

Annual report summary Whakarāpopototaka o te Rīpoata ā-tau

2018/19

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Rāraki take

Section 98(4)(b) of the Local Government Act 2002 requires Council to make publicly available a summary of the information contained in its annual report. The specific disclosures included in the summary annual report have been extracted from the full annual report adopted by Council on 10 October 2019. The summary annual report cannot be expected to provide a detailed understanding as provided by the full annual report. The full financial report dated 10 October 2019 has received an unqualified audit report. A copy of the full annual report can be obtained on the Council website – www.qldc.govt.nz

This summary annual report has been examined by the auditor for consistency with the full annual report. The auditor's report is included with this summary.

The Council's full annual report has been compiled in line with NZ GAAP and stated explicitly that it complies with Public Benefit Entity (PBE) Standards for Tier 1 entities. The summary annual report complies with PBE FRS 43 – *Summary Financial Statements*.

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Overview

Whakarāpopototaka



Contact us



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Wānaka



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** A Council-controlled trading organisation*

AUDITORS

Deloitte Limited on behalf of the
office of the Auditor General

Auckland

SISTER CITIES

Aspen, Colorado, USA
(Queenstown)

Hangzhou, China

Chief Executive's report



For a number of years, this Council has acknowledged that the district is undergoing a prolonged period of growth. That growth, as yet, shows no significant sign of slowing in the foreseeable future with our resident population increasing like never before. We have previously stated that we need to be adequately prepared for this growth and this requires comprehensive, considered planning. The last 12 months has reflected this planning focus with work underway across the district. Three rounds of engagement with the community began in September for the Wānaka Masterplan where the team spoke with over 1,700 people at 17 events, receiving a total of 1,297 items of feedback. The Frankton Masterplan was launched in July 2018 and asked the Wakatipu community to think about life in Te Kirikiri Frankton in 2048, with clear early insights shaping a draft plan for a well-connected local hub with a strong heart.

Planning how people will move to and around these well-designed local centres has been the challenge taken up by the Wakatipu Way To Go programme. This is a partnership between the Council, Otago Regional Council and the New Zealand Transport Agency which was launched in January 2019. This partnership brings to life a shared commitment to provide the district's community with an enduring, affordable, safe transport system with a range of choices. The first phase of work has focused on Wakatipu transport infrastructure and public transport options, but the programme will be extended to include the Upper Clutha in the next financial year.

The Council also recognised that there was a need for a unifying long-term aspirational goal to underpin the various masterplanning exercises. In August 2018, Mayor Boulton announced that the Council would facilitate the development of a community vision looking at life beyond 2050. Addressing key areas of concern such as our environment, employment opportunity, community resilience and embracing Te Ao Māori, the draft vision was developed through community consultation and key stakeholder input. In March 2019, the Council committed to this

vision entitled, “A Unique Place, An Inspiring Future| He Wāhi Tūhāhā, He Āmua Whakaohooho”, and work will continue to support the embedding of this vision in 2019-2020.

Funding these infrastructure challenges was brought to the fore in March 2019, when the Council announced that it would be holding the district’s first non-binding referendum on the proposed implementation of a visitor levy. The Council has been advocating with Central Government for over two years for an alternative source of funding, recognising that the burden of funding infrastructure cannot sit solely with our small ratepayer base. Although some sectors in the community favoured other funding concepts, in June the results reflected that the majority of voters supported the proposal with 81.17% of the return in favour. The overall turnout for the vote was 42.04%, with 30% return for a non-binding referendum considered high.

On the subject of growth we have to acknowledge the significant volume of resource and building consent applications from the last financial year processed by the QLDC Planning & Development Teams. Between July 2018 and June 2019 the Council has issued

1,444 resource consents and 1,933 building consents demonstrating the consistently high volume of people who are choosing to make our district their home or an ideal place for their business.

Community investment delivered some exciting new facilities in the last financial year. The new Bathhouse Playground was opened in October 2018 on the lakefront of Whakatipu Waimāori Lake Wakatipu. Opened by Mayor Boulton, and well attended by local children, the first destination playground for Tāhuna Queenstown is aimed at creating a CBD that families will want to visit and spend time in. In December 2018, Te Kirikiri Frankton became home to the new Frankton Library at Remarkables Park after the successful trial of a pop-up library at the Queenstown Events Centre demonstrated a strong demand for local library services. Future investment also received a boost in February 2019, with the purchase of the 14-hectare property at 516 Frankton-Ladies Mile. At a net cost of \$13.78M the purchase will provide much-needed community assets and services in the Lake Hayes Estate and Shotover Country areas, including open spaces and recreation facilities.

The shift towards responsible camping in Queenstown Lakes received sizeable investment from Central Government through two channels. In August 2018, the Council was advised we would receive \$0.5M which was invested in a trial for the summer of two overnight and two day-only service hubs. Providing toilet, shower and waste disposal facilities, as well as funding increased enforcement and educationally-focused responsible camping ambassadors, saw a significant reduction in camping related complaints and damage to our local environment. The Tourism Infrastructure Fund also awarded the Council \$2.39M for investment in public toilet facilities in September 2018.

Ahead of developing a masterplan for the future of services at Queenstown Events Centre and Wānaka Recreation Centre, the Council’s Sport & Recreation team undertook community engagement on a draft Sport & Recreation Facility Strategy. The draft strategy was the result of a partnership between QLDC, Central Otago District Council, Sport New Zealand, Sport Otago, Sport Southland, Central Lakes Trust, Otago Community Trust and Community South, and provides a framework for planning sports and recreational facilities and

considers the various perspectives from national level through to reflecting the needs at a local level. These masterplans will build on the success of both venues, recognising growth exceeding expectations particularly in the Wānaka Recreation Centre swimming pool.

Preparations for a new district-wide waste and recycling service commenced to provide a consistent approach to waste management for everyone resident, getting everyone on the same journey towards zero waste. The new colour-coded wheelie bins started rolling out from May 2019, shortly after a new \$50k Waste Minimisation Community Fund was launched. The new service is a partnership between established provider Waste Management and local community initiative Wastebusters, which brings a new focus on education alongside innovations such as electric collection vehicles and bikes.

Progress on the ambitious 2018-2028 Ten Year Plan 3 Waters projects saw a big step forwards with the start of the Frankton Stormwater upgrade. This significant upgrade will provide for current and future stormwater capacity in this growing part of the district, and a benefit of the project

is that the excess fill from the site will create a new sports field above the Remarkables Primary School. Progress with connecting Upper Clutha communities to the Project Pure treatment plant has also been made to create a more efficient, robust wastewater network around the Wānaka area.

The District Plan review continues to be a major programme of work for the Council's Planning Policy Team. Stage 1 decisions on the first 33 key chapters are now under appeal. Stage 2 is made up of six topics (transport, earthworks, signs, visitor accommodation, Wakatipu Basin land use, open space and recreation) and decisions on the matters heard were notified in March 2019. Preparatory work had been undertaken through the My Place engagement in February for Stage 3 and at the time of writing this report, this third stage was notified ready for consultation on topics such as township and industrial zones, and sites of significance to Māori.

In February, Wakatipu was chosen by Kāi Tahu to host the Otago Southland Te Tiriti o Waitangi commemorations, which was a first for the area. The commemorations included a procession from Earnslaw Park to a temporary marae at the Recreation Ground.

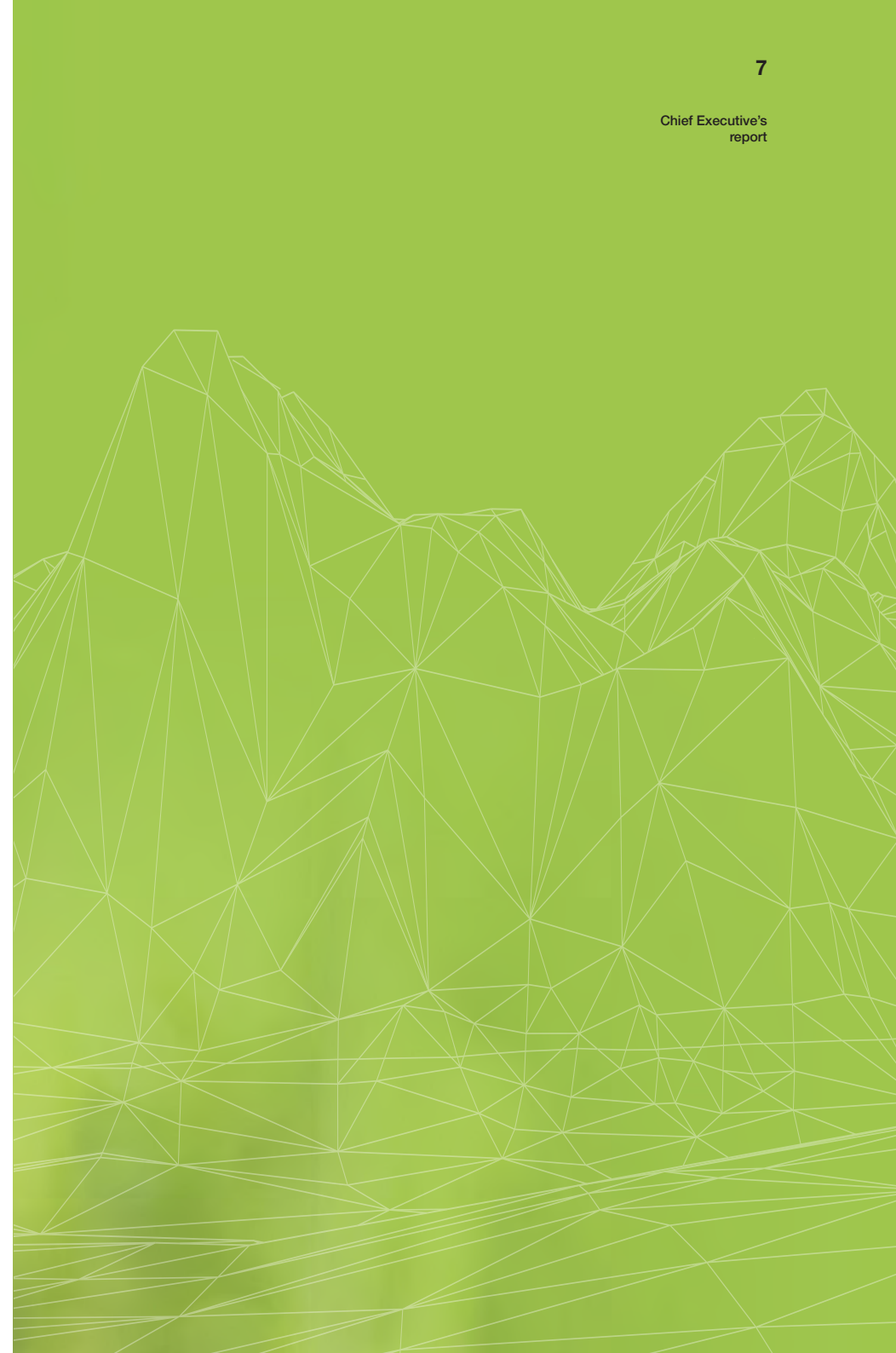
Diverse cultural performances and kai from a variety of vendors gave people from our district to understand the value of the treaty in today's society and to demonstrate the pride we have in our past, present and future.

I would like to acknowledge the contribution of the elected representatives on both the Council and the Wānaka Community Board, and that the outstanding facilities and effective services delivered to the Queenstown Lakes communities are the result of a dedicated and hard-working Council staff at every level.



Mike Theelen

*Chief Executive
Queenstown Lakes District Council*



Delegated responsibilities as at 30 June 2019

COUNCIL COMMITTEES

Audit, Finance and Risk
Committee

Planning & Strategy
Committee

Infrastructure
Committee

Community and Services
Committee

Appeals
Subcommittee

District Licensing
Committee

Traffic and Parking
Subcommittee

Chief Executive
Performance Review
Committee

QLDC/CODC Coronet
Forest Joint Committee

Dog Control
Committee

COUNCILLORS

MAYOR



Jim Boulton

ARROWTOWN WARD



Scott Stevens

WAKATIPU WARD



Alexa Forbes



Penny Clark



Craig (Ferg) Ferguson

WĀNAKA WARD



Calum Macleod
Deputy Mayor



Tony Hill



John MacDonald



Valerie Miller



Ross McRobie



Quentin Smith

WĀNAKA COMMUNITY BOARD

CHAIR



Quentin Smith

DEPUTY CHAIR



Ruth Harrison



Calum Macleod



Ross McRobie



Rachel Brown



Ed Taylor



Jude Battson

MANAGEMENT GROUP

CHIEF EXECUTIVE



Mike Theelen

GENERAL MANAGERS

Meaghan Miller
GM, Corporate
ServicesStewart Burns
GM, Finance, Legal
and RegulatoryPeter Hansby
GM, Property and
InfrastructureTony Avery
GM, Planning and
DevelopmentThunes Cloete
GM, Community
Services

QLDC financial results at a glance 2018/19

STATEMENT OF FINANCIAL PERFORMANCE

QLDC recorded a surplus of \$52.9m for the year. This is up from the \$51.5m surplus recorded last year and down against a budget of \$58.0m. The main reasons for the lower surplus against budget, which is not profit, are related to higher expenses (\$7.4m) to budget.

Revenue was above estimate by 1.0% or \$2.0m and expenditure was over by 5.2% or \$7.2m. This reflects continued extremely high levels of activity across all activities.

The following major items contributed to this variance:

- > Increased vested asset income of \$25.3m for the year; this non-cash income reflects the value of assets passed to Council as a result of continued high levels of development activity in the district.
- > A decrease in development contribution income of \$2.2m which is related to the level of development activity within the district. This income can only be used to fund growth-related capital expenditure.

- > The deferral of the expected Commonage Land sales to 2019/20 created an unfavourable variance of \$24.8m

The surplus includes the following:

- > \$3.0m of net unrealised gains as a result of the revaluation of investment property, interest rate swaps and forestry assets as at 30 June 2019.

Operating expenditure was \$7.2m (5.2%) over budget for the year ended 30 June 2019. \$4.0m of this negative variance is due to an increase in loss provision to defend and resolve a number of building related legal claims against the Council. Much of the remaining negative variance relates to the costs of managing increased activity volumes for the year.

The major remaining operational cost variances are as follows:

- > Costs of contract staff for the year were \$1.3m higher than budget. Contractors have been used in consenting activities where it has not been possible to recruit employees. The

volumes of work have dictated this approach and most of this additional cost is recovered in revenue.

- > Interest expense for the year were \$2.8m less than budget. This is a result of the timing of some capital works and lower than expected interest rates.
- > Costs for road maintenance were \$1.7m above budget for the year, mainly as a result of emergency work along with environmental maintenance.
- > Increased costs of \$1.9m for handling volumes of solid waste for the year, that were larger than expected.
- > Depreciation and amortisation expenses were higher than budget by \$2.4m, largely as a result of updated valuations for infrastructure assets as 30 June 2019.
- > The negative variance for operational costs was offset by a \$2.4m positive variance as result of the the deferral of the Coronet Forest harvest.

STATEMENT OF FINANCIAL POSITION

The main variances relate to the difference in expected asset values for the year and reduced borrowings.

The following items contributed to this variance:

- > Capital expenditure was below estimate by \$28.7m for the year ended 30 June 2019.

This relates mostly to timing differences for the following large projects:

- N East Frankton Stormwater conveyance
(2018/19 budget of \$6.77m versus actual spend of \$4.86m - Project completion programmed for 2019/20);
 - Queenstown Town Centre Pedestrianisation
(2018/19 budget of \$2.50m versus actual spend of \$1.13m - Project dependent on NZTA funding and is programmed for delivery between 2019 to 2026);
 - Willow Place WWPS Rising Main upgrade
(2018/19 budget of \$1.12m versus actual spend of \$0.20m - Project completion programmed for 2019/20);
 - Wanaka Minor Improvements
(2018/19 budget of \$2.09m versus actual spend of \$1.21m - Project completion programmed for 2019/20);
- > Reduced capital expenditure in the last 3 years, as well as the sale of the Scurr Heights land in 2016 and the prepayment for the Wanaka Airport lease last year, results in borrowings that are \$51.8m below forecast. Total debt as at 30 June 2019 is \$106.3m compared to a forecast of \$158.1m.

STATEMENT OF CHANGES IN EQUITY

Accumulated differences between actual and budgeted net surpluses as described above for 2019, as well as the impact of infrastructure asset revaluations; prior investment property revaluations and reduced borrowings, has resulted in an equity variance of \$420m above forecast.

STATEMENT OF CASH FLOWS

The budget variations explained above also contribute to budget variations in the Statement of Cash Flows, particularly cash flows from investing and financing activities. Cash payments for the purchase of property, plant and equipment (i.e. capital expenditure) were \$64.6 million below estimate and a prepayment was received for the Wanaka Airport lease last year. Consequently, net borrowings were around \$22.6 million less than expected.

Financial strategy

The Financial Strategy must show prudent financial management by the Council and act as a guide when making large funding decisions. It also outlines how the Council will tell the story about projects, so that the community can understand the implication of big decisions on things like rates, debt and investments. The strategy is contained in full in Volume 2 (pp 8-21) of the 2018 Ten Year Plan www.qldc.govt.nz.

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. It is also critical that an alternative funding mechanism to support the continued investment in tourism-related infrastructure is agreed with central government. It is unreasonable to expect local ratepayers to fund tourism-related infrastructure where it can be demonstrated that the main beneficiaries are visitors to the district, the wider region and New Zealand as a whole.

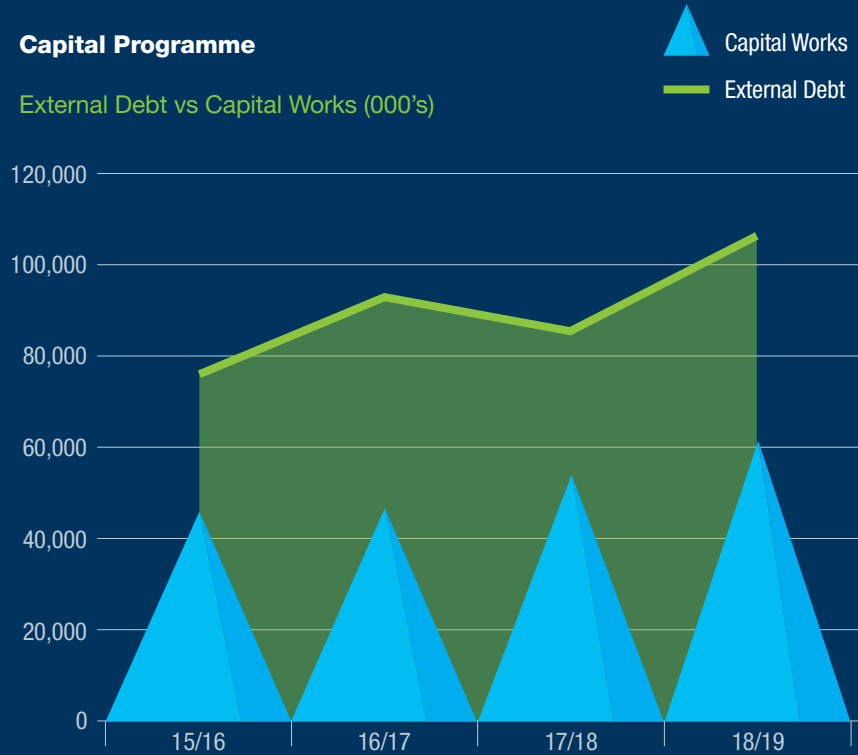
If this aim is successfully realised, the following outcomes should be achieved:

- > a prioritised capital programme, delivering the 'right' projects ahead of growth so that development is supported in the appropriate areas;
- > rates increases (subject to changes in growth forecasts) are set at maximum of 10.8% gross (7% net) per annum for the first three years and 9.0% gross (5.5% net) per annum for years four to ten;
- > debt levels maintained at affordable levels (i.e. within borrowing limits);
- > debt levels at the end of the ten year period have stabilised and sufficient headroom exists to provide financing flexibility for future councils; and
- > excellent service continued to be provided within financial constraints.

REPORTING BACK ON FINANCIAL STRATEGY

Capital Programme

External Debt vs Capital Works (000's)

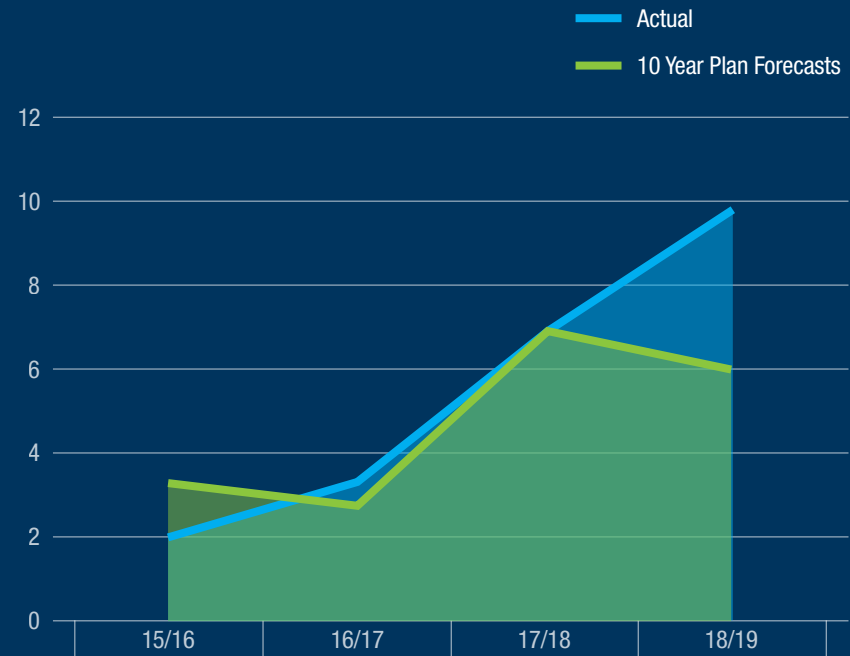


The graph above shows that the actual spend on capital projects has increased significantly for the last three years compared to 2015/16. The result for 2018/19 is positive when compared to previous years but is still some \$53m short of the original 2018 Ten Year Plan budget for 2018/19. This is due to the deliberate re-programming of the 3 Waters capital programme as a result of contractor feedback and the delay in the NZTA approval process for major transport improvements in Queenstown.

RATES

The graph below shows the actual rates increases over the past four years compared to the increases forecast in the Ten Year Plan. The total rates for 2019/20 are higher than forecast and reflect the impact of the new solid waste contract which offers a universal (3 bin) residential and recycling service from 1 July 2019, with the result that ratepayers no longer have to privately contract for the residual waste collection service. Overall, the new contract structure adds approximately 3.25% to rates. In addition to this, the Council agreed to support the submission from Destination Queenstown to increase its funding allocation to \$4.5m for 2019/20 from \$3.6m in 2018/19. Neither of these factors had been included into the forecasted rates for 2019/20.

Rates Increase % – Actual and Forecast (after allowing for growth)



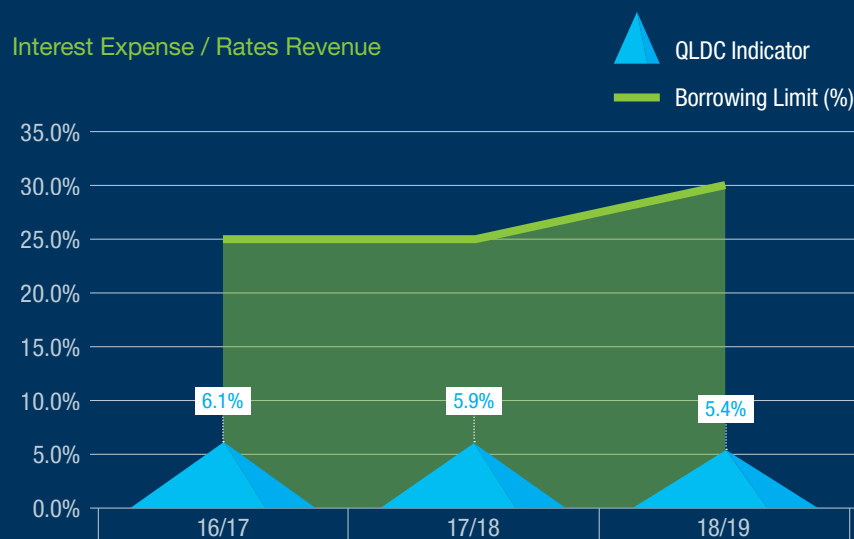
DEBT LEVELS

In order to deliver the large capital programme included in the 2018-28 Ten Year Plan, the Council will need to rely on borrowing. The Council has spent a considerable amount of time and effort working through the capital programme to ensure it is affordable and deliverable. The actual external debt at 30 June 2019 was \$106.3m; this is \$20.8m more than June 2018 and \$51.8m less than the amount forecast in the 2018 Ten Year Plan. This is largely due to the re-programming of the 3 Waters capital programme as a result of contractor feedback and the delay in the NZTA approval process for major transport improvements in Queenstown.

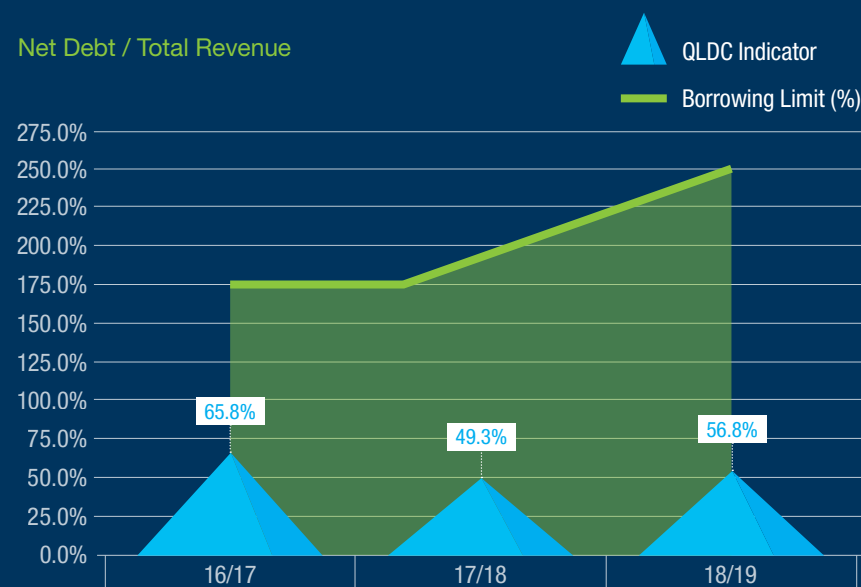
The actual and proposed levels of debt are now within all of the Council's borrowing limits:

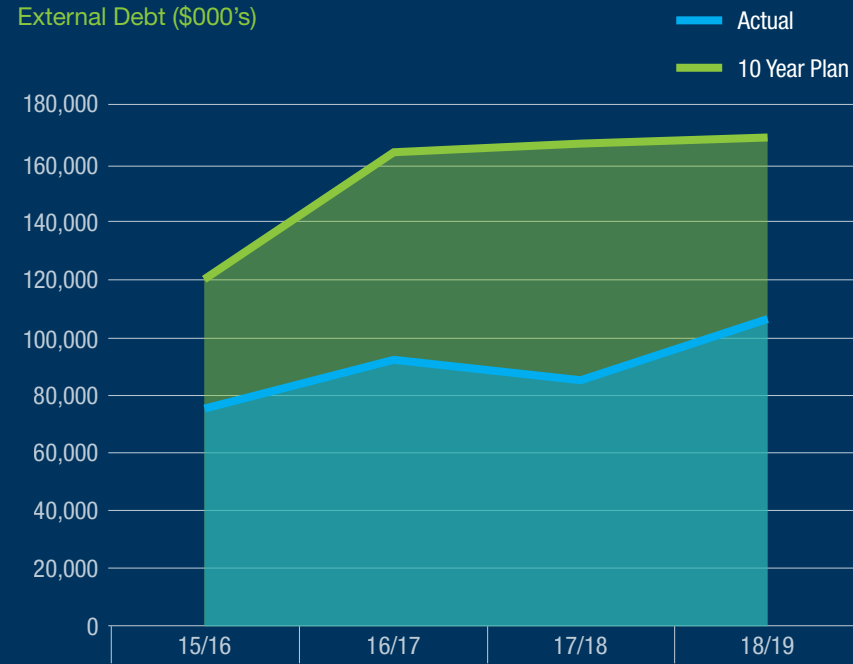
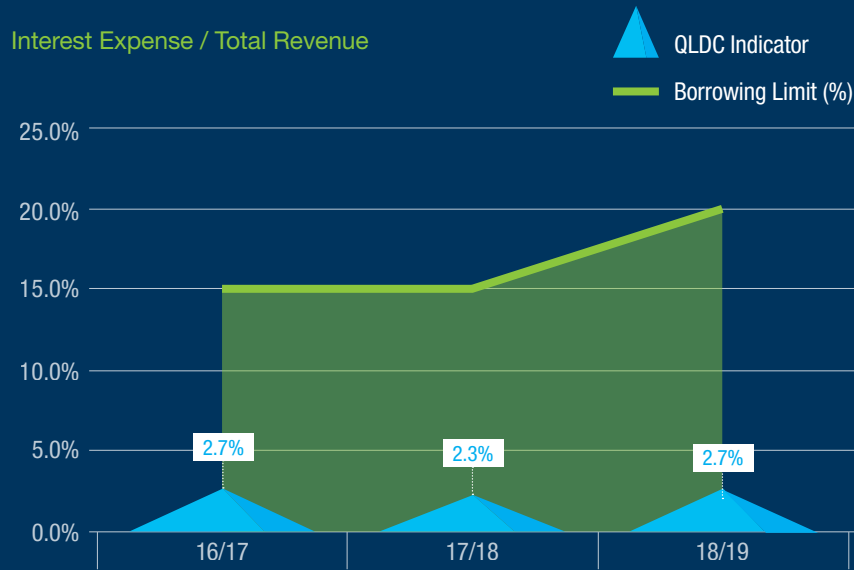
LGFA Borrowing Limits (%)	Actual 2016/17	Actual 2017/18	Actual 2018/19	Forecast 2019/20
Interest Expense/ Rates < 30%	6.1%	5.9%	5.4%	9.1%
Interest Expense/ Total Revenue < 20%	2.7%	2.3%	2.7%	4.0%
Net Debt/Total Revenue < 250%	65.8%	49.3%	56.8%	94.8%

Interest Expense / Rates Revenue



Net Debt / Total Revenue





The above graph shows the forecasted debt levels compared to actual debt levels up to 2018/19. As can be seen, actual debt levels are significantly reduced. The actual external debt at 30 June 2019 was \$85m and is \$51.8m less than the amount forecast in the 2018 Ten Year Plan.

Borrowing will have to increase in order to deliver the future capital programme but the Council will ensure that the projects continue to be rigorously prioritised.

CAPITAL WORKS 2018/19

Notable infrastructure projects that have been substantially advanced or completed during the 2019/20 financial year:

Project	Cost at Year End 2019 (\$)
Project Shotover new Wastewater Disposal Field	6,345,352
North East Frankton Stormwater conveyance	5,142,382
Water Taxi service/ferry network	3,168,172
Luggate new Wastewater Pump Station and connection to Project Pure	2,193,665
Kawarau Bridge Remarkables Park Wastewater Rising Main	1,766,399
Frankton Water Supply Ring Main (Robertson St)	1,699,047

Carry-forward projects totalling \$47.1m were approved by the Council in August 2019 for completion in 2019/20.

Projects in excess of \$400k are as follows:

Project	Cost at Year End 2019 (\$)
North East Frankton Stormwater conveyance	2,413,224
Ballantyne Road Reseal	2,204,839
Wanaka Lakefront Development Plan	2,067,910
Wanaka Land Reserve	2,000,000
Queenstown Town Centre Pedestrianisation	1,371,644
Willow Place Wastewater Pump Station Rising Main upgrade	1,267,080
Arrowtown new Water Pump Station and bores	1,214,293
Glenorchy Special Purpose Road Minor Improvements	1,024,055
Two new stadium courts added to Queenstown Events Centre	919,870
Queenstown Parking Improvements	910,111
Wanaka - Minor Improvements	880,145
Luggate new Wastewater Pump Station and connection to Project Pure	809,417
Recreation Ground new Wastewater Pump Station	795,057
Beacon Point new Reservoir	704,290
Town Centre Arterials	632,818
Shotover Country Water Supply new Water Treatment Plant	602,029
Wakatipu Active Travel Network	558,640
Capell Ave Hawea Watermain extension	528,004
Wanaka Water Trunk Main stage 1	490,792
Queenstown Gardens Development Plan	488,909
Crown Range Special Purpose Road - sealed road resurfacing	483,976
Kingston Housing Infrastructure Fund Wastewater new scheme	468,172
Arrowtown Community Pool Refurbishment	459,691
Luggate Hall Replacement	458,379
Wakatipu Sealed Road pavement rehab	454,196
Queenstown Central Business District Pressure Release Valves	423,378

Statement of service performance

Te tauākī ā kā ratoka kaunihera



Fact file

USUALLY RESIDENT POPULATION

TOTAL VISITOR

AVERAGE DAY POPULATION

67,129
AVERAGE DAY
TOTAL 2019



87,888
AVERAGE DAY
TOTAL 2028



PEAK DAY POPULATION

123,249
PEAK DAY
TOTAL 2019



156,147
PEAK DAY
TOTAL 2028



What's new?

WELL-BEING RETURNS TO THE LOCAL GOVERNMENT ACT

In May 2019, the Local Government Act was amended to ensure that community well-being remained at the centre of all planning, delivery and decision-making. The amendment specifies that the purpose of local government is *“to promote the social, economic, environmental and cultural well-being of communities in the present and for the future.”*

This formalises the approach that QLDC has always taken, providing a useful intergenerational and well-being based lens for future strategies and initiatives.

VISITOR LEVY REFERENDUM

QLDC continues to work with central government to develop opportunities for a local visitor levy, reflecting the importance of the district's tourism economy on the national stage. The purpose of the levy will be to subsidise visitor-related infrastructure, so that the burden of cost doesn't fall disproportionately to the district's ratepayers.

In order to gauge community support for the introduction of the levy, QLDC held a referendum on the issue. With a turnout of 42.04% of voters, 81.17% voted in favour of the levy. Work now continues with central government to establish a path to delivering a visitor levy for the district.

QUALITY OF LIFE SURVEY

This Annual Report reflects the findings from the first year of QLDC's new Quality of Life Survey. The new-style survey focuses upon the well-being of the district's residents and seeks to explore a broad range of issues in our community, not just the services that QLDC provides directly. A record number of responses was received to the survey and the data is being used to shape services and build a more detailed understanding of what's needed where.

A copy of the 18/19 Quality of Life Survey can be found on the QLDC website and the next survey will be issued in October 2019.

GROWTH

The district continues to experience growth, which shows no sign of slowing into the future. This growth needs to be understood in its separate components, as the challenges and opportunities presented by each can be quite different. For example, residential growth places pressure on some infrastructure services, yet opens the door to conversations about increased public transport offerings. It is important to understand and assess growth across the economy, residential numbers and visitor numbers quite differently.

Our visitor numbers have increased too, including international, domestic and visiting friends and family.

VISION BEYOND 2050

A Unique Place, An Inspiring Future | He Wāhi Tūhāhā, He Āmua Whakaohoho

In August 2018, Mayor Boulton launched Vision Beyond 2050, asking the community to develop a long-term aspirational vision for the district. Facilitated by QLDC, a Foundation Group developed the initial strategic direction. In October 2018, a large-scale community workshop was held, with representatives from across a wide range of groups who helped define and shape the issues that matter to our community.

This energy and enthusiasm was channelled into the development of a set of vision statements that the whole community can use to influence the way the district develops. The Council committed to following the vision and the organisation will be taking steps over the next 12 months to embed it in everything it does. QLDC wants to encourage everyone to explore what the vision means to them and how they can contribute to its achievement.

The vision is:

A unique place.
An inspiring future.
He Wāhi Tūhāhā.
He Āmua Whakaohoho.

VISION BEYOND 2050





Thriving people | Whakapuāwai Hapori

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

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

People of all ages are able to seek a future here

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

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

Our doors and minds are open; everybody is warmly welcomed



Embracing the Māori world | Whakatinana i te ao Māori

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

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

Our kōrero is strong in both Te Reo and English

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

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



Opportunities for all | He ōhaka taurikura

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

Our economy is strong and diverse with sustainable and inclusive growth

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

Technology enables us to connect locally, regionally and globally



Breathtaking creativity | Whakaohoho Auahataka

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

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

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

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

Our economy supports arts, culture and heritage industries



Deafening dawn chorus | Waraki

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

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

Our waterways and lakes are drinkable

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

We set the standard for combating biodiversity loss



Zero carbon communities | Parakore hapori

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

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

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

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

Zero waste is just something that we do here



Disaster-defying resilience | He Hapori Aumangea

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

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

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

Our infrastructure is as resilient as our people

Recovery empowers our people to quickly find a new normal



Pride in sharing our places | Kia noho tahi tātou kātoa

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

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

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

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

We are the place the rest of the world cannot be

Vibrant communities

Te oraka hapori

WANAKA

- | Wanaka Recreation Centre sports field floodlights
- | Wanaka Lakefront development plan
- | Mt Aspiring toilets installed
- | New playground, BBQ and shelter at Allenby Park

GLENORCHY

- | Glenorchy waterfront carpark

WAKATIPU

- | Safety improvements including handrails installed on the Kelvin Peninsula Trail
- | Premier trails in Wakatipu put on google maps
- | Lower Shotover Cemetery and baby memorial opened
- | Dr William Anderson Park opened
- | Bathhouse Playground opened

LUGGATE

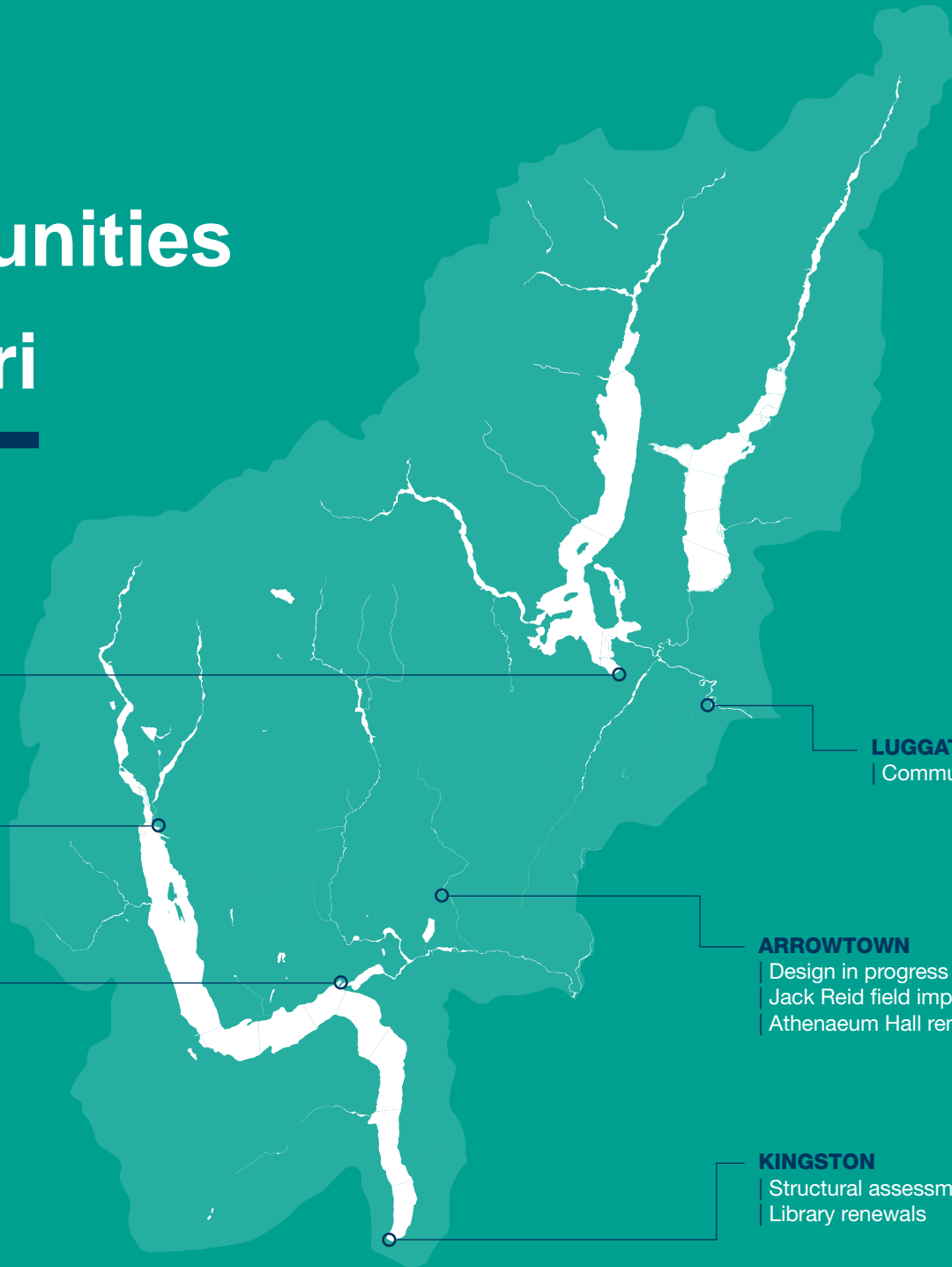
- | Community Hall project in progress

ARROWTOWN

- | Design in progress for community pool upgrade
- | Jack Reid field improvements completed
- | Athenaeum Hall renovations

KINGSTON

- | Structural assessment of Historic Jetty
- | Library renewals



Community services and facilities



Efficient and effective community facilities



Communities have a good standard of living and wellbeing



Communities are inclusive for all



Strong cultural landscape that inspires, preserves and celebrates our heritage, arts and culture



Appropriate public access



Case study – Frankton library

Following the success of the ‘pop-up’ library service at Queenstown Events Centre, the Frankton library was opened on the 15 December 2018. The new facility provides a comprehensive service to the fast-growing local community and complements the Wakatipu’s other library services. The location at Remarkables Park is in a great location close to ongoing retail, commercial and residential developments. Its proximity to Wakatipu High School and Southern Institute of Technology’s Queenstown campus helps to create a learning hub in the area.

The Library has already delivered school holiday reading challenges, weekly story time and craft for pre-schools. It also hosts Thursday night Te Reo Maori sessions.

The Frankton Library will continue to provide access to an extensive range of media and literature, as well as deliver community programmes. The current leased location will remain the home of the Frankton Library for the next few years until the Library Strategy is developed and a longer-term option is found.

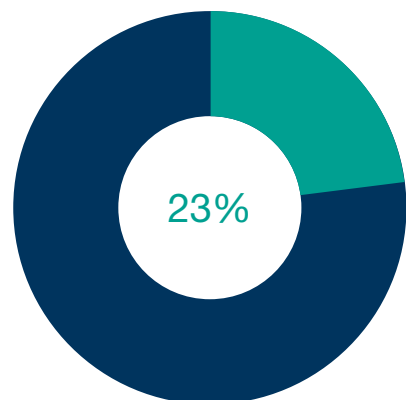


What we achieved

AS A PERCENTAGE OF TOTAL EXPENDITURE

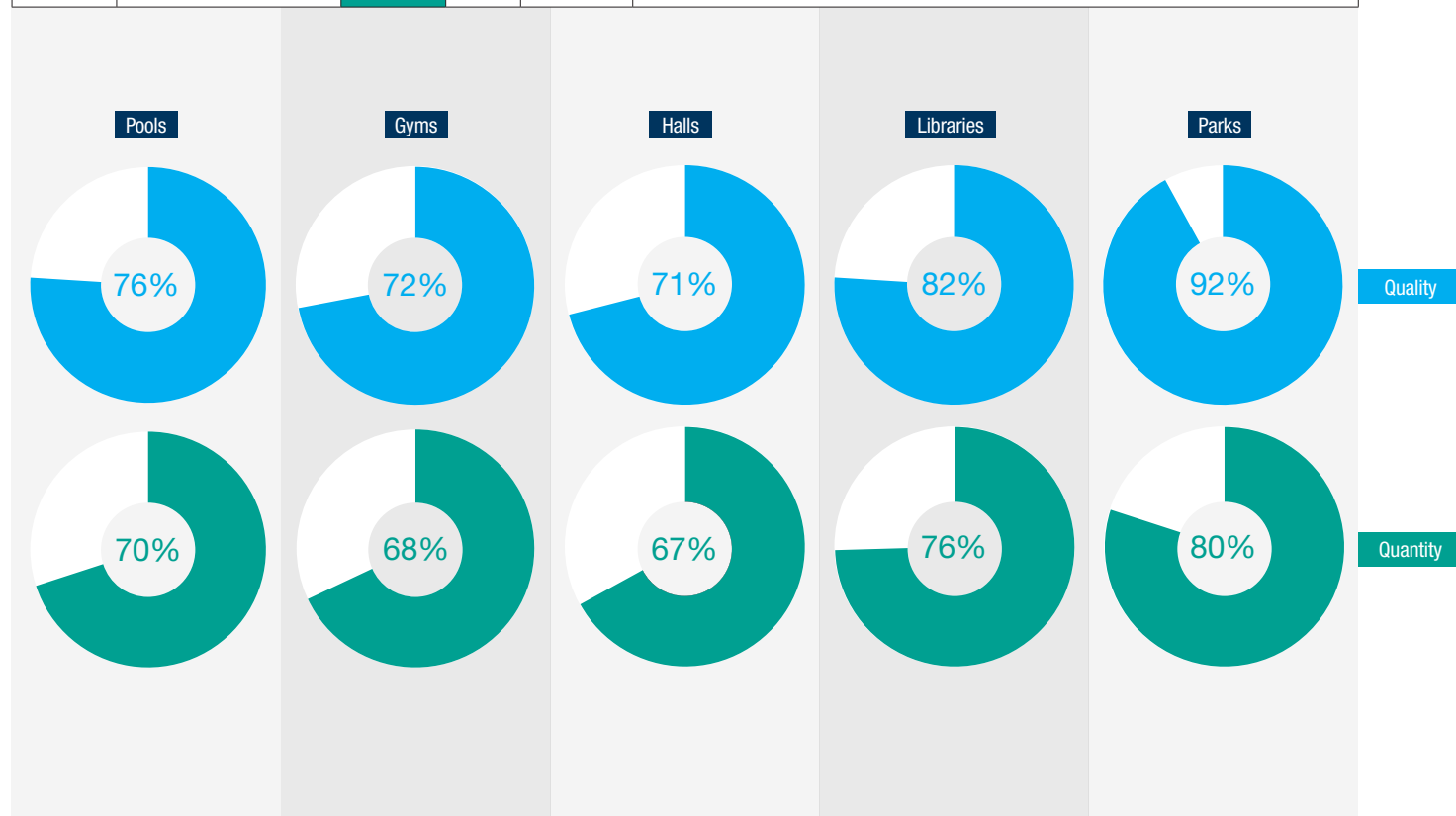
Total operating expenditure of \$117,224,000 (excluding depreciation)

Community expenditure of \$26,594,000



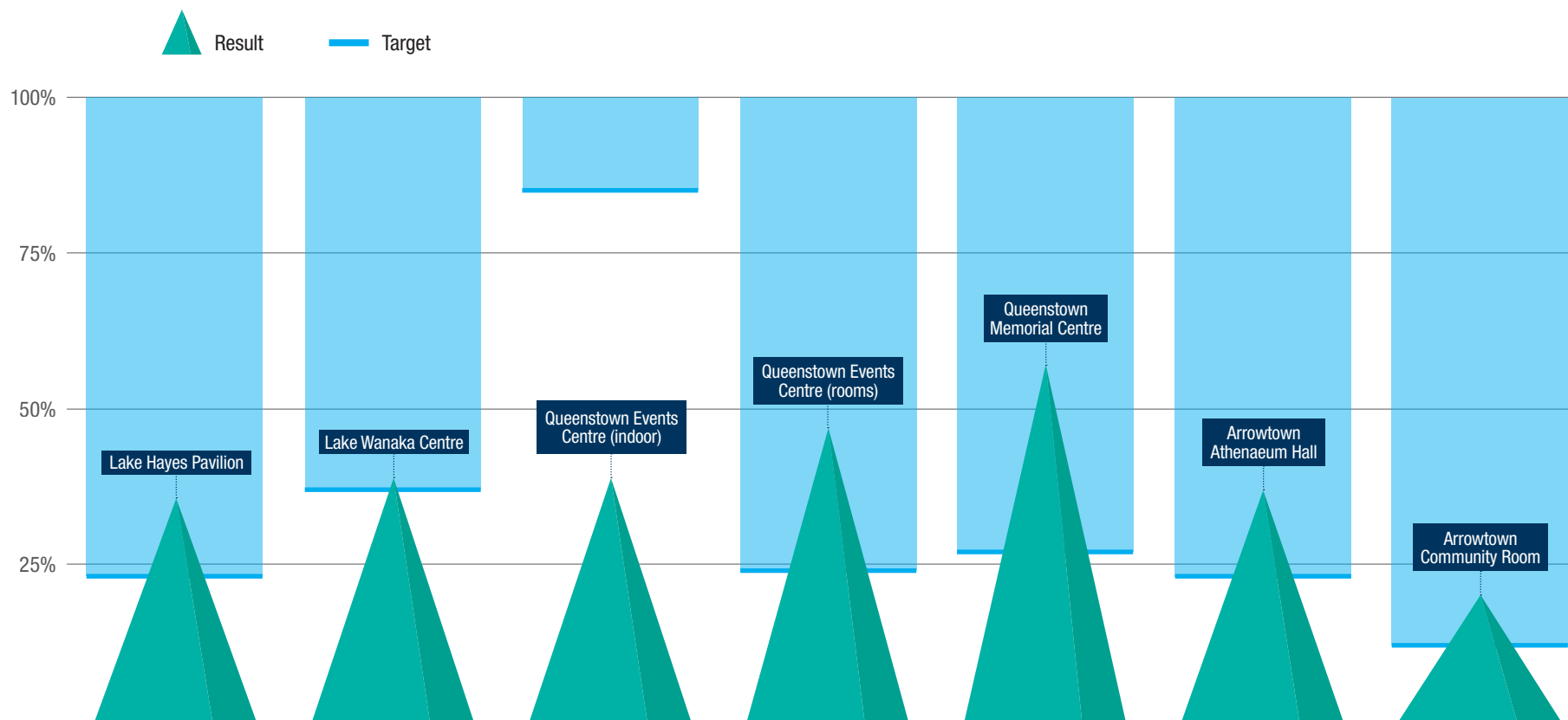
KPI: Percentage of ratepayers who are satisfied with Community Services; pools, gyms, community halls, libraries and parks.

Year	Community Service	Result	Target	Commentary
2018-19	Pools	Quality	76%	New measure This is a new measure, with results taken from the September 2018 Quality of Life Survey. These results will form the baseline for comparison in the upcoming year. Results show that the community are most content with our Parks, with 80% satisfied with the quantity of parks and 92% satisfied with the quality of our parks. This is an excellent result for the Parks team who are committed to ensuring parks are maintained to a high level and, where possible, increasing the numbers of parks throughout the district. Satisfaction with halls scored the lowest, with 67% satisfied with the quantity and 71% satisfied with the quality of halls. A key piece of work in this space is the permanent replacement of the Luggate Memorial Hall, which includes designing it to a Passive House standard. A particular area of focus will be how this new facility can help meet community space needs not only for Luggate but for the wider Upper Clutha community as well.
		Quantity	70%	
	Gyms	Quality	72%	
		Quantity	68%	
	Halls	Quality	71%	
		Quantity	67%	
	Libraries	Quality	82%	
		Quantity	76%	
	Parks	Quality	92%	
		Quantity	80%	



KPI: Percentage hours of community use for our venues and facilities

Year	Facility	Result	Target	Commentary
2018-19	Lake Hayes Pavilion	35.2%	>23%	On the whole, community use of the venues and facilities is well supported and all except one facility achieved the annual target.
	Lake Wanaka Centre	39.2%	>37%	
	Queenstown Events Centre (indoor)	39.3%	>85%	The Queenstown Events Centre (indoor) did not meet the occupancy rate due to limited usage prior to 3.30pm daily during the week. Trend analysis for the year shows the peak months are during the colder months, and occupancy decreases over the summer months when sport codes use the outside fields.
	Queenstown Events Centre (rooms)	47.1%	>24%	Arrowtown Athenaeum Hall undertook renovations in January and February which closed the facility, however occupancy remained above target consistently throughout the year.
	Queenstown Memorial Centre	57.3%	>27%	The new Arrowtown Community Room is a well utilised community facility for Arrowtown, and bookings remained consistent in the 2018-19 year.
	Arrowtown Athenaeum Hall	37.7%	>23%	
	Arrowtown Community Room	20.3%	>12%	



Enduring landscapes

Toitū te whenua



Environmental management



Quality built environments that meet local needs and respect the local character



World class landscapes are protected



Case study – Tourism infrastructure fund

A review of the existing network of toilet facilities conducted in early 2018 recommended eight new or replacement toilet blocks. With significant funding of \$2.39 million from Central Government's Tourism Infrastructure Fund (TIF), 78% of the programme's cost was covered. A range of locations have/will benefit from public toilet facilities including Glenorchy Foreshore Reserve, Kingston Reserve, Luggate Red Bridge Rest Stop, Lake Hayes Foreshore Reserve, Albert Town Outlet, SH6 The Neck to Isthmus Peak Car Park, SH6 between Kingston and Frankton, Bennetts Bluff, Glenorchy to Queenstown Road

The funding will help support the increased demand toilet facilities are experiencing in the district due to visitor growth. Meeting the needs of these visitors will culminate in improved cleanliness with demand spread across a greater number of cubicles. It will also encourage a reduction in the current environmental and public health issue of visitors toileting in significant and sensitive landscape environments across the district.

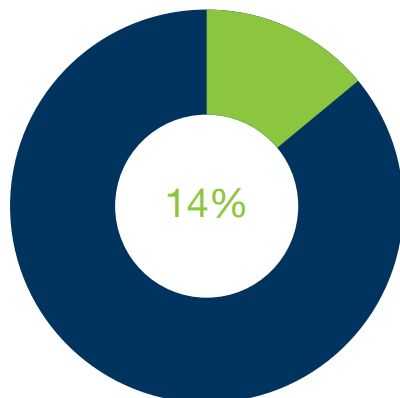


What we achieved

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of \$117,224,000 (excluding depreciation)

Environment expenditure of \$16,833,000

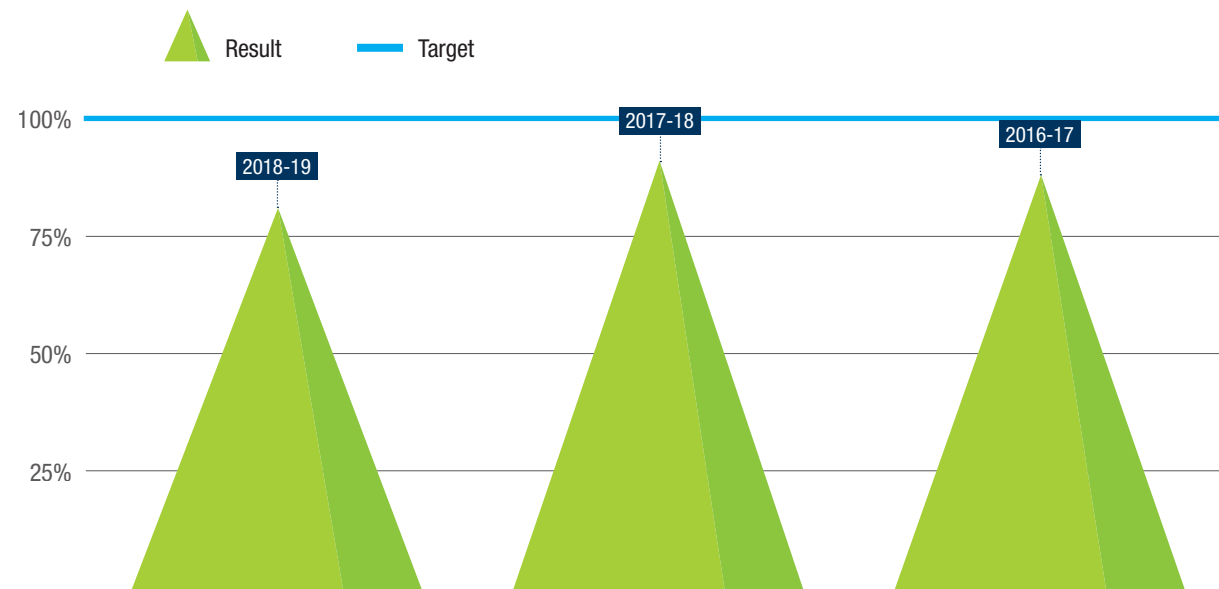


KPI: Percentage of residents and ratepayers who are satisfied with the steps Council is taking to protect the environment

Year	Result	Target	Commentary
2018-19	30%	>45%	30% of resident and ratepayers are satisfied with the steps Council is taking to protect the environment as measured by the Quality of Life Survey. This did not achieve the target set. QLDC is committed to protecting the environment and this remains a focus area. Key pieces of work in this space include the Waste Minimisation Strategy, Trade Waste Survey and Climate Change Action Plan.

KPI: Percentage of resource consents processed within statutory timeframes

Year	Result	Target	Commentary
2018-19	81%	100%	81% of resource consents were processed within the 20 day statutory timeframe, with several factors leading to the KPI target not being achieved. The start of the 2018-19 year saw a large volume of applications received, resulting in a backlog of consents as processing capacity was reached. Continued high consent numbers and complex applications, combined with a higher than usual number of vacancies further stretched resources and increased workloads. On-boarding and the training of new recruits saw a further decrease in productivity towards the year end. This is expected to improve as they gain more experience.
2017-18	91%		
2016-17	88%		



Infrastructure



Efficient and effective infrastructure



Environmental sustainability and low impact living is highly valued



What we deliver

We will deliver this outcome through the following activities:

1. Water Supply
2. Stormwater
3. Wastewater
4. Waste Management
5. Transport, including roading, parking and footpaths

Collectively known as 3 Waters

What we achieved

KPI: Percentage of capital works completed annually, including renewals, against the annual budget adopted by the Council for three waters and roading.

Year	Result	Target	Commentary
2018-19	52%	>80%	The 2018-19 result is based on the original budget stated in the 2018-28 Ten Year Plan Three Waters and Transport. This did not meet the target set to be above 80%. The Ten Year Plan budget excludes budgets carried forward from the prior year and adjustments made throughout the year. A significant amount of budgets were deferred to later years, predominantly due to the early stages of project lifecycle, an improved bundled approach to delivery and the dependence on external parties. This includes developer agreements, joint venture arrangements and NZTA funding approvals.

KPI: Percentage of external contractor and internal Request for Service resolved within specified timeframe (three waters, solid waste, roading and footpaths).

Year	Result	Target	Commentary
2018-19	3 Waters	90%	90% of RFS were resolved on time in 2018-19. There were 3,887 RFS received in total for 3 Waters, of which 377 went overdue. This was primarily due to an increase in the amount of RFS received, with high internal workload commitments creating conflicting demands on staff time. This is however an improvement on the 2017-18 result, and the emphasis on meeting the target continues to be a focus area.
	Solid Waste	83%	
	Roading	78%	
2017-18	3 Waters	86%	83% of RFS were resolved on time in 2018-19. The team continues to be challenged due to the transition to the new contractor and poor performance by the outgoing contractor. In total, 2,701 solid waste RFS were received, of which 470 went overdue.
	Solid Waste	82%	
	Roading	82%	
2016-17	3 Waters	98%	78% of RFS were resolved on time in 2018-19. In total, 3,520 RFS were received, of which 767 were not resolved on time. The internal team received 62% of these RFS and response times were impacted due to the team's limited capacity.
	Solid Waste	85%	
	Roading	77%	

Water supply

Case study – 3 Waters procurement strategy

Faced with an infrastructure programme and investment almost three times larger than the council has delivered before, officers needed to understand the overall 'readiness' of the Council team. Multinational professional services firm, Ernst & Young, were commissioned to conduct a review of the council's ability to deliver the programme, assessing whether the right frameworks and governance were in place.

In the three waters area multiple market briefings provided suppliers with visibility of our planned procurement approach. The outcome being that we now have new supplier panels in place to design and construct our projects. The panels will also provide work for local companies and new entrants alike.

In 2018, the Property and Infrastructure Department developed its strategic procurement plan for the delivery of its 3 waters programme, which is three times larger than any programme QLDC has previously delivered. Projects have been 'bundled' during the delivery in order to maximise procurement outcomes and deliver efficiencies. This programme approach has led to the creation of two panels; a 3 Waters Design and a 3 Waters Contract Works panel. Six organisations have been appointed to the Design Panel and four organisations have been appointed to the Contracts Work Panel. In 2018-19, three design bundles were awarded to the design panel for the design of treated water reservoirs, Wanaka water supply trunk main and a number of wastewater upgrades.



What we achieved

DIA MEASURES The Department of Internal Affairs (DIA) outlines a range of benchmarking measures for inclusion in the Annual Report. The following measures relate to our performance for water supply:

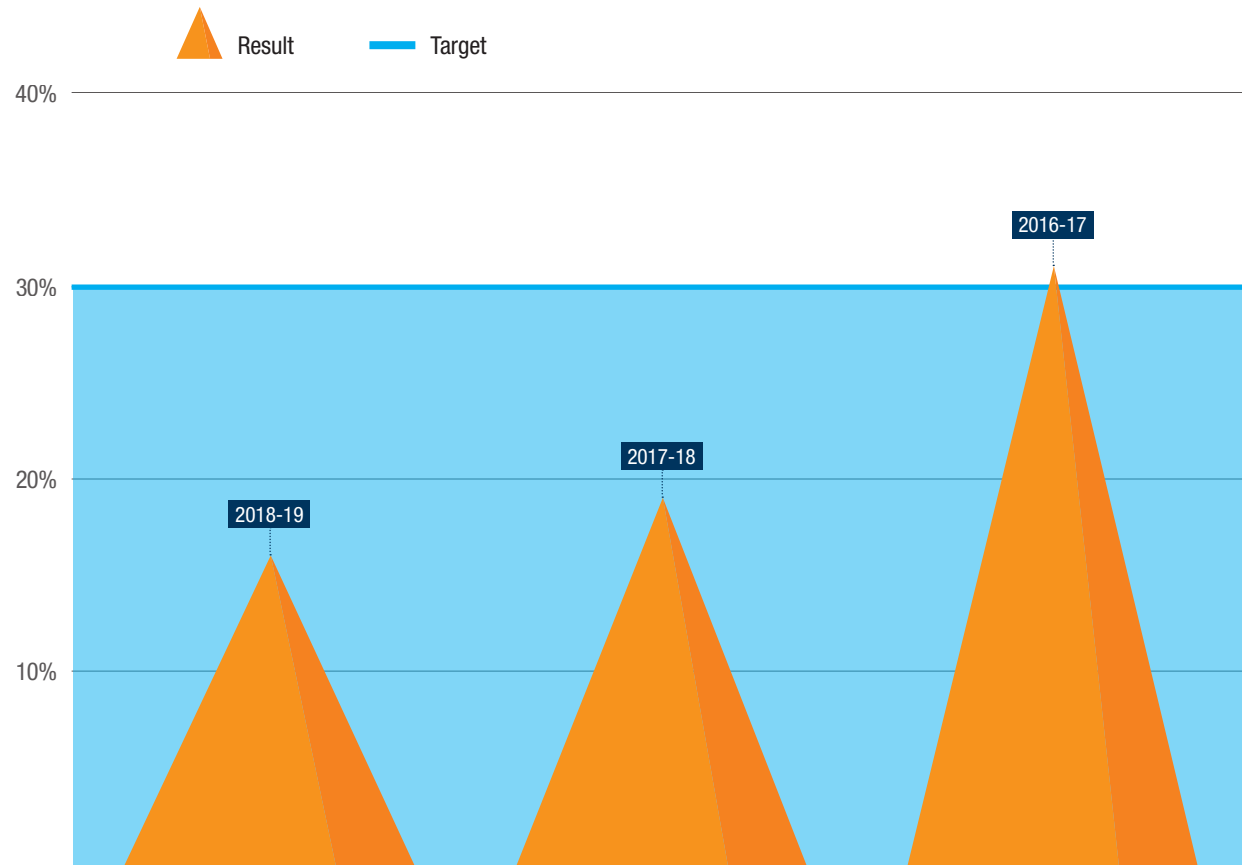
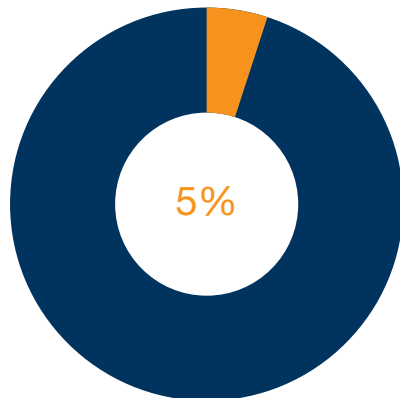
KPI: Percentage of water lost from each municipal water reticulation network

Year	Result	Target	Commentary
2018-19	15%	<30%	The district is significantly below the benchmark set, demonstrating the requirement for an ongoing commitment to water reticulation network management efficiency.
2017-18	19%		
2016-17	31%		

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of \$117,224,000 (excluding depreciation)

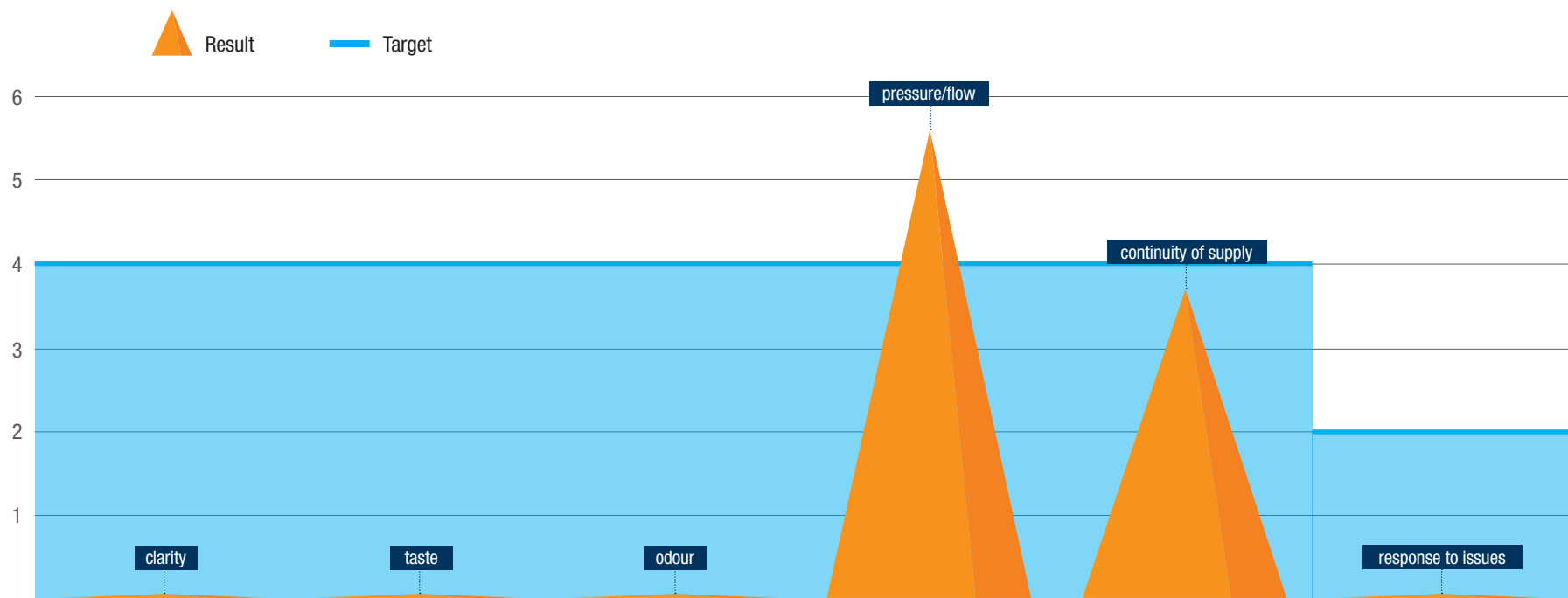
Water Supply expenditure of \$6,144,000



KPI: Number of complaints per 1,000 connections to a public water reticulation network about:

- a) the clarity of drinking water.
- b) the taste of drinking water.
- c) the odour of drinking water
- d) the pressure or flow of drinking water.
- e) the continuity of supply of drinking water.
- f) the way in which a local government organisation responds to issues with a water supply.

Year		Result	Target	Commentary
2018-19	a) clarity	0.04	<4	All categories met the annual target, except for pressure/flow which was 1.6 above the annual cumulative target. This can be attributed to lake algae causing blockages within properties, and customers not having paid attention to the communications about planned shutdowns.
	b) taste	0.04		
	c) odour	0.04		
	d) pressure/flow	5.6		
	e) continuity of supply	3.7		
	f) response to issues	0.04	<2	



Wastewater

Case study – Trade waste survey

In August, the council surveyed local businesses to better understand how trade waste is being managed. Trade waste is wastewater generated by commercial operators that discharge waste into council's networks.

Information was gathered from local bars, restaurants, hairdressers, automotive operators and other commercial operators that discharge into the wastewater networks.

The information received has helped the council to develop an understanding of how businesses discharge into the network, and review the bylaw.

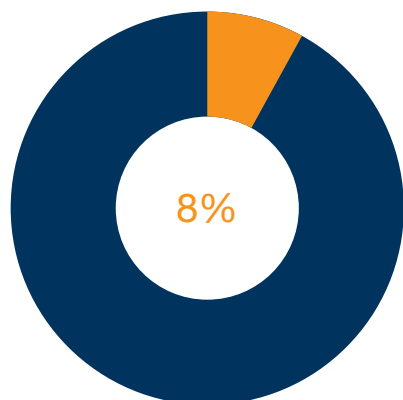
The next step is to implement the trade waste registration scheme as part of the bylaw. Registration will help council work with businesses to best implement sustainable, environmentally-conscious, practices.

What we achieved

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure
of \$117,224,000 (excluding
depreciation)

Wastewater expenditure of
\$9,170,000



DIA MEASURES The Department of Internal Affairs (DIA) outlines a range of benchmarking measures for inclusion in the Annual Report. The following measures relate to our performance for wastewater:

KPI: Median response time to attend to sewerage overflows resulting from blockages or other faults of a municipal sewerage system

a) between the time of notification and the time when service personnel reach the site.

Year	Result	Target	Commentary
2018-19	17 mins	<60 mins	The median response time to attend site for wastewater overflows was 17 minutes for 2018-19 and achieved the target set.

b) between the time of notification and resolution of the blockage or other fault.

Year	Result	Target	Commentary
2018-19	151.5 mins	<240 mins	The median response time to resolve the wastewater overflows was 151.5 minutes for 2018-19 and achieved the target set. There were 74 wastewater overflows recorded.

KPI: Annual number of dry weather overflows from a municipal sewerage system per 1,000 sewerage connections.

Year	Result	Target	Commentary
2018-19	3.2	<3	There were 3.2 dry weather overflows per 1,000 sewerage connections for the 2018-19 period, this exceeds the target of <3 overflow events per 1,000 connections. A key contributor to exceeding this target is the number of overflows attributed to damage caused through the roll out of fibre internet to the Wanaka area (directional drill strikes of sewer laterals).

Stormwater

Case study – Frankton stormwater upgrade

In January, stage one of a major upgrade of Frankton's stormwater system began to meet forecast demand. The project provides for current and future growth and is part of a long-term strategy for management of stormwater in the area.

Completion of the Eastern Access Road project addressed a significant portion of the land area to the north of Grant Road, with a main trunk stormwater system capturing and transporting stormwater to the Shotover River Delta. The North East Frankton line will manage the remaining stormwater in the Frankton Flats area, allowing for the future demands of the whole catchment area and rain events greater than one in every 20 years.

These works are significant with deep trenches dug along the pipeline route, including the need to push the pipeline under SH6 Kawarau road. The excess fill is being transported to the site above the primary school and turned into a sports field. As access to sports fields is another area under pressure this addition will be of significant benefit to the community.

Stage two of the upgrade will be programmed to meet future demand.

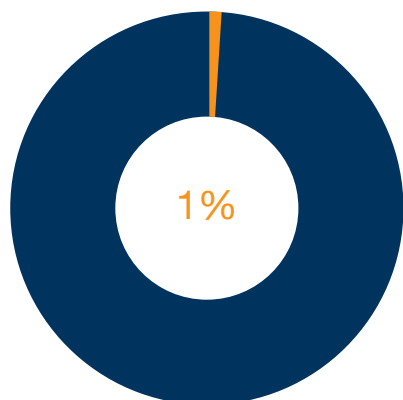


What we achieved

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure
of \$117,224,000 (excluding
depreciation)

Stormwater expenditure of
\$1,093,000



DIA MEASURES The Department of Internal Affairs (DIA) outlines a range of benchmarking measures for inclusion in the Annual Report. The following measures relate to our performance for stormwater:

KPI: a) Number of flooding events that occur in a territorial authority district b) For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the territorial authorities stormwater system)

Year	Result	Target	Commentary
2018-19	a) 0	<7	There were no flooding events this year and as such, no flooding events to habitable floors affected.
	b) 0	<2	

KPI: Compliance with resource consents for discharge from a municipal stormwater system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) successful prosecutions.

Year	Result	Target	Commentary
2018-19	100%	100%	The district meets the benchmark set, demonstrating good monitoring and enforcement practice.

KPI: Median response time between the time of notification and the time when service personnel reach the site when habitable floors are affected by flooding resulting from faults in a municipal stormwater system.

Year	Result	Target	Commentary
2018-19	0 hours	<3 hours	There were no flooding events to habitable floors this year.

KPI: The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.

Year	Result	Target	Commentary
2018-19	10.65	<5 per 1,000 properties	The number of stormwater complaints per 1000 connections has exceeded the target for the year. The majority of the issues are related to blocked mud tanks, including issues with building debris blocking sumps.

Transport, roading, parking and footpaths

Case study – Alternative transport

In developing a vision for transport in the district, QLDC formed a partnership with the New Zealand Transport Agency and Otago Regional Council. The Wakatipu Way to Go Alliance recognises that all three agencies have an important role to play in driving change. The partnership also brings together a range of projects to ensure an integrated approach is achieved in project delivery across the district.

In April the partnership released, 'Smarter Journeys, together' a consultation document outlining five key projects including an active travel network and a ferry business case. Analysis of the feedback from the consultation will help to refine these projects before they move into the implementation stage.

In addition to these large projects, QLDC has implemented a number of initiatives to support the shift to alternative and active transport.

This has included the provision of bus shelters, which include bike stands and ski racks. E-bikes were also introduced to the Parks & Reserves teams in both Wānaka and Queenstown as a means of getting to the various sites around the district.



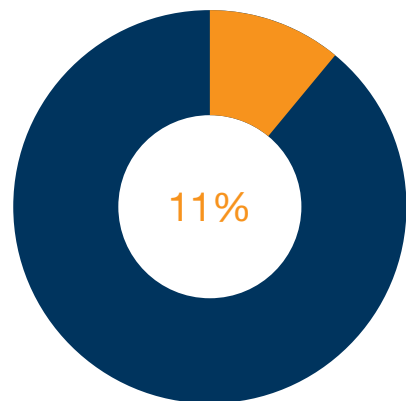
What we achieved



AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of \$117,224,000 (excluding depreciation)

Transport expenditure of \$12,980,000



DIA MEASURES The Department of Internal Affairs (DIA) outlines a range of benchmarking measures for inclusion in the Annual Report. The following four measures relate to our performance for transport:

DIA KPI: Average quality of ride on a sealed local road network, as measured by the Smooth Travel Exposure Index.

Year	Result	Target	Commentary
2018-19	94%	>80%	The district is significantly above the benchmark set by the DIA, demonstrating the high quality of the local road network.
2017-18	94%		
2016-17	89%		

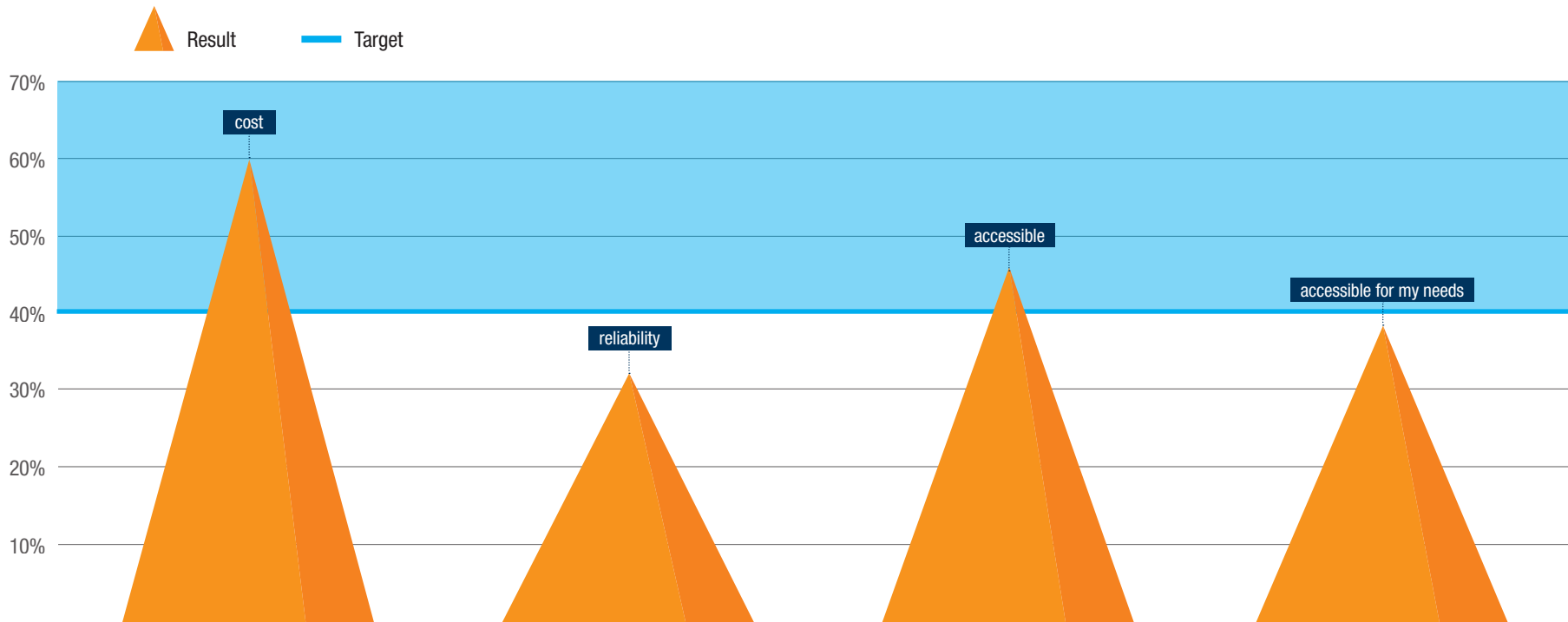


KPI: Improved traffic flows on arterial routes.

Year	Result	Target	Commentary
2018-19	3.1	Maintain/improve (New measure)	The annual average travel time over all three chosen locations is 3.1. Three of our main arterial routes were monitored over a 24 hour period every quarter to record traffic flow times. Analysis of the years data highlights that there are no seasonal fluctuations in travel time. This is a baseline result for future monitoring purposes.

KPI: Percentage of residents and ratepayers who are satisfied with the bus service (cost, reliability accessibility).

Year	Result	Target	Commentary	
2018-19	Cost	>40%	Survey response analysis shows that 60% of respondents agree or strongly agree that the cost of the bus is affordable and 46% agree or strongly agree that public transport is accessible. These results are above the target set of 40%. More work is required in regards to reliability and ensuring that public transport is accessible for individual needs. Public transport numbers have increased significantly with 1,343,264 passenger trips in the 12 month period ending May 2019, which represents a 71% increase from the previous year. The Way To Go alliance between ORC, QLDC and NZTA have a number of business cases for joint investment in physical infrastructure in progress to improve results.	
	Reliability			32%
	Accessible			46%
	Accessible for my needs			38%



Waste management

Case study – Waste minimisation fund

As part of the Waste Minimisation Community Plan a contestable fund of \$50,000 was launched in February. Open to community groups, businesses, iwi/Māori organisations, educational institutions and other community-based organisations, the aim of the fund is to support projects that move the community towards zero waste, enhance existing programmes, address gaps or create new opportunities.

The grants approved through the first funding round included:

- > Sustainable Queenstown, Dishrupt: Contribution towards a service and education trailer providing reusable dishes and cups at local public events.
- > Plastic Free Wanaka, Waste Free Wanda: Develop a collection of catchy, interactive songs on waste reduction and shared through community performance.
- > ONE New Zealand/Plastic Free Wanaka: Implement a cup reuse scheme in Wanaka cafes supported by a behaviour change, education and community engagement campaign.
- > Waste Free with Kate: Presentations at secondary schools to introduce waste free period options. Online resources for health teachers to share with students.
- > Local Food Wānaka, Autumn Apple Drive: Community events teaching a hands-on approach to utilise fruit surplus

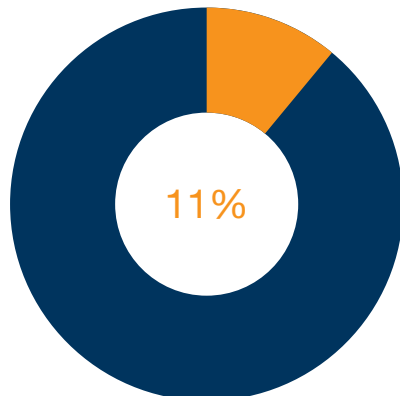
The mix of projects and ideas submitted has given council a broader understanding of what's possible for waste minimisation initiatives in the community. The council will build on this momentum and will hold another funding round next year.

What we achieved

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of \$117,224,000 (excluding depreciation)

Waste Management expenditure of \$13,240,000



KPI: Total waste diverted from landfill

Year	Result	Target	Commentary
2018-19	5,523t	>5,100t	5,523 tonnes of waste diverted from landfill for the 2018-19 financial year. This achieved the annual target to be above 5,100 tonnes.

KPI: Total waste to landfill

Year	Result	Target	Commentary
2018-19	45,072t	<40,000t	The total waste to landfill year to date is 45,072 tonnes and exceeded the target of 40,000 tonnes per annum. The difference is largely attributable to the district's growth. Initiatives to reverse this trend will be implemented from 1 July 2019 when the new service contract commences.

KPI: Reduction of carbon emission units purchased per head of population (based on average day population)

Year	Result	Target	Commentary
2018-19	0.76	<0.74	The result shows that for every person, 0.76 Emissions Trading Scheme (ETS) units need to be purchased for the 2018-19 year. This continues to be higher than the desired target of <0.74 due to the ongoing disproportionate commercial/retail/hotel construction in the district. It is however, an improvement on the 2017-18 result of 0.79.

Bold leadership

Te amoraki

WANAKA

- | Council office refurbishment
- | Glendhu Bay campground renewals
- | Body cameras for the dog and parking wardens
- | Support development of Lake Wanaka Tourism

QUEENSTOWN

- | Lakeview Sale and Development Plan underway
- | Memorandum of Understanding with Ngai Tahu Property to develop Project Manawa
- | Purchase of Lapsley-Butson wharf in Queenstown Bay
- | Council decision to purchase 516 Ladies Mile

ALBERT TOWN

- | Campground renewals

ARROWTOWN

- | Campground renewals
- | Support development of Arrowtown Promotion Board and Business Association

DISTRICT WIDE

- | Continued investment in our enterprise technology solution
- | Events contestable fund
- | Contributor to Film Otago Southland, Study Queenstown and StartUp Queenstown Lakes
- | Development and circulation of Community Response Plans with more underway or pending release

Economy



Sustainable growth management



Partnering for success



Investing strategically



Enabling diversification



Case study – The remote economy project

To gain a better understanding of those who live in the district but earn their income elsewhere, the council commissioned independent research into this population. Following on from data gathered in the Quality of Life survey, this group of people presents a potentially valuable opportunity for the district's economy.

Twenty percent of the Quality of Life survey respondents stated that they travel outside of the district for work or education. Through this project, the aim was to understand a bit more about the characteristics of these residents, the types of study, work and industries, that they are part of. The project was also supported by Start Up Queenstown Lakes (SQL) and conducted by an independent researcher.

The overall aim is to understand whether some of these people are interested in getting more involved in starting or supporting knowledge-based businesses within the district. If this research finds people who are keen to have a greater local connection, we will work on the next steps. The report is due to be published in September.

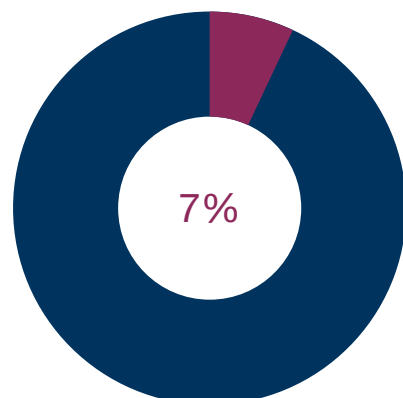


What we achieved

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of \$117,224,000 (excluding depreciation)

Economy expenditure of \$8,530,000



KPI: Percentage of commercial ratepayers who are satisfied with a) the information they receive, b) their ability to have a say, c) satisfaction with RTOs, d) services essential for their business operations (response/resolution, clarity of process and timeframes, staff knowledge and professionalism, fairness and consistency).

Year			Result	Target	Commentary	
2018-19	a) information they receive		57%	>50%	QLDC conducted a survey of commercial ratepayers during September. The survey had a final sample size of n=137 with a maximum margin of error of +/- 8.18% at the 95% confidence interval. This means, that if an observed result is 50%, then there is a 95% probability that the true answer lies between 41.82% and 58.18%. This margin of error was based on the estimated population of 3000 commercial ratepayers. Due to the low response rate, and resulting large margin of error, QLDC will review the methodology for engaging with commercial ratepayers and businesses in the next financial year.	
	b) ability to have a say		59%			
	c) satisfaction with RTOs	Destination Queenstown				42%
		Lake Wanaka Tourism				28%
		Arrowtown Business and Promotion Association				19%
	d) services essential to their business operations	Speed of response				41%
		Resolution				55%
		Clarity of process				68%
		Timeframes				75%
		Staff knowledge				51%
		Professionalism				59%
		Fairness				55%
	Consistency		49%			

THE REGIONAL ECONOMIC DEVELOPMENT FRAMEWORK

The Regional Economic Development Framework has been recently adopted by the Otago Mayoral Forum and the Provincial Growth Fund have confirmed investment in the development of the Otago Economic Development Strategy. This essential work will help the wider Otago region identify areas of common interest for investment and also reduces the risk of duplication or increased transaction costs across the region.

COMMUNITY PRECINCT ON THE STANLEY STREET SITE

Negotiations closed-out (under a Memorandum of Understanding) with Ngai Tahu Property limited on a Partnering Agreement to develop a community precinct on the Stanley street site including a CAB public spaces and, subject to consultation, a performing arts and visual arts centre, permanent Library and commercial buildings.

Regulatory functions and services



A responsive organisation



Case study – Responsible Camping

The council received \$530k from Central Government's Responsible Camping Working Group to provide new facilities and services in the district during the summer months. From mid-November until late March, the following were provided:

- > Two overnight campsites providing free camping for a limited number of certified self-contained campers only for a maximum of two nights. Locations are Red Bridge near Luggate and State Highway 6 Layby near Kingston.
- > Two service hubs for day use, providing toilets, rubbish disposal, dump station and WIFI. Service day hubs were located at Frankton, behind Pak 'n' Save and Ballantyne Road, Wanaka, maximum 2-hour use.
- > Twelve full-time camping ambassadors based at hubs, key locations and roaming throughout the district when possible, educating campers on where and how to camp responsibly

- > Increased monitoring of camping hubs to ensure responsible behaviour.
- > Increased signage and new information boards to further educate non self-contained campers.
- > Real time maps and updates through a joint venture with Campermate, New Zealand's most widely used free app for information to campers.
- > New education brochure widely distributed within and outside the district.
- > Support and collaboration from the Motorhome industry.

The project aligned with other QLDC strategies, policies and bylaws to address the effect of freedom camping, particularly on reserve areas. They focused on educating campers and redirecting them to camping hubs or sites. The project was also the result of feedback from the community regarding protection of the environment.

In addition to this project, the Council also adopted a Responsible Camping Strategy which set out an agreed vision, goals and actions that will deliver a positive, memorable camping experience, encouraging good behaviour, protecting our special environment and directly addressing the concerns of residents. The partners to this strategy included Queenstown Lakes District Council, Department of Conservation, New Zealand Transport Association, Land Information New Zealand and Ministry of Business, Innovation and Employment, as well as input from Central Otago and Southland District Councils.

The council will review the outcomes from the trial project in order to deliver a similar approach to responsible camping in summer 2019-20.

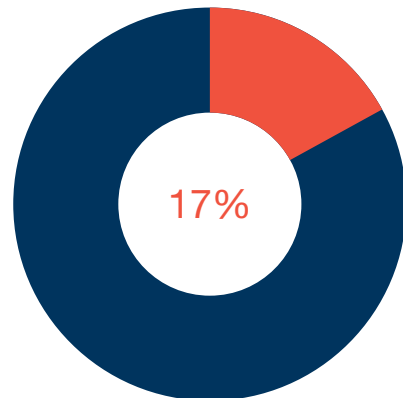


What we achieved

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of \$117,224,000 (excluding depreciation)

Regulatory expenditure of \$19,485,000

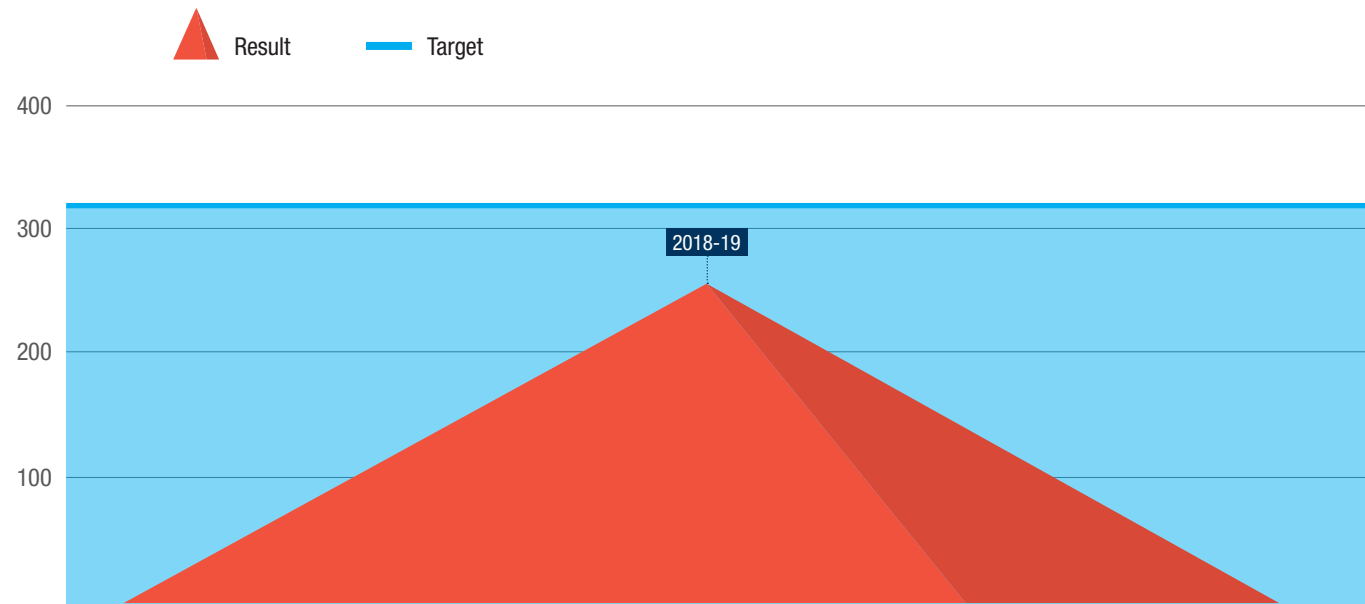


KPI: Every food business that is due an audit is audited within the timeframe according by the Food Act 2014.

Year	Result	Target	Commentary
2018-19	80%	100%	The annual target of 100% was not achieved for 2018-19. The new Food Act requires audits to be conducted based on the outcome of their initial audits. This means that the audit cycle is fluid and depends on the outcomes of audits as to how many will be scheduled in the upcoming months. Resourcing is the main issue that is affecting this KPI result. The complexity of undertaking audits has changed under the new legislation. Under the old Food Hygiene Regulations a business would be inspected (not a booked appointment) and each inspection would, on average, take 30 minutes on site. Comparably, an audit is a minimum of 2 hours for just the time on site, with the entire process taking approximately 8 hours to finalise. This is exacerbated when businesses request last minute scheduling changes, do not respond to schedule requests or fail to turn up to audit appointments.

KPI: Number of Request for Service freedom camping complaints.

Year	Result	Target	Commentary
2018-19	255	<318	255 freedom camping RFS were received in the 2018-19 year. This achieves the target set to be under 318. This is due to the change in approach outlined within the Responsible Camping Strategy.



Local democracy



Communities are resilient and prepared for civil defence emergency events



An organisation that demonstrates leadership



An organisation that considers the district's partnership with Mana Whenua



Case study – Treaty of Waitangi commemorations

The Wakatipu had the honour of being the venue for this year's Otago and Southland Kāi Tahu Treaty of Waitangi commemorations, which were held at the Queenstown Recreation Ground on Memorial Street. This was the first time that the Wakatipu area had this opportunity to hold these commemorations, traditionally held in Bluff and Dunedin.

The commemorations gave the community time to reflect upon and acknowledge the history surrounding te Tiriti – a partnership between Māori and Pākehā. In addition, it provided our multicultural community the chance to celebrate the richness that comes from such a diverse population.

Following a procession from Earnslaw Park, the public was welcomed onto a temporary marae at the Recreation Ground. Following the commemorative part of the day, there were cultural performances from many community groups including Chinese, African, and Brazilian performers. Food was also available from various vendors throughout the afternoon.

The commemorations were well attended by residents and visitors who learnt and reflected on te Tiriti and its influence on daily life in contemporary Aotearoa New Zealand.

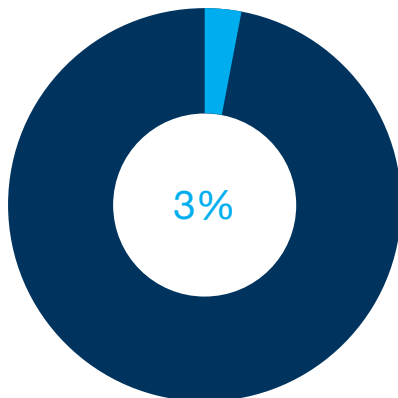


What we achieved

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of \$117,224,000 (excluding depreciation)

Local democracy expenditure of \$3,959,000



KPI: Percentage of residents and ratepayers who consider themselves resilient and prepared in the event of an emergency.

Year	Result	Target	Commentary
2018-19	45%	>80%	45% of residents and ratepayers consider themselves prepared for an emergency, 41% said they are not prepared and 14% were not sure, as measured by the Quality of Life survey. This finding is taken into account in all ongoing Civil Defence Emergency Management planning.

KPI: Percentage of QLDC staff (that are part of the emergency response structure) who have participated in training throughout the year.

Year	Result	Target	Commentary
2018-19	93%	100%	93% of Emergency Operations Centre (EOC) staff participated in training in the 2018/2019 financial year. There are 61 staff in the EOC structure, with 57 having attended training.

KPI: Percentage of residents and ratepayers who are satisfied with overall Council performance.

Year	Result	Target	Commentary
2018-19	43%	>80%	43% are extremely satisfied and satisfied with Council performance as measured by the Quality of Life survey, September 2018.

KPI: Attendance at all Te Roopu Taiao

Year	Result	Target	Commentary
2018-19	50%	100%	50% of meetings were attended by a QLDC representative. There were two meetings during the reporting period, one of which conflicted with a scheduled Council meeting.

KPI: Mana Whenua satisfaction with engagement by QLDC. This measure will be sought from representatives of the Murihiku and Otakou Runaka.

Year	Result	Target	Commentary
2018-19	Under development	>80%	This survey is under development with the staff of the Runaka consultancies (Aukaha and TAMI), who will test the result with the Runaka prior to reporting for the next financial year.

Finance and support services



An organisation that consults effectively and makes sound decisions



Case study – Quality of life survey

As part of a wider review of how QLDC monitors community sentiment, the first Quality of Life survey was administered. The survey replaced the annual Resident and Ratepayer survey in an effort to paint a better picture of our communities. The survey covered a broad range of subjects including housing and income, employment, community services and facilities, emergency preparedness, community safety, transport, environment, local democracy, belonging in the district, community networks and connections, resilience and overall quality of life.

An overwhelming response was received to the survey, which was promoted by employers and community organisations. Over 2000 people responded giving confidence to the final results.

The final report can be found here:

www.qldc.govt.nz/assets/Uploads/Our-Community/Quality-of-Life/QLDC-Quality-of-Life-2018-Report.pdf

The findings have been used by councillors and the wider community to support discussions around growth and access to mental health and maternity services. In addition, the data is being used to plan community facilities within the spatial plan, as well as develop projects to support newcomers to the district.

The survey will be developed with partners and repeated in October 2019.



What we achieved

COSTS FOR THIS ACTIVITY ARE INCLUDED WITHIN EACH AREA OF THE PREVIOUS ACTIVITIES

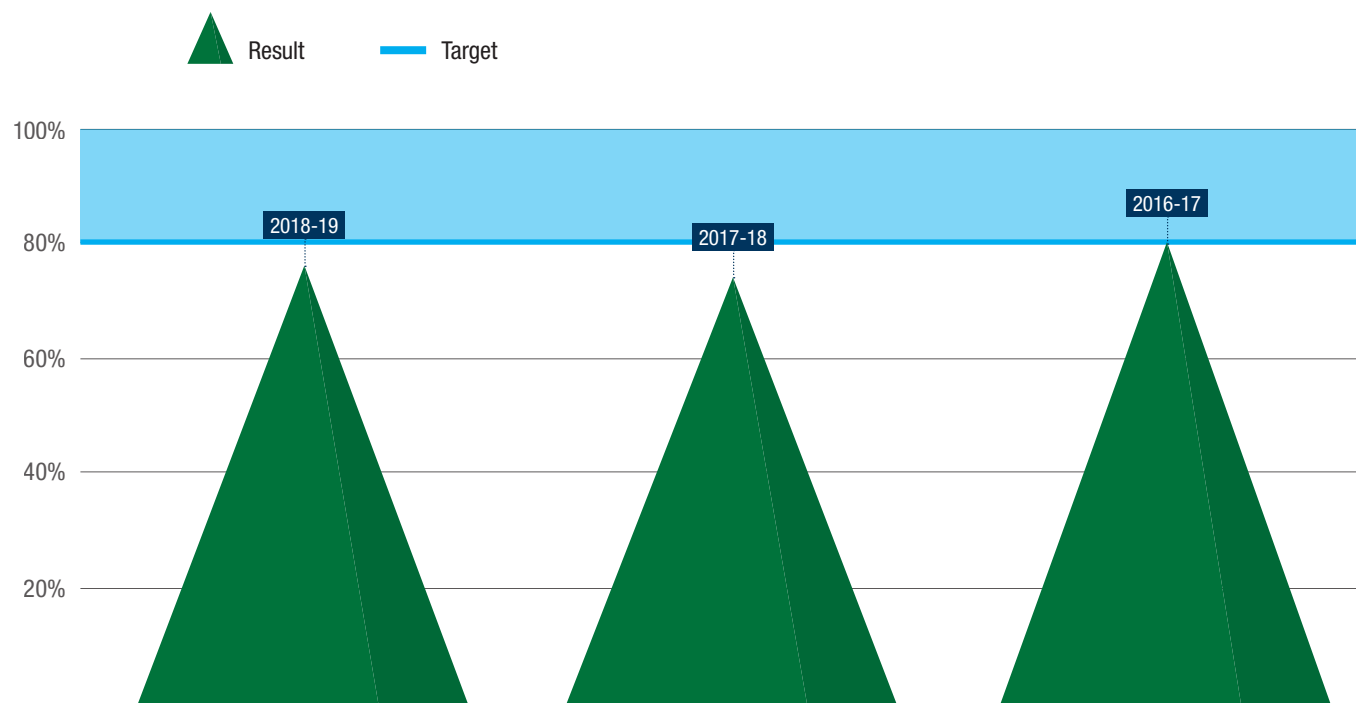
- > Our Flexible Working Policy was implemented in August 2018.
- > A workplace strategy for the modern work place has been developed.
- > The TechOne Cloud (SaaS) project and the Cloud Back-up as a Service (BaaS) projects have been started which will ensure our information is secure and available in the event of a disaster.
- > Our Enterprise System has been extended and it now includes ECM, 3 Waters and Open Spaces Life Cycle asset management project. The Performance Planning and Risk Management modules were also implemented.

KPI: Borrowing costs are less than 10% of operating revenue (or 15% for those with projected growth at or above NZ average) (sustainability benchmark. Debt servicing benchmark).

Year	Result	Target	Commentary
2018-19	2.7%	<15%	The target has been met, with 2.7% a decrease from the 2017-18 figure of 6.1%. This is due to lower than expected borrowing costs and the timing of some capital works.

KPI: Percentage of customer calls that meet the service level, answered within 20 seconds.

Year	Result	Target	Commentary
2018-19	76%	>80%	76% of customer calls were answered within 20 seconds this year to date. 85,045 calls have been received in total for 2018-19, which is a significant increase on the same period last year. Aggregate results remained consistently above target for the majority of the year, and only dropped below target due to the low result in June, where call numbers spiked due to the roll-out of the new waste management contract.
2017-18	74%		
2016-17	80%		



Summary financial information

Whakarāpopototaka o te pāroko ahumoni



Summary Statement of Financial Performance

	Council 2019 \$'000	Council Budget \$'000	Council 2018 \$'000	Group 2019 \$'000	Group 2018 \$'000
For the financial year ended 30 June 2019					
Total revenue	197,006	194,973	176,201	240,555	214,430
Operating expenditure					
Employee benefits expense	30,561	30,643	24,513	36,604	30,196
Depreciation and amortisation expense	27,563	25,148	25,148	35,768	33,142
Borrowing costs	3,951	6,742	3,957	6,894	6,430
Other expenses	82,059	74,437	71,100	90,729	77,558
Total operating expenditure	144,134	136,970	124,718	169,995	147,326
Operating surplus before income tax and subvention receipt	52,872	58,003	51,483	70,560	67,104
Subvention receipt	-	-	-	-	-
Operating surplus before income tax	52,872	58,003	51,483	70,560	67,104
Income tax expense	-	-	-	6,488	6,005
Operating surplus for the year	52,872	58,003	51,483	64,072	61,099
Operating surplus attributable to:					
- Council	52,872	58,003	51,483	59,944	57,216
- Non-controlling interest	-	-	-	4,128	3,883
	52,872	58,003	51,483	64,072	61,099

Summary Statement of Other Comprehensive Revenue and Expense

	Council 2019 \$'000	Council Budget \$'000	Council 2018 \$'000	Group 2019 \$'000	Group 2018 \$'000
For the financial year ended 30 June 2019					
Surplus for the year	52,872	58,003	51,483	64,072	61,099
Other comprehensive revenue and expense	384,448	-	7,340	384,267	40,579
Total comprehensive income	437,320	58,003	58,823	448,339	101,678
Attributable to:					
- Council	437,320	58,003	58,823	444,238	89,755
- Non-controlling interest	-	-	-	4,101	11,923
	437,320	58,003	58,823	448,339	101,678

Summary Statement of Financial Position

	Council 2019 \$'000	Council Budget \$'000	Council 2018 \$'000	Group 2019 \$'000	Group 2018 \$'000
As at 30 June 2019					
Total current assets	42,407	31,621	35,980	47,524	42,110
Total non-current assets	1,766,217	1,381,249	1,306,874	2,115,663	1,641,887
Total assets	1,808,624	1,412,870	1,342,854	2,163,187	1,683,997
Total current liabilities	64,314	79,472	69,546	93,198	78,211
Total non-current liabilities	102,210	111,118	68,528	149,115	129,848
Total liabilities	166,524	190,590	138,074	242,313	208,059
Net assets	1,642,100	1,222,280	1,204,780	1,920,874	1,475,938
Equity attributable to:					
Council	1,642,100	1,222,280	1,204,780	1,849,868	1,406,626
Non-controlling interest	-	-	-	71,006	69,312
Total equity	1,642,100	1,222,280	1,204,780	1,920,874	1,475,938

Jim Boulton
Mayor
10 October 2019

Mike Theelen
Chief Executive
10 October 2019

Summary Statement of Changes in Equity

	Revaluation Reserves	Operating Reserves	Capital Reserves	Hedging Reserve	Reserves	Accumulated Funds	Attributable to Equity Holders of Parent	Non-Controlling Interest	TOTAL EQUITY
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Council									
For the year ended 30 June 2019									
Balance at 1 July 2018	527,060	19,656	20,209	-	566,925	637,855	1,204,780	-	1,204,780
Total comprehensive revenue and expense for the year	384,448	-	-	-	384,448	52,872	437,320	-	437,320
Transfers from/(to) accumulated funds	5,841	3,063	1,034	-	9,938	(9,938)	-	-	-
Balance at 30 June 2019	917,349	22,719	21,243	-	961,311	680,789	1,642,100	-	1,642,100
For the year ended 30 June 2018									
Balance at 1 July 2017	518,083	15,866	21,260	-	555,209	590,748	1,145,957	-	1,145,957
Total comprehensive revenue and expense for the year	7,340	-	-	-	7,340	51,483	58,823	-	58,823
Transfers from/(to) accumulated funds	2,021	3,790	(1,051)	-	4,760	(4,760)	-	-	-
Disposals	(384)	-	-	-	(384)	384	-	-	-
Balance at 30 June 2018	527,060	19,656	20,209	-	566,925	637,855	1,204,780	-	1,204,780
Group									
	Revaluation Reserves	Operating Reserves	Capital Reserves	Hedging Reserve	Reserves	Accumulated Funds	Attributable to Equity Holders of Parent	Non-Controlling Interest	TOTAL EQUITY
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
For the year ended 30 June 2019									
Balance at 1 July 2018	681,428	19,656	20,209	(598)	720,695	685,931	1,406,626	69,312	1,475,938
Total comprehensive revenue and expense for the year	383,434	-	-	(136)	383,298	59,944	443,242	4,101	447,343
Dividends paid	-	-	-	-	-	-	-	(1,796)	(1,796)
Reclassification to accumulated funds	-	-	-	-	-	-	-	-	-
Transfers from/(to) accumulated funds	5,841	3,063	1,034	-	9,938	(9,938)	-	(611)	(611)
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	1,070,703	22,719	21,243	(734)	1,113,931	735,937	1,849,868	71,006	1,920,874
For the year ended 30 June 2018									
Balance at 1 July 2017	647,266	15,866	21,260	(612)	683,780	633,091	1,316,871	59,181	1,376,052
Total comprehensive revenue and expense for the year	32,525	-	-	14	32,539	57,216	89,755	11,923	101,678
Dividends paid	-	-	-	-	-	-	-	(1,792)	(1,792)
Reclassification to accumulated funds	-	-	-	-	-	-	-	-	-
Transfers from/(to) accumulated funds	2,021	3,790	(1,051)	-	4,760	(4,760)	-	-	-
Disposals	(384)	-	-	-	(384)	384	-	-	-
Balance at 30 June 2018	681,428	19,656	20,209	(598)	720,695	685,931	1,406,626	69,312	1,475,938

Summary Statement of Cash Flows

	Council 2019 \$'000	Council Budget \$'000	Council 2018 \$'000	Group 2019 \$'000	Group 2018 \$'000
For the financial year ended 30 June 2019					
Net cash inflow/(outflow) from operating activities	44,127	46,363	56,750	61,405	63,997
Net cash inflow/(outflow) from investing activities	(54,111)	(89,802)	(45,825)	(76,282)	(60,298)
Net cash inflow/(outflow) from financing activities	20,832	43,438	(7,223)	24,737	985
Net increase/(decrease) in cash and cash equivalents	10,848	(1)	3,702	9,860	4,684
Cash and cash equivalents at the beginning of the financial year	10,028	337	6,326	11,925	7,241
Cash and cash equivalents at the end of the financial year	20,876	336	10,028	21,785	11,925

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

Accounting Policies

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

The 2018/19 annual report has been audited and gained an unqualified opinion, which means the report has met the requirements of the Local Government Act 2002.

This summary annual report has been examined by the auditor for consistency with the full annual report. The auditor's report is included with this summary. The Council's full annual report has complied with NZ GAAP and stated explicitly that it complies with Public Benefit Entity (PBE) Standards for Tier 1 entities. The summary annual report complies with PBE FRS 43 – *Summary Financial Statements* and PBE Standards as they relate to summary financial statements.

Subsequent Events

Queenstown Airport Corporation Ltd (QAC)

On 20 August 2019 the QAC Board resolved to pay a final dividend for the year ended 30 June 2019 of \$0.4542 per share, resulting in a dividend of \$7,294,618 (2018: \$6,186,386). QLDC's share of this was \$5,472,061 (2018: \$4,640,408).

There were no other significant events after balance date.

Contingent Liabilities

Council - Legal Claims

QLDC has been joined as a party in legal claims which relate to alleged weathertightness building defects. Claims are dealt with on a case by case basis. QLDC's liability in relation to these claims has not been established and it is not possible to determine the outcome of the claims at this stage. A loss provision has been recognised based on current knowledge and historic settlement of claims. Note that 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. A significant degree of estimation has been involved to calculate the provision. As a result QLDC may be subject to further liability that is not currently recognised.

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 Councils, including Queenstown Lakes District Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The Councils have applied for orders setting aside and striking out CHH's claims against them. The MOE's claim against CHH is for 833 school buildings, 1 of which is located within the Queenstown Lakes District. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

Auditor's report



There is so much more we want to tell you

Read the full Annual Report 2018–19 at www.qldc.govt.nz