



Order Paper for an ordinary meeting of the

QUEENSTOWN LAKES DISTRICT COUNCIL

to be held on

Friday, 23 March 2018

commencing at 1.00pm

In the Armstrong Room, Lake Wanaka Centre,

Wanaka

9.12 ITEMS OF BUSINESS NOT ON THE AGENDA WHICH CANNOT BE DELAYED

A meeting may deal with an item of business that is not on the agenda where the meeting resolves to deal with the item and the Chairperson provides the following information during the public part of the meeting:

- (a) the reason the item is not on the agenda; and
- (b) the reason why the discussion of the item cannot be delayed until a subsequent meeting.

s. 46A (7), LGOIMA

Items not on the agenda may be brought before the meeting through a report from either the chief executive or the Chairperson.

Please note that nothing in this standing order removes the requirement to meet the provisions of Part 6, LGA 2002 with regard to consultation and decision-making.

9.13 DISCUSSION OF MINOR MATTERS NOT ON THE AGENDA

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

REFERENCE:

Queenstown Lakes District Council Standing Orders adopted on 15 December 2016.

Agenda for an ordinary meeting of the Queenstown Lakes District Council to be held in the Armstrong Room, Lake Wanaka Centre, Wanaka on Friday, 23 March 2018 commencing at 1.00pm

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Public minutes

Confirmation of minutes:

8 February 2018

9 March 2018

Minutes of an ordinary meeting of the Queenstown Lakes District Council held in the Council Chambers, 10 Gorge Road, Queenstown on Thursday 8 February 2018 commencing at 1.00pm

Present:

Mayor Boulton; Councillors Clark, Forbes, Hill, MacDonald, McRobie, MacLeod, Miller, Smith and Stevens

In attendance:

Mr Mike Theelen (Chief Executive), Mr Tony Avery (General Manager, Planning and Development), Mr Stewart Burns (General Manager, Finance and Regulatory), Dr Thunes Cloete (General Manager, Community Services), Ms Meaghan Miller (General Manager, Corporate Services), Mr Blair Devlin (Planning Practice Manager), Mr Ian Bayliss (Policy Planning Manager), Ms Mindy McCubbin (Senior Planner - Policy), Mr Stephen Quin (Parks Planning Manager), Mrs Jeannie Galavazi (Senior Parks Planner), Mr Aaron Burt (Senior Planner, Parks and Reserves), Ms Michelle Morss (Corporate Manager), Mr Lee Webster (Manager, Regulatory), Mr Nathan Bates (Alcohol Licencing Inspector) and Ms Jane Robertson (Senior Governance Advisor); two members of the media and 15 members of the public

Apologies

An apology was received from Councillor Ferguson.

On the motion of the Mayor and Councillor Stevens the Queenstown Lakes District Council resolved to accept the apology.

Leave of Absence Requests

- Councillor Stevens requested a leave of absence 19-27 February 2018.
- Councillor McRobie requested a leave of absence on 16 February 2018.

On the motion of the Mayor and Councillor MacLeod the Council resolved to grant the requests for Leave of Absence.

Declarations of Conflicts of Interest

Councillor Forbes advised that she owned part of a company that provided public relations services for Skyline Enterprises Ltd and questioned if this represented a conflict of interest in respect of item 1 ('Proposed new reserve lease and easements to Skyline Enterprises Ltd'). The Mayor stated that he did not consider this a conflict of interest.

Councillor MacLeod advised that he leased a property at 181-185 Upton Street from Varina Pty Ltd and questioned if this represented a conflict of interest in respect of item 5 ('Corporate Submission on Stage 2 Queenstown Lakes Proposed

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District plan and withdrawal of land from Stage 2 proposals'). The Mayor stated that he did consider this a conflict of interest.

Councillor McRobie advised that he had been a Commissioner on the hearings panel for Plan Change 52: Cardrona Station Special Zone (item 6) and he would therefore not take part in the discussion or voting on this item.

Matters Lying on the Table

There were no matters lying on the table.

Public Forum

1. John Glover, Glenorchy Community Association ['GCA']

Mr Glover stated that the GCA supported the proposed terms of reference ['TOR'] for the Glenorchy Airstrip Consultative Governance Committee. The TOR were not a surprise to the GCA as they had been involved in their preparation, for which they were grateful.

In 2016 as part of its community planning exercise, the GCA had recommended that the Council prepare a district-wide camping strategy. They were pleased to see that the Council was now acting on this recommendation, as a good network of camping facilities was the key to managing freedom camping.

2. Alan Paris

Mr Paris advised that he lived at 42 Old School Road which was near the Shotover River. He circulated a map of the area near his house on which he had labelled various points where he had observed unhygienic acts being performed by freedom campers. This included a female who was travelling in a non-self-contained vehicle toileting in the bushes, campers in the water shampooing and washing, beer bottles littering the Queenstown Trail and toilet paper in the bushes. He stated that activities which contaminated the water were especially bad because two houses downstream of the camping site took their drinking water directly from the river. He believed that freedom camping should be banned unless there were facilities in place (showers, toilets) and also suggested that a phone line be made available for people to report violations of freedom camping rules.

3. Trent Yeo, Chief Executive, Ziptrek Ltd

Mr Yeo expressed concern about the exclusivity of the lease to Skyline which favoured Skyline to the detriment of other users. He urged Council to require a minimum of 25% of the proposed carpark to be made available to the public for carparking. Mr Yeo noted that Skyline had been using the area for carparking for many years although it wasn't part of the lease area and had cleared trees and levelled land without permission. He was opposed to reserve land being used for private use and if the area was rolled into the lease in 2020, other users should be permitted also to use the carparking facility. He was also concerned that Ziptrek had been excluded from consultation on this proposal. Overall he considered that use of the carpark exclusively by one entity for itself should be stopped. Mr Yeo acknowledged that the Council had sought

submissions on the proposed lease and that his company had not lodged a submission.

4. Justine Farquharson

Ms Farquharson thanked the Council for the actions it had taken so far to address the problems with freedom camping. She believed that the situation was now well past being controlled by the Freedom Camping Act 2011 and the tag 'freedom camping' itself needed a re-think. Some campers did not have an impact but others were doing real damage to the environment, especially those travelling in non-self-contained vehicles. Campers needed education and this could be achieved through campervan hire companies. Part of this should be encouraging camping thinking to change from 'self-contained' to 'self-sufficient'. The provision of good, self-funded facilities would help to achieve compliance.

5. Bruce Farmer (Chair, Sustainable Glenorchy)

Mr Farmer thanked the Council for organising a meeting to discuss chlorination in Glenorchy. Both the Council and the community had the same goal, namely, safe, sustainable and clean water for the community. He suggested that the Council take the same approach as Christchurch and chlorinate in the short term but then only use it on a case by case basis going forward. He asked the Council to implement the 2011 Water Safety Plan for Glenorchy as it contained many initiatives to improve the Glenorchy water supply. He noted that there had been a recent increase in coliforms in the water and this needed further analysis. Sustainable Glenorchy wanted to be part of the solution to providing a safe water supply in the town.

6. Basil Walker

Mr Walker suggested that buses leaving from the airport put CBD on their destination board as well as Fernhill, as most people boarding at the airport did not know that a bus to Fernhill went via the CBD. He also considered that there had been a low uptake of bus travel by the local community. The Mayor disagreed, stating that statistics to date showed that use of the bus service was a long way ahead of projections.

7. Erna Spijkerbosch

Mrs Spijkerbosch acknowledged that she had a conflict of interest in terms of camping but the levels of free camping in local reserves meant that the environment was suffering and the ratepayer was paying cost of the degradation and enforcement. Facilities such as 12 Mile Delta and Moke Lake weren't free and this should not be a surprise to many visitors as it was not possible to go to the toilet free in Europe. She suggested that the Council provide signage showing the locations of DOC camping grounds before put any gates were put up at the free camping areas the Council proposed to close.

Confirmation of agenda

The Mayor proposed that in light of the high public interest in the item, that item 7 ('Freedom Camping Amendments') be moved up the agenda to item 1, with all subsequent items moving down one.

On the motion of the Mayor and Councillor MacDonald the Council resolved that the agenda be confirmed with item 7 moving to item 1.

Confirmation of minutes

14 December 2017

On the motion of Councillors McRobie and Stevens the Council resolved that the public part of the ordinary meeting of the Queenstown Lakes District Council held on 14 December 2017 be confirmed as a true and correct record.

Matters Arising

Councillor McRobie advised that the Council had been incorrectly informed at the last meeting that signage limiting public access at the Frankton Zoological Gardens had been removed and it had not.

Staff continued to work with NZTA on the original proposal for a connection to the Twin Rivers Trail from the new Kawarau Falls Bridge.

7. Freedom Camping Arrangements

A report from Thunes Cloete (General Manager, Community Services) assessed possible Council actions to restrict access to overnight freedom campers at Lake Hayes reserves and the Lower Shotover. The report recommended that lockable gates be installed to restrict vehicle access overnight between 10pm and 5.30am, thereby preventing freedom camping. The report also recommended that staff urgently review the Council's Freedom Camping Bylaw and the Arrowtown-Lake Hayes Reserve Management Plan.

The report was presented by Dr Cloete and Mr Webster.

Councillor MacDonald supported the recommendation to close the area at Shotover Delta for overnight camping as the style of vehicles camping there was not encouraging responsible behaviour. The Mayor added that he had opposed extending this area for camping because he did not want to increase traffic using an already very difficult intersection exiting Quail Rise. Councillor Forbes stated that adverse traffic effects were the only reason that she supported closing the Shotover Delta area, but she was concerned it also disadvantaged local campers and responsible campers. Councillor Stevens added that a further concern was the fear that closure of popular freedom camping sites would simply send freedom campers to other areas.

Dr Cloete confirmed it was intended to begin reviewing the bylaw and Reserve Management Plan immediately, with the objective of completing both within the next six months, thereby ensuring that they would be in place by the end of the year. Work also continued with central government on other factors that needed review, a key one being the standard of campers

being described as self-contained. These were just initial steps with the step long term objective being a district-wide camping strategy.

It was noted that that the problem was not of the same scale in the Upper Clutha although clamping would shortly be introduced to address parking non-compliance on the foreshore. However, it was not considered that problems existed requiring other Council interventions at this time.

It was noted that other wider but related factors were managing the doubling or tripling of tourist numbers and the need for thousands more public toilets throughout all areas of New Zealand.

On the motion of Councillors MacDonald and McRobie it was resolved that the Council:

- 1. Note the contents of this report;**
- 2. Authorise staff to install lockable gates to restrict vehicle access to the northern end of Lake Hayes Reserve, to monitor and restrict all other areas of Lake Hayes under Council control as required, along with the Shotover Delta area, between the hours of 10pm and 5.30am;**
- 3. Direct staff urgently to progress the review of Council's Freedom Camping Bylaw and the Arrowtown Lake Hayes Reserve Management Plan and preparation of the District's Camping Strategy; and**
- 4. Agree to notify the intent to review parts of the Arrowtown-Lake Hayes Reserve Management Plan as relating to freedom camping policies.**

The meeting returned to the original order of the agenda.

1. Proposed new lease to Skyline Investments Ltd

A report from Aaron Burt (Senior Planner, Parks and Reserves) assessed applications from Skyline Enterprises Limited (SEL) for the following:

- A new 8,532m² (Proposed Lease Area) lease for Skyline Enterprises Limited (SEL) to occupy, construct and operate a multi-level commercial car parking building and associated work (Development), upon land classified as Recreation Reserve (land legally described as Part Section 110 Block XX Shotover SD); and
- A services and right of way easements over land legally described as Pt Section 110 Blk XX Shotover Survey District, Lots 2, 3, and 4 DP 345184, Pt Section 131 Blk XX Shotover Survey District, and Pt Section 129 Blk XX Shotover Survey District, to serve the multi-level commercial car parking building.

The report recommended that the Council grant the lease and easements subject to various terms and conditions.

The report was presented by Mr Quin and Mr Burt.

The Chief Executive spoke to the report. He noted that there was a confused history of how carparking had come about on this land and there had been discussion with SEL about the proposed carparking building. As part of its increased operation, SEL needed more carparking space, but the key issue was permitting private use of public land. In this regard the Skyline gondola was an established recreational use and a carparking building would serve as a support to that use.

Councillor Forbes expressed concern that SEL would have exclusive use of the building and extensive discussion following about whether the carpark would be available for all users of the various facilities on the reserve or whether it would be for SEL customers only. The Chief Executive stated that the intent was for it to be available to all users of the Skyline gondola access, meaning that it would extend to all customers of the facilities on the reserve.

Following discussion, it was agreed that the lease should include a condition requiring the carpark to be available for all recreational users of the Ben Lomond Recreational Reserve.

A question was raised about the proposed revenue from the lease in the interim until the carpark could be rolled into the principal lease. The Chief Executive advised that it would take some time to build the carpark and the figure proposed was deemed to be a reasonable interim solution until the carpark could be rolled into the overall lease. The charge for using the carpark would be negotiable.

On the motion of Councillors McRobie and Hill it was resolved that the Council:

- 1. Note the contents of this report;**
- 2. Approve a new agreement to lease over approximately 8,532m² of land (Proposed Lease Area) comprised in the Recreation Reserve legally described as Pt Section 110 Blk XX Shotover SD and held in Certificate of Title OT109/294. The purpose of the lease shall be to develop, establish and operate a parking area and a commercial multi-level parking building, subject (but not limited to), the following terms and conditions:**

Conditions

The agreement to lease shall be conditional upon:

- (a) SEL obtaining a resource consent for the Development prior to 1 September 2019;**

- (b) Council approving the plans for the Development (not to be unreasonably withheld provided consistent with the resource consent obtained).
- (b) SEL commencing construction of the Development by 1 December 2020;
- (c) SEL completing the Development by 1 December 2023;
- (d) SEL surrendering the Existing Carpark Lease on or prior to the Commencement Date of the new lease.

Commencement	The date that SEL begins trading from the Proposed Lease Area.
Early Access	Council shall grant SEL early access to the Proposed Lease Area from the date SEL begins active construction of the Development. SEL shall not pay rent during this time but shall hold public liability insurance and contractors all risk insurance of \$2 million each.
Term	An initial term to align with the then current term under the Existing SEL Gondola Lease which expires on 31 March 2020 (Renewal Date).
Renewal	Further terms of 5 years, renewable on the same dates as under the Existing SEL Gondola Lease with the same final expiry date as under the Existing SEL Gondola Lease.
Rent	From Commencement Date a fee of \$72,000.00 plus GST and outgoings. The rent shall be reviewed on the Renewal Date in conjunction with the rent payable under the Existing SEL Gondola Lease to the intent that one rent shall be determined for both the Existing SEL Gondola Lease and the New Carpark Lease on the Renewal Date.
Reviews	On renewal
Insurance	Requirement to have public liability insurance of \$2 million
Assignment and sub-lease:	

Written approval of Council in its sole discretion is required to any assignment, subletting, management agreement, or any other parting of possession of the premises

Permitted Use: Carparking which must cater exclusively for staff and visitors to the business conducted under the Existing SEL Gondola Lease (Permitted Users). The number of permitted carparks shall be a minimum of 350, together with any additional carparks necessary for SEL's activities on the Reserve as determined by the Environment Court hearing SEL's resource consent application for the carparking building.

Offices to be used exclusively by SEL to administer the carparking building and the business conducted under the Existing SEL Gondola Lease. SEL shall not be permitted to use office space for the administration of the wider SEL business or sublet office space to any third party. SEL shall:

- implement controls (to be approved by Council) to ensure that use of the carpark is restricted to the Permitted Users;
- record and retain data on the users of the carpark in a form approved by Council and provide to Council on request such data to confirm that entry to the carpark has been restricted to the Permitted Users; and
- at the request of Council vary the existing controls and/or implement additional controls to ensure that the use of the

carpark is restricted to the Permitted Users.

Reporting on Use SEL to provide annual data to Council on the occupancy rates and usage of the Development.

Electric Vehicle Charging

SEL to consult with Council on provision of electric vehicle charging stations within the Development.

Fees charged SEL to consult with Council regarding fees charged for carparking.

Maintenance SEL to maintain the Proposed Leased Area and all improvements thereon at its sole cost.

Reinstatement At Council's election, improvements to vest in Council with no compensation payable, or SEL to remove improvements and make good resulting damage.

Reserves Act Lease to be consistent with the Reserves Act 1977.

3. Agree to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of a lease to SEL over part of Pt Section 110 Blk XX Shotover SD.
4. Delegate signing authority to the General Manager, Community Services.

EASEMENTS

5. Note the contents of this report;
6. Approve services and right of way easements over land legally described as:
 - Pt Section 110 Blk XX Shotover Survey District; and
 - Lots 2, 3, and 4 DP 345184; and
 - Pt Section 131 Blk XX Shotover Survey District; and

- **Pt Section 129 Blk XX Shotover Survey District;**
in favour of SEL, subject to section 48(1)(d) of the Reserves Act 1977, and the following conditions:
 - a. **Commencement: To be determined.**
 - b. **Fees: As per QLDC's Easement Policy 2008. This shall also include any outstanding application fees.**
 - c. **A bond of \$5,000.00 be payable to QLDC prior to any onsite works commencing in the easement areas;**
 - d. **Any work site in the easement areas to be evidenced by before and after photographs, video or similar to be provided to QLDC by SEL;**
 - e. **A comprehensive safety plan must be prepared and implemented, at SEL's cost, to ensure a safe environment is maintained around the subject easement sites for any physical works associated with the easement areas;**
 - f. **Certificate of adequate public liability cover to be received;**
 - g. **Reinstatement and landscaping of any disturbed areas to be completed within two months following any associated excavation/construction and to the satisfaction and timeframes communicated by the QLDC's Community Services Department. Reinstatement to include any landscaping, fencing or other structures.**
- 7. **Delegate authority to approve final terms and conditions of the easements, including confirmed location, and execution authority to the General Manager Community Services; provided all relevant requirements of the Easement Policy 2008 are addressed; and**
- 8. **Agree to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of easements to SEL over Pt Section 110 Blk XX Shotover Survey District, Lots 2, 3, and 4 DP 345184, Pt Section 131 Blk XX Shotover Survey District, and Pt Section 129 Blk XX Shotover Survey District.**

2. **Terms of Reference for Glenorchy Airstrip Consultative Governance Committee**

A report from Jeannie Galavazi (Senior Parks Planner) presented the Terms of Reference for the Glenorchy Airstrip Consultative Governance Committee, the establishment of which was required by the Glenorchy Airstrip Reserve Management Plan 2016, for the Council to adopt.

The report was presented by Mrs Galavazi and Dr Cloete.

It was noted that Councillor Ferguson, as the Queenstown-Wakatipu Ward Councillor allocated to the Glenorchy Community Association, accepted that he would be a member of the committee but he also wished to have the support of a senior staff member at meetings. Mrs Galavazi noted the Terms of Reference required the Council to provide a secretariat to administer the committee meetings and this person could be a senior Council officer.

On the motion of Councillors Hill and MacLeod it was resolved that Council:

- 1. Note the contents of this report;**
- 2. Confirm the Terms of Reference for the Glenorchy Airstrip Consultative Governance Committee;**
- 3. Confirm the addition of a representative from the immediately neighbouring properties being Blanket Bay Luxury Lodge and Wyuna Preserve to the Committee;**
- 4. Confirm the Committee name: 'The Glenorchy Airstrip Consultative Governance Committee';**
- 5. Confirm the Chief Executive's delegation to approve the individual membership to the Committee, noting that this will include the provision of a senior Council officer at every meeting;**
- 6. Note the provision of a secretariat from Queenstown Lakes District Council to administer the Committee meetings;**
- 7. Note the Terms of Reference review period of 12 months.**

3. **Overseas Investment Amendment Bill**

A report from Michelle Morss (Corporate Manager) presented the Council's submission to the Finance and Expenditure Parliamentary Select Committee

on the Overseas Investment Amendment Bill for retrospective Council endorsement.

The report was presented by Ms Morss.

The Mayor observed that the report had generated a lot of positive comment since its release and he thanked Ms Morss for an outstanding job in a short timeframe. He noted that one of the submission's key points was that high value properties in this district were often purchased by overseas buyers and this provided major benefits for the district.

Councillor Forbes questioned these claims, stating that it was based on anecdotal evidence only and the Council did not have the evidence to support these assertions. The Mayor disagreed, as he considered the Council had received hard evidence, in particular in submissions from construction and engineering companies which had confirmed the enormous sums spent on these luxury houses. Accordingly, he had been satisfied with the levels of evidence. The Chief Executive added that it was important for members to recognise what the submission was seeking and its key request was for the government to take more time to review the proposal, questioning that in seeking its policy goals it ran the risk of achieving some unintended outcomes.

Councillor Smith advised that he shared the government's concerns about the adverse impacts of foreign ownership.

On the motion of Councillors Stevens and Miller it was resolved that Council:

- 1. Note the contents of this report;**
- 2. Endorse the submission to the Finance and Expenditure Select Committee in relation to the Overseas Investment Amendment Bill; and**
- 3. Approve representation by the Mayor and the Chief Executive at the Finance and Expenditure Select Committee in support of the submission.**

Councillor Smith abstained from voting.

4. Adoption of Class 4 TAB and Gambling Relocation Policy

A report from Nathan Bates (Liquor Licencing Inspector) presented the Class 4 and TAB Gambling Venue Relocation Policy for Council's adoption following completion of a public consultation process.

The report was presented by Mr Bates and Mr Webster. Thanks were extended to staff for expediting action on this point in response to the application in late 2017 to relocate 18 gaming machines.

On the motion of Councillors Stevens and Smith it was resolved that the Council:

- 1. Note the contents of this report and the submissions heard at the public hearing;**
- 2. Accept the recommendation from the hearing panel to adopt the relocation policy; and**
- 3. Adopt the proposed relocation policy into the Class 4 and TAB Gambling Venue Policy.**

5. Corporate Submission on Stage 2 Queenstown Lakes Proposed District Plan and withdrawal of land from Stage 2 proposals

A report from Ian Bayliss (Planning Policy Manager) sought Council approval to lodge a submission on Stage 2 of the Proposed District Plan and also to withdraw the Community Purposes Sub Zone (Camping Grounds) from land located to the north of the Lake Hāwea Holiday Park that had been incorrectly rezoned on the Stage 2 Proposed District Plan planning maps.

The report was presented by Mr Avery and Mr Bayliss.

Mr Bayliss advised that the submission sought to correct an error in the mapping and other non-substantive errors that had been identified since notification.

On the motion of Councillors MacDonald and Hill it was resolved that the Council:

- 1. Note the contents of this report;**
- 2. Approve Council's Corporate Submission on the Proposed Queenstown Lakes District Plan;**
- 3. Authorises, pursuant to Clause 8D of the First Schedule to the RMA, the withdrawal of the following provisions of the Proposed District Plan:**
 - a. The proposed Community Purpose Sub Zone (Camping Grounds) from the land legally described as Lot 1 DP 418972 and Part of Section 1 SO 24546, located to the north of the Lake Hāwea Holiday Park;**
- 4. Note that as a result of the withdrawal described in (c)(i) the proposed zone for the land will revert to Rural Zone, being the zone that applied to the land at Stage 1 of the District Plan review. All remaining Stage 1 and Stage 2 district wide provisions (i.e. Subdivision and Development, Earthworks, Signs and Transport) will continue to apply to this land; and**

5. Directs that the withdrawal described in (3)(a) be publicly notified.

6. Ratification of Commissioners' recommendation on submissions on Private Plan Change 52: Cardrona Station Special Zone

A report from Blair Devlin (Manager, Planning Practice) presented the Commissioners' recommendations on submissions on Private Plan Change 52 – Mount Cardrona Station Special Zone for Council's adoption as a Council decision and to notify the Council decision.

The report was presented by Mr Avery and Mr Devlin.

On the motion of Councillors Stevens and Hill it was resolved that the Council:

- 1. Note the contents of this report; and**
- 2. Adopt the Commissioners' recommendation as a Council decision and direct staff to notify the decision in accordance with the First Schedule of the Resource Management Act 1991.**

Councillor McRobie did not vote on the resolution.

Resolution to Exclude the Public

On the motion of the Mayor and Councillor MacDonald the Council resolved that the public be excluded from the following parts of the proceedings of the meeting:

The general subject of the matters to be discussed while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(a) of the Local Government Information and Meetings Act 1987 for the passing of this resolution is as follows:

Confirmation of minutes of ordinary meeting held on 14 December 2017

15. Economic Development Fund 2017/18
16. New Management and Maintenance Services for Open Spaces Contract
17. Well Smart Limited (Thompson Street) Land Transfer Agreement

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.

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General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
15. Economic Development Fund 2017/18	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: b)ii) protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Section 7(2)(b)(ii)
16. New management and maintenance services for Open Spaces Contract	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(i)
17. Well Smart Limited (Thompson Street) Land Transfer Agreement	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 7(2)(i)

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Agenda items

8. Request for Council Guarantee of the Shared Home Equity Product Model

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
8. Request for Council Guarantee of the Shared Home Equity Product Model	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <p>b)ii) protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;</p> <p>i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);</p>	<p>Section 7(2)(b)(ii)</p> <p>Section 7(2)(i)</p>

This resolution is made in reliance on Section 48 [1] [a] of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.

The meeting went into public excluded at 2.22pm.

The meeting came out of public excluded and concluded at 2.36pm.

CONFIRMED AS A TRUE AND CORRECT RECORD

M A Y O R

D A T E

Minutes of an ordinary meeting of the Queenstown Lakes District Council held in the Council Chambers, 10 Gorge Road, Queenstown on Friday 9 March 2018 commencing at 9.30am

Present:

Mayor Boulton; Councillors Clark, Forbes, Hill, MacDonald, MacLeod, Smith and Stevens

In attendance:

Mr Mike Theelen (Chief Executive), Mr Stewart Burns (General Manager, Regulatory and Finance), Ms Meaghan Miller (General Manager, Corporate services) and Ms Jane Robertson (Senior Governance Advisor); two members of the media

Apologies

Apologies were received from Councillor Ferguson and Councillor McRobie. Councillor Miller was on approved leave of absence.

On the motion of the Mayor and Councillor MacLeod the Council resolved that the apologies be accepted.

Requests for Leave of Absence

The following requests for leave of absence were made:

- Councillor Hill - 3-6 April 2018
- Councillor Forbes - 19 April - 4 May 2018

On the motion of the Mayor and Councillor Stevens the Council resolved that the requests for Leave of Absence be approved

Declarations of Conflicts of Interest

No declarations were made.

Matters Lying on the Table

There were no matters lying on the table.

Public Forum

There were no speakers in the public forum.

Confirmation of agenda

On the motion of the Mayor and Councillor MacDonald the Council resolved that the agenda be confirmed without addition or alteration.

1. 2018-2028 10 Year Plan Consultation Document

A covering report from Meaghan Miller (General Manager Corporate Services) presented for Council to adopt for public consultation: volumes one and two of the 2018-28 10 Year Plan supporting documents; the 2018-2028 10 Year Plan Consultation Document; and proposed amendments to the Policy on Development Contributions.

The Mayor presented comments contributed by Councillor McRobie who could not attend the rescheduled time of the meeting. Councillor McRobie noted that he had chaired the Ten Year Plan process for the past nine months and he paid tribute to the extraordinary amount of staff work that had gone into preparing it. He observed however, that he had been disappointed as Chair of the Audit, Finance and Risk Committee that the auditors appeared not to understand the depth, complexities and pressures to get to this point in the plan's preparation. He was also concerned about their doubt that the plan was deliverable, but despite possible changes and disappointments he had assured them of the Council determination to ensure the plan was fully delivered.

The Mayor expressed thanks to the Executive Team for their contribution into this exercise. He noted that this plan sought to deliver about three times more than had ever been attempted before, but he was determined that this Council would change the previous record of non-delivery. He added that the Council was constrained by the funds it had available, but he was encouraged by indications that support would be available from central government.

The report was presented by Mr Burns and Ms Miller.

Councillor Forbes also thanked staff for their efforts, but expressed concern that the information in the plan about the Council's investment in trails was misleading. She believed that the investment was much higher than stated but was hidden as capital investment in other areas. She also failed to understand the meaning of one of the graphs in the plan. Mr Burns advised that it was still possible at this stage to make minor editorial changes and he would liaise directly with Councillor Forbes following the meeting to discuss how her concerns could be addressed.

Councillor Clark suggested that the wider CBD zone identified to fund the Queenstown Town Centre Masterplan should extend into the higher residential areas of Queenstown Hill. Mr Burns stated that what was proposed was a rating treatment that may not yet be required. Furthermore, the need for this funding would not be felt for another three or four years. Accordingly, he did not believe that any change was necessary at this time.

Councillors MacLeod and Smith spoke about the position of the Upper Clutha community in this plan and its potential reaction against the plan. Councillor Smith thanked the Council for including the Wanaka Active Travel Plan but questioned the business case approach to it; he also asked for shared mode spaces to be moved from active travel to sit under the Wanaka Master Plan

and Wanaka Lakefront Redevelopment. He sought clarity on the separate line items referring to Lake Wanaka Centre renewals and expressed concern that the funding allocated to the Wanaka Lakefront development was not adequate. He asked the Council to consider planning some future major roading infrastructure developments in Wanaka, even if the funding to develop them was not available within this ten year window.

A request was made to edit the comment about the Glenorchy new wastewater scheme to specify that it was initial scoping and planning, including monitoring of septic tanks.

Ms Miller thanked the Council for acknowledging the contribution of the finance and corporate teams into the plan's preparation, but she also highlighted the important role played by both the community services and infrastructure teams who had provided information critical to creating the foundation of the plan.

On the motion of the Mayor and Councillor Clark it was resolved that Council:

- 1. Note the contents of this report;**
- 2. Adopt the 10 Year Plan (Long Term Plan) supporting documents (Volumes 1 and 2);**
- 3. Adopt the Draft 10 Year Plan (Long Term Plan) Consultation Document for consultation; and**
- 4. Approve the Council entering into consultation on the proposed amendments to the Policy on Development Contributions in accordance with section 102 (4) (b) of the Local Government Act 2002.**

The Mayor considered that this was a momentous occasion and he thanked Councillors for their input and bravery in adopting this draft plan. He looked forward to receiving the public feedback on the plan.

The meeting concluded at 9.54am.

CONFIRMED AS A TRUE AND CORRECT RECORD

M A Y O R

D A T E

**QLDC Council
23 March 2018**

Report for Agenda Item 1

Department: Finance, Legal and Regulatory

Queenstown Airport Corporation: Six Month Report

Purpose

- 1 The purpose of this report is to present the financial and management report for Queenstown Airport Corporation (QAC) for the half year to 31 December 2017.

Recommendation

- 2 That Council:
 1. **Note** the contents of this report and receive the half yearly report of the Queenstown Airport Corporation.

Prepared by:



Stewart Burns
GM, Regulatory & Finance
8 March 2018

Reviewed and Authorised by:



Mike Theelen
Chief Executive
8 March 2018

Background and Comment

- 3 The QAC is a Council Controlled Trading Organisations (CCTO) as per Section 6 of the Local Government Act 2002 (the Act). Section 64 of the Act requires all CCTOs to have a Statement of Intent.
- 4 The Statement of Intent for 2017/18 requires QAC to provide an unaudited half yearly report to the shareholder (Council) within two months of the end of the first half of each financial year.
- 5 The attached Interim Report includes a full set of financial statements for the six month period ended 31 December 2017.

Options

- 6 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
- 7 Option 1 Consider the report.

Advantages:

- 8 The Council receives regular and up-to-date information about the performance of the QAC in accordance with the Local Government Act 2002.

Disadvantages:

- 9 None

- 10 Option 2 Don't consider the report.

Advantages:

- 11 None

Disadvantages:

- 12 The Council will not receive an update on the performance of the QAC and will be acting contrary to the Local Government Act 2002.

- 13 This report recommends **Option 1** for addressing the matter.

Significance and Engagement

- 14 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because the information is being provided for the Council's information.

Risk

- 15 This matter does not have significant risk.

Financial Implications

- 16 There are no financial implications of the decision sought by this report.

Council Policies, Strategies and Bylaws

- 17 The following Council policies, strategies and bylaws were considered:

- Queenstown Airport – Future Management, Operation and Development Policy

Local Government Act 2002 Purpose Provisions

- 18 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and

- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

19 The report provides a basis for communication between the company and the shareholder, and as such no wider consultation is required.

Legal Considerations and Statutory Responsibilities

20 The Council is required by the Local Government Act 2002 to consider a six monthly performance report of a CCTO.

Attachments

A QAC Interim Report for the 6 months ending 31 December 2017



Queenstown Airport
Corporation Limited

Interim Report for the
Six Month Period Ended
31 December 2017

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Directory

BOARD OF DIRECTORS

Prudence M Flacks (Chair appointed 27 November 2017)
John W Gilks (Chair resigned 27 November 2017)
James W P Hadley (resigned 27 November 2017)
Grant R Lilly
Michael P Stiasny
Norman J Thompson
Mark R Thomson
Adrienne F Young-Cooper (appointed 27 November 2017)

CHIEF EXECUTIVE OFFICER

R Colin Keel

BANKERS

BNZ
Queenstown Store
11 Rees Street
Queenstown

Westpac
Terrace Junction
1092 Frankton Road
Queenstown

Interim Report

Your Directors have pleasure in submitting the Interim Report together with the financial accounts of the Company for the six month period ended 31 December 2017.

1. Financial Statements

The unaudited financial statements of the Company for the six month period ended 31 December 2017 follow this report.

2. Principal Activities of the Company

The principal activity of the Company during the six month period was airport operator.

There have been no material changes in the business that the Company is engaged in, during the six month period, which is material to an understanding of the Company's business.

Details of the period under review and future prospects are included in the Chair and Chief Executive's Report.

3. Board of Directors

The Directors of the Company during the period under review were:

Prudence M Flacks (Chair appointed 27 November 2017)
 John W Gilks (Chair resigned 27 November 2017)
 James W P Hadley (resigned 27 November 2017)
 Grant R Lilly
 Michael P Stiasny
 Norman J Thompson
 Mark Thomson
 Adrienne F Young-Cooper (appointed 27 November 2017)

4. Results for the Six Month Period Ended 31 December 2017

Profit for the six month period was \$8,810,460 compared with profit of \$6,161,357 for the same six month period in the previous year.

The directors resolved on 22 August 2017 a final dividend for the year ended 30 June 2017 of \$6,169,007 (2016: \$5,264,124). This was paid to shareholders on 23 August 2017 as follows:

Queenstown Lakes District Council	\$4,627,372
Auckland Airport Holdings (No 2) Limited	\$1,541,635

The directors resolved on 15 February 2018 to pay an Interim Dividend of \$1,000,000 to shareholders on 16 February 2018, to be distributed to the shareholders as follows:

Queenstown Lakes District Council	\$750,100
Auckland Airport Holdings (No 2) Limited	\$249,900

Appropriation Account for the six month period ended 31 December 2017

	\$ 000's
Profit for the six month period ended 31 December 2017	8,810
Retained earnings brought forward	25,902
Dividends paid	(6,169)
	<hr/>
Retained earnings as at 31 December 2017	28,543
	<hr/> <hr/>

5. Directors Interests

The directors of the Company entered into the following transactions during the period:

Hadley Consultants Limited were contracted to provide consultant-engineering services at the airport. James Hadley is a director of Hadley Consultants Limited.

The Civil Aviation Authority of New Zealand (CAA) and Aviation Security Service have regulatory oversight of Queenstown Airport Corporation Limited as a certified airport operator. Grant Lilly is a director of CAA and Aviation Security Service.

The Company has committed to sponsor the 2018 ISPS Handa NZ Golf Open 2018. Norm Thompson is a committee member of the 2018 ISPS Handa NZ Golf Open 2018.

Auckland International Airport Limited has provided Rescue Fire Training to the QAC operational staff, and other services based on the Strategic Alliance Agreement for which no consideration was paid. Mark Thomson is an executive of Auckland International Airport Limited.

The Company has two facilities with Bank of New Zealand (BNZ), which are secured by a general security agreement over the Company's assets. To mitigate foreign exchange risk, the Company has entered into foreign exchange forward contracts with BNZ. Prudence Flacks is a director of BNZ.

All of the transactions were provided on normal commercial terms except where noted above, and appropriate relationships are in place to manage these relationships.

6. Share Dealings

No director acquired or disposed of any interest in shares in the Company during the period.

7. Directors Remuneration

The following are particulars of directors' remuneration authorised and received during the six month period.

	6 months to 31 Dec 2017	6 months to 31 Dec 2016
	\$	\$
PM Flacks (appointed 27 November 2017)	5,752	-
JW Gilks (resigned 27 November 2017)	23,630	26,000
JWP Hadley (resigned 27 November 2017)	18,333	17,750
GR Lilly	21,167	16,750
MP Stiasny	21,000	16,750
NJ Thompson	22,000	14,750
MR Thomson	19,000	-
AF Young-Cooper	3,960	-
	134,842	92,000

8. Donations

The Company made donations totalling \$1,000 during the period (December 2016: \$1,135).

9. Use of Company Information


During the period the Board received no notices from directors of the Company requesting to use Company information received in their capacity as directors which would not otherwise have been available to them.

10. Auditor

The Interim Report and Financial Statements for the six month period ended 31 December 2017 have not been audited.

On Behalf of the Board


Chair


Director

Chair and Chief Executive's Report

New Zealand and the Southern Lakes region continue to experience unprecedented tourism growth, primarily driven by increased domestic and international air capacity, competitive pricing and a global reputation as a safe, beautiful and friendly destination.

As a key driver of the region's economy, we are pleased to report that Queenstown Airport Corporation (the Company) also has maintained a strong growth trajectory. The six months ending 31 December 2017 was another significant period for the Company with a number of strategic, operational and financial milestones achieved during that time. The Company's strong financial performance and sustained passenger growth continued to deliver value and benefits for shareholders and the communities it serves.

We are mindful that we play a key role in supporting sustainable long-term growth to our region and ensuring it continues to be an attractive place to live, work and play. As part of providing a world-class airport experience, we consider matters related to long-term social, economic and environmental sustainability to ensure the Company continues to serve the needs of its customers and the community, operates profitably and mitigates environmental impacts as far as possible.

Appropriately focused investment in regional infrastructure and tourism facilities continues to be a critical factor in keeping pace with growth and retaining a quality visitor and resident experience. As such, we are committed to working with the communities we serve and key stakeholders to help address these important issues.

Safety Performance

Safety continues to be the top priority. Our target is to achieve Zero Harm to our people and customers and ensure a safe operating environment. We are pleased to report that the Company has not had an employee or contractor Lost Time Injury for over three years. Despite this excellent record, the identification, review, mitigation and management of our critical risks continues to be a key focus. The past six months has seen numerous safety improvement initiatives implemented across the business. Highlights included:

Queenstown Airport

- Progress on the Company's Safety Management Systems under CAA rule Part 100 to ensure endorsement by February 2018.
- Review of QAC's Health and Commitment Policy in-line with current best practice.
- Participation in the annual Airport Safety Week with a diverse programme of activities.
- Work on RMSS, a new cloud-based Health & Safety reporting tool to help promote a strong safety culture within the organisation, started in November 2017 and is nearing completion.
- Introduction of an apron code of conduct involving collaborative auditing with our apron stakeholders.
- Opening of the airport's first dedicated operations centre. This facility now houses the Operations team, Emergency Operations Centre and Operations Control room.
- Stage 4 of the ground transport and car parking infrastructure works was completed in July 2017 and included a new dedicated coach park, road widening, a new roundabout inside the airport entrance, and landscaping and infrastructure improvements, designed to improve safety and customer flow.

Wanaka Airport

- Monthly Health, Safety and Operational meetings with commercial operators were established, bringing together all parties to discuss and address safety concerns.
- For the first time Wanaka Airport took part in Airport Safety Week, conducting a series of safety workshops and activities alongside Queenstown Airport. The event helped highlight the importance of safety and QAC's leadership role across Queenstown and Wanaka airports.
- Worked closely with the Warbirds Over Wanaka team to support further development of their health, safety and risk management frameworks.
- Conducted a full scale simulated emergency aircraft exercise involving the airport community and locally-based emergency services.

Financial Performance

The first half of the financial year has delivered another strong financial performance underpinned by continued growth in passengers, with revenue of \$23.2 million, an increase of \$3.5 million (18%) compared to the corresponding period last year. This performance was reflected in both aeronautical and commercial revenues, ahead by 13% and 28%, respectively.

Reported Net Profit After Tax was \$8.8 million, up by \$2.6 million or 43% compared to the same period last year. Underlying Net Profit After Tax for the six months was also \$8.8 million, up 39% compared to \$6.3 million for the same period last year. Consistent with the Annual Report at 30 June 2017, underlying Net Profit After Tax was arrived at by adjusting for additional costs to appeal the adverse tax ruling related to depreciation claimed on the Runway End Safety Area.

Total Operating Expenditure of \$6.1 million decreased \$0.4 million (5%), compared to the corresponding period last year, with the completion of the Master Plan options in the prior year. The Company continued to build capacity and provide services to strengthening passenger numbers. Operating Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) increased by \$3.9 million, or 30%, to \$17.0 million.

The Company's investment in major airport infrastructure and additional land in the prior year, and a \$32.1 million revaluation of assets at 30 June 2017, have resulted in minor increases in the cost of depreciation, amortisation and funding cost. New capital investment in this period included investment in winter operations equipment, a new operations centre and ongoing terminal improvements.

As at 31 December 2017, QAC's financial position remains strong, with term debt totalling \$49.1 million representing 21% of net assets. The equity ratio (total shareholders' funds to total tangible assets) was 77% and interest cover (EBITDA/interest on 12 month average) is 15.1 times.

Shareholder Returns

An interim dividend of \$1.0 million was declared and will be paid in February 2018 to shareholders in line with the Company's dividend policy.

Period Highlights

Unprecedented passenger growth continues

A sustained period of passenger growth over the past six months set new records, including reaching 2 million passenger movements over a 12-month period (as at December 2017) for the first time. The natural beauty of our alpine environment combined with the innovation and hard work of the business community in creating world-class experiences has made the region a destination of choice, supported by airlines increasing air capacity and connectivity over the years. This growth has brought both social and economic opportunities and benefits to the regional community with more jobs and more flexible, affordable travel. The airport communities in Queenstown and Wanaka alone are a strong network of over 900 people across more than 90 businesses who work together day in and day out with one goal in mind – to give a warm welcome to our customers and ensure they have a safe and memorable experience every time they visit.

In the six months ending 31 December 2017, passenger numbers reached 1,084,495 - 13% ahead of the same period last year.

- International passenger numbers were 333,439, a 11% increase on the same period last year.
- Domestic passenger numbers were 751,056, a 14% increase on the same period last year.
- The commercial general aviation operators at Queenstown Airport also performed strongly, with fixed wing and helicopter landings up 12.6% on the same period last year. Private jet landings increased by 7.9%.

Investing in the customer experience

Improving parking and traffic flow around the airport was a priority and enabled the return of the P2 drop-off zone directly outside the terminal which was welcomed by the community. From 1 July 2017, new car parking products and other enhancements included:

- Launch of a new terminal car parking product across 2 locations close to the terminal building.

- Introduction of a Park and Ride offering as an affordable long-term parking option. The Park and Ride trial commenced with 150 spaces, which then increased to 300 in December.
- Installation of new external wayfinding signage, including new directional signs, coloured walkways, glass and new pavement icons to better guide visitors.
- Expansion of the retail offering to include seasonal “pop-up” offerings. Winter saw Taco Medic in the forecourt and Mons Royale in the terminal, followed by Hikari Sushi, Life’s A Grind coffee cart, Chunky, and the Plant B food cube concept.

Supporting technology and process innovation

Our technology strategy is delivering enhancements to the customer experience, operational efficiency and business resilience. Highlights included:

- Introduction of transport solutions such as time-saving Tap & Go technology in the terminal car parks and RFID cards for all commercial operators to make it easier to access the airport.
- Installation of car parking sensor technology across the terminal car parks to provide customers real-time information on the availability of public car spaces.
- Upgrades to Flight Information Display screens including a new state-of-the-art digital screen in the main concourse to better inform our passengers.
- Launch of a Chinese language version of the Queenstown Airport website to better communicate essential information with Chinese speaking visitors.

Planning for the future

Developing a 30-year Master Plan

Following an 18-month planning and consultation process with key stakeholders, the Company released the airport’s proposed 30-Year Master Plan options in August.

As part of a comprehensive engagement programme, the senior leadership team travelled across the region to share the proposed options and seek feedback at community group meetings, industry briefings and drop-in sessions. Print, radio and online channels were used to promote the sessions and connect people with the supporting documentation, which included a summary document, dedicated microsite and an online survey. The direct feedback, combined with over 350 online survey responses and individual submissions, have provided valuable insights which will be considered in the next stages of the process.

The Company continues to evaluate the Master Plan options and work on unlocking constraints which include land and noise boundaries as well as destination infrastructure issues.

Land acquisition

The Lot 6 land acquisition process continues to progress with a final decision on the Notice of Requirement issued by the Environment Court in March 2017. This decision has been appealed by the other party, with a hearing in the High Court held in December 2017 and a decision expected in the first half of 2018. The other party has also sought a full rehearing of the final decision on the Notice of Requirement, with an initial hearing in the Environment Court scheduled in April 2018.

Noise planning

In early 2018, the Company will commence public consultation around the airport’s noise boundaries consistent with the Master Plan options. We are very aware of the potential impact of aircraft noise on neighbouring residents and as part of our noise management plan, which was implemented in 2014, we have developed a programme to monitor and mitigate this impact. We also continued to work closely with affected residents and communities to address issues as they arise.

Wanaka Airport

In April 2017 the Queenstown Lakes District Council agreed to grant to the Company a long-term lease of Wanaka Airport. The parties have been working together to agree the key terms of the lease and it is anticipated that the lease will be finalised in early 2018. The Company will engage with the community to help inform the future development of Wanaka Airport, prior to commencing a master planning process.

Supporting the communities we serve

We are committed to promoting and supporting our region and continue to be involved in initiatives such as the regional Transport Governance Group and Shaping Our Future, as well as supporting various community events and not-for-profit organisations. In this six month period, we have provided support for filming, promotions and events such as the Winter Festival, Winter Games and the Queenstown Marathon.

The rapid growth of our region is increasingly impacting the communities we serve. We are mindful that we must maintain our social license to operate throughout this period of increased activity and beyond, whilst achieving the outcomes required of a world-class tourism airport group. With that in mind, we will launch our Sustainability Programme in early 2018. The programme will reflect the Company's core values and commitment to social, economic and environmental sustainability. QAC's new role at Wanaka Airport also provides opportunities to build strong relationships and a positive reputation across the region in this context.

Recognising and building on a great team effort

The Company is a direct reflection of the quality, diversity and culture of its people. Our collective success relies on close collaboration and a one-team approach in delivering an outstanding customer experience and a strong financial result.


In November 2017, two of our longstanding directors John Gilks and James Hadley retired from the airport board and we would like to acknowledge their huge contribution and valuable leadership over a period of rapid growth and challenges. We welcomed new directors, Queenstown-based legal and commercial specialist Prudence Flacks, who replaced John as Chair, and planning specialist Adrienne Young-Cooper, both appointed for an initial three-year term. In addition, Olivia Pierre joined the senior leadership team as General Manager, Commercial and Customer Experience, placing greater focus on commercial relationships and the customer experience.

Going forward

More technology, products and infrastructure improvements are on the way over the next six months as part of the airport's investment programme. These include online parking and frequent parker products, internal wayfinding to reflect the new external wayfinding design and new retail and food and beverage offerings. This continued investment is focused on providing a better customer experience, with the ultimate goal of making it easier for visitors to travel to and from the region.

Providing for future growth in the near term by making the best use of our existing airport footprint also will be a key focus area over the coming 6 months and beyond. This work will help shape the requirements for Queenstown Airport in the period prior to implementation of the preferred Master Plan option.

Our current forecasts continue to predict solid passenger growth and we are confident about the sustainability of our domestic and international markets, particularly the winter after-dark services. The work we are doing today will provide a critical roadmap for our future, as we continue to develop the airport to serve our customers, local communities, region and nation for decades to come.



Prudence Flacks
Chair
15 February 2018



Colin Keel
Chief Executive Officer

Directors' Responsibility Statement

The Directors of Queenstown Airport Corporation Limited are pleased to present the Interim Report and Financial Statements for Queenstown Airport Corporation Limited for the six month period ended 31 December 2017.

The Directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice which give a true and fair view of the financial position of the Company as at 31 December 2017 and the results of operations and cash flows for the period ended on that date.

The Directors consider the Financial Statements of the Company have been prepared using accounting policies that have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed, or otherwise disclosed.

The Directors believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the Financial Statements with the Financial Reporting Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the Financial Statements.

This Interim Report is dated 15 February 2018 and is signed in accordance with a resolution of the Directors.

For and on behalf of the Board by:



Director



Director

Income Statement

For the six months ended 31 December 2017

	Notes	6 months to 31 Dec 2017 \$ 000's	6 months to 31 Dec 2016 \$ 000's
Income			
Revenue	2(a)	23,157	19,591
Other gains/(losses)		14	-
Total income		23,171	19,591
Expenditure			
Operating expenses	4	3,299	4,142
Employee benefits expense	2(b)	2,849	2,354
Total operating expenditure		6,148	6,496
Operating earnings before interest, taxation, depreciation and amortisation		17,023	13,095
Depreciation	2(c)	3,428	3,224
Amortisation		345	218
Operating earnings before interest and taxation		13,250	9,653
Finance costs	2(d)	904	860
Profit before income tax		12,346	8,793
Income tax expense	3(a)	3,536	2,632
Profit for the period		8,810	6,161

The accompanying notes form part of these financial statements.

Statement of Comprehensive Income

For the six months ended 31 December 2017

	Notes	6 months to 31 Dec 2017 \$ 000's	6 months to 31 Dec 2016 \$ 000's
Profit for the period		8,810	6,161
Other comprehensive income			
Items that may be subsequently reclassified to profit and loss			
Gain/(loss) on cash flow hedging taken to reserves	13(c)	(221)	(313)
Realised losses transferred to the income statement	13(c)	-	-
Income tax relating to gain/(loss) on cash flow hedging	13(c)	62	88
Items that may not be subsequently reclassified to profit and loss			
Gain/(loss) on revaluation of property, plant and equipment	13(b)	-	-
Income tax relating to gain/(loss) on revaluation	13(b)	-	-
Other comprehensive income for the period net of tax		(159)	(225)
Total comprehensive income for the period, net of tax		8,651	5,936

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2017

	Notes	As at 31 Dec 2017 \$ 000's	As at 30 Jun 2017 \$ 000's
Current assets			
Cash and cash equivalents	17(a)	1,132	915
Trade and other receivables	5	4,979	3,440
Prepayments		591	392
Total current assets		6,702	4,747
Non-current assets			
Property, plant and equipment	7	298,235	297,915
Intangible assets	8	3,024	2,925
Derivatives	6	42	263
Total non-current assets		301,301	301,103
Total assets		308,003	305,850
Current liabilities			
Trade and other payables	9	2,324	5,645
Income in advance		103	44
Employee entitlements	10	812	869
Current tax payable		3,410	2,132
Total current liabilities		6,649	8,690
Non-current liabilities			
Borrowings (secured)	11	49,100	47,000
Other non-current liabilities		115	115
Deferred tax liabilities	3(c)	14,692	15,080
Total non-current liabilities		63,907	62,195
Total liabilities		70,556	70,885
Net assets		237,447	234,965
Equity			
Share capital	12	37,657	37,657
Retained earnings	13(a)	28,543	25,902
Asset revaluation reserve	13(b)	172,222	172,222
Cash flow hedge reserve	13(c)	(975)	(816)
Total equity		237,447	234,965

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the six months ended 31 December 2017

Six months to 31 Dec 2017	Ordinary shares \$ 000's	Asset revaluation reserve \$ 000's	Cash flow hedge reserve \$ 000's	Retained earnings \$ 000's	Total \$ 000's
At 1 July 2017	37,657	172,222	(816)	25,902	234,965
Profit for the period	-	-	-	8,810	8,810
Other comprehensive income	-	-	(159)	-	(159)
Total comprehensive income for the period	-	-	(159)	8,810	8,651
Reclassification to retained earnings	-	-	-	-	-
Transactions with owners in their capacity as owners					
Dividends paid	-	-	-	(6,169)	(6,169)
At 31 December 2017	37,657	172,222	(975)	28,543	237,447

The accompanying notes form part of these financial statements.

Cash Flow Statement

For the six months ended 31 December 2017

	Notes 6 months to 31 Dec 2017 \$ 000's	6 months to 31 Dec 2016 \$ 000's
Cash flows from operating activities		
Receipts from customers	21,680	18,010
Interest received	10	-
Payments to suppliers and employees	(6,853)	(7,587)
Interest paid	(891)	(823)
Income tax paid (net)	(3,280)	(2,507)
Net cash inflow/(outflow) from operating activities	17(b) 10,666	7,093
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	23
Purchase of property, plant and equipment	(6,023)	(9,529)
Purchase of intangible assets	(357)	(460)
Net cash inflow/(outflow) from investing activities	(6,380)	(9,966)
Cash flows from financing activities		
Net proceeds from borrowings/(repayments)	2,100	8,190
Dividends paid to equity holders	(6,169)	(5,264)
Net cash inflow/(outflow) from financing activities	(4,069)	2,926
Net increase/(decrease) in cash and cash equivalents	217	53
Cash and cash equivalents at the beginning of the period	915	921
Cash and cash equivalents at the end of the period	17(a) 1,132	974

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the six months ended 31 December 2017

1. Summary of Significant Accounting Policies

Reporting Entity

Queenstown Airport Corporation Limited ("the Company") is a company established under the Airport Authorities Act 1966 and registered under the Companies Act 1993. The Company is a reporting entity for the purposes of the Financial Reporting Act 2013.

The Company is a profit oriented company incorporated and domiciled in New Zealand. Its principal activity is the operation of a commercial airport in Queenstown, New Zealand.

The Financial Statements for the six month period ended 31 December 2017 have not been audited.

(a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Financial Reporting Act 2013, the Companies Act 1993 and the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments, foreign currency bank accounts and certain items of property, plant and equipment (see notes 1(h) and 1(k)). Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in New Zealand dollars. New Zealand dollars are the Company's functional currency.

The financial statements are presented rounded to the nearest one thousand dollars. Due to rounding, numbers presented may not add up precisely to totals provided.

(b) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). For the purposes of complying with NZ GAAP, the Company is a for-profit entity. These financial statements comply with New Zealand International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

The Company qualifies for NZ IFRS (RDR) as it does not have public accountability and is not a large for-profit sector entity. The Company has elected to apply NZ IFRS (RDR) and has applied disclosure concessions.

(c) Revenue Recognition

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

(i) Rendering of Services

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

Passenger charges and car park and commercial transport revenue are recognised in the accounting period in which the actual service is provided to the customer.

(ii) Rental Income

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

(iii) 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.

(iv) Sale of Property, Plant and Equipment

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

(d) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(i) Company as a Lessee

Operating lease payments are recognised as an operating expense in the Income Statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(ii) Company as a Lessor

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Contingent rents, such as turnover based rents, are recognised as revenue in the period in which they are earned.

(e) Employee Benefits

Employee benefits including salary and wages, superannuation and leave entitlements are expensed as the related service is provided. A liability is recognised for benefits accruing to employees for salaries and wages and annual leave as a result of services rendered by employees up to balance date at current rates of pay.

(f) Taxation

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

(i) Current Tax

Tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before income tax' as reported in the Income Statement 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 Company's liability for current tax is calculated using tax rates that have been enacted by the statement of financial position date.

(ii) Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on temporary 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 deductible 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 deferred tax assets and liabilities are not recognised if the

temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and Deferred Tax for the Period

Current and deferred tax is recognised in profit for the period, except when it relates to items credited or debited directly to other comprehensive income, in which case the deferred tax is also recognised directly in other comprehensive income.

(iv) Goods and Services Tax

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

(g) Statement of Cash Flows

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

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

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

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

(h) Property, Plant and Equipment

Property, plant and equipment are initially recognised at cost. The cost of property, plant and equipment includes all costs directly attributable to bringing the item to working condition for its intended use.

Expenditure on an asset will be recognised as an asset if it is probable that future economic benefits will flow to the entity, and if the cost of the asset can be measured reliably. This principle applies for both initial and subsequent expenditure.

Vehicles, plant and equipment, rescue fire equipment and furniture are carried at cost less accumulated depreciation and impairment losses.

Land, land improvements, buildings, roading and car parking, and runways are 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. Land, land improvements, buildings, roading and car parking, and runways 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.

Revaluations

Revaluation increments are recognised in the property, plant and equipment revaluation reserve, except to the extent that they reverse a revaluation decrease of the same asset previously recognised in the profit for the period, in which case the increase is recognised in profit for the period.

Revaluation decreases are recognised in the profit for the period, except to the extent that they offset a previous revaluation increase for the same asset, in which case the decrease is recognised directly in the property, plant and equipment revaluation reserve via other comprehensive income.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Upon disposal or de-recognition, any revaluation reserve relating to the particular asset being disposed or derecognised is transferred to retained earnings.

Fair Value

Where the fair value of an asset is able to be determined by reference to market based evidence, such as sales of comparable assets or discounted cash flows, the fair value is determined using this information. Where fair value of the asset is not able to be reliably determined using market based evidence, optimised depreciated replacement cost is used to determine fair value. These valuation approaches have been applied as follows:

Asset	Valuation Approach
Land	Market Value
Runways, taxiways & aprons	Optimised Depreciated Replacement Cost
Terminal (including noise mitigation works) and rescue fire buildings	Optimised Depreciated Replacement Cost
Ground leases and commercial buildings	Market Value
Roading and car parking	Market Value

Depreciation

Depreciation is provided on a diminishing value (DV) basis for all assets except building (noise mitigation), runways, taxiways and aprons so as to write-off the carrying value cost of each asset to its estimated residual value over its estimated useful life. Runways, taxiways and aprons are depreciated on a straight line (SL) basis.

Expenditure incurred to maintain these assets at full operating capability is charged to the profit for the period in the period incurred.

The estimated useful lives of the major asset classes have been estimated as follows:

	Rate (%)	Method
Buildings	2.5-33.0%	DV or SL
Runways, Taxiways & Aprons	1.0-20.0%	SL
Plant & Equipment	4.8-50.0%	DV

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

Disposal

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

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit for the period in the period the asset is derecognised.

Capitalisation of costs

Labour and funding costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised to the asset as they are incurred. Borrowing costs are capitalised at the weighted average rate of the borrowing costs of the company during the period the qualifying asset is being brought to intended use. All other labour and funding costs are recognised in the Income Statement in the period in which they are incurred.

(i) Intangible Assets

Intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight line basis over the assessed estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for prospectively.

(j) Impairment of Non-Financial Assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use for cash-generating assets, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the profit for the period 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.

(k) Foreign Currencies

The financial statements are presented in New Zealand dollars, being the Company's functional currency. Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer (l) (iv) hedging accounting policy).

(l) Financial Instruments

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

(i) Financial Assets***Effective Interest Method***

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

Financial Assets at Fair Value through Profit or Loss

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

Loans and Receivables

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.

Impairment of Financial Assets

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

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

For financial assets measured at amortised cost, 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 profit or loss for the period 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 & Other Payables*

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 Income Statement over the period of the borrowing using the effective interest method.

(iii) Derivative Financial Instruments

The Company enters into certain derivative financial instruments to manage its exposure to interest rate risk and foreign currency exchange rate risks, including interest rate swaps and foreign exchange forward contracts. Further details of the derivative financial instruments are disclosed in note 6.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the nature and timing of the recognition in profit or loss depends on the nature of the hedging relationship.

(iv) Hedge Accounting

The Company 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, the Company documents whether the hedging instrument attributable to the hedged risk is highly effective in offsetting changes in fair values or cash flows hedged item.

Note 6 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 income 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 the Income Statement.

Amounts previously recognised in the hedging reserve are reclassified from equity to the Income Statement in the periods when the hedging item affects the profit or loss, in the same line as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial 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 non-financial asset or non-financial liability (as a reclassification adjustment).

Hedge accounting is discontinued when the Company 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 Income Statement.

(m) Significant Accounting Judgements, Estimations and Assumptions

In producing the financial statements the Company makes judgements, estimates and assumptions based on known facts, at a point in time. These accounting judgements, estimates and assumptions will rarely exactly match the actual outcome. The judgements that have the most significant effect on the amounts recognised, and estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of the assets and liabilities within the next financial period are as follows:

(i) Property

The Company is currently involved in legal proceedings associated with the acquisition of land adjacent to the airport, referred to as 'Lot 6', to allow for a new aeronautical precinct and to free up land for terminal expansion. To date, costs of approximately \$4.1 million have been capitalised by the Company. However, if the decision is unfavourable for the Company, then all costs may need to be expensed. The Company is confident that the Lot 6 will be acquired as planned.

(ii) Property, Plant and Equipment

The Company engaged independent valuers to value Property, Plant and Equipment held at fair value and adopted these valuations at 30 June 2017. Consistent with the revaluation policy set out in note (h) above assets acquired during this six month period are carried at cost, which approximates fair value.

An assessment will be made prior to 30 June 2018 to determine the significance of the movement in fair value during the current financial year and any resulting changes in fair value reflected at 30 June 2018.

(iii) Intangible Assets

The Company holds as intangible assets, the cost of obtaining the existing noise boundary - PC 35. The amortisation of these costs is spread on a systematic basis over its expected useful life, which is reviewed at each reporting date. The useful life is driven by a range of factors such as aircraft movements, aircraft type and timing of flights and is therefore uncertain. For the purposes of financial reporting, the estimated useful life is assumed to end in June 2023.

2. Surplus from Operations

(a) Revenue	6 month to 31 Dec 2017 \$ 000's	6 month to 31 Dec 2016 \$ 000's
Revenue consisted of the following items:		
Revenue from rendering of services:		
Passenger/landing charges	13,921	12,279
Car park and ground transport revenue	2,320	1,375
	<hr/>	<hr/>
Total revenue from rendering of services	16,241	13,654
Operating lease rental revenue	6,402	5,454
Interest revenue	10	-
Other revenue	504	483
	<hr/>	<hr/>
Total Revenue	23,157	19,591
	<hr/> <hr/>	<hr/> <hr/>
(b) Employee Benefits Expense		
Salaries and wages	2,714	2,262
Directors fees	135	92
	<hr/>	<hr/>
Total Employee Benefits Expense	2,849	2,354
	<hr/> <hr/>	<hr/> <hr/>
(c) Depreciation		
Buildings	1,322	1,305
Runways, taxiways & aprons	948	913
Plant & equipment	1,158	1,006
	<hr/>	<hr/>
Total Depreciation	3,428	3,224
	<hr/> <hr/>	<hr/> <hr/>
(d) Finance Costs		
Interest on borrowings	922	860
Less: Interest capitalised to projects	(18)	-
	<hr/>	<hr/>
Total Finance Costs	904	860
	<hr/> <hr/>	<hr/> <hr/>

Interest is capitalised at the weighted average cost of borrowings for the project, during the period to bring the asset to its intended use. Interest has been capitalised for the period ended 31 December 2017 at 3.8%. No interest has been capitalised for the period ended 31 December 2016.

3. Income Taxes

(a) Income Tax Recognised in the Income Statement

	6 months to 31 Dec 2017 \$ 000's	6 months to 31 Dec 2016 \$ 000's
Tax expense/(income) comprises:		
Current tax expense/(credit):		
Current period	3,862	2,632
Adjustments for prior years	-	-
	<u>3,862</u>	<u>2,632</u>
Deferred tax expense/(credit)		
Origination and reversal of temporary differences	(326)	-
Other movements	-	-
Adjustment for prior year	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total Tax Expense	<u><u>3,536</u></u>	<u><u>2,632</u></u>

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

Surplus before income tax	<u>12,347</u>	<u>8,793</u>
Income tax expense calculated at 28%	3,457	2,462
Permanent differences	1	13
Reversal of temporary difference	(326)	-
Adjustment for prior years	-	-
Other	404	156
	<u>3,536</u>	<u>2,632</u>
Income Tax Expense	<u><u>3,536</u></u>	<u><u>2,632</u></u>

(b) Income Tax Recognised Directly in Other Comprehensive Income

Deferred tax of \$61,805 (December 2016: \$87,724) 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.

(c) Deferred Tax Balances Comprise

Taxable and deductible temporary differences arising from the following:

As at 31 Dec 2017	Opening balance 1 July 2017	Charged to profit for the period	Charged to other comprehensive income	Transferred to provision for tax	Closing balance 31 Dec 2017
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Gross deferred tax assets/(liability):					
Property, plant and equipment	(14,296)	180	-	-	(14,116)
Intangible assets	(625)	(56)	-	-	(681)
Employee benefits	103	14	-	-	117
Derivatives	(74)	-	62	-	(12)
Trade and other payables	(188)	188	-	-	-
	(15,080)	(326)	62	-	(14,692)

As at 30 Jun 2017	Opening balance 1 July 2016	Charged to profit for the period	Charged to other comprehensive income	Transferred to provision for Tax	Closing balance 30 June 2017
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Gross deferred tax assets/(liability):					
Property, plant and equipment	(12,654)	385	(2,027)	-	(14,296)
Intangible assets	(757)	132	-	-	(625)
Employee benefits	67	36	-	-	103
Derivatives	45	-	(118)	-	(74)
Trade and other payables	64	(252)	-	-	(188)
	(13,235)	301	(2,145)	-	(15,080)

(d) Imputation Credit Account Balances

	As at 31 Dec 2017	As at 30 Jun 2017
	\$ 000's	\$ 000's
Balance at beginning of the period	14,343	12,147
Income tax and WHT paid during six month period	1,183	5,270
Tax credits relating to dividend payment	(2,399)	(2,436)
Refund of tax	-	(638)
	13,127	14,343

4. Operating Expenses

	6 months to 31 Dec 2017	6 months to 31 Dec 2016
	\$ 000's	\$ 000's
Total Operating Expenses	3,299	4,142

Operating expenses include the following:

Audit fees - disclosure financial statements	13	19
Audit fees - financial statement audit	33	23
Bad debts written off	15	-
Doubtful debts	(15)	-
Loss on disposal of fixed assets	-	-

The auditor of Queenstown Airport Corporation Limited for and on behalf of the Office of the Auditor-General is Brett Tomkins of Deloitte.

The Interim Report and Financial Statements for the six months ended 31 December 2017 have not been audited.

5. Trade & Other Receivables

	As at 31 Dec 2017	As at 30 Jun 2017
	\$ 000's	\$ 000's
Trade and other receivables	4,979	3,455
Allowance for doubtful debts	-	(15)
Total Trade & Other Receivables	4,979	3,440

6. Derivatives

Derivative financial assets/(liabilities):

Interest rate swap (i) (effective)	22	239
Foreign exchange forward contracts (effective)	20	24
	42	263

In order to protect against rising interest rates the Company has entered into interest rate swap contracts under which it has a right to receive interest at variable rates and to pay interest at fixed rates. Interest rate swaps in place of \$22.5 million cover approximately 46% of the principal outstanding. The fixed interest rates range between 2.3450% and 2.6223% (2017: 2.3450% and 2.6225%). The interest rate swaps are designated hedge relationships and therefore to the extent that the relationship is effective movements, are recognised in Other Comprehensive Income.

During the year ended 30 June 2017, the Company entered into a contract to lease land near Wanaka to The National Aeronautics and Space Administration (NASA) of the United States of America, the rental of which is received in US dollars. To mitigate the exchange risk on these receipts, the Company has also entered into foreign exchange forward contracts to sell US dollars and buy NZD, to hedge the revenue payable by NASA until January 2020.

7. Property, Plant and Equipment

	Land	Buildings	Runways, Taxiways & Aprons	Plant & Equipment	Total
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
At fair value	170,620	49,689	47,455	13,658	281,421
At cost	-	-	-	15,767	15,767
Work in progress at cost	4,447	490	-	4,514	9,451
Accumulated depreciation	-	-	-	(8,724)	(8,724)
Balances at 1 July 2017	175,067	50,179	47,454	25,215	297,915
Additions	318	1,576	128	1,726	3,748
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation	-	(1,322)	(949)	(1,157)	(3,428)
Movement to 31 December 2017	318	254	(821)	569	(320)
At fair value	170,620	49,689	47,454	13,658	281,421
At cost	-	1,455	7	17,464	18,926
Work in progress at cost	4,765	611	122	4,543	10,041
Accumulated depreciation	-	(1,322)	(949)	(9,882)	(12,153)
Balances at 31 December 2017	175,385	50,433	46,634	25,783	298,235

The carrying value of the asset categories above includes work in progress. Buildings includes noise mitigation works and residential houses purchased under the noise mitigation programme. Plant & equipment includes plant & equipment, vehicles, roading, car parking and fixtures & fittings.

The Company's assets are secured by way of a general security agreement.

Land, buildings, roading and car parking were independently valued by Seagar & Partners, registered valuers, as at 30 June 2017. The runways, taxiways and aprons were independently valued by Beca Valuations Limited (Beca), registered valuers, as at the same date.

The assets were categorised into two asset groups for valuation purposes: Aeronautical and Non-Aeronautical. The valuation assessment of the Aeronautical and Non-Aeronautical assets has been undertaken in accordance with NZ IAS-16 and therefore assets were recorded at their 'Fair Value'. The following methods of valuation were applied in order to determine the fair value:

- Direct Comparison
- Investment
- Optimised Depreciated Replacement Cost

To the extent that the assets' fair values were able to be determined directly by reference to observable prices in an active market, the value of those assets can be determined on the basis of 'Market Value'.

8. Intangible Assets

	As at 31 Dec 2017 \$ 000's	As at 30 Jun 2017 \$ 000's
Cost		
Opening balance	3,946	3,538
Transfer to property, plant and equipment	-	(384)
Additions from internal developments	444	792
Total cost closing balance	4,390	3,946
Accumulated amortisation		
Opening balance	1,021	465
Transfer to property, plant and equipment	-	(15)
Amortisation expense	345	571
Total accumulated amortisation	1,366	1,021
Carrying Value	3,024	2,925

The following useful lives are used in the calculation of amortisation:

Noise boundaries	6 to 9 years
Flight fans	15 years
Evening flights safety cases	1 to 2 years.

During the six months period, planning costs were incurred totalling \$442,296. As this work was in progress at 31 December 2017 (June 2017: \$692,580), the costs were not amortised. In prior year, work undertaken to plan for and assist homeowners closest to the airport to mitigate the effects of aircraft noise within defined airport noise zones has been transferred as an addition to property, plant and equipment (note 7) to reflect that this work enables the Company to derive future economic benefits from those assets.

9. Trade & Other Payables

Trade payables	800	1,479
Other creditors and accruals	1,524	4,166
Total Trade and Other Payables	2,324	5,645

10. Employee Entitlements

Accrued salary and wages	395	502
Annual leave	417	367
Total Employee Entitlements	812	869

11. Borrowings

	As at 31 Dec 2017 \$ 000's	As at 30 Jun 2017 \$ 000's
Westpac Bank borrowings (secured)	26,000	20,000
BNZ borrowings (secured)	23,100	27,000
	49,100	47,000
Disclosed in the financial statements as:		
Current	-	-
Non-current	49,100	47,000
Total Current and Non-Current Borrowings	49,100	47,000

The Company has a secured facility with Westpac of \$20 million and a secured facility with BNZ of \$30 million, expiring on 23 May 2020 and we have further secured facilities with Westpac of \$20 million and BNZ of \$30 million expiring on 31 July 2021. The Westpac and BNZ facilities are secured by a general security agreement over the Company's assets, undertakings and any uncalled capital. The weighted average interest rate on the term loan for the period ended 31 December 2017 was 3.6% (2017: 3.8%)

There were no default breaches on the Company's banking facility during the period.

12. Share Capital

	31 Dec 2017 No.	30 Jun 2017 No.	31 Dec 2017 \$ 000's	30 Jun 2017 \$ 000's
Fully Paid Ordinary Shares				
Balance at beginning of period	16,060,365	16,060,365	37,657	37,657
Balance at end of period	16,060,365	16,060,365	37,657	37,657

All ordinary shares have equal voting rights and equal rights to distributions and any surplus on winding up of the company.

13. Retained Earnings and Reserves

	As at 31 Dec 2017 \$ 000's	As at 30 Jun 2017 \$ 000's
(a) Retained Earnings		
Balance at the beginning of the period	25,902	20,987
Profit for the period after taxation	8,810	5,915
Dividends paid during the period (i)	(6,169)	(1,000)
Balance at the end of period	28,543	25,902
(i) Dividends Paid		
Final dividend – 38.41c per share	6,169	-
Interim dividend – 6.23c per share	-	1,000
Total Dividend Paid	6,169	1,000

On 22nd August 2017 a final dividend of 38.41 cents per share (total dividend of \$6,169,007) for the year ended 30 June 2017 was paid to holders of fully paid ordinary shares.

(b) Asset Revaluation Reserve

	As at 31 Dec 2017 \$ 000's	As at 30 Jun 2017 \$ 000's
Balance at the beginning of the period	172,222	142,194
Increase arising on revaluation of assets	-	32,055
Deferred tax movement arising on revaluation	-	(2,027)
Reclassification in retained earnings	-	-
Balance at the end of period	172,222	172,222

The asset revaluation reserve is used to record increases and decreases in the fair value of property, plant and equipment to the extent that they offset one another.

(c) Cash Flow Hedge Reserve

Balance at the beginning of the period	(816)	(1,319)
Gain/(loss) recognised on interest rate swaps	(217)	399
Gain/(loss) recognised on forward exchange contracts	(4)	24
Realised losses/(gains) transferred to the income statement	-	198
Income tax relating to gain/(loss) on cash flow hedging	62	(118)
Balance at the end of period	(975)	(816)

The cash flow hedge reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in the Income Statement when the underlying hedged transaction impacts the profit and loss, when the hedge relationship is discontinued or is included as a basis adjustment to the non-financial hedged item, consistent with applicable accounting treatment (refer Note 6).

14. Commitments for Expenditure**(a) Capital Expenditure Commitments**

Acquisition of property, plant and equipment	87	754
Noise mitigation packages	424	594
Total Capital Commitments	511	1,348

15. Operating Lease Arrangements**(a) Company as Lessee; Operating Lease Commitments**

Operating leases relate to lease of photocopiers, EFTPOS machines and IT systems with lease terms of between 1 and 4 years.

Non-cancellable operating lease payments:

Not longer than 1 year	88	39
Longer than 1 year and not longer than 5 years	72	60
Total Company as Lessee; Operating Lease Commitments	160	99

(b) Company as Lessor; Operating Lease Rental

Operating leases relate to the commercial property owned by the Company with lease terms of between 4 months to 33 years, with options to extend for up to a further 10 years. The lease terms at 31 December 2017, extend up to 20 years in the future. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Rental income earned by the Company from its commercial property is set out in note 2. The Company has contractual rights under leases to the following Minimum Annual Guaranteed rentals and contracted escalations but excludes at risk receipts such as turnover rents and CPI increases:

	As at 31 Dec 2017 \$ 000's	As at 30 Jun 2017 \$ 000's
Less than 12 months	9,238	9,123
1-5 years	20,177	16,399
5 years +	8,340	5,095
Total Company Operating Lease Rental	37,755	30,617

16. Related Party Disclosures**(a) Parent Entity**

Queenstown Airport Corporation Limited is 75.01% owned by the ultimate parent entity, Queenstown Lakes District Council, and 24.99% owned by Auckland Airport Holdings (No 2) Limited.

(b) Transactions with Related Parties

Related parties of the Company are:

- Queenstown Lakes District Council (QLDC) – Shareholder
- Auckland International Airport Limited (AIAL) – Shareholder
- J Hadley – Director, Hadley Consultants Limited
- G Lilly – Director, Civil Aviation of New Zealand (CAA), Aviation Security Services
- M Thomson – Executive, Auckland International Airport Limited
- P Flacks – Director, Bank of New Zealand

(c) During the period the following (payments)/receipts were (made to)/ received from related parties which were conducted on normal commercial terms:

	6 months to 31 Dec 2017 \$ 000's	6 months to 31 Dec 2016 \$ 000's
<u>Queenstown Lakes District Council</u>		
Rates	(179)	(165)
Resource Consent Costs & Collection fees	-	(2)
Other Expenses	(28)	-
Rent – NASA Launch	(24)	-
Wanaka Airport Management Fee	171	115
Wanaka Airport Recoveries	10	7

Queenstown Events Centre netball courts and six holes of the Frankton Golf Course are located on company land to the north west of the runway. Revenue from this arrangement amounted to \$12,500 (2017: \$12,500) for the period.

	6 months to 31 Dec 2017 \$ 000's	6 months to 31 Dec 2016 \$ 000's
<u>Auckland International Airport Limited</u>		
Rescue Fire Training	(13)	(37)
Queenstown Airport Corporation Limited receives services from Auckland International Airport Limited for which no consideration is paid.		
<u>Hadley Consultants Limited</u>		
Consultant Engineering Services	(3)	(1)
<u>Civil Aviation Authority of New Zealand</u>		
CAA Certification Audit Fees	-	(3)
<u>Aviation Security Service</u>		
Airport Security Cards	(3)	(3)
Rental, Power recovery and parking revenue	104	89
<u>Bank of New Zealand</u>		
Interest, other bank fees and interest received	(454)	-
(d) The following amounts were receivable from related parties at balance date:		
<u>Queenstown Lakes District Council</u>		
Lakes Leisure Golf Course	13	13
Wanaka Airport Recoveries	53	7
<u>Aviation Security Service</u>		
Rental, Power recovery and parking revenue	1	3
(e) The following amounts were payable to related parties at balance date:		
Queenstown Lakes District Council	(1)	(1)
Auckland Airport	(7)	-
BNZ Borrowings (refer Note 11)	(23,100)	-
BNZ Foreign exchange forward contracts (refer Note 6)	(20)	-
BNZ Credit Card Accruals	(15)	-

17. Notes to the Cash Flow Statement

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in bank and deposits in money market instruments, net of outstanding bank overdrafts. As required under the Construction Contracts Act 2002, cash includes retentions of \$22,998 (2017: \$512,170) held on trust, which are payable by the Company on completion of contractual obligations by third parties. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statements is reconciled to the related items in the Statement of Financial Position as follows:

	As at 31 Dec 2017 \$ 000's	As at 30 Jun 2017 \$ 000's
Cash and cash equivalents	13	15
Bank account/(overdraft)	1,119	900
Total Cash and Cash Equivalents	1,132	915

(b) Reconciliation of Surplus for the Period to Net Cash Flows from Operating Activities

	6 months to 31 Dec 2017 \$ 000's	6 months to 31 Dec 2016 \$ 000's
Profit for the period	8,810	6,161
Add/(less) non-cash items:		
Amortisation	345	218
Depreciation	3,428	3,217
Cash Flow Hedge Reserve Adjustment	62	-
	3,835	3,435
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(1,538)	(1,585)
(Increase)/Decrease in prepayments	(199)	(510)
Increase/(Decrease) in current tax payable	583	697
Increase/(Decrease) in trade and other payables	(2,627)	(1,272)
Increase/(Decrease) in income in advance	58	5
Increase/(Decrease) in employee entitlements	(55)	172
Increase/(Decrease) in deferred tax liability	(388)	-
Movement in items reclassified as investing and financing activities	2,188	(11)
	(1,979)	(2,504)
Net Cash Inflow from Operating Activities	10,666	7,093

18. Financial Instruments**(a) Capital Risk Management**

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits to other stakeholders. Management also aims to maintain a capital structure that ensures a competitive cost of capital is available to the entity.

The Company is not subject to any externally imposed capital requirements.

(b) Interest Rate Risk Management

In order to protect against rising interest rates the Company has entered into interest rate swap and option contracts under which it has a right to receive interest rate variable rates and to pay interest at fixed rates.

Interest rate swaps in place cover approximately 46% of the principal outstanding. The interest rate swaps are designated hedge relationships and therefore to the extent that the relationship is effective movements are recognised in Other Comprehensive Income.

(c) Forward foreign exchange contracts

It is the policy of the Company to enter into forward foreign exchange contracts to cover committed foreign currency payments and receipts over \$0.5 million by at least 80% of the exposure generated. At 31 December 2017 the aggregate amount of gains under forward foreign exchange contracts recognised in other comprehensive income and accumulated in the cash flow hedging reserve relating to highly probable future revenues is \$14,285 (June 2017: \$17,372). It is anticipated that the lease payments received over the next 26 months, will match the timing and amount of each forward foreign exchange contract.

(d) Fair Value Measurements

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the Income Statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the nature and timing of the recognition in profit or loss depends on the nature of the hedging relationship.

19. Contingent Liabilities**(a) Noise Mitigation**

The Company is implementing plans to assist homeowners closest to the airport to mitigate the effects of aircraft noise within defined airport noise zones. The focus for FY17 was to agree customised noise mitigation packages for these homes and works have commenced on several of the houses. As at 31 December, we have made 11 offers to homeowners, of which seven have been accepted. Two have now been completed. The cost of delivering the remaining five accepted offers is estimated at \$424k which has been disclosed as a capital commitment in Note 14.

The Company is also finalising the mechanical ventilation package specifications for the 'Mid Noise Sector' houses and will begin a consultation process with homeowners over the next 12 months. Noise levels are monitored regularly and as the noise zones expand, further offers will be made. The Company estimates approximately 217 properties will be offered noise mitigation under the approved/consented boundaries. This estimate may vary over time if new properties are built within the boundaries. As it is not possible to accurately predict the rate of change in aircraft noise levels over time, nor the rate of acceptance of offers of mitigation packages to homeowners, the Company cannot accurately predict the overall cost or timing of mitigation work.

20. Subsequent Events

The directors resolved on 15 February 2018 that an interim dividend of \$1,000,000 be paid to shareholders on 16 February 2018. There were no other significant events after balance date.

INCOME STATEMENT

For the six months ended 31 December 2017

	SOI/Budget 6 months to 31 Dec 2017 000s	Actual 6 month to 31 Dec 2017 000s	Actual 6 month to 31 Dec 2016 000s
Passenger Numbers			
Domestic	719,434	751,056	660,231
International	323,254	333,439	299,088
Total Pax	1,042,688	1,084,495	959,319
	\$000's	\$000's	\$000's
Income			
Aero	14,161	14,582	12,887
Commercial	8,454	8,589	6,704
Total Income	22,615	23,171	19,591
Expenditure			
Operating Expenses	4,306	3,298	4,142
Employee Benefits Expense	3,062	2,849	2,354
Total Operating Expenditure	7,368	6,147	6,496
Operating earnings before interest, taxation, depreciation and amortisation	15,247	17,024	13,095
Depreciation	3,877	3,428	3,224
Amortisation	308	345	218
Operating earnings before interest and taxation	11,062	13,251	9,653
Finance Costs	787	904	860
Profit before Income Tax	10,275	12,347	8,793
Income Tax Expense	2,877	3,536	2,632
Profit for the Year	7,398	8,811	6,161

STATEMENT OF FINANCIAL POSITION

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As at 31 December 2017

	SOI/Budget As at 31 Dec 2017 \$000's	Actual As at 31 Dec 2017 \$000's	Actual As at 30 June 2017 \$000's
Current assets			
Cash and cash equivalents	600	1,132	915
Trade and other receivables	4,821	4,979	3,440
Prepayments	700	591	392
Total current assets	6,121	6,702	4,747
Non-current assets			
Property, plant and equipment	307,770	298,235	297,915
Intangible assets	6,989	3,024	2,925
Derivatives		42	263
Total non-current assets	314,759	301,301	301,103
Total assets	320,880	308,003	305,850
Current liabilities			
Trade and other payables	3,040	2,324	5,645
Income in advance	161	102	44
Employee entitlements	799	813	869
Current tax payable	894	3,410	2,132
Total current liabilities	4,894	6,649	8,690
Non-current liabilities			
Borrowings (secured)	67,930	49,100	47,000
Derivatives	312	-	-
Other non-current liabilities	-	115	115
Deferred tax liabilities	13,277	14,691	15,080
Total non-current liabilities	81,520	63,906	62,195
Total liabilities	86,413	70,555	70,885
Net assets	234,467	237,448	234,965
Equity			
Share capital	37,657	37,657	37,657
Retained earnings	26,647	28,543	25,902
Asset revaluation reserve	171,390	172,222	172,222
Cash flow hedge reserve	- 1,227	(974)	(816)
Total equity	234,467	237,448	234,965

**QLDC Council
23 March 2018****Report for Agenda Item 2****Department: Finance and Regulatory****Draft Statement of Intent, Queenstown Airport Corporation 2018/19****Purpose**

- 1 To receive and consider the draft Statement of Intent for Queenstown Airport Corporation (QAC) for the 2018/19 year in accordance with sections 64 and 65 of the Local Government Act 2002

Recommendation

- 2 That the Council:
 1. **Receive** the Draft Statement of Intent for 2018/19 for the Queenstown Airport Corporation and make any comments on the draft Statement of Intent be made to the QAC board by 30 April 2018.

Prepared by:



Stewart Burns
GM Finance & Regulatory
8 March 2018

Reviewed and Authorised by:



Mike Theelen
Chief Executive
8 March 2018

Background

- 3 The QAC is a Council Controlled Trading Organisation (CCTO) as per Section 6 of the Local Government Act 2002 (the Act).
- 4 Section 64 of the Act requires all CCOs to have a Statement of Intent.
- 5 The Draft Statement of Intent for 2018/19 must be delivered to the shareholder (Council) before 1 March 2018.
- 6 The draft SOI proposes the adoption of a revised dividend policy for the QAC (see attachment B). It is proposed that a workshop is arranged within the next month so that councillors may engage with QAC regarding the draft SOI. QAC must consider any comments that are made by Council on the draft Statement of Intent within 2 months i.e. before 30 April 2018.
- 7 The completed Statement of Intent must be delivered to Council by 30 June 2018.

Comment

8 Section 6 of the Local Government Act 2002 (the Act) creates the following types of organisations for which Councils have governance responsibilities:

- Council Organisations (CO) - organisations in which one or more local authorities controls any proportion of the voting rights or rights to appoint directors;
- Council Controlled Organisations (CCO) – Council organisations in which one or more local authorities control 50% or more of the voting rights or have the rights to appoint 50% or more of the directors;
- Council Controlled Trading Organisations (CCTO) - Council Controlled organisations which operate a trading undertaking with the intent of making a profit.

9 The QAC is a Council Controlled Trading Organisations (CCTO) as per Section 6 of the Local Government Act 2002 (the Act). Section 64 of the Act requires all CCOs to have a Statement of Intent (SOI).

10 Schedule 8 of the Act contains the process for adoption of the SOI, which is:

- Draft SOI to be delivered to Council before 1 March each year
- CCO must consider any comments on the SOI that are made by Council within 2 months i.e. before 30 April
- Completed SOI delivered to Council by 30 June.
- Council can, by resolution, compel the Board to amend the SOI by omitting or including any of the following:
 - Objectives
 - Statements of the Boards approach to governance
 - Nature and scope of activities to be undertaken
 - Ratio of shareholders funds to total assets
 - Accounting Policies
 - Performance targets and measures by which the CCO will be judged
 - Estimates of the amount or proportion of Accumulated profits or Reserves that may be distributed
 - Kind of information to be provided to Council, including the content of the six monthly report
 - Procedures to follow for the CCO to purchase shares in any other venture

Financial Implications

11 The draft SOI proposes the adoption of a revised dividend policy for the QAC. The attached paper (Attachment B) from Mark Edghill provides the background to the proposed change. It is essentially driven by the need to provide more flexibility to the board in regard to the dividend process and to bring QAC into line with corporate best practice in New Zealand.

12 There are no budget or cost implications resulting from the decision.

Local Government Act 2002 Purpose Provisions

13 The Queenstown Airport is a key infrastructure asset for the district. As such, the Council's consideration of its Statement of Intent is appropriate and within the ambit of section 10 which requires Councils to meet the current and future needs of communities for good-quality local infrastructure in the most cost-effective way for households and businesses.

Consultation

14 The report provides a basis for communication between the company and the shareholder, and as such no wider consultation is required.

Queenstown Airport Corporation Statement of Intent

15 The draft SOI submitted by QAC to Council on 23 March should be treated as a draft. The final version of the SOI will be submitted to Council by no later than 30 June 2018.

Attachments

- A Queenstown Airport Corporation Statement of Intent (Draft)
- B Proposed Queenstown Airport Corporation Dividend Policy

Queenstown Airport Corporation Ltd



Statement of Intent 2019-2021

Draft 22 February 2018



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Introduction

As a Council-Controlled Trading Organisation, Queenstown Airport Corporation (QAC) is required to prepare an annual Statement of Intent (SOI) which publicly states its strategic priorities for the next three years in accordance with Section 64(1) of the Local Government Act 2002. The SOI takes shareholder comments into consideration and provides performance targets for organisational accountability.

About Us

Queenstown Airport Corporation

Queenstown Airport Corporation (QAC) was incorporated in 1988. Since then it has been responsible for the management and development of Queenstown Airport, striving to deliver an efficient and operationally safe airport with world-class facilities and an outstanding passenger experience that reflects the best the region has to offer.

In 2009, QAC was engaged by Queenstown Lakes District Council (QLDC) to manage Wanaka Airport's day-to-day operations. In 2017, QLDC determined that QAC would be awarded a long-term lease for both the management and development of Wanaka Airport. The lease will be signed in early 2018.

QAC also provides property maintenance services at Glenorchy Airstrip on QLDC's behalf.

QAC comprises approximately 65 staff and is governed by an independent Board of Directors. It is owned:

- 75.01% by the Queenstown Lakes District Council (QLDC); and
- 24.99% by Auckland International Airport Limited (AIAL)

Queenstown Airport

As New Zealand's fourth busiest airport by passenger numbers, Queenstown Airport's continuing growth and profitability have made it a strategic national asset and a key driver of the region's tourism industry and broader economy. The airport is the direct domestic and international entry point to the lower South Island, providing easy access to Queenstown, one of the world's premium visitor destinations, and to some of New Zealand's most renowned scenery and visitor experiences. As such, it serves the communities across the region and contributes significantly to the growth and prosperity of New Zealand's tourism sector.

Queenstown Airport services the region with frequent domestic and trans-Tasman flights. It receives direct scheduled services from New Zealand's main metropolitan ports of Auckland, Wellington and Christchurch which provide strong regional links throughout the country, as well as from the Australian cities of Brisbane, Coolangatta, Sydney and Melbourne. Auckland and Sydney airports are the major international hub airports for long-haul visitors to the region.

Queenstown Airport is heavily used for tourist 'flightseeing', especially to Milford Sound and Aoraki Mount Cook, and is New Zealand's busiest helicopter port. Private jets are also a growing market, both short and long haul, with aircraft now flying direct from north Asia and the west coast of the United States.

Wanaka Airport

Wanaka Airport is located within a rapidly growing community and serves a broad range of visitors to the region. While there are currently no scheduled commercial flights, nearly 300 people work in and around the airport on day-to-day operations, including flightseeing to Milford and Aoraki Mount Cook and surrounding areas, helicopter training and maintenance, skydiving, private recreational aviation and charter operations. Since 1988, Wanaka Airport has hosted the internationally-renowned Warbirds over Wanaka airshow. In 2015, QAC formed a 10-year partnership with NASA for Wanaka Airport to become the site of New Zealand's first scientific space balloon launch.

Company Value

As at 30 June 2017, QAC's land, land improvements and buildings were valued at \$298 million and included 137.3 ha on Frankton Flats and 149.5ha around Wanaka Airport.

QAC's estimated enterprise value, as adopted by its Board of Directors in February 2018, was in the range \$TBA million to \$TBA million.

Situational Overview

QAC's business success and growth is intrinsically linked to the health of New Zealand's tourism and visitor industry. In turn, the industry depends on Queenstown and Wanaka airports to provide sustainable air connectivity and a world-class visitor experience to support its tourism industry goal of achieving \$41 billion annual revenue by 2025.

Global air travel is growing rapidly and, while New Zealand is a niche visitor destination because of its remote location, it is experiencing its strongest ever growth cycle, with several consecutive years of international visitor arrival growth. This growth is primarily driven by increases in international air capacity, competitive pricing and the country's global reputation as a beautiful, safe and friendly destination.

Queenstown Airport itself has experienced unprecedented growth over the past five years and annual passenger arrivals and departures have increased from 600,000 to 2 million passengers per annum since 2005.

To date we have responded to sustained passenger growth by delivering infrastructure 'just in time' which has suited those stakeholders who provide funding for such improvements. We continue to work closely with aviation and tourism partners to identify future opportunities, particularly building evening flight capacity, maintaining a consistent daily and seasonal schedule, and creating operational efficiencies through technology and process innovation.

Looking forward, our demand forecasts predict that annual passenger numbers have the potential to increase from 1.8 million in FY2017 to 3.2 million by FY2025, subject to destination infrastructure constraints. We are mindful that we must sustainably manage airport future growth in line with shareholder, stakeholder and community expectations.

When finalised, Queenstown Airport's 30-year Master Plan will provide a long-term roadmap for sustainable airport growth, covering areas such as infrastructure development, noise planning and transport connectivity, within the context of an exceptional customer experience. The Master Plan will also support the district with its own planning for transport, accommodation, tourism and other infrastructure developments. In the meantime, appropriately targeted investment in regional infrastructure and tourism facilities continues to be a critical factor in keeping pace with anticipated growth and retaining a quality visitor experience. Both from an airport perspective and as a proud community member, we are committed to working with communities and stakeholders to address these issues and maintain a healthy balance.

Continued pressure on the availability and affordability of visitor accommodation in peak periods, congestion on transport and road networks, high demand on services and a lack of affordable worker accommodation at a suitable standard are impacting visitors and locals and may eventually impact visitor demand.

Until these infrastructure challenges are resolved, they pose a risk to achieving our strategic objectives. In order to fulfil the growth and development potential of Queenstown Airport, we are developing mitigating strategies in a collaborative manner with key stakeholders and local communities to build a shared understanding, support and pride in the value we deliver. There is a need for a shift towards more sustainable transport modes and a lower reliance on motor vehicles. As a member of the Queenstown Regional Transport Governance group we are collectively focused on addressing infrastructure, public transport, and demand management to deliver this mode shift and improve transport choices.

Following a review of the governance of Wanaka Airport, QLDC recently granted QAC a long-term lease. We look forward to engaging with the community to develop an airport at Wanaka that we can all be proud of well into the future.

Vision

Queenstown Airport and Wanaka Airport complement each other. Both airports are important to the regional tourism industry and broader economy and will be positioned to reflect the unique character and needs of their communities. QAC uses a “two airports, one company” philosophy in managing the airports.

Our vision is to position Queenstown and Wanaka Airports collectively as a **World Leading Tourism Airport Group**, taking full advantage of the region’s appeal as a leisure and visitor destination. The success of our vision will be measured in 3 areas - **People, Place and Performance**, each with objectives related to our 4 major stakeholder groups - *Customers, Company, Airport Community and Local Community*.



World Leading Tourism Airport Group			
Connecting people, sustaining our region			
	People	Place	Performance
Customer	Every customer feels cared for and valued	Customers find the airport to be a safe, friendly and innovative environment that anticipates their needs and represents the best of the region	Exceptional customer feedback across the end-to-end airport experience
Company	A team that feels respected and empowered to deliver an outstanding customer experience	A safe, healthy and friendly work environment that supports “one team”	Optimised return on assets with sustainable growth in shareholder value while ensuring operational integrity and an outstanding customer experience
Airport	An airport community that works together to ensure an outstanding customer experience	A well planned airport connecting all activities, creating a sense of place and providing a platform for the airport community to grow and prosper	Airport community members consistently meeting their objectives
Community	A local community that is proud of and engaged with its growing airports	Connecting the region to the world whilst minimising the impact on the unique environment	Sustainable regional growth achieved through strong and innovative future planning

Queenstown Airport

Queenstown Airport’s key point of difference is as a destination airport with a high potential for return visitation. Its ‘fly direct to destination’ value proposition is attractive to both domestic and international travellers, particularly those who are time-poor or those looking for an Australia/New Zealand dual destination holiday.

The sheer scale and beauty of our natural environment also sets us apart - the moment a passenger flies in to Queenstown and steps off their aircraft, whether they be a resident or visitor, they experience a wow factor. Our vision will never lose sight of creating a wonderful and unique lasting impression through our scenery, our people-first focus on safety, comfort and experience, and the boutique retail offering within the terminal designed to reflect the best of our region.

Wanaka Airport

Wanaka Airport has the potential to play an important role in the region’s future air transport connectivity. QAC is committed to working with the communities served by the airport to develop a vision and plan that reflects their needs as well as the needs of key stakeholders.

QAC acknowledges and supports the community-fostered vision released by the Shaping Our Future Upper Clutha Transport taskforce to develop Wanaka Airport as a “destination for high yielding innovative businesses creating a sustainable aviation hub for the region”. We also support its recommendation to develop Wanaka Airport into a ‘centre for aviation excellence’ which contributes positively to the Upper Clutha economy. This would include supporting activities such as Warbirds over Wanaka.

Our commercial vision is for Wanaka Airport to become a financially viable and sustainable airport, generating appropriate returns on its assets and contributing to the district's economic development and wellbeing of the community.

- We will adopt a commercial approach promoting and enabling sustainable growth whilst retaining the public, community and social values.
- We will consider the needs and activities of different operators and seek to adopt a ‘user pays’ model – operators pay for what they use and no more.
- All existing legal agreements will be honoured. Transitional arrangements will be developed to assist operators to move smoothly from the current model to a more sustainable model.
- We will actively engage with the airport community, particularly in the transition, giving everyone the opportunity to give feedback on the commercial approach.

Strategic Objectives

Our strategic objectives, as set out below, are designed to deliver our four strategic pillars:



OPERATIONS STRATEGY

Making journeys safe, secure, efficient and rewarding

Objectives	Key initiatives	Performance targets	Timing
Work with our airline and airport stakeholders to deliver passenger growth and share the rewards	<ul style="list-style-type: none"> Develop a comprehensive General Aviation (“GA”) Strategy, in collaboration with the GA operators, to support and inform the implementation of the Master Plan options. 	<ul style="list-style-type: none"> Comprehensive General Aviation strategy with operational, commercial and financial model. 	<ul style="list-style-type: none"> June 2018
Deliver affordable, timely infrastructure for the safe, secure and efficient movement of people	<ul style="list-style-type: none"> Expand back-of-house facilities and capacity to accommodate growth. Continue to manage resourcing to meet both overall growth and growth in winter evening hours of operation. Continue strong focus on collaborative operations, continuous improvement and facilities management across the business. The acquisition of Lot 6 continues to be a priority in optimising airfield operations. 	<ul style="list-style-type: none"> Joint taskforce focused on terminal capacity optimisation, end-to-end process improvement of passenger facilitation and operational efficiencies. Increase capacity in baggage make-up area. Purchase and implement new winter operations equipment. Apron asphalt overlay. Deliver 3-stage Potable Water Resilience Project. 	<ul style="list-style-type: none"> September 2018 December 2018 June 2018 onward October 2018 December 2019
Deliver New Zealand’s safest, most secure and efficient passenger experience through engaging with the airport community in collaborative operations	<ul style="list-style-type: none"> Continue to lead the promotion, scope and delivery of improvements for passenger facilitation, operational processes and systems. Establish baseline passenger processing time and set processing performance targets with border agencies. Work with Customs on expanding the nationalities which can use E-Gates. Work with Airways to introduce technology to manage the increasing risk of Unmanned Aerial Vehicle (UAV / drone) flights to aviation activities. 	<ul style="list-style-type: none"> Seasonally-based passenger processing targets agreed and reported. New biometric automated passenger processing expanded to more nationalities. Quarterly targets shared with collaborative operations team and improvement targets set. Trial and identify UAV systems to approve, track and more effectively manage drone activities in controlled airspace. 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing July 2018
Deliver reliable facilities and infrastructure through asset lifecycle management, effective maintenance and contingency planning	<ul style="list-style-type: none"> Develop a comprehensive Asset Management Plan with maintenance management/corrective action ticketing and reporting software to track and manage maintenance activities. Planning and infrastructure in place for key utility services and aeronautical systems. Develop an energy conservation and waste minimisation programme. 	<ul style="list-style-type: none"> Comprehensive facilities maintenance and lifecycle replacement programme scoped. Airport utility and systems contingency risks identified and an implementation plan in place Set energy conservation and waste minimisation targets 	<ul style="list-style-type: none"> Ongoing November 2018 August 2018

COMMERCIAL STRATEGY

Providing value to our customers

Objectives	Key initiatives	Performance targets	Timing
Generate sustainable returns on property, leases, licenses and commercial property within QAC's portfolio	<ul style="list-style-type: none"> Continue to evaluate opportunities to grow commercial property portfolio. Rent reviews, lease renewals and new leases based on benchmarking and market dynamics. 	<ul style="list-style-type: none"> Integrate property management system with financial system. Leases/licences reviewed, renewed, up to date. New lease and license opportunities evaluated and implemented on case by case merits. 	<ul style="list-style-type: none"> June 2018 March 2019 Ongoing
Generate sustainable aeronautical revenues	<ul style="list-style-type: none"> Review aeronautical pricing strategies and engage with stakeholders. 	<ul style="list-style-type: none"> Sustainable pricing model that provides fair returns to QAC and operators and supports capital investment. 	<ul style="list-style-type: none"> 2018-2019
Deliver value from transport networking activity by enhancing products, price and partnerships	<ul style="list-style-type: none"> Review and improve ground transport and roading networks and technology on airport landholdings. Review the carparking and transport strategy. Continue to develop opportunities for the commercial and public carparks. Review Park and Ride and future planning. Launch new transport products and services. 	<ul style="list-style-type: none"> Evaluate opportunities for car parking capacity efficiencies. Commercial transfer area optimised, with robust long-term planning. Park and Ride is a self-sustainable parking offering. Commercial revenue as per forecast. 	<ul style="list-style-type: none"> December 2018 June 2018 2019-2020
Develop a boutique terminal retail mix that reflects the uniqueness and quality of the regional experience and optimises returns and customer satisfaction	<ul style="list-style-type: none"> Continue to develop a boutique shopping environment for customers, with the right mix of local owner-operators and national brands. Expand the pop-up programme and integrate into the retail mix as an adaptable proposition to increase customer choice. 	<ul style="list-style-type: none"> Commercial revenue growth as per financial forecast Customer satisfaction targets 	<ul style="list-style-type: none"> 2018-2020 Ongoing
Enhance the end-to-end customer experience through technology, wayfinding, services and offerings	<ul style="list-style-type: none"> Work with partners to create new and innovative ways to connect with customers. Continue to roll out improvements to wayfinding, ensuring that it provides the right information at key decision points Introduce opportunities for real time customer feedback and an integrated customer management system Input into master plan with a focus on more flexibility and an aim to introduce/update digital technology. 	<ul style="list-style-type: none"> Review advertising assets, contracts and suppliers. Introduce digital sales channels. Review and report monthly research results. All customer interactions recorded in one system. Monitor satisfaction via monthly research results and continue ongoing reviews Use real-time data in decision making and terminal planning. 	<ul style="list-style-type: none"> Phased plan March 2019 Ongoing December 2018

PROPERTY AND PLANNING STRATEGY

Making best use of our land and resources

Objectives	Key initiatives	Performance targets	Timing
Develop a 30-year Master Plan for Queenstown Airport that will inform internal planning, facilitate stakeholder & community engagement and provide a spatial framework for the airport's future	<ul style="list-style-type: none"> Determine a preferred Master Plan option to provide guidance on the land needed for future aeronautical and non-aeronautical opportunities and planning requirements for growth. 	<ul style="list-style-type: none"> Preferred Option identified 	<ul style="list-style-type: none"> December 2018
Develop a programme of work to accommodate 2.5mppa in the existing Queenstown Airport terminal.	<ul style="list-style-type: none"> Work with core airport stakeholders to develop a programme of projects as a pathway to accommodating 2.5mppa capacity. 	<ul style="list-style-type: none"> Develop programme of projects Commence delivery of projects Complete programme 	<ul style="list-style-type: none"> December 2018 June 2019 June 2020
Progress a project to increase Queenstown Airport's Noise Boundaries to accommodate planned growth targets.	<ul style="list-style-type: none"> Initiate a planning process to increase Queenstown Airport's noise boundaries to accommodate planned growth targets. 	<ul style="list-style-type: none"> Public consultation on proposed changes 	<ul style="list-style-type: none"> June 2018
Protect the airport company's long term objectives and capacity by inputting to national, regional and local planning, and addressing proposed developments/land uses within the airport's designations	<ul style="list-style-type: none"> Be proactive in regulatory planning issues, submitting as required on national, regional and local planning frameworks. Engage with the QLDC Proposed District Plan (PDP) process to ensure Queenstown and Wanaka airport's planning frameworks are provided for, protected or enhanced. Participate in community discussions to help maintain visitor experience and quality of life for the permanent resident base. This would assist in integrating the airport in the local community as it expands over the coming 30 years. 	<ul style="list-style-type: none"> Airport Mixed Use Zone is approved and operative for both Queenstown and Wanaka Airports PC35 (QAC) and PC26 (Wanaka) provisions and recognition of Queenstown Airport as nationally significant infrastructure is effectively confirmed within the District Plan review 	<ul style="list-style-type: none"> Stage I decisions due Q2 2018 (subject to QLDC's PDP timeline) 2020 (subject to QLDC's final PDP timeline)
Develop land holdings to maximise return on investment while complementing long term aviation growth	<ul style="list-style-type: none"> Assess development opportunities for their long term sustainable value to Queenstown airport within our relatively constrained land available for this use. Specific opportunities being explored include working with QLDC on the development of a transport hub linked to QAC's transport network, visitor accommodation, and commercial/industrial development. 	<ul style="list-style-type: none"> Broad development opportunities determined in Master Plan options report. Specific development opportunities to be identified following the identification of the preferred master plan option. 	<ul style="list-style-type: none"> December 2018 2020

PROPERTY AND PLANNING STRATEGY

Making best use of our land and resources

Objectives	Key initiatives	Performance targets	Timing
Work with key partners to ensure airport and connecting infrastructure supports the safe and efficient movement of people around the region and provides an outstanding visitor experience	<ul style="list-style-type: none"> • Work with partners to consider a transport hub which will support regional and visitor traffic, linking private vehicles, commercial transport, public buses and ferries. • Participate and provide joint leadership in the Transport Governance Group together with QLDC, NZTA and ORC. 	<ul style="list-style-type: none"> • Support the promotion of multi-modal transport choices available at the airport. • Work with transport partners to identify key transport linkages associated with each of the Queenstown Airport master plan options. 	<ul style="list-style-type: none"> • Ongoing • Dec 2018
Acquire or rationalise land holdings to support our strategies	<ul style="list-style-type: none"> • Secure and develop Lot 6 to accommodate a 168m separated heavy taxiway and a new aviation precinct. • Assess opportunities to acquire other land that will support the long-term growth of the airport. 	<ul style="list-style-type: none"> • Secure the acquisition of 'Lot 6' • Assess and present land acquisition opportunities on case by case merits 	<ul style="list-style-type: none"> • FY19 • Ongoing

ONE TEAM STRATEGY

Working together to deliver the best outcomes for all

Objectives	Key initiatives	Performance targets	Timing
Achieve Zero Harm (People and Environmental Incident) through leadership focused on health, safety and risk management, clear accountabilities and effective systems	<ul style="list-style-type: none"> • Continue to engage the wider airport community in a collaborative approach toward continuous improvement in site health and safety. • Promote a ‘just culture’ and open reporting system where we focus on key learnings. • Maintain effective Health & Safety environmental systems which exceed legislative requirements. • Regularly review the QAC Business Continuity Management (BCM) framework to reflect the size and response scale of operation. • Continue to practise and stress-test our emergency preparedness (Airport Emergency Plan). • Develop and implement contractor health and safety prequalification process. 	<ul style="list-style-type: none"> • Target = achieve zero harm to people and environment • Implement comprehensive layered audit programme • ‘Just culture’ procedures embedded in business as usual operations • Achieve Operating and Effective level of ICAO/CAR based Safety Management System following CAA 2018 Audit • Stress-test BCM plan/contingency procedures • Further non-aeronautical (i.e. earthquake, terminal fire) exercises planned and delivered to stress-test our emergency preparedness • Implement contractor prequalification process. 	<ul style="list-style-type: none"> • Ongoing • Ongoing • Ongoing • Ongoing • December 2018 • June 2018 onwards • Dec 2018
Invest in our team's development and wellbeing and build an empowered one team culture	<ul style="list-style-type: none"> • Continue to embed QAC's values throughout the company and wider airport community. • Consolidate the wellbeing programme across the organisation. 	<ul style="list-style-type: none"> • Employee survey engagement matrix analysis completed (?) • Staff feel valued and are recognised for a job well done • High level of engaged and motivated staff 	<ul style="list-style-type: none"> • Ongoing
Create a deep understanding of our customers, their needs and desires - and how they'll change - to provide a memorable airport experience and effective value propositions	<ul style="list-style-type: none"> • Consolidate the data sets built over the past 18 months to build a comprehensive framework of customer insights. 	<ul style="list-style-type: none"> • Create customer experience and journey framework 	<ul style="list-style-type: none"> • December 2018
Work with our airline & airport partners to optimise operational efficiency and visitor experience through lean and continuous improvement initiatives	<ul style="list-style-type: none"> • Work with airline, agency and other airport stakeholders to deliver cross-airport process improvement using lean and other tools. 	<ul style="list-style-type: none"> • Utilise lean methodology for the assessment and evaluation of Pathway Strategy projects. 	<ul style="list-style-type: none"> • FY18 and FY19

ONE TEAM STRATEGY

Working together to deliver the best outcomes for all

Objectives	Key initiatives	Performance targets	Timing
Build engagement with stakeholders and the wider region to connect more deeply with the community served by the airport	<ul style="list-style-type: none"> Proactive and regular communication with stakeholders. Use our company values to identify/refine community engagement opportunities. Participate in community discussions to help maintain visitor experience and quality of life for permanent resident base. Be a leader, working collaboratively at a local, regional and national level to find solutions to the region's destination management issues. 	<ul style="list-style-type: none"> QAC staff are recognised leaders and role models among the wider airport team and community High level of engaged and motivated staff Supportive environment for wider airport community to work as one team 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing
Implement the noise management plan to mitigate noise impacts and address community concerns	<ul style="list-style-type: none"> Mitigation work will continue rolling out for homes in the inner noise sector. Commence work on homes in the mid noise sector. Noise mitigation works to continue in annual or two-yearly tranches for the next 20 years. 	<ul style="list-style-type: none"> Airport noise, as measured, is within the levels set in the District Plan Inner noise sector mitigation works underway, mid noise sector consultation commences. Regular, accurate and relevant communications 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing
Optimise facilities and infrastructure to reduce energy consumption, reduce waste and enhance environmental sustainability	<ul style="list-style-type: none"> Reduce the climate change impacts of Queenstown Airport and realise cost savings from energy and fuel efficiencies. Set targets for annual total potable water consumption, annual total potable water savings and uptake water efficient technologies and opportunities. Set targets for annual waste production, annual waste recycled, and annual waste minimised. Build targeted supply chain partnerships to enhance Queenstown Airport's sustainability performance Set annual environmental performance targets, identify opportunities and implement projects to enhance NZ's biodiversity. Identify an appropriate sustainable business accreditation to measure and benchmark ongoing improvement in environmental sustainability. 	<ul style="list-style-type: none"> Refer Aeronautical Strategy targets Quarterly report to the Board Baseline metrics and measurements established in line with a sustainable business accreditation process. 	<ul style="list-style-type: none"> Refer Aeronautical Strategy timing March 2017 ongoing June 2017 ongoing

ONE TEAM STRATEGY

Working together to deliver the best outcomes for all

Objectives	Key initiatives	Performance targets	Timing
Fund airport strategies cost-effectively	<ul style="list-style-type: none"> Prepare a funding strategy for the Master Plan capital requirements. 	<ul style="list-style-type: none"> Medium term funding raised Long term funding strategy completed 	<ul style="list-style-type: none"> Apr 2018 June 2020
Technology improvements to improve visitor experience, business resilience and operational efficiency	<ul style="list-style-type: none"> A technology innovation strategy is developed to improve customer experience and increase adaptability for disruptive technologies. A Business Intelligence road map is developed to support decision making and lead to operational optimisation. Technology resilience is improved to support business continuity and disaster recovery. 	<ul style="list-style-type: none"> Technology Innovation phase 1 is implemented Business Intelligence for airline data and regional visitor trend data is implemented Backup as a Service is implemented Cyber security improvements are implemented 	<ul style="list-style-type: none"> Jun 2019 Dec 2018 Jan 2019 Dec 2018

WANAKA STRATEGY

Connecting Wanaka sustainably

Objectives	Key initiatives	Performance targets	Timing
Develop a Master Plan for Wanaka Airport with input from the community, that provides a spatial framework for the airport's future	<ul style="list-style-type: none"> Prepare a vision for Wanaka Airport, having engaged with stakeholders and the community. Prepare a Master Plan for Wanaka Airport. 	<ul style="list-style-type: none"> Community engagement on vision for airport Draft Master Plan Community engagement on Master Plan 	<ul style="list-style-type: none"> June 2018 June 2019 March 2020
Foster an airport community culture focussed on health, safety and risk management, clear accountabilities and effective systems	<ul style="list-style-type: none"> Review/update systems and procedures to reflect new airport lease. Review Airfield Conditions of Use. Develop site safety forum. 	<ul style="list-style-type: none"> All WKA aeronautical documentation reviewed and registered as controlled document Review Airside Safety Regulations including vehicle and driver permits 12-month schedule of meetings agreed 	<ul style="list-style-type: none"> Dec 2018 July 2019 Dec 2018
Work towards becoming an economically viable and sustainable business	<ul style="list-style-type: none"> Work with airport operators on developing a sustainable commercial pricing model and transition plan. Market valuations and benchmarking, transition to new model by March 2019. Evaluate other opportunities to generate sustainable returns which complement the Master Plan process. 	<ul style="list-style-type: none"> Airport community engaged throughout the process Leases and Licences reviewed and up to date, including for activities and events 	<ul style="list-style-type: none"> July 2018 December 2018 June 2020
Work with key partners to ensure airport and connecting infrastructure supports the safe and efficient movement of people around the region and provides an outstanding visitor experience	<ul style="list-style-type: none"> Work with key partners to develop an integrated approach to planning and development in the Wanaka region, including and development, transport and air connectivity. Achieve Requiring Authority status for Wanaka Airport. Acquire or rationalise land holdings to support our strategies. 	<ul style="list-style-type: none"> Engage and contribute to the development of an Integrated Wanaka Transport Business Case (subject to agreement of approach with the Regional Transport Governance Group). Apply for Requiring Authority Status with support from QLDC. 	<ul style="list-style-type: none"> Ongoing June 2019

Key Strategic Projects

	FY2018	FY2019	FY2020	FY2021
Queenstown Airport Master Plan	Stakeholder/ community engagement.	Determine preferred option.	Implementation.	Implementation.
Project Pathway	Develop a programme of work to enable the existing Queenstown Airport terminal to accommodate 2.5mppa.	Implement projects to enable capacity to 2.5mppa.	Complete the programme.	Complete the programme.
Noise Planning	Continuation of PDP hearings incorporating PC35 provisions. Progress changes to noise planning framework.	Continue to progress changes to noise planning framework.	Finalise any changes to noise planning framework.	Finalise any changes to noise planning framework.
Noise Mitigation	Continue works in annual or two-yearly tranches for next 15 years.	Continue works in annual or 2-yearly tranches for next 15 years.	Continue works in annual or 2-yearly tranches for next 15 years.	Continue works in annual or 2-yearly tranches for next 15 years.
Land Acquisition	Environment Court decision.	Public Works Act (PWA) proceedings reinstated.	PWA decision. Continue to assess opportunities as they arise.	Continue to assess opportunities as they arise.
Wanaka Airport	Stakeholder/ community engagement on vision for airport.	Develop draft Master Plan.	Stakeholder/ community engagement on draft Master Plan.	

Financial Forecast FY2018-2021

	FCT FY2018 \$'000	FCT FY2019 \$'000	FCT FY2020 \$'000	FCT FY2021 \$'000
Total Revenue	44,519	51,522	59,488	61,681
Operating Expenditure	14,697	16,397	16,333	17,308
EBITDA	29,822	35,125	43,155	44,373
Interest Expense	2,547	5,109	5,544	5,996
Depreciation & Amortisation	7,898	11,856	15,002	18,142
Profit Before Tax	19,377	18,161	22,610	20,235
Net Profit After Tax	13,534	12,378	16,164	15,289
Dividends Paid ¹	7,169	6,767	6,189	8,082
Total Assets	413,506	455,876	487,137	520,104
Shareholders Funds	253,912	278,932	308,849	336,169
Operating Cash Flow	20,354	27,952	36,473	38,142
Capital Expenditure	(96,459)	(33,491)	(26,042)	(31,062)
Closing Debt	134,636	152,748	154,461	161,459
Financial Ratios				
Total Pax (000)	2,116	2,279	2,437	2,500
Percentage International Pax	28%	28%	29%	30%
Revenue per Pax	\$21.04	\$22.61	\$24.41	\$24.67
NPAT per Pax	\$6.40	\$5.43	\$6.63	\$6.12
Return on Equity (NPAT to Avg SH Funds ²)	5.5%	4.6%	5.5%	4.7%
Return on Assets (NPAT to Avg Total Assets ³)	3.8%	2.8%	3.4%	3.0%
EBITDA > 2 times funding expense	11.2	6.0	7.2	7.4
Shareholders Funds to Total Tangible Assets > 50%	61%	61%	63%	64%

Notes

1. Dividends calculated on a paid basis rather than earned.
2. Average Shareholders' funds based on opening and closing balances.
3. Average Total Assets based on opening and closing balances.

Shareholder Interaction and Corporate Governance

Regulatory Framework

QAC is a Council Controlled Trading Organisation (CCTO) for the purposes of the Local Government Act 2002. Section 59 sets out the principal objectives of a CCTO which are to:

- (a) *achieve the objectives of its Shareholders, both commercial and non-commercial, as specified in the statement of intent; and*
- (b) *be a good employer; and*
- (c) *exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and*
- (d) *conduct its affairs in accordance with sound business practice.*

QAC's business is also subject to regulatory control under the Airport Authorities Act 1966 and complies with the disclosure requirements of a specified airport company pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations.

The Airport Authorities Act 1966 (section 4(3)) states that the Airport "...*must be operated or managed as a commercial undertaking.*"

The company's governance is also covered by the Companies Act 1993.

QAC's aeronautical operations are governed by the Civil Aviation Act 1990 and Civil Aviation Rules Part 139.

Statement of Intent (SOI) Process

As a CCTO, QAC must prepare a SOI in accordance with Section 64(1) of the Local Government Act 2002.

QAC submits a draft SOI for the coming financial year to Queenstown Lakes District Council (QLDC) by 1 March. Following consultation with QLDC, and after considering any comments from QLDC, the final SOI is approved by the airport's Board of Directors and delivered to QLDC by 30 June.

Board of Directors

QAC Board of Directors and management are committed to ensuring the Company meets recommended best practice governance principles and maintains the highest ethical standards.

The Board of Directors is appointed by the Shareholders to govern and direct QAC's activities. The Board is the overall final body responsible for all decision-making within the Company. It is accountable to its Shareholders for the financial and non-financial performance of the Company.

The Board has established an Audit and Financial Risk Committee to oversee the Company's financial reporting processes, system of internal control, and the external audit process, and its processes for identifying and managing financial risk, and for monitoring compliance with applicable law and its own policies. The Board also has established a Safety and Operations Risk Committee to oversee the Company's performance and reporting related to health & safety and operational activities and monitor compliance with applicable law and its own policies.

Role of the Board

The Board is responsible for the proper direction and oversight of QAC's activities. This responsibility includes:

- Approving strategic plans, budgets and the SOI
- Corporate policies, including financial and dividend policies, and delegated authorities
- Monitoring financial performance and achievement of the strategic initiatives and SOI objectives
- Appointment and monitoring of the performance and remuneration of the Chief Executive (CE)
- Integrity of management information systems
- Assessment of business opportunities and business risks
- Internal control and assurance systems
- Compliance with relevant law
- Reporting to Shareholders

Reporting to Shareholders

The Company has adopted 30 June as its balance date.

Within two months of the end of the first half of each financial year, Directors will deliver to Shareholders an Interim Report which will consist of:

- Chair and CE's report
- Directors' Responsibility statement
- Unaudited financial statements
- Notes to the financial statements including accounting policies

Within three months of the end of each financial year, Directors will deliver to Shareholders an Annual Report which will consist of:

- Chair and CE's report
- Directors' Responsibility statement
- Audited financial statements
- Notes to the financial statements including accounting policies
- A Statement of Service Performance summarising QAC's performance of the SOI goals and objectives
- Independent Auditor's Report

The Board works collaboratively with its Shareholders to ensure a "no surprises" relationship.

Quarterly meetings are held between QAC's Chair and CE and QLDC's Mayor and CE. These meetings are an opportunity to provide greater insights and information on business performance and issues of importance. QAC's Chair and CE also present the annual financial results to the QLDC Council and QLDC Audit Committee.

Annual meetings are held between QAC's Chair and CE and Auckland International Airport's Chair and CE where opportunities to work together in delivering Strategic Objectives are discussed (refer Strategic Alliance below).

Dividend Policy

The Directors may declare dividends according to the following policy:

At their discretion, Directors may declare a full year dividend each year in a range of 50% and 100% of normalized Net Profit After Tax (NPAT), after adjusting for unrealised gains and losses arising from revaluation of property or treasury instruments and material extraordinary items.

In determining the full year dividend the Directors will consider:

- solvency;
- banking covenants and company treasury policy;

- working capital and capital expenditure requirements; and
- the interests of shareholders.

An interim dividend may be declared and paid by 28 February each year. Any final dividend will be paid by 31 August each year.

Directors will determine the level of imputation credits having regard to the needs of shareholders.

The Directors will consider any request from the Shareholders for additional dividend payments and will apply prudent governance when considering such requests.

The Directors will not issue shares wholly or partly in lieu of the proposed dividend or proposed future dividends, without the written approval of Shareholders.

Capital Subscription

No new shares in the company can be issued without the consent of Shareholders.

The company is confident it can fund its capital growth plans from internal sources (cash flow and/or debt) during the forecast period 2018-2020. The Board will assess this position annually as part of the SOI process.

Investment in Other Entities

The Company must consult with the Shareholders prior to any investment being made in another entity.

Services Provided to QLDC

QAC provides property maintenance services at Glenorchy Aerodrome on behalf of QLDC. QLDC and QAC have agreed in principle that, subject to agreeing the terms, QAC will provide a broader range of management services at the airport.

QAC leases land to QLDC which forms part of the Frankton Golf Course for \$25,000 p.a.

Wanaka Guiding Principles

QLDC and QAC have developed principles to guide the management and development of Wanaka Airport:

1. QLDC and QAC are committed to the development of Wanaka Airport to support district growth and community needs.
2. QLDC and QAC support the operation, management, planning and development of Wanaka Airport by QAC as a key element of an integrated, complementary, district-wide strategy to foster the growth of aviation services.
3. QLDC and QAC acknowledge that the long-term lease arrangement regarding Wanaka Airport should vest economic control of Wanaka Airport in QAC and its terms should encourage investment in the Airport by QAC.
4. QLDC and QAC agree that the governance model for Wanaka Airport will be effective and similar to the current model in place for Queenstown Airport.
5. QLDC and QAC agree Wanaka Airport should become an economically viable and sustainable business.
6. QLDC and QAC believe that the support of the communities served by Wanaka Airport is important to its development.
7. QLDC and QAC agree to commit to engage with all of the stakeholders involved at the Wanaka Airport and the wider Wanaka community in future planning activities.

8. QLDC and QAC support Activities, (such as, general aviation, scientific research and education), and Events, (such as Warbirds over Wanaka), at Wanaka Airport.
9. These Activities and Events will require sustainable arrangements including an appropriate transition period.

Strategic Alliance with AIAL

Auckland International Airport Limited's (AIAL) investment in QAC includes an undertaking between the two companies to work together to grow QAC's business returns and increase passenger numbers.

The focus of the strategic alliance for the next five years will be for the two companies to leverage the scale and connectivity of a multi-airport relationship to grow visitor activity and deliver superior earnings growth to both companies and economic growth to their respective communities.

Where appropriate, QAC will seek to leverage AIAL's market and operational scale, intellectual property and management capabilities in aeronautical, retail, commercial and property development functions including:

- Collaboration to further develop air services between the two airports, sharing relevant market information and analysis
- Joint ventures on relevant tourism-related marketing and tactical promotions
- Optimising operational efficiency through technology and process innovation
- Support in maximising non-aero revenue through the sharing of data and retail/transport expertise
- Input on industry/airport trends and operating efficiencies, particularly in identifying and managing common strategic risks
- Training and/or mentoring support for personnel
- Support with procurement

AIAL will continue its own route development into markets such as the US, China, South East Asia and South America that cannot support direct flights to Queenstown due to aircraft size. Promotions will feature Queenstown and promote passengers travelling through AIAL to Queenstown on domestic carriers.

Audit

The Office of the Auditor General (OAG) has appointed Deloitte to undertake the financial audit of QAC for the three years ended 30 June 2017 to 2019.

Accounting Policies

QAC will maintain accounting records in accordance with the Companies Act 1993.

QAC will prepare financial statements in accordance with the Financial Reporting Act 2013; the Companies Act 1993, the Local Government Act 2002, the Airport Authorities Act 1966 and the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 (as amended in 2014). These include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

Corporate Directory

Location:	Queenstown Airport Corporation Airport Administration, Queenstown Airport Sir Henry Wigley Drive Frankton Queenstown 9300	
Mailing address:	PO Box 2641 Queenstown 9349 NEW ZEALAND	
Phone:	+64 3 450 9031	
Email:	admin@queenstownairport.co.nz	
Websites:	www.queenstownairport.co.nz www.wanakaairport.com	
Shareholders	Queenstown Lakes District Council (75.01%) Auckland Airport Holdings (No2) Limited (24.99%)	
Directors	Prudence Flacks (Chair) Grant Lilly Michael Stiasny Norman Thompson Mark Thomson Adrienne Young-Cooper	
Senior Management	Chief Executive	Colin Keel colin.keel@queenstownairport.co.nz
	Chief Financial Officer	Mark Edghill marke@queenstownairport.co.nz
	GM Operations and Safety	Mike Clay mikec@queenstownairport.co.nz
	GM Property and Planning	Rachel Tregidga rachel.t@queenstownairport.co.nz
	GM Commercial and Customer Experience	Olivia Pierre oliviap@queenstownairport.co.nz
	Manager – Communications and Community	Jen Andrews jen@queenstownairport.co.nz
Senior persons per Civil Aviation Rules, part 139	Chief Executive GM Operations and Safety	Colin Keel Mike Clay

Abbreviations

AIAL	Auckland International Airport Limited
CAA	Civil Aviation Authority of New Zealand
CE	Chief Executive Officer
CCTO	Council-Controlled Trading Organisation
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
F&B	Food and Beverage
FY	Financial Year – 1 July to 30 June
GA	General Aviation
IATA	International Air Transport Association
NPAT	Net Profit After Tax
OCB	Outer Control Boundary
PC35	Queenstown Lakes District Council Plan Change 35 relating to Airport Noise boundaries
PDP	Proposed District Plan
QAC	Queenstown Airport Corporation, the company that operates Queenstown Airport
QLDC	Queenstown Lakes District Council
RMA	Resource Management Act
RPL	Remarkables Park Limited
SOI	Statement of Intent
WKA	Wanaka Airport
ZQN	Queenstown Airport

Proposed Queenstown Airport Corporation Dividend Policy

Recommendation

The QAC Board recommend to the shareholders that the QAC Dividend Policy is revised to the following:

“The Directors may declare dividends according to the following policy:

At their discretion, Directors may declare a full year dividend each year in a range of 50% and 100% of normalized Net Profit After Tax (NPAT), after adjusting for unrealised gains and losses arising from revaluation of property or treasury instruments and material extraordinary items.

In determining the full year dividend the Directors will consider:

- *solvency;*
- *banking covenants and company treasury policy;*
- *working capital and capital expenditure requirements; and*
- *the interests of shareholders.*

An interim dividend may be declared and paid by 28 February each year. Any final dividend will be paid by 31 August each year.

Directors will determine the level of imputation credits having regard to the needs of shareholders.

The Directors will consider any request from the Shareholders for additional dividend payments and will apply prudent governance when considering such requests.

The Directors will not issue shares wholly or partly in lieu of the proposed dividend or proposed future dividends, without the written approval of Shareholders.”

The draft Policy has been included in the draft Statement of Intent currently under review by Council.

Context

In 2011 the Directors of QAC and QLDC Council Members agreed a Dividend Policy that has been in place since that time. The Policy strictly defines the dividend payment and has resulted in a payout of approximately 50% to 60% of NPAT each year since 2011.

Current Policy

The current dividend policy is:

“The Board will declare dividends according to the following policy:

- *A base dividend payment from normalised Net Profit After Tax (NPAT) of \$2 million each year 50 percent payable by 31 January. The balance of the base payment will be paid after year end accounts are finalised with an additional 50 percent of normalised NPAT that exceeds \$2 million.*
- *In the event the normalised NPAT is forecasted to be less than \$3 million then the Board will reconsider a dividend payment and will apply prudent governance prior to declaring any dividend.*

The Board will consider any request from the Shareholders for further dividend payments and will apply prudent governance when considering such requests. Prior to declaring a dividend the Board will consult with the Shareholders, and seek advice where necessary, to ensure that the tax consequences for each Shareholder are managed.

The Board will not issue shares wholly or partly in lieu of the proposed dividend or proposed future dividends, without the approval of Shareholders”.

Change In Environment

Since 2011 there have been changes in circumstances which the current policy is not designed to adapt to:

- QAC has experienced strong growth of NPAT resulting in greater funds available for distribution or reinvestment.
- The capital expenditure requirements of the airport have increased and are expected to continue to increase, particularly driven by the Master Plan. These are funded through operating cash flows (after dividends) and bank debt.
- The company has extended its bank facilities up to \$115 million with BNZ and Westpac debt facilities and is in the process of raising further debt facilities. This allows more flexibility on funding capital expenditure and therefore dividends

The Board has considered these changes and, endorsed a change in the dividend policy along the lines recommended above. In reaching this recommendation, the Board considered market best practice.

Market Benchmarking

The dividend policies of several listed NZ companies were reviewed as summarized below. Key insights were:

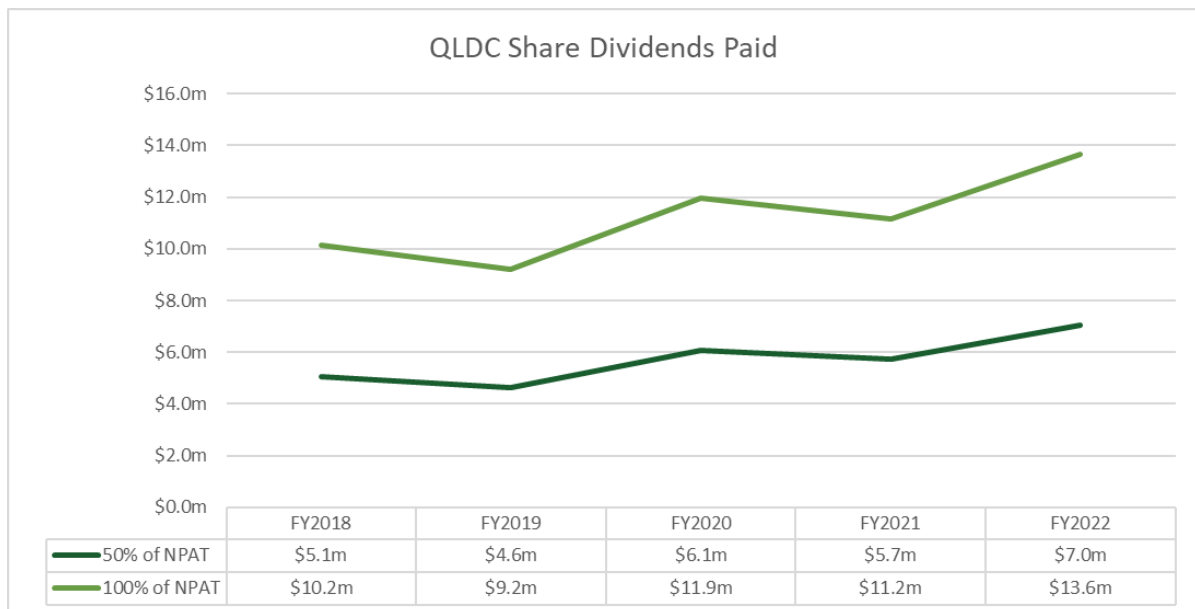
- Dividend distribution policies typically range from 50% to 100% of profit across major listed companies.
- These policies generally allow the Board flexibility to balance:
 - consistent dividend growth despite volatility in earnings
 - funding of lumpy capex
- Generally Boards have discretion to take into account extraordinary/one off items (by “normalizing” profits) and working capital/capital expenditure requirements.

Dividend Forecasts

The proposed policy would allow payouts in the range 50% to 100% of NPAT. The impact of two dividend payout scenarios on QLDC dividends are set out below:

- 50% dividend (current forecast)
- 100% dividend

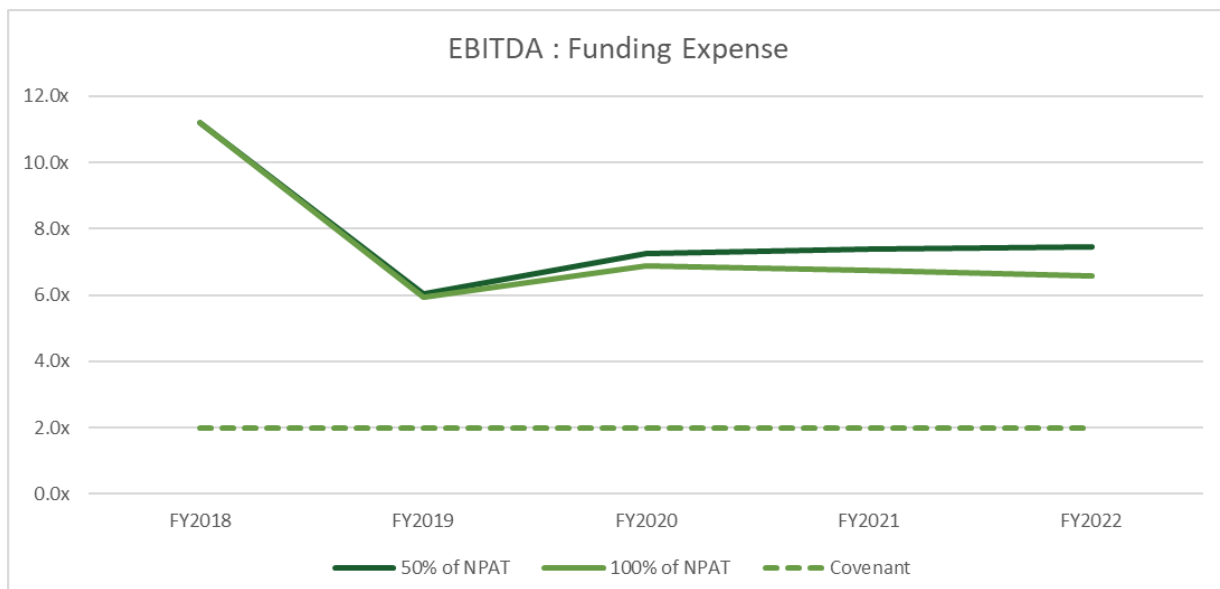
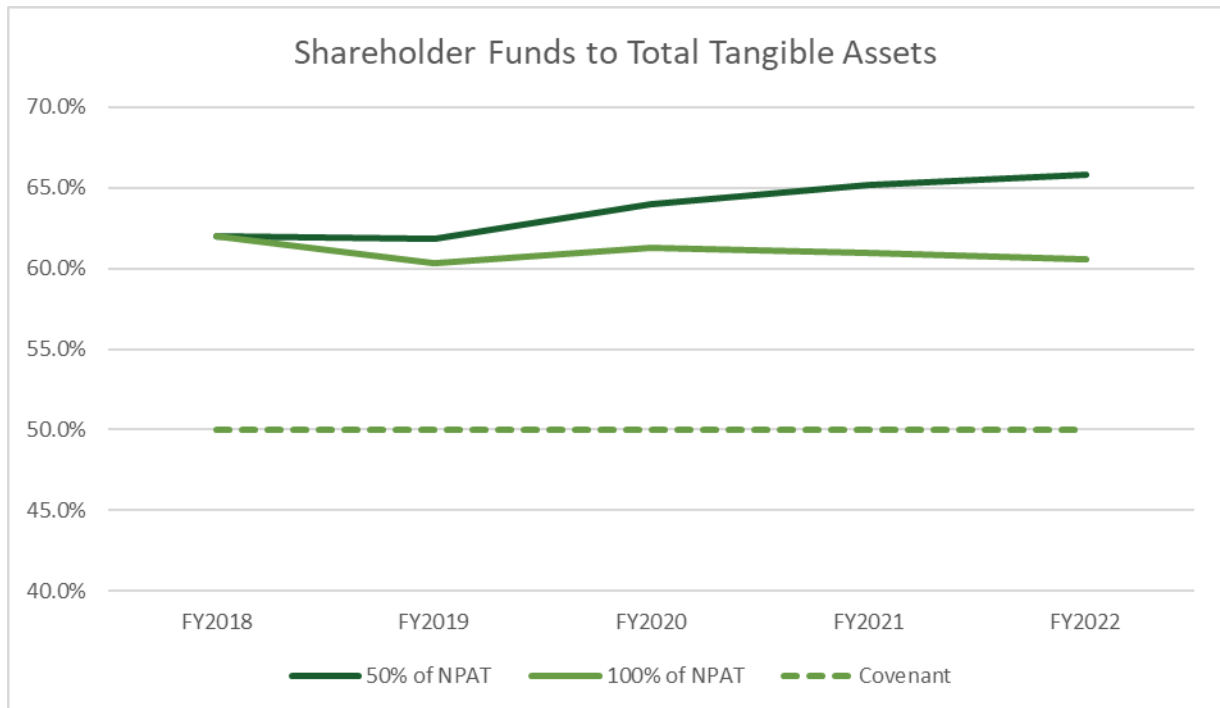
The scenarios all assume passenger numbers are constrained by existing noise boundaries and infrastructure to 2.5 million passengers i.e., no Master Plan options are implemented. The implications of Master Plan funding will be considered by the Board in the next 12 months and QLDC will be consulted as this evolves.



Solvency and Banking Covenants

In considering the level of dividends in a year, the Board will consider solvency, banking covenants and treasury policy. Under the range of scenarios, banking covenants are preserved.

The most sensitive covenant is the Equity ratio banking covenant (Shareholder Funds as a ratio to Tangible Assets must be >50%). This remains above 60% in all scenarios.



Next Steps

In summary, a Dividend Policy allowing payout ratios of between 50% and 100% will allow shareholders to receive a growing dividend stream, maintain covenants and provides flexibility for the company to repond to future needs.

Mark Edghill
Chief Financial Officer
March 2018

QLDC Council
23 March 2018

Report for Agenda Item 3

Department: Finance & Regulatory

Navigation Safety Bylaw 2018

Purpose

- 1 To consider the adoption of the proposed Navigation Safety Bylaw 2018 (**proposed bylaw**), the revocation of the Navigation Safety Bylaw 2014 and the Waterways and Ramp Fees Bylaw 2014, and the adoption of proposed maritime fees and charges. Approval is also sought for the preparation of a proposal to publicly consult on possible amendments to the proposed bylaw.

Executive Summary

- 2 On 28 November 2017, the Hearings Panel (**panel**) undertook deliberations regarding the submissions received during the consultation process. As the result of careful consideration of all of the submissions and evidence, the panel recommended the adoption of the proposed bylaw with some amendments. The panel has decided not to support an expansion of the speed uplifting in the upper section of the Clutha River.
- 3 Council officers recommend further evaluation of certain matters raised during consultation, which may require that the proposed bylaw is amended in the future. The further consultation proposed would address four topics, including regulation of powered vessels / vessel speeds on the Clutha River, a new rule clarifying safety obligations on river boards (and similar craft), a new rule requiring paddle boarders (and similar craft) to wear a leg leash, and incorporating surfboards into the “vessel” definition.
- 4 Council staff recommend engagement with Central Government to develop infringement regulations for the effective enforcement of the proposed bylaw after adoption.

Recommendation

- 5 That Council:
 1. **Note** the contents of this report.
 2. **Note** the deliberations from the Navigation Safety Bylaw Hearings Panel to make the proposed Navigation Safety Bylaw 2018 (**Attachment C**).
 3. **Adopt** the Proposed Navigation Safety Bylaw 2018 (**Attachment A**) pursuant to section 33M of the Maritime Transport Act 1994 (“MTA”), to take effect on 6 April 2018, with the exception of clause 46 (permission to use or occupy structures or the foreshore), which will take effect from 1 July 2019.

4. **Adopt** the proposed maritime fees and charges in Attachment B pursuant to section 33R of the Maritime Transport Act 1994, to take effect on 6 April 2018.
5. **Revoke** the following bylaws:
 - a. the Navigation Safety Bylaw 2014, to take effect on 6 April 2018; and
 - b. the Waterways and Ramp Fees Bylaw 2014, to take effect on 6 April 2018, with the exception of clauses 15 – 17 and applicable fees for maritime structure permits in Schedule 1, which will be revoked on 1 July 2019.
6. **Direct** Council staff to engage with Central Government to develop infringement regulations to effectively enforce the proposed Navigation Safety Bylaw 2018.
7. **Direct** Council staff to review, consult upon and recommend to Council possible amendments to the proposed Navigation Safety Bylaw 2018 under s156 of the Local Government Act 2002, specifically relating to:
 - a. Options for regulating powered vessels / vessel speeds on the Clutha River (clause 37, Schedule 2 (Table 1) – Clutha River, Maps 8 - 9):
 - b. A new rule requiring river boarding (river boards, river bugs, body boards, and river sledges/hydro speeds) operators to comply with applicable health and safety regulations (Health and Safety in Employment (Adventure Activities) Regulations 2011) (clause 27);
 - c. A new rule requiring stand up paddle boarders, wind surfers, sail boarders and users of similar vessels to wear a leg leash (clause 25); and
 - d. Amending the definition of “vessel” to include surfboards (clause 6).
8. **Direct** Council Officers to report back to Council no later than 28 June 2018.

Prepared by:



Lee Webster
Manager, Regulatory
16 March 2018

Reviewed and Authorised by:



Stewart Burns
GM, Regulatory & Finance
16 March 2018

Background

- 6 On 28 September 2017, Council commenced a special consultative procedure in relation to the proposal to adopt the Navigation Safety Bylaw 2017 (**proposed bylaw**). The proposed bylaw is intended to replace the Navigation Safety Bylaw 2014 (**current bylaw**) and the Waterways and Ramp Fees Bylaw 2014 (**Waterways bylaw**), which are to be revoked as part of the proposal. Council have also consulted with the public regarding proposed maritime fees, that are intended to replace the fees applicable under the current bylaws.

- 7 The Council provided a copy of the proposed bylaw to Maritime New Zealand as required under s33M(1) of the Maritime Transport Act 1994.
- 8 Submissions closed on October 31, 2017. The Council received 314 written submissions regarding the proposal. In total, 285 out of 314 written submissions related to proposed speed uplifting changes on the Clutha River, which was largely opposed by submitters. The Navigation Safety Hearings Panel (panel) was convened over 2 days (15-16 November 2017) for hearings held in Wanaka and Queenstown. The panel heard from 33 submitters regarding the proposed bylaw, including 26 submitters who submitted in relation to the proposed speed uplifting changes on the Clutha River.
- 9 On 28 November 2017, the panel undertook deliberations regarding the submissions received during the consultation process. A summary of those deliberations is outlined in a deliberations report attached (**Attachment C**).

Amendments to proposed bylaw

- 10 The outcome of the deliberations is that the panel recommended that the proposed bylaw be adopted subject to changes to some clauses.
- 11 Amendments of particular note include:
 - a. Rejecting an expansion of the speed uplifting in the Upper Clutha between the Lake Wanaka outlet and Albert Town Bridge (clause 35.1 / Schedule 2);
 - b. Requiring vessels carrying dangerous goods to maintain full written records of dangerous goods to be made available to the Harbourmaster on request, in place of the proposal that vessels give the Harbourmaster 24 hours notice before loading or unloading dangerous goods (clause 30);
 - c. Extend the expiry of approvals under the Waterways Bylaw to 1 July 2019 (clause 61);
 - d. Insert explanation of high speed access lane locations as under the current bylaw (Schedule 2, Table 2);
 - e. Clarifying that “no swimming” signage only takes effect if approved by the Harbourmaster or an enforcement officer (clause 28);
 - f. Updating maps to ensure consistency of colour coding, and inserting explanatory tables under each map with cross references to relevant clauses in proposed bylaw (Schedule 2); and
 - g. Inserting a guide for measuring the length of a yacht (Schedule 3).
- 12 As a result of the submissions received and the hearing panel’s deliberations the panel has recommended that the proposed uplifting is not a supportable proposition. The panel was persuaded as to the arguments that a prohibition on all powered vessels was a position worthy of consideration but had advice that this could not be adopted at that time and would require further analysis and review, and would if it were to be a position preferred by Council, need to be further tested by way of a new Statement of Proposal.
- 13 Consequently, Council officers recommend retaining the current rules applicable to the Clutha River under the current bylaw, until further consultation can occur

regarding options for regulating powered vessels / vessel speeds in this area, and a new Statement of Proposal considered by Council. The current bylaw provides for a 5 knot limit between Lake Wanaka outlet and the 5 knot buoy, and a timed speed uplifting between the 5 knot buoy and the Red Bridge.

- 14 The amended bylaw that is proposed for adoption by the Council is attached to this report as **Attachment A**, with proposed amendments indicated in track changes. In addition, all of the maps have been updated to improve consistency of colour coding, and each include a table of cross references to relevant clauses in the proposed bylaw. Maps 8 and 9 have been updated to reflect the recommendation of Council officers to retain the status quo on the Clutha River until further consultation can occur.

Further consultation

- 15 Council Officers recommend that they be directed to prepare a proposal to re-consult on four significant changes to the proposed bylaw, which were not part of the original proposal. These include the following topics:
- a. Options for regulating powered vessels / vessel speeds on the Clutha River (clause 37, Schedule 2 (Table 1) – Clutha River, Maps 8 - 9):
 - b. A new rule requiring river boarding (river boards, river bugs, body boards, and river sledges/hydro speeds) operators to comply with applicable health and safety regulations (Health and Safety in Employment (Adventure Activities) Regulations 2011) (clause 27);
 - c. A new rule requiring stand up paddle boarders, wind surfers, sail boarders and users of similar vessels to wear a leg leash (clause 25); and
 - d. Amending the definition of “vessel” to include surfboards (clause 6).
- 16 Each of these matters will need to be tested subject to the provision of the Act and if adopted by Council be further tested formally by a Statement of Proposal during 2018. Council officers consider that, as a matter of fairness, the public should be given an opportunity to submit on the above proposed amendments to its original proposal.

Comment

- 17 The Council has carried out a special consultative procedure in accordance with the Local Government Act 2002, which has resulted in significant public engagement on the proposed bylaw. The Council has also consulted with Maritime New Zealand regarding the proposed bylaw, as required under s33M(1) of the MTA.
- 18 If the Council adopts the panel’s recommendation:
- a. the proposed bylaw will be adopted with the amendments set out in Attachment A;
 - b. the maritime fees will be adopted as outlined in Attachment B;
 - c. Council staff will:
 - i. engage with Central Government to develop infringement regulations; and

- ii. commence the preparation of a further proposal to consult with the public on amendments to specific parts of the proposed bylaw.

Amendments to proposed bylaw

- 19 While a large number of submissions from the public were received, they were focussed on relatively specific parts of the proposed bylaw. Most provisions in the proposed bylaw were not supported or opposed by members of the public. Key topics during consultation included the speed uplifting changes proposed for the Clutha River, and the proposed continuation of restrictions on powered vessels operating on the Kawarau River, below the Arrow River confluence.
- 20 In light of submissions received from the public, the panel has recommended that the proposed bylaw is adopted subject to some changes (refer Attachment A). The amendments to the proposed bylaw are recorded in track changes. The maps have been updated to improve colour coding, and include tables to provide cross-references to relevant rules within the proposed bylaw. These amendments should improve public understanding of the proposed bylaw, as the maps can be used as a tool to provide a quick overview of local rules in a specific area. The maps do not reference other rules in the proposed bylaw that apply across the District.
- 21 In addition to changes recommended by the panel, the amended bylaw includes detailed explanations of the location of High Speed Access Lanes, based on what was set out in the current bylaw. There are also consequential and other minor amendments to the proposed bylaw (which are also highlighted in track changes).
- 22 The Property and Infrastructure Team within Council responsible for managing maritime structures have requested further time to prepare for the implementation of the changes in the proposed bylaw. Accordingly, it is recommended that the current regime in the Waterways Bylaw applicable to maritime structures is continued until 1 July 2019. This will involve a few clauses in the Waterways Bylaw remaining in effect until that time. Otherwise, Council staff consider that the remainder of the proposed bylaw should be brought into effect to as early as 6 April 2018.

Infringement regulations

- 23 In order to effectively enforce the proposed bylaw, Council officers recommend engagement with Central Government to request that infringement regulations are made. This is to ensure the Council and Harbourmaster can issue infringement notices for breaches of the new bylaw. It is hoped that these regulations could be in place as early as next Summer.

Further consultation

- 24 The Council has the power to amend a bylaw under s156 of the Local Government Act 2002. Council staff consider that the changes proposed would require further public consultation. As a result, it is proposed that Council staff prepare a further report to Council to recommend options for further consultation with the public on the four topics identified by the panel.

Options

- 25 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:
- 26 Option 1 Adopt the proposed Navigation Safety Bylaw 2018 (as amended in Attachment A) and proposed maritime fees and charges (Attachment B), revoke the Navigation Safety Bylaw 2014 and Waterways and Ramp Fees Bylaw 2014

Advantages:

- 27 The proposed bylaw will effectively achieve greater consistency with the MTA and applicable maritime rules, particularly Maritime Rule 91 (Navigation Safety). Further, the proposed bylaw substantially reduces duplication, and removes redundant clauses that deal with matters more effectively regulated elsewhere. The modifications proposed by the Harbourmaster to specific rules in the current bylaw are intended to meet changes to the existing maritime risk profile applicable to specific waterways, or water based activities.
- 28 The proposed bylaw will retain the current speed limits along the Clutha River until further public consultation can occur. Council officers will provide a further report for Council consideration regarding a preferred option for regulating powered vessels along the Clutha River for public notification. The revocation of the Waterways bylaw, and incorporation of mooring permit regime within the proposed bylaw will achieve the objective of reducing the complexity of the current waterways permitting system. Council officers consider that these changes will promote better public understanding of the process and costs associated with using Council infrastructure, and will make compliance easier.

Disadvantages:

- 29 There will be some members of the public that may be unhappy about the changes to existing requirements in the current bylaw and the Waterways bylaw. Some submitters may be unhappy that the Council has not made changes to prohibit powered vessels on the Clutha River.
- 30 Option 2 Reject the proposed Navigation Safety Bylaw 2018 and proposed maritime fees and charges

Advantages:

- 31 The current bylaw and Waterways bylaw will continue to have effect at least until the next statutory review of the Waterways bylaw in 2019. The Council will continue to receive fees in relation to the various permits under the waterways permitting system.

Disadvantages:

- 32 The Council will be responsible for implementing the existing provisions of the current bylaw despite the inconsistency of parts of the current bylaw with

maritime rules. The consistency issues will delay the development and passage of updated infringement regulations to facilitate effective enforcement of local navigation safety rules.

- 33 The existing waterways permitting system will continue despite concerns regarding the workability and fairness of some aspects of the system. The Council will need to improve public awareness of the Waterways bylaw. The costs of administering and enforcing a number of different permits and fees will continue to fall on the Council. These matters will remain unresolved, and will still need to be addressed in the next review in 2019.
- 34 A third option was also considered to adopt the proposed bylaw which contained one or more of the four aspects to be considered for further consultation already incorporated within the bylaw.
- 35 However, this option has not been included as this is not considered a viable option and there is a high risk to legal challenge to this, as it denies natural justice to those who might oppose the changes and their right to comment on them.
- 36 This report recommends **Option 1** for the Council to adopt the proposed bylaw with some amendments and the proposed maritime fees and charges (refer Attachment A and B). The proposed bylaw provides for reasonable regulation of navigation safety risks in the District, and will improve consistency with the maritime rules.

Significance and Engagement

- 37 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because there is community interest regarding the safe use of the District's waterways, and the regulation of infrastructure under the waterways permitting system.

Risk

- 38 This matter relates to the operational risk OR005 – Death of a member of the community, as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because it directly affects the use of the Council's waterways, ramps and jetties.
- 39 The recommended option considered above mitigates the risk by rationalising the rules regarding the use of waterways in the District, by providing simplified rules to facilitate self-compliance.
- 40 In addition, having identified these new matters and establishing a separate process to consider these, Council are also mitigating the legal risk of addressing these prematurely.

Financial Implications

- 41 It is anticipated there will be additional unbudgeted costs associated with development of a new proposal for further notification, including legal costs of approximately \$10,000.

Council Policies, Strategies and Bylaws

- 42 The following Council policies, strategies and bylaws were considered:
- Waterways and Ramp Fees Bylaw 2014
 - Navigation Safety Bylaw 2014
 - Jetties and Moorings Policy
 - Enforcement and Prosecution Policy
 - Finance Policy
 - 10 Year Plan
 - Council's Operative District Plan and Proposed District Plan
- 43 The new policy is likely to update and supersede the content of the current Jetties and Moorings Policy.
- 44 This matter is included in the Annual Plan under Section 3 – Regulatory Functions and Services.

Local Government Act 2002 Purpose Provisions

- 45 The recommended option:
- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing a single bylaw that consolidates and simplifies navigation and waterways regulation;
 - Can be implemented through current funding under the 10-Year Plan and Annual Plan;
 - Is consistent with the Council's plans and policies apart from the Jetties and Moorings Policy, which will require updating if the proposed bylaw is adopted; and
 - Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the Consultation: Community Views and Preferences

Community views and preferences

- 46 The persons who are affected by or interested in this matter are residents and ratepayers of the Queenstown District, iwi, tourists, and any other users of the District's lakes and waterways.
- 47 The original proposal was publicly notified by advertisement in local newspapers between 30 September 2017 and 6 October 2017, including the Otago Daily Times, Southland Times, Mirror and Wanaka Sun. The proposed bylaw, statement of proposal, summary of proposal, a comparison table, and other supporting documents were made available on the Council website, in Council libraries, and in Council offices at 10 Gorge Rd, Queenstown and 47 Ardmore Street, Wanaka. Council also notified submitters who participated in the most

recent bylaw review processes in 2014 and 2016, to advise that a special consultative procedure is underway.

- 48 The Hearings Panel received 314 written submissions regarding the proposed bylaw. It heard from 33 submitters in person, over the course of 2 days (15-16 November 2017) in hearings held in Wanaka and Queenstown. In the course of deliberations, the Hearings Panel has recommended that the proposed bylaw is adopted with some changes. The panel also recommended further consultation on four topics, in order that the public can have their say before any significant change to the proposed bylaw is made.

Legal Considerations and Statutory Responsibilities

- 49 The power to make the proposed bylaw is set out in section 33M of the Maritime Transport Act 1994, which provides that the Council (in consultation with Maritime New Zealand) may make a bylaw for the purposes of ensuring maritime safety to:
- (a) regulate and control the use or management of ships:
 - (b) regulate the placing and maintenance of moorings and maritime facilities:
 - (c) prevent nuisances arising from the use of ships and seaplanes:
 - (d) prevent nuisances arising from the actions of persons and things on or in the water:
 - (e) reserve the use of any waters for specified persons, ships, or seaplanes:
 - (f) in relation to boat races, swimming races, or similar events,—
 - (i) prohibit or regulate the use of ships:
 - (ii) regulate, or authorise the organisers of an event to regulate, the admission of persons to specified areas:
 - (g) regulate and control the use of anchorages:
 - (h) prescribe ship traffic separation and management schemes:
 - (i) specify requirements for the carriage and use of personal flotation devices and buoyancy aids on pleasure craft:
 - (j) require the marking and identification of personal water craft
- 50 The matters outlined in s33M of the MTA are set out in the purpose clause of the proposed bylaw. A navigation safety bylaw is subject to certain constraints in s33M(2) of the MTA, which include that the bylaw cannot be inconsistent with regulations or rules made under the MTA (including Maritime Rules), and it cannot be inconsistent with the Resource Management Act 1991.
- 51 If the Council adopts the recommendation of the Hearings Panel to carry out further consultation on the proposed amendments, Council staff will prepare a statement of proposal relating to the proposed amendments.

Attachments

- A Proposed Navigation Safety Bylaw 2018 (with proposed amendments in track changes)
- B Proposed Maritime Fees and Charges
- C Navigation Safety Bylaw Hearings Panel – Deliberations Report



Navigation Safety Bylaw 201~~8~~7

Queenstown Lakes District Council

Date of making:
Commencement:

This bylaw is adopted pursuant to the Maritime Transport Act 1994 and Local Government Act 2002 by virtue of a transfer of bylaw making powers by the Otago Regional Council pursuant to section 17 of the Local Government Act 2002 and section 650J of the Local Government Act 1974 which has continuing effect under section 87 of the Maritime Transport Amendment Act 2013.

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Part 1 – Preliminary

1 Title and Commencement

- 1.1 This bylaw is the “Queenstown Lakes District Council Navigation Safety Bylaw 2018~~7~~”.
- 1.2 This bylaw comes into force on a date to be resolved by Council.

2 Application

- 2.1 This bylaw applies to the navigable waters and foreshore within the area of the Queenstown Lakes District, as set out in Schedule 1 of this bylaw.

3 Purpose

- 3.1 The purpose of this bylaw is to:
 - (a) regulate and control the use or management of ships;
 - (b) regulate the placing and maintenance of moorings and maritime facilities;
 - (c) prevent nuisances arising from the use of vessels, actions of persons and things on, in, or near the water;
 - (d) reserve the use of any waters for specified persons or vessels;
 - (e) in relation to any sporting event, training activity, ceremonial or other authorised customary event:
 - (i) prohibit or regulate the use of vessels;
 - (ii) regulate, or authorise the organisers of an event to regulate, the admission of persons to specified areas;
 - (f) regulate and control the use of anchorages;
 - (g) prescribe vessel traffic separation and management schemes;
 - (h) specify minimum requirements for carrying and wearing of life jackets and buoyancy aids on recreational vessels;
 - (i) prescribe administrative requirements, fees and charges for the performance of administrative functions;
 - (j) prescribe offences and penalties for contravention or permitting a contravention of the bylaw.

4 **Bylaw to bind the Crown**

- 4.1 Except as provided in section 153 of the Local Government Act 2002, the Crown is bound by the provisions of this bylaw.

5 **Delegation**

- 5.1 Any of the various powers and functions of the Queenstown Lakes District Council as detailed and set out in this bylaw may be delegated by it to its Chief Executive Officer and through him or her to any person in accordance with the Act and the Local Government Act 2002.

6 **Interpretation**

- 6.1 In this bylaw, unless the context otherwise requires,-

Access Lane means an area defined and designated as an access lane described in clause ~~40~~ 41 of this bylaw.

Accident has the same meaning as in the Maritime Transport Act 1994.

Act means the Maritime Transport Act 1994.

Alcohol has the same meaning as in section 5 of the Sale and Supply of Alcohol Act 2012.

Anchorage in relation to vessels, means a place (enclosed or otherwise) used for the anchoring of vessels to the bed of waters, whether the place is reserved for such purpose by the Council or not.

Buoy means an anchored float, serving as a navigational mark or locational mark to indicate hazards, reefs or a mooring.

Commercial Vessel means a vessel that is not a recreational vessel.

Commercial Vessel Licence means a licence referred to in clause 44 of the bylaw.

Contravene includes fail to comply with.

Council means the Queenstown Lakes District Council.

Dangerous goods has the same meaning as in Maritime Rule 24A.

Director means the person who is for the time being the Director of Maritime New Zealand under section 439 of the Maritime Transport Act 1994.

District means the area administered by the Queenstown Lakes District Council.

Drug means any mind altering or legally controlled substance unless it

is prescribed by a doctor and used in accordance with medical directions. This includes any drugs listed in the Misuse of Drugs Act 1975 and includes (but is not limited to) synthetic cannabinoids and herbal highs, as well as other synthetic drugs such as opioids, hallucinogens, piperazines, stimulants and sedatives.

Enforcement Officer means a person appointed by the Council as an Enforcement Officer under section 33G of the Act.

Fee means the fee prescribed by Council under clause 53.

Flag A means flag A of the International Code of Signals (the divers flag) being a swallow tailed flag, or a rigid equivalent, coloured in white and blue with white to the mast, of not less than 600mm by 600mm.

~~**Flag B** means the flag B of the International Code of Signals being a swallow tailed flag, or a rigid equivalent, coloured in red, of not less than 600mm by 600mm.~~

Foreshore means the whole or any part of the bed, shore or banks of a lake or a river as are covered or uncovered by the natural, normal and annual rise and fall of the level of the surface of the lake or river water whether caused by natural means or otherwise and includes any bed, shore or bank of any island within such waters and also includes any lakebed and any riverbed and excludes areas flooded by occasional and irregular flood events.

Harbourmaster means the person appointed by the Council to that position and includes any Deputy Harbourmaster.

Hot work operations includes activities such as welding, grinding, soldering, or other work involving flames or generating sparks.

Impede the passage means to cause a vessel, whether by action or inaction on the part of another vessel, to alter course, alter speed or stop, or to prepare to alter course, alter speed or to stop.

Incident means an accident, collision, grounding or mishap associated with the operation of any vessel.

Intoxicated means observably affected by alcohol, other drugs, or other substances (or a combination of 2 or all of those things) to such a degree that 2 or more of the following are evident:

- (a) appearance is affected;
- (b) behaviour is impaired;
- (c) co-ordination is impaired;
- (d) speech is impaired.

Jet boat means a vessel with water jet propulsion that—

- (a) is less than nine metres in length overall; and
- (b) is designed to carry no more than 34 persons:

Launch facility means a place that:

- (a) is land (whether above or below water) within a 50 metre radius of a ramp; or
- (b) is that part of the foreshore that lies between the water and the Eely Point Reserve legally described as Section 71 Blk XIV Lower Wanaka SD (known as Eely Point); or
- (c) is that part of the foreshore that lies between the water and land legally described as Section 46 Block III Lower Wanaka SD (known as Waterfall Creek).

Length means the length overall of the vessel when measured in accordance with the text and diagram in Schedule 3.

Lifejacket means any serviceable buoyancy aid that is designed to be worn on the body and that is certified by a recognised authority as meeting:

- (a) type 401, 402, 403, 404, 405, or 408 in NZ Standard 5823:1989 or NZ Standard 5823:2001 or type 401, 402, 403, 404, 405 or 406 in NZ Standard 5823:2005; or
- (b) a national or international standard that the Director is satisfied substantially complies with types 401, 402, 403, 404, 405, or 408 of the NZ Standard 5823:1989 or NZ Standard 5823:2001 or type 401, 402, 403, 404, 405 or 406 in NZ Standard 5823:2005.

Explanatory note: for the purposes of this bylaw the term “lifejacket” has the same meaning as a “personal flotation device” under the Maritime Rules.

Making way means being propelled by an instrument or device.

Maritime rules means maritime rules made under the Maritime Transport Act 1994.

Master means any person having command or charge of a vessel, but does not include a pilot who is piloting the vessel.

Moor means:

- (a) the securing of any vessel alongside a wharf, jetty or pontoon by means of suitable mooring ropes, or
- (b) the securing of any vessel to a mooring or anchor, but excludes the temporary anchoring of a vessel.

Mooring in relation to water, means any weight or article placed in or on the shore or bed of any lake or river for the purpose of securing a vessel or any floating structure; and

- (a) includes any wire, rope, buoy or other device connected to the weight; but
- (b) does not include an anchor that is normally removed with the vessel or floating structure when it leaves the site or anchorage.

Mooring permit means a permit issued under clause 47 of this bylaw.

Navigate means the act or process of managing or directing the course of a vessel on, through, over or under the water.

Navigation aid includes any light, navigation mark, buoy, beacon, wharf, lifebuoy or lifesaving apparatus maintained or otherwise authorised by the Council on, or in, any lake or river within the District.

Owner has the same meaning as in section 2 of the Act.

Paddleboard is to be given its natural and ordinary meaning, and includes a craft that is:

- (a) powered by paddle; and
- (b) operated by a person in the standing, kneeling or sitting position; and
- (c) is constructed of rigid materials, whether inflatable or not, provided that it is continuously buoyant.

and does not include a kayak, surf ski or canoe.

Parasailing or **paragliding** includes any gliding or flying by use of a parachute or kite either towed by a vessel or released from a vessel.

Person in charge of a vessel means as the context requires:

- (a) the master of the vessel; or
- (b) in the absence of the master of the vessel, the owner of the vessel; or
- (c) in the absence of the master or owner of the vessel, the person steering the vessel or who appears to the harbourmaster or an enforcement officer to be responsible the vessel, whether or not it is in the water.

Personal water craft means a power driven vessel such as a Jet Ski, provided it:

- (a) has a fully enclosed hull; and

- (b) does not take on water if capsized; and
- (c) is designed to be operated by a person standing, sitting astride or kneeling on it but not seated in it.

Pleasure vessel means a vessel that is used exclusively for the owner's pleasure or as the owner's residence, and is not a commercial vessel; but does not include:

- (a) a vessel that is provided for the transport or sport or recreation by or on behalf of any institution, hotel, motel, place of entertainment, or other establishment or business;
- (b) a vessel that is used on any voyage for pleasure if it is normally used or intended to be normally used as a fishing vessel or for the carriage of passengers or cargo for hire or reward; or
- (c) a vessel that is operated or provided by any club, incorporated society, trust, or business.

Powered Vessel means any vessel that is not solely powered manually or by sail.

Proper speed means speed through water.

Public notice means a notice published [on the Council website and](#) in a newspaper circulating in the area of the District.

Ramp in relation to water, means any structure that is provided for launching a vessel into the water or taking a vessel out of the water.

Recognised authority means an authority that the Director considers is competent to certify a lifejacket's compliance with a standard.

Recreational vessel means a vessel that is:

- (a) a pleasure vessel;
- (b) solely powered manually; or
- (c) solely powered by sail.

Reserved Area means an area reserved for a specific purpose under this bylaw.

Restricted visibility includes circumstances in which visibility is restricted due to fog, mist, or other adverse weather conditions.

Sailboard means any type of board that is propelled by a detachable sail apparatus and operated by a person standing on the board.

Seaworthy in relation to any vessel means being, in the opinion of the Harbourmaster in a fit condition of readiness to safely undertake a voyage within its designed capabilities.

Shotover River Concession Area has the meaning set out in the Queenstown Lakes District Council Shotover River bylaw 2015.

Structure means any building, equipment, device, wharf, jetty, breastwork or other facility which is fixed to land or bed of a waterbody, and

- (a) includes slipways, jetties, ramps, launch facilities, pile moorings, swing moorings, wharves, marine farms, temporary structures associated with events and other objects whether or not these are above or below the waterline; and
- (b) does not include navigation aids.

Sunrise/sunset means the time designated for sunrise/sunset according to New Zealand Standard time.

Underway means that a vessel is not making way, and is not aground, at anchor, or made fast to the shore or other structure.

Unseaworthy in relation to any vessel means being, in the opinion of the Harbourmaster in a condition where it is not ready or in a fit condition to safely undertake a voyage within its designed capabilities.

Uplifting means a lifting of, or change to, speed limits in this bylaw.

Vessel means every description of boat or craft used in navigation, whether or not it has any means of propulsion, and includes:

- (a) a barge, lighter or other like vessel;
- (b) a hovercraft or other thing deriving full or partial support in the atmosphere from the reaction of air against the surface of the water over which it operates;
- (c) a submarine or other submersible;
- (d) a seaplane when operating on the surface of the water;
- (e) a personal water craft;
- (f) a raft;
- (g) a white water ~~boardraft~~;
- (h) a kiteboard, sailboard or paddleboard;
- (i) an inner tube;
- (j) a kayak or canoe;

but does *not* include a surfboard.

White water ~~board-raft~~ means an inflatable vessel manoeuvred by

- (a) oars or paddles; or
- (b) a combination of oars and paddles,

but does not include inflatable kayaks, inflatable canoes, river bugs, tyre tubes, or tyre tube rafts.

Part 2 – General navigation safety requirements

7 General duties of person in charge of the vessel to ensure safety

- 7.1 Every person in charge of a vessel:
- (a) is responsible for the safety and wellbeing of all people on board;
 - (b) must navigate that vessel with all due care and caution and at a speed and manner so as not to endanger any person.
- 7.2 No person may operate or attempt to operate a vessel while intoxicated.

8 Minimum age for operating powered vessels¹

- 8.1 No person under the age of 15 years shall be in charge of, or propel or navigate, a power driven vessel that is capable of a proper speed exceeding 10 knots unless he or she is under the direct supervision of a person over the age of 15 years who is in immediate reach of the controls.
- 8.2 The owner of a power driven vessel that is capable of a proper speed exceeding 10 knots must not allow any person who is under the age of 15 years to be in charge of or propel or navigate that vessel, unless he or she is under the direct supervision of a person over the age of 15 years who is in immediate reach of the controls.
- 8.3 Clauses 8.1 and 8.2 apply unless an exemption has been granted by the Council under this bylaw or by the Director in accordance with the maritime rules.

9 Speed of vessels²

- 9.1 Except where the bylaw specifically provides otherwise, no person may, without reasonable excuse, propel or navigate a vessel (including a vessel towing a person or some object) at a proper speed greater than five knots within:

¹ Rule 91.5.

² Rule 91.6.

- (a) 50 metres of any other vessel or floating structure or person in or on the water;
 - (b) 200 metres of the shore or of any structure;
 - (c) 200 metres of any vessel that is flying Flag A of the International Code of Signals;
- 9.2 Clause 9.1(a) does not apply to:
- (a) a vessel powered by sail in relation to any other vessel powered by sail, while the vessels are participating in a yacht race or training administered by:
 - (i) a club affiliated to Yachting New Zealand; or
 - (ii) a non profit organisation involved in sail training or racing; or
 - (b) a vessel training for or participating in competitive rowing or paddling; or
 - (c) a tug, pilot vessel, Harbourmaster vessel, emergency response vessel or police vessel, if the vessel's duties cannot be performed in compliance with clause 9.1(a);
 - (d) a vessel operating in accordance with a speed uplifting established under this bylaw or the maritime rules.
- 9.3 Clause 9.1(b) does not apply to:
- (a) a vessel operating in an access lane or a reserved area for the purposes for which the access lane or reserved area was declared, unless, in the case of a reserved area, this bylaw provides otherwise;
 - (b) a vessel operating in accordance with a speed uplifting established under this bylaw or the maritime rules;
 - (c) a vessel training for or participating in competitive rowing or paddling; or
 - (d) a tug, pilot vessel, Harbourmaster vessel, emergency response vessel or police vessel when the vessel's duties cannot be performed in compliance with clause 9.1(b).
- 9.4 No person may propel or navigate a powered vessel at a proper speed exceeding five knots, while any person has any portion of his or her body extending over the fore part, bow or side of the vessel.
- 9.5 No person may cause or allow himself or herself to be towed by a vessel (whether or not on a water ski, aquaplane or other similar object) at a proper speed exceeding 5 knots in any circumstances specified in clause 9.1.

- 9.6 No person in charge of a vessel may permit the vessel to continue onwards, after any person being towed by that vessel has dropped (whether accidentally or otherwise) any water ski or similar object which may cause danger to any other person or vessel, without first taking appropriate action to immediately recover that water ski or similar object, unless the person has taken measures adequate to ensure that the dropped ski or similar object is clearly visible to other water users.
- 10 Harbourmaster may instruct vessel not to exceed specified speed**
- 10.1 The Harbourmaster may instruct any vessel not to exceed a specified speed as determined by the Harbourmaster, for the purposes of ensuring navigation safety.
- 11 Wake³**
- 11.1 Subject to clause 9, every person in charge of any vessel must ensure that the vessel's wake or the wake from any person or object being towed:
- (a) does not prevent other people from safely using the waterway;
 - (b) does not cause danger or risk of damage to other vessels, structures, or navigation aids; and
 - (c) does not cause any risk of harm to any other person.
- 12 Embarking and disembarking vessels**
- 12.1 No person may embark or disembark from any vessel while that vessel is making way, except in an emergency situation.
- 13 Anchoring, mooring and obstructions⁴**
- 13.1 No person may anchor a vessel so as to:
- (a) obstruct the passage of other vessels or obstruct the approach to any wharf, pier or jetty; or
 - (b) create a hazard to other vessels at anchor.
- 13.2 When a vessel is moored in a dock or alongside a wharf or other landing place, the owner or master must ensure that:
- (a) the vessel is securely fastened to the dock, wharf or landing place; and

³ Rule 91.7.

⁴ Rule 91.13.

- (b) an adequate and safe means of access to the vessel is provided that is properly installed, secured, and adjusted to suit any ~~tidal~~ conditions.

13.3 No person may place any obstruction in any waters that is likely to:

- (a) restrict navigation; or
- (b) cause injury or death to any person; or
- (c) cause damage to any vessel or any property.

14 Vessels to be seaworthy and not abandoned

14.1 The owner of any vessel anchored or moored in any waters must:

- (a) keep the vessel in a seaworthy condition at all times, unless granted an exemption under this bylaw; and
- (b) not leave any vessel sunk, stranded or abandoned within the foreshore or waters of the District, except where leaving the vessel within the foreshore or waters of the District is necessary to comply with clause 39.3 of this bylaw.

15 Damage to navigation aids⁵ (eg. buoys)

15.1 No person may tie a vessel to any navigation aid without the written permission of:

- (a) if the navigation aid is operated by the Council, the Harbourmaster; or
- (b) if the navigation aid is operated by Maritime New Zealand, the Director.

15.2 No person may damage, remove, deface or otherwise interfere with a navigation aid.

16 Prevention of nuisances

16.1 No person may create a nuisance to any other person through:

- (a) his or her use or control of a vessel;
- (b) the speed of a vessel; or
- (c) the speed of any item or object towed behind or used in conjunction with such a vessel.

⁵ Rule 91.14.

- 16.2 No person may obstruct the use of a jetty, wharf, ramp or launch facility owned or operated by the Council, including by doing any of the following:
- (a) causing an obstruction or loitering while loading or unloading a trailer; and
 - (b) leaving any vessel, trailer, or motor vehicle or any other object obstructing the reasonable use of such facilities by other persons.

17 Refuelling of vessels

- 17.1 No vessel is to be refuelled at any time while there are passengers on board the vessel.

Part 3 – Carriage and wearing of lifejackets

18 Carriage of lifejackets⁶

- 18.1 No person in charge of a recreational vessel may use it unless there are on board at the time of use, and in a readily accessible location, sufficient lifejackets of an appropriate size for each person on board.

19 Wearing of lifejackets

- 19.1 If instructed to do so by the person in charge of a recreational vessel, every person on board must wear a properly secured lifejacket of an appropriate size to securely fit each person.
- 19.2 Every person in charge of a recreational vessel 6 metres or less in length must ensure that while the recreational vessel is making way, each person wears a properly secured lifejacket of an appropriate size that securely fits each person.
- 19.3 Every person in charge of a recreational vessel greater than 6 metres in length must ensure that every person on the recreational vessel who is 10 years old and under is wearing a properly secured lifejacket of an appropriate size at all times.
- 19.4 Every person in charge of a jet boat that is a recreational vessel must ensure that while the vessel is making way, each person wears a properly secured lifejacket of an appropriate size that securely fits each person.

20 Requirement to wear lifejackets during dangerous situations⁷

- 20.1 Every person in charge of a recreational vessel must ensure that in circumstances where river flows, visibility, rough waters, adverse

⁶ Rule 91.4(1)

⁷ Rule 91.4(6).

weather, emergencies or other situations cause danger or a risk to the safety of any person on board, every person on board is wearing a properly secured life jacket of an appropriate size for that person.

21 Requirement to wear lifejackets if being towed⁸

21.1 No person in charge of a vessel may use it to tow any person at a speed of more than 5 knots and no person may cause himself or herself to be towed by any vessel at a speed of more than 5 knots, unless the person being towed wears a properly secured lifejacket of an appropriate size for that person.

22 Exceptions to requirements to carry or wear lifejackets⁹

22.1 Clauses 18, 19, and 20 do not apply to:

- (a) any surfboard, sailboard, paddleboard, windsurfer, or other or similar unpowered craft, if a full wetsuit is worn at all times;
- (b) a diver, on a vessel 6 metres or less in length overall that is used for recreational diving within 5 miles off shore, if a full body dive suit is worn at all times;
- (c) a person training for or participating in a sporting event, if the training or the event is supervised in accordance with the safety system of a national sporting organisation approved by the Director;
- (d) a member of a visiting foreign water sports team, if the person carries or wears a lifejacket that is approved by the competent authority for use in that person's country of residence;
- (e) a commercial raft; and
- (f) any sporting event, training activity, ceremonial event, or other organised recreational activity if the Council is satisfied that adequate safety precautions are made for rescuing any person participating in the event or activity, and issues an exemption under clause 31;

22.2 Clauses 18, 19, and 20 do not apply to any sporting event, training activity, authorised customary activity or ceremonial event if a support vessel that is capable of providing adequate assistance in the event of an emergency remains in the immediate vicinity and carries on board the support vessel sufficient lifejackets of an appropriate size to fit each person involved in the activity.

22.3 Clauses 21 does not apply to:

⁸ Rule 91.4(7).

⁹ Rule 91.4.

- (a) persons training for any trick water skiing element of a sporting event administered by a national sporting organisation approved by the Director; or
- (b) persons participating in a sporting event that is administered by a national sporting organisation approved under the maritime rules.

Part 4 – Specific water-based activities

23 Water skiing or towing of any person – requirement for a lookout¹⁰

- 23.1 No person in charge of a vessel may use it to tow any person at a speed exceeding 5 knots unless at least one other person is on board who is:
- (a) 10 years of age or older; and
 - (b) responsible for immediately notifying the person in charge of every mishap that occurs to the person who is being towed.
- 23.2 No person may cause himself or herself to be towed by any vessel at a speed exceeding 5 knots unless at least one other person is on board who is:
- (a) 10 years of age or older; and
 - (b) responsible for immediately notifying the person in charge of every mishap that occurs to the person who is being towed.

24 Water skiing or towing of any person – restriction between sunset and sunrise¹¹

- 24.1 No person may operate, between sunset and sunrise, or in restricted visibility, a vessel that is towing any person, whether or not that person is on water skis, an aquaplane, surfboard, or similar object.
- 24.2 No person may allow himself or herself to be towed by a vessel between sunset and sunrise.

25 Parasailing

- 25.1 Every person in charge of a vessel that is being used to conduct parasailing must comply with all applicable maritime rules, and safety guidelines issued by the Director.
- 25.2 No person in charge of a vessel that is being used to conduct parasailing may enter the Frankton Arm of Lake Wakatipu.

¹⁰ Rule 91.8.

¹¹ Rule 91.9.

Explanatory note: Applicable maritime guidelines can be found in <https://www.maritimenz.govt.nz/commercial/safety/safety-management-systems/adventure-activity/documents/Commercial-parasailing-safety-guidelines.pdf>.

26 **Whitewater ~~boarding~~ rafting**

- 26.1 Every person in charge of a white water ~~board~~ raft that is used to transport fare paying passengers or trainee guides on rivers must ensure the whitewater board is operated and navigated strictly in accordance with the applicable maritime rules.

Explanatory note: Maritime Rule 81: Commercial Rafting Operations contains the applicable maritime rules.

27 **Jet boating**

- 27.1 Every person in charge of a jet boat that is a commercial vessel must ensure that the jet boat is operated and navigated strictly in accordance with the applicable maritime rules.

Explanatory note: Commercial river jet boating is subject to Maritime Rule 82: Commercial Jetboat Operations - River.

28 **Swimming or diving around wharves or jetties**

- 28.1 No person may jump, dive, swim or undertake any other related activities:
- (a) from or within 50 metres of any jetty or wharf where “no swimming” signage has been ~~placed~~installed~~approved by the Harbourmaster or an enforcement officer;~~
 - (b) within any other area the Harbourmaster identifies for the purposes of ensuring navigation safety.

29 **Hot works**

- 29.1 A person conducting hot work operations on a vessel must comply with the current edition of the Code of Safe Working Practices for Merchant Seafarers (Maritime New Zealand).
- 29.2 The person in charge of a vessel must ensure that before any hot work operations are commenced, he or she takes all precautions for the detection, prevention, and extinguishing of fire on board the vessel or elsewhere, as a result of hot work operations. Provision must be made for the continuance of the precautions until the operations are complete.
- 29.3 In any case where the Harbourmaster is not satisfied adequate precautions have been taken, the Harbourmaster may forbid any hot

work operations to commence, or continue, until he or she is satisfied adequate precautions have been taken.

30 Dangerous Goods

30.1 The person in charge of a vessel must not load or unload dangerous goods on to the vessel unless that person ~~has given the Harbourmaster at least 24 hours written notice, including full details of the dangerous goods, including the hazard classification, quantity, and stowage position;~~

(a) maintains a written record containing full details of the dangerous goods, including the hazard classification, quantity, and stowage position; and

(b) makes the written record of dangerous goods required under clause 30.1(a) available for inspection at any time by the Harbourmaster or an enforcement officer.

31 Special events

31.1 Any person intending to conduct a race, speed trial, competition, display, performance, film, advertisement or other organised water activity must apply to the Harbourmaster to:

(a) temporarily suspend the application of part or all of clause 9 and Part 5 of this bylaw in that area during the conduct of the event; and/or

(b) temporarily reserve the area for the purpose of that activity; and/or

(c) temporarily suspend the designation of permanent access lanes or reserved areas.

31.2 Where the Harbourmaster is satisfied, on considering an application under this bylaw (together with any safety plan that may be required), that the application may be granted without endangering the public, he or she may grant the application accordingly, for a period not exceeding 7 days, and on such conditions (if any) as the Harbourmaster may specify.

31.3 No grant of an application under clause 31.2 has effect unless not less than 7 days or more than 14 days before the commencement of the activity a public notice is given specifying the period of the activity and details of the supervision or reserved area.

31.4 The Harbourmaster can recover all such actual and reasonable fees and expenses incurred by the processing of, and of any public notification of, any such application.

31.5 The Council may prescribe any fees associated with special events in accordance with clause 53.

Part 5 – Rules relating to specific locations

32 Rivers¹²

- 32.1 Subject to the more specific rules below, a person in charge of a vessel on a river must:
- (a) ensure that the vessel keeps to the starboard (right) side of the river channel;
 - (b) if going upstream, give way to any vessel coming downstream; and
 - (c) not operate the vessel unless river and weather conditions permit safe operation of the vessel.

33 Lakes

- 33.1 No powered vessels may proceed at any speed exceeding 5 knots on the waters of Lake Hayes, Moke Lake, Lake Johnston, Lake Kilpatrick, Diamond Lake, Lake Dispute or Lake Reid.

34 Queenstown Bay

- 34.1 The proper speed of vessels must not exceed five knots within 50 metres of any boundary of the access lane in Queenstown Bay unless specifically permitted as a condition of the access lane or by a speed uplifting.

35 Clutha River

- 35.1 The proper speed of vessels must not exceed 5 knots on the Clutha River between the Outlet Camping Ground (marked by a five knot buoy) and the five knot buoy positioned downstream at [Albert Town Bridge](#) (GPS -44.678, 169.169).

36 Kawarau River

- 36.1 The areas immediately below the “downstream” gate and above the “upstream” gate at the Kawarau Falls Dam are not to be used as rest or stop areas by any vessel.
- 36.2 The person in charge of any vessel using the Kawarau River must give way to all vessels exiting from the Shotover River and all such persons must exercise extreme care in and near this junction.
- 36.3 No person may navigate any vessels via the “downstream” gate or “upstream” gate at the Kawarau Falls Dam except in accordance with the following rules (or as may be directed by the Harbourmaster):

¹² Rule 91.17.

- (a) vessels proceeding downstream must be navigated through the second arch of the control gates from the true right of the bank of the Kawarau River;
 - (b) vessels proceeding upstream must be navigated through the sixth arch of the control gates from the true right of the bank of the Kawarau River.
- 36.4 No powered vessels may operate on that part of the Kawarau River located below the Arrow River.
- 37 Shotover River**
- 37.1 No vessel is permitted to use the Shotover River Concession Area, except as permitted under the Shotover River Bylaw 2015 [or any bylaw adopted by Council to replace that bylaw.](#)
- 37.2 Any person in charge of a commercial vessel in the Lower Shotover River must ensure that any other vessel known to be using the same area of the Lower Shotover River is aware (through the maintenance of radio contact, Channel E19) of the movements and location of the commercial vessel at all times.
- 38 Prohibited areas**
- 38.1 No person in charge of a powered vessel may use it for water skiing, aquaplaning or towing of persons, whether or not the person being towed is using a vessel, in the following areas:
- (a) inside Queenstown Bay from the Scott Memorial, Queenstown Gardens in a line through the green beacon to the One Mile Creek;
 - (b) the Outlet of Lake Wakatipu defined as an area extending to the Willow Tree Island to the west of the Control Gates (refer Map 6);
 - (c) the Shotover, Kawarau and Clutha Rivers.

Part 6 – Incidents and near misses

- 39 Requirement to report to the Harbourmaster in the event of mishap or serious incident**
- 39.1 A person in charge of a vessel that has been involved in an incident where:
- (a) the incident has caused damage to another vessel, or a navigation aid or any structure;

- (b) a vessel has been sunk or grounded or become stranded in any waterway;
- (c) by reason of accident, fire, defect or otherwise the vessel cannot be safely operated; or
- (d) any person has been injured;

must, as well as complying with the reporting requirements in Section 31 of the Maritime Transport Act 1994 (which requires reporting the incident to the Authority), also report the incident to the Harbourmaster.

- 39.2 A report required by clause 39.1 must be reported in writing or by email to the Harbourmaster as soon as possible with all relevant details of the incident, including details prescribed under clause 52 of this bylaw.
- 39.3 If an incident results in damage to a vessel that affects or is likely to affect its safe operation, the person in charge of the vessel must not move the vessel except:
- (a) to clear a main navigation channel, or to prevent further damage, or to position the vessel in a safe mooring or anchorage; or
 - (b) in accordance with directions from the Harbourmaster or the police.

40 Requirement to report to the Harbourmaster in the event of a near miss

- 40.1 The person in charge of any commercial vessel that has been involved in an incident that is not covered by clause 39.1, but could have potentially led to an accident or collision, must report in writing the details of the incident to the Harbourmaster within 24 hours of the incident occurring.

Part 7 – Access Lanes and Reserved Areas

41 Access Lanes

- 41.1 The following areas are access lanes for the purposes of this bylaw:
- (a) the areas specified in Table 2 of Schedule 2 of this bylaw; and
 - (b) the areas declared to be access lanes in accordance with this clause.

- 41.2 The Council may, after giving public notice of its intention, declare any area(s) of any lake within 200 metres of the water's edge to be an access lane for any specified purpose.
- 41.3 The public notice declaring any area to be an access lane or alternatively revoking any such earlier declaration of an access lane must be publicly notified by the Council at least seven days before the declaration or revocation is to take effect.
- 42 Conduct in Access Lane¹³**
- 42.1 Any person using an access lane to navigate, propel or manoeuvre any vessel must proceed:
- (a) as near as is safe and practicable along the outer limit of the access lane that lies to the starboard (right hand side) of the vessel;
 - (b) by the most direct route through the access lane;
 - (c) vessels are to cross the access lane on a heading as close as is practicable to the general direction of the lane; and
 - (d) this clause applies to objects towed by a vessel.
- 42.2 No person may swim in any access lane except in circumstances which relate to the person's lawful use of the access lane.
- 42.3 No person in charge of a vessel may operate a vessel in a manner that obstructs or impedes the passage of any other person while that other person is using an access lane for the purpose for which it has been declared.
- 42.4 No person within an access lane may proceed in any manner that is dangerous in relation to any vessel or other person in the access lane.
- 42.5 If one or more persons are using an access lane for the purpose for which it is declared, no person may enter, remain in or use the lane for any other purpose.
- 43 Reserved Areas¹⁴**
- 43.1 The Council may by public notice and upon such terms and conditions and for such period or periods it thinks fit declare and designate any area of the waters and foreshore under its control to be a Reserved Area:
- (a) for use of vessels generally; or

¹³ Rule 91.10

¹⁴ Rule 91.12.

- (b) for the use of a particular type of vessel to the exclusion of other types of vessels; or
 - (c) for the use of swimmers, water skiers, scuba divers or any persons undertaking other water recreation activities; or
 - (d) for any other specified purpose which the Council may consider appropriate and/or necessary (including the designation of access lanes).
- 43.2 Adequate signs must be provided in the vicinity of any reserved area that:
- (a) define the area;
 - (b) declare the purpose for which the area has been reserved, including the conditions of the reservation made, and the permitted types of activities within the reserved area; and
 - ~~(e) — if the reserved area is marked on shore, mark the reserved area using black posts with white horizontal bands; and.~~
 - ~~(d)(c) (d) — if the reserved area is marked at sea, mark the reserved area using black buoys with white bands.~~
- 43.3 The Council may by public notice cancel or alter the conditions of any such declaration of a reserved area.
- 43.4 The reservation or revocation of a reserved area must be publicly notified by the Council at least seven days before such reservation or revocation of such reservation will have effect.
- 43.5 In any area declared by the Council to be a reserved area the Council may also give public notice that any of the provisions of this bylaw will not apply to the reserved area, or will only apply on terms and conditions and for such periods as the Council deems fit.
- 43.6 No person may obstruct another person while the other person is using a reserved area for the purpose for which it is reserved.

Part 8 – Commercial vessels

44 Commercial vessels to be licensed

- 44.1 Any person who operates a commercial vessel that is not subject to a licensing requirement under applicable maritime rules must obtain a licence to do so from the Council.
- 44.2 The holder of a licence must comply with the conditions of the licence and failure to do so is a breach of the bylaw and the Council may withdraw the licence.
- 44.3 Applications for licences must be made in the prescribed form, describe the activities in respect of which the licence is sought and be accompanied by payment of the applicable fees and such further supporting information as the Council may require to enable processing of the application.
- 44.4 Licences may be granted or refused at the discretion of the Council, upon such terms and conditions as the Council thinks fit.
- 44.5 A licence is personal to the holder and to the vessel specified therein and is not transferable.
- 44.6 Every commercial vessel licence issued under this bylaw or the applicable maritime rules must be available for inspection at any time by the Harbourmaster or an enforcement officer.

45 Requirement as to survey

- 45.1 No person may operate on any waters within the District a commercial vessel that is required to be surveyed under any relevant maritime rule unless the owner of such vessel holds a Maritime Operator Safety System certification or a certificate of compliance under the applicable maritime rule.

Part 9 – Structures and Moorings**46 Permission to use or occupy structures or the foreshore**

- 46.1 No person in charge of a commercial vessel may load or unload persons or materials using a structure under Council ownership or control other than in accordance with Council permission given under clause 46.3 of this bylaw.
- 46.2 No person may occupy any structure or foreshore under Council ownership or control, including by establishing a new structure on the foreshore, other than in accordance with Council permission given under clause 46.3 or clause 46.4 of this bylaw.
- 46.3 The Council may grant permission to any person to use or occupy a structure subject to terms and conditions (including the payment of a fee) and for such periods as determined by the Council.

46.4 The Council may in accordance with the Reserves Act 1977 grant permission to any person to occupy the foreshore subject to terms and conditions (including the payment of a fee) and for such periods as determined by the Council.

47 Mooring permits

47.1 No person may place a mooring in any waters, or moor any vessel in any navigable waters, other than in accordance with a mooring permit issued by the Council.

47.2 The Council may issue a mooring permit subject to conditions determined by the Council in accordance with requirements specified under clause 52.

47.3 The Council may prescribe fees associated with moorings and mooring permits in accordance with clause 53.

47.4 Mooring permit holders shall take all care to ensure that the mooring is used in a lawful manner and use moorings at their own risk.

47.5 Mooring permits may be transferred in accordance with terms and conditions prescribed by the Council, including the payment of the applicable fee.

48 Powers of the Harbourmaster or the Council with respect to moorings and vessels on moorings

48.1 The Harbourmaster or the Council may at any time, after giving written notice, cancel a mooring permit where the permit holder fails to comply with the terms and conditions of the mooring permit or any other clause under this Part of the bylaw.

48.2 If a mooring permit has been cancelled, the Harbourmaster or the Council may require the mooring owner to remove the mooring. The mooring owner must remove the mooring within one month of the date the permit is cancelled and at the mooring owner's cost.

48.3 The Harbourmaster or the Council may remove any mooring, and any vessel occupying the mooring if:

- (a) a mooring permit has been cancelled and the owner has not removed the mooring within one month of the mooring permit being cancelled;
- (b) the mooring permit fee is unpaid for a period greater than 2 months from the due date;
- (c) the mooring is not authorised by a mooring permit granted under this bylaw; or
- (d) the mooring does not have an identification number visible.

- 48.4 The Harbourmaster or the Council may detain any mooring or vessel together with the contents of the vessel until the actual cost of removing the mooring and storing the vessel has been paid.
- 48.5 If the cost of removal or storage has not been paid within two months of removal, the Harbourmaster or the Council may sell the mooring and/or vessel and its contents to recover the debt.

Part 10 - Administration provisions

49 Powers of Harbourmaster

- 49.1 The Harbourmaster will be responsible for ensuring general compliance with the provisions of this bylaw and can exercise any of the powers conferred on the Harbourmaster under the Act or this bylaw.

50 Impersonation of Harbourmaster

- 50.1 It is an offence for any person who is not the Harbourmaster, a Deputy Harbourmaster, or an Enforcement Officer to behave in a manner that could lead any person to believe that the person holds any such appointment.

51 Speed Upliftings¹⁵

- 51.1 A person may apply in writing to have any speed limit applicable to specified waters within this bylaw uplifted.
- 51.2 An application under clause 51.1 must not be granted unless the Council is satisfied that:
- (a) the application has been publicly notified;
 - (b) the Director has been consulted;
 - (c) affected persons have had a reasonable opportunity to comment on the application;
 - (d) the applicant has provided evidence of the consultation undertaken with affected persons and any navigation safety concerns arising from the consultation process;
 - (e) the applicant has provided evidence of any measures taken to address any concerns raised by affected persons; and
 - (f) uplifting the speed limit will not unacceptably increase the risk to navigation safety or endanger persons using the waters that are the subject of the application.

¹⁵ Rule 91.20.

51.3 The Council may grant an application in accordance with clause 51.2 for a specified period or periods and subject to such conditions as Council may specify in the interests of navigation safety, and provided the Director is notified.

51.4 The Council may prescribe any fees associated with speed upliftings under this clause in accordance with clause 53.

52 Administrative requirements

52.1 The Council may from time to time specify by publicly notified Council resolution requirements for the administration of this bylaw, including but not limited to the following:

- (a) any forms to be required by Council for the administration of this bylaw.
- (b) any guidelines applicable to issuing a mooring permit, commercial vessel license, or other approval under this bylaw.
- (c) any terms and conditions upon which any approval under this bylaw may be issued.
- (d) any other processing or administrative requirements which the Council deems appropriate to give effect to this bylaw.

53 Fees and charges

53.1 The Council may by publicly notified Council resolution prescribe fees or charges in relation to any permit or licence issued under this bylaw following public consultation in accordance with section 150(3)-(6) of the Local Government Act 2002.

53.2 The Council may recover its actual and reasonable costs from the applicant where the actual costs exceed the specified fee.

54 Exemptions

54.1 The Council or the Harbourmaster may only grant an exemption under this bylaw on receipt of an application made prior to the commencement of any activity in contravention of the requirements of this bylaw.

54.2 The Council or the Harbourmaster may exempt by written approval, any person, vessel or class of vessels from clauses 8, 12, 14, 17, 19, 28, and Part 5 of this bylaw.

54.3 The Council or the Harbourmaster may exempt by written approval any person, vessel or class of vessels participating in a sporting event, training activity, ceremonial event, or other organised recreational activity from clauses 18 and 20 provided the Council is satisfied that adequate safety precautions are made for rescuing any person participating in the event or activity.

- 54.4 In granting any written exemption to any clause of this bylaw the Council or the Harbourmaster must consider the effects of the exemption on public health and safety.
- 54.5 The Council or the Harbourmaster may revoke any exemption immediately where there is reason to believe public health or safety has, or might be, adversely affected.
- 54.6 No exemption may be granted:
- (a) for a contravention of this bylaw that has already occurred;
 - (b) for a period exceeding 14 days;
 - (c) for an activity that has prohibited activity status within the Queenstown Lakes District Plan; or
 - (d) if it would authorise something that is or would be contrary to any other enactment, regulations or a maritime rule.
- 54.7 The Council may prescribe any fees associated with granting an exemption under this clause in accordance with clause 53.

Part 11 – Enforcement

55 General enforcement powers of the Harbourmaster

- 55.1 In any case where the Harbourmaster is not satisfied adequate precautions have been taken to ensure the health or safety of any person or the public or to avoid damage to any vessel, structure or the environment, the Harbourmaster may prohibit or restrict the activity until satisfied adequate precautions have been taken.
- 55.2 The Harbourmaster, enforcement officer or police officer may use powers under the Act and maritime rules and/or the Local Government Act 2002 and regulations to enforce this bylaw.
- 55.3 The Harbourmaster, or enforcement officer may direct any vessel or person to take any action they deem necessary to ensure compliance with the maritime rules or this bylaw.
- 55.4 Where any provision in this bylaw imposes an obligation to pay a fee, the owner of the vessel is liable for that fee on the date that payment falls due.

56 Non-compliance with conditions of a permit or licence

- 56.1 Where a holder of any permit or licence issued under this bylaw does not comply with the terms and conditions of the permit, the Council or Harbourmaster may take one or more of the following steps:

- (a) issue a written warning to the holder of the permit, which may be considered as evidence of a prior breach of a permit condition during any subsequent review of the permit:
- (b) review the permit, which may result in:
 - (i) amendment of the permit;
 - (ii) suspension of the permit; or
 - (iii) cancellation of the permit.
- (c) enforce any breach of this bylaw, including as provided for under the Act, maritime rules and/or the Local Government Act 2002 and regulations.

56.2 There will be no refund of fees if any permit or licence is cancelled.

57 Offences

57.1 Every person commits an offence against this bylaw who:

- (a) contravenes or permits a contravention of this bylaw;
- (b) prevents a Harbourmaster or an enforcement officer from carrying out their statutory functions or duties under this bylaw;
- (c) when directed by a Harbourmaster or an enforcement officer to do anything, fails, refuses or neglects to comply with the Harbourmaster or an enforcement officer's requirement without reasonable cause;
- (d) refuses to give information when directed to do so by a Harbourmaster or an enforcement officer or knowingly gives incorrect information.

58 Penalties

58.1 Every person who:

- (a) commits an offence against this bylaw will be liable either under the Act and/or the Local Government Act 2002;
- (b) commits an infringement offence, set out in the regulations created under the Act and/or the Local Government Act 2002 is liable to an infringement fee prescribed in the regulations of the applicable legislation.

59 Exceptions

- 59.1 A person does not contravene this bylaw if that person proves that the act or omission was in compliance with the directions of the Harbourmaster, an enforcement officer or a police officer.

Part 12 – Revocation and savings**60 Revocation**

- 60.1 The Queenstown Lakes District Navigation Safety Bylaw 2014 including all amendments is revoked.
- 60.2 The Queenstown Lakes District Waterways and Ramp Fees Bylaw 2014 including all amendments is revoked from a date specified by publicly notified resolution of the Council.

61 Savings

- 61.1 Any resolution (including a resolution as to a reserved area) or other decision made under the Queenstown Lakes District Council Navigation Safety Bylaw 2014 remains in force in the area to which it applied until revoked or replaced by an equivalent resolution or decision made by the Harbourmaster under this bylaw.
- 61.2 Any public notices, designations, declarations, revocations, or delegations or directions of the Harbourmaster issued under that bylaw or preceding bylaws are deemed to have been issued under this bylaw and to be subject to the provisions of this bylaw.
- 61.3 Directions of the Harbourmaster issued under that bylaw or preceding bylaws that were in effect before the date of commencement of this bylaw are deemed to have been issued under this bylaw and to be subject to the provisions of this bylaw.
- 61.4 Any licence, consent, permit, dispensation, permission or other form of approval made under the Queenstown Lakes District Council Navigation Safety Bylaw 2014 or the Queenstown Lakes District Council Waterways and Ramp Fees Bylaw 2014 continues in force but:
- (a) expires on the date specified; or
 - (b) if no expiry date is specified, expires on ~~30 June~~ July 2019⁸; and
 - (c) can be renewed only by application made and determined under this bylaw.
- 61.5 Any application for a licence, consent, dispensation, permission or other form of approval made under the Queenstown Lakes District Navigation Safety Bylaw 2014 or the Queenstown Lakes District Waterways and Ramp Fees Bylaw 2014 that was filed before the date

specified under clause 60 of this bylaw must be dealt with by the Council and the Harbourmaster as if it had been made under this bylaw.

Explanatory note: ~~By deed of delegation, the Otago Regional Council has transferred its powers, functions and duties within the boundary of the Queenstown Lakes District to the Queenstown Lakes District Council. That delegation also provides for the transfer of the power to make bylaws under the Local Government Act 2002 and the Maritime Transport Act 1994 to the Queenstown Lakes District Council.~~

Schedule 1 – Map of Queenstown Lakes District



Schedule 2 – Speed upliftings and access lanes

1 Upliftings for Lakes and Rivers

- (i) The uplifting of speed restrictions applies in the areas and locations and for the durations described in Table 1.

Table 1 – Speed Upliftings

Location	Description	Duration	GPS Co-ordinates	
Dart River	From Lake Wakatipu to Dredge Flat, Mount Aspiring National Park Boundary	All Year	River Mouth	-44.85 to 168.36
			Upper Boundary	-44.57 to 168.35
Rockburn Stream	From Dart River confluence to Chasm	All Year	Stream Mouth	-44.67 to 168.31
Rees River	From Lake Wakatipu to Muddy Creek	30 October to 1 May 30 October	River Mouth	-44.85 to 168.38
			Upper Boundary	-44.70 to 168.33
Upper Shotover River	Deep Creek upstream to 100 metres above Skippers Bridge	All Year	Deep Creek	-44.89 to 168.67
			Skippers Bridge	-44.84 to 168.69
Lower Shotover River	From Kawarau confluence upstream to Oxenbridge Tunnel	All Year	Kawarau confluence	-45.02 to 168.77
			Oxenbridge Tunnel	-44.98 to 168.67
Kawarau River	From Lake Wakatipu to the Arrow River confluence, excluding an	All Year	Lake Wakatipu	-45.03 to 168.73
			Arrow River confluence	-45.01 to 168.89

	area marked by yellow buoys adjacent Zoological Gardens in which the 5 knot limit remains in place.			
Makarora River	From Lake Wanaka upstream to the confluence of the Young River.	All Year	River Mouth	-44.32 to 169.17
			Young River confluence	-44.20 to 169.24
Wilkin River	From the confluence of the Makarora River upstream to Kerin Forks.	All Year	River Mouth	-44.27 to 169.18
			Kerin Forks	-44.24 to 169.03
Matukituki River	From Lake Wanaka upstream to the point on the East Branch where it meets the Mt Aspiring National Park Boundary and on the West Branch to the Raspberry Flat car park.	All Year	River Mouth	-44.62 to 169.019
			East Branch	-44.44 to 168.81
			West Branch	-44.5 to 168.79
Clutha River	From Lake Wanaka <u>the 5 knot buoy marker to downstream to the Albert Town Red Bridge. This is the end of the QLDC area.</u>	All Year between the hours of 10am to 4pm in the winter and 10am to 6pm in the summer	Outlet camping grounds <u>5 knot buoy</u>	-44.676 to 169.1516
			Albert Town Red Bridge	-44.68 73 to 169.1928

	From the Albert Town Bridge to the Red Bridge GPS is a 5 knot uplifting.	All Year	Albert Town Bridge	-44.68 to 169.19
			Red Bridge	-44.73 to 169.28
Hunter River	From Lake Hawea to Ferguson Creek	1 November to 12 December inclusive and from 19 March to 30 April.	River Mouth	-44.28 to 169.45
			Ferguson Creek	-44.71 to 169.21

2 Upliftings for Access Lanes

- (i) The Vessel TSS Earnslaw is excluded from the 5 knot limit due to the nature of her propulsion and manoeuvring characteristics.

3 Upliftings for Water Ski access lanes

- (i) Each ski access lane is marked with an orange pole with black stripes at either end of the lane.

Table 2 – Access Lanes

Water ski access lanes – Lake Wakatipu	
Location	Co-ordinates
The Buckler Burn Glenorchy	-44.86 to 168.38
Kinloch Main Beach	-44.84 to 168.35
Kelvin Grove	-45.04 to 168.68
Frankton Beach	-45.02 to 168.73
Willow Place West Side	-45.03 to 168.72
Loop Road	-45.036 to 168.70
Frankton Arm North Side	-45.03 to 168.69
Kingston Main Beach	-45.33 to 168.72
Bobs Cove	-45.07 to 168.51
Wilsons Bay	-45.06 to 168.57

Water ski access lanes – Lake Wanaka	
Roys Bay - Eely Point	-44.68 to 169.12
Roys Bay - Main Beach adjacent Pembroke Park	-44.70 to 169.13
Roys Bay - Water Fall Creek	-44.69 to 169.10
Dublin Bay	-44.65 to 169.17
Glendhu Bay - West ski lane	-44.67 to 169.01
Glendhu Bay - East ski lane	-44.67 to 169.02
Lake Hawea Ski Lane	-44.61 to 169.27
<u>High speed access lanes – Lake Wakatipu</u>	
<u>Location</u>	<u>Description</u>
<u>Queenstown Bay</u>	<u>Access lane starts north east end of Queenstown Bay, outer boundary marked by two yellow buoys with beacons on top, green south side, red north side, GPS references -45.03 to 168.66, -45.04 to 168.66. These buoys define the lanes out of Queenstown Bay. The green beacon at the entrance to Queenstown Bay is the southern most boundary of the Access Lane (refer map 1).</u>
<u>The Narrows</u>	<u>Access lane is between Kelvin Heights Peninsula and Park Street. The south side of the lane is marked by 3 navigational buoys between points starting 50 metres off shore from the North West end of the Kelvin Peninsula and continues to a point 100 metres off shore between the Yacht Club jetties and at no point will the south side of the access lane be nearer than 50 metres from the shore. From the Eastern point, further buoys will be set approximately 120 metres off shore around to a point off the Earnslaw slipway. The north side of the lane is marked 50 metres off shore opposite the Frankton Walking Track, extending to a point 200 metres West along Park Street into the main body of Lake Wakatipu, with the outer boundary of the Narrows being the red beacon on the southern most tip of Queenstown Gardens (refer Map 2).</u>
<u>Kawarau Dam Access Lanes (Downstream):</u>	<u>Access lanes between Lake Wakatipu and the Kawarau River to terminate at the notices erected on each side of Willow Tree Island 150 metres into the Lake from the Kawarau Dam/Bridge (refer Map 3).</u>
<u>Kawarau Dam Access Lanes (Upstream)</u>	<u>Access Lanes between Kawarau River and Lake Wakatipu to terminate at the notices erected on each side of Willow Tree Island 150 metres into the Lake from the Kawarau Dam/Bridge (refer Map 3).</u>

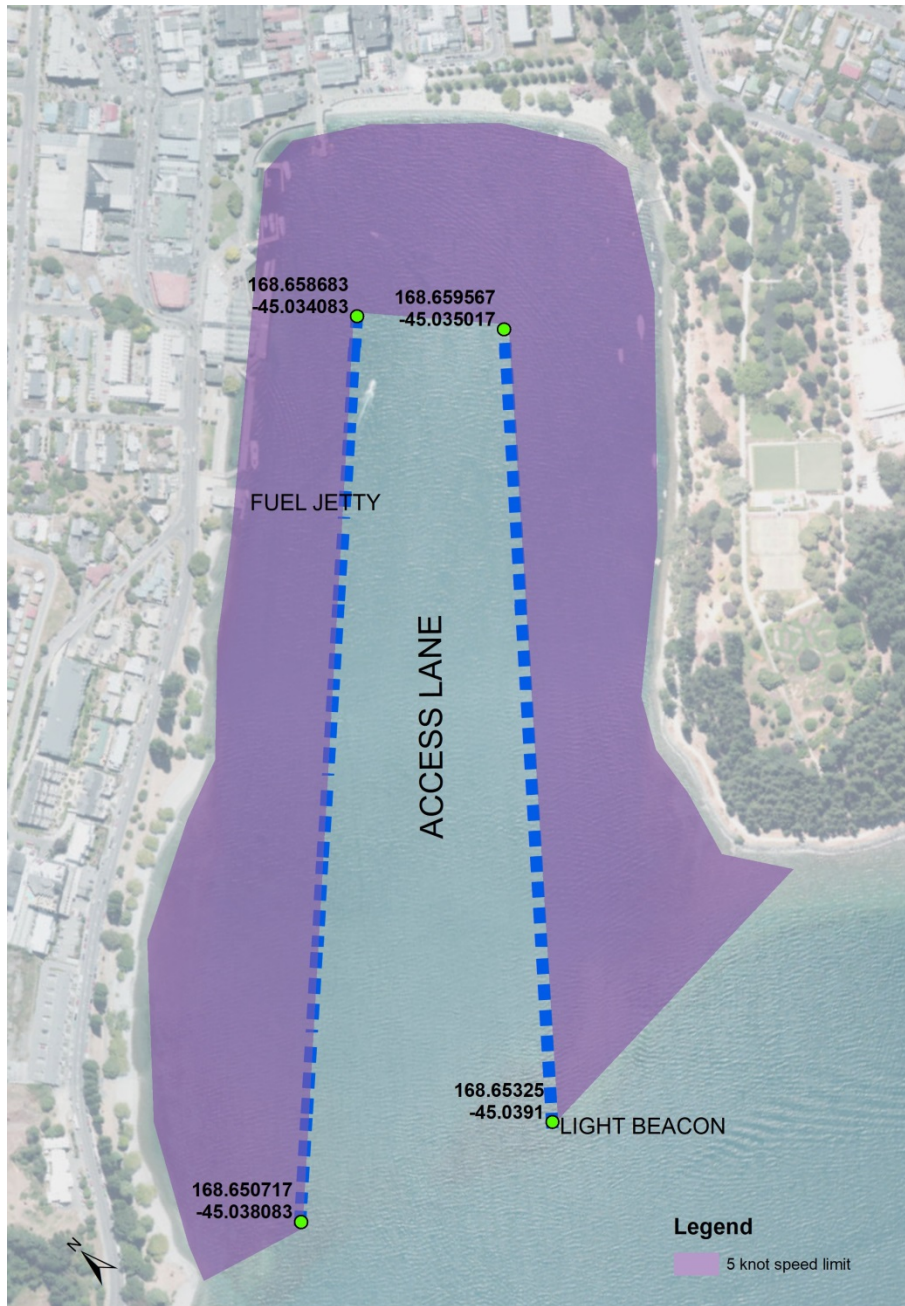
Explanatory notes:

These explanatory notes and the associated illustrations do not form part of this bylaw but are included to show the location and general effect of the navigation rules which apply within the district.

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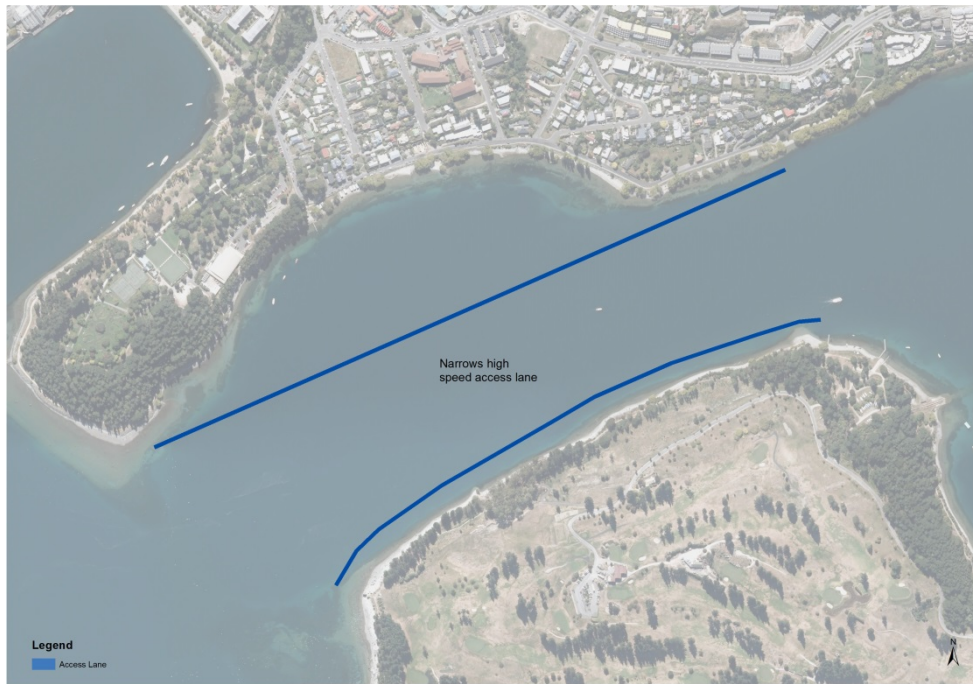
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Map 1 – Queenstown Bay



<u>Access lane, reserved area, speed limit, or prohibition</u>	<u>Refer to clause / schedule</u>
<u>Access lane</u>	<u>Schedule 3, Table 2</u>
<u>5 knot limit within 50m of boundary of access lane</u>	<u>Clause 34.1</u>
<u>No waterskiing, aquaplaning or towing of persons inside Queenstown Bay</u>	<u>Clause 38.1(a)</u>

Map 2 – The Narrows, Queenstown



<u>Access lane, reserved area, speed limit, prohibition or other navigation safety rule</u>	<u>Refer to clause / schedule</u>
<u>Access lane</u>	<u>Schedule 3, Table 2</u>

Map 3 – Kawarau Dam



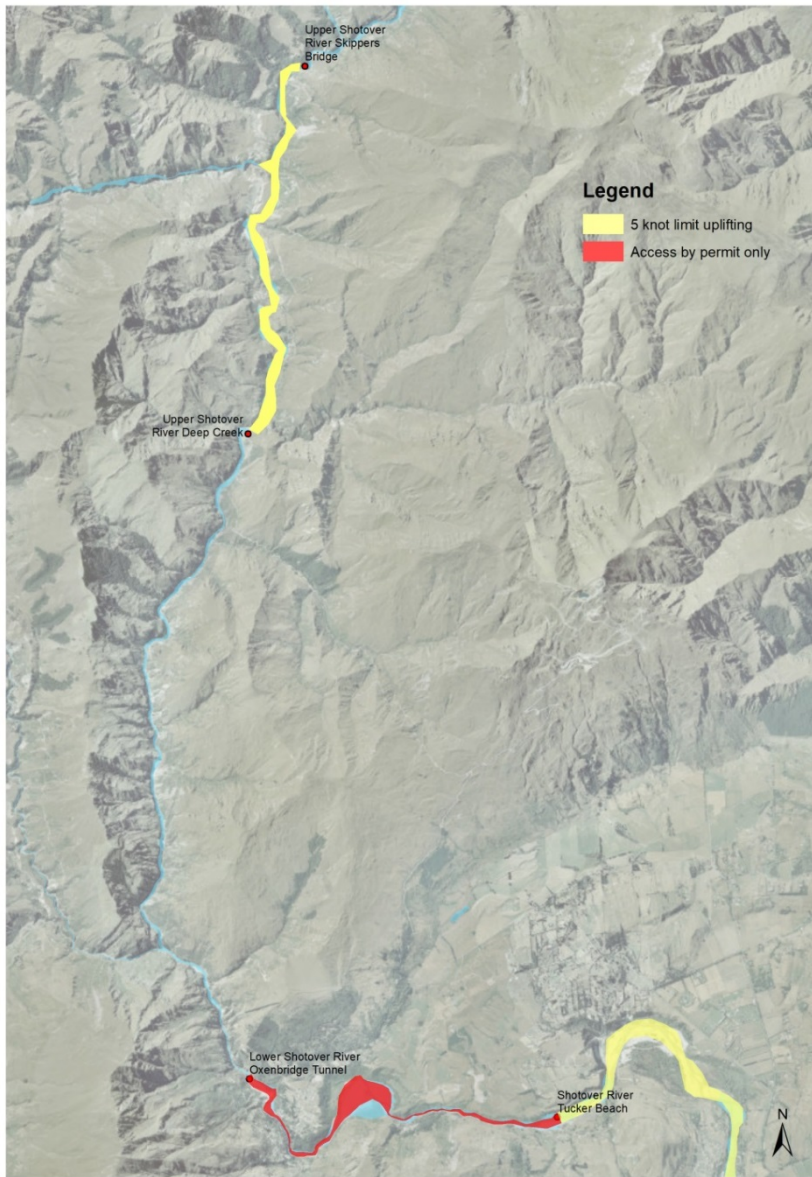
<u>Access lane, reserved area, speed limit, prohibition or other navigation safety rule</u>	<u>Refer to clause / schedule</u>
<u>Access lane</u>	<u>Schedule 2, Table 2</u>
<u>Areas immediately below the “downstream” gate and above the “upstream” gate at the Kawarau Falls Dam are not to be used as rest or stop areas by any vessel</u>	<u>Clause 36.1</u>
<u>Vessels proceeding downstream must be navigated through the second arch of the control gates from the true right of the bank of the Kawarau River</u>	<u>Clause 36.3(a)</u>
<u>Vessels proceeding upstream must be navigated through the sixth arch of the control gates from the true right of the bank of the Kawarau River</u>	<u>Clause 36.3(b)</u>

Map 4 – Frankton Arm, Lower Shotover & Kawarau River



<u>Access lane, reserved area, speed limit, prohibition or other navigation safety rule</u>	<u>Refer to clause / schedule</u>
<u>No vessel is permitted to use the Shotover River Concession Area without a permit issued under the Shotover River Bylaw 2015</u>	<u>Clause 37.1</u>
<u>Speed uplifting for Lower Shotover River</u>	<u>Schedule 2, Table 1</u>
<u>Water ski access lanes: Frankton beach, Willow Place West Side, Loop Road, Frankton Arm North Side, Kelvin Grove.</u>	<u>Schedule 2, Table 2</u>
<u>Kawarau Dam access lanes (refer Map 3)</u>	<u>Schedule 2, Table 2</u>
<u>No waterskiing, aquaplaning or towing of persons on the outlet of Lake Wakatipu, Kawarau River or Shotover River</u>	<u>Clause 38.1(b)-(c)</u>

Map 5 – Upper Shotover



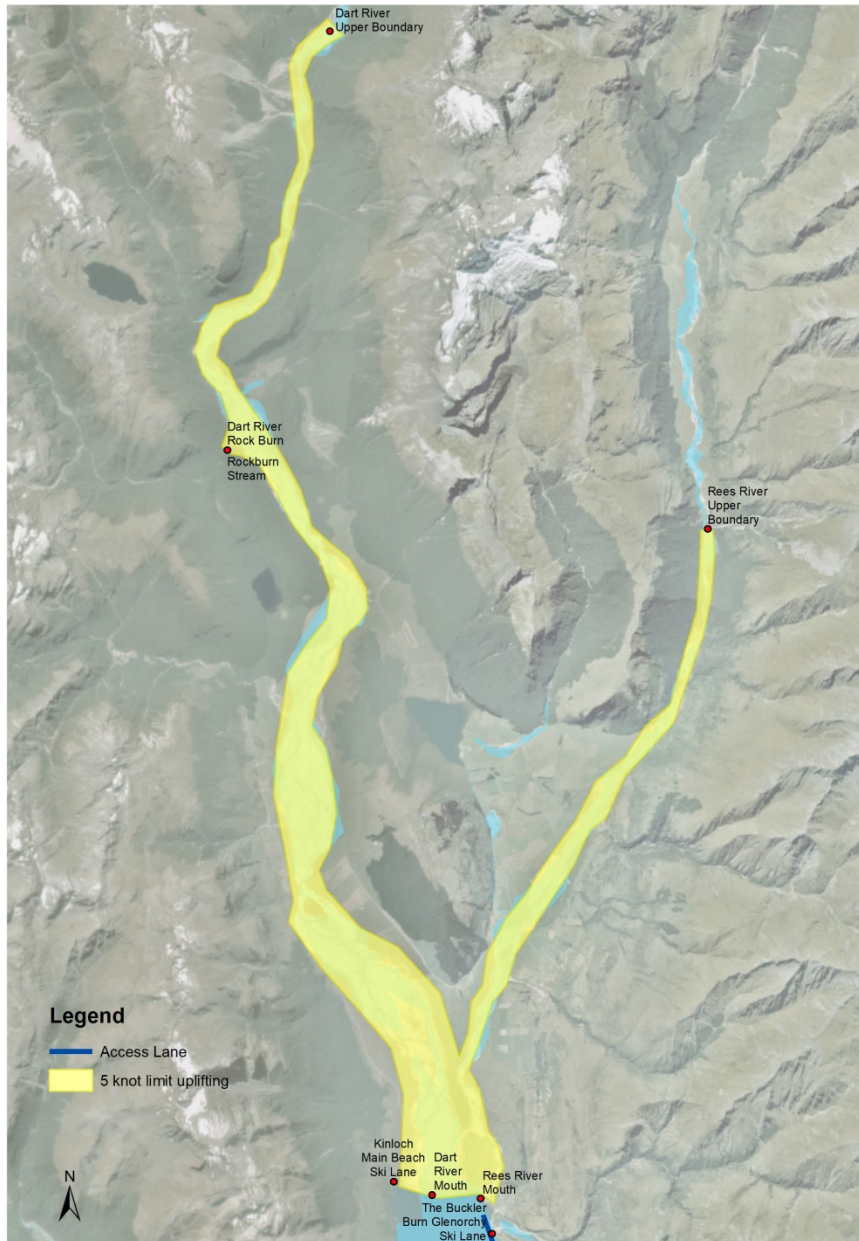
<u>Access lane, reserved area, speed limit, prohibition or other navigation safety rule</u>	<u>Refer to clause / schedule</u>
<u>No vessel is permitted to use the Shotover River Concession Area without a permit issued under the Shotover River Bylaw 2015</u>	<u>Clause 37.1</u>
<u>Speed upliftings: Upper Shotover River, Lower Shotover River</u>	<u>Schedule 2, Table 1</u>
<u>Any commercial vessel using the Lower Shotover River must ensure that any other vessel known to be using the same area is aware of the movements and location of the commercial vessel at all times</u>	<u>Clause 37.2</u>
<u>No waterskiing, aquaplaning or towing of persons on the Shotover River</u>	<u>Clause 38.1(c)</u>

Map 6 – Kawarau River



<u>Access lane, reserved area, speed limit, prohibition or other navigation safety rule</u>	<u>Refer to clause / schedule</u>
<u>No vessel is permitted to use the Shotover River Concession Area without a permit issued under the Shotover River Bylaw 2015</u>	<u>Clause 37.1</u>
<u>Speed uplifting for Lower Shotover River</u>	<u>Schedule 2, Table 1</u>
<u>Any commercial vessel using the Lower Shotover River must ensure that any other vessel known to be using the same area is aware of the movements and location of the commercial vessel at all times</u>	<u>Clause 37.2</u>
<u>Any vessel using the Kawarau River must give way to all vessels from the Shotover River and exercise extreme care near this junction</u>	<u>Clause 36.2</u>
<u>No powered vessel may operate on the part of the Kawarau River below the Arrow River</u>	<u>Clause 36.4</u>
<u>No waterskiing, aquaplaning or towing of persons on the outlet of Lake Wakatipu, Kawarau River or Shotover River.</u>	<u>Clause 38.1(b) - (c)</u>
<u>Water ski access lane: Frankton Beach</u>	<u>Schedule 2, Table 2</u>

Map 7 – Dart & Rees River



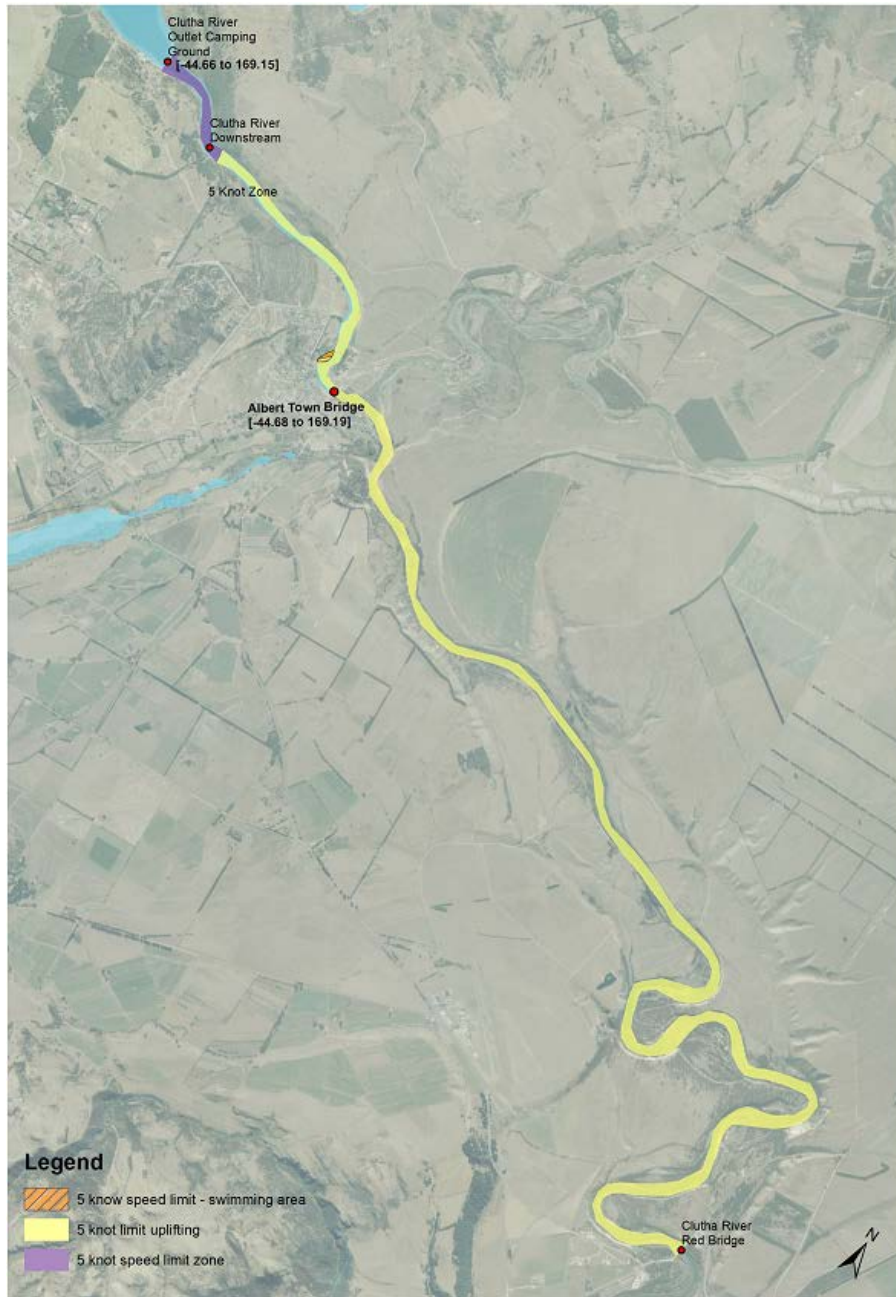
<u>Access lane, reserved area, speed limit, prohibition or other navigation safety rule</u>	<u>Refer to clause / schedule</u>
<u>Speed upliftings: Dart River (all year), Rockburn Stream (all year), Rees River (30 October to 1 May)</u>	<u>Schedule 2, Table 1</u>
<u>Water ski access lanes: Kinloch Main Beach, Buckler Burn Glenorchy</u>	<u>Schedule 2, Table 2</u>

Map 8 – Clutha River Mouth



<u>Access lane, reserved area, speed limit, prohibition or other navigation safety rule</u>	<u>Refer to clause / schedule</u>
<u>5 knot speed limit applies between the Outlet Camping Ground and the 5 knot buoy</u>	<u>Clause 35.1</u>
<u>Timed Speed Uplifting (10am -4pm winter; 10am -6pm summer): from the 5 knot buoy to the Red Bridge</u>	<u>Schedule 2, Table 1</u>
<u>Water ski access lane: Dublin Bay</u>	<u>Schedule 2, Table 2</u>

Map 9 – Clutha River



<u>Access lane, reserved area, speed limit, prohibition or other navigation safety rule</u>	<u>Refer to clause / schedule</u>
<u>5 knot speed limit applies between the Outlet Camping Ground and the 5 knot buoy</u>	<u>Clause 35.1</u>
<u>Timed Speed Uplifting (10am -4pm winter; 10am -6pm summer); from the 5 knot buoy to the Red Bridge</u>	<u>Schedule 2, Table 1</u>
<u>No waterskiing, aquaplaning or towing of persons on the Clutha River</u>	<u>Clause 38.1(c)</u>

Map 10 – Matukituki River



<u>Access lane, reserved area, speed limit, prohibition or other navigation safety rule</u>	<u>Refer to clause / schedule</u>
<u>Speed Uplifting for Matukituki River</u>	<u>Schedule 2, Table 1</u>
<u>Water ski access lane: Glendhu Bay West, Glendhu Bay East</u>	<u>Schedule 2, Table 2</u>

Map 11 – Hunter River



<u>Access lane, reserved area, speed limit, prohibition or other navigation safety rule</u>	<u>Refer to clause / schedule</u>
<u>Speed Uplifting for Hunter River (1 November to 12 December; 19 March to 30 April)</u>	<u>Schedule 2, Table 1</u>

Map 12 – Makarora & Wilkin River



<u>Access lane, reserved area, speed limit, prohibition or other navigation safety rule</u>	<u>Refer to clause / schedule</u>
<u>Speed Upliftings: Makarora River and Wilkin River</u>	<u>Schedule 2, Table 1</u>

Map 13 – Wanaka Ski Lanes



<u>Access lane, reserved area, speed limit, prohibition or other navigation safety rule</u>	<u>Refer to clause / schedule</u>
<u>Water ski access lane: Glendhu Bay West, Glendhu Bay East, Roy's Bay, Roy's Bay Main Beach adjacent Pembroke Park, Roy's Bay Eely Point, Dublin Bay</u>	<u>Schedule 2, Table 2</u>

Schedule 3 – Length Overall of a Vessel

1 Length overall of a vessel

- (1) Length overall of a vessel is measured from the foreside of the head of the bow to the aftermost part of the transom or stern of the vessel (see Figure 1 below).
- (2) For the purposes of this bylaw length overall:
 - (a) does not include fittings (such as beltings, bowsprits, platforms, gantries, trim tabs, jet and outboard drive units) that project beyond these terminal points; and
 - (b) includes structures (such as bulbous bows, deckhouses, free flooding bait tanks and buoyancy tubing) that project beyond these terminal points

Figure 1 – guide to measuring the length overall of a vessel [\(other than a yacht\)](#)

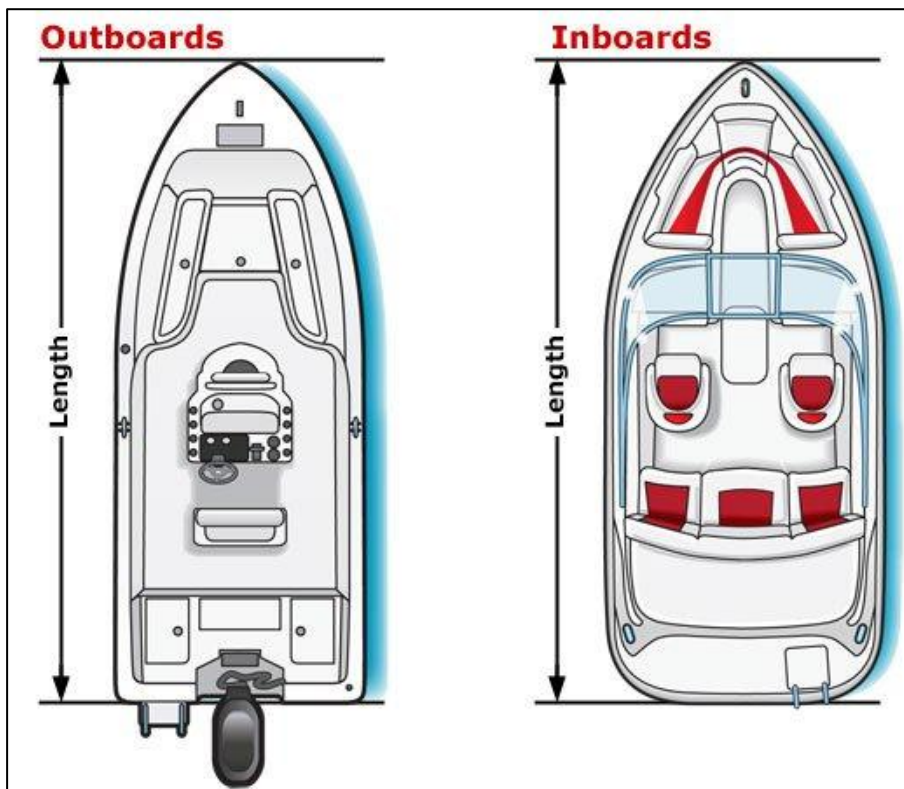
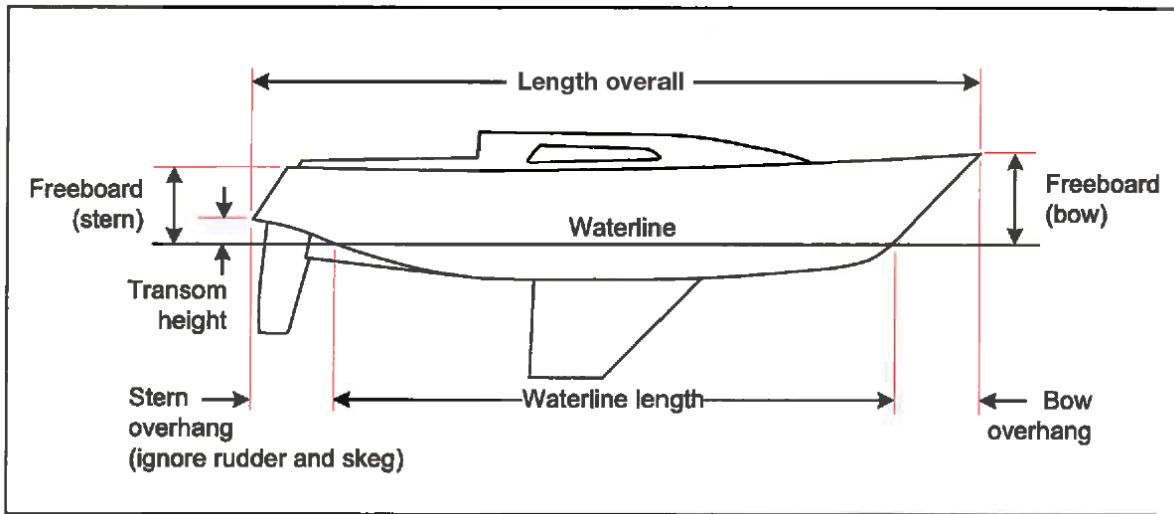


Figure 2 – guide to measuring the length overall of a yacht

PROPOSED MARITIME FEES AND CHARGES (s33R Maritime Transport Act 1994)

1. Fee for use of launch facilities / ramps

Duration	Proposed fee (including GST)
Annual	\$50 (Recreational vessels) \$70 (Commercial vessels)
Daily/Casual	\$5 (any vessel)

2. Council permission to occupy maritime structure

Size of structure	Proposed fee (including GST)
Up to 15m ²	\$115
15m ² to 28m ²	\$230
28m ² up to 56m ²	\$460
56m ² up to 84m ²	\$750
84m ² and over	\$920

3. Mooring permits

Duration	Proposed fee (including GST)
Annual fee	\$250
Application fee	\$200

4. Other fees

Description	Proposed fee (including GST)
Annual fee for commercial vessel licence	\$1,000
Application for special event exemption	\$120 per hour, plus actual costs
Application for bylaw exemption	\$120 per hour, plus actual costs
Application for speed uplifting	\$120 per hour, plus actual costs

Navigation Safety Bylaw Hearing Panel – Deliberations Report

Topic 1 – Clutha River speed uplifting (Clause 35.1 / Schedule 2 (Table 1))

Proposal

- 1 The proposed bylaw:
 - a. Extends the speed uplifting on the Clutha River to the full stretch of water between Lake Wanaka to the Albert Town Bridge (**Upper Clutha**) for specified daytime hours, being 10 am to 4pm in the winter and 10am to 6pm in the summer.
 - b. Removes the current time restrictions on the uplifting for the stretch of water from the Albert Town Bridge to the Red Bridge (**Lower Clutha**), so that the uplifting would apply 24/7 (currently, it is for specified daytime hours).

Submissions received

- 2 285 written submissions were identified by Council officers as addressing the proposed changes to Clutha River uplifting. Of these, approximately 96% were identified as being opposed to the changes. The focal point of submissions was the proposed uplifting for the Upper Clutha. Approximately 7 submissions were identified as specifically addressing the proposed change to the uplifting for the Lower Clutha.
- 3 Around 80% of all oral submitters addressed their submission to the proposed changes to the speed uplifting in the Upper Clutha (26 out of 33). Two of the oral submitters on this topic supported the proposed changes, and 24 oral submitters were opposed.

Matters raised by submitters

Upper Clutha

- 4 The majority of the submitters opposed to the changes were concerned that the uplifting would endanger passive recreational users in the area in the Upper Clutha. Submitters noted that this area of the river contained popular spots for passive recreational activity by families and children, including swimming, floating, kayaking, paddle boarding and fishing. The proximity of Albert Town, the camping ground and fishing spots (including Deans Bank) were pointed to as reasons for this.
- 5 Some submitters noted that the use of the river for passive recreation was common during the specified daytime hours of the proposed uplifting, including during the winter. Submitters expressed concern about the risk of collision, especially with jet skis and jet boats. It was submitted that population growth would exacerbate these safety concerns.
- 6 A number of submitters opposed to the changes also said that the uplifting posed a risk to navigation safety generally. A few submitters noted that hidden tree trunks and rocks were a hazard in this area, and that the uplifting would encourage jet boaters to navigate the rapids during low water levels. Tragic incidents in other areas involving loss of life where speed was a factor were also referred to.

- 7 In addition to navigation safety concerns, submitters opposed to the changes raised the following matters:
- a. Concerns that fast boat traffic would disrupt the enjoyment or amenity of the river for other users through associated noise, wash, pollution and visual disturbance.
 - b. The Wildlife Society of the New Zealand Veterinary Association raised concerns about the impact of powered vessels in the area on the 9 species of native birds, including 2 threatened/vulnerable species.
 - c. That the current speed limit was enforceable and that concerns around enforceability were not a valid reason to extend the uplifting.
 - d. The uplifting was inconsistent with the proposed and operative versions of the Queenstown Lakes District Plan. In particular, the provisions in Part 4 of the operative District Plan (**ODP**) were referred to, including: policy 4.6.3.10, implementation method 4.6.3(i)(e), and the explanation and principle reasons for adoption. Jet Boat New Zealand disputed this claim and pointed out that the rules in the ODP and proposed District Plan (**PDP**) do not impose any restrictions on the Clutha River other than a requirement that there be no more than 6 jet boat races a year.
 - e. Preferences of a small number of seasonal jet boat users should not be prioritised over the preferences of the vast majority of users, who are based locally and use the area more frequently. Submitters also proposed that further engagement with the public around a longer term plan for managing this area was needed.
 - f. That Wanaka should differentiate itself from Queenstown by catering for passive tourists, such as walkers, bikers, fisherman, instead of adrenaline tourism.
- 8 Submitters in favour of the uplifting suggested that the uplifting upstream it was working appropriately, and boats could safely navigate this stretch of river while accommodating other users. It was further submitted that if boats could pass through this section quicker it would reduce disruption to other uses (including fishing) and lower speeds produce bigger wakes. Jet Boating New Zealand suggested that the Albert Town Swimming Area be excluded from the uplifting.
- 9 Some submitters, both in favour and against the change, expressed confusion with how the rules are expressed. In particular, some submitters were apparently confused that Part 5: Rule 35.1 creates a 5 knot speed limit from Lake Wanaka to Albert Town Bridge, which is reflected in Maps 8 and 9. This is subject to the speed uplifting located in a separate section and not referred to in the Maps.

Lower Clutha

- 10 Of the submitters that specifically addressed the proposed change to the uplifting in the Lower Clutha, some submitters sought the removal of the uplifting over this stretch of water or a ban on powered vessels. Other submitters were simply opposed to the removal of the current time restrictions or proposed that the change

be placed on hold. A few submitters noted that the Lower Clutha was more appropriate for fast boat traffic because it was used less for passive recreation.

Changes proposed by submitters

- 11 Some of the submitters opposed to the changes made the following suggestions:
- a. The status quo be retained.
 - b. The uplifting be removed from the whole river (i.e. from Lake Wanaka to the Red Bridge).
 - c. All powered vessels be prohibited from the area between Lake Wanaka and Albert Town Centre, or from the area between Lake Wanaka to the Red Bridge
 - d. Any speed uplifting should exclude specific areas which are designated for passive water based activities (eg. Albert Town Swimming Area).
 - e. Otago Fish and Game asked that the removal of time restrictions on the uplifting between Albert Town Centre and Red Bridge be placed on hold until the effect of current and potential surface water traffic can be assessed.

Hearing Panel deliberations

- 12 The panel was appreciative of the time and effort put in by a range of submitters to provide detailed written and oral submissions on this topic. The submissions were carefully considered by the panel. The panel noted in particular the significant community concern that the proposed uplifting in the Upper Clutha would elevate navigation safety risks if adopted. The panel noted that it is not able to take into account issues of amenity and wildlife concerns in making a determination.
- 13 The panel has had regard to the various navigation safety concerns outlined by submitters including:
- a. the heavy and increasing popularity of the Upper Clutha by passive users of all ages (eg. floaters, swimmers) and non-powered vessels;
 - b. experiences of near misses of passive users and non-powered vessels with powered vessels; and
 - c. the potential for a collision between a passive user of the Upper Clutha and a powered vessel if the speed limit was uplifted in light of the above.
- 14 The panel acknowledges the overwhelming opposition of members of the community to proposed speed uplifting changes in the Upper Clutha, and has decided to decline to support the proposed speed uplifting in the Upper Clutha at this time.
- 15 In relation to the proposed speed uplifting for the Lower Clutha, the panel considers that uplifting the 5 knot speed limit 24/7 will not significantly increase the navigation safety risk profile in this area. The level of usage by passive users is significantly less compared with the Upper Clutha. Accordingly, the panel supports the proposed uplifting for the Lower Clutha.

- 16 Many submitters went a step further and proposed a total prohibition on powered vessels in the Upper Clutha to reduce the risk of collisions with passive users from powered vessels entering this area. The panel considered that this proposal was worth evaluating. Council officers advised the panel that a prohibition on powered vessels in the Upper Clutha would involve a significant change to the proposed bylaw as notified, which would require further public consultation.
- 17 Council officers recommended retaining the current rules applicable to the Clutha River under the current bylaw, until further consultation can occur regarding options for regulating powered vessels in this area. The current bylaw provides for a 5 knot limit between Lake Wanaka outlet and the 5 knot buoy, and a timed speed uplifting between the 5 knot buoy and the Red Bridge.

Topic 2 - Rules relating to specific locations (Part 5, excluding clause 35.1)

- 18 The submissions relating to matters under Part 5 of the proposed bylaw, excluding the Clutha River speed uplifting (clause 35.1), are addressed below.

Proposal

- 19 The proposed bylaw proposes to largely retain existing rules concerning specific waterways in the District. The rules to be retained include an existing prohibition (clause 36.4) on powered vessels entering the section of the Kawarau River above the Arrow River confluence (**restricted area**). The rule has been in place for several decades, and was part of the current bylaw, and the former Navigation Safety Bylaw 2009.

Submissions received

- 20 There were five submissions from organisations addressing specific rules in Part 5, excluding clause 35.1 (refer Topic 1). Three submitters were identified as supporting the proposed bylaw, and two submitters as opposing it.

Matters raised by submitters

- 21 Kawarau Jet Services Holdings Ltd (**KJET**) opposes retaining the restricted area rule on grounds that it prevents KJET from carrying out a commercial jet boat operation for public ferry services and adventure tourism in that part of the Kawarau River. KJET submit that the rule is unlawful, unreasonable and unfair and have provided detailed submissions outlining these grounds. KJET argues that there is insufficient evidence suggesting that powered vessels cannot be managed safely in this area, the bylaw is being improperly used to address amenity reasons, and is inconsistent with the Council District Plan. KJET has also drawn the panel's attention to its previous engagement with Council under the former Navigation Safety Bylaw 2009, and the current bylaw, and its concerns regarding the process for the development of these bylaws.
- 22 The owner of KJET, Shaun Kelly, also presented to the panel regarding his experience taking trips into the restricted area under temporary exemptions. Mr Kelly highlighted that new boats are more powerful and heavier, and can negotiate the rapids comfortably. It was submitted that the gradient of the river had also changed significantly since a 1999 flood. Mr Kelly provided the panel with data regarding other vessels use of the restricted area in early 2015 that KJET gathered

using CCTV footage. He indicated that usage of the restricted area was low, and could be managed to allow powered vessels to safely coexist with other users of the area. Mr Kelly also described the level of training given to KJET staff who operate powered vessels, and suggested they could receive additional training to allow them to operate in the restricted area.

- 23 KJET also supplied a letter from a planner in support of its submission, which stated that ODP and PDP provisions applicable to the area do not prohibit commercial powered vessels entering the restricted area. The planner concludes that both plans allow for an application for resource consent to be lodged for the establishment of a commercial powered vessel operation in the restricted area, and considered on its merits.
- 24 KJET support the use of a resource consent process for the determination of any application to access the restricted area, rather than a bylaw process. However, KJET argue that if the current rule is to be retained that the 14 day time limit applicable to temporary exemptions (clause 54.6(b)) should be removed, or the exemption clause be amended to facilitate the processing of an application for a permanent commercial activity.
- 25 Two white-water rafting organisations (Whitewater NZ Inc and Central Otago Whitewater) provided submissions in support of retaining the restricted area rule on grounds that permitting powered vessels into the area will cause a real safety hazard. It was submitted that the restricted area is currently used by a variety of non-powered vessels such as kayaks, canoes, rafters, river bugs, river boards, and stand up paddleboards. The submitters argue that removing the prohibition would place non-powered users at significant risk of colliding with commercial and private jet boat users.
- 26 An oral submission was presented by Whitewater NZ Inc on behalf of both organisations. It was submitted that non-powered vessels and powered vessels do not mix well, and there are currently many rivers in the District available to powered vessels. The submitter also referred to a near miss he had with a jet boat in Skipper's Canyon, and how frightening it was.
- 27 Further, Whitewater NZ Inc argues that non-powered vessel users would be at risk of losing access to the area to mitigate safety issues created by the introduction of commercial jet boating operations to the restricted area. Modifications are recommended by Whitewater NZ Inc to the exemption provision in the proposed bylaw to restrict the granting of exemptions to exceptional circumstances. The proposed bylaw should notify exemptions to affected parties to avoid risks posed to users not aware of sudden changes in navigation safety requirements. Whitewater NZ Inc argue that if permanent exemptions can be issued this would undermine the point of having the restricted area in the first place.
- 28 Whitewater NZ Inc submitted that there was not a significant change to the restricted area in 1999 as argued by KJET. It is fundamentally still the same, a high gradient with boils. There are also visibility issues for a jet boat going back upstream because of sunlight. KJET boats are huge and it would be difficult to see smaller, non-powered users.

- 29 Whitewater NZ Inc also propose that non-powered vessels are excluded from the river rules in clause 32, due to hazardous features that may exist on the right side of a river which pose risks to non-powered vessels.
- 30 Jet Boating NZ submit that the dates specified in Schedule 2 for the speed uplifting for the Rees River are not correct. They also propose adding the words “daylight saving time” after the speed uplifting for the Clutha River. They suggest adding the words “each year” to the Hunter River speed uplifting. The submitter also recommends changes to maps in Schedule 2 to improve consistency of colour coding.
- 31 The panel also heard a submission opposing the current uplifting on the Hunter River on grounds that it has adversely impacted fly fishing in this area. The submitter sought better enforcement of 5 knot limits on smaller rivers, and better signage to inform powered vessel operators.

Hearing Panel deliberations

Restricted area rule (Clause 36.4)

- 32 Careful consideration was given by the panel to all the helpful submissions and evidence from KJET, Whitewater NZ Inc and Central Otago Rafting in relation to the restricted area rule and the exemption clause in the proposed bylaw.
- 33 During deliberations, the panel referred again to the power to make a navigation safety bylaw under s33M of the Maritime Transport Act 1994 (**MTA**), which are also outlined in the purpose clause of the proposed bylaw (clause 3). The purposes of the proposed bylaw include the power to regulate and control the use or management of ships, and to prevent nuisances arising from the use of vessels, actions of persons and things on, in, or near the water. The MTA requires that these controls can only be imposed for the purposes of maritime safety. There are restrictions on the Council adopting a navigation safety bylaw regulating certain matters outlined in s33M(2) of the MTA, including if it is inconsistent with maritime rules or the Resource Management Act 1991.
- 34 It is recognised that non-powered vessels such as whitewater rafts regularly use the restricted area, and the Council has to factor in the risk profile of the area for multiple users if powered vessels were to be introduced. The panel considers that it is not just a question of the safety of occupants of powered vessels, but all users of the restricted area.
- 35 Council staff confirmed to the panel that the inclusion of clause 36.4 in the proposed bylaw had been based on advice of the Harbourmaster that the rule is necessary to ensure navigation safety in the area. Prior to consultation on the proposed bylaw, the Council had determined under s155 of the Local Government Act 2002 that a navigation safety bylaw was the most appropriate solution for regulating local navigation safety risks in specific locations in the District, including on the Kawarau River. A determination was also made at the time that the proposed bylaw was the most appropriate form of bylaw, and was not inconsistent with the NZ Bill of Rights Act 1990.
- 36 Policy 4.6.1 of the ODP states that the restricted area is “too rough for commercial jetboating but is suitable for rafting, surfing and kayaking”. The objectives and

policies in 4.6.3 of the Operative District Plan note that the different natural characteristics of the parts of the Kawarau River above and below the Arrow River confluence prevent much of the conflict between different activities on the river. The provision states that the section below the Arrow River confluence is particularly suitable for rafting and kayaking, as one of the few remaining major unmodified whitewater rivers in NZ. The provision also notes that the Council seeks to support the retention of this characteristic and the activities and values which benefit from it. In light of these provisions, it is considered that maintaining the long standing restriction in this area would not be inconsistent with the Council's ODP as suggested by KJET.

- 37 The panel sought input from the Harbourmaster regarding the specific navigation safety risks he is concerned about in the restricted area. A summary of the key risks identified by the Harbourmaster in relation to the part of the river between the Arrow River Confluence and Smith Falls include:
- a. There is poor visibility. It is very difficult for vessels at the top of the rapids from seeing vessels at the bottom of the rapids, which poses an unacceptable risk if powered vessels are travelling at speed through the area.
 - b. There is a risk of a powered vessel flipping if the vessel became side on, is travelling too slow, or too fast.
 - c. The river narrows to approximately 30-40 metres wide in parts, there is poor line of sight, and a lack of passing points for vessels to use if they are both using the restricted area.
 - d. Due to the risks outlined above there is likely to be a risk of collision if a powered and non-powered vessels both travel through the restricted area at the same time.

38 The panel recognises the navigation safety concerns raised by the Harbourmaster, Whitewater NZ and Central Otago Rafting regarding KJET's proposal. The panel is satisfied that clause 36.4 is for the purposes of navigation safety, and within the scope of the Council's bylaw making powers in s33M of the MTA.

39 The panel declined to recommend removing the prohibition or any liberalisation of the exemption clause as proposed by KJET. The panel is concerned that navigation safety risks would be increased if the current rule was liberalised to allow powered vessels access, or if permanent exemptions were to be issued by Council.

Maps, other speed upliftings

40 The panel has recommended the development of updated maps to improve consistency of colour coding. The panel agrees that the Rees River speed uplifting should be updated to remove the error, so that it states 30 October to 1 May.

41 The changes proposed to include "every year" and "daylight savings" are not necessary, as it is clear that the uplifting applies every year, and daylight savings time takes effect automatically. The panel does not support removing the speed uplifting on the Hunter River to due to concerns

regarding fly fishing. The panel also rejects the proposal to exempt non-powered vessels from the river rules, as it is appropriate that all vessels apply these rules.

Topic 3 – Specific water based activities (Part 4)

Proposal

- 42 Part 4 sets out the rules applicable to specific water based activities. The proposed bylaw includes clauses to clarify that parasailing, whitewater boarding, and jet boating operators are to comply with applicable maritime rules and guidelines set by Maritime New Zealand. New rules dealing with the carriage of dangerous goods and carrying out of hot works are also proposed.

Submissions received

- 43 Four submitters (including two organisations) have commented on Part 4 of the proposed bylaw: one is supportive, two are opposed, and another does not specify their position.

Matters raised by submitters

- 44 One submitter supports the simplification of rules in the proposed bylaw, but argues that the new rules relating to hot works / dangerous goods (clause 29-30) are duplicative as they are covered in NZ commercial safety management systems. Real Journeys Ltd, opposes the dangerous goods clause (clause 30) noting that they have carried small quantities of dangerous goods for decades without incident. Real Journeys Ltd point out that the carriage of dangerous goods is already covered in its Maritime Transport Operator Plan.
- 45 Million Dollar Cruise argues that swimming should be prohibited in the heart of Queenstown Bay to prevent collisions with vessels (clause 28). The submitter notes that no swimming signs were previously in place but removed in 1983 by the Town Secretary. The submitter also proposes to ban kite surfing at the entrance to Queenstown Bay on grounds that it is a safety concern.
- 46 Another submitter pointed out that white-water boarding is not regulated by Maritime NZ or covered by Maritime Rule 81, and does not seem to be addressed in the proposed bylaw.

Hearing Panel deliberations

- 47 The panel agrees in part that a requirement to give 24 hours notice to the Harbourmaster may be onerous and unnecessary if adequate records are maintained, particularly by commercial operators. Provided vessel operators meet maritime rules which require they maintain full records of hazard classifications, quantity and stowage position, that would satisfactorily address the navigation safety risk. To ensure compliance the panel considered records should be available for inspection.
- 48 The installation of a “no swimming” sign is an operational matter, and does not require an amendment to the proposed bylaw. However, the panel considered that the issue of when a “no swimming” sign has effect should be clarified in the proposed bylaw.

49 The term whitewater boarding in the proposed bylaw should be amended to state whitewater rafting, for consistency with Maritime Rule 81. The panel considered that a separate clause may be required for river bugs and like vessels, which are currently not regulated in Part 4. The panel considered this could be a significant change that would require public consultation.

50 In summary, the panel recommends the following changes to the proposed bylaw:

- a. clause 28 is amended to clarify that signs must be approved by the Harbourmaster or Council officer;
- b. the notification requirement in clause 30 is removed and replaced by a requirement that vessels carrying dangerous goods maintain adequate records, and make them available for the Harbourmaster or Council officer on request.
- c. references in the proposed bylaw to “whitewater board” are changed to “whitewater raft”.

Topic 4 - Structures and moorings (Part 9)

Proposal

51 It is proposed that commercial vessels obtain Council permission to load or unload vessels using a structure under Council ownership or control. The occupation and use of Council maritime structures will require Council permission in certain circumstances. The current moorings permit requirements are to be retained with guidance to be issued by Council as to matters of technical detail, and processing requirements.

Submissions received

52 Three submitters (including two organisations) have commented on Part 9 of the proposed bylaw: two are opposed, and another does not specify their position.

Matters raised by submitters

53 One submitter argues that boat ramp charges should not apply to persons fishing, walking, or having picnics on the launch ramp. The submitter supports the use of a parking ticket dispenser to recover fees for using the launch ramp to apply for 48 hours.

54 Million Dollar Cruise proposes that chain moorings are used instead of floating moorings due to the proliferation of moorings causing jetties to become inaccessible and trapping boats at night. Queenstown Water Taxis Ltd also support requiring chain moorings, and a requirement that the mooring be positioned 50m from a jetty.

Hearing Panel deliberations

55 Fees applicable to the use of launch ramps will be imposed under the Local Government Act 2002 rather than through the proposed bylaw.

56 The panel considered that any technical requirements applicable to moorings could be addressed in guidelines issued under the proposed bylaw. No amendment to the proposed bylaw is needed.

Topic 5 - Carriage and wearing of lifejackets (Part 3)

Proposal

57 Part 3 of the proposed bylaw largely retains existing requirements for carriage and wearing of life jackets but specifies that life jacket rules only apply to recreational vessels (other than when a person is being towed). Persons using surfboards are to be exempt from wearing a lifejacket provided they wear a full wetsuit.

Submissions received

58 Four submitters have commented on Part 3: one is opposed, and three have not specified a position.

Matters raised by submitters

59 Three submitters oppose the use of the term “lifejacket” in place of “personal flotation device”, on grounds that the latter term is used in the maritime rules.

60 NZ Stand up paddle boarding (**NZ SUP**) oppose allowing an exemption from wearing a lifejacket for stand up paddle boarders who wear a full wet suit. NZ SUP argue that paddle boarders should also be required to use a leash appropriate for the conditions, particularly if the life jacket exemption is adopted. The submitter also proposes that the term “wetsuit” is defined.

61 Jet Boating New Zealand propose the deletion of clause 19.4 dealing with recreational jet boats on grounds that it is unnecessary to single out jet boats.

62 Otago Regional Council (**ORC**) are developing a navigation safety bylaw applicable to all waters in the region other than what is covered by the proposed bylaw. They are seeking consistency with the proposed bylaw. One issue the ORC is investigating is whether there is an exception from wearing lifejackets on those inside the cabin, such as children.

Hearing panel deliberations

63 The panel considered that the term lifejacket is more widely recognised than personal flotation device. This is particularly relevant in a District that has a large volume of tourists for whom English may be a second language. The panel recommends retaining the current term, but including an explanatory note to specify that it has the same meaning as personal flotation device for the purposes of the proposed bylaw.

64 As stand up paddleboards are similar to a surfboard, they are subject to an exemption from wearing a lifejacket under the maritime rules, provided the user wears a full wetsuit. The proposed bylaw should be consistent with maritime rules where possible, and therefore the proposed amendment is not accepted. However, the panel have recommended that NZSUP’s proposal that paddleboarders be required to wear a leg leash, is included in further consultation with the public on possible amendments to the proposed bylaw.

65 The panel considers that it is important that jet boat operators ensure lifejackets are worn even if the vessel is over 6m long, due to the speed and conditions these vessels encounter. The proposal to remove clause 19.4 is rejected. The panel also does not support ORC's proposal that exemptions from wearing lifejackets for children inside from wearing lifejackets as this would result in inconsistency with maritime rules.

Topic 6 – Commercial vessels (Part 8)

Proposal

66 Commercial vessels will only be required to be licensed if they are not subject to a licensing requirement under applicable maritime rules. Detailed requirements for the licensing process will be set out in a guidance document to be adopted by Council. The Harbourmaster will have the power to inspect commercial vessel licences for the purposes of determining compliance with this clause.

Submissions received

67 Three submissions were received in relation to Part 8 by organisations: two submitters were generally opposed to the proposed bylaw, and one submitter did not specify a position.

Matters raised by submitters

68 Million Dollar Cruise argues that the Maritime Operation Safety System (**MOSS**) has higher thresholds of passenger safety than the proposed bylaw. They say they have identified many areas of concern that could lead to death or injury on Lake Wakatipu. Million Dollar Cruise argues that the term "commercial vessel" is incorrect in its insinuation. Queenstown Water Taxis Ltd wish to confirm whether all powered vessels required consent to operate on District waterways.

69 Real Journeys Ltd submit that the requirement as to survey in clause 45 of the proposed bylaw requires amendment, and that a vessel operator cannot be in survey if they have a Maritime Transport Operator Certificate. Real Journeys Ltd also submit that if commercial rafters hold a certificate of compliance under the MTA they are not in survey.

Hearings panel deliberations

70 The proposed bylaw is not aiming to replicate the MOSS system. Commercial vessels operating in compliance with the MOSS system will not be required to obtain a Council licence, so there will not be an overlap between the two regimes. The term "commercial vessel" is defined in the MTA ("commercial ship"), and it is preferable to retain a definition consistent with legislation.

71 The panel does not consider any amendment to clause 45 is necessary. Any vessel that is complying with the applicable regime (MOSS or certificate of compliance) will also be complying with clause 45.

Topic 7 – Preliminary (Part 1)

Proposal

72 A number of changes to definitions have been proposed to reflect proposed changes to the bylaw, remove definitions that are no longer necessary, and update definitions to align with the Maritime Transport Act 1994 and maritime rules.

Submissions received

73 A small number of submissions addressed concerns relating to definitions.

Matters raised by submitters

74 ORC queried the inclusion of a definition for Flag B when the term is not used anywhere in the proposed bylaw. Real Journeys Ltd propose that the public notice definition allows for notification on the Council website. NZ SUP queried why the term “wet suit” is not defined.

Hearings panel deliberations

75 The panel accept that the Flag B definition is not needed, so this is recommended for deletion. The panel support the proposal that notification on the Council website to be added into the definition of “public notice”. The term wet suit is also referred to in the maritime rules, but is not defined there. The panel considers that it is appropriate for the natural ordinary meaning of the term to be used, and rejects the proposal to add a new definition.

76 The panel considered that the definition of “vessel” in the proposed bylaw should not exclude surfboards. Surfboarders are subject to an exemption from wearing lifejackets provided a full wetsuit is worn at all times. The panel recommends that public feedback is also sought regarding amending the definition of vessel to include a surfboard.

Topic 8 – General navigation safety requirements (Part 2)

Proposal

77 The proposed bylaw incorporates changes to navigation safety rules to improve consistency with Maritime Rule 91 – Navigation Safety.

Submissions received

78 A small number of submissions raised concerns relating to Part 2.

Matters raised by submitters

79 Real Journeys Ltd propose the inclusion of an emergency exception for anchoring a vessel in a manner that obstructs or causes a hazard (clause 13), and requiring persons who observe damaged navigation aids report it to the Harbourmaster (clause 15). Real Journeys Ltd also proposed that the bylaw specify that a person cannot dive off a vessel, except with permission of the skipper.

80 Million Dollar Cruise proposed that the term intoxication have some sort of test provided in the proposed bylaw, and that yachts should be required to keep a minimum distance of 200m from other vessels (clause 9.2-9.3). Million Dollar Cruise propose that the duty of care of commercial vessels to their passengers

should be acknowledged in the proposed bylaw. They also submitted that it should be an offence to impede passenger vehicles.

Hearings panel deliberations

- 81 Clause 13 is based on maritime rules and an emergency exception is not required. The Harbourmaster can direct that a vessel remain in a location to prevent the vessel operator being in breach of the proposed bylaw (clause 59). The panel does not support adding a requirement that a person report a damaged navigation aid as it would be impractical to enforce.
- 82 Clause 12 prevents a person from disembarking a moving vessel except in an emergency situation. The panel does not support a wider exemption for when a skipper's permission is given.
- 83 The panel considered that the definition of intoxication is currently appropriate, as it is based on the well established definition in the Sale and Supply of Alcohol Act 2012. The adoption of a specific regime for testing intoxication using the proposed bylaw is not supported by the panel.
- 84 Clauses 9.2 - 9.3 are based on maritime rules. The panel does not support the proposed amendment as it would be inconsistent with maritime rules. The panel considered that clause 7 of the proposed bylaw provides clear duties on persons in charge of a vessel, and the panel do not support amendments relating to commercial vessels.
- 85 Clauses 13.3 and 16.2 prevent people from causing obstructions to other vessels in various circumstances. The panel does not consider that further rules are required to prevent obstructions beyond what is already proposed.

Topic 9 – Access lanes and reserved areas (Part 7)

Proposal

- 86 The proposed bylaw incorporates changes to navigation safety rules to improve consistency with Maritime Rule 91 – Navigation Safety.

Submissions received

- 87 A small number of submissions raised concerns relating to Part 7.

Matters raised by submitters

- 88 Real Journeys Ltd submits that references to “sea” in the proposed bylaw should be removed as there is no sea in the District (clause 43).

Hearings panel deliberations

- 89 The panel agrees that amendments should be made to the proposed bylaw to remove references in the proposed bylaw to “sea”, or similar terms from maritime rules, given there is no sea in the District.

QLDC Council
23 March 2018

Report for Agenda Item 4

Department: Planning & Development

Special Housing Area Expression of Interest: Bright Sky Land Limited, Wanaka

Purpose

- 1 The purpose of this report is to present the Bright Sky Land Limited Expression of Interest (**EOI**) for consideration for recommendation to the Minister for Housing and Urban Development (**the Minister**) as a Special Housing Area (**SHA**).

Executive Summary

- 2 This report to Council sets out how the Bright Sky Land Limited (**Bright Sky**) EOI is generally consistent with the Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines (**the Lead Policy**), which includes the affordable housing contribution. Peer reviews of the infrastructure and transport assessments have confirmed that in principle the site can be adequately serviced however further upgrades to water and wastewater are required.
- 3 The Bright Sky EOI is considered to be consistent with the purpose of the Housing Accord and Special Housing Areas Act (**the HASHAA**), the Queenstown Lakes District Housing Accord (**the accord**) and the Lead Policy.
- 4 This report recommends that Council should approve in principle the recommendation of the Bright Sky SHA to the Minister of Housing and Urban Development, subject to the negotiation of a Stakeholder Deed and qualifying development criteria.

Recommendation

- 5 That Council:
 1. **Note** the contents of this report and;
 2. **Note** feedback received from the public will be provided to Councillors separately, and that responses from Aukaha, Te Ao Marama and Stantec (transportation peer review) will be reported to Councillors at the meeting;
 3. **Note** the plans provided as part of the EOI have been amended to include the land linking the site to Frederick Street.
 4. **Approve** in principle the Bright Sky Land Limited Special Housing Area, subject to further consideration of the below requirements:
 - a) Instruct the General Manager of Planning and Development to proceed with negotiation of the Stakeholder Deed that fulfils the infrastructure, parks and reserves (including trails, footpaths and connections) and

affordable housing requirements of the Special Housing Area Lead Policy titled: Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines; and

- b) Negotiate qualifying development criteria for the proposed Special Housing Area.
 - c) Amend the proposed development to provide for a connection through to Enterprise Drive.
 - d) As a consequence of the amendment above, to ensure that the reserves provision is consistent with the Parks and Open Spaces Strategy 2017.
5. **Instruct** Council officers to report back to the Council on the measures discussed in Point 4 above.

Prepared by:



Blair Devlin
Manager, Planning Practice
8 March 2018

Reviewed and Authorised by:



Tony Avery
GM Planning and Development
14 March 2018

Background

- 6 The purpose of the HASHAA is:

The purpose of this Act is to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts, listed in Schedule 1, identified as having housing supply and affordability issues.

- 7 On 16 September 2016, the Housing Legislation Amendment Act 2016 (**the Amendment Act**) came into effect. One of the key changes of the Amendment Act is that the date for establishing SHAs and the date of repeal of the HASHAA had been extended by 3 years to 16 September 2019 and 16 September 2021 respectively. The implications of this are that any new Special Housing Areas (**SHAs**) will have until 16 September 2019 until they are disestablished.
- 8 On the 23 October 2014 the Council entered into the Queenstown Lakes District Housing Accord (**the accord**) with the Government. This was subsequently updated on 12 July 2017. The accord is “...a key tool to facilitate development in SHAs that align with the Council’s policy and regulatory framework (including the District Plan), and is therefore an important component of the Council’s approach to housing in the District”.
- 9 On the 26 October 2017 the Council adopted an amended Lead Policy (titled: Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines) (**the Lead Policy**), to guide the Council’s implementation of the HASHAA.

- 10 In total seven SHAs have been recommended By Council and subsequently approved by the Minister including:
- Bridesdale Farm;
 - Onslow Road;
 - Arrowtown Retirement Village;
 - Arthurs Point;
 - Shotover Country;
 - Queenstown Country Club.
 - Business Mixed Use Zone (Gorge Road) (this SHA has been re-established); and
- 11 The Bridesdale SHA development has been completed and houses are now under construction. Six of the seven SHAs are under construction. These SHAs will deliver a potential yield of approximately 885 residential units and bed aged care facilities, thus contributing significantly to the Council's obligations under the accord. With the exception of the Business Mixed Use Zone (Gorge Road) all of these SHAs have been disestablished.

Criteria and process for considering SHAs

- 12 The Council will consider each proposed SHA on its own merits. In addition, to the degree of consistency with the Lead Policy, other factors, such as planning and RMA matters, may be relevant to the Council's exercise of discretion to make a recommendation to the Minister. The below process is generally followed when assessing the EOI:

Step 1 - An initial consideration of an EOI to ensure it is consistent with the Council's intent, and there is sufficient information provided to be able to assess it;

Step 2 - Seek public feedback including statutory agencies and iwi;

Step 3 - Seek comments from internal Council departments and others as necessary;

Step 4 - Report to Full Council to consider whether or not to agree in principle the establishment of an SHA;

Step 5 - Should the EOI be accepted in principle, negotiate an appropriate Stakeholder Deed that fulfils the requirements of the Lead Policy (and other matters that are deemed to be relevant) and any other outstanding matters raised;

Step 6 - Council considers the draft Stakeholder Deed and makes a determination on whether or not to recommend the EOI to the Minister as a potential SHA; and

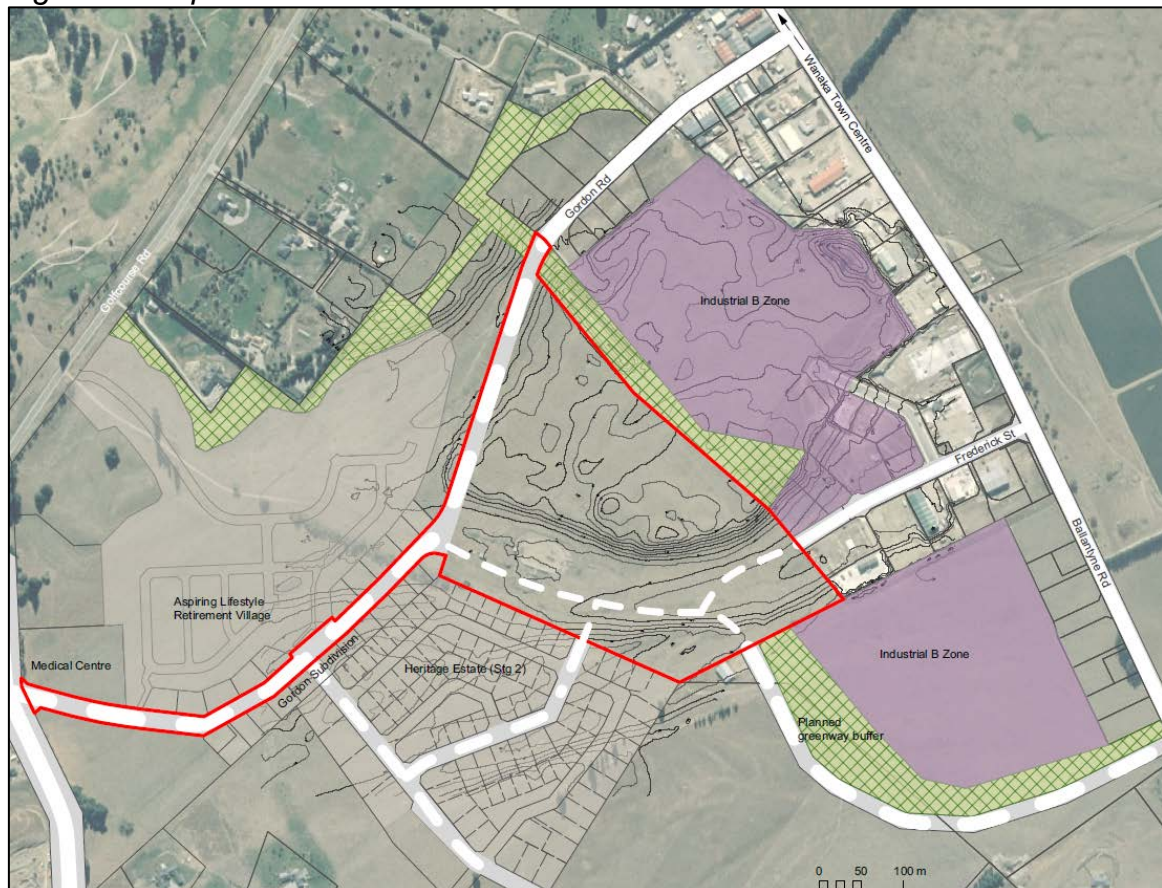
Step 7 - If a Stakeholder Deed is agreed and signed, the proposed SHA will be recommended to the Minister.

- 13 Steps 1 to 3 have been completed and this report addresses Step 4. If the EOI is accepted in principle a subsequent report to Full Council will address Steps 5 and 6.

Bright Sky Expression of Interest

- 14 The EOI for the proposed Bright Sky SHA was formally received by Council on 19 February 2017. The site is located off Gordon Road, Frederick Street and Cardrona Valley road, Wanaka. The total area of the site is approximately 13.2 hectares and it adjoins the Aspiring Lifestyle Retirement Village (located to the west of the subject site and which is now largely developed). The EOI site also adjoins the 'Alpine Estates Stage 1' consented subdivision (14 lots accessed off Cardrona Valley road), and the Gordon subdivision, 23 lots including the formation of a new road and intersection from Cardrona Valley Road (RM170094). 'Alpine Estates Stage 2' (shown in Figure 1 below as 'Heritage Estates Stage 2') has lodged resource consent for 96 lots but has not been progressed and remains on hold for further information (RM170065).
- 15 The proposal comprises a residential development of approximately 281 dwellings, with a mix of section sizes and housing types. Full details of the proposed development are available in the EOI. The proposal site is shown outlined in red in Figure 1 below.

Figure 1: Proposed SHA location



16 The site is located in the following zones of both the Proposed and Operative District Plans:

Operative District Plan (ODP)	Proposed District Plan (PDP)
<ul style="list-style-type: none"> Rural General 	<ul style="list-style-type: none"> Low Density Residential Rural (Small area off Frederick St) Within the Urban Growth Boundary (UGB)

17 In summary the proposal will be predominantly residential and involves the construction of the 281 units in a mix of sizes from 1-4 bedroom units as shown in Figure 2 below. The buildings are in a range of different building styles, as shown in the EOI.

Figure 2: Proposed building layout



18 The proposal also includes the vesting of reserves and roads with Council. The developer has also confirmed that they will satisfy the affordable housing requirements of the Lead Policy by providing 10% of the developable land area.

19 The EOI comprises of concept design plans and images of the Bright Sky SHA, with supporting assessments from a planner, urban designer and engineers. The updated EOI forms part of **Attachment A**. The appendices to the EOI are not included in the published version of the agenda but are available on the Council’s website: <http://www.qldc.govt.nz/your-council/your-views/proposed-bright-sky-special-housing-area/>

Housing Accord Targets and potential yield

20 The Housing Accord sets the following targets:

Total number of dwellings and sections consented						
	Year 1 (24 Oct 2014 to 23 Oct 2015)	Year 2 (Oct 24 2015 to Oct 23 2016)	Year 3 (Oct 24 2016 to 23 Oct 2017)	Year 3 (1 Jan to 31 Dec 2017)	Year 4 (1 Jan to 31 Dec 2018)	Year 5 (1 Jan to 31 Dec 2019)
Targets	350	650	750	1100-1200	1200-1300	1300-1400
Actual	557	760	317 at 30 April 2017			

- 21 At the time of agenda cut off, the analysis for 2017 has not been completed but will be reported to Planning & Strategy Committee as soon as possible.
- 22 The Accord targets were amended on the 12 July 2017 with the key changes being that these targets now relate to the entire district (Year 1 to 3 only relate to the Wakatipu Basin) and the reporting period for the targets is 1 January to the 31 December.
- 23 As noted above, 7 SHAs have been approved. These qualifying developments are anticipated to deliver a yield of approximately 885 units plus bed aged care facilities, thus contributing significantly to meeting Council's targets under the Accord.
- 24 The Council has also recommended the re-establishment of the Business Mixed Use (Gorge Road) SHA that was approved via an Order in Council on the 14 August 2017. Approximately 100 to 150 apartments are anticipated to be delivered from this SHA.
- 25 The potential yield from the proposed SHA being considered in this report would contribute approximately 281 residential units (final numbers would be determined at the resource consent stage). While the site is proposed to be rezoned Low Density Residential under the Proposed District Plan, the SHA process will increase the yield. In this respect, the proposal, if accepted, is considered to be consistent with the purpose of the HASHAA, which is set out in paragraph 6 above.

Councils Lead Policy on SHAs

- 26 The developer has undertaken a review of the proposal against the Lead Policy. It should be noted that consideration of the Lead Policy is not a 'tick box' exercise – whilst important the Lead Policy provides a framework of relevant considerations for the Council to assess proposed SHAs, other factors, such as planning and RMA matters may be relevant to the Council's exercise of discretion to make a recommendation to the Minister. These still need to be considered in the context of the HASHAA's purpose of increasing housing supply. Full discretion lies with Council on whether or not to recommend an area to the Minister to be a SHA.
- 27 An assessment of the criteria for recommending a SHA to Government is set out further below:

Assessment of the Lead Policy's criteria

Location & Strategic Direction (Point 3.1 & 3.2 of the Lead Policy)

- 28 The majority of the subject site is zoned Low Density Residential Zone in the PDP, which has been identified in the Lead Policy as an area potentially suitable for the establishment of a SHA (Category 2 of the Lead Policy). The small portion of the site is located in the Rural Zone of the PDP and some dwellings are proposed to be located in this area. This parcel of Rural zoned land is considered an anomaly as it was overlaid by an open space annotation, which was subsequently removed from the PDP as it was incorrectly added into Stage 1.
- 29 The Lead Policy is consistent with the strategic direction set out in the PDP. In particular, Goal 3.2.2 of the PDP specifies:
- Ensure urban development occurs in a logical manner:
- to promote a compact, well designed and integrated urban form;
 - to manage the cost of Council infrastructure; and
 - to protect the District's rural landscapes from sporadic and sprawling development.
- 30 In particular, it emphasises the establishment of SHAs within existing or proposed urban areas that are contained within the proposed UGB of the PDP. The SHA area is located within the proposed Wanaka UGB.
- 31 Notwithstanding the above, it is recommended that the entire site be included as an SHA and the merits of whether or not residential development is appropriate in the Rural zoned portion of the site can be considered at the resource consent stage.
- 32 Overall, the proposal is considered to be well located for SHA purposes, particularly as the majority of the site that built form is proposed is located within the proposed Low Density Residential Zone and the UGB of the PDP.

Infrastructure (Point 3.3 of the Lead Policy)

- 33 If Council agrees with the establishment of the SHA in principle, a Stakeholder Deed would need to be negotiated that secures the infrastructure requirements. This would be reported back to Council at a later stage. A summary of the report and Council Officer response is provided below.
- 34 *Stormwater.* Wherever possible stormwater disposal to ground will be utilised within lots and carriageways. A geotechnical report provided for an adjoining site confirms the land is generally suitable for onsite storm water disposal. Where soakage is not deemed suitable for stormwater disposal to ground, stormwater will be piped to a suitable attenuation area. Council engineers have advised that the approach is acceptable in principle and that details can be worked through at the resource consent and engineering acceptance stages. The stakeholder deed can secure that the applicant is responsible for the physical works and cost of connecting to the attenuation areas.

- 35 *Potable water:* A comprehensive modelling report was prepared by Watershed Limited. The Bright Sky development will be supplied via a 150mm diameter water main from Gordon Road through the main development road to Frederick Street, with a secondary 100mm connection. Modelling identifies that potable water will be available with the planned Beacon Point trunk main installation. This infrastructure is planned for 2020-2021 and is currently being investigated for expediting. This is a matter that can be addressed in the Stakeholder Deed.
- 36 *Wastewater:* Council has undertaken modelling which shows that some negative downstream impacts on the wastewater network are anticipated. Proposed upgrades to the Gordon Road pump station will be required to mitigate these impacts. This is a matter that can be addressed in the Stakeholder Deed.
- 37 *Transport:* The development proposed will be accessed from five different locations, being Cardrona Valley Road, Gordon Road, Frederick Street, a future link through the Alpine Estates development and a future link from Enterprise Drive provided through land owned by Orchard Road Holdings Ltd and shown on a structure Plan for the adjacent Industrial B zone (Figure 3 below). The area will be very well connected and permeable for all transport modes.
- 38 The development will result in the provision of an east west link between Ballantyne and Cardrona Valley Roads, a key linkage in terms of opening up access to the future Three Parks commercial centre. It is noted this direct connection between Ballantyne and Cardrona Valley Roads is not entirely consistent with the Wanaka Transportation and Parking Strategy 2008 (Figure 4 below), which does not show such a link.
- 39 Officers consider a direct link to be crucial in terms of an efficient east – west link, but the interface issues for a road that starts as an industrial area and turns into a residential area will have to be carefully addressed at the resource consent stage. The interface can be addressed through road narrowing, landscaping treatment and other methods to ensure a suitable transition.
- 40 Since the 2008 Strategy document was prepared, Plan Change 46 (Wanaka industrial and residential extension) has also altered the situation somewhat. The Structure Plan of the adjoining Industrial B area is shown in Figure 3 below. The alignment of the new 'Road 3' off Ballantyne Road on that structure plan, and the proposed Bright Sky roading alignment is consistent (shown in Figure 3 below).
- 41 It is also noted that the linkage from Enterprise Road circled red has not been provided for in the EOI, and this needs to be addressed:

Figure 3: Extract from Industrial B zone showing Road 3 and indicative road (circled red) in relation to Bright Sky site (blue cross)

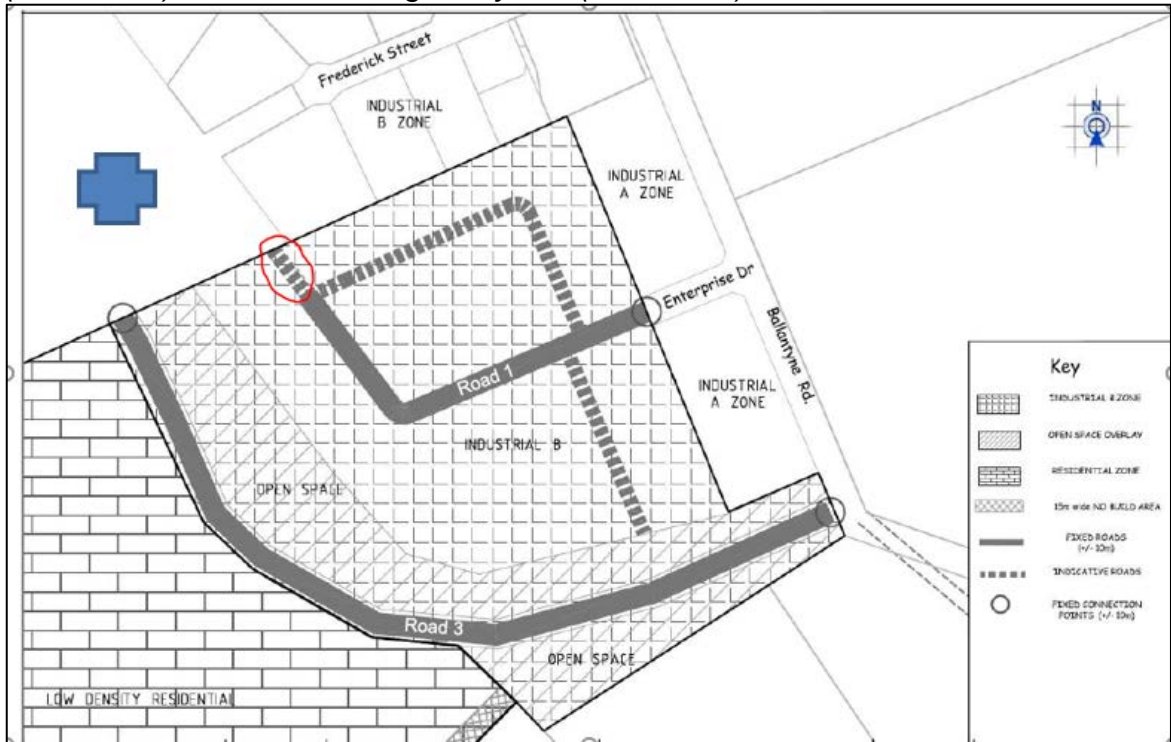
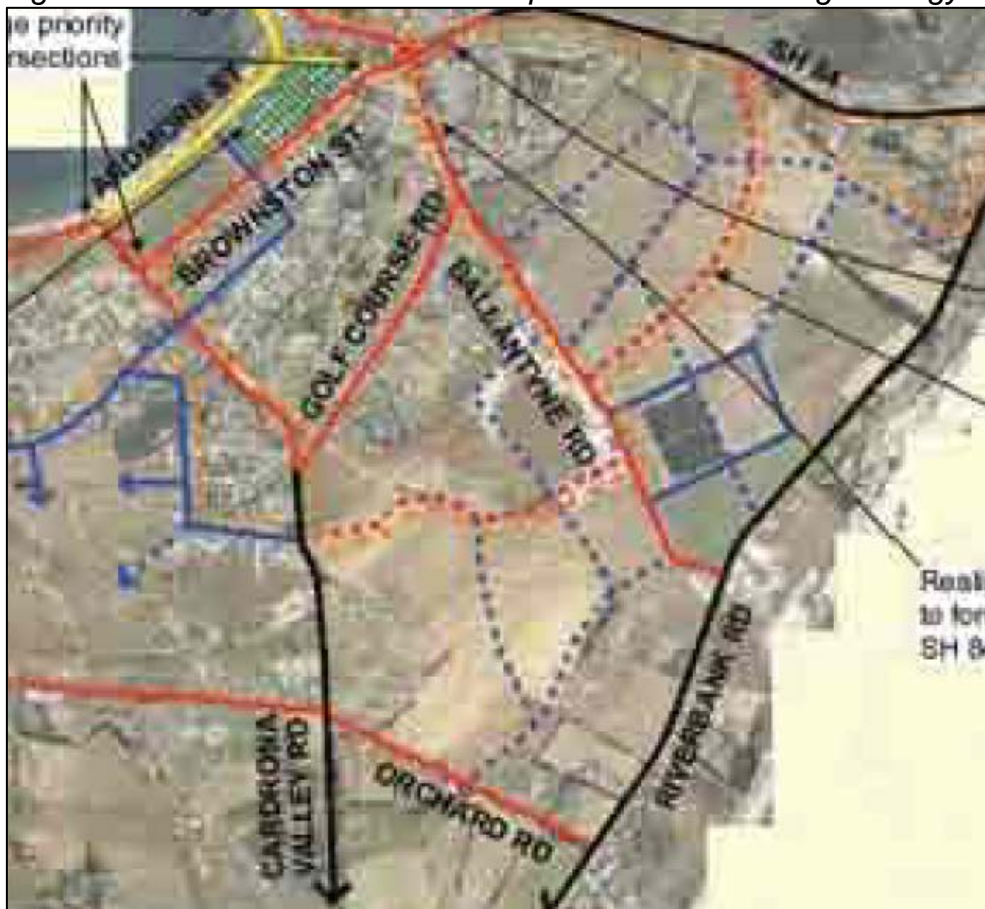


Figure 4: Extract from Wanaka Transportation and Parking Strategy 2008



- 42 A transport assessment provided by the developer was prepared by Bartlett Consulting. Modelling of the impact of the development on existing intersections has been undertaken and the Bartlett report confirms existing intersections can handle the additional traffic volume generated by the development.
- 43 Given the key location of this area, and its significant contribution to the roading hierarchy, officers have requested Stantec undertake a peer review of the assessment, given the key location of the development in the Wanaka roading hierarchy and the provision of a key linkage road between Ballantyne & Cardrona Valley Roads. The Stantec peer review is at a higher level than the Bartlett report, which focuses more on the site itself.
- 44 At the time of the agenda cut-off, the Stantec peer review report was not available and this will have to be updated to Councillors at the meeting.
- 45 Bartlett Consulting conclude that the proposal can be supported from a transport perspective. The existing intersections will be able to accommodate the additional traffic as a result of the proposed residential development with only minor change in the operational efficiency. The traffic modelling demonstrates that the existing road infrastructure can accommodate the proposed Bright Sky SHA.
- 46 *Geotechnical:* A geotechnical report has been provided for an adjacent site, and it is expected that the conclusions would equally apply to the Bright Sky land. A specific report for the subject site
- 47 Overall, the proposed development can be provided with the necessary infrastructure subject to some upgrades which can be secured through a Stakeholder Deed.

Affordability and Affordable Housing Contribution

- 48 The EOI would help to address housing supply issues in Wanaka by providing for a variety of smaller homes situated on compact sections. The developer has advised that property speculation would be “avoided” as the whole development (land and buildings) would be delivered by the developer, as opposed to vacant sections.
- 49 As Council is aware from the Bridesdale SHA, and from its deliberations regarding whether to add Ladies Mile into the Lead Policy, it is very difficult to prevent speculation of bare sections and /or land and building packages. The developer may deliver them to the market at a relatively affordable rate, however the on selling can quickly escalate prices. There is no easy solution to preventing speculation, although it is accepted that providing land and house packages reduces it due to the greater capital outlay required compared to just a section.
- 50 The developer has confirmed they would satisfy the affordable housing requirements of the Lead Policy (10% contribution). If the EOI is accepted in principle, the details of this would be negotiated and form part of the Deed that would be reported back at a Full Council meeting in mid-2018.

- 51 The proposed SHA is not to be used for visitor accommodation purposes. Clauses can be added to the Draft Deed to restrict the proposed SHA being used for short term rental/visitor accommodation, as identified by section 3.4 of the Lead Policy. This has been agreed with the developer.

Community Feedback

- 52 HASHAA does not set any statutory responsibilities in terms of consultation on the establishment of SHAs. However, the Council has sought public feedback / comment regarding the proposed SHA, which it has done for all SHA proposals. In addition, should the SHA be established, the consent authority may request the written approval of adjoining land owners if they are deemed to be affected and may undertake a limited notification resource consent process.
- 53 The EOI was placed on the Council's website on 21 February 2018, which is consistent with how other SHAs were considered. Feedback closes on 18 March 2017 and will be collated and provided to Councillors and made public prior to the Council meeting.

Quality and Design Outcomes (Point 3.7 of the Lead Policy)

- 54 The EOI is a design-led proposal that is well located close to the existing Wanaka town centre and other developing urban centres. The design is deliberately 'permeable' and will provide for walking and cycling. The design positively responds to the urban design principles set out in the Urban Design Protocol and the design outcomes specified in Attachment C of the Lead Policy.
- 55 The EOI plans show three areas as open space is to be provided. One larger area is centrally located and would be in general accordance with a 'neighbourhood reserve' scale space.
- 56 Given the resolution sought requires a re-design of some of the development area to provide for a roading link through to Enterprise Drive, the reserve spaces will require adjustment as a result of that redesign.
- 57 Further work is required to determine whether a revised layout is entirely consistent with the Council's Parks and Open Space Strategy 2017. Any network trails should be developed in conjunction with the Council and the Queenstown Trails Trust. This requirement could also be included in a draft Deed.

Timely Development (Point 3.8 of the Lead Policy)

- 58 The developer has confirmed that they are motivated and willing to develop as soon as possible. The developer has provided a development programme as part of their EOI and it is accepted that they are motivated to commence development. The requirement to proceed in a timely manner would form part of the draft Stakeholder Deed.

Conclusion

- 59 In recommending the SHA to the Minister, the Council has to be satisfied that the proposal is generally consistent with the principles espoused in the Lead Policy.

The land is predominantly zoned Low Density Residential and is within the proposed UGB under the PDP. The proposal a mixture of different sizes sized dwellings (1 to 3 + bedrooms). Council's Infrastructure Department have confirmed that the proposal is acceptable in principle, subject to upgrades being provided for through the Stakeholder Deeds.

Agency Responses

Otago Regional Council (ORC)

- 60 Correspondence from ORC notes that the area is mapped as being 'possibly susceptible' to liquefaction. This is a matter that can be addressed at the building consent stage. The ORC is also concerned to ensure that overland flow paths are protected and to determine whether the works affecting overland flow paths with require ORC consent.

Ministry of Education (MoE)

- 61 The Ministry of Education has written confirming its current plans for expanding the schooling network in Wanaka can accommodate the anticipated school age population likely to result from the SHA.

New Zealand Transport Agency (NZTA)

- 62 The site is not in close proximity to the State Highway network. NZTA were consulted and have written advising they have no concerns with the proposal.

Aukaha (formerly Kai Tahu Ki Otago) and Te Ao Marama Inc. (TAMI)

- 63 Aukaha and TAMI comments had not been received at the agenda deadline and will be reported to Council at the meeting.

Planning Considerations

- 64 When the Minister considers a recommendation from a local authority to establish a particular area as an SHA, the Minister is required to consider whether:
- *adequate infrastructure to service qualifying developments in the proposed special housing area either exists or is likely to exist, having regard to relevant local planning documents, strategies, and policies, and any other relevant information; and*
 - *there is evidence of demand to create qualifying developments in specific areas of the scheduled region or district; and*
 - *there will be demand for residential housing in the proposed special housing area.*
- 65 Other than (by extension) considering these matters, HASHAA provides no guidance by way of specified criteria on what other matters local authorities may consider when deciding whether or not to make a recommendation to the Minister on potential SHAs. In particular, it does not indicate whether it is appropriate to consider 'planning issues', such as landscape, District Plan provisions, and previous Environment Court decisions.

66 However, the High Court in *Ayrburn Farm Developments Ltd v Queenstown Lakes District Council* [2016] NZHC 693 confirmed that:

*“...the HASHAA gave both the Minister and a local authority a discretion and, clearly, the actual location of areas of land to be recommended (and to that extent what could be described as planning or RMA matters) were always appropriate considerations in any such recommendation”.*¹

67 However, while these considerations are relevant, Council’s decision-making should remain focussed on the purpose and requirements of HASHAA and how to best achieve the targets in the accord. While the weight to be afforded to any consideration – including the local planning context – is at the Council’s discretion, HASHAA considerations are generally considered to carry more weight. The purpose of HASHAA has been set out in paragraph 6 of this report.

68 In theory, all or most proposed SHAs are likely to be contrary to an ODP / PDP provision – an EOI would not be made for a permitted or a controlled activity.

69 In this case the proposal is consistent with the PDP zoning and is located within the proposed UGB. Currently the PDP has limited weight, with decisions on the Stage 1 chapters (which includes the position of the UGB) due to Council on 2 May 2018. However the proposal is consistent with the Council’s stated planning direction as set out in the PDP.

Options

70 Option 1: Accept in principle the establishment of the Bright Sky SHA subject to the negotiation of a Stakeholder Deed.

Advantages:

71 Helps contribute to achieving the purpose of the HASHAA, advancing the principles and priority actions in the Housing Accord, and helps the Council to achieve the housing targets in the Housing Accord by enabling new housing aimed at first home owners to be constructed.

72 Generates a number of social and economic benefits (both short term and long term) such as the creation of jobs during the construction phase and long term benefits relating to the increased provision of the supply of a range of houses;

73 Contributes to affordable housing in the Wanaka area;

74 Provides the opportunity for a Stakeholder Deed to be negotiated ensuring that the proposal is consistent with the Lead Policy and can be appropriately serviced, thus reducing the overall risks to Council; and

¹ Paragraph 56

75 The proposal is consistent with the Council's Lead Policy, due to the majority of the site being located within the proposed UGB and the proposed Low Density Residential zone of the PDP.

Disadvantages:

76 Less public participation (submissions and appeals) under a HASHAA consent than a RMA consent.

77 Option 2: Not recommend the proposed Special Housing Area to the Minister

Advantages:

78 Would require the developer to seek consent under the RMA rather than HASHAA, with the RMA having greater opportunities for public submission and appeal.

Disadvantages:

79 Would forgo the opportunity of potentially providing a housing option in the Wanaka area and potentially adversely impacting on Council's ability to meet its commitments under the accord.

80 Would forgo the short term and long term social and economic benefits offered by the proposed (outlined above).

81 Would require the developers to wait for the Proposed District Plan to be finalised which could take years due to appeals.

82 Would not assist in meeting Housing Accord targets.

83 Would not result in a 10% contribution to the QLCHT.

84 This report recommends **Option 1** for addressing the matter.

Significance and Engagement

85 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because:

- Importance: the matter is of high importance to the District. Housing supply and affordability is a significant issue for the District;
- Community interest: the matter is of considerable interest to the community
- Existing policy and strategy: The proposal is considered consistent with the Housing Accord, Proposed District Plan and the Council's Lead Policy. The proposal is not consistent with the ODP.
- Capability and Capacity: In principle it is accepted that the site can be serviced by existing infrastructure but upgrades are required in terms of water supply and waste water.

Risk

- 86 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)' as documented in the Council's risk register. The risk is classed as high. This is because of economic, social, environmental and reputational risks.
- 87 This matter relates to this risk because the supply of housing is central to the current and future development needs of the community. In this instance, it is considered that the social and economic benefits from the provision of a wide range of housing and land packages that are targeted at all types of owners are met. The subsequent resource consent assessment process under the HASHAA also provides the opportunity for further mitigation of risk.

Financial Implications

- 88 Under the HASHAA, developers are required to provide the necessary infrastructure to service their developments. Council negotiates Stakeholder Deeds to ensure the necessary infrastructure is provided.

Council Policies, Strategies and Bylaws

- 89 The following Council policies, strategies and bylaws were considered:
- Lead Policy for SHAs;
 - The Operative District Plan;
 - The Proposed District Plan;
 - Mayoral Housing Affordability Taskforce Report.
 - Growth Management Strategy 2007;
 - Housing Our People in our Environment Strategy;
 - 2017/2018 Annual Plan and the draft Long Term Plan; and
- 90 This matter is partly included in the 10-Year Plan/Annual Plan, due to the fact that some level of development is anticipated on the site. Further investigation will confirm whether or not any upgrades are required.

Local Government Act 2002 Purpose Provisions

- 91 The proposed resolution accords with Section 10 of the Local Government Act 2002, in that it fulfils the need for good-quality performance of regulatory functions. The recommended option:
- a. Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by utilising the HASHAA to enable increased levels of residential development on the proposal site;
 - b. Can currently be implemented through current funding under the 10-Year Plan and Annual Plan;

- c. Is considered to be generally consistent with the Council's plans and policies; and
- d. Would alter the intended level of infrastructural service provision undertaken by or on behalf of the Council.

Consultation: Community Views and Preferences

92 The Council has sought public feedback / comment regarding the proposed SHA, which it has done for all SHA proposals. In addition, should the SHA be established, the subsequent resource consent may be limited notified to neighbouring parties.

Legal Considerations and Statutory Responsibilities

93 The purpose of the HASHAA is detailed in paragraph 6 of this report. HASHAA provides limited guidance as to the assessment of potential SHAs, beyond housing demand and infrastructure concerns. HASHAA is silent on the relevance of planning considerations; however in this case the proposal is consistent with the Proposed District Plan.

Attachments

A Bright Sky Expression of Interest including updated plans

SPECIAL HOUSING AREA: EXPRESSION OF INTEREST

Bright Sky Special Housing Area
Wanaka

BRIGHT SKY LAND LIMITED

November 2017

EXECUTIVE SUMMARY

Bright Sky Land Limited submits this Expression of Interest (EOI) for its land in Wanaka, for consideration as a Special Housing Area (SHA).

The EOI comprises a master-planned residential development scheme of 281 dwellings. The scheme comprises a mix of housing types and section sizes, and is based on an approach of 'Affordability by Design'.

'Affordability by Design' hinges on a number of design and locational attributes:

- Compact section sizes;
- Compact, but well designed, houses;
- Houses that, as far as possible, utilise passive solar heating approaches to minimise winter heating bills;
- Location near centres and places of employment, in order to reduce travel-related expenses.

The proposed SHA has been designed to fit well within its context and connect well to adjoining land and wider Wanaka. It is consistent with Council's Implementation Policy on Special Housing Areas, and the statutory considerations under the Housing Accords and Special Housing Areas Act 2013.

Of particular note, the SHA will:

- Provide significant additional housing supply to Wanaka in a timely manner;
- Provide significant diversity of housing options to the Wanaka market, where diversity at present is quite limited;
- Provide new housing that is priced at a 'market affordable' price point, through the use of small section sizes and compact and efficient housing designs;
- Contribute to affordable housing in Wanaka;
- Be underpinned by a comprehensively designed, cohesive master plan based on best practice urban design principles;
- Be adequately serviced by infrastructure.
- All homes will be constructed on sections less than 400 square metres, offering only completed house-land packages. This ensures affordable price points are met and effectively takes out speculative buyers.

Bright Sky Land Limited commit to the 10% Community Housing contribution as specified in Council's Implementation Policy on Special Housing Areas.

1. THE BRIGHT SKY PROPOSAL

1.1 The Bright Sky Land Limited Team

The directors of Bright Sky Land Limited ('Bright Sky') bring significant commercial and development experience to the project. All directors live in Wanaka and have longstanding connections to it, and are strongly committed to its future.

Summaries of the Directors' experience are outlined below:

Grant Bisset

Grant has lived in Wanaka since 1992, and has been involved in the aviation and tourism industries since then. Grant has also been involved in some property and project management projects during that period.

Grant is concerned about the future of Wanaka and sees sound long term planning and development as critical to its success.

John Gilks MNZM

John's professional background is as a practising chartered accountant. He has been a professional director since 1993, having held circa 20 directorships. He is Chairman of Queenstown Airport Corporation Ltd.

John is a past president of the Otago Chamber of Commerce, the Otago Branch of the Institute of Chartered Accountants and the Institute of Directors. He is a Fellow of the College of the Institute of Chartered Accountants and a Distinguished Fellow of the Institute of Directors.

In 2009 he was appointed a member of the New Zealand Order of Merit (MNZM) for services to business and the community and in 2010 received the Dunedin City Business Personality of the Year award.

Paul Miller

Paul Miller moved to Wanaka in 1976 after purchasing the basis of what later became Wanaka Lake Services, a commercial launch, boat hire and trout fishing operation which he ran for 20 years. It was after the sale of this successful business that Paul entered into the Real Estate Industry.

He has become one of Wanaka's longest serving, most experienced and most successful real estate salespeople. He is renowned for his attention to detail, local knowledge, professionalism and ability to take the sales process to another level. He is also a Harcourts Accredited Property Auctioneer.

Paul has been involved with and chaired the Wanaka Theatre Group, Swimming Club, Swimming Pool Committee, the Promotion Association and served on the Community Council.

Paul is the Managing Director of The Upper Clutha Messenger (est 1978), Print it Wanaka and Sign Depot.

David Reid

David formed iconic building company David Reid Homes 25 years ago and after expanding through New Zealand moved to Wanaka on a full time basis in the early 2000's.

After 3 years in Wanaka, David with his family moved to Australia to launch David Reid Homes offshore.

After successfully establishing David Reid Homes in Australia David and family moved back to their home town of Christchurch in 2010 - a few months later the earthquakes struck. After doing as much as they could helping rebuild the city after the earthquakes of 2010/11, David and his wife Sue moved back to Wanaka in December 2015.

Now with Wanaka a permanent and full time base, David and Sue have embarked on the next stage of their lives, developing land and beautiful homes in Alpine Estate, Wanaka.

The Bright Sky Development Proposal - Approach

Bright Sky have assembled a team of professional industry experts to advance a masterplan scheme for the land.

Mark Tutty and David Reid have project managed the development of the concept, with their approach underpinned by their decades of experience in the development and house building sectors. The project has been strongly underpinned by Paul Miller's expert understanding of both the Wanaka community, and its real estate market.

A preliminary design workshop was held in Wanaka in August 2017, involving the following team members in addition to Mark, David and Paul:

- Tim Allan: Project and Development Management
- Matthew Paetz: Auckland Planning Manager, The Property Group Limited
- Blair Paterson: Director, CoLab Architecture
- Tobin Smith: Director, CoLab Architecture
- Bruce Weir: Principal Urban Planner, The Property Group Limited

Preliminary masterplan concept options were developed following the meeting. The concept options were robustly tested, not just in terms of urban design qualities, but also in terms of buildability and development cost and feasibility.

A workshop between members of the design team and Senior Queenstown Lakes District Council planning staff was held in mid-September.

Preliminary discussions between Bright Sky and the Queenstown Lakes Community Housing Trust have occurred.

Bright Sky undertook an online survey via Survey Monkey, to assist in the progression of their housing development concept. 45 people from Wanaka participated in the survey.

Some of the key findings were:

- A large proportion of respondents saw smaller sections, smaller houses, and innovative construction techniques as central to delivering more affordable housing. These were considered superior to other options, such as more remote location and cheaper building materials.
- A high level of interest was shown in medium density housing typologies to deliver affordability.
- 17 of 45 respondents saw a desperate need for the delivery of housing in Wanaka for less than \$575K.

1.2 The Bright Sky SHA site

The proposed SHA comprises an area of land within the 22 hectare site legally described as Lot 1 DP 477622. This land is owned by Peter Duncan Gordan and HGW Trustee's Limited. Bright Sky Land Limited have submitted a subdivision consent application to subdivide off the parcel of land subject to this Expression of Interest. An unconditional Sales and Purchase Agreement is in place, and Title is anticipated by mid-March 2018.

The current title for the site is attached as **Appendix 1**. Summary of the enclosed registered documents are as follows:

Registered document reference	Summary
Consent Notice 5143982.11	Conditions of 2-lot subdivision in relation to building platforms, water suppl, wastewater and right of way.
Land Covenant 6007392.6	To conserve and enhance character, m quality and amenity value iof Lots.
6029971.1 Variation of Land Covenant	Variation to remove clause from above (reference/application to allotment).
Consent Notice 7043114.1	Restriction on industrial activity on Lot 2.
Consent Notice 8060605.2	Subdivision condition in relation to provision of stormwater disposal, access, water supply.

Registered document reference	Summary
8282267.2 Variation of Consent Notice	Variation (deletion) of conditions as they relate to Lot 3.
Consent Notice 8282267.10	Conditions of 3-lot subdivision in relation to provision of stormwater disposal, access, water supply.
9321758.1 Variation of Consent Notice	Variation to condition in relation to access/manouerving.
Land Covenant 10347910.5	Open space and landscape covenant

In terms of the proposed SHA, it will comprise the development site proper and also include an area of land providing for a public roading corridor that will link the development site with Cardrona Valley Road and Gordon Road. The proposed SHA showing the development site and the roading corridor is shown in the plans attached as **Appendix 2**.

Over the length of the site, there is only a mild-moderate slope, however in the central portion of the site a bank rises up towards the north relatively steeply.

The site is currently vacant, and grassed. It has legal access from Frederick Street. The land use on Frederick Street is predominantly light industrial in nature.

The land adjoining to the north of the Bright Sky Land has a legal description of Lot 2 DP 477622. It is zoned Industrial B, and is currently vacant, and has legal frontage to Gordon Road and Connell Terrace.

The Alpine Estate land to the south of the site has a legal description of Lot 2 DP 498936, and comprises 11.8863 hectares. Like The Bright Sky land, it is currently vacant and grassed, and has only a gentle slope. A resource consent application for 93 residential lots was lodged with Council in early 2017, however for various reasons its processing is on hold.

The site is zoned Rural General under the Operative District Plan. Under the Proposed District Plan, the majority of the site is zoned Low Density Residential (as shown below, with the 'mushroom' colour). However, a small portion of the south eastern corner of the site has a Rural zoning (grey coloured area). It is not clear why this the case, although a mapping error is suspected. Further clarification on this matter is required.



Image 1: Provisional Framework Plan illustrating core structure and focus areas.

While this framework has remained largely intact, there was increasing emphasis towards Gordon Road due to the connectivity advantages outlined previously.

The desire to create a more intensive “village” neighbourhood necessitates a finer urban grain –smaller blocks with more, but smaller, roads. In addition, there was a desire to utilise the existing contours as much as possible. These elements have resulted in some unique building typologies that utilize the embankment face and in doing so require very short lot depth (circa 20m – lot size 120m²+). Other compact building typologies have facilitated a fine-grained, yet highly legible development pattern.

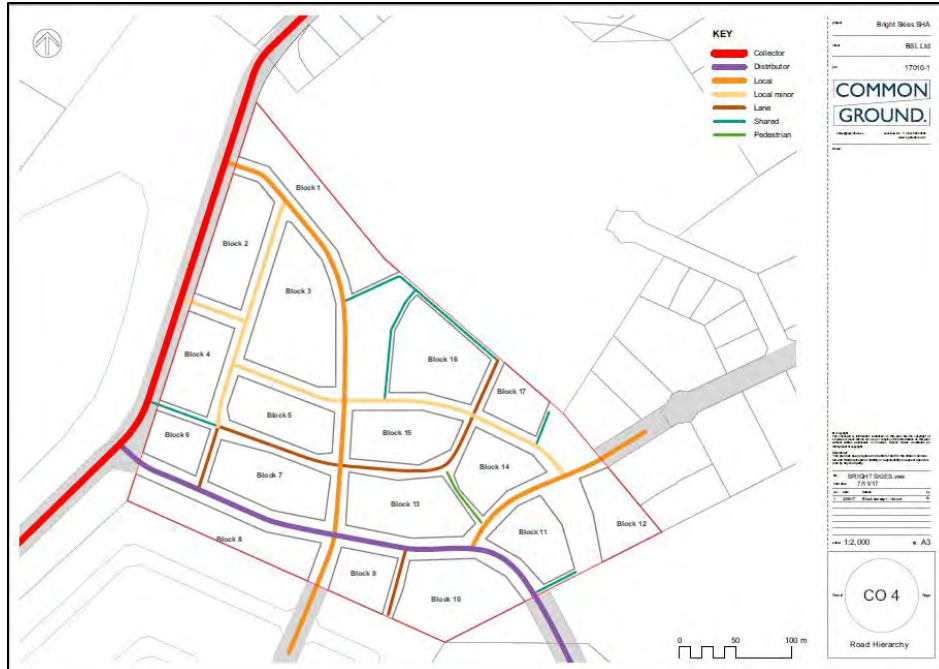


Image 2: Roading hierarchy and block pattern.

This patterns ensures that:

- There is a heavy focus towards walking as the first movement mode of choice;
- That the internal environment promotes a low-speed vehicle pedestrian-centric environment, and;
- The main roads can operate effectively by 'de-cluttering' them from entranceways as much as possible.

This helps achieve a safe low-impact (noise, conflicts) environment conducive to higher density living.

By integrating the designated landscape bund/buffer on the northern boundary within the development concept, and adopting the small, low-speed road approach, the design team have been able to deliver a generous, well-sited and aspected 3,000m² proposed neighbourhood park, which has been designed to be consistent with the Council's Parks and Open Space Strategy 2017. The park and bund combination connect to the site boundaries west (Gordon Road) and east (Dippie land) providing the ability for Council to work with other land owners and developers to deliver a wider connected recreational link for the town.



Image 3: Block sizes and open space areas

As the plan above illustrates, this approach and development pattern is surprisingly efficient even compared to traditional suburbia – and particularly given the yield it can support (illustrated below).

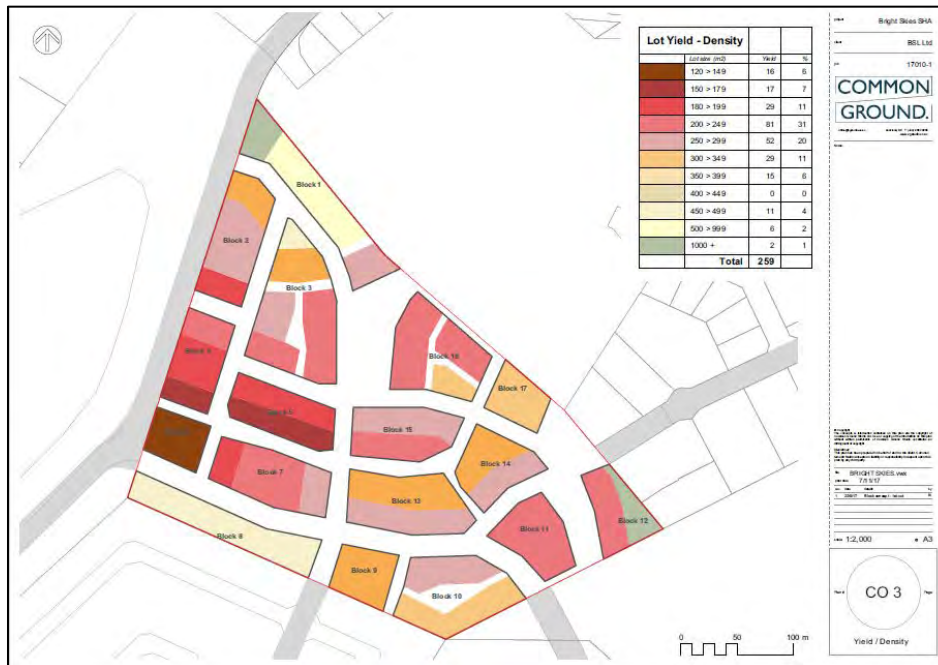


Image 4: Density distribution and yield

The distribution of density outlined above is underpinned by:

- A thorough understanding of specific site conditions (slope, aspect, location, outlook, access requirements);
- Appraisal of amenity proximity and frontage;
- The objective of achieving a high level of inherently affordable dwellings, and in turn;
- Appropriate building typology options to maximize the above.

The estimated yield of 281 dwellings is considered a deliverable outcome using standard construction methodologies. It is anticipated the vast majority of dwellings will be freehold title – a key consideration for delivering an affordable housing solution.

Summary of Responses to Urban Design Principles

Context

In close proximity to the town centre and other developing urban centres. The development will be designed to reinforce the character of the area.

Permeability

The design is permeable and provides a safe and inclusive pedestrian environment.

There will be a range of street types that slow traffic and encourage walking preference.

Concentration

Sufficient concentration to activate the public realm, create community and develop identity (a sense of place).

Connectivity

The site is within walking distance to the Town Centre and Three Parks.

It can be connected to all infrastructure with little difficulty.

Regeneration & Restoration

Development uses slope to support more-intensive residential options as a core. A landscaped street and lane network supports a hierarchy of spaces and use of density in appropriate locations.

The use of High Performance Housing reduces demands on network systems and infrastructure.

Vitality

Critical mass and variety of housing types will encourage diversity among residents. The nature of

the development will encourage people from outside to walk to and around the neighbourhood.

Adaptability

The design is safe, adaptable and resilient in the face of change – including energy efficient housing. The built form can be adapted to new uses over time with ease.

Identity

There is a sense of place and identity created through the landscape setting, the compactness of the 'village core', the design and layout of the public realm, landscape of space and a distinctive New Zealand architecture.

Quality Public Realm

The public realm is made up of public spaces and routes that are attractive, safe and inclusive that effectively function for all in society, including the disabled and elderly.

The proposal integrates to wider networks.

1.4 Proposed Architectural Approach

CoLab Architecture's overall approach to the master plan is to create a development that is inclusive, not exclusive. The design of the dwellings encourages both social and physical connection through permeability and pedestrian focus with outward facing dwellings responding to the road layouts and the provision of public amenity.

The variation of scale and specification of the typologies is aimed at appealing to a wide range of potential occupants. The proposed dwelling forms and selected materiality have been directly influenced by the region and are a contemporary play on the Wanaka vernacular. Pitched roof forms, open expanses of glazing and natural plastered walls reflect that of the region, while additional materials such as natural timber wall claddings will help soften the overall character of the development and complement the natural nature of the surrounding landscape.

The dwellings themselves have been located and scaled in a response to the proposed topography of the site and integrates the development in to the surrounding community of Wanaka. Roads, pedestrian links and open spaces have been carefully considered to ensure key access points and viewing lines are retained.

The architecture consists of 8 different dwelling typologies ranging from one bedroom apartment type typologies of approximately 50m² through to compact family homes of approximately 220m². The strength of these typologies is in the modular approach that are taken for the designs, which not only makes for efficient construction methodologies, but also

creates flexible planning models that are interactive and responsive to market feedback.

In response to the orientation of the site, each dwelling typology has been planned to maximise their ability to draw natural light down into the internal spaces. All living spaces [with the exception of the apartment typologies] are located on grade to allow access to exterior private courtyards. Transparency is introduced to both the public and private faces of each typology, which not only allows for natural light but also achieves positive interaction and passive surveillance over vehicle and pedestrian movement through the site.

The dwellings have contemporary lines based around traditional forms, which are designed to reflect the architectural ethos of the development. The modular nature helps create an efficient structural module that can be constructed using standard building techniques. The roof forms of the terrace and duplex typologies have been aligned, shifted and stepped to help articulate the facades and announce individuality, while at the same time simply shed water to the external walls and minimise the requirements for internal gutters.

Conceptual architectural images are contained within **Appendix 3**.

2. STATUTORY AND COUNCIL POLICY CONSIDERATIONS FOR THE ASSESSMENT OF POTENTIAL SPECIAL HOUSING AREAS

2.1 Housing Accords and Special Housing Areas Act

In terms of establishing Special Housing Areas (as distinguished from assessing Qualifying Development applications within established SHA's) the key statutory matters are set out in Section 16(3) of HASHAA:

The Minister must not recommend the making of an Order in Council under this section unless the Minister is satisfied that—

- (a) adequate infrastructure to service qualifying developments in the proposed special housing area either exists or is likely to exist, having regard to relevant local planning documents, strategies, and policies, and any other relevant information; and*
- (b) there is evidence of demand to create qualifying developments in specific areas of the scheduled region or district; and*
- (c) there will be demand for residential housing in the proposed special housing area.*

While the matters relate to the Minister of Housing's decision making functions, it follows that Council must be satisfied as to these matters in order to recommend a SHA to the Minister.

With regard to the question of 'adequate infrastructure', the land is zoned Low Density Residential under the Proposed Queenstown Lakes District Plan, which indicates that the land will become part of Wanaka's urban area and serviced by infrastructure accordingly.

Watershed Consultants and Beca have prepared infrastructure capacity assessments, which are attached as **Appendix 4**, along with correspondence from Council's Assets section. Water supply to the Bright Sky SHA can be supplied via a 150mm pipe from Gordon Road through the main development road to Frederick Street, with a secondary 100mm connection.

Traffic Engineers Bartlett Consulting have prepared a traffic engineering assessment, which is attached as **Appendix 5**. Bartlett Consulting conclude:

The modelling undertaken shows that the existing intersections will be able to accommodate the additional traffic as a result of the proposed residential development with only minor change in the operational efficiency. The modelling demonstrates that the existing road infrastructure can accommodate the proposed SHA.

With regard to the matters of demand, sales data over the past two years shows strong ongoing demand for housing in Wanaka. Information provided by the Community Housing Trust shows that there is a significant waiting list of residents seeking to purchase dwellings at more affordable price points than are being provided at present by the market.

Section 15 of HASHAA sets out the criteria that may be prescribed for 'Qualifying Developments' in SHAs. The criteria include maximum building heights, maximum number of storeys, and minimum number of dwellings. With regard to these matters, the following criteria are proposed:

Maximum Building Height: 11m

Maximum Number of Storeys: 3

Minimum Number of Dwellings: 3

Section 14 of HASHAA sets out the meaning of 'Qualifying Developments'. Central to this meaning is that Qualifying Developments must be 'predominantly residential'. At this stage, Bright Sky anticipates that an early childcare centre will establish within the site. This will be confirmed at the time the Qualifying development application under the SHA is made. However, in advance of this process, it is considered that incorporating the early childcare centre within the overall development will be consistent with the requirement for the development to be 'predominantly residential', for the following reasons.

Section 14(2) of HASHAA states that a development is 'predominantly residential' if:

(a) the primary purpose of the development is to supply dwellings; and

(b) any non-residential activities provided for are ancillary to quality residential development (such as recreational, mixed use, retail, or town centre land uses).

The incorporation of an early childcare centre within the overall development is secondary to the primary purpose of the development, which is focussed on residential development, ie. supplying dwellings. Early childcare centres are strongly linked to residential areas, often locating within them or adjacent to them. While they are a business, they are a community focussed one, serving the needs of a resident community.

An early childcare centre locating within the development helps to enhance the overall cost of living affordability of the wider residential development, as it ensures residents can walk, or only drive a very short distance, between their homes and the centre.

2.2 Queenstown Lakes District Council's 'Housing Accords and Special Housing Areas Act 2013 Implementation Policy' (24 November 2016)

Council's Implementation Policy sets out 8 Objectives that frame Council's overall approach to the Housing Accord and Special Housing Areas. The objectives are outlined below and commented on.

1. Recommendation of special housing areas facilitates an increase in land for housing supply.

Comment:

The Bright Sky SHA facilitates an increase in land for housing supply. Under the Operative Queenstown Lakes District Plan, the land is zoned Rural, which does not readily contemplate or provide for housing

supply of any significance.

While the majority of the land (apart from a small area of land in the south-eastern corner of the site zoned Rural) has a proposed zoning of Low Density Residential under the Proposed Queenstown Lakes District Plan, decisions have not been made and released on the Proposed Plan. Council is currently anticipating that decisions will be released in the first quarter of 2018.

While this is not far into the future, the schedule could change, and furthermore there is the potential for an appeal of provisions (if not the zoning) to the Environment Court to further delay the housing development potential of the land.

In addition, the Low Density Zoning of the land under the Proposed District Plan does not anticipate a housing supply yield as high as that proposed in the proposed Bright Sky SHA.

2. Special housing areas are established in appropriate locations, where there is evidence of demand for residential housing.

The Bright Sky SHA is considered to be in an appropriate location. While the land is zoned Rural under the Operative District Plan, the majority of the site has a zoning of Low Density Residential under the Proposed District Plan, and is located within the Wanaka Urban Growth Boundary.

Furthermore, the land has excellent access to the evolving master-planned community of Three Parks, with its commercial and employment potential, and it is also a short distance to the Wanaka Town Centre (15 minutes' walk).

There is currently evidence of strong demand for housing in Wanaka, and a relatively strong supply response. However, significant levels of housing supply are currently only being provided by a very small number of developers¹, and the housing market would benefit from greater competition.

In addition, much of the supply response is pitched at the mid to high segments of the market, and very little housing is being delivered to the market at affordable (in a relativistic sense) price points. Our analysis of the residential property market for the period March – September 2017 demonstrates the following key statistics:

Lowest price - \$560,500

Highest price – \$3,887,500

Proportion of sales in affordable price bracket (\$560,500 - \$660,000) 8/81 properties = 9.88%

Median sale price - \$890,000

Average house price - \$1,095,928

¹ A recent Officer's report 'Inclusion of Wanaka in the Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines (Lead Policy)' to the Full Council meeting of 28 September 2017 stated that 44% of the dwelling capacity in Wanaka is contained within the Three Parks and Northlake subdivisions.

It should be emphasised that in Wanaka a significant proportion of demand for housing is for second ('holiday') homes. One of the implications of this is that a greater supply of housing is required than would ordinarily be the case in most urban property markets.

3. The establishment of special housing areas accords with the Council's overall strategic direction for urban development in the District.

The establishment of the Bright Sky SHA accords with the Council's overall strategic direction for urban development in the District. The site sits within the Wanaka Urban Growth Boundaries shown in the Proposed Queenstown Lakes District Plan, and is consistent with the expectations for urban growth and form espoused in the Strategic Direction and Urban Development chapters of the Proposed Plan.

It should be noted that Wanaka's Urban Growth Boundaries have been earmarked for a long period of time. To be more specific, the Urban Growth Boundaries in the Proposed District Plan align with those shown in the Wanaka Structure Plan from 2007.

Therefore, the proposed Bright Sky SHA sits on a site that has long been anticipated for urban development.

4. Adequate infrastructure exists or is likely to exist to service qualifying developments in special housing areas.

Given that the site is zoned Low Density Residential in the Proposed District Plan, there is an expectation that the land will be serviced with urban infrastructure.

As outlined above, infrastructure and transport reports indicate that adequate infrastructure exists or is likely to exist to service a qualifying development in the proposed SHA.

5. Qualifying developments within special housing areas take a proactive approach to improving housing affordability issues by providing an appropriate mix of housing options including housing for owner occupiers, first home buyers, accommodation for workers, and facilitating the provision of community housing.

The Bright Sky team have made a concerted, proactive effort to provide for 'Affordability by Design'.

To be more specific, the masterplan provides for a wide mix of section and house sizes. This includes provision of a significant number of sections in the 100-200 square metre range, and the majority in the 200-300 square metre range.

Bright Sky have consulted with the Queenstown Lakes Community Housing Trust. Under Council's current approach to Special Housing Areas, Council facilitates more formal discussions around what form any community housing contribution should take.

6. There is community feedback as part of the establishment of proposed special housing areas.

Council will manage a process of community feedback following submission of this Expression of Interest.

7. The development of special housing areas will achieve high quality urban design outcomes.

The Bright Sky vision is underpinned by urban design. Urban Designer Bruce Weir (The Property Group) in association with the wider design and project team, has advanced an urban design structure for the site, which seeks to enhance community wellbeing through a design that:

- Fosters strong connectivity within the development and with other adjacent developments and wider Wanaka;
- Provides for a permeable transport network;
- Provides for diversity and housing choice by providing a wide range of section and dwelling sizes.
- Utilises green spaces and lanes to provide good amenity for residents.

8. Development of housing in special housing areas occurs as quickly as practicable.

The Bright Sky development is planned to be delivered promptly. A development programme is attached as **Appendix 6**. It shows project completion by March 2022.

Council Criteria for Assessing Special Housing Area Proposals

Section 3 of the Council's Lead Policy sets out the criteria that council will use to assess SHA proposals, in addition to the statutory considerations.

The criteria are addressed under the headings below:

1. Location

This criterion relates to Council's categorization of land in the District, into 3 categories:

a. Category 1 includes areas that are considered suitable for establishment as special housing areas. These areas have been identified or zoned in the Proposed District Plan for residential development or intensification and/or are located within the proposed urban growth boundary. Category 1 areas are listed in Attachment A.

b. Category 2 includes areas that may be suitable for establishment as special housing areas, subject to further assessment against this policy. This category can only be updated following resolution by full Council, which includes the addition and removal of areas from this category. The Council will not accept proposals or EOs from landowners or developers to include areas on this schedule. Category 2 areas are listed in Attachment A.

c. Category 3 includes areas that are not considered suitable for establishment as special housing areas. Category 3 areas are listed in Attachment A.

At the Full Council meeting on 28 September 2017, Council resolved to include, within Category 2, the following zoned areas within the Wanaka Urban Growth Boundary of the Proposed District Plan:

- Low Density Residential Zone;
- Medium Density Residential Zone;
- High Density Residential Zone;
- Large Lot Residential; and
- Business Mixed Use Zone.

As the majority of the proposed Bright Sky SHA is zoned Low Density Residential under the Proposed District Plan, it can be considered by Council to be established as a SHA. As noted above, a very small area of the site in the south-eastern corner is zoned Rural. This appears to be a mapping error. Council have advised this can be addressed via an alteration to the Lead Policy.

2. Strategic Direction

The Lead Policy criterion states:

The Council will consider proposed special housing areas in light of its overall strategic direction for development in the District. This includes ensuring that urban development occurs in a logical manner:

- *to promote a compact, well designed and integrated urban form;*
- *to manage the cost of Council infrastructure; and*
- *to protect the District's rural landscapes from sporadic and sprawling development.*

This includes establishing special housing areas within existing urban areas, or proposed urban areas in the Proposed District Plan, including those that are anticipated to fall within urban growth boundaries.

The Bright Sky SHA is consistent with this criterion. It is located on land that was signalled as far back as 2007 (in the Wanaka Structure Plan) to form part of Wanaka's urban area, and this historic planning which involved comprehensive community consultation has been reinforced by the Proposed District Plan, where the land is contained within Wanaka's Urban Growth Boundary.

The proposal is assessed against the Strategic Direction (Chapter 3) objectives and policies of the Proposed District Plan, and as outlined below, considered to be consistent with these.

1. *Develop a prosperous, resilient and equitable economy.*

Affordable housing is central to the development of a prosperous, resilient and equitable economy. The proposal will contribute to the provision of affordable housing which will help achieve these economic outcomes.

2. *The strategic and integrated management of urban growth.*

The proposed development is located within the Wanaka Urban Growth Boundary, and is located within walking and cycling distance of centres. Development within the Urban Growth Boundary is consistent with Council's goals of integrated urban growth management, where infrastructure funding and provision is readily planned for – as opposed to historical development outcomes in the district where new zones and developments have tended to occur on an ad hoc basis.

3. *A quality built environment taking into account the character of individual communities.*

The master plan for the proposal development of the site ensures sound urban design principles will underpin the development. It has been advanced with regard to development plans for neighbouring sites, to ensure context and connectivity are taken into account.

Architectural concepts illustrate a modern approach, but one rooted in the building form and materials of the District.

4. *The protection of our natural environment and ecosystems.*

The site is not located on or adjacent to any sensitive natural environments. Accordingly, there are no adverse effects on the natural environment or on any known notable ecosystems.

One of the aims of progressing development within defined urban growth boundaries is to avoid potential development occurring in, or close to, sensitive natural environments.

5. *Our distinctive landscapes are protected from inappropriate development.*

The landscape within which the site sits is an unexceptional rural one, which is rapidly urbanising. As per above in terms of the natural environment, one of the aims of Urban Growth Boundaries is to focus development in areas that are not distinctive or outstanding landscapes.

6. *Enable a safe and healthy community that is strong, diverse and inclusive for all people.*

The variety of unit typology provides for and accommodates a diverse community. The development intends to provide a variety of site and unit sizes, and varying unit/dwelling height, which creates an individual yet cohesive residential environment. The incorporation of affordable

housing as part of the development also achieves this. Strong consideration and analysis of onsite amenity (i.e. providing parks, open spaces) of the development and private spaces of the units ensures a safe and enjoyable environment for residents.

Overall, the proposal is consistent with these objectives and policies and therefore achieves the strategic direction of the Proposed District Plan.

3. Infrastructure

This matter has been addressed under the relevant objective above.

4. Affordability

The Lead Policy criterion states:

Housing affordability is a key issue for the Queenstown Lakes District. The Council is committed to ensuring that as development takes place across the District, the provision of affordable housing is incorporated as part of each development. The Council is particularly interested in ensuring that affordability is retained overtime. The Council expects landowners and developers to identify appropriate mechanisms to ensure that housing developed in a special housing area addresses the district's housing affordability issues. The Council considers that an appropriate mix of housing is necessary in the district, including housing for owner-occupiers, first home buyers, and accommodation for workers. Examples of mechanisms to achieve affordability may include:

- *a range of appropriately sized sections (including smaller sized sections of 240-400m²);*
- *a mixture of housing typologies and sizes is also desirable;*
- *the nature of any covenants (or similar restrictions) imposed on sections;*
- *methods to reduce property speculation of vacant sections; and*
- *methods to retain affordability in the medium to long term. Housing developed in special housing areas will be expected not to be used solely for visitor accommodation and landowners and developers should identify an appropriate legal mechanism for securing this outcome.*

The advancement of the Bright Sky SHA proposal has placed these matters at the centre of design considerations.

The proposal focuses on an 'Affordability by Design' approach. Central to this is the provision of a large proportion of small sites (150-300 square metres).

In addition, Colab Architects have developed housing plans which are aesthetically pleasing, efficient and compact, and cost effective with regard to construction methodology.

A further important factor for overall lifestyle affordability is the locational characteristics of the land. The site is very close to the commercial core that is establishing as part of the Three Parks masterplanned development, and not much further is the established Wanaka Town Centre. Estimates of travel times are set out below:

To Three Parks commercial core:

- By walking: 10 minutes
- By cycling: 3 minutes
- By driving: 2 minutes

To Wanaka Town Centre:

- By walking: 15-20 minutes
- By cycling: 5-7 minutes
- By driving: 3-4 minutes

These factors mean that residents within the community should, on average, have low transport costs which assists with overall cost of living affordability.

In addition, the provision of a number of attached and semi detached dwellings will assist with minimising winter heating costs, by enhancing the thermal performance of the dwellings.

Property speculation of vacant sections will be avoided as the whole development will be delivered by the developer, as opposed to a model whereby single or multiple vacant sections are sold to individual parties.

5. Affordable housing

As outlined above, Bright Sky have taken a strong 'Affordability by Design' approach to the proposed masterplanning of the development scheme.

Bright Sky confirms that it will satisfy the affordable housing requirements of the Lead Policy. The precise details of any agreement will be worked through carefully with Council and the Community Housing Trust.

6. Community feedback

The Council will seek community feedback on all proposed special housing areas. This will include the Council seeking advice from the New Zealand Transport Agency, Ministry of Education, Otago Regional

Council, Local Iwi and any other parties considered to be relevant to the consideration of a special housing area.

7. Quality and design outcomes

The Council will expect all qualifying developments in special housing areas to achieve high quality urban design outcomes. The Council's development quality expectations are set out in Attachment C.

The Bright Sky SHA proposal is considered to meet and even exceed the Council's design expectations. The urban design rationale for the proposal has been outlined above under Section 1.3.

8. Timely development

The Council wishes to see evidence that the special housing area proponent is motivated to obtain resource consent before the repeal of HASHAA and to implement the resource consent in a timely manner, such that the development assists in addressing the District's housing supply and affordability issues.

Assuming the SHA is established, Bright Sky is strongly motivated to obtain resource consent before the repeal of HASHAA. This is for Bright Sky's own commercial reasons, but also reflects the fact that obtaining a SHA represents a 'Use it or Lose it' scenario of development rights, as the density and therefore yield of development contemplated in the SHA is significantly higher than that contemplated by the site's Low Density zoning under the Proposed District Plan.

A development programme is attached as **Appendix 6** which outlines the planned approach to delivering houses on the ground.

3. DISTRICT PLAN CONSIDERATIONS AND ENVIRONMENTAL EFFECTS

While District Plan considerations are a specific statutory consideration when Council assesses Qualifying Development applications, HASHAA does not specifically outline them as considerations when considering SHA status for a given piece of land.

Nevertheless, despite the lack of explicit reference to such matters in the statute, many councils do give some consideration to District Plan matters when considering proposals to establish SHAs. Given this, we provide an assessment of these matters.

The operative zoning of the site is 'General Rural' under the Operative District Plan. This zoning does not contemplate residential development at the intensity proposed in this Expression of Interest.

Under the Proposed District Plan, the site is proposed to be rezoned to Low Density Residential. No submissions in opposition to a residential zoning for the site were received. Therefore, it is effectively a given that the site's zoning will change to Low Density Residential, although some of the rules of the zone that may have been challenged through the submission and hearing process may change.

While the proposed SHA will realise a density of development higher than that anticipated by the Low Density Residential zoning of the site, the difference in density is not large, but rather moderate. To be more specific, the Proposed District Plan enables a density of one dwelling per 300 square metres of site area, while the proposed SHA development reaches a density of approximately one dwelling per 250 square metres. While the SHA proposal is clearly denser than the development anticipated by the Low Density Residential zoning, on a 'Density Spectrum' the difference is minor (ie. The District Plan enables a Low-Medium density of development, while the proposal could be considered to amount to a Medium Density scheme).

The proposal comprises some double and triple storey townhouse typologies. The latter will generally occur at the foot of the embankment of the site, which will limit any visual impacts of the buildings as the ground level will be partly built into the toe of the embankment. In addition, the location of the denser, three storey townhouses is well removed from any common boundaries. Any visual or dominance impacts will be nil to minimal.

Another relevant District Plan matter is the potential for 'reverse sensitivity' effects between the proposed residential development and land uses either existing or anticipated on the 'Industrial B' zoned land to the north of the site.

Such potential effects are considered to be minor in nature. Buildings in the Industrial B zone need to be set back at least 15m from the common boundary shared with a residential zoned property. Furthermore noise standards apply in the Industrial B zone which will limit effects on the proposed residential development.

The longest shared boundary between the development site and adjoining Industrial B zoned land is the boundary shared with Lot 2 DP 477622. A bund has been constructed along the common boundary of that site, which would offer some visual and noise mitigation for any development that eventually occurs on that (presently vacant) site.

In terms of the sites at the end of Frederick Street, the proposed SHA positions a residents storage facility (on Block 12) close to this common boundary, which will ensure a less sensitive edge to the development.

Overall, it is considered that any reverse sensitivity effects can be avoided or mitigated.

The proposal will require a significant surface area and volume of earthworks, however noting that the volumes will be limited given the proposal is predicated on working with the topography, as opposed to a major recontouring of the site. Effects associated with the development can be managed so as to be no more than minor. Details of construction management will be addressed at Qualifying Development application stage.

High level infrastructure and traffic assessments are provided with this EOI to demonstrate that there are no fundamental infrastructure constraints. Engineering design and detailed assessments will be provided at Qualifying Development stage.

4. CONCLUSION

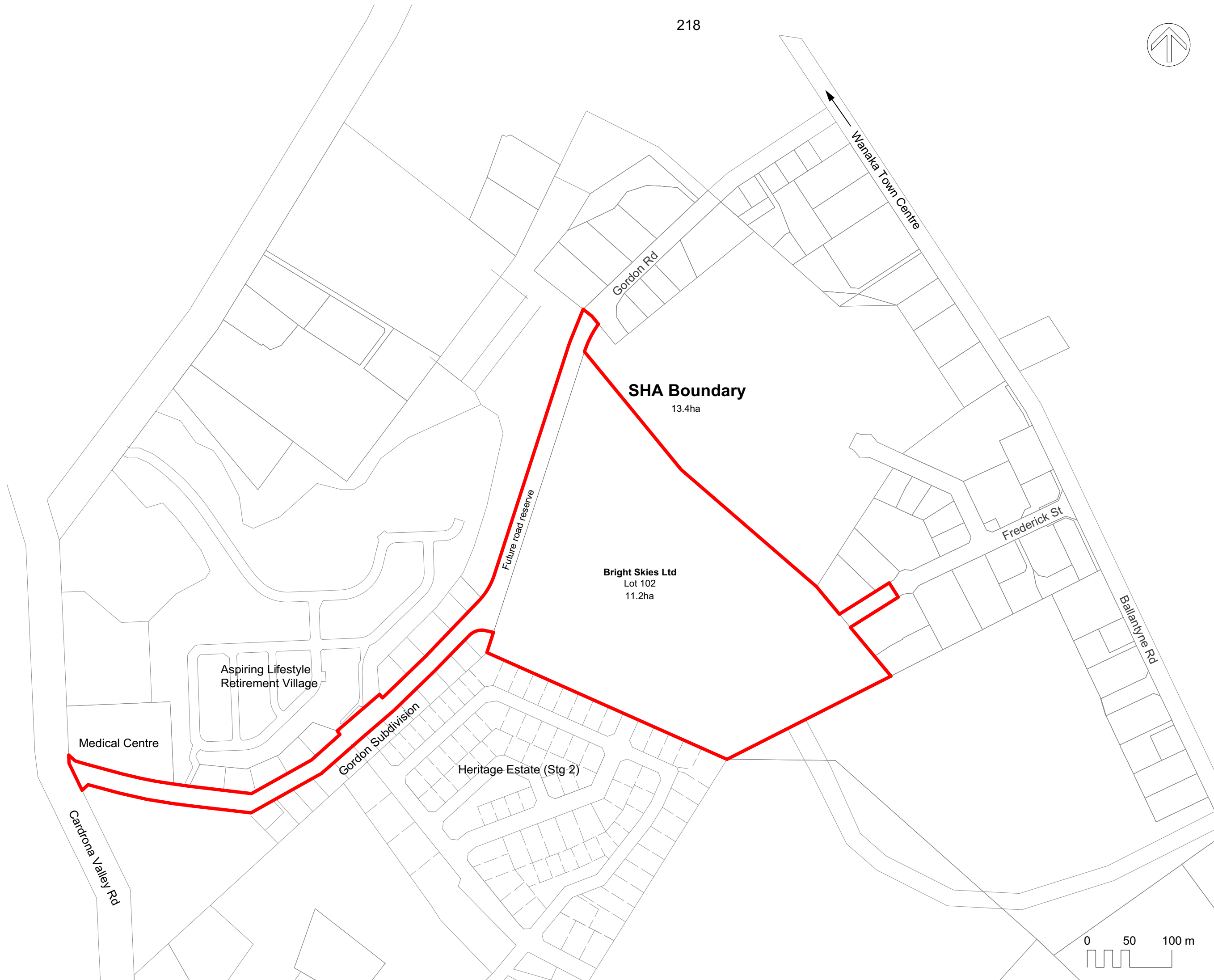
Bright Sky appreciates Queenstown Lakes District Council's consideration of this EOI.

The proposal is considered to satisfy the requirements of Council's Implementation Policy on Special Housing Areas and the statutory requirements of the HASHAA legislation.

We consider that the proposed SHA will contribute significantly to the social, economic and environmental wellbeing of the Wanaka community, and readily deliver urgently needed affordable housing to the community.



Notes:

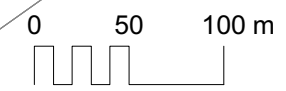


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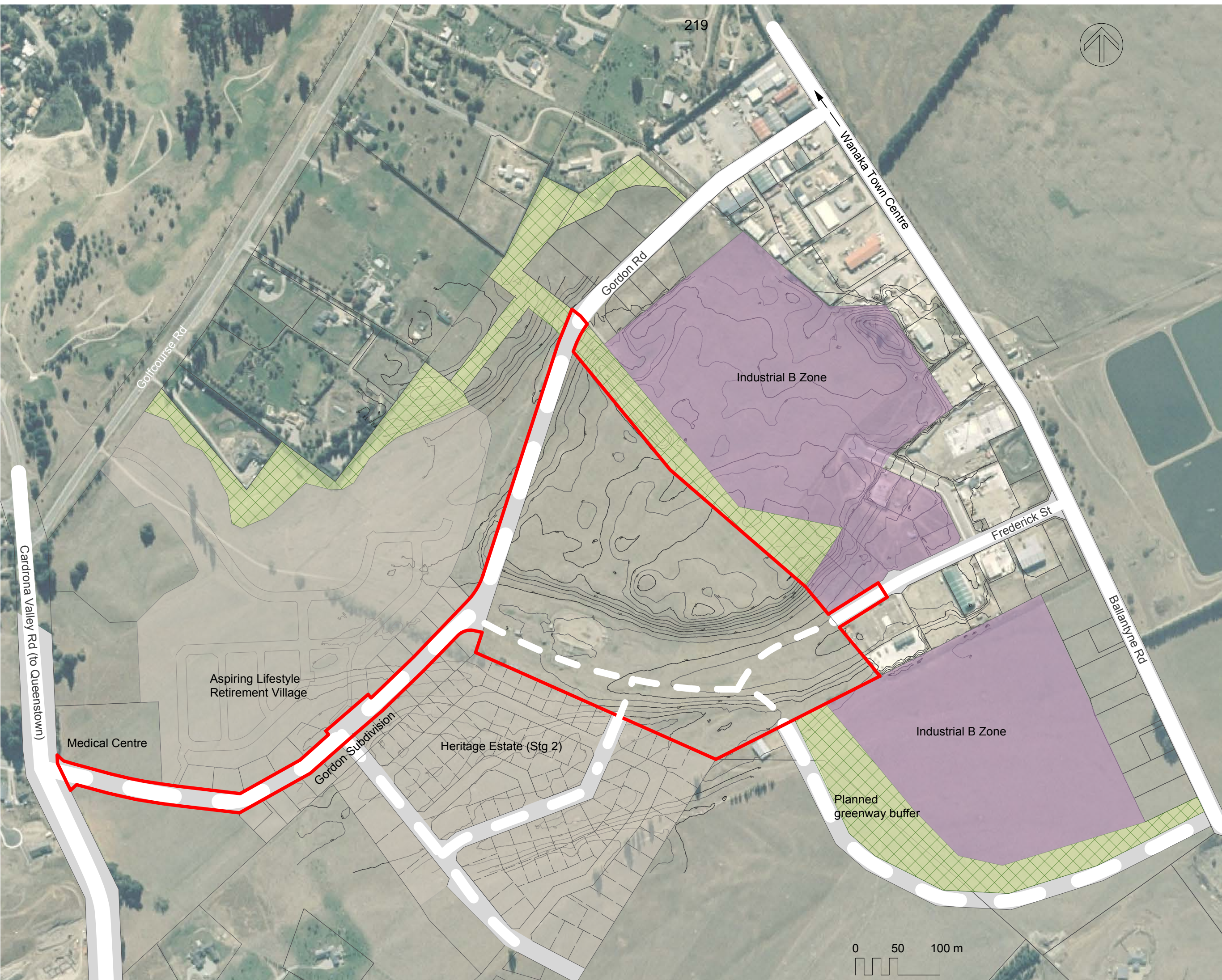
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Plan # **CO 1a** Page

SHA Proposed Lots



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Plan # **CO 1b** Page

Existing Site



Gross Blocks		
Name	Area (ha)	%
SHA - Total Area	13.44	
BSL Development Area	11.21	100
Roads & Lanes	3.45	31
Open Space	0.46	4
Development Area	7.30	65

 Greenway / buffer



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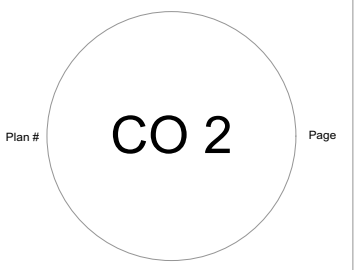


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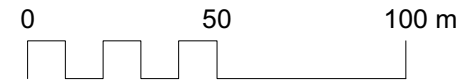
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Proposed Block Plan





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Density Distribution			
Lot size (m2)	Yield	%	
120 > 149	16	6	
150 > 179	17	7	
180 > 199	29	11	
200 > 249	58	23	
250 > 299	65	25	
300 > 349	40	16	
350 > 399	15	6	
400 > 449	0	0	
450 > 499	11	4	
500 > 999	6	2	
1000 +	1	0	
Total	258		

project Bright Skies SHA

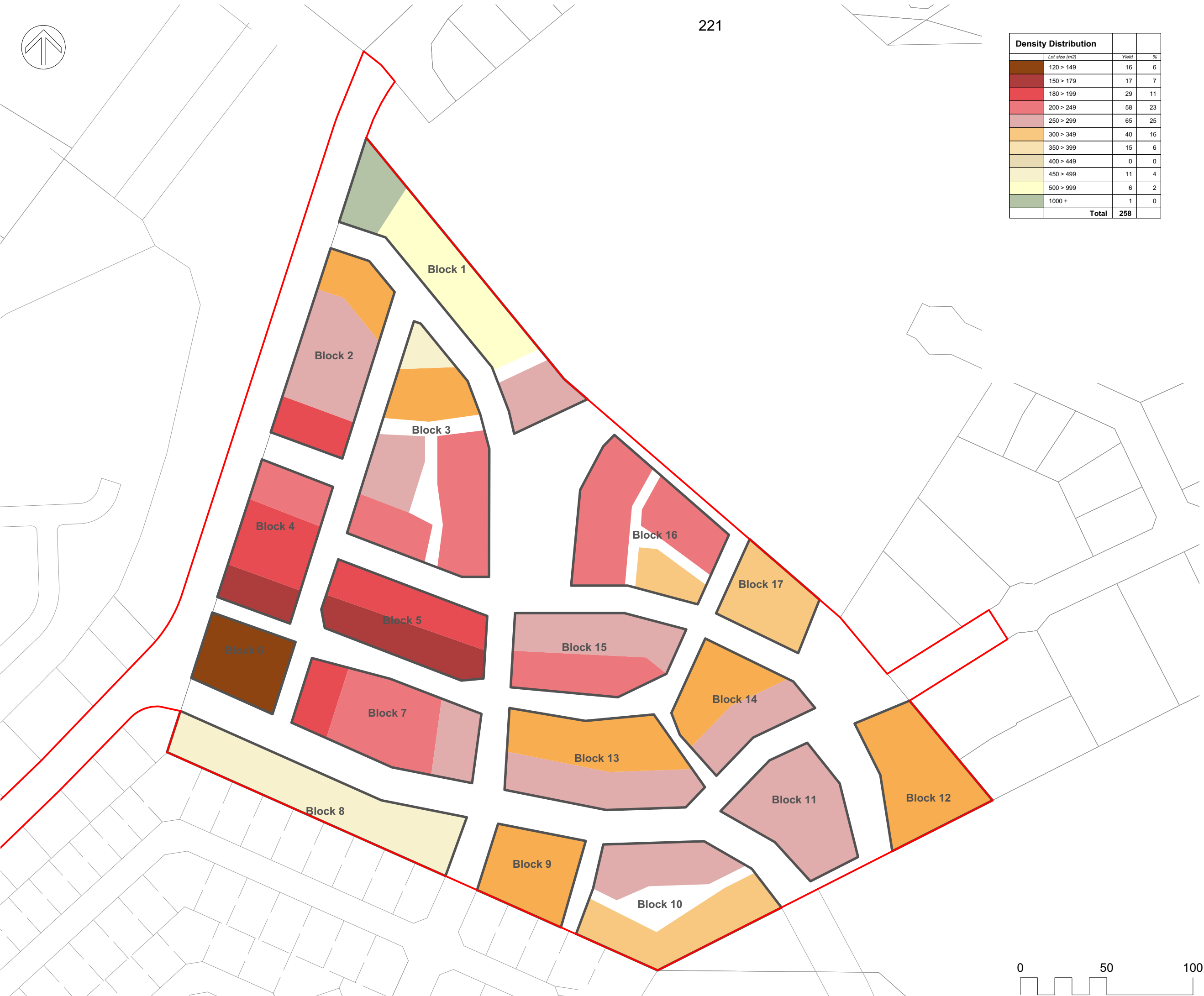
client BSL Ltd

job 17010-1



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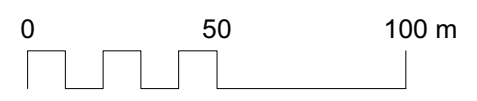
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Plan # CO 3 Page

Density Distribution





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KEY

- Collector
- Distributor
- Local
- Local minor
- Lane
- Shared
- Pedestrian

project **Bright Skies SHA**

client **BSL Ltd**

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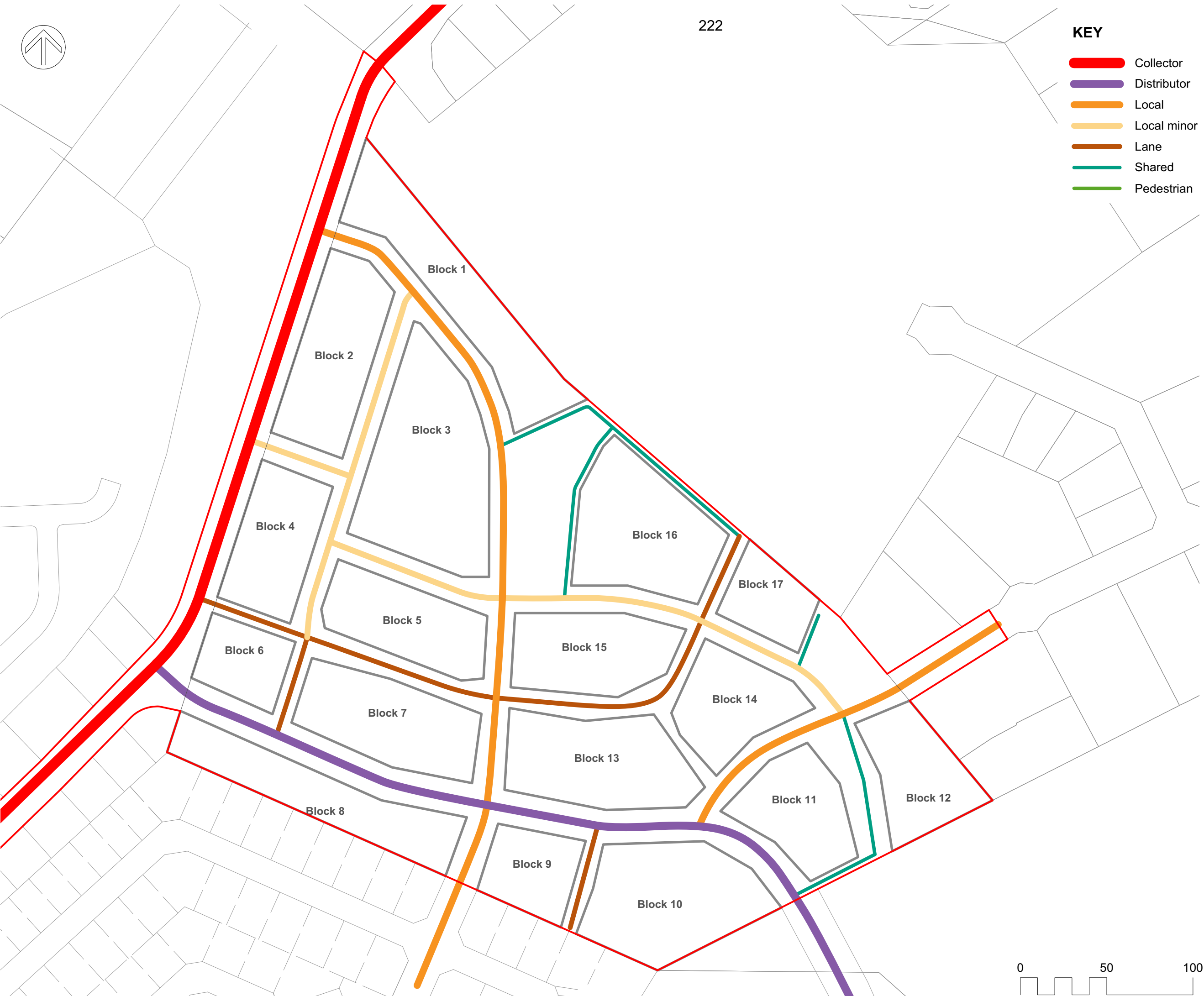
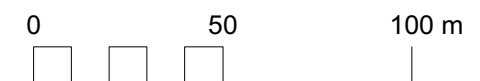
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Plan # **CO 4** Page

Road Hierarchy



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Proposed Daycare



project Bright Skies SHA

client BSL Ltd








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Notes:

KEY

-  Site Boundary
-  4 Bed
-  3 Bed
-  2 Bed
-  1 Bed Loft
-  Garage
-  Commercial Lot

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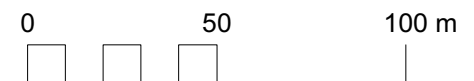
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Plan # **CO 5** Page

Building Layout



			Stand Alone		57%
			Attached		36%
			Apartments		7%
Summary by Type					
1 bed	2 bed		3 bed	4 bed	
		19	10	9	
				14	
			62		
	24				
				1	
			50		
	49				
			14		
	24				
12					
	6				
6					
					Total
18	103		136	24	281
6%	37%		48%	9%	

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project Bright Skies SHA

client BSL Ltd

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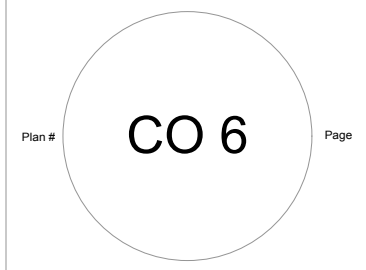
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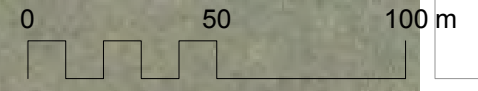
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MPlan Base



**QLDC Council
23 March 2018**

Report for Agenda Item 5

Department: Planning & Development

Mayoral Housing Affordability Taskforce Progress Report

Purpose

- 1 The purpose of this report is to present an update to Council on progress implementing the six recommendations of the Mayoral Housing Affordability Taskforce Report.

Recommendation

- 2 That Council:
 1. **Note** the contents of this agenda report;
 2. **Note** the progress implementing the recommendations of the Mayoral Housing Affordability Taskforce Report.

Prepared by:



Mindy McCubbin
Senior Policy Planner
9 March 2018

Reviewed and Authorised by:



Tony Avery
GM, Planning & Development
9 March 2018

Background

- 3 The Mayoral Housing Affordability Taskforce (HAT) was set up in April 2017 by the Mayor, Jim Boulton to investigate new ways of addressing housing availability and affordability in the District.
- 4 Following six months of work, the Council received the Housing Affordability Taskforce Report on 26 October 2017 and agreed to endorse and promote the report including the following goal:
- 5 “The people of our community will be able to own or occupy a home in our District at a cost that allows them to enjoy an affordable lifestyle, with an initial delivery target of 1000 Community Affordable homes with secure tenure by 2028.”
- 6 To achieve the goal, the Taskforce developed a set of six recommendations which were fully endorsed by Council at the meeting on 26 October 2017.

- Recommendation 1: Build a range of affordable market offerings;
- Recommendation 2: Adjust the Visitor Accommodation settings;
- Recommendation 3: Provide more land, intensification and inclusionary zoning;
- Recommendation 4: Invest in scaling up the Trust so that it is able to contribute strongly to the goal of delivering 1000 affordable homes with secure tenure by 2028;
- Recommendation 5: Address household income support;
- Recommendation 6: Build a strategy for long term community support.

Implementation Plan

- 7 An implementation plan was devised to ensure that the six recommendations would be progressed. The implementation plan informs who will perform what role and, when. It also sets out how Queenstown Lakes District Council (QLDC), the Queenstown Lakes Community Housing Trust (QLCHT) and Central Government are working towards key milestones.
- 8 A group of internal and external stakeholders from the Housing Affordability Taskforce called the “Mayoral Top HAT” was formed in April 2017 who meet monthly to discuss the Housing Affordability Implementation Plan. Council Staff and the HAT Chair also meet with the QLCHT monthly to keep all parties informed and “on track”.

Progress to date

Recommendation One- Build a range of affordable market offerings

- 1.1 That the Secure Home Programme be:
- 1.1.1 Considered, endorsed and promoted by the Queenstown Lakes District Council (Council).
- 1.1.2 Queenstown Lakes Community Housing Trust (QLCHT) further develop the Secure Home Programme and use it for any future developments that are on land provided through an SHA process or with any other similar contributions obtained by the Council.
- 1.2 That the Shared Home Equity Product be:
- 1.2.1 Considered by the Council as to whether it is able to provide a cash-flow repayments guarantee to facilitate the development of the offerings and if so, under what terms.
- 1.2.2 The QLCHT further consider and if appropriate, develop the Shared Home Equity Product and make it available to those on its waiting list as an alternative funding option to enable home ownership.
- 1.3 The QLCHT undertake further analysis on what is required to scale up Affordable Rental to deliver say 40% of the 1000 houses by 2028.

Secure Home Programme

- 9 Council endorsed the overall approach for the Secure Home Programme on 26 October 2017. Details regarding the Secure Home Programme have been refined and QLCHT are in initial discussions with clients for 14 homes at Lake Hayes Estate as a pilot project for the Secure Home Programme.

Shared Home Equity Product

10 At its 8 February 2018 meeting, Council resolved to approve entering into a new deed of Guarantee in favour of the Trust (or its nominee) for an amount of \$2.5 million for the Shared Home Equity Product (SHEP) to be used for the possible purchase of 50 units at the proposed Remarkables Park Apartments, below Remarkables Park Town Centre for affordable housing. Staff are exploring the most effective way for the Trust to purchase the units at Remarkables Park Apartments and the SHEP model is one option that is being considered.

1000 Affordable Homes by 2028

11 QLCHT held a strategic planning session on 20 February 2018 for bringing the 1000 affordable homes to market incorporating the Affordable Rental component. A strategic plan was formulated to outline how the affordable homes will be delivered and this will be further developed in the Affordable Housing Strategy due to be released in mid-2018.

Recommendation Two- Adjust the Visitor Accommodation settings

2.1 Council review its current approach to the use of private residential properties for short term paying guests to provide a simpler regime that in turn addresses the need to rebalance the availability of rental stock to encourage greater long-term rentals.

Visitor Accommodation

12 A variation to the Proposed District Plan on Visitor Accommodation that is a fundamental departure from the current (Operative District Plan) approach to managing short let accommodation in the District was notified on 23 November 2017. The proposals enable homestay accommodation but limit the rapid growth in the use of residential housing for short let visitor accommodation on a year-round basis in most residential and rural areas. Council officers are currently summarising submissions, then a further submission process will follow prior to a hearing as part of the Stage 2 Proposed District Plan hearings. These steps are expected to take between six and nine months to complete.

Recommendation Three- Provide more land, intensification and inclusionary zoning

3.1 The Taskforce encourages the Council to look at ways of enabling more development land and infilling options to reduce existing impediments to additional homes being brought to market.

3.2 Council consider further incentives by mid-2018 that brings Community Affordable homes to market by exploring consent fees, development contributions and rates relief.

3.3 Council, when approving any future SHAs:

3.3.1 Require a greater contribution than has been obtained in the past, to go towards affordable housing from the SHA given the significant benefits derived by the developer from the SHA process.

3.3.2 Manage and receive all stakeholder deeds and contributions, to be passed on.

3.3.3 Contributions should be solely directed towards developing and growing the pool of houses delivered where perpetual community affordability is retained over the long-term.

3.4 Council investigate and consider progressing a mandatory inclusionary zoning programme by 1st quarter 2019 through the District Plan review, to capture a portion of the on value uplift to be put towards long-term housing affordability.

3.5 Council review its own land holdings and look for opportunities to be able to contribute further towards the community investment in Community Affordable housing to at least the same level to other developers' contributions by February 2018 on progress toward implementing offerings set out above.

3.6 Council report back on progress by June 2018.

Intensification

13 Stage one of the Proposed District Plan (PDP) notified in August 2015 includes provisions enabling an increase in residential densities in residential zones including by introducing a Medium Density Zone, Large Lot Residential Zone and a Business Mixed Use Zone.

Additional dwelling capacity within the urban growth boundary is enabled by the PDP^[1] through:

- High Density Residential Zone: Maximum building height increased from 2 to 3-4 storeys in Queenstown and recession line breaches have been made easier to consent;
- Medium Density Residential Zone: New residential zone proposed that increases residential densities. Low Density Residential Zone: Significant areas in Wanaka have been proposed to be re-zoned from Rural and a “gentle density” approach allows infill housing development by enabling a second dwelling on sections less than 900m²;
- Large Lot Residential: New zone that allows increased residential densities as a buffer zone between higher density residential areas and rural areas. This zone is located in Wanaka only; and
- Business Mixed Use Zone (Gorge Road, Queenstown & Anderson Heights, Wanaka): Promotes residential development and building heights have increased from three to six storeys. This zone is proposed on the former Wakatipu High School site.

14 Incentives that bring Community Affordable homes to market by exploring consent fees, development contributions and rates relief are currently being considered. Staff will report back on progress in mid-2018.

15 The Housing Accords and Special Housing Areas Act 2013 (HASHAA) was introduced by the central government with the purpose to enhance housing affordability. On 23 October 2014, the Queenstown Lakes District Housing Accord (the Accord) was signed. The Accord required the Council to prepare a Lead Policy which was originally approved by Council on 30 October 2014. On 28 September 2017, Council resolved to include Wanaka residentially zoned sites in Category 2 of the HASHAA Implementation Policy. Council also resolved to amend its Lead Policy to require 10% of the residential component of the SHA development by developed market value or area to be identified for affordable housing. On 26 October 2017, Council resolved to include Ladies Mile in Category 2 of the HASHAA Implementation Policy. 1030 residential units and two aged bed car facilities have been approved through HASHAA to date. All developer led Special housing Areas are currently being developed. Over \$6.7m has been contributed to the QLCHT from SHA's to date.

^[1] Depending on the outcome of the hearings and any appeals

Provide more land

- 16 Council resolved to include Wanaka residentially zoned sites and the Ladies Mile in Category 2 of the Housing Accords and Special Housing Areas Act 2013 Implementation Policy at the Full Council meetings on the 28 September and 26 October 2017 respectively.
- 17 Council is currently considering how its own land holdings at the Lakeview site and Lynch block in Queenstown and Jopp Street in Arrowtown could be used to make a contribution towards affordable housing.

Stakeholder Deeds

- 18 Options for the greater enforcement of existing Stakeholder Deeds binding developers to provide land for development of affordable housing in Special Housing Areas are currently being investigated. This will include existing and new SHA's (such as Bright Sky if approved by the Council) so that the commitments made by the developers are delivered.
- 19 For future stakeholder deeds, an outcome of the HAT report is that Council has decided on the following:
- The Council will undertake negotiations required under the stakeholder deeds to ensure an appropriate contribution is made, rather than the QLCHT
 - Any contribution will be passed over to the QLCHT as the Council's preferred organisation for delivering a range of affordable housing offerings to the residents of the District
 - Any such contributions provided to QLCHT will only be used for one of three housing offerings:
 - A new Secure Home offering where:
 - The land is owned by the Trust in perpetuity and leased at a concessional rate to the home owner
 - The housing unit is purchased by the home owner, with the value increase being capped at an annual CPI rate or equivalent, with the housing unit only able to be sold back into the QLCHT's pool of buyers
 - Long term rentals at an affordable rental rate
 - Rent to own scheme, assisting the move from long term rental to the Secure Home product.

Inclusionary Zoning

- 20 Staff are in the process of considering the logistics of preparing a mandatory Inclusionary Zoning programme including its timing and delivery. A plan change could be contested for a number of years before being resolved. Substantial resources will be needed to develop it and progress it. Community and Affordable Housing provisions are currently scheduled as part of Stage 3 of the Proposed District Plan Review which are intended to be notified by the first quarter of 2019. The first step is to provide an Affordable Housing Strategy, which is due to be completed by mid-2018.

Recommendation Four- Invest in scaling up the Queenstown Lakes Community Housing Trust so that it is able to contribute strongly to the goal of delivering 1000 affordable homes with secure tenure by 2028.

- 4.1 *The Council should confirm QLCHT is its preferred partner for receiving any contribution obtained by the Council and to be the primary delivery organisation for affordability product offerings to the residents of the District.*
- 4.2 *If confirmed, that the Council and QLCHT review the form and structure of the Trust by June 2018 to:*
 - 4.2.1 *Ensure the appropriate structure is in place and that it is fit for purpose to achieve perpetual affordability.*
 - 4.2.2 *Confirm the relationship between the two organisations.*
 - 4.2.3 *Ensure it retains the support of the shared stakeholders—the entire community—as it grows.*

Scaling up the Queenstown Lakes Community Housing Trust

- 21 Council resolved at its meeting on 26 October 2017 that the QLCHT is its preferred partner for receiving any contribution to affordable housing obtained by the Council and that the Trust is the primary delivery organisation for affordability product offerings to residents in the Queenstown Lakes District.
- 22 Council Staff and the Chair of HAT have met with the QLCHT and engaged an external solicitor on 26 February 2018 to review and update the Memorandum of Understanding and Trust Deed. Through this, Council will be able to work with the Trust to ensure that the appropriate structure is in place to deliver the Taskforce goal to bring 1000 Community Affordable homes to market by 2028.

Recommendation Five- Address household income support

- 5.1 *Council to engage with Ministry of Social Development (MSD) to confirm the updated Accommodation Supplement levels available in the District that come into effect on 1 July 2018.*
- 5.2 *Council and QLCHT to engage with MSD to track District applicants for Social Housing by July 2018, and if not eligible, to develop a data exchange approach that informs the housing needs assessment in the District.*
- 5.3 *A partnership approach with Government be outlined and included in the Strategy (set out in Recommendation 6).*

Household Income Support

- 23 Discussions are underway with the Central Government, Council and QLCHT to access the updated accommodation supplement levels available in the District that come into effect on 1 July 2018.
- 24 A data exchange approach that informs the housing needs assessment in the District is currently being investigated. One of the requirements of this data exchange will be to classify households in newly zoned residential areas that are eligible for the maximum Accommodation Supplement entitlement from the Central Government.
- 25 Further engagement with Central Government will be undertaken and the approach will be outlined and included in the Affordable Housing Strategy.

Recommendation Six- Build a strategy for long term community support

- 6.1 Council develop a new Queenstown Lakes Housing Strategy in collaboration with the many parties across the private sector, QLCHT, and central government, with the aim of achieving the goal that: “all of our workforce will be able to own or occupy a home in our District at a cost that allows them to live within their means by 2048, with an initial target of 1000 Community Affordable homes with secure tenure by 2028”.
- 6.2 Council ensure that the Community Affordable housing needs are considered in the development of the Council’s response to the NPS-UDC.
- 6.3 Council and QLCHT each reviews the recommendations and reports back on achievements on a six monthly basis.
- 6.4 Confirm the definitions of ‘affordable’, Community Affordable and how ‘perpetual affordability’ is measured and achieved.
- 6.5 Clarify an ongoing stewardship role for the Taskforce, for the purpose of accountability on progress toward the goals.

Affordable Housing Strategy

26 Work has begun scoping what would be included in an Affordable Housing Strategy beginning with a whiteboard brainstorming session to be held with the Mayoral Top HAT in April 2018. It is intended that a workshop session with Councillors will be carried out in June 2018 prior to community consultation on the strategy in August 2018. Council aims to deliver the Affordable Housing Strategy by October 2018. Affordable Housing definitions will form part of the Affordable Housing Strategy outlined above.

Implementing the National Policy Statement Urban Development Capacity

27 Staff are continuing work on the NPS-UDC requirements and an update will be provided in due course.

Summary

28 This report provides a review of the recommendations and achievements from the Housing Affordability Taskforce to date and this will occur on a six monthly basis.

29 In summary, work is progressing on of the Housing Affordability Taskforce recommendations. The next step will be to produce a collaborative Affordable Housing Strategy that will help inform the Community and Affordable Housing chapter of the Proposed District Plan. Discussions are underway with the QLCHT and Mayoral Top HAT to continue progressing the recommendations and actions in the HAT implementation plan. A timeline of community and affordable housing milestones is attached to this report as Appendix A.

Options

30 As this report is an update on work underway, no analysis of options is required.

Significance and Engagement

31 This matter is of high significance, as determined by reference to the Council’s Significance and Engagement Policy because affordable housing is of considerable importance to the Queenstown Lakes District and has a very high degree of community interest.

Risk

32 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)', as documented in the Council's risk register. The risk is classed as high.

33 This matter relates to this risk because the supply of housing is central to the current and future development needs of the community.

34 The recommended option mitigates the risk by:

Treating the risk- putting measures in place which directly impact the risk. Council is already undertaking a range of initiatives to address housing availability and affordability and continues to consider other options.

Financial Implications

35 There are no direct budget or cost implications resulting from the recommendation. Further decisions could be made that will have budgetary implications.

Council Policies, Strategies and Bylaws

36 The following Council policies, strategies and bylaws were considered:

- The Operative District Plan
- The Proposed District Plan
- Growth Management Strategy 2007
- Long Term Plan
- Lead Policy for SHAs
- Mayoral Housing Affordability **Taskforce Report 2017**

37 This matter is not included in the 10-Year Plan/Annual Plan

Local Government Act 2002 Purpose Provisions

38 As this report is an update on work underway, there is no recommended option.

Consultation: Community Views and Preferences

39 There has been no consultation to date on any proposals other than with the taskforce members who are drawn from wide range of parties with an interest or involvement in the supply of housing within Queenstown Lakes area.

Attachments

A Timeline of Community and Affordable Housing Milestones

What has been done?

- **23 October 2014** The Queenstown Lakes District Housing Accord (the Accord) was signed;
- **30 October 2014** The Lead Policy for the Accord prepared by the Council was approved;
- **August 2015** Stage 1 of the Proposed District Plan was notified seeking to increase residential densities in residential zones;
- **April 2017** Mayoral Housing Affordability Taskforce formed;
- **28 September 2017**
 - Council resolved to include Wanaka residentially zoned sites in Category 2 of the Housing Accords and Special Housing Areas Act 2013 Implementation Policy;
 - Council resolved to amend its Lead Policy to require 10% of the residential component of the SHA development by developed market value or area to be identified for affordable housing;
- **26 October 2017**
 - *Mayoral Housing Affordability Taskforce report approved by Council*
 - Secure Home Programme overall approach endorsed by Council;
 - Council resolved QLCHT is its preferred partner for receiving any contribution to affordable housing obtained by the Council
 - Council resolved QLCHT is the primary delivery organisation for affordability product offerings to residents in the Queenstown Lakes District;
 - *Housing Accords and Special Housing Areas Act 2013 Implementation Policy amended*
 - Council resolved to include Ladies Mile in Category 2 of the Housing Accords and Special Housing Areas Act 2013 Implementation Policy;
- **23 November 2017** A variation to the Proposed District Plan on Visitor Accommodation was notified;
- **February 2018** Council identified the Lakeview site and Lynch Block, Queenstown and Jopp Street in Arrowtown as opportunities to contribute affordable housing to match other developers' contributions
- **20 February 2018** Trust held strategic planning session on how to bring 1000 community affordable homes to market and a strategic plan was formulated;
- **26 February 2018** Review of Memorandum of Understanding and Trust Deed between Council and QLCHT currently underway;
- **23 November 2017** A variation to the Proposed District Plan on Visitor Accommodation was notified;
- **8 February 2018** Trusts proposal to utilise the Shared Home Equity Product supported by Council;
- **20 February 2018** Trust held strategic planning session on how to bring 1000 community affordable homes to market and a strategic plan was formulated;
- **26 February 2018** Review of MOU between Council and QLCHT and Trust Deed currently underway;

Next steps

- **April 2018** Affordable Housing Strategy whiteboard brainstorming session to be held with the Mayoral Top HAT and Trustees of QLCHT;
- **June 2018** Affordable Housing Strategy workshop session with Councillors;
- **Mid 2018** Council to consider further incentives that bring community affordable homes to market through consent fees, development contributions and rates relief
- **July 2018** Council to report back on progress surrounding providing more land, intensification and inclusionary zoning
- **August 2018** Affordable Housing Strategy community consultation;
- **October 2018** Delivery of Affordable Housing Strategy;
- **31 December 2018** Future Development Strategy due;
- **First quarter of 2019** Council to consider mandatory Inclusionary Zoning provisions as part of Stage Three of the District Plan review

**QLDC Council
23 March 2018****Report for Agenda Item 6****Department: Planning & Development****Proposal to amend the fees and charges schedule used for resource consents, building consents, resource management engineering and other matters****Purpose**

- 1 To recommend changes to the fees and charges schedules for resource consents, building consents, resource management engineering and other matters to be consulted on through a Special Consultative Procedure.

Recommendation

- 2 That Council:
 1. **Note** the contents of this report and in particular the Statement of Proposal and proposed changes to the fees and charges schedule used for resource consents, building consents, resource management engineering and other matters; and
 2. **Adopt** the Statement of Proposal including proposed amendments to the fee schedules used for resource consents, building consents, resource management engineering and other matters contained in **Attachment A** as part of a special consultative procedure; and
 3. **Consider** submissions received alongside the hearing of submissions on the Long Term Plan.

Prepared by:



Blair Devlin
Manager, Planning Practice
14 March 2018

Reviewed and Authorised by:



Tony Avery
GM, Planning & Development
14 March 2018

Background

- 3 Council undertook a significant review of its fees and charges as part of a special consultative procedure in 2016, after five years of not adjusting its fees. The revised charges then became part of the 2016/17 Annual Plan. Further minor amendments were made as part of the 17/18 Annual Plan process.

- 4 In December 2017 further minor amendments to the fees and charges were approved by Full Council following amendments to the Resource Management Act that introduced new categories of consent. An increase to the hourly charge out rate of resource management engineers was also enacted.
- 5 As part of the Long term Plan process, a review of the fees and charges has been undertaken by officers and further amendments are proposed.

Comment

- 6 Changes are proposed to better align the costs of consenting and approval processes with the Council's funding policy for Planning and Development which is to achieve an 80/20 private / public split, and to better align the initial fee with the reasonable costs of completing the work.
- 7 Within the Planning and Development department, three teams (building consents, resource consents (including planning support) and resource management engineering) operate under the Council's 80/20 funding policy. The private portion of the funding policy is entirely raised through charges on consent / approval processing.
- 8 With regard to the public portion, Council maintains a free 40 hours per week planning and building enquiries service, and also cannot recover its time on certain matters, for example Resource Management Act appeals and objections. Other non-chargeable time, such as for staff training, team meetings and other matters are funded through the 20% that comes from rates.
- 9 Based on the 2017 year to date figures, Planning and Development (P&D) are not meeting its 80/20 private / public split funding policy across the three P&D teams that can recover their time. The actual private funding ratio has been between 73% and 76% across the planning, building and resource management engineering services as shown in the table below:

	2016/17 actual funding ratio	2017/18 YTD actual funding ratio
RM Eng	89%	79%
BCs	66%	71%
RMs	74%	70%
Average	76%	73%

- 10 The proposed amendments to the fee schedules will achieve three objectives:
 - a. It will help ensure the Council recovers the reasonable costs incurred by the local authority in respect of the activity to which the charge relates
 - b. It will mean P&D achieve the 80/20 private / public funding ratio
 - c. It will address the high number of resource consent fee queries being received due to the current initial deposit that is paid at the time of lodgement not aligning well with the actual costs of processing an application.

- 11 With regard to (c) above, at present, most consent categories have an initial fee that is paid when the consent is lodged. Time is then recorded against the consent, and should that initial fee be used up, further invoices are issued on a monthly basis. This is a user pays system in that the actual cost of processing the consent is charged to the applicant, rather than being paid for by the ratepayer.
- 12 Officers are experiencing a high number of fee queries as in many cases the initial deposit is not reflective of the actual cost of processing the application, and customers are often surprised to receive invoices having paid the initial deposit. It is therefore proposed to adjust the initial charges to better reflect the actual cost of processing the consents and to better align with the 80/20 private/ public split under the Funding Policy.
- 13 A study has been taken looking at each category of resource consent, and what the actual cost of processing is compared to the initial deposit. In many instances the initial deposit is unrealistically low for the actual number of hours required to process the consent, including undertaking a site visit and writing up a decision. Using a median figure of the study sample, in many instances the actual cost is well in excess of the initial fee, leading to multiple additional invoices, and fee queries back to Council officers.
- 14 **Attachment A** sets out the proposed changes to the both fee schedules. Note there are separate schedules for:
- a. Building Consent Initial Fees and Other Charges
 - b. Resource Consent and Engineering Fees and Other Charges, and
- 15 These changes are best summarised into three categories:
- A.** Proposed amendments to hourly charge out rates for officers
 - B.** Proposed changes to building consent related fees
 - C.** Proposed changes to resource consent related fees
- 16 These categories are described below:
- A. Proposed Charges to hourly charge out rates**
- 17 It is proposed to change the hourly charge out rates of certain officers as follows:

<i>Position</i>	<i>Current hourly rate</i>	<i>Proposed hourly rate</i>	<i>% increase</i>
Building Control officer	\$145	\$172	18.6%
Building Administration	\$90	\$100	11.1%
Senior Planner	\$165	\$185	12.1%
Planner	\$145	\$165	13.7%
Planning administration support	\$90	\$100	11.1%
Senior Infrastructure Engineer	\$165	\$185	12.1%
Infrastructure Engineer/ Logistics	\$145	\$165	13.7%

- 18 Councillors will recall the hourly rate of the Resource Management Engineers was increased from \$165 to \$185 in September 2017 due to the increases in the cost of securing engineers and engineering services in the Queenstown Lakes District. This is to ensure that ratepayers are not burdened with increased costs due to recognised national and local shortages in engineers driving up the cost of engineering related services.
- 19 Similarly, the cost of providing the building control and planning services has continued to increase through the ongoing requirement to engage external contractors to undertake both processing and inspections services. Currently approximately 50% of the building consent processing and inspections function is undertaken by external contractors. This adds considerable actual cost to the provision of services.
- 20 With regard to resource consents, over the last financial year approximately 45% are being processed by external contractors although this proportion is falling as recruitment has stepped up.
- 21 In addition both the resource consent team and the building team have increased its staff significantly to cope with the increased demand on its services. These staff require significant training to become fully productive and this places additional funding pressure, in the medium term, on the ability of the Building Control function to meet the public-private funding policy.
- 22 A comparison has been undertaken with regard to the hourly rates charged by the larger metropolitan councils. While a comparison with other Councils should not be justification to increase fees, it provides a useful benchmark for comparison purposes:

	BCO Rates	Admin rates
Auckland	\$160	\$95
Hamilton CC	No set hourly rate	\$84
Tauranga CC	\$199	\$127
Wellington CC	\$163.50	\$103
Christchurch CC	\$210	\$120
Selwyn DC	\$150	\$85
Dunedin CC	\$169	\$95
Metro Average	\$175	\$101
Central Otago DC	\$100	\$77
Southland DC	\$171	\$109
Local Average	\$135	\$93
Proposed QLDC	\$172	\$100

Table 1: Comparison of building consent processing hourly rates

	Planner	Senior Planner	Admin rates
Auckland	149	198	105
Hamilton CC	175	190	85.50
Tauranga CC	101-151	178	100
Wellington CC	155	155	90
Christchurch CC	185	205	105
Selwyn DC	145	155	75
Dunedin CC	149	165	92
Metro Average	\$158	\$178	\$93.2
Central Otago DC	140	140	Not stated
Southland DC	120	120	120
Local Average	\$130	\$130	\$120
Proposed QLDC	\$165	\$185	\$100

Table 2: Comparison of Planner / Senior Planner and Administration processing hourly rates

- 23 These tables also form part of the Statement of Proposal in **Attachment A**. The table illustrates that the proposed changes are directly comparable to the larger local authorities that are similar to Queenstown in terms of the volume and complexity of applications received. For example, for building consents, the average metropolitan hourly rate for a Building Control Officer is \$175 and the proposed hourly rate for QLDC is \$172. The average administration hourly rate is \$101, whereas the QLDC proposal is for \$100.
- 24 For resource consents, the average metropolitan hourly rate for a planner is \$158 and the proposed hourly rate for QLDC is \$165. The average metropolitan hourly rate for a senior planner is \$178, whereas the QLDC proposal is for \$185.
- 25 When comparing QLDC to our neighbours at Southland and Central Otago district Councils, **Attachment A** shows that QLDC rates are higher. As noted above, the sheer volume and complexity of some applications in Queenstown and Wanaka compares best with the larger metropolitan councils than our immediate neighbours. For example in 2017, 1698 resource consent applications were received, and 1929 building consents were received.

B. Proposed Changes to building consent related fees

- 26 Changes to the building fee schedule are shown in **Attachment A**. The changes proposed are purely as a result of the increased hourly rates. The 18.6% percentage increase that has been applied to the hourly rate for Building Control Officers has also been applied to the initial fee required (based on the value of the building work). This will better reflect the actual cost of completing the work and achieve the funding policy.
- 27 The reasoning for concentrating on the hourly rate for BCO work and less on the incidental fees and charges so much is that the hourly rate for processing consents and undertaking inspections for consents will have by far the most significant impact in achieving the 80/20 funding policy.

28 As the building team are trained and less consents are processed by external consultants, charges will require further review as part of the 19/20 financial year. It is important that the fee schedules are monitored and updated regularly to ensure that the funding policy is being achieved.

C. Proposed Changes to resource consent and engineering related fees

29 With regard to resource consent and engineering related fees, as noted above officers are experiencing a high number of fee queries as in many cases the initial deposit is not reflective of the actual cost of processing the application. While the application forms and fee schedule are clear it is only an *initial deposit*, and time is recorded and charged to each consent, customers are often surprised to receive (sometimes large) invoices having paid the initial deposit.

30 A study was therefore undertaken to see how the actual costs of processing the consents compared to the initial deposit. The results show that in most instances the actual cost of processing the consent exceeds the initial deposit, resulting in an applicant receiving additional invoices from Council.

31 The study has its limitation in that many consents are bundled with other applications, and getting an accurate sense of the cost of processing a bundled consent is difficult. For example tree consents were usually part of a bigger application to construct new buildings.

32 The revised fee schedule appended to the Statement of Proposal in **Attachment A** is generally based on the median cost of processing a consent in each category. Median is used rather than average to remove the high and low outliers.

33 Where the study data was limited due to a small sample size or unreliable data due to consent categories being bundled, the current fee was retained but increased by 12% to reflect the increased hourly rates, which have increased on average 12% between the planner and senior planner rate to achieve the funding policy.

34 It is also relevant to note that a fixed \$215 monitoring charge is applied to each land use consent, and this funds the Council's resource consent monitoring function. The revenue from this charge accrues to the Legal and Regulatory team, rather than Planning and development. This charge is only applied to those land use consents that require monitoring.

35 The study undertaken showed that for some common consent categories, the initial fee was too low compared to the actual cost. For example a variation to a resource consent the initial fee is \$640, but a study of 20 consent variations showed that the median cost was \$1702, with a range of \$649 – \$3532. It is therefore unsurprising that applicants are querying additional invoices that (using the median figure) end up being at least as much again as the initial fee.

36 In general, the new fees proposed in **Attachment A** have been adjusted to reflect the results of the research undertaken to understand the actual median cost of processing the consents. Once the median was established, an increase of 12% was applied to reflect the increased hourly rates, which have increased on average 12% between the planner and senior planner rate to achieve the funding policy.

37 In some cases initial fees have reduced due to the data showing the initial fee exceeded the median cost, for example the consent category of “visitor accommodation or residential multi units in the High Density Residential zone” have reduced in terms of the initial fee from \$5340 to \$4157.

38 It is also important to note that if the initial fee for a resource consent is not used up, it is refunded to the applicant.

Options

39 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:

40 Option 1 - Retain the status quo and make no changes to the fee schedules

Advantages:

- 41 Retains existing approach to fees that applicants / the public is familiar with.
- 42 Customers will continue to be invoiced when the initial fee is exceeded, ensuring actual costs are recovered.

Disadvantages:

- 43 Does not achieve the 80/20 private / public funding policy, meaning ratepayers are paying a larger proportion of the cost of the Planning and Development team than desired through the Funding Policy.
- 44 Does not update the schedules to better align the initial fee with the actual costs of providing the service.
- 45 Officers will continue to receive a large number of fee queries where the initial deposit is insufficient to cover the actual costs of processing the application and the customer is receiving subsequent invoices.
- 46 Administrative costs associated with invoicing for additional charges for most applications.

47 Option 2 - Update the fee schedule

Advantages:

- 48 Achieves the 80/20 private / public funding ratio.
- 49 Updates the schedules to better reflect the actual costs of delivering the services.
- 50 Will reduce fee queries as in most cases the initial fee will better match the final charge.
- 51 Reduces administrative costs associated with having to prepare additional invoices for most consents.

Disadvantages:

- 52 Increases the initial lodgement costs to the construction / development industry in that the initial fee will increase in most instances, and increases the total cost due to increase in hourly rates for Council officers.
- 53 Increases costs to applicants through higher hourly rates.
- 54 Amends prices that applicants / the public are now familiar with.
- 55 This report recommends Option 2 for addressing the matter because it will achieve the funding policy and better align initial fees with the actual costs..

Significance and Engagement

- 56 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because it affects every user of the regulatory services performed by the Planning & Development team.

Risk

- 57 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)', as documented in the Council's risk register. The risk is classed as moderate.
- 58 This matter relates to this risk because the regulatory process around environmental management is central to the current and future development needs of the community.
- 59 Updating the fee schedule works towards mitigating the risk identified above by treating the risk.

Financial Implications

- 60 Financial implications for the Council are that the proposed adjustment to the fee schedules will achieve the 80/20 private / public funding ratio for delivering the building, resource consent and resource management engineering services.

Council Policies, Strategies and Bylaws

- 61 The following Council policies, strategies and bylaws were considered:
 - Annual Plan 2017/18
 - Draft LTP
- 62 The recommended option is consistent with the principles set out in the named policy as the changes are generally considered to be fine tuning / amendments to the existing fee schedule.

Local Government Act 2002 Purpose Provisions

63 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for the community by ensuring the private/ public funding ration is met.
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and funding policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

64 The proposed changes will be subject to a special consultative procedure process.

Attachments

A Statement of Proposal including:

- a Appendix A - Proposed amendments to Fee Schedules (clean copy)
- b Appendix B - Proposed amendments to Fee Schedules (track changes copy)
- c Appendix C - Comparison of hourly rates to other local authorities



**PROPOSED FEES AND CHARGES REVIEW
PLANNING AND DEVELOPMENT**

STATEMENT OF PROPOSAL

14 March 2018

1. INTRODUCTION

- 1 Section 36 of the Resource Management Act (RMA) enables the Queenstown Lakes District Council (the Council; 'QLDC') to set fees and charges payable by applicants for resource consent, by holders of resource consents, and for other matters set out in section 36 that relate to the Council's administration of its functions under the RMA.
- 2 Sections 219 and 240 of the Building Act enable the Council to set fees and charges in relation to a building consent and for the performance of any other function or service under the Building Act.
- 3 Section 150 of the Local Government Act allows a local authority to prescribe fees or charges payable for a certificate, approval, permit or consent from, or inspection by, the local authority in respect of a matter set out in a bylaw or any other enactment.
- 4 The Council has undertaken a review of the present fees and charges, which were reviewed as part of the 2017/18 Annual Plan. The Council is considering whether the present fees and charges should be amended and replaced with the proposed Queenstown Lakes District Council fees and charges.
- 5 Where the proposal includes a proposed fee increase, consideration has also been given to similar charges from other Councils from a comparison point of view, noting that a straight comparison with printed fees schedules needs to be treated with some caution.
- 6 Where the proposal includes a new fee, consideration has been given to new section 36AAA(2) and (3) of the Resource Legislation Amendment Act 2017 which state:
 - (2) The sole purpose of a charge is to recover the reasonable costs incurred by the local authority in respect of the activity to which the charge relates.*
 - (3) A particular person or particular persons should be required to pay a charge only—*
 - (a) to the extent that the benefit of the local authority's actions to which the charge relates is obtained by those persons as distinct from the community of the local authority as a whole; or*
 - (b) where the need for the local authority's actions to which the charge relates results from the actions of those persons; or*
 - (c) in a case where the charge is in respect of the local authority's monitoring functions under section 35(2)(a) (which relates to monitoring the state of the whole or part of the environment),—*
 - (i) to the extent that the monitoring relates to the likely effects on the environment of those persons' activities; or*
 - (ii) to the extent that the likely benefit to those persons of the monitoring exceeds the likely benefit of the monitoring to the community of the local authority as a whole.*
- 7 This Statement of Proposal has been prepared in accordance with the requirements of sections 83 of the LGA.

1.1 Background

- 8 Council undertook a significant review of its fees and charges as part of a special consultative procedure in 2016, after five years of not adjusting its fees. The revised charges then became part of the 2016/17 Annual Plan. Further minor amendments were made as part of the 17/18 Annual Plan process.
- 9 In December 2017 further minor amendments to the fees and charges were approved by Full Council following amendments to the Resource Management Act that introduced new categories of consent. An increase to the hourly charge out rate of resource management engineers was also enacted.

2. PROPOSAL

- 10 It is proposed to make a variety of adjustments to the fee schedules, as shown in **Appendix A**. Changes are proposed to better align the costs of consenting and approval processes with the Council's funding policy for Planning and Development which is to achieve an 80/20 private / public split, and to better align the initial fee with the reasonable costs of completing the work.
- 11 Any increase in fees needs to be carefully considered as it does impose additional costs onto the industry. However there is a cost to the Council and ultimately the ratepayers if the fees for the services are not set at an appropriate level to be able to recover the reasonable costs of providing those services, in accordance with the Local Government Act.
- 12 It is noted that there are separate schedules for:
- a. Building Consent Initial Fees and Other Charges
 - b. Resource Consent and Engineering Initial Fees and Other Charges, and
- 13 These changes are best summarised into three categories:
- a. Proposed amendments to hourly charge out rates for officers
 - b. Proposed changes to building consent related fees
 - c. Proposed changes to resource consent related fees

- 14 These categories are described below:

A Proposed Charges to hourly charge out rates

- 15 It is proposed to change the hourly charge out rates of certain officers as follows:

<i>Position</i>	<i>Current hourly rate</i>	<i>Proposed hourly rate</i>	<i>% increase</i>
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Infrastructure Engineer/ Logistics	\$145	\$165	13.7%

- 16 It is noted that the hourly rate of the Resource Management Engineers was increased from \$165 to \$185 in September 2017 due to the increases in the cost of securing engineers and engineering services in the Queenstown Lakes District. This was to ensure that ratepayers are not burdened with increased costs due to recognised national and local shortages in engineers driving up the cost of engineering related services.
- 17 Similarly, the cost of providing the building control and planning services has continued to increase through the ongoing requirement to engage external contractors to undertake both processing and inspections services. Currently approximately 50% of the building consent processing and inspections function is undertaken by external contractors. This adds considerable actual cost to the provision of services.
- 18 With regard to resource consents, over the last financial year approximately 45% are being processed by external contractors although this proportion is falling as recruitment has stepped up.
- 19 In addition both the resource consent team and the building team have increased its staff significantly to cope with the increased demand on its services. These staff require significant training to become fully productive and this places additional funding pressure, in the medium term, on the ability of the Building Control function to meet the public-private funding policy.
- 20 A comparison has been undertaken with regard to the hourly rates charged by the larger metropolitan councils. While a comparison with other Councils should not be justification to increase fees, it provides a useful benchmark for comparison purposes.
- 21 A table summarising other Council charges is appended as **Appendix C**. The table illustrates that the proposed changes are directly comparable to the larger local authorities that are similar to Queenstown in terms of the volume and complexity of applications received. For example, for building consents, the average metropolitan hourly rate for a Building Control Officer is \$175 and the proposed hourly rate for QLDC is \$172. The average administration hourly rate is \$101, whereas the QLDC proposal is for \$100.
- 22 For resource consents, the average metropolitan hourly rate for a planner is \$136 and the proposed hourly rate for QLDC is \$165. The average metropolitan hourly rate for a senior planner is \$178, whereas the QLDC proposal is for \$185.
- 23 When comparing QLDC to our neighbours at Southland and Central Otago district Councils, **Appendix C** shows that QLDC rates are higher. Due to the sheer volume and complexity of some applications in Queenstown and Wanaka, QLDC compares best with the larger metropolitan councils rather than our immediate neighbours. For example in 2017, 1698 resource consent applications were received, and 1929 building consents were received.

B Proposed Changes to building consent related fees

- 24 Changes to the building fee schedule are shown in **Appendix A**. The changes proposed are purely as a result of the increased hourly rates. The 18.6% percentage increase that has been applied to the hourly rate for Building Control Officers has also been applied to the initial fee required (based on the value of the building work). This will better reflect the actual cost of completing the work and achieve the funding policy.
- 25 The reasoning for concentrating on the hourly rate for BCO work and less on the incidental fees and charges so much is that the hourly rate for processing consents and undertaking inspections for consents will have by far the most significant impact in achieving the 80/20 funding policy.
- 26 As the building team are trained and less consents are processed by external consultants, charges will require further review as part of the 19/20 financial year. It is important that the fee schedules are monitored and updated regularly to ensure that the funding policy is being achieved.

C Proposed Changes to resource consent related fees

- 27 With regard to resource consent and engineering related fees, as noted above officers are experiencing a high number of fee queries as in many cases the initial deposit is not reflective of the actual cost of processing the application. While the application forms and fee schedule are clear it is only an *initial deposit*, and time is recorded and charged to each consent, customers are often surprised to receive (sometimes large) invoices having paid the initial deposit.
- 28 A study was therefore undertaken to see how the actual costs of processing the consents compared to the initial deposit. The results show that in most instances the actual cost of processing the consent exceeds the initial deposit, resulting in an applicant receiving additional invoices from Council.
- 29 The study has its limitation in that many consents are bundled with other applications, and getting an accurate sense of the cost of processing a bundled consent is difficult. For example tree consents were usually part of a bigger application to construct new buildings.
- 30 The revised fee schedule appended to the Statement of Proposal in **Appendix A** is generally based on the median cost of processing a consent in each category. Median is used rather than average to remove the high and low outliers.
- 31 Where the study data was limited due to a small sample size or unreliable data due to consent categories being bundled, the current fee was retained but increased by 12% to reflect the increased hourly rates, which have increased on average 12% between the planner and senior planner rate to achieve the funding policy.
- 32 It is also relevant to note that a fixed \$215 monitoring charge is applied to each land use consent, and this funds the Council's resource consent monitoring function. The revenue from this charge accrues to the Legal and Regulatory team, rather than Planning and development. This charge is only applied to those land use consents that require monitoring.

- 33 The study undertaken showed that for some common consent categories, the initial fee was too low compared to the actual cost. For example a variation to a resource consent the initial fee is \$640, but a study of 20 consent variations showed that the median cost was \$1702, with a range of \$649 – \$3532. It is therefore unsurprising that applicants are querying additional invoices that (using the median figure) end up being at least as much again as the initial fee.
- 34 In general, the new fees proposed in **Appendix A** have been adjusted to reflect the results of the research undertaken to understand the actual median cost of processing the consents. Once the median was established, an increase of 12% was applied to reflect the increased hourly rates, which have increased on average 12% between the planner and senior planner rate to achieve the funding policy.
- 35 In some cases initial fees have reduced due to the data showing the initial fee exceeded the median cost, for example the consent category of “visitor accommodation or residential multi units in the High Density Residential zone” have reduced in terms of the initial fee from \$5340 to \$4157.
- 36 It is also important to note that if the initial fee for a resource consent is not used up, it is refunded to the applicant.

3. REASON FOR PROPOSAL

- 37 Changes are proposed to better align the initial fee with the reasonable costs of completing the work, and to align the costs of consenting and approval processes with the Council’s funding policy for Planning and Development which is to achieve an 80/20 private / public split, and to better.
- 38 Within the Planning and Development department, three teams (building consents, resource consents (including planning support) and resource management engineering) operate under the Councils 80/20 funding policy. The private portion of the funding policy is entirely raised through charges on consent / approval processing.
- 39 With regard to the public portion, Council maintains a free 40 hours per week planning and building enquiries service, and also cannot recover its time on certain matters, for example Resource Management Act appeals and objections. Other non-chargeable time, such as for staff training, team meetings and other matters are funded through the 20% that comes from rates.
- 40 Based on the 2017 year to date figures, Planning and Development (P&D) are not meeting its 80/20 private / public split funding policy across the three P&D teams that can recover their time. The actual private funding ratio has been between 73% and 76% across the planning, building and resource management engineering services as shown in Figure 1 below:

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- 41 The proposed amendments to the fee schedules will achieve three objectives:
- a. It will help ensure the Council recovers the reasonable costs incurred by the local authority in respect of the activity to which the charge relates
 - b. It will mean P&D achieve the 80/20 private / public funding ratio
 - c. It will address the high number of resource consent fee queries being received due to the current initial deposit that is paid at the time of lodgement not aligning well with the actual costs of processing an application.
- 42 With regard to (c) above, at present, most consent categories have an initial fee that is paid when the consent is lodged. Time is then recorded against the consent, and should that initial fee be used up, further invoices are issued on a monthly basis. This is a user pays system in that the actual cost of processing the consent is charged to the applicant, rather than being paid for by the ratepayer.
- 43 Officers are experiencing a high number of fee queries as in many cases the initial deposit is not reflective of the actual cost of processing the application, and customers are often surprised to receive invoices having paid the initial deposit. It is therefore proposed to adjust the initial charges to better reflect the actual cost of processing the consents and to better align with the 80/20 private/ public split under the Funding Policy.
- 44 A study has been taken looking at each category of resource consent, and what the actual cost of processing is compared to the initial deposit. In many instances the initial deposit is unrealistically low for the actual number of hours required to process the consent, including undertaking a site visit and writing up a decision. Using a median figure of the study sample, in many instances the actual cost is well in excess of the initial fee, leading to multiple additional invoices, and fee queries back to Council officers.

4. OPTIONS CONSIDERED

- 45 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
- 46 Option 1 - Retain the status quo and make no changes to the fee schedules
- Advantages:
- 47 Retains existing approach to fees that applicants / the public is familiar with.
- 48 Customers will continue to be invoiced when the initial fee is exceeded, ensuring actual costs are recovered.
- Disadvantages:
- 49 Does not achieve the 80/20 private / public funding policy, meaning ratepayers are paying a larger proportion of the cost of the Planning and Development team than desired through the Funding Policy.
- 50 Does not update the schedules to better align the initial fee with the actual costs of providing the service.

51 Officers will continue to receive a large number of fee queries where the initial deposit is insufficient to cover the actual costs of processing the application and the customer is receiving subsequent invoices.

52 Administrative costs associated with invoicing for additional charges for most applications.

53 Option 2 - Update the fee schedule

Advantages:

54 Achieves the 80/20 private / public funding ratio.

55 Updates the schedules to better reflect the actual costs of delivering the services.

56 Will reduce fee queries as in most cases the initial fee will better match the final charge.

57 Reduces administrative costs associated with having to prepare additional invoices for most consents.

Disadvantages:

58 Increases the initial lodgement costs to the construction / development industry in that the initial fee will increase in most instances, and increases the total cost due to increase in hourly rates for Council officers.

59 Increases costs to applicants through higher hourly rates.

60 Amends prices that applicants / the public are now familiar with.

61 The Council resolved to consult on Option 2 as its preferred option for addressing the matter.

5. TIMETABLE FOR CONSULTATION

62 The following dates represent the key times in the consultation programme:

- a. The draft Long Term Plan went to Council – 9 March 2018.
- b. The draft Statement of Proposal goes to Council Friday 23 March 2018.
- c. Advertisement in Otago Daily Times and Southland Times on Saturday 24 March 2018, stating that submissions open on 26 March 2018 and close on 27 April 2018. Additional notices as part of the regular Council Noticeboard will also appear the week of 26 March 2018.
- d. Submissions heard on between 15-17 May 2018 by Council or a hearing panel of Councillors (to be confirmed).
- e. Council considers outcome of consultation process.
- f. Final Long Term Plan goes to Council for adoption on 28 June 2018.

63 The proposed fees and charges come into effect subject to the above.

6. INSPECTION OF DOCUMENTS AND OBTAINING COPIES

64 Copies of this Statement of Proposal and the proposed fees and charges schedules may be inspected, and a copy obtained, at no cost, from:

- a. either of the Council offices at 10 Gorge Road, Queenstown or the Wanaka Service Centre, 47 Ardmore Street, Wanaka;
- b. any Council library within the Queenstown Lakes District; or
- c. the Council website – www.qldc.govt.nz

7. RIGHT TO MAKE A SUBMISSION AND BE HEARD

65 Any person or organisation has a right to be heard in regard to this proposal and the Council encourages everyone with an interest to do so.

66 The Council would prefer that all parties intending to make a submission:

- a. go to the Queenstown Lakes District Council website: www.qldc.govt.nz or email feesandcharges@qldc.govt.nz
- b. post their submission to: Planning & Development, Queenstown Lakes District Council, Private Bag 50072, Queenstown 9348.

67 Submissions must be received by **27 April 2018**. The Council will then convene a hearing, at which any party who wishes to do so can present their submission in person. The Council will give equal consideration to written and oral submissions.

68 The Council will permit parties to make oral submissions (without prior written material) or to make a late submission, only where it considers that special circumstances apply.

69 Every submission made to the Council will be acknowledged in accordance with the LGA 2002, will be copied and made available to the public, and every submission will be heard in a meeting that is open to the public.

70 Section 82 of the LGA 2002 sets out the obligations of the Council in regard to consultation and the Council will take all steps necessary to meet the spirit and intent of the law.

8. MAKING AN EFFECTIVE SUBMISSION

71 Written submissions can take any form (e.g. email, letter). An effective submission references the particular aspect of the proposed initial fees and other charges you wish to submit on, states why the initial fee or charge is supported or not supported and states what change to the proposed initial fee or charge is sought.

72 Submissions on matters outside the scope of the proposed initial fees and charges cannot be considered by the Hearings Panel.

Mike Theelen
CHIEF EXECUTIVE

Appendix A – Proposed Amendments to the ‘Resource Consent and Engineering Fees and Other Charges’, and the ‘Building Consent Initial Fees and Other Charges’ fee schedules (clean versions)

Appendix B - Proposed Amendments to the Resource Consent and Engineering Fees and Other Charges’, the ‘Building Consent Initial Fees and Other Charges’ fee schedules (with changes tracked)

Appendix C – Comparison with other local authorities’ hourly rates

IS BCF Building Consent Initial Fees and Other Charges Schedules



Draft for Consultation 23 March 2018

Charges for processing building consents and for the performance of other building control functions or services have been set by the Queenstown Lakes District Council in accordance with section 219 of the Building Act 2004.

The following schedule of initial fees and charges is effective from 1st July 2018.

- All charges and initial fees are inclusive of GST and are payable on application.
- The initial fees are minimum charges based on the expected reasonable costs relative to the estimate value of work. **Further costs may be invoiced depending on the complexity of your project**
- The Estimated Value of Building Work is defined in section 10 of the Goods and Services Act 1985, which includes the cost of building materials, labour, design costs, siteworks, but excludes furnishings, carpets and appliances.

HOURLY RATES	\$
Building Control Officer (BCO)	172.00
Administration	100

BUILDING CONSENT NO PIM (Initial Fee)	(No PIM) \$
Estimated Value of Building Work (Incl GST)	
- - 5,000	385
5,001 - 20,000	850
20,001 - 180,000 Unlined Accessory Building	1,370
20,001 - 180,000	2,080
180,001 - 500,000 Single Residential	3,390
180,001 - 500,000 Commercial	3,680
500,001 - 1,000,000 Single Residential	5,150
500,001 - 1,000,000 Commercial	5,700
Over 1,000,000 *	6,300
* for every \$50,000 or part thereof over \$1,000,000 an additional initial fee of \$55.00	

BUILDING CONSENT INCL PIM (Initial Fee)	(Incl PIM) \$
- - 5,000	430
5,001 - 20,000	890
20,001 - 180,000 Unlined Accessory Building	1,400
20,001 - 180,000	2,100
180,001 - 500,000 Single Residential	3,400
180,001 - 500,000 Commercial	3,700
500,001 - 1,000,000 Single Residential	5,200
500,001 - 1,000,000 Commercial	5,700
Over 1,000,000 *	6,300
* for every \$50,000 or part thereof over \$1,000,000 an additional initial fee of \$55.00	

IS BCF Building Consent Initial Fees and Other Charges



SPECIFIC BUILDING TYPE (Initial Fee)	\$
Heating Appliances	370.00

GOVERNMENT LEVIES	
Building Research Levy BRANZ	\$1.00 per \$1,000 of building work over \$20,000 value
MBIE Building Levy ¹	\$2.01 per \$1,000 of building work over \$20,444 value

BUILDING ADMINISTRATION	\$
Minor Plan Variation	Hourly BCO rate
Relodged / Split Building Consent Application (no change in value of work)	480.00
PIM only - Residential (cost is later deducted from subsequent full Building Consent Initial Fee)	270.00
PIM only - Commercial (cost is later deducted from subsequent full Building Consent Initial Fee)	445.00
PIM Amendment Assessment	80.00
Certificate of Public Use (sect 363)	250.00 (Com 1&2) 350.00(Com3)
Certificate of Public Use amendment (sect 363)	215.00
Change of Use Consideration (if no building work required)	165.00
Exempted Building Work consideration	285.00 initial fee plus hourly BCO rate
Certificate of Acceptance	Full Building Initial Fee based on value of work
Relocation assessment and report	270.00
Notice to Fix (where no building consent active)	270.00
Building Across 2 allotments (sect 75)	Hourly BCO rate plus legal disbursements
Natural Hazards (sect 72 certificate)	Hourly BCO rate plus legal disbursements
Alternative Solution Approval	Hourly BCO rate
Pre-Application meetings	Hourly BCO rate
Cancellation of Building Consent	Unused initial fee returned
Application to extend time frame for which Building Consent is valid	Hourly BCO rate
Monthly BC Issue information report - per annum (or \$35 per month)	360.00

¹ The minimum threshold has changed from \$20,000 to \$20,444 as per MBIE Advice Notice issued 18/8/2017

IS BCF Building Consent Initial Fees and Other Charges



RELATED APPROVALS (Fixed Fee)	\$
Building Certification - Sale of Liquor Act	160.00

BUILDING WARRANT OF FITNESS CHARGES (Fixed Fees)	\$
Compliance Schedule (issue and register)	270.00
Amended Compliance Schedule	172.00 145.00
Annual BWOF certificate	105.00
BWOF audit on-site (approx 3 year intervals)	Hourly BCO rate

FENCING OF SWIMMING POOLS (Fixed Fee)	\$
Pool Registration	230.00
Pool Inspection	172.00
Waiver and Modifications	172.00 145.00

LAND INFORMATION MEMORANDUM (Fixed Fee)	\$
Residential - standard 10 working days	230.00
Commercial - Standard 10 working days	350.00
Residential - Speedy 3 working days	360.00
Commercial - Speedy 3 working days	480.00

Resource Consent and Engineering Fees and Other Charges

23 March 2018

Draft for Consultation

Charges for processing resource consents, private plan changes and undertaking related activities have been set by the Queenstown Lakes District Council in accordance with section 36(1) of the Resource Management Act 1991 (RMA) and section 150 of the Local Government Act. Council has fixed a formula for charges as provided by section 36(1). The charges are comprised of an administrative fee of \$225.00, plus an amount calculated as the reasonable time spent processing the application by the staff involved at the hourly rates scheduled below. The initial fees and charges are set out below. All Land Use applications include a \$215 monitoring fee except for section 127 applications to change conditions, boundary activities and marginal and temporary non-compliance notices. If monitoring of these applications is required it is to be undertaken on an hourly rate basis.

In accordance with section 36(3) of the RMA, the applicant is also required to pay an additional charge to cover the actual and reasonable cost of items such as printing, advertising, postage, additional reports and commissioners that may be required in the processing of their application.

At the time of lodging an application the applicant is required to pay the applicable initial fee set out below. They will then be invoiced monthly for other amounts payable under the fixed formula and for any additional charges payable under section 36(3).

Applications will not be received and processing will not continue while charges remain unpaid or overdue.

The following schedule of initial fees and charges is effective from 14 December 2017.

- All charges and initial fees are inclusive of GST and are payable on application.
- The initial fees are minimum charges based on the expected reasonable costs relative to the work. Further costs will be invoiced on a time basis and are payable before further work is completed.
- The use of hearings commissioner and external consultants where required will be charged on a full recovery basis according to their hourly rate. Disbursements will be charged on a full recovery basis.

HOURLY RATES	\$
Senior Planner	185.00
Planner	165.00
Planning Officer	145.00
Monitoring / Compliance	145.00
Subdivision / Development Contributions Officer	145.00
Engineering	185.00
Environmental Health	125.00
Administration Support	100.00

INFRASTRUCTURE AND PARKS	\$
Senior Infrastructure Engineer	185.00
Infrastructure Engineer/ Logistics	165.00
Infrastructure Other	145.00
Parks & Reserves Senior Planner / Planning Manager	185.00

Parks & Reserves Planner / Officer

145.00

MONITORING (Initial Fees)		\$
Compliance inspections (including for NES-Plantation Forestry)		hourly rate
ADMINISTRATIVE CHARGE (Fixed fee)		\$
Administrative charge per consent		225.00
Administrative charge per pre-application request		90.00
PRE-APPLICATION MEETINGS (Initial Fees)		\$
Pre-Application Meeting including preparation - first hour free, after which at the applicable officer(s) hourly rate(s).		hourly rate
LAND USE CONSENTS (Initial fees unless otherwise stated)		
Boundary activity notice (fixed fee)		448.00
Marginal and temporary non-compliance notice		448.00
Breach of site or discretionary performance standard other than earthworks (all zones except Town Centre, Business and Industrial)		1300.00
Breach of site or discretionary performance standard other than earthworks, Town Centre, Business and Industrial zones		1805.00
Breach of zone or non-complying performance standard (all zones except Town Centre, Business and Industrial)		1720.00
Breach of site, zone or performance standard Town Centre, Business and Industrial zones		2390.00
Comprehensive residential development Low Density Residential zone		5,865.00
Controlled Activity		1,400.00
Design control minor (e.g. building in Town Centre, Business or Industrial zones or dwelling in any special zone)		1,530
Design control other (e.g. dwelling in Rural Residential zone or dwelling on a platform in Rural Lifestyle zone)		1,640
Earthworks minor (e.g. single dwelling or similar)		3,015.00
Earthworks other		4,980.00
Establish residential building platform in Rural or Rural General zone		4,520.00
Extensions or alterations to existing Rural or Rural General dwelling		1,670.00
Heritage Orders		2,165.00
Minor alterations to heritage building		2,029.00
New Rural General dwelling not on building platform		4,065.00
Non-residential activity in residential or special zones		3,584.00
Signs		1220.00

Visitor accommodation 1-2 units Low Density Residential zone	2,090.00
Visitor accommodation multi-units Low Density Residential zone	2,670.00

Visitor accommodation 1-2 units High Density Residential zone	1,615.00	
Visitor accommodation or residential multi-units High Density Residential zone	4,150.00	
Other applications	1,240.00	1,380.00

SUBDIVISION CONSENTS (Initial fees)		\$
Amalgamation Certificate - fixed fee		145.00
Boundary adjustment		1,830.00
Controlled activity up to two lots		2,550.00
Controlled activity more than two lots		2,820.00
Engineering Review & Acceptances, Inspections and Road Naming		412.50
Other subdivision (e.g. Rural Residential, Rural Lifestyle)		2,920.00
Rural General subdivision		3,920.00
Registered Bond / release of Registered Bond (each)		145.00
Cancellation of amalgamation conditions (s241)		1,148.00
Section 223 Certificate		145.00
Section 224(c) Certificate		290.00
Signing and Sealing other plan or certificate		145.00

MULTIPLE ACTIVITIES

Where an application includes both land-use and subdivision activities or multiple activities, only the higher or highest relevant charge is payable

OTHER APPLICATIONS / PROCESSES (Initial Fees)	
Notice of Requirement for a Designation	5,470.00
Alteration of Designation	3,560.00
Removal of Designation or Heritage Order	330.00
Certificate of Compliance	1,450.00
Existing Use Certificate	2,730.00
Extension of lapse period of a resource consent	840.00
Outline Plan Approval Section 176A	1340.00

Outline Plan Waivers Section 176A(2)(c)	530.00
Surrender of consent	330.00
Trees e.g. <i>trimming or removal of protected or heritage tree</i> Residential Arrowtown Historic Management zone (with supporting Arboriculturist's report)	730.00
Variation to resource consent conditions	1900.00
Private plan change	11,200.00

LOCAL GOVERNMENT ACT CHARGES (Initial Fees)		
Section 348 Right of Way certificate		660.00
Traffic Management Plans		125.00
Licence to Occupy		600.00
Temporary Road Closures		500.00
Corridor Access (Road Opening Permits)	< 20 m	185.00
	20-100 m	375.00
	100-500 m	560.00
	500-2000 m	750.00
	> 2000 m	1,875.00
Engineering Connection to Council Services (one connection)		280.00
Engineering Connection to Council Services (for each additional connection)		120.00
Cancellation of Building Line Restriction		330.00
OTHER APPLICATIONS / PROCESSES (Fixed Fees)		
Urban Design Panel (prior to lodging resource consent)		250.00
Urban Design Panel (post lodging resource consent)		500.00

OBJECTIONS UNDER SECTION 357A(1)(f) OR (g) REQUESTED TO BE HEARD BY AN INDEPENDENT COMMISSIONER (initial fees)	
Requested Commissioner consideration of objections under section 357A(1)(f) or (g)	hourly rate

NOTIFIED AND LIMITED NOTIFIED APPLICATIONS (Initial Fees)	
Limited Notification / Service (Section 95B)	
The charges fixed by council under section 36(1) include the following extra charge if limited notification of an application is required. The extra limited notification charge is also payable at the time of lodgement. However, where the need for notification / service is not apparent at the time of lodgement, the extra \$1,300 is payable as soon as it becomes apparent that limited notification is required.	1,480
Notified Applications (Section 95A or 95C) (Initial Fees)	
The charges fixed by council under section 36(1) include the following extra charge if full notification of a resource consent or designation is required. The extra notification charge is payable at the time of lodgement or as soon	5,110

as it becomes apparent that notification is required and is to proceed. Public notification will not occur before payment is made.

INITIAL CHARGES FOR HEARINGS (Initial Fees)

Where a hearing is required the applicant is liable to pay the costs for Commissioners attending hearings, undertaking site inspections and writing decisions as well as the cost of attendance of professional and secretarial staff.	Half Day	6,810
	Full Day	12,500
Prior to a hearing date being confirmed, an estimate of the hearing time (including site visit) will be made and the applicant will be required to pay the appropriate hearing initial fee. If the cost of the hearing and decision writing exceeds the hearing initial fee, the additional amounts will be invoiced. If actual charges are less than the initial fee, a refund will be issued.	Each additional day	11,020

IS BCF Building Consent Initial Fees and Other Charges Schedules



Draft for Consultation 23 March 2018

Charges for processing building consents and for the performance of other building control functions or services have been set by the Queenstown Lakes District Council in accordance with section 219 of the Building Act 2004.

The following schedule of initial fees and charges is effective from 1st July 2018.

- All charges and initial fees are inclusive of GST and are payable on application.
- The initial fees are minimum charges based on the expected reasonable costs relative to the estimate value of work. **Further costs may be invoiced depending on the complexity of your project**
- The Estimated Value of Building Work is defined in section 10 of the Goods and Services Act 1985, which includes the cost of building materials, labour, design costs, siteworks, but excludes furnishings, carpets and appliances.
- ~~The use of external consultants where required will be charged on a full recovery basis. Disbursements will be charged on a full cost recovery basis.~~

HOURLY RATES	\$
Building Control Officer (BCO)	172.00 145.00
Administration	100 90.00

BUILDING CONSENT NO PIM (Initial Fee)	(No PIM) \$
Estimated Value of Building Work (Incl GST)	
- - 5,000	385 325.00
5,001 - 20,000	850 715.00
20,001 - 180,000 Unlined Accessory Building	1,370 1,155.00
20,001 - 180,000	2,080 1,750.00
180,001 - 500,000 Single Residential	3,390 2,850.00
180,001 - 500,000 Commercial	3,680 3,100.00
500,001 - 1,000,000 Single Residential	5,150 4,350.00
500,001 - 1,000,000 Commercial	5,700 4,800.00
Over 1,000,000 *	6,300 5,300.00
* for every \$50,000 or part thereof over \$1,000,000 an additional initial fee of \$55.00	

BUILDING CONSENT INCL PIM (Initial Fee)	(Incl PIM) \$
- - 5,000	430 365.00
5,001 - 20,000	890 755.00
20,001 - 180,000 Unlined Accessory Building	1,400 1,180.00
20,001 - 180,000	2,100 1,775.00
180,001 - 500,000 Single Residential	3,400 2,875.00
180,001 - 500,000 Commercial	3,700 3,125.00
500,001 - 1,000,000 Single Residential	5,200 4,375.00
500,001 - 1,000,000 Commercial	5,700 4,825.00
Over 1,000,000 *	6,300 5,325.00

IS BCF Building Consent Initial Fees and Other Charges

* for every \$50,000 or part thereof over \$1,000,000 an additional initial fee of \$55.00

SPECIFIC BUILDING TYPE (Initial Fee)	\$
Heating Appliances	370.00 335.00
Demolition – Residential	- 230.00
Demolition – Commercial	- 335.00
Demolition – Minor	- 115.00

GOVERNMENT LEVIES	
Building Research Levy BRANZ	\$1.00 per \$1,000 of building work over \$20,000 value
MBIE Building Levy ¹	\$2.01 per \$1,000 of building work over \$20,444 value

BUILDING ADMINISTRATION	\$
Minor Plan Variation	Hourly BCO rate
Relodged / Split Building Consent Application (no change in value of work)	480.00 420.00
PIM only - Residential (cost is later deducted from subsequent full Building Consent Initial Fee)	270.00 230.00
PIM only - Commercial (cost is later deducted from subsequent full Building Consent Initial Fee)	445.00 390.00
PIM Amendment Assessment	80.00 70.00
Certificate of Public Use (sect 363)	250.00 (Com 1&2) 350.00(Com3)
Certificate of Public Use amendment (sect 363)	215.00 190.00
Change of Use Consideration (if no building work required)	165.00 145.00
Exempted Building Work consideration	285.00 250.00 initial fee plus hourly BCO rate
Certificate of Acceptance	Full Building Initial Fee based on value of work
Relocation assessment and report	270.00 235.00
Notice to Fix (where no building consent active)	270.00 235.00
Building Across 2 allotments (sect 75)	Hourly BCO rate plus legal disbursements
Natural Hazards (sect 72 certificate)	Hourly BCO rate plus legal disbursements
Alternative Solution Approval	Hourly BCO rate
Pre-Application meetings	Hourly BCO rate
Cancellation of Building Consent	Unused initial fee returned
Application to extend time frame for which Building Consent is valid	Hourly BCO rate
Monthly BC Issue information report - per annum (or \$35 per month)	360.00

¹ The minimum threshold has changed from \$20,000 to \$20,444 as per MBIE Advice Notice issued 18/8/2017

IS BCF Building Consent Initial Fees and Other Charges

RELATED APPROVALS (Fixed Fee)		\$
Building Certification - Sale of Liquor Act	<u>160.00</u>	140.00
BUILDING WARRANT OF FITNESS CHARGES (Fixed Fees)		\$
Compliance Schedule (issue and register)	<u>270.00</u>	235.00
Amended Compliance Schedule	<u>172.00</u>	145.00
Annual BWOFF certificate	<u>105.00</u>	90.00
BWOFF audit on-site (approx 3 year intervals)		Hourly BCO rate
FENCING OF SWIMMING POOLS (Fixed Fee)		\$
Pool Registration	<u>230.00</u>	220.00
Pool Inspection	<u>172.00</u>	145.00
Waiver and Modifications	<u>172.00</u>	145.00
LAND INFORMATION MEMORANDUM (Fixed Fee)		\$
Residential - standard 10 working days	<u>230.00</u>	200.00
Commercial - Standard 10 working days	<u>350.00</u>	305.00
Residential - Speedy 3 working days	<u>360.00</u>	315.00
Commercial - Speedy 3 working days	<u>480.00</u>	420.00



Resource Consent and Engineering Fees and Other Charges

~~14 December~~ 23 March 2018 2017

Draft for Consultation

Charges for processing resource consents, private plan changes and undertaking related activities have been set by the Queenstown Lakes District Council in accordance with section 36(1) of the Resource Management Act 1991 (RMA) and section 150 of the Local Government Act. Council has fixed a formula for charges as provided by section 36(1). The charges are comprised of an administrative fee of \$225.00, plus an amount calculated as the reasonable time spent processing the application by the staff involved at the hourly rates scheduled below. The initial fees and charges are set out below. All Land Use applications include a \$215 monitoring fee except for section 127 applications to change conditions, boundary activities and marginal and temporary non-compliance notices. If monitoring of these applications is required it is to be undertaken on an hourly rate basis.

In accordance with section 36(3) of the RMA, the applicant is also required to pay an additional charge to cover the actual and reasonable cost of items such as printing, advertising, postage, additional reports and commissioners that may be required in the processing of their application. At the time of lodging an application the applicant is required to pay the applicable initial fee set out below. They will then be invoiced monthly for other amounts payable under the fixed formula and for any additional charges payable under section 36(3).

Applications will not be received and processing will not continue while charges remain unpaid or overdue.

The following schedule of initial fees and charges is effective from 14 December 2017.

- All charges and initial fees are inclusive of GST and are payable on application.
- The initial fees are minimum charges based on the expected reasonable costs relative to the work. Further costs will be invoiced on a time basis and are payable before further work is completed.
- The use of hearings commissioner and external consultants where required will be charged on a full recovery basis according to their hourly rate. Disbursements will be charged on a full recovery basis.

HOURLY RATES	\$
Senior Planner	185.00 165.00
Planner	165.00 145.00
<u>Planning Officer</u>	<u>145.00</u>
Monitoring / Compliance	145.00
<u>Subdivision /</u> Development Contributions Officer	145.00
Engineering	185.00
Environmental Health	125.00
Administration Support	100.00 90.00

INFRASTRUCTURE AND PARKS	\$
Senior Infrastructure Engineer	185.00 165.00
Infrastructure Engineer/ Logistics	165.00 145.00
Infrastructure Other	145.00

Resource Consent & Engineering Initial Fees & Other Charges – ~~Adopted 14 December 2017~~ Draft for consultation

Parks & Reserves Senior Planner / Planning Manager	185.00 165.00
Parks & Reserves Planner / Officer	145.00

MONITORING (Initial Fees)	\$
Compliance inspections (<u>including for NES-Plantation Forestry</u>)	hourly rate

ADMINISTRATIVE CHARGE (Fixed fee)	\$
Administrative charge per consent	225.00
Administrative charge per pre-application request	90.00

PRE-APPLICATION MEETINGS (Initial Fees)	\$
Pre-Application Meeting including preparation - first hour free, after which at the applicable <u>officer(s)</u> hourly rate <u>(s)</u> .	hourly rate

LAND USE CONSENTS (Initial fees unless otherwise stated)	
Boundary activity notice (fixed fee)	448.00 320.00
Marginal and temporary non-compliance notice	448.00 390.00
Breach of site <u>or discretionary performance</u> standard other than earthworks (all zones except Town Centre, Business and Industrial)	1300.00 1045.00
Breach of site <u>or discretionary performance</u> standard other than earthworks, Town Centre, Business and Industrial zones	1805.00 1240.00
Breach of zone <u>or non-complying performance</u> standard (all zones except Town Centre, Business and Industrial)	1720.00 1,515.00
Breach of <u>site, zone or performance zone</u> -standard Town Centre, Business and Industrial zones	2390.00 2165.00
Comprehensive residential development Low Density Residential zone	5,865.00
Controlled Activity	1,400.00 1,195.00
Design control minor (e.g. building in Town Centre, Business or Industrial zones or dwelling in any special zone)	1,530 1,195.00
Design control other (e.g. dwelling in Rural Residential zone or dwelling on a platform in Rural Lifestyle zone)	1,640 1,495.00
Earthworks minor (e.g. single dwelling or similar)	3,015.00 1,240.00
Earthworks other	4,980.00 3,340.00
Establish residential building platform in <u>Rural or</u> Rural General <u>zone</u>	4,520.00 4,065.00
Extensions or alterations to existing Rural <u>or Rural</u> General dwelling	1,670.00 1,515.00
Heritage Orders	2,165.00
Minor alterations to heritage building	2,029.00 730.00
New Rural General dwelling not on building platform	4,065.00
Non-residential activity in residential or special zones	3,584.00 3,415.00

Signs	1220.00 855.00
Visitor accommodation 1-2 units Low Density Residential zone	2,090.00 1,240.00
Visitor accommodation multi-units Low Density Residential zone	2,670.00 6,615.00

Visitor accommodation 1-2 units High Density Residential zone	855.00 1,615.00
Visitor accommodation or residential multi-units High Density Residential zone	5340.00 4,150.00
Other applications	1,240.00 1,380.00

SUBDIVISION CONSENTS (Initial fees)	\$
Amalgamation Certificate - fixed fee	145.00 102.00
Boundary adjustment	1,830.00 1,025.00
Controlled activity up to two lots	2,550.00 1,300.00
Controlled activity more than two lots	2,820.00 1,950.00
Engineering Review & Acceptances, Inspections and Road Naming	412.50
Other subdivision (e.g. Rural Residential, Rural Lifestyle)	2,920.00 3,200.00
Rural General subdivision	3,920.00 3,850.00
Registered Bond / release of Registered Bond (each)	145.00 102.00
Cancellation of amalgamation conditions (s241)	1,148.00 1025.00
Section 223 Certificate	145.00 140.00
Section 224(c) Certificate	290.00 250.00
Signing and Sealing other plan or certificate	145.00 102.00

MULTIPLE ACTIVITIES

Where an application includes both land-use and subdivision activities or multiple activities, only the higher or highest relevant charge is payable

OTHER APPLICATIONS / PROCESSES (Initial Fees)	
Notice of Requirement for a Designation	5,470.00 3,850.00
Alteration of Designation	3,560.00 640.00
Removal of Designation or Heritage Order	330.00 195.00
Certificate of Compliance	1,450.00 640.00
Existing Use Certificate	2,730.00 640.00

Extension of lapse period of a resource consent	840.00 640.00
Outline Plan Approval Section 176A	1340.00 640.00
Outline Plan Waivers Section 176A(2)(c)	530.00 300.00
Surrender of consent	330.00 195.00
Trees e.g. <i>trimming or removal of protected or heritage tree</i> Residential Arrowtown Historic Management zone (with supporting Arboriculturist's report)	730.00 195.00
Variation to resource consent conditions	1900.00 640.00
Private plan change	11,200.00 10,000.00
Section 357	

LOCAL GOVERNMENT ACT CHARGES (Initial Fees)		
Section 348 Right of Way certificate		660.00 512.00
Development Contribution Assessment and Estimates		hourly rate
Traffic Management Plans		125.00
Licence to Occupy		600.00
Temporary Road Closures		500.00
Corridor Access (Road Opening Permits)	< 20 m	185.00
	20-100 m	375.00
	100-500 m	560.00
	500-2000 m	750.00
	> 2000 m	1,875.00
Engineering Connection to Council Services (one connection)		280.00
Engineering Connection to Council Services (for each additional connection)		120.00
Cancellation of Building Line Restriction		330.00
OTHER APPLICATIONS / PROCESSES (Fixed Fees)		
Urban Design Panel (prior to lodging resource consent)		250.00
Urban Design Panel (post lodging resource consent)		500.00

OBJECTIONS UNDER SECTION 357A(1)(f) OR (g) REQUESTED TO BE HEARD BY AN INDEPENDENT COMMISSIONER (initial fees)	
Requested Commissioner consideration of objections under section 357A(1)(f) or (g)	hourly rate

NOTIFIED AND LIMITED NOTIFIED APPLICATIONS (Initial Fees)	
Limited Notification / Service (Section 95B)	
The charges fixed by council under section 36(1) include the following extra charge if limited notification of an application is required. The extra limited notification charge is also payable at the time of lodgement. However, where the need for notification / service is not apparent at the time of lodgement, the extra \$1,300 is payable as soon as it becomes apparent that limited notification is required.	1,480 1,300.00

Notified Applications (Section 95A or 95C) (Initial Fees)**5,110 ~~4,500.00~~**

The charges fixed by council under section 36(1) include the following extra charge if full notification of a resource consent or designation is required. The extra notification charge is payable at the time of lodgement or as soon as it becomes apparent that notification is required and is to proceed. Public notification will not occur before payment is made.

INITIAL CHARGES FOR HEARINGS (Initial Fees)

Where a hearing is required the applicant is liable to pay the costs for Commissioners attending hearings, undertaking site inspections and writing decisions as well as the cost of attendance of professional and secretarial staff.

Half Day

6,810 ~~6,000.00~~

Prior to a hearing date being confirmed, an estimate of the hearing time (including site visit) will be made and the applicant will be required to pay the appropriate hearing initial fee. If the cost of the hearing and decision writing exceeds the hearing initial fee, the additional amounts will be invoiced. If actual charges are less than the initial fee, a refund will be issued.

Full Day

12,500 ~~11,000.00~~Each
additional
day**11,020 ~~9,700.00~~**

Attachment A – Appendix C**Comparison to other Local Authorities****Building**

	BCO Rates	Admin rates
Auckland	\$160	\$95
Hamilton CC	No set hourly rate	\$84
Tauranga CC	\$199	\$127
Wellington CC	\$163.50	\$103
Christchurch CC	\$210	\$120
Selwyn DC	\$150	\$85
Dunedin CC	\$169	\$95
Metro Average	\$175	\$101
Central Otago DC	\$100	\$77
Southland DC	\$171	\$109
Local Average	\$135	\$93
Proposed QLDC	\$172	\$100

Planning

	Planner	Senior Planner	Admin rates
Auckland	149	198	105
Hamilton CC	175	190	85.50
Tauranga CC	101-151	178	100
Wellington CC	155	155	90
Christchurch CC	185	205	105
Selwyn DC	145	155	75
Dunedin CC	149	165	92
Metro Average	\$158	\$178	\$93.2
Central Otago DC	140	140	Not stated
Southland DC	120	120	120
Local Average	\$130	\$130	\$120
Proposed QLDC	\$165	\$185	\$100

**QLDC Council
23 March 2018**

Report for Agenda Item 7

Department: Property & Infrastructure

Adoption of draft Waste Management and Minimisation Plan (2018) Statement of Proposal

Purpose

- 1 The purpose of this report is to present the draft Waste Management and Minimisation Plan (WMMP) associated Statement of Proposal for adoption by the Council and to resolve to begin the Special Consultative Procedure in accordance with Section 83 of the Local Government Act 2002.

Recommendation

- 2 That Council:
 1. **Note** the contents of this report;
 2. **Adopt** the draft Waste Management and Minimisation Plan Statement of Proposal for the purposes of public consultation pursuant to Section 83 of the Local Government Act; 2002 and
 3. **Agree** that a hearing of submissions will take place as part of the hearings arranged for the 2018-2018 Draft Ten Year Plan.

Prepared by:



Deborah Lind
Manager, Strategy and Performance

16 March 2018

Reviewed and Authorised by:



Peter Hansby
GM, Property and Infrastructure

16 March 2018

Background

- 3 Queenstown Lakes District Council has a statutory responsibility to promote effective and efficient waste management and minimisation within the Queenstown Lakes District (Section 42, Waste Minimisation Act 2008 ['WMA08']). In order to do this, the Council is required to adopt a waste management and minimisation plan ['WWMP'] under Section 44 of the Act.

- 4 Section 44 sets out the statutory requirements which must be followed when preparing, amending or revoking plans:

In preparing, amending, or revoking a waste management and minimisation plan, a territorial authority must—

(a) consider the following methods of waste management and minimisation (which are listed in descending order of importance):

(i) reduction

(ii) reuse

(iii) recycling

(iv) recovery

(v) treatment

(vi) disposal

(b) ensure that the collection, transport, and disposal of waste does not, or is not likely to, cause a nuisance; and

(c) have regard to the New Zealand Waste Strategy, or any government policy on waste management and minimisation that replaces the strategy; and(d)

have regard to the most recent assessment undertaken by the territorial authority under section 51; and

(e) use the special consultative procedure set out in section 83 of the Local Government Act 2002 and, in doing so, the most recent assessment undertaken by the territorial authority under section 51 must be notified with the statement of proposal.

- 5 A Solid Waste Analysis Protocol (SWAP) was commenced in August 2016 as a precursor to the Waste Assessment (WA) required under the WMA08. The current WMMP 2011 was due for review by December 2017.
- 6 The WA and WMMP commenced preparation in February 2017, working with a Stakeholder Working Group, which included representatives from elected members, service providers and contractors, Council officers, specialist solid waste consultants and Central Otago District Council (due to the shared landfill at Victoria Flats).
- 7 QLDC's Infrastructure Committee were briefed in workshops throughout the development of the Plan.
- 8 The draft WMMP was completed in July 2017 and the QLDC Executive Leadership Team endorsed in August 2017 that the Plan was consulted on as part of the Ten Year Plan (TYP) to enable efficiency of consultation and alignment with the TYP funding plan.
- 9 In delaying consultation to align with the TYP, the Ministry for the Environment provided guidance to ensure statutory obligations were met under the WMA08.
- 10 Public Health South were consulted on the draft WMMP over a six-month period and it was endorsed by the Medical Officer of Health in February 2018.

- 11 This report presents the draft WMMP Special Consultative Procedure ['SCP'] for the Council's adoption in order to commence consultation in parallel to the 10-Year Plan.
- 12 Further background including vision, goals, objectives, measures, preferred programme of initiatives (existing services and a focus on glass recycling and organics diversion from landfill) can be found in the draft WMMP document (attached) and a summary in the Statement of Proposal (attached).

Options

- 13 Option 1: Status Quo – proceed to adopt the WMMP without an SCP

Advantages:

14 None

Disadvantages:

15 Will be in breach of:

- a. WMA08, potentially impacting on the waste levy funding received from the Ministry for the Environment;

16 Potential mis-alignment of 10-Year Plan and WMMP if consulted on separately, creating funding and implementation challenges of the WMMP.

- 17 Option 2: Adopt the WMMP SCP

Advantages:

18 Meets QLDC's legislative requirements and enables the community to engage in active consultation, resulting in a WMMP aligned with community expectations and the 10-Year Plan.

Disadvantages:

19 None

- 20 This report recommends **Option 2** for addressing the matter because it meets legislative requirements.

Significance and Engagement

- 21 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because consultation is required by law.

Risk

- 22 This matter relates to the strategic risk SR3 - Management Practice - working within legislation as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because failure to meet the requirements

of the Waste Minimisation Act 2008, would result potentially in the suspension of waste levy payments made to QLDC by the Ministry for the Environment.

23 The recommended option considered above mitigates the risk by terminating the risk, by undertaking a special consultative procedure in order to adopt the WMMP.

Financial Implications

24 The operational and capital expenditure requirements of implementing the WMMP have been included in the 10-Year Plan 2018-28 and will be consulted on in parallel.

25 Funding is available in the 2017-18 financial year to undertake the special consultation (Project No: 550 –‘Waste Minimisation Management Plan’).

Council Policies, Strategies and Bylaws

26 The following Council policies, strategies and bylaws were considered:

- WMMP 2011

27 The recommended option is consistent with the vision, principles and objectives set out in the previous WMMP.

28 This matter is included in the 10-Year Plan/Annual Plan.

Local Government Act 2002 Purpose Provisions

29 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by continuing to have a Plan to provide solid waste services;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan and provisions have been made in the draft 10-Year Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council. [Note: this applies to the SCP; the outputs of the WMMP once adopted may have significance. However, the WMMP will be consulted on in the 10-Year Plan and future consultation will be undertaken as required under the Local Government Act and WMA08].

Consultation: Community Views and Preferences

30 The persons who are affected by or interested in this matter are all residents and ratepayers of the Queenstown Lakes District community.

- 31 The Council has a statutory obligation to consult using the Special Consultative Procedure when adopting or amending a WMMP. Accordingly, the following dates are the key milestones in the consultation programme:

Friday, 23 March 2018	Council adopts the draft WMMP and resolves to follow the special consultative procedure
Friday, 23 March 2018	Statement of Proposal and draft WMMP are made available at council offices, libraries and online.
From Saturday, 24 March 2018	Advertisements in the <i>Mirror</i> , <i>Wanaka Sun</i> , <i>Otago Daily Times</i> and <i>Lakes Weekly Bulletin</i>
Monday, 30 April 2018	Submissions close at 5pm.
Thursday, 17 May 2018	Submissions heard by full Council (1pm)
Thursday, 28 June 2018	Council considers outcome of consultation process and adopts the WMMP including revisions arising from the consultation.

Legal Considerations and Statutory Responsibilities

- 32 Queenstown Lakes District Council has a statutory responsibility to promote effective and efficient waste management and minimisation within the Queenstown Lakes District (Section 42, WMA 08). In order to do this, the Council is required to adopt a WWMP under Section 44 of the Act.

- 33 Section 44 of the Waste Minimisation Act sets out the statutory requirements which must be followed when preparing, amending or revoking plans, including:

*“e) use the special consultative procedure set out in section 83 of the **Local Government Act 2002** and, in doing so, the most recent assessment undertaken by the territorial authority under section 51 must be notified with the statement of proposal.”*

Attachments

- A Statement of Proposal Draft Waste Management and Minimisation Plan
- B Draft Waste Management and Minimisation Plan 2018



STATEMENT OF PROPOSAL

DRAFT WASTE MANAGEMENT AND MINIMISATION PLAN

Introduction

This statement of proposal has been prepared as part of the Special Consultative Procedure in accordance with section 83 of the Local Government Act 2002 and part 4, sections 44 and 50 of the Waste Minimisation Act 2008 (WMA).

Queenstown Lakes District Council (the Council) is consulting on a new and improved Waste Minimisation and Management Plan (WMMP). This sets out how rubbish and recycling will be dealt with across the district, covering everything from household refuse through to organic (food and garden) waste and everything in between.

The WMMP is a guiding document which identifies Council's vision, goals, objectives, targets and methods for achieving effective and efficient waste management and minimisation. It also provides information on how Council intends to fund the activities of the WMMP over the next six years.

Why is the council proposing a new plan?

The Council has a statutory responsibility to "*promote effective and efficient waste minimisation*" and, for this purpose, to "*adopt a waste management and minimisation plan*" (WMA 2008). The WMA also requires the Council to carry out a Waste Assessment (WA) and a review of the current WMMP.

Progress against the 2011 WMMP action plan has been reviewed and the Council has identified waste issues that need to be further addressed. There are significant opportunities to reduce the amount of organics and glass going to landfill.

A realistic, targeted programme is required to more effectively deliver waste minimisation goals and objectives. This new WMMP presents the Council's preferred option to achieve that aim.

What is the council proposing in the new plan?

Working together, the Council and the community can achieve more effective and efficient waste management and minimisation in the District. To guide that approach, the Council is proposing the following vision, goals, objectives and targets. Together these form the strategy for Council's WMMP.

Our vision for the future continues to be:

Towards Zero Waste and a Sustainable District

Developed in the context of the New Zealand Waste Strategy 2010, this WMMP's goals remain:

- Goal 1: Reducing the harmful effects of waste
- Goal 2: Improving the efficiency of resource use.

The aim of these two goals is to "*provide direction to the council, businesses (including the waste industry), and communities on where to focus their efforts in order to deliver environmental, social and economic benefits to all New Zealanders*". Council has also considered the waste minimisation hierarchy of reduce, reuse, recycle, recover, treatment and disposal.

This WMMP contains objectives, policies and methods that provide the Council with tools to reach the goals and vision. The WMMP objectives are listed below.

Objectives applicable to goal 1 - Improving the Efficiency of Resource Use:

Objective 1: Provide and support opportunities to minimise waste through reduction, reuse, recycling and recovery (in priority order)

Objective 2: Educate and support generators (residents, visitors, and businesses) with options and responsibilities

Objectives applicable to goal 2 - Reducing Harmful Effects of Waste:

Objective 3: Avoid or mitigate any adverse effects on public health or the environment

Objective 4: Provide effective and efficient waste minimisation and management services supported by the right funding mechanisms

Through this WMMP, the Council will aim to make existing services more cost-effective, and will ensure that any increases to levels of services are affordable. As far as practicably possible, services will be made accessible to the majority of the District.

Proposed in the new WMMP is an increased focus on recycling, particularly with regards to glass and organics. It retains status quo programmes, and current education and regulation, whilst providing more waste minimisation services and facilities that target organics and glass.

Construction and demolition waste (including timber and rubble) is also a focus for QLDC due to the current construction boom in the district. QLDC made an assessment that it would be difficult to focus on both organics and construction and demolition waste in the next six years, and chose to focus on organics because there will continue to be a steady stream of organics that need to be managed long term.

This WMMP programme is proposed on the basis of:

- an estimated decrease of waste to landfill of around 19% over 10 years
- Council has more influence to make change with residential waste (organics)
- the construction sector may slow down whereas organics will continue to grow
- the programme complements Council's biosolids strategy
- construction and demolition minimisation opportunities can still be explored by the private sector which Council would support where possible
- glass recycling has community support
- the programme continues with existing education and regulation
- existing waste minimisation initiatives will continue
- this programme aligns with other NZ and overseas Councils waste strategies e.g. Auckland, Christchurch and Vancouver who are leading the way in organics recycling

How will the council implement and fund the plan?

The Council will implement this WMMP's proposed waste management and minimisation activities via:

- Service provision - providing or facilitating the provision of waste management or minimisation service
- Governance - further investigating demand and cost effectiveness of services and options, either alone or in collaboration with other councils or private sector parties

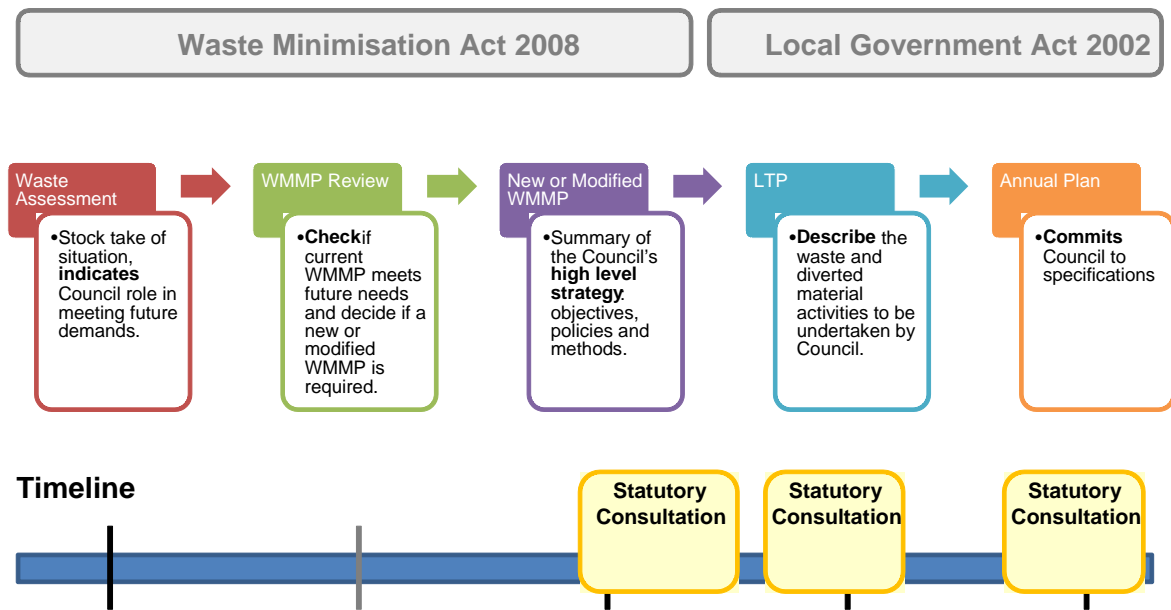
- Regulation - using legal mechanisms to facilitate or promote waste management and waste minimisation e.g. bylaws and District Plan rules
- Community leadership - providing information and promoting awareness and involvement in waste management and waste minimisation activities
- Advocacy - promoting actions to address waste reduction and waste management issues which are outside the Council's direct control e.g. advocate for appropriate legislation, product stewardship, standards and guidelines to the Regional Council and the Government
- Financier - investing in initiatives that facilitate waste management and minimisation activities, e.g. grants and subsidies, developing a waste minimisation industry cluster

The action plan will be funded using the suite of tools available to Council in the delivery of solid waste services:

- General rate
- Targeted rate
- Fees and charges (including gate fees, licensing fees, user charges)
- Subsidies and grants
- Private investment
- Debt (if required).

Waste disposal levy money received by the Council will be spent on matters to promote or achieve waste minimisation as set out in the WMMP and in accordance with the Waste Minimisation Act 2008 section 32.

The diagram below illustrates the statutory planning requirements that the Council is required to follow for its WMMP and Long Term Plan (LTP) processes.



Distribution

This Draft WMMP is available upon request at all council offices, libraries and online at www.qldc.govt.nz.

Timetable for Consultation

The following dates represent the key times in the consultation programme:

Friday, 23 March 2018	Council adopts the draft WMMP and first resolution of the special consultative procedure
Friday, 23 March 2018	Statement of Proposal and draft WMMP are made available at council offices, libraries and online.
From Saturday, 24 March 2018	Advertisements in the Mirror, Sun, Lakes Weekly Bulletin, Otago Daily Times
Monday, 30 April 2018	Submissions close 5 PM.
Thursday, 17 May 2018	Submissions heard by full Council (1pm).
Thursday, 28 June 2018	Council considers outcome of consultation process and adopts the WMMP including revisions arising from the consultation.

Right to make submissions and be heard

Any person or organisation has a right to be heard in regard to this proposal and the Council would encourage everyone with an interest to do so.

Submissions can be made online (preferred), or addressed to the Strategy & Performance Manager, Queenstown Lakes District Council, 10 Gorge Road, Private Bag 50072, Queenstown no later than 5 PM on Monday 30 April 2018.

Your submission and name will become a public document but contact details will remain confidential

The Council will convene a hearing, which it intends to hold on Thursday 17th May 2018, at which any party who wishes to do so can present their submission in person.

Equal weight will be given to written and oral submissions.

The Council will permit parties to make oral submissions (without prior written material) or to make a late submission, only where it considers that special circumstances apply.

Every submission made to the Council will be acknowledged in accordance with the Act, will be copied and made available to the public, and every submission will be heard in a meeting, which is open to the public.

Section 82 of the Local Government Act sets out the obligations of the Council in regard to consultation and the Council will take all steps necessary to meet the spirit and intent of the law.

Mike Theelen
CHIEF EXECUTIVE

Thursday, 23 March 2018



**Draft Waste Management and
Minimisation Plan 2018
Consultation Document**

March 2018

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Part A

Foreword

The Queenstown Lakes District is world renowned for its clean mountain air, stunning landscaped and crystal clear water.

Indeed, this is why it's such a popular place to live and explains why we continue to be the fastest growing area in New Zealand.

Unsurprisingly, sustainability and how we deal with our waste are issues our community are passionate about.

Waste management is something that is only going to grow in importance as our population increases, and it's something this Council takes very seriously.

Our preferred option for our Waste Management and Minimisation Plan (WMMP) certainly reflects this and will guide how we approach waste management, and arguably more importantly, waste minimisation for the next six years.

QLDC has a good track record when it comes how we deal with our rubbish, but there is always room for improvement – glass recycling in the Wakatipu being an obvious issue, alongside how we deal with organic waste.

As many locals will know, at present glass collected in the Wakatipu roadside recycling collection is sent to the landfill, because it's low value and inability to be sold. Under the new plan we aim to change how glass is collected to get consistency across the district, whilst improving our ability to recycle glass.

An increased focus on organics recycling is also particularly important to deal with the high volume of organic waste currently going to landfill. This could be expanded in time to include kerbside organic recycling and would support QLDC's current discounted composting options available to ratepayers.

Council genuinely wants to know what you think about our WMMP, so please take the time to read through this document and make a submission on our website.

I sincerely look forward to helping put this plan into action.

Kind Regards

Jim Boulton

1 Introduction

Queenstown Lakes District Council (Council) has a statutory responsibility to promote effective and efficient waste management and minimisation within the Queenstown Lakes District (Section 42, Waste Minimisation Act 2008 (WMA)). In order to do this, the Council is required to adopt a waste management and minimisation plan (WMMP) under Section 43 of the Act.

This WMMP is a guiding document which identifies Council's vision, goals, objectives, targets and methods for achieving effective and efficient waste management and minimisation. It also provides information on how Council intends to fund the activities of the WMMP over the next six years.

In addition to the legislative framework in which this WMMP has been developed, it has also been developed in the context of the New Zealand Waste Strategy 2010 (NZWS) and its two goals of:

- Goal 1: Reducing the harmful effects of waste
- Goal 2: Improving the efficiency of resource use.

Council has also considered the waste minimisation hierarchy of reduce, reuse, recycle, recover, treatment and disposal in the development of this WMMP.

This WMMP should be read in association with Council's Waste Assessment (WA) which is attached as Appendix A to this WMMP.

DRAFT

2 Vision, goals, objectives and targets

Working together, Council and the community can achieve more effective and efficient waste management and minimisation in the District. Council is proposing the following vision, goals, objectives and targets. Taken together these form the strategy for Council's WMMP.

2.1 Vision for the future

Our vision for the future is:

"Towards zero waste and a sustainable district"

2.2 Goals, objectives and targets

The goals that we will use are those from the New Zealand Waste Strategy:

- Improving the efficiency of resource use
- Reducing harmful effects of waste.

2.2.1 Our objectives

Our objectives to meet our goals are:

Table 1 Objectives

Goals	Objectives:
Goal 1: Improving the Efficiency of Resource Use	Provide and support opportunities to minimise waste through reduction, reuse, recycling and recovery (in priority order)
	Educate and support generators (residents, visitors, and businesses) with options and responsibilities
Goal 2: Reducing Harmful Effects of Waste	Avoid or mitigate any adverse effects on public health or the environment
	Provide effective and efficient waste minimisation and management services supported by the right funding mechanisms

2.2.2 Our targets

Council measures performance through the Long Term Plan and Annual Plan. Proposed measures for the LTP 2018 are:

Measure	Comment
Total waste to landfill (T/Year)	Existing measure adjusted for total volume
Total waste diverted (T/Year)	Existing measure adjusted for total volume
Consent Compliance (%)	Existing measure
Customer Satisfaction (%)	Existing measure

The adopted programme will determine the targets.

3 The waste situation

3.1 Overview of existing waste management and minimisation infrastructure and services

A summary of the current services provided by Council and non-council providers is outlined below. For a detailed description of Council and non-council solid waste services, refer to Appendix 2 - Waste Assessment.

3.1.1 Services provided by Council

Council waste services and facilities include:

- Kerbside refuse collection using council approved bags and wheelie bins
- Rural refuse collection points
- Kerbside recycling collection
- Rural recycling drop off facilities
- Transfer stations - Frankton (Queenstown) and Wanaka – acceptance of waste and acceptance, sorting and storage of recyclable materials, public drop off facilities for recycling and green waste, tyres and scrap metal
- Wakatipu Recycling Centre - Material Recovery Facility operated by Smart Environmental Ltd under Build Own Operate and Transfer contract. Owned and operated by Smart Environmental on a site owned by Council
- Victoria Flats landfill – owned by Queenstown Lakes District Council, operated by SCOPE under Build Own Operate and Transfer contract. Accepts waste from the Queenstown Lakes and Central Otago Districts.
- Rural greenwaste drop off points in Glenorchy, Kingston, Luggate, Hawea and Makorara
- Hazardous waste drop off services for residential quantities of hazardous waste at the Frankton transfer station
- Biosolids disposal / processing
- Provision and servicing of litter bins and public place recycling bins
- Waste minimisation education/initiatives and programmes
- Inorganic collections in Glenorchy, Makarora and Kingston
- Subsidised home composting initiative “Bokashi” Bins
- Monitoring and maintenance of nine closed landfills.

3.1.2 Non-council provided services and facilities

Private companies continue to provide user charges services to meet additional requirements of the community. The following services are known to be provided:

- Private collection services for refuse and recycling for residential and commercial customers, including skip bin services for construction and demolition waste
- Collection of divertible material – recyclables and green waste, including soft plastics and bottle banks
 - by private companies
 - by community groups/enterprise

- Cleanfill sites
- Wanaka Wastebusters – recycling resale shop

3.2 Public health protection

The range of public and private waste services in the Queenstown Lakes District and Otago Region ensures public health will be adequately protected in the future. Council owns a landfill that is currently meeting its needs. The community currently has adequate access to council or privately-owned drop-off and collection services for refuse, recycling, greenwaste, hazardous waste and litter, but further waste minimisation is achievable as outlined in this Plan. This plan proposes services for better waste minimisation.

In its feedback on the Queenstown Lakes District Council Waste Assessment, the Southern District Health Board stated that following the review of the draft plan in 2017, Public Health South requested further information on: the life of the landfill, the desirability of increasing the amount of diverted construction and demolition waste; the inclusion of timeframes/targets for proposed actions and the importance of ongoing evaluation. Further explanation as to why business case option 6 was the preferred option was also suggested. This feedback has been considered in the development of this plan.

3.3 Summary of the volume and composition of waste and diverted materials

Extrapolating from the 2016 Solid Waste Analysis Protocol audit (SWAP) the Council is currently sending approximately 33,748 tonnes (t) of waste to the Victoria Flats landfill per year. Around 22,412t is from transfer stations, 2,132t is from Council kerbside collections, 2,652t is glass from the Wakatipu Recycling Centre and 5,044 from general waste. More detailed information about the district's waste and its composition is provided in the Appendix A - Waste Assessment.

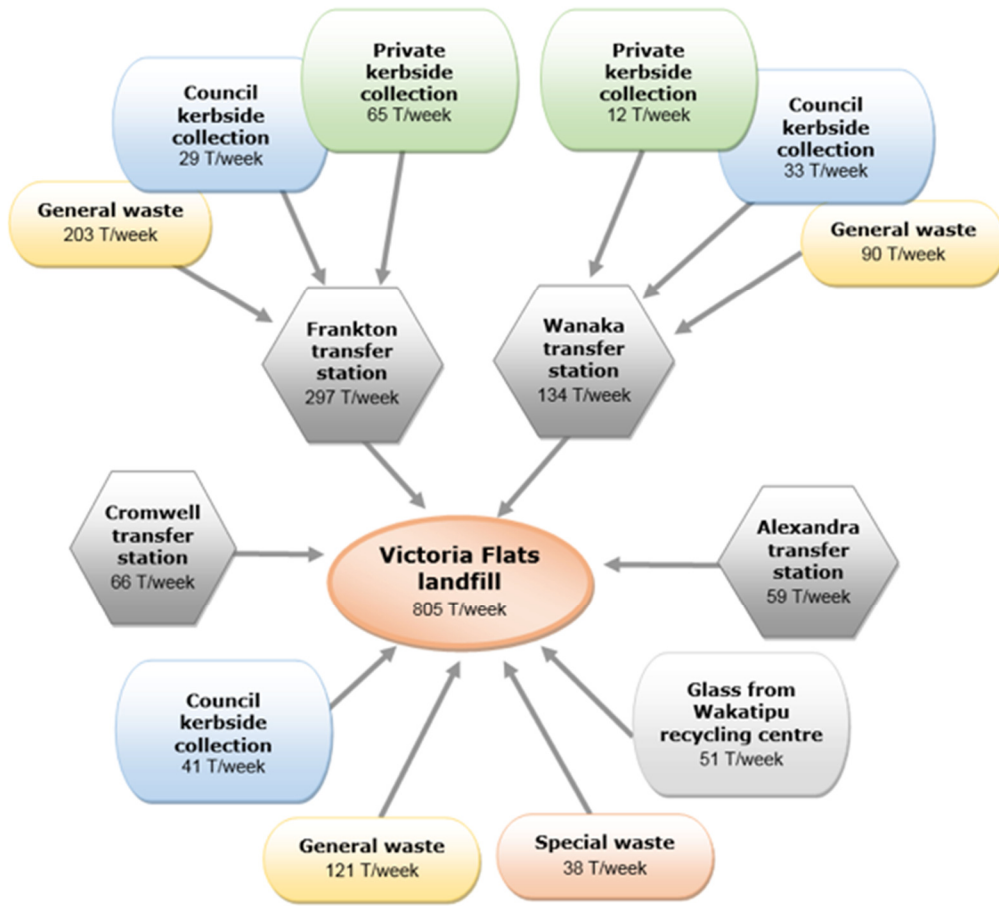


Figure 1 Victoria Flats landfill waste flows – July and August 2016 (2016 SWAP)

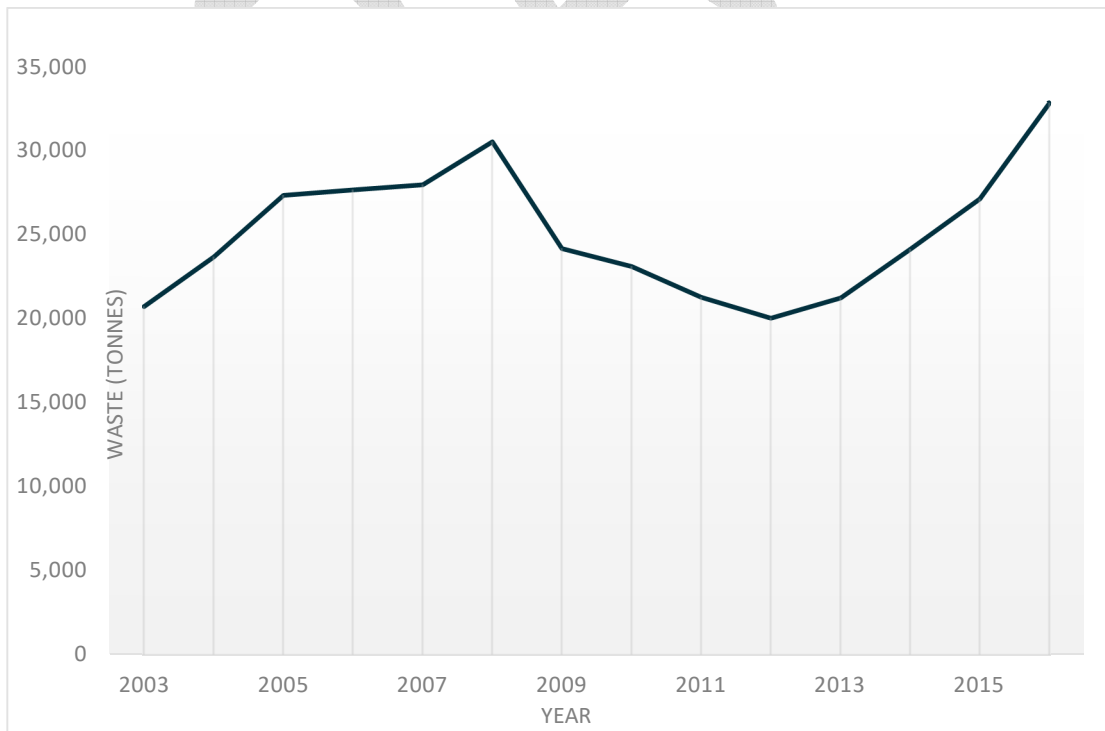


Figure 2 Waste quantities (tonnes) sent to Victoria Flats landfill from Queenstown Lakes District 2003-2016

Figure 2 shows the amount of waste generated by the Queenstown Lakes District that is disposed at the Victoria Flats landfill. From 2003 to 2008 there was an increase in the amount of waste going to the landfill, however, this

dropped back to just under 2003 levels in 2012 as a result of a slowdown in economic activity following the Global Financial Crisis. Since 2012 there has been a steady increase in waste from the District going to the landfill, and in 2016 it is at its highest recorded. This increase aligns with the significant growth (currently~10% per annum) experienced in the District, the recent landfilling of glass and the 100,000+ visitors to the district in 2015/16.

The landfill has capacity to around 2045 and is not an immediate driver for this Plan. The focus is to improve the efficiency of resource use and reduce the harmful effects of waste to move towards zero waste and a sustainable district.

Council has a target in its current Long Term Plan (2015) to reduce the amount of residential waste to landfill per resident head of population from a baseline of 188kg (June 2014) to less than 160kg for the 2016/17 financial year, and reducing again to 155kg in the 2017/18 financial year. However, there was an increase in residential waste to landfill in 2015/16 to 258kg. This can be explained by the recent landfilling of glass and as a result of the 100,000+ visitors to the district in 2015/16. In no way can this be attributed solely to the resident population. Therefore more representative targets to track performance are proposed in the LTP18.

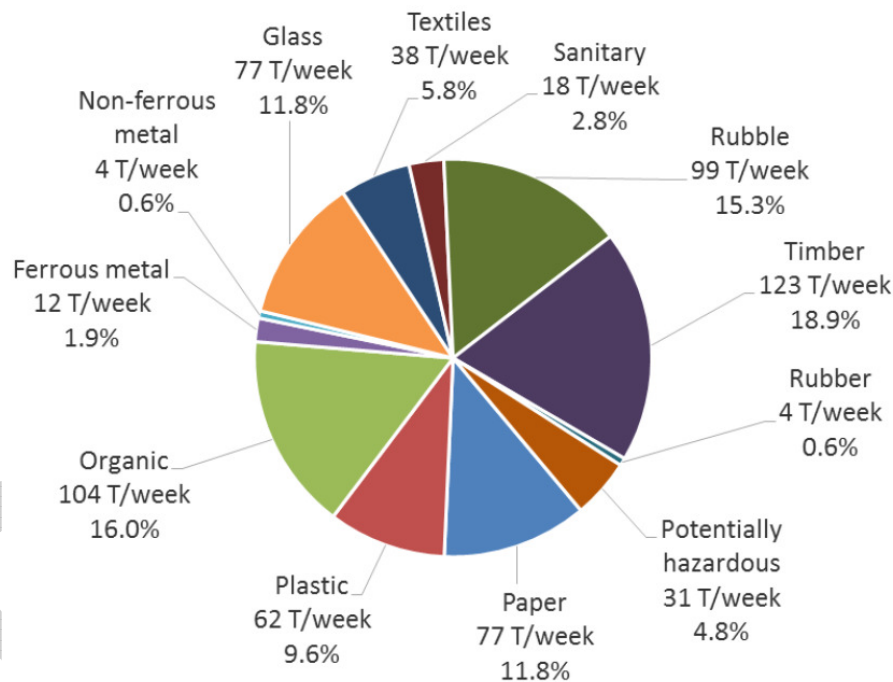


Figure 3 Primary composition of Victoria Flats landfill waste from Queenstown Lakes District (from 2016 Survey report)

Figure 3 gives the waste composition breakdown of the types of waste entering the Victoria Flats landfill from the Queenstown Lakes District. Timber was the largest component with 18.9% of the total by weight. Organic material was the next highest component at 16%, and rubble close behind at 15.3% of total weight.

3.3.1 Diverted material

Diverted materials are those predominantly from kerbside recycling collection services, from drop off facilities for recycling and green waste and, re-use shops. The Annual Report 2015/2016 indicates that diverted from landfill increased from 226kg to 260kg per head of population from 2014/15 to 2015/16.

Figure 4 shows the percentage of waste diverted. The figures prior to 2011/12 are taken from the 2012 Asset Management Plan (AMP). The underlying waste tonnage figures in the 2012 AMP were taken from different sources, however the historical figures still provide some comparison with the last five years.

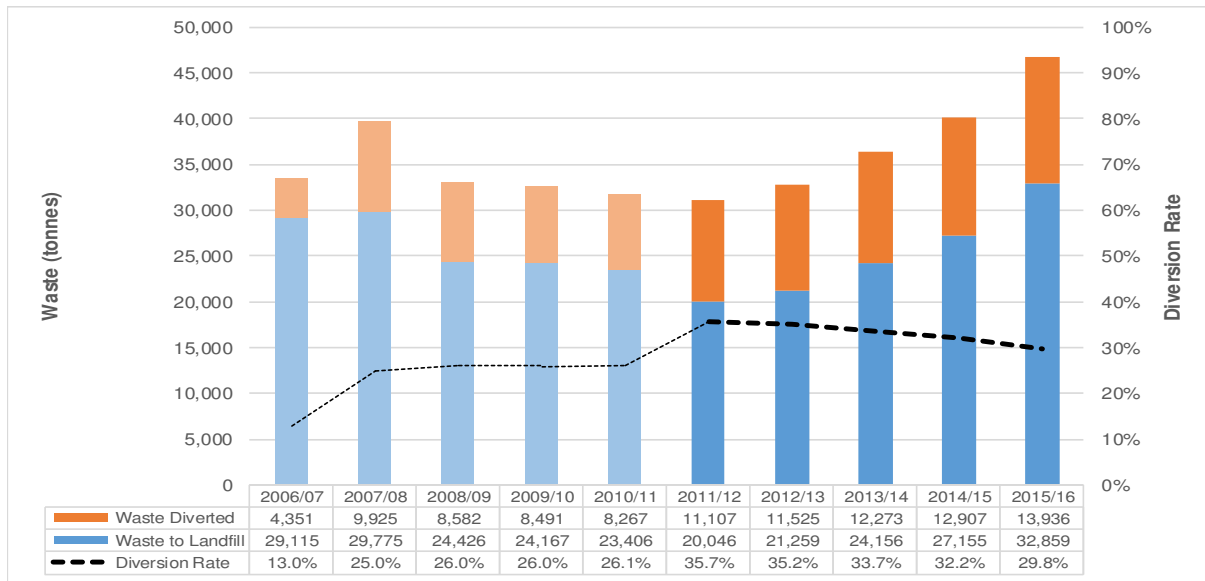


Figure 4 Queenstown Lakes District waste generated and waste diversion rate

Figure 4 shows that the amount of waste diverted has increased in recent years, however the total amount of waste generated has increased at a greater rate. This has resulted in a decrease in the diversion rate over the last five years. The SWAP has identified that there is potentially 53% of divertable material across the waste streams which presents a significant opportunity for Council to reduce divertable material going to landfill.

3.3.2 Sewage Treatment Residuals

The sludge from Council's waste water treatment plants is currently taken to AB Lime's landfill in Southland. Council is exploring other options to dispose of sludge and is currently trialling a vermicomposting solution as an alternative means of dealing with the sludge. The end product from the vermicomposting would be a soil conditioner that could be applied to land being used to produce hay or silage. Vermicomposting also uses green waste, food waste and cardboard. A solar drying facility near Luggate is expected to be operational in 18 to process Wanaka's sludge into a biosolids for land application.

3.3.3 Forecast of future demand

The Queenstown Lakes District is one of the fastest growing parts of the country. Total waste in the District is expected to increase due to high population, visitor and economic growth. Queenstown Lakes District also has a significant rural area. As the population increases so does the demand for waste and diversion services. Capacity improvements for the waste facilities will be required to accommodate the expected increase of both waste and diverted materials, or alternative facilities will need to be identified.

Population growth increases demand for waste services. Visitor and economic growth will increase demand for commercial collections and increased demand on Council and private facilities, including transfer stations and the

Victoria Flats landfill.

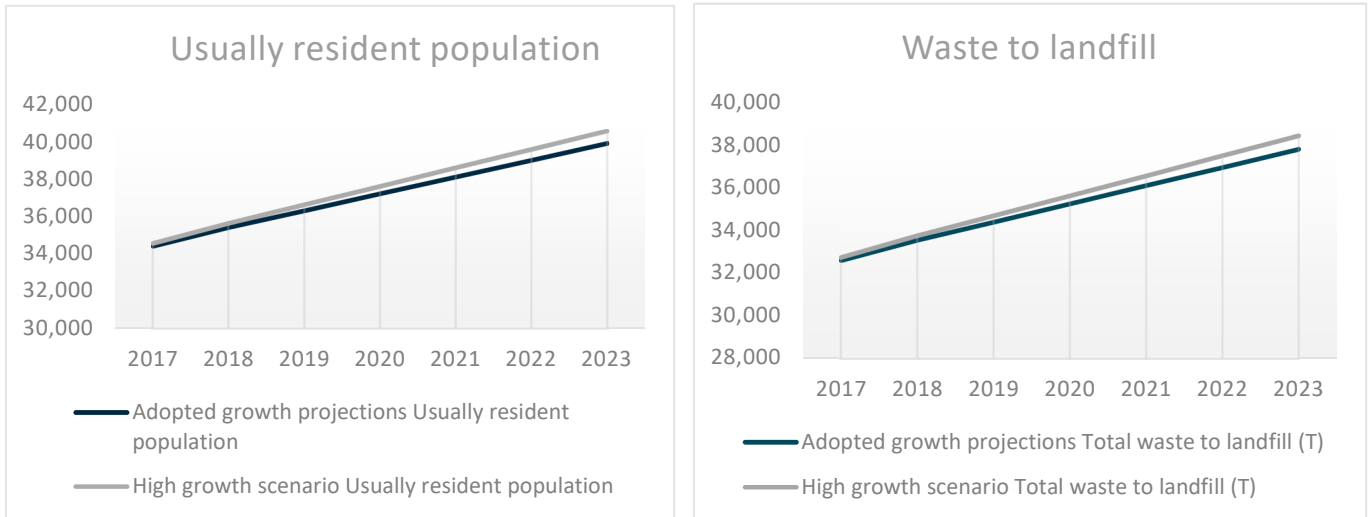


Figure 5 Projected Population and Waste to landfill comparison

3.4 Cost of the current level of service

Council provides its waste services and facilities at an annual cost of \$7,802,727 (FY2015/16). Funding is predominantly provided through general and targeted rates and user charges. Solid waste accounts for 7% of Council's total operating costs and 4.4% of Council's rates funding.

Due to growth it is anticipated that the current level of service will cost \$9,407,982 (FY2017/18).

Table 2 Council services currently provided and their funding methods

Council Service	Funding Methods
Waste minimisation education/initiatives and programmes	Targeted rate / Waste levy
Kerbside collection of waste (bags)	User charges
Kerbside collection of recyclables	Targeted rate
Supply and service of rural recycling drop off facilities	General rate
Promotion of home composting and rural green waste drop off points	User charges / General rate / Waste levy
Hazardous waste drop off services at the Wakatipu Transfer Station	General rate / User charges
Biosolids disposal/processing	General rate
Victoria Flats landfill	User charges
Transfer Stations and public drop off facilities and green waste	General rate / User charges
Provision of public litter bins and removal of illegal dumping	General rate / Targeted rate
Monitoring and maintenance of closed landfills	General rate

4 Policies, plans and regulation

There is a clear legislative and policy framework within which the Council provides waste services and facilities within its District. A summary of the framework and legislation is outlined below (Figure 6), however a full list of the legislation, plans and regulations that create the waste framework within which this WMMP is based, is included in Appendix B.

Key legislation affecting waste is:

- Waste Minimisation Act 2008
- Local Government Act 2002
- Resource Management Act 1991
- Climate Change Response Act 2002 (Emissions Trading)
- Litter Act 1979
- Health Act 1956.

While the Waste Minimisation Act sets out the legislative requirements regarding waste, the New Zealand Waste Strategy 2010 (NZWS) provides the government's strategic direction for waste management and minimisation in New Zealand. The goals of this WMMP replicate those from the NZWS.

Local, regional and national plans and policies affect the Council's provision of waste and diverted material services. Primarily, they are requirements under the WMA and the Local Government Act 2002.

4.1 Other relevant documents

The Council and the Otago Regional Council have a number of other strategic documents that are integral to waste management, including:

- Proposed Regional Policy Statement for Otago (currently under appeal, including provisions relating to waste)
- Otago Regional Policy Statement 1998 (Operative)
- Queenstown Lakes District Council Long Term Plan 2015-2025 (note the 2018-2028 Plan will be informed by this WMMP).

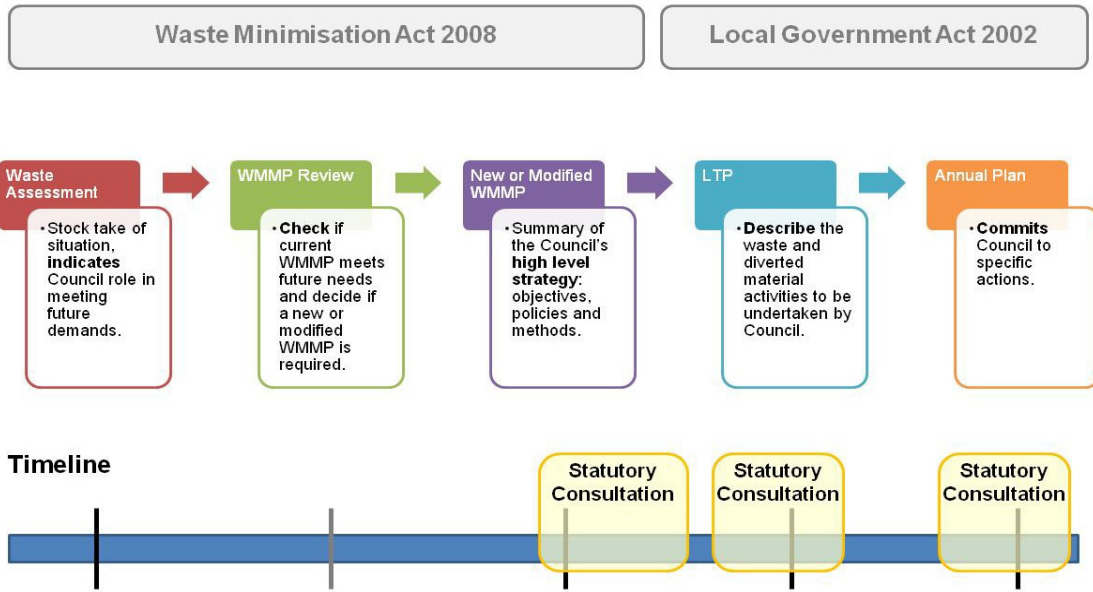


Figure 6 Statutory planning sequence

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5 Proposed methods for achieving effective and efficient waste management and minimisation

5.1 Council's role

In undertaking this WMMP Council has considered what options are available for it to achieve effective and efficient waste management and minimisation to meet future demands for services and facilities.

The role of the Council includes:

Service provision	Providing or facilitating the provision of waste management or waste minimisation service
Governance	Council further investigating demand and the cost effectiveness of services and options to meet demand, either alone or in collaboration with other councils or private sector parties
Regulation	The Council using a legal mechanism to facilitate or promote waste management and waste minimisation e.g. bylaws and District Plan rules
Community leadership	Providing information and promoting awareness and involvement in waste management and waste minimisation activities
Advocacy	Promoting actions to address waste reduction and waste management issues which are outside the Council's direct control e.g. advocate for appropriate legislation, product stewardship, standards and guidelines to the Regional Council and the Government
Financier	Investing in initiatives that facilitate waste management and minimisation activities, e.g. grants and subsidies, developing a waste minimisation industry cluster

In providing waste management and minimisation services, the Council will aim to make existing services more cost-effective and ensure that any increases to levels of services are both cost-effective and affordable. The Council will, as far as practicably possible, make services accessible to the majority of the District.

5.2 Waste management and minimisation – preferred programme

Council has reviewed progress against the previous WMMP action plan and has identified waste issues that need to be addressed. The waste data from the SWAP shows that there are significant opportunities to reduce the amount of organic, glass and construction and demolition material going to landfill. Rather than have an ad-hoc approach to dealing with waste issues, Council has decided to have a realistic, targeted programme that can more effectively deliver our goals and objectives.

In looking at the options to address waste issues and to select which targeted areas Council should focus on, a Waste Management and Minimisation Programme Business Case (PBC) approach was used to identify a preferred programme of work.

A Stakeholder Working Group (SWG) identified and assessed seven different programmes of work. The SWG contained representatives from elected members, contractors, waste minimisation service providers, Council officers and Central Otago District Council (due to the shared landfill).

Each of the seven programmes identified strategic areas and intervention options to address waste issues. Through the business case seven programmes of work were considered from ‘Do Minimum’ (Programme 1) through to “Aspirational” (Programme 7). Each was assessed for alignment with the vision, goals and objectives, affordability and ease of implementation.

A summary of the status quo compared with the preferred programme is shown in Table 3 below. The full assessment of all programmes is contained in the Waste Assessment in Appendix A.

Table 3 Programme Business Case – Preferred Option

Programme 1	Programme 6 – Preferred Programme “Focus on glass and organics”
Status Quo	<ul style="list-style-type: none"> • Retain status quo programmes • Retain current education and regulation • Provide more waste minimisation services and facilities that target organics and glass

In choosing Programme 6 the key deciding factors were:

- the programme estimates around 19% decrease of waste to landfill over 10 years
- Council has more influence to make change with residential waste (organics)
- the construction sector may slow down whereas organics will continue to grow
- the programme complements Council’s biosolids strategy
- construction and demolition minimisation opportunities can still be explored by the private sector which Council would support where possible
- glass recycling has community support
- the programme continues with existing education and regulation
- existing waste minimisation initiatives will continue
- this programme aligns with other NZ and overseas Councils waste strategies e.g. Auckland, Christchurch and Vancouver who are leading the way in organics recycling

The options assessed in the PBC also address other identified waste issues in the District. Table 4 below provides a summary of district wide issues and how Council’s preferred option will deal with each issue. The full-preferred programme is shown in Table 5.

Table 4 Summary of district specific issues and the preferred option to respond to each issue

#	Issue	Preferred option to respond to issue
1.	Glass is going to landfill rather than being recycled	Introduce change to get consistency between Wards and change glass recycling methodology to increase quality, quantity and yield.
2.	High volume and increasing proportion of construction and demolition waste going to landfill	Support and enable private operators in relation to a construction and demolition facility where practicable.
3.	Biosolids disposal	Continue with the vermicomposting trial and Project Groundswell solar drying facility
4.	High volume of organic waste going to landfill	Provide an organic waste processing facility. It is expected facility will process biosolids initially with the addition of other organic wastes and cardboard in time. Investigate and implement kerbside organic waste collection if feasible – Stage 2
5.	Impact of tourists/visitors generating high volumes of unseparated waste that is resulting in recyclables going to landfill	Continue to prepare documents for visitors that explain waste minimisation opportunities and consumer responsibilities.
6.	High proportion of paper and plastics going to landfill	Education and communication to residents, visitors and businesses about how to recycle right.
7.	How to manage permitted activity cleanfill sites	Maintain a watching brief on cleanfill sites.
8.	Lack of capacity of the Wakatipu Transfer Station and Wakatipu Recycling Centre to meet future demand	Continue to monitor the capacity of waste facilities, upgrade facilities as required and search for alternative disposal options should the capacity decrease below a safe future-proof level.
9.	The location of public place litter and recycling bins and frequency of clearing	Provide public recycling bins alongside litter bins where practical and cost effective. Review the need for a solid waste bylaw to support public place waste management.
10.	Challenges in the accessibility to collect waste from the CBD and multi-unit developments (MUDs)	Review methodology for collection services across the district including the CBD and MUDs. Review the need for a solid waste bylaw to support proposed collection methodologies.
11.	There will be increased landfill disposal costs due to the phasing out of the one-for-two transitional measures of the Emissions Trading Scheme which commenced on 1 January 2017	Provide waste diversion services to reduce this cost implication.

Part B

1 Action Plan

1.1 Action Plan

The proposed action plan shows how Council's proposed actions address the key issues, when they will be implemented and how the activities will be funded.

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Table 5 Proposed WMMP Action Plan – showing both existing and new actions

Objective	Action	New/ existing	Implementation timeframe	Funding source
1. Provide opportunities to minimise waste through reduction, reuse, recycling and recovery (in priority order)	Operate the transfer station and recycling centre facilities through a contractual agreement that optimises the separation of diverted material in terms of quality and the cost of providing the service	Existing	Ongoing	General rate
	Continue with council-provided recycling collection service for urban households	Existing	Ongoing	Targeted rate General rate
	Implement a change to glass recycling methodology to increase quality, quantity and yield and introduce consistency between Wards	New	Short term	Targeted rate General rate
	Enforce existing event waste management regulatory provisions	Existing	Ongoing	General rate
	Continue to provide organic waste drop-off facility and mulching at transfer stations	Existing	Ongoing	General rate User charges
	Introduce council-provided organic waste collection service for urban households	New	Long term	Targeted rate General rate
	Provide an organic waste processing facility	New	Long term	To be determined through Detailed Business Case funding could include: General rate User charges Private investment
	Continue to provide a refuse transfer station that includes resource recovery facilities in Wakatipu and Wanaka	Existing	Ongoing	General rate User charges
	Investigate reconfiguring both the Wakatipu transfer station and Wakatipu recycling centre layouts to encourage drop-off of reusable and recyclable materials before disposing of residual waste and improve throughput capacity	New	Short term	General rate User charges Private investment
	Provide public recycling bins alongside litter bins where practical and cost effective	New	Short term	General rate
Continue to install drinking water foundations to encourage refill/reuse of drinking vessels and reduce plastic bottle waste	Existing	Ongoing	General rate	

Objective	Action	New/ existing	Implementation timeframe	Funding source
	Promote / make it less restrictive to build homes / buildings from reusable or more sustainable products i.e. earth ships, straw bales houses etc, e.g by promoting REBRI (Resource Efficiency in the Building and Related Industry) Guidelines	Existing	Ongoing	General rate
2. Educate and support generators (resident, visitor and businesses) with bout options and responsibilities	Continue to circulate educational information to promote Council waste services and how to responsibly dispose of organic and recyclable waste, including using private waste collection services	Existing	Ongoing	Targeted rate Waste levy
	Continue to update the council waste website	Existing	Ongoing	General rate
	Continue to prepare a document for visitors that explains waste minimisation opportunities and consumer responsibilities	Existing	Ongoing	General rate Targeted rate
	Use additional languages to English to aid in communication and education of waste disposal and management	New	Short term	
	Continue to investigate and provide (if appropriate) promotional support for commercial waste minimisation e.g. Agrecovery, Plasback, zero waste events, beach clean events	Existing	Ongoing	Targeted rate Waste levy
	Continue with existing waste education and promotional programmes for the general public, visitors, businesses, and in schools e.g. EnviroSchools, EERST, Dr Compost, Waste Free Parenting, "Love Food Hate Waste"	Existing	Ongoing	Targeted rate Waste levy
	Continue to promote, educate and incentivise home composting	Existing	Ongoing	General rate
	Continue to provide subsidies for composting tools e.g. Bokashi buckets, worms	Existing	Ongoing	Targeted rate Waste levy
	Support and enable, where practicable, private operators in relation to the private development of a construction and demolition facility	New	Short term	General rate
	Alongside other organisations, continue to support development and implementation of national waste minimisation initiatives such as product stewardship schemes, national environmental standards, changes to the Waste Levy and container deposit legislation.	Existing	Ongoing	General rate

Objective	Action	New/ existing	Implementation timeframe	Funding source
	Continue to work with residents, businesses and community organisations in the District so as to encourage and promote waste minimisation and optimal resource use in the District	Existing	Ongoing	Targeted rate Waste levy
3. Avoid or mitigate any adverse effects on public health or on the environment	Implement enhancements to biosolids end-use e.g. co-composting, solar drying, incineration, monofill, direct land application	New	Short – medium term	General rate
	Monitor quality and quantity of construction and demolition waste at the Wakatipu transfer station and Victoria Flats landfill on an ongoing basis to gain a greater understanding of the types and quantities of material that could be diverted	New	Immediate - ongoing	General rate
	Continue to check and maintain resource consent compliance at all waste handling facilities and closed landfills for which Council holds resource consents	Existing	Ongoing	General rate
	Continue to monitor the capacity of available landfill and search for alternative disposal options should the capacity decrease below a safe future-proof level	Existing	Ongoing	General rate
	Provide facilities at council transfer stations for domestic quantities of hazardous waste, including batteries and oil	Existing	Ongoing	General rate User charges
	Provide drop-off facilities at the Council transfer stations for agrichemicals to an extent that they are affordable and complement national schemes or services	Existing	Ongoing	General rate User charges
	Provide drop-off facilities at the Council transfer stations for e-waste to an extent that they are affordable and complement national schemes or services	Existing	Ongoing	General rate User charges
	Investigate if a policy or bylaw is required for the management of health care waste (in line with communications strategies by neighbouring councils)	New	Short term	General rate
4. Provide effective and efficient waste services supported	Continue with Council-provided refuse collection service for urban households. Investigate methodology improvements e.g. receptacles, funding methods	Existing	Ongoing	User charges

Objective	Action	New/ existing	Implementation timeframe	Funding source
by the right funding mechanism	Continue with council-provided refuse collection services for CBD businesses. Investigate CBD specific methodology e.g. frequency, receptacles	Existing	Ongoing	Targeted rate General rate
	Continue to provide public litter bins for waste and review bin type and cleaning frequency	Existing	Ongoing	General rate
	Review the need for a solid waste bylaw to support changes to collection services, including CBD collections, servicing MUDs and public place waste management	New	Short term	General rate
	Investigate the introduction of differential pricing tools to increase diversion at both the landfill and transfer station facilities, either through Council advertised fees and charges or by influencing the site operator	Existing	Ongoing	General rate
	Continue with the waste disposal services provided at the Victoria Flats landfill	Existing	Ongoing	User charges

Note: Implementation timeframe

Short term	0-2 years
Medium term	2-4 years
Long term	4-6 years

2 Funding

2.1 Funding the plan

The action plan will be funded using the suite of tools available to Council in the delivery of solid waste services. The activities will be funded by:

- General rate
- Targeted rate
- Fees and charges (including gate fees, licensing fees, user charges)
- Subsidies and grants
- Private investment
- Debt (if required).

2.2 Waste minimisation levy funding expenditure

Council will continue to use the Waste Minimisation Levy funding income to fund waste education, investigations, trials, and to fund capital expenditure for diversion facilities.

2.3 Grants

Section 47 of the Waste Minimisation Act gives councils the ability to make grants to a person, organisation or group to promote or achieve waste management and minimisation. Under this WMMP the Council will continue to give grants at its discretion and on any terms or condition it deems appropriate provided there is an allocated and approved budget for that activity.

3 Monitoring, evaluating and reporting progress

3.1 Monitoring and evaluation

The Council intends to monitor and report on progress regarding the WMMP and will develop and implement a clear, transparent monitoring and reporting system. Accurate information on how services provided by council are performing is essential for monitoring the effectiveness of the Plan's vision, objectives, goals and targets, and planning for future demand.

Council's current levels of service and performance measures are in the 2015-2025 Long Term Plan and are focussed on reducing the kilograms of residential waste to landfill per head of population.

Council has reviewed its key performance indicators as part of the 2018-2028 Long Term Plan. It is timely to rethink the performance measure because as a tourist destination with visitor numbers in excess of the resident population, a kg per capita measure is only capturing part of the waste story in the District. Measures that provide a broader picture of the waste situation and how to minimise the amount of waste going to landfill will assist Council in identifying more targeted actions in the future. Data will be gathered through:

- Annual resident and ratepayer surveys
- Council Request for Service (RFS) – reporting and performance measures
- Contractor reporting against key performance indicators
- Solid Waste Analysis Protocol Audits (SWAPs)
- Waste Assessments
- Consent compliance systems

3.2 Reporting

The Council will report progress of the implementation and effectiveness of this WMMP through:

- Annual Reports
- Monthly performance reports
- Council's website

The Council will also provide progress reports of expenditure of its waste levy funds to the Ministry for the Environment.

4 Glossary

4.1 Key Definitions and abbreviations

Biosolids	sewage sludge derived from a sewage treatment plant that has been treated and/or stabilised to the extent that it is able to be safely and beneficially applied to land and does not include products derived from industrial wastewater treatment plants.
Cleanfill/cleanfill material	inert materials disposed of, into or onto land, at a consented cleanfill. Materials typically include construction and demolition waste such as concrete, uncontaminated soil and rock.
Commercial waste	waste from premises used wholly or mainly for the purposes of trade or business, recreation or entertainment, excluding, mines, quarries and agricultural waste. May also include some household waste collected by commercial operators.
Diverted material	anything no longer required for its original purpose and, but for commercial or other waste minimisation activities, would be disposed of or discarded, and includes any materials that are recyclables, compostable, or can be recovered and/or re-used, as determined by the Council by resolution.
Hazardous waste	waste that is potentially harmful to human and/or environmental health. It typically has one or more of the following hazard properties: explosive, flammable, oxidising, corrosive, radioactive, toxic or ecotoxic, or it may react with air or water to have one of these properties.
Household waste	solid waste generated by households. Household waste does not include divertible waste, hazardous waste, commercial waste, prohibited waste, trade waste or liquid waste of any nature.
Organic waste	compostable materials that are organic in origin and appropriate to be used as feedstock for composting, and includes greenwaste and food waste.
Recycling	the reprocessing of waste or diverted material to produce new materials.
Resource Recovery Park (RRP)	a facility where solid waste materials such as residual waste, construction and demolition waste, recyclables, organic wastes and household hazardous wastes are delivered for sorting or before being taken away for treatment, processing, recycling or disposal, and which may also include a retail outlet for the re- sale of used goods and materials deposited at the site.

Reuse shops	items that are salvaged or diverted from the waste stream undergo little or no modification and are sold at shops run by the community or territorial authorities.
Sewage treatment residuals	solid wastes generated through the process of wastewater treatment.
Solid Waste Analysis Protocol (SWAP):	a study to determine the composition of waste as described by Ministry for the Environment.
Transfer Station (TS)	a facility where solid waste materials such as residual waste, construction and demolition waste, recyclables, organics waste and household hazardous wastes are delivered for consolidation before being taken away for treatment, processing, recycling or disposal.
Waste	anything disposed of, or discarded, and : <ul style="list-style-type: none"> • includes a type of waste that is defined by its composition or source (for example, organic waste, electronic waste, or construction and demolition waste), and • to avoid doubt, includes any component or element of diverted material, if the component or element is disposed of or discarded.
Waste disposal levy	a levy imposed under the Waste Minimisation Act 2008 on waste.
Waste minimisation	the reduction of waste and the reuse, recycling and recovery of waste and diverted material.

Part C - Appendices

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Appendix A – Waste Assessment

Please refer to separate document available on QLDC website

Filename: QLDC Waste Assessment March 2018.pdf

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Appendix B – Legislative context

The New Zealand Waste Strategy 2010

The New Zealand Waste Strategy 2010 provides the Government’s strategic direction for waste management and minimisation in New Zealand. This strategy was released in 2010 and replaced the 2002 Waste Strategy. The New Zealand Waste Strategy has two goals. These are to:

- reduce the harmful effects of waste
- improve the efficiency of resource use.

The strategy’s goals provide direction to central and local government, businesses (including the waste industry), and communities on where to focus their efforts to manage waste. The strategy’s flexible approach ensures waste management and minimisation activities are appropriate for local situations.

Under section 44 of the Waste Management Act 2008, in preparing their waste management and minimisation plan (WMMP) councils must have regard to the New Zealand Waste Strategy, or any government policy on waste management and minimisation that replaces the strategy.

Waste Minimisation Act 2008

The purpose of the Waste Minimisation Act 2008 (WMA) is to encourage waste minimisation and a decrease in waste disposal to protect the environment from harm and obtain environmental, economic, social and cultural benefits.

The WMA introduced tools, including:

- waste management and minimisation plan obligations for territorial authorities
- a waste disposal levy to fund waste minimisation initiatives at local and central government levels
- product stewardship provisions.

Part 4 of the WMA is dedicated to the responsibilities of a council. Councils “must promote effective and efficient waste management and minimisation within its district” (section 42). Part 4 requires councils to develop and adopt a WMMP. The development of a WMMP in the WMA is a requirement modified from Part 31 of the Local Government Act 1974, but with even greater emphasis on waste minimisation. To support the implementation of a WMMP, section 56 of the WMA also provides councils the ability to:

- develop bylaws
- regulate the deposit, collection and transportation of wastes
- prescribe charges for waste facilities
- control access to waste facilities
- prohibit the removal of waste intended for recycling.

Waste Disposal Levy

From 1 July 2009, the Waste Minimisation Act introduced a waste disposal levy on all waste disposed of at disposal facilities, currently \$10 per tonne, to:

- raise revenue for promoting and achieving waste minimisation
- increase the cost of waste disposal, to recognise that disposal imposes costs on the environment, society, and the economy.

Half of the levy money is given to territorial authorities on a population basis, and the remainder of the levy is available via a contestable fund. The portion returned to Council can only be spent to promote or achieve waste minimisation and in accordance with a council's WMMP.

Local Government Act 2002

The Local Government Act 2002 (LGA) provides the general framework and powers under which New Zealand's democratically elected and accountable local authorities operate. The LGA contains various provisions that may apply to councils when preparing their WMMPs, including consultation and bylaw provisions. For example, Part 6 of the LGA refers to planning and decision-making requirements to promote accountability between local authorities and their communities, and a long-term focus for the decisions and activities of the local authority. This part includes requirements for information to be included in the long-term plan (LTP), including summary information about the WMMP.

Resource Management Act 1991

The Resource Management Act 1991 (RMA) promotes sustainable management of natural and physical resources. Although it does not specifically define 'waste', the RMA addresses waste management and minimisation activity through controls on the environmental effects of waste management and minimisation activities and facilities through national, regional and local policy, standards, plans and consent procedures. In this role, the RMA exercises considerable influence over facilities for waste disposal and recycling, recovery, treatment and others in terms of the potential impacts of these facilities on the environment. Under section 30 of the RMA, regional councils are responsible for controlling the discharge of contaminants into or on to land, air or water. These responsibilities are addressed through regional planning and discharge consent requirements. Other regional council responsibilities that may be relevant to waste and recoverable materials facilities include:

- managing the adverse effects of storing, using, disposing of and transporting hazardous wastes
- the dumping of wastes from ships, aircraft and offshore installations into the coastal marine area
- the allocation and use of water.

Under section 31 of the RMA, council responsibility includes controlling the effects of land-use activities that have the potential to create adverse effects on the natural and physical resources of their district. Facilities involved in the disposal, treatment or use of waste or recoverable materials may carry this potential. Permitted, controlled, discretionary, noncomplying and prohibited activities, and their controls, are specified in district planning documents, thereby defining further land-use-related resource consent requirements for waste-related facilities.

In addition, the RMA provides for the development of national policy statements and for the setting of national environmental standards (NES). There is currently one enacted NES that directly influences the management of waste in New Zealand – the Resource Management (National Environmental Standards for Air Quality) Regulations 2004. This NES requires certain landfills (e.g., those with a capacity of more than 1

million tonnes of waste) to collect landfill gases and either flare them or use them as fuel for generating electricity. Unless exemption criteria are met, the NES for Air Quality also prohibits the lighting of fires and burning of wastes at landfills, the burning of tyres, bitumen burning for road maintenance, burning coated wire or oil, and operating high-temperature hazardous waste incinerators. These prohibitions aim to protect air quality.

New Zealand Emissions Trading Scheme

The Climate Change Response Act 2002 and associated regulations is the Government's principal response to manage climate change. A key mechanism for this is the New Zealand Emissions Trading Scheme (NZ ETS). The NZ ETS puts a price on greenhouse gas emissions, providing an incentive for people to reduce emissions and plant forests to absorb carbon dioxide.

Certain sectors are required to acquire and surrender emission units to account for their direct greenhouse gas emissions or the emissions associated with their products. Landfills that are subject to the waste disposal levy are required to surrender emission units to cover methane emissions generated from landfill. These disposal facilities are required to report the tonnages landfilled annually to calculate emissions.

Climate Change Response Act 2002 (Emissions Trading) and the Climate Change Amendment Act 2008

The Climate Change Response Act 2002, Climate Change (Waste) Regulations 2010 and Amendments to the Climate Change (Unique Emissions Factors) Regulations are implemented through the New Zealand Emissions Trading Scheme (ETS). The purpose of the ETS is to reduce the amount of greenhouse gases emitted in New Zealand. The waste sector is affected by the ETS, as those who operate landfills are required to participate in the scheme and report emissions.

As the Council operates a landfill within the District, there are implications for the Council.

The Climate Change Amendment Act 2008 provides for disposal facility regulations and the ETS.

Litter Act 1979

Under the Litter Act 1979 it is an offence for any person to deposit litter of any kind in a public place, or onto private land without the approval of the owner. The Litter Act is enforced by territorial authorities, who have the responsibility to monitor litter dumping, act on complaints, and deal with those responsible for litter dumping. Councils reserve the right to prosecute offenders via fines and infringement notices administered by a litter control warden or officer. The maximum fines for littering are \$5,000 for a person and \$20,000 for a corporation. Council powers under the Litter Act could be used to address illegal dumping issues that may be included in the scope of a council's waste management and minimisation plan.

Health Act 1956

The Health Act 1956 places obligations on councils (if required by the Minister of Health) to provide sanitary works for the collection and disposal of refuse, for the purpose of public health protection (Part 2 – Powers and duties of local authorities, section 25). The Act specifically identifies certain waste management practices as nuisances (section 29) and offensive trades (Third Schedule). The Health Act enables councils to raise loans for certain sanitary works and/or to receive government grants and subsidies, where available. Health Act provisions to remove refuse by local authorities have been repealed.

Other legislation

Other legislation that relates to waste management and/or reduction of harm, or improved resource efficiency from waste products includes:

- Hazardous Substances and New Organisms Act 1996
- Biosecurity Act 1993
- Radiation Protection Act 1965
- Ozone Layer Protection Act 1996
- Agricultural Chemicals and Veterinary Medicines Act 1997.

Other waste related legislation

Other legislation relevant to waste management and minimisation includes:

- Health and Safety at Work Act 2015 (HSWA) is New Zealand's workplace health and safety law. HSWA sets out the principles, duties and rights in relation to workplace health and safety.
- Hazardous Substances and New Organisms Act 1996 that provides regulations and standards related to hazardous substances.
- Local Government (Rating) Act 2002
- Freedom Camping Act 2011 which controls freedom camping on all land controlled or managed by a particular local authority.

Regional policy statements, regional plans and strategies

Otago Regional Council has a Regional Policy Statement and Regional Plans which contains rules relating to discharges to air, land and water, which are relevant for facilities (e.g. resource recovery parks, transfer stations, landfills) and waste processing (e.g. composting, biosolids processing).

International commitments

New Zealand is party to the following key international agreements:

- Montreal Protocol - to protect the ozone layer by phasing out the production of numerous substances
- Basel Convention - to reduce the movement of hazardous waste between nations
- Stockholm Convention - to eliminate or restrict the production and use of persistent organic pollutants
- Waigani Convention - bans export of hazardous or radioactive waste to Pacific Islands Forum countries.
- United Nations Agenda 2030 - a universal agenda to achieve sustainable development globally

**QLDC Council
23 March 2018****Report for Agenda Item 8****Department: Property & Infrastructure****Disinfection of network drinking water supplies to protect public health****Purpose**

- 1 The purpose of this report is to update the Council on the Water Safety Plan review process by which all network drinking water supplies under the ownership of Queenstown Lakes District Council are to be upgraded to address public health risks.
- 2 These Water Safety Plans, which are approved by Public Health South, include continuous disinfection (using chlorination) of all Council owned network water supplies
- 3 The approval of the Water Safety Plans by Public Health South, supports the demonstration by Queenstown Lakes District Council of compliance with legislated public health requirements.
- 4 This requirement does not preclude alternate methods of disinfection in the future should they be proven at least as effective and cost effective as using chlorination.

Executive Summary

- 5 Queenstown Lakes District Council owns and operates public network water supplies.
- 6 The operation of these water supplies is required to protect public health through demonstrated compliance with the Health (Drinking Water) Amendment Act 2007 and the Drinking Water Standards of New Zealand 2005 (revised 2008).
- 7 Currently only the Lake Hayes / Lake Hayes Estate water supply complies with the treatment requirements of this legislation.
- 8 The Queenstown and Wanaka water supplies are not able to demonstrate compliance; however, they do have a permanent barrier to network bacterial contamination through permanent network disinfection by chlorination since the 1980's.
- 9 The small scheme supplies of Arrowtown, Arthurs Point, Glendhu Bay Glenorchy, Hawea, Luggate and Wanaka Airport do not comply with the legislated requirements.
- 10 Kingston, Cardrona, Gibbston and Jacks Point are currently not on Council water supply

- 11 However, since December 2017 all of these supplies have had precautionary disinfection by chlorination installed and operational.
- 12 Monitoring of the water quality within these network supplies has previously recorded a number of bacterial contamination events, and in particular, sustained high numbers of indicator contamination recordings in the Arrowtown and Hawea water supplies. Glenorchy had a one-off bacterial contamination event in December 2017.
- 13 Queenstown Lakes District Council has ongoing dialogue with our communities concerning water over an extended period, and acknowledge their views as well as our need to ensure safe water.
- 14 Following these discussions with the community, water supply experts, representatives from the Ministry of Health and other Councils throughout the country this paper recommends a step change to reduce the current risks to public health associated with the current operation of these Queenstown Lakes District Council water supplies.
- 15 Specifically, to protect these water supplies from the risk bacterial contamination and protect the health of the community and visitors who are supplied water by these networks, permanent disinfection by chlorination is a new requirement under our Public Health South approved Water Safety Plans for all small schemes.
- 16 We have also been informed by Public Health South that any transgression with a requirement with an approved Water Safety Plan will be escalated inside the Ministry of Health for resolution. Locally based Drinking Water Assessors are no longer have delegated authority to resolve transgressions.
- 17 Disinfection of network water supplies does not completely fulfil the requirements of demonstrating compliance with the Drinking Water Standards, however, it is one of the accepted components of progressing towards the demonstration of compliance, as set out in section 4.4 of the Standards.

Recommendation

18 That Council:

1. **Note** the contents of this report and in particular the legislated requirement under the Health (Drinking Water) Amendment Act 2007 that Queenstown Lakes District Council protect the health and safety of people and communities by promoting adequate supplies of safe and wholesome drinking water from all drinking-water supplies.
2. **Note** the requirement for continuous disinfection, by treatment with chlorination, of all network water supplies for which it has ownership.
3. **Direct** the Chief Executive that any future Queenstown Lakes District Council owned network water supply must not be accepted or vested to the Council without it being able to demonstrate it does meet the requirements of the Health (Drinking Water) Amendment Act 2007.

4. **Note** the proposed 2018 Long Term Plan assumption that all Queenstown Lakes District Council water supplies will be progressively upgraded to fully comply with the Drinking Water Standards by the year 2028.

Prepared by:



Peter Hansby
GM, Property and Infrastructure
15 March 2018

Reviewed and Authorised by:



Mike Theelen
Chief Executive
15 March 2018

Background

- 19 The availability of safe drinking-water for all New Zealanders, irrespective of where they live, is a fundamental requirement for public health and community wellbeing.
- 20 Section 69A(1) of Part 2A of the Health (Drinking Water) Amendment Act 2007 sets out that all drinking-water supplies must protect the health and safety of people and communities by promoting adequate supplies of safe and wholesome drinking.
- 21 Moreover, Section 69A (2)(c) imposes a range of duties on drinking-water suppliers (including Queenstown Lakes District Council (QLDC)), to:
- a. monitor drinking water; and
 - b. take all practicable steps to comply with the drinking-water standards; and
 - c. implement risk management plans.
- 22 The Drinking Water Standards for New Zealand 2005 (revised in 2008) (DWS08) define the minimum standards for drinking-water quality in New Zealand.
- 23 The requirement to demonstrate compliance with the DWS08 came into force on:
- a. 1 July 2012, for the Queenstown and Wanaka network water supplies, and
 - b. 1 July 2014, for all other QLDC owned network drinking water supplies.
- 24 QLDC is currently only able to demonstrate that it complies with the DWS08 at its Lake Hayes/Lake Hayes Estate water supply.
- 25 Following a significant public health event linked to the Queenstown water supply over a decade ago, continuous disinfection of the Queenstown and Wanaka lake-sourced water supplies by chlorination was implemented.
- 26 A similar event at Central Otago District Council in the early 1990s, resulted in a decision in 1993 for continuous disinfection of all CODC network water supplies by chlorination.
- 27 There have been contamination events, resulting in 'boil water' notices at Arrowtown and Hawea in recent years. Glenorchy had a one-off bacterial contamination event in December 2017. Dating back to 2013, these events were

due to contamination in the water network and at water storage reservoirs (which is after the water has already been treated with UV disinfection systems).

28 In 2017, QLDC sought expert advice on the consequences of not meeting legal obligations under relevant Acts. In short, failure to implement measures could lead to:

- a. criminal liability (primarily fines) under the various Acts,
- b. being subject of various enforcement powers (with the potential for prosecution), and
- c. liability for negligence, breach of statutory duty, or judicial review.

29 As required under the Health Act, all of QLDCs network water supplies have been registered with the Ministry of Health. The Chief Executive, as the head of QLDCs operations, is recorded on the Ministry of Health register as the 'person responsible' for all the QLDC owned water supplies.

Comment

Recent Events and Understanding

30 Following the 2016 contamination event of public water supplies in Havelock North, the Medical Officer of Health (Southern District Health Board) wrote to QLDC in September 2016 highlighting that "measures previously not considered necessary, such as chlorination, may need to be reconsidered". Refer Attachment A.

31 In early 2017, as part of reviewing its Water Safety Plans for six of its water supplies, QLDC engaged Beca Consultants to review and confirm the adequacy of all of QLDCs water supply bores.

32 This report published in May 2017, confirmed that currently none of the QLDC water supply bores were sufficiently designed, built, or operated as to provide a secure (safe) water supply. In every case, there is the potential of contamination to enter the water before the water is put into supply.

33 To support local authorities in understanding their legislated obligations for the provision of safe drinking water, Water New Zealand arranged for Jim Graham of Opus (formally of the Ministry of Health, who helped develop the DWS08) to present to groups of local authorities on the requirements of providing safe water.

34 QLDC arranged a follow up session where Jim returned to Queenstown to specifically present to the QLDC Infrastructure Committee in May 2017.

35 In December 2017 Attorney-General David Parker has released the second stage of the Inquiry into Havelock North's drinking water contamination and stated:

36 "The report highlights the quality of drinking water in New Zealand is often inadequate, and that regulation and enforcement have been poor. We must do better."

37 "There is nothing in law preventing councils immediately moving to improve the treatment of water."

38 The report includes numerous recommendations which some key of them relevant for QLDC:

- Removal of secure groundwater status
- Mandatory multi-barrier treatment of all public water supplies
- Includes requirement for a residual disinfectant in the network
- Establishment of an independent water regulator
- Collaboration and dedicated water suppliers
- Office of the Attorney-General (OAG) oversees Implementation of Inquiry Recommendations

39 These recommendations have yet to be agreed or implemented. One of the challenges we have faced is that we shouldn't do anything until then. However not withstanding that we understand that the Minister has yet to receive advice from officials the direction and the need to meet DWS already exists and we are in a position to take immediate steps to improve if not resolve our drinking water compliance.

Letter from the Minister

40 QLDC received a letter from the Minister of Local Government, Hon. Anne Tolley, on 12 May in regards to the Havelock North contamination event. Refer Attachment B.

41 In this letter, the Minister stated that "it is vitally important that public drinking-water suppliers embrace high standards of care".

42 The Minister also urged "all local authorities to review their current practices" in light of the findings of Stage 1 of the Havelock North Inquiry, "and where necessary make any required changes".

The QLDC Situation

43 New Zealand's drinking water legislation requires, amongst other things, that water supply owners assess, document and identify responses/investment to the potential for contamination of water supplies at the water source, through the treatment processes and within the distribution network.

44 The QLDC water supply bores are installed in below ground chambers. The Havelock North bores were similarly installed in below ground chambers and this was a matter identified by the Inquiry as significantly contributing to contamination risks.

45 Implementing source and treatment barriers for protection (i.e. filtration and UV disinfection processes) does not prevent contamination downstream of these treatment processes, throughout the water network.

46 QLDC has known multiple sources of distribution network contamination risks. These include:

- a. illegal connections to water networks,

- b. inappropriate disinfection of new connections,
- c. third party damage to networks,
- d. animals and other contamination entering water storage reservoirs,
- e. contaminated backflow from customers into the supply network,
- f. depressurising the supply with extreme demand (i.e. firefighting),
- g. biofilms growing within aged pipes,
- h. septic tanks and wastewater pipe breaks near water sources and water pipes, and
- i. water pipeline deterioration and breakages.

47 There are programmes underway to better understand these sources of contamination, however, because of their nature, it is all but impossible to eliminate these contamination risks totally from a water supply network.

48 Following QLDCs decision to turn off continuous disinfection at the end of the summer peak tourist season in April 2017, the Medical Officer of Health wrote to QLDC in May 2017 highlighting that “there is an identified risk to these supplies’ and that “chlorine has been shown to be an effective barrier” to bacterial contamination in the water supply network”. Refer Attachment C.

49 This letter also stated that in their view “it would be prudent to give consideration to permanent chlorination of these supplies . . . until such time that the risk/source of contamination can be clearly shown to have been removed.”

50 As such, it is recommended that to protect public health, that QLDC implements continuous disinfection by chlorination at its non-disinfected water supplies. This approach to network disinfection would be in accordance with the DWS08; section 4.4, Compliance criteria for drinking-water in the distribution system.

51 For the avoidance of doubt, compliance solely with section 4.4 of the DWS08 does not constitute full compliance with the DWS08 – it is only one component of the demonstration of compliance. There are other components which are proposed to be addressed progressively over the term of the 2018 Long Term Plan.

52 Communities like Queenstown, Wanaka, Albertown, Lake Hayes, Lake Hayes Estate and Shotover Country are chlorinated for quite some time.

53 We acknowledge, appreciate and recognise the concerns raised by the smaller communities like Glenorchy, Arthurs Point, Arrowtown, Hawea and Luggate and how their unique circumstances can be addressed to avoid chlorination.

54 To mitigate the risk, like European countries who have non-chlorinated water supplies, we would need to get a better understating of our network performance, this will take time and would be very expensive.

Options

55 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:

56 Option 1 Status Quo – Town water supply distribution networks are not disinfected.

Advantages:

57 No investment is required.

Disadvantages:

58 Ignores the learnings from the Havelock North water contamination event and the Stage 1 + 2 Inquiry findings and recommendations.

59 Ignores written advice from the Minister of Local Government and the Medical Officer of Health.

60 Potential loss of community support for QLDC not taking all practical steps to protect community water supplies, as required by legislation.

61 Higher risk of water contamination event occurring on a QLDC water supply.

62 Higher risk of public health event and community illness linked to contaminated QLDC water supplies.

63 Severe legal risk and penalties if proven QLDC failed to take all practicable steps to provide water that is safe to drink and protect public health.

64 Option 2 Continuous disinfection (using chlorination) of all QLDC non-chlorinated drinking water supplies. (Recommended Option)

Advantages:

65 Chlorination is a proven, effective, reliable, easily implemented and cost effective method of disinfection used around New Zealand and the world.

66 Unlike UV disinfection, disinfection by chlorination continues to reside in the water supply, making it available to continue to protect the water in the network against contamination through to the point of customer supply.

67 Any residual levels of chlorination in water disappear naturally with exposure to air and there are simple, low cost choices households can make to remove any remaining chlorine entering the home, should they choose.

68 Public health is protected for visitors to our district, many from countries who are used to safe, council supplied, drinking water.

69 Implementation of continuous network disinfection is supported by the Medical Officer of Health (Southern District Health Board) as it has been proven to be an effective barrier to water supply contamination within the district and it is a positive step towards QLDC achieving compliance with the DWS08.

Disadvantages:

- 70 Increased costs for water operations activities, although this investment is well within QLDCs threshold of affordability as set out in the Health Act as “all practicable steps’.
- 71 Potential loss of some community support following the introduction of disinfection by chlorination.
- 72 This report recommends **Option 2** for addressing the matter because it best fulfils QLDCs legislative requirements in the provision of drinking water that is safe to drink and protecting public health.
- 73 In addition, there is no legally defensible argument that implementing continuous disinfection of QLDC water supplies is not affordable.

Significance and Engagement

- 74 This matter is of high significance, as determined by reference to the Council’s Significance and Engagement Policy because:
- a. the risk to public health
 - b. the level of national and community interest in safe drinking water
 - c. the findings of the Havelock North Stage 1 Inquiry
 - d. the recommendations of the Havelock North Stage 2 Inquiry

Risk

- 75 This matter relates to the strategic risk SR1 Current and future development needs of the community (including built and natural environmental protection) and strategic risk SR3 Management Practise - working within legislation, as documented in the Council’s risk register.
- 76 These risks are classed as very high. This matter relates to these risks because the rapidly changing demographics with the district require improved service levels. Most notably, the increase in populations of younger children and older adults, who are most susceptible to illness due to bacterial contamination in drinking water supplies.
- 77 Queenstown Lakes District was in 2017 the fifth highest council in terms of the number of building consents issued which highlights the activity in the district and the risk posed by the network being constantly destabilised by activities.
- 78 In addition, QLDC’s management practices of its public water supplies (with the exception of Lake Hayes / Lake Hayes Estate) does not comply with the requirements of the Health (Drinking Water) Amendment Act 2007, which is the primary legislation for the operation of safe public water supplies.
- 79 The recommended option considered above mitigates the risk by: Treating the risk - putting measures in place which directly impact the risk.

Financial Implications

- 80 The Annual Plan 2017-18 had capital funding of \$0.5M allocated for the installation of continuous chlorination disinfection facilities at each water supply bore. Since December 2017 all QLDC supplies are set up and water is chlorinated.
- 81 Expenditure to operate these facilities is available in the Long Term Plan.
- 82 The capital cost required to address full Drinking Water Standards (DWS) is allowed for in the draft Ten Year Plan (TYP)
- 83 This would support affordability for smaller communities where infrastructure investments of this nature, which benefit the broader district, are currently funded by that community on a scheme basis.
- 84 Other councils such as Central Otago District Council and Auckland Council, have already moved to district wide rating for these types of broader district-wide benefit investments.

Council Policies, Strategies and Bylaws

- 85 The following Council policies, strategies and bylaws were considered:
- a. Water Supply Bylaw 2008
 - b. Infrastructure Strategy 2015-2045
 - c. Water and Sewerage Schemes – Small Communities, 2004, which states that Council insists that national standards now, and in future, will be satisfied.
 - d. Corporate Risk Framework and Mitigations Tables – specifically Operational Risks OR030b Pollution or degradation of the environment affecting the supply of safe drinking water.
 - e. Water Safety Plans (Approved by Ministry of Health representatives) – specifically that barriers to ‘prevent recontamination after treatment’ at Hawea are ‘absent’. Key risks were identified as a lack of: Hygienic pipe repair procedures, distribution system flow and pressure modelling being incomplete, water carriers not registered or checked for backflow protection, and backflow prevention is not consistent and checking of installed devices is not assured under current procedures.
- 86 The recommended option is consistent with the principles set out in the named policies and plans.
- 87 This matter is included in the 10-Year Plan/Annual Plan.

Local Government Act 2002 Purpose Provisions

- 88 The recommended option:
- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses

by reducing the risks of a potential public health event caused by contaminated public water supplies;

- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

89 The persons who are affected by or interested in this matter are the residents and ratepayers of the district and the surrounding districts, national and international visitors to the district, and local businesses that prepare food using QLDC supplied water.

90 Council is generally not required to consult on matters where decisions relate to complying with the law or protecting public health.

91 However, public forums were provided to present the matters to the community and provide the community the opportunity to offer alternative solutions that would provide the same or better level of public health protection.

92 The Council has used multiple methods to engage with the community on this matter. Specifically through the use of: social media, the QLDC website and more formally at community meetings held in April 2017 and February/March 2018.

93 QLDC was represented at these meetings by its: Chief Engineer, Ulrich Glasner the General Manager Property & Infrastructure, Peter Hansby, and a number of Elected Members and Community Board Members.

94 There were no concerns raised about the general need for QLDC to provide drinking water that was safe to drink.

95 The community members expressed some concerns regarding the use of chlorination to disinfect the water supplies. The specific concerns raised were in relation to potential for taste or smell issues and personal skin sensitivities. A question was also raised about the potential links to increased skin cancer as a result of disinfection by chlorination.

96 Further information on this topic and what the general customer could do can be found on our website at <https://www.qldc.govt.nz/services/water-services/chlorination/>

97 The matters raised by the community have been discussed with public water supply experts, peers and representatives of the Ministry of Health.

98 Giving consideration of the QLDC situation, and the effectiveness of disinfection by chlorination in the district, around other parts of New Zealand, and the world, all parties support the proposed disinfection of the network water supplies from bacterial contamination events through the continuous use of chlorination.

- 99 This would bring QLDCs town water supplies into alignment with the larger towns in the central lakes area including, Wanaka, Queenstown, Lake Hayes Estate, Cromwell, Clyde and Alexandra.

Legal Considerations and Statutory Responsibilities

- 100 Consideration has been given to the following legislative and statutory responsibilities:
- a. Local Government Act 2002
 - b. Crimes Act 1961
 - c. Resource Management Act 1991
 - d. Health (Drinking Water) Amendment Act 2007
 - e. Drinking Water Standards of New Zealand 2005/2008
 - f. Department of Internal Affairs, Non-financial performance measures: provision that water is safe to drink (2013)
 - g. Health and Safety at Work Act 2015
- 101 By July 2014, all QLDC owned network drinking water supplies had to comply with the Health (Drinking Water) Amendment Act 2007 and the Drinking Water Standards of New Zealand 2008 for the provision of safe public water supplies.
- 102 QLDC is not currently able to demonstrate that it complies with the DWS08 for any of its water supplies, with the exception of Lake Hayes / Lake Hayes Estate.
- 103 The recommendation of this paper progressively moves QLDC towards compliance with this legislated requirements, starting with addressing the highest risk to contamination events – those occurring in the network.
- 104 Further, QLDCs 2018 Long Term Plan (currently in development) sets out a plan for full compliance with drinking water obligations by not later than the year 2028.

Attachments

- A Letter from Medical Health Officer, Public Health South, September 2016
- B Letter from Minister of Local Government, May 2017
- C Letter from Medical Health Officer, Public Health South, May 2017 Re: Chlorination of Arrowtown and Lake Hawea Water Supplies



Public Health South

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Invercargill: PO Box 1601, Invercargill 9840
Ph: 03 211 8500 Fax: 03 214 9070

Queenstown: PO Box 2180, Frankton, Queenstown 9349
Ph: 03 450 9156 Fax: 03 450 9169

5 September 2016

Mike Theelan
Chief Executive
Queenstown Lakes District Council
Private Bag 50072
Queenstown 9348

QLDC
07 SEP 2016
QUEENSTOWN

Dear Mr Theelan

As a water supplier you will have taken a keen interest in unfolding events in Havelock North. I am writing to encourage you, if you have not already done so, to review the water safety plans for the supplies for which you are responsible.

The material risks to the water supply will not have changed as a consequence of recent events, although it will be prudent to check that these are comprehensively identified. However, the political and public tolerance of failures to ensure safe drinking water has clearly altered.

This may mean that improvement measures identified in water safety plans but not yet implemented may need to be accelerated. It may also mean that measures previously not considered necessary, such as chlorination, may need to be reconsidered.

I would also remind you that where operational staff identify drinking water transgressions then these should be reported to the appropriate regulatory staff. Your response to my letter of 4 March 2016 on microbial transgressions was very positive in this regard.

The key message from the Havelock North situation is that drinking water safety is a joint endeavour between suppliers and regulatory agencies and we remain committed to that way of working. Please get in touch with our specialist drinking water assessors if you require technical support in relation to your water safety plans.

With best wishes

Dr Keith Reid
Medical Officer of Health
Designated by Director General of Health under Section 7 (A) of the Health Act 1956



Office of Hon Anne Tolley

MP for East Coast
 Minister for Social Development
 Minister for Children
 Minister of Local Government

12 May 2017

Mike Theelen
 Queenstown-Lakes District Council
 Private Bag 50072
 QUEENSTOWN 9348

QLDC
 10 MAY 2017
 QUEENSTOWN

Dear Mr Theelen

I wanted to take the opportunity to write to you as you will be aware of the release of the Stage One report of the Government Inquiry into Havelock North Drinking-Water. I welcome this report and thank the Inquiry Panel for its thorough investigation.

It is vitally important that public drinking-water suppliers embrace high standards of care. The Stage One report has given us many helpful insights and points to note.

Although this stage was focused on the Havelock North area, I am urging all local authorities nation-wide to review their current practices in light of the report's findings, both at an operational and strategic level and where necessary make any required changes.

One of the identified failings was centred around organisational practice, behaviour and regular communication between all stakeholders. Examples of good practice identified in the report include:

- collaboration between territorial authorities, regional councils and drinking water assessors;
- regular planned inspection and maintenance of key drinking water assets;
- good governance oversight of water supply safety issues; and
- up to date emergency response plans.

As I know you are, I am committed to local government providing excellent services for our communities. I will be paying close attention to Stage Two, which will focus on the wider systems, lessons to be learned and provide recommendations for the future. That stage is due to be completed by 8 December 2017.

Yours sincerely

Hon Anne Tolley
 Minister of Local Government

cc: Mayor Jim Boulton



Mike Theelen
 CEO of QLDC
 Private Bag 50072
 Queenstown

Public Health South

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Dear Mike Theelen,

RE: Chlorination of Arrowtown and Lake Hawea Water Supplies

On 1st September 2016 a letter from Public Health South requested all councils to review compliance of water supplies and adequacy of Water Safety Plans. It is heartening to see QLDC taking action in relation to this. Two supplies, Arrowtown and Hawea, have been chlorinated on an 'emergency' basis over summer due to their history of *E. coli* transgressions. We support and recommend the use of chlorination with an appropriate residual FAC as a mechanism to counter microbiological contamination. This support extends to acknowledging that while this approach has been met with consumer resistance, the legal obligations on the supplier are paramount in these situations.

However, I understand that as of the 31st of March this chlorination has been stopped. We have been made aware that extra daily sampling done in the reticulation of both these supplies since the 1st of April has led to a significant number of positive results for total coliforms in both supplies, indicating ongoing microbiological contamination. The presence of microbiological contamination in the system signals a failure of system integrity at some point, or potentially, multiple points. This may include contamination close to, or at, the source, failure of UV treatment, or backflow contamination. An investigation is required to understand the failure(s) which have led to this contamination and the remediation necessary to prevent a recurrence. The presence of coliforms in the supply indicates that faecal coliforms such as *E. coli* could also enter the system. This clearly indicates that these supplies have a high potential risk for contamination and effective treatment needs to be in place permanently as well as finding the source of contamination.

The effectiveness of chlorination to counter microbiological contamination and render it less detectable by conventional sampling means that additional diligence in maintaining the integrity and functioning of the system is required. This is because unless the source of the contamination is removed from the system the risk remains and any subsequent failure of chlorination will expose the population to infective risk.

Under 69U of Health (Drinking Water) Amendment Act 2007 it is a legal requirement for the council as the owner of these supplies to undertake all practicable steps to contribute to the protection of the drinking water supply. In my view there is an identified risk to these supplies. Chlorine has been shown to be an effective barrier and ensures that the supplies will be complying with the Drinking Water Standards for New Zealand 2005 (revised 2008). The UV plants already in place will ensure they meet the protozoal compliance with the standards as well. Chlorination equipment remains in place in respect of both supplies. In my view it would be prudent to give consideration to permanent chlorination of these supplies. In the interim chlorination is especially important until such time that the risk/source of contamination can be clearly shown to have been removed.

Regards,

A handwritten signature in blue ink, appearing to read "K. Reid".

Keith Reid
 Medical Officer of Health
 Southern District Health Board

QLDC Council
23 March 2018

Report for Agenda Item 9

Department: Property & Infrastructure

2017/18 Capital Works Programme – Second Re-forecast

Purpose

- 1 The purpose of this report is to consider proposed amendments to the 2017/18 capital works programme for all Queenstown Lakes District Council capital projects.

Recommendation

- 2 That Council:
 1. **Note** the contents of this report.
 2. **Approve** the budget changes proposed and detailed in Attachment A.

Prepared by:



Peter Hansby
GM, Property & Infrastructure
9 March 2018

Reviewed and Authorised by:



Mike Theelen
Chief Executive
9 March 2018

Background

- 3 At the 23 June 2017 meeting of the Queenstown Lakes District Council, the Council resolved to adopt the 2017/18 Annual Plan, which included a capital investment programme.

Comment

- 4 In order to demonstrate sustainable management of the financial assets committed to the capital investment programme, this paper provides the Council oversight of proposed changes to the current years capital programme and to gain approval to these changes.
- 5 This report is the second capex forecast review for the 2017/18 financial year.
- 6 The summary document is contained within Attachment A of this report.
- 7 This report breaks the programme into seven asset categories: Property, Solid Waste, Transport, Storm Water, Waste Water, Water Supply and other.

- 8 Contained within the asset group we have categorised projects as follows:

New: Where additional (new) funding is sought for existing projects or new projects are identified which the Council may consider suitable due to a change in legislation or some other business environment changes to those understood at the time of adopting the Annual Plan.

Budget Transfer: The project has, or is forecast to exceed, (or be below) the budget allocated through the Annual Plan process. The explanation of overspend/underspend and the proposed reallocation of funding between projects is contained within Attachment A.

Bring Forward: The project is complex or has a longer lead-time and with available resource capacity, it is recommended to bring part of the expenditure forward from future years to enable work to commence ahead of the projects planned start date.

Defer: Projects that will not be completed within the current financial year but will be completed in the 2018/19 financial year. Deferred budgets cannot be used to fund other projects in the current financial year.

- 9 Projects that are recommended to be deferred are being considered in conjunction with the draft 2018 LTP programmes for synergies.
- 10 Where it is shown that the deferred projects cannot be delivered without affecting the draft 2018 LTP programme, these projects will be stopped.
- 11 Stopped projects will then undergo a revised better business case and following the outcome of that process, programmed in a future LTP.

Options

- 12 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:
- 13 Option 1 Approve the changes to the 2017/18 proposed capital works programme as proposed in Attachment A.

Advantages:

- 14 Provides an opportunity for the Council to consider the latest recommendation from officers in respect to projects planned for 2017/18 financial year.
- 15 Provides the ability to manage the impacts of overspends against current budget and where possible the opportunity to take steps to keep capital expenditure within overall annual budgets.

Disadvantages:

- 16 This would change or delay the delivery of the projects consulted on and approved through the Long Term Planning (LTP) process.

17 Option 2 Status Quo, Do not approve the changes (do nothing option)

Advantages:

- 18 This would ensure that there are no changes to the programme of projects consulted on and approved through the Long Term Planning (LTP) process.

Disadvantages:

- 19 The Council will not be able to make changes to the capital programme to reflect the latest available information and investment will be less effective.
- 20 The Council will not be able to respond in a timely way to changes its operating environment and investment will be less effective.
- 21 Projects which have commenced and where sufficient alternate budget is available will be deferred, increasing the costs of delivery.

22 Option 3 Approve only some of the changes to the 2017/18 proposed capital works programme as proposed in Attachment A.

Advantages:

- 23 Provides an opportunity for the Council to consider the latest recommendation from officers in respect to projects being delivered in the 2017/18 financial year.
- 24 Provides the ability to manage the impacts of overspends against current budget and where possible the opportunity to take steps to keep capital expenditure within overall annual budgets.

Disadvantages:

- 25 This would change or adjust the timing of the projects consulted on and approved through the Long Term Planning (LTP) process.

26 This report recommends **Option 1** for addressing the matter.

Significance and Engagement

- 27 This matter is of [low] significance, as determined by reference to the Council's Significance and Engagement Policy. The proposed project adjustments are of relatively low value and budget adjustments best reflect present day understanding of assumptions and project scope.

Risk

- 28 This matter relates to the operational risk SR1 Current and Future Development needs of the Community, as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because it seeks to amend projects contained within the 10-Year Plan.

29 The recommended option mitigates the risk by:

Treating the risk – putting measures in place which directly impact the risk. This is achieved through ensuring that the right projects are being funded and completed based on the most recent information available to Council officers.

Financial Implications

30 The financial implications are outlined in Attachment A.

Council Policies, Strategies and Bylaws

31 The following Council policies, strategies and bylaws were considered:

- Policy on Significance – Although the decision is in respect to strategic assets, namely, water supply infrastructure, sewerage treatment plants, and the roading network, the decision does not involve the transfer of ownership, sale or long-term lease of these strategic assets. The policy of significance does therefore not apply.

32 This matter is included in the 10-Year Plan/Annual Plan:

- The projects identified form part of the capital works projects for the 2017/18 financial year.

Local Government Act 2002 Purpose Provisions

33 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring that the right projects are completed at the right time;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

34 Most of the proposed changes can be implemented through current funding under the 10-Year Plan and Annual Plan. The exceptions are listed in the financial section of this report.

Consultation: Community Views and Preferences

35 The persons who are affected by or interested in this matter are residents and ratepayers of the Queenstown Lakes district community.

36 It is not considered possible to consult fully on these changes if it is intended to complete the works within the current financial year.

Attachments

A Summary of proposed project changes

Programme	Project Code	Project Description	Budget 2017-18	New Budget	Budget Transfer	Budget B/Fwd	Budget Deferred	Budget Forecast	2017-18 versus Forecast	Budget Comments
Property	000338	Wanaka Lakefront Reclamation	680,297	-	-	-	380,000	300,297	- 380,000	Following further investigation the scope of the project is being refined in consultation with the WCB. Budget \$300K 17/18 to undertake review of BBC and update design and resource consenting. Defer project budget \$380K for physical works planned 18/19.
Property Total			680,297	-	-	-	380,000	300,297	- 380,000	
Solid Waste	000454	Recycle centre plant upgrade	21,360	11,000	-	-	-	32,360	11,000	Additional project budget required to complete the BBC.
	NEW1	Gas Capture Facility	-	-	-	100,000	-	100,000	100,000	Purchase and install of horizontal collector system prior to capping Cells 4 & 5. Budget to be brought forward from 18/19, Construction of a gas capture and disposal facility at Victoria Flats Landfill.
Solid Waste Total			21,360	11,000	-	100,000	-	132,360	111,000	
Storm Water	000046	Stormwater - Renewals - Wakatipu	55,000	-	13,000	-	-	68,000	13,000	Additional budget required to complete stormwater improvements at Howards Drive.
	000226	Stormwater - AM Improvements	79,005	-	40,000	-	-	119,005	40,000	Additional project budget required to update Queenstown hydraulic model and assess initial water quality requirements for Town Centre Masterplan projects. Includes also scoping of Three Waters asset Register transfer to TechOne.
	000318	Frankton Flats Stormwater - Construction	2,310,541	-	200,000	-	-	2,110,541	- 200,000	Revised project budget based on forecast final cost.
	000368	Beach Street Stormwater Reticulation	20,000	-	19,000	-	-	1,000	- 19,000	Budget to be reallocated to new project Stormwater LTP Enabling works.
	000581	Lake Hayes / Ladies Mile Upgrades	545,000	-	176,000	-	-	721,000	176,000	Additional budget requested. The tender process has been completed with only one tender received which is above the estimated AP project budget. This work is essential as current stormwater provisions are not adequate.
	000620	Wakatipu Stormwater Capital Works	10,000	-	10,000	-	-	-	- 10,000	Budget to be reallocated to Project 46, Stormwater Renewals Wakatipu.
	000728	N East Frankton Stormwater Connection	500,000	50,000	-	-	-	550,000	50,000	Additional project budget requested as further optioneering required to inform concept design.
	NEW2	LTP Enabling works - Stormwater	-	50,000	-	-	-	50,000	50,000	New project budget requested to support enabling works required to deliver Stormwater LTP projects districtwide includes for planning, consenting and compliance works.
Storm Water Total			3,519,546	100,000	-	-	-	3,619,546	100,000	
Transport	000053	WAKATIPU - Sealed road resurfacing	936,036	-	426,743	-	-	1,362,779	426,743	QLDC has been challenging its rehab programme. Field validation of potential sites from modelling showed weaknesses and a need to review modelling triggers and interventions which is underway. Identified sites such as the Cardrona Valley road, while achieving good NPVs were challenged by NZTA to try alternative heavy maintenance treatments.
	000054	WANAKA - Sealed road resurfacing	603,964	-	306,743	-	-	910,707	306,743	These budgets are being reallocated to tackle some long over due second coat seals in the reseal programme.
	000061	WANAKA - Sealed road pavement rehab	426,743	-	426,743	-	-	-	- 426,743	
	000063	WAKATIPU - Sealed road pavement rehab	306,743	-	306,243	-	-	500	- 306,243	
	000068	GLENORCHY SPR - Structures component	16,000	-	-	70,000	-	86,000	70,000	Budget to be brought forward from Year 1 of LTP to progress with the design of a single lane bridge renewal at Precipice Creek. Budget of \$715k included in 2018/19 to complete works.
	000245	Frankton Flats Strategy Implementation	380,534	-	200,000	-	-	180,534	- 200,000	Project budget to be reallocated. New project Frankton Flats Masterplan required to undertake initial establishment works/report.
	NEW3	Frankton Flats Masterplan - Establishment Report	-	30,500	169,500	-	-	200,000	200,000	
	000275	Wanaka Transport Strategy Implementation	312,252	-	50,000	-	-	362,252	50,000	Budgets to be reallocated to Project 275. These works covered under AP budget for Wanaka Masterplan and Network Operating Framework.
	000543	SH6/SH84/Riverbank Road BBC	25,000	-	25,000	-	-	-	- 25,000	
	000559	Riverbank Road intersection BBC	25,000	-	25,000	-	-	-	- 25,000	
	000352	CROWN RANGE SPR - Sealed road resurfacing	332,000	-	-	-	250,000	82,000	- 250,000	Budget \$250K to be deferred to 18/19. Insufficient budget this year to complete the 2 sites identified requiring rehab works. Balance of budget 17/18 to address a skid resistance issue.
	000519	Hawthorne Drive (EAR) - Other Services	235,133	-	50,000	-	-	285,133	50,000	Revised project budget based on forecast final cost.
	000526	Town Centre Master Plan & Spatial Framework	303,264	-	68,000	-	-	371,264	68,000	Town Centre Masterplan Pre-Implementation Budgets.

Programme	Project Code	Project Description	Budget 2017-18	New Budget	Budget Transfer	Budget B/Fwd	Budget Deferred	Budget Forecast	2017-18 versus Forecast		Budget Comments
	000527	New Public Transport Hub in CBD	242,905		- 61,750			181,155	-	61,750	Revised project budgets based on forecast final costs. Budgets reallocated across projects 526, 527, 528 and 529
	000528	New Parking Facilities in CBD	241,256		- 56,250			185,006	-	56,250	
	000529	Town Centre Arterials	315,411		50,000			365,411		50,000	
	000577	Bike Parking Facilities in CBD	200,000		- 100,000			100,000	-	100,000	\$25K required for design and install of storage facilities at Church St. Reallocate Budget \$100k to new project Parking Strategy.
	000591	LED street light replacements Wanaka	1,075,000				- 500,000	575,000	-	500,000	Project budget to be deferred. Tender to retrofit luminaires out to market March 18. LEDs to be purchased in April with install planned for months May through to December 18.
	000600	LED street light replacements Wakatipu	1,026,520				- 500,000	526,520	-	500,000	
	000605	Gorge Road - New footpath	30,000		- 30,000			-	-	30,000	Project to be added to Minor Improvements Programme 17/18.
	000738	Sugar Lane Roading Upgrades	40,000		10,000			50,000		10,000	Additional budget required to complete design of upgrades.
	NEW4	Spence Road Park n Ride	-	100,000				100,000		100,000	New project budget required to progress with investigation and initial design works for a new Park n Ride facility at Spence Road.
	NEW5	Parking Strategy	-		100,000			100,000		100,000	New project budget requested to develop districtwide strategy for management of parking cost, supply and time restrictions to encourage mode shift and manage travel demand.
Transport Total			7,073,761	130,500	-	70,000	- 1,250,000	6,024,261	-	1,049,500	
Wastewater	000024	Wastewater - Renewals - Queenstown	750,000		50,000			800,000		50,000	Additional budget required to install an upgraded generator cooling system at Marine Parade PS. If there is any event that interrupts the water supply this pumping station will fail and overflow to lake within minutes. This upgrade will mitigate this risk.
	000025	Wastewater - Renewals - Wanaka	300,000		185,000			485,000		185,000	Additional budget required to complete urgent works including install of odour control system at WWPS Albert Town - Hawea Rd.
	000037	Glenorchy New Wastewater Scheme	131,386		70,000			201,386		70,000	Additional project budget \$70K required to undertake further investigation into water monitoring of septic tanks.
	000039	Aubrey Rd Stg1 Wastewater Rising Main	137,160				- 137,160	-	-	137,160	Project budget to be deferred to 18/19 to progress with the design phase of new Rata St Wastewater Pump Station and Aubrey Road rising main. Construction planned for 20/21.
	000164	Cardrona New Wastewater Scheme	495,746		- 200,000			295,746	-	200,000	Propose transfer of \$200K budget to new project 3 - Wastewater LTP Enabling works. Residual budget sufficient to complete works following WWTP performance assessment and upgrade recommendations.
	000171	Wanaka Airport	53,439		- 23,439			30,000	-	23,439	Project budget no longer required. Reallocate budget to Wastewater LTP enabling works.
	000229	Wastewater - AM Improvements	196,170		12,100			208,270		12,100	Additional project budget required to cover increased costs for Asset management services not covered by the contract. Includes also scoping of Three Waters asset Register transfer to TechOne.
	000344	CBD to Frankton Reticulation	69,583		- 65,000			4,583	-	65,000	Project budget included in LTP Years 4, 5 & 6 to provide solution to mitigate risk of failure and capacity constraints for trunk sewer system between Queenstown CBD and Frankton Beach. Reallocate budget \$65K to Marine Parade Pump Station Project 561.
	000346	Kelvin Heights Wastewater Upgrades	497,537				- 350,000	147,537	-	350,000	Budget \$350K to be deferred for construction work 18/19. Balance of budget 17/18 to complete concept/detailed design of rising main reconfiguration at Willow Place.
	000366	Recreation Ground Pump Station - Stage 1	174,199		- 124,199			50,000	-	124,199	Project budget 17/18 \$50k for concept design work, GIS validation and survey. Detailed design budget 18/19 and physical works budget 19/20 included in LTP.
	000439	Riverbank Rd WWPS Overhead Power Line	29,123		- 21,945			7,178	-	21,945	Capital budget no longer required as Contractor has identified an operational solution to this issue.
	000464	Project Shotover Stg2 - Disposal Field	3,931,877				- 1,331,877	2,600,000	-	1,331,877	Tender to be awarded in March. Budget required this financial year is \$2.6M. Balance of budget \$1.3M to be deferred to 18/19. LTP project budget for Project Shotover - Disposal Field to be reduced through internal submissions process to reflect.

Programme	Project Code	Project Description	Budget 2017-18	New Budget	Budget Transfer	Budget B/Fwd	Budget Deferred	Budget Forecast	2017-18 versus Forecast	Budget Comments
	000525	Shotover Delta Sewer Main replacement	535,000		- 180,000			355,000	- 180,000	Project is complete. Balance of budget to be reallocated.
	000561	Marine Parade Pumping Station Risk	1,118,186		65,000			1,183,186	65,000	Reallocate budget \$65K from Project 344 - CBD to Frankton Reticulation to complete additional works required as a result of new manhole connections (old manhole is unsuitable for new connection).
	000588	Trade Waste - Customer Management System	55,000				- 35,000	20,000	- 35,000	Additional effort has been sought to improve education and engagement with trade waste customers. In addition, a staff change over has resulted in a delays in completing the bylaw review which will now be completed in the next financial year.
	000740	Network Consents Project	100,000		100,000			200,000	100,000	A second prosecution for an overflow is being served. Legal decision to advance the network consent project to start this year as funding can be transferred from other underspends. This additional budget is required to engage the environmental and ecological planners. Project scopes and proposals have already been sought to enable immediate commencement.
	NEW6	Wastewater - Renewals - Luggate	-		50,000			50,000	50,000	Council has recently acquired the Luggate Waste Water Treatment Plant. New budget required to undertake works following risk assessment and plant defects list.
	NEW7	LTP Enabling works - Waste Water	-	117,517	82,483			200,000	200,000	New project budget required to support enabling works requested to deliver Waste Water LTP projects districtwide includes for planning, consenting and compliance works.
Wastewater Total			8,574,406	117,517	-	-	- 1,854,037	6,837,886	- 1,736,520	
Water Supply	000006	Water Supply - Renewals - Queenstown	680,612		80,000			760,612	80,000	Budget required to complete urgent works including associated works with new bridge (Hanley Downs).
	000228	Water Supply - AM Improvements	218,435		53,500			271,935	53,500	Additional project budget required to cover increased costs for Asset management services not covered by the contract. Includes also scoping of Three Waters asset Register transfer to TechOne.
	000279	Shotover Country WS - Bore	310,153				- 260,000	50,153	- 260,000	Concept design and detailed design budget \$50K 17/18. Defer project budget \$260K to 18/19 for physical works.
	000280	Shotover Country WS - Treatment	757,934				- 650,000	107,934	- 650,000	Concept design and detailed design budget \$107K 17/18. Defer project budget \$650K to 18/19 for physical works.
	000311	Fernhill Reservoir Land Access	69,500		- 69,500			-	- 69,500	Budget to be reallocated. Initial study has identified that this project is much larger than originally scoped. Project to be put back through point of entry BBC process.
	000348	Installation of UV treatment at Two Mile	411,762		- 360,000			51,762	- 360,000	Reallocate budget to new project Water Supply LTP enabling works and project Water Supply Renewals Queenstown.
	000369	Hawea Water Supply Upgrades - Caples Ave	250,713				- 220,000	30,713	- 220,000	Budget deferred to complete physical works planned 18/19. Remaining budget \$30K for detailed design 17/18.
	000518	Beacon Point Reservoir	220,000				- 170,000	50,000	- 170,000	Budget deferred to complete physical works planned 18/19. Balance of budget \$50K 17/18 to progress with concept design works to establish new reservoir footprint.
	000545	Glendhu Bay Water Resource Consent	15,000		- 11,000			4,000	- 11,000	Project complete. Budget to be reallocated to new project Water Safety Action Plans.
	NEW8	LTP Enabling works - Water Supply	-	4,000	296,000			300,000	300,000	New project budget requested to support enabling works required to deliver Water Supply LTP projects districtwide includes for planning, consenting and compliance works.
	NEW9	Water Safety Actions Plans - Wakatipu		10,000				10,000	10,000	New project budget required to progress with Water Safety Plans.
	NEW10	Water Safety Actions Plans - Wanaka		9,000	11,000			20,000	20,000	New project budget required to progress with Water Safety Plans.
Water Supply Total			2,934,108	23,000	-	-	- 1,300,000	1,657,108	- 1,277,000	
Other	NEW11	LTP Strategic Procurement Plan	-	150,000				150,000	150,000	New budget required to develop a strategic procurement plan and associated tender and contact documents for LTP programme delivery focusing on first 3 years of the plan.
Other Total			-	150,000	-	-	-	150,000	150,000	

Programme	Project Code	Project Description	Budget 2017-18	New Budget	Budget Transfer	Budget B/Fwd	Budget Deferred	Budget Forecast	2017-18 versus Forecast	Budget Comments
INFRASTRUCTURE TOTAL			22,803,478	532,017	-	170,000	- 4,784,037	18,721,458	- 4,082,020	
Parks and Reserves	000213	Arrowtown Ramshaw Lane Public Toilet	589,894	175,000				764,894	175,000	Additional project budget required following scope increase from community consultation.
	000214	Frankton Beach Toilet Replacement	284,863	110,000				394,863	110,000	Additional project budget required to complete physical works due to increased upgrades to services.
	000215	Aspiring Road - replace permaloo with Exeloo	247,792	42,880	152,120			442,792	195,000	Additional project budget required following scope increase from community consultation. Increased electrical connection requirement.
	000382	Playground Renewal Queenstown Bathhouse	670,000		59,853			729,853	59,853	Additional budget requested. Tender prices based on construction drawings above estimated AP project budget at concept design phase.
	000420	Playground Renewals - Wakatipu	21,000		18,697			2,303	18,697	Budget not required. Playground renewals budget included in 18/19 LTP.
	000421	Playground Renewals - Wanaka	52,000		52,000			-	52,000	Budget not required. Playground renewals budget included in 18/19 LTP.
	000426	New vehicle access- GY Airstrip Reserve	-	150,000		50,000		200,000	200,000	New budget required for access road, fencing and associated minor improvement works to enable the operation of the Airstrip in accordance with the Reserve Management Plan. Includes \$50K budget to form carpark.
	000468	AMP Improvements - Parks	65,335		65,006			329	65,006	Project budget no longer required as data collection has been undertaken under OPEX budget.
	000536	Queenstown Rec Ground Field Improvements	52,355		52,355			-	52,355	Project budget no longer required as works undertaken under OPEX budget.
	000541	Tennis Glenorchy Glenorchy Domain	60,000		60,000			-	60,000	Project budget no longer required as minor repairs undertaken in 17/18 under OPEX budget. Capex budget for Tennis Court renewals included in LTP.
	000548	Playground renewals design/investigation	49,216		31,156			18,060	31,156	Budget not required. Playground renewals budget included in 18/19 LTP.
	000587	Toilet renewals design/investigation	52,305		42,759			9,546	42,759	Budget not required. Toilet Facilities report undertaken under OPEX budget.
	000608	Makarora Toilet	250,000		110,000			360,000	110,000	Additional project budget required following scope increase from community consultation. Increased waste disposal requirement.
	NEW12	Freedom Camping Stage 1	-	30,000				30,000	30,000	New budget requested to implement works associated with access restrictions to Lakes Hayes and the Shotover Delta reserves; signage, fencing, gates etc.
Parks and Reserves Total			2,394,759	507,880	-	50,000	-	2,952,639	557,880	
Corporate	000145	Performance Planning and Risk Tech One Modules	162,500	50,000				212,500	50,000	New project budget required to implement Performance Planning and Risk Tech One Modules this financial year.
Corporate Total			162,500	50,000	-	-	-	212,500	50,000	
Non-Infrastructure Total			2,557,259	557,880	-	50,000	-	3,165,139	607,880	
Grand Total			25,360,737	1,089,897	-	220,000	- 4,784,037	21,886,597	- 3,474,140	

**QLDC Council
23 March 2018****Report for Agenda Item 10****Department: Community Services****New Licence for Paddle Wanaka****Purpose**

- 1 The purpose of this report is to consider approving a new licence to Paddle Wanaka Limited. A licence is sought to utilise reserve land adjacent to State Highway 6 and the Clutha River as a pick up / drop off point for guided and instructional kayak or stand-up paddle boarding trips.

Recommendation

- 2 That Council:
 1. **Note** the contents of this report;
 2. **Grant** a new licence to Paddle Wanaka Ltd over recreation reserve at Albert Town, with legal description Lot 2, DP 375247, subject to the following terms and conditions:

Commencement	TBC
Term	5 years.
Rent	The greater of \$500.00 plus GST or 7.5% of gross revenue.
Reviews	At renewal.
Renewals	1 of a further 5 years by agreement of both parties.
Assignment/Sublease	With Council's approval.
Use	Hire, lessons, guided and unguided tours with stand-up paddle boards and kayaks.
Insurance	Requirement to have public liability insurance of \$2 million
Safety/Suspension	Council to retain ability to suspend the licence for safety purposes or to avoid large public events. Health and Safety plan to be provided to Council and be approved by the Harbourmasters office prior to commencing the activity.

Other

Licensee must ensure they hold a valid resource consent for the purpose of kayak and stand-up paddle board hire, lessons, guided and self-guided tours.

The licensee to obtain a Commercial Activity Permit in accordance with the Waterways and Ramp Fees Bylaws (if required) or successors to this policy.

Licensee to ensure that all customers/staff abide by the toileting policy provided to Council, and that all rubbish is removed from the reserve.

3. **Delegate** final licence terms and conditions and signing authority to the Community Services General Manager.

Prepared by:

Reviewed and Authorised by:





Dan Cruickshank
Property Advisor

Aaron Burt
Senior Planner: Parks &
Reserves

Thunes Cloete
GM, Community Services

22 February 2018

8 March 2018

8 March 2018

Background

- 3 Paddle Wanaka Ltd (the applicant) has been in operation since February 2013. The company currently provides kayak and stand up paddle board rentals and guided tours based from the Wanaka lakefront under two separate licences. The company is owned and operated locally by Chris and Rebecca Thornton. Chris is also a volunteer to the Wanaka Coastguard.
- 4 The applicant currently operates under three resource consents and a concession from the Department of Conservation (Concession Number: 37796-GUI) for their operations on the marginal strip of Lake Wanaka and the Clutha River.
- 5 It is intended that the new licence being sought will work in conjunction with the applicant's existing concession, but not the licences issued from Council which are for a beach hire activity only on the Wanaka lakefront (Roy's Bay Recreation Reserve).
- 6 The purpose of the new licence is to expand their current operations by utilising different areas of Lake Wanaka, Lake Hawea, Hawea River and Clutha River. Providing different location options not only increases customer satisfaction but also can provide for safer options depending on weather conditions.

- 7 The reserve land will serve as a pick up and drop off area for the operation. There will be no permanent set up at any of the proposed locations, other than that of the main operation on Wanaka lakefront.
- 8 The Wanaka Community Board approved public notification of the intention to grant a licence on the 25 October 2017 where the following resolution was passed:

On the motion of Ms Harrison and Councillor Smith it was resolved that the Wanaka Community Board:

1. **Note** the contents of this report;
2. **Approve** notification of the intention to grant a licence to Paddle Wanaka Ltd over recreation reserve at Albert Town, with legal description Lot 2, DP 375247, subject to the following terms and conditions:

<i>Commencement</i>	<i>TBC</i>
<i>Term</i>	<i>5 years.</i>
<i>Rent</i>	<i>The greater of \$500.00 plus GST or 7.5% of gross revenue.</i>
<i>Reviews</i>	<i>At renewal.</i>
<i>Renewals</i>	<i>1 of a further 5 years by agreement of both parties.</i>
<i>Assignment/Sublease</i>	<i>With Council's approval.</i>
<i>Use</i>	<i>Hire, lessons, guided and unguided tours with stand-up paddle boards and kayaks.</i>
<i>Insurance</i>	<i>Requirement to have public liability insurance of \$2 million</i>
<i>Safety/Suspension</i>	<i>Council to retain ability to suspend the licence for safety purposes or to avoid large public events. Health and Safety plan to be provided to Council, and be approved by the Harbourmasters office prior to commencing the activity.</i>
<i>Other</i>	<i>Licensee must ensure they hold a valid resource consent for the purpose of kayak and stand-up paddle board hire, lessons, guided and self-guided tours. The licensee to obtain a Commercial Activity Permit in accordance with the Waterways and Ramp Fees Bylaws (if required) or successors to this policy.</i>

3. **Appoint** Rachel Brown, Ruth Harrison and Ross McRobie (any two of which can form a hearing panel) to hear any submissions and make a recommendation to Council.

4. Delegate signing of Affected Person's Approval to the applicant's Resource Consent application, to the General Manager Property and Infrastructure. Any material changes to the application shall be first discussed with a nominated representative of the Wanaka Community Board, and guidance sought prior to any exercise of APA. This is to acknowledge that a degree of flexibility could be necessary in this circumstance.

Comment

- 9 The applicant is currently applying for a new reserve licence from Council to expand their operations to include a boat that they wish to use both as a water taxi and for sightseeing. It will also require a service vehicle for water safety classes and to assist for water-based events where needed. Whilst a number of reserves are accessed through, the actual commercial activity is only deemed to be occurring on the following Council reserves:

Commonly known as	Legal description	Certificate of title
Eely Point Recreation Reserve	Section 29 and Section 1543R Block XIV Lower Wanaka Survey District	OT7B/497
Albert Town Boat Ramp (Albert Town Recreation Reserve – South & East locations)	Lot 2 Deposited Plan 375247	302906

- 10 The harbourmaster has been consulted and has provided approval for the application. He has acted as a key instigator and advisor for Paddle Wanaka to purchase a support powerboat and made the recommendation of what vessel would work well. The Coastguard have also provided a signed APA for the planned activities.
- 11 Guided and instructional trips are proposed from the following areas: Eely Point, Glendhu Bay, Waterfall Creek, Outlet Campground, Albert Town Campground, and the Cardrona River Confluence. A pick up and drop off location has also been requested from the new Council commercial jetty adjacent to Wanaka Marina. Clients would be picked up and dropped off at these locations via Paddle Wanaka's water taxi and vehicle support (water taxi only available at Lake Wanaka locations).
- 12 Note that the other locations at Glendhu Bay, Waterfall Creek, Outlet Campground, Lake Hawea and the Cardrona River Confluence pass through Council reserve on an access basis only, but do not include onsite commercial activity that will need to be sought from other adjacent landowners, predominantly Land Information New Zealand and the Department of Conservation.
- 13 One pick up and drop off location near Albert Town, on the shore of the Hawea River, is within the existing lease to CCR Limited. CCR will need to give their approval to the licence and resource consent before that location can be used,

however it is being notified in this application on the assumption that approval is received.

- 14 The maximum number of trips per day on Lake Wanaka are proposed to be 10 across all locations. Each trip would have a maximum of 16 clients + 2 guides.
- 15 The maximum number of trips per day on the Clutha River would be 10. The maximum number of trips per day on the Hawea River would be 1. Each river trip would have a maximum of 8 clients + 1 guide.
- 16 Note that client and trip numbers will initially be significantly less than the maximums proposed as the business is established. However, Paddle Wanaka is anticipating growth and has proposed the stated maximums to allow for future expansion.
- 17 When the notification request was heard by the Wanaka Community Board on the 25 October 2017, it was queried as to how the operator would manage toileting of guests at the Albert Town reserve, as no public toilets are situated there. In discussion with the applicant, they have provided a toileting policy which manages this issue, and is included as Attachment C to this report.
- 18 The activity is not specifically contemplated under the Albert Town Recreation Reserve Management Plan 2010; however, the plan does not prohibit activities that provide access to the adjoining river. On this basis the request was notified in accordance with the Reserves Act legislation. This required publication of a notice to the public, and a waiting period of 1 calendar month. No submissions were received.
- 19 The location at Eely Point Reserve has been excluded from the notification at this time, due to that reserve undergoing a Master Planning process currently. If commercial activity of this type is approved through the Master Plan we expect that this aspect of the request can be included in the licence at a later date, subject to a minor variation process, so long as the Master Plan is notified in accordance with Reserves Act requirements.

Options

- 20 Option 1 To grant a licence to Paddle Wanaka Limited over recreation reserve with legal description Lot 2, DP 375247, to operate stand up paddle board and kayak rentals, guided and unguided trips and lessons.

Advantages:

- 21 Allows for commercial activity that provides a beneficial and enabling form of recreation and enjoyment from the Council land.
- 22 Supports an established and successful local business operator.
- 23 Will add to the existing tourist offering in Wanaka.
- 24 Will provide additional income for Council.

Disadvantages:

25 May increase commercial congestion on the reserve land and lake/river surface.

26 May create potential safety concerns on the water which will require close management by the operator and Harbourmaster.

27 Option 2 To grant a licence to Paddle Wanaka Limited over recreation reserve with legal description Lot 2, DP 375247, to operate stand up paddle board and kayak rentals, guided and unguided trips and lessons, subject to different terms and conditions.

Advantages:

28 Similar to the above.

Disadvantages:

29 Similar to the above.

30 Option 3 To decline the application by Paddle Wanaka Ltd.

Advantages:

31 Will not increase commercial congestion on the reserve land and lake/river surface.

32 Will not create potential safety concerns on the water which will require close management by the operator and Harbourmaster.

Disadvantages:

33 Will not allow for commercial activity that provides a beneficial and enabling form of recreation and enjoyment from the Council land.

34 Will not support an established and successful local business operator.

35 Will not add to the existing tourist offering in Wanaka.

36 Will not provide additional income for Council.

37 This report recommends **Option 1** for addressing the matter because the recommendations proposed provide a balance between Council controls and the ability for the operator to expand a successful business.

Significance and Engagement

38 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because it involves a waterfront reserve that can be used by many local rate payers as well as tourists visiting the area.

Risk

39 This matter relates to the operational risk OR011A Decision Making as documented in the Council's risk register. The risk is classed as moderate. The risk is mitigated by the need to publicly notify the licence and consider any submissions received prior to considering granting a licence.

Financial Implications

40 It is proposed that Council will receive base income of \$500+GST or 7.5% of turnover, whichever is the greater.

41 All legal fees and advertising associated with issuing the licence will be met by the applicant.

Council Policies, Strategies and Bylaws

42 The following Council policies, strategies and bylaws were considered:

- Significance and Engagement Policy
- Albert Town Recreation Reserve Management Plan
- Community Facility Pricing Policy

43 The recommended option is consistent with the principles set out in the named policy/policies.

44 This matter **is not** included in the 10-Year Plan/Annual Plan but has no impact on it.

Local Government Act 2002 Purpose Provisions

45 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing income to Council and a decision in a timely manner;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

46 The persons who are affected by or interested in this matter are predominantly the users of the reserve and residents/ratepayers of the Queenstown Lakes District community.

47 The Council has provided a mechanism for community consultation through the public notification of the intention to grant a licence. No submissions were received.

48 The Harbourmaster has been consulted prior to this application and provided their approval to the request.

49 The Coastguard has provided affected parties approval for the proposed operation.

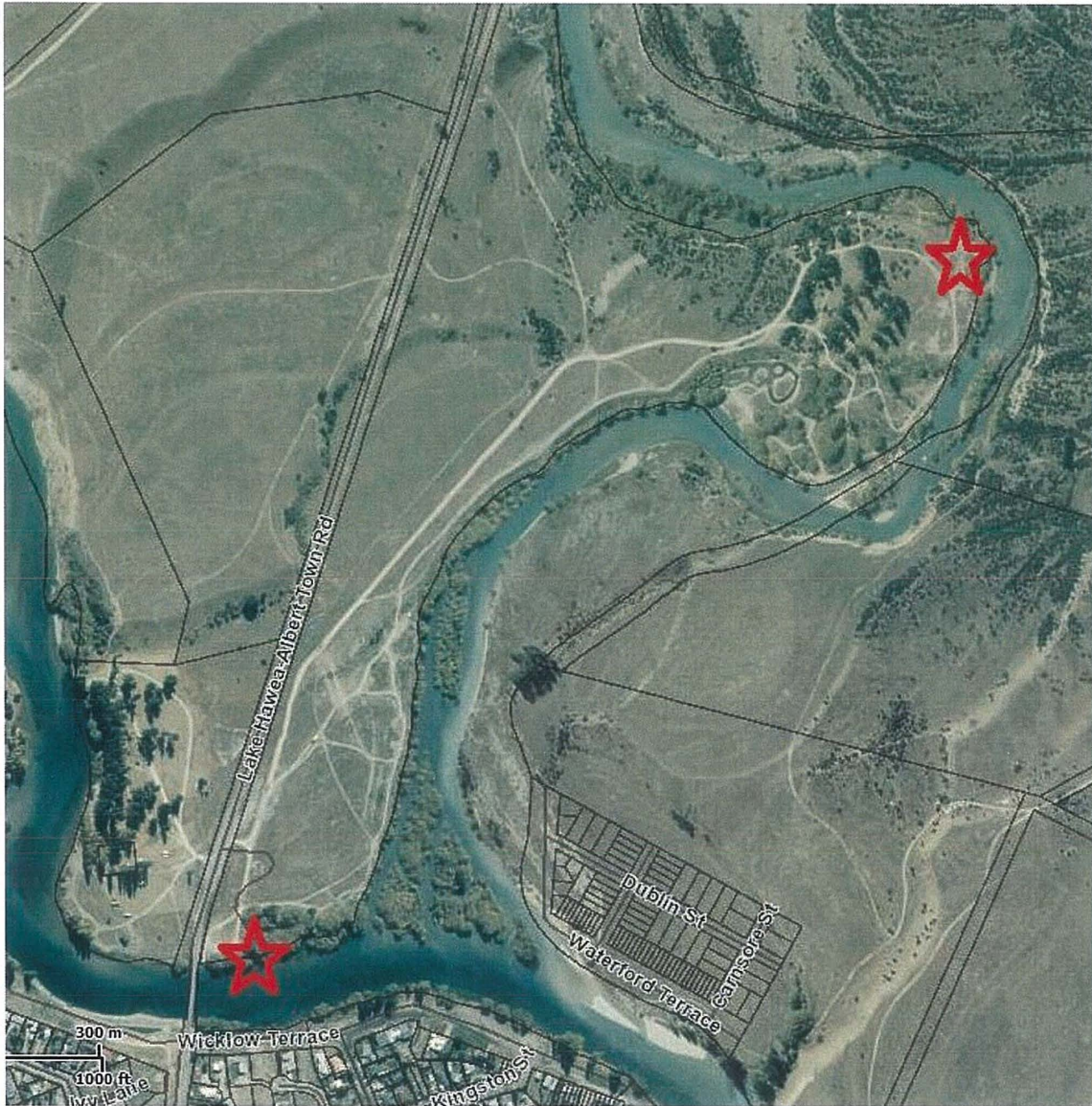
50 Both the Albert Town and Outlet Camp Ground managers have been consulted and have given approval for the activities.

Attachments

- A Location maps
- B Application letter
- C Toilet policy



ALBERT TOWN
Pick up / drop off





5th May 2017

Dan Cruickshank
APL Property

Via Email

Dear Dan

PADDLE WANAKA LTD – RESERVE LICENCE APPLICATION

Introduction

Paddle Wanaka Ltd (Paddle Wanaka) currently operate a kayak and stand up paddle board rental and guiding business on Lake Wanaka and the Clutha River. Paddle Wanaka currently operate under resource consents RM070953, RM081389 and RM110178. They also hold existing licences L56327 & L56722 pursuant to Section 54(1)(d) of the Reserves Act for their base on the Wanaka Lakefront. Further to this they also hold an existing concession with the Department of Conservation (Concession Number: 37796-GUI) for their operations on the marginal strip of Lake Wanaka and the Clutha River that occurs on the Department of Conservation land.

Paddle Wanaka are looking at utilising different areas of Lake Wanaka and also Lake Hawea and the Hawea River to increase operations but also importantly to offer alternative options for their clients and staff when providing rental equipment, tours or instruction during changeable weather. Paddle Wanaka have also recently purchased a power boat to use as a support vessel/water taxi service for kayak and stand up paddle board drop offs and pickups at various locations on the lakes as well as for private charter, event water safety and sight-seeing.

New Sites - Guided Trips

Paddle Wanaka seek a reserve licence from QLDC to use the following reserves as start or pickup/finish points on Lakes Wanaka and Hawea and the Clutha and Hawea Rivers for guided and instructional kayak or stand up paddle boarding trips:

1. Eely Point
2. Glendhu Bay
3. Waterfall Creek
4. Outlet Campground
5. Albert Town Camp Ground (both sides of SH 6 – Clutha and Hawea Rivers)
6. Clutha River at Cardrona River confluence
7. Clutha River at Luggate red bridge
8. Hawea River at Camp Hill Road bridge
9. Lake Hawea boat ramp

Clients will be dropped off or picked up at these locations either in a van or via Paddle Wanaka's

water taxi boat (water taxi only available for Lake sites). No permanent set up is proposed at any of the locations. The operational base will remain on the Wanaka Lakefront under Paddle Wanaka's existing license and resource consent. All vehicles will be kept to formed public roads and car parking areas within the above-mentioned reserves. The reserves will be used for a short time for clients and guides to prepare for or pack up after the trips. Vans and trailers may be left in public car parks for up to two hours when associated with guided trips.

Maps of these proposed locations are attached as **Appendix A**.

The maximum number of trips per day on Lakes Wanaka and Hawea would be ten across all locations. Each trip would have a maximum of 16 clients + 2 guides.

The maximum number of trips per day on the Clutha River would be 10. The maximum number of trips per day on the Hawea River would be 1. Each river trip would have a maximum of 8 clients + 1 guide.

Note that client and trip numbers are presently significantly less than the maximums proposed however Paddle Wanaka is anticipating growth and has proposed the stated maximums to allow for future growth of the business.

New Sites – Rental Drop Off and Pick Up

Paddle Wanaka also seek a reserve licence from QLDC to use the following reserves on Lakes Wanaka and Hawea as drop off and pick up locations for their rental customers as alternative options to Paddle Wanaka's base at the Wanaka Lake Front:

1. Eely Point.
2. Glendhu Bay.
3. Waterfall Creek.
4. Lake Hawea boat ramp

These locations are also identified in **Appendix A**. A maximum of 20 clients per day is proposed for drop off/pick up across all of these locations (unless inclement weather dictates any additional pick-ups for safety reasons). Rental clients would either leave from and return to the Wanaka Lakefront base as per current operations or alternatively they will be dropped off or picked up at one of the alternative sites listed above.

Rental trips do not include a guide and will simply involve Paddle Wanaka dropping or picking up customers and their gear from the proposed locations listed above. Note that equipment rentals will not be available for use on the rivers.

General Outline of the Proposed Operations

The proposed number of trips outlined above represent a maximum number during peak times and allows for anticipated growth of the business. The actual number of trips per day using each site will be considerably less than this for the majority of the time. No permanent set up is proposed at any of the alternative locations. The operational base will remain on the Wanaka Lakefront under Paddle

Wanaka's existing license and resource consent.

Paddle Wanaka adopts a 'leave no trace' policy with all rubbish removed from any of the reserves. Toilet facilities will be identified at the start and end of trips. All equipment will also be regularly washed, cleaned and dried to avoid the spread of noxious weeds.

The following equipment will be used during the proposed trips:

- Stand Up Paddleboards – A range of inflatable & rigid SUP boards will be used. These will be sized for the student/client.
- Kayaks – A range of inflatable kayaks, plastic whitewater kayaks, plastic sea kayaks and multisport design kayaks will be used. These will be chosen to suit the student/client's capability and requested outcomes.
- Safety Equipment - Each guided trip will carry emergency gear as outlined in SOP for that trip. Instructors will be suitably qualified to utilise emergency equipment and aid in situations if needed. Rental clients will be supplied with suitable floatation devices and informed of hazards.
- Vehicles - Paddle Wanaka Limited Transport Service Number 0248802 (PSL)
 - Toyota Hiace Van (9 Seater) and kayak or sup/kayak trailer. Vehicle will be upgraded to a 12 seater Hiace van when option becomes viable.
 - 5 Seater Nissan Safari with appropriate trailer. Used for the smaller groups.
- Water taxi – 7.49Meter Osprey MNZ 132052. Certified to carry 23 passengers or a combination of kayaks/SUP boards & passengers.

The business runs under a current Safety Operations Plan which is attached as **Appendix B**. This will be expanded to include the proposed new sites/areas. The new support vessel/water taxi also provides an important safety tool for clients/rental customers on the lakes in the event of any problems/emergencies such as sudden weather changes or injuries. Paddle Wanaka also has a jet ski available for assisting customers if required although this would not be used as part of regular operations.

A variation to the underlying resource consents will be required for these proposed activities and this will be sought following completion of the QLDC license application process. It is intended that the new license which is being sought will eventually replace the existing license.

Relevant Reserve Management Plans

Wanaka Lakefront Reserve Management Plan

The Wanaka Lake Front Reserve Management Plan was adopted by Queenstown Lakes District Council in October 2014. The purpose of this plan is to identify the objectives and policies for the management, including protection and development of the Wanaka Lake Front reserves. The overarching objectives

are:

- *Recognise the unique character of the Wanaka lakefront reserves and reflect this in the design, maintenance and management of the lakefront reserves;*
- *Manage and maintain areas of the lakefront reserves as formal recreational areas for enjoyment of the community and visitors;*
- *Manage the impact on the natural amenity values of the lakeside reserves by minimising buildings and positioning them appropriately;*
- *Retain a high level of unrestricted access to and within the lakefront reserves and facilitate formal lake access;*
- *Manage use of the lakefront reserves in a way that sustains the natural biodiversity of the land and adjacent pristine lake.*

There are a number of specific objectives and policies that give effect to the overarching objectives. Those relevant to this proposal are:

5.2.1 // Recognise the unique character of the Wanaka Lakefront Reserves and reflect this in the design, maintenance and management of the lakefront reserves

5.2.1.1 // Objectives

- *Integrate the use and management of the reserves*
- *Ensure the reserves remain predominantly accessible for unstructured recreation*
- *Identify, protect and preserve heritage sites and features*
- *Establish activity zones in Roys Bay to enable appropriate activities to occur that reinforce the character and purpose of the zone, ensuring compatible activities are clustered together.*

5.2.1.2 // Policies

- *Recognise seven distinct activity zones within Roys Bay, west to east, to identify a priority management focus for use and development within these areas as follows:*
 - *passive recreation (walking/ biking/swimming)*
 - *active recreation (including supporting infrastructure to support non-motorised watersports including a leased area for a watersports building)*
 - *Pembroke Park open space connection (preserving and connecting the sanctity and openness of the park with the lakefront including restricting vehicle access)*
 - *CBD lakefront connection (including supporting commercial leases and licences of existing buildings such as the log cabin and other sites, open space and event infrastructure)*

5.2.3 // Manage the impact on the natural amenity values of the lakeside reserves by minimising buildings and positioning them appropriately

5.2.3.1 // Objectives

- *Manage all use and development of the reserves in accordance with the outstanding natural landscape recognition in the District Plan*
- *Minimise structures in the reserves and their impacts on the landscape*
- *Protect important view shafts*
- *Retain an informal landscape character and open spatial quality to the reserves*
- *Built developments will only be permitted where these are sympathetic to the key elements, features and patterns of the landscape*
- *Provide for continuation and renewal of existing leases and licences where such uses support the objectives of this plan*
- *Consider a limited number of new leases and licences where such uses would support the objectives of this plan*
- *Ensure the use and development of the reserves positively integrate when adjacent to the town centre and surrounding urban area*

5.2.3.2 // Policies

- *Development of facilities that benefit and remain accessible to the local community will be given priority over other facilities*
- *Allocate adequate space to vehicles to support participation in active recreation and passive viewing of the landscape*
- *Continue to allow use of the reserves for commercial purposes via a concession or other formal agreement. All applications for use of the reserves for commercial purposes will be considered under applicable Council policy*

5.2.4 // Retain a high level of unrestricted access to and within the lakefront reserves and facilitate formal lake access**5.2.4.1 // Objectives**

- *Facilitate lake access for powered and non-powered watercraft safely and sustainably*
- *Prioritise pedestrian and cycle activity over motorised*

5.2.4.2 // Policies

- *Permit vehicle access via Penrith Park Road, Outlet reserve, to windsurfers beach only*
- *Permit vehicle access for the purposes of operating or maintaining public utilities including water, telecommunications and power*
- *Vehicle access will otherwise be restricted to defined roads, ramps and car parks, except for:*
 - o maintenance and emergency vehicles*
 - o setting up and packing down before and after events*

Comment

The focus of Paddle Wanaka's operations is to offer water based recreational experiences for the enjoyment of both locals and visitors to the Wanaka Area. This focus aligns with the Wanaka Lakefront Reserve Management Plan vision and overarching objectives.

Recreational activities such as kayaking and SUP boarding are a regular occurrence on Lake Wanaka and the Hawea and Clutha Rivers, particularly during summer months. The character of these areas

and adjoining reserves is such that these activities are not an unexpected activity within this locality. Kayak and SUP boards are non-motorised craft of a passive nature and therefore have very little effects on the amenity values of the area. As outlined above Paddle Wanaka will not set up any permanent structures within the reserves which are to be used for short periods for clients and guides to prepare for or pack after the trips. The business operation will ensure unrestricted access to the public is maintained across all the reserves. They also operate on a leave no trace policy ensuring the reserves and their ecological values are unaffected by their operations.

Albert Town Recreation Reserve Management Plan

3. Management Objectives

Management objectives describe how the Council will manage each reserve, in accordance with its classification as recreation reserve.

The Council will:

Preserve in perpetuity the Albert Town recreation reserve as a recreational area for the enjoyment of residents of the Queenstown Lakes District and visitors.

*Encourage and facilitate the use of the reserve for active and passive recreational pursuits.
Provide opportunities for camping in an informal setting with simple facilities.*

Recognise the importance of the reserve as part of the entrance to Wanaka and Albert Town and ensure the landscape and amenity is managed and enhanced accordingly.

Provide for other public use and events, to the extent that the above objectives are not compromised.

4. Management Policies

Policy 11 – Concessions

11.1 Prohibit the granting of concessions for commercial activities on the reserve, other than those associated with:

1. access to the adjoining river and Department of Conservation administered reserves,
2. approved events (refer to Policy 1), temporary filming, sporting tournaments, or sports coaching.
3. the hire of recreational equipment for use within the reserve.
4. guiding on the tracks and rivers within and adjoining the reserve

Comment

The use of the Albert Town Recreation reserve by Paddle Wanaka for guiding trips on the adjoining rivers specifically aligns with the objectives and in particular Policy 11.

Conclusion

Paddle Wanaka currently operate a kayak and stand up paddle board rental and guiding business on Lake Wanaka and the Clutha River. The company wishes to expand the locations in which they can put in and take out kayaks and stand up paddles boards to offer safe weathers options when it is not possible from their current base on the Wanaka Lakefront. The proposed activity is low impact and of a passive nature which is consistent with the general aims and provisions of the relevant reserve management plans.

Yours Sincerely



Tom Overton
Resource Management Consultant
SOUTHERN PLANNING GROUP

Paddle Wanaka Toileting Policy

Paddle Wanaka operates in many different outdoor arenas. In many of these areas public facilities are provided by the Department of Conservation and then Queenstown Lakes District Council, as well as Private land owners. There are also many areas utilized where toileting facilities are not readily available. This Policy is to outline how Paddle Wanaka Staff and clients will manage their human waste while in and around the outdoor environment and our local waterways.

Pre Trip:

- On confirmation of booking, clients are made aware of the area they are heading to and the toileting facilities available to them throughout their journey.
- On Pick up of the clients, Drivers will again outline the trip and the toileting facilities along the way. Drivers will wait 5 minutes while clients utilize their closest bathroom if needed.

During Trip

- Guide is to outline the length of the trip and expected return times. Guide is to also outline toileting options along the journey.
- Guides are to carry Green 'Poo' bags, toilet paper and tampons in the first aid kits. These are to carry out (in rear of the guides vessel) any solid human waste. Clients will be instructed on how to go to the toilet in the outdoors.
- Any toileting MUST be conducted more than 100metres away from any waterway.
- On trips longer than 4 hours, where no public facility is near by, a composting toilet will be provided. It is the responsibility of the guide to organize the handling of this toilet and the removal of any waste that it may hold.

Post Trip

- Clients are to debrief with guide about the trip. Issues with toileting are to be discussed and solutions are to be created to solve any unforeseen occurrences.
- Guides are to dispose of solid waste in the appropriate manner.

Paddle Wanaka Guides and clients will be made aware of the precious environment in which we operate. It is inexcusable to leave waste of any form in the outdoors. Take out what you have taken in.

If at any stage any person needs clarification on Paddle Wanaka's Toileting, environmental or waste policies, refer them to Paddle Wanaka Management, Chris Thornton on 021 070 944 or Ops@paddlewanaka.co.nz

TAKE ONLY PHOTOS, LEAVE ONLY FOOTPRINTS

QLDC Council
23 March 2018

Report for Agenda Item 11

Department: Community Services

Approval of Sub-lease to CCR Ltd for Arrowtown Menzshed

Purpose

- 1 The purpose of this report is to seek Lessor's Approval, Affected Person's Approval and the delegated approval of the Minister of Conservation to a proposed sub-lease by CCR Ltd to Arrowtown Menzshed at the Arrowtown Holiday Park.

Recommendation

- 2 That Council:

1. **Note** the contents of this report;
2. **Approve** a sublease by CCR Ltd to the Arrowtown Menzshed over the recreation reserve at Lot 25 DP 12525 (Arrowtown Holiday Park), subject to the following conditions:

Commencement	Upon signing of the sub-lease
Term	To mirror the lease term between QLDC and CCR
Rent	\$1 (if charged)
Renewals	None
Early Termination	To mirror the lease term between QLDC and CCR
Use	Meetings and workshop activities including the sale of goods created on site.
Insurance	To be covered under the CCR insurance.
Compliance	Resource and building consents to be obtained if required.
3. **Approve** Affected Party Approval for the resource consent for the construction of the shed (if required); and
4. **Agree** to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of a sub-lease by CCR Ltd to Arrowtown Menzshed over recreation reserve known as Lot 25 DP 12525; and
5. **Delegate** signing authority to the Community Services General Manager.

Prepared by:



Dan Cruickshank
Property Advisor

22 February 2018

Reviewed and Authorised by:



Aaron Burt
Senior Planner:
Parks & Reserves
8 March 2018



Thunes Cloete
GM, Community
Services

8 March 2018

Background

- 3 CCR Limited (CCR) hold a lease with Council for the Arrowtown Holiday Park. The lease commenced 28 November 2014 and is for 25 years. The land is recreation reserve known as Jack Reid Park, with the holiday park activity contemplated in the Arrowtown-Lake Hayes Reserve Management Plan.
- 4 CCR wish to support the new Arrowtown Menzshed group by providing a site for a workshop within the lease area. Menzshed is a not for profit organisation for retired men to create items to donate or sell to raise funds for other not for profit groups. They also repair, manufacture and assemble items beneficial to local residents and organisations, while providing social interaction and companionship to members. The Arrowtown club is part of a nationwide organisation.

Comment

- 5 It is proposed to locate the Menzshed in an area of the reserve fronting onto Preston Drive immediately behind the Park's workshop. The shed would be used for meetings along with woodworking, light metal working and the use of other equipment. The occupation of the site would be formalised with a sublease with peppercorn rent applying, in line with Council policy on community leases. The lease to CCR allows subleases with the prior written approval of Council.
- 6 The Menzshed activity is not contemplated within the reserve management plan and all new buildings on the reserve must be publicly notified, therefore the intention to approve a sublease was notified late in 2017 calling for submissions.
- 7 No formal submissions were received, however one query was raised about the potential reduction in the rent that CCR might pay to Council, if this land becomes encumbered by the sublease. Due to its back of park location, in a current utility area of the park, we do not believe income to Council or CCR will be materially affected by the approval of the sublease. The query also raised hours of operation, and at what times the Menzshed would be selling items created at the shed. Menzshed have advised that expected hours of activity will be from 9am to 5pm in most instances. They also have no intention to purposefully sell items on a shop front basis but may ask for repair contributions when they require materials, on a case by case basis.
- 8 CCR are willing to grant a sublease to the group, as it is an opportunity for them to support the local community in which they operate. The site is easily accessed

from Preston Drive and services are available. CCR advise that the location is underutilised and will not reduce the amenities of the park nor interfere with the Park's operation.

- 9 If resource consent is required, Council may be deemed an Affected Person and be required to give approval. This report is also seeking Council's approval as an affected party.
- 10 The sublease approval requires consent of Council also under delegation from the Minister of Conservation.

Options

- 11 Option 1 To a sublease and affected person's approval to the Arrowtown Menzshed over the recreation reserve at Lot 25 DP 12525 (Arrowtown Holiday Park), subject to the conditions outlined above.

Advantages:

- 12 Will enable a new community group to construct a workshop to operate from.
- 13 Will increase recreational use of an under-utilised part of the reserve.
- 14 Will provide a community group with a place to conduct its activities at no cost or inconvenience to the Council.

Disadvantages:

- 15 This area of land would remain undeveloped.

- 16 Option 2 To approve a sublease and affected party approval to the Arrowtown Menzshed over the recreation reserve at Lot 25 DP 12525 (Arrowtown Holiday Park), subject to different conditions.

Advantages:

- 17 Similar to above.

Disadvantages:

- 18 Similar to above.

- 19 Option 3 To decline the sublease to the Arrowtown Menzshed over the recreation reserve at Lot 25 DP 12525 (Arrowtown Holiday Park).

Advantages:

- 20 The land would remain undeveloped, allowing for other potential uses in the future.

Disadvantages:

- 21 Would not increase recreational use of an under-utilised part of the reserve.

22 Would not provide a community group with a place to conduct its activities at no cost or inconvenience to the Council.

23 The Menzshed group would not be able to build a shed on the site.

24 This report recommends Option 1 for addressing the matter because it increases the recreational use of under-utilised reserve land, and would provide a home to the community group at no cost to Council.

Significance and Engagement

25 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because it relates to a recreation reserve that is a strategic asset.

Risk

26 This matter related to the operational risk OR11 (decision making), as documented in the Council's risk register. The risk is classed as low. This report helps to address this risk by enabling Council to make a well-informed and timely decision that is still subject to community consultation

Financial Implications

27 The applicants have agreed to meet any costs incurred in the issuing of the sublease. There are no other financial implications for Council, as rent from the park is not considered to be materially altered by granting this request.

Council Policies, Strategies and Bylaws

28 The following Council policies, strategies and bylaws were considered:

- Arrowtown-Lake Hayes Reserve Management Plan

29 The recommended option is not consistent with the principles set out in the named policy/policies because this activity is not contemplated by the plan, and therefore public notification was required to address that inconsistency.

30 This matter is included in the 10-Year Plan/Annual Plan through existing property operating budgets.

Local Government Act 2002 Purpose Provisions

31 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by facilitating a new building for a community group;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and

- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

32 The persons who are affected by or interested in this matter are residents/ratepayers and visitors of the Queenstown Lakes district community.

33 The Council has notified the intention to grant the sub-lease with no formal submissions having been received. One in-formal submission was made by a member of the public, with those comments incorporated as much as possible in this report.

Attachments

- A Menzshed overview
- B Overview plan
- C Elevations and plans of proposed shed

MENZSHED

Secretary,

ARROWTOWN

24A Advance Tce.
Arrowtown 9302.

29th May 2017

AIMS of MENZSHED

Once established the aim of the Arrowtown MENZSHED is to foster creative recreational activities based on Community involvement. This will be enabled by the building and the setting up of a workshop environment complete with tools and machinery.

Once established it is anticipated there will be woodworking, light metal working and other equipment provided for members to use. Much of the tools and equipment will be, and has been, donated by members and as many of the members have extremely practical backgrounds tuition and instruction will be provided for those who have lead a more protected and "sedentary" lifestyle.

Already established MENZSHEDS throughout the country (more than 120) are utilised by many charitable groups, community organisations and schools to repair, manufacture and assemble items beneficial to local residents and it is anticipated that this will be the case with the Arrowtown MENZSHED group which is made up of many civic minded people.

Another very worthwhile benefit of membership is the companionship and social interaction provided for members who have often been involved in very busy careers but now, through retirement, are tending to lead more insular lives. In many cases members are also living solo due to the passing of wives and partners. Group activities such as the proposed MENZSHED have been proven to be very beneficial by providing worthwhile tasks, projects, meeting new people and learning new skills as the aging process progresses.

.....

These notes are written in support of an application for consent to establish a MENZSHED on the Arrowtown Camping Ground alongside the existing utility building. Access will be via an existing gateway off Preston Drive.

Drawings of the proposal are attached as part of this document.

said. for funding for the next

Wooden bird feeders taking off

The News 17 Aug '17

REBECCA NADGE
@thenews.co.nz

Tucked away in a small workshop at Molyneux Park is the Alexandra Men's Shed, and while the area seems quiet from the outside, inside its workers are busy putting saw to timber to build stylish wooden bird feeders.

Shed co-ordinator Neil McArthur said the group was contacted by Central Otago REAP to build some bird feeders for local schools, but the members received so much positive feedback they decided to continue taking orders. A total of 38 bird feeders have been sold so far.

The feeders are made from recycled timber and two designs are available.

Mr McArthur said money raised from the sales would go towards building the group's new shed, which is intended to be built behind the Alexandra Toy Library.

The new shed will be equipped with an engineering workshop and cover a total area of 350sq m — a large increase from the current 60sq m space.



Wood workers . . . Kevin Kane, Fossil Colyer and Buzz Ardley have been busy building wooden bird feeders as a fundraising effort for the new Men's Shed.

PHOTO: REBECCA NADGE

"We're in the position now where we can't take any more members because there's not enough room."

The Men's Shed has about 20 members and makes a range of items for not-for-profit community groups, including schools

and play centres. Mr McArthur said the group was a lot of fun and there was a good sense of community spirit.

"It keeps them out of mischief and off the streets. The blokes get a lot of good feedback," he said.

It was rewarding for members to see their handiwork on display around town, he said.

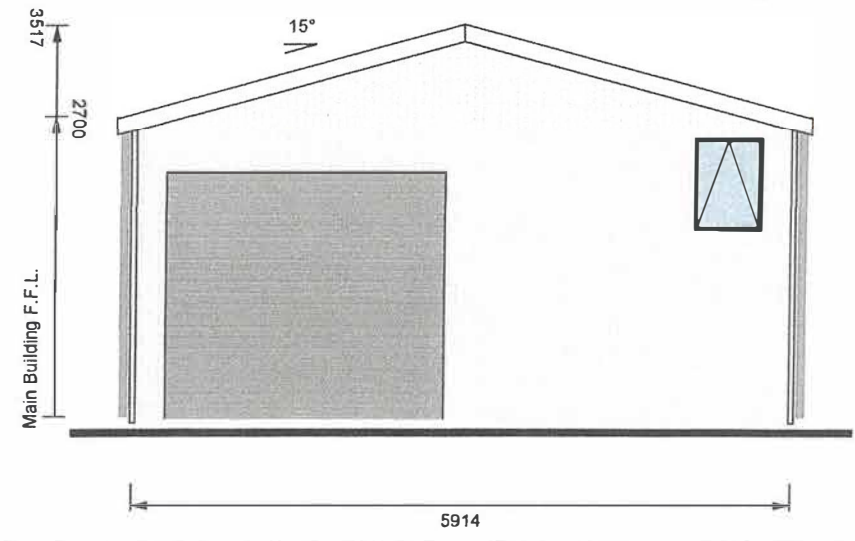
The bird feeders are \$30 each and will be available at Blossom Festival. To place an order, contact Mr McArthur on 448-377.

Proposed Location of the Arrowtown Menzshed outlined in red

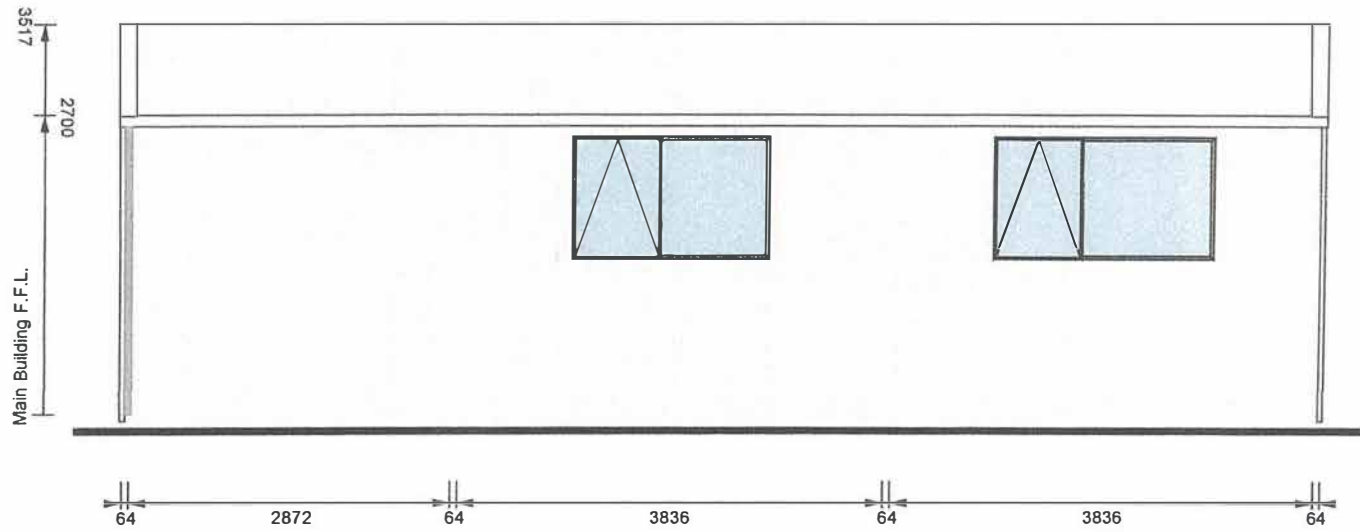


362

VIEW 1



VIEW 2



Project No.: 1992429



Totalspan Central Otago
PO Box 437
9342
03 445 4462
centralotago@totalspan.co.nz

For: Mr Russell Heckler
Arrowtown
Arrowtown

Scale: 1:66

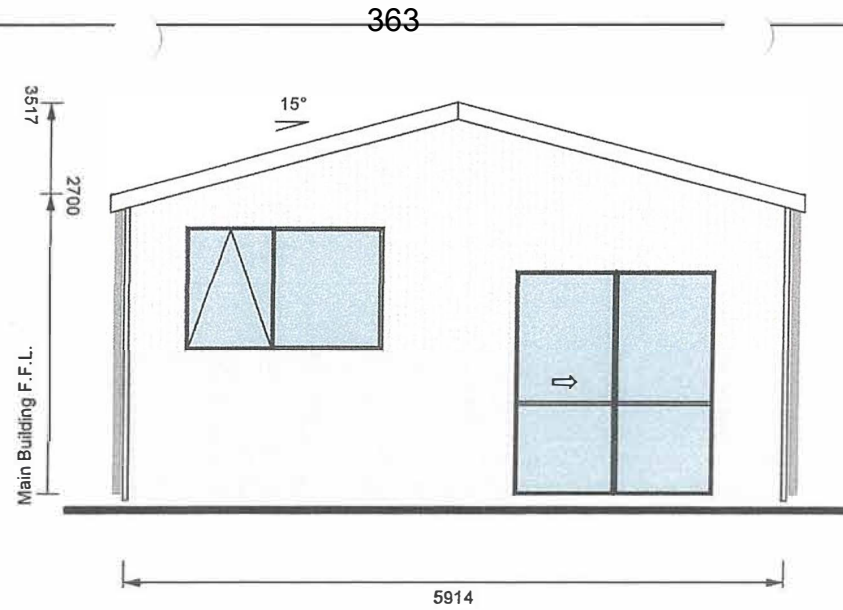
**ARCHITECTURAL DETAILS
ELEVATIONS**

Design Approved by Client:

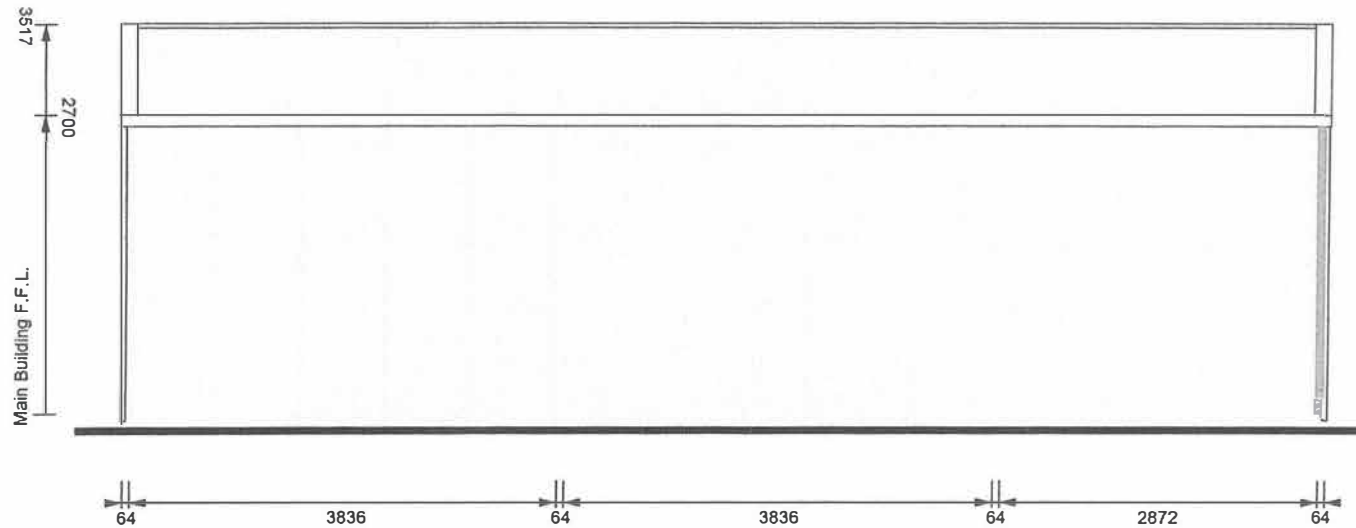
Date

Page 5 of 6

VIEW 3



VIEW 4



Project No.: 1992429



Totalspan Central Otago
 PO Box 437
 9342
 03 445 4462
 centralotago@totalspan.co.nz

For: Mr Russell Heckler
 Arrowtown
 Arrowtown

Scale: 1:66

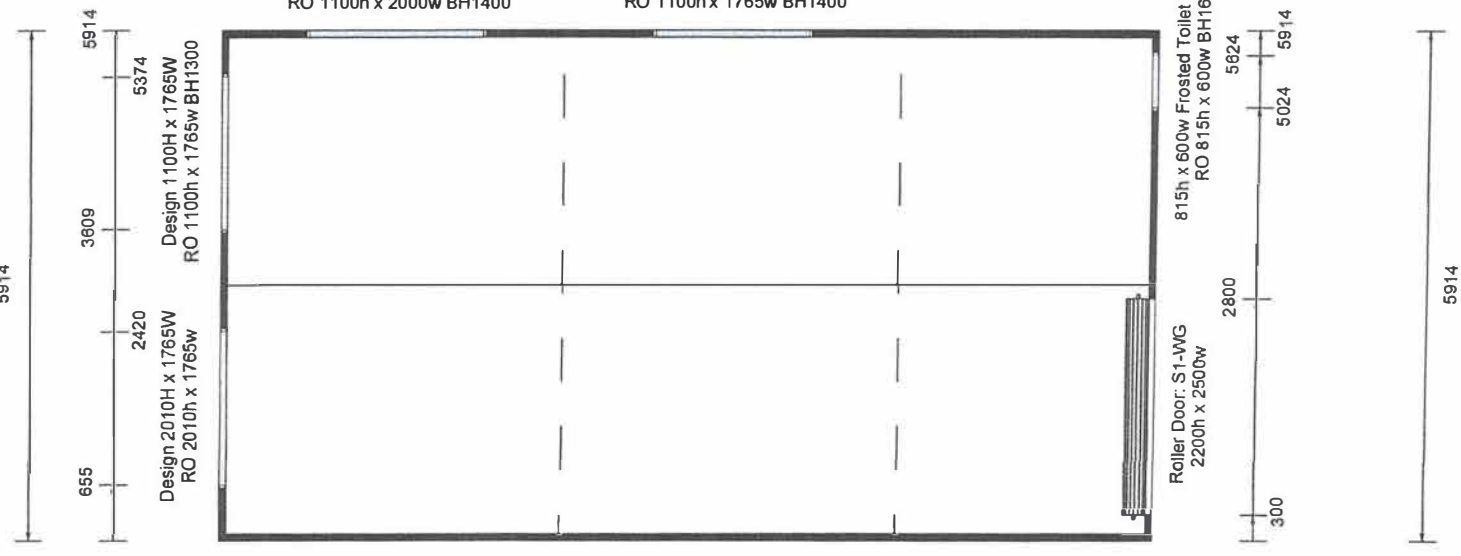
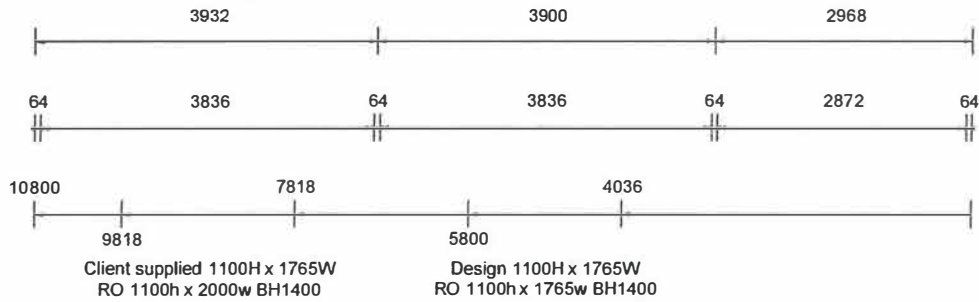
**ARCHITECTURAL DETAILS
 ELEVATIONS**

Design Approved by Client:

Date

Page 6 of 6

364



Client supplied 1100H x 1765W
RO 1100h x 2000w BH1400

Design 1100H x 1765W
RO 1100h x 1765w BH1400

815h x 600w Frosted Toilet Window
RO 815h x 600w BH1685

Roller Door: S1-WG
2200h x 2500w

Design 2010H x 1765W
RO 2010h x 1765w

Design 1100H x 1765W
RO 1100h x 1765w BH1300

QikDRAW
Rear Side
Left Side Right Gable
Front Side



Project No.: 1992429

Totalspan Central Otago
PO Box 437
9342
03 445 4462
centralotago@totalspan.co.nz

For: Mr Russell Heckler
Arrowtown
Arrowtown

Scale: 1:85

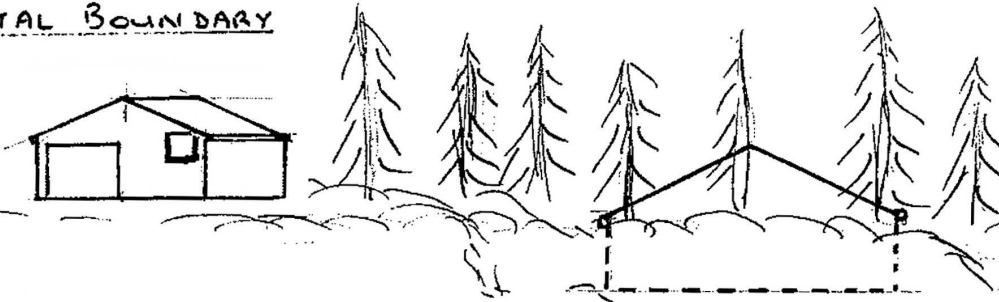


ARCHITECTURAL DETAILS FLOOR PLAN

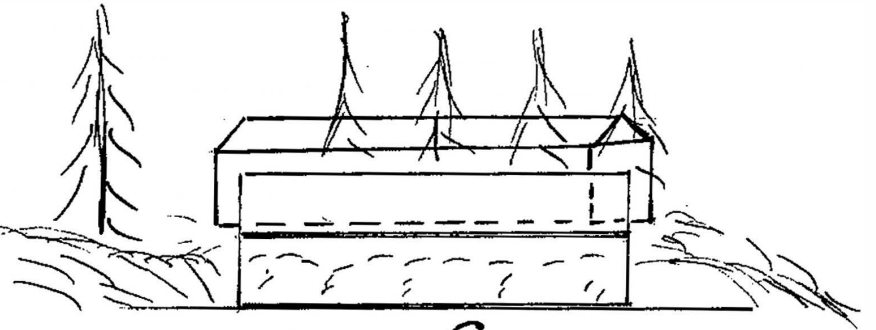
Design Approved by Client:

Date

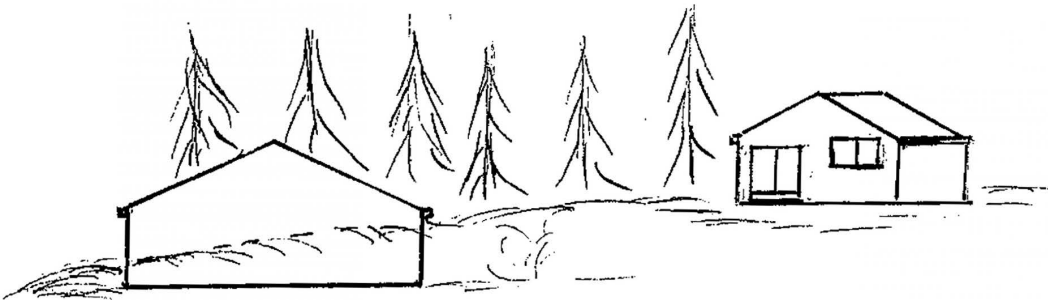
RESIDENTIAL BOUNDARY



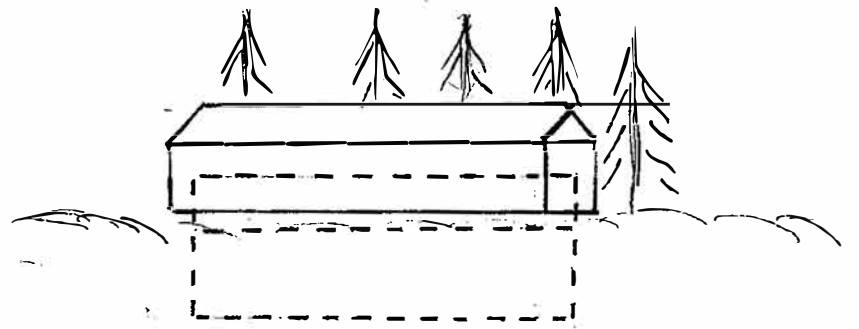
VIEW B - (STREET VIEW)



VIEW C



VIEW A

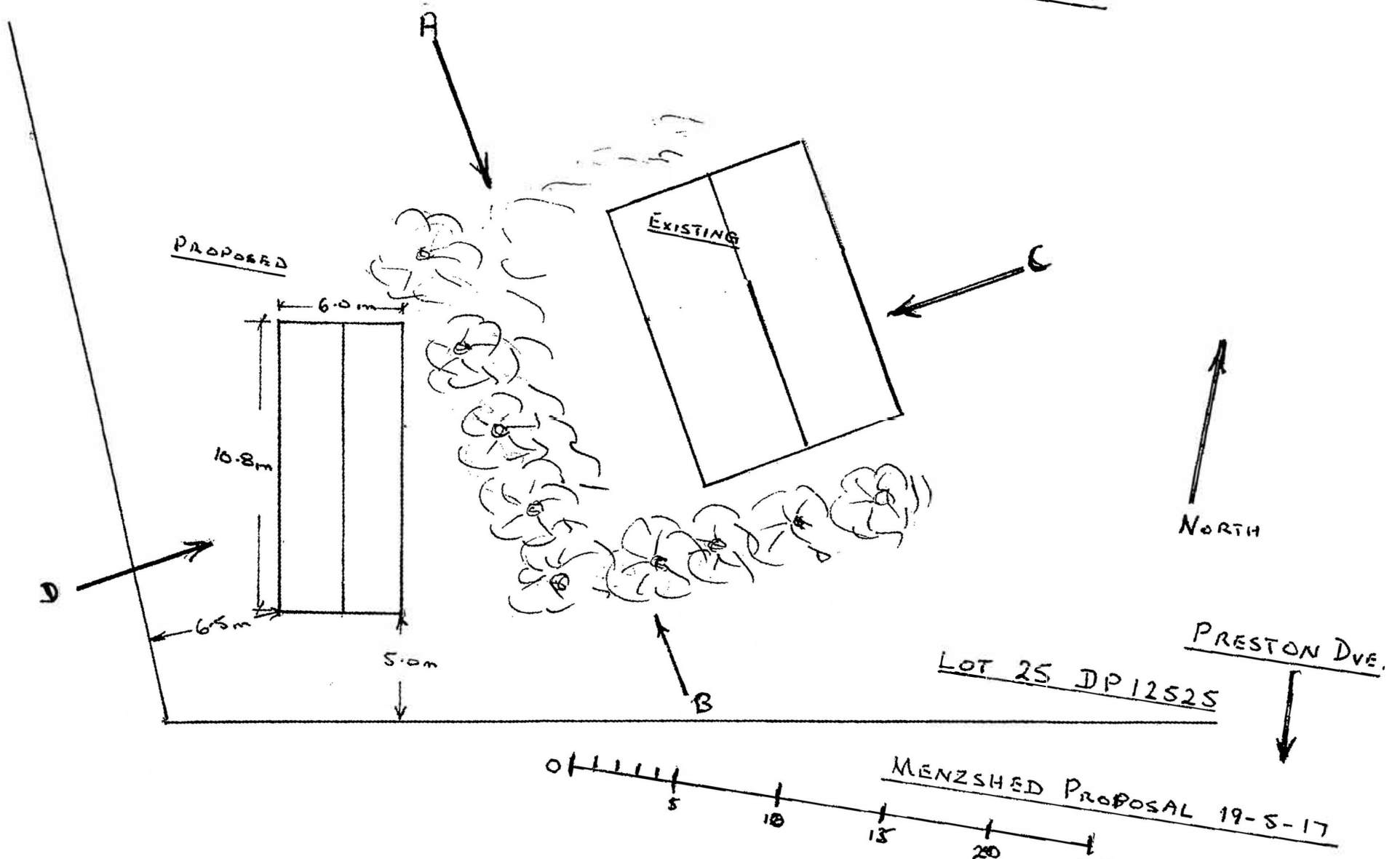


VIEW D



MENZSHED PROPOSAL 19-5-17

ARROWTOWN HOLIDAY PARK



**QLDC Council
23 March 2018**

Report for Agenda Item 12

Department: Community Services

Easement – Ramshaw Lane Car Park Lights

Purpose

- 1 The purpose of this report is to consider granting an easement to Aurora Energy Limited for the relocation of lighting within the Ramshaw Lane car park, being Recreation Reserve, in addition to the associated cabling.

Recommendation

- 2 That Council:
 1. **Note** the contents of this report;
 2. **Grant** an easement over Recreation Reserve; Section 3 TN of BLK XXV Arrowtown & Part Section 2 TN of BLK XXV Arrowtown subject to Section 48 of the Reserves Act 1977, in favour of Aurora Energy Limited; and
 3. **Agree** that notification of the intention to grant the easement is not required as the statutory test in section 48(3) of Reserves Act 1977 is met for the reasons set out in this report; and
 4. **Delegate** authority to approve final terms and conditions, including location, and execution authority to the Community Services General Manager; and
 5. **Agree** to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of an easement to Aurora Energy Limited over Section 3 TN of BLK XXV Arrowtown & Part Section 2 TN of BLK XXV Arrowtown.

Prepared by:



Blake Hoger
APL Property LT

6 March 2018

Reviewed and Authorised by:



Aaron Burt
Senior Planner:
Parks & Reserves

8 March 2018



Thunes Cloete
GM, Community Services

8 March 2018

Background

- 3 QLDC have undertaken an upgrade to its carpark at Ramshaw Lane, Arrowtown. The car park is located on Recreation Reserve legally described as Section 3 TN of BLK XXV Arrowtown & Part Section 2 TN of BLK XXV Arrowtown. The land was vested to Council in 1982 as recreation reserve, per gazette notice NZGZ 1982 p 4111.
- 4 The upgrade project involved revising the layout and resurfacing the car park. Such works included an updated lighting layout in order to improve safety and provide future proofing for additional light poles if deemed necessary in the future.
- 5 The utility infrastructure associated with the lighting is an asset of Aurora Energy Limited. An easement over the reserve to record the assets formally is therefore required.
- 6 Works involved the relocation of seven existing street light columns from their previous positions within the car park to new locations. Approximately 300m of new underground cabling / ducting plus two electrical boxes were also installed.
- 7 A plan of the lighting upgrade is attached to this report showing the seven relocated lights, five additional provisional light locations as well as the associated inground and above ground infrastructure.

Comment

- 8 The lighting layout was designed by NES Central on behalf of QLDC. QLDC Engineers authorised the plan and works were undertaken in December 2017 in accordance with that plan.
- 9 The carpark was closed to access whilst the works were undertaken however alternative parking was provided on Butler's Green.
- 10 As per QLDC's Easement Policy 2008, both an application fee along with a one off underground services easement fee are applicable. In accordance with the policy, the easement fee is calculated at \$1,827 plus GST.

Land value of property	= \$640,000
Size of property	= 94,550m ²
Easement area	= 900 m ²

Calculation:

\$640,000 / 94,550 m ²	= \$6.77 / m ²
30% of \$6.77	= \$2.03 / m ²
\$2.03 x 900 m ²	= \$1,827 plus GST

- 11 The Easement Policy 2008 allows for a bond of between \$1,000 and \$5,000 to be held by Council subject to the reinstatement of the property to Council's standards and satisfaction. Given the works are now completed, it is not considered a bond is necessary on this occasion.

- 12 Under the Reserves Act 1977, Ministerial consent is required before an easement can be granted over a reserve. This consent is currently delegated to Council and must be granted prior to the Easement being lodged with LINZ.
- 13 Granting an easement is permitted by the Reserves Act 1977, however, such easement must be publicly notified in accordance with Section 48(2) unless it can be shown that people's ability to enjoy the reserve is not affected and that there is no long term effect on the land. These matters are considered below:

Does the easement affect the ability of people to use and enjoy the reserve?:

- 14 The reserve is currently being used as a car park. The relocation of lighting and the installation of the associated infrastructure has served to enhance the public's ability to use the reserve as a car park.
- 15 As existing lights were relocated to more appropriate locations, users' ability to use the reserve has been largely unaffected.

Does the easement create any long term permanent effect on the reserve?:

- 16 Aside from during installation, this easement has not affected the ability of the reserve to provide for its current purpose.
- 17 Taking into account the above factors, it is not considered that the easement will permanently affect the reserve or affect the ability of people to use and enjoy the reserve.

Options

- 18 Option 1 Council can grant the easement over Recreation Reserve.

Advantages:

- 19 A formal record of private utility infrastructure within Council administered land can be registered against the title.
- 20 An easement instrument will ensure the dominant tenant, i.e. Aurora, will remain responsible for the utility infrastructure.

Disadvantages:

- 21 No disadvantages to this option have been identified.

- 22 Option 2 Council can decline the easement over Recreation Reserve.

Advantages:

- 23 No advantages to this option have been identified.

Disadvantages:

- 24 Private utility infrastructure will exist within the reserve without formal record.

25 Council may be required to maintain the infrastructure.

26 This report recommends **Option 1** for addressing the matter as it will enable the utility infrastructure to be formerly recorded against the title.

Significance and Engagement

27 This matter is of low significance, as determined by reference to the Council's Significance and Engagement policy because it does not involve a Council strategic asset, is of low importance to the Queenstown Lakes District, is not of interest to the general community, is not inconsistent with policy and strategy and does not impact on Council's capability and capacity.

Risk

28 This matter relates to operation risk OR011A - Decision Making. The risk is classed as moderate.

Financial Implications

29 As the car park upgrade was a Council led project, the cost associated with the survey and registration of the easement will be funded by Council.

30 Council will receive an Easement Fee of \$1,827 plus GST from Aurora Energy Limited.

Council Policies, Strategies and Bylaws

31 The following Council policies, strategies and bylaws were considered:

- Significance & Engagement Policy 2014 – the proposal is a matter with low significance in terms of this policy.
- Easement Policy 2008 – the application is consistent with the policy.

Local Government Act 2002 Purpose Provisions

32 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring private infrastructure within reserve is formerly recorded; and
- Can be implemented through current funding under the 10-Year Plan and Annual Plan; and
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

33 No consultation is envisaged or required by Council as it has low significance with regard to the Significance & Engagement Policy 2014, is consistent with s10 of the Local Government Act and is not included in the 10-Year Plan/Annual Plan. Further, it is not considered that the easement will permanently affect the reserve or affect the ability of people to use and enjoy the reserve and, therefore, public notification is not deemed necessary in accordance with sections 48(2) and 48(3) of the Reserve Act 1977

Legal Considerations and Statutory Responsibilities

Attachments

- A Location Plan
- B Ramshaw Lane Car Park Upgrade – Layout Plan
- C Ramshaw Lane Car Park Upgrade – Lighting Plan



The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Queenstown Lakes District Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented by the GIS data. While reasonable use is permitted and encouraged, all data is copyright reserved by Queenstown Lakes District Council. Cadastral information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED

ORIGINAL SIZE A1

10/4/2017 4:43 p.m.



- LEGEND:**
- EXISTING PATH
 - - - - - EXISTING FENCE
 - ⊗ EXISTING TREE
 - EXISTING CULVERT
 - ⊙ EXISTING LIGHTING POLE
 - ⊠ EXISTING RUBBISH BIN
 - ⊠ EXISTING POWER BOX
 - ⊠ EXISTING SIGN
 - / — / — NEW FENCE REF DETAIL 1 DWG C301
 - NEW GARDEN REF DETAIL 2 DWG C301
 - RETAIN EXISTING GARDEN
 - NEW EXPOSED AGGREGATE FOOTPATH/ENTRANCE
 - NEW GRAVEL FOOTPATH TO QLDC DETAIL R06
 - ★ ALL EXISTING LIGHT POLES RELOCATED TO NEW POSITIONS AS SHOWN
 - ★ (in red circle) POTENTIAL FUTURE LIGHT COLUMN (ALLOWED FOR AS PROVISIONAL ITEM)

REV	REVISIONS	DRN	CHK	APP	DATE

SURVEYED	Jake Hawker	09/16
DESIGNED	Ben Carrick	08/17
DRAWN	Ben Greenwood	08/17
CAD REVIEW	Ben Carrick	08/17
DESIGN CHECK	Ben Greenwood	08/17
DESIGN REVIEW	Iain Banks	08/17
APPROVED	Iain Banks	08/17

Client:



now part of




QUEENSTOWN LAKES DISTRICT COUNCIL
 RAMSHAW LANE CAR PARK UPGRADES
 LAYOUT PLAN

Status Stamp	FOR CONSTRUCTION
Date Stamp	04/10/2017
Scales	1 : 250
Drawing No.	80508724-02-001-C101
Rev.	1

3/4
DO NOT SCALE IN DOUBT ASK

LEGEND AND QUANTITIES

- EXISTING LIGHT TO BE LOCATED...7 OFF
- RELOCATED LIGHT POSITIONS.....7 OFF
- FUTURE LIGHTS POSITIONS.....5 OFF
- EPIR BOX.....2 OFF
- 1/16mm² N/S CABLE.....300m
- 1/16mm² N/S CABLE JOINTS.....2 OFF
- Ø50 PVC DUCTING
- C?W DRAW WIRE.....175m

NOTE
UNLESS NOTED OTHERWISE ALL EXISTING
STREETLIGHT CABLES TO BE MADE REDUNDANT

EASEMENT
CORRIDOR



CUT INTO EXISTING
1/16 CABLES AND JOIN
IN 2 x NEW 1/16 CABLES

2 x EXISTING 1/16 N/S
CABLES FROM EXISTING
GMTX WA87 TO REMAIN

WA87



PRELIMINARY
NOT FOR
CONSTRUCTION

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APP. ROVAL	SEP 17	JW
REVISION	DATE	INTL

NES CENTRAL LIMITED
CHURCH ROAD LUGGATE
PH 03 443 8340 FAX 03 444 2748
www.nes.co.nz



PROJECT ORG TITLE
RAMSHAW LANE CAR PARK
LIGHTING UPGRADE
CONSTRUCTION PLAN

APPROVED MF	DESIGNED MF	STATUS APPROVAL
DRAWN JW	SCALE AS SHOWN	DATE A3
DATE SEP 17	PROJECT NO. QC1709.05	REVISION 01 A

**QLDC Council
23 March 2018****Report for Agenda Item 13****Department: Property & Infrastructure****Alec Robins Road Legalisation & Sale****Purpose**

- 1 The purpose of this report is to consider a road stopping, realignment and sale request at Alec Robins Road.

Recommendation

- 2 That Council:
 1. **Note** the contents of this report;
 2. **Approve** initiation of the procedures of section 114 of the Public Works Act 1981 to declare as road that portions of land shown on the attached Paterson Pitts plan Q6310-11 shown as areas C & D and held in Computer Freehold Register 738021; and
 3. **Approve** initiation of the procedures of section 116 of the Public Works Act 1981 to stop that portion of road shown on the attached Paterson Pitts plan Q6310-11 shown as areas A & B; and
 4. **Approve** the road shown as area A, when stopped, being disposed of in accordance with sections 117 & 120(3) of the Public Works Act 1981 and amalgamated with the adjoining land held in Computer Freehold Register OT2C/107; and
 5. **Approve** the road shown as area B, when stopped, being either disposed of in accordance with sections 117 & 120(3) of the Public Works Act 1981, or section 345 the Local Government Act 1974 and amalgamated with the adjoining land held in Computer Freehold Register OT14B/175; and
 6. **Approve** the disposal of the stopped road referred to as Area A for \$75,000 (including GST if any) less stopping costs incurred by Council; and
 7. **Approve** the purchase of land to be taken as road referred to as Area D for \$3,000 (including GST if any); and
 8. **Approve** the disposal of the stopped road referred to as Area B for \$9,000 (including GST if any) less stopping costs incurred by Council; and
 9. **Approve** the purchase of land to be taken as road referred to as Area C for \$500 (including GST if any); and

10. **Agree** that Council's approval to undertake this process and any sale and purchase agreements relating to it shall be limited to a period of 2 years from the date of this resolution. If settlement is delayed beyond the 26 October 2018, Council to reserve the right to re-value the land and nominate a new 'market' purchase price; and
11. **Approve** Council's costs in undertaking the process, be billed and paid monthly by the applicant and on the basis that the applicant agrees to pay any costs incurred by the Council which are over and above the value of the land; and
12. **Delegate** final terms and conditions along with approvals for any placing or removal of easements, minor alignment and area changes, pro-rata changes in sale price based on area, along with any necessary umbrella agreements and signing authority to the Chief Executive of Council.

Prepared by:



Daniel Cruickshank
Property Advisor - APL
6 March 2018

Reviewed and Authorised by:



Peter Hansby
GM, Property & Infrastructure
12 March 2018

Background

- 3 Alec Robins Road is a rural road positioned to the south of Lake Hayes, servicing a number of rural and rural lifestyle properties.
- 4 The Council has received a request to realign a portion of road adjoining two properties at the northern end of the road, adjacent to the State Highway 6 intersection. The applicants are N&J Secker, who reside at 12 Alec Robins Road and B Guthrie at 20 Alec Robins Road.
- 5 Both properties are situated relatively close to the road and have extensive landscaping within the legal road. This encroachment is likely to have arisen over many decades and the applicants are keen to see the matter resolved.
- 6 The legal alignment of Nook Road is currently between 20.12 metres and 28.54 metres wide (northern intersection end). The proposed realignment would result in a road width of 20.00 metres at its narrowest point with no change to the current positioning of the formed road.

Comment

- 7 Council is considering the road realignment because it will resolve a current encroachment and will provide more space between the existing dwellings and the legal road, than what is provided currently.

- 8 Under the proposal illustrated on Attachment A, legal road will be stopped and sold on the western side of the road and amalgamated with the applicant's titles. New legal road will be taken on the eastern side from Mr Robins property, with this aspect being negotiated direct by the Secker's but forming part of an umbrella agreement to be signed by all parties.
- 9 Beyond the road stopping area, there is a mixture of rural and rural lifestyle properties. Their access will be unchanged by this proposal as the formed road will not move, and there is still space to form footpaths in the future.
- 10 It should be noted that whilst the initial road stopping request was made by both the Secker's at #12 and the Guthrie's at #20, due to personal circumstances only the Secker's are currently committed to progressing this request. For the benefit of reducing the need for a future Council resolution, it is recommended that the road shown on the attached plan as Area B still be stopped and be held by the Council until such time as it could be sold, subject to revaluation if necessary.
- 11 Council has commissioned a registered valuer to advise it of the respective values of the land to be stopped, sold and taken as road. If all parcels are transacted, the gross income to Council is expected to be \$80,500 including GST (if any). These values are shown as follows:
 - Area A \$75,000 including GST – to be stopped and sold
 - Area B \$9,000 including GST – to be stopped and sold
 - Area C \$500 including GST – to be taken as road
 - Area D \$3,000 including GST – to be taken as road
- 12 The primary applicant N & J Secker will be required to pay the costs of closing the road and taking of new road, with those costs being deducted from the sale price. Costs are recharged to the applicant monthly. If the stopping is not concluded for any reason, the applicant bears the costs incurred as well as any costs incurred above the sale price of the land. Should the owner at 20 Alec Robins Road wish to proceed with the acquisition process as well, they would need to pay a proportional share of the stopping cost, to be agreed between the parties.
- 13 The process of stopping this portion of road and taking of new road would be undertaken pursuant to sections 114 & 116 of the Public Works Act. Section 114 covers the process to declare land to be road, whilst section 116 relates to the stopping of existing legal road.
- 14 Of importance, section 116 requires that either adequate road must remain or that all adjoining owners consent to the stopping. The applicant has advised that they have consulted with adjacent owners and other residents on Alec Robins Road with no concerns being raised. If Council approves the process of stopping and taking of new road, the applicant will endeavour to gain written consent from adjacent owners. Final approval of the stopping however sits with the Minister of Lands, whom will review the overall impact of the proposal, along with any written consents before making a decision.
- 15 Council's Chief Engineer, Transport Strategy Manager and Manager of Planning Practice have been consulted on the application and approve of the stopping. The

road width proposed under the new alignment will not materially affect the use of the road, or moderate future development. However, it is acknowledged that should a development of 200+ dwellings be proposed in the area, the existing road format would already require extensive realignment in order to access onto the State Highway.

- 16 It should be noted that with this proposal a small area of the Secker's garden will still be within the legal road following legalisation. This is due to Council requiring a 20m road width at the junction with State Highway 6. It is recommended that the applicant either relocate their fence to the new correct boundary or seek a licence to occupy from the Council to resolve this aspect.

Options

- 17 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:

- 18 Option 1 Agree to commence the road legalisation and sale procedures as described in this report and shown on the attached plan by Paterson Pitts Q6310-11.

Advantages:

- 19 Will legalise existing encroachments at both properties whilst still providing sufficient legal road width and no impact to existing formed roadway.

- 20 Will generate income for Council.

Disadvantages:

- 21 Will result in a reduction of legal road width at the intersection with Alec Robins Road and State Highway 6.

- 22 Option 2 Decline the request.

Advantages:

- 23 Would not result in a reduction of legal road width at the intersection with Alec Robins Road and State Highway 6

Disadvantages:

- 24 Would not legalise existing encroachments at both properties whilst still providing sufficient legal road width and no impact to existing formed roadway.

- 25 Would not generate income for Council.

- 26 This report recommends **Option 1** for addressing the matter because it will result legalise existing encroachments without materially affecting the legal or formed road and derive income to the Council.

Significance and Engagement

27 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because the issue relates to roads, identified as a strategic asset. In this case the significance is medium because the portions of road to be stopped are relatively small and will not affect the functionality of the road.

Risk

28 This matter relates to the strategic risk SR3, as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because stopping roads must follow the process detailed in the Public Works Act.

29 This report addresses the risk by seeking a Council resolution to stop the road, enabling the correct process to be commenced.

Financial Implications

30 The applicant has agreed to pay all costs incurred by Council to enact the proposed road stopping, transfer and vesting. Council is likely to receive gross income of \$80,500 including GST if all parcels are transacted.

Council Policies, Strategies and Bylaws

31 The following Council policies, strategies and bylaws were considered:

- Property Sale and Acquisition Policy 2014

32 The recommended option is consistent with the principles set out in the named policy. As if the land is not required for current or future needs of the community it may be considered for disposal.

33 This matter is not included in the 10-Year Plan/Annual Plan because the road stopping was not contemplated at the time the plan was written. As all costs to Council are being met by the applicant, Council will not require specific budgets to progress the project.

Local Government Act 2002 Purpose Provisions

34 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring Council has roading assets in locations most beneficial to the community and rate payers;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and

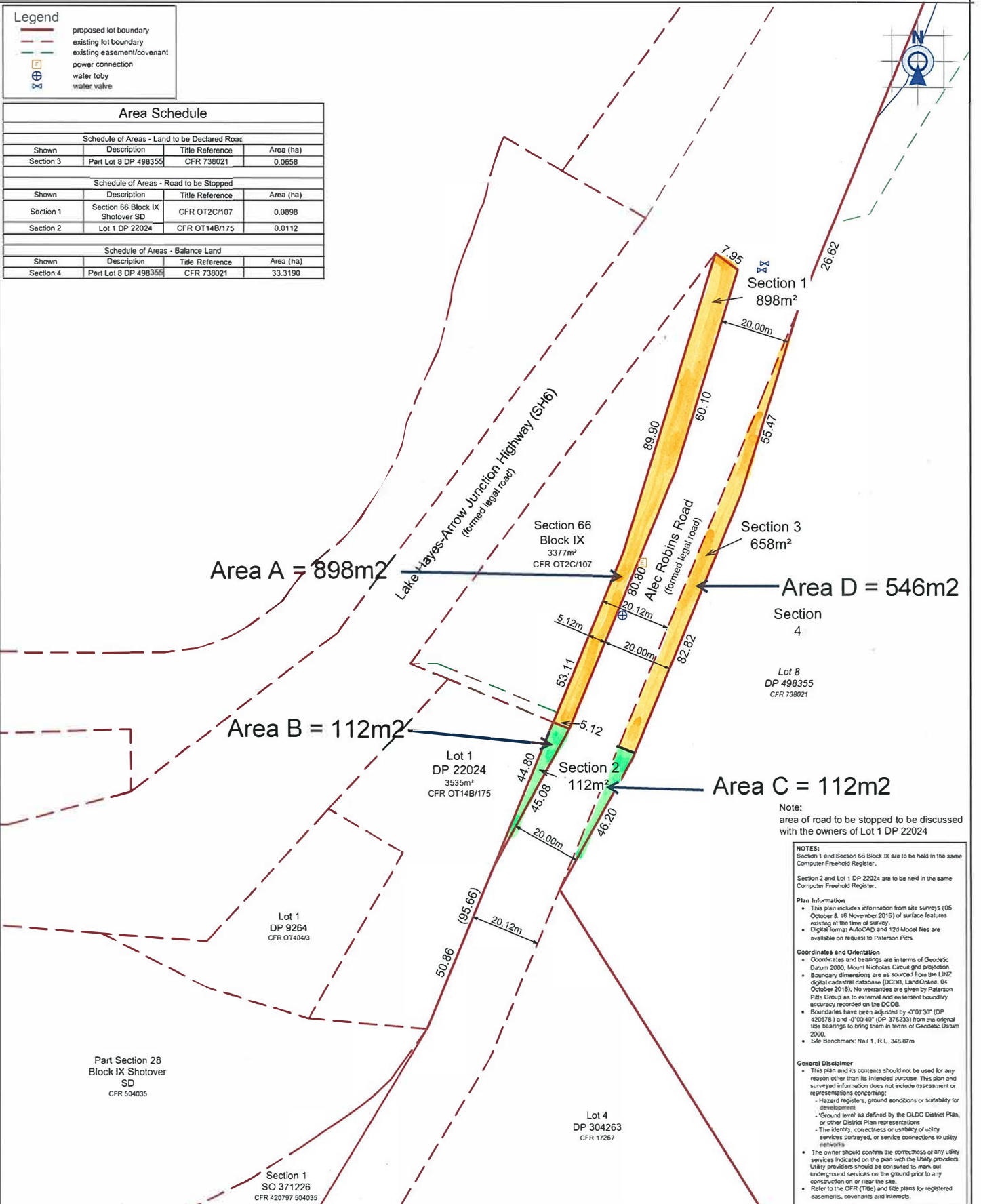
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

35 The persons who are affected by or interested in this matter are the users and residents of Alec Robins Road. The owners have consulted with immediate owners to the road stopping, with no objection raised. Further written approvals will be included with any request to the Minister of Lands, however as the road is not being materially affected, it is likely that the road stopping may progress without these written approvals.

Attachments

- A Survey plan with affected areas
- B Overview plan



Legend	
	proposed lot boundary
	existing lot boundary
	existing easement/covenant
	power connection
	water lobby
	water valve

Area Schedule			
Schedule of Areas - Land to be Declared Road			
Shown	Description	Title Reference	Area (ha)
Section 3	Part Lot 8 DP 498355	CFR 738021	0.0658
Schedule of Areas - Road to be Stopped			
Shown	Description	Title Reference	Area (ha)
Section 1	Section 66 Block IX Shotover SD	CFR OT2C/107	0.0898
Section 2	Lot 1 DP 22024	CFR OT14B/175	0.0112
Schedule of Areas - Balance Land			
Shown	Description	Title Reference	Area (ha)
Section 4	Part Lot 8 DP 498355	CFR 738021	33.3190

NOTES:

- Section 1 and Section 66 Block IX are to be held in the same Computer Freehold Register.
- Section 2 and Lot 1 DP 22024 are to be held in the same Computer Freehold Register.

Plan Information

- This plan includes information from site surveys (05 October & 16 November 2016) of surface features existing at the time of survey.
- Digital format AutoCAD and 12d Model files are available on request to Paterson Pitts.

Coordinates and Orientation

- Coordinates and bearings are in terms of Geodesic Datum 2000, Mount Nicholas, Circum grid projection.
- Boundary dimensions are as measured from the LINZ digital cadastral database (DCDB, LandOnline, 04 October 2016). No warranties are given by Paterson Pitts Group as to external and easement boundary accuracy recorded on the DCDB.
- Boundaries have been adjusted by $\pm 0'07'30''$ (DP 420812) and $\pm 0'07'40''$ (DP 376233) from the original size bearings to bring them in terms of Geodesic Datum 2000.
- Site Benchmark: Nail 1, R.L. 348.87m.

General Disclaimer

- This plan and its contents should not be used for any reason other than its intended purpose. This plan and surveyed information does not include assessment or representations concerning:
 - Hazard registers, ground conditions or suitability for development.
 - 'Ground level' as defined by the OUDC District Plan, or other District Plan representations.
 - The identity, correctness or usability of utility services, pipelines, or service connections to utility networks.
- The owner should confirm the correctness of any utility services indicated on the plan with the Utility providers. Utility providers should be consulted to mark out underground services on the ground prior to any construction on or near the site.
- Refer to the CFR (Title) and title plans for registered assessments, covenants and interests.

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T 03 441 4715
E queenstown@ppgroup.co.nz

Note:
Boundary locations shown are provisional and subject to further survey to determine a survey accurate location. (There is 100mm discrepancy between old and new surveys to be resolved by further survey).



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Client/owner: Contract Solutions Limited
12 Alec Robins Road, Lake Hayes
Sec 66 Blk IX Shotover SD
(SO 13002)

Purpose/Drawing Title: Proposed Road Legalisation
Sections 1 - 4

Drawn by:	DB Oct 2016	Original Size:	Scale:
Designed by:	DB Sep 2017	A3	1:1000 at A3
Checked by:	HS Nov 2016		
Approved by:			DO NOT SCALE
Job No:	Q6310 - 11	Sheet No:	1
		Revision No:	A
		Date Created:	11/09/2017



The map is an approximate representation only and must not be used to determine the location or size of items shown, or to identify legal boundaries. To the extent permitted by law, the Queenstown Lakes District Council, their employees, agents and contractors will not be liable for any costs, damages or loss suffered as a result of the data or plan, and no warranty of any kind is given as to the accuracy or completeness of the information represented by the GIS data. While reasonable use is permitted and encouraged, all data is copyright reserved by Queenstown Lakes District Council. Cadastral information derived from Land Information New Zealand. CROWN COPYRIGHT RESERVED

**QLDC Council
23 March 2018****Report for Agenda Item 14****Department: CEO Office****Chief Executive's Monthly Report****Purpose**

- 1 The purpose of this report is to present a summary of items considered at recent Standing Committee and Wanaka Community Board meetings, and to present other updates on various matters.

Recommendation

- 2 That Council:

1. **Note** the contents of this report.
2. **Amend** from 23 March 2018, the existing Resource Management Act 1991 delegations to Council officers to include the additions listed in Attachment A.
3. **Note** the delegations exercised for licences to occupy, temporary road closures, and table and chairs licences by the Chief Executive during February 2018.
4. **Approve** the attendance by the CE on the Infrastructure NZ: Planning, Funding, and Enabling Growth Delegation to the USA: April 2018.
5. **Note** the items considered during the past meeting round by the Audit, Finance and Risk Committee, Planning and Strategy Committee, Appeals Subcommittee, Infrastructure Committee, and Wanaka Community Board.
6. Recommendation from Wanaka Community Board

- 6.1 Approve the vesting of the identified proposed reserve:

- a. Lot 101 (3,000m²), Alpine Estate, Cardrona Valley Road.

Subject to the following works being undertaken at the applicant's expense:

- i. Consent being granted (as necessary) for any subdivision required to formally create the reserve and to level out undulations (as agreed necessary by the Parks Planning Manager);
- ii. Presentation of the reserve in accordance with Council's standards for reserves;
- iii. The submission to Council by the developer, certification as appropriate by Council, and subsequent implementation of a landscape and planting plan for the reserve;

- iv. The formation of any sealed pathways to a minimum 2 metre wide width;
- v. A potable water supply point to be provided at the boundary of the reserve lot;
- vi. The registration of a fencing covenant under s6 of the Fencing Act 1978 on the reserve to vest in QLDC to protect the Council from liability to contribute towards any work on a fence between a public reserve vested in or administered by the Council and any adjoining land;
- vii. The registration of a Consent Notice on any land adjoining the reserve to ensure any fences on land adjoining the reserve are no more than 1.2 metres in height and have a visual permeability of no less than 50%;
- viii. A three year maintenance period by the current landowner commencing from vesting of the reserve;
- ix. Vesting of reserve to be undertaken in accordance with the QLDC Vesting of Roads and Reserves Policy.

6.2 Agree that reserve land contributions are offset in accordance with the Development Contributions Policy current at the time of contributions payment, subject to recommendation three above [refer 6.1(a)(iii)].

6.3 Agree that reserve improvement contributions are offset against those payable in accordance with the Development Contributions Policy current at the time of contributions payment, subject to:

- a. Detailed design plans for the reserves to be submitted and the approval of these to be delegated to the Parks and Reserves Planning Manager.
- b. Final approval of reserve improvement costs to be delegated to the Parks and Reserves Planning Manager and is subject to the applicant demonstrating the actual costs of the improvements.
- c. If the cost of work to construct the approved plans exceeds the contributions available to be credited, the additional cost shall be at the applicant's expense.

Changes to Delegations Register

- 3 An update is needed to the Resource Management Act 1991 (RMA) delegations as contained in Delegations Register to include the recently reinstated position of General Manager Community Services and a title change from Chief Financial Officer to General Manager Regulatory & Finance.
- 4 The additions are to sections 88, 168A, 176A, 330 and 331 as set out in the table in Attachment A. The current RMA delegations were adopted by Council on 28 September 2017.

Delegations Exercised

5 Presented below is a list of applications for licences to occupy and temporary road closures considered by the Chief Executive under delegated authority during February 2018.

Address/Site/Event	Type	Brief Description	Date of Decision	Outcome
Potters Hill Road	Licence to Occupy Road Reserve	Ground anchors to support new development	19/02/2018	Approved
57 Panorama Terrace	Licence to Occupy Road Reserve	Partial use of road reserve for car park	19/02/2018	Approved
Mooney Road (Dalglish Farm)	Licence to Occupy Road Reserve	Bunding on unformed legal road	19/02/2018	Approved
Weather Station	Licence to Occupy Road Reserve	Weather Station by Queenstown Golf Course	19/02/2018	Approved
Mountaineer Building, Beach Street	Licence to Occupy Road Reserve	Temporary scaffolding	19/02/2018	Approved
Akarua Autumn Festival 2018, Arrowtown	Temporary Road Closure	Event	19/02/2018	Approved
Southern Lakes Half Marathon, Wanaka	Temporary Road Closure	Event	19/02/2018	Approved
NZ Golf Open - Butel Road closure, Arrowtown	Temporary Road Closure	Event	19/02/2018	Approved
Baby Box Fundraiser, Historical Lower Shotover Bridge	Temporary Road Closure	Event	19/02/2018	Approved
Central Alpine Tour Classic Car Show and Display 2018, Queenstown	Temporary Road Closure	Event	19/02/2018	Approved
Hawker & Roll, The Mall Queenstown	Table and Chair Licence	Tables and chairs	19/02/2018	Approved

Planning, Funding, and Enabling Growth: Infrastructure NZ Delegation to the USA: April 2018

- 6 Infrastructure NZ annually host infrastructure delegation tours for business, Central, and local government on key infrastructure issues. In 2017 the delegation visited the UK.
- 7 In 2018 the proposed tour is to five key centres in the USA, with the specific purpose of looking at integrated planning and funding, with a specific emphasis on alternative funding and development tools.

- 8 The delegation includes representatives from each of the high growth councils and Central government (MBIE, DIA, Treasury), and a range of development and financial consultants and organisations.
- 9 I have discussed the proposed attendance with the Mayor, who subsequently canvassed all Councillors, as the timing for confirmation of attendance precluded formally going to Council first. It is my understanding that the Council has been fully supportive of my attendance. Council policy requires all overseas travel by the CE to be approved by Council. The expected cost of the tour including flights, transfers, accommodation and fees is \$13,000.
- 10 I will be away from Queenstown from 4 April until 16 April inclusive. While I am technically at work I have decided for practical purposes to delegate Peter Hansby as Acting CE for the period I am away.

Committee meetings of previous meeting Road

11 Wanaka Community Board – Ms R Brown (1 February 2018)

Information:

1. Right of way easement – 17 Plantation Road
2. Chair's Report

12 Planning and Strategy Committee – Councillor Hill (15 February 2018)

Information:

1. Update on appeals on the Proposed Regional Policy Statement

13 Appeals Subcommittee – Councillor Hill (15 February 2018)

Information:

1. Request to mediate in relation to the appeal by Millennium and Copthorne Hotels New Zealand Ltd against the grant of consent RM170260 to construct a new hotel
2. Update on appeals relating to Council's function under the Resource Management Act

Note that this meeting was held with the public excluded.

14 Audit, Finance and Risk Committee – Councillor McRobie (22 February 2018)

Information:

1. Quarterly Financial Overview – December 2017
2. Sensitive Expenditure
3. Risk Management Update
4. Organisational Health Safety and Wellbeing Performance
5. Legal Update (Public Excluded)
6. 2018-28 Long Term Plan (Public Excluded)
7. Treasury Update: February 2017 (Public Excluded)

15 Wanaka Community Board – Ms R Brown (1 March 2018)

Ratification:

1. Proposal to Vest Land in Wanaka as Reserve and to Offset Reserve Land and Reserve Improvements Contributions as per the Development Contributions Policy [see maps attached]

Information:

2. Activities in a Public Place (Road Reserve) – Corner of Ardmore and Helwick Streets, Wanaka
3. Chair's Report

16 Community and Services Committee – Councillor Stevens (15 March 2018)

Information:

1. Heritage Incentive Grant Application – Shanahan's Cottage Centennial Avenue Arrowtown
2. Public Toilet Facilities Improvement Report

Attachments

- A Schedule of Resource Management Act 1991 delegation changes
- B Alpine Estate Lot 101 Reserve (Recommendation from WCB)
- C Site Location (Alpine Estate Reserve) (Recommendation from WCB)

Resource Management Act 1991		
Section	Description	Delegated to
88	Making an application for resource consent	General Manager Property & Infrastructure GM Community Services General Manager Planning & Development General Manager Corporate Services
168A	Authority to lodge notice of requirement on behalf of Council	Chief Executive Officer General Manager Planning & Development GM Community Services General Manager Property & Infrastructure
176A	Power to lodge an outline plan Power to request changes & to waive requirement for an outline plan	General Manager Property & Infrastructure GM Community Services Parks and Reserves Planning Manager Manager Planning Practice Manager Resource Consents Team Leader, Resource Consents Senior Planner (<i>to request changes or waive requirement only</i>) Hearings Commissioner(s)
330	Power to take preventative or remedial action in emergency circumstances	General Manager, Property & Infrastructure GM Community Services GM Regulatory & Finance
331	Power to seek reimbursement of Council's costs for emergency works	General Manager, Property & Infrastructure GM Regulatory & Finance



ALPINE ESTATE

~ WANAKA ~

Heritage Estate Subdivision	14 4400m ²
Alpine Estate Subdivision	14 625m ²



Alpine Estate Subdivision Concept

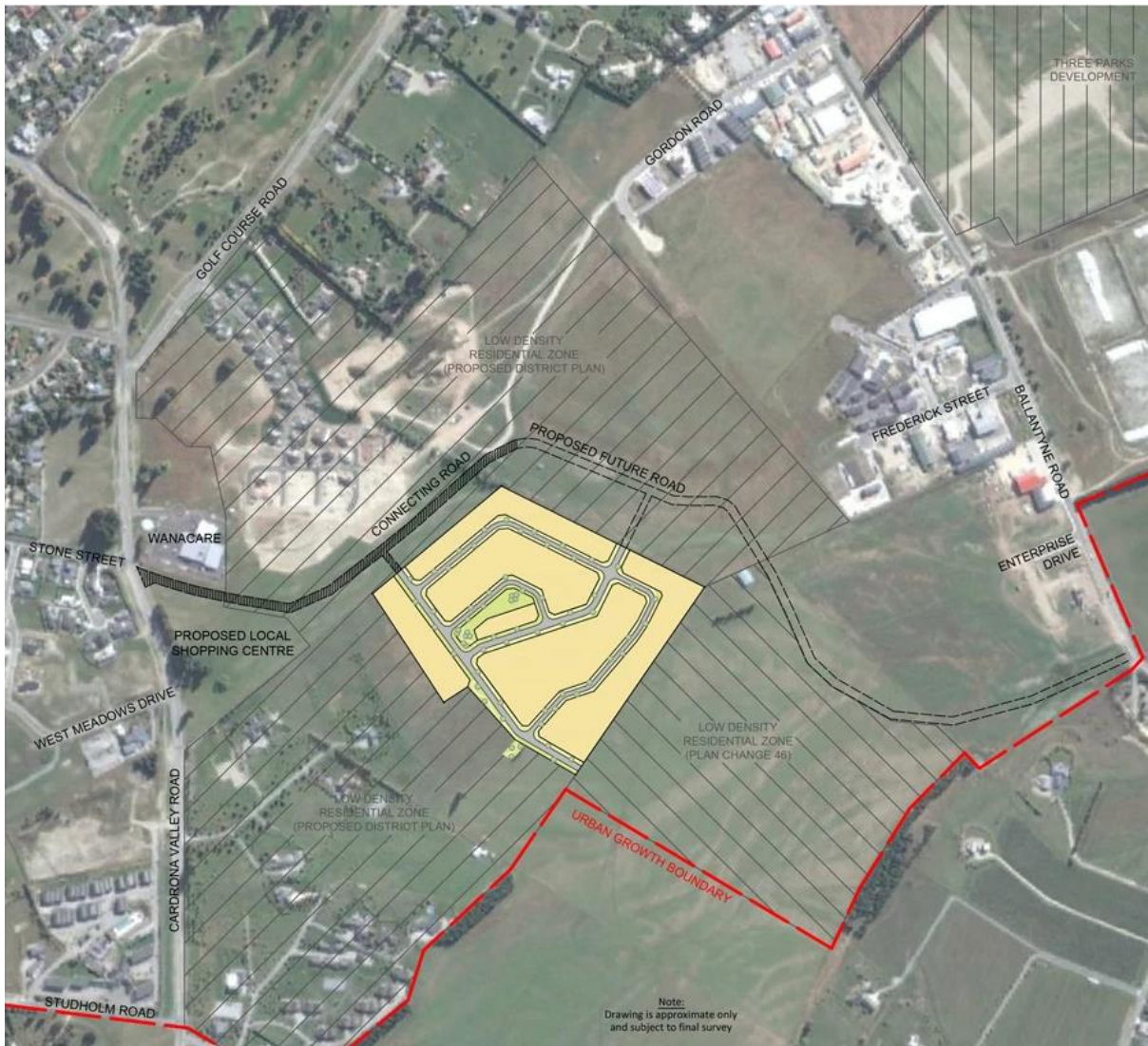
Job No : W5082
Drawing No: 01X
Sheet: 01
Not to Scale
Date : 13/11/2017

Note:
Areas and dimensions are approximate
only and subject to final survey

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QLDC Council

23 March 2018

Recommendation to Exclude the Public

It is recommended that the Council resolve that the public be excluded from the following parts of the proceedings of the meeting:

The general subject of the matters to be discussed while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(a) of the Local Government Information and Meetings Act 1987 for the passing of this resolution is as follows:

Confirmation of minutes of ordinary meeting held on 8 February 2018

8. Request for Council Guarantee of the Shared Home Equity Product Model

General subject to be considered	Reason for passing this resolution	Grounds under Section 7 for the passing of this resolution
<p>8. Request for Council Guarantee of the Shared Home Equity Product Model</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <ul style="list-style-type: none"> • protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information • enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) 	<p>Section 7(2)(b)(ii)</p> <p>Section 7(2)(i)</p>

Agenda items

General subject to be considered	Reason for passing this resolution	Grounds under Section 7 for the passing of this resolution
<p>15. Appointment of Resource Management Act Hearings Commissioners</p> <p>16. Appointment of Commissioners to the Hearings Panels for Stage 2 of the Proposed District Plan</p> <p>17. Housing Infrastructure Fund – Detailed Business Case</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <ul style="list-style-type: none"> • protect the privacy of natural persons, including that of deceased natural persons • protect the privacy of natural persons, including that of deceased natural persons • enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations commercial activities 	<p>Section 7(2)(a)</p> <p>Section 7(2)(a)</p> <p>Section 7(2)(j)</p>

This resolution is made in reliance on Section 48 [1] [a] of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.