

Queenstown Lakes District Council

Council Community Plan – 2004/2014

Volume	1	Overview
	2	Council Activities
	3	Detailed Financial Information and Council Policies
	4	Growth Forecasts

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Introduction from the Chief Executive

Duncan Field

The preparation of this first Council Community Plan has involved a 'cast of thousands'. My thanks go out to the large cross-section of the community who took part in the workshops and to the large number of staff and other advisers who prepared, assessed and summarised the thousands of pages of information on which the CCP is based.



At this point however I also want to reserve special praise for the small group of dedicated employees who have brought this project to a conclusion over two years of sustained effort. The value of this document to the community, and its influence on the governance of our services and facilities into the foreseeable future, is the result of their effort and dedication.

What you will see in CCPs now and in future years represents international best practise. The new Local Government Act 2002 set new standards for planning, forecasting and public participation in decision-making and accountability. Today's CCP is already a major improvement on past annual plans:

- a) We have gone into the process with a view we are making decisions with the community instead of for the community.
- b) For the first time we have had, three year budgets and defensible 10 year forecasts, all supported by detailed investigations and published asset management plans.
- c) The Council has identified seven community outcomes and dedicated itself to their advancement.
- d) The document begins to encourage public debate about the alternatives to current policies and priorities.
- e) It encourages debate about major changes in services that are likely to affect you in the years ahead.
- f) It allows the community to fully scrutinise the Council.

The CCP does not stand alone; it fits comfortably in a family of planning documents which govern a structure with assets in excess of \$500 million, and a total annual expenditure of \$83 million. The CCP simply brings the threads together for any reader to develop an overview of the governance of the community, and for a dedicated student of local affairs to find the detail.

The most important of the source documents are:

- a) The partially operative District Plan which is the principal means by which the community influences development.
- b) Council's asset management plans which record, assess and plan for infrastructure and facilities.
- c) A series of planning studies and assessments which have already been completed.
- d) Reserve development plans which identify our intention to invest in public recreation land.
- e) Reserve management plans which provide clear guidance on how key public parks will be administered.
- f) The Council's bylaws.
- g) The Council's embryonic policy register which captures policy decisions made by the body corporate over an extended period.

Early on in this process we committed ourselves to achieving far more than 'just a bare pass'. We could have avoided preparing community outcomes, our forecasts could have been superficial and certain components like a waste management strategy were not required until a future stage. All of these things are included in this CCP. They have all been thoroughly prepared and rigorously reviewed. They are all based on up to date information, and they can all be objectively justified.

But the CCP is a 'work in progress'. In the two years between now and 30 June 2006 we will need to do more.

- The plan is there to be used by the community. As residents and ratepayers use it they will find the local aspects that need to be built in. Please, tell us what the plan needs to meet your requirements.
- Most of the problems faced by our community can't be solved by the Council alone. The community outcomes need to be the focus for a wide range of other organisations, from Government agencies to community groups. The Council has already begun to foster this common focus through co-operative ventures such as the joint library service with Central Otago, the Remarkable Roads initiative, and a flood mitigation partnership with the Otago Regional Council.
- The plan does not describe how we will monitor and report to the community on progress towards economic, social, cultural and environmental wellbeing. That is a priority for the coming year.
- Our performance measures are of variable quality. They are for infrastructure rather than other functions. That is largely because we have worked with them for longer years. This will need to change.

- There are matters which require considerably more work before they are understood to a standard expected of the CCP. No provision has been made in this plan for new water standards being mooted by Government. Planning for the Queenstown Aquatic Centre and performing arts centre still has a way to go. We also need to complete the current Transportation and Parking Study and review its impact on our roading network.
- Over time reports on the CCP will be evidence of how far we have moved to creating a sustainable future.

For Council management, the value in this plan lies in the way in which it focuses us on what has to be done to achieve the community outcomes. It can be a 'highway', helping us make progress quickly and efficiently. It could also be a 'noose', tying us up in bureaucratic knots of trivia, report writing and insincere consultation.

I'm determined it will be a highway.

Duncan Field
Chief Executive

THE FOUR VOLUMES EXPLAINED

Volume 1 is a summary of the information contained in the other three volumes. It contains an overview of the current situation and presents the major issues facing the District over the life of the plan. Information on the community outcomes and Council's response to these issues is presented. A financial overview, using graphs, shows the impact on rates for the 2004/05 year. Volume 1 is intended to be the main consultation document which will be widely distributed.

Volume 2 presents all the detailed information for each of Council's activities. This volume includes details of asset information, performance measurement, operational and capital expenditure as well as funding implications. It presents disclosure of Council activities at a level not produced before in one document.

Volume 3 includes all the required financial data over a 10 year timeframe. This includes all financial statements and financial policies. Details of rates required for the 2004/05 are disclosed in this volume.

Volume 4 deals with the growth assumptions that underpin the analysis within the plan. Most of this information has been developed through the Growth Options study and it has been collated into a separate volume as a resource for use by other agencies and interested parties.

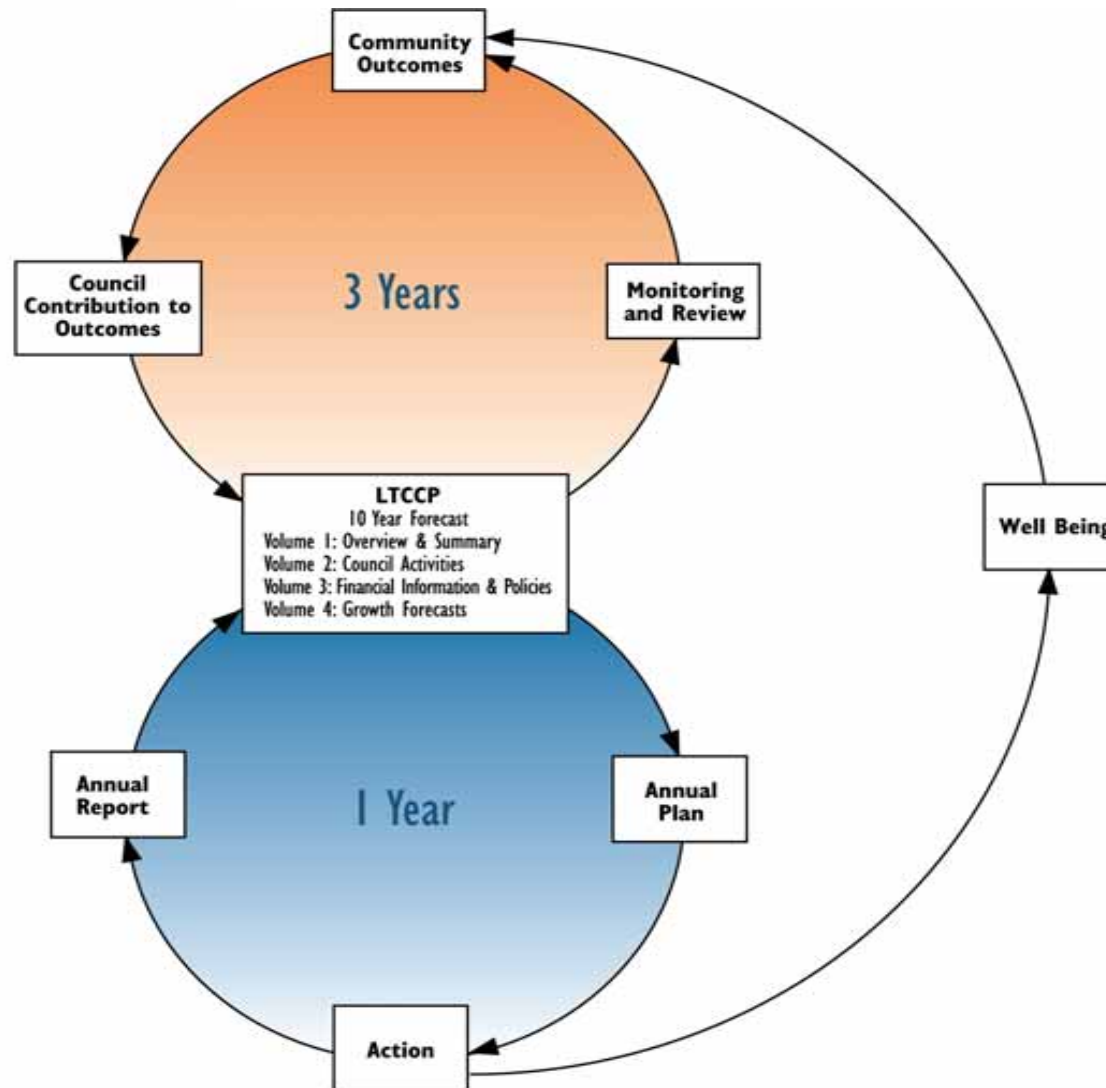
Consultation

The QLDC Council Community Plan is an important part of the process of managing the Council. It is the primary opportunity for ratepayers and residents to have their say prior to the Council confirming its plans and budgets.

Submission

- Submissions on any aspect of any of the four volumes were called for in May 2004. The Council received 99 submissions which were all duly considered at a hearing in June.
- Any comment that you still wish to make on any aspect of the CCP is valued. Send to CCP Comment Queenstown Lakes District Council, Private Bag 50072, Queenstown or email services@qldc.govt.nz
- Submissions will be called for each year the CCP is adopted or amended (every three years). Submissions will also be called for on an Annual Plan, which will be produced next year, 2005 and each year a CCP is not adopted.

THE STATUTORY LONG TERM COUNCIL COMMUNITY PLAN (LTCCP) PROCESS



This year

The Council will adopt a draft **Council Community Plan** with three year and ten year forecasting and financial information.

Next year

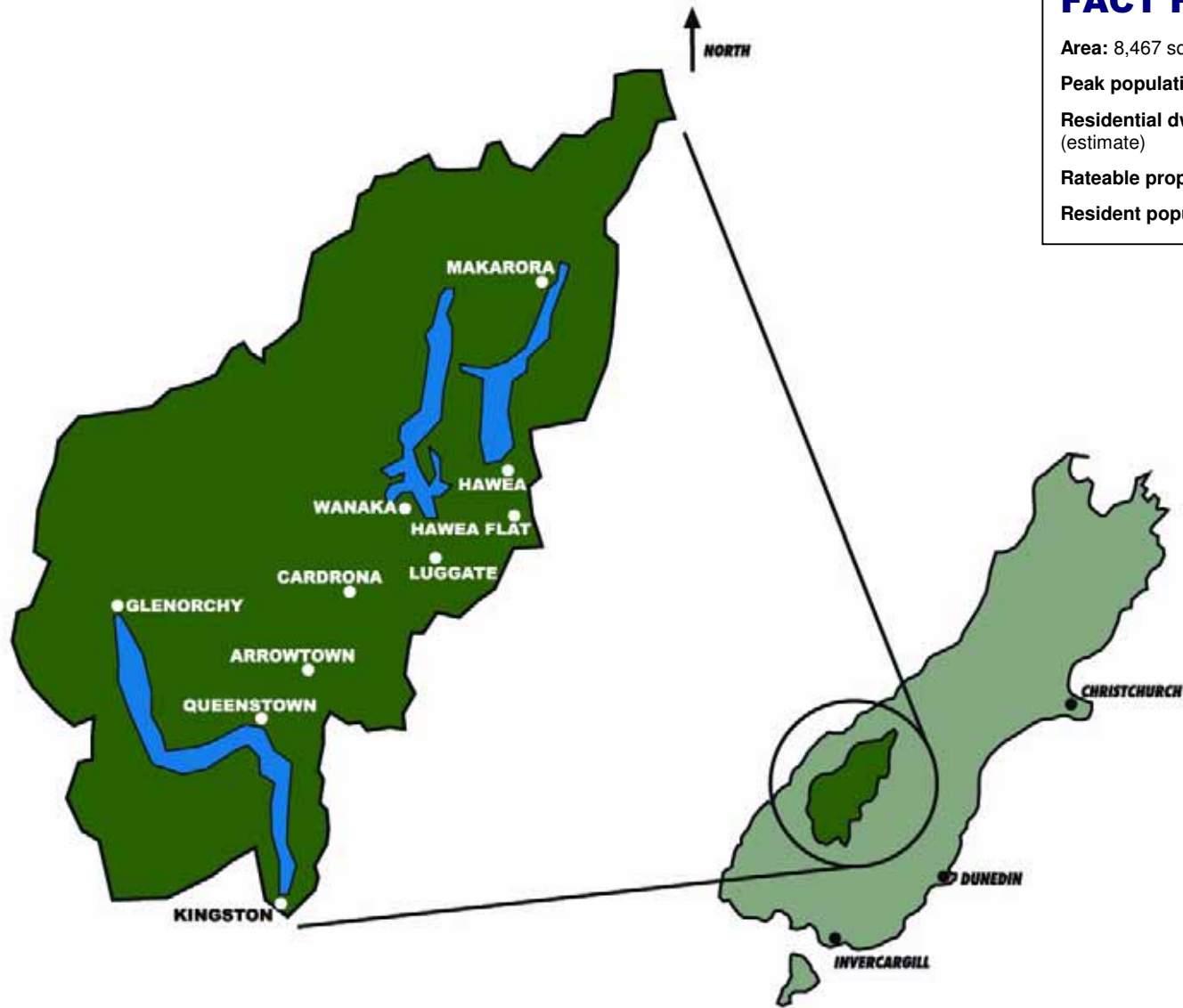
In each year between the three yearly **Council Community Plan** process we will produce an annual plan.

In two years

The Council will adopt a new **Council Community Plan** in 2006 which will be the subject of the first full audit.

Every six years

The Community Outcomes must be revisited.



FACT FILE

Area: 8,467 square kilometres

Peak population 2004: 44,393 (estimate)

Residential dwellings 2004: 11,760 (estimate)

Rateable properties 2004: 15,713

Resident population 2003: 20,700 (estimate)

INTRODUCTION AND ASSUMPTIONS

Legislative Requirements

This volume of the Council Community Plan contains the detailed financial statements as well as the required disclosure of financial & management policies. The financial information contained in this volume has been prepared in accordance with the requirements of the Local Government Act 2002. An important objective of the legislation is to promote prudent, effective, and efficient financial management by local authorities.

Nature of Prospective Financial Information

The financial information contained within this document is prospective financial information in terms of FRS 29. This means that it is based on the forecasting of future events. In making these forecasts Council has made a number of significant assumptions. These assumptions will be refined in the future as Council continues to improve its forecasting tools.

Estimates of costs and revenues are based on the best assessment at the time of writing. This best assessment incorporates the assumptions noted below. Since our district is one of the most dynamic in the country, and the estimates are prepared in advance of the time period to which they relate, it is expected that actual results may vary from the information presented.

Significant Forecasting Assumptions

Growth

These have been estimated using the best information available. Source data can be broken down into three groups, namely:

1. *Growth Study 2003* – Council engaged services from the market place to complete its own growth study. These projections detailed residential, visitor and commercial/industrial growth. Volume 4 of this Plan explains the results and process in detail. The results of this study have been applied to all infrastructure studies completed since including water, wastewater and roading.
2. *Statistics New Zealand Projections (2001 Base)* – Standard projections prepared by Statistics New Zealand (SNZ) following the 2001 Census.
3. *Site Specific Projections* – One off studies completed by Council for specific projects.

The following table provides a summary of the growth rates used for both population and property over the timeframe of the plan. The growth rates are divided into 5 year segments to coincide with census data.

	Annual Growth		
	2001-2006	2006-2011	2011-2016
Wakatipu Population			
Permanant Residents	4.9%	5.0%	4.8%
Visitors (All types)	4.7%	4.5%	4.2%
Wakatipu Property			
Residential Dwellings	4.4%	4.5%	3.4%
Accommodation	4.5%	4.5%	4.2%
Commercial Industrial	4.5%	4.9%	4.4%
Other	3.1%	5.2%	2.1%
Wanaka Population			
Permanant Residents	7.0%	6.0%	5.0%
Visitors (All types)	6.8%	5.8%	4.8%
Wanaka Property			
Residential Dwellings	6.4%	4.2%	4.9%
Accommodation	6.8%	5.2%	4.8%
Commercial Industrial	6.6%	5.0%	4.7%
Other	10.8%	3.7%	3.1%

Inflation

The financial projections in this document for the 2005/06 year and beyond do not include an allowance for inflation. They have been prepared on the basis of 2004/05 dollars.

Interest Rates

Interest is charged on borrowed funds (both internal and external) on an expected medium term average interest rate of 7.0% per annum.

Interest rates on short term investments will vary depending on the term of investment and this term is determined by the working capital position and needs at the time surplus cash arises. An estimated return on such investments is 6.0% per annum.

Capital Expenditure

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

Major Community Projects

There are two major community projects that are likely to proceed in some form during the next 10 years:

- Queenstown Aquatic Centre
- Queenstown Community Centre (Remarkables Centre)

The capital expenditure projections include allowances for both projects. They show construction of an \$8.5m aquatic centre commencing in 2007/8 and a \$13m performing arts centre 2 years later. It is projected that the aquatic centre will have an operating deficit of \$500,000 per annum with a further \$200,000 required for the performing arts centre. These projections are indicative only and in no way represent a formal commitment to either project. Working parties are due to report back to the Council on both projects during 2004/5 with detailed feasibility reports which will form the basis for future decisions. Council has already acknowledged that the decision to proceed with either project will require specific consultation with the community. It should be noted that Council can amend the Council Community Plan at any time should the decision be made to proceed with either project earlier than indicated.

Service Delivery

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

Development Contributions

Council intends introducing Development Contributions for Water Supply, Wastewater, Stormwater and Reserves & Community Facilities from 1 July 2004. The revenue expected from these sources as per the draft Development Contributions Policy has been included in the projections. It is also expected that Council will introduce Development Contributions for Roading and Parking from 1 July 2005.

Property Sales

It is anticipated that Council will divest itself of Stage 1 of the Lakeview project (former Queenstown Camp Ground) at the end of the 2004/5 year for an estimated \$10m. This figure is recognised as conservative. Stage 2 is unlikely to result in an outright sale and consequently no sale proceeds are recognised. Continued development of Council subdivisions at the Commonage (Queenstown Hill) and Scurr Heights at Wanaka are expected to occur from 2006/07, although the actual timeframes will be dictated by market conditions. Gross sale proceeds of \$32.2m are expected from the anticipated 171 sections at Scurr Heights and \$14.8m from the final 50 sections available at the Commonage. The proceeds from this activity will be used to fund the cost of infrastructural asset development not attributable to growth or renewals. This portion of capital expenditure relates in the main to shifts in the levels of service for an activity which would otherwise be funded from rates. It is expected that large uncommitted balances will accrue in these accounts over the timeframe of the plan. This surplus cash is available in the form of internal advances to other activities of the Council which may require borrowings.

FORECAST STATEMENT OF FINANCIAL PERFORMANCE										
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Operating Revenue (\$000)										
Targeted Rates	17,361	18,591	18,972	19,866	20,043	20,768	21,533	21,804	22,370	22,684
General Rates	11,376	11,107	11,270	11,602	11,660	12,433	12,596	12,762	12,555	12,708
User Charges	6,754	6,600	6,525	6,416	6,418	6,920	6,921	7,123	7,125	7,128
Grants and Subsidies	5,549	4,483	4,110	5,307	4,549	4,491	5,424	6,109	6,402	5,145
Property Sales	6,503	5,658	-	13,051	-	13,051	-	5,658	3,395	-
Vested Assets	6,740	9,189	9,463	7,500	7,656	7,819	7,988	8,166	7,934	8,097
Development Contributions	6,266	7,282	7,443	7,399	6,275	6,518	6,772	7,042	7,039	6,897
Other	2,383	2,386	2,389	2,419	2,419	2,419	2,419	2,419	2,419	2,419
Total Operating Revenue	62,932	65,296	60,172	73,560	59,020	74,419	63,653	71,083	69,239	65,078
Cost of Services (\$000)										
Governance and District Promotion	4,591	4,705	4,809	4,850	4,974	5,105	5,244	5,390	5,545	5,709
Community	5,966	5,939	6,189	6,324	6,410	7,742	7,969	8,828	8,923	9,016
Property	3,250	3,031	2,934	3,091	3,090	3,090	3,090	3,091	3,093	3,095
Regulatory and Resource Management	4,304	3,836	3,821	3,659	3,508	3,379	3,268	3,170	3,084	3,007
Roading and Parking	10,188	11,035	11,665	12,690	13,106	13,450	13,800	14,212	14,680	15,142
Utilities	10,627	11,819	12,398	12,592	12,664	12,903	13,247	13,331	13,564	13,873
Total Operating Cost (See Table for detail)	38,926	40,365	41,816	43,206	43,752	45,669	46,618	48,022	48,889	49,842
Operating Surplus (\$000)	24,006	24,931	18,356	30,354	15,268	28,750	17,035	23,061	20,350	15,236
FORECAST STATEMENT OF MOVEMENTS IN EQUITY										
Forecast Opening Equity (\$000)	479,694	503,701	528,632	546,988	577,342	592,611	621,360	638,395	661,456	681,806
Net Surplus from Operations	24,006	24,931	18,356	30,354	15,268	28,750	17,035	23,061	20,350	15,236
Total Recognised Revenues and Expenses	24,006	24,931	18,356	30,354	15,268	28,750	17,035	23,061	20,350	15,236
Forecast Closing Equity (\$000)	503,700	528,632	546,988	577,342	592,611	621,360	638,395	661,456	681,806	697,042



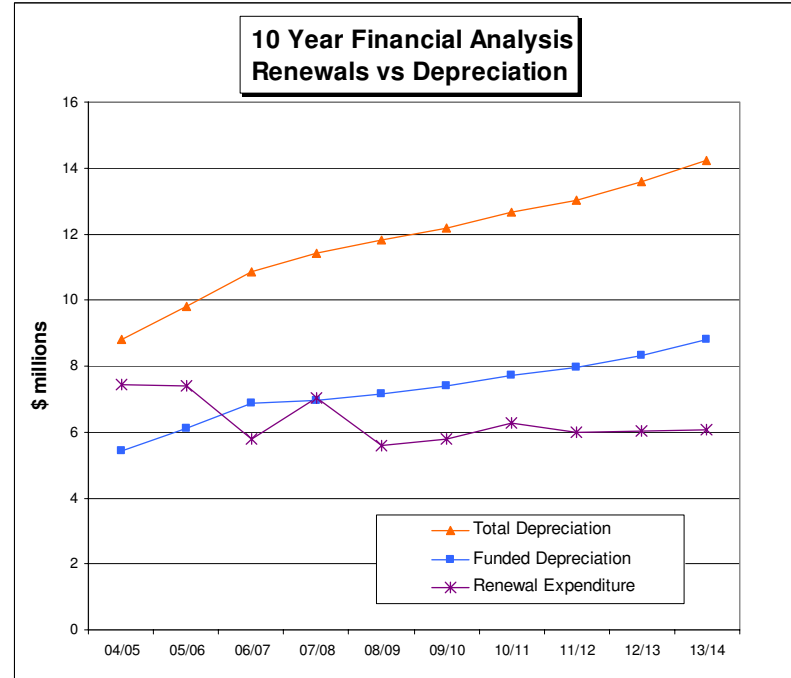
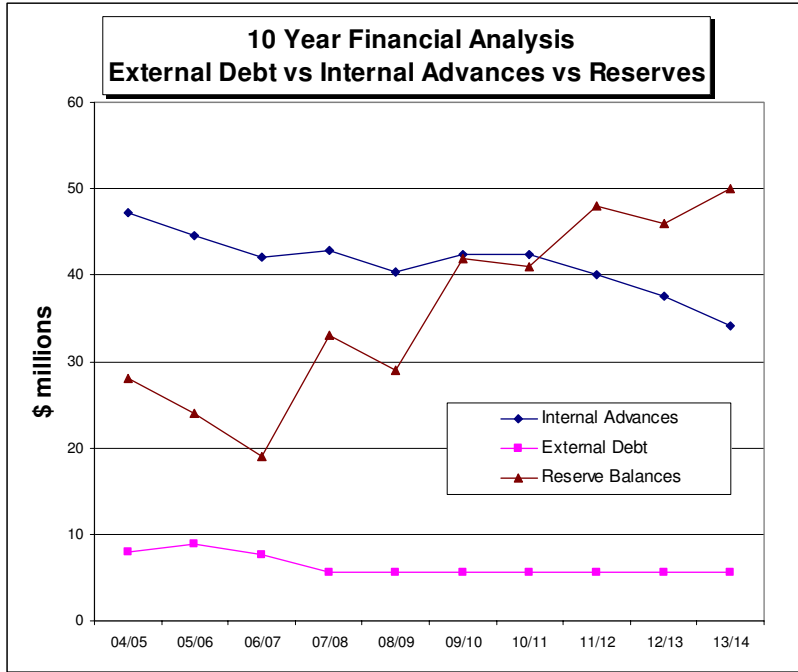
FORECAST STATEMENT OF FINANCIAL POSITION										
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Current Assets (\$000)										
Bank and Cash	42	32	(41)	12,972	11,456	21,933	22,086	31,876	37,480	45,796
Short Term Investments	521	521	521	521	521	521	521	521	521	521
Accounts Receivable	4,282	4,407	4,407	4,407	4,407	4,407	4,407	4,407	4,407	4,407
Prepayments	273	273	273	273	273	273	273	273	273	273
Property Intended for Sale	2,025	-	-	-	-	-	-	-	-	-
Total Current Assets (\$000)	7,143	5,233	5,160	18,173	16,657	27,134	27,287	37,077	42,681	50,997
Non Current Assets (\$000)										
Investments	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520	5,520
Investment Properties	23,723	23,723	23,723	22,188	22,188	20,759	20,759	19,336	18,029	18,029
Fixed Assets	483,609	511,470	528,820	545,696	562,479	582,181	599,063	613,757	629,809	636,728
Total Non Current Assets (\$000)	512,852	540,713	558,063	573,404	590,187	608,460	625,342	638,613	653,358	660,277
Total Assets (\$000)	519,995	545,946	563,223	591,577	606,844	635,594	652,629	675,690	696,039	711,274
Current Liabilities (\$000)										
Accounts Payable	7,759	7,878	7,999	7,999	7,998	7,998	7,998	7,998	7,997	7,996
Income In Advance	108	108	108	108	108	108	108	108	108	108
Current Term Debt	4,000	-	2,000	-	-	-	-	-	-	-
Total Current Liabilities (\$000)	11,867	7,986	10,107	8,107	8,106	8,106	8,106	8,106	8,105	8,104
Non Current Liabilities (\$000)	4,428	9,328	6,128	6,128	6,128	6,128	6,128	6,128	6,128	6,128
Total Liabilities (\$000)	16,295	17,314	16,235	14,235	14,234	14,234	14,234	14,234	14,233	14,232
Public Equity (\$000)										
Revaluation Reserve	236,477	236,477	236,477	236,477	236,477	236,477	236,477	236,477	236,477	236,477
Operating Reserves	4,588	4,501	4,249	6,081	5,956	6,408	7,071	7,061	7,795	9,444
Capital Reserve	23,161	18,985	14,397	27,037	23,532	35,339	34,275	40,531	38,332	40,397
Accumulated Funds	239,474	268,669	291,865	307,747	326,646	343,136	360,572	377,387	399,202	410,724
Total Public Equity (\$000)	503,700	528,632	546,988	577,342	592,611	621,360	638,395	661,456	681,806	697,042
Total Liabilities and Equity (\$000)	519,995	545,946	563,223	591,577	606,845	635,594	652,629	675,690	696,039	711,274

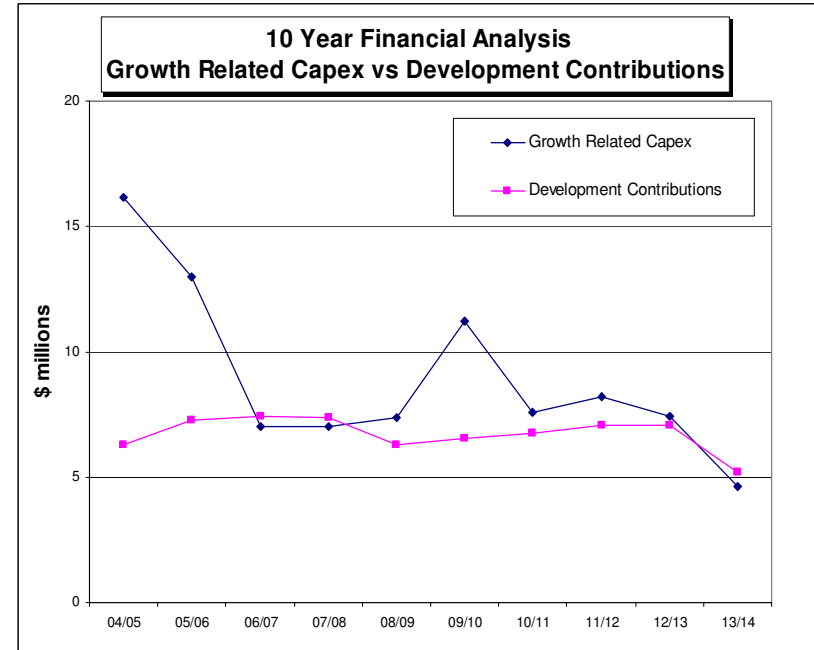
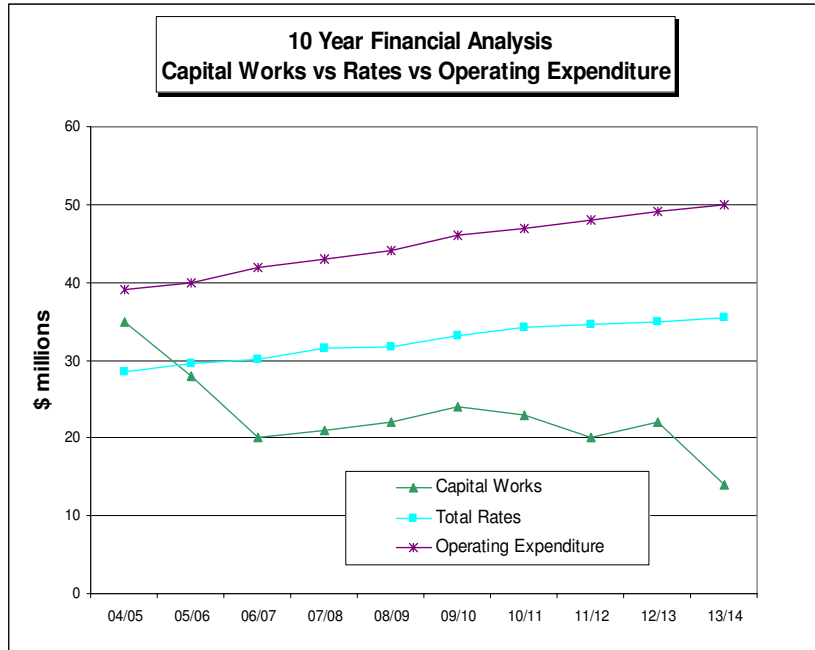
FORECAST STATEMENT OF CASH FLOWS										
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
CASH FLOWS FROM OPERATING ACTIVITIES										
Cash was provided from:										
Receipts from Ratepayers and Other Income	48,820	49,579	49,839	52,139	50,494	52,679	54,795	56,389	57,040	56,111
Interest Received	-	-	-	-	-	-	-	-	-	-
	48,820	49,579	49,839	52,139	50,494	52,679	54,795	56,389	57,040	56,111
Cash was applied to:										
Payments for Expenses and Services	(27,734)	(27,753)	(28,060)	(28,841)	(29,090)	(30,669)	(31,086)	(32,174)	(32,628)	(33,102)
Interest Paid on Loans	(596)	(572)	(533)	(550)	(528)	(526)	(537)	(524)	(497)	(464)
Net GST Payments	-	-	-	-	-	-	-	-	-	-
	(28,330)	(28,325)	(28,593)	(29,391)	(29,618)	(31,195)	(31,623)	(32,698)	(33,125)	(33,566)
Net Cash from Operating Activities	20,490	21,254	21,246	22,748	20,876	21,484	23,172	23,691	23,915	22,545
CASH FLOWS FROM INVESTING ACTIVITIES										
Cash was provided from:										
Sale of Fixed Assets	16,903	5,658	-	13,051	-	13,051	-	5,658	3,395	-
Cash was applied to:										
Purchase of Plant and Assets	(35,549)	(27,822)	(20,120)	(20,786)	(22,392)	(24,058)	(23,019)	(19,559)	(21,706)	(14,229)
Net Cash used in Investing Activities	(18,646)	(22,164)	(20,120)	(7,735)	(22,392)	(11,007)	(23,019)	(13,901)	(18,311)	(14,229)
CASH FLOWS FROM FINANCING ACTIVITIES										
Cash was provided from:										
Long Term Debt	-	900	-	-	-	-	-	-	-	-
Cash was applied to:										
Settlement of Long Term Debt	(2,000)	-	(1,200)	(2,000)	-	-	-	-	-	-
Net Cash used in Financing Activities	(2,000)	900	(1,200)	(2,000)	-	-	-	-	-	-
Net Increase/(Decrease) in Cash Held	(156)	(10)	(74)	13,013	(1,516)	10,477	153	9,790	5,604	8,316
Total Cash Resources at 01 July	198	42	32	(41)	12,972	11,456	21,933	22,086	31,876	37,480
Total Cash Resources at 30 June	42	32	(41)	12,972	11,456	21,933	22,086	31,876	37,480	45,796
Cash Resources as represented by:										
Bank and Cash	42	32	(41)	12,972	11,456	21,933	22,086	31,876	37,480	45,796
Bank Overdraft	-	-	-	-	-	-	-	-	-	-
Total Cash Resources	42	32	(41)	12,972	11,456	21,933	22,086	31,876	37,480	45,796

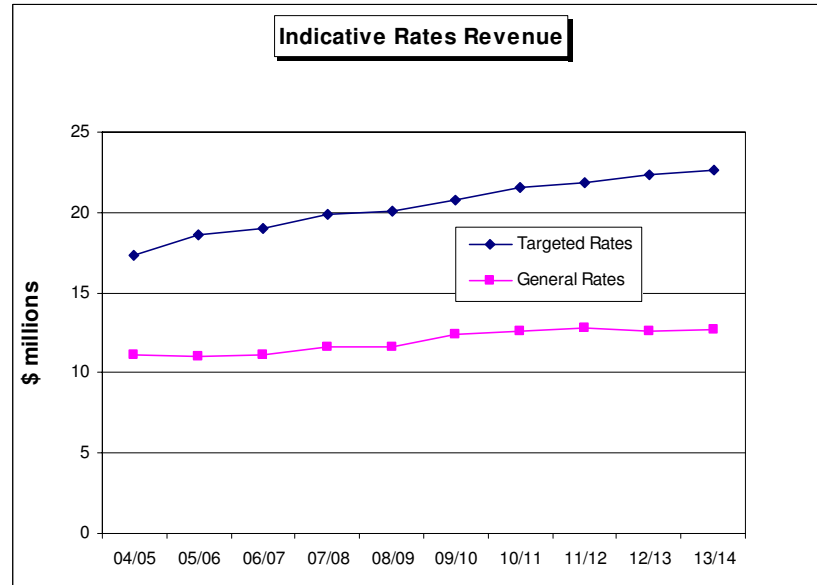
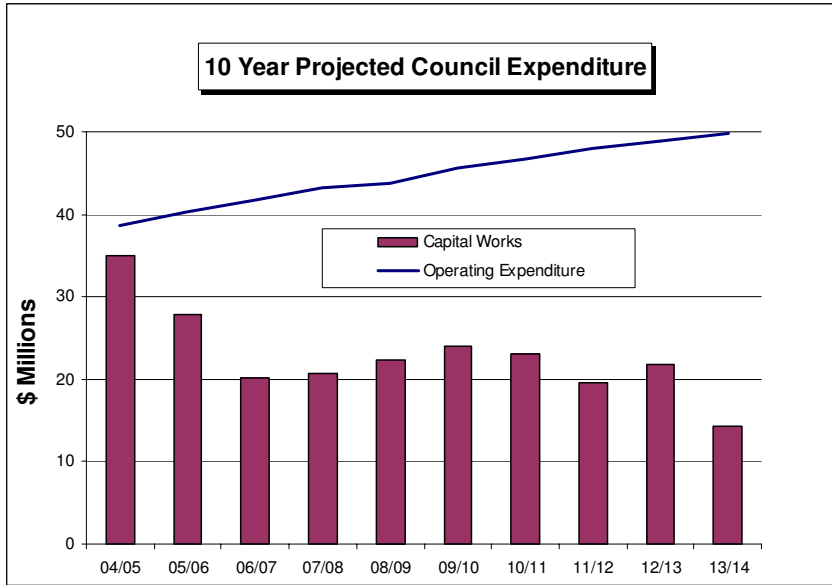
OPERATING EXPENDITURE BY ACTIVITY (\$000)										
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Governance and District Promotion										
Civic Function	2,419	2,384	2,425	2,534	2,539	2,545	2,552	2,559	2,568	2,578
Tourism Promotion	1,992	2,139	2,202	2,316	2,435	2,560	2,692	2,831	2,977	3,131
Strategic Planning	180	182	182	-	-	-	-	-	-	-
Sub Total	4,591	4,705	4,809	4,850	4,974	5,105	5,244	5,390	5,545	5,709
Community										
Community Facilities	1,106	1,108	1,100	1,181	1,181	2,424	2,553	3,311	3,310	3,309
Active & Passive Recreation	2,181	2,264	2,456	2,497	2,539	2,586	2,642	2,700	2,751	2,802
Community Development	441	445	449	453	457	461	465	469	473	477
Community Grants	338	261	261	222	222	222	222	222	222	222
Libraries	1,065	1,060	1,087	1,095	1,117	1,138	1,160	1,182	1,205	1,227
Waterways Facilities	85	92	119	146	149	151	152	154	156	157
Cemeteries	63	63	64	64	65	65	66	66	67	67
Public Toilets	440	458	470	480	493	507	520	534	548	563
Emergency Services	247	188	183	186	187	188	189	190	191	192
Sub Total	5,966	5,939	6,189	6,324	6,410	7,742	7,969	8,828	8,923	9,016
Property										
Council Land	693	687	714	752	752	752	752	752	752	752
Housing	75	65	66	70	70	70	70	70	70	70
Wanaka Airport	125	134	138	145	145	145	145	145	145	145
Forestry	165	177	219	231	231	231	231	231	231	231
Camping Grounds	2,192	1,968	1,797	1,893	1,892	1,892	1,892	1,893	1,895	1,897
Sub Total	3,250	3,031	2,934	3,091	3,090	3,090	3,090	3,091	3,093	3,095
Regulatory and Resource Management										
Regulatory Services	2,343	2,267	2,265	2,246	2,248	2,249	2,250	2,251	2,252	2,253
Waterways Regulation	269	269	270	270	270	270	271	271	271	271
District Plan	1,692	1,300	1,286	1,143	990	860	747	648	561	483
Sub Total	4,304	3,836	3,821	3,659	3,508	3,379	3,268	3,170	3,084	3,007
Roading and Parking										
Roading	9,091	9,815	10,422	11,272	11,670	12,009	12,350	12,741	13,182	13,620
Town Centres	750	880	913	1,104	1,149	1,180	1,214	1,250	1,281	1,309
Parking Provision	347	340	330	314	287	261	236	221	217	213
Sub Total	10,188	11,035	11,665	12,690	13,106	13,450	13,800	14,212	14,680	15,142
Utilities										
Sewerage	3,351	3,884	4,480	4,671	4,652	4,662	4,690	4,696	4,798	5,021
Water Supply	3,612	3,888	4,060	4,006	4,133	4,396	4,749	4,861	5,030	5,149
Waste Management	2,788	3,121	2,956	2,917	2,871	2,827	2,784	2,744	2,705	2,668
Stormwater	876	926	902	998	1,008	1,018	1,024	1,030	1,031	1,035
Sub Total	10,627	11,819	12,398	12,592	12,664	12,903	13,247	13,331	13,564	13,873
Total Operating Cost	38,926	40,365	41,816	43,206	43,752	45,669	46,618	48,022	48,889	49,842

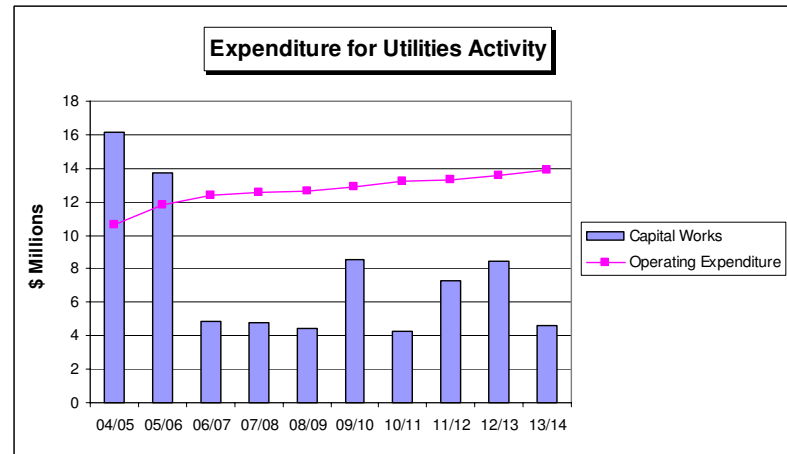
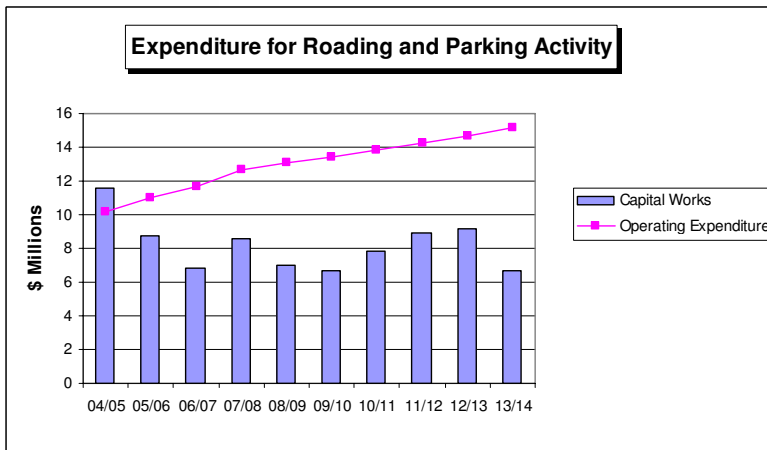
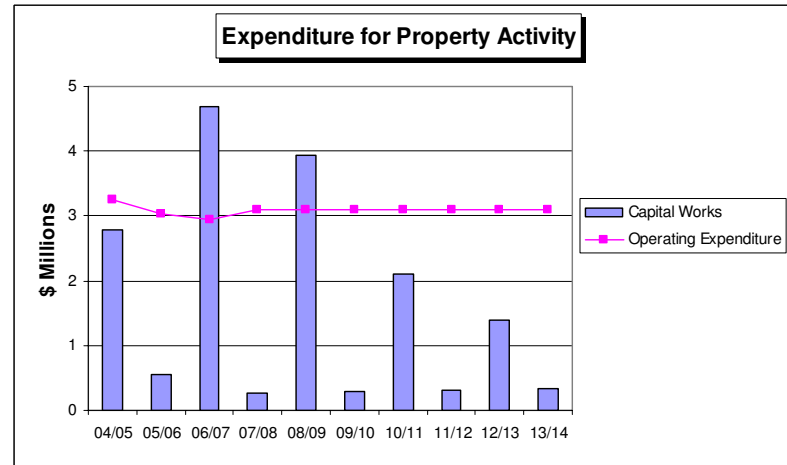
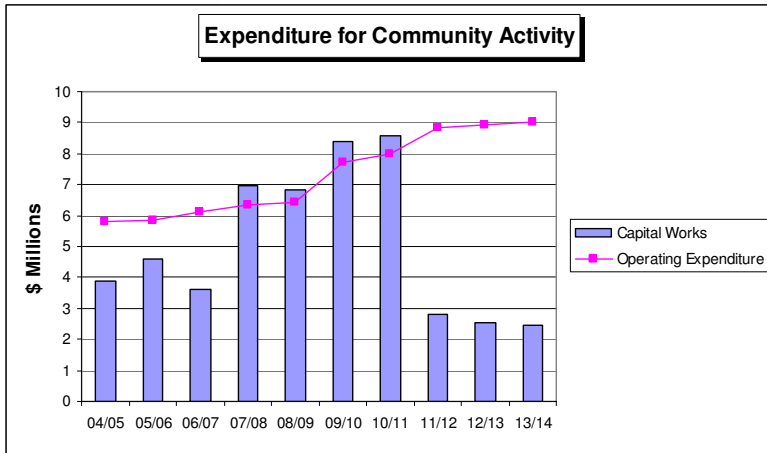
CAPITAL EXPENDITURE BY ACTIVITY										
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	3	4	5	6	7	8	9	10	11	12
Governance and District Promotion Total	333	176	170	224	224	224	224	216	213	213
Community Facilities	599	375	328	5,019	5,074	6,504	6,274	474	375	624
Active & Passive Recreation	5,075	8,134	8,390	5,160	5,172	5,490	6,046	6,260	5,847	5,649
Community Development	-	-	-	-	-	-	-	-	-	-
Community Grants	-	-	-	-	-	-	-	-	-	-
Libraries	207	182	161	180	180	180	180	180	180	180
Waterways Facilities	713	1,010	77	128	90	87	90	90	95	95
Cemeteries	40	30	25	25	25	25	25	25	25	25
Public Toilets	180	190	290	190	190	190	190	190	190	190
Emergency Services	19	19	19	19	19	19	19	19	19	19
Community Total	6,833	9,940	9,290	10,721	10,750	12,495	12,824	7,238	6,731	6,782
Council Land	153	-	3,982	-	3,653	-	1,800	-	1,080	-
Housing	10	35	2	2	2	2	2	2	1	-
Wanaka Airport	1,615	151	176	186	198	202	204	211	219	226
Forestry	-	-	-	-	-	-	-	-	-	-
Holiday Parks	1,566	5,320	692	279	283	286	274	274	274	274
Property Total	3,344	5,506	4,852	467	4,136	490	2,280	487	1,574	500
Regulatory Services	71	18	18	18	18	18	18	18	18	18
Waterways Regulation	-	-	-	-	-	-	-	-	-	-
District Plan	425	575	575	575	575	575	575	575	575	575
Regulatory and Resource Management Total	496	593	593	593	593	593	593	593	593	593
Roading	9,213	7,269	7,227	8,224	6,983	6,579	7,790	9,121	9,318	6,881
Town Centres	4,286	2,176	1,352	2,113	1,835	1,801	1,761	1,545	1,545	1,545
Parking Provision	196	1,046	96	296	296	296	296	12	-	-
Roading and Parking Total	13,695	10,491	8,675	10,633	9,114	8,676	9,847	10,678	10,863	8,426
Sewerage	12,284	11,633	5,057	2,994	2,894	3,008	3,620	5,433	7,501	4,083
Water Supply	6,858	6,995	4,694	4,831	4,493	8,329	3,836	5,257	4,034	3,746
Waste Management	600	115	115	135	135	135	135	135	135	135
Stormwater	3,326	2,457	2,372	2,506	2,184	2,123	2,161	1,945	2,074	2,007
Utilities Total	23,068	21,200	12,238	10,466	9,706	13,595	9,752	12,770	13,744	9,971
Total Capital Cost	47,769	47,906	35,818	33,104	34,523	36,073	35,520	31,982	33,718	26,485
Operating Surplus										
Operating Surplus	24,006	24,931	18,356	30,354	15,268	28,750	17,035	23,061	20,350	15,236
Internal Transfers	(866)	13,839	14,979	(914)	17,389	994	14,014	6,977	11,743	10,561
Internal Advances	14,229	9,137	2,483	3,664	1,866	6,329	4,471	1,944	1,625	688
Asset Sales	10,400	-	-	-	-	-	-	-	-	-
Total Funding	47,769	47,907	35,818	33,104	34,523	36,073	35,520	31,982	33,718	26,485

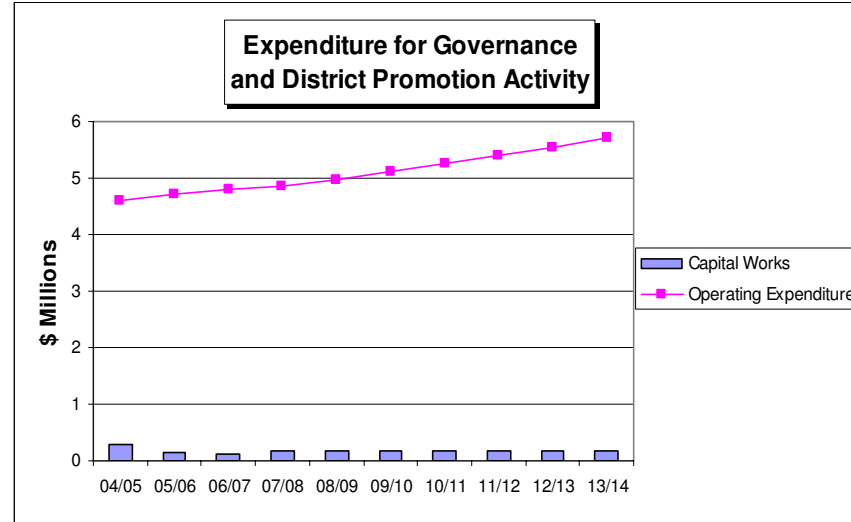
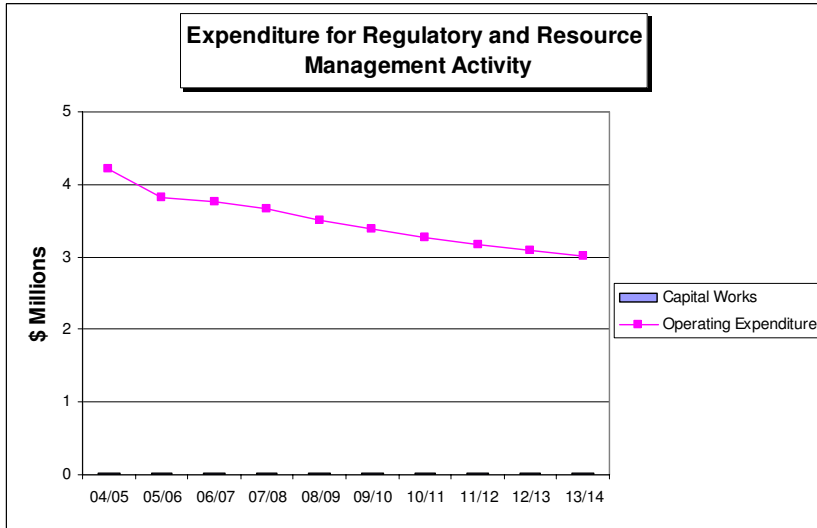
Financial Analysis Graphs

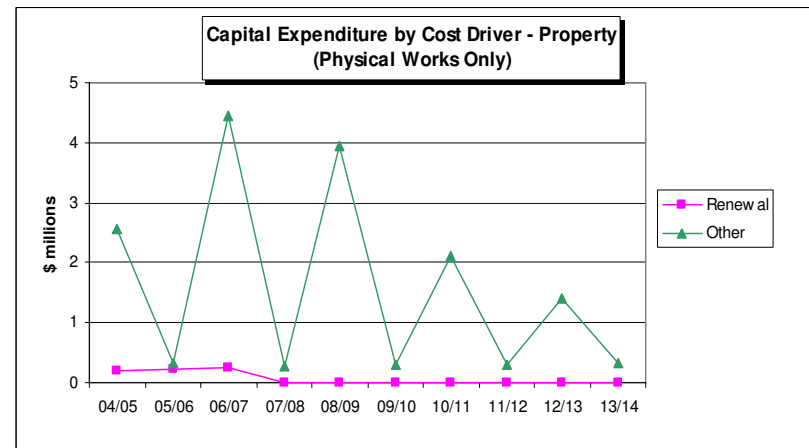
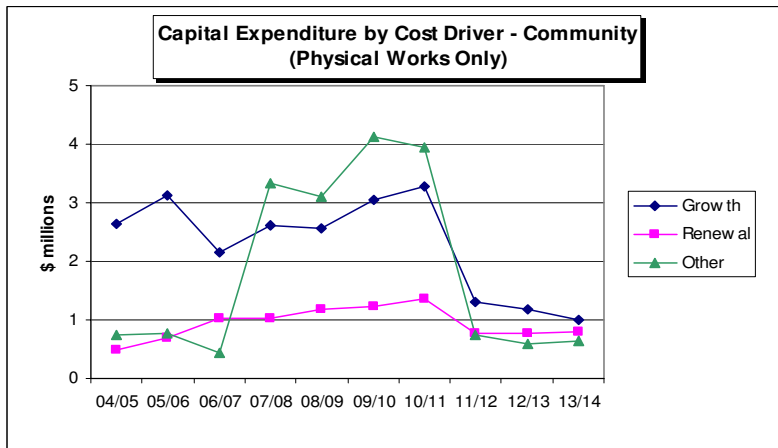
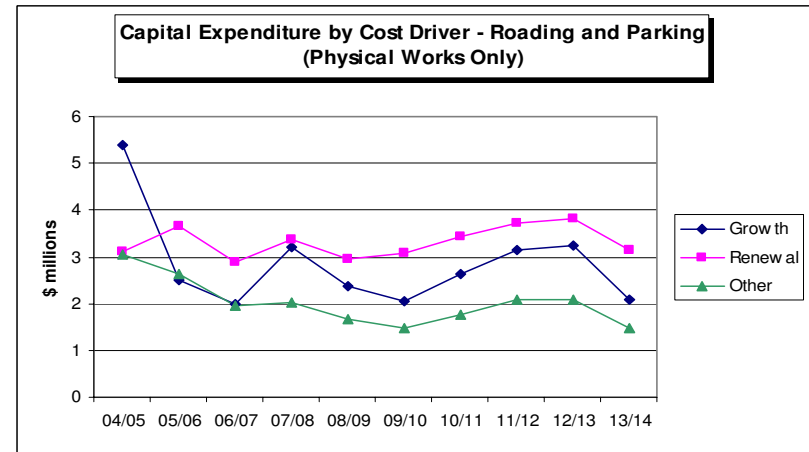
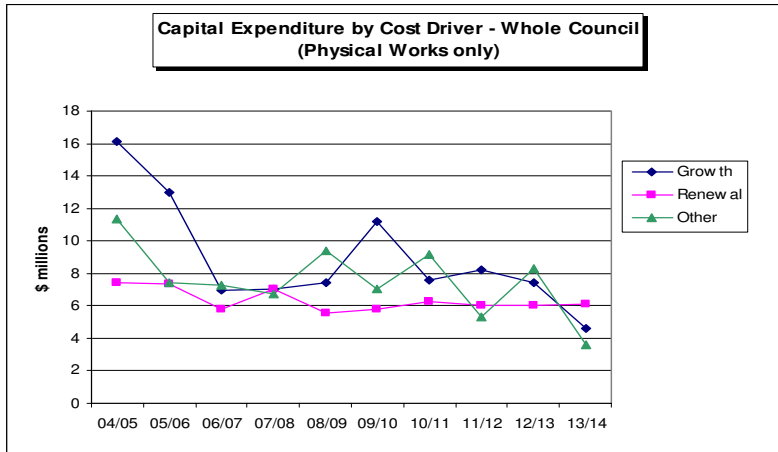


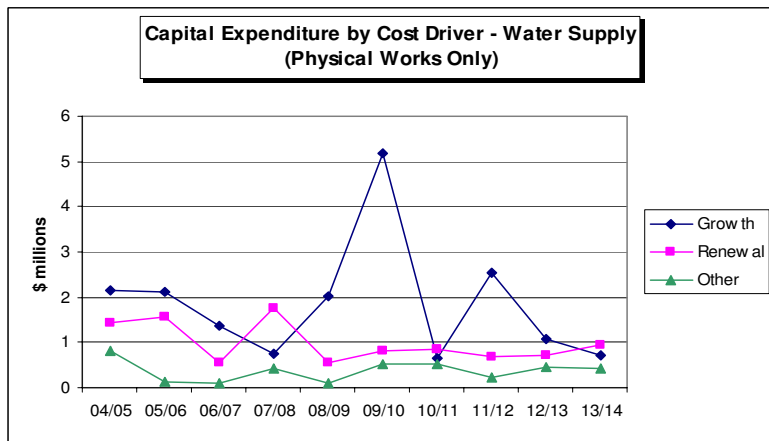
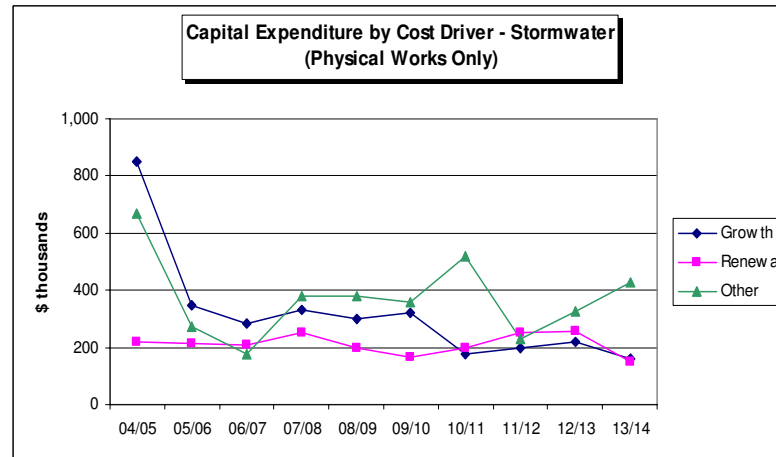
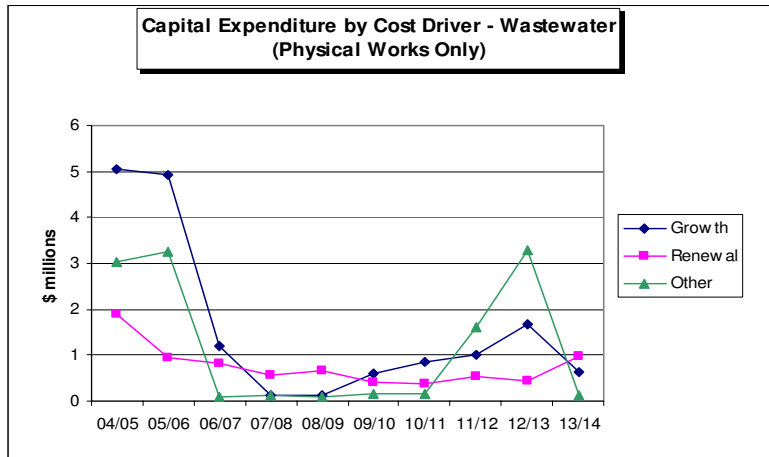












Capital Expenditure Projects for First 3 Years

Reference	Community Capital Expenditure Projects	2004/05	2005/06	2006/07
	<u>Walkways Wakatipu</u>	\$000	\$000	\$000
1101C1	Walkw ay Structure Upgrades	25	25	25
1101C2	Lake Hayes Row ing Club to Outlet Walkw ay	240	0	0
1101C3	Frankton Walkw ay Park Street Section	50	25	0
1101C4	Lake Hayes Outlet to Ladies Mile Walkw ay	0	225	0
1101C5	Kelvin Heights - Frankton Walkw ay improvements	50	0	0
1101C6	Arthurs Point - Gorge Road Walkw ay planning and design	25	0	0
1101C7	Walkw ay planning and design	25	25	25
1101C8	Ladies Mile to Shotover Bridge Walkw ay	0	117	18
1101C9	Shotover Bridge to Frankton Walkw ay	0	5	5
1101C10	Kelvin Peninsula Walkw ay	5	117	18
1101C11	Visitor Monitoring	10	5	5
1101C12	Shotover Bridge to Arrow tow n planning	0	0	25
	<u>Walkways Wanaka</u>			
1151C13	Walkw ay Structure Upgrades	10	10	10
1151C14	Mt Iron - Beacon Point - Clutha River Walkw ay	50	200	200
1151C15	Walkw ay planning and design	10	10	10
1151C16	Visitor Monitoring	5	5	5
1151C17	Haw ea Foreshore Walkw ay	10	50	50
1151C18	Albert Tow n w alkw ays	10	10	10
	Total	525	829	406
	<u>Reserves Wakatipu</u>			
1101C19	Signs and Furniture	50	50	50
1101C20	One Mile Creek Development	100	0	0
1101C21	Playground Renew als	10	10	10
1101C22	Asset Registers, Condition Assessments and Valuations	10	10	10
1101C23	Street Tree Plans	10	10	10
1101C24	Reserve management planning	10	10	10
1101C25	Queenstow n Gardens Development	0	50	50
1101C26	Park and open space planning and design	20	20	20
1101C27	Gorge Road Jump Park	10	5	0
1101C28	Queenstow n Skatepark	15	300	0
1101C29	Marine Pde and Earnslaw Park	10	10	10

Reference	Community Capital Expenditure Projects continued	2004/05	2005/06	2006/07
		\$000	\$000	\$000
1101C30	Arrow town Campground Plan	10	100	100
1101C31	Queenstown Gardens Depot	0	0	295
1101C32	Land Acquisition	500	0	0
1101C33	Lake Hayes Pavilion	15	0	10
1101C34	Trees - renewal planting	10	5	5
1101C35	Kelvin Peninsula Network Plan implementation	15	60	60
1101C36	Frankton Queenstown Network Plan implementation	0	15	60
1101C37	Rose Douglas Park	0	10	150
1101C38	Butler Green	0	140	0
1101C39	Arrow town River Reserve development	10	10	10
1101C40	Arrow town parks paths and entrances	15	15	15
1101C41	Kingston Foreshore Development	50	25	15
1101C42	Glenorchy Foreshore Development	25	0	0
1101C43	Invincible Drive Reserve Development Glenorchy	0	10	0
1101C44	Glenorchy School Reserve	0	0	5
1101C45	Horne Creek Revegetation	5	5	5
1101C46	Gorge Road Wetland restoration	10	10	10
1101C47	Crn Shotover / Brecon St Reserve	5	65	0
1101C48	Dublin Street Main Reserve	0	5	60
1101C49	Fernhill Playground	0	0	50
1101C50	Frankton Lakefront	25	30	30
1101C51	Goldfield Heights Reserve	25	35	0
1101C52	One Mile to Sunshine Bay	0	20	50
1101C53	Remarkables Crescent	0	5	51
1101C54	Rotary Park	10	97	100
	Loan repayment	0	47	101
	Total	975	1,184	1,352

Reference	Community Capital Expenditure Projects cont	2004/05	2005/06	2006/07
	<u>Reserves Wanaka</u>	\$000	\$000	\$000
1151C55	Asset Registers, Condition Assessments and Valuations	10	10	10
1151C56	Signs and Furniture	50	50	50
1151C57	Park and open space planning and design	20	20	20
1151C58	Playground Renew als	10	10	10
1151C59	Reserve management planning	10	10	10
1151C60	Haw ea Land Acquisition	140	15	15
1151C61	Trees - renew al planting	10	5	5
1151C62	Albert Tow n Lagoon Upgrade	15	50	25
1151C63	McMurdo Park implementation	120	80	0
1151C64	Wanaka Waterfront 1	50	250	250
1151C65	Street Tree Plans	10	10	10
1151C66	Haw ea Domain redevelopment	10	5	0
1151C67	Kingan Road/Luggate Creek revegetation	10	10	10
1151C68	Eely Point Recreation Reserve	50	50	50
1151C69	Lismore Park	72	150	150
1151C70	Pembroke Park	200	70	50
1151C71	Upton Street Recreation Reserve	5	20	0
1151C72	Wanaka Station Park	5	30	170
1151C73	Beacon Pt planting	10	10	10
1151C74	Sports Ground Wanaka	20	0	250
1151C75	Haw ea Foreshore Domain	8	78	76
	Total	835	933	1,171
	Reserves Capex Total	1,810	2,117	2,523
	<u>Cemeteries</u>			
2120C76	Queenstow n Cemetery Plan	0	10	15
2120C77	District Cemetery Review	25	0	0
2170C78	Wanaka Cemetery Plan	15	20	10
	Total	40	30	25

Reference	Community Capital Expenditure Projects cont	2004/05	2005/06	2006/07
	<u>Waterways Facilities</u>	\$000	\$000	\$000
2160C79	Frankton Marina (04/05 C/fwd)	500	500	0
2160C80	Main Town Pier - Queenstown	4	0	0
2160C81	Kingston Wharf	24	0	0
2160C82	Bobs Cove Jetty	0	10	0
2160C83	Glenorchy Wharf	3	0	0
2160C84	Glenorchy Wharf	20	0	0
2160C85	Queenstown Boardwalk	3	0	0
2160C86	Queenstown Bay Jetty	7	0	3
2160C87	Queenstown Bay Boat Ramp	0	40	0
2160C88	Sunshine Bay Launching Facility	0	5	40
2160C89	Glenorchy Boat Harbour	42	0	0
2160C90	Glenorchy Boat Harbour	0	20	0
2160C91	Glenorchy Boat Harbour	0	30	0
2160C92	Bayview Jetty	0	6	0
2160C93	Kingston Launching Facility	0	0	3
2160C94	Wakatipu Renewal	0	5	5
2160C95	Waterways Enforcement (Signage, Buoys, Beacons)	11	4	4
2161C96	Main Town Pier Wanaka	0	0	8
2161C97	Eely Point Facility	50	250	0
2161C98	Hawea Launching Facility	2	0	1
2161C99	Albert Town Ramp	2	0	0
2161C100	Albert Town Diving Structure	2	0	0
2161C101	Glendhu Bay Jetty	0	0	5
2161C102	Mackay Street Jetty	2	0	0
2161C103	Wanaka Renewal	0	3	3
2161C104	Waterways Enforcement (Signage, Buoys, Beacons)	3	11	3
2161C105	Wanaka Marina	30	0	3
2161C106	Main Town Pier Wanaka	0	26	0
2161C107	Lake Hawea Pontoon and mooring	10	100	0
	Total	715	1,010	78

Reference	Community Capital Expenditure Projects cont	2004/05	2005/06	2006/07
	Halls	\$000	\$000	\$000
2203C108	Lake Hayes Pavillion	22	0	0
2204C109	Arrow town Hall	7	0	0
2205C110	Glenorchy Hall	15	6	11
2504C111	Arrow town Pool	15	25	15
2504C112	Wanaka Pool Feasibility Study	15	15	0
2504C113	Queenstown Aquatic Centre	200	200	200
2202C144	Events Centre Capital Works Provision	50	0	0
	Events Centre Loan repayment	100	100	100
2251C145	Wanaka Arts and Community Centre Feasibility	30	0	0
2254C114	Cardrona Hall/Public Toilets	120	0	0
2254C115	Cardrona Hall	6	6	0
2253C116	Luggate Hall	7	12	2
2252C117	Hawea Hall	13	12	0
	Total	600	376	328
	Rural Fire Capex			
1801C118	Major Equipment maintenance	8	8	8
1801C119	New High Volume Pump	3	3	3
1801C120	Replacement Protective Clothing/Equipment	8	8	8
	Total	19	19	19
	Toilets			
2311C121	Kingston Foreshore	5	80	0
2311C122	Frankton Bus Stop	10	0	200
2361C123	Wanaka Marina Renewal	0	0	90
2361C124	Eely Point Renewal	0	95	0
2361C125	Aspiring Road	85	0	0
2361C126	Luggate Public Toilets	80	0	0

Reference	Community Capital Expenditure Projects cont	2004/05	2005/06	2006/07
	<u>Libraries</u>	\$000	\$000	\$000
	<u>Queenstown</u>			
2601C128	Book Replacements	60	60	60
2601C129	Minor Furniture/Equipment	4	4	4
2601C130	Listening Post	10	0	0
2601C131	Registration Project	5	0	0
2601C132	Liberty system Enhancements (QLDC Share)	5	30	0
2601C133	Review Library Service - additional branches	0	0	9
	<u>Arrowtown</u>			
2602C134	Book Replacements	25	25	25
2602C135	Minor Furniture/Equipment	4	2	2
	<u>Glenorchy</u>			
2603C136	Book Replacements	5	5	5
2603C137	Minor Furniture/Equipment	2	2	2
	<u>Kingston</u>			
2606C138	Book Replacements	2	2	2
2606C139	Minor Furniture/Equipment	10	1	1
	<u>Wanaka</u>			
2651C140	Book Replacements	40	40	40
2651C141	Minor Furniture/Equipment	17	4	4
	<u>Hawea</u>			
2652C142	Book Replacements	5	5	5
2652C143	Minor Furniture/Equipment	13	2	2
	Total	207	182	161
	Total Community Capital Expenditure	4,096	4,753	3,830

Reference	Property Capital Expenditure Projects	2004/05	2005/06	2006/07
	<u>Camping Grounds</u>	\$000	\$000	\$000
2401P1	Wanaka Camp Ground	5	20	20
2401P2	Glendhu Bay Motor Park	256	36	41
2401P3	Arrowtown Camp Ground	40	250	300
2401P4	Lakeview Project (front zone) Stg 1	650	0	0
2401P5	Lakeview Project (back zone) Stg 2	75	95	190
	Motor Camps Loan repayment	541	4,919	141
	Total	1,567	5,320	692
	<u>Housing</u>			
2303P6	Elderly Person Flats Arrowtown	0	3	0
2351P7	Elderly Person Flats Wanaka	5	0	0
2351P8	Elderly Person Flats Wanaka	0	30	0
2351P9	46 Connor Street	3	0	0
	Housing Loan Loan repayment	2	2	2
	Total	10	35	2
	<u>Council Land Wakatipu</u>			
2702P10	Commonage Development Costs	0	0	2,182
2702P11	Kelvin Heights Land	153	0	0
2752P12	Scurr Hts Development Costs	0	0	1,800
	Total	153	0	3,982
	<u>Wanaka Airport</u>			
2155P13	Land Purchase	1,500	0	0
2155P14	Minor Works	93	130	155
	Loan repayment	21	21	21
	Total	1,614	151	176
Total Property Capex		3,344	5,506	4,852

Roading Capital Expenditure Projects		2004/05	2005/06	2006/07
<u>Roading TNZ Wakatipu</u>		\$000	\$000	\$000
1301R01	Transportation Study -phase II	35	0	0
1301R02	Maintenance Chip Seals	771	802	834
1301R03	Thin Asphaltic Surfacing	231	240	250
1301R04	Centennial Ave - Rehabilitation	210	0	0
1301R05	Arthurs Pt Road/Malagans Road Rehabilitation- Investagation & Design	70	0	0
1301R06	McDonnell Road Seal Extension	680	0	0
1301R07	Malagans Road Rehabilitation - Construction	0	800	0
1301R08	Athurs Point Road Rehabilitation	0	0	500
1301R09	Gorge Road Road Rehabilitation	0	0	300
1301R10	Minor Safety Projects	292	342	342
1301R11	MSP - School Zone Threshold Safety	50	0	0
1301R12	Lower Shotover Bridge Cycleway Upgrade	200	0	0
1301R13	Fernhill Walkway Link	300	0	0
1301R14	Crown Range Zig-Zag upgrade	0	400	400
1301R15	Arrow Lane Pavement Smoothing	0	75	0
1301R16	Dalefield Road Rehabilitation	0	0	150
	Total	2,839	2,659	2,776
<u>Roading TNZ Glenorchy SPR</u>				
1302R17	Priory-Glenorchy Routeburn Seal Extension	1,000	0	0
1302R18	Minor Safety Projects	21	21	21
	Total	1,021	21	21
<u>Roading TNZ - Debt Servicing</u>				
	Loan repayment	230	197	197
	Total	230	197	197
<u>Carparking Provision</u>				
3201R19	Stanley Street Car Park	100	950	0
	Loan repayment	96	96	96
	Total	196	1,046	96

Reference		Total	96	1,096	96
		2004/05	2005/06	2006/07	
	Roading Capital Expenditure Projects cont				
	<u>Non-Subsidised Rooding Wakatipu - Town Centres</u>				
1401R20	Footpath Renew al	45	45	45	
1401R21	Kerbing Renew al	25	25	25	
1401R22	Minor w orks	5	5	5	
1401R23	Lake Wall Reconstruction	200	0	0	
1401R24	Gorge Road Roundabout Approach	20	0	0	
1401R25	Robins Road/ Gorge Road Intersection Reconstruction	100	0	0	
1401R26	Shotover Street Upgrade	500	500	0	
1401R27	Fernhill Flush Median	50	0	0	
1401R28	Gorge Road School Bus-stops	0	40	0	
1401R29	Implementation of Rooding Strategy	2,000	0	0	
1401R30	Street Lighting	50	50	50	
1401R31	CBD Rejuvenation	150	150	150	
1401R32	School Zone Threshold Safety	30	0	0	
1401R33	SH6A Access Sealing	100	100	100	
1401R34	Safety barrier- Glenorchy Rd Fernhill to 2 mile pump station	20	0	0	
1401R35	Arrow Lane Upgrade	111	260	0	
	Loan repayment	363	208	208	
	Total	3,769	1,383	583	
	<u>Non-Subsidised Rooding Wakatipu - Other</u>				
1402R36	Footpath Renew al	90	90	90	
1402R37	Kerbing Renew al	50	50	50	
1402R38	Minor w orks	25	5	5	
1402R39	Wakatipu Contingency Fund	140	140	140	
1402R40	Low er Shotover Bridge Cycleway Upgrade	400	0	0	
1402R41	Rural School Bus-Stop Pullovers	45	0	0	
1402R42	Gibbston Back Road Drainage	25	0	0	
1402R43	Skippers Road Management Plan - Implementation	60	0	0	
1402R44	Street Lighting	50	50	50	
1402R45	Traffic Calming Projects	25	25	25	
1402R46	Amenity Enhancement - Rural Rooding Projects	200	200	200	
1402R47	Hood Crescent/Chalmers Lane, Arrow tow n - Footpath	20	0	0	
1402R48	Arrow tow n Library carpark- soak pit	7	0	0	
1402R49	Paradise road Cattlestop	10	0	0	

Reference	Roading Capital Expenditure Projects cont	2004/05	2005/06	2006/07
	<u>Non-Subsidised Rooding Wakatipu - Other Continued</u>	\$000	\$000	\$000
1402R51	Arrow tow n Intersections - Kerb & Drainage	20	20	0
1402R52	Humphrey Street, Frankton - Footpath	16	0	0
1402R53	McBride Street, Frankton - Kerbing	25	0	0
1402R54	Peninsula Road, KH - Kerb	45	0	0
1402R55	Berkshire St, Arrow tow n - Kerbing	97	0	0
1402R56	Glenorchy Tow n Centr Stg 3	100	0	0
1402R57	Manse Road, Arrow tow n - Footpath	0	200	0
1402R58	Douglas Street - Footpath & Kerb	0	40	0
1402R59	Crow n Range Summit Rest Area	0	15	0
1402R60	Four View s Ave, KH - Kerb	0	22	0
1402R61	Boyes Crescent Footpath	0	85	0
1402R62	Cedar Drive, KH - Kerb	0	0	100
1402R63	Cornw all Street (Kingston) seal extension	0	0	350
1402R64	Coll St Seal Extn (Glenorchy)	0	0	150
1402R65	Buteman St Seal Extn (Glenorchy)	0	0	150
	Loan repayment	70	43	59
	Total	1,580	985	1,369
	<u>Non-Subsidised Rooding Wanaka - Town Centres</u>			
1451R66	Footpath Renew al	17	17	17
1451R67	Kerbing Renew al	25	25	25
1451R68	Minor w orks	5	5	5
1451R69	Cardrona Tow nship Traffic Calming	50	0	0
1451R70	CBD Design & Construction	50	300	0
1451R71	Street Lighting	50	50	50
1451R72	McDougal Street - Golf Course Rd to Ardmore	175	175	0
1451R73	Monley Lane	100	0	0
1451R74	Warren Street East Sealing	0	94	0
1451R75	Pow er Undergrounding	0	0	150
1451R76	Upton Street Sealing	0	0	200
1451R77	Lismore Street/Hedditch Street - Footpath & Kerb Stg 1	0	0	220
1451R78	Youghal Street	0	70	0
	Loan repayment	45	57	102
	Total	517	793	769

Reference	Roading Capital Expenditure Projects cont	2004/05	2005/06	2006/07
	<u>Non-Subsidised Roding Wanaka - Other</u>	\$000	\$000	\$000
1452R79	Footpath Renewal	55	55	55
1452R80	Kerbing Renewal	30	30	30
1452R81	Minor works	5	5	5
1452R82	Wanaka Contingency Fund	60	60	60
1452R83	Plantation Road - High School Parking	50	0	0
1452R84	Upgrade Hawea Flat Cycle Path	35	0	0
1452R85	Street Lighting	50	50	50
1452R86	Amenity Enhancement - Rural Roding Projects	100	100	100
1452R87	Traffic Calming Projects	25	25	25
1452R88	Rata Rd & Makaroa Village Seal Extensions	0	100	0
1452R89	Lakeview Terrace - Footpath	100	0	0
1452R90	School Bus-Stop Pullovers	45	0	0
1452R91	Kingan Road Upgrade	0	75	0
1452R92	Gunn Road Seal Extension	0	125	0
1452R93	Seal Extension Arklow Street, Albert Town	0	0	200
	Loan repayment	0	10	19
	Total	555	635	544

Reference	Roading Capital Expenditure Projects cont	2004/05	2005/06	2006/07
	<u>Roading TNZ Wanaka</u>	\$000	\$000	\$000
1351R94	Transportation Study -phase II	15	0	0
1351R95	Maintenance Chip Seals	514	534	556
1351R96	Thin Asphaltic Surfacing	154	160	166
1351R97	Aubrey Road Seal Extension	550	0	0
1351R98	Riverbank Road/ Orchard Road Seal Extension	454	0	0
1351R99	Mt Aspiring Road Reconstruction & Widening-Glendu Bay	0	150	0
1351R100	Minor Safety Projects	62	137	37
1351R101	MSP - Cardrona Ski Field Turning lanes	45	0	0
1351R102	MSP - Anderson Road Roundabout	0	0	100
1351R103	MSP - School Zone Threshold Safety	30	0	0
1351R104	Wairau Road Seal Extension	0	80	0
1351R105	Ballantyne Road Seal Extension Stage I	0	0	250
1351R106	Maintenance Chip Seals	33	35	36
	<u>Roading TNZ Wanaka Cont</u>	\$000	\$000	\$000
1351R107	Crown Range Road Rehabilitation	0	500	0
1351R108	Minor Safety Projects	30	30	30
	Loan repayment	102	146	146
	Total	1,989	1,772	1,321
	Total Roding and Parking Capex	12,676	9,491	7,676

Reference	Regulatory and Resource Management Capital Projects	2004/05	2005/06	2006/07
	<u>Enforcement</u>	\$000	\$000	\$000
5601RRM01	Replace validators, cash boxes - parking meters	18	18	18
3203RRM02	New Dog Pound	53	0	0
	<u>District Plan - Debt Servicing</u>			
	Loan repayment	425	575	575
	Total Regulatory and Resource Management Capex	501	593	593

Reference	Wastewater Capital Expenditure Projects	2004/05	2005/06	2006/07
	<u>Queenstown Wastewater</u>	\$000	\$000	\$000
1501WW01	Reticulation	2,112	731	100
1501WW02	Pump Stations	229	651	147
1501WW03	Treatment Facilities	1,217	0	0
1501WW04	Treatment Facilities	0	0	0
1501WW05	Asset Management	99	77	90
1501WW06	Renewals	200	200	200
	Loan repayment	241	341	703
	Total	4,098	2,000	1,240
	<u>Arrowtown Wastewater</u>			
1502WW07	Reticulation	914	70	50
1502WW08	Treatment Facilities	155	0	0
1502WW09	Asset Management Systems	20	12	13
1502WW10	Renewals	0	60	60
	Loan repayment	218	189	211
	Total	1,307	331	334
	<u>Lake Hayes Wastewater</u>			
1504WW11	Reticulation	416	0	0
1504WW12	Treatment Facilities	80	0	0
1504WW13	Pump Station	50	0	0
1504WW14	Asset Management Systems	5	5	6
	Loan repayment	603	603	603
	Total	1,154	608	609

Reference	Wastewater Capital Expenditure Projects cont.	2004/05	2005/06	2006/07
	<u>Arthurs Point Wastewater</u>	\$000	\$000	\$000
1503WW15	Reticulation	30	30	30
1503WW16	Treatment Facilities	48	0	0
1503WW17	Asset Management Systems	5	5	6
1503WW18	Renewals	25	25	25
	Loan repayment	49	62	69
	Total	157	122	130
	<u>Wanaka Wastewater</u>			
1555WW19	Reticulation	719	122	572
1555WW20	Pump Stations	0	0	671
1555WW21	Treatment Facilities	3,313	6,579	0
1555WW22	Asset Management Systems	48	34	40
1555WW23	Renewals	80	80	80
	Loan repayment	139	255	255
	Total	4,299	7,070	1,618
	<u>Hawea Wastewater</u>			
1556WW24	Asset Management Systems	19	8	9
1556WW25	Renewals	0	40	0
	Loan repayment	34	37	68
	Total	53	85	77
	<u>Albert Town Wastewater</u>			
1557WW26	Asset Management Systems	13	7	9
1557WW27	Treatment Facilities	187	371	0
1557WW28	Renewals	0	20	0
	Loan repayment	15	18	41
	Total	215	416	50
	Total Wastewater Capex	11,283	10,632	4,058

Reference	Water Supply Capital Expenditure Projects	2004/05	2005/06	2006/07
	<u>Queenstown Water Supply</u>	\$000	\$000	\$000
1701WS01	Reticulation	263	0	385
1701WS02	Pump Stations	364	0	42
1701WS03	Kelvin Heights Reservoir	363	0	0
1701WS04	Larchwood Reservoir	437	0	0
1701WS05	Flow Metering	20	0	0
1701WS06	Asset Management Systems	115	93	105
1701WS07	Renewals	273	273	273
	Loan repayment	385	758	369
	Total	2,220	1,124	1,174
	<u>Arrowtown Water Supply</u>			
1702WS08	Reticulation	445	0	319
1702WS09	Pump Stations	100	0	0
1702WS10	Intake / Bore Facilities	200	0	0
1702WS11	Flow Metering	7	0	0
1702WS12	Asset Management Systems	27	19	21
1702WS13	Renewals	46	46	46
	Loan repayment	84	249	244
	Total	909	314	630
	<u>Glenorchy Water Supply</u>			
1703WS14	Reticulation	0	1,640	0
1703WS15	Intake	0	160	0
1703WS16	Storage	0	533	0
1703WS17	Treatment Facilities	0	130	0
1703WS18	Asset Management Systems	8	8	9
1703WS19	Renewals	0	10	0
	Loan repayment	10	8	53
	Total	18	2,489	62
	<u>Lake Hayes Water Supply</u>			
1704WS20	Asset Management Systems	11	11	12
	Loan repayment	609	609	609
	Total	620	620	621

Reference	Water Supply Capital Expenditure Projects cont	2004/05	2005/06	2006/07
	<u>Arthurs Point Water Supply</u>	\$000	\$000	\$000
1705WS21	Reticulation	0	200	0
1705WS22	Storage	529	0	0
1705WS23	Asset Management Systems	8	8	9
1705WS24	Renewals	20	20	20
	Loan repayment	151	66	69
	Total	708	294	98
	<u>Wanaka Water Supply</u>			
1755WS25	Reticulation	576	416	19
1755WS26	Pump Stations	0	0	129
1755WS27	Intakes	63	0	0
1755WS28	Western Reservoir	379	0	0
1755WS29	Hawthenden Reservoir	0	0	494
1755WS30	Asset Management Systems	44	30	34
1755WS31	Renewals	86	86	86
	Loan repayment	157	360	163
	Total	1,305	892	925
	<u>Hawea Water Supply</u>			
1756WS32	Pump Stations	0	80	0
1756WS33	Asset Management Systems	6	0	0
1756WS34	Asset Management Systems	12	12	13
1756WS35	Renewals	0	26	10
	Loan repayment	13	59	60
	Total	31	177	83
	<u>Albert Town Water Supply</u>			
1757WS36	Asset Management Systems	12	6	7
	Loan repayment	22	52	57
	Total	34	58	64
	<u>Luggate Water Supply</u>			
1759WS37	Asset Management Systems	5	6	6
	Loan repayment	11	22	29
	Total	16	28	35
	Total Water Supply Capex	5,861	5,996	3,692

Reference	Stormwater and Waste Capital Expenditure Projects	2004/05	2005/06	2006/07
	<u>Stormwater</u>	\$000	\$000	\$000
1601SW01	Fernhill - Upgrades	27	0	30
1601SW02	Frankton - Upgrades	25	0	100
1601SW03	Queenstow n - Upgrades	65	85	35
1601SW04	Kelvin Peninsula - Upgrades	45	87	40
1601SW05	Arrow tow n - Upgrades	138	153	0
1601SW06	Glenorchy - Upgrades	50	0	100
1655SW07	Wanaka - Upgrades	1,000	83	0
1655SW08	Haw ea - Upgrades	56	75	0
1655SW09	Albert Tow n - Upgrades	0	32	0
1601SW10	Minor Works, Projects, GIS (Queenstow n)	60	60	60
1601SW11	Minor Works Arrow tow n	50	0	50
1655SW12	Minor Works Wanaka	60	60	60
1601SW13	Treatment Facilities	0	50	0
1601SW14	Asset Management	96	99	125
1601SW15	Investigations	65	50	70
	Queenstow n Loan Repayment	353	357	370
	Wanaka Loan Repayment	236	267	332
	Total Stormwater Capex	2,326	1,458	1,372
	<u>Waste Management</u>			
1201WM01	Greenw aste Sites for Queenstow n & Arrow tow n	80	0	0
1201WM02	Resource Recovery Centre at Frankton TS	260	0	0
1201WM03	Tow nship Drop off centres	18	0	0
1201WM04	Glass Stockpile at Frankton TS	12	0	0
1201WM05	Tow n Centre recycle bins for Queenstow n & Wanaka	15	0	0
1201WM06	Rural Refuse Points Screening	100	0	0
	Waste Management Loan repayment	100	115	115
	Waste Management Capex Total	600	115	115
	Total Stormwater and Waste Capital Projects	2,926	1,573	1,487

Reference	Administration Capital Expenditure Projects	2004/05	2005/06	2006/07
	<u>Information Systems</u>	\$000	\$000	\$000
5101A01	Upgrade Holiday Park Booking System	30	0	0
5101A02	Replace QLHP Server	9	0	0
5101A03	Replace QLHP Backup system, printers	0	26	0
5101A04	Replace E-mail server, printers	0	0	22
5101A05	Library PC's, printers, book scanners, faxes	33	0	0
5101A06	Mobile Computing	11	0	0
5101A07	Hardware based VPN	5	0	0
5101A08	QLDC Website	18	10	10
5101A09	Unix/Firewall	3	15	10
5101A10	Upgrade Wide area network (contractor access)	3	0	40
5101A11	NCS Software Improvements	17	15	10
5101A12	Document Camera for Video conferencing Units	6	0	0
5101A13	Terminal Server	9	0	0
5101A14	GIS Asset Management system	54	34	19
5101A15	Upgrade GIS hardware	40	20	9
5101A16	Replace Binder system for agendas	0	10	0
5101A17	Upgrade TRIM to Context	30	0	5
	Information System Capex Total	268	130	125
	<u>Administration Building</u>			
2803A18	Refurbish Foyer Gorge Road Offices	25	0	0
	Loan repayment	42	47	47
	Admin Buildings Capex Total	67	47	47
	Total Administration Capex	335	177	172
	GRAND TOTAL CAPITAL EXPENDITURE	41,037	38,721	26,360
	<i>(Excludes Vested Assets)</i>			

Statement of Accounting Policies

A Reporting Entity

The Queenstown Lakes District Council (the Council) is a Local Authority within the definition of the Local Government Act 2002. Included within the group are the Queenstown Airport Corporation Limited (100% owned) and the Queenstown Events Centre Trust.

B Measurement Base

The measurement base adopted is historical cost, modified by the revaluation of certain assets.

C Accounting Policies

Basis of Consolidation

The financial statements of the Queenstown Airport Corporation Limited (100% owned) and Queenstown Events Centre Trust have not been incorporated into the forecast financial statements of the Council.

General Revenue

Rates and levies are recognised when assessments are issued. Government grants are recognised when eligibility has been established by the grantor agency.

Cost Allocation Policy

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

Criteria for Direct and Indirect Costs

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

Financial Instruments

The Council and group are party to financial instrument arrangements as part of its everyday operations. Revenue and expenses in relation to all financial instruments are recognised in the operating statement. Financial instruments are recognised in the statement of financial position on the basis of the Council’s general, and where applicable, specific accounting policies. All financial instruments disclosed on the statement of financial position are recorded at fair value. There are no off balance sheet financial transactions.

Income Tax

The Council’s income is generally exempt from income tax.

Goods and Services Tax

These financial statements are prepared exclusive of goods and services tax except for debtor and creditor balances, which are shown inclusive of GST.

Employee Entitlements

Provision is made in respect of the group’s liability for annual leave, which has been calculated on an actual entitlement basis at current rates of pay.

Investments

Investments are stated at cost. The shares in the New Zealand Local Government Insurance Corporation Limited were transferred to the Council at no cost and are reported at net asset backing as at 30 June 2003.

Accounts Receivable

Accounts receivable are stated at estimated realisable value, after provision for amounts considered doubtful.

Fixed Assets

Valuation:

Investment Properties and Properties Intended for Sale

Land, buildings and improvements which meet the definitions set out in SSAP 17 “Accounting for Investment Properties and Properties Intended for Sale” were revalued on 30 June 2003 by an independent registered valuer at Quotable Value New Zealand. Investment Properties were valued at net current value. Revaluation gains and losses are debited or credited to the investment property revaluation reserve at the time of the revaluation. Where this result is a debit balance to the reserve this balance is expensed to the Statement of Financial Performance.

Proceeds from the sales of investment properties are recorded as revenue in the financial statements, whilst costs are recorded within expenditure. In the year in which a property is sold, the revaluation reserve attributable to the sold property is credited to the Statement of Financial Performance. Properties intended for sale are valued at the lower of cost or net current value as at 30 June 1999. Investment Properties and Properties intended for sale are not subject to depreciation.

Other Land, Buildings and Improvements

All other land, including parks and reserves land and improvements were valued at net current value for reporting purposes on 31 March 1992, by Valuation New Zealand, by staff who are registered valuers and associate members of the New Zealand Institute of Valuers. Buildings have been valued at 31 March 1992 at net current value less depreciation. The foreshore structures were valued by registered engineers at Duffill Watts and King, Consulting Engineers as at May 1992. All subsequent additions are valued at cost.

Infrastructure Assets

These assets include the roading network (including land under roads) bridges, water, sewerage and stormwater schemes. The value of unformed roads is not included. Infrastructure assets are revalued on a 3 yearly cycle. The roading assets were revalued by registered valuers at Montgomery Watson Harza Limited. The remaining infrastructure assets were revalued by an independent valuer at Rationale. The effective date for the revaluations is 01 July 2001.

The infrastructure assets have been valued on the basis of optimised depreciated replacement cost (ODRC) in accordance with New Zealand Infrastructure Asset Management Manual (NZIAM Manual). Subsequent additions are valued at cost. The value of land under roads has been assessed by analyzing the sales of both vacant rural and residential block land to give an average rate per hectare for the part of the district in question.

Library Books

The valuation of the library collection was performed on 30 June 1993 by Council staff, who were members of the N. Z. Library Association, based on actual cost where available and estimated cost if this was not. Subsequent additions are valued at cost.

Vested Assets

The assets vested in the Council were valued at existing market rates for the quantities taken from as-built plans provided as part of the subdivision process.

Forestry Asset

A revaluation of the Coronet forest, a joint project with the Central Otago District Council, and the plantation at Wanaka was performed by Wrightson Forestry Services, a forestry consultant recognised by the New Zealand Institute of Forestry. The valuation was based on the net present value method and gave a value of the forests as at 30 June 2003. The Council has a 75% holding in the Coronet Forest and it is the Council's share which appears in the financial statements. The Council administers the Coronet Forest block with total costs shown with an annual recovery from Central Otago District Council for their share, shown as revenue.

Other Assets

All other assets are valued at cost less accumulated depreciation.

Depreciation:

Land, Investment Properties, Forestry assets and assets under construction are not depreciated. The following components of the roading network are also not depreciated: land under roads; sub base, formation, shoulder surfacing and drainage ditches. For assets under construction, the total cost of the project is transferred to the relevant class of asset on completion and then depreciated.

Depreciation is provided on a straight line or cost price (CP) basis for infrastructure assets, buildings and other assets except vehicles, where diminishing value (DV) is used, at rates that will write off the cost of the assets over their expected useful lives. The rates used for each class of asset are as follows:

	Years	Rate (%)	Method
Buildings	40-100	1-2.5	CP
Improvements	15	6.5	CP
Foreshore Structures	33	3	CP
Plant, Machinery and Office equipment	5-8	12.5 – 20	CP
Fixtures, fittings and furniture	10	10	CP
Computer Equipment	4	25	CP
Library Books	10	10	CP
Motor Vehicles		20	CP
Roading Network	12-50	2-8.33	CP
Water Network	10-60	1.67 – 10	CP
Sewer Network	10-60	1.67 – 10	CP
Stormwater Network	10-60	1.67 – 10	CP

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset are transferred to the group, are classified as finance leases.

The leased assets and corresponding liabilities are disclosed. The leased assets are depreciated over the period the entity is expected to benefit from their use.

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased item, are charged as expenses in the periods in which they are incurred.

Equity

Equity is the community's interest in the parent and group as measured by total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that the Council and the group make of its accumulated surpluses.

Statement of Cashflows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council or group invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the group and record the cash payments made of the supply of goods and services. Agency transactions are recognised as receipts and payments in the Statement of Cash Flows given that they flow through the Council's main bank account.

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

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

Internal Funding

This item includes the funding transferred from capital or operating reserve funds, and the change in accumulated surplus or deficit in self funding and special rates activities. The impact of depreciation not funded is also included in this line item.

Balancing the Budget

The Local Government Act 2002 contains a requirement to balance the budget.

Section 100 states:

1. *A local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that years projected operating expenses.*
2. *Despite subsection (1), a local authority may set projected operating revenues at a different level from that required by that subsection if the local authority resolves that it is financially prudent to do so, having regard to –*
 - a) The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long term council community plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
 - b) The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity to assets throughout their useful life; and
 - c) The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
 - d) The funding and financial policies adopted under section 102.

Council comfortably meets these requirements over the timeframe of the plan. The forecasted 10 year statement of Financial Performance shows strong operating surpluses, which demonstrates that Council balances its budget requirements overall.

Funding of Depreciation

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

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

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

The new Act provides a more flexible approach in the requirement to fully fund depreciation.

The revised interpretation has allowed Councils flexibility in four key areas which we have taken advantage of in preparing these budgets:

- (i) The Council needs to fund depreciation only on its share of roading funding. The component attributable to Transfund is excluded. Allowing for SPR roading arrangements and other subsidisable costs 48% of roading depreciation will be funded (2003/04 – 46%);
- (ii) Depreciation on Community facilities may not need to be funded as they are often funded by non-Council sources and will never be replaced in the same form at the end of their useful life. Depreciation on halls, libraries, and other facilities (including the Events Centre) will therefore not be funded;
- (iii) The Council has accepted that it is not reasonable to fund depreciation where a community has funded a water or sewerage scheme, by lump sum contributions or loan charges. That community ends up paying twice – for loan charges and depreciation;
- (iv) Because we have generally maintained the value of our infrastructure the Council will use funded depreciation to finance renewal projects and repay loans. It cannot be used to fund new assets or asset improvements.

These changes have focused on the intent of legislation, the maintenance of the capacity of major operational assets. This Council has had this focus for some time now and so is not greatly affected by the new provisions. The impact of the above decision has lead to the following amounts of depreciation not being funded:

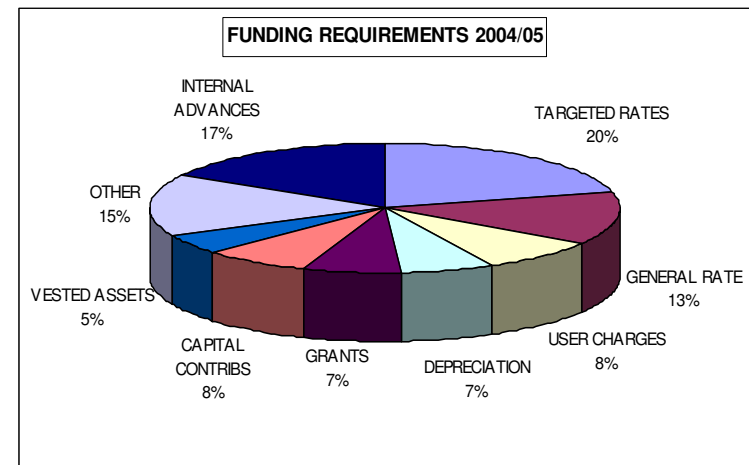
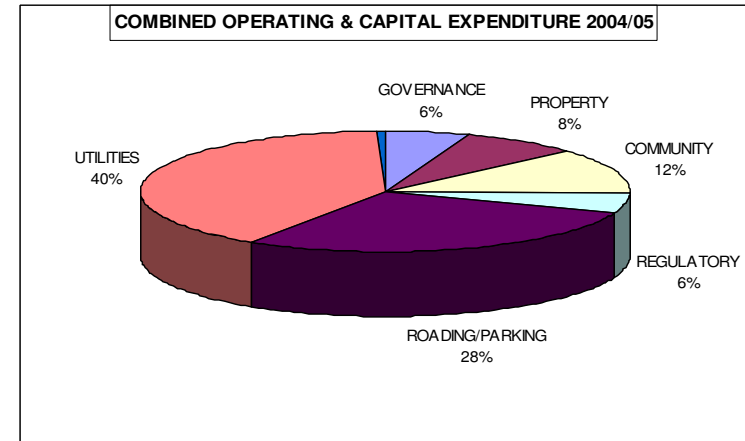
	Total Depreciation 2004/05 (\$000)	Depreciation Not Funded 2004/05 (\$000)
Roading	4,607	2,321
Sewerage	1,309	186
Water	1,155	183
Stormwater	424	-
Community	1,305	669
Total	8,794	3,359

Funding Impact Statement

Background

Clause 13 of Schedule 10 to the Local Government Act 2002 requires each Council to prepare a Funding Impact Statement as part of its Annual Plan or Long Term Council Community Plan, which states:

- (a) The revenue and financing mechanisms to be used to cover the estimated expenses of the local authority for the year; and
- (b) The nature of, and the reasons for, any departure from the funding impact statement of that year in the long term council community plan; and
- (c) In relation to any general rate, -
 - (i) The valuation system on which the general rate is to be assessed; and
 - (ii) Whether a uniform annual general charge is to be included; and
 - (iii) If a uniform annual general charge is to be included, how that uniform annual general charge will be calculated; and
 - (iv) Whether the general rate is to be set differentially, and, if so –
 - The categories of rateable land, within the meaning of section 14 of the Local Government (rating) Act 2002, to be used; and
 - The objectives of the differential rate, in terms of the total revenue sought from each category of rateable land or of the relationship between the rates set of rateable land in each category; and
- (d) In relation to each targeted rate, -
 - (i) The activities or groups of activities for which the targeted rate is to be set; and
 - (ii) The category, or categories, of rateable land, within the meaning of section 17 of the Local Government (rating) Act 2002, to be used; and
 - (iii) For each such category, how liability for the targeted rate is to be calculated; and
 - (iv) If the targeted rate is set differentially, the total revenue sought from each category of rateable land or the relationship between the rates set on the rateable land in each category.



Following is the Funding Impact Statement for the period commencing 1 July 2004.

Long Term Funding Impact Statement

Queenstown Lakes District Council will use the following revenue and financing mechanisms to fund its expenses for the 2004/05 financial year and the following 9 years.

Funding Mechanisms	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
General Rates	11,376	11,107	11,270	11,337	11,395	12,168	12,331	12,497	12,290	12,443
Targeted Rates										
Water Supply	3,262	3,689	4,022	3,661	3,760	4,436	4,473	4,612	4,653	4,895
Wastewater	3,106	3,373	3,721	4,468	4,425	4,411	4,491	4,507	4,738	4,788
Stormwater	1,040	1,066	1,066	1,192	1,174	1,111	1,427	1,147	1,163	1,178
Roading	7,154	7,204	6,868	7,026	7,101	7,159	7,423	7,749	7,954	7,887
Waste Management	906	1,226	1,203	1,203	1,203	1,203	1,203	1,203	1,203	1,203
Tourism Promotion	1,893	2,032	2,092	2,155	2,220	2,286	2,355	2,425	2,498	2,573
Total Rates	28,737	29,697	30,242	31,042	31,278	32,774	33,703	34,140	34,499	34,967
User Charges	6,754	6,600	6,525	6,119	6,194	6,218	6,174	6,010	6,006	6,004
Grants & Subsidies	5,549	4,483	4,110	7,244	6,466	5,400	6,241	6,175	6,469	5,145
Development Contributions	6,266	7,282	7,443	7,399	6,275	6,518	6,772	7,042	7,039	6,897
Vested Assets	6,740	9,189	9,463	7,500	7,656	7,819	7,988	8,166	7,934	8,097
Funded Depreciation	5,436	6,113	6,867	6,965	7,167	7,384	7,705	7,936	8,323	8,790
Internal Advances	14,229	9,137	2,483	3,664	1,866	6,329	4,471	1,944	1,625	688
Other	12,985	15,770	10,502	6,377	11,373	9,300	9,084	8,591	10,712	5,739
Total Funding	86,696	88,271	77,635	76,310	78,275	81,742	82,138	80,004	82,607	76,327

Proposed Rates and Charges for 2004/05

The rating system used by Council is based on Capital Value. Property valuations produced by Quotable Value as at 1 September 2002 are to be used for the 2004/05 rating year.

All proposed rates in the section that follows are inclusive of GST.

Uniform Annual General Charge

Pursuant to sections 15 of the Local Government (Rating) Act 2002 (the Act), Council resolves to set a uniform annual general charge of \$330.00 on each separately used of inhabited part of every rating unit in the district.

The uniform annual general charge revenue (\$5,417,591) will be used to fund the costs associated with the following activities:

- Cemeteries.
- Community Development and grants.
- District library services.
- Public halls and other community facilities including swimming pools.
- Regulatory and advisory services relating to public enquiries, health, animal control, general enforcement and waterways control.
- Civic Function (including cost of democracy, communications, management of Council including corporate, financial and rating administration services).
- Active Recreation facilities.
- A general contribution to the promotion of the district.

General Rate

Pursuant to Sections 13 and 14 of the Act, Council resolves to set a differential general rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000883 cents in the \$
2. Hydro Electric Power	0.000662 cents in the \$
3. Vacant Sections	0.001325 cents in the \$
4. Accommodation	0.001325 cents in the \$
5. CBD Accommodation	0.001325 cents in the \$
6. Commercial	0.001325 cents in the \$
7. CBD Commercial	0.001325 cents in the \$
8. Primary Industry	0.000883 cents in the \$

9. Country Dwelling	0.000883 cents in the \$
10. Other	0.000883 cents in the \$
11. Mixed Use Apportioned	See note (i)

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

The general rate revenue (\$7,380,376) will be used to fund the costs associated with the following activities:

- Passive recreation areas, gardens, walkways and reserves.
- Civic Function (including cost of democracy, communications, management of Council including corporate, financial and rating administration services.)
- The provision on public toilets.
- Provision of emergency services.
- Waste management including transfer stations and landfill.
- Regulatory and advisory services relating to planning and resource management, the district plan, building control and, health liquor licensing.



Roading Rate (Wanaka Ward)

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

- 1. Residential 0.000688 cents in the \$
- 2. Hydro Electric Power 0.000172 cents in the \$
- 3. Vacant Sections 0.001032 cents in the \$
- 4. Accommodation 0.002958 cents in the \$
- 5. CBD Accommodation 0.002958 cents in the \$
- 6. Commercial 0.001926 cents in the \$
- 7. CBD Commercial 0.001926 cents in the \$
- 8. Primary Industry 0.000688 cents in the \$
- 9. Country Dwelling 0.001032 cents in the \$
- 10. Other 0.000688 cents in the \$
- 11. Mixed Use Apportioned See note (i)

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

The Wanaka roading rate revenue (\$2,123,962) will be used to fund the costs associated with the following activities:

- Wanaka wards roading network, which includes footpaths and other amenities within the road reserve.
- The development of commercial areas.
- The maintenance and upgrading of roading drainage systems.

Roading Rate (Queenstown/Wakatipu and Arrowtown Wards)

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

- 1. Residential 0.000677 cents in the \$
- 2. Hydro Electric Power0.000169 cents in the \$
- 3. Vacant Sections0.001016 cents in the \$

- 4. Accommodation 0.002911 cents in the \$
- 5. CBD Accommodation 0.002911 cents in the \$
- 6. Commercial 0.001896 cents in the \$
- 7. CBD Commercial 0.001896 cents in the \$
- 8. Primary Industry 0.000677 cents in the \$
- 9. Country Dwelling 0.001016 cents in the \$
- 10. 1Other 0.000677 cents in the \$
- 11. 1Mixed Use Apportioned See note (i)

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

The Wakatipu/Arrowtown roading rate revenue (\$5,923,875) will be used to fund the costs associated with the following activities:

- Wakatipu/Arrowtown ward's roading network, which includes footpaths and other amenities within the road reserve.
- The development of commercial areas.
- The maintenance and upgrading of roading drainage systems.

Stormwater Rate (Wanaka Ward)

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

- 1. Residential 0.000192 cents in the \$
- 2. Vacant Sections 0.000192 cents in the \$
- 3. Accommodation 0.000192 cents in the \$
- 4. CBD Accommodation 0.000192 cents in the \$
- 5. Commercial 0.000192 cents in the \$
- 6. CBD Commercial 0.000192 cents in the \$
- 7. Other 0.000192 cents in the \$
- 8. Mixed Use Apportioned See note (i)

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

The Wanaka stormwater rate revenue (\$333,187) will be used to fund the costs associated with the following activities:

- The maintenance and upgrading of stormwater reticulation systems.

Stormwater Rate (Queenstown/Wakatipu and Arrowtown Wards)

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

1. Residential	0.000212 cents in the \$
2. Vacant Sections	0.000212 cents in the \$
3. Accommodation	0.000212 cents in the \$
4. CBD Accommodation	0.000212 cents in the \$
5. Commercial	0.000212 cents in the \$
6. CBD Commercial	0.000212 cents in the \$
7. Other	0.000212 cents in the \$
8. Mixed Use Apportioned	See note (i)

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

The Wakatipu/Arrowtown stormwater rate revenue (\$837,147) will be used to fund the costs associated with the following activities:

- The maintenance and upgrading of stormwater reticulation systems.

Tourism Promotion Rate (Wanaka Ward)

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

1. Accommodation	0.001092 cents in the \$
2. CBD Accommodation	0.001092 cents in the \$
3. Commercial	0.001092 cents in the \$
4. CBD Commercial	0.001092 cents in the \$
5. Mixed Use Apportioned	See note (i)

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

The Wanaka tourism promotion rate revenue (\$272,757) will be used to fund the costs associated with the following activities:

- To finance promotional activities of Lake Wanaka Tourism.

Tourism Promotion Rate (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Queenstown/Wakatipu and Arrowtown Wards of the Queenstown Lakes District as follows:

1. Accommodation	0.001392 cents in the \$
2. CBD Accommodation	0.001392 cents in the \$
3. Commercial	0.001392 cents in the \$
4. CBD Commercial	0.001392 cents in the \$
5. Mixed Use Apportioned	See note (i)

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

The Wakatipu/Arrowtown tourism promotion rate revenue (\$1,856,493) will be used to fund the costs associated with the following activities:

- To finance promotional activities of Destination Queenstown and Arrowtown Promotion Association.

Waste Management Charges

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted waste management charge of \$76.00 on each separately used or inhabited part of every rating unit in the district, except for vacant properties.

The Waste Management Charge revenue (\$1,019,064) will be used to fund the costs associated with the following activities:

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

Water Supply Rates

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

Pursuant to sections 16.17 and 18 of the Act, Council resolves to set a targeted rate for water supply on each separately used or inhabited part of every connected or serviceable rating unit within the respective water supply areas as follows:

- Queenstown and District water supply \$150
- Arrowtown water supply. \$100
- Wanaka and District water supply. \$125

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

	Queenstown (cents in the \$)	Arrowtown (cents in the \$)	Wanaka (cents in the \$)
1. Residential	0.000322	0.000311	0.000295
2. Accommodation	0.000483	0.000467	0.000443
3. CBD Accommodation	0.000483	0.000467	0.000443
4. Commercial	0.000483	0.000467	0.000443
5. CBD Commercial	0.000483	0.000467	0.000443
6. Primary Industry	0.000322	0.000311	0.000295
7. Country Dwelling	0.000322	0.000311	0.000295
8. Other	0.000322	0.000311	0.000295
9. Mixed Use Apportioned	See note (i)	See note (i)	See note (i)

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

(ii) Other Water Supplies

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted rate for water supply on each separately used or inhabited part of every rating unit connected to the respective scheme, and a half charge on each separately used or inhabited part of every serviceable rating unit.

Water Supply	Full Charge (\$)	Half Charge (\$)
Albert Town	190	95
Arthurs Point	550	275
Glenorchy	550	275
Hawea	220	110
Lake Hayes	331	165.50
Luggate	240	120

The Targeted Water Supply Rates revenue (\$3,659,960) will be used to fund the costs associated with the following activities:

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

Water Scheme Loan Rate

(i) Luggate Water Supply

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted water scheme loan rate of \$415 on every connected or serviceable rating unit within the Luggate water supply area, other than those in respect of which the ratepayer has elected to make the lump sum contribution.

(ii) Lake Hayes Water Supply Area

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted water scheme loan rate of \$417 on every connected or serviceable rating unit within the Lake Hayes water supply area, other than those in respect of which ratepayer has elected to make the lump sum.

The Targeted Water Scheme Loan Revenue (\$32,436) will be used to fund the costs associated with the following activities:

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

Sewerage Rates

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted sewerage rate on every rating unit connected to a district sewerage scheme, on the basis on one full charge per first pan on urinal connected, with a discounted charge on every subsequent pan or urinal connected. A half charge will apply to every serviceable rating unit. The charges for each scheme are set out in the schedule below.

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

Sewerage Scheme	Charge for 1 st pan connected (\$)	Half Charge capable of connection (\$)	Charge per pan after 1 connected (\$)
Arrowtown	240	120	120
Arthur's Point	500	250	360
Albert Town	380	190	190
Hawea	310	155	155
Queenstown	220	110	110
Wanaka	260	130	130
Lake Hayes	216	108	108

The Targeted Sewerage Rates revenue (\$3,403,568) will be used to fund the costs associated with the following activities:

- To provide public sewerage services to the above communities.

Sewerage Scheme Loan Rates

(i) Arthur's Point (East) Sewerage Area

Pursuant to sections 16, 17 and 18 of the Act, Council resolves to set a targeted sewerage scheme loan rate on every serviceable rating unit within the Arthur's Point (east) Sewerage area, on the basis on one charge per pan or urinal connected or capable of being connected of \$282, on the first pan or urinal, and \$202 for each subsequent pan or urinal.

(ii) Lake Hayes Sewerage Area

Pursuant to sections 16, 17 and 18 of the Act, council resolves to set a targeted sewerage scheme loan rate on every serviceable rating unit within the Lake Hayes Sewerage scheme area, on the basis of one charge per pan or urinal connected or capable of being connected of \$345.50, on the first pan or urinal, and \$172.50 for each subsequent pan or urinal.

Note:

- The targeted sewerage scheme loan rate will not apply to those properties in respect of which the ratepayer elected to make the lump sum contribution; and
- Every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.

The Targeted Sewerage Scheme Loan Rates revenue (\$56,943) will be used to fund the costs associated with the following activities:

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

Due Dates for Payments

The Council resolves that the above rates and charges for the financial year commencing on the 1st day of July 2004 are payable in four instalments, the due dates and last days for payment without penalty being as follows:

	Due Date	Last Day for Payment (without 10% penalty)
Instalment One	23 July 2004	27 August 2004
Instalment Two	22 October 2004	26 November 2004
Instalment Three	21 January 2005	25 February 2005
Instalment Four	22 April 2005	27 May 2005

Payment of Rates

Rates payments can be made during normal office hours at:

- Civic Centre, 10 Gorge Road, Queenstown
- Wanaka Service Centre, Ardmore Street, Wanaka
- Arrowtown Public Library, Buckingham Street, Arrowtown

Additional Charges (Penalties)

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

- (i) A penalty of 10% will be added to the rates and charges levied in each instalment which remains unpaid on the day after the last day for payment date as shown above (ie the penalty will be added on **27 August 2004, 26 November 2004, 25 February 2005 and 27 May 2005** respectively).
- (ii) A penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year and remaining unpaid on **30 September 2004**.
- (iii) A second penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year which remains unpaid on **31 March 2005**.

Indicative Rate Movements for 2004/05

SUMMARY OF FINAL INDICATIVE TOTAL RATE MOVEMENTS 04/05				
PROPERTY TYPE	CV	LOCATION	MOVEMENT %	\$
RESIDENTIAL	\$354,000	QUEENSTOWN	1.73%	\$25.68
COMMERCIAL	\$1,100,000	QUEENSTOWN	-0.54%	-\$35.79
ACCOMMODATION	\$1,400,000	QUEENSTOWN	-1.25%	-\$138.65
M/U ACCOMMODATION	\$690,000	QUEENSTOWN	0.75%	\$21.95
VACANT	\$275,000	QUEENSTOWN	1.15%	\$14.65
M/U COMMERCIAL	\$340,000	QUEENSTOWN	1.07%	\$22.18
RESIDENTIAL	\$351,000	WANAKA	6.24%	\$88.65
COMMERCIAL	\$720,000	WANAKA	5.61%	\$232.29
ACCOMMODATION	\$1,100,000	WANAKA	5.73%	\$471.58
M/U ACCOMMODATION	\$664,000	WANAKA	6.44%	\$170.27
PRIMARY INDUSTRY	\$835,000	WANAKA	5.02%	\$82.01
COUNTRY DWELLING	\$475,000	WANAKA	4.66%	\$58.61
VACANT	\$250,000	WANAKA	4.10%	\$48.10
M/U COMMERCIAL	\$305,000	WANAKA	6.05%	\$93.65
RESIDENTIAL	\$270,000	ARROWTOWN	6.02%	\$73.97
COMMERCIAL	\$350,000	ARROWTOWN	3.21%	\$80.73
ACCOMMODATION	\$800,000	ARROWTOWN	2.10%	\$133.67
M/U ACCOMMODATION	\$475,000	ARROWTOWN	4.78%	\$102.09
VACANT	\$135,000	ARROWTOWN	1.96%	\$17.19
M/U COMMERCIAL	\$210,000	ARROWTOWN	5.24%	\$67.29
PRIMARY INDUSTRY	\$1,050,000	WAKATIPU	1.60%	\$32.13
COUNTRY DWELLING	\$700,000	WAKATIPU	0.69%	\$11.92
RESIDENTIAL	\$165,000	GLENORCHY	4.10%	\$49.04
RESIDENTIAL	\$175,000	ALBERT TOWN	4.11%	\$50.49
RESIDENTIAL	\$215,000	HAWEA	4.73%	\$59.40
RESIDENTIAL	\$80,000	KINGSTON	2.90%	\$15.29
RESIDENTIAL	\$215,000	ARTHURS POINT	0.88%	\$15.86

In order to fund the expenditure for the 2004/05 year an overall rate increase of 4.1% is required (after allowing for growth).

The effect of this increase on individual properties will vary however according to a number of factors. These factors include location, services received, valuation and property usage. The table above indicates the expected rates movements for a range of property types.

Indicative Residential Rates 2004-05							
Location	Queenstown	Wanaka	Arrowtown	Glenorchy	Kingston	Albert Town	Hawea
Capital Value	354,000	351,000	270,000	165,000	80,000	175,000	215,000
UAGC	330	330	330	330	330	330	330
General Rate	310	308	236	144	69	152	188
Roading Rate	239	240	182	110	53	119	147
Stormwater Rate	74	66	56	34	16	33	45
Water	263	228	183	550	0	190	220
Sewerage	220	260	240	0	0	380	310
Waste Mgmt	76	76	76	76	76	76	76
Total Rates	\$1,513	\$1,509	\$1,304	\$1,244	\$543	\$1,280	\$1,315
% Increase	1.73%	6.24%	6.02%	4.10%	2.90%	4.11%	4.73%
\$ Increase	\$26	\$89	\$74	\$49	\$15	\$50	\$59

An analysis of residential rate movements is included for a range of representative properties within the district.

The table shows increases of between \$15 and \$89 per annum. The highest rates are payable for the properties in Queenstown and Wanaka. However, when you compare the monthly outgoing on rates for these properties of around \$126 to the amount paid by households for electricity or telephone services, ratepayers will see that this expenditure compares very favourably. For the \$126 per month for rates, these properties receive a wide range of services including; water supply, sewerage disposal, roading, parks & reserves, community facilities as well as local governance services.

Differential Matters Used to Define Categories of Rateable Land

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

Differentials by Land Use

The categories are:

1. Residential

All rating units which are used exclusively for residential purposes, but excluding properties categorised as Primary Industry or Country Dwelling.

2. Hydro Electric Power

All rating units on which there are structures used exclusively or principally for, or in connection with, the generation of hydro-electric power, including structures used to control the flow of water to other structures used for generating hydro-electric power

3. Vacant Sections

All rating units which are vacant properties and suitable for development and for which there is no apparent land use.

4. Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties; but excluding properties categorised as pursuant to clause 10 (Mixed Use Apportioned) or clause 5 (CBD Accommodation).

5. CBD Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as pursuant to clause 11 (Mixed Use Apportioned).

6. Commercial

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

7. CBD Commercial

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

8. Primary Industry

All rating units:

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

9. Country Dwelling

All rating units of less than 10 hectares, located in any of the Rural Zones (except for the land zoned as Rural Residential north of Wanaka township in the vicinity of Beacon Point Road bounded by the low density residential zone to the south, Penrith Park zone to the north and Peninsula Bay to the east) or Special Zones (excluding Penrith Park; Remarkables Park; Quail Rise; Woodbury Park; Peninsula Bay; and Meadow Park) as shown in the Queenstown Lakes District Council's District Plan, which are used exclusively for Residential purposes.

10. Other

Any rating unit not classified under any of the other categories.

11. Mixed Use Apportioned

All rating units which are used in part, but not exclusively, for residential purposes, and in part, but not principally, for commercial or accommodation purposes.

These categories are used to differentiate the following rates:

- general rate, targeted rates; roading rate, stormwater rate, tourism promotion rate, waste management charge, water supply rates.

Targeted Rates Based on Location

The categories are:

1. Location within the Wanaka ward.
2. Location within the Queenstown/Wakatipu ward or the Arrowtown ward.

These categories are used to differentiate the following targeted rates:

- roading rate, stormwater rate, tourism promotion rate.

Targeted Rates Based on Availability of Service

The categories are:

1. Connected

Any rating unit that is connected to a Council operated water scheme or is connected to a public sewerage drain.

2. Serviceable

Any rating unit within the area of service that is not connected to a Council operated water scheme but is within 100 metres of any part of the waterworks and to which water can be supplied. Any rating unit within the area of service, that is not connected to a public sewerage drain, but is within 30 metres of such a drain, and is capable of being connected.

These categories are used to differentiate the following targeted rates:

- water supply rates, water scheme loan rates, sewerage rates, sewerage scheme loan rates.

Revenue and Financing Policy

Background

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

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

- a) General rates including:
 - (i) choice of valuation system; and
 - (ii) differential rating; and
 - (iii) uniform annual general charges;
- b) targeted rates;
- c) fees and charges;
- d) Interests and dividends from investments;
- e) borrowing;
- f) proceeds from asset sales;
- g) development contributions under the Local Government Act 2002;
- h) financial contributions under the Resource Management Act 1991;
- i) grants and subsidies;
- j) any other source.

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

- a) the community outcomes to which the activity primarily contributes; and
- b) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- c) the period in or over which those benefits are expected to occur; and
- d) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- e) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Queenstown Lakes District Council has undertaken several comprehensive reviews of its funding principles in the past through the development, adoption and review of its Funding Policy. This document identifies the funding sources for each of Council's functions. These reviews were completed as requirements under the Local Government Act 1974 in 1998, 2001 and again in 2002, and will therefore form the basis for this Revenue and Financing Policy. It is expected that a review of this policy will be undertaken before the next Council Community Plan is prepared during 2005/06.

Revenue and Financing Policy

A Funding Sources – Operational Expenditure

The “revenue” part of the title “revenue and financing policy” relates to funding of operating expenditure. The following sources of income are recognised in the operating statement:

Rates

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

Council will use a capital value rating system across the district. The table on the following page shows the funding mechanisms proposed for each activity of Council. Rates are generally used where it is economically impractical to use fees and charges.

There are two classification types for rates:

- General rates - Includes UAGC and capital valued based rate
- Targeted rates - Includes Tourism Promotion Rate, Water Supply Rate, Sewerage Rate, Storm water Rate, Waste Management Rate and Roading Rate

Fees and charges

There is a wide range of revenue under this general title. Generally, Council will look to use fees and charges to recover the “private benefit” costs of a particular activity (see table on following page) if it is economically viable to do so. Some fees and charges referred to on the following page are paid to the Council directly, whilst others are paid direct to Council’s contractor (i.e. Consent fees to CivicCorp).

Interest and dividends from investments

Interest is recognised from all investment sources. The use of the interest depends on the investment source. The majority of investment income is used to offset rates.

Some income is derived from investments held for special reserve purposes. This income is funded to these reserves to fund capital expenditure.

Other sources of income including Grants and subsidies

Some activities of Council qualify for a grant or subsidy from the Crown. In particular, Council receives a subsidy from Transfund NZ for roading. Other smaller grants are also received from the Crown, for example the Safer Community Council.

Summary of Funding Decisions By Activity

Function	Economic Benefit Assessment		Funding Mechanism	
	Private %	Public %	Private	Public
Civic Function	-	100	-	UAGC/General Rate (CV)
Tourism Marketing	95	5	Targeted CV Rate (Tourism Promotion)	UAGC
District Plan	5	95	Fees & Charges	General Rate (CV)
Waterways Control	70	30	Fees & Charges	Waterways Concession
Regulatory Services	67	33	Fees & Charges	General Rate (CV)
Library Services	10	90	Fees & Charges	UAGC
Community Programmes	-	100	-	UAGC
Community Grants	-	100	-	UAGC/Grants
Commercial Property	100	-	Fees & Charges	-
Public Toilets	-	100	-	General Rate (CV)
Cemeteries	60	40	Fees & Charges	UAGC
Community Facilities	70	30	Fees & Charges	UAGC
Waterways Facilities	70	30	Fees & Charges	Waterways Concession
Active Recreation Facilities	15	85	Fees & Charges	UAGC
Passive Recreation Areas	-	100	-	General Rate (CV)
Emergency Services	-	100	-	General Rate (CV)
Water Supplies	90	10	Targeted Uniform Rate (Water)/ Targeted CV Rate (Water)	-
Stormwater	-	100	-	Targeted CV Rate (Stormwater)
Sewage Disposal	90	10	Targeted Rate (Sewerage)	-
Landfill Provision & Management	50	50	Fees & Charges	Targeted Uniform Rate (Refuse)/ General Rate (CV)
Refuse Collection	100	-	Fees & Charges	-
Commercial Area Development	50	50	Targeted CV Rate (Roading)	Targeted CV Rate (Roading)
Parking Facilities	80	20	Fees & Charges	Fees & Charges
Roading	45	55	Transfund Subsidy/Petrol Tax	Targeted CV Rate (Roading)

Funding Operational Expenditure By Activity

Civic Function

This function includes the leadership and setting of the overall direction by the Council, Community Board and various committees. This also includes all activities in relation to the public involvement in the democratic process including elections, the holding of public meetings, and distribution of information to residents and ratepayers as well as the preparation of the statutory financial reports, including the Annual Plan and Annual Report.

This activity will be funded 50% from the Uniform Annual General Charge, and 50% from the capital value based General Rate.

Tourism Promotion

Council makes grants to suitable groups which market the district as a visitor destination and therefore increase the economic benefits to the district from its major industry.

This activity will be funded 95% from the Targeted Rate for Tourism Promotion based on Capital Value and applied on a ward basis, and 5% from the Uniform Annual General Charge.

District Plan

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

This activity will be funded 100% from the capital value based General Rate.

Waterways Control

The purpose of this function is to control, by way of inspection, enforcement and promotion the safe use of waterways and safety in waterways based activities in the District.

Waterways Control will be funded from user charges as far as practicable, and thereafter from the revenue generated from waterways based concessions.

Regulatory Services

This function includes all activities covered by the fixed management fee of the regulatory services contract, which commenced in July 1998. It includes all aspects of the resource consent process, environmental health services, dog control, building control as well as general enforcement issues with regard to by-laws.

Building control and resource consent processing activities will be funded from user charges, apart from the public enquiry service provided in this area which is funded by the Uniform Annual General Charge.

Environmental health and licensing will be funded from user charges as far as possible and then from the capital value based General Rate.

General by-law enforcement & dog control will be funded from user charges as far as possible and then from the Uniform Annual General Charge.

Library Services

The purpose of this function is to help meet the information, cultural, educational and recreational needs of its users in a timely, convenient and cost effective manner. This is achieved through the District Library based in Queenstown, branch libraries in Arrowtown and Wanaka and sub branches in Hawea and Glenorchy. The services include book and magazine loans, a reference and information service, compact disc and video rentals and, research and other sundry services. Some of the specialist services provided include a local history collection and a special needs service including large print and talking books, and foreign language text. The libraries also act as community information centres holding community information and contact names and addresses.

This activity will be funded 95% from the Uniform Annual General Charge, and 5% from user charges for some specialised or high demand services.

Community Programmes

The purpose of this function is to facilitate programmes to expose children and youth to a wide variety of recreational opportunities. It is also designed to help keep adults informed of the recreational, social and cultural opportunities in the area and to assist groups in maximising the benefits they provide to the community. Assistance will also be provided to seeking financial support from organisations other than Council. The Council is also involved in programmes at New Year in order to minimise the impact of this traditionally challenging time of year.

This activity will be funded from the Uniform Annual General Charge.

Community Grants

The purpose of this function is the provision of grants to help fund community groups that provide a wide range of activities and services in the District, including the Lakes District Museum. It is also to ensure the District gains its share of available external grants and that the effect of any grant is maximised by the involvement of an interested group.

After allowing for the receipt of grants by Council in its role as agent, this activity will be funded from the Uniform Annual General Charge.

Commercial Property

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

This activity will be funded by user charges with any surplus derived used to reduce general rate requirement.

Public Toilets

The purpose of this function is to provide public toilets throughout the District to meet the needs of locals and visitors while promoting health and hygiene.

This activity will be funded 100% from the capital value based General Rate.

Cemeteries

The purpose of this activity is to provide for cemeteries throughout the District. Services provided by the Council include areas for the burial of human remains, interment of human ashes, the maintenance of burial records and the maintenance of grounds. This activity will be funded 60% from user charges in the form of plot sales and burial fees with the balance of 40% coming from the Uniform Annual General Charge.

Community Facilities

The purpose of this function is to help provide halls and similar multi-use indoor facilities for the district. This includes the indoor facilities at the Queenstown Events Centre.

This activity will be funded 70% from user charges with the balance of 30% coming from the Uniform Annual General Charge.

Waterways Facilities

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

This activity will be funded 70% from user charges with the balance of 30% coming from the revenue generated from waterways based concessions.

Active Recreation Facilities

The purpose of the function is to help provide affordable and accessible recreation facilities throughout the District. This includes the maintenance and development of primarily outdoor active recreation facilities that are owned by Council. This does not include facilities which are on Council land but are owned by other organisations i.e. some bowling, tennis and golf clubs. Multi-use indoor facilities are covered in the Community Facilities function and facilities Council assists but does not operate are covered under Community Grants.

This activity will be funded 15% from user charges with the balance of 85% coming from the Uniform Annual General Charge.

Passive Recreation Facilities

The purpose of the function is to help provide accessible passive recreation and beautification areas throughout the District. This activity includes most items that are traditionally called parks and reserves and covers the maintenance and development of outdoor passive recreation areas that are owned and/or administered by Council. This development includes such items as amenity lighting, playgrounds, furniture and beautification and other plantings. Active recreation facilities are covered in a separate function, and facilities Council supports but does not operate are covered under Community Grants.

After allowing for any revenue derived from permitted activities on reserves, this activity will be funded 100% from the capital value based General Rate.

Emergency Services

The purpose of this function is to be able to respond appropriately to Civil Defence or Rural Fire emergencies by having plans and procedures in place and an

appropriate level of preparedness in these areas. This is primarily achieved by the development of a Civil Defence Plan and the establishment and maintenance of the required communications and other infrastructure. With rural fire this also includes supporting one Rural Fire Unit, two volunteer fire brigades based at Kingston and Glenorchy, and providing limited financial support to the Hawea and Luggate volunteer fire brigades with respect to rural fire response. There are also arrangements in place to ensure additional trained resources are available when required.

After allowing for any central government subsidies in this area, this activity will be funded 100% from the capital value based General Rate.

Water Supply

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

This activity will be funded 40% from the Targeted Uniform Rate (Water) which will be charged to all serviceable properties in the nature of a supply charge and 60% from a Targeted Water Rate based on Capital Value and applied on a scheme basis to all properties connected to the public water supply.

Stormwater

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

This activity will be funded 100% from a Targeted Stormwater Rate based on Capital Value and applied on a ward basis to all urban properties.

Sewage Disposal

The primary purpose is to provide reliable and efficient sewerage collection, treatment and disposal systems that meet all discharge consent conditions. Sewerage schemes are provided in Queenstown, Arrowtown, Arthur's Point, Wanaka, Hawea, Albert Town and Lakes Hayes and will be considered for Kingston, Glenorchy.

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

Landfill Provision and Management

The purpose of this function is to provide and manage landfills and transfer stations for the purpose of disposing of solid waste and the provision of hazardous waste facilities in accordance with Regional Council and environmental requirements. This function covers the development and operation of one sanitary landfill for the District. As part of this service, transfer stations have been built in Queenstown and Wanaka. In addition, the Council is required to monitor and rehabilitate its disused landfill sites at Hawea, Tuckers Beach, Wanaka, Kingston, Glenorchy and Makarora.

This activity will be funded 50% from user charges in the form of transfer station fees and disposal fees, 30% from the general capital value based rate to cover the cost of existing waste management loans and the rehabilitation of disused tips with the balance of 20% coming from the Targeted Uniform Waste Management Charge to cover the operating shortfall of the transfer stations, including the cost of any recycling initiatives.

Refuse Collection

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

This activity will be funded 100% from user charges.

Commercial Area (Town Centre) Developments

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

After allowing for any Transfund subsidy this activity will be funded 100% from a Targeted Rooding Rate based on Capital Value and applied on a ward basis to all properties.

Parking Facilities

The objective of this function is to provide a range of on and off street parking in the town centres of the District. The enforcement of parking and other restrictions are covered as a separate function.

This activity will be funded 100% from user charges.

Roading

The purpose is to provide a reliable, efficient and safe roading network that is well maintained and develops to meet the changing needs of the District. This covers all the requirements of a “boundary to boundary” corridor and includes pavement, footpath and bridge maintenance and development. It also includes traffic safety services such as road marking, sign posting, street lighting, accident studies and the Road Safety Co-ordinator. It does not include the items covered under the Town Centre (Commercial Area Development) function.

After allowing for any Transfund subsidy and Petrol Tax, this activity will be funded 100% from a Targeted Roading Rate based on Capital Value and applied on a ward basis to all properties.

B Funding Sources – Capital Expenditure

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

Funding for new capital works will depend on the nature of the work in particular the reasons (cost drivers) which have made the work necessary.

a) Capital Expenditure due to Growth

Funding Sources in order of priority:

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

b) Capital Expenditure due to shifts in levels of service, statutory requirements or other reasons but not including Growth or Renewals.

Funding Sources in order of priority:

- (i) Capital Grants and subsidies
- (ii) Capital Revenues and Asset sale proceeds
- (iii) Capital Reserves
- (iv) Rates

c) Capital expenditure due to Renewals

Funding Sources in order of priority:

- (i) Depreciation Reserves
- (ii) Rates

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

Rates Remission and Postponement Policies

These policies are prepared pursuant to Sections 102 and 109 of the Local Government Act 2002.

A. Community, Sporting and Other Organisations

Objectives of the Policy

To facilitate the ongoing provision of community services or recreational opportunities for the residents of the Queenstown Lakes District Council.

The purpose of granting rates remission to an organisation is to:

- Assist the organisation's survival; and
- Make membership of the organisation more accessible to the general public, particularly children, youth, young families, aged people, and economically disadvantaged people.

Conditions and Criteria

The land must be owned by the Council or owned, occupied or leased by an organisation (with liability for rates), which is used exclusively or principally for sporting, recreation, or community purposes.

The organisation must not operate for private pecuniary profit.

The application for rate remission must be made to the Council prior to 31st October of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

Organisations making application should include the following documents in support of their application:

- Statement of Objectives;
- Full financial accounts;
- Details of any Leases (where applicable);
- Information on activities and programmes;
- Details of membership or clients.

Application

Generally, the Policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Remissions to any qualifying organisation shall be on the basis of 100% reduction in rates and charges except that no remission will be granted on targeted rates/charges for water supply, sewerage disposal or refuse collection, or areas used for bars.

The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chairperson of the Finance, Audit, Property and Corporate Committee and the Accounting Manager.

B. Land Protected for Natural, Historic or Cultural Conservation Purposes

Objective of the Policy

To preserve and promote natural resources and heritage, to encourage the protection of land for natural, historic or cultural purposes.

Conditions and Criteria

Ratepayers with rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this part of the Policy.

Land that is non-rateable under Section 8 of the Local Government (Rating) Act 2002 and is liable only for targeted rates covering water supply, sewage disposal or refuse collection will not qualify for remission under this part of the Policy.

Applications must be made in writing.

Applications should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the Covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:

- The extent to which the preservation of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.
- The degree to which features of natural, cultural or historic heritage are present on the land.
- The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.

Application

The extent of any remission shall be determined by the Finance, Audit, Property and Corporate Committee on a case by case basis.

If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will take into account any restrictions on the use that may be made of the land imposed by the protection mechanism. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

In granting remissions under this part of the Policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

C. Residential Land in Commercial or Industrial Areas

Objective

To ensure that owners of residential rating units situated in commercial or industrial areas are not unduly penalised by the zoning decisions of this Council.

Conditions and Criteria

To qualify for remission under this part of the Policy, the rating unit must:

- Be situated within the area of land that has been zoned for commercial or industrial use.
- Be listed as a "residential" property for differential rating purposes. (Ratepayers wishing to ascertain whether their property is residential property may inspect the Council's rating information database at the Council office).
- The application for rate remission must be made to the Council prior to 31st October of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

Application

If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager. The extent of any remission will be based on valuations supplied by its valuation service provider.

D. Land Affected by Natural Calamity

Objective of the Policy

To enable rate relief to be provided where the use that may be made of any land has been detrimentally affected by natural calamity.

Conditions and Criteria

Council may remit wholly or in part, any rate or charge made and levied in respect of the land, where it considers it to be fair and reasonable to do so.

Application

The extent of any remission shall be determined by the Finance, Audit, Property and Corporate Committee on a case by case basis.

If an application is approved the Council may direct its valuation service provider to inspect the rating unit and prepare a valuation that will take into account any restrictions on the use that may be made of the land as a result of the natural calamity. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

E. Uniform Annual Charges and Targeted Rates on Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Entity.

Objective of the Policy

To limit the incidence of multiple charges where a farming or other business entity consists of a number of contiguous rating units with different owners.

Conditions and Criteria

Each rating unit must be leased to the operator for a term not less than five years.

The operator must provide Council with a statutory declaration confirming that each unit will be operated as part of the entity.

The ratepayer will remain liable for at least one uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

F. Rate Penalties

Objective of the Policy

To enable Council to remit penalties where-

- Payment has not been received by the penalty date, due to circumstances outside the ratepayer’s control; or
- it is deemed equitable to remit the penalty for other reasons.

Conditions and Criteria

Each application will be considered on its merits and remission may be granted where it is considered just an equitable to do so.

The Council will consider remission of rate penalties where an application is made and meets any of the following criteria:

- payment has been late due to significant family disruption. [Significant family disruption would include death, illness, or accident]; or
- the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control; or
- penalties have arisen through processing errors in Council’s records or an outstanding balance has arisen as a result of a shortfall caused by the operation of an agreed payment plan; or
- the ratepayer provides a reasonable explanation of the circumstances which caused the late payment, and this is the first occasion on which late payment has occurred.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

G. Sundry Remissions

Objective of the Policy

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be recovered pursuant to Sections 67-76 of the Local Government

(Rating) Act 2002, or where Council or its delegated officer(s) consider the levy impractical to recover.

Conditions and Criteria

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

H. Rates and Postponement Policy – Extreme Financial Hardship

Objective of the Policy

To assist ratepayers experiencing extreme financial hardship.

Conditions and Criteria

The ratepayer must make written application to the Council.

When considering whether extreme financial circumstances exist, all of the ratepayer’s personal circumstances will be relevant.

The Council must postpone rates in accordance with the Policy where the application meets all of the following criteria:

- The ratepayer must be the current owner of the rating unit.
- Generally, this policy will apply to rating units used for residential purposes.
- The Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over after the payment of rates, for normal health care, appropriate provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day to day living expense.
- The ratepayer must not own any other rating units or investment properties or other realisable assets.
- The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$520 of the annual rates payable.

The Council may add a postponement fee to the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

Any postponed rates will be postponed until:

- The death of ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or

- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date determined by the Council in any particular case.

At any time, the applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed to this Policy by paying the postponed rates or any part thereof.

Application

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chairperson or the Finance, Audit, Property and Corporate Committee and the Accounting Manager.

I. Policy for Remission and Postponement of Rates on Maori Freehold Land

Objectives of the Policy

Section 102(4)(f) of the Local Government Act 2002 requires Council to adopt a policy on the remission and postponement of rates on Maori freehold land; section 108 and Schedule 11 set out the matters to be considered.

Conditions and Criteria

Council has reviewed the matters set out in section 108 and Schedule 11 and has decided that the appropriate policy is to consider applications for remission or postponement of rates on Maori freehold land in terms of the policies adopted by Council regarding remissions postponements of rates on other land.

J. Remission of Postponed Rates

Policy Objectives

Council has adopted a number of policy statements that grants a postponement of rates to ratepayers under certain circumstances. A number of these policies contain a provision that allow the postponed rates to be written off or remitted after a predetermined period, subject to the terms and conditions of the policy being complied with.

This policy statement provides the power for those postponements to be remitted in accordance with the postponement policies.

Conditions and Criteria

1. The conditions that gave rise to the postponement of the rates must have been fully complied with over the term of the postponement period.
2. Subject to the conditions and criteria being complied with as set out in (1) above, Council will remit the applicable postponed rates without any further applications being required from the ratepayer.
3. This policy statement will only apply to those rate postponement policy statements that provide for the rates to be remitted after a predetermined period of time.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

K. Remission of Rates on Land that has Made Lump Sum Contributions

Policy Objectives

A number of water and sewerage schemes have been developed using loans. In certain cases the ratepayers were offered the opportunity to make a lump sum contribution rather than paying an annual loan rate. Because some ratepayers made the lump sum contributions it would be inappropriate to charge them any costs relating to these loans. The most appropriate solution to resolving this problem would be to offer these ratepayers a remission of rates equal to the amount of the rate that they were previously exempt from paying.

This policy statement provides the authority to make the necessary remissions.

Conditions and Criteria

1. Rating unit must have previously paid a lump sum contribution in lieu of paying a loan rate.
2. The amount of the remission must not exceed the amount of the exemption from paying the loan rate.
3. The remission will only apply for so long as the underlying loan which gave rise to the loan rate remains in existence.

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

L. Policy for Sewerage Charge Remission on Non-Residential Rating Units

Policy Objectives

The objective of this Policy is to provide relief for non-residential rating units which have more than 1 toilet pan or urinal connected to a Queenstown Lakes District sewerage reticulation system.

Conditions and Criteria

The policy will apply to the following rating units:

- Commercial
- CBC Commercial
- Accommodation
- CBD Accommodation
- Mixed Use Apportioned

The policy does not apply to residential properties or multiple residential units.

Application

- The sewerage targeted rates are reduced in accordance with the following graduated formula for the following schemes; Arrowtown, Albert Town, Hawea, Lake Hayes, Queenstown, Wanaka:
 - The full charge for the first toilet or urinal, and
 - 50% of the full charge for each toilet/urinal after the first.
- The sewerage targeted rates are reduced in accordance with the following graduated formula for the following scheme; Arthurs Point:
 - the full charge for the first toilet or urinal, and
 - 72% of the full charge for each toilet/urinal after the first.

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

M. Policy for Rate Postponement for Farmland

Policy Objectives

To ensure that owners of rural rating units used as farmland but with the potential for non-farming development are not unduly penalised by rating valuations which reflect in some measure the potential use to which the land may be put.

Conditions and Criteria

The policy will apply to the rating units that are:

- Actively farmed by the ratepayer as an economic farming unit and be the primary source of income for the property owner
- Ten hectares in area or more
- Farmland whose rateable value in some measure is attributed to the potential use to which the land may be put for residential, commercial, industrial, or other non-farming development

The application for rate postponement must be made to the Council prior to 31st October of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

Ratepayers making application should include the following documents in support of their application:

- Details of ownership of the rating unit;
- Full financial accounts;
- Information on the farming activities;

Application

If an application is approved the Council will request its Valuation Service Provider to determine a rates-postponement value of the land. The purpose of this requirement is to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use in order to preserve uniformity and equitable relativity with comparable parcels of farmland whose valuation do not contain any such potential value.

The rates postponed for any rating period will be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable land value of the property and the amount of the rates that would be payable for that period if the rates postponement land value of the property were it's rateable land value.

No objection to the amount of any rate-postponement value determined by the Council and its Valuation Service Provider will be upheld.

- All rates whose payment has been postponed and which have not been written off become due and payable immediately on;
- The land ceasing to be farmland.
- The land being subdivided.

- The value of the land ceasing to include a portion of its value attributable to the potential use to which the land may be put for residential, commercial, industrial, or other non-farming development.
- The interest of the person who was the ratepayer at the date on which the rates postponement land value was entered on the Council's Rating Information Database becoming vested in another person other than the ratepayer's spouse, the executor/administrator of the ratepayer's estate or where the ratepayer was the proprietor of the interest as a trustee, a new trustee under the trust.

Postponed rates may be registered as a charge against the land so that in the event that the property is sold the Council has first call against any of the proceeds of that sale

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

N. Policy for Rates Remission for Sewerage Charges for:

Schools, Places of Religious Worship and Instruction, Marae, Children's Health Camps, Hospital and Welfare Homes, Community Health Services, and Charitable Institutions that Provide Free Maintenance or Relief

Policy Objectives

The objective of this Policy is to provide relief and assistance in respect of the payment of sewerage charges to the following: Schools, Places of Religious Worship and Instruction; Marae; Children's Health Camps; Hospital and Welfare Homes; Community Health Services; and Charitable Institutions that provide free maintenance or relief.

Conditions and Criteria

The policy will apply to the following establishments:

- An educational establishment established as a special school under section 98 (1) of the Education Act 1964
- An educational establishment defined as a state school under section 2 (1) of the Education Act 1989
- An integrated school defined under section 2 (1) of the Private Schools Conditional Integrated Act 1975
- A special institution defined under section 92 (1) of the Education Act 1989
- An early childhood centre defined under section 308 (1) of the Education Act 1989, but excluding any early childhood centre operated for profit.
- A property used solely or principally as a place of religious worship.

- A Sunday or Sabbath School or other form of religious education and not used for private pecuniary profit.
- A property owned and used for the purpose of an institution for the instruction and training of students in theology, on land that does not exceed 1.5 hectares.
- A property used solely or principally as a Children's Health Camp.
- A property owned by the District Health Board and used to provide health or related services, including living accommodation for hospital purposes and child welfare homes.
- A property used for the purposes of providing a community health service and not used for private pecuniary profit.
- A Maori meeting house which is erected on land that does not exceed two hectares, that is used for the purposes of a Marae
- A Maori meeting house which is erected on Maori freehold land that does not exceed two hectares.
- Land used and occupied by or for the purposes of a charitable institution which is carried on for the free maintenance or relief of orphans or of the aged, infirm, physically or mentally disabled, sick or needy.

Application

Under this policy the sewerage disposal rate is reduced in accordance with the following graduated formula:

- A full charge for the first toilet/urinal.
- 25% of the full charge for each subsequent toilet/urinal.

The policy shall apply to Schools, places of Religious Worship and Instruction; Marae; Children's Health Camps, Hospital and Welfare Homes; Community Health Services; and Charitable Institutions that provide free maintenance or relief, who meet the criteria as approved by the Accounting Manager.

O. Rating of Separately Used or Inhabited Parts of a Rating Unit

Objective of the Policy

To limit the incidence of multiple charges on a property containing separate uses or separate inhabitants, where it is equitable to do so.

Conditions and Criteria

The Council will charge multiple uniform charges against each separately used or inhabited part of a rating unit.

The basis of a unit of occupancy is that which can be separately let and permanently occupied. For the purpose of this charge, where the occupancy is an accessory one or is ancillary to another property or part thereof no separately used part exists. For example:

- Not separately used parts of a rating unit:
 - A residential sleep-out or granny flat without independent kitchen facilities
 - A hotel room with or without kitchen facilities
 - Motel rooms with or without kitchen facilities
 - Individual storage garages/sheds/partitioned areas of a warehouse
 - Individual offices/premises of partners in a partnership
- These are separately used parts of a rating unit:
 - Flats/apartments
 - Flats which share kitchen/bathroom facilities
 - Separately leased commercial areas even though they may share a reception
 - Rooms in a residential hostel with a common kitchen

Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

Policy on Development Contributions and Financial Contributions

Overview

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

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

- Financial Contributions imposed as a condition of resource consent pursuant to Section 108, 220 or Section 409 of the Resource Management Act (RMA) 1991. Chapter 15 of the District Plan (not operative) and any subsequent variations shall be considered in this policy.
- Development Contributions as defined by the provisions of Part 8 Subpart 5 and Schedule 13 of the Local Government Act 2002 (LGA 2002). To make use of these provisions Council must adopt a Policy on Development Contributions as Part of the Council's Long Term Council Community Plan ("CCP"). Development Contributions are based on the fiscal implications of growth. Development contributions may be sought when an application for one of the following is made:
 - (i) Resource Consent
 - (ii) Building Consent
 - (iii) Authorisation for a Service Connection

Council can require a contribution at any of these triggers points.

This policy has been prepared to meet the requirements of Section 106(2) of the LGA 2002. The full methodology that demonstrates how the calculations for development contributions were made is contained in a separate document which is available to the public as per section 106 (3) of the Act.

Reasons for using Development and Financial Contributions

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

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

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

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

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

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

(i) Community Outcomes

This policy contributes to:

- Sustainable growth management.
- Quality landscapes and natural environment and enhanced public access
- Effective and efficient infrastructure that meets the needs of growth
- High quality urban environments respectful of the character of the individual communities.

(ii) **Distribution of Benefits**

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

(iii) **Period over Which the Benefits Are Expected to Occur**

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

(iv) **Action or Inaction That Contributes The Need For This Activity**

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

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

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

(iv) **Allocation of Liability for Revenue Needs**

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

Assets Included in the Development and Financial Contributions Policy

Assets included in this policy are:

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

- Other Assets. Financial Contributions can be required to avoid remedy or mitigate adverse effects of development that are of a non-fiscal nature. These may include contributions that avoid, remedy or mitigate the effects of development on biodiversity, landscape, amenity values or the provision of specific assets by the developer/subdivider (i.e. access easements in gross). As the Development Contributions provisions of the LGA 2002 specifically relate to fiscal impacts or effects of growth, Financial Contributions for non-fiscal impacts of effects of development will need to be assessed through the RMA and District Plan processes. Chapter 15 of the District Plan (not operative) and any subsequent variations shall be considered in this policy.

Which Contributions Will Apply

Council is continuing in its efforts to conclude and have made operative the Financial Contributions rules, policies and objectives under the provisions of Part 15 of the Queenstown Lakes District Plan. Until Part 15 of the plan is operative, Council is able to impose Financial Contributions pursuant to Section 409 of the RMA during the transitional phase. Section 407 and 409 of the RMA allows Council to collect contributions under the LGA 1974.

It is intended to assess Development Contributions on any application for resource consent, building consent or service connection lodged after 8 May 2004 and granted on or after 1 July 2004. For applications received prior to 8 May, which are granted on or after 1 July 2004, Council will rely upon its previous policy under the transitional provisions (Section 407 and 409 RMA).

The Council cannot require a Development Contribution for a reserve; network infrastructure or community infrastructure if and to the extent that it has under Section 108, 407 or 409 of the RMA imposed a condition on resource consent in relation to the same development for the same purpose.

Council will retain the right to use all, some or none of the provisions in this Policy notwithstanding that the rules, policies and objectives of the Financial Contributions provisions of Part 15 on the District Plan are made operative. Council shall in requiring contributions, clearly identify under what circumstances and upon which legislation (RMA 1991, LGA 2002) a contribution is required.

In the event that the provisions of this Policy are the subject of any legal challenge that would prevent or hinder the Council from collecting Development Contributions pursuant to this policy (and during the transitional period when Part 15 of the District Plan is not operative) then the Council's intention is to require contributions pursuant to the provisions of Section 407 and 409 of the RMA.

The following tables indicate:

- Where Financial and Development Contributions are to be sought such that no duplication of levy for the same effect/benefit will occur.
- How much is to be charged per residential equivalent for each asset type within each area.

Type of Contributions Required By Geographic Area - Within Urban Areas and Townships (includes all land uses with an urban area)

Water Supply	Wastewater	Stormwater	Roading	Reserves	Community Facilities	Other/ Miscellaneous
Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Wanaka Albert Town Hawea Luggate Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Queenstown Arrowtown Lake Hayes Arthur's Point Wanaka Albert Town Hawea Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Queenstown Arrowtown Glenorchy Wanaka Albert Town Hawea Luggate Arthurs Point Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Kingston Wanaka Albert Town Hawea Luggate Development Contributions Assess development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 during 2004/05. Adopt into policy 1 July 2005.	Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Kingston Wanaka Albert Town Hawea Luggate Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Kingston Wanaka Albert Town Hawea Luggate Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Kingston Wanaka Albert Town Hawea Luggate Financial Contributions Environmental Effects – Chapter 15 District Plan and variations i.e. Environmental Considerations. Development Contributions Develop parking contributions, adopt 1 July 2005, where applicable.
Kingston No Scheme Available To be assessed at the time a scheme is required and charged to all connections.	Glenorchy Kingston Luggate No Scheme Available To be assessed at the time a scheme is required and charged to all connections.	Lake Hayes Kingston No Scheme assets of significance. No Contributions to be sought.				

Type of Contributions Required By Geographic Area - Within Rural Areas

Water Supply	Wastewater	Stormwater	Roading	Reserves	Community Facilities	Other/ Miscellaneous
Rural General and other rural zonings. Nil - Unless supplied by a scheme. Scheme charge to apply and any network extension costs.	Rural General and other rural zonings. Nil - Unless supplied by a scheme. Scheme charge to apply and any network extension costs.	Rural General and other rural zonings. Nil - Unless supplied by a scheme. Scheme charge to apply and any network extension costs.	Rural General and other rural zonings. Development Contributions Assess development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 during 2004/05. Adopt into policy 1 July 2005.	Rural General and other rural zonings. Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004. Land, Money or Combination of both.	Rural General and other rural zonings. Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Rural General and other rural zonings. Financial Contributions Environmental Effects – Chapter 15 District Plan and variations i.e. Environmental Considerations. Development Contributions Develop parking contributions, adopt 1 July 2005
Hawea Rural Residential Development Contributions Hawea development contributions payable.	Hawea Rural Residential Development Contributions Hawea development contributions payable.	Hawea Rural Residential Development Contributions Hawea development contributions payable.				
Aubrey Road Rural Residential Development Contributions Wanaka development contributions payable.	Aubrey Road Rural Residential Development Contributions Wanaka development contributions payable.	Aubrey Road Rural Residential Development Contributions Wanaka development contributions payable.				

Notes

Development Contributions are contributions defined by the provisions of Part 8 Subpart 5 and Schedule 13 of LGA 2002. Contributions are assessed based on the fiscal implications of growth.

Financial Contributions are defined by Section 108 of the Resource Management Act (RMA) 1991 and collected using the provisions of the District Plan. Contributions are assessed based on the environmental effects of growth. These are defined in Chapter 15 of the Queenstown Lakes District Plan. Chapter 15 of the District Plan is particularly relevant for contributions of a non-fiscal nature. These will generally be of an environmental nature, including public access, provision of parking and protection of environmentally sensitive sites. Council will continue to prosecute Chapter 15 of the District Plan.

Schedule Of Development Contributions per Residential Equivalent Required By Contributing Area 2004/05 (Excluding GST)

Contributing Area	Water Supply (\$)	Wastewater (\$)	Stormwater (\$)	Roading (\$)	Reserves * (\$)	Community Facilities (\$)	Parking (\$)	Total Contribution (\$)
Urban Areas - Including All Land Uses								
Queenstown	1,540	1,753	381	To be assessed	1,268	1,774	To be assessed	6,716
Arrowtown	5,666	2,205	612	To be assessed	1,268	1,774	To be assessed	11,525
Glenorchy	6,885	-	719	To be assessed	1,268	1,774	To be assessed	10,646
Lake Hayes	5,028	5,710	-	To be assessed	1,268	1,774	To be assessed	13,780
Arthur's Point	4,399	3,750	273	To be assessed	1,268	1,774	To be assessed	13,147
Wanaka	1,989	2,974	562	To be assessed	1,883	1,364	To be assessed	8,772
Hawea	2,337	1,652	456	To be assessed	1,883	1,364	To be assessed	7,692
Albert Town	1,989	3,340	839	To be assessed	1,883	1,364	To be assessed	9,415
Luggate	5,557	-	-	To be assessed	1,883	1,364	To be assessed	8,804
Other Wakatipu Townships	-	-	-	To be assessed	1,268	1,774	To be assessed	3,042
Other Wanaka Townships	-	-	-	To be assessed	1,883	1,364	To be assessed	3,247
Rural Areas - Including all Rural Residential/Rural Life Style								
Wakatipu Rural	-	-	-	To be assessed	1,268	1,774	To be assessed	3,042
Wanaka Rural	-	-	-	To be assessed	1,883	1,364	To be assessed	3,247
Hawea Rural Res.	2,337	1,652	456	To be assessed	1,883	1,364	To be assessed	7,692
Aubrey Road Rural Res.	1,989	2,974	562	To be assessed	1,883	1,364	To be assessed	8,772

* Reserves contribution excludes requirement for 27.5m² reserve land contribution

Notes:

1. Development Contributions for water supply, wastewater, stormwater, reserves and community facilities have been assessed and will be collected using the LGA 2002 from 1 July 2004.
2. Rooding and Parking development contributions will be investigated and assessed during 2004/05.
3. Council will continue in its efforts to make operative the provisions of Part 15 of the District Plan, including Financial Contributions for water supply, wastewater, stormwater, open space, recreation and public amenity and other environmental considerations. Council has communicated this to the Environment Court. Where necessary Council may introduce further financial contributions where it is considered appropriate
4. Development Contributions are triggered and become payable on the granting of:
 - a. A resource consent.
 - b. A building consent.
 - c. An authorisation for a service connection.

As the sequence of development is not always consistent, development contributions shall be required at the first available opportunity. At each and every subsequent opportunity the development will be reviewed and additional contributions required if the units of demand assessed for the development exceeded those previously paid for.

Overview of Calculation Methodology

A brief introduction to the development contributions calculation method is presented herein. A full disclosure of the methodology and calculations is available from QDLC for public inspection at:

- Wanaka Service Centre, Ardmore Street, Wanaka.
- Civic Centre, 10 Gorge Road, Queenstown.

The current Development Contributions model applies to Water Supply, Wastewater, Stormwater, Reserves, Community Facilities; a similar methodology is planned for the calculation of contributions for Roading and Parking Facilities.

The key concept of the approach is to define the total capital expenditure (CAPEX) for growth consumed by the growth population over a period of time. This consumption of CAPEX for growth is then apportioned among the increased number of units of demand (dwelling equivalents) over the same time period. This defines the long run average cost of growth per unit of demand, defined as the dwelling equivalent contribution. This can be represented by the following formula.

$$\text{Dwelling Equivalent Contribution} = \frac{\text{Sum of CAPEX for Growth Consumed In Analysis Period}}{\text{Sum of New Dwelling Equivalents in Analysis Period}}$$

The calculation method can be simplified according to the following steps:

Step 1: Assess capital expenditure for growth on an asset by asset basis using financial reports (past expenditure) and projected expenditure

Step 2: Apportion capital expenditure for growth by the growth population (dwelling equivalents) over the design life of the asset, to assess the \$/unit of demand.

Step 3: For each year in the analysis period determine the total consumption of asset capacity for each asset identified, namely – \$/unit of demand x the number units of demand.

Step 4: Sum for all assets in each year in the analysis period, namely total capacity consumed in that year, measured in \$.

Step 5: Sum each year in the ten year analysis period and divide by the growth population (new dwelling equivalents) projected over the analysis period to determine the dwelling equivalent contribution

Capital Expenditure

Only capital expenditure (CAPEX) is considered in the model. All Operational Expenditure is excluded, including internal overheads.

Capital expenditure is identified from two sources, namely.

- b) Activity Management Plans (formally Asset Management plans)
- and
- c) Financial Reports.

The Activity Management Plans are used for assessing projected CAPEX. The AMPs are formal planning documents that include long term expenditure forecasts.

CAPEX For Growth Apportionments

The CAPEX identified above has been apportioned into five cost drivers. These being Growth, Renewal, Level of Service, Statutory and Deferred Works/Other. The growth apportionment is the significant driver for assessing development contributions. The cost drivers have been assessed using several methods. These are:

- Asset Capacity
- Using Design Life of New Assets to Approximate Growth Percentage
- Assessed using professional judgement.

Following the completion of the growth study, Council updated its infrastructure models for water supply (Water CAD – Haestad Methods), wastewater (Sewer CAD – Haestad Methods) and developed a Transportation and Parking model (Tracks – Gabities Porter). These models provide a detailed insight into the effects of growth and consequently accurate growth apportionments can be made.

Land Use Differentials

Land use differentials are an important part of the calculations. They enable all development and subdivision types (residential and non-residential) to be considered. Non-residential activities can be described using a common unit of demand, which in this case is the dwelling equivalent.

Reserve Land Contribution

The land contribution has been assessed at 27.5m² for each residential property. At Council's discretion the contribution can be either land or cash or a combination of land and cash.

In some instances, Council may accept or require a contribution to the equivalent value in the form of land or infrastructure. It may be appropriate, for example, to allow reserve assets to vest in Council through the subdivision consent process, where they meet Council's reserve requirements, and credit them against the contributions required. Any such proposals will need to be the subject of an agreement with Council before the consent is issued, and will be dealt with on a case by case basis.

Whether the contribution is or includes land, the value of the land shall be determined by Council. In granting the consent the Council shall in its decision give reasons for the valuation of the land.

Where a cash contribution is to be made in lieu of land, payment shall be calculated as follows:

- a) The market value of the new sites is the sale value of the sites at the date on which the subdivision consent is granted, as if the sites had been subdivided in accordance with the subdivision consent.
- b) Lots for roads, utilities, reserves, access or similar purposes shall be excluded from the calculation.
- c) Market value of a new site in the case of a stratum title under the Unit Titles Act, where the site is not situated on the ground, shall be calculated as if the site were on the ground.
- d) In Rural Zones, where the lots created are greater than 4000m², the market value of each lot shall be the market value of the rural residential site of 4000m² within that lot, being the most likely site for a building platform.
- e) The value of the land contribution per metre, in Rural Zones shall be the market value as defined in (d) above divided by 1000m².

The Parks Strategy, approved by council on 18 October 2002 reviewed the current land provision that has been made for parks and reserves. Each land block has been categorised as a specific type of reserve. Policies have been established about the quantity, quality, location and size of future categories of reserves.

Historically it seems that where reserve contributions have been made in terms of land, the land in some situations has been of a poor quality, difficult topography, poor access and at times of too large or too small a size to meet any specific need. The Parks Strategy has identified that the major need in the next 20 years, assuming that development continues at its current pace, will be for neighbourhood and local reserve. The land for district reserves has been secured and developed or partly developed. Some of the existing neighbourhood reserves have been developed or are partly developed and there are a few that have yet to be created

although land provision has been made. Local reserves, which provide the opportunity to preserve amenity features and create green links, will continue to be needed.

The Parks Strategy states (taken from the Executive Summary Parks Strategy 2002):

"In summary provision is being made for an additional 26 neighbourhood reserves, which equates to 104,000m² of additional land based on a 4,000m² average sized reserve.

Local Reserves and Neighbourhood Reserves will need to be allowed for in keeping with the terms of the policies in this Strategy. It is suggested that 5m² per person or 12.5m² per residential dwelling will provide sufficient land for Local Reserves for the purposes described above in the future. For Neighbourhood Reserves the assessment is 6m² per person or 15m² per residential dwelling.

The total for Neighbourhood and Local Reserves being 27.5m² per residential dwelling or dwelling equivalent.

Council is able to take either land or cash compensation in lieu of the land contribution or a combination of both as a condition of subdivision and development approval. Much of the existing reserve land is under developed and funding is needed to enhance reserves, particularly to provide for future population. Generally land should not be taken for reserves unless the criteria for a Neighbourhood Reserve are met or for a Local Reserve to protect amenity or landscape features, to create green corridors or to protect scenic backdrops and heritage landscapes.

An analysis of projected demand for reserve land has been completed and it is expected that the total value of reserve land that will be needed over the next 10 years is estimated to be \$53.19m. This is based on the 27.5m² (12.5m² local reserves and 15m² neighbourhood reserves) desired level of service for each new dwelling equivalent. 100% of this demand can be attributed to growth and will be provided through development contributions either through the provision of land or as a cash contribution. Forecasts show that 70% of this total demand is likely to be provided through the provision of land from developers.

The total value of reserve land that is expected to be vested to Council in this way is included in the CCP capital programme as Vested Assets (Reserves). This amounts to a total of \$40.55m for the 10 year period, which equates to an average annual value of \$2.52m for the Wakatipu ward and \$1.53m for Wanaka. Other than for the 2004/05 year (\$640,000), Council has not included any provision for specific reserve purchases within its CCP 10 year capital expenditure programme. This is because the current Asset Management Plan for Reserves does not include the necessary detail to enable this. However, Council is committed to improving its projections in this area and will provide more detail on its reserve acquisition programme in future versions of the CCP. In the absence of reserve acquisition budgets beyond the first year of the plan, current financial forecasts show the accumulation of a cash surplus over the duration of the plan which must be used to purchase reserve land.

Maximum Contributions

Section 203 of the Local Government Act 2002 allows the following maximum contributions.

“Development contributions for reserves must not exceed the greater of—

- a) 7.5% of the value of the additional allotments created by a subdivision; and
- b) The value equivalent of 20 square metres of land for each additional household unit created by the development.”

Note: Council will strictly adhere to the statutory maximums in the application of its policy and calculation methods.

Assumptions Used in the Calculation of Development Contributions

All information used in the calculations of either development or financial contributions is the best available at the time. Council is proceeding with numerous strategic studies which will aid in delivering improved information. Council is committed to updating its contribution calculations as the results of these studies become available. Council considers it fiscally prudent to have contributions in place now to ensure the recovery of growth costs. Further delays in the implementation of these contributions are considered unacceptable and would unfairly burden the existing population with extra costs.

Financial Considerations

The following are key financial considerations applied in the model:

- All figures are in current New Zealand dollars – effective 1 July 2004.
- Inflation is applied to past capital projects only.
- Interest costs have been assessed based on the weighted average cost of capital (WACC) over the first 10 year period from 1 July 2004. The cumulative net deficit between the contributions anticipated to be collected and the growth costs over the 10 year period are used to determine the proportion of the growth cost that will be funded by debt. A 7% interest rate has been applied.
- Capital expenditure projections are those that have been applied in the CCP effective at 1 July 2004. The public nature and auditability of these capital projections provides additional confidence to the process. Schedule 10 of the LGA 2002 prescribes a number of disclosures including growth, renewal and level of service apportionments.

Growth Projections

These have been estimated using the best information available. Source data can be broken down into three groups, namely:

- Growth Study 2003 – Council engaged services from the market place to complete its own growth study. These projections detailed residential, visitor and commercial/industrial growth. Volume 4 of the Council Community Plan (CCP) explains the results and process in detail. The results of this study have been applied to all infrastructure studies completed since including water, wastewater and roading.
- Statistics New Zealand Projections (2001 Base) – Standard projections prepared by Statistics New Zealand (SNZ) following the 2001 Census.
- Site Specific Projections – One off studies completed by Council for specific projects.

The following table identifies what growth projections have been applied to different contributing areas or catchments used in specific calculations

Growth Projections – Source Data

Contributing Area	Growth Projections Used
Wakatipu Ward	SNZ Projections (2001 Base)
Queenstown	Growth Study 2003
Arrowtown	Growth Study 2003
Glenorchy	Site Specific
Lake Hayes	Growth Study 2003
Arthurs Point	Growth Study 2003
Wanaka Ward	SNZ Projections (2001 Base)
Wanaka	Growth Study 2003
Hawea	SNZ Projections (2001 Base)
Albert Town	Growth Study 2003
Luggate	SNZ Projections (2001 Base)

Council produces a six monthly dwelling capacity study. This study identifies the ultimate number of dwellings in specific areas given the existing district plan zonings. This is used as a guide to define where growth in specific contributing areas will cease. Growth projections are converted into units of demand or dwelling equivalents which are used to apportion the growth cost to define a dwelling equivalent contribution. Assessing total dwelling equivalents involves converting non-residential land uses into dwelling equivalents and adding this to the number of dwellings. This is completed using land use conversion factors.

Monitoring and Review of Development Contributions Policy

Council will monitor and review the following:

- Annual Calculation Updates:
 - Identify capital expenditure actually undertaken and whether the projections remain reasonable. This may include adding or deleting capital projects.
 - Update capital costs to reflect a year of inflation. This will be based on SNZ Labour cost index and Producer Price Index.
 - Review population projections.
 - Any asset planning initiatives including changing levels of service, updated capital projections.
 - Update any new information that has become available. This may include updated population projections, additional zoning and scheme boundary changes.
 - Correction of any errors or omissions.
- Annual Policy Reviews:
 - Any changes to the policy direction of Council that affects this policy. This may include changes to the CCP, Revenue and Financing Policy and strategic studies.
 - New information affecting the land use differential analysis.
 - Inclusion of any Financial Contributions as derived from a variation to the District Plan and in particular Chapter 15.

Postponement or Remission

There will be no postponement or remission except in exceptional circumstances. These are at the discretion of the Chief Executive.

Refunds and Reimbursement

Where Council required a development/financial contribution as part of subdivision or development activities and where the documentation (resource consent, building consent or connection authorisation) permitting that subdivision or development has lapsed, Council will refund the contribution. This does not prevent Council from requiring development/financial contributions in the future. Council may retain a portion of the contribution of a value equivalent to the costs incurred by the Council in processing/assessing the contribution required by the subdivision or development.

When Will Payment be Required

Development contributions will be payable on granting of consent with a due date for payment as follows:

- Resource consent (subdivision) – prior to the issue of S224c certificate;
- Resource consent (other) – prior to commencement of the consent except where a building consent is required then payment shall be within 90 days of the issue of the building consent (as below);
- Building consent – 90 days from granting or prior to the issue of the code of compliance certificate whichever comes first;
- Service connection – prior to connection.

If payment is not received the Council may (under section 208 of the LGA):

- Withhold S224c Certificate on a subdivision;
- Prevent the commencement of a resource consent for a development;
- Withhold a code of compliance certificate under the Building Act;
- Withhold a service connection to a development.

In each case the Council may register the Development Contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land for which contribution was required.

Credits

There are three types of credits anticipated:

- i Historic Credits – ‘Deemed’
- ii Historic Credits – ‘Cash’; and
- iii Actual Credits

i. Historic Credits – ‘Deemed’

In assessing Development Contributions the Council will determine if a site has a historic entitlement. Sites within existing contributing areas that have existed prior to financial contribution requirements and those that have already paid in full under Council policy at the time will be eligible.

Historic entitlement will be recognised and given a ‘**deemed**’ credit based on the characteristics of the site immediately preceding the proposed development. Deemed credits will be identified on the ‘Development Contribution Notice’ and will be converted to ‘dwelling equivalents units’ for each type of service.

The following deemed credits are anticipated (not intended as an exclusive list):

- For residential subdivisions (where the residual lot remains residential) the existing lot will be allocated a credit of one ‘Dwelling Equivalent’ and no Development Contribution will be payable on the residual lot.
- Where a residential subdivision is developed (ie vacant lot built upon) one ‘Dwelling Equivalent’ credit will be allocated to each underlying lot.

- Redevelopment of sites containing non-residential activities will be given historical credits based on 'Dwelling Equivalents' assessed in terms of the relevant 'unit' (i.e. GFA, number of beds etc).
- Any excess historical credits that are identified as a result on an amalgamation of individual titles will accrue on the new amalgamated title but will lapse if not utilised within a period of three years.

ii. Historic Credits – 'Cash'

On sites that have been subdivided and contributions paid, but which have not been developed prior to the new policy being implemented, developers may request an assessment of '**cash' credits** for the site.

The Council will invite applicants to submit with their applications, records of the amount(s) paid at the time of the subdivision. The Council will then take into account the actual amounts paid for each service in determining the total development contributions payable for each service.

In some instances, particularly industrial and commercial sites, the amount paid may exceed the amount required under the new policy. If there is a surplus this will be recorded in the 'Development Contribution Notice'. This cash credit may be used to off-set contributions that would otherwise be payable on future development and expansion of activities on the site. It should be noted that these credits will be specific to the service for which they were paid. (i.e. not transferable between services, example a positive reserve contribution will be not able to off-set a water contribution). They will also be site specific (not transferable) and non refundable unless the refund provisions of the Act apply.

iii. Actual Credits – Credits accrued under the new policy

The term '**actual' credit** refers to credits accrued under the new policy. As indicated above, details of assessments made and payments received will be recorded on the 'Development Contribution Notice'. The balance on the 'Development Contribution Notice' may in some circumstances be positive. However, because the Council is able to assess the amount of contributions payable at successive stages of the development cycle (i.e. resource consent, building consent and service connection), Council will take a conservative approach at the resource consent stage for those applications where we do not have all the required detail. This may mean that additional contributions are assessed at the building consent stage. This approach will limit the amount of actual credits accumulated. There will be no time limit within which these credits must be used.

Delegations

The Elected Members of Council shall determine where a development or financial contribution will be sought. They have the authority to set the quantum of those contributions.

The Chief Executive will ensure the Policy is implemented.

Capital Expenditure Attributed to Growth

The following tables demonstrate the nature and level of expected capital expenditure required by Council and the portion that is attributable to growth. A table is produced for each activity (asset type) which shows the CAPEX for each geographic area where a contribution has been assessed. The CAPEX attributable to growth is apportioned equitably among the growth population to define a set charge for each unit of demand. The unit of demand is expressed in terms of a residential equivalent.

Additional tables are provided which detail the debt funding ratio which will apply to each area.

Water Supply Capital Expenditure for Development Contributions (Excluding GST)

Project Summaries	10 Year Total Capital Cost (\$)	Percentage Attributable to Growth (%)	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (\$)	Weighted Average No of Residential Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution (\$)
WATER SUPPLY - QUEENSTOWN					
Reticulation	4,134,859	98	3,106,350	4,369	711
Pump Stations	1,707,000	63	827,646	4,369	189
Intakes	128,000	90	119,141	4,369	27
Storage	2,000,000	82	2,148,100	4,369	492
Emergency Conveyance	-	-	46,804	4,369	11
Treatment Facilities	180,000	68	77,403	4,369	18
Flow Metering	20,000	100	81,672	4,369	19
Asset Management Systems	1,083,557	19	192,561	4,369	44
Renewals	2,730,000	-	-	4,369	-
Unspecified Expenditure	648,000	36	126,434	4,369	29
Total Water Supply - Queenstown	12,631,415		6,726,112		1,540
WATER SUPPLY - ARROWTOWN					
Reticulation	1,020,767	77	635,069	332	1,910
Pump Stations	100,000	10	7,790	332	23
Treatment Facilities	-	-	251,150	332	755
Storage	-	-	676,055	332	2,033
Intake / Bore Facilities	370,000	90	157,966	332	475
Flow Metering	6,500	100	8,131	332	24
Asset Management Systems	222,737	9	21,555	332	65
Renewals	460,000	-	-	332	-
Unspecified Expenditure	876,000	24	125,986	332	379
Total Water Supply - Arrowtown	3,056,004		1,883,702		5,666

Water Supply Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries	10 Year Total Capital Cost (\$)	Percentage Attributable to Growth (%)	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (\$)	Weighted Average No of Residential Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution (\$)
WATER SUPPLY - GLENORCHY					
Reticulation	1,640,000	60	503,947	119	4,250
Pump Station	-	-	9,440	119	80
Intake	160,000	60	49,166	119	415
Storage	533,000	60	163,783	119	1,381
Treatment Facilities	130,000	60	39,947	119	337
Flow Metering	-	-	1,490	119	13
Asset Management Systems	91,784	22	18,503	119	156
Renewals	50,000	-	-	119	-
Unspecified Expenditure	-	-	29,997	119	253
Total Water Supply - Glenorchy	2,604,784		816,272		6,885
WATER SUPPLY - LAKE HAYES					
New Scheme	-	-	141,382	159	892
Reticulation	-	-	641,924	159	4,049
Asset Management Systems	125,447	11	13,467	159	85
Unspecified Expenditure	-	-	405	159	3
Total Water Supply - Lake Hayes	125,447		797,179		5,028
WATER SUPPLY - ARTHURS POINT					
New Scheme - Reticulation and Storage	-	-	435,173	192	2,266
Reticulation	200,000	100	141,780	192	738
Storage	529,000	51	204,647	192	1,066
Flow Metering	0	-	-	192	-
Asset Management Systems	91,784	19	16,974	192	88
Renewals	200,000	-	-	192	-
Unspecified Expenditure	100,000	38	46,043	192	240
Total Water Supply - Arthurs Point	1,120,784		844,618		4,399

Water Supply Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries	10 Year Total Capital Cost (\$)	Percentage Attributable to Growth (%)	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (\$)	Weighted Average No of Residential Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution (\$)
WATERSUPPLY - WANAKA/ALBERT TOWN					
Reticulation	4,736,946	95	2,308,460	2,758	837
Pump Stations	295,000	94	162,006	2,758	59
Intakes	98,000	77	90,922	2,758	33
Storage	873,000	87	2,179,680	2,758	790
Treatment Facilities	58,000	-	19,716	2,758	7
Flow Metering	-	-	32,355	2,758	12
Asset Management Systems	426,646	21	87,238	2,758	32
Renewals	890,000	-	-	2,758	-
Unspecified Expenditure	1,479,000	41	606,034	2,758	220
Total Water Supply - Wanaka/Albert Town	8,856,592		5,486,411		1,989
WATER SUPPLY - HAWEA					
New Scheme - Hawea	-	-	298,893	235	1,273
Reticulation - Hawea	160,000	100	186,042	235	792
Pump Stations	80,000	47	23,058	235	98
Intakes	-	-	1,111	235	5
Treatment Facilities	-	-	4,963	235	21
Asset Management Systems	141,516	18	22,581	235	96
Renewals	140,000	-	-	235	-
Unspecified Expenditure	79,000	36	12,005	235	51
Total Water Supply - Hawea	600,516		548,652		2,337
WATER SUPPLY - LUGGATE					
Treatment Facilities	-	-	17,245	51	337
Asset Management Systems	64,245	18	9,424	51	184
Unspecified Expenditure	750,000	39	257,440	51	5,035
Total Water Supply - Luggate	814,245		284,110		5,557

Water Supply – Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
QUEENSTOWN								
Existing Debt			3,657,073					
2004	1,834,336	742,682	4,399,755	368	567,053	567,053	3,832,702	51
2005	366,285	20,523	4,420,277	385	593,231	1,160,283	3,259,994	44
2006	805,396	408,356	4,828,633	436	671,468	1,831,751	2,996,882	40
2007	720,658	369,417	5,198,050	458	705,006	2,536,758	2,661,292	36
2008	871,254	503,372	5,701,422	481	740,220	3,276,978	2,424,444	32
2009	3,684,047	3,263,646	8,965,068	505	777,192	4,054,170	4,910,898	66
2010	933,479	302,452	9,267,520	530	816,011	4,870,181	4,397,339	59
2011	1,497,567	1,089,598	10,357,117	419	644,831	5,515,011	4,842,106	65
2012	933,295	353,493	10,710,611	435	669,071	6,184,082	4,526,529	61
2013	985,098	411,118	11,121,729	451	694,223	6,878,305	4,243,424	57
		7,464,656				Queenstown Weighted Debt Funding Ratio		54
ARROWTOWN								
Existing Debt			1,094,034					
2004	824,565	397,442	1,491,476	67	379,283	379,283	2,206,227	161
2005	64,818	1,882	1,493,357	70	397,221	776,504	716,854	52
2006	385,941	320,421	1,813,779	25	141,614	918,118	895,661	65
2007	65,902	1,584	1,815,363	25	143,894	1,062,012	753,351	55
2008	66,499	1,690	1,817,054	26	146,211	1,208,223	608,830	45
2009	306,822	60,593	1,877,647	26	148,565	1,356,788	520,859	38
2010	306,929	118,341	1,995,988	27	150,957	1,507,745	488,242	36
2011	307,331	58,742	2,054,730	32	183,443	1,691,188	363,541	27
2012	420,576	352,149	2,406,878	33	186,975	1,878,164	528,715	39
2013	306,621	54,890	2,461,768	34	190,575	2,068,739	393,029	29
		1,367,734				Arrowtown Weighted Debt Funding Ratio		80

Water Supply – Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment Continued

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
GLENORCHY								
Existing Debt			85,820					
2004	7,845	1,726	87,546	9	61,807	61,807	111,559	7
2005	2,481,081	1,479,578	1,567,124	9	64,897	126,704	1,440,419	96
2006	9,111	2,004	1,569,128	10	68,142	194,846	1,374,282	92
2007	18,546	1,850	1,570,978	10	71,549	266,396	1,304,582	87
2008	8,803	1,906	1,572,884	11	75,127	341,523	1,231,361	82
2009	19,800	2,122	1,575,005	11	78,883	420,406	1,154,600	77
2010	9,310	2,015	1,577,021	12	82,827	503,233	1,073,788	72
2011	19,590	2,076	1,579,097	13	86,969	590,202	988,895	66
2012	10,554	2,285	1,581,381	13	91,317	681,519	899,863	60
2013	20,144	2,196	1,583,577	14	95,883	777,402	806,176	54
		1,497,757					Glenorchy Weighted Debt Funding Ratio	78
LAKE HAYES								
Existing Debt			2,732,442					
2004	10,723	1,287	2,733,728	16	78,558	78,558	2,655,170	
2005	11,045	1,325	2,735,054	16	80,758	159,316	2,575,738	
2006	12,453	1,494	2,736,548	17	83,019	242,335	2,494,214	
2007	11,681	1,326	2,737,874	15	76,199	318,534	2,419,340	
2008	12,031	1,335	2,739,209	16	78,104	396,638	2,342,571	
2009	13,395	1,451	2,740,660	16	80,057	476,695	2,263,965	
2010	12,725	1,345	2,742,006	16	82,058	558,754	2,183,252	
2011	13,107	1,351	2,743,357	17	84,110	642,864	2,100,493	
2012	14,424	1,462	2,744,819	15	75,867	718,731	2,026,088	
2013	13,864	1,381	2,746,199	15	77,536	796,267	1,949,932	
		13,758					Lake Hayes Weighted Debt Funding Ratio	100

Water Supply – Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment Continued

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
ARTHURS POINT								
Existing Debt			1,897,000					
2004	556,845	271,359	2,168,359	17	74,575	74,575	2,093,784	
2005	228,081	201,455	2,369,814	18	78,302	152,877	2,216,937	
2006	29,111	1,640	2,371,454	15	67,564	220,442	2,151,012	
2007	28,546	1,593	2,373,047	16	70,340	290,781	2,082,266	
2008	28,803	1,677	2,374,724	17	73,229	364,011	2,010,713	
2009	49,800	10,342	2,385,066	17	76,237	440,248	1,944,818	
2010	49,310	9,928	2,394,994	18	79,369	519,617	1,875,377	
2011	49,590	9,656	2,404,650	21	93,212	612,829	1,791,820	
2012	50,554	9,298	2,413,948	22	97,532	710,361	1,703,587	
2013	50,144	8,653	2,422,601	23	102,051	812,412	1,610,189	
		525,601					Arthur's Point Weighted Debt Funding Ratio	100
WANAKA & ALBERT TOWN								
Existing Debt			1,813,500					
2004	1,160,074	725,268	2,538,768	260	516,954	516,954	2,021,814	32
2005	537,234	375,677	2,914,445	276	549,855	1,066,810	1,847,635	29
2006	768,028	642,914	3,557,359	213	424,020	1,490,829	2,066,529	33
2007	348,771	232,713	3,790,072	223	444,073	1,934,903	1,855,170	29
2008	1,753,330	1,595,801	5,385,874	234	465,160	2,400,062	2,985,811	47
2009	866,314	710,713	6,096,587	245	487,339	2,887,402	3,209,185	51
2010	645,148	213,892	6,310,479	257	510,678	3,398,080	2,912,399	46
2011	1,508,222	1,372,628	7,683,107	302	601,202	3,999,282	3,683,825	58
2012	632,642	207,165	7,890,272	318	633,364	4,632,646	3,257,627	52
2013	636,830	222,207	8,112,480	336	667,373	5,300,018	2,812,461	45
		6,298,980					Wanaka Weighted Debt Funding Ratio	45

Water Supply – Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment Continued

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
HAWEA								
Existing Debt			200,050					
2004	17,584	3,517	203,567	24	55,695	55,695	147,872	59
2005	117,931	39,986	243,553	25	58,646	114,341	129,212	52
2006	23,452	2,421	245,974	21	48,938	163,278	82,696	33
2007	38,618	2,297	248,271	22	50,993	214,271	34,000	14
2008	12,997	2,314	250,585	23	53,135	267,406	- 16,821	-7
2009	46,470	4,848	255,434	24	55,366	322,772	- 67,339	-27
2010	55,746	17,829	273,262	25	57,692	380,464	- 107,202	-43
2011	56,159	7,933	281,195	23	52,958	433,422	- 152,227	-61
2012	175,582	162,500	443,695	23	54,918	488,340	- 44,645	-18
2013	55,977	7,020	450,716	24	56,950	545,290	- 94,574	-38
		250,666				Hawea Weighted Debt Funding Ratio		0
LUGGATE								
Existing Debt			98,460					
2004	5,491	1,098	99,558	5	28,840	28,840	70,718	23
2005	5,656	1,131	100,690	5	30,369	59,209	41,480	14
2006	6,377	1,275	101,965	5	25,341	84,551	17,414	6
2007	5,982	1,089	103,054	5	26,406	110,957	- 7,903	-3
2008	6,161	1,097	104,151	5	27,515	138,472	- 34,321	-11
2009	756,860	292,340	396,491	5	28,670	167,142	229,349	76
2010	6,517	1,109	397,599	5	29,875	197,017	200,583	66
2011	6,712	1,115	398,714	5	27,423	224,440	174,274	58
2012	7,387	1,185	399,900	5	28,438	252,878	147,021	49
2013	7,100	1,099	400,998	5	29,490	282,369	118,630	39
		302,538				Luggate Debt Funding Ratio		21
District Totals	29,809,789	17,721,690			17,460,802			

Wastewater Capital Expenditure for Development Contributions (Excluding GST)

Project Summaries	10 Year Total Capital Cost (\$)	Percentage Attributable to Growth (%)	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (\$)	Weighted Average No of Residential Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution (\$)
WASTEWATER QUEENSTOWN					
Reticulation	4,624,000	51	2,137,576	3,644	587
Pump Stations	1,027,000	86	1,534,704	3,644	421
Treatment Facilities	6,734,227	37	1,381,880	3,644	379
Management	908,673	21	169,055	3,644	46
Renewals	2,000,000	-	-	3,644	-
Unspecified Expenditure	194,000	35	1,165,647	3,644	320
Total WASTEWATER - Queenstown	15,487,900		6,388,862		1,753
WASTEWATER - ARROWTOWN					
Reticulation	1,133,577	15	268,627	245	1,095
Pump Stations	145,000	44	86,419	245	352
Treatment Facilities	856,699	37	159,890	245	652
Management	142,019	10	15,738	245	64
Renewals	540,000	-	-	245	-
Unspecified Expenditure	232,000	6	10,050	245	41
Total WASTEWATER - Arrows town	3,049,296		540,723		2,205
WASTEWATER - LAKE HAYES					
Reticulation	416,423	34	733,108	157	4,675
Pump Station	255,000	49	64,702	157	413
Treatment Facilities	443,952	37	91,453	157	583
Management	59,573	11	6,135	157	39
Total WASTEWATER - Lake Hayes	1,174,948		895,397		5,710
WASTEWATER - ARTHURS POINT					
Reticulation	150,000	-	864,991	277	3,127
Treatment Facilities	421,544	37	100,029	277	362
Management	58,272	30	16,968	277	61
Renewals	250,000	-	-	277	-
Unspecified Expenditure	155,000	49	55,197	277	200
Total WASTEWATER – Arthur’s Point	1,034,816		1,037,185		3,750

Wastewater Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries	10 Year Total Capital Cost (\$)	Percentage Attributable to Growth (%)	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (\$)	Weighted Average No of Residential Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution (\$)
WASTEWATER - WANAKA					
Reticulation	1,642,000	85	1,505,922	2,152	700
Pump Stations	958,000	81	635,182	2,152	295
Treatment Facilities	9,892,401	56	3,517,875	2,152	1,635
Management	406,369	23	91,560	2,152	43
Renewals	800,000	-	-	2,152	-
Unspecified Expenditure	400,000	39	648,887	2,152	302
Total WASTEWATER - Wanaka	14,098,771		6,399,426		2,974
WASTEWATER - HAWEA					
Reticulation	350,000	100	272,547	235	1,162
Treatment Facilities	-	-	61,132	235	261
Management	99,970	18	17,172	235	73
Renewals	200,000	-	-	235	-
Unspecified Expenditure	-	-	25,011	235	107
Total WASTEWATER - Hawea	649,970		387,529		1,652
WASTEWATER - ALBERT TOWN					
Reticulation	203,000	78	103,796	127	815
Pump Stations	-	-	47,889	127	376
Treatment Facilities	557,599	34	242,620	127	1,905
Management	91,626	14	13,739	127	108
Renewals	60,000	-	-	127	-
Unspecified Expenditure	-	-	17,285	127	136
Total WASTEWATER - Albert Town	912,225		425,328		3,340

Wastewater – Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
QUEENSTOWN								
Existing Debt			1,448,800					
2004	3,857,204	2,003,938	3,452,738	300	525,180	525,180	2,927,558	48
2005	1,659,430	1,014,153	4,466,890	313	549,265	1,074,444	3,392,446	56
2006	536,524	128,867	4,595,757	360	631,960	1,706,405	2,889,352	48
2007	381,815	16,988	4,612,744	379	663,844	2,370,249	2,242,496	37
2008	384,269	16,599	4,629,343	398	697,336	3,067,585	1,561,758	26
2009	486,896	119,874	4,749,217	418	732,519	3,800,104	949,113	16
2010	696,050	321,824	5,071,041	439	769,476	4,569,580	501,461	8
2011	2,267,058	703,790	5,774,831	334	584,820	5,154,400	620,431	10
2012	3,980,720	1,215,392	6,990,223	346	606,168	5,760,567	1,229,656	20
2013	1,237,934	496,975	7,487,198	358	628,295	6,388,862	1,098,336	18
		6,038,398				Queenstown Weighted Debt Funding Ratio		38
ARROWTOWN								
Existing Debt			232,435					
2004	1,088,705	247,265	479,700	63	139,920	139,920	339,780	59
2005	141,642	19,056	498,756	66	146,527	286,447	212,309	37
2006	123,461	933	499,689	21	47,036	333,483	166,207	29
2007	122,302	701	500,390	22	47,717	381,199	119,191	21
2008	122,671	563	500,953	22	48,407	429,606	71,346	12
2009	132,419	4,406	505,359	22	49,108	478,714	26,645	5
2010	131,390	3,962	509,321	23	49,819	528,533	-19,212	-3
2011	365,784	83,874	593,195	2	4,059	532,592	60,603	10
2012	601,348	156,589	749,783	2	4,064	536,655	213,128	37
2013	219,575	63,246	813,029	2	4,068	540,723	272,306	47
		580,594				Arrowtown Debt Funding Ratio		0

Wastewater – Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment Continued

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
LAKE HAYES								
Existing Debt			2,051,664					
2004	551,717	205,858	2,257,522	15	87,990	87,990	2,169,532	493
2005	5,214	624	2,258,145	16	90,470	178,460	2,079,685	473
2006	6,028	706	2,258,851	16	93,020	271,480	1,987,371	452
2007	5,509	631	2,259,482	15	85,539	357,019	1,902,463	432
2008	5,675	635	2,260,117	15	87,695	444,714	1,815,402	413
2009	6,458	706	2,260,823	16	89,906	534,620	1,726,202	392
2010	5,996	640	2,261,463	16	92,172	626,792	1,634,670	371
2011	127,434	42,269	2,303,731	17	94,496	721,288	1,582,443	360
2012	454,388	187,347	2,491,078	15	85,452	806,740	1,684,338	383
2013	6,527	657	2,491,735	15	87,352	894,092	1,597,643	363
		440,072					Lake Hayes Debt Funding Ratio	100
ARTHURS POINT								
Existing Debt			1,144,514					
2004	136,134	44,441	1,188,955	20	75,549	75,549	1,113,406	445
2005	60,100	1,517	1,190,472	22	81,337	156,886	1,033,586	413
2006	60,897	1,737	1,192,209	22	82,621	239,507	952,702	381
2007	60,389	1,604	1,193,813	24	88,593	328,100	865,713	346
2008	60,551	1,668	1,195,481	25	94,997	423,097	772,384	309
2009	62,317	18,856	1,214,337	27	101,864	524,961	689,377	276
2010	61,866	17,870	1,232,207	29	109,227	634,188	598,019	239
2011	177,179	56,545	1,288,752	33	124,518	758,706	530,046	212
2012	292,999	91,150	1,379,902	36	134,087	892,793	487,109	195
2013	62,385	14,744	1,394,647	39	144,392	1,037,185	357,461	143
		250,133					Arthurs Point Debt Funding Ratio	100

Wastewater – Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment Continued

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
WANAKA								
Existing Debt			464,300					
2004	4,160,501	2,504,087	2,968,387	215	639,279	639,279	2,329,109	29
2005	6,815,411	3,767,975	6,736,362	228	678,150	1,317,429	5,418,933	68
2006	1,362,605	1,074,047	7,810,409	172	511,811	1,829,240	5,981,169	75
2007	196,194	58,088	7,868,497	180	533,952	2,363,192	5,505,304	69
2008	266,280	105,139	7,973,635	187	557,051	2,920,243	5,053,392	64
2009	202,423	43,023	8,016,659	195	581,149	3,501,392	4,515,266	57
2010	251,395	65,632	8,082,291	204	606,290	4,107,682	3,974,609	50
2011	353,576	192,980	8,275,271	245	727,152	4,834,834	3,440,437	43
2012	205,503	38,836	8,314,107	257	763,315	5,598,149	2,715,958	34
2013	284,883	97,795	8,411,902	269	801,277	6,399,426	2,012,475	25
		7,947,602					Wanaka Weighted Debt Funding Ratio	57
HAWEA								
Existing Debt			232,285					
2004	19,475	3,958	236,243	24	39,547	39,547	196,696	53
2005	47,700	1,500	237,743	25	41,647	81,195	156,549	43
2006	8,902	1,659	239,402	21	34,781	115,975	123,427	34
2007	48,135	1,484	240,886	22	36,245	152,220	88,666	24
2008	8,380	1,495	242,382	23	37,771	189,992	52,390	14
2009	399,536	351,664	594,045	24	39,362	229,353	364,692	99
2010	8,855	1,509	595,554	25	41,019	270,373	325,182	88
2011	49,121	1,518	597,072	23	37,639	308,012	289,060	79
2012	10,228	1,643	598,716	24	39,035	347,047	251,669	68
2013	49,639	1,493	600,209	25	40,482	387,529	212,680	58
		367,924					Hawea Weighted Debt Funding Ratio	69

Wastewater – Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment Continued

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
ALBERT TOWN								
Existing Debt			297,043					
2004	200,032	69,791	366,834	14	47,703	47,703	319,132	88
2005	398,338	125,414	492,249	15	50,090	97,793	394,456	109
2006	8,665	1,582	493,831	13	43,230	141,023	352,808	98
2007	7,919	1,334	495,165	13	45,009	186,032	309,133	85
2008	28,156	1,257	496,422	14	46,860	232,892	263,530	73
2009	134,282	103,244	599,666	15	48,788	281,680	317,986	88
2010	8,619	1,076	600,741	15	50,795	332,475	268,266	74
2011	28,878	974	601,716	9	30,234	362,710	239,006	66
2012	87,956	56,325	658,041	9	30,945	393,655	264,386	73
2013	9,382	634	658,675	9	31,673	425,328	233,347	65
		361,632				Albert Town Weighted Debt Funding Ratio		84
District Totals	36,251,502	15,944,542			16,083,910			
* Where the debt funding proportion is -ve, it is assumed to be zero.								

Stormwater Capital Expenditure for Development Contributions (Excluding GST)

Project Summaries	10 Year Total Capital Cost (\$)	Percentage Attributable to Growth (%)	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (\$)	Weighted Average No of Residential Equivalents Apportioning Growth Cost Over 10 Year Period (\$)	Contribution (\$)
STORMWATER - QUEENSTOWN					
Sunshine Bay - Upgrades	90,000	44	192,775	4,377	44
Fernhill - Upgrades	57,000	48	115,268	4,377	26
Queenstown - Frankton - Upgrades	-	-	52,442	4,377	12
Frankton - Upgrades	125,000	47	86,489	4,377	20
Queenstown - Upgrades	185,000	48	344,676	4,377	79
Horne Creek Catchment - Upgrades	-	-	31,736	4,377	7
Kelvin Peninsula - Upgrades	257,000	62	224,293	4,377	51
Minor Works, Projects, GIS	600,000	41	122,680	4,377	28
Treatment Facilities	150,000	41	31,984	4,377	7
Flood Protection	-	-	250,225	4,377	57
Asset Management	868,945	40	172,768	4,377	39
Investigations	215,000	3	40,061	4,377	9
TOTAL STORMWATER - QUEENSTOWN	2,547,945		1,665,396		381
STORMWATER - ARROWTOWN					
Arrowtown - Upgrades	290,200	10	38,036	70	544
Minor Works	250,000	8	4,467	70	64
Treatment Facilities	25,000	9	-	70	-
Flood Protection	-	-	-	70	-
Investigations	100,000	-	243	70	3
TOTAL STORMWATER - ARROWTOWN	665,200		42,745		612
STORMWATER - GLENORCHY					
Glenorchy - Upgrades	250,000	53	90,030	152	591
Flood Protection	75,000	42	17,198	152	113
Investigations	10,000	39	2,298	152	15
TOTAL STORMWATER - GLENORCHY	335,000		109,526		719
STORMWATER - ARTHURS POINT					
Arthur's Point - Upgrades	75,000	65	68,987	280	246
Investigations	15,000	61	7,459	280	27
TOTAL STORMWATER - ARTHURS POINT	90,000		76,447		273

Stormwater Capital Expenditure for Development Contributions (Excluding GST) Continued

Project Summaries	10 Year Total Capital Cost (\$)	Percentage Attributable to Growth (%)	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (\$)	Weighted Average No of Residential Equivalents Apportioning Growth Cost Over 10 Year Period (\$)	Contribution (\$)
STORMWATER - WANAKA					
Wanaka - Upgrades	1,549,565	49	1,153,832	2,682	430
Minor Works	600,000	46	160,243	2,682	60
Treatment Facilities	50,000	34	6,475	2,682	2
Flood Protection	-	-	49,470	2,682	18
Asset Management	290,764	46	69,495	2,682	26
Investigations	200,000	36	67,786	2,682	25
TOTAL STORMWATER - WANAKA	2,690,329		1,507,300		562
STORMWATER - HAWEA					
Hawea - Upgrades	130,500	46	108,343	261	416
Minor Works	100,000	36	10,458	261	40
TOTAL STORMWATER - HAWEA	230,500		118,800		456
STORMWATER - ALBERT TOWN					
Albert Town - Upgrades	162,000	15	40,703	101	401
Treatment Facilities	25,000	11	-	101	-
Flood Protection	150,000	11	18,012	101	178
Investigations	40,000	9	7,203	101	71
Minor Works	100,000	15	19,180	101	189
TOTAL STORMWATER - ALBERT TOWN	477,000		85,098		839
DISTRICT TOTAL	7,035,975	39	3,605,314		

Stormwater – Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
QUEENSTOWN								
Existing Debt			701,105					
2004	328,931	167,365	868,470	337	128,423	128,423	740,047	71
2005	376,089	196,363	1,064,833	353	134,348	262,772	802,061	77
2006	378,564	164,939	1,229,772	369	140,547	403,318	826,454	80
2007	298,219	123,822	1,353,594	419	159,281	562,599	790,995	76
2008	245,566	95,434	1,449,028	439	167,242	729,841	719,187	69
2009	179,461	63,824	1,512,852	461	175,600	905,441	607,410	59
2010	165,067	54,619	1,567,471	484	184,377	1,089,818	477,653	46
2011	167,619	51,937	1,619,407	509	193,592	1,283,410	335,997	32
2012	185,904	55,443	1,674,851	401	152,463	1,435,873	238,978	23
2013	222,526	64,012	1,738,862	416	158,178	1,594,051	144,811	14
		1,037,757					Queenstown Weighted Debt Funding Ratio	65
ARROWTOWN								
2004	197,700	22,524	22,524	64	38,972	38,972	-16,448	
2005	162,500	12,200	34,724	67	40,815	79,787	-45,063	
2006	60,000	2,000	36,724	70	42,745	122,532	-85,808	
2007	10,000	-	36,724	-	-	122,532	-85,808	
2008	60,000	3,364	40,088	-	-	122,532	-82,444	
2009	10,000	-	40,088	-	-	122,532	-82,444	
2010	85,000	6,425	46,513	-	-	122,532	-76,020	
2011	10,000	-	46,513	-	-	122,532	-76,020	
2012	60,000	5,184	51,696	-	-	122,532	- 70,836	
2013	10,000	-	51,696	-	-	122,532	- 70,836	
		51,696					Arrowtown Debt Funding Ratio	0

Stormwater – Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment Continued

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
GLENORCHY								
2004	50,000	29,000	29,000	11	7,894	7,894	21,106	13
2005	-	-	29,000	12	8,288	16,181	12,819	8
2006	100,000	58,000	87,000	12	8,701	24,883	62,117	37
2007	-	-	87,000	13	9,168	34,050	52,950	32
2008	10,000	3,852	90,852	13	9,627	43,678	47,175	28
2009	50,000	24,217	115,069	14	10,109	53,787	61,282	37
2010	-	-	115,069	15	10,616	64,403	50,666	30
2011	-	-	115,069	16	11,148	75,551	39,518	24
2012	125,000	52,574	167,643	16	11,640	87,191	80,452	48
2013	-	-	167,643	17	12,220	99,411	68,232	41
		167,643				Glenorchy Weighted Debt Funding Ratio		34
ARTHURS POINT								
2004	-	-	-	15	4,183	4,183	-4,183	-7
2005	-	-	-	17	4,671	8,853	- 8,853	-15
2006	-	-	-	19	5,215	14,069	-14,069	-24
2007	15,000	9,181	9,181	19	5,098	19,167	- 9,986	-17
2008	-	-	9,181	21	5,619	24,786	-15,605	-27
2009	75,000	49,075	58,256	23	6,193	30,980	27,277	47
2010	-	-	58,256	25	6,826	37,805	20,451	35
2011	-	-	58,256	28	7,523	45,328	12,928	22
2012	-	-	58,256	31	8,546	53,874	4,382	8
2013	-	-	58,256	35	9,446	63,320	-5,064	-9
		58,256				Arthur's Point Weighted Debt Funding Ratio		100

Stormwater – Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment Continued

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	
WANAKA								
Existing Debt			982,499					
2004	1,104,069	604,679	1,587,178	244	137,173	137,173	1,450,005	115
2005	187,791	98,207	1,685,385	259	145,555	282,728	1,402,657	111
2006	111,308	52,854	1,738,239	275	154,450	437,177	1,301,062	103
2007	106,173	49,501	1,787,740	209	117,728	554,905	1,232,835	98
2008	235,409	96,226	1,883,966	219	122,896	677,801	1,206,165	96
2009	306,636	118,289	2,002,255	228	128,290	806,091	1,196,164	95
2010	303,225	111,376	2,113,632	238	133,922	940,013	1,173,618	93
2011	109,319	44,451	2,158,083	249	139,801	1,079,814	1,078,269	86
2012	115,437	44,325	2,202,407	293	164,877	1,244,692	957,716	76
2013	110,961	39,875	2,242,282	308	173,054	1,417,746	824,536	65
		1,259,783						
							Wanaka Weighted Debt Funding Ratio	96
HAWEA								
2004	56,000	27,440	27,440	25	11,417	11,417	16,023	17
2005	74,500	32,430	59,870	26	12,025	23,442	36,428	38
2006	-	-	59,870	28	12,666	36,109	23,761	25
2007	-	-	59,870	23	10,594	46,703	13,167	14
2008	50,000	20,399	80,269	24	11,043	57,745	22,524	23
2009	-	-	80,269	25	11,510	69,256	11,014	11
2010	-	-	80,269	26	11,997	81,253	-984	-1
2011	-	-	80,269	27	12,505	93,758	-13,489	-14
2012	-	-	80,269	25	11,465	105,223	-24,954	-26
2013	50,000	15,686	95,955	26	11,892	117,115	-21,159	-22
		95,955						
							Hawea Debt Funding Ratio	0

Stormwater – Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment Continued

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
ALBERT TOWN								
2004	-	-	-	16	13,537	13,537	-13,537	
2005	32,000	8,000	8,000	17	14,219	27,756	- 19,756	
2006	20,000	3,600	11,600	18	14,936	42,692	- 31,092	
2007	73,000	14,557	26,157	15	12,915	55,607	- 29,450	
2008	-	-	26,157	16	13,451	69,058	-42,901	
2009	30,000	4,460	30,617	17	14,009	83,067	-52,450	
2010	-	-	30,617	17	14,591	97,658	- 67,041	
2011	40,000	1,894	32,511	18	15,197	112,854	-80,343	
2012	107,000	11,093	43,604	-	-	112,854	- 69,250	
2013	175,000	19,696	63,301	-	-	112,854	-49,553	
		63,301					Albert Town Debt Funding Ratio	0
District Totals	7,035,975	2,734,393			1,763,515			

Reserves and Community Facilities – Capital Expenditure for Development Contributions (Excluding GST)

Project Summaries (GL Area)	10 Year Total Capital Cost (\$)	Percentage Attributable to Growth (%)	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (\$)	Weighted Average No of Residential Equivalents Apportioning Growth Cost Over 10 Year Period (\$)	Contribution (\$)
RESERVES - WAKATIPU					
2101	-	-	146,656	5250	28
1101	9,508,735	70	6,222,461	5250	1,185
	9,508,735		6,369,117		1,213
RESERVES - WANAKA					
2151	-	-	779,687	3282	238
2152	-	-	7,290	3282	2
1151	8,704,908	77	5,214,548	3282	1,589
	8,704,908		6,001,525		1,828
RESERVES - WAKATIPU/WANAKA					
1101	2,016,800	57	376,737	8532	44
1151	1,216,600	8	88,331	8532	10
	3,233,400		465,068		55
COMMUNITY FACILITIES - WAKATIPU					
2103	-	-	153,175	5250	29
2160	1,686,500	90	1,097,484	5250	209
2203	32,377	56	85,778	5250	16
2204	7,000	-	8,584	5250	2
2311	545,500	36	415,533	5250	79
2601	305,000	21	140,165	5250	27
2201	-	-	725,125	5250	138
2205	31,000	-	5,599	5250	1
2504	8,555,000	50	2,495,344	5250	475
2602	86,200	2	8,861	5250	2
2603	21,000	-	405	5250	-
2606	18,000	-	-	5250	-
2302	-	-	131,269	5250	25
2206	13,000,000	41	2,378,070	5250	453
	24,287,577		7,645,392		1,456

Capital Expenditure for Development Contributions (Excluding GST)

Project Summaries (GL Area)	10 Year Total Capital Cost (\$)	Percentage Attributable to Growth (%)	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest (\$)	Weighted Average No of Residential Equivalents Apportioning Growth Cost Over 10 Year Period (\$)	Contribution (\$)
COMMUNITY FACILITIES - WANAKA					
2161	933,500	52	234,726	3282	72
2255	0	0	1,088,499	3282	332
2361	485,000	87	539,730	3282	164
2504	15,000	0	17,493	3282	5
2651	144,700	233	549,327	3282	167
2652	35,200	9	1,844	3282	1
2251	0	0	1,003,280	3282	306
	1,613,400		3,434,899		1,047
COMMUNITY FACILITIES - WAKATIPU/WANAKA					
2502	0	0	78,588	8532	9
EC	1,450,000	75	2,630,235	8532	308
	1,450,000		2,708,823		317

Reserves and Community Facilities - Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
WAKATIPU - Reserves								
2004	1,355,000	1,310,880	1,310,880	478	579,344	579,344	731,536	11
2005	1,630,950	1,837,825	3,148,705	500	606,696	1,186,040	1,962,665	30
2006	1,361,450	828,989	3,977,694	502	608,808	1,794,848	2,182,845	33
2007	819,167	384,734	4,362,427	525	636,356	2,431,205	1,931,222	29
2008	541,017	245,296	4,607,723	548	665,151	3,096,355	1,511,368	23
2009	778,667	410,834	5,018,557	573	695,249	3,791,604	1,226,952	18
2010	1,081,167	572,534	5,591,090	599	726,709	4,518,314	1,072,776	16
2011	758,917	399,571	5,990,661	491	595,431	5,113,744	876,917	13
2012	689,000	384,400	6,375,061	508	616,680	5,730,424	644,637	10
2013	493,400	268,869	6,643,930	526	638,693	6,369,117	274,813	4
		6,643,930					Wakatipu Weighted Debt Funding Ratio	23
WAKATIPU - Community Facilities								
2004	1,020,077	1,108,289	1,108,289	478	695,436	695,436	412,852	6
2005	1,111,000	430,000	1,538,289	500	728,269	1,423,705	114,584	2
2006	597,500	114,500	1,652,789	502	730,804	2,154,509	-501,721	-8
2007	4,762,000	2,374,867	4,027,655	525	763,872	2,918,381	1,109,274	17
2008	4,788,500	2,351,867	6,379,522	548	798,437	3,716,819	2,662,704	40
2009	5,857,500	2,407,808	8,787,330	573	834,566	4,551,385	4,235,945	64
2010	5,979,000	2,502,183	11,289,513	599	872,331	5,423,716	5,865,797	88
2011	54,000	23,250	11,312,763	491	714,746	6,138,462	5,174,301	78
2012	63,000	52,000	11,364,763	508	740,253	6,878,715	4,486,048	68
2013	55,000	25,000	11,389,763	526	766,677	7,645,392	3,744,370	56
		11,389,763					Wakatipu Weighted Debt Funding Ratio	67

Reserves and Community Facilities - Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment Continued

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
WANAKA - Reserves								
2004	931,500	981,650	981,650	326	595,962	595,962	385,688	6
2005	1,217,800	1,228,888	2,210,538	345	631,353	1,227,314	983,223	15
2006	1,455,800	1,563,300	3,773,838	262	479,950	1,707,264	2,066,573	31
2007	484,833	247,417	4,021,254	274	500,477	2,207,741	1,813,513	27
2008	812,833	488,167	4,509,421	285	521,886	2,729,627	1,779,793	26
2009	652,233	341,717	4,851,137	298	544,217	3,273,845	1,577,292	23
2010	797,893	452,047	5,303,184	310	567,509	3,841,354	1,461,830	22
2011	897,083	499,187	5,802,371	375	685,637	4,526,991	1,275,380	19
2012	806,733	401,029	6,203,400	393	719,500	5,246,490	956,909	14
2013	648,200	525,850	6,729,250	413	755,034	6,001,525	727,725	11
		6,729,250					Wanaka Weighted Debt Funding Ratio	22
WANAKA - Community Facilities								
2004	489,400	747,500	747,500	326	341,091	341,091	406,409	6
2005	580,800	266,000	1,013,500	345	361,347	702,438	311,062	5
2006	168,000	21,000	1,034,500	262	274,693	977,132	57,368	1
2007	131,000	79,000	1,113,500	274	286,442	1,263,573	-150,073	-2
2008	46,000	25,000	1,138,500	285	298,695	1,562,269	- 423,769	-6
2009	119,000	56,500	1,195,000	298	311,476	1,873,745	- 678,745	-10
2010	31,000	16,500	1,211,500	310	324,807	2,198,552	-987,052	-15
2011	33,000	1,500	1,213,000	375	392,416	2,590,968	-1,377,968	-20
2012	36,000	16,500	1,229,500	393	411,797	3,002,764	- 1,773,264	-26
2013	36,000	16,500	1,246,000	413	432,135	3,434,899	-2,188,899	-33
		1,246,000					Wanaka Debt Funding Ratio	-

Reserves and Community Facilities - Debt Funding Ratio - 10 Year Net Growth Cost vs. Revenue Assessment Continued

Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost (\$)	New Residential Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
WAKATIPIU / WANAKA - Reserves								
Existing Debt								
2004	725,000	-	-	803	43,795	43,795	-43,795	-1
2005	95,000	-	-	845	46,079	89,875	- 89,875	-1
2006	190,000	-	-	764	41,661	131,536	-131,536	-2
2007	360,200	179,498	179,498	798	43,510	175,046	4,451	-
2008	11,000	5,500	184,998	834	45,442	220,488	-35,491	-1
2009	223,800	86,550	271,548	871	47,460	267,949	3,599	-
2010	37,000	16,000	287,548	909	49,568	317,517	-29,970	-
2011	297,000	195,500	483,048	866	47,191	364,708	118,339	2%
2012	525,900	241,850	724,898	902	49,156	413,864	311,033	5%
2013	768,500	520,250	1,245,148	939	51,204	465,068	780,079	12%
		1,245,148					Wakatipu/Wanaka Weighted Debt Funding	13%
WAKATIPIU / WANAKA - Community Facilities								
Existing Debt								
2004	-	-	-	803	255,090	255,090	- 255,090	-4%
2005	-	-	-	845	268,393	523,482	-523,482	-8%
2006	-	-	-	764	242,656	766,139	-766,139	-11%
2007	50,000	37,500	37,500	798	253,430	1,019,568	- 982,068	-15%
2008	350,000	262,500	300,000	834	264,683	1,284,251	-984,251	-15%
2009	350,000	262,500	562,500	871	276,436	1,560,687	- 998,187	-15%
2010	350,000	262,500	825,000	909	288,714	1,849,401	-1,024,401	-15%
2011	350,000	262,500	1,087,500	866	274,870	2,124,271	-1,036,771	-15%
2012	-	-	1,087,500	902	286,311	2,410,582	- 1,323,082	-20%
2013	-	-	1,087,500	939	298,241	2,708,823	-1,621,323	-24%
		1,087,500					Wakatipu/Wanaka Debt Funding	-
* Where the debt funding proportion is -ve, it is assumed to be zero.								

Policy on Partnerships with the Private Sector

Sections 102(4) (e) and 107 of the Local Government Act 2002 requires each Council to adopt a Policy on Partnerships with the Private Sector. For the purposes of this policy, a partnership with the private sector is defined according to section 107(2) the Local Government Act 2002 as:

“...any arrangement or agreement that is entered into between 1 or more local authorities and 1 or more persons engaged in business, but does not include

- (a) Any such agreement to which the only parties are*
 - (i) Local authorities; or*
 - (ii) 1 or more local authorities and 1 or more Council organisations; or*
- (b) A contract for the supply of any goods or services to, or on behalf of, a local authority.”*

This policy sets out the circumstances and terms for the commitment of Council resources to partnerships with the private sector.

Circumstances Where Partnerships with the Private Sector Will be considered:

Queenstown Lakes District Council will consider partnership arrangements with the private sector for the provision of infrastructure and service where:

- A need has been defined in measurable output terms;
- There is scope for the private sector to demonstrate particular skills and/or innovative capacity;
- The project size justifies the transaction and ongoing management costs of a partnership; and
- Such a partnership is likely to deliver better value for money, based on cost, time and financial arrangements that alternative delivery methods.

Consultation

Consultation procedures mandated under sections 78 and 79 of the LGA 2002 will be applied in regard to any proposal for a partnership with the private sector to carry out significant activity.

Conditions to be imposed

Before committing any resources to any form of private sector partnership, Queenstown Lakes District Council will establish the following conditions:

- Private participation will be subject to competitive tendering processes, with an emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentialities where appropriate;
- Outputs will be clearly specified including measurable performance standards;
- Payments will only be made upon delivery of the specified services to the required standards;
- A clear and enforceable risk management regime will be agreed;
- All private sector parties will be fully accountable to the Queenstown Lakes District Council for the delivery of the specified products and/or services; and
- Queenstown Lakes District Council's information requirements for monitoring of outcomes will be agreed.
- Risk Assessment and Management

A comprehensive assessment of risks associated with any partnership proposal will be undertaken before any commitment to proceed.

A risk management regime will be agreed to as a condition of the partnership.

The prime principle for risk management within a partnership shall be to transfer risk to the party best placed to manage it.

Monitoring and Reporting

Partnership contracts will be monitored and reported in accordance with an agreed financial and programme reporting regime.

The contribution of any partnership arrangement to community outcomes will be assessed and monitored as required under the Local Government Act 2002.

Policy on Significance

Section 90 of the Local Government Act 2002 requires each Council to adopt a Policy on Significance, which:

- Sets out that Council's general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters;
- Set out any thresholds, criteria, or procedures that are to be used by the Council in assessing the extent to which issues, proposals, decisions, or other matters are significant; and
- Lists the assets considered by the local authority to be strategic assets.

Each Council will therefore define its own interpretation of significance, but the Local Government Act 2002 gives the following three definitions with regards to significance, significant and strategic assets respectively:

“significance”, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,-

- (a) *the current and future social, economic, environmental, or cultural well-being of the district or region;*
- (b) *any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;*
- (c) *the capacity of the local authority to perform its role, and the financial and other costs of doing so*

“significant”, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.

“strategic asset”, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes-

- (a) *any asset or group of assets listed in accordance with section 90(2) by the local authority; and*
- (b) *any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and*
- (c) *any equity securities held by the local authority in-*
 - (i) *a port company within the meaning of the Port Companies Act 1988;*
 - (ii) *an airport company within the meaning of the Airport Authorities Act 1966*

Following is the adopted Policy on Significance.

Policy on Significance

General Approach in Determining Significance

- When determining the question of the significance of proposals and decisions in relation to issues, assets or other matters the Council will determine the extent to which:
- The consequences or impacts of the issue, assets, or other matters, affect a large number of residents and ratepayers to a moderate extent;
- The consequences or impacts of the issue, assets, or other matters, affect a small number of residents and ratepayers to a large extent; and
- The issue, asset, or other matters have a history of generating wide public interest within Queenstown Lakes District, the Otago Region of New Zealand generally.

These will be considered within the context of the likely impact of that decision on:

- The current and future social, economic, environmental, or cultural well-being of the district or region;
- The achievement of, or ability to achieve, the Council's strategic issues and objectives as currently set out in the Strategic Plan (or Community Outcomes once determined);
- Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
- The capacity of the local authority to perform its role and carry out its activities, now and in the future; and
- The financial, resource and other costs of the decision.

Thresholds, Criteria and Procedures

When undertaking a process to determine the extent to which issues, proposals, decisions and other matters are significant, the Council will use the following thresholds, criteria and procedures:

Thresholds:

- Issues, assets, or other matters that incur more than \$1 million of budgeted or \$100,000 of unbudgeted expenditure;
- Any transfer of ownership or control, or the construction, replacement or abandonment, of a strategic asset as defined by the Act or listed in this policy;
- The sale of the Council's shareholding in any council controlled trading organisation, or council controlled organisation;
- The decision that will, directly or indirectly, significantly affect the capacity of the Council to carry out, or the cost to the Council in carrying out, in relation to any activity identified in the Long-Term Council Community Plan;

Criteria:

- Whether the asset is a strategic asset within the meaning of the Act or listed in this policy;
- The extent to which there is, or is likely to be, a change in the level of service in carrying out any significant activity;
- The extent to which there is, or is likely to be, a change in the way in which any significant activity is carried out;
- The extent to which there is, or is likely to be, a change in the capacity of the Council to provide any significant service or carry out any significant activity.

Procedures:

- Decisions on significance will be made in accordance with Council's adopted documents and delegation manual.
- When a significant issue is taken to a Council or Committee meeting it will be specifically identified as a significant issue and any impact highlighted.
- If determined to be significant then the issue, decision, asset or other matter will be addressed as required by the relevant sections of the Local Government Act 2002.

Strategic Assets

Council has determined the following Council-owned assets to be strategic in nature:

- Queenstown Lakes District Roading network;
- Wastewater network and treatment;
- Water treatment, storage and supply network;
- Stormwater network;
- Reserves listed and managed under the Reserves Act;
- Shares held in Queenstown Airport Corporation;
- Housing for the Elderly.

Note: Queenstown Lakes District Council considers all asset classes listed above as single whole assets. This is because the asset class as a whole delivers the service. Strategic decisions therefore only concern the whole asset class and not individual components, unless that component substantially affects the ability of the Council to deliver the service, or would be deemed significant and strategic under the thresholds, criteria or procedures noted above.

Treasury Management Policy

a) Liability Management Policy

Introduction and Application

Introduction

This liability management policy has been prepared pursuant to sections 102(4)(b) and 104 of the Local Government Act 2002.

The Council's borrowing programme for any particular year will be approved as part of the Council's Annual Planning process, which is affected by projections made in the Council Community Plan

Generally, borrowing will be identified as a funding mechanism only for capital or long term projects which will provide benefits into the future.

The only borrowing to meet operating costs will be the use of overdraft facilities or other short term facilities to cover temporary fluctuations in cash flow.

General Provisions

Borrowing Limits

Council's borrowing limits are:

Ratios	Acceptable Range %
Interest Expense/Operating Revenue	<10
Total Servicing Cost/ Total Revenue	<20
Net Debt / Total Revenue	<100
Net Debt / Equity	<15

For the purpose of calculating the ratios above:

Interest Expenses = Interest expenses recorded in Council's accounts

Operating Revenue = Operating revenue recorded in Council's accounts excluding income from vested assets and income from asset revaluations

Net Debt / Total Revenue = Total interest and principle payments

Net Debt / Equity = Debt less any repayment reserves

Form of Borrowing

Primary Instruments

The primary instrument for Council borrowing will be the committed cash advance facility with Council's banker, or fixed interest stocks, modelled on Government stocks. Floating rate securities, finance leases and credit lines may be used, but to a lesser extent

Hire Purchase, Deferred Purchase and Trade Credit

These arrangements are not considered to be borrowing under the terms of the Act.

Other

Instruments not specifically referred to in this policy may only be used with specific Council approval.

Security

It is Council's general policy to offer security for its borrowing by way of negative pledge or a charge over its rates.

In the normal course, the Council's policy is not to offer security over any of the other assets of the Council. However:

- where borrowing is by way of finance lease, or some other form of trade credit under which it is normal practice to provide security over the asset concerned, or
- Where the Council considers doing so would help further its community goals and objectives, the Council may decide to offer security over the asset.

Policies

Interest Rate Exposure Policy

Council will manage its borrowing activities prudently in the best interests of the District, its inhabitants and ratepayers. In furtherance of this goal, Council will keep the following objectives firmly in mind:

2. Cost minimisation
3. Cost stabilisation/Risk minimisation

Prudent selection of funding instruments and mix should help the Council achieve its low debt servicing costs and risk minimisation objectives.

Debt Repayment Policy

It is Council's general policy to repay debt as it falls due. This will be repaid from accumulated funds, reserve funds, contributions, land sales or a combination of these methods depending on the project the loan was raised for. If the loan was raised for a period less than a term the Council considers appropriate for the project, part of the balance will be financed with new debt.

The Council may repay debt before maturity in special cases where the circumstances suggest that this would be in the best interest of residents and ratepayers.

Total debt levels are determined through the Council Community Plan and Annual Plans.

Liquidity Policy

The Council will strive to ensure the timely availability of funds to meet the Council's various expenditure needs, preferably without incurring penalties or holding unnecessary cash reserves. The Council will:

- match revenue requirements with expenditure streams, ensuring any timing differences, if any, are favourable for the Council;
- ensure replacement funds are available no later than the debt repayment date;
- avoid concentration of debt repayment dates.

Credit Exposure Policy

Council will only enter incidental arrangements with credit worthy counterparties.

Credit worthy counterparties are selected on the basis of their current Standard and Poors (S&P) rating which must be A- or better.

Other Matters

Borrowing for Cash Management Purposes

This section applies to what might be described as borrowing to manage day to day fluctuations in cash flow.

Council will maintain an overdraft facility not exceeding a limit of \$500,000 for day to day cash management purposes.

Council may maintain a standby credit facility for urgent financing in emergencies.

Incidental Arrangements

"Incidental arrangement" is defined to mean:

- a) *A contract or arrangement for the management, reduction, sharing, limiting, assumption, offset, or hedging of financial risks and liabilities in relation to any investment or investments or any loan or loans or other incidental arrangement, whether or not that contract or arrangement involves-*
 - i. *The expenditure, borrowing, or lending of money; or*
 - ii. *The local authority undertaking to make payments in exchange for another person undertaking to make payments to the local authority; or*
 - iii. *The creation or acquisition or disposal of any property or right; or*
- b) *A contract or arrangement with any bank, financial institution, or other person providing for any person to act as underwriter, broker, indemnifier, guarantor, accommodation party, manager, dealer, trustee, registrar, or paying, fiscal, or other agent for, or in connection with, any loan or investment.*

Hedging

Hedging instruments may be used for risk management purposes, on advice from financial advisors.

Agents

Council may appoint only reputable persons or companies to fulfil the following roles:

- Registrars/paying agents
- Brokers
- Trustees

Other

Other forms of incidental arrangement may only be entered into with a specific resolution of Council.

b) Investment Policy

General

Introduction

This investment policy has been prepared pursuant to sections 102(4)(c) and 105 of the Local Government Act 2002. It applies to the management of the Council's financial and equity investments.

Overview

The Council has a variety of investments which at any time may include cash, trust funds, special funds, shares, property held for investment purposes and financial reserves.

These investments are acquired, held and realised by the Council in furtherance of the community goals and objectives which are identified in the Council's Community Plan and each Annual Plan.

In managing its investments the Council is not driven by commercial considerations alone. As a public body the Council is accountable to the community in terms of community health, safety, benefit and well-being and these considerations may lead to the Council making investment decisions which would not have been made on commercial/financial considerations alone.

In managing its investments in accordance with its general policy the Council seeks to:

- achieve the goals and objectives set out in the Council Community Plan and the Annual Plan;
- balance the protection of its investment with maximising investment return;
- ensure investments are of a type which provide the Council with funds when required;

Policies

Mix of Investments

Nature of Investment	Term	Rationale for retention
Cash Investments	Short term	To meet cash flow requirements
Shares/equity	Long term	To support the strategic objectives of the Council and the District
Investment Property	Variable	To provide a commercial return to Council

It should be noted that Council does have some investments that do not currently meet these criteria, particularly some land holdings. The future of these are under

review and it will be decided if these will be held to meet future core function requirements or will be disposed when it is considered that it is appropriate.

Acquisitions of New Investments

Call and short term: delegated to Council staff to invest in approved institutions.

Medium to long term: through the Council, having regard to the goals, objectives and provisions of the Council's long term financial strategy and annual plans.

Use of Revenue from Investments

Revenue from funds which are reserved for particular purposes is added to that fund. Revenue from other investments used to offset general rates.

Revenue from Asset Sales

Revenue from asset sales will be used to repay debt or fund the purchase of new assets. If there are no appropriate uses available at the time of disposal, it will be held in a separate fund until there are.

Other Matters

Procedures for Management and Reporting to Council

The Council's procedures for the management of investments and associated reporting to Council involve reporting results of investment to the Council through the Finance Committee on a bi-monthly basis.

Risk Management

In managing its investments Council always seeks to protect its investments and manage its risk.

When investing the Council seeks to minimise its risk by investing only in institutions with a high degree of security or credit rating. A list of approved financial institutions will be reviewed and will be updated annually. These institutions will primarily be trading banks and there will be a cap as to how much can be placed with any one institution.

The Council also has statutory obligations to properly administer, manage, and account for its funds. In particular the Council must make its investments in accordance with the provisions of the Trustee Act 1956 as they apply to the investment of trust funds. This requires the Council to exercise the care, diligence, and skill that a prudent person of business would exercise in managing the affairs of others. The Council may consider, in making any investment decisions:

- The desirability of diversifying investments:
- The nature of existing investments:
- The risk of capital loss or depreciation:
- The potential for capital appreciation:
- The likely income return:
- The length of the term of the proposed investment:
- The marketability of the proposed investment during, and on the determination of, the term of the proposed investment:
- The effect of the proposed investment in relation to tax liability:
- The likelihood of inflation affecting the value of the proposed investment.

EQUAL EMPLOYMENT OPPORTUNITY

Policy Statement

Everybody in New Zealand is entitled by law to equal treatment in their employment. The Queenstown Lakes District Council supports this and has an Equal Employment Opportunity Policy to help ensure that this is a reality.

When making employment related decisions, the Council will make sure that employees are not treated unfairly because of their: age, sex, ethnic or national origins, marital status, religious or ethical beliefs or disability.

Employment related decisions include: appointments, terms of employment, conditions of work, training, promotion, transfer, dismissal or other disciplinary action.

The Council will provide a working environment which is free from sexual harassment.