

“IT’S TIME FOR US TO STEP UP”

I just love this place and I have a vested interest in making sure that never changes. Not for me or my kids, but for all of us. We live in one of the world’s most beautiful regions and it’s my mission as Mayor and that of my fellow elected members to keep our lifestyle in tune with our surroundings.



MAYOR JIM BOULTON

- #1 Public Transport
- #2 Water Quality
- #3 Affordable Housing
- #4 Congestion
- #5 Growth & Infrastructure
- #6 Council Offices

Our draft annual plan is a bold move to shift our Council from reactive to proactive. Since being elected I have listened and I have learned and my priorities have not moved. We have to plan better and we need to make better decisions.

#1: making public transport such a great and cheap service that it’s too good to refuse. We need to get alongside the Otago Regional Council and continue to encourage them to deliver on public transport and water quality issues, because issue **#2** is that keeping our lakes and waterways pristine needs work.

#3: We need to work closely with the Government to give our people affordable housing options. We are working hard on plans in this regard because housing is the biggest handbrake on our community’s future.

#4: We all know that congestion on our roads is at unacceptable levels. We are working with government agencies to achieve a solution, not years out but now.

#5: We have to get ahead of growth when it comes to our infrastructure and we must find affordable solutions for our smaller communities. Those that don’t already have a permanently chlorinated water supply will be consulted on introducing chlorination through this annual plan.

#6: This Council needs to have its offices on one site in the Wakatipu, not four, and it’s a no-brainer that we need staffing levels that match growth to meet your expectations for service.

Most of these issues are district-wide. There is an obvious focus required on the Wakatipu but we need an appropriate response to Wanaka’s growth, which is also far above the national norm.

Meanwhile we are already delivering the Wanaka pool, the upgrade of Project Shotover and Hawthorne Drive, which will have Stage 1 open within weeks.

I have no desire to bring you a rates increase but it’s unavoidable. Put simply, we have underinvested in the past. Now we have no choice but to invest in right-sizing our response to growth and I expect this Council to deliver. The impact of our proposals will be an average rates increase of 4.25%.

Please tell us what you think.

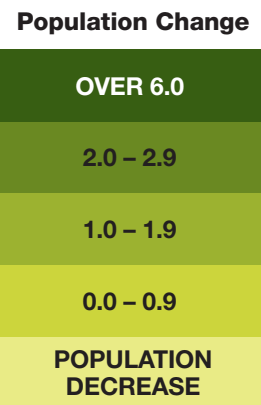
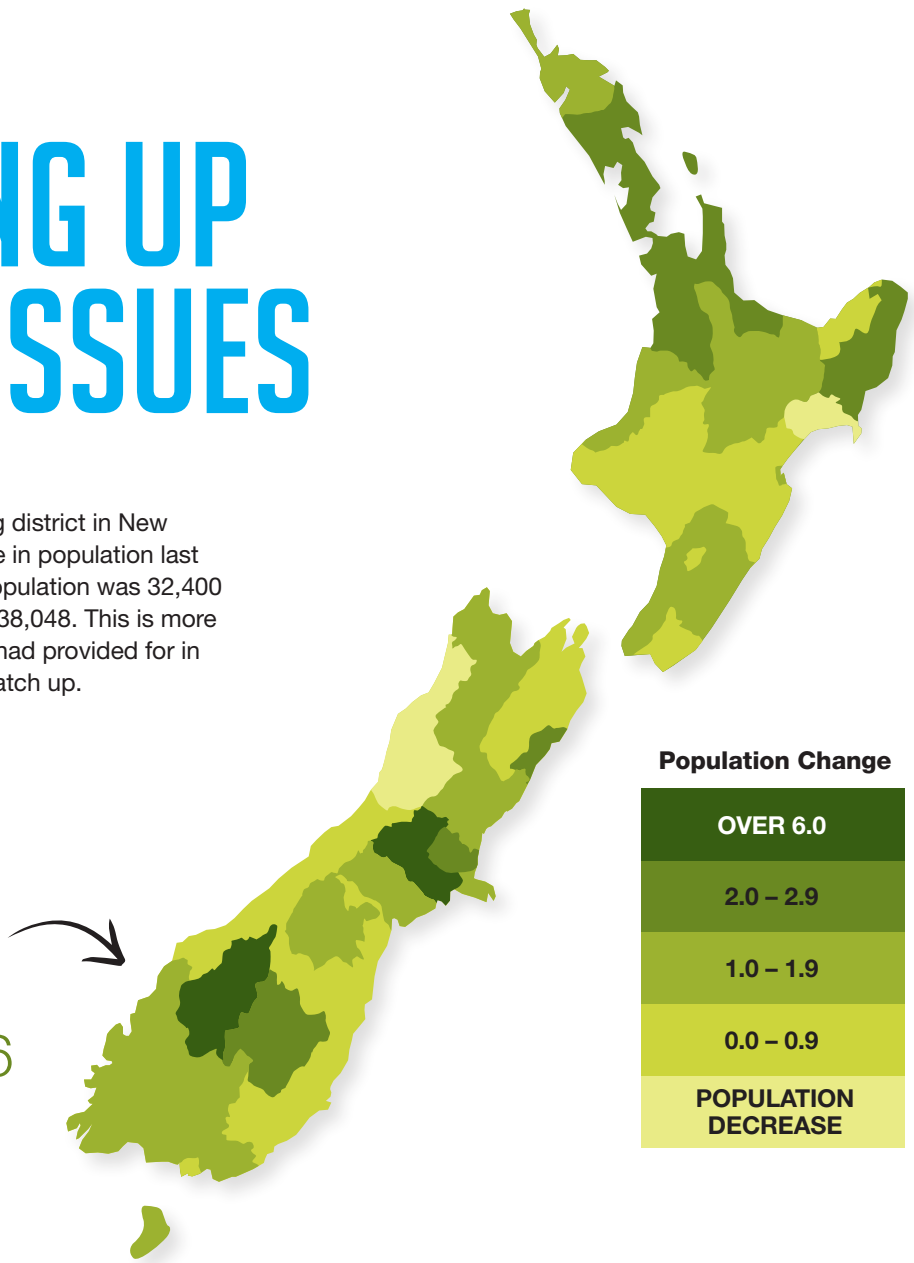
Feedback closes on **28 April 2017**. We will hold hearings and then we will adopt the plan with any amendments at the end of June 2017.

FRONTING UP TO THE ISSUES

We are officially the fastest growing district in New Zealand with a whopping 7.1% rise in population last year alone. In 2015 our district's population was 32,400 – by next year it is projected to be 38,048. This is more than predicted and faster than we had provided for in our last 10-Year Plan. It's time to catch up.

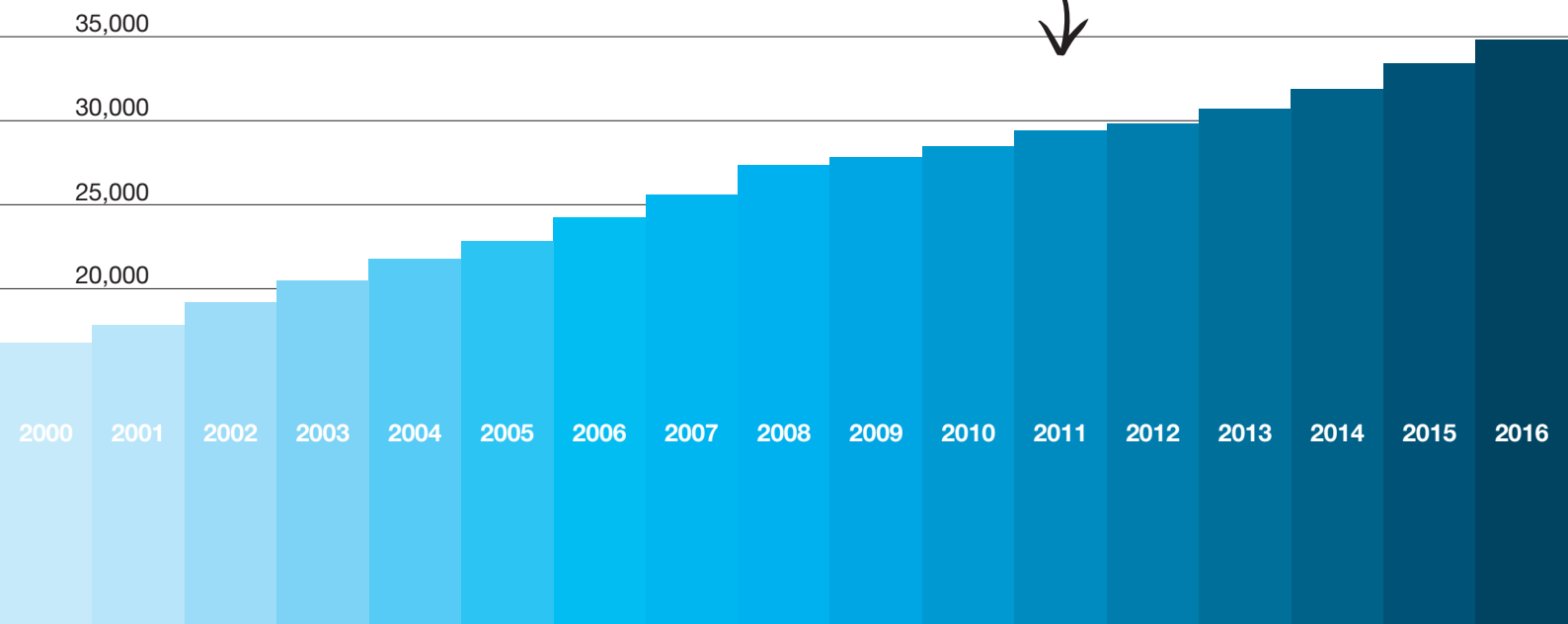
Population changes (%)
Year ended
30 June 2016

Source: Statistics New Zealand



In less than 20 years we have doubled in population and are picked to be a key growth destination for the next decade.

Source: www.infometrics.co.nz

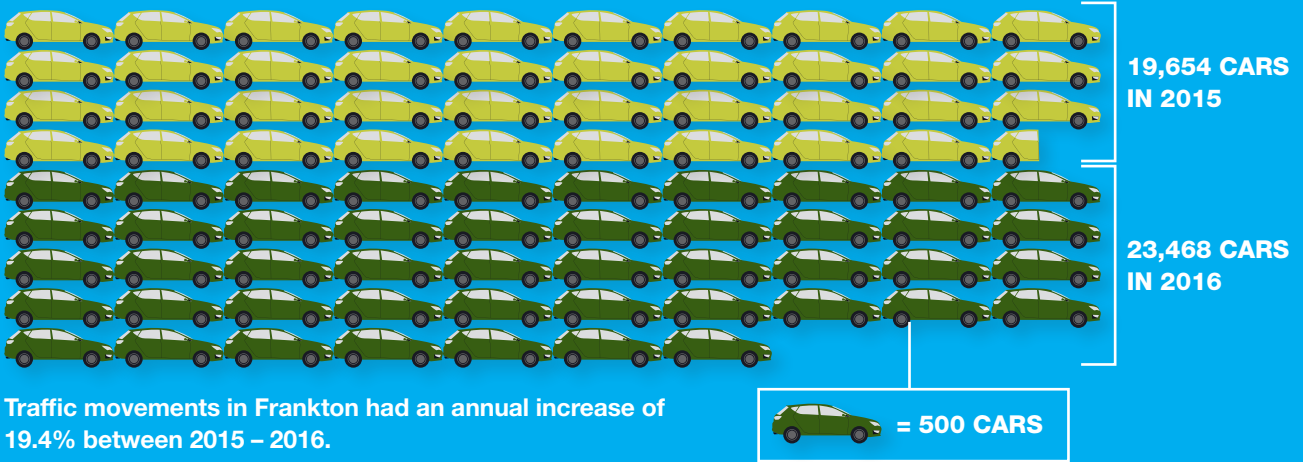


IMPACT

EXPONENTIAL GROWTH IN TRAFFIC

SOLUTION

INVEST IN TRAFFIC SOLUTIONS



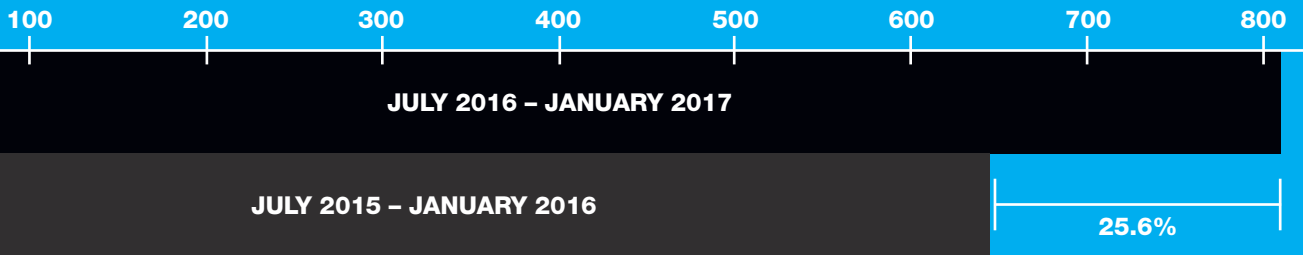
Traffic movements in Frankton had an annual increase of 19.4% between 2015 – 2016.

IMPACT

PRESSURE ON SERVICES

SOLUTION

INVEST IN INCREASED SERVICES AND RESOURCING



Resource Consent applications received increased 25.6% between July 2015 – January 2016 and the same time period last year.

IMPACT

SOCIAL PRESSURE

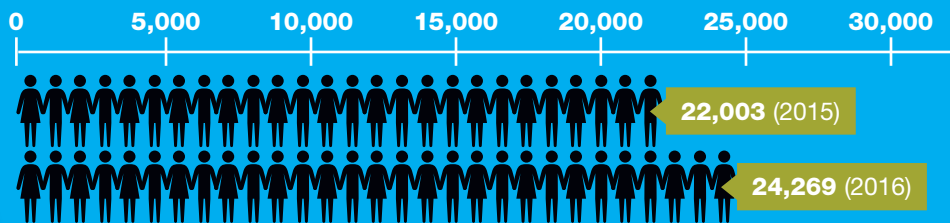
SOLUTION

INVEST IN OUR ENVIRONMENT (LAKE QUALITY, WILDING PINES, RECREATION)

INVEST IN OUR PEOPLE (LIVING AND HOUSING AFFORDABILITY, EDUCATION AND HEALTH)



Last November the average house price in our District hit \$1 million, up 32% in the last year.



Our employment growth has increased by 10% between 2015 and 2016.

SHARING THE COSTS

We know many residents are on a fixed income. For some, an increase in rates will result in an increase in rent. Given the significant increase in property owners' equity, our hope is that rents won't rise. Landowners on a fixed income may be eligible for a rates rebate.

Our community can't continue to shoulder the burden of increasing tourism. Some form of visitor levy is the answer but this can only happen with the Government's agreement. Watch this space. In the meantime we will be putting

together smarter business cases to attract the right support from NZTA (for transport network funding) and the Government's Infrastructure Fund.

WHAT WE NEED TO DO BETTER

TRAFFIC

Sorting our traffic congestion needs a multi-pronged approach. Investing in Hawthorne Drive (the Eastern Access Route) ahead of schedule and working with NZTA on other solutions is one aspect but getting cars off our roads by delivering a far cheaper, far better public transport service is critical.

Public Transport is a function of the Otago Regional Council but we have stepped up in partnership with ORC and NZTA to propose a radical shift in public transport in the Wakatipu. We have included \$600,000 in the budget to ramp up the subsidy already contributed by ORC and to add the sizeable contribution by NZTA, keen to reduce traffic on the highways. We propose a blanket \$2 fare and a more convenient service. A further \$300,000 is at risk if the uptake doesn't happen but we are banking on the change. ORC is also consulting on this.

TOWN CENTRE MASTER PLAN

We have earmarked \$2 million for projects within central Queenstown this year, under the umbrella of the Town Centre Master Plan. This is a placeholder as we are still in the early stages of consulting on how our community would like this area to be redeveloped. Budgets for more specific aspects of the project will be included in next year's 10-Year Plan.

UPPING LEVELS OF SERVICE

Our annual survey results show that we needed to do better at things like cleaning public toilets and keeping our towns free of rubbish. These are two examples where the level of service was adequate when it was set more than two years ago but no longer caters for growth. We are cleaning toilets and emptying bins more often to meet community and visitor expectations that our streets and public toilets will be clean.

PLANNING RIGHT – THE DISTRICT PLAN

Last year we consulted on an increased cost for reviewing the District Plan. With Stage 1 well underway and Stage 2 yet to begin, we have reforecast our position and budgeted an additional \$1.6m for this project. This is subject to the availability of staff so the timing may change.

LAKESIDE PLAYGROUND

An upgrade of the playground in the Queenstown Gardens beside the Bathhouse was anticipated in the 10-Year Plan and is included in this Annual Plan. The existing playground was built in 1994. This is an exciting project that will inject new life into a much loved and well-used play area. We have included \$680,000 in the Annual Plan for a complete refresh including landscaping and state of the art play gear. The result will be akin to the hugely popular destination playground on the shores of Lake Wanaka.

THE IMPACT ON YOUR RATES

By deferring both some debt repayment and the proposed Convention Centre Project, we have kept the rates increase below 5%. The average proposed increase is 4.25% after allowing for 3% growth. That's an average so the impact

on your own rates will depend on where you live, what services you receive, the type of property you own and its value. There's more detail on the back page.

Most of our fees and charges are staying the same this year. Small increases are proposed for swim school classes and community programmes such as children's holiday activities. You'll find details in the full Annual Plan online at www.qldc.govt.nz

RESOURCING RIGHT

In 2013 QLDC undertook an organisational review. Staff numbers were reduced to match needs at that time. Four years on and in the face of unprecedented growth, we can no longer meet community expectations and our staff are under pressure. We recruit in a highly competitive market and it can be difficult to attract and retain good people, particularly when they – like you – are grappling with the cost of living here.

The reality is that we can't deliver for you if we don't have staff.

We recover part or all of the cost of many of our services from users, for example in building and planning, regulatory or sport and recreation, so the full cost of employing staff does not always fall on rates. In some areas, such as legal advice, employing our own staff is more cost-effective than paying for a consultant. Corporate functions such as Human Resources and IT are essential to keep our front-facing services operating and as we provide more services, we need to hire more support staff. This plan provides for that, as well as staff for the new Wanaka Aquatic Centre. The proposed staffing budget has been increased by \$2.6 million and includes an increase of 34 full-time equivalents to a total staff of 323, including overheads and provision for salary reviews.

CHLORINATION FOR OUR COMMUNITY WATER SUPPLIES

Supplying safe and clean drinking water is a core responsibility and legal obligation. Adding chlorine is one of the most common and effective treatments because it disinfects the water all the way from the source through to your taps. It kills small bugs such as bacteria that can get through filtration systems and viruses that cannot be physically removed from water. Most of our district is already serviced by a chlorinated supply.

Following the Havelock North water contamination crisis last year and after advice from Public Health South, we began chlorinating the Arrowtown, Hawea and Glendhu Bay water supplies on a temporary basis over summer. The Council's view was that we could not afford to risk lives and health of vulnerable people, a community's economy or the district's reputation through an outbreak of waterborne disease linked to a contaminated public supply.

We have included \$500,000 in the budget to enable the permanent chlorination of all QLDC community water supplies that don't already have this level of treatment. This includes Arrowtown, Glendhu Bay, Hawea, Arthur's Point, Luggate and Glenorchy. This will provide uniformity of treatment across our

district. A significant programme of works will be considered as part of the 10-Year Plan to ensure all our drinking water supplies meet NZ Drinking Water Standards.

We will hold community meetings during the consultation period for this annual plan to provide additional opportunities for residents to express their views on this issue. The decision on whether to chlorinate these supplies permanently will be made as part of the adoption of the annual plan at the end of June, when the Council will have considered all feedback.

SPREADING THE COSTS

In our last 10-Year Plan we asked whether there was a fairer way of paying for big projects that have to be delivered in small communities. We need to continue to put our small communities onto a more sustainable footing for wastewater, though we recognise that the cost of doing so can be significant. Everyone benefits from infrastructure that makes our environment safe. If we spread this cost differently between the beneficiaries and the wider community it might be more affordable for all. We want to pick this conversation up again over the coming year as we lead into the next 10-Year Plan.

MONEY MATTERS

YOUR RATES

As a result of the increased activity we are undertaking, rates will be higher than we forecast in the 10-Year Plan. Two years ago we projected a 2.8% increase; we now propose an average increase of 4.25%. You will find the detail in the Draft Annual Plan online at www.qldc.govt.nz

RANGES	MIN	MAX
Queenstown ranges	3.30%	7.29%
Wanaka ranges	2.04%	7.93%
Arrowtown ranges	2.76%	5.94%
Wakatipu ranges	3.42%	3.53%
Glenorchy	0.27%	0.76%
Lake Hayes	3.95%	4.09%
Hawea	4.58%	5.29%
Kingston	0.43%	1.14%
Arthurs Point	4.03%	4.91%



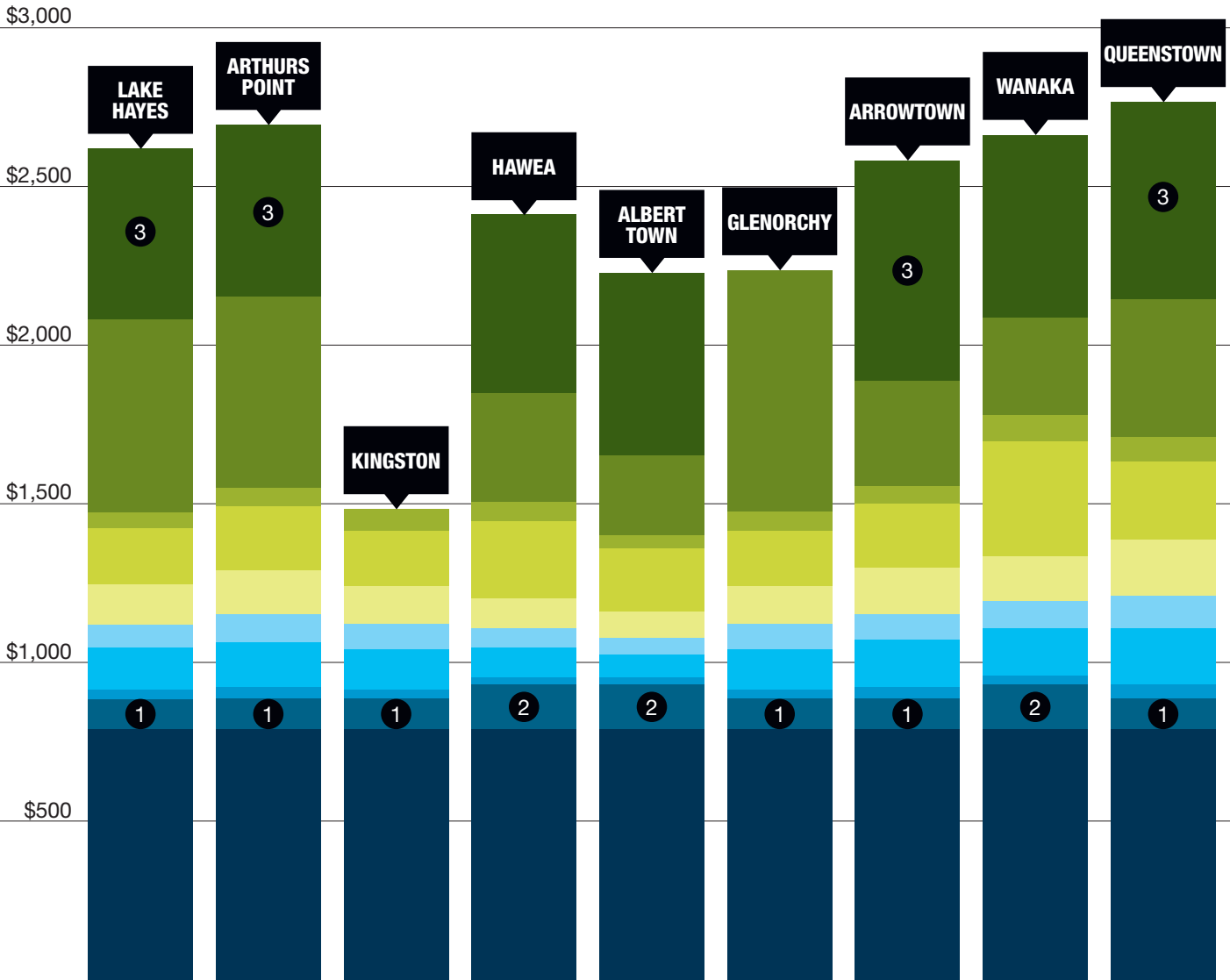
- 1 Alpine Aqualand
- 2 Wanaka Aquatic Centre
- 3 Project Shotover

* Some properties don't pay for water / waste water if no scheme.

** Different schemes have different costs i.e. Queenstown's rates are impacted by Project Shotover, Wanaka's rates are impacted by Wanaka Aquatic Centre.

*** For details on commercial, vacant land, rural and accommodation indicative rate changes please refer to the full Annual Plan document.

Your residential rates (median value)



SNAPSHOT - SPENDING REVENUE AND DEBT

BUDGET COMPARISON	10-YEAR PLAN	ANNUAL PLAN		
	Projected 17/18	Proposed 17/18	Change	
	\$m	\$m	\$m	Why?
Capital Works	61.18	60	-1.18	Convention Centre deferral including infrastructure(\$33.5m). The timing of Hawthorne Drive and Wanaka Pool (\$19m) transferred to 17/18. New projects (\$11.5m) included: project scoping (\$1.4m), water and waste works to align with the new Kawarau Falls Bridge Crossing water (\$2.6m), Mt Aspiring Road widening (\$1.5m), Programme to reduce cars by 20% in CBD - new road layout, carpark changes, spatial framework, public transport hub and cycling facilities(\$700k). Potential chlorination placeholder (\$500k), Marine Parade Pumping station risk reduction (\$750k), Additional budget new toilet facilities at Ramshaw Lane, Mt Aspiring carpark and Makarora (\$700k). Placeholders: (\$2m) for potential Wanaka land purchase and (\$2m)for Q-Town Centre Master Plan.
Operating Cost	101.98	116.65	14.67	Growth related staff increase over the last two years, \$1.72m 16/17 and \$3.8m 17/18 increased activity levels, new facilities, enhanced services and replacement of contractors. Proposed early harvest of Coronet Forest (\$2.9m) offset by income (\$3m), more rubbish and recycling, Project Shotover online and \$600k for public transport subsidy.
Total Revenue	146.96	137.56	-9.4	Total Revenue is down is largely the result of \$26.7m included in 10-Year Plan as a capital grant for deferred Convention Centre. If we exclude this, operating revenue is actually up by \$17.3m. We have experienced growth across all activities, offset by a reduction in NZTA roading subsidy due to the timing of our major projects.
Debt Repayment	16.35	14.99	-1.36	Reduced to smooth rates movements.
New Loans	19.84	37.24	17.4	Borrowing has increased but is offset by the proposed deferral of Convention Centre (\$26.7m)
Rates Increase	2.81%	4.25%	1.45%	After allowing for growth impact.

WHY COSTS ARE MORE THAN FORECAST

The unprecedented and continuous growth experienced in our district was not fully foreseen when the last 10-Year Plan budgets were finalised in October 2014. Generally, activity has increased across the board. This Annual Plan is a bold step to 'right sizing' our organisation and our services in response to growth.

HEADS UP ABOUT FURTHER CONSULTATION

There are three other matters that we will be consulting on within the next few weeks in a more formal manner outside the annual plan consultation.

1 CORONET FOREST

In the interests of keeping the wilding pine scourge at bay, we are proposing to do the right thing and deal to a major seed source sooner rather than later by bringing forward the harvest of Coronet Forest. We signalled this last year. The cost of harvest versus the projected income from the harvest is expected to be cost neutral. This issue is being treated as a special consultation, outside the draft Annual Plan, because it requires the forest's management plan to be amended.

2 DEVELOPMENT CONTRIBUTIONS

We are seeking your views on proposed changes to development contributions. This directly affects developers but is an issue on which we are legally required to undertake formal consultation.

3 RESOURCE CONSENT FEE SCHEDULE

We are seeking your views on proposed changes to resource consent fees through the special consultation process.

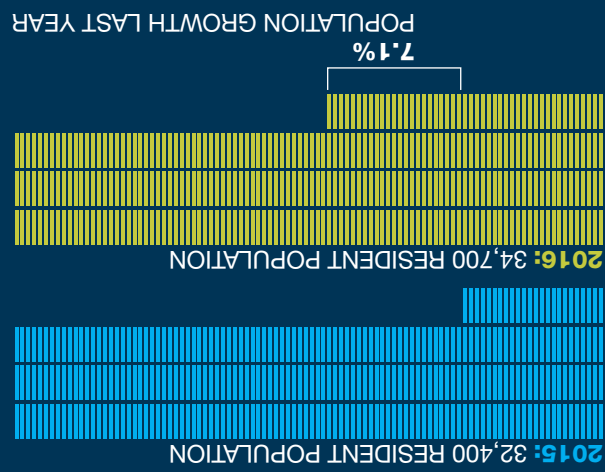
The Statements of Proposal for each of these three issues will be posted on our website along with the submission forms:

www.qldc.govt.nz

FRIDAY 28 APRIL
 FEEDBACK CLOSSES

TAKING ON THE CHALLENGE OF UNPRECEDENTED GROWTH

QLDC ANNUAL PLAN 2017-18



LOOKING AHEAD

Every three years we prepare a 10-Year Plan. The next one is due next year and we're already working on it.

The big items you can expect to see will include:

- TRAFFIC**
 More solutions around car parking, easing traffic flow and public transport.
- PROJECT CONNECT**
 Creating one Wakatipu office to improve customer service for the community and enable us to work more efficiently. Our staff currently work out of four offices around Queenstown. We are also turning our minds to our civic response to Wanaka's growth.
- 3 WATERS**
 More infrastructure including schemes proposed for smaller communities.
- LAKEVIEW TO MARKET**
 Delivering the best solution for this valuable and desirable parcel of land. The 10-Year Plan will provide the Council's final position on the Convention Centre.

TELL US WHAT YOU THINK

Your elected representatives want to hear what you think. You can also ask QLDC to make provision for other projects that you think we should fund or support. **Here's how:**

- ONLINE**
 at www.qldc.govt.nz - use the feedback form. (No computer access? Use the public terminals at any QLDC office or library.)
- EMAIL**
services@qldc.govt.nz - remember to include your name, address and a contact phone number.
- WRITE** to QLDC – Annual Plan Feedback, 10 Gorge Rd, Queenstown 9300 or drop your letter in at any QLDC office or library.
- TALK** to our Councillors at a feedback session near you:
 - Luggate:** Monday 10th April | Luggate Hall | 5pm – 6.30pm
 - Queenstown:** Wednesday 12th April | Memorial Centre | 5.30pm – 7pm
 - Arrowtown:** Thursday 13th April | Arrowtown Community Centre | 5.30pm – 7pm
 - Wanaka:** Tuesday 18th April | Armstrong Room | 5.30pm – 7pm
 - Hawea:** Thursday 20th April | Hawea Community Hall | 5pm – 6.30pm
 - Arthurs Point:** Friday 21st April | Nugget Point Hotel | 5.30pm – 7pm
 - Glenorchy:** Wednesday 26th April | Glenorchy Hall | 5.30pm – 7pm

FEEDBACK CLOSSES ON FRIDAY 28 APRIL 2017