

Queenstown Lakes District Council

DRAFT

10-Year Plan 2012 - 2022

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Introduction and Assumptions

Prospective Financial Statement Disclosures

This document has been prepared to meet certain legislative requirements included within the Local Government Act 2002. Accordingly it may not be appropriate for any other purpose.

The prospective financial statements comply with Financial Reporting Standard 42, Prospective Financial Statements (FRS 42).

Actual results during 2012/13 to 2021/22 are likely to vary from the information presented and those variations are likely to be material. Actual events and transactions have not been reflected in the prospective financial statements. These prospective financial statements, along with the Draft 10-Year Plan, were authorised for issue for community consultation on 3 April 2012 by a resolution of Council.

The Queenstown Lakes District Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other disclosures. It is intended that the prospective financial statements will be reviewed and updated annually via the Annual Plan process and three yearly via the 10-Year Plan process.

The degree of uncertainty inherent in the forecast assumptions, on which the prospective financial statements are based, increases as the time period covered by the prospective financial statements increases.

Significant Forecasting Assumptions and Risks

Schedule 10 (section 17) of the Local Government Act 2002 contains provisions relating to 'significant forecasting assumptions'. The Act requires that Council identifies the significant forecasting assumptions and risks underlying the financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions.

Growth

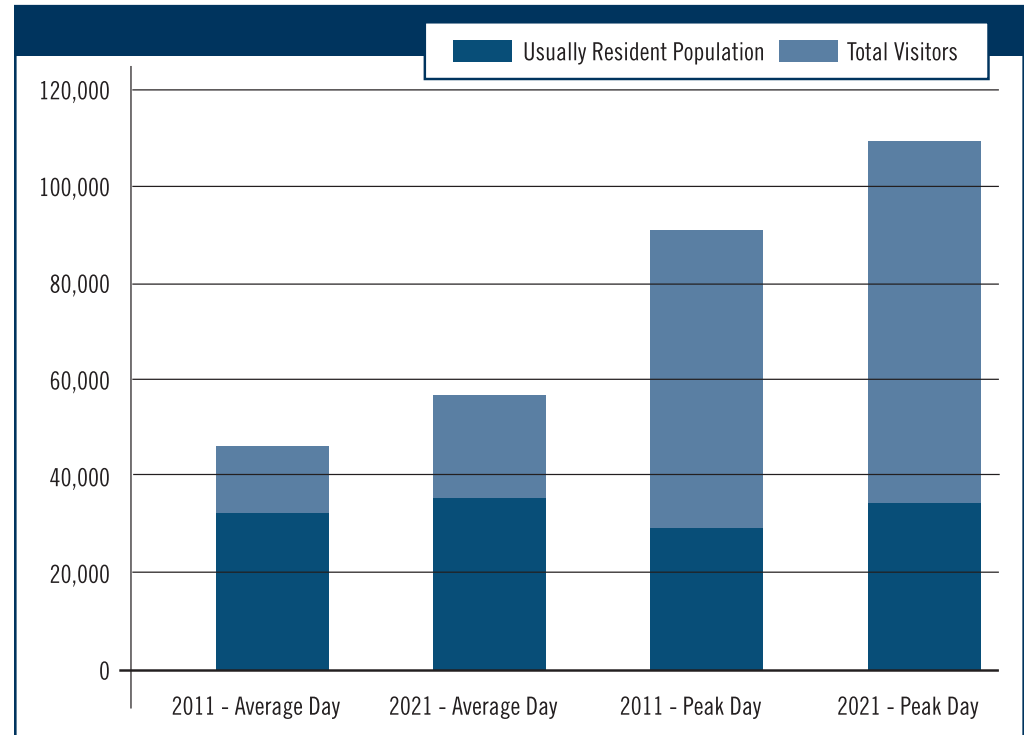
Growth is a major issue for the district and Council has spent considerable time and effort in developing comprehensive growth projections. These have been estimated using the best information available and are included in Volume 1 of this document.

Projections have been derived for:

- The resident population (which is useful when looking at some service provisions such as educational needs).
- The number of visitors, which is then further broken down into day visitors and those staying in private residences and in commercial accommodation.
- The number of occupied and unoccupied dwellings that will be required over time.
- The number of visitor units that will be required over time.

This information is then used to give the figures for an average day and a peak day.

Growth Forecasts for the District as a Whole



Average day population	2011	2021	2031
Wanaka ward	14,376	17,549	20,622
Wakatipu ward	32,236	38,968	46,817
District	46,612	56,517	67,439

The average day population data for the District as a whole is expected to increase from an estimated 46,612 people in 2011 to an estimated 67,439 people in 2031 which is a growth rate of 2.2% per annum. This figure is comprised of residents, visitors staying in both commercial accommodation and private residences, and day visitors.

Of the average day population:

Approximately 65% is made up of usually resident population.

Around 69% will stay/live in the Wakatipu ward and the remainder will be in the Wanaka ward.

For clarity, the above figures also include Wanaka outlying areas of Cardrona, Luggate, Hawea and Makarora and Queenstown's outlying areas of Glenorchy and Kingston. The projections are based on a "business as usual" model and do not assume any constraints or intervention in the market. The projections also assume the current zonings and also assume that some additional zoning will be released in south Wanaka and Frankton Flats in the foreseeable future.

The peak day population growth

Peak day population	2011	2021	2031
Wanaka ward	35,921	44,190	51,542
Wakatipu ward	53,425	64,780	78,359
District	89,346	108,970	129,901

For clarity, the above figures also include Wanaka's outlying areas of Cardrona, Luggate, Hawea and Makarora and Queenstown's outlying areas of Glenorchy and Kingston.

The peak day population data for the district as a whole is expected to increase from an estimated 89,346 in 2011 to an estimated 129,901 in 2031 which is a growth rate of 2% per annum. This figure is comprised of residents, visitors staying in both commercial accommodation and private residences, and day visitors.

It is noted that the peak period is over the New Year period and lasts for a relatively short time. The peak population information is particularly important for Council's infrastructure planning as the infrastructure such as roads, water, and sewage need to be designed to cope at those times.

Inflation

Financial projections over the ten-year period have been adjusted to include estimated inflation. The indices below have been prepared by BERL, an economic forecasting agency. The inflation indices used are:

	Roading	Property	Water	Other
2012/13	3.7%	2.9%	4.2%	2.3%
2013/14	3.2%	3.0%	4.0%	3.3%
2014/15	3.8%	3.1%	3.8%	3.4%
2015/16	3.5%	3.3%	4.1%	3.7%
2016/17	3.4%	3.6%	4.5%	3.9%
2017/18	3.8%	3.2%	4.2%	4.0%
2018/19	4.2%	3.4%	4.4%	4.1%
2019/20	4.6%	3.7%	5.0%	4.2%
2020/21	4.5%	4.1%	5.5%	4.5%

In respect of financial projections for 2012/13, these have been calculated in estimated 2012/13 dollars.

Interest Rates

Interest is charged on borrowed funds (both internal and external) on an expected medium term average interest rate of 6.5% per annum.

Interest rates on short term investments will vary depending on the term of investment and this term is determined by the working capital position and needs at the time surplus cash arises. An estimated return on such investments is 5.5% per annum.

Fixed Assets

The Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is reflected in the Statement of Accounting Policies. The useful lives are consistent with the assumptions applied to valuing each asset category and were determined by experienced and qualified asset valuers.

Capital Expenditure

The projected capital expenditure for those activities with Asset Management Plans has been drawn directly from those plans. The projected expenditure profiles for Water Supply, Wastewater, Stormwater and Roading have recently been completely reviewed and updated in light of the latest growth scenario. Asset Management Plans also exist for Marine Facilities, Buildings, Property, Solid waste and Reserves and Open Space. For those activities without Asset Management Plans, projected expenditure is based on historic levels adjusted for expected growth.

Land Transport New Zealand Subsidies

Council has assumed that the basic rate of financial assistance for qualifying roading projects will increase from 43% to 44% in 2012/13; 45% in 2013/14 and 46% in 2014/15 and then continue at this rate for the duration of the plan. It is also assumed that subsidies will be available to assist with the delivery of roading and transportation projects contained within Council's "Future Link" Strategy. Council continues to work in collaboration with New Zealand Transport Agency in an attempt to agree on the best long term solutions for the district's transport issues.

Revaluation of Infrastructural Assets

Estimates have been made in relation to the revaluation of infrastructural assets beginning in 2013 and continuing on a 3 yearly cycle. The revaluation amount is based on an adjustment made to asset values for inflation movements for opening infrastructural values and capital additions made during intervening years.

Revaluation of Non-infrastructural Assets

Estimates have been made in relation to the revaluation of non-infrastructural assets. Investment Property is forecast to increase by 2% per annum from 2015/16 through to 2021/22.

Depreciation

Depreciation on infrastructural assets is calculated by applying a depreciation rate to allocate the cost or revaluation, after taking into account any expected residual value, over the assets' useful lives. The assets' useful lives are shown in the accounting policies.

Resource Consents

Council has assumed that it will successfully obtain the necessary resource consents for all new infrastructural capital works. Other projects, particularly new roads, will depend upon successfully acquiring the necessary designations if they do not currently exist.

Borrowing

Council has assumed that it will successfully enter into agreements with lenders in order to provide the necessary financing for the capital works programme contained in this plan.

Vested Assets

Council has included estimates for the value of infrastructural assets vested in Council as part of the subdivisional approval process. These estimates have been based on average values for the past years adjusted for inflation.

Provision for Leaky Buildings

Council has not included any provision for loss in relation to potential leaky building claims. Any claims received subsequent to 30 June 2009 are not covered by insurance. Other claims covered by insurance are subject to a cap as to the level of cover provided. Should Council be found liable in relation to any future claims, this may impact on rates for the period.

Emissions Trading Scheme (ETS)

That the Emissions Trading Scheme (ETS) will remain in its current form except for the following items recommended to the Minister by the independent panel in its review of the ETS:

- The price cap is retained after 2012 (currently \$25 per tonne), but increases by \$5 per annum from 2013 to 2017, starting at \$30 per NZU in 2013 and reaching \$50 per NZU in 2017.
- The surrender obligations are phased in at the following rates: 67% for year one (surrender date May 2014), 83% for year two (surrender date May 2015) and 100% for subsequent years.

Council fees and charges for waste disposal will include a cost for ETS from 1 July at \$9.21 per tonne in year one, \$27.39 in year two and \$38.50 in year three.

That the default option for calculating emissions from Victoria Flats Landfill is used, rather than applying for a 'Unique Emission Factor' based on either waste composition, landfill gas collection and destruction or waste composition and landfill gas collection and destruction.

That carbon credits will need to be purchased for a maximum price of the central government capped rate. Alternative trading arrangements that may reduce this price are currently being evaluated.

Major Community Projects

The Wanaka indoor sports stadium is assumed to be completed in 2014/15. The capital expenditure projections include an allowance for this project of \$16.8m. This reflects the latest scope of works recommended as Stage 1 from the working party. It is assumed that \$2.5m in grants will be received for this project. It is projected that the facilities will have an operating deficit of \$865,000 per annum. These projections are indicative and the decision to proceed with these projects will require consultation with the community.

The upgrade to Memorial Hall is assumed to be completed in 2012/13. The council contribution to this project is \$300,000; the total cost is estimated at \$3.0m. This reflects the scope of works recommended from the trust. It is assumed that the balance of the funds will be provided by grants and donations. There are other significant recreational projects programmed for the Queenstown Events Centre site. Most of the

major projects consulted on via the Master Facilities Plan by Lakes Leisure have been included in Year 4 of the programme (2015/16). These include an extension to the main sports hall, development of parking and sports-fields. Expenditure for a Queenstown convention centre has not been provided for during the next 10 years.

Service Delivery

It is assumed that existing levels of service will be maintained unless specifically highlighted in the Activity Management Plans and that existing service delivery mechanisms continue for the duration of the Plan. For the purposes of the draft Plan, this means that the existing arrangements for the delivery of Engineering Services are included.

Development Contributions

Council has updated its Policy on Development Contributions effective from 1 July 2012. Council has reduced the revenue expected to 30% of that indicated in the draft Development Contributions Policy for 2012/13 and to 50% for the balance of the period. These reductions have been made as a result of analysis of historical revenue over the past 10 years and reflect the continuation of difficult economic conditions. In periods of slow growth or where growth is less than forecasted, it is recognized that development contribution income will not be sufficient to fund the full cost of servicing "growth" loans. In these circumstances, Council will fund the shortfall by a combination of:

- Additional internal loans (repayment funded by general rates)
- Utilising "excess" depreciation funds (especially Roading)

Dividend Income

Council has forecast receipts of dividends from Queenstown Airport Corporation in line with the corporation projections and the dividend policy. Over the 10 year period this equates to \$41.8m. It is assumed that 50% of this income will be used to repay debt and 50% will be transferred to a new reserve to fund local community projects. No allocation from this reserve has been assumed for the first 10 years. This position is likely to change when council has determined the criteria for the application of these funds.

Project Shotover

The capital programme for waste-water does include the delivery of the project to upgrade waste-water treatment in Queenstown (Project Shotover). The total capital cost is estimated at \$35.9m. The first stage incorporates the design and build of the treatment plant (\$27.1m). We expect tenders to be accepted during 2013/14 and the plant to be fully operational by 1 July 2016. This timetable has been discussed and agreed in principle with Otago Regional Council. Council will be seeking to vary the existing consent to defer the construction of the disposal field to Year 10 (2021/22). The reason for this is to promote affordability and allow community consultation on the costs/benefits of this aspect (\$8.8m). Previous consultation had assumed much lower costs for this component.

Water Treatment Standards

The capital programme for water supply does include physical works to upgrade water treatment service levels through both UV and filtration over the 10 years of the plan. Budgets for UV water treatment are included during the first 3 years of the plan, but at this stage it is not clear whether filtration will also be required. This will depend on testing yet to be undertaken. It is recognised that the costs of providing upgraded water treatment service levels may not be affordable for some of our smaller schemes.

Property Sales

Continued development of Council subdivisions at the Commonage (Queenstown Hill) and Scurr Heights at Wanaka are expected to occur in the next 5 years, although the actual timeframes will be dictated by market conditions. Budgets show development of the next stage of the Commonage (24 lots) and Scurr Heights (30 lots) in 2015/16 with subsequent sales over the next two years. This is repeated in 2018/19. Any proceeds from this activity will be used to fund the cost of infrastructural asset development not attributable to growth or renewals. This portion of capital expenditure relates in the main to shifts in the levels of service for an activity which would otherwise be funded from rates.

It is anticipated that Council will not divest itself of the Lakeview project (former Queenstown Camp Ground) during the next 10 years.

Significant Risks Considered when Preparing the 10 Year Plan

There are a number of risks that have been considered in the preparation of the LTP. Outlined below are the key risks and the mitigation strategy adopted.

Key Risk

Price Level Adjustments differ significantly to that included in the LTP. The cumulative effect of price level changes over the period of the LTP probably introduces the greatest uncertainty into the financial estimates (will probably occur).

How Addressed in 10-Year Plan or Mitigation Measure

The 10-Year Plan has been prepared based on price level adjustments based on the adjustments recommended by BERL, an economic forecasting agency. All financial estimates, unless explicitly stated, are stated in price adjustment terms. There are few realistic mitigation measures that the Council can take to address the effects of inflation. As it reviews its 10-Year Plan, the Council will consider the effects of price level changes and alter its future year projections accordingly. Presently, the Council has not considered it necessary to alter the level of services offered to compensate for future prices level changes. In the future, it is possible the Council may need to consider this option should the effect of price level adjustments exceed the ability of the community to afford the services provided.

Key Risk

Growth occurs at rates different to that forecast (will probably occur).

How Addressed in 10-Year Plan or Mitigation Measure

The 10-Year Plan has assumed growth based on the latest projections, which is the best information available. Volume 1 deals with this issue in more detail. Capital expenditure and revenue forecasts have been based on these assumptions. Most significant capital works include a growth component that will cater for changes in demand. The cost impacts of growth in population have been assessed for the next 10 years. Just over 50% (2009:49%) of the total capital expenditure is required to provide infrastructure to meet the demands of future growth.

This can cause funding issues because Council cannot be certain as to when the growth will occur. In time, most of this expenditure will be recovered from developers through the charging of development contributions, but in the interim a large proportion of this cost must be borrowed. It is Council's intention to deliver the growth related capital projects on a "just in time" basis. This means that additional capacity will not be provided until Council is satisfied that it is absolutely necessary to do so.

However, if growth is faster than forecast, many of the engineering solutions cater for growth up to 50 years out, therefore it may mean at some stage in the future, upgrades need to occur sooner than anticipated. This is not considered a high risk.

Of greater sensitivity is the impact on revenue forecasts. The Council has made assumptions about the level and amount of development contributions to be received as a result of growth and also the number of ratepayers that are in the district to share the rating burden. If development occurs at different rates, then these projections will need to be amended. Council has also undertaken sensitivity analysis in order to determine a series of "what ifs" around the following significant items:

- Development Contributions
- QAC Dividend
- Land Sales
- Water Demand Management

Various scenarios have been run which include reducing income from Development Contributions and Land Sales to zero over the 10 year period. They show that financial affordability can still be maintained by deferring \$70m of growth related capital projects which are discretionary regarding timing. In this scenario, Council can still comply with the financial ratios provided at least 25% of the QAC Dividend is received. The likelihood of this scenario is very low but it demonstrates that there is real head-room built into the financial forecasts.

Council is confident that the savings required in consumption volumes and leaks from the water supply networks is achievable. Council needs to manage demand in order to avoid the large expensive capacity upgrades that would otherwise be required in Queenstown and Wanaka. Council has a number of initiatives to promote water demand management. These include education and awareness of the issue; full or partial irrigation bans; flow restrictors and ultimately water metering. At the same time, Council will play its part by continuing the programme to locate and repair leaks.

The Council will review growth rates whenever updated information is available and prior to every annual plan and LTP. If there are significant changes in the trends then the forecasts and the Development contributions Policy will be amended accordingly.

Key Risk

Capital expenditure forecasts for major capital projects vary considerably from those contained in the 10-Year Plan (may occur).

How Addressed in 10-Year Plan or Mitigation Measure

The estimates are based on the best information available at present. Detailed design has not always been undertaken, therefore until the design is complete and the projects tendered, it is possible that the final cost will vary from that forecast in the LTP. This risk applies to a number of larger capital projects, however, the estimates that do appear in the asset management plans have been thoroughly reviewed to ensure that they are realistic and include a 20% scope contingency.

Key Risk

Major adverse event eg earthquake, flood, pandemic (may occur).

How Addressed in 10-Year Plan or Mitigation Measure

No specific provision is included in the 10-Year Plan, although Civil Defence training is provided for and there are risk management plans for key infrastructure assets.

Council does not hold insurance for roads or underground reticulation and in the event of a disaster, it is expected that major changes will be required to be made to expenditure programmes to allow for the repair of core infrastructure.

Impact on forecasting Assumptions as a Result of High Uncertainty

There are no cases in the 10-Year Plan that include a 'high' uncertainty. There are situations where there is some uncertainty relating to price level adjustments and the impact of growth, which have been highlighted in the table above. These are discussed further below:

Price Level Adjustments

The Council considers that the highest level of uncertainty relates to price level adjustments. Currently, New Zealand is experiencing a low level of growth in its' economy. This is largely due to international economic factors and there is some uncertainty about how this will impact the Council and its financial projections. Should price level adjustments be higher than those contained in the 10-Year Plan, then the cumulative effect of price level adjustments in later years could be significant.

The Council has relied on independent recognised economic forecasters to determine the price level adjustment factors. As the Council reviews its 10-Year Plan it will revise future price level adjustment factors based on the best information available at the time.

Growth Rates

As projected rates are inherently uncertain, there are possible implications for Council's capital works programme and for expenditure on Council's core infrastructure services, should eventual growth rates differ substantially from those projected in this document. Implications of both above and below projected growth eventuating, for the district, are discussed below.

Above projected growth is realised:

The implications of higher than expected growth are that budgeted works in the capital works programme may need to be designed and implemented earlier than planned. This relates particularly to "core services" of roading, water supply, and sewerage, where the need to service new developments is often more immediate. Most new services proposed, however, will cater for growth well beyond the 10-Year Plan planning horizon. For example, Project Shotover (Queenstown Sewerage Disposal Scheme) will provide capacity for growth through to 2026, based on current growth rates. The implications of above projected growth for community services such as recreation, swimming pools and libraries would result in less urgent community demand for facility upgrades as the services are more discretionary. Other Council regulatory, long term planning and governance functions could be expanded as required to cater for additional function or demand. Additional Development contribution and rates revenue resulting from the increased growth would help to fund some of the increased demand for infrastructure, regulatory services and other facilities.

Below projected growth is realised:

The implications of lower than expected growth are that budgeted works in the capital programme may be deferred. Core service infrastructure upgrades could be deferred, as lower rate and Development Contribution revenue would impact on the Community's ability to pay for all desired services. It is Council's intention to deliver the growth related capital projects on a "just in time" basis. This means that additional capacity will not be provided until Council is satisfied that it is absolutely necessary to do so.

Other regulatory, long term community planning and governance services could be provided at status-quo levels as required. Elective facility development could be re-prioritised and deferred, as revenue to pay for planned upgrades may be more limited than anticipated.



Financial Strategy

Background

The Financial Strategy is a new requirement for the 10-Year Plan (Section 101A of the Local Government Act 2002).

The purpose of the financial strategy is to facilitate —

- prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
- consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

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

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

Significant Factors

There are several factors that are expected to have a significant impact on the district for the period 2012 to 2022. Each of the factors is discussed in more detail in the following sections:

- Growth and Changes in Land Use – the district is expected to continue to show strong population growth
- Capital Expenditure to maintain levels of service – a large proportion of the capital programme is required for core infrastructure: roading; water supply; wastewater and stormwater.
- Capital Expenditure to improve current levels of service – there are several large projects which are largely driven by community desire to seek improvements (Project Shotover; Wanaka Sports Facility; Queenstown Events Centre improvements).

Capital expenditure on physical works over the next 10 years is much lower than previously forecast. It amounts to \$554m (2009: \$832m) which represents a reduction of \$278m or around 33% compared to 2009. The capital expenditure programs for infrastructure have been derived from revised asset management plans that include the latest growth projections.

a. Population Growth and Changes in Land Use

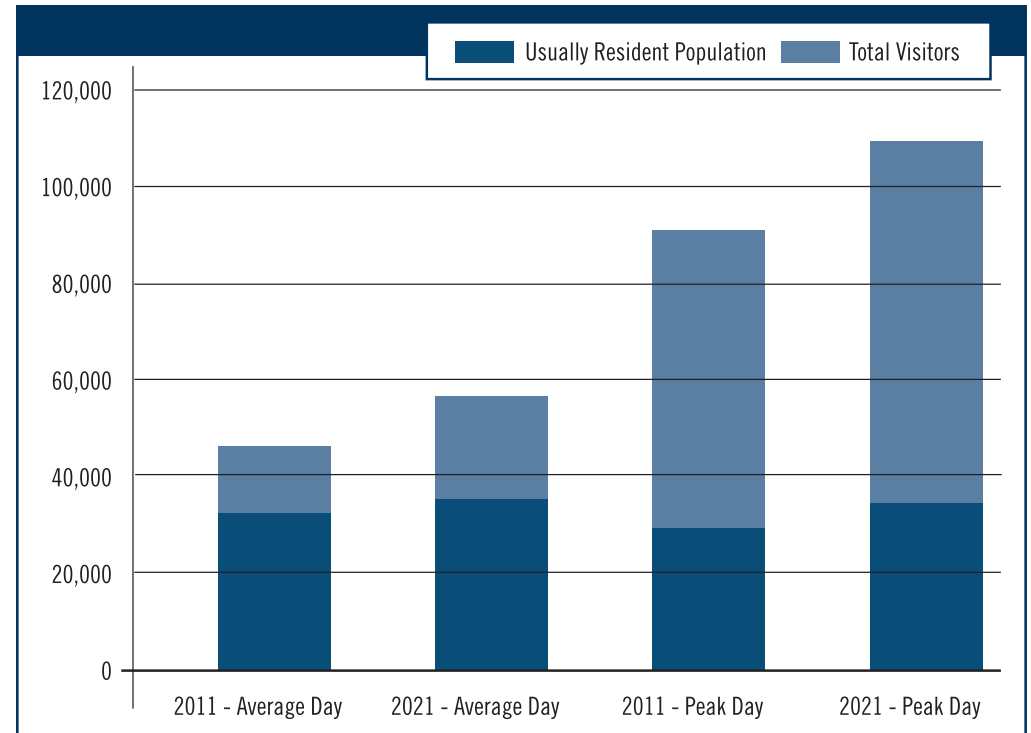
Detailed population projections for the district have been completed as part of the long term planning process. The district-wide results are summarised below:

Usually Resident – increase of 26.2% from 28,440 (2011) to 35,905 (2021).

Average Day – increase of 21.2% from 46,612 (2011) to 56,517 (2021).

Peak Day – increase of 22.0% from 89,346 (2011) to 108,970 (2021).

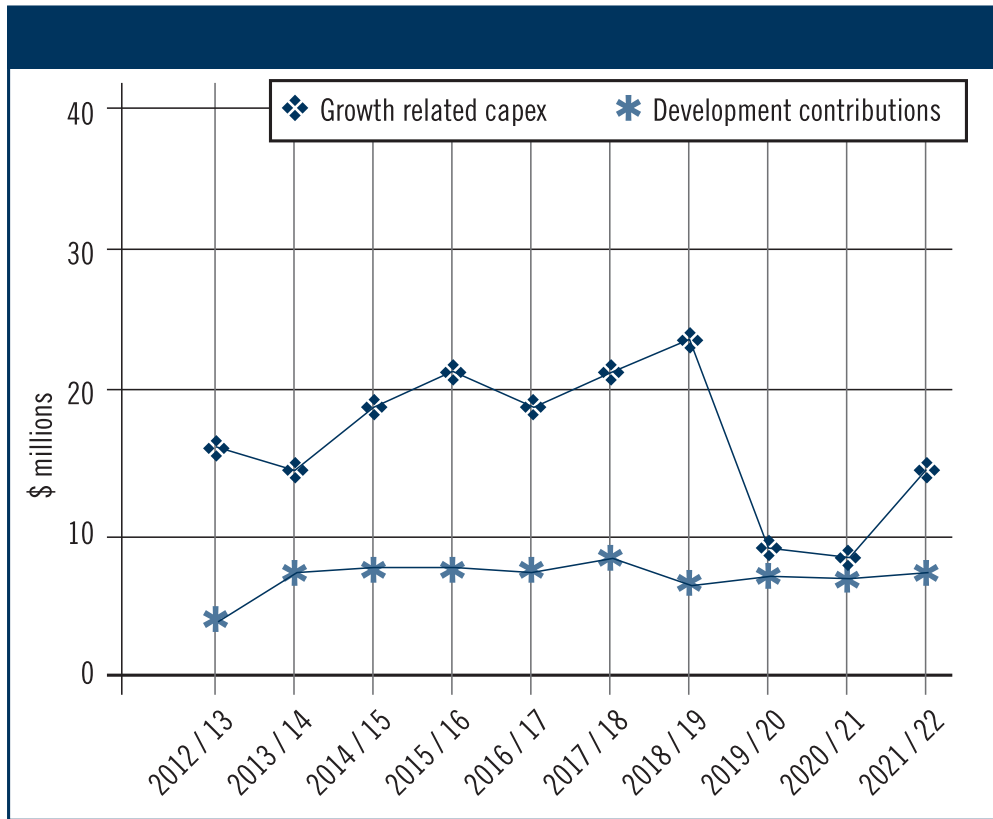
The growth in population is assumed to occur in areas which can provide additional capacity based on current district plan zoning rules. The Council's Dwelling Capacity model and historic growth rates have been used to apportion the expected growth into each census area unit.



The cost impacts of growth in population have been assessed for the next 10 years. Just over 50% (2009: 49%) of the total capital expenditure is required to provide infrastructure to meet the demands of future growth.

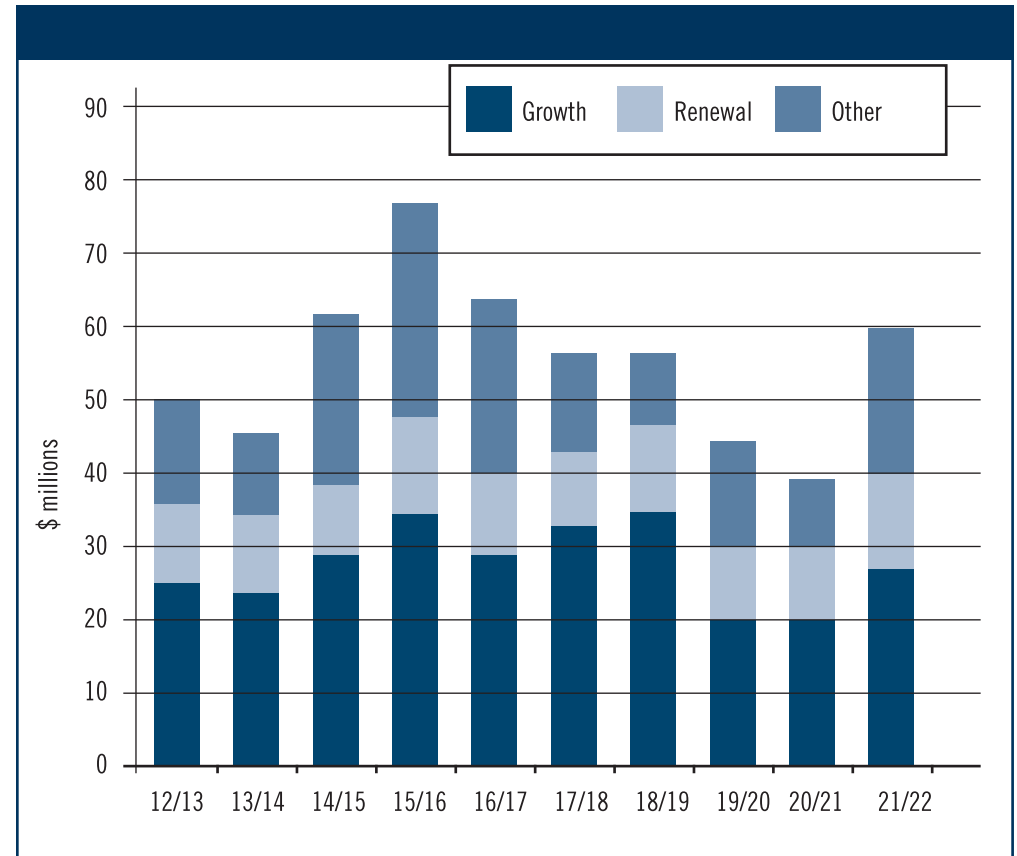
This can cause funding issues because Council cannot be certain as to when the growth will occur. In time, most of this expenditure will be recovered from developers through the charging of development contributions, but in the interim a large proportion of this cost must be borrowed. It is Council's intention to deliver the growth related capital projects on a "just in time" basis. This means that additional capacity will not be provided until Council is satisfied that it is absolutely necessary to do so. This is illustrated in the graph below:

**Growth Related Capex (excluding Vested Assets)
vs Development Contributions**



Of the total capital cost of \$554m for the period, \$276m is required because of growth. Included in this figure is \$107m of vested assets (infrastructural assets transferred to Council through the subdivisional approval process). Around 20% of the total capital expenditure is required to renew or replace existing assets and around 30% is required to provide increased levels of service.

**Capital Expenditure by Cost Driver
Whole Council (Physical Works only)**



In terms of operating expenditure, growth does have a direct impact on many expenses. As the population grows and more land is developed to accommodate the new arrivals, costs are increased as there are more roads and footpaths to maintain or reserves to mow. It is estimated that growth accounts for around 10% of the increase in operating costs over the period. The total increase in operating costs is \$44.8m or 55% over the 10 years.

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

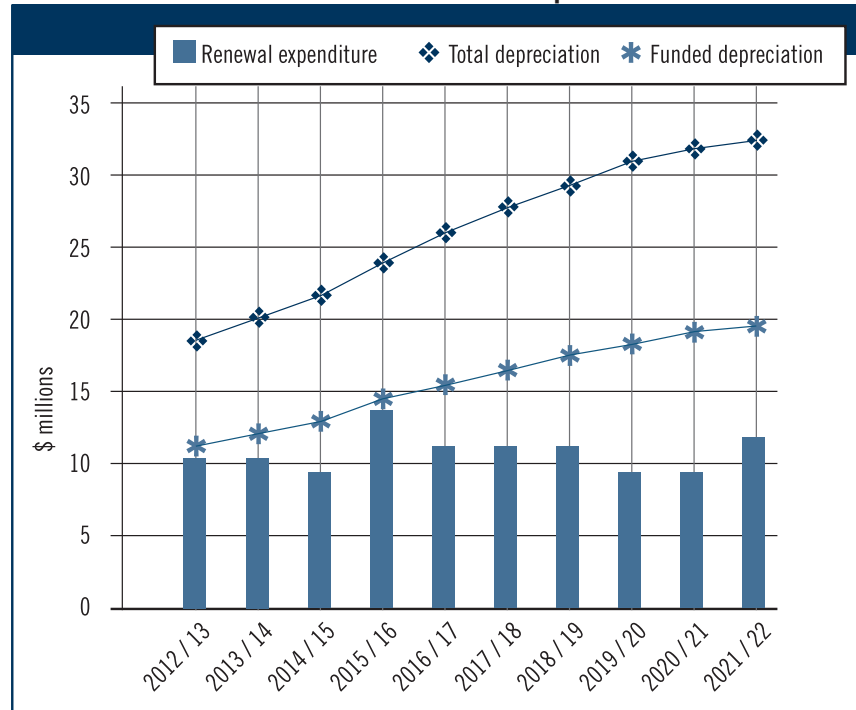
- Additional internal loans (repayments funded by general rates)
- Utilising "excess" depreciation funds (especially Roading)

Significant Projects	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Grand Total
Halls - Events Centre											(000)
Queenstown Events Centre - extension to main hall (stage 1)	-	-	110	4,681	4,938	-	-	-	-	-	9,729
Queenstown Events Centre - four covered courts	-	-	-	-	-	-	-	-	-	5,439	5,439
Queenstown Events Centre - four additional sports fields	-	-	50	1,988	-	-	-	-	-	-	2,038
Queenstown Events Centre - additional parking (replace lost parking from Stage 1 expansion)	-	-	-	971	-	-	-	-	-	-	971
Halls - Wanaka Sports Facility											
Wanaka sports facilities building - Stage 1	208	214	16,415	-	-	-	-	-	-	-	16,837
Wastewater											
Project Shotover - Stage 1 (Option A)	487	5,445	16,965	4,230	-	-	-	-	-	-	27,127
Project Shotover - Disposal Field	-	-	-	-	-	-	-	-	-	8,823	8,823
Renewals - Districtwide	918	963	1,162	1,207	1,519	1,303	1,594	1,048	1,089	1,133	11,936
Glenorchy New Wastewater Scheme	56	58	2,922	-	-	-	-	-	-	-	3,036
Remarkables Park Pump Station Upgrades - New PS2	-	-	-	-	609	3,282	869	-	-	-	4,760
CBD to Frankton	-	-	-	-	2,056	2,136	-	-	-	-	4,192
Recreation Ground Pumpstation - Stage 1	-	-	-	-	-	3,783	-	-	-	-	3,783
Kelvin Heights Wastewater Upgrades	-	-	-	-	-	369	2,723	-	-	-	3,092
Water Supply											
Renewals - Districtwide	1,779	1,668	1,372	1,544	1,330	1,552	1,646	1,613	1,780	2,194	16,478
Kingston Water Supply New Scheme	-	-	33	34	3,462	-	-	-	-	-	3,529
Upper Marina Drive Water Supply Upgrades	-	-	-	-	-	-	3,546	-	-	-	3,546
Frankton Flats - Frankton Road Main Upgrade stages 1 &2	-	-	-	-	-	2,522	-	-	-	-	2,522
Beacon Point filtration/UV (provisional on testing outcomes)	-	605	600	-	-	-	-	1,137	1,181	-	3,523
Albert Town Ring Main	261	-	-	-	-	-	-	-	-	2,971	3,232
Western filtration/UV (provisional on testing outcomes)	-	501	328	-	-	-	-	1,137	1,181	-	3,147
Stormwater											
Renewals - Districtwide	447	514	288	286	292	326	357	378	393	409	3,690
Queenstown Stormwater - Belfast Terrace to Horne Creek	-	-	-	-	-	-	-	2,082	-	-	2,082
Roading and Footpaths											
Sealed road resurfacing	4,358	4,494	3,753	3,838	5,442	3,039	4,015	5,575	3,602	4,737	42,853
Sealed road pavement rehabilitation	626	427	669	8,298	6,707	8,086	8,208	5,185	6,156	7,336	51,698
Associated Improvements	1,171	580	744	1,795	1,685	2,542	1,467	1,180	1,483	1,508	14,155
Minor Improvements	1,787	1,606	1,711	2,316	2,350	2,749	2,019	1,884	2,197	2,206	20,825
Unsealed road metalling	1,220	1,266	1,305	1,351	1,393	1,434	1,481	1,533	1,589	1,644	14,216
New Road - New Link SH6 Eastern Access Road	-	300	310	4,187	4,317	-	-	-	-	-	9,114
New Road - Frankton Flats	3,479	-	-	-	-	-	-	-	-	-	3,479
Wanaka North Ballantyne, Hedditch, Lismore Eastern Corridor	-	92	95	404	417	429	443	-	-	-	1,880

b. Capital Expenditure to Maintain Existing Levels of Service

The cost impacts of renewing or replacing existing assets have been assessed for the next 10 years. Of the total capital cost of \$554m for the period, \$110m (20%) is required because of renewals.

10 Year Financial Analysis Renewals vs Depreciation



Most of the renewal expenditure is funded from rates or borrowing. The graph above shows that around 59% of the depreciation expense is actually provided for in the rates. This is discussed further in the section on Balancing the Budget.

The largest portion of renewal expenditure is provided for core infrastructure activities:

Roading	\$52.4m
Water Supply	\$18.2m
Wastewater	\$18.2m
Total	\$88.8m

This amounts to 81% of the total renewal expenditure over the 10 year period (\$110m).

c. Capital Expenditure to Improve Existing Levels of Service

The cost impacts of capital expenditure to improve existing levels of service have been assessed for the next 10 years. Of the total capital cost of \$554m for the period, \$168m (30%) is required for this purpose. It is not uncommon for a capital project to have a mixture of reasons for construction (cost drivers). A large project like Project Shotover (\$35.9m) (new Queenstown wastewater disposal scheme) is a good example.

The project provides additional capacity for the future; so is partly required to be funded from growth sources (loans and development contributions). There is also a large component which clearly provides an enhanced level of service. The quality of effluent produced from the new plant is vastly higher than that provided currently from the oxidation ponds and as such around 80% of the cost of the project has been attributed to increased level of service.

The largest portion of capital expenditure due to increased level of service is provided for in the following activities:

Roading	\$62.3m
Community	\$31.4m
Water Supply	\$16.0m
Wastewater	\$34.2m
Total	\$143.9m

This amounts to 86% of the total for this category over the 10 year period \$168m. The projects in Community which are providing increased levels of service are the Wanaka Sports Facility (Total cost \$16.8m) and the extensions to the Queenstown Events Centre (Total cost \$15.2m).

The water supply projects include proposals to provide improved treatment facilities in various schemes as well as some new schemes. The roading projects total represents the portion of overall capital expenditure not attributable to growth or renewal. Often this reflects an improvement made to enhance the road or footpath (widening, improved surface etc).

Balancing the Budget

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

1. A local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that years projected operating expenses.
2. Despite subsection (1), a local authority may set projected operating revenues at a different level from that required by that subsection if the local authority resolves that it is financially prudent to do so, having regard to:
 - a. The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long term Council community plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.
 - b. The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity to assets throughout their useful life.
 - c. The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.
 - d. The funding and financial policies adopted under section 102.

Council comfortably meets these requirements over the timeframe of the plan. The forecast statement of Financial Performance over the next 10 years shows consistent operating surpluses, which demonstrates that Council is balancing its budget requirements.

Funding of Depreciation

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

adequately for asset renewal. A major effort has been made over the past decade or so to address deferred maintenance and the budgets have provided for the renewal of infrastructure.

The Council now has far more reliable asset information and a much better understanding of the life cycle of its assets. The Act provides a more flexible approach in the requirement to fully fund depreciation. This has allowed some flexibility which Council have taken advantage in four key areas in preparing these budgets:

- i. The Council needs to fund depreciation only on its share of roading expenditure. The component attributable to NZTA should not be funded as the NZTA subsidy covers this. Allowing for all subsidisable costs 60% of roading depreciation will be funded in 2012/13 (2011/12 - 65%). There is no impact on current levels of service from this approach.
- ii. Depreciation on Community facilities may not need to be funded as they are often funded by non-Council sources and will never be replaced in the same form at the end of their useful life. Depreciation on buildings such as halls, libraries, and other facilities (including the Events Centre) will therefore not be funded.
- iii. The Council has accepted that it is not reasonable to fund depreciation where a community has funded a water or sewerage scheme, by lump sum contributions or loan charges. That community ends up paying twice - for loan charges and depreciation.
- iv. Because we have generally maintained the value of our infrastructure the Council will use funded depreciation to finance renewal projects and repay loans. It will not be used to fund new assets or asset improvements.

The impact of the above has led to the following amounts of depreciation not being funded:

	Total Depreciation 2012/13	Depreciation not funded 2012/13
Roading	8,121	3,241
Wastewater	3,402	1,480
Water Supply	2,206	609
Stormwater	1,396	491
Community/other	4,054	2,131
Total	19,179	7,952

Revenue and Financing

Section 103 of the Act outlines that the Revenue & Financing Policy must state the Council's policies in respect of the funding of both operating expenses and capital expenditure.

Funding Sources - Operational Expenditure

The "revenue" part of the title "revenue and financing policy" relates to funding of operating expenditure. The following sources of income are recognised:

Rates

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

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

There are two classification types for rates:

- General rates - Include Uniform Annual General Charge (UAGC) and capital valued based rate.
- Targeted rates - Include capital valued based Rooding Rate, Tourism Promotion Rate, Water Supply, Rate and Stormwater Rate, and fixed annual charges for Sewerage, Water Supply, Waste Management, Queenstown Aquatic Centre, Recreation and Governance.

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

Fees and charges

There is a wide range of revenue under this general title. Generally, Council will look to use fees and charges to recover the "private benefit" costs of a particular activity, if it is economically viable to do so.

Grants and subsidies

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

Interest and dividends from investments

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

Council can now expect a regular dividend from Queenstown Airport Corporation (QAC). It is proposed to utilise forecasted dividends from QAC for 2 purposes:

1. To repay general rate funded debt (50%)
2. To set up a special reserve (50%) for the funding of community projects.

Council is currently consulting on this proposal as part of the LTP.

Other sources of income

Other sources of income include parking infringement fines, petrol tax, rates penalties and concession income. This is a catch-all classification and the income is treated in the same way as fees and charges.

Funding Sources - Capital Expenditure

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

Funding for new capital works will depend on the nature of the work in particular the reasons (cost drivers) which have made the work necessary. There are 3 main cost drivers recognised by Council:

- Growth
- Level of Service Shift
- Renewal

Capital Expenditure due to Growth

The Queenstown Lakes District has experienced significant growth in its population, visitors, development and the local economy. This growth generates high levels of subdivision and development activity which places increasing pressure on the assets and services provided by the Council. Significant investment in additional assets and services is accordingly required to meet the demands of growth. Council intends to fund the portion of capital expenditure that is attributable to growth from Development Contributions wherever it is reasonable to do so.

Council considers that Development Contributions are the best mechanism available to ensure the cost of growth sits with those who have created the need for that cost. Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of existing growth. Council has adopted a Policy on Development Contributions as part of the 10-Year Plan since 2004. This is updated on an annual basis.

Types of Assets included in the Development Contribution Policy are:

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

Funding Sources for Growth Capital Expenditure in order of priority:

- i. Vested Assets
- ii. Development Contributions
- iii. Capital Grants and subsidies attributable to growth portion
- iv. Borrowing

Capital Expenditure due to Renewals

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

Funding Sources Renewal Capital Expenditure in order of priority:

- i. Depreciation Reserves
- ii. Borrowing
- iii. Rates

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

The cost driver for a significant portion of capital works within the Queenstown Lakes District relates to increasing of levels of service for the community. Sometimes these improvements to levels of service are required because of changes to legislation or resource consent conditions, which means that there is often little discretion with regard to the decision.

An example of this would be the requirement to provide additional water treatment facilities as a result of the introduction of new Water Treatment Standards. In other cases, the increase in level of service is a community driven decision. An example of this would be the construction of the Queenstown Aquatic Centre (Alpine Aqualand). Council's approach to funding for this type of Capital expenditure is to initially apply for grants from national and local funding organisations and to apply the proceeds of land sales from the Commonage in Queenstown or Scurr Heights in Wanaka.

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

Funding Sources for Other Capital Expenditure in order of priority:

- i. Capital Grants and subsidies
- ii. Capital Revenues and Asset sale proceeds

- iii. Capital Reserves
- iv. Borrowing
- v. Rates

Quantified Limits On Borrowing

In order to deliver the large capital programme included in this plan, Council will need to rely on borrowing. The amount of borrowing required is well below the amount anticipated in the 2009 plan. Council has spent a considerable amount of time and effort working through the capital programme to ensure that it is affordable and deliverable.

This has meant that a number of projects have been deferred or omitted because of funding and financing constraints. It is expected that by the end of year three, external debt will have risen to \$169m and by the end of the 10-year period; it will have reached \$170m (2009:\$393m). This is less than half the amount anticipated for in the 2009 Plan.

The growth portion of the Capital Programme (some \$169m) will be funded by development contributions as growth occurs, but must be funded largely by debt in the first instance. This allows for Council to spread the cost of large infrastructural projects over the expected life of the asset. Using debt in this way means that future residents and ratepayers contribute a fair share to the use they make of a facility. The proposed level of borrowing is now well within all of the debt parameters in Council's Liability Management Policy:

Borrowing Limit	30 June 13	30 June 14	30 June 15	30 June 22
Interest Expense/Rates <25%	13.8%	14.0%	15.2%	13.1%
Interest Expense/ Total Revenue <15%	7.7%	7.7%	8.4%	7.4%
Net Debt/Total Revenue <200%	127.7%	129.1%	152.6%	117.5%
Net Debt/Equity <20%	15.3%	14.7%	17.7%	13.2%

Council is now well within the debt parameters, which means that the affordability of the 2012 LTP can be clearly demonstrated. This is very pleasing and justifies the considerable efforts of elected members and staff in compiling the expenditure programmes for this plan. The debt ratios show that the affordability position has improved significantly. In the 2009 plan, two of these ratios were exceeded in the latter period covered by the plan. The 2012 10-Year Plan shows not only compliance but also considerable headroom is provided.

Council has also undertaken sensitivity analysis in order to determine a series of “what ifs” around the following significant items:

- Development Contributions
- QAC Dividend
- Land Sales
- Water Demand Management

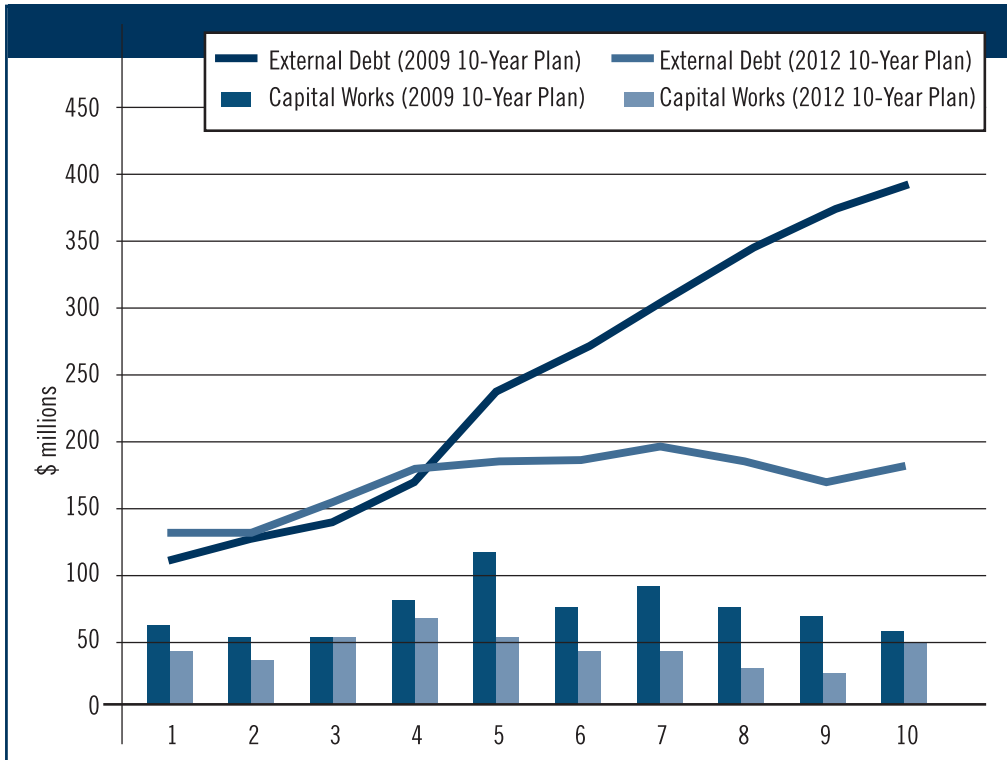
Various scenarios have been run which include reducing income from Development Contributions and Land Sales to zero over the 10-year period. They show that financial affordability can still be maintained by deferring \$70m of growth related capital projects which are discretionary regarding timing. In this scenario, Council can still comply with the financial ratios provided at least 25% of the QAC Dividend is received. The likelihood of this scenario is very low but it demonstrates that there is real head-room built into the financial forecasts.

Council is confident that the savings required in consumption volumes and leaks from the water supply networks is achievable. Council needs to manage demand in order to avoid the large expensive capacity upgrades that would otherwise be required in Queenstown and Wanaka. Council has a number of initiatives

to promote water demand management. These include education and awareness of the issue; full or partial irrigation bans; flow restrictors and ultimately water metering. At the same time, Council will play its part by continuing the programme to locate and repair leaks.

The following graph shows a comparison of the 2012 10-Year Plan to the 2009 for capital works and external debt over the 10-years. The improvement in the debt position is very obvious as the gap between the 2 lines is to over \$200m.

**10 Year Financial Comparison
External Debt vs Capital Works**



Security On Borrowing

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

Quantified Limits On Rates

Operating expenditure is shown to increase over the 10 year period by an average of 5.5% (2009:6.6%) per annum. The forecasts do include a provision for inflation after the first year as well as increases as a result of projected growth within the district.

Operating revenue for the same period increases by an average of 4.4% (2009:5.9%) per annum. With the reduction in capital expenditure and debt, forecast rates increases are also reduced. The average annual increase over the 10 years is now 4.6% down from 6.9% (2009).

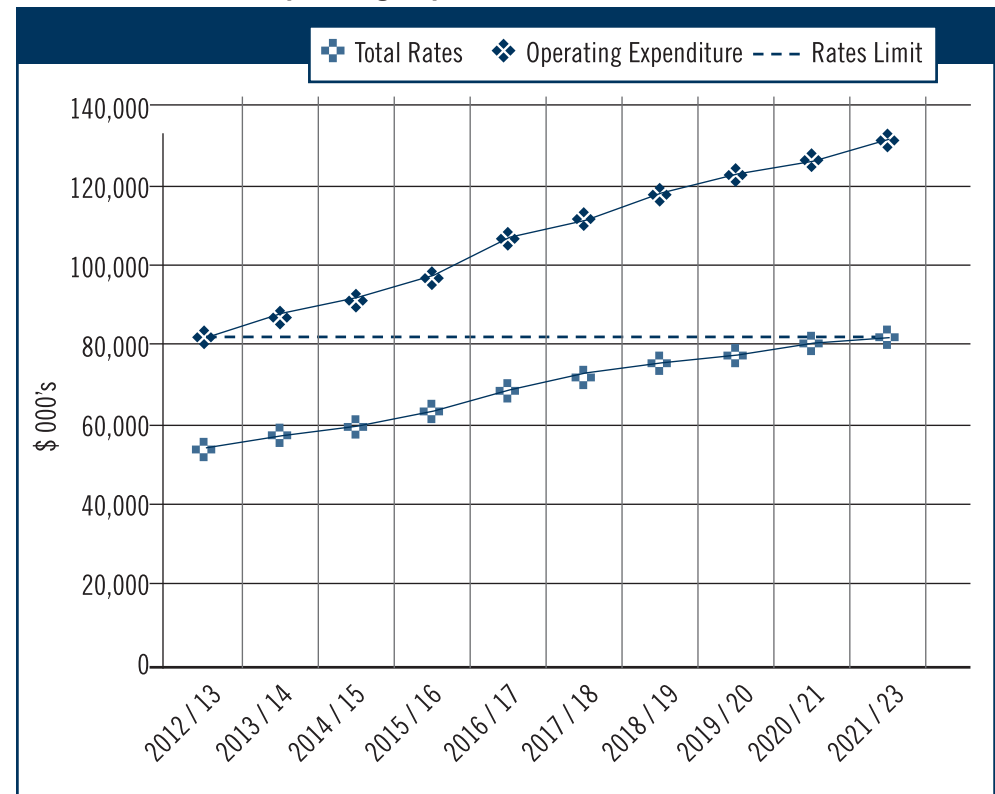
The graph below shows that rates are increasing at lower rate than operating costs over the 10-year period. As discussed earlier, rates are influenced by a number of factors including core recurring operating costs; growth in the district; inflation and the capital programme. The capital expenditure in previous years will affect rates through the impact of depreciation and interest costs.

Rates can also be affected if the community demands or central government requires an improvement in levels of service for a particular activity. Where there is a significant rates impact for a proposal of this nature (i.e. Project Shotover), Council will disclose the rating impact as part of the consultation process.

In order to come up with a sensible quantified limit on rates, it is necessary to take account of the various influences on rating levels. The limit should also be easily understood. The graph below shows that rates are increasing by an average of 4.6% over the 10-years. This increase is not even however, as the impact of increased costs associated with new facilities is recognised. The forecasted rates increases for 2015/16 and 2016/17 are high (7.9% and 7.2%) as they reflect the increased costs of the new Wanaka Sports Facility and the Project Shotover.

It is proposed therefore to set a rates increase limit of 4% subject to growth changes and the effect of increased levels of service. This will be a challenge for Council and will require disclosure of the base rate increase and separately identify the impact of growth changes and the effect of increased levels of service.

Operating Expenditure & Rates Revenue



Financial Investments and Equity Securities

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

Council does hold equity securities (shares) in several subsidiaries. These Council Controlled Organisations (CCOs) exist or have been established to perform specific important functions within our community. Shares are held in the following entities:

Name	Ownership Interest
Queenstown Airport Corporation	75.01%
Lakes Environmental Ltd	100.0%
Lakes Leisure Ltd	100.0%
Lakes Combined Forestry Committee	75.0%

The Council does not require a dividend from Lakes Environmental Ltd or Lakes Leisure Ltd as they are not intended to make profits. The Forestry Committee jointly owns the forest at Coronet Peak, the value of which at the end of 2011 was \$711,000.

The share-holding in Queenstown Airport Corporation is both commercially and community oriented. The Council continues to hold a controlling interest in QAC because the airport is seen as a critical piece of local tourism infrastructure. The airport is the fastest growing in Australasia and it is seen as essential that it remain under community control to ensure that it continues to make decisions in the best interests of the district. Until recently, the Council was the sole share-holder but with the 2010 equity investment from Auckland International Airport Ltd, there is the expectation that dividends will now be paid.

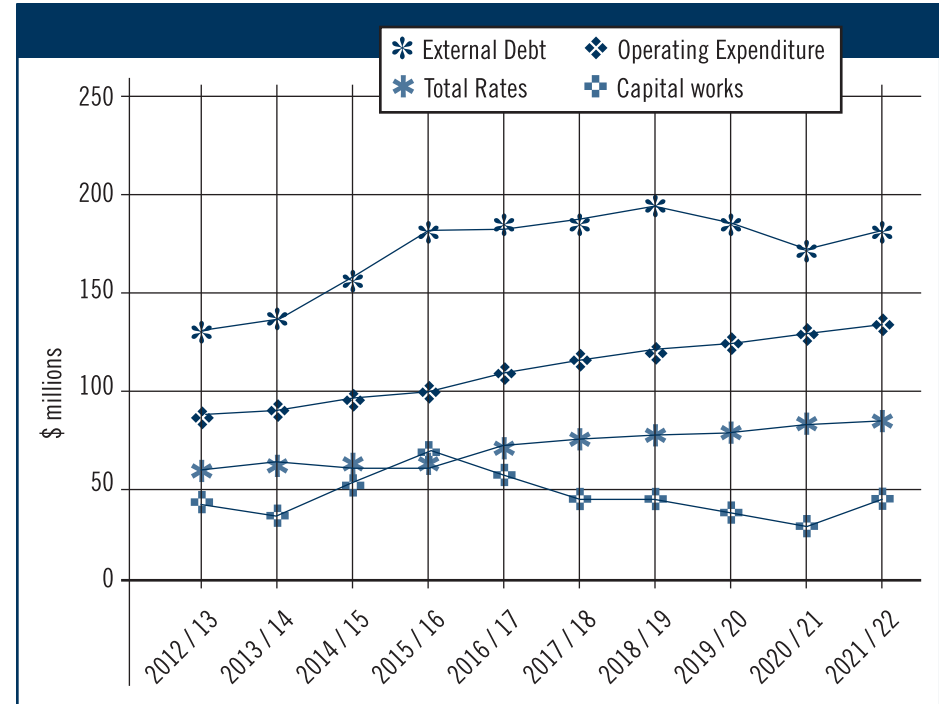
Over the next 10 years, \$41.9m of dividend income is forecast to be received by Council. Council intends to use 50% of this income to repay existing debt with the balance available to fund local projects. The criteria for the establishment of this fund will be consulted on.

Strategic Destination

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. If this task is successfully delivered, the following outcomes should be achieved:

- Prioritised Capital Programme – delivering the “right” projects at the optimum time
- Rates increases set at maximum of 4% per annum (subject to changes in growth or increased levels of service)
- Debt levels maintained at prudent levels (within Borrowing Limits)
- Debt levels at the end of the 10 year period have stabilised and sufficient head-room exists to provide financing flexibility for future councils
- To continue to provide excellent service within financial constraints

10 Year Financial Analysis



Prospective Statement Of Financial Performance For The Year Ended 30 June

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Income (\$000)											
40,579	Targeted Rates	54,185	56,527	58,935	63,614	68,192	71,190	72,997	75,826	77,779	79,060
13,189	General Rates	1,923	1,942	2,043	2,205	2,364	2,468	2,530	2,629	2,696	2,741
12,344	User Charges	12,232	12,895	13,344	14,048	14,803	15,546	16,316	17,152	18,026	18,932
16,650	Grants and Subsidies	13,532	11,932	12,489	19,055	17,909	13,896	13,600	12,543	12,807	13,714
-	Property Sales	-	-	-	-	7,061	7,317	-	7,717	7,856	-
9,683	Vested Assets	9,129	9,444	9,781	10,113	10,458	10,811	11,189	11,610	12,047	12,505
6,951	Development Contributions	4,040	7,033	7,225	7,643	7,817	8,170	6,887	7,116	7,365	7,490
2,700	Dividend Income	2,469	3,688	3,618	3,625	4,607	4,348	4,496	4,740	5,000	5,266
3,036	Other Income	3,042	3,119	3,207	3,278	3,352	3,431	3,512	3,597	3,683	3,774
-	Revaluation - Non Current Assets	-	-	-	1,327	1,353	1,380	1,408	1,436	1,465	1,494
105,132	Total Operating Income	100,552	106,580	110,642	124,908	137,916	138,557	132,935	144,366	148,724	144,976
Cost of Services (\$000)											
4,686	Governance	4,509	4,764	4,876	5,060	5,158	5,264	5,372	5,482	5,594	5,713
14,356	Community	15,249	16,228	17,446	20,624	22,123	23,403	24,211	25,237	25,546	26,055
10,074	Economic Development	10,251	10,536	10,806	11,162	11,430	11,450	11,701	11,904	11,907	12,068
14,332	Environmental Management	13,842	14,215	14,677	15,539	16,162	16,701	17,309	18,058	18,866	19,713
17,583	Roading and Footpaths	18,303	19,953	20,963	22,170	23,275	24,794	26,140	26,709	27,778	28,949
8,726	Sewerage	9,249	9,713	10,676	12,259	15,307	15,800	16,710	17,347	17,424	17,746
7,758	Water Supply	8,185	8,683	9,178	9,848	10,425	10,911	11,363	12,051	12,448	13,029
2,308	Stormwater	2,411	2,514	2,585	2,792	2,968	3,052	3,137	3,298	3,469	3,558
26	Overhead and Internal Charges	9	15	17	18	18	19	19	20	21	21
79,849	Total Operating Cost (See Table for detail)	82,008	86,621	91,224	99,472	106,866	111,394	115,962	120,106	123,053	126,852
25,283	Net Surplus (\$000)	18,544	19,959	19,418	25,436	31,050	27,163	16,973	24,260	25,671	18,124

Prospective Statement Of Comprehensive Income For The Year Ended 30 June

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
25,283	Net Surplus (\$000)	18,544	19,959	19,418	25,436	31,050	27,163	16,973	24,260	25,671	18,124
	Other Comprehensive Income (\$000)										
-	Gain/(Loss) on Revaluation	-	73,033	-	-	80,172	-	-	90,959	-	-
25,283	Total Comprehensive Income (\$000)	18,544	92,992	19,418	25,436	111,222	27,163	16,973	115,219	25,671	18,124

Prospective Statement Of Changes In Equity For The Year Ended 30 June

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
882,872	Forecast Opening Equity (\$000)	* 821,426	839,970	932,962	952,380	977,816	1,089,039	1,116,202	1,133,175	1,248,394	1,274,066
25,283	Total Comprehensive Income	18,544	92,992	19,418	25,436	111,222	27,163	16,973	115,219	25,671	18,124
908,155	Forecast Closing Equity (\$000)	839,970	932,962	952,380	977,816	1,089,039	1,116,202	1,133,175	1,248,394	1,274,066	1,292,190

* 2012/13 opening equity does not equal the Annual Plan 2011/12 closing equity. This reflects the reduced equity from the 2010/11 Annual Report actual result, which was not available when the 2011/12 Annual Plan was prepared.

Prospective Statement Of Financial Position As At 30 June

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Current Assets (\$000)											
135	Bank and Cash	382	382	381	381	381	382	382	382	382	382
83	Short Term Investments	13	13	14	15	15	16	17	18	19	20
13,372	Accounts Receivable	8,489	8,489	8,491	8,491	8,491	8,491	8,491	8,491	8,491	8,491
277	Prepayments	348	348	348	348	348	348	348	348	348	348
292	Inventory - Development Property	292	292	292	4,492	2,392	292	4,780	2,536	292	292
14,159	Total Current Assets (\$000)	9,524	9,524	9,526	13,727	11,627	9,529	14,018	11,775	9,532	9,533
Non Current Assets (\$000)											
7,576	Investments (1)	6,626	6,626	6,626	6,626	6,626	6,626	6,626	6,626	6,626	6,626
92,951	Investment Properties	66,332	66,332	66,332	67,659	69,012	70,392	71,800	73,236	74,701	76,195
939,550	Fixed Assets	900,173	1,002,329	1,052,971	1,089,779	1,202,328	1,228,772	1,249,536	1,352,596	1,358,149	1,384,394
1,040,077	Total Non Current Assets (\$000)	973,131	1,075,287	1,125,929	1,164,064	1,277,966	1,305,790	1,327,962	1,432,458	1,439,476	1,467,215
1,054,236	Total Assets (\$000)	982,655	1,084,811	1,135,455	1,177,792	1,289,593	1,315,320	1,341,980	1,444,233	1,449,008	1,476,748
Current Liabilities (\$000)											
16,715	Accounts Payable	11,956	11,956	11,959	11,962	11,961	11,963	11,964	11,964	11,965	11,965
891	Other Financial Liabilities	2,309	2,309	2,309	2,309	2,309	2,309	2,309	2,309	2,309	2,309
19,271	Current Term Debt	19,263	20,638	25,321	27,856	27,943	27,727	29,180	27,235	24,100	25,543
36,877	Total Current Liabilities (\$000)	33,528	34,903	39,589	42,127	42,213	41,999	43,453	41,508	38,374	39,817
109,204	Non Current Liabilities (\$000)	109,157	116,946	143,486	157,849	158,341	157,119	165,352	154,331	136,568	144,741
146,081	Total Liabilities (\$000)	142,685	151,849	183,075	199,976	200,554	199,118	208,805	195,839	174,942	184,558
Public Equity (\$000)											
340,301	Revaluation Reserve	308,103	381,136	381,136	382,463	463,988	465,368	466,776	559,171	560,636	562,130
2,891	Operating Reserves	8,085	5,047	2,256	3,628	6,412	7,274	7,713	7,466	8,301	9,085
12,385	Capital Reserve	10,513	9,087	8,755	10,362	19,050	24,438	27,581	34,727	45,081	47,213
552,578	Accumulated Funds	513,269	537,692	560,233	581,363	599,589	619,122	631,105	647,030	660,048	673,762
908,155	Total Public Equity (\$000)	839,970	932,962	952,380	977,816	1,089,039	1,116,202	1,133,175	1,248,394	1,274,066	1,292,190
1,054,236	Total Liabilities and Equity (\$000)	982,655	1,084,811	1,135,455	1,177,792	1,289,593	1,315,320	1,341,980	1,444,233	1,449,008	1,476,748

(1) This includes \$5,512k of investment in Council Controlled Organisations (CCO's).

Prospective Statement Of Cashflows For The Year Ended 30 June (\$000)

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Cash Flows From Operating Activities											
Cash was provided from:											
95,450	Receipts from Ratepayers and Other Income	91,423	97,136	100,861	113,468	119,044	119,049	120,339	123,602	127,357	130,976
95,450		91,423	97,136	100,861	113,468	119,044	119,049	120,339	123,602	127,357	130,976
Cash was applied to:											
(54,678)	Payments for Expenses and Services	(55,100)	(57,495)	(59,456)	(62,815)	(67,605)	(70,418)	(73,151)	(75,998)	(78,976)	(82,084)
(7,603)	Interest Paid on Loans	(7,735)	(8,190)	(9,245)	(11,522)	(12,090)	(12,062)	(12,330)	(12,223)	(11,123)	(10,756)
(62,281)		(62,835)	(65,685)	(68,701)	(74,337)	(79,695)	(82,480)	(85,481)	(88,221)	(90,099)	(92,840)
33,169	Net Cash from Operating Activities	28,588	31,451	32,160	39,132	39,350	36,569	34,858	35,381	37,258	38,136
Cash Flows From Investing Activities											
Cash was provided from:											
-	Proceeds from Development Properties	-	-	-	-	9,161	9,417	-	9,961	10,100	-
-	Proceeds from Asset Sales	-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	9,161	9,417	-	9,961	10,100	-
Cash was applied to:											
(52,177)	Purchase of Plant and Assets	(41,994)	(40,615)	(63,384)	(52,919)	(45,415)	(44,547)	(44,544)	(28,415)	(26,460)	(47,752)
-	Purchase of Development Property	-	-	-	(3,111)	(3,675)	-	-	(3,961)	-	-
(52,177)		(41,994)	(40,615)	(63,384)	(56,030)	(49,090)	(44,547)	(44,544)	(32,376)	(26,460)	(47,752)
(52,177)	Net Cash used in Investing Activities	(41,994)	(40,615)	(63,384)	(56,030)	(39,929)	(35,130)	(44,544)	(22,415)	(16,360)	(47,752)
Cash Flows From Financing Activities											
Cash was provided from:											
37,253	Long Term Debt	32,676	28,427	51,861	42,219	28,435	26,505	37,413	16,214	6,337	33,716
Cash was applied to:											
(18,245)	Settlement of Long Term Debt	(19,271)	(19,263)	(20,638)	(25,321)	(27,856)	(27,943)	(27,727)	(29,180)	(27,235)	(24,100)
19,008	Net Cash from Financing Activities	13,405	9,164	31,223	16,898	579	(1,438)	9,686	(12,966)	(20,898)	9,616
-	Net Increase/(Decrease) in Cash Held	(1)	-	(1)	-	-	1	-	-	-	-
135	Total Cash Resources at 01 July	383	382	382	381	381	381	382	382	382	382
135	Total Cash Resources at 30 June	382	382	381	381	381	382	382	382	382	382
Cash Resources represented by:											
135	Bank and Cash	382	382	381	381	381	382	382	382	382	382
-	Bank Overdraft	-	-	-	-	-	-	-	-	-	-
135	Total Cash Resources	382	382	381	381	381	382	382	382	382	382

Prospective Operating Expenditure By Activity (\$000)

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Governance										
4,324	Community Leadership	4,144	4,377	4,476	4,648	4,738	4,835	4,935	5,036	5,139	5,248
362	Community Information	365	387	400	412	420	429	437	446	455	465
4,686	Sub Total	4,509	4,764	4,876	5,060	5,158	5,264	5,372	5,482	5,594	5,713
	Community										
3,958	Community Facilities	4,110	4,293	4,667	6,939	7,533	8,002	7,988	7,908	7,860	7,930
6,175	Active & Passive Recreation	6,712	7,331	8,015	8,758	9,510	10,162	10,821	11,680	11,893	12,157
562	Community Development	623	662	683	705	726	748	771	794	818	844
492	Community Grants	582	596	615	635	656	678	700	723	747	773
2,063	Libraries	2,090	2,159	2,222	2,281	2,330	2,382	2,433	2,525	2,585	2,656
197	Waterways Facilities	204	206	206	213	219	227	256	298	302	309
140	Cemeteries	164	172	187	194	201	208	215	222	229	239
769	Public Toilets	764	809	851	899	948	996	1,027	1,087	1,112	1,147
14,356	Sub Total	15,249	16,228	17,446	20,624	22,123	23,403	24,211	25,237	25,546	26,055
	Economic Development										
3,902	Tourism Promotion	3,958	4,037	4,114	4,190	4,266	4,355	4,444	4,533	4,622	4,711
575	Council Land	513	497	476	492	505	504	516	529	524	527
173	Housing	201	206	215	222	228	228	233	239	236	238
390	Wanaka Airport	473	568	633	654	672	670	686	704	696	700
295	Forestry	296	307	319	330	339	338	346	355	351	353
4,739	Holiday Parks	4,810	4,921	5,049	5,274	5,420	5,355	5,476	5,544	5,478	5,539
10,074	Sub Total	10,251	10,536	10,806	11,162	11,430	11,450	11,701	11,904	11,907	12,068
	Environmental Management										
4,394	Regulatory Services	4,114	4,232	4,361	4,516	4,667	4,827	4,991	5,158	5,330	5,515
422	Waterways Regulation	452	466	482	497	512	528	544	561	577	596
2,501	District Plan	2,484	2,330	2,348	2,376	2,350	2,309	2,270	2,248	2,266	2,292
617	Emergency Management	587	624	640	659	678	691	703	732	747	761
6,398	Waste Management	6,205	6,563	6,846	7,491	7,955	8,346	8,801	9,359	9,946	10,549
14,332	Sub Total	13,842	14,215	14,677	15,539	16,162	16,701	17,309	18,058	18,866	19,713
	Roading and Footpaths										
17,022	Roading	17,884	19,539	20,558	21,760	22,848	24,349	25,676	26,225	27,273	28,423
561	Parking Facilities	419	414	405	410	427	445	464	484	505	526
17,583	Sub Total	18,303	19,953	20,963	22,170	23,275	24,794	26,140	26,709	27,778	28,949

Prospective Operating Expenditure By Activity (\$000) Continued

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
8,726	Sewerage	9,249	9,713	10,676	12,259	15,307	15,800	16,710	17,347	17,424	17,746
7,758	Water Supply	8,185	8,683	9,178	9,848	10,425	10,911	11,363	12,051	12,448	13,029
2,308	Stormwater	2,411	2,514	2,585	2,792	2,968	3,052	3,137	3,298	3,469	3,558
26	Overhead and Internal Charges	9	15	17	18	18	19	19	20	21	21
79,849	Total Operating Cost	82,008	86,621	91,224	99,472	106,866	111,394	115,962	120,106	123,053	126,852
17,568	Depreciation (included in above)	19,174	20,936	22,522	25,135	27,171	28,914	30,481	31,885	32,954	34,012
7,603	Interest (included in above)	7,735	8,190	9,245	11,522	12,090	12,062	12,330	12,223	11,123	10,756

Capital Asset Expenditure By Activity (\$000)

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
-	Governance	-	-	-	-	-	-	-	-	-	-
	Community										
1,593	Community Facilities	1,602	1,043	17,099	8,345	5,316	387	103	122	137	5,744
5,336	Active & Passive Recreation	5,489	6,243	4,669	6,738	4,253	4,932	6,248	870	561	1,127
-	Community Development	-	-	-	-	-	-	-	-	-	-
-	Community Grants	-	-	-	-	-	-	-	-	-	-
387	Libraries	291	326	341	300	338	331	485	374	398	418
72	Waterways Facilities	33	34	35	84	86	519	657	40	42	43
11	Cemeteries	66	166	12	12	12	13	13	13	47	14
201	Public Toilets	324	294	190	497	438	159	690	127	262	338
7,599	Sub Total	7,805	8,106	22,346	15,976	10,443	6,341	8,196	1,546	1,447	7,684
	Economic Development										
-	Tourism Promotion	-	-	-	-	-	-	-	-	-	-
1,200	Council Land	8	-	55	3,111	3,675	-	-	3,961	-	-
301	Housing	5	56	33	-	-	60	-	-	-	34
1,110	Wanaka Airport	965	685	474	610	1,810	2,753	786	288	298	308
-	Forestry	-	-	-	-	-	-	-	-	-	-
100	Holiday Parks	104	107	120	113	117	120	124	127	131	135
2,711	Sub Total	1,082	848	682	3,834	5,602	2,933	910	4,376	429	477
	Environmental Management										
-	Regulatory Services	-	-	-	-	-	-	-	-	-	-
-	Waterways Regulation	-	-	-	-	-	-	-	-	-	-
-	District Plan	-	-	-	-	-	-	-	-	-	-
38	Emergency Management	19	11	50	86	19	7	138	7	7	70
216	Waste Management	556	50	115	-	-	-	67	25	-	-
254	Sub Total	575	61	165	86	19	7	205	32	7	70
	Roading and Parking										
27,764	Roading	23,836	21,097	16,960	27,797	26,914	23,035	22,555	20,460	20,324	22,925
-	Parking Facilities	-	173	-	-	-	-	-	-	-	-
27,764	Sub Total	23,836	21,270	16,960	27,797	26,914	23,035	22,555	20,460	20,324	22,925

Capital Asset Expenditure By Activity (\$000) Continued

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
12,905	Sewerage	5,861	9,005	23,229	8,464	6,602	13,495	9,951	3,411	3,498	14,513
6,196	Water Supply	6,289	5,942	5,395	6,289	6,317	5,671	9,551	7,940	8,531	10,101
3,365	Stormwater	3,739	3,308	3,577	3,085	3,186	3,406	3,850	5,673	3,727	3,870
1,066	Overhead	1,937	1,523	815	611	467	469	513	545	548	617
61,859	Total Asset Capital Cost	51,124	50,063	73,169	66,142	59,550	55,357	55,731	43,983	38,511	60,257

Capital Debt Repayment Expenditure By Activity (\$000)

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
-	Governance	-	-	-	-	-	-	-	-	-	-
	Community										
790	Community Facilities	394	658	620	1,808	1,236	4,331	1,467	1,703	1,729	1,764
686	Active & Passive Recreation	204	668	941	1,321	1,401	1,905	2,272	1,524	1,545	1,579
-	Community Development	-	-	-	-	-	-	-	-	-	-
-	Community Grants	-	-	-	-	-	-	-	-	-	-
-	Libraries	-	-	-	-	1	2	5	15	18	23
8	Waterways Facilities	45	41	43	32	27	24	29	47	49	51
-	Cemeteries	-	-	-	-	1	1	2	2	3	3
47	Public Toilets	121	129	82	76	90	100	100	125	126	129
1,531	Sub Total	764	1,496	1,686	3,237	2,756	6,363	3,875	3,416	3,470	3,549
	Economic Development										
-	Tourism Promotion	-	-	-	-	-	-	-	-	-	-
-	Council Land	-	-	-	-	125	57	1,627	3,173	4,031	4,710
69	Housing	69	559	559	-	-	-	-	-	-	-
60	Wanaka Airport	60	60	60	58	56	54	53	51	49	48
-	Forestry	-	-	-	-	-	-	-	-	-	-
120	Holiday Parks	82	103	100	990	1,396	1,253	73	71	71	70
249	Sub Total	211	722	719	1,048	1,577	1,364	1,753	3,295	4,151	4,828
	Environmental Management										
11	Regulatory Services	11	11	11	19	20	20	34	7	6	6
-	Waterways Regulation	-	-	-	-	-	-	-	-	-	-
1,300	District Plan	650	922	904	1,221	1,137	1,033	1,506	406	346	295
-	Emergency Management	-	-	-	-	4	5	5	12	13	14
278	Waste Management	86	273	278	495	531	556	1,007	251	249	246
1,589	Sub Total	747	1,206	1,193	1,735	1,692	1,614	2,552	676	614	561
	Roading and Parking										
1,002	Roading	3,506	3,290	4,335	7,933	4,370	7,536	8,837	7,965	8,307	10,687
144	Parking Facilities	397	415	435	-	-	-	-	-	-	-
1,146	Sub Total	3,903	3,705	4,770	7,933	4,370	7,536	8,837	7,965	8,307	10,687

Capital Debt Repayment Expenditure By Activity (\$000) Continued

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
738	Sewerage	833	641	814	854	1,030	1,100	1,408	3,122	4,580	3,414
531	Water Supply	131	503	939	1,430	1,166	1,422	1,526	3,002	4,823	3,271
610	Stormwater	525	616	727	236	160	129	110	867	971	175
1,620	Overhead	800	578	561	703	606	515	680	197	160	131
8,014	Total Debt Repayment Capital Cost	7,914	9,467	11,409	17,176	13,357	20,043	20,741	22,540	27,076	26,616

Total Capital Expenditure (Including Debt Repayment) By Activity (\$000)

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
-	Governance	-	-	-	-	-	-	-	-	-	-
	Community										
2,383	Community Facilities	1,996	1,701	17,719	10,153	6,552	4,718	1,570	1,825	1,866	7,508
6,022	Active & Passive Recreation	5,693	6,911	5,610	8,059	5,654	6,837	8,520	2,394	2,106	2,706
-	Community Development	-	-	-	-	-	-	-	-	-	-
-	Community Grants	-	-	-	-	-	-	-	-	-	-
387	Libraries	291	326	341	300	339	333	490	389	416	441
80	Waterways Facilities	78	75	78	116	113	543	686	87	91	94
11	Cemeteries	66	166	12	12	13	14	15	15	50	17
248	Public Toilets	445	423	272	573	528	259	790	252	388	467
9,130	Sub Total	8,569	9,602	24,032	19,213	13,199	12,704	12,071	4,962	4,917	11,233
	Economic Development										
-	Tourism Promotion	-	-	-	-	-	-	-	-	-	-
1,200	Council Land	8	-	55	3,111	3,800	57	1,627	7,134	4,031	4,710
370	Housing	74	615	592	-	-	60	-	-	-	34
1,170	Wanaka Airport	1,025	745	534	668	1,866	2,807	839	339	347	356
-	Forestry	-	-	-	-	-	-	-	-	-	-
220	Holiday Parks	186	210	220	1,103	1,513	1,373	197	198	202	205
2,960	Sub Total	1,293	1,570	1,401	4,882	7,179	4,297	2,663	7,671	4,580	5,305
	Environmental Management										
11	Regulatory Services	11	11	11	19	20	20	34	7	6	6
-	Waterways Regulation	-	-	-	-	-	-	-	-	-	-
1,300	District Plan	650	922	904	1,221	1,137	1,033	1,506	406	346	295
38	Emergency Management	19	11	50	86	23	12	143	19	20	84
494	Waste Management	642	323	393	495	531	556	1,074	276	249	246
1,843	Sub Total	1,322	1,267	1,358	1,821	1,711	1,621	2,757	708	621	631
	Roading and Footpaths										
28,766	Roading	27,342	24,387	21,295	35,730	31,284	30,571	31,392	28,425	28,631	33,612
144	Parking Facilities	397	588	435	-	-	-	-	-	-	-
28,910	Sub Total	27,739	24,975	21,730	35,730	31,284	30,571	31,392	28,425	28,631	33,612

Total Capital Expenditure (Including Debt Repayment) By Activity (\$000) Continued

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
13,643	Sewerage	6,694	9,646	24,043	9,318	7,632	14,595	11,359	6,533	8,078	17,927
6,727	Water Supply	6,420	6,445	6,334	7,719	7,483	7,093	11,077	10,942	13,354	13,372
3,975	Stormwater	4,264	3,924	4,304	3,321	3,346	3,535	3,960	6,540	4,698	4,045
2,686	Overhead	2,737	2,101	1,376	1,314	1,073	984	1,193	742	708	748
69,873	Total Capital Cost	59,038	59,530	84,578	83,318	72,907	75,400	76,472	66,523	65,587	86,873

Capital Asset Expenditure (Growth) By Activity Group (\$000)

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
-	Governance	-	-	-	-	-	-	-	-	-	-
4,945	Community	4,206	5,751	10,508	8,589	5,014	4,524	6,377	135	148	1,698
-	Economic Development	266	189	132	168	499	759	217	79	82	85
2	Environmental Management	1	23	58	15	1	1	24	1	1	1
12,687	Roading and Footpaths	12,017	10,290	8,459	13,407	13,117	11,263	10,988	10,205	10,254	11,275
5,899	Sewerage	2,860	3,406	6,504	3,632	3,775	8,816	7,081	2,290	2,374	5,017
2,741	Water Supply	2,674	2,579	2,198	2,915	3,081	4,107	7,090	3,325	3,998	5,776
2,759	Stormwater	3,292	2,698	2,982	2,799	2,894	3,035	3,286	4,190	3,334	3,461
-	Overhead	-	-	-	-	-	-	-	-	-	-
29,033	Total Capital Asset Cost (Growth)	25,316	24,936	30,841	31,525	28,381	32,505	35,063	20,225	20,191	27,313

Capital Asset Expenditure (Renewal) By Activity Group (\$000)

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
-	Governance	-	-	-	-	-	-	-	-	-	-
1,320	Community	1,318	918	978	1,599	1,353	1,128	1,041	886	995	1,367
1,023	Economic Development	343	303	276	256	540	824	307	194	201	241
16	Environmental Management	62	13	47	3	15	3	70	28	3	66
11,029	Roading and Footpaths	5,056	5,397	4,243	5,489	5,414	5,490	5,609	5,003	4,847	5,860
2,023	Sewerage	1,105	1,949	3,858	2,059	1,589	1,733	2,312	1,082	1,124	1,270
2,154	Water Supply	2,136	1,964	1,372	1,987	1,330	1,554	1,656	1,794	1,789	2,648
495	Stormwater	447	514	296	286	292	371	357	378	393	409
-	Overhead	484	381	204	153	117	117	128	136	137	154
18,061	Total Capital Asset Cost (Renewal)	10,951	11,439	11,274	11,832	10,650	11,220	11,480	9,501	9,489	12,015

Capital Asset Expenditure (Other) By Activity Group (\$000)

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
-	Governance	-	-	-	-	-	-	-	-	-	-
1,334	Community	2,281	1,437	10,860	5,788	4,076	689	778	525	304	4,619
1,689	Economic Development	473	356	274	3,410	4,563	1,350	386	4,103	146	151
235	Environmental Management	512	25	60	68	3	3	111	3	3	3
4,048	Roading and Footpaths	6,763	5,583	4,258	8,901	8,383	6,282	5,958	5,252	5,223	5,790
4,983	Sewerage	1,896	3,650	12,867	2,773	1,238	2,946	558	39	-	8,226
1,301	Water Supply	1,479	1,399	1,825	1,387	1,906	10	805	2,821	2,744	1,677
111	Stormwater	-	96	299	-	-	-	207	1,105	-	-
1,066	Overhead	1,453	1,142	611	458	350	352	385	409	411	463
14,765	Total Capital Asset Cost (Other)	14,857	13,688	31,054	22,785	20,519	11,632	9,188	14,257	8,831	20,929
61,859	Total Capital Asset Cost	51,124	50,063	73,169	66,142	59,550	55,357	55,731	43,983	38,511	60,257

Capital Debt Repayment Expenditure By Activity Group (\$000)

Annual Plan 2011/12		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
-	Governance	-	-	-	-	-	-	-	-	-	-
1,531	Community	764	1,496	1,686	3,237	2,756	6,363	3,875	3,416	3,470	3,549
249	Economic Development	211	722	719	1,048	1,577	1,364	1,753	3,295	4,151	4,828
1,589	Environmental Management	747	1,206	1,193	1,735	1,692	1,614	2,552	676	614	561
1,146	Roading and Footpaths	3,903	3,705	4,770	7,933	4,370	7,536	8,837	7,965	8,307	10,687
738	Sewerage	833	641	814	854	1,030	1,100	1,408	3,122	4,580	3,414
531	Water Supply	131	503	939	1,430	1,166	1,422	1,526	3,002	4,823	3,271
610	Stormwater	525	616	727	236	160	129	110	867	971	175
1,620	Overhead	800	578	561	703	606	515	680	197	160	131
8,014	Total Capital Debt Repayment	7,914	9,467	11,409	17,176	13,357	20,043	20,741	22,540	27,076	26,616

Statement Of Reserve Funds

Reserve Fund - Purpose of the Fund	Opening Balance	Deposits	Withdrawals	Closing Balance
	2012/13			2021/22
	\$000	\$000	\$000	\$000
Development Funds	10,650	70,858	(72,423)	9,085
These arise from Development and Financial Contributions levied by the Council for capital works and are intended to contribute to the growth related capital expenditure of Roothing, Water Supply, Sewerage, Stormwater, Reserve Land and Improvements and Community Facilities.				
Asset Renewal Funds	-	157,668	(139,684)	17,984
The Council sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability to provide services.				
Emergency Reserve	1,438	-	-	1,438
Funds set aside to assist with the repair of infrastructural assets such as Roothing, Water Supply and Sewerage, in case of natural disaster.				
Asset Sale Reserves	10,310	38,639	(47,789)	1,160
Arrowtown Endowment Land Reserve	390	-	-	390
Trust Funds	9	-	-	9
Sinking Funds	30	-	-	30
Queenstown Airport Dividend Reserve	-	41,858	(20,929)	20,929
Parking Reserve	-	6,920	(1,647)	5,273
Motor Park Reserve	-	4,397	(4,397)	-
Total Reserve Funds	22,827	320,340	(286,869)	56,298

Statement Of Accounting Policies

a) Reporting Entity

The Queenstown Lakes District Council (the Council) is a Territorial Local Authority governed by the Local Government Act 2002.

The prospective financial statements have been prepared in accordance with Section 111 of the Local Government Act 2002, the Financial Reporting Act 1993 and generally accepted accounting practice. The prospective financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), as applicable for public benefit entities.

The prospective financial information contained in this 10 Year Plan relates to the Queenstown Lakes District Council only as the group parent. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the 10 Year Plan is to provide users with information about the core services that the council intends to provide ratepayers, the expected cost of those services and as a consequence how much the council requires by way of rates to fund the intended levels of service. The level of rate funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from those subsidiaries. Distributions from the Council's subsidiary, Queenstown Airport Corporation Ltd are included in the prospective financial statements of the Council.

The Council is a public benefit entity whose primary objective is to provide goods and services for community and social benefit rather than for a financial return.

All available public benefit entity reporting exemptions under NZ IFRS have been adopted.

b) Accounting Policies

Statement of Compliance

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

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for public benefit entities.

All available public benefit entity reporting exemptions under NZ IFRS have been adopted.

Basis of Preparation

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods if the revision affects both current and future periods.

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

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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

The following accounting policies which materially affect the measurement of results and financial position have been applied:

Revenue Recognition

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

Rates Revenue

Rates revenue is recognised when it is levied.

Other Revenue

(a) Rendering of Services

Revenue from the rendering of services is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity. The stage of completion at balance date is assessed based on the value of services performed to date as a percentage of the total services to be performed.

(b) Interest Revenue

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

(c) Dividend Revenue

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

(d) Fees and Charges

Fees and charges are recognised as income when supplies and services have been rendered.

(e) Contracts and Consents

Revenue relating to contracts and consent applications that are in progress at balance date is recognised by reference to the stage of completion at balance date.

(f) Grant Revenue

Government grants are received from New Zealand Transport Agency (NZTA), which subsidises part of the Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

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

(g) Development Contributions

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

Development contributions are classified as part of the "Other Revenue".

Other Gains and Losses**(a) Sale of investment property, property, plant and equipment, property intended for sale and financial assets.**

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

(b) Assets Acquired for Nil or Nominal Consideration

Certain infrastructural assets have been vested to the Council as part of the subdivision covenant process. Such vested assets are recognised as revenue when the significant risks and rewards of ownership have been transferred to the Council and when the obligation to accept the transfer of the assets to the Council has been determined.

Grant expenditure

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

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

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks

and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

(a) Council as Lessor

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

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

(b) Council as Lessee

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

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised.

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

(c) Lease Incentives

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

Goods and Services Tax

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

Cash and Cash Equivalents

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

Financial Instruments

Financial assets and financial liabilities are recognised on the Council's Statement of Financial Position when the Council becomes a party to contractual provisions of the instrument.

Investments are recognised and derecognised on trade date where purchase or sale of an investment is

under a contract, whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss which are initially valued at fair value.

(i) Financial Assets

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

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

Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- Has been acquired principally for the purpose of selling in the near future;
- Is a part of an identified portfolio of financial instruments that the Council manages together and has a recent actual pattern of short-term profit-taking; or
- Is a derivative that is not designated and effective as a hedging instrument.

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

Held-to-Maturity Investments

Investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

The Council does not hold any financial assets in this category.

Available-for-Sale Financial Assets

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

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

Loans and Receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is expensed in the Statement of Financial Performance.

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

Until 1 July 1998 in certain circumstances funds were required to be set aside each year to meet future payments of loans and commitments. These funds, described as Sinking Funds, are administered by independent Sinking Fund Commissioners appointed by the Council. The funds are included in the Statement of Financial Position. The Council now voluntarily contributes to sinking funds to build up funds to pay off debt principal.

Deposits are included within this classification.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

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

(ii) Financial Liabilities

Trade and Other Payables

Trade payables and other accounts payable are recognised when the Council becomes obliged to make future payments resulting from the purchase of goods and services.

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.

Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

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

(iii) Derivative Financial Instruments

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re measured to their fair value at each balance date. The resulting gain or loss is recognised in the Statement of Financial Performance immediately unless the derivative is designated and effective as a hedging instrument, in which event the nature and timing of the recognition in profit or loss depends on the nature of the hedging relationship. Council does not undertake hedge accounting in relation to its derivative financial instruments.

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

Fair Value Estimation

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term investment and debt instruments held.

Embedded Derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in the Statement of Financial Performance.

Inventories

Development Properties

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

Other inventories

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

Properties Intended for Sale

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

Property, Plant and Equipment

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

Operational Assets

- Land, buildings and building improvements, foreshore structures, plant and equipment, furniture and office equipment and library books.

Infrastructure Assets

- Infrastructure assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function:
 - Sewer, stormwater, water
 - Roads, bridges and lighting
 - Land under roads

Cost

Operational Assets and Land under Roads are recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition. When significant, interest costs incurred during the period required to construct an item of property, plant and equipment are capitalised as part of the asset's total cost.

Accounting for Revaluations

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

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

The results of revaluing are credited or debited to an asset revaluation reserve via other comprehensive income for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed to the Statement of Financial Performance. Any subsequent increase in revaluation that offsets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve via other comprehensive income for that class of asset.

Sewer, Stormwater, Water

Sewer, stormwater and water assets are stated at fair value, which is optimised depreciated replacement cost value as at 1 July, 2010 by Rationale, independent valuers. Acquisitions subsequent to 1 July, 2010 are at cost.

Roads, Bridges and Lighting

Roading assets are stated at fair value, which is optimised depreciated replacement cost value as at 1 July, 2010 by GHD Limited, independent valuers. Bridges and lighting are stated at valuation which is optimised depreciated replacement cost value.

Depreciation

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

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

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

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

Operational Assets	Rate (%)	Method
Buildings	2.0% - 33%	SL
Building improvements	1.67% - 6.67%	SL
Runway	1.25% - 6.67%	SL
Plant and equipment	5.5% - 28%	SL
Motor vehicles	20% - 26%	DV
Furniture and office equipment	10% - 33%	SL
Computer equipment	25%	SL
Library books	10%	SL
Infrastructural Assets		
Sewerage	1.67% - 10%	SL
Water Supply	1.67% - 10%	SL
Stormwater	1.67% - 10%	SL
Roading - Basecourse	2.1%	SL
Roading - Bridges	2.6%	SL
Roading - Surfacing	8.6%	SL
Roading - Other	1% - 10%	SL

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

Disposal

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

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

Forestry Assets

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

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

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

Emission Trading Scheme Accounting Policy

New Zealand Units (NZUs) allocated as a result of the company's participation in the Emissions Trading Scheme (ETS) are treated as intangible assets, and recorded at cost.

The difference between initial cost and the disposal price of the units is treated as revenue in Surplus/ (Deficit) for the period.

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

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

Investment Properties

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

Finite Life Intangible Assets

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

Intangible assets acquired in a business combination

All potential intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

Intangible Assets - Software acquisition and development

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

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

Impairment of Non-Financial Assets

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

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

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

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

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

Employee Benefits

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

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

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

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present

obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

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

Statement of Cashflows

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

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

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

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

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

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

Restricted and Council Created Reserves

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

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

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

Financial guarantee contracts

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

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the

probability the Council will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

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

Allocation of Overheads

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on the cost drivers and related activity/usage information.

Direct costs are those costs that are directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Funding & Rates Review

Background

The Council last undertook a comprehensive review of the Funding Policy and Rating system during the 2008/09 year. Council has previously given a commitment that the funding/rating system would be reviewed on a three yearly basis.

New district-wide rating valuations come into effect from 1st July 2012 and the new Long Term Plan must also be adopted by the same date. It was therefore considered timely to instigate a funding/rating review during the 2011/12 year, which will have effect for the 2012/13 year.

The review was conducted by a working party known as the Funding and Rating Review Working Party. This working party was made up of members of the Finance and Corporate Committee (FACC). The working party can only recommend changes with the full Council having the final determination on any amendments to the Revenue and Financing Policy and the structure of the Rating system. This is the purpose of this report.

Consultation - Interested Or Affected Persons

During the course of the review, it was always the intention of the working party to encourage ratepayer participation. This has involved general publicity and also direct notification to those persons who have raised rating issues during the past three years that may have remained unresolved. Letters explaining the purpose of and process for the review were sent to the various community associations; the chambers of commerce in Queenstown and Wanaka as well as to previous submitters on rates issues.

The following timetable of meetings was confirmed by FACC on 24th May 2011:

Sat, 28 May 2011	Publicly advertise Funding & Rates Review	
Fri, 17 June 2011 (9.30am)	Council Chambers	Overview of the current Funding & Rates Policy
Fri, 1 July 2011 (9.30am)	Council Chambers	Financing & Revenue Policy
Fri, 15 July 2011 (9.30am)	Council Chambers	Financing & Revenue Policy
Fri, 29 July 2011 (1.00pm)	Lake Wanaka Centre	Targeted rates/Differential levels
Fri, 12 Aug 2011 (9.30am)	Council Chambers	Targeted rates/Differential levels
Fri, 26 Aug 2011 (9.30am)	Council Chambers	Targeted rates/Differential levels
Fri, 29 Sep 2011 (1.00pm)	Lake Wanaka Centre	Revised Valuations
Fri, 7 Oct 2011 (9.30am)	Council Chambers	Differential levels
Fri, 21 Oct 2011 (9.30am)	Council Chambers	Finalise Recommendation
Tue, 8 November 2011	Report to full Council	

The timeframe for the Review was relatively tight, commencing in June with a view to having made a recommendation to the November meeting of full Council.

Due to unexpected delays in the provision of key data needed for the Road Rating differentials, it was necessary to extend the process incorporating further meetings in February with the report to Council occurring in April 2012.

The meetings were advertised as public workshops and the first half an hour of each meeting was set aside for any member of the public to address the committee. All sessions of each workshop were open to the public and business was conducted in an informal, friendly manner. Standing orders did not apply so as to encourage meaningful discussion. Interested councillors, who are not members of FACC, were invited to

attend and fully participate at any meeting. Several councillors and members of the community board took the opportunity to do this. The working party received several written submissions.

A copy of each submission received as well as copies of historic rating submissions were copied to each member of the working party. The issues raised in each submission were discussed at some point during the review process. Issues raised included the rating of rural properties; funding for the impact of tourism; and the use of multiple fixed charge rates for commercial properties.

Review Process

From the outset, the working party recognised the importance of maintaining a structured approach to the review. For this reason, the review commenced with an overview of the current system including the statutory framework and the relationship between the Revenue and Financing Policy and the rates system.

The Revenue and Financing Policy indicates which funding tools are most appropriate for any given activity. A good understanding of this was considered essential before examining the rating mechanisms themselves. This review resulted in some changes to the groupings of activities that Council undertakes.

From here, it was decided that the most important issues related to the General Rate and UAGC. The existing differentials for the General Rate are largely historic and it was decided to analyse the costs and benefits associated with the General Rate in the same way as we have dealt with the Rooding Rate. This has meant an extensive analysis of the activities in this category.

Similar analysis has been undertaken for the new fixed targeted rates – Recreation Charge, Governance Charge and Aquatic Centre Charge. This has occurred out of concern shown by several submitters that some commercial properties are unfairly targeted with these types of rates simply because they have multiple tenancies.

Following this, it was necessary to take into account the overall effect of the change in district valuations on rating incidence. This resulted in the recalculation of some differential levels. The recalculation of the road rating differentials was the most complex and time consuming task. The existing funding models needed to be updated with new inputs; the most important of these being the updated 10 year Rooding expenditure forecasts and the new valuation data.

Finally, it will have been necessary to evaluate the impacts of any proposed changes by recalculating the 2011/12 rates using the new proposals; including the effect of the new 2011 rating valuations. A number of sample rate accounts for a comprehensive range property types were produced to assess the effects of the changes to the different sectors of the community.

Proposed Changes to the QLDC Funding/Rates System

Guiding Principles

The guiding principles that were adopted during the last review were endorsed:

- equity, i.e. as far as possible the system should be fair to all ratepayers.
- transparency, i.e. the system should be able to be understood by ratepayers and all activities within it should be clear for all to observe.
- enforceability, i.e. the system should be administratively simple to operate and able to be complied with,
- The rates system should deliver allocations of costs that are justifiable.
- Those who benefit from Council services (including secondary beneficiaries) should contribute to costs.
- The rating system should be consistent with Council's objectives, so that desired outcomes are complemented or advanced.

Revenue and Financing Policy

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

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

- a. General rates including:
 - i. choice of valuation system; and
 - i. differential rating; and
 - i. uniform annual general charges;
- b. targeted rates;
- c. fees and charges;
- d. Interests and dividends from investments;
- e. borrowing;
- f. proceeds from asset sales;
- g. development contributions under the Local Government Act 2002;
- h. financial contributions under the Resource Management Act 1991;
- i. grants and subsidies;
- j. any other source.

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

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

Issues raised in relation to the F & R policy related to the following:

- Need to update groups of activities to those proposed in draft LTP
- Review application of multiple Fixed Charge rates to commercial properties with more than one tenancy (SUIP)
- Review General Rate differentials
- Review Fixed Charge Rates (Governance, Recreation, UAGC & Aquatic Centre)
- Review Water Supply Rates
- Update funding mechanism for District Plan (remove 60% loan portion)
- Split out Community Information (funding: Gov. Chg.) from Community Development.
- Review funding for Community Development (mainly Events)
- Review funding % split for Community Grants (Rec Chg./ General CV rate)
- Review funding % split for Parks & Rec Facilities (Rec Chg./ General CV rate)

Revenue and Financing Policy: Funding Issues

The working party then reviewed a number of issues relating to the Revenue and Financing Policy in relation

to the funding of particular activities.

Community Information/ Community Development

This activity was previously part of the Community Development activity. It is proposed to split this and include it as part of the Governance group as per the draft LTP. Community Information will be funded 100% from the Governance Rate. The activity left within Community Development is almost all events related (New Year, Summer Daze, Misc. events & film) and is currently funded from the Recreation Charge. It is proposed to now fund this from the new Recreation & Events CV Rate.

Community Grants

This activity was previously funded 25% Rec Chg. & 75% UAGC to reflect nature of grants paid out. The proportion of grants for active recreation has decreased from 3 years ago and the updated split should be 16% new Sports, Halls & Libraries Charge & 84% UAGC.

Parks & Recreation

This public benefit portion of this activity is currently funded 30% Rec Chg. & 30% General CV Rate to reflect the relative proportion of costs for active versus passive recreation. The proportion for active recreation has decreased from 3 years ago and the updated split should be 17.5% new Sports, Halls & Libraries Charge and 42.5% new Recreation & Events CV Rate.

District Plan

This public benefit portion of this activity is currently funded 60% Loan & 40% General CV Rate to reflect the previous funding position that the development portion of the District Plan costs should be spread over future generations. Last year, with the plan now operative, Council funded this activity entirely from rates (100% new Regulatory CV Rate).

Fixed Charge Rates

Background

As part of the last review process the working party considered the findings of the Report of the Independent Inquiry into Local Government Rating – (the “Shand” Report). The working party considered the recommendations and decided that some breakout of the activities currently funded by the UAGC was desirable.

The UAGC was essentially split into 3 with the introduction of district-wide fixed charge rates for Recreation & Governance. The main effect of this change was one of disclosure rather than any change to rating incidence.

Council has received several submissions from property owners concerned that there is inequity in the way that these charges are applied. Council policy is to charge multiple fixed charge rates where there is more than one “SUIP” (separately used or inhabited portion). In a commercial setting, this means that each tenancy is charged a full set of fixed charge rates.

There is no doubt that the enhanced disclosure of these charges since 2009 has resulted in more enquiries from ratepayers as to the make-up of their rates.

Sports, Halls & Libraries Charge

It is proposed to redefine the current Recreation Charge to fund only the costs associated with providing sports and recreation facilities for residents. This covers the cost of providing sports-fields, libraries and community facilities (excludes Alpine Aqualand). It is proposed target this charge at residential ratepayers only (includes mixed-use, country dwellings and primary industry). This is seen as a fairer system & will eliminate the inequities of the current system.

Aquatic Centre Charge

It is proposed to target 90% of this charge at residential ratepayers (includes mixed-use, country dwellings and primary industry) with the remaining 10% charged to the General CV rate to recover the visitor portion of the deficit. This is seen as a fairer system & will eliminate the inequities of the current system.

Governance Charge

It is proposed to eliminate the current Governance Charge and replace it with a new Governance Rate (see below).

Uniform Annual General Charge (UAGC)

It is proposed to redefine the current UAGC as part of the review of rating mechanisms. It now covers the public benefit portion of the following activities: Cemeteries (100%); Tourism Promotion (5%); Community Grants (84%); and the operating shortfall of the following sundry property activities: Housing (EPH & Heritage); Wanaka Airport.

General Rate Differentials

The working party has decided to completely review the allocation of costs for the General Rate, UAGC, Recreation Charge & Governance Charge. The methodology for this review will follow the approach taken for the Roding Rate. This means that new differentials will be developed through a transparent process rather than relying on historic differentials. It is recognised that the allocation of benefit is more difficult for some activities and in these cases; the default position will be used.

For the 2011/12 year there is \$11.8m of expenditure funded from the rates in question. The largest activities are Parks & Reserves (23%); District Plan (16%) & Planning Admin (14%).

The first decision required was to analyse each activity to determine if the costs were largely people driven or property driven. Those activities which are more people driven (P) will rely on a cost allocation which takes into account population (including visitors) whilst those that are more property driven will rely on capital values (CV).

This analysis resulted in most of activities being people driven (P) (see table). It was then necessary to decide how to allocate the costs by a people related factor. Many options were modelled; including average day population, total annual population & total people/days over a year. It was decided that the fairest method is total people/days over a year. This means that the costs are allocated on the basis of the total number of people in the district throughout the year but also takes into account their length of stay. In summary, there are 15.61m people/days of which just over 61% are residents & the balance visitors.

The next important part of the process is to determine which rating categories receive what proportion of the benefits of each people driven (P) activity. Where there is an exacerbator effect this is recognised in the cost allocation process. It is important to recognise at this point that the costs associated with overnight visitors are allocated to Accommodation properties; the costs associated with day visitors are allocated to Commercial properties and the costs associated with visitors staying with friends are allocated to Residential properties (includes country dwellings and primary industry).

People/Days Concept	Number	Days per annum	People/Days	Rating Category
Usually Resident	28,440	337	9,584,280	Residential
Overnight (Visitor Accommodation)	1,277,346	3	3,832,038	Visitor Accommodation
Overnight (Private Residence)	375,030	3	1,125,090	Residential
Day	1,070,716	1	1,070,716	Commercial
			15,612,124	

Proposed New Rates

The next step of the process was to break down the General Rate into targeted rates with the view of making the description of the rate more meaningful to the ratepayer. The working party is recommending the following new rates: Recreation & Events Rate; Governance Rate and Regulatory Rate. The General Rate & UAGC are retained but are now significantly reduced in terms of funding required.

Recreation & Events Rate

This rate recovers the cost of passive Parks & Reserves, Walkways, Public Toilets, Events & 10% of the operating deficit for Alpine Aqualand. For the 2011/12 year this was \$4.59m. All activities are classified as people driven (P) with the impact of visitors passed on to Accommodation, Commercial & Residential properties. This differential on rates is effectively a quasi bed tax. After the funding analysis, the effect is that we expect each visitor to contribute \$0.50 per day towards the cost of these facilities.

Recreation & Events Rate Differentials

Category	Existing	Proposed	Notes
Residential	N/A	1.00	Base
Vacant	N/A	1.00	Per new allocation
Hydro	N/A	0.54	Maintain at 50% Commercial
Accommodation	N/A	5.40	Per new allocation
Commercial	N/A	1.09	Per new allocation
Primary Industry	N/A	0.13	Per new allocation
Country Dwelling	N/A	0.38	Per new allocation
Mixed Use/Accom	N/A	2.10	75% Res/ 25% Accom
Mixed Use/Comm	N/A	1.02	75% Res/ 25% Comm
CBD Accommodation	N/A	5.40	As per Accommodation above
CBD Commercial	N/A	1.09	As per Commercial above

Governance Rate

This rate recovers the cost of Governance, Community leadership and communications. For the 2011/12 year this was \$4.86m. All activities are classified as property driven (CV) with the impact reduced for country dwellings and primary industry properties (differential 0.71). This differential reflects the higher CV for these properties relative to residential (differential 1.0).

Governance Rate Differentials

Category	Existing	Proposed	Notes
Residential	N/A	1.00	Base
Vacant	N/A	1.00	Per new allocation
Hydro	N/A	0.50	Maintain at 50% Commercial
Accommodation	N/A	1.00	Per new allocation
Commercial	N/A	1.00	Per new allocation
Primary Industry	N/A	0.71	Per new allocation
Country Dwelling	N/A	1.00	Per new allocation
Mixed Use/Accom	N/A	1.00	75% Res/ 25% Accom
Mixed Use/Comm	N/A	1.00	75% Res/ 25% Comm
CBD Accommodation	N/A	1.00	As per Accommodation above
CBD Commercial	N/A	1.00	As per Commercial above

Regulatory Rate

This rate recovers the cost of Regulatory Services, Planning Admin and the District P.Lan. For the 2011/12 year this was \$5.62m. Most of the activities are classified as property driven (CV) with the impact reduced for country dwellings and primary industry properties (differential 0.71). This differential reflects the higher CV for these properties relative to residential (differential 1.0). Animal Control, Environmental Health and Liquor Licensing are classified as people driven (P). The creation of a new rating category for Food & Beverage was considered so that the impact of day visitors could be allocated against this sub category. The impact of this allocation on the 400 odd registered Food Premises was significant (around 40% rates increase). The working party is keen, however to identify the properties within the rates database for future analytical purposes.

Regulatory Rate Differentials

Category	Existing	Proposed	Notes
Residential	N/A	1.00	Base
Vacant	N/A	1.00	Per new allocation
Hydro	N/A	0.45	Maintain at 50% Commercial
Accommodation	N/A	1.05	Per new allocation
Commercial	N/A	0.90	Per new allocation
Primary Industry	N/A	0.65	Per new allocation
Country Dwelling	N/A	0.93	Per new allocation
Mixed Use/Accom	N/A	1.01	75% Res/ 25% Accom
Mixed Use/Comm	N/A	0.97	75% Res/ 25% Comm
CBD Accommodation	N/A	1.05	As per Accommodation above
CBD Commercial	N/A	0.90	As per Commercial above

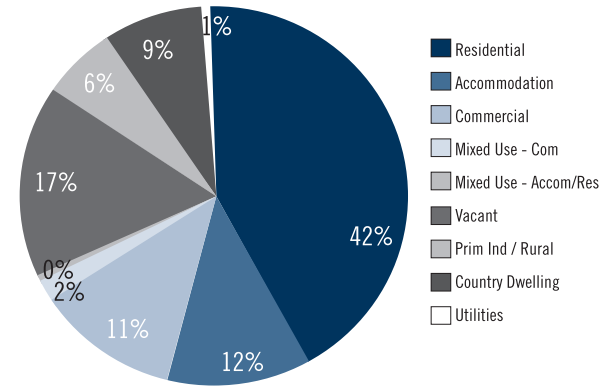
General Rate

This rate recovers the cost of Emergency Services, Forestry and some sundry items including debt servicing for landfill acquisition and Arrowtown/Lake Hayes wastewater main . For the 2011/12 year this was \$0.71m. Most of the activities are classified as property driven (CV) with the impact reduced for country dwellings and primary industry properties (differential 0.71). for most activities except Emergency Services (1.87 for both Primary Industry and Country Dwellings) and Forestry (wilding pine control) (2.00 for Primary Industry)

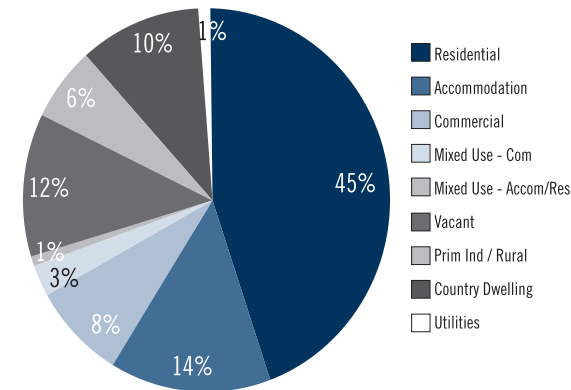
General Rate Differentials

Category	Existing	Proposed	Notes
Residential	1.00	1.00	Base
Vacant	1.50	1.00	Per new allocation
Hydro	0.73	0.41	Maintain at 50% Commercial
Accommodation	1.80	1.26	Per new allocation
Commercial	1.46	0.81	Per new allocation
Primary Industry	0.74	1.16	Per new allocation
Country Dwelling	0.82	1.08	Per new allocation
Mixed Use/Accom	1.20	1.06	75% Res/ 25% Accom
Mixed Use/Comm	1.11	0.95	75% Res/ 25% Comm
CBD Accommodation	1.80	1.26	As per Accommodation above
CBD Commercial	1.46	0.81	As per Commercial above

Rating incidence General Rate and fixed charges - 2011/12



Rating incidence General Rate and fixed charges - Reworked



Roading Rate

An important task which was undertaken as part of the review was the recalculation of the road rating differentials. During the 2003 review, Council developed a comprehensive model which enables the relationship between property capital value, roading impact and roading rates to be defined. The model was developed by independent consultants Rationale in conjunction with a senior transportation engineer from Beca Cater Hollings and Ferner Ltd (Beca). The basic model has remained unchanged since 2003 but there are several key variables that have been updated:

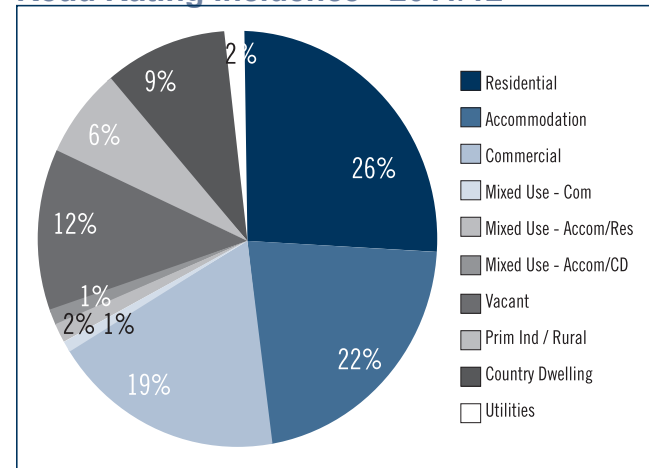
- New 10 year Roading Operating And Capital Expenditure Budgets (2012/22)
- Updated Roading Development Contributions to fund "growth" costs
- New capital values

The new 10 year Roading Asset Management Plan has been developed incorporating the district's transportation & parking strategies and the forecasted expenditure for both capital and operations will be incorporated into the draft 2012 Long Term Plan. The quantum of rate funded roading expenditure over the next 10 years is expected to be \$151m, which equates to \$134m for the 2009 version.

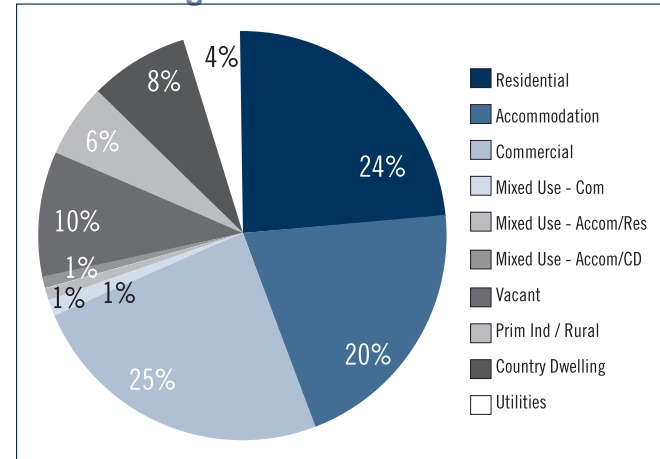
The following table shows the proposed road rating differentials and compares them to existing. A simple comparison at this level is not particularly meaningful however, because so many of the key variables in the funding model have changed since the previous version. The pie charts that follow do, however, indicate how the overall rating incidence has shifted.

Category	Existing	Proposed	Notes
Residential	1.00	1.00	Base
Vacant	1.50	1.50	Maintain existing differential
Hydro	0.25	0.25	No change
Accommodation	3.60	3.75	Per new Rating Differential model
Commercial	2.60	3.75	Per new Rating Differential model
Primary Industry	0.80	0.81	Per new Rating Differential model
Country Dwelling	1.10	1.02	Per new Rating Differential model
Mixed Use/Accom	1.65	1.69	75% Res/ 25% Accom
Mixed Use/Comm	1.40	1.69	75% Res/ 25% Comm
CBD Accommodation	3.60	3.75	As per Accommodation above
CBD Commercial	2.60	3.75	As per Commercial above

Road Rating Incidence - 2011/12



Road Rating Incidence - 2011/12 - Reworked



The impact of these changes is not expected to large in dollar terms but will enable land-owners some degree of rates relief. The proposed Policy B is included on page 87.

Rates Remission & Postponement Policies

Council adopted the following Rates Remission and Postponement Policies as part of the 2006 CCP:

Remission Policies

- A. Community, Sporting and Other Organisations** – Rating units used exclusively or principally for sporting, recreation or community purposes and is not operated for private pecuniary profit.
- B. Land Protected for Natural, Historic or Cultural Conservation Purposes** – Rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected.
- C. Land Affected by Natural Calamity** – Rating units which have been detrimentally affected by the effects of a natural calamity.
- D. Uniform Annual Charges and Targeted Rates on Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Entity** – Contiguous rating units used jointly on a single entity but not owned by the same ratepayer.
- E. Rate Penalties** – Rating units which have incurred penalties may have the penalties remitted where the ratepayer provides evidence that it is just and equitable to do so.
- F. Sundry Remissions** – To remit rates that are the result of fundamental error or are considered uneconomic or not able to be recovered.
- G. Maori Freehold Land** – To recognise that certain Maori Freehold land may have particular conditions etc. that make it appropriate to provide for remissions from certain rates.
- H. Remission of Postponed Rates** – To allow Council to remit rates in accordance with approved postponement policies.
- I. Remission of Rates on Land that has made Lump Sum Contributions** – To allow Council to remit annual loan rates for those properties which have previously paid lump sum contributions.
- J. Rating of Separately Used or Inhabited Parts of a Rating Unit** – To limit the incidence of multiple charges on properties containing separate uses or inhabitants where it is equitable to do so.

Postponement Policies

- K. Residential Land Subject to Zone Changes** – to ensure that owners of residential rating units used which are re-zoned are not unduly penalised by increased rates as a result of the zone change.
- L. Extreme Financial Hardship** – Residential rating units where the ratepayer is experiencing extreme financial hardship.
- M. Policy for Rate Postponement for Farmland** – Rural rating units used as farmland but with the potential for non-farming development.
- N. Policy for Rate Postponement for Elderly** – To give ratepayers 65 years of age and over a choice between paying rates now or later subject to the full cost of postponement being met by that ratepayer and Council being satisfied that the risk of loss in any case is minimal.

The only policy to receive any comment was Policy B: "Land Protected for Natural, Historic or Cultural Conservation Purposes". The thrust of the submissions was to align the policy with the District Plan provisions for protection of Heritage and Indigenous vegetation. The proposal is to amend the criteria for application under this policy to allow for:

- Remission of rates for areas of significant indigenous vegetation recognised as protected in the District Plan.
- Remission of rates for significant heritage buildings (QLDC Category 1) recognised in the District Plan.

Effects Of Proposed Changes To The QLDC Rates System

The last stage of the rates review process involved a series of calculations to assess the impact of the revised framework. The approach taken was to rework the rates requirement for the current 2011/12 year applying it to the new (2011) valuations, which will take effect from 1st July 2012. The following proposed changes to the rates system were incorporated into the calculations:

- New differentials for general rate
- New differentials for roading rate
- New targeted rates for Recreation & Events, Regulatory and Governance
- New targeted fixed charge for Sports, Halls & Libraries
- Revised UAGC & Aquatics Centre Charge

The working party then examined the results on two levels. Firstly, the overall incidence of rates was modelled for the existing framework as opposed to the new proposals. This is represented by the pie charts on the previous pages.

It is important to remember that this analysis is based on a rework of the 2011/12 rates and is not an estimate of what the rates requirement will be for 2012/13, which has yet to be determined through the Long Term Plan (Annual Plan) process.

The second level of analysis of the effects of the proposed changes involved the recalculation of individual rate accounts for a sample of representative property types. These examples do not represent actual properties but are indicative in terms of the recent valuation movement. The level of movement is influenced by amongst other things, the level of valuation movement, location, and property type.

For the General rate activities, the main impacts are as follows:

Residential - increased allocation now 45% (was 42%)
 Accommodation - increased allocation now 14% (was 12%)
 Commercial - decreased allocation now 8% (was 11%)
 Vacant Land - decreased allocation now 12% (was 17%)

For the Roading rate activities, the main impacts are as follows:

Commercial - increased allocation now 25% (was 19%)
 Residential - decreased allocation now 24% (was 26%)
 Accommodation - decreased allocation now 20% (was 22%)
 Vacant Land - decreased allocation now 10% (was 12%)

SUMMARY OF INDICATIVE TOTAL RATE MOVEMENTS 11/12 (re-worked)				
			MOVEMENT	
<u>PROPERTY TYPE</u>	<u>NEW CV</u>	<u>LOCATION</u>	<u>%</u>	<u>\$</u>
RESIDENTIAL	\$626,918	QUEENSTOWN	1.76%	\$40.17
COMMERCIAL	\$1,167,853	QUEENSTOWN	-1.31%	-\$79.90
ACCOMMODATION	\$1,167,853	QUEENSTOWN	6.09%	\$488.34
M/U ACCOMMODATION	\$754,261	QUEENSTOWN	5.85%	\$183.24
VACANT	\$391,824	QUEENSTOWN	-10.60%	-\$194.16
M/U COMMERCIAL	\$754,261	QUEENSTOWN	3.06%	\$91.39
RESIDENTIAL	\$528,962	WANAKA	0.12%	\$2.74
COMMERCIAL	\$704,739	WANAKA	-1.84%	-\$78.46
ACCOMMODATION	\$704,739	WANAKA	3.41%	\$204.61
M/U ACCOMMODATION	\$587,736	WANAKA	3.66%	\$106.23
PRIMARY INDUSTRY	\$3,262,479	WANAKA	0.52%	\$20.64
COUNTRY DWELLING	\$1,076,790	WANAKA	3.84%	\$76.34
VACANT	\$293,868	WANAKA	-11.47%	-\$190.79
M/U COMMERCIAL	\$587,736	WANAKA	1.70%	\$47.22
RESIDENTIAL	\$460,393	ARROWTOWN	-1.31%	-\$27.50
COMMERCIAL	\$1,107,447	ARROWTOWN	-4.42%	-\$275.12
ACCOMMODATION	\$1,107,447	ARROWTOWN	3.00%	\$251.73
M/U ACCOMMODATION	\$617,123	ARROWTOWN	2.74%	\$80.50
VACANT	\$244,890	ARROWTOWN	-11.81%	-\$181.13
M/U COMMERCIAL	\$617,123	ARROWTOWN	0.19%	\$5.34
PRIMARY INDUSTRY	\$2,669,301	WAKATIPU	-0.73%	-\$23.95
COUNTRY DWELLING	\$1,391,338	WAKATIPU	6.49%	\$152.46
RESIDENTIAL	\$450,598	GLENORCHY	-0.77%	-\$15.26
RESIDENTIAL	\$293,868	ALBERT TOWN	-3.84%	-\$71.54
RESIDENTIAL	\$362,437	HAWEA	-2.48%	-\$49.90
RESIDENTIAL	\$450,598	KINGSTON	-1.15%	-\$15.26
RESIDENTIAL	\$489,780	ARTHURS POINT	-0.11%	-\$2.73

Revenue and Financing Policy

Background

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

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

- a. General rates including:
 - i. choice of valuation system; and
 - ii. differential rating; and
 - iii. uniform annual general charges;
- d. targeted rates;
- e. fees and charges;
- f. Interests and dividends from investments;
- g. borrowing;
- h. proceeds from asset sales;
- i. development contributions under the Local Government Act 2002;
- j. financial contributions under the Resource Management Act 1991;
- k. grants and subsidies;
- l. any other source.

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

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

Queenstown Lakes District Council has undertaken several comprehensive reviews of its funding principles in the past through the development, adoption and review of its Funding Policy. These reviews were completed in 1998, 2001 and again in 2002. Comprehensive reviews under the Local Government Act 2002 were undertaken during 2005/06, 2008/09 and 2011/12. It is expected that future reviews of this policy will be undertaken on a three yearly basis.

A Funding Sources - Operational Expenditure

The "revenue" part of the title "revenue and financing policy" relates to funding of operating expenditure. The following sources of income are recognised in the operating statement:

Rates

A number of Council activities are funded by a combination of revenue types. Council practice is to initially

account for income from fees and charges, and grants and subsidies or other income sources. If the activity still requires additional funding, the remainder is funded by way of a rate.

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

There are two classification types for rates:

- General rates - Include Uniform Annual General Charge (UAGC) and capital valued based rate.
- Targeted rates - Include capital valued based Rooding Rate, Tourism Promotion Rate, Governance Rate, Recreation and Events Rate, Regulatory Rate, Water Supply Rate and Stormwater Rate, and fixed annual charges for Sewerage, Water Supply, Waste Management, Queenstown Aquatic Centre and Sports, Halls and Libraries .

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

Fees and charges

There is a wide range of revenue under this general title. Generally, Council will look to use fees and charges to recover the "private benefit" costs of a particular activity (see table on following page) if it is economically viable to do so. Some fees and charges referred to on the following page are paid to the Council directly, whilst others are paid direct to Council Controlled Organisations (i.e. Consent fees to Lakes Environmental Limited).

Grants and subsidies

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

Interest and dividends from investments

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

Council can now expect a regular dividend from Queenstown Airport Corporation (QAC). It is proposed to utilise forecasted dividends from QAC for 2 purposes:

1. To repay general rate funded debt (50%)
2. To set up a special reserve (50%) for the funding of community projects.

Council is currently consulting on this proposal as part of the 10 Year Plan.

Other sources of income

Other sources of income include parking infringement fines, petrol tax, rates penalties and concession income. This is a catch-all classification and the income is treated in the same way as fees and charges.

Funding Operational Expenditure By Activity

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

The second table in each activity analysis labelled “Funding Principles” shows how the funding principles in Section 101(3) b) to e) above relate to the activity. This analysis assists Council in determining which funding mechanisms are appropriate for each activity. Generally those activities which score low for user pays or for cost/benefit of separate funding are best funded by general rates, whilst those scoring higher in those areas are best funded by user charges or targeted rates. The low/medium/high rating relates to the degree by which each activity conforms to the following economic principles:

1. Distribution of Benefit - Degree to which benefits can be attributed to individuals/groups rather than community as a whole.
2. Period of Benefit - Degree to which benefits can be attributed to future period.
3. Extent of Action/Inaction - Degree to which action or inaction of group or individuals give rise to need for expenditure.
4. Cost/Benefit of Separate Funding - Degree to which cost and benefits justify separate funding of this activity.

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

Governance

Community Leadership

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Leadership	Y	Y	Y	Y	Y	Y

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

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

This activity is completely public good with no scope for user charges and will therefore be funded 100% from the proposed district-wide targeted capital value based Governance Rate.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Leadership	0%	100%	0%	0%	100%	-	Governance CV Rate (100%)

Communications

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Development	-	Y	-	-	-	-

The purpose of this activity is to provide for the distribution of information to residents and ratepayers. It is also designed to help keep residents informed via the Council newsletter “Scuttlebutt” and the web site.

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

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Development	0%	100%	0%	10%	90%	Fees & Charges	Governance CV Rate (100%)

Economic Development

Tourism Promotion

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Tourism Marketing	Y	-	-	-	-	-

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

Activity	Funding Principles					
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Separate Funding	Local Cultural Heritage	Effective, Efficient Infrastructure
Tourism Marketing	High	Med	Low	High	-	-

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Tourism Marketing	95%	5%	0%	95%	5%	Targeted CV Rate (Tourism Promotion)	UAGC

Community Assets

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Assets	Y	Y	Y	-	-	Y

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

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Separate Funding
Community Assets	High	High	Low	High

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Assets	100%	0%	0%	100%	0%	Fees & Charges	-

Community

Library Services

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Library Services	-	Y	-	-	Y	-

The purpose of this activity is to help meet the information, cultural, educational and recreational needs of its users in a timely, convenient and cost effective manner. This is achieved through the joint management of libraries with the Central Otago District. There are six libraries within the District; at Queenstown, Arrowtown,

Wanaka, Hawea, Kingston and Glenorchy. The services include book and magazine loans, a reference and information service, compact disc and video rentals, and research. Some of the specialist services provided include a local history collection and a special needs service including large print and talking books, and foreign language text. The libraries also act as community information centres holding community information and contact names and addresses.

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

This activity provides a relatively high degree of private good but there is also a significant element of public good. Council wishes to encourage the use of library facilities and will therefore limit the user charge element to the minimum. The activity will therefore be funded 90% from the proposed district-wide targeted fixed Sports, Halls & Libraries Charge and 10% from user charges for some specialised or high demand services. The Sports, Halls & Libraries Charge will be targeted at properties with a residential component and not at businesses.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Library Services	65%	35%	0%	10%	90%	Fees, Charges & Fines	Fixed Sports, Halls & Libraries Charge

Community Development

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Development	-	Y	-	-	-	-

The purpose of this activity is to help keep residents informed of the recreational, social and cultural opportunities in the area and to assist groups in maximising the benefits they provide to the community. Assistance will also be provided to those seeking financial support from organisations other than Council. The Council is also involved in events including programmes at New Year and the "Summerdaze" festival.

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

This activity is largely public good with for the recreational and cultural activities and will therefore be funded 90% from the proposed district-wide targeted capital value based Recreation and Events Rate with the remainder provided by cost recoveries.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Development	0%	100%	0%	10%	90%	Fees & Charges	Recreation & Events CV Rate (90%)

Community Grants

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Grants	-	Y	-	-	Y	-

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

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

This activity is largely public good with no scope for user charges and will therefore will be 84% funded from the Uniform Annual General Charge and 16% funded from the proposed district-wide targeted capital value based Recreation and Events Rate for the grants made to organisations for recreational purposes. This analysis relates to the cost of the activity after allowing for the receipt of grants by Council in its role as agent.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Grants	0%	100%	0%	0%	100%	-	Recreation & Events CV Rate (16%) / UAGC (84%)

Public Toilets

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Public Toilets	-	Y	Y	-	-	Y

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

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Separate Funding
Public Toilets	Med	Med	Low	Low

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Public Toilets	80%	20%	0%	0%	100%	-	Recreation & Events CV Rate

Cemeteries

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Cemeteries	-	Y	-	-	Y	-

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

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Separate Funding
Cemeteries	High	Med	Low	Med

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Cemeteries	60%	40%	0%	60%	40%	Fees & Charges	UAGC

Community Facilities

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Facilities	-	Y	Y	-	-	Y

The purpose of this activity is to help provide community halls, community swimming pools and other multi-use indoor facilities for the district. This includes the facilities at the Queenstown Events Centre; Lake Wanaka Centre; Memorial Hall; Lake Hayes Pavilion; Arrowtown Hall; Arrowtown Pool and Wanaka Community Pool which are managed by Lakes Leisure Limited. The user charges for these facilities are paid to the CCO directly. The Queenstown Aquatic Centre is included in a separate activity – Aquatics (see below).

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

This activity provides a relatively high degree of private good but there is also a significant element of public good. Council wishes to encourage the use of community facilities and will therefore limit the user charge element to 30%. Council has also determined that it will not seek to fund the depreciation expense associated with these assets. The activity will therefore be funded 70% from the proposed district-wide targeted fixed Sports, Halls & Libraries Charge and 30% from user charges. The Sports, Halls & Libraries Charge will be targeted at properties with a residential component and not at businesses.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Facilities	70%	30%	0%	30%	70%	Fees & Charges	Fixed Sports, Halls & Libraries Charge

Aquatics

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Aquatics	-	Y	Y	-	-	Y

The purpose of this activity is to help provide indoor aquatic facilities for the district. This includes the Queenstown Aquatic Centre (Alpine Aqualand), which are managed by a Lakes Leisure Limited. The user charges for these facilities are paid to the CCO directly.

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

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

This activity will therefore be funded 40% from the Aquatic Centre Charge which is targeted to the Queenstown/Wakatipu and Arrowtown wards only and 60% from user charges. The Aquatic Centre Charge will be targeted at properties with a residential component and not at businesses. The remaining 10% of the operating short-fall attributable to visitors will be funded from the proposed district-wide targeted capital value based Recreation and Events Rate.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Aquatics	70%	30%	0%	60%	40%	Fees & Charges	Fixed Aquatics Charge (90%)/ Recreation & Events CV Rate (10%)

Waterways Facilities

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Waterways Facilities	-	Y	-	Y	-	Y

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

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

Over the past five years, Council has made a substantial investment to improve waterways assets throughout the district. It is now appropriate for the target for recovery from user charges be increased from 10% to 40%. It is recognised that there are real difficulties in terms of designing an effective and efficient regime for the collection of boating user fees and that we must rely on our local by-law for fees.

This activity will be funded 40% from user charges with the balance of 60% coming from the revenue generated from waterways based concessions.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Waterways Facilities	90%	10%	0%	40%	60%	Fees & Charges	Waterways Concession

Parks & Recreation Facilities

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Parks & Recreation Facilities	-	Y	Y	Y	Y	Y

The purpose of the activity is to help provide affordable and accessible recreation facilities throughout the District. This includes the maintenance and development of primarily outdoor recreation facilities that are owned by Council. This activity includes most items that are traditionally called parks and reserves and covers the maintenance and development of outdoor passive recreation areas as well as sports fields, playgrounds and the trail network. The districts sportsfields including those at the Queenstown Events Centre are maintained and managed by a Lakes Leisure Limited. The user charges for these facilities are paid to the CCO directly.

This activity does not include facilities which are on Council land but are owned by other organisations i.e. some bowling, tennis and golf clubs. Multi-use indoor facilities are covered in the Community Facilities activity.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Parks & Recreation Facilities	Low	Med	Low	Low

The revised approach in determining funding targets for this activity takes account of all the operating costs whether incurred by Council or its CCO's and all the revenue. This delivers a funding target of 5% for user fees with the balance of 35% (for the Private Funding Target) being met from commercial lease income derived from reserves. This leaves 60% recovered from the proposed district-wide targeted fixed Sports, Halls & Libraries Charge (17.5%) for sportfields and 42.5% from the proposed district-wide targeted capital value based Recreation and Events Rate for the balance of costs.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Parks & Recreation Facilities	35%	65%	0%	40%	60%	Lease Income (35%)/ Fees & Charges (5%)	Fixed Sports, Halls & Libraries Charge (17.5%) / Recreation & Events CV Rate (42.5%)

Environmental Management

District Plan

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
District Plan	Y	Y	Y	Y	Y	Y

This activity includes work on the development, adoption and refinement of the District Plan. (NB Processing of resource consents is covered under Regulatory Services). The objectives of the District Plan are set out in the Resource Management Act, "The establishment, implementation and review of the objectives, policies and methods of achieving integrated management of the effects of the use, development or management of land and associated natural and physical resources of the district".

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/ Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
District Plan	Low	High	Med	Low

This activity is largely public good with some scope for user charges (private plan changes and district plan sales). The balance of the cost of this activity will be funded from the proposed district-wide targeted capital value based Regulatory Rate.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
District Plan	5%	95%	0%	5%	95%	Fees & Charges	Regulatory CV Rate

Resource Consent Administration

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Resource Consent Administration	Y	Y	Y	Y	Y	Y

This activity includes all aspects of the resource consent process, including receiving and processing the applications; managing files; monitoring consents and responding to public enquiries. This activity is delivered under contract by Lakes Environmental Limited. The user charges related to this activity are paid to the CCO directly.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/ Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Resource Consent Administration	Low	High	Med	Low

The private benefit element of resource consent processing activities (assessed at 90%) will be funded from user charges, with the public element funded from the proposed district-wide targeted capital value based Regulatory Rate.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Resource Consent Administration	90%	10%	0%	90%	10%	Fees & Charges	Regulatory CV Rate

Building Consent Administration

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Building Consent Administration	-	Y	Y	-	-	Y

This activity includes all aspects of the building consent process, including receiving and processing the applications; managing files; inspecting building work; issuing PIMS and LIMs and responding to public enquiries. This activity is delivered under contract by Lakes Environmental Limited. The user charges related to this activity are paid to the CCO directly.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Building Consent Administration	High	Med	Med	High

The private benefit element of building consent processing activities (assessed at 95%) will be funded from user charges, with the public element funded from the proposed district-wide targeted capital value based Regulatory Rate.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Building Consent Administration	90%	5%	5%	95%	5%	Application Fees & Hourly Charges	General CV Rate

Bylaw and General Enforcement

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Bylaw and General Enforcement	-	Y	Y	Y	-	-

This activity includes the patrolling of all designated, time restricted and metered areas in Queenstown, Wanaka and Arrowtown and other general patrolling; managing files; issuing and processing of parking infringement notices and responding to public enquiries. This activity is delivered under contract by Lakes Environmental Limited. The user charges related to this activity are paid to the CCO directly.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Bylaw and General Enforcement	High	Low	High	Med

This activity provides some degree of private good but there is also a significant element of public good and exacerbator factor. The private benefit element of bylaw and enforcement activities (assessed at 30%) will be funded from user charges with the public element funded from the proposed district-wide targeted capital value based Regulatory Rate.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Bylaw and General Enforcement	25%	50%	25%	30%	70%	Permit Fees and Hourly Charges	General CV Rate

Parking Administration

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Parking Administration	Y	Y	Y	Y	Y	Y

This activity includes the patrolling of all designated, time restricted and metered areas in Queenstown, Wanaka and Arrowtown and other general patrolling; managing files; issuing and processing of parking infringement notices and responding to public enquiries. This activity is delivered under contract by Lakes Environmental Limited. The user charges related to this activity are paid to the CCO directly.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Separate Funding
Parking Administration	Med	Low	High	Med

The private benefit element of parking administration activities (assessed at 100%) will be funded from infringement fees and user charges.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Parking Administration	15%	15%	70%	100%	0%	Infringement Fines and Rental Charges	N/A

Environmental Health

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Environmental Health	-	Y	-	-	-	-

This activity includes the inspection and licensing of premises involved in the manufacture/preparation/sale of food, hair dressers, mortuaries, camping grounds, winemakers etc.; managing files; investigation and enforcement of public health issues and responding to public enquiries. This activity is delivered under contract by Lakes Environmental Limited. The user charges related to this activity are paid to the CCO directly.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Separate Funding
Environmental Health	High	Low	Med	High

This activity provides some degree of private good but there is also a significant element of public good. Environmental health will therefore be funded 50% from user charges and 50% from the proposed district-wide targeted capital value based Regulatory Rate.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Environmental Health	45%	50%	5%	50%	50%	Certification Fees and Hourly Charges	General CV Rate

Liquor Licensing

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Liquor	-	Y	Y	-	-	-

This activity includes the inspection, monitoring and licensing of premises involved in the sale of liquor; managing files; issuing and renewal of licences and certificates and responding to public enquiries. This activity is delivered under contract by Lakes Environmental Limited. The user charges related to this activity are paid to the CCO directly.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Liquor	High	Low	Med	High

This activity provides some degree of private good but there is also a significant element of public good and exacerbator factor. Liquor licensing will therefore be funded 60% from user charges and 40% from the proposed district-wide targeted capital value based Regulatory Rate.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Liquor	50%	25%	25%	60%	40%	Licensing and Certification Fees and Hourly Charges	General CV Rate

Animal Control

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Animal Control	-	Y	Y	-	-	-

This activity includes provision of animal ranger services including impounding; managing files; disposal of animals and responding to public enquiries. This activity is delivered under contract by Lakes Environmental Limited. The user charges related to this activity are paid to the CCO directly.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Animal Control	Med	Low	High	High

This activity provides some degree of private good but there is also a significant element of public good and a significant exacerbator factor. Animal Control will therefore be funded 55% from registration fees and impounding charges and 45% from the proposed district-wide targeted capital value based Regulatory Rate.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Animal Control	10%	30%	60%	55%	45%	Registration and Impound Fees	Regulatory CV Rate

Waterways Control

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Waterways Control	-	Y	-	Y	-	-

The purpose of this activity is to control waterways based activities in the District. This is achieved under the Waterways By-law through the activities of the Harbourmaster in the inspection, enforcement and promotion of the safe use of local waterways.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Waterways Control	Med	Low	Med	Med

This activity provides some degree of private good but there is also a significant element of public good. Waterways Control will therefore be funded from user charges under the By-law as far as practicable (estimated at 35%), and thereafter from the revenue generated from waterways based concessions.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Waterways Control	35%	65%	0%	35%	65%	Fees & Charges	Waterways Concession

Emergency Services

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Emergency Services	-	Y	-	Y	-	Y

The purpose of this activity is to ensure the district is prepared to respond appropriately to Civil Defence or Rural Fire emergencies by having appropriate plans and procedures in place. This is primarily achieved by the development of a Civil Defence Plan and the establishment and maintenance of the required communications and other infrastructure. With rural fire this also includes supporting one Rural Fire Unit, two volunteer fire brigades based at Kingston and Glenorchy, and providing limited financial support to the Arrowtown, Hawea and Luggate volunteer fire brigades with respect to rural fire response. There are also arrangements in place to ensure additional trained resources are available when required.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Emergency Services	Low	Low	Med	Low

This activity is largely public good with no scope for user charges and will therefore will be funded by the capital value based General Rate. This analysis relates to the cost of the activity after allowing for any central government subsidies in this area (estimated at 30%).

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Emergency Services	0%	100%	0%	0%	100%	-	General CV Rate (70%) / Grants (30%)

Landfill Provision and Management

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Landfill Provision and Management	Y	Y	-	Y	-	Y

The purpose of this activity is to provide facilities for the purpose of disposing of solid waste and the provision of hazardous waste facilities for the District in accordance with Regional Council and environmental requirements. This activity includes the operation of one sanitary landfill and transfer stations in Queenstown and Wanaka. In addition, the Council is required to monitor and rehabilitate its disused landfill sites at Hawea, Tuckers Beach, Wanaka, Kingston, Glenorchy and Makarora.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Landfill Provision and Management	Med	High	High	Med

This activity provides some degree of private good but there is also a significant element of public good and exacerbator factor. This activity will therefore be funded 60% from user charges in the form of transfer station fees and disposal fees (excluding landfill levy), 35% coming from the targeted fixed Waste Management Charge, with the balance of 5% coming from the general capital value based rate to cover the cost of existing waste management loans and the rehabilitation of disused tips.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Landfill Provision and Management	70%	20%	10%	60%	40%	Fees & Charges	Waste Management Charge (35%) / General CV Rate (5%)

Recycling

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Recycling	Y	Y	-	Y	-	Y

The purpose of this activity is to provide refuse recycling services throughout the district. This includes the provision of residential kerbside recycling collection services in Queenstown, Arrowtown, Glenorchy, Kingston, Wanaka, Hawea, Albert Town Luggate and Makarora. It also includes the operation of resource recovery centres in Queenstown and Wanaka.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Recycling	Med	High	High	Med

This activity provides some degree of private good but there is also a significant element of public good and exacerbator factor. This activity will therefore be funded 50% from user charges in the form of landfill levy and disposal fees, and 50% coming from the targeted fixed Waste Management Charge.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Recycling	50%	20%	30%	50%	50%	Fees & Charges (includes landfill levy)	Waste Management Charge

Refuse Collection

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Refuse Collection	Y	Y	-	Y	-	Y

The purpose of this activity is to provide a kerbside residual waste collection service in Queenstown, Arrowtown, Glenorchy, Kingston, Wanaka, Hawea, Albert Town Luggate and Makarora.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Refuse Collection	High	Low	Med	High

This activity is largely private good and will be funded 100% from user charges.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Refuse Collection	90%	10%	0%	100%	0%	Fees & Charges	-

Utilities

Water Supply

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Water Supplies	Y	Y	-	Y	-	Y

The purpose of this activity is to provide reliable, high quality water supplies for domestic and commercial consumers and for fire fighting purposes. Council has provided water schemes in Queenstown, Arrowtown, Glenorchy, Lake Hayes, Arthurs Point, Wanaka, Hawea, Albert Town and Luggate.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Water Supplies	High	High	Med	High

This activity is largely private good in nature and Council recognises that the best way of recovering cost would be via volumetric charges and water meters. However, the costs of introducing such a system are seen as prohibitive at present, and this activity will therefore be funded 40% from the Targeted Uniform Rate (Water) which will be charged to all serviceable properties in the nature of a supply charge and 60% from a Targeted Water Rate based on Capital Value and applied on a scheme basis to all properties connected to the public water supply.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Water Supplies	90%	10%	0%	100%	0%	Targeted Uniform Rate (water) / Targeted CV Rate (water)	-

Stormwater

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Stormwater	Y	Y	-	Y	-	Y

The primary purpose is to provide reliable and efficient stormwater collection and disposal systems from buildings and land in Queenstown, Arrowtown, Glenorchy, Wanaka, Hawea and Albert Town.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Stormwater	Low	Med	Med	Med

This activity is largely public good in nature and will therefore be funded 100% from a Targeted Stormwater Rate based on Capital Value and applied on a ward basis to all urban properties.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Stormwater	0%	100%	0%	0%	100%	-	Stormwater CV Rate

Wastewater

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Wastewater	Y	Y	-	Y	-	Y

The primary purpose is to provide reliable and efficient sewage collection, treatment and disposal systems that meet all discharge consent conditions. Sewerage schemes are provided in Queenstown, Arrowtown, Arthur's Point, Wanaka, Hawea, Albert Town and Lake Hayes with feasibility studies underway for Kingston, Glenorchy.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Wastewater	High	High	Med	High

This activity is largely private good and the operational costs will therefore be funded by a Targeted Uniform Sewerage Charge which is charged out on the basis of the number of connected pans / urinals within the property. A rating unit used primarily as a residence for one household shall be deemed to have not more than one pan / urinal in accordance with the Local Government (Rating) Act 2002. Remission policies have been developed in relation to the application of this rate to businesses with multiple connections and to various non profit organisations.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Wastewater	90%	10%	0%	100%	0%	Sewerage Charge	-

Roading and Footpaths

Town Centres

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Town Centres	Y	Y	Y	-	Y	Y

The purpose of this activity is to provide attractive and safe town centres that are well maintained and developed to meet the changing needs of the District. This includes the maintenance and development of street furniture, specialised lighting, signage and other facilities that contribute to the atmosphere of the Town Centres. It also includes street cleaning in these areas. This is considered as a separate activity as the requirements of these areas are significantly different to that of an urban street.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Town Centres	Med	Med	High	Med

This activity provides some degree of private good but there is also a significant element of public good. After allowing for any New Zealand Transport Agency (NZTA) subsidy this activity will be funded 100% from a Targeted Roothing Rate based on Capital Value and applied on a ward basis to all properties.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Town Centres	50%	50%	0%	50%	50%	Roothing CV Rate	Roothing CV Rate

Parking Facilities

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Parking Facilities	Y	-	Y	-	-	Y

The objective of this activity is to provide a range of on and off street parking in the town centres of the District. The enforcement of parking and other restrictions are covered as a separate activity within Regulatory Services.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Separate Funding
Parking Facilities	High	Med	Med	High

This activity provides a large degree of private good but there is also a minor element of public good. This activity will therefore be funded 100% from user charges.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Parking Facilities	80%	20%	0%	100%	0%	Fees & Charges	-

Roading

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Roading	Y	-	Y	Y	-	Y

The purpose of this activity is to provide a reliable, efficient and safe roading network that is well maintained and developed to meet the changing needs of the District. This covers all the requirements of a “boundary to boundary” corridor and includes pavement, footpath and bridge maintenance and development. It also includes traffic safety services such as road marking, sign posting, street lighting and accident. It does not include the items covered under the Town Centre activity.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Separate Funding
Roading	Low	Med	High	Med

This activity provides some degree of private good but there is also a significant element of public good and exacerbator factor. After allowing for any New Zealand Transport Agency (NZTA) subsidy and Petrol Tax (estimated at 45%), this activity will be funded from a Targeted Roothing Rate based on Capital Value and applied on a ward basis to all properties.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Roading	50%	20%	30%	45%	55%	NZTA Subsidy / Petrol Tax	Roothing CV Rate

B Funding Sources - Capital Expenditure

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

Funding for new capital works will depend on the nature of the work in particular the reasons (cost drivers) which have made the work necessary. There are 3 main cost drivers recognised by Council:

- Growth
- Level of Service Shift
- Renewal

a) Capital Expenditure due to Growth

The Queenstown Lakes District has experienced significant growth in its population, visitors, development and the local economy. This growth generates high levels of subdivision and development activity which places increasing pressure on the assets and services provided by the Council. Significant investment in additional assets and services is accordingly required to meet the demands of growth.

Council intends to entirely fund the portion of capital expenditure (CAPEX) that is attributable to growth by either Financial or Development Contributions wherever it is legally, fairly, reasonably and practically possible to do so.

Council considers that Development and Financial Contributions are the best mechanism available to ensure the cost of growth sits with those who have created the need for that cost. Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of existing growth.

Historically, QLDC has sought a contribution towards the expansion of the District's reserves, community facilities and infrastructure from those developments which place additional demands on these services. In order to levy these contributions Council has used:

- Financial Contributions imposed as a condition of a resource consent (Resource Management Act 1991) – applies to consents received prior to 8 May 2004.
- Development Contributions as defined by the provisions of the Local Government Act 2002 (LGA 2002) - applies to consents received after to 8 May 2004.

Council has had to adopt a Policy on Development Contributions as Part of the Council's Long Term Council Community Plan ("CCP"). This is updated on an annual basis.

Section 101(3) of the LGA 2002 requires that the following be considered:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

- (i) *the community outcomes to which the activity primarily contributes.*
- (ii) *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.*
- (iii) *the period in or over which those benefits are expected to occur.*
- (iv) *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.*
- (v) *the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.*
- (vi) *the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.*

Responses to these requirements in relation to the Development Contributions and Financial Contributions Policy are:

(i) Community Outcomes

This policy contributes to:

- Managing growth in a sustainable way.
- Quality landscapes, natural environment and enhanced public access.
- Effective and efficient infrastructure that meets the needs of growth.
- High quality urban environments respectful of the character of the individual communities.

(ii) Distribution of Benefits

Council apportions all capital expenditure into the classifications of growth, renewal, level of service and statutory obligations, by the geographic areas of benefit. This apportionment represents the distribution of benefit to the community as a whole, to identifiable parts of the community and to individuals.

(iii) Period over which the Benefits are expected to occur

Once a Development or Financial contribution has been paid in relation to a subdivision or development, the benefits of the asset, service, or environmental enhancement shall occur indefinitely (at a set level of service for that asset, service, or environmental enhancement as defined at any one time).

(iv) Action or Inaction That Contributes to the Need for This Activity

The provision of assets, services, or environmental standards that promote the community outcomes may not be willingly provided by the development community. In addition Council is often the only viable supplier (often legally required to provide services) of these services and therefore Council has a moral and legal obligation to supply additional assets, services to meet the new community needs.

(v) Costs and Benefits of Funding This Activity (Development and Financial Contributions)

The benefits to the existing community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development and financial contributions.

(iv) Allocation of Liability for Revenue Needs

The liability for revenue falls directly with the development community. At the effective date of this Policy, Council does not perceive any impact on the social, economic, environmental and cultural well-being of this particular sector of the community. At any stage in the future where there maybe impacts of this nature, Council may revisit this Policy.

Types of Assets included in the Development Contribution Policy are:

- Network infrastructure for water supplies, wastewater, stormwater and roading.
- Reserve land.
- Community infrastructure including the development and acquisition of reserve land to use as reserve and facilities needed on that reserve and other public amenities such as halls, libraries, public toilets, parking facilities and the like.
- Other Assets. Financial Contributions can be required to avoid remedy or mitigate adverse effects of development that are of a non-fiscal nature. These may include contributions that avoid, remedy or mitigate the effects of development on biodiversity, landscape, amenity values or the provision of specific assets by the developer/subdivider (i.e. access easements in gross). As the Development Contributions provisions of the LGA 2002 specifically relate to fiscal impacts or effects of growth,

Financial Contributions for non-fiscal impacts of effects of development will need to be assessed through the RMA and District Plan processes. Chapter 15 of the District Plan (not operative) and any subsequent variations shall be considered in this policy.

Funding Sources for Growth Capital Expenditure in order of priority:

- i. Vested Assets
- ii. Development or Financial Contributions
- iii. Capital Grants and subsidies attributable to growth portion
- iv. Borrowing

b) Capital Expenditure due to Shifts in Levels Of Service, Statutory Requirements or Other Reasons but not including Growth or Renewals.

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

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

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

Funding Sources for Other Capital Expenditure in order of priority:

- i. Capital Grants and subsidies
- ii. Capital Revenues and Asset sale proceeds
- iii. Capital Reserves
- iv. Borrowing
- v. Rates

c) Capital Expenditure due to Renewals.

Renewal capital works are those capital expenditure costs that are incurred in restoring an asset to previous service levels, usually reflected in the amount that an asset has depreciated. Therefore by using those depreciation funds Council is attempting to maintain infrastructural networks to at least their existing service level.

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

Queenstown Lakes District has in recent years provided adequately for asset renewal. A major effort has been made over the past decade to address deferred maintenance and the budgets have provided for the renewal of infrastructure.

The Council now has far more reliable asset information and a much better understanding of the life cycle of its assets.

The new Act provides a more flexible approach in the requirement to fully fund depreciation. The revised interpretation has allowed Councils flexibility in four key areas which we have taken advantage of in preparing these budgets:

- (i) The Council needs to fund depreciation only on its share of roading funding. The component attributable to Transfund is excluded. Allowing for SPR roading arrangements and other subsidisable costs 65% of roading depreciation will be funded.
- (ii) Depreciation on Community facilities may not need to be funded as they are often funded by non-Council sources and will never be replaced in the same form at the end of their useful life. Depreciation on halls, libraries, and other facilities (including the Events Centre) will therefore not be funded.
- (iii) The Council has accepted that it is not reasonable to fund depreciation where a community has funded a water or sewerage scheme, by lump sum contributions or loan charges. That community ends up paying twice – for loan charges and depreciation.
- (iv) Because we have generally maintained the value of our infrastructure the Council will use funded depreciation to finance renewal projects and repay loans. It cannot be used to fund new assets or asset improvements.

Funding Sources Renewal Capital Expenditure in order of priority:

- i. Depreciation Reserves
- ii. Borrowing
- iii. Rates

Funding Impact Statement

Background

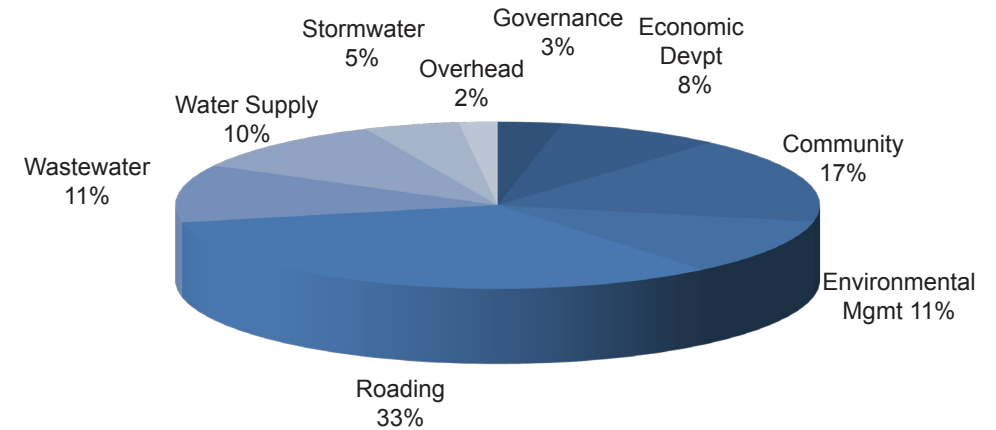
Clause 10 of Schedule 10 to the Local Government Act 2002 requires each Council to prepare a Funding Impact Statement as part of its 10 Year Plan, which states:

- (a) The revenue and financing mechanisms to be used by the local authority each year.
- (b) An indication of the level or amount of funds to be funded by each mechanism for each year.
- (c) In relation to any general rate:
 - (i) The valuation system on which the general rate is to be assessed.
 - (ii) Whether a uniform annual general charge is to be included.
 - (iii) If a uniform annual general charge is to be included, how that uniform annual general charge will be calculated.
 - (iv) Whether the general rate is to be set differentially, and if so:
 - The categories of rateable land, within the meaning of section 14 of the Local Government (rating) Act 2002, to be used.
 - The objectives of the differential rate, in terms of the total revenue sought from each category of rateable land or of the relationship between the rates set of rateable land in each category.
- (d) In relation to each targeted rate:
 - (i) The activities or groups of activities for which the targeted rate is to be set.
 - (ii) The category, or categories, of rateable land, within the meaning of section 17 of the Local Government (rating) Act 2002, to be used.
 - (iii) For each such category, how liability for the targeted rate is to be calculated.
 - (iv) If the targeted rate is set differentially, the total revenue sought from each category of rateable land or the relationship between the rates set on the rateable land in each category.

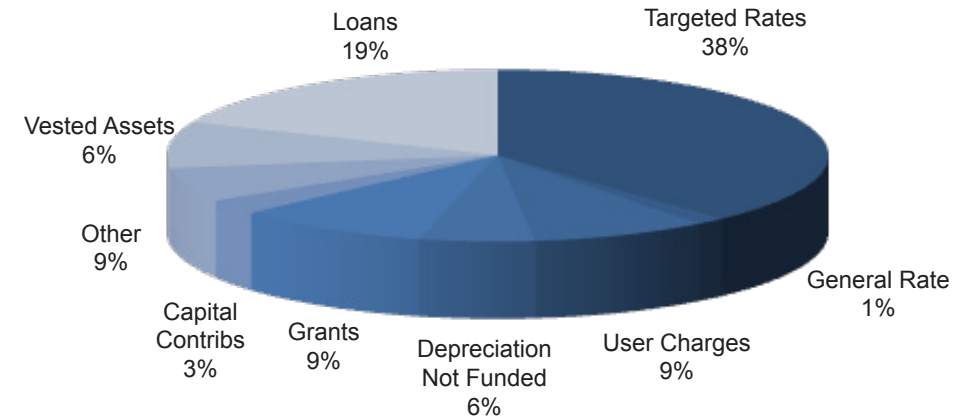
Following is the Funding Impact Statement for the period commencing 1 July 2012.

This has been prepared solely to comply with the Local Government (Financial Reporting) Regulations 2011. It does not comply with Generally Accepted Accounting Practice (GAAP) as stated by S.111(2) of the Local Government Act 2002 and should not be relied on for any other purpose.

Combined Operating and Capital Expenditure 2012/13



Funding Requirements 2012/13



Reconciliation of Funding Impact Statement to Prospective Statement of Financial Performance

Annual Plan 2011/12 \$000		LTP 2012/13 \$000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
INCOME											
Statement of Comprehensive Income:											
105,132	Total Operating Income	100,552	106,580	110,642	124,908	137,916	138,557	132,935	144,366	148,724	144,976
Funding Impact Statement:											
75,893	Total Sources of Operating Funding	77,549	82,011	85,166	90,998	97,741	101,609	104,697	109,025	112,513	115,347
Plus Sources of Capital Funding:											
12,605	Grants & Subsidies for Capital expenditure	9,834	8,092	8,470	14,827	13,486	9,270	8,754	7,462	7,478	8,140
6,951	Development Contributions	4,040	7,033	7,225	7,643	7,817	8,170	6,887	7,116	7,365	7,490
-	Gross Proceeds from Property Sales	-	-	-	-	9,161	9,417	-	9,961	10,100	-
-	Less Cost of Property Sales	-	-	-	-	(2,100)	(2,100)	-	(2,244)	(2,244)	-
Plus Non Cash Items:											
9,683	Vested Assets	9,129	9,444	9,781	10,113	10,458	10,811	11,189	11,610	12,047	12,505
-	Revaluation - Non Current Assets	-	-	-	1,327	1,353	1,380	1,408	1,436	1,465	1,494
105,132	Total Income	100,552	106,580	110,642	124,908	137,916	138,557	132,935	144,366	148,724	144,976
EXPENDITURE											
Statement of Comprehensive Income:											
79,849	Total Operating Cost	82,008	86,621	91,224	99,472	106,866	111,394	115,962	120,106	123,053	126,852
Funding Impact Statement:											
62,281	Total Applications of Operating Funding	62,834	65,685	68,702	74,337	79,695	82,480	85,481	88,221	90,099	92,840
Plus Non Cash Items:											
17,568	Depreciation	19,174	20,936	22,522	25,135	27,171	28,914	30,481	31,885	32,954	34,012
79,849	Total Expenditure	82,008	86,621	91,224	99,472	106,866	111,394	115,962	120,106	123,053	126,852

Note: The above reconciliation has been prepared to comply with Financial Reporting Standard 42 (FRS42) - paragraph 40 and reconciles the new Funding Impact Statement (as required by Local Government (Financial Reporting) Regulations 2011), which excludes some financial data, with the Statement of Financial Performance.

Depreciation - Not Included In Funding Impact Statement (\$000)

Annual Plan 2011/12		LTP 2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
-	Governance	-	-	-	-	-	-	-	-	-	-
2,860	Community	2,970	3,369	3,842	5,233	5,840	6,224	6,568	7,065	7,114	7,148
279	Economic Development	368	416	450	450	450	450	450	450	450	450
224	Environmental Management	254	268	269	272	276	277	277	284	285	285
7,232	Roading and Footpaths	8,121	8,988	9,721	10,116	10,658	11,643	12,452	12,623	13,332	14,041
3,214	Sewerage	3,401	3,488	3,545	3,942	4,428	4,604	4,833	5,120	5,167	5,232
2,098	Water Supply	2,205	2,288	2,367	2,542	2,729	2,828	2,916	3,160	3,285	3,421
1,328	Stormwater	1,397	1,451	1,498	1,655	1,797	1,846	1,897	2,048	2,134	2,190
333	Overhead and Internal Charges	458	668	830	925	993	1,042	1,088	1,135	1,187	1,245
17,568	TOTAL	19,174	20,936	22,522	25,135	27,171	28,914	30,481	31,885	32,954	34,012



Proposed Rates and Charges for 2012/13

The rating system used by Council is based on Capital Value. Property valuations produced by Quotable Value as at 1 September 2011 are to be used for the 2012/13 rating year. All proposed rates in the section that follows are inclusive of GST.

Uniform Annual General Charge

Pursuant to sections 15 of the Local Government (Rating) Act 2002 (the Act), Council resolves to set a uniform annual general charge of \$52.50 on each separately used or inhabited part of every rating unit in the district.

The uniform annual general charge revenue (\$1,161,176) will be used to fund the costs associated with the following activities:

- Cemeteries.
- Community development and grants.
- Property including housing and Wanaka airport
- A general contribution to the promotion of the district.

Sports, Halls & Libraries Annual Charge

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted annual charge of \$297.00 on each separately used or inhabited part of every rating unit with a residential component in the district:

1. Residential	\$297.00
2. Hydro Electric Power	\$0.00
3. Vacant Sections	\$297.00
4. Accommodation	\$0.00
5. CBD Accommodation	\$0.00
6. Commercial	\$0.00
7. CBD Commercial	\$0.00
8. Primary Industry	\$297.00
9. Country Dwelling	\$297.00
10. Other	\$0.00
11. Mixed Use Apportioned	\$297.00

The targeted recreation charge revenue (\$5,373,314) will be used to fund the costs associated with the following activities:

- Community grants (for recreational activities).
- District library services.
- Public halls and other community facilities.
- Active recreation facilities including sportsfields and community swimming pools (excludes Alpine Aqualand).

Governance Rate

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted differential governance rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000317 cents in the \$
2. Hydro Electric Power	0.000159 cents in the \$
3. Vacant Sections	0.000317 cents in the \$
4. Accommodation	0.000317 cents in the \$
5. CBD Accommodation	0.000317 cents in the \$
6. Commercial	0.000317 cents in the \$
7. CBD Commercial	0.000317 cents in the \$
8. Primary Industry	0.000225 cents in the \$
9. Country Dwelling	0.000317 cents in the \$
10. Other	0.000317 cents in the \$
11. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The governance rate revenue (\$4,976,546) will be used to fund the costs associated with the following activities:

- Cost of democratic functions including Council, standing committees
- Cost of communications and management of Council including corporate, financial and rating administration services.

Recreation & Events Rate

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted differential recreation and events rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000282 cents in the \$
2. Hydro Electric Power	0.000154 cents in the \$
3. Vacant Sections	0.000282 cents in the \$
4. Accommodation	0.001523 cents in the \$
5. CBD Accommodation	0.001523 cents in the \$
6. Commercial	0.000307 cents in the \$
7. CBD Commercial	0.000307 cents in the \$
8. Primary Industry	0.000037 cents in the \$
9. Country Dwelling	0.000107 cents in the \$
10. Other	0.000282 cents in the \$
11. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The recreation and events rate revenue (\$5,713,870) will be used to fund the costs associated with the following activities:

- Passive recreation areas, gardens, walkways and reserves.

- The provision on public toilets.
- Provision of events and facilitation events.
- Contribution to the operating shortfall of Alpine Aqualand attributable to non residents

Regulatory Rate

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted differential regulatory rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000404 cents in the \$
2. Hydro Electric Power	0.000182 cents in the \$
3. Vacant Sections	0.000404 cents in the \$
4. Accommodation	0.000424 cents in the \$
5. CBD Accommodation	0.000424 cents in the \$
6. Commercial	0.000364 cents in the \$
7. CBD Commercial	0.000364 cents in the \$
8. Primary Industry	0.000263 cents in the \$
9. Country Dwelling	0.000376 cents in the \$
10. Other	0.000404 cents in the \$
11. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The regulatory rate revenue (\$6,193,697) will be used to fund the costs associated with the following activities:

- Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing.

General Rate

Pursuant to Sections 13 and 14 of the Act, Council resolves to set a differential general rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000063 cents in the \$
2. Hydro Electric Power	0.000026 cents in the \$
3. Vacant Sections	0.000063 cents in the \$
4. Accommodation	0.000079 cents in the \$
5. CBD Accommodation	0.000079 cents in the \$
6. Commercial	0.000051 cents in the \$
7. CBD Commercial	0.000051 cents in the \$
8. Primary Industry	0.000073 cents in the \$
9. Country Dwelling	0.000068 cents in the \$
10. Other	0.000063 cents in the \$
11. Mixed Use Apportioned	See note (i)

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The general rate revenue (\$1,054,179) will be used to fund the costs associated with the following activities:

- Provision of emergency services (civil defense & rural fire).
- Waste management including landfill establishment.
- Forestry including wilding pine control

Roading Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted differential roading rate based on land use on the rateable capital value of all property within the Wanaka ward on the Queenstown Lakes District as follows:

1. Residential	0.000636 cents in the \$
2. Hydro Electric Power	0.000159 cents in the \$
3. Vacant Sections	0.000954 cents in the \$
4. Accommodation	0.002385 cents in the \$
5. CBD Accommodation	0.002385 cents in the \$
6. Commercial	0.002385 cents in the \$
7. CBD Commercial	0.002385 cents in the \$
8. Primary Industry	0.000515 cents in the \$
9. Country Dwelling	0.000649 cents in the \$
10. Other	0.000636 cents in the \$
11. Mixed Use Apportioned	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The Wanaka roading rate revenue (\$4,710,866) will be used to fund the costs associated with the following activities:

- Wanaka wards roading network, which includes footpaths and other amenities within the road reserve.
- The development of town centre areas.
- The maintenance and upgrading of roading drainage systems.

Roading Rate (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted differential roading rate based on land use on the rateable capital value of all property within the Queenstown/Wakatipu and Arrowtown wards of the Queenstown Lakes District as follows:

1. Residential	0.000529 cents in the \$
2. Hydro Electric Power	0.000132 cents in the \$
3. Vacant Sections	0.000794 cents in the \$
4. Accommodation	0.001984 cents in the \$
5. CBD Accommodation	0.001984 cents in the \$
6. Commercial	0.001984 cents in the \$
7. CBD Commercial	0.001984 cents in the \$
8. Primary Industry	0.000428 cents in the \$
9. Country Dwelling	0.000540 cents in the \$
10. Other	0.000529 cents in the \$
11. Mixed Use Apportioned	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The Wakatipu/Arrowtown roading rate revenue (\$10,378,830) will be used to fund the costs associated with the following activities:

- Wakatipu/Arrowtown ward's roading network, which includes footpaths and other amenities within the road reserve.
- The development of town centre areas.
- The maintenance and upgrading of roading drainage systems.

Stormwater Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted stormwater rate based on land use of the rateable capital value of the following categories of property within the Wanaka ward of the Queenstown Lakes District as follows:

1. Residential	0.000206 cents in the \$
2. Vacant Sections	0.000206 cents in the \$
3. Accommodation	0.000206 cents in the \$
4. CBD Accommodation	0.000206 cents in the \$
5. Commercial	0.000206 cents in the \$
6. CBD Commercial	0.000206 cents in the \$
7. Other	0.000206 cents in the \$
8. Mixed Use Apportioned	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential as appropriate.

The Wanaka stormwater rate revenue (\$749,010) will be used to fund the costs associated with the following activities:

- The maintenance and upgrading of stormwater reticulation systems.

Stormwater Rate (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted stormwater rate based on land use of the rateable capital value of the following categories of property within the Queenstown/Wakatipu and Arrowtown wards of the Queenstown Lakes District as follows:

1. Residential (ii)	0.000104 cents in the \$
2. Vacant Sections (ii)	0.000104 cents in the \$
3. Accommodation	0.000104 cents in the \$
4. CBD Accommodation	0.000104 cents in the \$
5. Commercial	0.000104 cents in the \$
6. CBD Commercial	0.000104 cents in the \$
7. Other	0.000104 cents in the \$
8. Mixed Use Apportioned	See note (i)

Note (i) The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential as appropriate.

Note (ii) Excludes property within the Jacks Point Special Zone.

The Wakatipu/Arrowtown stormwater rate revenue (\$868,645) will be used to fund the costs associated with the following activities:

- The maintenance and upgrading of stormwater reticulation systems.

Tourism Promotion Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Wanaka ward of the Queenstown Lakes District as follows:

1. Accommodation	0.000954 cents in the \$
2. CBD Accommodation	0.000954 cents in the \$
3. Commercial	0.000954 cents in the \$
4. CBD Commercial	0.000954 cents in the \$
5. Mixed Use Apportioned	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The Wanaka tourism promotion rate revenue (\$682,401) will be used to fund the costs associated with the following activities:

- To finance promotional activities of Lake Wanaka Tourism.

Tourism Promotion Rate (Queenstown/Wakatipu Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Queenstown/Wakatipu Wards of the Queenstown Lakes District as follows:

1. Accommodation	0.001226 cents in the \$
2. CBD Accommodation	0.001226 cents in the \$
3. Commercial	0.001226 cents in the \$
4. CBD Commercial	0.001226 cents in the \$
5. Mixed Use Apportioned	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential as appropriate.

The Wakatipu tourism promotion rate revenue (\$3,520,549) will be used to fund the costs associated with the following activities:

- To finance promotional activities of Destination Queenstown

Tourism Promotion Rate (Arrowtown Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Arrowtown Ward of the Queenstown Lakes District as follows:

1. Accommodation	0.001288 cents in the \$
2. CBD Accommodation	0.001288 cents in the \$
3. Commercial	0.001288 cents in the \$
4. CBD Commercial	0.001288 cents in the \$
5. Mixed Use Apportioned	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential as appropriate.

The Arrowtown tourism promotion rate revenue (\$121,518) will be used to fund the costs associated with financing the:

- To finance promotional activities of the Arrowtown Promotion Association.

Waste Management Charges

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted waste management charge on each separately used or inhabited part of every rating unit in the district, as follows:

1. Residential	\$141.00
2. Hydro Electric Power	\$100.00
3. Vacant Sections	\$100.00
4. Accommodation	\$100.00
5. CBD Accommodation	\$100.00
6. Commercial	\$100.00
7. CBD Commercial	\$100.00
8. Primary Industry	\$141.00
9. Country Dwelling	\$141.00
10. Other	\$100.00
11. Mixed Use Apportioned	\$141.00

The Waste Management Charge revenue (\$2,815,741) will be used to fund the costs associated with the following activities:

- To fund the operating deficit of the transfer stations and the recycling initiatives proposed in the Waste Management Strategy.

Aquatic Centre Charge (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted Aquatic Centre charge on each separately used or inhabited part of every rating unit with a residential component in the Queenstown / Wakatipu and Arrowtown Wards, as follows:

1. Residential	\$103.00
2. Hydro Electric Power	\$0.00
3. Vacant Sections	\$103.00
4. Accommodation	\$0.00
5. CBD Accommodation	\$0.00
6. Commercial	\$0.00
7. CBD Commercial	\$0.00
8. Primary Industry	\$103.00
9. Country Dwelling	\$103.00
10. Other	\$0.00
11. Mixed Use Apportioned	\$103.00

The Aquatic Centre Charge revenue (\$1,155,380) will be used to fund the costs associated with the following activities:

- To fund the operating shortfall of Alpine Aqualand attributable to residents

Water Supply Rates

i. Queenstown and District Water Supply, Arrowtown Water Supply and Wanaka Water Supply

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted rate for water supply on each separately used or inhabited part of every connected or serviceable rating unit within the respective water supply areas as follows:

Queenstown and District water supply:	\$234.00
Arrowtown water supply:	\$190.00
Wanaka and District water supply:	\$170.00

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential water supply rate based on land use on the rateable capital value of all rating units connected in the following water supply areas.

	Queenstown (cents in the \$)	Arrowtown (cents in the \$)	Wanaka (cents in the \$)
1. Residential	0.000304	0.000419	0.000307
2. Accommodation	0.000547	0.000754	0.000553
3. CBD Accommodation	0.000547	0.000754	0.000553
4. Commercial	0.000444	0.000612	0.000448
5. CBD Commercial	0.000444	0.000612	0.000448
6. Primary Industry	0.000225	0.000310	0.000227
7. Country Dwelling	0.000249	0.000344	0.000252
8. Other	0.000304	0.000419	0.000307
9. Mixed Use Apportioned	See note (i)	See note (i)	See note (i)

Note (i) the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

ii Other Water Supplies

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted rate for water supply on each separately used or inhabited part of every rating unit connected to the respective scheme, and a half charge on each separately used or inhabited part of every serviceable rating unit.

Water Supply	Full Charge (\$)	Half Charge (\$)
Arthur's Point	650.00	325.00
Glenorchy	680.00	340.00
Hawea	334.00	167.00
Lake Hayes	580.00	290.00
Luggate	520.00	260.00

The Targeted Water Supply Rates revenue (\$7,891,876) will be used to fund the costs associated with the following activities:

- (i) To provide supplies of potable (drinkable) water to the above communities.

Water Scheme Loan Rate

(i) Luggate Water Supply

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted water scheme loan rate of \$424.22 on every connected or serviceable rating unit within the Luggate water supply area, other than those in respect of which the ratepayer has elected to make the lump sum contribution.

(ii) Lake Hayes Water Supply Area

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted water scheme loan rate of \$426.27 on every connected or serviceable rating unit within the Lake Hayes water supply area, other than those in respect of which ratepayer has elected to make the lump sum.

The Targeted Water Scheme Loan Revenue (\$28,832) will be used to fund the costs associated with the following activities:

Revenue sought by way of annual loan charges is to cover the cost of financing loans raised to pay for the capital cost of water schemes.

Sewerage Rates

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted sewerage rate on every rating unit connected to a district sewerage scheme, on the basis of one full charge per first pan or urinal connected, with a discounted charge on every subsequent pan or urinal connected. A half charge will apply to every serviceable rating unit. The charges for each scheme are set out in the schedule below.

Note: every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.

Sewerage Scheme	Charge for 1st pan connected (\$)	Half Charge capable of connection (\$)	Charge per pan after 1 connected (\$)
Wanaka/Albert Town	506.00	253.00	253.00
Arrowtown	406.00	203.00	203.00
Arthur's Point	436.00	218.00	313.92
Hawea	520.00	260.00	260.00
Lake Hayes	326.00	163.00	163.00
Luggate	540.00	270.00	270.00
Queenstown	328.00	164.00	164.00
Wanaka	520.00	260.00	260.00

The Targeted Sewerage Rates revenue (\$7,385,263) will be used to fund the costs associated with providing public sewerage services to the above communities.

Sewerage Scheme Loan Rates

(i) Arthur's Point (East) Sewerage Area

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted sewerage scheme loan rate on every serviceable rating unit within the Arthur's Point (east) Sewerage area, on the basis on one charge per pan or urinal connected or capable of being capable of being connected of \$288.27, on the first pan or urinal, and \$207.55 for each subsequent pan or urinal.

(ii) Lake Hayes Sewerage Area

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted sewerage scheme loan rate on every serviceable rating unit within the Lake Hayes Sewerage scheme area, on the basis of one charge per pan or urinal connected or capable of being connected of \$353.18, on the first pan or urinal, and \$176.59 for each subsequent pan or urinal.

Note:

- The targeted sewerage scheme loan rate will not apply to those properties in respect of which the ratepayer elected to make the lump sum contribution; and
- Every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.

The Targeted Sewerage Scheme Loan Rates revenue (\$50,616) will be used to fund the costs associated with the following activities:

- Revenue sought by way of annual loan charges is to cover the costs of financing loans raised to pay for the capital cost of sewerage schemes.

Due Dates for Payments

The Council resolves that the above rates and charges for the financial year commencing on the 1st day of July 2012 are payable in four instalments, the due dates and last days for payment without penalty being as follows:

	Due Date	Last Day for Payment (without 10% penalty)
Instalment One	17 August 2012	21 September 2012
Instalment Two	19 October 2012	23 November 2012
Instalment Three	18 January 2013	22 February 2013
Instalment Four	19 April 2013	24 May 2013

Payment of Rates

Rates payments can be made during normal office hours at:

- Civic Centre, 10 Gorge Road, Queenstown
- Wanaka Service Centre, Ardmore Street, Wanaka
- Arrowtown Public Library, Buckingham Street, Arrowtown

Or by direct debit and internet banking.

Additional Charges (Penalties)

Pursuant to Sections 24, 57 and 58 of the Act, Council resolves that the following penalties will apply under delegated authority to the Rating Administrator:

- A penalty of 10% will be added to the rates and charges levied in each instalment which remains unpaid on the day after the last day for payment date as shown above (i.e. the penalty will be added on 22 September 2012, 24 November 2012, 23 February 2013 and 25 May 2013 respectively).
- A penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year and remaining unpaid on 30 September 2012.

- A second penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year which remains unpaid on 31 March 2013.

Differential Matters Used to Define Categories of Rateable Land

Where Council's propose to assess rates on a differential basis they are limited to the list of matters specified in Schedule Two of the Local Government (Rating) Act 2002. Council is required to state which matters will be used for what purpose, and the category or categories of any differentials.

Differentials by Land Use

The categories are:

1. Residential

All rating units which are used exclusively or principally for residential purposes, but excluding properties categorised as pursuant to clause 8 (Primary Industry), clause 9 (Country Dwelling) or to clause 11 (Mixed Use Apportioned).

2. Hydro Electric Power

All rating units on which there are structures used exclusively or principally for, or in connection with, the generation of hydro-electric power, including structures used to control the flow of water to other structures used for generating hydro-electric power

3. Vacant Sections

All rating units which are vacant properties and suitable for development.

4. Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis (nightly, weekly or for periods up to a month) including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties; but excluding properties categorised as pursuant to clause 11 (Mixed Use Apportioned) or clause 5 (CBD Accommodation).

5. CBD Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as pursuant to clause 11 (Mixed Use Apportioned).

6. Commercial

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes; but excluding properties categorised as Hydro-Electric Power, Accommodation, CBD Accommodation, Primary Industry, or pursuant to clause 11 (Mixed Use Apportioned) or clause 7 (CBD Commercial).

7. CBD Commercial

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as CBD Accommodation or pursuant to clause 11 (Mixed Use Apportioned).

8. Primary Industry

All rating units:

Used exclusively or principally for agricultural or horticultural purposes including dairying, stock fattening, arable farming, sheep, market gardens, vineyards, orchards, specialist livestock, forestry or other similar uses, or

Which are ten hectares or more in area and located in any of the Rural or Special Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year.

9. Country Dwelling

All rating units of less than 10 hectares, located in any of the Rural Zones (except for the land zoned as Rural Residential north of Wanaka township in the vicinity of Beacon Point Road bounded by the low density residential zone to the south, Penrith Park zone to the north and Peninsula Bay to the east) or Special Zones (excluding Penrith Park; Remarkables Park; Quail Rise; Woodbury Park; Lake Hayes Estate; Jacks Point; Peninsula Bay; and Meadow Park) as shown in the Queenstown Lakes District Council's District Plan, which are used exclusively for Residential purposes.

10. Other

Any rating unit not classified under any of the other categories.

11. Mixed Use Apportioned

All rating units which are used in part, but not exclusively, for residential purposes, and in part, but not principally, for commercial or accommodation purposes. Usage in part may be determined by:

- The physical portion of the rating unit used for the purpose, or
- The amount of time (on an annual basis) that the rating unit is used for the purpose.

Note: the Mixed Use Apportioned classification will not be applied to residential rating units used for accommodation purposes for a single period of up to 28 consecutive days in any rating year.

These categories are used to differentiate the following rates:

general rate, targeted rates; roading rate, stormwater rate, tourism promotion rate, waste management charge, water supply rates.

Targeted Rates Based on Location

The categories are:

- Location within the Wanaka ward.
- Location within the Queenstown/Wakatipu ward or the Arrowtown ward.

These categories are used to differentiate the following targeted rates:

- roading rate, stormwater rate, tourism promotion rate.

Targeted Rates Based on Availability of Service

The categories are:

1. Connected

Any rating unit that is connected to a Council operated water scheme or is connected to a public sewerage drain.

2. Serviceable

Any rating unit within the area of service that is not connected to a Council operated water scheme but is within 100 metres of any part of the waterworks and to which water can be supplied. Any rating unit within the area of service, that is not connected to a public sewerage drain, but is within 30 metres of such a drain, and is capable of being connected.

These categories are used to differentiate the following targeted rates:

- water supply rates, water scheme loan rates, sewerage rates, sewerage scheme loan rates.

Definition of “Separately Used or Inhabited Parts of a Rating Unit”

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definition will apply:

The basis of a unit of occupancy is that which can be separately let and permanently occupied. For the purpose of this charge, where the occupancy is an accessory one or is ancillary to another property or part thereof no separately used part exists. For example:

- Not separately used parts of a rating unit:
 - A residential sleep-out or granny flat without independent kitchen facilities.
 - A hotel room with or without kitchen facilities.
 - Motel rooms with or without kitchen facilities.
 - Individual storage garages/sheds/partitioned areas of a warehouse.
 - Individual offices/premises of partners in a partnership.
- These are separately used parts of a rating unit:
 - Flats/apartments.
 - Flats which share kitchen/bathroom facilities.
 - Separately leased commercial areas even though they may share a reception.
 - Rooms in a residential hostel with a common kitchen.

Rates

Long term Position

Operating expenditure is shown to increase over the 10 year period by an average of 6.0% (2009:6.6%) per annum. The forecasts do include a provision for inflation after the first year as well as increases as a result of projected growth within the district.

Operating revenue for the same period increases by an average of 4.5% (2009:5.9%) per annum. With the reduction in capital expenditure and debt, forecast rates increases are also reduced. The average annual increase over the 10 years is now 4.9% down from 6.9% (2009).

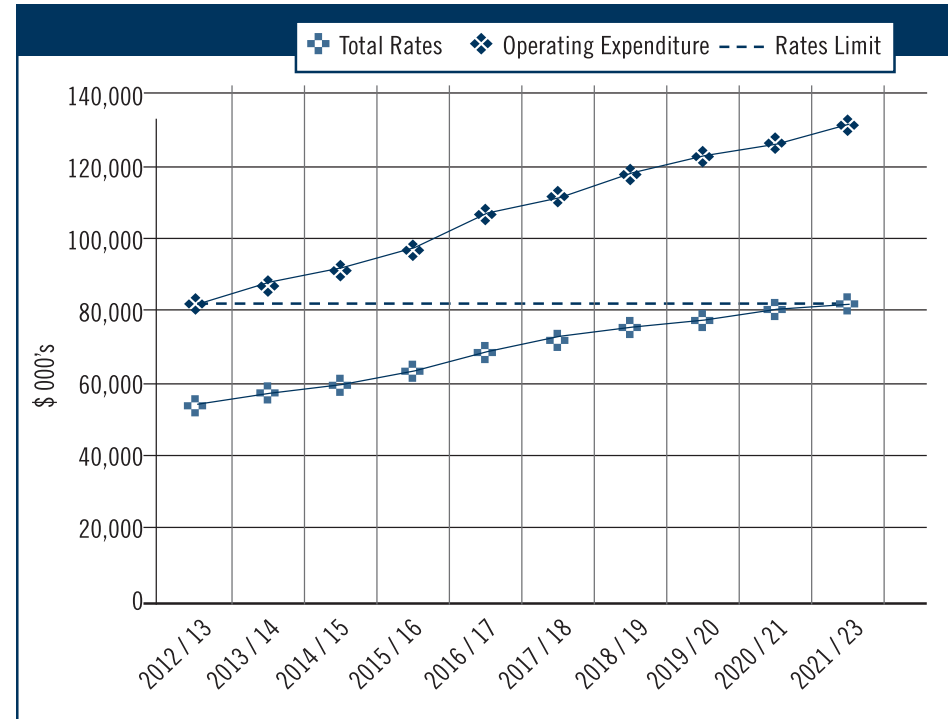
The graph below shows that rates are increasing at lower rate than operating costs over the 10 year period. Rates are influenced by a number of factors including core recurring operating costs; growth in the district; inflation and the capital programme. The capital expenditure in previous years will affect rates through the impact of depreciation and interest costs.

Rates can also be affected if the community demands or central government requires an improvement in levels of service for a particular activity. Where there is a significant rates impact for a proposal of this nature (i.e. Project Shotover), Council will disclose the rating impact as part of the consultation process.

The graph below shows that rates are increasing by an average of 4.9% over the 10 years. This increase is not even however, as the impact of increased costs associated with new facilities is recognised. The forecasted rates increases for 2015/16 and 2016/17 are high (5.5% and 9.0%) as they reflect the increased costs of the new Wanaka Sports Facility and the Project Shotover.

It is proposed therefore to set a rates increase limit of 4% subject to growth changes and the effect of increased levels of service. This will be a challenge for Council and will require disclosure of the base rate increase and separately identify the impact of growth changes and the effect of increased levels of service.

Operating Expenditure & Rates Revenue



Rates in 2012/13

The Council (elected members and staff) have worked hard over the past few months to reduce the level of rates increase without significantly cutting levels of service. Consequently, the Draft LTP shows a rates requirement for 2012/13 of \$54.1m in targeted rates and \$1.9m for general rates. This represented an overall increase of 2.8% over 2011/12 rates after allowing for growth (growth factor 1.5%).

The district has recently had its 3 yearly rates valuation update. This means that the new rating values will be used for the assessment of rates from 1 July 2012. If your property has changed in value to a greater degree than the average movement, then this will have an impact on rates payable.

Over the past six months, Council has undertaken a review of rates and funding. The outcomes from this review do not alter the total amount of rates required to be levied, but it does impact on the how the costs are

allocated to the various rating categories.

Please refer to the full Rates Review Report on page 39 for more detailed information.

The main features of the rates review are:

1. Review make-up of General Rate and Uniform Annual General Charge (UAGC) – now broken down into new targeted rates: Sports, Halls & Libraries Annual Charge; Recreation & Events Rate; Governance Rate; and Regulatory Rate.
2. Establish differentials for new targeted rates: Sports, Halls & Libraries Annual Charge; Recreation & Events Rate; Governance Rate; and Regulatory Rate.
3. Revise differentials for Rooding Rate.
4. Revise targeting of Aquatic Centre Charge (Wakatipu only) to rating categories with residential component.

Much of the work involved in the review focussed on developing a robust, transparent methodology for recovering the costs associated with visitors. The result is a differential system which acts as quasi “bed tax”, with commercial ratepayers acting as the agent for Council in the recovery of some categories of cost. The new Recreation & Events Rate for example, is constructed on the premise that Council requires businesses to collect around 50c per day from each over-night visitor to go towards the cost of providing parks; trails; toilets and events. This cost is included in the rates set for all those businesses providing accommodation and recovered indirectly via the tariff charged to the visitor. This is seen as an equitable, simple method of recovering visitor related costs and reduces the impact on residents.

The following rates examples show the effect of the new system for rates in 2012/13 as well as what would have been payable under the old system:

The rating effect of the budget for 2012/13 is an average overall rates increase of 2.8% (after allowing for growth). The increase, as it stands however, does not impact evenly over the district. Generally properties in the Wanaka ward show lower average increases than the rest of the district. This increase will vary according to property type and location as shown in the following table:

Indicative Rates Movements for 2012/13

Property Type	CV	Location	New %	New \$	Old %	Old \$
Residential	\$626,918	Queenstown	5.64%	\$128.85	3.96%	\$90.46
Commercial	\$1,167,853	Queenstown	3.76%	\$229.02	3.63%	\$221.01
Accommodation	\$1,167,853	Queenstown	11.51%	\$923.89	4.40%	\$353.06
M/U Accommodation	\$754,261	Queenstown	10.45%	\$327.21	4.02%	\$125.83
Vacant	\$391,824	Queenstown	-6.06%	-\$111.05	4.01%	\$73.38
M/U Commercial	\$754,261	Queenstown	7.52%	\$224.73	3.82%	\$114.20
Residential	\$528,962	Wanaka	1.62%	\$37.21	1.70%	\$39.01
Commercial	\$704,739	Wanaka	2.33%	\$99.69	2.80%	\$119.68
Accommodation	\$704,739	Wanaka	6.46%	\$387.39	2.23%	\$133.81
M/U Accommodation	\$587,736	Wanaka	6.42%	\$186.38	2.27%	\$66.01
Primary Industry	\$3,262,479	Wanaka	3.78%	\$150.11	4.10%	\$162.84
Country Dwelling	\$1,076,790	Wanaka	6.77%	\$134.61	4.98%	\$99.01
Vacant	\$293,868	Wanaka	-8.18%	-\$135.99	3.05%	\$50.70
M/U Commercial	\$587,736	Wanaka	4.29%	\$119.09	2.01%	\$55.73
Residential	\$460,393	Arrowtown	3.13%	\$65.65	3.76%	\$78.93
Commercial	\$1,107,447	Arrowtown	1.60%	\$99.46	1.94%	\$120.38
Accommodation	\$1,107,447	Arrowtown	8.97%	\$752.09	2.85%	\$239.22
M/U Accommodation	\$617,123	Arrowtown	7.95%	\$233.40	3.30%	\$96.94
Vacant	\$244,890	Arrowtown	-6.98%	-\$106.99	4.37%	\$66.96
M/U Commercial	\$617,123	Arrowtown	5.31%	\$149.56	3.10%	\$87.42
Primary Industry	\$2,669,301	Wakatipu	1.76%	\$57.84	3.61%	\$118.49
Country Dwelling	\$1,391,338	Wakatipu	8.62%	\$202.43	4.36%	\$102.31
Residential	\$450,598	Glenorchy	3.39%	\$66.86	4.24%	\$83.54
Residential	\$293,868	Albert Town	-2.44%	-\$45.51	1.66%	\$30.83
Residential	\$362,437	Hawea	1.15%	\$23.25	3.88%	\$78.05
Residential	\$450,598	Kingston	2.02%	\$26.86	3.27%	\$43.54
Residential	\$489,780	Arthurs Point	2.04%	\$50.23	2.22%	\$54.76

Under the proposed system, Residential movements range from a reduction of 2.4% (Albert Town) to an increase of 5.6% (Queenstown).

Commercial movements range from an increase of 1.6% (Arrowtown) to an increase of 3.8% (Queenstown).

Accommodation movements range from an increase of 6.5% (Wanaka) to an increase of 11.5% (Queenstown). Mixed/Use movements are generally higher and range from an increase of 4.3% (Wanaka M/U Commercial) to an increase of 10.4% (Queenstown M/U Accommodation).

Rural property movements range from an increase of 1.8% (Wakatipu Primary Industry) to an increase of 8.6% (Wakatipu Country Dwelling).

Included in the rates above are increases for some targeted rates for Water Supply & Wastewater as result of increases in operating costs (depreciation, interest and maintenance):

Water Supply	Existing	Proposed
Queenstown	\$220.00	\$234.00
Wanaka	166.00	170.00
Arrowtown	174.00	190.00
Glenorchy	640.00	680.00
Hawea	306.00	334.00
Arthurs Point	640.00	650.00
Lake Hayes	560.00	580.00
Luggate	480.00	520.00
Sewerage	Existing	Proposed
Queenstown	310.00	328.00
Wanaka	522.00	506.00
Arrowtown	390.00	406.00
Hawea	520.00	520.00
Arthurs Point	436.00	436.00
Lake Hayes	336.00	326.00
Luggate	500.00	540.00

Indicative Residential Rates 2012-13

Location	Queenstown	Wanaka	Arrowtown	Glenorchy	Kingston	Albert Town	Hawea	Lake Hayes
Capital Value (\$)	626,918	528,962	460,393	450,598	450,598	293,868	362,437	450,598
UAGC	53	53	53	53	53	53	53	53
Sports, Halls & Libraries	297	297	297	297	297	297	297	297
Aquatic Centre	103	0	103	103	103	0	0	103
General Rate	39	33	29	28	28	18	23	28
Recreation & Events Rate	177	149	130	127	127	83	102	127
Governance Rate	199	168	146	143	143	93	115	143
Regulatory Rate	254	214	186	182	182	119	147	182
Roading Rate	332	337	244	239	239	187	231	239
Stormwater Rate	65	109	48	47	47	61	75	47
Water	425	332	383	680	0	260	334	580
Sewerage	328	506	406	0	0	506	520	326
Waste Mgmt	141	141	141	141	141	141	141	141
Total Rates	\$2,413	\$2,339	\$2,166	\$2,040	\$1,360	\$1,818	\$2,038	\$2,266
% Increase	5.64%	1.62%	3.13%	3.39%	2.02%	-2.44%	1.15%	1.65%
\$ Increase	\$129	\$37	\$66	\$67	\$27	-\$46	\$23	\$37

Indicative Commercial Rates 2012-13

Location	Queenstown	Wanaka	Arrowtown	Queenstown	Wanaka	Arrowtown
Type	Commercial	Commercial	Commercial	Mixed Use	Mixed Use	Mixed Use
Capital Value (\$)	1,167,853	704,739	1,107,447	754,261	587,736	617,123
UAGC	53	53	53	53	53	53
Sports, Halls & Libraries	0	0	0	297	297	297
Aquatic Centre	0	0	0	103	0	103
General Rate	60	36	56	45	35	37
Recreation & Events Rate	359	216	340	217	169	178
Governance Rate	370	223	351	239	186	195
Regulatory Rate	425	257	403	298	232	243
Roading Rate	2,319	1,682	2,199	674	631	551
Stormwater Rate	122	145	116	79	121	64
Promotion Rate	1,432	672	1,426	231	140	199
Water	753	485	868	509	386	501
Sewerage	328	506	406	328	506	406
Waste Mgmt	100	100	100	141	141	141
Total Rates	\$6,321	\$4,375	\$6,318	\$3,214	\$2,898	\$2,968
% Increase	3.76%	2.33%	1.60%	7.52%	4.29%	5.31%
\$ Increase	\$229	\$100	\$99	\$225	\$119	\$150

Indicative Accommodation Rates 2012-13

Location	Queenstown	Wanaka	Arrowtown	Queenstown	Wanaka	Arrowtown
Type	Accommodation	Accommodation	Accommodation	Mixed Use	Mixed Use	Mixed Use
Capital Value (\$)	1,167,853	704,739	1,107,447	754,261	587,736	617,123
UAGC	53	53	53	53	53	53
Sports, Halls & Libraries	0	0	0	297	297	297
Aquatic Centre	0	0	0	103	0	103
General Rate	93	56	88	51	39	41
Recreation & Events Rate	1,777	1,072	1,685	446	348	365
Governance Rate	370	223	351	239	186	195
Regulatory Rate	498	300	472	309	241	253
Roading Rate	2,319	1,682	2,199	674	631	551
Stormwater Rate	122	145	116	79	121	64
Promotion Rate	1,432	672	1,426	231	140	199
Water	874	559	1,026	509	386	501
Sewerage	1,312	1,518	1,624	328	506	406
Waste Mgmt	100	100	100	141	141	141
Total Rates	\$8,949	\$6,381	\$9,139	\$3,460	\$3,089	\$3,169
% Increase	11.51%	6.46%	8.97%	10.45%	6.42%	7.95%
\$ Increase	\$924	\$387	\$752	\$327	\$186	\$233

Indicative Rural Rates 2012-13

Location	Wakatipu	Wanaka	Wakatipu	Wanaka
Type	Primary Industry	Primary Industry	Country Dwelling	Country Dwelling
Capital Value (\$)	2,669,301	3,262,479	1,391,338	1,076,790
UAGC	53	53	53	53
Sports, Halls & Libraries	297	297	297	297
Aquatic Centre	103	0	103	0
General Rate	195	238	95	73
Recreation & Events Rate	94	115	148	115
Governance Rate	600	734	441	341
Regulatory Rate	702	858	523	405
Roading Rate	1,151	1,691	751	699
Stormwater Rate	0	0	0	0
Promotion Rate	0	0	0	0
Water	0	0	0	0
Sewerage	0	0	0	0
Waste Mgmt	141	141	141	141
Total Rates	\$3,336	\$4,126	\$2,551	\$2,123
% Increase	1.76%	3.78%	8.62%	6.77%
\$ Increase	\$58	\$150	\$202	\$135

Rates Remission and Postponement Policies

These policies are prepared pursuant to Sections 102, 109 and 110 of the Local Government Act 2002.

Remission Policies

A. Community, Sporting and Other Organisations

Objective

To facilitate the ongoing provision of community services or recreational opportunities for the residents of the Queenstown Lakes District Council.

The purpose of granting rates remission to an organisation is to:

- Assist the organisation's survival.
- Make membership of the organisation more accessible to the general public, particularly children, youth, young families, aged people, and economically disadvantaged people.

Conditions and Criteria

The land must be owned by the Council or owned, occupied or leased by an organisation (with liability for rates), which is used exclusively or principally for sporting, recreation, or community purposes.

The organisation must not operate for private pecuniary profit.

The application for rate remission must be made to the Council prior to 31st October of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

Organisations making application should include the following documents in support of their application:

- Statement of Objectives.
- Full financial accounts.
- Details of any Leases (where applicable).
- Information on activities and programmes.
- Details of membership or clients.

Application

Generally, the Policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Remissions to any qualifying organisation shall be on the basis of 100% reduction in rates and charges except that no remission will be granted on targeted rates/charges for water supply, sewerage disposal or refuse collection, or areas used for bars.

The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chairperson of the Finance, Audit, Property and Corporate Committee and the Accounting Manager.

B. Land Protected for Natural, Historic or Cultural Conservation Purposes

Objective

To preserve and promote natural resources and heritage, to encourage the protection of land for natural, historic or cultural purposes.

Conditions and Criteria

Ratepayers with rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this part of the Policy.

Land that is non-rateable under Section 8 of the Local Government (Rating) Act 2002 and is liable only for targeted rates covering water supply, sewage disposal or refuse collection will not qualify for remission under this part of the Policy.

Application

Applications must be in writing and should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the Covenant or other legal mechanism. This may include areas of land protected under the District Plan as significant indigenous vegetation or heritage buildings classified as QLDC Category 1.

In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:

- The extent to which the preservation of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.
- The degree to which features of natural, cultural or historic heritage are present on the land.
- The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.

The extent of any remission shall be determined by the Finance, Audit, Property and Corporate Committee on a case by case basis.

If an application is approved the Council may direct its valuation service provider to inspect the rating unit and prepare a valuation that will take into account any restrictions on the use that may be made of the land imposed by the protection mechanism. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

In granting remissions under this part of the Policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

C. Land Affected by Natural Calamity

Objective

To enable rate relief to be provided where the use that may be made of any land has been detrimentally affected by natural calamity.

Conditions and Criteria

Council may remit wholly or in part, any rate or charge made and levied in respect of the land, where it considers it to be fair and reasonable to do so.

Application

The extent of any remission shall be determined by the Finance, Audit, Property and Corporate Committee on a case by case basis.

If an application is approved the Council may direct its valuation service provider to inspect the rating unit and prepare a valuation that will take into account any restrictions on the use that may be made of the land as a result of the natural calamity. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

D. Uniform Annual Charges and Targeted Rates on Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Entity

Objective

To limit the incidence of multiple charges where a farming or other business entity consists of a number of contiguous rating units with different owners.

Conditions and Criteria

Each rating unit must be leased to the operator for a term not less than five years.

The operator must provide Council with a statutory declaration confirming that each unit will be operated as part of the entity.

The ratepayer will remain liable for at least one uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

E. Rate Penalties

Objective

To enable Council to remit penalties where:

- Payment has not been received by the penalty date, due to circumstances outside the ratepayer's control; or
- it is deemed equitable to remit the penalty for other reasons.

Conditions and Criteria

Each application will be considered on its merits and remission may be granted where it is considered just an equitable to do so.

The Council will consider remission of rate penalties where an application is made and meets any of the following criteria:

- payment has been late due to significant family disruption. [Significant family disruption would include death, illness, or accident]; or
- the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control; or
- penalties have arisen through processing errors in Council's records or an outstanding balance has

- arisen as a result of a shortfall caused by the operation of an agreed payment plan; or
- the ratepayer provides a reasonable explanation of the circumstances which caused the late payment, and this is the first occasion on which late payment has occurred.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

F. Sundry Remissions

Objective

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be recovered pursuant to Sections 67-76 of the Local Government (Rating) Act 2002, or where Council or its delegated officer(s) consider the levy impractical to recover.

Conditions and Criteria

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

Application

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chairperson or the Finance, Audit, Property and Corporate Committee and the Accounting Manager.

G. Policy for Remission and Postponement of Rates on Maori Freehold Land

Section 102(4)(f) of the Local Government Act 2002 requires Council to adopt a policy on the remission and postponement of rates on Maori freehold land; section 108 and Schedule 11 set out the matters to be considered.

Objective

To recognise that certain Maori Freehold land may have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide for remission from certain rates and to avoid further alienation of Maori freehold land.

Conditions and Criteria

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is subject of such an order may qualify for remission under this policy.

Council will consider remission of rates on land that comes within the following criteria:

- The land is unoccupied and no income is derived from that land; and/or
- The land is better set aside for non-use (whenua rahui) because of its natural features;
- and/or
- The land is inaccessible and unoccupied.

Application

The policy shall apply to ratepayers who meet the relevant criteria as approved by the Accounting

Manager.

H. Remission of Postponed Rates

Objective

Council has adopted a number of policy statements that grants a postponement of rates to ratepayers under certain circumstances. A number of these policies contain a provision that allow the postponed rates to be written off or remitted after a predetermined period, subject to the terms and conditions of the policy being complied with.

This policy statement provides the power for those postponements to be remitted in accordance with the postponement policies.

Conditions and Criteria

1. The conditions that gave rise to the postponement of the rates must have been fully complied with over the term of the postponement period.
2. Subject to the conditions and criteria being complied with as set out in (1) above, Council will remit the applicable postponed rates without any further applications being required from the ratepayer.
3. This policy statement will only apply to those rate postponement policy statements that provide for the rates to be remitted after a predetermined period of time.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

I. Remission of Rates on Land that has Made Lump Sum Contributions

Objective

A number of water and sewerage schemes have been developed using loans. In certain cases the ratepayers were offered the opportunity to make a lump sum contribution rather than paying an annual loan rate. Because some ratepayers made the lump sum contributions it would be inappropriate to charge them any costs relating to these loans. The most appropriate solution to resolving this problem would be to offer these ratepayers a remission of rates equal to the amount of the rate that they were previously exempt from paying.

This policy statement provides the authority to make the necessary remissions.

Conditions and Criteria

1. Rating unit must have previously paid a lump sum contribution in lieu of paying a loan rate.
2. The amount of the remission must not exceed the amount of the exemption from paying the loan rate.
3. The remission will only apply for so long as the underlying loan which gave rise to the loan rate remains in existence.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting

Manager.

J. Rating of Separately Used or Inhabited Parts of a Rating Unit

Objective

To limit the incidence of multiple charges on a property containing separate uses or separate inhabitants, where it is equitable to do so.

Conditions and Criteria

The Council will charge multiple uniform charges against each separately used or inhabited part of a rating unit.

The basis of a unit of occupancy is that which can be separately let and permanently occupied. For the purpose of this charge, where the occupancy is an accessory one or is ancillary to another property or part thereof no separately used part exists. For example:

- Not separately used parts of a rating unit:
 - A residential sleep-out or granny flat without independent kitchen facilities.
 - A hotel room with or without kitchen facilities.
 - Motel rooms with or without kitchen facilities.
 - Individual storage garages/sheds/partitioned areas of a warehouse.
 - Individual offices/premises of partners in a partnership.
- These are separately used parts of a rating unit:
 - Flats/apartments.
 - Flats which share kitchen/bathroom facilities.
 - Separately leased commercial areas even though they may share a reception.
 - Rooms in a residential hostel with a common kitchen.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

Postponement Policies

K. Residential Land Subject to Zone Changes

Objective

To ensure that owners of residential rating units which are rezoned are not unduly penalised by an increase rates as a result of the zone change.

Conditions and Criteria

To qualify for postponement under this part of the Policy, the rating unit must:

- Be situated within the area of land that has been rezoned.
- Be listed as a "residential" property for differential rating purposes.

In addition the ratepayer must:

- Have been the property owner prior to the zone change being initiated.
- Reside permanently in the rating unit.
- Will not have actively sort rezoning.

Postponement of rates will apply to the change in land value only of the property as a result of zoning

changes.

Any postponed rates will be postponed until:

- The death of ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date determined by the Council in any particular case.

At any time, the applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed to this Policy by paying the postponed rates or any part thereof.

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title. Council will add to the postponed rates all financial and administrative costs to ensure neutrality. The financial cost will be the interest Council will incur at the rate of Council's cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include Council's own in-house administrative costs).

Application

The application for rate postponement must be made to the Council prior to 31st October of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager. The extent of any postponement will be based on valuations supplied by its valuation service provider.

L. Postponement Policy - Extreme Financial Hardship

Objective

To assist ratepayers experiencing extreme financial hardship.

Conditions and Criteria

The ratepayer must make written application to the Council.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant.

The Council must postpone rates in accordance with the Policy where the application meets all of the following criteria:

- The ratepayer must be the current owner of the rating unit.
- Generally, this policy will apply to rating units used for residential purposes.
- The Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over after the payment of rates, for normal health care, appropriate provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day to day living expense.
- The ratepayer must not own any other rating units or investment properties or other realisable assets.
- The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

The Council may add a postponement fee to the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

Any postponed rates will be postponed until:

- The death of ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date determined by the Council in any particular case.

At any time, the applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed to this Policy by paying the postponed rates or any part thereof.

Application

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chairperson or the Finance, Audit, Property and Corporate Committee and the Accounting Manager.

M. Policy for Rate Postponement for Farmland

Objective

To ensure that owners of rural rating units used as farmland but with the potential for non-farming development are not unduly penalised by rating valuations which reflect in some measure the potential use to which the land may be put.

Conditions and Criteria

The policy will apply to the rating units that are:

- Actively farmed by the ratepayer as an economic farming unit and be the primary source of income for the property owner.
- Ten hectares in area or more.
- Farmland whose rateable value in some measure is attributed to the potential use to which the land may be put for residential, commercial, industrial, or other non-farming development.

The application for rate postponement must be made to the Council prior to 31st October of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

Ratepayers making application should include the following documents in support of their application:

- Details of ownership of the rating unit.
- Full financial accounts.
- Information on the farming activities.

Application

If an application is approved the Council will request its Valuation Service Provider to determine a rates-postponement value of the land. The purpose of this requirement is to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use in order to preserve uniformity and equitable relativity with comparable parcels of farmland whose valuation do not contain any such potential value.

The rates postponed for any rating period will be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable land value of the property and the amount of the rates that would be payable for that period if the rates postponement land value of the property were it's

rateable land value.

No objection to the amount of any rate-postponement value determined by the Council and its Valuation Service Provider will be upheld.

- All rates whose payment has been postponed and which have not been written off become due and payable immediately on.
- The land ceasing to be farmland.
- The land being subdivided.
- The value of the land ceasing to include a portion of its value attributable to the potential use to which the land may be put for residential, commercial, industrial, or other non-farming development.
- The interest of the person who was the ratepayer at the date on which the rates postponement land value was entered on the Council's Rating Information Database becoming vested in another person other than the ratepayer's spouse, the executor/administrator of the ratepayer's estate or where the ratepayer was the proprietor of the interest as a trustee, a new trustee under the trust.

Postponed rates may be registered as a charge against the land so that in the event that the property is sold the Council has first call against any of the proceeds of that sale.

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

N. Policy for Rate Postponement for Elderly

Objective

To give ratepayers 65 years of age and over a choice between paying rates now or later subject to the full cost of postponement being met by that ratepayer and Council being satisfied that the risk of loss in any case is minimal.

General Approach

Only rating units defined as Residential or Country Dwelling and resided in permanently by the applicant(s) will be eligible for consideration of rates postponement under the criteria and conditions of this policy.

Current and all future rates may be postponed indefinitely if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older, until one of the conditions a-c (under conditions) becomes applicable.

Owners of units in retirement villages will be eligible provided that Council is satisfied payment of postponed rates can be adequately secured.

Council will add to the postponed rates all financial and administrative costs to ensure neutrality.

Council will establish a reserve fund out of which to meet any shortfall between the net realisation on sale of a property and the amount outstanding for postponed rates and accrued charges, at the time of sale. This will ensure, that neither the ratepayer(s) nor the ratepayer(s)' estate will be liable for any shortfall.

Conditions and Criteria

a) Eligibility

Ratepayers are eligible for postponement provided that the following criteria are met by the ratepayer(s):

- Be at least 65 years of age.
- Reside permanently in the residence and use for personal residential purposes.

- Be a New Zealand citizen.
- Own no other property.
- The rateable property must be classified as "Residential" or "Country Dwelling" in the council's rates database.

b) Risk

Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid is negligible. To determine this, a financial model has been developed that will forecast expected equity when the payment falls due. Eligibility for full postponement is dependent upon remaining equity forecast by this model being acceptable to the Council. If it is not, Council will adjust its postponement offer to bring it within an acceptable level.

c) Insurance

The property must be insured for its full value and evidence of this produced annually. To assist ratepayers who are currently uninsured, Council is arranging through its insurers for the development of a group insurance policy to provide all risks cover, with an excess of \$2,500. This will achieve cover against catastrophic loss at minimum cost. The premium will be added to rates and thus come within the postponement arrangements.

Conditions

Any postponed rates (under this policy) will be postponed until:

- The death of the ratepayer(s) or named individual or couple; or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another within the Council's District, Council will consider transferring the outstanding balance, or as much as is needed, to facilitate the purchase, provided it is satisfied that there is adequate security in the new property for eventual repayment); or
- Until the ratepayer(s) ceases to use the property as his/her residence.

Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Councils administrative and financial costs and may vary from year to year.

The financial cost will be the interest Council will incur at the rate of Council's cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include Council's own in-house costs, a 1% p.a. levy on outstanding balances to cover external management and promotion costs, and a reserve fund levy of 0.25% p.a., and a contribution to cover the cost of counselling).

To protect Council against any suggestion of undue influence, applicants will be asked to obtain advice from an appropriately qualified and trained counsellor. A counsellor's certificate confirming this, will be required before postponement is granted. This service will be provided by a council approved and suitably qualified organisation.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Review or Suspension of Policy

The policy is in place indefinitely and can be reviewed subject to the requirements of the Local Government Act 2002 at any time. Any resulting modifications will not change the entitlement of people already in the scheme. This includes the suspension while the ratepayers having to pay future rates but not previously postponed rates, until the ratepayer is required under conditions (a-c) to make payment.

Council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80% of the rateable value of the property as recorded in Council's rating information database.

The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

Application

Applications for rate postponement must be made on the required application form which will be available from the QLDC offices.

The application must be made to the Council prior to 31 October of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.



2012 Annual Review of Council's Policy on Development Contributions and Financial Contributions

Following is a list of the changes made as a result of the 2012 Annual Review process. These changes will apply to any application for resource consent, building consent or service connection lodged on or after 3 April 2012 and granted on or after 1 July 2012. For applications received prior to 3 April 2012, Council will apply the provisions of the pre-existing policies.

Annual Calculation Updates:

- Updated 2010/11 capital expenditure with actual figures from 2011 Annual Report.
- Updated past capital expenditure to 2012 dollars.
- Inflated present and future capital expenditure to 2012 dollars.

Annual Policy Reviews:

- Updated capital expenditure for the 2012/13 to 2021/22 financial years.
- Updated capital expenditure for the 2011/12 financial year based on the 2011/12 Budget (including carry-overs).
- Updated new growth projections for the district.
- Land Use Differentials have been reviewed and recalculated using the latest Gross Floor Area (GFA) information from Quotable Value Limited.

Changes to Assessment Policy

Council wishes to revise the development contribution policy process to allow for the reassessment of unpaid development contributions. Currently, an assessment of contributions payable is made at the time the consent is issued and this assessment stands for the duration of a valid consent. Under the proposed changes, if development contributions are not paid within 12 months of a consent being issued contributions will be reassessed under the latest version of the policy.

Effectively this means that any Development Contribution Notice (DCN) is valid for 12 months from the time of issue:

- All existing DCN's issued on or before 7 April 2012 will be valid for a 12 month period from this date.
- All DCN's issued after 7 April 2012 will be valid for 12 months from the date of issue.

Policy on Development Contributions and Financial Contributions

Overview

The Queenstown Lakes District is experiencing significant growth in its population, visitors, development and the local economy. This growth generates high levels of subdivision and development activity which places increasing pressure on the assets and services provided by the Council. Significant investment in additional assets and services is accordingly required to meet the demands of growth.

Historically, QLDC has sought a contribution towards the expansion of the District's reserves, community facilities and infrastructure from those developments which place additional demands on these services. In order to levy these contributions Council may employ:

- Financial Contributions imposed as a condition of a resource consent pursuant to Section 108, 220, 407 or 409 of the Resource Management Act (RMA) 1991. Council has recently withdrawn most of the provision relating to Financial Contributions from Section 15 of the District Plan.
- Development Contributions as defined by the provisions of Part 8 Subpart 5 and Schedule 13 of the Local Government Act 2002 (LGA 2002). To make use of these provisions Council must adopt a Policy on Development Contributions as Part of the Council's Long Term Plan ("LTP"). Development Contributions are based on the fiscal implications of growth.

Development contributions may be sought in respect of any development that generates a demand for reserves, network or community infrastructure. Council will assess whether development contributions are payable in relation to the development when an application for one of the following is made:

- Resource Consent
- Building Consent
- Authorisation for a Service Connection

This policy has been prepared to meet the requirements of Section 106(2) of the LGA 2002. The full methodology that demonstrates how the calculations for development contributions were made is contained in a separate document which is available to the public as per section 106 (3) of the Act.

Reasons for using Development and Financial Contributions

Council intends to entirely fund the portion of capital expenditure (CAPEX) that is attributable to growth by either Financial or Development Contributions wherever it is legally, fairly, reasonably and practically possible to do so.

Council considers that Development and Financial Contributions are the best mechanism available to ensure the cost of growth sits with those who have created the need for that cost. Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of existing growth.

Section 101(3) of the LGA 2002 requires that the following be considered:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

- in relation to each activity to be funded -*
 - the community outcomes to which the activity primarily contributes; and*
 - the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
 - the period in or over which those benefits are expected to occur; and*
 - the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
 - the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*
- the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community*

Council's Revenue & Financing Policy considers each of these factors in relation to each activity to be funded. In addition, Council has specifically considered these factors in relation to the Development Contributions and Financial Contributions Policy:

(i) Community Outcomes

This policy contributes to:

- Managing growth in a sustainable way
- Quality landscapes, natural environment and enhanced public access
- Effective and efficient infrastructure that meets the needs of growth
- High quality urban environments respectful of the character of the individual communities.

(ii) Distribution of Benefits

Council apportions all capital expenditure into the classifications of growth, renewal, level of service and statutory obligations, by the geographic areas of benefit. This apportionment represents the distribution of benefit to the community as a whole, to identifiable parts of the community and to individuals.

(iii) Period Over Which The Benefits Are Expected to Occur

Once a Development or Financial contribution has been paid in relation to a subdivision or development, the benefits of the asset, service, or environmental enhancement shall occur indefinitely (at a set level of service for that asset, service, or environmental enhancement as defined at any one time).

(iv) Action or Inaction That Contributes to the Need For This Activity

The provision of assets, services, or environmental standards that promote the community outcomes may not be willingly provided by the development community. In addition Council is often the only viable supplier (often legally required to provide services) of these services and therefore Council has a moral and legal obligation to supply additional assets, services to meet the new community needs.

(v) Costs and Benefits of Funding This Activity (Development and Financial Contributions)

The benefits to the existing community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development and financial contributions.

(vi) Allocation Of Liability For Revenue Needs

The liability for revenue falls directly with the development community. At the effective date of this Policy, Council does not perceive any impact on the social, economic, environmental and cultural well-being of this particular sector of the community. At any stage in the future where there maybe impacts of this nature, Council may revisit this Policy.

Assets Included in the Development and Financial Contributions Policy

Assets included in this policy are:

- Network infrastructure for water supplies, wastewater, stormwater and transportation.
- Reserve land.
- Community infrastructure including the development and acquisition of reserve land to use as reserve and facilities needed on that reserve and other public amenities such as halls, libraries, public toilets, parking facilities and the like.
- Other Assets. Financial Contributions can be required to avoid remedy or mitigate adverse effects of development that are of a non-fiscal nature. These may include contributions that avoid, remedy or mitigate the effects of development on biodiversity, landscape, amenity values or the provision of specific assets by the developer/subdivider (i.e. access easements in gross). As the Development Contributions provisions of the LGA 2002 specifically relate to fiscal impacts or effects of growth, Financial Contributions for non-fiscal impacts of effects of development will need to be assessed through the RMA and District Plan processes. Chapter 15 of the District Plan (not operative) and any subsequent variations shall be considered in this policy.

Which Contributions Will Apply

Council has recently completed the process of removing parts of the Financial Contributions rules, policies and objectives under the provisions of Part 15 of the Queenstown Lakes District Plan. This has made Section 15 operative and Council can no longer impose Financial Contributions pursuant to Section 489 of the RMA.

Until the 2007 version of the Policy, Council has assessed Development Contributions on any application for resource consent, building consent or service connection lodged after 8 May 2004 and granted on or after 1 July 2004. It is now deemed appropriate to amend the application date of the Policy so that Development Contributions may also be assessed on any application for resource consent, building consent or service connection lodged before 8 May 2004 and granted on or after 1 July 2007. This amendment will affect very few applications as most applications received prior to 8 May 2004 have either been granted previously or withdrawn.

The Council cannot require a Development Contribution for a reserve; network infrastructure or community infrastructure if and to the extent that it has under Section 108, 407 or 409 of the RMA imposed a condition on a resource consent in relation to the same development for the same purpose. Council shall in requiring contributions, clearly identify under what circumstances and upon which legislation (RMA 1991, LGA 2002) a contribution is required.

The following tables indicate:

- Where Financial and Development Contributions are to be sought such that no duplication of levy for the same effect/benefit will occur.
- How much is to be charged per dwelling equivalent for each asset type within each area.

Changes to Assessment Policy

Council wishes to revise the development contribution policy process to allow for the reassessment of unpaid development contributions. Currently, an assessment of contributions payable is made at the time the consent is issued and this assessment stands for the duration of a valid consent. Under the proposed changes, if development contributions are not paid within 12 months of a consent being issued contributions

will be reassessed under the latest version of the policy.

Effectively this means that any Development Contribution Notice (DCN) is valid for 12 months from the time of issue:

- All existing DCN's issued on or before 7 April 2012 will be valid for a 12 month period from this date.
- All DCN's issued after 7 April 2012 will be valid for 12 months from the date of issue.

Type of Contributions Required By Geographic Area - Within Urban Areas and Townships (includes all land uses with an urban area)

Water Supply	Wastewater	Stormwater	Transportation	Reserve Land	Reserve Improvements	Community Facilities	Other/ Miscellaneous
Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Wanaka Albert Town Hawea Luggate	Queenstown Arrowtown Lake Hayes Arthur's Point Wanaka Albert Town Hawea	Queenstown Arrowtown Glenorchy Wanaka Albert Town Hawea Luggate Arthur's Point Lake Hayes Kingston	Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Kingston Wanaka Albert Town Hawea Luggate Cardrona	Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Kingston Wanaka Albert Town Hawea Luggate Cardrona	Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Kingston Wanaka Albert Town Hawea Luggate Cardrona	Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Kingston Wanaka Albert Town Hawea Luggate Cardrona	Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Kingston Wanaka Albert Town Hawea Luggate Cardrona
Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2006.	Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004. Land, Money or Combination of Both	Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Financial Contributions Environmental Effects – Chapter 15 District Plan and variations i.e. Environmental Considerations.
Kingston No Scheme Available To be assessed at the time a scheme is required and charged to all connections.	Glenorchy Kingston Luggate No Scheme Available To be assessed at the time a scheme is required and charged to all connections.	 No Scheme assets of significance. No Contributions to be sought.					

Type of Contributions Required By Geographic Area - Within Rural Areas

Water Supply	Wastewater	Stormwater	Transportation	Reserve Land	Reserve Improvements	Community Facilities	Other/ Miscellaneous
<p>Rural General and other rural zonings.</p> <p>Nil - Unless supplied by a scheme. Scheme charge to apply and any network extension costs</p>	<p>Rural General and other rural zonings.</p> <p>Nil - Unless supplied by a scheme. Scheme charge to apply and any network extension costs.</p>	<p>Rural General and other rural zonings.</p> <p>Nil - Unless supplied by a scheme. Scheme charge to apply and any network extension costs</p>	<p>Rural General and other rural zonings.</p> <p>Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2006.</p>	<p>Rural General and other rural zonings.</p> <p>Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.</p> <p>Land, Money or Combination of Both</p>	<p>Rural General and other rural zonings.</p> <p>Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.</p>	<p>Rural General and other rural zonings.</p> <p>Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.</p>	<p>Rural General and other rural zonings.</p> <p>Financial Contributions Environmental Effects - Chapter 15 District Plan and variations i.e. Environmental Considerations.</p>
<p>Hawea Rural Residential Development Contributions</p> <p>Hawea development contributions payable</p>	<p>Hawea Rural Residential Development Contributions</p> <p>Hawea development contributions payable.</p>	<p>Hawea Rural Residential Development Contributions</p> <p>Hawea development contributions payable.</p>					
<p>Aubrey Road Rural Residential Development Contributions</p> <p>Wanaka development contributions payable.</p>	<p>Aubrey Road Rural Residential Development Contributions</p> <p>Wanaka development contributions payable.</p>	<p>Aubrey Road Rural Residential Development Contributions</p> <p>Wanaka development contributions payable.</p>					

Schedule of Development Contributions per Dwelling Equivalent Required by Contributing Area 2012/13 (Excluding GST)

Contributing Area	Water Supply (\$)	Wastewater (\$)	Stormwater (\$)	Transportation (\$)	Reserve Improvements * (\$)	Community Facilities (\$)	Total Cash Contribution (\$)	Reserve Land Contribution (\$ or Land)
Urban Areas - Including All Land Uses								
Queenstown	2,468	5,375	1,280	2,445	1,319	3,465	16,352	27.5m ²
Arrowtown	5,352	7,149	775	2,445	1,319	3,465	20,505	27.5m ²
Glenorchy	8,650	-	776	2,445	1,319	3,465	16,655	27.5m ²
Lake Hayes	2,132	5,023	-	2,445	1,319	3,465	14,384	27.5m ²
Arthur's Point	2,346	4,369	4	2,445	1,319	3,465	13,948	27.5m ²
Kingston	-	-	-	2,445	1,319	3,465	7,229	
Wanaka	3,498	6,209	1,934	2,691	1,300	2,551	18,183	27.5m ²
Hawea	8,470	6,738	530	2,691	1,300	2,551	22,280	27.5m ²
Albert Town	3,498	6,209	1,020	2,691	1,300	2,551	17,269	27.5m ²
Luggate	1,931	-	-	2,691	1,300	2,551	8,473	27.5m ²
Other Wakatipu Townships	-	-	-	2,445	1,319	3,465	7,229	27.5m ²
Other Wanaka Townships	-	-	-	2,691	1,300	2,551	6,542	27.5m ²
Rural Areas - Including all Rural Residential/Rural Life Style								
Wakatipu Rural	-	-	-	2,445	1,319	3,465	7,229	27.5m ²
Wanaka Rural	-	-	-	2,691	1,300	2,551	6,542	27.5m ²
Hawea Rural Res.	8,470	6,738	530	2,691	1,300	2,551	22,280	27.5m ²
Aubrey Road Rural Res.	3,498	6,209	1,934	2,691	1,300	2,551	18,183	27.5m ²

* Reserve Improvements contribution excludes requirement for 27.5m² reserve land contribution.

Notes:

1. Development Contributions for water supply, wastewater, stormwater, reserves and community facilities have been assessed and will be collected using the LGA 2002 from 1 July 2004.
2. Transportation development contributions have been assessed and will be collected using the LGA 2002 from 1 July 2006.
3. Development contributions are triggered and may become payable on the granting of:
 - a. A Resource Consent.
 - b. A Building Consent.
 - c. An authorisation for a service connection.

As the sequence of development is not always consistent, development contributions shall be required at the first available opportunity. At each and every subsequent opportunity the development will be reviewed and additional contributions required if the units of demand assessed for the development exceed those previously paid for.

Overview of Calculation Methodology

A brief introduction to the development contributions calculation method is presented herein. A full disclosure of the methodology and calculations is available from QLDC for public inspection at:

- Wanaka Service Centre, Ardmore Street, Wanaka.
- Civic Centre, 10 Gorge Road, Queenstown.

The current Development Contributions model applies to Water Supply, Wastewater, Stormwater, Reserves, Community Facilities and Transportation.

The key concept of the approach is to define the total capital expenditure (CAPEX) for growth consumed by the growth population over a period of time. This consumption of CAPEX for growth is then apportioned among the increased number of units of demand (dwelling equivalents) over the same time period. This defines the long run average cost of growth per unit of demand, defined as the dwelling equivalent contribution. This can be represented by the following formula.

$$\text{Dwelling Equivalent Contribution} = \frac{\text{Sum of CAPEX for Growth Consumed in Analysis Period}}{\text{Sum of New Dwelling Equivalents in Analysis Period}}$$

The calculation method can be simplified according to the following steps:

- Step 1: Assess capital expenditure for growth on an asset by asset basis using financial reports (past expenditure) and projected expenditure.
- Step 2: Apportion capital expenditure for growth by the growth population (dwelling equivalents) over the design life of the asset, to assess the \$/unit of demand.
- Step 3: For each year in the analysis period determine the total consumption of asset capacity for each asset identified, namely – \$/unit of demand x the number units of demand.
- Step 4: Sum for all assets in each year in the analysis period, namely total capacity consumed in that year, measured in \$.
- Step 5: Sum each year in the ten year analysis period and divide by the growth population (new dwelling equivalents) projected over the analysis period to determine the dwelling equivalent contribution.

Capital Expenditure

Only capital expenditure (CAPEX) is considered in the model. All Operational Expenditure is excluded, including internal overheads.

Capital expenditure is identified from two sources, namely:

- Activity Management Plans (formally Asset Management plans) and
- Financial Reports.

The Activity Management Plans are used for assessing projected CAPEX. The AMPs are formal planning documents that include long term expenditure forecasts.

CAPEX for Growth Apportionments

The CAPEX identified above has been apportioned into five cost drivers. These being Growth, Renewal, Level of Service, Statutory and Deferred Works/Other. The growth apportionment is the significant driver for assessing development contributions. The cost drivers have been assessed using several methods.

These are:

- Asset Capacity.
- Using Design Life of New Assets to Approximate Growth Percentage.
- Assessed using professional judgement.

Following the completion of the growth study, Council updated its infrastructure models for water supply (WaterGEMS - Bentley Systems), wastewater (SewerGEMS - Bentley Systems) and developed a Transportation and Parking model (Tracks - Gabities Porter). These models provide a detailed insight into the effects of growth and consequently accurate growth apportionments can be made.

Land Use Differentials

Land use differentials are an important part of the calculations. They enable all development and subdivision types (residential and non-residential) to be considered. Non-residential activities can be described using a common unit of demand, which in this case is the dwelling equivalent.

The following table summarises how to calculate the number of dwelling equivalents (DE's) for a non-residential subdivision or development based on the Gross Floor Area (GFA).

Dwelling Equivalent Calculation Table

Category	Water Supply		Wastewater	Stormwater	Reserve Improvements & Community Facilities		Reserve Land		Transportation	
	Dwelling Equivalents per 100m ² GFA	Plus Network Factor Dwelling Equivalents	Dwelling Equivalents per 100m ² GFA	Dwelling Equivalents per 100m ² Impervious Surface Area	Dwelling Equivalents per 100m ² GFA for Wakatipu	Dwelling Equivalents per 100m ² GFA for Wanaka	Dwelling Equivalents per 100m ² GFA for Wakatipu	Dwelling Equivalents per 100m ² GFA for Wanaka	Dwelling Equivalents per 100m ² GFA for Wakatipu	Dwelling Equivalents per 100m ² GFA for Wanaka
Residential	1 Dwelling Equivalent (DE) per Dwelling Unit									
Residential Flat	0.37	0.40	0.62	0.38	0.62	0.62	0.62	0.62	0.62	0.62
Multi Unit Residential Accommodation	0.37	0.40	0.62	0.38	0.62	0.62	0.62	0.62	0.62	0.62
Commercial	0.25	1.30	0.50	0.38	0.81	0.96	0.81	0.96	1.26	1.86
Country Dwelling	0.16	1.17	0.02	0.38	0.04	0.02	0.04	0.02	1.68	2.19
CBD Accommodation	1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling	0.66 DE's per Dwelling	0.66 DE's per Dwelling	1.73 DE's per Dwelling	2.87 DE's per Dwelling
CBD Commercial	0.25	1.30	0.50	0.38	0.81	0.96	0.81	0.96	1.26	1.86
Mixed Use Accom.	0.16	1.17	0.02	0.38	0.04	0.02	0.04	0.02	1.68	2.19
Mixed Use Comm.	1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling	0.38	0.70	0.65	0.70	0.65	0.95	1.04
Primary Industry	1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling	0.38	0.70	0.65	0.70	0.65	0.91	0.79
Restaurant/Bar	1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling	0.66 DE's per Dwelling	0.66 DE's per Dwelling	1.34 DE's per 27Ha	1.3 DE's per 41Ha
	0.83	1.17	0.46	0.38	0.04	0.02	0.04	0.02	1.68	2.19

Note: A residential property is always 1 Dwelling Equivalent (DE) or has 133m² GFA and 269m² impervious surface area (ISA). Gross Floor Area (GFA) is defined, as in the Partially Operative District Plan, as 'the sum of the gross area of the several floors of all buildings on a site, measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two buildings'. For the purpose of this policy this definition of GFA, excluding car parking areas, will be used.

The detailed methodology and formulas used to develop the above table are explained in the Detailed Supporting Document.

If the Gross Floor Area (GFA) is unknown, which may be the case at the subdivision or land use consent stage, then the following table will be used to estimate the GFA.

Category	Building Coverage	No. of Floors
Residential Accommodation	Assume 133m ² per Dwelling Unit 55%	2
Commercial	75%	1
Country Dwelling	Assume 133m ² Dwelling Unit	
CBD Accommodation	80%	2
CBD Commercial	80%	2
Mixed Use Accommodation	55%	1
Mixed Use Commercial	55%	1
Primary Industry	Assume 133m ² per Dwelling Unit	
Restaurant/Bar	Use Commercial or CBD Commercial	

Note: When an estimate of the GFA is used in the development contribution assessment then Council will only charge 75% of the calculated contribution at this stage.

Multi Unit Residential Developments

This relates to any development that involves the development of three or more residential units within a single site, it does not include additions, alterations or accessory buildings.

When assessing the number of dwelling equivalents for multi unit developments, instead of allowing one dwelling equivalent per unit, the assessment will be done using the GFA of the development and the multi unit residential differentials shown in the above table. This method more clearly defines the impact of multi unit residential developments when compared to visitor accommodation and will make most developments of this type more affordable.

Residential Flats

When assessing the number of dwelling equivalents for residential flat developments instead of allowing one (or half) dwelling equivalent per unit the assessment will be done using the GFA of the flat and the residential flat differentials shown in the above table. This method more clearly defines the impact of residential flats and will make them more affordable.

Reserve Land Contribution

The land contribution has been assessed at 27.5m² for each residential property. At Council's discretion the contribution can be either land or cash or a combination of land and cash.

In some instances, Council may accept or require a contribution to the equivalent value in the form of land or infrastructure. It may be appropriate, for example, to allow reserve assets to vest in Council through the

subdivision consent process, where they meet Council's reserve requirements, and credit them against the contributions required. Any such proposals will need to be the subject of an agreement with Council before the consent is issued, and will be dealt with on a case by case basis.

Whether the financial contribution is or includes land, the value of the land shall be determined by Council. In granting the consent the Council shall in its decision give reasons for the valuation of the land.

Where a cash contribution is to be made in lieu of land, payment shall be calculated as follows:

- The market value of the new sites is the sale value of the sites at the date on which the subdivision consent is granted, as if the sites had been subdivided in accordance with the subdivision consent.
- The market value of the new sites shall be capped at \$1500 per m² and this maximum value will be reviewed by Council annually.
- Lots for roads, utilities, reserves, access or similar purposes shall be excluded from the calculation.
- Market value of a new site in the case of a stratum title under the Unit Titles Act, where the site is not situated on the ground, shall be calculated as if the site were on the ground.
- In Rural Zones (except for Rural Visitor Zones), where the lots created are greater than 4000m², the market value of each lot shall be the market value of the rural residential site of 4000m² within that lot, being the most likely site for a building platform.
- The value of the land contribution per m², in Rural Zones (except for Rural Visitor Zones) shall be the market value as defined in (e) above divided by 1000m².

The Parks Strategy, approved by Council on 18 October 2002 reviewed the current land provision that has been made for parks and reserves. Each land block has been categorised as a specific type of reserve. Policies have been established about the quantity, quality, location and size of future categories of reserves.

Historically it seems that where reserve contributions have been made in terms of land, the land in some situations has been of a poor quality, difficult topography, poor access and at times of too large or too small a size to meet any specific need. The Parks Strategy has identified that the major need in the next 20 years, will be for neighbourhood and local reserve. The land for district reserves has been secured and developed or partly developed. Some of the existing neighbourhood reserves have been developed or are partly developed and there are a few that have yet to be created although land provision has been made. Local reserves, which provide the opportunity to preserve amenity features and create green links, will continue to be needed.

Local Reserves and Neighbourhood Reserves will need to be allowed for in keeping with the terms of the policies in this Strategy. It is suggested that 5m² per person or 12.5m² per residential dwelling will provide sufficient land for Local Reserves for the purposes described above in the future. For Neighbourhood Reserves the assessment is 6m² per person or 15m² per residential dwelling.

This contribution of 27.5m² per dwelling equivalent has been reviewed and is still considered appropriate. The Parks Strategy does however need to be updated to incorporate new information such as the 2004 Growth Options Study.

Council is able to take either land or cash compensation in lieu of the land contribution or a combination of both as a condition of subdivision and development approval. Most of the existing reserve land is under developed and funding is needed to enhance reserves, particularly to provide for future population. Generally land should not be taken for reserves unless the criteria for a Neighbourhood Reserve are met or for a Local Reserve to protect amenity or landscape features, to create green corridors or to protect scenic backdrops and heritage landscapes.

An analysis of projected demand for reserve land has been completed using nine contributing areas for the district. It is expected that the total value of reserve land that will be needed over the next 10 years is estimated to be \$58.51m. This is based on the 27.5m² (12.5m² local reserves and 15m² neighbourhood reserves) desired level of service for each new dwelling equivalent. 100% of this demand can be attributed to growth and will be provided through development contributions either through the provision of land or as cash contribution. Forecasts show that 46% of this total demand is likely to be provided through the provision of vested land from developers.

The total value of reserve land that is expected to be vested in Council amounts to a total of \$26.96m for the 10 year period, which equates to an average annual value of \$2.39m for the Wakatipu Ward and \$0.26m for Wanaka. Council has not included any provision for specific reserve purchases within its LTP 10 year capital expenditure. This is because the Asset Management Plan for Reserves does not include the necessary detail to enable this. However, Council has updated its projections in this area and has produced a reserve land acquisition programme. This detail will be included in future versions of the Parks Strategy, Activity Management Plan and LTP.

The reserve land acquisition programme is a guide only due to its reliance on average land values rather than actual land values and the effect of the statutory maximums and the land value cap. Therefore it will require frequent monitoring and adjustment.

Maximum Contributions

Section 203 of the Local Government Act 2002 allows the following maximum contributions.

“Development contributions for reserves must not exceed the greater of -

- a) *7.5% of the value of the additional allotments created by a subdivision; and*
- b) *the value equivalent of 20 square metres of land for each additional household unit created by the development.”*

Note: Council will ensure that the statutory maximum is not exceeded in the application of the policy and calculation methods.

Significant Assumptions Used in the Calculation of Development Contributions

As both the Long Term Plan (LTP) and this Policy rely on the same base data, the significant forecasting assumptions disclosed in Volume 3 of the LTP pp 3-7 also apply to this Policy. All information used in the calculations of either development or financial contributions is the best available at the time. Council is proceeding with numerous strategic studies which will aid in delivering improved information. Council is committed to updating its contribution calculations as the results of these studies become available.

Financial Considerations

The following are key financial considerations applied in the model:

- All figures are in current New Zealand dollars - effective 1 July 2012.
- Inflation is applied to past capital projects only.
- Interest costs have been assessed based on the weighted average cost of capital (WACC) over the first 10 year period from 1 July 2012. The cumulative net deficit between the contributions anticipated to be collected and the growth costs over the 10 year period are used to determine the proportion of the growth cost that will be funded by debt. A 6.5% interest rate has been applied.

- Capital expenditure projections are those that have been applied in the LTP effective at 1 July 2012. The public nature and auditability of these capital projections provides additional confidence to the process. Schedule 10 of the LGA 2002 prescribes a number of disclosures including growth, renewal and level of service apportionments.

Growth Projections

These have been estimated using the best information available.

- Growth Options Study 2004 – Council engaged services from the market place to complete its own growth study. These projections detailed residential, visitor and commercial/industrial growth. The results of this study have been applied to all infrastructure studies completed since including water, wastewater and transportation. These growth projections have been updated in 2011 using the latest Tourism Research Council projections and the results of the 2004/05 Peak Population Survey.

The following table identifies what growth projections have been applied to different contributing areas or catchments used in specific calculations:

Growth Projections Source Data

Contributing Area	Growth Projections Used
Wakatipu Ward	Growth Options Study 2004 (Updated 2011)
Queenstown	Growth Options Study 2004 (Updated 2011)
Arrowtown	Growth Options Study 2004 (Updated 2011)
Glenorchy	Growth Options Study 2004 (Updated 2011)
Lake Hayes	Growth Options Study 2004 (Updated 2011)
Arthur's Point	Growth Options Study 2004 (Updated 2011)
Wanaka Ward	Growth Options Study 2004 (Updated 2011)
Wanaka	Growth Options Study 2004 (Updated 2011)
Hawea	Growth Options Study 2004 (Updated 2011)
Albert Town	Growth Options Study 2004 (Updated 2011)
Luggate	Growth Options Study 2004 (Updated 2011)
Kingston	Growth Options Study 2004 (Updated 2011)

Council produces a six monthly dwelling capacity study. This study identifies the ultimate number of dwellings in specific areas given the existing district plan zonings. This is used as a guide to define where growth in specific contributing areas will cease. Growth projections are converted into units of demand or dwelling equivalents which are used to apportion the growth cost to define a dwelling equivalent contribution. Assessing total dwelling equivalents involves converting non-residential land uses into dwelling equivalents and adding this to the number of dwellings. This is completed using land use conversion factors.

Monitoring and Review of Development Contributions Policy

Council will monitor and review the following:

- Annual Calculation Updates:
 - Identify capital expenditure actually undertaken and whether the projections remain reasonable. This may include adding or deleting capital projects.
 - Update capital costs to reflect a year of inflation. This will be based on SNZ Labour cost index and Producer Price Index.
 - Review population projections.
 - Any asset planning initiatives including changing levels of service, updated capital projections.
 - Update any new information that has become available. This may include updated population projections, additional zoning and scheme boundary changes.
 - Correction of any errors or omissions.
- Annual Policy Reviews:
 - Any changes to the policy direction of Council that affects this policy. This may include changes to the CCP, Revenue and Financing Policy and strategic studies.
 - New information affecting the land use differential analysis.
 - Inclusion of any Financial Contributions as derived from a variation to the District Plan and in particular Chapter 15.

Postponement or Remission

Council may allow for postponement or remission of contributions in the following circumstances:

- a) Council may accept or require a contribution to the equivalent value in the form of land or infrastructure. It may be appropriate, for example, to allow reserve assets to vest in Council through the subdivision consent process, where they meet Council's reserve requirements, and credit them against the contributions required. Any such proposals will need to be the subject of an agreement with Council before the consent is issued, and will be dealt with on a case by case basis.
- b) Where an applicant can demonstrate that a development creates a significantly different demand on infrastructure than could usually be expected under the relevant land use category, Council will individually assess any such development taking into account the unusual demand characteristics.

All applications for Postponement or Remission must be made in writing to the Chief Executive Officer of the Council.

Refunds and Reimbursement

Where Council required a development/financial contribution as part of subdivision or development activities and where the documentation (resource consent, building consent or connection authorisation) permitting that subdivision or development has lapsed, Council will refund the contribution. This does not prevent Council from requiring development/financial contributions in the future. Council may retain a portion of the contribution of a value equivalent to the costs incurred by the Council in processing/assessing the contribution required by the subdivision or development.

When Will Payment be required

Development contributions may be sought in respect of any development that generates a demand for reserves, network or community infrastructure. Council will assess whether development contributions are payable in relation to the development when an application for one of the following is made:

- (i) Resource Consent
- (ii) Building Consent
- (iii) Authorisation for a Service Connection

Any Development contributions assessed will be payable on granting of consent with a due date for payment as follows:

- Resource consent (subdivision) – prior to the issue of S224c certificate;
- Resource consent (other) – prior to commencement of the consent except where a building consent is required then payment shall be prior to the issue of the code of compliance certificate or prior to the connection to Council services, whichever comes first.
- Building consent – prior to the issue of the code of compliance certificate or prior to the connection to Council services, whichever comes first.
- Service connection – prior to connection.

If development contributions are not paid within 12 months of a consent being issued contributions will be reassessed under the latest version of the policy.

Effectively this means that any Development Contribution Notice (DCN) is valid for 12 months from the time of issue:

- All existing DCN's issued on or before 7 April 2012 will be valid for a 12 month period from this date.
- All DCN's issued after 7 April 2012 will be valid for 12 months from the date of issue.

If payment is not received the Council may (under section 208 of the LGA):

- Withhold S224c Certificate on a subdivision;
- Prevent the commencement of a resource consent for a development
- Withhold a code of compliance certificate under the Building Act
- Withhold a service connection to a development.

In each case the Council may register the Development Contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land for which the contribution was required.

Credits

There are three types of credits anticipated:

1. Historic Credits – ‘Deemed’
2. Historic Credits – ‘Cash’; and
3. Actual Credits

1. Historic Credits - ‘Deemed’

In assessing Development Contributions the Council will determine if a site has a historic entitlement. Sites within existing contributing areas that have existed prior to financial contribution requirements and those that have already paid in full under Council policy at the time will be eligible.

Historic entitlement will be recognised and given a ‘deemed’ credit based on the characteristics of the site immediately preceding the proposed development. Deemed credits will be identified on the ‘Development Contribution Notice’ and will be converted to ‘dwelling equivalents units’ for each type of service.

The following deemed credits are anticipated (not intended as an exclusive list):

- For residential subdivisions (where the residual lot remains residential) the existing lot will be allocated a credit of one ‘Dwelling Equivalent’ and no Development Contribution will be payable on the residual lot.
- Where a residential subdivision is developed (i.e. vacant lot built upon) one ‘Dwelling Equivalent’ credit will be allocated to each underlying lot.
- Redevelopment of sites containing non-residential activities will be given historical credits based on ‘Dwelling Equivalents’ assessed in terms of the relevant ‘unit’ (i.e. GFA) prior to redevelopment.
- Any excess historical credits that are identified as a result of an amalgamation of individual titles will accrue on the new amalgamated title but will lapse if not utilised within a period of three years.

2. Historic Credits - Cash

On sites that have been subdivided and contributions paid, but which have not been developed prior to the new policy being implemented, developers may request an assessment of ‘cash’ credits for the site.

The Council will invite applicants to submit with their applications, records of the amount(s) paid at the time of the subdivision. The Council will then take into account the actual amounts paid for each service in determining the total development contributions payable for each service.

In some instances, particularly industrial and commercial sites, the amount paid may exceed the amount required under the new policy. If there is a surplus this will be recorded on the ‘Development Contribution Notice’. This cash credit may be used to off-set contributions that would otherwise be payable on future development and expansion of activities on the site. It should be noted that these credits will be specific to the service for which they were paid (i.e. not transferable between services, for example, a positive reserve contribution will not be able to off-set a water contribution). They will also be site specific (not transferable) and non refundable unless the refund provisions of the Act apply.

3. Actual Credits - Credits accrued under the new policy

The term ‘actual’ credit refers to credits accrued under the new policy. As indicated above, details of assessments made and payments received will be recorded on the ‘Development Contribution Notice’. The balance of the ‘Development Contribution Notice’ may in some circumstances be positive.

The Council is able to assess the amount of contributions payable at successive stages of the development cycle (i.e. resource consent, building consent and service connection). Should the development contribution assessment be based on an estimate of the future building Gross Floor Area (GFA), which is likely to be the case at subdivision consent stage, then this assessment will be based on 75% of the maximum GFA allowed for on the site under the existing provisions of the District Plan. Council may review the percentage to be charged at this stage should the applicant satisfactorily demonstrate that the actual site utilisation will be significantly less than the estimate.

This may mean that additional contributions are assessed at the building consent stage. This approach will limit the amount of actual credits accumulated. There will be no time limit within which these credits must be used.

Delegations

The Elected Members of Council shall determine where a development or financial contribution will be sought. They have the authority to set the quantum of those contributions.

The Chief Executive will ensure the Policy is implemented.

Capital Expenditure Attributed to Growth

The following tables demonstrate the nature and level of expected capital expenditure required by Council and the portion that is attributable to growth. A table is produced for each activity (asset type) which shows the CAPEX for each geographic area where a contribution has been assessed. The CAPEX attributable to growth is apportioned equitably among the growth population to define a set charge for each unit of demand. The unit of demand is expressed in terms of a dwelling equivalent.

Additional tables are provided which detail the debt funding ratio which will apply to each area.

Water Supply Capital Expenditure for Development Contributions (Excluding GST)

Project Summaries	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
QUEENSTOWN							
Reticulation	1,517,466	1,153,401	364,065	76%	2,970,913	3,579	830
Pump Station	418,000	156,751	261,249	38%	1,596,379	3,579	446
Decommissioning Works	-	-	-	0%	-	3,579	-
Unspecified Expenditure	-	-	-	0%	75,665	3,579	21
Storage	5,365,666	5,119,598	246,068	95%	2,706,797	3,579	756
New Scheme	-	-	-	0%	-	3,579	-
Intake	-	-	-	0%	901,387	3,579	252
Renewals	6,840,151	-	6,840,151	0%	-	3,579	-
Investigations	-	-	-	0%	-	3,579	-
Management	320,648	124,047	196,601	39%	145,939	3,579	41
Conveyance	-	-	-	0%	-	3,579	-
Emergency Conveyance	-	-	-	0%	-	3,579	-
Flow Metering	-	-	-	0%	102,027	3,579	29
Treatment Facility	731,500	256,873	474,627	35%	254,877	3,579	71
Forward Design	-	-	-	0%	-	3,579	-
Minor Works	-	-	-	0%	-	3,579	-
Asset Management System	-	-	-	0%	80,433	3,579	22
Total Water Supply	15,193,431	6,810,671	8,382,760	45%	8,834,417	3,579	2,468

Water Supply Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Arrowtown							
Reticulation	159,975	17,597	142,378	11%	285,840	175	1,635
Pump Station	-	0	-	0%	5,264	175	30
Decommissioning Works	-	0	-	0%	-	175	-
Unspecified Expenditure	-	0	-	0%	68,903	175	394
Storage	627,000	0	627,000	0%	214,063	175	1,224
New Scheme	-	0	-	0%	-	175	-
Intake	-	0	-	0%	290,233	175	1,660
Renewals	2,334,271	0	2,334,271	0%	-	175	-
Investigations	-	0	-	0%	-	175	-
Management	124,018	10,462	113,555	8%	27,206	175	156
Conveyance	-	0	-	0%	-	175	-
Emergency Conveyance	-	0	-	0%	-	175	-
Flow Metering	-	0	-	0%	8,245	175	47
Treatment Facility	193,125	22,646	170,479	12%	21,424	175	123
Forward Design	-	-	-	0%	-	175	-
Minor Works	-	-	-	0%	130	175	1
Asset Management System	-	-	-	0%	14,479	175	83
Total Water Supply	3,438,389	50,705	3,387,684	1%	935,788	175	5,352

Water Supply Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Glenorchy							
Reticulation	126,967	56,647	70,319	45%	71,325	35	2,047
Pump Station	-	-	-	0%	1,781	35	51
Decommissioning Works	-	-	-	0%	-	35	-
Unspecified Expenditure	-	-	-	0%	11,990	35	344
Storage	594,477	255,776	338,701	43%	69,010	35	1,981
New Scheme	-	-	-	0%	120,339	35	3,454
Intake	43,899	11,129	32,771	25%	9,206	35	264
Renewals	83,313	-	83,313	0%	-	35	-
Investigations	-	-	-	0%	-	35	-
Management	5,259	1,322	3,937	25%	1,199	35	34
Conveyance	-	-	-	0%	-	35	-
Emergency Conveyance	-	-	-	0%	-	35	-
Flow Metering	-	-	-	0%	2,268	35	65
Treatment Facility	-	-	-	0%	116	35	3
Forward Design	-	-	-	0%	9,129	35	262
Minor Works	104,500	24,691	79,809	24%	4,764	35	137
Asset Management System	-	-	-	0%	248	35	7
Total Water Supply	958,415	349,565	608,850	36%	301,374	35	8,650

Water Supply Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Lake Hayes							
Reticulation	-	-	-	0%	104,895	104	1,012
Pump Station	60,971	13,120	47,852	22%	6,176	104	60
Decommissioning Works	-	-	-	0%	-	104	-
Unspecified Expenditure	-	-	-	0%	551	104	5
Storage	-	-	-	0%	16,310	104	157
New Scheme	-	-	-	0%	30,632	104	295
Intake	-	-	-	0%	-	104	-
Renewals	66,880	-	66,880	0%	-	104	-
Investigations	-	-	-	0%	-	104	-
Management	18,279	3,938	14,341	22%	4,428	104	43
Conveyance	-	-	-	0%	-	104	-
Emergency Conveyance	-	-	-	0%	-	104	-
Flow Metering	444,125	39,454	404,671	9%	19,737	104	190
Treatment Facility	-	-	-	0%	36,222	104	349
Forward Design	-	-	-	0%	-	104	-
Minor Works	-	-	-	0%	-	104	-
Asset Management System	-	-	-	0%	2,136	104	21
Total Water Supply	590,256	56,513	533,743	10%	221,086	104	2,132

Water Supply Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Arthurs Point							
Reticulation	-	-	-	0%	272,553	451	604
Pump Station	-	-	-	0%	-	451	-
Decommissioning Works	-	-	-	0%	-	451	-
Unspecified Expenditure	-	-	-	0%	29,796	451	66
Storage	-	-	-	0%	3,242	451	7
New Scheme	-	-	-	0%	423,672	451	939
Intake	1,245,043	723,470	521,573	58%	206,130	451	457
Renewals	288,486	-	288,486	0%	3,415	451	8
Investigations	-	-	-	0%	-	451	-
Management	27,630	14,366	13,264	52%	16,233	451	36
Conveyance	-	-	-	0%	-	451	-
Emergency Conveyance	-	-	-	0%	-	451	-
Flow Metering	-	-	-	0%	-	451	-
Treatment Facility	200,000	128,760	71,240	64%	35,794	451	79
Forward Design	-	-	-	0%	-	451	-
Minor Works	209,000	108,666	100,334	52%	56,773	451	126
Asset Management System	-	-	-	0%	10,873	451	24
Total Water Supply	1,970,159	975,262	994,897	50%	1,058,480	451	2,346

Water Supply Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Wanaka / Albert Town							
Reticulation	5,594,695	2,528,414	3,066,281	45%	1,543,456	1,588	972
Pump Station	-	-	-	0%	144,530	1,588	91
Decommissioning Works	-	-	-	0%	-	1,588	-
Unspecified Expenditure	-	-	-	0%	106,221	1,588	67
Storage	2,847,674	2,362,172	485,502	83%	3,063,936	1,588	1,929
New Scheme	-	-	-	0%	-	1,588	-
Intake	372,630	200,434	172,196	54%	173,967	1,588	110
Renewals	4,039,452	-	4,039,452	0%	-	1,588	-
Investigations	-	-	-	0%	8	1,588	-
Management	162,892	47,678	115,215	29%	46,405	1,588	29
Conveyance	-	-	-	0%	-	1,588	-
Emergency Conveyance	-	-	-	0%	-	1,588	-
Flow Metering	-	-	-	0%	28,852	1,588	18
Treatment Facility	5,437,022	1,289,326	4,147,696	24%	348,478	1,588	219
Forward Design	-	-	-	0%	89,463	1,588	56
Minor Works	-	-	-	0%	580	1,588	-
Asset Management System	-	-	-	0%	8,966	1,588	6
Total Water Supply	18,454,366	6,428,024	12,026,341	35%	5,554,861	1,588	3,498

Water Supply Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Hawea							
Reticulation	-	-	-	0%	347,772	78	4,461
Pump Station	-	-	-	0%	662	78	8
Decommissioning Works	-	-	-	0%	-	78	-
Unspecified Expenditure	-	-	-	0%	5,063	78	65
Storage	104,500	19,074	85,426	18%	16,826	78	216
New Scheme	-	-	-	0%	23,360	78	300
Intake	1,567,500	828,647	738,853	53%	198,094	78	2,541
Renewals	106,012	-	106,012	0%	1,846	78	24
Investigations	-	-	-	0%	-	78	-
Management	13,637	2,497	11,140	18%	3,467	78	44
Conveyance	-	-	-	0%	-	78	-
Emergency Conveyance	-	-	-	0%	-	78	-
Flow Metering	-	-	-	0%	5,537	78	71
Treatment Facility	972,565	376,429	596,135	39%	43,369	78	556
Forward Design	-	-	-	0%	11,687	78	150
Minor Works	-	-	-	0%	48	78	1
Asset Management System	-	-	-	0%	2,633	78	34
Total Water Supply	2,764,213	1,226,647	1,537,565	44%	660,363	78	8,470

Water Supply Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Luggate							
Reticulation	-	-	-	0%	3,738	42	90
Pump Station	-	-	-	0%	-	42	-
Decommissioning Works	-	-	-	0%	-	42	-
Unspecified Expenditure	-	-	-	0%	-	42	-
Storage	-	-	-	0%	2,491	42	60
New Scheme	-	-	-	0%	-	42	-
Intake	52,250	15,084	37,166	29%	15,429	42	370
Renewals	159,797	-	159,797	0%	-	42	-
Investigations	-	-	-	0%	-	42	-
Management	4,487	1,255	3,232	28%	3,608	42	86
Conveyance	-	-	-	0%	-	42	-
Emergency Conveyance	-	-	-	0%	-	42	-
Flow Metering	-	-	-	0%	8,009	42	192
Treatment Facility	338,676	141,346	197,330	42%	47,360	42	1,134
Forward Design	-	-	-	0%	-	42	-
Minor Works	-	-	-	0%	6	42	-
Asset Management System	-	-	-	0%	-	42	-
Total Water Supply	555,210	157,685	397,525	28%	80,641	42	1,931

Water Supply - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment

Contributing Area	Financial Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Debt %
Queenstown								4,781,392	
	Existing Debt								
Queenstown	2012/13	2,329,953	559,285	559,285	330	814,928	814,928	4,525,749	85%
Queenstown	2013/14	1,158,273	106,231	665,516	330	814,928	1,629,855	3,817,053	70%
Queenstown	2014/15	1,003,256	156,751	822,267	330	814,928	2,444,783	3,158,876	56%
Queenstown	2015/16	1,038,552	279,585	1,101,853	330	814,928	3,259,710	2,623,534	45%
Queenstown	2016/17	547,694	-	1,101,853	378	932,402	4,192,113	1,691,132	29%
Queenstown	2017/18	2,736,618	2,090,000	3,191,853	378	932,402	5,124,515	2,848,730	36%
Queenstown	2018/19	4,080,087	3,618,818	6,810,671	378	932,402	6,056,917	5,535,146	48%
Queenstown	2019/20	679,250	-	6,810,671	378	932,402	6,989,320	4,602,743	40%
Queenstown	2020/21	679,250	-	6,810,671	378	932,402	7,921,722	3,670,341	32%
Queenstown	2021/22	940,500	-	6,810,671	370	912,695	8,834,417	2,757,646	24%
			6,810,671		3,579				
							Queenstown Weighted Debt Funding Ratio		49%
Arrowtown								1,495,845	
	Existing Debt								
Arrowtown	2012/13	260,903	8,531	8,531	33	175,460	175,460	1,328,916	88%
Arrowtown	2013/14	362,949	24,577	33,108	33	175,460	350,921	1,178,032	77%
Arrowtown	2014/15	313,329	17,597	50,705	33	175,460	526,381	1,020,169	66%
Arrowtown	2015/16	780,354	-	50,705	33	175,460	701,842	844,709	55%
Arrowtown	2016/17	153,354	-	50,705	7	39,011	740,853	805,698	52%
Arrowtown	2017/18	313,500	-	50,705	7	39,011	779,864	766,686	50%
Arrowtown	2018/19	313,500	-	50,705	7	39,011	818,875	727,675	47%
Arrowtown	2019/20	313,500	-	50,705	7	39,011	857,886	688,664	45%
Arrowtown	2020/21	313,500	-	50,705	7	39,011	896,898	649,653	42%
Arrowtown	2021/22	313,500	-	50,705	7	38,891	935,788	610,762	39%
			50,705		175				
							Arrowtown Weighted Debt Funding Ratio		60%

Water Supply - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Financial Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Debt %
Glenorchy								248,225	
	Existing Debt								
Glenorchy	2012/13	225,746	91,587	91,587	3	26,937	26,937	312,875	92%
Glenorchy	2013/14	2,630	661	92,248	3	26,937	53,875	286,598	84%
Glenorchy	2014/15	553,395	232,626	324,874	3	26,937	80,812	492,287	86%
Glenorchy	2015/16	11,118	-	324,874	3	26,937	107,749	465,350	81%
Glenorchy	2016/17	13,969	-	324,874	4	31,471	139,220	433,879	76%
Glenorchy	2017/18	15,603	-	324,874	4	31,471	170,691	402,408	70%
Glenorchy	2018/19	15,779	-	324,874	4	31,471	202,162	370,937	65%
Glenorchy	2019/20	109,725	24,691	349,565	4	31,471	233,633	364,157	61%
Glenorchy	2020/21	5,225	-	349,565	4	31,471	265,104	332,686	56%
Glenorchy	2021/22	5,225	-	349,565	4	36,270	301,374	296,416	50%
			349,565		35				
							Glenorchy Weighted Debt Funding Ratio		73%
Lake Hayes								-	
	Existing Debt								
Lake Hayes	2012/13	102,506	18,462	18,462	9	18,130	18,130	332	2%
Lake Hayes	2013/14	9,140	1,969	20,431	9	18,130	36,261	-15,830	-77%
Lake Hayes	2014/15	167,200	36,082	56,513	9	18,130	54,391	2,122	4%
Lake Hayes	2015/16	277,970	-	56,513	9	18,130	72,521	-16,009	-28%
Lake Hayes	2016/17	-	-	56,513	11	24,008	96,530	-40,017	-71%
Lake Hayes	2017/18	-	-	56,513	11	24,008	120,538	-64,025	-113%
Lake Hayes	2018/19	16,720	-	56,513	11	24,008	144,546	-88,034	-156%
Lake Hayes	2019/20	-	-	56,513	11	24,008	168,555	-112,042	-198%
Lake Hayes	2020/21	16,720	-	56,513	11	24,008	192,563	-136,051	-241%
Lake Hayes	2021/22	-	-	56,513	13	28,523	221,086	-164,573	-291%
			56,513		104				
							Lake Hayes Weighted Debt Funding Ratio		0%

Water Supply - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Financial Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Debt %
Arthurs Point									
	Existing Debt								
Arthurs Point	2012/13	80,246	39,374	39,374	39	90,802	90,802	-51,428	-131%
Arthurs Point	2013/14	514,246	292,896	332,271	39	90,802	181,604	150,667	45%
Arthurs Point	2014/15	16,431	-	332,271	39	90,802	272,406	59,865	18%
Arthurs Point	2015/16	16,431	-	332,271	39	90,802	363,208	-30,937	-9%
Arthurs Point	2016/17	16,431	-	332,271	48	111,811	475,019	-142,748	-43%
Arthurs Point	2017/18	16,431	-	332,271	48	111,811	586,830	-254,559	-77%
Arthurs Point	2018/19	1,136,474	642,992	975,262	48	111,811	698,641	276,622	28%
Arthurs Point	2019/20	16,720	-	975,262	48	111,811	810,451	164,811	17%
Arthurs Point	2020/21	78,375	-	975,262	48	111,811	922,262	53,000	5%
Arthurs Point	2021/22	78,375	-	975,262	58	136,218	1,058,480	-83,218	-9%
			975,262		454				
							Arthurs Point Weighted Debt Funding Ratio		0%
Wanaka & Albert Town									
	Existing Debt								
Wanaka	2012/13	1,283,813	295,152	295,152	163	569,858	569,858	-274,705	-93%
Wanaka	2013/14	1,825,567	432,193	727,345	163	569,858	1,139,716	-412,370	-57%
Wanaka	2014/15	1,459,343	237,386	964,731	163	569,858	1,709,573	-744,842	-77%
Wanaka	2015/16	1,857,404	872,413	1,837,145	163	569,858	2,279,431	-442,287	-24%
Wanaka	2016/17	393,959	-	1,837,145	157	550,140	2,829,572	-992,427	-54%
Wanaka	2017/18	292,377	7,606	1,844,750	157	550,140	3,379,712	-1,534,962	-83%
Wanaka	2018/19	760,571	109,591	1,954,341	157	550,140	3,929,852	-1,975,512	-101%
Wanaka	2019/20	3,270,928	1,075,225	3,029,566	157	550,140	4,479,993	-1,450,427	-48%
Wanaka	2020/21	3,720,055	1,485,833	4,515,399	157	550,140	5,030,133	-514,735	-11%
Wanaka	2021/22	3,590,348	1,912,626	6,428,024	150	524,728	5,554,861	873,163	14%
			6,428,024		1,588				
							Wanaka Weighted Debt Funding Ratio		0%

Water Supply - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Financial Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Debt %
Hawea								307,401	
	Existing Debt								
Hawea	2012/13	518,868	293,806	293,806	7	62,609	62,609	538,599	90%
Hawea	2013/14	482,545	293,806	587,613	7	62,609	125,217	769,796	86%
Hawea	2014/15	109,977	19,074	606,687	7	62,609	187,826	726,262	79%
Hawea	2015/16	5,477	-	606,687	7	62,609	250,435	663,653	73%
Hawea	2016/17	5,477	-	606,687	9	73,837	324,272	589,816	65%
Hawea	2017/18	5,477	-	606,687	9	73,837	398,109	515,979	56%
Hawea	2018/19	5,477	-	606,687	9	73,837	471,946	442,142	48%
Hawea	2019/20	428,450	162,429	769,116	9	73,837	545,783	530,734	49%
Hawea	2020/21	219,450	81,102	850,218	9	73,837	619,620	537,999	46%
Hawea	2021/22	983,015	376,429	1,226,647	5	40,743	660,363	873,685	57%
			1,226,647		78				
							Hawea Weighted Debt Funding Ratio		66%
Luggate									
	Existing Debt								
Luggate	2012/13	155,991	36,829	36,829	4	8,625	8,625	28,204	77%
Luggate	2013/14	24,743	628	37,456	4	8,625	17,250	20,206	54%
Luggate	2014/15	13,675	-	37,456	4	8,625	25,876	11,581	31%
Luggate	2015/16	279,201	120,229	157,685	4	8,625	34,501	123,184	78%
Luggate	2016/17	13,675	-	157,685	4	7,690	42,191	115,494	73%
Luggate	2017/18	13,585	-	157,685	4	7,690	49,881	107,804	68%
Luggate	2018/19	13,585	-	157,685	4	7,690	57,571	100,114	63%
Luggate	2019/20	13,585	-	157,685	4	7,690	65,261	92,424	59%
Luggate	2020/21	13,585	-	157,685	4	7,690	72,951	84,734	54%
Luggate	2021/22	13,585	-	157,685	4	7,690	80,641	77,044	49%
			157,685		40				
							Luggate Debt Funding Ratio		65%
District Totals			43,924,439	16,055,073			17,647,011		

Wastewater Capital Expenditure for Development Contributions (excluding GST)

Schemes / Contributing Areas	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Queenstown							
Asset Management System	-	-	-	0%	-	2,887	-
Investigations	-	-	-	0%	2,695	2,887	1
Management	315,947	117,649	198,298	37%	253,711	2,887	88
Minor Works	-	-	-	0%	-	2,887	-
New Scheme	-	-	-	0%	-	2,887	-
Pump Station	8,297,341	6,118,830	2,178,511	74%	4,042,728	2,887	1,400
Renewals	5,170,977	-	5,170,977	0%	353	2,887	-
Reticulation	7,241,592	4,875,883	2,365,709	67%	5,527,945	2,887	1,915
Storage	219,450	27,396	192,054	12%	29,889	2,887	10
Treatment Facility	25,601,466	5,433,351	20,168,114	21%	5,039,273	2,887	1,746
Unspecified Expenditure	-	-	-	0%	621,633	2,887	215
Total	46,846,773	16,573,109	30,273,663	35%	15,518,228		5,375
Arrowtown							
Asset Management System	-	-	-	0%	-	153	-
Investigations	-	-	-	0%	-	153	-
Management	30,006	3,716	26,290	12%	32,158	153	210
Minor Works	-	-	-	0%	-	153	-
New Scheme	-	-	-	0%	-	153	-
Pump Station	-	-	-	0%	169,655	153	1,109
Renewals	1,913,219	-	1,913,219	0%	5,009	153	33
Reticulation	-	-	-	0%	650,025	153	4,248
Storage	-	-	-	0%	-	153	-
Treatment Facility	2,912,994	104,151	2,808,843	4%	230,565	153	1,507
Unspecified Expenditure	-	-	-	0%	6,373	153	42
Total	4,856,219	107,867	4,748,353	2%	1,093,784		7,149

Wastewater Capital Expenditure for Development Contributions (excluding GST)

Schemes / Contributing Areas	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Lake Hayes							
Asset Management System	-	-	-	0%	-	86	-
Investigations	-	-	-	0%	-	86	-
Management	14,502	3,107	11,395	21%	4,025	86	47
Minor Works	-	-	-	0%	-	86	-
New Scheme	-	-	-	0%	-	86	-
Pump Station	114,950	34,368	80,582	30%	38,391	86	446
Renewals	972,181	-	972,181	0%	-	86	-
Reticulation	-	-	-	0%	280,494	86	3,259
Storage	-	-	-	0%	-	86	-
Treatment Facility	1,468,373	189,321	1,279,052	13%	109,399	86	1,271
Unspecified Expenditure	-	-	-	0%	-	86	-
Total	2,570,006	226,795	2,343,211	9%	432,308		5,023
Arthurs Point							
Asset Management System	-	-	-	0%	-	230	-
Investigations	-	-	-	0%	-	230	-
Management	19,901	9,689	10,212	49%	15,034	230	65
Minor Works	-	-	-	0%	-	230	-
New Scheme	-	-	-	0%	158,074	230	687
Pump Station	78,375	49,469	28,906	63%	13,887	230	60
Renewals	209,000	-	209,000	0%	-	230	-
Reticulation	-	-	-	0%	527,258	230	2,293
Storage	-	-	-	0%	-	230	-
Treatment Facility	1,493,485	470,651	1,022,833	32%	271,175	230	1,179
Unspecified Expenditure	-	-	-	0%	19,216	230	84
Total	1,800,760	529,809	1,270,951	29%	1,004,644		4,369

Wastewater Capital Expenditure for Development Contributions (excluding GST)

Schemes / Contributing Areas	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Wanaka (incl Albert Town)							
Asset Management System	-	-	-	0%	-	1,296	-
Investigations	-	-	-	0%	1,203	1,296	1
Management	142,681	35,136	107,545	25%	66,319	1,296	51
Minor Works	-	-	-	0%	-	1,296	-
New Scheme	-	-	-	0%	-	1,296	-
Pump Station	1,432,994	1,343,719	89,274	94%	1,094,516	1,296	844
Renewals	1,491,483	-	1,491,483	0%	1,928	1,296	1
Reticulation	1,985,878	839,839	1,146,039	42%	938,124	1,296	724
Storage	-	-	-	0%	-	1,296	-
Treatment Facility	20,900	20,900	-	100%	5,842,086	1,296	4,507
Unspecified Expenditure	-	-	-	0%	103,789	1,296	80
Total	5,073,936	2,239,595	2,834,341	44%	8,047,966		6,209
Hawea							
Asset Management System	-	-	-	0%	-	71	-
Investigations	-	-	-	0%	1,218	71	17
Management	12,546	2,228	10,318	18%	5,591	71	79
Minor Works	-	-	-	0%	-	71	-
New Scheme	-	-	-	0%	-	71	-
Pump Station	167,200	16,682	150,518	10%	23,500	71	330
Renewals	312,683	-	312,683	0%	-	71	-
Reticulation	-	-	-	0%	119,321	71	1,678
Storage	727,395	126,851	600,544	17%	35,955	71	506
Treatment Facility	490,063	63,423	426,640	13%	283,022	71	3,980
Unspecified Expenditure	-	-	-	0%	10,581	71	149
Total	1,709,887	209,183	1,500,703	12%	479,189		6,738

Wastewater - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Annual Debt %
Queenstown								
	Existing Debt			7,001,142				
Queenstown	2013	2,296,958	747,339	747,339	260	1,396,142	6,352,339	82%
Queenstown	2014	1,405,942	459,084	1,206,423	260	2,792,284	5,415,282	66%
Queenstown	2015	4,715,047	930,935	2,137,358	260	4,188,425	4,950,075	54%
Queenstown	2016	13,671,430	3,028,183	5,165,541	260	5,584,567	6,582,116	54%
Queenstown	2017	5,950,702	2,053,401	7,218,943	309	7,246,659	6,973,426	49%
Queenstown	2018	8,457,583	5,461,758	12,680,701	309	8,908,751	10,773,091	55%
Queenstown	2019	4,082,206	2,937,266	15,617,966	309	10,570,844	12,048,265	53%
Queenstown	2020	365,750	-	15,617,966	309	12,232,936	10,386,173	46%
Queenstown	2021	365,750	-	15,617,966	309	13,895,028	8,724,080	39%
Queenstown	2022	5,535,404	955,143	16,573,109	302	15,518,228	8,056,023	34%
			16,573,109		2,887			Queenstown Weighted Debt Funding Ratio
Arrowtown								
	Existing Debt			1,253,183				
Arrowtown	2013	249,036	2,391	2,391	30	214,036	1,041,538	83%
Arrowtown	2014	334,404	3,480	5,871	30	428,071	830,983	66%
Arrowtown	2015	707,876	17,410	23,281	30	642,107	634,358	50%
Arrowtown	2016	1,672,941	52,231	75,513	30	856,142	472,553	36%
Arrowtown	2017	605,445	12,044	87,557	6	895,745	444,995	33%
Arrowtown	2018	164,308	-	87,557	6	935,347	405,393	30%
Arrowtown	2019	249,560	-	87,557	6	974,949	365,790	27%
Arrowtown	2020	104,500	-	87,557	6	1,014,552	326,188	24%
Arrowtown	2021	104,500	-	87,557	6	1,054,154	286,586	21%
Arrowtown	2022	663,648	20,310	107,867	6	1,093,784	267,265	20%
			107,867		156			Arrowtown Debt Funding Ratio

Wastewater - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Annual Debt %
Glenorchy								
	Existing Debt			179,746				
Glenorchy	2013	56,002	20,455	20,455	2	14,851	185,349	93%
Glenorchy	2014	56,002	20,455	40,909	2	29,703	190,952	87%
Glenorchy	2015	2,700,107	986,202	1,027,111	2	44,554	1,162,303	96%
Glenorchy	2016	-	-	1,027,111	2	59,406	1,147,451	95%
Glenorchy	2017	-	-	1,027,111	2	80,101	1,126,757	93%
Glenorchy	2018	-	-	1,027,111	2	100,795	1,106,062	92%
Glenorchy	2019	-	-	1,027,111	2	121,490	1,085,368	90%
Glenorchy	2020	-	-	1,027,111	2	142,184	1,064,673	88%
Glenorchy	2021	-	-	1,027,111	2	162,879	1,043,978	87%
Glenorchy	2022	-	-	1,027,111	3	189,543	1,017,314	84%
			1,027,111		20			Glenorchy Debt Funding Ratio
Kingston								
	Existing Debt			150,244				
Kingston	2013	-	-	-	4	2,980	147,264	98%
Kingston	2014	-	-	-	4	5,959	144,285	96%
Kingston	2015	-	-	-	4	8,939	141,305	94%
Kingston	2016	-	-	-	4	11,919	138,325	92%
Kingston	2017	-	-	-	5	15,554	134,690	90%
Kingston	2018	-	-	-	5	19,189	131,055	87%
Kingston	2019	-	-	-	5	22,824	127,420	85%
Kingston	2020	-	-	-	5	26,459	123,785	82%
Kingston	2021	-	-	-	5	30,094	120,150	80%
Kingston	2022	-	-	-	5	33,967	116,277	77%
					46			Kingston Debt Funding Ratio

Wastewater - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Annual Debt %
Lake Hayes								
	Existing Debt			-				
Lake Hayes	2013	58,551	2,525	2,525	7	35,310	-32,785	-1298%
Lake Hayes	2014	73,864	4,513	7,038	7	70,620	-63,582	-903%
Lake Hayes	2015	288,436	31,757	38,795	7	105,930	-67,134	-173%
Lake Hayes	2016	967,830	129,640	168,435	7	141,240	27,196	16%
Lake Hayes	2017	381,204	21,969	190,405	9	188,253	2,152	1%
Lake Hayes	2018	145,404	-	190,405	9	235,266	-44,861	-24%
Lake Hayes	2019	129,209	-	190,405	9	282,279	-91,874	-48%
Lake Hayes	2020	78,375	-	190,405	9	329,292	-138,887	-73%
Lake Hayes	2021	78,375	-	190,405	9	376,305	-185,900	-98%
Lake Hayes	2022	368,759	36,390	226,795	11	432,308	-205,513	-91%
			226,795		84			Lake Hayes Debt Funding Ratio
Makarora								
	Existing Debt			-				
Makarora	2013	-	-	-	-	-	-	-
Makarora	2014	-	-	-	-	-	-	-
Makarora	2015	-	-	-	-	-	-	-
Makarora	2016	-	-	-	-	-	-	-
Makarora	2017	-	-	-	-	-	-	-
Makarora	2018	-	-	-	-	-	-	-
Makarora	2019	-	-	-	-	-	-	-
Makarora	2020	-	-	-	-	-	-	-
Makarora	2021	-	-	-	-	-	-	-
Makarora	2022	-	-	-	-	-	-	-
			-					Makarora Debt Funding Ratio

Wastewater - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Annual Debt %
Arthurs Point								
	Existing Debt			-				
Arthurs Point	2013	116,769	56,784	56,784	20	86,381	-29,598	-52%
Arthurs Point	2014	53,828	12,368	69,152	20	172,763	-103,611	-150%
Arthurs Point	2015	267,451	80,730	149,881	20	259,144	-109,263	-73%
Arthurs Point	2016	760,553	242,189	392,071	20	345,526	46,545	12%
Arthurs Point	2017	191,460	55,848	447,919	24	451,636	-3,717	-1%
Arthurs Point	2018	20,900	-	447,919	24	557,746	-109,827	-25%
Arthurs Point	2019	20,900	-	447,919	24	663,856	-215,937	-48%
Arthurs Point	2020	20,900	-	447,919	24	769,965	-322,047	-72%
Arthurs Point	2021	20,900	-	447,919	24	876,075	-428,157	-96%
Arthurs Point	2022	327,100	81,891	529,809	29	1,004,644	-474,835	-90%
			529,809		230			Arthurs Point Debt Funding Ratio
Wanaka and Albert Town								
	Existing Debt			8,281,654				
Wanaka	2013	285,264	82,225	82,225	134	829,775	7,534,103	90%
Wanaka	2014	132,205	16,852	99,077	134	1,659,551	6,721,180	80%
Wanaka	2015	520,476	60,228	159,304	134	2,489,326	5,951,632	71%
Wanaka	2016	548,642	426,963	586,268	134	3,319,102	5,548,820	63%
Wanaka	2017	89,254	8,224	594,491	128	4,114,612	4,761,533	54%
Wanaka	2018	517,612	78,612	673,103	128	4,910,123	4,044,634	45%
Wanaka	2019	1,022,475	852,816	1,525,919	128	5,705,633	4,101,940	42%
Wanaka	2020	182,875	-	1,525,919	128	6,501,143	3,306,429	34%
Wanaka	2021	182,875	-	1,525,919	128	7,296,654	2,510,919	26%
Wanaka	2022	1,592,258	713,676	2,239,595	121	8,047,966	2,473,283	24%
			2,239,595		1,296			Wanaka Weighted Debt Funding Ratio

Wastewater - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Annual Debt %
Cardrona								
	Existing Debt			52,611				
Cardrona	2013	100,000	22,536	22,536	32	4,844	70,303	94%
Cardrona	2014	-	-	22,536	32	9,689	65,458	87%
Cardrona	2015	-	-	22,536	32	14,533	60,614	81%
Cardrona	2016	-	-	22,536	32	19,378	55,769	74%
Cardrona	2017	200,000	45,072	67,608	28	23,736	96,483	80%
Cardrona	2018	-	-	67,608	28	28,094	92,125	77%
Cardrona	2019	-	-	67,608	28	32,452	87,767	73%
Cardrona	2020	-	-	67,608	28	36,810	83,409	69%
Cardrona	2021	-	-	67,608	28	41,168	79,051	66%
Cardrona	2022	-	-	67,608	30	45,813	74,406	62%
			67,608		298			Cardrona Debt Funding Ratio
Hawea								
	Existing Debt			887,581				
Hawea	2013	569,930	58,530	58,530	7	45,267	900,844	95%
Hawea	2014	58,967	2,339	60,869	7	90,535	857,915	90%
Hawea	2015	-	-	60,869	7	135,802	812,648	86%
Hawea	2016	21,908	-	60,869	7	181,070	767,381	81%
Hawea	2017	72,739	12,685	73,554	8	235,036	726,099	76%
Hawea	2018	79,824	-	73,554	8	289,002	672,133	70%
Hawea	2019	666,169	114,166	187,720	8	342,968	732,333	68%
Hawea	2020	83,600	1,226	188,946	8	396,935	679,592	63%
Hawea	2021	52,250	-	188,946	8	450,901	625,626	58%
Hawea	2022	104,500	20,238	209,183	4	479,189	617,575	56%
			209,183		71			Hawea Weighted Debt Funding Ratio

Wastewater - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Annual Debt %
Luggate								
	Existing Debt			-				
Luggate	2013	1,969	1,504	1,504	1	20	1,484	99%
Luggate	2014	1,969	1,504	3,009	1	41	2,968	99%
Luggate	2015	32,395	-	3,009	1	61	2,948	98%
Luggate	2016	32,395	-	3,009	1	81	2,928	97%
Luggate	2017	32,395	-	3,009	1	99	2,910	97%
Luggate	2018	32,395	-	3,009	1	117	2,892	96%
Luggate	2019	32,395	-	3,009	1	134	2,875	96%
Luggate	2020	32,395	-	3,009	1	152	2,857	95%
Luggate	2021	32,395	-	3,009	1	170	2,839	94%
Luggate	2022	32,395	-	3,009	153	4,969	-1,960	-65%
			3,009		162			
							Luggate Debt Funding Ratio	

Stormwater Capital Expenditure for Development Contributions (exc GST)

Schemes / Contributing Areas	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Queenstown							
Asset Management System	-	-	-	0%	122,457	2,328	53
Emergency Conveyance	-	-	-	0%	-	2,328	-
Flood Protection	-	-	-	0%	336,044	2,328	144
Flow Metering	-	-	-	0%	-	2,328	-
Intake	-	-	-	0%	-	2,328	-
Investigations	-	-	-	0%	15,842	2,328	7
Management	-	-	-	0%	294,598	2,328	127
Minor Works	-	-	-	0%	23,331	2,328	10
Pump Station	-	-	-	0%	-	2,328	-
Renewals	-	-	-	0%	51,562	2,328	22
Reticulation	3,007,153	1,830,306	1,176,847	61%	1,925,722	2,328	827
Storage	-	-	-	0%	-	2,328	-
Stormwater Upgrades	-	-	-	0%	171,023	2,328	73
Treatment Facility	-	-	-	0%	38,438	2,328	17
TOTAL	3,007,153	1,830,306	1,176,847	61%	2,979,017		1,280
Arrowtown							
Flood Protection	-	-	-	0%	-	133	-
Forward Design	-	-	-	0%	-	133	-
Investigations	-	-	-	0%	981	133	7
Management	-	-	-	0%	-	133	-
Minor Works	-	-	-	0%	-	133	-
Renewals	-	-	-	0%	1,339	133	10
Reticulation	-	-	-	0%	95,800	133	722
Storage	-	-	-	0%	-	133	-
Stormwater Upgrades	-	-	-	0%	2,083	133	16
Treatment Facility	-	-	-	0%	-	133	-
TOTAL	-	-	-	0%	100,203		755

Stormwater Capital Expenditure for Development Contributions (exc GST) Continued

Schemes / Contributing Areas	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Glenorchy							
Flood Protection	-	-	-	0%	3,090	36	87
Forward Design	-	-	-	0%	-	36	-
Investigations	-	-	-	0%	34	36	1
Management	-	-	-	0%	-	36	-
Stormwater Upgrades	-	-	-	0%	63	36	2
Minor Works	-	-	-	0%	-	36	-
Renewals	-	-	-	0%	-	36	-
Reticulation	-	-	-	0%	24,462	36	687
Storage	-	-	-	0%	-	36	-
Treatment Facility	-	-	-	0%	-	36	-
TOTAL	-	-	-	0%	27,649		776
Arthurs Point							
Flood Protection	-	-	-	0%	-	68	-
Forward Design	-	-	-	0%	-	68	-
Investigations	-	-	-	0%	34	68	1
Management	-	-	-	0%	-	68	-
Minor Works	-	-	-	0%	-	68	-
Renewals	-	-	-	0%	-	68	-
Reticulation	-	-	-	0%	230	68	3
Storage	-	-	-	0%	-	68	-
Treatment Facility	-	-	-	0%	-	68	-
TOTAL	-	-	-	0%	264		4
	-	-	-				

Stormwater Capital Expenditure for Development Contributions (exc GST)

Schemes / Contributing Areas	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Kingston							
Flood Protection	-	-	-	0%	-	55	-
Forward Design	-	-	-	0%	-	55	-
Investigations	-	-	-	0%	-	55	-
Management	-	-	-	6%	-	55	-
Minor Works	-	-	-	0%	-	55	-
Renewals	-	-	-	0%	-	55	-
Reticulation	-	-	-	0%	-	55	-
Storage	-	-	-	0%	-	55	-
Treatment Facility	-	-	-	0%	-	55	-
Total	-	-	-		-	55	-
Lake Hayes							
Flood Protection	-	-	-	0%	-	69	-
Forward Design	-	-	-	0%	-	69	-
Investigations	-	-	-	0%	-	69	-
Management	-	-	-	6%	-	69	-
Minor Works	-	-	-	0%	-	69	-
Renewals	-	-	-	0%	-	69	-
Reticulation	-	-	-	0%	-	69	-
Storage	-	-	-	0%	-	69	-
Treatment Facility	-	-	-	0%	-	69	-
Total	-	-	-		-	69	-

Stormwater Capital Expenditure for Development Contributions (exc GST)

Schemes / Contributing Areas	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Wanaka							
Asset Management System	-	-	-	0%	17,434	1,050	17
Emergency Conveyance	-	-	-	0%	-	1,050	-
Flood Protection	-	-	-	0%	23,749	1,050	23
Forward Design	-	-	-	0%	-	1,050	-
Intake	-	-	-	0%	-	1,050	-
Investigations	-	-	-	0%	43,071	1,050	41
Management	-	-	-	0%	46,421	1,050	44
Minor Works	-	-	-	0%	12,999	1,050	12
Pump Station	-	-	-	0%	-	1,050	-
Renewals	-	-	-	0%	40,759	1,050	39
Reticulation	467,888	212,225	255,663	45%	1,741,228	1,050	1,658
Stormwater Upgrades	-	-	-	0%	106,015	1,050	101
Treatment Facility	-	-	-	0%	-	1,050	-
TOTAL	467,888	212,225	255,663	45%	2,031,676		1,934
Hawea							
Flood Protection	-	-	-	0%	-	62	-
Forward Design	-	-	-	0%	-	62	-
Investigations	-	-	-	0%	86	62	1
Management	-	-	-	0%	-	62	-
Minor Works	-	-	-	0%	-	62	-
Renewals	-	-	-	0%	-	62	-
Reticulation	-	-	-	0%	31,904	62	514
Storage	-	-	-	0%	-	62	-
Stormwater Upgrades	-	-	-	0%	938	62	15
Treatment Facility	-	-	-	0%	-	62	-
TOTAL	-	-	-	0%	32,928		530

Stormwater Capital Expenditure for Development Contributions (exc GST)

Schemes / Contributing Areas	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Luggate							
Flood Protection	-	-	-	0%	-	38	-
Forward Design	-	-	-	0%	-	38	-
Investigations	-	-	-	0%	-	38	-
Management	-	-	-	0%	-	38	-
Minor Works	-	-	-	0%	-	38	-
Renewals	-	-	-	0%	-	38	-
Reticulation	-	-	-	0%	-	38	-
Storage	-	-	-	0%	-	38	-
Treatment Facility	-	-	-	0%	-	38	-
Total	-	-	-		-	38	-
Albert Town							
Flood Protection	-	-	-	0%	23,556	120	197
Forward Design	-	-	-	0%	-	120	-
Investigations	-	-	-	0%	2,749	120	23
Management	-	-	-	0%	8,255	120	69
Minor Works	-	-	-	0%	-	120	-
Renewals	-	-	-	0%	-	120	-
Reticulation	-	-	-	0%	85,663	120	715
Storage	-	-	-	0%	-	120	-
Stormwater Upgrades	-	-	-	0%	1,955	120	16
Treatment Facility	-	-	-	0%	-	120	-
Total	-	-	-	0%	122,179		1,020
District Total	3,475,040	2,042,531	1,432,510	59%	5,293,916		6,299

Stormwater Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Debt %
Queenstown									
	Existing Debt			2,025,520					
Queenstown	2013	764,949	764,949	764,949	207	264,925	264,925	2,525,543	91%
Queenstown	2014	41,303	21,187	786,135	207	264,925	529,851	2,281,804	81%
Queenstown	2015	200,462	101,504	887,639	207	264,925	794,776	2,118,383	73%
Queenstown	2016	-	-	887,639	207	264,925	1,059,702	1,853,458	64%
Queenstown	2017	-	-	887,639	251	321,699	1,381,400	1,531,759	53%
Queenstown	2018	73,150	35,504	923,144	251	321,699	1,703,099	1,245,565	42%
Queenstown	2019	316,954	151,274	1,074,418	251	321,699	2,024,797	1,075,140	35%
Queenstown	2020	1,610,336	755,889	1,830,306	251	321,699	2,346,496	1,509,330	39%
Queenstown	2021	-	-	1,830,306	251	321,699	2,668,195	1,187,631	31%
Queenstown	2022	-	-	1,830,306	243	310,822	2,979,017	876,810	23%
			1,830,306		2,326				
							Queenstown Weighted Debt Funding Ratio		60%
Arrowtown									
	Existing Debt			389,474					
Arrowtown	2013	-	-	-	28	20,898	20,898	368,575	95%
Arrowtown	2014	-	-	-	28	20,898	41,796	347,677	89%
Arrowtown	2015	-	-	-	28	20,898	62,694	326,779	84%
Arrowtown	2016	-	-	-	28	20,898	83,593	305,881	79%
Arrowtown	2017	-	-	-	4	2,784	86,377	303,096	78%
Arrowtown	2018	-	-	-	4	2,784	89,162	300,312	77%
Arrowtown	2019	-	-	-	4	2,784	91,946	297,528	76%
Arrowtown	2020	-	-	-	4	2,784	94,731	294,743	76%
Arrowtown	2021	-	-	-	4	2,784	97,515	291,959	75%
Arrowtown	2022	-	-	-	4	2,688	100,203	289,271	74%
					136				
							Arrowtown Debt Funding Ratio		81%

Stormwater Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Debt %
Glenorchy				22,205					
	Existing Debt								
Glenorchy	2013	-	-	-	3	2,441	2,441	19,764	89%
Glenorchy	2014	-	-	-	3	2,441	4,882	17,323	78%
Glenorchy	2015	-	-	-	3	2,441	7,323	14,882	67%
Glenorchy	2016	-	-	-	3	2,441	9,765	12,440	56%
Glenorchy	2017	-	-	-	4	2,902	12,666	9,539	43%
Glenorchy	2018	-	-	-	4	2,902	15,568	6,637	30%
Glenorchy	2019	-	-	-	4	2,902	18,469	3,735	17%
Glenorchy	2020	-	-	-	4	2,902	21,371	834	4%
Glenorchy	2021	-	-	-	4	2,902	24,273	-2,068	-9%
Glenorchy	2022	-	-	-	4	3,376	27,649	-5,444	-25%
			-		36				
							Glenorchy Weighted Debt Funding Ratio		57%
Arthurs Point				83,963					
	Existing Debt								
Arthurs Point	2013	-	-	-	6	22	22	83,941	100%
Arthurs Point	2014	-	-	-	6	22	45	83,918	100%
Arthurs Point	2015	-	-	-	6	22	67	83,896	100%
Arthurs Point	2016	-	-	-	6	22	89	83,874	100%
Arthurs Point	2017	-	-	-	7	28	117	83,846	100%
Arthurs Point	2018	-	-	-	7	28	145	83,817	100%
Arthurs Point	2019	-	-	-	7	28	174	83,789	100%
Arthurs Point	2020	-	-	-	7	28	202	83,761	100%
Arthurs Point	2021	-	-	-	7	28	230	83,733	100%
Arthurs Point	2022	-	-	-	9	34	264	83,699	100%
			-		68				
							Arthurs Point Weighted Debt Funding Ratio		100%

Stormwater Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Debt %
Kingston									
	Existing Debt			10,963					
Kingston	2013	-	-	-	5	-	-	10,963	100%
Kingston	2014	-	-	-	5	-	-	10,963	100%
Kingston	2015	-	-	-	5	-	-	10,963	100%
Kingston	2016	-	-	-	5	-	-	10,963	100%
Kingston	2017	-	-	-	6	-	-	10,963	100%
Kingston	2018	-	-	-	6	-	-	10,963	100%
Kingston	2019	-	-	-	6	-	-	10,963	100%
Kingston	2020	-	-	-	6	-	-	10,963	100%
Kingston	2021	-	-	-	6	-	-	10,963	100%
Kingston	2022	-	-	-	6	-	-	10,963	100%
			-		55		Kingston Weighted Debt Funding Ratio		100%
Lake Hayes									
	Existing Debt			386,923					
Lake Hayes	2013	-	-	-	6	-	-	386,923	100%
Lake Hayes	2014	-	-	-	6	-	-	386,923	100%
Lake Hayes	2015	-	-	-	6	-	-	386,923	100%
Lake Hayes	2016	-	-	-	6	-	-	386,923	100%
Lake Hayes	2017	-	-	-	8	-	-	386,923	100%
Lake Hayes	2018	-	-	-	8	-	-	386,923	100%
Lake Hayes	2019	-	-	-	8	-	-	386,923	100%
Lake Hayes	2020	-	-	-	8	-	-	386,923	100%
Lake Hayes	2021	-	-	-	8	-	-	386,923	100%
Lake Hayes	2022	-	-	-	9	-	-	386,923	100%
			-		73		Lake Hayes Weighted Debt Funding Ratio		100%

Stormwater Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Debt %
Wanaka				1,648,325					
	Existing Debt								
Wanaka	2013	-	-	-	109	210,497	210,497	1,437,828	87%
Wanaka	2014	131,009	59,423	59,423	109	210,497	420,995	1,286,754	75%
Wanaka	2015	336,879	152,802	212,225	109	210,497	631,492	1,229,058	66%
Wanaka	2016	-	-	212,225	109	210,497	841,989	1,018,561	55%
Wanaka	2017	-	-	212,225	104	200,456	1,042,446	818,104	44%
Wanaka	2018	-	-	212,225	104	200,456	1,242,902	617,648	33%
Wanaka	2019	-	-	212,225	104	200,456	1,443,358	417,192	22%
Wanaka	2020	-	-	212,225	104	200,456	1,643,814	216,736	12%
Wanaka	2021	-	-	212,225	104	200,456	1,844,270	16,279	1%
Wanaka	2022	-	-	212,225	97	187,406	2,031,676	-171,126	-9%
			212,225		1,053				
							Wanaka Weighted Debt Funding Ratio		59%
Hawea				39,136					
	Existing Debt								
Hawea	2013	-	-	-	6	3,142	3,142	35,994	92%
Hawea	2014	-	-	-	6	3,142	6,283	32,852	84%
Hawea	2015	-	-	-	6	3,142	9,425	29,710	76%
Hawea	2016	-	-	-	6	3,142	12,567	26,569	68%
Hawea	2017	-	-	-	7	3,667	16,234	22,902	59%
Hawea	2018	-	-	-	7	3,667	19,901	19,235	49%
Hawea	2019	-	-	-	7	3,667	23,568	15,568	40%
Hawea	2020	-	-	-	7	3,667	27,235	11,900	30%
Hawea	2021	-	-	-	7	3,667	30,902	8,233	21%
Hawea	2022	-	-	-	4	2,026	32,928	6,208	16%
					62				
							Hawea Debt Funding Ratio		65%

Stormwater Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Debt %
Cardrona									
	Existing Debt			-					
Cardrona	2013	-	-	-	2	-	-	-	0%
Cardrona	2014	-	-	-	2	-	-	-	0%
Cardrona	2015	-	-	-	2	-	-	-	0%
Cardrona	2016	-	-	-	2	-	-	-	0%
Cardrona	2017	-	-	-	1	-	-	-	0%
Cardrona	2018	-	-	-	1	-	-	-	0%
Cardrona	2019	-	-	-	1	-	-	-	0%
Cardrona	2020	-	-	-	1	-	-	-	0%
Cardrona	2021	-	-	-	1	-	-	-	0%
Cardrona	2022	-	-	-	1	-	-	-	0%
			-		15				
							Cardrona Debt Funding Ratio		0%
Luggate									
	Existing Debt			77,756					
Luggate	2013	-	-	-	4	-	-	77,756	100%
Luggate	2014	-	-	-	4	-	-	77,756	100%
Luggate	2015	-	-	-	4	-	-	77,756	100%
Luggate	2016	-	-	-	4	-	-	77,756	100%
Luggate	2017	-	-	-	4	-	-	77,756	100%
Luggate	2018	-	-	-	4	-	-	77,756	100%
Luggate	2019	-	-	-	4	-	-	77,756	100%
Luggate	2020	-	-	-	4	-	-	77,756	100%
Luggate	2021	-	-	-	4	-	-	77,756	100%
Luggate	2022	-	-	-	4	-	-	77,756	100%
			-		40				
							Luggate Debt Funding Ratio		100%

Stormwater Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Debt %
Albert Town									
	Existing Debt			120,865					
Albert Town	2013	-	-	-	12	12,722	12,722	108,143	89%
Albert Town	2014	-	-	-	12	12,722	25,445	95,421	79%
Albert Town	2015	-	-	-	12	12,722	38,167	82,698	68%
Albert Town	2016	-	-	-	12	12,722	50,889	69,976	58%
Albert Town	2017	-	-	-	12	12,032	62,921	57,944	48%
Albert Town	2018	-	-	-	12	12,032	74,953	45,913	38%
Albert Town	2019	-	-	-	12	12,032	86,984	33,881	28%
Albert Town	2020	-	-	-	12	12,032	99,016	21,850	18%
Albert Town	2021	-	-	-	12	12,032	111,047	9,818	8%
Albert Town	2022	-	-	-	11	11,132	122,179	-1,314	-1%
			-		120		Albert Town Debt Funding Ratio		62%

Reserve Improvements & Community Facilities - Capital Expenditure for Development Contributions (Excluding GST)

Project Summaries (GL Code Location)	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Reserve Improvements - Wakatipu							
Parks and Reserves - Wakatipu Ward	5,689,167	865,755	4,823,412	15%	2,622,042	2952	888
Walkways - Wakatipu Ward	1,059,780	195,412	864,368	18%	819,716	2952	278
Council Land - Reserve Land - Wakatipu	-	-	-	0%	33,355	2952	11
Cemeteries - Wakatipu Ward	213,899	213,899	-	100%	251,424	2952	85
	6,962,846	1,275,066	5,687,780	18%	3,726,538		1,262
Reserve Improvements - Wanaka							
Parks and Reserves - Wanaka Ward	3,211,258	491,694	2,719,564	15%	1,583,278	2109	751
Walkways - Wanaka Ward	-	-	-	0%	368,055	2109	175
Council Land - Reserve Land - Wanaka	-	-	-	0%	510,025	2109	242
Council Land - Reserve Land - Hawea	-	-	-	0%	1,845	2109	1
Cemeteries - Wanaka Ward	127,730	127,730	-	100%	157,640	2109	75
	3,338,988	619,424	2,719,564	19%	2,620,845		1,243
Reserve Improvements - District Wide							
Parks and Reserves - Wakatipu Ward	404,125	62,130	341,996	15%	231,126	5061	46
Parks and Reserves - Wanaka Ward	267,821	82,634	185,187	31%	58,918	5061	12
	671,946	144,764	527,183	22%	290,045		57

Reserve Improvements & Community Facilities - Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries (GL Code Location)	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Community Facilities - Wakatipu							
Alpine Aqualand	322,610	58,496	264,114	18%	2,771,748	2952	939
Council Land - Non-Reserve - Wakatipu	-	-	-	0%	71,885	2952	24
Waterways Facilities - Wakatipu Ward	165,000	-	165,000	0%	104,659	2952	35
Halls - Queenstown	577,721	59,365	518,356	10%	592,378	2952	201
Halls - Events Centre	17,167,096	6,135,629	11,031,467	36%	5,465,151	2952	1,851
Halls - Lake Hayes Pavillion	-	-	-	0%	-	2952	-
Halls - Arrowtown	205,519	13,197	192,322	6%	29,671	2952	10
Halls - Glenorchy	31,170	-	31,170	0%	2,942	2952	1
Halls - Queenstown Community Centre	31,170	-	31,170	0%	21,252	2952	7
Buildings - Heritage	-	-	-	0%	99,869	2952	34
Buildings - Toilets - Wakatipu Ward	1,484,031	167,759	1,316,272	11%	490,427	2952	166
Community Development - Swimming Pools	-	-	-	0%	304,915	2952	103
Libraries - Queenstown	1,196,920	59,672	1,137,248	5%	69,259	2952	23
Libraries - Arrowtown	520,371	6,495	513,876	1%	6,626	2952	2
Libraries - Glenorchy	139,458	3,944	135,514	3%	5,345	2952	2
Libraries - Kingston	5,195	-	5,195	0%	-	2952	-
Rural Fire - District Wide	-	-	-	0%	-	2952	-
	21,846,261	6,504,556	15,341,704	30%	10,036,126		3,398

Reserve Improvements & Community Facilities - Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries (GL Code Location)	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Community Facilities - Wanaka							
Waterways Facilities - Wanaka Ward	1,188,100	957,549	230,551	81%	576,701	2109	273
Halls - Arts & Community Centre	-	-	-	0%	984,517	2109	467
Halls - Hawea	133,344	15,372	117,972	12%	15,743	2109	7
Halls - Luggate	83,120	-	83,120	0%	11,242	2109	5
Halls - Cardrona	-	-	-	0%	23,814	2109	11
Halls - Wanaka Community Centre	201,942	-	201,942	0%	1,092,167	2109	518
Halls - Wanaka Sports Facility	15,920,597	5,062,403	10,858,194	32%	2,045,939	2109	970
Buildings - Toilets - Wanaka Ward	1,441,411	113,977	1,327,435	8%	233,913	2109	111
Community Development - Swimming Pools	-	-	-	0%	34,620	2109	16
Wanaka Aquatic Centre	374,040	103,884	270,156	28%	32,256	2109	15
Libraries - Wanaka	1,152,397	22,359	1,130,038	2%	183,374	2109	87
Libraries - Hawea	129,068	3,726	125,342	3%	8,920	2109	4
	20,624,020	6,279,271	14,344,750	30%	5,243,206		2,484
Community Facilities - District Wide							
Halls - Events Centre	-	-	-	0%	90,705	5061	18
Rural Fire - District Wide	357,823	37,351	320,472	10%	30,065	5061	6
Halls - Lake Hayes Pavillion	137,353	14,451	122,902	11%	77,442	5061	15
Community Development - District Wide	-	-	-	0%	131,024	5061	26
	495,175	51,802	443,374	10%	329,235		65

Reserve Improvements and Community Facilities - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Net Cost Balance (2012/13 \$)	Debt %
Wakatipu - Reserve Improvements									
	Existing Debt			2,407,230					
Wakatipu	2013	1,336,987	196,285	196,285	272	343,215	343,215	2,260,299	86.8%
Wakatipu	2014	900,698	283,563	479,848	272	343,215	686,430	2,200,647	76.2%
Wakatipu	2015	698,285	115,367	595,214	272	343,215	1,029,646	1,972,799	65.7%
Wakatipu	2016	1,199,028	286,550	881,765	272	343,215	1,372,861	1,916,134	58.3%
Wakatipu	2017	343,449	37,345	919,110	311	392,508	1,765,369	1,560,971	46.9%
Wakatipu	2018	522,650	64,607	983,717	311	392,508	2,157,876	1,233,070	36.4%
Wakatipu	2019	436,949	71,102	1,054,819	311	392,508	2,550,384	911,665	26.3%
Wakatipu	2020	534,750	59,582	1,114,401	311	392,508	2,942,892	578,739	16.4%
Wakatipu	2021	299,450	37,345	1,151,746	311	392,508	3,335,399	223,577	6.3%
Wakatipu	2022	690,600	123,321	1,275,066	310	391,138	3,726,538	-44,241	-1.2%
			1,275,066				Wakatipu Weighted Debt Funding Ratio		59%
Wakatipu - Community Facilities									
	Existing Debt			9,129,606					
Wakatipu	2013	1,086,865	136,899	136,899	272	924,330	924,330	8,342,174	90.0%
Wakatipu	2014	751,863	74,722	211,621	272	924,330	1,848,661	7,492,566	80.2%
Wakatipu	2015	663,897	132,399	344,020	272	924,330	2,772,991	6,700,635	70.7%
Wakatipu	2016	7,918,633	3,321,208	3,665,228	272	924,330	3,697,321	9,097,513	71.1%
Wakatipu	2017	4,859,648	1,465,591	5,130,820	311	1,057,082	4,754,403	9,506,022	66.7%
Wakatipu	2018	469,330	54,003	5,184,823	311	1,057,082	5,811,485	8,502,944	59.4%
Wakatipu	2019	693,157	93,505	5,278,328	311	1,057,082	6,868,568	7,539,366	52.3%
Wakatipu	2020	304,609	24,808	5,303,136	311	1,057,082	7,925,650	6,507,092	45.1%
Wakatipu	2021	323,873	38,050	5,341,186	311	1,057,082	8,982,732	5,488,060	37.9%
Wakatipu	2022	4,774,387	1,163,371	6,504,556	310	1,053,394	10,036,126	5,598,036	35.8%
			6,504,556				Wakatipu Weighted Debt Funding Ratio		63%

Reserve Improvements and Community Facilities - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Net Cost Balance (2012/13 \$)	Debt %
Wanaka - Reserve Improvements									
Wanaka	2013	689,632	165,437	165,437	221	274,324	274,324	-108,887	-65.8%
Wanaka	2014	284,800	71,481	236,918	221	274,324	548,649	-311,731	-131.6%
Wanaka	2015	155,230	13,028	249,946	221	274,324	822,973	-573,027	-229.3%
Wanaka	2016	740,768	148,735	398,682	221	274,324	1,097,297	-698,616	-175.2%
Wanaka	2017	258,205	27,807	426,489	207	256,650	1,353,947	-927,458	-217.5%
Wanaka	2018	478,204	100,876	527,365	207	256,650	1,610,597	-1,083,233	-205.4%
Wanaka	2019	176,925	13,028	540,393	207	256,650	1,867,247	-1,326,854	-245.5%
Wanaka	2020	187,010	24,027	564,420	207	256,650	2,123,897	-1,559,478	-276.3%
Wanaka	2021	181,205	39,003	603,423	207	256,650	2,380,548	-1,777,124	-294.5%
Wanaka	2022	187,010	16,001	619,424	193	240,298	2,620,845	-2,001,421	-323.1%
			619,424						
							Wanaka Weighted Debt Funding Ratio		0%
Wanaka - Community Facilities									
	Existing Debt			262,202					
Wanaka	2013	733,708	196,807	196,807	221	548,807	548,807	-89,798	-19.6%
Wanaka	2014	515,707	94,093	290,900	221	548,807	1,097,615	-544,512	-98.4%
Wanaka	2015	15,690,684	4,932,860	5,223,761	221	548,807	1,646,422	3,839,540	70.0%
Wanaka	2016	550,018	56,827	5,280,588	221	548,807	2,195,230	3,347,560	60.4%
Wanaka	2017	645,867	38,888	5,319,476	207	513,449	2,708,678	2,873,000	51.5%
Wanaka	2018	737,537	418,209	5,737,685	207	513,449	3,222,127	2,777,760	46.3%
Wanaka	2019	918,104	533,760	6,271,445	207	513,449	3,735,575	2,798,072	42.8%
Wanaka	2020	237,637	2,609	6,274,053	207	513,449	4,249,024	2,287,232	35.0%
Wanaka	2021	341,537	2,609	6,276,662	207	513,449	4,762,472	1,776,392	27.2%
Wanaka	2022	253,222	2,609	6,279,271	193	480,734	5,243,206	1,298,266	19.8%
				6,279,271					
							Wanaka Weighted Debt Funding Ratio		45%

Reserve Improvements and Community Facilities - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Net Cost Balance (2012/13 \$)	Debt %
District Wide - Reserve Improvements									
	Existing Debt			-					
District Wide	2013	40,475	-	-	493	28,232	28,232	-28,232	0.0%
District Wide	2014	-	-	-	493	28,232	56,465	-56,465	0.0%
District Wide	2015	-	-	-	493	28,232	84,697	-84,697	0.0%
District Wide	2016	267,821	82,634	82,634	493	28,232	112,930	-30,296	-36.7%
District Wide	2017	363,650	62,130	144,764	517	29,655	142,585	2,179	1.5%
District Wide	2018	-	-	144,764	517	29,655	172,240	-27,477	-19.0%
District Wide	2019	-	-	144,764	517	29,655	201,895	-57,132	-39.5%
District Wide	2020	-	-	144,764	517	29,655	231,550	-86,787	-60.0%
District Wide	2021	-	-	144,764	517	29,655	261,206	-116,442	-80.4%
District Wide	2022	-	-	144,764	503	28,839	290,045	-145,281	-100.4%
			144,764					District Wide Weighted Debt Funding Ratio	0%
District Wide - Community Facilities									
	Existing Debt			3,159,762					
District Wide	2013	99,173	7,419	7,419	493	32,047	32,047	3,135,134	99.0%
District Wide	2014	52,967	8,047	15,467	493	32,047	64,094	3,111,134	98.0%
District Wide	2015	47,060	508	15,975	493	32,047	96,142	3,079,595	97.0%
District Wide	2016	78,230	13,353	29,327	493	32,047	128,189	3,060,901	96.0%
District Wide	2017	16,500	508	29,835	517	33,662	161,851	3,027,746	94.9%
District Wide	2018	5,500	508	30,343	517	33,662	195,513	2,994,592	93.9%
District Wide	2019	131,085	19,935	50,278	517	33,662	229,175	2,980,865	92.9%
District Wide	2020	5,500	508	50,786	517	33,662	262,838	2,947,710	91.8%
District Wide	2021	5,500	508	51,294	517	33,662	296,500	2,914,556	90.8%
District Wide	2022	53,660	508	51,802	503	32,736	329,235	2,882,328	89.7%
			51,802					District Wide Weighted Debt Funding Ratio	94%

* Where the debt funding proportion is negative, it is assumed to be zero,

Reserve Land - Capital Expenditure for Development Contributions (Excluding GST)

Project Summaries (GL Code Location)	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2012/13 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Queenstown - Reserve Land							
Reserves	17,230,810	17,230,810	-	100%	15,933,094	1825	27.5m ²
		17,230,810	-		15,933,094		27.5m²
Arrowtown - Reserve Land							
Reserves	1,457,403	1,457,403	-	100%	1,911,786	206	27.5m ²
		1,457,403	-		1,911,786		27.5m²
Glenorchy - Reserve Land							
Reserves	606,571	606,571	-	100%	832,753	323	27.5m ²
		606,571	-		832,753		27.5m²
Kingston - Reserve Land							
Reserves	-	-	-	0%	394,398	46	27.5m ²
		-	-		394,398		27.5m²
Wakatipu Rural - Reserve Land							
Reserves	-	-	-	0%	-	-	27.5m ²
		-	-		-		27.5m²
Wanaka - Reserve Land							
Reserves	2,452,443	2,452,443	-	100%	7,272,264	976	27.5m ²
		2,452,443	-		7,272,264		27.5m²
Luggate/Hawea - Reserve Land							
Reserves	2,123,239	2,123,239	-	100%	2,018,073	260	27.5m ²
		2,123,239	-		2,018,073		27.5m²
Makarora - Reserve Land							
Reserves	-	-	-	0%	149,180	33	27.5m ²
		-	-		149,180		27.5m²
Wanaka Rural - Reserve Land							
Reserves	-	-	-	0%	-	0	27.5m ²
		-	-		0		27.5m²

Reserve Land - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Net Cost Balance (2012/13 \$)	Debt %
Queenstown - Reserve Land									
QT	2013	2,072,498	2,072,498	2,072,498	254	2,219,729	2,219,729	-147,232	-7.1%
QT	2014	2,867,664	2,867,664	4,940,162	260	2,273,595	4,493,324	446,837	9.0%
QT	2015	2,160,431	2,160,431	7,100,593	259	2,262,855	6,756,179	344,414	4.9%
QT	2016	2,695,234	2,695,234	9,795,827	261	2,274,614	9,030,793	765,034	7.8%
QT	2017	2,300,853	2,300,853	12,096,680	237	2,070,461	11,101,254	995,426	8.2%
QT	2018	1,553,979	1,553,979	13,650,659	242	2,115,185	13,216,439	434,221	3.2%
QT	2019	3,580,151	3,580,151	17,230,810	77	669,521	13,885,959	3,344,851	19.4%
QT	2020	-	-	17,230,810	77	676,216	14,562,175	2,668,635	15.5%
QT	2021	-	-	17,230,810	78	682,978	15,245,154	1,985,657	11.5%
QT	2022	-	-	17,230,810	79	687,940	15,933,094	1,297,717	7.5%
			17,230,810						
							Queenstown Weighted Debt Funding Ratio		13%
Arrowtown - Reserve Land									
AT	2013	-	-	-	26	236,959	236,959	-236,959	0.0%
AT	2014	1,027,018	1,027,018	1,027,018	26	242,278	479,237	547,781	53.3%
AT	2015	-	-	1,027,018	28	262,623	741,859	285,158	27.8%
AT	2016	-	-	1,027,018	30	278,311	1,020,170	6,847	0.7%
AT	2017	-	-	1,027,018	27	251,619	1,271,789	-244,771	-23.8%
AT	2018	430,385	430,385	1,457,403	28	256,642	1,528,431	-71,028	-4.9%
AT	2019	-	-	1,457,403	10	94,902	1,623,332	-165,930	-11.4%
AT	2020	-	-	1,457,403	10	95,851	1,719,183	-261,781	-18.0%
AT	2021	-	-	1,457,403	10	96,809	1,815,993	-358,590	-24.6%
AT	2022	-	-	1,457,403	10	95,794	1,911,786	-454,384	-31.2%
			1,457,403						
							Arrowtown Weighted Debt Funding Ratio		1%

Reserve Land - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Net Cost Balance (2012/13 \$)	Debt %
Glenorchy - Reserve Land									
GY	2013	432,284	432,284	432,284	42	107,338	107,338	324,947	75.2%
GY	2014	-	-	432,284	43	109,882	217,219	215,065	49.8%
GY	2015	-	-	432,284	50	127,756	344,975	87,309	20.2%
GY	2016	174,287	174,287	606,571	55	140,793	485,769	120,802	19.9%
GY	2017	-	-	606,571	49	126,661	612,430	-5,858	-1.0%
GY	2018	-	-	606,571	50	129,293	741,723	-135,152	-22.3%
GY	2019	-	-	606,571	9	22,419	764,142	-157,571	-26.0%
GY	2020	-	-	606,571	9	22,643	786,785	-180,214	-29.7%
GY	2021	-	-	606,571	9	22,870	809,655	-203,083	-33.5%
GY	2022	-	-	606,571	9	23,098	832,753	-226,182	-37.3%
			606,571						
								Glenorchy Weighted Debt Funding Ratio	7%
Kingston - Reserve Land									
KG	2013	-	-	-	6	53,075	53,075	-53,075	0.0%
KG	2014	-	-	-	6	54,424	107,499	-107,499	0.0%
KG	2015	-	-	-	7	55,945	163,444	-163,444	0.0%
KG	2016	-	-	-	7	57,457	220,901	-220,901	0.0%
KG	2017	-	-	-	6	49,573	270,474	-270,474	0.0%
KG	2018	-	-	-	6	50,633	321,107	-321,107	0.0%
KG	2019	-	-	-	3	23,813	344,920	-344,920	0.0%
KG	2020	-	-	-	3	24,051	368,972	-368,972	0.0%
KG	2021	-	-	-	3	24,292	393,264	-393,264	0.0%
KG	2022	-	-	-	0	1,134	394,398	-394,398	0.0%
			-						
								Kingston Weighted Debt Funding Ratio	0%

Reserve Land - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Net Cost Balance (2012/13 \$)	Debt %
Wakatipu Rural - Reserve Land									
WK - Rural	2013	-	-	-	-	-	-	-	0%
WK - Rural	2014	-	-	-	-	-	-	-	0%
WK - Rural	2015	-	-	-	-	-	-	-	0%
WK - Rural	2016	-	-	-	-	-	-	-	0%
WK - Rural	2017	-	-	-	-	-	-	-	0%
WK - Rural	2018	-	-	-	-	-	-	-	0%
WK - Rural	2019	-	-	-	-	-	-	-	0%
WK - Rural	2020	-	-	-	-	-	-	-	0%
WK - Rural	2021	-	-	-	-	-	-	-	0%
WK - Rural	2022	-	-	-	-	-	-	-	0%
			-						
Wakatipu Rural Weighted Debt Funding Ratio									0%
Wanaka - Reserve Land									
WA	2013	597,018	597,018	597,018	144	1,075,623	1,075,623	-478,605	-80.2%
WA	2014	248,263	248,263	845,280	148	1,101,786	2,177,409	-1,332,128	-157.6%
WA	2015	355,684	355,684	1,200,965	143	1,062,914	3,240,323	-2,039,358	-169.8%
WA	2016	257,259	257,259	1,458,224	134	1,000,840	4,241,163	-2,782,939	-190.8%
WA	2017	221,043	221,043	1,679,267	120	893,032	5,134,195	-3,454,928	-205.7%
WA	2018	218,389	218,389	1,897,656	122	911,710	6,045,905	-4,148,249	-218.6%
WA	2019	554,786	554,786	2,452,443	41	308,740	6,354,645	-3,902,202	-159.1%
WA	2020	-	-	2,452,443	41	302,835	6,657,479	-4,205,037	-171.5%
WA	2021	-	-	2,452,443	41	305,863	6,963,342	-4,510,900	-183.9%
WA	2022	-	-	2,452,443	41	308,922	7,272,264	-4,819,822	-196.5%
			2,452,443						
Wanaka Weighted Debt Funding Ratio									0%

Reserve Land - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Net Cost Balance (2012/13 \$)	Debt %
Luggate / Hawea - Reserve Land									
LG	2013	-	-	-	26	201,656	201,656	-201,656	0.0%
LG	2014	341,752	341,752	341,752	27	206,286	407,942	-66,190	-19.4%
LG	2015	657,398	657,398	999,150	34	267,852	675,794	323,355	32.4%
LG	2016	419,537	419,537	1,418,687	45	350,177	1,025,971	392,716	27.7%
LG	2017	-	-	1,418,687	40	307,336	1,333,307	85,380	6.0%
LG	2018	704,551	704,551	2,123,239	40	313,631	1,646,939	476,300	22.4%
LG	2019	-	-	2,123,239	12	91,403	1,738,342	384,897	18.1%
LG	2020	-	-	2,123,239	12	92,317	1,830,659	292,579	13.8%
LG	2021	-	-	2,123,239	12	93,241	1,923,900	199,338	9.4%
LG	2022	-	-	2,123,239	12	94,173	2,018,073	105,165	5.0%
			2,123,239						
							Luggate Weighted Debt Funding Ratio		18%
Makarora - Reserve Land									
MK	2013	-	-	-	3	12,237	12,237	-12,237	0.0%
MK	2014	-	-	-	3	12,473	24,710	-24,710	0.0%
MK	2015	-	-	-	4	19,554	44,264	-44,264	0.0%
MK	2016	-	-	-	6	29,125	73,389	-73,389	0.0%
MK	2017	-	-	-	6	25,887	99,277	-99,277	0.0%
MK	2018	-	-	-	6	26,398	125,674	-125,674	0.0%
MK	2019	-	-	-	1	5,789	131,463	-131,463	0.0%
MK	2020	-	-	-	1	5,847	137,310	-137,310	0.0%
MK	2021	-	-	-	1	5,905	143,216	-143,216	0.0%
MK	2022	-	-	-	1	5,964	149,180	-149,180	0.0%
			-						
							Makarora Weighted Debt Funding Ratio		0%

Reserve Land - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Net Cost Balance (2012/13 \$)	Debt %
Wanaka Rural - Reserve Land									
WA - Rural	2013	-	-	-	-	-	-	-	0%
WA - Rural	2014	-	-	-	-	-	-	-	0%
WA - Rural	2015	-	-	-	-	-	-	-	0%
WA - Rural	2016	-	-	-	-	-	-	-	0%
WA - Rural	2017	-	-	-	-	-	-	-	0%
WA - Rural	2018	-	-	-	-	-	-	-	0%
WA - Rural	2019	-	-	-	-	-	-	-	0%
WA - Rural	2020	-	-	-	-	-	-	-	0%
WA - Rural	2021	-	-	-	-	-	-	-	0%
WA - Rural	2022	-	-	-	-	-	-	-	0%
			-						
							Wanaka Rural Weighted Debt Funding Ratio		0%

Transportation - Capital Expenditure for Development Contributions

Project Summaries	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2011/12 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Wakatipu							
Advance property purchase	-	-	-	0%	728,955	7,113	102
Amenity Enhancement	-	-	-	0%	326	7,113	-
Associated improvements	3,305,294	991,588	2,313,706	30%	597,771	7,113	84
Cycle facilities	88,600	22,150	66,450	25%	194,178	7,113	27
Demand management	-	-	-	0%	-	7,113	-
Drainage renewals	651,600	162,900	488,700	25%	192,924	7,113	27
Emergency Works Contingency	-	-	-	0%	-	7,113	-
Environmental Renewals	-	-	-	0%	227	7,113	-
Kerb & Channel Construction	-	-	-	0%	216,996	7,113	31
Minor Improvements	7,937,173	1,587,435	6,349,738	20%	688,945	7,113	97
New roads	1,634,560	1,307,648	326,912	80%	1,699,331	7,113	239
New traffic management facilities	-	-	-	0%	-	7,113	-
Other Structures	-	-	-	0%	1,574	7,113	-
Parking Equipment	-	-	-	0%	-	7,113	-
Passenger transport infrastructure	-	-	-	0%	87,325	7,113	12
Passenger transport road improvements	-	-	-	0%	-	7,113	-
Pedestrian and Cycle facilities	-	-	-	0%	727,174	7,113	102
Pedestrian facilities	-	-	-	0%	691,048	7,113	97
Power Reticulation Undergrounding	-	-	-	0%	-	7,113	-
Preventive maintenance	-	-	-	0%	29,599	7,113	4
Property purchase (local roads)	-	-	-	0%	127,325	7,113	18
Replacement of bridges & other structures	440,000	132,000	308,000	30%	30,154	7,113	4
Road reconstruction	626,429	250,571	375,857	40%	910,657	7,113	128
Roading General	-	-	-	0%	1,042,751	7,113	147
Seal extension	-	-	-	0%	563,568	7,113	79
Sealed road pavement rehabilitation	17,634,944	6,172,231	11,462,714	35%	5,651,949	7,113	795
Sealed road resurfacing	9,401,087	2,350,272	7,050,815	25%	1,166,620	7,113	164
Street Furniture	-	-	-	0%	32,433	7,113	5

Transportation - Capital Expenditure for Development Contributions Continued

Project Summaries	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2011/12 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Wakatipu continued....							
Streetlighting	-	-	-	0%	172,265	7,113	24
Structures component replacements	271,500	81,450	190,050	30%	15,047	7,113	2
Studies and strategies	-	-	-	0%	66,975	7,113	9
Town Centre Improvements	-	-	-	0%	1,273,197	7,113	179
Traffic services renewals	613,590	184,077	429,513	30%	101,405	7,113	14
Unsealed road metalling	3,258,000	325,800	2,932,200	10%	133,114	7,113	19
Total	45,862,776	13,568,121	32,294,655	30%	17,143,831		2,410
Wanaka							
Advance property purchase	-	-	-	0%	-	3,052	-
Amenity Enhancement	-	-	-	0%	-	3,052	-
Associated improvements	2,265,022	566,256	1,698,767	25%	144,687	3,052	47
Cycle facilities	88,600	22,150	66,450	25%	166,075	3,052	54
Demand management	-	-	-	0%	2,833	3,052	1
Drainage renewals	135,750	33,938	101,813	25%	57,828	3,052	19
Emergency Works Contingency	-	-	-	0%	-	3,052	-
Environmental Renewals	-	-	-	0%	374	3,052	-
Kerb & Channel Construction	-	-	-	0%	471,176	3,052	154
Minor Improvements	4,573,829	686,074	3,887,755	15%	307,421	3,052	101
New roads	-	-	-	0%	160,003	3,052	52
New traffic management facilities	-	-	-	0%	164	3,052	-
Other Structures	-	-	-	0%	-	3,052	-
Parking Equipment	-	-	-	0%	-	3,052	-
Passenger transport infrastructure	-	-	-	0%	3,648	3,052	1
Pedestrian and Cycle facilities	-	-	-	0%	9,909	3,052	3
Pedestrian facilities	-	-	-	0%	430,221	3,052	141
Power Reticulation Undergrounding	-	-	-	0%	60,978	3,052	20
Preventive maintenance	-	-	-	0%	3,011	3,052	1

Transportation - Capital Expenditure for Development Contributions Continued

Project Summaries	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2011/12 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
Wanaka continued....							
Property purchase (local roads)	-	-	-	0%	24,991	3,052	8
Replacement of bridges & other structures	-	-	-	0%	111,620	3,052	37
Road reconstruction	1,079,953	323,986	755,967	30%	623,846	3,052	204
Roading General	-	-	-	0%	330,886	3,052	108
Seal extension	-	-	-	0%	1,463,578	3,052	479
Seal extension - residential	-	-	-	0%	1,311,361	3,052	430
Sealed road pavement rehabilitation	10,642,511	2,660,628	7,981,883	25%	710,120	3,052	233
Sealed road resurfacing	7,577,164	1,515,433	6,061,731	20%	1,034,292	3,052	339
Street Furniture	-	-	-	0%	8,027	3,052	3
Streetlighting	-	-	-	0%	130,793	3,052	43
Structures component replacements	271,500	67,875	203,625	25%	8,077	3,052	3
Studies and strategies	-	-	-	0%	127,733	3,052	42
Town Centre Improvements	-	-	-	0%	231,561	3,052	76
Traffic services renewals	162,900	40,725	122,175	25%	28,075	3,052	9
Unsealed road metalling	3,095,100	309,510	2,785,590	10%	144,233	3,052	47
Total	29,892,328	6,226,574	23,665,755	21%	8,107,522		2,656
District Wide							
Advance property purchase	-	-	-	0%	-	10,165	-
Amenity Enhancement	-	-	-	0%	-	10,165	-
Associated improvements	44,604	11,151	33,453	25%	7,258	10,165	1
Cycle facilities	-	-	-	0%	-	10,165	-
Demand management	-	-	-	0%	-	10,165	-
Drainage renewals	28,000	7,000	21,000	25%	3,497	10,165	-
Environmental Renewals	-	-	-	0%	-	10,165	-
Emergency Works Contingency	-	-	-	0%	-	10,165	-
Kerb & Channel Construction	-	-	-	0%	1,581	10,165	-
Minor Improvements	21,479	3,222	18,257	15%	7,150	10,165	1
New roads	-	-	-	0%	-	10,165	-
New traffic management facilities	-	-	-	0%	-	10,165	-

Transportation - Capital Expenditure for Development Contributions Continued

Project Summaries	10 Year Total Capital Cost (2012/13 \$)	Capital Cost Funded by Growth (2011/12 \$)	Capital Cost Funded by Other Sources (2012/13 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2012/13 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2012/13 \$)
District Wide continued...							
Other Structures	-	-	-	0%	-	10,165	-
Parking Equipment	-	-	-	0%	-	10,165	-
Passenger transport infrastructure	-	-	-	0%	-	10,165	-
Pedestrian and Cycle facilities	-	-	-	0%	-	10,165	-
Pedestrian facilities	-	-	-	0%	-	10,165	-
Power Reticulation Undergrounding	-	-	-	0%	-	10,165	-
Preventive maintenance	-	-	-	0%	10,407	10,165	1
Property purchase (local roads)	-	-	-	0%	-	10,165	-
Replacement of bridges & other structures	-	-	-	0%	4,601	10,165	-
Road reconstruction	-	-	-	0%	54,365	10,165	5
Roading General	-	-	-	0%	-	10,165	-
Seal extension	-	-	-	0%	110,712	10,165	11
Sealed road pavement rehabilitation	252,241	63,060	189,181	25%	128,787	10,165	13
Sealed road resurfacing	163,606	32,721	130,885	20%	26,901	10,165	3
Street Furniture	-	-	-	0%	-	10,165	-
Streetlighting	-	-	-	0%	-	10,165	-
Structures component replacements	25,000	6,250	18,750	25%	579	10,165	-
Studies and strategies	-	-	-	0%	554	10,165	-
Town Centre Improvements	-	-	-	0%	-	10,165	-
Traffic services renewals	6,000	1,500	4,500	25%	668	10,165	-
Unsealed road metalling	-	-	-	0%	-	10,165	-
Total	540,930	124,904	416,026	23%	357,060		35

Transportation - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment

Contributing Area	Year	CAPEX - QLDC (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Debt %
Wakatipu									
	Existing Debt			16,281,985					
Wakatipu	2013	7,266,974	2,940,446	2,940,446	678	1,634,229	1,634,229	17,588,202	91%
Wakatipu	2014	6,339,495	1,899,488	4,839,934	678	1,634,229	3,268,457	17,853,462	85%
Wakatipu	2015	3,747,303	999,540	5,839,474	678	1,634,229	4,902,686	17,218,773	78%
Wakatipu	2016	3,181,135	800,567	6,640,041	724	1,745,743	6,648,429	16,273,597	71%
Wakatipu	2017	5,076,282	1,426,194	8,066,234	724	1,745,743	8,394,172	15,954,048	66%
Wakatipu	2018	5,286,953	1,503,945	9,570,179	724	1,745,743	10,139,915	15,712,249	61%
Wakatipu	2019	3,974,261	1,076,073	10,646,252	724	1,745,743	11,885,658	15,042,579	56%
Wakatipu	2020	4,099,936	1,094,090	11,740,342	724	1,745,743	13,631,401	14,390,927	51%
Wakatipu	2021	2,875,182	740,796	12,481,138	729	1,756,215	15,387,616	13,375,507	47%
Wakatipu	2022	4,015,255	1,086,983	13,568,121	729	1,756,215	17,143,831	12,706,275	43%
		45,862,776	13,568,121						
							Wakatipu Weighted Debt Funding Ratio		66%
District Wide									
	Existing Debt								
District Wide	2013	138,289	34,188	34,188	993	34,870	34,870	-682	-2%
District Wide	2014	39,316	8,012	42,200	993	34,870	69,740	-27,540	-65%
District Wide	2015	8,932	2,048	44,248	993	34,870	104,610	-60,362	-136%
District Wide	2016	9,945	2,247	46,495	1029	36,127	140,737	-94,242	-203%
District Wide	2017	45,739	9,273	55,768	1029	36,127	176,864	-121,097	-217%
District Wide	2018	21,230	5,240	61,007	1029	36,127	212,992	-151,984	-249%
District Wide	2019	88,833	21,303	82,311	1029	36,127	249,119	-166,808	-203%
District Wide	2020	90,669	21,891	104,202	1029	36,127	285,246	-181,044	-174%
District Wide	2021	87,172	18,287	122,489	1022	35,906	321,153	-198,664	-162%
District Wide	2022	10,804	2,415	124,904	1022	35,906	357,059	-232,155	-186%
		540,930	124,904						
							Wakatipu/Wanaka Weighted Debt Funding Ratio		0%

Transportation - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment Continued

Contributing Area	Year	CAPEX - QLDC (2012/13 \$)	CAPEX for Growth (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Dwelling Equivalents	Contributions Received (2012/13 \$)	Cumulative Contributions Received (2012/13 \$)	Debt Balance (2012/13 \$)	Debt %
Wanaka									
	Existing Debt			8,641,888					
Wanaka	2013	2,689,827	503,000	503,000	315	835,869	835,869	8,309,018	91%
Wanaka	2014	2,318,828	462,324	965,324	315	835,869	1,671,739	7,935,473	83%
Wanaka	2015	2,728,748	553,384	1,518,708	315	835,869	2,507,608	7,652,987	75%
Wanaka	2016	4,707,268	1,055,267	2,573,974	304	808,057	3,315,665	7,900,197	70%
Wanaka	2017	2,811,874	576,158	3,150,133	304	808,057	4,123,722	7,668,299	65%
Wanaka	2018	2,565,108	542,473	3,692,605	304	808,057	4,931,779	7,402,715	60%
Wanaka	2019	3,476,209	762,127	4,454,733	304	808,057	5,739,835	7,356,785	56%
Wanaka	2020	2,360,601	454,987	4,909,719	304	808,057	6,547,892	7,003,715	52%
Wanaka	2021	3,122,354	663,822	5,573,541	294	779,815	7,327,707	6,887,722	48%
Wanaka	2022	3,111,511	653,033	6,226,574	294	779,815	8,107,522	6,760,940	45%
		29,892,328	6,226,574						
							Wanaka Weighted Debt Funding Ratio		65%

Statement of Proposal to Participate as a Guaranteeing Local Authority in the Local Government Funding Agency

Introduction

The Council is considering participating as a “Guaranteeing Local Authority” in the New Zealand Local Government Funding Agency Limited (LGFA), which is a council-controlled trading organisation (CCTO).

The LGFA was established on 1 December 2011 by 18 local authorities and the Crown to enable local authorities to borrow at lower interest margins than would otherwise be available.

All local authorities are able to borrow from the LGFA, but different benefits apply depending on the level of participation. Generally all local authorities borrowing from LGFA will be required to have some shareholding and enter into guarantees in favour of LGFA and other local authorities. Local authorities that have this level of involvement without holding ordinary shares in LGFA are referred to as Guaranteeing Local Authorities. Local authorities which borrow from the LGFA, without entering into the guarantee will be limited in the amount that they can borrow, and will be required to pay higher funding costs.

Statutory Consideration

Section 56 of the Local Government Act 2002 (LGA 2002) provides that a proposal to establish a council-controlled organisation (CCO) (which includes a CCTO) must be adopted by special consultative procedure before a local authority may establish or become a shareholder in the CCO. At any level of participation, including as a Guaranteeing Local Authority, the Council either will become a shareholder, or will enter into commitments that could result in it becoming a shareholder, in LGFA. The purpose of this consultation is to enable the Council to acquire the shares and/or enter these commitments.

Section 102 (6) of the LGA 2002 requires any amendment to a liability management policy or investment policy to be made by way of an amendment to the Long Term Plan (LTP). Both of these provisions are relevant in this case. The Council’s involvement in the LGFA as a Guaranteeing Local Authority is not provided for in the Investment Policy and specifics of the debt raising arrangements go beyond what is currently provided in the Liability Management Policy (particularly the guarantee commitments). It is therefore appropriate to amend these policies (by amending the LTP) using the same special consultative procedure required to comply with section 56. (Section 83A of the LGA 2002 specifically allows for combined special consultative procedures)

Reasons for Proposal

The Council is proposing participating in the LGFA Scheme as a Guaranteeing Local Authority because it believes that it will enable it to borrow at lower interest margins, and that this benefit outweighs the costs associated with the LGFA Scheme.

The Council is consulting on this proposal for the reasons set out above under “Statutory Consideration”.

Analysis of Reasonably Practicable Options

The reasonably practicable options are as follows:

- Participate in the LGFA Scheme as a Principal Shareholding Local Authority.
- Participate in the LGFA Scheme as a Guaranteeing Local Authority, but not a Principal Shareholding Local Authority (preferred option).
- Participate in the LGFA Scheme, but not as a Principal Shareholding Local Authority or as a Guaranteeing Local Authority.
- Not participate in the LGFA Scheme.

Should the Council participate in the LGFA Scheme as a borrower?

The Council has current borrowings of \$100 million. This is projected to increase to \$159 million by 2015 and \$170 million by the end of the 10 year period. Consequently, the benefits of lower interest margins are significant. On the basis of the modelling done by Cameron Partners and Asia Pacific Risk Management to date, the Council anticipates saving approximately \$50,000 per \$10 million of debt, per annum. Although the modelling is based on a number of assumptions, this number gives an indication of the scale of potential savings. The Council believes that the benefit of these savings outweighs the costs referred to in the cost/benefit analysis.

Consequently, the Council proposes that option (d) is not adopted.

Should the Council participate in the LGFA Scheme without being a Guaranteeing Local Authority?

If the Council was to join the LGFA Scheme without being a Guaranteeing Local Authority, the potential cost of participating would be less. However, it would face higher funding costs, reducing the benefit of participating, and it is likely that it would only be able to borrow up to \$20 million, meaning the benefits would be limited to a small portion of its borrowing.

Consequently, the Council is proposing to participate as a Guaranteeing Local Authority, and therefore proposes that option (c) is not adopted.

Should the Council participate in the LGFA Scheme as a Principal Shareholding Local Authority?

For the Council to participate in the LGFA Scheme as a Principal Shareholding Local Authority, it would need to:

- invest a minimum of \$100,000 towards the LGFA’s capital;
- commit to paying an additional capital contribution if required by the LGFA; and
- commit to use the LGFA for at least 80% of its borrowing for the next three years (where the term of the borrowing is at least 12 months).

The Council does not consider that such an investment and commitments are justified in the circumstances. Overall, it considers that the benefits of being a Principal Shareholding Local Authority do not outweigh the costs.

Consequently, the Council is proposing that option (a) is not adopted. This means that option (b) is the Council’s preferred option.

Proposed amendments to the Investment Policy and Liability Management Policy to allow for participation in the LGFA

Both these policies are included in the draft LTP. The proposed policies include variations from the current policies so as to enable the Council's proposed involvement in the LGFA.

Investment Policy

The proposed Investment Policy makes it clear that the Council is able to enter into a commitment that could result in it becoming a shareholder in the LGFA. As a condition of borrowing from the LGFA, the Council would need to agree to the issue of borrower notes to the value of 1.6% of the total amount borrowed. These will be held by the LGFA while the borrowing is outstanding and may in certain situations convert to shares in the LGFA.

Also, as a Guaranteeing Local Authority the Council is required to commit to subscribe for redeemable shares in LGFA in certain circumstances.

The following wording is included in the Investment Policy:

Local Government Funding Agency (LGFA)

Despite anything earlier in this Policy, the Council may invest in shares and other financial instruments of the New Zealand LGFA and, may borrow to fund that investment. The Council's objective in making such investment will be to:

- Obtain a return on investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for Council.

Because of the dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternate investments.

If required in connection with the investment, the Council may subscribe for un-called capital in the LGFA.

Liability Management Policy

The proposed Liability Management Policy makes it clear that the Council may participate in the LGFA Scheme, including borrowing from the LGFA and entering into the transactions relating to that borrowing.

The primary objective of these changes is to allow borrowing by the Council at lower interest margins than it currently faces.

The following wording is included in the draft Liability Management Policy:

Local Government Funding Agency (LGFA)

Despite anything earlier in this Policy, the Council may borrow from the New Zealand LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required;

- Subscribe for shares and uncalled capital in the LGFA; and
- Secure its borrowings from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

Treasury Management Policy

a) Liability Management Policy

Introduction and Application

Introduction

This liability management policy has been prepared pursuant to sections 102(4)(b) and 104 of the Local Government Act 2002.

The Council's borrowing programme for any particular year will be approved as part of the Council's Annual Planning process, which is affected by projections made in the Council Community Plan.

Generally, borrowing will be identified as a funding mechanism only for capital or long term projects which will provide benefits into the future.

The only borrowing to meet operating costs will be the use of overdraft facilities or other short term facilities to cover temporary fluctuations in cash flow.

General Provisions

Borrowing Limits

Council's borrowing limits are:

Ratios	Acceptable Range %
Interest Expense/Rates	<25
Interest Expense/ Total Revenue	<15
Net Debt / Total Revenue	<200
Net Debt / Equity	<20

For the purpose of calculating the ratios above:

Interest Expense = Interest expenses recorded in Council's accounts

Net Debt / Equity = Debt less any sinking funds

Form of Borrowing

Council may obtain funding utilising the following methods:

- Bank Debt
- Capital market issuance comprising Fixed Rate Bonds, Medium Term Notes and Floating Rate Notes

Local Government Funding Agency (LGFA)

Despite anything earlier in this Policy, the Council may borrow from the New Zealand LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- Subscribe for shares and uncalled capital in the LGFA; and
- Secure its borrowings from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

Hire Purchase, Deferred Purchase and Trade Credit

These arrangements are not considered to be borrowing under the terms of the Act.

Other

Instruments not specifically referred to in this policy may only be used with specific Council approval.

Security

It is Council's general policy to offer security for its borrowing by way of negative pledge or a charge over its rates.

In the normal course, the Council's policy is not to offer security over any of the other assets of the Council. However:

- where borrowing is by way of finance lease, or some other form of trade credit under which it is normal practice to provide security over the asset concerned, or
- where the Council considers doing so would help further its community goals and objectives, the Council may decide to offer security over the asset.

Policies

Interest Rate Exposure Policy

Council will manage its borrowing activities prudently in the best interests of the District, its inhabitants and ratepayers. In furtherance of this goal, Council will keep the following objectives firmly in mind:

- Ensure QLDC's continued ability to meet its debts in an orderly manner as and when they fall due in both the short and long term, through appropriate liquidity and funding risk management.
- Arrange appropriate funding facilities for QLDC, ensuring they are at market related margins utilising bank debt facilities and/or capital markets as appropriate.
- Maintain lender relationships and QLDC's general borrowing profile in the local debt and, if applicable, capital markets, so that QLDC is able to fund itself appropriately at all times.
- Control QLDC's cost of borrowing through the effective management of its interest rate risk, within the interest rate risk management limits established by the LMP.
- Ensure compliance with any financing/borrowing covenants and ratios.
- Maintain adequate internal controls to mitigate operational risks.
- Produce accurate and timely information that can be relied on by senior management and Council for control and exposure monitoring purposes in relation to the debt raising activities of QLDC.

Prudent selection of funding instruments and mix should help the Council achieve its low debt servicing costs and risk minimisation objectives.

Debt Repayment Policy

It is Council's general policy to repay debt as it falls due. This will be repaid from accumulated funds, reserve funds, contributions, land sales or a combination of these methods depending on the project the loan was raised for. If the loan was raised for a period less than a term the Council considers appropriate for the project, part of the balance will be financed with new debt.

The Council may repay debt before maturity in special cases where the circumstances suggest that this would be in the best interest of residents and ratepayers.

Total debt levels are determined through the Council Community Plan and Annual Plans.

Liquidity Policy

The Council will strive to ensure the timely availability of funds to meet the Council's various expenditure needs, preferably without incurring penalties or holding unnecessary cash reserves. The Council will:

- match revenue requirements with expenditure streams, ensuring any timing differences, if any, are favourable for the Council;
- ensure replacement funds are available no later than the debt repayment date;
- avoid concentration of debt maturity dates no more than \$50 million or 50% of debt, whichever is the lesser, can be subject to refinancing in any 12 month period;
- QLDC must maintain committed funding lines of not less than 105% of projected core debt.

Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Chief Financial Officer.

Credit Exposure Policy

Council will only enter incidental arrangements with credit worthy counter parties.

Credit worthy counterparties are selected on the basis of their current Standard and Poors (S&P) rating which must be A- or better.

Other Matters

Borrowing for Cash Management Purposes

This section applies to what might be described as borrowing to manage day to day fluctuations in cash flow.

Council will maintain an overdraft facility not exceeding a limit of \$500,000 for day to day cash management purposes.

Council may maintain a standby credit facility for urgent financing in emergencies.

Incidental Arrangements

"Incidental arrangement" is defined to mean:

- a) *A contract or arrangement for the management, reduction, sharing, limiting, assumption, offset, or hedging of financial risks and liabilities in relation to any investment or investments or any loan or loans or other incidental arrangement, whether or not that contract or arrangement involves:

 - i. *The expenditure, borrowing, or lending of money; or*
 - ii. *The local authority undertaking to make payments in exchange for another person undertaking to make payments to the local authority; or*
 - iii. *The creation or acquisition or disposal of any property or right; or**

- b) *A contract or arrangement with any bank, financial institution, or other person providing for any person to act as underwriter, broker, indemnifier, guarantor, accommodation party, manager, dealer, trustee, registrar, or paying, fiscal, or other agent for, or in connection with, any loan or investment.*

Hedging

Hedging instruments may be used for risk management purposes, on advice from financial advisors.

The following table details the Fixed Rate Hedging Percentages which shall apply to the projected core debt of QLDC:

	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 - 2 Years	50%	100%
2 - 5 Years	25%	80%
5 - 10 Years	0%	60%

That the following interest rate risk management instruments may be used to manage the core debt of QLDC:

- a) Interest rate swaps.
- b) Swaptions (options on swaps).
- c) Interest rate options, including collar type structures but only in a ratio of 1:1.
- d) Forward rate agreements.

Agents

Council may appoint only reputable persons or companies to fulfil the following roles:

- Registrars/paying agents
- Brokers
- Trustees

Other

Other forms of incidental arrangement may only be entered into with a specific resolution of Council.

b) Investment Policy

General

Introduction

This investment policy has been prepared pursuant to sections 102(4)(c) and 105 of the Local Government Act 2002. It applies to the management of the Council's financial and equity investments.

Overview

The Council has a variety of investments which at any time may include cash, trust funds, special funds, shares, property held for investment purposes and financial reserves.

These investments are acquired, held and realised by the Council in furtherance of the community goals and objectives which are identified in the Council's Community Plan and each Annual Plan.

In managing its investments the Council is not driven by commercial considerations alone. As a public body the Council is accountable to the community in terms of community health, safety, benefit and well-being and these considerations may lead to the Council making investment decisions which would not have been made on commercial/financial considerations alone.

In managing its investments in accordance with its general policy the Council seeks to:

- achieve the goals and objectives set out in the Council Community Plan and the Annual Plan.
- balance the protection of its investment with maximising investment return.
- ensure investments are of a type which provide the Council with funds when required.

Policies

Mix of Investments

Nature of Investment	Term	Rationale for retention
Cash Investments	Short term	To meet cash flow requirements
Shares/equity	Long term	To support the strategic objectives of the Council and the District
Investment Property	Variable	To provide a commercial return to Council

It should be noted that Council does have some investments that do not currently meet these criteria, particularly some land holdings. The future of these are under review and it will be decided if these will be held to meet future core function requirements or will be disposed when it is considered that it is appropriate.

Acquisitions of New Investments

Call and short term: delegated to Council staff to invest in approved institutions.

Medium to long term: through the Council, having regard to the goals, objectives and provisions of the Council's long term financial strategy and annual plans.

Use of Revenue from Investments

Revenue from funds which are reserved for particular purposes is added to that fund. Revenue from other investments used to offset general rates.

Revenue from Asset Sales

Revenue from asset sales will be used to repay debt or fund the purchase of new assets. If there are no appropriate uses available at the time of disposal, it will be held in a separate fund until there are.

Other Matters

Procedures for Management and Reporting to Council

The Council's procedures for the management of investments and associated reporting to Council involve reporting results of investment to the Council through the Finance Committee on a bi-monthly basis.

Risk Management

In managing its investments Council always seeks to protect its investments and manage its risk.

When investing the Council will adhere the provisions of the investment matrix (see Appendix 1) which clearly sets out the parameters under which Council will manage its financial market investment activities.

The Council also has statutory obligations to properly administer, manage, and account for its funds. In particular the Council must make its investments in accordance with the provisions of the Trustee Act 1956

as they apply to the investment of trust funds. This requires the Council to exercise the care, diligence, and skill that a prudent person of business would exercise in managing the affairs of others. The Council may consider, in making any investment decisions:

- The desirability of diversifying investments.
- The nature of existing investments.
- The risk of capital loss or depreciation.
- The potential for capital appreciation.
- The likely income return.
- The length of the term of the proposed investment.
- The marketability of the proposed investment during, and on the determination of, the term of the proposed investment.
- The effect of the proposed investment in relation to tax liability.
- The likelihood of inflation affecting the value of the proposed investment.

Local Government Funding Agency (LGFA)

Despite anything earlier in this Policy, the Council may invest in shares and other financial instruments of the New Zealand LGFA and, may borrow to fund that investment. The Council's objective in making such investment will be to:

- Obtain a return on investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for Council.

Because of the dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternate investments.

If required in connection with the investment, the Council may subscribe for un-called capital in the LGFA.

Authorised Investment Criteria for Short and Long Term Investment Activities

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	<ul style="list-style-type: none"> Government Stock Treasury Bills 	Not applicable	Unlimited
Rated Local Authorities	70%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$3.0 million \$2.0 million \$3.0 million \$5.0 million
Local Authorities where rates are used as security	60%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Not Applicable	\$2.0 million \$2.0 million
New Zealand Registered Banks	100%	<ul style="list-style-type: none"> Call/Deposits/Bank Bills/ Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better	\$10.0 million \$2.0 million \$5.0 million
State Owned Enterprises	70%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of BBB+ or better Long term S&P rating of A+ or better	\$3.0 million \$1.0 million \$3.0 million
Corporates *	60%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$2.0 million \$1.0 million \$2.0 million \$3.0 million
Financials *	30%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$2.0 million \$1.0 million \$2.0 million \$3.0 million

* The combined holding of Corporates and Financials shall not exceed 70%. Council approval is required if QLDC wishes to hold non complying investments.

Equal Employment Opportunity

Policy Statement

Everybody in New Zealand is entitled by law to equal treatment in their employment. The Queenstown Lakes District Council supports this and has an Equal Employment Opportunity Policy to help ensure that this is a reality.

When making employment related decisions, the Council will make sure that employees are not treated unfairly because of their: age, sex, ethnic or national origins, marital status, religious or ethical beliefs or disability.

Employment related decisions include: appointments, terms of employment, conditions of work, training, promotion, transfer, dismissal or other disciplinary action.

The Council will provide a working environment which is free from sexual harassment.