

2022 Rīpoata
pōtitanga i mua

2022 Pre-election
Report

He karere nā te Kaiwhakahaere Matua

Message from the Chief Executive

A decorative graphic element consisting of a light blue braided pattern. It starts as a horizontal line on the left, curves downwards, and then spirals upwards and to the right, ending in a tight coil.

He karere nā te Kaiwhakahaere Matua | Message from the Chief Executive

The local government election will be held on 8 October 2022. Under the Local Government Act 2002, it is the responsibility of the Chief Executive to prepare a Pre-election Report (PER) to inform both the local community and prospective candidates. It is essential that this report is entirely politically neutral.

The PER brings together information contained in the 2021-2031 Ten Year Plan, Annual Reports, and the latest Annual Plan (2022-2023). In the plan cycle the Council adopted a Ten Year Plan in June 2021. It must review the Ten Year Plan every three years and in the interim years it must adopt an Annual Plan, which identifies any planned changes to the 2021-2031 Ten Year Plan. On 30 June 2022, the Council adopted the 2022-2023 Annual Plan, which can be found on the Council website (www.qldc.govt.nz) and covers the details of our work programme for the coming financial year. This PER is intended to show how the Council has performed to date through the presentation of key projects and financial data. The aim of this report is to ensure our district's communities have a clear picture about the issues facing us now and in the future.

In developing the 2021-2031 Ten Year Plan, Council had to take a comprehensive review of all the assumptions that led to the previous plan. This was informed by a continuing focus on our changing climate and the changing needs of our growing community. The COVID-19 pandemic had a significant impact on the Queenstown Lakes District. A large proportion of our local economy is directly and indirectly linked to the visitor sector and is reliant on overseas workers. The aim was to deliver a plan that invested appropriately to reignite our economy and ensure we continue to grow well.

In 2020 the Council adopted its first Climate Action Plan 2019-2022 to guide local action to help our district adapt to and mitigate the effects of climate change. This has included a deliberate organisational behaviour shift ensuring climate change considerations are reflected in decision making, policy setting, projects, and service delivery. In March and April 2022, the Council sought community feedback for the next iteration of this plan. The Draft Climate and Biodiversity Plan 2022-2025 has a stronger focus on biodiversity, which is reflected in the new title. There are more than 60 actions in the plan, ranging from reducing carbon

emissions through to more effective land-use planning and infrastructure design, and replanting native forest. The plan has three goals: for the district to reduce its greenhouse gas emissions by 44% by 2030 and achieve net-zero greenhouse gas emissions by 2050; for Queenstown Lakes to be a place that is ready and prepared to adapt to a changing climate; and for the mauri (life force or essence) of our ecosystems to be protected and restored, and indigenous biodiversity regenerated. Council is expected to adopt this plan on 30 June 2022.

The Queenstown Lakes District is an attractive place for people to live, play, work and invest. The Queenstown Lakes Spatial Plan was developed in 2021. It proposes a vision and framework for how and where our district will grow in the future. It will guide decisions, and investment across local, regional and central government to ensure we're delivering the best possible future for our community and the generations that will follow us.

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It was developed by the Whaiora Grow Well Partnership – a partnership between Central Government, Kāi Tahu, and Council – and involved extensive community engagement.

The first iteration of the Spatial Plan was adopted by Council in 2021 with a timeline out to 2050. The plan identifies existing and future urban areas and infrastructure needs, as well as priority areas for investment, areas to protect and those subject to natural hazards. Work continues throughout the Council to ensure the priorities in the plan inform current and future decisions consistently. The Spatial Plan will be reviewed on a three-year cycle to inform future Ten Year Plans and 30 Year Infrastructure investment. The first review will be in 2023.

Reforms driven by Central Government continue to be a significant challenge for the local government sector. These include three major reforms – the three waters reform, resource management reform, and the Future for Local Government review. There are also reforms for emergency management, waste minimisation, and climate change happening concurrently.

As well as reforms for emergency management, waste minimisation, and climate change.

Council will advocate for its communities throughout these reform processes and continue to provide facilities and services across the district. This includes continued investment in our water supply, wastewater, and stormwater provision to a growing community.

Significant progress has been made on the Queenstown Town Centre Arterial (Stage 1) and CBD street upgrades which are supported by the Crown Infrastructure Partners “shovel ready” funding.

The goal of the street upgrades is to transform the Queenstown town centre into an inviting, family-friendly and accessible space for everyone to enjoy. Work is almost complete in many areas with finishing touches such as lighting poles, street furniture, signage and planting adding to upgraded paving, kerbing, and a lot of underground infrastructure improvements.

Construction on the new gateway to Stage 1 of the Town Centre Arterial Road¹ commenced in March 2022. Work includes upgrading and relocating underground services before the road is widened and rebuilt, creating a safer intersection at Melbourne Street / Frankton Road and more space for buses, walking and cycling.

The Town Centre Arterial Road will remove general traffic from Stanley Street and unlock a range of other investments that will vastly improve the town centre experience for locals and visitors. This includes a new cultural, community and civic heart on Stanley Street, known as Project Manawa, for which, planning and negotiations continue.

Delivering on our biggest ever capital expenditure programme (\$1.67 billion over ten years) continues to be a challenge, especially with delays in building materials, increases in costs and shipping, and constraints on available resources and essential skills. Despite this, Council continues to make strong progress on many projects including the Wānaka Lakefront development, water supply and wastewater schemes for areas such as north Wānaka

¹ Stage one connects Melbourne and Henry Streets. Full plans and updates available here www.qldc.govt.nz/your-council/major-projects/queenstown-town-centre-arterial

and Cardrona village, and community facilities such as the Whare Mahana Luggate Memorial Centre and the Queenstown Event Centre all-weather sports turf. The capital expenditure programme is within our financial operating parameters despite delays and cost increases.

Perhaps less visible but no less significant is ongoing progress with projects such as the Waka Kotahi-led NZUP programme bringing roading infrastructure improvements in and around Queenstown. There is also progress with the acquisition and long-term investment in Mt Iron in Wānaka as a unique reserve asset for future generations of the Upper Clutha. We acknowledge that many of these projects require disruption for local communities while construction and development is underway, but this Council firmly believes the end results will provide safer, resilient, and fit-for-the-future infrastructure, facilities, and services.

During the last two years, Council has worked closely with Central Government on important issues, such as diversifying our local economy and advocating for changes that supported local businesses through the pandemic.

This work has seen Council establishing a strong reputation in Central Government as a key partner in the local government sector. Throughout this pandemic, Council has pushed for support packages, appropriate relaxing of restrictions, kick-start funding, and the opportunity for local businesses to bring in desperately needed overseas workers. Alongside this the Council has continued to champion a more resilient and diverse economy through activities developing a programme to attract satellite offices, research into the potential lifetime value of visitors, collaboration with the Research and Innovation Hub being built, and being the lead agency for the distribution of Ministry of Business, Innovation and Employment tourism grants. Work is ongoing by staff in developing a comprehensive Economic Diversification Plan to define short, medium, and long-term objectives for this programme of work. Council has also been a key driver in the partnership with Ignite Wānaka, Queenstown Chamber of Commerce, Destination Queenstown, Lake Wānaka Tourism, and the wider business community.

This arose out of the Council-led COVID-19 recovery programme and continues through projects such as the development of the district's Destination Management Plan.

In the past 18 months, Council has taken a structured collaborative approach in working closely with community leaders and thinkers around a number of topics. During the pandemic, Council convened a Regenerative Recovery Advisory Group and a Mayoral Taskforce for Tourism Recovery. Both of these groups have helped develop tactical and strategic responses to the pandemic. Council has also established a Climate Reference Group that has helped to prioritise the delivery of the Climate Action Plan 2019-2022 and shape the content of the forthcoming Climate and Biodiversity Plan 2022-2015.

Community development, support and partnerships has also been a growing area of focus for Council. This has included supporting free counselling services for small and medium businesses that were impacted by the COVID-19 pandemic and setting up the Kia Kaha community hub to provide access to essential services and advice.

He karere nā te Kaiwhakahaere Matua | Message from the Chief Executive

Council has joined the Central Government programme Welcoming Communities | Te Waharoa ki ngā Hapori. This programme supports newcomers to feel welcome and able to participate in the economic, civic, cultural, and social life of their new community.

At the time of writing this report, Council was in the process of forming a Welcoming Communities Advisory Group to help guide the plan for implementing this positive initiative.

Council's planning and policy teams have continued to work through the review of the District Plan and over the last three years have completed notification of decisions for stages 3 and 3b. Of the 1,180 Stage 1 appeal points, 86 remain to be resolved and of the 1,009 Stage 2 appeal points, 289 remain to be resolved. Next steps for these include action by appellants, resumed mediation and Environment Court hearings. This has been a significant programme of work for Council since the review began with its first stage notification in 2015. Future and final stages are anticipated in the coming years.

Resource, building and subdivision consent applications has returned to almost pre-pandemic levels and Council's flexible approach to resourcing has supported a year-on-year improvement in meeting statutory timeframes for processing. In the 2020-2021 full year results, the consenting team issued 1261 resource consent decisions (90%) within the required timeframes despite the disruptions of the pandemic on operations. Despite our modest size our planning and consenting functions remain one of the busiest in the country, and comparable to many larger cities across Aotearoa New Zealand.

At an operational level, staffing remains an ongoing challenge in an increasingly competitive labour market as the impact of COVID-19 affects employers' ability to recruit people with the right skills, particularly in the face of increasingly complex work programmes, maintaining levels of services to a growing community, and the uncertainty of reform. This recruitment challenge is undoubtedly a national one with unemployment at a significant low and wider considerations

for job seekers around cost of living and accommodation, working conditions and flexibility across all business sectors. The organisation has recently conducted a comprehensive workforce review with a view to ensuring that it is well resourced and has the capacity and capability to meet the challenges ahead. Anyone, voter or candidate, that engages throughout this election process will find that despite these recruitment challenges we have an organisation in good health, a great culture, a can-do attitude and staff who are proud to be QLDC.

We have a great team who are dedicated to the wellbeing of our district and its diverse communities.

Council has a clear role in advocating and leading the community on a wide range of issues. Integral to this is strong governance, a commitment to climate action and a vested interest in the wellbeing of our community.

During the past three years the Council has actively continued to develop a more comprehensive level of understanding of the issues facing our community particularly on the back of significant growth and development and the ongoing fallout from the COVID-19 pandemic. Upholding and championing the long-term Vision Beyond 2050 for the community, actively understanding the key social and community issues facing residents and maintaining its voice as a key advocate for the community at Central Government level all reflects on our intention to actively invest in the wellbeing of citizens, ratepayers, and visitors alike.

I encourage both voters and potential candidates to engage in informed debate about the issues facing our community, as well as what Council leadership and direction should look like for the next three years. Our communities demonstrated that they were interested in our district's future and how they were represented when we saw high engagement and commitment during the recent Representation Review that saw the ward structure reshaped and the clear desire for the retention of the (newly named) Wānaka-Upper Clutha Community Board.

I invite everyone to actively engage with Council decision-making, whether that's through participating in the many consultations and engagement opportunities regularly available or to find out more about the decision-making process by joining Council, Committee and Community Board meetings online or in person. The QLDC team is here to provide information and support through the election process and this report is part of that.

Finally, I encourage all potential electors to take the time to participate in the upcoming elections and deliver a strong mandate to your Council.



Mike Theelen
Chief Executive





Whakatakika

Introduction

WHAT IS A PRE-ELECTION REPORT?

A pre-election report is prepared by the Chief Executive, independent of the Mayor and Councillors. It is intended as a tool to promote debate by providing a summary of financial and general information, which should assist both voters and candidates in the run up to the local body election.

HOW THIS REPORT HAS BEEN PREPARED

The following table demonstrates the range of information that is covered in this report and where it has been sourced from.

Whakatakika | Introduction

		LOOKING BACK			ELECTION YEAR (CURRENT YEAR)	LOOKING AHEAD	
YEAR	2019/20 (-3 YEARS)	2020/21 (-2 YEARS)	2021/22 (-1 YEAR)	2022/23	2023/24 (+1 YEAR)	2024/25 (+2 YEARS)	2025/2026 (+3 YEARS)
INFORMATION TO BE INCLUDED	Major achievements and projects			Planned projects for the year	Priorities and projects for the next 3 years		
	Funding impact statement			Funding impact statement	Funding impact statement		
	Statement of financial position (balance sheet)			Summary balance sheet	Statement of financial position (balance sheet)		
	A report on compliance with the financial strategy						
SOURCE OF INFO	Annual Report (audited)	Annual Report (audited)	Estimated (un-audited)	Annual Plan (un-audited)	10 Year Plan (audited)		

DEFINITIONS

A **Funding Impact Statement** pulls together all the information from each of the different groups of activities and sets out in a single statement the sources of both the operating and capital funding for everything that Council does.

A **Balance Sheet** is a statement of a company's financial position at a particular moment in time. This financial report shows the two sides of a company's financial situation -- what it owns (assets) and what it owes (liabilities).

(All the documents used to prepare this report can be found on the Council's website www.qldc.govt.nz)

Taunakitanga ā-hapori

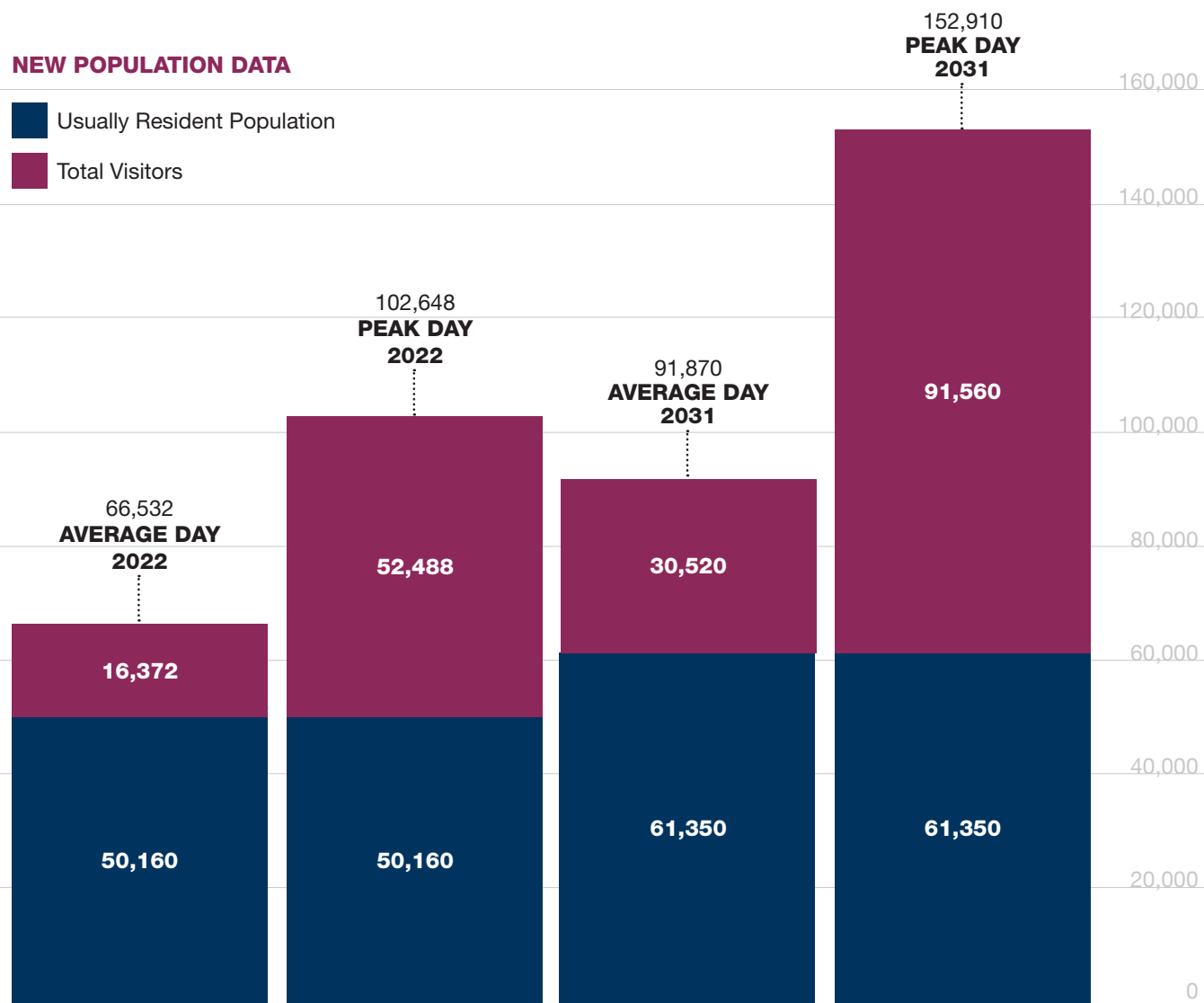
Community evidence base



Taunakitanga ā-hapori | Community evidence base

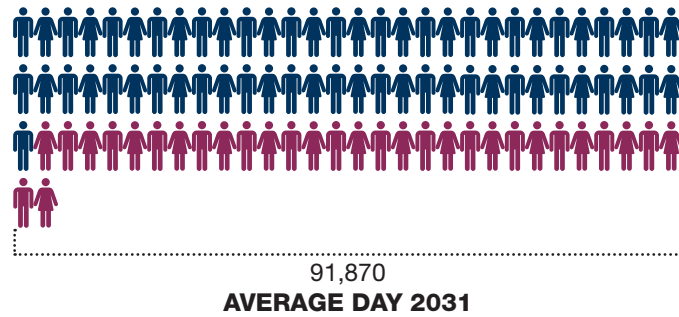
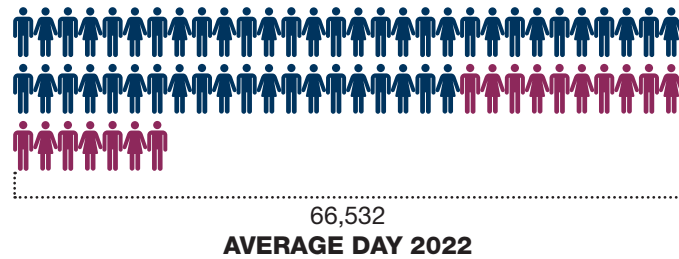
NEW POPULATION DATA

- Usually Resident Population
- Total Visitors

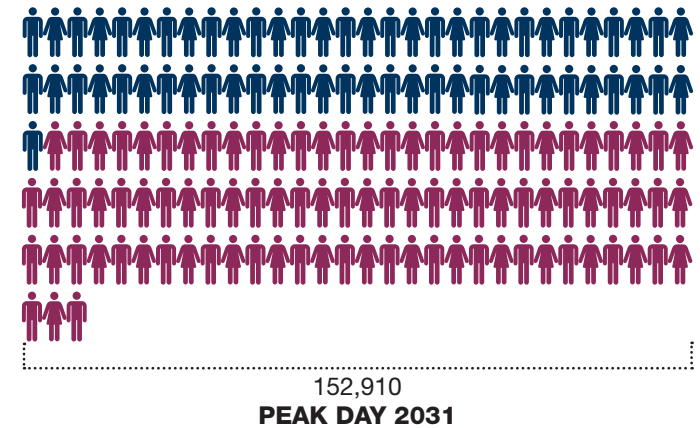
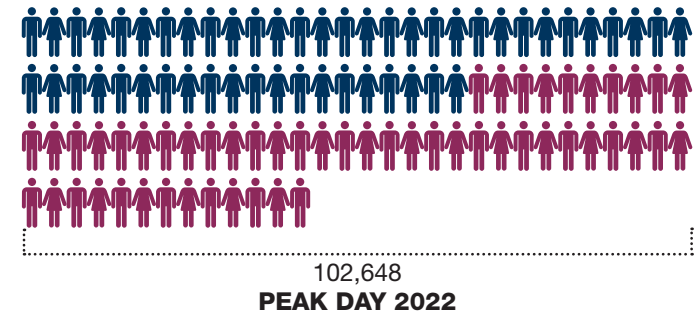


Taunakitanga ā-hapori | Community evidence base

AVERAGE DAY POPULATION



PEAK DAY POPULATION

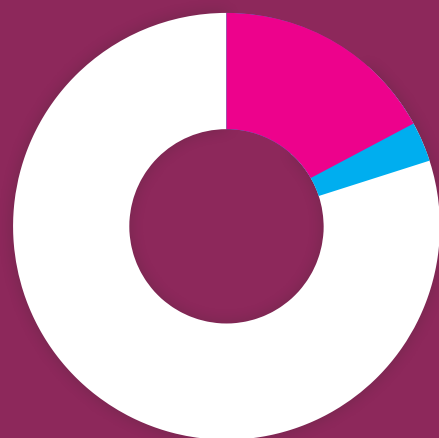


■ Usually Resident Population ■ Total Visitors

KEY QUALITY OF LIFE ISSUES

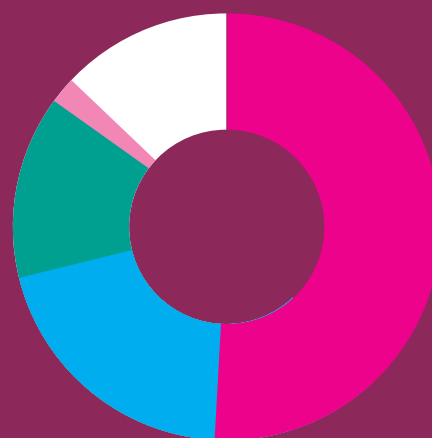
As informed by the Queenstown Lakes District Council's annual Quality of Life survey for the district.

INCOME



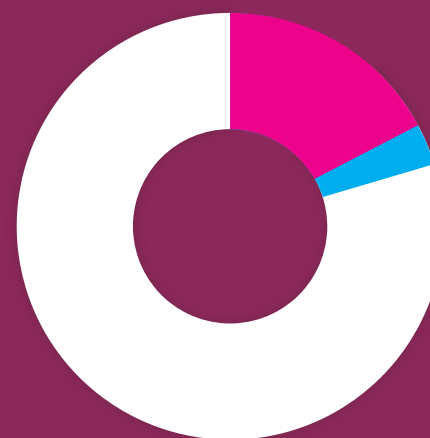
17% of respondents do not have disposable income and **3%** cannot cover their expenses.

EMPLOYMENT



51% of respondents were in full time work, with **20%** self-employed and **14%** in part-time work. Only **2%** were not currently in paid employment.

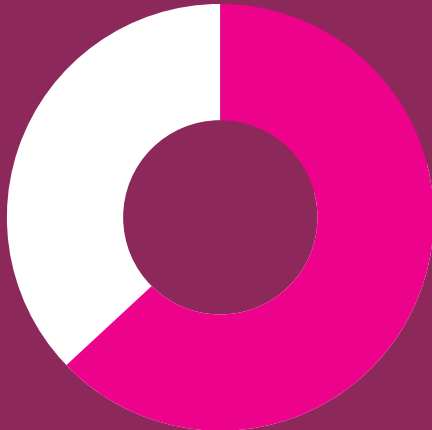
TRANSPORT



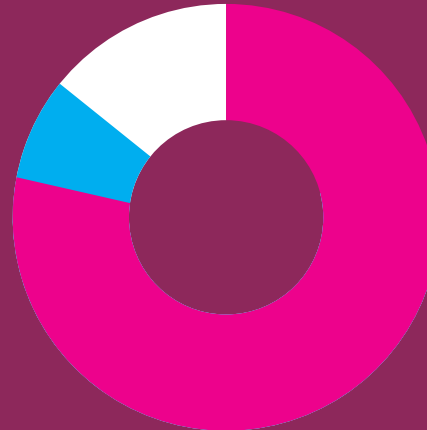
Only **16%** of respondents agreed and **4%** strongly agreed that public transport met the needs of residents.

Taunakitanga ā-hapori | Community evidence base

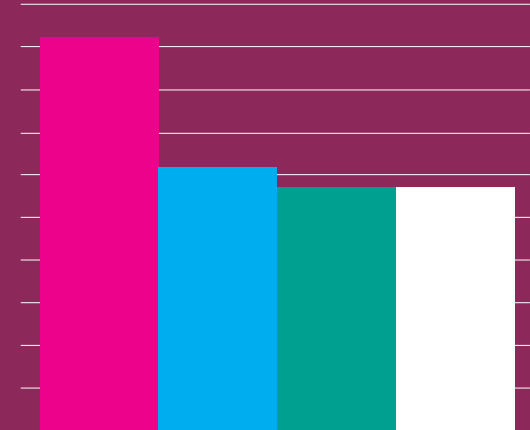
KEY QUALITY OF LIFE ISSUES

 HOUSING


While **63%** of respondents own their own home, up slightly from 2020, other themes pertaining to housing remain consistent with previous years. These include unaffordable house prices shutting residents out of the housing market and the perceived low quality of rental properties.

 HEATING


While **78%** of respondents are able to adequately heat their homes, **8%** couldn't and **14%** could only heat their homes sometimes. Cost, single-glazing and lack of insulation were the main reasons given.

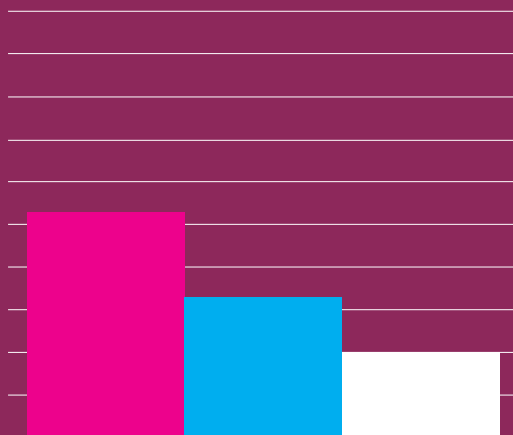
 NEIGHBOURHOOD


92% agreed or strongly agreed that their neighbourhood is safe, **62%** agreed or strongly agreed that there were sufficient community facilities, **57%** agreed or strongly agreed that it gives a sense of belonging, and **57%** agreed or strongly agreed that there is a strong and active community.

KEY QUALITY OF LIFE ISSUES



MENTAL WELLBEING



Just over half (**53%**) of respondents rated their mental wellbeing as good (**33%**) or very good (**20%**). These respondents experienced a greater sense of financial freedom, a greater sense of social connectedness, and were more likely to be older in age.



ACCESS TO SERVICES



44% responded that nothing stops them accessing a health professional. Of those who did encounter barriers to accessing such care, cost of treatments/appointments continues to be the main barrier, followed by the quality of advice and/or lack of trust, and waiting time.



RESILIENCE

Respondents considered to be more resilient were found to be 55 years or older, own their own home, have a higher income, have good mental wellbeing and intend on staying in the district.



INEQUALITY

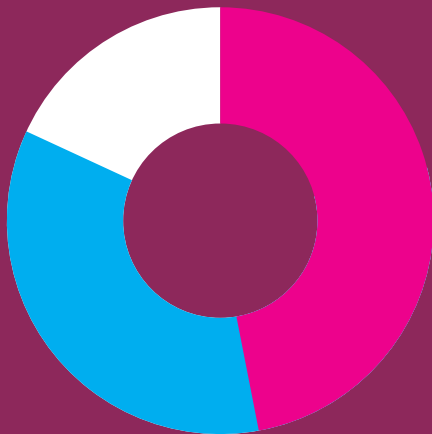
Younger aged respondents and those who identify as an ethnic minority show signs of greater struggle. Challenges for these demographics include greater difficulty heating their home, lower likelihood of being registered with a doctor, poorer levels of mental health, and greater financial struggles.

Taunakitanga ā-hapori | Community evidence base

KEY QUALITY OF LIFE ISSUES



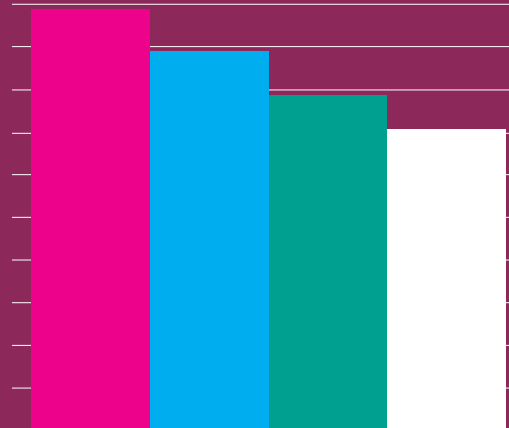
CLIMATE CHANGE



47% of respondents were very concerned and **35%** concerned with the impact of climate change. Results suggest a generational link, with those aged 39 or under more likely to be very concerned.



ENVIRONMENT



99% of respondents were taking at least one action to reduce waste. These included using reusable water bottles (**89%**), choosing reusable produce bags (**79%**), and using reusable coffee cups (**71%**).



PRIDE

17% strongly agreed and **49%** agreed that they felt pride in the district. This was down from **34%** and **44%** in 2018.



FACILITIES

56% of respondents were satisfied and **15%** very satisfied with the range of community facilities available to them.



GOVERNANCE

Respondents wanted to see greater transparency and public consultation from Council. Specifically in matters relating to the environment, general governance, infrastructural development, and services/facility provision.

Ko ngā kaupapa me ngā whakatutukinga matua

Projects and key achievements



PROJECTS AT A GLANCE



For a full list of projects and key achievements, see 2021-31 Ten Year Plan.

The capital projects listed are those with a total capital expenditure of over \$5M within the financial years detailed (2019/20-2023/24). The projects listed detail expenditure on the project to date for each year that the project is underway. For projects below this threshold, particularly those in smaller communities, please refer to the 2021-2031 Ten Year Plan.

Project Name	Looking Back			Current Year 2022/2023	Looking Ahead 2023/2024
	2019/2020	2020/2021	2021/2022	Ten Year Plan Budgeted	Ten Year Plan Budgeted
Lakeview Development	\$0.3M	\$0.6M	\$1.1M	\$2.6M	\$1.0M
Luggate Hall Replacement	\$1.3M	\$6.5M	\$4.6M		
Wānaka Lakefront Development Plan	\$0.5M	\$1.9M	\$4.7M	\$2.2M	
Whakatipu – Minor Improvements Low Cost Low Risk Programme	\$0.8M	\$0.9M	\$1.4M	\$2.8M	\$4.3M
Wānaka – Minor Improvements Low Cost Low Risk Programme		\$3.8M	\$1.0M	\$2.4M	\$3.9M
Ballantyne Road Reseal		\$6.0M	\$1.8M	\$0.3M	
Queenstown Town Centre Arterial (Stage 1)	\$0.2M	\$0.6M	\$30.5M	\$31.1M	\$26.6M
Queenstown Town Centre Street Upgrades	\$0.1M	\$0.6M	\$35.2M	\$22.6M	
Lakeview Development – Transportation	\$1.2M	\$2.9M	\$0.4M	\$3.9M	
Lakeview Development – Road and Public Realm			\$4.8M	\$7.4M	
Lakeview Ancillary – Thompson Street Arterial Standard	\$0.3M	\$5.1M	\$0.7M	\$5.1M	\$1.5M
Whakatipu – Sealed Road Resurfacing	\$1.3M	\$1.0M	\$1.2M	\$1.3M	\$1.3M
Quail Rise to Hawthorne Stage One (Housing Infrastructure Fund)		\$0.1M		\$0.6M	\$4.9M
Wānaka Pool to School Active Travel			\$0.2M	\$1.9M	\$3.1M
New Whakatipu Waste Facilities			\$0.7M	\$1.5M	\$4.4M
Water Reform Stimulus Delivery Plan		\$1.8M	\$7.7M		
SH6 – Glenda Drive Extension			\$0.2M	\$0.4M	\$5.7M
Kingston Housing Infrastructure Fund New Stormwater Scheme	\$0.3M	\$0.1M	\$0.4M	\$3.6M	\$1.9M
Aubrey Road Recreation Reserve stormwater detention pond		\$0.2M	\$0.3M	\$0.9M	\$5.2M
Lakeview Development Servicing Stormwater	\$0.4M	\$1.7M	\$3.1M	\$3.2M	
Stone Street Stormwater Upgrades		\$0.2M	\$0.8M	\$4.5M	\$1.1M

Ko ngā kaupapa me ngā whakatutukinga matua | Projects and key achievements

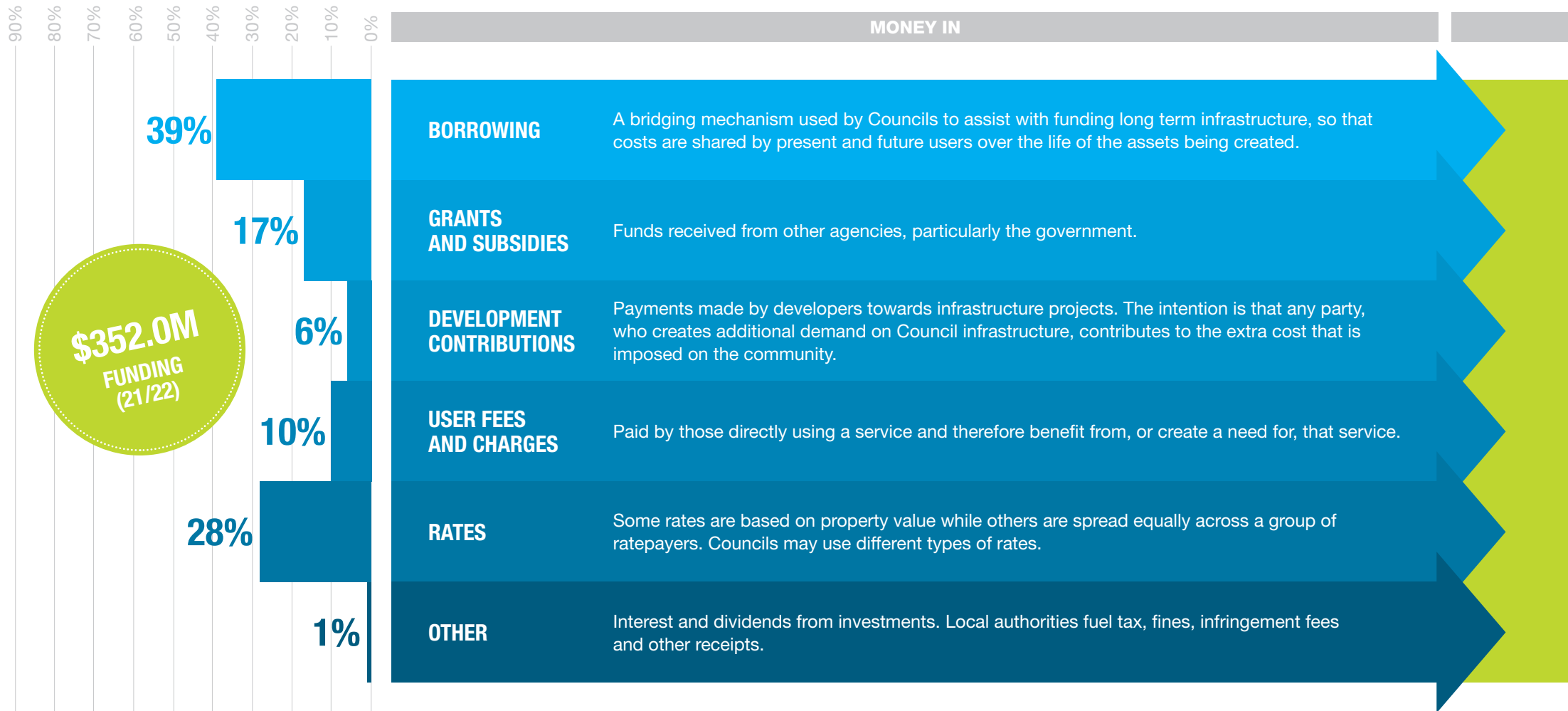
Project Name	Looking Back			Current Year 2022/2023	Looking Ahead 2023/2024
	2019/2020	2020/2021	2021/2022	Ten Year Plan Budgeted	Ten Year Plan Budgeted
Wastewater Renewals for Queenstown	\$1.1M	\$1.8M	\$1.3M	\$2.3M	\$2.2M
Cardrona Wastewater Scheme	\$0.1M	\$1.2M	\$11.0M		
Recreation Ground new Wastewater Pump Station	\$0.6M		\$3.1M		
Project Pure Upgrade	\$0.8M	\$1.3M	\$2.6M	\$17.3M	\$1.8M
Project Shotover Wastewater Plant Upgrade	\$1.0M	\$1.1M	\$0.6M	\$6.9M	\$11.7M
Kingston Housing Infrastructure Fund Wastewater New Scheme	\$3.9M	\$12.7M	\$0.9M	\$7.0M	\$7.5M
North Wānaka Conveyance	\$1.3M	\$0.8M	\$3.1M	\$4.0M	\$4.5M
CBD to Frankton Conveyance		\$0.1M	\$0.3M	\$1.5M	\$11.3M
Hāwea Wastewater Management	\$0.5M	\$0.3M	\$0.9M	\$0.1M	\$9.5M
Shotover Country New Water Treatment Plant	\$0.4M	\$0.4M	\$9.1M	\$1.5M	
Rising Main – Shotover Country to Glenda Drive	\$1.3M	\$3.1M	\$1.4M	\$0.0M	
Cardrona Water Supply Scheme	\$0.4M	\$0.5M	\$0.2M	\$8.2M	
Beacon Point New Reservoir	\$0.7M	\$1.1M	\$1.7M	\$5.9M	
Two Mile Water Treatment Plant	\$0.3M	\$0.3M	\$0.3M	\$1.5M	\$7.6M
Quail Rise Reservoir	\$0.5M	\$1.2M	\$0.6M	\$0.8M	\$11.0M
Beacon Point Intake and Rising Main			\$0.4M	\$0.7M	\$9.9M
Wānaka Water Treatment			\$0.2M	\$3.6M	\$15.2M
Luggate Water Supply Scheme	\$0.5M	\$0.5M	\$0.8M	\$3.1M	\$1.4M
Kingston Housing Infrastructure Fund New Scheme		\$0.3M	\$1.4M	\$6.5M	\$0.7M
Western Wānaka Level of Service	\$0.6M	\$0.7M	\$5.4M	\$3.9M	

Te whakaritenga ā-ahumoni

Financial performance



Te whakaritenga ā-ahumoni | Financial performance



IMPACTED BY

MONEY OUT

POPULATION
GROWTH

PRICE
CHANGES
AND
INFLATION

DEBT

LEVELS
OF
SERVICE

GEOGRAPHY

EFFICIENCIES
AND
INNOVATION

**OPERATING
COSTS**

Normal business costs, excluding depreciation.

\$136.1M
OPERATING
EXPENDITURE
(21/22)

CAPITAL COSTS

Money spent on upgrading assets.

Capital expenditure is split into three types:

\$143.8M
CAPITAL
EXPENDITURE
(21/22)

\$30.2M
To meet additional demand (21/22)

\$50.3M
To replace existing assets (21/22)

\$63.3M
To improve the level of service (21/22)

Te whakaritenga ā-ahumoni | Financial performance



OPERATING EXPENDITURE BY ACTIVITY

- 23%** Community Services and Facilities
- 8%** Water Supply
- 11%** Wastewater
- 2%** Stormwater
- 11%** Transport
- 11%** Waste Management
- 11%** Environment
- 9%** Economy
- 11%** Regulatory Functions and Services
- 4%** Local Democracy

The Financial Strategy is outlined in full in the 2021-2031 Ten Year Plan, as a means of demonstrating prudent financial management. It is used as a tool when the Council makes big funding decisions, so that the community can understand the implication of the decision on rates, debt and investments.

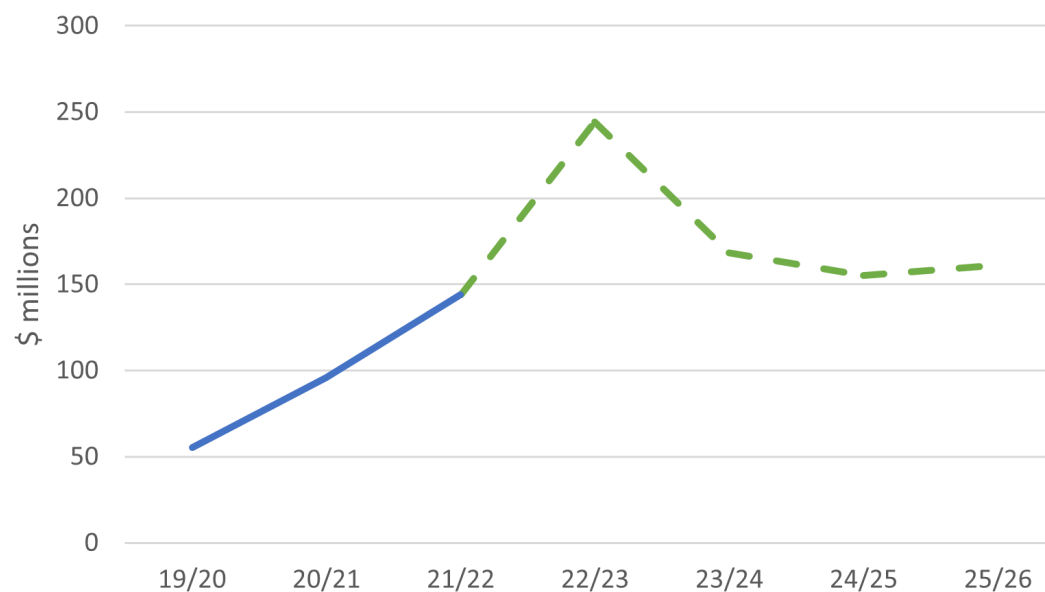
The following graphs show how the Council has performed against the Financial Strategy for the past two years, current year, and the forecast for the next four years.

This graph shows our capital expenditure spend actuals and then budgeted spend in the Annual Plan and Ten Year Plan for future years.

1. CAPITAL PROGRAMME

Capital expenditure within the 2021-2031 Ten Year Plan is much higher than previously forecast. It amounts to \$1.673b over the ten years (2018: \$990m) of which \$619m (37%) is required due to growth, around 25% of the total capital expenditure is required to renew or replace existing assets and around 38% is required to provide increased levels of service.

Actual and Forecast Capital Works



Te whakaritenga ā-ahumoni | Financial performance

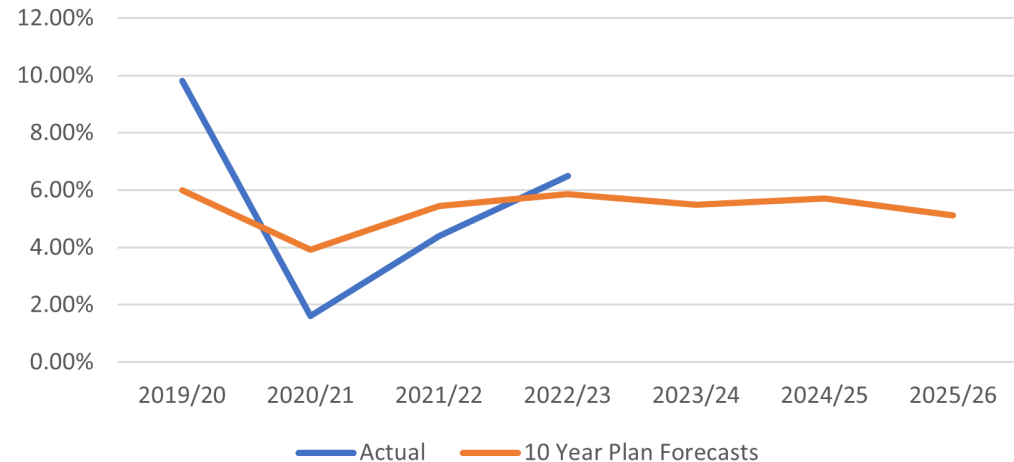
2. RATES

This graph shows the actual rates increases over the past three years compared to the increases forecast in the 2022-23 Annual Plan and 2021-31 Ten Year Plan.

The large increase for 19/20 reflects the impact of the introduction of the new solid waste contract which offered a universal (3 bin) residential kerbside rubbish and recycling collection service from 1 July 2019. The lower than budgeted 20/21 rates increase was a response to COVID-19 with all budgets reviewed and rates impact minimised for the district. The Council had disclosed the rating impact of these budget changes as part of the Annual Plan.

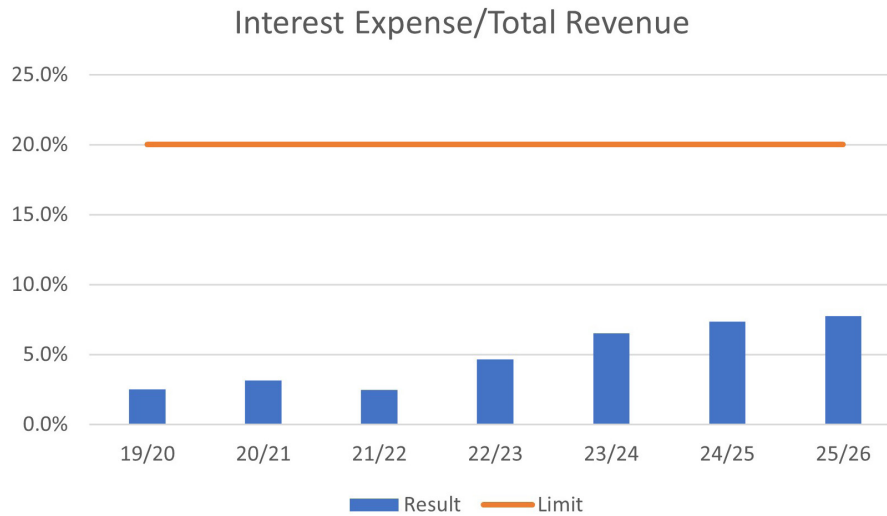
The combined impact of Council's 2022-23 budget changes, responses to community and internal submissions, and mitigating actions to defend leaky building related legal claims move the average rates increase to 6.5%, slightly above the self-imposed net rates increase limit.

Rates Increase - Actual and Forecast
(after allowing for growth)



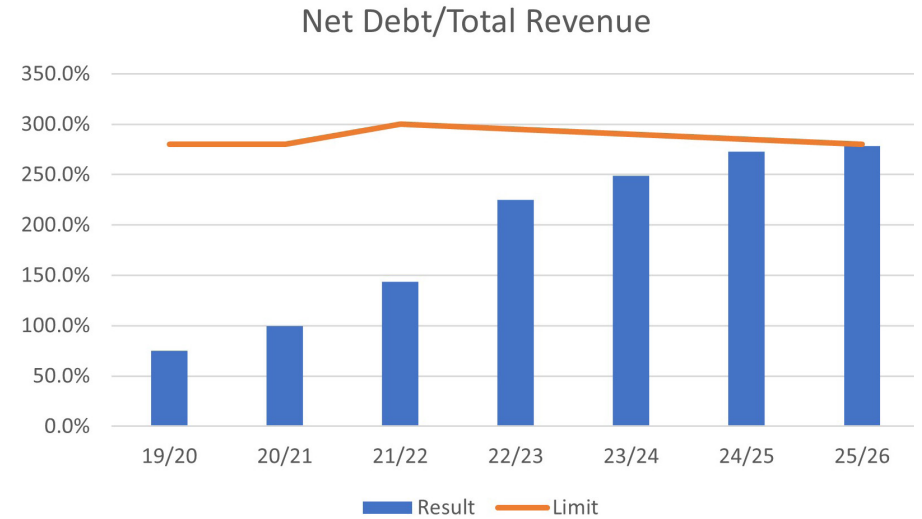
Te whakaritenga ā-ahumoni | Financial performance

This graph shows our interest expense as a percentage of total revenue against our target as set in our financial strategy.



Year	Result	Limit
19/20	2.5%	0.2
20/21	3.2%	0.2
21/22	2.5%	0.2
22/23	4.7%	0.2
23/24	6.5%	0.2
24/25	7.4%	0.2
25/26	7.74%	0.2

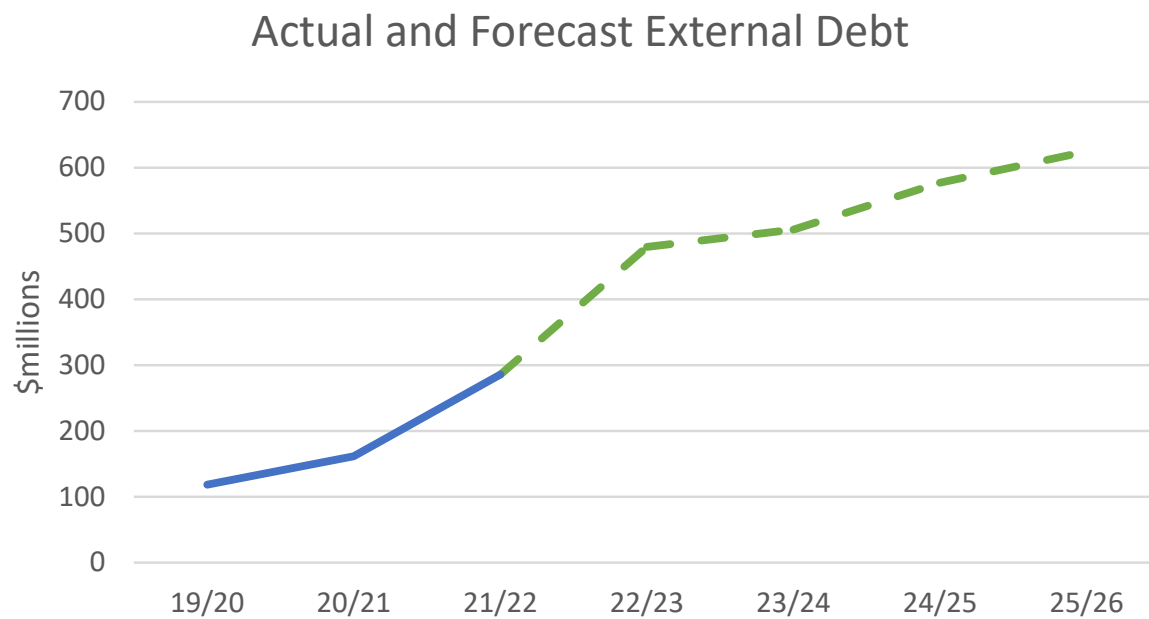
This graph shows our net debt as a percentage of total revenue against our target as set in our financial strategy.



Year	Result	Limit
19/20	75.3%	280%
20/21	99.7%	280%
21/22	143.7%	300%
22/23	225.0%	295%
23/24	248.9%	290%
24/25	272.6%	285%
25/26	278.32%	280%

Actual and Forecast External Debt

The following graph shows the actual and then forecast debt levels from the 2022-2023 Annual Plan and 2021-2031 Ten Year Plan.



Te whakaritenga ā-ahumoni | Financial performance

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

Actual 2019/20	Actual 2020/21	Estimate 2021/22		Annual Plan Forecast 2022/23	10 Year Plan Forecast 2023/24	10 Year Forecast 2024/25	10 Year Forecast 2025/26
			Current assets				
6,624	1,007	3,000	Financial assets	3,528	3,531	3,531	3,530
25,933	32,938	34,985	Other current assets	25,057	21,405	25,033	21,405
32,557	33,945	37,985	Total current assets	28,585	24,936	28,564	24,935
			Non-current assets				
7,440	9,040	4,628	Financial assets	8,907	8,907	8,907	8,907
2,021,066	2,162,423	2,283,273	Other non-current assets	2,487,736	2,608,539	2,752,803	2,900,435
2,028,506	2,171,463	2,287,901	Total non-current assets	2,496,643	2,617,446	2,761,710	2,909,342
2,061,063	2,205,408	2,325,886	Total assets	2,525,228	2,642,382	2,790,274	2,934,277
			Current liabilities				
47,682	25,005	25,005	Borrowings	144,000	126,000	115,000	94,000
51,333	103,670	76,766	Other current liabilities	61,181	61,181	61,181	61,181
99,015	128,675	101,771	Total current liabilities	205,181	187,181	176,181	155,181
			Non-current liabilities				
71,119	136,918	261,245	Borrowings	335,458	379,891	461,940	530,377
16,809	2,780	2,780	Other non-current liabilities	-	-	-	-
87,928	139,698	264,025	Total non-current liabilities	335,458	379,891	461,940	530,377
186,943	268,373	365,796	Total liabilities	540,639	567,072	638,121	685,558
1,874,120	1,937,035	1,960,090	Public Equity	1,984,589	2,075,310	2,152,153	2,248,719
2,061,063	2,205,408	2,325,886	Total equity and Liabilities	2,525,228	2,642,382	2,790,274	2,934,277

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE - Whole of Council (\$'000)

Actual 2019/20	Actual 2020/21	Estimate 2021/22		Annual Plan Forecast 2022/23	10 Year Plan Forecast 2023/24	10 Year Plan Forecast 2024/25	10 Year Plan Forecast 2025/26
Sources of operating funding							
3,450	3,476	3,981	General rates, uniform annual general charges, rates penalties	5,648	3,847	3,894	4,205
81,114	85,209	92,875	Targeted rates	100,926	110,098	120,068	130,140
32,637	34,813	34,878	Fees and charges	41,092	43,636	46,931	48,516
8,059	9,273	11,113	Subsidies & grants for operating purposes	10,298	6,436	8,207	8,215
6,507	745	0	Interest and dividends from investments	762	5,720	7,057	7,798
11,477	7,151	5,248	Fuel tax, fines, infringement fees & other receipts	8,820	9,668	10,029	10,468
143,244	140,667	148,095	Total sources of operating funding	167,547	179,405	196,186	209,342
Applications of operating funding							
127,755	155,871	131,307	Payments to staff and suppliers	144,138	140,593	147,119	153,850
3,751	5,086	4,853	Finance costs	9,838	13,131	15,468	17,268
131,506	160,957	136,160	Total applications of operating funding	153,976	153,724	162,587	171,118
11,738	(20,290)	11,935	Surplus/(deficit) of operating funding	13,571	25,681	33,599	38,224
Sources of capital funding							
5,738	20,762	48,964	Subsidies & grants for capital expenditure	43,959	22,448	14,202	13,730
21,425	17,392	19,382	Development & financial contributions	21,207	20,645	20,669	20,860
0	0	0	Gross proceeds from sale of assets	23,393	3,142	0	13,914
13,402	31,726	135,522	Increase/(decrease) in debt	140,637	92,646	72,101	46,158
0	0	0	Other dedicated capital funding	0	0	14,500	22,935
40,565	69,880	203,868	Total sources of capital funding	229,196	138,881	121,472	117,597
Applications of capital funding							
Capital expenditure							
16,316	32,191	30,243	- to meet additional demand	115,568	61,144	44,759	46,896
17,873	32,509	50,335	- to replace existing assets	51,894	35,051	40,732	42,973
21,113	31,349	63,326	- to improve the level of service	76,909	72,016	69,582	71,460
(2,999)	(46,458)	48,029	Increase/(decrease) in reserves	(1,605)	(3,649)	(2)	(5,508)
52,303	49,590	191,933	Total applications of capital funding	242,767	164,562	155,071	155,821
(11,738)	20,290	11,935	Surplus/(deficit) of capital funding	(13,571)	(25,681)	(33,599)	(38,224)
0	0	0	Funding balance	0	0	0	0

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