

# Annual report summary Whakarāpopototaka o te Rīpoata ā-tau

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2020/21

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## Rāraki take

Section 98(4)(b) of the Local Government Act 2002 requires Council to make publicly available a summary of the information contained in its annual report. The specific disclosures included in the summary annual report have been extracted from the full annual report adopted by Council on 29 October 2020. The summary annual report cannot be expected to provide a detailed understanding as provided by the full annual report. The full financial report dated 28 October 2021 has received an unqualified audit report. A copy of the full annual report can be obtained on the Council website – [www.qldc.govt.nz](http://www.qldc.govt.nz)

This summary annual report has been examined by the auditor for consistency with the full annual report. The auditor's report is included with this summary.

The Council's full annual report has been compiled in line with NZ GAAP and stated explicitly that it complies with Public Benefit Entity (PBE) Standards for Tier 1 entities. The summary annual report complies with PBE FRS 43 – *Summary Financial Statements*.

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# Overview

# Whakarāpopototaka

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# Contact us



## COUNCIL OFFICES

### QUEENSTOWN

10 Gorge Road  
Private Bag 50072,  
Queenstown

### WĀNAKA

47 Ardmore Street  
Wānaka



## QUEENSTOWN

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### WĀNAKA

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### KINGSTON

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## WEBSITE

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## TWITTER

@QueenstownLakes



## FACEBOOK

@QLDCinfo



## INSTAGRAM

@queenstownlakes

## QUEENSTOWN AIRPORT CORPORATION LIMITED\*

Terminal Building, Queenstown  
Airport  
PO Box 64, Queenstown

Phone: 03 442 3505

*\* A Council-controlled trading organisation*

## AUDITORS

Deloitte Limited on behalf of the  
office of the Auditor General

Dunedin

## SISTER CITIES

Aspen, Colorado, USA  
(Queenstown)

Hangzhou, China

# Chief Executive's Report

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Much of the 2020-2021 financial year has been dominated by the ongoing effects of the COVID-19 global pandemic. That is true for both the communities across our district and for the business of Council. The year commenced in July 2020 seeing a significant welfare support programme in place and a number of initiatives underway and imminent with a focus on community wellbeing and economic recovery.

Council began the year with a heavily redrafted 2020-2021 Annual Plan Budget, in response to the predicted impact of COVID-19 on our communities. This included limiting rates rises to an average 1.59% and undertaking a series of cost cutting exercises and project re-timings, while at the same time preserving levels of service and continuing to invest in key core infrastructure.

The final dividend payment for Queenstown Airport Corporation was cancelled for obvious reasons which further created a large revenue hole for the organisation. The organisation agreed to a pay freeze for the year which was a major contributor to the savings achieved and there was a corresponding reduction in overall planned staff numbers for the year. In addition, the Council has continued to offer rent relief to many of its business tenants across the district who lost significant income in the light of the decline in visitor numbers.

The start of the year saw the recently opened Kia Kaha Community Hub continuing to offer advice regarding immigration, repatriation, employment, finance, community welfare and wellbeing needs, and complementing existing services provided by Community Networks Wānaka. These sessions provided an important service for our local communities, employers, and workers from overseas who needed support through this extremely difficult time, and were heavily oversubscribed. I personally would like to extend my gratitude once again to everybody involved however large or small a part you played.

The impact of COVID-19 on our economy was forecast to be significant by Infometrics when they prepared an assessment at the beginning of the financial year. The report suggested international tourists could return gradually from 2021 but may take years to reach pre-COVID levels. The district's economic output (Gross Domestic Product) over the next year was shown to potentially drop by around 23% and over 7,000 jobs in the district could be lost. While these dire predictions were not achieved (though may yet with more recent lockdowns) the local economy has had a challenging time with significant levels of unpredictability, a lack of staff, and at times variable visitor numbers to the district. In contrast, house prices have remained high and the building sector is experiencing a demand-driven boom in activity.

The Mayor convened a short-term tourism recovery taskforce to help kick start the economy, and initiatives such as the ideas platform Torokiki quickly followed. The Council announced the establishment of the Regenerative Recovery Advisory Group bringing together a diverse range of contributors from across the community.

The advisory group contributed to the evolution and achievement of the Recovery Plan, which was guided by Vision Beyond 2050. Once again, the Council extends its thanks to the members of all the groups for the valuable contribution they made to assisting the district in its recovery.

The announcement of an \$85M contribution from the government's "Shovel Ready" COVID-19 recovery programme was a substantial boost to the transformation of Queenstown's town centre and enabling stage one of the proposed Queenstown Arterial. These projects will make a transformational change to the Queenstown Town Centre along with enabling the renewal of the centre's aging underground infrastructure at the same time. This contribution recognised the importance of providing the support our community needed, and continues to need, and investing in the future of our local economy. This was the first of the government's "Shovel Ready" funding announcements.

Council was also successful in securing a \$1.2M grant from government's Provincial Development Unit to renovate four community venues employing up to 80 people over several months to complete the work. The spring saw work undertaken at Arrowtown Athenaeum Hall, Lake Hayes Pavilion, Lake Wānaka Centre and Queenstown Memorial Hall, including painting, replacing flooring and windows, and upgrading heating and lighting. The work had been identified as required maintenance but prior to the funding announcement had been earmarked for the next ten-year plan cycle.

In late May 2021, Economic Development New Zealand (EDNZ) awarded the QLDC Recovery and Economic Development teams a Commendation in the Business Support Recovery Initiatives category at an awards ceremony held in Palmerston North. This recognition reflected that the previous year had been incredibly tough for our local business community and the positive benefit of a collaborative effort across a wide range of organisations working towards business recovery in the district.

In addition to this effort there has been significant work completed towards identifying and encouraging opportunities to diversify the district economy beyond its traditional focus on visitors and hospitality.

August 2020 saw Council establish an independent, multidisciplinary Climate Reference Group (CRG) to support the delivery of its Climate Action Plan, adopted in 2019. The role of the group is to identify key challenges, evaluate best practices, identify funding opportunities, and agree priority action areas at each annual review of the Climate Action Plan. The organisation is committed to meeting the goals of the Climate Action Plan and the insight and advice from the group continues to be a valuable perspective on Council activities and plans.

August was also the start of Council's journey towards a primarily electric vehicle fleet, as part of delivering on the Zero Carbon Communities | Parakore Hapori principle of Vision Beyond 2050. With a significant proportion of the fleet now switched to 100% EV, the Council is well on the way to meeting the target of mid-2022.

In October and November 2020, Council announced changes to kerbside collections and public bins. These changes meant we are more able to provide certainty that the materials put into public bins can be appropriately recycled by reducing the chances of cross-contamination and supporting our move towards zero waste.

For kerbside collections, the change was to accept only plastics that could be recycled onshore in Aotearoa New Zealand. The change has been made to align with New Zealand's commitment to move away from hard-to-recycle plastics and to contribute towards better regulation of the international trade in plastic waste. These changes were supported by ongoing education campaigns helping the community know what goes in which bin so that we can journey faster to zero waste together.

In March 2021, Council launched its third annual round of applications for the Waste Minimisation Community Fund. This latest round saw strong contenders and ultimately nine successful applicants were the collective recipients of the \$60,000 fund.

The selected projects were initiatives from a variety of organisations, including community groups, charities, education facilities, and businesses. Projects included reducing construction landfill waste, reducing commercial food waste, reducing single-use plastics, waste education and workshops.

Finally for waste, a project (in partnership with Scope Resources Ltd) to improve air quality, reduce greenhouse gas emissions and reduce odour at Victoria Flats Landfill completed in June 2021. The landfill gas capture and destruction system will capture landfill gas, preventing methane from entering the atmosphere, and is aligned with the key outcomes of Council's Climate Action Plan.

The last financial year has been a busy time for Council's Community Services teams spanning sport and recreation, community venues, parks and reserves, and libraries. Work got underway on stage one of a landscape plan for Jardine Park on Kelvin Peninsula following the removal of a number of trees following a major storm.

Acknowledging the input from the community and Kelvin Peninsula Community Association, as well as Wakatipu High School and other community groups, the collaboration has delivered a community bike track, planting of native trees and shrubs, and installing irrigation. The end of the financial year also saw stage one of Te Kararo Queenstown Gardens Development Plan underway with the multi-stage project aiming to improve public safety and wayfinding in the area while retaining the passive recreation qualities of the gardens.

The Wānaka Lakefront Development has also made significant progress in the last 12 months. Stage Three of the plan began construction in February 2021, which will see the implementation of Te Ara Wānaka (a shared pathway) for pedestrians and cyclists along the Lakeside Esplanade, and a separate boardwalk along the lake's edge. Once finished, wide scale native planting will run from Bullock Creek through to the Marina, working to maintain the area's natural look while also providing an injection of native flora and fauna. This stage is due to complete in Spring 2021.

In March, Council also opened the renewed Rotary Playground on Wānaka's lakefront which includes an impressive list of new features, such as a swing set, spinning balance balls and balance steps, a trampoline and a concrete scooter track running around its edge.

Complementing the upgrades to venues mentioned earlier, construction began on the new Luggate Memorial Centre, notable as one of the first community buildings in New Zealand built to ultra-low energy 'Passive House' standards. Council was privileged to have Kāi Tahu gift the name 'Whare Mahana' for the new centre which means 'warm house', reflecting both its passive house credentials and its importance as a place to bring the community together.

Attracting big events to our sports venues continues to be one way our sport and recreation team aims to encourage locals to be "more active, more often". At the beginning of 2021, our cricket facilities in Frankton hosted England women's cricket team, the Bangladesh men's cricket team and both the Pakistan and West Indies men's teams.

February also saw the start of construction on the new multisport all-weather turf located at Queenstown Events Centre and used for football, futsal, and hockey.

In addition to the shovel-ready projects underway, 2020-2021 was a big year for infrastructure projects, especially in the three waters portfolio. Since September 2020, work has been ongoing across Queenstown CBD to install 870m of new wastewater pipe. The work is the next stage of the Recreation Ground Pump Station and Rising Main upgrade project laying a total of almost 3,000m of pipe from Man Street to Marine Parade, connecting to pipe recently installed across a portion of the Queenstown Gardens to Park Street. The new pump station at the Recreation Ground and pipeline will provide emergency storage, additional pumping capacity and provide more resilience to our wastewater network in Queenstown and reduce the likelihood of uncontrolled flows of wastewater into Lake Wakatipu.

In the Upper Clutha, worked commenced in February on a major upgrade to Wānaka's wastewater infrastructure also providing emergency storage, additional

capacity and supporting improved resilience. Due for completion mid-2022, the new solution will see the construction of a new pump station, which will carry wastewater to the existing Albert Town Pump Station, a new rising main and gravity main from Beacon Point Road to Albert Town Pump Station via Lismore Street and SH84, and a new gravity main and an extension of the Waimana Place pressure main. The Council, in collaboration with a local developer, has also developed and installed a new long-term wastewater treatment facility to replace Cardrona's aging and under capacity system.

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 30 Year Infrastructure Strategy and assumed to be delivered within the Ten Year Plan.

Sealing of Ballantyne Road in Wānaka commenced in 2020 following extensive negotiation between Council and Waka Kotahi NZTA.

The \$6.4M upgrade seals 4km of the road, lowers speed through careful road design, improved drainage, sealed shoulders, and the relocation of 40 power poles. Work to address Ballantyne Road commenced in 2016 following a tragic fatality on the road.

In April 2021, the High Court published its decision in the judicial review of the Wānaka Airport lease. The lease with Queenstown Airport Corporation (QAC) was terminated by the decision and Council resumed management of Wānaka Airport albeit through QAC under an interim agreement. Wānaka remains a very busy and growing airport and Council is focused on ensuring its safe operating environment that continues to cater for a range of commercial and private users.

The work programme for Council continues at pace, and in June the Council adopted its 2021-2031 Ten Year Plan with its largest ever capital investment programme of \$1.67 billion. Council received 504 submissions from individuals, groups, and organisations across the district during the March-April consultation period, and 82 people chose to address Councillors at hearings held in Wānaka and Queenstown.

These submissions helped shape a number of changes to the plan such as accelerating active travel networks for Wānaka, bringing the design and construction of the 'Wānaka Pool to School Active Travel' route to Year 2 (\$2M) and Year 3 (\$3M), additional resources to focus on climate action and adaptation, access to community facilities in Wānaka and Te Pūtahi Ladies Mile, and assisting in the development of an Arts and Culture Hub in Remarkables Park.

A significant percentage – approximately 75% – of that proposed plan was founded on a need to invest in three waters across the district, and roading and transport options. Given the quantum of investment required, Council focused on ensuring we take every opportunity to optimise investment by seeking external funding; for example through Waka Kotahi NZTA, the government's Shovel Ready programme, NZ UP, Tourism Infrastructure Funding, and the Housing Infrastructure Funding. This has enabled significant investment throughout the district seeing a majority of that work in the first five years with capital expenditure at \$274.91M in the Wānaka Ward (35.9%) and \$570.56M in Queenstown-Wakatipu and Arrowtown Wards (64.1%).



Council faces a number of ongoing claims for what are generally called “Leaky Buildings”, relating to weathertightness and building defects. Each year the Council makes a financial allocation to address such claims: this year an additional \$22M was added to this provision following further work performed in assessing the claims in the current year.

Unfortunately, Council is very often the only party left standing against such claims over time but nevertheless vigorously defends its position in relation to these claims.

Claims are dealt with on a case-by-case basis and a financial provision is established to recognise Council's best estimate of the expected future cash-flows to defend/settle these claims. The nature of the liability means there are significant inherent uncertainties in estimating the likely costs that will be incurred in the future, including the liability borne by other parties.

It is common for there to be significant variation between the claims made, and Council's assessment of risk and liability. Accordingly, Council continues to make prudent provisioning for such costs.

Council has not disclosed details of the amounts claimed, nor has there been disclosure of individual amounts provided for, as doing so could prejudice the Council position in defending these claims. While Council uses borrowings in the first instance to meet the cost of settlements, these are ultimately funded through rates, which may result in greater-than-planned rates increases.

Planning policy has taken a number of significant steps in the last 12 months, initially with the adoption of recommendations on Stages 3 and 3b of the District Plan review in March. Stage 3 and 3b introduced a number of changes to the Operative District Plan (ODP), including a new General Industrial and Service Zone; a Settlements Zone for Rural Townships; a review of the Rural Visitor Zone, Three Parks Special Zone and rezoning of the Ballantyne Road oxidation pond site for active sports and recreation; Wāhi Tūpuna (sites of significance to Iwi) provisions; design guidelines for Residential and Business Mixed Use Zone; changes to plan provisions in Queenstown Bay and a suite of minor variations arising from previous decisions.

The process involved 542 submissions, 8,690 submission points and 20 days of hearings in Queenstown and Wānaka before an Independent Hearing Panel. These decisions are now subject to appeals.

The other major planning milestone was the final stages of the district's first Spatial Plan. The Grow Well Whaiora Partnership, a new Urban Growth Partnership between Central Government, Kāi Tahu and QLDC, worked together over three years to develop the plan setting out a vision and framework for how and where our district will grow, in this case out to 2050. Community engagement played a key part in the process of shaping the plan from day one, with feedback from the March-April consultation resulting in changes to the draft plan prior to adoption. The plan was finally adopted in July 2021 and will be reviewed again for adoption in 2024. Its ongoing implementation will be overseen by a governance group comprising Ministers of the Crown, Council, the Otago Regional Council and Kāi Tahu.

Around the Council Chambers, we farewelled Queenstown-Wakatipu Councillor John MacDonald in March 2021 after four and a half years on Council, on personal health grounds and the Council thanks John for his time as a valued member of Council and his long time service to the community. This led to a by-election and in June Councillor Esther Whitehead was successfully elected in the Queenstown-Wakatipu Ward.

Finally, I would like to acknowledge the contribution of the elected representatives on both the Council and the Wānaka Community Board, and acknowledge the dedicated and hard-working Council staff across all of Council who continue to deliver outstanding service to the district community.



**Mike Theelen**

*Chief Executive  
Queenstown Lakes District Council*

# Delegated responsibilities as at 30 June 2021

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## COUNCIL COMMITTEES

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Appeals  
Subcommittee

Audit, Finance and Risk  
Committee

Chief Executive  
Performance Review  
Committee

Community and Services  
Committee

District Licensing  
Committee

Dog Control  
Committee

Elected Members Code  
of Conduct Committee

Governance  
Subcommittee

Infrastructure  
Committee

Planning & Strategy  
Committee

Traffic and Parking  
Subcommittee

## COUNCILLORS

## MAYOR



Jim Boulton

## ARROWTOWN WARD



Heath Copland

## QUEENSTOWN-WAKATIPU WARD



Penny Clark



Craig (Ferg) Ferguson



Niki Gladding

Calum Macleod  
*Deputy Mayor*

## WĀNAKA WARD

John MacDonald  
(resigned March 2021)Esther Whitehead  
(elected 30 June 2021)

Valerie Miller



Glyn Lewers



Niamh Shaw



Quentin Smith

WĀNAKA COMMUNITY BOARD

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CHAIR



Barry Bruce

DEPUTY CHAIR



Ed Taylor



Calum Macleod



Chris Hadfield



Niamh Shaw



Quentin Smith



Jude Battson

## MANAGEMENT GROUP

## CHIEF EXECUTIVE



Mike Theelen

## GENERAL MANAGERS

Meaghan Miller  
GM, Corporate  
ServicesStewart Burns  
GM, Finance, Legal  
and RegulatoryPeter Hansby  
GM, Property and  
InfrastructureTony Avery  
GM, Planning and  
DevelopmentThunes Cloete  
GM, Community  
Services

# QLDC financial results at a glance 2020/21

## STATEMENT OF FINANCIAL PERFORMANCE

QLDC recorded a surplus of \$17.8M for the year. This is well down from the \$51.4M surplus recorded last year and the budget of \$31.6M. The main reasons for the lower surplus against budget, which is not profit, are related to an increase in loss provision to defend and resolve a number of building related legal claims against the Council.

Revenue was above estimate by 20.6% or \$37.8M and expenditure was over by 27.7% or \$44.1M. The increase in revenue reflects better than expected levels of activity for the financial year. Overall, the impact of COVID-19 was less than expected on both revenue and expenditure for the year.

### ***The following major items contributed to this variance:***

- > Increased vested asset income of \$30.9M for the year. This non-cash income reflects the value of assets passed to Council as a result of continued high levels of development activity in the district.

- > An increase in development contribution income of \$2.1M which is related to the level of development activity within the district. This income can only be used to fund growth related capital expenditure.
- > There was also an increase for grants and subsidies which created a favourable variance of \$0.9M.

### ***The surplus includes the following:***

- > \$4.2M of net unrealised gains as a result of the revaluation of investment property, interest rate swaps and forestry assets as at 30 June 2021. This is offset by \$4.3M net of loss on disposal of council assets.

Operating expenditure was \$44.1M (27.7%) over budget for the year ended 30 June 2021. Most of this negative variance (\$22M) is due to an increase in loss provision to defend and resolve a number of building related legal claims against the Council. The major remaining operational cost variances are as follows:

- > Depreciation and amortisation expense higher than budget by \$6.8M, largely as a result of updated valuations for infrastructure assets for both 3 waters assets (2019 and 2021) and roading assets (2020).
- > Interest expense for the year is \$2.1M less than budget. This is a result of the timing of some capital works and lower than expected interest rates.
- > Costs for road maintenance were \$2.2M above budget for the year, mainly as a result of emergency work along with internal time allocations (both partially offset by increased subsidy).
- > There was \$12.4M of costs originally included within capital budgets which have been transferred to operational costs as they cannot be capitalised. This included \$8.5M Lakeview Development site clearance (demolition and asbestos removal), \$0.7M preliminary costs for analysis of various parking options, \$0.6M Lakes District Museum grant funding and \$0.4M for responsible camping initiatives (100% funded by MBIE).

## STATEMENT OF FINANCIAL POSITION

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The main variances relate to the difference in expected asset values for the year and reduced borrowings. The following items contributed to this variance:

Large movements in infrastructure values as a result of infrastructure revaluations in both 2021 and 2020, these are summarised below:

- > Increase in infrastructure value: \$134.5M with 3 Waters asset values increasing by \$46.5M. Offsetting this, capital expenditure was \$105.3M which is below estimate by \$89.0M for the year ended 30 June 2021.

2020 increase in infrastructure value: \$262.5M with Roding asset values increasing by \$184.5M.

- > Lower than forecast capital expenditure in the last five years, as well as the sale of the Scurr Heights land in 2016 and the prepayment for the Wānaka Airport lease in 2018, results in borrowings that are \$115.5M below forecast. Total debt as at 30 June 2021 is \$161.9M compared to a forecast of \$277.4M.

## STATEMENT OF CHANGES IN EQUITY

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Accumulated differences between actual and budgeted net surpluses as described above for 2021 and 2020, as well as the impact of infrastructure asset revaluations, prior investment property revaluations and reduced borrowings, has resulted in an equity variance of \$263M above forecast.

## STATEMENT OF CASH FLOWS

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The budget variations explained above also contribute to budget variations in the Statement of Cash Flows, particularly cash flows from investing and financing activities. Cash payments for the purchase of property, plant and equipment (i.e. capital expenditure) were \$91.3M below estimate and consequently, net borrowings were around \$85.7M less than expected. Cashflows from operating activities were in line with budget as a result of a COVID-19 revised budget.

# Financial strategy

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The Financial Strategy must show prudent financial management by the Council and act as a guide when making large funding decisions. It also outlines how the Council will tell the story about projects, so that the community can understand the implication of big decisions on things like rates, debt and investments. The strategy is contained in full in Volume 2 (pp 8-21) of the 2018 Ten Year Plan [www.qldc.govt.nz](http://www.qldc.govt.nz).

The Council'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 costs of providing facilities with long lives are shared between today's ratepayers and those in the future. It is also critical that an alternative funding mechanism to support the continued investment in tourism-related infrastructure is agreed with 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.

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

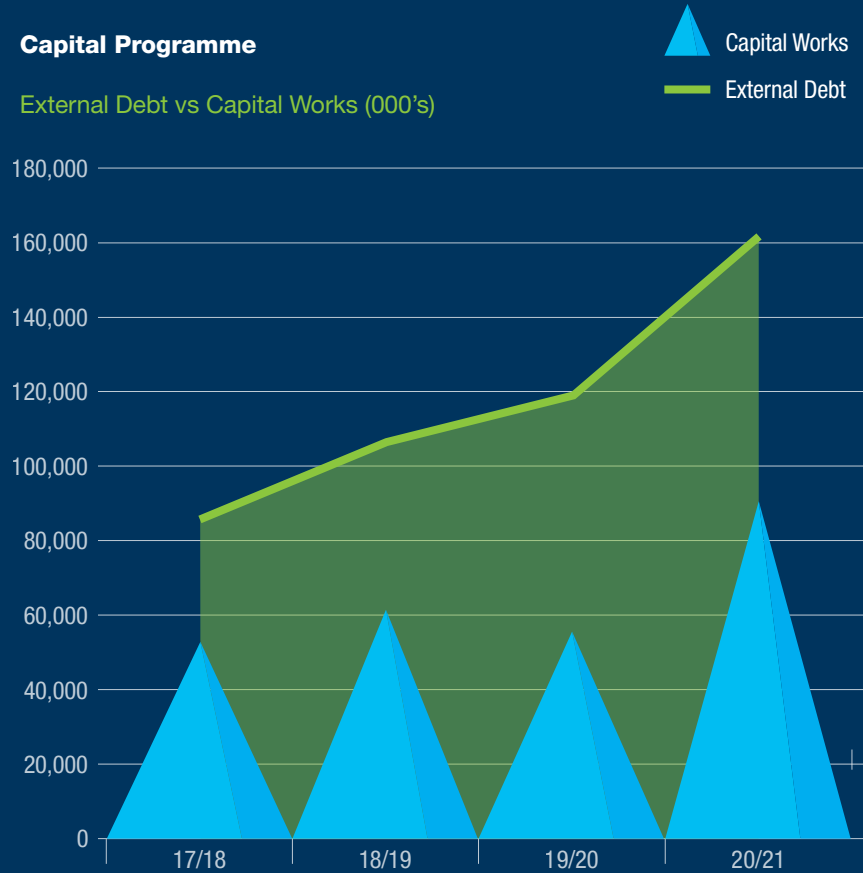
- > a prioritised capital programme, delivering the 'right' projects ahead of growth so that development is supported in the appropriate areas;
- > rates increases (subject to changes in growth forecasts) are set at maximum of 10.8% gross (7% net) per annum for the first three years and 9.0% gross (5.5% net) per annum for years four to ten;
- > debt levels maintained at affordable levels (i.e. within borrowing limits);
- > debt levels at the end of the ten 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.



REPORTING BACK ON FINANCIAL STRATEGY

Capital Programme

External Debt vs Capital Works (000's)

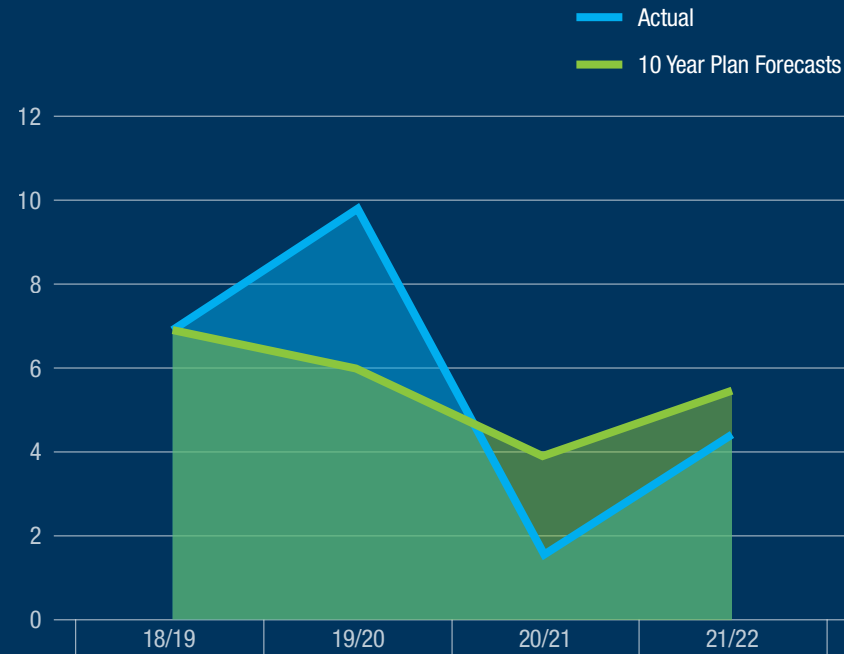


The graph above shows that the actual spend on capital projects has increased significantly for the last year compared to the previous three. The result for 2020-21 is a distinct improvement but is still some \$104.3M short of the original 2018 Ten Year Plan budget for 2020-21. This is due to primarily to the deliberate re-programming of the 3 Waters capital programme and delays in the approval process for major transport improvements in Queenstown.

RATES

The graph below shows the actual rates increases over the past four years compared to the increases forecast in the Ten Year Plan. The total rates for 2021-22 are lower than forecast and reflect the increased growth in the district to that forecast in the Ten Year Plan.

Rates Increase % – Actual and Forecast (after allowing for growth)



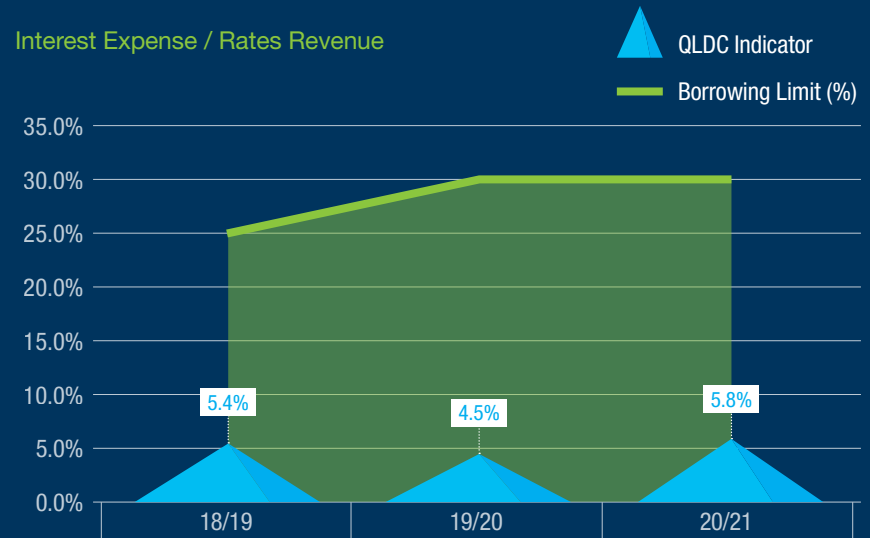
## DEBT LEVELS

In order to deliver the large capital programme included in the 2018-28 and 2021-31 Ten Year Plans, the Council will need to rely on borrowing. The Council has spent a considerable amount of time and effort working through the capital programme to ensure it is affordable and deliverable. The actual external debt at 30 June 2021 was \$161.9M; this is \$43.1M more than June 2020 and \$192.7M less than the amount forecast in the 2018 Ten Year Plan. This is largely due to the re-programming of the 3 Waters capital programme and the delay in the approval process for major transport improvements in Queenstown.

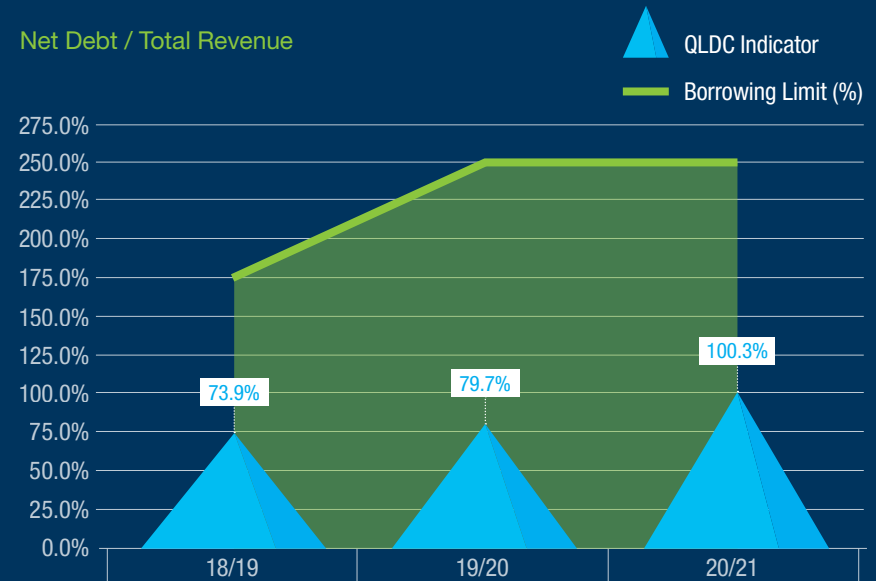
**The actual and proposed levels of debt are now within all of the Council's borrowing limits:**

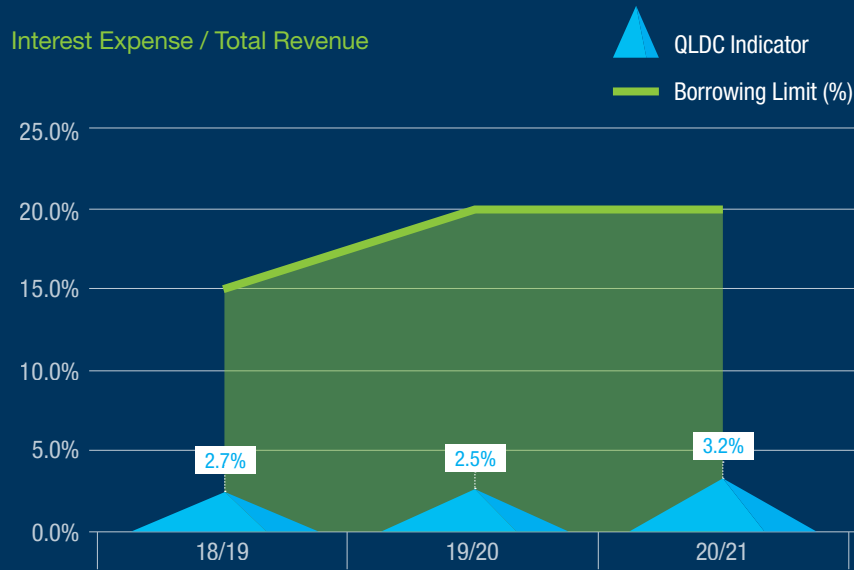
LGFA Borrowing Limits (%)	Actual 2018/19	Actual 2019/20	Actual 2020/21	Forecast 2020/21
Interest Expense/ Rates < 30%	5.4%	4.5%	5.8%	16.9%
Interest Expense/ Total Revenue < 20%	2.7%	2.5%	3.2%	7.5%
Net Debt/Total Revenue < 250%	73.9%	79.7%	100.3%	180.6%

### Interest Expense / Rates Revenue

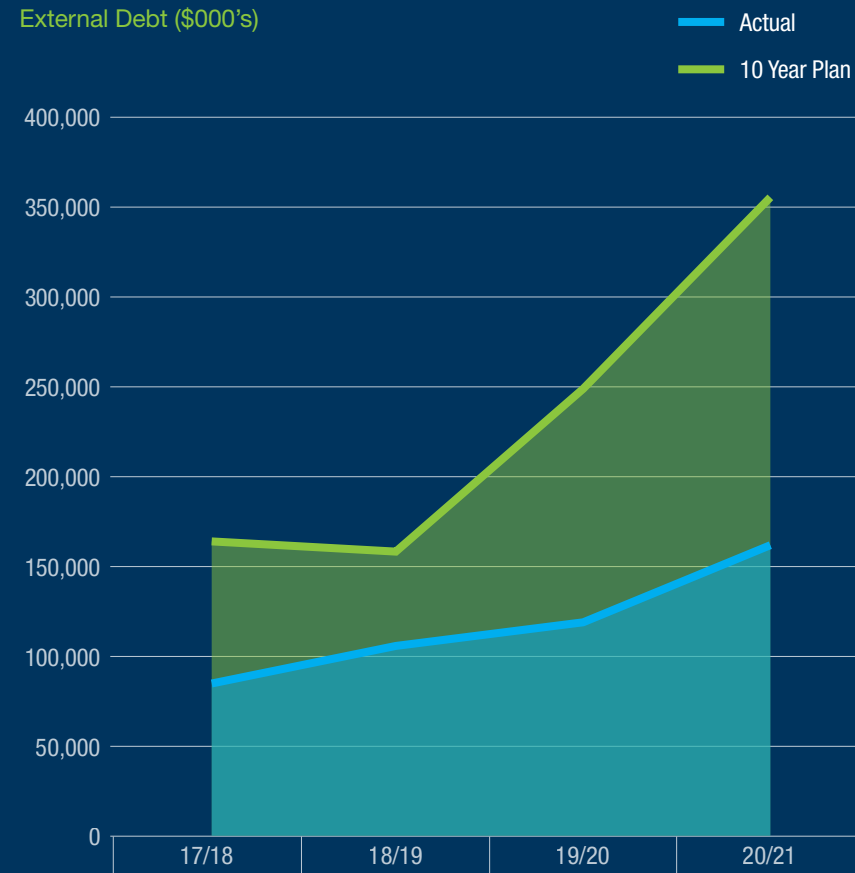


### Net Debt / Total Revenue





The following graph shows the forecasted debt levels compared to actual debt levels up to 2020-21. As can be seen, actual debt levels are significantly reduced. The actual external debt at 30 June 2021 was \$161.9M and is \$192.7M less than the amount forecast in the 2018 Ten Year Plan.



Borrowing will have to increase in order to deliver the future capital programme but the Council will ensure that the projects continue to be rigorously prioritised.

## CAPITAL WORKS 2020/21

Notable infrastructure projects that have been substantially advanced or completed during the 2020/21 financial year:

<i>Project</i>	<i>Cost at Year End 2021 (\$)</i>
Recreation Ground new WW Pump Station	12,645,776
Lakeview Development Site Clearance	6,510,020
Queenstown Street Upgrades – CIP	6,022,515
Ballantyne Road Reseal	5,094,257
Qtn Town Centre Arterials – CIP Stage 1	3,801,311
Willow Place WWPS Rising Main upgrade	3,491,357
Shotover Country Rising Main (bridge)	3,137,765
Wānaka – Minor Improvements	2,903,084
Cardrona new Wastewater Pipeline	2,624,676
CROWN RANGE SPR – Sealed rd resurfacing	1,944,736
Wānaka Lakefront Development Plan	1,881,395
Bennetts Bluff Safety Improvements	1,770,887
Reform Stimulus Delivery Plan (3W)	1,765,203
Wastewater – Renewals – Queenstown	1,758,324
Lakeview Storm Water upgrade	1,732,380
Artificial Turf Programme	1,590,244
Qtn Arterial – Balance of Route (TR)	1,560,598
Project Shotover WWTP upgrade	1,322,975
Ladies Mile HIF Stormwater new scheme	1,224,830
Project Pure WWTP upgrade	1,191,126
Quail Rise new Reservoir	1,176,936
North Wānaka new WW conveyance scheme	1,111,812
Beacon Point new Reservoir	1,106,258
WAKATIPU – Unsealed road metalling	1,056,960
Crown Range SPR – Minor Improvements	1,046,827

Carry-forward projects totalling \$45.06M were approved by the Council in September for completion in 2021-22 and 2022-23. Projects in excess of \$500k are as follows:

<i>Project</i>	<i>Budget deferred at Year End 2021 (\$)</i>
Reform Stimulus Delivery Plan (3W)	3,570,797
Beacon Point new Reservoir	3,497,770
North Wānaka new WW conveyance scheme	3,474,847
Wānaka Lakefront Development Plan	2,697,757
Lucas Place Road Rehab	1,753,245
Ballantyne Road Reseal	1,751,609
Hanley's Farm new Reservoir (Coneburn)	1,680,286
Shotover Country WS new WTP	1,578,864
Lucas Place SW upgrades existing pipes	1,509,685
Queenstown Street Upgrades – CIP	1,477,485
Lakeview Development	1,378,879
Qtn Town Centre Arterials – CIP Stage 1	1,198,689
Kawarau Place duplicate SW pipeline	1,138,829
Beacon Point new Water Treatment Plant	1,029,594
Wakatipu Active Travel Network	1,011,548
Artificial Turf Programme	1,009,757
Alpha Series SW bypass	980,338
Coronet Forest Revegetation	884,295
Luggate Hall Replacement	864,608
Willow Place WWPS Rising Main upgrade	749,881
Hanley Frm PS & Ris/Fall mains (Coneburn)	733,568
Arterial – Balance of Route (TR)	695,793
Healthy Homes	666,550
Recreation Ground new WW Pump Station	613,122
Wānaka Library Building	611,296
Queenstown Gardens Development Plan	605,922
Marine Parade WWPS upgrades	583,806
516 Ladies Mile Community Centre	562,081

# Statement of service performance

# Te tauākī ā kā ratoka kaunihera

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# Fact file

USUALLY RESIDENT POPULATION

TOTAL VISITOR

## AVERAGE DAY POPULATION

50,552  
AVERAGE DAY  
TOTAL 2021



85,372  
AVERAGE DAY  
TOTAL 2031



## PEAK DAY POPULATION

102,348  
PEAK DAY  
TOTAL 2021



144,782  
PEAK DAY  
TOTAL 2031



# COVID-19 update

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As outlined in the 2019-20 Annual Report, QLDC has demonstrated its ability to coordinate an effective response to a civil defence emergency throughout the COVID-19 pandemic. This ongoing health emergency has had a profound global and national impact. While the effects of the pandemic have been felt across all New Zealand, the Queenstown Lakes district has been disproportionately impacted in terms of transmission rates, social hardship and economic fallout.

Whilst the vast majority of the CDEM response was reported in the 2019-20 financial year, the recovery initiatives have continued through most of 2020-21.

## RECOVERY

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QLDC activated its Recovery team in March 2020 in conjunction with the EOC and work began immediately to address the emerging, complex and uncertain impacts the crisis was having on our community and economy. A virtual team was created, which remained through to March 2021 when all recovery initiatives were transitioned back into the work programmes of function areas with the organisation. Recovery has become a critical part of the context within which QLDC now works, most notably in the economic development and community partnerships teams.

Effective operation within this 'new normal' requires:

- > Planning for the social and economic recovery of the district in pursuit of Vision Beyond 2050.
- > Implementation of key initiatives via a network of key partners, groups and leaders.
- > Supporting a network of collaboration between government, charities, businesses, community groups and the public.
- > Ensuring the flow of reliable information and data.
- > Building a strong relationship with the EOC to ensure consistency of approach, evolution and consistency.
- > Managing key stakeholders and key risks.
- > Ensuring the flow of funding and resources to deliver important initiatives.
- > Monitoring, evaluating and reporting on progress.

Achievements have included:

- > Development of collaborative relationships with key partners – including iwi, community, funders and government.
- > Jobs Fairs and resilience building initiatives.
- > Summer Series of community events.
- > The Mayoral Taskforce for Tourism and Short-term Recovery (advisory group).
- > The Regenerative Recovery Advisory Group (community-led).
- > Advocacy to central government and service providers on various matters of importance to our communities i.e. energy, welfare support, immigration etc.
- > Securing \$20M for diversification initiatives in the district.
- > Coordinating the Kia Kaha Queenstown Lakes Community Hub.

- > Founding partner of the Central Lakes Mental Wellbeing Recovery Group and Te Hau Toka Southern Wellbeing Group.
- > Progressing ideas posted through the Torokiki ideas platform.
- > Developing the foundations of a Diversification Plan (to be finalised 2021-22).
- > Building a partnership with the RTOs and MBIE to scope the Destination Management Plan.
- > Delivered a community talent retention initiative – Te Kakau.
- > Launched the ‘Home for Healthier Business’ team-builder attraction initiative.

## RESURGENCE

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As the latest August 2021 Alert Level 4 lockdown has demonstrated, the risk of a COVID-19 resurgence across the country remains high. The QLDC Emergency Operations Centre and Recovery teams recognise this reality and are ready and prepared to respond to any local resurgence. This response capacity is built upon the experience and learnings of the past 18 months which has helped forge strong partnerships across the public services, health, social services, emergency services, lifelines, business sectors and community associations. This network of agencies and organisations has demonstrated a strong ability to come together under stressful circumstances to work collaboratively to support the needs of the community.

The development of these partnerships and relationships will continue through the various QLDC work programmes associated with emergency management, community development and economic development. This collective effort will help ensure that the district, community and organisation is ready and prepared to cope with any future COVID-19 resurgence or major emergency event.



# Strategic focus areas

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## SPATIAL PLAN

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This year, significant work has been undertaken to create and finalise the first Spatial Plan for the district. This has been delivered in partnership with central government and Kāi Tahu and is the product of nearly three years' work. Grow Well Whaiora is the name of the partnership.

Whaiora in Te Reo Māori translates to "in the pursuit of wellness". This is the very essence of what the Spatial Plan sets out to achieve and every priority action has been designed with the wellbeing of people and environment in mind.

The purpose of the plan is to align decision making and investment across local, regional and central government, whilst ensuring the best possible future for the current community and the generations that will follow.

The Spatial Plan sets out a vision and framework for how and where the district will grow, in this case out to 2050. It is the first holistically designed "whole of district" Spatial Plan in New Zealand, ensuing that future growth happens in the right place and is supported by the right infrastructure, whether that's pipes in the ground, ways of getting around, access to schools, healthcare or other community facilities.

The plan was adopted by Council at the July 2021 Council meeting and is due to be endorsed by Government on the 22 September 2021. The next phase of work is of delivering on the plan for the Queenstown Lakes community.

## ECONOMIC DIVERSIFICATION

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Before COVID-19, the district was the least diversified district in the country, being highly dependent upon the visitor economy and tourism-related incomes. This creates an inherent lack of resilience for businesses, workers and the community alike.

The Spatial Plan outlines the need for an Economic Diversification Plan but this was not the first time that diversification has been identified as a key challenge. 'Our economy is strong and diverse' is one of the aspirations in the Beyond 2050 vision, and the need to reduce reliance on tourism has been echoed in a number of other strategies at both a regional and local level.

The COVID-19 outbreak has highlighted the vulnerability of the tourism industry, and the need to avoid having almost all our economic eggs in the tourism basket when the next disruption to the visitor industry occurs.

However, it has also demonstrated what can be achieved through collaboration, investment and partnership with the private sector. This provides a strong foundation for initiatives and helps to create an ecosystem that supports diversification.

The Recovery programme and central government funding enabled a number of key diversification interventions to get underway and these will be coming to fruition over the next few years. Economic Diversification will be a 15 – 20 year journey.

Over the past year, the Regenerative Recovery Advisory Group met regularly to discuss the strategic challenges of diversification. Their final report summarised many key points of the discussion and they provided a great forum to test strategic direction. It is clear that effective diversification will also be regenerative, finding the right solution, for the right people, in the right place for the benefit of the environment.

During 2021-22 a comprehensive Economic Diversification Plan will be compiled to define short, medium and long-term objectives for the programme of work.

### DESTINATION MANAGEMENT

Destination management is traditionally a tool used in developing tourism locations to focus upon product development, marketing, resource management and visitor infrastructure. In many respects, QLDC and the Regional Tourism Organisations have been taking this approach for a long time, but COVID-19 and central government funding has presented the opportunity to adopt a highly collaborative and aligned approach. The development of the Destination Management Plan is an output of both the Spatial Plan and meets the aspirations of the Climate Action Plan to become the 'most sustainable tourism destination'.

QLDC has been working in partnership with Lake Wānaka Tourism and Destination Queenstown to develop a scope for a bold new approach to destination management. The plan that is currently in creation will be working toward Regenerative Tourism by 2030 and aims to create a movement that improves the tourism industry and its social capital. The communities of the district and their aspirations need to be at the centre of the work, which has involved a significant programme of community co-design and industry engagement.

The Destination Management Plan will be being finalised with the RTOs, central government and iwi partners during 2021-22.

### CLIMATE ACTION PLAN

During 2020-21 year significant progress has been made in delivering actions within the Climate Action Plan (CAP). In spite of the disruptions of COVID-19, the Climate Reference Group was established, forming an expert advisory body to help shape the organisation's work in the climate action space and to help prioritise activity within the CAP. Over the course of the year, several key data sources have been created, including an Emissions Reduction Roadmap, a Sequestration Plan and a district-wide Emissions Profile has been prepared in partnership with the Otago Regional Council. Within QLDC, we are moving towards having a better understanding of the emissions associated with our decisions, projects and services through the use of the Ebench carbon and energy management software.

The climate action team is also highly focussed on three major adaptation projects that are underway with our partners, relating to the Mt Iron Wildfire Reduction Project, the Glenorchy Flood Risk Project and the Gorge Road Natural Hazards Project. The Climate Action Plan is currently being reviewed and will be considered as part of the Annual Plan Process.

A unique place.  
An inspiring future.

He Wāhi Tūhāhā.  
He Āmua Whakaohoho.

VISION BEYOND 2050





## Thriving people | Whakapuāwai Hapori

Ours is a community with a strong heart and whānau roots that run deep.

Ours is the most accessible, barrier-free district in Aotearoa New Zealand for all people

People of all ages are able to seek a future here

Everyone can find a healthy home in a place they choose to be

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

Our doors and minds are open; everybody is warmly welcomed



## Embracing the Māori world | Whakatinana i te ao Māori

Ours is a district that honours Te Tiriti o Waitangi and champions equality for all our people.

We celebrate the unique history of our rohe and Aotearoa New Zealand

Our kōrero is strong in both Te Reo and English

Our diverse, multicultural past and present strengthens our district's future

Our Māori ancestry and European heritage are both reflected and enrich our lives



## Opportunities for all | He ōhaka taurikura

Our district is a place of social, environmental and technological enterprise.

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



## Breathtaking creativity | Whakaohooho Auahataka

Surrounded by the endless inspiration of our landscapes, ours is a place that nurtures the arts, culture and the spirit of invention.

Our breath-taking landscapes and diverse people attract strong talent and create space for reflection

Free-thinking innovation and locally distinct arts make our place a byword for brilliance

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



## Deafening dawn chorus | Waraki

Our ecosystems flourish and are predator-free under our kaitiakitanga.

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

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Our waterways and lakes are drinkable

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Our people and visitors respect the privilege of accessing our rivers, lakes and mountains

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We set the standard for combating biodiversity loss

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## Zero carbon communities | Parakore hapori

From Makarora to Kingston, our district sets the standard for regenerative, low-impact living, working and travel.

Our homes and buildings take the best ideas from the world, but use sustainable, locally-sourced materials

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

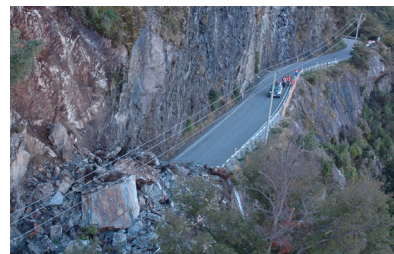
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Active travel is an integral part of an accessible and safe network for all of our people

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Zero waste is just something that we do here

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## Disaster-defying resilience | He Hapori Aumangea

Queenstown Lakes is a place that is ready and prepared for every emergency.

Our communities are resilient to disasters and adapting to a changing global climate

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Our people stand tall through any challenge, caring for whānau, neighbours and visitors alike

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Our infrastructure is as resilient as our people

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Recovery empowers our people to quickly find a new normal

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## Pride in sharing our places | Kia noho tahi tātou kātoa

Our district is a place where our quality of life is enhanced by growth through innovation and thoughtful management.

Our lives are enhanced by measuring wealth in wellbeing as well as dollars

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Our welcome is warm and genuine, and visitors respect what is expected of them

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Our everyday experiences are enriched by focusing on shared values not volume

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We are the place the rest of the world cannot be

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# Vibrant communities

## Te oraka hapori



# Community services and facilities

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Efficient and effective community facilities



Communities have a good standard of living and wellbeing



Communities are inclusive for all



Strong cultural landscape that inspires, preserves and celebrates our heritage, arts and culture



Appropriate public access



# Case study – Rotary Playground, Wānaka Lakefront

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Queenstown Lakes District Council (QLDC) has completed its renewal of the Rotary Playground on Wānaka's lakefront, with the area opening mid-March for all members of the public.

The playground is located west of McDougall Street and has an impressive list of new features, including a swing set, spinning balance balls and balance steps, a trampoline and even a concrete scooter track running around its edge.

QLDC General Manager Community Services Thunes Cloete, said he was thrilled with the work undertaken to upgrade the playground, and that the finished product was a great improvement in accessibility and the variety of play it allowed for.

The renewal project also involved the placement of new bench seats and picnic tables around the existing BBQ and shelter, making it the perfect spot for families with young children to enjoy the playground, the lakefront and the view.

QLDC's budget for the renewal project was \$350,000.



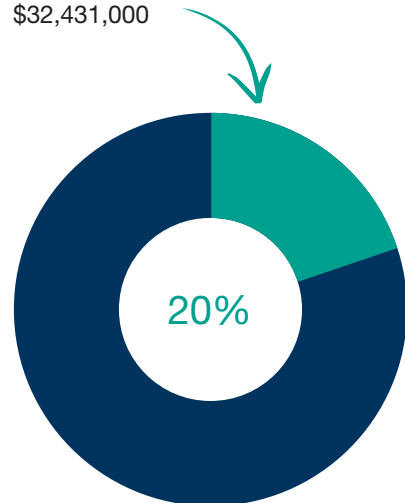


# What we achieved

## AS A PERCENTAGE OF TOTAL EXPENDITURE

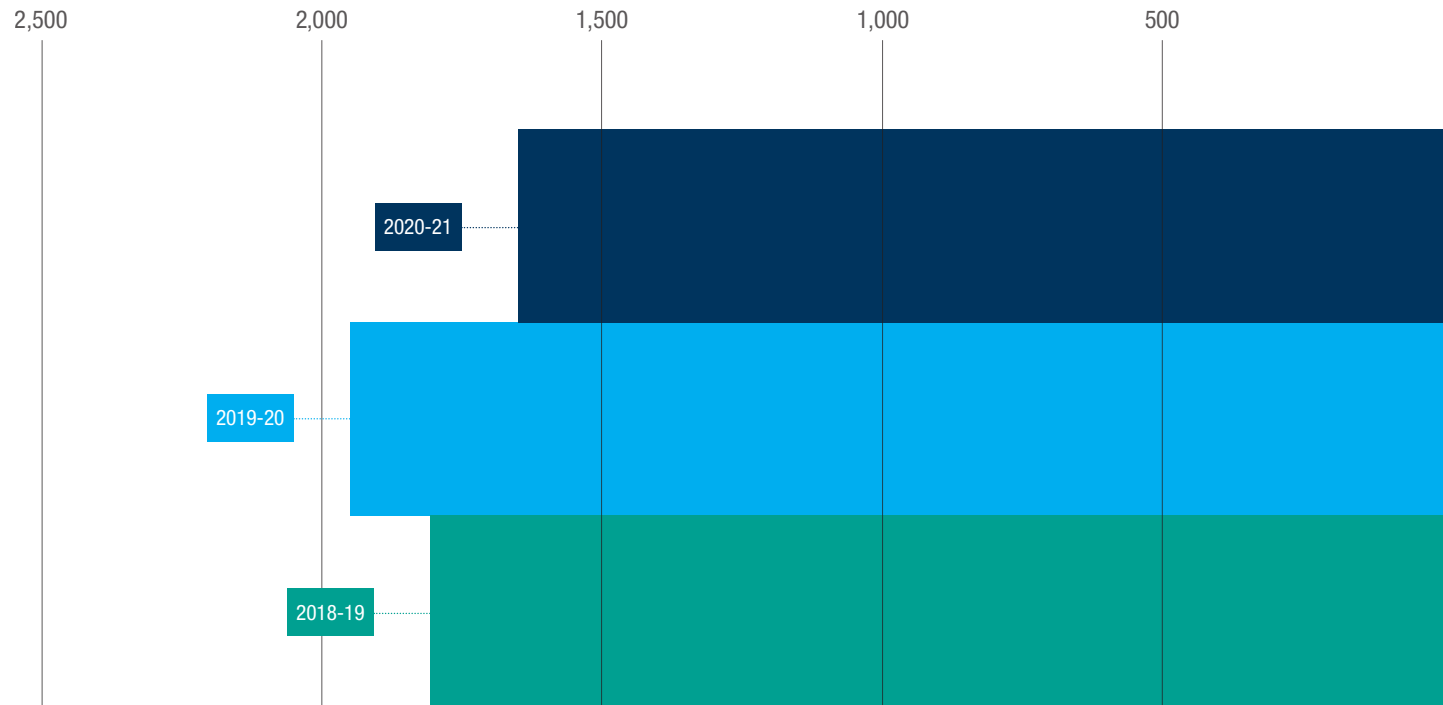
Total Council operating expenditure of \$161,856,000 (excluding depreciation)

Community Services expenditure of \$32,431,000



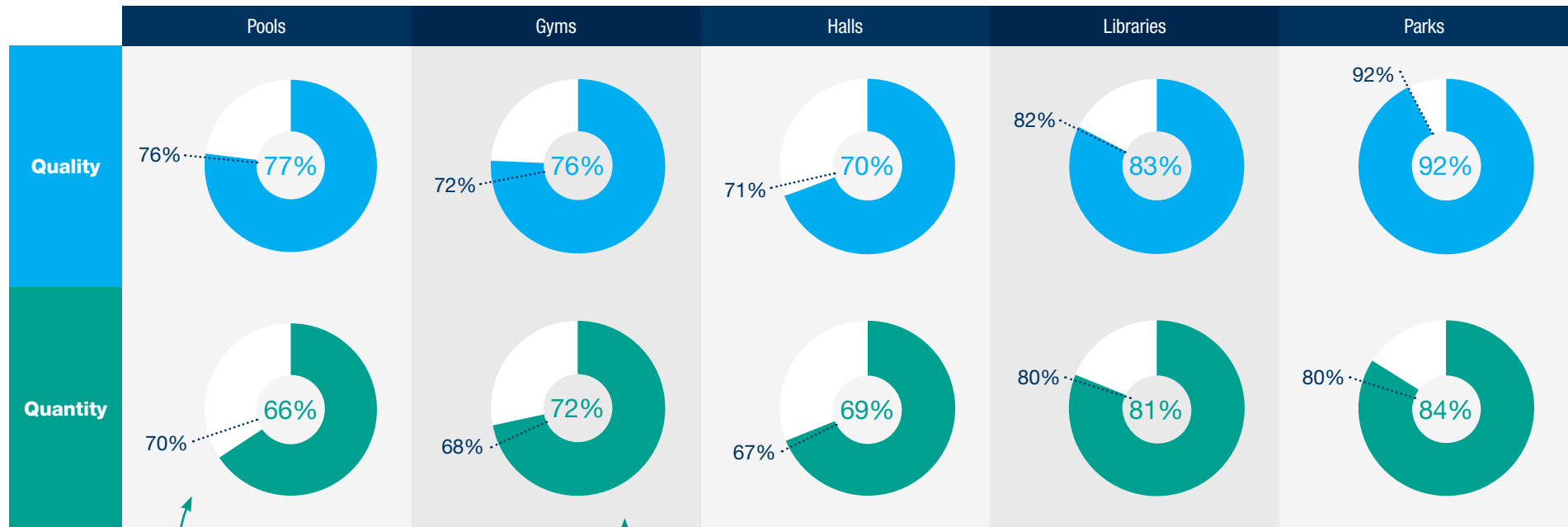
Trail usage decreased in 2020-21 due to COVID-19 border restrictions. The decrease was most evident over the summer months.

## KPI: AVERAGE DAILY USERS OF TRAILS



**KPI: PERCENTAGE OF RATEPAYERS WHO ARE SATISFIED WITH COMMUNITY SERVICES; POOLS, GYMS, COMMUNITY HALLS, LIBRARIES AND PARKS**

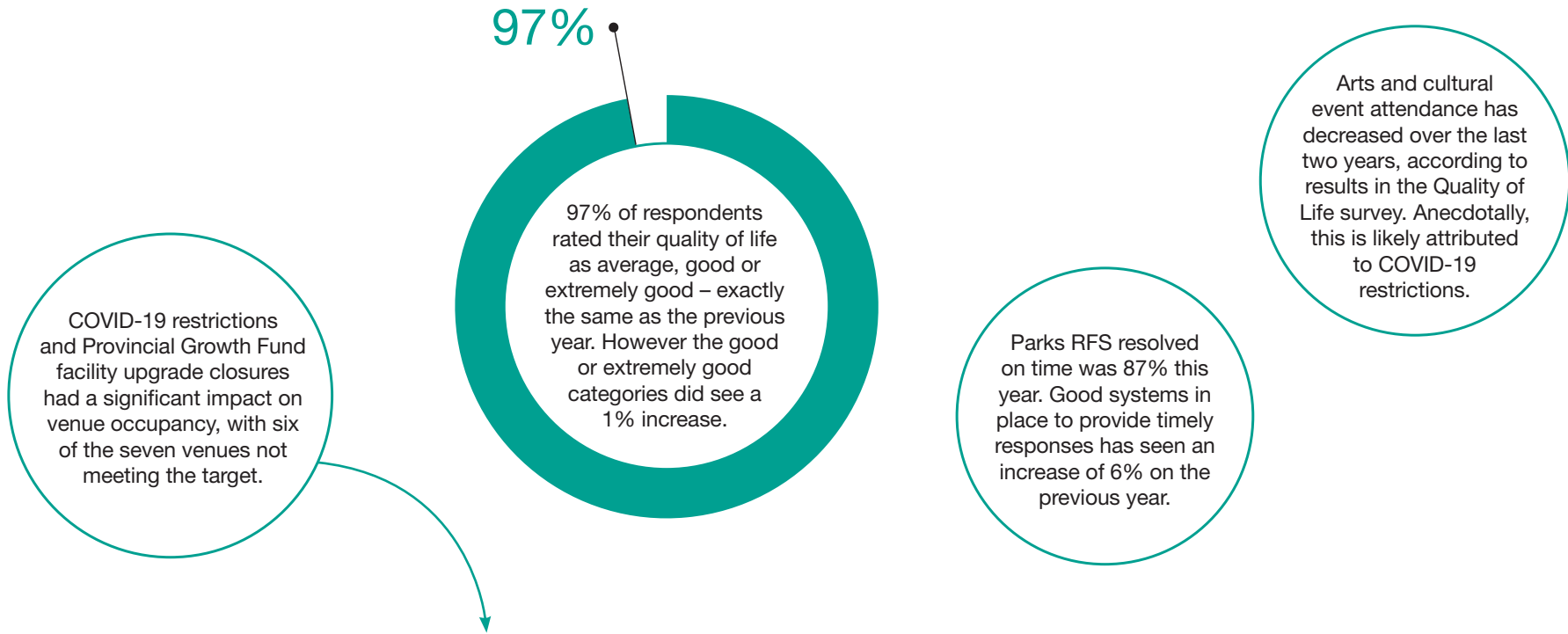
..... Target



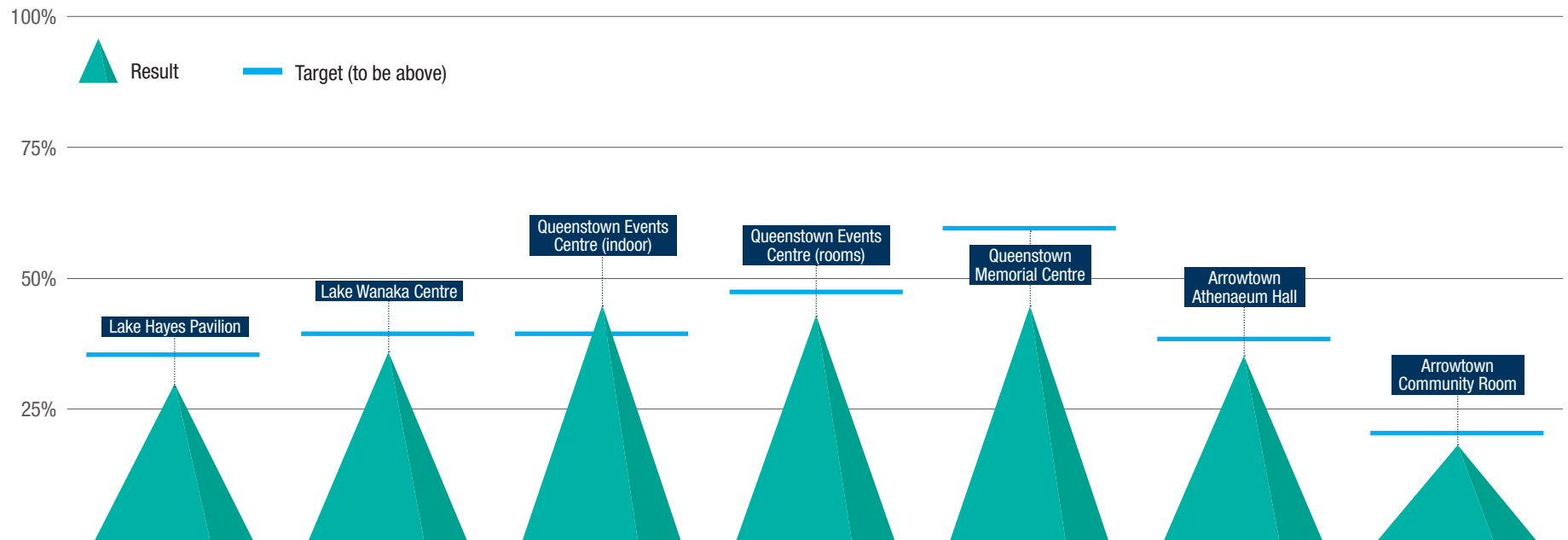
Satisfaction with the quantity of pools in the district did not meet target, however National Industry benchmarks indicate that Queenstown Lakes is more than sufficient in water space for the size of the population.

Satisfaction with the quality and quantity of gyms, community halls, libraries and parks in the district remains high.

All achieved increases on the previous year's results and only two did not meet the target set.



**KPI: PERCENTAGE HOURS OF COMMUNITY USE FOR OUR VENUES AND FACILITIES**



# Enduring landscapes

## Toitū te whenua

### WĀNAKA

- | Second Beacon Point reservoir currently in the design phase
- | Initial works for water treatment adjacent to reservoir underway
  - | The design of Project Pure underway
  - | Aubrey Road Shared Path (ongoing)
  - | Ballantyne Road Shared Path (ongoing)
- | Wānaka Transfer Station upgrades completed

### GLENORCHY

- | Design of new water treatment plant completed and designation application
- | Glenorchy-Queenstown Road slow vehicle passing bay completed

### WAKATIPU

- | Design for new Quail Rise reservoir under way
- | Physical works of Shotover Country bores and water treatment plant have commenced
  - | Upgrades to Arthur's Point water supply bore completed
- | Arthurs Point Crossing (Shotover Bridge Duplication) Business Case completed
- | Queenstown Transport Business Case approved

### LUGGATE

- | The design for bores and a new water treatment site underway

### CARDRONA

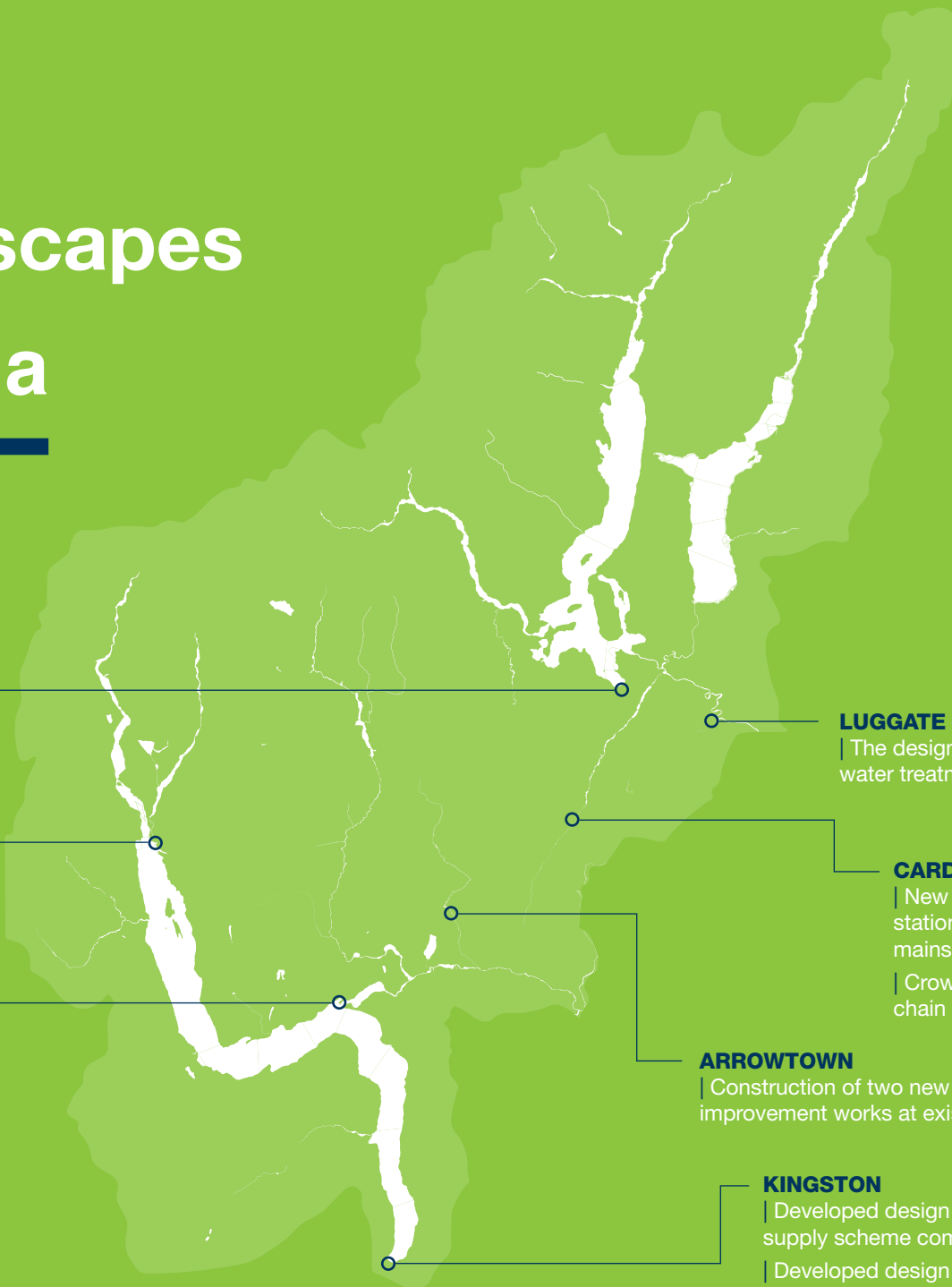
- | New wastewater pump station and associated trunk mains complete
- | Crown Range/Cardrona Valley chain bay improvements

### ARROWTOWN

- | Construction of two new bores and improvement works at existing bore completed

### KINGSTON

- | Developed design for the Kingston water supply scheme completed
- | Developed design of new wastewater treatment plant complete



# Environmental management

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Quality built environments that meet local needs and respect the local character



World class landscapes are protected



# Case study – Te Pūtahi Ladies Mile Masterplan Community Engagement

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At the 12 March 2020 Council meeting, Council approved procurement and works to proceed on the Te Pūtahi Ladies Mile Masterplan and Plan Variation. This decision was a result of previous Council meetings where it was agreed that the Te Pūtahi Ladies Mile area may be developed for urban purposes in the medium to long term, and that a proactive Council-led planning approach should be undertaken given the likelihood of the area being increasingly developed over time. This approach was to incorporate the wide range of community, housing, recreation, transport, green space and infrastructure considerations for Ladies Mile and the surrounding area.

The Masterplan will cover approximately 160 Ha, however there is a much wider area of influence that must be considered to ensure the Masterplan and Plan Variation delivers the best outcomes for the community.

Following extensive traffic modelling, engagement with landowners, multiple stakeholders (including Wakatipu Way to Go, Waka Kotahi (NZTA), Iwi, Ministry of Education (MoE)), public open days and targeted community association meetings, the Ladies Mile Consortium (LMC) team produced a draft Masterplan and related planning provisions which was approved at the 29 April 2020 Council meeting, for a 20-working day public consultation period to provide an opportunity for the community to review and comment.

Over 500 submissions were received on the draft Te Pūtahi Ladies Mile Masterplan and associated planning rules. The feedback indicates that 86% of respondents do not support or have concerns regarding the draft Masterplan and Planning rules. Concerns focused on whether development was appropriate in this location and the impacts on traffic congestion in the area. Positive outcomes identified included the provision of additional facilities and open spaces. This has been an opportunity for the community to play an important role in guiding how Te Pūtahi Ladies Mile could develop in the future. The high response and turnout to the community information session shows how important this area is, particularly to the people who live nearby.

Transport remains a key constraint to the potential development of Te Pūtahi – Ladies Mile, and additional work is necessary to confirm the proposed transport interventions, the timing of these interventions and how they would be funded.

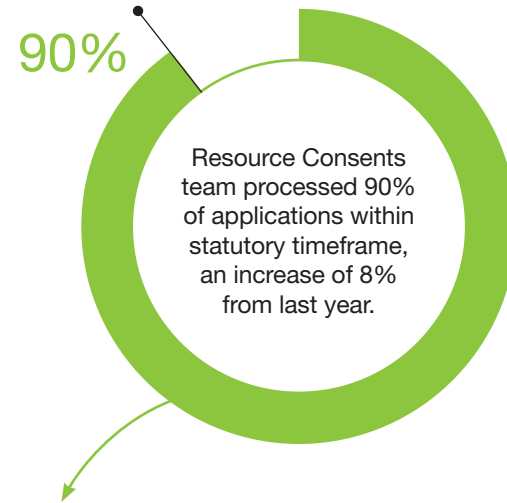
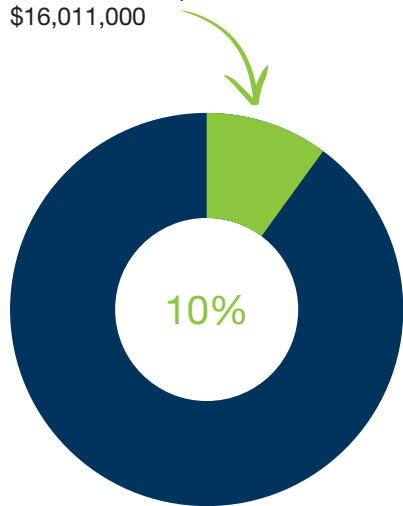
Elected Members will be asked to consider whether to continue with a Council-led approach or to stop work on the Masterplan at the October Council meeting.

# What we achieved

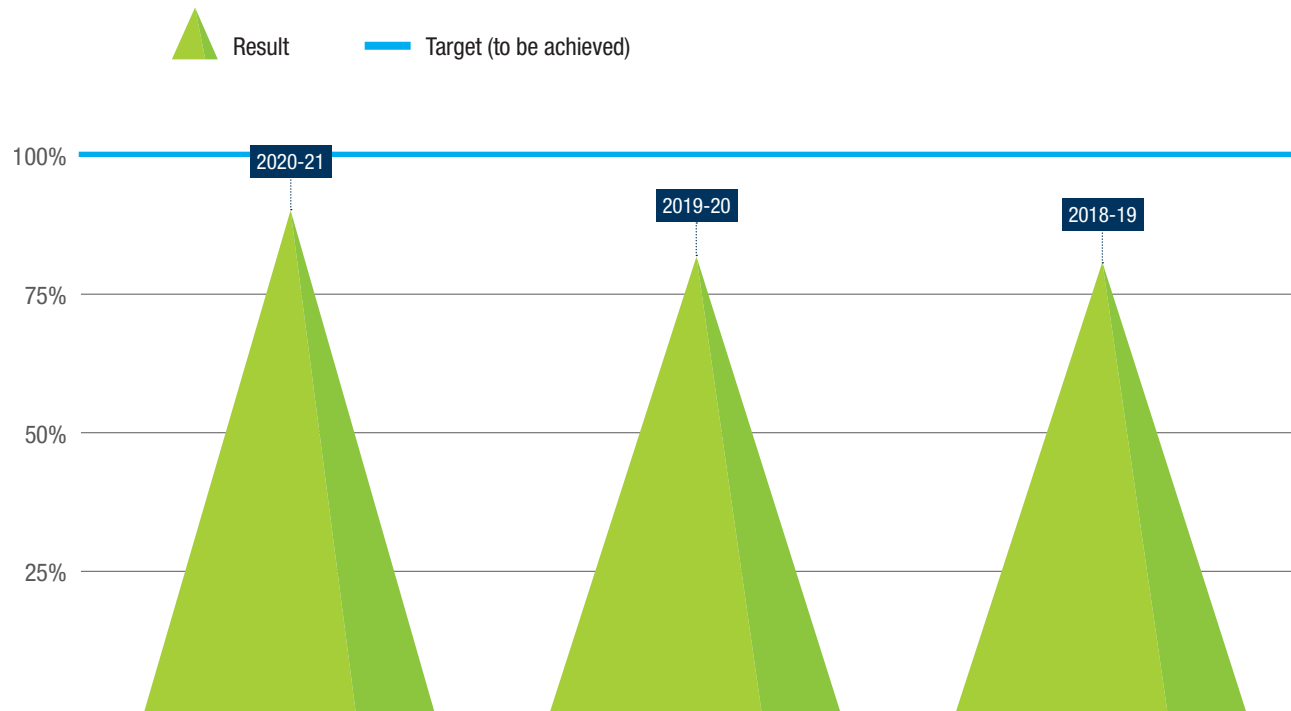
## AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Council operating expenditure of \$161,856,000 (excluding depreciation)

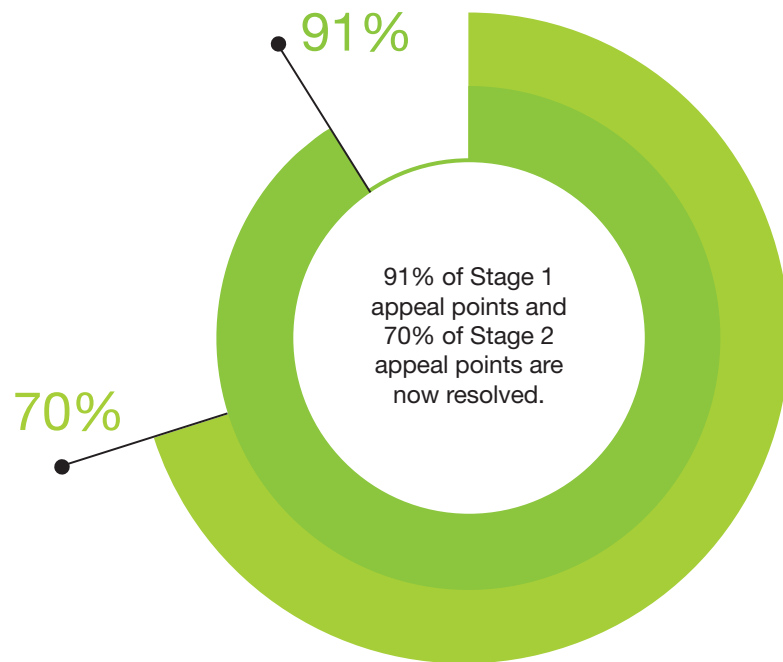
Environment expenditure of \$16,011,000



## KPI: PERCENTAGE OF RESOURCE CONSENTS PROCESSED WITHIN STATUTORY TIMEFRAMES



# What we achieved



The Strategic Chapters of the District Plan have largely been resolved through the issuing of interim decisions by the Environment Court, setting the strategic direction for the Queenstown Lakes District. Resolution of outstanding appeal points will need to be consistent with this higher order framework.

The Queenstown Lakes Spatial Plan was approved by Council on 29 July 2021. Community engagement played an integral role in the development of the Spatial Plan.

The Grow Well Partnership is now focused on developing an implementation plan. Going forward, the Spatial Plan will be reviewed on a three-year cycle. This will enable the Spatial Plan to inform future Ten Year Plans and the 30 Year Infrastructure Strategy.

33% of residents were either satisfied or very satisfied with Council's measures in protecting the environment. This is higher than the previous year where 24% of residents demonstrated an overall satisfied rating, but did not meet the target set.

33%



# Infrastructure

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Efficient and effective infrastructure



Environmental sustainability and low impact living is highly valued



# What we deliver

We will deliver this outcome through the following activities:

1. Water Supply
  2. Stormwater
  3. Wastewater
- Collectively known as 3 Waters
4. Waste Management
  5. Transport, including roading, parking and footpaths

# What we achieved

>95% Target • 96% 3 waters  
98% Solid waste  
89% Roothing



# Water supply

## Case study – Private water supply community information sessions

Southern District Health Board (SDHB), Queenstown Lakes District Council (QLDC) and Otago Regional Council (ORC) jointly held community information sessions in Queenstown and Wānaka to discuss private water supplies (water taken outside of town supply). These were held in Wānaka on 30 March 2021 and Queenstown on 31 March 2021.

The community information sessions aimed to clarify the responsibilities of private water suppliers and provided guidance around the roles of the respective agencies in the oversight of the supply of water.

Experts from each organisation presented information aimed to help those managing or consuming water from a private supply to better understand where the water comes from, the inherent risks associated with taking water from different sources (with a focus on groundwater bores), as well as recommended testing and security measures.

The presentation helped clarify the current regulatory framework and outline the changes that are on the horizon as part of the Government-led Three Water Reform Programme (Water Services Bill). From July 2021, there is now a new national water regulator, Taumata Arowai, which will oversee, administer, and enforce a strengthened drinking water regulatory system. A representative from Taumata Arowai attended these sessions.

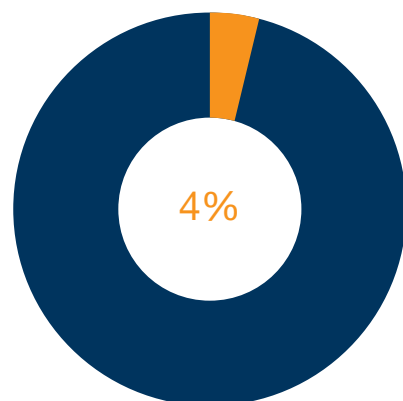


# What we achieved

## AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Council operating expenditure of \$161,856,000 (excluding depreciation)

Water Supply expenditure of \$6,708,000



The percentage of water lost from the water supply network has decreased this year and although just missed target by 1%, it is indicative that leakage detection and repair work has successfully held the condition of the network at this level.

QLDC signed a memorandum of understanding with Central Government in 2020 and is participating in the exploration of future service delivery options. QLDC remains focused on maintaining and improving the quality of our water infrastructure.

QLDC met the benchmarks set in response and resolution times to attend faults and water supply complaints.

Protozoal compliance was not met and capital investment in treatment upgrades or turbidity control is required at all sites to meet the protozoal requirements of the Drinking Water Standards New Zealand.

All 28 treatment plants and distribution systems were 100% compliant with the bacterial requirements of the Drinking Water Standards New Zealand.

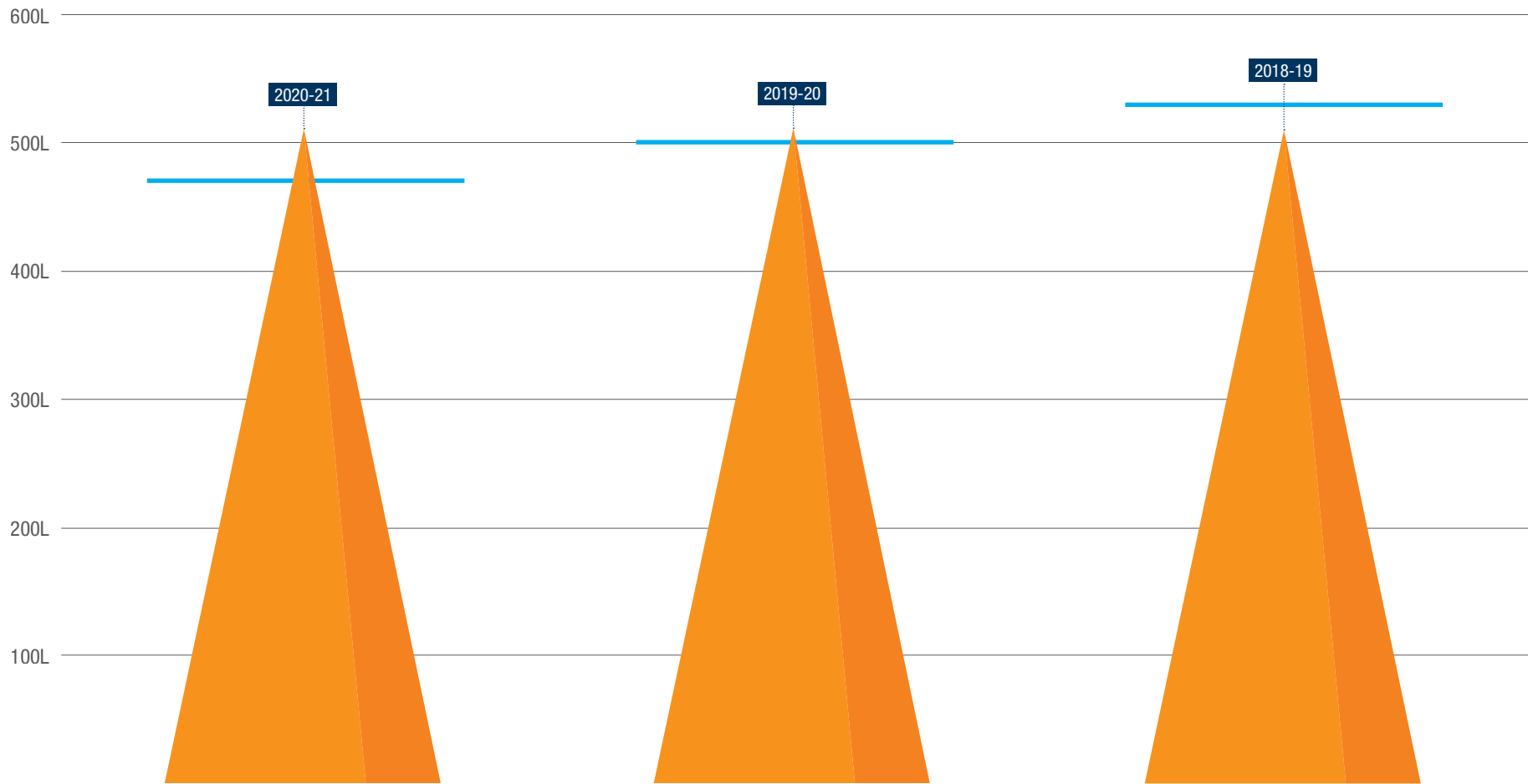
## KPI: NUMBER OF COMPLAINTS PER 1,000 CONNECTIONS TO A PUBLIC WATER RETICULATION NETWORK

Category	2020-21 Result	Target
a) the clarity of drinking water	1.37	<4
b) the taste of drinking water	0.14	
c) the odour of drinking water	0.04	
d) the pressure or flow of drinking water	2.67	
e) the continuity of supply of drinking water	2.6	
f) the way in which a local government organisation responds to issues with a water supply	0	<2

**KPI: AVERAGE CONSUMPTION OF WATER PER DAY PER RESIDENT**

▲ Result      — Target (to be below)

Water consumption decreased slightly to 512 litres, but did not achieve the 'sinking lid' annual target to be below 470 litres per person per day. Currently QLDC has limited mechanisms beyond education to drive water efficiency and this may limit the ability to achieve reductions in the short term.



# Wastewater

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## Case study – Recreation Ground Pump Station and Wastewater upgrade

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The new pump station will take the load off the existing facility at Marine Parade which is currently the only wastewater pump station to serve Queenstown, Fernhill, Sunshine Bay, Gorge Road and Arthurs Point. The current pump station does not have any emergency storage facility and is unable to be taken offline for more than a few minutes for maintenance.

The new pump station at the Recreation Ground will provide emergency storage, additional pumping capacity and a new rising main (pipeline) for wastewater across town. This will provide more resilience to the wastewater network in Queenstown and reduce the likelihood of uncontrolled flows of wastewater into Lake Wakatipu.

Since the Recreation Ground Pump Station and Wastewater upgrade project started back in May 2020,

over 1,200 metres of wastewater pipe has been installed along Park Street and great progress made on building the new pump station at the Recreation Ground carpark.

In September 2020 the next phase started, which involved using a technique called Horizontal Directional Drilling (HDD) to install 870m of wastewater pipe across the town centre. Unfortunately, due to unforeseen ground conditions, the drilling was unsuccessful, and a change in approach was taken with installing the new pipe.

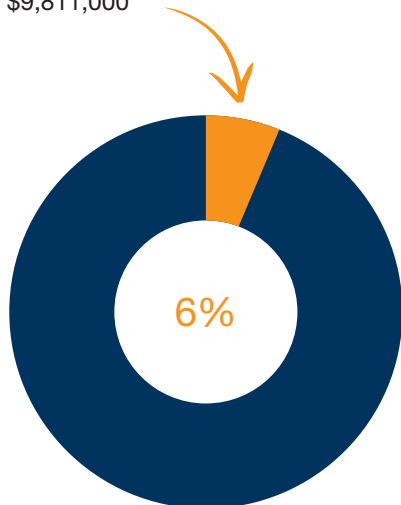
From 17 May installation began of 600m of wastewater pipe into open trenches along Camp and Earl Street and along Marine Parade, connecting to pipe recently installed across a portion of the Queenstown Gardens to Park Street.

# What we achieved

## AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Council operating expenditure of \$161,856,000 (excluding depreciation)

Wastewater expenditure of \$9,811,000



Significant upgrades are planned for the districts two largest treatment plants: Shotover wastewater treatment plant (Queenstown) and Project Pure (Wānaka and Luggate).

The other major pump station project in Queenstown, the Recreation Ground pump station, is near completion alongside the rising main.

Compliance with resource consents for discharge to air, land or water was not met due to receiving an abatement and infringement notice. This remains a focus area to ensure compliance requirements are met.

QLDC met the benchmark set for the majority of the DIA measures relating to response and resolution times to attend faults, dry weather overflows and wastewater network complaints.

1.55 dry weather overflows per 1000 connections in 2020-21

## KPI: ANNUAL NUMBER OF DRY WEATHER OVERFLOWS FROM A MUNICIPAL SEWERAGE SYSTEM PER 1,000 SEWERAGE CONNECTIONS

Year	Result	Target
2020-21	1.55	<3
2019-20	1.66	
2018-19	3.2	

## KPI: MEDIAN RESPONSE TIME TO ATTEND TO SEWERAGE OVERFLOWS RESULTING FROM BLOCKAGES OR OTHER FAULTS OF A MUNICIPAL SEWERAGE SYSTEM

a) between the time of notification and the time when service personnel reach the site.

Year	Result	Target
2020-21	18 mins	<60 mins
2019-20	17.5 mins	
2018-19	17 mins	

b) between the time of notification and resolution of the blockage or other fault.

Year	Result	Target
2020-21	129 mins	<240 mins
2019-20	121 mins	
2018-19	151.5 mins	

# Stormwater

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## Case study – Frankton stormwater upgrade

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Work to upgrade the Frankton stormwater system started in June. The upgrade will improve resilience to the district's stormwater network and meet the needs of both current residents and projected future growth in the area.

The project involves upgrading approximately 600m of stormwater pipe along Lucas Place, between the roundabouts at Sir Henry Wigley Drive and Hawthorne Drive.

Downstream pipes will be upgraded through an easement down Douglas Street and turning into Robertson Street.

Stormwater upgrades work will also take place on Kawarau Place, the lower end of Riverside Road, and Magnolia Place.

The upgrade complements earlier work on the Frankton stormwater network in 2019, near the BP roundabout down to the lake edge. New pipes from this project will connect to previous upgrades.

It will also result in better treatment of stormwater before it enters the lake.

As part of the project, a full road rehabilitation will be undertaken on Lucas Place.

Council has appointed HEB Construction to undertake this work following a competitive tender process conducted from January to March 2021.

Stormwater upgrades will take place from early June through to September, and road rehabilitation will take place from September to early November.

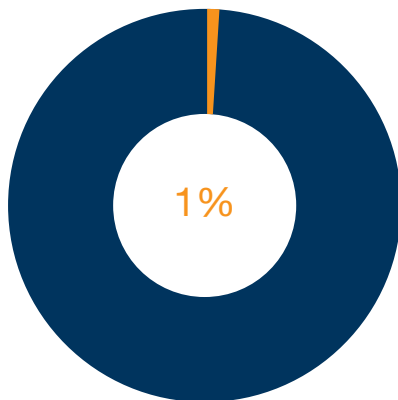


# What we achieved

## AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Council operating expenditure of \$161,856,000 (excluding depreciation)

Stormwater expenditure of \$1,801,000



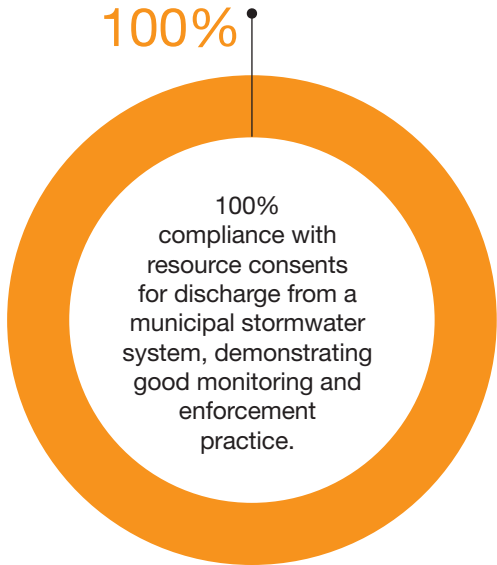
QLDC is responsible for approximately 339.6km of stormwater mains

QLDC are developing a stormwater sampling methodology to increase our knowledge of the water quality in our waterways in collaboration with ORC. The results will be used to identify any stormwater quality issues and to help determine the best ways to treat stormwater if required. It will also be used to further develop our Contamination Load Models which QLDC currently has for Queenstown, Frankton and Wānaka.

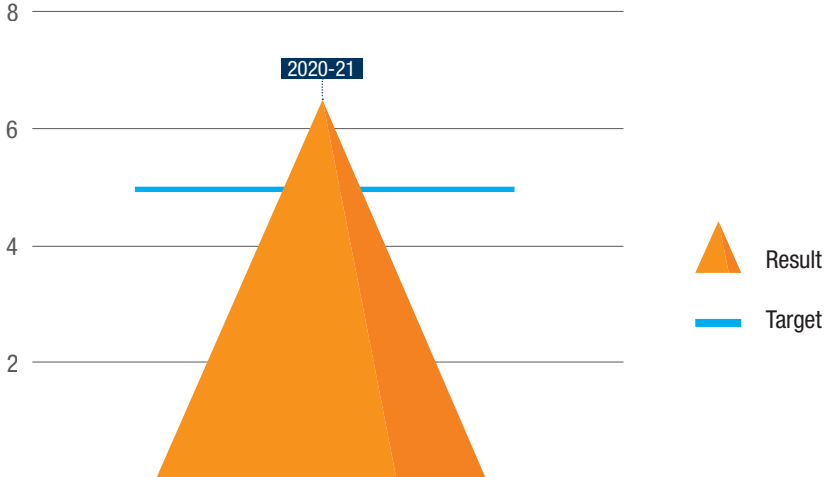
Further work has been undertaken on our stormwater models to increase the model confidence so they can be used to accurately reflect how our catchments respond during rainfall events. These model updates have occurred for Queenstown, Frankton and Wānaka. Following on from this, the Catchment Management Plans previously produced will be revisited to ensure the projects identified are still priorities.

No flooding events this year and as such, no flooding events to habitable floors recorded.

There were 6.45 complaints per 1000 properties for 2020-21. This exceeds the target set to be below 5. Preventative clearing of road side sumps continues to be a focus to improve performance in this area, along with an increased presence in the education and regulation of sediment control from building sites which are a key contributor to sump blockages.



## KPI: THE NUMBER OF COMPLAINTS RECEIVED BY A TERRITORIAL AUTHORITY ABOUT THE PERFORMANCE OF ITS STORMWATER SYSTEM, EXPRESSED PER 1000 PROPERTIES CONNECTED TO THE TERRITORIAL AUTHORITY'S STORMWATER SYSTEM



# Transport, roading, parking and footpaths

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## Case study – Bennetts Bluff Lookout

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For many years, drivers have been pulling over on the side of the road at Bennetts Bluff to enjoy unique views of Lake Whakatipu on the Glenorchy-Queenstown Road.

To make this safer for locals and visitors, a new lookout at Bennetts Bluff opened in July 2021. Bennetts Bluff is located about halfway between Queenstown and Glenorchy on the Glenorchy-Queenstown Road.

Queenstown Lakes District Council (QLDC) worked closely with Department of Conservation Te Papa Atawhai (DOC) to complete the project. Council invested \$1.6m to develop a new carpark, toilet block and picnic area and planting, while DOC has funded the walking track and viewing area.

As part of the design, Council is reintroducing 4,000 native plants to the area and is also working with the Glenorchy Community Association to develop an information board about the history of the Glenorchy-Queenstown Road.

Kāi Tahu kaumātua bestowed a site blessing last year and will continue to support with the development of cultural and historical signage at the lookout over time.

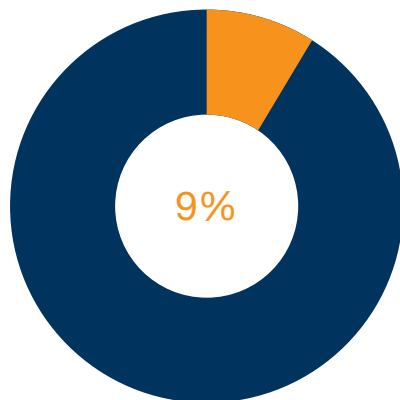
A barrier has been installed on the unsafe section of road to ensure it is no longer possible to pull over. In spring, grass seeding will be laid in the picnic area.

# What we achieved

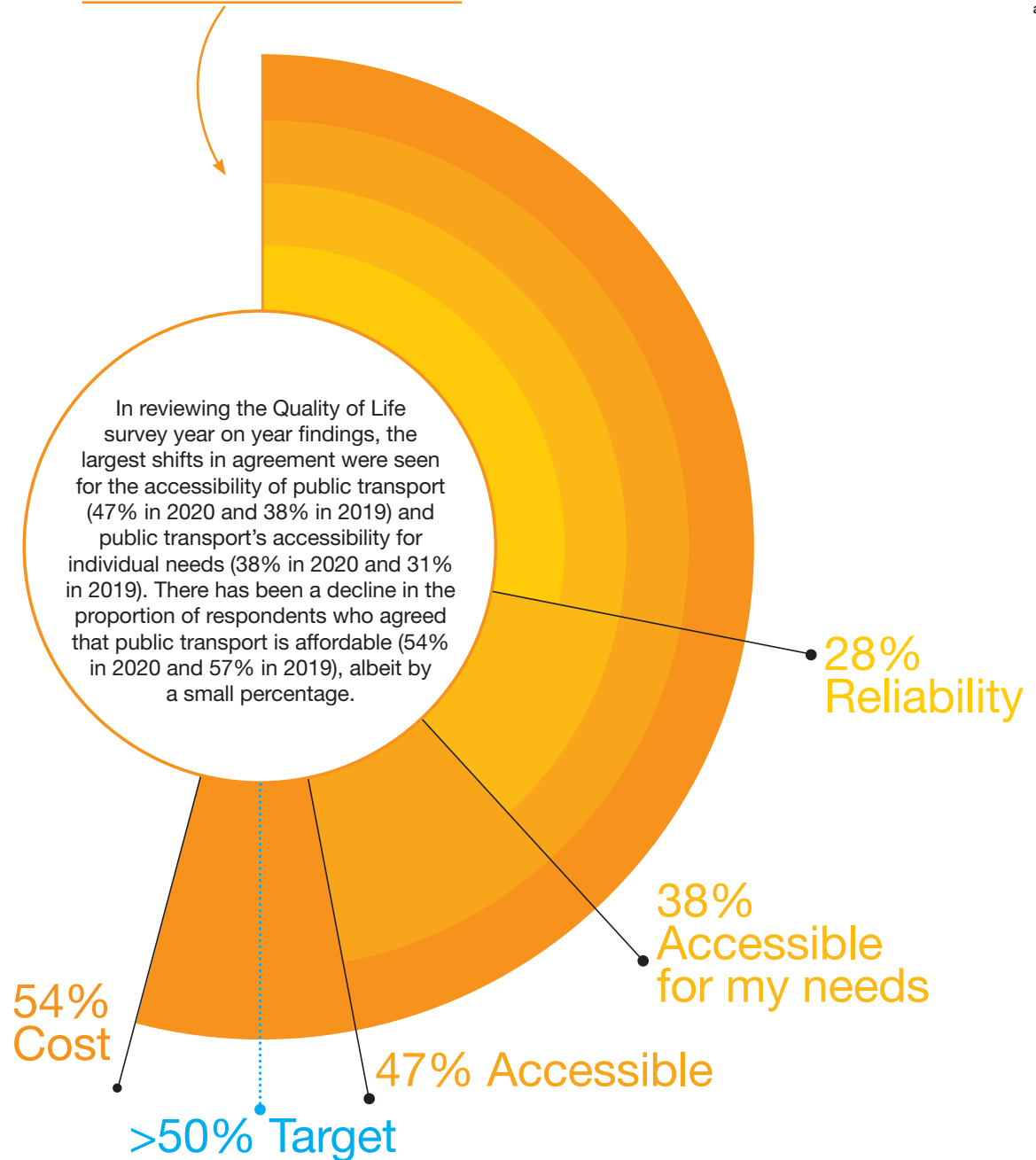
## AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Council operating expenditure of \$161,856,000 (excluding depreciation)

Transport expenditure of \$13,963,000



**KPI: PERCENTAGE OF RESIDENTS AND RATEPAYERS WHO ARE SATISFIED WITH THE BUS SERVICE (COST, RELIABILITY, ACCESSIBILITY)**



# What we achieved

The Queenstown Transport Business Case was approved, which unlocks project funding for multiple projects in the Whakatipu. This should help improve traffic flow and congestion.

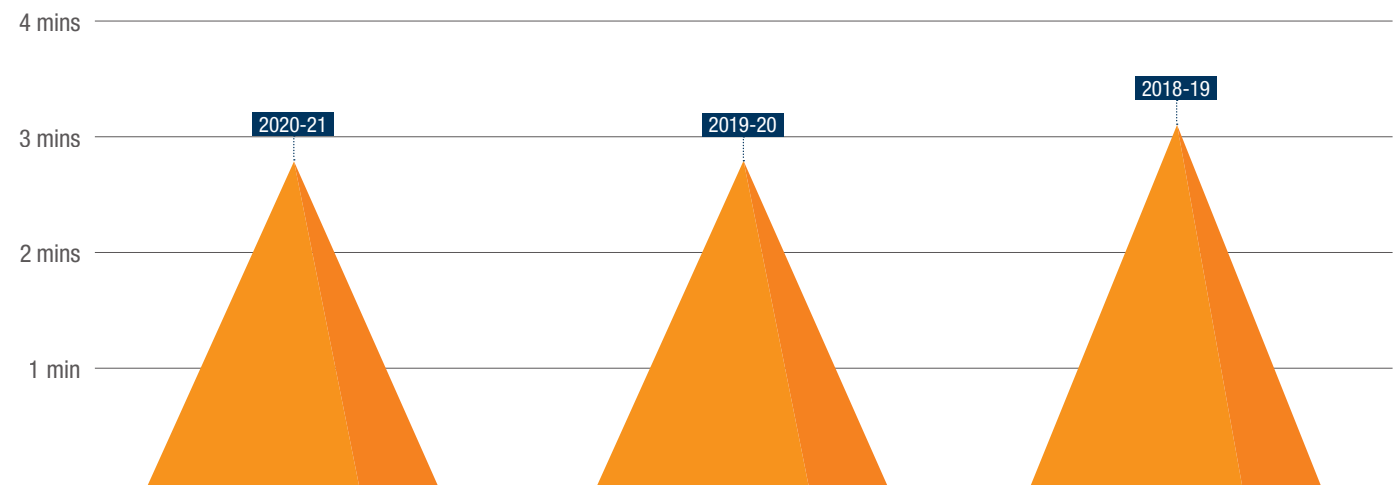
All DIA KPIs were met which included improvement in number of fatalities and serious injury crashes on our local roading network, quality of ride on sealed local road network, percentage of sealed network resurfaced annually and the local footpaths that met the levels of service for footpath condition.

Improved pedestrian crossing points and intersections are underway or complete at Meadowstone Drive, Man Street, Lake Esplanade, Nook/Hāwea Back Road.

## KPI: IMPROVED TRAFFIC FLOWS ON ARTERIAL ROUTES

Year	Result	Target
2020-21	2.77 mins	Maintain/improve
2019-20	2.8 mins	
2018-19	3.1 mins	

 Result



# Waste management

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## Case study – Victoria Flats Landfill upgrade

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A project by Queenstown Lakes District Council (QLDC) and Scope Resources Ltd to improve air quality, reduce greenhouse gas emissions and reduce odour at Victoria Flats Landfill is now complete.

The landfill gas capture and destruction system will capture landfill gas, preventing methane from entering the atmosphere, and is aligned with the key outcomes of QLDC's Climate Action Plan.

The system was designed in anticipation of changes to Otago Regional Council (ORC)'s air discharge consent conditions issued in 2019, requiring landfill operations be aligned with National Environmental Standards for air quality.

The two-year project had been a highly technical operation and a massive undertaking for the team, as the system was retrospectively installed into the existing landfill and is made up of a number of vertical wells, horizontal gas collectors and flares used to destroy the gas.

Further installation would be required as the landfill grows. The 'capture and

destroy' approach was taken instead of 'capture and use' as beneficial uses of the methane, such as electricity generation, are not expected until the landfill is much larger in size and able to generate more gas. The most effective way to ensure emissions costs don't continue to impact the community is to reduce the amount of material going to landfill.

A recent QLDC kerbside audit showed that organic waste made up 54.3% of the weight of all kerbside rubbish and was the largest single component of kerbside rubbish in wheelie bins. This was made up of 62% kitchen waste, 34% greenwaste and 4% other material such as vacuum cleaner dust, animal faeces, candles, fireplace ash, and human hair. When this waste breaks down in landfill it produces methane, a harmful greenhouse gas.

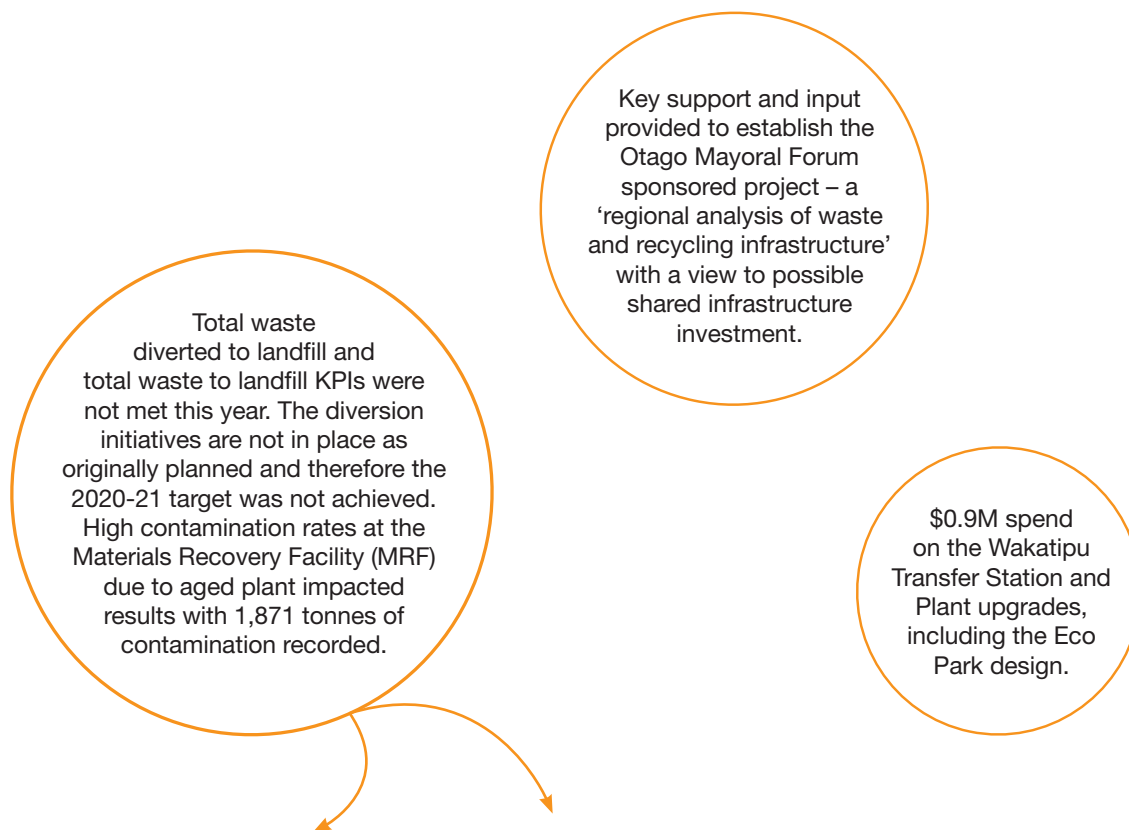
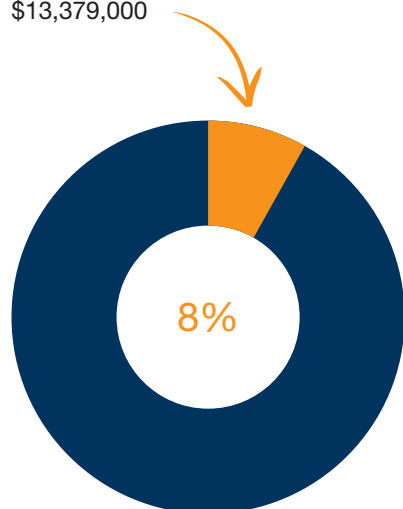
The \$7.8M capital cost of the landfill gas capture and destruction project was funded by Scope Resources and repaid by QLDC over the remaining 14.5 year landfill contract term through an increased gate fee from 1 January 2020 for all waste deposited at the landfill.

# What we achieved

## AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Council operating expenditure of \$161,856,000 (excluding depreciation)

Waste Management expenditure of \$13,379,000



### KPI: TOTAL WASTE DIVERTED FROM LANDFILL

Year	Result	Target
2020-21	7,386t	>11,000t
2019-20	7,736t	>8,500t
2018-19	5,523t	>5,100t

### KPI: TOTAL WASTE TO LANDFILL

Year	Result	Target
2020-21	41,486t	<41,000t
2019-20	43,700t	<40,000t
2018-19	45,072t	

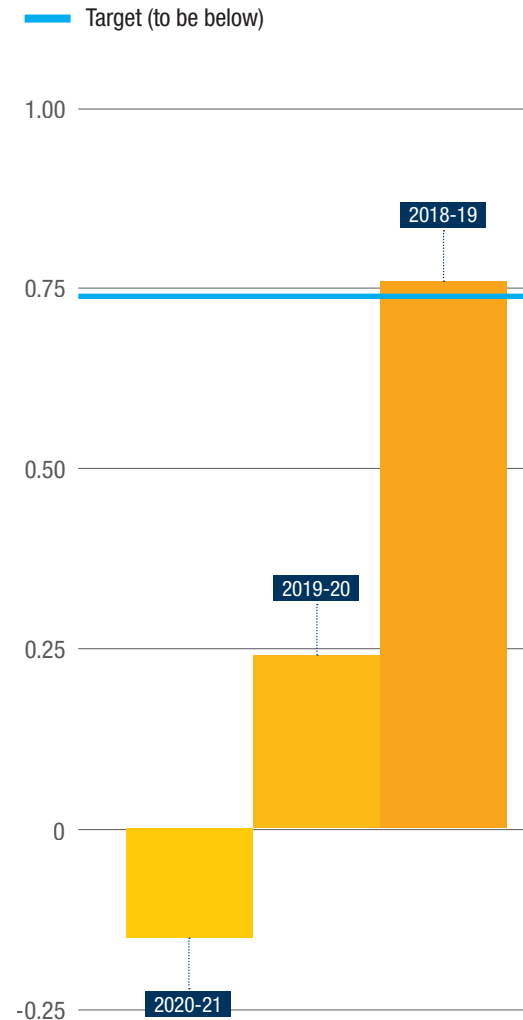
# What we achieved

Reduction of carbon emission units purchased per head of population was -0.15 and met target. The number of units purchased for the year increased as the statutory obligation increased.

Community fund allocation for the following projects:

- > Wastebusters & One New Zealand – Better Building Resource Circulation.
  - > Sustainable Queenstown – RefillNZ Queenstown.
- > The Hāwea Grove – Hāwea Grove Eco Building Webisode Series.
- > Queenstown Chamber of Commerce – Waste audits for Queenstown Lakes businesses.
- > Queenstown Golf, Recycle & Compost.
  - > Chunky – Chunky Loan Cup.

**KPI: REDUCTION OF CARBON EMISSION UNITS PURCHASED PER HEAD OF POPULATION (BASED ON AVERAGE DAY POPULATION)**



# Bold leadership

## Te amoraki

### WĀNAKA

- | Relocatable building installed at the Wānaka Recreation Centre for office use
- | Project partner within key risk reduction projects for local hazards including Wānaka flooding and Mt Iron wildfire

### WAKATIPU

- | Shotover River Bylaw review completed and bylaw adopted
- | By-election held in Queenstown-Wakatipu Ward and new Councillor elected
- | Project partner within key risk reduction projects for local hazards including Glenorchy Natural Hazards

### LUGGATE

- | Permanent replacement of the Luggate Hall under construction

### DISTRICT WIDE

- | \$20m diversification fund announced by government for district
- | Enforcement Strategy and Prosecution Policy reviewed and adopted
- | Food Grading Bylaw reviewed and revoked
- | Working with Community Response Groups to review and update Community Response Plans
- | Implementation and promotion of the “Otago Gets Ready” platform
- | Development of 2021 – 2031 QLDC Workforce Strategy
- | Design and launch of the Spatial Data Hub and Map Navigator





# Economy

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Sustainable growth management



Partnering for success



Investing strategically



Enabling diversification



# Case study – Hospitality/ Tourism tech cluster

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Technology companies that create solutions for tourism and hospitality industries are to get a boost in Queenstown Lakes.

QLDC Economic Development Unit recently undertook a tender process to develop a hospitality/tourism technology cluster in the district. The tender was awarded late June and is for a 12-month contract.

The project involves working with existing businesses to identify common commercial barriers and opportunities and then explore how these could be tackled collaboratively.

Cluster development involves similar businesses working together to identify opportunities to collaborate. A hospitality/tourism tech cluster will support technology businesses, help diversify the economy, and potentially boost the productivity of the tourism and hospitality industry.

This approach is about businesses joining forces rather than all individually trying to overcome the same issues. It aims to turn businesses who might see themselves as competitors into collaborators. Over time, cluster development can help existing businesses grow. A successful cluster also helps build an international reputation for a specific location and a specific product, such as super-cars in Italy.

The tourism/hospitality tech niche was selected for support because it builds on successful businesses already in the district, and it taps into the expertise within the dominant industry in the area.

Businesses within the district have already shown interest in collaboration. There are large tourism operators in the district who have indicated that they would be supportive of a stronger cluster of tech businesses focused on solving their challenges.

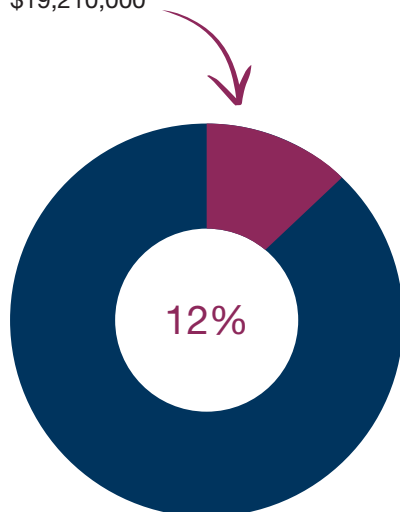


# What we achieved

## AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Council operating expenditure of \$161,856,000 (excluding depreciation)

Economy expenditure of \$19,210,000

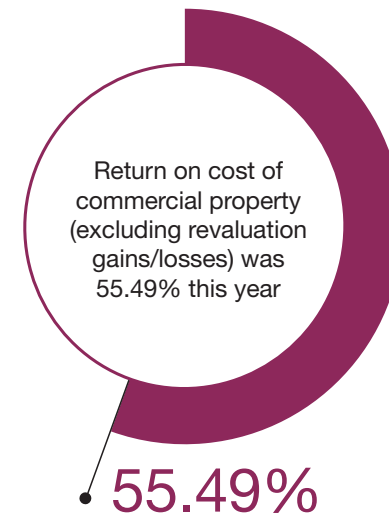


The following KPIs were not reported on this year due to the information not being available:

- > Housing Affordability Measure (HAM): Share of first time buyer households with below average income after housing costs.
- > Housing Affordability Measure (HAM): Share of renting households with below average income after housing costs.
- > Percentage of commercial ratepayers who are satisfied with a) the information they receive, b) their ability to have a say, c) satisfaction with RTOs, d) services essential for their business operations

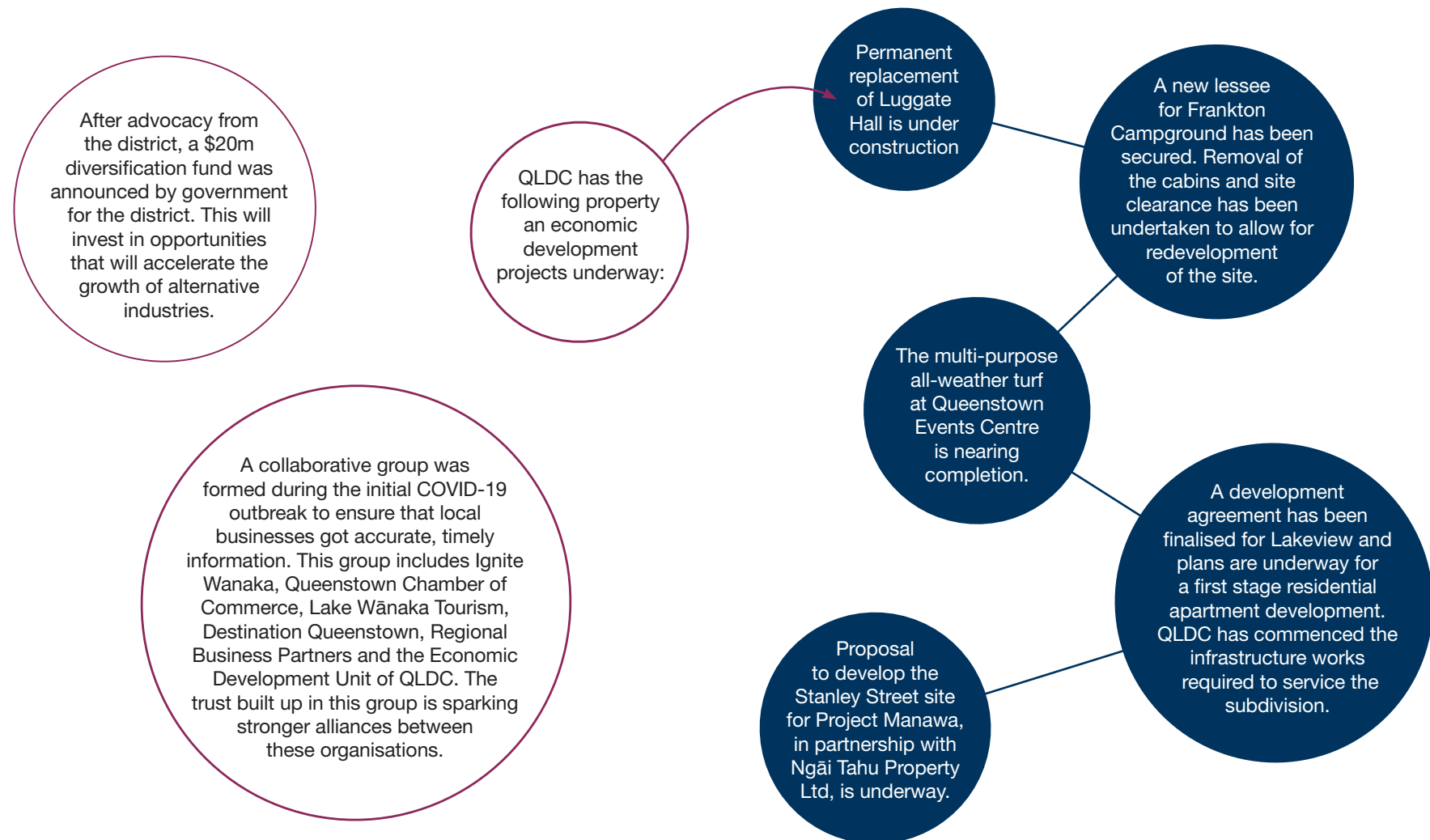
(response/resolution, clarity of process and timeframes, staff knowledge and professionalism, fairness and consistency).

- > Reduction in the Rental Affordability Index (ratio of the average weekly rent to average weekly earnings).
- > Reduction in the Housing Affordability Index (ratio of the average current house value to average annual earnings).



# What we achieved

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# Regulatory functions and services

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A responsive organisation



# Case study – Food Grading bylaw review

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QLDC's Food Grading Bylaw 2016 was first introduced in 2011, creating a framework for grading food businesses and requiring those businesses to display a grade in their premises. The Bylaw was last reviewed in 2016, and during this time, the Food Act 2014 came into force in 2016, covering the same important functions as QLDC's Food Grading Bylaw 2016.

The Bylaw was up for review again and as part of this review, an assessment under s 155 of the Local Government Act 2002 (LGA) requires a determination of whether a Bylaw is the most appropriate way of addressing a perceived problem.

Focus groups, made up of food businesses, were held at Queenstown and Wānaka to discuss both the Bylaw and the Fees Structure. Public consultation was also held. A significant number of businesses were opposed to two systems – The Food Act and the Bylaw, and felt the new Act covered all the necessary requirements. Given the businesses must comply with the Food Act requirements, it made sense for that to be the primary system or regime. There was also a clear view that the Fees Structure should reflect the work undertaken and that poor performance should lead to a higher fee.

The recommendation was a fee dependant on which of the four Food Act risk categories a food business was deemed to be in. These risk classes are National Programme levels 1, 2 and 3, and Template Food Control Plans. The fees would ensure a clear structure based on the work undertaken and the proposed fees would ensure there is no increased cost to the ratepayer.

In June, Council made the decision to revoke QLDC's Food Grading Bylaw 2016 and implement an amended Fee Structure.

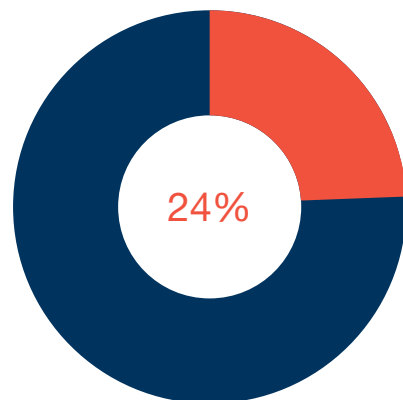


# What we achieved

## AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Council operating expenditure of \$161,856,000 (excluding depreciation)

Regulatory expenditure of \$38,186,000



Shotover River Bylaw review completed and adopted in June 2021.

Work has now commenced on reviewing the current QLDC Freedom Camping Bylaw.

Funding received from MBIE allowed QLDC to continue initiatives to assist managing the negative aspects of Freedom Camping across our region over the peak summer season.

99%

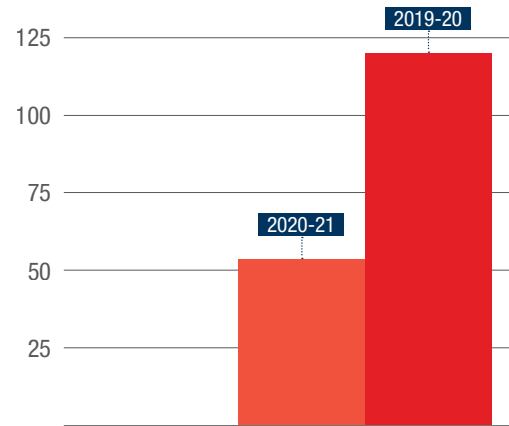
99% of building consents processed within statutory timeframe in 2020-21.

56% decrease in freedom camping complaints compared to last year.

45% of food businesses due an audit in 2020-21 were audited within the timeframe set. This did not achieve 100% compliance, with COVID-19 restrictions affecting the ability to undertake audits, alongside an increasing workload due to the implications of the Food Act 2014.

45%

## FREEDOM CAMPING COMPLAINTS



Eight Responsible Camping Ambassadors were employed to engage directly with campers, monitor behaviours, encourage use of campgrounds, conduct surveys, and promote behavioural change.

Enforcement Strategy and Prosecution Policy reviewed and adopted on 29 April 2021.

# Local democracy

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Communities are resilient and prepared for civil defence emergency events



An organisation that demonstrates leadership



An organisation that considers the district's partnership with Mana Whenua





# Case study – COVID-19 Welfare Response Team:

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## Semi-finalists in community category of 2021 Kiwibank New Zealander of the Year Awards

As the effects of COVID-19 rapidly emerged across the Queenstown Lakes District, the multi-sector Queenstown Lakes District COVID-19 Welfare Response Team was quickly formed to help those in need.

When borders closed and the tourism industry shuttered, thousands of Queenstown Lakes District residents, many migrants, were out of work, unable to pay for groceries and rent, and ineligible for government support. Vulnerable community members were unable to shop safely, anxiety rose and well-being suffered; the community responded. The Welfare Response Team established itself quickly and managed a staggering level of assistance: in three months,

7,377 people submitted 23,342 requests for welfare support, from a total population of 39,153. To manage this, QLDC staff pivoted from business as usual, and social service agencies, volunteers, neighbourhood groups, churches and local iwi provided practical support in the form of food parcels, firewood, clothing and bedding, plus mental health support. A Civil Defence-funded supermarket voucher scheme enabled thousands to access food directly, volunteers phoned every welfare applicant, making up to 500 calls a day, and experts managed the volunteers and established protocols to ensure safety for all. In a region threatened by floods, earthquakes, and now a pandemic, this remarkable community effort

has shown how agile, collaborative, and resilient the Queenstown Lakes District can be.

Their impressive response to the crisis resulted in the group being named a semi-finalist in the community category of the 2021 Kiwibank New Zealander of the Year Awards.

The award recognises groups that have made an outstanding difference to their community. The Welfare Response Team was praised for the “staggering level of assistance” it provided to residents who were out of work, unable to pay for groceries and rent, and ineligible for government support.

“In a region threatened by floods, earthquakes, and now a pandemic, this remarkable community effort has shown how agile, collaborative and resilient the Queenstown Lakes District can be,” the award entry read. The group represents a unique combination of community groups, Queenstown Lakes District Council staff, Civil Defence, churches, iwi, businesses, and hundreds of volunteers from the district’s communities.

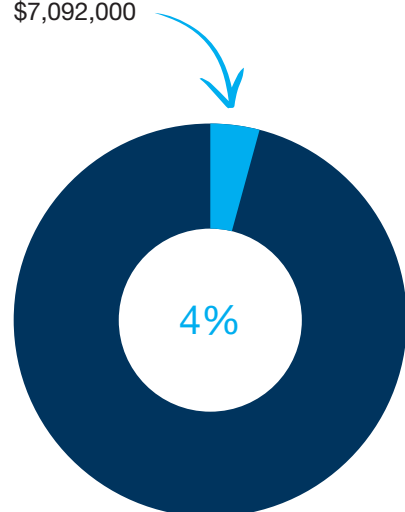
The annual Kiwibank New Zealander of the Year Awards are in their 12th year. The six award categories celebrate Kiwis from all walks of life who use their passion to make Aotearoa a better place.

# What we achieved

## AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Council operating expenditure of \$161,856,000 (excluding depreciation)

Local democracy expenditure of \$7,092,000



Coordinated the handover of the COVID-19 Welfare Assistance program from QLDC Civil Defence/ Emergency management Otago to the Department of Internal Affairs/Red Cross Visitor Care Manaaki Manuhiri programme.

Implementation and promotion of the “Otago Gets Ready” platform. This online community registration system is used to collect information and send out alerts to all registered users to help coordinate the response to an emergency event.

The partnership review which records Mana Whenua satisfaction with QLDC engagement was not completed due to the constraints and work pressures associated with COVID-19. QLDC has worked closely with Aukaha and Te Ao Marama on many projects throughout 2020-21 and remains committed to this partnership.

51% of residents and ratepayers consider themselves resilient and prepared in the event of an emergency – an increase of 3% compared to 2019-20, and 6% increase compared to 2018-19.

52% of QLDC EOC staff participated in formal training this year. This equated to over 760 hours of training for both new inductees as well as refresher training for those staff who were involved in the COVID-19 EOC response activation last year.

34% of residents and ratepayers are satisfied with overall Council performance – a 3% decrease compared to 2019-20.

100% QLDC attendance at all Te Roopu Taio

51%

52%

34%

100%

# Finance and support services

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An organisation that consults effectively and makes sound decisions



# Case study – Emissions Reduction Plan

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The Queenstown Lakes District Council (QLDC) adopted a Climate Action Plan (CAP) in March 2020, which identifies ways that QLDC can reduce emissions and sets a strategic direction for adapting to and mitigating the effects of climate change across the district.

One of the priority actions in the CAP is to develop an Emissions Reduction Roadmap with science-based targets, along with a Sequestration Study. This roadmap will inform some of the strategic decisions made by QLDC and will help to set a direction for community response to climate change. Based on this information, QLDC will determine its own organisation emissions targets.

In late 2020 the Emissions Reduction Roadmap and Sequestration Study was finalised. QLDC engaged Sapere to undertake both the Emissions Reduction Roadmap and Sequestration Study.

The Emissions Reduction Roadmap provides a pathway for reducing the district's emissions, whilst the Sequestration Study explores our ability to capture and store atmospheric carbon. Together, they provide a feasible pathway to net-zero emissions. The report presents three pathways. The district will need to meet or exceed the High Change pathway to align with the target of limiting global warming to well below 2°C.

Council officers are working on a summary document that will communicate the content and recommendations of the Emissions Reduction Roadmap and Sequestration Study in an accessible way for the public. This work is instrumental in informing future climate action planning.

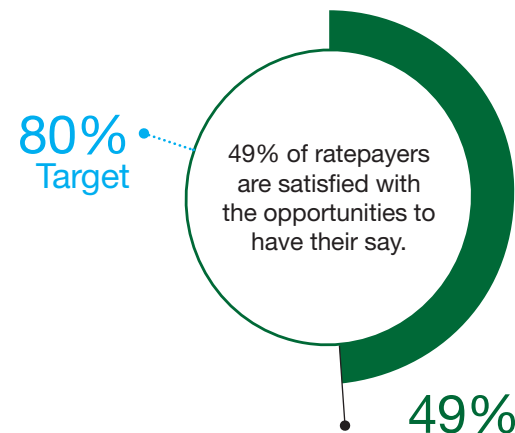
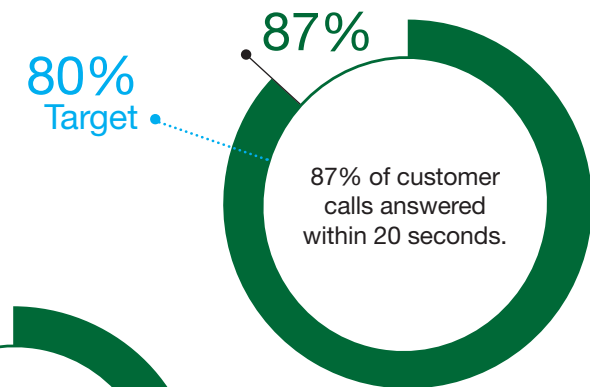


# What we achieved

## COSTS FOR THIS ACTIVITY ARE INCLUDED WITHIN EACH AREA OF THE PREVIOUS ACTIVITIES

Key initiatives underway or completed:

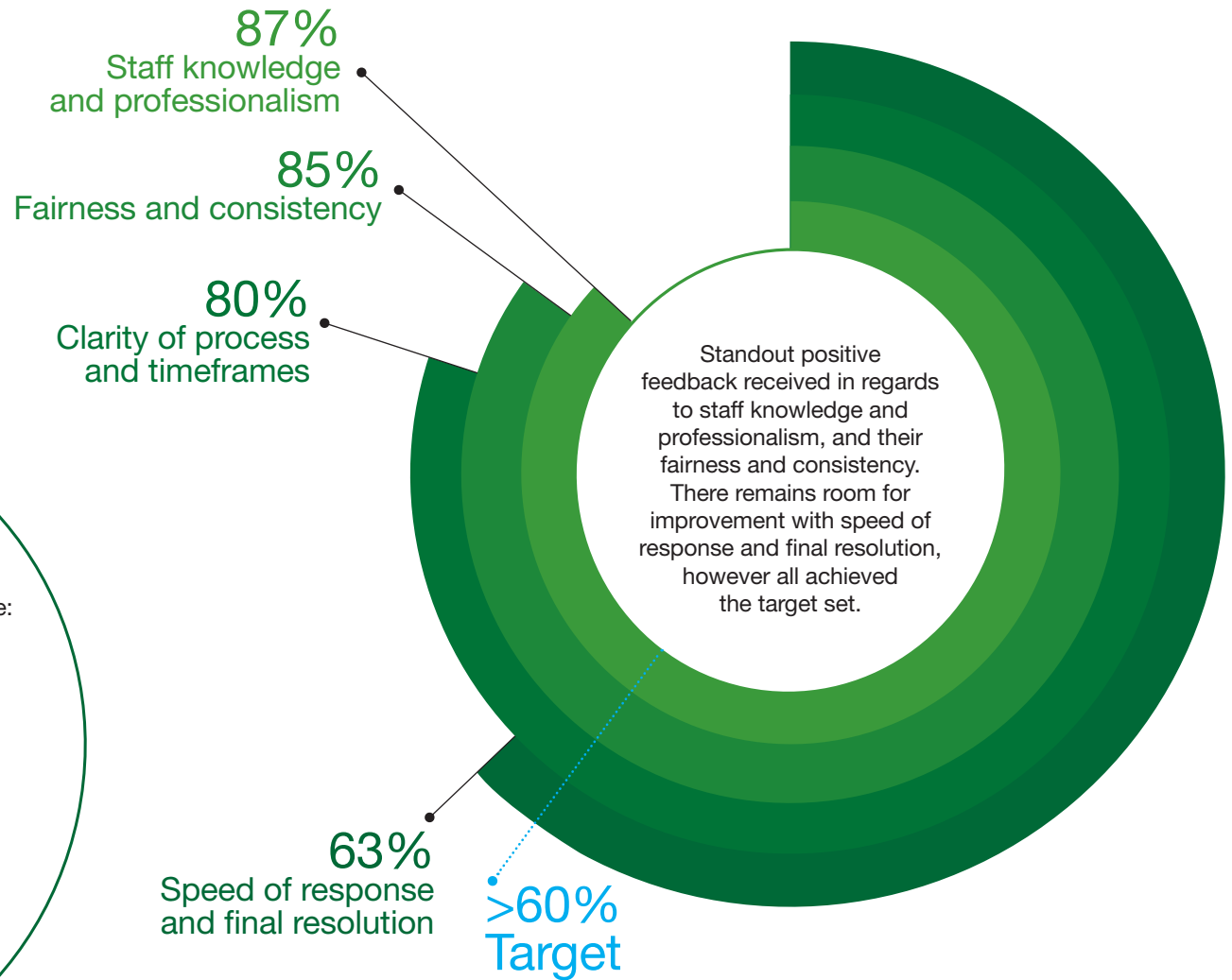
- > Increased use of the Government Electronic Tender Service and standardisation of “go to market” documents.
- > Development of the 2021 – 2031 QLDC Workforce Strategy.
- > Launch of Good Yarn programme to internal staff – getting people talking about mental health.
- > Design and launch of the Spatial Data Hub and Map Navigator: a new public facing site providing access to spatial data and visualisations, and a new principal map viewer.
- > Development and publication of Name and Address policies completed, name and address data rationalisation in progress.
- > The review of the Procurement Policy continues and is scheduled to be complete this year, along with a more detailed review of the Procurement Guidelines.



# What we achieved

Of the thirteen finance KPIs, nine achieved the target set and four did not. Contributing factors to the KPIs not being met are:

- > Lower receipts from customers due to COVID-19 impacts offset with a reduction in finance costs.
- > Depreciation expenses above budget due to revaluation of infrastructure assets.
- > Rates increase higher than forecast.
- > Lower income from rents, infringements and user charges in the fourth quarter due to COVID-19 impact.



# Summary financial information

# Whakarāpopototaka o te pāroko ahumoni

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## Summary Statement of Financial Performance

For the financial year ended 30 June 2021	Council 2021 \$'000	Council Budget \$'000	Council 2020 \$'000	Group 2021 \$'000	Group 2020 \$'000
<b>Total revenue</b>	<b>220,792</b>	<b>183,013</b>	<b>223,589</b>	<b>247,873</b>	<b>263,229</b>
<b>Operating expenditure</b>					
Employee benefits expense	34,639	35,978	33,593	39,724	40,515
Depreciation and amortisation expense	42,017	35,180	35,551	51,564	44,402
Borrowing costs	5,086	7,178	3,753	7,981	6,386
Other expenses	121,232	80,553	94,160	127,076	101,945
<b>Total operating expenditure</b>	<b>202,974</b>	<b>158,889</b>	<b>167,057</b>	<b>226,345</b>	<b>193,248</b>
<b>Operating surplus before other gains/(losses)</b>	<b>17,818</b>	<b>24,124</b>	<b>56,532</b>	<b>21,528</b>	<b>69,981</b>
Other gains/(losses)	(63)	7,455	(5,100)	(13)	(5,039)
<b>Operating surplus before income tax</b>	<b>17,755</b>	<b>31,579</b>	<b>51,432</b>	<b>21,515</b>	<b>64,942</b>
Income tax expense	-	-	-	2,119	1,735
<b>Operating surplus for the year</b>	<b>17,755</b>	<b>31,579</b>	<b>51,432</b>	<b>19,396</b>	<b>63,207</b>
Operating surplus attributable to:					
- Council	17,755	31,579	51,432	18,987	58,709
- Non-controlling interest	-	-	-	409	4,498
	<b>17,755</b>	<b>31,579</b>	<b>51,432</b>	<b>19,396</b>	<b>63,207</b>



## Summary Statement of Other Comprehensive Revenue and Expense

	Council 2021 \$'000	Council Budget \$'000	Council 2020 \$'000	Group 2021 \$'000	Group 2020 \$'000
<b>For the financial year ended 30 June 2021</b>					
Surplus for the year	17,755	31,579	51,432	19,396	63,207
Other comprehensive revenue and expense	45,160	-	180,588	78,178	180,460
<b>Total comprehensive income</b>	<b>62,915</b>	<b>31,579</b>	<b>232,020</b>	<b>97,574</b>	<b>243,667</b>
Attributable to:					
- Council	62,915	31,579	232,020	88,900	239,202
- Non-controlling interest	-	-	-	8,674	4,465
	<b>62,915</b>	<b>31,579</b>	<b>232,020</b>	<b>97,574</b>	<b>243,667</b>

## Summary Statement of Financial Position

	Council 2021 \$'000	Council Budget \$'000	Council 2020 \$'000	Group 2021 \$'000	Group 2020 \$'000
<b>As at 30 June 2021</b>					
Total current assets	33,945	53,419	32,557	43,746	40,364
Total non-current assets	2,171,463	1,952,930	2,028,506	2,569,371	2,402,817
<b>Total assets</b>	<b>2,205,408</b>	<b>2,006,349</b>	<b>2,061,063</b>	<b>2,613,117</b>	<b>2,443,181</b>
Total current liabilities	128,675	124,226	99,015	117,959	123,017
Total non-current liabilities	139,698	208,452	87,928	235,116	157,696
<b>Total liabilities</b>	<b>268,373</b>	<b>332,678</b>	<b>186,943</b>	<b>353,075</b>	<b>280,713</b>
<b>Net assets</b>	<b>1,937,035</b>	<b>1,673,671</b>	<b>1,874,120</b>	<b>2,260,042</b>	<b>2,162,468</b>
Equity attributable to:					
Council	1,937,035	1,673,671	1,874,120	2,177,970	2,089,070
Non-controlling interest	-	-	-	82,072	73,398
<b>Total equity</b>	<b>1,937,035</b>	<b>1,673,671</b>	<b>1,874,120</b>	<b>2,260,042</b>	<b>2,162,468</b>



Jim Boulton  
Mayor  
28 October 2021



Mike Theelen  
Chief Executive  
28 October 2021

## Summary Statement of Changes in Equity

	Reserves	Accumulated Funds	Attributable to Equity Holders of Parent	Non-Controlling Interest	TOTAL EQUITY
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Council</b>					
<b>For the year ended 30 June 2021</b>					
Balance at 1 July 2020	1,146,723	727,397	1,874,120	-	1,874,120
<b>Total comprehensive revenue and expense for the year</b>	45,160	17,755	62,915	-	62,915
Transfers from/(to) accumulated funds	773	(773)	-	-	-
<b>Balance at 30 June 2021</b>	<b>1,192,656</b>	<b>744,379</b>	<b>1,937,035</b>	<b>-</b>	<b>1,937,035</b>
<b>For the year ended 30 June 2020</b>					
Balance at 1 July 2019	961,311	680,789	1,642,100	-	1,642,100
<b>Total comprehensive revenue and expense for the year</b>	180,588	51,432	232,020	-	232,020
Transfers from/(to) accumulated funds	4,824	(4,824)	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>1,146,723</b>	<b>727,397</b>	<b>1,874,120</b>	<b>-</b>	<b>1,874,120</b>
<b>Group</b>					
<b>For the year ended 30 June 2021</b>					
Balance at 1 July 2020	1,299,248	789,822	2,089,070	73,398	2,162,468
<b>Total comprehensive revenue and expense for the year</b>	69,913	18,987	88,900	8,674	97,574
Dividends paid	-	-	-	-	-
Reclassification to accumulated funds	-	-	-	-	-
Transfers from/(to) accumulated funds	773	(773)	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>1,369,934</b>	<b>808,036</b>	<b>2,177,970</b>	<b>82,072</b>	<b>2,260,042</b>
<b>For the year ended 30 June 2020</b>					
Balance at 1 July 2019	1,113,931	735,937	1,849,868	71,006	1,920,874
<b>Total comprehensive revenue and expense for the year</b>	180,493	58,709	239,202	4,465	243,667
Dividends paid	-	-	-	(2,073)	(2,073)
Reclassification to accumulated funds	-	-	-	-	-
Transfers from/(to) accumulated funds	4,824	(4,824)	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>1,299,248</b>	<b>789,822</b>	<b>2,089,070</b>	<b>73,398</b>	<b>2,162,468</b>

## Summary Statement of Cash Flows

	Council 2021 \$'000	Council Budget \$'000	Council 2020 \$'000	Group 2021 \$'000	Group 2020 \$'000
<b>For the financial year ended 30 June 2021</b>					
Net cash inflow/(outflow) from operating activities	47,243	48,383	42,978	55,601	58,477
Net cash inflow/(outflow) from investing activities	(96,101)	(174,119)	(70,135)	(117,588)	(85,583)
Net cash inflow / (outflow) from financing activities	43,241	128,910	12,904	56,241	17,132
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(5,617)</b>	<b>3,174</b>	<b>(14,252)</b>	<b>(5,747)</b>	<b>(9,973)</b>
Cash and cash equivalents at the beginning of the financial year	6,624	337	20,876	11,811	21,784
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,007</b>	<b>3,511</b>	<b>6,624</b>	<b>6,064</b>	<b>11,811</b>

The accounting policies and notes form part of and should be read in conjunction with these financial statements.

## Accounting Policies

The financial statements are presented in thousands of New Zealand dollars. New Zealand dollars are the Council and Groups' functional currency.

The 2020/21 annual report has been audited and gained an unmodified opinion, which means the report has met the requirements of the Local Government Act 2002.

This summary annual report has been examined by the auditor for consistency with the full annual report. The auditor's report is included with this summary. The Council's full annual report has complied with NZ GAAP and stated explicitly that it complies with Public Benefit Entity (PBE) Standards for Tier 1 entities. The summary annual report complies with PBE FRS 43 – Summary Financial Statements and PBE Standards as they relate to summary financial statements.

## Subsequent Events

### Queenstown Airport Corporation Ltd (QAC)

On 13 August 2021 the QAC Board resolved that no final dividend for the year ended 30 June 2021 would be paid to shareholders. (2020: \$nil).

### Covid-19 impact

On August the 17th, Queenstown Lakes along with the whole of New Zealand shifted back into alert Level 4 for 2 weeks, followed by 1 further week at Level 3 with Auckland remaining in level 4. Queenstown Lakes remains at Level 2 while preparing the annual report however this had no further impact on our financial position as at 30 June.

### Legal Claims

At 30 June 2021 the Council was engaged in mediation related to a significant building related claim. This claim subsequently settled via mediation on 15 October 2021. A provision for the final settlement of this claim is included in the summary financial statements along with the remaining provisions reflecting Councils best estimate for remaining claims.

### Three waters reform

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach. The three waters reform involves the creation of four publicly-owned water services entities to take over responsibilities for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

## Contingent Liabilities

### Council - Legal Claims

At 30 June 2021 Council has received a significant building related claim for which it has been unable to reliably determine a liability provision. This is because there is insufficient information supporting the claim at this time to allow Council to evaluate possible or likely outcomes. The Council awaits further submissions of evidence and expert assessments in order to determine a reliable estimate of Councils liability, if any. Council has not disclosed details of the amounts claimed as it believes the initial claim submission is grossly overstated and to disclose such amounts would be misleading. Council intends to vigorously defend the claim.

### Council - Guarantees

Queenstown Lakes District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+

# Auditor's report

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## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF QUEENSTOWN LAKES DISTRICT COUNCIL AND GROUP'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

The summary of the annual report was derived from the annual report of the Queenstown Lakes District Council and group (the District Council) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on pages 21 to 77:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of financial performance, statement of other comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

#### Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

#### Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

#### The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2021 in our auditor's report dated 28 October 2021.



That report also includes emphasis of matter paragraphs that draw attention to:

- Note 10 in the audited financial statements which outlines the significant valuation uncertainty highlighted by the valuers in relation to certain assets of Queenstown Airport Corporation Limited.
- Note 26 in the audited financial statements which outlines that subsequent to year end, the Government announced it will introduce legislation to establish four publically owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

### **Council's responsibility for the summary of the annual report**

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

### **Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of assurance services relating to reporting under trust deed, a registry audit, and a regulatory disclosure audit, that are consistent with our role as auditor. Other than these engagements we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.

A handwritten signature in blue ink, appearing to read "M Hawken".

**M Hawken**

for Deloitte Limited

On behalf of the Auditor-General

Dunedin, New Zealand

28 October 2021



# There is so much more we want to tell you

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Read the full Annual Report 2020-21 at [www.qldc.govt.nz](http://www.qldc.govt.nz)