10 Year Plan 2015-2025

Audited

QUEENSTOWN LAKES DISTRICT COUNCIL

VOLUME 2

FINANCIAL

10 Year Plan 2015-2025

SUPPORTING DOCUMENTS

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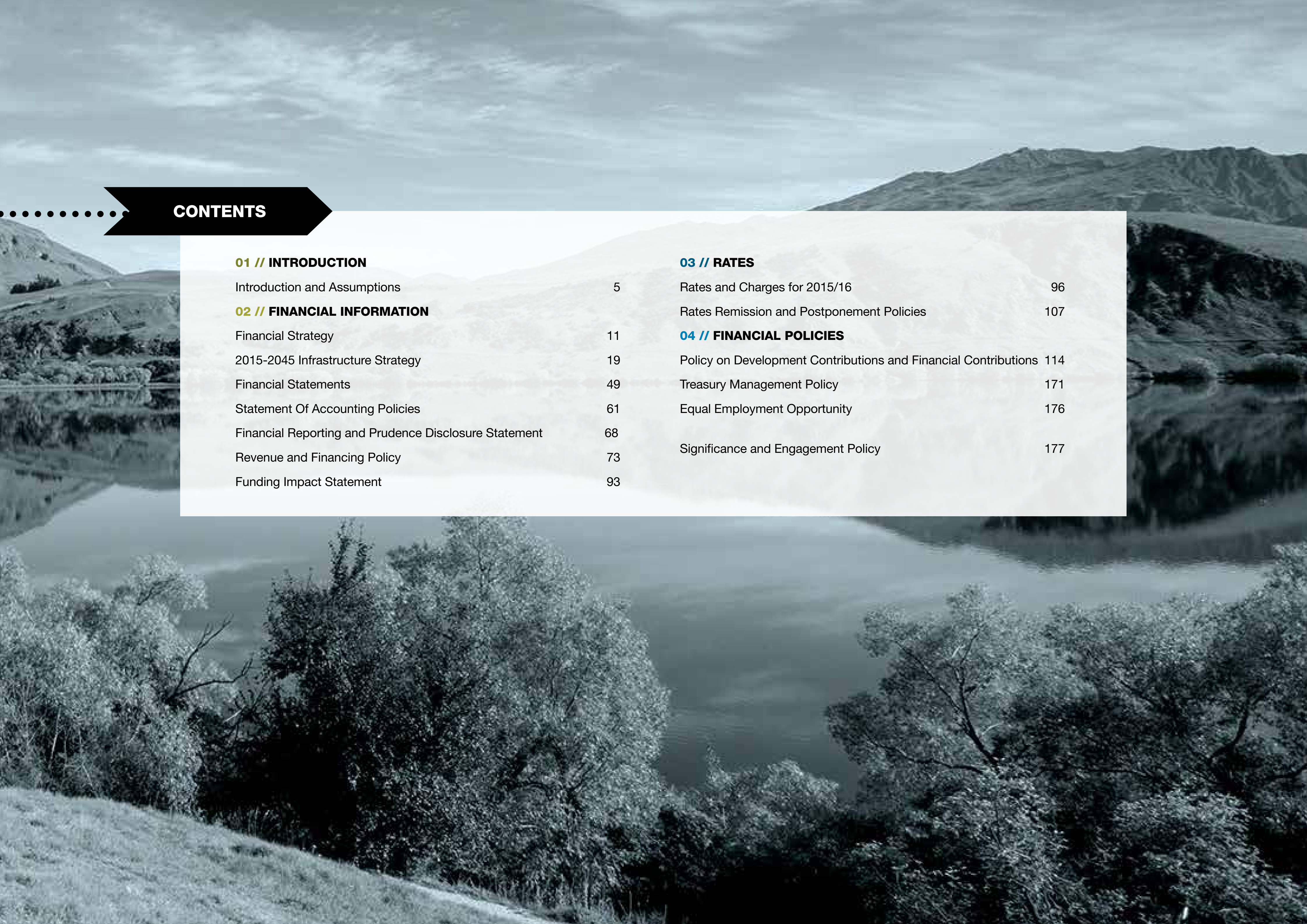
FINANCIAL



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Introduction and Assumptions

Prospective Financial Statement Disclosures

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

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

Actual results during 2015/16 to 2024/25 are likely to vary from the information presented and those variations are likely to be material. Actual events and transactions have not been reflected in the prospective financial statements. These prospective financial statements, along with the 10 Year Plan (TYP), were adopted by resolution of the Council on 30 June 2015.

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

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

Significant Forecasting Assumptions and Risks

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

Growth

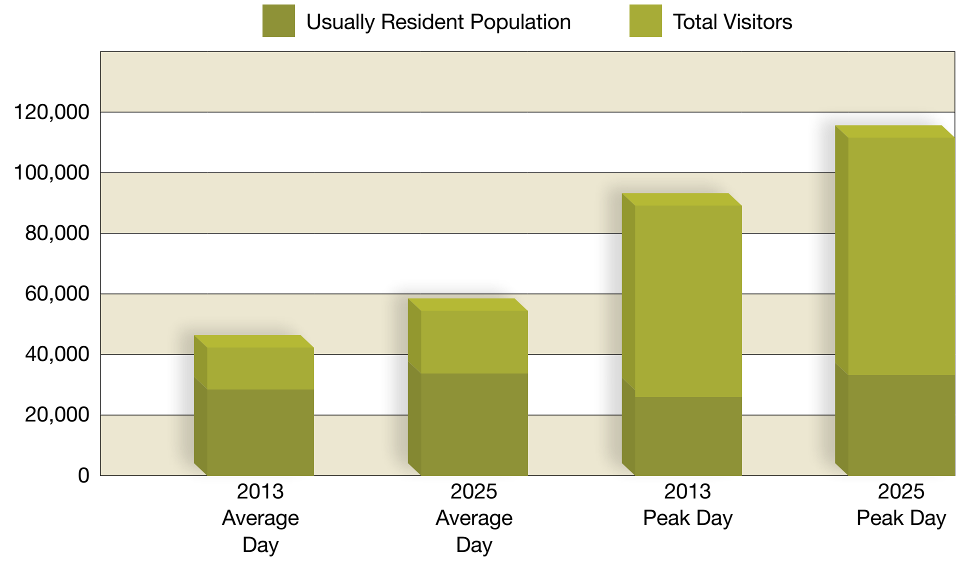
Growth is a major issue for the district and Council has spent considerable time and effort in developing comprehensive growth projections. These have been estimated using the best information available.

Projections have been derived for:

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

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

Growth Forecasts for the District as a Whole



Average day population	2013	2025	2045
Wanaka ward	14,700	18,700	24,500
Wakatipu ward	31,700	38,300	48,200
District	46,400	57,000	72,700

The average day population data for the district as a whole is expected to increase from an estimated 46,400 people in 2013 to an estimated 72,700 people in 2045 which is a growth rate of 1.77% per annum. This figure is comprised of residents, visitors staying in both commercial accommodation and private residences, and day visitors.

Of the average day population, approximately 64% is made up of usually resident population. Around 68% will stay/live in the Wakatipu ward and the remainder will be in the Wanaka ward.

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

The Peak Day Population Growth

Peak day population	2013	2025	2045
Wanaka ward	36,700	46,700	61,600
Wakatipu ward	56,500	68,800	87,600
District	93,200	115,500	149,200

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

The peak day population data for the district as a whole is expected to increase from an estimated 93,200 in 2013 to an estimated 149,200 in 2045 which is a growth rate of 1.87% per annum. This figure is comprised of residents, visitors staying in both commercial accommodation and private residences, and day visitors.

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

Projected Number of Rating Units

Council is required to forecast the projected number of Rating Units within the district at the end of the preceding financial year.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
No. of Rating Units	22,400	22,810	23,220	23,630	24,040	24,450	24,860	25,270	25,680	26,090

Inflation

Financial projections over the ten year period have been adjusted to include estimated inflation. The indices below have been prepared by Business and Economic Research Limited (BERL), an economic forecasting agency. The inflation indices used are:

	Roading	Property	Water	Energy	Staff	Other
2015/16	1.2%	2.2%	5.2%	3.5%	1.8%	2.3%
2016/17	1.4%	2.4%	3.8%	3.8%	1.9%	2.5%
2017/18	2.2%	2.5%	3.0%	3.9%	2.0%	2.6%
2018/19	2.4%	2.6%	3.2%	4.1%	2.1%	2.7%
2019/20	2.5%	2.8%	3.3%	4.3%	2.2%	2.9%
2020/21	2.7%	2.9%	3.5%	4.5%	2.3%	3.0%
2021/22	2.8%	3.0%	3.7%	4.7%	2.4%	3.1%
2022/23	3.0%	3.2%	3.8%	4.9%	2.5%	3.3%
2023/24	3.1%	3.3%	4.0%	5.1%	2.6%	3.4%
2024/25	3.3%	3.4%	4.2%	5.3%	2.7%	3.6%

In respect of financial projections for 2015/16, these have been calculated in estimated 2015/16 dollars.

Interest Rates

Interest is charged on borrowed funds (both internal and external) on an expected medium term average interest rate of 6.0% per annum.

Interest rates on short term investments will vary depending on the term of investment and this term is determined by the working capital position and needs at the time surplus cash arises. Council does not anticipate having investments that will generate a return.

Fixed Assets

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

Capital Expenditure

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

Land Transport New Zealand Subsidies

Council has assumed that the basic rate of financial assistance for qualifying roading projects will be 51% for the duration of the plan. It is also assumed that the current levels of subsidies for Special Purpose Roads (SPR's) will be available for the next 3 years. It is then assumed to be 74% for years 4 to 7 and 51% for years 8 to 10.

It is also assumed that subsidies will be available to assist with the delivery of roading and transportation projects contained within Council's transport strategies. Council continues to work in collaboration with New Zealand Transport Agency (NZTA) in an attempt to agree on the best long term solutions for the district's transport issues.

Revaluation of Infrastructural Assets

Estimates have been made in relation to the revaluation of infrastructural assets beginning in 2016 and continuing on a three-yearly cycle. The revaluation amount is based on an adjustment made to asset values for inflation movements for opening infrastructural values and capital additions made during intervening years.

Revaluation of Non-infrastructural Assets

Estimates have been made in relation to the revaluation of non-infrastructural assets. Investment Property is forecast to increase by 1% per annum from 2015/16 through to 2024/25.

Depreciation

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

Resource Consents

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

Borrowing

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

Vested Assets

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

Provision for Leaky Buildings

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

Changes in Legislation

Council has assumed that any future government legislative, regulatory, or policy changes will not significantly increase council costs.

Major Community Projects

Wanaka Sports Facility *

The Wanaka indoor sports stadium is assumed to be completed in 2015/16. The capital expenditure projections include an allowance for the completion of this project of $11.7m (total cost $13.9m). This reflects the latest scope of works recommended for Stage 1. It is assumed that $2.1m in grants will be received for this project. It is projected that the facilities will have an operating deficit of $0.8m per annum.

The Wanaka Swimming Pool is assumed to be completed in 2017/18 at a cost of $12.3m. The capital expenditure projections reflect an eight lane option at Three Parks. It is assumed that $1.8m in grants will be received for this project. It is projected that the facilities will have an operating deficit of $1.2m per annum.

There were other significant recreational projects programmed for the Queenstown Events Centre site in the 2012-22 TYP. These included an extension to the main sports hall, development of parking and sports-fields. These are not included in the 2015-25 capital programme.

Project Shotover *

The capital programme for waste-water does include the delivery of the project to upgrade waste-water treatment in Queenstown (Project Shotover). The total capital cost is estimated at $35.9m. The first stage incorporates the design and build of the treatment plant ($27.1m). We expect tenders to be accepted during 2014/15 and the plant to be fully operational by October 2016. This timetable has been discussed and agreed in principle with Otago Regional Council. Council will be seeking to vary the existing consent to defer the construction of the disposal fields. The reason for this is to promote affordability and allow community consultation on the costs/benefits of this aspect ($10.7m).

Queenstown Convention Centre *

The capital programme includes the construction of a Convention Centre at the Lakeview site in Queenstown. The total capital cost for construction is estimated at $55m ($52.2m in today's dollars). We expect tenders to be accepted during 2015/16 and the centre to be fully operational by December 2016. Council is expecting to receive capital grant funding of $26.7m ($25m in today's dollars) towards the project.

Service Delivery

It is assumed that existing levels of service will be maintained unless specifically highlighted in the Activity Management Plans and that existing service delivery mechanisms continue for the duration of the Plan.

Development Contributions

Council has updated its Policy on Development Contributions effective from 1 July 2015. Council has revised the revenue expected to 80% of that indicated in the draft Development Contributions Policy for 2015/16. This has increased from 50% allowed for in the 2012 TYP and reflects the higher development activity levels expected.

** In a 10 Year Plan it is mandatory to adjust all projected figures to show inflation after year 1.*

Dividend Income

Council has forecast receipts of dividends from Queenstown Airport Corporation in line with the corporation projections and the dividend policy. Over the 10 year period this equates to $52m. It is assumed that 100% of this income will be used to repay debt.

Water Treatment Standards

The capital programme for water supply does include physical works to upgrade water treatment service levels through Ultraviolet (UV) water treatment over the 10 years of the plan. This continues the programme which commenced in 2012. At this stage it is not clear whether filtration will also be required. This will depend on testing yet to be undertaken. It is recognised that the costs of providing upgraded water treatment service levels may not be affordable for some of our smaller schemes.

Property Sales

Continued development of Council subdivisions at the Commonage (Queenstown Hill) and Scurr Heights at Wanaka are expected to occur at some stage in the next 10 years, although the actual timeframes will be dictated by market conditions. This is not expected to occur in the next 3 years. Budgets for development of the next stage of the Commonage and Scurr Heights have not been included within the TYP.

Lakeview Development

In December 2013 the Council adopted a set of development principles for the Lakeview site and committed to enter into negotiations with private sector partners for development of the site. The site comprises a mixture of freehold land and reserve land. In order to realise the site's development potential, for public and private use, a re-allocation of the land parcels is being considered. This will require some of the Lakeview land that is owned freehold by the Council to be exchanged for an equal area of land held and administered as reserve land by the Council. The proposed land exchange (swap) of land on which the Queenstown Holiday Park is partially located remains subject to a further public process under the Reserves Act (including approval from the Minister of Conservation). Budgets for the development of the site have been included in the TYP ($9.0m) but no sale proceeds have been factored in.

Significant Risks Considered when Preparing the TYP

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

Key Risk

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

How Addressed in TYP or Mitigation Measure

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

Key Risk

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

How Addressed in TYP or Mitigation Measure

The TYP has assumed growth based on the latest projections, which is the best information available. Capital expenditure and revenue forecasts have been based on these assumptions. Most significant capital works include a growth component that will cater for changes in demand. The cost impacts of growth in population have been assessed for the next 10 years. Just over 34% (2012: 50%) of the total capital expenditure is required to provide infrastructure to meet the demands of future growth. This can cause funding issues because Council cannot be certain as to when the growth will occur. In time, most of this expenditure will be recovered from developers through the charging of development contributions, but in the interim a large proportion of this cost must be borrowed. It is Council's Intention to deliver the growth related capital projects on a 'just in time' basis. This means that additional capacity will not be provided until Council is satisfied that it is absolutely necessary to do so.

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

Of greater sensitivity is the impact on revenue forecasts. The Council has made assumptions about the level and amount of development contributions to be received as a result of growth and also the number of ratepayers that are in the district to share the rating burden. If development occurs at different rates, then these projections will need to be amended.

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

Key Risk
Capital expenditure forecasts for major capital projects vary considerably from those contained in the TYP (may occur).

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

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

How Addressed in TYP or Mitigation Measure
No specific provision is included in the TYP, although Civil Defence training is provided for and there are risk management plans for key infrastructure assets. Council does not hold insurance for roads or underground reticulation and in the event of a disaster, it is expected that major changes will be required to be made to expenditure programmes to allow for the repair of core infrastructure.

Impact on forecasting Assumptions as a Result of High Uncertainty

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

Price Level Adjustments
The Council considers that the highest level of uncertainty relates to price level adjustments. Currently, New Zealand is experiencing a good level of growth in its economy. Should price level adjustments be higher than those contained in the TYP, then the cumulative effect of price level adjustments in later years could be significant. The Council has relied on independent recognised economic forecasters to determine the price level adjustment factors. As the Council reviews its TYP it will revise future price level adjustment factors based on the best information available at the time.

Growth Rates

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

Above projected growth is realised:
The implications of higher than expected growth are that budgeted works in the capital works programme may need to be designed and implemented earlier than planned. This relates particularly to 'core services' of roading, water supply, and sewerage, where the need to service new developments is often more immediate. Most new services proposed, however, will cater for growth well beyond the TYP planning horizon. For example, Project Shotover (Queenstown Sewerage Disposal Scheme) will provide capacity for growth through to 2021, based on current growth rates. The implications of above projected growth for community services such as recreation, swimming pools and libraries would result in less urgent community demand for facility upgrades as the services are more discretionary. Other Council regulatory, long term planning and governance functions could be expanded as required to cater for additional function or demand. Additional Development contribution and rates revenue resulting from the increased growth would help to fund some of the increased demand for infrastructure, regulatory services and other facilities.

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

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

Financial Strategy

Background

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

The purpose of the financial strategy is to facilitate:

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

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

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

Significant Factors

There are several factors that are expected to have a significant impact on the district for the period 2015 to 2025. Each of the factors is discussed in more detail in the following sections:

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

The Ten Year Plan has a total capital programme of $396m, of which $380m relates to physical works, $1.5m to Wanaka airport, $5.6m to reserve land and $8.6m to support infrastructure.

Capital expenditure on physical works over the next 10 years is lower than previously forecast. It amounts to $380m (2012: $437m) which represents a reduction of $57m or around 13% compared to 2012. The capital expenditure programs for infrastructure have been derived from revised asset management plans that include the latest growth projections.

a. Population Growth and Changes in Land Use

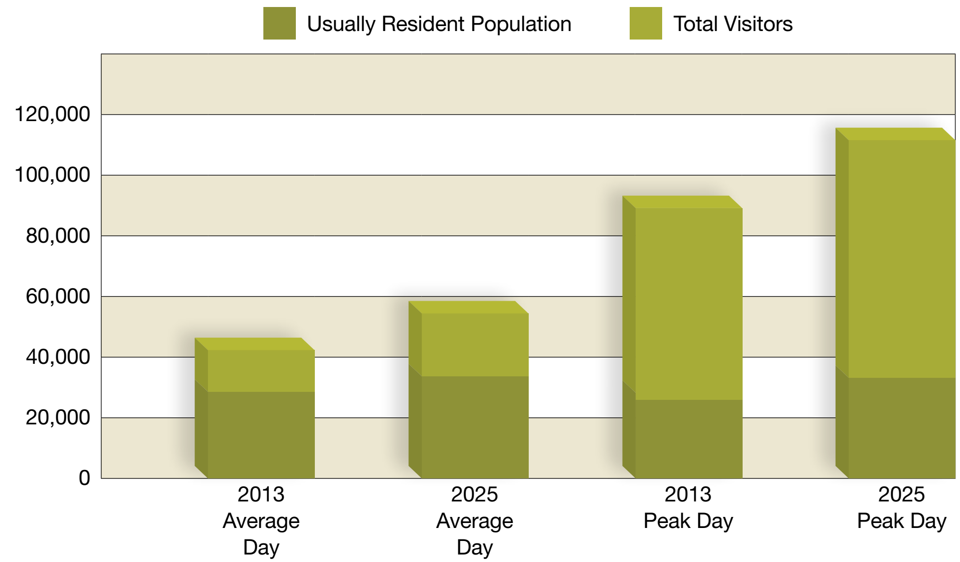
Detailed population projections for the district have been completed as part of the long term planning process. The district-wide results are summarised below:

Usually Resident – increase of 26.4% from 29,500 (2013) to 37,300 (2025).

Average Day – increase of 22.8% from 46,400 (2013) to 57,000 (2025).

Peak Day – increase of 23.9% from 93,200 (2013) to 1115,500 (2025).

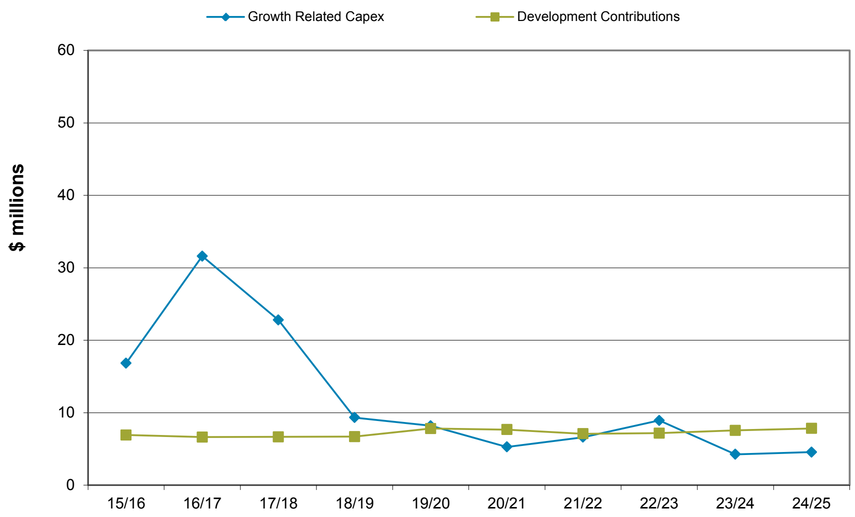
The growth in population is assumed to occur in areas which can provide additional capacity based on current district plan zoning rules. The Council's Dwelling Capacity model and historic growth rates have been used to apportion the expected growth into each census area unit.



The cost impacts of growth in population have been assessed for the next 10 years. Just over 35% (2012: 50%) of the total capital expenditure is required to provide infrastructure to meet the demands of future growth.

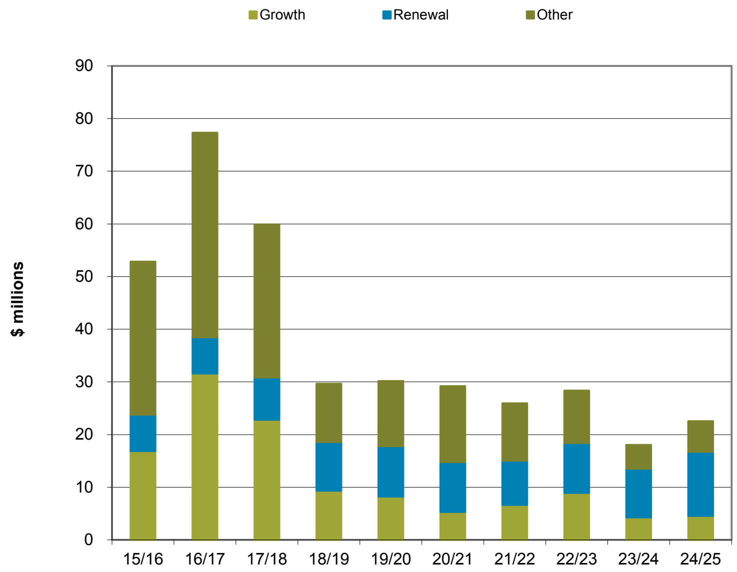
This can cause funding issues because Council cannot be certain as to when the growth will occur. In time, most of this expenditure will be recovered from developers through the charging of development contributions, but in the interim a large proportion of this cost must be borrowed. It is Council's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

Growth Related Capex (excluding Vested Assets) vs Development Contributions



Of the total capital cost of $380m for the period, $139m is required because of growth. Not included in this figure is $116m of vested assets (infrastructural assets transferred to Council through the subdivisional approval process). Around 22.7% of the total capital expenditure is required to renew or replace existing assets and around 42.3% is required to provide increased levels of service.

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



In terms of operating expenditure, growth does have a direct impact on many expenses. As the population grows and more land is developed to accommodate the new arrivals, costs are increased as there are more roads and footpaths to maintain or reserves to mow. It is estimated that growth accounts for around 10% of the increase in operating costs over the period. The total increase in operating costs is $46.3m or 50.7% over the 10 years.

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

> Additional internal loans (repayments funded by general rates)

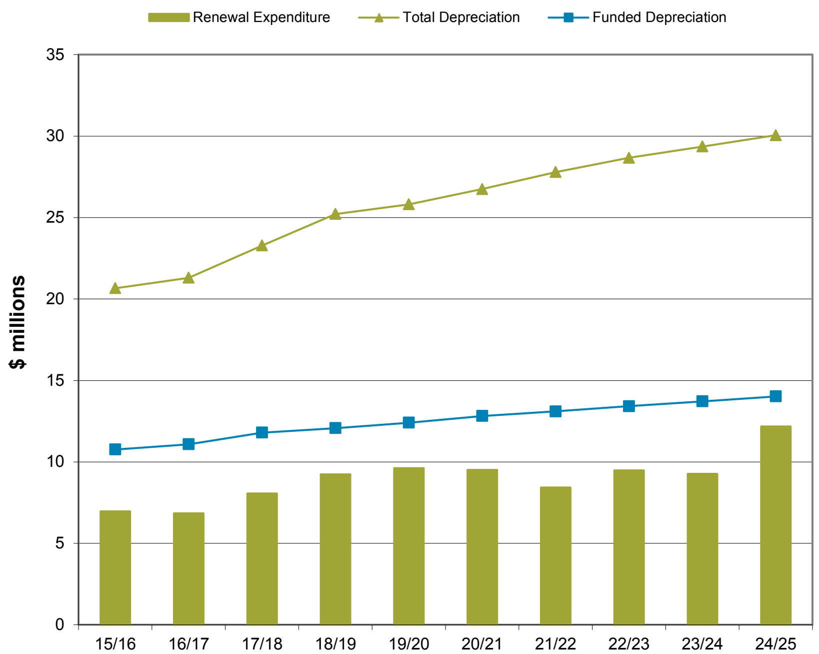
> Utilising 'excess' depreciation funds (especially Roading)

b. Capital Expenditure to Maintain Existing Levels of Service

The cost impacts of renewing or replacing existing assets have been assessed for the next 10 years. Of the total capital cost of $380m for the period, $89.8m (22.7%) is required because of renewals.

Capital Expenditure ($000)											
Description	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**TOTAL**
Significant Projects - Gross Cost (inflation adjusted)											
Parks & Recreation											
Wanaka Sports Facility	11,700	-	-	-	-	-	-	-	-	-	11,700
Wanaka Swimming Pool	601	11,681			-	-	-	-	-	-	12,282
Playground Renewals - Wakatipu	135	485	299	203	118	52	172	132	238	438	2,272
Playground Renewals - Wanaka	166	38	44	314	159	55	170	167	76	0	1,189
Frankton Library	-	-	-	-	128	5,323	-	-	-	-	5,451
Wastewater											
Project Shotover Stg 1	15,361	1,748	-	-	-	-	-	-	-	-	17,109
Project Shotover - Disposal Fields	-	-	3,353	-	3,564	-	3,810	-	-	-	10,727
CBD To Frankton - Reticulation Capacity Upgrade	-	-	438	1,804	2,327	-	-	-	-	-	4,569
Recreation Ground Pump Station	-	-	449	3,531		-	-	-	-	-	3,980
Kelvin Heights Reticulation Upgrades	-	364	2,698	-	-	-	-	-	-	-	3,062
Cardrona - New Scheme	-	418	3,496	-	-	-	-	-	-	-	3,914
Glenorchy - New Scheme	262	5,929	-	-	-	-	-	-	-	-	6,191
Hawea Treatment Upgrade	-	-	-	-	-	-	73	5,657	-	-	5,730
Project Pure Treatment Upgrade	-	-	-	-	-	3,765	-	-	-	-	3,765
Water Supply											
Arthurs Point - Storage Upgrade	-	-	138	1,284	-	-	-	-	-	-	1,422
Kingston - New Scheme	-	-	-	-	-	41	4,190	-	-	-	4,231
Western Pump Stn & Ring Main	-	-	-	-	-	-	35	254	1,586	-	1,875
Albert Town Ring Main	-	-	-	-	-	-	-	3,100	-	-	3,100
Frankton Flats EAR Construction	480	1,120	-	-	-	-	-	-	-	-	1,600
Stormwater											
Frankton Flats SW	2,580	6,020	-	-	-	-	-	-	-	-	8,600
Transport											
Crown Range SPR - Sealed Road Surfacing	-	349	527	686	640	531	475	467	481	496	4,652
Glenorchy Road SPR - Sealed Road Surfacing	633	365	321	519	418	217	20	20	20	20	2,553
Wakatipu - Sealed Road Pavement Rehab	846	-	49	470	481	493	506	521	536	553	4,455
Wakatipu - Sealed Road Sealed Road Surfacing	1,389	1,490	1,826	1,670	1,279	1,408	833	1,528	1,574	1,624	14,621
Wakatipu - Unsealed Road Metalling	604	661	669	684	701	718	738	759	781	806	7,121
Eastern Access Road	5,000	8,300	-	-	-	-	-	-	-	-	13,300
Edith Cavell Bridge	-	-	-	-	-	-	-	-	-	4,340	4,340
Wanaka - Sealed Road Pavement Rehab	-	94	838	470	481	493	506	521	536	553	4,492
Wanaka - Sealed Road Sealed Road Surfacing	1,224	1,304	1,494	1,003	1,679	1,764	1,169	580	597	616	11,430
Wanaka - Unsealed Road Metalling	638	610	618	632	647	663	681	700	721	744	6,654
Other											
Queenstown Convention Centre	2,242	24,800	27,955	-	-	-	-	-	-	-	54,997
Lakeview Development	361	-	4,795	-	1,052	-	-	-	-	-	6,208
Convention Centre - Other Infrastructure Upgrades	139	1,280	-	-	-	-	-	-	-	-	1,419
Total Major Projects	**44,361**	**67,056**	**50,007**	**13,270**	**13,6754**	**15,523**	**13,378**	**14,406**	**7,146**	**10,190**	**249,011**

10 Year Financial Analysis Renewals vs Depreciation



Most of the renewal expenditure is funded from rates or borrowing. The graph above shows that around 48% of the depreciation expense is actually provided for in the rates. This is discussed further in the section on Balancing the Budget.

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

Roading	$32.5m
Water Supply	$23.1m
Wastewater	$9.9m
Total	$65.5m

This amounts to 73% of the total renewal expenditure over the 10 year period ($89.8m).

c. Capital Expenditure to Improve Existing Levels of Service

The cost impacts of capital expenditure to improve existing levels of service have been assessed for the next 10 years. Of the total capital cost of $380m for the period, $167.4m (44.1%) is required for this purpose. It is not uncommon for a capital project to have a mixture of reasons for construction (cost drivers). A large project like Project Shotover ($26.8m) (new Queenstown wastewater disposal scheme) is a good example. The project provides additional capacity for the future; so is partly required to be funded from growth sources (loans and development contributions). There is also a large component which clearly provides an enhanced level of service. The quality of effluent produced from the new plant is vastly higher than that provided currently from the oxidation ponds and as such around 80% of the cost of the project has been attributed to increased level of service.

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

Roading	$43.4m
Community	$30.1m
Economic Development	$34.4m
Wastewater	$44.2m
Total	$152.1m

This amounts to 91% of the total for this category over the 10 year period $167.4m. The main projects in Community and Economic Development which are providing increased levels of service are the Wanaka Sports Facility ($11.7m); Wanaka Aquatic Centre ($12.3m) and the Queenstown Convention Centre ($55.0m).

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

Balancing the Budget

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

1 A local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that years projected operating expenses.

2 Despite subsection (1), a local authority may set projected operating revenues at a different level from that required by that subsection if the local authority resolves that it is financially prudent to do so, having regard to:

   a The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long term Council community plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.

   b The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity to assets throughout their useful life.

   c The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.

   d The funding and financial policies adopted under section 102.

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

Funding of Depreciation

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

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

- **i** The Council needs to fund depreciation only on its share of roading expenditure. The component attributable to NZTA should not be funded as the NZTA subsidy covers this. Allowing for all subsidisable costs 54% of roading depreciation will be funded in 2015/16 (2012/13 - 60%). There is no impact on current levels of service from this approach.
- **ii** Depreciation on Community facilities may not need to be funded as they are often funded by non- Council sources and will never be replaced in the same form at the end of their useful life. Depreciation on buildings such as halls, libraries, and other facilities (including the Events Centre) will therefore not be funded.
- **iii** The Council has accepted that it is not reasonable to fund depreciation where a community has funded a water or sewerage scheme, by lump sum contributions or loan charges. That community ends up paying twice - for loan charges and depreciation.
- **iv** Because we have generally maintained the value of our infrastructure the Council will use funded depreciation to finance renewal projects and repay loans. It will not be used to fund new assets or asset improvements.

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

	Total Depreciation 2015/16	Depreciation not funded 2015/16
Roading	8,573	4,046
Wastewater	3,362	1,462
Water Supply	2,607	1,013
Stormwater	1,774	696
Community/Other	4,347	2,690
TOTAL	**20,663**	**9,907**

Revenue and Financing

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

Funding Sources - Operational Expenditure

The 'revenue' part of the title 'Revenue and Financing Policy' relates to funding of operating expenditure. The following sources of income are recognised:

Rates

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

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

There are two classification types for rates:

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

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

Fees and charges

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

Grants and subsidies

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

Interest and dividends from investments

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

Council can now expect a regular dividend from Queenstown Airport Corporation (QAC).It is proposed to utilise forecasted dividends from QAC to repay generally funded debt.

Other sources of income

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

Funding Sources - Capital Expenditure

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

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

- Growth
- Level of Service Shift
- Renewal

Capital Expenditure due to Growth

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

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

Types of Assets included in the Development Contribution Policy are:

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

Funding Sources for Growth Capital Expenditure in order of priority:

i Vested Assets

ii Development Contributions

iii Capital Grants and subsidies attributable to growth portion

iv Borrowing

Capital Expenditure due to Renewals

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

Funding Sources Renewal Capital Expenditure in order of priority:

- Depreciation Reserves
- Borrowing
- Rates

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

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

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

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

Funding Sources for Other Capital Expenditure in order of priority:

- Capital Grants and subsidies
- Capital Revenues and Asset sale proceeds
- Capital Reserves
- Borrowing
- Rates

Quantified Limits On Borrowing

In order to deliver the large capital programme included in this plan, Council will need to rely on borrowing. The amount of borrowing required is below the amount anticipated in the 2012 plan. Council has spent a considerable amount of time and effort working through the capital programme to ensure that it is affordable and deliverable.

This has meant that a number of projects have been deferred or omitted because of funding and financing constraints. It is expected that by the end of year five, external debt will have risen to $169m and by the end of the 10-year period it will have declined to $134m (2012: $170m).

The growth portion of the Capital Programme (some $139m) will be funded by development contributions as growth occurs, but must be funded largely by debt in the first instance. This allows for Council to spread the cost of large infrastructural projects over the expected life of the asset.

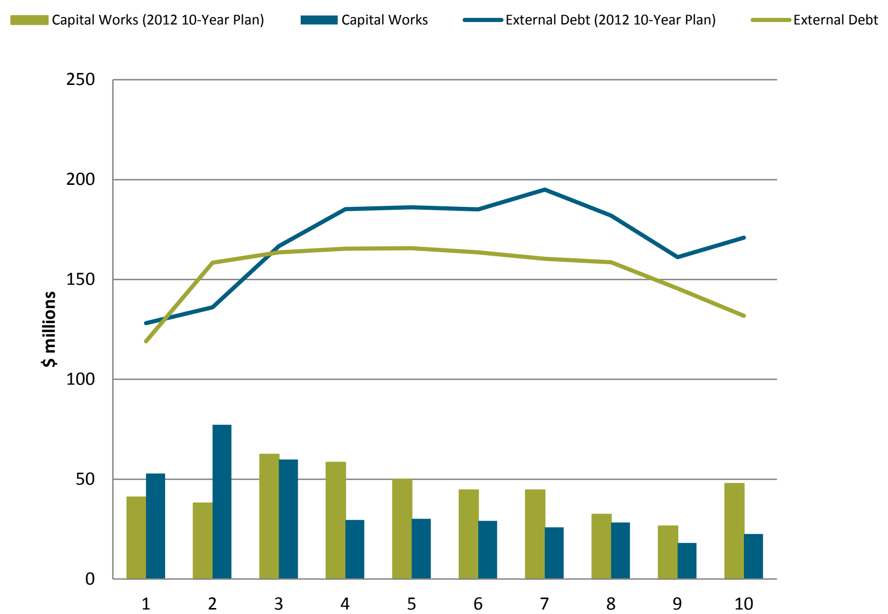
Using debt in this way means that future residents and ratepayers contribute a fair share to the use they make of a facility. The proposed level of borrowing is now well within all of the debt parameters in Council's Liability Management Policy:

Borrowing Limit	30 June 16	30 June 17	30 June 18	30 June 25
Interest Expense/Rates <25%	12.2%	14.4%	15.8%	11.6%
Interest Expense/Total Revenue <15%	6.1%	7.1%	7.0%	5.5%
Net Debt/Total Revenue <175%	101.4%	128.8%	113.6%	84.4%
Net Debt/Equity <20%	12.0%	15.4%	15.1%	9.6%

Council is well within the debt parameters, which means that the affordability of the 2015 TYP can be clearly demonstrated. The debt ratios show that the affordability position has improved significantly since the 2009 plan, where two of these ratios were exceeded in the latter period covered by the plan. The 2015 TYP shows not only compliance but also considerable headroom is provided.

The following graph shows a comparison of the 2015 TYP to the 2012 for capital works and external debt over the 10-years. The improvement in the debt position at the end of the period is over $30m.

10 Year Financial Analysis External Debt vs Capital Works



Security On Borrowing

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

Quantified Limits On Rates

Operating expenditure (excluding interest and depreciation) is shown to increase over the 10 year period by an average of 5.1% (2012:5.5%) per annum. The forecasts do include a provision for inflation after the first year as well as increases as a result of projected growth within the district. Operating revenue for the same period increases by an average of 3.5% (2012:4.5%) per annum. With the reduction in capital expenditure and debt, forecast rates increases are also reduced. The average annual increase over the 10 years is now 2.8% down from 4.6% (2012).

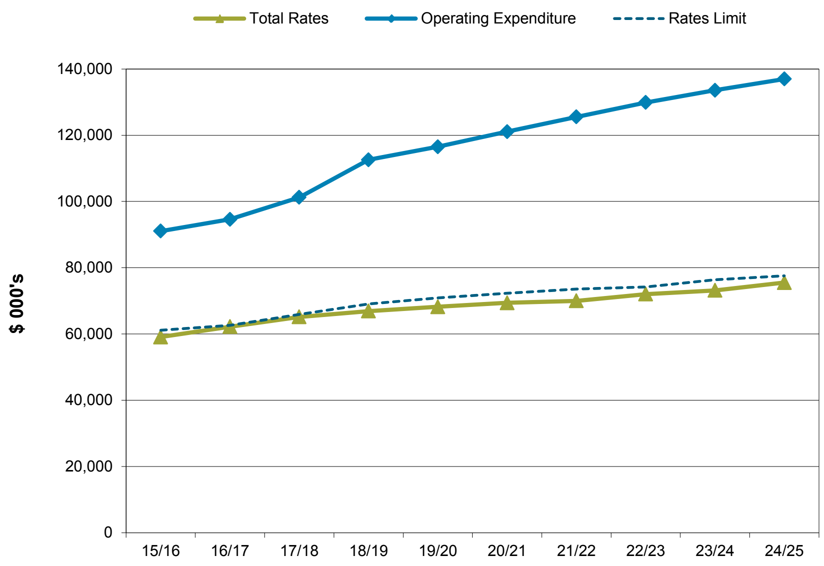
The graph below shows that rates are increasing at lower rate than operating costs over the 10-year period. As discussed earlier, rates are influenced by a number of factors including core recurring operating costs; growth in the district; inflation and the capital programme. The capital expenditure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

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

In order to come up with a sensible quantified limit on rates, it is necessary to take account of the various influences on rating levels. The limit should also be easily understood. The graph below shows that rates are increasing by an average of 2.8% over the 10 years. This increase is not even however, as the impact of increased costs associated with new facilities is recognised. The forecast rates increases for 2016/17 are high (5.3%) as they reflect the increased costs of the new Wanaka Sports Facility and the Project Shotover.

It is proposed therefore to set a rates increase limit of 6% subject to changes in growth forecasts. It is also proposed that rates income will not exceed 55% of total revenue. The average growth rate in the district is 2% per annum and this will reduce the impact of any rates increase for existing properties.

Operating Expenditure & Rates Revenue



Financial Investments and Equity Securities

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

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

Name	Ownership Interest
Queenstown Airport Corporation	75.01%
Lakes Combined Forestry Committee	75.0%

The Forestry Committee jointly owns the forest at Coronet Peak, the value of which at the end of 2014 was $1.0m.

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

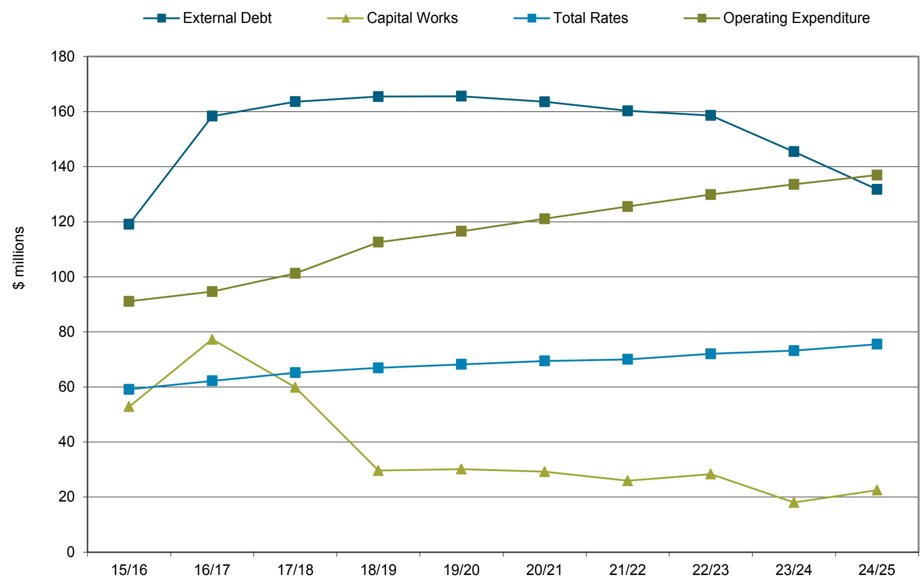
Over the next 10 years, $51.8m of dividend income is forecast to be received by Council. Council intends to use this income to repay existing debt.

Strategic Destination

The Council's Financial Strategy is aimed at responding to the needs of our district today and into the future in a responsible and affordable way. It is important that the costs of providing facilities with long lives are shared between today's ratepayers and those in the future. If this task is successfully delivered, the following outcomes should be achieved:

- Prioritised Capital Programme – delivering the 'right' projects at the optimum time;
- Rates increases set at maximum of 6% per annum (subject to changes in growth forecasts);
- Debt levels maintained at prudent levels (within Borrowing Limits);
- Debt levels at the end of the 10 year period have stabilised and sufficient head-room exists to provide financing flexibility for future councils; and
- To continue to provide excellent service within financial constraints.

10 Year Financial Analysis



2015-2045 Infrastructure Strategy

Background

This section represents Queenstown Lake District Councils first 30-year strategy as required under the 2014 reforms to the Local Government Act 2002. This is an important document as the council seeks to continuously improve the provision of core services to the community. This document focuses on the core infrastructure services of: drinking water supplies, wastewater collection and treatment, stormwater management and discharge, roading and footpaths.

Within this section, drinking water, wastewater and stormwater are sometimes referred to collectively as the 'three-waters'. As the primary water supplier to the district, the council is required to provide a supply of water to homes and business that is safe for human consumption. Safe and reliable drinking water supplies are recognised as being crucial to the wellbeing and prosperity of our district.

Council also provides reticulated wastewater services (also known as sewerage services). Reticulated wastewater systems are recognised internationally as the most cost-effective and efficient method of protecting urban public health from outbreaks of waterborne diseases associated with human and business liquid wastes. Reticulated systems also enable cost effective treatment and disposal which helps to mitigate adverse environmental outcomes.

Stormwater systems are provided to manage rainwater and groundwater away from private properties. Effective management of rainwater with these systems is vital to controlling erosion and avoiding property damage, as well as ensuring public amenity of open spaces and protection of the environment. Council is also aware there may be a requirement in the future for stormwater treatment. Any decision around stormwater treatment will be based on resource consent requirements which would undergo public consultation.

Council owns and operates transportation corridors (and associated support infrastructure, i.e. street lights, signage etc.) for providing the community with safe and efficient access to their homes, schools, places of work, recreational areas and public services. These corridors also support the local economy by enabling the efficient movement of goods and services.

Managing and maintaining these core services to ensure efficient, effective and reliable service delivery to the community requires thinking strategically and sound asset management practices. A key characteristic of the district is the high proportion of tourist and peak season demands on the existing infrastructure.

The primary purpose of this strategy is to identify significant issues or investment requirements in the core infrastructure services over the next 30 years. These requirements are then given effect through Council's 15-year Asset Management Plans (AMP). The AMPs then inform the TYP, which undergoes public consultation before being adopted.

The process for developing this strategy is threefold:

1. Analysis of the geographical and demographic context in which the Council is operating;
2. Analysis of the key capital expenditure drivers, significant infrastructure issues and risks, which are based upon historical network data , performance data and local knowledge;
3. Development of a major projects and investment programme (capital expenditure of $3.5 million or more) timeline as the most likely future scenario.

Key Strategic Priorities

In determining the basic elements of this strategy, we have considered the TYP 2012-2022 Community outcomes, the risks to our community for the next 30 years. From this process we have identified key strategic priorities that will need to be monitored, analysed and responded to over this extended period.

Figure 1 summaries the elements of the strategy linked to the new TYP 2015-2025.

FIGURE 1 KEY STRATEGIC PRIORITIES AND GOALS

CURRENT COMMUNITY NEEDS / RISKS

- *Water demand management – leakage and water consumption data*
- *Drinking water quality*
- *Flooding and sewage spills to the environment during we weather events*
- *Data and knowledge management*

FUTURE COMMUNITY NEEDS / RISKS

- *Climate change, heavy rainfall events and extended dry periods*
- *Growing population*
- *Ageing infrastructure*
- *Cost of energy and oil based products*
- *Legislative compliance costs*
- *Balancing risks and expectations against affordability*
- *NZTA funding and levels of service for transport*

QLDC Context

KEY STRATEGIC PRIORITIES FOR INFRASTRUCTURE

1. We will manage the water needs of the District at acceptable levels that optimise lifecycle costs
2. We will manage risk and provide flexibility for a variety of future scenarios for climate change and population growth
3. We will improve the efficiency of our energy use and aim to reduce our use of oil based products
4. We will manage the quality of our discharges to minimise the impact on the environment
5. We will ensure that, as a minimum, key service levels (affecting public health) are maintained into the future
6. We will balance cost increases against affordability
7. We will adopt an integrated approach to management of the three waters and other infrastructure

10 YEAR PLAN COMMUNITY OUTCOMES 2015–2025

- Sustainable growth management
- Effective and efficient infrastructure that meets the needs of growth
- High quality urban environments, respectful of the character of individual communities
- A safe and healthy community that is strong, diverse and inclusive for people of all age groups and incomes

10 YEAR PLAN COUNCIL OUTCOMES 2015–2025

- **CORE INFRASTRUCTURE SERVICES** are high performing and meet current & future needs, are fit for purpose, efficient to run, and cost effective
- **NATURAL / BUILT ENVIRONMENT** is high quality & makes the District a place of choice to live, work and visit
- Resilient and diverse **ECONOMY**
- **COMMUNITY SERVICES & FACILITIES** are highly valued
- **REGULATORY FUNCTIONS AND SERVICES** meet user needs, are cost effective and achieve objectives

Queenstown Lakes District Council (QLDC) was established in 1989 as a local authority (having the functions, responsibilities and powers of a territorial authority). The Queenstown Lakes District replaced the former Lakes County, Queenstown Borough, Vincent County and Arrowtown Borough Councils. QLDC operates within the area operated by the Otago Regional Council.

Geographic Context

The Queenstown Lakes District has a land area of 8,705 km² not counting its inland lakes (Lake Hawea, Lake Wakatipu, and Lake Wanaka). The region has an estimated resident population of 29,000 (2013 Census). The total area of the district (including lakes) is 9,357 km².

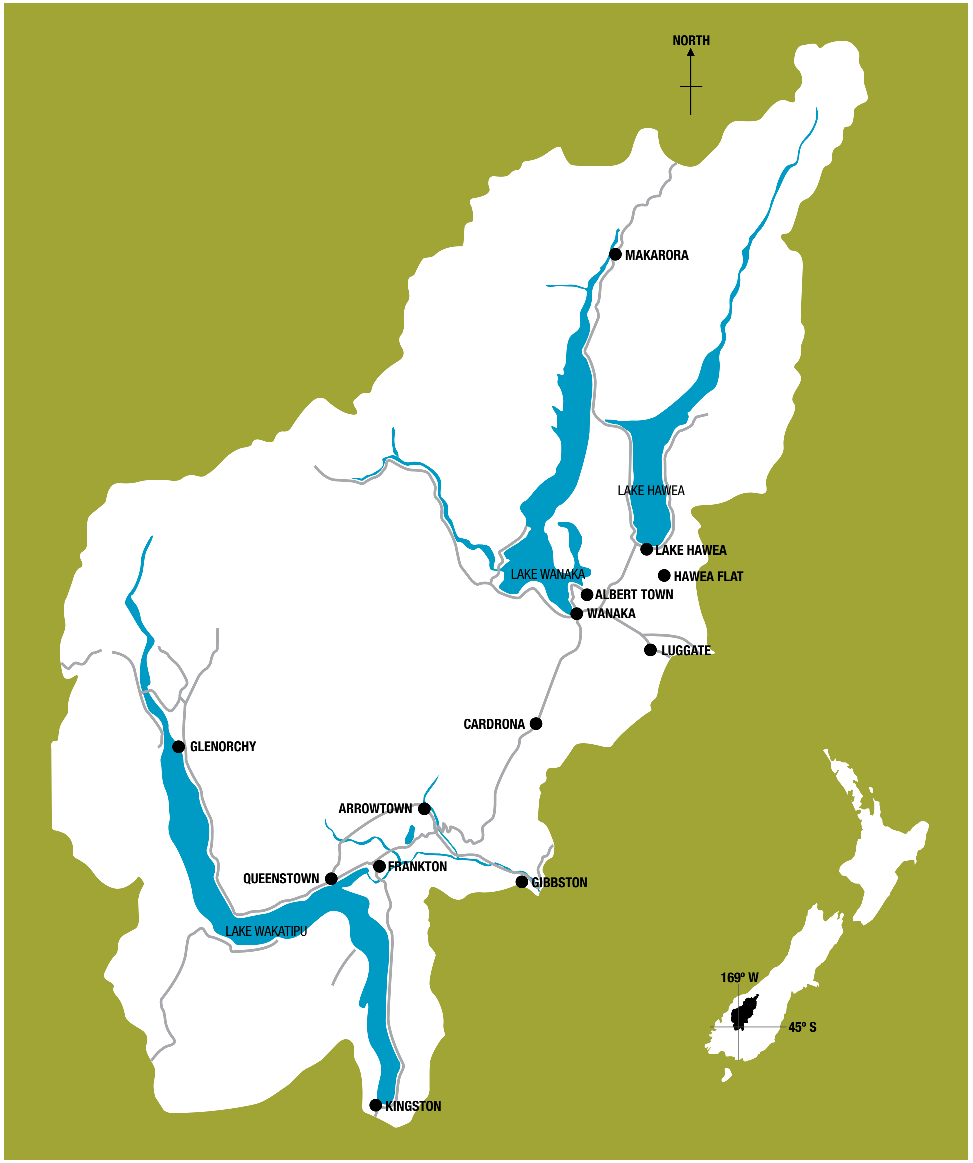
Queenstown (Māori: Tahuna) is the largest centre in Central Otago, and the second largest in Otago after Dunedin. Based on the 2013 Census, the usually resident population of the Queenstown urban area (including Fernhill, Frankton and Kelvin Heights) is 15,000, an increase of 15% since 2006.

Queenstown is a resort town in Otago in the south-west of New Zealand's South Island. It is built around an inlet called Queenstown Bay on Lake Wakatipu, a long thin Z-shaped lake formed by glacial processes, and has spectacular views of nearby mountains such as The Remarkables, Cecil Peak, Walter Peak and just above the town; Ben Lomond and Queenstown Hill.

Wanaka was originally settled during the gold rush of the 19th century and is the second largest town in the district. It is situated at the southern end of Lake Wanaka, adjacent to the outflow of the lake to the Clutha River. It is the gateway to Mount Aspiring National Park. Wanaka is primarily a resort town with both summer and winter seasons and is based around the many outdoor opportunities. Owing to the growing tourism business and the increasing number of retirees in Wanaka, large growth is occurring, with a population increase of up to 50% in the past 10 years.

Other towns in the district include Arrowtown, Kingston, Glenorchy, Lake Hawea, Cardrona, Makarora and Luggate. The district is now known for its commerce-oriented tourism, especially adventure and ski tourism.

Figure 2 Queenstown Lakes Urban Areas 2014



The district is one of the coldest places in New Zealand with an average temperature of 10.7°C ranging from - 10°C to 35°C with ground frosts over 130 days per year. The clear winter days with a low average rainfall of 636mm per year create a unique climate within New Zealand.

The Ministry for the Environment* predicts the following longer term changes in the districts climate over the next 100 years:

> Temperatures are likely to be around 0.9˚C warmer by 2045, compared to 1990.
> Otago is expected to become wetter, particularly in winter and spring where average annual rainfall is likely to increase by 12 per cent by 2090. Seasonal projections indicate that winter rainfall is likely to increase by 29 per cent by 2090.
> The number of storms is expected to increase in winter and decrease in summer. The intensity of these storms is likely to increase in winter and decrease in summer.
> The frequency of extreme winds is likely to increase by between 2 and 5 per cent in almost all regions of New Zealand in winter, and decrease by a similar amount in summer.
> Significant decreases in seasonal snow are projected for the Otago region. The duration of snow cover is also likely to decrease, particularly at lower elevations. The district is likely to see a shift towards increasing rainfall instead of snowfall as snowlines rise to higher elevations due to rising temperatures.

* REFERENCE: HTTP://WWW.MFE.GOVT.NZ/CLIMATE-CHANGE/HOW-CLIMATE-CHANGE-AFFECTS-NZ/HOW-MIGHT-CLIMATE-CHANGE-AFFECT-MY-REGION/OTAGO

Changes in climate will have an effect on the performance and lifespan of QLDCs infrastructure. Some of these effects may be positive (i.e. possible increased efficiency of wastewater treatment processes due to increased temperatures) and some may be negative (i.e. more extreme freeze / heat cycles making road surfaces age more quickly). The actual extent and severity of these effects will be investigated progressively over the term of this plan in order to best manage the infrastructure and ensure affordability to the community.

Demographic Context

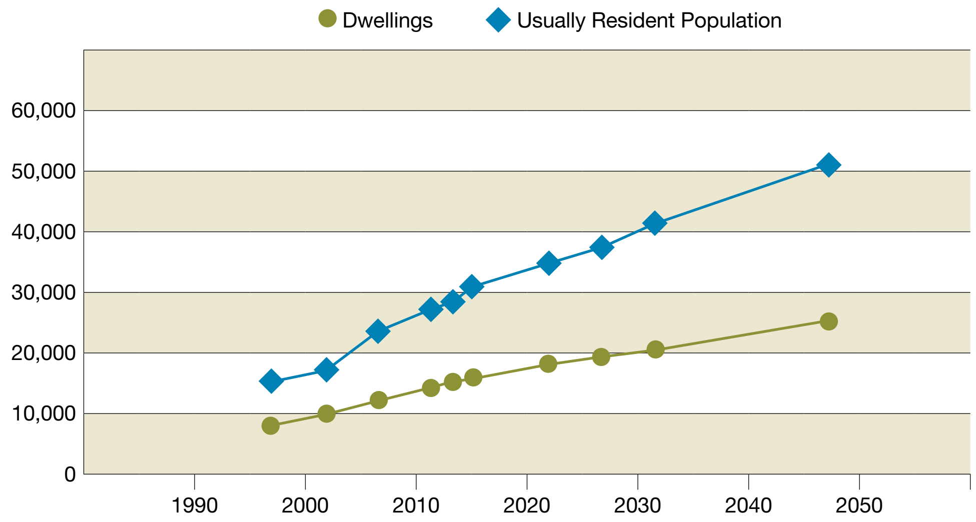
The Queenstown Lakes District is experiencing a period of significant population growth. This places increased pressures on the three waters and transport services in terms of capacity and extents. The district is a recognised tourism destination that supports economic growth across the southern part of the South Island. The natural environment of the district consists of a variety of systems including rivers, lakes, basins, wetlands, bush remnants, uplands, mountains and shorelines. This combination plays a significant role in the quality of life in the district by providing recreation, economic, residential, conservation and servicing opportunities. As such, the district is attractive to local and international investment in housing, services and visitor related activities.

Resident population growth in the district has typically been around 4.1% per year since 1996, while dwelling growth has been around 3.6% per year. This rate of growth is high when compared to most other towns in New Zealand.

Under the medium population growth projections the district's population is expected to increase by 64% from 30,700 in 2015 to 50,300 by 2045.

Over the next 30 years it is expected that there will be 19,600 additional residents and 8,700 additional dwellings in the district.

FIGURE 3 QUEENSTOWN LAKES DISTRICT MEDIUM POPULATION PROJECTION 2015-2045



Assumptions with Timing in Relation to Asset Management Plans and the Draft TYP

Council produced its first internal draft of this Infrastructure Strategy in June 2014. This document was then able to inform and guide the Asset Management Plans (AMP) developed in late 2014. In the development of the AMP, latest engineering investigation work was able to be included which in some cases has superseded the assumptions and knowledge at the time of drafting the Infrastructure Strategy. The key changes in assumptions have been captured below, and where appropriate, the assumptions within the Infrastructure Strategy have been updated from the AMPs. It is further recognised that through the development of the TYP, and its associated community consultation processes, assumptions and timing of investments may further be altered, prior to the TYP being adopted. These changes will not be included within this Infrastructure Strategy until it is next reviewed and updated.

The following significant capital investments may be subject to change in terms of inclusion, timing or scale:

> Project Shotover
> Eastern Arterial Road *
> Queenstown Convention Centre
> Wanaka Sports Facility
> Wanaka Swimming Pool

- Three Parks Development
- Jardine's Water Supply
- Project Pure Future Upgrades
- Wanaka South Capacity Upgrades

* The timing for this project has been brought forward to 2016/17 in the final TYP.

Data Confidence

Council recognises the importance of data confidence and its role in making good, informed decisions. This includes benefits in minimising second guessing, applying of 'adjustment factors' and limiting conflicting opinions based on related, but dissimilar data sets. Without data confidence, the council will struggle to be informed and make the best investment decisions for the community.

A key focus of the council is improving the quality of its data and making better use of that data for informing decisions. To support this outcome, an Information Analyst role and an Asset Data Analyst role have been created with council Infrastructure department. Some of the programmes established later in this strategy include assumptions that better data and information has been collected as time goes by and that some of the underlying strategies will be reviewed and revised (as appropriate) as improved information becomes available.

Key assumptions included within this strategy are council:

- Will progressively investigate and implement new approaches to provide for better capture of asset data, including true operations and maintenance costs,
- Will update and refine the required renewal expenditure based upon the improved data,
- Renewals programmes will be adjusted based on a structured programme of condition and performance monitoring, and
- Asset renewal profiles and depreciation rates/calculations will be reviewed as improved information becomes available.

Council has only one corporate data repository for each of its core infrastructures.

Transportation - asset management has been supported by the Road Asset and Maintenance Management (RAMM) system for many years. RAMM provides the repository for asset inventory and condition data, reporting, asset valuation and maintenance contract administration tools.

The data in the RAMM database is regularly audited by NZTA in their capacity as co-sponsor of the council investment programme. However, with the change to the One Network Road Classification (ONRC) system being rolled out by NZTA it has become apparent that the quality and quantity of information held with the databases will need to improve to meet the new 'evidence based investment decision' model which the ONRC requires. It is understood that the move to the ONRC approach, and not the current quality of the data which will have the greatest effect on the roading investment programme moving forward.

NZTA have signalled that QLDC, when compared to other similar councils, has a high level of investment relative to the scale of its roading network. NZTA have signalled that a number of councils will likely need to take on more risk in terms of how they invest in their roading networks under the ONRC approach. This is a fundamental shift in the current methodology for developing the roading investment programme for all councils.

NZTA have also signalled that the introduction of the ONRC methodology which will have fully replaced the legacy investment development methodology by June 2018. (Note – QLDC is planning to have the ONRC implemented by June 2017, to enable a full year of operation under the ONRC ahead of the NZTA deadline).

Hanson is the repository for the three waters asset data storage and reporting system. It contains records relating to asset inventory, work history, valuation, condition and investment.

Recent analysis on the Hansen (Infor) datasets has shown that there are null values/missing data in static record (i.e. diameters, materials, length etc.) for legacy assets. This missing data is not occurring for new assets. Without improvements to these datasets, there is an increased risk of unforeseen asset failure and increased frequency of service outages. Council is proactively working to improve the completeness and quality of its water records.

As with most councils, there are some areas for improvement in the completeness and quality of the datasets. As such, the methodology for developing the QLDC investment programmes has been based primarily on best engineering judgement. A factor of safety has been applied through the conservative application of the three waters computer models. These models are not yet calibrated, but have been used to identify performance issues and upgrades required to the three waters networks. These programmes will be reviewed over time as funding is approved to further develop and calibrate the computer models. Improvements in the computer models are programmed in the draft TYP to commence from July 2015.

As the datasets are improved, the model calibration programme is completed (planned for the next two years) and the levels of service / risk management framework (including Treasury's Better Business Case Model) are implemented over the next 12 months, the current investment programme will become more robust. As a whole the value of the investment programme will likely decrease as data confidence improves and there is an increased transparency on the balance between investment and risk.

In summary, the implications of the data confidence ratings for the accuracy of the financial forecasts are outweighed by the upcoming changes in investment programme development methodology. The current programmes are likely delivering an over investment at this time (as a whole). However, these programmes are expected to be reduced as the new evidence / risk based methodologies (along with data improvements) come into effect over the next 12 – 36 months.

Compliance with Local Government Act

S101B (4)(b)(ii) requires the Council to identify when the local authority expects the decisions will be required.

The information provided regarding capital investment programmes is provided on the basis of best available information at the time. These programmes are based on existing master plans, policies and technical strategy documents. These documents are periodically reviewed to ensure they continue to meet legislative requirements, community needs and industry recognised practices.

A decision gate for all investment identified in the adopted TYP is set by the Delegations Register. Approval to proceed (fund) a project is the decision of the Council (or CEO if so delegated by the Council). Typically the decision to proceed on a project is identified in advance on the Councils Public Meeting Schedule, and is decided on after public consultation through the TYP or a Special Consultative Process, as defined in the LGA. Typically a formal decision from Council will be required 1 – 3 years ahead of any significant capital expenditure, depending on the levels of community interest.

S101B(4)(c) requires the Council to "include the following assumptions on which the scenario is based: (i) the assumptions of the local authority about the life cycle of significant infrastructure assets:

QLDC asset life cycles are based in industry standard life cycles, periodically reviewed by internal technical staff and supported by specialist engineering advisors. In addition, QLDC seeks to supplement this approach with:

> Research and prioritising of the areas of greatest risk – refine and update infrastructure risk register (in accordance with the QLDC risk management framework)

> Continue and improve our programme of asset condition assessment to establish asset's remaining useful life and maintenance / replacement programme

> Identify, implement and improve asset management systems to provide accurate and timely information for effective asset management, asset planning and performance monitoring.

> Through the newly created Asset Performance Team: investigate cost effective asset maintenance programmes to reduce or mitigate risk of failure to provide agreed levels of service and where asset maintenance programmes prove too costly, develop asset replacement programmes.

> Seek continuous improvements to the asset management process based on benchmarking with industry groups (ie NAMS).

S101B(4)(c) requires the Council to "include the following assumptions on which the scenario is based: (ii) the assumptions of the local authority about growth or decline in the demand for relevant services:

Growth in population, both residents and tourists, is predicted to continue to increase over time, for the foreseeable future

Through the water metering programme, the inflow and infiltration programme, pipeline renewals programme, along with intensification, per capita consumption patterns for water supply and wastewater are predicted to decrease over time.

Stormwater per capita demands are expected to remain unchanged where increases in impermeable surfaces are offset with appropriate sustainable urban design and potential increases in rainfall events over the longer term.

Per capita use of cycleways and roads is expected to increase in the short to medium term at a rate similar to general population growth.

S101B(4)(c) requires the Council to "include the following assumptions on which the scenario is based: (iii) the assumptions of the local authority about increases or decreases in relevant levels of service;"

The Community Water Services AMP has been developed based on maintaining the 'existing levels of service'.

Likewise, the Community Transportation AMP has been developed based on maintaining the 'existing levels of service'. Through the ONRC approach, this is expected to continue, however there are expected improvements efficiency in investment through an increased focus in using data to ensure upgrades do not occur ahead of when they are actually required.

Analysis of Capital Expenditure Drivers, Significant Infrastructure Issues and Risk

In general, decisions to invest (or not) in infrastructure are mostly influenced by legislative requirements, delivering levels of service and managing risks.

The risk management processes used by council were reviewed in late 2013 to be aligned with the international standard ISO 31000:2009 which defines risk management principles. A full description of the risks identified in the table below can be found in the QLDC Community Water Services Asset Management Plan (AMP) and Community Transport Asset Management Plan (AMP)

The key decisions council has to make generally relate to investment in core infrastructure. These investment decisions are driven off four key considerations:

Capital investment decisions are driven off three considerations:

> What are the most appropriate service levels for the district

> When should existing infrastructure be replaced;

> When should council invest in improving the existing service; and

> How much should be invested now to provide infrastructure for a growing community.

The tables on the following pages summarise the significant infrastructure issues facing the district. The table also includes the current understanding of the matter and proposed response to those issues and the likely implications of undertaking, or not undertaking the actions/investments proposed. In some instances, the same principal response action is capable of addressing several infrastructure issues.

TABLE 1 SIGNIFICANT INFRASTRUCTURE ISSUES FOR QUEENSTOWN LAKES DISTRICT

WATER SUPPLY		
Current and future development needs of the community (including environmental protection) - Population growth impact (How much needs to be invested?)	**Principal options (most likely scenario) for response**	**Implications**
Expansion of the water supply systems will be required to provide and maintain current levels of safe water supplies across the metropolitan areas. Key areas: > Wanaka > Frankton Flats > Frankton Road > Kelvin Peninsula	The current strategy is to optimise the use of the existing water supply infrastructure. This requires increasing the ability to produce clean water and efficiently distribute the water around the district to existing and new customers. Key decision points will be: > Continuation of small-scale local water sources or rationalisation to fewer, larger water supplies > The timing of, and increased use of non-infrastructure solutions (education, metering and demand management) to best manage future service requirements while balancing affordability The proposed future for Wanaka's water supplies is to continue to be based on small scale supplies, with a new reservoir to service South Wanaka. A new water source is proposed at a location between the existing two lake-supply intake points. The proposed future for Queenstown's water supplies is to rationalise the number of intakes and treatment plants, to improve economies of scale, improve risk management and reduce supply costs over the longer term. In the interim, additional treated water storage (reservoirs) will be required to service growth along Frankton Road, Kelvin Heights and Frankton Flats. The following key projects are anticipated to service growth: > Wanaka - Hawthenden Reservoir 2029–35, $10M > Frankton Flats Servicing by 2022, $6.5M > Wanaka South Servicing by 2025, $8M	Growth projections are important in understanding the potential increases to demand and avoid the need for water restrictions. These could also impact water pressure, overall customer satisfaction and fire-fighting capability Pressure fluctuations also expose the network to breakages or water outages.

Current and future development needs of the community (including environmental protection) - Population growth impact (How much needs to be invested?)	Principal options (most likely scenario) for response	Implications
Development will continue to occur around the district (outside the metropolitan areas), and may need to be connected into a council operated water supply.	Each new development is assessed on a case by case basis for inclusion (connection) to council owned and operated water supply schemes. Where connections are not feasible, developers are responsible for securing their own safe and reliable water supply. Non-metropolitan 'private schemes' are a community's choice for providing a cost effective, short to medium term solution, to providing water supplies to people who choose to live in non-urban areas of the district. Key decisions will be: > Under what circumstances council would take over management and operation of private schemes (i.e. a broader public safety concern) and > On what basis would these schemes then be funded.	The business case for operating and managing new schemes will need to consider the levels of service and the future cost of maintenance.
On a resident population basis, water consumption rates are high when compared to other areas of New Zealand. These need to be well understood so that capacity upgrade investment is effective. Key issues: communities exhibit high peak summer demand, which is heavily influenced by large visitor numbers and weather demands (private garden watering / irrigation).	Queenstown is understood to have elevated water network losses (water leakage rates) driven by the terrain creating higher pressures within the piped network. Wanaka is understood to be affected by seasonal variation in demand rates of usage, ie. high consumption rates due to peak summer demand. In March 2014, Council approved a staged demand investigation programme. This programme will be progressively implemented over a 6 year period and includes trial volumetric metering and water loss management programmes. Capital expenditure for demand management of approximately $0.6M is anticipated in the period up to 2018.	As confirmed by other councils in Australia and New Zealand, public education and other demand management tools are understood to be important factors in being able to defer new investment in water supply upgrades, to ensure overall community affordability.

Meeting the TYP Level of Service – 'reliable drinking water that is safe to drink' (When should we invest?)	Principal options (most likely scenario) for response	Implications
Council is required to report on compliance with the New Zealand drinking water standards for: > Microbiological > Protozoa These standards seek to reduce the risk of a public health event originating from public water supplies. That being, the higher the level of compliance, the less likely a public health event will occur. All council water treatment plants meet the microbiological criteria. However, the council's water treatment plants do not currently fully comply with the Protozoa criteria and treatment upgrades are required.	Current solutions rely on the high quality of the raw water sources (the cleanliness of the water) in our lakes and underground supplies. Moving forward council is focused on further improving water quality through providing increased treatment (disinfection). Council is proposing to progressively install UV treatment systems at its water treatment plants. However, before the decision is made to fully implement disinfection treatment at all treatment plants, an understanding must be gained as to the effectiveness of these treatment technologies, particularly during high turbidity events. A key decision point will be when the performance of UV treatment is proven to be appropriate and effective for the district. Proposed future solutions for some water supplies may require the provision of additional clarification or filtration systems to ensure effective disinfection is achieved. The proposed rationalisation of water supplies in Queenstown may assist in managing the risks and reducing the treatment costs associated with a requirement to increase treatment to continue to meet drinking water standards. Proposed projects: > To develop the Kelvin Peninsula (Jardine) community intake that would supply the entire Queenstown area with water that meets drinking water standards. Timeline 2025-2035, $39M. > Wanaka UV upgrades by 2038, $5M	Providing safe drinking water is important to maintaining public health and compliance with legislation, as well as protecting the districts tourist based economy.
Algae in water sources > Wanaka > Wakatipu	Council will monitor its water sources to best enable early identification of potential algae issues. Early notification of potential issues provides council with an increased range of options for managing any potential algae event from a specific water source. These options can include, turning off a source for a period of time, sourcing from alternative intakes, increasing maintenance on filters or installing additional treatment. The proposed new borefield near the Wanaka Yacht Club will offer an alternate source that will enable council to continue to meet supply needs, should it need to stop abstraction from one of the lake intakes due to an algae event. Council will continue to monitor technology being developed to identify new and innovative means of managing algae that could be appropriate for the district.	When water abstracted for drinking water treatment contains algae, blockages can occur in filters and odours may develop in the treated water supplies. Providing safe drinking water is important to maintaining public health.

Meeting the TYP Level of Service – 'reliable drinking water that is safe to drink' (When should we invest?)	Principal options (most likely scenario) for response	Implications
The need to provide new community water supply schemes, due to growth or other drivers/events e.g. community expectation, public health concerns.	Due to a proposed plan change in Kingston and the subsequent projected increases in development and water service requirements, QLDC is seeking to better understand Kingston's future infrastructure requirements. Future responses may need to consider alternative funding models to make these schemes affordable. The following scheme and estimated expenditure have been identified: > Kingston New Water Scheme 2021-22 $3.5M	Providing safe drinking water is important to maintaining public health and compliance with legislation, as well as protecting the districts tourist based economy.
Network performance requirements related to: > Fire Fighting Standards (pressure and flow regulations)	Fire-fighting zones need to be reviewed on a regular basis to ensure they remain appropriate as development occurs and water supply boundaries are adjusted or expanded. Council plans to review its water supply pressure zones on at least a 10 yearly basis to ensure that the current network layout is appropriate, efficient and best serving the community. The following schemes and estimated expenditure have been identified: > Wanaka Network Upgrades, 2015-2030, $8M > Queenstown Network Upgrades, 2015-19, $5.4M	Council is required by law to maintain fire-fighting standards.
> Backflow Prevention	The water supply can be contaminated if water is drawn back into the council water supply pipes from a private property or a business premises – this is known as 'back flow'. Council is in the process of developing a set of regulations to better monitor, manage and prevent backflow through its proposed new water services bylaw.	Appropriate network performance upgrades and improving water regulations are required to protect public health and prevent contamination of water supply networks.

Assets critical to service delivery – resilience issues. (When should we invest?)	Principal options (most likely scenario) for response	Implications
Maintaining Queenstown's drinking water source through water supply intakes and key pipelines. Water supply from critical supply chains: > Frankton Road (10km main) > Wanaka (5km main)	Current mitigations are emergency storage in reservoirs, standby pumps, back-up generators and duplicate rising mains on key water intakes and pump stations. Reservoir storage in response to an event is based around 4 hours of peak day flow plus 1 hour of indirect peak flow. Critical assets have been identified through Public Health Risk Management Plans (PHRMPs) and risk management strategies developed. These plans consider how the network will perform when an intake is out of action, and what mitigation options are available. A key decision for the community is how much clean water storage should be provided by council in case of a production outage.	Understanding critical infrastructure risks and resilience issues are important in avoiding water shortages and in some cases water outages. Council has a typical storage provision which allows up to four hours for remedying an issue and fully restoring water production.

Assets critical to service delivery – renewal, maintenance and operating issues (When should we replace it?)	Principal options (most likely scenario) for response	Implications
Current understanding of the condition and actual remaining useful life of these assets needs improving. In particular the understanding of how maintenance costs vary with asset age needs improving so that better decisions can be made to optimise asset lives without undue increases in service failures (minimise lifecycle costs).	The current approach for affordability is to maximise the useful life of existing assets and defer projects as long as it is sensible to. This process is being refined through the use of the updated risk management framework and the application of improved data sources to verify more accurately the assets end-of-life. Implementing condition assessment programmes will improve the understanding of critical assets and manage the risk of failure. Once condition is understood, Council will be able to better predict the remaining lives of its assets, and optimise its new investment programmes and service delivery standards, ensuring lifecycle costs are minimised. Asset information is captured by QLDC's operations contractors which can inform renewal and maintenance programmes. Capital expenditure on renewals of $35M is expected for the period 2015-2045 Significant investment in renewals is expected in the following years: > 2026 Kelvin Heights Pump Station (PS) $0.6M > 2024 Western Wanaka PS $1.3M > 2030 Beacon Point PS $1.4M > 2030 Kelvin Heights PS $0.6M Operational expenditure of $267M is expected for the period 2015-2045. Additional investment is also being made in improving the quantity and quality of information held on key council infrastructure assets. This will progressively enable more robust and timely investment decisions on asset replacement.	Capturing and reporting on asset condition is needed to inform investment decisions, and confirm whether assets will be replaced before the end of their useful life, or only after there is evidence of reductions in the level of service (water outages).

WASTEWATER		
Current and future development needs of the community (including environmental protection) **- Population growth impact** **(How much needs to be invested?)**	**Principal options (most likely scenario) for response**	**Implications**
Providing infrastructure upgrades in response to servicing new developments (population growth). Key areas: > Queenstown CBD to Frankton > Frankton Flats > Wanaka South	Current approach is to maximise the useful life of existing assets by flow management (computer control systems, building storage tanks etc.) and reducing water entering the wastewater system that is not wastewater (inflow and infiltration controls). Future options would also consider reducing the criticality of key assets through providing alternative flow paths (duplicating key pipelines or reconfiguring primary flow routes / bypasses). This approach can help reduce the risk of known single points of failure that would result in discharges of wastewater into lakes and waterways and other high public usage areas. (i.e. the wastewater pump station at Marine Parade) Wastewater capital expenditure of $155M is expected to provide for future increased capacity, reduced risk of overflows and provide additional redundancy within the system.	Growth related projects are important to decrease the likelihood of wastewater overflow events, which could impact the environment, private property and public health. The regional council can issue an abatement notice or prosecute if significant events occur.
Providing new schemes in response to servicing new development (population growth). > Wanaka and surrounds > Already completed in Wakatipu Basin	Future consideration is being given to connecting the towns of Hawea, Luggate and Cardrona to the Wanaka treatment plant. Key decision points are likely to be based on public health, environmental protection and affordability. Future responses may need to consider alternative funding models to make these schemes affordable. The connection of Hawea to the Wanaka wastewater scheme removes the requirement to upgrade the Hawea treatment plant, which is nearing its resource consent limits. 2021 – 2033 Wanaka Treatment Plant – Stages 2 & 3 Upgrades $7.5M	The cost of these schemes may be impacted by resource consent requirements and future levels of service. The regional council can issue an abatement notice or prosecute if significant events occur.

Meeting the TYP Level of Service – 'reliable wastewater collection and treatment services that protect public health and the environment' (When should we invest?)	Principal options (most likely scenario) for response	Implications
Upgrading the Queenstown wastewater treatment plant to reduce adverse effects on the environment through improving effluent quality. Existing resource consents for the current treatment plant have expired and new consents are being sought.	All wastewater generated in the metropolitan areas of the Wakatipu basin is treated at the Queenstown wastewater treatment plant. This has required the decommissioning of and piping of a number of local wastewater schemes to the Queenstown treatment plant located on the Shotover River delta. The current oxidation pond treatment plant is being upgraded to improve discharge quality required by the draft resource consents. The treatment plant is also being upgraded in stages to meet new developments and growth within its service area. This upgrade is known as Project Shotover. Capital expenditure of approximately \$21M is expected for Project Shotover by 2018, with additional staged expenditure for further upgrades planned as: 2018-20 Disposal Field \$8M (resource consent requirement) 2027 Stage 3 Upgrade \$10M (provide for planned growth) 2044 Stage 4 Upgrade \$10M (provide for planned growth)	Completion of Project Shotover is important to protect the Shotover River. The regional council can issue an abatement notice or prosecute if significant events occur.
Improving service delivery whilst maintaining affordability. > Wastewater overflows impacting property	Council has recently increased its proactive maintenance of wastewater pipelines to mitigate blockages before they result in overflows (discharges of wastewater to the environment or private property). Blockages of the wastewater pipes occur when tree roots, foreign matter such as bricks and stones and well as wastewater debris build up over time, blocking the pipes.	Undertaking the proposed actions will help prevent public health issues and contamination of local environments. The regional council can issue an abatement notice or prosecute if significant events occur.
New community wastewater schemes (Currently private schemes and are not Council assets)	Glenorchy and Cardrona are areas of interest to Council for new or alternative schemes due to existing public health risks. Key decision points are based on environmental protection, protection of public health and affordability. Capital expenditure is expected for these schemes. > Cardrona by 2018, \$3.6M > Glenorchy by 2017, \$5.3M	Completion of these projects is important to mitigate the effects of potential contamination of local water bodies, which could impact tourism and the local economy.

Assets critical to service delivery – resilience issues. (When should we invest?)	Principal options (most likely scenario) for response	Implications
Critical infrastructure risk (preventing single points of failure / ability to take assets out of service for maintenance). Preventing contamination of water sources/ supplies (lakes and rivers).	The current response is focused on pump station (mechanical) and power outages. Critical assets have been identified and formal risk management strategies are being developed. A framework has been developed for 'at risk' pump stations – a programme of works identified to address high risk sites. Future options would consider reducing the criticality of key assets through providing alternative flow paths (asset duplication, catchment diversion or bypasses). This approach can help reduce the risk of known single points of failure that result in discharges of wastewater into lakes and waterways and other high public usage areas. High level risk areas include Wastewater Transmission (Pump Stations and Mains): Frankton Beach PS, Marine Parade PS, Dungarvon Street PS, Project Pure Main PS, Riverbank Road PS, Lake Hayes Road PS, Frankton Road Sewer, Kelvin Heights Sewer, Project Pure Rising Main Wastewater Treatment Plants: Shotover WWTP, Wanaka WWTP, Hawea WWTP	Undertaking network improvement projects will mitigate the risk of wastewater overflows, which could impact public health and property. The regional council can issue an abatement notice or prosecute if significant events occur.

Assets critical to service delivery – renewal, maintenance and operating issues (When should we replace it?)	Principal options (most likely scenario) for response	Implications
Assets will generally be replaced at the end of their useful life. Some more critical assets will be replaced in accordance with condition and risk assessments. Current understanding of the condition and actual remaining useful life of these assets needs improving. In particular the understanding of how maintenance costs vary with asset age needs improving so that better decisions can be made to optimise asset lives without undue increases in service failures (minimise lifecycle costs).	The asset replacement programme is currently based on assets reaching their end of useful life (asset failure or repeat failures). This approach is widely used for non-critical assets at other towns around New Zealand. The register of critical assets is being revised to capture better information on condition, remaining asset useful life, and risk of failure. In addition, detailed engineering inspections are planned to improve understanding and maximise asset operating life, while managing risks. Capital expenditure on renewals of $71 M is expected for the period 2015-2045 Operational expenditure of $180 M is expected for the period 2015-2045. Additional investment is also being made in improving the quantity and quality of information held on key council infrastructure assets. This will progressively enable more robust and timely investment decisions on asset replacement.	Improving understanding of critical assets is important in mitigating the risk of not meeting resource consent conditions, which could result in prosecution under the Resource Management Act. In addition, cross connections and infiltration (rain and ground water entering the wastewater system causing it to become overloaded) will continue to be of importance. As the piped network ages, the volumes of ground water and rainwater entering the network may increase, affecting capacity.

STORMWATER

Current and future development needs of the community (including environmental protection) - Population growth impact (How much needs to be invested?)	Principal options (most likely scenario) for response	Implications
Providing timely infrastructure upgrades in response to servicing new developments (population growth). Key areas: > Frankton Flats > Wanaka South Key Issue – avoiding an increase in the frequency and severity of stormwater ponding events as development continues and weather patterns change.	Catchment management plans are currently focussed on developer led solutions in these key areas. Council are focused on providing the best mix of piped stormwater networks and overland flow paths. This approach is used in other areas of New Zealand to manage investment costs, while maintaining amenity values in open spaces and natural water courses. A small number of projects have been included in the councils TYP over the next 10 years to progressively upgrade and improve stormwater services. Council is aware that failure to provide an adequate stormwater system also increases the likelihood of overloading of the wastewater systems, resulting in wastewater overflows, and possible resource consent breaches at treatment plants. Stormwater growth investment is planned, including: > Wanaka - Stone St reticulation upgrade $4m > Wanaka - Rata St / Aubrey Road Upgrade $3.5m > Queenstown Stormwater - Horne Creek to Rec Ground $4m > Queenstown Stormwater - Design and Minor Works $23m > Frankton Flats Stormwater - $4m This programme is in the process of being reviewed alongside the councils Subdivision code of practice / infrastructure design manual and the latest climate change predictions.	Undertaking network improvement projects will help maintain property and public safety (ponding) on roads and footpaths. In addition, the improvements would help mitigate the risk of overloading the wastewater system with stormwater.

Meeting the TYP Level of Service – 'storm water drainage services protect public health and private properties' (When should we invest?)	Principal options (most likely scenario) for response	Implications
Providing timely infrastructure upgrades in response to improving effectiveness of services and minimising adverse effects (discharge quality and quantity) on the environment. Responding to flooding events in the Queenstown and Wanaka CBDs associated with lake levels.	Councils draft catchment management plans (CMPs) identified expenditure to increase the current levels of service and address future predicted stormwater issues. This programme is currently under development in conjunction with the infrastructure design manual before being consulted on through the 2018 TYP process. The implications of the Otago Regional Council's "Proposed Plan Change 6A (Water Quality) Regional Plan: Water for Otago" may impact on the levels of service for receiving water, requiring additional expenditure in the future. Continued engagement with the Otago Regional Council and Central Otago District Council on the future requirement for improved flood protection schemes and management of the broader watershed (i.e. acceptable lake levels and river capacity.)	Monitoring and responding to broader watershed issues is important in reducing the frequency of lake flooding into low lying development areas. Engaging with ORC and CODC is important in ensuring quality stormwater outcomes for the district.

Assets critical to service delivery – resilience issues (When should we invest?)	Principal options (most likely scenario) for response	Implications
Critical infrastructure risk (culvert blockage from debris during rainfall event, increasing the risk of flooding to land and property). Slips and landslides could also result from flooding or overloading of stormwater infrastructure.	Council proactively inspects and clears key stormwater culverts ahead of a predicted heavy rainfall event. Council also reactively responds to flooding events on an as reported basis. This type of response is appropriate and best meets current needs and rainfall patterns of the district. Council will continue to monitor key stormwater culverts and the debris captured (type and scale) to enable its land development policies and stormwater management practices remain efficient and effective.	Understanding critical infrastructure and proactively undertaking maintenance (inspections and clearing) will help reduce the frequency and likelihood of localised stormwater flooding events and risk to property.

Assets critical to service delivery – renewal, maintenance and operating issues (When should we replace it?)	Principal options (most likely scenario) for response	Implications
Assets will generally be replaced at the end of their useful life. Some more critical assets will be replaced in accordance with condition and risk assessments. Current understanding of the condition and actual remaining useful life of these assets needs improving.	Renewals programme is currently based on remaining asset useful life, although there is limited knowledge of asset age and condition. The current approach for affordability is to maximise the useful life of existing assets and defer projects as long as it is sensible to. Significant investment in renewals is expected in years 2035 and 2036 in Wanaka and Queenstown. Operational expenditure of $18M is expected for the period 2015-2045. Capital expenditure on renewals of $8M is expected for the period 2015-2045 Additional investment is also being made in improving the quantity and quality of information held on key council infrastructure assets. This will progressively enable more robust and timely investment decisions on asset replacement.	Improving understanding of critical assets may well help mitigate the frequency of localised stormwater flooding events, which can impact property.
Council operates secondary and overland flow paths, these assets are often used as amenity areas by the public and community ie. rec ground next to Memorial Hall	Secondary and overland flow paths are an important option in managing large rainfall events as they remove the requirement for over investment in stormwater pipelines. Council will consider on a case by case basis other areas where secondary and overland flow options are preferable to construction of large stormwater pipes.	Improved use of secondary and overland flow paths can reduce the required investment in stormwater networks and in addition it serves as an effective method of reducing possible effects of erosion and overloading stormwater systems.

TRANSPORT		
Current and future development needs of the community (including environmental protection) - Population growth impact (How much needs to be invested?)	**Principal options (most likely scenario) for response**	**Implications**
Frankton Road is a fundamental component of transportation in the Wakatipu Basin, connecting Queenstown Town Centre with Frankton, the airport and satellite areas including Kelvin Heights, Jacks Point, Quail Rise, Lower Shotover, Lake Hayes and beyond. Forecasted traffic growth may result in major delays and by 2026, bumper to bumper traffic, travelling an average speed of 20km/h.	Public transport improvement options include: > In the short term regular bus services > Longer term 'park and ride' facilities and water-based ferry services. > Dedicated bus / multi passenger lanes. > Upgrade intersections and reducing turning movements. > Potential road widening and increase to four lanes. > Secondary route from Frankton to Gorge road (via Tucker Beach) or connection from Kelvin Peninsula. At this time, light rail solutions are not considered feasible.	Public transport solutions are required to minimise delays and congestion. The business case for road widening and secondary route options will need to consider: > Acquisition of land/property; > Capital expenditure; > Environmental impact; > Community safety; > Local economy.
Congestion in Queenstown Town Centre.	Establish a primary alternative route from Frankton Road to One Mile Roundabout, via Melbourne Street, Henry Street, Man Street and Thomson Street. Key Project: Queenstown Town Centre Strategy - Capital expenditure estimated in the range of $26M	Improvements are aimed at easing the congestion impact on Stanley Street and Shotover Street as part of the Town Centre street network. The business case for establishing a primary alternative route to alleviate congestion will need to consider: > Acquisition of land/property; > Environment; > Community safety; > Local economy.

Meeting the TYP Level of Service – 'a transport network that accommodates seasonal and future growth' (When should we invest?)	Principal options (most likely scenario) for response	Implications
In Frankton, develop a network of roads in support of growth, including Queenstown Events Centre, Frankton Flats, Remarkables Park, Queenstown Airport and schools.	> New roads to and within Frankton Flats (including land rezoned through plan change 19). > State highway improvements (road widening and intersection improvements). > Eastern Arterial Road (link road connecting Glenda Drive to the airport and south). > Secondary access to Queenstown airport (Tex Smith Lane). > Connection between Eastern Arterial Road and new Kawarau Falls Bridge. > Secondary access to Queenstown Events Centre. The following project has been identified: - Eastern Arterial new road – link SH6 $9M 2020 * * The timing for this project has been brought forward to 2018 in the draft TYP.	The business case for a network of roads to support growth will need to consider: > Acquisition of land/property; > Growth of new businesses; > Improving access to Remarkables park, schools and airport to maintain traffic flow; > Safe access to the Events Centre from SH6 by managing congestion.
In Wanaka, to develop a network of roads to support growth areas, including greenfield development area Three Parks, Wanaka sports facility and north Wanaka.	Provision of new roading network, and longer term public transport connection. New roads to and within Three Parks with the possible linkages to State Highway 6 (potentially a roundabout between Puzzling World entrance and Andersons Road roundabout) North eastern corridor (Ballantyne, Hedditch and Lismore Roads).	Completion of works will alleviate pressure on the state highway connection between Albert Town and Wanaka, and a North eastern corridor provides secondary access via north Wanaka. The business case for a network of roads to support growth will need to consider: > Acquisition of land/property; > Growth of new businesses;
Community reliance on cars as primary mode of transportation resulting in traffic congestion and delays. This is currently observed between Queenstown and its satellites and is predicted longer term to occur in Wanaka as growth areas develop.	> Improved provision of public transport services (i.e. increased frequency and routes of services). > Investigate incentives and improve public education for increasing patronage of public transport services. > Provision of alternative routes to reduce congestion in known hotspots (i.e. CBD and Queenstown Town Centre Strategy, connections between Queenstown and Frankton, and other high growth areas including Kelvin Heights and Jacks Point). > Longer term, as development intensifies in Wanaka, provide alternative routes with growth areas of Three Parks (including new Wanaka Sports Facility), north Wanaka and Albert Town. > Free car parking for car pools.	Providing an efficient and effective public transport system may help reduce reliance on private cars, ease congestion and delays and improve safety which may ultimately affect the local economy.

Meeting the TYP Level of Service – 'a transport network that accommodates seasonal and future growth' (When should we invest?)	Principal options (most likely scenario) for response	Implications
Visitor and resident ability to access businesses and accommodation through car parking in town centres. Wanaka – predicted that an additional 270 car parks may be required by 2026.	> Development of 'park and ride' facilities > In Queenstown - development of car parking in Athol Street, Boundary Street and Ballarat Street. > Wanaka - re-configure existing car parking areas and investigate provision of new car park facilities. > Review District Plan car parking rules. > Manage car parking demand through improved cycling, walking, parking pricing and education. > Improve public transport	Easing town centre congestion and overflow of parking into residential areas will help maintain the tourist experience and residents use of the town centres.
'Nga Haerenga - The New Zealand Cycle Trail' Expanding the NZ cycleway network through the Queenstown Lakes District to provide for growth of cycling and cycle tourism.	Support the NZ Cycle Trail Network Expansion Project, including potential links between Wakatipu basin, Wanaka and the West Coast. Expansion of trails within QLDC needs to be balanced with the on-going maintenance costs of these networks.	Growth in cycle tourism may economically benefit the district.
Cycleway and walkway networks to be formed, with appropriate signage and surfacing. Network to provide an alternative to roads / vehicle transport and also to develop as a district attraction in their own right.	Route improvement projects, new tracks and upgrading existing tracks. Combined upgrades, for example Mt Aspiring Road.	Increasing patronage on cycleways and footpaths may help ease congestion.
Accessible and safe cycle and walkways that attract people away from roads.	Connection of cycleways to provide alternative "off road" network. Provision of dedicated cycle lanes Safety improvements including targeting intersections, speed limits, lighting. Cycle safety and education programmes, in particular targeting schools.	Cycle safety, is a necessary part of cycling becoming an acceptable alternative to vehicle use, particularly for school children.
Limited public transport currently operating in district options, in particular bus and ferry services. Vehicle numbers (utilisation) on main roads are reaching levels such that it is becoming more difficult for pedestrians to cross the road (i.e. to access bus stops along Frankton Road in particular).	Develop 'park and ride' facilities and connection with ferry services on Lake Wakatipu. Provision of improved / safe bus stops and shelters. Access to bus stops to include safe pedestrian access across main roads, in particular Frankton Road. (i.e. pedestrian crossings, traffic islands with safety barriers and/or provision of traffic lights)	Improving accessibility and safety of people getting to, and on public transport will increase the viability of alternative transport and help reduce congestion.

Meeting the TYP Level of Service – ‘a transport network that accommodates seasonal and future growth’ (When should we invest?)	Principal options (most likely scenario) for response	Implications
Pressure to improve access to Mt Aspiring National Park via Mt Aspiring and Glenorchy Roads	To extend sealing up to key National Park Car parks. Capital expenditure allocation of $2.6M in 2018-2021 for seal extensions	It is important that infrastructure capacity is able to cope at peak times to ensure traffic flow and access to events that support the local economy.
Major tourist attractions, events and holidays creating traffic peaks that combined have the potential to gridlock the network. For example ski season and summer school holidays and in Wanaka combination of Easter and the biannual Warbirds event.	Intersection upgrades. Consider a CBD bus interchange. Bus parking (overnight) to be provided out of town centre.	It is important that existing infrastructure capacity is able to cope at peak times to ensure traffic flow and access to events that support the local economy.
Ensuring sufficient space for coach manoeuvring and parking, particularly in town centres and at accommodation nodes.	Intersection upgrades Bus parking (overnight) to be provided out of town centre.	Maintaining pedestrian safety, managing congestion and pollution (air quality and noise) are important to the tourist and resident experience of town centres.
Increased pressure to seal unsealed roads as vehicle numbers increase throughout the district, there will be increased patronage of ‘back’ roads, exposing drivers to conditions they may not be used to.	Provision of clear signage at entrance ways to key unsealed roads warning drivers of road condition. Provision of speed limit signs at bends on unsealed roads. General speed restrictions on all unsealed roads. The One Network Road Classification (ONRC) will drive QLDC to assess the economic and social outcomes of any decisions made on the works programme. Consider maintenance costs of sealed and unsealed roads and does this drive value for money for the community.	Appropriate information for drivers of the road conditions and speed limits / restrictions is an important safety measure.
> Limited routes into district via state highways: Kingston to Frankton, > Kawarau George to Queenstown, > Tarras to Wanaka and > West Coast (Haast Pass) to Wanaka. Routes susceptible to closure from accidents and major natural events, including, flooding, snow, avalanche, subsidence, rock falls, landslides and fire.	NZTA stabilisation works at Nevis Bluff. NZTA upgrading of Kingston Road - slumping and rock stabilisation works. Haast Road prone to landslide – NZTA improved travel warning systems. NZTA winter maintenance programmes.	Closure of routes results in lengthy diversions (2 to more than 10 hours) with disruption to travel and tourist connections. Stabilisation helps ensure road user safety.

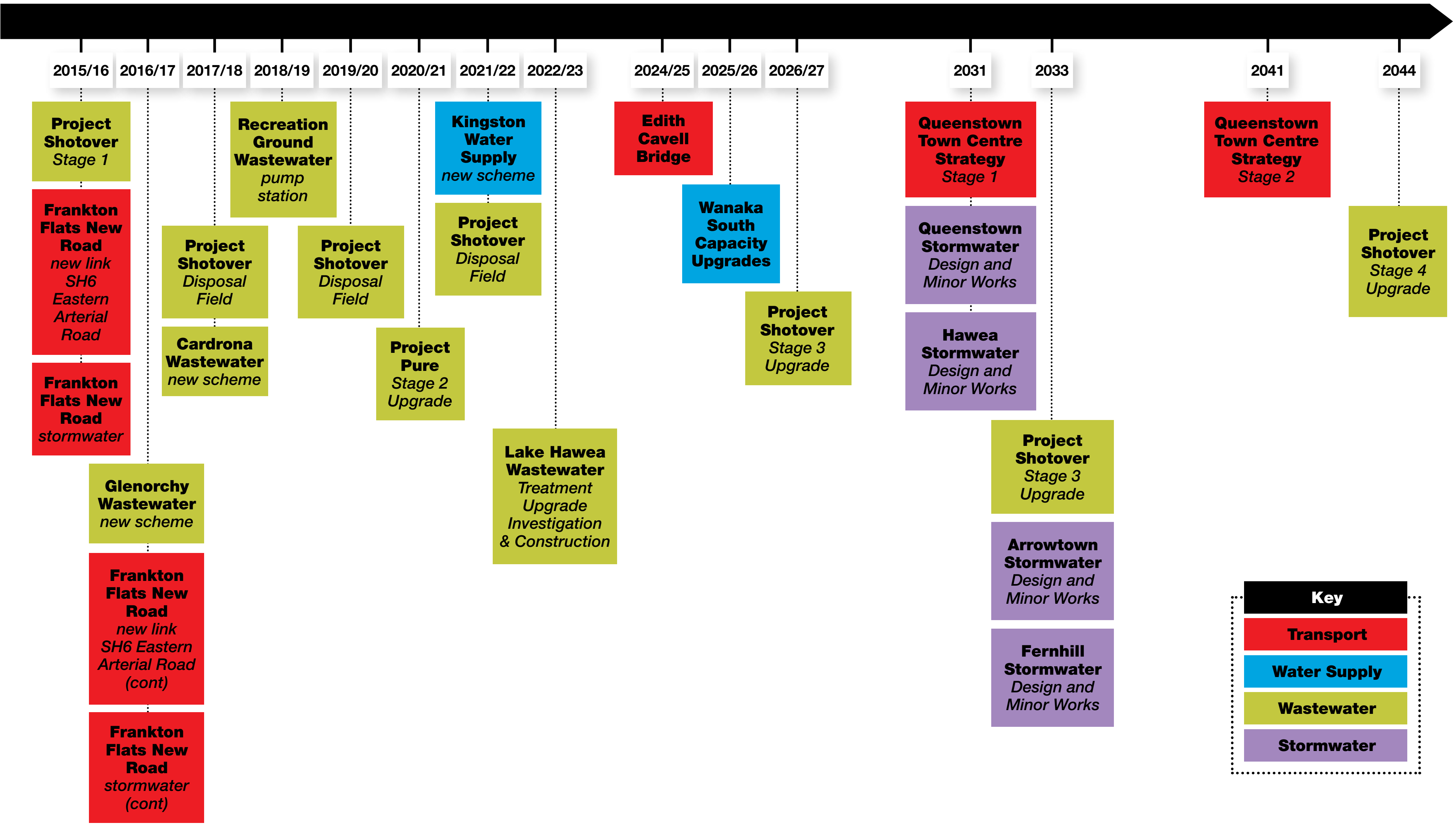
Meeting the TYP Level of Service – 'a transport network that accommodates seasonal and future growth' (When should we invest?)	Principal options (most likely scenario) for response	Implications
Crown Range Road provides most direct route between Queenstown and Wanaka and to Cardrona / Snow Park ski areas. Winter conditions and inexperienced tourist drivers contribute to accidents. Susceptible to closure in natural events (rock falls / landslides) and winter conditions - snow/ice. Heavy and long vehicles are diverted via SH6 through Cromwell.	Manage winter conditions on Crown Range Road, including grit programme and snow ploughing. Upgrading of road surface and installation of passing bays and lanes. Weather and tourist information and education. SH6 via Cromwell to remain as heavy and long vehicle route.	Council operates an annual programme for managing winter conditions to reduce associated risks.

Assets critical to service delivery – resilience issues (When should we invest?)	Principal options (most likely scenario) for response	Implications
State highway (NZTA) bridges over Kawarau and Shotover Rivers at Kawarau Falls, Kawarau Bungy/Chard Road, Victoria Flats and Lower Shotover/Quail Rise, vulnerable to damage from earthquakes and flooding (single points of network failure). Historic Kawarau Falls Bridge only southern connection, one way with traffic delay times increasing and no earthquake strengthening.	Proposed new Kawarau Falls Bridge - two lane bridge downstream from Historic Kawarau Falls Bridge (NZTA). The historic Kawarau Falls bridge will be retained as a pedestrian and cycleway. NZTA will continue to monitor and manage its key state highway assets. NZTA asset management plan 2015-18 - capital expenditure $17 M.	Funding required to strengthen historic bridge and for on-going maintenance.
Historic Edith Cavell Bridge over Shotover River at Arthurs Point (Heritage New Zealand Category 1) provides only alternative access into Queenstown. This historic bridge is one lane with limited driver visibility and tight horizontal and vertical alignment onto/off the bridge and no provision for pedestrians or cyclists.	Add cycleway and footbridge. Earthquake strengthening and new bridge. Capital expenditure required: cycleway and footbridge $750,000 and +$1m for earthquake strengthening. The new bridge is beyond the 30 Year Strategy.	Traffic wait times increasing and safety issue around vehicles queuing.
Rural bridges vulnerable to damage from earthquakes and flooding, including landslides.	Bridge work to address load / seismic capacity, flood capacity, height and width restrictions and safety and side protection standards. Remedial work on Rees bridge. Capital expenditure on Rees River bridge - $3M.	Risk factors to rural bridges include scour susceptibility, seismic robustness and durability and degradation. Bridges critical to providing access to rural communities.

Assets critical to service delivery – renewal, maintenance and operating issues (When should we replace it?)	Principal options (most likely scenario) for response	Implications
Increased rates of deterioration of sealed road surfaces, pavements and footpaths due to traffic growth, increased tourist vehicles, storm events and extreme winter freeze / summer bake climate conditions.	On-going programme of sealed road resurfacing and pavement rehabilitation work. Programme of winter snow ploughing, de-icing and gritting in conjunction with education and road reports.	Completion of works is important to improve safety and network reliability, which impact the economy and local communities.
Deterioration of unsealed roads with potential isolation of rural communities and tourist inaccessibility.	On-going programme of re-metalling and sealing On-going investigation into supply and Otta sealing programme.	Minimising deterioration of unsealed roads may improve safety and level of service.

Major Projects Timeline (most likely future scenario)

Following the analysis of context, capital expenditure drivers, significant issues and risk, the major new infrastructure projects (defined for the purpose of this strategy, as being $3.5 million or more of capital expenditure) expected to be undertaken in the 2015-45 period are shown in the timeline below.



Indicative Estimates and Key Assumptions of Projected Capital and Operating Expenditure

The capital programme in the Infrastructure Strategy includes all projects regardless of priority, whilst the TYP only includes projects that rate above a priority score.

All expenditure in this section is represented in 2015/2016 dollars and has not been inflated for future years. Expenditure is inflated for future years within the TYP.

The following table reflects QLDC's methodology for applying inflation to the capital forecasts. We source economic predictions from Business and Economic Research Limited (BERL is a NZ company who specialise in economic research, analysis, advice and consultancy):

TABLE 1 APPLYING INFLATION TO CAPITAL FORECASTS (REF: RATIONALE MAY 2015)

Investment Years	Uninflated Capex		Inflated Capex	
	Transportation	Three Waters	Transportation	Three Waters
2016 - 2020	$65,611,624	$92,324,443	$67,470,625	$99,354,147
2021 - 2025	$45,898,313	$58,461,892	$53,448,934	$74,263,852
2026 - 2030	$36,051,389	$118,331,357	$47,901,289	$180,212,623
2031 - 2045	$144,851,483	$193,269,344	$238,329,240	$392,823,493
TOTAL	**$292,412,809**	**$462,387,036**	**$407,150,087**	**$746,654,114**

Infrastructure Investment Programme

Total Expenditure

In addressing the issues identified in the previous section of this strategy, QLDC expects to spend around $754m on new or replacement infrastructure between 2015 and 2045. Over the same period, $565m is expected to be spent on operating costs, (excluding depreciation and interest, including operations, maintenance and overheads). No allowance has been made for growth and inflation. These figures are anticipated to be spread across the infrastructure asset activity areas as follows:

TABLE 2 TOTAL INFRASTRUCTURE SPEND 2016 – 2045 (CAPITAL & OPERATIONAL)

Infrastructure Activity	Capital Expenditure	Operational Expenditure
Water	$190,115,248	$145,932,756
Wastewater	$229,338,337	$185,492,811
Stormwater	$42,933,451	$18,273,470
3 Waters total	**$462,387,036**	**$349,699,037**
Transport	$292,412,809*	$214,994,010
TOTAL	**$754,799,845**	**$564,693,046**

* These values are predicted to reduce through the implementation of ONRC

Total annual expenditure for both 3 Waters and Transport for the 30 year period is shown in Figure 4.

FIGURE 4 TOTAL INFRASTRUCTURE SPEND (CAPITAL & OPERATIONAL) 2016-2045

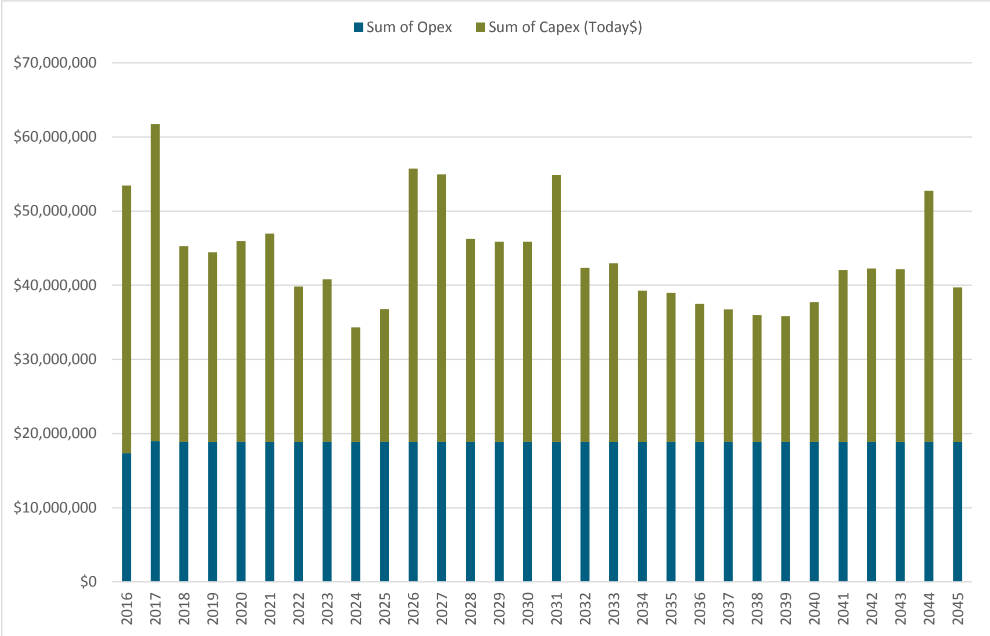


Figure 5 shows that capital and operational spend are generally split evenly. The exceptions are in years 2016 and 2017 which is driven by Project Shotover – Queenstown wastewater plant upgrade, with further stages of Project Shotover expected in 2026 and 2027.

Figure 6 highlights increased capital spend in years 2020 and 2025 due to the Eastern Arterial and Edith Cavell Bridge projects.

FIGURE 5 TOTAL INFRASTRUCTURE SPEND (CAPITAL & OPERATIONAL) FOR THREE WATERS 2016-2045

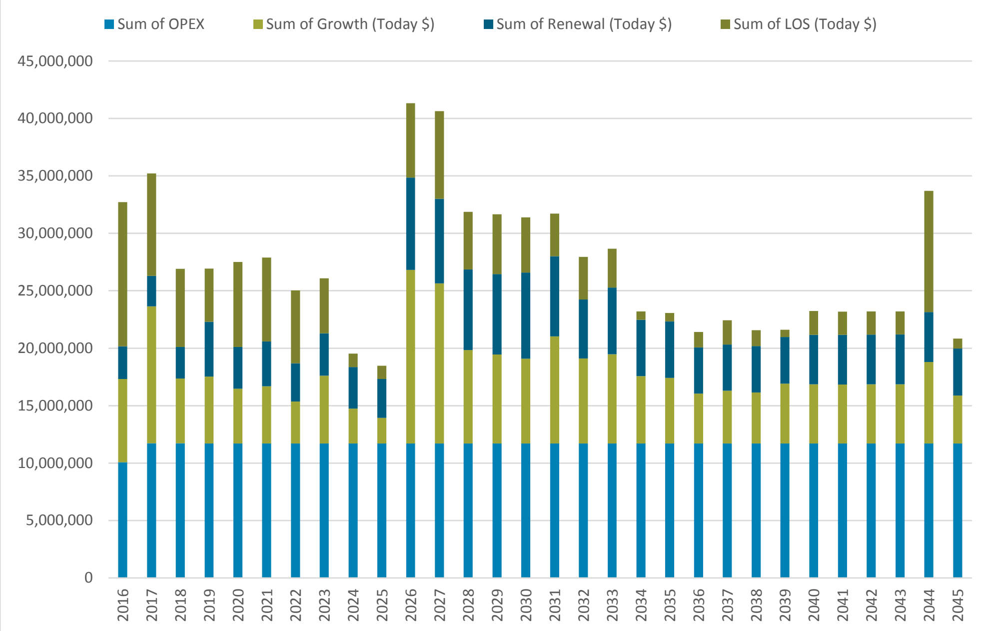
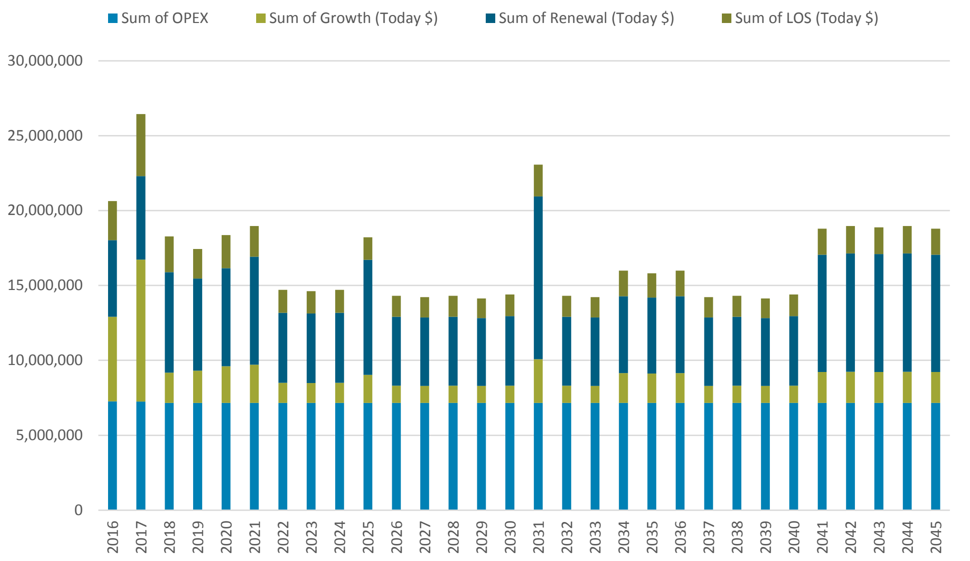


FIGURE 6 TOTAL INFRASTRUCTURE SPEND (CAPITAL & OPERATIONAL FOR TRANSPORT 2016-2045



Capital Expenditure Highlights

Figure 7 & 8 shows the expected expenditure year-on-year up to 2045 for 3 Waters, by driver (growth, asset renewal or level of service). Capital expenditure is projected to exceed $15 million for 4 of the years, as highlighted below:

- 2016/17 – Project Shotover Upgrade Stage 1
- 2017/18 – Frankton Flats new road – Eastern Arterial Road
- 2026-27 – Wanaka growth projects (service reservoir and rising mains
- 2026-27 – Project Shotover Upgrade Stage 3

Spend in the first ten years is driven by growth and delivering levels of service to the district.

FIGURE 7 INFRASTRUCTURE THREE WATERS EXPENDITURE PROJECTIONS 2016-2045 (BY DRIVER (GROWTH, IMPROVEMENTS, RENEWALS))

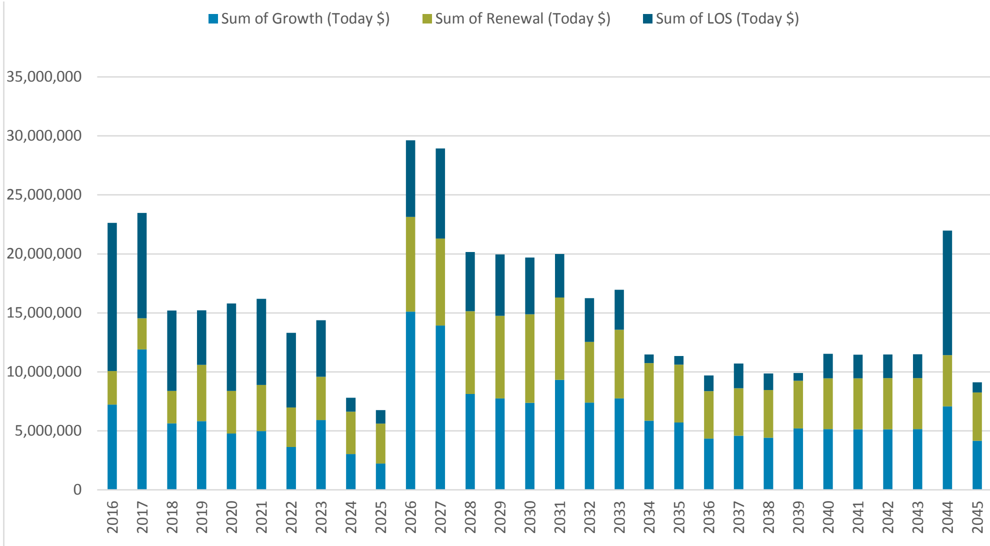
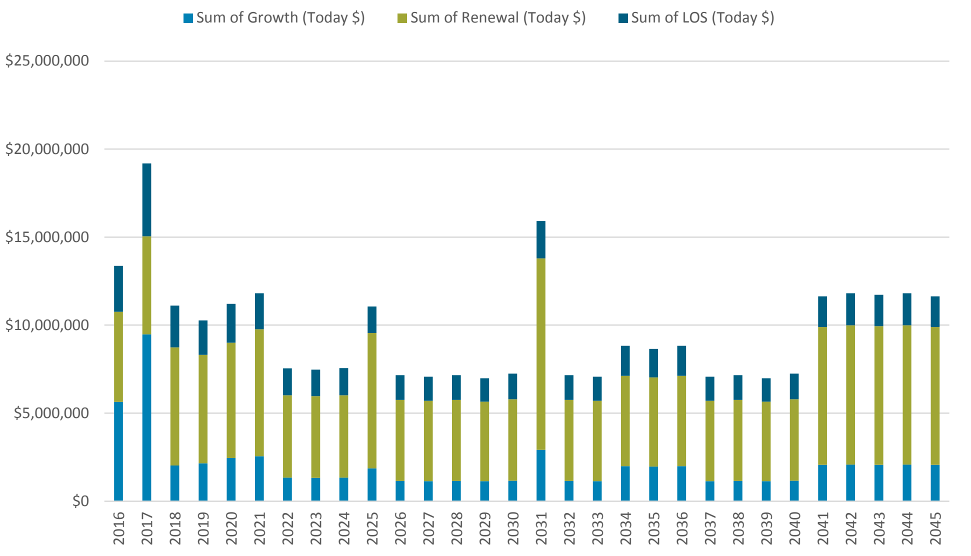


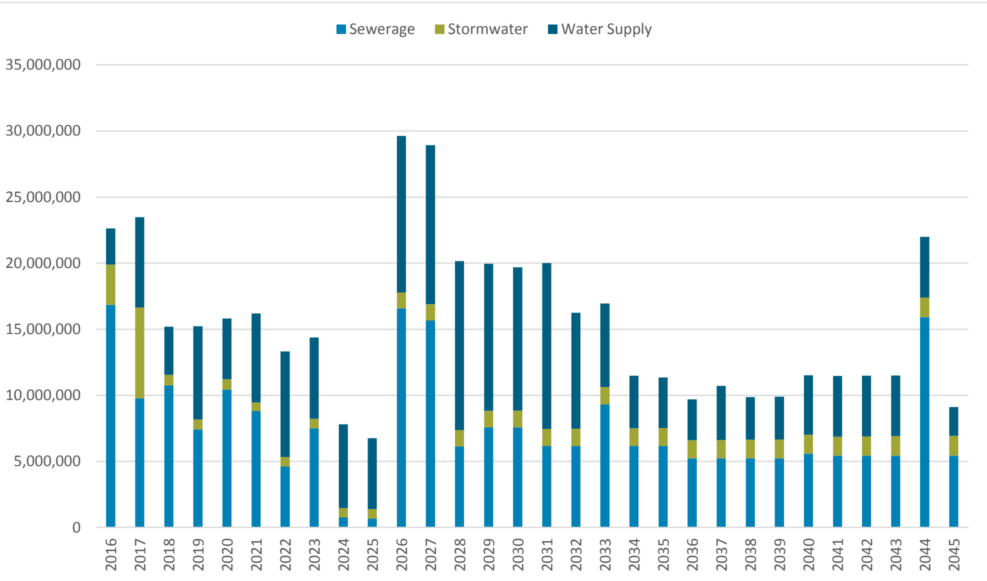
FIGURE 8 INFRASTRUCTURE TRANSPORT CAPITAL EXPENDITURE 2016-2045 (BY INFRASTRUCTURE ACTIVITY)



Total capital expenditure by each of the three waters activities is shown in Figure 9 below.

Expenditure in the first 2 years of the period is driven by wastewater expenditure due to Project Shotover. Expenditure to 2026 is then broadly split between water and wastewater with minor spend on stormwater infrastructure.

FIGURE 9 INFRASTRUCTURE THREE WATERS CAPITAL EXPENDITURE 2016-2045 (BY INFRASTRUCTURE ACTIVITY)



Operational expenditure for the 30 year period is shown in Figures 10 and 11 (excluding depreciation and interest, including operations, maintenance and overheads). No allowance has been made for growth or inflation. Operational costs for wastewater undergo a step change increase in 2017 following the completion of the Project Shotover wastewater plant upgrade, but are otherwise expected to remain flat. It is expected that this will result in a decrease in costs on a per capita basis over time.

FIGURE 10 INFRASTRUCTURE THREE WATERS OPERATIONAL EXPENDITURE 2016-2045 (BY INFRASTRUCTURE ACTIVITY)

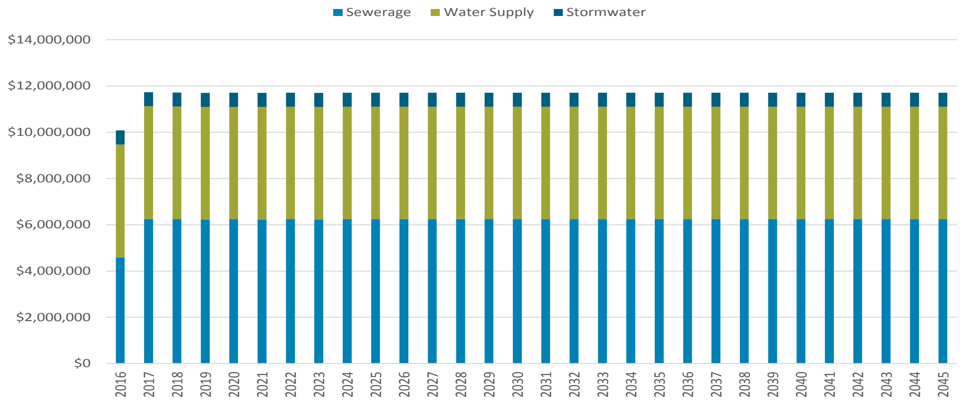
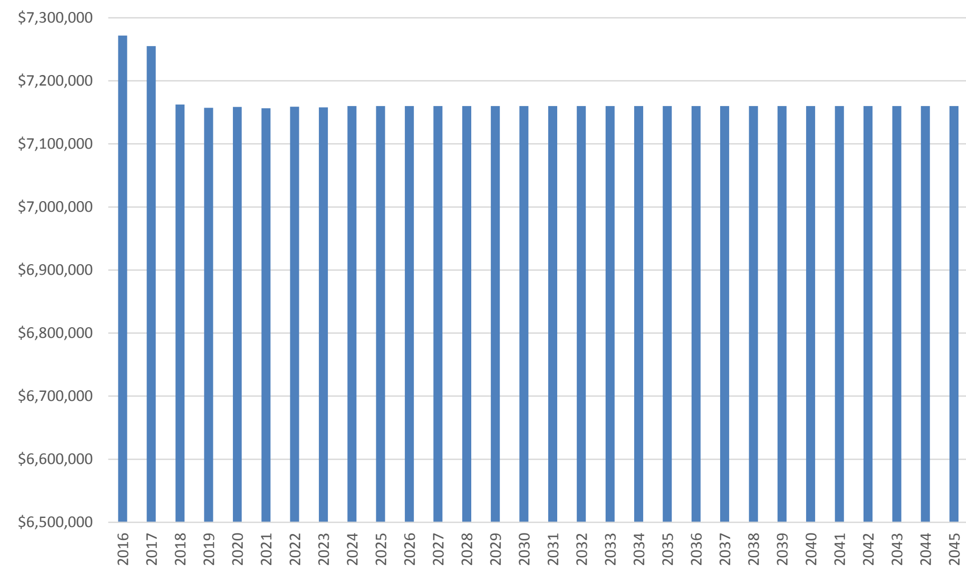


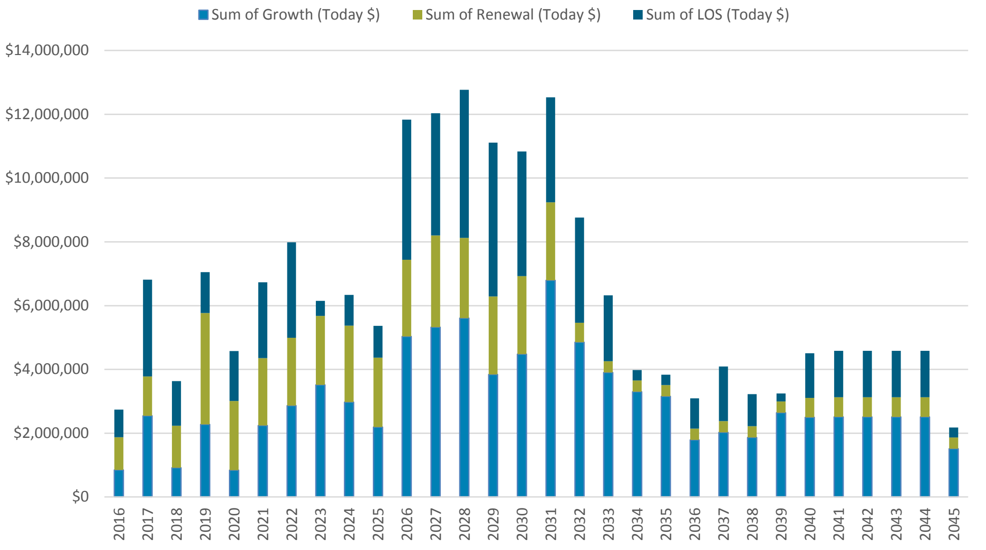
FIGURE 11 INFRASTRUCTURE TRANSPORT OPERATIONAL EXPENDITURE 2016-2045 (BY INFRASTRUCTURE ACTIVITY)



Major Water Capital Works Programme Summary

Figure 12 illustrates the projected capital expenditure associated with the management of QLDC water infrastructure assets out to 2045.

FIGURE 12 WATER CAPITAL EXPENDITURE 2016-2045 (BY DRIVER)



Major new infrastructure projects (defined, for the purpose of this strategy, as being $3.5 million or more of capital expenditure) that are expected to be undertaken in the 2016-2045 period are shown in the table below. The estimated capital costs are expressed in 2016 New Zealand Dollars.

Major Work - Water	Cost	Timing	Assumption
Wakatipu District - New Water Supply (Jardines Intake)	$39M	2025 to 2035	A new intake, treatment plant and network infrastructure for Queenstown and surrounding communities, to meet future growth, and drinking water standards (further investigation work required)
Frankton Flats Capacity Upgrades	$6.5m	By 2022	Investment will be driven by growth.
Wanaka South Capacity Upgrades	$8M	By 2025	Investment will be driven by development and growth.
Kingston New Water Supply	$3.5m	2021	Assumed water and wastewater schemes will occur at the same time to introduce delivery/procurement efficiencies

Implications of uncertainty - Water

The network expansion and treatment rationalisation programmes of the water supplies are understood at a concept level. Detailed planning investigations will be required to confirm preferred pipeline alignments, sizes and locations of reservoirs. Decisions around rationalisation of treatment and water takes will require broader consultation with the community and the Ministry of Health. As such the Council does not currently hold resource consents to enable these programmes to proceed at this time. Once further analysis has been completed, Council will seek to engage with key stakeholders prior to seeking resource consents to enable the works to proceed. Resource consents are expected to take up to two years to be granted from date of lodging an application. The specific conditions contained within any future resource consents have the potential to add further costs to water supply projects, either during their construction or for the duration of the useful life of the scheme. These will need to be understood from a risk and affordability perspective to ensure any decision for investment is sound and in the best interests of the community.

Although there is a high level of confidence in resident population growth projections, there is less certainty around future consumption (consumer usage) rates. Consumption rates affect overall demand for services and depending on the effectiveness of any demand management programmes, the timing of some investments may be able to be deferred. In addition, a greater understanding of visitor projections and consumption rates is required to ensure investment programmes are timely and affordable.

The treatment solutions identified for the new Queenstown intake have assumed that filtration treatment will be required in combination with disinfection treatment in order to meet the national drinking water standards. However, if the current treatment trials for implementing disinfection only treatment are able to prove compliance with the drinking water standards, the planned investment in filtration treatment will be deferred possibly by a decade or longer.

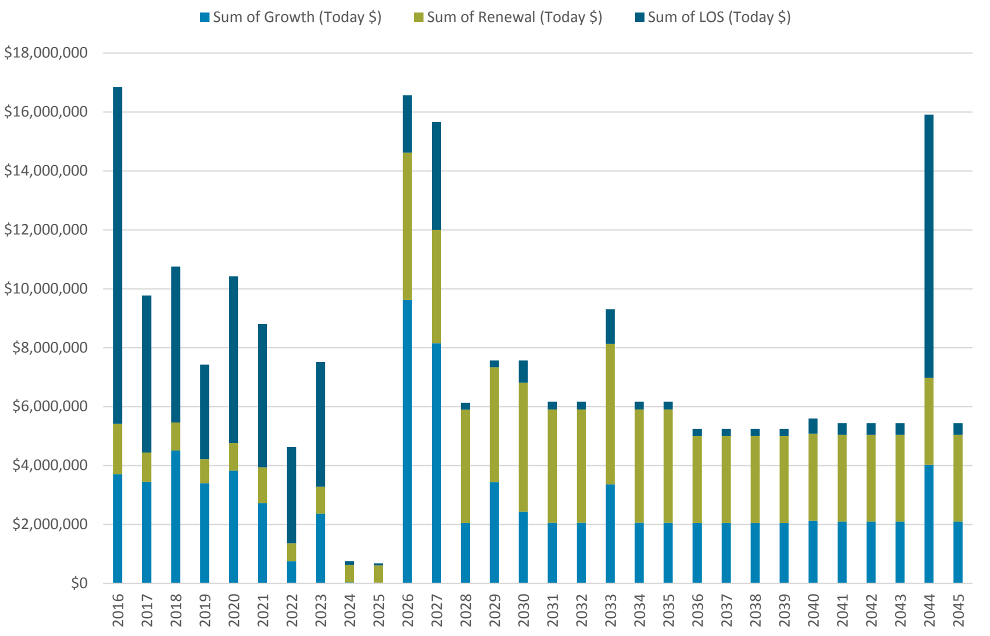
The Council's small (community) water treatment schemes have assumed UV treatment only will be required to meet drinking water standards as they typically use bore water. However, if additional treatment such as filtration is required, this will require an increase in the investment required.

If Council were to decide to take over the management and operation of private water supply schemes, upgrades may be required to meet drinking water standards, which are currently not planned for in this strategy.

Major Wastewater Capital Works Programme Summary

The chart below illustrates the projected capital expenditure associated with the management of QLDC wastewater infrastructure assets out to 2045.

FIGURE 13 WASTEWATER CAPITAL EXPENDITURE 2016-2045 (BY DRIVER)



Major new infrastructure projects (defined, for the purpose of this strategy, as being $4million or more of capital expenditure) that are expected to be undertaken in the 2016-2045 period are shown in the table below. The estimated capital costs are expressed in 2016 New Zealand Dollars. Excluded from this are the new Cardrona and Glenorchy Wastewater schemes as costs are below the $4M threshold.

Major Work - Wastewater	Cost	Timing	Assumption
Project Shotover – Stage 1	$21M	2015 and 2018	Contractors appointed – scheme has commenced
Project Shotover – Disposal Field	$8m	2022	
Project Shotover – Stage 3 & 4 Upgrades	$20m	2027 2044	$10M per stage assumed to upgrade the treatment plant with latest technology / level of service driven
Project Pure – Stage 2 & 3 Upgrades	$7.5M	2021 2033	$3.75M per stage assumed to upgrade the treatment plant with latest technology / level of service driven
Lake Hawea Wastewater Treatment Upgrade Investigation and Construction	$4.2M	2023	A decision will need to be made to connect to Project Pure (Wanaka wastewater scheme) prior to the Lake Hawea consent expiring
Glenorchy New wastewater Scheme	$4.3M	2017	Scheme will commence in the 2015 TYP period, driven by community need and affordability

Implications of Uncertainty - Wastewater

Understanding the size of rainfall events is important when defining acceptable levels of risk and defining future programmes of investment. The impacts of significant events (and back to back events) are not understood in detail, and there is therefore some uncertainty around capacity driven infrastructure projects. The performance of any drainage system can also be heavily influenced by lake levels and rates of ground water infiltration. The consequence of these variables is some of these investments may be less effective than was planned and potentially increased investment may be required to meet agreed outcomes.

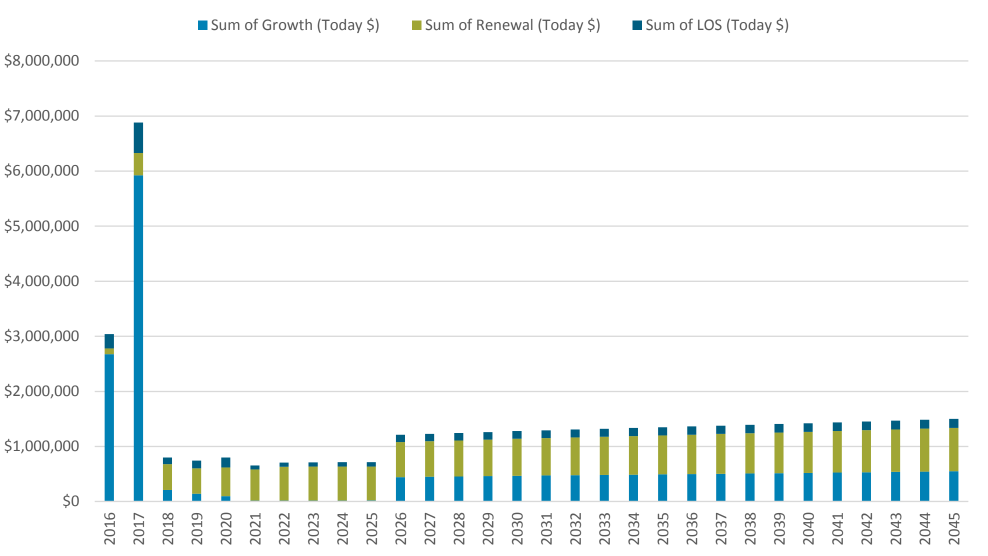
Additional work will need to be undertaken to understand the rates of deterioration of the existing wastewater networks.Council has implemented a plan to review and improve its monitoring of network condition to better inform design standards and investment programmes.

There is a degree of uncertainty around the conditions that may be placed on the resource consents for new wastewater schemes. This may impact on future costs and revised timings for scheme delivery. It is important that council put forward robust arguments during consenting processes to ensure that the operation of a scheme under resource consent balances environmental outcomes and community affordability.

Major Stormwater Capital Works Programme Summary

The chart below illustrates the projected capital expenditure associated with the management of QLDC stormwater infrastructure assets out to 2045.

FIGURE 14 STORMWATER CAPITAL EXPENDITURE 2016-2045



Major new infrastructure projects (defined, for the purpose of this strategy, as being $3 million or more of capital expenditure) that are expected to be undertaken in the 2015-2045 period are shown in the table below. The estimated capital costs are expressed in 2015 New Zealand Dollars.

Major Work - Stormwater	Timing	Assumption
Frankton Flats Stage 2 Works	2016-17	Investigations and future investment plans for stormwater management are currently under development. This programme may change through the 2018 TYP.
Hawea Stormwater - Design and Minor Works	2033-45	
Queenstown Stormwater - Design and Minor Works	2033-45	
Fernhill Stormwater - Design and Minor Works	2033-39	

Implications of Uncertainty - Stormwater

Understanding the size of rainfall events is important when defining acceptable levels of risk and defining future programmes of investment. The impacts of significant events (and back to back events) are not understood in detail, and there is therefore some uncertainty around capacity driven infrastructure projects.

In addition, engagement needs to be undertaken with the community to best understand the requirements of an integrated stormwater solution – integrated management vs. conveyance solutions. The performance of the stormwater system can also be heavily influenced by lake levels. The consequence of these variables is some of these investments may be less effective than planned and potentially increased investment may be required to meet agreed outcomes.

There is a degree of uncertainty around the conditions that may be placed on the resource consents and whether investment in stormwater treatment will be required in the future. This may impact on future costs and revised timings for scheme delivery. It is important that council put forward robust arguments during consenting processes to ensure that the operation of a scheme under resource consent balances environmental outcomes with community affordability.

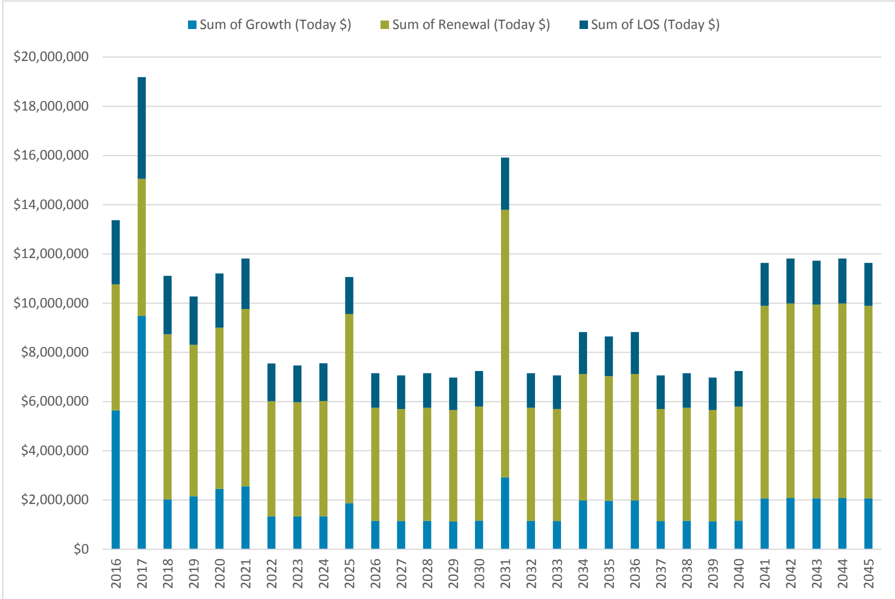
There is a level of uncertainty regarding the continued use and capacity of overland flow paths. Further investment could be required due to upgrade or modify overland flow paths to better protect private properties.

The implications of the Otago Regional Council's "Proposed Plan Change 6A (Water Quality) Regional Plan: Water for Otago" are currently unknown. There may be an increase in investment required to address environmental matters or water quality for the districts lakes and rivers.

Major Transport Capital Works Programme Summary

The chart below illustrates the projected capital expenditure associated with the management of QLDC transport infrastructure assets out to 2045.

FIGURE 15 TRANSPORT CAPITAL EXPENDITURE 2016-2045 (BY DRIVER)



Major new infrastructure projects (defined, for the purpose of this strategy, as being $3 million or more of capital expenditure) that are expected to be undertaken in the 2016-2045 period are shown in the table below. The estimated capital costs are expressed in 2016 New Zealand Dollars.

Major Work - Transport	Cost	Timing	Assumption
Queenstown Town Centre Strategy, Stage 1 Melbourne Henry (construction)	$10m	2031	Inner Queenstown Transport Study (2008) TYP 2012/22 Spreadsheet
Queenstown Town Centre Strategy Stage 2 Henry-Man (construction) and Dublin to Suburb St	$12m	2041	Inner Queenstown Transport Study (2008) TYP 2012/22 Spreadsheet
Frankton Flats new road – New link SH6 Eastern Arterial Road	$9m	2020	Wakatipu Transportation Strategy (2007) Page 5-6. TYP Volume 3 / page 11 * The timing for this project has been brought forward to 2018 in the draft TYP.
Rees Bridge	$5m	2015-25	Identified in Bridge inspection Report 2013 / 2014 draft Major works required due to aggregate build up

Implications of uncertainty - Transport

Council sources around 50% of its funding for transportation projects and expenditure from NZTA. Through the National Funding Assistance Review (FAR), NZTA have signalled that they will be reducing the funding available to council progressively over the next 10 years. After 10 years, NZTA have signalled a levelling out of funding. The extent of the proposed reduction is not yet understood and it is likely Council may be required to review its investment plans. It is possible that levels of service (i.e. quality of roads or acceptable levels of congestion) will have to change as Councils seeks to deliver its roading programme with reduced NZTA funding.

Council is also looking at other options by where the ownership of special purpose roads such as the Crown Range and the road to Glenorchy would be moved from Council to NZTA. Although this would save the Council money in maintenance, it may also result in changes to the levels of service (i.e. quality of roads or number of closure days) on those roads.

Improvements to public transportation patronage and use of cycle trails, combined with education programmes could go some way to ensuring Councils roads continue to deliver current levels of service. Diversification of transport options is a key tool in managing congestion (user demand) at peak times of the day. Other options such as increases to local funding may also provide an alternative, however this solution would need to be well understood and consulted on with the community ahead of any such decision.

There is a degree of uncertainty around the conditions that may be placed on the resource consents for any new roading project and the levels of investment in stormwater treatment that might be required in the future. This may impact on future costs and revised timings for scheme delivery. It is important that council put forward robust arguments during consenting processes to ensure that the construction and operation of a new road best balances environmental outcomes with community affordability.

One Network Road Classification (ONRC) System

The ONRC is a new initiative from New Zealand Transport Agency, supported by Local Government New Zealand for the provision of a nationally consistent framework that will inform future transport planning, investment choices, maintenance and operational decisions. Prior to the 2018 TYP, ONRC will seek to standardise the road user experience nationally and drive consistent transportation asset management throughout New Zealand. Council is on programme to transition to ONRC by October 2016.

The ONRC promotes a customer focus and investment decisions will be based on whether the roads are fit for purpose and meeting the needs of the users through requiring nationally consistent evidence-based investment decision making. That will require the Council to undertake a risk management based approach on the timing of maintenance and investment. Under this approach, the Council will ensure roads are usable and will not allow that risk to extend to the failure of the road, resulting in excessive or unnecessary rehabilitation costs. The Council supports the implementation of the ONRC system and will start to use the ONRC technical and customer levels of service to guide the development of its maintenance and renewals plans from the 2015/16 financial year.

Summary

This is Councils first infrastructure strategy. Council has a sound understanding of the issues facing the district with regards to the provision of core three-waters and transportation infrastructure as presented in this strategy. It is acknowledged that additional improvements are required in the areas of asset data and asset planning practices which have been identified in this strategy.

The three-waters and roading activities are well engaged with asset planning, with a number of key master planning documents having been produced in recent years, along with a full suite of Asset Management Plans being produced in late 2014. These plans are underpinned by the newly formed Infrastructure Asset Planning team with a commitment to continuously improving asset management practices, asset data records (i.e. age and condition) and management of asset life cycles, including investment programming.

The major issues identified in this strategy are the effects of growth and the potential requirement to renew portions of these assets over the next thirty years. A number of activity specific issues are also considered in this document, including public safety, future resource consent requirements and engagement with the ORC and NZTA.

Consideration of issues shows that there is an ongoing need to progressively improve asset management practices as well as moving to evidence based investment programming to ensure that investment programmes are targeted, timely and affordable. This will ensure that issues are well understood, options considered, investment programmes are prudent and service delivery outcomes are delivered in the most affordable manner.

Financial Statements

Prospective Statement of Comprehensive Revenue and Expense for the Year Ending 30 June ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Operating Revenue										
	Revenue from non-exchange transactions										
55,566	Targeted Rates (1)	56,643	59,431	62,873	64,774	66,561	67,597	68,242	70,236	71,281	73,289
2,138	General Rates	2,879	3,266	2,872	2,675	2,190	2,366	2,321	2,346	2,269	2,616
2,827	User Charges - subsidised	3,178	3,427	3,566	9,238	10,656	12,243	13,868	15,027	15,572	16,150
13,869	Grants and Subsidies	14,931	20,370	36,436	8,877	9,650	10,089	8,373	8,095	8,477	11,145
-	Property Sales	-	-	-	-	-	-	-	-	-	-
5,948	Vested Assets	10,240	10,501	10,749	11,022	11,315	11,636	11,983	12,359	12,764	13,208
10,563	Development Contributions	6,959	6,666	6,699	6,734	8,039	7,923	7,327	7,394	7,803	8,067
2,972	Other Revenue	2,753	2,857	2,959	-	-	-	-	-	-	-
	Revenue from exchange transactions										
14,996	User Charges - full cost recovery	12,103	12,253	12,770	13,316	13,887	14,497	15,136	15,805	16,520	17,270
3,038	Dividend Revenue	3,238	3,672	3,822	4,177	4,305	5,435	6,021	6,388	6,984	7,805
1,158	Other Revenue - full cost recovery	5,202	4,352	4,216	7,262	7,525	7,486	7,777	8,084	8,411	8,755
113,075	**Total Revenue (excluding gains)**	**118,126**	**126,795**	**146,962**	**128,075**	**134,128**	**139,272**	**141,048**	**145,734**	**150,081**	**158,305**
	Operating Costs										
2,890	Local Democracy	3,499	3,560	3,673	3,681	3,838	4,017	4,044	4,245	4,447	4,499
-	District Promotion	-	-	-	-	-	-	-	-	-	-
20,801	Community	22,476	24,209	25,348	26,328	26,902	27,527	28,306	28,547	28,602	28,907
8,084	Economic Development	7,536	8,284	9,087	17,253	18,248	19,483	20,646	21,589	22,136	22,725
6,719	Environmental Management	7,512	7,086	6,959	7,057	7,182	7,386	7,584	7,814	8,045	8,303
6,970	Regulatory	5,793	5,886	5,993	6,140	6,292	6,553	6,750	6,910	7,138	7,394
18,453	Roading and Footpaths	17,005	16,404	17,119	17,566	17,846	18,538	19,335	20,048	20,628	21,468
8,984	Sewerage	9,940	10,986	14,000	14,861	15,609	16,285	16,748	17,481	18,150	18,403
7,769	Water Supply	8,457	8,954	9,477	9,785	10,338	10,781	11,293	12,010	12,705	13,154
2,372	Stormwater	2,691	3,034	3,394	3,420	3,551	3,584	3,611	3,676	3,786	3,813
5,969	Waste Management	6,776	6,965	7,187	7,419	7,649	7,851	8,149	8,489	8,854	9,244
(112)	Overhead and Internal Charges	(259)	(258)	(259)	(259)	(258)	(259)	(259)	(258)	(259)	(259)
88,899	**Total Operating Costs ***	**91,426**	**95,110**	**101,978**	**113,251**	**117,197**	**121,746**	**126,207**	**130,551**	**134,232**	**137,651**
24,176	**Operating Surplus**	**26,700**	**31,685**	**44,984**	**14,824**	**16,931**	**17,526**	**14,841**	**15,183**	**15,849**	**20,654**

Prospective Statement of Comprehensive Revenue and Expense for the Year Ending 30 June ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
24,176	**Operating Surplus**	**26,700**	**31,685**	**44,984**	**14,824**	**16,931**	**17,526**	**14,841**	**15,183**	**15,849**	**20,654**
	Other gains/losses										
-	Revaluation - Non Current Assets	617	623	629	636	642	648	655	661	668	675
24,176	**Net Surplus**	**27,317**	**32,308**	**45,613**	**15,460**	**17,573**	**18,174**	**15,496**	**15,844**	**16,517**	**21,329**

**** Operating costs include:***

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
21,131	Depreciation	20,663	21,269	23,456	25,411	26,002	26,946	27,984	28,863	29,556	30,250
7,566	Interest	7,253	9,001	10,369	10,461	10,485	10,474	10,269	10,064	9,632	8,805

Prospective Statement of Changes in Net Assets/Equity for the Year Ending 30 June ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
935,205	**Forecast Opening Equity**	**979,644**	**1,006,961**	**1,065,403**	**1,111,016**	**1,126,476**	**1,212,900**	**1,231,074**	**1,246,570**	**1,353,750**	**1,370,267**
24,176	Net Surplus	27,317	32,308	45,613	15,460	17,573	18,174	15,496	15,844	16,517	21,329
	Other Comprehensive Revenue or Expenses										
-	Gain/(Loss) on Revaluation	-	26,134	-	-	68,851	-	-	91,336	-	-
24,176	**Total Comprehensive Revenue or Expense**	**27,317**	**58,442**	**45,613**	**15,460**	**86,424**	**18,174**	**15,496**	**107,180**	**16,517**	**21,329**
959,381	**Forecast Closing Equity ($000)**	**1,006,961**	**1,065,403**	**1,111,016**	**1,126,476**	**1,212,900**	**1,231,074**	**1,246,570**	**1,353,750**	**1,370,267**	**1,391,596**

Prospective Statement of Financial Position as at 30 June ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Current Assets										
388	Bank and Cash	336	337	337	337	337	337	337	337	337	338
13	Short Term Investments	14	14	15	15	16	16	17	18	19	19
7,084	Receivables from non-exchange transactions	8,408	8,408	8,408	8,408	8,408	8,408	8,408	8,408	8,408	8,408
2,705	Receivables from exchange transactions	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838	1,838
348	Prepayments	716	716	716	716	716	716	716	716	716	716
292	Inventory - Development Property	292	292	292	292	292	292	292	292	292	292
-	Inventory	24	24	24	24	24	24	24	24	24	24
10,830	**Total Current Assets**	**11,628**	**11,629**	**11,630**	**11,630**	**11,631**	**11,631**	**11,632**	**11,633**	**11,634**	**11,635**
	Non Current Assets										
6,626	Investments (1)	7,336	7,336	7,336	7,336	7,336	7,336	7,336	7,336	7,336	7,336
66,332	Investment Properties	62,308	62,931	63,560	64,196	64,838	65,486	66,141	66,802	67,470	68,145
1,026,796	Fixed Assets	1,063,835	1,165,335	1,213,802	1,230,283	1,315,945	1,331,158	1,342,439	1,446,951	1,449,533	1,456,365
1,099,754	**Total Non Current Assets**	**1,133,479**	**1,235,602**	**1,284,698**	**1,301,815**	**1,388,119**	**1,403,980**	**1,415,916**	**1,521,089**	**1,524,339**	**1,531,846**
1,110,584	**Total Assets**	**1,145,107**	**1,247,231**	**1,296,328**	**1,313,445**	**1,399,750**	**1,415,611**	**1,427,548**	**1,532,722**	**1,535,973**	**1,543,481**
	Current Liabilities										
12,959	Payables under exchange transactions	14,845	14,847	14,845	14,847	14,846	14,846	14,846	14,844	14,846	14,847
3,259	Other Financial Liabilities	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846
20,248	Current Term Debt	39,000	48,000	54,000	35,000	56,000	54,000	50,000	49,000	76,000	57,000
36,466	**Total Current Liabilities**	**56,691**	**65,693**	**71,691**	**52,693**	**73,692**	**71,692**	**67,692**	**66,690**	**93,692**	**74,693**
114,737	**Non Current Liabilities**	**81,455**	**116,135**	**113,621**	**134,276**	**113,158**	**112,845**	**113,286**	**112,282**	**72,014**	**77,192**
151,203	**Total Liabilities**	**138,146**	**181,828**	**185,312**	**186,969**	**186,850**	**184,537**	**180,978**	**178,972**	**165,706**	**151,885**
	Public Equity										
381,136	Revaluation Reserve	414,285	441,042	441,671	442,307	511,800	512,448	513,103	605,100	605,768	606,443
12,712	Operating Reserves	11,491	9,660	9,060	5,950	5,389	5,066	2,464	2,272	1,645	196
7,316	Capital Reserve	10,464	10,463	10,463	10,463	10,463	10,463	10,463	10,463	10,394	10,394
558,217	Accumulated Funds	570,721	604,238	649,822	667,756	685,248	703,097	720,540	735,915	752,460	774,563
959,381	**Total Public Equity**	**1,006,961**	**1,065,403**	**1,111,016**	**1,126,476**	**1,212,900**	**1,231,074**	**1,246,570**	**1,353,750**	**1,370,267**	**1,391,596**
1,110,584	**Total Liabilities and Equity**	**1,145,107**	**1,247,231**	**1,296,328**	**1,313,445**	**1,399,750**	**1,415,611**	**1,427,548**	**1,532,722**	**1,535,973**	**1,543,481**

Prospective Statement of Cash Flows for the Year Ending 30 June ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Cash Flows from Operating Activities Cash was provided from:										
104,089	Receipts from Ratepayers and Other Income	104,647	112,623	132,391	112,877	118,507	122,201	123,044	126,985	130,334	137,293
3,038	Dividends Received	3,238	3,672	3,822	4,177	4,305	5,435	6,021	6,388	6,984	7,805
107,127		**107,885**	**116,295**	**136,213**	**117,054**	**122,812**	**127,636**	**129,065**	**133,373**	**137,318**	**145,098**
	Cash was applied to:										
(60,202)	Payments for Expenses and Services	(63,510)	(64,840)	(68,153)	(77,379)	(80,710)	(84,326)	(87,954)	(91,624)	(95,044)	(98,596)
(7,566)	Interest Paid on Loans	(7,253)	(9,001)	(10,369)	(10,461)	(10,485)	(10,474)	(10,269)	(10,064)	(9,632)	(8,805)
(67,768)		**(70,763)**	**(73,841)**	**(78,522)**	**(87,840)**	**(91,195)**	**(94,800)**	**(98,223)**	**(101,688)**	**(104,676)**	**(107,401)**
39,359	**Net Cash from Operating Activities**	**37,122**	**42,454**	**57,691**	**29,214**	**31,617**	**32,836**	**30,842**	**31,685**	**32,642**	**37,697**
	Cash Flows from Investing Activities Cash was provided from:										
-	Proceeds from Development Properties	-	-	-	-	-	-	-	-	-	-
-	Proceeds from Asset Sales	-	-	-	-	-	-	-	-	-	-
	Cash was applied to:										
(58,245)	Purchase of Plant and Assets	(55,652)	(86,133)	(61,177)	(30,869)	(31,499)	(30,523)	(27,283)	(29,681)	(19,374)	(23,874)
-	Purchase of Development Property	-	-	-	-	-	-	-	-	-	-
(58,245)		**(55,652)**	**(86,133)**	**(61,177)**	**(30,869)**	**(31,499)**	**(30,523)**	**(27,283)**	**(29,681)**	**(19,374)**	**(23,874)**
(58,245)	**Net Cash used in Investing Activities**	**(55,652)**	**(86,133)**	**(61,177)**	**(30,869)**	**(31,499)**	**(30,523)**	**(27,283)**	**(29,681)**	**(19,374)**	**(23,874)**
	Cash Flows from Financing Activities Cash was provided from:										
38,163	Long Term Debt	38,778	82,680	51,486	55,655	34,882	53,687	50,441	47,996	35,732	62,178
	Cash was applied to:										
(19,271)	Settlement of Long Term Debt	(20,248)	(39,000)	(48,000)	(54,000)	(35,000)	(56,000)	(54,000)	(50,000)	(49,000)	(76,000)
18,892	**Net Cash from Financing Activities**	**18,530**	**43,680**	**3,486**	**1,655**	**(118)**	**(2,313)**	**(3,559)**	**(2,004)**	**(13,268)**	**(13,822)**
6	**Net Increase/(Decrease) in Cash Held**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**
382	**Total Cash Resources at 1 July**	**336**	**336**	**337**	**337**	**337**	**337**	**337**	**337**	**337**	**337**
388	**Total Cash Resources at 30 June**	**336**	**337**	**337**	**337**	**337**	**337**	**337**	**337**	**337**	**338**
	Cash Resources represented by:										
388	Bank and Cash	336	337	337	337	337	337	337	337	337	338
-	Bank Overdraft	-	-	-	-	-	-	-	-	-	-
388	**Total Cash Resources**	**336**	**337**	**337**	**337**	**337**	**337**	**337**	**337**	**337**	**338**

Prospective Operating Expenditure by Activity ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Local Democracy										
1,155	Governance	1,292	1,362	1,326	1,372	1,458	1,435	1,492	1,596	1,575	1,645
555	Community Engagement	1,073	1,097	1,121	1,153	1,187	1,230	1,272	1,321	1,368	1,421
643	Community Leadership	339	348	462	367	377	503	401	414	553	443
537	Emergency Management	795	753	764	789	816	849	879	914	951	990
2,890	Sub Total	3,499	3,560	3,673	3,681	3,838	4,017	4,044	4,245	4,447	4,499
	Community										
7,669	Community Facilities	8,830	10,177	10,868	11,506	11,608	11,771	11,838	11,764	11,748	11,720
7,599	Active & Passive Recreation	8,192	8,417	8,720	8,858	9,076	9,347	9,513	9,625	9,596	9,750
134	Community Property	220	224	229	238	243	249	255	261	267	275
801	Community Grants	1,194	1,123	1,031	1,056	1,083	1,112	1,143	1,176	1,212	1,250
2,585	Libraries	2,032	2,088	2,155	2,214	2,268	2,358	2,805	2,903	3,001	3,109
190	Waterways Facilities	171	187	191	219	275	265	256	249	248	252
133	Cemeteries	128	137	144	150	162	167	173	178	179	158
760	Public Toilets	739	774	839	888	960	992	1,016	1,041	1,029	1,023
428	Forestry	518	642	735	765	796	829	864	901	940	981
502	Wanaka Airport	452	440	436	434	431	437	443	449	382	389
20,801	Sub Total	22,476	24,209	25,348	26,328	26,902	27,527	28,306	28,547	28,602	28,907
	Economic Development										
2,217	Commercial Property	1,940	2,460	3,073	11,082	11,910	12,958	13,925	14,655	14,972	15,315
1,728	Film and Events	1,272	1,299	1,328	1,363	1,400	1,444	1,488	1,538	1,590	1,647
4,139	Tourism Promotion	4,324	4,525	4,686	4,808	4,938	5,081	5,233	5,396	5,574	5,763
8,084	Sub Total	7,536	8,284	9,087	17,253	18,248	19,483	20,646	21,589	22,136	22,725
	Environmental Management										
3,444	District Plan	2,770	2,224	1,998	2,002	2,028	2,098	2,169	2,246	2,327	2,415
3,275	Resource Consents	4,742	4,862	4,961	5,055	5,154	5,288	5,415	5,568	5,718	5,888
6,719	Sub Total	7,512	7,086	6,959	7,057	7,182	7,386	7,584	7,814	8,045	8,303
	Regulatory										
3,008	Building Consents	3,034	3,090	3,148	3,203	3,260	3,341	3,417	3,507	3,598	3,702
3,962	Enforcement	2,759	2,796	2,845	2,937	3,032	3,212	3,333	3,403	3,540	3,692
6,970	Sub Total	5,793	5,886	5,993	6,140	6,292	6,553	6,750	6,910	7,138	7,394

Prospective Operating Expenditure by Activity ($000) cont...

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Roading and Footpaths										
18,100	Roading	16,485	15,877	16,577	17,013	17,285	17,971	18,753	19,450	20,014	20,840
	Town Centres	-	-	-	-	-	-	-	-	-	-
353	Parking Facilities	520	527	542	553	561	567	582	598	614	628
18,453	Sub Total	17,005	16,404	17,119	17,566	17,846	18,538	19,335	20,048	20,628	21,468
8,984	**Sewerage**	**9,940**	**10,986**	**14,000**	**14,861**	**15,609**	**16,285**	**16,748**	**17,481**	**18,150**	**18,403**
7,769	**Water Supply**	**8,457**	**8,954**	**9,477**	**9,785**	**10,338**	**10,781**	**11,293**	**12,010**	**12,705**	**13,154**
2,372	**Stormwater**	**2,691**	**3,034**	**3,394**	**3,420**	**3,551**	**3,584**	**3,611**	**3,676**	**3,786**	**3,813**
5,969	**Waste Management**	**6,776**	**6,965**	**7,187**	**7,419**	**7,649**	**7,851**	**8,149**	**8,489**	**8,854**	**9,244**
(112)	**Overhead and Internal Charges**	**(259)**	**(258)**	**(259)**	**(259)**	**(258)**	**(259)**	**(259)**	**(258)**	**(259)**	**(259)**
88,899	**Total Operating Cost**	**91,426**	**95,110**	**101,978**	**113,251**	**117,197**	**121,746**	**126,207**	**130,551**	**134,232**	**137,651**
21,131	Depreciation (included in above)	20,663	21,269	23,456	25,411	26,002	26,946	27,984	28,863	29,556	30,250
7,566	Interest (included in above)	7,253	9,001	10,369	10,461	10,485	10,474	10,269	10,064	9,632	8,805

Capital Asset Expenditure by Activity ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Local Democracy										
-	Emergency Management	171	-	-	-	16	-	-	-	-	20
-	Sub Total	171	-	-	-	16	-	-	-	-	20
	Community										
6,812	Community Facilities	13,105	11,947	308	344	478	576	183	393	338	394
4,789	Active & Passive Recreation	3,273	3,956	2,391	4,048	3,163	2,103	4,251	2,357	3,133	4,121
5	Community Property	97	53	151	33	93	66	66	55	-	192
585	Libraries	311	312	334	351	628	5,708	395	453	385	424
75	Waterways Facilities	308	54	32	1,147	33	34	35	36	37	38
-	Cemeteries	88	32	21	21	-	-	-	-	-	-
160	Public Toilets	91	517	154	549	187	-	-	-	-	-
-	Forestry	-	-	-	-	-	-	-	-	-	-
474	Wanaka Airport	150	150	150	150	150	150	150	150	150	150
12,900	Sub Total	17,423	17,021	3,541	6,643	4,732	8,637	5,080	3,444	4,043	5,319
	Economic Development										
325	Commercial Property	2,894	26,197	32,884	128	1,259	138	134	-	13	42
-	Film and Events	-	-	-	-	-	-	-	-	-	-
-	Tourism Promotion	-	-	-	-	-	-	-	-	-	-
325	Sub Total	2,894	26,197	32,884	128	1,259	138	134	-	13	42
	Environmental Management										
-	District Plan	-	-	-	-	-	-	-	-	-	-
-	Resource Consents	-	-	-	-	-	-	-	-	-	-
-	Sub Total	-	-	-	-	-	-	-	-	-	-
	Regulatory										
11	Enforcement	29	10	16	-	4	12	-	-	-	430
11	Sub Total	29	10	16	-	4	12	-	-	-	430
	Roading and Parking										
21,865	Roading	16,718	22,674	14,599	13,677	14,769	15,789	12,363	12,601	13,114	17,843
	Town Centres	-	-	-	-	-	-	-	-	-	-
80	Parking Facilities	-	112	-	-	-	-	-	-	-	-
21,945	Sub Total	16,718	22,786	14,599	13,677	14,769	15,789	12,363	12,601	13,114	17,843
22,319	**Sewerage**	**18,718**	**12,207**	**13,733**	**10,185**	**11,204**	**6,863**	**8,010**	**12,028**	**3,468**	**3,500**
3,845	**Water Supply**	**4,016**	**8,335**	**3,254**	**7,039**	**6,466**	**6,562**	**9,220**	**9,275**	**6,784**	**4,983**
1,971	**Stormwater**	**5,193**	**9,542**	**3,320**	**3,524**	**3,705**	**3,641**	**3,838**	**3,990**	**4,150**	**4,325**
40	**Waste Management**	**70**	**-**	**-**	**71**	**26**	**-**	**-**	**-**	**-**	**-**
840	**Overhead**	**660**	**536**	**579**	**625**	**634**	**519**	**620**	**701**	**565**	**622**
64,196	**Total Asset Capital Cost**	**65,892**	**96,634**	**71,926**	**41,892**	**42,815**	**42,161**	**39,265**	**42,039**	**32,137**	**37,084**

Capital Debt Repayment Expenditure by Activity ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Local Democracy										
57	Emergency Management	83	-	-	-	3	-	3	3	3	26
57	Sub Total	83	-	-	-	3	-	3	3	3	26
	Community										
413	Community Facilities	1,200	1,386	1,530	1,234	1,304	4,719	6,754	4,394	2,188	4,989
321	Active & Passive Recreation	594	476	618	697	861	741	798	3,193	1,927	1,738
559	Community Property	50	-	-	1	14	-	-	-	-	22
-	Libraries	-	-	-	-	-	-	-	976	2,000	1,789
23	Waterways Facilities	23	23	23	68	268	218	245	145	45	39
-	Cemeteries	-	-	-	-	-	-	-	-	115	-
44	Public Toilets	126	27	91	44	131	131	127	176	1,442	-
200	Wanaka Airport	250	400	200	400	200	200	200	200	200	256
1,560	Sub Total	2,243	2,312	2,462	2,444	2,778	6,009	8,124	9,084	7,917	8,833
	Economic Development										
600	Commercial Property	1,500	2,022	3,258	2,835	2,769	2,758	1,509	758	934	758
-	Tourism Promotion	-	-	-	-	-	-	-	-	-	-
600	Sub Total	1,500	2,022	3,258	2,835	2,769	2,758	1,509	758	934	758
	Environmental Management										
904	District Plan	904	1,551	1,551	1,170	-	-	-	-	-	-
-	Resource Consents	-	-	-	-	-	-	-	-	-	-
904	Sub Total	904	1,551	1,551	1,170	-	-	-	-	-	-
	Regulatory										
11	Enforcement	11	11	11	26	26	11	23	-	-	362
11	Sub Total	11	11	11	26	26	11	23	-	-	362
	Roading and Parking										
5,726	Roading	6,704	5,251	4,571	1,962	1,490	1,282	1,412	1,049	1,100	1,310
218	Parking Facilties	-	-	-	-	-	-	-	-	-	-
5,944	Sub Total	6,704	5,251	4,571	1,962	1,490	1,282	1,412	1,049	1,100	1,310
684	**Sewerage**	**2,002**	**2,036**	**2,248**	**2,056**	**2,200**	**3,747**	**3,667**	**4,021**	**4,586**	**4,629**
944	**Water Supply**	**1,333**	**1,042**	**635**	**914**	**747**	**1,027**	**1,510**	**1,133**	**740**	**1,662**
779	**Stormwater**	**951**	**852**	**1,035**	**1,178**	**1,095**	**1,172**	**1,135**	**1,148**	**1,816**	**1,130**
678	**Waste Management**	**743**	**1,178**	**389**	**1,051**	**1,166**	**20**	**-**	**-**	**-**	**-**
1,808	**Overhead**	**734**	**63**	**191**	**190**	**181**	**135**	**135**	**135**	**263**	**284**
13,969	**Total Debt Repayment Capital Cost**	**17,208**	**16,318**	**16,351**	**13,826**	**12,455**	**16,161**	**17,518**	**17,331**	**17,359**	**18,994**

Total Capital Expenditure (Including Debt Repayment) by Activity ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Local Democracy										
57	Emergency Management	254	-	-	-	19	-	3	3	3	46
57	Sub Total	254	-	-	-	19	-	3	3	3	46
	Community										
7,225	Community Facilities	14,305	13,333	1,838	1,578	1,782	5,295	6,937	4,787	2,526	5,383
5,110	Active & Passive Recreation	3,867	4,432	3,009	4,745	4,024	2,844	5,049	5,550	5,060	5,859
564	Community Property	147	53	151	34	107	66	66	55	-	214
585	Libraries	311	312	334	351	628	5,708	395	1,429	2,385	2,213
98	Waterways Facilities	331	77	55	1,215	301	252	280	181	82	77
-	Cemeteries	88	32	21	21	-	-	-	-	115	-
204	Public Toilets	217	544	245	593	318	131	127	176	1,442	-
-	Forestry	-	-	-	-	-	-	-	-	-	-
674	Wanaka Airport	400	550	350	550	350	350	350	350	350	406
14,460	Sub Total	19,666	19,333	6,003	9,087	7,510	14,646	13,204	12,528	11,960	14,152
	Economic Development										
925	Commercial Property	4,394	28,219	36,142	2,963	4,028	2,896	1,643	758	947	800
-	Tourism Promotion	-	-	-	-	-	-	-	-	-	-
925	Sub Total	4,394	28,219	36,142	2,963	4,028	2,896	1,643	758	947	800
	Environmental Management										
904	District Plan	904	1,551	1,551	1,170	-	-	-	-	-	-
-	Resource Consents	-	-	-	-	-	-	-	-	-	-
904	Sub Total	904	1,551	1,551	1,170	-	-	-	-	-	-
	Regulatory										
22	Enforcement	40	21	27	26	30	23	23	-	-	792
22	Sub Total	40	21	27	26	30	23	23	-	-	792
	Roading and Footpaths										
27,591	Roading	23,422	27,925	19,170	15,639	16,259	17,071	13,775	13,650	14,214	19,153
298	Parking Facilities	-	112	-	-	-	-	-	-	-	-
27,889	Sub Total	23,422	28,037	19,170	15,639	16,259	17,071	13,775	13,650	14,214	19,153
23,003	**Sewerage**	**20,720**	**14,243**	**15,981**	**12,241**	**13,404**	**10,610**	**11,677**	**16,049**	**8,054**	**8,129**
4,789	**Water Supply**	**5,349**	**9,377**	**3,889**	**7,953**	**7,213**	**7,589**	**10,730**	**10,408**	**7,524**	**6,645**
2,750	**Stormwater**	**6,144**	**10,394**	**4,355**	**4,702**	**4,800**	**4,813**	**4,973**	**5,138**	**5,966**	**5,455**
718	**Waste Management**	**813**	**1,178**	**389**	**1,122**	**1,192**	**20**	**-**	**-**	**-**	**-**
2,648	**Overhead**	**1,394**	**599**	**770**	**815**	**815**	**654**	**755**	**836**	**828**	**906**
78,165	**Total Capital Cost**	**83,100**	**112,952**	**88,277**	**55,718**	**55,270**	**58,322**	**56,783**	**59,370**	**49,496**	**56,078**

Capital Asset Expenditure (Growth) by Activity Group ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
-	Local Democracy	43	-	-	-	4	-	-	-	-	5
5,745	Community	6,838	7,360	1,599	3,113	2,357	2,188	3,404	1,550	2,320	2,766
164	Economic Development	1,123	11,913	14,784	-	442	-	-	-	-	-
-	Environmental Management	-	-	-	-	-	-	-	-	-	-
11	Regulatory	2	-	-	-	-	-	-	-	-	-
10,357	Roading and Footpaths	8,786	12,028	7,144	6,907	7,393	7,730	6,513	6,580	6,821	8,459
6,608	Sewerage	5,567	5,554	6,915	5,836	5,304	2,872	3,207	5,411	2,502	2,584
1,893	Water Supply	2,127	3,839	1,586	2,873	2,433	2,552	3,802	5,950	3,465	1,890
1,562	Stormwater	5,056	8,721	2,788	2,869	2,915	2,916	3,023	3,140	3,266	3,403
20	Waste Management	10	-	-	-	-	-	-	-	-	-
94	Overhead	17	7	-	5	12	1	4	10	-	-
26,454	**Total Capital Asset Cost (Growth)**	**29,569**	**49,422**	**34,816**	**21,603**	**20,860**	**18,259**	**19,953**	**22,641**	**18,374**	**19,107**

Capital Asset Expenditure (Renewal) by Activity Group ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
-	Local Democracy	85	-	-	-	8	-	-	-	-	10
1,764	Community	1,248	1,205	1,223	1,381	1,381	1,140	979	1,201	923	1,537
-	Economic Development	153	118	128	128	195	138	134	-	-	42
-	Environmental Management	-	-	-	-	-	-	-	-	-	-
-	Regulatory	12	10	16	-	4	12	-	-	-	430
3,318	Roading and Footpaths	2,355	2,373	3,368	3,153	3,365	3,920	2,800	3,007	3,123	5,042
4,222	Sewerage	1,720	1,048	1,036	831	1,064	709	748	1,168	790	822
1,127	Water Supply	1,025	1,303	1,439	2,720	2,512	2,536	2,633	2,782	3,203	2,970
295	Stormwater	82	390	500	518	603	675	763	791	821	854
-	Waste Management	-	-	-	71	26	-	-	-	-	-
513	Overhead	487	380	388	435	452	384	374	526	409	474
11,239	**Total Capital Asset Cost (Renewal)**	**7,167**	**6,827**	**8,098**	**9,237**	**9,610**	**9,514**	**8,431**	**9,475**	**9,269**	**12,181**

Capital Asset Expenditure (Other) by Activity Group ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
-	Local Democracy	43	-	-	-	4	-	-	-	-	5
5,391	Community	9,337	8,456	719	2,149	994	5,309	697	693	800	1,016
161	Economic Development	1,618	14,166	17,972	-	622	-	-	-	13	-
-	Environmental Management	-	-	-	-	-	-	-	-	-	-
-	Regulatory	15	-	-	-	-	-	-	-	-	-
8,270	Roading and Footpaths	5,577	8,385	4,087	3,617	4,011	4,139	3,050	3,014	3,170	4,342
11,489	Sewerage	11,431	5,605	5,782	3,518	4,836	3,282	4,055	5,449	176	94
825	Water Supply	864	3,193	229	1,446	1,521	1,474	2,785	543	116	123
114	Stormwater	55	431	32	137	187	50	52	59	63	68
20	Waste Management	60	-	-	-	-	-	-	-	-	-
233	Overhead	156	149	191	185	170	134	242	165	156	148
26,503	**Total Capital Asset Cost (Other)**	**29,156**	**40,385**	**29,012**	**11,052**	**12,345**	**14,388**	**10,881**	**9,923**	**4,494**	**5,796**
64,196	**Total Capital Asset Cost**	**65,892**	**96,634**	**71,926**	**41,892**	**42,815**	**42,161**	**39,265**	**42,039**	**32,137**	**37,084**

Capital Debt Repayment Expenditure by Activity Group ($000)

Annual Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
57	Local Democracy	83	-	-	-	3	-	3	3	3	26
1,560	Community	2,243	2,312	2,462	2,444	2,778	6,009	8,124	9,084	7,917	8,833
600	Economic Development	1,500	2,022	3,258	2,835	2,769	2,758	1,509	758	934	758
904	Environmental Management	904	1,551	1,551	1,170	-	-	-	-	-	-
11	Regulatory	11	11	11	26	26	11	23	-	-	362
5,944	Roading and Footpaths	6,704	5,251	4,571	1,962	1,490	1,282	1,412	1,049	1,100	1,310
684	Sewerage	2,002	2,036	2,248	2,056	2,200	3,747	3,667	4,021	4,586	4,629
944	Water Supply	1,333	1,042	635	914	747	1,027	1,510	1,133	740	1,662
779	Stormwater	951	852	1,035	1,178	1,095	1,172	1,135	1,148	1,816	1,130
678	Waste Management	743	1,178	389	1,051	1,166	20	-	-	-	-
1,808	Overhead	734	63	191	190	181	135	135	135	263	284
13,969	**Total Capital Debt Repayment**	**17,208**	**16,318**	**16,351**	**13,826**	**12,455**	**16,161**	**17,518**	**17,331**	**17,359**	**18,994**

Statement of Reserve Funds ($000)

Reserve Fund - Purpose of the Fund	Opening Balance 2015/16	Deposits	Withdrawals	Closing Balance 2024/25
Development Funds	14,165	73,611	(87,580)	196
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 Roading, Water Supply, Sewerage, Stormwater, Reserve Land and Improvements and Community Facilities.				
Asset Renewal Funds	2,866	125,768	(125,010)	3,624
The Council sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability to provide services.				
Emergency Reserve	2,188	-	-	2,188
Funds set aside to assist with the repair of infrastructural assets such as Roading, Water Supply and Sewerage, in case of natural disaster.				
Asset Sale Reserves	630	-		630
Proceeds from asset sales which are used to fund the portion of capital expenditure attributable to increased level of service for Roading, Water Supply, Sewerage, Stormwater, Reserve Land and Improvements and Community Facilities.				
Arrowtown Endowment Land Reserve	740	-	-	740
Proceeds from asset sales from Arrowtown endowment land.				
Trust Funds	3,212	-	-	3,212
Funds held on behalf of various community organisations.				
Queenstown Airport Dividend Reserve	828	51,847	(52,675)	-
Unallocated portion of dividends received from QAC.				
Total Reserve Funds	**24,629**	**251,226**	**(265,265)**	**10,590**

Statement Of Accounting Policies

a) Reporting Entity

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

The Council has controlling interests in Queenstown Events Centre Trust (100% - dormant), Lakes Combined Afforestation Committee (75%) 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 TYP 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 prospective financial information contained in this TYP 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 TYP 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 Council is a public benefit entity whose primary objective is to provide goods and services for community and social benefit rather than for a financial return.

In accordance with the Local Government Act 2002, Queenstown Airport Corporation Limited (QAC) submits a draft Statement of Intent (SOI) for the coming financial year to QLDC by 1 March. After due consultation with QLDC, and after considering any comments from QLDC, the final SOI is approved by the QAC Board of Directors and delivered to QLDC by 30 June.

The QAC Statement of Intent 2016-18 was approved by the QAC Board on 9 June 2015 and includes the following financial performance measures which are monitored by Council on a monthly basis:

Financial Ratios	Forecast 2016	Forecast 2017	Forecast 2018
Revenue per Passenger	$19.30	$20.78	$20.87
Net Profit After Tax per Passenger	$5.67	$6.38	$6.46
Return on Equity (Net Profit After Tax to Average Shareholder Funds)	4.9%	5.6%	5.6%
Return on Assets (Net Profit After Tax to Average Total Assets)	3.8%	4.2%	4.1%
Gearing:- Debt:Earnings Before Interest, Tax, Depreciation and Amortisation	2.2	2.1	2.6
Earnings Before Interest, Tax, Depreciation and Amortisation > 2 times Funding Expense	12.1	10.6	8.8
Shareholders' Funds to Total Tangible Assets > 50%	78%	76%	73%

Passenger Forecast	Forecast 2016	Forecast 2017	Forecast 2018
Total Passenger Numbers (000)	1,457	1,549	1,628

No additional targets have been set by Council.

b) Accounting Policies

Statement of Compliance

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

The financial statements comply with Public Benefit Entity (PBE) Standards for Tier 1 entities. These financial statements are the first financial statements to comply with new PBE accounting standards effective 1 July 2014. No material adjustments arising on transition to the new PBE accounting standards have been forecast.

Basis of Preparation

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

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

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

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

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

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

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

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Council 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, 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

(a) General and Targeted Rates

General and targeted rates are set annually and invoiced within the year. The Council recognises revenue from rates when the Council has struck 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.

(b) User Charges and Other Income – subsidised

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

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

(c) 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.

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

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, a deferred revenue liability is recognised instead of revenue.

(d) 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.

(e) 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

(a) 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.

(b) Interest Revenue

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

(c) Dividend Revenue

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

(d) 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 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.

Leases

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

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

(a) Council as Lessor

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

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

(b) Council as Lessee

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

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

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

(c) Lease Incentives

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

Goods and Services Tax

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

Cash and Cash Equivalents

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

Financial Instruments

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

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract, whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through 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 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 surplus or deficit are stated at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Revenue and Expense. The net gain or loss is recognised in the Statement of Comprehensive Revenue and Expense and incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described later in this note.

Held-to-Maturity Investments

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

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

Available-for-Sale Financial Assets

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

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

Loans and Receivables

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

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

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

Impairment of Financial Assets

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

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

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

(ii) Financial Liabilities

Trade and Other Payables

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

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

Borrowings

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

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

(iii) Derivative Financial Instruments

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

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

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

Fair Value Estimation

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

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

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

Embedded Derivatives

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

Inventories

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

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

Properties Intended for Sale

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

Property, Plant and Equipment

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

Operational Assets
> Land, buildings and building improvements, foreshore structures, plant and equipment, furniture and office equipment and library books.

Infrastructure Assets
> Infrastructure assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function:

- Sewer, stormwater, water
- Roads, bridges and lighting
- Land under roads

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

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

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

The results of revaluing are credited or debited to an asset revaluation reserve via other comprehensive revenue or expenses 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 revenue or expenses for that class of asset.

Sewer, Stormwater, Water
Sewer, stormwater and water assets are stated at fair value, which is optimised depreciated replacement cost value as at 1 July 2013 by Rationale, independent valuers. Acquisitions subsequent to 1 July 2013 are at cost.

Roads, Bridges and Lighting
Roading assets are stated at fair value, which is optimised depreciated replacement cost value as at 1 July, 2013 by GHD Limited, independent valuers. Bridges and lighting are stated at valuation which is optimised depreciated replacement cost value.

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

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

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

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

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

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

Disposal

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

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

Forestry Assets

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

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

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

Emission Trading Scheme Accounting Policy

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

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

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

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

Investment Properties

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

Finite Life Intangible Assets

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

Intangible assets acquired in a business combination

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

Intangible Assets - Software acquisition and development

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

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

Impairment of Non-Financial Assets

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

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

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

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

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

Employee Benefits

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

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

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

Provisions

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

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

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

Statement of Cash Flows

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

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

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

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

Equity

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

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

Restricted and Council Created Reserves

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

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

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

Financial Guarantee Contracts

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

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

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

Allocation of Overheads

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

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

Financial Reporting and Prudence Disclosure Statement

What is the Purpose of this Statement?

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

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

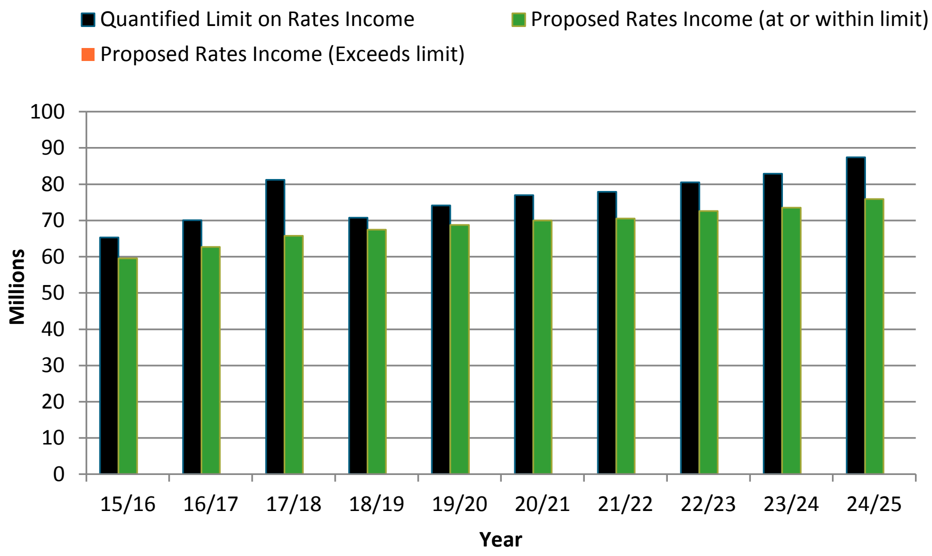
Rates Affordability Benchmark

The Council meets the rates affordability benchmark if—

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

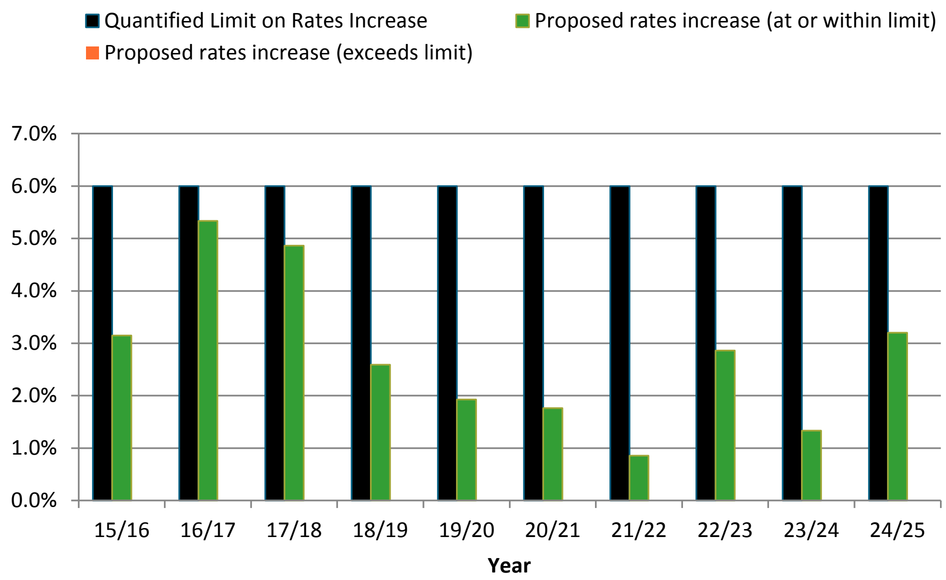
Rates (income) affordability - The following graph compares the Council's planned rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is that rates income will not exceed 55% of total revenue.

Rates Affordability Benchmark - Rates (Income) Affordability



Rates (increases) affordability - The following graph compares the Council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is that rates increases are set at a maximum of 6% per annum (subject to changes in forecast growth).

Rates Affordability Benchmark - Rates (Increases) Affordability



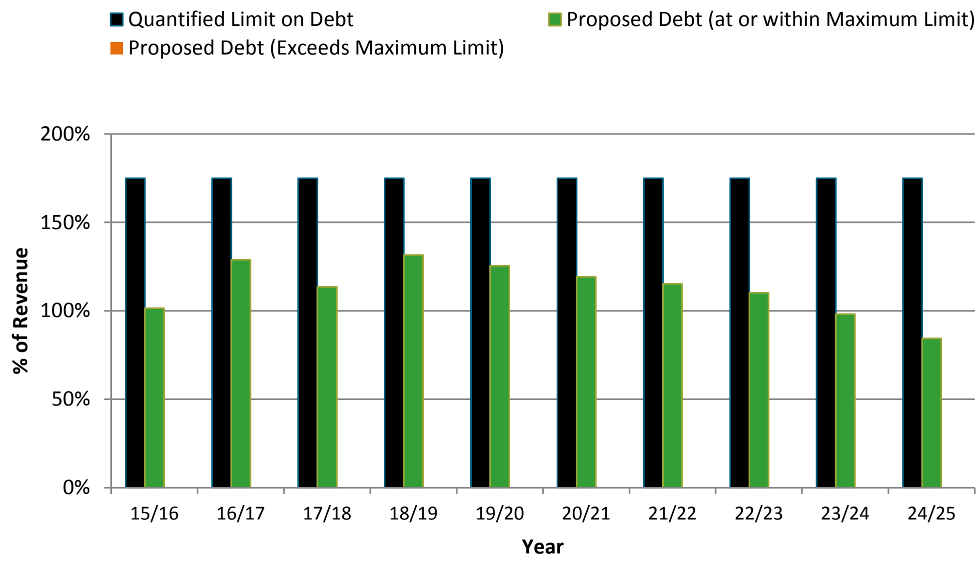
Debt Affordability Benchmarks

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

The following graphs compare the Council's planned borrowing with the quantified limits on borrowing stated in the financial strategy included in the Council's long-term plan.

The quantified limit is that the debt to revenue ratio will be under 175%.

Debt Affordability Benchmark (Net Debt/Total Revenue)



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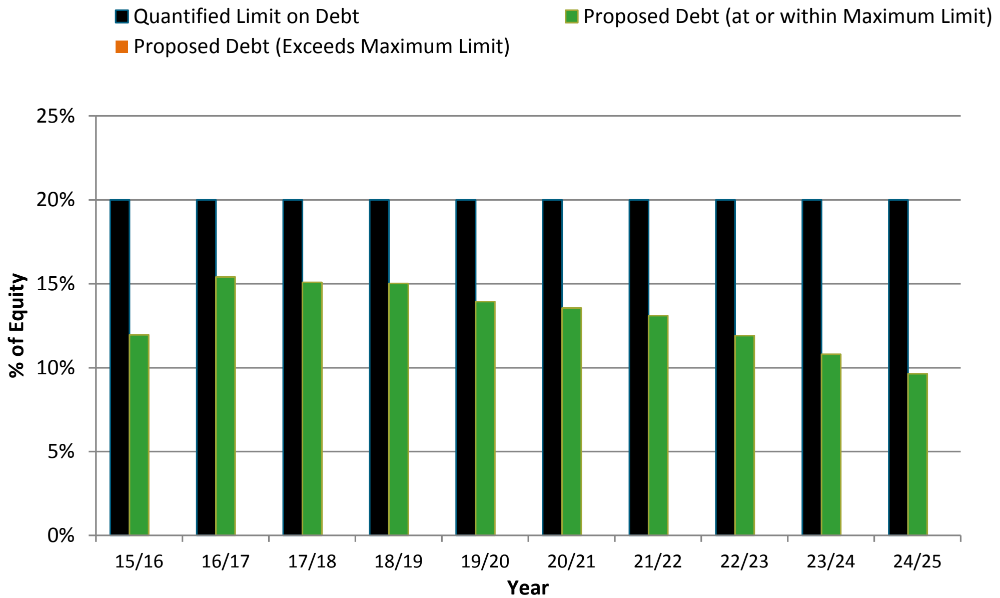
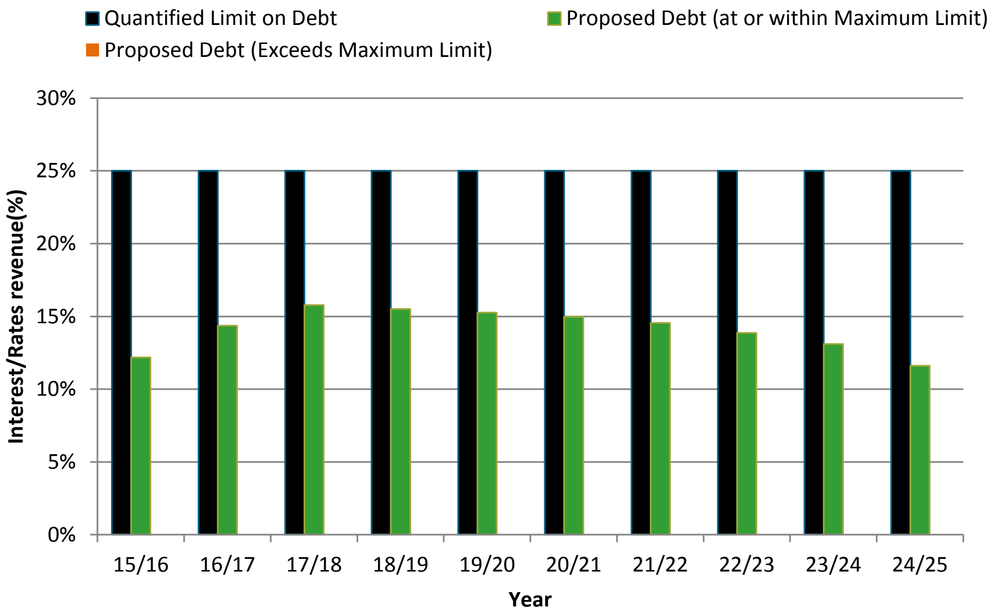
The quantified limit is that the debt to equity ratio will be under 20%.

Debt Affordability Benchmark (Net Debt/Equity)



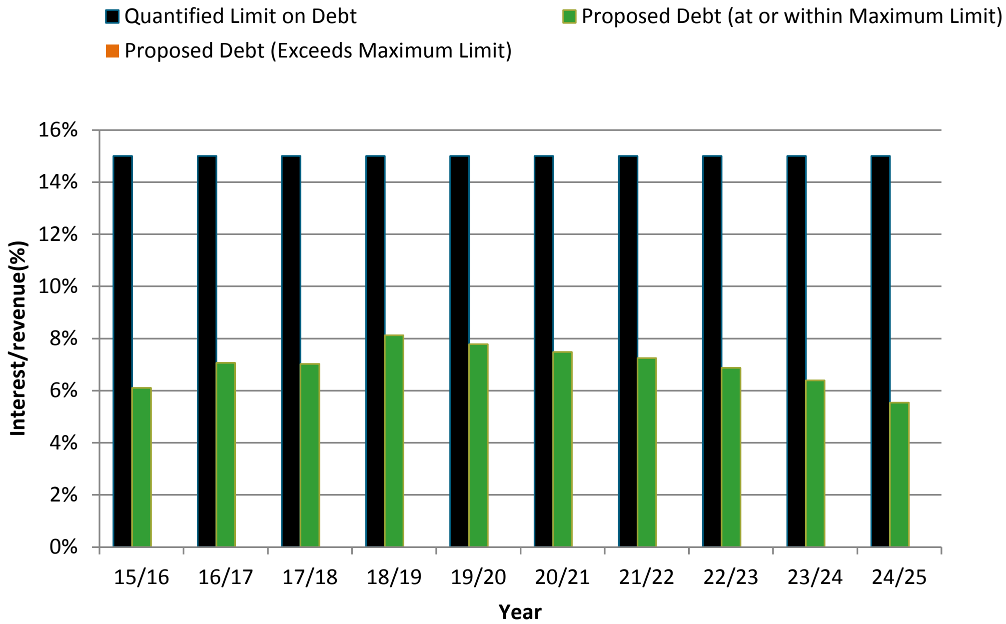
The quantified limit is that the interest expense to rates income ratio will be under 25%.

Debt Affordability Benchmark (Interest/Total Rates)



The quantified limit is that the interest expense to total revenue ratio will be under 15%.

Debt Affordability Benchmark (Interest/Total Revenue)

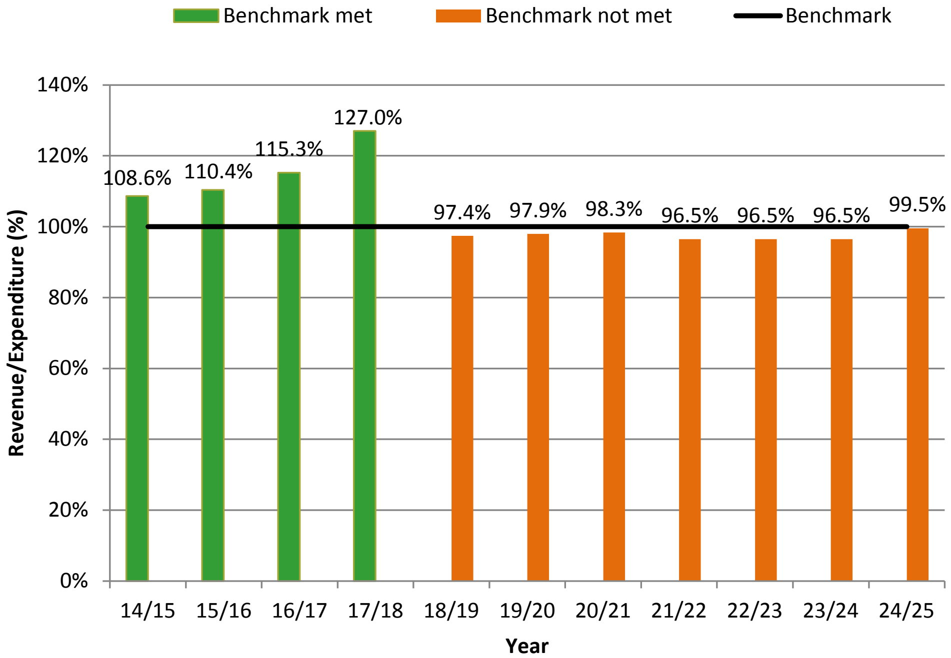


Balanced Budget Benchmark

The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of 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 planned revenue equals or is greater than its planned operating expenses.

Balanced Budget Benchmark

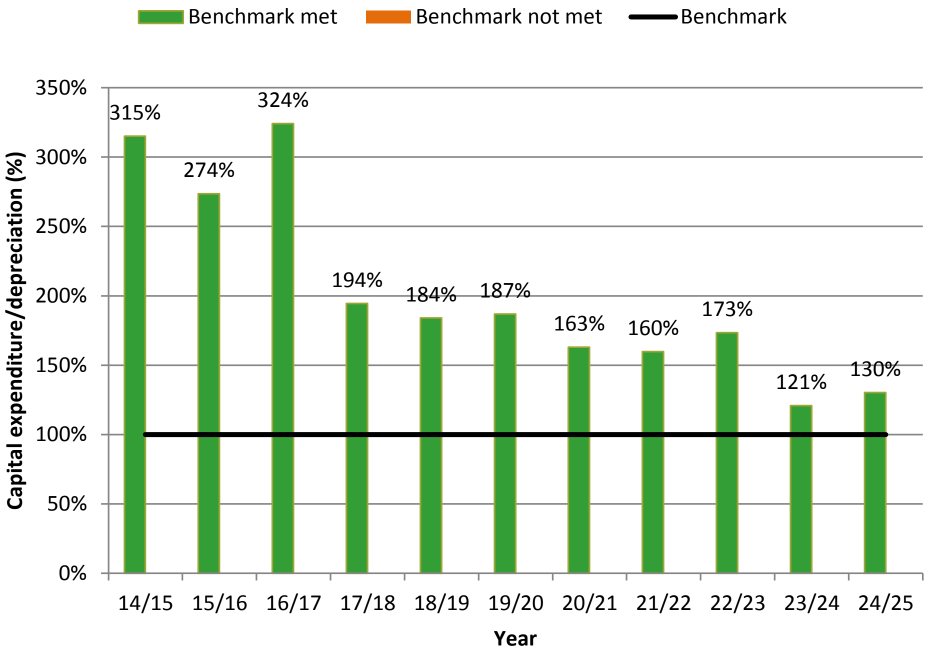


Essential Services Benchmark

The following graph displays the Council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

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

Essential Sevices Benchmark

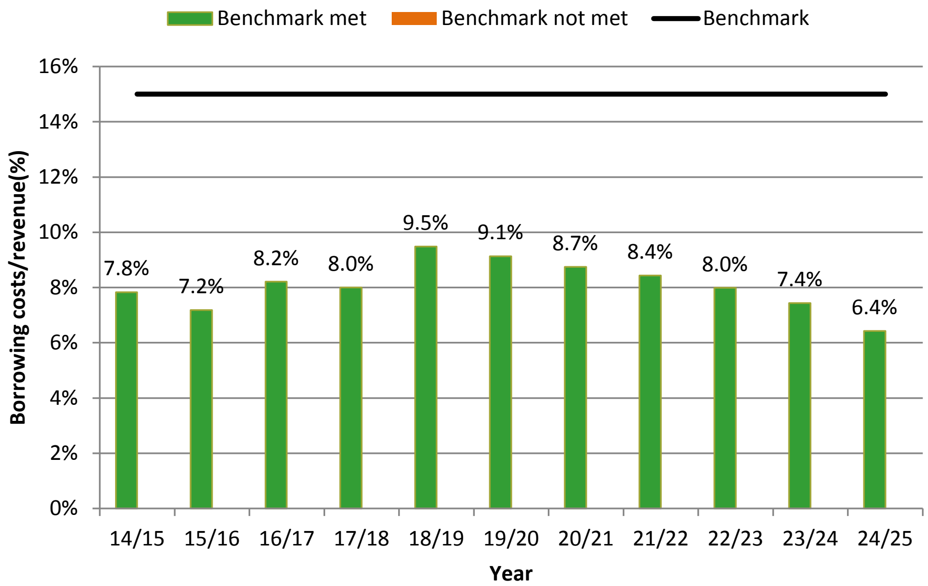


Debt Servicing Benchmark

The following graph displays the Council's planned borrowing costs 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).

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

Debt Servicing Benchmark



Additional Information or Comment

Council has met all of the benchmarks for the past two years. The instances where Council has failed to meet the following benchmark: "Balanced budget benchmark" relate to the 2018/19 period and beyond. The degree of non-compliance is low ranging from 0.5 to 3.5% and reflects Council's decision not to fully fund depreciation expense relating to new major projects such as the Queenstown Convention Centre and Project Shotover.

Revenue and Financing Policy

Background

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

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

A General rates including:

- **i** choice of valuation system; and
- **ii** differential rating; and
- **iii** uniform annual general charges;

B targeted rates;

C fees and charges;

D Interests and dividends from investments;

E borrowing;

F proceeds from asset sales;

G development contributions under the Local Government Act 2002;

H financial contributions under the Resource Management Act 1991;

I grants and subsidies;

J any other source.

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

A the community outcomes to which the activity primarily contributes; and

B the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and

C the period in or over which those benefits are expected to occur; and

D the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and

E the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Queenstown Lakes District Council has undertaken several comprehensive reviews of its funding principles in the past through the development, adoption and review of its Funding Policy. These reviews were completed in 1998, 2001 and again in 2002. Comprehensive reviews under the Local Government Act 2002 were undertaken during 2005/06, 2008/09 and 2011/12.

[A] Funding Sources - Operational Expenditure

The 'revenue' part of the title 'Rrevenue and Financing Policy' relates to funding of operating expenditure. The following sources of income are recognised in the operating statement:

Rates

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

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

There are two classification types for rates:

> General rates - Include Uniform Annual General Charge (UAGC) and capital valued based rate.

> Targeted rates - Include capital valued based Roading Rate, Tourism Promotion Rate, Convention Centre Rate, Governance Rate, Recreation and Events Rate, Regulatory Rate, Water Supply Rate and Stormwater Rate, and fixed annual charges for Sewerage, Water Supply, Waste Management, Recreation and Events, Governance and Regulatory, Convention Centre, Queenstown Aquatic Centre and Sports, Halls and Libraries.

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

Fees and Charges

There is a wide range of revenue under this general title. Generally, Council will look to use fees and charges to recover the 'private benefit' costs of a particular activity (see table on following page) if it is economically viable to do so.

Grants and Subsidies

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

Interest and dividends from investments

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

Council can now expect a regular dividend from Queenstown Airport Corporation (QAC).It is proposed to utilise forecasted dividends from QAC to repay debt.

Other Sources of Income

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

Funding Operational Expenditure By Activity

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

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

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

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

Governance

Community Leadership

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

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

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

This activity is completely public good with no scope for user charges and will therefore be funded 80% from the district-wide targeted capital value based Governance Rate and 20% from the Governance and Regulatory Charge .

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Leadership	0%	100%	0%	0%	100%	-	Gov Rate (80%)/Gov & Reg Chg (20%)

Communications

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

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

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

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Development	0%	100%	0%	10%	90%	Fees & Charges	Gov Rate (80%)/Gov & Reg Chg (20%)

Economic Development

Tourism Promotion

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

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

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

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

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

Community Assets

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

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

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

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

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

Convention Centre

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

The Council is proposing to be involved in this activity to provide the opportunity for economic growth within the district. The convention centre proposal for Queenstown is included in the TYP with an estimated completion date of 2017/18.

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

This activity provides a relatively high degree of private good but there is also an element of public good. It is expected that this activity will be largely funded by user charges (60 to 80%) with any funding deficit derived from the proposed district-wide targeted capital value Convention Centre Rate for business ratepayers and the fixed Convention Centre Charge for residential ratepayers. The targeted capital value Convention Centre Rate will recognize the Queenstown CBD as the primary area of benefit.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Assets	80%	20%	0%	75%	25%	Fees & Charges	Con Centre CV (19.25%)/ Con Centre Chg (5.75%)

Community

Library Services

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

The purpose of this activity is to help meet the information, cultural, educational and recreational needs of its users in a timely, convenient and cost effective manner. This is achieved through the joint management of libraries with the Central Otago District. There are six libraries within the district; at Queenstown, Arrowtown, Wanaka, Hawea, Kingston and Glenorchy. The services include book and magazine loans, a reference and information service, compact disc and video rentals, and research. Some of the specialist services provided include a local history collection and a special needs service including large print and talking books, and foreign language text. The libraries also act as community information centres holding community information and contact names and addresses.

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

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

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

Community Development

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

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

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

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Development	0%	100%	0%	10%	90%	Fees & Charges	Rec & Events Rate (50%)/ Rec & Events Chg (50%)

Community Grants

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

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

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

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Grants	0%	100%	0%	10%	100%	-	Rec & Events Rate (8%)/ Rec & Events Chg (8%)/ UAGC (84%)

Public Toilets

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

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

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

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Public Toilets	80%	20%	0%	0%	100%	-	Rec & Events Rate (50%)/ Rec & Events Chg (50%)

Cemeteries

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

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

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

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

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

Community Facilities

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

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

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

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

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

Aquatics

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

The purpose of this activity is to help provide indoor aquatic facilities for the district. This includes the Queenstown Aquatic Centre (Alpine Aqualand) and the new Wanaka Pool.

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

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

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

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

Waterways Facilities

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

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

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

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

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

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

Parks & Recreation Facilities

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

The purpose of the activity is to help provide affordable and accessible recreation facilities throughout the district. This includes the maintenance and development of primarily outdoor recreation facilities that are owned by Council. This activity includes most items that are traditionally called parks and reserves and covers the maintenance and development of outdoor passive recreation areas as well as sports fields, playgrounds and the trail network.

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

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

The analysis delivers a funding target of 5% for user fees with the balance of 35% (for the Private Funding Target) being met from commercial lease income derived from reserves. This leaves 60% recovered from the district-wide targeted fixed Sports, Halls and Libraries Charge (17.5%) for sportfields and 42.5% from the district-wide targeted capital value based Recreation and Events Rate and the Recreation and Events Charge for the balance of costs.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Parks & Recreation Facilities	35%	65%	0%	40%	60%	Lease Income (35%) / Fees & Charges (5%)	Fixed Sports, Halls & Libraries Charge (17.5%) / Rec & Events Rate (21.25%)/ Rec & Events Chg (21.25%)

Environmental Management

District Plan

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

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

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

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

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

Resource Consent Administration

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

This activity includes all aspects of the resource consent process, including receiving and processing the applications; managing files; monitoring consents and responding to public enquiries.

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

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

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

Building Consent Administration

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

This activity includes all aspects of the building consent process, including receiving and processing the applications; managing files; inspecting building work; issuing PIMS and LIMs and responding to public enquiries.

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

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

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

Bylaw and General Enforcement

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

This activity includes the patrolling of all designated, time restricted and metered areas in Queenstown, Wanaka and Arrowtown and other general patrolling; managing files; issuing and processing of parking infringement notices and responding to public enquiries.

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

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Bylaw and General Enforcement	25%	50%	25%	30%	70%	Permit Fees and Hourly Charges	Reg Rate (80%)/ Reg Chg (20%)

Parking Administration

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

This activity includes the patrolling of all designated, time restricted and metered areas in Queenstown, Wanaka and Arrowtown and other general patrolling; managing files; issuing and processing of parking infringement notices and responding to public enquiries.

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

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

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

Environmental Health

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

This activity includes the inspection and licensing of premises involved in the manufacture/preparation/sale of food, hair dressers, mortuaries, camping grounds, winemakers etc.; managing files; investigation and enforcement of public health issues and responding to public enquiries.

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

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Environmental Health	45%	50%	5%	50%	50%	Certification Fees and Hourly Charges	Reg Rate (80%)/ Reg Chg (20%)

Liquor Licensing

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

This activity includes the inspection, monitoring and licensing of premises involved in the sale of liquor; managing files; issuing and renewal of licences and certificates and responding to public enquiries.

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

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Liquor	50%	25%	25%	60%	40%	Licensing and Certification Fees and Hourly Charges	Reg Rate (80%)/ Reg Chg (20%)

Animal Control

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

This activity includes provision of animal ranger services including impounding; managing files; disposal of animals and responding to public enquiries.

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

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

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Animal Control	10%	30%	60%	55%	45%	Registration and Impound Fees	Reg Rate (80%)/ Reg Chg (20%)

Waterways Control

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

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

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

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

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

Emergency Management

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

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

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

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

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

Landfill Provision and Management

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

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

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

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

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

Recycling

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

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

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

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

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

Refuse Collection

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

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

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

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

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

Utilities

Water Supply

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

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

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

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

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

Stormwater

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

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

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

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

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

Wastewater

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

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

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

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

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

Roading and Footpaths

Town Centres

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

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

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

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

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

Parking Facilities

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

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

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

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

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

Roading

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

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

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

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

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

[B] Funding Sources - Capital Expenditure

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

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

- Growth
- Level of Service Shift
- Renewal

[a] Capital Expenditure due to Growth

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

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

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

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

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

Council has a Policy on Development Contributions This is updated on an annual basis.

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

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

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

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

(i) Community Outcomes

This policy contributes to:

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

(ii) Distribution of Benefits

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

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

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

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

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

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

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

(iv) Allocation of Liability for Revenue Needs

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

Types of Assets included in the Development Contribution Policy are:

- Network infrastructure for water supplies, wastewater, stormwater and roading.
- Reserve land.
- Community infrastructure including the development and acquisition of reserve land to use as reserve and facilities needed on that reserve and other public amenities such as halls, libraries, public toilets, parking facilities and the like.
- Other Assets. Financial Contributions can be required to avoid remedy or mitigate adverse effects of development that are of a non-fiscal nature. These may include contributions that avoid, remedy or mitigate the effects of development on biodiversity, landscape, amenity values or the provision of specific assets by the developer/subdivider (i.e. access easements in gross). As the Development Contributions provisions of the LGA 2002 specifically relate to fiscal impacts or effects of growth, Financial Contributions for non-fiscal impacts of effects of development will need to be assessed through the RMA and District Plan processes. Chapter 15 of the District Plan (not operative) and any subsequent variations shall be considered in this policy.

Funding Sources for Growth Capital Expenditure in order of priority:

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

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

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

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

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

Funding Sources for Other Capital Expenditure in order of priority:

i. Capital Grants and Subsidies
ii. Capital Revenues and Asset Sale Proceeds
iii. Capital Reserves
iv. Borrowing
v. Rates

[c] Capital Expenditure due to Renewals

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

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

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

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

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

i. The Council needs to fund depreciation only on its share of roading funding. The component attributable to Transfund is excluded. Allowing for SPR roading arrangements and other subsidisable costs 54% of roading depreciation will be funded.

ii. Depreciation on Community facilities may not need to be funded as they are often funded by non-Council sources and will never be replaced in the same form at the end of their useful life. Depreciation on halls, libraries, and other facilities (including the Events Centre) will therefore not be funded.

iii. The Council has accepted that it is not reasonable to fund depreciation where a community has funded a water or sewerage scheme, by lump sum contributions or loan charges. That community ends up paying twice – for loan charges and depreciation.

iv. Because we have generally maintained the value of our infrastructure the Council will use funded depreciation to finance renewal projects and repay loans. It cannot be used to fund new assets or asset improvements.

Funding Sources Renewal Capital Expenditure in order of priority:

i. Depreciation Reserves
ii. Borrowing
iii. Rates

Funding Impact Statement

Background

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

A The revenue and financing mechanisms to be used by the local authority each year.

B An indication of the level or amount of funds to be funded by each mechanism for each year.

C In relation to any general rate:

- **i.** The valuation system on which the general rate is to be assessed.
- **ii.** Whether a uniform annual general charge is to be included.
- **iii.** If a uniform annual general charge is to be included, how that uniform annual general charge will be calculated.
- **iv.** Whether the general rate is to be set differentially, and if so:
  - > The categories of rateable land, within the meaning of section 14 of the Local Government (rating) Act 2002, to be used.
  - > The objectives of the differential rate, in terms of the total revenue sought from each category of rateable land or of the relationship between the rates set of rateable land in each category.

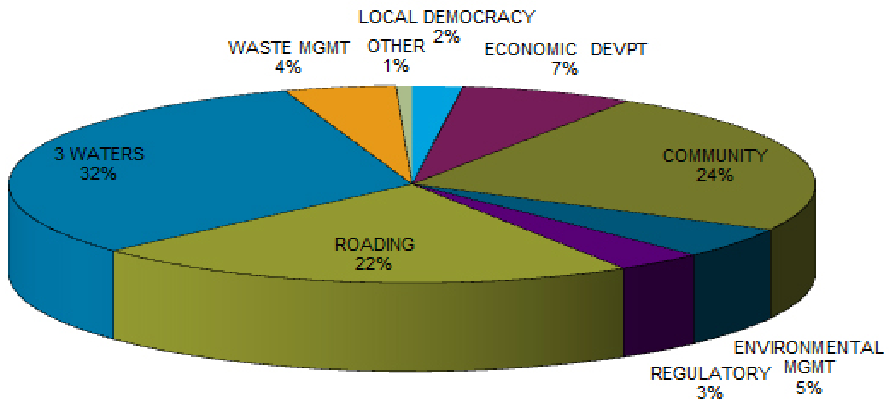
D In relation to each targeted rate:

- **i.** The activities or groups of activities for which the targeted rate is to be set.
- **ii.** The category, or categories, of rateable land, within the meaning of section 17 of the Local Government (Rating) Act 2002, to be used.
- **iii.** For each such category, how liability for the targeted rate is to be calculated.
- **iv.** If the targeted rate is set differentially, the total revenue sought from each category of rateable land or the relationship between the rates set on the rateable land in each category.

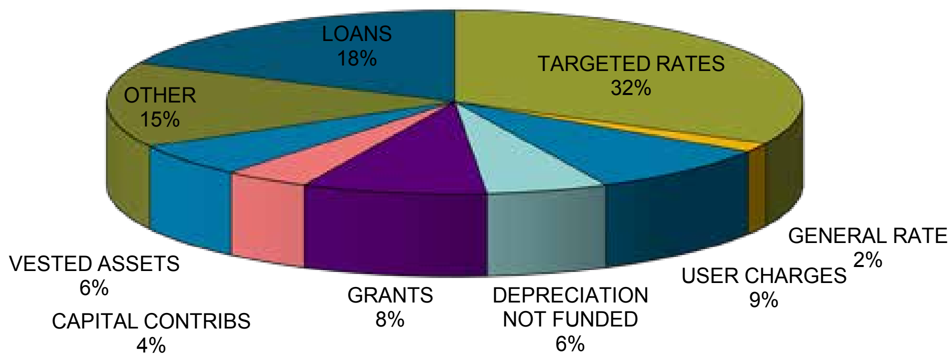
Following is the Funding Impact Statement for the period commencing 1 July 2015.

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

Combined Operating and Capital Expenditure 2015/16



Funding Requirements 2015/16



Funding Impact Statement - Whole Council ($000)

Annual Plan 2014/15		TYP 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Sources of Operating Funding										
2,838	General Rates, Uniform annual general charges, and Rates penalties	3,379	3,766	3,372	3,175	2,690	2,866	2,821	2,846	2,769	3,116
55,566	Targeted Rates	56,643	59,431	62,873	64,774	66,561	67,597	68,242	70,236	71,281	73,289
17,823	Fees and Charges	15,281	15,680	16,336	22,554	24,543	26,740	29,004	30,832	32,092	33,420
3,423	Subsidies & Grants for Operating purposes	3,653	3,946	4,095	3,881	4,071	4,245	4,351	4,265	4,466	4,809
3,038	Interest and Dividends from Investments	3,238	3,672	3,822	4,177	4,305	5,435	6,021	6,388	6,984	7,805
3,430	Local authorities fuel tax, Fines, Infringement fees, and Other receipts	7,455	6,709	6,675	6,762	7,025	6,986	7,277	7,584	7,911	8,255
-	Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-
86,118	**Total Sources of Operating Funding**	**89,649**	**93,204**	**97,173**	**105,323**	**109,195**	**113,869**	**117,716**	**122,151**	**125,503**	**130,694**
	Applications of Operating Funding										
60,202	Payments to Staff and Suppliers	63,510	64,840	68,153	77,379	80,710	84,326	87,954	91,624	95,044	98,596
7,566	Finance Costs	7,253	9,001	10,369	10,461	10,485	10,474	10,269	10,064	9,632	8,805
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-
67,768	**Total Applications of Operating Funding**	**70,763**	**73,841**	**78,522**	**87,840**	**91,195**	**94,800**	**98,223**	**101,688**	**104,676**	**107,401**
18,350	**Surplus/(Deficit) of Operating Funding**	**18,886**	**19,363**	**18,651**	**17,483**	**18,000**	**19,069**	**19,493**	**20,463**	**20,827**	**23,293**
	Sources of Capital Funding										
10,446	Subsidies & Grants for Capital expenditure	11,278	13,329	30,624	4,996	5,579	5,844	4,022	3,830	4,012	6,336
10,563	Development & Financial Contributions	6,959	6,666	6,699	6,734	8,039	7,923	7,327	7,394	7,803	8,067
-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-
18,892	Increase/(Decrease) in Debt	18,530	43,680	3,486	1,655	(118)	(2,313)	(3,559)	(2,004)	(13,268)	(13,822)
-	Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-
-	Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-
39,901	**Total Sources of Capital Funding**	**36,767**	**63,675**	**40,809**	**13,385**	**13,500**	**11,454**	**7,790**	**9,220**	**(1,453)**	**581**
	Applications of Capital Funding										
	Capital Expenditure										
20,506	- to meet additional demand	16,849	31,624	22,800	9,339	8,205	5,283	6,630	8,942	4,270	4,559
11,239	- to replace existing assets	6,962	6,839	8,069	9,237	9,610	9,514	8,431	9,475	9,269	12,181
26,503	- to improve the level of service	29,010	38,844	28,996	11,052	12,345	14,388	10,881	9,923	4,494	5,796
3	Increase/(Decrease) in Reserves	2,832	5,731	(405)	1,240	1,340	1,338	1,341	1,343	1,341	1,338
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
58,251	**Total Applications of Capital Funding**	**55,653**	**83,038**	**59,460**	**30,868**	**31,500**	**30,523**	**27,283**	**29,683**	**19,374**	**23,874**
(18,350)	**Surplus/(Deficit) of Capital Funding**	**(18,886)**	**(19,363)**	**(18,651)**	**(17,483)**	**(18,000)**	**(19,069)**	**(19,493)**	**(20,463)**	**(20,827)**	**(23,293)**
-	**Funding Balance**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Reconciliation of Funding Impact Statement to Prospective Statement of Comprehensive Revenue and Expense ($000)

Annual Plan 2014/15		TYP 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Income Statement of Comprehensive Revenue and Expense										
113,075	**Total Operating Revenue**	**118,743**	**127,418**	**147,591**	**128,711**	**134,770**	**139,920**	**141,703**	**146,395**	**150,749**	**158,980**
	Funding Impact Statement:										
86,118	Total Sources of Operating Funding	89,649	93,204	97,173	105,323	109,195	113,869	117,716	122,151	125,503	130,694
	Plus Sources of Capital Funding:										
10,446	Subsidies & Grants for Capital expenditure	11,278	16,424	32,340	4,996	5,579	5,844	4,022	3,830	4,012	6,336
10,563	Development & Financial Contributions	6,959	6,666	6,699	6,734	8,039	7,923	7,327	7,394	7,803	8,067
-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-
-	Less Cost of Property Sales	-	-	-	-	-	-	-	-	-	-
	Plus Non Cash Items:										
5,948	Vested Assets	10,240	10,501	10,749	11,022	11,315	11,636	11,983	12,359	12,764	13,208
-	Revaluation - Non Current Assets	617	623	630	636	642	648	655	661	667	675
113,075	**Total Revenue**	**118,743**	**127,418**	**147,591**	**128,711**	**134,770**	**139,920**	**141,703**	**146,395**	**150,749**	**158,980**
	Expenditure Statement of Financial Peformance:										
88,899	**Total Operating Cost**	**91,426**	**95,110**	**101,978**	**113,251**	**117,197**	**121,746**	**126,207**	**130,551**	**134,232**	**137,651**
	Funding Impact Statement:										
67,768	Total Applications of Operating Funding	70,763	73,841	78,522	87,840	91,195	94,800	98,223	101,688	104,676	107,401
	Plus Non Cash Items:										
21,131	Depreciation	20,663	21,269	23,456	25,411	26,002	26,946	27,984	28,863	29,556	30,250
88,899	**Total Expenditure**	**91,426**	**95,110**	**101,978**	**113,251**	**117,197**	**121,746**	**126,207**	**130,551**	**134,232**	**137,651**

Rates and Charges for 2015/16

The rating system used by Council is based on Capital Value. Property valuations produced by Quotable Value as at 1 July 2014 are to be used for the 2015/16 rating year. All proposed rates in the section that follows are inclusive of GST.

Uniform Annual General Charge

Pursuant to section 15 of the Local Government (Rating) Act 2002 (the Act), Council proposes to set a uniform annual general charge of $87.00 on each separately used or inhabited part of every rating unit in the district.

The uniform annual general charge revenue ($1,991,618) will be used to fund the costs associated with the following activities:

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

Sports, Halls & Libraries Annual Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted annual charge of $328.00 on each separately used or inhabited part of every rating unit with a residential component in the district:

1.	Residential	$328.00
2.	Hydro Electric / Utilities	$0.00
3.	Vacant Sections	$328.00
4.	Accommodation	$0.00
5.	CBD Accommodation	$0.00
6.	Commercial	$0.00
7.	CBD Commercial	$0.00
8.	Primary Industry	$328.00
9.	Country Dwelling	$328.00
10.	Other	$0.00
11.	Mixed Use Apportioned	$328.00

The targeted Sports, Halls & Libraries Annual charge revenue ($6,459,249) will be used to fund the costs associated with the following activities:

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

Governance Rate

Pursuant to sections 16, 17 and 18 of the Act, Council 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	0.000148 cents in the $
2.	Hydro Electric / Utilities	0.000074 cents in the $
3.	Vacant Sections	0.000148 cents in the $
4.	Accommodation	0.000148 cents in the $
5.	CBD Accommodation	0.000148 cents in the $
6.	Commercial	0.000148 cents in the $
7.	CBD Commercial	0.000148 cents in the $
8.	Primary Industry	0.000105 cents in the $
9.	Country Dwelling	0.000148 cents in the $
10.	Other	0.000148 cents in the $
11.	Mixed Use Apportioned	See **NOTE (i)**

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

The governance rate revenue ($2,622,922) will be used to fund 80% of the costs associated with the following activities:

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

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	0.000276 cents in the $
2.	Hydro Electric Power	0.000124 cents in the $
3.	Vacant Sections	0.000276 cents in the $
4.	Accommodation	0.000291 cents in the $
5.	CBD Accommodation	0.000291 cents in the $
6.	Commercial	0.000249 cents in the $
7.	CBD Commercial	0.000249 cents in the $
8.	Primary Industry	0.000180 cents in the $
9.	Country Dwelling	0.000257 cents in the $
10.	Other	0.000276 cents in the $
11.	Mixed Use Apportioned	See **NOTE (i)**

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

The regulatory rate revenue ($4,760,768) 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.

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	$70.00
2.	Hydro Electric/Utilities	$126.00
3.	Vacant Sections	$70.00
4.	Accommodation	$100.00
5.	CBD Accommodation	$100.00
6.	Commercial	$126.00
7.	CBD Commercial	$126.00
8.	Primary Industry	$165.00
9.	Country Dwelling	$70.00
10.	Other	$70.00
11.	Mixed Use Apportioned	See **NOTE (i)**

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

The Governance & Regulatory Charge revenue ($1,845,922) 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	0.000257 cents in the $
2.	Hydro Electric/Utilities	0.000094 cents in the $
3.	Vacant Sections	0.000257 cents in the $
4.	Accommodation	0.000930 cents in the $
5.	CBD Accommodation	0.000930 cents in the $
6.	Commercial	0.000187 cents in the $
7.	CBD Commercial	0.000187 cents in the $
8.	Primary Industry	0.000032 cents in the $
9.	Country Dwelling	0.000097 cents in the $
10.	Other	0.000257 cents in the $
11.	Mixed Use Apportioned	See **NOTE (i)**

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

The recreation and events rate revenue ($4,751,764) will be used to fund 50% of the costs associated with the following activities:

- Passive recreation areas, gardens, walkways and reserves.
- The provision of public toilets.
- Provision of events and facilitation of 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	$156.00
2.	Hydro Electric/Utilities	$238.00
3.	Vacant Sections	$156.00
4.	Accommodation	$802.00
5.	CBD Accommodation	$802.00
6.	Commercial	$238.00
7.	CBD Commercial	$238.00
8.	Primary Industry	$103.00
9.	Country Dwelling	$103.00
10.	Other	$156.00
11.	Mixed Use Apportioned	See **NOTE (i)**

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

The recreation and events charge revenue ($4,751,764) will be used to fund 50% 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	0.000070 cents in the $
2.	Hydro Electric/Utilities	0.000028 cents in the $
3.	Vacant Sections	0.000070 cents in the $
4.	Accommodation	0.000088 cents in the $
5.	CBD Accommodation	0.000088 cents in the $
6.	Commercial	0.000057 cents in the $
7.	CBD Commercial	0.000057 cents in the $
8.	Primary Industry	0.000081 cents in the $
9.	Country Dwelling	0.000076 cents in the $
10.	Other	0.000070 cents in the $
11.	Mixed Use Apportioned	See **NOTE (i)**

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

The general rate revenue ($1,318,832) will be used to fund the costs associated with the following activities:

> Provision of emergency services (civil defense & rural fire).

> Waste management including landfill establishment.

> Forestry including wilding pine control

Roading Rate (Wanaka Ward)

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

1.	Residential	0.000644 cents in the $
2.	Hydro Electric/Utilities	0.000161 cents in the $
3.	Vacant Sections	0.000966 cents in the $
4.	Accommodation	0.002417 cents in the $
5.	CBD Accommodation	0.002417 cents in the $
6.	Commercial	0.002417 cents in the $
7.	CBD Commercial	0.002417 cents in the $
8.	Primary Industry	0.000525 cents in the $
9.	Country Dwelling	0.000657 cents in the $
10.	Other	0.000644 cents in the $
11.	Mixed Use Apportioned	See **NOTE (i)**

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

The Wanaka roading rate revenue ($5,038,951) will be used to fund the costs associated with the following activities:

> Wanaka wards roading network, which includes footpaths and other amenities within the road reserve.

> The development of town centre areas.

> The maintenance and upgrading of roading drainage systems.

Roading Rate (Queenstown/Wakatipu and Arrowtown Wards)

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

1.	Residential	0.000374 cents in the $
2.	Hydro Electric/Utilities	0.000094 cents in the $
3.	Vacant Sections	0.000561 cents in the $
4.	Accommodation	0.001403 cents in the $
5.	CBD Accommodation	0.001403 cents in the $
6.	Commercial	0.001403 cents in the $
7.	CBD Commercial	0.001403 cents in the $
8.	Primary Industry	0.000305 cents in the $
9.	Country Dwelling	0.000382 cents in the $
10.	Other	0.000374 cents in the $
11.	Mixed Use Apportioned	See **NOTE (i)**

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

The Wakatipu/Arrowtown roading rate revenue ($7,862,857) will be used to fund the costs associated with the following activities:

> Wakatipu/Arrowtown ward's roading network, which includes footpaths and other amenities within the road reserve.

> The development of town centre areas.

> The maintenance and upgrading of roading drainage systems.

Stormwater Rate (Wanaka Ward)

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

1.	1Residential	0.000089 cents in the $
2.	Hydro Electric/Utilities	0.000022 cents in the $
3.	Vacant Sections	0.000089 cents in the $
4.	Accommodation	0.000089 cents in the $
5.	CBD Accommodation	0.000089 cents in the $
6.	Commercial	0.000089 cents in the $
7.	CBD Commercial	0.000089 cents in the $
8.	Other	0.000089 cents in the $
9.	Mixed Use Apportioned	See **NOTE (i)**

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

The Wanaka stormwater rate revenue ($735,216) will be used to fund the costs associated with the following activities:

> The maintenance and upgrading of stormwater reticulation systems.

Stormwater Rate (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council 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/Wakatipu and Arrowtown wards of the Queenstown Lakes District as follows:

1.	Residential (ii)	0.000088 cents in the $
2.	Hydro Electric/Utilities	0.000022 cents in the $
3.	Vacant Sections (ii)	0.000088 cents in the $
4.	Accommodation	0.000088 cents in the $
5.	CBD Accommodation	0.000088 cents in the $
6.	Commercial	0.000088 cents in the $
7.	CBD Commercial	0.000088 cents in the $
8.	Other	0.000088 cents in the $
9.	Mixed Use Apportioned	See **NOTE (i)**

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

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

The Wakatipu/Arrowtown stormwater rate revenue ($811,328) will be used to fund the costs associated with the following activities:

> The maintenance and upgrading of stormwater reticulation systems.

Tourism Promotion Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council 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 Wanaka ward of the Queenstown Lakes District as follows:

1.	Accommodation	0.001326 cents in the $
2.	CBD Accommodation	0.001326 cents in the $
3.	Commercial	0.001326 cents in the $
4.	CBD Commercial	0.001326 cents in the $
5.	Hydro Electric/Utilities	0.000332 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 Country Dwelling as appropriate.

The Wanaka tourism promotion rate revenue ($925,802) will be used to fund the costs associated with the following activities:

> To finance promotional activities of Lake Wanaka Tourism.

Tourism Promotion Rate (Queenstown/Wakatipu Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council 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/Wakatipu Wards of the Queenstown Lakes District as follows:

1.	Accommodation	0.001226 cents in the $
2.	CBD Accommodation	0.001226 cents in the $
3.	Commercial	0.001226 cents in the $
4.	CBD Commercial	0.001226 cents in the $
5.	Hydro Electric/Utilities	0.000307 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 as appropriate.

The Wakatipu tourism promotion rate revenue ($3,666,836) will be used to fund the costs associated with the following activities:

> To finance promotional activities of Destination Queenstown.

Tourism Promotion Rate (Arrowtown Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council 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 of the Queenstown Lakes District as follows:

1.	Accommodation	0.001413 cents in the $
2.	CBD Accommodation	0.001413 cents in the $
3.	Commercial	0.001413 cents in the $
4.	CBD Commercial	0.001413 cents in the $
5.	Hydro Electric/Utilities	0.000353 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 as appropriate.

The Arrowtown tourism promotion rate revenue ($130,840) 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	$137.00
2.	Hydro Electric/Utilities	$93.00
3.	Vacant Sections	$93.00
4.	Accommodation	$93.00
5.	CBD Accommodation	$93.00
6.	Commercial	$93.00
7.	CBD Commercial	$93.00
8.	Primary Industry	$137.00
9.	Country Dwelling	$137.00
10.	Other	$100.00
11.	Mixed Use Apportioned	$137.00

The Waste Management Charge revenue ($2,853,554) will be used to fund the costs associated with the following activities:

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

Aquatic Centre Charge (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Aquatic Centre charge of $95.00 on each separately used or inhabited part of every rating unit with a residential component in the Queenstown / Wakatipu and Arrowtown Wards:

1.	Residential	$95.00
2.	Hydro Electric/Utilities	$0.00
3.	Vacant Sections	$95.00
4.	Accommodation	$0.00
5.	CBD Accommodation	$0.00
6.	Commercial	$0.00
7.	CBD Commercial	$0.00
8.	Primary Industry	$95.00
9.	Country Dwelling	$95.00
10.	Other	$0.00
11.	Utilities	$0.00
12.	Mixed Use Apportioned	$95.00

The Aquatic Centre Charge revenue ($1,160,018) will be used to fund the costs associated with the following activities:

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

Water Supply Rates

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

Pursuant to sections 16, 17 and 18 of the Act, Council 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:	$250.00
Arrowtown water supply:	$180.00
Wanaka and District water supply:	$180.00

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

	Queenstown (cents in the $)	Arrowtown (cents in the $)	Wanaka (cents in the $)
1. Residential	0.000249	0.000293	0.000284
2. Accommodation	0.000448	0.000527	0.000511
3. CBD Accommodation	0.000448	0.000527	0.000511
4. Commercial	0.000364	0.000428	0.000415
5. CBD Commercial	0.000364	0.000428	0.000415
6. Primary Industry	0.000184	0.000217	0.000210
7. Country Dwelling	0.000204	0.000240	0.000233
8. Other	0.000249	0.000293	0.000284
9. Mixed Use Apportioned	See **NOTE (i)**	See **NOTE (i)**	See **NOTE (i)**

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

ii Other Water Supplies

Pursuant to sections 16, 17 and 18 of the Act, Council 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 ($)	Half Charge ($)
Arthur's Point	610.00	305.00
Glenorchy	750.00	375.00
Hawea	300.00	150.00
Lake Hayes	642.00	321.00
Luggate	580.00	290.00

The Targeted Water Supply Rates revenue ($8,170,392) will be used to fund the costs associated with the following activities:

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

Water Scheme Loan Rate

(i) Lake Hayes Water Supply Area

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

The Targeted Water Scheme Loan Revenue ($12,603) will be used to fund the costs associated with the following activities

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

Sewerage Rates

Pursuant to sections 16, 17 and 18 of the Act, Council 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: every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.

Sewerage Scheme	Charge for 1st pan connected ($)	Half Charge capable of connection ($)	Charge per pan after 1 connected ($)
Wanaka/Albert Town	510.00	255.00	255.00
Arrowtown	460.00	230.00	230.00
Arthur's Point	400.00	200.00	288.00
Hawea	580.00	290.00	290.00
Lake Hayes	360.00	180.00	180.00
Luggate	650.00	325.00	325.00
Queenstown	390.00	195.00	195.00

The Targeted Sewerage Rates revenue ($8,550,819) will be used to fund the costs associated with providing public sewerage services to the above communities.

Sewerage Scheme Loan Rates

(i) Lake Hayes 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 Lake Hayes Sewerage scheme area, on the basis of one charge per pan or urinal connected or capable of being connected of $353.18, on the first pan or urinal, and $176.59 for each subsequent pan or urinal.

Note:

> The targeted sewerage scheme loan rate will not apply to those properties in respect of which the ratepayer elected to make the lump sum contribution; and

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

The Targeted Sewerage Scheme Loan Rates revenue ($22,127) will be used to fund the costs associated with the following activities:

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

Due Dates for Payments

The Council proposes that the above rates and charges for the financial year commencing on the 1st day of July 2015 are payable in four instalments, the due dates and last days for payment without penalty being as follows:

	Due Date	Last Day for Payment (without 10% penalty)
Instalment One	28 August 2015	25 September 2015
Instalment Two	23 October 2015	27 November 2015
Instalment Three	22 January 2016	26 February 2016
Instalment Four	22 April 2016	27 May 2016

Payment of Rates

Rates payments can be made during normal office hours at:

> Civic Centre, 10 Gorge Road, Queenstown

> Wanaka Service Centre, Ardmore Street, Wanaka

> Arrowtown Public Library, Buckingham Street, Arrowtown

Or by direct debit and internet banking.

Additional Charges (Penalties)

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

> A penalty of 10% will be added to the rates and charges levied in each instalment which remains unpaid on the day after the last day for payment date as shown above (i.e. the penalty will be added on 26 September 2015, 28 November 2015, 27 February 2016 and 28 May 2016 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 2015.

> 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 2016.

Differential Matters Used to Define Categories of Rateable Land

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

Differentials by Land Use

The categories are:

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

2. Hydro Electric/ 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.

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

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

5. CBD Accommodation
All rating units used exclusively or principally for the accommodation of paying guests on a short term basis including hotels, motels, houses and flats used for such purposes, commercial time share units,

managed apartments, bed and breakfast properties, motor camps and home stay properties located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as pursuant to clause 11 (Mixed Use Apportioned).

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

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

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

9. Country Dwelling
All rating units of less than 10 hectares, located in any of the Rural Zones (except for the land zoned as Rural Residential north of Wanaka township in the vicinity of Beacon Point Road bounded by the low density residential zone to the south, Penrith Park zone to the north and Peninsula Bay to the east 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. Other
Any rating unit not classified under any of the other categories.

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

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 charge; water supply rates.

Targeted Rates Based on Location

The categories are:

1. Location within the Wanaka ward.
2. Location within the Queenstown/Wakatipu ward or the Arrowtown ward.

These categories are used to differentiate the following targeted rates:

- roading rate; stormwater rate; tourism promotion 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/laundry 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.

Rates

Long term Position

Operating expenditure is shown to increase over the 10 year period by an average of 4.7% (2012:5.5%) per annum. The forecasts do include a provision for inflation after the first year as well as increases as a result of projected growth within the district.

Operating revenue for the same period increases by an average of 3.5% (2012:4.5%) per annum. With the reduction in capital expenditure and debt, forecast rates increases are also reduced. The average annual increase over the 10 years is now 2.8% down from 4.6% (2012).

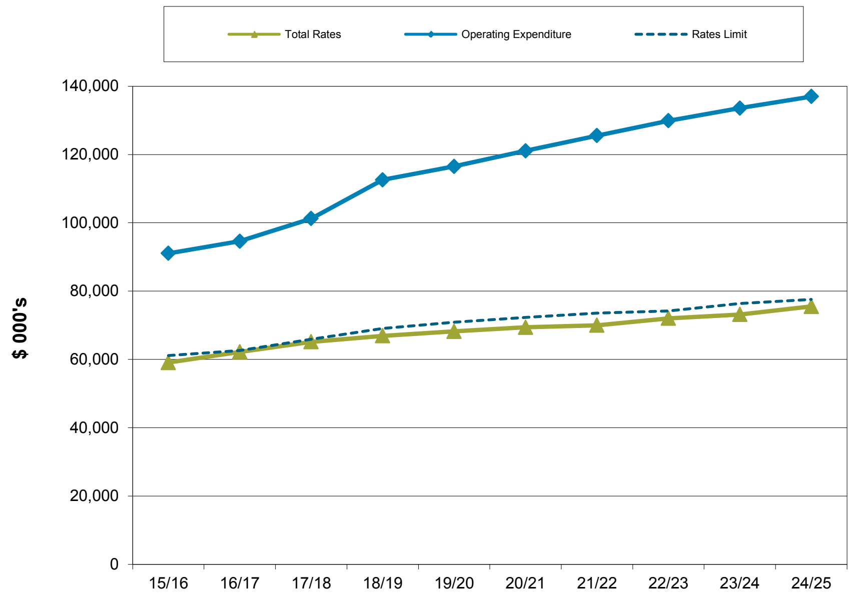
The graph below shows that rates are increasing at lower rate than operating costs over the 10 year period. Rates are influenced by a number of factors including core recurring operating costs; growth in the district; inflation and the capital programme. The capital expenditure in previous years will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

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

The graph below shows that rates are increasing by an average of 2.8% over the 10 years. This increase is not even however, as the impact of increased costs associated with new facilities is recognised. The forecasted rates increase for 2017/18 are high (4.9%) as they reflect the increased costs of the new Wanaka Sports Facility and the Project Shotover.

It is proposed therefore to set a rates increase limit of 6% subject to changes in growth forecasts. It is also proposed that rates income will not exceed 55% of total revenue. The average growth rate in the district is 2% per annum and this will reduce the impact of any rates increase for existing properties.

Operating Expenditure & Rates Revenue



Rates in 2015/16

The TYP shows a rates requirement for 2015/16 of $56.6m in targeted rates and $2.9m for general rates. This represented an overall increase of 1.2% over 2014/15 rates after allowing for growth (growth factor 2.0%).

The district has recently had its three-yearly rates valuation update. This means that the new rating values will be used for the assessment of rates from 1 July 2015. If your property has changed in value to a greater degree than the average movement, then this will have an impact on rates payable.

The rating effect of the budget for 2015/16 is an average overall rates increase of 1.2% (after allowing for growth). The increase, as it stands however, does not impact evenly over the district. Generally properties in the Arrowtown ward show higher average increases than the rest of the district. This is partly due to the higher valuation movements for residential property in Arrowtown. This increase will vary according to property type and location as shown in the following tables:

Summary of Indicative Total Rates Movements for 2015/16 - Median Values

Property Type	CV	Location	Rates %	Rates $
Residential	$670,176	Queenstown	3.77%	$91
Commercial	$1,230,333	Queenstown	-5.02%	-$305
Accommodation	$1,227,414	Queenstown	1.68%	$142
M/U Accommodation	$806,305	Queenstown	2.94%	$100
Vacant	$418,860	Queenstown	2.38%	$43
M/U Commercial	$806,305	Queenstown	1.28%	$40
Residential	$558,055	Wanaka	4.41%	$104
Commercial	$698,819	Wanaka	3.43%	$154
Accommodation	$698,819	Wanaka	6.42%	$413
M/U Accommodation	$620,061	Wanaka	6.93%	$218
Primary Industry	$3,331,970	Wanaka	-1.23%	-$48
Country Dwelling	$1,099,941	Wanaka	0.94%	$19
Vacant	$310,031	Wanaka	5.29%	$87
M/U Commercial	$620,061	Wanaka	5.68%	$166
Residential	$547,408	Arrowtown	8.15%	$176
Commercial	$1,111,877	Arrowtown	-6.77%	-$407
Accommodation	$1,111,877	Arrowtown	0.16%	$13
M/U Accommodation	$733,759	Arrowtown	9.20%	$287
Vacant	$291,174	Arrowtown	6.73%	$104
M/U Commercial	$733,759	Arrowtown	7.50%	$218
Primary Industry	$2,781,412	Wakatipu	-10.17%	-$325
Country Dwelling	$1,428,348	Wakatipu	-8.44%	-$202
Residential	$476,732	Glenorchy	2.40%	$52
Residential	$305,623	Albert Town	5.52%	$105
Residential	$372,948	Hawea	3.33%	$71
Residential	$476,732	Kingston	1.51%	$22
Residential	$542,676	Arthurs Point	3.09%	$76

Summary of Indicative Total Rates Movements for 2015/16 - Higher Values

Property Type	CV	Location	Rates %	Rates $
Residential	$2,244,900	Queenstown	-0.79%	-$38
Commercial	$21,860,125	Queenstown	-5.94%	-$5,794
Accommodation	$42,565,500	Queenstown	0.23%	$582
M/U Accommodation	$2,859,575	Queenstown	-0.97%	-$80
Vacant	$684,160	Queenstown	0.09%	$2
M/U Commercial	$983,480	Queenstown	0.52%	$19
Residential	$1,266,000	Wanaka	2.13%	$77
Commercial	$7,189,100	Wanaka	3.67%	$1,507
Accommodation	$8,626,920	Wanaka	5.11%	$2,948
M/U Accommodation	$2,637,500	Wanaka	5.17%	$440
Primary Industry	$6,995,905	Wanaka	-1.28%	-$105
Country Dwelling	$2,043,000	Wanaka	-0.58%	-$19
Vacant	$844,000	Wanaka	2.69%	$71
M/U Commercial	$727,950	Wanaka	5.46%	$175
Residential	$1,397,075	Arrowtown	6.60%	$224
Commercial	$2,886,500	Arrowtown	-7.29%	-$1,067
Accommodation	$1,104,400	Arrowtown	-1.64%	-$118
M/U Accommodation	$1,664,600	Arrowtown	8.43%	$435
Vacant	$653,950	Arrowtown	5.09%	$104
M/U Commercial	$820,410	Arrowtown	7.37%	$227
Primary Industry	$7,294,000	Wakatipu	-13.15%	-$916
Country Dwelling	$4,209,060	Wakatipu	-12.99%	-$725
Residential	$666,540	Glenorchy	1.16%	$28
Residential	$572,000	Albert Town	3.69%	$88
Residential	$668,850	Hawea	1.60%	$42
Residential	$708,860	Kingston	-0.43%	-$8
Residential	$831,000	Arthurs Point	1.22%	$27

Summary of Indicative Total Rates Movements for 2015/16 - Lower Values

Property Type	CV	Location	Rates %	Rates $
Residential	$422,255	Queenstown	5.49%	$111
Commercial	$273,910	Queenstown	-0.02%	-$1
Accommodation	$462,440	Queenstown	3.26%	$122
M/U Accommodation	$475,705	Queenstown	4.91%	$129
Vacant	$187,075	Queenstown	5.44%	$79
M/U Commercial	$448,980	Queenstown	3.55%	$85
Residential	$490,575	Wanaka	4.76%	$106
Commercial	$436,304	Wanaka	3.76%	$122
Accommodation	$406,556	Wanaka	7.21%	$278
M/U Accommodation	$422,000	Wanaka	7.50%	$196
Primary Industry	$970,235	Wanaka	0.68%	$12
Country Dwelling	$735,480	Wanaka	2.14%	$34
Vacant	$200,450	Wanaka	6.27%	$90
M/U Commercial	$379,800	Wanaka	6.36%	$148
Residential	$582,610	Arrowtown	8.05%	$178
Commercial	$381,520	Arrowtown	-2.98%	-$83
Accommodation	$326,300	Arrowtown	2.92%	$94
M/U Accommodation	$475,600	Arrowtown	9.63%	$246
Vacant	$255,635	Arrowtown	6.95%	$104
M/U Commercial	$594,500	Arrowtown	7.75%	$203
Primary Industry	$1,000,320	Wakatipu	-5.36%	-$92
Country Dwelling	$734,019	Wakatipu	-4.46%	-$71
Residential	$290,950	Glenorchy	3.94%	$75
Residential	$260,000	Albert Town	5.93%	$108
Residential	$288,120	Hawea	3.97%	$80
Residential	$290,950	Kingston	3.80%	$45
Residential	$432,120	Arthurs Point	3.59%	$83

Rates Remission and Postponement Policies

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

Remission Policies

A. Community, Sporting and Other Organisations

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

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

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

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

The organisation must not operate for private pecuniary profit.

The application for rate remission must be made to the Council prior to 15 July of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

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

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

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

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

The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chair of the Property Sub-Committee and the Financial Controller.

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

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

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

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

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

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

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

The extent of any remission shall be determined by the Property Sub-Committee on a case by case basis.

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

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

C. Land Affected by Natural Calamity

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

Conditions and Criteria
Council may remit wholly or in part, any rate or charge made and levied in respect of the land, where it considers it to be fair and reasonable to do so.

Application
The extent of any remission shall be determined by the Property Sub-Committee on a case by case basis.

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

D. Uniform Annual Charges and Targeted Rates on Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Entity

Objective
To limit the incidence of multiple charges where a farming or other business entity consists of a number of contiguous rating units with different owners.

Conditions and Criteria
Each rating unit must be leased to the operator for a term not less than five years.

The operator must provide Council with a statutory declaration confirming that each unit will be operated as part of the entity.

The ratepayer will remain liable for at least one uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

Application
The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

E. Rate Penalties

Objective
To enable Council to remit penalties where:

> Payment has not been received by the penalty date, due to circumstances outside the ratepayer's control; or

> it is deemed equitable to remit the penalty for other reasons.

Conditions and Criteria
Each application will be considered on its merits and remission may be granted where it is considered just an equitable to do so.

The Council will consider remission of rate penalties where an application is made and meets any of the following criteria:

> payment has been late due to significant family disruption. [Significant family disruption would include death, illness, or accident]; or

> the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control; or

> penalties have arisen through processing errors in Council's records or an outstanding balance has arisen as a result of a shortfall caused by the operation of an agreed payment plan; or

> the ratepayer provides a reasonable explanation of the circumstances which caused the late payment, and this is the first occasion on which late payment has occurred.

Application
The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

F. Sundry Remissions

Objective
To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be recovered pursuant to Sections 67-76 of the Local Government (Rating) Act 2002, or where Council or its delegated officer(s) consider the levy impractical to recover.

Conditions and Criteria
The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

Application
Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chair of the Property Sub-Committee and the Financial Controller

G. Policy for Remission and Postponement of Rates on Maori Freehold Land

Section 102(4)(f) of the Local Government Act 2002 requires Council to adopt a policy on the remission and postponement of rates on Maori freehold land; section 108 and Schedule 11 set out the matters to be considered.

Objective
To recognise that certain Maori Freehold land may have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide for remission from certain rates and to avoid further alienation of Maori freehold land.

Conditions and Criteria
Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is subject of such an order may qualify for remission under this policy.

Council will consider remission of rates on land that comes within the following criteria:

- The land is unoccupied and no income is derived from that land; and/or
- The land is better set aside for non-use (whenua rahui) because of its natural features; and/or
- The land is inaccessible and unoccupied.

Application

The policy shall apply to ratepayers who meet the relevant criteria as approved by the Financial Controller.

H. Remission of Postponed Rates

Objective

Council has adopted a number of policy statements that grants a postponement of rates to ratepayers under certain circumstances. A number of these policies contain a provision that allow the postponed rates to be written off or remitted after a predetermined period, subject to the terms and conditions of the policy being complied with.

This policy statement provides the power for those postponements to be remitted in accordance with the postponement policies.

Conditions and Criteria

1. The conditions that gave rise to the postponement of the rates must have been fully complied with over the term of the postponement period.
2. Subject to the conditions and criteria being complied with as set out in (1) above, Council will remit the applicable postponed rates without any further applications being required from the ratepayer.
3. This policy statement will only apply to those rate postponement policy statements that provide for the rates to be remitted after a predetermined period of time.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

I. Remission of Rates on Land that has Made Lump Sum Contributions

Objective

A number of water and sewerage schemes have been developed using loans. In certain cases the ratepayers were offered the opportunity to make a lump sum contribution rather than paying an annual loan rate. Because some ratepayers made the lump sum contributions it would be inappropriate to charge them any costs relating to these loans. The most appropriate solution to resolving this problem would be to offer these ratepayers a remission of rates equal to the amount of the rate that they were previously exempt from paying.

This policy statement provides the authority to make the necessary remissions.

Conditions and Criteria

1. Rating unit must have previously paid a lump sum contribution in lieu of paying a loan rate.
2. The amount of the remission must not exceed the amount of the exemption from paying the loan rate.
3. The remission will only apply for so long as the underlying loan which gave rise to the loan rate remains in existence.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

J. Rating of Separately Used or Inhabited Parts of a Rating Unit

Objective

To limit the incidence of multiple charges on a property containing separate uses or separate inhabitants, where it is equitable to do so.

Conditions and Criteria

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/laundry 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.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

Postponement Policies

K. Residential Land Subject to Zone Changes

Objective

To ensure that owners of residential rating units which are rezoned are not unduly penalised by an increase rates as a result of the zone change.

Conditions and Criteria

To qualify for postponement under this part of the Policy, the rating unit must:

- Be situated within the area of land that has been rezoned.
- Be listed as a 'residential' property for differential rating purposes.

In addition the ratepayer must:

- Have been the property owner prior to the zone change being initiated.
- Reside permanently in the rating unit.
- Will not have actively sort rezoning.

Postponement of rates will apply to the change in land value only of the property as a result of zoning changes.

Any postponed rates will be postponed until:

- The death of ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date determined by the Council in any particular case.

At any time, the applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed to this Policy by paying the postponed rates or any part thereof.

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

Council will add to the postponed rates all financial and administrative costs to ensure neutrality. The financial cost will be the interest Council will incur at the rate of Council's cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include Council's own in-house administrative costs).

Application

The application for rate postponement must be made to the Council prior to 15 July of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller. The extent of any postponement will be based on valuations supplied by its valuation service provider.

L. Postponement Policy - Extreme Financial Hardship

Objective

To assist ratepayers experiencing extreme financial hardship.

Conditions and Criteria

The ratepayer must make written application to the Council.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant.

The Council must postpone rates in accordance with the Policy where the application meets all of the following criteria:

- The ratepayer must be the current owner of the rating unit.
- Generally, this policy will apply to rating units used for residential purposes.
- The Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over after the payment of rates, for normal health care, appropriate provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day to day living expense.
- The ratepayer must not own any other rating units or investment properties or other realisable assets.
- The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

The Council may add a postponement fee to the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

Any postponed rates will be postponed until:

- The death of ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date determined by the Council in any particular case.

At any time, the applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed to this Policy by paying the postponed rates or any part thereof.

Application
Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chair of the Property Sub-Committee and the Financial Controller

M. Policy for Rate Postponement for Farmland

Objective
To ensure that owners of rural rating units used as farmland but with the potential for non-farming development are not unduly penalised by rating valuations which reflect in some measure the potential use to which the land may be put.

Conditions and Criteria
The policy will apply to the rating units that are:

- Actively farmed by the ratepayer as an economic farming unit and be the primary source of income for the property owner.
- Ten hectares in area or more.
- Farmland whose rateable value in some measure is attributed to the potential use to which the land may be put for residential, commercial, industrial, or other non-farming development.

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

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

- Details of ownership of the rating unit.
- Full financial accounts.
- Information on the farming activities.

Application
If an application is approved the Council will request its Valuation Service Provider to determine a rates-postponement value of the land. The purpose of this requirement is to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use in order to preserve uniformity and equitable relativity with comparable parcels of farmland whose valuation do not contain any such potential value.

The rates postponed for any rating period will be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable land value of the property and the amount of the rates that would be payable for that period if the rates postponement land value of the property were it's rateable land value.

No objection to the amount of any rate-postponement value determined by the Council and its Valuation Service Provider will be upheld.

- All rates whose payment has been postponed and which have not been written off become due and payable immediately on.
- The land ceasing to be farmland.
- The land being subdivided.
- The value of the land ceasing to include a portion of its value attributable to the potential use to which the land may be put for residential, commercial, industrial, or other non-farming development.
- The interest of the person who was the ratepayer at the date on which the rates postponement land value was entered on the Council's Rating Information Database becoming vested in another person other then the ratepayer's spouse, the executor/administrator of the ratepayer's estate or where the ratepayer was the proprietor of the interest as a trustee, a new trustee under the trust.

Postponed rates may be registered as a charge against the land so that in the event that the property is sold the Council has first call against any of the proceeds of that sale.

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

N. Policy for Rate Postponement for Elderly

Objective
To give ratepayers 65 years of age and over a choice between paying rates now or later subject to the full cost of postponement being met by that ratepayer and Council being satisfied that the risk of loss in any case is minimal.

General Approach
Only rating units defined as Residential or Country Dwelling and resided in permanently by the applicant(s) will be eligible for consideration of rates postponement under the criteria and conditions of this policy.

Current and all future rates may be postponed indefinitely if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older, until one of the conditions a-c (under conditions) becomes applicable.

Owners of units in retirement villages will be eligible provided that Council is satisfied payment of postponed rates can be adequately secured.

Council will add to the postponed rates all financial and administrative costs to ensure neutrality.

Council will establish a reserve fund out of which to meet any shortfall between the net realisation on sale of a property and the amount outstanding for postponed rates and accrued charges, at the time of sale. This will ensure, that neither the ratepayer(s) nor the ratepayer(s') estate will be liable for any shortfall.

Conditions and Criteria

a) Eligibility
Ratepayers are eligible for postponement provided that the following criteria are met by the ratepayer(s):

- Be at least 65 years of age.
- Reside permanently in the residence and use for personal residential purposes.
- Be a New Zealand citizen.
- Own no other property.
- The rateable property must be classified as ‘residential’ or ‘country dwelling’ in the Council’s rates database.

b) Risk
Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid is negligible. To determine this, a financial model has been developed that will forecast expected equity when the payment falls due. Eligibility for full postponement is dependent upon remaining equity forecast by this model being acceptable to the Council. If it is not, Council will adjust its postponement offer to bring it within an acceptable level.

c) Insurance
The property must be insured for its full value and evidence of this produced annually. To assist ratepayers who are currently uninsured, Council is arranging through its insurers for the development of a group insurance policy to provide all risks cover, with an excess of $2,500. This will achieve cover against catastrophic loss at minimum cost. The premium will be added to rates and thus come within the postponement arrangements.

Conditions
Any postponed rates (under this policy) will be postponed until:

a) The death of the ratepayer(s) or named individual or couple;

b) Until the ratepayer(s) ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another within the Council’s District, Council will consider transferring the outstanding balance, or as much as is needed, to facilitate the purchase, provided it is satisfied that there is adequate security in the new property for eventual repayment); or

c) Until the ratepayer(s) ceases to use the property as his/her residence.

Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Councils administrative and financial costs and may vary from year to year.

The financial cost will be the interest Council will incur at the rate of Council’s cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include Council’s own in-house costs, a 1% p.a. levy on outstanding balances to cover external management and promotion costs, and a reserve fund levy of 0.25% p.a., and a contribution to cover the cost of counselling).

To protect Council against any suggestion of undue influence, applicants will be asked to obtain advice from an appropriately qualified and trained counsellor. A counsellor’s certificate confirming this, will be required before postponement is granted. This service will be provided by a council approved and suitably qualified organisation.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Review or Suspension of Policy

The policy is in place indefinitely and can be reviewed subject to the requirements of the Local Government Act 2002 at any time. Any resulting modifications will not change the entitlement of people already in the scheme. This includes the suspension while the ratepayers having to pay future rates but not previously postponed rates, until the ratepayer is required under conditions (a-c) to make payment.

Council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80% of the rateable value of the property as recorded in Council’s rating information database.

The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

Application

Applications for rate postponement must be made on the required application form which will be available from the QLDC offices.

The application must be made to the Council prior to 15 July of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.


SUBWAY
HEV319

Policy on Development Contributions and Financial Contributions

Overview

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

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

- Financial Contributions imposed as a condition of a resource consent pursuant to Section 108, 220, 407 or 409 of the Resource Management Act (RMA) 1991. Council has withdrawn most of the provision relating to Financial Contributions from Section 15 of the District Plan.
- Development Contributions as defined by the provisions of Part 8 Subpart 5 and Schedule 13 of the Local Government Act 2002 (LGA 2002). To make use of these provisions Council must adopt a Policy on Development Contributions as Part of the Council's TYP. Development Contributions are based on the fiscal implications of growth.

Development contributions may be sought in respect of any development that generates a demand for reserves, network or community infrastructure. Council will assess whether development contributions are payable in relation to the development when an application for one of the following is made:

I. Resource Consent
II. Building Consent
III. Authorisation for a Service Connection

This policy has been prepared to meet the requirements of Section 106(2) of the LGA 2002. The full methodology that demonstrates how the calculations for development contributions were made is contained in a separate document which is available to the public as per section 106 (3) of the Act.

Reasons for using Development and Financial Contributions

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

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

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

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

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

B. the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community

Council's Revenue & Financing Policy considers each of these factors in relation to each activity to be funded. In addition, Council has specifically considered these factors in relation to the

Development Contributions and Financial Contributions Policy:

(i) Community Outcomes

This policy contributes to:

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

(ii) Distribution of Benefits

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

(iii) Period Over Which The Benefits Are Expected to Occur

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

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

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

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

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

(vi) Allocation Of Liability For Revenue Needs

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

Assets included in this policy are:

- Network infrastructure for water supplies, wastewater, stormwater and transportation.
- Reserve land.
- Community infrastructure including the development and acquisition of reserve land to use as reserve and facilities needed on that reserve and other public amenities such as halls, libraries, public toilets, parking facilities and the like.
- Other Assets. Financial Contributions can be required to avoid remedy or mitigate adverse effects of development that are of a non-fiscal nature. These may include contributions that avoid, remedy or mitigate the effects of development on biodiversity, landscape, amenity values or the provision of specific assets by the developer/subdivider (i.e. access easements in gross). As the Development Contributions provisions of the LGA 2002 specifically relate to fiscal impacts or effects of growth, Financial Contributions for non-fiscal impacts of effects of development will need to be assessed through the RMA and District Plan processes. Chapter 15 of the District Plan (not operative) and any subsequent variations shall be considered in this policy.

Which Contributions Will Apply

Council has recently completed the process of removing parts of the Financial Contributions rules, policies and objectives under the provisions of Part 15 of the Queenstown Lakes District Plan. This has made Section 15 operative and Council can no longer impose Financial Contributions pursuant to Section 489 of the RMA.

Until the 2007 version of the Policy, Council has assessed Development Contributions on any application for resource consent, building consent or service connection lodged after 8 May 2004 and granted on or after 1 July 2004. It is now deemed appropriate to amend the application date of the Policy so that Development Contributions may also be assessed on any application for resource consent, building consent or service connection lodged before 8 May 2004 and granted on or after 1 July 2007. This amendment will affect very few applications as most applications received prior to 8 May 2004 have either been granted previously or withdrawn.

The Council cannot require a Development Contribution for a reserve; network infrastructure or community infrastructure if and to the extent that it has under Section 108, 407 or 409 of the RMA imposed a condition on a resource consent in relation to the same development for the same purpose. Council shall in requiring contributions, clearly identify under what circumstances and upon which legislation (RMA 1991, LGA 2002) a contribution is required.

The following tables indicate:

- Where Financial and Development Contributions are to be sought such that no duplication of levy for the same effect/benefit will occur.
- How much is to be charged per dwelling equivalent for each asset type within each area

Changes to Assessment Policy 2012

Council has revised the development contribution policy process to allow for the recalculation of unpaid development contributions. Before 2012, an assessment of contributions payable was made at the time the consent was issued and this assessment stood for the duration of a valid consent. Under revised policy, if development contributions are not paid within 24 months of a consent being issued contributions will be recalculated under the latest version of the policy.

Effectively this means that any Development Contribution Notice (DCN) is valid for 24 months from the time of issue:

All DCN's issued after 1 July 2012 will be valid for 24 months from the date of issue and then recalculated for payment under the policy relevant at that time.

Type of Contributions Required By Geographic Area - Within Urban Areas and Townships (includes all land uses with an urban area)

Water Supply	Wastewater	Stormwater	Transportation	Reserve Land	Reserve Improvements	Community Facilities	Other/ Miscellaneous
Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Wanaka Albert Town Hawea Luggate Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Queenstown Arrowtown Lake Hayes Arthurs Point Wanaka Albert Town Hawea Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Queenstown Arrowtown Glenorchy Wanaka Albert Town Hawea Luggate Arthur's Point Lake Hayes Kingston Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Kingston Wanaka Albert Town Hawea Luggate Cardrona Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2006	Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Kingston Wanaka Albert Town Hawea Luggate Cardrona Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004 Land, Money or Combination of Both	Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Kingston Wanaka Albert Town Hawea Luggate Cardrona Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Kingston Wanaka Albert Town Hawea Luggate Cardrona Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Kingston Wanaka Albert Town Hawea Luggate Cardrona Financial Contributions Environmental Effects – Chapter 15 District Plan and variations i.e. Environmental Considerations
Kingston No Scheme Available To be assessed at the time a scheme is required and charged to all connections	Glenorchy Kingston Luggate No Scheme Available To be assessed at the time a scheme is required and charged to all connections	No Scheme assets of significance No Contributions to be sought					

Type of Contributions Required By Geographic Area - Within Rural Areas

Water Supply	Wastewater	Stormwater	Transportation	Reserve Land	Reserve Improvements	Community Facilities	Other/ Miscellaneous
Rural General and other rural zonings Nil - Unless supplied by a scheme. Scheme charge to apply and any network extension costs	Rural General and other rural zonings Nil - Unless supplied by a scheme. Scheme charge to apply and any network extension costs	Rural General and other rural zonings Nil - Unless supplied by a scheme. Scheme charge to apply and any network extension costs	Rural General and other rural zonings Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2006	Rural General and other rural zonings Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004 Land, Money or Combination of Both	Rural General and other rural zonings Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Rural General and other rural zonings Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Rural General and other rural zonings Financial Contributions Environmental Effects - Chapter 15 District Plan and variations i.e. Environmental Considerations
Hawea Rural Residential Development Contributions Hawea development contributions payable	Hawea Rural Residential Development Contributions Hawea development contributions payable	Hawea Rural Residential Development Contributions Hawea development contributions payable					
Aubrey Road Rural Residential Development Contributions Wanaka development contributions payable	Aubrey Road Rural Residential Development Contributions Wanaka development contributions payable	Aubrey Road Rural Residential Development Contributions Wanaka development contributions payable					

Schedule of Development Contributions per Dwelling Equivalent Required by Contributing Area 2015/16 (Excluding GST)

Contributing Area	Water Supply ($)	Wastewater ($)	Stormwater ($)	Transportation ($)	Reserve Improvements * ($)	Community Facilities ($)	Total Cash Contribution ($)	Reserve Land Contribution ($ or Land)
Urban Areas - Including All Land Uses								
Queenstown	3,109	6,153	1,417	2,315	1,107	2,443	16,544	27.5m²
Frankton Flats	3,109	6,153	14,355	2,315	1,107	2,443	29,482	27.5m²
Arrowtown	4,301	5,856	970	2,315	1,107	2,443	16,992	27.5m²
Glenorchy	6,036		685	2,315	1,107	2,443	12,586	27.5m²
Lake Hayes	2,666	6,918		2,315	1,107	2,443	15,449	27.5m²
Shotover Country	2,666	1,865		2,315	1,107	2,443	10,396	27.5m²
Arthur's Point	3,617	4,032		2,315	1,107	2,443	13,514	27.5m²
Kingston				2,315	1,107	2,443	5,865	27.5m²
Wanaka	2,458	6,776	1,977	2,133	1,172	966	15,482	27.5m²
Hawea	3,494	7,355	510	2,133	1,172	966	15,630	27.5m²
Albert Town	2,458	6,776	941	2,133	1,172	966	14,446	27.5m²
Luggate	2,175	2,336	41	2,133	1,172	966	8,823	27.5m²
Other Wakatipu Townships				2,315	1,107	2,443	5,865	27.5m²
Other Wanaka Townships				2,133	1,172	966	4,271	27.5m²
Rural Areas - Including all Rural Residential/Rural Life Style								
Wakatipu Rural				2,315	1,107	2,443	5,865	27.5m²
Wanaka Rural				2,133	1,172	966	4,271	27.5m²
Hawea Rural Res.	3,494	7,355	510	2,133	1,172	966	15,630	27.5m²
Aubrey Road Rural Res.	2,458	6,776	1,977	2,133	1,172	966	15,482	27.5m²

* Reserve Improvements contribution excludes requirement for 27.5m² reserve land contribution.

Notes:
1. Development Contributions for water supply, wastewater, stormwater, reserves and community facilities have been assessed and will be collected using the LGA 2002 from 1 July 2004.
2. Transportation development contributions have been assessed and will be collected using the LGA 2002 from 1 July 2006.
3. Development contributions are triggered and may become payable on the granting of:

A. A Resource Consent
B. A Building Consent
C. An authorisation for a service connection

As the sequence of development is not always consistent, development contributions shall be required at the first available opportunity. At each and every subsequent opportunity the development will be reviewed and additional contributions required if the units of demand assessed for the development exceed those previously paid for.

Overview of Calculation Methodology

A brief introduction to the development contributions calculation method is presented herein. A full disclosure of the methodology and calculations is available from QLDC for public inspection at:

> Wanaka Service Centre, Ardmore Street, Wanaka.

> Civic Centre, 10 Gorge Road, Queenstown.

The current Development Contributions model applies to Water Supply, Wastewater, Stormwater, Reserves, Community Facilities and Transportation.

The key concept of the approach is to define the total capital expenditure (CAPEX) for growth consumed by the growth population over a period of time. This consumption of CAPEX for growth is then apportioned among the increased number of units of demand (dwelling equivalents) over the same time period. This defines the long run average cost of growth per unit of demand, defined as the dwelling equivalent contribution. This can be represented by the following formula.

$$\text{Dwelling Equivalent Contribution} = \frac{\text{Sum of CAPEX for Growth Consumed in Analysis Period}}{\text{Sum of New Dwelling Equivalents in Analysis Period}}$$

The calculation method can be simplified according to the following steps:

STEP 1: Assess capital expenditure for growth on an asset by asset basis using financial reports (past expenditure) and projected expenditure.

STEP 2: Apportion capital expenditure for growth by the growth population (dwelling equivalents) over the design life of the asset, to assess the $/unit of demand.

STEP 3: For each year in the analysis period determine the total consumption of asset capacity for each asset identified, namely – $/unit of demand x the number units of demand.

STEP 4: Sum for all assets in each year in the analysis period, namely total capacity consumed in that year, measured in $.

STEP 5: Sum each year in the ten year analysis period and divide by the growth population (new dwelling equivalents) projected over the analysis period to determine the dwelling equivalent contribution.

Capital Expenditure

Only capital expenditure (CAPEX) is considered in the model. All Operational Expenditure is excluded, including internal overheads.

Capital expenditure is identified from two sources, namely:

A. Activity Management Plans (formally Asset Management plans) and

B. Financial Reports.

The Activity Management Plans are used for assessing projected CAPEX. The AMPs are formal planning documents that include long term expenditure forecasts.

CAPEX for Growth Apportionments

The CAPEX identified above has been apportioned into five cost drivers. These being Growth, Renewal, Level of Service, Statutory and Deferred Works/Other. The growth apportionment is the significant driver for assessing development contributions. The cost drivers have been assessed using several methods.

These are:

> Asset Capacity.

> Using Design Life of New Assets to Approximate Growth Percentage.

> Assessed using professional judgement.

Following the completion of the growth study, Council updated its infrastructure models for water supply (WaterGEMS - Bentley Systems), wastewater (SewerGEMS - Bentley Systems) and developed a Transportation and Parking model (Tracks - Gabites Porter). These models provide a detailed insight into the effects of growth and consequently accurate growth apportionments can be made.

Land Use Differentials

Land use differentials are an important part of the calculations. They enable all development and subdivision types (residential and non-residential) to be considered. Non-residential activities can be described using a common unit of demand, which in this case is the dwelling equivalent.

The following table summarises how to calculate the number of dwelling equivalents (DE's) for a non-residential subdivision or development based on the Gross Floor Area (GFA).

Dwelling Equivalent Calculation Table

	Water Supply		Wastewater	Stormwater	Reserve Improvements and Community Facilities		Reserve Land		Transportation	
Category	**Dwelling Equivalents per $100m^2$ GFA**	**Plus Network Factor Dwelling Equivalents**	**Dwelling Equivalents per $100m^2$ GFA**	**Dwelling Equivalents per $100m^2$ Impervious Surface Area**	**Dwelling Equivalents per $100m^2$ GFA for Wakatipu**	**Dwelling Equivalents per $100m^2$ GFA for Wanaka**	**Dwelling Equivalents per $100m^2$ GFA for Wakatipu**	**Dwelling Equivalents per $100m^2$ GFA for Wanaka**	**Dwelling Equivalents per $100m^2$ GFA for Wakatipu**	**Dwelling Equivalents per $100m^2$ GFA for Wanaka**
Residential	1 Dwelling Equivalent (DE) per Dwelling Unit									
Residential Flat	0.37	0.40	0.62	0.38	0.62	0.62	0.62	0.62	0.62	0.62
Multi Unit Residential	0.37	0.40	0.62	0.38	0.62	0.62	0.62	0.62	0.62	0.62
Accommodation	0.25	1.30	0.50	0.38	0.90	1.71	0.90	1.71	1.72	2.17
Commercial	0.16	1.17	0.20	0.38	0.04	0.06	0.00	0.00	2.15	2.56
Industrial	0.16	1.17	0.20	0.38	0.04	0.06	0.00	0.00	1.04	1.19
Country Dwelling	1 DE per Dwelling		1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling		0.66 DE's per Dwelling		1.34 DE's per Dwelling	3.01 DE's per Dwelling
Other	To be individually assessed at the time of application									
CBD Accommodation	0.25	1.30	0.50	0.38	0.90	1.71	0.90	1.71	1.72	2.17
CBD Commercial	0.16	1.17	0.20	0.38	0.04	0.06	0.00	0.00	2.15	2.56
Mixed Use Accomm.	1 DE per Dwelling		1 DE per Dwelling	0.38	0.78	0.95	0.78	0.95	1.30	1.38
Mixed Use Comm.	1 DE per Dwelling		1 DE per Dwelling	0.38	0.78	0.95	0.59	0.71	0.97	0.99
Primary Industry	1 DE per Dwelling		1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling		0.66 DE's per Dwelling		1.69 DE's per 27Ha	1.83 DE's per 41Ha
Restaurant/Bar	0.83	1.17	0.46	0.38	0.04	0.06	0.00	0.00	2.15	2.56

Note: 1. A residential property is always 1 Dwelling Equivalent (DE) or has $160m^2$ GFA. 2. A residential property is always assumed to have $260m^2$ Impermeable Surface Area (ISA). 3. Non-residential developments (Commercial, Industrial, CBD Commercial, Mixed Use Commercial and Restaurant/Bar) will not be assessed for a Reserve Improvements contribution.

The detailed methodology and formulas used to develop the above table are explained in the Detailed Supporting Document.

If the Gross Floor Area (GFA) is unknown, which may be the case at the subdivision or land use consent stage, then the following table will be used to estimate the GFA.

Category	Building Coverage	No. of Floors
Residential	Assume 160m² per Dwelling Unit	
Accommodation	55%	2
Commercial	75%	1
Industrial	30%	1
Country Dwelling	Assume 160m² Dwelling Unit	
CBD Accommodation	80%	2
CBD Commercial	80%	2
Mixed Use Accommodation	55%	1
Mixed Use Commercial	55%	1
Primary Industry	Assume 160m² per Dwelling Unit	
Restaurant/Bar	Use Commercial or CBD Commercial	

Note: When an estimate of the GFA is used in the development contribution assessment then Council will only charge 75% of the calculated contribution at this stage.

Multi Unit Residential Developments

This relates to any development that involves the development of three or more residential units within a single site, it does not include additions, alterations or accessory buildings.

When assessing the number of dwelling equivalents for multi unit developments, instead of allowing one dwelling equivalent per unit, the assessment will be done using the GFA of the development and the multi unit residential differentials shown in the above table. This method more clearly defines the impact of multi unit residential developments when compared to visitor accommodation and will make most developments of this type more affordable.

Residential Flats

When assessing the number of dwelling equivalents for residential flat developments instead of allowing one (or half) dwelling equivalent per unit the assessment will be done using the GFA of the flat and the residential flat differentials shown in the above table. This method more clearly defines the impact of residential flats and will make them more affordable.

Reserve Land Contribution

A portion of development contributions paid to Council is utilised for the provision and improvement of reserve land within the Queenstown Lakes District. It is Council's aim to have adequate provision of accessible reserve land of high quality to serve its growing population. However, the reserve land development contribution level is significant relative to the cost of an overall development and can have an adverse effect of deterring investment in development within the Queenstown Lakes District. This can be one of the barriers towards the provision of affordable housing. Through this policy, Council will ensure reserve land contributions are only applicable where there is currently limited provision. The following Reserve Land Contribution Policy has been established based on how the District is currently served by accessible reserve land, and how Council aims to meet demand for future provision of reserves.

The Queenstown Lakes District currently has a publicly accessible park provision of approximately 1,813 hectares. Based on a usual resident population of 29,500[1] this equates to 61.45 hectares of park per 1000 residents. This level of service is significantly higher than the national average of approximately 21 hectares per 1000 residents and while it is desirable to maintain the current ratio of recreational land to population it is not considered necessary to increase the level of recreational land provision per capita. Existing residential areas enjoy a good provision of local parks, sports fields, esplanade strips adjoining lake and river margins, lakeside beaches, a significant walking and biking trails and track network and surrounding Department of Conservation reserves. Queenstown Lakes District residents and visitors use a mix of different types of these reserve areas for a variety of active and passive recreation purposes.

Although provision of land used for recreation purposes is high, much of the land is underdeveloped and continual improvement is required to ensure reserve land is functional and of high quality. This generates the ongoing need for development contributions for reserve improvements as new developments continue to increase the usage of reserves across the District.

Whilst development contributions for reserve improvements remain applicable, in respect to the future requirement for obtaining reserve land, there is scope to reduce development contributions for reserve land acquisition in residential areas that currently have adequate reserve provision. This revised policy looks to ensuring that land acquisition only occurs when real demand exists and also ensures the reduction of ongoing maintenance costs for unnecessary reserve land that would be borne by ratepayers

For new developments within areas that do not have adequate reserve provision there will be a need for additional reserves to meet the recreational demand of the new residents in those areas. Accordingly, development contributions for reserve land acquisition will continue to be required.

The below helps identify those areas which are deemed to have reserve land take requirements

Greenfield Sites

The land contribution has been assessed at 27.5m² for each residential property that requires a reserve land contribution component[2]. In this policy the term 'residential' includes visitor accommodation[3]. This provision has been reviewed and is still considered appropriate. This land contribution will remain applicable to development of 'Greenfield' sites where development will result in increased population and the associated demand for accessible reserve provision.

[1] *2015 Estimate based on medium growth from 2013 census - Queenstown Lakes District Projections for Resident Population, Dwellings and Rating Units to 2065 April 2014*

[2] *Parks Strategy 2002*

[3] *As per the Local Government Act amendments 2014*

‘Greenfield’ sites are considered to be undeveloped land parcels that do not have existing subdivision consents for future residential development by the time this policy has been adopted). Special Housing Areas (SHAs) and undeveloped land proposed to be subdivided in District Plan Special Zones are also considered Greenfield sites.

Generally, ‘Greenfield’ developments are in areas with rural zoning. Where development is proposed that will create new land parcels in urban areas (urban areas in this policy are all zones apart from rural type zones) that do not have existing subdivision consents for future residential development by the time this policy has been adopted, consideration for reserve land contributions will be on a case by case basis.

Consideration will be given as to whether there is existing accessible reserve land, and to whether this reserve land is of an appropriate size and purpose relative to the size of the proposed development. For a reserve to be ‘accessible’ it is considered it should generally be within 800m of a property it serves and easily accessible by foot. Council retains discretion on the consideration of what is appropriately accessible in any given case. For reserve land to meet its purpose for recreation it would generally include reserve areas that can be used for active and passive recreation including open park spaces usable for play activities. To avoid doubt, suitable recreation reserves do not include esplanade reserves, drainage reserves or public walkways with ROW easements in favour of Council.

At Council’s discretion, the land contribution will be 27.5m2 for each residential property. If existing reserves are of adequate size (greater than or equal to 27.5m2 per residential unit) and purpose, and are accessible (within 800m by foot of each residential unit) to the proposed development then generally no reserve land contributions are to be made.

Country Dwelling Greenfield Sites

In Rural Zones where the lots developed/subdivided are greater than 4000m², these lots will be subject to a reduced level of development contributions for reserve land contributions as the demand for reserve land tends to be less than the demand generated by new land parcels that are of a smaller size and within more highly developed areas. Land contribution in lieu of cash contributions will generally not be accepted for these type of developments/subdivision. The establishment of piecemeal reserve land parcels spread through rural areas is undesirable as is generally not accessible to the recreational demand and therefore cash contributions will be applicable to enable Council to acquire the most suitable land to serve the needs of the community.

Brownfield Sites

We have a good provision of accessible reserve land in our developed urban areas. As such there is an opportunity to reduce development contributions for reserve land acquisition in these areas. Reserve land contributions will therefore not be applicable to development of ‘Brownfield’ sites. ‘Brownfield’ sites are considered to be existing land parcels proposed for residential development or that have subdivision consents for future residential development by the time this policy is adopted, and that are within existing urban areas.

When a Reserve Land Contribution is Required

At Council’s discretion the reserves contribution can be either land or cash or a combination of both. Consultation with Council is required prior to an application for an outline development plan, a plan change, a resource or building consent being lodged. In some instances, Council may accept or require a contribution to the equivalent value in the form of land or infrastructure.

An outcome of the consultation will be to form a developer’s agreement as to whether cash or land or both are appropriate in any given case. For example, to allow reserve assets to vest in Council through the subdivision consent process, where they are considered of a suitable standard in terms of Council’s reserve requirements, and credit them against the contributions required.

Land offered to Council in lieu of cash development contributions for Reserve Land acquisition must be of a suitable standard, size and purpose to be accepted by Council. This shall be at the discretion of Council and the following guidelines will assist developers to provide proposals for suitable land:

Characteristic	Standard
Gradient	Land offered shall be generally easily maintainable flat land. This will ensure costly maintenance of unsuitable high gradient land is not borne by ratepayers in the future and land provided is suitable for recreational purposes. In some cases, where Council deems it appropriate, land not meeting this gradient standard may be acceptable to allow land not suitable for active use to be accepted to protect amenity or landscape features, to protect scenic backdrops and heritage landscapes or to create walking or cycling connections that cannot otherwise be made on gentler gradients.
Size	27.5m2 per potential residential unit. Reserves shall be of a usable size. Pocket parks are generally not to be accepted unless they protect amenity or landscape features, or protect scenic backdrops and heritage landscapes or create walking or cycling connections that cannot otherwise be made through the provision of existing reserves or new larger reserves.
Unrestricted	No legal covenants that will restrict Council from meeting its Reserves Act Obligations
Accessible	Within 800m of housing or accommodation it serves

If a cash contribution is required, the value of the land shall fall into the category of either urban or township. The land values for the two wards have been calculated as averages as follows:

Category of Land	Land Value
Wakatipu Ward	
Urban	$335/m²
Township	$150/m²
Wanaka Ward	
Urban	$235/m²
Township	$150/m²

These values will be reviewed yearly; see Maximum Contributions below.

If the applicant considers these values to be incorrect, then the applicant may request Council to obtain a valuation of the land which is at the applicant's expense. Where this process is applied, payment shall be calculated as follows:

A. The market value of the new sites is the sale value of the sites at the date on which the valuation is requested.

B. The market value of the new sites shall be capped at $1500 per m^2 and this maximum value will be reviewed by Council annually.

C. Lots for roads, utilities, reserves, access or similar purposes shall be excluded from the calculation.

D. Market value of a new site in the case of a stratum title under the Unit Titles Act, where the site is not situated on the ground, shall be calculated as if the site were on the ground.

E. In Rural Zones (except for Rural Visitor Zones), where the lots created are greater than 4000m^2, the market value of each lot shall be the market value of the rural residential site of 4000m^2 within that lot, being the most likely site for a building platform.

F. The value of the land contribution per m^2, in Rural Zones (except for Rural Visitor Zones) shall be the market value as defined in (e) above divided by 1000m^2.

Most of the existing reserve land in the District is under developed and funding is needed to enhance reserves, particularly to provide for future population growth projections. Generally land should not be taken for reserves unless it is required for Greenfield development or in some rare cases to protect scenic backdrops and heritage landscapes, or to create new walking or cycling connections that cannot otherwise be made.

An analysis of projected demand for reserve land has been completed using two contributing areas for the district. It is expected that the total value of reserve land that will be needed over the next 10 years is estimated to be $19.1m. This is based on the 27.5m^2 desired level of service for each new dwelling equivalent. 100% of this demand can be attributed to growth and will be provided through development contributions either through the provision of land or as cash contribution. Forecasts show that 70% of this total demand is likely to be provided through the provision of vested land from developers.

Maximum Contributions

Section 203 of the Local Government Act 2002 allows the following maximum contributions.
"Development contributions for reserves must not exceed the greater of -

A. 7.5% of the value of the additional allotments created by a subdivision; and

B. the value equivalent of 20 square metres of land for each additional household unit created by the development."

Note: Council will ensure that the statutory maximum is not exceeded in the application of the policy and calculation methods.

Significant Assumptions Used in the Calculation of Development Contributions

As both the TYP and this Policy rely on the same base data, the significant forecasting assumptions disclosed in Volume 2 of the TYP pp 4-8 also apply to this Policy. All information used in the calculations of either development or financial contributions is the best available at the time. Council is proceeding with numerous strategic studies which will aid in delivering improved information. Council is committed to updating its contribution calculations as the results of these studies become available.

Financial Considerations

The following are key financial considerations applied in the model:

- All figures are in current New Zealand dollars - effective 1 July 2015.
- Inflation is applied to past capital projects only.
- Interest costs have been assessed based on the weighted average cost of capital (WACC) over the first 10 year period from 1 July 2015. The cumulative net deficit between the contributions anticipated to be collected and the growth costs over the 10 year period are used to determine the proportion of the growth cost that will be funded by debt. A 6.0% interest rate has been applied.
- Capital expenditure projections are those that have been applied in the TYP effective at 1 July 2015 and subsequent Annual Plans. The public nature and auditability of these capital projections provides additional confidence to the process. Schedule 10 of the LGA 2002 prescribes a number of disclosures including growth, renewal and level of service apportionments.

Growth Projections

These have been estimated using the best information available.

- Growth Projections 2014 – Council engaged services from the market place to complete its own growth study. These projections detailed residential, visitor and commercial/ industrial growth. The results of this study have been applied to all infrastructure studies completed since including water, wastewater and transportation.

Council produces a six monthly dwelling capacity study. This study identifies the ultimate number of dwellings in specific areas given the existing district plan zonings. This is used as a guide to define where growth in specific contributing areas will cease. Growth projections are converted into units of demand or dwelling equivalents which are used to apportion the growth cost to define a dwelling equivalent contribution. Assessing total dwelling equivalents involves converting non-residential land uses into dwelling equivalents and adding this to the number of dwellings. This is completed using land use conversion factors.

Monitoring and Review of Development Contributions Policy

Council will monitor and review the following:

- Annual Calculation Updates:
    - Identify capital expenditure actually undertaken and whether the projections remain reasonable. This may include adding or deleting capital projects.
    - Update capital costs to reflect a year of inflation. This will be based on SNZ Labour cost index and Producer Price Index.
    - Review population projections.
    - Any asset planning initiatives including changing levels of service, updated capital projections.
    - Update any new information that has become available. This may include updated population projections, additional zoning and scheme boundary changes.
    - Correction of any errors or omissions.
- Annual Policy Reviews:
    - Any changes to the policy direction of Council that affects this policy. This may include changes to the TYP, Revenue and Financing Policy and strategic studies.
    - New information affecting the land use differential analysis.
    - Inclusion of any Financial Contributions as derived from a variation to the District Plan and in particular Chapter 15.

Postponement or Remission

Council may allow for postponement or remission of contributions in the following circumstances:

A. Council may accept or require a contribution to the equivalent value in the form of land or infrastructure. It may be appropriate, for example, to allow reserve assets to vest in Council through the subdivision consent process, where they meet Council's reserve requirements, and credit them against the contributions required. Any such proposals will need to be the subject of an agreement with Council before the consent is issued, and will be dealt with on a case by case basis.

B. b) Where an applicant can demonstrate that a development creates a significantly different demand on infrastructure than could usually be expected under the relevant land use category, Council will individually assess any such development taking into account the unusual demand characteristics.

All applications for Postponement or Remission must be made in writing to the Chief Executive Officer of the Council.

Reconsiderations & Objections

An applicant may request Council to reconsider the requirement to pay a development contribution if the applicant has grounds to believe that:

A. the development contribution was incorrectly calculated or assessed under the Council's development contributions policy; or

B. Council incorrectly applied its development contributions policy; or

C. the information used to assess the person's development against the development contributions policy, or the way Council has recorded or used it when requiring a development contribution, was incomplete or contained errors.

A request for reconsideration must be made in writing stating clearly on which grounds the applicant believes the Council has erred. The request for reconsideration must be made within 10 working days after the date on which the person lodging the request receives notice from Council of the level of development contribution that Council requires. This request should be addressed to:

- Development Contribution Officer (QLDC), Private Bag 50072, Queenstown 9348
- Email: services@qldc.govt.nz

The steps that Council will apply when reconsidering the requirement to make a development contribution are:

I. The appropriate Council officer shall review the reconsideration request,

II. The Council officer may request further relevant information from the applicant,

III. The Council officer will make a recommendation to the delegated authority,

Council will, within 15 working days after the date on which it receives all required relevant information relating to a request, give written notice of the outcome of its reconsideration to the person who made the request.

A reconsideration cannot be requested if the applicant has already lodged an objection. If the applicant is not satisfied with the outcome of the reconsideration, they may lodge an objection as specified in the Local Government Act 2002 Amendment Act (No 3) 2014, s199C to s199N.

Refunds and Reimbursement

Where Council required a development/financial contribution as part of subdivision or development activities and where the documentation (resource consent, building consent or connection authorisation) permitting that subdivision or development has lapsed, Council will refund the contribution. This does not prevent Council from requiring development/financial contributions in the future. Council may retain a portion of the contribution of a value equivalent to the costs incurred by the Council in processing/assessing the contribution required by the subdivision or development.

When Will Payment be required

Development contributions may be sought in respect of any development that generates a demand for reserves, network or community infrastructure. Council will assess whether development contributions are payable in relation to the development when an application for one of the following is made:

I. Resource Consent
II. Building Consent
III. Authorisation for a Service Connection

Any Development contributions assessed will be payable on granting of consent with a due date for payment as follows:

> Resource consent (subdivision) – prior to the issue of S224c certificate;

> Resource consent (other) – prior to commencement of the consent except where a building consent is required then payment shall be prior to the issue of the code of compliance certificate or prior to the connection to Council services, whichever comes first.

> Building consent – prior to the issue of the code of compliance certificate or prior to the connection to Council services, whichever comes first.

> Service connection – prior to connection.

If development contributions are not paid within 24 months of a consent being issued contributions will be recalculated under the latest version of the policy.

Effectively this means that any Development Contribution Notice (DCN) is valid for 24 months from the time of issue:

> All DCN's issued after 1 July 2012 will be valid for 24 months from the date of issue and then recalculated for payment under the policy relevant at that time.

If payment is not received the Council may (under section 208 of the LGA):

> Withhold S224c Certificate on a subdivision;

> Prevent the commencement of a resource consent for a development

> Withhold a code of compliance certificate under the Building Act

> Withhold a service connection to a development.

In each case the Council may register the Development Contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land for which the contribution was required.

Credits

There are three types of credits anticipated:

1. Historic Credits – 'Deemed'
2. Historic Credits – 'Cash'; and
3. Actual Credits

1. Historic Credits - 'Deemed'

In assessing Development Contributions the Council will determine if a site has a historic entitlement. Sites within existing contributing areas that have existed prior to financial contribution requirements and those that have already paid in full under Council policy at the time will be eligible.

Historic entitlement will be recognised and given a 'deemed´ credit based on the characteristics of the site immediately preceding the proposed development. Deemed credits will be identified on the 'Development Contribution Notice' and will be converted to 'dwelling equivalents units' for each type of service.

The following deemed credits are anticipated (not intended as an exclusive list):

> For residential subdivisions (where the residual lot remains residential) the existing lot will be allocated a credit of one 'Dwelling Equivalent' and no Development Contribution will be payable on the residual lot.

> Where a residential subdivision is developed (i.e. vacant lot built upon) one 'Dwelling Equivalent' credit will be allocated to each underlying lot.

> Redevelopment of sites containing non-residential activities will be given historical credits based on 'Dwelling Equivalents' assessed in terms of the relevant 'unit' (i.e. GFA) prior to redevelopment.

> • Any excess historical credits that are identified as a result of an amalgamation of individual titles will accrue on the new amalgamated title but will lapse if not utilised within a period of three years.

2. Historic Credits - Cash

On sites that have been subdivided and contributions paid, but which have not been developed prior to the new policy being implemented, developers may request an assessment of 'cash' credits for the site.

The Council will invite applicants to submit with their applications, records of the amount(s) paid at the time of the subdivision. The Council will then take into account the actual amounts paid for each service in determining the total development contributions payable for each service. In some instances, particularly industrial and commercial sites, the amount paid may exceed the amount required under the new policy. If there is a surplus this will be recorded on the 'Development Contribution Notice'. This cash credit may be used to off-set contributions that would otherwise be payable on future development and expansion of activities on the site. It should be noted that these credits will be specific to the service for which they were paid (i.e. not transferable between services, for example, a positive reserve contribution will not be able to off-set a water contribution). They will also be site specific (not transferable) and non refundable unless the refund provisions of the Act apply.

3. Actual Credits - Credits accrued under the new policy

The term 'actual' credit refers to credits accrued under the new policy. As indicated above, details of assessments made and payments received will be recorded on the 'Development Contribution Notice'. The balance of the 'Development Contribution Notice' may in some circumstances be positive.

The Council is able to assess the amount of contributions payable at successive stages of the development cycle (i.e. resource consent, building consent and service connection). Should the development contribution assessment be based on an estimate of the future building Gross Floor Area (GFA), which is likely to be the case at subdivision consent stage, then this assessment will be based on 75% of the maximum GFA allowed for on the site under the existing provisions of the District Plan. Council may review the percentage to be charged at this stage should the applicant satisfactorily demonstrate that the actual site utilisation will be significantly less than the estimate.

This may mean that additional contributions are assessed at the building consent stage. This approach will limit the amount of actual credits accumulated. There will be no time limit within which these credits must be used.

Delegations

The Chief Executive is delegated the power to determine in accordance with this policy whether a development or financial contribution will be sought. This includes the power to:

> increase the quantum of those contributions under the authority of section 106(2B) of the Local Government Act 2002;

> the power to enter into a development agreement;

The Chief Executive has delegated authority to approve a reduction or a postponement in a development contribution levied on a developer in accordance with the terms of this Policy. No delegation is provided to the Chief Executive for hardship related remissions or remissions not otherwise provided for in this policy.

The Chief Executive may sub-delegate any of these powers. For the avoidance of doubt, the exercise of these powers is not a transaction as defined within the financial delegations register. Therefore specified transaction limits in the financial delegations do not apply to the exercise of these powers.

The Chief Executive will ensure the Policy is implemented.

Capital Expenditure Attributed to Growth

The following tables demonstrate the nature and level of expected capital expenditure required by Council and the portion that is attributable to growth. A table is produced for each activity (asset type) which shows the CAPEX for each geographic area where a contribution has been assessed. The CAPEX attributable to growth is apportioned equitably among the growth population to define a set charge for each unit of demand. The unit of demand is expressed in terms of a dwelling equivalent.

Additional tables are provided which detail the debt funding ratio which will apply to each area.

Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
QUEENSTOWN							
Reticulation	4,861,078	2,671,372	2,189,706	55%	3,233,554	1,982	1,632
Pump Station	-	-	-	0%	963,294	1,982	486
Decomissioning Works	-	-	-	0%	-	1,982	-
Unspecified Expenditure	-	-	-	0%	38,084	1,982	19
Storage	896,046	547,942	348,104	61%	850,494	1,982	429
New Scheme	-	-	-	0%	-	1,982	-
Intake	725,026	171,952	553,075	24%	509,933	1,982	257
Renewals	8,461,691	-	8,461,691	0%	-	1,982	-
Investigations	-	-	-	0%	-	1,982	-
Management	445,533	89,866	355,667	20%	50,384	1,982	25
Conveyance	-	-	-	0%	-	1,982	-
Emergency Conveyance	-	-	-	0%	-	1,982	-
Flow Metering	-	-	-	0%	54,895	1,982	28
Treatment Facility	1,205,757	270,249	935,508	22%	404,920	1,982	204
Forward Design	-	-	-	0%	-	1,982	-
Minor Works	66,858	25,193	41,664	38%	10,263	1,982	5
Asset Management System	-	-	-	0%	45,600	1,982	23
Total Water Supply - Queenstown	**16,661,989**	**3,776,574**	**12,885,416**	**23%**	**6,161,582**	**1,982**	**3,109**

Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
ARROWTOWN							
Reticulation	-	-	-	0%	269,417	114	2,361
Pump Station	-	-	-	0%	7,490	114	66
Decomissioning Works	-	-	-	0%	-	114	-
Unspecified Expenditure	-	-	-	0%	16,972	114	149
Storage	47,755	2,817	44,939	6%	128,383	114	1,125
New Scheme	-	-	-	0%	-	114	-
Intake	-	-	-	0%	46,356	114	406
Renewals	1,359,417	-	1,359,417	0%	-	114	-
Investigations	-	-	-	0%	-	114	-
Management	65,101	18,583	46,517	29%	5,009	114	44
Conveyance	-	-	-	0%	-	114	-
Emergency Conveyance	-	-	-	0%	-	114	-
Flow Metering	-	-	-	0%	1,537	114	13
Treatment Facility	-	-	-	0%	11,583	114	101
Forward Design	-	-	-	0%	-	114	-
Minor Works	-	-	-	0%	173	114	2
Asset Management System	-	-	-	0%	3,880	114	34
Total Water Supply - Arrowtown	**1,472,273**	**21,400**	**1,450,873**	**1%**	**490,800**	**114**	**4,301**

Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
GLENORCHY							
Reticulation	-	-	-	0%	51,283	33	1,557
Pump Station	-	-	-	0%	8,777	33	266
Decomissioning Works	-	-	-	0%	-	33	-
Unspecified Expenditure	-	-	-	0%	10,692	33	325
Storage	382,759	155,989	226,770	41%	58,236	33	1,768
New Scheme	-	-	-	0%	47,761	33	1,450
Intake	-	-	-	0%	3,089	33	94
Renewals	264,340	-	264,340	0%	-	33	-
Investigations	-	-	-	0%	-	33	-
Management	8,692	1,602	7,091	18%	926	33	28
Conveyance	-	-	-	0%	-	33	-
Emergency Conveyance	-	-	-	0%	-	33	-
Flow Metering	-	-	-	0%	1,762	33	53
Treatment Facility	-	-	-	0%	242	33	7
Forward Design	-	-	-	0%	5,451	33	166
Minor Works	113,100	21,982	91,118	19%	9,745	33	296
Asset Management System	-	-	-	0%	828	33	25
Total Water Supply - Glenorchy	**768,892**	**179,573**	**589,319**	**23%**	**198,793**	**33**	**6,036**

Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
LAKE HAYES							
Reticulation	-	-	-	0%	121,293	79	1,542
Pump Station	-	-	-	0%	-	79	-
Decomissioning Works	-	-	-	0%	-	79	-
Unspecified Expenditure	-	-	-	0%	128	79	2
Storage	-	-	-	0%	21,053	79	268
New Scheme	-	-	-	0%	38,476	79	489
Intake	-	-	-	0%	-	79	-
Renewals	960,552	-	960,552	0%	-	79	-
Investigations	-	-	-	0%	-	79	-
Management	31,441	5,439	26,001	17%	1,882	79	24
Conveyance	-	-	-	0%	-	79	-
Emergency Conveyance	-	-	-	0%	-	79	-
Flow Metering	463,710	29,858	433,852	6%	13,064	79	166
Treatment Facility	-	-	-	0%	10,955	79	139
Forward Design	-	-	-	0%	-	79	-
Minor Works	-	-	-	0%	-	79	-
Asset Management System	-	-	-	0%	2,867	79	36
Total Water Supply - Lake Hayes	**1,455,702**	**35,298**	**1,420,405**	**2%**	**209,717**	**79**	**2,666**

Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
ARTHURS POINT							
Reticulation	-	-	-	0%	258,052	169	1,530
Pump Station	-	-	-	0%	-	169	-
Decomissioning Works	-	-	-	0%	-	169	-
Unspecified Expenditure	-	-	-	0%	5,327	169	32
Storage	-	-	-	0%	278	169	2
New Scheme	-	-	-	0%	160,855	169	953
Intake	1,212,219	518,830	693,389	43%	128,109	169	759
Renewals	420,044	-	420,044	0%	7,117	169	42
Investigations	-	-	-	0%	-	169	-
Management	31,441	6,085	25,355	19%	2,710	169	16
Conveyance	-	-	-	0%	-	169	-
Emergency Conveyance	-	-	-	0%	-	169	-
Flow Metering	-	-	-	0%	-	169	-
Treatment Facility	-	-	-	0%	36,156	169	214
Forward Design	-	-	-	0%	-	169	-
Minor Works	-	-	-	0%	5,617	169	33
Asset Management System	-	-	-	0%	6,063	169	36
Total Water Supply - Arthurs Point	**1,663,703**	**524,915**	**1,138,788**	**32%**	**610,284**	**169**	**3,617**

Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
WANAKA							
Reticulation	3,836,372	2,485,385	1,350,987	65%	1,640,238	1,580	1,038
Pump Station	-	-	-	0%	132,448	1,580	84
Decomissioning Works	-	-	-	0%	-	1,580	-
Unspecified Expenditure	-	-	-	0%	75,812	1,580	48
Storage	2,575,210	2,057,880	517,330	80%	1,615,886	1,580	1,023
New Scheme	-	-	-	0%	-	1,580	-
Intake	1,653,595	1,115,549	538,046	67%	305,000	1,580	193
Renewals	5,364,887	-	5,364,887	0%	-	1,580	-
Investigations	-	-	-	0%	7	1,580	-
Management	260,218	58,381	201,837	22%	23,220	1,580	15
Conveyance	-	-	-	0%	-	1,580	-
Emergency Conveyance	-	-	-	0%	-	1,580	-
Flow Metering	-	-	-	0%	16,206	1,580	10
Treatment Facility	-	-	-	0%	33,122	1,580	21
Forward Design	-	-	-	0%	27,839	1,580	18
Minor Works	-	-	-	0%	648	1,580	-
Asset Management System	-	-	-	0%	12,855	1,580	8
Total Water Supply - Wanaka	**13,690,283**	**5,717,195**	**7,973,087**	**42%**	**3,883,280**	**1,580**	**2,458**

Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
HAWEA							
Reticulation	-	-	-	0%	314,488	115	2,739
Pump Station	-	-	-	0%	75	115	1
Decomissioning Works	-	-	-	0%	-	115	-
Unspecified Expenditure	-	-	-	0%	1,872	115	16
Storage	-	-	-	0%	1,533	115	13
New Scheme	-	-	-	0%	-	115	-
Intake	276,200	116,633	159,567	42%	44,863	115	391
Renewals	397,717	-	397,717	0%	-	115	-
Investigations	-	-	-	0%	-	115	-
Management	24,598	5,115	19,483	21%	2,320	115	20
Conveyance	-	-	-	0%	-	115	-
Emergency Conveyance	-	-	-	0%	-	115	-
Flow Metering	113,100	26,341	86,759	23%	23,228	115	202
Treatment Facility	-	-	-	0%	7,826	115	68
Forward Design	-	-	-	0%	-	115	-
Minor Works	-	-	-	0%	4,834	115	42
Asset Management System	-	-	-	0%	182	115	2
Total Water Supply - Hawea	**811,615**	**148,089**	**663,526**	**18%**	**401,220**	**115**	**3,494**

Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
LUGGATE							
Reticulation	-	-	-	0%	3,391	40	86
Pump Station	-	-	-	0%	7,502	40	189
Decomissioning Works	-	-	-	0%	-	40	-
Unspecified Expenditure	-	-	-	0%	675	40	17
Storage	-	-	-	0%	19,456	40	491
New Scheme	-	-	-	0%	-	40	-
Intake	-	-	-	0%	-	40	-
Renewals	233,084	-	233,084	0%	-	40	-
Investigations	-	-	-	0%	1,832	40	46
Management	7,305	1,644	5,661	23%	1,873	40	47
Conveyance	-	-	-	0%	-	40	-
Emergency Conveyance	-	-	-	0%	-	40	-
Flow Metering	-	-	-	0%	4,202	40	106
Treatment Facility	287,378	131,538	155,840	46%	45,158	40	1,140
Forward Design	-	-	-	0%	-	40	-
Minor Works	-	-	-	0%	10	40	-
Asset Management System	-	-	-	0%	2,083	40	53
Total Water Supply - Luggate	**527,767**	**133,182**	**394,585**	**25%**	**86,181**	**40**	**2,175**

Water Supply - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Annual Debt %
QUEENSTOWN							Existing Debt	5,382,152	
	2015/16	1,477,830	649,736	649,736	160	498,942	498,942	5,532,946	92%
	2016/17	4,940,441	1,970,611	2,620,347	216	671,723	1,170,664	6,831,835	85%
	2017/18	571,681	4,373	2,624,721	216	671,723	1,842,387	6,164,485	77%
	2018/19	1,053,610	5,831	2,630,551	216	671,723	2,514,110	5,498,594	69%
	2019/20	1,057,625	6,641	2,637,192	216	671,723	3,185,832	4,833,512	60%
	2020/21	2,921,978	763,211	3,400,403	216	671,723	3,857,555	4,925,000	56%
	2021/22	1,082,197	11,597	3,412,000	185	576,007	4,433,562	4,360,590	50%
	2022/23	1,074,167	9,977	3,421,978	185	576,007	5,009,569	3,794,561	43%
	2023/24	1,410,383	345,040	3,767,018	185	576,007	5,585,575	3,563,594	39%
	2024/25	1,072,079	9,556	3,776,574	185	576,007	6,161,582	2,997,144	33%
			3,776,574		**1,982**			**Queenstown Weighted Debt Funding Ratio**	**64%**

ARROWTOWN							Existing Debt	1,868,299	
	2015/16	175,494	6,563	6,563	20	88,041	88,041	1,786,822	95%
	2016/17	144,340	1,721	8,284	11	46,305	134,345	1,742,238	93%
	2017/18	141,480	904	9,188	11	46,305	180,650	1,696,837	90%
	2018/19	142,536	1,206	10,394	11	46,305	226,955	1,651,738	88%
	2019/20	143,122	1,373	11,767	11	46,305	273,259	1,606,807	85%
	2020/21	142,066	1,072	12,839	11	46,305	319,564	1,561,574	83%
	2021/22	146,713	2,398	15,237	10	42,809	362,373	1,521,163	81%
	2022/23	145,539	2,063	17,300	10	42,809	405,182	1,480,417	79%
	2023/24	145,750	2,123	19,424	10	42,809	447,991	1,439,732	76%
	2024/25	145,234	1,976	21,400	10	42,809	490,800	1,398,899	74%
			21,400		**114**			**Arrowtown Weighted Debt Funding Ratio**	**85%**

Water Supply - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Annual Debt %
GLENORCHY							Existing Debt	263,382	
	2015/16	28,187	323	323	3	16,799	16,799	246,906	94%
	2016/17	27,239	148	471	3	20,003	36,802	227,051	86%
	2017/18	26,857	78	549	3	20,003	56,806	207,126	78%
	2018/19	409,757	156,093	156,642	3	20,003	76,809	343,215	82%
	2019/20	140,176	22,101	178,743	3	20,003	96,812	345,313	78%
	2020/21	26,935	92	178,835	3	20,003	116,815	325,402	74%
	2021/22	27,556	207	179,042	4	20,494	137,310	305,114	69%
	2022/23	27,399	178	179,220	4	20,494	157,804	284,797	64%
	2023/24	27,427	183	179,403	4	20,494	178,299	264,486	60%
	2024/25	27,358	170	179,573	4	20,494	198,793	244,162	55%
			179,573		**33**			**Glenorchy Weighted Debt Funding Ratio**	**74%**
LAKE HAYES							Existing Debt	-	
	2015/16	180,188	1,097	1,097	5	12,059	12,059	-10,963	-1000%
	2016/17	90,323	504	1,600	8	20,323	32,382	-30,782	-1924%
	2017/18	88,941	265	1,865	8	20,323	52,705	-50,840	-2726%
	2018/19	553,161	30,211	32,076	8	20,323	73,028	-40,952	-128%
	2019/20	89,735	402	32,478	8	20,323	93,351	-60,873	-187%
	2020/21	89,225	314	32,792	8	20,323	113,674	-80,882	-247%
	2021/22	91,469	702	33,494	9	24,011	137,685	-104,191	-311%
	2022/23	90,902	604	34,098	9	24,011	161,696	-127,598	-374%
	2023/24	91,004	622	34,719	9	24,011	185,706	-150,987	-435%
	2024/25	90,755	578	35,298	9	24,011	209,717	-174,420	-494%
			35,298		**79**			**Lake Hayes Weighted Debt Funding Ratio**	**0%**

Water Supply - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Annual Debt %
ARTHURS POINT							Existing Debt	-	
	2015/16	48,343	1,227	1,227	20	70,855	70,855	-69,629	-5675%
	2016/17	44,916	563	1,790	20	70,794	141,649	-139,859	-7812%
	2017/18	164,534	52,084	53,874	20	70,794	212,443	-158,569	-294%
	2018/19	1,135,263	467,436	521,311	20	70,794	283,237	238,074	46%
	2019/20	44,328	450	521,761	20	70,794	354,031	167,730	32%
	2020/21	43,818	351	522,112	20	70,794	424,824	97,287	19%
	2021/22	46,062	785	522,897	13	46,365	471,189	51,708	10%
	2022/23	45,495	676	523,573	13	46,365	517,554	6,018	1%
	2023/24	45,597	695	524,268	13	46,365	563,919	-39,652	-8%
	2024/25	45,348	647	524,915	13	46,365	610,284	-85,370	-16%
			524,915		**169**			**Arthurs Point Weighted Debt Funding Ratio**	**0%**

WANAKA & ALBERT TOWN							Existing Debt	-	
	2015/16	584,687	98,711	98,711	161	396,524	396,524	-297,812	-302%
	2016/17	620,861	83,067	181,778	164	404,313	800,837	-619,058	-341%
	2017/18	428,904	58,735	240,513	164	404,313	1,205,150	-964,637	-401%
	2018/19	1,370,061	532,428	772,942	164	404,313	1,609,463	-836,522	-108%
	2019/20	2,529,223	722,371	1,495,313	164	404,313	2,013,777	-518,464	-35%
	2020/21	652,423	3,367	1,498,680	164	404,313	2,418,090	-919,410	-61%
	2021/22	863,693	193,817	1,692,496	149	366,297	2,784,387	-1,091,891	-65%
	2022/23	4,174,739	3,147,789	4,840,285	149	366,297	3,150,685	1,689,601	35%
	2023/24	1,800,608	870,702	5,710,987	149	366,297	3,516,982	2,194,005	38%
	2024/25	665,086	6,208	5,717,195	149	366,297	3,883,280	1,833,916	32%
			5,717,195		**1,580**			**Wanaka & Albert Town Weighted Debt Funding Ratio**	**0%**

Water Supply - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Annual Debt %
HAWEA							Existing Debt	391,107	
	2015/16	44,731	1,031	1,031	12	41,911	41,911	350,227	89%
	2016/17	268,249	96,489	97,520	12	41,279	83,190	405,437	83%
	2017/18	154,069	26,590	124,110	12	41,279	124,469	390,748	76%
	2018/19	41,368	332	124,442	12	41,279	165,747	349,801	68%
	2019/20	41,589	378	124,820	12	41,279	207,026	308,901	60%
	2020/21	41,190	295	125,115	12	41,279	248,305	267,917	52%
	2021/22	42,946	660	125,775	11	38,229	286,534	230,348	45%
	2022/23	42,503	568	126,342	11	38,229	324,762	192,687	37%
	2023/24	42,582	584	126,927	11	38,229	362,991	155,043	30%
	2024/25	92,387	21,162	148,089	11	38,229	401,220	137,976	26%
			148,089		**115**			**Hawea Weighted Debt Funding Ratio**	**63%**

LUGGATE							Existing Debt	-	
	2015/16	15,799	331	331	4	9,119	9,119	-8,787	-2651%
	2016/17	24,983	152	484	4	8,571	17,690	-17,206	-3557%
	2017/18	24,662	80	564	4	8,571	26,261	-25,697	-4559%
	2018/19	24,780	107	670	4	8,571	34,832	-34,162	-5096%
	2019/20	24,846	121	792	4	8,571	43,403	-42,611	-5381%
	2020/21	24,728	95	887	4	8,571	51,974	-51,087	-5762%
	2021/22	312,627	131,750	132,637	4	8,552	60,526	72,111	54%
	2022/23	25,117	183	132,819	4	8,552	69,078	63,742	48%
	2023/24	25,141	188	133,007	4	8,552	77,629	55,378	42%
	2024/25	25,083	175	133,182	4	8,552	86,181	47,001	35%
			133,182		**40**			**Luggate Weighted Debt Funding Ratio**	**0%**

Wastewater Capital Expenditure for Development Contributions (excluding GST)

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
QUEENSTOWN							
Asset Management System	-	-	-	0%	-	1,816	-
Investigations	-	-	-	0%	479	1,816	-
Management	555,160	118,317	436,843	21%	50,952	1,816	28
Minor Works	-	-	-	0%	-	1,816	-
New Scheme	-	-	-	0%	-	1,816	-
Pump Station	3,393,000	1,466,778	1,926,222	43%	1,405,608	1,816	774
Renewals	2,963,303	-	2,963,303	0%	1,677	1,816	1
Reticulation	9,904,981	5,618,570	4,286,411	57%	4,422,386	1,816	2,435
Storage	580,084	580,084	-	100%	275,217	1,816	152
Treatment Facility	19,466,395	3,434,493	16,031,902	18%	4,876,025	1,816	2,685
Unspecified Expenditure	-	-	-	0%	143,134	1,816	79
Total Wastewater - Queenstown	**36,862,923**	**11,218,242**	**25,644,681**	**30%**	**11,175,279**	**1,816**	**6,153**

ARROWTOWN							
Asset Management System	-	-	-	0%	-	86	-
Investigations	-	-	-	0%	-	86	-
Management	79,296	9,147	70,150	12%	3,375	86	39
Minor Works	-	-	-	0%	-	86	-
New Scheme	-	-	-	0%	-	86	-
Pump Station	-	-	-	0%	53,106	86	617
Renewals	990,952	-	990,952	0%	6,406	86	74
Reticulation	-	-	-	0%	210,371	86	2,443
Storage	-	-	-	0%	-	86	-
Treatment Facility	2,416,190	173,702	2,242,488	7%	227,183	86	2,638
Unspecified Expenditure	-	-	-	0%	3,798	86	44
Total Wastewater - Arrowtown	**3,486,438**	**182,849**	**3,303,590**	**5%**	**504,240**	**86**	**5,856**

Wastewater Capital Expenditure for Development Contributions (excluding GST) cont...

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
LAKE HAYES							
Asset Management System	-	-	-	0%	-	66	-
Investigations	-	-	-	0%	-	66	-
Management	36,115	5,417	30,698	15%	1,574	66	24
Minor Works	-	-	-	0%	4,034	66	61
New Scheme	-	-	-	0%	-	66	-
Pump Station	-	-	-	0%	65,574	66	998
Renewals	-	-	-	0%	-	66	-
Reticulation	-	-	-	0%	251,560	66	3,829
Storage	-	-	-	0%	-	66	-
Treatment Facility	1,178,028	137,361	1,040,667	12%	131,777	66	2,006
Unspecified Expenditure	-	-	-	0%	-	66	-
Total Wastewater - Lake Hayes	**1,214,143**	**142,778**	**1,071,365**	**12%**	**454,520**	**66**	**6,918**

ARTHURS POINT							
Asset Management System	-	-	-	0%	-	115	-
Investigations	-	-	-	0%	-	115	-
Management	27,456	5,747	21,709	21%	2,330	115	20
Minor Works	-	-	-	0%	-	115	-
New Scheme	-	-	-	0%	-	115	-
Pump Station	-	-	-	0%	-	115	-
Renewals	19,098	-	19,098	0%	-	115	-
Reticulation	127,609	27,680	99,929	22%	245,078	115	2,122
Storage	-	-	-	0%	-	115	-
Treatment Facility	995,467	198,553	796,914	20%	213,756	115	1,851
Unspecified Expenditure	-	-	-	0%	4,499	115	39
Total Wastewater - Arthurs Point	**1,169,630**	**231,980**	**937,650**	**20%**	**465,663**	**115**	**4,032**

Wastewater Capital Expenditure for Development Contributions (excluding GST) cont...

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
WANAKA							
Asset Management System	-	-	-	0%	-	1,299	-
Investigations	320,028	72,323	247,704	23%	26,379	1,299	20
Management	-	-	-	0%	6,019	1,299	5
Minor Works	-	-	-	0%	-	1,299	-
New Scheme	-	-	-	0%	-	1,299	-
Pump Station	1,238,332	1,059,161	179,172	86%	1,050,372	1,299	809
Renewals	1,105,314	-	1,105,314	0%	4,447	1,299	3
Reticulation	3,026,776	1,254,390	1,772,386	41%	1,233,651	1,299	950
Storage	-	-	-	0%	-	1,299	-
Treatment Facility	3,000,000	507,669	2,492,331	17%	6,366,614	1,299	4,901
Unspecified Expenditure	-	-	-	0%	115,982	1,299	89
Total Wastewater - Wanaka	**8,690,450**	**2,893,543**	**5,796,907**	**33%**	**8,803,464**	**1,299**	**6,776**

HAWEA							
Asset Management System	-	-	-	0%	-	108	-
Investigations	-	-	-	0%	-	108	-
Management	31,961	6,596	25,364	21%	2,988	108	28
Minor Works	-	-	-	0%	-	108	-
New Scheme	-	-	-	0%	-	108	-
Pump Station	33,930	2,266	31,664	7%	202,154	108	1,878
Renewals	267,677	-	267,677	0%	-	108	-
Reticulation	-	-	-	0%	199,132	108	1,850
Storage	-	-	-	0%	-	108	-
Treatment Facility	4,256,550	1,766,017	2,490,533	41%	374,384	108	3,479
Unspecified Expenditure	-	-	-	0%	12,937	108	120
Total Wastewater - Hawea	**4,590,117**	**1,774,879**	**2,815,238**	**39%**	**791,595**	**108**	**7,355**

Wastewater Capital Expenditure for Development Contributions (excluding GST) cont...

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
LUGGATE							
Asset Management System	-	-	-	0%	-	9	-
Investigations	509,105	105,054	404,051	21%	16,589	9	1,788
Management	2,910	34	2,877	1%	103	9	11
Minor Works	-	-	-	0%	-	9	-
New Scheme	-	-	-	0%	-	9	-
Pump Station	-	-	-	0%	4,982	9	537
Renewals	106,654	-	106,654	0%	-	9	-
Reticulation	-	-	-	0%	-	9	-
Storage	-	-	-	0%	-	9	-
Treatment Facility	-	-	-	0%	-	9	-
Unspecified Expenditure	-	-	-	0%	-	9	-
Total Wastewater - Luggate	**618,669**	**105,087**	**513,581**	**17%**	**21,674**	**9**	**2,336**

SHOTOVER COUNTRY							
Asset Management System	-	-	-	0%	-	362	-
Investigations	-	-	-	0%	-	362	-
Management	-	-	-	0%	-	362	-
Minor Works	-	-	-	0%	-	362	-
New Scheme	-	-	-	0%	-	362	-
Pump Station	-	-	-	0%	-	362	-
Renewals	-	-	-	0%	-	362	-
Reticulation	-	-	-	0%	-	362	-
Storage	-	-	-	0%	-	362	-
Treatment Facility	1,003,405	691,700	311,705	69%	675,169	362	1,865
Unspecified Expenditure	-	-	-	0%	-	362	-
Total Wastewater - Shotover Country	**1,003,405**	**691,700**	**311,705**	**69%**	**675,169**	**362**	**1,865**

Wastewater - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Annual Debt %
QUEENSTOWN							Existing Debt	10,784,517	
	2015/16	11,928,749	2,564,889	2,564,889	159	980,473	980,473	12,368,934	93%
	2016/17	2,456,640	1,126,019	3,690,908	205	1,260,502	2,240,975	12,234,451	85%
	2017/18	5,800,872	2,979,415	6,670,324	205	1,260,502	3,501,477	13,953,364	80%
	2018/19	5,392,657	2,482,099	9,152,422	205	1,260,502	4,761,979	15,174,961	76%
	2019/20	5,091,892	1,270,587	10,423,010	205	1,260,502	6,022,481	15,185,046	72%
	2020/21	332,340	5,666	10,428,675	205	1,260,502	7,282,983	13,930,209	66%
	2021/22	2,677,268	298,980	10,727,655	158	973,074	8,256,057	13,256,116	62%
	2022/23	2,463,826	467,747	11,195,402	158	973,074	9,229,131	12,750,789	58%
	2023/24	372,382	14,199	11,209,602	158	973,074	10,202,205	11,791,914	54%
	2024/25	346,297	8,640	11,218,242	158	973,074	11,175,279	10,827,480	49%
			11,218,242		**1,816**			**Queenstown Weighted Debt Funding Ratio**	**70%**

ARROWTOWN							Existing Debt	1,485,912	
	2015/16	1,451,621	119,845	119,845	17	98,041	98,041	1,507,716	94%
	2016/17	267,817	13,524	133,369	8	47,437	145,478	1,473,803	91%
	2017/18	394,014	14,761	148,130	8	47,437	192,914	1,441,128	88%
	2018/19	112,611	534	148,664	8	47,437	240,351	1,394,225	85%
	2019/20	394,607	14,830	163,494	8	47,437	287,788	1,361,618	83%
	2020/21	111,780	438	163,932	8	47,437	335,224	1,314,620	80%
	2021/22	404,076	15,922	179,854	7	42,254	377,478	1,288,288	77%
	2022/23	118,639	1,229	181,083	7	42,254	419,732	1,247,263	75%
	2023/24	117,500	1,098	182,181	7	42,254	461,986	1,206,107	72%
	2024/25	113,774	668	182,849	7	42,254	504,240	1,164,521	70%
			182,849		**86**			**Arrowtown Weighted Debt Funding Ratio**	**82%**

Wastewater - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Annual Debt %
GLENORCHY							Existing Debt	210,305	
	2015/16	253,816	89,704	89,704	3	45,858	45,858	254,152	85%
	2016/17	5,386,587	1,920,207	2,009,911	3	49,335	95,193	2,125,023	96%
	2017/18	683	102	2,010,013	3	49,335	144,528	2,075,790	93%
	2018/19	987	148	2,010,161	3	49,335	193,863	2,026,603	91%
	2019/20	810	121	2,010,282	3	49,335	243,198	1,977,389	89%
	2020/21	810	121	2,010,403	3	49,335	292,533	1,928,175	87%
	2021/22	2,829	423	2,010,826	3	52,968	345,501	1,875,630	84%
	2022/23	2,272	340	2,011,166	3	52,968	398,468	1,823,002	82%
	2023/24	2,029	304	2,011,469	3	52,968	451,436	1,770,338	80%
	2024/25	1,235	185	2,011,654	3	52,968	504,404	1,717,556	77%
			2,011,654		**28**			**Glenorchy Weighted Debt Funding Ratio**	**87%**

KINGSTON							Existing Debt	154,480	
	2015/16	3,330	652	652	3	2,456	2,456	152,677	98%
	2016/17	1,256	246	898	5	3,992	6,447	148,931	96%
	2017/18	596	117	1,015	5	3,992	10,439	145,056	93%
	2018/19	861	169	1,184	5	3,992	14,430	141,234	91%
	2019/20	707	138	1,322	5	3,992	18,422	137,380	88%
	2020/21	707	138	1,461	5	3,992	22,413	133,527	86%
	2021/22	2,469	484	1,944	5	3,796	26,209	130,215	83%
	2022/23	1,983	388	2,333	5	3,796	30,005	126,808	81%
	2023/24	1,771	347	2,680	5	3,796	33,800	123,360	78%
	2024/25	1,077	211	2,891	5	3,796	37,596	119,775	76%
			2,891		**46**			**Kingston Weighted Debt Funding Ratio**	**88%**

Wastewater - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Annual Debt %
LAKE HAYES							Existing Debt	-	
	2015/16	697,859	91,574	91,574	4	26,061	26,061	65,513	72%
	2016/17	77,711	10,239	101,813	6	43,947	70,008	31,805	31%
	2017/18	139,353	12,629	114,442	6	43,947	113,955	487	0%
	2018/19	2,108	316	114,758	6	43,947	157,902	-43,144	-38%
	2019/20	139,623	12,670	127,428	6	43,947	201,849	-74,421	-58%
	2020/21	1,729	259	127,688	6	43,947	245,797	-118,109	-92%
	2021/22	143,936	13,317	141,004	8	52,181	297,977	-156,973	-111%
	2022/23	4,853	728	141,732	8	52,181	350,158	-208,426	-147%
	2023/24	4,334	650	142,382	8	52,181	402,339	-259,957	-183%
	2024/25	2,637	396	142,778	8	52,181	454,520	-311,742	-218%
			142,778		**66**			**Lake Hayes Debt Funding Ratio**	**0%**

ARTHURS POINT							Existing Debt	-	
	2015/16	590,929	139,159	139,159	14	56,162	56,162	82,997	60%
	2016/17	67,317	15,408	154,567	13	50,808	106,970	47,597	31%
	2017/18	119,543	15,489	170,057	13	50,808	157,777	12,279	7%
	2018/19	3,512	335	170,392	13	50,808	208,585	-38,193	-22%
	2019/20	119,749	15,532	185,924	13	50,808	259,392	-73,468	-40%
	2020/21	3,225	275	186,200	13	50,808	310,200	-124,000	-67%
	2021/22	123,027	16,219	202,418	10	38,866	349,066	-146,648	-72%
	2022/23	133,209	28,453	230,871	10	38,866	387,932	-157,061	-68%
	2023/24	5,205	690	231,560	10	38,866	426,798	-195,237	-84%
	2024/25	3,915	420	231,980	10	38,866	465,663	-233,683	-101%
			231,980		**115**			**Arthurs Point Debt Funding Ratio**	**0%**

Wastewater - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Annual Debt %
WANAKA & ALBERT TOWN							Existing Debt	5,186,481	
	2015/16	540,758	64,967	64,967	140	947,669	947,669	4,303,780	82%
	2016/17	563,636	6,155	71,122	135	915,449	1,863,117	3,394,486	65%
	2017/18	551,470	77,047	148,169	135	915,449	2,778,566	2,556,084	48%
	2018/19	1,277,008	714,222	862,391	135	915,449	3,694,015	2,354,857	39%
	2019/20	1,433,946	1,224,153	2,086,544	135	915,449	4,609,463	2,663,561	37%
	2020/21	3,125,856	511,132	2,597,676	135	915,449	5,524,912	2,259,245	29%
	2021/22	761,401	272,187	2,869,863	121	819,638	6,344,550	1,711,794	21%
	2022/23	153,536	9,719	2,879,582	121	819,638	7,164,188	901,875	11%
	2023/24	148,938	8,680	2,888,261	121	819,638	7,983,826	90,916	1%
	2024/25	133,901	5,281	2,893,543	121	819,638	8,803,464	-723,440	-9%
			2,893,543		**1,299**			**Wanaka Weighted Debt Funding Ratio**	**47%**

CARDRONA							Existing Debt	222,201	
	2015/16	6,589	2,184	2,184	31	123,379	123,379	101,006	45%
	2016/17	382,485	142,576	144,760	28	111,363	234,741	132,219	36%
	2017/18	3,059,575	1,141,274	1,286,033	28	111,363	346,104	1,162,130	77%
	2018/19	1,704	565	1,286,598	28	111,363	457,466	1,051,333	70%
	2019/20	1,398	463	1,287,061	28	111,363	568,829	940,433	62%
	2020/21	1,398	463	1,287,525	28	111,363	680,191	829,534	55%
	2021/22	4,885	1,619	1,289,143	30	118,673	798,865	712,480	47%
	2022/23	3,924	1,300	1,290,444	30	118,673	917,538	595,107	39%
	2023/24	3,504	1,161	1,291,605	30	118,673	1,036,211	477,594	32%
	2024/25	2,132	707	1,292,311	30	118,673	1,154,885	359,628	24%
			1,292,311		**294**			**Cardrona Weighted Debt Funding Ratio**	**56%**

Wastewater - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Annual Debt %
HAWEA							Existing Debt	822,765	
	2015/16	21,539	1,489	1,489	11	83,849	83,849	740,404	90%
	2016/17	30,870	561	2,050	11	81,401	165,250	659,564	80%
	2017/18	29,441	267	2,316	11	81,401	246,651	578,430	70%
	2018/19	30,015	385	2,701	11	81,401	328,052	497,414	60%
	2019/20	63,610	2,582	5,283	11	81,401	409,453	418,595	51%
	2020/21	29,680	316	5,599	11	81,401	490,854	337,509	41%
	2021/22	90,047	24,566	30,164	10	75,185	566,039	286,890	34%
	2022/23	4,232,445	1,743,441	1,773,606	10	75,185	641,225	1,955,146	75%
	2023/24	31,986	792	1,774,397	10	75,185	716,410	1,880,753	72%
	2024/25	30,484	482	1,774,879	10	75,185	791,595	1,806,049	70%
			1,774,879		**108**			**Hawea Weighted Debt Funding Ratio**	**70%**

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Annual Debt %
LUGGATE							Existing Debt	-	
	2015/16	11,322	8	8	1	2,293	2,293	-2,286	-30145%
	2016/17	35,961	5,172	5,179	1	2,156	4,449	730	14%
	2017/18	61,527	10,472	15,652	1	2,156	6,604	9,047	58%
	2018/19	87,573	15,837	31,488	1	2,156	8,760	22,728	72%
	2019/20	112,870	21,063	52,551	1	2,156	10,915	41,636	79%
	2020/21	112,807	21,050	73,601	1	2,156	13,071	60,530	82%
	2021/22	87,496	15,759	89,360	1	2,151	15,222	74,138	83%
	2022/23	61,859	10,488	99,848	1	2,151	17,372	82,475	83%
	2023/24	36,376	5,237	105,085	1	2,151	19,523	85,562	81%
	2024/25	10,878	2	105,087	1	2,151	21,674	83,414	79%
			105,087		**9**			**Luggate Weighted Debt Funding Ratio**	**0%**

Stormwater Capital Expenditure for Development Contributions (excluding GST)

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
QUEENSTOWN							
Asset Management System	-	-	-	0%	15,681	899	17
Emergency Conveyance	-	-	-	0%	-	899	-
Flood Protection	-	-	-	0%	162,962	899	181
Flow Metering	-	-	-	0%	-	899	-
Intake	-	-	-	0%	-	899	-
Investigations	-	-	-	0%	186	899	-
Management	331,912	68,545	263,367	21%	23,791	899	26
Minor Works	-	-	-	0%	10,064	899	11
Pump Station	-	-	-	0%	-	899	-
Renewals	-	-	-	0%	32,758	899	36
Reticulation	819,590	235,064	584,527	29%	898,652	899	1,000
Storage	-	-	-	0%	-	899	-
Stormwater Upgrades	-	-	-	0%	118,619	899	132
Treatment Facility	-	-	-	0%	6,537	899	7
Total Stormwater - Queenstown	**1,151,502**	**303,609**	**847,894**	**26%**	**1,269,251**	**899**	**1,412**

ARROWTOWN							
Flood Protection	-	-	-	0%	-	70	-
Forward Design	-	-	-	0%	-	70	-
Investigations	-	-	-	0%	26	70	-
Management	-	-	-	0%	-	70	-
Minor Works	-	-	-	0%	-	70	-
Renewals	-	-	-	0%	2,885	70	41
Reticulation	-	-	-	0%	63,936	70	909
Storage	-	-	-	0%	-	70	-
Stormwater Upgrades	-	-	-	0%	1,388	70	20
Treatment Facility	-	-	-	0%	-	70	-
Total Stormwater - Arrowtown	**-**	**-**	**-**	**0%**	**68,235**	**70**	**970**

Stormwater Capital Expenditure for Development Contributions (excluding GST) cont...

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
GLENORCHY							
Flood Protection	-	-	-	0%	3,323	31	109
Forward Design	-	-	-	0%	-	31	-
Investigations	-	-	-	0%	3	31	-
Management	-	-	-	0%	-	31	-
Stormwater Upgrades	-	-	-	0%	129	31	4
Minor Works	-	-	-	0%	-	31	-
Renewals	-	-	-	0%	-	31	-
Reticulation	-	-	-	0%	17,439	31	572
Storage	-	-	-	0%	-	31	-
Treatment Facility	-	-	-	0%	-	31	-
Total Stormwater - Glenorchy	**-**	**-**	**-**	**0%**	**20,894**	**31**	**685**

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
ARTHURS POINT							
Flood Protection	-	-	-	0%	-	69	-
Forward Design	-	-	-	0%	-	69	-
Investigations	-	-	-	0%	9	69	-
Management	-	-	-	0%	-	69	-
Minor Works	-	-	-	0%	-	69	-
Renewals	-	-	-	0%	-	69	-
Reticulation	-	-	-	0%	357	69	5
Storage	-	-	-	0%	-	69	-
Treatment Facility	-	-	-	0%	-	69	-
Total Stormwater - Arthurs Point	**-**	**-**	**-**	**0%**	**366**	**69**	**5**

Stormwater Capital Expenditure for Development Contributions (excluding GST) cont...

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
FRANKTON FLATS							
Flood Protection	-	-	-	0%	-	256	-
Forward Design	-	-	-	0%	-	256	-
Investigations	-	-	-	0%	-	256	-
Management	-	-	-	0%	17,035	256	67
Minor Works	-	-	-	0%	-	256	-
Renewals	-	-	-	0%	-	256	-
Reticulation	7,931,940	7,931,940	-	100%	3,566,755	256	13,951
Storage	-	-	-	0%	-	256	-
Treatment Facility	-	-	-	0%	86,113	256	337
Total Stormwater - Frankton Flats	**7,931,940**	**7,931,940**	**-**	**100%**	**3,669,997**	**256**	**14,355**

WANAKA							
Asset Management System	-	-	-	0%	7,252	1,012	7
Emergency Conveyance	-	-	-	0%	-	1,012	-
Flood Protection	-	-	-	0%	27,239	1,012	27
Forward Design	-	-	-	0%	-	1,012	-
Intake	-	-	-	0%	-	1,012	-
Investigations	-	-	-	0%	2,244	1,012	2
Management	184,128	41,138	142,990	22%	14,630	1,012	14
Minor Works	-	-	-	0%	11,614	1,012	11
Pump Station	-	-	-	0%	-	1,012	-
Renewals	-	-	-	0%	40,446	1,012	40
Reticulation	254,871	224,547	30,323	88%	1,742,927	1,012	1,722
Stormwater Upgrades	-	-	-	0%	154,420	1,012	153
Treatment Facility	-	-	-	0%	-	1,012	-
Total Stormwater - Wanaka	**438,999**	**265,686**	**173,313**	**61%**	**2,000,771**	**1,012**	**1,977**

Stormwater Capital Expenditure for Development Contributions (excluding GST) cont...

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
HAWEA							
Flood Protection	-	-	-	0%	-	94	-
Forward Design	-	-	-	0%	-	94	-
Investigations	-	-	-	0%	7	94	0
Management	-	-	-	0%	-	94	-
Minor Works	-	-	-	0%	-	94	-
Renewals	-	-	-	0%	-	94	-
Reticulation	-	-	-	0%	46,736	94	495
Storage	-	-	-	0%	-	94	-
Stormwater Upgrades	-	-	-	0%	1,388	94	15
Treatment Facility	-	-	-	0%	-	94	-
Total Stormwater - Hawea	**-**	**-**	**-**	**0%**	**48,131**	**94**	**510**

LUGGATE							
Flood Protection	-	-	-	0%	-	36	-
Forward Design	-	-	-	0%	-	36	-
Investigations	-	-	-	0%	912	36	25
Management	-	-	-	0%	-	36	-
Minor Works	-	-	-	0%	-	36	-
Renewals	-	-	-	0%	-	36	-
Reticulation	-	-	-	0%	565	36	16
Storage	-	-	-	0%	-	36	-
Treatment Facility	-	-	-	0%	-	36	-
Total Stormwater - Luggate	**-**	**-**	**-**	**0%**	**1,477**	**36**	**41**

Stormwater Capital Expenditure for Development Contributions (excluding GST) cont...

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
ALBERT TOWN							
Flood Protection	-	-	-	0%	24,974	114	220
Forward Design	-	-	-	0%	-	114	-
Investigations	-	-	-	0%	13	114	-
Management	-	-	-	0%	-	114	-
Minor Works	-	-	-	0%	-	114	-
Renewals	-	-	-	0%	-	114	-
Reticulation	-	-	-	0%	79,992	114	703
Storage	-	-	-	0%	-	114	-
Stormwater Upgrades	-	-	-	0%	2,016	114	18
Treatment Facility	-	-	-	0%	-	114	-
Total Stormwater - Albert Town	**-**	**-**	**-**	**0%**	**106,995**	**114**	**941**

Stormwater Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Debt %
QUEENSTOWN							Existing Debt	1,855,361	
	2015/16	60,931	13,532	13,532	97	137,497	137,497	1,731,396	93%
	2016/17	465,388	104,660	118,192	94	132,575	270,073	1,703,481	86%
	2017/18	101,682	38,194	156,387	94	132,575	402,648	1,609,100	80%
	2018/19	120,309	25,369	181,756	94	132,575	535,223	1,501,894	74%
	2019/20	226,679	85,400	267,156	94	132,575	667,799	1,454,718	69%
	2020/21	32,763	6,766	273,922	94	132,575	800,374	1,328,909	62%
	2021/22	32,763	6,766	280,688	83	117,219	917,593	1,218,456	57%
	2022/23	36,040	7,443	288,131	83	117,219	1,034,813	1,108,680	52%
	2023/24	36,654	7,570	295,701	83	117,219	1,152,032	999,030	46%
	2024/25	38,292	7,908	303,609	83	117,219	1,269,251	889,719	41%
			303,609		**899**			**Queenstown Weighted Debt Funding Ratio**	**69%**

ARROWTOWN							Existing Debt	356,755	
	2015/16	-	-	-	15	14,403	14,403	342,352	96%
	2016/17	-	-	-	6	6,048	20,451	336,304	94%
	2017/18	-	-	-	6	6,048	26,499	330,255	93%
	2018/19	-	-	-	6	6,048	32,548	324,207	91%
	2019/20	-	-	-	6	6,048	38,596	318,159	89%
	2020/21	-	-	-	6	6,048	44,644	312,110	87%
	2021/22	-	-	-	6	5,898	50,542	306,213	86%
	2022/23	-	-	-	6	5,898	56,440	300,315	84%
	2023/24	-	-	-	6	5,898	62,338	294,417	83%
	2024/25	-	-	-	6	5,898	68,235	288,520	81%
			-		**70**			**Arrowtown Weighted Debt Funding Ratio**	**89%**

Stormwater Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Debt %
GLENORCHY							Existing Debt	20,340	
	2015/16	-	-	-	3	2,079	2,079	18,261	90%
	2016/17	-	-	-	3	2,038	4,117	16,223	80%
	2017/18	-	-	-	3	2,038	6,155	14,184	70%
	2018/19	-	-	-	3	2,038	8,194	12,146	60%
	2019/20	-	-	-	3	2,038	10,232	10,108	50%
	2020/21	-	-	-	3	2,038	12,270	8,069	40%
	2021/22	-	-	-	3	2,156	14,426	5,913	29%
	2022/23	-	-	-	3	2,156	16,582	3,757	18%
	2023/24	-	-	-	3	2,156	18,738	1,601	8%
	2024/25	-	-	-	3	2,156	20,894	-555	-3%
			-		**31**			**Glenorchy Weighted Debt Funding Ratio**	**63%**

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Debt %
ARTHURS POINT							Existing Debt	76,909	
	2015/16	-	-	-	9	50	50	76,859	100%
	2016/17	-	-	-	7	36	86	76,823	100%
	2017/18	-	-	-	7	36	122	76,787	100%
	2018/19	-	-	-	7	36	158	76,751	100%
	2019/20	-	-	-	7	36	195	76,715	100%
	2020/21	-	-	-	7	36	231	76,679	100%
	2021/22	-	-	-	6	34	265	76,645	100%
	2022/23	-	-	-	6	34	299	76,611	100%
	2023/24	-	-	-	6	34	333	76,577	100%
	2024/25	-	-	-	6	34	366	76,543	100%
			-	**-**	**69**			**Arthurs Point Weighted Debt Funding Ratio**	**100%**

Stormwater Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Debt %
FRANKTON FLATS							Existing Debt	-	
	2015/16	2,464,183	2,464,183	2,464,183	-	-	-	2,464,183	100%
	2016/17	5,467,757	5,467,757	7,931,940	29	413,810	413,810	7,518,130	95%
	2017/18	-	-	7,931,940	29	413,810	827,621	7,104,319	90%
	2018/19	-	-	7,931,940	29	413,810	1,241,431	6,690,509	84%
	2019/20	-	-	7,931,940	29	413,810	1,655,241	6,276,699	79%
	2020/21	-	-	7,931,940	29	413,810	2,069,052	5,862,888	74%
	2021/22	-	-	7,931,940	28	400,236	2,469,288	5,462,652	69%
	2022/23	-	-	7,931,940	28	400,236	2,869,524	5,062,416	64%
	2023/24	-	-	7,931,940	28	400,236	3,269,761	4,662,179	59%
	2024/25	-	-	7,931,940	28	400,236	3,669,997	4,261,943	54%
			7,931,940		**256**			**Kingston Weighted Debt Funding Ratio**	**78%**

WANAKA							Existing Debt	1,759,854	
	2015/16	6,779	1,515	1,515	110	217,954	217,954	1,543,414	88%
	2016/17	71,898	30,171	31,686	103	204,301	422,255	1,369,285	76%
	2017/18	110,145	100,447	132,133	103	204,301	626,556	1,265,431	67%
	2018/19	127,263	106,091	238,224	103	204,301	830,857	1,167,221	58%
	2019/20	24,991	5,584	243,808	103	204,301	1,035,158	968,504	48%
	2020/21	18,176	4,061	247,869	103	204,301	1,239,459	768,264	38%
	2021/22	18,176	4,061	251,930	96	190,328	1,429,787	581,997	29%
	2022/23	19,993	4,467	256,397	96	190,328	1,620,115	396,135	20%
	2023/24	20,334	4,543	260,940	96	190,328	1,810,443	210,350	10%
	2024/25	21,243	4,746	265,686	96	190,328	2,000,771	24,768	1%
			265,686		**1,012**			**Wanaka Weighted Debt Funding Ratio**	**60%**

Stormwater Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Debt %
HAWEA							Existing Debt	41,784	
	2015/16	-	-	-	10	5,072	5,072	36,712	88%
	2016/17	-	-	-	10	4,938	10,010	31,774	76%
	2017/18	-	-	-	10	4,938	14,948	26,836	64%
	2018/19	-	-	-	10	4,938	19,886	21,897	52%
	2019/20	-	-	-	10	4,938	24,825	16,959	41%
	2020/21	-	-	-	10	4,938	29,763	12,021	29%
	2021/22	-	-	-	9	4,592	34,355	7,429	18%
	2022/23	-	-	-	9	4,592	38,947	2,837	7%
	2023/24	-	-	-	9	4,592	43,539	-1,755	-4%
	2024/25	-	-	-	9	4,592	48,131	-6,347	-15%
			-		**94**			**Hawea Weighted Debt Funding Ratio**	**58%**

CARDRONA							**Existing Debt**	**-**	
	2015/16	-	-	-	1	1,567	1,567	-1,567	0%
	2016/17	-	-	-	1	1,585	3,152	-3,152	0%
	2017/18	-	-	-	1	1,585	4,738	-4,738	0%
	2018/19	-	-	-	1	1,585	6,323	-6,323	0%
	2019/20	-	-	-	1	1,585	7,908	-7,908	0%
	2020/21	-	-	-	1	1,585	9,494	-9,494	0%
	2021/22	-	-	-	1	1,567	11,060	-11,060	0%
	2022/23	-	-	-	1	1,567	12,627	-12,627	0%
	2023/24	-	-	-	1	1,567	14,193	-14,193	0%
	2024/25	-	-	-	1	1,567	15,760	-15,760	0%
			-		**14**			**Cardrona Weighted Debt Funding Ratio**	**0%**

Stormwater Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Debt %
LUGGATE							Existing Debt	83,017	
	2015/16	-	-	-	4	159	159	82,859	100%
	2016/17	-	-	-	4	148	307	82,711	100%
	2017/18	-	-	-	4	148	455	82,563	99%
	2018/19	-	-	-	4	148	603	82,415	99%
	2019/20	-	-	-	4	148	751	82,267	99%
	2020/21	-	-	-	4	148	899	82,118	99%
	2021/22	-	-	-	4	145	1,044	81,974	99%
	2022/23	-	-	-	4	145	1,188	81,829	99%
	2023/24	-	-	-	4	145	1,333	81,685	98%
	2024/25	-	-	-	4	145	1,477	81,540	98%
			-	**-**	**36**			**Luggate Weighted Debt Funding Ratio**	**99%**

ALBERT TOWN							Existing Debt	129,043	
	2015/16	-	-	-	13	12,061	12,061	116,983	91%
	2016/17	-	-	-	11	10,818	22,878	106,165	82%
	2017/18	-	-	-	11	10,818	33,696	95,347	74%
	2018/19	-	-	-	11	10,818	44,514	84,529	66%
	2019/20	-	-	-	11	10,818	55,332	73,712	57%
	2020/21	-	-	-	11	10,818	66,149	62,894	49%
	2021/22	-	-	-	11	10,211	76,361	52,682	41%
	2022/23	-	-	-	11	10,211	86,572	42,471	33%
	2023/24	-	-	-	11	10,211	96,784	32,260	25%
	2024/25	-	-	-	11	10,211	106,995	22,048	17%
			-	**-**	**114**			**Albert Town Weighted Debt Funding Ratio**	**64%**

Reserve Improvements & Community Facilities - Capital Expenditure for Development Contributions (excluding GST)

Schemes/Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
RESERVE IMPROVEMENTS - WAKATIPU							
Parks and Reserves	6,887,036	1,159,259	5,727,777	17%	2,871,507	3,120	920
Walkways	1,477,617	173,728	1,303,889	12%	256,191	3,120	82
Council Land - Reserve Land	-	-	-	0%	40,737	3,120	13
Cemeteries	156,378	-	156,378	0%	57,071	3,120	18
Total Reserve Improvements - Wakatipu	**8,521,031**	**1,332,987**	**7,188,043**	**16%**	**3,225,506**	**3,120**	**1,034**

RESERVE IMPROVEMENTS - WANAKA							
Parks and Reserves	3,493,111	628,379	2,864,732	18%	1,742,693	2,198	793
Walkways	273,942	129,053	144,890	47%	160,155	2,198	73
Council Land - Reserve Land - Wanaka	-	-	-	0%	465,582	2,198	212
Council Land - Reserve Land - Hawea	-	-	-	0%	-	2,198	-
Cemeteries	-	-	-	0%	47,899	2,198	22
Total Reserve Improvements - Wanaka	**3,767,053**	**757,432**	**3,009,621**	**20%**	**2,416,309**	**2,198**	**1,099**

RESERVE IMPROVEMENTS - DISTRICT WIDE							
Parks and Reserves - Wakatipu Ward	88,322	18,548	69,774	21%	320,745	5,318	60
Parks and Reserves - Wanaka Ward	98,135	29,398	68,738	30%	66,438	5,318	12
Total Reserve Improvements - District Wide	**186,457**	**47,945**	**138,512**	**26%**	**387,184**	**5,318**	**73**

Reserve Improvements & Community Facilities - Capital Expenditure for Development Contributions (excluding GST) cont...

Schemes/Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
COMMUNITY FACILITIES - WAKATIPU							
Alpine Aqualand	524,286	-	524,286	0%	3,593,355	3,120	1,152
Council Land - Non-Reserve	-	-	-	0%	40,066	3,120	13
Waterways Facilities	207,203	-	207,203	0%	107,413	3,120	34
Halls - Queenstown	340,039	26,400	313,639	8%	774,474	3,120	248
Halls - Events Centre	749,601	-	749,601	0%	1,849,672	3,120	593
Halls - Convention Centre	59,350,037	-	59,350,037	0%	-	3,120	-
Halls - Lake Hayes Pavillion	-	-	-	0%	-	3,120	-
Halls - Arrowtown	409,686	62,048	347,638	15%	67,680	3,120	22
Halls - Glenorchy	107,000	-	107,000	0%	8,842	3,120	3
Halls - Queenstown Community Centre	126,242	-	126,242	0%	28,482	3,120	9
Buildings - Heritage	-	-	-	0%	226,760	3,120	73
Buildings - Toilets	533,869	72,831	461,039	14%	274,458	3,120	88
Community Development - Swimming Pools	166,310	-	166,310	0%	500,954	3,120	161
Libraries - Queenstown	4,975,608	-	4,975,608	0%	5,625	3,120	2
Libraries - Arrowtown	43,500	-	43,500	0%	-	3,120	-
Libraries - Glenorchy	28,000	-	28,000	0%	1,544	3,120	0
Libraries - Kingston	30,000	-	30,000	0%	-	3,120	-
Health and Fitness Centre	392,542	-	392,542	0%	-	3,120	-
Frankton Golf Course	-	-	-	0%	-	3,120	-
Events Centre	-	-	-	0%	-	3,120	-
Rural Fire - District Wide	-	-	-	0%	-	3,120	-
Wakatipu - Non-Reserve	33,000	-	33,000	0%	-	3,120	-
Total Community Facilities - Wakatipu	**68,016,924**	**161,279**	**67,855,645**	**0%**	**7,479,325**	**3,120**	**2,398**

Reserve Improvements & Community Facilities - Capital Expenditure for Development Contributions (excluding GST) cont...

Schemes/Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
COMMUNITY FACILITIES - WANAKA							
Waterways Facilities	1,401,564	-	1,401,564	0%	136,211	2,198	62
Halls - Arts & Community Centre	12,000	-	12,000	0%	751,005	2,198	342
Halls - Hawea	110,068	18,350	91,718	17%	18,831	2,198	9
Halls - Luggate	42,000	-	42,000	0%	5,012	2,198	2
Halls - Cardrona	76,441	8,714	67,727	11%	30,268	2,198	14
Halls - Wanaka Community Centre	406,303	-	406,303	0%	858,721	2,198	391
Halls - Wanaka Sports Facility	11,481,845	-	11,481,845	0%	-	2,198	-
Buildings - Toilets	864,813	102,864	761,948	12%	103,937	2,198	47
Community Development - Swimming Pools	-	-	-	0%	114,586	2,198	52
Wanaka Aquatic Centre	11,810,800	-	11,810,800	0%	-	2,198	-
Libraries - Wanaka	320,438	-	320,438	0%	4,480	2,198	2
Libraries - Hawea	23,438	-	23,438	0%	2,749	2,198	1
Total Community Facilities - Wanaka	**26,549,709**	**129,928**	**26,419,780**	**0%**	**2,025,800**	**2,198**	**921**

COMMUNITY FACILITIES - DISTRICT WIDE							
Community Development - Swimming Pools	80,000	-	80,000	0%	-	5,318	-
Rural Fire - District Wide	196,830	-	196,830	0%	41,590	5,318	8
Libraries - Queenstown	1,459,000	-	1,459,000	0%	-	5,318	-
Libraries - Wanaka	1,198,075	-	1,198,075	0%	-	5,318	-
Halls - Lake Hayes Pavillion	65,754	5,662	60,092	9%	21,119	5,318	4
Community Development - District Wide	-	-	-	0%	174,374	5,318	33
Total Community Facilities - District Wide	**2,999,659**	**5,662**	**2,993,997**	**0%**	**237,083**	**5,318**	**45**

Reserve Land Capital Expenditure for Development Contributions (Excluding GST)

Schemes/Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
WAKATIPU							
Reserves	12,676,011	12,676,011		100%	12,941,950	1,466	27.5 m²
WANAKA							
Reserves	6,250,756	6,250,756		100%	6,140,868	994	27.5 m²
Total - Reserve Land	**18,926,767**	**18,926,767**			**19,082,819**	**2,460**	

Reserve Improvements & Community Facilities - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Net Debt Balance (2015/16 $)	Debt %
WAKATIPU - Reserve Improvements							Existing Debt	2,685,876	
	2015/16	1,097,041	160,015	160,015	466	482,250	482,250	2,363,642	83%
	2016/17	2,107,293	381,934	541,949	328	338,830	821,080	2,406,745	75%
	2017/18	706,089	105,465	647,414	328	338,830	1,159,910	2,173,380	65%
	2018/19	873,410	134,118	781,532	328	338,830	1,498,740	1,968,667	57%
	2019/20	626,956	92,894	874,426	328	338,830	1,837,570	1,722,732	48%
	2020/21	441,689	62,500	936,926	328	338,830	2,176,401	1,446,402	40%
	2021/22	563,996	86,641	1,023,568	254	262,399	2,438,799	1,270,644	34%
	2022/23	523,227	79,593	1,103,161	254	262,399	2,701,198	1,087,839	29%
	2023/24	579,804	81,900	1,185,061	254	262,399	2,963,597	907,340	23%
	2024/25	1,001,526	147,927	1,332,987	254	262,399	3,225,996	792,868	20%
		8,521,031	**1,332,987**		**3,120**	**3,225,996**		**Wakatipu Weighted Debt Funding Ratio**	**55%**

WAKATIPU - Community Facilities							Existing Debt	8,504,631	
	2015/16	3,289,734	60,390	60,390	466	1,118,074	1,118,074	7,446,947	87%
	2016/17	25,579,195	53,079	113,469	328	785,562	1,903,636	6,714,463	78%
	2017/18	30,987,803	-	113,469	328	785,562	2,689,199	5,928,901	69%
	2018/19	493,153	28,144	141,612	328	785,562	3,474,761	5,171,482	60%
	2019/20	1,514,635	-	141,612	328	785,562	4,260,324	4,385,920	51%
	2020/21	5,004,288	-	141,612	328	785,562	5,045,886	3,600,357	42%
	2021/22	188,667	-	141,612	254	608,360	5,654,246	2,991,998	35%
	2022/23	339,322	-	141,612	254	608,360	6,262,606	2,383,638	28%
	2023/24	276,506	19,666	161,279	254	608,360	6,870,966	1,794,944	21%
	2024/25	343,622	-	161,279	254	608,360	7,479,325	1,186,584	14%
		68,016,924	**161,279**		**3,120**	**7,479,325**		**Wakatipu Weighted Debt Funding Ratio**	**60%**

Reserve Improvements & Community Facilities - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Net Debt Balance (2015/16 $)	Debt %
WANAKA - Reserve Improvements							Existing Debt	-	
	2015/16	857,309	189,589	189,589	194	213,749	213,749	-24,160	-13%
	2016/17	334,734	91,588	281,176	236	259,459	473,207	-192,031	-68%
	2017/18	284,052	82,825	364,001	236	259,459	732,666	-368,665	-101%
	2018/19	615,503	119,692	483,693	236	259,459	992,124	-508,432	-105%
	2019/20	313,246	49,412	533,105	236	259,459	1,251,583	-718,478	-135%
	2020/21	219,036	32,428	565,533	236	259,459	1,511,041	-945,508	-167%
	2021/22	314,816	49,695	615,228	206	226,317	1,737,358	-1,122,130	-182%
	2022/23	307,849	48,439	663,667	206	226,317	1,963,675	-1,300,008	-196%
	2023/24	231,303	34,640	698,307	206	226,317	2,189,992	-1,491,685	-214%
	2024/25	289,203	59,125	757,432	206	226,317	2,416,309	-1,658,878	-219%
		3,767,053	**757,432**		**2,198**	**2,416,309**		**Wanaka Weighted Debt Funding Ratio**	**0%**

WANAKA - Community Facilities							Existing Debt	155,952	
	2015/16	12,674,630	25,534	25,534	194	179,204	179,204	2,282	1%
	2016/17	11,496,358	15,850	41,384	236	217,526	396,730	-199,394	-101%
	2017/18	231,910	-	41,384	236	217,526	614,257	-416,921	-211%
	2018/19	1,426,855	52,309	93,693	236	217,526	831,783	-582,138	-233%
	2019/20	335,700	31,651	125,344	236	217,526	1,049,309	-768,014	-273%
	2020/21	173,401	2,751	128,094	236	217,526	1,266,836	-982,789	-346%
	2021/22	29,501	-	128,094	206	189,741	1,456,577	-1,172,530	-413%
	2022/23	102,301	-	128,094	206	189,741	1,646,318	-1,362,271	-480%
	2023/24	27,501	-	128,094	206	189,741	1,836,059	-1,552,012	-546%
	2024/25	51,551	1,834	129,928	206	189,741	2,025,800	-1,739,920	-609%
		26,549,709	**129,928**		**2,198**	**2,025,800**		**Wanaka Weighted Debt Funding Ratio**	**0%**

Reserve Improvements & Community Facilities - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Net Debt Balance (2015/16 $)	Debt %
DISTRICT WIDE - Reserve Improvements							Existing Debt	-	
	2015/16	29,441	6,183	6,183	661	48,112	48,112	-41,929	-678%
	2016/17	98,135	29,398	35,580	564	41,042	89,154	-53,574	-151%
	2017/18	14,720	3,091	38,671	564	41,042	130,196	-91,524	-237%
	2018/19	-	-	38,671	564	41,042	171,238	-132,566	-343%
	2019/20	14,720	3,091	41,763	564	41,042	212,280	-170,517	-408%
	2020/21	-	-	41,763	564	41,042	253,322	-211,559	-507%
	2021/22	14,720	3,091	44,854	460	33,466	286,787	-241,933	-539%
	2022/23	-	-	44,854	460	33,466	320,253	-275,399	-614%
	2023/24	14,720	3,091	47,945	460	33,466	353,718	-305,773	-638%
	2024/25	-	-	47,945	460	33,466	387,184	-339,239	-708%
		186,457	**47,945**		**5,318**	**387,184**		**District Wide Weighted Debt Funding Ratio**	**0%**

DISTRICT WIDE - Community Facilities							Existing Debt	3,159,762	
	2015/16	452,180	5,662	5,662	661	29,460	29,460	3,135,964	99%
	2016/17	266,096	-	5,662	564	25,131	54,591	3,110,833	98%
	2017/18	253,096	-	5,662	564	25,131	79,722	3,085,702	97%
	2018/19	266,096	-	5,662	564	25,131	104,853	3,060,571	97%
	2019/20	293,782	-	5,662	564	25,131	129,984	3,035,440	96%
	2020/21	297,282	-	5,662	564	25,131	155,115	3,010,309	95%
	2021/22	298,782	-	5,662	460	20,492	175,607	2,989,817	94%
	2022/23	279,782	-	5,662	460	20,492	196,099	2,969,325	94%
	2023/24	298,782	-	5,662	460	20,492	216,591	2,948,833	93%
	2024/25	293,782	-	5,662	460	20,492	237,083	2,928,342	93%
		2,999,659	**5,662**		**5,318**	**237,083**		**District Wide Weighted Debt Funding Ratio**	**96%**

Reserve Land - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Net Debt Balance (2015/16 $)	Debt %
WAKATIPU - Reserve Land							Existing Debt	-	
	2016	-	-	-	157	374,160	374,160	-374,160	0%
	2017	-	-	-	157	374,160	748,321	-748,321	0%
	2018	-	-	-	157	374,160	1,122,481	-1,122,481	0%
	2019	1,100,000	1,100,000	1,100,000.00	157	374,160	1,496,642	-396,642	-36%
	2020	-	-	1,100,000.00	157	374,160	1,870,802	-770,802	-70%
	2021	-	-	1,100,000.00	136	339,027	2,209,829	-1,109,829	-101%
	2022	1,100,000	1,100,000	2,200,000.00	136	339,027	2,548,857	-348,857	-16%
	2023	-	-	2,200,000.00	136	339,027	2,887,884	-687,884	-31%
	2024	-	-	2,200,000.00	136	339,027	3,226,912	-1,026,912	-47%
	2025	1,100,000	1,100,000	3,300,000.00	136	339,027	3,565,939	-265,939	-8%
		3,300,000	**3,300,000**		**1,466**	**3,565,939**		**Wakatipu Weighted Debt Funding Ratio**	**0%**

WANAKA - Reserve Land							Existing Debt	-	
	2016	-	-	-	107	224,623	224,623	-224,623	0%
	2017	-	-	-	107	224,623	449,245	-449,245	0%
	2018	-	-	-	107	224,623	673,868	-673,868	0%
	2019	-	-	-	107	224,623	898,491	-898,491	0%
	2020	750,000	750,000	750,000.00	107	224,623	1,123,113	-373,113	-50%
	2021	-	-	750,000.00	92	203,400	1,326,513	-576,513	-77%
	2022	750,000	750,000	1,500,000.00	92	203,400	1,529,913	-29,913	-2%
	2023	-	-	1,500,000.00	92	203,400	1,733,313	-233,313	-16%
	2024	750,000	750,000	2,250,000.00	92	203,400	1,936,713	313,287	14%
	2025	-	-	2,250,000.00	92	203,400	2,140,113	109,887	5%
		2,250,000	**2,250,000**		**994**	**2,140,113**		**Wanaka Weighted Debt Funding Ratio**	**0%**
Total - Reserve Land		**5,550,000**	**5,550,000**		**2,460**	**5,706,052**			

Transportation - Capital Expenditure for Development Contributions

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
WAKATIPU							
Advance Property Purchase	34,363	8,249	26,114	24%	752,167	5,107	147
Associated Improvements	-	-	-	0%	231,391	5,107	45
Cycle Facilities	896,000	134,400	761,600	15%	190,590	5,107	37
Drainage Renewals	1,430,200	214,530	1,215,670	15%	276,775	5,107	54
Environmental Renewals	-	-	-	0%	111	5,107	-
Kerb & Channel Construction	-	-	-	0%	52,453	5,107	10
Minor Improvements	7,800,759	780,076	7,020,683	10%	795,103	5,107	156
New Roads	2,362,250	1,889,800	472,450	80%	1,692,755	5,107	331
Other Structures	-	-	-	0%	280	5,107	-
Passenger Transport Infrastructure	-	-	-	0%	43,117	5,107	8
Pedestrian and Cycle Facilities	-	-	-	0%	35,784	5,107	7
Pedestrian Facilities	-	-	-	0%	155,150	5,107	30
Preventive Maintenance	264,600	26,460	238,140	10%	16,812	5,107	3
Property Purchase (Local Roads)	-	-	-	0%	128,698	5,107	25
Replacement of Bridges & Other Structures	546,350	81,953	464,398	15%	26,065	5,107	5
Road Reconstruction	-	-	-	0%	723,139	5,107	142
Roading General	-	-	-	0%	342,074	5,107	67
Seal Extension	-	-	-	0%	330,493	5,107	65
Sealed Road Pavement Rehabilitation	1,975,085	395,017	1,580,068	20%	2,562,831	5,107	502
Sealed Road Resurfacing	6,844,287	1,026,643	5,817,644	15%	1,541,115	5,107	302
Street Furniture	-	-	-	0%	6,307	5,107	1
Streetlighting	-	-	-	0%	64,580	5,107	13
Structures Component Replacements	2,030,043	304,506	1,725,537	15%	14,961	5,107	3
Town Centre Improvements	-	-	-	0%	456,290	5,107	89
Traffic Services Renewals	267,532	40,130	227,403	15%	884,830	5,107	173
Unsealed Road Metalling	3,217,427	321,743	2,895,684	10%	336,303	5,107	66
Total Transportation - Wakatipu	**27,668,895**	**5,223,506**	**22,445,389**	**19%**	**11,660,175**	**5,107**	**2,283**

Transportation - Capital Expenditure for Development Contributions cont...

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
WANAKA							
Associated Improvements	-	-	-	0%	51,317	3,321	15
Cycle Facilities	-	-	-	0%	79,112	3,321	24
Drainage Renewals	982,000	196,400	785,600	20%	185,676	3,321	56
Environmental Renewals	-	-	-	0%	177	3,321	-
Kerb & Channel Construction	-	-	-	0%	96,167	3,321	29
Minor Improvements	5,520,886	552,089	4,968,798	10%	617,436	3,321	1836
New Roads	736,500	589,200	147,300	80%	503,159	3,321	152
Passenger Transport Infrastructure	-	-	-	0%	7,433	3,321	2
Pedestrian and Cycle Facilities	-	-	-	0%	933	3,321	-
Pedestrian Facilities	-	-	-	0%	62,618	3,321	19
Preventive Maintenance	-	-	-	0%	435	3,321	-
Property Purchase (Local Roads)	-	-	-	0%	20,770	3,321	6
Replacement of Bridges & Other Structures	-	-	-	0%	26,273	3,321	8
Road Reconstruction	-	-	-	0%	312,888	3,321	94
Roading General	-	-	-	0%	104,178	3,321	31
Seal Extension	1,225,000	612,500	612,500	50%	1,412,238	3,321	425
Seal Extension - Residential	-	-	-	0%	1,212,044	3,321	365
Sealed Road Pavement Rehabilitation	1,974,441	394,888	1,579,553	20%	414,008	3,321	125
Sealed Road Resurfacing	5,196,341	779,451	4,416,890	15%	1,171,667	3,321	353
Street Furniture	-	-	-	0%	3,679	3,321	1
Streetlighting	-	-	-	0%	49,072	3,321	15
Structures Component Replacements	273,733	54,747	218,986	20%	9,351	3,321	3
Town Centre Improvements	-	-	-	0%	83,386	3,321	25
Traffic Services Renewals	164,240	32,848	131,392	20%	207,337	3,321	62
Unsealed Road Metalling	2,963,775	296,378	2,667,398	10%	345,533	3,321	104
Total Transportation - Wanaka	**19,036,916**	**3,508,500**	**15,528,416**	**18%**	**6,976,889**	**3,321**	**2,101**

Transportation - Capital Expenditure for Development Contributions cont...

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 $)	Capital Cost Funded by Growth (2015/16 $)	Capital Cost Funded by Other Sources (2015/16 $)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 $)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 $)
DISTRICT WIDE							
Associated Improvements	-	-	-	0%	4,114	8,428	-
Drainage Renewals	128,171	25,634	102,537	20%	11,828	8,428	1
Kerb & Channel Construction	-	-	-	0%	117	8,428	-
Minor Improvements	125,589	12,559	113,030	10%	6,184	8,428	1
Preventive Maintenance	167,017	16,702	150,315	10%	8,622	8,428	1
Replacement of Bridges & Other Structures	-	-	-	0%	868	8,428	-
Road Reconstruction	-	-	-	0%	23,235	8,428	3
Seal Extension	-	-	-	0%	43,325	8,428	5
Sealed Road Pavement Rehabilitation	40,055	8,011	32,044	20%	81,362	8,428	10
Sealed Road Resurfacing	1,209,670	181,451	1,028,220	15%	81,781	8,428	10
Structures Component Replacements	77,214	15,443	61,771	20%	1,476	8,428	-
Traffic Services Renewals	18,531	3,706	14,825	20%	4,061	8,428	-
Total Transportation - District Wide	**1,766,247**	**263,505**	**1,502,742**	**15%**	**266,974**	**8,428**	**32**

Transportation - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Annual Debt %
WAKATIPU							Existing Debt	14,367,142	
	2015/16	2,402,053	519,850	519,850	553	1,262,596	1,262,596	13,624,396	92%
	2016/17	2,643,364	958,074	1,477,924	553	1,262,596	2,525,192	13,319,874	84%
	2017/18	2,953,443	493,544	1,971,468	553	1,262,596	3,787,789	12,550,822	77%
	2018/19	2,678,660	447,314	2,418,782	553	1,262,596	5,050,385	11,735,539	70%
	2019/20	2,573,109	425,662	2,844,444	553	1,262,596	6,312,981	10,898,605	63%
	2020/21	3,058,913	501,299	3,345,743	468	1,069,439	7,382,420	10,330,465	58%
	2021/22	2,161,679	368,791	3,714,534	468	1,069,439	8,451,859	9,629,817	53%
	2022/23	2,462,488	414,067	4,128,601	468	1,069,439	9,521,298	8,974,445	49%
	2023/24	2,516,388	419,457	4,548,058	468	1,069,439	10,590,736	8,324,464	44%
	2024/25	4,218,797	675,448	5,223,506	468	1,069,439	11,660,175	7,930,473	40%
		27,668,895	**5,223,506**		**5,107**	**11,660,175**		**Wakatipu Weighted Debt Funding Ratio**	**66%**

WANAKA							Existing Debt	9,308,538	
	2015/16	1,511,417	248,577	248,577	349	733,104	733,104	8,824,011	92%
	2016/17	1,793,884	280,986	529,563	349	733,104	1,466,208	8,371,893	85%
	2017/18	2,390,127	429,029	958,592	349	733,104	2,199,312	8,067,818	79%
	2018/19	2,095,575	434,705	1,393,297	349	733,104	2,932,416	7,769,419	73%
	2019/20	2,488,670	537,837	1,931,134	349	733,104	3,665,520	7,574,152	67%
	2020/21	2,499,990	539,927	2,471,061	315	662,274	4,327,794	7,451,805	63%
	2021/22	1,761,762	288,911	2,759,973	315	662,274	4,990,068	7,078,443	59%
	2022/23	1,498,497	249,509	3,009,482	315	662,274	5,652,342	6,665,678	54%
	2023/24	1,498,497	249,509	3,258,991	315	662,274	6,314,616	6,252,913	50%
	2024/25	1,498,497	249,509	3,508,500	315	662,274	6,976,889	5,840,149	46%
		19,036,916	**3,508,500**		**3,321**	**6,976,889**		**Wanaka Weighted Debt Funding Ratio**	**68%**

Transportation - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 $)	CAPEX for Growth (2015/16 $)	Cumulative Growth Cost (2015/16 $)	New Dwelling Equivalents	Contributions Received (2015/16 $)	Cumulative Contributions Received (2015/16 $)	Debt Balance (2015/16 $)	Annual Debt %
DISTRICT WIDE							Existing Debt	-	
	2015/16	15,861	2,672	2,672	902	28,573	28,573	-25,901	-969%
	2016/17	196,680	25,620	28,292	902	28,573	57,147	-28,855	-102%
	2017/18	99,786	13,196	41,488	902	28,573	85,720	-44,233	-107%
	2018/19	194,320	29,223	70,711	902	28,573	114,294	-43,583	-62%
	2019/20	184,105	27,950	98,660	902	28,573	142,867	-44,207	-45%
	2020/21	154,370	23,560	122,220	784	24,825	167,693	-45,473	-37%
	2021/22	137,967	21,138	143,358	784	24,825	192,518	-49,160	-34%
	2022/23	261,053	40,049	183,407	784	24,825	217,343	-33,936	-19%
	2023/24	261,053	40,049	223,456	784	24,825	242,169	-18,712	-8%
	2024/25	261,053	40,049	263,505	784	24,825	266,994	-3,489	-1%
		1,766,247	**263,505**		**8,428**	**266,994**		**Wakatipu/ Wanaka Weighted Debt Funding Ratio**	**0%**

Treasury Management Policy

a) Liability Management Policy

Introduction and Application

Introduction

This liability management policy has been prepared pursuant to sections 102(4)(b) and 104 of the Local Government Act 2002.

The Council's borrowing programme for any particular year will be approved as part of the Council's Annual Planning process, which is affected by projections made in the Council Community Plan.

Generally, borrowing will be identified as a funding mechanism only for capital or long term projects which will provide benefits into the future.

The only borrowing to meet operating costs will be the use of overdraft facilities or other short term facilities to cover temporary fluctuations in cash flow.

General Provisions

Borrowing Limits

Council's borrowing limits are:

Ratios	Acceptable Range %
Interest Expense/Rates	<25
Interest Expense/ Total Revenue	<15
Net Debt / Total Revenue	<175
Net Debt / Total Revenue with credit rating of A+ or better	<250
Net Debt / Equity	<20

For the purpose of calculating the ratios above:

Interest Expense = Interest expenses recorded in Council's accounts

Net Debt / Equity = Debt less any sinking funds

Form of Borrowing

Council may obtain funding utilising the following methods:

- Bank Debt
- Capital market issuance comprising Fixed Rate Bonds, Medium Term Notes and Floating Rate Notes

Local Government Funding Agency (LGFA)

Despite anything earlier in this Policy, the Council may borrow from the New Zealand LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- Subscribe for shares and uncalled capital in the LGFA; and
- Secure its borrowings from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

Hire Purchase, Deferred Purchase and Trade Credit

These arrangements are not considered to be borrowing under the terms of the Act.

Other

Instruments not specifically referred to in this policy may only be used with specific Council approval.

Security

It is Council's general policy to offer security for its borrowing by way of negative pledge or a charge over its rates.

In the normal course, the Council's policy is not to offer security over any of the other assets of the Council. However:

- where borrowing is by way of finance lease, or some other form of trade credit under which it is normal practice to provide security over the asset concerned; or
- where the Council considers doing so would help further its community goals and objectives, the Council may decide to offer security over the asset.

Policies

Interest Rate Exposure Policy

Council will manage its borrowing activities prudently in the best interests of the district, its inhabitants and ratepayers. In furtherance of this goal, Council will keep the following objectives firmly in mind:

- Ensure QLDC's continued ability to meet its debts in an orderly manner as and when they fall due in both the short and long term, through appropriate liquidity and funding risk management.
- Arrange appropriate funding facilities for QLDC, ensuring they are at market related margins utilising bank debt facilities and/or capital markets as appropriate.
- Maintain lender relationships and QLDC's general borrowing profile in the local debt and, if applicable, capital markets, so that QLDC is able to fund itself appropriately at all times.
- Control QLDC's cost of borrowing through the effective management of its interest rate risk, within the interest rate risk management limits established by the LMP.

- Ensure compliance with any financing/borrowing covenants and ratios.
- Maintain adequate internal controls to mitigate operational risks.
- Produce accurate and timely information that can be relied on by senior management and Council for control and exposure monitoring purposes in relation to the debt raising activities of QLDC.

Prudent selection of funding instruments and mix should help the Council achieve its low debt servicing costs and risk minimisation objectives.

Debt Repayment Policy

It is Council's general policy to repay debt as it falls due. This will be repaid from accumulated funds, reserve funds, contributions, land sales or a combination of these methods depending on the project the loan was raised for. If the loan was raised for a period less than a term the Council considers appropriate for the project, part of the balance will be financed with new debt.

The Council may repay debt before maturity in special cases where the circumstances suggest that this would be in the best interest of residents and ratepayers.

Total debt levels are determined through the Council Community Plan and Annual Plans.

Liquidity Policy

The Council will strive to ensure the timely availability of funds to meet the Council's various expenditure needs, preferably without incurring penalties or holding unnecessary cash reserves. The Council will:

- match revenue requirements with expenditure streams, ensuring any timing differences, if any, are favourable for the Council;
- ensure replacement funds are available no later than the debt repayment date;
- avoid concentration of debt maturity dates no more than $50m or 50% of debt, whichever is the lesser, can be subject to refinancing in any 12 month period;
- QLDC must maintain liquidity (committed funding lines and cash on deposit) of not less than 110% of projected core debt.

Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Chief Financial Officer.

Credit Exposure Policy

Council will only enter incidental arrangements with credit worthy counter parties.

Credit worthy counterparties are selected on the basis of their current Standard and Poors (S&P) rating which must be A- or better or the Moody's or Fitch equivalants.

Other Matters

Borrowing for Cash Management Purposes

This section applies to what might be described as borrowing to manage day to day fluctuations in cash flow.

Council will maintain an overdraft facility not exceeding a limit of $500,000 for day to day cash management purposes.

Council may maintain a standby credit facility for urgent financing in emergencies.

Incidental Arrangements

'Incidental arrangement' is defined to mean:

A. A contract or arrangement for the management, reduction, sharing, limiting, assumption, offset, or hedging of financial risks and liabilities in relation to any investment or investments or any loan or loans or other incidental arrangement, whether or not that contract or arrangement involves:

- **I** The expenditure, borrowing, or lending of money; or
- **II** The local authority undertaking to make payments in exchange for another person undertaking to make payments to the local authority; or
- **III** The creation or acquisition or disposal of any property or right; or

B. A contract or arrangement with any bank, financial institution, or other person providing for any person to act as underwriter, broker, indemnifier, guarantor, accommodation party, manager, dealer, trustee, registrar, or paying, fiscal, or other agent for, or in connection with, any loan or investment.

Hedging

Hedging instruments may be used for risk management purposes, on advice from financial advisors.

The following table details the Fixed Rate Hedging Percentages which shall apply to the projected core debt of QLDC:

	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 - 2 Years	50%	100%
2 - 5 Years	25%	80%
5 - 10 Years	0%	60%

That the following interest rate risk management instruments may be used to manage the core debt of QLDC:

A. Interest rate swaps.
B. Swaptions (options on swaps).
C. Interest rate options, including collar type structures but only in a ratio of 1:1.
D. Forward rate agreements.

Options on hedging floating rate debt with an exercise rate greater than 2.00% above the equivalent period interest rate at the time of inception cannot be counted as part of the fixed rate cover percentage calculation. For example a three year cap at 6.00% would only count as a fixed rate hedge if the underlying swap rate was greater than 4.00%.

Agents
Council may appoint only reputable persons or companies to fulfil the following roles:

> Registrars/paying agents

> Brokers

> Trustees

Other
Other forms of incidental arrangement may only be entered into with a specific resolution of Council.

b) Investment Policy

General

Introduction
This investment policy has been prepared pursuant to sections 102(4)(c) and 105 of the Local Government Act 2002. It applies to the management of the Council's financial and equity investments.

Overview
The Council has a variety of investments which at any time may include cash, trust funds, special funds, shares, property held for investment purposes and financial reserves.

These investments are acquired, held and realised by the Council in furtherance of the community goals and objectives which are identified in the Council's Community Plan and each Annual Plan.

In managing its investments the Council is not driven by commercial considerations alone. As a public body the Council is accountable to the community in terms of community health, safety, benefit and well-being and these considerations may lead to the Council making investment decisions which would not have been made on commercial/financial considerations alone.

In managing its investments in accordance with its general policy the Council seeks to:

> achieve the goals and objectives set out in the Council Community Plan and the Annual Plan.

> balance the protection of its investment with maximising investment return.

> ensure investments are of a type which provide the Council with funds when required.

Policies

Mix of Investments

Nature of Investment	Term	Rationale for retention
Cash Investments	Short term	To meet cash flow requirements
Shares/equity	Long term	To support the strategic objectives of the Council and the District
Investment Property	Variable	To provide a commercial return to Council

It should be noted that Council does have some investments that do not currently meet these criteria, particularly some land holdings. The future of these are under review and it will be decided if these will be held to meet future core function requirements or will be disposed when it is considered that it is appropriate.

Acquisitions of New Investments
Call and short term: delegated to Council staff to invest in approved institutions.

Medium to long term: through the Council, having regard to the goals, objectives and provisions of the Council's long term financial strategy and annual plans.

Use of Revenue from Investments
Revenue from funds which are reserved for particular purposes is added to that fund. Revenue from other investments used to offset general rates.

Revenue from Asset Sales
Revenue from asset sales will be used to repay debt or fund the purchase of new assets. If there are no appropriate uses available at the time of disposal, it will be held in a separate fund until there are.

Other Matters

Procedures for Management and Reporting to Council
The Council's procedures for the management of investments and associated reporting to Council involve reporting results of investment to the Council through the Finance Committee on a bi-monthly basis.

Risk Management
In managing its investments Council always seeks to protect its investments and manage its risk.

When investing the Council will adhere the provisions of the investment matrix (see Appendix 1) which clearly sets out the parameters under which Council will manage its financial market investment activities.

The Council also has statutory obligations to properly administer, manage, and account for its funds. In particular the Council must make its investments in accordance with the provisions of the Trustee Act 1956 as they apply to the investment of trust funds. This requires the Council to exercise the care, diligence, and skill that a prudent person of business would exercise in managing the affairs of others. The Council may consider, in making any investment decisions:

> The desirability of diversifying investments.

> The nature of existing investments.

> The risk of capital loss or depreciation.

> The potential for capital appreciation.

> The likely income return.

> The length of the term of the proposed investment.

> The marketability of the proposed investment during, and on the determination of, the term of the proposed investment.

- The effect of the proposed investment in relation to tax liability.
- The likelihood of inflation affecting the value of the proposed investment.

Local Government Funding Agency (LGFA)
Despite anything earlier in this Policy, the Council may invest in shares and other financial instruments of the New Zealand LGFA and, may borrow to fund that investment. The Council's objective in making such investment will be to:

- Obtain a return on investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for Council.

Because of the dual objective, the Council may invest in LGFA sharesin circumstances in which the return on that investment is potentially lower than the reurn it could achieve with alternate investments.

If required in connection with the investment, the Council may subscribe for un-called capital in the LGFA.

(Appendix 1) Authorised Investment Criteria for Short and Long Term Investment Activities

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	• Government Stock • Treasury Bills	Not applicable	Unlimited
Rated Local Authorities	70%	• Commercial Paper • Bonds/MTNs/FRNs	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	$3.0m $2.0m $3.0m $5.0m
Local Authorities where rates are used as security	60%	• Commercial Paper • Bonds/MTNs/FRNs	Not Applicable	$2.0m $2.0m
New Zealand Registered Banks	100%	• Call/Deposits/Bank Bills/ Commercial Paper • Bonds/MTNs/FRNs	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better	$10.0m $2.0m $5.0m
State Owned Enterprises	70%	• Commerical Paper • Bonds/MTNs/FRNs	Short term S&P rating of A1 or better Long term S&P rating of BBB+ or better Long term S&P rating of A+ or better	$3.0m $1.0m $3.0m
Corporates *	60%	• Commercial Paper • Bonds/MTNs/FRNs	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	$2.0m $1.0m $2.0m $3.0m
Financials *	30%	• Commercial Paper • Bonds/MTNs/FRNs	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	$2.0m $1.0m $2.0m $3.0m

* The combined holding of Corporates and Financials shall not exceed 70%. Council approval is required if QLDC wishes to hold non complying investments.

Equal Employment Opportunity

Policy Statement

Everybody in New Zealand is entitled by law to equal treatment in their employment. The Queenstown Lakes District Council supports this and has an Equal Employment Opportunity Policy to help ensure that this is a reality.

When making employment related decisions, the Council will make sure that employees are not treated unfairly because of their: age, sex, ethnic or national origins, marital status, religious or ethical beliefs or disability.

Employment related decisions include: appointments, terms of employment, conditions of work, training, prmotion, transfer, dismissal or other disciplinary action.

The Council will provide a working environment which is free from sexual harassment.

SIGNIFICANCE AND ENGAGEMENT POLICY

27 NOVEMBER 2014

QUEENSTOWN LAKES DISTRICT COUNCIL

1

THINGS LIKE SALE OF ASSETS, 10 YEAR PLAN, ANNUAL PLAN, RATES IMPACT ETC ETC ETC

RIGHT CONVERSATIONS WITH THE RIGHT PEOPLE ABOUT THE RIGHT ISSUES

INTRODUCTION

Our Council engages with our community every day and in many different ways. It can be a one-way simple communication to keep someone or a group informed or it can be a two-way process of consultation, when Council asks a section of the public, or the whole community, for their view to inform decision-making.

This draft policy has been developed to give the community certainty about when people can expect to be informed of a proposed Council action or be asked for a view on an issue to help inform a decision. It outlines what the Council will take into account when deciding what is significant and when the community will have a direct opportunity to contribute to decision-making.

In short – we want to have the right conversations with the right people about the right issues before making significant decisions.

This policy outlines the type of things that you can expect to be consulted about like: the sale of assets; the key issues in the 10 Year Plan and Annual Plan; a decision that will change a service that you expect and value or something that will add cost to the ratepayer.

For the Council, the policy guides our assessment of whether an issue or proposal is important (significant) to the community. It gives certainty that those important decisions will be treated in an agreed way with the community, and that Council will follow the local government rules of engagement and meet the purpose of local government:

DEFINING SIGNIFICANCE

"to enable democratic local decision-making and action by, and on behalf of, communities…" Local Government Act 2002.

Why does the Policy Exist?

To provide greater clarity on the Council's decision making processes and how our community can participate in them. This policy sets out what you can expect from QLDC regarding consultation and the options open to you, to influence and participate in local and district-wide decision making.

What is the Term of the Policy?

The Policy will be reviewed every three years as part of the 10 Year Plan Special Consultative Procedure.

What is the Special Consultative Procedure?

This is the formal process which enables the community to have a say on a significant decision. The Council will take the community's views into account before making a decision. This is more a formal process than inviting feedback. There are rules about how we undertake special consultation *(see Appendix 4)*. Comments are treated as formal submissions (which will be made publicly available) and submitters can choose to present their views at a hearing before elected members. *See page 3* for matters that the Council must use the procedure for, by law. *See page 5* for 'how' and 'when' the Council will consult using this procedure.

2

HOW WILL WE DETERMINE THE SIGNIFICANCE OF A DECISION AND WHEN WILL WE USE THE SPECIAL CONSULTATIVE PROCEDURE?

The Council will determine significance in two ways outlined in A and B:

A. ASSESSMENT

Thresholds and criteria for determining Significance:

HIGH LARGE IMPACT	⟵ DEGREE OF SIGNIFICANCE ⟶	LOW LITTLE IMPACT

i. **Importance to the Queenstown Lakes District** – the extent to which the matters impact on the environment, culture and people of the District (eg significant capital projects).

ii. **Community Interest** – the extent to which individuals, organisations, groups and sectors in the community are affected by the Council's decisions.

iii. **Inconsistency with existing policy and strategy** – the extent of inconsistency and the likely impact.

iv. **The impact on the Council's capability and capacity** – the impact on the objectives set out in the Financial Strategy, Ten Year Plan and Annual Plan.

Council officers will need to think about each of the four criteria and make a recommendation about the decision's significance to the elected members. The final decision about the significance of any matter rests with elected members. When making this determination other factors may need to be considered; eg: urgency, safety, commercial sensitivity and public good.

B. STRATEGIC ASSETS

The policy needs to list the assets that the Council considers to be significant strategic assets. Any decision relating to the sale or transfer or sale of shareholding of any of the following assets is a significant matter and will trigger the Special Consultation Process. To clarify:

i. Any decision that transfers or changes ownership or control of strategic assets to or from the Council is a significant matter.

ii. The sale or transfer of shareholding of any of the Significant Strategic Assets (as outlined in the table below) will trigger the Special Consultation Process.

iii. Any long term lease of strategic assets (other than land).

Queenstown Airport	Queenstown Events Centre
Wanaka Airport	Queenstown Memorial Centre
Water Supply Infrastructure	Lake Wanaka Centre
Sewage Treatment Plant(s)	Swimming Pools
Transfer Stations and Recycling Centre (Queenstown only)	Playgrounds, Reserves and Community Halls, Cemeteries, Gardens, Sports fields and libraries listed in schedule *(Appendix 3)*
Roading Network	Victoria Flat Landfill (shared ownership)

Guidelines

>> Every agenda item requiring a decision of Council will require the author to consider significance and engagement.

>> Each proposal or decision will be considered on a case by case basis to determine significance

>> The consideration, disclosure and consultation will be proportional to the significance of the decision

3

WHAT IS THE SPECIAL CONSULTATIVE PROCEDURE REQUIREMENT?

This is a more formal process than asking for feedback. Our Council will use the special consultative procedure where the law says we must; and where the Council considers there is a high degree of significance to the community (to be determined on a case by case basis); and where a significant asset is to be sold, transferred or shares sold.

In respect of all other decisions, the Council may choose whether or not it will undertake community engagement on differing scales, depending on the issue. This is outlined but not limited to those methods listed under Consultation *(non SCP) on page 6).*

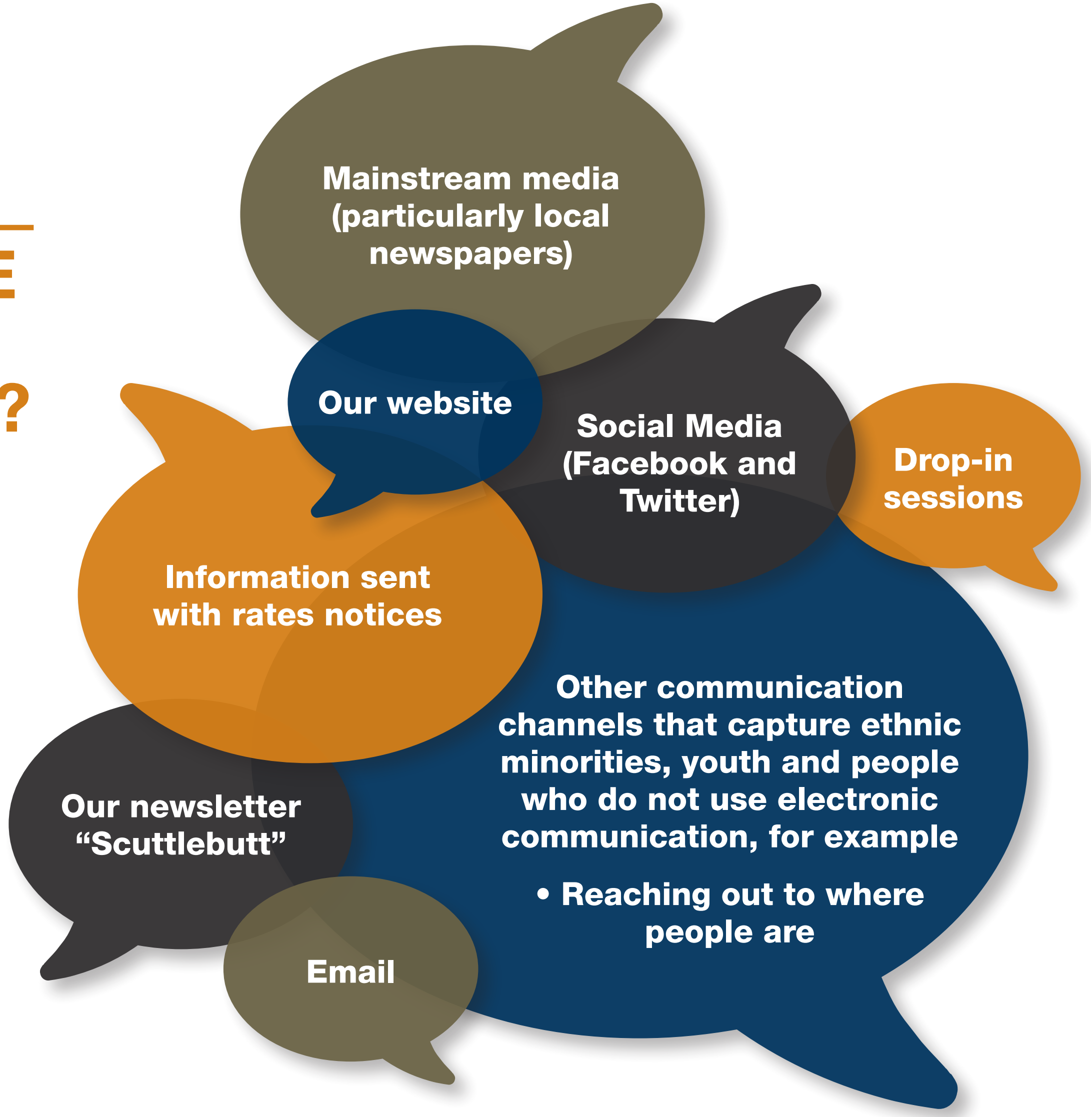
[1] According to the Local Government Act Part 8: Section 156 (see Appendix 2c), The Council does not need to use the Special Consultative Procedure if the change is minor or a correction of an error. In such a case, the minor change can be made by resolution, publicly notified.

4

HOW WILL WE CONSULT AND ENGAGE?

In May 2014 we asked people to tell us how they preferred to receive information from us, and how they wanted to share their views. The answers form the basis of this section.

We will communicate across multiple channels to reach ratepayers and residents. These include:



We acknowledge that just as we have a responsibility to provide opportunities for people to engage with us, the Community in turn has a responsibility to consider whether to accept them and engage with the Council. We will respect every individual's right to choose or refrain from engagement with Council.

These are some of the ways that people have told us they want to engage with their elected members and pass on their views:

- Emailing
- On-line (surveys / on-line feedback)
- In person at meetings
- By phone

5

WHEN WE WON'T CONSULT OR ENGAGE

There are times where we won't normally consult the community because the issue is routine, or operational, or because there is an emergency. We know that "consultation fatigue" or over-consultation can cause people to tune out of conversations with Councils, so we want to concentrate on having the right conversations on the issues that are genuinely significant. Here are some of the things that we won't generally be asking about:

- Organisational decisions (ie staff changes and operational matters) that do not materially reduce a Level of Service[2]
- Emergency management activities during a state of emergency – Civil Defence Emergency Management Act 2002
- Decisions taken to manage an urgent issue, or
- Decisions to act where it is necessary to -
  - o comply with the law;
  - o save or protect life, health or amenity
  - o prevent serious damage to property;
  - o avoid, remedy or mitigate an adverse effect on the environment;
  - o Protect the integrity of existing and future infrastructure and amenity
- Decisions that are commercially sensitive (i.e. awarding contracts)
- Any decisions that are made by delegation/sub-delegation to officers
- Entry or exit from a development agreement (private contract) as per section 207A Local Government Act 2002;
- Decisions in relation to regulatory and enforcement activities
- Where we are not required to consult by law, we can consider making a decision without consultation on a case by case basis.

6

LESS FORMAL ENGAGEMENT

There are many times when we will consult or engage with the community in a less formal way without using the special consultative process. *This is set out in Appendix 1.*

[2] Levels of service define the services that the Council provides to the community. For example, the facilities and the hours they are open; the standards to which we maintain parks or road surfaces; how often rubbish and recycling are collected. All of these levels of service are set out in the Ten Year Plan. If the Council changed something that would materially affect the community and involved a change to the level of service agreed in the Ten Year Plan, then we would need to consider consulting the community about that. If the Council considered that the change was not material or would not alter the level of service – for example changing the way we do something – then we might assess that this was purely operational and would not require specific consultation.

7

PRINCIPLES OF ENGAGEMENT

This is what you can expect from us:

a. We will be genuine in our consultation and engagement.
   - o We will have an open mind to community feedback before making decisions.
   - o We will give our community a timely opportunity to have a say.

b. We want to meet community expectations regarding consultation and engagement.

c. We will empower the community to give informed feedback and wherever possible enable the community to consider options relating to the decision.

d. We want to engage and consult with the community appropriately.

e. We will not treat consultation or engagement as a poll or a referendum; feedback will be weighted accordingly with other considerations.

f. We will always provide feedback to those who made the effort to give us their opinions and we will explain our decisions.

8

PROVIDING INFORMATION

We know that people need full and clear information to base their opinions on. You can expect that if we ask your views, we will always let you know:

What is proposed?

Why?

What options we have?

Our preferred option and why?

Costs and rating impact if any.

What are the impacts (if any)?

How the community can have a say?

The timeframe and process.

How we will communicate the outcome?

9

HEARINGS AND FEEDBACK

- Where practical, hearings will be held in the location of the affected community(ies)
- Where a district-wide consultation has been undertaken, hearings will be held in both Wanaka and Queenstown
- The Council can allow any person to present his or her views to the local authority by way of audio link or audio-visual link
- If we're asked to do so, the Council will facilitate interpretation (including Te Reo and sign language)
- There is no requirement under the amendment to the LGA to provide individual feedback but we do need to provide access to decisions. Our policy is to go further than the Act requires. Consequently:
    - o we will acknowledge the receipt of any submission (automatically acknowledged online) and notify the decision either via email or by letter.
    - o we will make all decisions available online
    - o we will provide free access to terminals to residents and ratepayers so they can read and download decisions online (libraries and Council offices)

10

CHANGES TO THE SIGNIFICANCE AND ENGAGEMENT POLICY

- Changes to the Significance and Engagement Policy do not have to be made through the Special Consultative Procedure, and may be made by Council resolution.
- Council will review the policy whenever we prepare a Ten Year Plan (ie every three years). Any material changes to the policy will be highlighted in the Ten Year Plan.
- Alternatively, the Council will consult on any material changes using the Special Consultative Procedure.

APPENDIX 1

ENGAGEMENT TOOLS

TOOLBOX

Consultation – *Length of Engagement as required under LGA or if not a requirement, reflective of a 20 working day principle.*		
WHAT?	**HOW?**	**WHEN?**
Special Consultative Procedure	• Statutory Notice • Advertising radio and newspaper • Scuttlebutt feedback form • Online feedback form • Press Releases • Social Media • Drop in sessions • Hui (meeting)[1] • Consider targeted consultation if any special interest groups or stakeholders (email, letter or direct contact) • Hard Copies available at Council facilities (offices and libraries) • Submissions • Hearing • Public decision • Direct feedback to all submitters.	• Adoption and amendment to 10 Year Plan > Change to Level Of Service > Non funded capital project > Asset Management Plan • Making, amending or revoking a bylaw. • Transfer of ownership of a significant strategic asset (these should be part of schedule) • Changes to financial policies • As required by other Acts (eg Local Government (Rating) Act 2002)
Consultation (non SCP) ***(this is not to inform this is to genuinely consult on options and consider feedback before a decision is taken)***[2]	• Statutory Notice (if required) • Advertising radio and newspaper • Drop in Sessions • Community Forum • Hui • Press Releases • Social Media • Hard Copies available at Council facilities (offices and libraries) • Consider targeted consultation if any special interest groups or stakeholders (email, letter or direct contact) • Submissions • Hearing • Public decision • Direct feedback to submitters.	• Reserves Act > management plans • Resource Management Act > Project delivery > Consents and licensing Local Government Act 1974 > Road closure • Making Minor Bylaw Changes (as per LGA 2002 Section 156) which must be changed by publicly notified resolution.

[1] Council will meet its obligations to Māori in accordance with the Local Government Act Part 6: Section 81 (Appendix 4)

[2] Council may choose to undertake pre-consultation to help shape options for consultation.

APPENDIX 1

Engagement – *If appropriate, period of notice will vary, but where possible 20 working days.*		
WHAT?	**HOW?**	**WHEN?**
Information on Projects (the decision has been taken to undertake the project) **Service Provision (eg facility promotions, Libraries, Sport and Recreation, event funding)** **Education (eg community resilience**	• Statutory Notice (if required) • Targeted information if any special interest groups or stakeholders such as affected retail or neighbours (email, letter or direct contact) • Press Release or advisory (as appropriate) • Stakeholder databases (eg promotion bodies and chambers) • Advertising • Social Media • Public forum at Council meetings	• Road works • Street-scaping • Trees • Water, Wastewater, Stormwater • Reserve works • Service disruptions > Water outage > Boil Water Notice • Civil Defence preparedness > Weather/Emergency • Democratic Processes (Electoral Act) • Mandatory requirement/amendment (Central Government)
Community	• Targeted information if any special interest groups or stakeholders such as affected retail or neighbours (email, letter or direct contact) • Press Release or advisory (as appropriate) • Stakeholder databases (eg promotion bodies and chambers) • Advertising • Social Media	• Events • Facilitation • Social Issues • Advocacy (eg Central Government)

OTHER METHODS

In addition to the toolbox as outlined, additional methods of consultation and engagement can be included such as:

Community Forums/Workshops (including Shaping Our Future)

Resident and Ratepayer Survey

Phone Survey

Street Survey (targeting demographic)

Texting

Posters

Rates Notice

Electronic Newsletter

Brochures

Displays (eg Pastoral Shows)

Community Road Shows

Targeted Education (eg Schools)

Cinema Advertising

Bus Advertising

Editorial

User interface (eg sports groups)

> The Council is not limited to use the tools as outlined.

APPENDIX

2a

LOCAL GOVERNMENT ACT 2002

Appendix 2 contains 4 relevant sections from the Local Government Act 2002 which relate to this policy being:

- 76AA Significance and Engagement Policy
- 83 Special Consultative Procedure
- 86 Use of special consultative procedure in relation to making, amending, or revoking bylaws
- 156 Consultation requirements when making, amending, or revoking bylaws made under this Act

76AA Significance and engagement policy

- "(1) Every local authority must adopt a policy setting out—
    - "(a) that local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters; and
    - "(b) any criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences; and
    - "(c) how the local authority will respond to community preferences about engagement on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable; and
    - "(d) how the local authority will engage with communities on other matters.

"(2) The purpose of the policy is—

- "(a) to enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities; and
- "(b) to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters; and
- "(c) to inform the local authority from the beginning of a decision-making process about—
- "(i) the extent of any public engagement that is expected before a particular decision is made; and
- "(ii) the form or type of engagement required.

"(3) The policy adopted under **subsection (1)** must list the assets considered by the local authority to be strategic assets

83 Special consultative procedure

- (1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must—
    - (a) prepare and adopt—
        - (i) a statement of proposal; and
        - (ii) if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with section 83AA); and
    - (b) ensure that the following is publicly available:
        - (i) the statement of proposal; and
        - (ii) a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with section 82(1)(d); and
        - (iii) a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and
    - (c) make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation; and
    - (d) provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and
    - (e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d)—
        - (i) is given a reasonable opportunity to do so; and
        - (ii) is informed about how and when he or she may take up that opportunity.

(2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audiovisual link.

(3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal, or both.

Section 83: replaced, on 8 August 2014, by section 25 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

APPENDIX

2c

86 Use of special consultative procedure in relation to making, amending, or revoking bylaws

- (1) This section applies to the following:
  - (a) making a bylaw to which section 156 applies:
  - (b) amending a bylaw to which section 156 applies (other than under subsection (2) of that section):
  - (c) revoking a bylaw to which section 156 applies.

  (2) Where the special consultative procedure is used in relation to an activity described in subsection (1), the statement of proposal referred to in section 83(1)(a) must include,—
  - (a) as the case may be,—
    - (i) a draft of the bylaw as proposed to be made or amended; or
    - (ii) a statement that the bylaw is to be revoked; and
  - (b) the reasons for the proposal; and
  - (c) a report on any relevant determinations by the local authority under section 155.

Section 86: substituted, on 28 June 2006, by section 9 of the Local Government Act 2002 Amendment Act 2006 (2006 No 26).

156 CONSULTATION REQUIREMENTS WHEN MAKING, AMENDING, OR REVOKING BYLAWS MADE UNDER THIS ACT

- (1) When making a bylaw under this Act or amending or revoking a bylaw made under this Act, a local authority must—
  - (a) use the special consultative procedure (as modified by section 86) if—
    - (i) the bylaw concerns a matter identified in the local authority's policy under section 76AA as being of significant interest to the public; or
    - (ii) the local authority considers that there is, or is likely to be, a significant impact on the public due to the proposed bylaw or changes to, or revocation of, the bylaw; and
  - (b) in any case in which paragraph (a) does not apply, consult in a manner that gives effect to the requirements of section 82.

  (2) Despite subsection (1), a local authority may, by resolution publicly notified,—
  - (a) make minor changes to, or correct errors in, a bylaw, but only if the changes or corrections do not affect—
    - (i) an existing right, interest, title, immunity, or duty of any person to whom the bylaw applies; or
    - (ii) an existing status or capacity of any person to whom the bylaw applies:
  - (b) convert an imperial weight or measure specified in a bylaw into its metric equivalent or near metric equivalent

APPENDIX

3

SCHEDULE OF ASSETS

Wakatipu Ward

- Earnslaw Park, Queenstown
- Queenstown Gardens, Queenstown
- Marine Parade
- St Omer Park
- Frankton Cemetary
- All Queenstown Campgrounds
- Arrowtown Gaol – Council owns the land only (Cardigan Street)
- Queenstown Arts Centre, Queenstown
- Lower Shotover, Queenstown, Arrowtown, Kingston Cemeteries
- Library Buildings - Arrowtown, Glenorchy and Kingston
- Halls - Glenorchy, Lake Hayes, Arrowtown, and Memorial Centre
- Heritage Buildings - Malaghan Building, 44 Stanley Street, Queenstown, Williams Cottage 21 Marine Parade Queenstown, 63 Buckingham Street, 59 Buckingham Street, 61 Buckingham Street, 61a Buckingham Street
- Elderly Housing - Caernarvon Street in Arrowtown
- Gorge Road Civic Building/ Queenstown Library
- Queenstown Events Centre

Wanaka Ward

- Lake Front Reserve, Wanaka
- Wanaka Arts Centre, Wanaka
- Pembroke Park, Wanaka
- Eely Point Reserve, Wanaka
- Cardrona Reserve, Cardrona
- Wanaka, Cardrona Cemeteries
- Library Buildings - Wanaka Library
- Halls - Hawea Flat, Luggate, Cardrona, Lake Wanaka Centre
- All Wanaka Campgrounds
- Elderly Housing - McDougall Street in Wanaka

Note playgrounds are not individually listed but are situated on reserves and fall under the Reserves Act – sale or transfer of ownership must include public consultation.

APPENDIX

4

LOCAL GOVERNMENT ACT 2002

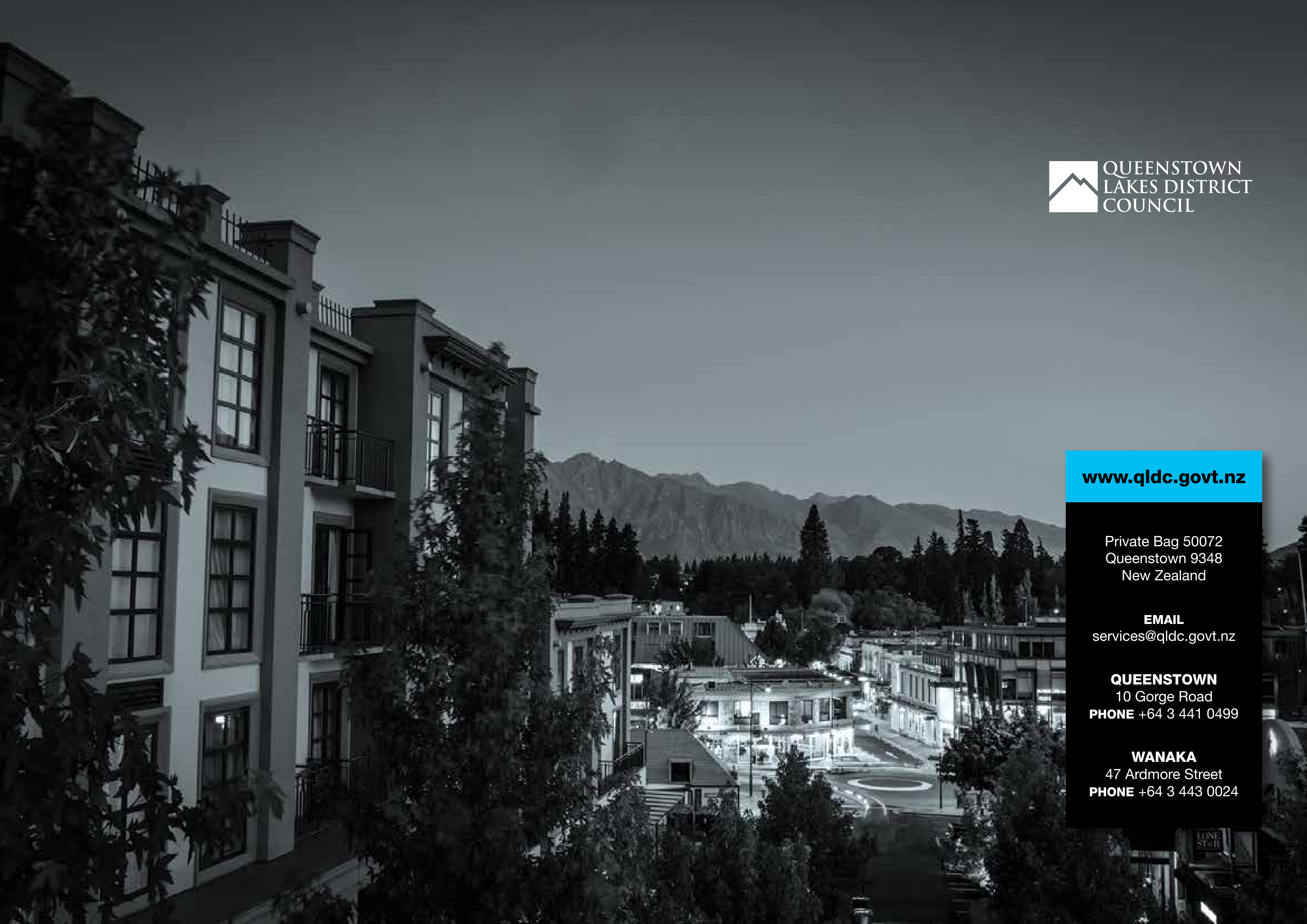
Part 6: Section 81
Contributions to decision-making processes by Māori

(1) A local authority must—

- (a) establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and
- (b) consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and
- (c) provide relevant information to Māori for the purposes of paragraphs (a) and (b).

(2) A local authority, in exercising its responsibility to make judgments about the manner in which subsection (1) is to be complied with, must have regard to—

- (a) the role of the local authority, as set out in section 11; and
- (b) such other matters as the local authority considers on reasonable grounds to be relevant to those judgments.



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