



Order Paper for an ordinary meeting of the

QUEENSTOWN LAKES DISTRICT COUNCIL

to be held on

Thursday, 20 April 2017

commencing at 1.00pm

In the Hawea Community Centre, Myra Street,

Hawea

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

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

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

s. 46A (7), LGOIMA

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

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

9.13 DISCUSSION OF MINOR MATTERS NOT ON THE AGENDA

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

REFERENCE:

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

Agenda for an ordinary meeting of the Queenstown Lakes District Council to be held in the Hawea Community Centre, Myra Street, Hawea on Thursday, 20 April 2017 commencing at 1.00pm

Item	Page No.	Report Title
		Apologies
		Leave of Absence Requests
		Declarations of Conflict of Interest
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		Special Announcements
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	6 21	9 March 2017 (Public part of ordinary meeting) 24 March 2017 (Public part of ordinary meeting)
1.	29	Wanaka Airport Future Governance and Management Model
2.	65	Wakatipu Basin Land Use Study <u>Attachments presented separately.</u>
3.	75	Special Housing Area: Business Mixed Use Zone (Gorge Road)
4.	95	Declaration of upper Beach Street as a Pedestrian Mall
5.	106	2016/17 Capital Works Programme – Second Re-forecast
6.	113	Joint Otago Councils Section 17A Shared Services Reviews
7.	117	Otago Regional Council Annual Plan 2017/18 Submission
8.	124	Chief Executive’s Monthly Report
		<u>PUBLIC EXCLUDED</u>
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	135 139	9 March 2017 (Public excluded part of ordinary meeting) 24 March 2017 (Public excluded part of ordinary meeting)
1.		<u>PUBLIC EXCLUDED</u>
	140	Wanaka Airport Future Governance and Management Model: Legal Advice (Attachment E)

Item	Page No.	Report Title
3.	146	PUBLIC EXCLUDED Special Housing Area: Business Mixed Use Zone (Gorge Road) – Recession plane analysis (Attachment A)

Confirmation of minutes

9 March 2017

Minutes of an ordinary meeting of the Queenstown Lakes District Council held in the Council Chambers, 10 Gorge Road, Queenstown on Thursday 9 March 2017 commencing at 1.04pm

Present:

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

In attendance:

Mr Mike Theelen (Chief Executive), Mr Peter Hansby (General Manager, Property and Infrastructure), Mr Stewart Burns (General Manager, Finance and Regulatory), Ms Meaghan Miller (General Manager, Corporate Services), Mr Colin Keel (Chief Executive, Queenstown Airport Corporation), Mr John Gilks (Chair, Queenstown Airport Corporation), Mr Dan Cruickshank (Property Advisor, APL Property Ltd), Mr Lee Webster (Manager, Regulatory), Mr Stephen Quin (Parks Planning Manager), Mr Aaron Burt (Senior Planner, Parks and Reserves), Ms Maddy Jones (Parks Officer – Projects), Ms Shelley Dawson (Senior Governance Advisor), Mr Dave Barr (Solicitor, Simpson Grierson) and Ms Jane Robertson (Senior Governance Advisor); two members of the media and four members of the public

Apologies/Requests for Leave of Absence

An apology was received from Councillor Ferguson.

The following requests for Leave of Absence were made:

- Councillor Lawton – 17-23 March 2017
- Councillor MacLeod – 11-21 March and 24-26 March 2017
- Councillor McRobie – 17-21 March 2017
- Councillor MacDonald – 5-7 May and 10-19 May 2017
- Councillor Forbes – 9-30 May 2017

On the motion of the Mayor and Councillor MacDonald the Council resolved that the apology be accepted and the requests for Leave of Absence be approved.

Declarations of Conflicts of Interest

Councillor Lawton stated that three family members had made submissions on the proposed Cemeteries Bylaw (item 5). She urged the Council to have regard to their request for the Council to provide Natural Burial areas in district cemeteries. She undertook to step back from the meeting table and take no part in discussion of the item.

Special Announcements

There were no special announcements.

Matters Lying on the Table

There were no matters lying on the table.

Public Forum

1. Doug Bailey

Mr Bailey expressed concern that increased light commercial air traffic was creating excessive noise, especially for people living along the north western arm of the lake between Frankton and Glenorchy. The problem was not with scheduled air services but light commercial fixed wing and helicopter traffic and all were over 43dB, which was as loud as a car without a muffler and was both wearying and constant for residents. He presented a partial log of air traffic for a period in February, with the worst daily number being a total of 60 flights, although he believed the actual number was probably higher. He noted that there were few legal ways of limiting this activity, but it was important not to let this noise harm Queenstown's special qualities. As the Council was to consider Queenstown Airport's Statement of Intent, he considered this was at least one vehicle by which the Council could address the issue.

2. Bruce Farmer, Sustainable Glenorchy

Mr Farmer presented key facts and issues that had emerged from a recent wastewater seminar held in Glenorchy:

- There is no current baseline information available (e.g. water quality, state of existing systems, volume of waste from commercial users and public toilets, local sampling and monitoring);
- It is unknown when new ORC water standards will be implemented;
- Plans have minimised earthquake and other natural hazards' risk;
- There is a lack of knowledge over who or what is driving implementation of the scheme; and
- Affordability is a major concern.

Mr Farmer noted that also evident at the seminar was a growing disquiet that the scheme endorsed by the previous Council was ill-conceived and ill-considered. He stated that the community wanted the Council to stop spending ratepayers' money on it.

3. Trish Fraser, Sustainable Glenorchy

Ms Fraser stated that the Glenorchy community did not know if the wastewater project was even needed and no one at the Council could tell them why either. She asked for clarification on the Council's timeframe for coming to a final decision. The Chief Executive advised that the Council was well aware of the community's views on this issue and was focused on producing a solution within the next six months. Ms Fraser stated that in light of this, any further design and developmental work should be put on hold in the meantime.

4. Mike Spencer

Mr Spencer stated that he was a resident of Glenorchy and had attended the recent wastewater seminar. He did not believe that the Council had made an informed decision on the proposal and there were too many 'don't know' answers. He asked the Council to halt the project until further research was undertaken.

Confirmation of agenda

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

Confirmation of minutes

Ordinary meeting, 26 January 2017

On the motion of the Councillors MacDonald and MacLeod the Council resolved the minutes of the public part of the meeting of the Queenstown Lakes District Council held on 25 January 2017 be confirmed as a true and correct record.

- An update was sought on the review of the price NZTA had received to install wastewater infrastructure on the Kawarau Falls Bridge. Mr Hansby was invited to the table and advised that the need for a review by an independent assessor had been signalled clearly to NZTA, but could not start until the design was complete and this work was still being undertaken.

1. **Draft Statement of Intent, Queenstown Airport Corporation 2017/18**

A covering report from Stewart Burns (General Manager, Finance and Regulatory) presented the draft Statement of Intent ['SOI'] for Queenstown Airport Corporation (QAC) for the 2017/18 year in accordance with sections 64 and 65 of the Local Government Act 2002 for the Council to receive and consider.

The report was presented by Mr Burns, Mr Keel and Mr Gilks.

Mr Burns advised that by law the Council had until 30 April to provide final comment back to the Board on the draft SOI, with the final SOI provided for Council adoption by 30 June 2017.

The Mayor referred to the recent consultation on future governance options for the Wanaka Airport. He noted that one of the options presented had been that QAC be the long term operator of Wanaka airport under a lease arrangement. Should this proceed, he asked what plans were in place for development of Wanaka Airport to ensure that the Council received best value from it.

Mr Gilks stated that the SOI deliberately made little reference to Wanaka Airport because it was a matter still in progress. Should the proposal proceed, Mr Keel observed that conditions would have to be right for QAC to develop Wanaka Airport beyond its current context. Accordingly, further development remained an open question. However, Mr Keel stressed the importance of both airports being complementary, describing the approach as being 'one company – two airports'.

Councillor Forbes noted that QAC anticipated major growth in its passenger numbers by 2025. She expressed concern about the impact these increased numbers could have on road traffic in Queenstown. She noted that the airport was a major strategic asset and the threat of congestion represented a significant threat to it and she questioned why the SOI did not therefore address this issue.

Mr Keel stated that he considered the SOI did recognise that the airport had a role in addressing traffic congestion, but it was a collaborative issue. He added that this was one of the functions of the Transport and Governance Group of which the airport was a member.

The Mayor paid tribute to the contribution of John Gilks as Chair of the Board of Directors to the successful growth of Queenstown Airport, noting that this would be the last Statement of Intent he would present to the Council as he would retire from the Board at the end of this current term.

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

- 1. Note the contents of this report; and**
- 2. Receive the Draft Statement of Intent for 2017/18 for the Queenstown Airport Corporation and make any comments on the draft Statement of Intent to the QAC Board by 30 April 2017.**

2. Local Easter Sunday Shop Trading Policy 2017

A report from Lee Webster (Manager, Regulatory) presented the Queenstown Lakes District Local Easter Sunday Shop Trading Policy for adoption following completion of the consultation process.

Mr Webster presented the report. He briefly outlined the provisions of the policy. Members supported its adoption and agreed it was important for local businesses to have a choice.

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

- 1. Note the contents of this report; and**
- 2. Adopt the Queenstown Lakes District Local Easter Sunday Shop Trading Policy 2017.**

The meeting adjourned at 1.52 pm and reconvened at 2.03pm.

3. Amendment to QLDC Standing Orders

A report from Shelley Dawson (Senior Governance Advisor) presented proposed amendments to the QLDC Standing Orders, making a minor addition to the provisions for speaking in the public forum and adding the meeting procedures for the Elected Member Conduct Committee that had been inadvertently omitted from the new Standing Orders adopted in December.

The report was presented by Ms Miller and Ms Dawson.

A question was raised about whether five days was adequate notice to a member for a meeting of the Elected Member Conduct Committee and staff undertook to clarify if the option of offering more time was available.

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

1. **Note the contents of this report;**
2. **Amend Standing Order 14.15 bullet point 6 to read “the matter is subject to a hearing, including the hearing of submissions where the local authority, a committee, or hearings panel sits in a quasi-judicial capacity.” and**
3. **Adopt the “Additional Meeting Procedures for the Elected Member Conduct Committee” as Appendix 12 of Standing Orders.**

4. Local Governance Statement

A report from Jane Robertson (Senior Governance Advisor) presented the 2016/19 Local Governance Statement for adoption in accordance with Section 40 of the Local Government Act 2002.

The report was presented by Ms Miller.

Councillor Lawton advised of the following corrections to the draft presented:

- Addition of her name to the membership of the Community and Services Committee.
- Amending the description of Queenstown Airport Corporation as a CCTO (Council-controlled Trading Organisation) rather than ‘CCO’.

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

1. **Note the contents of this report; and**
2. **Adopt the Governance Statement for 2016/19.**

Councillor Lawton left the meeting at 2.08pm.

5. Queenstown Lakes District Council Cemeteries Bylaw 2017

A report from Maddy Jones (Parks Officer – Projects) presented the proposed Queenstown Lakes District Council Cemeteries Bylaw 2017 for adoption following completion of the Special Consultative Procedure in accordance with the Local Government Act 2002.

The report was presented by Ms Jones and Mr Quin.

Councillor Forbes asked how the submissions requesting a Natural Burial service at district cemeteries were being addressed. Ms Jones advised that staff would seek funding via an internal submission to the 2017/18 Annual to allow an investigation into how best to offer the service in the district's unique soils and climate. Councillor Forbes stated that she supported the introduction of such a service and did not understand the environmental concerns described by staff. She asked for the concept to be progressed without delay.

It was suggested that the Cemeteries Handbook be made available at cemeteries.

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

- 1. Note the contents of this report;**
- 2. Accept the recommendation from the Cemeteries 2017 Bylaw hearing panel and to adopt the Bylaw and formalise the Cemeteries Handbook;**
- 3. Adopt the proposed Queenstown Lakes District Council Cemeteries Bylaw 2017, to be implemented on Monday 13 March, 2017 and direct officers to publicly notify the Council's decision; and**
- 4. Agree that approximately \$15,000 funding be allocated in the 2017/18 Annual Plan to investigate offering a natural burial service in the District.**

Councillor Lawton returned to the table at 2.14pm.

6. Nook Road Stopping and Sale

A report from Dan Cruickshank (Property Advisor, APL Property Ltd) assessed an application to stop a small part of Nook Road, Hawea and to sell that area to the adjoining neighbour. The report recommended that the Council agree to initiate the road stopping procedures for 179m² of Nook Road and sell the road to the adjacent property owner for \$16,000 (plus GST if any). The report noted that although it would result in the width of Nook Road being reduced, it would ensure a reasonable width of road remained in

place and would also enable the property owner to legalise the encroachment and eventually sell the house.

The report was presented by Mr Cruickshank and Mr Hansby.

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

- 1. Note the contents of this report;**
- 2. Approve initiation of the procedures of section 116 of the Public Works Act 1981 to stop that portion of road shown on the attached C. Hughes and Associates plan No W925 highlighted and labelled "A" with a total area of 179 square metres [Attachment A to these minutes]; and**
- 3. Approve the road, when stopped, being disposed of in accordance with sections 117 & 120(3) of the Public Works Act 1981 and amalgamated with the adjoining land held in Computer Freehold Register OT6C/339; and**
- 4. Approve the disposal of the stopped road for \$16,000 (plus GST if any) less the costs incurred; and**
- 5. Agree that Council's approval to undertake this process and any sale and purchase agreements relating to it shall be limited to a period of 3 years from the date of this resolution; and**
- 6. Approve Council's costs in undertaking the procedures of the Public Works Act 1981 be billed and paid on a monthly basis by the applicant; and**
- 7. Delegate final terms and conditions along with approvals for any placing or removal of easements in favour of Council, minor alignment and area changes, pro-rata changes in sale price based on area and signing authority to the Chief Executive of Council.**

7. Luma Light Festival Trust - Licence to Occupy Recreation Reserves

A report from Dan Cruickshank (Property Advisor, APL Property Ltd) assessed an application Luma Light Festival Trust for a new reserve licence to hold the annual festival of light sculptures in the Queenstown Gardens. The report recommended that a licence be granted, subject to conditions.

The report was presented by Mr Cruickshank and Mr Burt.

Councillor Clark asked about responsibility for rubbish disposal. Mr Cruickshank advised that the Trust would be required to submit a waste plan as part of its resource consent application. Councillor Clark asked for regard to be had during the event to the regular clearance of rubbish bins and the provision of adequate toilets.

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

- 1. Note the contents of this report;**
- 2. Approve a new licence to the Luma Light Festival Trust over Sections 4, 5, 6 & 7 Blk LI Queenstown TN, Sections 1, 3 Blk LII Queenstown TN, Lot 1 DP 25870, and Sections 8-18 Blk XV Queenstown TN subject to the following terms and conditions:**

Commencement	25 May 2017
Term	Three years
Renewal	One right of renewal of two years by agreement of both parties
Rent	Subject to the Community Facility Pricing Policy
Reviews	At renewal
Insurance	Requirement to have public liability insurance of \$2 million
Duration	To hold the Luma light festival, approximately 4 days each year in the month of June, plus pack in/pack out days to be agreed with Council. Booking date to be confirmed with Council annually to avoid booking clashes.
Safety/Suspension	Council to retain ability to suspend the licence for safety purposes or to avoid other operations that might take priority over this event. Full Health and Safety plan to be provided to Council.
Other	Licensee must ensure they have a valid resource consent for the activity.
	Licensee to take all necessary precautions to ensure that damage to trees, plants or structures in the reserves does

not occur. Council may require Licensee to employ a qualified arborist of its choice to ensure that trees and plants are protected from any harm.

3. Agree to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of a licence to Luma Light Festival Trust over Sections 4, 5, 6 & 7 Blk LI Queenstown TN, Sections 1, 3 Blk LII Queenstown TN, Lot 1 DP 25870, and Sections 8-18 Blk XV Queenstown TN.

4. Delegate signing authority to the General Manager, Property and Infrastructure.

8. **New Reserve Licence for Paddle Queenstown Ltd**

A report from Joanne Conroy (Property Advisor, APL Property Ltd) presented and assessed an application for a new licence for Paddle Queenstown Ltd to allow the company to operate commercial guided and self-guided kayak tours from the One Mile Recreation Reserve. The report recommended that a licence be granted, subject to conditions.

In reply to some concern expressed that the proposed position could interfere with public amenity, Mr Cruickshank advised that the recommendation was in line with similar approvals for smaller commercial Licence to Occupy applications. He also confirmed that the business would be located within a cluster of other commercial activities and was envisaged in the applicable Reserve Management Plan.

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

1. Note the contents of this report;
2. Approve a new licence over Part Section 110 Block XX Shotover SD, classified as Recreation Reserve to Paddle Queenstown Ltd for conducting guided and self-guided kayak tours on Lake Wakatipu, subject to the following terms and conditions:

Commencement	1 April 2017
Term	5 years
Renewal	One further term of 5 years by agreement of both parties
Rent	Base rent of \$1,000, or 7.5% of gross turnover, whichever is the greater

Reviews	3 yearly
Insurance	Requirement to have public liability insurance of \$2 million
Safety/Suspension	Council to retain ability to suspend the licence for safety purposes or to avoid large public events. Health and Safety plan to be provided to Council, and be approved by the Harbourmasters office prior to commencing the activity.
Other	Licensee must ensure they hold a valid resource consent for the purpose of guiding and self-guided kayak tours. Number of kayaks permitted to be offered for hire from the beach to be at the discretion of Council.

3. Agree to the exercise of the Minister's consent (under delegation from the Minister of Conservation) to the granting of a licence to Paddle Queenstown Limited over Part Section 110 Block XX Shotover SD.

4. Delegate signing authority to the General Manager, Property and Infrastructure.

9. Chief Executive's Monthly Report

A report from the Chief Executive:

- Presented recommendations to fill the two external member positions on the Council's Audit, Finance and Risk Committee;
- Sought Council authority for a budget adjustment to allow for immediate construction of the Anderson Road Water Main;
- Sought Council authority for a \$650,000 variation to the EAR budget to fund the Council's contribution to the Park and Ride project;
- Presented the Triennial Agreement 2016-2019 of the Local Authorities of the Otago Region for adoption;
- Presented a recommendation from the Wanaka Community Board to adopt the Wanaka Recreation Reserve ('A & P Showgrounds') Reserve Management Plan; and
- Presented a summary of the delegations exercised by the Chief Executive for licences to occupy and temporary road closures during the period 26 January – 22 February 2017.

Councillor Forbes expressed concern that no female candidates had been put forward to fill either of the two external membership spaces on the Audit, Finance and Risk Committee.

Mr Hansby joined the table and commented further on the proposed budget transfer to fund the Anderson Road water main installation, explaining also why the Mt Aspiring Road booster was no longer needed. He also provided further detail about the Council's contribution to the Park and Ride facility in Frankton. He commented positively on it as a good example of cooperation between different authorities to produce a better outcome, adding that discussions continued with NZTA regarding making a funding contribution.

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

- 1. Note the contents of this report;**
- 2. Appoint Stuart McLauchlan and Roger Wilson as the two external members of the Audit, Finance and Risk Committee and approve payment of \$1,000 to each external member per meeting plus travel and disbursement costs, if attending from outside the district;**
- 3. Approve the reallocation of \$53,243 from the Mount Aspiring Road Booster project to the Anderson Road Water Main installation project to give a total budget of \$545,000:**

Project Description	Uncommitted	Reallocation
Mt Aspiring Road Booster	\$602,402	\$53,243
Anderson Road Water Main	Current budget	\$491,757
Total		\$545,000

- 4. Approves a \$650,000 variation to the EAR project to fund the Council's contribution to the proposed joint Park and Ride, to be loan funded;**
- 5. Adopt the Triennial Agreement 2016-2019 of the Local Authorities of the Otago Region;**
- 6. Adopt the Wanaka Recreation Reserve ('A & P Showgrounds') Reserve Management Plan; and**
- 7. Note the delegations exercised for licences to occupy and temporary road closures by the Chief Executive during the period 26 January – 22 February 2017.**

Resolution to Exclude the Public

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

That the following persons remain because of their knowledge and expertise of matters in the following agenda items:

Item 10: Mr David Barr (Simpson Grierson Lawyers)

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

Confirmation of minutes

Item 7 Appointment of former Councillors as Resource Management Act Commissioners

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
7. Appointment of former Councillors as Resource Management Act Commissioners	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) Protect the privacy of natural persons, including that of deceased natural persons.	Section 7(2)(a)

Agenda items

Item 10: Pre-approval for settlement clearance

Item 11: District Licensing Committee Membership

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

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General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
10. Pre-approval for settlement clearance	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(i)
11. District Licensing Committee Membership	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) Protect the privacy of natural persons, including that of deceased natural persons.	Section 7(2)(a)

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

The meeting went into public excluded at 2.30 pm.

The meeting came out of public excluded and concluded at 2.54pm.

CONFIRMED AS A TRUE AND CORRECT RECORD

M A Y O R

20 April 2017

D A T E

Confirmation of minutes

24 March 2017

Minutes of an ordinary meeting of the Queenstown Lakes District Council held in the Council Chambers, 10 Gorge Road, Queenstown on Friday 24 March 2017 commencing at 1.00pm

Present:

Mayor Boulton; Councillors Clark, Ferguson, Forbes, Hill, Lawton, MacDonald, McRobie, Miller and Stevens

In attendance:

Mr Mike Theelen (Chief Executive), Mr Peter Hansby (General Manager, Property and Infrastructure), Mr Stewart Burns (General Manager, Finance and Regulatory), Mr Tony Avery (General Manager, Planning and Development), Mr Blair Devlin (Manager, Planning Practice), Mr Bill Nicol (Quality Manager), Mr Ulrich Glasner (Chief Engineer), Mr Stephen Quin (Parks and Reserves Planning Manager), Ms Maddy Jones (Parks Officer – Projects), Mrs Briana Pringle (Parks and Reserves Officer – Forestry) and Ms Jane Robertson (Senior Governance Advisor); two members of the media and two members of the public

Apologies/Requests for Leave of Absence

An apology was received from Councillor MacLeod.

The following requests for Leave of Absence were made:

- Councillor MacDonald: 5-9 April
- Councillor Ferguson: 18-19 April; 28 April – 19 May
- Councillor Hill: 27-28 April

On the motion of the Mayor and Councillor Clark the Council resolved that the apologies be accepted and the requests for Leave of Absence be approved.

Declarations of Conflicts of Interest

No declarations were made.

Special Announcements

On behalf of the Council the Mayor formally acknowledged the recent death of Maggie Lawton and extended the Council's sincere sympathies. He added that her death was an enormous loss to this district and especially to the Otago Regional Council, and she would be very greatly missed.

Matters Lying on the Table

There were no matters lying on the table.

Public Forum

There were no speakers in the Public Forum.

Confirmation of agenda

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

1. **2017/18 Annual Plan Consultation Document**

A covering report from Meaghan Miller (General Manager, Corporate Services) introduced the 2017/18 Annual Plan consultation document and supporting documentation for adoption for public consultation. The report also advised of the intention to undertake consultation to amend the policy on Development Contributions and a Statement of Proposal setting out the proposed amendments was appended to the report.

The report was presented by Mr Burns.

The Mayor commended staff on delivering this major piece of work. Councillor Lawton also praised the continuously improving readability of the consultation document.

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

- 1. Adopts the 2017-18 Annual Plan supporting document;**
 - 2. Adopts the 2017-18 Annual Plan Consultation Document for consultation; and**
 - 3. Approve the Council entering into consultation on the proposed amendments to the Policy on Development Contributions in accordance with Section 102(4)(b) of the Local Government Act 2002.**
2. **Amendments to the fees and charges schedule used for resource consents, building consents, resource management engineering and other matters**

A report from Blair Devlin (Manager, Planning Practice) presented a review of the fees and charges for resource and building consents, resource management engineering and other matters along with a Statement of Proposal setting out the proposed amendments to the fees schedule for adoption in order to conduct the special consultative procedure.

The report was presented by Mr Avery, Mr Devlin and Mr Nicol.

The following amendments to the proposed Fees and Charges schedule were circulated:

- New Zealand Fire Service – Administrative Charge
- Applications to extend timeframes for which building consent is valid – Administrative Charge
- Deletion of an unnecessary charge with regard to Development Contributions (Local Government Act Charges – initial fees)

It was noted that these changes were consistent with the other fees and charges put forward.

In reply to a question, Mr Avery and Mr Nicol detailed the strategies in place to ensure that building control was able to meet statutory deadlines. Whilst understanding of the challenges, they expressed confidence that the situation was under control.

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

- 1. Note the contents of this report and in particular the Statement of Proposal and proposed changes to the fees and charges schedule used for resource consents, building consents, engineering and other matters; and**
- 2. Adopt the Statement of Proposal including amendments to the fee schedules used for resource consents, building consents, resource management engineering and other matters as part of a special consultative procedure.**

3. Amendment to Development Contributions Policy

A report from Stewart Burns (General Manager, Finance and Regulatory) presented proposed amendments to the policy on Development Contributions in order for the Council to be able to recover the growth related capital costs of the Eastern Access Road from development contributions. The report recommended that the amended policy be adopted.

The report was presented by Mr Burns. Although not mandatory, he noted that a special consultative procedure had been followed for this policy amendment. Having considered the submissions and other information presented at the hearing, the panel had recommended that the amendment be adopted. He acknowledged the material received from Brookfields Lawyers acting on behalf of Remarkables Park Limited on 21 March. This had been considered by the hearings panel which had determined that no change to the recommendation was necessary.

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

- 1. Note the contents of this report;**

2. **Adopt the amendments to the 2016/17 Policy on Development Contributions as described in Part B of the Revised Statement of Proposal in accordance with Section 102(4)(b) of the Local Government Act 2002.**

4. Queenstown Lakes District Council Cemeteries Bylaw 2017

A report from Maddy Jones (Parks Officer – Projects) sought Council adoption and confirmation of a commencement date for the recently adopted Queenstown Lakes District Council Cemeteries Bylaw 2017 and the Queenstown Lakes District Council Cemeteries Handbook 2017. It was noted that these aspects of the statutory process had been omitted when the bylaw had been adopted and the handbook formalised at the Council meeting held on 9 March 2017.

The report was presented by Ms Jones, Mr Quin and Mr Hansby.

Ms Jones noted that although the bylaw itself had already been adopted, the purpose of the report was to address a technicality. She apologised that this matter had not been covered in the previous report.

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

1. **Note the contents of this report; and**
2. **Note that on 9 March 2017 the Queenstown Lakes District Council:**
 - a. **accepted the recommendation from the Cemeteries 2017 Bylaw hearing panel to adopt the Bylaw and formalise the Cemeteries Handbook;**
 - b. **adopted the Cemeteries Bylaw 2017, and to publicly notify the Council's decision; and**
 - c. **agreed that approximately \$15,000 funding be allocated in the 2017/18 Annual Plan to investigate offering a natural burial service in the District.**
3. **Note that the Queenstown Lakes District Council Cemeteries Bylaw 2017 requires that the following is to be specified by publicly notified resolution:**
 - a. **the date for the commencement of the Queenstown Lakes District Council Cemeteries Bylaw 2017; and**
 - b. **the adoption of the proposed Queenstown Lakes District Council Cemeteries Handbook 2017.**

4. **Agree that the recently adopted Queenstown Lakes District Council Cemeteries Bylaw 2017 will take effect immediately;**
5. **Adopt the Queenstown Lakes District Council Cemeteries Handbook 2017 to take effect immediately; and**
6. **Direct officers to publicly notify the Council's decision.**

5. **Coronet Forest Management Plan**

A report from Briana Pringle (Parks and Reserves Officer (Forestry)) presented an updated Coronet Forest Management Plan for approval in order to commence public consultation using the Special Consultative Procedure. The new management plan reflected a Council decision of June 2016 that the plan should be updated to reflect the early harvest of the Coronet Forest.

The report was presented by Mrs Pringle, Mr Quin and Mr Hansby.

Councillor Stevens sought clarification on the timeframe for consultation and the likely hearing date. The Mayor noted that the timetable was detailed in the Statement of Proposal and the indicative timeframe for a hearing was 22-30 May. Councillor Stevens stated that he was interested in being on the hearings panel.

Councillor Hill expressed concern that the consultation document did not detail how the Council had come to the decision to undertake an early harvest, nor did it contain detailed costings or discussion of other options (spraying, sale as firewood). It was noted however that these matters had been addressed in earlier reports and these could be circulated. Mr Quin also noted that previous public consultation about the forest's future had been overwhelmingly in favour of harvesting.

Councillor Lawton sought further information about Davis Consulting Group and its local experience. She added that the revegetation proposal did not address hydrology and she was disappointed that it did not provide detailed information about a predator-proof fence or examine how the project could deliver higher ecological benefits. She stated that the lack of detail about the nature of the future re-forestation programme made it difficult for the community to make comment. Councillor Forbes endorsed this, stating that she would like to see what the replanting might look like. Members asked staff through the consultation materials to encourage submitters to comment on these issues.

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

1. **Note the contents of this report;**

QUEENSTOWN LAKES DISTRICT COUNCIL**24 MARCH 2017****Page 6**

2. Approve the proposed Coronet Forest Management Plan 2017 for public consultation using the special consultative procedure, alongside the Annual Plan process; and
3. Appoint Councillors Ferguson, Lawton and Stevens to participate in a hearing panel to consider and hear submissions on the proposed Coronet Forest Management Plan 2017.

Resolution to Exclude the Public

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

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

Item 3: Assessment of Remarkable Park Ltd's contractual argument on development contribution policy (Attachment G)

Item 6: Housing Infrastructure Fund – Final Proposals

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
3. Assessment of Remarkable Park Ltd's contractual argument on development contribution policy	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: g) Maintain legal professional privilege.	Section 7(2)(g)
6. Housing Infrastructure Fund – Final Proposals	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: j) prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7(2)(j)

QUEENSTOWN LAKES DISTRICT COUNCIL**24 MARCH 2017****Page 7**

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

The meeting went into public excluded at 1.34 pm.

The meeting came out of public excluded and concluded at 1.38pm.

CONFIRMED AS A TRUE AND CORRECT RECORD

M A Y O R

20 April 2017

D A T E

**QLDC Council
20 April 2017****Report for Agenda Item: 1****Department: Property & Infrastructure****Title: Wanaka Airport future governance and management model****Purpose**

The purpose of this report is to seek approval of the Hearing Panel's recommendation following a special consultative procedure. The recommendation is to confirm Council's preferred option to enter into a long term lease to QAC for the Wanaka Airport.

Public Excluded

It is recommended that the Meredith Connell attachments to this report [Attachment E] are considered with the public excluded, in accordance with the Local Government Official Information and Meetings Act 1987, section 48(1) cl 7(2)(g), on the grounds that the withholding of the information is necessary to maintain legal professional privilege.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Agree** the future governance and management of the Wanaka Airport will be under a long term lease to QAC;
3. **Delegate** to the Mayor and Chief Executive the power to negotiate and execute the lease, and to engage with QAC to make any changes necessary to the QAC Statement of Intent to incorporate the Council's expectations of governance of Wanaka Airport.

Prepared by:

Richard Pope
Property Manager

10/04/2017

Reviewed and Authorised by:

Mike Theelen
Chief Executive

10/04/2017

Background

- 1 In November 2016 the Council commenced a Special Consultative Procedure with the community on the future governance and management of the Wanaka Airport.
- 2 The options consulted on were:
 - a. Continuing with the status quo (that is, Council retains control over Wanaka Airport but management is undertaken via a management contract with an external provider).
 - b. Continuing with the status quo, with enhanced planning and governance.
 - c. Entering into a lease and management agreement with QAC (**preferred option**).
 - d. Selling the Wanaka Airport assets to QAC.
 - e. Leasing or selling the Wanaka Airport assets to QAC as part of a realignment of district-wide air services, including Glenorchy aerodrome.
- 3 The Hearing Panel heard submissions on 13 February 2017. The original submissions received are Attachment A (hyperlink below), the submissions presented at the hearing are Attachment B (hyperlink below) and the minutes of the hearing are Attachment C.
- 4 The Hearing Panel recommends that the Council **adopt** the preferred option.

Comment

- 5 The Hearing Panel recognised the significant community interest in this matter and in the history of the development of the airport from its inception, especially from recreational users of the airport.
- 6 The Hearing Panel recognised the strong desire to see ongoing cooperation and communication with the community on the future development and management of the airport under any new governance model.
- 7 A number of submitters raised concerns around the ongoing coordination of recreational activity and the potential increase in commercial activity under any governance model, but especially under a model that introduced an increased level of commercial practice into the airport's governance.
- 8 There was discussion around the timing and leadership of the creation of the airport strategic development plan and if this should occur before the governance model was determined.
- 9 There was discussion around fairness of rate setting (ground rents and landing fees) especially for recreational users.
- 10 On balance the Hearing Panel determined that QAC, under a long term lease arrangement with suitable incentives and control by Council, was best placed to lead the development plan in consultation with QLDC and the community.

- 11 The Hearing Panel makes that recommendation noting that strategic master plan for the airport will need to accommodate a range of community and commercial requirements including general aviation activities, recreation, education and engineering functions. It will also need to identify appropriate community engagement and communication programme.
- 12 The Hearing Panel was interested to understand how the Council could continue to ensure community engagement in the airport's development. Attachment E (public excluded) is a legal opinion on this topic for the Council's consideration.

Options

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

- 14 Option 1 Accept the Hearing Panel's recommendation

Advantages:

- 15 Recognises the Hearing Panel is in the best position to consider all relevant information when making their recommendation having heard the submissions in person.
- 16 Progresses the decision in a timely manner that is in alignment with the consultation material and submissions.
- 17 Ensures that the strategic master planning process is led by an entity with specific airport expertise.

Disadvantages:

- 18 None.

- 19 Option 2 Adopt one of the other options.

Advantages:

- 20 Progresses the decision in a timely manner.

Disadvantages:

- 21 Risks adopting a governance model that has not to date been preferred and may not have been given substantial consideration by the public during the special consultative procedure.

- Option 3 Reject the Hearing Panel's recommendation and seek further information and/or work.

Advantages:

- 22 May enable any new significant issues (if raised by Councillors) to be considered and addressed before a final decision is made.

Disadvantages:

- 23 Delays the decision process and introduction of a new governance model.
- 24 Wanaka Airport will continue under the existing model in the near term.
- 25 This report recommends that the Council adopt **Option 1** for addressing the matter because the Hearing Panel has taken into account all relevant information including the submissions received, both written and verbal.

Significance and Engagement

- 26 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because the Wanaka Airport is classified as a Strategic Asset.

Risk

- 27 This matter relates to the strategic risk SR1 'Current and future development needs of the community' as documented in the Council's risk register. The risk is classed as high. This is because of economic, social and reputational risks.
- 28 A key element of this risk is meeting the current and future needs of the community and providing for development that is consistent with the strategic direction of Council's Policies and Strategies. The main risk perceived by the Hearing Panel is the risk that the preferred option will result in a reduced level in munity engagement in the future direction of the airport.
- 29 The recommended option considered above mitigates the risk by recommending that the Mayor and Chief Executive be delegated to negotiate and execute the draft lease so as to include obligations relating to community engagement and communication. The recommendation also suggests that the Statement of Intent for QAC be amended so as to include specific expectations relating to the governance Wanaka Airport (Attachment D).

Financial Implications

- 30 The financial implications will be known once the discussion of detailed terms of the arrangement between Council and QAC are undertaken. The expectation is that the Council's financial position will be no worse than its current position and over time will improve as a result of these arrangements.

Council Policies, Strategies and Bylaws

- 31 The following Council policies, strategies and bylaws were considered:
- Significance and Engagement Policy Nov 2014. The recommended option is consistent with the principles set out in the named policy because the community's positions have been heard through a consultation process that is proportionate to the significance of the issue.
- 32 This matter is not included in the Council's 10-Year Plan/Annual Plan however will be included in the 2018 update.

Local Government Act 2002 Purpose Provisions

33 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by seeking the input from the community on the proposed Wanaka Airport future governance and management model;
- Is consistent with the Council's plans and policies.

Consultation: Community Views and Preferences

34 The persons who are affected by or interested in this matter are the residents/ratepayers of wider Queenstown Lakes District community and those with specific interest in aeronautical and airport services across the district.

35 The Council has run a Special Consultative Procedure on this matter as set out below:

- a. Public notification of the matter and Council's preferred option opened for submissions on 8 October 2016 and closed on 25 November 2016
- b. Public meeting was held at the Wanaka Airport on 10 November 2016
- c. Public meeting was held in Wanaka on 10 November 2016
- d. Public Hearing of the matter on 13 February 2017

Legal Considerations and Statutory Responsibilities

36 Council's legal advisors, Meredith Connell, have provided advice (attached) addressing different ways in which the lease model can include ongoing opportunities for community engagement and communication. It also addresses the Statement of Intent.

Attachments

- A Submissions received during Special Consultative Procedure:
<http://www.qldc.govt.nz/assets/Uploads/Your-Views/Wanaka-Airport-Governance/Wanaka-Airport-Governance-submissions-Redacted.pdf>
- B Submissions received during hearing:
<http://www.qldc.govt.nz/assets/Uploads/Your-Views/Wanaka-Airport-Governance/1b.-Submissions-presented-at-the-Wanaka-Airport-Governance-Hearing.pdf>
- C Minutes of hearing
- D Draft SOI of Queenstown Airport Corporation
- E Legal Advice from Meredith Connell **[PUBLIC EXCLUDED]**

Wanaka Airport Governance Options Hearing of Submissions

Minutes of a hearing of submissions to the Wanaka Airport Governance Options held at in the Armstrong Room, Lake Wanaka Centre, Wanaka on Monday 13 February 2017 commencing at 10.00am.

Present

Councillors Hill, Lawton and MacLeod.

In Attendance

Mr Peter Hansby (General Manager Property & Infrastructure), Mr Richard Pope (Property Manager), Shelley Dawson (Senior Governance Advisor), 2 members of the media and 28 members of the public.

The Committee Advisor opened the hearing and introduced the hearing panel.

On the motion of Councillors Lawton and Hill it was resolved that Councillor MacLeod chair the meeting.

The Chair gave a brief introduction and run through of how the hearing would run.

Barry Bruce – Shaping our Future

Mr Bruce commented that he was representing the Wanaka transport taskforce which had been working on land, air and water transport in Wanaka. He noted that the taskforce had looked at the long term future of the airport and suggested 6 key recommendations in their submission. Mr Bruce noted that they considered it essential that Wanaka was adequately represented on any governance or ownership group to ensure Wanaka's interests were represented.

Andrew Bartholomew

Mr Bartholomew read from a prepared statement and noted that the consultation summary document was biased in favour of Council's preferred option. He suggested that the Wanaka airport was seen as supplementary to Queenstown with no mention of Wanaka's needs. Mr Bartholomew questioned why there was no competition or tender process and suggested that a referendum was required.

Nick Page

Mr Page commented that he opposed the proposed change of direction for management of the airport and noted that the community and Council needed to maintain control. He commented that the one commercial airport at Queenstown was enough. Mr Page suggested that the expertise of QAC could be better utilised to effectively manage Wanaka Airport. He noted that the community wanted long term planning for the airport, direct accountability from Council and better input from the community. Mr Page commented that the airport was a community asset and should be managed for the benefit of the community not as a commercial property.

Bruce Clulow

Mr Clulow spoke on behalf of himself and his brother who were recreational pilots and users of the Wanaka airport. He commented that they wanted to ensure that landing fees were kept reasonable and leases were affordable. Mr Clulow noted that Wanaka airport was built on general aviation and was now a big part of the community and of local tourism. He added that users wanted landing fees that were comparative with other areas as well as better communication between themselves and airport management

Trevor Duncan

Mr Duncan read from a prepared statement explaining the history and his involvement with the airport. He noted that recreational users did not need any more amenities than what were there currently and did not want to pay more for what they were using. Mr Duncan suggested a landing card that provided for unlimited landings for an annual fee as was used in other places around New Zealand. He also asked for better communication and suggested recreational users have a panel to represent them at any planning or strategic decision making meetings going forward. Mr Duncan noted he supported option 2.

Kevin Anderson

Mr Anderson read from his submission noting that general aviation and recreational fees were already high. He suggested a block fee per aircraft per year which would keep administration costs low. Mr Anderson also suggested a board or committee with representatives from QAC, QLDC and recreational users to give input on the running of the airport. He commented that charging an overnight parking fee while not providing any services would stop people from visiting the airport.

Brian Hore

Mr Hore noted that he owned a hangar at the airport, had several aircraft and flew as a recreational pilot in and out of Wanaka. He commented that he did not want increased costs for existing users. Mr Hore noted that Wanaka's fees were extravagant compared to those at Te Anau airport which was managed by the Southland District Council. Mr Hore was questioned as to who should pay for infrastructure upgrades and he commented that current users should not have to pay for future needs.

Shaun Gilbertson (speaking on behalf of Murray Patterson as well as himself)

Mr Gilbertson commented that he preferred option 2. and commented that there were other options to manage the airport more efficiently. He commented that there should be different rentals for recreational and commercial users. Mr Gilbertson suggested that the community needed to pay for capitalisation of the airfield as it was an integral part of Wanaka. He also noted that the fees at Wanaka should be more in line with other similar airports around the country. Councillor MacLeod suggested that in the context of the district Wanaka's competition was from Cromwell not Queenstown. Mr Gilbertson agreed noting that if ground rentals increased operators and users could easily move to Cromwell. He commented that Wanaka was a great little airport but it needed to be managed carefully.

Arthur Dovey

Mr Dovey commented that he had been involved in aviation for more than 50 years and that there was no future for commercial operations at Wanaka. He commented that QAC had no experience in general aviation and had no social responsibility to Wanaka and the Wanaka community. Mr Dovey suggested that high costs were because there was too much administration and that Wanaka airport needed to be represented by its own users and community. He commented that the NASA operations were a nuisance to local operators and users and should not be there.

The meeting adjourned at 11.30am to allow the next speakers time to arrive. The meeting reconvened at 11.50am.

Nikki Gladding - Sustainable Glenorchy

Ms Gladding noted that she had no opinion of option 3 but would talk to option 5 as it referenced Glenorchy. She noted that there had been extensive consultation with the Glenorchy community around the Glenorchy Airstrip Reserve Management Plan and the provisions of this were still being implemented. Ms Gladding voiced concern that the Glenorchy community had not been informed that the Glenorchy airstrip had been included as an option in this consultation.

Greg Doran (for Greg and Karelán Doran and the Doran Family Trusts)

Mr Doran commented that he was a hangar owner and member of the Wakatipu Aeroclub. He noted that the QAC submission suggested that costs should be covered by all users however general aviation users were being asked to pay for infrastructure they did not use or need. Mr Doran commented that Wanaka fees were more expensive than similar airports in the South Island and there were rumours that the fees were going to increase. He questioned what would happen with Warbirds Over Wanaka when their charter came to an end. He suggested that there should be more input and contribution from users in the strategic plan for the airport. Mr Doran highlighted that leases should have clear terms and rights of renewal in place adding that if the costs were too high or terms unacceptable then operators and users would go elsewhere.

The meeting adjourned at 12.16pm to allow speakers to arrive and reconvened at 12.29pm.

Trish and Paul Fraser

Ms Fraser commented that they did not want the Glenorchy airstrip included in any arrangement for integrated district wide air services. She commented that the consultation process was confusing and that the Glenorchy community was not informed. Ms Fraser noted that they had not had enough time to consider if this was a good option or not. She commented that the community was concerned at the commercialisation of the airstrip and the lack of consultation.

The meeting adjourned for lunch at 12.40pm and reconvened at 2.00pm.

Colin Keel – Queenstown Airport Corporation (QAC)

Mr Keel explained that he was the Chief Executive of QAC and noted that they looked at the district as one area with two airports. QAC recognised the history of aviation in Wanaka and they were committed to working with the community. He

commented that the current Wanaka service arrangement had a defined and limited scope. Mr Keel explained that QLDC owned more than 75% of QAC and Council was part of the decision making process. He noted that if QAC was given the long term lease they would actively work with the community on the airports long term master plan.

After questions Mr Keel explained that the Statement of Intent (SOI) process set out the three year plan for the airport and this was submitted to full Council for adoption. He explained that there were quarterly meetings between the Mayor, the Chief Executive of QLDC and the Chair and Chief Executive of QAC. Mr Keel noted that if they received the lease for Wanaka they would involve the community and key users in discussions on the development plan and masterplan for the airport. He commented that while QAC was a commercial operation they were sensitive to the history of the airport as well as new and existing users. Mr Keel noted that if commercial aviation was introduced to Wanaka it would require buy in from all operators and users. If QAC was granted the long term lease they would welcome working with the community on the master plan.

Alistair King – Wanaka Chamber of Commerce

Mr King commented that many points raised in their submission had been covered off by other speakers. He noted that the airport was a key strategic asset for the community and it was also integral to driving economic development in the district. Mr King noted that many concerns were around the lack of a strategic plan for the airport going forward.

Dan and Christine Kelly

Ms Kelly read from a prepared handout that noted the Reserve Management Plan for the Glenorchy was now in place and that a meeting was scheduled for the next day for community, users and residents interested in the management of the airstrip. She added that the community wished the airstrip to remain at a low operational level. Ms Kelly questioned how this fitted with the apparent view to consolidate it into a district wide airport strategy. She commented that there were opportunities and challenges to the current management plan and the proposed QAC lease model for Glenorchy.

The Chair thanked the Glenorchy submitters for travelling to Wanaka to have their say.

Jason Watkins – CUBE

Mr Watkins explained that the CUBE was effectively an economic development agency for the Upper Clutha. He noted that it was important to recognise the significance of the airport to the current and future economy. Mr Watkins commented that the importance of a relationship and investment such as the one with NASA should not be underestimated for the district. He noted that the airport should not be looked at in isolation but as a vital part of the community and economy.

Bill Day

Mr Day commented that he was the chair of the Wanaka Airport Users Group that was representative of commercial and recreational users as well as mechanics and

engineers. He noted that there was a sub group of recreational users and that Mr Dovey had specific views that were different from those of the group. Mr Day explained that the airport had developed from general aviation and there was a fear of increased charges for facilities that users didn't need. He suggested the need for grandfather clauses in the leases to protect the social investment that many users had built over time. Mr Day commented that if the decision was made to stop the status quo then he would like to see enhanced local governance.

Stu Moore

Mr Moore commented that he was a member of the Wanaka Recreational Flying Association and wished to address the misconception that if you owned an aircraft you were rich and could afford price increases. He suggested meeting with Council to discuss and establish annual landing fees before handing the airport over to a new governance model. He noted that the previous suggestion of a set annual fee regardless of the number of landings was a great option and that there needed to be more space or more affordable hangarage.

Ed Taylor - Warbirds Over Wanaka (WOW)

Mr Taylor commented that he was the General Manager of WOW which had a very long history with the airport. He explained that they had a deed of licence with QLDC to operate the airshow which they gave them control of the airport for 5 days during the show. Mr Taylor commented that their main concern was if QAC was given a long term lease the needs of WOW needed to be taken into account. WOW was a generator of economic benefit for the region and an iconic event and they wanted their licence to be enshrined within any new governance lease. They also sought input with QAC if they were looking at development and facilities. Mr Taylor noted that Wanaka could grow on innovation such as the NASA involvement and they did not have to be a commercial airport. He added that WOW opposed any development of buildings on the land recently purchased by QAC as it would severely impact on the airshow. Mr Taylor commented that aviation was a specific industry and need specialists to run an airport.

Tim Brown – Southern Hang Gliding and Paragliding Club

Mr Brown commented that he was president of the club and noted that they were one of the largest users when considering the number of flights taken. He added that they were unique in that they didn't use the airport but the airspace around it. Mr Brown explained that the area was a flying destination and what the airport did affected what fliers could or could not do in the airspace. He asked that the club be consulted with and have input in regards to the airspace and its use.

The meeting adjourned at 3.15pm and reconvened at 3.30pm.

Phil Page – on behalf of Jeremy Bell Investments (JBIL)

Mr Page read from a prepared statement noting that JBIL was interested in promoting Wanaka as a tourism destination and questioned if the preferred option was the best way to advance Wanaka's economic development. He suggested that alternatives to a QAC lease should be investigated as they had not been highlighted. Mr Page commented that if Wanaka's tourism was to grow then it needed to be more than just general aviation and questioned how Council would require the board to invest in the commercialisation of Wanaka airport if the board didn't want to.

Cooper Gyles – Wanaka Luxury Villas (via phone)

Mr Gyles commented that they were looking from a tourism view at the airport noting that tourism and visitors were continuing to grow. He noted that Queenstown airport was becoming saturated so Wanaka airport needed to be expanded to take any flights diverted from Queenstown. Mr Gyles commented that both airports needed to be managed commercially and QAC should take over the airport activities.

The Chair thanked the submitters for their time and contributions and he commented on the quality of submissions heard and the positive tone of the hearing.

The hearing was adjourned at 3.54pm.

The panel went into deliberations at 4.03pm

It was noted that the submitters were seeking surety that general aviation and recreational users would not be kicked out of the airport. Key points raised in the submissions were:

- seeking genuine community involvement in the airport as a community asset
- a request for benchmarks on leases (based on fair market rental) before management was handed over
- a suggested set annual landing fee for recreational users
- a plan of what the airport was going to look like in the next ten years

The panel was advised that there had been a previous decision not to sell the airport and that the option of seeking an alternative to QAC had been explored but did not meet the set threshold for further investigation. There was discussion around whether the CCTO structure could balance its corporate duties against community outcomes. It was noted that the QAC SOI would need to evolve a statement specifically around Wanaka. Discussion moved to the masterplan and Mr Hansby commented that there was real value in having QAC as part of that as they had the necessary expertise. It was noted that the community could view QAC's involvement in the plan as evidence that their management was a done deal.

There was discussion around how QAC could be held accountable to work with users and whether this was through a management plan or through the SOI and lease structure. Mr Pope suggested discussing the feedback with the legal advisor from Meredith Connell who had previously advised on the consultation. The panel agreed that this would be beneficial to define the correct terminology, principles and structure to ensure they achieved the outcomes they were looking for.

Mr Pope summarised that there were three choices within option 3 that they were looking at:

1. Creating a master plan prior to awarding the lease to QAC
2. Making a commitment to QAC subject to conditions such as the creation of a master plan and other lease conditions
3. Agree to a lease with QAC and their first task is to be creation of a master plan

Option 5 which proposed to include Glenorchy into district-wide air services was discussed. It was noted that there was already a management plan in place at Glenorchy. The panel recognised the community's concerns and agreed to leave the Glenorchy aerodrome out of the decision.

The panel agreed that to allow more time for officers to write the report and for further consideration, including with the legal advisor, the report should go to the April Council meeting rather than the March meeting.

Deliberations adjourned at 4.53pm until a meeting could be arranged with the legal team at a future date.

Attachment D



Queenstown Airport Corporation Ltd

Statement of Intent

2018-2020

DRAFT: 21 February 2017



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Introduction

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

About Us

Queenstown Airport Corporation

Queenstown Airport Corporation

Queenstown Airport Corporation (QAC) was incorporated in 1988 and is responsible for the management of Queenstown and Wanaka Airports. QAC strives to deliver an efficient and operationally safe airports with world-class facilities and an outstanding passenger experience that reflects the best the region has to offer.

The company, comprising approximately 49 staff, is owned:

x 75.01% by the Queenstown Lakes District Council (QLDC); and

x 24.99% by Auckland International Airport Limited (AIAL)

QAC is also engaged by QLDC to provide general airport and property management for Wanaka Airport and general airport and property maintenance management for the Glenorchy Aerodrome.

Queenstown Airport

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

Located 10 minutes from Queenstown, the airport services the region with daily domestic flights and regular direct trans-Tasman flights. It receives direct scheduled services from New Zealand's main metropolitan ports of Auckland, Wellington and Christchurch which provide strong regional links throughout the country, as well as from the Australian cities of Brisbane, Coolangatta, Sydney and Melbourne. Auckland and Sydney airports are the major international hub airports for long-haul visitors to the region.

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

Wanaka Airport

Internationally renowned for the bi-annual Warbirds over Wanaka air show, and awarded New Zealand regional airport of the year in 2015, Wanaka Airport already serves a broad range of visitors to the region and holds considerable potential for growth. More than 200 people work in and around the airport on day-to-day operations, including flightseeing to Milford and Mount Cook and surrounding areas, helicopter training and chartering, private recreational aviation, and charter operations. In March 2015, Wanaka Airport also became the site of New Zealand's first scientific space balloon launch.

Queenstown Airport Corporation

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

~~QAC is also engaged by QLDC to provide general airport and property management for Wanaka Airport and property maintenance for the Glenorchy Aerodrome.~~

Commercial Value

As at 30 June 2016, QAC's land, land improvements and buildings were valued at \$231 million and included 137.3 ha on Frankton Flats. This comprised:

- x 83ha incorporating the airfield, runways and aprons, rescue fire facilities and air traffic control tower
- x 8ha of terminal, car parking, road network and commercial land leased to airport-related businesses
- x 17ha of commercial land used by General Aviation
- x 17ha of underdeveloped land recently rezoned for Plan Change 19 land to the north of the runway
- x 12ha of underdeveloped rural and golf course lease.
- x 0.3 ha of residential land

QAC's estimated commercial value, as adopted by its Board of Directors in 2014, was between \$177 million and \$206 million. This was in line with a PwC valuation in November 2013. The Board will commission a new valuation as at 30 June 2017.

Regional Economic Driver

According to the NZ Institute of Economic Research (NZIER), the economic impact of Queenstown Airport visitors' spending in the Otago region in 2015 was estimated to be \$1.6 billion. Economic benefits for both New Zealand and the region are expected to increase significantly over the next 20 years in line with forecast passenger growth.

Situational Overview

QAC's business success and growth is intrinsically linked to the health of New Zealand's tourism and visitor industry. In turn, the industry depends on the [Queenstown and Wanaka Airports](#) to provide sustainable air connectivity and a world-class visitor experience to help it achieve its tourism industry goal of \$41 billion annual revenue by 2025.

Visitor growth and demand has been strong, driven by the attractiveness of New Zealand and our region as a destination, a multitude of new air services, relatively cheap fuel prices and support from strong marketing campaigns.

Queenstown Airport has responded to this sustained passenger growth by delivering infrastructure 'just in time' which has suited those stakeholders who provide funding for such improvements. We continue to work closely with aviation and tourism partners to identify future growth opportunities, particularly building evening flight capacity and maintaining a consistent daily and seasonal schedule. We are committed to ensuring airport infrastructure is developed to meet that demand and pursuing operational efficiencies through technology and process innovation.

Our demand forecasts predict that annual passenger numbers have the potential to increase from 1.8 million in 2017 to 3.2 million by 2025, so we are mindful that there is a need to manage sustainably future growth in line with stakeholder and community expectations.

Appropriately targeted investment in regional infrastructure and tourism facilities continues to be a critical factor in keeping pace with anticipated growth and retaining a quality visitor experience. Both from an airport perspective and as a proud community member, we are committed to working with communities and stakeholders to address these issues and maintain a healthy balance.

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

Until these infrastructure challenges are resolved, they pose a risk to achieving our strategic objectives. In order to fulfil the growth and development potential of the airports, we are developing mitigating strategies in a collaborative manner with key stakeholders and local communities to build a shared understanding, support and pride in the value we deliver.

Our 30-year master plan [for Queenstown Airport](#) will be released later this year for discussion and will provide a roadmap for future ~~airport~~ developments to deliver a memorable visitor experience and generate sustainable growth and value to our communities and stakeholders alike.

~~QLDC is currently reviewing the governance of Wanaka Airport. QAC has made a public submission supporting QLDC's proposed approach and confirming its interest in playing a role in the future development of Wanaka Airport. QAC acquired a long-term lease over Wanaka Airport in 2017. Wanaka Airport holds considerable opportunities for development, driving economic growth in Wanaka and in the region more broadly. We look forward to delivering high-quality and cost effective outcomes and services to the community, and both commercial and non-commercial aviation users. We are committed to improving the long-term value and performance of Wanaka Airport and see a unique opportunity to build complementary links with Queenstown Airport for the benefit of the region.~~

[We are beginning work on a strategic master plan for the future development o Wanaka Airport. This will include a communication and engagement programme involving airport users and the wider community.](#)

Key Strategic Projects

	FY2016 - completed	FY2017	FY2018	FY2019	FY2020
Evening flights (Queenstown Airport)	Successful delivery of airport infrastructure, staff, communications.	Successful rollout. Expand on winter evening flights - airlines, schedules.	Expand on winter evening flights - airlines, schedules.	Identify further opportunities.	Identify further opportunities.
Master plan (Queenstown Airport)	Consultant procurement. Planning commences.	Development of plan. Stakeholder and community engagement.	Continue community engagement. Implementation.	Implementation.	Implementation.
Noise planning (Queenstown Airport)	Submissions on PDP to ensure provisions for PC35 are adequately incorporated.	Hearings progressed in PDP process to ensure PC35 provisions are incorporated. Review current noise boundaries in relation to demand forecasts.	Continuation of PDP hearings incorporating PC35 provisions. Progress changes to noise planning framework if required.	Continue to progress changes to noise planning framework if required.	Finalise any changes to noise planning framework.
Aircraft noise mitigation (Queenstown Airport)	Commence full noise mitigation packages for 13 homes in Inner Noise Sector.	Complete work in Inner Noise Sector. Commence Mid Noise Sector.	Continue works in annual or two-yearly tranches for next 20 years.	Continue works in annual or 2-yearly tranches for next 20 years.	Continue works in annual or 2-yearly tranches for next 20 years.
Strategic land acquisition (Queenstown Airport)	Aeronautical study demonstrating operational effectiveness of taxiway on Lot 6.	Environment Court decision. Public Works Act (PWA) reinstated.	PWA decision.	Continue to assess opportunities as they arise.	Continue to assess opportunities as they arise.
Master plan (Queenstown Airport)	Consultant procurement. Planning commences.	Development of plan. Stakeholder and community engagement.	Continue community engagement. Implementation.	Implementation.	Implementation.
Master Plan (Wanaka Airport)	n/a	Consultant procurement. Planning commences. Development of plan. Stakeholder and community engagement.	Development of plan. Stakeholder and community engagement. Continue community engagement. Implementation.	Continue community engagement. Implementation.	Implementation.

Vision and Objectives

Vision

Our vision is to position ourselves as **a World Leading Tourism Airport Operator**, taking full advantage of the region’s appeal as a leisure and visitor destination.

Our key point of difference is that **Queenstown Airport** ~~we are~~ **is** a destination airport with a high potential for return visitation. Our

‘fly direct to destination’ value proposition is attractive to both domestic and international travellers, particularly those who are time-poor or those looking for an Australia/New Zealand dual destination holiday.

The sheer scale and beauty of our natural environment also sets us apart - the moment a passenger flies in to Queenstown and steps off their aircraft, whether they be a resident or visitor, they experience a wow factor.

Users of both airports are undoubtedly attracted to the region’s unique alpine surroundings. Our vision will never lose sight of creating a wonderful and unique lasting impression through our scenery, our people-first focus on safety, comfort and experience, and the boutique retail offering within the **Queenstown Airport** terminal designed to reflect the best of our region.

Our vision will deliver **sustainable growth for our region by connecting people**. This will be demonstrated in the way we work with the wider airport community and with the Queenstown District community. It cannot be achieved without this close co-operation.

Objectives

The success of our vision will be measured in 3 areas - **People, Place and Performance**, each with objectives related to our four major stakeholder groups - **Our Visitors, QAC Team, Airport Community and Local Community**.

World Leading Tourism Airport Sustaining our region, connecting people



	People	Place	Performance
Visitor	Every visitor feels cared for and valued	Visitors find the airport to be a safe, relaxed and innovative environment that anticipates their needs and represents the best of the region	Exceptional visitor feedback across the end-to-end airport experience
QAC	A team that feels respected and empowered to deliver an outstanding visitor experience	A safe, healthy and friendly work environment that supports “one team”	Optimised return on assets with sustainable growth in shareholder value while ensuring operational integrity
Airport	An airport community that works together to ensure an outstanding visitor experience	A well planned airport connecting all activities, creating a sense of place and providing a platform for the airport community to grow and prosper	Airport partners consistently meeting their objectives supported by safe and efficient operations and an outstanding visitor experience
Community	A local community that is proud of and engaged with its growing airport	Connecting the region to the world whilst minimising the impact on the unique environment	Sustainable regional growth achieved across a long time horizon

Strategic Pillars

We will achieve our vision and adhere to our objectives through four strategic pillars:



OPERATIONS STRATEGY

Making journeys safe, secure, efficient and rewarding for us all

Objectives	Key initiatives	Performance targets	Timing
Work with our airline and airport stakeholders to deliver passenger growth and share the rewards	<ul style="list-style-type: none"> x Continue to work on initiatives to encourage airlines to fly directly to Queenstown and to grow sustainable air connectivity with a focus on expanding existing links and capitalising on new opportunities x Further evaluate how visitors connect with Queenstown based on our 30-year demand forecasting and our route development strategy 	<ul style="list-style-type: none"> x Growth in passengers across shoulder months x Airline route planning study completed 	<ul style="list-style-type: none"> x June 2017 x July 2016
Deliver affordable, timely infrastructure for the safe, secure and efficient movement of people	<ul style="list-style-type: none"> x Maximise existing Queenstown Airport terminal capacity through the introduction of evening (after-dark) flights in winter 2016. Evening flights will allow the airport to take advantage of its full consented operational hours between 06:00 and 22:00, moving from an approximate 8-hour operating window during the winter peak to a 16-hour operating window x Continue to manage resourcing within QAC's Operations team to manage both overall growth and growth into the expanded hours of operation. Following a restructure in late 2015, the new structure was revised after 12 months with additional resourcing in passenger facilitation and project delivery areas. A strong focus on collaborative operations, continuous improvement and facilities management continues across the business x The acquisition of Lot 6 continues to be a priority in order to optimise airfield operations, allowing the positioning of a parallel taxiway and relocating the general aviation precinct away from scheduled operations and enabling additional apron capacity for scheduled operations 	<ul style="list-style-type: none"> x Phase 4 - airfield upgrade project (trapezoidal grooving of Runway 05/240) x Roll out communications for phase 4 of airfield upgrade project x Operations team restructured and ongoing review of resources following evening flights x Purchase and implement new winter operations equipment as per plan x Plan to increase capacity in baggage make-up area in place for delivery in FY18 x Plan for new apron asphalt overlay in place and ready for delivery in FY18 x Aeronautical study developed and accepted by CAA, Environment Court proceedings concluded 	<ul style="list-style-type: none"> x March 2017 x February/March 2017 x March 2017 x April 17 x June 2017 x June 2017 x June 2017

OPERATIONS STRATEGY

Making journeys safe, secure, efficient and rewarding for us all

Objectives	Key initiatives	Performance targets	Timing
Deliver New Zealand's safest, most secure and efficient passenger experience through engaging with the airport community in collaborative operations	x Operations team will continue to lead the promotion, scope and delivery of improvements for passenger facilitation, operational processes and systems	x Collaborative Border Agency Space Modification (BASM) group to focus on terminal capacity optimisation, end-to-end process improvement of passenger facilitation and operational efficiencies	x December 2016
	x Establish baseline passenger processing time in arrivals and departure processing halls and set processing performance targets with border agencies	x Seasonally-based passenger processing targets agreed by border agencies, reviewed weekly and reported	x November 2016 and March 2017
	x Continue to work with Customs to expand the nationalities which can utilise E-Gates	x New biometric automated passenger processing expanded to more nationalities	x August 2017
	x IATA service level C maintained for all but peak days	x Top 5 and bottom 5 quarterly targets shared with collaborative operations team and improvement targets set	x Ongoing
Achieve Zero Harm (People and Environmental Incident) through leadership focused on health, safety and risk management, clear accountabilities and effective systems	x Continue to engage the wider airport community in a collaborative approach toward continuous improvement in site health and safety	x Target = achieve zero harm to people and environment	x Ongoing
	x Continue to develop the organisation's risk management framework	x Target = zero harm injuries to airport community and passengers in airport precinct	x Ongoing
	x Through focused leadership, continue to drive a strong Health and Safety culture within QAC	x Comprehensive safety leadership engagement programme for the Senior Leadership team	x March 2017
	x Promote a 'just culture' and open reporting system where we focus on key learnings	x 'Just culture' procedures embedded in business as usual operations	x June 2017
	x Maintain effective Health & Safety environmental systems which exceed legislative requirements	x Achieve health and safety accreditation against AS/NZS 4801 and continue to implement SMS against 3-year plan	x September 2016
	x Regularly review the QAC Business Continuity Management (BCM) framework to reflect the size and response scale of operation	x Stress-test BCM plan/contingency procedures	x June 2017
	x Continue to practise and stress-test our emergency preparedness (airport emergency plans)	x Further non-aeronautical (i.e. earthquake, terminal fire) exercises planned and delivered to stress-test our emergency preparedness	x June 2017

OPERATIONS STRATEGY

Making journeys safe, secure, efficient and rewarding for us all

Objectives	Key initiatives	Performance targets	Timing
Deliver reliable facilities and infrastructure through asset lifecycle management, effective maintenance and contingency planning	x Build a comprehensive inventory of assets and understand their current performance/condition in order to develop a Asset Management Plan	x Comprehensive facilities maintenance and lifecycle replacement programme scoped	x August 2017
	x Implement a Project Management system to manage the delivery of capital projects	x Projects can be easily and effectively managed through their entire life cycle	x May 2017
	x Implement Maintenance Management System	x Maintenance faults and defects can be identified and managed through to resolution	x November 2016 and June 2017
	x Contingency plans and/or infrastructure in place for key utility services and aeronautical systems, i.e. power, water, waste water, runway lighting, CCTV, access control, FIDs, ATC	x Airport utility and systems contingency risks identified, documented and an implementation plan in place	x January 2017 onwards
	x Develop an energy conservation programme for airport terminal infrastructure	x Set energy conservation targets	x May 2017
	x Waste minimisation programmes developed	x Set waste minimisation targets	x February 2018

COMMERCIAL STRATEGY

Providing value to our visitors

Objectives	Key initiatives	Performance targets	Timing
Develop a boutique terminal retail mix at Queenstown Airport that reflects the uniqueness and quality of the regional experience and optimises returns and customer satisfaction	x Continue to develop terminal retail to provide a boutique shopping environment for consumers, with a mix of local owner-operators and larger corporate-owned stores	x Commercial revenue growth as per financial forecast *	x 2018-2020
	x Continue to optimise and expand the terminal for passenger flow, processing areas and retail mix through the master planning process		
Optimise returns from transport networking activity by optimising products, price and partnerships	x Changes to the Queenstown Airport terminal road network and carparks will be made in 2016/17 to improve flow and reduce congestion. This will in turn provide us with opportunities to review and diversify products and the pricing structure for the commercial and public car parks	x Improvements to road layout and flow completed	x June 2017
	x Launch a 12-month park and ride trial	x New commercial vehicle layout and licence structure introduced	x June 2017
	x A new car parking and transport strategy will assist us in future planning for car parking, ground transport capacity and new related products	x Public car park pricing reviewed and new products and sales channels added	x 2017 – June 2019
		x Park and ride trial provides sufficient data to inform a long-term off-terminal strategy	x April 2017 – April 2018
Introduce innovative new revenue opportunities, particularly through the use of digital media and technology	x Monitor new technologies and trends and form strategic partnerships to provide new revenue opportunities, customer enhancements or airport efficiencies	x Monitor customer experience and behaviours via quarterly research results (i.e. airport experience survey)	x Quarterly
	x Use WiFi heatmapping technology to monitor dwell times and use the information to develop most valuable terminal spaces	x Review advertising assets, contracts and suppliers	x February 2017 and June 2018
	x Work collaboratively with advertising agencies and potential advertisers to create new and different ways to connect with customers. Focus on experiential advertising to help create a sense of place and ambience in the terminal	x Roll out a phased plan of digital media and technology improvements	x June 2017
	x Input into master plan to ensure there are optimal spaces for advertising with a focus on more flexibility to introduce/update digital technology		

PROPERTY STRATEGY

Making best use of our land

Objectives	Key initiatives	Performance targets	Timing
Develop a master plans for both Queenstown and Wanaka airports that will inform internal planning, facilitate stakeholder & community engagement and provide a spatial framework for the airport's' futures	<ul style="list-style-type: none"> x The 30-year master plan process will provide guidance on the land needed for future aeronautical operations and planning requirements for planned growth x Explore the opportunity to capitalise on the growth in Frankton Flats by integrating the airport into the surrounding area to support other economic areas for the district x Provide for region-wide aviation growth and opportunities by working to develop a long term plan for Wanaka Airport 	<ul style="list-style-type: none"> x Queenstown Airport Draft Master Plan _ completed x Queenstown Airport Final Master Plan developed x Stakeholder engagement on Queenstown Airport Draft Master Plan. x Community engagement on Queenstown Airport Draft Master Plan. x Wanaka Airport Draft Master Plan. 	<ul style="list-style-type: none"> x February 2017 x June 2017 x Ongoing, by June 2017 x 2017 _ ongoing x [2018]
Protect the airport's' long term objectives and capacities by inputting to national, regional and local planning, and addressing proposed developments/land uses within the airport's' designations	<ul style="list-style-type: none"> x Be proactive in regulatory planning issues, submitting as required on national, regional and local planning frameworks x Engage with the QLDC Proposed District Plan (PDP) process to ensure Queenstown and Wanaka airport's' planning frameworks are provided for, protected or enhanced x Actively participate in community discussions to help maintain visitor experience and quality of life for the permanent resident base. This would assist in integrating the airports in the local community as they expand over the coming 30 years 	<ul style="list-style-type: none"> x Airport Mixed Use Zone is approved and operative for both Queenstown and Wanaka Airports x PC35 (QAC) and PC26 (Wanaka) provisions and recognition of Queenstown Airport as nationally significant infrastructure is effectively confirmed within the District Plan review 	<ul style="list-style-type: none"> x December 2017 (subject to PDP time frame)
Develop land holdings to maximise return on investment while complementing long term aviation growth	<ul style="list-style-type: none"> x Assess development opportunities for their long term sustainable value to the airports within our relatively constrained land available for this use. Specific opportunities being explored include working with QLDC on the development of a transport hub linked to QAC's transport network, visitor accommodation, and commercial/industrial development, in relation to Queenstown Airport. 	<ul style="list-style-type: none"> x Broad land uses determined in Master Plan process 	<ul style="list-style-type: none"> x June 2017
Work with key partners to ensure infrastructure outside the airport supports and does not constrain long term airport growth and vis versa	<ul style="list-style-type: none"> x Participate and provide joint leadership in the Transport Governance Group together with QLDC, NZTA and ORC 	<ul style="list-style-type: none"> x Joint development of a Queenstown Integrated Programmed Business Case 	<ul style="list-style-type: none"> x June 2017

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PROPERTY STRATEGY

Making best use of our land

Objectives	Key initiatives	Performance targets	Timing
Acquire or rationalise land holdings to support our strategies	<ul style="list-style-type: none"> x Secure and develop Lot 6 to accommodate a 168m separated heavy taxiway and a new aviation precinct. x Assess opportunities to acquire other land that will support the long term growth of the airports. 	<ul style="list-style-type: none"> x Secure the acquisition of 'Lot 6' x Assess and present land acquisition opportunities on case by case merits 	<ul style="list-style-type: none"> x FY18 x 2017 - ongoing
Optimise returns on property, leases, licences and commercial property held within QAC's portfolio <u>where appropriate</u>	<ul style="list-style-type: none"> x Continue to evaluate opportunities to grow commercial property portfolio revenues are focused on re-negotiating rents during reviews and when establishing new leases in existing areas based on benchmarking and market dynamics. x <u>Have regard to the interests both commercial and non-commercial aviation users of Wanaka Airport when reviewing ground leases</u> 	<ul style="list-style-type: none"> x Implement property management system x Leases and licences reviewed and renewed and up to date x New lease and licence opportunities evaluated and implemented on case by case merits x Revenue targets – as per Financial Forecast 	<ul style="list-style-type: none"> x June 2017 x FY17 x 2017 – ongoing x FY17 x 2018-2020
Design & deliver affordable, timely transport infrastructure for the safe and efficient movement of people and supporting an outstanding visitor experience	<ul style="list-style-type: none"> x Implement improvements to the vehicle transport and roading networks within landholdings, <u>particularly at Queenstown Airport</u> x Integrate with and support the economic development of Queenstown and the surrounding region including a transport hub which would support local and visitor traffic, linking private vehicles, commercial tourism transport, public buses and possibly ferries. 	<ul style="list-style-type: none"> x Airport carpark and roading network (Stage IV) improvements delivered x Evaluate further opportunities for car parking capacity increases x Draft transport strategy and plan developed 	<ul style="list-style-type: none"> x June 2017 x Dec 2017 and ongoing x June 2017
<u>Provide for region-wide aviation growth and opportunities by working to develop a long term plan for Wanaka Airport</u>	<ul style="list-style-type: none"> x Participate in QLDC's governance review process for Wanaka Airport x If a decision is made by QLDC to issue a long term lease of Wanaka Airport to QAC, develop plans to ensure a smooth transition and integration, with strong community support. 	<ul style="list-style-type: none"> x Input as required into QLDC's governance review process x Complete negotiation and documentation of any lease 	<ul style="list-style-type: none"> x March 2017 x June 2017

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ONE TEAM STRATEGY

Working together to deliver the best outcomes

Objectives	Key initiatives	Performance targets	Timing
Invest in our team's development and wellbeing and build an empowered one team culture	<ul style="list-style-type: none"> x Roll out QAC's team values programme and embed throughout the company and wider airport community x Consolidate wellness programme throughout organisation 	<ul style="list-style-type: none"> x Employee survey engagement matrix analysis x Staff feel valued and are recognised for a job well done x High level of engaged and motivated staff 	<ul style="list-style-type: none"> x Ongoing
Create a deep understanding of our customers, their needs and desires - and how they'll change - to provide a memorable airport experience and effective value propositions	<ul style="list-style-type: none"> x Consolidate the data sets built over the past 18 months to build a comprehensive framework of customer insights at Queenstown Airport. x Begin accumulating data sets for Wanaka Airport 	<ul style="list-style-type: none"> x Create customer experience and journey framework for Queenstown Airport x Create customer experience and journey framework for Wanaka Airport 	<ul style="list-style-type: none"> x Dec 2017 x [Dec 2019]
Work with our airline & airport partners to optimise operational efficiency and visitor experience through lean and continuous improvement initiatives	<ul style="list-style-type: none"> x Work with airline, agency and other airport stakeholders to deliver cross-airport process improvement using lean and other tools. Initial focus is departures processing and ground transport and car parking 	<ul style="list-style-type: none"> x Complete 2 lean proof of concept projects (Wave 1): Baggage Make Up and Car Parking x Subsequent lean improvement projects implemented (Wave 2, Wave 3) 	<ul style="list-style-type: none"> x Sept 2017 (Wave 1) x Mar 2018 (Wave 2) x Q1 2019 (Wave 3)

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ONE TEAM STRATEGY			
Working together to deliver the best outcomes			
Objectives	Key initiatives	Performance targets	Timing
Build engagement with stakeholders and the wider region to connect more deeply with the community served by the airports	x Refresh Queenstown Airport stakeholder engagement plan	x Draft communication and engagement policy plan for Wanaka Airport	x [December 2017]
	x Develop policy for communication and engagement with Wanaka community during the development of master plan and on an ongoing basis	x QAC staff are recognised leaders and role models among the wider airport team and community	x Ongoing
	x Proactive and regular communication to stakeholders	x High level of engaged and motivated staff	x Ongoing
	x Develop and roll out project-specific communications	x Supportive environment for wider airport community to work as one team	x Ongoing
	x Use our company values to identify/refine community engagement opportunities		
	x Actively participate in community discussions to help		
Be a leader, working collaboratively at a local, regional and national level to find solutions to the region's destination management issues	x Work with QLDC, relevant agencies, the business community and the wider resident communities on discussing solutions to destination management issues	x Regular report to the Board	x Monthly
		x Be an integral member and respected voice within the wider business community on key issues	
Implement the Queenstown Airport noise management plan to mitigate noise impacts and address community concerns	x Mitigation work will continue rolling out for homes in the inner noise sector	x Airport noise, as measured, is within the levels set in the District Plan	x Ongoing
	x Start work on homes in the mid noise sector	x Inner noise sector mitigation works commenced on first round of homes	x June 2017
	x Noise mitigation works to continue in annual or two-yearly tranches for the next 20 years	x Communications are regular, accurate and relevant e.g. passenger stats, website content, ZQN Newsletter, and media releases	

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ONE TEAM STRATEGY

Working together to deliver the best outcomes

Objectives	Key initiatives	Performance targets	Timing
Optimise facilities and infrastructure to reduce energy consumption, reduce waste and enhance environmental sustainability	<ul style="list-style-type: none"> x Reduce the climate change impacts of Queenstown-Queenstown and Wanaka Airport and realise cost savings from energy and fuel efficiencies x Set targets for annual total potable water consumption (m3), annual total potable water savings (m3) and uptake water efficient technologies and opportunities, e.g. bore water, grey water, rain capture etc. x Set targets for annual waste production (tonnes), annual waste recycled (tonnes), and annual waste minimised (tonnes) x Build targeted supply chain partnerships to enhance the Queenstown Airport's sustainability performance x Set annual environmental performance targets, (including aircraft noise), identify opportunities and implement projects to enhance New Zealand's biodiversity. x Identify an appropriate sustainable business accreditation to measure and benchmark ongoing improvement in environmental sustainability 	<ul style="list-style-type: none"> x Refer Aeronautical Strategy targets x Quarterly report to the Board x Baseline metrics and measurements established in line with a sustainable business accreditation process. 	<ul style="list-style-type: none"> x Refer Aeronautical Strategy timing x March 2017 x June 2017
Fund airport strategies cost-effectively through banking and other partnerships	<ul style="list-style-type: none"> x Prepare a funding plan for the Master Plan capital requirements, including review of dividend policy. 	<ul style="list-style-type: none"> x Funding plan 	<ul style="list-style-type: none"> x June 2017
Technology improvements to improve visitor experience, business resilience and operational efficiency	<ul style="list-style-type: none"> x Implement a cyber security strategy and enhance disaster recovery to strengthen Queenstown Airport's resilience x Implement Car Parking and Ground Transport technology improvements to improve efficiency and visitor experience at Queenstown Airport x Improved CCTV to enhance visitor safety and operational efficiency at Queenstown Airport 	<ul style="list-style-type: none"> x Cyber security strategy implemented x Car parking and ground transport improvements implemented x A new disaster recovery strategy is implemented x CCTV upgrade completed 	<ul style="list-style-type: none"> x Aug 2017 x Dec 2017 x Aug 2018 x Sep 2019

Financial Forecast FY2018-2020

FINANCIAL FORECAST 2018-20

For the Financial Years Ending 30th June

	Forecast FY18 \$'000	Forecast FY19 \$'000	Forecast FY20 \$'000
Revenue	45,472	41,609	45,955
Operating Expenditure	12,993	14,072	14,647
EBITDA	32,479	27,537	31,307
Interest expense	2,453	2,378	1,906
Depreciation & Amortisation	7,295	8,006	8,187
Profit Before Tax	22,731	17,153	21,213
Net Profit After Tax	16,366	12,350	15,274
Dividends Paid	6,290	8,183	6,175
Total Assets	326,025	359,332	392,651
Shareholders Funds	236,491	256,658	275,764
Operating Cash Flow	22,444	18,517	20,894
Capital Expenditure	35,641	24,836	25,717
Closing Debt	76,618	90,406	103,702
Net Drawdown/(Repayment of) Debt	19,551	13,788	13,296

Financial Ratios

	Forecast FY18	Forecast FY19	Forecast FY20
Total Pax (000)	2,107	2,180	2,243
Percentage International Pax	30%	31%	32%
Revenue per Pax	\$ 21.58	\$ 19.08	\$ 20.49
NPAT per Pax	\$ 7.77	\$ 5.66	\$ 6.81
Return on Equity (NPAT to Avg SH Funds)	7.0%	5.0%	5.7%
Return on Assets (NPAT to Avg Total Assets)	5.2%	3.6%	4.1%
EBITDA to Total Assets	10.0%	7.7%	8.0%
Gearing: Debt : EBITDA	2.4	3.3	3.3
Bank Covenants			
EBITDA > 2 times funding expense	10.9	6.9	6.7
Shareholders Funds to Total Tangible Assets > 50%	74%	73%	72%

Notes

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

These forecasts will be refined by June 2017, as the Master Plan and related strategies (including aero-pricing) are finalised. They exclude the impact of any change in the Wanaka Airport Governance structure.

Shareholder Interaction and Corporate Governance

Regulatory Framework

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

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

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

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

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

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

Statement of Intent (SOI) Process

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

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

Board of Directors

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

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

The Board works collaboratively with its Shareholders to ensure a "no surprises" relationship. As part of that relationship, Shareholder representatives are invited to attend board meetings as observers.

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

Role of the Board

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

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

Code of Conduct

The Board has adopted a code of conduct based on the New Zealand Institute of Directors' Code of Practice for Directors. The purpose of the code is to clarify how the Board of Directors shall define and deal with:

- | | |
|---|---|
| x The role and fundamental obligations of the Board | x Reliance on information and independent advice |
| x Independence and conflict of interest, including conflict with management | x Confidentiality of company information |
| x Board procedures, including the role of the Chairman and interaction with the CEO | x Board and Director performance review and development |

Reporting to Shareholders

The Company has adopted 30 June as its balance date.

Within two months of the end of the first half of each financial year, Directors will deliver an Interim report to Shareholders including unaudited Interim financial statements for the period ending 31 December.

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

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

Quarterly meetings are held between QAC's Chairman and CEO and QLDC's Mayor and CEO. These meetings are an opportunity to provide greater insights and information on business performance and issues of importance.

Dividend Policy

The Board will declare dividends according to the following policy:

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

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

Prior to declaring a dividend the Board will consult with the Shareholders, and seek advice where necessary, to ensure that the tax consequences for each Shareholder are managed.

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

A review of the Dividend Policy will be completed to ensure QAC's policy is consistent with industry best practice.

Capital Subscription

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

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

Investment in Other Entities

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

Services Provided to QLDC

QAC receives a fee from QLDC for the provision of management services at Wanaka Airport calculated on a cost recovery basis only. This fee includes the cost of an onsite Operations Manager and Administration Manager, providing operations, safety and property management as well as accounting and administration services.

QAC also provides property maintenance services at Glenorchy Aerodrome on behalf of QLDC.

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

Strategic Alliance with AIAL

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

The financial and passenger growth targets that were initially set have been exceeded and the strategic alliance continues to deliver long term value for QAC. AIAL's sharing of intellectual property and airport expertise, particularly in route development, operational systems and processes, and commercial expertise has been of significant benefit. These benefits have been reflected in passenger growth and improved operational and cost efficiencies within QAC.

The focus of the strategic alliance for the next five years will be for [the two Queenstown Airport and Auckland International Airport airports](#) to leverage the scale and connectivity of a multi-airport relationship to grow visitor activity and deliver superior earnings growth to both airports and economic growth to their respective communities.

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

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

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

Audit

The Office of the Auditor General (OAG) appointed Deloitte to undertake the Audit of QAC for the three years ended 30 June 2014 to 2016. The OAG is currently reviewing the renewal of this engagement.

Accounting Policies

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

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

Corporate Directory

Location:	Queenstown Airport Corporation Airport Administration, Queenstown Airport Sir Henry Wigley Drive Frankton Queenstown 9300	
Mailing address:	PO Box 2641 Queenstown 9349 NEW ZEALAND	
Phone:	+64 3 450 9031	
Email:	admin@queenstownairport.co.nz	
Website:	www.queenstownairport.co.nz	
Shareholders	Queenstown Lakes District Council (75.01%) Auckland Airport Holdings (No2) Limited (24.99%)	
Directors	John Gilks (Chairman) James Hadley Grant Lilly Michael Stiassny Norman Thompson	
Senior Management	Chief Executive Officer	Colin Keel colin.keel@queenstownairport.co.nz
	Chief Financial Officer	Mark Edghill marke@queenstownairport.co.nz
	GM Operations	Mike Clay mikec@queenstownairport.co.nz
	GM Property	Rachel Tregidga rachelt@queenstownairport.co.nz
	Communications Manager	Jen Andrews jen@queenstownairport.co.nz
Senior persons per Civil Aviation Rules, part 139	Chief Executive Officer Chief	Colin Keel
	Financial Officer General	Mark Edghill
	Manager Operations	Mike Clay
	Manager Airfield and Compliance	Chris Johnson

Abbreviations

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

**QLDC Council
20 April 2017****Report for Agenda Item: 2****Department: Planning & Development****Title: Wakatipu Basin Land Use Study (WBLUS)****Purpose**

- 1 The purpose of this report is to provide Council with a summary of the preliminary findings of the Wakatipu Basin Land Use Study (**WBLUS**). It also provides recommendations regarding the future steps in relation to the WBLUS. It is emphasised the release of the WBLUS is for information purposes only. This report does not represent Council's view on the preliminary findings. Further investigation into the findings of the report and its recommendations is required.

Executive Summary

- 2 The WBLUS was completed by external consultants in response to a minute (dated 1 July 2016) released by the Hearings Panel, as part of the Proposed District Plan (**PDP**) process. In this minute the Hearing Panel raised concern that the fully discretionary activity regime of the Rural General Zone would not achieve the Strategic Direction of the PDP in the Wakatipu Basin.
- 3 To complete this assessment the external consultants undertook a detailed investigation of a range of sources of information relating directly to the Wakatipu Basin (**the Basin**).
- 4 The research and analysis relating to the WBLUS has led the consultants to the following preliminary conclusions:
 - a. The Basin is a special landscape that is critical to retaining the high quality of Queenstown's environment. The Basin is integral to the visitor and resident experience of Queenstown and plays an important part in the local economy;
 - b. Increasing populations from both residents and visitor accommodation is a core driver of the development pressures on the Basin and contribution to cumulative adverse effects on its values;
 - c. Protection of the Basin from inappropriate development is the fundamental driver to establishing an appropriate planning regime. The existing rural character of the area is no longer derived from farming activities but a mix of rural activities that reflect lifestyle uses of land, with pockets of small scale "hobby farming". Larger farming blocks that are actively farmed for productive purposes are generally located in the outer 'peripheral parts' of the Basin;

- d. Areas within the Basin can be characterised as having High to Very Low capability to absorb additional development. This varying absorption capability commends a range of potential planning strategy responses;
 - e. The 'Discretionary Activity' planning regime promoted in the PDP is unlikely to achieve its Strategic Direction; and
 - f. Planning provisions of the Basin should stand alone and be clearly distinguishable from the general zonings that apply to the rest of the District.
- 5 It is important to emphasis the findings of the WBLUS do not represent Council's view at this point in time. It is being publicly released for information purposes only. Further investigation and input is required from Council officers in order to determine if the recommendations are appropriate, and if any changes to the PDP are required.

Recommendation

That Council:

1. **Note** the contents of this report, and that the release of the Wakatipu Basin Land Use Study is for information purposes only and that it does not represent Council's view at this time; and
2. **Instruct** staff to review the Wakatipu Basin Land Use Study and to develop possible planning responses to be reported back to Council.

Prepared by:



Anita Vanstone
Senior Policy Planner

4/04/2017

Reviewed and Authorised by:



Tony Avery
General Manager, Planning &
Development

4/04/2017

Background

- 5 The District Plan Review commenced in April 2014 and the Proposed District Plan (**PDP**) was notified in August 2015.
- 6 The Strategic Direction and Rural Chapters were heard as part of hearing streams 1B and 2. Upon completion of the hearing of submissions on the Strategic Direction, Landscape, Urban Development and Rural Zone chapters the Hearings Panel released a minute on the 1 July 2016 (contained in **Attachment A**) noting they had come to the preliminary conclusion that the “...*continuation of the fully discretionary activity regime of the Rural General Zone of the ODP promoted in the PDP is unlikely achieve the strategic direction of the PDP in the Wakatipu Basin*”¹.
- 7 The Hearings Panel also commented that “*further development in the Basin has the potential to cumulatively and irreversibly damage the rural character and amenity values in the Basin*”. In addition, the Hearings Panel believed there was merit in the concerns raised by some submitters that the rural character and amenity values of the Basin do not derive from pre-dominantly farming and agricultural activities, as suggested by the PDP.
- 8 As a result, the Hearing Panel reached the preliminary view that a detailed analysis of the Basin was required to:
 - a) *Identify the environmental characteristics and amenity values of the area that should be maintained and enhanced, noting these will vary across the Wakatipu Basin floor;*
 - b) *Identify areas that are able to absorb development, without adversely impacting the values derived in (a) and without adversely affecting the values associated with the surrounding the Outstanding Natural Landscapes and Outstanding Natural Features;*
 - c) *Identify those areas unable to absorb development;*
 - d) *Determine whether, given the residual development already consented, there is any capacity for further development in the Wakatipu Basin floor and, if there is, where it should be located and what form it should take.*
- 9 The Panel suggested that the results of the study should provide the basis for evaluating the extent to which the PDP as notified, in the Basin, is the most appropriate method to manage natural and physical resources and the study may also inform:
 - a) The location of urban growth boundaries;
 - b) Whether a finer tuned regulatory regime such as a structure plan may be required; and
 - c) The basis of a variation, if an amended regime is recommended.
- 8 On 8 July 2016, Council confirmed its intention to carry out the WBLUS to inform the Council’s position and evidence on the rezoning submissions. Council also noted its intention for the study to include infrastructure capacity (including

¹ Memorandum concerning PDP provisions affecting Wakatipu Basin by Denis Nugent dated 1 July 2016

transport, wastewater and water supply), walking and trails, and environmental constraints such as hazards.

9 The WBLUS study area is highlighted in Figure One below:

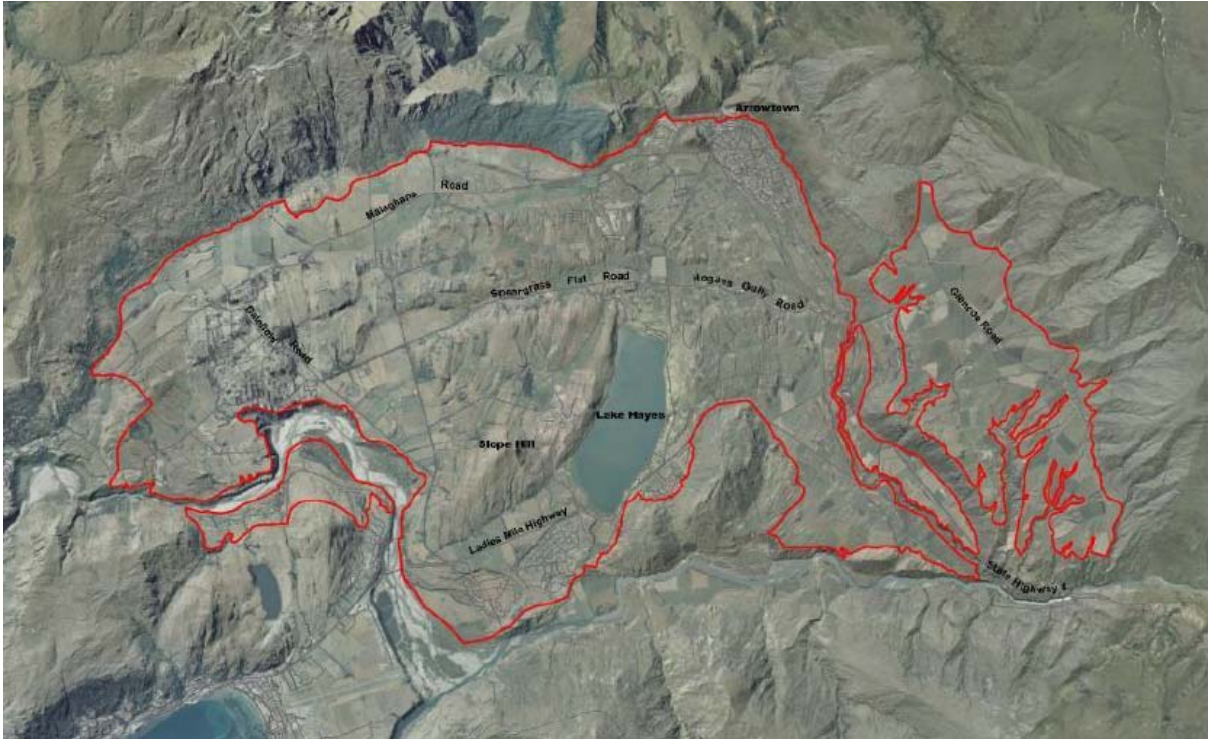


Figure One: The Basin Study Area

The Preliminary Findings of the WBLUS

10 It is important to reiterate the WBLUS is being publicly released for information purposes only. Further investigation and input is required from Council officers in order to determine if the recommendations of the report are appropriate or not, and what, if any changes to the PDP may be required.

11 The WBLUS was completed by Barry Kaye Associates Limited, Bridget Gilbert Landscape Architecture and StrategEase (**the Consultants**).

12 A copy of the WBLUS is included with the agenda.

13 In order to undertake the assessment the Consultants undertook a detailed investigation into the following:

- a. Reading through the PDP process and evidence;
- b. Existing GIS data (hazards, slope, zoning, vegetation, hydrology, settlement and land use patterns e.g zoning, covenants, lot sizes and land ownership);
- c. Analysis of existing reports and research and a desktop analysis of the character units in the basin;

- d. Field surveys;
- e. Review of existing dwellings, consented platforms, subdivisions, SHA plans and Special Zone Structure Plans;
- f. Analysis of rural production activities and their significance to the district as a whole;
- g. Analysis of development capacity and growth projections for the study area and the District as a whole; and
- h. Preparation of the proposed planning approach.

14 From an analysis of the above, the Basin was separated into 25 distinguishable landscape character units. In general, the landscape units were very similar to those identified by Dr Marion Read as part of the PDP process. A full description of these landscape units is contained in **Appendix G** of the WBLUS.

15 The analysis undertaken has included an assessment of: landform, vegetation, hydrology, settlement and land use patterning, zoning, aesthetic and recreational values and vulnerability to adverse cumulative landscape and visual effects as a consequence of development.

16 In addition, landscape units were identified based on factors such as their location relative to scenic routes, proximity to Outstanding Natural Landscapes and Features, visibility and prominence, views, the pattern of existing built form and consented but unbuilt developments and 'sense of place'.

17 From this analysis the Consultants were able to provide comments on the potential landscape issues and constraints, potential landscape opportunities and benefits, and the environmental characteristics and amenity values to be maintained and enhanced for each of the landscape units.

18 The analysis concludes by rating each landscape unit's ability to absorb additional development from a 5-point rating scale ranging from Very Low to Very High. A detailed explanation of the absorption capability rating is contained in **Appendix K** of the WBLUS. It should be noted that High level of ability to absorb additional development doesn't equate to "High Densities/Levels" of development are suitable in these areas.

Summary of Results

19 Table One provides a summary of the consultants view on the absorption capabilities of each of the landscape character units:

Very High	<ul style="list-style-type: none"> • No landscape units
High	<ul style="list-style-type: none"> • Millbrook (small triangle at the far eastern end) • Speargrass Flat (around Lakes Hayes Rural Residential Area) • Fitzpatrick Basin • Dalefield • Wharehuanui Hills

	<ul style="list-style-type: none"> • Hawthorn Triangle • Lake Hayes Rural Residential • Arrow Junction Rural Residential • Ladies Mile • Arrowtown South • Shotover Country Margins (western portion)
Moderate to High	<ul style="list-style-type: none"> • Lake Hayes Terrace • Shotover Country Margins (eastern portion) • Tucker Beach (central and eastern end) • Domain Road River Terrace
Moderate	<ul style="list-style-type: none"> • Hogans Gully • The Hills • Millbrook (with the exception of triangle at far eastern end of the unit)
Moderate to Low	<ul style="list-style-type: none"> • Morven Ferry
Low	<ul style="list-style-type: none"> • Shotover River Terrace • Tucker Beach Road (western end) • Speargrass Flat (excluding area around Lake Hayes Rural Residential area) • Slope Hill "Foothills" • Lake Hayes Slopes • Bendemeer • Morven Eastern "Foothills"
Very Low	<ul style="list-style-type: none"> • Malaghans Valley • Gibbston Highway Flats • Crown Terrace

20 For landscape units with a draft absorption capability rating of Moderate-Low or higher, the consultants recommend planning strategies intended to safeguard and enhance the environmental and amenity values of the landscape unit should additional development within this area be considered appropriate.

21 Due to the high growth demands in the Basin, the Consultants have recommended exploring the optimisation of the scope of areas with a rating of Moderate-Low and above. This will need to be further investigated by Council.

22 No landscape units were given a Very High rating. 11 landscape units (entire and parts of) were identified as having a High capability, while 10 were rated as being Low or Very Low.

Preliminary Recommendations from the WBLUS

23 The recommended framework promoted in the WBLUS would consolidate the established pattern of development in the Basin and refine the legibility/spatial demarcation of the specific landscape units. The key conclusion being the Basin should have its own standalone zoning, which is complemented by precinct overlays, and it is distinguishable from the general zonings of the other parts of the District Plan. This would be a significant departure to the current planning regime promoted in both the ODP and PDP.

- 24 The analysis finds that the identifiable and established amenity values of the Basin do not derive from predominantly rural productive/agricultural land uses and the characteristics of the area do not support a dominant rural production landscape character. The Consultants believe the dominant character of the area derives from a complex mix of established and approved land use activities, which have little connection to traditional productive farming.
- 25 The Consultants agree with the Hearings Panel and believe the fully 'Discretionary' regime of the Rural Zone is unlikely to achieve the Strategic Direction over the life of the PDP.
- 26 The Consultants have made a number of recommendations within the WBLUS, which the Planning Policy team will need to assess in detail, as part of the overall PDP process. A significant amount of work is required to fully understand the proposed recommendations. It is noted the Consultants recommendations would result in a changed planning framework for the Basin.

Where to from here

- 41 The Planning Policy team will need to undertake a significant amount of work, reviewing and assessing the recommendations contained within the WBLUS. This will include investigating the options that are available to the Council and understanding the implications of the recommendations, including whether or not a Plan Variation may be required. Further investigation is also required in terms of the implications the WBLUS on the Urban Growth Boundary, the National Policy Statement on Urban Capacity and the specific zoning considerations. Moving forward a better understanding of the increased total dwelling capacities and the implications of this will also be necessary.
- 42 If the Council decide to proceed with a variation, it is likely that this will be notified in July 2017. The implication for the Stage 1 Wakatipu Basin hearing stream will be that submissions that have been made on zones mapping and plan annotations for the Wakatipu Basin will have to be transferred to be part of any variation. People who have already submitted will also be able to submit on a possible variation. The work on the variation is likely to run in parallel with the work required for the Queenstown Mapping Hearings, which are scheduled to take place in August/September 2017. An implication of this is that the Wakatipu mapping stream hearing won't be able to occur this year.

Options

- 27 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:
- 28 Option 1 Recommend a detailed review of the WBLUS.

Advantages:

- 29 Allows the Council the opportunity to further investigate the findings of the draft WBLUS, with the aim of achieving better outcomes for the Queenstown Lake District community and provides for better protection of the Basin;

- 30 Provides an opportunity for the planning regime of the Basin to better align with the Strategic Direction of the PDP.

Disadvantages:

- 31 Time and resourcing required by Council to undertake the review.

- 32 Option 2 – Retain the status quo – Wakatipu Basin continues to be zoned Rural

Advantages

- 33 Avoids further time and resources required to review the draft WBLUS.

Disadvantages:

- 34 The opportunity to review the WBLUS would be lost. As noted by the PDP Hearings Panel, the Strategic Direction for the Basin is unlikely to be met through the current provisions promoted within Chapters 21 (Rural) and 22 (Rural Residential and Lifestyle) of the PDP.

- 35 The planning regime of the Basin would be at odds with the Strategic Direction of the PDP, and the 'Discretionary Activity' regime is unlikely to achieve this.

- 36 Option 3 – Adopt WBLUS in Councils evidence for the Wakatipu Mapping Stream without further analysis.

Advantages:

- 37 Allows for the Wakatipu Basin Mapping to be concluded in 2017 as part of the PDP process.

Disadvantages:

- 38 The opportunity to review the draft WBLUS would be lost. Queenstown context and PDP integration needs to be further investigated. This may also prejudice submitters.

- 39 The recommendations of the WBLUS will not be reviewed and assessed in detail by the Planning Policy team as part of the overall PDP process. The recommendations propose a completely different and separate planning framework for the Basin and the implications of this will not be understood in detail.

- 40 The ability to partly adopt the recommendations of the WBLUS will be lost.

- 41 This report recommends **Option 1** as set above.

Significance and Engagement

- 42 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because:

- **Importance:** the matter is of high importance to the District
- **Community interest:** the matter is of considerable interest to the community
- **Existing policy and strategy:** there is an opportunity for the Basin's planning regime to better align with the Strategic Direction of the PDP.

Risk

43 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)' as documented in the Council's risk register. The risk is classed as high. This is because of economic, social, environmental and reputational risks.

44 A key element of this risk is meeting the current and future development needs of the community and providing for development that is consistent with the strategic direction of Council's Policies and Strategies. There is some social risk relating to the economic and social consequences of not meeting development needs, which includes housing provision and the protection of the environment from inappropriate development.

Financial Implications

45 The review of the draft WBLUS will result in additional officer time, including input from various Council Departments; Planning and Development, GIS, Property and Infrastructure and Legal teams. The findings of the review will also be workshopped with Councillors.

Council Policies, Strategies and Bylaws

46 The following Council policies, strategies and bylaws were considered:

- ODP, which regulates housing development and urban growth management.
- PDP, which sets out proposed changes to the ODP.
- Housing Our People in our Environment Strategy, which is relevant as it seeks to address the housing affordability issue in the District.
- Economic Development Strategy, a key action of which is to "investigate all options for improving housing affordability in the District".
- 2016/2017 Annual Plan, within which a number of Community Outcomes that are relevant as they relate to the economy, and the natural and built environment.
- 10 Year Plan 2015-2025.

47 The recommended option is consistent with the principles set out in the named policy/policies.

48 This matter is included in the 10-Year Plan/Annual Plan to the extent that it affects strategic regulatory functions and services, and will potentially lead to financial implications for the provision of core infrastructure and services.

Local Government Act 2002 Purpose Provisions

49 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring that the best possible outcomes are achieved through out the PDP process;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

50 The persons who are affected by or interested in this matter are:

- a. residents/ratepayers of the Queenstown Lakes district community;
- b. the business, investment and tourism sectors located within and outside of the district;
- c. infrastructure providers; and
- d. Government.

51 The commissioning of the WBLUS is a matter of public record however the Council has not undertaken consultation or engagement with the community regarding the potential review of the WBLUS.

52 It noted that the community has been consulted through-out the PDP process.

Legal Considerations and Statutory Responsibilities

53 Development of the PDP has occurred in accordance with the RMA. Particular clauses of relevance include Sections 5-11, 31 and 32 and Schedule 1. The recommendations accord with the provisions of the RMA. In particular section 73(3) that allows a district plan to be prepared in territorial sections.

Attachments (Presented separately)

- A Memorandum concerning PDP provisions affecting Wakatipu Basin by Denis Nugent dated 1 July 2016
- B Wakatipu Basin Land Use Study

**QLDC Council
20 April 2017**

Report for Agenda Item: 3

Department: Planning & Development

Title: Special Housing Area: Business Mixed Use Zone (Gorge Road)

Purpose

The purpose of this report is to re-establish and extend the existing Business Mixed Use Zone Special Housing Area (**BMU SHA**), as it is due to expire on the 23 June 2017. The extension is to include 133 Hallenstein Street and Warren Park.

Recommendation

That Council:

1. **Note** the contents of this report, including the amended extent of the SHA (to also include Warren Park and 133 Hallenstein Street) and the proposed disestablishment date for the new SHA being 16 September 2019;
2. **Resolve** to seek public feedback on the proposed re-establishment and extension of the BMU SHA subject to the following criteria for qualifying developments:
 - Minimum of three for the number of dwellings to be built;
 - 'Gorge Road A' (Lot 1 DP 19293, Pt Lot 48 DP 8591 and Lot 2 DP 19293 (Warren Park)) building height limit of 15 metres and a maximum of four storeys;
 - 'Gorge Road B' (all other sites) height limit of 20 metres and a maximum of six storeys; noting that this proposed height limit is 5m higher than the height anticipated under the Proposed District Plan for Lot 3 DP 12188 (133 Hallenstein Street); and
 - At least 30% of dwellings shall comprise of studio, 1 or 2 bedroom apartments.
3. **Instruct** Council officers to report back to the Council meeting on 25 May 2017 on any measures necessary for Councillors to, with confidence, recommend the proposal as an SHA to the Minister of Building and Construction. This may include the negotiation of a Stakeholder Deed to secure compliance with a recession plane and a contribution to the Queenstown Lakes Community Housing Trust;

4. **Note** that Council's intent in extending the timeframe for the SHA for the BMU zone is expressly to encourage the building of affordable residential accommodation;
5. **Note** Council's intent that its SHA lead policy would be applied to any SHA development within this zone, and
6. **Note** Council's intent that developments over 12m in height would be forwarded to the Urban Design Panel for review, to ensure positive streetscape and living environment; and
7. **Instruct** Council officers to report back to Council on issues and options relating to traffic and car parking within the BMU SHA.

Prepared by:



Anita Vanstone
Senior Policy Planner

4/04/2017

Reviewed and Authorised by:



Tony Avery
General Manager, Planning &
Development

4/04/2017

Background

Special Housing Areas (SHAs)

- 1 The purpose of the Housing Accord and Special Housing Areas Act (HASHAA) is:

'to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts, listed in Schedule 1, identified as having housing supply and affordability issues.'
- 2 On 23 October 2014 the Council entered into a housing accord with the Government. The accord is "...intended to increase housing supply and improve housing affordability in the district by facilitating the development of quality housing that meets the needs of the growing population."
- 3 On 30 April 2015, the Council adopted an amended Lead Policy (titled: Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines), to guide the Council's implementation of HASHAA.
- 4 The Council completed a process in which it invited Expressions of Interest (EOIs) from the public for the establishment of SHAs. Outside this process Council has received individual EOIs from developers and has decided to follow the same process, resulting in some of those EOIs being recommended as SHAs.
- 5 In total seven SHAs have been approved by the Minister including:

- Bridesdale Farm;
- Onslow Road;
- Arrowtown Retirement Village;
- Arthurs Point;
- Shotover Country;
- Business Mixed Use Zone (Gorge Road); and
- Queenstown Country Club.

These SHAs will deliver a potential yield of approximately 1000 residential units, a 172 bed aged care facility and 18 staff accommodation units, thus contributing significantly to the Council's obligations under the Housing Accord.

- 6 A Council initiated proposal for a SHA over multiple privately owned properties (approximately 12.8 hectares) within the proposed BMU zone (Gorge Road, Queenstown only) was first presented to the Council at the 17 December 2015 meeting, where the Council resolved to seek feedback on the proposed SHA in the BMU Zone and a report back to the Council on any measures necessary for Councillors to, with confidence, recommend the proposal as a SHA to the Minister. A Council resolution on the 1 March 2016, recommended the BMU SHA to the Minister with the following criteria for qualifying developments:
 - *Building height limit of 20 metres; and*
 - *At least 30% of dwellings shall comprise of studio, 1 or 2 bedroom apartments.*
- 7 The SHA for the BMU Zone is currently aligned with the PDP – which enables potential apartment development up to 20m (6 storeys) but with controls in place ensuring that amenities, such as sunlight access and privacy for existing residents, are protected.
- 8 The Council was anticipating that approximately 100 to 150 apartments from the BMU SHA. This is because the development of many of the sites is restricted by existing land uses and multiple landowners.
- 9 The existing BMU SHA is indicated in Figure One below:



Housing Accords and Special Housing Areas Act 2013 (HASHAA)

- 10 On 16 September 2016, the Housing Legislation Amendment Act 2016 (**the Amendment Act**) came into effect. One of the key changes of the Amendment Act is that the date for establishing SHAs and the date of repeal of the HASHAA had been extended by 3 years to 16 September 2019 and 16 September 2021 respectively. The implications of this are that any new SHAs will have until 16 September 2019 until they are disestablished.
- 11 The Amendment Act also set new time limits for lodging resource consent applications and requests for plan changes or variations of proposed plans in respect of existing SHAs, which is 12 months from the date on which the Order in Council was notified in the Gazette. It is noted that this Council has not accepted any plan changes.

12 The implications on existing SHAs are as follows:

SHA	Date of notification in Gazette	Date of disestablishment
Onslow Road	19 May 2016	19 May 2017
Arrowtown Retirement Village	23 June 2016	23 June 2017
Arthurs Point	23 June 2016	23 June 2017
Business Mixed Use Zone (Gorge Road)	23 June 2016	23 June 2017
Shotover Country	23 June 2016	23 June 2017
Queenstown Country Club	7 July 2016	7 July 2017

13 The implications for the BMU SHA are that it will be disestablished on the 23 June 2017. If an SHA is disestablished it means that SHA status is no longer applied and any resource consent applications must be made under the Resource Management Act. It is not possible under the HASHAA to extend the lifetime of an SHA, as Section 18(1) of the HASHAA is clear that the BMU SHA is disestablished 12 months from the date on which that Order was notified. However, the same result is achieved by establishing a new SHA over the same area as the existing one.

14 Resource consent applications have been approved for the Arrowtown Retirement Village, Arthurs Point, Queenstown Country Club, Onslow Road and BMU SHAs. The Shotover Country SHA resource consent application was heard on the 30 and 31 March 2017.

Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines (the Lead Policy) & the Queenstown Lakes District Housing Accord (the Accord)

15 On 28 July 2016 Council confirmed it was willing to negotiate and update the Accord targets in collaboration with the Minister. Figures were agreed and the Mayor was delegated the responsibility to negotiate these with the Minister.

16 As a result, the Minister and Mayor agreed to amend Year 2 and 3 targets of the Accord in August 2016 to, as follows:

Total number of dwellings and sections consented			
	Year 1 October 2014 – September 2015	Year 2 October 2015 – September 2016	Year 3 October 2016 – September 2017
Targets	350	450 650	500 750
Actual	557	399 (at 30 April 2016)	

- 17 It is noted that the draft joint monitoring report for the end of Year 2 has been provided to Ministry of Business, Innovation and Employment. This is likely to be released publicly in the near future. However, early indications are that the Council is tracking well towards these targets and surpassed the Year 2 targets set.
- 18 On the 24 November 2016 the Council adopted an amended Lead Policy (titled: Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines) to guide the Council's implementation of the HASHAA. The purpose of the Lead Policy is to assist the Council in deciding to recommend the establishment of SHAs to the Minister and in considering applications for resource consent for qualifying developments within SHAs.
- 19 The Council is in the preliminary stages of renegotiating the Accord with the Minister. This will be brought back to Council for consideration at a later date.

PDP

- 20 It is also worth noting how the development rights enabled through a potential SHA compare to those potentially enabled through the District Plan Review. If the Council recommended the re-establishment of the BMU SHA to the Minister, and the Minister conferred SHA status in the next couple of months, then applications could be lodged for development proposals from that time. In processing any application for a qualifying development, Commissioners would have regard to the following matters giving weight to them (greater to lesser) in the order listed:
- a. The purpose of the HASHA legislation;
 - b. Matters in Part 2 of the RMA;
 - c. The PDP including the controls specified to protect amenities, such as sunlight access and privacy for existing residents;
 - d. Other matters arising under sections 104 to 104F of the RMA; and
 - e. The New Zealand Urban Design Protocol (2005).
- 21 Because the Operative District Plan (**ODP**) and the Lead Policy would have limited weight (their relevance is in the fourth tier consideration, as it is considered an "other matter" arising under sections 104 to 104F of the RMA), good quality proposals consistent with the PDP would have a strong chance of attaining approval.
- 22 If the SHA is not re-established, under the PDP, some of the proposed rules would not have any legal effect until 'decisions on submissions' have been notified. If there are no appeals on the proposed BMU Zone provisions, then those provisions would become operative. Therefore, the earliest that the proposed BMU provisions could be operative is early to mid-2018. Noting the final form of those provisions is not certain given the timing of the hearings.

- 23 It is noted that if Council choose not to re-establish the BMU SHA then land owners/developers have the option of establishing their own individual SHAs, as the BMU zone falls within Category 1 of the Lead Policy. These contain zoned areas that are considered suitable for establishment as SHAs. The only difference is that the landowner/developer would need to make an individual application to the Council, which would then if accepted, be forwarded to the Minister for approval.
- 24 Given the uncertainty of these processes, and the pronounced nature of the housing issues in the Wakatipu Basin, there is a significant potential time saving in re-establishing this SHA.

Business Mixed Use Zone (Gorge Road) SHA

- 25 Only one resource consent application for a qualifying development within the BMU SHA has been approved. This is the New Ground Capital resource consent (SH160147) that was approved on the 28 October 2016 and granted consent for 143 x 1 bedroom worker accommodation units with associated earthworks, landscaping and access at 75-83 Gorge Road. The developer subsequently decided to not pursue that development for commercial reasons, but another developer is currently investigating the potential use of the site.
- 26 Council has also been in discussions with multiple developers within the BMU SHA on other sites and consider there to be real merit in re-establishing the SHA as a new SHA.
- 27 It is proposed to extend the BMU SHA to include Warren Park and 133 Hallenstein Street. Warren Park is located in the High Density Zone of the Operative District Plan and is being considered as part of Stage 2 of the PDP review. It is surrounded by sites on its northern, eastern and southern boundaries that are proposed to be zoned BMU in the PDP. As a result, it makes sense for it to be included within the proposed SHA. It is noted that Warren Park is currently vested as reserve and there are no current plans for its use other than as a park.
- 28 133 Hallenstein Street is located within the High Density Residential Zone (HDR) of the PDP. Council has entered into pre-application discussions with the landowner of 133 Hallenstein Street, whose sites are located within the BMU and HDR zones (133 – 139 Hallenstein Street). The extension of the BMU SHA will allow these sites to be developed comprehensively and their development potential for residential accommodation maximised. As a result, it is considered appropriate to include 133 Hallenstein Street within the extended version of the BMU SHA.
- 29 The maximum height limit for the HDR Zone in the PDP is 15 metres or four storeys in height where the residential apartment building can achieve a minimum of 6-star level using the NZ Green Building Council Homestar Tool.

- 30 The landowner of 133-139 Hallenstein Street has requested flexibility in terms of the height limit and has requested that the proposed 20 metre height limit also apply to 133 Hallenstein Street. This is 5 metres higher than anticipated by the PDP.
- 31 The landowner has volunteered an additional qualifying development criterion for 133 Hallenstein Street that development must comply with the Rule 9.5.6.1 of the PDP (Recession Plane Rule) on the boundary shared with 129 Hallenstein Street. This is to protect the neighbouring property to the south (refer to public excluded **Attachment A**).
- 32 Council has sought legal advice regarding this and it has been determined that recession plane restrictions cannot be used as a 'qualifying development criteria' because of the way 'maximum calculated height' has been defined within the HASHAA. However, this could be secured via a Stakeholder Deed prior to recommending the proposed BMU SHA to the Minister.
- 33 If Council chooses to progress with the 20 metre height limit for the 133 Hallenstein Street it is recommended that public feedback be sought on the matter (consistent with the Lead Policy) as it is an increase from the height limits that are being promoted within the PDP.
- 34 It is noted that if Council chooses not to extend the BMU SHA then 133 Hallenstein Street would fall within Category 1 of the Lead Policy. The only difference is that the landowner/developer would need to make an individual application of an 'expression of interest' to the Council, which would then if accepted, be forwarded to the Minister for approval.
- 35 The proposed extended BMU SHA (to include Warren Park and 133 Hallenstein Street) is highlighted in Figure Two, with the additional sites highlighted in Figure Three below:



Figure Two: Extent of the proposed new BMU SHA



Figure Three: Specific Sites proposed for Addition to the BMU SHA

Council's Lead Policy on Special Housing Areas

- 36 While this is essentially extending the timeframe of an existing SHA it is still considered appropriate to complete an assessment of the proposal against the provisions of the Lead Policy. It should be noted that consideration of the Lead Policy is not a 'tick the box' exercise – whilst important the Lead Policy provides a *framework* of relevant considerations for the Council to assess proposed SHAs, and this still needs to be considered in the context of HASHAA's purpose of increasing housing supply.
- 37 The proposal is considered to be generally consistent with the principles espoused in the Lead Policy, noting the proposal is essentially carrying over an existing SHA. An assessment of the criteria for recommending a SHA to Government is set out further below:

Location and Strategic Direction

- 38 The amended BMU proposal is mainly located in the Business Mixed Zone, with 133 Hallenstein Street, located in the HDR Zone of the PDP, and Warren Park being considered as part of Stage 2 of the PDP. The BMU and HDR zones fall within Category 1 of the Lead Policy and are existing urban areas. These areas are considered to be suitable for the establishment of SHAs.
- 39 It is recommended that the 15m height limit be applied to Warren Park and public feedback sought on the potential for the 20m height limit to also apply to 133 Hallenstein Street. Noting that it is proposed for a 20m height limit to apply to all other sites within the proposed SHA.
- 40 These height limits are recommended to form one of the qualifying development criteria for sites within the proposed SHA to ensure the amenities of neighbouring properties are protected and there is a transition between the HDR and BMU zones. A qualifying development would still trigger the need for consent with regard to the recession line, so effects on neighbours would be considered.

- 41 As a result, the proposal is considered to be ideally located for SHA purposes, particularly having regard to its close proximity to the town centre.

Infrastructure

- 42 Holmes Consulting Group undertook a high level Three Waters Assessment for the original BMU SHA. Although this report is still considered to be relevant it needs updating pursuant to the HASHAA. Holmes Consulting in their original assessment concluded that the area could be designated as an SHA without requiring significant new upgrades (other than those already proposed for the wastewater network) to the Three Waters network. An update will be provided at the Council meeting.
- 43 The proposed SHA is located within walking distance to town, is located on an existing bus route and located close to existing social and community infrastructure.
- 44 Councils Chief Engineer and Principal Planner, Infrastructure have raised concerns with the potential transport effects of increased densities along Gorge Road. Both have noted that an integrated approach in terms of parking, public transport and active travel, as well as more innovative schemes is required for the BMU SHA. It is recommended that Council Officers report back to Council on issues and options relating to traffic and car parking within the BMU SHA. In terms of timings, the Council is currently working on the Queenstown Town Centre Masterplan and the Transport Chapter is being considered as part of Stage 2 of the PDP.
- 45 It is noted that none of the proposed high density developments within the proposed SHA are likely to be able to meet the current PDP parking requirements. It is highly likely that Council will need to agree to lesser onsite parking provision but with appropriate mitigation measures. In discussions with each developer, the following have been put forward as reasons to reduce the car parking requirements:
- Effective public passenger transport being available;
 - Large businesses providing worker pick up/ drop offs;
 - Greater walking and cycling;
 - Proximity to the town centre;
 - Use of car sharing schemes; and
 - Many itinerant workers not having vehicles.
- 46 Each application will need to be assessed on its own merits. As a result, it is considered there is adequate infrastructure to service the proposed SHA that either exists or is likely to exist, having regard to relevant planning documents and strategies.

Affordability

- 47 The Lead Policy invites developers/landowners to identify appropriate mechanisms to ensure that housing developed in the SHA addresses the district's housing affordability issues.

- 48 Multi-level construction is expensive, and even with high yield and small units will not necessarily result in cheap housing, though it is expected to be affordable by comparison to the median house price in the District. However, this should be offset by the fact that for many potential residents transport costs should be minimal in this location, and compact dwellings realised in an apartment building constructed to current Building Code requirements should reduce winter heating costs (which can be significant in the District). As a result, such development offers the potential for relatively affordable housing choice when looking at household costs overall and an attractive housing option for people working in Queenstown.
- 49 Some councils have considered specifying affordability criteria for any qualifying development which, under HASHAA, may be by reference to median house prices, median household incomes, individual income, the median multiple (median house price divided by gross annual median household income), or any other similar matter relevant to affordability in the district.
- 50 Another option considered by some councils is to prescribe a criterion for qualifying developments that specifies that a minimum percentage of dwellings be studio apartments of a maximum floor area ie. 40m² or specify a percentage of dwellings that need to be 1 or 2 bedroom units. Either of these options is considered to be a better option than specifying price points that may quickly become outdated in a swiftly moving market.
- 51 Discussion with professionals from the Council and in private practice in Auckland has indicated that utilising this price point approach has proven problematic, and the Auckland experience is that the means of developers achieving the price point is usually through a small apartment typology in any event.
- 52 Various criteria options have been explored including at least 30% of units to being 40m² or less. However, it is considered that this could pose difficulties for smaller scale developments. Therefore, it was considered that the criterion promoted in the original SHA should remain. This states that a minimum of 30% of dwellings shall comprise of studio, 1 or 2 bedroom units. This will avoid the situation where developers may construct a development that largely comprises larger 3 bedroom apartments, which will inevitably hit the market at a much higher price, or demand much higher rentals to justify a good financial return for investors. It is also likely to result in a good mix of different sized apartments, commensurate with the aims of a mixed use zone, and thereby avoiding a “shoebox ghetto”.
- 53 It is proposed to retain the requirement of 30% of dwellings shall comprise of studio, 1 or 2 bedroom units so that on mid to large scale projects, the provision of smaller units is meaningful. However, care has been taken not to set this requirement too high so as to potentially undermine commerciality (for example, lending for developers can potentially become more challenging where the majority of units in a proposed development are of a small size).

- 54 In addition, it is recommended that the minimum of 3 dwellings qualifying development also be retained. Council has generally set the minimum at lower points to encourage a range of developments. This is consistent with the Council's Lead Policy.

Community Housing

- 55 When compared to other SHAs proposed by landowners where the Council can require a commitment to affordable housing through a Stakeholder Deed, in this instance that approach is not feasible due to the significant number of landowners rather than one site where the commitment can be locked in. This restriction has been noted in the Lead Policy and was emphasised in the reporting on the original SHA.
- 56 It is noted that 133 Hallenstein Street is located in the HDR zone of the PDP. In terms of fairness, the Council have requested that the developer consider providing a 5% contribution to the Queenstown Lake Community Housing Trust (**the Trust**) for the development that is proposed on 133 Hallenstein Street only, which could be secured via a Stakeholder Deed. This is to ensure that Council maintains a consistent process for all of its SHAs that are located outside the proposed BMU Zone of the PDP.
- 57 The Council as the landowner of Warren Park will be able to negotiate any community housing provisions for any development, if it is ever deemed to be surplus to requirements. Noting that Warren Park is currently vested as reserve and there a no current plans for its use other than a park.
- 58 Under HASHAA, it is not possible to impose a criterion for qualifying developments mandating a provision of community housing.

Community Feedback

- 59 In the original SHA proposal the Council has provided for a community feedback process on the proposal, consistent with what was done when other SHAs were considered. This feedback was collated and provided to Councillors and made public prior to the Council meeting on 1 March 2016.
- 60 The feedback attracted comments from approximately 28 parties, 18 of which were in support of the SHA, 4 against and 6 do not indicate either way. These responses can be viewed via the following link:

<http://www.qldc.govt.nz/assets/Uploads/Your-Views/Gorge-Road/Gorge-Rd-SHA-Feedback.pdf>

- 61 Feedback on the re-establishment the new BMU SHA was sought from the New Zealand Transport Agency (NZTA), Ministry of Education, Otago Regional Council, Kai Tahu ki Otago and local iwi. The NZTA and Kai Tahu ki Otago have not raised any concerns with the proposal. In addition, Otago Regional Council have advised they are comfortable with the Council considering the extension of the BMU SHA for another 2 years as long as they are consulted on all applications due to the number of identified hazards

within and around the BMU SHA. An update on the other agency responses will be provided at the Council meeting.

- 62 No community feedback has been sought on the re-establishment or extension of the BMU SHA.

Quality and Design

- 63 The Council would expect building and site design to follow the guidance of the Urban Design Protocol and the PDP to ensure a good level of design quality which satisfied sound urban design principles. It would also be appropriate for mid to large scale proposals to be presented to the Urban Design Panel, as is common practice under the RMA process.

Timely Development

- 64 All resource consent applications will be restricted by lapse dates to encourage timely developments.

Conclusion

- 65 In recommending the SHA to the Minister the Council has to be satisfied that the proposal is generally consistent with the principles espoused in the Lead Policy. The proposal will target a specific housing need (apartments/worker accommodation) and it will provide a much needed housing choice and type to the market. The proposed SHA is within walking distance of the town centre and is located on existing transport routes. It has been confirmed that there is adequate infrastructure that exists or is likely to exist to service the SHA.
- 66 Compared to other SHAs proposed by landowners where the Council can secure a commitment to affordable housing by Stakeholder Deed, in this instance that approach is not feasible due to the significant number of landowners rather than one site where the commitment can be locked in. However, the benefit to the community in regards to encouraging multi-level developments that are aimed at worker accommodation is considered to be significant.
- 67 However, officers have approached the owner of 133 Hallenstein Street to make a contribution of 5% to the Trust for the development of the HDR Zoned site. This is to ensure that Council maintains a consistent process when considering potential SHAs outside the proposed BMU zone. An update will be provided at the Council meeting.

Options

- 68 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:

Option 1: Seek public feedback on the re-establishment and extension of the BMU SHA (Height limit of 20m to apply to the sites located in the proposed

BMU zone and 133 Hallenstein Street, and height limit of 15m apply to Warren Park)

Advantages:

- 69 Helps contribute to achieving the purpose of the HASHAA, advancing the principles and priority actions in the Housing Accord, and in particular helps the Council achieve the housing targets in the Housing Accord by enabling new housing aimed at workers accommodation.
- 70 Generates a number of social and economic benefits (both short term and long term) such as the creation of jobs during the construction phase and the long term benefits relating to the provision of workers accommodation;
- 71 Provides the platform for the delivery of studio, 1 or 2 bedroom apartments to the housing market, noting that this type of development is currently in high demand, particularly for much needed worker accommodation.
- 72 Provides the ability to obtain public feedback on the re-establishment and extension of the proposed BMU SHA, which is consistent with the Lead Policy.
- 73 Would signal Council's desire for a stakeholder deed with the landowner of 133 Hallenstein Street to secure a 5% contribution to the Trust and compliance with the height recession plane.

Disadvantages:

- 74 Council is unable to enter into Deeds with individual landowners due to the large number of properties covered. Council misses an opportunity to obtain contributions to Trust for the sites that are proposed to be zoned BMU.
- 75 There is some risk the extension of timeframe of the BMU SHA will enable development that does not align with the eventual shape of the PDP BMU or HDR zone rules, as the PDP is in the early stages of the plan change process and could change substantially following local hearings and the Environment Court Appeals.

Option 2: Recommend extended BMU Zone SHA to the Minister (Height limit of 20m applies to the sites located in the proposed BMU zone, and a height limit of 15m applies to both Warren Park and 133 Hallenstein Street)

Advantages:

- 76 Consistent with the provisions of the BMU and HDR zones of the notified PDP;
- 77 Helps contribute to achieving the purpose of the HASHAA, advancing the principles and priority actions in the Housing Accord, and in particular helps the Council achieve the housing targets in the Housing Accord by enabling new housing aimed at workers accommodation.

- 78 Generates a number of social and economic benefits (both short term and long term) such as the creation of jobs during the construction phase and the long term benefits relating to the provision of workers accommodation;
- 79 Provides the platform for the delivery of studio, 1 or 2 bedroom apartments to the housing market, noting that this type of development is currently in high demand, particularly for much needed worker accommodation.

Disadvantages:

- 80 Council is unable to enter into Deeds with individual landowners due to the large number of properties covered. Council misses an opportunity to obtain contributions to Trust for the sites that are proposed to be zoned BMU.
- 81 Could temporarily forgo the opportunity of the comprehensive development of 133 Hallenstein Street with adjoining properties.
- 82 There is some risk the extension of timeframe of the BMU SHA will enable development that does not align with the eventual shape of the PDP BMU or HDR zone rules, as the PDP is in the early stages of the plan change process and could change substantially following local hearings and the Environment Court Appeals.

Option 3 – Recommend current extent of the BMU zone SHA to the Minister

Advantages:

- 83 Consistent with the provisions of the BMU zone of the notified PDP and Council's approach towards the original BMU SHA;
- 84 Helps contribute to achieving the purpose of the HASHAA, advancing the principles and priority actions in the Housing Accord, and in particular helps the Council achieve the housing targets in the Housing Accord by enabling new housing aimed at workers accommodation;
- 85 Generates a number of social and economic benefits (both short term and long term) such as the creation of jobs during the construction phase and the long term benefits relating to the provision of workers accommodation;
- 86 Provides the platform for the delivery of studio, 1 or 2 bedroom apartments to the housing market, noting that this type of development is currently in high demand, particularly for much needed worker accommodation.
- 87 Would require an expression of interest, and stakeholder deed with the developer of a potential SHA outside of the existing boundaries, which would contribute 5% by value or area to the Trust.

Disadvantages:

- 88 Council is unable to enter into Deeds with individual landowners due to the large number of properties covered.

- 89 Would temporarily forgo the opportunity of the comprehensive development of 133 Hallenstein Street with adjoining properties.
- 90 There is some risk the extension of timeframe of the BMU SHA will enable development that does not align with the eventual shape of the PDP BMU zone rules, as the PDP is in the early stages of the plan change process and could change substantially following local hearings and the Environment Court Appeals.

Option 4 – Retain the status quo (BMU SHA disestablished on the 23 June 2017)

Advantages:

- 91 Avoids further time and resources required to establish new SHA.
- 92 Proposals can still be applied for subject to the normal resource consent process, subject to the Operative District Plan provisions and the usual statutory notification provisions, hearing process and potentially Environment Court appeals.
- 93 Does not pre-empt the conclusion of the PDP process by enabling development ahead of its conclusion.
- 94 Development within the proposed BMU and HDR zones of the PDP would fall within Category 1 of the Lead Policy. Category 1 sites are those considered suitable for establishment of SHAs. These would require an expression of interest, and stakeholder deed with the developer of a potential SHAs, which would contribute 5% by value or area to the Trust.

Disadvantages:

- 95 Time and resourcing processing individual expression of interests for the BMU zone.
- 96 May result in a lengthy assessment process if proposals were to proceed under the usual statutory process of the PDP process and the RMA.
- 97 Risk that the District's acute housing supply and affordability issues will continue to grow, with resulting social and economic impacts.
- 98 Would forgo the short and long term social and economic benefits offered by the proposal.
- 99 This report recommends **Option 1**.

Significance and Engagement

100 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because:

- **Importance:** the matter is of high importance to the District
- **Community interest:** the matter is of considerable interest to the community

- **Existing policy and strategy:** The proposal is considered to be consistent with the Accord and the Lead Policy, in addition to the Strategic Direction of the District Plan.

Risk

101 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)' as documented in the Council's risk register. The risk is classed as high. This is because of economic, social, environmental and reputational risks.

102 A key element of this risk is meeting the current and future development needs of the community and providing for development that is consistent with the strategic direction of Council's Policies and Strategies. There is some social risk relating to the economic and social consequences of not meeting development needs, which includes housing provision.

103 In this instance it is considered the social and economic benefits towards the provision of housing for the community are met. The subsequent resource consent assessment process under the HASHAA also provides the opportunity for further mitigation risk.

Financial Implications

104 There are no direct financial implications resulting from the decision. In terms of impact on infrastructure, development contributions will be charged as developments progress. Unlike some greenfield development scenarios, existing infrastructure is available.

Council Policies, Strategies and Bylaws

105 The following Council policies, strategies and bylaws were considered:

- Lead Policy, which provides guidance for Council's assessment of SHAs.
- The Queenstown-Lakes District Housing Accord.
- ODP, which regulates housing development and urban growth management.
- PDP, which sets out proposed changes to the ODP.
- Housing Our People in our Environment Strategy, which is relevant as it seeks to address the housing affordability issue in the District.
- Economic Development Strategy, a key action of which is to "investigate all options for improving housing affordability in the District".
- 2016/2017 Annual Plan, within which a number of Community Outcomes that are relevant as they relate to the economy, and the natural and built environment.
- 10 Year Plan 2015-2025.

106 The recommended option is consistent with the principles set out in the named policy/policies.

107 This matter is included in the 10-Year Plan/Annual Plan to the extent that it affects strategic regulatory functions and services, and will potentially lead to financial implications for the provision of core infrastructure and services.

Local Government Act 2002 Purpose Provisions

108 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring that the best possible outcomes are achieved through out the HASHAA process;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

109 HASHAA does not set any statutory responsibilities in terms of consultation on the establishment of SHAs. However, the Council has sought public feedback / comment regarding the proposed SHA, which it has done for all SHA proposals. In addition, should the SHA be established, the consent authority may request the written approval of adjoining land owners if they are deemed to be affected and may undertake a limited notification resource consent process.

110 The persons who are affected by or interested in this matter are neighbours adjoining the proposed SHA site, and more generally the wider Wakatipu Basin community. There is also likely to be some wider community interest in the EOI in Queenstown, given the notable lack of worker accommodation options in the Wakatipu Basin.

111 In the original SHA proposal the Council has provided for a community feedback process on the Proposal, consistent with what was done when other SHAs were considered. This feedback was collated and provided to Councillors and made public prior to the Council meeting on 1 March 2016.

112 The feedback attracted comments from approximately 28 parties, 18 of which were in support of the SHA, 4 against and 6 do not indicate either way.

113 It is recommended that Council seek public feedback on the re-establishment and extension of the BMU SHA and this reported back to Council on the 25 May 2017. With a particular focus being whether or not a 20m height limit is also an appropriate qualifying development criteria for 133 Hallenstein Street (subject to a Stakeholder Deed that secures compliance with Rule 9.5.6.1 (Height Recession Plane Rule) of the PDP).

Legal Considerations and Statutory Responsibilities

114 HASHAA is the relevant statute with its purpose detailed in paragraph 2 of this report.

115 HASHAA provides limited guidance as to the assessment of potential SHAs, beyond housing demand and infrastructure concerns. HASHAA is silent on the relevance of planning considerations; however the Council's legal advice is that these are relevant considerations and this has been confirmed by the recent High Court decision. The weight to be given to these matters is at the Council's discretion, having regard to the overall purpose of HASHAA. These matters have been considered in this report.

116 The Council will need to consider the consistency of any decision to recommend this SHA to the Minister and its decision in July to notify the PDP which zones the sites BMU/HDR. The Proposal site is located within the UGB and is an area earmarked for future growth. The proposal is considered to be generally consistent with the Lead Policy, Housing Accord, the Strategic Direction of the PDP and the purpose of the HASHAA.

Attachments

A. Recession plane analysis **Public Excluded**

**QLDC Council
20 April 2017****Report for Agenda Item: 4****Department: Property & Infrastructure****Title: Declaration of upper Beach Street as a pedestrian mall****Purpose**

The purpose of this report is to seek approval of the hearing panel's recommendation to declare upper Beach Street (between Camp Street and Cow Lane) as a pedestrian mall with exceptions, and to take note of additional recommendations of the panel regarding the mall.

Recommendation

That Council:

1. **Note** the contents of this report, in particular the deliberations of the hearings panel;
2. **Declare** Beach Street, between Camp Street and Cow Lane, in Queenstown, a pedestrian mall.

The restrictions the pedestrian mall will impose are:

- The driving, riding or parking of any vehicle will be prohibited on all of the pedestrian mall area.
- The restriction will remain in place at all times.

Emergency service vehicles are excluded from the restriction and may access the pedestrian mall area at all times.

Between the hours of 5am and 10am each day, goods service vehicles are excluded from the restriction and may access the pedestrian mall area.

Any other vehicles specifically authorised by Council are excluded from the restriction.

3. **Note** that the related additional loading zone, 9pm parking restriction and Smokefree requests raised during the hearing will be addressed through the Queenstown Town Centre Master Plan and Queenstown Town Centre Transport Strategy.

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16/02/2017

Reviewed and Authorised by:



Peter Hansby
General Manager, Property &
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29/03/2017

Background

- 1 The proposal for a pedestrian mall on upper Beach Street between Camp Street and Cow Lane arose from DowntownQT's Downtown Commercial Strategy (August 2015) which was also broadly in line with the Council's Queenstown Town Centre Transport Strategy (adopted December 2015).
- 2 After a formal consultation period in 2015, a trial was established in early 2016 to test whether pedestrianisation of upper Beach Street was a viable option.
- 3 Based on the trial showing no significant adverse effects, at its 24 August 2016 meeting, Council approved the special consultative procedure to be used to enable it to determine whether to permanently declare upper Beach Street as a pedestrian mall with the exceptions for goods service vehicles and emergency service vehicles as per the trial.
- 4 A hearings panel consisting of Councillors Ferguson, Clark and MacDonald heard submissions at a meeting on 15 February 2017. This report presents the hearing panel's recommendation.

Comment

- 5 Minutes of the hearings panel are attached (A). As noted, the discussions and deliberations included:
 - a. Upper Beach Street should be pedestrianised;
 - b. The proposed exception for goods service vehicles between 5am and 10am is reasonable and will ensure vehicle access through the street will be available for other uses such as events;
 - c. If the Camp Street end of upper Beach Street is blocked for any reason, emergency vehicles will still be able to access the street via the Cow Lane end.
 - d. On balance, the number of loading zones is adequate; however the inclusion of a loading zone at the Camp Street end of upper Beach Street when the barriers are in place should be investigated.

- e. Investigations into making upper Beach Street Smokefree should be undertaken.
 - f. That the 9pm parking restriction around the town centre should be revisited.
- 6 The hearings panel recommends to Council to declare Beach Street between Camp Street and Cow Lane a pedestrian mall with the exceptions as proposed in recommendation 2.
- 7 The loading zone, parking restriction and Smokefree issues raised in points d-f will be addressed through the Town Centre Master Plan and Queenstown Town Centre Transport Strategy.

Options:

- 8 This report identifies and assesses the following reasonably practicable options for assessing the panel's recommendations as required by section 77 of the Local Government Act 2002.
- 9 Option 1 Accept the hearings panel recommendation.

Advantages:

- 10 The special consultative procedure has been followed to ensure the community's view has been taken into account to enable the implementation of a component of Council's town centre strategy.

Disadvantages:

- 11 None.

- 12 Option 2 Reject the hearings panel recommendation.

Advantages:

- 13 None.

Disadvantages:

- 14 The views of the community will not have been taken into account and an element of Council's adopted town centre strategy will not be implemented.
- 15 This report recommends **Option 1** for addressing the matter because the views of the community have been taken into account through the use of the special consultative procedure.

Significance and Engagement

- 16 The factors to be considered in assessing the significance of the matters addressed by this report are fourfold.

Factor	Assessment
Importance to the Queenstown Lakes District	Low. The proposed changes are of low impact in terms of physical changes.
Community Interest	Medium-High: the matters of high importance to sectors of the community, in particular the Beach Street businesses and their customers
Inconsistency with existing policy and strategy	Low. The pedestrianisation proposals are consistent with the DowntownQT commercial strategy and the Queenstown town centre strategy
The impact on the Council's capability and capacity	Low. The low cost nature of the proposal is within Council's capability to operate.

17 Overall, this matter is of low-medium significance, as determined by reference to the Council's Significance and Engagement Policy.

Risk

18 This matter relates to the strategic risk SR1: Current and future development needs of the community (including environmental protection), as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because this proposal relates to the future function of town centre roads (with specific regard in this instance to upper Beach Street).

19 The recommended option considered above mitigates the risk by 'treating the risk – putting measures in place which directly impact the risk.'

In this case the risk is mitigated in the recommended option by still allowing some vehicles along upper Beach Street so any beautification of the street will have to take vehicle movements into consideration. If the pedestrianisation needs to be reversed it will therefore be easier to achieve because vehicle movements will still be possible.

Financial Implications

20 As the bollards needed to restrict vehicle movements are already in place there are no additional capital costs. Town custodians will still have to drop and raise the bollards each day.

21 Further beautification of the street may be needed to enhance the pedestrian experience, but this is not required to enable the declaration of upper Beach Street as a pedestrian mall.

Council Policies, Strategies and Bylaws

22 The following Council policies, strategies and bylaws were considered:

- a. Proposed and Operative District Plan
- b. Queenstown Town Centre Transport Strategy.
- c. Significance and Engagement Policy.

23 The recommended option is consistent with the principles set out in the named policy/policies.

24 This matter is included in the 10-Year Plan/Annual Plan through the provision that has been made to the Queenstown Town Centre Transport Strategy implementation.

Local Government Act 2002 Purpose Provisions

25 The consideration of upper Beach Street as a pedestrian mall:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by increasing the walkability of Queenstown town centre;
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

26 The persons who are affected by or interested in this matter are the Queenstown town centre businesses as well as residents and visitors travelling to and within the town centre.

27 The Local Government Act 2002, section 83 Special Consultative Procedure, has been used as the consultation process to enable this declaration to be considered.

Legal Considerations and Statutory Responsibilities

28 In order to implement a pedestrianisation option the Council needs to make a declaration in accordance with section 336 of the Local Government Act 1974.

Attachments

A Minutes of the upper Beach Street pedestrianisation hearing

**Hearing of Submissions
Proposed Beach Street Pedestrianisation
15 FEBRUARY 2017**



Minutes of a hearing of submissions on the Proposed Beach Street Pedestrianisation held in the Council Chambers, 10 Gorge Road, Queenstown on Wednesday 15 February 2017 commencing at 2.00pm

Present:

Councillor Craig Ferguson, Councillor Penny Clark and Councillor John MacDonald

In attendance:

Mr Andrew Edgar (Senior Engineer) and Ms Jane Robertson (Senior Governance Advisor)

Commencement of the hearing

The Governance Advisor called the meeting to order and ask the elected members to determine the Chairperson for the hearing.

On the motion of Councillors MacDonald and Clark it was resolved that Councillor Ferguson chair the hearing.

Councillor Ferguson took the chair.

Declarations of Conflicts of Interest

No declarations were made.

Confirmation of Agenda

On the motion of Councillors Ferguson and Clark it was resolved that the agenda be confirmed without addition or alteration.

Hearing of submissions

1. Steve Wilde, Downtown QT

Mr Wilde stated that having instigated the proposal, he considered it appropriate to speak to plans to formalise it. He observed that the trial had been interesting and had served to identify what activities and initiatives worked and those that did not. He acknowledged the support of the retailers in the street, as the closure had put financial pressure on some and he thanked them for seeing it through.

He supported continuing the system of allowing deliveries to take place between 5am and 10am, although Downtown QT would also support the Council introducing a permit system that would allow delivery vehicles to access the area at any time. As other parts of the Queenstown CBD may be closed to vehicular traffic in the future, he noted that this may be the better long-term option.

Mr Wilde did not consider there were insufficient loading zones in the area. He agreed that there had been some problems with use of the loading zones in Cow Lane during the building construction on the former Vudu Café site, but this had ceased now the project was finished. He added that if Council chose to introduce a permit system allowing deliveries at any time, it may be possible to return the loading zones in Cow Lane back into car parks, which would please many people.

Mr Wilde supported a drop off delivery zone being established at the top of Beach Street.

There was discussion about how emergency vehicles would access the road if it was permanently closed. Mr Wilde noted that the fire service had a key for the bollards but was satisfied provided that a safety plan was in place. In any case, access was always available from the bottom of the street.

Mr Wilde acknowledged that the market had been detrimental to economic activity but the trial street closure itself had not had a negative effect. He noted that no business on the street was saying it did not want permanent closure of the street.

There was further discussion about the need for new streetscaping that would provide new paving and eliminate gutters, the latter of which was important for accessibility.

2. Mike Byers, Bidfood Ltd

The Governance Advisor noted that Mr Byers had been in contact advising that he could not now attend the hearing owing to a conflicting commitment. He had sent an email and this was circulated to the panel and read aloud by the chair:

I would ask you to refer on my behalf please to point #2 on my submission

Bidvest Foodservice Queenstown supports the proposal to declare Upper Beach Street a Mall as proposed in the QLDC statement of Proposal dated August 2016 on the basis that.....

1. There is no further reduction of loading zones within the CBD

2. Further loading zones are planned to deal with the congestion created by the pressure on existing LZ's within the CBD up to 4pm

3. That should the proposal not be accepted as a whole Bidvest Foodservice have as a minimum 1 month to consult with staff as per employment law to make any necessary changes with rostering and internal processes

3. Marie Roxburgh, Public Health South

Ms Roxburgh presented a map entitled 'Smoke-free Outdoor Policies – Progress with Local Councils in New Zealand' [Attachment A] which showed that the Queenstown Lakes District was well behind other parts of New Zealand on making public areas smoke-free. She believed it was a great opportunity to address this by making upper Beach Street smoke-free.

Ms Roxburgh also presented the results of a survey undertaken on 2 February which showed that the vast majority of respondents supported making the street smoke-free [Attachment B]. She did not believe that adoption of such a policy needed to be enforced, but was an educational step that would not require any more Council resource and may actually reduce cleaning costs.

4. Roger Tompkins

Mr Tompkins stated that he lived in Park Street and he was concerned about some of the changes Council had implemented recently including the closure of Beach Street, longer enforcement of parking limits and new loading zones. He noted that parking enforcement until 9pm was stopping a lot of people coming into town during the evenings and parking pressure was also making a lot of people park in nearby suburban streets especially Park, Hallenstein, Brisbane and Dublin Streets. He viewed these changes as ill-conceived and lacking consultation.

Mr Tompkins believed that congestion in the CBD would be relieved if trucks and buses were taken away. To do so, he suggested that deliveries be made between 10pm and 8am, and that a transport hub for buses away from Athol Street be created. He suggested that the recreation ground could be used as a temporary solution to alleviate parking until the transport hub was created, with the rugby club moved to the high school when it shifted to Frankton. This would relieve the pressure on the CBD and return it to being an appealing alpine village.

Mr Tompkins noted that there were older members of the local community that still needed to get into town and the Council should not forget these people.

In reply to a question, Mr Tompkins noted that deliveries at night could be undertaken at times when businesses were not busy, adding that it was an acceptable practice in most big cities in the world now.

The public part of the meeting concluded at 2.37pm.

Deliberations

There was general agreement that it was appropriate to recommend to Council that upper Beach Street should be declared a pedestrian mall, with exceptions. Consideration was therefore given to those exceptions and other related matters.

Delivery Times

Members considered the suggestion that deliveries take place at night. They questioned how workable this was, as it would need staff to receive goods after they had finished with customers which by necessity would be very late. This would also necessitate deliver drivers working late night hours and whether this was reasonable. Overall, they concluded that providing access for deliveries between 5am and 10am was adequate.

**Hearing of Submissions
Proposed Beach Street Pedestrianisation
15 FEBRUARY 2017**



Streetscaping

Mr Edgar confirmed that there were plans for Beach Street streetscaping but they were not being progressed until there was certainty about pedestrianisation.

The panel stressed that elimination of gutters and improved street surfaces needed to be addressed as part of future streetscaping. Mr Edgar advised that it would now become part of the Queenstown masterplan project.

Loading zones

The panel agreed that there were currently adequate loading zones in the CBD but equally, none should be lost. The future location of loading zones would also be considered as part of the masterplan.

Smoke-free status

Members agreed that declaring upper Beach Street as smoke-free was a good idea but needed to be undertaken as part of a broader smoke-free strategy. The panel agreed to recommend that Council investigate declaring upper Beach Street as smoke-free which may encourage a more wide-ranging review of smoke-free policy.

Whilst not a subject of this hearing, there was discussion about the effects of parking enforcement until 9pm on restaurants. It was noted that this was a trial and Mr Edgar was asked to investigate and advise members separately when it was due to end.

On the motion of Councillors Clark and MacDonald it was resolved that the panel recommend to Council:

- 1. That Beach Street between Camp Street and Cow Lane be declared a pedestrian mall, except for goods vehicles between the hours of 5am and 10am each day and emergency service vehicles at all times; and**
- 2. That making upper Beach Street smoke-free be investigated.**

The meeting concluded at 3.06pm.



SMOKEFREE OUTDOOR POLICIES

PROGRESS WITH LOCAL COUNCILS IN NEW ZEALAND



Playgrounds



Parks



Additional Areas



Sports Ground



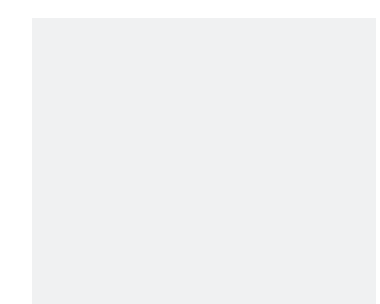
Beaches



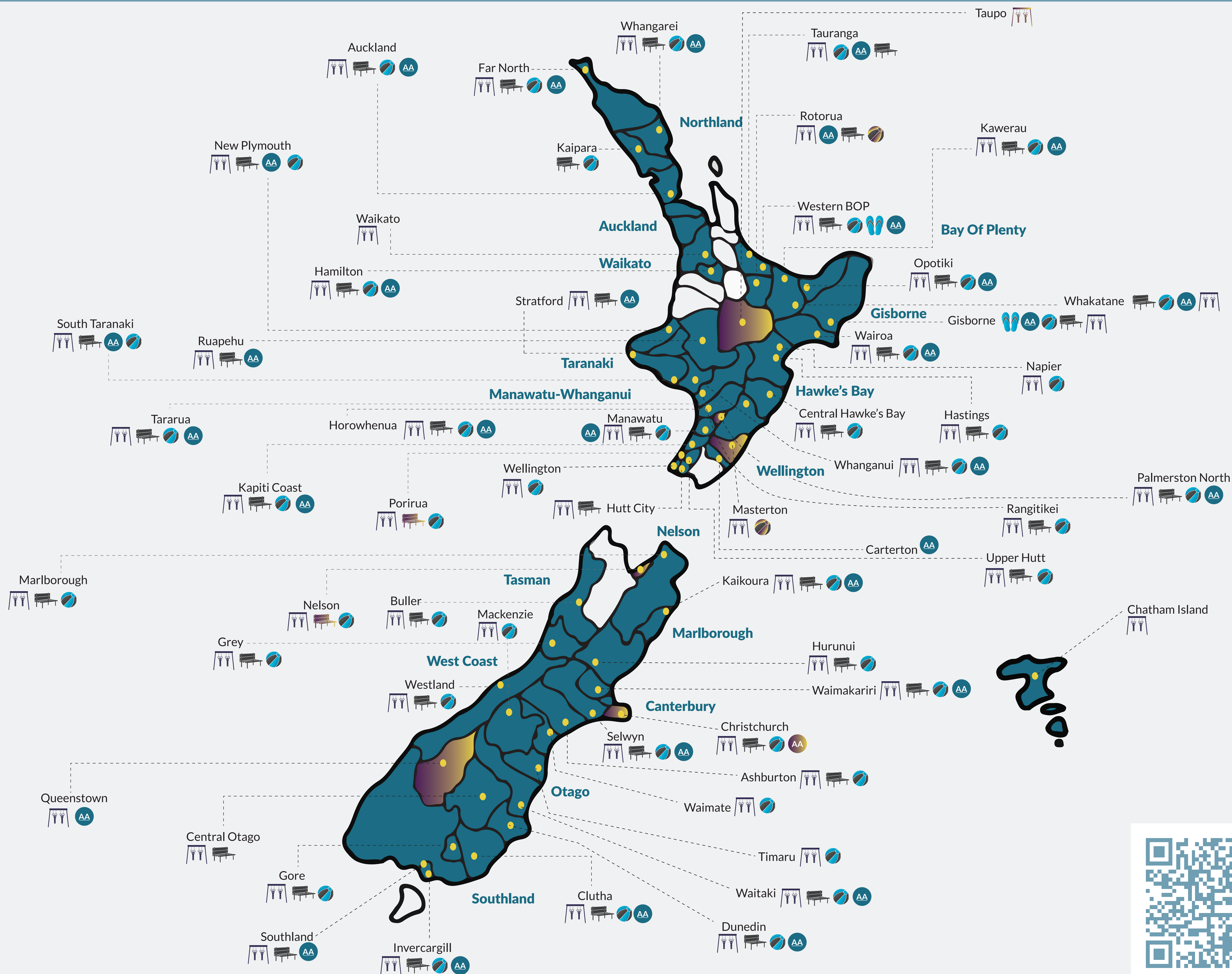
Partly Adopted



Adopted



No Policy



Survey Results for Smokefree Beach Street 2nd February 2017

Surveyed:

Tourists- 49

New Zealand Residents -7

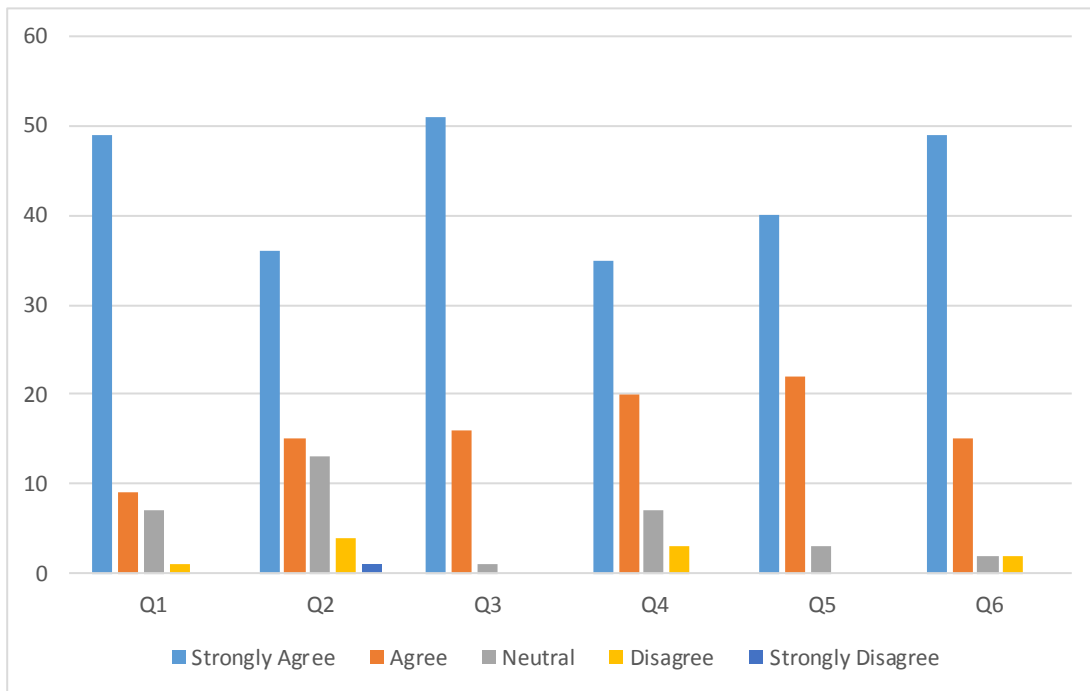
Queenstown Residents – 8

Would you support Beach Street becoming Smokefree

Yes – 40

No – 10

Don't know - 16



Q1 : I would prefer to eat in a smokefree area

Q2: I want to be in an outdoor area that is free from second- hand smoke

Q3: I think adults should not smoke around children and young people

Q4: Smokefree areas would be good for Queenstown's positive image to tourist

Q5: I think smoke free areas would reduce cigarette litter

Q6: I think smokefree areas would reduce fire risk

**QLDC Council
20 April 2017**

Report for Agenda Item: 5

Department: Property & Infrastructure

Title: 2016/17 Capital Works Programme – Second Re-forecast

The purpose of this report is to consider proposed amendments to the 2016/17 capital works programme for property and infrastructure projects.

That Council:

1. **Note** the contents of this report; and
2. **Approve** the budget changes proposed and detailed in Attachment A.

Prepared by:



Peter Hansby
GM Property & Infrastructure

3/04/2017

Reviewed and Authorised by:



Mike Theelen
Chief Executive

3/04/2017

- 1 At the 30 June 2016 meeting of the Queenstown Lakes District Council, the Council resolved to adopt the 2016/17 Annual Plan.
- 2 In order to provide the Council oversight of any changes proposed to the capital works programme and to gain approval to these changes, the Property and Infrastructure Department provides the Council with regular updates and proposed re-forecasts of the current year capital works programme.
- 3 This report is the second capex forecast review for the 2016/17 financial year.
- 4 The summary document is contained within Attachment A of this report.
- 5 This report breaks the programme into eight asset categories: Buildings, Camp Grounds, Parks and Reserves, Transportation, Solid Waste, Storm Water, Waste Water and Water Supply.
- 6 Contained within the asset group we have categorised projects as follows:
- 7 **New:** Where additional (new) funding is sought for existing projects or new projects are identified which the Council may consider suitable due to a change in legislation or some other business environment changes to those understood at the time of adopting the Annual Plan.

- 8 **Budget Transfer:** The project has, or is forecast to exceed, (or be below) the budget allocated through the Annual Plan process. The explanation of overspend / underspend and the proposed reallocation of funding between projects is contained within Attachment A.
- 9 **Defer:** Projects that will not be completed within the current financial year but will be completed in the 2017/18 financial year. Deferred budgets cannot be used to fund other projects in the current financial year.
- 10 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
- 11 Option 1 Approve the changes to the 2016/17 proposed capital works programme as proposed in Attachment A.

Advantages:

- 12 Provides an opportunity for the Council to consider the latest recommendation from officers in respect to projects planned for 2016/17 financial year
- 13 Provides the ability to manage the impacts of overspends against current budget and where possible the opportunity to take steps to keep capital expenditure within overall annual budgets.

Disadvantages:

- 14 This would change or delay the delivery of the projects consulted on and approved through the Long Term Planning (LTP) process.
- 15 Option 2 Status Quo, Do not approve the changes (do nothing option)

Advantages:

- 16 This would ensure that there are no changes to the programme of projects consulted on and approved through the Long Term Planning (LTP) process.

Disadvantages:

- 17 The Council will not be able to make changes to the capital programme to reflect the latest available information and investment will be less effective.
- 18 The Council will not be able to respond in a timely way to changes its operating environment and investment will be less effective.
- 19 Projects which have commenced and where sufficient alternate budget is available will be deferred, increasing the costs of delivery.
- 20 Option 3 Approve only some of the changes to the 2016/17 proposed capital works programme as proposed in Attachment A.

Advantages:

- 21 Provides an opportunity for the Council to consider the latest recommendation from officers in respect to projects being delivered in the 2016/17 financial year.
- 22 Provides the ability to manage the impacts of overspends against current budget and where possible the opportunity to take steps to keep capital expenditure within overall annual budgets.

Disadvantages:

- 23 This would change or adjust the timing of the projects consulted on and approved through the Long Term Planning (LTP) process.
- 24 This report recommends **Option 1** for addressing the matter.
- 25 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy. The proposed project adjustments are of relatively low value or, in the case of projects; Hawthorne Drive (EAR), Project Shotover Stage 2 – Disposal Field, Wanaka Lakefront Reclamation and Shotover Country Water Supply Treatment, budget adjustments best reflect the project scope.
- 26 This matter related to the operational risk : SR1 Current and Future Development needs of the Community, as documented in the Council's risk register. The risk is classed as high. This matter relates to this risk because it seeks to amend projects contained within the 10-Year Plan.
- 27 The recommended option mitigates the risk by:
- Treating the risk - putting measures in place which directly impact the risk. This is achieved through ensuring that the right projects are being funded and completed based on the most recent information available to Council officers.
- 28 The financial implications are outlined in Attachment A.
- 29 The following Council Policies were considered:
- Policy on Significance – Although the decision is in respect to strategic assets, namely, water supply infrastructure, sewage treatment plants and the roading network, the decision does not involve the transfer of ownership, sale or long term lease of these strategic assets. The policy of significance therefore does not apply.
- 30 This matter is included in the 10-Year Plan/Annual Plan:
- The projects identified form part of the capital works projects for the 2016/17 financial year.
- 31 The recommended option:
- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring that the right projects are completed at the right time;

- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

32 Most of the proposed changes can be implemented through current funding under the 10-Year Plan and Annual Plan. The exceptions are listed in the financial section of this report.

33 The persons who are affected by or interested in this matter are residents and ratepayers of the Queenstown Lakes district community.

34 It is not considered possible to consult fully on these changes if it is intended to complete the works within the current financial year.

ATTACHMENTS

A Summary of proposed project changes.

Programme	Project Code	Project Description	2016_17 Budget	New	Budget transfer	Defer	Budget Forecast	2016_17 versus Forecast	Comments
Buildings	000101	Waterways Minor Repairs and Renewals Wakatipu	15,300		(8,500)		6,800	(8,500)	Waterways renewals programme complete across district. Transfer balance of budget to project 412 Sunshine Bay Jetty extension to progress with consenting.
	000412	Sunshine Bay Jetty Extension	10,000		6,500		16,500	6,500	
	000230	AMP Improvement - Libraries	15,200		4,800		20,000	4,800	Proposed budget increase to complete condition assessments, business cases of significant investments identified in the first three years of the LTP and preparation of Property Asset Management Plan.
	000374	AMP Improvement - Venues and Facilities	20,800		7,200		28,000	7,200	
	000467	AMP Improvements - Buildings	15,000		5,500		20,500	5,500	Budgets no longer required. This is a placeholder for redecoration of pensioner housing.
	000388	8 Caernarvon St Arrowtown	13,750		(13,750)		-	(13,750)	
	000389	45 McDougal St Wanaka	13,750		(13,750)		-	(13,750)	Sufficient R&M budget to cover any works required 16/17.
	000415	Reline interior of Red Shed at Glenorchy	5,000		(5,000)		-	(5,000)	Project no longer required.
	000442	Wanaka Airport - General Upgrades	63,500		(25,000)		38,500	(25,000)	Budget not required. Budget of \$25k for office relocation had inadvertently been included in two projects, Project 442, Wanaka Airport, General Upgrades and Project 441, Wanaka Airport, Office Relocation.
	000307	Arrowtown Athenaeum Hall Seismic Strengthening	379,568		42,000		421,568	42,000	Budget adjustment required to cover remedial works at Arrowtown Hall.
	000338	Wanaka Lakefront Reclamation	1,323,766			(621,266)	702,500	(621,266)	Defer budget to 17/18 to reflect project delivery programme and consultation process.
Buildings Total			1,875,634	-	-	(621,266)	1,254,368	(621,266)	
Camp Grounds	000150	Queenstown Campground - Minor Capex	10,000		(10,000)		-	(10,000)	Budget reallocated to complete underground cabling works at Wanaka Campground.
	000154	Wanaka Campground - Minor Capex	5,000		15,000		20,000	15,000	
	000156	Glendhu Bay Campground - Minor Capex	5,000		(5,000)		-	(5,000)	
Camp Grounds Total			20,000	-	-	-	20,000	-	
Parks and Reserves	000139	Minor Renewal Reserve Works - Wanaka	148,000		(4,000)		144,000	(4,000)	Proposed budget transfers to Project 515, Sports fields at the Wanaka Rec Centre to cover increased scope of works. It has been identified that an additional 50mm layer of imported topsoil is required (24,000cm3) to mitigate concerns around; higher water application, inability to use vertidrain effectively and droughty trenchlines.
	000262	Wanaka Show Grounds field development	200,000		(8,500)		191,500	(8,500)	
	000515	Sports fields at the Wanaka Rec Centre	260,000		12,500		272,500	12,500	Proposed budget transfer to Project 381, QEC main oval drainage upgrade to complete works. Project 427, new path Frankton roundabout/QEC no longer required. Project 208, Earnslaw Park turf renovation complete and under budget. Project 425, Marine Parade renovations, revised scope due to upgrades to pump station pipelines.
	000208	Earnslaw park - turf renovation/sandcarpet	15,986		(6,000)		9,986	(6,000)	
	000425	Queenstown Marine Parade renovation	25,000		(8,000)		17,000	(8,000)	Initial Engineer's report complete. Estimate to upgrade the tennis court \$130k subject to ground conditions. Proposed to defer this project to 18/19. Officers to undertake review of assets districtwide and prepare a programme of works for inclusion in LTP.
	000381	QEC main oval drainage upgrade	632,500		44,000		676,500	44,000	
	000427	New path- Frankton roundabout/QEC	30,000		(30,000)		-	(30,000)	Defer \$100k budget to upgrade Ramshaw Lane car park 17/18. MWH quote to complete works of \$360k with an additional \$40k required to allow for minor car parking reconfiguration for new toilet build. Works planned to start in the spring.
	000383	Tennis Fernhill Williams Street	62,700			(57,700)	5,000	(57,700)	
	000429	Parks & Reserves Roding Minor Imp Wakatipu	170,000			(100,000)	70,000	(100,000)	
Parks and Reserves Total			1,544,186	-	-	(157,700)	1,386,486	(157,700)	
Storm Water	000050	Bremner Park Stormwater Upgrade	120,000		(120,000)		-	(120,000)	Project 50 identified as stormwater now agreed with NZTA that this is roading drainage project which attracts NZTA subsidy (surplus income). Budget to be wholly transferred to Project 66, Drainage renewals Wanaka.
	000066	WANAKA - Drainage renewals	194,700		120,000		314,700	120,000	
Storm Water Total			314,700	-	-	-	314,700	-	
Solid Waste	New	Wakatipu Recycling Centre extension	-	120,000			120,000	120,000	Proposed budget to extend the vehicle turning area at the recycling centre. Due to insufficient turning space large trucks are required to enter the facility through the site "exit" which poses a significant hazard to members of the public exiting the centre. It is proposed to extend the site by developing 2 QLDC owned parcels of land at rear of facility. In addition this will also facilitate some much needed storage for recyclables waiting on transportation.

Programme	Project Code	Project Description	2016_17 Budget	New	Budget transfer	Defer	Budget Forecast	2016_17 versus Forecast	Comments
	New	Commercial 24/7 waste storage facilities in QT CBD - design and investigation	-	7,000			7,000	7,000	Proposed budget to progress with design and scoping of 24/7 waste storage facilities in CBD. A number of areas within the CBD have been designed without adequate space for service areas or waste collection. The provision of 24/7 access to commercial waste facilities would provide for amenity of service and also improve the aesthetics of the CBD.
Solid Waste Total			-	127,000	-	-	127,000	127,000	
Transport	000053	WAKATIPU - Sealed rd resurfacing	872,600		(202,600)		670,000	(202,600)	Proposed budget adjustment to reflect actual programme. Transfer of \$182k to Wanaka Resurfacing and a \$20k transfer to Wakatipu Traffic. NZTA budget available to match as NZTA fund QLDC as district not wards.
	000054	WANAKA - Sealed rd resurfacing	647,400		182,600		830,000	182,600	Proposed budget adjustment to reflect actual programme. Transfer of \$182k from Wakatipu. NZTA budget available to match as NZTA fund QLDC as district not wards.
	000065	WAKATIPU - Traffic services renewals	48,500		30,000		78,500	30,000	Proposed budget increase to reflect programme of works. NZTA budget available to match.
	000070	WANAKA - Traffic services renewals	34,000		40,000		74,000	40,000	Proposed budget increase to reflect programme of works. NZTA budget available to match.
	000078	Beacon Point Road - Upgrade	270,000		(60,000)		210,000	(60,000)	Project complete and under budget.
	000284	Andrews Road Safety Improvements	300,000		175,000		475,000	175,000	Budget increase required to complete works. Forecast budget total includes design, internal time and contingency. Officers in discussion with NZTA re funding options. This project exceeds the NZTA Minor Improvement funding limit. A business case is required for NZTA to support the additional funding. Should the business case not be accepted by NZTA, QLDC will be required to fund the increase (\$175k).
	000305	CROWN RANGE RD Sealed Rd Pavement Rehab	252,000		(232,000)		20,000	(232,000)	Works no longer required. Engineers report recommends full reseal only, this work is currently underway. Low benefit / cost rating would not be financially supported by NZTA.
Transport Total			2,424,500	-	(67,000)	-	2,357,500	(67,000)	
Waste Water	000025	Wastewater - Renewals - Wanaka	75,900		8,000		83,900	8,000	Budget increase required to cover sewer renewal at Kowhai Terrace.
	000034	Marine Parade WWPS Optimisation	180,000		25,000		205,000	25,000	Budget increase required to cover project shortfall - Stage 1 of the upgrades to pump station pipelines.
	000464	Project Shotover Stg2 - Disposal Field	1,000,000			(470,000)	530,000	(470,000)	Budget to be deferred to 17/18 to reflect project delivery programme.
	000478	Wastewater - O&M Renewals - Lake Hayes	25,000		18,000		43,000	18,000	Budget increase required to cover costs associated with pump failure at PS4. Officers in discussions with pump supplier re reimbursement of costs.
	000480	Wastewater - O&M Renewals - Arthurs Pt	70,000		27,000		97,000	27,000	Budget increase required to cover costs associated with third party damage (car crashed into pump station). Costs recoverable from insurance.
	New	RESA Replacement of corroded concrete pipeline	-	50,000			50,000	50,000	Existing pipeline has been significantly corroded with sewer gas resulting in structural failure. Budget of \$50K requested 16/17 to progress with procurement. Budget of \$485k has been requested through AP internal submissions process to replace concrete pipeline with PE pipework in 17/18.
Waste Water Total			1,350,900	50,000	78,000	(470,000)	1,008,900	(342,000)	
Water Supply	000008	Water Supply - Renewals - Arrowtown	109,680		41,000		150,680	41,000	Budget increase to cover costs associated with building emergency chlorination over the summer period.
	000173	Hawea Water Upgrades - Intake to Scott's	14,219		12,000		26,219	12,000	Project complete as per Water Safety Plan action. Budget increase to cover additional commissioning costs.
	000279	Shotover Country WS - Bore	732,460			(295,000)	437,460	(295,000)	Actual costs to date relate to initial bore development and associated pipework. Balance deferred subject to further BBC and strategy development around options.
	000280	Shotover Country WS - Treatment	776,070			(700,000)	76,070	(700,000)	Actual costs to date relate to design activities associated with the initial bore development. Balance deferred subject to further BBC and strategy development around options.
	000348	Installation of UV treatment at Two Mile	495,500			(395,000)	100,500	(395,000)	Budget deferred subject to Queenstown Water Supply Strategy outcomes. Balance of budget required to undertake scoping and design as required.
	000459	Queenstown Hill #1 Reservoir Meter	30,000		27,000		57,000	27,000	An upgraded water meter is required in this area to understand water supply capacities around Queenstown Hill. Important to inform water safety plans, leakage management and pressure zone redesign.

Programme	Project Code	Project Description	2016_17 Budget	New	Budget transfer	Defer	Budget Forecast	2016_17 versus Forecast	Comments
	000473	Water Supply - O&M Renewals - Lake Hayes	40,000		36,000		76,000	36,000	Budget increase to cover costs associated with upgrades to duty/standby pumping regime. This cost is to be oncharged to the developer.
	000492	Water Supply - O&M Renewals - Hawea	10,000		51,000		61,000	51,000	Budget increase to cover costs associated with building emergency chlorination over the summer period.
	000361	Glenorchy Water Reservoir Upgrade - Design	13,500		50,000		63,500	50,000	Budget adjustment required to complete BBC and commence detailed design 16/17. Project budget of \$450,507 included within draft AP 17/18 to complete construction.
Water Supply Total			2,221,429	-	217,000	(1,390,000)	1,048,429	(1,173,000)	
Hawthorne Drive (EAR)									
Transport	000082	Eastern Access Road EAR- Hawthorne Drive	4,801,877			1,999,048	6,800,925	1,999,048	Hawthorne Drive project forecast for completion December 2017. 16/17 project budgets adjusted to reflect revised construction timings.
Transport	000519	Hawthorne Drive (EAR) - Other Services	-			169,977	169,977	169,977	
Stormwater	000318	Frankton Flats Stormwater - Construction	6,989,898			(3,801,381)	3,188,517	(3,801,381)	
Wastewater	000317	Frankton Flats Wastewater - Construction	667,575			(176,087)	491,488	(176,087)	
Water Supply	000319	Frankton Flats Water Supply - Construct	1,356,926			(976,620)	380,306	(976,620)	
Hawthorne Drive (EAR)			13,816,275	-	-	(2,785,063)	11,031,212	(2,785,063)	
Grand Total			23,567,625	177,000	228,000	(5,424,029)	18,548,596	(5,019,029)	

**QLDC Council
20 April 2017**

Report for Agenda Item: 6

Department: Property & Infrastructure

Joint Otago Councils Section 17A Shared Services Reviews

Purpose

The purpose of this report is to provide an update on the joint Otago Councils Section 17A Shared Services Reviews.

Recommendation

That Council:

1. **Note** the contents of this report.

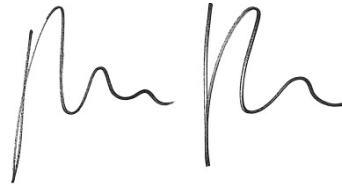
Prepared by:



Myles Lind
Manager, Asset Planning

6/04/2017

Reviewed and Authorised by:



Meaghan Miller
General Manager, Corporate
Services

6/04/2017

Background

1. The LGA was amended in August 2014, to bring in the government's second phase of legislative reform to improve the operation, efficiency and effectiveness of local government. One of the new provisions in the amendment was the introduction of Section 17A – Delivery of Services.
2. This section requires the Council to undertake reviews of the cost effectiveness of current arrangements for undertaking its activities, specifically looking at governance arrangements, funding arrangements and how each service is delivered, for example, contracted out, shared service, in house etc.
3. A review must be undertaken:
 - a. In conjunction with consideration of any significant change to relevant service levels; and
 - b. Within 2 years before the expiry of any contract or other binding agreement relating to the delivery of that infrastructure, service, or regulatory function; and

- c. At such other times as the local authority considers desirable, but not later than 6 years following the last review under subsection 1 of Section 17A.
4. Regardless of the above, the LGA has a transitional provision that requires that all services must be reviewed by 8 August 2017.
5. There are two exceptions where a review is not necessary, as follows:
 - a. There is a contract or other agreement in place that cannot reasonably be changed within two years, or
 - b. The local authority is satisfied that the costs of doing a review outweigh the benefits of doing a review.

Comment

6. The Otago Mayoral Forum expressed support for a joint Otago review process to be undertaken, and in January 2016, the Otago Chief Executive Forum convened a Project Team to scope this work. The Project Team consists of a representative from each council, and its purpose has been:
 - a. To consider the activities of each council and determine if there is an opportunity to undertake joint reviews, and
 - b. To develop a two stage programme of work.
7. A paper from the Project Team detailing a proposed two stage programme of work and methodology was presented to the Mayoral Forum in May 2016. The two stage work programme consisted of:
 - a. Stage 1 – a high level review of all activities (completed), and
 - b. Stage 2 – a detailed review of those activities which represent the best opportunities in Otago for more cost-effective service provision.
8. It was also recommended that the detailed reviews be conducted using an adapted Better Business Case (BBC) five-case methodology. This methodology requires:
 - a. A clear statement of the rationale for change (strategic case);
 - b. Rigorous analysis of options to select a preferred option (economic case);
 - c. Analysis of options to optimise the benefits of existing supply markets (commercial case);
 - d. A clear understanding of financial costs, funding and who pays (financial case); and
 - e. Sound management of all the risks associated with delivery to ensure the benefits are realised (management case).

9. The Mayoral Forum supported the recommendations made and resolved to allocate \$25,000 for the high level service review, and a further \$125,000 for any identified detailed regional reviews in 2016/17.
10. During 2016, the Project Team completed stage 1 of the work, reviewing all activities undertaken by each council, and combining these into 27 'regional activity groups'. For each group, data was gathered including current and forecast operating and capital costs, activity specific revenue, staffing levels and the consistency of current service arrangements.
11. A high-level BBC strategic case assessment was then applied to the activity groups, which considered:
 - a. Efficiency and effectiveness gaps at a regional level;
 - b. The degree of change needed to realise benefits;
 - c. How benefits might be shared;
 - d. Any risks to realising benefits; and
 - e. Any other constraints or dependencies.
12. A draft, high level review of Three Waters Services based on the 2015 Long Terms Plans was completed as part of Stage 1.
13. In terms of Stage 2, draft project plans have now been developed for: solid waste regulatory, harbourmaster and waterways, three waters and land and transport.

Options

14. This report does not identify options on this matter as required by section 77 of the Local Government Act 2002 because this paper does not require a decision. This paper only provides information for noting on Council's section 17A requirements.
15. As the reviews progress, and should potential options for change be identified, then section 77 obligations will be completed.

Significance and Engagement

16. This matter is of low significance as determined by reference to the Council's Significance and Engagement Policy because this paper does not involve a decision that triggers any of the thresholds relating to transfers or changes ownership or control of strategic assets.

Financial Implications

17. In accordance with CEO and Mayoral Forum discussions, each council is responsible for making funding available to support their proportion of the review costs.

18. To that end, an operational expenditure budget line has been created in the 2017/18 financial year in accordance with the Council's cost share obligations.

19. The total expenditure for the Otago Councils for the 2017/18 year has been initially estimated at \$125,000.

20. Depending on the findings of the reviews, additional future funding may be required by agreement through the CEO and Mayoral Forums.

Council Policies, Strategies and Bylaws

21. The following Council policies, strategies and bylaws were considered:

- Significance and Engagement Policy 2014

Local Government Act 2002 Purpose Provisions

22. The recommended option will help meet the current and future needs of the communities for good-quality infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective.

Consultation: Community Views and Preferences

23. The persons who may be interested in this matter are Council staff and the ratepayers of the Queenstown Lakes district community.

24. Broader consultation would be undertaken, depending on the outcomes of the reviews and any future potential changes to service governance, funding or delivery arrangements.

**QLDC Council
20 April 2017****Report for Agenda Item: 7****Department: Corporate Services****Otago Regional Council Annual Plan 2017/18 Submission****Purpose**

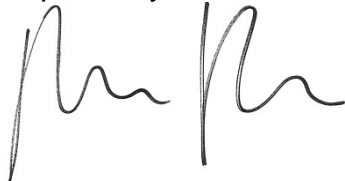
The purpose of this report is to enable the Council to endorse the Queenstown Lakes District submission to the Otago Regional Council (ORC) Annual Plan 2017/18.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Approve** the Queenstown Lakes District Council submission to the Otago Regional Council Annual Plan 2017/18.
3. **Authorise** the Mayor and Chief Executive or delegated officers and elected members to speak to the submission at the ORC Annual Plan hearing 22-26 May, 2017.

Prepared by:



Meaghan Miller
General Manager Corporate
Services

9/04/2017

Reviewed and Authorised by:



Mike Theelen
Chief Executive

10/04/2017

Background

- 1 The ORC released its proposed changes to its Ten Year Plan during April 2017 for feedback. A number of issues in its revised work programme are in direct relation to the Queenstown Lakes District. It is appropriate that this Council responds to those proposals on behalf of the community.

Comment

- 2 The submission references a number of key issues contained in the ORC consultation and supporting documents. These include the public transport subsidy proposal in conjunction with QLDC's commitment through its draft Annual Plan and water quality investment. In general terms the submission outlines that the ORC should prepare to be more strategic in its assumptions and investment relating to the Queenstown Lakes and invest more funds in the fastest growing district in New Zealand (see submission attachment A).

Options

- 3 The Council could choose not to make a submission and deal with these matters through a different forum, however this is a public consultation process and the submissions of QLDC to ORC should be transparent. This paper recommends that the Council makes a submission and speaks to its submission at the public hearing.

Significance and Engagement

- 4 The decision to make a submission to the ORC is not significant however the matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because matters contained in the ORC Annual Plan are of high significance to the community of the Queenstown Lakes District and of local, national and global importance.

Risk

- 5 This matter relates to the strategic risk SR1 as failure to adequately deliver a public transport solution or invest adequately in water quality management may not meet the future needs of the community or adequately protect the environment.

Financial Implications

- 6 None in relation to the decision. However it should be noted that failure to deliver the public transport solution will potentially invoke the at risk portion held by QLDC of \$300,000. Failure to address lake water quality issues has the potential to cost QLDC millions of dollars in water filter solutions.

Council Policies, Strategies and Bylaws

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

- Draft QLDC Annual Plan 2017/18 supporting document and Consultation Document.

8 The recommended option is consistent with the principles set out in the named policy/policies.

Local Government Act 2002 Purpose Provisions

9 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Attachments

A. Queenstown Lakes District Council (draft) submission on the Otago Regional Council Annual Plan 2017/18

11 April 2017

Mr Stephen Woodhead
Chairman
Otago Regional Council
Private Bag 1954
Dunedin 9024

Dear Chairman Woodhead

SUBMISSION ON BEHALF OF THE QUEENSTOWN LAKES DISTRICT COUNCIL

Thank you for the opportunity to submit on your 2017/18 Annual Plan. This plan comes at a time of unprecedented growth in the Queenstown Lakes District and unprecedented environmental threats to our lakes.

On that basis we note from the outset that there is no invitation in your submission feedback construct that asks the more strategic question as to whether the Otago Regional Council ('ORC') investment in the fastest growing district in New Zealand is adequate.

This is no longer a matter of regional parity but a critical matter of ensuring that within the context of the region that you are meeting your priorities. Our overall impression of the ORC Annual Plan 2017/18 is that it does not reflect a strategic approach in relation to QLDC issues and an accordingly inadequate proposed investment in the Queenstown Lakes District.

A. *Significant Forecasting Assumptions*: As outlined the Queenstown Lakes District is experiencing unprecedented growth and our growth forecasting predicts this scenario will continue. The QLDC is strategically looking to proactively prepare for and manage this significant challenge. On page 55 of the ORC Annual Plan we submit the assumption regarding Growth Change Factors, which assumes 'no impact' on the ORC's level of activity in the next Ten Years.

This assumption is worryingly inadequate and we submit that the ORC undertakes some detailed analysis to adopt a programme that meets the needs of growth areas (we refer you to the QLDC Annual Plan which highlights the challenge. For example traffic movements in Frankton have had an annual increase of 19.4% 2015 – 2016 and resource consent applications increased 25.6% 2015 – 2016). It is also in conflict with your Public Transport statements.

In that context our submission speaks directly to the tension created between our fast changing district and the delivery of the ORC community outcomes, particularly in relation to sustainable development and meeting the needs of 'Otago' people.

B. *Queenstown Office*: We do favourably note the proposal to re-introduce a Queenstown Office. The response is supported in principle; however we would like to be further engaged on this proposal.

- C. *Transport*: The Queenstown Lakes District Council supports the Otago Regional Council contribution of \$600,000 towards matching the contribution being made by Queenstown Lakes District Council (subject to consultation) and NZTA funding. It is now critical that transport issues are addressed in the Wakatipu, with public transport being a critical part of a suite of solutions needed to address traffic solutions.

The ORC will need to join with us in some innovative thinking in the solution space that takes us beyond a standard metro fix, namely the provision of bus transport. We have a unique environment that calls for unique solutions, for example ferries. The government is encouraging this innovation and whilst the proposed enhancement of the bus service is welcome, we challenge the ORC to join us in showing some leadership in this critical space.

A risk adverse or process bound response carries the real risk of impugning the reputation of our district and experience of ORC ratepayers (QLDC residents) and visitors alike in a destination that is the jewel in New Zealand's tourism crown.

Transport is fundamental to unlocking the potential of the district and we know that a second stream of work will also be required in the Wanaka environs. Again this is in direct conflict with the ORC growth assumptions.

It will be critical for the ORC to work with haste to ensure the proposed transport solution outlined in our respective Annual Plans is implemented as soon as possible. We submit that we would like a discussion on a draft plan for implementation within the next two months.

On behalf of our community we request this matter becomes an ORC delivery priority, particularly given the additional at risk component of \$300,000, in addition to \$600,000 that QLDC has put towards this critical project. This project must succeed and given the wide-spread support in our community our view is we simply need to get on with it.

- D. *Water*: Our lakes and rivers are a key economic asset, both to the district and the country. This plan appears to contain \$30,000 - if the project is to receive a third share of \$90,000 page 11 (CD) but we would like this clarified - towards a vision and action plan to restore the quality of Lake Hayes and \$100,000 to find out about lake snow, which is seriously impacting Lakes Wanaka, Wakatipu and Hawea.

This small scale commitment merely to 'research the problem' is concerning to the community and the QLDC, who have in the case of Wanaka in particular been investing hundreds of thousands of dollars to manage this issue over almost a decade. This Council (QLDC) is now facing the prospect of investing millions of dollars of filtration equipment to counter this issue. The scale of ORC's investment is frankly unacceptable. This is not a remote science problem. Again, this is an issue that carries with it major reputational implications.

The lakes and rivers are an essential environmental and economical asset, locally, nationally and globally. Again, we submit that the ORC work with the QLDC to produce a solution-based plan. The Queenstown Lakes District ratepayer is already facing the largest ORC general rate increase (in dollar terms) in the region page 5 (CD) and we are not suggesting this be funded through rates.

Given the significantly wider implication of this environmental matter we submit that the ORC offset an increase and solution-based fund for this work from its considerable reserves (\$13m) as outlined. We note specifically that the ORC holds two river management reserves for Wakatipu and Wanaka (total value \$1.2m on page 80 Annual Plan). This may be a wholly appropriate fund to utilise on this occasion.

On page 96 (Annual Plan), we note your intention to utilise reserves to fund research into water quality but we suggest the Council 'digs deeper' to enable an escalation of response to this concerning issue.

An alternative funding option may be to reconsider allocation of the \$3m Port Otago special payment dividend over the next two years that you have flagged as offsetting the general rate, as outlined on page 1 (CD) or the ability to dispose of assets as proposed through a change in your Significance and Engagement Policy on page 15 (CD).

Returning to the Lake Hayes proposal and in the context of our submission regarding increasing the investment in water quality, we submit that the budget be increased (our understanding is the solution is already understood and the cost is in the vicinity of \$200,000) to fix permanently the water quality issue for Lake Hayes.

We do acknowledge your proposed investment in urban water quality in accordance with the national policy statement on urban development targets and look forward to understanding how this work relates to and benefits our district.

Finally, it is with concern that on review, we have identified that the ORC may in fact be investing less in Wakatipu waterways in the proposed Annual Plan than on the previous Annual Plan and Ten Year Plan (page 14 CD). This indicates a reduction in the targeted rate of \$50,000 (\$150,000 take as compared to \$200,000 in the previous two years). Can you please clarify?

- E. *Pest control*: On page 11 (CD) of your consultation document the ORC outlines the issue created by wallabies. By simply exchanging the word wallaby for rabbit, the commentary would adequately outline the serious threat that the escalating rabbit population poses for Central Otago. The QLDC does not support any delay in solutions for rabbit eradication and submits that funds must be included in this Annual Plan. Again we submit this could be funded through reserves.
- F. *Working with your capital*: The ORC has developed a wholly prudent approach to its finances that does not effectively use the capital that the ORC has on its balance sheet nor utilise debt funding as a tool to enable future generations to pay for today's investment. We are not promoting a reduction or cap on regional rates but as outlined we ask the ORC to see how best it can add value to the urgent programmes in our district.

We submit that the ORC needs to recognise the significant and unprecedented growth in the Queenstown Lakes District and more effectively partner the QLDC to find critical solutions to challenges as outlined and to become more strategic in its forecasting to meet the future challenges.

We submit that the ORC may wish to revisit the stated intention to have general rates at a sustainable level so that the ORC will not have to draw down on special payments (Port Otago) by 2019 on page 1 (CD) under the context of significant growth in its region.

G. *Emergency Management*. QLDC supports the regional council's critical role in civil defence and emergency management. We would note that QLDC, like all Council continues to make a financial investment in emergency management.

If Option 1 as outlined page 6 (CD) is the preferred option then we would caution that the investment in resilience and response for Lakes District ratepayers is not disproportionate with areas of higher population.

As previously stated our support for this initiative will be predicated on ensuring that an appropriate investment in resource and readiness specific to QLDC is made. We look forward to seeing further detail in this space.

We have before us all some significant challenges. I have every confidence that if our Councils work in a united and constructive way we will be able to overcome these challenges together.

Yours sincerely

Jim Boulton ONZM
MAYOR, QUEENSTOWN LAKES DISTRICT

Adopted and endorsed by Full Council on 20 April 2017.

Please note that QLDC wishes to speak to its submission at the ORC Annual Plan hearing.

QLDC Council**20 April 2017****Report for Agenda Item: 8****Department: CEO Office****Chief Executive's Monthly Report****Purpose**

To amend a resolution made at the Council meeting on 24 March 2017; to present a summary of items considered at recent Standing Committee and Wanaka Community Board meetings and to present other updates on various matters.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Revoke** the following resolution made at the ordinary Council meeting held on 24 March 2017:

That the Council:

Appoint Councillors Ferguson, Lawton and Stevens to participate in a hearing panel to consider and hear submissions on the proposed Coronet Forest Management Plan 2017.

And replace it with:

That the Council:

Appoint Councillors Ferguson, Stevens and one other elected member to participate in a hearing panel to consider and hear submissions on the proposed Coronet Forest Management Plan 2017.

Change of Lease Area: Upper Clutha Sawmill and Wanaka Firewood Ltd

3. **Approve** the amended area [as shown in Attachment C] for the lease to be granted to Upper Clutha Sawmill and Wanaka Firewood Ltd on Section 37 Block III Lower Wanaka SD;
4. **Note** the delegations exercised for licences to occupy and temporary road closures by the Chief Executive during the period 15 February – 31 March 2017; and
5. **Note** the items considered during the past meeting round by the Audit, Finance and Risk Committee, Planning and Strategy Committee, Appeals Subcommittee, Infrastructure Committee and Wanaka Community Board.

1. Hearings Panel Membership: Coronet Forest Management Plan 2017

Councillor Lawton has signalled her intention to stand at the by-election to fill the present vacancy on the Otago Regional Council and the law requires her to resign from the Queenstown Lakes District to do so. As the hearing on the Coronet Forest Management Plan 2017 will take place before a replacement for Councillor Lawton is elected and I believe that a hearings panel of three is appropriate for this issue, I ask the Council to revoke its earlier motion appointing the hearings panel and resolve to appoint a new panel of three members.

2. Change of Lease Area for Upper Clutha Sawmill and Wanaka Firewood Ltd ('UCSAWFL')

- a. In 2015 Council notified the intention to grant a lease on Local Purpose (gravel/landfill/depot) Reserve land known as Section 37 Block III Wanaka SD, and called for tenders from prospective Lessees. A plan of the proposed lease area is included as Attachment A.
- b. The successful tenderer was UCSAWFL. Since 2015, UCSAWFL have been seeking resource consent to undertake their activity on the land. Part of the consent application noted that it would be screened from the south-west by an existing earth bund.
- c. Because the screening bund is outside of the lease area, it cannot be relied upon to provide the mitigation put forward in support of the resource consent proposal. Therefore, UCSAWFL have asked that the lease area be altered slightly to include the bund. They had suggested the plan be amended to keep the area the same as the original proposal as shown in Attachment B. However, that would result in an unusable and difficult to maintain triangle between the lease area and the boundary.
- d. It would be more logical for the lease area to increase to include the bund as shown in Attachment C.
- e. The approved lease conditions are as follows:

Commencement:	Tbc, once resource consent is obtained;
Rent:	\$5,200 per annum plus GST;
Term:	5 years, with a right of renewal of another 5 years on the agreement of both parties;
Rent reviews:	2 yearly;
Use:	Loading and unloading firewood, sale of firewood;
Limitations:	Firewood not to be processed on site;
Insurance:	Lessee to provide public liability insurance and approved health and safety plan prior to occupying the site.
- f. Originally, UCSAWFL were to have completed their consent by 2015, but that was extended last year to 30 June 2017.
- g. The Wanaka Community Board considered this matter at their meeting dated 30 March 2017 and passed a resolution to recommend to Council that the change in area be approved.

3. Delegations Exercised

Presented below is a list of applications for licences to occupy and temporary road closures considered by the Chief Executive under delegated authority during the period 15 February – 31 March 2017:

Address/Site/Event	Type	Brief Description	Date of Decision	Outcome
The Grille	Table & Chair Licence	Use of Road Reserve for Table & Chair Licence	1/03/2017	Approved
47-49 Shotover St	Licence to Occupy Road Reserve	Use of Road Reserve for construction purposes	9/03/2017	Approved
NASA Balloon Launch	Temporary Road Closure	Temporary road closure for balloon launch for scientific purposes	9/03/2017	Approved

4. Committee meetings of previous meeting round

Audit, Finance and Risk Committee – Councillor McRobie (10 March 2017)

Information:

- 1 Queenstown Airport Corporation: Six Month Report
- 2 QLDC Organisational Health Safety and Wellbeing Performance
- 3 Risk Management Update
- 4 Sensitive Expenditure
- 5 Quarterly Financial Overview – December 2016
- 6 Treasury Update: February 2017 (Public Excluded)

Planning and Strategy Committee – Councillor Hill (16 March 2017)

Information:

- 1 Withdrawal of land from the Proposed District Plan that is subject to recent plan changes to the Operative District Plan

Ratification:

- 2 Amendments to the Fees and Charges Schedule used for Resource Consents, Building Consents, Engineering and Other Matters

Note that the above item was considered as a separate report at the Council meeting held on 24 March 2017.

Appeals Subcommittee – Councillor Hill (16 March 2017)

Information:

- 1 Request to mediate in relation to an appeal against the grant of consent to G & J George RM160579
- 2 Request to mediate in relation to an appeal to decline Plan Change 51 – Peninsula Bay North

Note that this meeting was held with the public excluded.

Infrastructure Committee – Councillor Forbes (23 March 2017)

Information:

- 1 Revision of Southern Light Strategy and Technical Specifications
- 2 Acquisition of the Cardrona Water Supply Limited (CWSL) Assets (Public Excluded)

Wanaka Community Board – Ms R Brown (30 March 2017)

Information:

- 1 Lease Variation for Pisa Alpine Trust
- 2 Glendhu Adventures – Licence to Occupy Recreation Reserve
- 4 Chair's Report

Ratification:

- 3 Change of Lease Area for Upper Clutha Sawmill and Wanaka Firewood Ltd [NOTE: Discussed separately above]

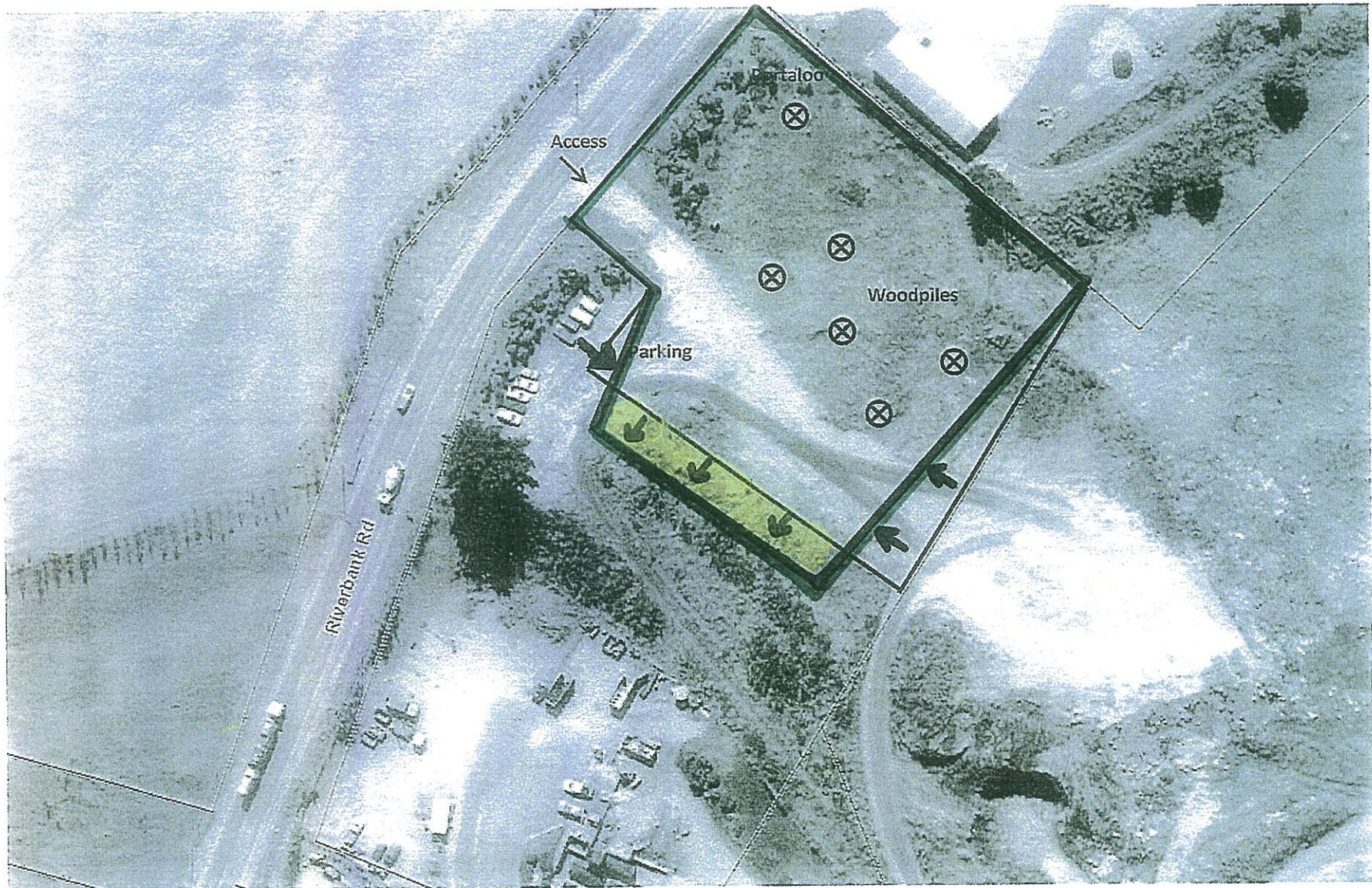
ATTACHMENTS

- A UCSAWFL approved lease area outlined in red
- B Lessee's proposed amended lease area outlined in green, with bund highlighted in yellow
- C UCSAWFL proposed amended lease area outlined in blue

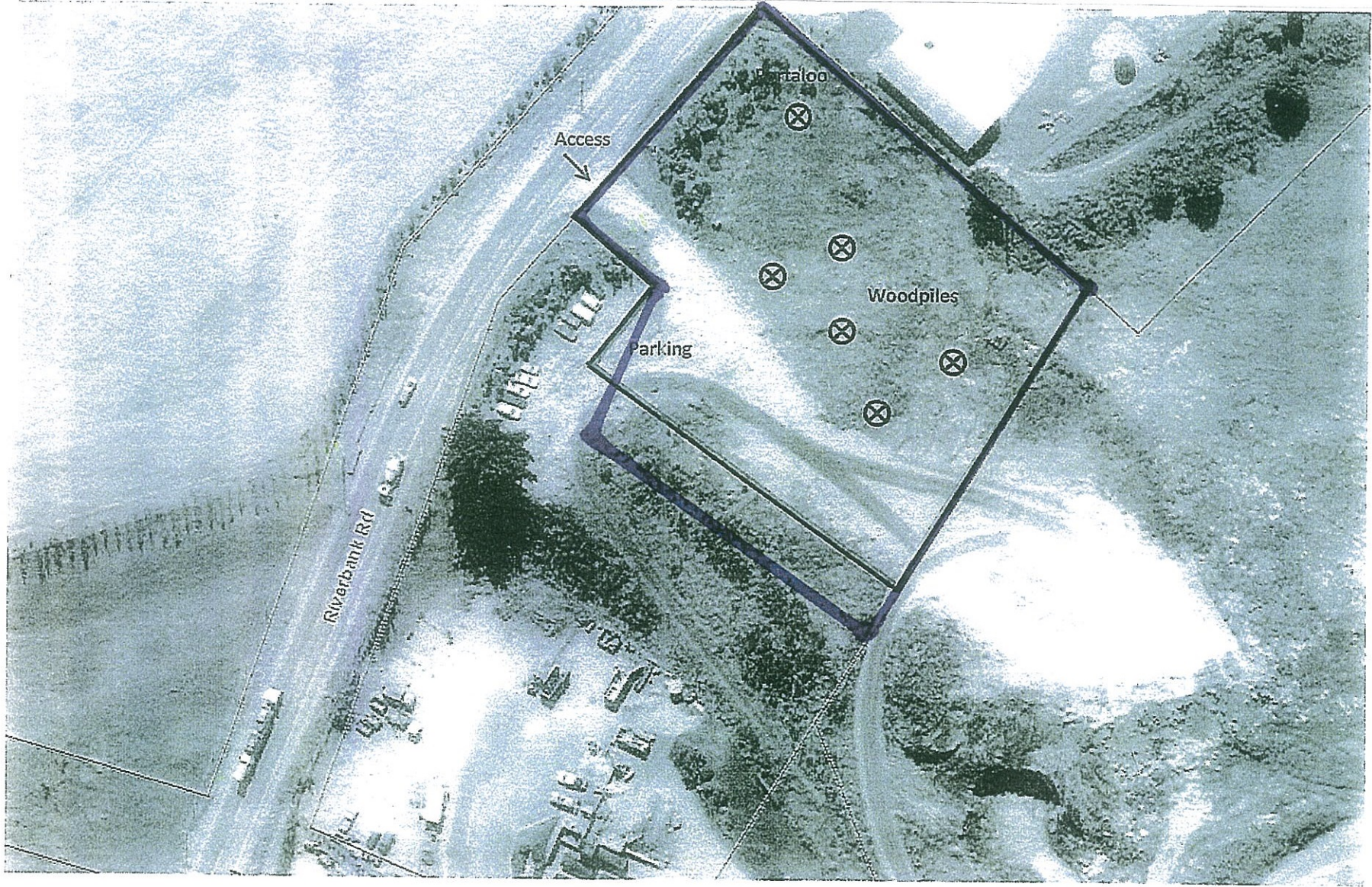
ATTACHMENT A¹²⁸ - CURRENT LEASE AREA



ATTACHMENT B - REVISED LEASE AREA OPTION 1



ATTACHMENT C - REVISED LEASE AREA OPTION 2
(PREFERRED)



Recommendation to Exclude the Public

It is recommended that the Council resolve that the public be excluded from the following parts of the proceedings of the meeting:

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

Confirmation of minutes of ordinary meeting held on 9 March 2017

Item 10: Pre-approval for settlement clearance

Item 11: District Licensing Committee Membership

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
10. Pre-approval for settlement clearance	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(i)
11. District Licensing Committee Membership	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: a) Protect the privacy of natural persons, including that of deceased natural persons.	Section 7(2)(a)

Confirmation of minutes of ordinary meeting held on 24 March 2017**Item 6: Housing Infrastructure Fund – Final Proposals**

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
6. Housing Infrastructure Fund – Final Proposals	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: j) prevent the disclosure or use of official information for improper gain or improper advantage.	Section 7(2)(j)

Agenda Items

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
1. Wanaka Airport future governance and management model (Attachment E)	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: g) maintain legal professional privilege	Section 7(2)(g)
3. Special Housing Area: Business Mixed Use Zone (Gorge Road): Attachment A: Recession Plane Analysis	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: b) protect information where the making available of the information (ii) would be unlikely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;	Section 7(2)(b)(ii)

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