2,434		$3,808	$1,873		$31,003	
Albert Town	$7,034	$5,821	$350	$2,434		$3,808	$1,873		$21,320	
Luggate	$6,491	$5,821	$295	$2,434		$3,808	$1,873		$20,722	
Cardrona	$8,490 #	$15,850 #		$2,434		$3,808	$1,873		$32,455	
Cardrona – MCS zone *	$7,920	$12,420		$2,434		$3,808	$1,873		$28,455	
Other Wakatipu				$1,233	$500	$3,711	$3,389		$8,833	
Other Wānaka				$2,434		$3,808	$1,873		$8,115	

* Different contributions payable in Mount Cardona Station zone and Kingston Village Limited (KVL) Zone as per PDA

% In Kingston a Targeted Rate of $1,025 will also be charged for all 3-waters. This will be indexed each year at 2.5%p.a.

Includes 20% funding from small townships scheme

^ Development contribution to be confirmed when final planning, design and costing has been completed

[4] Development in any area with funding assistance from the Housing Infrastructure Fund (HIF) may qualify for a reduced development contribution, e.g. Quail Rise

[5] The contributing area for the Eastern Access Road (EAR) is not the same as the contributing area for Frankton Flats Stormwater network. Refer to the Contributing Area Maps in the Development Contributions Supporting Documents.

[6] In accordance with part *3.6.5* of this policy and subject to parts *3.6.7.* and *3.6.8.* of this policy.

3.4. LAND USE DIFFERENTIALS AND CATEGORIES

Land use differentials enable all development and subdivision categories (residential and non-residential) to be considered in terms of a common unit of demand, which in this case is the dwelling equivalent (DE). The following table summarises the conversion factors or land use differentials used to convert all activity or development categories into residential dwelling equivalents based on gross floor area or per stay units for visitor accommodation.

3.4.1. DWELLING EQUIVALENT CALCULATION TABLE

Units (per…) Land Use Category	Water Supply (GFA)	Wastewater (GFA)	Stormwater (per 100m^2 ISA)	Transportation (GFA)	Community Infrastructure	Local/ Community Park reserve land	Premier Sportsground reserve land	Reserve improvements
Per lot/house								
Residential	1.00	1.00	1.00 per lot/house	1.00	1.00	1.00	1.00	1.00
Per stay unit								
Visitor Accommodation	0.33	0.50	0.38	0.33	0.33			
Per retirement unit (apartment/villa/house)								
2 or more bedrooms	0.60	0.58	0.38	0.29	0.65	0.41		0.41
1 bedroom	0.40	0.38	0.38	0.19	0.43	0.27		0.27
Per 100m2 GFA								
Multi-Unit Residential	0.56	0.56	0.38	0.56	0.56	0.56	0.56	0.56
Residential Flat	0.56	0.56	0.38	0.56	0.56			0.56
MU-Visitor Accommodation	0.62	0.73	0.38	0.62	0.62			
MU-Commercial	0.46	0.47	0.38	0.92				
Industrial - dry	0.09	0.13	0.38	0.44				
Industrial - wet	0.30	0.41	0.38	1.00				
General Commercial	0.16	0.22	0.38	2.00				
Large Format Retail	0.09	0.13	0.38	1.33				
Restaurant/Bar	1.49	2.03	0.38	2.00				
Child-care Centres	0.55	0.74	0.38	3.58				
Other/unusual developments	To be individually assessed at the time of application							

3.4.2. LAND USE CATEGORIES

PDP Category	Definition	DC Land Use Category
Industrial Activity (includes Rural Industrial)	Means the use of land and buildings for the primary purpose of manufacturing, fabricating, processing, packing, or associated storage of goods	Industrial - wet ; e.g. Car wash facilities, laundromats, manufacturing, processing
		Industrial - Dry; Storage, warehouses
Day Care Facility	Means land and/or buildings used for the care during the day of elderly persons with disabilities and/or children, other than those residing on the site.	Child-Care Centres
Elderly Care Home	Means a facility providing rest home care within the meaning of the Health and Disability Services (Safety) Act (2001), or a home for the residential care of older persons and/or any land or buildings used for the care of older persons within a retirement village.	Retirement units – either 1 bedroom unit 2 or more bedroom unit
Retirement Village	Means the residential units (either detached or attached) and associated facilities for the purpose of accommodating retired persons. This use includes as accessory to the principal use any services or amenities provided on the site such as shops, restaurants, medical facilities, swimming pools and recreational facilities and the like which are to be used exclusively by the retired persons using such accommodation.	
Office	Means any of the following: a. administrative offices where the administration of any entity, whether trading or not, and whether incorporated or not, is conducted; b. commercial offices being place where trade, other than that involving the immediately exchange for goods or the display or production of goods, is transacted; c. professional offices.	General Commercial
Commercial Recreational Activities	Means the commercial guiding, training, instructing, transportation or provision of recreation facilities to clients for recreational purposes including the use of any building or land associated with the activity, excluding ski area activities.	
Retail Sales / Retail / Retailing	Means the direct sale or hire to the public from any site, and/or the display or offering for sale or hire to the public on any site of goods, merchandise or equipment, but excludes recreational activities	
Service Station	Means any site where the dominant activity is the retail sale of motor vehicle fuels, including petrol, LPG, CNG, and diesel, and may also include any one or more of the following: a. the sale of kerosene, alcohol based fuels, lubricating oils, tyres, batteries, vehicle spare parts and other accessories normally associated with motor vehicles; b. mechanical repair and servicing of motor vehicles, including motor cycles, caravans, boat motors, trailers, except in any Residential, Town Centre or Township Zone; c. inspection and/or certification of vehicles; d. the sale of other merchandise where this is an ancillary activity to the main use of the site. Excludes: panel beating, spray painting and heavy engineering such as engine reboring and crankshaft grinding, which are not included within mechanical repairs of moto	
Showroom	Means any defined area of land or a building given over solely to the display of goods. No retailing is permitted unless otherwise specifically provided for in the zone in which the land or building is located.	

3.4.2. LAND USE CATEGORIES		
PDP Category	**Definition**	**DC Land Use Category**
Residential Visitor Accommodation	Means the use of a residential unit including a residential flat by paying guests where the length of stay by any guest is less than 90 nights. Excludes: Visitor Accommodation and Homestays.	MU-Visitor Accommodation
Large Format Retail	Means any single retail tenancy which occupies 500m² or more of GFA. Refer definition of GFA.	Large Format Retail
Bar (Hotel or Tavern)	Means any part of a hotel or tavern which is used principally for the sale, supply or consumption of liquor on the premises. Bar area shall exclude areas used for storage, toilets or like facilities and space.	Restaurant/Bar
Restaurant	Means any land and/or buildings, or part of a building, in which meals are supplied for sale to the general public for consumption on the premises, including such premises which a licence has been granted pursuant to the Sale and Supply of Alcohol Act 2012	
Visitor Accommodation	Means the use of land or buildings to provide accommodation for paying guests where the length of stay for any guest is less than 90 nights; and i. Includes camping grounds, motor parks, hotels, motels, backpackers' accommodation, bunkhouses, tourist houses, lodges, timeshares and managed apartments; and ii. Includes services or facilities that are directly associated with, and ancillary to, the visitor accommodation, such as food preparation, dining and sanitary facilities, conference, bar recreational facilities and others of a similar nature if such facilities are associated with the visitor accommodation activity. The primary role of these facilities is to service the overnight guests of the accommodation however they can be used by persons not staying overnight on the site. iii. Includes onsite staff accommodation. iv. Excludes Residential Visitor Accommodation and Homestays Visitor accommodation developments will be assessed on a 'per stay unit' basis. That is, the DCN will be assessed based on the maximum number of separately bookable/occupied units. Residential units that are used for visitor accommodation purposes (mixed use accommodation) will not be assessed as per stay units.	Visitor Accommodation
Hotel	Means any premises used or intended to be in the course of business principally for the provision to the public of: a. lodging; b. liquor, meals and refreshments for consumption on the premises	
Camping Ground	Means any area of land used, or designed or intended to be used, for rent, hire, donation, or otherwise for reward, for the purposes of placing or erecting on the land temporary living places for occupation, or permanent tourist cabins, by 2 or more families or parties (whether consisting of 1 or more persons) living independently of each other, whether or not such families or parties enjoy the use in common of entrances, water supplies, cookhouses, sanitary fixtures, or other premises and equipment; and includes any area of land used as a camping ground immediately before the commencement of the Camping Ground Regulations 1985.	

3.4.2. LAND USE CATEGORIES		
PDP Category	**Definition**	**DC Land Use Category**
Airport Activity	Means land used wholly or partly for the landing, departure, and surface movement of aircraft, including:	Other
	d. terminal buildings, hangars, air traffic control facilities, flight information services, navigation and safety aids, rescue facilities, lighting, car parking, maintenance and service facilities, fuel storage and fuelling facilities and facilities for the handling and storage of hazardous substances	
Education Activity	Means the use of land and buildings for the primary purpose of regular instruction or training including early childhood education, primary, intermediate and secondary schools, tertiary education. It also includes ancillary administrative, cultural, recreational, health, social and medical services (including dental clinics and sick bays) and commercial facilities.	
Health Care Facility (includes Aged Care Facility)	Means land and/or buildings used for the provision of services relating to the physical and mental health of people and animals but excludes facilities used for the promotion of physical fitness or beauty such as gymnasia, weight control clinics or beauticians.	
Hospital	Means any building in which two or more persons are maintained for the purposes of receiving medical treatment; and where there are two or more buildings in the occupation of the same person and situated on the same piece of land they shall be deemed to constitute a single building.	
	A residential flat for the purposes of this policy is a residential building or part of a residential building that is used, or can be used as independent residence containing its own kitchen, living and toilet bathroom facilities that is secondary to the main residence. Note: the definition of a kitchen comes from the District Plan.	Residential Flat
	Any development that involves the development of three or more residential units/apartments within a single site, with at least one shared wall. This does not include additions, alterations or accessory buildings.	Multi-Unit Residential
	Any development that involves the redevelopment of an existing residential dwelling unit, flat or multi-unit residential apartment that is converted to short or long term visitor accommodation. When assessing the number of dwelling equivalents for mixed use accommodation, the assessment will be done using the gross floor area of the development and the mixed use accommodation differentials shown in the dwelling equivalent calculation table. Credits will be based on the existing demand as per the table of credit types, however the conversion of residential dwellings will be based on the dwelling's GFA and calculated using the multi-unit residential land use differential - post demand will then be assessed using the mixed use accommodation differential. This method more clearly defines the impact of redevelopment from residential to visitor accommodation.	Mixed Use Accommodation

3.4.3. Non-Residential Subdivision

Subdivided lots zoned for Visitor Accommodation only shall be assessed under the Visitor Accommodation land use category. All other non-residential subdivisions shall be assessed under the General Commercial land use category at this stage.

3.4.4. Estimated Gross Floor Area

Where the GFA is unknown, which is often the case for a non-residential subdivision, Development Contribution Officers will reference the table under *2.2.3. Non-residential development (includes Visitor Accommodation)* to estimate the future GFA of the development.

3.4.5. Special Assessments

Developments sometimes generate a significantly different demand on infrastructure than can usually be expected under the relevant land use category. This may include a development that Council deems not to fit into the land use categories shown in *3.4.1. Dwelling Equivalent Calculation Table.* Council may decide to make a special assessment of the DEs applicable to the development. Council will evaluate the need for a special assessment for one or more activities where it considers that:

> The development is likely to have less than half or more than twice the demand[7] for an activity listed in *3.5.3. Water, 3.5.4. Wastewater 3.5.5. Transportation* for that development type; or

> A non-residential development does not fit into an Industrial - dry, Industrial – wet, General Commercial, Large Format Retail, Restaurant/Bar, Child-Care Centre or Visitor Accommodation, land use and must be considered under another category; or

> Where the gross floor area of a non-residential development is less than 30% of the site area.

The demand measures in *3.5. Basis of Differentials* will be used to help guide special assessments.

If a special assessment is sought, Council may require the developer to provide information on the demand for community facilities generated by the development. Council may also carry out its own assessment for any development and may determine the applicable development contributions based on its estimates.

Where possible the development will be assessed as a building, as opposed to the initial business being operated from the building. The nature of businesses can change over time, often outside the triggers of the development contributions policy.

3.5. BASIS OF DIFFERENTIALS

3.5.1. The differentials reflect the demand of a development type relative to a residential dwelling. A standard residential allotment of dwelling is always assessed as 1 DE. The underlying assumptions and the source for the other differentials are outlined in the tables below.

3.5.2. The following land use categories are not included in the tables below as they are calculated based on other land use differential(s):

> Multi-Unit Residential and Residential Flat – converted on a GFA basis assuming the typical house is 180m^2. This figure is taken from the QLDC Rating Database.

> Mixed Use Visitor Accommodation and Mixed Use Commercial – these are based on 75% Residential and 25% Visitor Accommodation (40m^2 per stay unit) and General Commercial.

[7] Excluding the peak factor multiple

3.5.3. Water Supply

<table>
<tr><th>LAND USE CATEGORY</th><th>DEMAND</th><th>LITRES PER DAY PER</th><th>SOURCE</th><th colspan="2">ASSUMPTIONS</th></tr>
<tr><td>Residential</td><td>1,500</td><td>house</td><td>NZS4404</td><td colspan="2">3 pax per house, 250L/day, Peak Factor = 2.0</td></tr>
<tr><td>Visitor Accommodation</td><td>500</td><td>stay unit</td><td>NZS4404</td><td colspan="2">2 pax per stay unit @250L/day</td></tr>
<tr><td>Retirement Units</td><td>600/900</td><td>1br/2br</td><td></td><td colspan="2">Previous policy based on historical special assessments</td></tr>
<tr><td>Industrial – dry</td><td>140</td><td>100m² GFA</td><td>NZS4404</td><td>Light industrial/commercial WW design flows</td><td rowspan="4">> 10% loss/ consumption
> 55% site coverage</td></tr>
<tr><td>Industrial - wet</td><td>450</td><td>100m² GFA</td><td>NZS4404</td><td>Heavy industrial/commercial WW design flows</td></tr>
<tr><td>General Commercial</td><td>240</td><td>100m² GFA</td><td>NZS4404</td><td>Medium industrial/commercial WW design flows</td></tr>
<tr><td>Large Format Retail</td><td>140</td><td>100m² GFA</td><td>NZS4404</td><td>Light industrial/commercial WW design flows</td></tr>
<tr><td>Restaurant/Bar</td><td>2,230</td><td>100m² GFA</td><td>Design reports</td><td colspan="2">Cardrona WS/WW design assumptions @16.5L/pax and 1.35 pax per m²</td></tr>
<tr><td>Child-Care Centres</td><td>825</td><td>100m² GFA</td><td></td><td colspan="2">Previous policy based on historical special assessments</td></tr>
</table>

3.5.4. Wastewater

<table>
<tr><th>LAND USE CATEGORY</th><th>DEMAND</th><th>LITRES PER DAY PER</th><th>SOURCE</th><th colspan="2">ASSUMPTIONS</th></tr>
<tr><td>Residential</td><td>1,000</td><td>house</td><td>NZS4404</td><td colspan="2">3 pax per house, 250L/day, Peak Factor = 1.3</td></tr>
<tr><td>Visitor Accommodation</td><td>500</td><td>stay unit</td><td>NZS4404</td><td colspan="2">2 pax per stay unit @250L/day</td></tr>
<tr><td>Retirement Units</td><td>385/580</td><td>1br/2br</td><td></td><td colspan="2">Previous policy based on historical special assessments</td></tr>
<tr><td>Industrial – dry</td><td>125</td><td>100m² GFA</td><td>NZS4404</td><td>Light industrial/commercial WW design flows (0.4L/s/Ha)</td><td rowspan="4">> Excluding diurnal peak hour factor (2.5)
> Excluding I&I peaking factor (2.0)
> 55% site coverage</td></tr>
<tr><td>Industrial - wet</td><td>410</td><td>100m² GFA</td><td>NZS4404</td><td>Heavy industrial/commercial WW design flows (1.3L/s/Ha)</td></tr>
<tr><td>General Commercial</td><td>220</td><td>100m² GFA</td><td>NZS4404</td><td>Medium industrial/commercial WW design flows (0.7L/s/Ha)</td></tr>
<tr><td>Large Format Retail</td><td>125</td><td>100m² GFA</td><td>NZS4404</td><td>Light industrial/commercial WW design flows (0.4L/s/Ha)</td></tr>
<tr><td>Restaurant/Bar</td><td>2,025</td><td>100m² GFA</td><td>Design reports</td><td colspan="2">Cardrona WS/WW design assumptions @16.5L/pax and 1.35 pax per m²</td></tr>
<tr><td>Child-Care Centres</td><td>740</td><td>100m² GFA</td><td></td><td colspan="2">Previous policy based on historical special assessments</td></tr>
</table>

For the purpose of water supply and wastewater, QLDC retain the right to use the size of the lateral into a development for the purpose of a special assessment as shown below:

INTERNAL DIAMETER OF WATER CONNECTION (MM)	20	25	32	40	50	100	150
Dwelling equivalent – Water Supply (DE)	1.00	1.56	2.56	4.00	6.25	25.00	56.25
Water demand@ 1,500L//DE	1,500	2,340	3,840	6,000	9,375	37,500	84,375
Wastewater demand@ 10% loss/ consumption		2,106	3,456	5,400	8,438	33,750	75,938
Dwelling equivalent – Wastewater (DE) @1,000L/DE	1.00	2.10	3.50	5.40	8.40	33.80	75.90

If the dwelling equivalents under the lateral approach are greater than those calculate under the standard differential/GFA approach, then QLDC may levy the higher of the two.

3.5.5. Stormwater

Stormwater is based on the typical residential dwelling having 270m² of impermeable surface area.

Some sites within Council's stormwater reticulated contributing area also have a requirement to install on-site stormwater systems. This requirement does not preclude the land owner from paying stormwater development contributions. The Council downstream network that development contributions recoup costs for have been designed and installed to cater for large storm events. Therefore, the stormwater contribution is in addition to any costs associated with any on-site development undertaken.

3.5.6. Transportation

LAND USE CATEGORY	DEMAND	VEHICLE MOVEMENTS PER DAY (VPD) PER...	SOURCE	ASSUMPTIONS
Residential	9	House	Abley design paper[8]	
Visitor Accommodation	3	stay unit	Abley design paper	Visitor Accommodation
Retirement Units	1.7/2.6	1br/ 2br		Previous policy based on historical special assessments
Industrial – dry	4	100m² GFA	Abley design paper	Warehouses
Industrial - wet	9	100m² GFA	Abley design paper	Industrial
General Commercial	18	100m² GFA	Abley design paper	Commercial
Large Format Retail	12	100m² GFA	Abley design paper	Commercial - retail up to 10,000m²
Restaurant/Bar	18	100m² GFA	Abley design paper	Commercial
Child-Care Centres	32	100m² GFA		Previous policy based on historical special assessments

3.5.7. Reserves and Community Infrastructure

For Visitor Accommodation the same differential as Water Supply and Transportation has been applied; 0.33 DE per stay unit. These differentials are based on the number of people staying and the frequency of vehicles movements, therefore they provide a good proxy for the demand created by visitors on these recreational assets.

[8] Trip Generation Research and Household Unit Equivalent Units, Abley, July 2020

3.6. RESERVE LAND CONTRIBUTIONS

3.6.1. A portion of development contributions paid to the Council is utilised for the provision of reserve land within the Queenstown Lakes District. It is Council's aim to have an adequate provision of accessible reserve land of high quality 'to provide a rich and diverse network of open spaces that are valued by the community and are protected and enhanced for future generations'[9].

3.6.2. The reserve land contribution for each dwelling equivalent across the Wakatipu area has been assessed at 22.5m². This consists of:

- 17.5m² Local & Community Park (charged as a cash and/or land contribution)
- 5m² Premier Sportsground Park (charged as a cash contribution)

3.6.3. The reserve land contribution for each dwelling equivalent across the Wānaka area has been assessed at 17.5m². This consists of:

- 17.5m² Local & Community Park (charged as a cash or land contribution)

3.6.4. Premier Sportsground Park Cash Contribution

All residential developments within the Wakatipu Area are required to contribute reserve land cash contributions equivalent to 5m² per DE for Premier Sportsground Parks. This value is shown within *3.3.3 Schedule of Development Contributions*. The exception to this is Residential Flats.

Under Schedule 13 clause 1(2) of the LGA 2002, Council identifies the requirement for a Premier Sportsground Park within the Wakatipu Area that is outside of the period covered by the Ten Year Plan. It is anticipated that this reserve will be purchased in years 11-12.

There is no requirement within the Wānaka area for Premier Sportsground Park cash contribution of 5m². Council has recently rezoned existing council administered land through the District Plan as Open Space and Recreation with the intent to develop this as a Premier Sportsground Park. Therefore while there is the need to provide a new Premier Sportsground Park there is no need to acquire additional land.

3.6.5. Local/Community Park Reserve Contribution Requirement

For Residential Development (Residential, Multi-Unit Residential, Retirement Units)

A. Local/community park reserve contributions **are not** required where sites:

- are located within Areas A designated by the Parks and Reserves Contributing Area Maps (see supporting documents)

Note: There is sufficient provision of Local/Community Park Reserve Land in mapped Area A, therefore no charge is required.

B. Local/Community Park reserve contributions **are** required where sites:

- are located within Area B designated by the Parks and Reserves Contributing Area Maps (see supporting documents) and/or within Urban Growth Boundaries as defined by the District Plan

Note: Areas designated as Area B, have been identified as high growth areas where there is insufficient provision of Local/ Community Park reserve land, therefore, a Development Contribution towards increasing this provision will be charged.

C. Local/Community Park reserve contributions **are** required where sites:

- are located within Area C (neither Area A or B and/or within Urban Growth Boundaries) designated by the Parks and Reserves Contributing Area Maps (see supporting documents); and
- have residential development density <2000m²/DE post development

[9] Draft Parks and Open Spaces Strategy 2021

Rural Zone

Any lots that are zoned Rural are exempt from Local/Community Park reserve contributions should the lot remain zoned Rural post development and have a land area greater than or equal to 2000m². If any allotments within the Rural Zone, post development, have a land area less than 2000m², Local/Community Park reserve contributions are required (as detailed within *Zones within Area C* below). This is to ensure that adequate provision for Local/Community Parks are made in areas where there is potential demand on rural land for urban development. This in no way suggests that any development will be approved in these areas – but provides Council with the adequate framework to collect contributions should any urban development occur in these areas.

Note that *some* zones below are specifically identified within Areas A and B. They are also listed below due to the evolving nature of the District Plan review and zone changes which may result in residential urban allotments outside of Areas A and B.

Zones within 'Area C' < 2000m²

Local/Community Parks reserve contributions **are** required.

- Rural
- Wakatipu Basin Rural Amenity Zone (new zone in the Wakatipu Basin that replaces the 'Rural' zone of the Operational District Plan (ODP))
- Gibbston Character Zone
- Rural Residential
- Rural Lifestyle
- Rural Visitor Zone
- Large Lot Residential A
- Large Lot Residential B (the min lot size is 4000m² – but it possible, though unlikely, that we will see subdivisions down to less than 2000m² on some of these sites due to 'unique circumstances')
- Any other zone that is not listed above but results in allotments that have been subdivided for residential purposes with an area of less than 2000m². The requirement will also apply to sites that have not been subdivided but the density per residential unit is greater than one unit per 2000m².

3.6.6. Local/Community Park-Land Contribution

At the Council's discretion the reserves land contribution relating to Local/Community Parks can be either land or cash or a combination of both. Consultation with Council is required prior to an application for an outline development plan, a plan change, a resource or building consent being lodged. In some instances, Council may accept or require a contribution to the equivalent value in the form of land.

Approval in writing must be provided from Council as to whether cash or land or both are appropriate in any given case. For example, to allow reserve assets to vest in the Council through the subdivision consent process, where they are considered of a suitable standard in terms of the Council's reserve requirements, and credit them against the contributions required.

Land offered to the Council in lieu of cash development contributions for reserve land acquisition must be of a suitable standard, size and purpose to be accepted by the Council. This shall be at the discretion of the Council and must adhere to the QLDC Future Parks and Reserves Provision Plan 2021.

3.6.7. Local/Community Park-Cash Contribution

Where a cash contribution is required for Local/Community Parks, the value of the land shall fall into

Wakatipu Area: Queenstown, Fernhill, Sunshine Bay, Kelvin Heights, Frankton, Arrowtown; Eastern Corridor & Southern Corridor; Glenorchy & Kingston; or

Wānaka Area: Wānaka; Hāwea & Albert Town; Luggate, Cardrona & Makarora. The average land values for these locations have been calculated as follows – values are GST exclusive:

Wakatipu Area:

- > Queenstown, Fernhill, Sunshine Bay, Kelvin Heights, Frankton, Arrowtown $721/m²
- > Eastern Corridor[10] & Southern Corridor[11] $657/m²
- > Glenorchy & Kingston $278/m²

Wānaka Area:

- > Wānaka & Albert Town $656/m²
- > Luggate, Cardrona, Hāwea & Makarora $263/m²

Note that where Local/Community Park reserve contributions are required outside of the valued areas in this section, the land value will be based on the valued area closest in distance to the development.

3.6.8. Maximum Development Contributions for Reserve Land

Section 203 of the LGA 2002 prohibits Council from charging development contributions for reserves that exceed the greater of:

- > 7.5% of the value of the additional lots created by a subdivision; and
- > The value equivalent of 20m² of land for each additional household unit or accommodation unit created by the development.

3.7. RESERVE IMPROVEMENT CONTRIBUTIONS

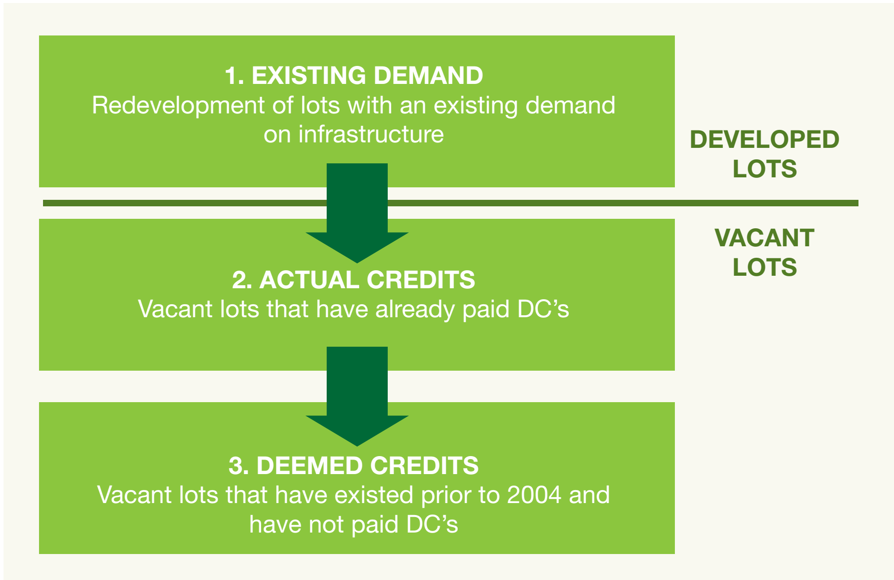
3.7.1. A portion of development contributions paid to the Council is utilised for the improvement of reserve land within the Queenstown Lakes District. In some instances, Council may accept or require a contribution to the equivalent value in the form of infrastructure. Agreement and approval in writing must be provided from Council in respect of any Reserve Improvement infrastructure being provided, and evidence of expenditure for Reserve Improvements must be presented to Council to offset the development contributions levy for Reserve Improvements.

3.8. CREDITS

3.8.1. Considerations apply to all development contribution assessments:

- > The existing demand of any lot that is to be developed will be converted to a DE credit when assessing development contributions. Development contributions payable therefore are solely for additional demand created by the new development.
- > Credits will be specific to the activity for which they were paid (i.e. a water supply credit will not be able to offset a wastewater contribution).
- > Credits are to be site specific (not transferable) and non-refundable unless the refund provisions of the Act apply (see *3.10.1. Refunds*).

3.8.2. Three credit types that may be applied:



[10] Shotover Country, Lake Hayes Estate, Bridesdale & Ladies Mile

[11] All land between the new Kawarau Bridge and Lakeside Estate including Coneburn, Jacks Point, Homestead Bay, Hanley Farm

Existing Credits: Redevelopment of lots with an existing demand on infrastructure.

Actual Credits: Vacant lots that have already paid development contributions.

Deemed Credits: Vacant lots that existed and had rights to develop prior to 1 July 2004 and have not paid DCs. Deemed credits do not apply to vacant lots where no right to build existed prior to 1 July 2004.

3.8.3. Deemed Credits

Residential: Deemed credits where applicable will be calculated as 1DE per residential vacant lots.

Non-Residential: Deemed credits where applicable will be calculated as per *2.2.1.2. Non-residential development (includes Visitor Accommodation)* for non-residential vacant lots.

3.8.4. Amalgamated Credits

Any credits that are identified as a result of an amalgamation of individual titles will accrue on the new amalgamated title. These will lapse if not utilised within a period of three years.

3.9. REVIEW PROCESS

Developers are entitled under the LGA 2002 to request a reconsideration or lodge a formal objection if they believe Council has made a mistake in assessing the level of development contributions for their development.

3.9.1. Reconsideration

Reconsideration requests are a process that formally requires Council to reconsider its assessment of the development contributions for a development. A request for reconsideration can be made where the developer has grounds to believe that:

> The development contribution was incorrectly calculated or assessed under the Policy; or

> Council incorrectly applied the Policy; or

> The information used to assess the development against the Policy, or the way that Council has recorded or used that information when requiring a development contribution, was incomplete or contained errors.

To seek a reconsideration, the developer must:

> Lodge the reconsideration request within 10 working days of receiving the development contribution notice.

> Use the reconsideration form (found on https://www.qldc.govt.nz/do-it-online/submit-an-application/development-contribution-costs-request-for-reconsideration) and supply any supporting information with the form.

Applications with insufficient information will be returned to the applicant, with a request for additional information.

Once Council has received all required information, the request will be considered by an appropriate Council officer. Notice of Council's decision will be available within 15 working days from the date on which Council receives all required relevant information relating to the request.

3.9.2. Objection

Objections are a more formal process that allow developers to seek a review of the Council's decision. A panel of up to three independent commissioners will consider the objection. The decision of the commissioners is binding on the developer and Council, although either party may seek a judicial review of the decision.

Objections may only be made on the grounds that Council has:

- Failed to properly take into account features of the development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the District or parts of the District; or
- Required a development contribution for community facilities not required by, or related to, the development, whether on its own or cumulatively with other developments; or
- Required a development contribution in breach of section 200 of the LGA 2002; or
- Incorrectly applied the Policy to the development.

Schedule 13A of the LGA 2002 sets out the objection process. To pursue an objection, the developer must:

- Lodge the request for an objection within 15 working days of receiving the outcome of any request for a reconsideration by emailing development.contributions@qldc.govt.nz; and
- Supply any supporting information within the email.

Objectors are liable for all costs incurred in the objection process including staff arranging and administering the process, commissioner's time, and other costs incurred by Council associated with any hearings such as room hire and associated expenses, as provided by section 150A of LGA 2002. However, objectors are not liable for the fees and allowances costs associated with any Council witnesses.

OTHER MATTERS

3.9.3. Refunds

Sections 209 and 210 of the LGA 2002 state the circumstances where development contributions must be refunded, or land returned. In summary, Council will refund development contributions paid if:

- The resource consent:
  - lapses under section 125 of the RMA 1991; or
  - is surrendered under section 138 of the RMA 1991; or
- The building consent lapses under section 52 of the Building Act 2004; or
- The development or building in respect of which the resource consent or building consent was granted does not proceed; or
- Council does not provide the reserve or network infrastructure for which the development contributions were required.

Council may retain any portion of a development contribution referred to above of a value equivalent to the costs incurred by the Council in relation to the development or building and its discontinuance.

Council may retain a portion of a development contribution (or land) refunded of a value equivalent to:

- Any administrative and legal costs it has incurred in assessing, imposing, and refunding a development contribution or returning land for network infrastructure or community infrastructure development contributions.
- Any administrative and legal costs it has incurred in refunding a development contribution or returning land for reserve development contributions.

3.9.4. Postponements

Postponement of development contribution payment will only be permitted at Council's discretion. Where payment is postponed, Council will require a Statutory Land Charge equal in value to the payment owed.

Part 4: Policy Details

4.1. CONTRIBUTING AREA DETERMINATION

4.1.1. Under the LGA 2002, Council has set charges based on geographical area. These grouping have been completed in a manner that balances practical and administrative efficiencies with considerations of fairness and equity.

4.1.2. The underlying approach groups development within each distinct 3-waters network/scheme and uses a ward based approach for the transportation, reserve and community infrastructure contributions. This and any exceptions are summarised in the table below.

ACTIVITY	CONTRIBUTING AREA
Water supply	Grouped under the following distinct networks: Queenstown (includes Southern Corridor, Quail Rise, Ladies Mile, Shotover Country, Lake Hayes, Frankton, Kelvin Heights) Arthurs Point Arrowtown Glenorchy Kingston Wānaka (includes Albert Town) Hāwea Luggate Cardrona
Wastewater	Queenstown (includes Southern Corridor, Frankton, Kelvin Heights, Arthurs Point, Quail Rise) Arrowtown * Ladies Mile * Shotover Country * Lakes Hayes * Kingston Wānaka (includes Albert Town and Luggate) Hāwea Cardrona
Stormwater	Queenstown Frankton Flats Arrowtown Glenorchy Kingston Ladies Mile # Wānaka Hāwea Albert Town Luggate
Transportation	Wakatipu or Wānaka areas and the Eastern Access Road contributing area
Reserve improvements	Wakatipu or Wānaka areas
Community Infrastructure	
Reserve land	Wakatipu or Wānaka areas in locations where more reserve land is required – see Contributing Area Maps in Supporting Documents

Notes:	* These contributing areas are separated for wastewater as they have existing legacy funding agreements. They all pay an equitable portion of the Shotover Ponds treatments costs.
	# This contribution will be defined once the masterplan is finalised.

4.2. SIGNIFICANT ASSUMPTIONS

4.2.1. The TYP and the Policy rely on the same base data, the significant assumptions disclosed in Volume 2 of the TYP also apply to this Policy. Development contributions are based on capital expenditure budgets included in Council's asset management plans. The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. As better information becomes available the Policy will be updated, generally through the Annual Plan and Ten Year Plan processes where applicable.

4.2.2. Methodology

Council has taken an approach to ensure that the cumulative effect of development is considered across each contributing area.

4.2.3. Planning horizons

A 30 year timeframe has been used as a basis for forecasting growth and growth related assets and programmes.

4.2.4. Projecting growth

The growth projections used for the 2021 TYP are summarised below:

> Strong resident population growth, increasing to nearly 77,500 people by 2051. This is near doubling of the projected 2021 starting point.

> Continued growth in the number of houses, increasing to over 39,300 houses by 2051. This is an overall increase of nearly 17,000 houses over 30 years.

> The increase in visitor numbers takes the average day total population to nearly 120,000 people

In addition to the residential growth there is also a forecast increase in business rating units (over 750,000m^2) and visitor accommodation developments (over 6,500 accommodation units).

4.2.5. Key risks / effects

There are two key risks associated with administering development contributions, and the resulting effects are:

> That growth predictions do not eventuate, resulting in a change to the assumed rate of development. Council will continue to monitor the rate of growth and will update assumptions in the growth and funding predictions, as required.

> That the time lag between expenditure incurred by Council and development contributions received from those undertaking developments is different from that assumed in the funding model, and that the costs of capital are greater than expected. This would result in an increase in debt servicing costs. To guard against that occurrence, Council will continue to monitor the rate of growth and will update assumptions in the growth and funding models, as required.

> In addition to the above demand projections there are some areas that may be developed over a longer time than 30 years, or may develop faster than projected, e.g. Southern Corridor. In some cases for long life infrastructure (e.g. pipes, mains) the funding has been spread over the full capacity of an area as informed by the proposed district plan and the Spatial Plan[12].

4.3. CALCULATING THE DEVELOPMENT CONTRIBUTION CHARGES

4.3.1. The key concept of the approach is to define the total capital expenditure (capex – real $s or 2021/2022 $s) for growth consumed by the growth population over a period of time. This consumption of capex for growth is then apportioned among the increased number of household units of demand (dwelling equivalents) over the same time period. This defines the long run average cost of growth per unit of demand, defined as the dwelling equivalent contribution.

[12] For the purpose of public consultation the Spatial Plan is in its draft form.

4.3.2. The calculation method can be summarised by the following steps:

- STEP 1: Assess capital expenditure for growth on an asset by asset basis using financial reports (past expenditure) and projected expenditure.
- STEP 2: Apportion capital expenditure for growth by the growth population (DEs) over the design/capacity life of the asset, to assess the $/unit of demand.
- STEP 3: For each year in the analysis period determine the total consumption of asset capacity for each asset identified, namely – $/unit of demand x the number units of demand.
- STEP 4: Sum for all assets in each year in the analysis period, namely total capacity consumed in that year, measured in $.
- STEP 5: Sum each year in the ten-year analysis period and divide by the growth population (new dwelling equivalents) projected over the analysis period to determine the dwelling equivalent contribution.

4.4. GROWTH COSTS

4.4.1. Capital expenditure may be attributable to one or more factors: growth, changes to levels of service, statutory requirements, or asset renewal. Under this Policy all projects have been assessed to calculate a fair, equitable and proportionate portion of Council's infrastructure costs that can be attributed to growth. The growth costs reflect the cost that Council has or will incur because of growth. The growth-related costs are solely those required to meet the additional demand created by the effects (including cumulative effects) of all development within a given contributing area. This includes capacity in all up and downstream areas of the network, and not just the capacity in the locality of a given development. For example, the growth costs include the capacity in the headwork's assets such as treatment plants and storage assets.

4.4.2. Projects that were/are completed solely to address the demands of, and the benefits to, development, are considered to be 100% growth. Projects that were/are solely to replace existing assets or change levels of service are considered to be 0% growth. Projects that benefit both the existing community and the future community are apportioned using the following formula:

$$\text{GROWTH \%} = \frac{\text{(DEMAND AT CAPACITY – DEMAND AT CONSTRUCTION)}}{\text{DEMAND AT CAPACITY}}$$

4.4.3. Where possible the demand has been quantified using first principles, e.g. traffic flow, litres used, impermeable surface area (ISA). This ensures that only a fair, equitable and proportionate portion of the total costs is passed onto the future community via development contributions.

4.4.4. This approach can be used on projects where growth is not the main driver. For example, an upgrade to a wastewater treatment plant may be a combination of both level of service change for the existing community and provision of capacity for the future community.

4.5. AVERAGE COST OF GROWTH

4.5.1. The development contributions are based on the long-term average cost of growth across a contributing area and reflect the average cost of infrastructure required to service new development for each activity. This includes those growth-related projects planned for in the future and also those growth-related projects that have already been completed.

4.5.2. The calculation method uses the capacity life of each asset to fairly apportion the growth costs across the capacity life of the asset created. This ensures that all developments that benefit from the growth-related capital expenditure contribute an equitable portion. This also ensures that the rate the capacity is consumed is considered in the calculation so that early and late developers do not pay an unfairly high proportion of the growth costs. This also means that not all growth costs incurred in the TYP period will be funded over that period.

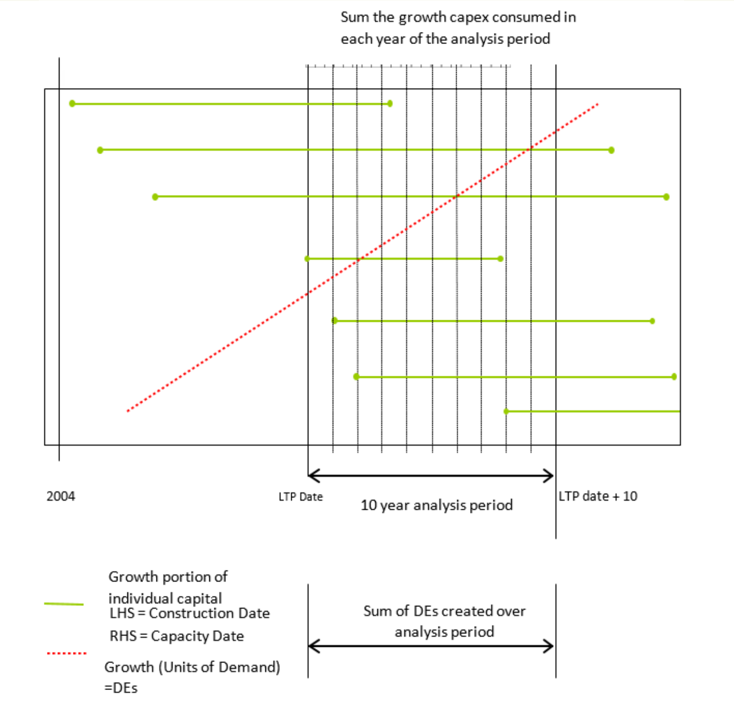
4.5.3. The standard contribution ($/DE) is based on the average cost of growth for each activity over a 10-year analysis period.

$$\text{STANDARD DEVELOPMENT CONTRIBUTION} = \frac{\$}{\text{DE}}$$

$$= \frac{\text{SUM OF GROWTH COSTS CONSUMED IN ANALYSIS PERIOD}}{\text{SUM OF NEW DEs IN ANALYSIS PERIOD}}$$

This method is summarised in the following diagram:

Long run average cost of growth



4.5.4. Although the method uses a bottom up approach at the project level, the standard contribution reflects the average cost of growth for the overall activity. This is considered the fairest way to ensure all development in the contributing area pays a fair and equitable contribution to fund each activity and service growth over the long term.

4.5.5. For the purpose of the calculations, the design life of the longer life assets has been capped at 30 years. This design life is used in both the calculation of the growth portion and the consumption of the growth costs. This ensures that the interest costs of funding long life assets are not disproportionally high. The 30 years was chosen as it is consistent with Council's 30 Year Infrastructure Strategy. The exception is for some large reticulation assets where a design life of 50 years may be used.

4.6. INTEREST CONSIDERATIONS

4.6.1. Interest costs have been assessed based on 3% interest per annum, as adopted in the draft 2021 TYP. The interest component of the standard contribution is based on the weighted average cost of capital over the 10-year analysis window. The cumulative net deficit considering existing debt, future contributions and future growth related capital expenditure are used to determine the interest implications.

4.6.2. New schemes are sometimes funded under Private Development Agreements. In some cases a bespoke funding model may be used for new schemes where the infrastructure is provided by a combination of Council and private developers, e.g. Cardrona wastewater.

4.7 FUNDING SUMMARY

The nature and level of expected capital expenditure required by Council and the proportion attributed to growth is shown in the following tables. A table is produced for each activity (asset type) which shows the growth capital expenditure for each geographical area where a contribution has been assessed.

For the schemes where infrastructure is being provisioned via a Private Development Agreement, some of the costs included in the development contributions (and summary tables) are for capital expenditure outside the 2021 Ten Year Plan.

4.7.1. Disclosure Tables

WATER SUPPLY

WATER SUPPLY								
Location	**Work Code**	**TYP Capital Expenditure**	**Total Capital Expenditure**	**TYP Growth Capital Expenditure**	**Total Growth Capital Expenditure**	**Growth costs consumed - TOTAL**	**Analysis Period Dwelling Equivalents**	**Development Contribution per Dwelling Equivalent ($/DE)**
Greater Queenstown	**Total**	**113,038,348**	**187,116,272**	**54,080,979**	**83,827,801**	**21,119,795**	**4,742**	**$4,454**
	Reticulation	29,189,833	65,075,229	21,183,101	37,703,461	7,617,108	4,742	$1,606
	Pump Station	0	6,513,240	0	3,021,710	892,660	4,742	$188
	Unspecified Expenditure	0	282,676	0	0	0	4,742	$0
	Storage	13,952,486	22,158,058	3,775,196	9,540,406	2,521,560	4,742	$532
	New Scheme	6,458,043	8,135,604	6,458,043	7,417,195	1,858,360	4,742	$392
	Intake	1,371,378	4,584,854	646,767	1,668,484	621,291	4,742	$131
	Renewals	7,992,533	15,033,966	0	2,477	1,446	4,742	$0
	Management	10,953,034	13,985,333	2,814,637	3,228,230	668,992	4,742	$141
	Conveyance	0	74,090	0	0	0	4,742	$0
	Emergency Conveyance	0	256,774	0	72,454	0	4,742	$0
	Flow Metering	0	473,895	0	160,574	29,701	4,742	$6
	Treatment Facility	41,787,522	47,462,955	18,975,058	20,464,056	6,739,980	4,742	$1,421
	Asset Management System	0	1,110,186	0	226,189	48,628	4,742	$10
	Forward Design	1,030,519	1,174,569	222,118	257,735	84,840	4,742	$18
	Minor Works	0	127,634	0	22,348	14,392	4,742	$3
	Investigations	303,000	667,210	6,060	42,481	20,837	4,742	$4

WATER SUPPLY								
Location	Work Code	TYP Capital Expenditure	Total Capital Expenditure	TYP Growth Capital Expenditure	Total Growth Capital Expenditure	Growth costs consumed - TOTAL	Analysis Period Dwelling Equivalents	Development Contribution per Dwelling Equivalent ($/DE)
Arrowtown	**Total**	**11,917,535**	**22,816,239**	**1,011,446**	**3,491,226**	**1,480,080**	**376**	**$3,941**
	Reticulation	1,900,000	4,256,527	190,000	878,695	269,889	376	$719
	Pump Station	0	93,975	0	21,877	8,065	376	$21
	Unspecified Expenditure	0	534,392	0	0	0	376	$0
	Storage	6,160,000	8,651,009	615,700	1,272,117	494,542	376	$1,317
	Intake	0	3,484,195	0	1,007,385	548,859	376	$1,461
	Renewals	1,730,491	2,817,451	0	1,612	744	376	$2
	Management	1,977,775	2,294,083	195,148	221,237	120,006	376	$320
	Flow Metering	0	22,552	0	5,914	773	376	$2
	Treatment Facility	0	355,897	0	51,185	31,388	376	$84
	Asset Management System	0	149,103	0	18,980	0	376	$0
	Forward Design	149,269	154,410	10,598	11,843	5,625	376	$15
	Minor Works	0	2,606	0	381	191	376	$1
	New Capital	0	38	0	0	0	376	$0
Glenorchy	**Total**	**4,538,303**	**8,531,558**	**1,492,187**	**2,927,053**	**1,684,913**	**158**	**$10,688**
	Reticulation	363,600	916,329	93,809	283,723	128,655	158	$816
	Pump Station	0	86,348	0	34,457	10,933	158	$69
	Unspecified Expenditure	153,553	334,165	0	0	0	158	$0
	Storage	2,347,500	3,929,656	1,082,198	1,806,667	1,099,778	158	$6,976
	New Scheme	0	333,636	0	128,386	67,591	158	$429
	Intake	425,000	852,538	107,525	278,945	168,861	158	$1,071
	Renewals	333,976	560,560	0	78	45	158	$0
	Management	289,674	392,781	60,761	79,835	30,487	158	$193
	Flow Metering	0	13,363	0	5,313	1,530	158	$10
	Treatment Facility	470,000	819,119	118,910	238,439	144,944	158	$919
	Asset Management System	0	20,255	0	5,113	0	158	$0
	Forward Design	155,000	272,619	28,985	66,014	32,046	158	$203
	Minor Works	0	190	0	83	43	158	$0

WATER SUPPLY								
Location	**Work Code**	**TYP Capital Expenditure**	**Total Capital Expenditure**	**TYP Growth Capital Expenditure**	**Total Growth Capital Expenditure**	**Growth costs consumed - TOTAL**	**Analysis Period Dwelling Equivalents**	**Development Contribution per Dwelling Equivalent ($/DE)**
Arthurs Point	**Total**	**1,882,737**	**6,797,970**	**425,807**	**3,181,337**	**727,233**	**390**	**$1,867**
	Reticulation	824,100	2,309,943	235,693	1,259,511	317,425	390	$815
	Unspecified Expenditure	293,169	437,480	0	0	0	390	$0
	Storage	0	1,874	0	903	473	390	$1
	New Scheme	0	1,754,082	0	1,259,741	90,693	390	$233
	Intake	0	348,393	0	128,466	64,744	390	$166
	Renewals	0	429,704	0	0	0	390	$0
	Management	650,468	715,969	166,079	187,254	87,734	390	$225
	Flow Metering	0	5,001	0	0	0	390	$0
	Treatment Facility	0	245,355	0	107,219	58,178	390	$149
	Asset Management System	0	116,711	0	54,845	0	390	$0
	Forward Design	115,000	115,702	24,035	24,263	11,965	390	$31
	Minor Works	0	317,756	0	159,136	96,021	390	$246
Wānaka	**Total**	**89,444,261**	**122,622,097**	**31,169,459**	**46,411,640**	**16,836,937**	**2,394**	**$7,034**
	Reticulation	20,837,897	29,179,237	6,713,795	10,481,796	3,409,666	2,394	$1,424
	Pump Station	1,636,200	2,623,781	0	434,870	160,477	2,394	$67
	Unspecified Expenditure	0	2,076,155	0	0	0	2,394	$0
	Storage	3,942,744	17,151,975	1,496,743	11,097,264	3,785,447	2,394	$1,581
	Intake	0	737,667	0	315,613	111,552	2,394	$47
	Renewals	4,774,314	8,662,736	0	835	472	2,394	$0
	Management	8,064,489	8,672,616	3,558,650	3,676,966	1,085,110	2,394	$453
	Flow Metering	0	217,293	0	95,738	22,619	2,394	$9
	Treatment Facility	49,500,000	52,055,639	19,156,500	19,860,712	8,144,941	2,394	$3,403
	Asset Management System	0	228,004	0	77,358	0	2,394	$0
	Forward Design	688,617	994,297	243,770	364,957	113,923	2,394	$48
	Minor Works	0	22,694	0	5,500	2,717	2,394	$1
	Investigations	0	3	0	30	13	2,394	$0

WATER SUPPLY								
Location	Work Code	TYP Capital Expenditure	Total Capital Expenditure	TYP Growth Capital Expenditure	Total Growth Capital Expenditure	Growth costs consumed - TOTAL	Analysis Period Dwelling Equivalents	Development Contribution per Dwelling Equivalent ($/DE)
Hāwea	**Total**	**10,353,799**	**14,919,691**	**4,854,401**	**6,908,203**	**2,081,971**	**376**	**$5,543**
	Reticulation	909,000	3,075,867	454,500	1,697,898	635,060	376	$1,691
	Pump Station	0	397,488	0	157,091	76,449	376	$204
	Unspecified Expenditure	406,379	437,947	0	0	0	376	$0
	Storage	7,511,520	7,521,286	3,755,760	3,759,635	806,572	376	$2,147
	Intake	0	1,516,291	0	569,044	282,321	376	$752
	Renewals	121,469	340,382	0	0	0	376	$0
	Management	1,241,363	1,286,322	580,318	590,177	233,114	376	$621
	Flow Metering	0	58,819	0	23,590	11,844	376	$32
	Treatment Facility	0	59,792	0	23,040	7,245	376	$19
	Asset Management System	0	3,543	0	1,029	0	376	$0
	Forward Design	164,069	189,774	63,823	72,352	22,187	376	$59
	Minor Works	0	32,181	0	14,348	7,179	376	$19
Luggate	**Total**	**9,384,593**	**13,621,813**	**5,272,630**	**6,956,755**	**3,714,653**	**572**	**$6,491**
	Reticulation	5,010,000	5,034,769	2,895,780	2,909,562	1,665,607	572	$2,910
	Pump Station	0	54,815	0	30,471	17,097	572	$30
	Unspecified Expenditure	162,836	769,379	0	0	0	572	$0
	Storage	3,631,000	3,763,762	2,080,563	2,166,877	1,050,106	572	$1,835
	New Scheme	0	18,437	0	0	0	572	$0
	Renewals	0	87,255	0	0	0	572	$0
	Management	460,757	522,564	241,687	258,872	130,245	572	$228
	Flow Metering	0	30,622	0	17,193	9,706	572	$17
	Treatment Facility	0	3,033,137	0	1,416,281	813,470	572	$1,421
	Asset Management System	0	53,174	0	15,433	0	572	$0
	Forward Design	120,000	120,000	54,600	54,600	24,252	572	$42
	Minor Works	0	278	0	39	23	572	$0
	Investigations	0	133,621	0	87,426	4,147	572	$7

Private Developer Agreement Schemes – Water Supply

Cardrona

Water Supply development contributions as per provisional private development agreement – 100% of costs to be funded through development contributions.

PRIVATE DEVELOPER AGREEMENT SCHEMES – WATER SUPPLY CARDRONA	
Component	**Capital Costs**
WS Headworks (Intake, PS, Rising Main, Storage, Treatment)	$8,611,183
Additional membranes and storage	$1,278,987
Interest	$4,099,491
WS Headworks Total	**$13,989,661**
Pipeline from MCS to Cardrona Village	$1,430,000
Interest	$1,111,416
Pipeline Total	**$2,541,416**

Kingston

Water Supply development contributions are as per the private development agreement – 100% of costs to be funded through growth – with options to pay the development contribution as an upfront lump sum, or over time as a targeted rate.

PRIVATE DEVELOPER AGREEMENT SCHEMES – WATER SUPPLY KINGSTON	
Component	**Capital Costs**
Headworks	$12,988,276
Conveyance	$4,270,118
Interest	$3,335,610
Total	**$20,594,003**

WASTEWATER

WASTEWATER								
Location	**Work Code**	**TYP Capital Expenditure**	**Total Capital Expenditure**	**TYP Growth Capital Expenditure**	**Total Growth Capital Expenditure**	**Growth costs consumed - TOTAL**	**Analysis Period Dwelling Equivalents**	**Development Contribution per Dwelling Equivalent ($/DE)**
Greater Queenstown	**Total**	**156,233,550**	**275,942,539**	**72,591,723**	**113,016,893**	**29,659,491**	**4,695**	**$6,317**
	Investigations	2,229,198	2,368,974	526,883	574,822	191,844	4,695	$41
	Management	666,567	8,658,167	175,219	2,822,590	153,213	4,695	$33
	Minor Works	0	2,242	0	0	0	4,695	$0
	New Scheme	0	476,924	0	476,924	0	4,695	$0
	Pump Station	13,906,213	41,726,743	5,578,218	16,174,289	6,793,990	4,695	$1,447
	Renewals	0	6,515,525	0	3,091	1,538	4,695	$0
	Reticulation	103,746,500	140,336,958	52,381,951	68,776,862	13,389,744	4,695	$2,852
	Storage	12,533,625	12,542,514	4,467,004	4,469,800	1,366,667	4,695	$291
	Treatment Facility	23,151,448	63,314,492	9,462,448	19,718,516	7,762,495	4,695	$1,653
Arrowtown	**Total**	**8,739,879**	**21,499,682**	**1,130,434**	**3,897,218**	**1,294,924**	**387**	**$3,349**
	Investigations	359,862	369,524	25,789	25,789	10,412	387	$27
	Management	177,976	766,569	25,536	118,001	15,832	387	$41
	Minor Works	0	20,289	0	0	0	387	$0
	Pump Station	0	806,554	0	170,078	42,988	387	$111
	Renewals	0	1,292,541	0	13,519	1,974	387	$5
	Reticulation	6,295,504	13,030,211	299,870	1,945,998	584,471	387	$1,512
	Treatment Facility	1,906,538	5,213,993	779,239	1,623,834	639,247	387	$1,653
Lake Hayes	**Total**	**426,686**	**7,863,706**	**174,395**	**3,568,408**	**344,796**	**87**	**$3,984**
	Management	0	118,078	0	54,118	0	87	$0
	Minor Works	0	117,242	0	13,415	4,549	87	$53
	Pump Station	0	475,384	0	327,674	68,014	87	$786
	Renewals	0	236,947	0	0	0	87	$0
	Reticulation	0	5,749,154	0	2,809,784	129,169	87	$1,493
	Treatment Facility	426,686	1,166,900	174,395	363,417	143,064	87	$1,653

WASTEWATER								
Location	Work Code	TYP Capital Expenditure	Total Capital Expenditure	TYP Growth Capital Expenditure	Total Growth Capital Expenditure	Growth costs consumed - TOTAL	Analysis Period Dwelling Equivalents	Development Contribution per Dwelling Equivalent ($/DE)
Shotover Country	**Total**	**5,835,053**	**5,965,611**	**110,100**	**143,439**	**29,577**	**15**	**$1,938**
	Investigations	427,888	427,888	6,008	6,008	811	15	$53
	Management	93,308	93,308	1,306	1,306	201	15	$13
	Reticulation	5,238,599	5,238,599	72,026	72,026	3,332	15	$218
	Treatment Facility	75,258	205,817	30,760	64,099	25,234	15	$1,653
Ladies Mile	**Total**	**5,306,062**	**10,645,015**	**3,539,894**	**4,879,713**	**1,444,259**	**606**	**$2,384**
	Reticulation	2,319,040	2,476,120	2,319,040	2,335,612	442,734	606	$731
	Treatment Facility	2,987,022	8,168,895	1,220,854	2,544,101	1,001,524	606	$1,653
Wānaka	**Total**	**66,769,430**	**128,066,435**	**22,984,339**	**51,068,086**	**15,491,753**	**2,661**	**$5,821**
	Investigations	1,821,558	1,993,432	638,842	680,772	216,595	2,661	$81
	Management	349,741	4,039,032	124,353	2,062,283	38,243	2,661	$14
	Minor Works	0	39,734	0	0	0	2,661	$0
	New Scheme	0	302,358	0	74,152	33,205	2,661	$12
	Pump Station	3,837,564	7,171,382	1,765,279	4,026,856	1,355,762	2,661	$509
	Renewals	0	2,601,475	0	5,665	3,418	2,661	$1
	Reticulation	33,230,699	46,903,306	9,181,575	14,608,644	4,050,241	2,661	$1,522
	Storage	15,002,300	15,002,300	5,649,474	5,649,474	1,317,561	2,661	$495
	Treatment Facility	12,527,568	50,013,417	5,624,816	23,960,241	8,476,726	2,661	$3,185
Hāwea	**Total**	**27,461,219**	**31,204,853**	**13,040,813**	**14,829,403**	**6,448,359**	**381**	**$16,942**
	Investigations	3,401,041	3,432,939	1,652,754	1,659,606	741,173	381	$1,947
	Management	37,886	248,183	14,738	113,188	6,347	381	$17
	Pump Station	0	1,214,322	0	562,237	225,195	381	$592
	Renewals	0	343,971	0	0	0	381	$0
	Reticulation	1,219,292	1,807,922	0	558,906	267,041	381	$702
	Storage	303,000	303,000	123,321	123,321	46,605	381	$122
	Treatment Facility	22,500,000	23,854,518	11,250,000	11,812,145	5,161,998	381	$13,563

Private Developer Agreement Schemes – Wastewater

Cardrona

Wastewater development contributions as per private development agreement – 100% of costs to be funded through development contributions.

PRIVATE DEVELOPER AGREEMENT SCHEMES – WASTEWATER CARDRONA	
Component	**Capital Costs**
WWTP	$15,379,000
Additional aeration to SBR and upsize reactor	$192,090
S2 irrigation zone	$573,661
Third SBR tank	$1,884,647
Second headworks screen and grit removal system	$423,829
Additional LTA and consent variation	$168,357
Interest	$7,368,033
WWTP Total	**$25,989,616**
Pipeline from WWTP to Cardrona Village	$4,259,000
Interest	$3,631,632
Pipeline Total	**$7,890,632**

Kingston

Wastewater development contributions are as per the private development agreement – 100% of costs to be funded through growth – with options to pay the development contribution as an upfront lump sum, or over time as a targeted rate.

PRIVATE DEVELOPER AGREEMENT SCHEMES – WATER SUPPLY KINGSTON	
Component	**Capital Costs**
Headworks	$17,721,904
Conveyance	$8,078,889
Interest	$5,344,350
Total	**$31,145,143**

STORMWATER

STORMWATER								
Location	Work Code	TYP Capital Expenditure	Total Capital Expenditure	TYP Growth Capital Expenditure	Total Growth Capital Expenditure	Growth costs consumed - TOTAL	Analysis Period Dwelling Equivalents	Development Contribution per Dwelling Equivalent ($/DE)
Queenstown	**Total**	**24,569,368**	**55,809,999**	**7,415,519**	**16,988,504**	**5,403,254**	**1,603**	**$3,370**
	Reticulation	19,963,768	43,373,076	5,766,714	13,551,794	4,545,870	1,603	$2,835
	Investigations	0	229,749	0	63,162	0	1,603	$0
	Minor Works	0	724,050	0	47,298	2,112	1,603	$1
	Renewals	0	695,522	0	102,826	27,096	1,603	$17
	Management	0	3,060,934	0	389,745	102,490	1,603	$64
	New Scheme	0	1,639,646	0	698,905	37,783	1,603	$24
	Stormwater Upgrades	4,605,600	5,586,460	1,648,805	2,008,685	683,022	1,603	$426
	Asset Management System	0	432,234	0	98,259	0	1,603	$0
	Treatment	0	68,328	0	27,830	4,881	1,603	$3
Arrowtown	**Total**	**0**	**1,659,747**	**0**	**364,645**	**31,073**	**213**	**$146**
	Reticulation	0	1,328,568	0	339,700	26,980	213	$127
	Investigations	0	66,461	0	9,416	0	213	$0
	Minor Works	0	107,462	0	0	0	213	$0
	Renewals	0	133,543	0	10,774	2,385	213	$11
	Stormwater Upgrades	0	23,712	0	4,755	1,708	213	$8
Glenorchy	**Total**	**0**	**451,533**	**0**	**201,020**	**12,004**	**89**	**$134**
	Reticulation	0	350,446	0	154,297	11,716	89	$131
	Investigations	0	396	0	100	0	89	$0
	Renewals	0	1,396	0	0	0	89	$0
	New Scheme	0	97,497	0	46,107	0	89	$0
	Stormwater Upgrades	0	1,798	0	517	287	89	$3
Frankton Flats	**Total**	**3,256,039**	**11,965,880**	**1,165,662**	**9,784,274**	**6,390,774**	**1,394**	**$4,583**
	Reticulation	3,256,039	11,965,880	1,165,662	9,784,274	6,390,774	1,394	$4,583

STORMWATER								
Location	**Work Code**	**TYP Capital Expenditure**	**Total Capital Expenditure**	**TYP Growth Capital Expenditure**	**Total Growth Capital Expenditure**	**Growth costs consumed - TOTAL**	**Analysis Period Dwelling Equivalents**	**Development Contribution per Dwelling Equivalent ($/DE)**
Wānaka	**Total**	**10,723,830**	**24,187,013**	**5,580,874**	**11,726,476**	**3,712,831**	**2,036**	**$1,824**
	Reticulation	2,644,577	12,067,032	1,876,415	6,532,206	1,852,470	2,036	$910
	Investigations	0	346,053	0	126,417	5,824	2,036	$3
	Minor Works	0	315,939	0	50,694	172	2,036	$0
	Renewals	0	338,451	0	120,788	22,545	2,036	$11
	Management	0	785,895	0	184,590	25,914	2,036	$13
	New Scheme	0	139,797	0	72,312	17,194	2,036	$8
	Stormwater Upgrades	7,305,253	8,291,078	3,360,416	3,794,498	1,410,164	2,036	$693
	Asset Management System	0	116,501	0	40,751	0	2,036	$0
Hāwea	**Total**	**0**	**711,672**	**0**	**325,443**	**40,432**	**373**	**$108**
	Reticulation	0	693,853	0	319,392	37,914	373	$102
	Investigations	0	854	0	244	0	373	$0
	Stormwater Upgrades	0	16,965	0	5,807	2,519	373	$7
Ladies Mile	**Total**	**997,545**	**1,098,680**	**997,545**	**1,098,680**	**447,076**	**599**	**$747**
	New Scheme	997,545	1,098,680	997,545	1,098,680	447,076	599	$747
Luggate	**Total**	**0**	**49,834**	**0**	**18,912**	**0**	**121**	**$0**
	Reticulation	0	7,371	0	5,039	0	121	$0
	Investigations	0	42,462	0	13,873	0	121	$0
Albert Town	**Total**	**0**	**800,171**	**0**	**375,387**	**10,957**	**199**	**$55**
	Reticulation	0	520,597	0	272,917	8,480	199	$43
	Investigations	0	30,879	0	10,560	0	199	$0
	Management	0	86,714	0	8,223	0	199	$0
	New Scheme	0	151,554	0	79,611	1,407	199	$7
	Stormwater Upgrades	0	10,426	0	4,075	1,070	199	$5

STORMWATER								
Location	Work Code	TYP Capital Expenditure	Total Capital Expenditure	TYP Growth Capital Expenditure	Total Growth Capital Expenditure	Growth costs consumed - TOTAL	Analysis Period Dwelling Equivalents	Development Contribution per Dwelling Equivalent ($/DE)
Wakatipu Ward	**Total**	**29,464,647**	**30,703,224**	**5,347,185**	**5,362,446**	**1,232,196**	**4,335**	**$284**
	Reticulation	4,562,480	4,575,535	1,104,120	1,104,120	217,208	4,335	$50
	Investigations	7,112,580	7,112,580	2,001,119	2,001,119	563,197	4,335	$130
	Renewals	8,566,227	9,728,274	0	0	0	4,335	$0
	Management	0	63,475	0	15,262	7,433	4,335	$2
	Stormwater Upgrades	85,280	85,280	30,530	30,530	9,029	4,335	$2
Wānaka Ward	**Total**	**15,476,592**	**15,837,299**	**3,654,329**	**3,654,329**	**802,160**	**2,872**	**$279**
	Reticulation	2,392,520	2,392,520	825,419	825,419	159,964	2,872	$56
	Investigations	3,614,820	3,614,820	1,298,884	1,298,884	343,449	2,872	$120
	Renewals	4,632,612	4,992,299	0	0	0	2,872	$0
	Management	0	1,020	0	0	0	2,872	$0
	Stormwater Upgrades	44,720	44,720	20,571	20,571	6,021	2,872	$2
District	**Total**	**1,245,733**	**1,245,733**	**369,855**	**369,855**	**111,056**	**7,207**	**$15**
	Management	1,245,733	1,245,733	369,855	369,855	111,056	7,207	$15

Private Developer Agreement Schemes - Stormwater

Kingston

Stormwater development contributions are as per private development agreement – 100% of costs to be funded through growth – with options to pay the development contribution as an upfront lump sum, or over time as a targeted rate.

PRIVATE DEVELOPER AGREEMENT SCHEMES – STORMWATER – KINGSTON	
Component	Capital Costs
Headworks	$0
Conveyance	$7,262,211
Interest	$688,377
Total	**$7,950,588**

TRANSPORTATION								
Location	Work Code	TYP Capital Expenditure	Total Capital Expenditure	TYP Growth Capital Expenditure	Total Growth Capital Expenditure	Growth costs consumed - TOTAL	Analysis Period Dwelling Equivalents	Development Contribution per Dwelling Equivalent ($/DE)
Wakatipu	**Total**	**346,596,968**	**618,774,466**	**50,143,840**	**79,391,803**	**25,547,835**	**7,701**	**$3,317**
	Advance property purchase	0	2,878,559	0	775,094	243,419	7,701	$32
	Amenity Enhancement	0	209,241	0	0	0	7,701	$0
	Associated improvements	1,900,000	6,590,583	0	393,940	159,289	7,701	$21
	Cycle facilities	6,500,000	7,204,638	1,337,700	1,436,469	434,884	7,701	$56
	Drainage renewals	3,750,000	8,521,379	484,365	948,709	407,449	7,701	$53
	Emergency Works Contingency	0	367,602	0	0	0	7,701	$0
	Environmental Renewals	1,500,000	1,815,896	249,900	257,902	76,486	7,701	$10
	Kerb & Channel Construction	0	2,062,709	0	308,764	0	7,701	$0
	Minor Improvements	20,700,000	37,865,185	3,448,620	4,258,427	1,203,080	7,701	$156
	New roads	0	22,389,946	0	1,870,026	969,238	7,701	$126
	New traffic management facilities	0	21,380	0	2,664	0	7,701	$0
	Other Structures	0	27,462	0	2,746	0	7,701	$0
	Parking Facilities	4,500,000	7,935,108	0	130,369	61,262	7,701	$8
	Passenger transport infrastructure	0	2,031,448	0	157,752	82,736	7,701	$11
	Pedestrian and Cycle facilities	0	10,666,274	0	775,792	0	7,701	$0
	Pedestrian facilities	2,000,000	10,420,974	401,800	1,654,453	368,400	7,701	$48
	Power Reticulation Undergrounding	0	1,301,062	0	0	0	7,701	$0
	Preventive maintenance	980,000	2,133,048	110,446	127,047	42,896	7,701	$6
	Property purchase (local roads)	0	296,042	0	122,097	50,708	7,701	$7
	Replacement of bridges & other structures	0	1,390,543	0	102,479	22,609	7,701	$3
	Road reconstruction	0	10,716,182	0	1,138,836	549,621	7,701	$71
	Roading General	131,717,275	158,919,092	23,130,401	26,589,312	9,943,812	7,701	$1,291
	Seal extension	0	17,712,553	0	2,978,066	75,947	7,701	$10
	Sealed road pavement rehabilitation	11,380,000	62,377,189	1,927,072	6,437,283	2,579,350	7,701	$335
	Sealed road resurfacing	12,830,000	45,933,081	1,445,941	4,138,626	809,324	7,701	$105
	Street Furniture	0	132,161	0	1,329	0	7,701	$0
	Streetlighting	0	2,432,094	0	235,816	85,526	7,701	$11
	Structures component replacements	2,260,000	3,188,016	470,792	539,543	174,621	7,701	$23
	Studies and strategies	0	4,770,949	0	744,333	179,300	7,701	$23
	Town Centre Improvements	136,379,693	163,613,749	15,987,263	21,198,723	6,449,430	7,701	$837
	Traffic services renewals	1,650,000	6,234,464	185,955	707,795	169,907	7,701	$22
	Unsealed road metalling	8,550,000	16,615,854	963,585	1,357,411	408,542	7,701	$53

TRANSPORTATION								
Location	Work Code	TYP Capital Expenditure	Total Capital Expenditure	TYP Growth Capital Expenditure	Total Growth Capital Expenditure	Growth costs consumed - TOTAL	Analysis Period Dwelling Equivalents	Development Contribution per Dwelling Equivalent ($/DE)
Wānaka	**Total**	**86,276,400**	**186,253,381**	**16,480,694**	**29,976,121**	**8,837,080**	**4,904**	**$1,802**
	Amenity Enhancement	0	126,607	0	0	0	4,904	$0
	Associated improvements	0	634,613	0	87,798	43,788	4,904	$9
	Carparking Facilities	0	294,760	0	138,661	80,451	4,904	$16
	Cycle facilities	0	724,516	0	144,426	0	4,904	$0
	Demand management	0	27,215	0	1,782	0	4,904	$0
	Drainage renewals	2,100,000	4,347,809	236,670	529,997	247,926	4,904	$51
	Emergency Works Contingency	0	6,424	0	0	0	4,904	$0
	Environmental Renewals	800,000	868,790	152,880	157,512	45,765	4,904	$9
	Kerb & Channel Construction	0	2,317,528	0	180,956	0	4,904	$0
	Minor Improvements	20,000,000	32,342,074	3,822,000	4,594,489	1,365,694	4,904	$279
	New roads	0	742,626	0	334,326	156,982	4,904	$32
	New traffic management facilities	0	2,128	0	247	0	4,904	$0
	Parking Facilities	0	6,721	0	0	0	4,904	$0
	Passenger transport infrastructure	0	118,217	0	11,186	7,194	4,904	$1
	Pedestrian and Cycle facilities	0	82,622	0	5,825	0	4,904	$0
	Pedestrian facilities	0	3,412,893	0	620,205	34,941	4,904	$7
	Power Reticulation Undergrounding	0	1,489,952	0	0	0	4,904	$0
	Preventive maintenance	475,000	588,963	53,533	60,969	19,827	4,904	$4
	Property purchase (local roads)	0	40,953	0	19,907	12,802	4,904	$3
	Replacement of bridges & other structures	0	2,030,013	0	143,116	34,458	4,904	$7
	Road reconstruction	0	3,713,371	0	506,481	240,492	4,904	$49
	Roading General	35,881,400	40,237,267	7,280,131	7,657,035	2,256,682	4,904	$460
	Seal extension	0	8,774,390	0	2,870,565	740,245	4,904	$151
	Seal extension - residential	0	6,468,787	0	2,276,038	795,485	4,904	$162
	Sealed road pavement rehabilitation	7,180,000	11,112,584	1,389,934	1,804,821	676,347	4,904	$138
	Sealed road resurfacing	8,000,000	36,769,672	1,058,400	4,012,970	1,039,516	4,904	$212
	Street Furniture	0	74,104	0	7,410	3,389	4,904	$1
	Streetlighting	4,000,000	6,123,113	1,480,000	1,604,657	412,186	4,904	$84
	Structures component replacements	940,000	1,406,431	211,876	255,079	78,397	4,904	$16
	Studies and strategies	0	1,552,889	0	115,237	0	4,904	$0
	Town Centre Improvements	0	3,671,358	0	356,345	128,874	4,904	$26
	Traffic services renewals	900,000	3,228,046	119,070	480,393	114,325	4,904	$23
	Unsealed road metalling	6,000,000	12,915,944	676,200	997,686	301,315	4,904	$61

TRANSPORTATION								
Location	Work Code	TYP Capital Expenditure	Total Capital Expenditure	TYP Growth Capital Expenditure	Total Growth Capital Expenditure	Growth costs consumed - TOTAL	Analysis Period Dwelling Equivalents	Development Contribution per Dwelling Equivalent ($/DE)
District Wide	**Total**	**9,922,000**	**43,042,600**	**1,599,149**	**2,872,457**	**895,652**	**12,605**	**$71**
	Associated improvements	0	603,505	0	3,424	1,989	12,605	$0
	Drainage renewals	710,000	1,062,819	83,496	86,623	54,914	12,605	$4
	Environmental Renewals	800,000	929,688	141,120	144,334	40,715	12,605	$3
	Kerb & Channel Construction	0	10,725	0	1,609	0	12,605	$0
	Minor Improvements	950,000	4,376,650	167,580	172,664	46,675	12,605	$4
	Parking Facilities	0	192,888	0	46,612	20,881	12,605	$2
	Preventive maintenance	0	412,683	0	0	0	12,605	$0
	Replacement of bridges & other structures	0	585,704	0	0	0	12,605	$0
	Road reconstruction	0	2,969,464	0	59,389	21,811	12,605	$2
	Roading General	3,282,000	6,485,663	520,365	1,146,844	410,144	12,605	$33
	Seal extension	0	6,166,275	0	298,907	0	12,605	$0
	Sealed road pavement rehabilitation	2,200,000	11,456,157	388,080	535,925	189,530	12,605	$15
	Sealed road resurfacing	1,100,000	5,948,210	129,360	203,226	57,925	12,605	$5
	Structures component replacements	680,000	1,200,218	146,608	149,451	44,599	12,605	$4
	Studies and strategies	0	37,586	0	537	0	12,605	$0
	Traffic services renewals	200,000	604,367	22,540	22,911	6,469	12,605	$1
Eastern Access Road	**Total**	**0**	**14,853,646**	**0**	**6,815,162**	**4,270,186**	**5,597**	**$763**
	New roads	0	14,853,646	0	6,815,162	4,270,186	5,597	$763

COMMUNITY INFRASTRUCTURE								
Location	Work Code	TYP Capital Expenditure	Total Capital Expenditure	TYP Growth Capital Expenditure	Total Growth Capital Expenditure	Growth costs consumed - TOTAL	Analysis Period Dwelling Equivalents	Development Contribution per Dwelling Equivalent ($/DE)
Wakatipu	**Total**	**138,351,028**	**220,022,455**	**32,706,505**	**63,890,734**	**16,300,271**	**4,419**	**$3,689**
	Buildings - Toilets	900,000	8,566,670	0	1,569,044	447,671	4,419	$101
	Alpine Aqualand	4,425,526	31,657,034	0	16,122,410	4,419,146	4,419	$1,000
	Health & Fitness Centre	0	8,549	0	0	0	4,419	$0
	Waterways Facilities	1,147,610	3,661,463	129,240	631,299	185,246	4,419	$42
	Halls - Arrowtown	664,693	1,675,619	0	136,765	27,149	4,419	$6
	Council Land - Non-Reserve	0	2,775,474	0	1,427,791	0	4,419	$0
	Holiday Parks	382,580	382,580	0	0	0	4,419	$0
	Wakatipu Non-Reserve	10,025,264	19,444,585	1,763,389	3,253,032	1,138,665	4,419	$258
	Council Offices	0	15,067	0	0	0	4,419	$0
	Community Buildings	971,240	971,240	130,425	130,425	56,079	4,419	$13
	Buildings - Housing	77,394	77,394	0	0	0	4,419	$0
	Buildings - Heritage	174,887	1,375,902	0	20,304	12,710	4,419	$3
	Events Centre	44,715,321	50,117,906	11,880,990	13,126,169	3,912,772	4,419	$886
	Queenstown Memorial Centre	1,065,193	1,065,193	0	0	0	4,419	$0
	Frankton Golf Course	3,000,000	3,114,286	1,127,400	1,127,400	333,189	4,419	$75
	Halls - Lake Hayes Pavillion	4,284,547	4,886,431	1,257,360	1,391,120	94,385	4,419	$21
	Halls - Glenorchy	347,081	432,844	61,600	61,600	21,745	4,419	$5
	Rural Fire - District Wide	0	125,532	0	0	0	4,419	$0
	Halls - Queenstown	11,050,000	16,389,742	7,125,000	9,497,870	2,460,455	4,419	$557
	Halls - Events Centre	0	12,282,453	0	5,405,876	448,636	4,419	$102
	Halls - Arts & Community Centre	44,734,791	44,740,823	6,710,219	6,710,219	1,696,627	4,419	$384
	Community Development - Swimming Pools	4,402,726	5,298,961	1,529,506	1,597,298	508,496	4,419	$115
	Libraries - Wakatipu	5,982,175	10,576,383	991,375	1,682,113	537,299	4,419	$122
	Halls - Convention Centre	0	380,324	0	0	0	4,419	$0

COMMUNITY INFRASTRUCTURE

COMMUNITY INFRASTRUCTURE								
Location	**Work Code**	**TYP Capital Expenditure**	**Total Capital Expenditure**	**TYP Growth Capital Expenditure**	**Total Growth Capital Expenditure**	**Growth costs consumed - TOTAL**	**Analysis Period Dwelling Equivalents**	**Development Contribution per Dwelling Equivalent ($/DE)**
Wānaka	**Total**	**24,235,289**	**75,615,884**	**7,974,115**	**27,838,578**	**10,792,441**	**2,850**	**$3,787**
	Buildings - Toilets	900,000	3,976,913	0	620,431	195,684	2,850	$69
	Waterways Facilities	2,395,380	4,494,112	633,958	1,309,206	452,274	2,850	$159
	Halls - Hawea	137,640	205,115	0	20,310	9,038	2,850	$3
	Holiday Parks	248,160	248,160	0	0	0	2,850	$0
	Council Offices	0	52,697	0	0	0	2,850	$0
	Wanaka Aquatic Centre	1,430,105	15,036,987	0	5,124,309	1,878,626	2,850	$659
	Buildings - Housing	31,714	31,714	0	0	0	2,850	$0
	Wanaka Non-Reserve	66,000	87,858	0	0	0	2,850	$0
	Halls - Luggate	0	116,984	0	3,616	0	2,850	$0
	Halls - Arts & Community Centre	1,149,040	5,774,099	0	3,083,185	1,308,273	2,850	$459
	Halls - Cardrona	79,321	313,501	0	118,195	49,058	2,850	$17
	Halls - Wanaka Community Centre	1,000,000	6,390,320	375,000	3,832,254	1,494,974	2,850	$525
	Community Development - Swimming Pools	0	1,121,324	0	301,091	147,722	2,850	$52
	Libraries - Upper Clutha	679,862	3,845,274	0	458,922	32,244	2,850	$11
	Halls - Wanaka Sports Facility	16,118,066	33,920,826	6,965,157	12,967,060	5,224,549	2,850	$1,833
District Wide	**Total**	**436,000**	**2,642,663**	**35,250**	**577,540**	**157,191**	**7,269**	**$22**
	Waterways Facilities	251,000	251,000	35,250	35,250	17,228	7,269	$2
	Buildings - Housing	185,000	302,763	0	21,197	11,071	7,269	$2
	Rural Fire - District Wide	0	1,299,284	0	46,686	16,686	7,269	$2
	Community Development - District Wide	0	789,615	0	474,407	112,206	7,269	$15

RESERVE IMPROVEMENTS

RESERVE IMPROVEMENTS								
Location	**Work Code**	**TYP Capital Expenditure**	**Total Capital Expenditure**	**TYP Growth Capital Expenditure**	**Total Growth Capital Expenditure**	**Growth costs consumed - TOTAL**	**Analysis Period Dwelling Equivalents**	**Development Contribution per Dwelling Equivalent ($/DE)**
Wakatipu	**Total**	**52,025,712**	**85,908,698**	**7,533,181**	**16,601,511**	**4,613,200**	**3,923**	**$1,176**
	Reserve upgrade	3,276,000	10,138,649	1,084,016	3,249,403	1,122,147	3,923	$286
	Tracks and Trails	6,763,000	9,065,549	872,939	1,504,496	532,302	3,923	$136
	Cemeteries	577,235	1,105,859	129,722	308,840	148,471	3,923	$38
	Premier Park upgarde	8,210,000	12,838,244	2,753,550	4,167,131	1,625,273	3,923	$414
	Sportsfield upgrade	7,458,000	9,026,253	1,442,706	1,976,811	569,630	3,923	$145
	Playgrounds and equipment	2,400,000	4,110,497	709,680	988,913	277,054	3,923	$71
	Camping	60,000	77,553	19,812	19,812	6,098	3,923	$2
	Parks and Reserves	23,281,477	39,546,095	520,755	4,386,105	332,223	3,923	$85
Wānaka	**Total**	**28,767,674**	**52,289,179**	**10,215,631**	**19,446,859**	**6,151,148**	**2,588**	**$2,377**
	Reserve upgrade	1,050,000	5,035,782	391,155	1,955,800	416,907	2,588	$161
	Tracks and Trails	935,000	1,883,952	0	366,677	159,078	2,588	$61
	Cemeteries	100,000	554,479	0	147,771	55,588	2,588	$21
	Premier Park upgarde	9,029,415	18,137,077	4,257,884	7,465,761	2,936,787	2,588	$1,135
	Sportsfield upgrade	9,718,989	10,963,162	4,340,112	4,823,181	1,731,809	2,588	$669
	Community centre land	0	2,255,340	0	1,621,817	298,291	2,588	$115
	Playgrounds and equipment	1,640,000	2,876,443	620,740	1,010,263	236,259	2,588	$91
	Camping	0	32,863	0	0	0	2,588	$0
	Parks and Reserves	6,294,270	10,550,082	605,740	2,055,589	316,428	2,588	$122
District Wide	**Total**	**0**	**2,223,741**	**0**	**992,604**	**374,642**	**6,511**	**$58**
	Playgrounds and equipment	0	219,947	0	0	0	6,511	$0
	Camping	0	2,003,794	0	992,604	374,642	6,511	$58

RESERVE LAND

Local and Community Reserve Land

LOCAL AND COMMUNITY RESERVE LAND							
Project Summaries (GL Code Location)	**10 Year Total Capital Cost (2021/22 $)**	**Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2021/22 $)**	**Capital Cost Funded by Growth (2021/22 $)**	**Capital Cost Funded by Other Sources (2021/22 $)**	**Percentage Attributable to Growth**	**Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period**	**Contribution Per Lot (2021/22 $)**
Wakatipu - Reserve Land							
Reserves	22,030,000	22,030,000	22,030,000	0	100%	1,995	17.5 m^2
Wānaka - Reserve Land							
Reserves	15,220,000	15,220,000	15,220,000	0	100%	1,730	17.5 m^2
Total - Reserve Land	**37,250,000**	**37,250,000**	**37,250,000**	**0**		**3,724**	

Premier Sports Reserve Land - Wakatipu

PREMIER SPORTS RESERVE LAND - WAKATIPU		
Project Summaries (GL Code Location)	**Total Capital Cost (2021/22 $)**	**Contribution Per Lot (2021/22 $)**
Wakatipu - Reserve Land		
10 Hectares	$10,000,000	$500 (5$m^2$)

Treasury Management Policy | Te Kaupapa Here Tai Ōhanga

Changes to the Liability Management Policy

1. NET DEBT/TOTAL REVENUE BORROWING LIMIT

As a result of the significant rise in forecast debt levels in the 2018-28 Ten Year Plan, the Council completed the assessment required to gain a formal credit rating in 2017. The international rating agency Fitch Ratings has recently announced that QLDC has maintained a rating of AA- with stable outlook.

One of the advantages of having a positive rating outcome, is that the Council can continue to access more favourable borrowing terms. It is expected that most of the forecast debt will be borrowed from the Local Government Funding Agency (LGFA). The LGFA has certain borrowing covenants that must be adhered to.

The Liability Management Policy must contain borrowing limits and it is logical to have these limits reflect the LGFA covenants. In 2020, the LGFA approved a change to the Net Debt/Total Revenue covenant. It increases from 250% to 300% for the 2021 and 2022 financial years and then reduces by 5% for each of the subsequent years until 280% applies from the 2026 financial year.

QLDC BORROWING LIMITS	CURRENT LIMIT	PROPOSED LIMIT	COMMENT
Interest expense / rates income	<30%	<30%	No Change
Interest expense / total revenue	<20%	<20%	No Change
Net debt / total revenue	<250%	<280%	* Per recent LGFA amendment credit rating A or better

Definitions

1 Total revenue is defined as cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).

2 Net debt is defined as total consolidated debt less liquid financial assets and investments.

3 Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

4 Net interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.

5 Annual rates income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002, together with any revenue received from other LGs for services provided and for which the other LGs rate.

2. FIXED RATE HEDGING PERCENTAGES

The following table details the proposed changes to the Fixed Rate Hedging Percentages which shall apply to the projected core debt of the Council. We believe that a change is justified due to two main reasons. Firstly, since the Global Financial Crisis the world is in a lower growth, lower inflation and lower interest rate environment. Secondly the changes in the financial markets which have occurred as a result of the COVID-19 pandemic, where interest rates are significantly lower adds further validity to the lower interest rate environment. The new paradigm favours a reduction in fixed rate hedging timeframes, reducing the policy maximum to 8 years and slightly decreasing the minimum fixed rate hedging percentage in the 0-2 years and the new 2-4 years timeframes In the current economic conditions, it is prudent to allow greater flexibility with regard to exposure to floating rate debt.

	MINIMUM FIXED RATE AMOUNT	MAXIMUM FIXED RATE AMOUNT
0 - 2 Years	40% (was 50%)	100%
2 - 4 Years	20% (was 25%)	80%
5 - 8 Years (was 5 – 10 Years)	0%	60%

a) Liability Management Policy

INTRODUCTION AND APPLICATION

Introduction

This liability management policy has been prepared pursuant to sections 102(4)(b) and 104 of the Local Government Act 2002.

The Council's borrowing programme for any particular year will be approved as part of the Council's annual planning process, which is affected by projections made in the Ten Year Plan.

Generally, borrowing will be identified as a funding mechanism only for capital or long term projects which will provide benefits into the future.

The only borrowing to meet operating costs will be the use of overdraft facilities or other short term facilities to cover temporary fluctuations in cash flow.

GENERAL PROVISIONS

Borrowing Limits

The Council's borrowing limits are:

LIMITS	ACCEPTABLE RANGE
Interest expense / rates income	<30%
Interest expense / total revenue	<20%
Net debt / total revenue*	<280%

For the purpose of calculating the limits above:

1. Total revenue is defined as cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).
2. Net debt is defined as total consolidated debt less liquid financial assets and investments.
3. Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.
4. Net interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.
5. Annual rates income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002, together with any revenue received from other LGs for services provided and for which the other LGs rate.
6. The net debt/total revenue limit follows the LGFA approved change to the Net Debt/Total Revenue covenant. It increases from 250% to 300% for the 2021 and 2022 financial years and then reduces by 5% for each of the subsequent years until 280% applies from the 2026 financial year.

FORM OF BORROWING

The Council may obtain funding utilising the following methods:

> Bank debt

> Capital market issuance comprising fixed rate bonds, medium term notes and floating rate notes.

Local Government Funding Agency (LGFA)

Despite anything earlier in this Policy, the Council may borrow from the New Zealand LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

> contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;

> provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;

> commit to contributing additional equity (or subordinated debt) to the LGFA if required;

- subscribe for shares and uncalled capital in the LGFA; and
- secure its borrowings from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

Hire Purchase, Deferred Purchase and Trade Credit

These arrangements are not considered to be borrowing under the terms of the Act.

Other

Instruments not specifically referred to in this policy may only be used with specific Council approval.

Security

It is the Council's general policy to offer security for its borrowing by way of negative pledge or a charge over its rates.

In the normal course, the Council's policy is not to offer security over any of the other assets of the Council. However:

- where borrowing is by way of finance lease, or some other form of trade credit under which it is normal practice to provide security over the asset concerned; or
- where the Council considers doing so would help further its community goals and objectives, the Council may decide to offer security over the asset.

POLICIES

Interest Rate Exposure Policy

The Council will manage its borrowing activities prudently in the best interests of the district, its inhabitants and ratepayers. In furtherance of this goal, Council will keep the following objectives firmly in mind:

- Ensure the Council's continued ability to meet its debts in an orderly manner as and when they fall due in both the short and long term, through appropriate liquidity and funding risk management.
- Arrange appropriate funding facilities for the Council, ensuring they are at market related margins utilising bank debt facilities and/or capital markets as appropriate.
- Maintain lender relationships and the Council's general borrowing profile in the local debt and, if applicable, capital markets, so that the Council is able to fund itself appropriately at all times.
- Control the Council's cost of borrowing through the effective management of its interest rate risk, within the interest rate risk management limits established by the LMP.
- Ensure compliance with any financing/borrowing covenants and ratios.
- Maintain adequate internal controls to mitigate operational risks.
- Produce accurate and timely information that can be relied on by senior management and Council for control and exposure monitoring purposes in relation to the debt raising activities of the Council.

Prudent selection of funding instruments and mix should help the Council achieve its low debt servicing costs and risk minimisation objectives.

Debt Repayment Policy

It is the Council's general policy to repay debt as it falls due. This will be repaid from accumulated funds, reserve funds, contributions, land sales or a combination of these methods depending on the project the loan was raised for. If the loan was raised for a period less than a term the Council considers appropriate for the project, part of the balance will be financed with new debt.

The Council may repay debt before maturity in special cases where the circumstances suggest that this would be in the best interest of residents and ratepayers.

Total debt levels are determined through the Ten Year Plan and Annual Plans.

Liquidity Policy

The Council will strive to ensure the timely availability of funds to meet the Council's various expenditure needs, preferably without incurring penalties or holding unnecessary cash reserves. The Council will:

- match revenue requirements with expenditure streams, ensuring any timing differences, if any, are favourable for the Council;
- ensure replacement funds are available no later than the debt repayment date;
- avoid concentration of debt maturity dates no more than $50M or 50% of debt, whichever is the lesser, can be subject to refinancing in any 12 month period;
- the Council must maintain liquidity (committed funding lines and cash on deposit) of not less than 110% of projected core debt.

Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Chief Financial Officer.

Credit Exposure Policy

The Council will only enter incidental arrangements with credit worthy counter parties.

Credit worthy counterparties are selected on the basis of their current Standard and Poors (S&P) rating which must be A- or better or the Moody's or Fitch equivalents.

OTHER MATTERS

Borrowing for Cash Management Purposes

This section applies to what might be described as borrowing to manage day to day fluctuations in cash flow.

The Council will maintain an overdraft facility not exceeding a limit of $500,000 for day to day cash management purposes.

The Council may maintain a standby credit facility for urgent financing in emergencies.

Incidental Arrangements

'Incidental arrangement' is defined to mean:

A. A contract or arrangement for the management, reduction, sharing, limiting, assumption, offset, or hedging of financial risks and liabilities in relation to any investment or investments or any loan or loans or other incidental arrangement, whether or not that contract or arrangement involves:

    I the expenditure, borrowing, or lending of money; or

    II the local authority undertaking to make payments in exchange for another person undertaking to make payments to the local authority; or

    III the creation or acquisition or disposal of any property or right; or

B. A contract or arrangement with any bank, financial institution, or other person providing for any person to act as underwriter, broker, indemnifier, guarantor, accommodation party, manager, dealer, trustee, registrar, or paying, fiscal, or other agent for, or in connection with, any loan or investment.

Hedging

Hedging instruments may be used for risk management purposes, on advice from financial advisors.

The following table details the Fixed Rate Hedging Percentages which shall apply to the projected core debt of the Council:

	MINIMUM FIXED RATE AMOUNT	MAXIMUM FIXED RATE AMOUNT
0 - 2 Years	40%	100%
2 - 5 Years	20%	80%
5 - 8 Years	0%	60%

That the following interest rate risk management instruments may be used to manage the core debt of the Council:

A. Interest rate swaps.

B. Swaptions (options on swaps).

C. Interest rate options, including collar type structures but only in a ratio of 1:1.

D. Forward rate agreements.

Options on hedging floating rate debt with an exercise rate greater than 2.00% above the equivalent period interest rate at the time of inception cannot be counted as part of the fixed rate cover percentage calculation. For example a three year cap at 6.00% would only count as a fixed rate hedge if the underlying swap rate was greater than 4.00%.

Agents

The Council may appoint only reputable persons or companies to fulfil the following roles:

- Registrars/paying agents
- Brokers
- Trustees

Other

Other forms of incidental arrangement may only be entered into with a specific resolution of the Council.

b) Investment Policy

GENERAL

Introduction

This investment policy has been prepared pursuant to sections 102(4)(c) and 105 of the Local Government Act 2002. It applies to the management of the Council's financial and equity investments.

Overview

The Council has a variety of investments which at any time may include cash, trust funds, special funds, shares, property held for investment purposes and financial reserves.

These investments are acquired, held and realised by the Council in furtherance of the community goals and objectives which are identified in the Ten Year Plan and each Annual Plan.

In managing its investments the Council is not driven by commercial considerations alone. As a public body the Council is accountable to the community in terms of community health, safety, benefit and well-being and these considerations may lead to the Council making investment decisions which would not have been made on commercial/financial considerations alone.

In managing its investments in accordance with its general policy the Council seeks to:

- achieve the goals and objectives set out in the Ten Year Plan and the Annual Plan.
- balance the protection of its investment with maximising investment return.
- ensure investments are of a type which provide the Council with funds when required.

POLICIES

Mix of Investments

NATURE OF INVESTMENT	TERM	RATIONALE FOR RETENTION
Cash investments	Short term	To meet cash flow requirements
Shares/equity	Long term	To support the strategic objectives of the Council and the district
Investment property	Variable	To provide a commercial return to the Council

It should be noted that the Council does have some investments that do not currently meet these criteria, particularly some land holdings. The future of these are under review and it will be decided if these will be held to meet future core function requirements or will be disposed when it is considered that it is appropriate.

Acquisitions of New Investments

Call and short term: delegated to the Council staff to invest in approved institutions.

Medium to long term: through the Council, having regard to the goals, objectives and provisions of the Council's long term financial strategy and annual plans.

Use of Revenue from Investments

Revenue from funds which are reserved for particular purposes is added to that fund. Revenue from other investments used to offset general rates.

Revenue from Asset Sales

Revenue from asset sales will be used to repay debt or fund the purchase of new assets. If there are no appropriate uses available at the time of disposal, it will be held in a separate fund until there are appropriate uses for the funds.

OTHER MATTERS

Procedures for Management and Reporting to Council

The Council's procedures for the management of investments and associated reporting to the Council involve reporting results of investment to the Council through the Committee.

Risk Management

In managing its investments the Council always seeks to protect its investments and manage its risk.

When investing the Council will adhere the provisions of the investment matrix (see Appendix 1) which clearly sets out the parameters under which, the Council will manage its financial market investment activities.

The Council also has statutory obligations to properly administer, manage, and account for its funds. In particular the Council must make its investments in accordance with the provisions of the Trustee Act 1956 as they apply to the investment of trust funds. This requires the Council to exercise the care, diligence, and skill that a prudent person of business would exercise in managing the affairs of others. The Council may consider, in making any investment decisions:

- The desirability of diversifying investments.
- The nature of existing investments.
- The risk of capital loss or depreciation.
- The potential for capital appreciation.
- The likely income return.
- The length of the term of the proposed investment.
- The marketability of the proposed investment during, and on the determination of, the term of the proposed investment.
- The effect of the proposed investment in relation to tax liability.
- The likelihood of inflation affecting the value of the proposed investment.

Local Government Funding Agency (LGFA)

Despite anything earlier in this Policy, the Council may invest in shares and other financial instruments of the New Zealand LGFA and, may borrow to fund that investment. The Council's objective in making such investment will be to:

- obtain a return on investment; and
- ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of the dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternate investments.

If required in connection with the investment, the Council may subscribe for un-called capital in the LGFA.

Summary of the Significance and Engagement Policy | Tuhika Whakarāpopoto o te Kaupapa Here Hiraka Whakapā

Summary of the Significance and Engagement Policy

The Council adopted a Significance and Engagement Policy in December 2014 (revised 2017) to give the community certainty about when people can expect to be informed of a proposed Council action or be asked for a view on an issue to help inform a decision. It outlines what the Council will take into account when deciding what is significant and when the community will have a direct opportunity to contribute to decision making. The policy has been reviewed and updated as part of this planning process. Minor amendments were made to include climate change and mana whenua as considerations for significance, update the lists of strategic assets, and align Council engagement practice with the IAP2 Spectrum of Public Participation and engagement principles.

The Significance and Engagement Policy can be read in full on the Council website www.qldc.govt.nz or any Council office.

Audit Report | Rīpoata O Te Kaitātari Kaute

Deloitte.

To the reader

INDEPENDENT AUDITOR'S REPORT ON QUEENSTOWN LAKES DISTRICT COUNCIL'S 2021-31 LONG-TERM PLAN

I am the Auditor-General's appointed auditor for Queenstown Lakes District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Deloitte Limited. We completed our report on 30 June 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
    - long-term, integrated decision-making and co-ordination of the Council's resources; and
    - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 134 to 137 of Volume 2 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following disclosures:

Uncertainty related to the proposed visitor levy

Page 96 of Volume 2 outlines the proposed introduction of a visitor levy from 2024 to fund visitor related infrastructure. The Council does not yet have the legal authority for the levy. If the visitor levy is not available from 2024, the related capital programme will be significantly impacted or rates will increase.

Uncertainty over the delivery of the capital works programme

Page 6 of Volume 1 outlines that the Council is proposing to spend $1.67b on capital projects over the next 10 years. Although the Council is taking steps to deliver its planned capital programme, as outlined on page 100 of Volume 2, there is uncertainty over the delivery of the programme due to the significant constraints in the construction market. If the Council is unable to deliver on a planned project, it could affect the levels of service.

Uncertainty over Three Waters Reforms

Page 86 of Volume 2 outlines the Governments intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters service providers is currently uncertain because no decisions have been made. The plan is prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

Deloitte.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Deloitte.

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.

Mike Hawken, Deloitte Limited
On behalf of the Auditor-General, Dunedin, New Zealand

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Te Reo Māori translation: Please note, QLDC uses the local Kāi Tahu dialect which replaces 'Ng' with 'K', e.g. tākata (people) instead of tāngata

QUEENSTOWN LAKES DISTRICT COUNCIL