

Annual Report

Rīpoata ā-tau

2023 – 2024

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Section 01: Overview

| Wāhaka 01: Whakarāpopototaka



Chief Executive's report



If there are two standout themes from the last financial year, they are 'challenges' and 'changes.' The change from the Labour Government to the National-led coalition in 2023 saw a significant shift in direction for all councils, which shaped the work programme in the first half of 2024. The ongoing reform of the Resource Management Act 1991, spearheaded by the government and industry, has yet to reveal its final shape. This change has been closely monitored by QLDC, given we are one of the fastest growing districts in the country and people are keenly aware of planning regulations and the effects of concepts like urban intensification.

One of the Government's most high-profile changes has been the repeal of the former Government's Three Waters programme and the need to respond to new directions, tighter regulation, and emerging legislative changes. Three Waters provision makes up a significant portion of Council expenditure and service delivery and consideration given to investment prioritisation and larger than expected rates increases.

Consequently, in February 2024, Council approved the deferral of the Long Term Plan 2024-2034 adoption by three months. Responding to these changes has been a major focus for Council, especially the finance, corporate, and property and infrastructure teams, who have been monitoring and adjusting to the rapidly shifting environment. Approval to consult on the draft Long Term Plan 2024-2034 was finally given by the Council in June 2024 as this financial year ended.

Much of this was in the public arena, as in March 2024 Council moved to a model of holding informal Council workshops and briefings open to all. This was in response to the Chief Ombudsman's report *Open for Business*¹, which sought to increase transparency and accountability in Council decision making. From then to 30 June 2024, Council held 20 workshops and briefings for Council, its related Committees, and the Wānaka-Upper Clutha Community Board with the community and media freely able to join the majority and access agendas and minutes on Council's website.

¹ <https://www.ombudsman.parliament.nz/resources/open-business-report-chief-ombudsmans-investigation-local-council-meetings-and-workshops>



Responding to emergencies

Two challenges came in the form of emergency response situations. On 18 September 2023, Council issued a Boil Water notice to Queenstown and Frankton residents and businesses on the public water supply. This followed confirmed local cases of illness caused by the protozoa, *Cryptosporidium*. Although the source was never confirmed, a public health investigation suggested that potential contamination of the water supply was the likely cause. Temporary fresh water supplies were then situated around Queenstown and plans quickly put in place to implement temporary UV treatment. The boil water notice was lifted on December 8 2023, following a staged reduction in the affected area and confirmation from the water regulator, Taumata Arowai, that compliance order requirements were met. This resulted in the accelerated installation of protozoa barriers (in the form of UV treatment) at Council's water treatment plants district-wide, with the largest schemes brought into compliance within the 2023-2024 financial year and the balance on track to be compliant by the end of 2025.

Also in September 2023, Council declared a State of Emergency in response to an extreme weather event, setting up a temporary evacuation centre in central Queenstown. Heavy rainfall across the district saw flooding and slips, with Queenstown town centre worst hit.

In particular, the area around Upper Brecon Street was badly affected, with approximately one third of the Queenstown Cemetery submerged by mud and forestry debris. The event also saw flooding through Reavers Lane, and cordons put in place for public safety. Response crews very quickly cleaned up debris in town and most roads were reopened within 24 hours. The Council and emergency response then moved into a transitional recovery phase, thanks to tremendous efforts by everyone involved whether volunteers, contractors, emergency response staff or Council officers. The cemetery reopened on Thursday 21 December 2023 after over 700 tonnes of silt and debris had been removed. This enabled affected families and friends to pay respect to their loved ones as part of a ceremony hosted by Council and Kāi Tahu Mana Whenua, with support from Skyline.

A massive thank you to everyone involved in both responses which tested the community's resilience whilst many were personally and directly affected. We also appreciate the positive engagement and patience of those affected as the Council and partners responded.



Protecting our natural environment

Enjoying and connecting with the unique outdoor environment of our district is a way for communities to reset and recharge. Planning for the preservation of local reserves whilst ensuring they remain inviting and valued spaces is a long but vital process. In October 2023, two key Wānaka-Upper Clutha projects saw significant progress. With Mount Iron now under Council stewardship, the community was able to input to the development of its reserve management plan. For DOC land at Mount Iron, DOC continues to fulfil all statutory requirements under the Conservation Act, while the Council now manages day-to-day operations, including signage, track maintenance, and car park upkeep.

In October, plans advanced for two of Wānaka's best-loved open spaces: Lismore Park and Peninsula Bay Reserve. In February 2024, Council sought feedback from the Whakatipu community to shape the plan for Frankton's Riverside Road Reserves, a popular area for walkers and cyclists along the Twin Rivers Trail, which includes the old Zoological Gardens. Additionally, Council refurbished McBride Park in Lake Hayes Estate. Work on these important projects continues.

In Queenstown-Whakatipu, a regeneration project to "recloak" Coronet Forest with native planting took an important step in April 2024. This followed the successful harvest of Coronet Forest, carried out between 2020 and 2023, which removed over 90,000 tonnes of timber and a major wilding source. The contract to deliver this regeneration was awarded to Te Tapu o Tāne and e3Scientific Limited and provides an opportunity to be a leading example of ecological restoration in Aotearoa New Zealand.

Protecting the environment is a key priority for Council as evidenced by the Vision Beyond 2025 community outcome: *Deafening Dawn Chorus*², and the Climate and Biodiversity Plan 2022-2025.

² <https://www.qldc.govt.nz/your-council/our-strategic-framework/>

In September 2023, Council began trialling cutting-edge technology to monitor conditions within two reserves – Ben Lomond in Queenstown and Mount Iron in Wānaka. That technology is now live and fully operational and helps manage wildfire risks associated with these areas. Council worked closely with the community, FENZ, Emergency Management Otago, Otago Regional Council, SCION (Crown Institute for Fire Research), and local lease holders to implement solutions to monitor these hazards and prepare for the challenges of a changing climate.

How waste is managed and minimised is an important part of the Council's response needed for climate adaptation. Year on year, Council has provided a dedicated fund to support waste reduction initiatives and in July 2023 confirmed a total of \$64.5k for 15 projects. Minimising waste in the district is crucial to building a more sustainable future, and Council is proud to embrace and support community-led waste reduction projects that move towards this goal. The next round of funding was launched in early 2024.

In December 2023, Council publicly confirmed its successful bid to purchase 8.3ha of land on Ballantyne Road in Wānaka for \$3.36 million. This land, adjacent to the existing refuse transfer station and Wastebusters, will enable the development of

new, fit-for-purpose waste facilities, significantly advancing the district's waste minimisation goals.

At the same time, Council sought community input as it initiated the development of a Waste Management and Minimisation Bylaw which aims to provide a regulatory framework to better enable Council to drive its Waste Minimisation and Management Plan³ objectives and take effective enforcement action where required. Through this process, Council has gathered valuable early insights into the types of things the community believes could be addressed through a bylaw.



Delivering community spaces and recreation services

Spaces for the community to come together and join in shared activities have expanded. The Whare Mahana Luggate Memorial Centre welcomed a new and improved place to play for children and their families. The opening ceremony in May 2024

introduced plenty of features from a climbing structure and swings to a new double flying fox. Community input was invaluable in shaping this space for the growing Luggate community.

The Upper Clutha also saw a new community space in October 2023, with doors opening to Paetara Aspiring Central, marked by a ribbon-cutting ceremony led by Mayor Lewers. The former Mitre10 building was transformed into a vibrant community space with two multi-use indoor courts, a separate studio for dance, yoga and fitness, or as a meeting space, and dedicated areas for Kahu Youth and Aspiring Gymsports.

March 2024 saw two exciting sports projects successfully completed at the Queenstown Events Centre and in Shotover Country. The Shotover Country cricket wickets support the growth of the sport for both junior and senior players alike. At only \$47k to complete they are expected to last at least ten years and hundreds of games of competitive cricket. At Queenstown Events Centre, a basketball hoop was provided by Basketball NZ in partnership with Schick. The hoop was installed on the artificial turf and was in use almost straight away!

Swimming received a boost with Council's Swim School certified in February 2024 as a 'Water Skills For

Life (WSFL)' provider by Water Safety New Zealand. Water activities are an important part of summer recreation here and 1,700 swim school students are receiving the best water safety programme on offer thanks to Council's Swim School. This great news follows the Swim School's recent attainment of the platinum standard for swim schools.

The team were also honoured in November 2023 to receive Exercise NZ's 2023 Community Award for its Leisurelys programme aimed at those aged 65 and over. This acknowledged the incredible effort from Council's Sport and Recreation staff in delivering an outstanding programme in the community space. The Leisurelys programme was introduced in 2009 and offers an extensive timetable of exercise classes aimed at supporting members mentally, socially and physically.



Supporting active travel alternatives

Active travel, whether commuting or for leisure, has continued to grow and Council investment has had to keep pace. In September, work started on the Arthurs Point to Queenstown

³ <https://www.qldc.govt.nz/media/b4tnrcbz/final-wmmp-2018.pdf>

shared pathway from McChesney Bridge to town. The work included upgrades to rural trails, drainage and surface upgrades to the Matakauri wetlands trail, sealing the road shoulder adjacent to the Matakauri wetlands, retaining walls, safe crossing points and creating a shared path along Robins Road. However, changes in government funding have left some sections disconnected from each other, leading to challenges in coordination and resource allocation.

With a focus on children travelling between home, school, and the pool at the Wānaka Recreation Centre the now-complete third stage of the 'Schools to Pool' network runs from Hedditch Street alongside Lismore Street, through Lismore Park, and on to Mount Aspiring College with a variety of safety enhancements. The fifth stage, finalised in April 2024 as the final piece of the puzzle linking Hedditch Street to Ballantyne Road via a safer, signalised crossing on State Highway 84 and Golf Course Road. These safe, well-designed active travel options encourage more people to get out and about on foot, promoting walking, biking, and other mobility methods, helping reduce emissions and creating healthy, safe, and successful neighbourhoods for our community to enjoy.



Improving roading infrastructure

The roading network is an important asset for our district and its geographically diverse communities. In August 2023, a range of safety improvements for drivers around Wānaka and the Upper Clutha got underway. This staged project includes the installation of 9,000 metres of safety barriers, additional road signage and markings through the Wānaka-Mount Aspiring Road and the Cardrona Valley Road.

Growth-related increases in road user numbers and a focus on safety was a trigger for a new roundabout at the intersection of Aubrey and Anderson roads in Wānaka completed in the last year. This project included an amended road layout, raised courtesy crossings to provide safe pedestrian passage, and a connection for the completed shared pathway on Anderson Road. Growth in Hāwea has also seen increased traffic and to keep that moving safely Council delivered a new roundabout at the Hāwea Dam intersection of Domain Road and Capell Ave. This delivers a simple but effective solution to enhance safety of all road users in the area.

Wānaka residents have also been closely following progress on a new roundabout at the intersection of Ballantyne and Riverbanks Roads which commenced in January 2024. Well known as a site of many near misses, this upgrade will feature raised pedestrian safety tables and the opportunity to improve stormwater management.

In Queenstown, stage one of the town centre arterial road reached a milestone in April 2024 with the reopening of upper Suburb and Dublin Streets. At that time, significant upgrades to underground services at the gateway to the new road were 90% complete having installed more than 1.8km of water supply, stormwater, and wastewater pipes. In a further milestone, the Melbourne Street / Frankton Road intersection also reopened to traffic in mid-May, reducing the construction footprint of the project for the duration of works.



Delivering Three Waters services

Glenorchy and Wānaka saw a boost to water supply capacity with the commissioning of new reservoirs. In Glenorchy, two new steel plate reservoirs replaced four pre-cast concrete tanks, increasing the

township's water capacity from 90,000 litres to 500,000 litres. The new steel plate reservoir in Wānaka at Beacon Point boasts capacity for 5,500,000 litres of water, complementing the existing concrete reservoir tank's 3,500,000 litres of capacity. Both increase resilience and provide capacity in the emergency event of a firefighting need.

Work continued at the Shotover Wastewater Treatment Plant and in May 2024, stage three was underway upgrading wastewater capacity in the district and providing for future growth through to 2048. Construction includes a second reactor which removes the bulk of non-biodegradable solids and a range of new equipment, technology and supporting infrastructure to help keep our district's pipes flowing, ensure long-term compliance, and help protect the environment.

The end of the financial year saw the full handover to Council of a new water supply for Cardrona which had been developed in partnership with Mount Cardrona Station. Delivering with a private partner means the scheme can be delivered more affordably which is a positive outcome for the Cardrona community. The new scheme is fully compliant with drinking water standards and meets any long term needs that future growth might bring.



Planning for future communities

Housing capacity and access to affordable homes remains a pressure for the district. This has been an area of focus for Council for many years and work has continued to champion the needs of locals through a variety of channels.

One key initiative is the Grow Well Whaiora partnership's Joint Housing Action Plan, endorsed by Council in August 2023. The action plan was jointly created by Council, Ministry of Housing and Urban Development, Kāinga Ora, and Queenstown Lakes Community Housing Trust. It also had input from Kāi Tahu and Otago Regional Council. The plan aims to ensure the community can easily access homes that are quality, secure, stable, and affordable, and features nine housing solutions which largely focus on the less-visible, but-vital levers and regulations that influence the building and availability of housing. Progress on the action plan is now regularly reported publicly through Council's Planning & Strategy Committee meetings.

It has been another busy year for the Council Planning and Development team. In terms of the review of the District Plan, progress has been made on appeals for all three stages and hearings completed for multiple variations including Ladies Mile and Landscape Schedules designed to protect the district's environment. Council also launched ePlan⁴, the new online format for the District Plan. Resource consenting applications continued at high volumes with 94% of all applications processed within statutory timeframes, with Council performing second highest nationally.

Finally, following a five-day assessment, Council's Building Consent Authority was successfully reaccredited by International Accreditation of New Zealand, maintaining its low-risk rating.

Partnering with other agencies is key to ensure successful outcomes for the community, especially in areas that require a variety of expert or subject-specific knowledge and insight. This collaborative approach includes a community-led strategy to guide creativity, culture, and heritage in the Queenstown Lakes district. Endorsed by Council in June 2024, the strategy, named Te Muka Toi, Te Muka Tākata⁵ recognised decades of work by many in the community whose contributions will help focus resources in the right areas.

Council also coordinated engagement on a new Economic Diversification Plan, which it led the development of in partnership with local businesses and industry experts. Since endorsed by Council, it was created to support the diversification efforts across the district and help achieve Council's Vision Beyond 2050 goal of a resilient and sustainable economy offering a diverse range of career and income opportunities.



Aku mihi nui, with thanks

Many of these projects have only been made possible due to the input and valued contributions from a range of stakeholders and a thank you goes out to everybody that continues to engage with Council consultations and processes that shape the work programme. Additionally, Council would also like to acknowledge the patience and resilience of the local communities whose support is vital to ensure that work programme can deliver valuable improvements for the benefit of current residents and future generations.

Finally, I would like to acknowledge the elected members for both Council and the Wānaka-Upper Clutha Community Board and the contribution they make as representatives and decision-makers, and the ongoing commitment and dedication of all employees across every team at Queenstown Lakes District Council who continue to deliver outstanding service to our district's communities.



Mike Theelen
Chief Executive
Queenstown Lakes District Council

⁴ <https://www.qldc.govt.nz/your-council/district-plan/eplans/>

⁵ <https://www.qldc.govt.nz/creativity-culture-heritage-strategy/>

Population data

Source: QLDC Demand Projections 2024, Medium scenario⁶.

Note, projections are in 5 year intervals from 2023.

The below has been estimated using the growth rates in each 5 year period.

USUALLY RESIDENT POPULATION

Usually Resident Population	2024	2034	2044	2054
Wānaka-Upper Clutha	18,415	26,258	35,163	42,841
Queenstown-Whakatipu	20,153	24,266	29,703	35,358
Arrowtown-Kawarau	14,155	18,238	21,850	23,945
Whole District	52,723	68,762	86,716	102,145

AVERAGE DAY POPULATION

Average Day Population	2024	2034	2044	2054
Wānaka-Upper Clutha	23,617	34,459	45,718	55,828
Queenstown-Whakatipu	32,510	44,094	55,123	66,345
Arrowtown-Kawarau	17,146	22,449	27,190	30,455
Whole District	73,272	101,002	128,031	152,629

The average day population for the district is projected to increase from an estimated 73,272 people in 2024 to an estimated 101,002 in 2034. This is a growth rate of 3.3% per annum. This consists of residents and visitors of all types.

Of the average day population, around 72% is the estimated resident population. Approximately 38% of these residents will live in the Queenstown-Whakatipu ward, 35% in the Wānaka-Upper Clutha ward and 27% in the Arrowtown-Kawarau ward.

PEAK DAY POPULATION

Peak Day Population	2024	2034	2044	2054
Wānaka-Upper Clutha	32,081	46,903	61,729	75,573
Queenstown-Whakatipu	49,534	69,036	87,012	105,331
Arrowtown-Kawarau	22,107	28,915	35,367	40,436
Whole District	103,722	144,854	184,109	221,340

The peak day population for the district is projected to increase from an estimated 103,722 people in 2024 to an estimated 144,854 in 2034. This is a growth rate of 3.4% per annum. This consists of residents and visitors of all types. The peak period typically falls over the New Year period (late December/early January) and is relatively short. This projection is particularly important for infrastructure planning, ensuring that roads, waste and Three Waters infrastructure is able to cope with peak activity.

AVERAGE DAY POPULATION

Average Day Population	2024	2034
Usually Resident Population	52,723	68,762
Total Visitor	20,550	32,240
Average Day Total	73,272	101,002

PEAK DAY POPULATION

Peak Day Population	2024	2034
Usually Resident Population	52,723	68,762
Total Visitor	50,999	76,092
Peak Day Total	103,722	144,854

⁶ <https://www.qldc.govt.nz/community/population-and-demand/>

Our elected members



Mayor
Glyn Lewers



Deputy Mayor
Quentin Smith



Councillor
Niki Gladding



Councillor
Esther Whitehead



Councillor
Matt Wong



Councillor
Gavin Bartlett



Councillor
Craig 'Ferg' Ferguson



Councillor
Lisa Guy



Councillor
Melissa White



Councillor
Barry Bruce



Councillor
Lyal Cocks



Councillor
Cody Tucker



Wānaka-Upper Clutha community board | Te Poari Hapori ki Wānaka-Mata Au



Chairperson
Simon Telfer



Deputy Chair
Chris Hadfield



John Wellington



Linda Joll



Councillor
Barry Bruce



Councillor
Lyal Cocks



Councillor
Cody Tucker



Management group



Mike Theelen,
Chief Executive



Meaghan Miller,
General Manager,
Corporate Services



Stewart Burns,
General Manager, Assurance,
Finance and Risk



Dave Wallace,
General Manager, Planning
and Development



Tony Avery,
General Manager, Property
and Infrastructure



Ken Bailey,
General Manager,
Community Services



Michelle Morss,
General Manager,
Strategy and Policy

Governance report

Role of council

Council has overall responsibility and accountability for the proper direction and control of the district's activities. This responsibility is to enable democratic local decision-making and promote social, economic, environmental, and cultural wellbeing, and includes areas of stewardship such as:

- > formulating the district's strategic direction
- > managing principal risks facing the district
- > administering various regulations and upholding the law
- > ensuring the integrity of management control systems
- > safeguarding the public interest
- > ensuring effective succession of elected members
- > reporting to ratepayers

Council operations

The Council (elected members) appoints a Chief Executive to manage its operations under section 42 of the Local Government Act 2002. The Chief Executive in turn appoints managers to manage Council's significant activities.

Council committees

In addition to full Council meetings approximately every six weeks, Council has four standing committees and various other committees to monitor and assist in the effective delivery of Council's specific responsibilities. The current committee structure and meeting cycle was adopted by Council in December 2022. The Mayor may attend and vote at any meeting of Council or its committees, and Councillors may attend (but not vote at) any committee meeting of which they are not a member. The exception is the District Licensing Committee, which has powers of a commission of inquiry under the Sale and Supply of Alcohol Act 2012.

Council committees include:

AUDIT, FINANCE AND RISK COMMITTEE | TE KOMITI AHUMONI I TŪRARAU

Stuart McLauchlan (*Chair*)
(*Independent*)

Heath Copland (*Deputy*)
(*Independent*)

Councillor Lyal Cocks

Councillor Niki Gladding

Councillor Lisa Guy

Bill Moran (*Independent*)

PLANNING AND STRATEGY COMMITTEE | TE KOMITI WHAKARITE RAUTAKI MAHERE

Councillor Lyal Cocks (*Chair*)

Deputy Mayor Quentin Smith
(*Deputy*)

Councillor Gavin Bartlett

Councillor Barry Bruce

Councillor Melissa White

Councillor Matt Wong

**INFRASTRUCTURE COMMITTEE
| TE KOMITI HAKAKA**Councillor Gavin Bartlett (*Chair*)Councillor Niki Gladding (*Deputy*)

Councillor Lyal Cocks

Councillor Craig 'Ferg' Ferguson

Deputy Mayor Quentin Smith

Councillor Cody Tucker

**COMMUNITY AND SERVICES
COMMITTEE | TE KOMITI HAPORI**Councillor Craig Ferguson (*Chair*)Councillor Esther Whitehead
(*Deputy*)

Councillor Barry Bruce

Councillor Lisa Guy

Councillor Cody Tucker

Councillor Matt Wong

**DISTRICT LICENSING
COMMITTEE**

Lyal Cocks

Christopher Cooney

Ian Cooney

Neil Gillespie

Philip Jones

Brett Pay

John Mann

**CHIEF EXECUTIVE
PERFORMANCE REVIEW
SUBCOMMITTEE**

Mayor Glyn Lewers

Councillor Lyal Cocks

Councillor Lisa Guy

**GOVERNANCE SUBCOMMITTEE
| TE KOMITI KĀWANATAKA**

Mayor Glyn Lewers

Deputy Mayor Quentin Smith

Chief Executive Mike Theelen

**The following committee is
convened as required:**

Dog Control Committee

Each committee is responsible for providing additional assurance on the integrity of information being presented and the operation of the activity.

Community Board

The Wānaka-Upper Clutha Community Board | Te Poari Hapori ki Wānaka is the Queenstown Lakes District Council's only community board. It is not a committee of Council but a separate unincorporated body established under s49 of the Local Government Act 2002. The role of the Wānaka-Upper Clutha Community Board is to represent and act as an advocate for the Upper Clutha community. The Council has given extensive delegations to the Wānaka-Upper Clutha Community Board to make decisions on many of the facilities and services located within the Wānaka-Upper Clutha ward. The Wānaka-Upper Clutha Community Board has four elected members and three appointed members.

**WĀNAKA-UPPER CLUTHA
COMMUNITY BOARD**Simon Telfer (*elected*) (*Chair*)Chris Hadfield (*elected*) (*Deputy*)Linda Joll (*elected*)John Wellington (*elected*)Councillor Barry Bruce (*appointed*)Councillor Lyal Cocks (*appointed*)Councillor Cody Tucker (*appointed*)

Audit

The Council uses external auditors to evaluate compliance with the Local Government Act 2002 and accounting standards for the information presented in the Annual Report.

Division of responsibility between Council and management

Key to the efficient running of QLDC is the clear division between the role of elected members and that of management. Council concentrates on setting policy and strategic direction, while management is concerned with providing policy advice to inform Council's decision-making, implementing policy and strategy, and monitoring these approaches. Council's regulatory function, in adherence to legislation must maintain an appropriate separation from political influence,

however management reports to Council and the community against a suite of key performance indicators (KPI's) in terms of its performance of these activities. Both Council and management have indicated their responsibility with their signing of the Statement of Compliance and Responsibility on page 21 of this report.



Risk management

The Council established an Audit, Finance and Risk Committee in November 2013 that is comprised of both Councillors and independent external members. The Audit, Finance and Risk Committee endorsed a new Risk Management Framework in 2019, which included a new QLDC Risk Management Policy, new online risk management system and updated risk register.

The Risk Management Policy requires regular reporting to both the Executive Leadership Team and the Audit, Finance and Risk Committee to ensure that good risk governance practices are followed and that progress towards building a healthy risk and compliance management culture across all management and governance tiers is maintained.


Council is making strong progress with regards to its risk management maturity and is in the process of leveraging its risk management system to support compliance management. Independent feedback on the Council's progress was provided by the Office of the Auditor-General Tumuaki o te Mana Arotake in a report on local government risk management practices that was presented to parliament in early 2022. QLDC was one of four councils who were selected as case studies for this investigation. The report provides a comprehensive overview of risk management best practice across the local government sector with QLDC receiving positive feedback for its approach to risk management.

In 2022 a specific Risk and Compliance function was created within the Assurance, Finance and Risk Directorate, to support increased risk and compliance management maturity. The Risk and Compliance team is also responsible for 'third line' assurance (internal audit). Having a function with specific responsibility for enabling and driving good risk management practices is consistent with recommendations made by the Office of the Auditor-General in the paper 'Our observations on local government risk management practices'.⁷



Legislative compliance

As a regulatory body Council administers various regulations and laws. As part of its Risk and Compliance function, Council is in the process of developing systems and processes that will be consistent with ISO37301 'Compliance management systems'. Council's Risk and Compliance team is working closely with its inhouse legal team to support legislative compliance and to document compliance obligations and associated controls. The Council currently employs risk and compliance staff and staff lawyers.



Relationship with Māori – Tākata Whenua and involvement in decision making

Maintaining and cultivating Council's relationship with Māori is an important commitment. In addition to ensuring that the Māori perspective and needs are reflected through effective partnership, Council believes it is important to demonstrate its commitment to tākata whenua and their community values, issues and aspirations as they relate to economic, social, cultural and environmental wellbeing.

The district is part of the Kāi Tahu Takiwa, straddling both the Murihiku (Southland) and Ōtākou (Otago) rohe. Regionally, Council participates in Te Rōpū Taiao ki Murihiku and Te Rōpū Taiao ki Ōtākou. Te Rōpū Taiao is a relationship between the regional and district councils of Otago and Southland and the Papatipu Runaka (representing Kāi Tahu) of the relevant region. These quarterly meetings provide an opportunity for councils

⁷ <https://oag.parliament.nz/2021/risk-management/docs/risk-management.pdf>

and iwi to collectively discuss shared interests such as protecting the wellbeing of our natural resources and environment and help to inform Council's strategic decision making about the future conservation of the district. Council continues to develop relationships with both Te Ao Mārama Incorporated and Aukaha representing Ngā Papatipu Rūnaka ki Murihiku (Southland) and Ōtākou (Otago). These are essential and genuine partnerships that Council values.

At a practical level, Council endeavors to seek early input from both organisations into important planning, policy, cultural and environmental matters, and they are important and respected partners of the Queenstown Lakes Spatial Plan Steering Group. They also provide valuable guidance on many cultural and design matters that influence aspects of Council's work such as parks and the Queenstown streetscape upgrades.

In addition to ensuring that the Māori perspective and needs are reflected through effective partnership, Council believes it is important to demonstrate its commitment to *Manawhenua* and their values, issues and aspirations as they relate to economic, social, cultural and environmental wellbeing.

In the last year, Council has continued to focus on staff development to develop a great understanding and application of Te Reo Māori and tikaka. New in-person and online development opportunities have, and continue to be, rolled out for staff. Te Reo Māori is increasingly seen as a core part of Council communications, signage in venues and facilities, and is encouraged in both spoken and written form. Many meetings include the use of karakia or *whakawhanaukataka*, and resources are available for staff that wish to develop their use of Te Reo further. A good example of integration is the Whare Mahana Luggate Memorial Centre which recently formally opened and has fully bilingual signage throughout the building. The same approach is being adopted with the recently named Paetara Aspiring Central (with Paetara being the Te Reo Māori name gifted by Kāi Tahu).

Council has implemented quarterly hui with its Iwi partners to enable a regular opportunity for all parties to share information, key priorities and discuss programmes of work, and to ensure alignment. Seen as a measure of success for all parties, the *kanohi ki te kanohi* (face to face) protocol hui involving Council's executive leadership team is a key activity in honouring the partnership with *manawhenua* and all Māori in the district.





QLDC financial results at a glance 2023/24



Statement of financial performance

QLDC recorded an operating surplus of \$82.2M for the year, compared to a budgeted surplus of \$53.4M and an actual deficit of \$53.8M for the previous financial year.

This surplus is largely due to the increase in vested assets revenue (these are mainly assets contributed to the Council by property developers as part of their development work). For the current year vested assets amounted to \$99.9M, compared to the budget of \$20.8M and an actual figure of \$40.0M the previous year. This non-cash income reflects the continued high levels of development activity in the district.

This resulted in total revenue of \$359.6M being above budget by 29.3%, or \$81.5M (refer to comments above). Actual operating expenditure was \$263.2M (above budget by 14.7% or \$33.8M). Further losses of \$9.7M relating to the disposal of three waters assets were recognised for the year.

The following major items contributed to the favorable operating revenue variance of \$81.5M.

- > Vested assets (refer to comments above).
- > Development contributions were \$6.8M above budget at \$27.5M for the year. This revenue stream depends on the timing of the completion and size of developments in the district. Development activity in the district continues to be at a high level.

- > Dividend income was \$3.7M above budget.
- > Consent income was \$1.4M under budget due to a reduction in the number of resource consents received and processed.

The significant operational cost variances are analysed below:

- > Interest expense for the year was \$8.2M above budget. This is a result of higher interest rates with the rise in the official cash rate, increased borrowings and the timing of some capital works.
- > Depreciation expense was above budget by \$8.0M, largely due to the flow on effect of the prior year's increase in valuations for infrastructure assets for both Three Waters and roading assets.


- > Infrastructure maintenance expenditure was \$9.9M above budget. This amount is due to a number of factors including additional costs relating to weather events, the crypto outbreak and the Shotover Waste Water Treatment Plant equipment.
- > Electricity costs were \$1.8M above budget due to significant rises in prices and network costs.
- > Salaries and wages were \$1.7M under budget due to unfilled staff vacancies.
- > Insurance costs were \$400k above budget due to premium increases.



Statement of financial position

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

- > \$193.5M above budget for fixed assets (property, plant & equipment). Largely due to capital additions to infrastructure.
- > Overall capital expenditure was \$173.8M, up \$13.4M on the prior year's spend of \$160.4M.
- > Gross borrowings were \$20.8M above budget. Total debt as at 30 June 2024 was \$650.8M compared to a budget of \$630.0M.



Statement of changes in equity

Accumulated differences between actual and budgeted net surplus outlined above, as well as the impact of infrastructure asset capitalisations including vested assets, offset by increased borrowings, has resulted in an equity position of \$2,511.6M (\$231.9M above budget).



Statement of cashflows

The budget variations explained above contribute to budget variations in the Statement of Cash Flows. The net impact was a cash position at 30 June 2024 of \$8.0M compared to a budgeted position of \$2.9M.

Contact us

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** A Council-controlled
trading organisation*

AUDITORS

Deloitte Limited on behalf of the
Office of the Auditor-General,
Dunedin

SISTER CITY

[Aspen, Colorado, USA \(Queenstown\)](#)

FRIENDSHIP CITY

Hangzhou, China

Statement of compliance and responsibility



Compliance

The Council and management of Queenstown Lakes District Council confirm that all the statutory requirements of Schedule 10 Part 3 the Local Government Act 2002 have been complied with.



Responsibility

The Council and management of Queenstown Lakes District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them. The Council and management of Queenstown Lakes District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In the opinion of the Council and management of Queenstown Lakes District Council, the annual Financial Statements for the year ended 30 June 2024 fairly present the financial position and operations of Queenstown Lakes District Council and Group.



GLYN LEWERS

Mayor

Queenstown Lakes District Council



MIKE THEELEN

Chief Executive

Queenstown Lakes District Council



Section 02: Statement of service performance

Wāhaka 2: Te tauākī ā kā ratoka kaunihera



Vision Beyond 2050

Vision statement and community outcomes

Looking beyond the year 2050, the community vision – A Unique Place. An Inspiring Future | He Wāhi Tūhāhā. He āmua Whakaohoho – presents eight key vision statements for how people want to live, work and play in the district in the future. Each vision statement is supported by a set of community outcomes.

Community outcomes are aspirations that Council is working towards; they are future focused. They are defined in the Local Government Act 2002 as:

“outcomes that a local authority aims to achieve in order to promote the social, environmental, economic and cultural wellbeing of its district in the present, and for the future”

These define the hopes for life in the Queenstown Lakes District for current and future generations.

In March 2019, Council unanimously agreed to commit to the vision as a guiding document to inform future decision-making and planning.

Thriving people | Whakapuāwai Hapori

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



COMMUNITY OUTCOMES

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

People of all ages are able to seek a future here.

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

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

Our doors and minds are open; everybody is warmly welcomed.

Living Te Ao Māori | Whakatinana i te ao Māori

Ours is a district that realises Te Tiriti o Waitangi and champions equity for all our people, now and into the future.



COMMUNITY OUTCOMES

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

Our kōrero is strong in both Te Reo and English.

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

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

Opportunities for all | He ōhaka taurikura

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



COMMUNITY OUTCOMES

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

Ours is a place that works hard and thinks big, where workers and entrepreneurs flourish and inequality is reduced.

Technology enables us to connect locally, regionally and globally.

Breathtaking creativity

| Whakaohooho Auahataka

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



COMMUNITY OUTCOMES

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

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

Artists and art lovers unite in both dedicated spaces and beyond the boundaries of venues and facilities.

Our economy supports arts, culture and heritage industries.

Deafening dawn chorus

| Waraki

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



COMMUNITY OUTCOMES

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

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

Our waterways and lakes are drinkable.

We set the standard for combating biodiversity loss.

Zero carbon communities

| Parakore hapori

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



COMMUNITY OUTCOMES

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

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

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

Zero waste is just something that we do here.

Disaster-defying resilience

| He Hapori Aumangea

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



COMMUNITY OUTCOMES

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

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

Our infrastructure is as resilient as our people.

Recovery empowers our people to quickly find a new normal.

Pride in sharing our places

| Kia noho tahi tātou katoa

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



COMMUNITY OUTCOMES

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

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

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

We are the place the rest of the world cannot be.

Key strategies

Spatial Plan

The first Spatial Plan for the district was adopted by Council on 29 July 2021 and endorsed by the Grow Well Whaiora Partnership Governance Group on 22 September 2021 (Commonly referred to as Spatial Plan Gen 1.0). The purpose of the Spatial Plan is to create a well-functioning urban environment, it is wider than just land use planning as it also influences policy development and investment. The Spatial Plan is a vision and framework for how and where the communities of the Queenstown Lakes District can 'Grow Well'. It also guides decisions and investment across local, regional and central government.

The three principles underpinning the Spatial Plan are:

- > Hauora | Wellbeing
- > Aumangea | Resilience
- > Whakauku | Sustainability

The Spatial Plan's five outcomes and 22 priority initiatives were developed taking Vision Beyond 2050 and the Long Term Plan 2021-2031 community outcomes into consideration. The Spatial Plan also includes Kāi Tahu outcomes.

The five outcomes in the Spatial Plan are:

- > consolidated growth and more housing choice
- > public transport, walking and cycling is the preferred option for daily travel
- > a sustainable tourism system
- > well-designed neighbourhoods that provide for everyday needs
- > a diverse economy where everyone can thrive.

The Spatial Plan Gen 2.0 is in its initial stages of development, and it builds on the earlier work completed in 2021. It will become part of our Future Development Strategy, which is a government requirement for all high growth councils in Aotearoa New Zealand.

Climate and Biodiversity Plan

On 30 June 2022, Council adopted the 2022-2025 Climate and Biodiversity Plan | Te Mahere Ahuarangi me te Rereka Rauropi that sets out how the district will respond to climate and ecological emergencies over the next three years.

The plan was the product of a 15-month engagement programme with mana whenua, climate and biodiversity experts, sustainability groups, conservation groups, community members and the Queenstown Lakes Climate Reference Group. The Climate Reference Group was established by Council in 2020 as an independent, multidisciplinary body with relevant experience to advise on initiatives, networks and resources required to turn ideas into concrete actions. The development of the plan involved a significant amount of collaborative discussion and public consultation with experts, advocates and community members to identify the priorities, opportunities and challenges for the district.

A major strategic shift in the plan was to ensure that an equal focus was directed towards biodiversity protection as well as climate action. Reducing carbon emissions, adapting to a changing climate and restoring indigenous biodiversity needs to be approached in an integrated and holistic way. The plan attempts to do this with over 80 actions spread across six outcome areas relating to leadership, transport, buildings and infrastructure, communities, economy and the natural environment. For more information on the plan and the progress that is being made go to <https://climateaction.qldc.govt.nz/>

The 2022-2025 Climate and Biodiversity Plan supports the following Vision Beyond 2050 outcomes:

- > Deafening dawn chorus
- > Disaster defying resilience
- > Zero carbon communities

These vision outcomes are supported through the following goals:

- > Biodiversity - The mauri (life force or essence) of our ecosystems is protected and restored. Indigenous biodiversity is regenerated.
- > Adaptation - Queenstown Lakes is a place that is ready and prepared to adapt to a changing climate.
- > Mitigation - Our district reduces its greenhouse gas emissions by 44% by 2030⁹ and achieves net-zero greenhouse gas emissions by 2050.

Financial Strategy and Infrastructure Strategy

The Financial Strategy and the Infrastructure Strategy are key to Council's planning and reporting. They are aligned to provide strategic direction and context for planning and lay the foundations that support prudent financial management and efficient asset management over the long-term. Both Council strategies are integral to the way we work. The Financial Strategy describes the challenges that will impact the district over the Long Term Plan 2021-2031, and how the Council will respond in a responsible and affordable way. The Financial Strategy aims to achieve the following:

- > a prioritised capital programme, delivering the 'right' projects:
 - in order to achieve compliance with water supply and wastewater services within statutory timeframes
 - ahead of growth so that development is supported in appropriate areas, as identified in the Spatial Plan
- > a QLDC visitor levy introduced within four years as an alternative funding method
- > rates increases set at a maximum of 9% gross (6% net) per annum (subject to changes in growth forecasts)
- > debt levels maintained at affordable levels, within borrowing limits
- > debt levels at the end of the Long Term Plan 2021-2031 period stabilised, with sufficient headroom to provide financing flexibility for future councils.

The Infrastructure Strategy details the challenges that will impact the district over the next 30 years (2021-2051), as they relate to transport, water, wastewater, stormwater and solid waste. By covering 30 years the Infrastructure Strategy aims to accommodate both the needs of current and future generations by providing good quality, cost effective infrastructure that responds to the following:

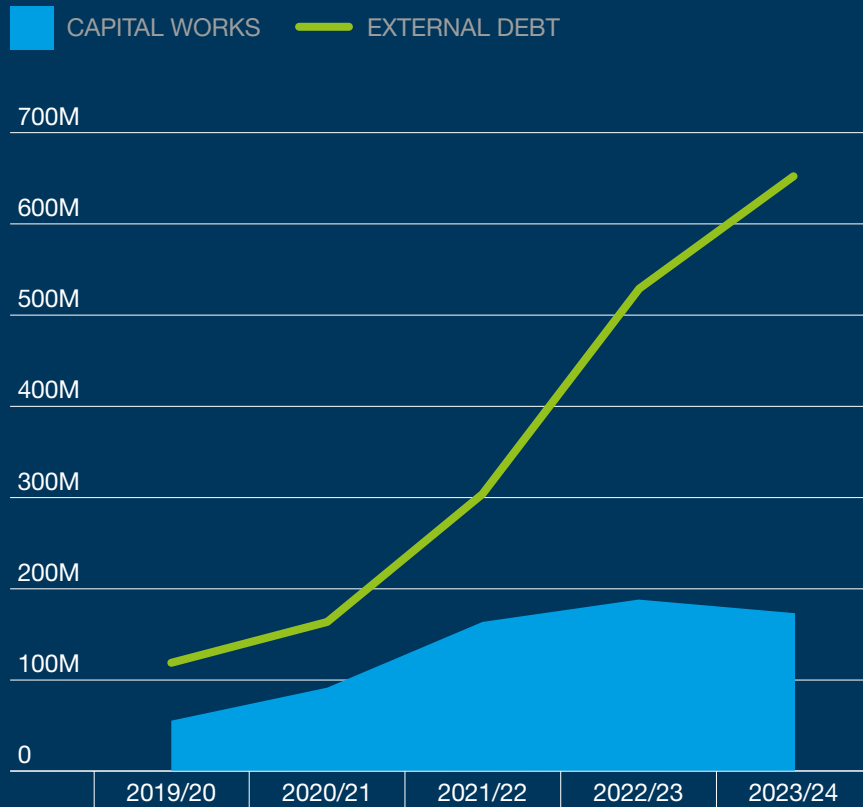
- > a demanding natural environment
- > growth in population and visitor numbers
- > climate change adaptation and mitigation
- > the complexity of our built environment
- > our challenging economy
- > legislative changes.

⁹ Against a 2019 baseline and aligned with the 1.5 degree science-based target pathway outlined in the 2020 Emissions Reduction Roadmap.

REPORTING BACK ON FINANCIAL STRATEGY

The graph below shows that the actual spend on capital projects has increased in recent years. This has been due to some large projects including the Queenstown Arterial Upgrade (partly Crown Infrastructure Partners funded), Project Shotover Wastewater plant upgrade and the new Cardrona Water Supply Scheme as well as other upgrades in Transport and Three Waters infrastructure. The actual capital expenditure in 2023/24 was \$173.8M, which was 85% of the adjusted budget of \$203.5M as at 30 June 2024. Net debt (gross debt reduced by liquid financial assets) has increased from \$514.6M to \$628.9M due to capex spend which is funded by debt, and also due to the large building defect claim settlement.

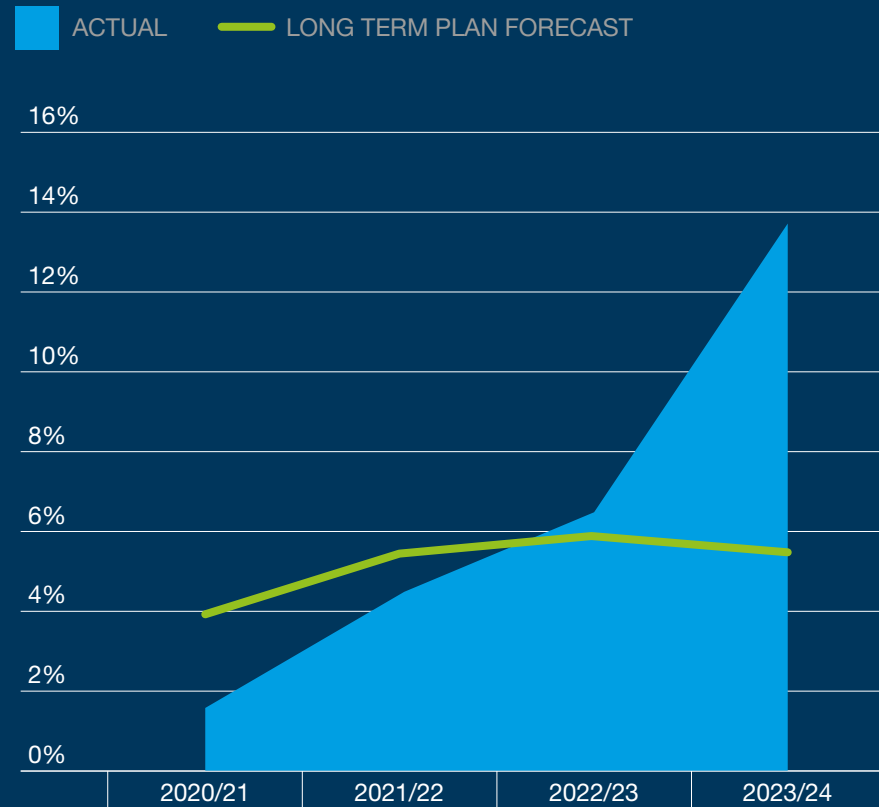
EXTERNAL DEBT VS CAPITAL WORKS



RATES

The graph below shows the actual rates increase over the past four years compared to the increases forecast in the Long Term Plan 2021-2031. The total rates for 2023-2024 are higher than forecast mainly due to additional cost, as a result of inflationary pressure and increasing interest rates.

RATES INCREASE – ACTUAL AND FORECAST (AFTER ALLOWING FOR GROWTH)



DEBT LEVELS

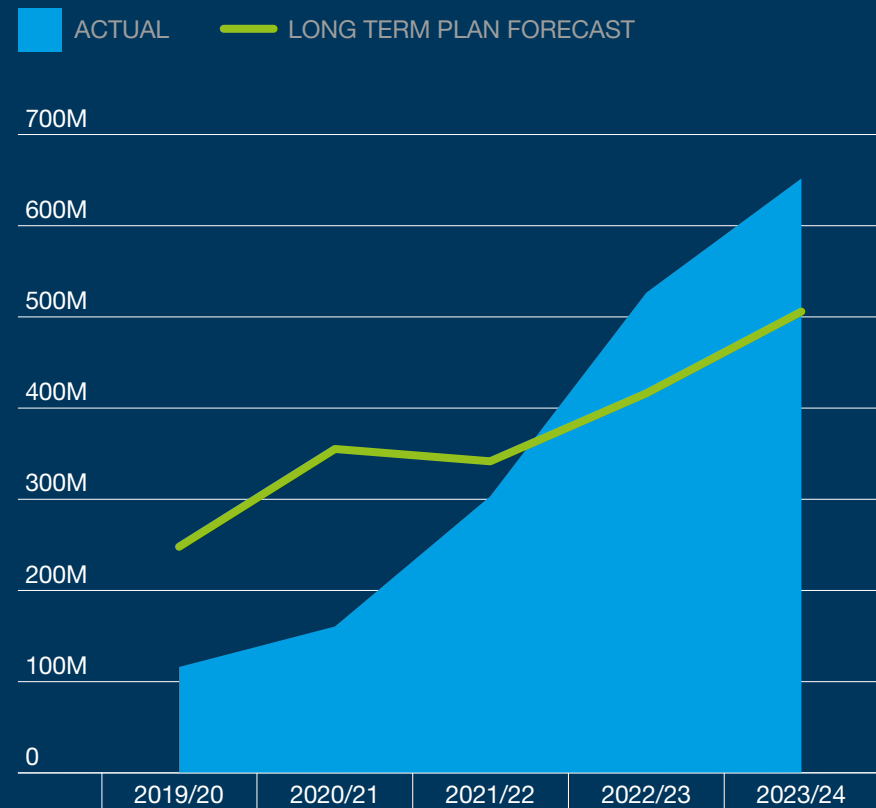
In order to deliver the large capital programme included in the Long Term Plan 2018-2028 and 2021-2031, the Council needed to rely on borrowing. The Council spent a considerable amount of time and effort working through the capital programme to ensure it is affordable and deliverable. Net debt (gross debt reduced by liquid financial assets) as at 30 June 2024 was \$628.9M; this is \$114.3M more than June 2023, and \$1.0M less than forecast in the Annual Plan 2023-2024. Debt is within Council’s borrowing limits, although higher than forecast due to the large leaky building settlement and the increased debt due to capital programme funding. This has resulted in higher interest costs coupled with the impact of increasing interest rates.

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

Council’s Borrowing Limits	Actual 2021/22	Actual 2022/23	Actual 2023/24	Forecast 2023/24
Interest Expense/ Rates < 30%	6.1%	17.5%	25.3%	18.5%
Interest Expense/ Total Revenue < 20%	3.0%	8.8%	13.4%	9.8%
Net Debt/Total Revenue < 290%	149.2%	253.4%	270.8%	266.1%

The following graph shows the forecasted debt levels compared to actual debt levels up to 2023-2024. As can be seen, actual debt levels have surpassed Long Term Plan levels. The actual gross debt as at 30 June 2024 was \$650.8M, which is \$20.8M more than the amount forecast in the Long Term Plan 2021-2031. This is largely due to the borrowing required to fund two large defective building claims in 2022/2023.

EXTERNAL DEBT (000s)



CAPITAL WORKS 2023-2024

Notable infrastructure projects that have been substantially advanced or completed during the 2023-2024 financial year:

Project	Cost at Year End 2023/2024 (\$)
Queenstown Town Centre Arterials - CIP Stage One	36,073,215
Project Shotover Plant Upgrade (Wastewater)	18,418,552
Cardrona Water Supply Scheme (Water supply)	14,757,353
Wānaka - Road to Zero MIP LCLR (Transport)	7,599,032
Compliance Response - UV Treatment (Water supply)	5,574,339
Beacon Point New Reservoir	5,560,913
Arthurs Point to CBD Active Travel	5,063,214
Wānaka Pool to School Active Travel	4,918,784
Queenstown Strategic Land Purchases	4,904,224
Project Pure Upgrade (Wastewater)	4,621,808
Wānaka New Waste Facilities	3,588,424
Lakeview Ancillary - Thompson St Upgrade	3,500,771
Whakatipu - Road to Zero MIP LCLR	3,180,496
CBD to Frankton Conveyance (Wastewater)	2,927,165
Glenorchy Reservoir Upgrade	2,370,186
Cardrona Water Supply Scheme Pipeline	2,079,509
Lakeview Development	2,059,909
Paetara Aspiring Central	2,015,293
Lakeview Development Road & Public Realm	1,849,832
Lakeview Ancillary – Isle Street	1,739,917
Water Supply - Renewals - Queenstown	1,724,100
Queenstown Street Upgrades - CIP	1,703,725
Whakatipu - Sealed road resurfacing	1,681,188
Wānaka - Sealed road pavement rehab	1,580,534
Upper Clutha Conveyance Scheme (Wastewater)	1,131,473
Whakatipu Active Travel LCLR	1,103,524
Water Supply - Renewals - Wānaka	1,033,877

Carry-forward projects totalling \$28.15M were approved by the Council in September 2024 for completion in 2024-2025 and beyond. Projects in excess of \$500k are as follows:

Project	Budget deferred at Year End 2023/2024 (\$)
Arterial Stage One	\$8,146,609
Compliance Response - UV Treatment (Water supply)	\$2,876,713
Queenstown Street Upgrades - CIP	\$2,410,036
Wanaka Lakefront Development Plan Stage Five	\$1,892,687
Coronet Forest Revegetation	\$1,794,102
Glenorchy Carpark & Marina Improvements	\$1,118,777
Demand Management - Hawea (Water supply)	\$970,568
Project Pure Aeration Grid Renewal (Wastewater)	\$823,756
Arthurs Point to CBD Active Travel	\$713,851
Lakeview Development	\$568,941
Existing Waste Site Consenting	\$552,587

Community services and facilities



Community development

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

People of all ages are able to seek a future here

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

Our doors and minds are open; everybody is warmly welcomed



DISASTER-DEFYING RESILIENCE | HE HAPORI AUMANGEA

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



LIVING TE AO MĀORI | WHAKATINANA | TE AO MĀORI

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

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



PRIDE IN SHARING OUR PLACES | KIA NOHO TAHI TĀTOU KĀTOA

Ours is a place that works hard and thinks big, where workers and entrepreneurs flourish and inequality is reduced

What we deliver

Council supports and delivers key community development initiatives and relationship management across the district. It partners with many organisations and the wider community to develop and deliver an effective strategic approach to community wellbeing. Council funds community groups and activities through in-kind support and grants, supporting initiatives that contribute to achieving our community wellbeing outcomes. The Community Partnerships Team works within the Community Services division alongside Libraries, Parks, and Sport and Recreation to deliver a comprehensive community development programme. The Community Partnerships work programme is aligned with Council's operational delivery of community services and connects with departments across the organisation to enhance community engagement, with a focus on working with community partners to develop and deliver an effective strategic approach to community wellbeing in the district.

Council is also proud to be part of Welcoming Communities | Te Waharoa ki ngā Hāpori. This programme supports newcomers to feel welcome and able to participate in the economic, civic, cultural, and social life of their new community.

Progress against the Long Term Plan 2021-2031

Community associations

2023-2024 was the first full year of dedicated resource in the community associations relationship manager role. With an initial focus on improving connection and communication with the community associations, a large part of 2023-2024 saw a natural shift in the programme working across internal departments providing advice on projects and strategic work ensuring the community's voice was heard and needs were advocated for. Capability and capacity advice, resources and tools provided to community associations has helped support them to successfully work towards and complete their local community projects. Continuous updates and communications were provided through the regular 'Community News' newsletter, curated specifically for community associations. New and ongoing key stakeholder relationships were established and maintained with community partners such as Civil Defence and Emergency Management and New Zealand Police to promote local resilience.

Community investment

An initial review of the community investment programme was completed in 2023-2024 to ensure that community grants and other funding options continue to meet the needs of a growing and increasingly diverse community. Key changes introduced this year include the implementation of a new community funding application platform (SmartyGrants) and the recruitment of a Community Investment Advisor to deliver the programme. Key funding programmes such as the Community Fund, Waste Minimisation Community Fund, Events Fund, Get Active Community Grant, and Creative Communities Scheme have been moved onto the new funding platform. This has improved application, assessment, and reporting processes for these funds. Other improvements include the development of new funding agreement templates and further strengthening of relationships with local not-for-profits and funders. Partnering with the new Huddl initiative this year has been a key activity in supporting community capability building; Huddl is a new initiative to support, connect and strengthen community groups, charitable organisations and networks in Queenstown Lakes and Central Otago. It provides essential information, resources, guidance, and mentor programmes for community groups.

Creativity, culture and heritage

Te Muka Toi, Te Muka Tākata |The Creativity, Culture and Heritage Strategy for the Queenstown Lakes District Council was endorsed by Council in June 2024. The strategy was developed through a process of collaboration and partnership between QLDC, the Three Lakes Cultural Trust, Lakes District Museum and Kāi Tahu, and was informed by the collective aspirations of our communities. The name of the strategy, Te Muka Toi, Te Muka Tākata, means 'the unbreakable thread connecting creativity and humanity.' This strategy reflects the many histories, traditions, and unique stories that weave together to create who we are as a community.

The strategy was informed by significant community engagement and represents a crucial step in progressing and expressing a collective local view of creativity, culture, and heritage in Queenstown Lakes. This document will be an essential enabler for enhancing collaboration and sourcing investment to deliver the actions outlined in the implementation plan.

Responsible camping

The Community Partnerships Team took over the delivery of the Responsible Camping Programme in 2022-2023. Council was successful in its second application to the Ministry of Business, Innovation and Employment for funding from the Freedom Camping Transition Fund, receiving \$495,000 to deliver a Summer Responsible Camping Programme for 2023-2024. The funding allowed the recruitment of Responsible Camping Ambassadors over the peak summer season, which allowed QLDC to provide a friendly approach to education and behaviour change alongside increased communication resources, signage, and enforcement. The Ambassadors encouraged visitors to make the Tiaki Promise (a commitment by visitors to care for Aotearoa New Zealand's environment, culture, and communities) and conducted surveys to collect data on campers' intentions to support future decision making. Although campers and visitors have been returning to the district in increasing numbers, this has not resulted in pre-COVID levels of non-compliance. The programme was successfully delivered with no significant illegal camping hot spots identified and little visible poor behaviour from campers visiting the district.

Welcoming Communities

The focus of Welcoming Communities has been the development of the draft Welcoming Plan 2024-2027 guided by members of two Welcoming Communities Advisory Groups representing Whakatipu and Upper Clutha communities and through engagement with Council staff and key stakeholders. Whilst outside this reporting period, the final Welcoming Plan was adopted by the Community and Services Committee in September 2024.

A new fixed-term role, Upper Clutha Welcoming Communities Coordinator, started in November 2023, partly funded by Te Hau Toka Southern Lakes Wellbeing Group. This role has helped to meet the needs of the community, socialise the Welcoming Communities programme and support the implementation of initiatives aligned with the Welcoming Communities Standard laid out in the Welcoming Plan 2024-2027. This year saw a range of initiatives delivered to welcome and support newcomers to the community including cultural events, settlement support programmes, English language courses, translation of community services information, and working with community partners to improve inclusion for all.

Wellbeing Programme

The role of Programme Coordinator – Wellbeing was partly funded by Te Hau Toka Southern Lakes Wellbeing Group again in 2023-2024, with plans to adopt this as a permanent position in July 2024. This role continued working with teams across the Council and with community partners to deliver a range of community wellbeing initiatives and events through the Summerdaze and Winterdaze programmes. With a focus on supporting community connection and mental wellbeing (through the Five Ways to Wellbeing) this role provides an essential function for enhancing community resilience. Additionally, this role collaborated with internal and external stakeholders to support and leverage existing community engagement initiatives, contributing to their success and effectiveness.



Library services

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:

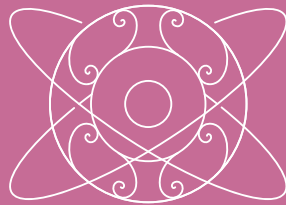


THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

Our doors and minds are open; everybody is warmly welcomed

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

People of all ages are able to seek a future here



BREATH-taking CREATIVITY | WHAKAOHOHO AUHATAKA

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

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



LIVING TE AO MĀORI | WHAKATINANA I TE AO MĀORI

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

Our kōrero is strong in both Te Reo and English

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

What we deliver

The Queenstown Lakes District has eight public libraries linked in a joint venture with Central Otago District Council (CODC). The combined library network service provides borrowers with free access to all 15 branches across both districts and online services through the library website.

Progress against the Long Term Plan 2021-2031

Libraries continue to design and implement library services, events, programmes and collections guided by the principles of literacy, learning, connection, wellbeing, and equity set in place by the Council-approved QLDC 2020-2030 Library Strategy:

Literacy and language

- > 1,000 Books Before School, a reading programme started in 2022 to encourage reading to, and reading by, children aged 0 to 5, is an established agenda in all library branches with 500 preschoolers now registered in the programme. Other New Zealand libraries have sought guidance on the programme from the Children's Services manager.
- > Libraries (and publishers) have responded to increased demand for books published in Te Reo Māori, ranging from children to adult books and including classics, including Hemingway and Shakespeare.
- > eResources:
 - Monthly targeted marketing campaigns have ensured each grouping of digital resources was being promoted throughout the year.
 - eCopy checkouts increased by 31.5% during the 2023/24-year period.
 - New literacy and learning online platforms added to libraries this year and free to borrowers:
 - *Medici TV* – classical and jazz music streaming (offers the possibility of hosting public screenings at the library)
 - *My Heritage and ProQuest Historical Newspapers* for genealogists and family researchers
 - *Comics Plus* – a huge range of graphic novels, manga and comics

- *Niche Academy* – learning, training, and development
- *Era Books Online* – decodable readers for children (to support curriculum changes)

> Queenstown Lakes Library (QLL) use in 2023/24:

- A total of 34,043 people were registered as borrowers across the 8 branches.
- 4,396 new borrowers joined during the 2023/24 year.
- 298,108 people entered Frankton, Queenstown & Wānaka Libraries in 2023/24.
- A total of 460,408 physical items were checked out.
- 13,624 physical items (books, magazines & audiovisual) were added to the QLL collection.
- There were 112,677 physical items held across QLL.
- QLDC Library borrowers had access to 179,125 physical items across the Central Otago & Queenstown Lakes Libraries partnership (CQ Libraries).
- A total of 48,352 e-Items were held in shared ownership and access at CQ Libraries.
- A total of 122,387 e-Items were checked out at CQ Libraries which also includes shared access and ownership of e-Items in partnership with the Southlib Consortia of Southern Libraries and South Island Downloadable Zone (SIDZ) Libraries.

Learning for life

> Digital literacy:

- Digital Drop-in sessions at Arrowtown, Frankton, Glenorchy, Hāwea, Kingston & Wānaka Libraries continued throughout the 2023/24 year. The sessions continued to be run by the Community Engagement Librarians and were particularly popular with seniors.
- Digital Appointments were formalised at Queenstown Library for access to Librarian one-on-ones to assist with digital literacy needs, including creating CVs, job hunting and setting up Manage My Health.

- Senior Outreach Digital Classes were also delivered during the year to meet requests from community groups across the district, including SeniorNet, Hāwea Wise Ones, and the Glenorchy Community.
- Pop-up libraries which included Virtual Reality (VR) sessions were run by Queenstown Library to introduce VR to the community at various events, matching the VR subject to the event, e.g. participants simulated a mountain climb at the NZ Mountain Book and Film Festival.
- The Sirsi Dynix Library app introduced in 2022 to create an improved customer experience, was restored following a 3.5-month global outage in 2023. Following heavy promotion, it is now back up and running and the number of uses has returned to pre-outage numbers.
- Library app launches during the 2023/24 year totalled 86,390.

- > New eResources supporting learning English, world languages, car and motorbike repair skills, crafting, business and entrepreneurship, were added to the suite of online resources via the library website.

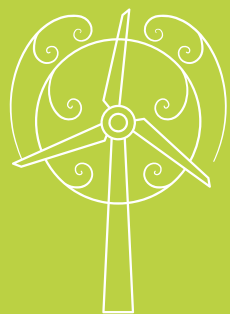
Connected, vibrant communities

- > The first Annual Library Customer Survey was conducted in March 2024 to establish baselines, assess the impact of libraries on the community and identify areas for improvement.
- > A Welcome to the Library email using the email marketing system Patron Point was developed and successfully deployed with a 73% read rate.
- > The monthly library eNewsletter has gained a consistent read rate above 35% (sent to 14,000+ people) and has proved a successful tool to promote collections, library services, events encompassing library, QLDC and wider community events and digital resources.
- > Patron Point Recommends, a monthly collections eNewsletter particularly targeting new users, was launched in 2023. The eService sent out to 19,000 people has achieved a 48% read rate. Patrons select genre read preferences and the system generates popular books for reading recommendations that match the selection.

- > Library Movie Matinee for Seniors sessions were a resounding success. Films spotlighting the Library's Beamafilm Streaming Service have been shown monthly. Funded by Te Hau Toka Southern Lakes Wellbeing Group, the sessions have been extremely popular and well attended.
 - > Libraries continue to work in partnership with local iwi to ensure the district's unique culture and heritage is shared with the community. Monthly Te Reo Storytimes continue at Arrowtown, Frankton and Queenstown Libraries during the year. Library events during the 2023/24 year included:
 - Ngā Purākau o Matariki = The Stories of Matariki
 - Te Ara Tawhito = Stories of the Old Trails
 - Te Tiriti o Waitangi = The Treaty of Waitangi
 - Relationship established with Ngā Taonga Sound and Vision to screen special archival video footage throughout the year highlighting and celebrating key events in the Māori calendar
 - Steve Solomon Master Carver Exhibition and Talk
 - Roka Hurihia Ngarimu-Cameron MNZM – Master Weaver Exhibition and Talk
 - Matariki Storytimes for Children
 - Procurement and design of a new Queenstown Lakes Libraries website were carried out in 2024. Previously, Central Otago and Queenstown Lakes Libraries shared a website for patron access, however, a decision was made to separate both district library websites and actioned accordingly. The libraries continue to share the Enterprise public access platform.
- Wellbeing and equity**
- > Queenstown Lakes Libraries continues to represent the district's diverse communities. Collections, displays and events respect people's right to freedom of information and inclusiveness.
 - > Greater focus was placed on the following special collections during the 2023/24 year due to environmental and societal shifts and demand:
 - Dementia friendly
 - Library of Things – includes bird watching and stargazing kits
 - Sustainability – includes climate matters
 - World languages
 - Board games
 - Rainbow
- > Libraries continued to partner with the Digital Inclusion Alliance Aotearoa (DIAA) to deliver internet access to eligible families.
 - > Outreach services to Retirement Villages in the Whakatipu and Upper Clutha were supported during the 2023/24 year with weekly visits and book drops.
 - > Book deliveries to housebound patrons continued. These were supported by Altrusa in the Whakatipu and library staff in the Upper Clutha.
 - > StoryWalks®, outdoor trails for families combining reading children's books with a physical activity, located at Hanley's Farm and Luggate, funded by Te Hau Toka Southern Lakes Wellbeing Group and in conjunction with the Parks Team, Property Team and Scholastic Publishing were completed in August 2023 and May 2024.
 - > Wānaka Library shelving was replaced in November 2023. Replacement shelving included rollaways to move shelving and create more space for information and author events. Upright bottom shelves also created better display and easier retrieval for library patrons.
 - > The Kingston Library was refurbished in September 2023, creating improved access, and has resulted in greater use with a +17% increase in borrowing.
 - > The Queenstown Library staff workroom was refurbished, creating an efficient team working environment.
 - > Fire doors were installed at Hāwea Library in May 2024, increasing occupancy capacity from 24 to 95 people.
 - > The Frankton Library Collection Hub extension fit out was carried over for completion in early 2024/25.
 - > Preparation was completed for Queenstown Lakes Libraries to go fine free and implemented in July 2024 in conjunction with Central Otago Libraries.

Parks and open spaces

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



ZERO CARBON COMMUNITIES | PARAKORE HAPORI

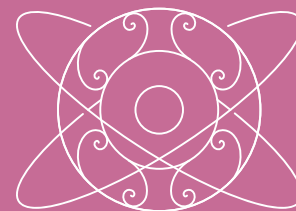
Active travel is an integral part of an accessible and safe network for all of our people



THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

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

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



BREATHTAKING CREATIVITY | WHAKAOHOHO AUAHATAKA

Artists and art lovers unite in both dedicated spaces and beyond the boundaries of venues and facilities



DEAFENING DAWN CHORUS | WARAKI

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

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

We set the standard for combating biodiversity loss

What we deliver

Queenstown Lakes District Council is responsible for over 2,300 ha of parks and reserves, including premier parks such as Te Kararo Queenstown Gardens, Tāhuna Marine Parade and Wānaka Station Park. The Parks team facilitates a range of activities such as pest, plant and animal control programmes, forestry management (Ben Lomond Reserve, Queenstown Hill, and Coronet Forest), and seasonal events, and provides and manages parks and open spaces assets such as sports fields, playgrounds, BBQ areas, public toilets, walking and cycle trails. The team also manages interment services and maintenance of cemeteries, many of which are of historical significance. Council parks staff are the custodians of the Te Kararo Queenstown Gardens and all amenity horticulture work within the Queenstown, Arrowtown and Wānaka CBDs.

Progress against the Long Term Plan 2021-2031

- > The first stage to regenerate the Coronet Forest site began, with site preparation and planning underway prior to native planting. The multi-year contracts to undertake the regeneration were awarded in April 2024 and considered broader outcomes in the tender evaluation. The contracts were awarded later than planned due to a more thorough procurement process being undertaken (due to the value of the contracts). This led to capital funding being deferred into 2024/25 to match the deliverables in the contract.
- > Parks Roding Renewals were delivered through the annual reseal programme across the district. Competitive unit rates enabled Parks carparks and accessways to be renewed, ensuring the assets reach their useful life and meet the required levels of service. Notable places where assets were renewed include Eely Point in Wānaka and the Queenstown Events Centre carpark.
- > Planning for two key projects was completed - Stage 5 of the Wānaka Lakefront Development Plan (improvements to safety and existing active travel connections on the lakefront between Wānaka's marina and yacht club) and an upgrade to the Glenorchy Marina carpark. Construction of these projects will now be undertaken in 2024/25 due to project timing around contractor availability and suitable times of year for construction when visitor numbers are low.
- > Upgrades to the bridge and track at the Watersports carpark in Wānaka were completed. A new bridge was constructed over Stoney Creek and the track realigned to improve active travel around the carpark.
- > Multiple actions to manage the risk of wildfire in QLDC reserves were implemented. A network of environmental monitoring sensors was installed at the Mount Iron and Ben Lomond Reserves. The sensors provide live weather updates and imaging that can assist in early fire detection. QLDC also implemented a reserve closure protocol for the Mount Iron, Ben Lomond, and Queenstown Hill reserves (the three reserves with the highest wildfire risk) to reduce the risk to people.
- > Development of a draft Reserve Management Plan for Mount Iron began and was informed by significant engagement with the community in late 2023 to understand what they wanted to see for the future of Mount Iron.
- > QLDC made an application to the Department of Conservation (DOC) to become the administering body of the DOC land at Mount Iron to enable a single management and maintenance approach to all the land at Mount Iron. DOC and QLDC have entered into a management agreement where QLDC has taken over the day-to-day management until the outcome of the application is known.
- > Several new community facilities were built including a new playground in Luggate and new toilets in Northlake in Wānaka and at the Shotover Country Sportsfield in Queenstown.
- > Upgrades to the Millenium Trail and the Upper Clutha Albert Town Trails in Wānaka were made as part of the annual tracks and trails renewals programme. A smoother surface was created to improve the level of service on the Millenium Trail, the trail from Ruby Island Road heading northwards towards Glendu Bay. The Upper Clutha Albert Town Trail was resurfaced and widened to meet QLDC standards.
- > The Queenstown Cemetery Restoration is mostly complete following the September 2023 weather event. In total, over 900 tonnes of soil material and over 300 tonnes of wood debris were removed. Grass remediation and headstone restoration have also been completed.

- > Two new street sweepers were purchased for Whakatipu (one being a renewal) ensuring the Queenstown CBD is kept to an extremely high standard of cleanliness.
- > Development plans for Lismore Park and Peninsula Bay in Wānaka were adopted in February 2024. The development plans are high-level design concepts that guide the future development of the reserves. Lismore Park Development Plan focuses on maintaining the local recreation space and enhancing park amenities to support the existing uses such as the Lismore Bike Jump Park. The Peninsula Bay Development Plan focuses on improving existing amenities and enhancing access.
- > 472 trees were planted throughout the district as part of our tree planting programme. These trees will provide important habitats for indigenous flora and fauna.
- > 48 groups were being supported and enabled to carry out activities on QLDC reserves such as planting, trapping and wilding removal. This is an increase from previous years and reflects the large amount of volunteer time going into achieving community outcomes on reserves.



Sport and recreation facilities

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



THRIVING PEOPLE
WHAKAPUĀWAI HAPORI

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

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

What we deliver

Queenstown Lakes District Council's venues and facilities provide a range of sport, recreation, and aquatic opportunities throughout the district. Pool facilities include Alpine Aqualand, Arrowtown Memorial Pool and the Wānaka Recreation Centre. Council also supports the operations of the Glenorchy and Hāwea Flat community pools. The Wānaka Recreation Centre, Paetara Aspiring Central and Queenstown Events Centre also have indoor courts, artificial turfs, and outdoor sports fields. At the Queenstown Events Centre (QEC), further facilities include a fitness studio, gym, and an indoor climbing wall. Council provides a range of programmes, including swim school, climbing programmes, fitness classes and sports leagues. QLDC also provides a wide range of community centres that offer local communities a space for various activities from boot camps and meetings to sports leagues and other passive and active recreation opportunities. Council's sport and recreation mantra is, "More people, more active, more often".

Progress against the Long Term Plan 2021-2031

- > Planning began on the Ballantyne Road Oxidation Ponds (Wānaka) to develop many sports fields and facilities for community use in the future and initial site preparation works are planned for the next few years. The Draft Ballantyne Road Sports Hub Masterplan was put on hold due to the re-prioritisation of funding.
- > Paetara Aspiring Central youth and community centre in Wānaka was opened in October 2023 and provides homes for Kahu Youth Trust and Aspiring Gymnastics Club as well as providing much needed indoor courts, studio and activity spaces for several different community groups and individuals. Basketball hoops have also been installed to enable Wānaka Basketball Club to extend its competitions and training sessions. Paetara has had over 20,000 visits since it opened and continues to grow monthly.
- > QLDC finished the sports field renovation and upgrade programme for QEC Fields 1a and 1b and McBride Park in Lake Hayes Estate in the 2023/24 year. The upgrades provide improved irrigation, drainage, and turf. QEC Fields 1a and 1b are significant to the Whakatipu sporting community as they are the only grass fields with lighting. McBride Park was underutilised due to its prior substandard condition, but will now be used for a range of different sporting activities like touch, football, and rugby.
- > Frankton Golf Centre was reconfigured to ensure a 9-hole golf course was retained and to allow NZTA to begin the upgrade of the State Highway 6/6A Intersection as part of the New Zealand Upgrade programme. Ongoing work in this area is required to minimise the impact on Frankton Golf Centre as the project progresses. Golf has seen a 15% increase in revenue from green fees and driving range fees in the year 2023/24 compared to 22/23.

Community facilities and venues

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:

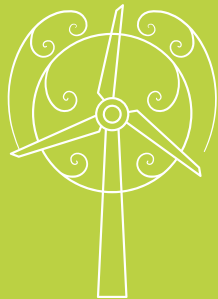


THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

Our doors and minds are open; everybody is warmly welcomed

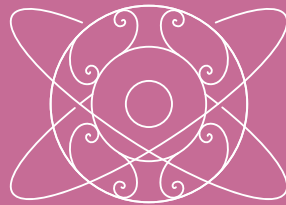
Ours is the most accessible, barrier-free district in Aotearoa New Zealand for all people

People of all ages are able to seek a future here



ZERO CARBON COMMUNITIES | PARAKORE HAPORI

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



BREATHTAKING CREATIVITY | WHAKAOHOHO AUHATAKA

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

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

What we deliver

QLDC's venues provide a range of facilities throughout the district. While size and scale vary, all community facilities focus on supporting our community with places for passive and active recreation activities and events. Future investment is required to meet community expectations and population growth in new housing areas.

Progress against the Long Term Plan 2021-2031

- > Opened the Whare Mahana Luggate Memorial Centre as New Zealand's first Passive Haus Community Centre. QLDC achieved a Merit Award for this at the NZ National Property Awards, Civic, Health & Arts category in July 2023. Mahana has had over 6,000 people through its doors in the 23/24 period.
- > QLDC worked in partnership with the Te Atamira Trust to retrofit a building in Remarkables Park into an Arts and Culture facility for a wide range of arts/culture groups, over 80 groups use it weekly and this has been a massive success with over 100,000 people having passed through the doors since opening.
- > The short term conversion of the residential property at 516 Ladies Mile into an interim community centre for the Lake Hayes and Shotover Communities was stopped due to increased cost estimates associated with changing from a residential property to the required community standard. It is proposed that funding be allocated to the development of a temporary community facility, toilet block and change rooms, service infrastructure and sports fields in the 2025/26 year at the 516 Ladies Mile site.
- > QLDC granted a lease to the Whakatipu Community Hub Trust to develop a social services hub at Frankton on the Queenstown Event Centre land. Discussions on moving forward with this project are being held in partnership with QLDC and the Trust.

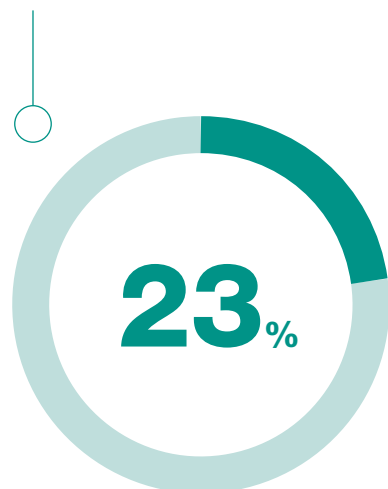
HOW MUCH IT COST

Breakdown of service cost

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Operating Expenditure of \$198,805,000 (excluding depreciation)

Community services expenditure of \$46,030,000



Community Services & Facilities	2023 LTP \$000	2024 LTP \$000	2023 Actual \$000	2024 Actual \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	2,099	2,000	3,288	4,699
Targeted rates	24,763	25,742	24,888	28,978
Subsidies & grants for operating expenditure	336	332	570	1,015
Fees & charges	6,921	7,430	9,616	8,087
Interest and dividends from investments	-	-	7	17
Fuel tax, fines, infringement fees & other receipts	3,210	4,065	3,967	5,605
Total sources of operating funding	37,329	39,569	42,337	48,401
Applications of operating funding				
Payments to staff and suppliers	28,069	29,320	34,162	34,604
Finance costs	1,585	1,729	2,471	4,379
Internal charges applied	4,902	5,095	4,322	7,048
Other operating funding applications	-	-	-	-
Total applications of operating funding	34,556	36,144	40,955	46,030
Surplus/(deficit) of operating funding	2,773	3,425	1,382	2,371
Sources of capital funding				
Subsidies & grants for capital expenditure	89	-	879	405
Development and financial contributions	3,389	3,416	3,775	7,613
Increase/(decrease) in debt	3,557	5,766	7,451	213
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	7,035	9,182	12,105	8,231
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,370	4,035	4,330	1,777
- to replace existing assets	4,672	6,712	6,445	5,007
- to improve the level of service	3,193	2,520	14,331	4,558
Increase/(decrease) in reserves	(427)	(660)	-11,619	(739)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	9,808	12,607	13,488	10,603
Surplus/(deficit) of capital funding	(2,773)	(3,425)	(1,382)	(2,371)
Funding balance	-	-	-	-

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Fees and Charges greater than LTP due to \$0.5M Skyline lease rental income. Payments to staff and suppliers over budget with \$2.2M salary and wage workforce review, \$1.3M of PAC and Te Atamira lease costs not in LTP, \$1.0 of increased power and insurance costs. Finance costs higher due to higher interest rates. \$2.0m Internal overhead allocation high than LTP.	\$2.0M Paetara Aspiring Central, \$0.8M Coronet Forest Revegetation, \$0.5M Toilet Renewals Whakatipu, \$0.5M Tracks & Trails Renewals Whakatipu, \$0.5M Playground Renewals Wanaka and \$0.4M Water Sport Facility Bridge & Parking.	Ballantyne Road Recreation Centre Site preparation budget of \$3.5M with actuals of \$26k, Coronet Forest Revegetation budget of \$2.8M with actuals of \$0.8M, Lakeview Plaza budget of \$1.7M with \$NIL actuals, Pembroke Park irrigation and field improvements budget of \$0.5M with actuals of \$NIL. Offset with Paetara Aspiring Central \$NIL budget with actuals of \$2.0M, playground Renewals Wanaka budget of \$0.1M with actuals of \$0.4M and Responsible Camping budget of \$NIL with actuals of \$0.4M.

How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Library circulation per capita (including books, e-books, e-audio and magazines) (based on usually resident population)	32,580 avg per month 390,960 total	Improve year on year	534,164	582,797	Overall, annual checkouts show an increase of 9.1% compared to the previous year coming to a total of 582,797 copies. Physical checkouts were 4.4% higher, while eCopy checkouts increased by 31.5%. Overall, visitors to the three main libraries have increased by 41.6% this year. The main contributors being Frankton and Wānaka.
Percentage of Request For Service resolved within the specified timeframe for parks, reserves, trails, gardens and playgrounds	80.6%	>95%	95%	94.5%	The annual result missed the 95% target. The target was met for 10 of the 12 months but failed in 2 months due to a nationwide digital platform failure and short-term contractor resourcing issues, which were quickly resolved.
Total number of gym and pool visits per capita (based on usually resident population)	New measure	Improve year on year	35,058 visits	30,172	The total number of visits for the year exceeded our previous record number of visits (in 22/23) by +8%. Per capita has been calculated as visits per 1,000 residents. Due to a population growth of 28% the calculated number appears lower than the previous year even though the raw data suggests a better result. The annual KPI result is -14% short of the target. All Sport and Recreation activities showed growth on last year, particularly in Queenstown.
Percentage of residents who are satisfied with the range of community facilities (pools, sport & recreation facilities, community venues, libraries and parks)	New measure	Improve year on year	Trails, walkways, cycleways 86% Parks, reserves, gardens 87% Gym(s) 37% Public toilets 67% Playgrounds 46% Indoor sports facilities 43% Sports grounds 49% Swimming pools 50% Libraries 65% Community halls 44% Community arts centres 31% Museums 29%	Overall 75%*	Overall, 75% of respondents are satisfied with the range of facilities and only 9% are dissatisfied; 16% state they are neither satisfied nor dissatisfied. This year's results show an increase in the proportion of respondents who are very satisfied since the previous result in 2021 (20% are very satisfied). Respondents in Wānaka are more likely to be satisfied with the facilities, while respondents from smaller rural areas are more likely to be dissatisfied. The last time this question was asked as a combined overall was in 2021 with a result of 71%. This year's result shows an improvement of 4% which achieves the target.
Percentage of residents who are satisfied with the financial support Council provides for the community	33%	>80%	33%	39%	An initial review of the community investment programme was completed in 2023-2024, to ensure community grants and other funding options continue to meet the needs of our growing and increasingly diverse community. Community aspirations regarding the amount of funding support provided to community groups, as represented in this KPI, will be considered as further improvements are made to the community investment programme over the coming year.
Percentage of total community grants to total Council operating expenditure excluding depreciation and personnel costs	0.83%	1.65%	1.87%	1.08%	This target was not achieved. This % was an increase from the baseline performance.
Percentage of capital works completed annually, including renewals, against the 2021-2031 Long Term Plan budget adopted by the Council for community facilities and property	New measure	80%–110%	223.43%	61%	The target was not achieved due to significant underspend on three key projects with \$5.3 million carry forwards for contracts agreed with construction to commence in 2024/25.

* This question was split out into facilities in 2022 but asked as one generic question in 2023.

Environmental management



Queenstown Lakes Spatial Plan

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



DEAFENING DAWN CHORUS | WARAKI

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



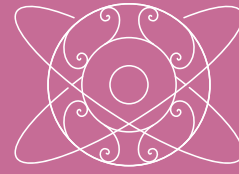
LIVING TE AO MĀORI | WHAKATINANA I TE AO MĀORI

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



THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

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



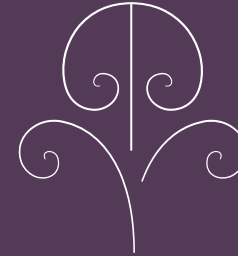
BREATHTAKING CREATIVITY | WHAKAOHOHO AUHATAKA

Our breathtaking landscapes and diverse people attract strong talent and create space for reflection



ZERO CARBON COMMUNITIES | PARAKORE HAPORI

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



OPPORTUNITIES FOR ALL | HE ŌHAKA TAURIKURA

Our economy is strong and diverse with sustainable and inclusive growth



DISASTER-DEFYING RESILIENCE | HE HAPORI AUMANGEA

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

What we deliver

The first Spatial Plan for the district was adopted by Council on 29 July 2021 and endorsed by the Grow Well Whaiora Partnership Governance Group on 22 September 2021. The Grow Well Whaiora Partnership is an Urban Growth Partnership between central government, Kāi Tahu, Otago Regional Council and QLDC.

The Spatial Plan establishes an integrated, long term, collaborative strategy that improves community wellbeing, protects the environment, and maintains a positive visitor experience. It guides new approaches and central government support to help address the challenges in Queenstown Lakes. These challenges include affordable housing, limited public transport, reliance on singular economic activities such as tourism and construction, and growth pressures on urban development.

The Spatial Plan presents information visually and sets out:

- > areas to protect and enhance, such as locations with high natural values and culturally important sites
- > areas subject to constraints to urban development, such as locations at high risk from natural hazards, including climate change
- > the existing and future structure of urban areas, such as where people may live, work and how they get around
- > existing and future infrastructure needs and services
- > priority areas for investment and action
- > other strategically significant priorities.

The Spatial Plan Gen 2.0 is in its initial stages of development, and it builds on the earlier work completed in 2021. It will become part of our Future Development Strategy, which is a government requirement for all high-growth councils in Aotearoa New Zealand.

Progress against the Long Term Plan 2021-2031

The Grow Well Whaiora Partnership is implementing the 22 priority initiatives of the Spatial Plan and developing the next version (Spatial Plan Gen 2.0) to form part of the Future Development Strategy.

The below initiatives were the key areas of focus for 2023-2024 and project updates applicable to these are noted below:

1. The Queenstown Lakes Joint Housing Action Plan (JHAP)

The JHAP was adopted by QLDC in August 2023 and endorsed by the Grow Well Whaiora partnership in September 2023. Implementation of the 34 actions is now underway, with regular updates provided in QLDC key project monthly reporting, to the QLDC Planning and Strategy Committee, and to the Grow Well Whaiora partnership.

The Tewa Banks Arrowtown development has been a successful example of the JHAP partners working together to improve housing outcomes: QLDC provided over \$10M worth of land, The Ministry of Housing and Urban Development (HUD) is providing \$20M worth of loans and investment, and Queenstown Lakes Community Housing Trust (QLCHT) is now delivering the first homes in late 2024, towards a total of 68 homes by 2026.

Other key highlights over the last year include:

- > Over \$10M worth of contributions to QLCHT from Inclusionary Housing facilitated by QLDC, bringing the total contributions to \$32M.
- > Te Pūtahi Ladies Mile Variation has been sent to the Minister for the Environment for final signoff, meeting all deadlines of the Streamlined Planning Process. This variation is designed to ensure a high-quality, well-designed urban development of predominantly medium and high-density housing.
- > A refreshed approach and stronger focus on monitoring and enforcing the stakeholder deeds to facilitate further contributions to the QLCHT.
- > Building insights and evidence by monitoring key indicators, listening to the community and conducting targeted research and expert analysis.
- > A comprehensive communications campaign to disseminate key housing messages, including website updates, newspaper adverts and articles, information for QLDC Councillors, and a podcast interview.

2. Priority Development Areas

The Queenstown Lakes Spatial Plan identifies six priority development areas essential for facilitating future growth and achieving its strategic outcomes. Successful implementation requires collaboration among the Grow Well Whaiora Partners, developers and the community.

The structure plans serve to provide a clear overview of the required infrastructure investments – covering renewal, enhancement, and growth – along with funding, timelines, and potential risks. They will also address the social and infrastructure needs of each area and prioritise the delivery of affordable housing through diverse lot sizes and housing options.

Te Tapuae/Southern Corridor is the first Priority Development Area to be structure-planned through this process. The project began in mid-2023 following funding confirmation through Tranche One of the Department of Internal Affairs Three Waters Better Off funding. Workshops with Grow Well Whaiora partners and stakeholders in July and October 2023 facilitated discussions on development aspirations, challenges, and opportunities, leading to the creation of a draft structure plan.

A draft option analysis was completed in early 2024 and is currently pending further input from experts in transport, natural hazards, ecology, landscape, commercial interests, cultural impact assessment, urban design, and infrastructure.

3. NPS-UD implementation

The National Policy Statement – Urban Development (NPS-UD) directs QLDC to enable building heights and housing density in appropriate locations. The Planning Policy team is currently working on a District Plan Change to give effect to the requirements of Policy 5. At the Council meeting on 1 June 2023, Councillors endorsed the Urban Intensification Variation for notification via Schedule 1 of the Resource Management Act (RMA). The Variation was publicly notified in October 2023, and 1,266 submissions were received. As required by Schedule 1, a summary of submissions was then notified, and 104 further submissions were received.

The Council has formally appointed an Independent Hearings Panel with delegated authority to hear and make recommendations on the submissions received. The Panel Chair is expected to release the Panel's first procedural Minute in September 2024, which will set out the timeframes for the hearing process.

4. Destination Management Plan (see page 91 under Economy)

5. Economic Diversification Plan (see page 91 under Economy)

6. Blue Green Network

The Blue Green Network includes water catchments from the mountains to the lakes, encompassing all intervening waterways. The green network refers to the land and vegetation patterns across the landscape.

A draft Blue Green Network Plan has been developed, with finalisation expected later in 2024. This plan will be incorporated into the Spatial Plan Gen 2.0, which will become a statutory document upon adoption in mid- to late 2025. This initiative is being undertaken in close partnership with Kāi Tahu.

The Blue Green Network plan provides district-wide mapping of existing blue and green networks, followed by a gap analysis that establishes community plans to identify current assets and future requirements.

Spatial Plan Gen 2.0 (Future Development Strategy)

The Spatial Plan Gen 2.0 is being collaboratively developed by partnership members. A key advantage of this plan is that it will serve as the Council's Future Development Strategy (FDS) under the National Policy Statement – Urban Development. The FDS is a strategic document that Resource Management Act (RMA) documents, such as the District Plan, must consider during preparation or modification. Additionally, the Spatial Plan aims to inform future Long Term Plans and 30 Year Infrastructure Strategies, promoting strategic planning and integrating decisions on planning, infrastructure, and funding. The plan relies on data from the 2024 Housing and Business Capacity Assessment, which identifies any constraints that the Council must address related to plan-enabled or infrastructure capacity issues. Once the Housing and Business Development Capacity assessment is finalised and needs are identified, suitable Urban Growth Sites will undergo a Multi-Criteria Assessment in accordance with statutory requirements and the draft FDS Strategic Framework.

District Plan

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



DEAFENING DAWN CHORUS | WARAKI

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



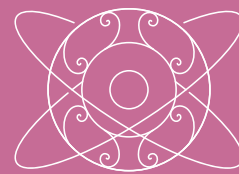
LIVING TE AO MĀORI | WHAKATINANA I TE AO MĀORI

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



THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

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



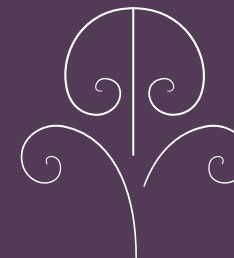
BREATHTAKING CREATIVITY | WHAKAOHOHO AUHATAKA

Our breathtaking landscapes and diverse people attract strong talent and create space for reflection



ZERO CARBON COMMUNITIES | PARAKORE HAPORI

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



OPPORTUNITIES FOR ALL | HE ŌHAKA TAURIKURA

Our economy is strong and diverse with sustainable and inclusive growth



DISASTER-DEFYING RESILIENCE | HE HAPORI AUMANGEA

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

What we deliver

The District Plan explains how QLDC will manage the environment in accordance with the requirements of the Resource Management Act 1991. It sets out what activities can be done as of right; what activities resource consents are needed for and how certain activities may be carried out. It also sets out a strategic direction for the district in terms of where and how development should occur.

Progress against the Long Term Plan 2021-2031

Key progress in 2023-2024 includes:

- > Completion of ePlans⁹ for the Proposed and Operative District Plan. The ePlans will improve the plan user experience by including definition links for defined words in the Plans, including links to external resources where applicable (such as including links to sections of the Resource Management Act 1991 and material incorporated by reference in the Plans), and to highlight provisions which are still under appeal. The ePlan combines the Council's GIS maps with the relevant District Plan, which allows plan users to see what layers or precincts apply to individual properties.
- > Notification of the Urban Intensification Variation – to give effect to the National Policy Statement – Urban Development (NPS-UD)
- > Resolution of Environment Court Appeals:
 - Stage 1: 96 of 107 appeals resolved
 - Stage 2: 68 of 86 appeals resolved
 - Stage 3: 33 of 43 appeals resolved
- > Variation Priority Landscapes Areas decision notified; 16 Environment Court appeals received
- > Inclusionary Housing Variation decision received and subsequently withdrawn
- > Te Pūtahi Ladies Mile Variation was heard, and a draft recommendation has been forwarded to the Minister of the Environment for a decision
- > Drafting of Upper Clutha Landscapes Variation – to be notified in October 2024

- > Commenced Section 35 monitoring with a view to revising all remaining Operative District Plan Zones

- Arrowtown South
- Meadow Park
- Bendemeer Park
- Frankton Flats A
- Frankton Flats B
- Remarkables Park
- Kingston Village
- Mount Cardrona Station
- Penrith Park
- Quail Rise Zone
- Shotover Country
- Plan Change 50/Queenstown Town Centre Extension
- Northlake
- Gorge Road Hazards Area and remaining area.

- > 2024 Housing and Business Capacity Assessment

- Under the NPS-UD, Housing and Business Capacity Assessments (HBA) are required to be prepared by all Tier 1 and 2 Councils every three years. The HBA is designed to provide local authorities with a robust evidence base for housing and business land markets so that it can be used to inform plans, planning decisions, and related strategies.
- The purpose of the NPS-UD is to recognise the national significance of urban environments and the need to enable such environments to develop and change; in particular, providing sufficient development capacity within plans to meet the needs of people and communities and future generations in urban environments.
- The NPS-UD requires QLDC and ORC to develop a highly detailed understanding of supply and demand for residential capacity as well as the needs of the community, the property and development market and competing market factors. The HBA is to be confirmed at the February 2025 Council meeting.

⁹ <https://www.qldc.govt.nz/your-council/district-plan/eplans/>

Climate and Biodiversity Plan

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



DEAFENING DAWN CHORUS | WARAKI

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

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

We set the standard for combating biodiversity loss



ZERO CARBON COMMUNITIES | PARAKORE HAPORI

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



DISASTER-DEFYING RESILIENCE | HE HAPORI AUMANGEA

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

What we deliver

On 30 June 2022, Council adopted the 2022-2025 Climate and Biodiversity Plan (Te Mahere Āhuarangi me te Rereka Rauropi) that sets out how the district is going to respond to climate and ecological emergencies over the next three years.

The plan was the product of a 15-month engagement programme with mana whenua, climate and biodiversity experts, sustainability groups, conservation groups, community members and the Queenstown Lakes Climate Reference Group. The Climate Reference Group was established by Council in 2020 as an independent, multidisciplinary body with relevant experience to advise on initiatives, networks and resources required to turn ideas into concrete actions. The development of the plan involved a significant amount of collaborative discussion and public consultation with experts, advocates, and community members to identify the priorities, opportunities, and challenges for the district.

Progress against the Long Term Plan 2021-2031

Of the actions committed to in the 2022-2025 Climate and Biodiversity Plan, 23% are complete, 72% are in progress and 4% are either not started or on hold. Actions that have been completed include annual measurement and reporting of organisational greenhouse gas emissions, conducting a carbon baseline of the Long Term Plan 2021-2031, developing an Emissions Reduction Plan for QLDC operations, joining a certified carbon reduction programme, and providing input into the 30 Year Infrastructure Strategy to consider climate, biodiversity, and community resilience matters.

In July 2023 QLDC achieved Toitū carbon reduce certification for the base year FY2018-19 and FY2019-20. Recertification was received on 22 March 2024 based on verification of data from FY2020-21 and FY2021-22. Our most recent audit of the emissions for FY2022-23 was completed in February 2024 and recertification was received in July 2024.

Long Term Plan options were developed for the funding of the conversion of Alpine Aqualand and Wānaka swimming pool LPG boilers. These projects would save approx. 1,160t CO₂e/y, which would successfully achieve our 2030 emissions reduction targets.

Strong progress is also being made with QLDC's commitment to EV fleet conversion. QLDC was the winner of the 2023 Sustainable Journeys Award in October 2023 which recognises organisations that have worked to reduce fuel emissions by enabling active and shared travel and converting to more environmentally friendly fuels and vehicles.

QLDC is also taking a leadership role by evaluating the levels of embodied carbon within its Capital works programme. In September 2023 Council completed a carbon baseline assessment of the LTP 2021-31 in partnership with LGNZ EQUIP and Mott Macdonald which has helped inform the next LTP currently in preparation.

Other completed actions include developing a Climate & Biodiversity website, establishing partnerships with and investing in local organisations to deliver climate and biodiversity action across the district, supporting public transport trials in the Upper Clutha, launching a Queenstown Lakes Food Network, developing waste and carbon emissions reduction guidelines for event organisers, partnering with the Regional Tourism Operators to create a Destination Management Plan to achieve regenerative tourism by 2030, and developing a Diversification Plan that includes climate action as a key principle.

Updates on the progress of all actions in the 2022-2025 Climate and Biodiversity Plan are available through the Climate & Biodiversity website (<https://climateaction.qldc.govt.nz/our-actions/>).



Resource consents

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



DEAFENING DAWN CHORUS | WARAKI

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

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

We set the standard for combating biodiversity loss



THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

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

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

What we deliver

A Resource Consent is a written approval from the Council to undertake an activity that is not permitted as of right in the District Plan (a permitted activity). The process for granting a resource consent is governed by the Resource Management Act 1991 and the District Plan. The types of resource consent issued by Queenstown Lakes District Council (QLDC) include:

- > Land use consents – this term applies to most resource consents and includes consents for new buildings, undertaking an activity, running an event, carrying out earthworks, clearance of large areas of vegetation, and commercial activities such as jet boat operating, fishing guiding, and kayak hire/guiding etc.
- > Subdivision consents – subdividing land to create one or more additional lots or Unit Titles or altering a boundary.

QLDC plays a key role as one of the guardians of our unique environment, working in partnership with Kāi Tahu, Otago Regional Council, the Department of Conservation, and other valued interest groups.

Progress against the Long Term Plan 2021-2031

The resource consents team continues to achieve cost-effective and increasingly efficient resource consenting services for the community, including assisting with interdisciplinary QLDC projects and taskforce groups, while maintaining its role as one of the guardians of our unique environment.

The resource consents team issued 983 decisions this year of which 94.75% were processed within required timeframes. For every month of the year the team achieved at least 90% or greater decisions processed within timeframes, and in June 2024 100% were processed within timeframes.

HOW MUCH IT COST

Breakdown of service cost

**AS A PERCENTAGE
OF TOTAL EXPENDITURE**Total Operating Expenditure of
\$198,805,000 (excluding depreciation)Environmental management
expenditure of \$18,737,000

Environmental Management	2023 LTP \$000	2024 LTP \$000	2023 Actual \$000	2024 Actual \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	5,010	5,612	3,386	5,267
Subsidies & grants for operating expenditure	100	100	178	-
Fees & charges	8,080	8,766	8,802	8,610
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	115	120	37	-
Total sources of operating funding	13,305	14,598	12,404	13,877
Applications of operating funding				
Payments to staff and suppliers	12,063	12,541	12,275	14,400
Finance costs	301	311	535	392
Internal charges applied	3,541	3,745	4,175	3,945
Other operating funding applications	-	-	-	-
Total applications of operating funding	15,905	16,597	16,984	18,737
Surplus/(deficit) of operating funding	(2,600)	(1,999)	(4,581)	(4,860)
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	690	-	45	(2,732)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	690	-	45	(2,732)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to replace existing assets	-	-	-	-
- to improve the level of service	-	-	-	-
Increase/(decrease) in reserves	(1,910)	(1,999)	-4,535	(7,592)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	(1,910)	(1,999)	(4,535)	(7,592)
Surplus/(deficit) of capital funding	2,600	1,999	4,581	4,860
Funding balance	-	-	-	-

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
\$1.9M higher payments to staff and suppliers due to \$0.9m Legal Fees, \$1.0m Commissioner & District Planning Consultants fees. \$0.2m Internal overhead allocation high than in LTP.	Not applicable	Not applicable

How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Percentage of resource consents processed within statutory timeframes	82%	100%	84%	94.67%	94.67% of applications were processed within statutory timeframes which is more than a 10% improvement on the previous two-year average. Further to this, every monthly result of this year was over 90%, with one month achieving 100%. 1,052 applications were formally received for the year, 11 more than the 2022/23 financial year.
Compliance with two-year timeframe of notification to decision, in accordance with clause 10 of Section 1 of the RMA	New Measure	Full Compliance	Full Compliance	Full Compliance	Over the past year Planning Policy have resolved several District Plan appeals - (Stages 1, 2 & 3) as well as undertaking 1st Schedule processes for the Ladies Mile Variation, Urban Development, and Landscape Priority Areas. All processes have been undertaken to meet the 2-year timeframe from decision to notification of a decision.
The carbon budgets for QLDC's direct emissions set in the Emission Reduction Roadmap have been met.	New measure baseline - (2019) 2,992 tCO ₂ e	<2,369 tCO ₂ e	2,710 tCO ₂ e	2,792 tCO ₂ e	<p>The quality of emissions data has significantly improved since the carbon budget targets were set in the 2020 Emissions Reduction Roadmap, meaning that the Long Term Plan KPI targets and the 2019 baseline are now out of date. For the purpose of providing indicative emissions reduction progress we have presented council's scope one and two greenhouse gas emissions (i.e direct energy emissions only, excluding wastewater and refrigerants) for the following annual period:</p> <p>July 2023 – June 2024: 2,792 tCO₂e</p> <p>Increase of 82.47 tCO₂e from July 2022 – June 2023 audit (3% increase). Greenhouse gas emissions from direct energy have been estimated in accordance with the Greenhouse Gas Protocol and include stationary combustion (LPG and diesel) and mobile combustion (diesel and petrol) in Scope 1 and indirect emissions from purchased electricity based on location, in Scope 2. Scope 1 and 2 emissions were calculated from consumption data provided directly by the suppliers either through invoices or statements of account, multiplied by the Ministry for the Environment emission factors for 2024.</p> <p>There has been a small increase in both LPG and electricity use since the FY22 – 23 audit. This is largely due to:</p> <ul style="list-style-type: none"> • An extended pool closure which required an increase in LPG demand to heat the swimming pools. • Increase in electricity – caused by increased demand on water services and sport and recreation centres. Electricity is measured on a location basis.
Percentage of residents who are satisfied with the steps Council is taking to:					
Reduce emissions	10%	>80%	13%	14%	The 80% target for satisfaction with the steps Council has taken to reduce emissions has not been met, but work continues in efforts to accelerate the positive trend.
Protect the environment	24%	>80%	22%	21%	The 80% target for satisfaction with the steps Council has taken to protect the environment has not been met.

Regulatory functions and services



Building services

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



DEAFENING DAWN CHORUS | WARAKI

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

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

We set the standard for combating biodiversity loss



THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

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

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

What we deliver

The Building Services Team is responsible for ensuring buildings are constructed in a safe manner, and all aspects of the building code and the Building Act 2004 are complied with. This is achieved through the consenting and compliance process. Council employs internal staff and external contractors to ensure this is delivered efficiently and effectively. This includes processing approximately 1,700 residential and commercial building consents (with a built value of over \$1bn) and undertaking 16,000 inspections annually. For financial year 2022-2023, QLDC ranked fourth in Aotearoa New Zealand for the total value of building consents issued and fifth for number of building consents issued. The Building Services team is also responsible for ensuring all public buildings are safe and sanitary for occupancy. This is achieved by administering and ensuring compliance with the Building Warrant of Fitness scheme. Building work is regulated to ensure the health and safety of people and sustainability in design and construction methods.

Progress against the Long Term Plan 2021-2031

The building services team processed 1,391 building consents with a consented value of \$993m and undertook 18,000 inspections in 2023/24. The percentage of consents processed within the 20-day statutory timeframe reduced from previous years to 92%. This was due to several staff and contractors being unavailable during the year.

Inspection timeframes continue to be undertaken within the Ministry of Building Innovation and Employment guidelines of two working days.

The building services compliance team ensures that all territorial authority functions are undertaken to ensure compliance with relevant legislation, including the Building Warrant of Fitness scheme, earthquake-prone buildings, dangerous buildings and swimming pool requirements are met.

Regulatory and enforcement

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



DEAFENING DAWN CHORUS WARAKI

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

We set the standard for combating biodiversity loss



PRIDE IN SHARING OUR PLACES KIA NOHO TAHI TĀTOU KĀTOA

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

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



THRIVING PEOPLE WHAKAPUĀWAI HAPORI

Our doors and minds are open; everybody is warmly welcomed

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

People of all ages are able to seek a future here

What we deliver

Resource consent monitoring

Monitoring of resource consents is undertaken in accordance with the Monitoring Prioritisation Strategy, to ensure that priority is given to consents and activities that have the most potential for effect.

Freedom camping

Camping patrols are undertaken seven days a week across the district to ensure compliance with national legislation and the local bylaw. Responsible Camping Ambassadors educate campers, monitor camping behaviours, and promote behavioural change across the district.

Bylaw enforcement and complaint response

This involves the monitoring, enforcement, and complaint response to Requests for Service regarding bylaws.

Animal control

The animal control service includes responding to complaints of wandering dogs, stock on roads, barking dogs, lost and found services, registration information, patrolling, and education programmes. This ensures residents are safe whilst the welfare of animals is protected.

Noise control

Noise control operates 24 hours a day, seven days a week. Contractors respond to complaints of antisocial behaviour regarding noise. Most complaints are regarding stereo noise and associated people noise, with people noise deemed a police matter.

Parking

Education and enforcement of the provisions of the Land Transport Act 1998 and the QLDC Traffic and Parking Bylaw 2018 takes place across the district. This is to encourage efficient use of parking resources to enable functional streets and CBDs and maintain traffic flow linked to parking and public transport.

Responding to complaints takes place 24 hours a day, seven days a week.

Alcohol licensing

This includes the processing of applications and enforcement and regular monitoring of licensed premises and events to ensure compliance with the Sale and Supply of Alcohol Act 2012.

Litter

Council works closely with the community to reduce littering. Where appropriate, enforcement action can be taken, including the issuing of infringements under the Litter Act 1979.

Waterways

Council provides a range of recreational boating facilities so that the community can safely use waterways for recreation and commercial activity. This includes a waterways regulatory service (Harbourmasters) to enforce bylaws and regulations to promote water safety. Waterways regulatory services are provided 365 days a year.

Environmental health

We promote, protect, and improve the health of our community through the application of various legislative requirements regarding premises such as food businesses, hairdressers, camping grounds, and offensive trades.

Progress against the Long Term Plan 2021-2031

Freedom camping

Council was successful in two applications to the Ministry of Business, Innovation and Employment (MBIE) for funding from the Freedom Camping Transition Fund receiving \$495,000 in 2023-2024. The funding from MBIE was used to hire Responsible Camping Ambassadors, print educational material and new signage for the district to ensure campers have the knowledge to make sustainable choices. Through digital and printed media and in-person ambassador engagement, we have encouraged campers to make the “Tiaki Promise”, to protect and respect our environment and communities.

Bylaws

A review of the Brothel Control Bylaw 2017 was completed during the financial year 2023-2024. It was replaced by the revised Brothel Control Bylaw 2024. Currently, a review of the Navigation Safety Bylaw 2018 is underway.

Animal Control

There was a 0.82% decrease in the number of registered dogs from 6,099 in 2022/23 to 6,046 in 2023/24. Historically, there has generally been a 5% increase in new dog registrations each year and this is the first time we have seen a decrease in several years.

There has been a decrease in attacks, roaming dogs, lost dogs and barking dogs, even when the relative reduction of registered dogs is taken into account. The number of impounded dogs has also reduced.

A reduction in the number of roaming dogs is significant, roaming dogs can lead to a number of complaints and dog-related issues i.e. attacks.

Council has been successful in two prosecutions in 2023 – 2024. Another is still before the courts.

There has been a continued focus on patrolling and education programmes. This ensures residents are safe, whilst the welfare of animals is protected.

Parking

There has been a significant increase in pressure on parking within the district. The team have continued to strive for responsiveness, consistency, and reasonable application of the QLDC enforcement strategy to encourage efficient use of parking resources to enable functional streets and CBDs and maintain traffic flow linked to parking and public transport.

Alcohol licensing

There has been an increase in applications received this year, the team have continued to process applications and undertake enforcement and regular monitoring of licensed premises and events to ensure compliance with the Sale and Supply of Alcohol Act 2012.

Waterways

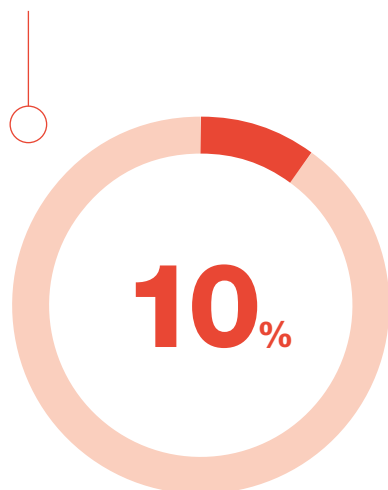
There has been a continued increase in pressure on our waterways from a wide variety of waterways users, particularly during the peak summer period.

There has been a continued focus on education of users and patrol over the peak summer period.

Engagement with community and user groups, including commercial operations, continues to be a focus to ensure we are meeting the needs of the community.

HOW MUCH IT COST

Breakdown of service cost

**AS A PERCENTAGE
OF TOTAL EXPENDITURE**Total Operating Expenditure of
\$198,805,000 (excluding depreciation)Regulatory functions and services
expenditure of \$20,001,000

Regulatory Functions and Services	2023 LTP \$000	2024 LTP \$000	2023 Actual \$000	2024 Actual \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	3,694	3,597	3,940	4,815
Subsidies & grants for operating expenditure	-	-	-	-
Fees & charges	8,299	8,879	9,625	9,085
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	3,163	3,693	3,087	5,575
Total sources of operating funding	15,156	16,169	16,652	19,475
Applications of operating funding				
Payments to staff and suppliers	10,224	10,989	112,806	14,021
Finance costs	7	8	33	149
Internal charges applied	5,116	5,371	5,363	5,831
Other operating funding applications	-	-	-	-
Total applications of operating funding	15,347	16,368	118,202	20,001
Surplus/(deficit) of operating funding	(191)	(199)	(101,550)	(526)
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(1)	74	(30)	(15)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(1)	74	(30)	(15)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	5	188	21
- to replace existing assets	-	23	660	74
- to improve the level of service	27	78	482	60
Increase/(decrease) in reserves	(219)	(231)	-102,910	(696)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	(192)	(125)	(101,580)	(541)
Surplus/(deficit) of capital funding	191	199	101,550	526
Funding balance	-	-	-	-

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
\$1.9M additional income for fuel tax, fines, infringement fees and other receipts due to \$0.6M Traffic & Capervan infringements, \$0.5M greater than plan received from Shotover concession fees & \$0.4m Hilton Weather tightness insurance reimbursement, \$0.2m NZL14. \$3M over LTP for payments to staff and suppliers due to the \$1.8M Weather Tightness, \$0.9m Bad Debt Provision/Expense Infringements and \$0.5M Salaries / Parking control. \$0.5M Internal overhead allocation high than in LTP.	Not applicable	Not applicable

How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Resource Consents listed as 'priority' in the Monitoring Strategy are pro-actively monitored	100%	100%	100%	100%	This target was achieved. Monitoring undertaken in accordance with Monitoring Prioritisation Strategy.
Every food business that is due an audit is audited within the statutory timeframes (according to the Food Act 2014)	44%	100%	81.8%	59%	<p>This target was not achieved. Staff resourcing challenges and increasing workload due to new registrations of food operators continue to have an impact.</p> <p>There are now 759 food operators in the district, 50 more than July 2023. Each month, between 7 and 22 new applications are received. It takes time to onboard new food operators. This year we have also seen an increase in time spent on enforcement action. The management of the risks posed by the resource shortage of appropriately qualified staff is a focus for the team. Unfortunately, this is not just a local issue for the QLDC Environmental Health team but an industry-wide issue across the country, therefore councils and other similar agencies are competing for qualified staff.</p> <p>Regarding how the risks posed by the resource shortage is managed, the team prioritises verifications in the following manner: New Operators are prioritised – This is due to the operator not having a history of compliance or details of how they are managing food safety. The Act requires the team to complete these verifications within 6 weeks of registration. High Risk Operators, operators that have previously had an unacceptable verification outcome are prioritised ahead of businesses that have a good history of compliance.</p> <p>Additionally, the team are utilising an experienced Contractor to assist with verifications where appropriate.</p>
Number of Request For Service freedom camping complaints	120	Improve year on year	98	124	<p>This target was not achieved. There has been an increase in campers in the district and associated complaints, however, there has also been an increase in infringements issued.</p> <p>Funding provided by the MBIE Freedom Camping Transition Fund has enabled QLDC to run an effective summer education and enforcement programme. The use of Responsible Camping Ambassadors has allowed QLDC to provide a friendly approach to education and behaviour change, alongside increased enforcement action.</p>
Percentage of building consents processed within statutory timeframes	98%	100%	97%	91.92%	This target was not achieved. 1,391 applications were received this year, and 1,404 building consents issued. The average processing time improved over the year from 16 days in July 2023 to just over 12 days in June 2024.

Infrastructure





About Infrastructure

What we deliver

Council's infrastructure services are central to creating a holistic environment for the community. Safe and reliable services that promote the health of individuals, communities, and the surrounding natural environment will be readily accessible to all. Non-traditional opportunities to support communities' whakawhanaungatanga through our physical investments will continue to be explored. This section first sets out the KPIs that show the overall combined performance of infrastructure services. Specifics for each activity group are then explained in subsections that include:

- > Water supply
- > Stormwater
- > Wastewater
- > Waste minimisation and management
- > Transport, including roading, parking and footpaths.

These subsections describe what has been delivered, progress in these areas against the Long Term Plan, Financial Statements and KPI reporting.





How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Percentage of capital works completed annually, including renewals, against the 2021-2031 Long Term Plan budget adopted by the Council for Three Waters, waste management and roading	82%	100%	88.53%	91%	QLDC had a total annual expenditure for the 2023/24 period of \$162.4M. This was against a budget for the year of \$179.3M.
Percentage of external contractor and internal requests for services (RFS) resolved within specified timeframe (Three Waters, solid waste, roading)	Three Waters 94%	>95%	Three Waters 73.8%	Three Waters 71%	71.0% of Three Waters RFS were resolved on time in 2023-2024. There were a total of 2,622 requests received for Three Waters, of which 759 were not resolved within the target timeframes. The number of requests received in 2023-2024 was approximately 10% lower than the previous year. This year's performance is similar to the previous year and does not achieve the target set. Contract resourcing has continued to be a challenge across the year and performance was further affected by significant events occurring across the year such as the response to the cryptosporidium outbreak.
	Solid Waste 76%		Solid Waste 97.4%	Solid Waste 98.5%	98.5% of solid waste related RFS were resolved on time in 2023-2024. There were 4,589 requests received in total for solid waste, of which 70 went overdue. Total request numbers were approximately 15% higher than in 2022-2023. This year's performance represents a slight improvement on the previous year and achieved the target set.
	Roading 83%		Roading 87.4%	Roading 79.6%	79.6% of roading RFS were resolved on time in 2023-2024. There were 2,042 requests received in total for roading, of which 416 were overdue. This year's performance represents a decline from the previous year and failed to achieve the target set. In the year, the contractor response achieved the 95% target, while responses from internal staff have been significantly slower as a result of staff absence and competing priorities.

Water supply



Water supply

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



DEAFENING DAWN CHORUS WARAKI

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

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

We set the standard for combating biodiversity loss



DISASTER-DEFYING RESILIENCE HE HAPORI AUMANGEA

Our infrastructure is as resilient as our people

What we deliver

Queenstown Lakes District Council (QLDC) is responsible for the treatment, storage, distribution, and management of the district's water supply. Water treatment plants source raw water from Lake Whakatipu, Lake Wānaka, and several groundwater bores throughout the district. The raw water is treated using a combination of filtration, ultraviolet (UV) light and chlorine to provide safe drinking water to the community (note the level of treatment varies across water sources). The treated water is pumped to reservoirs from where it is distributed through a piped reticulation network to meet the needs of residential and commercial/industrial properties.

QLDC oversees approximately 619km of water mains and 12 treatment plants serving a population of approximately 66,000 people (resident and visitor) that collectively use a total of approximately 37,700 cubic metres of water per day. Council's Three Waters Strategy recognises that the key to the management of its infrastructure is balancing the affordability of maintaining the existing networks and creating additional capacity with a reduction in risk, aging networks, a demand for growth, and an improved level of service. Key strategic priorities are also addressed in Council's 2021-2051 30 Year Infrastructure Strategy, which includes work underway to improve water supply treatment to comply with the latest drinking water standards.

Progress against the Long Term Plan 2021-2031

Upper Clutha:

- > Construction of the second Beacon Point reservoir was completed and brought into service. The new reservoir provides capacity for an additional 5,500m³ of storage, dramatically improving the resilience of the supply.
- > Installation of UV disinfection equipment at the Western Wānaka and Beacon Point intakes, enabling full compliance with the Drinking Water Quality Assurance Rules.
- > Vesting of a new water treatment plant in Cardrona and construction of associated infrastructure to enable supply to both the new Mt Cardrona Station Development and the existing township.
- > Completion of the detailed design for the proposed new Luggate water supply and treatment plant. Physical implementation has been delayed due to funding constraints.

Whakatipu:

- > Installation of a temporary UV disinfection plant on the Two Mile water intake enabled full compliance with the Drinking Water Quality Assurance Rules. This treatment upgrade was delivered in under three months in response to the Cryptosporidium outbreak which affected central Queenstown in September 2023 and led to a Boil Water Notice (BWN) being placed across the Queenstown scheme. The new treatment equipment provided an effective barrier against protozoa contamination, responding to the Enforcement Order issued by Taumata Arowai, and enabled the BWN to be lifted in early December 2023.
- > Integration of the new Shotover Country Borefield into the wider network improved the quality, capacity, and resilience of the water supply into Frankton, Hanley's Farm, and Lake Hayes Estate/Shotover Country.
- > Construction of two new treated water reservoirs in Glenorchy.
- > Completion of the detailed design for the proposed new Quail Rise reservoir. Physical implementation has been delayed due to funding constraints.



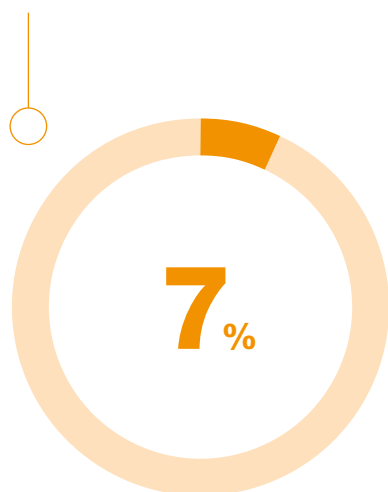
HOW MUCH IT COST

Breakdown of service cost

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Operating Expenditure of \$198,805,000 (excluding depreciation)

Water supply expenditure of \$14,651,000



Water Supply	2023 LTP \$000	2024 LTP \$000	2023 Actual \$000	2024 Actual \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	11,732	14,110	10,975	12,188
Subsidies & grants for operating expenditure	-	-	200	-
Fees & charges	69	72	44	44
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	-	-	-	-
Total sources of operating funding	11,801	14,182	11,219	12,232
Applications of operating funding				
Payments to staff and suppliers	6,625	7,211	9,472	10,214
Finance costs	2,709	3,737	2,161	3,242
Internal charges applied	1,005	1,050	1,180	1,196
Other operating funding applications	-	-	-	-
Total applications of operating funding	10,339	11,998	12,812	14,652
Surplus/(deficit) of operating funding	1,462	2,184	(1,593)	(2,420)
Sources of capital funding				
Subsidies & grants for capital expenditure	4,607	-	-	-
Development and financial contributions	5,913	5,245	4,253	5,673
Increase/(decrease) in debt	20,125	49,042	12,608	25,988
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	30,645	54,287	16,861	31,661
Applications of capital funding				
Capital expenditure				
- to meet additional demand	20,789	20,897	9,916	16,542
- to replace existing assets	3,681	2,809	5,161	3,368
- to improve the level of service	19,653	34,145	8,101	17,077
Increase/(decrease) in reserves	(12,016)	(1,380)	-7,910	(7,746)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	32,107	56,471	15,268	29,241
Surplus/(deficit) of capital funding	(1,462)	(2,184)	1,593	2,420
Funding balance	-	-	-	-

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
\$3.0 above plan for payments to staff and suppliers due to; \$0.6M above for Electricity, \$2.2m spend for water maintenance contract costs relating to September Weather Event Comms Outage, Crypto and \$0.2M Insurance. Finance costs \$0.5M above plan due to higher than expected interest rates.	Actuals of \$14.8M for Cardrona Water Supply Scheme, \$5.6M for Beacon Point new Reservoir, \$5.6M for Compliance Response - UV Treatment, \$2.4M for Glenorchy Reservoir Upgrade, \$1.7M for Water Supply Renewals Wanaka and \$2.1M for Cardrona Water Supply Reticulation.	Budget of \$31.9M for Wanaka Water Treatment with actuals of \$38k, Two Mile Water Treatment Plant budget of \$21.2M with actuals of \$41k. Offset with Cardrona Water Supply Scheme \$NIL budget with actuals of \$14.8M, Compliance Response UV Treatment \$NIL budget with actuals of \$5.6M, Beacon Point New Reservoir \$NIL budget with actuals of \$5.6M, Glenorchy Reservoir upgrade \$NIL budget with actuals of \$2.4M and Cardrona Water Supply Scheme Pipeline \$NIL budget with actuals of \$2.1M.

How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Average consumption of water per person per day	515 litres on average per person per day	<500L	508L	540L	The average usage for the year is approximately 7% above the target and a significant increase over performance in the year prior, despite educational efforts and the use of water restrictions over the summer period.
Compliance of each municipal water supply with the New Zealand Drinking Water Standards for protecting public health, specifically:					The status of each water scheme's level of compliance status is described below: > Arrowtown – Fully compliant > Arthurs Point – Fully compliant > Glenorchy – Unable to achieve bacterial or protozoal compliance with current treatment infrastructure (upgrades currently underway and due for completion end of 2024). > Queenstown – Fully compliant as of December 2023 (see commentary on page 67) > Hāwea – Fully compliant > Lake Hayes – Fully compliant > Luggate – Unable to achieve bacterial or protozoal compliance with current treatment infrastructure (upgrades currently underway and due for completion end of 2025). > Wānaka Airport – Unable to achieve protozoal compliance with current treatment infrastructure (upgrades currently underway and due for completion end of 2024). > Wānaka - Fully compliant as of March 2024 (see commentary on page 66) > Corbridge – Unable to achieve protozoal compliance with current treatment infrastructure (upgrades currently underway and due for completion end of 2024). > Cardrona – Fully compliant Changes to the drinking water standards have meant that several plants that were previously able to demonstrate bacterial compliance are now unable to. QLDC is continuing to work through improvements to enable full compliance to be achieved and are on track to have all schemes fully compliant by end of 2025.
Bacteriological compliance	93%	100%	55%	75%	
Protozoal compliance	14%	>70%	40%	53%	
Percentage of water lost from each municipal water reticulation network	33%	<30% overall	32%	25%	Water losses have reduced from the last period and achieve the target. However, high levels of loss have been identified across some of the smaller schemes, which will be a focus of next year's leak detection programme.

KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Median response time to attend to urgent and non-urgent issues resulting from municipal water reticulation network faults and unplanned interruptions a) between the time of notification and the time when service personnel reach the site	Urgent 26 mins	Urgent <60 minutes	Urgent 38 minutes	Urgent 52 minutes	<p>The targets set across all water supply response categories were achieved in the 2023/24 period.</p> <p>There were 149 urgent requests and 1,325 non-urgent requests in the period. The number of requests received are broadly consistent with the previous year.</p>
	Non-urgent 1,101 mins	Non-urgent <1,440 mins	Non-urgent 975 minutes	Non-urgent 1,325 minutes	
Median response time to attend to urgent and non-urgent issues resulting from municipal water reticulation network faults and unplanned interruptions b) between the time of notification and resolution of the blockage or other fault	Urgent 407 mins	Urgent <1,440 mins	Urgent 869 minutes	Urgent 1,293 minutes	
	Non-urgent 3,185 mins	Non-urgent <10,080 mins	Non-urgent 4,428 minutes	Non-urgent 4,490 minutes	
<i>Number of complaints per 1000 connections to a public water reticulation network about</i>					The target of less than four water supply complaints per 1,000 connections was achieved for all categories except for pressure complaints. Performance is consistent with previous years.
The clarity of drinking water	0	<4	0.48	0.7	Pressure complaints were elevated in the year largely due to lake algae blocking private filters during the summer months.
The taste of drinking water	0	<4	0.1	0.07	
The odour of drinking water	0.04	<4	0	0.07	
The pressure or flow of drinking water	2.06	<4	3.56	4.36	
The continuity of supply of drinking water	2.22	<4	2.97	2.8	
The way in which a local government organisation responds to issues with a water supply	0	<2	0	0	

Wastewater



Wastewater

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



DEAFENING DAWN CHORUS WARAKI

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

We set the standard for combating biodiversity loss



DISASTER-DEFYING RESILIENCE HE HAPORI AUMANGEA

Our infrastructure is as resilient as our people

What we deliver

QLDC is responsible for the collection, transfer, treatment and disposal of the district's wastewater and trade waste. Wastewater and trade waste are discharged from properties into a network of gravity and pressure pipelines, which take the wastewater to the treatment plant. QLDC oversees approximately 695km of wastewater mains, with an average age of 21 years. 71 pump stations and four treatment plants serve approximately 30,522 demand units that between them discharge a total of approximately 13,400 cubic metres of wastewater per day. This includes the larger plants, namely Project Pure (wastewater treatment and disposal to land at Wānaka) and Project Shotover (wastewater treatment and disposal to land).

Progress against the Long Term Plan 2021-2031

Upper Clutha:

- > Construction of a third Sequencing Batch Reactor (SBR) at the Project Pure/ Wānaka wastewater treatment plant (WWTP).
- > Progression with the completion of the business case and design associated with the future wastewater servicing of Hāwea, the preferred solution is a piped connection to the Project Pure WWTP. In addition, design is underway to reconfigure the conveyance infrastructure from the terminal pump stations in Wānaka to achieve a more resilient link to the treatment facility.
- > The proposed Beacon Point wastewater pump station continues to be delayed because of consenting challenges.

Whakatipu:

- > Commencement of the construction of a second reactor and clarifier process train at the Shotover wastewater treatment plant.
- > The Queenstown Town Centre to Frankton sewer upgrade has continued through the design phases, with construction works scheduled to commence early in the Long Term Plan 2024-2034 period.
- > Work has resumed on the design of a new wastewater treatment plant for Kingston, originally intended to service the new Kingston Village Limited development but with capacity to enable the future connection of the existing township.

HOW MUCH IT COST

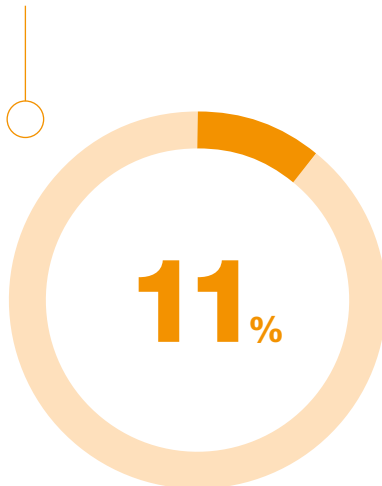
Breakdown of service cost

Wastewater	2023 LTP \$000	2024 LTP \$000	2023 Actual \$000	2024 Actual \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	108	166	169	242
Targeted rates	16,594	18,323	15,664	17,125
Subsidies & grants for operating expenditure	-	-	-	-
Fees & charges	358	374	279	211
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	-	-	4	3
Total sources of operating funding	17,060	18,863	16,115	17,581
Applications of operating funding				
Payments to staff and suppliers	9,300	10,057	9,745	11,364
Finance costs	3,495	3,943	4,451	8,010
Internal charges applied	1,501	1,569	1,670	1,750
Other operating funding applications	-	-	-	-
Total applications of operating funding	14,296	15,569	15,866	21,124
Surplus/(deficit) of operating funding	2,764	3,294	249	(3,543)
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	6,091	6,132	5,638	7,874
Increase/(decrease) in debt	9,039	26,788	11,484	15,964
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	15,130	32,920	17,122	23,838
Applications of capital funding				
Capital expenditure				
- to meet additional demand	14,541	17,885	6,443	9,155
- to replace existing assets	5,752	7,245	5,121	2,969
- to improve the level of service	14,243	14,543	15,102	19,768
Increase/(decrease) in reserves	(16,642)	(3,459)	-9,294	(11,597)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	17,894	36,214	17,371	20,295
Surplus/(deficit) of capital funding	(2,764)	(3,294)	(249)	3,543
Funding balance	-	-	-	-

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Operating Expenditure of \$198,805,000 (excluding depreciation)

Wastewater expenditure of \$21,124,000



Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
\$1.3M over LTP for payments to staff and suppliers due to \$0.2M higher Electricity costs \$0.7m higher than plan, water maintenance contract costs relating to September Weather Event & Sludge Landfill removal. Finance costs \$4.1M above plan due to higher than expected interest rates.	Actuals of \$18.4M on \$1.2M Project Shotover Plant Upgrade, \$4.6M on Project Pure Upgrade, \$2.9M on CBD to Frankton Conveyance and \$1.1M for Upper Clutha Conveyance Scheme.	\$0.1M budget for Project Shotover Plant Upgrade with actuals of \$18.4M, \$NIL budget for Project Pure Upgrade with \$4.6M actuals. Offset with Hawea Wastewater Management budget of \$13.3M with actual of \$1.1M, CBD to Frankton Conveyance budget of \$14.9M with actuals of \$11.9M, Kingston HIF new Scheme budget of \$4.9M with actuals of \$0.9M and Wastewater Renewals Queenstown budget of \$2.3M with actuals of \$0.3M.



How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Median response time to attend to sewerage overflows resulting from blockages or other faults of a municipal sewerage system a) between the time of notification and the time when service personnel reach the site	17.5 mins	<60 mins	22.5 mins	36 mins	The targets set across all wastewater response categories were achieved in the 2023/2024 period. There were 36 requests received in the period. The number of requests received are broadly consistent with the previous year.
Median response time to attend to sewerage overflows resulting from blockages or other faults of a municipal sewerage system b) between the time of notification and resolution of the blockage or other fault	121 mins	<240 Mins	196.5 mins	170.5 mins	
Annual number of dry weather overflows from a municipal sewerage system per 1000 sewerage connections	1.66	<3	2.03	1.87	56 wastewater overflows were attended to over the year. This represents 1.87 overflow events per 1,000 connections and achieves the target set.
Compliance with resource consents for discharge to air, land, or water from a municipal sewerage system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) successful prosecutions	87%	100%	85%	67%	There are currently 12 active wastewater discharge consents to land and to air. Three of these consents have active abatement notices associated with them. QLDC received three abatement notices in 2023/24. One was for the Glendhu Bay, and one was for the Shotover WWTP, which already had an existing abatement notice. QLDC received one infringement for Glendhu Bay, and three for the Shotover WWTP. The Albert Town Campground also received one Abatement Notice.
<i>Number of complaints per 1000 properties connected to a municipal sewerage system about: reticulation network about</i>					The annual target of less than five complaints per 1,000 connections was achieved for all categories. There have been no complaints about Council's response to issues in the 2023-2024 reporting period.
Odour	0.04	<5	1.22	0.9	
Faults	3.16	<5	3.22	3.08	
Blockages	2.25	<5	1.4	1.51	
The territorial authority's response to issues with its sewerage system.	0	<2	0	0	

Stormwater



Stormwater

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



DEAFENING DAWN CHORUS WARAKI

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

We set the standard for combating biodiversity loss



DISASTER-DEFYING RESILIENCE HE HAPORI AUMANGEA

Our infrastructure is as resilient as our people

What we deliver

QLDC is responsible for approximately 468km of stormwater mains, with an average age of 22 years, and several interceptors (basic stormwater separators) serving around 30,667 demand units. The system caters for an average ten-year flood event. Stormwater systems are provided to protect private properties and buildings from rainwater and groundwater. Effective management of rainwater within these systems is vital to controlling erosion and land stability, as well as ensuring the amenity of open spaces and protection of the environment.

Progress against the Long Term Plan 2021-2031

Across the district, work has continued to develop and refine catchment models and management plans. This ensures a robust understanding of the performance of the infrastructure in an ever-changing environment because of the pressures of climate change, and aids in prioritising investment. This has been supported by an extensive programme of sampling to provide insights into the quality of the stormwater discharges.

Highlights over the year include:

- > Over the year, the first stage of works at Anderson Rd/Aubrey Rd have been completed, addressing the longstanding issue of ponding on the road at this intersection
- > Installation of new conveyance and filtration equipment associated with the Lakeview development and the Queenstown Arterial Stage 1
- > Completion of the design for the new stormwater outlet servicing the Kingston Village Limited development, with construction to commence in the 2024/25 financial year.

HOW MUCH IT COST

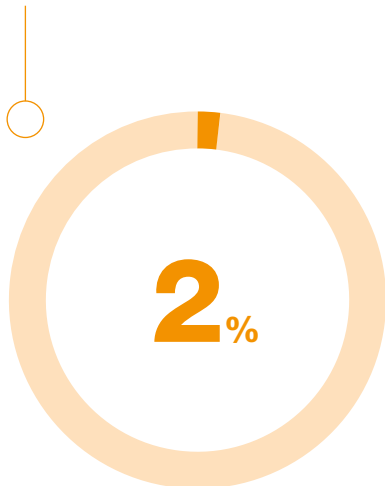
Breakdown of service cost

Stormwater	2023 LTP \$000	2024 LTP \$000	2023 Actual \$000	2024 Actual \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	3,771	4,169	3,704	3,714
Subsidies & grants for operating expenditure	-	-	-	-
Fees & charges	-	-	-	-
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	205	274	-	-
Total sources of operating funding	3,976	4,443	3,704	3,714
Applications of operating funding				
Payments to staff and suppliers	1,529	1,574	947	1,658
Finance costs	949	1,093	979	1,427
Internal charges applied	253	265	318	276
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,731	2,932	2,244	3,361
Surplus/(deficit) of operating funding	1,245	1,511	1,461	353
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	2,175	2,188	181	1,953
Increase/(decrease) in debt	8,142	2,945	1,904	(3,131)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	10,317	5,133	2,085	(1,178)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	5,651	2,566	2,752	1,428
- to replace existing assets	1,400	1,282	490	205
- to improve the level of service	5,263	3,208	1,117	986
Increase/(decrease) in reserves	(752)	(412)	-814	-3,444
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	11,562	6,644	3,546	(825)
Surplus/(deficit) of capital funding	(1,245)	(1,511)	(1,461)	(353)
Funding balance	-	-	-	-

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Operating Expenditure of \$198,805,000 (excluding depreciation)

Stormwater expenditure of \$3,360,000



Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Payments to staff and suppliers \$0.1m over plan due to Sept Weather Event. Finance costs \$0.3M above plan due to higher than expected interest rates.	Actuals of \$0.6M for Lakeview Storm Water upgrade, \$0.5M Aubrey Rd Rec Reserve SW detention pond, \$0.4M Catchment Management Plans and \$0.3M Kingston New Scheme SW.	\$2.4M budget for Wanaka Improvements High Risk with \$NIL actuals, \$0.6M budget for Wakatipu Improvements High Risk with \$NIL actuals, \$1.4M budget for Kingston New Scheme SW with \$0.3M actuals, \$0.9M budget for Stormwater Renewals Wakatipu with \$0.1M actuals. Offset with \$NIL budget for Lakeview Storm Water upgrade with actuals of \$0.6M and \$NIL budget for Aubrey Rd Rec Reserve SW detention pond with \$0.5M actuals.



How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

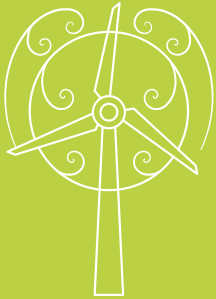
KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Number of flooding events that occur in a territorial authority district	0	<7 flooding events	1	0	No flooding events impacting habitable floors were recorded during the reporting period.
For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system)	0	< 2 per 1,000 properties	0	0	
Compliance with resource consents for discharge from a municipal stormwater system, measured by the number of: <ul style="list-style-type: none"> a) abatement notices b) infringement notices c) enforcement orders d) successful prosecutions 	100%	100%	100%	100%	QLDC received two infringement notices in the reporting period. These enforcement orders were associated with unconsented discharges of stormwater from the Northlake/Hikawai Subdivision and the Alpha Series development. These were offences under the Resource Management Act, not an enforcement order against a Resource Consent. As such, there were no non-compliant resource consents in the reporting period.
Median response time between the time of notification and the time when service personnel reach the site when habitable floors are affected by flooding resulting from faults in a municipal stormwater system	0 hours	<3 hours	0 hours	N/A	No flooding events impacting habitable floors were recorded during the reporting period.
Number of complaints per 1000 properties connected to a municipal sewerage system about faults (including blockages) with a municipal stormwater system	5.13 per 1,000 properties	<5 per 1,000 properties	9.17	5.98	A total of 180 stormwater related complaints were received across the 2023/2024 year. This represents 5.98 complaints per 1,000 properties and does not achieve the target set. The performance in 2023/2024 is a material improvement on the previous year's result and is reflective of the significant focus on improved proactive maintenance over the period.

Transport, including roading, parking and footpaths



Transport

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



ZERO CARBON COMMUNITIES | PARAKORE HAPORI

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



THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

Our doors and minds are open; everybody is warmly welcomed

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

People of all ages are able to seek a future here



DISASTER-DEFYING RESILIENCE | HE HAPORI AUMANGEA

Our infrastructure is as resilient as our people

What we deliver

QLDC provides a multi-modal transportation network, enabling people and goods to drive, walk, and cycle around the district. This includes footpaths/shared paths, streetlights, and signage as well as activities such as winter maintenance. QLDC is responsible for approximately 890km of local roads, including New Zealand's highest public sealed road, the Crown Range. Approximately one-third of the network is unsealed. QLDC is responsible for 101 bridges, approximately 330km of footpaths, almost 40km of cycleways/shared paths, and over 5,000 streetlights.

In addition, there is approximately 200km of state highway within the district, and these are managed by the New Zealand Transport Agency/Waka Kotahi. QLDC's transport activities are funded from a combination of local and central government funding sources.

Progress against the Long Term Plan 2021-2031

Upper Clutha:

- > Completion of the Capell Avenue Roundabout
- > Commencement of construction of the Ballantyne Road/Riverbank Road roundabout
- > Completion of the Anderson Road shared path and associated intersection improvements at Aubrey Road
- > Progression of the 'Schools to Pool' active travel path
- > Safety improvements along the Mount Aspiring Road and Cardrona Valley Road corridors
- > Pavement rehabilitation on Cardrona Valley Road.

Whakatipu:

- > The Queenstown Town Centre Arterial Road (Stage One) project provides a new connection from the intersection of Frankton Road and Suburb Street, along Melbourne Street, to Gorge Road. Across the year several significant milestones have been reached including the completion of substantial water, wastewater and storm water upgrades, completion of key retaining structures and commencement of pavement works.
- > Completion of the 'C5' active travel route between Arthurs Point and Queenstown
- > Commencement of widening, safety improvements, and rehabilitation works on Lower Shotover Road
- > Delivery of safety barriers along the Queenstown-Glenorchy Road.



SECTION 02

Transport, including roading, parking and footpaths

HOW MUCH IT COST

Breakdown of service cost

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Operating Expenditure of \$198,805,000 (excluding depreciation)

Transport, including Roding, Parking and Footpaths expenditure of \$21,910,000

11%

Transport, including roading, parking and footpaths	2023 LTP \$000	2024 LTP \$000	2023 Actual \$000	2024 Actual \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	14,208	16,922	13,540	16,747
Subsidies & grants for operating expenditure	3,238	4,074	5,345	6,515
Fees & charges	5,409	5,656	2,811	4,063
Interest and dividends from investments	-	-	2	-
Fuel tax, fines, infringement fees & other receipts	294	300	319	669
Total sources of operating funding	23,149	26,952	22,017	27,994
Applications of operating funding				
Payments to staff and suppliers	11,904	12,476	12,495	16,000
Finance costs	2,012	2,450	2,180	3,687
Internal charges applied	1,981	2,071	2,076	2,224
Other operating funding applications	-	-	-	-
Total applications of operating funding	15,897	16,997	16,751	21,911
Surplus/(deficit) of operating funding	7,252	9,955	5,266	6,083
Sources of capital funding				
Subsidies & grants for capital expenditure	51,780	22,448	34,985	28,979
Development and financial contributions	3,641	3,665	3,637	4,372
Increase/(decrease) in debt	23,795	3,842	47,886	36,911
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	79,216	29,955	86,508	70,262
Applications of capital funding				
Capital expenditure				
- to meet additional demand	36,907	15,280	43,941	43,681
- to replace existing assets	26,250	11,873	29,923	18,502
- to improve the level of service	22,997	12,058	21,638	21,710
Increase/(decrease) in reserves	314	699	-3,728	(7,548)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	86,468	39,910	91,774	76,345
Surplus/(deficit) of capital funding	(7,252)	(9,955)	(5,266)	(6,083)
Funding balance	-	-	-	-

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
\$2.4M additional income subsidies & grants for operating expenditure due to higher NZTA operating expenditure subsidy and NZTA Sept significant event claim. Fees and charges \$1.6M driven by lower parking fees and fees revenue. \$3.5M higher payments to staff and suppliers due to September weather event, other minor roading events, Street Light Power and CMA cost increases. Finance costs \$1.2M above plan due to higher than expected interest rates.	Actuals of \$41.0M on Queenstown Town Centre Arterials, \$7.5M on Minor Improvements Upper Clutha, \$5.1M Arthurs Point to CBD Active Travel, \$4.9M on 'Schools to Pool' active travel, \$3.5M Lakeview Development Thompson St upgrade, \$3.1M on Minor Improvements Whakatipu, \$1.8M on Lakeview Development Road & Public Realm, \$1.7M Lakeview Isle Street Upgrades and \$1.7M on Queenstown Street Upgrades.	Queenstown Town Centre Arterials budget of \$5.8M with actuals of \$36.1M, Minor Improvements Upper Clutha budget of \$2.1M with actuals of \$7.5M, Arthurs Point to CBD Active Travel \$NIL budget with spend of \$5.1M, Queenstown Strategic Land Purchases \$NIL budget with actuals of \$4.9M, Lakeview Ancil - Thompson St Arterial Standard \$NIL budget with actuals of \$3.5M. Offset with Queenstown Public Transport Improvements budget of \$8.1M with \$NIL spend, Frankton Track Improvement \$3.2M budget with \$NIL spend.



How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

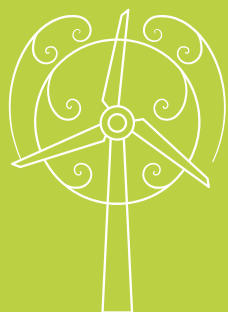
KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number	11	To report a decrease on the previous year	5	4	Last year saw a further decrease in Deaths and Serious Injuries (DSIs) on local roads, achieving the target set.
Average quality of ride on a sealed local road network, as measured by the Smooth Travel Exposure Index (STEI)	93%	>90%	94%	93%	The Smooth Travel Exposure Index decreased slightly this year (1% reduction from previous year). A slight decrease in smooth travel could indicate some change in condition which QLDC will monitor, but the result continues to be within the target range.
Percentage of sealed network that is resurfaced annually	5.40%	<10%	5.8%	3.2%	The quantity of resurfacing completed in the year has decreased from previous years due to significant cost escalation associated with the provision of this work.
Percentage of local footpath network that is part of the local road network that falls within the Level of Service (LOS) or service standards for the condition of footpaths	95.77%	>95%	97.9%	98.9%	The 2023/2024 result reflects an improvement on previous years and reflects that the overall condition of the footpath network is good and achieves the desired levels of service.
Percentage score that meets the expected standards as set nationally by the Te Ringa Maimoa framework	New measure baseline 89%	> 97%	96%	96%	Provisional Road Efficiency Group (REG) results for 2023/2024 (data to be finalised end of 2024/start of 2025). Whilst the provisional result does not reflect an improvement over the 2022/2023 result, at 96% it is still one of the highest results in the country and reflective of excellent asset data quality.
<i>Increased use of alternative modes of transport</i>					Results in 2023/2024 were broadly consistent with the prior year. Please note that previously under the 'E-Vehicle' category only E-bike/scooter travel was considered. This has now been expanded to include electric cars, the total of all in the previous year was 25% also.
Active Transport	New measure	Improve on the previous year	Walk 69% Bike 37%	Walk 64% Bike 41%	
Public transport			Bus 22%	Bus 22%	
E-vehicles			E-vehicle 15%	E-vehicle 25%	

Waste minimisation and management



Waste minimisation and management

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



ZERO CARBON COMMUNITIES | PARAKORE HAPORI

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



DEAFENING DAWN CHORUS | WARAKI

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

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

We set the standard for combating biodiversity loss

What we deliver

Waste is managed in three sub-activities:

- > Waste reduction – reducing waste at source
- > Waste recovery – diverting waste from landfill
- > Waste disposal – collecting, transporting, and disposing of waste.

Work continues with the implementation of actions in the Waste Minimisation and Management Plan (WMMP) 2018. The WMMP identifies Council's vision, goals, objectives, targets, and methods for achieving effective and efficient waste management and minimisation.

Services include residential kerbside bin collections, recycling and green waste drop off facilities, public place litter and recycling bins, refuse transfer stations in Frankton and Wānaka, monitoring and maintenance of closed landfills, waste education, waste minimisation community outreach initiatives, and removal of illegal dumping.

Progress against the Long Term Plan 2021-2031

Waste reduction

- > Worked with community groups, event organisers, residents and businesses on initiatives that drive waste minimisation. This included:
 - Funding new projects from the Waste Minimisation Community Fund. The selected projects focus on reuse initiatives, composting and food waste reduction, textile waste, construction waste and education workshops.
 - Engaging Wānaka Wastebusters to deliver the ResOURceful Communities programme. The programme is developed collaboratively between QLDC, Wastebusters and other community partners and enables Council to deliver the actions in the WMMP. Through targeted workstreams (incl. Plastic Free July, Repair Revolution, Slow Fashion, Low Waste Living and Business Waste Reduction), the programme engages the community in waste minimisation through practical workshops, social media campaigns, and events. Whakatipu activities and events are delivered in collaboration with Sustainable Queenstown.

- Engaging Wao to deliver the Circular Economy project. The project involved the delivery of a series of events, workshops, guides, and campaigns under various action streams including the Better Building Working Group which plays a crucial role in promoting sustainable building practices across the district.
 - Supporting several partner organisations including KiwiHarvest, OneBike, and the Wānaka Community Workshop through the Zero Waste District Programme.
 - Production of a comprehensive Event Waste and Emissions Reduction Guide and toolkit. Ran workshops for event organisers to help them understand how to reduce their waste and emissions. Held one on one sessions with event organisers to help them develop event Waste Minimisation and Management Plans.
 - Funding the delivery of the Dr Compost and Enviroschools programmes.
 - Delivery of two remote community inorganics collection events which diverted more than 56% of material from landfill.
 - Development of an A-Z Rubbish and Recycling Directory. This digital tool helps residents find out what belongs in their kerbside bins and where other unwanted items can be dropped off for reuse, recycling, or safe disposal.
- > Actively participated in national sector groups focused on sharing knowledge and resources to develop and encourage best practice for waste minimisation.
 - > Council noted the completed 2023 Otago Region Waste Assessment, which includes the review of the QLDC 2018 WMMP and agreed to proceed with the development of a new WMMP.
 - > Support for the development of a nationwide guide to support council decision-making whilst considering various organic waste kerbside collection options.
 - > Supported the employment of a regional waste officer supporting regional waste initiatives and collaboration across Otago.
 - > Advocated strongly for the waste minimisation key priorities of local government including continued allocation of 50% waste levy funds to local councils, introduction of a container return scheme, and an increase in the waste disposal levy to help fund critical investment in resource recovery infrastructure.

Waste recovery

- > Planning upgrades to the layout and operation of the Wānaka refuse transfer facility to facilitate more resource recovery, improve health and safety, and increase capacity.
- > Planning investigations into a new regional Materials Recovery Facility (MRF) for recyclables.
- > Continued to provide kerbside bin collections for glass, mixed recycling, and rubbish supported by programmes and education campaigns to manage contamination issues and respond to changes in the demand for recyclable material.
- > Continued to provide free recycling services to state, state-integrated, non-profit, and community-based schools and early childhood centres.
- > Continued to provide green waste drop off facilities and mulching of material for beneficial use on local parks and reserves.
- > Received co-funding from the Ministry for the Environment to establish five community composting hubs across the district by 2025. Agreements were established with four community groups for hubs based in Queenstown, Wānaka and Glenorchy.
- > Continued the planning for solutions to divert organic waste material from landfill, culminating in the approval of a business case for the introduction of a kerbside organics collection within the next Long Term Plan.

Waste disposal

- > Continued to monitor methane emissions at the Victoria Flats Landfill and the associated operation of the gas capture and destruction infrastructure. The success of this investment was headlined by the successful application for a Unique Emissions Factor which dramatically reduced the surrender obligations for the Emissions Trading Scheme for the 2023 year.

HOW MUCH IT COST

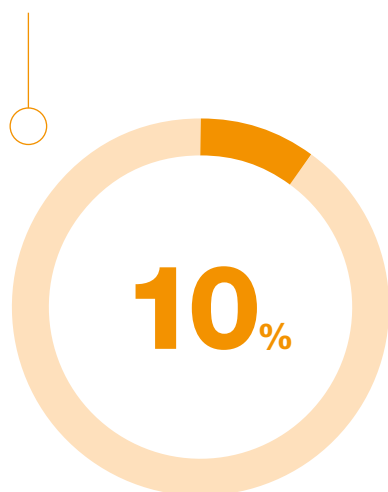
Breakdown of service cost

Waste minimisation and management	2023 LTP \$000	2024 LTP \$000	2023 Actual \$000	2024 Actual \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	7,305	8,151	7,209	8,801
Subsidies & grants for operating expenditure	181	190	454	688
Fees & charges	9,340	10,849	9,736	10,428
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	458	497	63	245
Total sources of operating funding	17,284	19,687	17,462	20,162
Applications of operating funding				
Payments to staff and suppliers	14,914	16,947	13,201	17,624
Finance costs	290	404	274	340
Internal charges applied	1,892	1,978	2,208	2,464
Other operating funding applications	-	-	-	-
Total applications of operating funding	17,096	19,329	15,683	20,428
Surplus/(deficit) of operating funding	188	358	1,779	(266)
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	3,707	3,885	328	1,945
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	3,707	3,885	328	1,945
Applications of capital funding				
Capital expenditure				
- to meet additional demand	41	42	47	47
- to replace existing assets	2,896	3,925	312	2,235
- to improve the level of service	3,061	4,095	277	2,180
Increase/(decrease) in reserves	(2,103)	(3,819)	1,471	-2,783
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	3,895	4,243	2,107	1,679
Surplus/(deficit) of capital funding	(188)	(358)	(1,779)	266
Funding balance	-	-	-	-

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Operating Expenditure of \$198,805,000 (excluding depreciation)

Waste minimisation and management expenditure of \$20,427,000



Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
\$0.5M subsidies & grants increased due to Landfill Levy from MIE, Fees & Charges lower activity & fee Transfer Station recovery \$0.4M. Fuel tax, fines, infringement fees & other receipts \$0.3M under plan due to lower reduced ETS on CODC Recovery. \$0.7M higher payments to other supplier due to higher refuse disposal and landfill costs offset by lower ETF credit. \$0.5M internal overhead allocation high than in LTP.	\$3.6M on Wanaka waste Facilities including land purchase, \$0.4M spend on Existing Whakatipu Waste Facilities, \$0.1M spend on Public Place Waste Bins, \$0.1M on New Whakatipu Waste Facilities, \$0.1M on Organic Waste Management.	Wanaka Waste Facilities \$0.5M budget with \$3.6M spend due to new land purchase offset with New Whakatipu Waste Facilities \$5.3M budget with \$0.1M spend. Existing Whakatipu Waste Facilities \$0.7M budget with \$0.4M spend.



How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

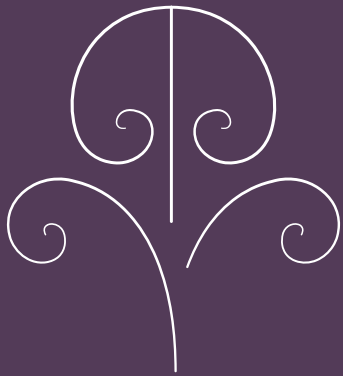
KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Emissions (CO2e) for waste to landfill – kerbside and transfer station tonnes	New measure	Annual reduction of 4.2%	29% reduction	15% increase from 2022-2023	Greenhouse gas emissions (CO2e) for waste to landfill (kerbside and transfer station tonnes) were calculated to have increased by 15% from the previous year, even though tonnes of waste to landfill only increased by 5%. This was due to the change in Unique Emission Factor (UEF) for Victoria Flats Landfill. Greenhouse gas emissions for waste to landfill were 48% lower than 2021-2022 due to installation of the Landfill Gas Recovery (LGR) system.
Percentage of Materials Recovery Facility recycling contaminated	New measure baseline 28%	<20%	15%	14%	The positive annual result is attributable to processing changes made and ongoing education campaigns that continue to achieve lower levels of contamination than previously.
Total waste diverted from landfill	7,736t	>8,200t	7,688t	9,537t	On average 795 tonnes of waste have been diverted from landfill per month in 2023/2024. This is better than the target and is also higher than what was achieved the previous year.
Total waste sent to landfill	43,700t	<46,000t	45,515t	48,110t	On average, the total waste to landfill per month for the 2023/2024 year was 4,009 tonnes and the target was not achieved. This is largely attributable to high visitor numbers and continued growth of the district. Until there is a step change in service and organics are diverted from landfill, this target will continue to be challenging to achieve.

Economy



Economy

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



OPPORTUNITIES FOR ALL | HE ŌHAKA TAURIKURA

Our economy is strong and diverse with sustainable and inclusive growth

Ours is a place that works hard and thinks big, where workers and entrepreneurs flourish and inequality is reduced

Technology enables us to connect locally, regionally and globally



PRIDE IN SHARING OUR PLACES | KIA NOHO TAHI TĀTOU KĀTOA

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

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

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

We are the place the rest of the world cannot be

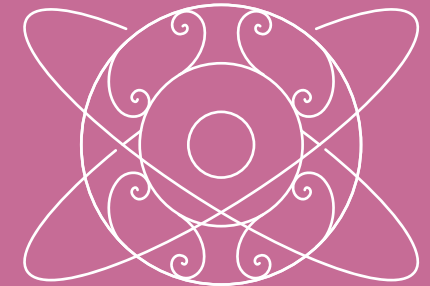


THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

People of all ages are able to seek a future here

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

Our doors and minds are open; everybody is warmly welcomed



BREATHTAKING CREATIVITY | WHAKAOHOHO AUAHATAKA

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

Artists and art lovers unite in both dedicated spaces and beyond the boundaries of venues and facilities

Our economy supports arts, culture and heritage industries

What we deliver

Economic futures

The Economic Futures team works on strategic projects to create a more diverse, sustainable economy, and collaborates with other organisations to support businesses. The unit has also been part of a wider recovery team that has worked to support the economy and community in navigating the effects of COVID-19.

> Economic diversification

The development of an Economic Diversification Plan is a priority initiative in the Queenstown Lakes Spatial Plan, adopted in 2021. The district's dependence on the visitor economy has created a vulnerability in the economy for businesses, individuals, and the community, and this was devastating to the economy during COVID-19. Economic diversification is a long-term journey for the district.

> Destination management

Council has taken part in the development of a Destination Management Plan, which is being led by stakeholders from across the tourism system. This collaborative effort will consider the needs of the district's people, employees, businesses, the climate, and environment. Endorsed by Council in February 2023, its focus will be on achieving regenerative tourism by 2030 – the right solution, in the right place, for the right people at the right time – for the benefit of the environment and our communities. The Destination Management Plan is an output of both the 2021 Spatial Plan and the 2022-2025 Climate and Biodiversity Plan.

> Film and events

Council's film office, Film Queenstown Lakes, facilitates the relationship between the screen sector, government, community, and others impacted by or benefitting from its activity. Council supports Film Otago Southland and promotes emission and waste reduction in production. QLDC has an in-house events office that helps event organisers navigate the range of parties they need to work with to hold a successful event. There is also an events fund to help support events that promote economic, cultural, social, and environmental wellbeing in the district.

Community assets

QLDC owns, manages, and maintains property that is for the benefit of the community. These community assets include 29 housing units: nine one-bedroom older person's flats, five residential houses, thirteen cabins and three residential apartments. Alongside the Long Term Plan 2024-2034 consultation that commenced in June, Council has also consulted on removing the older person's flats from the Strategic Asset list and transferring ownership and management to the Queenstown Lakes Community Housing Trust. The process is anticipated to conclude before the end of 2024. The council also provides other property that has been made available to community groups through a licence or lease.

Commercial property

Council owns property that generates a commercial benefit. The Council property team manage approximately 130 commercial leases. We also manage the outdoor dining licenses to support the hospitality business of the district.

Commercial property – Lakeview

A comprehensive programme of QLDC projects and private sector developments, to establish an industry-leading, mixed-use Queenstown town centre precinct on the circa 10 hectare Lakeview site that showcases energy-efficient and reduced-emission design. A development agreement has been finalised and plans are underway for a first-stage residential apartment development.

Progress against the Long Term Plan 2021-2031

Economic futures

The Economic Diversification Plan has been completed and was endorsed by Council in August 2024, alongside 17 other organisations that have endorsed the plan. There are several projects already being led by a mix of organisations across the district, including facilitation of a 'host-tech' and product design cluster, formation of Technology Queenstown, and expansion of the Angel investor organisation (Mainland Angels).

The Destination Management Plan was endorsed by Council in early 2023, and a governance group was formed (Destination Southern Lakes). Initiatives underway include the Love Queenstown/Love Wānaka community fund, development of

a decarbonisation roadmap, and procurement of researchers to undertake the Optimal Visitation Project which will explore trade-offs and thresholds across a range of variables. Destination Queenstown and Lake Wānaka Tourism now prioritises regenerative tourism themes when promoting the district.

The Film Queenstown Lakes has completed a sustainability guide for the film industry and has streamlined the film permit process through online processes. The sustainability criteria for events funding has been strengthened and there has been a review of the events permit processes undertaken. Improvements will be rolled out and a new events policy is due to be presented to Council within the 2024/25 financial year.

Community assets

The nine older person's housing units are in the process of being transferred to the Queenstown Lakes Community Housing Trust. We anticipate this process will be complete before the end of 2024. This will provide a benefit to the tenants enabling better access to support services.

Council supports over 100 community leases or licences. Most of these are for \$1 per year.

Commercial property

Rental income against our commercial assets is expected to be over \$6M for the financial year. This is up from less than \$4.0M in 2020.

A small but important change has been to move the outdoor dining permits from a nominal rate that hadn't changed significantly in six years to a commercial rate that reflects the value of the public space being used by these businesses.

Commercial property – Lakeview

QLDC has completed the necessary subdivision and site clearance works to transfer land titles to the Lakeview developer. Before the developer can call for settlement of a land parcel, it must satisfy a range of settlement conditions relating to design, consenting, funding, equity commitment and contractor engagement in respect to the parcel it wants to acquire. The developer has commenced its marketing campaign for the first stages of its development and has advised it is working towards a construction commencement date within the next 12 months. The developer has advised QLDC that pre-sales are strong and meet targets for progressing and completing its developed design and pre-settlement documentation.



HOW MUCH IT COST

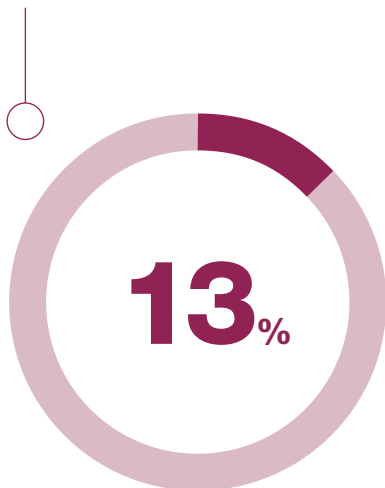
Breakdown of service cost

Economy	2023 LTP \$000	2024 LTP \$000	2023 Actual \$000	2024 Actual \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	(5)	(59)	(8)	(11)
Targeted rates	9,922	9,748	5,610	6,103
Subsidies & grants for operating expenditure	159	159	5	124
Fees & charges	2,409	3,029	1,899	1,819
Interest and dividends from investments	-	-	583	-
Fuel tax, fines, infringement fees & other receipts	652	684	836	722
Total sources of operating funding	13,137	13,561	8,925	8,757
Applications of operating funding				
Payments to staff and suppliers	10,625	10,875	13,310	12,801
Finance costs	478	427	4,919	9,209
Internal charges applied	2,656	2,792	2,102	3,539
Other operating funding applications	-	-	-	-
Total applications of operating funding	13,759	14,094	20,331	25,549
Surplus/(deficit) of operating funding	(622)	(533)	(11,406)	(16,792)
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	40
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	865	(4,042)	(6,324)	994
Gross proceeds from sale of assets	23,393	3,142	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	24,258	(900)	(6,324)	1,033
Applications of capital funding				
Capital expenditure				
- to meet additional demand	655	-	202	107
- to replace existing assets	65	66	16	3
- to improve the level of service	151	-	537	818
Increase/(decrease) in reserves	22,765	(1,499)	(18,485)	(16,686)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	23,636	(1,433)	17,730	(15,759)
Surplus/(deficit) of capital funding	622	533	11,406	16,792
Funding balance	-	-	-	-

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Operating Expenditure of \$198,805,000 (excluding depreciation)

Economy expenditure of \$25,549,000



Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
\$1.2M under LTP for fees and charges due to lower than planned commercial licence fees and rental reduction due to impact of Lakeview Development. \$1.9M above plan for payments to staff and suppliers mainly due to \$1.1M of unplanned asbestos/demolition costs at Lakeview reclassified from capex to opex, remainder due to salaries and grants for Destination QT, WKA and Arrowtown. \$8.8M above plan for finance costs due to higher than expected interest rates. \$0.7M internal overhead allocation high than LTP.	Not applicable	Not applicable



How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Percentage of residents who have attended or performed in arts and cultural events or groups	55%	>70%	48%	45%	45% of residents indicated they had participated in, performed at, or attended an arts or cultural event in the district in the last 12 months. This was down on last year's result of 48% and below the target amount of 70%. The high cost of living and economic uncertainty may be impacting people's willingness to attend events.
Satisfaction with the Economic Development programme and support given to community	New measure	Improve year on year	80% informal estimate	80%	The most recent work has focused on the development of two plans (Destination Management Plan and Economic Diversification Plan). All 18 relevant local organisations were approached and endorsed the Economic Diversification plan. Two national organisations were also approached but were unable to endorse a local strategy. A baseline is still being established to determine achievement of this KPI.
Return on cost of commercial property, excluding revaluation gains/losses	96.70%	Improve year on year	-32.31%	1.59%	Achieved amount is higher than last year however it is still lower than the baseline due to unforeseen asbestos removal and demolition costs at Lakeview.

Local democracy



Governance

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

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

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

GOVERNANCE AND CORPORATE SERVICES

Governance and Corporate Services support elected members (Council, its committees, subcommittees, and the Wānaka-Upper Clutha Community Board) in their leadership role, enabling them to make informed decisions on behalf of the district and monitor the delivery of services. The activity enables community participation, in the strategic agenda and policy setting.

The Local Government Act 2002 creates a model of participative democracy to enable decision making for the benefit and wellbeing of the community. Elected members lead the decision-making process for the community. Decisions are made considering the community's views as one of many factors, but the elected members are accountable for them.

Council staff plan and prepare the agendas for these meetings, ensure the meetings follow the approved procedures (standing orders) and legislative requirements, and minute the record of each meeting. Agendas and minutes are available to the community through the Council website and all meetings, hearings and workshops are open to the community¹⁰, and meetings provide for a period of public forum where elected members can be directly addressed on relevant matters.

What we deliver

Governance and Corporate Services are responsible for:

- > Supporting Councillors in developing strategic priorities for the activities Council will deliver
- > Supporting Councillors in developing and approving the long-term strategic and financial plan for the Council (the Long Term Plan)
- > Monitoring Council's performance in the achievement of the plans
- > Communicating priorities, plans, and achievements to the community
- > Ensuring Council's obligations and responsibilities under more than sixty different laws and many regulations are met on a continuing basis
- > Staff are responsible for advising the Council on pending and actual changes to legislation
- > Providing access to public information the Council holds, within the restrictions of the Privacy Act 2020 and complying with the Local Government Official Information and Meetings Act 1987; in accordance with guidance from the Office of the Ombudsman, Office of the Auditor-General, and the Privacy Commission.

Representation arrangements

Councils are required by the Local Electoral Act 2001 to review their representation arrangements at least once every six years but may do so every three years. In 2021 Council undertook a Representation Review. As part of this review new ward names and boundaries were adopted. The new ward names are:

- > Queenstown-Whakatipu
- > Arrowtown-Kawarau
- > Wānaka-Upper Clutha

The Arrowtown-Kawarau ward has expanded boundaries compared to the previous Arrowtown ward, to reflect the growth in this area of the district. The Wānaka-Upper Clutha ward has one more member than previously. These changes reflect the changing population and geographic spread throughout the district and took effect from the local election in October 2022.

¹⁰ Note, some meetings and workshops, in whole or part, are conducted with the public excluded where there are grounds to do so under the Local Government Official Information and Meetings Act 1987, s.48.

Community engagement

This activity aims to empower the communities of the Queenstown Lakes District to participate meaningfully in shaping the district's services, facilities, and policies. This includes encouraging people to participate in democracy by being involved in making decisions about the community where they live.

Community leadership

This activity supports elected members (Council, Committees, and Wānaka-Upper Clutha Community Board) in their leadership role, to make informed decisions and monitor the delivery of services.

The focus of Council's contribution to the wider public interest is to provide the activities of local democracy, and promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Local elections

Council used the First Past the Post (FPTP) electoral system for the 2022 triennial election. Electors vote by indicating their preferred candidate(s), and the candidate(s) that receives the most votes is declared the winner regardless of the proportion of votes that candidate(s) obtained.

For the 2022 triennial election, four Councillors were elected from the Queenstown-Whakatipu ward, three from the Arrowtown-Kawarau ward and four from the Wānaka-Upper Clutha ward. The Mayor is elected at large throughout the district.

Elections for the Queenstown Lakes District Council (Mayor and Councillors and Wānaka-Upper Clutha Community Board), Otago Regional Council and Central Otago Health (Wānaka-Upper Clutha ward) are held every three years on the second Saturday in October. The next election will occur on 11 October 2025, noting that the passing of the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Act 2024 has amended the election timetables by providing an extended postal voting period, although this does not alter the end date for voting.

Progress against the Long Term Plan 2021-2031

Governance and Corporate Services

In March 2024, Council adopted a new model of conducting all workshops for Council, committees, and the Wānaka-Upper Clutha Community Board with full access to the public, unless there are grounds to exclude the public under the Local Government Official Information and Meetings Act 1987, s.48.

Workshops are publicly notified, and agendas and minutes are all published on the Council website.

Council has improved its website to add one-click access to an interactive meetings calendar, giving easy and well-signposted access to all agendas, reports, materials, and minutes for meetings, workshops, and hearings. For formal meetings there are also recordings of the proceedings.

Emergency management

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



DISASTER-DEFYING RESILIENCE | HE HAPORI AUMANGEA

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

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

Our infrastructure is as resilient as our people

Recovery empowers our people to quickly find a new normal

What we deliver

Council has broad responsibilities under the Civil Defence Emergency Management (CDEM) Act 2002 and the Civil Defence Emergency Management Amendment Act 2016 to:

- > Ensure that Council can function to the fullest possible extent during and after an emergency
- > Plan and provide for local civil defence emergency management across the areas of reduction, readiness, response, and recovery
- > Promote and encourage cooperation, coordination, and joint action across regional CDEM groups
- > Identification, assessment, management and communication of hazards and risks across the district
- > Promote and support the development of local emergency management capability and capacity across a wide range of agencies, emergency services, lifeline utilities and local organisations
- > Support the development of community resilience to ensure communities can proactively plan for, effectively respond to and regeneratively recover from emergency events
- > Integrate local CDEM planning with national and regional level plans and strategies.

Council is a member of the Otago CDEM Group, which is coordinated by Emergency Management Otago. Emergency Management Otago employs Emergency Management Advisors who are assigned into the district to support emergency planning, deliver training and public education campaigns, lead the development of community response groups and support Council to build its response capability. Council officers support these efforts by volunteering for the Council's Emergency Operations Centre (EOC) and by delivering a broad range of activities that help with community risk reduction and resilience building. These activities include land-use planning, resource and building consenting, resource management engineering, infrastructure planning and operations, climate adaptation planning, and community partnership development.

In the event of a major emergency event, the QLDC Emergency Operations Centre is activated to lead a coordinated, multi-agency response in collaboration with Emergency Services and partner organisations. For major emergency events this may involve a Declaration of a State of Local Emergency which provides access to a range of emergency powers to help coordinate the response and fulfil the objectives outlined in the CDEM Act 2002, National Disaster Resilience Strategy (2019), National CDEM Plan (2015), and Otago CDEM Group Plan.

Progress against the Long Term Plan 2021-2031

In September 2023, the Council's Emergency Operations Centre (EOC) encountered a significant challenge following a heavy rainfall event on the night of Thursday 21 September. This 25-year high rainfall resulted in localised flooding, debris flows, and some land instability. At 9:00pm, the EOC was activated to coordinate response efforts in collaboration with emergency services, contractors, and committed community volunteers. During this period, welfare support and emergency accommodation were provided for 112 residents at the Queenstown Memorial Centre. On Friday morning, at 6:33am, a Local State of Emergency was declared to facilitate evacuations and ensure public safety. By Saturday 23 September, a comprehensive programme of Rapid Building Assessments was completed, confirming that all properties were safe for residents to return home. The Local State of Emergency was officially lifted at 3:00pm that day, transitioning the district into a 28-day recovery period. This period was subsequently extended three times, lasting until 16 December 2023, to support ongoing recovery efforts, including cemetery restoration and the management of debris slip sites on Ben Lomond Reserve. QLDC extends its gratitude to the community for its resilience and support during this challenging time.

Key factors that give confidence in the performance of Emergency Management capability include:

- > The timely activation of preparedness measures and communications ahead of the forecasted rainfall event for potentially at-risk communities.
- > The responsiveness and capability of the EOC staff who were activated during Thursday evening and Friday morning. All staff demonstrated a strong commitment and dedication to serve their community under very challenging circumstances.
- > The performance of Emergency Management Otago's digital incident management platform D4H. This platform was a crucial tool for supporting the local response as well as keeping our National Emergency Management Agency (NEMA) response partners updated in Dunedin and Wellington.
- > The deployment of a well-coordinated Rapid Building Assessment process for impacted properties.

- > Strong networks and partnerships within internal council operations teams and external operations partners regarding emergency works and clean-up activity.
- > The strong focus dedicated to transition planning to support an effective handover from Response to Recovery programme structure.

A positive endorsement of the effectiveness of the Council response was provided by the Minister of Emergency Management during a media standup on Saturday 23 September 2023.

In addition to this response and recovery period, Council has continued to work closely with Emergency Management Otago to build the capability and capacity of the local Community Response Group network and to support education and community resilience development across the district. Emergency Management Otago has recently published a new Otago Community Resilience Strategy which presents a model for the development of community response capability. This includes the development of a range of education workshops and technical training sessions, and the development of a range of information resources such as those which can be found here: <https://www.qldc.govt.nz/community/emergency-management/community-response-groups/>.

Council has also taken steps to support these Community Response Groups with the provision of emergency equipment. Over \$40,000 in emergency equipment was distributed to several groups across the district. Included within the cache of equipment were generators, solar eco-flow batteries, lighting equipment, heaters, whiteboards, first aid kits, and large gear boxes. This equipment will add to the VHF radio equipment that was purchased in the last financial year.

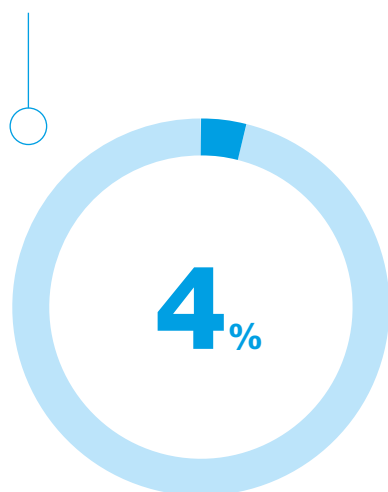
HOW MUCH IT COST

Breakdown of service cost

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Operating Expenditure of \$198,805,000 (excluding depreciation)

Local Democracy expenditure of \$7,137,000



Local Democracy	2023 LTP \$000	2024 LTP \$000	2023 Actual \$000	2024 Actual \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	1,039	1,075	1,627	2,326
Targeted rates	5,220	5,453	10,768	12,584
Subsidies & grants for operating expenditure	-	-	-	-
Fees & charges	26	27	18	31
Interest and dividends from investments	4,866	5,720	5,461	11,158
Fuel tax, fines, infringement fees & other receipts	-	-	204	561
Total sources of operating funding	11,151	12,275	18,078	26,660
Applications of operating funding				
Payments to staff and suppliers	3,050	3,168	3,444	4,416
Finance costs	-	-	-	-
Internal charges applied	2,802	2,947	1,555	2,721
Other operating funding applications	-	-	-	-
Total applications of operating funding	5,852	6,115	4,999	7,137
Surplus/(deficit) of operating funding	5,299	6,160	13,079	19,523
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	101,333	(15,655)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	-	101,333	(15,655)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to replace existing assets	-	-	-	-
- to improve the level of service	-	-	-	15
Increase/(decrease) in reserves	5,299	6,160	114,412	3,853
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	5,299	6,160	114,412	3,868
Surplus/(deficit) of capital funding	(5,299)	(6,160)	(13,079)	(19,523)
Funding balance	-	-	-	-

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
\$5.4M higher dividend income received from QAC than in the LTP. \$0.6M unplanned revenue due to Civil Defence expenses re-invoiced to parties related to the Reavers Lane rain event. \$1.2M greater than planned payments to staff and suppliers is across emergency management and salaries & wages.	Not applicable	Not applicable

How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Percentage of residents who are satisfied with the information they receive from Council	49%	>80%	40%	39%	Council continues to apply a more tailored approach to informing the community to ensure the right messages get to the right audience. This approach employs targeted channels from a broad range of options. 39% of residents were satisfied with the information they received from Council. This year's result is consistent with the last two years, but is well below the target of 80% and remains an important area of focus and improvement. Despite not achieving the target, there were more residents satisfied with this measure than dissatisfied (27%).
Percentage of residents who are satisfied with the opportunities to have their say	48%	>80%	32%	32%	The Quality of Life survey responses highlight some people feel their input is often overlooked in decision-making, and they feel that the wellbeing of the community is a lower priority than tourism. Council is continuing to focus on embedding best practice participation and engagement methods, while providing people with range of ways to engage and have their say including in place, digital pathways and more traditional forms. Council is focusing on closing the loop to demonstrate how community feedback has shaped decisions. The number of residents satisfied with the opportunities to have their say is consistent with last year's result.
Percentage of residents who are satisfied with overall Council performance	37%	>80%	20%	15%	The Quality of Life survey reflects access to affordable housing and investment in public facilities and community services as adversely affecting locals' lives. Council is continuing to focus on public access to transparent and accountable decision-making through public meetings, workshops, and associated materials. 15% of residents were satisfied with overall Council performance, which was a significant decrease on last year. 51% were dissatisfied, 28% neutral and 5% didn't know.
Percentage of Local Government Official Information and Meetings Act 1987 requests responded to within 20 days	99.8%	100%	97.37%	96.83%	Performance was affected by staff shortages and a migration to a new system, along with increasing volumes of complex requests that require substantial research or collation and consultation.
Mana Whenua satisfaction with QLDC as per the agreed work programme (Aukaha and Te Ao Marama representatives)	Updated Measure	>80%	NA	NA	An appropriate mechanism for collecting this information has not yet been identified. It was agreed at the most recent hui to work together to create a specific measure over the coming months. This will be addressed in 2024/2025.
Percentage of residents who consider themselves resilient and prepared in the event of an emergency	48%	>80%	44%	51%	51% of residents considered themselves resilient and prepared for an emergency. While this was below the target amount, the result is a significant increase on prior years. 27% didn't consider themselves resilient and prepared, while 23% were unsure.
Percentage of QLDC staff (that are part of the emergency response structure) who have participated in a response or training throughout the year	Updated Measure	100%	100%	99%	Council had 74 staff volunteer for the Emergency Operations Centre in 2023/2024. Of these, 73 attended training or were directly involved in response activation.

Finance and support services



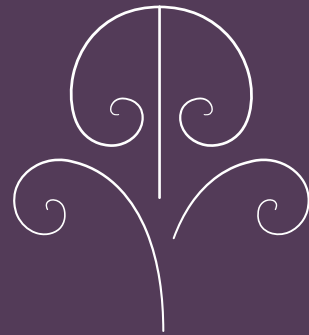
Finance and support services

The **COMMUNITY OUTCOMES** that this activity primarily contributes to:



DEAFENING DAWN CHORUS | WARAKI

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



OPPORTUNITIES FOR ALL | HE ŌHAKA TAURIKURA

Ours is a place that works hard and thinks big, where workers and entrepreneurs flourish and inequality is reduced

Technology enables us to connect locally, regionally and globally



DISASTER-DEFYING RESILIENCE | HE HAPORI AUMANGEA

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



THRIVING PEOPLE | WHAKAPUĀWAI HAPORI

Our doors and minds are open; everybody is warmly welcomed

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



LIVING TE AO MĀORI | WHAKATINANA I TE AO MĀORI

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

What we deliver

Finance

The Finance team within Queenstown Lakes District Council (QLDC):

- > Provides financial expertise, knowledge and tools required by QLDC's managers to make informed decisions
- > Provides finance services to other QLDC teams and activities
- > Ensures the finance function is structured in a way that provides flexibility to meet future demands and pressures
- > Ensures QLDC continues to appropriately manage its financial risk and fulfil its regulatory and statutory obligations
- > Ensures QLDC maintains a consistent culture of financial literacy and fiscal responsibility across Council.

People and Capability

The role of the People and Capability function is to ensure that QLDC has the right people, with the right skills and attitude, in the right place, at the right time to deliver on organisational objectives.

Key areas include:

- > Workforce strategy and organisation design
- > Recruitment – localised attraction, retention, and career growth
- > Organisational culture and employee engagement
- > Learning, skills, and capability development – organisational performance
- > Organisation and leadership development
- > Employment relations
- > Systems, policies, and processes
- > Health, safety, and wellbeing.

Knowledge Management

The Knowledge Management team manages our Enterprise System enhancements and application support, the Information and Communication Technology (ICT) infrastructure, as well as providing geospatial, data and business analysis and Information Management services. Knowledge Management supports Council by managing technology risk, developing robust futureproof systems, and delivering transformational technology projects to meet and keep pace with the evolving needs of its customers – residents, visitors, businesses, partners, central government, and staff.

Customer Services

The Customer Services team:

- > Provides the first point of contact for most of the community's interaction with QLDC
- > Provides face to face contact in our Gorge Road, Shotover Street, and Ardmore Street offices
- > Is responsible for answering all phone enquiries and emails to the services@qldc.govt.nz inbox

Organisation Performance

The Organisation Performance business unit has two functional areas. One is responsible for ensuring that QLDC meets all its statutory planning obligations through the Long Term Plan, Annual Plan and Annual Report processes. It provides monthly and quarterly reports published on QLDC's website. The other functional area is responsible for Business Process improvement. This newly created team works across the organisation in providing guidance and direction on process management and leads specific improvement initiatives.

Strategy and Policy

The Strategy and Policy division was established in 2022-23 and consists of:

- > Policy: The policy team is a centre of excellence and improvement for strategy, policy, advice, data, and evaluation that is grounded in Te Tiriti. It is responsible for supporting the development and review of bylaws, policies, and strategies in partnership with subject matter experts across the organisation as well as external stakeholders. Advocacy and external submissions are all developed and managed through this team. The team also acts as a central reference

point for all data, statistics and intelligence relating to the district and its communities, through centralised data sources and the development of the Quality-of-Life survey and a wellbeing dashboard.

- > Strategy and Reform programmes: The Council response to, and preparation for, significant central government reforms is being led from this team. Council advocates on behalf of the organisation and the community to ensure that the challenges and opportunities facing our District are considered. This team helps to establish the strategic frameworks and models that will guide the work and investment of the organisation over the long-term.
- > Strategic growth. See page 47-48 for more information.
- > Resilience and climate action. See page 51-52 for more information.
- > Economic development. See page 91-92 for more information.

Procurement

Procurement plays a key role in the delivery of QLDC outcomes with a wide variety of goods, services and works delivered by external parties.

Procurement activity is decentralised but operates under a pan-organisational Procurement Policy, following Procurement Guidelines and utilising a growing set of tools and templates. QLDC is not mandated to use the Government Procurement Rules but does use them as a basis for its Procurement Policy.

The organisation continues to mature its understanding of procurement, both from the perspective of compliance and the public value generated by sound commercial and procurement thinking.

Risk and Compliance

In 2022, a specific Risk and Compliance function was created within the Assurance, Finance, and Risk Directorate, to support increased risk and compliance management maturity. The Risk and Compliance team is also responsible for 'third line' assurance (internal audit). Having a function with specific responsibility for enabling and driving good risk management practices is consistent with recommendations made by the Office of the Auditor-General in the paper, 'Our observations on local government risk management practices.'

Progress against the Long Term Plan 2021-2031

Finance

- > Finance have been assessing opportunities and implementing any new funding sources such as the Infrastructure Funding.

People and Capability

The People and Capability team is progressing with the workforce strategy and the delivery outcomes from the Workforce Review. This is to ensure sufficient resourcing capacity and capability for the organisation. QLDC has a strong focus on learning and professional development, to grow capacity and capability across the organisation. It has a strong health, safety, and wellbeing focus across the organisation, which includes continuous improvement of contractor management programmes.

Knowledge Management

Knowledge Management is progressing on the delivery of the Long Term Plan 2021 – 2031. The following technology/digital initiatives have been completed or are underway:

- > Substantial progress towards the delivery of the work programme for migrating our Enterprise System (TechnologyOne) to the latest version of the software suite. Specifically, implementation of a tool to better manage over the counter cash payments, implemented tools supporting our regulatory functions including infringements, dog and debtor management.
- > Currently working on updating applications that support Council's Rates, Public Health, and Alcohol licensing functions.
- > In the employee space, implementation of a new all-digital recruitment application and a performance management application to measure employee's performance more efficiently against agreed key performance indicators.
- > Knowledge Management has also deployed a financial grants management solution to better manage applications for council grants.
- > Leveraging TechnologyOne functionality, we deployed a custom-built Risk Management system to manage risks, their treatments and tasking required for each treatment plan.
- > Improved Three Waters contractor integration to enable almost real-time progress updates for customer requests.

- > Continued to evolve cybersecurity posture via an information security work program including cyber security awareness training for all staff, Microsoft Defender for Workstations, servers, and Azure (Cloud).
- > Ongoing training, development, and support in the use of recordkeeping and information management systems with priority focus areas being official information requests, procurement, and infrastructure.
- > Deployment of an upgrade of all workstations from Windows 10 to Windows 11.

Customer Services

Updated the Customer Complaints Policy and identified system changes to align with changes which will enhance customer experience.

Enhanced categories of parking infringement waiver requests on website portal due to increased desire from the community to use the online submission form.

Organisation Performance

The development of the Long Term Plan (LTP) 2024-2034 was significantly progressed during the 2023-2024 year, with the Consultation Document and draft LTP supporting document released for public consultation on 28 June. The LTP was adopted by Council on 19 September 2024. A three-month extension for adopting the LTP was provided due to the change in the Three Waters legislation. The audit of the LTP found no issues resulting in qualifications or emphases of matter. Monthly and quarterly KPI and key priority project reporting continues to be provided, and reports are published on QLDC's website.

Several business process improvement projects have been completed, including an outdoor dining policy refresh and licencing processes, film event management processes, submission processes for annual and long-term plans and a community investments process review.

Strategy and Policy

- > Policy: Delivery of high-quality, pro-active, evidence-led policy analysis and advice that is grounded in Te Tiriti included the following initiatives that have been completed or are underway:
 - Bylaw review and development: Alcohol-Free Areas in Public Places Bylaw 2018, Activities in Public Places 2023, Cemeteries Bylaw 2023 and Brothel Control Bylaw 2024 completed. Significant work undertaken on a Navigation Safety Bylaw that is on schedule for adoption in early 2025.
 - Submissions and advocacy: 32 formal submissions were made by Council to central government and other external agencies about proposals that affect the district.

- Policies: Supported development of numerous Council strategies, policies and plans. Policy register using TechnologyOne platform working with Knowledge Management underway.
- Data: Delivery of Council's Quality of Life Survey, update to district demand projections and Council's Wellbeing dashboard.

- > Strategy and Reform Programmes: Developed the strategic framework to guide the development and prioritisation of investment in the Long Term Plan and navigated the organisation through the previous and current governments water reform programme.

Procurement

Procurement continues to play a key role in the delivery of QLDC outcomes with a wide variety of goods, services and works delivered by external suppliers.

- > A 'Procurement Hub' intranet site was implemented to provide a location for staff to access procurement tools and templates.
- > A Procurement Manager has been hired in accordance with the Procurement Strategy adopted in early 2024.
- > A programme of enhancements to existing Procurement tools and templates is underway.

Risk and Compliance

Several system improvements have been implemented to support improved risk management maturity. This included the implementation of a risk dashboard to enable organisation-wide oversight of the status of risks. Quarterly risk review meetings are held with Tier 3 managers to review the status of risks, treatment planning, and to identify emerging risks. Risk interconnectedness has also been implemented to provide a greater understanding of how risks influence each other, better enabling effective treatment planning.

An external mandatory obligations register (compliance management) has been developed, and legislative requirements are discussed during risk review meetings with managers.

Internal audits have been conducted in accordance with an Internal Assurance Programme.

Risk management, compliance obligation management and assurance activities are reported quarterly to the Audit, Finance and Risk Committee.

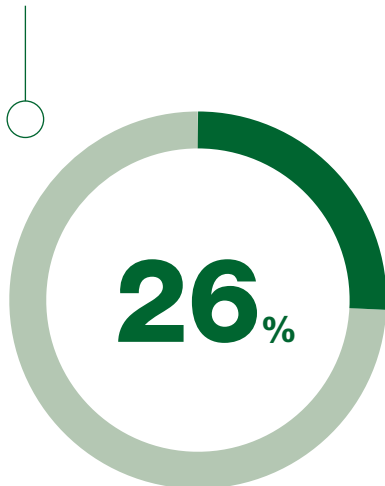
HOW MUCH IT COST

Breakdown of service cost

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total Operating Expenditure of \$198,805,000 (excluding depreciation)

Finance and support services expenditure of \$52,656,000



Overheads	2023 LTP \$000	2024 LTP \$000	2023 Actual \$000	2024 Actual \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	697	665	855	784
Targeted rates	(1,225)	(1,730)	(31)	(55)
Subsidies & grants for operating expenditure	-	-	470	760
Fees & charges	134	137	398	328
Interest and dividends from investments	-	-	444	1,520
Internal Charges Recovered	25,648	26,883	46,051	52,610
Fuel tax, fines, infringement fees & other receipts	33	35	106	95
Total Sources of Operating Funding	25,287	25,990	48,293	56,042
Applications of Operating Funding				
Payments to staff and suppliers	24,929	25,435	25,652	30,534
Finance costs	(999)	(971)	288	336
Internal Charges Applied	-	-	21,084	21,616
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	23,930	24,464	47,024	52,486
Surplus/(Deficit) of Operating Funding	1,357	1,526	1,269	3,556
Sources of Capital Funding				
Subsidies & grants for capital expenditure	-	-	1,645	512
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	4,837	4,344	772	-52
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	4,837	4,344	2,417	460
Applications of Capital Funding				
Capital Expenditure				
- to meet additional demand	106	434	155	179
- to replace existing assets	1,540	1,116	901	1,189
- to improve the level of service	462	1,369	844	152
Increase/(decrease) in reserves	4,086	2,951	1,786	2,496
Increase/(decrease) of investments	-	-	-	-
Total Applications of Capital Funding	6,194	5,870	3,686	4,016
Surplus/(Deficit) of Capital Funding	(1,357)	(1,526)	(1,269)	(3,556)

Significant cost of services variances

\$0.8M above plan for subsidies and grants for operating expenditure with unplanned grants received for CMTY. \$1.5M above plan for interest and dividends from investments. \$5.2M over plan for payments to staff and suppliers due to salary and wage workforce review.



How we performed

HOW QLDC PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Weighted average interest rate	3.47%	6%	4.92%	5.03%	This target was achieved and has increased on the prior year due to increases in the Official Cash Rate throughout the financial year.
Debt servicing to rates revenue	4.5%	<15%	17.52%	24.82%	This target was not achieved due to the pressure of increasing interest rates and higher debt levels.
Percentage of debt owing 90 days plus	14.9%	<30%	12.34%	12.07%	This target has been achieved and is a decrease on the prior year percentage as we are continuing to maintain collection on our aged debt.
Renewals capital expenditure to depreciation ratio	0.52	>1	0.883	0.54	This target was not achieved as depreciation increased significantly in comparison to the renewals budget due to the impact on depreciation from of the rise in asset valuations.
Rates income complies with the limits set in the financial strategy (Affordability benchmark/rates benchmark)	56.1%	<55%	39%	35.3%	This target has been achieved in line with setting our rates for the 2023/2024 financial year.
Debt complies with the limits set in the council's financial strategy (Affordability benchmark/rates benchmark)	79.7%	<280%	252%	270.8%	This target has been achieved but is close to the borrowing limit and an increase on prior year due to an increase in debt levels from infrastructure capital and the leaky building settlement.
Rates per rating unit	\$3,006.94	<\$5,500	\$3,454	\$3,946	This target was achieved as the rates increase was set within the limits of this KPI.
Net debt per rating unit	\$4,274.96	<\$24,000	\$17,383	\$20,677	This target was achieved but has increased due to the higher level of borrowings.
Revenue (excluding income from development and financial contributions, revaluations and vested assets) exceeds operating expenditure (Sustainability benchmark/balanced budget benchmark)	89.2%	>100%	64%	88.2%	This target was not achieved due to additional operating expenditure this year including interest.
Capital expenditure on the five network infrastructure services equals or exceeds depreciation on those five services (Sustainability benchmark/ balanced budget benchmark)	295%	>100%	388%	481%	This target was achieved but the percentage has increased due to higher Infrastructure capital expenditure during the 2023-2024 financial year.

KPIs	Baseline Performance at 30 June 2020	Target Yr 3	Annual Result 2022-2023	Annual Result 2023-2024	Commentary
Borrowing costs are less than 10% of operating revenue (or 15% for those with projected growth at or above NZ average) (Sustainability benchmark. Debt servicing benchmark)	2.2%	<15%	8.77%	10.9%	The target was achieved. The borrowing costs percentage has increased from 2023 due to higher than expected interest costs along with additional debt.
Net cash flow from operations equals or exceeds budget (Predictability benchmark/ operations control benchmark)	65.3%	>100%	-66.9%	61.4%	The target was achieved. The borrowing costs percentage has increased from 2023 due to higher than expected interest costs along with additional debt.
Net debt is less than or equal to forecast net debt in the local authority's Long Term Plan (Predictability benchmark/Debt control benchmark)	58.1%	<100%	105%	107%	The target has not been achieved mainly because of the unexpected borrowings relating to the leaky building settlement.
Percentage of complaints that are resolved within 10 working days	81%	>95%	96.9%	99.5%	The KPI was met for 2023/2024, with the percentage of complaints resolved within 10 working days at 99.5%.
Percentage of customer calls that meet the service level (answered within 20 seconds)	78%	>80%	75.9%	68.7%	The KPI was not met for 2023/2024 due to staffing challenges throughout the year.
Percentage of Councillor enquiries responded to within 5 working days	87%	100%	78.5%	84.6%	The KPI was not met in 2023/2024 due to the volume of requests received and the complexity of enquiries.
<i>Customer satisfaction with:</i>					The customer satisfaction KPI metrics were achieved in 2023/2024, with all four measures achieving greater than 75%.
Speed of response and final resolution	58%	>70%	73%	84%	
Clarity of process and timeframes	81%		85%	87%	
Staff knowledge and professionalism	87%		97%	96%	
Fairness and consistency	86%		94%	95%	
Reduction in the Total Recordable Injury Frequency Rate	6.15	<8	3.95	9.19	Total Recordable Injury Frequency Rate is a lagging indicator. This KPI was not met. Most businesses will have seen a reduction in the frequency rate due to COVID and lockdowns in prior years. Work continued but risk was reduced as people were not in busy workplaces. The lower figure from previous data reflects that trend.

Queenstown Airport Corporation



Passenger and Aircraft Movements (FY24)				
Passengers (000's)	Actual	SOI	Variance	
Domestic	1,631	1,635	(4)	(0%)
International	857	794	63	8%
Total Passengers	2,488	2,429	59	2%
Aircraft movements	18.4	18.0	0	2%

Income Statement (FY24)				
(\$000's)	Actual	SOI	Variance	
Total revenue	64,738	60,854	3,914	6%
EBITDA	46,169	42,694	3,475	8%
Profit for the period (normalised)*	23,231	20,528	2,703	13%
Profit for the period	16,494	20,528	(4,034)	(20%)
EBITDA as % of revenue	71%	70%		
Dividends paid	14,875	15,025	(150)	(1%)
Return on capital employed (EBIT to net operating assets)	7.0%	6.4%		

Funding and Financial Covenants (FY23)		
	Actual	SOI
Closing debt (\$000s)	32,500	76,725
EBITDA >2 times funding expense	16.1	11.2
Shareholders funds to total tangible assets >50%	84.7%	79.7%

Council's Long Term Plan 2021-2031 set out several objectives and expectations for the Queenstown Airport Corporation (QAC), as well as outlining the nature and scope of activities.

A key project in these objectives was to develop a draft masterplan for Queenstown Airport. After extensive stakeholder and community consultation a final masterplan was completed and presented formally to Council in November 2023. The QAC developed the masterplan in accordance with its commitment in the Statement of Intent (SOI) and alongside its existing adopted strategic plan. It addresses the immediate investment priorities for the company to ensure its facilities remain fit for purpose. The Council formally endorsed the masterplan at that meeting and the first major project arising from this was announced recently.

The construction of Engineered Materials Arresting System (EMAS) beds at both ends of the main runway is about to begin. Queenstown will be the first airport in Aotearoa New Zealand and Australia to install this innovative safety technology, which exceeds compliance with civil aviation regulations and is a tangible demonstration of the company's determination to surpass expectations. The QAC has agreed to consult the Council from hereon as it reaches the various investment gateways proposed by the masterplan. A framework for reporting by exception to the QLDC Audit Finance and Risk Committee has also been established.

A complex programme of repairs and maintenance to the main runway and taxiways was completed between May and November. This required meticulous planning and close collaboration with Queenstown Airport staff, the design engineer, and the Airport Emergency Service, which helped cool new asphalt which had been laid overnight to ensure the runway was functional again by 6.00am each morning. The \$1.3M project was an important investment in safety and resilience.

The terminal upgrade programme continues as work in progress. Work completed in financial year 2023-2024 included the launch of a full café and licensed bar directly on to the airport forecourt, improving the availability of landside seating and food and beverage options following the expansion of the airside facilities. New furniture was

also installed in the lounge areas to make better use of the space and providing seating for an additional 60 people. Workstations and charging points were added throughout the airport. A refresh of the toilet facilities also commenced as an ongoing staged programme as outlined in the masterplan.

In addition to these projects, QAC continued to progress its Sustainability Strategy, and published its first sustainability report (including climate-related risk reporting) in October 2023. QAC has successfully achieved Toitū net carbon zero certification and is actively working to reduce operational emissions and has committed to a certified 100% renewable electricity supply by 2030. Other deliverables in the year included supporting the Whakatipu Wildlife Trust in deploying 26 predator traps across the airfield and vacant land, and investing in native reforestation at Kurunui Station in Otago to offset operational carbon emissions that could not be eliminated.

QAC has continued to facilitate the Queenstown Airport Liaison Committee, with the committee meeting quarterly throughout the 2023-2024 period.

The financial results delivered for the financial year reflect a sustained resurgence of travel to and from the Southern Lakes region, with both scheduled aircraft movements and passenger numbers up about 5% on FY23. Commercial revenue rose at a greater rate than the increase in passenger numbers, totalling \$28.96M – \$2.2M higher than FY23. Total revenue was \$64.74M.

Earnings before interest, tax, depreciation, and amortisation (EBITDA) increased by 5% from \$43.9M to \$46.2M. The normalised profit for the reporting period was \$23.M, up 5% from \$22.2M in FY23. The Government's removal of tax depreciation on commercial buildings had a one-off impact of \$6.7M, resulting in a reported profit of \$16.M.

Capital expenditure in this period of \$16.6M included ongoing investment in core operating infrastructure, including terminal improvements and investment in carbon reduction. In addition, QAC fully funded noise mitigation work on 12 properties within Queenstown Airport's noise boundaries as part of its commitment to being a good neighbour.

As at 30 June 2024, term debt was \$32.53M, down from \$39.5M at 30 June 2023.

Funding Impact Statement – whole council (QLDC only)



Funding Impact Statement – Whole Council (QLDC only)

	2023 Annual Plan \$000	2023 Actual \$000	2024 Annual Plan \$000	2024 Actual \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	5,648	5,932	7,692	8,040
Targeted rates	100,926	99,652	118,105	116,265
Subsidies & grants for operating expenditure	10,298	7,222	7,757	9,103
Fees & charges	41,092	43,228	44,992	42,707
Interest and dividends from investments	762	6,498	7,423	12,695
Fuel tax, fines, infringement fees & other receipts	8,820	8,625	9,734	13,476
Total sources of operating funding	167,546	171,156	195,703	202,286
Applications of operating funding				
Payments to staff and suppliers	144,138	247,510	151,482	167,633
Finance costs	9,838	18,290	22,426	31,172
Total applications of operating funding	153,976	265,800	173,908	198,805
Surplus/(deficit) of operating funding	13,570	(94,644)	21,795	3,481
Sources of capital funding				
Subsidies & grants for capital expenditure	43,959	37,509	40,256	29,936
Development and financial contributions	21,207	17,485	20,645	27,485
Increase/(decrease) in debt	140,637	177,457	112,637	60,430
Gross proceeds from sale of assets	23,393	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	229,196	232,451	173,538	117,851
Applications of capital funding				
Capital expenditure				
- to meet additional demand	115,568	67,976	93,937	72,936
- to replace existing assets	51,894	49,029	36,654	33,552
- to improve the level of service	76,909	62,429	72,150	67,322
Increase/(decrease) in reserves	(1,605)	(41,627)	(7,408)	(52,480)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	242,766	137,807	195,333	121,331
Surplus/(deficit) of capital funding	(13,570)	94,644	(21,795)	(3,481)
Funding balance	-	-	-	-

Reconciliation of Funding Impact Statement to Statement of Financial Performance

	2023 Annual Plan \$000	2023 Actual \$000	2024 Annual Plan \$000	2024 Actual \$000
INCOME				
Statement of Comprehensive Revenue and Expense:				
Total operating income	277,765	270,244	282,869	364,555
Funding Impact Statement:				
Total sources of operating funding	167,547	171,156	195,703	202,286
<i>Plus sources of capital funding:</i>				
Subsidies & grants for capital expenditure	43,959	37,509	40,256	29,936
Development and financial contributions	21,207	17,485	20,645	27,485
Other dedicated capital funding	-	-	-	-
Less cost of property sales	-	-	-	-
<i>Plus non-cash items:</i>				
Vested assets	20,239	40,049	20,673	119,094
Other gains/(losses)	24,813	4,045	1,630	(14,245)
Total income	277,765	270,243	278,908	364,556
EXPENDITURE				
Statement of Comprehensive Income:				
Total operating expenditure	199,930	324,050	229,445	263,174
Funding Impact Statement:				
Total applications of operating funding	153,976	265,965	173,908	198,805
<i>Plus non-cash items:</i>				
Depreciation & amortisation expense	45,954	58,085	55,537	64,369
Total expenditure	199,930	324,050	229,445	263,174

Section 03: Financial statements

Wāhaka 3: Kā tauākī ahumoni



Statement of Financial Performance

		Council 2024 \$'000	Council Budget \$'000	Council 2023 \$'000	Group 2024 \$'000	Group 2023 \$'000
For the financial year ended 30 June 2024	Notes					
Operating revenue						
Revenue from non-exchange transactions						
Rates revenue	2 (a)	123,066	124,896	104,410	122,601	104,063
Other revenue	2 (a)	183,485	103,793	115,536	183,485	115,537
Revenue from exchange transactions						
Other revenue	2 (b)	53,018	49,408	46,253	105,720	99,623
Total revenue	2 (g)	359,569	278,097	266,199	411,806	319,223
Operating expenditure						
Employee benefits expense	2 (c)	48,487	50,196	41,555	57,125	49,187
Depreciation and amortisation expense	2 (d)	64,369	55,537	58,085	74,758	67,243
Borrowing costs	2 (e)	31,172	23,126	18,290	34,043	22,537
Other expenses	2 (f)	119,146	100,586	206,120	127,712	213,116
Total operating expenditure	2 (g)	263,174	229,445	324,050	293,637	352,083
Operating surplus before other gains/(losses)		96,395	48,652	(57,851)	118,167	(32,860)
Other gains/(losses)	2 (b)	(14,245)	4,772	4,045	(14,249)	4,059
Operating surplus before income tax		82,150	53,424	(53,806)	103,918	(28,801)
Income tax expense	3	-	-	-	16,433	9,192
Operating surplus for the year		82,150	53,424	(53,806)	87,485	(37,993)
Operating surplus attributable to:						
- Council	20	82,150	53,424	(53,806)	83,363	(44,475)
- Non-controlling interest	21	-	-	-	4,122	6,482
Operating surplus for the year		82,150	53,424	(53,806)	87,485	(37,993)

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

Statement of Other Comprehensive Revenue and Expense

		Council 2024 \$'000	Council Budget \$'000	Council 2023 \$'000	Group 2024 \$'000	Group 2023 \$'000
For the financial year ended 30 June 2024	Notes					
Surplus/(Deficit) for the year		82,150	53,424	(53,806)	87,485	(37,993)
Other comprehensive revenue and expense						
<i>May be reclassified subsequently to revenue or expense when specific conditions are met</i>						
Gain/(loss) on revaluation	19 (a)	(9,732)	24,939	146,756	(9,732)	198,283
Income tax relating to revaluation	19 (a)	-	-	-	-	(6,501)
Gain/(loss) on cash flow hedging	19 (d)	-	-	-	(239)	73
Realised gain/ (losses) transferred to the statement of financial performance	19 (d)	-	(791)	-	-	-
Income tax relating to cash flow hedging	19 (d)	-	-	-	87	(20)
Total comprehensive income		72,418	77,572	92,950	77,601	153,842
Attributable to:						
- Council		72,418	77,572	92,950	73,517	137,028
- Non-controlling interest		-	-	-	4,084	16,814
Total comprehensive income		72,418	77,572	92,950	77,601	153,842

Statement of Financial Position

		Council	Council	Council	Group	Group
		2024	Budget	2023	2024	2023
As at 30 June 2024	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets						
Cash and cash equivalents	28	8,031	2,904	1,326	9,742	2,540
Trade and other receivables from non-exchange transactions	6	18,073	7,683	14,227	18,073	14,227
Trade and other receivables from exchange transactions	6	20,755	11,391	20,752	24,595	25,290
Inventories		78	53	71	78	71
Other financial assets	7	2,984	15	1,155	3,375	1,374
Other current assets	8	9,634	3,096	10,269	10,179	10,829
Asset held for Sale		5,531	-	4,455	5,531	4,455
Total current assets		65,086	25,142	52,255	71,573	58,786
Non-current assets						
Investment in subsidiaries	25	5,412	8,907	5,412	-	-
Other financial assets	7	12,708	-	12,612	13,081	13,597
Trade and other receivables from exchange transactions	6	-	-	-	-	290
Property, plant and equipment	10	3,058,352	2,864,803	2,878,208	3,575,239	3,391,260
Forestry assets	11	-	-	-	-	-
Intangible assets	12	7,557	-	5,159	10,309	6,981
Investment property	13	54,210	64,333	53,150	54,210	53,150
Development property	9	19,501	7,614	19,372	19,501	19,372
Total non-current assets		3,157,740	2,945,657	2,973,913	3,672,340	3,484,650
Total assets		3,222,826	2,970,799	3,026,168	3,743,913	3,543,436
Current liabilities						
Trade and other payables from exchange transactions	14	48,146	24,656	47,741	51,117	50,127
Borrowings	15	145,468	154,238	109,000	145,468	135,500
Other financial liabilities	16	-	-	-	-	62
Other current liabilities	17	8,246	36,525	9,028	8,246	9,028
Employee entitlements	18	3,985	-	3,474	5,771	5,025
Current tax payable	3 (c)	-	-	-	11,573	9,313
Total current liabilities		205,845	215,419	169,243	222,175	209,055

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

Statement of Financial Position continued

		Council 2024 \$'000	Council Budget \$'000	Council 2023 \$'000	Group 2024 \$'000	Group 2023 \$'000
As at 30 June 2024	Notes					
Non-current liabilities						
Borrowings	15	505,370	475,715	417,732	537,870	430,732
Other financial liabilities	16	-	-	-	-	168
Deferred tax liabilities	3 (d)	-	-	-	31,166	25,075
Total non-current liabilities		505,370	475,715	417,732	569,036	455,975
Total liabilities		711,215	691,134	586,975	791,211	665,030
Net assets		2,511,611	2,279,665	2,439,193	2,952,702	2,878,406
Equity						
Reserves	19	1,653,341	1,454,659	1,681,547	1,905,974	1,934,297
Accumulated funds	20	858,270	825,006	757,646	934,213	831,961
Total equity attributable to Council		2,511,611	2,279,665	2,439,193	2,840,187	2,766,258
Non-controlling interest	21	-	-	-	112,514	112,148
Total equity		2,511,611	2,279,665	2,439,193	2,952,702	2,878,406

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



GLYN LEWERS
Mayor
Queenstown Lakes District Council
12 December 2024



MIKE THEELEN
Chief Executive
Queenstown Lakes District Council
12 December 2024

Statement of Changes in Equity

		Revaluation Reserves	Operating Reserves	Capital Reserves	Hedging Reserve	Accumulated Funds	Attributable to Equity Holders of Parent	Non- Controlling Interest	TOTAL EQUITY
Council	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
For the year ended 30 June 2024									
Balance at 1 July 2023	19/20	1,638,123	21,000	22,425	-	757,646	2,439,193	-	2,439,193
Total comprehensive revenue and expense for the year	19/20	(9,732)	-	-	-	82,150	72,418	-	72,418
Transfers from/(to) accumulated funds	19/20	1,060	(9,971)	(9,563)	-	18,474	-	-	-
Balance at 30 June 2024		1,629,451	11,029	12,862	-	858,270	2,511,611	-	2,511,611
For the year ended 30 June 2023									
Balance at 1 July 2022	19/20	1,489,155	27,901	16,483	-	812,704	2,346,243	-	2,346,243
Total comprehensive revenue and expense for the year	19/20	146,756	-	-	-	(53,806)	92,950	-	92,950
Transfers from/(to) accumulated funds	19/20	2,211	(6,901)	5,942	-	(1,252)	-	-	-
Balance at 30 June 2023		1,638,123	21,000	22,425	-	757,646	2,439,193	-	2,439,193
Group									
		Revaluation Reserves	Operating Reserves	Capital Reserves	Hedging Reserve	Accumulated Funds	Attributable to Equity Holders of Parent	Non- Controlling Interest	TOTAL EQUITY
Group	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
For the year ended 30 June 2024									
Balance at 1 July 2023	19/20	1,890,345	21,000	22,425	527	831,961	2,766,258	112,148	2,878,406
Total comprehensive revenue and expense for the year	19/20	(9,732)	-	-	(116)	83,778	73,930	4,083	78,013
Dividends paid	21	-	-	-	-	-	-	(3,717)	(3,717)
Transfers from/(to) accumulated funds	19/20	1,060	(9,971)	(9,563)	-	18,474	-	-	-
Balance at 30 June 2024		1,881,673	11,029	12,862	411	934,213	2,840,188	112,514	2,952,702
For the year ended 30 June 2023									
Balance at 1 July 2022	19/20	1,707,603	27,901	16,483	487	877,173	2,629,647	96,220	2,725,867
Total comprehensive revenue and expense for the year	19/20	180,531	-	-	40	(43,960)	136,611	17,748	154,359
Dividends paid	21	-	-	-	-	-	-	(1,820)	(1,820)
Transfers from/(to) accumulated funds	19/20	2,211	(6,901)	5,942	-	(1,252)	-	-	-
Balance at 30 June 2023		1,890,345	21,000	22,425	527	831,961	2,766,258	112,148	2,878,406

Statement of Cash Flows

	Notes	Council 2024 \$'000	Council Budget \$'000	Council 2023 \$'000	Group 2024 \$'000	Group 2023 \$'000
For the financial year ended 30 June 2024						
Cash flows from operating activities						
Receipts from customers		242,440	254,984	210,281	311,095	278,700
Interest received		1,526	-	851	1,643	965
Dividend received		11,158	7,423	5,461	-	-
Payments to suppliers and employees		(161,981)	(151,405)	(262,999)	(178,899)	(287,428)
Finance costs paid		(35,463)	(23,126)	(14,183)	(38,341)	(17,250)
Income tax paid		-	-	-	(9,981)	(1,566)
Subvention receipt		-	-	-	-	-
Net GST (payment) /receipt		136	-	(3,925)	136	(3,925)
Net cash inflow/(outflow) from operating activities	28 (c)	57,815	87,876	(64,514)	85,652	(30,504)
Cash flows from investing activities						
Sale of other financial assets		-	-	-	-	-
Sale of investments		-	-	-	-	-
Sale of investment property		-	-	-	-	-
Sale of development property		-	-	-	-	-
Purchase of investments		(2,089)	-	(5,430)	(2,089)	(5,430)
Purchase of property, plant and equipment		(168,492)	(207,918)	(166,648)	(184,066)	(173,864)
Purchase of development property		-	-	-	-	-
Purchase of investment property		-	-	-	-	-
Purchase of intangible assets		(4,636)	-	(3,588)	(5,684)	(3,649)
Proceeds from sale of property, plant and equipment		-	6,794	-	-	-
Net cash inflow/(outflow) from investing activities		(175,216)	(201,124)	(175,667)	(191,839)	(182,943)
Cash flows from financing activities						
Proceeds from borrowings		253,758	256,636	309,103	253,758	309,103
Repayment of borrowings		(129,652)	(144,000)	(86,000)	(136,652)	(111,500)
Dividends paid		-	-	-	(3,717)	(1,820)
Net cash inflow/(outflow) from financing activities		124,106	112,636	223,103	113,389	195,784
Net increase/(decrease) in cash and cash equivalents		6,705	(612)	(17,076)	7,201	(17,661)
Cash and cash equivalents at the beginning of the financial year		1,326	3,516	18,402	2,541	20,202
Cash and cash equivalents at the end of the financial year		8,031	2,904	1,326	9,742	2,541
Represented by:						
Cash and cash equivalents		8,031	2,904	1,326	9,742	2,541
Bank overdraft		-	-	-	-	-
Cash and cash equivalents at the end of the financial year		8,031	2,904	1,326	9,742	2,541

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

Notes to the financial statements



Statement of accounting policies

REPORTING ENTITY

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

The Council Group (“Group”) consists of the Council, its wholly owned subsidiaries Queenstown Events Centre Trust (“QEC” (dormant)) and the 75.01% owned Queenstown Airport Corporation Limited (“QAC”).

The Council has controlling interests in Queenstown Events Centre Trust (100% – dormant) and Queenstown Airport Corporation Limited (75.01%). Pursuant to the Local Government Act 2002, these controlled entities are council controlled organisations (“CCOs”).

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

The financial statements of the Council and Group are for the year ended 30 June 2024. The financial statements were authorised for issue by Council on 12 December 2024.

BASIS OF PREPARATION

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

Statement of Compliance

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

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

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

Presentation currency and rounding

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

Standards issued and effective for current year

Standards issued and effective for the current year which are relevant to the Council and Group are:

- > 2022 Omnibus Amendments to PBE Standards
- > PBE interest Rate Benchmark Reform Phase 2

The Council has assessed the effect of the new standards to be only minor in impact.

Standards issued and not yet effective and not early adopted

There are some standards and amendments, issued but not yet effective that have not been early adopted, which are relevant to the Council and Group. The Council has not yet assessed the impact of these new standards.

Other changes in accounting policies

There have been no other changes in accounting policies.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

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

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

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

(i) Revenue from non-exchange transactions

General and targeted rates

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

User charges and other income – subsidised

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

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

Grants and subsidies

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

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

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

Vested assets

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

Development contributions

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

(ii) Revenue from exchange transactions

User charges and other income – full cost recovery

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

Interest revenue

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

Dividend revenue

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

Property sales

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

Grant expenditure

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

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

Borrowing costs

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

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to the Statement of Financial Performance on a basis representative of the pattern of benefits to be derived from the leased asset.

(a) Council and/or Group as Lessor

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

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

(b) Council and/or Group as Lessee

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

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

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

(c) Lease incentives

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

Taxation

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

Council activities are exempt from income tax. The subsidiary Queenstown Airport Corporation is subject to income tax as per below policy.

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

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

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

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

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

Goods and services tax

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

Cash and cash equivalents

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

Financial instruments

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

(i) Financial assets

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

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

Financial assets at fair value through surplus or deficit

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

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

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

Held-to-maturity investments

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

Available-for-sale financial assets

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

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

Loans and receivables

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

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

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

Impairment of financial assets

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

the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

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

(ii) Financial liabilities

Trade and other payables

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

Borrowings

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

(iii) Derivative financial instruments

The Group enters into certain derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps. Further details of derivative financial instruments are disclosed in note 33 to the financial statements.

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

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

Fair value estimation

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

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

Hedge accounting

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

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

Note 16 sets out details of the fair value of the derivative instruments used for hedging purposes. Movements in the hedging reserve in equity are also detailed in other comprehensive income.

Cash flow hedges

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

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

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

Hedge accounting is discontinued when QAC revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss recognised in the

hedging reserve at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in the hedging reserve is recognised immediately in the surplus or deficit.

Development properties

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

Inventories

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

Properties held for sale

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

Property, plant and equipment

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

Operational assets

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

Campground assets

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

Airport assets

- > Land
- > Buildings
- > Runway
- > Roading and carparking

Infrastructure assets

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

(i) Cost

Operational assets (excluding Airport assets such as Queenstown Airport Corporation Ltd (QAC) land, buildings, roading, carparking and runways) and land under roads are recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

(ii) Accounting for revaluations

Infrastructural assets, other than land under roads, are stated at fair value less accumulated depreciation and any impairment losses recognised after the date of revaluation. Airport assets held or leased by QAC including land, buildings, roading, carparking and runways are also carried at fair value, as determined by an independent registered valuer, less accumulated depreciation and any impairment losses recognised after the date of any revaluation.

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

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

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

Campground assets

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

Sewer, stormwater, water

Sewer, stormwater and water supply assets are stated at valuation which is optimised depreciated replacement cost value as at 30 June 2024 by WSP New Zealand Limited, independent valuers. The valuation has been undertaken using information at 30 June 2023 with additions subsequent to that date recorded at cost.

Roads, bridges and lighting

Roading assets are stated at valuation which is optimised depreciated replacement cost value as at 30 June 2024 by WSP New Zealand Limited, independent valuers. Additions subsequent to that date have been recorded at cost.

Airport land, buildings, roading, carparking and runways

Airport Land, buildings, roading, car parking were independently valued by JLL, registered valuers, as at 30 June 2023. The runways, taxiways and aprons were independently valued by Beca Valuations Limited (Beca), registered valuers, as at 30 June 2023.

Beca Valuations Limited (Beca), registered valuers undertook a review of the value of the runways, taxiways and aprons values and concluded that that value had not moved materially from 30 June 2023.

Valuations are completed in accordance with financial reporting and valuation standards. Management reviews the key inputs, assesses valuation movements and holds discussions with the valuers as part of the process. Discussions about the valuation processes and results are held between the Company's management and the Board.

(iii) Depreciation

Operational assets with the exception of land, are depreciated on a straight-line (SL) 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.

Airport assets, with the exception of land, are depreciated on a straight line and a diminishing value (DV) basis to write off the asset to its estimated residual value 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%-5%	SL
Building improvements	1.5%-10%	SL
Plant and machinery	5.5%-25%	SL
Motor vehicles	20%	DV
Furniture and office equipment	10%-20%	SL
Computer equipment	10%-25%	SL
Library books	10%	SL

INFRASTRUCTURAL ASSETS	RATE (%)	METHOD
Sewerage	1.37%-10%	SL
Water supply	1.42%-10%	SL
Stormwater	1.55%-10%	SL
Roading	1.3%-10.0%	SL

AIRPORT ASSETS	RATE (%)	METHOD
Buildings	1.4%-50.0%	DV or SL
Runways, Taxiways and Aprons	1.0%-20.0%	SL
Plant and Equipment	1.0%-67.0%	DV

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

(iv) Disposal

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

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

Emission trading scheme accounting policy

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

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

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

Investment properties

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

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

Finite life intangible assets

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

Intangible assets – software acquisition and development

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

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council 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 cash-generating assets

At each reporting date, the Council and Group 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 and Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

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

Employee benefits

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

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

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

Provisions

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

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

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

Statement of cash flows

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

Operating activities include cash received from all income sources of the Council and Group 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 noncurrent assets.

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

Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Council entity and its subsidiaries as defined in PBE IPSAS 35 Consolidated Financial Statements. A list of subsidiaries appears in note 25 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the excess is credited to surplus or deficit in the period of acquisition.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Council obtains control and until such time as the Council ceases to control the subsidiary.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Group are eliminated in full.

Investments in subsidiaries and controlled entities are included in the Council entity at cost less any impairment losses.

Control is determined based on ownership interest.

Equity

Equity is the community's interest in the Council and Group 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.

The Council's objectives, policies and processes for managing capital are described in note 33.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Council or Group 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 or Group 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.

Budget figures

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

Allocation of overheads

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

Critical accounting estimates and assumptions

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

Infrastructural assets

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

- > The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, sewerage and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- > Estimating any obsolescence or surplus capacity of an asset;
- > Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Financial Performance. To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimate.

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

Provision for legal claims against Council

Council's liability in relation to claims relating to certain alleged weather-tightness building defects has not been established. For these claims it is not possible to determine the outcome at this stage. Where a loss provision can be determined the loss provision is based on the Council's best estimate of the current knowledge of claims against Council. Refer to note 17 for further information of claims provided for, and note 23 where a provision is not able to be determined.

Other estimates and assumptions

Estimating the percentage of completion on consent applications

The estimation of percentage of completion relies on management estimating future time and costs to complete consent applications. If the actual time and costs incurred to complete the consent applications differs from the estimates completed by management, the Group could be over or under estimating the revenue and surplus associated with the consent applications.

Valuation of airport assets held by QAC

A subsidiary company, Queenstown Airport Corporation, records airport land, airport buildings, airport roads and carparks and runways at fair value. Airport land, buildings, roads and carparks and runways acquired or constructed after the date of the last revaluation are carried at cost, which approximates fair value. Revaluations are carried out by independent valuers with sufficient regularity to ensure that the carrying amount does not differ from the fair value at balance date.

Judgment is required to determine certain inputs to the calculation of the fair value of airport land, buildings, roads and carparks and runways. In particular, income capitalisation rates for assets valued using this methodology and the cost inputs for assets valued using depreciated replacement cost methodology. The determination of fair value at the time of the revaluation requires estimates and assumptions based on market conditions at that time.

Changes to estimates, assumptions or market conditions subsequent to the revaluation would result in changes to the fair value of property, plant and equipment. The carrying value of property, plant and equipment at the last revaluation is disclosed in note 10 and the valuation methodologies used at the last revaluation are disclosed above.

Critical judgements

Management has exercised the following critical judgements in applying the Council's and Group's accounting policies for the year ended 30 June 2024.

Valuation of vested assets

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

Valuation of campground assets

Independent valuations are used to determine the fair value of campground assets. The valuations are determined using the income capitalisation approach based on long term leases.

The significant unobservable inputs are the capitalisation rates of 3.25% – 4.5%. The higher the capitalisation rates the lower the fair value. Significant changes in these inputs would result in significant changes to the fair value measurement.

Valuation of infrastructure assets

Independent valuations are used to determine the fair value of infrastructural assets. The most common and accepted methods for assessing the fair value of infrastructural assets for public benefit entities is optimised depreciated replacement cost. The determination of fair value relies on various information

sources including, but not limited to, various databases recording the nature, location and structure of the infrastructural assets. The valuation in part relies on the accuracy and completeness of such databases for the purposes of determining fair value. The valuation also includes assumptions about forecast replacement costs, including estimated unit costs for wages and raw materials such as steel and concrete. To the extent the information used in the valuation is proved to be incomplete or inaccurate, including the assumptions relating to replacement costs, this may have an effect on the determination of fair value and the infrastructural assets carrying value may be impacted accordingly.

Valuation of investment property

Independent valuations are used to determine the fair value of investment property. The valuations are determined by reference to market based evidence, such as recent sales of properties in the district.

Classification of leasehold properties

Certain investment property held by Council has been approved for sale under restrictive terms and conditions. Council does not view the approval for sale as a declaration of intent, but rather part of the ongoing process of evaluating alternatives for use of Council assets. Notwithstanding the approval for sale, Council has concluded that the intention and expectation of the Council is that the properties will be held primarily to derive a rental return. The approval for sale provided by Council allows flexibility to consider the potential benefits of sale, if and when any potential offer to purchase was received in accordance with the terms and conditions set out by Council. On this basis management assess the continued classification as investment property to be appropriate.

2. Surplus from Operations

(a) Revenue from non-exchange transactions

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue from non-exchange transactions consisted of the following items:				
Rates revenue:				
General rates	6,801	4,758	6,796	4,754
Targeted rates	116,265	99,652	115,805	99,309
Total rates revenue	123,066	104,410	122,601	104,063
Other revenue:				
User charges - subsidised	7,862	7,042	7,862	7,042
Development contributions	27,485	17,486	27,485	17,486
Grants and subsidies	37,935	42,909	37,935	42,909
Vested assets	99,863	40,049	99,863	40,049
Other revenue	10,340	8,050	10,340	8,050
Total other revenue	183,485	115,536	183,485	115,536

2. Surplus from Operations continued

(b) Revenue from exchange transactions

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Revenue from exchange transactions consisted of the following items:				
Other revenue:				
User charges - full cost recovery	32,841	34,270	40,821	41,646
Landing dues	-	-	34,764	32,135
Dividend income	11,158	5,461	-	-
Operating lease rental revenue	2,007	1,932	23,128	21,288
Other revenue - full cost recovery	5,476	3,553	5,471	3,518
<i>Finance Income:</i>				
Bank deposits	1,526	1,036	1,526	1,036
Inland Revenue Department	10	-	10	-
Total other revenue	53,018	46,253	105,720	99,623
Other gains/(losses)				
Gain/(loss) on revaluation of investment property	1,060	2,210	1,060	2,210
Gain/(loss) on disposal of development property	-	-	-	-
Gain/(loss) on disposal of property, plant and equipment	(15,142)	832	(15,142)	832
Gain/(loss) in fair value of forestry assets	-	-	-	-
Gain/(loss) in fair value of derivative financial instruments classified at fair value through profit or loss	(163)	1,003	(167)	1,017
Total other gains/(losses)	(14,245)	4,045	(14,249)	4,059

2. Surplus from Operations continued

	Notes	Council		Group	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
(c) Employee benefits expense					
Salaries and wages		48,487	41,555	57,125	49,187
Other employee benefits		-	-	-	-
Total employee benefits expense		48,487	41,555	57,125	49,187
(d) Depreciation and amortisation expense					
Depreciation of property, plant and equipment	10	62,131	55,555	72,402	64,350
Amortisation of intangible assets	12	2,238	2,530	2,356	2,893
Total depreciation and amortisation expense		64,369	58,085	74,758	67,243
(e) Finance costs					
Interest on loans		31,172	18,290	34,043	22,537
Other interest expense		-	-	-	-
Total finance costs		31,172	18,290	34,043	22,537
(f) Other expenses					
Increase/(decrease) in allowance for doubtful debts		742	22	742	22
Bad debts written off		666	270	666	270
Operating lease rental expenses:					
Minimum lease payments		3,502	3,101	3,502	3,101
Legal claims against Council		2,680	103,171	2,680	103,171
Professional Services		6,593	4,518	8,844	5,929
Maintenance expenditure		60,852	53,640	61,705	54,368
Operating expenses		44,111	41,398	49,573	46,255
Total other expenses		119,146	206,120	127,712	213,116

2. Surplus from Operations continued

	Council	
	2024	2023
For the financial year ended 30 June 2024	\$'000	\$'000
(g) Summary cost of services by group of activity (Council only)		
(i) Revenue*		
Local Democracy	11,750	5,684
Community	24,340	21,040
Economy	3,340	4,973
Environmental	8,610	9,018
Transport	65,601	53,372
Water Supply	27,856	13,798
Storm Water	27,953	14,969
Waste Water	22,295	14,651
Regulatory	14,861	12,837
Waste Management	11,360	10,253
Other	18,537	1,195
Targeted rates	117,567	100,851
General rates	6,801	4,758
Internal rates	(1,302)	(1,200)
Total revenue	359,569	266,199
(ii) Expenditure*		
Local Democracy	7,158	5,020
Community	53,033	47,265
Economy	26,098	20,719
Environmental	18,737	16,984
Transport	44,712	38,179
Water Supply	24,161	20,829
Storm Water	12,470	10,631
Waste Water	35,696	28,663
Regulatory	20,237	118,304
Waste Management	20,942	16,123
Other	1,232	2,533
Internal rates	(1,302)	(1,200)
Total operating expenditure	263,174	324,050

* Revenue and expenditure figures by activity include internal rates for Council owned properties

	Council	
	2024	2023
For the financial year ended 30 June 2024	\$'000	\$'000
(iii) Depreciation and amortisation expense		
Local Democracy	21	21
Community	6,619	5,988
Economy	226	8
Environment	-	-
Roading and Parking	22,686	21,328
Water Supply	9,405	7,926
Stormwater	8,981	8,276
Wastewater	14,418	12,665
Regulatory	236	103
Waste Management	474	407
Other	1,303	1,363
Total depreciation and amortisation expense	64,369	58,085

Each significant activity is stated gross of internal costs and revenues and includes targeted rates attributable to activities. In order to fairly reflect the total external operations for the Council in the Statement of Financial Performance, these transactions are eliminated as shown above.

3. Income taxes

(a) Income tax recognised in surplus or deficit

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Tax expense/(income) comprises:				
Current tax expense/(credit):				
Current year	-	-	10,564	10,130
Adjustments for prior years	-	-	-	-
Total current tax expense/(credit)	-	-	10,564	10,130
Deferred tax expense/(credit):				
Origination and reversal of temporary differences	-	-	5,865	(1,054)
Amortisation of tax component of derivatives	-	-	-	-
Adjustments for prior years	-	-	4	116
Total deferred tax expense/(credit)	-	-	5,869	(938)
Total tax expense/(income)	-	-	16,433	9,192

The prima facie income tax expense on pre-tax accounting surplus reconciles to the income tax expense in the financial statements as follows:

Surplus /(deficit) before income tax	82,150	(53,806)	115,077	(22,409)
Income tax expense calculated at 28%	23,002	(15,066)	32,222	(6,471)
Non assessable income and expenses	(23,002)	15,066	(23,014)	15,304
Reversal of temporary difference	-	-	7,158	359
Amortisation of tax component of derivatives	-	-	67	-
Income tax expense/(credit)	-	-	16,433	9,192

The tax rate used in the above reconciliation is the corporate tax rate of 28% (2023: 28%) payable by New Zealand corporate entities on taxable profits under New Zealand law.

3. Income taxes continued

(b) Income tax recognised directly in other comprehensive income

Deferred tax of (\$59,000) has been charged directly to other comprehensive income during the period, relating to the fair value movement in the interest rate swaps and foreign exchange forward contracts and property revaluations undertaken by QAC (2023: \$6,521,000).

(c) Current tax assets and liabilities

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current tax payable:				
Current tax payable	-	-	11,573	9,313

(d) Deferred tax balances comprise

Taxable and deductible temporary differences arising from the following:

	Group			
	Opening balance	Charged to income	Charged to other comprehensive income	Closing balance
	\$'000	\$'000	\$'000	\$'000
2024				
Gross deferred tax (asset)/liability:				
Property, plant and equipment	24,226	6,421	-	30,647
Intangible assets	498	4	-	502
Employee entitlements	(156)	(41)	-	(197)
Derivatives	273	-	(59)	214
Trade and other payables	(38)	38	-	-
Trade and other receivables	272	(272)	-	-
Gross deferred tax asset/(liability)	25,075	6,150	(59)	31,166

	Group			
	Opening balance	Charged to income	Charged to other comprehensive income	Closing balance
	\$'000	\$'000	\$'000	\$'000
2023				
Gross deferred tax (asset)/liability:				
Property, plant and equipment	18,177	(452)	6,501	24,226
Intangible assets	583	(85)	-	498
Employee entitlements	(146)	(10)	-	(156)
Derivatives	253	-	20	273
Trade and other payables	(35)	(3)	-	(38)
Trade and other receivables	659	(387)	-	272
Gross deferred tax asset/(liability)	19,491	(937)	6,521	25,075

3. Income taxes continued

On 28 March 2024, the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Act passed into law. The Act removed depreciation deductions for tax purposes for commercial long-life buildings with an estimated useful life of 50 years or more, with effect from the 2024/25 income tax year. Application of the change in tax law was required to be reflected in the Group's FY24 tax balances as the legislation was enacted prior to balance date.

The effect of this change is to recognise additional deferred tax liability of \$6.74m with the change impacting tax expense in the 30 June 2024 period.

(e) Imputation Credit Account Balances

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Balance at the beginning of year	589	589	25,945	25,972
Attached to dividends received	-	-	-	-
Taxation paid	-	-	9,981	1,566
Imputation credits on dividends paid	-	-	- 1,593	- 1,593
Refund of tax	-	-	-	-
Prior year adjustment	-	-	-	-
Balance at end of year	589	589	34,333	25,945
Imputation credits available directly and indirectly to Council through:				
Council	589	589	589	589
Subsidiaries	-	-	33,744	25,356
Balance at end of year	589	589	34,333	25,945

4. Key Management Personnel Compensation

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<i>Councillors</i>				
Remuneration	786	702	786	702
Full-time equivalent members	16	16	16	16
<i>Senior Management Team, including Chief Executive</i>				
Remuneration	1,985	1,706	4,050	3,736
Full-time equivalent members	7	6	15	13
Directors' fees	-	-	341	258
Total key management personnel compensation	2,771	2,409	5,177	4,697

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

5. Remuneration of Auditors

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Audit fees for financial statement audit	260	243	343	323
Audit of long term plan	165	-	165	-
Audit fees for assurance and related services	9	9	45	38
Total remuneration of auditors	434	252	553	361

The auditor of Queenstown Lakes District Council and Queenstown Airport Corporation is Mike Hawken, for Deloitte Limited, on behalf of the Controller and Auditor-General.

6. Trade and other receivables

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
From non-exchange transactions				
Trade receivables (i)	7,391	4,349	7,391	4,349
Infringement receivables (i)	2,856	2,365	2,856	2,365
Rates receivables (i)	7,796	6,785	7,796	6,785
New Zealand Transport Agency	2,211	2,517	2,211	2,517
Other (i)	85	208	85	208
Allowance for doubtful debts (ii)	(2,265)	(1,998)	(2,265)	(1,998)
Total receivables from non-exchange transactions	18,073	14,227	18,073	14,227
From exchange transactions				
Trade receivables (i)	11,945	13,065	15,565	16,893
Other (i)	10,239	8,651	10,460	9,599
Allowance for doubtful debts (ii)	(1,429)	(964)	(1,430)	(1,201)
Total receivables from exchange transactions	20,755	20,752	24,595	25,290
Total trade and other receivables	38,828	34,979	42,668	39,517

(i) Trade receivables, infringement receivables and rates receivables are non-interest bearing and generally on monthly terms.

(ii) The Council has a small provision for impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to the present value of future repayments.

In relation to trade and other receivables (excluding rates), the Group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Trade and other receivables (excluding rates)				
Current (0-30 days)	23,323	19,640	26,510	23,484
31-60 days *	2,673	3,724	2,837	4,115
61-90 days *	679	1,352	955	1,447
90 days + *	4,357	3,478	4,570	3,686
Total receivables excluding rates	31,032	28,194	34,872	32,732
Rates receivables				
Current (0-30 days)	2,772	2,309	2,772	2,309
31 days - 1 year *	3,939	3,048	3,939	3,048
1 year + *	1,085	1,428	1,085	1,428
Total rates receivables	7,796	6,785	7,796	6,785
Total trade and other receivables	38,828	34,979	42,668	39,517

* Amounts are considered past due.

Disclosed in the financial statements as:

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Exchange transactions	20,755	20,752	24,595	25,000
Non-exchange transactions	18,073	14,227	18,073	14,227
Non-current				
Exchange transactions	-	-	-	290
Total trade and other receivables	38,828	34,979	42,668	39,517

(iii)

Movement in the allowance for doubtful debts:

	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	(2,962)	(3,232)	(3,197)	(3,488)
Amounts written off during year	666	270	666	270
Amounts recovered during year	-	(2)	-	-
Additional allowance recognised in Statement of Financial Performance	(1,398)	2	(1,164)	21
Balance at end of year	(3,694)	(2,962)	(3,695)	(3,197)

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Group is exposed to credit risk arising from a small number of airlines in relation to outstanding landing fees. Regular monitoring of trade receivables is undertaken to ensure that the credit exposure remains within the Group's normal trading terms of trade.

For Council, the concentration of credit risk is limited due to the customer base being large and unrelated. The Council and Group believe no further credit provision is required in excess of the allowance for doubtful debts.

7. Other financial assets

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Other investments held	13,938	10,848	14,311	11,833
Advances to community organisations	960	960	960	960
Interest rate swaps (i)	794	1,959	1,185	2,178
Total other financial assets	15,692	13,767	16,456	14,971
Represented by:				
Current	2,984	1,155	3,375	1,374
Non-current	12,708	12,612	13,081	13,597
Total other financial assets	15,692	13,767	16,456	14,971

- (i) The Council holds eight interest rate swap agreements (five current, three future), one for \$25M; one for \$20M; one for \$15M and five for \$10M, which are effective from 16 October 2023, 16 March 2015, 11 December 2025, 15 May 2021, 15 March 2019, 20 April 2025, 20 April 2026 and 20 April 2027 (2023: four interest rate swap agreements, one for \$15M and three for \$10M, which are effective from 16 March 2015, 11 December 2025, 15 May 2021, and 15 March 2019). The interest rate is fixed at 4.962%, 4.355%, 3.595%, 3.1875%, 2.584%, 4.568%, 3.956%, and 4.45% respectively (2023: 4.355%, 3.595%, 3.1875% and 2.584% respectively).

8. Other current assets

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Prepayments	9,634	10,269	10,179	10,829
Total other current assets	9,634	10,269	10,179	10,829

9. Development Property

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Land	16,684	16,684	16,684	16,684
Work in progress	2,817	2,688	2,817	2,688
Total development property	19,501	19,372	19,501	19,372

The Council owned Lakeview site is being developed for future sale and lease arrangements following the decision to enter into a development agreement for the site. The Whakatipu Transport Programme Alliance Lakeview Infrastructure programme was issued practical completion in July 2024, effective March 2024.

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Land				
Balance at beginning of year	16,684	17,862	16,684	17,862
Land Acquired	-	3,277	-	3,277
Reclassified from investment property	-	(4,455)	-	(4,455)
Balance at end of year	16,684	16,684	16,684	16,684

10. Property, plant and equipment

	Cost/ valuation 1-Jul-23 \$'000s	Additions \$'000s	Disposals/ write offs \$'000s	Transfers \$'000s	Revaluations \$'000s	Cost/ valuation 30-Jun-24 \$'000s	Accumulated depreciation and impairment charges 1-Jul-23 \$'000s	Depreciation expense \$'000s	Accumulated depreciation and impairment charges reversed on revaluation \$'000s	Accumulated depreciation reversed on disposal \$'000s	Accumulated depreciation and impairment charges 30-Jun-24 \$'000s	Carrying amount 30-Jun-24 \$'000s
Operational assets												
At cost												
Land ⁽ⁱ⁾	127,856	3,824	(317)	-	-	131,363	-	-	-	-	-	131,363
Buildings	104,209	(292)	-	-	-	103,917	(26,617)	(2,194)	-	-	(28,811)	75,106
Building improvements	85,486	21,820	-	-	-	107,306	(34,944)	(3,395)	-	-	(38,339)	68,967
Plant and machinery	21,337	2,588	-	-	-	23,925	(10,970)	(1,530)	-	-	(12,500)	11,425
Motor vehicles	628	565	-	-	-	1,193	(251)	(141)	-	-	(392)	801
Furniture and office equipment	9,336	164	-	-	-	9,500	(6,549)	(471)	-	-	(7,020)	2,480
Computer equipment	5,764	293	-	-	-	6,057	(4,807)	(414)	-	-	(5,221)	836
Library books	5,869	367	-	-	-	6,236	(4,496)	(180)	-	-	(4,676)	1,560
Total operational assets	360,485	29,329	(317)	-	-	389,497	(88,634)	(8,325)	-	-	(96,959)	292,537
Campground assets												
At fair value												
Land ^(vi)	37,950	-	-	-	1,600	39,550	-	-	-	-	-	39,550
Buildings ^(vi)	12,175	-	-	-	-	12,175	-	-	-	-	-	12,175
Total campground assets	50,125	-	-	-	1,600	51,725	-	-	-	-	-	51,725
Airport assets												
At fair value												
Land ⁽ⁱ⁾	5,250	-	-	-	-	5,250	-	-	-	-	-	5,250
Airport runway ⁽ⁱ⁾	6,685	-	-	-	-	6,685	-	-	-	-	-	6,685
Total airport assets	11,935	-	-	-	-	11,935	-	-	-	-	-	11,935
Infrastructural assets												
At fair value												
Water supply ⁽ⁱⁱ⁾	427,826	51,253	(235)	-	(14,308)	464,535	(138)	(9,064)	8,543	-	(660)	463,875
Sewerage ⁽ⁱⁱ⁾	579,903	58,831	(5,605)	-	(17,950)	615,178	(158)	(14,048)	13,596	33	(576)	614,602
Stormwater ⁽ⁱⁱ⁾	402,012	47,850	(9,878)	-	(9,364)	430,620	(80)	(8,553)	8,347	48	(239)	430,381
Roading ⁽ⁱⁱⁱ⁾	1,135,671	80,502	-	-	-	1,216,173	(737)	(22,140)	-	-	(22,877)	1,193,296
Total infrastructural assets	2,545,412	238,436	(15,719)	-	(41,623)	2,726,506	(1,113)	(53,805)	30,486	81	(24,352)	2,702,155
Total Council property, plant and equipment	2,967,957	267,765	(16,036)	-	(40,023)	3,179,663	(89,747)	(62,130)	30,486	81	(121,311)	3,058,352

(i), (ii), (iii), (vi) refer to explanatory notes on page 152

10. Property, plant and equipment continued

	Group 2024											
	Cost/ valuation 1-Jul-23 \$'000s	Additions \$'000s	Disposals/ write offs \$'000s	Transfers \$'000s	Revaluations \$'000s	Cost/ valuation 30-Jun-24 \$'000s	Accumulated depreciation and impairment charges 1-Jul-23 \$'000s	Accumulated depreciation and impairment charges reversed on revaluation \$'000s	Depreciation expense \$'000s	Accumulated depreciation reversed on disposal \$'000s	Accumulated depreciation and impairment charges 30-Jun-24 \$'000s	Carrying amount 30-Jun-24 \$'000s
Operational assets												
At cost												
Land ⁽ⁱ⁾	127,856	3,824	(317)	-	-	131,363	-	-	-	-	-	131,363
Buildings	103,796	121	-	-	-	103,917	(26,617)	-	(2,194)	-	(28,811)	75,106
Building improvements	85,486	21,820	-	-	-	107,306	(34,944)	-	(3,395)	-	(38,339)	68,967
Plant and machinery	51,081	8,658	(176)	-	-	59,563	(30,517)	-	(3,494)	-	(34,011)	25,552
Motor vehicles	628	565	-	-	-	1,193	(251)	-	(141)	-	(392)	801
Furniture and office equipment	9,336	164	-	-	-	9,500	(6,549)	-	(471)	-	(7,020)	2,480
Computer equipment	5,764	293	-	-	-	6,057	(4,807)	-	(414)	-	(5,221)	836
Library books	5,869	367	-	-	-	6,236	(4,496)	-	(180)	-	(4,676)	1,560
Total operational assets	389,816	35,812	(493)	-	-	425,135	(108,181)	-	(10,289)	-	(118,470)	306,665
Campground assets												
At fair value												
Land ^(vi)	37,950	-	-	-	1,600	39,550	-	-	-	-	-	39,550
Buildings ^(vi)	12,175	-	-	-	-	12,175	-	-	-	-	-	12,175
Total campground assets	50,125	-	-	-	1,600	51,725	-	-	-	-	-	51,725
Airport assets												
At fair value												
Land ^{(i), (iv)}	330,667	-	-	-	-	330,667	-	-	-	-	-	330,667
Land Improvements ^(iv)	15,243	753	-	-	-	15,996	(170)	-	(216)	-	(386)	15,610
Buildings ^{(iv), (v)}	105,749	4,256	(10)	-	-	109,995	(4,093)	-	(4,741)	-	(8,834)	101,161
Airport runways, Taxiways & Aprons ^{(i), (iv)}	51,327	2,314	-	-	-	53,641	(3,791)	-	(1,992)	-	(5,783)	47,858
Roading and carparking ^{(iv), (v)}	21,407	338	-	-	-	21,745	(1,139)	-	(1,210)	-	(2,349)	19,396
Total airport assets	524,393	7,661	(10)	-	-	532,044	(9,193)	-	(8,159)	-	(17,352)	514,692
Infrastructural assets												
At fair value												
Water supply ⁽ⁱⁱ⁾	427,826	51,253	(235)	-	(14,308)	464,535	(138)	8,543	(9,064)	-	(660)	463,875
Sewerage ⁽ⁱⁱ⁾	579,903	58,831	(5,605)	-	(17,950)	615,178	(158)	13,596	(14,048)	33	(576)	614,602
Stormwater ⁽ⁱⁱ⁾	402,012	47,850	(9,878)	-	(9,364)	430,620	(80)	8,347	(8,553)	48	(239)	430,381
Roading ⁽ⁱⁱⁱ⁾	1,135,671	80,502	-	-	-	1,216,173	(737)	-	(22,140)	-	(22,877)	1,193,296
Total infrastructural assets	2,545,412	238,436	(15,719)	-	(41,623)	2,726,506	(1,113)	30,486	(53,805)	81	(24,352)	2,702,155
Total Group property, plant and equipment	3,509,746	281,909	(16,222)	-	(40,023)	3,735,410	(118,487)	30,486	(72,253)	81	(160,174)	3,575,239

(i), (ii), (iii), (vi) refer to explanatory notes on page 152

10. Property, plant and equipment continued

	Cost/ valuation 1-Jul-22 \$'000s	Additions \$'000s	Disposals/ write offs \$'000s	Transfers \$'000s	Revaluations \$'000s	Cost/ valuation 30-Jun-23 \$'000s	Accumulated depreciation and impairment charges 1-Jul-22 \$'000s	Depreciation expense \$'000s	Accumulated depreciation and impairment charges reversed on revaluation \$'000s	Accumulated depreciation reversed on disposal \$'000s	Accumulated depreciation and impairment charges 30-Jun-23 \$'000s	Carrying amount 30-Jun-23 \$'000s
Operational assets												
At cost												
Land ⁽ⁱ⁾	120,373	8,017	(534)	-	-	127,856	-	-	-	-	-	127,856
Buildings	104,109	228	(128)	-	-	104,209	(24,345)	(2,320)	-	47	(26,617)	77,592
Building improvements	72,491	12,996	-	-	-	85,486	(32,003)	(2,941)	-	-	(34,944)	50,542
Plant and machinery	17,673	3,664	-	-	-	21,337	(9,786)	(1,183)	-	-	(10,970)	10,367
Motor vehicles	278	350	-	-	-	628	(202)	(50)	-	-	(251)	377
Furniture and office equipment	8,717	619	-	-	-	9,336	(6,087)	(462)	-	-	(6,549)	2,787
Computer equipment	5,508	263	(7)	-	-	5,764	(4,401)	(410)	-	4	(4,807)	957
Library books	5,545	324	-	-	-	5,869	(4,348)	(148)	-	-	(4,496)	1,373
Total operational assets	334,693	26,461	(669)	-	-	360,485	(81,172)	(7,514)	-	51	(88,635)	271,850
Campground assets												
At fair value												
Land ^(vi)	34,000	-	-	-	3,950	37,950	-	-	-	-	-	37,950
Buildings ^(vi)	11,547	20	-	-	608	12,175	-	-	-	-	-	12,175
Total campground assets	45,547	20	-	-	4,558	50,125	-	-	-	-	-	50,125
Airport assets												
At fair value												
Land ⁽ⁱ⁾	5,250	-	-	-	-	5,250	-	-	-	-	-	5,250
Airport runway ⁽ⁱ⁾	6,685	-	-	-	-	6,685	-	-	-	-	-	6,685
Total airport assets	11,935	-	-	-	-	11,935	-	-	-	-	-	11,935
Infrastructural assets												
At fair value												
Water supply ⁽ⁱⁱ⁾	381,154	27,982	(51)	-	18,741	427,826	(79)	(7,707)	7,648	0	(138)	427,688
Sewerage ⁽ⁱⁱⁱ⁾	515,817	38,327	(804)	-	26,563	579,903	(868)	(12,241)	12,948	3	(158)	579,745
Stormwater ⁽ⁱⁱ⁾	354,899	20,076	(107)	-	27,144	402,012	(65)	(7,950)	7,934	1	(80)	401,932
Roading ⁽ⁱⁱⁱ⁾	1,016,356	99,600	-	-	19,715	1,135,671	(2,101)	(20,143)	21,507	-	(737)	1,134,934
Total infrastructural assets	2,268,226	185,985	(962)	-	92,163	2,545,412	(3,114)	(48,041)	50,037	5	(1,113)	2,544,299
Total Council property, plant and equipment	2,660,401	212,466	(1,631)	-	96,721	2,967,957	(84,285)	(55,555)	50,037	56	(89,748)	2,878,208

(i), (ii), (iii), (vi) refer to explanatory notes on page 152

10. Property, plant and equipment continued

	Cost/ valuation 1-Jul-22 \$'000s	Additions \$'000s	Disposals/ write offs \$'000s	Transfers \$'000s	Revaluations \$'000s	Cost/ valuation 30-Jun-23 \$'000s	Accumulated depreciation and impairment charges 1-Jul-22 \$'000s	Accumulated depreciation and impairment charges reversed on revaluation \$'000s	Depreciation expense \$'000s	Accumulated depreciation reversed on disposal \$'000s	Accumulated depreciation and impairment charges 30-Jun-23 \$'000s	Carrying amount 30-Jun-23 \$'000s
Operational assets												
At cost												
Land ⁽ⁱ⁾	120,373	8,017	(534)	-	-	127,856	-	-	-	-	-	127,856
Buildings	103,696	228	(128)	-	-	103,796	(24,345)	-	(2,320)	47	(26,617)	77,179
Building improvements	72,491	12,996	-	-	-	85,486	(32,003)	-	(2,941)	-	(34,944)	50,542
Plant and machinery	44,720	6,387	(26)	-	-	51,081	(27,581)	-	(2,935)	-	(30,517)	20,564
Motor vehicles	278	350	-	-	-	628	(202)	-	(50)	-	(251)	377
Furniture and office equipment	8,717	619	-	-	-	9,336	(6,087)	-	(462)	-	(6,549)	2,787
Computer equipment	5,508	263	(7)	-	-	5,764	(4,401)	-	(410)	4	(4,807)	957
Library books	5,545	324	-	-	-	5,869	(4,348)	-	(148)	-	(4,496)	1,373
Total operational assets	361,327	29,184	(695)	-	-	389,816	(98,967)	-	(9,266)	51	(108,182)	281,634
Campground assets												
At fair value												
Land ^(iv)	34,000	-	-	-	3,950	37,950	-	-	-	-	-	37,950
Buildings ^(iv)	11,547	20	-	-	608	12,175	-	-	-	-	-	12,175
Total campground assets	45,547	20	-	-	4,558	50,125	-	-	-	-	-	50,125
Airport assets												
At fair value												
Land ^{(i), (iv)}	302,432	-	-	-	28,235	330,667	-	-	-	-	-	330,667
Land Improvements ^(iv)	11,981	114	-	-	3,148	15,243	-	-	(170)	-	(170)	15,073
Buildings ^{(iv), (v)}	89,639	4,528	-	-	11,582	105,749	-	-	(4,093)	-	(4,093)	101,656
Airport runways, Taxiways & Aprons ^{(i), (iv)}	44,814	103	-	-	6,410	51,327	(1,878)	-	(1,913)	-	(3,791)	47,536
Roading and carparking ^{(iv), (v)}	18,349	908	-	-	2,150	21,407	-	-	(1,139)	-	(1,139)	20,268
Total airport assets	467,215	5,653	-	-	51,525	524,393	(1,878)	-	(7,315)	-	(9,193)	515,200
Infrastructural assets												
At fair value												
Water supply ⁽ⁱⁱ⁾	381,154	27,982	(51)	-	18,741	427,826	(79)	7,648	(7,707)	0	(138)	427,688
Sewerage ⁽ⁱⁱ⁾	515,817	38,327	(804)	-	26,563	579,903	(868)	12,948	(12,241)	3	(158)	579,745
Stormwater ⁽ⁱⁱ⁾	354,899	20,076	(107)	-	27,144	402,012	(65)	7,934	(7,950)	1	(80)	401,932
Roading ⁽ⁱⁱ⁾	1,016,356	99,600	-	-	19,715	1,135,671	(2,101)	21,507	(20,143)	-	(737)	1,134,934
Total infrastructural assets	2,268,226	185,985	(962)	-	92,163	2,545,412	(3,114)	50,037	(48,041)	5	(1,113)	2,544,299
Total Group property, plant and equipment	3,142,315	220,842	(1,657)	-	148,246	3,509,746	(103,958)	50,037	(64,622)	56	(118,488)	3,391,260

(i), (ii), (iii), (vi) refer to explanatory notes on page 152

10. Property, plant and equipment continued

Explanatory notes

- (i) Sewer, stormwater and water supply assets are stated at valuation which is optimised depreciated replacement cost value as at 30 June 2024 by WSP New Zealand Limited, independent valuers. The valuation is determined using asset information from 30 June 2023 with additions subsequent to 1 July 2023 at cost.
- (ii) Roading assets are stated at valuation which is optimised depreciated replacement cost value as at 30 June 2023 by WSP New Zealand Limited, independent valuers. Additions subsequent to 1 July 2023 are at cost. A valuation assessment was completed this financial year which concluded that the carrying values as at 30 June 2024 were fair value.
- (iii) The runways, taxiways and aprons category were revalued at 30 June 2023. Additions subsequent to 1 July 2023 are at cost. Beca Valuations Limited (Beca), registered valuers undertook a review of the value of the runways, taxiways and aprons values and concluded that that value had not moved materially from 30 June 2023.
- (iv) Land, buildings, roading and car parking owned by QAC were independently valued by JLL, registered valuers, as at 30 June 2023. Additions subsequent to 1 July 2023 are at cost. A valuation assessment was completed this financial year which concluded that the carrying values as at 30 June 2024 were fair value.
- (v) Campground assets are strategic assets and have been reclassified from Investment Property as at 1 July 2016 and are stated at fair value using the income capitalisation approach. The valuation was performed by Quotable Value Limited and were revalued as at 30 June 2024.

Methods and significant assumptions from the three waters valuation

The Three Waters Valuation, performed by WSP Zealand Limited, compares the quantum and value outcome with the valuation undertaken for the period ending 30 June 2024 using accepted accounting and valuation standards. This valuation provides an updated network and facility gross replacement cost (GRC), an updated depreciated replacement cost (DRC) and the current annual depreciation (AD) for QLDC Three Waters assets as at 30 June 2024. Capital additions and vested additions for 2023/24 were valued separately and therefore excluded. Unit rates were reviewed and updated using recent construction schedules and average cost data. Overall the replacement costs for Three Waters assets at QLDC have increased by 2.3% since the 2023 valuation.

Asset	Valuation Approach
Terminal and fire rescue buildings	Optimised depreciated replacement cost
Runways, taxiways and aprons	Optimised depreciated replacement cost
Land, roading and carparking	Market value
Ground leases and commercial buildings	Market value

Assets under construction

The following asset classes include expenditure for assets in the course of construction at 30 June:

	Council 2024 \$'000	Council 2023 \$'000	Group 2024 \$'000	Group 2023 \$'000
Land	5	13	446	23
Buildings	4,734	5,530	8,323	10,303
Building Improvements	4,730	2,738	4,730	2,738
Plant and equipment	-	-	564	451
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Library books	-	2	-	2
Airport runway	-	-	1,193	478
Water supply	32,120	48,466	32,120	48,466
Sewerage	45,224	39,587	45,224	39,587
Stormwater	12,002	10,199	12,002	10,199
Roading & carparking	147,899	168,818	147,909	169,596
Foreshore Structures	197	196	197	196
Total assets under construction	246,912	275,548	252,709	282,038

11. Forestry assets

	Council 2024 \$'000	Council 2023 \$'000	Group 2024 \$'000	Group 2023 \$'000
Balance at beginning of year	-	950	-	950
Recognise value of asset on transfer to Council	-	-	-	-
Movement from harvesting	-	(533)	-	(533)
Gains/(losses) arising from changes in fair value less estimated point of sales costs	-	(417)	-	(417)
Balance at end of year	-	-	-	-

During 2018/19 Council purchased the remaining 25% in the Lakes Combined Afforestation Committee; it now owns 100% of 172.5 hectares of Douglas Fir forest which are at varying stages of maturity ranging from 21 to 32 years of age. Independent registered valuers, Venture Forestry limited, had valued forestry assets at \$NIL as at 30 June 2022. The harvest was completed during the year ended 30 June 2023.

12. Intangible assets

Finite life intangible assets

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Gross carrying amount				
Balance at beginning of year	19,249	15,632	24,416	20,738
Additions	4,635	3,617	5,683	3,678
Transfer to property, plant and equipment	-	-	-	-
Disposals	-	-	-	-
Balance at end of year	23,884	19,249	30,099	24,416
Accumulated amortisation & impairment				
Balance at beginning of year	14,089	11,531	17,434	14,513
Amortisation expense (i)	2,238	2,558	2,356	2,921
Impairment	-	-	-	-
Transfer to property, plant and equipment	-	-	-	-
Disposals	-	-	-	-
Balance at end of year	16,327	14,089	19,790	17,434
Net book value	7,557	5,159	10,309	6,981

(i) Amortisation expense is included in the line 'depreciation and amortisation expense' in the Statement of Financial Performance.

The gross carrying amount of \$30,098,000 for the Group comprises:

- The finite life intangible asset of \$23,884,000 represents costs incurred by the Queenstown Lakes District Council for computer software. These costs are being amortised on a straight line basis at 33%.
- The finite life intangible asset of \$6,214,000 represents costs incurred by the Queenstown Airport Corporation Limited in relation to district planning processes for extension of noise boundaries and amendments to flight fans. These costs will be amortised on a straight line basis over 6-9 years and 15 years respectively from the date they are completed and ready to use.

13. Investment property

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Balance at beginning of year	53,150	50,940	53,150	50,940
Disposals	-	-	-	-
Transfer to development property	-	-	-	-
Transfer to land reserves	-	-	-	-
Net gain/(loss) from fair value adjustments	1,060	2,210	1,060	2,210
Balance at end of year	54,210	53,150	54,210	53,150

The fair value of the Council's investment property at 30 June 2024 has been arrived at on the basis of a valuation carried out at that date by Mr Greg Simpson (ANZIV/SPINZ), an independent registered valuer from Quotable Value Limited not related to the Group. The fair value of investment property is calculated on the basis of market value. Market value is determined by reference to comparable sales. The valuations include adjustments to observable data for similar properties to take into account property-specific attributes.

14. Trade and other payables

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade payables (i)	29,108	29,497	31,645	30,607
Other accrued charges	11,649	10,673	12,083	11,949
Deposits and bonds	7,389	7,571	7,389	7,571
Total trade and other payables	48,146	47,741	51,117	50,127

(i) The average credit period on purchases is 30 days.

15. Borrowings

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At amortised cost				
Bank borrowings (secured) (ii), (iii)	-	14,000	32,500	53,500
Bonds (secured) (ii), (v)	645,000	505,000	645,000	505,000
Other borrowings (iv)	5,838	7,732	5,838	7,732
Total borrowings	650,838	526,732	683,338	566,232
Disclosed in the financial statements as:				
Current (i)	145,468	109,000	145,468	135,500
Non-current	505,370	417,732	537,870	430,732
Total borrowings	650,838	526,732	683,338	566,232

- (i) Short term facilities will be rolled over in the next period.
- (ii) Council borrowings are secured through a debenture trust deed over rates, as well as security stock certificates of \$229.1M (2023: \$229.1M). Nil bank borrowings were drawn down by Council as at 30 June 2024 (2023:\$14M).
- (iii) Queenstown Airport Corporation Ltd (QAC) loans of \$32.5M (2023: \$39.5M) are secured by a first debenture charge over QAC assets and also a registered first mortgage over all QAC property.
- (iv) The Council has 3 interest free loans from the Housing Infrastructure Fund through the Crown which are repayable within 10 years. The fair value of the balance outstanding at 30 June 2024 was \$5.83M (2023: \$7.73M).
- (v) Bonds - New Zealand Local Government Funding Agency.

During the 2015/16 year there were two bond issues of \$5M and \$10M with maturity dates of 16/9/2020 and 16/9/2025 and interest rates of 2.87% and 3.04% respectively.

During the 2016/17 year there was one bond issue of \$10M with a maturity date of 15/3/2026 and an interest rate of 2.92%.

During the 2017/18 year there was one bond issue of \$10M with a maturity date of 16/7/2018 and an interest rate of 2.12%.

During the 2018/19 year there were four bond issues of \$10M and one of \$20M with maturity dates of 5/2/2019, 8/8/2024, 15/4/2023, 15/4/2024 and 18/10/2019 and interest rates of 2.03%, 2.51%, 1.93%, 2.17%, and 1.88% respectively.

During the 2019/20 year there was one bond issue of \$10M with maturity date of 15/4/2025 and interest rate of 1.04%.

During the 2020/21 year there were six bond issues of \$10M with the following maturity dates and interest rates 17/5/2026 (1.06%), 15/4/2027 (1.02%), 15/4/2027 (0.86%), 15/4/2028 (1.18%), 15/5/2028 (1.97%) and 15/5/2028 (1.98%). \$20M of bonds also matured on 15th May 2021.

During the 2021/22 year there were nine bond issues of \$10M with the following maturity dates and interest rates 15/4/2027 (1.78%), 20/4/2029 (2.068%), 15/4/2023 (2.16%), 15/4/2024 (2.163%), 15/4/2025 (2.13%), 20/4/2029 (2.39%), 15/4/2025 (2.90%), 15/4/2026 (3.59%) and 20/4/2029 (2.664%); one bond issue of \$20M with a maturity date of 15/4/26 (2.34%).

During the 2022/23 year there were eleven bond issues of \$10M with the following maturity dates and interest rates 15/4/2025 (5.378%), 15/4/2027 (4.134%), 15/4/2027 (5.46%), 15/5/2028 (3.889%), 15/5/2028 (5.062%), 20/4/2029 (3.799%), 20/4/2029 (5.024%), 15/4/2029 (5.055%), 15/4/2029 (4.962%), 15/5/2030 (6.412%) and 15/5/2030 (6.442%); five bond issues of \$20M with the following maturity dates and interest rates 15/4/2024 (4.728%), 15/4/2025 (5.5%), 15/4/2026 (5.286%), 15/5/2028 (6.035%), 15/5/2030 (5.032%), one bond issue of \$30M with a maturity date of 15/4/27 (5.17%).

During the 2023/24 year there were three bond issues of \$10M with the following maturity dates and interest rates 15/4/2025 (5.930%), 15/4/2026 (5.965%), 15/5/2028 (6.351%); two of \$15M with the following maturity dates and interest rates 15/4/2026 (6.104%), 20/4/2029 (5.236%); and six bond issues of \$20M with the following maturity dates and interest rates 28/8/2024 (5.785%), 15/4/2027 (6.270%), 15/5/2028 (6.35%), 20/4/2029 (6.291%), 15/5/2030 (5.524%), 15/5/2023 (6.43%).

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

NZLGFA shareholders consist of the New Zealand Government (20%) and 30 local authority shareholders (80%). The New Zealand Government shareholding is fully paid. The uncalled capital of local authority shareholders is \$20M and this is available in the event that an imminent default is identified. Also, together with the shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2024, NZLGFA had borrowings totalling \$23,030M (2023: 17,684M).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- we are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

16. Other financial liabilities

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Interest rate swaps (i), (ii)	-	-	-	-
Foreign exchange forward contracts (iii)	-	-	-	230
Total other financial liabilities	-	-	-	230
Disclosed in the financial statements as:				
Current	-	-	-	62
Non-current	-	-	-	168
Total other financial liabilities	-	-	-	230

17. Other liabilities

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Income in advance (i)	5,801	6,630	5,801	6,630
Rates in advance	1,135	919	1,135	919
Other provisions (ii)	1,310	1,479	1,310	1,479
Total other liabilities	8,246	9,028	8,246	9,028
Disclosed in the financial statements as:				
Current	8,246	9,028	8,246	9,028
Non-current	-	-	-	-
Total other liabilities	8,246	9,028	8,246	9,028

- (i) Income in advance consists of lease income in advance, grants in advance and initial fees received for resource and building consents representing amounts for services yet to be completed.

17. Other liabilities continued

(ii) Building Related Claims Provision

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Opening balance	1,479	1,164	1,479	1,164
Increased provision	-	315	-	315
Amounts utilised	(169)	-	(169)	-
Closing balance	1,310	1,479	1,310	1,479

Background

The Building Related Claims Provision represents the Council's best estimate of the liability relating to the settlement of claims arising from alleged building defects, including weathertightness issues, where the Council has been joined as a party to the claims.

A provision has been recognised for the potential net settlement of all known claims where the Council is able to reliably measure its liability.

Estimation

The Council has provided for the expected future costs of reported claims where the Council is able to reliably measure its liability. Claims are dealt with on a case by case basis and a provision is established to recognise Council's best estimate of the expected future cash-flows to settle these claims. The nature of the liability means there are significant inherent uncertainties in estimating the likely costs that will be incurred as a result of the outcome of future court proceedings. The provision includes consideration of third party contributions where this is probable. Where Council is not able to reliably measure its expected future cash-flows a provision is not recognised, but additional information is provided regarding such contingent liabilities.

The significant assumptions used in the calculation of the building related claim provision are as follows:

Amount claimed

Represents the expected amount claimed by the owner.

Settlement amount

Represents the expected amount of awarded settlement, with reference to actual amounts for claims already settled where possible. The settlement amount considers where possible, the detailed claim made by the owner, the attribution or cause of loss, and an assessment of the cost of remediation.

Amount expected to be paid by Council

Represents the amount expected to be paid by Council out of any awarded settlement. This will consider the Council's view of individual claims including the likelihood of that claim being successful and the amount Council reasonably expects to be liable for. It also considers other defendants to the claim and their ability to contribute to any claim liability found in favour of the owner. Furthermore, the Council also considers third party insurance arrangements to the extent these are available. Where significant the determination of the estimated liability considers the impact of the timing of cashflows.

It is common for there to be significant variation in the amounts claimed by owners and the amounts assessed by Council in determining an estimated settlement. In some case further work is necessary for Council to assess the claim in more detail.

Funding of Building Related claims

Council uses borrowings in the first instance to meet the cost of settlements. The borrowings are funded and ultimately repaid through rates, which may result in unforeseen rates increases.

18. Employee entitlements

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Accrued salary and wages	2,020	1,622	3,026	2,555
Annual leave	1,965	1,852	2,745	2,470
Total employee entitlements	3,985	3,474	5,771	5,025

Disclosed in the financial statements as:

Current	3,985	3,474	5,771	5,025
Non-current	-	-	-	-

19. Reserves

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Revaluation reserve (a)	1,629,450	1,638,122	1,881,674	1,890,346
Operating reserves (b)	11,029	21,000	11,029	21,000
Capital reserves (c)	12,862	22,425	12,862	22,425
Cash flow hedge reserve (d)	-	-	409	526
Total reserves	1,653,341	1,681,547	1,905,974	1,934,297

This note contains the portion of reserves attributable to Council. Refer to note 21 for the movement of reserves at a Group level that are attributable to the non-controlling interest.

(a) Revaluation reserve

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	1,638,122	1,489,155	1,890,346	1,707,603
Revaluation of roading assets	-	41,221	-	41,221
Revaluation of sewerage assets	(4,549)	39,510	(4,549)	39,510
Revaluation of water supply assets	(5,765)	26,388	(5,765)	26,388
Revaluation of stormwater assets	(1,018)	35,079	(1,018)	35,079
Revaluation of campground assets	1,600	4,558	1,600	4,558
Revaluation of airport assets, net of deferred tax	-	-	-	33,774
Transferred from/(to) accumulated surplus:				
Revaluation of forestry assets	-	-	-	-
Revaluation of investment property	1,060	2,211	1,060	2,211
Balance at end of year	1,629,450	1,638,122	1,881,674	1,890,346

The revaluation reserve arises on the revaluation of Council infrastructural assets, investment property, shares, and QAC land, building, runway, and roading and carparking assets.

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Individual reserve balances are as follows:				
Investment property	78,744	77,684	78,744	77,684
Campground assets	42,686	41,086	42,686	41,086
Forestry Assets	(120)	(120)	(120)	(120)
Roading	584,958	584,958	584,958	584,958
Sewerage	353,360	357,909	353,360	357,909
Water supply	265,036	270,801	265,036	270,801
Stormwater	294,596	295,614	294,596	295,614
Airport assets	10,190	10,190	262,414	262,414
Total revaluation reserve	1,629,450	1,638,122	1,881,674	1,890,346

(b) Operating reserves

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	21,000	27,901	21,000	27,901
Transferred from/(to) accumulated surplus:				
Contributions	27,485	17,485	27,485	17,485
Disbursements	(37,456)	(24,386)	(37,456)	(24,386)
Balance at end of year	11,029	21,000	11,029	21,000

An operating reserve is used to finance specific activities. It can be used for operating and capital expenditure items and is generated from ongoing revenue sources.

(c) Capital reserves

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	22,425	16,483	22,425	16,483
Transferred from/(to) accumulated surplus:				
Contributions	32,276	22,184	32,276	22,184
Disbursements	-	41,839	(41,839)	(16,242)
Balance at end of year	12,862	22,425	12,862	22,425

Capital reserves are used to fund a variety of activities. They can only be used for major capital additions and debt repayment, and are generated from a single or infrequent revenue source.

(d) Cash flow hedge reserve

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	-	-	526	487
Gain/(loss) recognised on cash flow hedges:				
Interest rate swaps	-	-	(411)	20
Forward foreign exchange contracts	-	-	250	35
Realised losses transferred to Statement of Financial Performance	-	-	-	-
Income tax related to gains/losses recognised in other comprehensive income	-	-	44	(16)
Balance at end of year	-	-	409	526

19. Reserves continued

(e) Reserve funds held for a specific purpose

	Opening Balance 1 July 2023 \$'000	Deposits \$'000	Withdrawals \$'000	Closing Balance 30 June 2024 \$'000
Development funds				
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 for roading, water supply, sewerage, stormwater, reserve land and improvements, and community facilities	21,000	27,485	37,456	11,029
Asset renewal funds				
The Council sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability to provide services.	3,333	16,984	19,295	1,022
Transport improvement fund				
Funds set aside to subsidise public transport and the development of public transport infrastructure.	605	1,859	1,128	1,336
Asset sale reserves				
Proceeds from asset sales which are used to fund the portion of capital expenditure attributable to increased level of service for roading, water supply, sewerage, stormwater, reserve land and improvements, and community facilities.	8,652	2,275	4,797	6,130
Arrowtown endowment land reserve				
Proceeds from assets sales from Arrowtown endowment land.	1,161	-	-	1,161
Trust funds				
Funds held on behalf of various community organisations.	17	-	-	17
Queenstown Airport dividend reserve				
Unallocated portion of dividends received from QAC.	5,461	11,158	16,619	0
Lakes Leisure reserve				
Funds transferred from Lakes Leisure at dis-establishment that are to be used to fund charitable purposes in line with the company's constitution.	3,196	-	-	3,196
Total Council reserve funds	43,425	59,761	79,295	23,891
QAC cash flow hedge reserve	487	-	78	409
Total Council reserve funds	43,912	59,761	79,373	24,298

20. Accumulated funds

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Balance at beginning of year	757,646	812,704	831,961	877,173
Net (Deficit)	82,150	(53,806)	83,778	(43,960)
Transfers from/(to) reserves:				
Revaluation reserve	(1,060)	(2,211)	(1,060)	(2,211)
Operating reserves	9,971	6,901	9,971	6,900
Capital reserves	9,563	(5,942)	9,563	(5,941)
Balance at end of year	858,270	757,646	934,213	831,961

21. Non-controlling interest

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Balance at beginning of year	-	-	112,148	96,220
Share of surplus for year	-	-	4,122	6,482
Dividends paid	-	-	(3,717)	(1,820)
Share of other comprehensive income	-	-	(39)	11,265
Balance at end of year	-	-	112,514	112,148

22. Commitments for expenditure

(a) Capital expenditure commitments

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Queenstown Lakes District Council (i)	87,943	134,980	87,943	134,980
Queenstown Airport Corporation Limited	16,236	3,269	16,236	3,269
Balance at end of year	104,179	138,249	104,179	138,249

- (i) There are a number of significant contracts progressing through the end of year process including Ka Huanui a Tahuna (Whakatipu Transport Programme Alliance) with construction continuing for the Queenstown Arterial Stage One and Lakeview Development/Queenstown Street Upgrades having recently reached practical completion. Parks & Reserves key projects Wanaka Lakefront Development Plan Stage 5 and Glenorchy Carpark & Marina Improvements are due to commence construction early in the 2024/25 year and the Coronet Forest Revegetation is underway following procurement of the planting contractor in March.

Capital expenditure commitments for QAC are for the acquisition of Property, Plant and Equipment.

(b) Lease commitments

No finance lease liabilities exist. Non-cancellable operating lease commitments are disclosed in note 24 to the financial statements.

23. Contingent liabilities and contingent assets

Council

(a)

Legal claims

As at 30 June 2024 Council was a defendant in five building defect/leaky building legal claims. The total claimed in four of these cases totalled approximately \$6.6M. In relation to the fifth case, the amount claimed was not yet quantified, but Council's financial exposure is not expected to exceed approximately \$250,000.

The largest claim against Council as at 30 June 2024 was struck out by a decision of the Weathertight Homes Tribunal on 20 Nov 2024, but the appeal period has not yet expired at the time of writing this note. The second largest claim (for approximately \$1M) against Council as at 30 June 2024 has now been settled for an amount that was within Council's loss provision for that claim.

(b)

Guarantees

Queenstown Lakes District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+. See note 15 (iv) for further details.

Queenstown Airport Corporation Limited

(c)

Noise mitigation

The Company has implemented a programme of works to assist homeowners living in the inner and mid noise boundaries to mitigate the effects of aircraft noise exposure. The Company is obligated, on an annual basis, to offer, 100% funding of noise mitigation works for Critical Listening Environments of buildings that existed on 8 May 2013 containing an Activity Sensitive to Aircraft Noise (as defined in the Queenstown Lakes District Plan) that are within the 65 dB Projected Annual Aircraft Noise Contour. The Company is offering 100% of funding of mechanical ventilation for Critical Listening Environments of buildings that existed on 8 May 2013 containing an Activity Sensitive to Aircraft Noise (as defined in the Queenstown Lakes District Plan) that are within the 60 dB Projected Annual Aircraft Noise Contour.

Offers for noise mitigation have been extended to homeowners in line with the projected annual aircraft noise contours for calendar years 2023 and 2024. Property owners have 12 months from the date of offer to determine if they wish to take the offer made by the Company for mitigation works. It is difficult to estimate the future value of the mitigation works due to the uncertainty of the level of uptake from property owners and the differing construction and acoustic treatment requirements necessary to mitigate each property.

Lot 6

During the year ending 30 June 2021, the Company made a compensation payment of \$18.34 million for land acquired under the Public Works Act 1981 (PWA) in 2019 and known as 'Lot 6'. In October 2021, the previous owner, Remarkables Park Ltd (RPL), indicated it would seek additional compensation under the PWA. In November 2022, the directors received further independent valuation advice for Lot 6, which indicated that the \$18.34 million compensation payment was in the appropriate range. On 7 July 2023, the Company received a claim from RPL for further compensation. QAC filed this matter with the court on 24 November 2023, for referral to the Land Valuation Tribunal (LVT). A hearing is scheduled for early 2025 to determine the compensation payable. An adjudicated outcome could increase the compensation payable by the Company. The financial statements include the original amount paid of \$18.34 million in property, plant and equipment, while this matter is considered by the LVT.

Property Covenant

In March 2023, High Court proceedings were served on the Company seeking to modify a restrictive covenant registered against land owned by RPL and two other parties, south of the main runway. The covenant restricts the range of activities that land can be used for, for the benefit of the Airport land so long as it is operated as an airport. The Company has filed a defence and the parties are currently undertaking discovery of documents, with a hearing likely to be scheduled in late 2025 or early 2026.

24. Leases

(a) Leasing arrangements

Operating leases relate to the rental of office and computer equipment, motor vehicles and office buildings. All operating lease contracts contain market review clauses in the event that the Council/Group exercises its option to renew. The Council/Group does not have an option to purchase the leased asset at the expiry of the lease period.

(b) Non-cancellable operating lease payments

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Not longer than 1 year	1,839	2,132	1,839	2,132
Longer than 1 year and not longer than 5 years	2,662	2,807	2,662	2,807
Longer than 5 years	-	-	-	-
Balance at end of year	4,501	4,939	4,501	4,939

(c) Non-cancellable operating lease receipts

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Not longer than 1 year	6,520	6,161	24,107	21,637
Longer than 1 year and not longer than 5 years	25,881	11,023	39,801	24,648
Longer than 5 years	22,925	23,697	28,015	30,839
Balance at end of year	55,326	40,882	91,923	77,125

A key assumption for our operating lease receipts is that the lease income which is linked to turnover, continues to grow at inflation.

25. Investment in Council controlled organisations (CCOs)

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Queenstown Airport Corporation Limited	5,412	5,412	-	-
Total investment	5,412	5,412	-	-

Ownership interest

Council	Country of incorporation	2024 %	2023 %	Principal activity of the entity
CCO's:				
Queenstown Airport Corporation Limited (QAC) (ii)	NZ	75.01%	75.01%	Airport operator
Queenstown Events Centre Trust (iii)	NZ	N/A	N/A	Charitable trust

(i) Queenstown Lakes District Council is the head entity within the consolidated group. QLDC holds the Group's interest in the other CCO's detailed above.

(ii) On 17 August 2023, a final dividend of 59.54 cents per share (total dividend: \$9,561,800) for the year ended 30 June 2023 was paid to holders of fully paid ordinary shares. QLDC's share of this dividend was \$7,172,306. On 20 February 2024, an interim dividend of 33.08 cents per share (total dividend of \$5,313,000) for the year ended 30 June 2024 was paid to holders of fully paid ordinary shares. QLDC's share of this dividend was \$3,985,281.

(iii) Not trading

All entities in the Group have 30 June balance dates.

There are no significant restrictions on the ability of CCO's to transfer funds to QLDC in the form of cash distributions or to repay loans or advances.

26. Subsequent Events

On 15 of August the QAC directors declared a fully imputed dividend of \$14,241,000 in respect of the year ended 30 June 2024 (2023: \$9,561,800).

27. Related party disclosures

(a) Council

The Council (QLDC) is the ultimate parent of the Group.

(b) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 25 to the financial statements.

(c) Transactions with related parties

Transactions involving the Group

During the year the following (payments)/receipts were made (to)/from related parties which were conducted on normal commercial terms:

	Group	
	2024 \$'000	2023 \$'000

The following transactions took place between QLDC and related parties:

Queenstown Airport Corporation Limited *

Payment of rates on its property	465	350
Resource consent costs and collection fees	-	26
Frankton Golf Club lease	(43)	11
Management Fee	(365)	(365)
Nasa Rent	79	205
Glenorchy Airstrip Maintenance	-	(19)
Website	-	(25)
Credit Card Charges	-	(3)
Sundry	(12)	(26)

Balances owed (to) / from at 30 June were:

Owed (to)/from Queenstown Airport Corporation Ltd (i)	(61)	(56)
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*There are no Councillors in Queenstown Lakes District Council who own shares in Auckland International Airport which has a non-controlling interest in Queenstown Airport Corporation Ltd.

The following transactions took place between Queenstown Airport Corporation and related parties:

Auckland International Airport Ltd

- Rescue fire training	22	11
- Director fees	49	40

Balances owed (to) / from at 30 June were:

Owed (to)/from Auckland International Airport Limited (AIAL)	-	-
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Other transactions involving related parties

- QLDC's netball courts and six holes of the Frankton golf course are located on QAC land to the north west of the runway. Revenue from this arrangement amounted to \$43,294 (2023: \$43,765).
- Queenstown Airport Corporation receives services from Auckland International Airport Ltd for which no consideration is paid.

Transactions eliminated on consolidation

Related party transactions and outstanding balances with other entities in the Group are disclosed in an entity's financial statements. Intra-group related party transactions and outstanding balances are eliminated in the preparation of consolidated financial statements of the Group.

28. Notes to the statement of cash flows

	Council		Group	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, cash in bank and other short-term highly liquid deposits that are readily convertible to a known amount of cash, net of outstanding bank overdrafts. As required under the Construction Contracts Act 2002, cash includes retentions of \$1,039,390 (2023: \$879,193) for Council and \$1,179,672 (2023: \$1,143,981) for Group held on trust which are payable by the Council/Group respectively on completion of contractual obligations by third parties. Cash also includes funds (2024 \$NIL; 2023 \$NIL) held on behalf of the Ministry of Business Innovation and Employment for distribution. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	8,031	1,326	9,742	2,540
Bank overdraft	-	-	-	-
Total cash and cash equivalents	8,031	1,326	9,742	2,540

(b) Borrowings - facilities

Details of the amounts drawn down on the available borrowing facility are as follows:

Amount used	652,131	527,023	684,631	566,523
Amount unused	127,969	113,077	195,469	173,577
Total available borrowing facility	780,100	640,100	880,100	740,100

28. Notes to the statement of cash flows continued

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
(c) Reconciliation of surplus/(deficit) for the period to net cash flows from operating activities				
Surplus for the year	82,150	(53,806)	87,485	(37,063)
Add/(less) non-cash items:				
Depreciation and amortisation	64,369	58,085	74,759	67,516
Loss provision	(169)	3,171	(169)	3,171
Vested assets	(99,863)	(40,049)	(99,863)	(40,049)
(Gain)/loss on sale of property, plant & equipment	15,142	(832)	15,142	(832)
(Gain)/loss on revaluation of forestry investment	-	-	-	-
(Gain)/loss on revaluation of investment property	(1,060)	(2,210)	(1,060)	(2,210)
(Gain)/loss on sale of development property	-	-	-	-
Net change in fair value of derivative financial instruments	163	(1,003)	163	(1,003)
Other	-	(3,768)	198	(3,795)
Adjusted surplus/(deficit) from operating activities	60,732	(40,412)	76,655	(14,265)
Movement in working capital:				
Trade and other receivables	(3,758)	(11,128)	(951)	(11,109)
Inventories	(7)	(25)	(7)	(25)
Current tax refundable/payable	-	-	6,276	7,608
Other current assets	545	560	560	440
Trade and other payables	406	(13,354)	2,988	(13,425)
Employee entitlements	511	158	745	585
Other financial liabilities	(614)	519	(614)	519
Total movement in working capital	(2,917)	(23,270)	8,997	(15,407)
Movement in items treated as investing activities	-	(832)	-	(832)
Net cash (Outflow) from operating activities	57,815	(64,514)	85,652	(30,504)

29. Remuneration (Council only)

During the year to 30 June 2024, the total remuneration and value of other non-financial benefits received by or payable to the Elected Representatives, Chief Executive, and staff of the Council were as follows:

	Council	
	2024	2023
	\$	\$
Elected Representatives		
Council		
Jim Boulton - Former Mayor	-	37,566
Calum McLeod - Former Deputy Mayor - Wanaka-Upper Clutha/Wanaka Community Board	-	14,322
Penny Clark - Former Councillor Queenstown-Whakatipu/Committee Chair	-	13,563
Val Miller - Former Councillor Queenstown-Whakatipu	-	11,572
Craig Ferguson - Councillor Arrowtown-Kawarau	53,275	49,075
Heath Copland - Former Councillor Arrowtown	-	11,572
Niki Gladding - Councillor Queenstown-Whakatipu	50,351	46,412
Glyn Lewers - Mayor	148,454	118,180
Niamh Shaw - Former Councillor Wanaka-Upper Clutha/Wanaka Community Board	-	11,873
Quentin Smith - Deputy Mayor - Wanaka-Upper Clutha	68,124	52,913
Esther Whitehead - Councillor Queenstown-Whakatipu	46,010	44,494
Barry Bruce - Councillor Wanaka-Upper Clutha	47,509	41,728
Lyal Cocks - Councillor Wanaka-Upper Clutha	53,275	36,330
Lisa Guy - Councillor Arrowtown-Kawarau	46,010	32,836
Neeta Shetty - Former Councillor Arrowtown	-	12,266
Cody Tucker - Councillor Wanaka-Upper Clutha	58,199	37,424
Matt Wong - Councillor Queenstown-Whakatipu	46,010	32,836
Gavin Bartlett - Councillor Queenstown-Whakatipu	53,275	35,651
Melissa White - Councillor Arrowtown-Kawarau	49,089	4,231
Wanaka Community Board		
Edward Taylor - Former Board Member/Deputy Chair	-	3,523
Judith Battson - Former Board Member	-	3,523
Chris Hadfield - Board Member	13,423	12,862
Simon Telfer - Chairperson	26,608	19,031
Linda Joll - Board Member	13,423	9,206
John Wellington - Board Member	13,423	9,206
Chief Executive		

For the year ended 30 June 2024, the total annual cost including fringe benefit tax to QLDC of the remuneration package being received by the Chief Executive appointed under Section 42 of the Local Government Act 2002 is calculated at \$416,320 (2023: \$364,004).

The number of employees in Queenstown Lakes District Council classified in bands as per the total received or receivable annual remuneration, including any non-financial benefits received or receivable is:

	2024
< \$60,000	336
\$60,001 to \$80,000	123
\$80,001 to \$100,000	72
\$100,001 to \$120,000	56
\$120,001 to \$140,000	35
\$140,001 to \$160,000	16
\$160,001 to \$180,000	20
\$180,001 to \$240,000	6
\$240,001 to \$420,000	7
Total number of employees	671
	2023
< \$60,000	295
\$60,001 to \$80,000	125
\$80,001 to \$100,000	76
\$100,001 to \$120,000	65
\$120,001 to \$140,000	30
\$140,001 to \$160,000	25
\$160,001 to \$180,000	13
\$180,001 to \$240,000	9
\$240,001 to \$420,000	5
Total number of employees	643

30. Severance payments

For the year ended 30 June 2024 QLDC made no severance payments to employees (2023: Nil)

31. Emissions tradings scheme

Forestry

QLDC is part of the Emissions Trading Scheme (ETS) for its pre-1990 forests (mandatory participation). Under the ETS, QLDC is allocated New Zealand Units (NZUs). An initial free allocation of NZUs is provided in relation to pre-1990 forests.

Landfill

QLDC owns a landfill site which is operated by Scope Resources Ltd. Under the ETS, QLDC is required to acquire and surrender emission units to account for the direct greenhouse gas emissions associated with its landfill site.

	Pre-1990 Forest	Landfill	Total
2024			
Productive area (hectares)	296	n/a	296
Opening balance	-	94,720	94,720
NZUs purchased during the year	-	1,310	1,310
NZUs allocated/transferred internally during the year	-	-	-
NZUs transferred to Scope Resources Ltd during the year	-	(13,390)	(13,390)
NZUs on hand at balance date	-	82,640	82,640

Under the ETS liabilities can accrue as follows:

Pre-1990 forests: liabilities accrue if the pre-1990 forest land is deforested and not replanted. QLDC does not anticipate any future liabilities will arise in relation to pre-1990 forest land.

32. Explanation of major variances against budget

Statement of Financial Performance

QLDC recorded a surplus of \$82.2M for the financial year. This is up from the \$46.2M (after the adjustment of one-off building claim settlement) surplus recorded last year, and the \$53.4M surplus budgeted.

Revenue was over budget by 29.3% or \$81.5M

The following major items contributed to the revenue variance:

- Vested asset income was \$79.2M above budget for the year; this non-cash income reflects the value of assets passed to Council as a result of continued high levels of development activity in the district
- Capital grants revenue was \$10.6M below budget due to the timing of the Arterials and Street upgrade capital projects funding.
- Development contributions were \$6.8M above expected at \$20.6M for the year due to the size and timing of the completion of developments in the districts. There were favourable receipts for
- Dividend income from Queenstown Airport Company was \$3.7M above budget.

Expenditure was over by 14.7% or \$33.7M.

The major remaining operational cost variances are as follows:

- Maintenance expenses is \$9.9M above the budget. This includes \$2.9M higher roading maintenance, \$2.8M higher water supply maintenance, \$2.4M higher parks & reserves maintenance and \$1.7M higher landfill cost. These were due to unscheduled maintenance as a result of multiple significant weather events, the Cryptosporidium outbreak and the Shotover Waste Water treatment plant costs.
- Depreciation and amortisation expense higher than budget by \$8.8M, largely as a result of higher valuations for infrastructure assets for both 3 waters assets and roading assets.
- Interest expense for the year was \$8.0M greater than budget. This is a result of higher interest rates with the rise in the official cash rate (OCR), increased borrowings for the leaky building claim settlement, and the timing of some capital works.
- Electricity costs were \$1.7M more than budgeted due to significant rises in prices and network

Statement of Financial Position

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

- Large movements in property plant and equipment values as a result of large infrastructure additions during the year, these are summarised below:
- 2024 Increase in infrastructure value \$200.3M (2023: \$142.2M) with 3 Waters asset values increasing by \$119.8M, and Roothing asset values increasing by \$80.5M. Offsetting this, overall capital expenditure was \$173.8M which is below estimate by \$28.9M for the year ended 30 June 2024.
- Borrowings are \$20.8M above forecast. Total debt as at 30 June 2024 is \$650.8M compared to a forecast of \$630.0M to fund the capital programme.

Statement of Changes in Equity

Accumulated differences between actual and budgeted net surpluses as described above, as well as the impact of infrastructure asset revaluations in the current and prior year, and increased borrowings, has resulted in an equity variance of \$231.9M above forecast.

Statement of Cash Flows

The budget variances explained above contribute to budget variations in the Statement of Cash Flows. Cash payments for the purchase of property, plant and equipment (i.e. capital expenditure) were \$39.4M below estimate. Net borrowings were \$11.5M more than expected. Cashflows from operating activities were \$30.1M below budget for cash flows from operations mainly due to higher debtor turnover period (excluding non cash items such as vested assets).

33. Financial instruments

(a) Capital management

For the purpose of the Group's capital management, the Group's capital is its equity, including accumulated comprehensive revenue and expenses and all equity reserves attributable to the Council. Equity is represented by net assets.

QLDC manages the Group's capital largely as a by-product of managing its revenue, expenses, assets, liabilities and general financial dealings. The Local Government Act 2002 requires the Council to manage its revenue, expenses, assets, liabilities and general financial dealings in a manner that promotes the current and future interests of the community. In addition, the Local Government (Financial Reporting and Prudence) Regulation 2014 sets out a number of benchmarks for assessing whether the Council is managing its revenue, expenses, assets and liabilities prudently.

The primary objective of the Group's capital management is to achieve intergenerational equity which is a principle promoted in the Local Government Act 2002 and applied by the Council. Intergenerational equity requires the Council to spread the funding of the cost of its assets over the current and future generations of ratepayers, such that:

- ▶ Current ratepayers are required to meet the cost of using the assets, but not the full cost of long term assets that will benefit ratepayers in future generations; and
- ▶ Ratepayers in future generations are not required to meet the costs of deferred asset renewals and maintenance.

In order to achieve this overall objective, the Council has in place asset management plans for major classes of assets, detailing renewals and programmed maintenance.

An additional objective of capital management is to ensure that the expenditure needs identified in the Council's Long-term Plan and Annual Plan are met in the manner set out in these plans. The Local Government Act 2002 requires the Council to make adequate and effective provision in its Long-term Plan and in its Annual Plan to meet the expenditure needs identified in those plans. The factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities are set out in the Local Government Act 2002. The sources and levels of funding are set out in the funding and financial policies in the Council's Long-term Plan.

The Council monitors actual expenditure incurred against the Long-term Plan and Annual Plan.

QLDC obtained a credit rating from Fitch Ratings in December 2017 in order to facilitate additional debt funding ahead of the 2018-28 Long-term Plan and beyond. The credit rating is reviewed on an annual basis and has been maintained since that time.

No other changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2024 and 2023.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(c) Categories of financial instruments

	Council		Group	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Financial assets				
Cash and cash equivalents (AC)	8,031	1,326	9,742	2,540
Trade and other receivables (AC)	38,828	34,979	42,668	39,516
Other financial assets (AC)	960	960	960	960
Other financial assets (FVTSD)	794	1,959	1,185	2,178
Other financial assets (OFA)	13,938	10,848	14,311	11,833
Financial liabilities				
Trade and other payables (AC)	48,146	47,741	51,117	50,127
Borrowings (AC)	650,838	526,732	683,338	566,232
Other financial liabilities (FVTSD)	-	-	-	230

AC = Amortised cost; FVTSD = Fair value through surplus or deficit; OFA = Other Financial Assets

(d) Financial risk management objectives

QLDC has established a Treasury Management Policy which combines the Local Government Act 2002 requirement for local authorities to adopt a Liability Management Policy and an Investment Policy. These provide a framework for prudent debt management and the management of financial resources in an efficient and effective way.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(e) Interest rate risk

The Group is exposed to interest rate risk as it borrows funds at both floating and fixed interest rates.

Sensitivity analysis

The sensitivity analysis in the following table has been determined based on the exposure to interest rates for financial instruments at the balance date. The analysis is prepared assuming the amount of the financial instrument outstanding at the balance sheet date was outstanding for the whole year.

The Council and Group is not exposed to foreign currency risk or equity price risk.

33. Financial instruments continued

(e) Interest rate risk continued

The impact to surplus for the year and total equity as a result of a 50 basis point increase in interest rates is as follows (note that () represents a loss in the table below):

	Note	Council				Group			
		2024		2023		2024		2023	
		\$'000 +50 bps	Equity	\$'000 +50 bps	Equity	\$'000 +50 bps	Equity	\$'000 +50 bps	Equity
Financial Liabilities									
Borrowings	(i)	(1,675)	(1,675)	(1,250)	(1,250)	(1,838)	(1,838)	(1,448)	(1,448)
Total impact to surplus		(1,675)	(1,675)	(1,250)	(1,250)	(1,838)	(1,838)	(1,448)	(1,448)

A 50 bps decrease would have the opposite effect in the table above.

(i) Secured loans

QLDC has floating rate debt with a principal amount totalling \$335m (2023: \$250m)
QAC has floating rate debt with a principal amount totalling \$32m (2023: \$23m)

(f) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

For QLDC the concentration of credit risk is limited due to the customer base being large and unrelated. The Council and Group believes no further credit provision is required in excess of the allowance for doubtful debts, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

QLDC is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in note 15 (iv).

The Group is exposed to credit risk arising from a small number of airlines comprising the majority amount of the Queenstown Airport Limited trade receivables. Regular monitoring of trade receivables is undertaken to ensure that the credit exposure remains within the Group's normal trading terms of trade.

Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

	Maximum credit risk	
	2024 \$'000	2023 \$'000
Council		
Financial assets and other credit exposures	62,551	50,071
Group		
Financial assets and other credit exposures	68,866	56,808

(g) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through adequate committed credit facilities, and the ability to close out market positions.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 28 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The maturity profiles of the Group's interest bearing financial instruments are disclosed later in this note.

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 15 (iv).

(h) Fair value of financial instruments

The Council and directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

Fair value measurements recognised in the Statement of Financial Performance.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
2024				
Council				
Financial assets				
Other investments	13,938	-	-	13,938
Financial liabilities				
Derivatives	-	-	-	-
Group				
Financial assets				
Other investments	14,702	-	-	14,702
Financial liabilities				
Derivatives	-	-	-	-
Total	\$'000	\$'000	\$'000	\$'000
2023				
Council				
Financial assets				
Other investments	10,848	-	-	10,848
Financial liabilities				
Derivatives	-	-	-	-
Group				
Financial assets				
Other investments	11,833	-	-	11,833
Financial liabilities				
Derivatives	-	-	-	-

33. Financial instruments continued

The following table details QLDC's exposure to interest rate risk on financial instruments:

	Weighted average effective interest rate %	Carrying amount \$'000	Undiscounted contractual cash flows \$'000	Less than 1 year \$'000	1-2 years \$'000	2-3 years \$'000	3-4 years \$'000	4-5 years \$'000	5+ years \$'000
Council 2024									
Financial liabilities									
Trade and other payables	-	47,449	47,449	47,449	-	-	-	-	-
Borrowings	5.12%	652,131	750,523	184,982	129,479	118,953	116,102	135,583	65,424
Total financial liabilities		699,580	797,972	232,431	129,479	118,953	116,102	135,583	65,424
Council 2023									
Financial liabilities									
Trade and other payables	-	47,741	47,741	47,741	-	-	-	-	-
Borrowings	4.89%	527,023	610,907	131,797	90,626	95,613	91,779	79,953	121,139
Total financial liabilities		574,764	658,648	179,538	90,626	95,613	91,779	79,953	121,139
Group 2024									
Financial liabilities									
Trade and other payables	-	50,420	50,420	50,420	-	-	-	-	-
Borrowings	5.19%	684,631	787,313	187,127	164,124	118,953	116,102	135,583	65,424
Total financial liabilities		735,051	837,733	237,547	164,124	118,953	116,102	135,583	65,424
Group 2023									
Financial liabilities									
Trade and other payables	-	50,127	50,127	50,127	-	-	-	-	-
Borrowings	5.01%	566,523	654,722	147,395	105,841	108,616	91,779	79,953	121,139
Total financial liabilities		616,650	704,848	197,522	105,841	108,616	91,779	79,953	121,139

34. Queenstown Airport Corporation

	QAC	
	2024 \$'000	2023 \$'000
Queenstown Airport Corporation Limited		
Revenue	64,737	59,625
Operating Expenditure	18,568	15,756
EBITDA	46,169	43,869
Interest Expense	2,871	3,041
Depreciation and Amortisation	10,389	9,431
Profit Before Tax	32,927	31,397
Net Profit After Tax	16,494	22,204
Dividends Paid	14,875	7,281
Total Assets	526,500	523,102
Total Liabilities	79,996	78,065
Shareholders Funds	446,504	445,037
Operating Cash Flow	38,994	39,472
Closing Debt	32,500	39,500

35. Water Services Reform Programme – “Local Water Done Well”

The Government is implementing its policy “Local Water Done Well” – a plan to address Aotearoa New Zealand’s water infrastructure challenges. In February 2024, the Water Services Act Repeal Bill received the Royal assent, repealing the key legislation that underpinned the former Labour Government’s “Affordable Water Reform” programme. The Local Government (Water Services Preliminary Arrangements) Act 2024 was enacted on 2 September 2024 and establishes the Local Water Done Well framework. The Act requires councils to develop Water Service Delivery Plans by 3 September 2025. These plans will outline future water service delivery arrangements and the commitment to an implementation plan.

Queenstown Lakes District Council has commenced work on developing its Water Services Delivery Plan in accordance with the Act and will undertake community consultation on the proposed model for delivery before the plan is adopted.

The Government has indicated that it will introduce a Bill in December 2024 that will establish the enduring settings for the new water services system, including economic regulation. The reforms to date have had no effect on this Council’s 2024 financial statements or performance indicators.



Annual report disclosure statement for the year ended 30 June 2024



What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

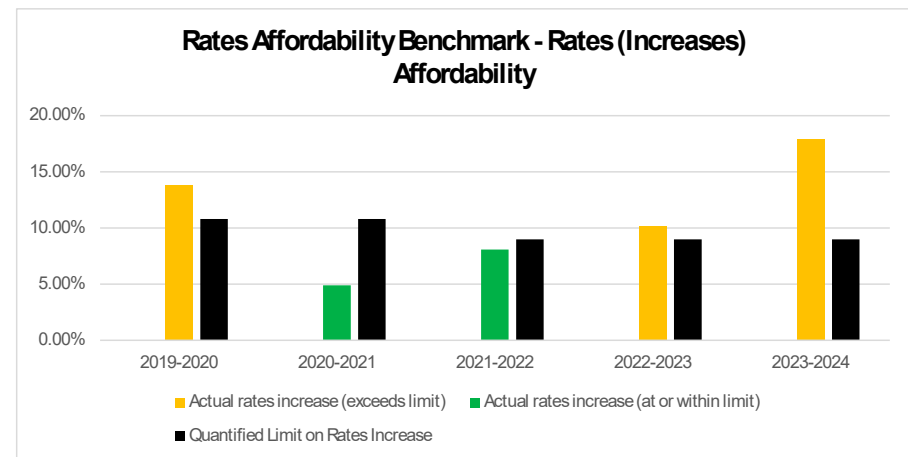
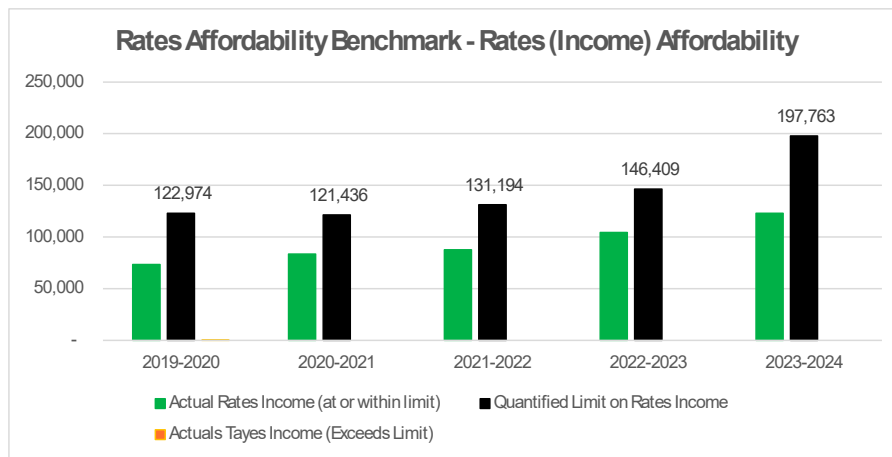
RATES AFFORDABILITY BENCHMARK

The council meets the rates affordability benchmark if—

- > its actual rates income equals or is less than each quantified limit on rates; and
- > its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability – The following graph compares the council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the council’s long-term plan. The quantified limit is that rates income will not exceed 55% of total revenue.

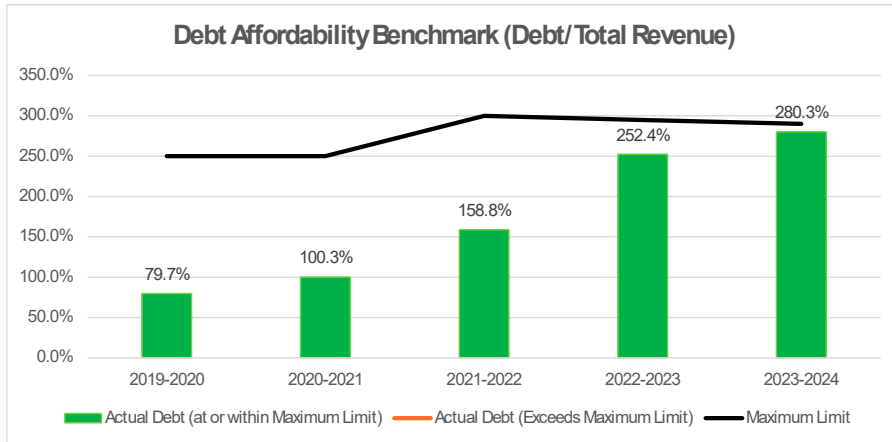
Rates (increases) affordability – The following graph compares the council’s actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council’s long-term plan. The quantified limit is that rates increases set at a maximum of 9.0% per annum (subject to changes in growth).



DEBT AFFORDABILITY BENCHMARKS

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

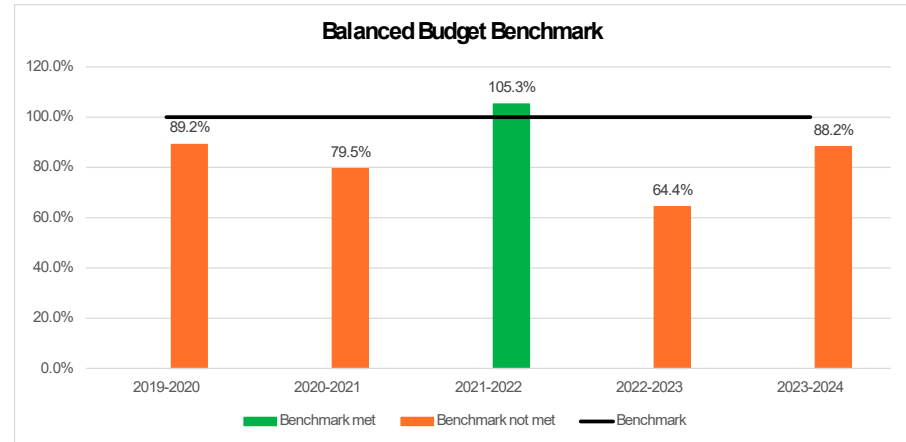
The following graphs compare the council’s actual borrowing with the quantified limits on borrowing stated in the financial strategy included in the council’s long-term plan. The quantified limit is that the debt to revenue ratio will be under 300% for 2021/22; 295% for 22/23; 290% for 2023/24; 285% for 2024/25 and 280% thereafter.



BALANCED BUDGET BENCHMARK

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

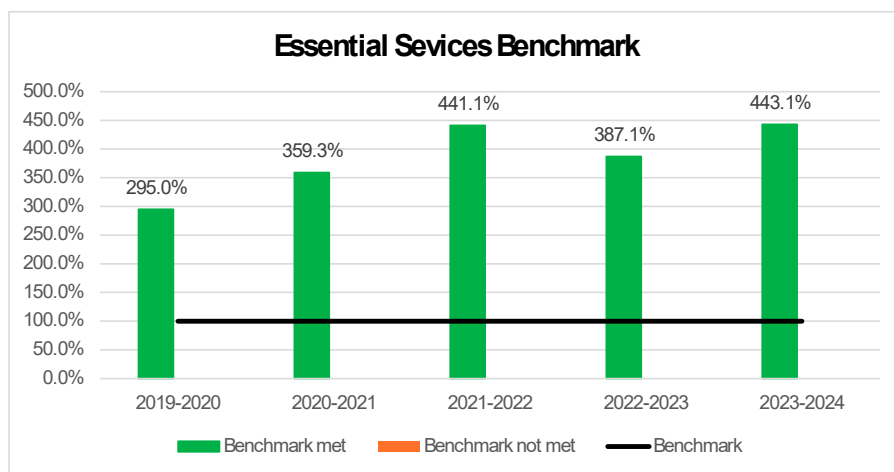
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



ESSENTIAL SERVICES BENCHMARK

The following graph displays the council’s capital expenditure on network services as a proportion of depreciation on network services.

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

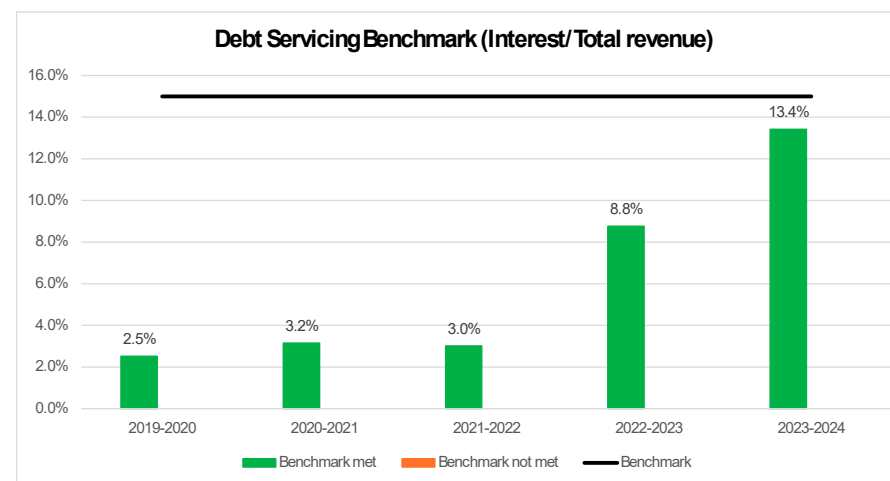


DEBT SERVICING BENCHMARK

The following graphs compares the council’s actual debt servicing with the quantified limits on borrowing stated in the financial strategy included in the council’s long-term plan.

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

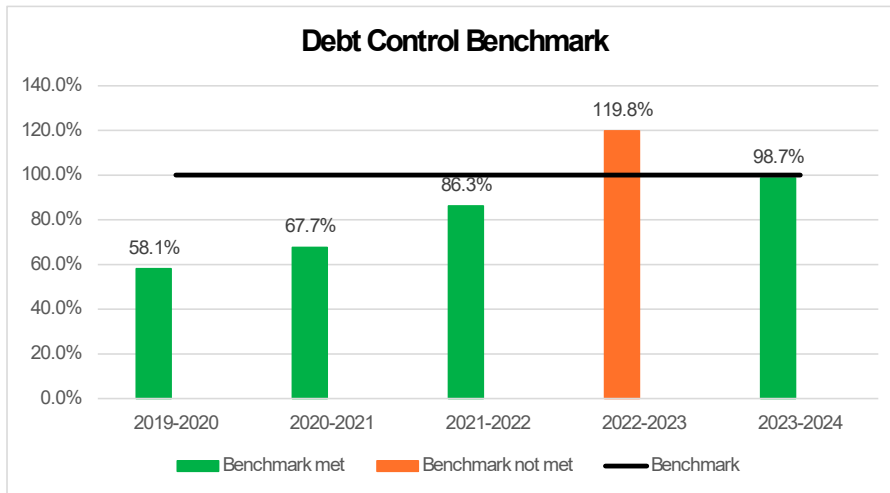
Because Statistics New Zealand projects the council’s population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



DEBT CONTROL BENCHMARK

The following graph displays the council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

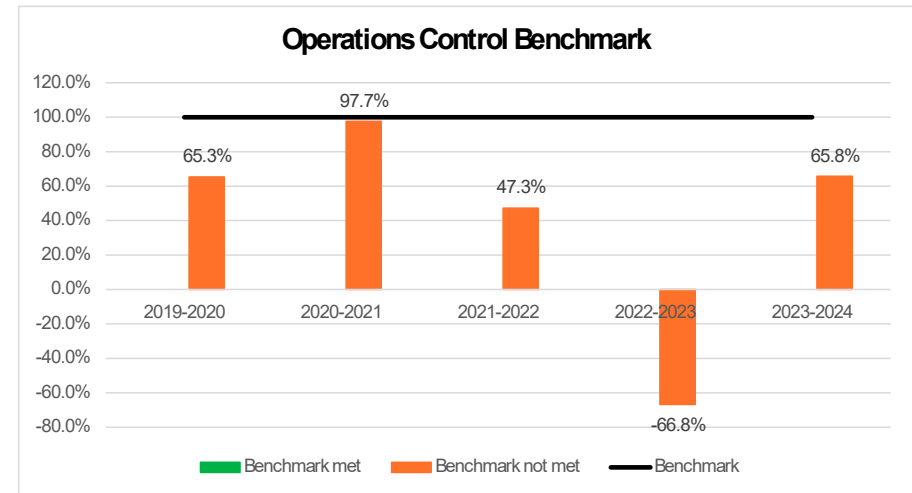
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



OPERATIONS CONTROL BENCHMARK

This graph displays the council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



ADDITIONAL INFORMATION OR COMMENT

Council has met all but four of the eight benchmarks for the past five years.

The “Rates affordability benchmark” relating to the percentage increase for rates was breached in 2019-20, 2022-23 and 2023-24. In 2019-20 the incoming Council had agreed to a higher than forecast increase in rates in order to increase resources to deal with growth proactively in the district. In the last three years there has been significant inflationary pressure on most areas of expenditure including interest costs as a result of the increase in the official cash rate.

The “Balanced budget benchmark” has been breached four of the last five years. 2023-24 fell short of the benchmark again due to higher costs as noted below for the operations control benchmark, and

depreciation also increased due to the increased valuations of the Three Waters and roading assets.

“The Debt Control benchmark” was breached in 2022-23 due to additional borrowings required for the unbudgeted large leaky building settlement. All other years prior and this year we have met the benchmark.

The “Operations control benchmark” has been breached for the last five years. The 2023-24 year has seen operation cash flow costs higher than budget mainly due to additional infrastructure asset maintenance expenditure as a result of a number of significant weather events and the crypto water outbreak, increased borrowing costs as mentioned above, higher weather tightness legal fees, unforeseen asbestos removal/ demolition costs at the Lakeview Development, and higher electricity and insurance costs.

CORE ASSETS DISCLOSURE

		Closing Book Value 30-Jun-24 \$000's	Additions constructed by Council \$000's	Additions transferred to Council \$000's	Estimated replacement cost \$000's
Water Supply	Treatment plants and facilities	82,431	28,525	-	138,792
Water Supply	Other assets (such as reticulation systems)	349,325	16,710	17,005	467,946
Sewerage	Treatment plants and facilities	124,372	23,154	-	189,525
Sewerage	Other assets (such as reticulation systems)	445,006	10,261	19,750	625,949
Stormwater Drainage		418,378	10,207	35,929	590,051
Roads & Footpaths		1,045,396	80,419	21,002	102,618

Note: There are no flood protection or control works.
* excluding assets under construction

RATING BASE INFORMATION

Rating units within the district or region of the local authority at the end of the preceding financial year:

- > Rating base information as at 30 June 2023
- > The number of rating units 30,226
- > The total land value of rating units 34,627,073,200
- > The total capital value of rating units 58,019,943,700

INSURANCE ON ASSETS

Buildings, Plant and Equipment

The Council has a total asset value for insurance purposes of \$595,043,911. This is made up of \$309,696,090 for Property and Plant and \$242,118,483 under the Three Waters Assets noted below. The insurance is based on full Replacement Value. We have a Fire Loss limit of \$45,000,000 Flood is defined as a loss, damaged interruption or interference arising from the unundation of normally dry land by water escaping or released from the confines of Lake Whakatipu. The Council carries the first \$10,000 of any loss for Fire and Perils and \$250,000 for flood damages. The Natural Disaster excess is 5.0% of the sum insured minimum \$5,000 and/or for Pre-1935 Risks 10% of the Material Damage site sum insured, minimum \$10,000 for Natural Disaster losses. This applies to the combined Material Damage and Business Interruption loss.

Forestry

No longer insured as timber has been harvested.

Three Waters Asset – Buildings/Plant and Equipment

The Council has a total asset value for insurance purposes of \$242,118,483. This is made up of Replacement Value \$190,972,188 and Indemnity Value \$51,146,295. The Council carries the first \$10,000 of any loss for Fire and Perils, and to \$250,000 for flood damages. The Natural Disaster excess is 5.0% of the sum insured minimum \$5,000 and /or for Pre-1935 Risks 10% of the Material Damage site sum insured, minimum \$10,000 for Natural Disaster losses. This applies to the combined Material Damage and Business Interruption loss.

Vehicles

The Council has a total asset value for insurance purposes for vehicles of \$4,451,580. All vehicles are insured for Market Value with Replacement Value for vehicles which are less than 12 months old. The cover includes all glass claims. The Council carries an excess of 1% of the vehicle minimum \$1,000 for own vehicles and nil excess for damage to third party damage. The Limit for Third Party damage is \$20,000,000. Nil Excess applies to windscreen and window glass.

Natural Catastrophe for Infrastructure – Shared Services

The Council has a total asset value for insurance purposes of \$1,836,609,298. The Council has Physical loss and Business Interruption cover for their Infrastructure caused by a Natural Catastrophe Event including Earthquake, Natural Landslip, Flood, Tsunami, Tornado, Windstorm, Volcanic Eruption, Hydrothermal & Geothermal Activity and Subterranean Fire. The Limit of Liability is NZD300,000,000 combined limit for an event involving more than one Council for any one loss or series of losses arising out of any one event.

The Limit of Liability for Queenstown Lakes District Council is NZD197,000,000 each and every loss. The Deductible is NZD1,000,000 each and every Loss.

Aviation

Uses Insured: Business and/or commercial uses including continuation flying and the following special uses:

- > Aerial Surveying/Photography/Spotting
- > Sub-Limit for Invasion of Privacy – \$5,000
- > Sub-Limit for Noise Liability – \$5,000
- > Geographical Limit: New Zealand and 200 kilometres from New Zealand main land mass.

Hall Hirers Liability

- > Business of insured: Hall Hirers of Queenstown Lakes District Council Properties
- > The insured is extended to include Community and Sporting groups, individuals and the like who use and hire properties operated or owed by the insured.
- > Limit of liability: \$10,000,000 any one occurrence
- > Excess: \$1,000 on any one occurrence

Travel Insurance (Worldwide)

Covers all employees of Queenstown Lakes District Council or person(s) authorised by the policy holder, travelling on authorised and declared business travel, Directors and Executives Private travel and/or incidental private travel including accompanying spouse/partner and depend child(ren) of a covered person. The deductible is \$500 for Medical, Evacuation and Additional Expenses and Alternative Employee/Resumption of Assignment Expenses, and \$250 for Cancellation and Disruption and Baggage and Travel Documents.

Auditor's report





INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF QUEENSTOWN LAKES DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of Queenstown Lakes District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Mike Hawken, using the staff and resources of Deloitte Limited, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 12 December 2024. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 116 to 169:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2024;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 113, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;



- the statement of service performance on pages 24 to 109:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 43 to 107, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 43 to 107, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 172 to 175, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter – Inherent uncertainties in the measurement of greenhouse gas emissions

The Council has chosen to include a measure of greenhouse gas (GHG) emissions in its performance information. Without modifying our opinion and considering the public interest in climate changes related information, we draw attention to page 55 of the annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.



Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the *"Responsibilities of the auditor for the audited information"* section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.



As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.



Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 22 and 176 to 177, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of assurance services relating to reporting under the trust deed, a registry audit, the long term plan audit and a regulatory disclosure audit, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its subsidiaries and controlled entities

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

Mike Hawken
Deloitte Limited
On behalf of the Auditor-General
Dunedin, New Zealand