

QLDC Council

19 September 2024

Report for Agenda Item | Rīpoata moto e Rāraki take [9]

Department: Chief Executive

Title | Taitara : Chief Executive's Report

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to report on items of general interest that do not require a full officer report and to summarise recent meetings of Standing Committees and the Wānaka-Upper Clutha Community Board.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;

Shotover Jet Price Increases

2. **Approve** the following price increases for Shotover Jet Queenstown effective from 1 October 2024:

	Current	Proposed
Adult	\$159	\$169
Child	\$89	\$95
Family	\$407	\$433

Procurement Plan for Facilities Maintenance Management

3. **Delegate** to the Chief Executive the authority to approve a Procurement Plan for facilities maintenance management services and associated procurement and task management, enabling Council to go to open market to procure Facilities Maintenance Management services;
4. **Note** that officers will provide a facilities maintenance management report at the end of financial year to the Infrastructure Committee and a facilities maintenance management report to full Council prior to the proposed contract extension (currently at years five and seven of the Procurement Plan);

Approval of 2025 Meeting Schedule

5. **Adopt** the 2025 schedule of ordinary meetings of the full Council, Standing Committees and the Wānaka-Upper Clutha Community Board;

Hearing Panel for removal of all elderly housing units from the Schedule of Assets and transfer to the Queenstown Lakes Community Housing Trust

6. **Revoke** the following resolution of Council of 4 May 2024:
Appoint a hearing panel of Councillors Gladding, Guy and Wong to hear submissions and make recommendations on the proposed removal of all elderly housing units from the schedule of assets and proposed transfer of the elderly housing portfolio to the Queenstown Lakes Community Housing Trust;
7. **Retrospectively approve** a hearings panel of Councillors Cocks, Guy and Wong to hear submissions and make recommendations on the proposed removal of all elderly housing units from the schedule of assets and proposed transfer of the elderly housing portfolio to the Queenstown Lakes Community Housing Trust;

Hearing Panel for lease of reserve to Otago Regional Council for an air quality monitoring station

8. **Appoint** a hearing panel containing three (3) Councillors (to be named) to hear submissions and make recommendations on the lease to Council on the lease of reserve land to Otago Regional Council for an air quality monitoring station on Kawarau Falls Reserve, Frankton;

Hearing Panel for lease of reserve to Arrowtown Village Association to store civil defence equipment

9. **Appoint** a hearing panel containing three (3) Councillors (to be named) to hear submissions and make recommendations on the lease to Council on the lease of reserve land to Arrowtown Village Association in order to store civil defence equipment on Jack Reid Park, Arrowtown;

Progress Update on Kā Huanui a Tāhuna, Whakatipu Transport Programme Alliance

10. **Note** the contents of this update;

Tyre Product Stewardship Scheme

11. **Note** the contents of this update;

Arterial Road Naming

12. **Note** the decision of the Chief Executive under delegated authority to name the new section of road linking Melbourne Street to Henry Street as *Henry Street*;

Recommendations from Wānaka-Upper Clutha Community Board

Draft Mount Iron Reserve Management Plan

13. **Approve** the draft Mount Iron Reserve Management Plan for public notification in accordance with section 41 (6) of the Reserves Act 1977;

Minister's approval for Upper Clutha Agricultural and Pastoral Society to undertake alterations to the existing A&P building on the Wānaka Recreation Reserve

14. **Grant** the Minister's approval (under delegation from the Minister of Conservation) to the Upper Clutha Agricultural and Pastoral Society for the planned alterations to the Agricultural and Pastoral Society building on the Wānaka Recreation Reserve.

Wānaka Tennis Club Incorporated – Approval of New Lease

15. **Grant** a new lease to the Wānaka Tennis Club, under sections 54(1)(b) and (c) of the Reserves Act 1977. The proposed lease is upon land legally described as part Sections 1, 2, 5, 6 and 7 Block XXXV Town of Wānaka, and Section 1 SO 24567. The proposed lease is subject to the following conditions:

Commencement	1 January 2025
Term	Thirty (30) years being an initial term of ten (10) years from 1 January 2025 with two (2) rights of renewal for terms of ten (10) years each
Final Expiry	31 December 2054
Rent	Pursuant to Community Facility Funding Policy (\$1 per annum at commencement)
Rent Reviews	To be undertaken throughout the term in accordance with the Community Facility Funding Policy or successors
Use	Tennis and activities directly related to Tennis Club activity
Operational costs	All rates and charges associated with the land to be paid for by lessee
Assignment/Sublease	Subject to Council approval
Liability Insurance	\$2 million
Expiry Conditions	Lessee can elect to remove improvements and make good, or improvements to revert to Council ownership with no compensation payable.
Break Clause	Council can give a one-year cancellation notice, if the land is required for the 'provision of core infrastructure services'
Maintenance	All maintenance of the building and property, including gardening to be paid for by lessee
Preparation of Lease	All associated legal costs to be paid by the Wānaka Tennis Club

Prepared by:



Name: Mike Theelen
Title: Chief Executive
29 August 2024

Context | Horopaki

Shotover Jet Pricing Adjustment

1. In 2005, Queenstown Lakes District Council (QLDC) granted Shotover Jet Limited a Concession Agreement to operate a commercial jetboat operation on the Shotover River. The final expiry of this Concession Agreement is 31 March 2029, corresponding with the end of the current 5-year renewal period, which started on 1 April 2024.
2. Clause 7.6 of the Concession Agreement states that: *“Shotover Jet shall not increase, or notify or publicise any increase to the price or other charge for rides on the River unless Shotover Jet has first consulted with the Council and the Council has agreed to such increase”*.
3. In accordance with this policy, Shotover Jet is requesting Council’s review and approval of the following price increases, effective from 1 October 2024:

	Current	Proposed
Adult	\$159	\$169
Child	\$89	\$95
Family	\$407	\$433

4. Shotover Jet’s rationale behind the price increase is to address its rising operational costs, particularly in fuel and labour. The request from Shotover Jet regarding pricing is **Attachment A**.
5. Council officers recommend approval of the proposed increase that ranges between 6% and 7%.

Procurement Plan for Facilities Maintenance Management

6. QLDC is the local authority to one of the fastest growing regions in New Zealand. The Council owns and maintains a diverse property and facilities portfolio which requires planned and reactive maintenance and renewals to ensure that its buildings are safe, compliant and efficient.
7. As the facilities portfolio has grown, the Facilities Maintenance Management (FMM) approach has been to add single trades building by building to meet the maintenance demands. This has grown over time to a multiple trade service delivery model that has become increasingly less effective to control and procure both in terms of costs as well as service delivery.
8. Services are currently procured individually, due to the absence of any overarching contract. However, because of the increased scale of the required services it is deemed to be more effective to engage a main or ‘lead’ contractor rather than individual trades. The lead contractor will self-deliver some services and rely on the local supply chain to deliver the rest. The cost for the proposed term of services (eight years) is estimated to be approximately \$43 million, with \$15 million in OPEX and \$28 million in renewals (capex). This cost exceeds the Chief Executive’s financial delegations.
9. In accordance with QLDC’s Procurement Policy, procurement must consider both the cost of maintenance management services and the cost of maintenance for the term of the contract (eight years). It is proposed that QLDC will appoint a single supplier or streamlined group to provide all its FMM. Officers have prepared a Procurement Plan and associated Request for Proposal (RFP) documentation to release to the open market for a contestable sourcing process.

10. The Council is asked to delegate authority to the Chief Executive to approve a Procurement Plan for FMM. Once the evaluation and procurement process has concluded, officers will bring back a recommendation to Council to delegate the power to the Chief Executive to enter into a contract with the preferred supplier. This approach is consistent with the Council’s Procurement Policy, where the default approach is sourcing by open market engagement. A draft of the proposed Procurement Plan is attached as **Attachment B**.

Adoption of 2025 Meeting Schedule

11. The Local Government Act 2002 requires a local authority to “hold the meetings that are necessary for the good government of its region or district.” Further, if a local authority adopts a schedule of meetings, the schedule “may cover any future period that the local authority considers appropriate.”
12. Council’s current meeting schedule covers the period until December 2024. Accordingly, a new schedule of ordinary Council, Standing Committees and Wānaka-Upper Clutha Community Board meetings needs to be adopted in accordance with Clause 19(6)(a)(i) Schedule 7 of the Local Government Act 2002.
13. The proposed meeting dates until the local election on 11 October 2025 are set out in the attached table (**Attachment C**), noting that the actual meeting schedule may be amended at any time according to operational needs. Monthly updates are published and these provide the authoritative version of which meetings are to be held within any given month.
14. The proposed meeting dates follow a similar recurrence and sequence of Council/committee/community board meetings as those held during 2024, with some irregularities to take account of public holidays and certain statutory deadlines.
15. In 2025, it is proposed to hold three Council meetings in Wānaka, one in Arrowtown and a mixture of committee meetings in Wānaka. The balance of meetings will take place in the Whakatipu.

Hearing Panel to remove the Elderly Housing Portfolio from Schedule of Assets and transfer to Queenstown Lakes Community Housing Trust (QLCHT)

16. The Council resolved to appoint a hearing panel to hear submissions on the Statement of Proposal to remove the Council’s Elderly Housing Portfolio from the Schedule of Assets and transfer the properties to the QLCHT at its meeting held on 2 May 2024. The officer report recommended that a hearing panel of three members be appointed and the Council agreed to appoint Councillor Gladding, Councillor Guy and Councillor Wong as the hearing panel. No quorum was specified but the recommendation required a panel of three and officers concluded that all members needed to be present for a hearing to take place.
17. The hearing of submissions was scheduled to take place prior to the Long Term Plan hearings on Monday, 26 August 2024. In the week prior to the proposed hearing, Councillor Gladding advised that she felt unable to take up her position on the hearing panel due to the other existing Councillor commitments that week.

18. The consultation had taken place alongside the Long Term Plan and so that the projects remained aligned, it was important to hold the hearing on the original hearing date. Accordingly, an approach was made to the Councillors to appoint a replacement member and so that the panel contained a representative from each Ward in the District, it was agreed to fill the vacancy from the Wānaka-Upper Clutha Ward, Councillor Lyal Cocks volunteered to fill the position.
19. To regularise this change, it is recommended that the previous resolution be revoked and retrospective approval be given to the revised membership of the hearing panel for the hearing of submissions on removing the Elderly Housing Portfolio from Schedule of Assets and transferring to QLCHT.

Establishment of new Hearing Panels

20. In mid-August 2024, under the General Manager, Community Services' delegated authority, two proposed leases were publicly notified, inviting submissions. The proposed leases are as follows:
- A new reserve lease to the Otago Regional Council to site an air quality monitoring station on Kawarau Falls Reserve, Frankton; and
 - A new lease over reserve land to the Arrowtown Village Association for storing civil defence equipment on Jack Reid Park.
21. If the Council receives submissions from submitters who wish to be heard, provision needs to be made for a hearing to take place. Submissions for both notified leases close on 17 September 2024 and hearings could take place any time after 1 October 2024.
22. Accordingly, the Council is asked to form two hearing panels, each containing three members with authority to hear submissions and recommend to Council either to grant or to decline a lease to the relevant party.

Progress Update on Kā Huanui a Tāhuna, Whakatipu Transport Programme Alliance

23. Attached (as **Attachment D**) is a report for the period ending 31 July 2024 providing an update on the Council's work programme being completed on its behalf by the Kā Huanui a Tāhuna, Whakatipu Transport Programme Alliance.
24. It is proposed that this will be a regular update (delivered via the Chief Executive's Report) and is in response to the resolution requiring this information to be provided on a regular basis.

Tyre Product Stewardship Scheme

25. At Council meeting held on 6 June 2024, it was resolved to delegate the Chief Executive the authority to make an adjustment to the waste fees and charges in relation to tyres prior to September, in order to comply with the requirements of a new tyre product stewardship scheme.
26. From 1 September 2024, Tyrewise (scheme provider) pays for collections of end-of-life tyres from registered retailers, generators and collection sites using a fee that is collected at time of import. These tyres will be delivered to registered processors by the scheme provider.

27. The changes implemented from 1 September 2024 are as follows:

- There is no charge for the acceptance of tyres at the refuse transfer stations, with a limit of five tyres per person. This is required under the compulsory product stewardship scheme for all pneumatic (air-filled) tyres and solid tyres for use on motorised vehicles, including cars, trucks, buses, motorcycles, aircraft and off-road vehicles ('regulated tyres'). Before 1 September, the fee charged for tyres accepted at the Transfer Stations was \$593.50 per tonne, but from 1 September, this is \$0 per tonne.
- Tyres are no longer accepted at landfill, only at the refuse transfer stations, eliminating the double handling, with the scheme provider collecting directly from transfer stations.
- In order to comply with acceptance criteria of the scheme, tyres must be de-rimmed. A de-rimming charge was introduced for tyres presented on rims (\$8.50 each car tyre, \$14.50 each truck tyre) based on actual current costs to de-rim tyres.
- The nominal fee paid by the scheme is managed by Waste Management New Zealand as operator of the facilities and used to offset the costs of complying with the scheme. The nominal fee paid by the scheme is dependent on the number of tyres collected and the frequency of those collections.
- Approximately 30-34 tonnes of legacy tyres collected prior to 1 September 2024 will be dealt with outside the scheme. Quotes to do this are currently being obtained.
- Council will retain the current Land Use Consent (expiring in 2042) enabling the storage of tyres at landfill, should the need arise, providing a contingency plan for Council.

Arterial Road Naming

28. The construction of the Arterial Stage 1 Road has resulted in a new section of road linking Melbourne Street to Henry Street and this new section of road needs to be named.

29. Naming new road sections that connect to existing roads can have implications for existing properties that have addresses on adjoining roads. When a new section of road is named, the goal where possible is to minimise the impact on existing residents surrounding the road to be named.

30. The preferred option is that this new section of road becomes a continuation of **Henry Street** from where the existing Henry Street joins the new section of road to where the new arterial section joins the existing junction of Beetham Street and Melbourne Street. This will result in Henry Street now starting at the junction of Melbourne and Beetham Street. A map illustrating the new section of road is **Attachment E**. Naming the new section of road as a continuation of Henry Street has no impact on the numbering or addresses of existing properties on Henry Street or Melbourne Street.

31. Road naming of this type is a decision that can be made by the Chief Executive under delegated authority and the purpose of advice in this report is for members' information only.

Recommendations from Wānaka-Upper Clutha Community Board

Mount Iron Reserve Management Plan

32. The Council purchased part of Mount Iron and Little Mount Iron in May 2023. The area has been gazetted as a Recreation Reserve under the Reserves Act 1977 ('the Act'). Under Section 41 of the Act, all recreation reserves under Council's administration are required to have reserve management plans, prepared in accordance with the Act.
33. In June 2023, the Wānaka-Upper Clutha Community Board approved the intention to notify the preparation of a Mount Iron Reserve Management Plan and there was extensive engagement with the community and stakeholders over the remainder of the year to inform content of the draft Reserve Management Plan.
34. A draft Reserve Management Plan setting out the vision, character and intended use of the reserve was presented to a meeting of the Wānaka-Upper Clutha Community Board on 22 August 2024. The Board has recommended that the Council approve the draft Mt Iron Reserve Management Plan for public notification (as all duties under the Reserves Act 1977 sit with the full Council).

Minister's approval for Upper Clutha Agricultural and Pastoral Society to undertake alterations to the existing A&P building on the Wānaka Recreation Reserve

35. The Upper Clutha Agricultural and Pastoral ('A&P') Society has a lease for 33 years for 930m² of the Wānaka Recreation Reserve. The land contains the society's storage and administration building and the current lease will last until 31 August 2048.
36. The A&P Society wants to upgrade its existing premises and this is permitted under the conditions of the lease. The following alterations are planned:
- Paint the roof, ends and rear of building in a combination of light and dark greyish colours
 - Clad the front wall under the front porch, with macrocarpa boards over top of existing steel
 - Clad the pillars with schist stone
 - Replace rear guttering to stop water and leaf ingress
 - Partition an additional internal area, (adjoining existing office) for another office
37. The Minister's approval is expressly required within the lease and this is delegated to the full Council and the Board has recommended that this be approved.

Wānaka Tennis Club Incorporated – Approval of New Lease

38. The Wānaka Tennis Club leases land from the Council, described as part of Sections 1, 2, 5, 6 and 7 Block XXXV Town of Wānaka and Section 1 SO 24567. The area of the lease is 8,167m².
39. The Wānaka Tennis Club has sought a greater term to occupy the site, hence a new proposed 30 year lease was notified for public submissions earlier this year. If approved, the Wānaka Tennis Club would enter into a new 30-year lease and surrender its current lease with a new final expiry date in 2054.

40. No submissions were received and the Council is asked to approve the recommendation from the Wānaka-Upper Clutha Community Board to grant the new lease to the Wānaka Tennis Club, subject to standard conditions.

Committee Meetings of the Previous Round

Planning & Strategy Committee – Councillor Cocks (Chair) (30 July 2024)

Information:

1. Strategic Growth Update
2. Proposed District Plan Updates and Other Key Projects
3. Update on Proposed District Plan Appeals*
4. Update on Resource Consent Appeals*

Community & Services Committee – Councillor Ferguson (Chair) (8 August 2024)

Information:

1. Navigation Safety Bylaw
2. Chair's Report

Extraordinary Planning & Strategy Committee* – Councillor Cocks (Chair) (15 August 2024)

Information:

1. General and Industrial and Service Zone Appeal – Cardrona Cattle Company
2. Otago Regional Council Policy Statement (Freshwater Instrument) Review

Governance Subcommittee* – Mayor Glyn Lewers (Chair) (15 August 2024)

Recommendation:

1. Recommendation to appoint Chair for the Queenstown Airport Corporation Board of Directors**

Chief Executive Performance Review Committee* – Mayor Glyn Lewers (Chair) (15 August 2024)

Information:

1. Chief Executive's Performance Review**

Wānaka-Upper Clutha Community Board – Mr Simon Telfer (Chair) (22 August 2024)

Recommendation:

1. Draft Mount Iron Reserve Management Plan
2. Minister's approval for Upper Clutha Agricultural and Pastoral Society to undertake alterations to the existing A&P building on the Wānaka Recreation Reserve
3. Wānaka Tennis Club Incorporated – Approval of New Lease

Information:

4. Otago Regional Council air quality and environmental monitoring station lease in Upton Street Reserve
5. Licence to Occupy at Wānaka-Mt Aspiring Road
6. Chair's Report

Infrastructure Committee – Councillor Bartlett (Chair) (29 August 2024)

Information:

1. Queenstown Package (formerly NZUP) Traffic Control Devices

Planning & Strategy Committee – Councillor Cocks (Chair) (5 September 2024)

Information:

1. Update on the Te Tapuae Southern Corridor Plan process
2. Joint Housing Action Plan Update
3. Proposed District Plan Updates and Other Key Projects
4. Update on Proposed District Plan Appeals*
5. Authorisation to Mediate Skippers Rural Visitor Zone*
6. Authorisation to Mediate Walter Peak Special Zone*

Audit, Finance & Risk Committee – Mr Stuart McLauchlan (Chair) (12 September 2024)

Information:

1. Risk and Compliance Update
2. Sensitive Expenditure
3. Organisational Health, Safety and Well-Being Report
4. Climate and Biodiversity Plan Update
5. Lakeview Update
6. Deloitte Planning Report for 2023/24 Audit
7. Audit of the Long Term Plan 2024-34*
8. Legal Update*
9. Treasury Update*
10. Internal Audit Report September 2024*

*Public excluded items or meetings

**These are the subject to separate reports on this agenda.

Attachments | Kā Tāpirihaka

A	Request from Shotover Jet re pricing structure for 2024/25
B	Queenstown Lakes District Council Procurement Plan for Facilities Maintenance Management Services
C	Proposed 2025 Meeting Schedule
D	Queenstown Lakes District Council progress update on Kā Huanui a Tāhuna, Whakatipu Transport Programme Alliance
E	Map illustrating the new section of road to be named 'Henry Street'