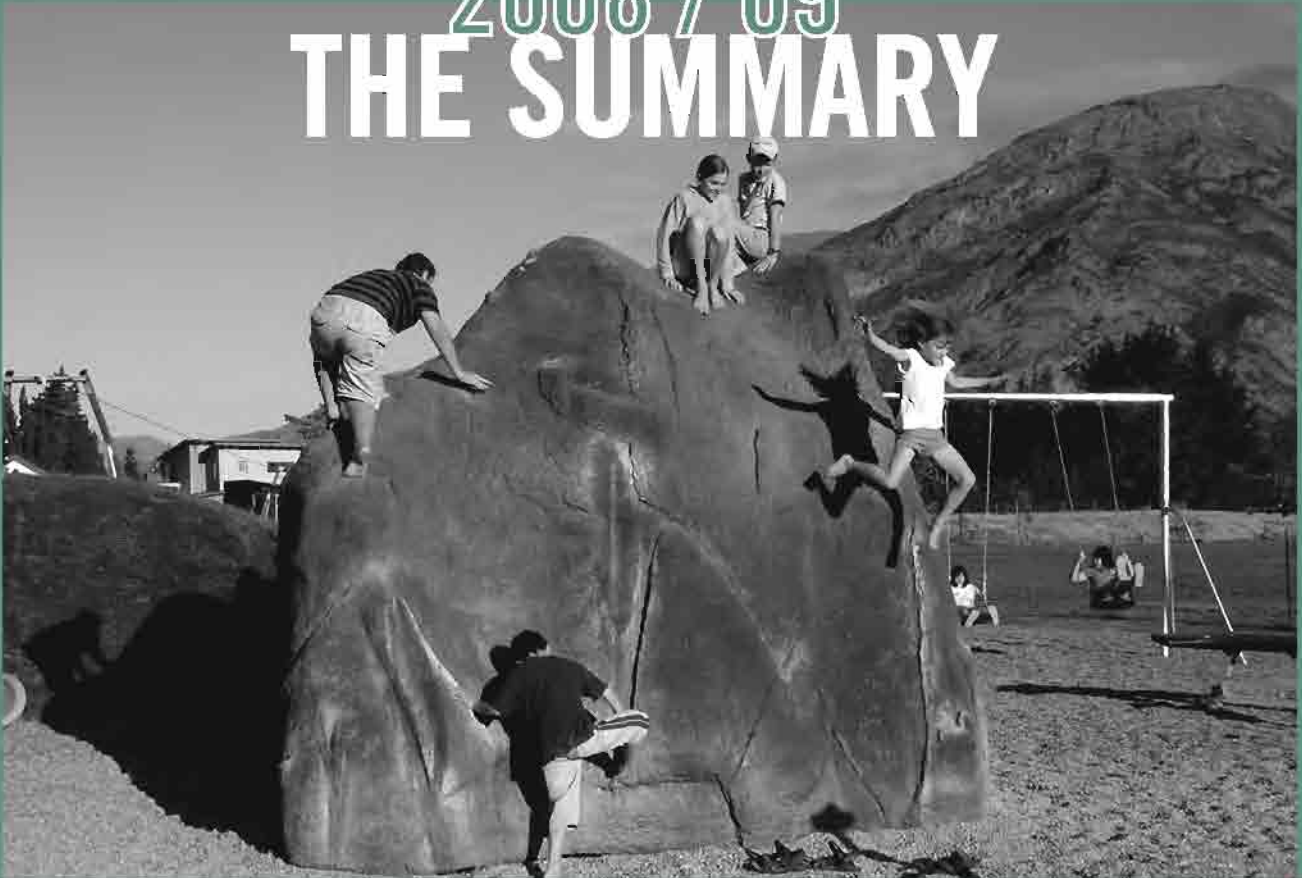


ANNUAL PLAN

2008 / 09

THE SUMMARY



Have Your Say:

Water Project Pure New Contracts
Playgrounds 6.8 % Rates increase **Roading**
Public Transport Libraries **Park and Ride**
Level of Service **Recycling** Urban design
Aquatic Centre Walkways **Parks**
Planning

Go to the back page to have your say





**“
A year of
immense
change over a
wide front.”**

Council's latest projections are that peak day population, during January, 2029, will be 81,966 in the Wakatipu Basin and 55,438 in the Wanaka Ward. The population of this district will more than double in less than 20 years. This can all occur within existing or committed zonings.

Since 2001 this council has been actively committed to, firstly, understanding the nature of the growth pressure it is facing, and secondly, delivering projects and programmes that allow the communities in the district to gain the benefits of growth (like supermarkets, swimming pools, international events and better business returns) and to preserve the things that define us as a community. Landscape and townscape, heritage, water and air quality, and community institutions need to be protected and fostered.

This summary is our best effort to draw attention to what we regard as the most significant issues in a draft Annual Plan that seeks to deal with a year of immense change over a wide front.

The 2006 Council Community Plan (CCP) was about development, implementation and delivery. In this, the third year of the plan's three year period the focus is on delivery. With the delivery of key projects like the Queenstown aquatic centre and kerbside recycling there are ongoing costs. In the case of the aquatic centre it is the cost of the operation, in the case of recycling it's the distribution of the cost for the service in a fair and

reasonable way across the entire district.

For the community, 1 July 2008 will be a watershed date, a date which we have been working towards for some time. Much work has been done to enable: a new openly tendered contract for 3 waters and maintenance; new openly tendered contracts for reserves, toilets, tree maintenance; a new in-house horticulture team; a new contract for regulatory services (Lakes Environmental) - open and transparent without profit motive; a new council owned organisation for recreation and leisure services (Lakes Leisure) - including the new aquatic centre; and a new residual waste collection contract.

It is a pleasure this year to have some further tangible milestones, particularly with the opening of the doors of the Queenstown aquatic centre, scheduled for May 31, the outstanding way our district has embraced kerbside recycling, the proposed introduction of park and ride transportation for Queenstown; the ongoing commitment to our central business district streetscapes and the all important investment in sports, recreation and play. The Queenstown destination playground is another exciting project.

Also a major highlight for the council has been and will be the ongoing District Plan and plan change and variation work to improve our urban and rural landscapes. At the moment we have 33 plan changes at various stages, in particular the Community and Affordable Housing Plan Change will give the council the statutory power to require affordable housing through plan changes and resource consent applications. This is a good example of a major investment in the future of our communities.

A lot of hard work has gone into ensuring that the draft Annual Plan delivers a rate increase that is affordable. It is of particular satisfaction to note that in the current national financial climate the average rate increase proposed in the draft Annual Plan is 6.8 percent. This is an average rate, which will be distributed unevenly among our ratepayers. Those who are asked to pay the most will be those who gain the benefit of new services such as recycling, Project Pure and the Queenstown aquatic centre. With regard to recycling, the rate increase needs to be seen against the reduced cost most residents will see with the end of the private wheelie bin service. As we continue to be one of the fastest growing districts in the country the council is not in a position to rest on its laurels.

Continuing to deliver an improved capital works programme, implementing a waste water disposal to land scheme for the Wakatipu, consulting over the Queenstown Inner Links Study, ensuring the new contracts for Lakes Environmental, Lakes Leisure and new maintenance contracts are all successfully operating by 1 July, continuing to implement plan changes including Frankton Flats, meeting the needs of our smaller communities, meeting the needs of our multi-cultural communities and lobbying agencies to ensure that Central Government keeps abreast of the growth are just some of the big challenges facing the council and its elected members. The council is committed to delivering a programme that meets the outcomes determined for it by the community. The continuing role of individuals in the community in defining the desired future, proposing new initiatives through the Annual Plan process, and holding the council accountable for delivering the Annual Plan, is vital and much appreciated.

Duncan Field
CEO

Clive Geddes
Mayor

Please make sure that you have your say!

In 2006 the council adopted its second Council Community Plan (CCP). The 2006 CCP contained detailed budgets for 2006/07, 2007/08 and this year 2008/09. It also gives indicative figures to 2016.

Next year the council will produce its third three-year CCP. In the years between CCPs the council must produce an Annual Plan to:

- confirm the budgets for the year
- explain any differences to the CCP budget set in 2006
- Set the rates for the year
- Receive community feedback

The council must produce a Council Community Plan every three years with an Annual Plan in the between years.



Timeframe

- 3 April 2008 - council adopts draft Annual Plan
- 5 April 2008 - public notice - submissions open
- 5 May 2008 - submissions close
- 15-16 May 2008 - submissions heard
- 27 June 2008 - council adopts Annual Plan

Our Community Outcomes

The council formally adopted the community outcomes at the conclusion of the public submission process in 2004 and will revisit the outcomes with the community prior to 2009. The community outcomes now form a basis for all activities of the council. The outcomes signify an opportunity for the council and agencies to better understand our communities, their needs and hopes and how to best work within our organisations towards meeting those expectations.

- **Sustainable growth management.**
- **Quality landscapes and natural environment and enhanced public access.**
- **A safe and healthy community that is strong, diverse and inclusive for people of all age groups and incomes.**
- **Effective and efficient infrastructure* that meets the needs of growth.**
- **High quality urban environments respectful of the character of individual communities.**
- **A strong and diverse economy.**
- **Preservation and celebration of the district's local cultural heritage.**

* The term infrastructure includes network infrastructure, roads, trails, public transport and community facilities.

Community Outcomes linked to Activities

Sustainable Growth



Strong, Diverse Economy

- Governance and district promotion
- Property
- Resource Management and Regulation
- Utilities
- Roading and Parking



Safe, Healthy, Strong Community

- Governance and district promotion
- Property
- Community
- Resource Management and Regulation
- Utilities
- Roading and Parking



High Quality Urban Environment

- Governance and district promotion
- Property
- Community
- Resource Management and Regulation
- Utilities
- Roading and Parking



Landscapes, Natural Environment

- Governance and district promotion
- Community
- Resource Management and Regulation
- Utilities
- Roading and Parking



Local, Cultural, Heritage

- Governance and district promotion
- Community
- Resource Management and Regulation
- Roading and Parking



Effective, Efficient Infrastructure

- Governance and district promotion
- Property
- Community
- Resource Management and Regulation
- Utilities
- Roading and Parking

1 July 2008 - A Watershed Date

Since 2004 successive council plans have identified 1 July, 2008 as a watershed date. Almost all of our infrastructure maintenance contracts, and the contract with CivicCorp, expire on that date. In fact the start of 08/09 has turned out to be even more significant than council originally forecast. The key differences include:

- a) The new maintenance contract for water, sewerage and stormwater throughout the district (replacing contract 330).
- b) New maintenance contracts for reserves, toilets, public trees, toilets, sports turf and buildings (also replacing contract 330).
- c) A new contract for rubbish collection (with new standards due to apply from September / October 2008).
- d) A new service level agreement with Lakes Environmental Ltd (council-owned company).
- e) A new service level agreement with Lakes Leisure Ltd (a company owned by council and formed to operate recreational facilities across the district).
- f) The establishment of an in house maintenance team of 16 persons to undertake horticultural work and town centre cleaning. Four of these staff will be based in Wanaka.
- g) New asset valuations for roading, water, sewerage and stormwater. As council is required to fully fund depreciation this has impacted rates.
- h) Interest rates have steadily increased. In the CCP we forecast interest rates to be at 7% pa. Our cost of borrowing is now expected to be closer to 9%.
- i) The continuing buoyant New Zealand economy has meant that the cost indices which most affect council costs (oil products, the exchange rate and construction indices) have far exceeded the more familiar CPI.

Differences in Operational Expenditure

It is anticipated when planning for a three year budget that as each year is revisited in the Annual Plan process, there will need to be adjustments. It's important that the council clearly highlights those differences.

In comparing this draft Annual Plan to operational expenditure levels forecast for 2008/09 in the CCP, the following are noteworthy:

- Water, sewerage and stormwater expenditure totalling \$19.93M is consistent with the CCP projection of \$20.09M.

- Roading expenditure totals \$14.85M against a CCP projection of \$16.38M - the main reason being a reduction in depreciation expense as result of the latest asset valuations.
- There has been a \$792,000 increase in property operation costs. This is predominantly due to the inclusion of costs at the Arrowtown and Albert Town motor camps which, at the time of the CCP, were operated by a private contractor and the Department of Conservation respectively. These costs are offset by increased revenue.
- Operational expenditure in the community services area is \$2.3M higher than projected for in the CCP.

This is due to a range of factors:

- Reserves maintenance costs have increased by \$658,000. This increase primarily relates to changes to the scope of works as a result of growth and higher levels of maintenance for trees in public areas, sports fields and garden plots.
- Costs associated with the first full year operation of the Queenstown aquatic centre have come to charge. This includes \$985,000 for the first full year of aquatic operations, and depreciation on aquatic centre assets of \$510,000.
- Additional facilities management costs of \$334,000 have been provided for facilities under the control of Lakes Leisure Ltd.
- A further \$532,000 has been provided to fund service level changes agreed in the 2007/08 year for libraries, emergency services and community development.

An additional \$1.16M (against CCP forecast) for regulatory services.

This is made up of:

- \$201,000 in additional payments to Lakes Environmental Ltd. Council expects that the company will provide the community with substantially improved 'public good' services for this sum.
- To effectively defend the District Plan against legal challenge the council has increased legal budgets by \$282,000.
- Funding for priority changes to the District Plan has been increased by \$350,000.
- As District Plan development is funded in part from loans, provision for interest has increased by \$125,000.
- The balance of the increase relates to a re-allocation of council internal overheads to this function.

The explanations above account for 95% of the variations in operational expenditure.



Prospective statement of financial performance for the year ended 30 June 2009			
Annual Plan 2007/08		Annual Plan 2008/09	CCP 2008/09
	Operating Income (\$000)		
23,958	Targeted Rates	26,368	27,429
14,322	General Rates	16,171	14,882
9,695	User Charges	9,088	9,007
13,058	Grants and Subsidies	11,711	11,212
6,874	Vested Assets	7,039	7,039
15,223	Development Contributions	15,430	16,415
3,607	Other Income	4,633	3,435
5,338	Revaluation - Non Current Assets	5,604	5,605
92,075	Total Operating Income	96,044	95,024
	Cost of Services (\$000)		
6,109	Governance and District Promotion	6,270	6,040
9,454	Community	11,762	9,458
4,395	Property	4,711	3,919
5,771	Regulatory and Resource Management	6,536	5,372
14,891	Roading and Parking	14,850	16,380
16,843	Utilities	19,934	20,092
54	Overhead	54	22
57,517	Total Operating Cost	64,117	61,283
34,558	Operating Surplus (\$000)	31,927	33,741
Prospective statement of movements in equity for the year ended 30 June 2009			
674,904	Forecast Opening Equity (\$000)	746,094	745,538
34,558	Net Surplus from Operations	31,927	33,741
36,606	Revaluation Reserve	-	
26	Minority Interest	27	27
71,190	Total Recognised Revenues and Expenses	31,954	33,768
746,094	Forecast Closing Equity (\$000)	778,048	779,306
Prospective statement of financial position as at 30 June 2009			
Annual Plan 2007/08		Annual Plan 2008/09	CCP 2008/09
12,064	Total Current Assets (\$000)	12,166	11,947
805,693	Total Non Current Assets (\$000)	849,153	840,003
817,757	Total Assets (\$000)	861,319	851,950
12,059	Total Current Liabilities (\$000)	12,252	11,848
59,604	Non Current Liabilities (\$000)	71,019	60,796
71,663	Total Liabilities (\$000)	83,271	72,644
746,094	Total Public Equity (\$000)	778,048	779,306
817,757	Total Liabilities and Equity (\$000)	861,319	851,950
Prospective capital expenditure by activity for the year ended 30 June 2009			
Annual Plan 2007/08		Annual Plan 2008/09	CCP 2008/09
2,107	Governance and District Promotion Total	806	350
19,434	Community Total	9,438	9,460
1,709	Property Total	5,650	5,745
524	Regulatory and Resource Management Total	564	564
24,754	Roading and Parking Total	25,248	21,016
33,384	Utilities Total	24,573	30,965
81,912	Total Capital Cost	66,279	68,100

Capital Budgets

The capital budgets in this draft Annual Plan provide for total capital programme of \$66.28M, including \$9.43M in debt repayment and vested assets from sub-dividers of \$7.04M. This compares to a forecast for the 08/09 total capital programme of \$68.1M in the CCP.

This variation of \$1.8M, between this draft Annual Plan and the CCP, can be attributed to:

- An increase in roading works of \$4.12M for rehabilitation projects brought forward with revised costings (i.e. the Crown Range /Zig-zag / Royal Burn project).
- A deferment in water and sewerage projects for timing reasons (\$6.39M).

The capital programme in the 2007/08 Annual Plan was \$81.91M.

Staffing

Staff costs are \$493,000 (13%) more than 07/08. This however includes:

- \$150,000 for increased staffing in new motor parks (which will be off-set by increased revenues).
- \$154,000 to permit the CEO to replace contracted policy analysts with staff, where practical. This increase will be offset by reducing contractor costs.
- In total however the cost estimate for strategic policy projects has increased by \$191,000 in the 08/09 year and the total cost is now \$1.69M. This will allow the priority changes to the District Plan to be progressed as promptly as possible.
- It is noted that several positions were funded in 2007/08 but not filled due to market availability. The role of Travel Demand Manager (75% subsidised) and a general manager position covering corporate and regulatory areas will be filled in the near future.

The above movements in staff numbers reflect a strengthening of the council's in-house staff to ensure that the council can deliver the CCP. Once these roles are filled the council expects a period of consolidation (rather than further growth in staff numbers) will follow.

Some Highlights

New Contracting Environment in more detail

The council, by 1 July, will have brought contract standards for

maintenance up to modern community expectations. The increased costs of doing so have proven to be modest and are included in the draft Annual Plan.

The current contract 330, which is ten years old and has never been tendered, expires in June, this year. The council has been preparing for that event through a set of comprehensive service delivery reviews. The council has now selected four preferred tenderers for five major council contracts worth in excess of \$5M per annum.

The council has also restructured many of its agencies and is placing them on performance-based contracts. This includes Lakes Environmental, Lakes Leisure, and Lakes Engineering. These council-owned organisations have directors with clear objectives set out in their respective statements of corporate intent.

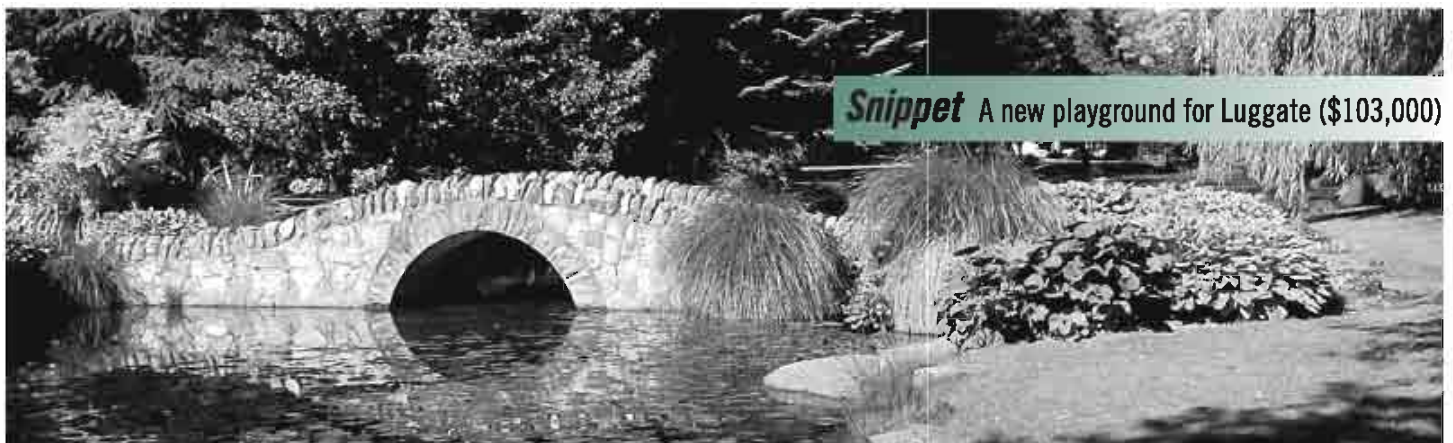
The council was also aware that while its capital programme, to support growth, had to expand sharply, the traditional engineering and physical works structures would not facilitate that. To promote timeliness of capital investment, effectiveness and value for money the council:

- Put in place a set of professional engineering services arrangements for roading, water and sewerage to ensure project design and management is effective. This draft Annual Plan contains considerable forward investment in securing project designs and consenting for works in future years.
- Tendered and approved a set of physical works procurement arrangements with physical works contractors. A set of six companies have become preferred suppliers for up to 80% of the council's capital works programme.

Collectively these arrangements are expected to ensure that council's capital programme is delivered in an innovative, timely, customer focused manner that provides value for money.

Shaping the Community

Council has achieved a clear sense of direction for growth in the district. This is reflected in a range of documents including the Growth Management Strategy and the Wanaka Structure Plan. In 2008/09 and subsequent years it is council's intention to turn the principles in these non-statutory documents into provisions which have the strength of local legislation. This draft Annual Plan contains a broad range of projects designed to mould the shape of our district to the ambitions of residents. Particular attention is drawn to the following.



Snippet A new playground for Luggate (\$103,000)

Queenstown Town Centre

A figure of \$1.05M has been provided in the draft Annual Plan for improvements in the town centre of Queenstown. This will be used to continue the programme of improving the amenity of public spaces and streets. During the year the council will also undertake a Queenstown Town Centre Review. This project will involve the community in a discussion of the appropriateness of commercial, residential and other activities in the centre of Queenstown. It will address a wide range of issues including alcohol, infrastructure, lighting, pedestrian access, streetscape, activities, public transport and urban design outcomes and noise. \$70,000 has been provided for this internally driven project for external support.

Wanaka Town Centre

A figure of \$315,000 has been provided for improvements in the Wanaka town centre.

Alongside a commitment to consider a Three Parks Zone the council is conscious that attention needs to be given to the role and amenity of the Wanaka Town Centre. A working party is being set up to freely debate and present proposals for the future of the Wanaka town centre.

Frankton Flats Plan Change

During 08/09 important decisions will be finalised affecting the future of the Frankton Flats. Submissions on Plan Change 19 will be heard and determined and the council also expects to deal with proposals for new airport noise boundaries.

Other Plan Changes

At the risk of overlooking a policy project of importance we would draw attention to the following from among the priority list of plan changes:

- A significant set of plan changes will be promoted and consulted on this year, which address Urban Growth Boundaries especially for Queenstown and Arrowtown.
- Growth has meant that the face of some aspects of the community can change very rapidly. For some time the community has been concerned that the proliferation of visitor accommodation is displacing residential activity to the point where a sense of community is lost. As a result of submissions, the council is doing more work on visitor accommodation and residential activities, including looking at creating sub-zones to resolve tensions.

- An amendment to the District Plan to make it easier for rural landowners to create public walkways. This change will be of significant value in progressing the timely implementation of trails strategies in the Wakatipu Basin and the Wanaka Ward.
- New provisions providing for contributions towards affordable housing.
- Provisions to protect the operating capacity for Wanaka Airport and updated noise boundaries for the Queenstown Airport.
- A set of plan changes to improve the performance of existing zones, including changes for: Frankton Flats, Three Parks, Ballantyne Road Sewerage Ponds, Cardrona Station and Cardrona Township, Kingston and Makarora.

As most of the District Plan is now approaching a point where it has been operative for two years the opportunity for private plan changes will soon arise.

Small Community Plans

Decisions about community investment in the smaller communities in the district are strongly influenced by the individual community plans that have been prepared by the residents in these areas and adopted by council. Provision has been made for a progressive review of these plans although the council has not yet agreed with local community associations how this might be done.

Transportation Studies

Council has now adopted transportation strategies for the Wakatipu Basin and Wanaka which define roading patterns and investment for the future. An inner Queenstown strategy is currently being completed.

These strategies are now driving investment choices and, in the case of Queenstown, \$1.1M has been provided in draft Annual Plan for public transport implementation (including 'park and ride' and bus shelters).

Urban Design

This year provision has been made for an urban design strategy which will provide a comprehensive basis for further improvements in urban design.

Snippet Replace and refurbish public toilets in the CBD (\$211,000)





Snippet Scurr Heights toilets (\$60,000)

Recycling

It was with considerable pride that the council:

- Initiated kerbside recycling in Wanaka in September 2005 in partnership with Wanaka Wastebusters. The average Annual diversion for Wanaka is now at 33% (the district-wide target is 35%).
- Completed a dedicated Wakatipu Recycling Centre in 2007.
- Commenced a kerbside collection service in the Wakatipu Basin in October 2007. So far, the diversion average has been reaching 19% from landfill.

It was in previous Annual plans that we consulted the community on both the standards of this service and the implications for rates; with over 90% of residents telling us to 'get on with it'. Introducing new services, such as recycling, have played a significant part in the level of rates in 2008/09. The availability of commercial recycling opportunities also continues to grow.

Waste that can't currently be Recycled

Since 1998 individual residents have had a choice about how to dispose of domestic rubbish using blue bags or a private 240 Litre wheelie-bin service. The community has for some time been asking for an alternative system. With kerbside recycling in place there are now opportunities to address these issues.

This draft Annual Plan contains a proposal for an alternative residual waste service to commence in September/October 2008. Every eligible residence will be provided with the option of:

- A 120 litre wheelie bin which will be owned by, and emptied under a contract administered by, council.
- Being provided with 52 blue bags a year (rural and others with access issues).

Whichever option, the service will be complemented by 140 litre recycling bin in the Wakatipu (crate for rural) and the 60 litre recycling crate in Wanaka, and will ultimately be part of a three-bin system (including green-waste). The cost of either the 120 litre residual refuse bin service or the blue bags will be recovered through rates, i.e. an Annual uniform charge of \$269 pa. Council believes that, for most ratepayers, this solution will either reduce household costs or be neutral (because occupiers will not be paying \$282 for the private service or \$2 per bag, every week). The likely financial impact can be seen from the following chart.

Costs to the ratepayer			
	Current	Future	
Waste management charge	\$152	\$269	Waste management charge
Blue bag (at 1 bag per week)	\$109	\$0	52 bags delivered per year
240 litre wheeled bin	\$282	\$0	120 litre wheeled bin
Total - blue bag user	\$261	\$269	Total - blue bag user
Total - wheeled bin user	\$434	\$269	Total - wheeled bin user



Council is aware of some issues with this proposal:

- i. Residents who have already strongly embraced recycling, and who are in some cases putting out only one blue bag every 2 or 3 weeks, will have to pay for the weekly service. The council doesn't want to penalise good recyclers and so welcomes submissions which suggest practical and lawful solutions to this issue.
- ii. In 1998 the council provided the residents of Glenorchy, Kingston and Makarora with a free wheelie bin service as an alternative to a more expensive transfer station. Under the new proposal those ratepayers will now contribute through rates on the same basis as other communities.
- iii. For some properties, such as apartment blocks, there may need to be tailored solutions to avoid the clutter of numerous bins or bags that affect the amenity of the property or the street. In most cases this has already been addressed through arrangements for recycling bins.

Green/organic waste

The last major component of the Waste Management Strategy to be completed involves green-waste. This draft Annual Plan provides \$100,000 for the design, tendering and implementation of a kerbside green and organic waste collection and processing service which we expect to have operating in 09/10, this is most likely to be by way of a third wheelie bin.

Sustainability

A number of institutions in the community now quite rightly advocate that recycling is second best to other sustainable practises that avoid the creation of waste; for example consumers avoiding plastic supermarket bags. Through our education programmes, and lobbying Government, we strongly support initiatives in this area.

**Get it sorted!**

For more information on reducing your household waste go to:
www.qldc.govt.nz



More Highlights

Project Pure and Project Shotover

The council is now progressing the option to implement a waste water to land disposal scheme at the Shotover Delta by 2011 (Project Shotover). Resource consent applications will be lodged in April this year. The draft Annual Plan contains \$741,000 for the continuation of design work for the new scheme. Funding of the project will be the subject of separate consultation through the 2009 CCP. The council consulted extensively on Project Pure in the CCP. The Wanaka disposal to land scheme situated at Wanaka Airport is progressing well. A figure of \$5.8M is included in the draft Annual Plan for this year's construction programme with the scheme scheduled to be commissioned in the 09/10 financial year.

Camp Street

Council has committed to a progressive refurbishment of public space in the Queenstown CBD. This began with Shotover Street and has now progressed to Camp Street. The \$2.5M Camp Street upgrade is progressing ahead of schedule. The project includes major improvements to the landscaping of the Village Green, additional seating and information boards and major improvement to the streetscaping of Camp Street including paving, tree planting and seating. The work is scheduled to be completed by Christmas 2008.

Crown Range Road

The \$8.5M Crown Range upgrade is now well underway. Extensive works are taking place between the Zig-zag and the Cardrona Township over a period of almost 12 months including: safety upgrade of the Zig-zag; foam bitumen rehabilitation of four sites totalling 2.5km between Cardrona Township and the summit. This draft Annual Plan includes the rehabilitation and realignment of the road between the top of the Zig-zag and Eastbourne Gates. This portion will be completed in two stages over this summer and next summer at a cost of \$769,000. Completion is due in February 2009.

Road Upgrades Wanaka

The draft Annual Plan includes a total budget of \$841,000 for seal extension to Wanaka roads: Orchard, Cemetery and Studholme (South) Roads are considered the highest priority for this work. Scoping work is currently underway to confirm which projects will proceed in the next financial year. The draft Annual Plan includes a budget for the seal extension and drainage control of Faulks Road. The figure included is \$694,000.

Road Upgrades Wakatipu

The draft Annual Plan includes a total of \$3.3M of road rehabilitation in the following locations: the Arrowtown end of Malaghans Road, Willow Place, Gorge Road (including an upgraded cycle and walkway) and Crown Range. The seal extension of Slopehill Road is also included at \$1.05M.

New Reservoirs

The draft Annual Plan contains provision of \$1.04M for a second reservoir for Lake Hayes where there have been on-going problems with reservoir capacity. This will address on-going water shortages at peak periods. Given the design capacity for this water scheme, and the quantities being taken by some users, there will also continue to be constraints on excessive use.

The draft Annual Plan includes provision of \$500,000 for design and consenting of a new reservoir to service Wanaka west.

Queenstown waterfront 'Destination' Playground

Several years ago the council invested in a major upgrade of the playground on the Wanaka waterfront. This high quality environment for children of varying ages, together with its attractive environment for parents, complete with art work, has become a destination for many families from far and wide. Council intends to provide a similar facility on the Queenstown water front and has budgeted \$500,000 for this project in 08/09. This redevelopment of the current playground at the entrance to the Queenstown gardens will include a spacenet, taniwha slide, and themes relating to goldfields, mythical creatures and magical experiences. There will also be traditional play equipment. The existing



playground at Queenstown Bay is nearing the end of its useful lifespan, and requires a complete renewal.

Wanaka Sporting and Leisure facilities

The future of sports facilities in Wanaka will be the subject of extensive consultation with the Wanaka community before a plan and a budget can be included in the 2009 CCP. The figure of \$53,000 has been included in this draft Annual Plan to allow the working party to complete its project. Funding has also been made available to support feasibility studies for a new Wanaka Swimming Pool.

A local Wanaka working party has been established to develop future sports facilities plans for Wanaka. The next step for the established working party is to publish a discussion document on the options, together with a preferred option, for a full round of consultation with the community. Information sessions, a submission process and possibly a hearing are all scheduled to take place before November. The discussion document will focus on a range of options for the location of a sports facility that would meet the community's needs over the medium-long term.

A discussion document for consultation with the community is scheduled for June/July. The draft Annual Plan includes \$44,000 for a feasibility study for a Wanaka aquatic centre.

Queenstown aquatic centre

In May 2008, the Queenstown aquatic centre will be completed and operation will commence. The 08/09 year will see the Annual charge of \$59 per property, applied to Wakatipu ratepayers. This charge was consulted on during the separate consultation prior to the council committing to the pool. The pool has been an enormous undertaking over many years.

The result is an incredible new asset for generations to come. Lakes Leisure Limited will operate the facility under contract to the council. The company is in the process of formulating admission charges for discussion with council. This pricing structure, which has yet to be confirmed will feature a range of concession arrangements for locals.

Queenstown Gardens Redevelopment

The council has been conscious for several years that the presentation and amenity of the Queenstown Gardens has been neglected in more recent times. The figure of \$265,000 has been provided for the continuation of a redevelopment plan that can be found on the council website.

Queenstown Skatepark

As the new Queenstown Skatepark starts to take shape the council is backing a drive to complete the project in one hit rather than in stages. The council has committed enough funding to complete the majority of the park. The park which is now being touted as New Zealand's best skate park has already benefited from a commitment from the council, Central Lakes Trust, the Community Trust of Southland, the Caversham Foundation, the Bill Torrance Charitable Trust, Nzone, Parklife at the Remarkables, Kiri Mains (and her sister), and the Wakatipu Skateboarders Incorporated. Donations have also been made on line at www.queenstown.com. The council has committed a further \$100,000 in this draft Annual Plan in order that the entire park can be completed.

Cemeteries

The draft Annual Plan includes a budget of \$317,000 for the expansion of the Queenstown Cemetery and \$159,000 for improvements to the Wanaka Cemetery roading network.

Property Development - Lakeview and Others

The Lakeview project is progressing well with the council having approved the selection of two participants to take to part in a request for proposal (RFP) and subsequent tender. The development of the 3.96ha council-owned freehold property (formerly the motor park) was approved in 2004. Council requires a high quality residential development and a substantial financial return for the community, money that will be used to repay debt and fund other community projects. The evaluation of the proposals is ongoing.

Snippet Bremner Bay Pump Station (\$1.5M).



The draft Annual Plan shows a rates requirement of \$26.4M in targeted rates and \$16.2M for general rates. This represented an overall increase of 6.8% over 07/08 rates after allowing for growth (revised to 4.0%). The proposed increase is approximately 1% greater than that forecast in the CCP for the reasons already outlined.

Effectively this level of increase was built into the CCP and covered the cost of introducing major initiatives like recycling services across the district and the new Queenstown aquatic centre. Although CPI movement for the year to December 2007 was 3.2%, the construction cost index rose by close to 4.7% in the same period and the labour cost index by 4.1% to June 2007. These indices are far more relevant to the business of council than the CPI.

Definition of Rates

Targeted: This rate covers things like roading, water supply, sewerage and stormwater and is applied to what services you receive and where you live. It varies with property value.

General: This rate covers things like walkways and reserves, public toilets, emergency services and council management and is applied to all ratepayers. It is based on property value.

Uniform Annual General Charge (UAGC): This charge covers things like cemeteries, libraries, swimming pools, community grants, public halls, civic functions and district promotion and is also applied to all ratepayers as a fixed sum rather than varying with property value.

The main features of the current rates increase are:

1. The UAGC has increased by \$32 per property from \$381 to \$413.
2. The waste management charge has increased by \$117 per residential property from \$152 to \$269 (a large proportion of this increase is a cost transfer - see below for explanation).
3. The waste management charge has decreased by \$9 per non residential property from \$152 to \$143.
4. The costs of the full year's operation of the Queenstown aquatic centre charge (Wakatipu only) have been applied at \$59 per property.
5. There have been increases in many targeted rates for Water Supply and Wastewater as result of increases in depreciation and variations arising from the new maintenance contract. Examples include: \$40 increases for Annual sewerage charges in Queenstown and Wanaka; \$60 for Hawea; and \$40 increases for Annual water charges in Albert Town.

Snippet An extension of the foreshore walkway from Glendhu Bay to Damper Bay (\$130,000)

Snippet Improvements to the Ballarat Street and Arrowtown carparks (\$50,000)



Total Rates - what will it mean to me?

Targeted rates, general rates and the UAGC are brought together to create a total rate bill for each property. Increases in total rates vary according to the nature of services received and the location of a property. A selection of examples can be seen in the following table:

Summary of indicative total rate movements 08/09			Movement	
Property type	Cv	Location	%	\$
Residential	\$600,000	Queenstown	13.09%	\$226.95
Commercial	\$1,500,000	Queenstown	1.31%	\$79.30
Accommodation	\$2,500,000	Queenstown	1.98%	\$235.10
M/u accommodation	\$1,200,000	Queenstown	6.44%	\$210.49
Vacant	\$400,000	Queenstown	11.05%	\$153.58
M/u commercial	\$600,000	Queenstown	11.02%	\$225.69
Residential	\$600,000	Wanaka	10.79%	\$208.73
Commercial	\$1,000,000	Wanaka	0.95%	\$46.95
Accommodation	\$2,000,000	Wanaka	1.33%	\$151.54
M/u accommodation	\$1,200,000	Wanaka	5.17%	\$195.38
Primary industry	\$2,000,000	Wanaka	1.92%	\$40.59
Country dwelling	\$1,000,000	Wanaka	10.22%	\$153.77
Vacant	\$400,000	Wanaka	9.11%	\$138.49
M/u commercial	\$600,000	Wanaka	8.84%	\$202.39
Residential	\$500,000	Arrowtown	11.94%	\$199.98
Commercial	\$600,000	Arrowtown	.60%	\$80.45
Accommodation	\$1,500,000	Arrowtown	0.80%	\$61.18
M/u accommodation	\$1,000,000	Arrowtown	6.75%	\$202.50
Vacant	\$250,000	Arrowtown	11.75%	\$137.11
M/u commercial	\$400,000	Arrowtown	11.40%	\$199.43
Primary industry	\$2,500,000	Wakatipu	4.20%	\$94.73
Country dwelling	\$1,500,000	Wakatipu	11.29%	\$202.74
Residential	\$400,000	Glenorchy	10.98%	\$170.87
Residential	\$350,000	Albert town	12.06%	\$196.76
Residential	\$400,000	Hawea	12.97%	\$217.87
Residential	\$350,000	Kingston	18.15%	\$172.38
Residential	\$500,000	Arthur's Point	7.74%	\$167.83

From the table above, we note that the proposed rates increases for residential properties are higher relative to other property types. The main reason for this is the change in the way that the residential waste collection service is delivered. Previously, householders had a choice of buying official blue bags or hiring a wheelie bin for the disposal of residual waste.

Under the new system, each household will be delivered a new 120 litre residual waste bin (or if a rural or inaccessible setting dictates, 52 blue bags). The cost of supplying and emptying the bin (or bags) has been built into residential rates for next year. This equates to a cost transfer rather than rates increase for most households.

For example, households currently hiring a 240 litre wheelie bin will be able to cancel this arrangement (and receive a refund from OSWS) and make an annual saving of \$282. Those using bags will be able to save around \$104 per annum (based on 1 bag per week). When these savings are factored into the equation, the proposed residential rates increases are much more modest. See the table on page 14 (overleaf).

**On average the 2008/09
rate increase is 6.8%**

Snippet

Forward design for future Frankton
Flats water supply (\$475,000)

Indicative Residential Rates								
Location	Queenstown	Wanaka	Arrowtown	Glenorchy	Kingston	Albert Town	Hawea	Lake Hayes
Capital Value	600,000	600,000	500,000	400,000	350,000	350,000	400,000	500,000
UAGC	413	413	413	413	413	413	413	413
Aquatic Centre	59	0	59	59	59	0	0	59
General Rate	347	347	289	231	202	202	231	289
Roading Rate	260	363	217	173	152	212	242	217
Stormwater Rate	47	123	39	31	27	72	82	39
Water	286	309	309	550	0	280	280	410
Sewerage	280	320	280	0	0	380	380	310
Waste Mgmt	269	269	269	269	269	269	269	269
Total Rates	\$1,961	\$2,144	\$1,875	\$1,727	\$1,122	\$1,828	\$1,898	\$2,006
% Increase	13.09%	10.79%	11.94%	10.98%	18.15%	12.06%	12.97%	11.56%
\$ Increase	\$227	\$209	\$200	\$171	\$172	\$197	\$218	\$208
less cost 1 bag per week	-\$104	-\$104	-\$104	n/a	n/a	-\$104	-\$104	-\$104
adjusted \$ increase	\$123	\$105	\$96	n/a	n/a	\$93	\$114	\$104
adjusted % increase	7.09%	5.41%	5.73%	n/a	n/a	5.69%	6.78%	5.77%
less cost 2 bags per week	-\$208	-\$208	-\$208	n/a	n/a	-\$208	-\$208	-\$208
adjusted \$ increase	\$19	\$1	-\$8	n/a	n/a	-\$11	\$10	\$0
adjusted % increase	1.09%	0.04%	-0.48%	n/a	n/a	-0.69%	0.59%	-0.01%
less cost wheelie bin per year	-\$282	-\$282	-\$282	n/a	n/a	-\$282	-\$282	-\$282
adjusted \$ increase	-\$55	-\$73	-\$82	n/a	n/a	-\$85	-\$64	-\$74
adjusted % increase	-3.18%	-3.79%	-4.90%	n/a	n/a	-5.22%	-3.82%	-4.13%



Amendments to the QLDC Council Community Plan (CCP)

Development Contributions - Amendment to Policy

The council uses development contributions for water, sewerage, roading and reserves to ensure that those who create demand for services due to growth meet their share of the cost of those services. This is achieved through extensive analysis and a defensible development contributions policy.

To ensure the policy and the sums payable remain up to date the council regularly reviews these contributions and amends the policy accordingly.

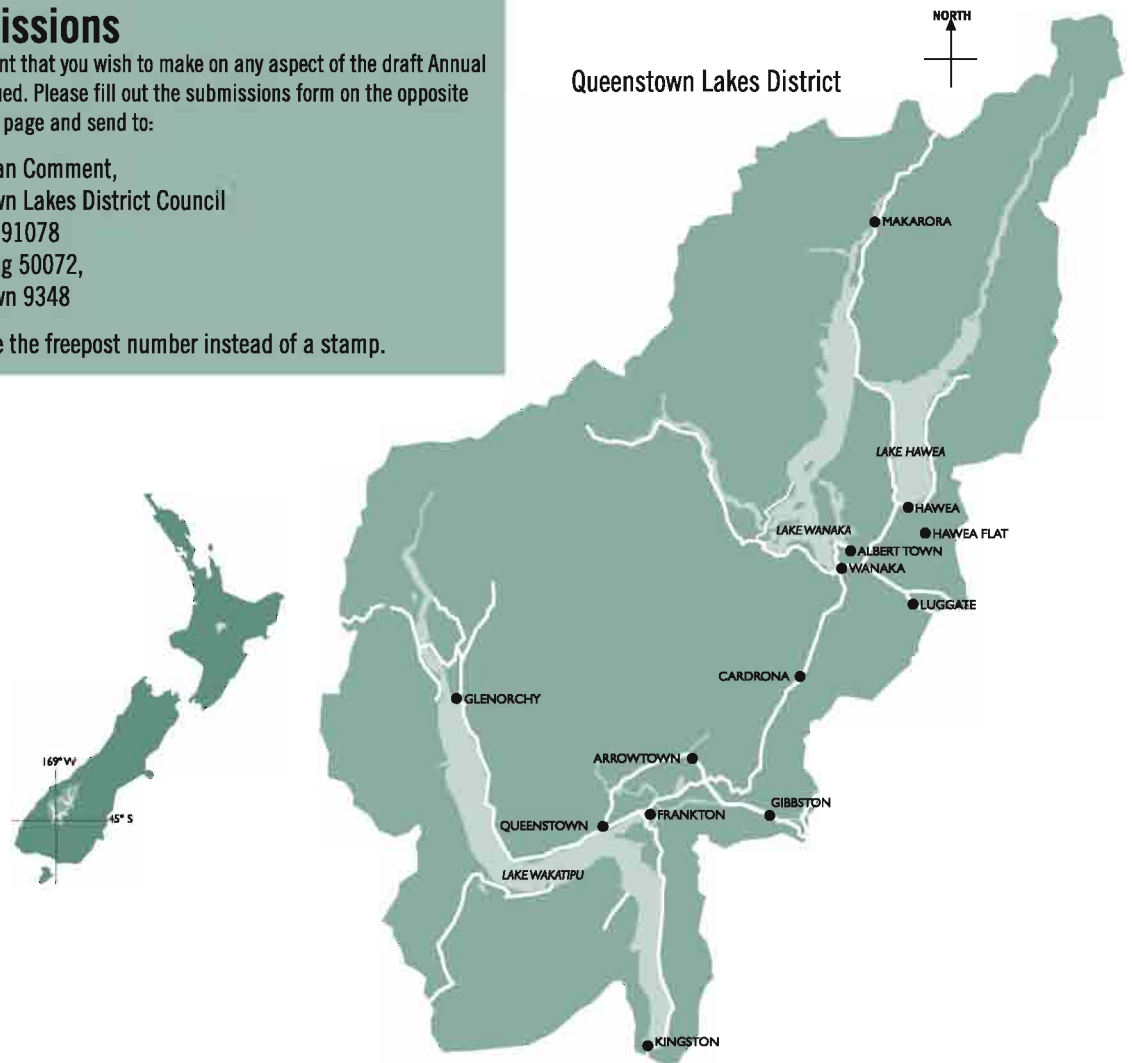
This draft Annual Plan contains an amendment of the policy which updates the sums payable.

Submissions

Any comment that you wish to make on any aspect of the draft Annual Plan is valued. Please fill out the submissions form on the opposite side of this page and send to:

Annual Plan Comment,
Queenstown Lakes District Council
Freepost 191078
Private Bag 50072,
Queenstown 9348

Please use the freepost number instead of a stamp.



Find out more

More detailed information is available at libraries throughout the district and at both the Wanaka and Queenstown council offices. The draft Annual Plan is also available on the council website www.qldc.govt.nz.

Information sessions

Please come along to rates information sessions:

- Lake Wanaka Centre, Wanaka from 3-6pm on Wednesday 23 April, 2008
- Queenstown Primary School hall from 3-6pm on Thursday 24 April, 2008.

You will be very welcome to come along and find out more about the council, ask any questions you may have and give us valuable feedback.