

# Annual Plan

# | Mahere ā tau

1 July 2022 – 30 June 2023.


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*Te Reo Māori translation: Please note, QLDC uses the local Kāi Tahu dialect which replaces 'Ng' with 'K', e.g. tākata (people) instead of tāngata*

# Section 1: Introduction | Wāhaka 1: Te Whakatakika



# Message from the Mayor and Chief Executive

## | He kārere nā te Mea me te Kaiwhakahaere matua



### Tēnā koutou katoa.

As we enter year two of the 2021-2031 Ten Year Plan<sup>1</sup>, we are also in the third year of the global COVID-19 pandemic. Although we have had a prolonged period without COVID-19 in our community, at the time of writing this we are seeing a long tail to case numbers and that continues to have a devastating effect on many people, families and business in our local communities. As has been stated previously, the fallout from this pandemic will be felt for years to come and that makes this Council's commitment to keep planning for and investing in growing well in our district so vital.

The Grow Well Whaiora Spatial Plan<sup>2</sup> that the Council adopted in June 2021, along with the community Vision Beyond 2050<sup>3</sup>, continue to be foundations for that investment and planning, along with Council's 30-year Infrastructure Strategy.

However, it is Council's belief that this investment programme should not come at the expense of our local environment, the global climate and the district's ecosystem. Since adopting its first Climate Action Plan<sup>4</sup> (whilst at the same time declaring a climate and ecological emergency), Council has continued to make progress on the commitments made to reduce our impact on climate change and to demonstrate leadership in responding to this essential issue.

From switching our fleet to electric vehicles and forming the Climate Reference Group to improving how much household collection material can be successfully recycled, we've shown we're on a pathway. But there is so much more to do.

As consultation was undertaken on this Annual Plan, the local communities were also able to have their say on Council's second iteration of what is now known as the Climate and Biodiversity Plan.

This reflects the consideration of local flora and fauna as our biodiversity is affected by the climate and other influences.

Many projects across Council's programme of work underpin our commitment to adapting to and mitigating the effects of climate change, such as improvements to stormwater networks, increasing resilience in wastewater networks, building Aotearoa New Zealand's first Passive House community facility and more. As part of this commitment, there is a set of defined actions that are directly linked to this plan and support Council in delivering upon its wider climate goals. In response to feedback from the wider community, you'll see that we have included an increase to the proposed budget to deliver on these specific actions for year two of the 2021-2031 Ten Year Plan from \$257k to \$677k. This increase of \$420k enables us to deliver more of these actions in this financial year.

<sup>1</sup> [www.qldc.govt.nz/your-council/council-documents/ten-year-plan-ltp](http://www.qldc.govt.nz/your-council/council-documents/ten-year-plan-ltp)

<sup>2</sup> [www.qldc.govt.nz/your-council/council-documents/queenstown-lakes-spatial-plan](http://www.qldc.govt.nz/your-council/council-documents/queenstown-lakes-spatial-plan)

<sup>3</sup> [www.qldc.govt.nz/your-council/our-vision-mission](http://www.qldc.govt.nz/your-council/our-vision-mission)

<sup>4</sup> [www.qldc.govt.nz/your-council/our-vision-mission/climate-action-plan](http://www.qldc.govt.nz/your-council/our-vision-mission/climate-action-plan)

Three Waters reform continues to be a challenging topic and creates much uncertainty for the sector. Back in December 2021, Council wrote openly to the Minister for Local Government actively opposing the Central Government mandate on reform. We unanimously support the need to provide a safe potable water supply for all New Zealanders and improve the participation of Māori in decision-making for Three Waters, whilst protecting our environment, however, we do not support the way in which Government has approached this and think it is essential the community can have a say.

Notwithstanding the differing views on a final delivery model, we continue to invest in the ten-year plan programme of work for water supply, wastewater and stormwater. In particular there are many projects in both water supply and wastewater across the district such as the recently completed Queenstown recreation ground pump station, the upgrades to Glenorchy reservoirs and the western Wānaka water supply, pipeline connections under the Shotover Bridge, wastewater and water supply scheme for Cardona village, and the proposed Hāwea wastewater project.



**A number of other external factors have influenced this plan, including the rating revaluations that were deferred from 2021 due to the COVID-19 pandemic.**

Property owners in the district normally receive a triennial Notice of Rating Valuation with the latest valuation having been due in 2020. This rating revaluation is completed by Quotable Value (QV) on behalf of QLDC, providing an updated rating value for the property which is used by the Council in setting rates for the following three years. Given the extended four-year period since the last revaluation and the extraordinary property market, there has been a significant increase from 2017 in both capital (56% overall) and land (76.6% overall) values locally. There has been an increase in more than 4,200 properties in that same period which helps spread the impact of any increase in rates. Council apportions rates across the various property types to ensure that no particular group is overly burdened based on property values, and you will see in the section The Numbers You Need to Know | Ka Tātauraka that we have amended these differentials slightly to keep a fair balance.

Many New Zealanders will be familiar with the term “leaky buildings” which can affect some properties built between the late 1980s and mid-2000s. Recent caselaw in Aotearoa New Zealand provides examples where the developers, builders and other persons who were primarily responsible for designing and constructing the buildings in question have often been wound up or declared bankrupt. Council has experienced an increase in the number and quantum of claims against it by property owners relating to weather tightness and other building defects; and a material increase in the operational expenditure by Council to defend and resolve such claims. Council’s overriding objective is to resolve such claims in a way that minimises the financial impact on ratepayers now and in the future.

The 2022-2023 Annual Plan includes adjustments to both the budget for legal fees to defend claims and the impact on ratepayers to fund amounts expended by Council to

date. For legal reasons Council is unable to disclose amounts relating to a specific claim, however the aggregate of all expenditure in the 2021-2022 year to defend and/or resolve claims (including costs) was approximately \$40M. This was largely funded by an increase in Council debt. The servicing and repayment of this debt increase results in an annual rates increase of approximately 1.6% for the 2022-2023 year and beyond. This amount is included in the average rates increase of 6.5% and as such Council has managed to minimise the impact of these costs. Council will continue to vigorously defend these types of claims and lobby for a change in the legal framework which currently exposes ratepayers to large speculative claims with the risk of inequitable financial outcomes.

A number of fee increases are included in this Annual Plan to realign with Council’s Revenue and Financing Policy<sup>5</sup> (adopted as part of the 2021-2031 Ten Year Plan). That policy defines how certain services are funded that have a

greater or unique benefit to individual users rather than the wider or whole community. These are things such as fees for processing a resource or building consent application, using sport and recreation facilities such as Alpine Aqualand or a Council gym, and waste services. Council believes it is fair that the greater part of these is funded by the end user and that is reflected in the policy. These increases reflect that policy position and are necessary to offset increased costs in providing these services.

Delivering on our biggest ever capital expenditure programme continues to be a challenge, especially at this time when all around we are seeing delays in materials, increases in costs and shipping, and constraints on available resource and essential skills. However, Council is encouraged by the progress made in year one of the 2021-2031 Ten Year Plan and is preparing for the many projects ahead of us in the coming years. Our goal continues to be shaping our district into one of the most liveable areas in Aotearoa New Zealand.

<sup>5</sup> See Finance section here: [www.qldc.govt.nz/your-council/council-documents/policies](http://www.qldc.govt.nz/your-council/council-documents/policies)

Turning our focus to proposed rates increases, the anticipated average rates increase for 2022-2023 in the 2021-2031 Ten Year Plan was 5.87%<sup>6</sup>. This is the highest increase for any individual year in the ten years and the closest Council gets to the required self-imposed rates increase limit of 6%<sup>7</sup>. The combined impact of Council's budget changes, responses to community and internal submissions, and mitigating actions outlined in this Annual Plan move the average rates increase to 6.5%, slightly above the self-imposed net rates increase limit.

We would like to thank everyone who took the time to engage with this important consultation, in particular all of you who made a submission and spoke at the hearing. We would also like to acknowledge everyone who applied for community grants and funding and commend the significant number of groups and organisations out there doing such great work with and for our communities.

<sup>6</sup> All percentages relating to rates in this section are quoted allowing for property quantity growth. The assumption in the 2021-2031 Ten Year Plan was 2.5% which has been adjusted to 3.5% as outlined in the section Rates Impact | Kawekawe Rēti

<sup>7</sup> A9% gross

**As always this process is only complete once we have heard the views of our local communities that help shape this plan.**

**Kā mihi,  
Thank you.**



A white ink signature of Jim Boulton, written in a cursive style.


**JIM BOULT**  
Mayor  
Queenstown Lakes District Council



A white ink signature of Mike Theelen, written in a cursive style.

**MIKE THEELEN**  
Chief Executive  
Queenstown Lakes District Council

# An update on the 2021-2031 Ten Year Plan Progress | He Arotakeka ō te Mahere-ā-tekau tau



## Queenstown Street Upgrades and Arterial

Significant progress has been made in upgrading the streets in the Queenstown CBD which has been partly funded by Central Government's "shovel ready" programme. Progress has been made through Beach Street, Park Street, and Brecon Street preparing new paving, installing lighting, new furniture and planting following upgrades to underground services.

A large retaining wall – 'Te Taumata o Hākitekura' – has been constructed near the boundary between Brecon Street and the Queenstown Cemetery. The retaining wall references Ahi Kā (ancestral connection and ongoing identity) and the narrative of Hākitekura – relating to Te Taumata o Hākitekura (the resting place of Hākitekura) – the original name for Ben Lomond.

Construction of the long-awaited Town Centre Arterial Road is gathering momentum in Queenstown. From late March until mid-2023, crews will be building a new road layout to create the gateway to Stage 1 of the new road.



## Wānaka Lakefront Development

In October 2021, the Mayor officially opened the latest stage of the lakefront development at a public ceremony which opened with a blessing by mana whenua. This newly developed area runs from Bullock Creek through to the Wānaka Marina and marks the completion of Te Ara Wānaka (a shared pathway) for pedestrians and cyclists along Lakeside Road.

A separate boardwalk runs along the lake's edge, and wide scale planting provides a rugged, natural look ideal for local wildlife.

Detailed design is underway on the next stage of the development which looks to provide continuous access to pedestrians and cyclists between Wānaka Marina and the Yacht Club. This will also see the inclusion of new native planting on the bank adjacent to Lakeside Road and the Marina, with some enhancement of planting on the lake's edge and additional work to be considered. Construction is estimated to be complete by June 2023.



In this coming financial year construction is also planned to commence on the area of the lakefront opposite Pembroke Park with a developed design delivering on the new wider promenade and a replacement for the millennium pathway, whilst retaining a natural look and feel.

## Wānaka Water Supply

Work on a significant upgrade to Wānaka's drinking water supply is underway installing a new water main pipe and pump station to improve capacity and resilience in the western area of the town. The pump station will be located on Wānaka-Mount Aspiring Road, opposite Bills Way. The pipeline will run along Golf Course Road, Ballantyne Road and Macpherson Street before crossing State Highway 84 and continuing a short distance up Anderson Road. Both the pump station and pipeline are expected to be complete by the end of 2022.

## Project Manawa

The Stanley Street site was identified in the Queenstown Town Centre Masterplan as the preferred location of a community heart with new Council offices and a variety of cultural facilities for the district's communities. Given the various land interests held by QLDC and Kāi Tahu (represented by Ngāi Tahu Property) over this site, as Council announced in June 2019, both parties have been working closely and collaboratively on an indicative masterplan to deliver a variety of community buildings on the site together with public spaces and commercial buildings. At this stage, the focus of the project is to confirm what any proposed commercial agreement with Ngāi Tahu Property will look like for the delivery of the new Council administration building, including library and Council chambers. This is the first step in delivering the wider proposed masterplan which includes a permanent new library, a performing arts centre, gallery, a large public plaza, and parking space.

Recent consultation on the removal of the Queenstown Arts Centre building has been completed with the hearing scheduled for July. Further consultation on Project Manawa is scheduled for 2023. Information will be available at [letstalk.qldc.govt.nz](http://letstalk.qldc.govt.nz) and details will be publicly notified.

## Luggate Memorial Centre

After Luggate Memorial Hall closed in 2017, Council have been working closely with Luggate and the wider Upper Clutha community to deliver an innovative, future-proofed replacement hall that will meet evolving community needs. This Memorial Centre will be the first Passive House Certified community facility in Aotearoa New Zealand. The temporary hall that was provided to bridge the gap between the old and new halls has now been removed and the main structure of the new Memorial Centre has been in place for some time. In addition to the main building, Council began major earthworks in the area to install services, construct car parking spaces and landscape the surrounding Hopkins Street reserve. Like many other construction projects across the country, delays have been caused by COVID-19-related global supply chain issues and the hall is now due for completion late October 2022.



## Shotover Country Borefield and Treatment Plant

This project commenced in mid-2021 constructing a borefield and water treatment plant next to the existing bore in Shotover Country. With the installation of four new bores, as well as the treatment plant, supporting infrastructure and landscaping, the project is building water treatment capacity and resilience whilst replacing existing infrastructure to meet the needs of the growing communities in Shotover Country, Lake Hayes Estate, Te Pūtahi Ladies Mile and Frankton Flats. Ensuring these communities will have a safe and sufficient supply of drinking water well into the future is key with the project expected to complete and begin servicing the area early in the 2022-2023 year.



## Active Travel

Alternative travel options were a strong theme in the 2021-2031 Ten Year Plan and the Kā Huanui o Tāhuna alliance of QLDC, Waka Kotahi, Fulton Hogan, Downer, Beca and WSP Opus has continued to make progress on providing an integrated network of trails in Queenstown and the surrounding Whakatipu Basin for walking and cycling that connects to public transport and provides a genuine alternative to getting around by car.

A programme of work to deliver these new walking and cycling facilities has been approved by Council and Waka Kotahi. The entire programme is designed to connect key destinations such as Arrowtown, Arthur's Point, Kelvin Heights, Jacks Point, Lake Hayes Estate and Shotover Country, Fernhill, Frankton and Queenstown. Regrettably, funding at this stage is limited to design with the exception of Jacks Point to Frankton and Quail Rise to Frankton which are being delivered through the NZUP programme.

In the Upper Clutha, design work continues on the Wānaka School to Pool Active Travel connection and works are well underway on the Single Stage Business Case for Wānaka Active Modes, Public Transport and Road Network improvements all aimed at informing the 2024-2034 Ten Year Plan.

# 2022/23 Financial Highlights

## | Paeka Ahumoni mō kā tau 2022/23

### BACKGROUND

According to the Local Government Act 2002, the Annual Plan process is secondary to the Ten Year Plan process and there is no requirement to consult unless there are significant variations from the budget for the same year in the Ten Year Plan.

QLDC has decided to consult this year through the 2022-2023 Annual Plan consultation document due to the changing environment in which we're working.

The Ten Year Plan was prepared in October 2020 and since this time the region has continued to experience very difficult economic conditions as a result of the continuing COVID-19 pandemic. The year 2022-2023 represents Year 2 of the Ten Year Plan and there have been some changes to budgets which are necessary but which were unforeseeable in 2020:

- > Legal Fees- increased costs for defending leaky building-related claims
- > Staff-related costs – increased costs reflecting workforce review
- > Solid Waste – increased costs for the Emissions Trading Scheme
- > Dividend income – reduced based on latest dividend forecast in the QAC Statement of Intent
- > Concession fees – reduced income forecasts based on covid border restrictions
- > Rental income – reduced in response to updated turnover lease income forecasts

Revised budgets for all of these items have now been incorporated into the 2022-2023 Annual Plan. The impact of these is described in more detail here.

### BUDGET APPROACH

QLDC has taken the following approach to the budget process for 2022-2023:

#### Capital Expenditure (capex)

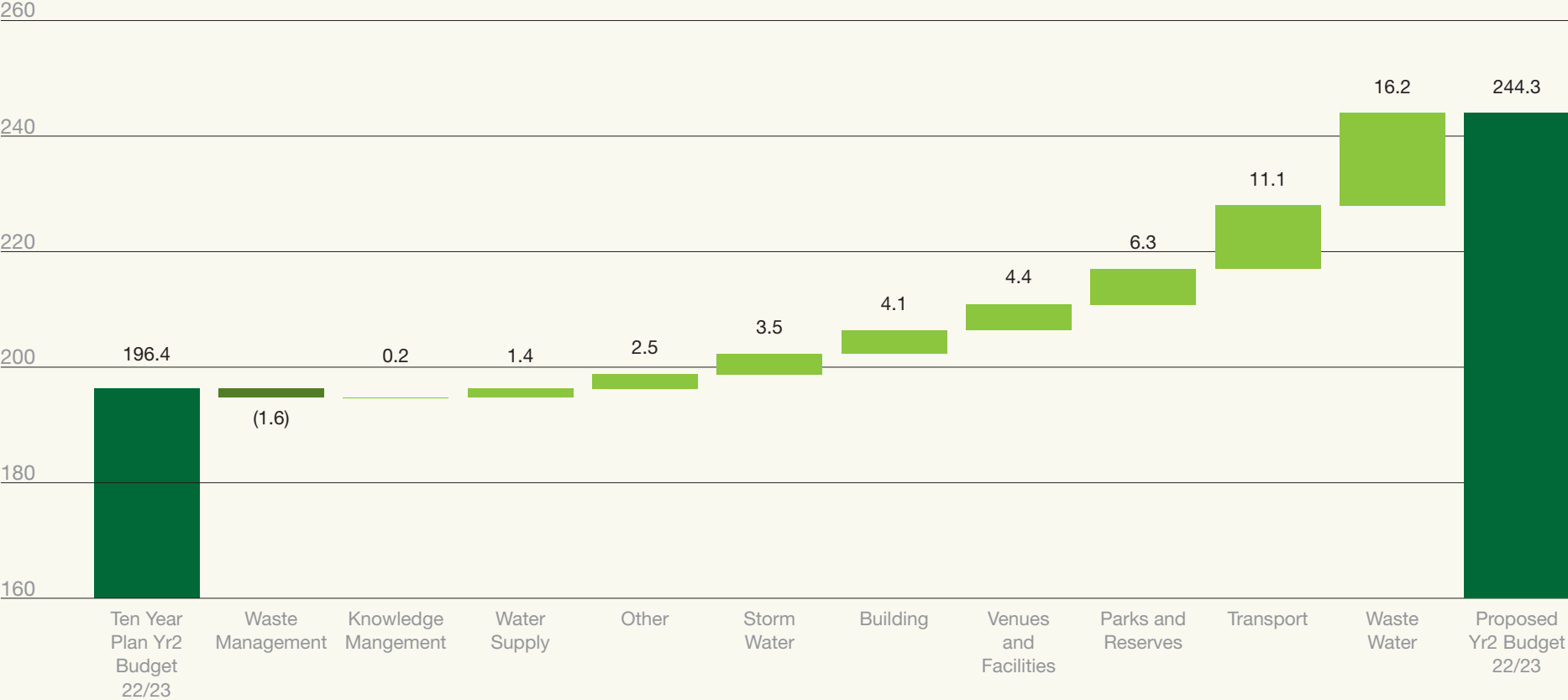
The proposed capex programme for 2022-2023 is based on the original 2021-2031 Ten Year Plan and has been adjusted to reflect revised timings for some programmes. The capex programme amounts to \$244.4M (gross) which is around \$48.0M more than the original original Year 2 programme included in the 2021-2031 Ten Year Plan.

The main reason for the increase is the reprogramming of the capital programme. This was to address increased costs of the Arterial Road, aligning budget to Waka Kotahi funding and the deferral of some projects from 2021-2022.

The capital funding analysis for the revised programme has been completed, which shows a \$64M increase in debt funding for the year to a total of \$479M. Debt repayments are slightly reduced from \$24M to \$17.4M as a result of the capex deferrals.

The following graph shows the movement per significant activity between the 2021-2031 Long Term Plan to the proposed annual plan capex budget for 2022-2023.

COMPARISON OF CAPITAL EXPENDITURE BETWEEN 2022-2023 ANNUAL PLAN AND YEAR 2 OF THE 2021-2031 TEN YEAR PLAN



**Significant differences between the Annual Plan 2022-2023 and Year 2 of the 2021-2031 Ten Year Plan include:**

- > Capital Expenditure – 2022-2023 Annual Plan Budget increase of \$47.9M.
- > Waste Management \$1.6M decrease – \$1.3M deferred for new waste facilities and minor surpluses on existing plant and facility projects.
- > Venues & Facilities \$4.4M increase – \$3.8M added for new Wānaka Youth & Community Centre. Brought forward budgets of \$0.2M for Queenstown Events Centre (QEC) – Wastewater Heat Recovery System and \$0.3M to complete design of the QEC car parks. A combined design phase in Year 2 and 3 is planned for QEC upgrades.
- > New project budget \$2.0M – to accelerate infrastructure planning for Queenstown priority growth corridors.
- > Buildings \$4.1M increase – \$2.6M increase in costs are due to the additional discovery of unforeseen quantities of asbestos containing material.
- > Parks and Reserves \$6.3M increase – Predominantly timing differences with \$1.8M brought forward for Wānaka Lakefront Development Plan stage 5 along with \$0.4M deferred from Year 1, \$1.4M projects requiring budgets to be brought forward to access new Tourism Infrastructure Fund funding, \$0.8M brought forward for QEC Field Improvements and \$0.9M deferrals from Year 1 for Lakeview Rockfall mitigation and Wānaka Sportsfield Development.
- > Stormwater \$3.5M increase – Increases \$4.1M for Stone Street Upgrades and \$1.8M for Kingston Housing Infrastructure Fund (HIF) New Scheme (Storm Water) due to timing of projects deferred from 21/22 and increased costs of \$1.5M for Lakeview Development Stormwater servicing and \$0.7M for Aubrey Road Recreation Reserve Storm Water Detention Pond.. Offset by reductions to Queenstown Hill storm water budgets allocated to the Arterials (\$5.3M).
- > Water Supply \$1.4M increase – \$5.8M increase for Beacon Point New Reservoir, \$4.8M for Kingston HIF New Scheme and \$3.1M for Luggate Water Supply Scheme, \$2.5M for Western Wānaka Level of Service and \$1.1M for Glenorchy Reservoir upgrade due to timing of projects deferred from 2021-2022. Offset with reductions of (\$5.8M) for Beacon Point Intake & Rising Main, (\$3.2M) for BP Roundabout Kawarau Bridge Reticulation Extension & (\$2.5M) for Wānaka Water Treatment, (\$3.2M) for Fernhill Reservoir Access and (\$1.5M) for Hāwea Reservoir Capacity as spend deferred to later years.
- > Transport \$11.1M increase – Includes \$7.8M timing and escalation adjustments for Lakeview Development and Ancillary works, Arterials increase budget of \$8.4M due to additional works and cost escalations and \$9.5M deferred from Year 1 for Streetscapes. Offset with \$13M to align with Waka Kotahi funding.
- > Wastewater \$16.2M increase – Increase of \$12.9M for Project Pure Upgrade (based on latest project estimate which includes deferral from Year 1), \$6.9M for Project Shotover Plant Upgrade (brought forward as demand is higher than assumed). Increase of \$4.6M for Kingston HIF New Scheme, \$2.5M for North Wānaka Conveyance, \$2.4M for Marine Parade Pump Station Electrical Upgrade and \$1.4M for Frankton Beach to Shotover Conveyance (based on most recent cost estimate and delivery timeline). Offset with \$10.2M for Hāwea Wastewater Management which includes a \$5.8M transfer to Project Pure and \$6.8M for CBD to Frankton Conveyance as the timing of the spend has been deferred to 2023-2024.

## INDIVIDUAL SIGNIFICANT PROJECTS (defined as projects with over \$500k budget)

| Programme                         | Project Name   | Proposed Budget 2022/23 |
|-----------------------------------|--|-------------------------|
| Building                          | Lakeview Development                                 | 2,611,103               |
| Building                          | Lakeview Development – Other Infrastructure Upgrades | 814,330                 |
| Building                          | Healthy Homes  | 500,000                 |
| Building                          | Value of Projects less than \$500k                   | 1,365,429               |
| <b>Building Total</b>             |  | <b>5,290,862</b>        |
| Knowledge Management              | Enterprise System                                    | 760,694                 |
| Knowledge Mangement               | Value of Projects less than \$500k                   | 1,219,547               |
| <b>Knowledge Management Total</b> |  | <b>1,980,240</b>        |
| Library                           | Value of Projects less than \$500k                   | 400,114                 |
| <b>Library Total</b>              |  | <b>400,114</b>          |
| Other                             | Queenstown Priority Growth Corridors                 | 2,000,000               |
| Other                             | Wānaka Airport Masterplan                            | 500,000                 |
| Other                             | Value of Projects less than \$500k                   | 564,425                 |
| <b>Other Total</b>                |  | <b>3,064,425</b>        |
| Parks and Reserves                | Marine Parade – Implementation                       | 2,259,806               |
| Parks and Reserves                | Wānaka Lakefront Development Plan                    | 2,166,420               |
| Parks and Reserves                | Wānaka Show Grounds Field Development                | 843,000                 |
| Parks and Reserves                | QEC Field Improvements                               | 814,000                 |
| Parks and Reserves                | Water Sports Facility & Parking - Wānaka             | 770,388                 |
| Parks and Reserves                | Coronet Forest Revegetation                          | 670,269                 |
| Parks and Reserves                | Glenorchy Carpark & Marina Improvements              | 667,670                 |
| Parks and Reserves                | Lakeview Rockfall Mitigation                         | 600,000                 |
| Parks and Reserves                | Parks Roding Renewals – Whakatipu                    | 594,847                 |
| Parks and Reserves                | Value of Projects less than \$500k                   | 3,091,636               |
| <b>Parks and Reserves Total</b>   |  | <b>12,478,036</b>       |
| Waste Management                  | New Whakatipu Waste Facilities                       | 1,480,000               |
| Waste Management                  | Wānaka Waste Facilities                              | 750,000                 |
| Waste Management                  | Value of Projects less than \$500k                   | 2,153,348               |
| <b>Waste Management Total</b>     |  | <b>4,383,347</b>        |
| Storm Water                       | Alpha Series Bypass                                  | 4,482,824               |
| Storm Water                       | Kingston HIF New Scheme                              | 3,565,283               |

| Programme                            | Project Name  | Proposed Budget 2022/23 |
|--------------------------------------|---|-------------------------|
| Storm Water                          | Lakeview Development Servicing                                    | 3,206,582               |
| Storm Water                          | Stormwater – Renewals – Whakatipu                                 | 996,443                 |
| Storm Water                          | Aubrey Rd Rec Reserve Stormwater detention pond                   | 852,160                 |
| Storm Water                          | Value of Projects less than \$500k                                | 2,666,823               |
| <b>Storm Water Total</b>             |   | <b>15,770,115</b>       |
| Transport                            | Arterial – Stage One CIP  | 31,131,897              |
| Transport                            | Queenstown Street Upgrades CIP                                    | 22,589,827              |
| Transport                            | Lakeview Development – Road & Public Realm                        | 7,416,043               |
| Transport                            | Lakeview Ancillary – Thompson St Arterial Standard                | 5,078,476               |
| Transport                            | Lakeview Development – Transportation                             | 3,898,739               |
| Transport                            | Whakatipu – Minor Improvements Low Cost Low Risk                  | 2,761,726               |
| Transport                            | Wānaka – Minor Improvements Low Cost Low Risk                     | 2,408,769               |
| Transport                            | Lakeview Ancillary – Isle St Upgrade                              | 2,377,389               |
| Transport                            | Whakatipu – Sealed Road Pavement Rehab                            | 2,262,360               |
| Transport                            | Wānaka Pool to School Active Travel                               | 1,897,505               |
| Transport                            | Lakeview Ancillary – Site Clearance                               | 1,400,000               |
| Transport                            | Whakatipu – Sealed Road Resurfacing                               | 1,270,397               |
| Transport                            | Wānaka Active Travel Low Cost Low Risk                            | 1,000,000               |
| Transport                            | Wānaka Airport Runway   | 1,000,000               |
| Transport                            | Whakatipu – Unsealed Road Metalling                               | 801,689                 |
| Transport                            | Wānaka – Sealed Road Resurfacing                                  | 789,845                 |
| Transport                            | Lake Whakatipu Ferry Infrastructure Improvements                  | 700,000                 |
| Transport                            | Butlers Green Retaining Wall                                      | 600,000                 |
| Transport                            | Wānaka – Unsealed Road Metalling                                  | 563,139                 |
| Transport                            | Quail Rise to Hawthorne Stage 1 HIF                               | 553,937                 |
| Transport                            | Lakeview Development Hay St Upgrade                               | 521,967                 |
| Transport                            | Queenstown Parking Improvements                                   | 515,835                 |
| Transport                            | Lakeview Ancillary – Brunswick St Retaining Wall                  | 500,000                 |
| Transport                            | Value of Projects less than \$500k                                | 5,170,578               |
| <b>Transport Total</b>               |   | <b>97,210,118</b>       |
| Venues and Facilities                | Mitre 10 Youth & Community Centre                                 | 3,845,000               |
| Venues and Facilities                | Ballantyne Road Recreation Centre – Wastewater – Site preparation | 1,295,777               |
| Venues and Facilities                | Two new courts added to current stadium                           | 846,825                 |
| Venues and Facilities                | Value of Projects less than \$500k                                | 1,740,361               |
| <b>Venues &amp; Facilities Total</b> |   | <b>7,727,963</b>        |

| Programme                 | Project Name  | Proposed Budget 2022/23 |
|---------------------------|---|-------------------------|
| Waste Water               | Project Pure Upgrade                                  | 17,281,188              |
| Waste Water               | Kingston HIF New Scheme                               | 7,031,424               |
| Waste Water               | Project Shotover Plant Upgrade                        | 6,918,626               |
| Waste Water               | North Wānaka Conveyance                               | 4,014,480               |
| Waste Water               | Marine Parade Pump Station Electrical Upgrade         | 2,425,051               |
| Waste Water               | Wastewater – Renewals – Queenstown                    | 2,291,565               |
| Waste Water               | CBD to Frankton Conveyance                            | 1,500,104               |
| Waste Water               | Frankton Beach to Shotover Conveyance                 | 1,409,860               |
| Waste Water               | Lakeview Development Servicing                        | 1,048,066               |
| Waste Water               | Pump Station Emergency Storage – Queenstown           | 1,000,000               |
| Waste Water               | Park St Pump Station Mechanical Upgrade               | 945,329                 |
| Waste Water               | Wastewater – Renewals – Wānaka                        | 862,133                 |
| Waste Water               | Pump Station Emergency Storage – Wānaka               | 650,000                 |
| Waste Water               | Telemetry – Queenstown                                | 525,947                 |
| Waste Water               | Value of Projects less than \$500k                    | 2,686,588               |
| <b>Wastewater Total</b>   |   | <b>50,590,361</b>       |
| Water Supply              | Cardrona Water Supply Scheme                          | 8,175,752               |
| Water Supply              | Kingston HIF New Scheme                               | 6,488,204               |
| Water Supply              | Beacon Point New Reservoir                            | 5,905,322               |
| Water Supply              | Western Wānaka Level of Service                       | 3,900,164               |
| Water Supply              | Wānaka Water Treatment                                | 3,622,239               |
| Water Supply              | Luggate Water Supply Scheme                           | 3,109,252               |
| Water Supply              | Glenorchy Reservoir upgrade                           | 1,573,065               |
| Water Supply              | Shotover Country New Water Treatment Plant            | 1,502,795               |
| Water Supply              | Two Mile Water Treatment Plant                        | 1,500,000               |
| Water Supply              | Lakeview Ancillary – Trunk Main Replacement           | 1,320,087               |
| Water Supply              | Capell Ave Watermain Extension                        | 931,796                 |
| Water Supply              | Albert Town Reticulation Improvement                  | 800,000                 |
| Water Supply              | Quail Rise Reservoir                                  | 768,467                 |
| Water Supply              | BP Roundabout – Kawarau Bridge Reticulation Extension | 750,000                 |
| Water Supply              | Beacon Point Intake and Rising Main                   | 652,000                 |
| Water Supply              | Value of Projects less than \$500k                    | 4,361,854               |
| <b>Water Supply Total</b> |   | <b>45,360,998</b>       |
| <b>Grand Total</b>        |   | <b>244,256,579</b>      |



## Operating Expenditure (opex)

The 2022-2031 Ten Year Plan budget for year two has been used as the base for the 2022-2023 budget.

Generally speaking, there is significant cost pressure for both operating and capital budgets. The increasing price of fuel and the significant supply chain issues are impacting budgets. This includes labour costs, materials, energy, insurance. Assumptions first made in the 2021-2031 Ten Year Plan have been tested with elected members to ensure that the proposed 2022-2023 Annual Plan budget reflects current needs and the Council's aspirations.

Revenue budgets have also been reviewed and updated where appropriate. This includes the incorporation of a revised fee structure to cover costs for some activities i.e. solid waste, consents (building and resource) as well as film permits. Council have taken the approach that only "essential" changes have been approved in the 2022-2023 budgets. The main proposed elements of change are:

- > Solid Waste – increased Emissions Trading Scheme costs (\$1.3M)
- > Revised staff costs (\$1.8M)
- > Increased legal fees (\$3.6M)
- > Reduced interest costs (-\$0.55M)
- > Revenue budgets have also been reviewed and updated where appropriate.

## BUDGET COMPARISON

The 2021-2031 Ten Year Plan was written and approved last year and included a proposed budget for 2022-2023 (Year two of the Ten Year Plan). The table below highlights the main changes between what was proposed for 2022-2023 in the Ten Year Plan and the proposed Annual Plan budget for 2022-2023:

| Debt Ratios    | TYP 22/23<br>\$M | AP 22/23<br>\$M | Change<br>\$M |
|----------------|------------------|-----------------|---------------|
| Capital Works  | 196.4            | 244.3           | 47.9          |
| Operating Cost | 190.0            | 199.9           | 9.9           |
| Total Revenue  | 260.9            | 253.0           | -8.9          |
| Debt Repayment | 24.1             | 17.4            | -6.7          |
| New Loans      | 95.8             | 162.4           | 66.6          |
| Rates Increase | 5.87%            | 6.50%           | 0.63%         |

The proposed rates increase for 2022-2023 is 6.50% (after allowing for growth of 3.5% in the rates database). This is slightly above the 5.87% signalled in the Ten Year Plan for 2022-2023. Please refer to the next section for a discussion on the proposed rates increase.

Operating costs are up by \$10.0M or 4.22% compared to the 2021-2031 Ten Year Plan which is largely driven by the following factors:

- > Increased legal expense of \$3.6M due to the continuing need to defend building-related claims. In order to spread the impact of this years larger than normal budget, it is proposed to loan fund \$3M of this additional budget over the next five years.
- > Increases in staff costs of \$2.0M to ensure Council can maintain levels of service to the community, and respond to external drivers such as the reform of Three Waters, the Resource Management Act 1991 and the Review into the Future for Local Government. The revised budget includes an increase from the Ten Year Plan of 17.6 FTE.
- > Increased landfill costs of \$1.7M due to increased cost of carbon credits (largely covered by additional revenue).

## IMPACT ON DEBT RATIOS

Increased professional services costs of \$2.4M which will be mainly used to implement the spatial plan largely funded by the "Better Off" grants from central government relating to the proposed Three Waters Reform. The table below highlights the main changes between the Annual Plan budget for 2022-2023 to the 2021-2031 Ten Year Plan budget for the same year:

| Debt Ratios   | TYP 22/23 | AP 22/23 | Limit |
|---|-----------|----------|-------|
| Net Debt  | \$415.8M  | \$479.5M |       |
| Total Revenue (excludes vested and development contributions) | \$219.5M  | \$211.5M |       |
| Net Debt to Total Revenue                                     | 189.5%    | 226.7%   | 295%  |
| Net Interest  | \$10.8M   | \$9.8M   |       |
| Total Revenue (excludes vested and development contributions) | \$219.5M  | \$211.5M |       |
| Net Debt to Total Revenue                                     | 4.9%      | 4.6%     | 20%   |
| Net Interest  | \$10.8M   | \$9.8M   |       |
| Annual Rates Income   | \$104.0M  | \$105.7M |       |
| Net Interest to Rates Income                                  | 10.4%     | 9.3%     | 30%   |

# The numbers you need to know

## | Ka tātauraka



### Minimising the average rates increase

The anticipated average rates increase for 2022-2023 in the 2021-2031 Ten Year Plan was 5.87%<sup>9</sup>. This is the highest increase for any individual year in the ten years and the closest Council gets to the required self-imposed rates increase limit of 6%<sup>10</sup>. The combined impact of these budget changes and mitigating actions outlined here move the average rates increase to around 6.50%, just outside this self-imposed net rates increase limit.

The financial impact of defending legal claims related to alleged building defects and the revised budget for 2022-2023 including the changes outlined in the 'What's Changed | Kā Panonitaka' section, combine to an average rates increase to around 8.74%. This is considerably beyond Council's 6% self-imposed net rates increase limit and Council are very conscious of the need to minimise the rates impact for communities once again this year and considered the following budget changes to allow for a more reasonable rates increase.

- > Increased assumption for annual growth in the rating base from a relatively conservative 2.5% to 3.5%. This is based on greater than expected growth for 2021-2022 coupled with continuing high levels of consents and development activity suggesting that a higher growth factor is reasonable.
- > Reduced the forecast interest rate for the 2022-2023 year from 3.0% to 2.5%. Interest rates have not risen as quickly as was originally anticipated and the Council's current weighted average interest rate in December 2021 sits at 2.11% over \$248M of external debt. This will have the effect of reducing forecast interest expense by \$2.6M down from \$13.7M to \$11.1M.

<sup>9</sup> All percentages relating to rates in this section are quoted allowing for property quantity growth. The assumption in the 2021-2031 Ten Year Plan was 2.5% which is been adjusted to 3.5% as outlined.

<sup>10</sup> 9% gross

# Rates impact | Kawekawe rēti



## Quotable Value (QV) is contracted by QLDC to provide rating valuation services

This includes a three-yearly mass update of rating values – known as a district revaluation. It's actually four years since the last revaluation was carried out as the COVID-19 pandemic caused a deferral of this process for a year due to lack of sales data.

Although the total capital value (CV) has grown by around 52%, the proportionality between rating categories has not changed significantly. At a micro level, the impact of the revaluation on rates is more pronounced for some types of property. In simple terms, if a property experiences a rating value change of significantly more or less than the 52% average, rates payable will change up or down according to the degree of difference.



## Mitigating the impact of revaluation on rates

Many councils use differentials to adjust the impact of capital values on rating incidence. In order to assess the impact of the new values on rates, Council have recalculated the rates for the current year (2021-2022) using the revised CV for the district. The analysis shows that a global level, rating incidence has largely been retained except for the contributions of *Commercial* and *Accommodation* property types. The main issue is that Commercial properties are now picking up 0.8% more of the rates burden whilst Accommodation is paying 1.0% less overall. See the table on the following page.

The information in the column “2021 CV” in the following table relates to the apportionment of rates using the new values whilst “2017 CV” relates to the same using current values.

| Total Rates – Existing Differentials |                     |       |                     |       |
|--------------------------------------|---------------------|-------|---------------------|-------|
|                                      | 2021 CV             |       | 2017 CV             |       |
| Residential                          | \$49,529,315        | 51.7% | \$50,184,350        | 52.3% |
| Other                                | \$11,652,927        | 12.2% | \$11,128,146        | 11.6% |
| Accommodation                        | \$12,262,461        | 12.8% | \$13,195,929        | 13.8% |
| Commercial                           | \$13,589,822        | 14.2% | \$12,839,234        | 13.4% |
| Rural                                | \$8,833,511         | 9.2%  | \$8,520,378         | 8.9%  |
|                                      | <b>\$95,868,036</b> |       | <b>\$95,868,036</b> |       |

This difference is exacerbated at a micro level where Commercial properties are generally showing higher CV increases than Accommodation. This flows through to some large rate increases of increases of 15% to 25% for some Commercial and much smaller increases or reductions for most Accommodation properties (see tables below). This outcome is not justified in terms of demand and can be corrected by adjusting differentials for Commercial and Accommodation.

| Impact of Revaluation on 2021-2022 Rates – Existing Differentials (median values) |               |             |                |                 |
|---|---------------|-------------|----------------|-----------------|
| Location  | Property Type | CV Movement | Rates Change % | Rates Change \$ |
| QUEENSTOWN  | Residential   | 27.5%       | -4.95%         | -\$169          |
| QUEENSTOWN  | Commercial    | 58.7%       | 7.15%          | \$485           |
| QUEENSTOWN  | Accommodation | 37.4%       | -4.18%         | -\$456          |
| WĀNAKA  | Residential   | 53.6%       | -0.23%         | -\$7            |
| WĀNAKA  | Commercial    | 70.3%       | 6.47%          | \$323           |
| WĀNAKA  | Accommodation | 56.7%       | -0.17%         | -\$12           |
| ARROWTOWN   | Residential   | 55.4%       | 2.71%          | \$87            |
| ARROWTOWN   | Commercial    | 100.1%      | 25.71%         | \$1,597         |
| ARROWTOWN   | Accommodation | 58.2%       | 3.82%          | \$306           |

| Impact of Revaluation on 2021-2022 Rates – Existing Differentials (higher values) |               |             |                |                 |
|---|---------------|-------------|----------------|-----------------|
| Location  | Property Type | CV Movement | Rates Change % | Rates Change \$ |
| QUEENSTOWN  | Residential   | 37.5%       | -4.50%         | -\$289          |
| QUEENSTOWN  | Commercial    | 57.7%       | 6.37%          | \$5,481         |
| QUEENSTOWN  | Accommodation | 24.6%       | -9.28%         | -\$27,739       |
| WĀNAKA  | Residential   | 67.3%       | 4.31%          | \$194           |
| WĀNAKA  | Commercial    | 42.2%       | -6.12%         | -\$3,084        |
| WĀNAKA  | Accommodation | 35.2%       | -9.84%         | -\$8,641        |
| ARROWTOWN   | Residential   | 57.2%       | 2.68%          | \$130           |
| ARROWTOWN   | Commercial    | 75.7%       | 14.51%         | \$2,219         |
| ARROWTOWN   | Accommodation | 52.7%       | 1.31%          | \$204           |

| Impact of Revaluation on 2021-2022 Rates – Existing Differentials (lower values) |               |             |                |                 |
|--|---------------|-------------|----------------|-----------------|
| Location   | Property Type | CV Movement | Rates Change % | Rates Change \$ |
| QUEENSTOWN   | Residential   | 14.9%       | -6.28%         | -\$190          |
| QUEENSTOWN   | Commercial    | 58.1%       | 4.21%          | \$119           |
| QUEENSTOWN   | Accommodation | 34.3%       | -5.79%         | -\$241          |
| WĀNAKA   | Residential   | 60.5%       | 1.27%          | \$38            |
| WĀNAKA   | Commercial    | 56.7%       | 0.57%          | \$18            |
| WĀNAKA   | Accommodation | 36.0%       | -8.52%         | -\$340          |
| ARROWTOWN  | Residential   | 60.4%       | 1.10%          | \$36            |
| ARROWTOWN  | Commercial    | 100.2%      | 17.33%         | \$544           |
| ARROWTOWN  | Accommodation | 36.5%       | -5.81%         | -\$209          |

To maintain a closer alignment with pre-existing rating apportioning an option has been developed to adjust the rating differentials to decrease the overall contribution of Commercial property types and to increase Accommodation property types. To illustrate this concept, the existing and proposed differentials for QLDC for both the Recreation and Events rate and Roothing rate are summarised below for Commercial and Accommodation property categories. Residential is the base and therefore is always 1.0.

| Differentials | Existing   |          | Proposed   |          |
|---------------|------------|----------|------------|----------|
|               | Recreation | Roothing | Recreation | Roothing |
| Residential   | 1.00       | 1.00     | 1.00       | 1.00     |
| Accommodation | 3.50       | 3.75     | 4.00       | 4.00     |
| Commercial    | 1.00       | 3.75     | 1.00       | 2.50     |

These adjustments have the following impact on the allocation of rates. The allocation for Accommodation is now to 13.4% (up 0.6%) whilst Commercial is now 13.1% (down 1.1%). This more closely matches the pre-existing allocation using the current (2017) CV. This the preferred option for the 2022-2023 Annual Plan.

| Total Rates – Adjusted Differentials |                     |       |                     |       |
|--------------------------------------|---------------------|-------|---------------------|-------|
|                                      | 2021 CV             |       | 2017 CV             |       |
| Residential                          | \$49,578,063        | 51.7% | \$50,184,350        | 52.3% |
| Other                                | \$11,917,960        | 12.4% | \$11,128,146        | 11.6% |
| Accommodation                        | \$12,868,039        | 13.4% | \$13,195,929        | 13.8% |
| Commercial                           | \$12,598,524        | 13.1% | \$12,839,234        | 13.4% |
| Rural                                | \$8,905,449         | 9.3%  | \$8,520,378         | 8.9%  |
|                                      | <b>\$95,868,036</b> |       | <b>\$95,868,036</b> |       |

This revised rating allocation is illustrated in the table below at a micro level. It shows a moderation of the impact for Commercial and Accommodation. It shows smaller rate increases of 6% to 17% for some Commercial and fewer reductions for Accommodation properties.

| Impact of Revaluation on 2021-2022 Rates – Revised Differentials (median values) |               |             |                |                 |
|--|---------------|-------------|----------------|-----------------|
| Location   | Property Type | CV Movement | Rates Change % | Rates Change \$ |
| QUEENSTOWN   | Residential   | 27.5%       | -4.78%         | -\$164          |
| QUEENSTOWN   | Commercial    | 58.7%       | -0.47%         | -\$32           |
| QUEENSTOWN   | Accommodation | 37.4%       | 0.07%          | \$8             |
| WĀNAKA   | Residential   | 53.6%       | -0.19%         | -\$6            |
| WĀNAKA   | Commercial    | 70.3%       | -2.15%         | -\$108          |
| WĀNAKA   | Accommodation | 56.7%       | 3.85%          | \$285           |
| ARROWTOWN  | Residential   | 55.4%       | 2.90%          | \$93            |
| ARROWTOWN  | Commercial    | 100.1%      | 16.57%         | \$1,029         |
| ARROWTOWN  | Accommodation | 58.2%       | 9.30%          | \$745           |

| Impact of Revaluation on 2021-2022 Rates – Revised Differentials (higher values) |               |             |                |                 |
|--|---------------|-------------|----------------|-----------------|
| Location   | Property Type | CV Movement | Rates Change % | Rates Change \$ |
| QUEENSTOWN   | Residential   | 37.5%       | -4.03%         | -\$259          |
| QUEENSTOWN   | Commercial    | 57.7%       | -0.84%         | -\$726          |
| QUEENSTOWN   | Accommodation | 24.6%       | -5.76%         | -\$17,229       |
| WĀNAKA   | Residential   | 67.3%       | 4.48%          | \$202           |
| WĀNAKA   | Commercial    | 42.2%       | -13.49%        | -\$6,793        |
| WĀNAKA   | Accommodation | 35.2%       | -5.95%         | -\$5,223        |
| ARROWTOWN  | Residential   | 57.2%       | 3.10%          | \$151           |
| ARROWTOWN  | Commercial    | 75.7%       | 5.90%          | \$902           |
| ARROWTOWN  | Accommodation | 52.7%       | 5.91%          | \$922           |

| Impact of Revaluation on 2021-2022 Rates – Revised Differentials (lower values) |               |             |                |                 |
|---|---------------|-------------|----------------|-----------------|
| Location  | Property Type | CV Movement | Rates Change % | Rates Change \$ |
| QUEENSTOWN  | Residential   | 14.9%       | -6.21%         | -\$188          |
| QUEENSTOWN  | Commercial    | 58.1%       | -0.21%         | -\$6            |
| QUEENSTOWN  | Accommodation | 34.3%       | -1.50%         | -\$63           |
| WĀNAKA  | Residential   | 60.5%       | 1.29%          | \$39            |
| WĀNAKA  | Commercial    | 56.7%       | -5.68%         | -\$184          |
| WĀNAKA  | Accommodation | 36.0%       | -4.58%         | -\$183          |
| ARROWTOWN   | Residential   | 60.4%       | 1.29%          | \$42            |
| ARROWTOWN   | Commercial    | 100.2%      | 11.09%         | \$348           |
| ARROWTOWN   | Accommodation | 36.5%       | -1.72%         | -\$62           |

## Rates impact for 2022/23

Adopting these adjusted differentials will have a moderating impact for 2022-2023 rates as shown in the tables. The examples below show the breakdown in movement in the proposed rates for 2022-2023. It is important to understand the movement generated by changes to Council's budget as a discreet amount versus the changes in rates attributable to the change in capital value for the property. Council have separated the impact of these two elements in these tables.

The budget impact columns show a high degree of alignment with the rates increases indicated for year two of the 2021-2031 Ten Year Plan. There are few variations greater than 5.00% from what was forecast in the 2021-2031 Ten Year Plan. The valuation impact columns show the impact of the changed capital value for each property. These vary according to the movement in capital value shown in the third column ' % CV movement '.

This impact is not directly controllable by Council although it has confirmed a minor change to some differentials for Commercial and Accommodation properties to preserve the overall rating incidence on these two categories. The impact of this change is to reduce the upward valuation change impact for Commercial and to reduce the downward valuation change impact for Accommodation.

The columns on the right-hand side of the table on the following page labelled 'Total Rates AP23' show the total proposed rates movement for 2022-2023. There is a high degree of variation in the movements largely as a result of the valuation impacts. Residential movements range from -0.29% (Arthurs Point) to 8.89% (Arrowtown).

There are high increases for Commercial in Arrowtown (23.50%) largely driven by the capital value increase of over 100%. Country Dwellings in both Wānaka (11.82%) and Whakatipu (17.37%) also show higher increases.

The impact on both the Higher Values and Lower Values is similar with less variation to the 2021-2031 Ten Year Plan and with less extreme increases and decreases across both Commercial and Accommodation properties.

**Summary of indicative total rate movements 22/23 – new CV (median values)**

| Property Type      | New CV      | Old CV      | % CV Move | Location      | Budget Impact AP23 % | Budget Impact AP23 \$ | Valuation Impact AP23 % | Valuation Impact AP23 \$ | Total Rates AP23 % | Total Rates AP23 \$ |
|--------------------|-------------|-------------|-----------|---------------|----------------------|-----------------------|-------------------------|--------------------------|--------------------|---------------------|
| RESIDENTIAL        | \$1,390,000 | \$1,090,000 | 27.5%     | QUEENSTOWN    | 5.84%                | \$200                 | -5.37%                  | -\$184                   | 0.47%              | \$16                |
| COMMERCIAL         | \$2,999,000 | \$1,890,000 | 58.7%     | QUEENSTOWN    | 5.24%                | \$356                 | -0.53%                  | -\$36                    | 4.72%              | \$320               |
| ACCOMMODATION      | \$2,860,000 | \$2,081,000 | 37.4%     | QUEENSTOWN    | 3.35%                | \$365                 | -0.08%                  | -\$9                     | 3.27%              | \$357               |
| M/U* ACCOMMODATION | \$1,720,000 | \$1,260,000 | 36.5%     | QUEENSTOWN    | 5.24%                | \$231                 | -2.16%                  | -\$95                    | 3.08%              | \$136               |
| VACANT             | \$1,086,000 | \$700,000   | 55.1%     | QUEENSTOWN    | 6.51%                | \$157                 | 2.47%                   | \$60                     | 8.98%              | \$217               |
| M/U COMMERCIAL     | \$1,565,000 | \$1,250,000 | 25.2%     | QUEENSTOWN    | 5.55%                | \$231                 | -8.94%                  | -\$372                   | -3.39%             | -\$141              |
| RESIDENTIAL        | \$1,298,000 | \$845,000   | 53.6%     | WĀNAKA        | 8.11%                | \$258                 | -0.18%                  | -\$6                     | 7.93%              | \$253               |
| COMMERCIAL         | \$1,780,000 | \$1,045,000 | 70.3%     | WĀNAKA        | 6.86%                | \$343                 | -2.16%                  | -\$108                   | 4.70%              | \$235               |
| ACCOMMODATION      | \$1,724,000 | \$1,100,000 | 56.7%     | WĀNAKA        | 6.20%                | \$459                 | 3.94%                   | \$291                    | 10.14%             | \$750               |
| M/U* ACCOMMODATION | \$1,613,000 | \$900,000   | 79.2%     | WĀNAKA        | 7.00%                | \$277                 | 9.21%                   | \$364                    | 16.20%             | \$641               |
| PRIMARY INDUSTRY   | \$7,138,000 | \$5,050,000 | 41.3%     | WĀNAKA        | 12.40%               | \$561                 | -5.76%                  | -\$260                   | 6.65%              | \$300               |
| COUNTRY DWELLING   | \$2,465,000 | \$1,560,000 | 58.0%     | WĀNAKA        | 9.62%                | \$248                 | 2.20%                   | \$57                     | 11.82%             | \$305               |
| VACANT             | \$907,500   | \$550,000   | 65.0%     | WĀNAKA        | 8.45%                | \$192                 | 2.35%                   | \$53                     | 10.80%             | \$246               |
| M/U COMMERCIAL     | \$1,390,400 | \$880,000   | 58.0%     | WĀNAKA        | 7.38%                | \$276                 | -1.42%                  | -\$53                    | 5.96%              | \$222               |
| RESIDENTIAL        | \$1,437,000 | \$925,000   | 55.4%     | ARROWTOWN     | 5.75%                | \$184                 | 3.14%                   | \$101                    | 8.89%              | \$285               |
| COMMERCIAL         | \$3,302,000 | \$1,650,000 | 100.1%    | ARROWTOWN     | 5.82%                | \$361                 | 17.68%                  | \$1,098                  | 23.50%             | \$1,460             |
| ACCOMMODATION      | \$2,689,000 | \$1,700,000 | 58.2%     | ARROWTOWN     | 4.66%                | \$373                 | 9.62%                   | \$771                    | 14.28%             | \$1,144             |
| M/U ACCOMMODATION  | \$1,380,000 | \$900,000   | 53.3%     | ARROWTOWN     | 5.17%                | \$197                 | 2.56%                   | \$98                     | 7.73%              | \$295               |
| VACANT             | \$1,180,000 | \$720,000   | 63.9%     | ARROWTOWN     | 7.02%                | \$167                 | 4.85%                   | \$116                    | 11.86%             | \$283               |
| M/U COMMERCIAL     | \$1,430,000 | \$900,000   | 58.9%     | ARROWTOWN     | 5.48%                | \$198                 | 1.18%                   | \$43                     | 6.66%              | \$241               |
| PRIMARY INDUSTRY   | \$5,750,000 | \$4,100,000 | 40.2%     | WHAKATIPU     | 13.05%               | \$458                 | -2.11%                  | -\$74                    | 10.94%             | \$384               |
| COUNTRY DWELLING   | \$3,281,000 | \$2,050,000 | 60.0%     | WHAKATIPU     | 10.97%               | \$302                 | 6.40%                   | \$176                    | 17.37%             | \$478               |
| RESIDENTIAL        | \$892,000   | \$700,000   | 27.4%     | GLENORCHY     | 8.03%                | \$214                 | -2.80%                  | -\$74                    | 5.23%              | \$139               |
| RESIDENTIAL        | \$1,042,000 | \$820,000   | 27.1%     | LAKE HAYES    | 6.02%                | \$184                 | -4.05%                  | -\$124                   | 1.98%              | \$60                |
| RESIDENTIAL        | \$843,000   | \$570,000   | 47.9%     | HĀWEA         | 8.67%                | \$231                 | -1.37%                  | -\$36                    | 7.30%              | \$195               |
| RESIDENTIAL        | \$788,000   | \$520,000   | 51.5%     | LUGGATE       | 6.44%                | \$187                 | -0.49%                  | -\$14                    | 5.96%              | \$173               |
| RESIDENTIAL        | \$840,000   | \$650,000   | 29.2%     | KINGSTON      | 8.09%                | \$147                 | -4.80%                  | -\$87                    | 3.29%              | \$60                |
| RESIDENTIAL        | \$1,013,000 | \$860,000   | 17.8%     | ARTHURS POINT | 6.82%                | \$216                 | -6.54%                  | -\$207                   | 0.29%              | \$9                 |

\* Mixed use

**Summary of indicative total rate movements 22/23 – new CV (higher values)**

| Property Type     | New CV       | Old CV       | % CV Move | Location      | Budget Impact AP23 % | Budget Impact AP23 \$ | Valuation Impact AP23 % | Valuation Impact AP23 \$ | Total Rates AP23 % | Total Rates AP23 \$ |
|-------------------|--------------|--------------|-----------|---------------|----------------------|-----------------------|-------------------------|--------------------------|--------------------|---------------------|
| RESIDENTIAL       | \$5,020,000  | \$3,650,000  | 37.5%     | QUEENSTOWN    | 8.08%                | \$519                 | -4.58%                  | -\$294                   | 3.50%              | \$225               |
| COMMERCIAL        | \$35,800,000 | \$22,700,000 | 57.7%     | QUEENSTOWN    | 5.32%                | \$4,574               | -0.92%                  | -\$793                   | 4.40%              | \$3,781             |
| ACCOMMODATION     | \$71,000,000 | \$57,000,000 | 24.6%     | QUEENSTOWN    | 2.64%                | \$7,900               | -6.16%                  | -\$18,412                | -3.52%             | -\$10,513           |
| M/U ACCOMMODATION | \$5,012,000  | \$4,250,000  | 17.9%     | QUEENSTOWN    | 6.60%                | \$630                 | -14.02%                 | -\$1,338                 | -7.42%             | -\$709              |
| VACANT            | \$1,501,000  | \$1,010,000  | 48.6%     | QUEENSTOWN    | 7.03%                | \$194                 | 1.04%                   | \$29                     | 8.07%              | \$223               |
| M/U COMMERCIAL    | \$2,170,000  | \$1,655,000  | 31.1%     | QUEENSTOWN    | 5.93%                | \$284                 | -8.01%                  | -\$383                   | -2.07%             | -\$99               |
| RESIDENTIAL       | \$3,044,000  | \$1,820,000  | 67.3%     | WĀNAKA        | 8.76%                | \$394                 | 5.01%                   | \$226                    | 13.77%             | \$620               |
| COMMERCIAL        | \$15,220,000 | \$10,700,000 | 42.2%     | WĀNAKA        | 6.88%                | \$3,463               | -14.13%                 | -\$7,117                 | -7.25%             | -\$3,654            |
| ACCOMMODATION     | \$22,850,000 | \$16,900,000 | 35.2%     | WĀNAKA        | 5.62%                | \$4,939               | -6.31%                  | -\$5,540                 | -0.68%             | -\$601              |
| M/U ACCOMMODATION | \$5,840,000  | \$3,550,000  | 64.5%     | WĀNAKA        | 7.43%                | \$761                 | 6.85%                   | \$703                    | 14.28%             | \$1,464             |
| PRIMARY INDUSTRY  | \$26,656,000 | \$21,750,000 | 22.6%     | WĀNAKA        | 14.19%               | \$2,158               | -20.84%                 | -\$3,169                 | -6.65%             | -\$1,011            |
| COUNTRY DWELLING  | \$5,599,000  | \$3,710,000  | 50.9%     | WĀNAKA        | 11.27%               | \$507                 | -1.05%                  | -\$47                    | 10.21%             | \$460               |
| VACANT            | \$2,724,000  | \$1,430,000  | 90.5%     | WĀNAKA        | 8.99%                | \$310                 | 13.96%                  | \$481                    | 22.96%             | \$790               |
| M/U COMMERCIAL    | \$1,750,000  | \$1,150,000  | 52.2%     | WĀNAKA        | 7.47%                | \$316                 | -3.60%                  | -\$152                   | 3.87%              | \$164               |
| RESIDENTIAL       | \$3,505,000  | \$2,230,000  | 57.2%     | ARROWTOWN     | 7.00%                | \$341                 | 3.36%                   | \$163                    | 10.36%             | \$504               |
| COMMERCIAL        | \$7,732,000  | \$4,400,000  | 75.7%     | ARROWTOWN     | 5.47%                | \$837                 | 6.37%                   | \$973                    | 11.84%             | \$1,810             |
| ACCOMMODATION     | \$4,580,000  | \$3,000,000  | 52.7%     | ARROWTOWN     | 4.06%                | \$634                 | 6.09%                   | \$951                    | 10.16%             | \$1,585             |
| M/U ACCOMMODATION | \$3,220,000  | \$2,200,000  | 46.4%     | ARROWTOWN     | 5.98%                | \$367                 | 0.68%                   | \$42                     | 6.66%              | \$409               |
| VACANT            | \$1,570,000  | \$980,000    | 60.2%     | ARROWTOWN     | 7.41%                | \$199                 | 4.70%                   | \$126                    | 12.11%             | \$324               |
| M/U COMMERCIAL    | \$1,687,000  | \$1,070,000  | 57.7%     | ARROWTOWN     | 5.65%                | \$221                 | 0.91%                   | \$36                     | 6.56%              | \$256               |
| PRIMARY INDUSTRY  | \$24,520,000 | \$18,300,000 | 34.0%     | WHAKATIPU     | 14.85%               | \$1,845               | -7.25%                  | -\$900                   | 7.61%              | \$945               |
| COUNTRY DWELLING  | \$8,702,000  | \$6,080,000  | 43.1%     | WHAKATIPU     | 12.95%               | \$767                 | -2.06%                  | -\$122                   | 10.89%             | \$645               |
| RESIDENTIAL       | \$1,120,000  | \$920,000    | 21.7%     | GLENORCHY     | 8.12%                | \$242                 | -5.35%                  | -\$160                   | 2.77%              | \$83                |
| RESIDENTIAL       | \$1,437,000  | \$1,150,000  | 25.0%     | LAKE HAYES    | 6.54%                | \$222                 | -5.68%                  | -\$193                   | 0.86%              | \$29                |
| RESIDENTIAL       | \$1,468,000  | \$870,000    | 68.7%     | HĀWEA         | 9.27%                | \$286                 | 4.21%                   | \$130                    | 13.48%             | \$416               |
| RESIDENTIAL       | \$965,000    | \$700,000    | 37.9%     | LUGGATE       | 7.33%                | \$245                 | -2.92%                  | -\$97                    | 4.41%              | \$147               |
| RESIDENTIAL       | \$1,126,000  | \$900,000    | 25.1%     | KINGSTON      | 8.48%                | \$175                 | -7.23%                  | -\$149                   | 1.25%              | \$26                |
| RESIDENTIAL       | \$1,497,000  | \$1,275,000  | 17.4%     | ARTHURS POINT | 7.47%                | \$276                 | -8.44%                  | -\$313                   | -0.98%             | -\$36               |



**Summary of indicative total rate movements 22/23 – new CV (lower values)**

| Property Type     | New CV      | Old CV      | % CV Move | Location      | Budget Impact AP23 % | Budget Impact AP23 \$ | Valuation Impact AP23 % | Valuation Impact AP23 \$ | Total Rates AP23 % | Total Rates AP23 \$ |
|-------------------|-------------|-------------|-----------|---------------|----------------------|-----------------------|-------------------------|--------------------------|--------------------|---------------------|
| RESIDENTIAL       | \$862,000   | \$750,000   | 14.9%     | QUEENSTOWN    | 5.21%                | \$157                 | -6.93%                  | -\$210                   | -1.72%             | -\$52               |
| COMMERCIAL        | \$680,000   | \$430,000   | 58.1%     | QUEENSTOWN    | 4.78%                | \$135                 | -0.23%                  | -\$6                     | 4.55%              | \$128               |
| ACCOMMODATION     | \$920,000   | \$685,000   | 34.3%     | QUEENSTOWN    | 4.03%                | \$167                 | -1.74%                  | -\$73                    | 2.28%              | \$95                |
| M/U ACCOMMODATION | \$1,004,000 | \$830,000   | 21.0%     | QUEENSTOWN    | 4.73%                | \$174                 | -6.33%                  | -\$232                   | -1.60%             | -\$59               |
| VACANT            | \$584,000   | \$345,000   | 69.3%     | QUEENSTOWN    | 5.68%                | \$114                 | 3.58%                   | \$72                     | 9.26%              | \$186               |
| M/U COMMERCIAL    | \$996,000   | \$800,000   | 24.5%     | QUEENSTOWN    | 4.97%                | \$171                 | -7.05%                  | -\$243                   | -2.08%             | -\$72               |
| RESIDENTIAL       | \$1,172,000 | \$730,000   | 60.5%     | WĀNAKA        | 8.00%                | \$242                 | 1.45%                   | \$44                     | 9.45%              | \$286               |
| COMMERCIAL        | \$815,000   | \$520,000   | 56.7%     | WĀNAKA        | 7.61%                | \$247                 | -5.90%                  | -\$192                   | 1.70%              | \$55                |
| ACCOMMODATION     | \$775,000   | \$570,000   | 36.0%     | WĀNAKA        | 6.25%                | \$249                 | -4.92%                  | -\$196                   | 1.34%              | \$53                |
| M/U ACCOMMODATION | \$1,093,000 | \$690,000   | 58.4%     | WĀNAKA        | 6.93%                | \$245                 | 2.05%                   | \$72                     | 8.98%              | \$317               |
| PRIMARY INDUSTRY  | \$2,030,000 | \$1,330,000 | 52.6%     | WĀNAKA        | 9.58%                | \$205                 | 1.06%                   | \$23                     | 10.63%             | \$228               |
| COUNTRY DWELLING  | \$1,868,000 | \$1,100,000 | 69.8%     | WĀNAKA        | 8.90%                | \$193                 | 5.89%                   | \$128                    | 14.78%             | \$321               |
| VACANT            | \$785,000   | \$440,000   | 78.4%     | WĀNAKA        | 8.34%                | \$178                 | 4.63%                   | \$98                     | 12.97%             | \$276               |
| M/U COMMERCIAL    | \$945,000   | \$600,000   | 57.5%     | WĀNAKA        | 7.26%                | \$233                 | -1.21%                  | -\$39                    | 6.05%              | \$194               |
| RESIDENTIAL       | \$1,428,000 | \$890,000   | 60.4%     | ARROWTOWN     | 5.80%                | \$188                 | 1.38%                   | \$45                     | 7.18%              | \$233               |
| COMMERCIAL        | \$1,101,000 | \$550,000   | 100.2%    | ARROWTOWN     | 5.66%                | \$178                 | 11.84%                  | \$372                    | 17.50%             | \$549               |
| ACCOMMODATION     | \$710,000   | \$520,000   | 36.5%     | ARROWTOWN     | 4.57%                | \$165                 | -1.94%                  | -\$70                    | 2.63%              | \$95                |
| M/U ACCOMMODATION | \$1,193,000 | \$760,000   | 57.0%     | ARROWTOWN     | 5.01%                | \$179                 | 3.33%                   | \$118                    | 8.34%              | \$297               |
| VACANT            | \$703,000   | \$390,000   | 80.3%     | ARROWTOWN     | 6.35%                | \$128                 | 5.87%                   | \$118                    | 12.22%             | \$246               |
| M/U COMMERCIAL    | \$1,280,000 | \$775,000   | 65.2%     | ARROWTOWN     | 5.33%                | \$182                 | 2.72%                   | \$93                     | 8.05%              | \$275               |
| PRIMARY INDUSTRY  | \$2,293,000 | \$1,410,000 | 62.6%     | WHAKATIPU     | 10.47%               | \$212                 | 6.47%                   | \$131                    | 16.94%             | \$343               |
| COUNTRY DWELLING  | \$1,646,000 | \$1,015,000 | 62.2%     | WHAKATIPU     | 9.42%                | \$183                 | 5.33%                   | \$103                    | 14.75%             | \$286               |
| RESIDENTIAL       | \$613,000   | \$480,000   | 27.7%     | GLENORCHY     | 7.90%                | \$185                 | -2.10%                  | -\$49                    | 5.80%              | \$136               |
| RESIDENTIAL       | \$950,000   | \$730,000   | 30.1%     | LAKE HAYES    | 5.86%                | \$174                 | -3.13%                  | -\$93                    | 2.73%              | \$81                |
| RESIDENTIAL       | \$734,000   | \$480,000   | 52.9%     | HĀWEA         | 8.45%                | \$215                 | -0.23%                  | -\$6                     | 8.23%              | \$209               |
| RESIDENTIAL       | \$670,000   | \$430,000   | 55.8%     | LUGGATE       | 6.97%                | \$211                 | 0.15%                   | \$5                      | 7.12%              | \$215               |
| RESIDENTIAL       | \$643,000   | \$460,000   | 39.8%     | KINGSTON      | 7.70%                | \$125                 | -1.47%                  | -\$24                    | 6.23%              | \$101               |
| RESIDENTIAL       | \$864,000   | \$690,000   | 25.2%     | ARTHURS POINT | 6.49%                | \$192                 | -3.88%                  | -\$115                   | 2.61%              | \$77                |



# What's Different?

## | Paeka Ahumoni mō kā tau 2020-2021

### **CLIMATE AND BIODIVERSITY PLAN** **\$420,000 expenditure increase**

The first Climate Action Plan was developed in 2019-2020 and is currently in its third year of delivery. During the 2021-2031 Ten Year Plan preparation process, Council asked officers to consider both what was achievable within the budget provided and what additional funding could be required in year one. Community engagement on the next iteration of what is now referred to as the Climate and Biodiversity Plan occurred at the same time as consultation on this Annual Plan. That draft Climate and Biodiversity Plan proposed 71 actions for delivery between 2022 and 2025 (46 of which have been proposed for delivery in 2022-2023), which have been prioritised from over 500 possible actions put forward by the Climate Reference Group and other key stakeholders. This draft, although yet to be confirmed and approved by Council, has been used

as a basis to potentially revisit the budget requirement for the 2022-2023 Annual Plan.

During the consultation process on this Annual Plan, Council sought feedback on increasing the expenditure to \$677k (a \$420k increase), so that it could commence all 46 actions signalled for 2022-2023, as compared to the original budgeted amount (\$257k) that would see 28 actions prioritised in year 2022-2023. Almost half (48%) of responses to this survey question were in support of increasing the budget to deliver all the 2022-2023 actions signalled in the Climate and Biodiversity Plan. 25% were neutral while 27% were opposed. Council has considered this feedback and has chosen to increase the budget from \$257k to \$677k to complete all the proposed 46 Climate and Biodiversity Plan actions for 2022-2023. This will require Council to breach its required, self-imposed rates limit by 0.5% (to an average rates increase of 6.5%).

### **WEATHER TIGHTNESS CLAIMS** **Expenditure increase resulting in average 1.6% rates increase**

Council has experienced an increase in the number and quantum of claims against it by property owners relating to weather tightness and other building defects; and a material increase in the operational expenditure by Council to defend and resolve such claims. The 2022-2023 Annual Plan will include adjustments to both the budget for legal fees to defend claims and the impact on ratepayers to fund amounts expended by Council to date. The funding of amounts expended to resolve claims involves both an increase in Council debt and the servicing and repayment of this debt through an increase in rates.

### **RIGHT-SIZING STAFF NUMBERS** **\$1.8M expenditure increase**

Ensuring Council has the right capacity and capability within the staff is essential to delivering the capital investment programme presented in the 2021-2031 Ten Year Plan, maintaining levels of service to communities, and responding to external drivers such as Three Waters reform programme, resource management reform and the Future for Local Government review.

The 2022-2023 Annual Plan budget responds to these drivers, in particular taking into account a substantial programme of work that has been undertaken in QLDC's workforce and resourcing requirements through a full workforce review. That review has identified the need for an increase to staff resource in order for QLDC to appropriately respond to the increasing complexity of the work environment, and also in order to maintain service levels.

Overall, this Annual Plan identifies an increase of 33.5 FTE to Year 2 of the Ten Year Plan. In order to limit the impact to rates a number of those new roles are to be only partially funded through the 2022-2023 financial year, it is anticipated that start dates for new positions will be phased throughout the year.

Of note, the workforce review had not yet been completed at the time the 2022-2023 Annual Plan was submitted for consultation, and therefore councillors have made a subsequent decision for a small increase to additional funding to support the changes proposed. Any additional resource is aimed at driving the efficiency and effectiveness of the organisation and maintaining or improving service delivery.

### INCREASING USER FEES AND CHARGES

The Council provides a range of “user pays” services throughout the district. Generally, Council will look to use fees and charges to recover the “private benefit” costs of a particular activity. The Revenue and Financing Policy determines the target for the proportion of private benefit to be recovered by fees and charges for each activity. Council is also able to set fees and charges payable by applicants for the processing of applications and for any performance of any other function or service under provisions of the Resource Management Act 1991, Building Act 2004, and Local Government Act 2002.

In reviewing progress on the 2021-2031 Ten Year Plan and compiling budgets for this second year of that plan, it became clear that a range of fees and charges would not comply with the Revenue and Funding Policy. Council has therefore decided to increase fees and charges in the areas of:

- > Planning and Development services (building consents, resource consents, and resource management engineering, including administration support)
- > Waste services at transfer stations
- > Sport and Recreation facilities

It is important to note that if fees and charges were not increased for these activities, then the unfunded “private benefit” portion of the cost will have to be collected in rates. It is Council’s preference to review and adjust fees and charges periodically in order maintain the existing policy settings and to minimise rates increases. Council understands that the users of the services in question would consequently have to pay more, but it is considered that this a more equitable and balanced approach.

### RESOURCE AND BUILDING CONSENT FEES

**User fee increases between 5%-10%**

The Council funding policy is that 80% of the cost of providing resource and building consent fees services is to be recovered through charges on consent and approval processing to reflect the private benefit obtained, with the remaining 20% being funded through rates as a public good. The increase to hourly rates and Council charges will help ensure Council recovers the reasonable costs incurred by the local authority in respect of the activity to which the charge relates. It will also mean the Planning and Development Department achieve the 80/20 funding policy with no impact on ratepayers.

| Private funding ratio | 2019-2020 actual funding ratio | 2020-2021 actual funding ratio | 2021-2022 new year to date actual funding ratio |
|-----------------------|--------------------------------|--------------------------------|---|
| RM Engineering        | 76%                            | 74%                            | 69%   |
| Building Consent      | 76%                            | 72%                            | 81%   |
| Resource Management   | 68%                            | 67%                            | 66%   |
| Average               | 73%                            | 70%                            | 73%   |

## APPROVED HOURLY RATES

| Planning & Development. Effective date: 01 July 2022. |  |                 |        |       |             |            |  |
|---|--|-----------------|--------|-------|-------------|------------|--|
| Team  | Role   | Unit of Measure | From * | To *  | Change (\$) | Change (%) |  |
| Resource Consents                                     | Planning Officers  | Hourly          | \$160  | \$176 | \$16        | 10%        |  |
| Resource Consents                                     | Planners   | Hourly          | \$182  | \$200 | \$18        | 10%        |  |
| Resource Consents                                     | Senior Planners  | Hourly          | \$204  | \$225 | \$21        | 10%        |  |
| Resource Consents                                     | Leadership   | Hourly          | \$204  | \$225 | \$21        | 10%        |  |
| Engineering   | Land Development Engineer Cadet                                | Hourly          | \$160  | \$168 | \$8         | 5%         |  |
| Engineering   | Land Development Engineer                                      | Hourly          | \$212  | \$222 | \$10        | 5%         |  |
| Engineering   | Team Leader Sub-division, Development Contributions & Property | Hourly          | \$212  | \$222 | \$10        | 5%         |  |
| Engineering   | Subdivisions & Development Contributions Officer               | Hourly          | \$160  | \$168 | \$8         | 5%         |  |
| Building Services                                     | Processing   | Hourly          | \$189  | \$200 | \$11        | 6%         |  |
| Building Services                                     | Building Inspections   | Hourly          | \$189  | \$200 | \$11        | 6%         |  |
| Building Services                                     | Team leaders   | Hourly          | \$189  | \$200 | \$11        | 6%         |  |
| Administration  | Administration Support   | Hourly          | \$110  | \$116 | \$6         | 5%         |  |
| Administration  | Senior Administration Support [new rate]                       | Hourly          | \$0    | \$125 | \$125       |            |  |

\* Includes GST

| Planning & Infrastructure, Parks, Monitoring & Enforcement. Effective date: 01 July 2022. |                                    |                 |        |       |             |            |  |
|---|------------------------------------|-----------------|--------|-------|-------------|------------|--|
| Team  | Role                               | Unit of Measure | From * | To *  | Change (\$) | Change (%) |  |
| Monitoring & Enforcement  | Monitoring/Compliance Planner      | Hourly          | \$160  | \$176 | \$16        | 10%        |  |
| Monitoring & Enforcement  | Environmental Health               | Hourly          | \$125  | \$131 | \$6         | 5%         |  |
| Property & Infrastructure   | Senior Infrastructure Engineer     | Hourly          | \$212  | \$222 | \$10        | 5%         |  |
| Property & Infrastructure   | Infrastructure Engineer/Logistics  | Hourly          | \$190  | \$200 | \$10        | 5%         |  |
| Property & Infrastructure   | Infrastructure Other               | Hourly          | \$160  | \$168 | \$8         | 5%         |  |
| Parks & Reserve Senior / Manager  | Parks & Reserve Senior / Manager   | Hourly          | \$204  | \$225 | \$21        | 10%        |  |
| Parks & Reserve Senior / Manager  | Parks & Reserves Planner / Officer | Hourly          | \$160  | \$176 | \$16        | 10%        |  |

\* Includes GST

## APPROVED BUILDING SERVICES FEES

Building Services Fees. Effective date: 01 July 2022.

| Project Information Memorandum (PIM) only application<br>(Cost is later deducted from subsequent full Building Consent deposit) |         |       |             |            |
|---|---------|-------|-------------|------------|
| Team  | From: * | To: * | Change (\$) | Change (%) |
| Residential   | \$295   | \$313 | \$18        | 6%         |
| Commercial  | \$500   | \$530 | \$30        | 6%         |

\* Includes GST

| Building consent – initial fee (non-refundable) |                                |                              |  |                              |  |                              |  |                              |  |
|---|--------------------------------|------------------------------|--|------------------------------|--|------------------------------|--|------------------------------|--|
| Estimated Value                                 | Building Type                  | From *                       |  | To *                         |  | Change (\$)                  |  | Change (%)                   |  |
|   |                                | Building Consent Initial fee |  | Building Consent Initial fee |  | Building Consent Initial fee |  | Building Consent Initial fee |  |
|   |                                | Without PIM                  | With PIM (PIM provided at discounted rate) | Without PIM                  | With PIM (PIM provided at discounted rate) | Without PIM                  | With PIM (PIM provided at discounted rate) | Without PIM                  | With PIM (PIM provided at discounted rate) |
| Any   | Heating Appliances             | \$405                        | \$405                                      | \$429                        | \$429                                      | \$24                         | \$24                                       | 6%                           | 6%   |
| < \$5000  | Any                            | \$405                        | \$475                                      | \$429                        | \$504                                      | \$24                         | \$29                                       | 6%                           | 6%   |
| \$5001 – \$20 000                               | Any                            | \$935                        | \$980                                      | \$991                        | \$1,039                                    | \$56                         | \$59                                       | 6%                           | 6%   |
| \$20 001 – \$180 000                            | Unlined Accessory Building     | \$1,500                      | \$1,540                                    | \$1,590                      | \$1,632                                    | \$90                         | \$92                                       | 6%                           | 6%   |
| \$20 001 – \$180 000                            | Any (except unlined accessory) | \$2,290                      | \$2,310                                    | \$2,427                      | \$2,449                                    | \$137                        | \$139                                      | 6%                           | 6%   |
| \$180 001 – \$500 000                           | Residential                    | \$3,730                      | \$3,740                                    | \$3,954                      | \$3,964                                    | \$224                        | \$224                                      | 6%                           | 6%   |
| \$180 001 – \$500 000                           | Commercial                     | \$4,050                      | \$4,070                                    | \$4,293                      | \$4,314                                    | \$243                        | \$244                                      | 6%                           | 6%   |
| \$500 000 – \$1 000 000                         | Residential                    | \$5,665                      | \$5,720                                    | \$6,005                      | \$6,063                                    | \$340                        | \$343                                      | 6%                           | 6%   |
| \$500 000 – \$1 000 000                         | Commercial                     | \$6,270                      | \$6,270                                    | \$6,646                      | \$6,646                                    | \$376                        | \$376                                      | 6%                           | 6%   |
| > \$1 000 000**                                 | Any                            | \$6,930                      | \$6,930                                    | \$7,346                      | \$7,346                                    | \$416                        | \$416                                      | 6%                           | 6%   |

\*estimated value = As defined by the Goods and Services Act 1985 s10; this includes the cost of building materials, labour, design costs, siteworks, but excludes furnishings, carpets and appliances

\*\*for every \$50 000 (or part thereof) an additional fee of \$55.00 will apply

\*\*for every \$50 000 (or part thereof) an additional fee of \$60.00 will apply [10% increase]

\* Includes GST

| <b>Levies</b><br>(Required at time of deposit).  |                                   |
|--|-----------------------------------|
| Building Research Levy BRANZ (where estimated value of work >\$20 000)   | \$1.00 per \$1000 of est. value * |
| MBIE Building Levy (where estimated value of work >\$20 444)   | \$1.75 per \$1000 of est. value * |
| BCA LEVY – BCA accreditation levy payable on all building consent applications including amended and stage applications – \$0.20 per \$1000 of building work |                                   |

\* Includes GST

| <b>Building Act – initial fee (non-refundable)</b>  |  |  |             |            |
|---|--|--|-------------|------------|
|   | From *   | To *   | Change (\$) | Change (%) |
| Application Type  | Fee  | Fee  | Fee         | Fee        |
| “Building Act Title Registration e.g.;<br>- Section 71-74 Natural Hazards<br>- Section 75 Building Across two (or more allotments)” | BCO ** hourly rate<br>(plus any legal disbursements) | BCO ** hourly rate<br>(plus any legal disbursements) |             |            |
| Certificate of Acceptance (COA)   | As per building consent fees                         | As per building consent fees                         |             |            |
| Certificate of Public Use (CPU)   | Complexity Com 1 & 2 \$275                           | \$292  | \$17        | 6%         |
| Change of Use (where no building work is required)  | \$182  | \$193  | \$11        | 6%         |
| Exempt Building Work  | \$313  | \$332  | \$19        | 6%         |
| Minor Variation   | BCO ** hourly rate                                   | BCO ** hourly rate                                   |             |            |
| Notice to Fix   | \$300  | \$318  | \$18        | 6%         |
| Split Building Consent Application (no change in value of work)   | \$480  | \$509  | \$29        | 6%         |

\* Includes GST

\*\* BCO – Building Consent Officer

| Other building services fees  |                               |                             |                           |            |
|---|-------------------------------|-----------------------------|---------------------------|------------|
|   | From *                        | To *                        | Change (\$)               | Change (%) |
| <b>Building Warrant of Fitness (BWOFF)</b>                              |                               |                             |                           |            |
| Compliance Schedule (register and issue)                                | \$295                         | \$313                       | \$18                      | 6%         |
| Amend Compliance Schedule   | \$189                         | \$200                       | \$11                      | 6%         |
| Annual BWOFF Certificate  | \$115                         | \$122                       | \$7                       | 6%         |
| Audit (On site audit approximately every 3 years)                       | \$ hourly rate (BCO & Admin)  |                             |                           |            |
| <b>Miscellaneous</b>  |                               |                             |                           |            |
| Building Consents Issued – Monthly reports                              | \$360 (year) / \$35 (month)   | \$382 (year) / \$37 (month) | \$22 (year) / \$2 (month) | 6% / 6%    |
| Pre-Application meeting (First hour free)                               | \$ hourly rate                |                             |                           |            |
| <b>Residential Swimming Pools (Building (Pools) Amendment Act 2016)</b> |                               |                             |                           |            |
| Inspections   | \$ hourly rate per inspection |                             |                           |            |
| Registration  | \$230                         | \$244                       | \$14                      | 6%         |
| <b>Land Information Memorandum</b>                                      |                               |                             |                           |            |
| Residential (standard 10 working days)                                  | \$255                         | \$270                       | \$15                      | 6%         |
| Commercial (standard 10 working days)                                   | \$385                         | \$408                       | \$23                      | 6%         |

\* Includes GST



## APPROVED RESOURCE CONSENT AND ENGINEERING FEES

\* Includes  
GST

| Resource Consents, Resource Management Engineering and Other Fees. Effective date: 01 July 2022.  |             |             |             |            |
|---|-------------|-------------|-------------|------------|
|   | From *      | To *        | Change (\$) | Change (%) |
| <b>Lodgement Fee Per Consent (Fixed Fees)</b>   |             |             |             |            |
| Monitoring  | \$237       | \$260       | \$23        | 10%        |
| Administration per resource consent   | \$248       | \$272       | \$24        | 10%        |
| <b>Land Use Consents</b>  |             |             |             |            |
| Pre-Application Meeting (first hour free)   | hourly rate | hourly rate |             |            |
| Deemed Permitted Activities – Boundary Activity Notice (Fixed Fee)  | \$500       | \$550       | \$50        | 10%        |
| Deemed Permitted Activities – Marginal & Temporary Non-compliance Notice  | \$500       | \$550       | \$50        | 10%        |
| "Controlled Activity (overall consent status)<br>Except if fall into one of the specific consent categories below and then that initial fee applies"  | \$1,550     | \$1,700     | \$150       | 10%        |
| Restricted Discretionary (overall consent status). Except if fall into one of the specific consent categories below and then that initial fee applies | \$2,000     | \$2,200     | \$200       | 10%        |
| Discretionary (overall consent status). Except if fall into one of the specific consent categories below and then that initial fee applies            | \$2,200     | \$2,420     | \$220       | 10%        |
| Non-complying Activities (overall consent status). Except if fall into one of the specific consent categories below and then that initial fee applies | \$3,000     | \$3,300     | \$300       | 10%        |
| Signs   | \$1,400     | \$1,540     | \$140       | 10%        |
| Scheduled Buildings and/or Trees (Fixed Fee)  | \$800       | \$880       | \$80        | 10%        |
| Transfer of Water Based Consent (Fixed Fee)   |             | \$275       | \$275       | New        |
| Other applications  |             | \$1,400     | \$1,400     | Reinstated |
| <b>Subdivision Consents</b>   |             |             |             |            |
| Amalgamation Certificate (Fixed Fee)  | \$160       | \$176       | \$16        | 10%        |
| Boundary Adjustment   | \$2,000     | \$2,200     | \$200       | 10%        |
| Restricted Activity (up to two lots)  | \$2,800     | \$3,080     | \$280       | 10%        |
| Restricted Activity (more than two lots)  | \$3,100     | \$3,400     | \$300       | 10%        |
| Engineering Review & Acceptance   | \$500       | \$550       | \$50        | 10%        |
| All other subdivisions  | \$3,200     | \$3,520     | \$320       | 10%        |
| Registered Bond / Release of Registered Bond (each)   | \$160       | \$168       | \$8         | 5%         |
| Cancellation of Amalgamation Certificate (s241)   | \$1,250     | \$1,310     | \$60        | 5%         |
| s223 Certificate  | \$160       | \$168       | \$8         | 5%         |
| s224(C) Certificate   | \$320       | \$336       | \$16        | 5%         |
| Signing and Sealing other plan or certificate   | \$160       | \$168       | \$8         | 5%         |

| Resource Consents, Resource Management Engineering and Other Fees. Effective date: 01 July 2022. |          |          |             |            |
|--|----------|----------|-------------|------------|
|  | From *   | To *     | Change (\$) | Change (%) |
| <b>Other Applications/Processes</b>  |          |          |             |            |
| Notice of Requirement (NoR) for a Designation  | \$6,000  | \$6,600  | \$600       | 10%        |
| Alteration of Designation  | \$3,900  | \$4,300  | \$400       | 10%        |
| Removal of Designation or Heritage Order   | \$500    | \$550    | \$50        | 10%        |
| Certificate of Compliance  | \$1,600  | \$1,760  | \$160       | 10%        |
| Existing Use Certificate   | \$3,000  | \$3,300  | \$300       | 10%        |
| Extension of lapse period of a resource consent (s125)   | \$750    | \$825    | \$75        | 10%        |
| Outline Plan (s176A)   | \$1,500  | \$1,650  | \$150       | 10%        |
| Outline Plan Waiver s176A(2)(c)  | \$600    | \$660    | \$60        | 10%        |
| Surrender of consent (Fixed Fee)   | \$250    | \$275    | \$25        | 10%        |
| Variation of resource consent s127   | \$1,800  | \$1,980  | \$180       | 10%        |
| Urban Design (prior to lodgement of resource consent)  | \$250    | \$275    | \$25        | 10%        |
| Urban Design (post lodgement of resource consent)  | \$500    | \$550    | \$50        | 10%        |
| Private Plan Change  | \$12,300 | \$13,500 | \$1,200     | 10%        |
| <b>Local Government Act Charges</b>  |          |          |             |            |
| Right of Way Certificate (s348)  | \$660    | \$725    | \$65        | 10%        |
| Licence to Occupy  | \$640    | \$670    | \$30        | 5%         |
| Temporary Road Closure   | \$640    | \$670    | \$30        | 5%         |
| Assignment of Licence to Occupy  | \$160    | \$168    | \$8         | 5%         |
| Traffic Management Plans   | \$150    | \$158    | \$8         | 5%         |
| Corridor Access < 20   | \$200    | \$210    | \$10        | 5%         |
| Corridor Access 20-100   | \$410    | \$430    | \$20        | 5%         |
| Corridor Access 100-500  | \$620    | \$650    | \$30        | 5%         |
| Corridor Access 500-2000   | \$825    | \$870    | \$45        | 5%         |
| Corridor Access >2000  | \$2,020  | \$2,120  | \$100       | 5%         |
| Engineering Connection to Council Services (one connection)                                      | \$310    | \$325    | \$15        | 5%         |
| Engineering Connection to Council Services (each additional connection)                          | \$130    | \$136    | \$6         | 5%         |
| Build over or near a Council pipe or drain, or relocate pipe or drain                            | \$600    | \$630    | \$30        | 5%         |
| Cancellation of Building Line Restriction  | \$330    | \$345    | \$15        | 5%         |
| Limited Notified   | \$1,630  | \$1,790  | \$160       | 10%        |
| Public Notified  | \$5,600  | \$6,150  | \$550       | 10%        |
| Hearing – half day   | \$6,800  | \$7,500  | \$700       | 10%        |
| Hearing – full day   | \$12,500 | \$13,750 | \$1,250     | 10%        |
| Hearing – additional day   | \$11,020 | \$12,100 | \$1,080     | 10%        |

## WASTE SERVICES

### User fee increases between 7%-55%

Council applies user fees for refuse (rubbish) services to offset operational costs which include purchasing Emissions Trading Scheme credits (sometimes called “carbon credits”). Council must acquire and surrender credits to account for its direct greenhouse gas emissions or the emissions associated with its services. Increases are proposed for waste-related user fees following the purchase of Emissions Trading Scheme credits and an annual increase of 103% from \$35.00 to \$71.15 per credit. Council has decided to increase the user pays refuse costs to partially offset this increased expenditure, reducing any variance from the 2021-2031 Ten Year Plan budget to \$400k.

| Unit of measure                                  | From * | To *  | Change (\$) | Change (%) |
|--|--------|-------|-------------|------------|
| Single refuse bags – Transfer station            | \$6    | \$8   | \$2         | 33%        |
| Small loads – Transfer station                   | \$26   | \$37  | \$11        | 43%        |
| Accounts – Transfer station                      | \$26   | \$37  | \$11        | 43%        |
| Trailers Van Ute under 200kg – Transfer station  | \$53   | \$70  | \$17        | 32%        |
| Trailers accounts under 200kg – Transfer station | \$53   | \$70  | \$17        | 32%        |
| Tonnes (cash) – Transfer station                 | \$306  | \$371 | \$65        | 21%        |
| Tonnes (account) – Transfer station              | \$306  | \$371 | \$65        | 21%        |
| Small loads (mulch)                              | \$7    | \$8   | \$1         | 7%         |
| Accounts (mulch)                                 | \$7    | \$8   | \$1         | 7%         |
| Trailers Van Ute under 200kg (mulch)             | \$14   | \$15  | \$1         | 7%         |
| Trailers accounts under 200kg (mulch)            | \$14   | \$15  | \$1         | 7%         |
| Tonnes (cash) (mulch)                            | \$70   | \$75  | \$5         | 7%         |
| Tonnes (account) (mulch)                         | \$70   | \$75  | \$5         | 7%         |
| Small loads (hardfill)                           | \$7    | \$11  | \$4         | 55%        |
| Accounts (hardfill)                              | \$7    | \$11  | \$4         | 55%        |
| Trailers Van Ute under 200kg (hardfill)          | \$15   | \$23  | \$8         | 55%        |
| Trailers accounts under 200kg (hardfill)         | \$15   | \$23  | \$8         | 55%        |
| Tonnes (cash) (hardfill)                         | \$75   | \$95  | \$20        | 27%        |
| Tonnes (account) (hardfill)                      | \$75   | \$95  | \$20        | 27%        |

\* Includes GST

## SPORT & RECREATION FACILITY FEES

### User fee increases between 4%-100%

Council operates and maintains a wide range of sport and recreation facilities throughout the district, for example the Queenstown Events Centre and Wānaka Recreation Centre. These provide opportunities for locals and visitors alike to get active and make the most of what the district has to offer. As the district continues to grow the demand on these facilities and the programmes they operate grows with it. To keep delivering these important services to the standard required by the community, Council must ensure it can recruit and retain properly trained and skilled staff. Council thinks it’s right that the cost of maintaining that service rests primarily with the users, and therefore a number of increases are proposed to specific fees as outlined below.

| Unit of measure          | From * | To *  | Change (\$) | Change (%) |
|--------------------------|--------|-------|-------------|------------|
| <b>Driving range</b>     |        |       |             |            |
| Small bucket             | \$6    | \$8   | \$2         | 33%        |
| Medium bucket            | \$8    | \$10  | \$2         | 25%        |
| Large bucket             | \$12   | \$15  | \$3         | 25%        |
| Range club hire          | \$990  | \$990 | \$0         | 0%         |
| Member – Large bucket    | \$10   | \$12  | \$2         | 20%        |
| Member – small bucket    | \$5    | \$6   | \$1         | 20%        |
| <b>Weekly membership</b> |        |       |             |            |
| Week’s admission         | \$23   | \$24  | \$1         | 4%         |
| <b>Casual entry</b>      |        |       |             |            |
| QCC club member          | \$6    | \$8   | \$2         | 33%        |
| Non club member          | \$13   | \$14  | \$2         | 0%         |
| <b>Belay licence</b>     |        |       |             |            |
| Adult                    | \$5    | \$10  | \$5         | 100%       |
| Child                    | \$5    | \$10  | \$5         | 100%       |
| <b>Kids climb</b>        |        |       |             |            |
| 6-8 years (1 hour)       | \$60   | \$80  | \$20        | 33%        |
| Beginner (1 hour)        | \$60   | \$80  | \$20        | 33%        |
| Intermediate (1.5 hours) | \$80   | \$100 | \$20        | 25%        |
| Advanced (2 hours)       | \$80   | \$110 | \$30        | 38%        |

## FEE INCREASE ADDITIONAL REVENUE

The table below shows the amount of additional revenue being sought through the increase in fees at \$1.85M.

|                         | Draft<br>2022-2023<br>Annual Plan | 2021-2031<br>Ten Year<br>Plan, Year 2 | Change           | Of which<br>is being<br>driven<br>by price<br>increases |
|-------------------------|-----------------------------------|---------------------------------------|------------------|---|
| Planning & Development* | 15,123,035                        | 14,325,472                            | 797,563          | 420,737   |
| Waste                   | 10,096,098                        | 8,756,216                             | 1,339,882        | 1,339,882   |
| Sport & Recreation**    | 1,397,057                         | 1,303,034                             | 94,024           | 94,024  |
| <b>Total</b>            | <b>26,616,190</b>                 | <b>24,384,722</b>                     | <b>2,231,468</b> | <b>1,854,642</b>  |

\* Resource consents, engineering, building services and administration

\*\* Driving range, membership, climbing wall

## NEW FILM PERMIT FEE STRUCTURE

Council has decided to adopt a new Tiered Fee Schedule for film permit fees. Council considers that making the film permit fees more equitable will encourage more productions in the district. This schedule categorises productions into Low, Medium and High impact with corresponding daily fees for each. The former fee schedule of \$500/ day was designed for larger-scale, high budget and high impact productions. It has not been reviewed in the last five years to reflect the changing nature and needs of the industry, specifically the film and television businesses based in the district. Six other councils and film offices around New Zealand – including Christchurch City Council and Screen Auckland representing the Auckland region – have adopted tiered fee schedules that take into account the impact of the filming activity on Council, the environment, and community. These schedules have been used as a model for the new Tiered Fee Schedule.

## MITIGATING THE IMPACT OF REVALUATION ON RATES

As a result of the three-yearly district revaluation, the total capital value (CV) has grown by around 52%, but the proportionality between rating categories has not changed significantly. The main issue that has arisen from the revaluation is that Commercial properties are now picking up 0.8% more of the rates burden whilst Accommodation is paying 1.0% less overall. To maintain a closer alignment with pre-existing rating apportioning, Council has adjusted the rating differentials to decrease the overall contribution of Commercial property types and to increase Accommodation property types. These adjustments have the following impact on the allocation of rates: the allocation for Accommodation is now to 13.4% (up 0.6%) whilst Commercial is now 13.1% (down 1.1%). This more closely matches the pre-existing allocation using the current (2017) CV.

## NEW FILM PERMIT FEE STRUCTURE

| Permit Status   | Permit Required   | Permit Required – Other applications and necessary consent may be required.  | Permit Required – Other applications and necessary consent may be required.   |
|---|---|--|---|
| Estimated Submission/<br>Permit Response Time (by QLDC) | 2 working days  | 5 working days   | 5 working days  |
| Crew size   | 0-5 people<br>(not including on-screen talent)  | 6-20 people<br>(not including on-screen talent)  | 20+ people  |
| Number of equipment/vehicles                            | No trucks. Cars, utes and vans only   | 1-6 trucks   | 6+ trucks   |
| Infrastructure requirements                             | No infrastructure   | Minimal infrastructure<br>e.g. pop up tent   | Significant structures<br>– may require resource consent  |
| Equipment requirements                                  | Handheld equipment  | Minimal equipment e.g. lights,<br>camera tracks  | Major equipment used<br>e.g. camera cranes  |
| Traffic impact  | No disruption of the roads or footpaths   | Basic traffic management required  | Significant traffic management required.<br>Closing of major roads  |
| Impact on the public and<br>community wellbeing         | No disruption is caused to council<br>stakeholders, businesses, residents,<br>motorists, visitors, community groups or<br>other events in the vicinity. | Could be minor disruption to council<br>stakeholders, businesses, residents,<br>motorists, visitors, community groups<br>or other events. Local letter notification<br>required. Consultation with impacted<br>parties encouraged. | Likely to be significant disruption to<br>council stakeholders, businesses,<br>residents, motorists, visitors, community<br>groups or other events. Local letter<br>notification and possibly consultation<br>with impacted parties required. |

# Consultation Process

## Hātepe Matapaki

The important dates  
Te wātaka

FEBRUARY

MARCH

APRIL

MAY

JUNE

JULY

**MONDAY**  
**21 MARCH 2022**  
Submissions open

**MONDAY**  
**25 APRIL 2022**  
Submissions close

**WEDNESDAY**  
**25 MAY 2022**  
Wānaka hearing

**FRIDAY**  
**27 MAY 2022**  
Tāhuna Queenstown  
hearing

**THURSDAY**  
**30 JUNE 2022**  
Council adopts  
Annual Plan

# Summary of Changes

## | Whakarāpopototaka o kā panoni

The following is a summary of the changes to the 2022-2023 Annual Plan that have been approved as a result of the submission process (138 submissions received in total).

| Requests for grant funding approved for 2022-2023   |          |
|---|----------|
| Bike Wānaka   | \$21,000 |
| ChildPlayWorks Charitable Trust                     | \$2,000  |
| Citizens Advice Bureau                              | \$5,000  |
| Friends of Bullock Creek Inc.                       | \$10,000 |
| Glenorchy Heritage and Museum Group                 | \$5,000  |
| Glenorchy Trails Trust                              | \$20,000 |
| Happiness House Trust                               | \$10,000 |
| Hāwea Community Association                         | \$8,000  |
| Volunteer South   Kaitiāo o te Taitonga             | \$10,000 |
| Queenstown Harvest Community Gardens                | \$5,000  |
| Shaping our Future, Inc.                            | \$40,000 |
| Southern Lakes Branch – NZ Deerstalkers Association | \$6,500  |
| Southern Wellbeing Trust                            | \$13,000 |
| Te Kākano Aotearoa Trust                            | \$3,500  |
| The Lightfoot Initiative Charitable Trust           | \$20,000 |
| Upper Clutha Tracks Trust                           | \$21,000 |

### INTERNAL (QLDC) UNBUDGETED REQUESTS FOR FUNDING

#### Operational expenditure

Net operational expenditure increase of \$221,304 rate funded.

- > Wānaka Youth & Community Centre \$15,290 net cost increase due to change in fitout and use of centre
- > Ngāi Tahu reforecast of 2022-2023 Shotover Jet income based on Covid border restrictions \$206,014 income reduction
- > Spatial plan revenue and expenditure updated to reflect the utilisation of Tranche 1 of the DIA Three Waters Better off Fund net cost increase of \$2,115,000 offset by funding
- > \$2,192,000 decrease in dividend income to align to the latest dividend forecast in the QAC Statement of Intent.


## Capital expenditure

Capital expenditure decrease of \$23,774,105.

| <b>EXISTING DRAFT ANNUAL PLAN 2022/23 BUDGET: \$268,030,684</b>                                   |                      |
|---|----------------------|
| <b>Project Name</b>   | <b>Budget Change</b> |
| Lake Hayes Estate Park Improvements   | \$208,000            |
| Whakatipu Sports Field Improvements   | \$814,000            |
| Wānaka Show Grounds Field Development   | \$563,000            |
| Pembroke Park - Irrigation & field improvements   | -\$493,049           |
| Luggate Hall Prefab Relocation  | \$300,000            |
| Two new courts added to current stadium   | -\$300,000           |
| Stanley Street playcentre relocation  | \$350,000            |
| Mitre 10 Youth & Community Centre   | \$3,145,000          |
| Ballantyne Road Recreation Centre - Wastewater Site preparation                                   | -\$245,000           |
| Rees River Bridge Investigative Works   | \$50,000             |
| Whakatipu Active Travel Low Cost Low Risk Unsubsidised  | -\$50,000            |
| Butlers Green Retaining Wall  | \$600,000            |
| Hydraulic Modelling & System Performance  | \$79,320             |
| Wānaka Airport  | \$850,000            |
| <b>Total Internal Submissions per above</b>   | <b>\$5,871,271</b>   |
| Various timing deferrals from 22/23 to future years 3-6 to mitigate against the high 22/23 budget | -\$35,719,040        |
| Other pre-approved deferrals from 21/22 to 22/23 per 28/4/2022 Council Paper                      | \$6,073,664          |
| <b>Proposed Annual Plan 2022/23 Budget</b>  | <b>\$244,256,579</b> |

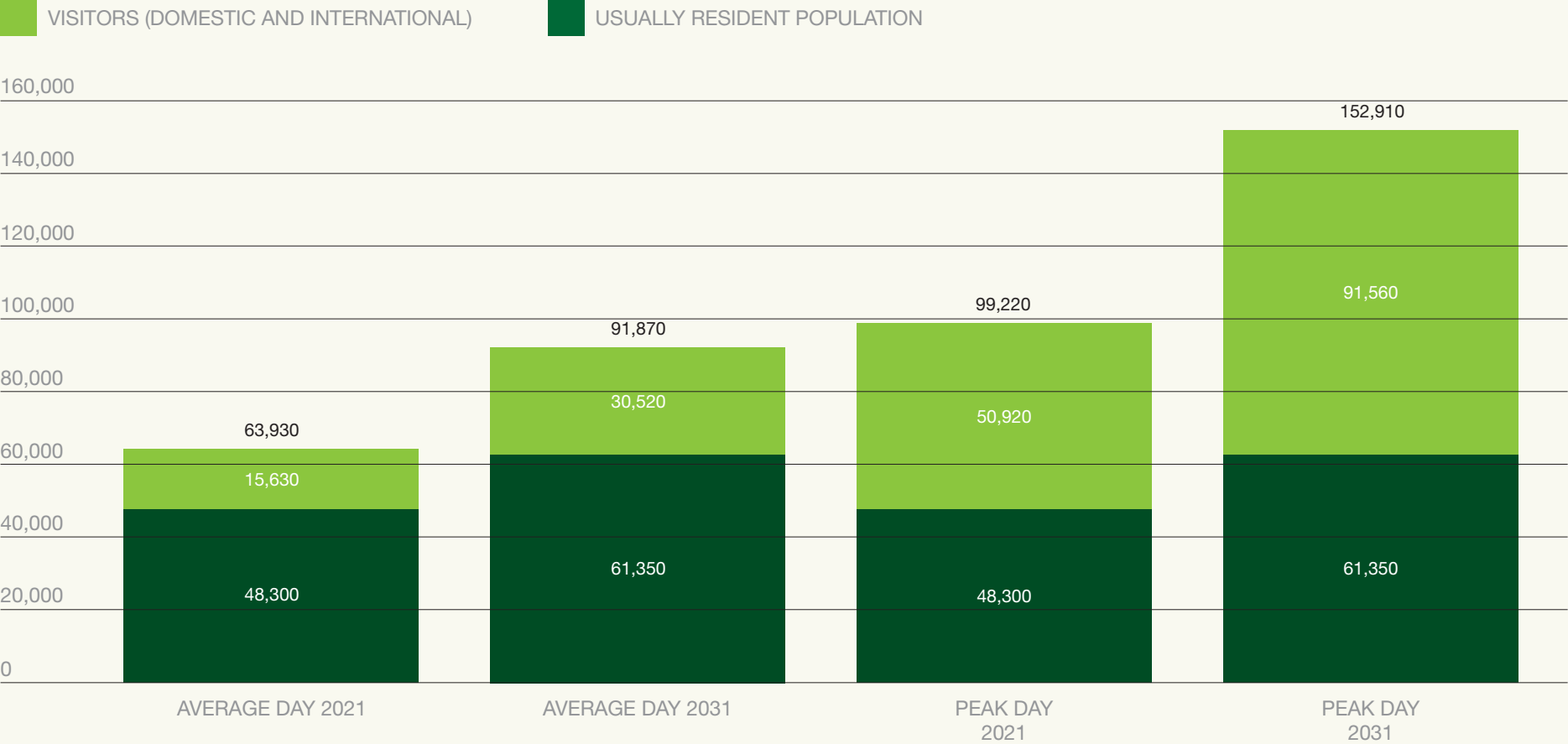


# Section 2: General Information | Wāhaka 2: Pāroko Whānui



# Growth Projections | Whakatupuraka o te taupori

NUMBERS OF VISITORS AND USUALLY RESIDENT POPULATION



## DEMAND AND POPULATION ASSUMPTIONS

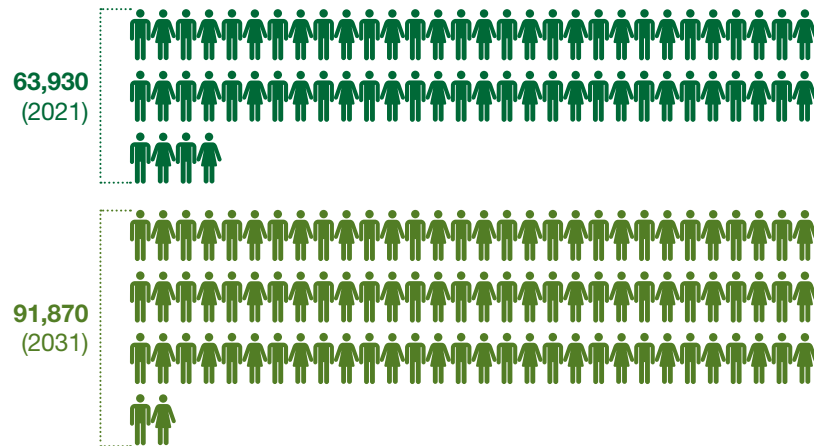
### AVERAGE DAY POPULATION GROWTH

Source: QLDC Demand Projections to 2053, March 2022

| Average Day Population    | 2021   | 2031   | 2041    | 2051    |
|---------------------------|--------|--------|---------|---------|
| Wānaka Ward               | 20,090 | 29,260 | 34,980  | 40,410  |
| Queenstown-Whakatipu Ward | 43,840 | 62,610 | 72,230  | 81,340  |
| Whole District            | 63,930 | 91,870 | 107,210 | 121,750 |

The average day population for the district is expected to increase from an estimated 63,930 people in 2021 to an estimated 91,870 in 2031. This is a growth rate of 3.7% per annum. This consists of residents and visitors of all types.

Of the average day population, around 76% is the usually resident population. Approximately 66% of these residents will live in the Queenstown-Whakatipu Ward and the remainder in the Wānaka Ward.



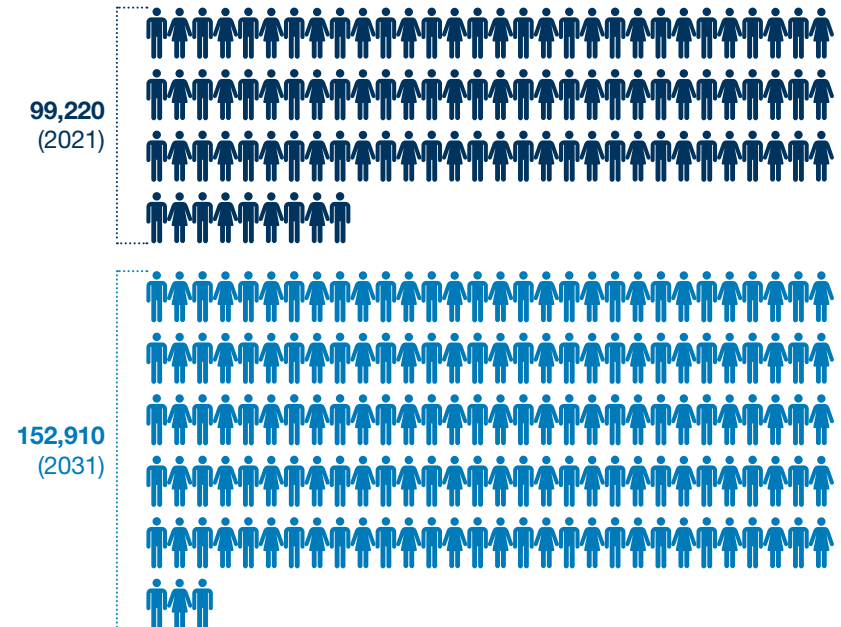
At this stage, QLDC's forecasting for planning purposes considers the pandemic and border closures to have a temporary effect on short term numbers that will not impact longer-term trends.

### PEAK DAY POPULATION GROWTH

Source: QLDC Demand Projections to 2053, July 2020

| Peak Day Population       | 2021   | 2031    | 2041    | 2051    |
|---------------------------|--------|---------|---------|---------|
| Wānaka Ward               | 31,600 | 49,830  | 58,780  | 67,260  |
| Queenstown-Whakatipu Ward | 67,620 | 103,080 | 118,220 | 132,560 |
| Whole District            | 99,220 | 152,910 | 177,000 | 199,820 |

The peak day population for the district is expected to increase from an estimated 99,220 people in 2021 to an estimated 152,910 in 2031. This is a growth rate of 4.4% per annum. This consists of residents and visitors of all types. The peak period typically falls over the New Year period (late December / early January) and is relatively short. The projection is particularly important for infrastructure planning, ensuring that roads, waste and 3 waters are able to cope with peak activity.



# Vision Beyond 2050



## Community Outcomes

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

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

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

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

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

## Thriving people | Whakapuāwai Hapori

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



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

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



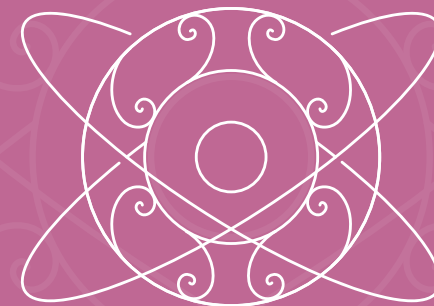
## Opportunities for all | He ōhaka taurikura

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



## Breathtaking creativity | Whakaohoho Auahataka

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



## Deafening dawn chorus | Waraki

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



## Zero carbon communities | Parakore hapori

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



## Disaster-defying resilience | He Hapori Aumangea

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



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

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



Vision Beyond 2050

# Process | Te Huanui

## TEN YEAR PLAN

*Reviewed every three years*

- > The Ten Year Plan sets the direction of the Council, providing a long-term focus on community outcomes, and explaining the purpose, direction and cost of each of Council's activities.

## ANNUAL PLAN

*Completed in each of the two years between the Ten Year Plan*

- > What the Council plans to do in the next 12 months to achieve the direction set in the Ten Year Plan.

## COMMUNITY OUTCOMES

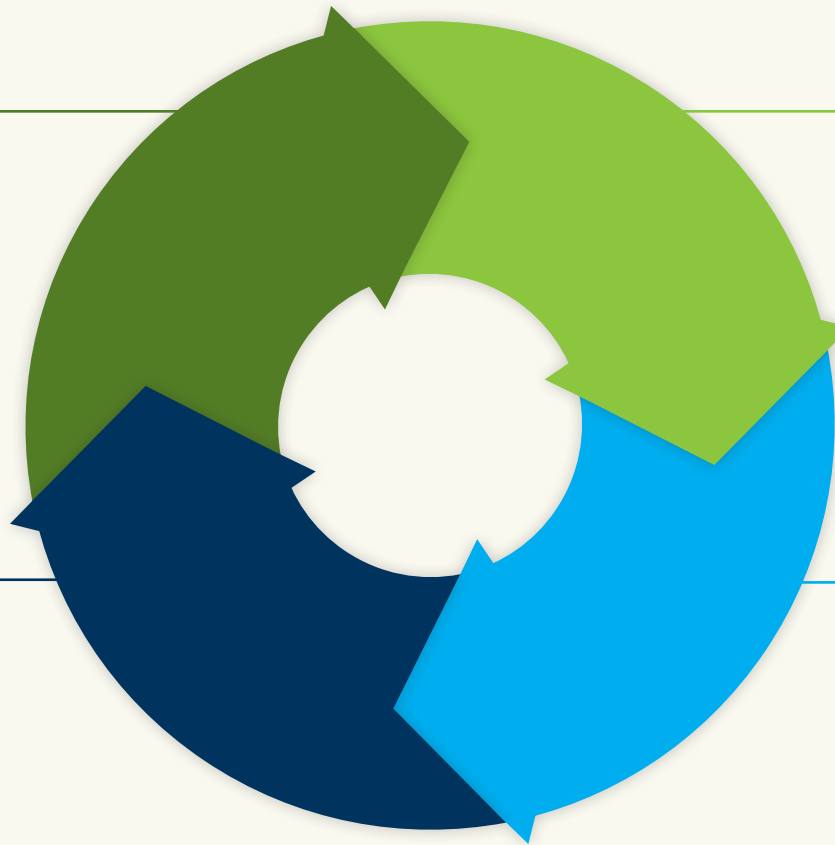
*Reviewed every three years*

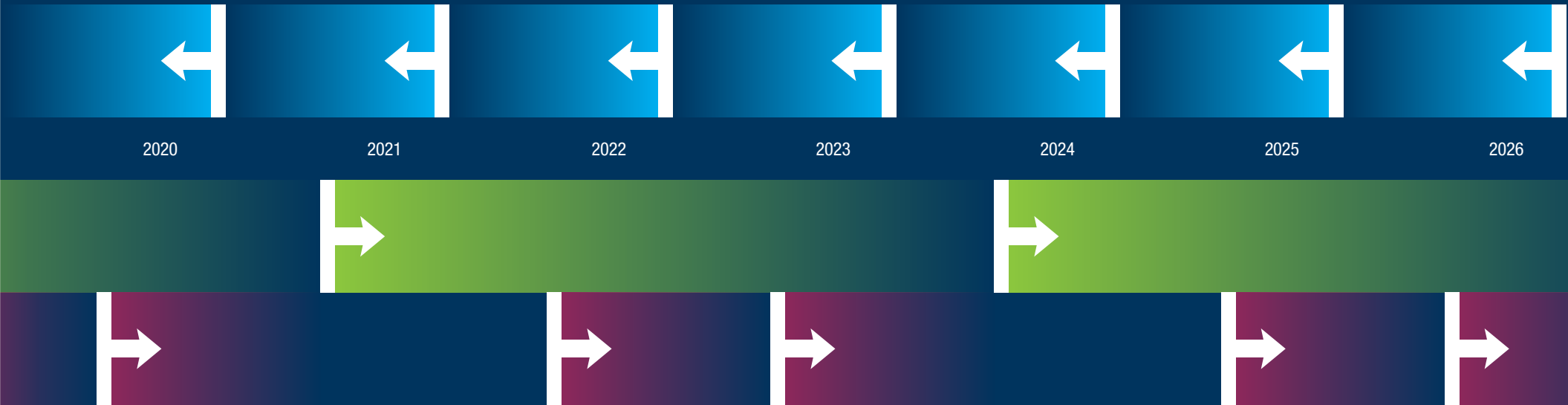
- > Outcomes that the Council aims to achieve in meeting the current and future needs of the community for quality infrastructure, public services and the performance of regulatory functions.

## ANNUAL REPORT

*Produced every year*

- > Reports back to the community on whether the Council has done what it planned to do.





2020

2021

2022

2023

2024

2025

2026



**ANNUAL PLAN**

Looks forward and plans what Council needs to do in the next 12 months to achieve the direction set in the Ten Year Plan. Completed in each of the two years between the Ten Year Plan.



**TEN YEAR PLAN**

Looks forward and sets the direction of the Council, providing a long term focus on our community outcomes, and explaining the purpose, direction and cost of each of our activities. Reviewed every three years.



**ANNUAL REPORT**


Reports back to the community on whether the Council has done what it planned to do. Produced every year.

# Contact Us | Whakapā mai



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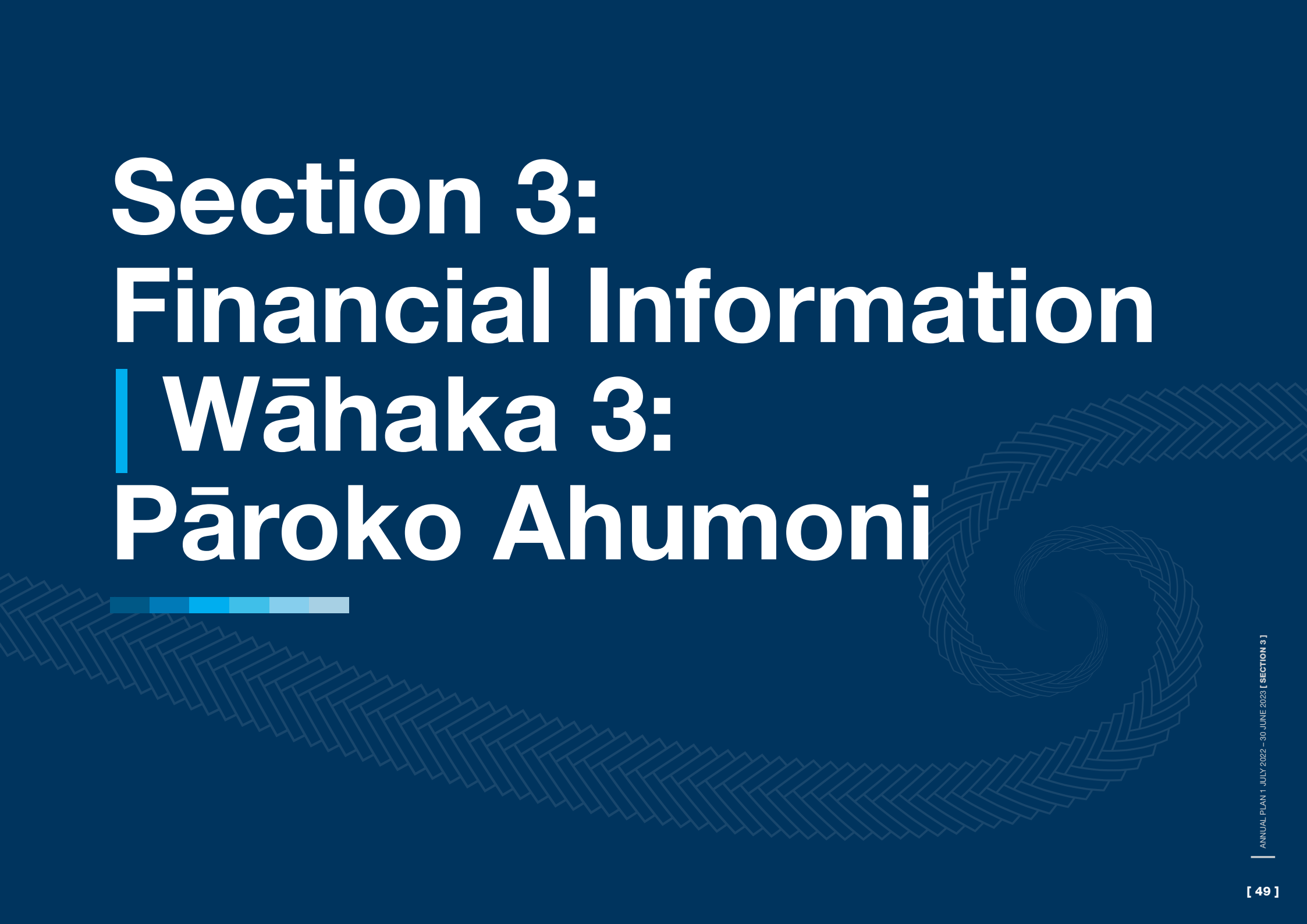
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Queenstown 9348  
New Zealand



# Section 3: Financial Information | Wāhaka 3: Pāroko Ahumoni



# Financial Statements | Kā tauākī ahumoni

## PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE (\$'000)

| TEN YEAR PLAN<br>2021/22                      | ANNUAL PLAN<br>2022/23 | TEN YEAR PLAN<br>2022/23 | Variance        | Explanation                                 |
|---|------------------------|--------------------------|-----------------|---|
| <b>Operating revenue</b>                      |                        |                          |                 |   |
| <i>Revenue from non-exchange transactions</i> |                        |                          |                 |   |
| 92,875  |                        |                          |                 | Targeted rates                              |
|   | 100,926                | 100,992                  | (66)            |   |
| 2,994   | 4,748                  | 3,038                    | 1,710           | General rates                               |
| 6,317   | 7,390                  | 6,720                    | 670             | User charges - subsidised                   |
| 73,970  | 54,257                 | 62,661                   | (8,404)         | Grants and subsidies                        |
| 19,600  | 20,239                 | 20,239                   | -               | Vested assets                               |
| 13,355  | 21,207                 | 21,209                   | (2)             | Development contributions                   |
| 4,933   | 6,310                  | 5,676                    | 634             | Other income                                |
| 2,341   | 1,420                  | 1,826                    | (406)           | Revaluation of investment property          |
| <i>Revenue from exchange transactions</i>     |                        |                          |                 |   |
| 33,204  | 33,702                 | 32,154                   | 1,548           | User charges - full cost recovery           |
| -   | 762                    | 4,866                    | (4,104)         | - Dividend income                           |
| 2,841   | 3,410                  | 3,355                    | 55              | Other income - full cost recovery           |
| -   | 23,393                 | 23,393                   | -               | - Other gains/(losses) - full cost recovery |
| <b>252,430</b>                                | <b>277,765</b>         | <b>286,130</b>           | <b>(8,365)</b>  | <b>Total revenue</b>                        |
| <b>Operating expenditure</b>                  |                        |                          |                 |   |
| 5,554   | 8,585                  | 6,451                    | 2,134           | Local democracy                             |
| 41,456  | 38,920                 | 40,267                   | (1,347)         | Community services & facilities             |
| 12,190  | 16,924                 | 13,197                   | 3,727           | Economy                                     |
| 15,506  | 16,283                 | 15,906                   | 377             | Environmental management                    |
| 14,682  | 18,569                 | 15,418                   | 3,151           | Regulatory functions & services             |
| 32,193  | 33,502                 | 34,173                   | (671)           | Transport                                   |
| 20,765  | 22,289                 | 22,984                   | (695)           | Wastewater                                  |
| 14,300  | 15,652                 | 16,615                   | (963)           | Water supply                                |
| 7,258   | 7,923                  | 7,984                    | (61)            | Stormwater                                  |
| 15,921  | 19,240                 | 17,411                   | 1,829           | Waste management                            |
| (298)   | 2,043                  | (393)                    | 2,436           | Finance & support services                  |
| <b>179,527</b>                                | <b>199,930</b>         | <b>190,013</b>           | <b>9,917</b>    | <b>Total operating expenditure *</b>        |
| <b>72,903</b>                                 | <b>77,835</b>          | <b>96,117</b>            | <b>(18,282)</b> | <b>Operating surplus</b>                    |
| <b>* Operating expenditure includes:</b>      |                        |                          |                 |   |
| 42,899  | 45,954                 | 45,954                   | -               | Depreciation                                |
| 7,553   | 9,838                  | 10,827                   | (989)           | Interest                                    |

**PROSPECTIVE STATEMENT OF OTHER COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDING 30 JUNE (\$'000)**

| TEN YEAR PLAN<br>2021/22 |  | ANNUAL PLAN<br>2022/23 | TEN YEAR PLAN<br>2022/23 | Variance        | Explanation |
|--------------------------|--|------------------------|--------------------------|-----------------|-------------|
| 72,903                   | Operating surplus                              | 77,835                 | 96,117                   | (18,282)        |             |
|                          | <b>Other comprehensive revenue and expense</b> |                        |                          |                 |             |
| 31,501                   | Gain/(loss) on revaluation                     | 30,530                 | 29,202                   | 1,328           |             |
| 5,554                    | Transfer from reserves                         | (5,026)                | 1,373                    | (6,399)         |             |
| <b>109,958</b>           | <b>Total comprehensive income</b>              | <b>103,339</b>         | <b>126,692</b>           | <b>(23,353)</b> |             |

**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE (\$'000)**

| TEN YEAR PLAN<br>2021/22 |   | ANNUAL PLAN<br>2022/23 | TEN YEAR PLAN<br>2022/23 | Variance        | Explanation |
|--------------------------|---|------------------------|--------------------------|-----------------|-------------|
| 1,771,292                | Forecast opening equity                 | 1,881,250              | 1,881,250                | -               |             |
|                          | Total comprehensive revenue and expense | 103,339                | 126,692                  | (23,353)        |             |
| <b>1,881,250</b>         | <b>Forecast closing equity</b>          | <b>1,984,589</b>       | <b>2,007,941</b>         | <b>(23,353)</b> |             |

PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE (\$'000)

| TEN YEAR PLAN<br>2021/22   | ANNUAL PLAN<br>2022/23 | TEN YEAR PLAN<br>2022/23 | Variance        | Explanation                                |
|----------------------------|------------------------|--------------------------|-----------------|--|
| <b>Current assets</b>      |                        |                          |                 |  |
| 3,512                      | 3,513                  | 3,513                    | -               | Cash and cash equivalents                  |
| 15                         | 15                     | 15                       | -               | Other financial assets                     |
| 7,684                      | 7,683                  | 7,683                    | -               | Receivables from non-exchange transactions |
| 11,391                     | 11,391                 | 11,391                   | -               | Receivables from exchange transactions     |
| 2,278                      | 2,278                  | 2,278                    | -               | Other current assets                       |
| 53                         | 3,705                  | 3,705                    | -               | Inventories                                |
| <b>24,933</b>              | <b>28,585</b>          | <b>28,585</b>            | -               | <b>Total current assets</b>                |
| <b>Non-current assets</b>  |                        |                          |                 |  |
| 8,907                      | 8,907                  | 8,907                    | -               | Investments                                |
| 11,266                     | 15,766                 | 7,614                    | 8,152           | Development property                       |
| 60,877                     | 51,096                 | 62,703                   | (11,606)        | Investment property                        |
| 2,178,820                  | 2,420,873              | 2,377,097                | 43,776          | Property, plant and equipment              |
| <b>2,259,870</b>           | <b>2,496,643</b>       | <b>2,456,321</b>         | <b>40,322</b>   | <b>Total non-current assets</b>            |
| <b>2,284,802</b>           | <b>2,525,228</b>       | <b>2,484,906</b>         | <b>40,322</b>   | <b>Total assets</b>                        |
| <b>Current liabilities</b> |                        |                          |                 |  |
| 24,656                     | 24,656                 | 24,656                   | -               | Payables from exchange transactions        |
| 36,525                     | 36,525                 | 36,525                   | -               | Other current liabilities                  |
| 103,000                    | 144,000                | 104,000                  | 40,000          | Borrowings                                 |
| <b>164,181</b>             | <b>205,181</b>         | <b>165,181</b>           | <b>40,000</b>   | <b>Total current liabilities</b>           |
| <b>239,371</b>             | <b>335,458</b>         | <b>311,784</b>           | <b>23,674</b>   | <b>Non-current liabilities</b>             |
| <b>403,552</b>             | <b>540,639</b>         | <b>476,965</b>           | <b>63,674</b>   | <b>Total liabilities</b>                   |
| <b>1,881,250</b>           | <b>1,984,589</b>       | <b>2,007,941</b>         | <b>(23,352)</b> | <b>Net assets</b>                          |
| <b>Equity</b>              |                        |                          |                 |  |
| 1,049,186                  | 1,081,137              | 1,080,214                | 923             | Revaluation reserve                        |
| 23,981                     | 30,987                 | 25,354                   | 5,633           | Operating reserves                         |
| 26,298                     | 14,266                 | 26,298                   | (12,032)        | Capital reserve                            |
| 781,785                    | 858,200                | 876,075                  | (17,876)        | Accumulated funds                          |
| <b>1,881,250</b>           | <b>1,984,589</b>       | <b>2,007,941</b>         | <b>(23,353)</b> | <b>Total equity</b>                        |

**PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE (\$'000)**

| TEN YEAR PLAN<br>2021/22                                   | ANNUAL PLAN<br>2022/23 | TEN YEAR PLAN<br>2022/23 | Variance        | Explanation                                      |
|--|------------------------|--------------------------|-----------------|--|
| <b>Cash flows from operating activities</b>                |                        |                          |                 |  |
| 230,489  | 231,951                | 235,805                  | (3,854)         | As per operating revenue                         |
| -  | 762                    | 4,866                    | (4,104)         | Updated dividend forecast from QAC               |
| <i>Cash was applied to:</i>                                |                        |                          |                 |  |
| (143,231)  | (144,138)              | (133,232)                | (10,906)        | As per operating expenditure                     |
| (7,553)  | (9,838)                | (10,827)                 | 989             |  |
| <b>79,705</b>  | <b>78,737</b>          | <b>96,612</b>            | <b>(17,875)</b> |  |
| <b>Net cash inflow from operating activities</b>           |                        |                          |                 |  |
| <b>Cash flows from investing activities</b>                |                        |                          |                 |  |
| -  | 25,000                 | 25,000                   | -               |  |
| <i>Cash was applied to:</i>                                |                        |                          |                 |  |
| (247,249)  | (244,372)              | (196,397)                | (47,975)        | Increase in infrastructural capital expenditure  |
| -  | -                      | -                        | -               |  |
| <b>(247,249)</b>   | <b>(219,372)</b>       | <b>(171,397)</b>         | <b>(47,975)</b> |  |
| <b>Net cash outflow from investing activities</b>          |                        |                          |                 |  |
| <b>Cash flows from financing activities</b>                |                        |                          |                 |  |
| 236,545  | 243,637                | 177,786                  | 65,851          | Increase in borrowings to fund capital programme |
| <i>Cash was applied to:</i>                                |                        |                          |                 |  |
| (69,000)   | (103,000)              | (103,000)                | -               |  |
| <b>167,545</b>   | <b>140,637</b>         | <b>74,786</b>            | <b>65,851</b>   |  |
| <b>Net cash inflow/(outflow) from financing activities</b> |                        |                          |                 |  |
| 1  | 1                      | 1                        | -               |  |
| Net increase/(decrease) in cash and cash equivalents       |                        |                          |                 |  |
| 3,511  | 3,512                  | 3,512                    | -               |  |
| Forecast cash and cash equivalents at 1 July               |                        |                          |                 |  |
| <b>3,512</b>   | <b>3,513</b>           | <b>3,513</b>             | <b>-</b>        |  |
| <b>Forecast cash and cash equivalents at 30 June</b>       |                        |                          |                 |  |
| <b>Represented by:</b>                                     |                        |                          |                 |  |
| 3,512  | 3,513                  | 3,513                    | -               |  |
| Cash and cash equivalents                                  |                        |                          |                 |  |
| -  | -                      | -                        | -               |  |
| - Bank overdraft   |                        |                          |                 |  |
| <b>3,512</b>   | <b>3,513</b>           | <b>3,513</b>             | <b>-</b>        |  |
| <b>Total cash and cash equivalents</b>                     |                        |                          |                 |  |

PROSPECTIVE OPERATING EXPENDITURE BY ACTIVITY (\$'000)

| TEN YEAR PLAN 2021/22                      | ANNUAL PLAN 2022/23 | TEN YEAR PLAN 2022/23 | Variance       | Explanation   |
|--|---------------------|-----------------------|----------------|---|
| <b>Local Democracy</b>                     |                     |                       |                |   |
| 1,716                                      | 1,987               | 2,114                 | (127)          |   |
| 2,285                                      | 2,785               | 2,836                 | (51)           |   |
| 431  | 2,281               | 443                   | 1,838          | Inclusion of provisional budget for workforce review            |
| 1,124                                      | 1,532               | 1,058                 | 474            |   |
| <b>5,554</b>                               | <b>8,585</b>        | <b>6,451</b>          | <b>2,134</b>   |   |
| <b>Community Services &amp; Facilities</b> |                     |                       |                |   |
| 14,448                                     | 15,265              | 15,486                | (221)          |   |
| 13,629                                     | 13,881              | 14,596                | (715)          |   |
| 284  | 295                 | 289                   | 6              |   |
| 2,230                                      | 2,529               | 2,529                 | -              |   |
| 3,810                                      | 3,323               | 3,960                 | (637)          |   |
| 348  | 441                 | 387                   | 54             |   |
| 201  | 298                 | 223                   | 75             |   |
| 1,470                                      | 1,538               | 1,530                 | 8              |   |
| 3,823                                      | 11                  | 6                     | 5              |   |
| 1,213                                      | 1,341               | 1,261                 | 80             |   |
| <b>41,456</b>                              | <b>38,920</b>       | <b>40,267</b>         | <b>(1,345)</b> |   |
| <b>Economy</b>                             |                     |                       |                |   |
| 1,588                                      | 2,654               | 1,665                 | 989            | Increase in interest costs                                      |
| 4,838                                      | 8,363               | 5,768                 | 2,595          | Spatial Plan utilisation of the Three Waters Better Off Funding |
| 5,764                                      | 5,908               | 5,764                 | 144            |   |
| <b>12,190</b>                              | <b>16,924</b>       | <b>13,197</b>         | <b>3,728</b>   |   |
| <b>Environmental Management</b>            |                     |                       |                |   |
| 5,021                                      | 5,444               | 5,176                 | 268            |   |
| 10,485                                     | 10,839              | 10,730                | 109            |   |
| <b>15,506</b>                              | <b>16,283</b>       | <b>15,906</b>         | <b>377</b>     |   |
| <b>Regulatory Functions &amp; Services</b> |                     |                       |                |   |
| 8,184                                      | 12,015              | 8,357                 | 3,658          | Increase in legal costs   |
| 6,498                                      | 6,554               | 7,061                 | (507)          |   |
| <b>14,682</b>                              | <b>18,569</b>       | <b>15,418</b>         | <b>3,151</b>   |   |
| <b>Transport</b>                           |                     |                       |                |   |
| 30,746                                     | 31,958              | 32,553                | (595)          |   |
| 1,447                                      | 1,544               | 1,620                 | (76)           |   |
| <b>32,193</b>                              | <b>33,502</b>       | <b>34,173</b>         | <b>(671)</b>   |   |
| 20,765                                     | 22,289              | 22,984                | (695)          |   |
| 14,300                                     | 15,652              | 16,615                | (963)          | Reduction in maintenance costs due to delays in Kingston water  |
| 7,258                                      | 7,923               | 7,984                 | (61)           |   |
| 15,921                                     | 19,240              | 17,411                | 1,829          | Price increase for Emissions Trading Scheme credits             |
| (298)                                      | 2,043               | (393)                 | 2,436          |   |
| <b>179,527</b>                             | <b>199,930</b>      | <b>190,013</b>        | <b>9,920</b>   |   |
| 42,899                                     | 45,954              | 45,954                | -              |   |
| 7,553                                      | 9,838               | 10,827                | (989)          |   |

**PROSPECTIVE CAPITAL ASSET EXPENDITURE (INCLUDING VESTED ASSETS) BY ACTIVITY (\$'000)**

| TEN YEAR PLAN<br>2021/22                   | ANNUAL PLAN<br>2022/23 | TEN YEAR PLAN<br>2022/23 | Variance      | Explanation  |
|--|------------------------|--------------------------|---------------|--|
| <b>Local Democracy</b>                     |                        |                          |               |  |
| -  | -                      | -                        | -             |  |
| -  | -                      | -                        | -             |  |
| <b>Community Services &amp; Facilities</b> |                        |                          |               |  |
| 8,931                                      | 8,768                  | 3,345                    | 5,423         |  |
|  |                        |                          |               | \$1.8M brought forward for Wanaka Lakefront Development stage 5  |
| 13,465                                     | 16,783                 | 10,603                   | 6,180         |  |
| 99   | 577                    | 78                       | 499           |  |
| -  | -                      | -                        | -             |  |
| 504  | 400                    | 400                      | -             |  |
| 889  | 434                    | 184                      | 250           |  |
| 10   | 80                     | 10                       | 70            |  |
| -  | -                      | -                        | -             |  |
| -  | -                      | -                        | -             |  |
| 1,540                                      | 1,820                  | -                        | 1,820         |  |
| <b>25,438</b>                              | <b>28,862</b>          | <b>14,620</b>            | <b>14,242</b> |  |
| <b>Economy</b>                             |                        |                          |               |  |
| 2,870                                      | 3,490                  | 871                      | 2,619         |  |
| -  | -                      | -                        | -             |  |
| <b>2,870</b>                               | <b>3,490</b>           | <b>871</b>               | <b>2,619</b>  |  |
| <b>Regulatory Functions &amp; Services</b> |                        |                          |               |  |
| 78   | 58                     | 58                       | -             |  |
| <b>78</b>                                  | <b>58</b>              | <b>58</b>                | <b>-</b>      |  |
| <b>Transport</b>                           |                        |                          |               |  |
| 107,265                                    | 100,083                | 88,560                   | 11,523        | Increase due to roading capex re-programming   |
| 2,500                                      | 516                    | 2,063                    | (1,547)       |  |
| <b>109,765</b>                             | <b>100,599</b>         | <b>90,623</b>            | <b>9,976</b>  |  |
| 52,488                                     | 55,210                 | 38,231                   | 16,979        | Increase due to 3 waters capex re-programming. Additional funding required of \$3.2m for Project Pure Upgrade. |
| 55,679                                     | 49,764                 | 47,601                   | 2,163         | Increase due to 3 waters capex re-programming.   |
| 14,643                                     | 19,983                 | 16,526                   | 3,457         |  |
| 4,134                                      | 4,383                  | 5,998                    | (1,615)       |  |
| 1,754                                      | 2,262                  | 2,108                    | 154           |  |
| <b>266,849</b>                             | <b>264,611</b>         | <b>216,636</b>           | <b>47,974</b> |  |

**PROSPECTIVE CAPITAL DEBT REPAYMENT EXPENDITURE BY ACTIVITY (\$'000)**

| TEN YEAR<br>PLAN<br>2021/22                | ANNUAL<br>PLAN<br>2022/23 | TEN YEAR<br>PLAN<br>2022/23 | Variance       | Explanation                                     |
|--|---------------------------|-----------------------------|----------------|---|
| <b>Local Democracy</b>                     |                           |                             |                |   |
| -  | -                         | -                           | -              | Emergency Management                            |
| -  | -                         | -                           | -              |   |
| <b>Community Services &amp; Facilities</b> |                           |                             |                |   |
| 540  | 1,714                     | 2,098                       | (384)          | Community Facilities                            |
| 60   | 500                       | 837                         | (337)          | Active & Passive Recreation                     |
| 50   | 50                        | 50                          | -              | Community Property                              |
| -  | -                         | -                           | -              | Community Grants                                |
| 50   | 50                        | 50                          | -              | Libraries                                       |
| 150  | 298                       | 298                         | -              | Waterways Facilities                            |
| -  | -                         | -                           | -              | Cemeteries                                      |
| 169  | 256                       | -                           | 256            | Public Toilets                                  |
| -  | -                         | -                           | -              | Forestry  |
| 50   | 148                       | 148                         | -              | Wānaka Airport                                  |
| <b>1,069</b>                               | <b>3,016</b>              | <b>3,481</b>                | <b>(465)</b>   |   |
| <b>Economy</b>                             |                           |                             |                |   |
| -  | 500                       | -                           | 500            | Property  |
| -  | -                         | -                           | -              | Tourism Marketing                               |
| -  | <b>500</b>                | -                           | <b>500</b>     |   |
| <b>Environmental Management</b>            |                           |                             |                |   |
| -  | 500                       | 1,910                       | (1,410)        | District Plan                                   |
| -  | <b>500</b>                | <b>1,910</b>                | <b>(1,410)</b> |   |
| <b>Regulatory Functions &amp; Services</b> |                           |                             |                |   |
| 25   | 28                        | 28                          | -              | Enforcement                                     |
| <b>25</b>                                  | <b>28</b>                 | <b>28</b>                   | -              |   |
| <b>Transport</b>                           |                           |                             |                |   |
| 1,267                                      | 827                       | 1,227                       | (400)          | Roading and Footpaths                           |
| -  | -                         | -                           | -              | Parking Facilities                              |
| <b>1,267</b>                               | <b>827</b>                | <b>1,227</b>                | <b>(400)</b>   |   |
| 548  | 9,777                     | 11,777                      | (2,000)        | Wastewater                                      |
| 1,463                                      | 1,231                     | 2,100                       | (869)          | Water Supply                                    |
| 1,167                                      | 1,146                     | 1,456                       | (310)          | Stormwater                                      |
| -  | 262                       | 1,998                       | (1,736)        | Waste Management                                |
| 50   | 100                       | 100                         | -              | Finance & Support Services                      |
| <b>5,589</b>                               | <b>17,386</b>             | <b>24,077</b>               | <b>(6,691)</b> | <b>Total capital debt repayment expenditure</b> |



**PROSPECTIVE TOTAL CAPITAL EXPENDITURE (INCLUDING VESTED ASSETS AND DEBT REPAYMENT) BY ACTIVITY (\$'000)**

| TEN YEAR PLAN 2021/22                      |                                       | ANNUAL PLAN 2022/23 | TEN YEAR PLAN 2022/23 | Variance       | Explanation          |
|--|---------------------------------------|---------------------|-----------------------|----------------|----------------------|
| <b>Local Democracy</b>                     |                                       |                     |                       |                |                      |
| -  | Emergency Management                  | -                   | -                     | -              |                      |
| -  |                                       | -                   | -                     | -              |                      |
| <b>Community Services &amp; Facilities</b> |                                       |                     |                       |                |                      |
| 9,471                                      | Community Facilities                  | 10,482              | 5,443                 | 5,039          |                      |
| 13,525                                     | Active & Passive Recreation           | 17,283              | 11,440                | 5,843          | Refer above comments |
| 149  | Community Property                    | 627                 | 128                   | 499            |                      |
| 554  | Libraries                             | 450                 | 450                   | 0              |                      |
| 1,039                                      | Waterways Facilities                  | 732                 | 482                   | 250            |                      |
| 10   | Cemeteries                            | 80                  | 10                    | 70             |                      |
| 169  | Public Toilets                        | 256                 | -                     | 256            |                      |
| 1,590                                      | Wānaka Airport                        | 1,968               | 148                   | 1,820          |                      |
| <b>26,507</b>                              |                                       | <b>31,878</b>       | <b>18,101</b>         | <b>13,777</b>  |                      |
| <b>Economy</b>                             |                                       |                     |                       |                |                      |
| 2,870                                      | Property                              | 3,990               | 871                   | 3,119          |                      |
| -  | Tourism Marketing                     | -                   | -                     | -              |                      |
| <b>2,870</b>                               |                                       | <b>3,990</b>        | <b>871</b>            | <b>3,119</b>   |                      |
| <b>Environmental Management</b>            |                                       |                     |                       |                |                      |
| -  | District Plan                         | 500                 | 1,910                 | (1,410)        |                      |
| -  |                                       | <b>500</b>          | <b>1,910</b>          | <b>(1,410)</b> |                      |
| <b>Regulatory Functions &amp; Services</b> |                                       |                     |                       |                |                      |
| 103  | Enforcement                           | 86                  | 86                    | (0)            |                      |
| <b>103</b>                                 |                                       | <b>86</b>           | <b>86</b>             | <b>(0)</b>     |                      |
| <b>Transport</b>                           |                                       |                     |                       |                |                      |
| 108,532                                    | Roading and Footpaths                 | 100,910             | 89,787                | 11,123         | Refer above comments |
| 2,500                                      | Parking Facilities                    | 516                 | 2,063                 | (1,547)        |                      |
| <b>111,032</b>                             |                                       | <b>101,425</b>      | <b>91,850</b>         | <b>9,575</b>   |                      |
| 53,036                                     | <b>Wastewater</b>                     | 64,987              | 50,008                | 14,979         | Refer above comments |
| 57,142                                     | <b>Water Supply</b>                   | 50,995              | 49,701                | 1,294          | Refer above comments |
| 15,810                                     | <b>Stormwater</b>                     | 21,129              | 17,982                | 3,147          | Refer above comments |
| 4,134                                      | <b>Waste Management</b>               | 4,645               | 7,996                 | (3,351)        |                      |
| 1,804                                      | <b>Finance &amp; Support Services</b> | 2,362               | 2,208                 | 154            |                      |
| <b>272,438</b>                             | <b>Total capital expenditure</b>      | <b>281,997</b>      | <b>240,713</b>        | <b>41,284</b>  |                      |

**CAPITAL ASSET EXPENDITURE (GROWTH) BY ACTIVITY GROUP (\$'000)**

| TEN YEAR PLAN<br>2021/22 |   | ANNUAL PLAN<br>2022/23 | TEN YEAR PLAN<br>2022/23 | Variance      |
|--------------------------|---|------------------------|--------------------------|---------------|
| -                        | Local Democracy                                 | -                      | -                        | -             |
| 11,261                   | Community Services & Facilities                 | 12,503                 | 6,755                    | 5,748         |
| 1,455                    | Economy   | 1,073                  | 655                      | 418           |
| -                        | Environmental Management                        | -                      | -                        | -             |
| -                        | Regulatory Functions & Services                 | -                      | -                        | -             |
| 52,363                   | Transport                                       | 47,714                 | 41,376                   | 6,338         |
| 33,588                   | Wastewater                                      | 28,226                 | 18,236                   | 9,990         |
| 27,180                   | Water Supply                                    | 31,123                 | 24,267                   | 6,856         |
| 11,080                   | Stormwater                                      | 15,059                 | 9,863                    | 5,196         |
| 20                       | Waste Management                                | 41                     | 41                       | -             |
| 86                       | Finance & Support Services                      | 69                     | 106                      | (37)          |
| <b>137,033</b>           | <b>Total capital asset expenditure (Growth)</b> | <b>135,807</b>         | <b>101,299</b>           | <b>34,508</b> |

**CAPITAL ASSET EXPENDITURE (RENEWAL) BY ACTIVITY GROUP (\$'000)**

| TEN YEAR PLAN<br>2021/22 |  | ANNUAL PLAN<br>2022/23 | TEN YEAR PLAN<br>2022/23 | Variance     |
|--------------------------|--|------------------------|--------------------------|--------------|
| -                        | Local Democracy                                  | -                      | -                        | -            |
| 8,463                    | Community Services & Facilities                  | 7,676                  | 4,672                    | 3,004        |
| 63                       | Economy  | 65                     | 65                       | -            |
| -                        | Environmental Management                         | -                      | -                        | -            |
| -                        | Regulatory Functions & Services                  | -                      | -                        | -            |
| 35,658                   | Transport  | 30,424                 | 26,250                   | 4,174        |
| 3,736                    | Wastewater                                       | 6,107                  | 5,752                    | 355          |
| 5,556                    | Water Supply                                     | 2,386                  | 3,681                    | (1,295)      |
| 1,298                    | Stormwater                                       | 1,428                  | 1,400                    | 28           |
| 2,017                    | Waste Management                                 | 2,088                  | 2,896                    | (808)        |
| 1,145                    | Finance & Support Services                       | 1,720                  | 1,540                    | 180          |
| <b>57,936</b>            | <b>Total capital asset expenditure (Renewal)</b> | <b>51,894</b>          | <b>46,256</b>            | <b>5,638</b> |

**CAPITAL ASSET EXPENDITURE (OTHER) BY ACTIVITY GROUP (\$'000)**

| TEN YEAR<br>PLAN<br>2021/22 |  | ANNUAL<br>PLAN<br>2022/23 | TEN YEAR<br>PLAN<br>2022/23 | Variance      |
|-----------------------------|--|---------------------------|-----------------------------|---------------|
| -                           | Local Democracy                                | -                         | -                           | -             |
| 5,714                       | Community Services & Facilities                | 8,684                     | 3,193                       | 5,491         |
| 1,352                       | Economy  | 2,353                     | 151                         | 2,202         |
| -                           | Environmental Management                       | -                         | -                           | -             |
| 78                          | Regulatory Functions & Services                | 58                        | 58                          | -             |
| 21,744                      | Transport                                      | 22,461                    | 22,997                      | (536)         |
| 15,164                      | Wastewater                                     | 20,877                    | 14,243                      | 6,634         |
| 22,943                      | Water Supply                                   | 16,255                    | 19,653                      | (3,398)       |
| 2,265                       | Stormwater                                     | 3,496                     | 5,263                       | (1,767)       |
| 2,097                       | Waste Management                               | 2,254                     | 3,061                       | (807)         |
| 523                         | Finance & Support Services                     | 473                       | 462                         | 11            |
| <b>71,880</b>               | <b>Total capital asset expenditure (Other)</b> | <b>76,909</b>             | <b>69,081</b>               | <b>7,829</b>  |
| <b>266,849</b>              | <b>Total capital asset expenditure</b>         | <b>264,611</b>            | <b>216,636</b>              | <b>47,975</b> |

**CAPITAL DEBT REPAYMENT EXPENDITURE BY ACTIVITY GROUP (\$'000)**

| TEN YEAR<br>PLAN<br>2021/22 |   | ANNUAL<br>PLAN<br>2022/23 | TEN YEAR<br>PLAN<br>2022/23 | Variance       |
|-----------------------------|---|---------------------------|-----------------------------|----------------|
| -                           | Local Democracy                                 | -                         | -                           | -              |
| 1,069                       | Community Services & Facilities                 | 3,016                     | 3,481                       | (465)          |
| -                           | Economy   | 500                       | -                           | 500            |
| -                           | Environmental Management                        | 500                       | 1,910                       | (1,410)        |
| 25                          | Regulatory Functions & Services                 | 28                        | 28                          | -              |
| 1,267                       | Transport                                       | 827                       | 1,227                       | (400)          |
| 548                         | Wastewater                                      | 9,777                     | 11,777                      | (2,000)        |
| 1,463                       | Water Supply                                    | 1,231                     | 2,100                       | (869)          |
| 1,167                       | Stormwater                                      | 1,146                     | 1,456                       | (310)          |
| -                           | Waste Management                                | 262                       | 1,998                       | (1,736)        |
| 50                          | Finance & Support Services                      | 100                       | 100                         | -              |
| <b>5,589</b>                | <b>Total capital debt repayment expenditure</b> | <b>17,386</b>             | <b>24,077</b>               | <b>(6,691)</b> |

## STATEMENT OF RESERVE FUNDS (\$'000)

| Reserve fund - Purpose of the fund   | Opening Balance<br>2022/23 | Deposits      | Withdrawals     | Closing Balance<br>2022/23 |
|--|----------------------------|---------------|-----------------|----------------------------|
| <b>Development funds</b><br>These arise from Development and Financial Contributions levied by the Council for capital works and are intended to contribute to the growth related capital expenditure of Roothing, Water Supply, Sewerage, Stormwater, Reserve Land and Improvements and Community Facilities. | 30,987                     | 21,207        | (21,207)        | 30,987                     |
| <b>Asset renewal funds</b><br>The Council sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability to provide services.  | 1,662                      | 15,935        | (14,994)        | 2,603                      |
| <b>Asset sale reserves</b><br>Proceeds from asset sales which are used to fund the portion of capital expenditure attributable to increased level of service for Roothing, Water Supply, Sewerage, Stormwater, Reserve Land and Improvements and Community Facilities.   | 9,686                      | 23,393        | (29,360)        | 3,719                      |
| <b>Trust funds</b><br>Funds held on behalf of various community organisations.   | 17                         | -             | -               | 17                         |
| <b>Queenstown Airport dividend reserve</b><br>Unallocated portion of dividends received from QAC.  | 3,044                      | 762           | (762)           | 3,044                      |
| <b>Transport improvement fund</b><br>Funds set aside to subsidise public transport and the development of public transport infrastructure.   | 1,687                      | -             | -               | 1,687                      |
| <b>Lakes Leisure reserve</b><br>Funds transferred from Lakes Leisure at dis-establishment that are to be used to fund charitable purposes in line with the company's constitution.   | 3,196                      | -             | -               | 3,196                      |
| <b>Total Reserve Funds</b>   | <b>50,279</b>              | <b>61,297</b> | <b>(66,323)</b> | <b>45,253</b>              |

# Statement of Accounting Policies

## | Te tauākī o te Mahi Kaute



### Reporting Entity

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

The Council has controlling interests in Queenstown Events Centre Trust (100% – dormant) and Queenstown Airport Corporation Limited (75.01%). Pursuant to the Local Government Act 2002, these controlled entities are council controlled organisations (“CCOs”). The Council has elected not to consolidate the CCOs for the purposes of the prospective financial information contained in this Annual Plan in accordance with the Local Government Act 2002.

The prospective financial statements have been prepared in accordance with Section 111 of the Local Government Act 2002, the Financial Reporting Act 1993 and generally accepted accounting practice. The prospective financial statements comply with Public Benefit Entity (PBE) Standards for Tier 1 entities. The Council has complied with PBE FRS42 in the preparation of these prospective financial statements.

The prospective financial information contained in this Annual Plan relates to the Queenstown Lakes District Council only as the controlling entity of the economic entity. The Council has not presented prospective financial statements for the economic entity because the Council believes that the controlling entity prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the Ten Year Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service.

The level of rate funding required is not affected by controlled entities except to the extent that the Council obtains distributions from those controlled entities. Distributions from the Council’s controlled entity, Queenstown Airport Corporation Ltd are included in the prospective financial statements of the Council.

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



### Basis of Preparation

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

#### STATEMENT OF COMPLIANCE

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

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

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

#### PRESENTATION CURRENCY AND ROUNDING

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



# Summary of Significant Accounting Policies

## REVENUE RECOGNITION

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

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

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

### (I) REVENUE FROM NON-EXCHANGE TRANSACTIONS

#### General and Targeted Rates

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

#### User Charges and Other Income – Subsidised

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

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

#### Grants and Subsidies

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

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

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

#### Vested Assets

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

#### Development Contributions

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

## **(II) REVENUE FROM EXCHANGE TRANSACTIONS**

### **User Charges and Other Income – Full Cost Recovery**

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

### **Interest Revenue**

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

### **Dividend Revenue**

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

### **Property Sales**

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

### **Grant Expenditure**

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

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

### **Borrowing Costs**

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

### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

#### **(a) Council as Lessor**

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

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

#### **(b) Council as Lessee**

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

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

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

(c) Lease Incentives

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

### **Taxation**

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Council and Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

### **Goods and Services Tax**

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

### **Cash and Cash Equivalents**

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

### **Financial Instruments**

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

### **(I) FINANCIAL ASSETS**

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



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

### **Financial Assets at Fair Value Through Surplus or Deficit**

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

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

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

### **Held-to-Maturity Investments**

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

### **Available-for-Sale Financial Assets**

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

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

### **Loans and Receivables**

Trade and other receivables are classified as financial assets at amortised cost and are initially measured at fair value and subsequently measured at amortised cost less the recognition of any expected credit loss over the life of the asset (see Impairment Policy).

Loans, including loans to community organisations made by the Council at nil, or below market interest rates, are classified as financial assets and measured at fair value through surplus or deficit.

### **Impairment of Financial Assets**

Financial assets, other than those at fair value through surplus or deficit, have expected lifetime credit losses recognised when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Council measures the loss allowance for that financial instrument at an amount equal to 12 months of expected credit losses. The assessment of whether expected lifetime credit losses should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime expected credit losses represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months expected credit losses represent the portion of lifetime expected credit losses that are expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

### **Calculation of recoverable amount**

The recoverable amount of the Council's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial instruments) and adjusted for expected credit loss. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their market value less cost to sell and value in use.

As a PBE, Council uses depreciated replacement cost to assess value in use where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Council would, if deprived of the asset, replace its remaining future economic

## **(II) FINANCIAL LIABILITIES**

### **Trade and Other Payables**

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

### **Borrowings**

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

## **(III) DERIVATIVE FINANCIAL INSTRUMENTS**

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

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

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

### **Fair Value Estimation**

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

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

### **Hedge Accounting**

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

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

### **Cash Flow Hedges**

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

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

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

Hedge accounting is discontinued when QAC revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss recognised in the hedging reserve at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in the hedging reserve is recognised immediately in the surplus or deficit.

### **Development Properties**

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

### **Inventories**

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

### **Properties Intended for Sale**

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

## **Property, Plant and Equipment**

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

### **Operational Assets**

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

### **Campground Assets**

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

### **Infrastructural Assets**

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

## **(I) COST**

Operational assets and land under roads are recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

## **(II) ACCOUNTING FOR REVALUATIONS**

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

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

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

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

### **Campground Assets**

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

### **Sewer, Stormwater, Water**

Sewer, stormwater and water supply assets are stated at valuation which is optimised depreciated replacement cost value as at 30 June 2021 by Aon New Zealand, independent valuers. Acquisitions subsequent to 1 July 2020 are at cost.

### **Roads, Bridges and Lighting**

Roading assets are stated at valuation which is optimised depreciated replacement cost value as at 30 June 2020 by WSP Opus New Zealand Limited, independent valuers. Acquisitions subsequent to 1 July 2019 are at cost.

## **(III) DEPRECIATION**

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

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

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

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

| <b>Operational Assets</b>      | <b>Rate (%)</b> | <b>Method</b>     |
|--------------------------------|-----------------|-------------------|
| Buildings                      | 2.0% – 33%      | Straight line     |
| Building improvements          | 1.67% – 6.67%   | Straight line     |
| Plant and machinery            | 5.5% – 28%      | Straight line     |
| Motor vehicles                 | 20% – 26%       | Diminishing value |
| Furniture and office equipment | 10% – 33%       | Straight line     |
| Computer equipment             | 25%             | Straight line     |
| Library books                  | 10%             | Straight line     |

| <b>Infrastructural Assets</b> | <b>Rate (%)</b> | <b>Method</b> |
|-------------------------------|-----------------|---------------|
| Sewerage                      | 1.37% – 10%     | Straight line |
| Water supply                  | 1.42% – 10%     | Straight line |
| Stormwater                    | 1.55% – 10%     | Straight line |
| Roading                       | 1.68% – 10%     | Straight line |

| <b>Airport Assets</b>   | <b>Rate (%)</b> | <b>Method</b>     |
|-------------------------|-----------------|-------------------|
| Buildings               | 2.5%-33%        | Diminishing value |
| Airport runway          | 1%-20%          | Straight line     |
| Roading and car parking | 4.8%-50%        | Diminishing value |

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

#### **(IV) DISPOSAL**

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

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

#### **Forestry Assets**

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

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

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

#### **Emission Trading Scheme Accounting Policy**

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

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

#### **Investment Properties**

Investment properties are held to earn rentals and/or for capital gains. Property held to meet service delivery objectives or held for strategic purposes is excluded

from investment properties and included with property, plant and equipment. The investment properties are measured at fair value at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in the Statement of Financial Performance in the period in which they arise.

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

#### **Finite Life Intangible Assets**

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

#### **Intangible Assets – Software Acquisition and Development**

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

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

#### **Impairment of Non-Financial Cash-Generating Assets**

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

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

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

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

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

A reversal of an impairment loss is recognised in the Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase, via other comprehensive income.

## **Employee Benefits**

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

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

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

## **Provisions**

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

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

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

## **Statement of Cash Flows**

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

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

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

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

## **Equity**

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

## **Restricted and Council Created Reserves**

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

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

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

## **Financial Guarantee Contracts**

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

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability the Council will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

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

## **Budget Figures**

The budget figures are those approved by the Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with PBE FRS 42, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

## **Allocation of Overheads**

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

## Critical Accounting Estimates and Assumptions

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

### Infrastructural Assets

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

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

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

### Provision for Legal Claims against Council

Council's liability in relation to claims relating to alleged weather tightness building defects has not been established. It is not possible to determine the outcome of claims at this stage. The loss provision is based on current knowledge and historic settlement of claims against Council.



# Annual Plan Disclosure Statement

## | Te tauākī Whakika o te Mahere ā-tau

### WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

| BENCHMARK                     | LIMIT | AP 22/23<br>PLANNED | MET |
|-------------------------------|-------|---------------------|-----|
| Rates affordability benchmark |       |                     |     |
| • income                      | 55%   | 41.9%               | Yes |
| • increases (gross)           | 9%    | 10.2%               | No  |
| • increases (net)             | 6%    | 6.5%                | No  |
| Debt affordability benchmark  |       |                     |     |
| • Net Debt/Total Revenue      | 295%  | 227.7%              | Yes |
| • Interest/Total Rates        | 30%   | 9.3%                | Yes |
| • Interest/Total Revenue      | 20%   | 4.7%                | Yes |
| Balanced budget benchmark     | 100%  | 117%                | Yes |
| Essential services benchmark  | 100%  | 678%                | Yes |
| Debt servicing benchmark      | 15%   | 4.2%                | Yes |

### NOTES

#### RATES AFFORDABILITY BENCHMARK

For this benchmark, –

- the Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan; and
- the Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the Council's long-term plan.

The Council meets the rates affordability benchmark if –

- its planned rates income for the year equals or is less than each quantified limit on rates;
- its planned rates increases for the year equal or are less than each quantified limit on rates increases.

#### DEBT AFFORDABILITY BENCHMARK

For this benchmark, the Council's planned borrowing is compared with quantified limits on borrowing contained in the financial strategy included in the Council's long-term plan.

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

### **BALANCED BUDGET BENCHMARK**

For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

### **ESSENTIAL SERVICES BENCHMARK**

For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

### **DEBT SERVICING BENCHMARK**

For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects that the Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

# Funding Impact Statement

## | Te tauākī o te Kawekawe Pūtea

### FUNDING IMPACT STATEMENT - WHOLE COUNCIL (\$'000)

| TEN YEAR PLAN<br>2021/22                 |  | ANNUAL PLAN<br>2022/23 | TEN YEAR PLAN<br>2022/23 | Variance       | Explanation   |
|--|--|------------------------|--------------------------|----------------|---|
| <b>Sources of operating funding</b>      |  |                        |                          |                |   |
| 3,894                                    | General rates, uniform annual general charges, rates penalties | 5,648                  | 3,938                    | 1,710          |   |
| 92,875                                   | Targeted rates   | 100,926                | 100,992                  | (66)           |   |
| 39,521                                   | Fees and charges   | 41,092                 | 38,874                   | 2,218          | Increase in user charges for various services   |
| 5,920                                    | Subsidies & grants for operating purposes                      | 10,298                 | 6,185                    | 4,113          | Spatial plan revenue updated to reflect the utilisation of Tranche 1 of the DIA Three Waters Better off Fund. |
| -  | Interest and dividends from investments                        | 762                    | 4,866                    | (4,104)        | Updated dividend forecast from QAC  |
| 6,874                                    | Fuel tax, fines, infringement fees & other receipts            | 8,820                  | 8,131                    | 689            |   |
| <b>149,084</b>                           | <b>Total sources of operating funding</b>                      | <b>167,547</b>         | <b>162,986</b>           | <b>4,561</b>   |   |
| <b>Applications of operating funding</b> |  |                        |                          |                |   |
| 129,075                                  | Payments to staff and suppliers                                | 144,138                | 133,232                  | 10,906         |   |
| 7,553                                    | Finance costs  | 9,838                  | 10,827                   | (989)          |   |
| -  | Other operating funding applications                           | -                      | -                        | -              |   |
| <b>136,628</b>                           | <b>Total applications of operating funding</b>                 | <b>153,976</b>         | <b>144,059</b>           | <b>9,917</b>   |   |
| <b>12,456</b>                            | <b>Surplus/(deficit) of operating funding</b>                  | <b>13,571</b>          | <b>18,927</b>            | <b>(5,356)</b> |   |
| <b>Sources of capital funding</b>        |  |                        |                          |                |   |
| 68,050                                   | Subsidies & grants for capital expenditure                     | 43,959                 | 56,476                   | (12,517)       | Reduced capital funding due to timing   |
| 13,355                                   | Development & financial contributions                          | 21,207                 | 21,209                   | (2)            |   |
| -  | Gross proceeds from sale of assets                             | 23,393                 | 23,393                   | -              |   |
| 167,545                                  | Increase/(decrease) in debt                                    | 140,637                | 74,786                   | 65,851         |   |
| -  | Lump sum contributions   | -                      | -                        | -              |   |
| -  | Other dedicated capital funding                                | -                      | -                        | -              |   |
| <b>248,950</b>                           | <b>Total sources of capital funding</b>                        | <b>229,196</b>         | <b>175,865</b>           | <b>53,332</b>  |   |
| <b>Applications of capital funding</b>   |  |                        |                          |                |   |
| Capital expenditure                      |  |                        |                          |                |   |
| 117,433                                  | - to meet additional demand                                    | 115,568                | 90,204                   | 25,364         | Refer to comments on capital expenditure by activity  |
| 57,936                                   | - to replace existing assets                                   | 51,894                 | 46,256                   | 5,638          | Refer to comments on capital expenditure by activity  |
| 71,880                                   | - to improve the level of service                              | 76,909                 | 69,081                   | 7,828          | Refer to comments on capital expenditure by activity  |
| 14,157                                   | Increase/(decrease) in reserves                                | (1,605)                | (10,749)                 | 9,144          |   |
| -  | Increase/(decrease) of investments                             | -                      | -                        | -              |   |
| <b>261,406</b>                           | <b>Total applications of capital funding</b>                   | <b>242,767</b>         | <b>194,792</b>           | <b>47,975</b>  |   |
| <b>(12,456)</b>                          | <b>Surplus/(deficit) of capital funding</b>                    | <b>(13,571)</b>        | <b>(18,927)</b>          | <b>5,357</b>   |   |
| -  | <b>Funding balance</b>   | -                      | -                        | -              |   |

**RECONCILIATION OF FUNDING IMPACT STATEMENT TO PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE (\$'000)**

| TEN YEAR PLAN                             |  | ANNUAL PLAN    | TEN YEAR PLAN  | Variance       | Explanation  |
|---|--|----------------|----------------|----------------|--|
| 2021/22                                   |  | 2022/23        | 2022/23        |                |  |
| <b>INCOME</b>                             |  |                |                |                |  |
| <b>Statement of Financial Performance</b> |  |                |                |                |  |
| <b>252,430</b>                            | <b>Total operating income</b>              | <b>277,765</b> | <b>286,130</b> | <b>(8,365)</b> |  |
| <b>Funding Impact Statement</b>           |  |                |                |                |  |
| 149,084                                   | Total sources of operating funding         | 167,547        | 162,986        | 4,561          | Refer previous page                                  |
|   | <i>Plus sources of capital funding:</i>    |                |                |                |  |
| 68,050                                    | Subsidies & grants for capital expenditure | 43,959         | 56,476         | (12,517)       | Refer to comments on capital expenditure by activity |
| 13,355                                    | Development & financial contributions      | 21,207         | 21,209         | (2)            |  |
|   | - Gross proceeds from sale of assets       | 23,393         | 23,393         | -              |  |
|   | - Less cost of property sales              | -              | -              | -              |  |
|   | <i>Plus non-cash items:</i>                |                |                |                |  |
| 19,600                                    | Vested assets                              | 20,239         | 20,239         | -              |  |
| 2,341                                     | Revaluation - non-current assets           | 1,420          | 1,826          | (406)          |  |
| <b>252,430</b>                            | <b>Total income</b>                        | <b>277,765</b> | <b>286,130</b> | <b>(8,365)</b> |  |
| <b>EXPENDITURE</b>                        |  |                |                |                |  |
| <b>Statement of Financial Performance</b> |  |                |                |                |  |
| <b>179,527</b>                            | <b>Total operating expenditure</b>         | <b>199,930</b> | <b>190,013</b> | <b>9,917</b>   |  |
| <b>Funding Impact Statement</b>           |  |                |                |                |  |
| 136,628                                   | Total applications of operating funding    | 153,976        | 144,059        | 9,917          | Refer previous page                                  |
|   | <i>Plus non-cash items:</i>                |                |                |                |  |
| 42,899                                    | Depreciation                               | 45,954         | 45,954         | -              |  |
| <b>179,527</b>                            | <b>Total expenditure</b>                   | <b>199,930</b> | <b>190,013</b> | <b>9,917</b>   |  |

# Proposed Rates and Charges for 2022/2023

## | Te mahere kā rēti me kā utu mō 2022-2023

The rating system used by Council is based on Capital Value. Property valuations produced by Quotable Value as at 1 September 2021 are to be used for the 2022/23 rating year. All proposed rates in the section that follows are inclusive of GST.

### Uniform Annual General Charge

Pursuant to sections 15 of the Local Government (Rating) Act 2002 (the Act), Council proposes to set a uniform annual general charge of \$118.00 on each separately used or inhabited part of every rating unit in the district.

The uniform annual general charge revenue (\$3,682,180) will be used to fund the costs associated with the following activities:

- > Cemeteries.
- > Community development and grants.
- > Property including housing, Wānaka airport and 50% of costs to defend legal claims related to alleged building defects.
- > A general contribution to the promotion of the district.

### Sports, Halls & Libraries Annual Charge

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

|                               |          |
|-------------------------------|----------|
| 1. Residential                | \$414.00 |
| 2. Residence plus Flat        | \$580.00 |
| 3. Vacant Sections            | \$414.00 |
| 4. Primary Industry           | \$414.00 |
| 5. Country Dwelling           | \$414.00 |
| 6. Country Dwelling plus Flat | \$580.00 |
| 7. Mixed Use Apportioned      | \$414.00 |

The targeted Sports, Halls & Libraries Annual charge revenue (10,498,735) will be used to fund the costs associated with the following activities:

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



## Governance Rate

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

|                                |                            |
|--------------------------------|----------------------------|
| 1. Residential                 | 0.00015600 cents in the \$ |
| 2. Residence plus Flat         | 0.00007800 cents in the \$ |
| 3. Hydro Electric/Utilities    | 0.00007800 cents in the \$ |
| 4. Vacant Sections             | 0.00015600 cents in the \$ |
| 5. Accommodation               | 0.00015600 cents in the \$ |
| 6. CBD Accommodation           | 0.00015600 cents in the \$ |
| 7. Commercial                  | 0.00015600 cents in the \$ |
| 8. CBD Commercial              | 0.00015600 cents in the \$ |
| 9. Primary Industry            | 0.00011700 cents in the \$ |
| 10. Country Dwelling           | 0.00015600 cents in the \$ |
| 11. Country Dwelling plus Flat | 0.00015600 cents in the \$ |
| 12. Other                      | 0.00015600 cents in the \$ |
| 13. Mixed Use Apportioned      | See note (i)               |

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

The governance rate revenue (\$8,574,375) will be used to fund 80% of the costs associated with the following activities:

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



## Regulatory Rate

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

|                                |                            |
|--------------------------------|----------------------------|
| 1. Residential                 | 0.00015200 cents in the \$ |
| 2. Residence plus Flat         | 0.00015200 cents in the \$ |
| 3. Hydro Electric/Utilities    | 0.00008000 cents in the \$ |
| 4. Vacant Sections             | 0.00015200 cents in the \$ |
| 5. Accommodation               | 0.00016000 cents in the \$ |
| 6. CBD Accommodation           | 0.00016000 cents in the \$ |
| 7. Commercial                  | 0.00016000 cents in the \$ |
| 8. CBD Commercial              | 0.00016000 cents in the \$ |
| 9. Primary Industry            | 0.00011700 cents in the \$ |
| 10. Country Dwelling           | 0.00015200 cents in the \$ |
| 11. Country Dwelling plus Flat | 0.00015200 cents in the \$ |
| 12. Other                      | 0.00015200 cents in the \$ |
| 13. Mixed Use Apportioned      | See note (i)               |

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

The regulatory rate revenue (\$8,447,195) will be used to fund 80% of the costs associated with the following activities:

- > Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing
- 50% of costs to defend legal claims related to alleged building defects.



## Governance & Regulatory Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Governance & Regulatory Charge on each separately used or inhabited part of every rating unit in the district as follows:

|                                |              |
|--------------------------------|--------------|
| 1. Residential                 | \$129.00     |
| 2. Residence plus Flat         | \$181.00     |
| 3. Hydro Electric/Utilities    | \$245.00     |
| 4. Vacant Sections             | \$129.00     |
| 5. Accommodation               | \$174.00     |
| 6. CBD Accommodation           | \$174.00     |
| 7. Commercial                  | \$245.00     |
| 8. CBD Commercial              | \$245.00     |
| 9. Primary Industry            | \$258.00     |
| 10. Country Dwelling           | \$129.00     |
| 11. Country Dwelling plus Flat | \$181.00     |
| 12. Other                      | \$129.00     |
| 13. Mixed Use Apportioned      | See note (i) |

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

The Governance & Regulatory Charge revenue (\$4,248,456) will be used to fund 20% of the costs associated with the following activities:

- > Cost of democratic functions including Council and standing committees.
- > Cost of communications and management of Council including corporate, financial and rating administration services.
- > Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing.



## Recreation & Events Rate

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

|                                |                            |
|--------------------------------|----------------------------|
| 1. Residential                 | 0.00015600 cents in the \$ |
| 2. Residence plus Flat         | 0.00015600 cents in the \$ |
| 3. Hydro Electric/Utilities    | 0.00007800 cents in the \$ |
| 4. Vacant Sections             | 0.00015600 cents in the \$ |
| 5. Accommodation               | 0.00062400 cents in the \$ |
| 6. CBD Accommodation           | 0.00062400 cents in the \$ |
| 7. Commercial                  | 0.00015600 cents in the \$ |
| 8. CBD Commercial              | 0.00015600 cents in the \$ |
| 9. Primary Industry            | 0.00003100 cents in the \$ |
| 10. Country Dwelling           | 0.00009400 cents in the \$ |
| 11. Country Dwelling plus Flat | 0.00009400 cents in the \$ |
| 12. Other                      | 0.00015600 cents in the \$ |
| 13. Mixed Use Apportioned      | See note (i)               |

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

The recreation and events rate revenue (\$10,117,822) will be used to fund 67% of the costs associated with the following activities:

- > Passive recreation areas, gardens, walkways and reserves.
- > The provision on public toilets.
- > Provision of events and facilitation events.
- > Contribution to the operating shortfall of Alpine Aqualand attributable to non-residents.



## Recreation & Events Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a new targeted Recreation & Events Charge on each separately used or inhabited part of every rating unit in the district as follows:

|                                |              |
|--------------------------------|--------------|
| 1. Residential                 | \$129.00     |
| 2. Residence plus Flat         | \$181.00     |
| 3. Hydro Electric/Utilities    | \$239.00     |
| 4. Vacant Sections             | \$129.00     |
| 5. Accommodation               | \$529.00     |
| 6. CBD Accommodation           | \$529.00     |
| 7. Commercial                  | \$239.00     |
| 8. CBD Commercial              | \$239.00     |
| 9. Primary Industry            | \$116.00     |
| 10. Country Dwelling           | \$116.00     |
| 11. Country Dwelling plus Flat | \$162.40     |
| 12. Other                      | \$129.00     |
| 13. Mixed Use Apportioned      | See note (i) |

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

The recreation and events charge revenue (\$5,037,560) will be used to fund 33% of the costs associated with the following activities:

- > Passive recreation areas, gardens, walkways and reserves.
- > The provision on public toilets.
- > Provision of events and facilitation events.
- > Contribution to the operating shortfall of Alpine Aqualand attributable to non-residents.



## General Rate

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

|                                |                            |
|--------------------------------|----------------------------|
| 1. Residential                 | 0.00003000 cents in the \$ |
| 2. Residence plus Flat         | 0.00003000 cents in the \$ |
| 3. Hydro Electric/Utilities    | 0.00001500 cents in the \$ |
| 4. Vacant Sections             | 0.00003000 cents in the \$ |
| 5. Accommodation               | 0.00003600 cents in the \$ |
| 6. CBD Accommodation           | 0.00003600 cents in the \$ |
| 7. Commercial                  | 0.00003000 cents in the \$ |
| 8. CBD Commercial              | 0.00003000 cents in the \$ |
| 9. Primary Industry            | 0.00003600 cents in the \$ |
| 10. Country Dwelling           | 0.00003600 cents in the \$ |
| 11. Country Dwelling plus Flat | 0.00003600 cents in the \$ |
| 12. Other                      | 0.00003000 cents in the \$ |
| 13. Mixed Use Apportioned      | See note (i)               |

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

The general rate revenue (\$1,778,216) will be used to fund the costs associated with the following activities:

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



## Roading Rate (Wānaka)

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

|                                |                            |
|--------------------------------|----------------------------|
| 1. Residential                 | 0.00022500 cents in the \$ |
| 2. Residence plus Flat         | 0.00022500 cents in the \$ |
| 3. Hydro Electric/Utilities    | 0.00005600 cents in the \$ |
| 4. Vacant Sections             | 0.00033800 cents in the \$ |
| 5. Accommodation               | 0.00090000 cents in the \$ |
| 6. CBD Accommodation           | 0.00090000 cents in the \$ |
| 7. Commercial                  | 0.00056300 cents in the \$ |
| 8. CBD Commercial              | 0.00056300 cents in the \$ |
| 9. Primary Industry            | 0.00018200 cents in the \$ |
| 10. Country Dwelling           | 0.00022500 cents in the \$ |
| 11. Country Dwelling plus Flat | 0.00022500 cents in the \$ |
| 12. Other                      | 0.00022500 cents in the \$ |
| 13. Mixed Use Apportioned      | See note (i)               |

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

Note (ii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Wānaka Ward is replaced by the Wānaka-Upper Clutha Ward with no change to overall ward boundaries.

The Wānaka roading rate revenue (\$5,444,265) will be used to fund the costs associated with the following activities:

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

## Roading Rate (Whakatipu)

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

|                                |                            |
|--------------------------------|----------------------------|
| 1. Residential                 | 0.00017800 cents in the \$ |
| 2. Residence plus Flat         | 0.00017800 cents in the \$ |
| 3. Hydro Electric/Utilities    | 0.00004500 cents in the \$ |
| 4. Vacant Sections             | 0.00026700 cents in the \$ |
| 5. Accommodation               | 0.00071200 cents in the \$ |
| 6. CBD Accommodation           | 0.00071200 cents in the \$ |
| 7. Commercial                  | 0.00044500 cents in the \$ |
| 8. CBD Commercial              | 0.00044500 cents in the \$ |
| 9. Primary Industry            | 0.00014400 cents in the \$ |
| 10. Country Dwelling           | 0.00017800 cents in the \$ |
| 11. Country Dwelling plus Flat | 0.00017800 cents in the \$ |
| 12. Other                      | 0.00017800 cents in the \$ |
| 13. Mixed Use Apportioned      | See note (i)               |

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

Note (ii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Queenstown/Whakatipu and Arrowtown wards are replaced by the Queenstown-Whakatipu Ward and the Arrowtown-Kawarau Ward with no change to the overall combined ward area.

The Whakatipu roading rate revenue (\$10,311,101) will be used to fund the costs associated with the following activities:

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



## Stormwater Rate (Wānaka)

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

|                             |                            |
|-----------------------------|----------------------------|
| 1. Residential              | 0.00011100 cents in the \$ |
| 2. Residence plus Flat      | 0.00011100 cents in the \$ |
| 3. Hydro Electric/Utilities | 0.00002800 cents in the \$ |
| 4. Vacant Sections          | 0.00011100 cents in the \$ |
| 5. Accommodation            | 0.00011100 cents in the \$ |
| 6. CBD Accommodation        | 0.00011100 cents in the \$ |
| 7. Commercial               | 0.00011100 cents in the \$ |
| 8. CBD Commercial           | 0.00011100 cents in the \$ |
| 9. Other                    | 0.00011100 cents in the \$ |
| 10. Mixed Use Apportioned   | See note (i)               |

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

Note (ii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Wānaka Ward is replaced by the Wānaka-Upper Clutha Ward with no change to overall ward boundaries.

The Wānaka stormwater rate revenue (\$1,581,566) will be used to fund the costs associated with the following activities:

- > The maintenance and upgrading of stormwater reticulation systems.



## Stormwater Rate (Whakatipu)

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

|                                       |                            |
|---------------------------------------|----------------------------|
| 1. Residential (ii)                   | 0.00010000 cents in the \$ |
| 2. Residence plus Flat plus Flat (ii) | 0.00010000 cents in the \$ |
| 3. Hydro Electric/Utilities           | 0.00002500 cents in the \$ |
| 4. Vacant Sections (ii)               | 0.00010000 cents in the \$ |
| 5. Accommodation                      | 0.00010000 cents in the \$ |
| 6. CBD Accommodation                  | 0.00010000 cents in the \$ |
| 7. Commercial                         | 0.00010000 cents in the \$ |
| 8. CBD Commercial                     | 0.00010000 cents in the \$ |
| 9. Other                              | 0.00010000 cents in the \$ |
| 10. Mixed Use Apportioned             | See note (i)               |

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

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

Note (iii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Queenstown/Whakatipu and Arrowtown wards are replaced by the Queenstown-Whakatipu Ward and the Arrowtown-Kawarau Ward with no change to the overall combined ward area.

The Whakatipu/Arrowtown stormwater rate revenue (\$2,825,293) will be used to fund the costs associated with the following activities:

- > The maintenance and upgrading of stormwater reticulation systems.



## Tourism Promotion Rate (Wānaka)

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

- |                             |                            |
|-----------------------------|----------------------------|
| 1. Accommodation            | 0.00061400 cents in the \$ |
| 2. CBD Accommodation        | 0.00061400 cents in the \$ |
| 3. Commercial               | 0.00061400 cents in the \$ |
| 4. CBD Commercial           | 0.00061400 cents in the \$ |
| 5. Hydro Electric/Utilities | 0.00015400 cents in the \$ |
| 6. Mixed Use Apportioned    | See note (i)               |

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

Note (ii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Wānaka Ward is replaced by the Wānaka-Upper Clutha Ward with no change to overall ward boundaries.

The Wānaka tourism promotion rate revenue (\$1,276,725) will be used to fund the costs associated with the following activities:

- > To finance promotional activities of Lake Wanaka Tourism.



## Tourism Promotion Rate (Whakatipu)

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

- |                             |                            |
|-----------------------------|----------------------------|
| 1. Accommodation            | 0.00056700 cents in the \$ |
| 2. CBD Accommodation        | 0.00056700 cents in the \$ |
| 3. Commercial               | 0.00056700 cents in the \$ |
| 4. CBD Commercial           | 0.00056700 cents in the \$ |
| 5. Hydro Electric/Utilities | 0.00014200 cents in the \$ |
| 6. Mixed Use Apportioned    | See note (i)               |

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

Note (ii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Queenstown/Whakatipu and Arrowtown wards are replaced by the Queenstown-Whakatipu Ward and the Arrowtown-Kawarau Ward with no change to the overall combined ward area. From 8 October, 2022, this rate will apply to the same geographic area as before, i.e. the combined Queenstown-Whakatipu Ward and the Arrowtown-Kawarau Ward less the area represented by the former Arrowtown ward.

The Whakatipu tourism promotion rate revenue (\$4,949,344) will be used to fund the costs associated with the following activities:

- > To finance promotional activities of Destination Queenstown.



## Tourism Promotion Rate (Arrowtown)

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

|                             |                            |
|-----------------------------|----------------------------|
| 1. Accommodation            | 0.00054200 cents in the \$ |
| 2. CBD Accommodation        | 0.00054200 cents in the \$ |
| 3. Commercial               | 0.00054200 cents in the \$ |
| 4. CBD Commercial           | 0.00054200 cents in the \$ |
| 5. Hydro Electric/Utilities | 0.00013600 cents in the \$ |
| 6. Mixed Use Apportioned    | See note (i)               |

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

Note (ii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Queenstown/Whakatipu and Arrowtown wards are replaced by the Queenstown-Whakatipu Ward and the Arrowtown-Kawarau Ward with no change to the overall combined ward area. From 8 October, 2022, this rate will apply to the same geographic area as before, i.e. the former Arrowtown ward.

The Arrowtown tourism promotion rate revenue (\$228,558) will be used to fund the costs associated with financing the following activities:

- > To finance promotional activities of the Arrowtown Promotion Association.



## Waste Management Charges

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

|                                |          |
|--------------------------------|----------|
| 1. Residential                 | \$316.00 |
| 2. Residence plus Flat         | \$442.00 |
| 3. Hydro Electric/Utilities    | \$144.00 |
| 4. Vacant Sections             | \$144.00 |
| 5. Accommodation               | \$144.00 |
| 6. CBD Accommodation           | \$144.00 |
| 7. Commercial                  | \$144.00 |
| 8. CBD Commercial              | \$144.00 |
| 9. Primary Industry            | \$316.00 |
| 10. Country Dwelling           | \$316.00 |
| 11. Country Dwelling plus Flat | \$442.00 |
| 12. Other                      | \$144.00 |
| 13. Mixed Use Apportioned      | \$316.00 |

The Waste Management Charge revenue (\$8,305,492) will be used to fund the costs associated with the following activities:

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



## Aquatic Centre Charge (Whakatipu)

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

|                               |          |
|-------------------------------|----------|
| 1. Residential                | \$118.00 |
| 2. Residence plus Flat        | \$165.00 |
| 3. Vacant Sections            | \$118.00 |
| 4. Primary Industry           | \$118.00 |
| 5. Country Dwelling           | \$118.00 |
| 6. Country Dwelling plus Flat | \$165.00 |
| 7. Mixed Use Apportioned      | \$118.00 |

Note (i) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Queenstown/Whakatipu and Arrowtown wards are replaced by the Queenstown-Whakatipu Ward and the Arrowtown-Kawarau Ward with no change to the overall combined ward area.

The Aquatic Centre Charge revenue (\$1,799,827) will be used to fund the costs associated with the following activities:

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



## Aquatic Centre Charge (Wānaka)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Aquatic Centre charge on each separately used or inhabited part of every rating unit with a residential component in the Wānaka Ward (note i), as follows:

|                               |          |
|-------------------------------|----------|
| 1. Residential                | \$158.00 |
| 2. Residence plus Flat        | \$221.00 |
| 3. Vacant Sections            | \$158.00 |
| 4. Primary Industry           | \$158.00 |
| 5. Country Dwelling           | \$158.00 |
| 6. Country Dwelling plus Flat | \$221.00 |
| 7. Mixed Use Apportioned      | \$158.00 |

Note (i) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Wānaka Ward is replaced by the Wānaka-Upper Clutha Ward with no change to overall ward boundaries.

The Aquatic Centre Charge revenue (\$1,588,951) will be used to fund the costs associated with the following activities:

- > To fund the operating shortfall of Wanaka Aquatic Centre attributable to residents.

# Water Supply Rates

## QUEENSTOWN AND DISTRICT WATER SUPPLY, ARROWTOWN WATER SUPPLY AND WĀNAKA WATER SUPPLY

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

|                                       |          |
|---------------------------------------|----------|
| Queenstown and District water supply: | \$300.00 |
| Arrowtown water supply:               | \$250.00 |
| Wānaka and District water supply:     | \$220.00 |
| Arthurs Point water supply:           | \$320.00 |
| Glenorchy water supply:               | \$530.00 |
| Hāwea water supply:                   | \$190.00 |

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

|                               | Queenstown<br>(cents in the \$) | Arrowtown<br>(cents in the \$) | Wānaka<br>(cents in the \$) | Arthurs Point<br>(cents in the \$) | Glenorchy<br>(cents in the \$) | Hāwea<br>(cents in the \$) |
|-------------------------------|---------------------------------|--------------------------------|-----------------------------|------------------------------------|--------------------------------|----------------------------|
| 1. Residential                | 0.00011200                      | 0.00013900                     | 0.00013300                  | 0.00023100                         | 0.00040200                     | 0.00019600                 |
| 2. Residential plus Flat      | 0.00011200                      | 0.00013900                     | 0.00013300                  | 0.00023100                         | 0.00040200                     | 0.00019600                 |
| 3. Accommodation              | 0.00020200                      | 0.00025000                     | 0.00023900                  | 0.00041600                         | 0.00072400                     | 0.00035300                 |
| 4. CBD Accommodation          | 0.00020200                      | 0.00025000                     | 0.00023900                  | -                                  | -                              | -                          |
| 5. Commercial                 | 0.00017900                      | 0.00022200                     | 0.00021300                  | 0.00037000                         | 0.00064300                     | 0.00031400                 |
| 6. CBD Commercial             | 0.00017900                      | 0.00022200                     | 0.00021300                  | -                                  | -                              | -                          |
| 7. Primary Industry           | 0.00008300                      | 0.00010300                     | 0.00009800                  | 0.00017100                         | 0.00029700                     | 0.00014500                 |
| 8. Country Dwelling           | 0.00009200                      | 0.00011400                     | 0.00010900                  | 0.00018900                         | 0.00033000                     | 0.00016100                 |
| 9. Country Dwelling plus Flat | 0.00009200                      | 0.00011400                     | 0.00010900                  | 0.00018900                         | 0.00033000                     | 0.00016100                 |
| 10. Other                     | 0.00011200                      | 0.00013900                     | 0.00013300                  | 0.00023100                         | 0.00040200                     | 0.00019600                 |
| 11. Mixed Use Apportioned     | See note (i)                    | See note (i)                   | See note (i)                | See note (i)                       | See note (i)                   | See note (i)               |

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

Note (ii) those properties comprising a Residence plus Flat and Country Dwelling plus Flat will charged the targeted rate a factor of 1.5.

## OTHER WATER SUPPLIES

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

| Water Supply | Full Charge (\$) | Half Charge (\$) |
|--------------|------------------|------------------|
| Lake Hayes   | 520.00           | 260.00           |
| Luggate      | 620.00           | 310.00           |

The Targeted Water Supply Rates revenue (\$12,784,924) will be used to fund the costs associated with the following activities:

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

Note (i) those properties comprising a Residence plus Flat and Country Dwelling plus Flat will charged the targeted rate a factor of 1.5.

## Sewerage Rates

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

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

Note (ii) those properties comprising a Residence plus Flat and Country Dwelling plus Flat will charged the targeted rate a factor of 1.5.

| Sewerage Scheme    | Charge for 1st pan connected (\$) | Half Charge capable of connection (\$) | Charge per pan after 1 connected (\$) |
|--------------------|-----------------------------------|--|---------------------------------------|
| Wānaka/Albert Town | 706.00                            | 353.00                                 | 353.00                                |
| Cardrona           | 750.00                            | 375.00                                 | 375.00                                |
| Arrowtown          | 702.00                            | 351.00                                 | 351.00                                |
| Arthurs Point      | 620.00                            | 310.00                                 | 446.40                                |
| Hāwea              | 540.00                            | 270.00                                 | 270.00                                |
| Lake Hayes         | 570.00                            | 285.00                                 | 285.00                                |
| Luggate            | 800.00                            | 400.00                                 | 400.00                                |
| Queenstown         | 692.00                            | 346.00                                 | 346.00                                |

The Targeted Sewerage Rates revenue (\$18,084,215) will be used to fund the costs associated with providing public sewerage services to the above communities.



## Sewerage Scheme Loan Rates

### (i) Cardrona Sewerage Area

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted sewerage scheme loan rate on every serviceable rating unit within the Cardrona Sewerage scheme area, on the basis of one charge per pan or urinal connected per connection or capable of being connected of \$1,054.00 on the first pan or urinal, and \$527.00 for each subsequent pan or urinal.

Note:

- > The targeted sewerage scheme loan rate will not apply to those properties in respect of which the ratepayer has already paid a full development contribution for Cardrona Wastewater; and
- > Every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.
- > Those properties comprising a Residence plus Flat and Country Dwelling plus Flat will be charged the targeted rate a factor of 1.5

The Targeted Sewerage Scheme Loan Rates revenue (\$145,452) will be used to fund the costs associated with the following activities:

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



## Payment of Rates

Rates payments can be made during normal office hours at:

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

Or by direct debit and internet banking.

## DUE DATES FOR PAYMENT

The Council proposes that the above rates and charges for the financial year commencing on the 1st day of July 2022 are payable in four instalments, the due dates and last days for payment without penalty being as follows:

|                  | Due Date         | Last Day for Payment<br>(without penalty) |
|------------------|------------------|---|
| Instalment One   | 2 September 2022 | 23 September 2022                         |
| Instalment Two   | 21 October 2022  | 25 November 2022                          |
| Instalment Three | 13 January 2023  | 24 February 2023                          |
| Instalment Four  | 14 April 2023    | 26 May 2023                               |

## ADDITIONAL CHARGES (PENALTIES)

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

- > A penalty of 5% will be added to the rates and charges levied in each instalment which remains unpaid on the day after the last day for payment date as shown above (i.e. the penalty will be added on 24 September 2022, 26 November 2022, 25 February 2023 and 26 May 2023 respectively).
- > A penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year and remaining unpaid on 30 September 2022.
- > A second penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year which remains unpaid on 31 March 2023.





# Differential Matters Used to Define Categories of Rateable Land

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

## DIFFERENTIALS BY LAND USE

The categories are:

### 1. Residential

All rating units which are used exclusively or principally for residential purposes, but excluding properties categorised as pursuant to clause 9 (Primary Industry), clause 10 (Country Dwelling) or to clause 13 (Mixed Use Apportioned).

### 2. Residential Plus Flat

All rating units comprising a single dwelling and a residential flat which are used exclusively or principally for residential purposes, but excluding properties categorised as clause 11 (Country Dwelling plus Flat).

### 3. Hydro Electric/Utilities

All rating units on which there are structures used exclusively or principally for, or in connection with, the generation of hydro-electric power, including structures used to control the flow of water to other structures used for generating hydro-electric power and all rating units used exclusively or principally for network utility services including water supply, wastewater, stormwater, electricity, gas & telecommunications.

### 4. Vacant Sections

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

### 5. Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis (nightly, weekly or for periods up to a month) including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties; but excluding properties categorised as pursuant to clause 13 (Mixed Use Apportioned) or clause 6 (CBD Accommodation).

### 6. CBD Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as pursuant to clause 13 (Mixed Use Apportioned).

### 7. Commercial

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes; but excluding properties categorised as Hydro-Electric Power, Accommodation, CBD Accommodation, Primary Industry, or pursuant to clause 13 (Mixed Use Apportioned) or clause 8 (CBD Commercial).

### 8. CBD Commercial

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as CBD Accommodation or pursuant to clause 13 (Mixed Use Apportioned).

### 9. Primary Industry

All rating units: Used exclusively or principally for agricultural or horticultural purposes including dairying, stock fattening, arable farming, sheep, market gardens, vineyards, orchards, specialist livestock, forestry or other similar uses, or which are ten hectares or more in area and located in any of the Rural or Special Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year.

### Country Dwelling

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

#### 10. Country Dwelling Plus Flat

All rating units comprising a single dwelling pursuant to clause 10 and a residential flat which are used exclusively or principally for residential purposes.

#### 11. Other

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

#### 12. Mixed Use Apportioned

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

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

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

These categories are used to differentiate the following rates:

- > general rate, targeted rates: sports halls & libraries charge; governance rate; regulatory rate; recreation & events rate; governance & regulatory charge; recreation & events charge; roading rate; stormwater rate; tourism promotion rates; waste management charge; aquatic centre charges; water supply rates.



## Targeted Rates Based on Location

The categories are:

1. Location within the Wānaka ward.
2. Location within the Queenstown/Whakatipu ward or the Arrowtown ward.

These categories are used to differentiate the following targeted rates:

- > roading rate; stormwater rate; tourism promotion rates; aquatic centre charge.



## Targeted Rates Based on Availability of Service

The categories are:

### 1. Connected

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

### 2. Serviceable

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

These categories are used to differentiate the following targeted rates:

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



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

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

- > Any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.
- > Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

The following are considered to be separately used parts of a rating unit:

- > Individual flats or apartments.
- > Separately leased commercial areas which are leased on a rating unit basis.
- > Vacant rating units.
- > Single rating units which contain multiple uses such as a shop with a dwelling or commercial activity with a dwelling.
- > A residential building or part of a residential building that is used, or can be used as an independent residence.

An independent residence is defined as a liveable space with its own kitchen, living and toilet/bathroom facilities that can be deemed to be a secondary unit to the main residence. Note: the definition of a kitchen comes from the District Plan.

The following are not considered to be separately used parts of a rating unit:

- > A residential sleep-out or granny flat that does not meet the definition of an independent residence.
- > A hotel room with or without kitchen facilities.
- > A motel room with or without kitchen facilities.
- > Individual storage garages/sheds/portioned areas of a warehouse.
- > Individual offices or premises of business partners.

### **DISTRICT PLAN DEFINITION OF A KITCHEN:**

Means any space, facilities and surfaces for the storage, rinsing preparation and/or cooking food, the washing of utensils and the disposal of waste water, including a food preparation bench, sink, oven, stove, hot-plate or separate hob, refrigerator, dish-washer and other kitchen appliances.

