Attachment A: Draft Annual Report 2025-2026

Annual Report
Rīpoata ā-tau

2025 2026



Draft

QUEENSTOWN LAKES DISTRICT COUNCIL

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Introduction
Whakatakika

What's an Annual Report?

Every year the Council must produce an Annual Report which reviews our performance - both financially and in delivery of projects and services. Alongside financial statements we look at how we are delivering against the programmes laid out in the Long Term Plan 2024-2034.

Why it's been prepared

The Local Government Act 2002 contains a comprehensive reporting cycle for all local authorities. The audited annual report is a key way that local authorities report on the effect of their activities on the social, economic, environmental, and cultural well-being of their local communities.

Audit information

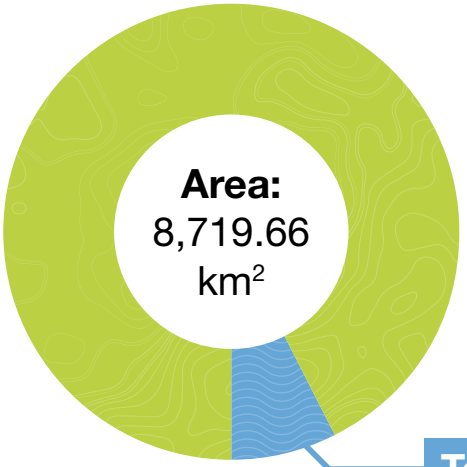
Annual Reports are independently audited, and the Auditor's report is included. The Council uses external auditors to evaluate compliance with the Local Government Act 2002 and accounting standards for the information presented in the report.

Queenstown Lakes

Queenstown Lakes District is renowned for its natural beauty and is one of the fastest growing districts in Aotearoa New Zealand. World-class hospitality, lifestyles that are the envy of many, and a thriving tourism industry thanks to its impressive natural landscapes contribute to its popularity.

Our district[1]







97% outstanding natural landscape

Approximately **80%** DOC land

Total water area: 638km²

Our economy

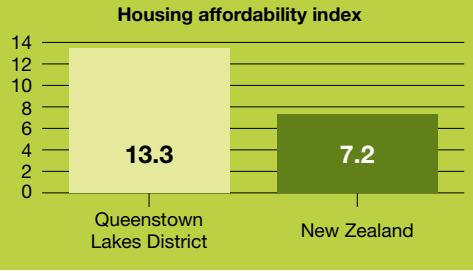
GDP (Mar 2025) **4,652M**	**Tourism GDP** (Mar 2025) **1,508.6M**	32.4% of total GDP
Jobs (Mar 2025) **32,570**	**Tourism jobs** (Mar 2025) **12,564**	36.3% of total jobs

4.8M **Commercial accommodation guest nights**[2]

11.8% of NZ total

Tourism and construction dominate the Queenstown Lakes economy. Over the last decade, more than **60%** of all workers in the district were employed in these industries.[3]

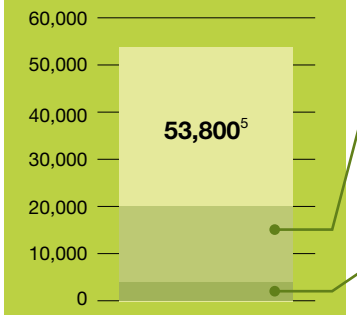
In proportion to incomes, housing in the district is the second least affordable in Aotearoa New Zealand.[4]



[1] Unless otherwise indicated statistics are sourced from Infometrics: https://regions.infometrics.co.nz/queenstown-lakes-district
[2] https://teic.mbie.govt.nz/ste/theEconomy/economicResilience/#indicatorSection3
[3, 4] Economic Diversification Plan: https://www.qldc.govt.nz/media/hmvpntis/queenstown-lakes-economic-diversification-plan_final.pdf

Our people

Population
(June 2025)



Median age: **35.5 years**[6]

37% of our population is **aged 25–29**[7]

7% of our population identify as **Māori**[8]

Our population is projected to grow on average by **3% per annum**[9] **until 2037,** equating to a population increase of **greater than 34%** or an additional **20,000+ residents.**

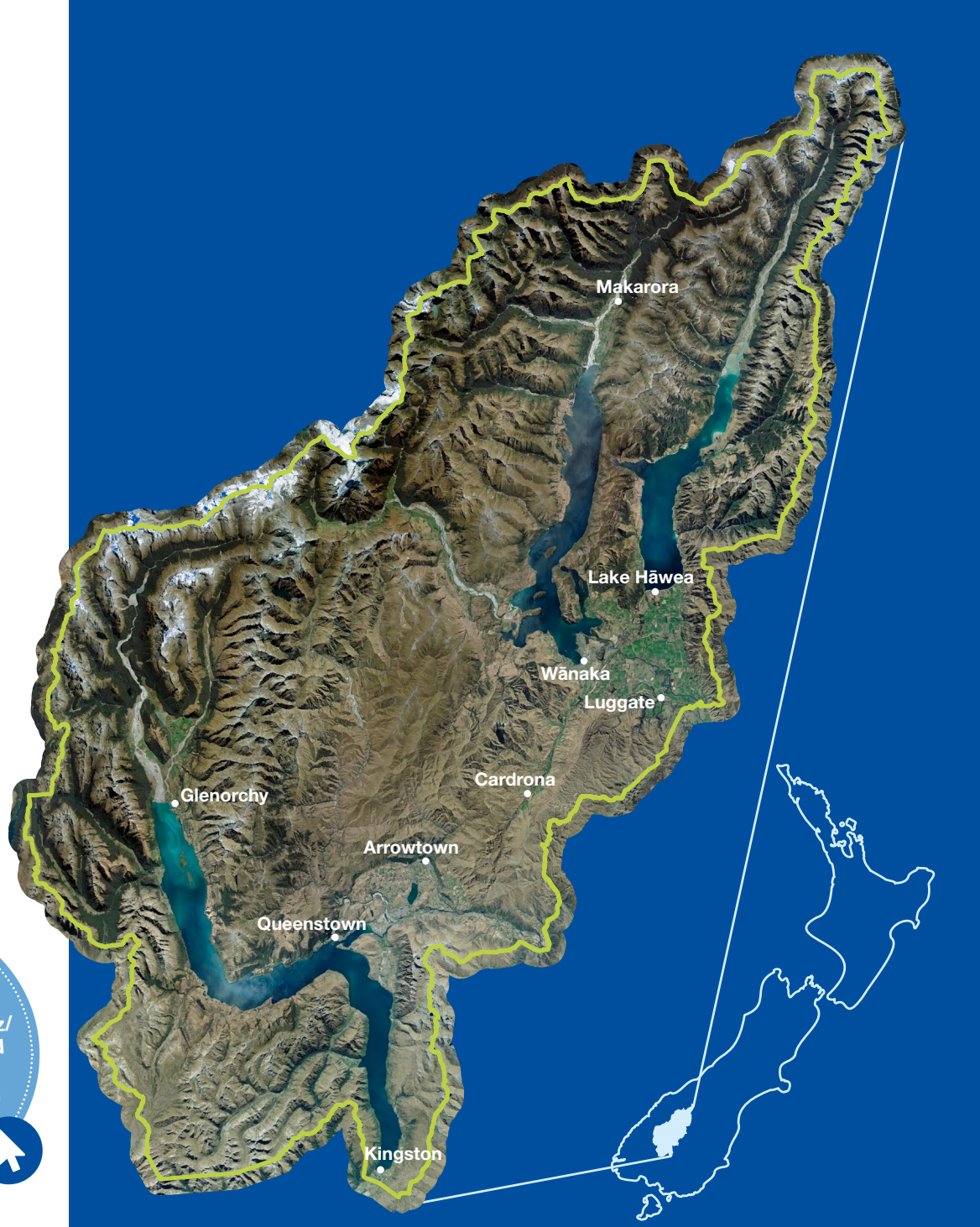
Average day population, including residents and visitors, is projected **to increase from 88,000 to more than 118,000 people.** On peak days, the district's population more than doubles compared with the resident population.

What our people think about living here

74% of our population rate their quality of life as good or extremely good.[10]

Improved housing, employment opportunities and overall quality of life in our district are key contributors to locals' wellbeing.

Interested in knowing more? Visit **www.qldc.govt.nz/wellbeing-dashboard** for more information about local wellbeing insights.



[5, 6] https://tools.summaries.stats.govt.nz/places/TA/queenstown-lakes-district#1014
[7, 8, 10] https://www.qldc.govt.nz/media/uk2nuwka/qldc-qol-report-2025.pdf
[9] https://www.qldc.govt.nz/media/z3cebqat/qldc-demand-projections-summary-may-2026.pdf

A message from the Interim Chief Executive

He whakarāpopoto mai i te Tumu Whakarae

This Annual Report reflects on the second year of delivering the Long Term Plan 2024-2034 (LTP)[11]. While much of our focus during 2025-2026 was on delivering the commitments set out in that plan, it was against a backdrop of ongoing change and uncertainty across the local government sector.

The LTP itself was developed and adopted in an unusual environment. In 2024, its adoption was deferred from the statutory June deadline until September to respond to changing government direction for water services. This required councils across New Zealand to rapidly reintroduce three waters assets and investment into their long-term planning and budgets.

The 2025-2026 year continued this theme of change. As we navigated a complex reform programme, growing infrastructure demands and continued population growth, we remained focused on delivering essential services, progressing critical projects and planning for the district's future.

A major focus this year has been preparing for the establishment of a Water Services Council Controlled Organisation[12] in response to the government's Local Water Done Well reforms. While Council will continue delivering water services until 1 July 2027, significant work is already underway to prepare for the transition.

Three waters infrastructure remains one of Council's largest areas of investment. During the year we progressed several wastewater and drinking water upgrades across the district, helping improve service quality, network resilience and capacity for future growth.

Highlights included progress on the Upper Clutha Wastewater Conveyance Scheme, completion of UV treatment upgrades across the district to support safe and compliant drinking water suppliers and commissioning a significant upgrade at the Shotover Wastewater Treatment Plant consisting of a second Modified Ludzack-Ettinger (MLE) reactor and clarifier to process wastewater, improving the quality of treated wastewater discharged.

The Shotover Wastewater Treatment Plant remains a key priority for Council. In May 2026, Council officers lodged a resource consent application for the long-term treated wastewater discharge solution, while continuing a comprehensive programme of work to identify and assess alternative land-based and hybrid disposal options that may minimise the extent of the discharge of treated effluent to water. This work includes ongoing engagement with mana whenua and the wider community. The alternative options programme will continue over the coming year, with officers expected to report back to Council in March 2027 with the findings of the assessment and recommendations to inform an implementation decision. While some projects have experienced delays, most notably along Robins Road in Queenstown, we remain committed to delivering these important upgrades and acknowledge the patience shown by affected residents and businesses.

With significant population growth projected in the decades ahead, proactive planning remains one of Council's key priorities.

During the year, we continued advancing housing and business capacity assessments, urban intensification planning and strategic growth initiatives across the district. Key milestones included adoption of the Southern Corridor Structure Plan, commencement of structure planning for Frankton and Central and Southern Wānaka, and adoption of the Blue Green Network Plan, providing a framework for the coordinated growth and protection of waterways, open spaces and community places.

Alongside Council-led strategic planning, we continue to respond to a growing number of developments progressing through the Government's Fast-track Approvals process. While these projects have the potential to contribute significantly to housing and economic growth, they also reinforce the importance of coordinating infrastructure, transport networks, community facilities and environmental outcomes across the district.

In May this year, central government announced *'Head Start for Simplifying Local Government'* - a streamlined, voluntary pathway for councils willing and able to reorganise before the 2028 local body elections. While the deadline for proposals was just 90 days, Council responded by partnering with Dunedin City Council to propose a twin-unitary model for Otago, ensuring our district has a strong voice in shaping its future. If successful, any changes would require substantial further analysis, community consultation and Government consideration.

Work has continued to advance the Otago Central Lakes Regional Deal proposal. This represents a significant opportunity for the region to establish a long-term partnership focused on making growth work better for local communities. It provides a framework for addressing some of the region's most pressing challenges, including infrastructure funding, housing supply, economic resilience, climate adaptation, and growth management. Negotiating and refining this proposal has required considerable effort from elected members, staff, and our regional partners, and remains ongoing.

For more information about our projects, visit **www.qldc.govt.nz/council-projects**

[11] https://www.qldc.govt.nz/your-council/council-documents/long-term-plan-ltp

[12] https://www.qldc.govt.nz/services/water-services-cco

The year also reinforced the importance of actively engaging with and listening to our communities. Through consultation on our Annual Plan and other key projects, residents, businesses, mana whenua, community organisations, and stakeholders provided valuable feedback that helped shape our decision-making. That feedback played a direct role in refining priorities, balancing investment with affordability considerations, and ensuring our plans reflected community expectations.

Encouragingly, results from the latest Community Insights Survey show positive movement in how residents perceive Council's performance, communication, and leadership. While we recognise there is still work to do to build trust and confidence, these results suggest we are moving in the right direction and that our commitment to transparent engagement is making a difference.

As always, our people have been central to everything we have achieved. This year has demanded adaptability, resilience, and professionalism from staff across the organisation.

Whether responding to severe weather events, delivering complex infrastructure projects, supporting community engagement, managing regulatory change, or maintaining day-to-day services, our teams have continued to demonstrate an unwavering commitment to serving the district.

It's been a time of transition for the organisation. Following the departure of former Chief Executive Mike Theelen after a decade of service, I had the privilege of stepping into the role of Interim Chief Executive. Reflecting on my time in this role, I have been continually impressed by the resilience, professionalism and commitment of our people. I am particularly proud of the way the organisation has embraced change while remaining focused on what matters most: delivering for our communities. We've continued to navigate a period of considerable uncertainty, while investing in the future, strengthening key partnerships, and maintaining momentum on the priorities that will shape the district for years to come.

While the challenges facing Queenstown Lakes are significant, so too are the opportunities. Growth, investment, innovation and community leadership continue to position our district for success. By working together, we can ensure Queenstown Lakes remains a thriving, resilient and desirable place to live, work and visit for generations to come.

Kā mihi nui.



Michelle Morss
Interim Chief Executive







Our Council

Tō Tātou Kaunihera

Our elected Council comprises the Mayor and 11 Councillors. The Mayor represents the district, while Councillors represent the three areas (Wards) of the district: Queenstown-Whakatipu, Arrowtown-Kawarau, and Wānaka-Upper Clutha.

We also have one community board, with seven members representing the Wānaka-Upper Clutha area. The Wānaka-Upper Clutha Community Board has four elected members and additional members appointed from the Council. The Council and elected Community Board members are elected every three years.

Role of Council

Council holds overall responsibility and accountability for the proper direction and control of the district's activities. The elected Council appoints a Chief Executive under section 42 of the Local Government Act 2002 to manage day-to-day operations, who then appoints managers to oversee key areas of Council activity.

What does Council do?

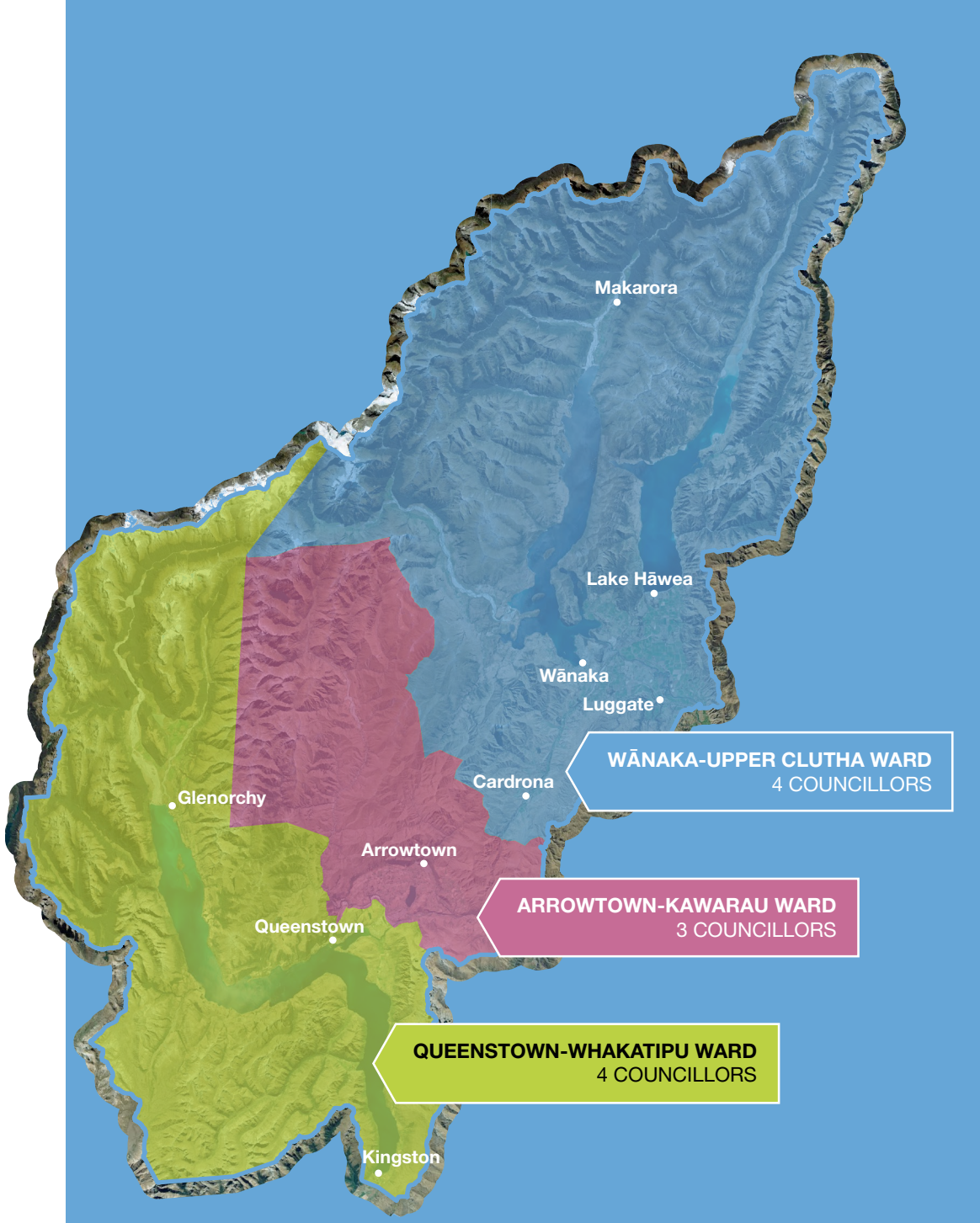
The elected Council concentrates on setting policy and strategic direction, while management is concerned with:

> providing policy advice to inform Council's decision making.

> implementing policy and strategy and monitoring these approaches.

Council's regulatory functions, in adherence to legislation, must maintain an appropriate separation from political influence. However, management reports to Council and the community against a suite of key performance indicators (KPIs) in terms of its performance of these activities. These are reported monthly, quarterly and annually on the QLDC website with annual reports being independently audited.

Read more about how QLDC is performing here: **www.qldc.govt.nz/monthly-reports**



Council is responsible for:

- Setting long term goals and priorities for the local authority
- Setting the budget
- Adopting policies, strategies and bylaws that guide the local authority's operations
- Monitoring the local authority's performance and financial management
- Maintaining and cultivating Council's relationship with Kāi Tahu as mana whenua and their involvement in decision making
- Engaging with their local community
- Enabling community participation and decision-making on local issues
- Promoting the social, economic, environmental, and cultural well-being of the community

Management is responsible for:

- Providing policy advice to Council to inform their decision making
- Implementing and administering policies, bylaws, strategies and regulations and upholding the law
- Managing key risks facing the district
- Maintaining the integrity of management control systems
- Ensuring effective succession of elected members

Wānaka-Upper Clutha Community Board

The Wānaka-Upper Clutha Community Board | Te Poari Haporiki Wānaka is not a committee of Council but a separate unincorporated body established under section 49 of the Local Government Act 2002. Its role is to represent and advocate for the Upper Clutha community. Council has delegated a wide range of decision-making powers to the Wānaka-Upper Clutha Community Board for facilities and services within the Wānaka-Upper Clutha ward.

Did you know?

Council also has committees that exist to help to monitor and assist in the effective delivery of Council's specific responsibilities.

Read more about them on our website:

www.qldc.govt.nz/committee-structure





Our planning cycle

LONG TERM PLAN

> Reviewed every three years

> Ten year horizon but with a 30 Year Infrastructure Strategy

> The Long Term Plan sets the direction of the Council, providing a long term focus on how it will deliver against the strategic framework

> Explains the purpose, direction and cost of each Council activity

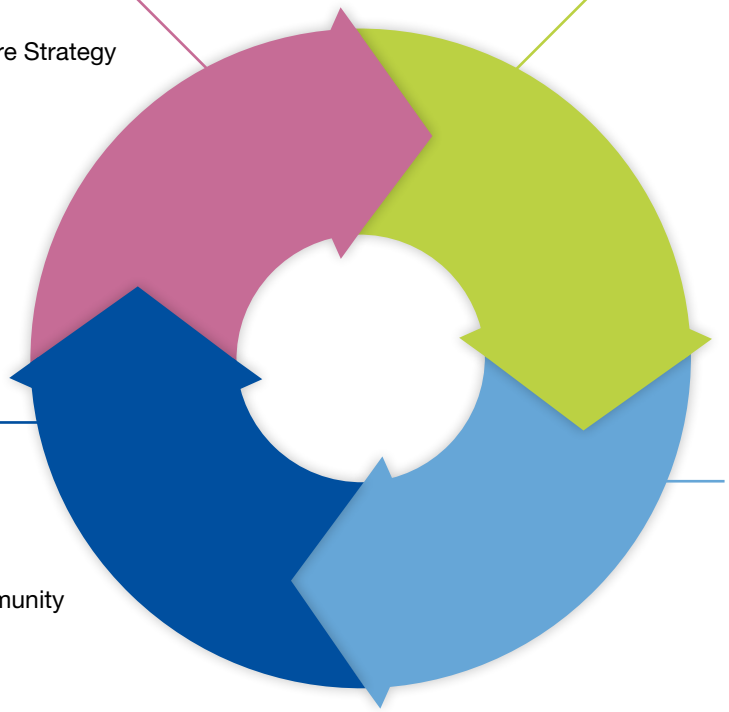
> The Long Term Plan 2024-2034 can be downloaded from www.qldc.govt.nz/ltp

ANNUAL PLAN

> Completed in each of the two years between the Long Term Plan

> Confirms what the Council plans to do in the 12 months ahead to achieve the direction set in the Long Term Plan

> Past Annual Plans can be downloaded from www.qldc.govt.nz/annual-plans



We are here!

STRATEGIC FRAMEWORK

> Outlines how the community's aspirations and wellbeing drive everything we do

> The framework identifies areas we need to prioritise to address local issues and make meaningful progress towards meeting the community outcomes outlined in Vision Beyond 2050

> The Strategic Framework and Investment Priorities can be read at www.qldc.govt.nz/your-council/our-strategic-framework

ANNUAL REPORT

> Produced every year

> Reports back to the community on whether the Council has done what it planned to do

> Past Annual Reports can be downloaded from www.qldc.govt.nz/annual-reports





Our strategic framework

Local government is navigating a complex and uncertain future, with ongoing and upcoming Government reforms set to significantly impact how infrastructure and services are planned and funded.

In Queenstown Lakes District, rapid growth and high visitor numbers – combined with limited alternatives to rates and development contributions – create funding challenges. The district's Long Term Plan 2024-2034 sets out the opportunities, challenges and constraints influencing Council's strategic thinking and planning process for the next ten years.



OUR COMMUNITY OUTCOMES

As defined in Vision Beyond 2050[13], 'A unique place. An inspiring future | He wāhi Tūhāhā. He āmua whakaohooho'. These outcomes reflect the community's aspirations for itself and the values that collectively define what is unique about our district. They are owned by the whole community and have been recognised by organisations across the district.

OUR WELLBEING OUTCOMES

The community outcomes are supported by our Wellbeing Outcomes Framework, which guides how Council contributes to the wellbeing of our people and environment now and into the future. This framework is based on the Wellbeing Framework for Otago developed by Otago Regional Council in conjunction with councils across the region. These outcomes are summarised and can be read in detail at www.qldc.govt.nz/our-strategic-framework

CORE SERVICES

The community and wellbeing outcomes are delivered every day through our core services. As a high growth area with limited resources, there are challenges and constraints we must work within, some of which are outside of our control.

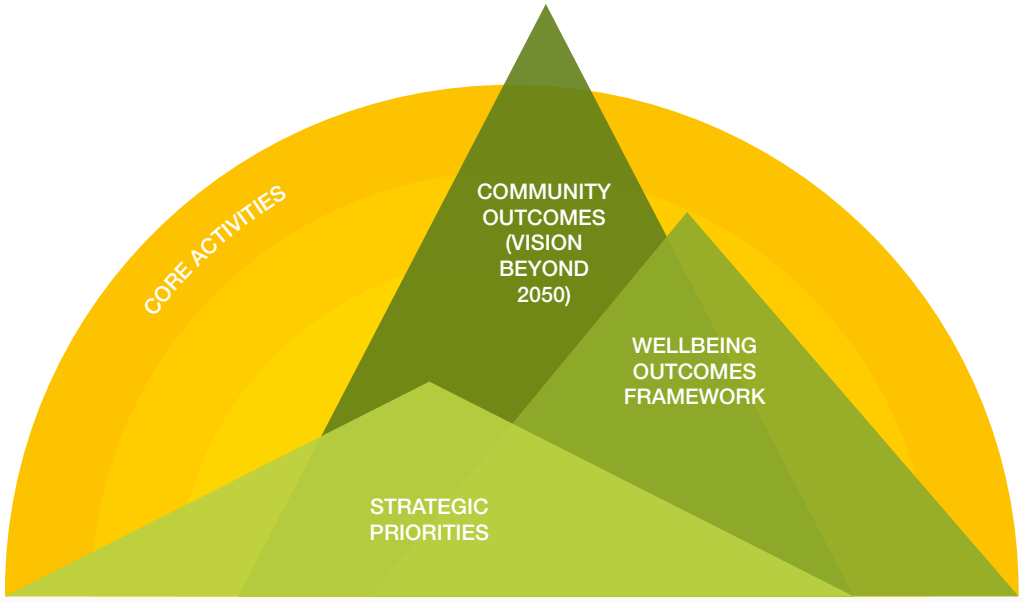
STRATEGIC INVESTMENT PRIORITIES

We have identified specific strategic priorities that require additional focus, investment, or partnerships to address district-specific issues or aspirations. Our strategic investment priorities are outlined on page 15 of the district's Long Term Plan 2024-2034.

[13] https://www.qldc.govt.nz/our-strategic-framework

Our strategic framework and investment priorities

Despite the challenges, our commitment to the community's aspirations and wellbeing drives everything we do. Our strategic framework identifies areas we need to prioritise to address local issues and make meaningful progress towards meeting community outcomes. We have used this framework to build the current capital programme for the district. The first two years of the capital programme in the LTP 2024-2034 focus on getting the basics right, with other strategic investments only being included in addition to these from year three.



OUR COMMUNITY OUTCOMES...

- Thriving people | Whakapuāwai Hapori
- Living Te Ao Māori | Whakatinana i te ao Māori
- Opportunities for all | He ōhaka taurikura
- Breathtaking creativity | Whakaohooho Auahataka
- Deafening dawn chorus | Waraki
- Zero carbon communities | Parakore hapori
- Disaster-defying resilience | He Hapori Aumangea
- Pride in sharing our places | Kia noho tahi tātou katoa

...ARE SUPPORTED BY OUR WELLBEING OUTCOMES FRAMEWORK...

CROSS CUTTING
Equity
Mātauraka Kāi Tahu
Resilience
Sustainability

PEOPLE
Healthy and fulfilled people
A good standard of living

PLACE
A healthy natural environment
An enabling built environment

COMMUNITY
Connected communities
Belonging and identity
Participation and governance

...AND DELIVERED EVERYDAY THROUGH OUR CORE ACTIVITIES...

| Community Partnerships | Libraries | Sport & Recreation | Community Facilities and Venues | Parks and Reserves | Property | District Plan | Planning Policy | Resource Consents | Water Supply | Wastewater | Stormwater | Transport | Waste Minimisation and Management | Strategic Growth - Spatial Plan | Economy | Climate Action and Resilience | Regulatory Functions and Services | Local Democracy | Emergency Management | Finance and Support Services

...AND THROUGH ADDITIONAL FOCUS ON OUR STRATEGIC INVESTMENT PRIORITIES.

GET THE BASICS RIGHT FIRST
| Protect human and environmental health
| Maintain levels of service
| Undertake essential renewals
| Ensuring we're ready for the future

DIRECTLY INVEST IN INFRASTRUCTURE & SERVICES
| Create well designed communities
| Provide for growth
| Build resilience and ability to adapt to the future
| Enhance performance of the transport network
| Create thriving town centres
| Reduce carbon emissions

INVEST THROUGH PARTNERSHIP WITH OTHERS
| Diversify the economy
| Build a sustainable tourism system
| Improve housing affordability

Relationship with Māori

Maintaining and cultivating Council's relationship with Māori is an important commitment. In addition to ensuring that the Māori perspective and needs are reflected through effective partnership, Council believes it is important to demonstrate its commitment to tākata whenua and their community values, issues and aspirations as they relate to economic, social, cultural and environmental wellbeing.

The district is part of the Kāi Tahu Takiwa, straddling both the Murihiku (Southland) and Ōtākou (Otago) rohe. Regionally, Council participates in Te Rōpū Taiao ki Murihiku and Te Rōpū Taiao ki Ōtākou. Te Rōpū Taiao is a relationship between the regional and district councils of Otago and Southland and the Papatipu Runaka (representing Kāi Tahu) of the relevant region. These quarterly meetings provide an opportunity for councils and iwi to collectively discuss shared interests such as protecting the wellbeing of our natural resources and environment and help to inform Council's strategic decision making about the future conservation of the district. Council continues to develop relationships with both Te Ao Mārama Incorporated and Aukaha representing Ngā Papatipu Rūnaka ki Murihiku (Southland) and Ōtākou (Otago). These are essential and genuine partnerships that Council values.

At a practical level, Council endeavours to seek early input from both organisations into important planning, policy, cultural and environmental matters, and they are important and respected partners of the Queenstown Lakes Spatial Plan Steering Group. They also provide valuable guidance on many cultural and design matters that influence aspects of Council's work such as parks and the district-wide infrastructure upgrades.

In addition to ensuring that the Māori perspective and needs are reflected through effective partnership, Council believes it is important to demonstrate its commitment to mana whenua and their values, issues and aspirations as they relate to economic, social, cultural and environmental wellbeing.

In the last year, Council has continued to focus on staff development to develop a strong understanding and application of Te Reo Māori and tikaka. Te Reo Māori is a core part of Council communications, signage in venues and facilities, and is encouraged in both spoken and written form. Meetings have increased their inclusion of karakia or whakawhanaukataka. A good example of integration is:

- **Mihi Whakatau protocols for new staff has now become a permanent part of the induction**

- **Te Rōpū Manu Taki a group of Māori or non-Māori staff who have a higher level of cultural and Te Reo Māori capability give feedback and guide council through our internal practices and professional learning for kaupapa Māori**

- **The reintroduction of Mana to Mana meetings between QLDC elected members and Kāi Tahu regional leaders (Papatipu Rūnaka) to help grow our understanding of cultural values and iwi aspirations**

- **Frequent use of karakia and Te Reo or tikaka Māori within council meetings**

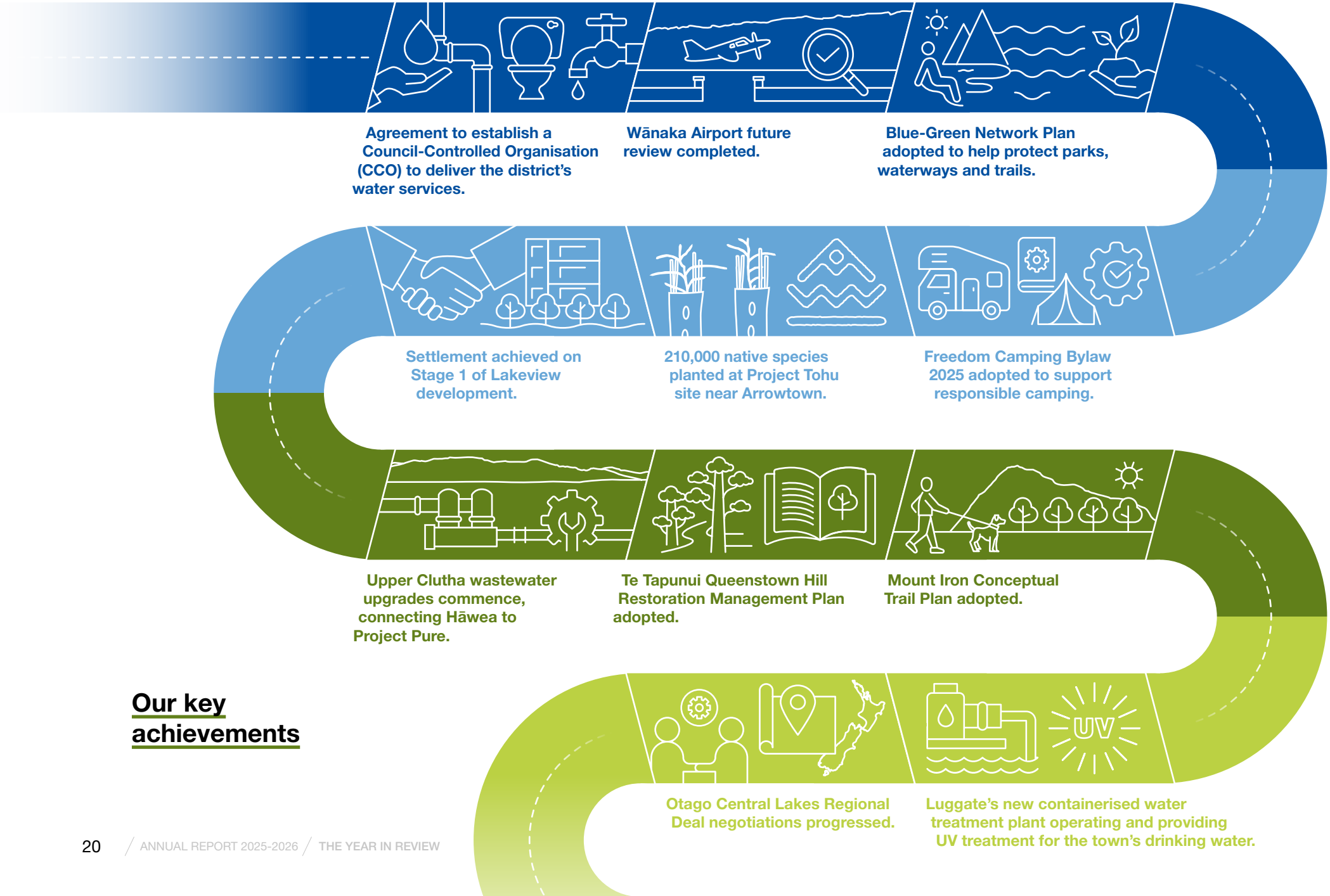
Council has regular hui at both operational and governance levels with its Iwi partners to enable a regular opportunity for all parties to share information, key priorities and discuss programmes of work, and to ensure alignment. Seen as a measure of success for all parties, the kanohi ki te kanohi (face to face) protocol hui involving Council's executive leadership team is a key activity in honouring the partnership with mana whenua and all Māori in the district.



The year in review

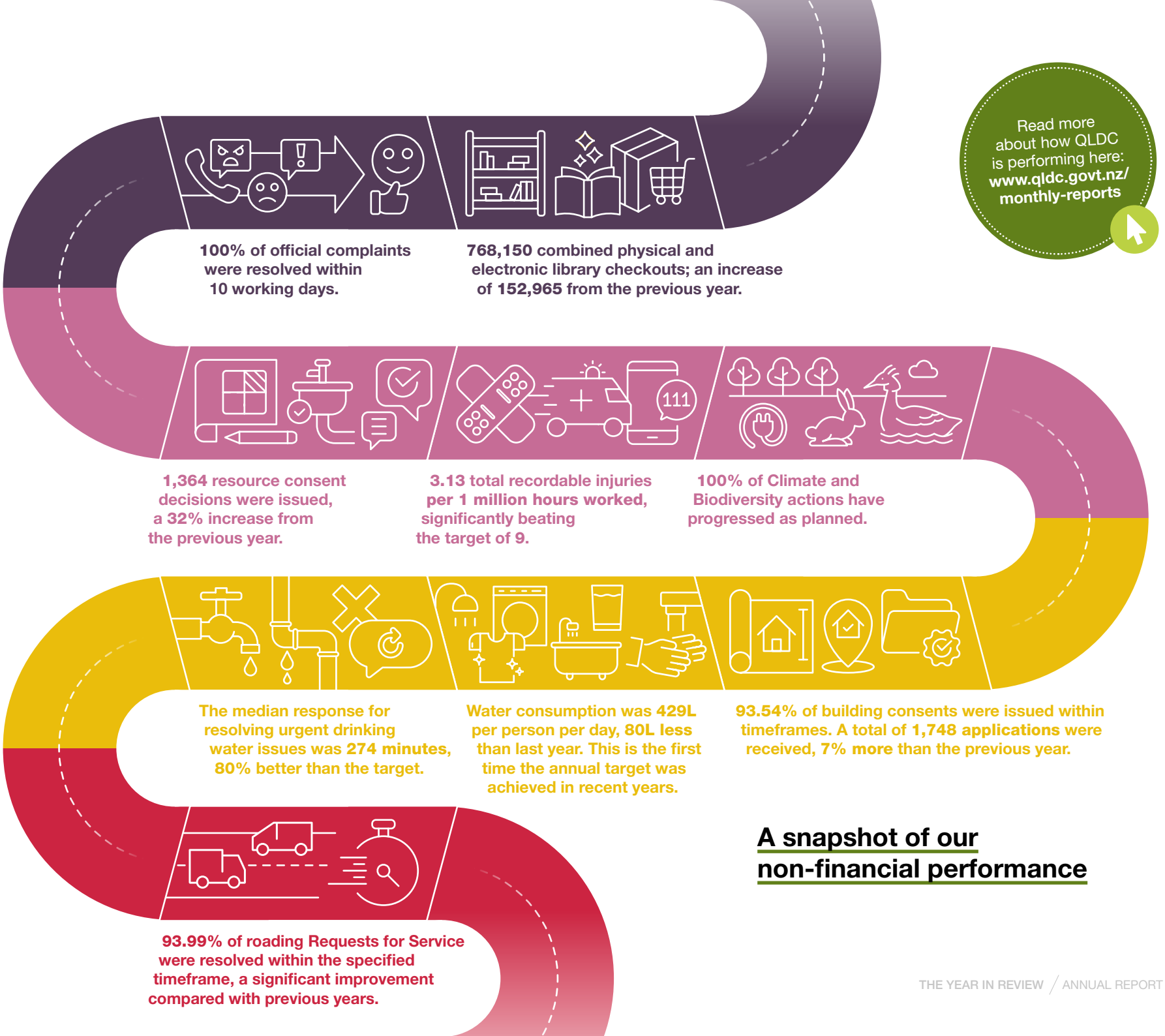
He tirohaka ki te tau kua pahure ake

Our key achievements



A snapshot of our non-financial performance

Read more about how QLDC is performing here: **www.qldc.govt.nz/monthly-reports**



100% of official complaints were resolved within 10 working days.

768,150 combined physical and electronic library checkouts; an increase of 152,965 from the previous year.

1,364 resource consent decisions were issued, a 32% increase from the previous year.

3.13 total recordable injuries per 1 million hours worked, significantly beating the target of 9.

100% of Climate and Biodiversity actions have progressed as planned.

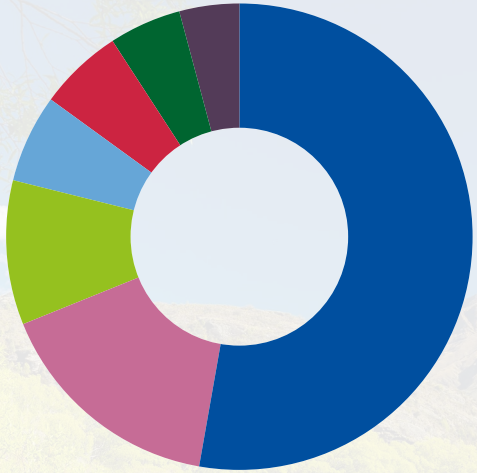
The median response for resolving urgent drinking water issues was 274 minutes, 80% better than the target.

Water consumption was 429L per person per day, 80L less than last year. This is the first time the annual target was achieved in recent years.

93.54% of building consents were issued within timeframes. A total of 1,748 applications were received, 7% more than the previous year.

93.99% of roading Requests for Service were resolved within the specified timeframe, a significant improvement compared with previous years.

Where the money comes from



53% Rates

16% User Fees

10% Development Contributions

6% Borrowing

6% Other

5% Dividend and Interest

4% Grants

How the money is spent

19% Community Services and Facilities

18% Transport

13% Wastewater

10% Waste Management

9% Water Supply

9% Economy[14]

7% Regulatory Functions/Services

6% Environment

5% Stormwater

4% Local Democracy

27% Three Waters overall



[14] Expenditure in the economy group is inclusive of QLDC's collection of levies on commercial ratepayers on behalf of Tourism promotion organisations – Destination Queenstown $5.3M, Lake Wānaka Tourism $1.4M and Arrowtown Promotion and Business Association $236k.

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**A Council-controlled trading organisation*

AUDITORS
Deloitte Limited on behalf of the Office of the Auditor-General, Dunedin

SISTER CITY
Aspen, Colorado, USA (Queenstown)

FRIENDSHIP CITY
Hangzhou, China

Statement of compliance and responsibility

Tauākī o te tūtohu me te haepapa

Compliance

The Council and management of Queenstown Lakes District Council confirm that all the statutory requirements of Part 3 Schedule 10 the Local Government Act 2002 have been complied with including those outlined in the Local Government (Financial Reporting and Prudence) Regulations 2014.

Responsibility

The Council and management of QLDC Group accept responsibility for the preparation and completion of the annual report and the related assumptions, estimates and judgments.

The Council and management accept responsibility for establishing and maintaining systems of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and service performance.

In the opinion of Council and management of QLDC, the annual report for the year ended 30 June 2026 presents fairly in all material respects:

> our financial performance, financial position, cash flows
> the funds from each source of funding
> the capital expenditure spent compared to budget
> our service performance by groups of activities.



John Glover
Queenstown Lakes District Mayor



Michelle Morss
Interim Chief Executive

Statement of Service Performance

Te tauākī ā kā ratoka kaunihera

For further detail about each activity, please refer to page 25 in the Long Term Plan 2024-2034.

Community services and facilities

Kā Ratoka me kā whare ā-hapori

Community partnerships

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:

- Thriving people | Whakapuāwai Hapori
- Living Te Ao Māori | Whakatinana i te ao Māori
- Disaster-defying resilience | He Hapori Aumangea
- Pride in sharing our places | Kia noho tahi tātou katoa

WHAT WE DO

We build thriving, safe, and resilient communities through community-led development and engagement. Our goal is sustainable, intergenerational wellbeing for Queenstown Lakes. We empower communities with tools, resources, and capacity to achieve their aspirations. Central to our work is inclusive engagement that fosters social cohesion through diversity, equity, and belonging. We also support council teams in building trusted relationships and delivering strategies that enhance cultural and social wellbeing.

WHY WE DO IT

Effective partnerships enhance collaboration between council and community, build capability, and support wellbeing and resilience. We work with agencies like Te Whatu Ora, DIA and MSD to advocate for our communities. Events like Summerdaze and Welcoming Week foster connection, while our Responsible Camping Programme promotes respectful visitor engagement. Council's commitment to the Welcoming Communities programme helps newcomers feel included and able to participate in the district's economic, civic, cultural, and social life.

WHAT WE DELIVERED

Supported community investments and capability building: funding workshops were delivered district-wide in collaboration with key partners to help local groups strengthen grant readiness. Funding was distributed through the Community Fund, Events Fund and Waste Minimisation Community Fund in 2025-2026, supporting a range of local initiatives.

Built momentum in year two of the Creativity, Culture and Heritage Strategy: strengthening sector capability, collaboration and promotion through workshops, funding support, stakeholder engagement and outreach.

Expanded participation and access to creativity and culture: supported creative careers initiatives, museum education programmes, regional outreach, and district-wide events including Open Studios, Creative Trails and the Creative Spaces Project.

Strengthened heritage and community connections: through oral history collection, heritage partnerships, and the successful Te Muka Toi, Te Muka Tākata Creative and Culture Hui, bringing together local, national and international voices.

Managed Responsible Camping in the district: efforts to manage the impacts of freedom camping continued through the Summer Ambassadors programme, community education and enforcement activities under the Freedom Camping Bylaw 2025.

Delivered the Welcoming Communities programme: key achievements included English language classes for newcomers, swimming lessons for migrant women, business support for migrant business owners and the launch of a Newcomers Guide.

Libraries

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:

- Thriving people | Whakapuāwai Hapori
- Living Te Ao Māori | Whakatinana i te ao Māori
- Breathtaking creativity | Whakaohooho Auahataka

WHAT WE DO

QLDC Libraries offer free access to physical and digital resources for learning, leisure, and connection. In partnership with CODC, our eight libraries link to 15 branches across both districts. Collections include local history, te reo Māori, world languages, and digital media. Libraries serve as community hubs with events, outreach, and digital literacy support. Guided by principles like equity of access, sustainability, kaitiakitanga and manaakitanga, we reflect and support the diverse communities of Queenstown Lakes.

WHY WE DO IT

Our libraries provide functional, welcoming, fit-for-purpose community spaces where people can connect and have free and equitable access to information, events and services. These services, and the work of our skilled and knowledgeable library staff, contribute to enhancing community wellbeing, educational opportunities, cohesion and resilience.

WHAT WE DELIVERED

Championed literacy and language: QLDC Libraries surpassed half a million physical book checkouts for the first time, while e-item use also reached a record high. A new addition, Universal Class offers more than 600 self-paced study courses across 35+ subject areas and has already recorded 2,418 lesson views.

Supported learning for life: QLDC's two 1,000 Books programmes continue to foster literacy and lifelong learning across the community. The Books at School programme has grown to 49 classrooms, with 1,369 students reading for pleasure.

Fostered connected, vibrant communities: Forest Quest, our summer reading challenge delivered in partnership with the Whakatipu Reforestation Trust and Te Kākano, saw 570 tamariki read nearly 4,000 books. Playing card prizes featuring endemic trees encouraged families to play together while learning about local native biodiversity.

Improved equity and access: launched The Karawhiua* Collection / Library of Things, featuring more than 150 practical, creative, and educational items. With sustainability and equity at its heart, the collection helps remove financial barriers by sharing resources such as coding robots, home energy heat kits, and telescopes, giving everyone the opportunity to learn, create, fix, and explore. **Karawhiua means "go for it, give it heaps, have a go".*

Sport, recreation, community facilities and venues

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:

- Thriving people | Whakapuāwai Hapori
- Breathtaking creativity | Whakaohooho Auahataka
- Zero carbon communities | Parakore hapori

WHAT WE DO

Council provides diverse community facilities, including aquatic centres, indoor courts, sports fields, and event venues across the district. Key sites include Paetara Aspiring Central, Wānaka Recreation Centre, and Queenstown Events Centre, which host fitness, sports, and wellbeing programmes. We collaborate with local groups to build recreation capacity and offer affordable spaces for community use. Our venues support both local and international events, fostering connection, wellbeing, and economic activity through sport, recreation and cultural engagement.

WHY WE DO IT

Providing outstanding facilities promotes involvement in sport, recreation and events. This in turn improves quality of life, helps build strong and resilient communities and promotes personal health and wellbeing. Recreation and sport facilities and quality venues stimulate the economy and attract families and individuals as well as non-profit and commercial events to the district.

WHAT WE DELIVERED

- **Enhanced facility wayfinding:** installed digital signage at Wānaka Recreation Centre and bilingual wayfinding signage at Queenstown Events Centre.
- **Upgraded community sports facilities:** installed basketball hoops at Queenstown Events Centre and Paetara Aspiring Central in Wānaka, along with new sports field floodlights at Wānaka Recreation Centre.
- **Secured funding for accessibility improvements:** funding was confirmed for an accessibility hoist at Alpine Aqualand, with installation planned for 2026-2027.
- **Sprung wooden floors at the Wānaka Recreation Centre:** A supplier has been procured to install a high performance wooden floor over the existing synthetic floor in December–January 2027.

Parks and reserves

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:

- Thriving people | Whakapuāwai Hapori
- Breathtaking creativity | Whakaohooho Auahataka
- Deafening dawn chorus | Waraki
- Zero carbon communities | Parakore hapori

WHAT WE DO

Council manages over 2,500ha of parks and reserves, including playgrounds, trails, and sports fields. We maintain Te Kararo Queenstown Gardens, and horticulture and streetscapes in Queenstown, Arrowtown, and Wānaka. Key reserves include Mount Iron, Ben Lomond and Queenstown Hill. We manage cemeteries, tree and pest management, and public amenities. We work with community groups to support their aspirations for reserves e.g. through planting and pest control.

WHY WE DO IT

Open spaces enhance life in the district by offering places to connect, play, and engage with nature. They provide green space that supports biodiversity and climate resilience. Parks and reserves host key events that attract visitors, boosting the local economy. These spaces promote health and wellbeing through accessible outdoor activity. By caring for them, we protect cultural, heritage, and environmental values for current and future generations.

WHAT WE DELIVERED

- **Installed the Tiki Trail bridge:** significantly improving pedestrian safety and access across the Skyline mountain bike trail network.
- **Adopted Tree Succession plans for Eely Point and Queenstown Gardens:** supporting the long-term health and management of these important spaces.
- **Completed and adopted Reserve Management Plans:** for Te-Taumata-o-Hakitekura Ben Lomond and Te Tapunui Queenstown Hill.
- **Approved key strategic plans:** including the Te Tapunui Queenstown Hill Restoration Management Plan, Blue-Green Network Plan, and Mt Iron Trail Plan to guide future restoration, recreation, and environmental outcomes.
- **Planted 210,000 trees at Project Tohu:** delivering the next step in the large-scale revegetation of 200ha of the south facing slope of Coronet Peak (36% of the site now planted).

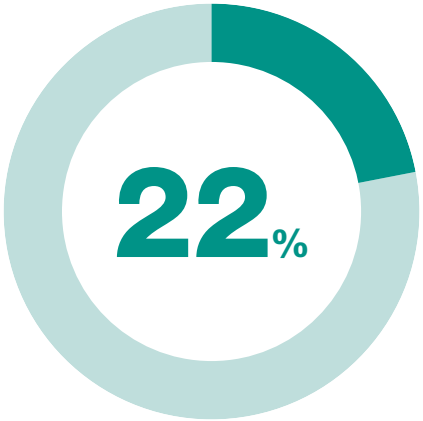
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $212,300,000 (excluding depreciation).

Community services and facilities expenditure of $46,998,000.



Community services and facilities	2025 LTP $000	2026 LTP $000	2025 Actual $000	2026 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	3,081	3,086	3,093	3,531
Targeted rates	35,132	38,343	34,330	38,704
Subsidies & grants for operating expenditure	153	185	79	122
Fees & charges	8,100	8,741	8,328	9,241
Interest and dividends from investments	-	-	18	11
Fuel tax, fines, infringement fees & other receipts	4,829	5,128	6,268	6,684
Total sources of operating funding	**51,295**	**55,483**	**52,116**	**58,293**
Applications of operating funding				
Payments to staff and suppliers	34,349	35,951	35,331	38,383
Finance costs	3,098	3,134	2,948	2,776
Internal charges applied	7,478	7,638	6,444	7,106
Other operating funding applications	-	-	-	-
Total applications of operating funding	**44,925**	**46,723**	**44,723**	**48,265**
Surplus/(deficit) of operating funding	**6,370**	**8,760**	**7,393**	**10,028**
Sources of capital funding				
Subsidies & grants for capital expenditure	13	39	1,080	-
Development and financial contributions	4,503	3,349	3,212	8,783
Increase/(decrease) in debt	2,580	5,266	10,835	(4,143)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**7,096**	**8,654**	**15,127**	**4,640**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	777	2,408	1,927	2,499
- to replace existing assets	10,359	11,118	7,294	8,506
- to improve the level of service	3,078	4,527	5,951	6,487
Increase/(decrease) in reserves	(748)	(639)	7,348	(2,824)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**13,466**	**17,414**	**22,520**	**14,668**
Surplus/(deficit) of capital funding	**(6,370)**	**(8,760)**	**(7,393)**	**(10,028)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Fees and charges - higher revenue than forecast due to the higher than anticipated demand in sports facilities and community facilities. Fuel tax, fines, infringement fees & other receipts - lease income driven largely by turnover rent from increase visitor numbers and activity. Payments to staff and suppliers - additional costs in building and grounds maintenance and in parks & reserves maintenance relating to November storm event. Development contributions were higher than budget due to the timing of receiving them.	Coronet Forest $2.3M, Ballantyne Rd Site Remediation Works $2.0M, Wānaka Airport Compliance $1.0M, Lake Wānaka Centre Building Renewals $0.5M, Wānaka Airport Upgrades $0.4M.	$2.0M brought forward for Ballantyne Rd Site Remediation Works, offset with deferrals of $1.5M for 516 Ladies Mile stage 1 & $0.9M for Queenstown Sports Fields.

How we performed

How QLDC performed against its Key Performance Indicators (KPIs).

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Percentage of Requests for Service (RFS) about freedom camping resolved within 20 working days.	New measure	99%	>95%	98.42%	Achieved - High volumes of freedom camping enquiries, compliance reports, and concerns about safety and environmental impacts were received over the 2025-2026 summer season. The Freedom Camping Bylaw 2025 came into effect on 1 December 2025, with Enforcement Officers issuing 2,604 Freedom Camping Act and 166 Reserves Act infringements between December 2025 and June 2026. The Summer Ambassador programme concluded on 30 April 2026. Following Annual Plan deliberations, funding of $350,000 was not allocated to continue the programme in 2026-2027. Education, engagement and site custodial functions will transition to enforcement, contractors and frontline staff.
Total library borrowing (including books, e-books, e-audio and magazines).	582,787	615,185	652,096 (6% increase annually)	768,150	Achieved - In 2025-2026, combined physical and electronic (e-item) checkouts reached 768,150, exceeding the target of 652,096 by 17.8%. Physical checkouts totaled 502,838, an increase of 6.8% on the previous year with seven of the district's eight library branches recording growth. E-item checkouts also rose significantly to 265,312.

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Total number of sport and recreation participation visits per 1,000 residents.	30,172	27,827	>32,000 visits	28,258	Not achieved - The target for Sport and Recreation visits per 1,000 residents was 12% below target due to higher-than-forecast population growth. Despite this, total visitation increased by 5% compared with the previous year, before the population adjustment was applied.
Achieve the National Poolsafe Accreditation for each of Council's aquatic facilities annually (Alpine Aqualand, Wānaka Recreation Centre, Arrowtown Memorial Pool).	New measure	Achieved	Maintain Poolsafe accreditation – yearly audit	Achieved	Achieved - Poolsafe accreditation was achieved across all three swimming facilities: Alpine Aqualand, Arrowtown Memorial Pool, and Wānaka Recreation Centre.
Percentage of capital works completed annually (including renewals) against the annual budget adopted by Council for community facilities and property.	61%	90%	80%-110%	82%	Achieved - Carry forwards required of $1.6M for 516 Ladies Mile Community Centre along with $1.0M for New Sports Fields (on hold pending land use discussions and NZTA traffic light upgrade at Howards Drive/SH6 intersection) and $0.6M for QEC Energy upgrade scheduled for construction in 2026/27.

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Percentage of total community grants budget allocated.	New measure	100%	100%	99%	Not achieved - In 2025-2026 all major community funding programmes were delivered through 'Smarty Grants', with 99% of the annual grants budget allocated. A small amount of grant funding was unspent where recipients were unable to utilise the grant as planned. Improvements were made to grant workflows, post-funding reporting, and decision-making processes. Funding workshops continued to be delivered across the district in partnership with key organisations, building local capability and improving community groups' readiness to apply for and manage grant funding.
Percentage of requests for service (RFS) resolved within specific timeframe for parks, reserves, trails, gardens and playgrounds.	94.5%	96.75%	95%	92%	Not achieved - Parks received 2,599 requests in 2025-2026, with 92% responded to within the required timeframe. While increasing request volumes placed pressure on performance, additional resourcing helped improve response times and the target was exceeded in the final three months of the year.
Percentage of users who are satisfied with the range of community facilities offered across the Queenstown Lakes District.[15]	75%	76%	>65%	73%	Achieved - 73% of residents were satisfied with the range of community facilities available to them across the district, exceeding the 65% target. Satisfaction was high across all facility types, with residents particularly valuing parks, trails and libraries.

[15] This question was split out into facilities in 2022 but asked as one generic question since 2023.

Environmental management

Whakahaeretaka ā-taiao

Strategic growth - Spatial Plan

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:

- Thriving people | Whakapuāwai Hapori
- Opportunities for all | He ōhaka taurikura
- Breathtaking creativity | Whakaohooho Auahataka
- Pride in sharing our places | Kia noho tahi tātou katoa

WHAT WE DO

The district's first Spatial Plan (2021) set a long-term strategy to enhance wellbeing, protect the environment, and guide growth. Developed through the Grow Well Whaiora Partnership, it supports housing affordability and infrastructure planning. Leading and coordinating the development and implementation of regional spatial planning for Queenstown Lakes within the emerging planning framework is now underway. This work supports readiness for resource management reform and helps align land use, infrastructure sequencing, housing delivery and investment priorities across local and central government.

WHY WE DO IT

The purpose of the Spatial Plan is to help the district 'grow well', and to create urban spaces that both meet our needs and that we can be proud of. It also guides how the natural environment is protected and enhanced alongside urban growth.

WHAT WE DELIVERED

Adopted Te Tapuae Southern Corridor Structure Plan: Adopted in September 2025, with Councillors agreeing in March 2026 to seek a 'Plan Stop' exemption to enable the Schedule 1 process if required. Implementation is progressing, including stormwater investigations and engagement with developers on critical infrastructure.

Adopted the Blue-Green Network Plan: Developed in partnership with Kāi Tahu and other council directorates. The Plan identifies parks, open spaces, trails and waterways to protect, enhance, and connect as the district grows.

Continued delivery of the Joint Housing Action Plan: Key initiatives included updating the Urban Accommodation Supplement Boundaries with MSD, implementing Urban Intensification Variation recommendations, supporting inclusionary housing through more than $56 million in contributions to the Queenstown Lakes Community Housing Trust, and developing a GIS tool to improve stakeholder deed monitoring and enforcement.

Progressed Regional Deal negotiations: Worked with Central Otago District Council and Otago Regional Council to establish a partnership with Central Government to support economic growth, job creation, and productivity.

Managed the Grow Well Whaiora Urban Growth Partnership: working with Government, Kāi Tahu, and Otago Regional Council partners, focusing on a long-term strategic framework for growth across the Queenstown Lakes district.

District plan – planning policy

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:

- Thriving people | Whakapuāwai Hapori
- Living Te Ao Māori | Whakatinana i te ao Māori
- Opportunities for all | He ōhaka taurikura
- Breathtaking creativity | Whakaohooho Auahataka
- Deafening dawn chorus | Waraki
- Zero carbon communities | Parakore hapori
- Disaster-defying resilience | He Hapori Aumangea

WHAT WE DO

The Planning Policy team ensures the Queenstown Lakes District Plan is regularly reviewed to meet statutory requirements. The Plan guides sustainable resource management, outlines permitted and consented activities, and sets development direction. It aligns with national and regional policies and supports the Spatial Plan's implementation. The review is being done in stages, and an online ePlan is now available for easier access.

WHY WE DO IT

Under the Resource Management Act 1991, every district in New Zealand must have a District Plan outlining key resource issues, community goals, and development rules. It ensures sustainable growth, protects natural areas, and supports housing and business needs. The Plan reflects the Spatial Plan's growth strategy and can be amended to meet legislative or community changes. Amendments follow a formal process, including public notification, hearings, and potential Environment Court appeals.

WHAT WE DELIVERED

Urban Intensification Variation: completed hearings and delivered Council's decision on the Urban Intensification Variation, giving effect to Policy 5 of the National Policy Statement on Urban Development (NPS-UD). The variation increased zoning capacity and amended District Plan rules to support urban intensification in appropriate locations, aligning with key priority areas identified in the Spatial Plan.

Published updated Housing and Business Analysis 2025: providing detailed insights into the demand and supply of housing and business land to inform future planning and infrastructure decisions.

Progressed Environment Court appeal resolutions: coordinated efforts to advance the resolution of outstanding Environment Court appeals.

Notified the Upper Clutha Landscapes Variation: introduced proposed landscape schedules and revised planning provisions to better recognise and manage landscape values. A 'Plan Stop' request was approved, allowing the Variation process to continue.

Resource Consents

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:


Thriving people | Whakapuāwai Hapori


Deafening dawn chorus | Waraki


Pride in sharing our places | Kia noho tahi tātou katoa

WHAT WE DO

A resource consent is Council approval for activities not automatically permitted under the District Plan. Applications come from landowners, developers, and businesses. There are two types: land use consents, which cover activities like building, earthworks, events, tourism, industrial and commercial operations; and subdivision consents, which allow land division, creation of new lots or unit titles, or boundary adjustments. We process resource consent applications received.

WHY WE DO IT

As one of the guardians of our unique environment, we play an important role by managing local activities and development in line with the District Plan to promote the sustainable management of natural and physical resources. The District Plan specifies when a resource consent is required, and the processing of a resource consent application is governed by the Resource Management Act 1991.

WHAT WE DELIVERED


Processed resource consent applications: formally received and processed 1,599 resource consent applications, a 42% increase on the 2024-2025 financial year.


Issued resource consent decisions: delivered 1,364 resource consent decisions, a 32% increase on the 2024-2025 financial year.


Met statutory processing timeframes: delivered 93.1% of the 1,364 decisions within the required statutory timeframes.


Met the 90th percentile processing target: achieved the target for eight months of the year. In the remaining four months, performance reached 89% for three months and 87% for one month.


Managed Fast Track consenting: Coordinated Council's involvement in the Central Government Fast Track Consenting process, including five projects in the referral stage and six in the substantive stage.

How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $212,300,000 (excluding depreciation).

Environmental management expenditure of $17,333,000.



Environmental management	2025 LTP $000	2026 LTP $000	2025 Actual $000	2026 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	8,940	9,029	8,685	8,869
Subsidies & grants for operating expenditure	178	178	66	-
Fees & charges	10,633	11,345	9,612	9,947
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	145	151	-	9
Total sources of operating funding	**19,896**	**20,703**	**18,363**	**18,825**
Applications of operating funding				
Payments to staff and suppliers	15,303	16,079	12,828	12,756
Finance costs	427	315	505	273
Internal charges applied	4,166	4,309	4,037	4,304
Other operating funding applications	-	-	-	-
Total applications of operating funding	**19,896**	**20,703**	**17,370**	**17,333**
Surplus/(deficit) of operating funding	**-**	**-**	**993**	**1,492**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(2,000)	(2,000)	2,131	(2,046)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**(2,000)**	**(2,000)**	**2,131**	**(2,046)**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to replace existing assets	-	-	-	-
- to improve the level of service	-	-	-	-
Increase/(decrease) in reserves	(2,000)	(2,000)	3,124	(554)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**(2,000)**	**(2,000)**	**3,124**	**(554)**
Surplus/(deficit) of capital funding	**-**	**-**	**(993)**	**(1,492)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Payments to staff & suppliers favourable by $3.1M against budget, primarily driven by lower Bad Debt Provision ($0.7M), Salaries & Wages ($0.7M), Contractors ($0.6M), Commission Costs ($0.4M) and consultancy costs. Additional favourable variances in Legal Fees, Grants, and Appeals & Settlements were partially offset by Bad Debt Expense ($0.3M) and Oncharge Consultants expenses ($0.4M).	Not applicable.	Not applicable.

How we performed

How QLDC performed against its Key Performance Indicators (KPIs).

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Percentage of QLDC actions delivered to target as per the Implementation Plan of the Spatial Plan.	New measure	92%	>90%	79%	Not achieved - The Spatial Plan identified 22 priority initiatives that will be delivered through the Grow Well Whaiora partnership, with 14 led by QLDC. Progress is tracked quarterly using a RAG status report (Red, Amber, Green). Of the 14 QLDC led initiatives, 11 are Green, two are Amber and one is Red. Work on Spatial Plan Generation 2 has paused, with focus now shifting to the development of a Regional Spatial Plan.
Compliance with the two-year timeframe of plan change notification to decision, in accordance with clause 10 of Section 1 of the RMA.[16]	Full compliance	Not achieved	Full compliance	Not achieved	Not achieved - However an Extension was granted by the Minister pursuant to clause 10A(4)(a) of Schedule 1 of the RMA on 18 June 2026.
Percentage of resource consents processed within statutory timeframes.	94.67%	95%	100%	93.1%	Not achieved - In 2025-2026, 93.1% of applications were processed within statutory timeframes across 1,364 decisions issued. While compliance decreased from the previous year, performance remained above 90%, reflecting a strong result given the 42% increase in applications received and the 32% increase in decisions issued.

[16] This KPI relates to the District Plan activity.

/ Infrastructure /

/ Tūāhaka /

Infrastructure encompasses the following activities:

WATER SUPPLY | TE RANEA O TE WAI

WASTEWATER | WAIPARA

STORMWATER | WAI UA

TRANSPORT, INCLUDING ROADING, PARKING AND FOOTPATHS | WAKA

WASTE MINIMISATION AND MANAGEMENT | WHAKAITI ME TE WHAKAHAERE PARA

Water supply

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:


Deafening dawn chorus | Waraki


Disaster-defying resilience | He Hapori Aumangea

WHAT WE DO

Council manages the district's community water supply, including abstraction, treatment, storage, and distribution. Water is sourced from lakes, rivers, and bores, treated, then pumped to reservoirs and distributed to residential, commercial, and industrial users. The network includes 710 km of water mains, 15 treatment plants, 41 pump stations and 31 reservoirs, supplying approximately 36,000 cubic metres daily. The average age of these assets is approximately 19 years.

WHY WE DO IT

The efficient supply of potable water is essential to the wellbeing and prosperity of our people and communities.

WHAT WE DELIVERED



Completed upgrades to the Luggate water supply scheme: delivered a fully compliant water treatment plant and additional capacity to support current and future community needs.



Progressed the Quail Rise Reservoir project: advanced planning for the Quail Rise Reservoir to improve security of supply, increase storage capacity and strengthen network resilience for the Frankton and Quail Rise areas.



Advanced pre-UV Filtration improvements: progressed preparation for pre-UV filtration upgrades at the district's surface water schemes, supporting drinking water compliance, improving treatment resilience, and reducing the effects of Lindavia intermedia algae on water supplies.



Reduced water loss: an extensive leak detection programme across Arrowtown, Frankton, Fernhill, Quail Rise and Lake Hayes identified more than 80 previously unknown leaks. A further 160 private leaks were repaired in Lake Hāwea, Luggate and Glenorchy, preventing an estimated 2.6 million litres of treated drinking water from being lost to the ground.



Renewed the water network: water main renewals were completed in Sargood Drive and Aubrey Road, Wānaka, while lateral replacement works were undertaken in Hallenstein Street, Queenstown. In Glenorchy, ageing alkathene water mains were replaced with new MDPE pipework, improving long-term network reliability and resilience.

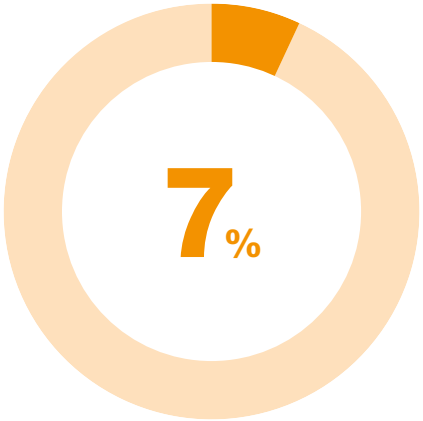
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $212,300,000 (excluding depreciation).

Water supply expenditure of $14,158,000.



Water supply	2025 LTP $000	2026 LTP $000	2025 Actual $000	2026 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	14,515	15,878	14,437	15,955
Subsidies & grants for operating expenditure	-	-	-	-
Fees & charges	50	52	44	44
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	-	-	-	41
Total sources of operating funding	**14,565**	**15,930**	**14,481**	**16,040**
Applications of operating funding				
Payments to staff and suppliers	7,786	8,072	8,582	10,210
Finance costs	3,301	2,890	4,264	2,497
Internal charges applied	1,548	1,694	1,455	1,451
Other operating funding applications	-	-		
Total applications of operating funding	**12,635**	**12,656**	**14,301**	**14,158**
Surplus/(deficit) of operating funding	**1,930**	**3,274**	**180**	**1,882**
Sources of capital funding				
Subsidies & grants for capital expenditure	1,772	-	-	-
Development and financial contributions	10,029	9,371	3,940	6,474
Increase/(decrease) in debt	2,840	(1,252)	7,575	1,120
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**14,641**	**8,119**	**11,515**	**7,594**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	12,673	6,546	9,664	3,806
- to replace existing assets	1,492	2,132	3,267	3,720
- to improve the level of service	3,887	3,329	11,208	2,752
Increase/(decrease) in reserves	(1,481)	(614)	(12,444)	(802)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**16,571**	**11,393**	**11,695**	**9,476**
Surplus/(deficit) of capital funding	**(1,930)**	**(3,274)**	**(180)**	**(1,882)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Payments to staff and suppliers - Additional costs were incurred for water supply services related to unplanned events. An increase of pressure on the system resulted in a consequential high number of leaks which required repair. This included unplanned sewer main & lateral repairs. In response following the event, a full network leak detection programme undertaken, and consequentially 80 previous unknown leaks repaired. This upfront cost will ensure significant reduction and prevention of similar issues in future. These activities fell outside the scope of the main 3 waters contract. In addition, payment of Water Services Authority - Taumata Arowai began (not incurred in prior years). Development contributions were less than budget due to the nature of the estimating timing of receiving these and debt funding was used instead.	Kingston New Scheme WS $2.5M, Renewals Queenstown WS $2.8M and Renewals Wānaka WS $0.7M.	Kingston New Scheme WS budget of $4.1M with actuals of $2.5M, Hāwea Scheme Upgrades WS budget of $0.9M with $0 actuals, Capell Ave Watermain Extension WS budget of $0.7M with actuals of $10k (deferred due to developer dependency). Offset with Renewals Queenstown WS budget of $0.7M with actuals of $2.8M and Historic Land Encroachments WS $0 budget with actuals of $0.7M (budget reallocated).

How we performed

How QLDC performed against its Key Performance Indicators (KPIs).

KPIs[17]	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Average consumption of water per person per day.	540L	509L	<490L	429.02L	Achieved - The annual target was exceeded by 60 litres per person per day. The improved performance reflects the significant focus and investment in leak detection and repair.
The extent to which the local authority's drinking water supply complies with the drinking water quality assurance rules, specifically for bacteriological compliance.	75%	93%	100%	98.48%	Not achieved - Cardrona: 100% (all met), Luggate: 96.08% (almost met), Arrowtown: 99.77% (almost met), Queenstown: 100% (all met), Arthur's Point: 100% (all met), Wānaka: 93.39% (partially met), Hāwea: 100% (all met), Corbridge: 100% (all met), Lake Hayes: 99.3% (almost met). Non-compliance at Luggate was due to an infrastructure deficiency at the Water Treatment Plant, resolved following the commissioning of the upgraded plant in February 2026. The other locations had instances of non-compliance attributable to communications network outages, which resulted in lost data.
The extent to which the local authority's drinking water supply complies with the drinking water quality assurance rules, specifically for protozoal compliance.	53%	90%	100%	92.04%	Not achieved - Cardrona: 99.75% (almost met), Luggate: 31.34% (partially met), Arrowtown: 92.66% (partially met), Queenstown: 100% (all met), Arthur's Point: 100% (all met), Wānaka: 94.46% (partially met), Glenorchy: 92.47% (partially met), Wānaka Airport: 100% (all met), Hāwea: 99.98% (almost met), Corbridge: 100% (all met), Lake Hayes: 99.82% (almost met). Non-compliance at Luggate was due to the absence of a protozoa barrier, addressed through the commissioning of a new treatment plant in February 2026. Other non-compliances resulted from communications network outages affecting data capture and reporting.

[17] The Department of Internal Affairs updated this mandatory performance measure after the council had published our Long-term Plan, which sets our statement of service. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022 (https://www.taumataarowai.govt.nz/assets/Drinking-Water-Supplier/Drinking-Water-Quality-Assurance-Rules-2022-Revised-2024.pdf). Our reporting is, therefore, against those rules.

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
The extent to which the local authority's drinking water supply complies with the drinking water quality assurance rules, specifically for microbiological monitoring in the distribution zone.	New measure	97%	100%	100%	Achieved - Targets were all met.
Percentage of water lost from each municipal water reticulation network.	25%	27%	<30%	28%	Achieved - Despite a slight increase, water loss across the district's reticulation network remained within the target performance level of less than 30%.
Median response time to attend to issues resulting from municipal water reticulation network faults and unplanned interruptions between the time of notification and the time when service personnel reach the site - urgent.	52min	42min	<60min	38min	Achieved - The median response time for urgent water supply faults and unplanned interruptions was 38 minutes, improving on the previous year's result of 42 minutes and exceeding the target of less than 60 minutes. This result reflects the continued responsiveness of Council's operational teams and contractors in addressing urgent water supply issues and minimising disruption to customers. Maintaining rapid response times remains a key focus to ensure the reliability and resilience of the district's water supply network.
Median response time to attend to issues resulting from municipal water reticulation network faults and unplanned interruptions between the time of notification and the time when service personnel reach the site - non urgent.	1,325min	1059min	<1,440min (1day)	1,208min	Achieved - The median response time for non-urgent water supply faults and unplanned interruptions was 1,208 minutes, meeting the target of less than 1,440 minutes per day. While this was slightly higher than the previous year's result of 1,059 minutes, performance remained within the required service level.
Median response time to attend to issues resulting from municipal water reticulation network faults and unplanned interruptions between the time of notification and resolution of the blockage or other fault - urgent.	1,293min	342min	<1,440min (1day)	274min	Achieved - The median time to resolve urgent water supply faults and unplanned interruptions was 274 minutes, a significant improvement on the previous year's result of 342 minutes and well within the target of less than 1,440 minutes per day.

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Median response time to attend to issues resulting from municipal water reticulation network faults and unplanned interruptions between the time of notification and resolution of the blockage or other fault - non urgent.	4,490min	4220min	<10,080min (7days)	4,666min	Achieved - The median time to resolve non-urgent water supply faults and unplanned interruptions was 4,666 minutes, achieving the target of less than 10,080 minutes. Performance remained broadly consistent with the previous year's result, reflecting Council's continued ability to manage and resolve non-urgent faults within the required service level.
Number of complaints per 1,000 connections to a public water reticulation network about the clarity of drinking water.	0.7	0.8	<4	0.46	Achieved - The number of complaints relating to the clarity of drinking water was 0.46 complaints per 1,000 connections, an improvement on the previous year's result of 0.8 complaints per 1,000 connections and well below the target of fewer than 4 complaints per 1,000 connections. This result reflects the continued performance of the district's water treatment and distribution networks, with relatively few customers experiencing water clarity issues during the year.
Number of complaints per 1,000 connections to a public water reticulation network about the taste of drinking water.	0.07	0	<4	0.06	Achieved - The number of complaints relating to the taste of drinking water was 0.06 complaints per 1,000 connections, remaining well below the target of fewer than 4 complaints per 1,000 connections. This result is consistent with previous years and indicates that customers continue to experience a high level of satisfaction with the quality of drinking water supplied across the district.
Number of complaints per 1,000 connections to a public water reticulation network about the odour of drinking water.	0.07	0.09	<4	0.00	Achieved - There were no complaints relating to the odour of drinking water during 2025-2026. This achieves the target of fewer than 4 complaints per 1,000 connections and demonstrates the ongoing effectiveness of Council's water treatment processes and network operations in delivering a high-quality drinking water supply to customers across the district.

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Number of complaints per 1,000 connections to a public water reticulation network about the pressure or flow of drinking water.	4.36	4.52	<4	2.68	Achieved - The number of complaints relating to drinking water pressure or flow was 2.68 complaints per 1,000 connections, a significant improvement on the previous year's result of 4.52 complaints per 1,000 connections and well below the target of fewer than 4 complaints per 1,000 connections. The improvement reflects the positive effects of leak detection activities, network renewals and ongoing operational improvements across the district's water supply schemes.
Number of complaints per 1,000 connections to a public water reticulation network about continuity of supply of drinking water.	2.8	3.01	<4	3.14	Achieved - The number of complaints relating to continuity of drinking water supply was 3.14 complaints per 1,000 connections, achieving the target of fewer than 4 complaints per 1,000 connections. While slightly higher than the previous year's result of 3.01 complaints per 1,000 connections, performance remained within the target range.
Number of complaints per 1,000 connections to a public water reticulation network about the way in which a local government organisation responds to issues with a water supply.	0	0	<1	0	Achieved - There were no complaints relating to Council's response to water supply issues during the 2025-2026. This meets the target of fewer than one complaint per 1,000 connections and reflects Council's continued focus on responsive customer service, effective communication and timely resolution of water supply issues across the district.
Percentage of external contractor and internal RFS resolved within specified timeframe - three waters.	71%	75.2%	>95%	82.78%	Not achieved - 82.78% of Three Waters Requests for Service (RFS) were resolved within the specified timeframes during 2025-2026, representing an improvement on the previous year's result of 75.2%. While the target of greater than 95% was not achieved, the result reflects continued improvement in responsiveness across water supply, wastewater and stormwater services. Council has continued to focus on contractor performance, resource availability and process improvements to improve service delivery and reduce overdue requests.

Wastewater

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:


Deafening dawn chorus | Waraki


Disaster-defying resilience | He Hapori Aumangea

WHAT WE DO

Council manages the district's wastewater and trade waste systems, including collection, transfer, treatment, and disposal. Wastewater flows through a network of 560 km of mains, 74 pump stations, and pressure pipelines to four treatment plants, processing approximately 15,500 cubic metres daily. Major facilities include Project Pure (Wānaka) WWTP, Shotover WWTP, Hāwea WWTP and Cardrona WWTP. The average age of these infrastructure assets is 21 years.

WHY WE DO IT

The removal, treatment and disposal of wastewater is critical to protect people's health and property, and to minimise adverse effects on the environment.

WHAT WE DELIVERED



Continued Shotover Wastewater Treatment Plant Stage 3 Upgrade: furthered construction of the Stage 3 upgrade at the Shotover WWTP, increasing treatment capacity and supporting environmental compliance, community and mana whenua participation and future service requirements.



Began construction on Upper Clutha Wastewater Conveyance Scheme: a significant investment that will improve network resilience, increase capacity and support future growth across Hāwea, Albert Town and Wānaka.



Strengthened the CBD to Frankton pipeline: commenced upgrades to the wastewater network between Queenstown CBD and Frankton, increasing conveyance capacity and supporting future demand across the Whakatipu basin.



Advanced Robins Road Wastewater Upgrade: while this project has experienced some delays, progress has been made to increase network capacity and support future development within Queenstown town centre and surrounds.



Planned the Shotover WWTP discharge solution: continued investigations and planning for a long-term treated wastewater discharge solution, supporting environmental compliance and future service requirements.



Renewed the wastewater network: completed wastewater main upgrades in Aubrey Road, Wānaka, and replacement works in Suburb Street, Queenstown. Council also continued its network pump replacement programme, installed new odour control filters, and undertook manhole renewal works to improve the reliability and performance of the wastewater network.

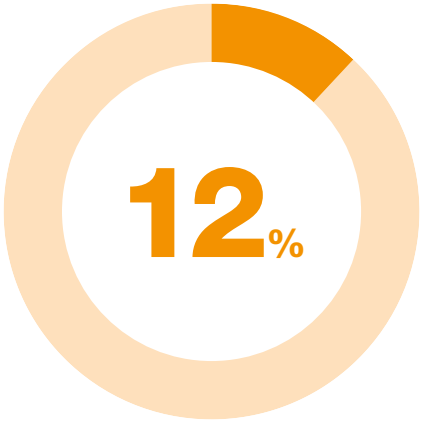
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $212,300,000 (excluding depreciation).

Wastewater expenditure of $25,248,000.



Wastewater	2025 LTP $000	2026 LTP $000	2025 Actual $000	2026 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	20,151	24,621	20,185	25,965
Subsidies & grants for operating expenditure	-	-	-	-
Fees & charges	274	290	298	328
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	-	-	-	267
Total sources of operating funding	**20,425**	**24,911**	**20,483**	**26,560**
Applications of operating funding				
Payments to staff and suppliers	11,009	11,673	12,928	15,570
Finance costs	7,678	8,788	6,473	7,377
Internal charges applied	2,007	2,196	1,886	2,301
Other operating funding applications	-	-	-	-
Total applications of operating funding	**20,694**	**22,657**	**21,287**	**25,248**
Surplus/(deficit) of operating funding	**(269)**	**2,254**	**(804)**	**1,312**
Sources of capital funding				
Subsidies & grants for capital expenditure	1,164	7,238	209	-
Development and financial contributions	13,859	11,138	5,792	11,487
Increase/(decrease) in debt	7,949	65,665	16,166	35,729
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**22,972**	**84,041**	**22,167**	**47,216**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	15,431	44,668	13,204	21,589
- to replace existing assets	8,074	10,580	5,282	6,686
- to improve the level of service	20,424	35,459	16,778	24,967
Increase/(decrease) in reserves	(21,226)	(4,412)	(13,901)	(4,714)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**22,703**	**86,295**	**21,363**	**48,528**
Surplus/(deficit) of capital funding	**269**	**(2,254)**	**804**	**(1,312)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Payments to staff and suppliers - Capital project write off costs of $2.0M for unsuccessful interim upgrades of Shotover Disposal field, legal costs associated with Millbrook WW infrastructure, and minor 3W renewals work with no asset information. In addition, maintenance on new vested assets increased scope. Landfill costs were up as the new Shotover WWTP opened resulting in additional volume of sludge that required processing. Finance costs - benefit as a result of good treasury management reflected.	Upper Clutha Conveyance Scheme $11.2M, CBD to Frankton Conveyance $7.8M, Robins Road Conveyance $6.2M, Project Shotover WWTP Stage 3 $4.5M, Shotover Disposal Field $3.2M, Project Pure Aeration Grid Renewal $2.2M, Hanleys Farm Pump Station $1.2M, Historic Land Encroachments WW $0.9M.	Kingston New Scheme budget of $12.4M with actuals of $0.5M, Upper Clutha Conveyance Scheme budget of $25.0M with actuals of $11.2M, North Wānaka Conveyance Stage 2 budget of $7.9M with actuals of $41k, CBD to Frankton Conveyance budget of $13.1M with actuals of $7.8M, Project Shotover WWTP Stage 3 budget of $10.6M with actuals of $4.5M, Southwest Wānaka Conveyance Scheme budget of $2.4M with actuals of $3k, Project Pure Aeration Grid Renewal $0 budget with actuals of $2.2M, Hanleys Farm Pump Station budget of $2.7M with actuals of $1.2M. Offset with Robins Road Conveyance budget of $3.5M with actuals of $6.2M. Budgeted grants were not received which has resulted in some capital expenditure, as described to the right, being deferred to future periods.

How we performed

How QLDC performed against its Key Performance Indicators (KPIs).

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Median response time to attend to sewerage overflows resulting from blockages or other faults of a municipal sewerage system a) between the time of notification and the time when service personnel reach the site.	36min	27min	<60min	41min	Achieved - The median response time to attend sewerage overflows resulting from blockages or other faults was 41 minutes, achieving the target of less than 60 minutes. While higher than the previous year's result of 27 minutes, Council continued to respond to wastewater incidents within the required service level, helping to minimise potential impacts on public health, the environment and the community. Timely attendance to wastewater overflows remains a key operational priority across the district.
Median response time to attend to sewerage overflows resulting from blockages or other faults of a municipal sewerage system b) between the time of notification and resolution of the blockage or other fault.	170.5min	174min	<240min	157min	Achieved - The median time to resolve sewerage overflows resulting from blockages or other faults was 157 minutes, improving on the previous year's result of 174 minutes and achieving the target of less than 240 minutes. This result reflects the continued effectiveness of Council's operational response and maintenance programmes in resolving wastewater faults promptly, helping to minimise potential impacts on public health, the environment and customers.
Annual number of dry weather overflows from a municipal sewerage system per 1000 sewerage connections.	1.87	1.72	<3	1.24	Achieved - The annual number of dry weather overflows was 1.24 overflows per 1,000 sewerage connections, improving on the previous year's result of 1.72 and achieving the target of fewer than three overflows per 1,000 connections. This result reflects the ongoing benefits of network maintenance, renewals and targeted investment in wastewater infrastructure.

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Compliance with resource consents for discharge to air, land, or water from a municipal sewerage system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) successful prosecutions	67%	75%	100%	56%	Not achieved - Compliance with wastewater discharge consents was 56%, compared to 75% in the previous year, and below the target of 100%. QLDC currently holds nine active discharge to air and land consents. Two of these consents have active abatement notices associated with them (three abatement notices in total), and one consent remains subject to an enforcement order. Council continues to invest in wastewater infrastructure upgrades and operational improvements to enhance environmental performance and support improved compliance outcomes in the short term. For more information on this KPI, please see qldc_quarterly-report_june-2026_with-finance-report.pdf
Number of complaints per 1,000 properties connected to a municipal sewerage system about odour.	0.9	0.91	<5	0.83	Achieved - The number of complaints relating to wastewater odour was 0.83 complaints per 1,000 properties connected to the sewerage system, improving slightly on the previous year's result of 0.91 complaints per 1,000 properties and remaining well below the target of fewer than five complaints.
Number of complaints per 1,000 properties connected to a municipal sewerage system about faults.	3.08	2.53	<5	2.47	Achieved - The number of complaints relating to wastewater faults was 2.47 complaints per 1,000 properties connected to the sewerage system, improving slightly on the previous year's result of 2.53 complaints per 1,000 properties and remaining well below the target of fewer than five complaints.
Number of complaints per 1,000 properties connected to a municipal sewerage system about blockages.	1.51	1.59	<5	0.72	Achieved - The number of complaints relating to wastewater blockages was 0.72 complaints per 1,000 properties connected to the sewerage system, a significant improvement on the previous year's result of 1.59 complaints per 1,000 properties and well below the target of fewer than five complaints.
Number of complaints per 1,000 properties connected to a municipal sewerage system about the territorial authority's response to issues with its sewerage system.	0	0	<2	0	Achieved - There were no complaints relating to Council's response to wastewater issues during 2025-2026. This meets the target of fewer than two complaints per 1,000 properties and reflects Council's continued focus on responsive customer service, effective communication and the timely management of wastewater service requests and incidents.

Stormwater

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:


Deafening dawn chorus | Waraki


Disaster-defying resilience | He Hapori Aumangea

WHAT WE DO

Council manages a stormwater network consisting of 410km of reticulated pipework, along with open channels, detention basins, watercourses, soakage devices, filtration and wetlands that ultimately discharge run off to the environment. The average asset age is 16 years. The target level of service for the stormwater system is to manage flows generated in up to a 1-in-20-year storm event (5% ARI) within the primary network, with secondary overland flow paths intended to accommodate flows up to a 1-in-100-year event (1% ARI), ensuring effective stormwater management across the district.

WHY WE DO IT

With more frequent and intense weather events resulting from a changing climate, resilient and future-proofed stormwater systems play an important role in protecting people and properties from rainwater flooding and hazard debris flow. The network also reduces the negative impacts on the environment from stormwater discharges. The effective management of rainwater is vital to controlling erosion and maintaining land stability, as well as ensuring amenity of open spaces.

WHAT WE DELIVERED



Strengthened Kingston stormwater network: continued delivery of stormwater infrastructure to support the Kingston development area, increasing network capacity, resilience and environmental outcomes.



Alpha Series Stormwater Upgrades: completed stormwater upgrades within the Alpha Series catchment, enhancing environmental outcomes and supporting improved performance.



Northlake / Rockabilly stormwater improvements: progressed design for attenuation and erosion protection works in the Northlake and Rockabilly catchments to reduce downstream environmental impacts.



Renewed the stormwater network: completed a new stormwater pipe installation between Adamson Drive and Hood Crescent in Arrowtown and progressed network upgrade works in Loop Road and Lewis Road, Kelvin Heights.

How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $212,300,000 (excluding depreciation).

Stormwater expenditure of $3,280,000.



Stormwater	2025 LTP $000	2026 LTP $000	2025 Actual $000	2026 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	5,637	7,311	5,655	8,268
Subsidies & grants for operating expenditure	-	-	-	-
Fees & charges	-	-	-	-
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	-	-	-	(50)
Total sources of operating funding	**5,637**	**7,311**	**5,655**	**8,218**
Applications of operating funding				
Payments to staff and suppliers	2,138	2,319	1,691	1,976
Finance costs	1,141	1,061	1,053	893
Internal charges applied	468	512	440	411
Other operating funding applications	-	-	-	-
Total applications of operating funding	**3,747**	**3,892**	**3,184**	**3,280**
Surplus/(deficit) of operating funding	**1,890**	**3,419**	**2,471**	**4,938**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	354	50
Development and financial contributions	4,165	3,875	176	415
Increase/(decrease) in debt	4,457	(141)	1,713	8,285
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**8,622**	**3,734**	**2,243**	**8,750**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	6,451	5,432	1,656	5,480
- to replace existing assets	1,207	1,008	557	511
- to improve the level of service	4,170	1,106	1,461	3,183
Increase/(decrease) in reserves	(1,316)	(393)	1,040	4,514
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**10,512**	**7,153**	**4,714**	**13,688**
Surplus/(deficit) of capital funding	**(1,890)**	**(3,419)**	**(2,471)**	**(4,938)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Payments to staff and suppliers - Infrastructure re maintenance overall on track to budget. Consultancy and network investigation work delivered behind plan in 2025/26. The original compliance-based programme was reprioritised behind work undertaken to support the WSCCO reform, and inputs to the WS delivery plans (e.g. Hydraulic modelling). The usual programme will recommence 2026/27. Development contributions were less than budget due to the nature of the estimating timing of receiving these and debt funding was used instead.	Kingston New Scheme SW $6.6M, Rockabilly Gully Erosion Protection $0.7M, SH6/6A Improvements SW $0.6M.	Kingston New Scheme SW budget of $44k with actuals of $6.6M, offset with Rockabilly Gully Erosion Protection budget of $4.7M with actuals of $0.7M due to timing of spend. SH6/6A Improvements SW budget of $0 with actuals of $0.6M (contribution to NZTA for SW within state highway works).

How we performed

How QLDC performed against its Key Performance Indicators (KPIs).

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Number of flooding events that occur in a territorial authority district.	0	0	<7	0	Achieved - Council received no requests through its Customer Services team relating to flooding of habitable floors during June or at any times throughout the 2025-2026 year.
For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the territorial authorities stormwater system).	0	0	<2 per 1,000 properties	0	Achieved - Council received no requests through its Customer Services team relating to flooding of habitable floors during June or at any times throughout the 2025-2026 year.
Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) successful prosecutions, received by the territorial authority in relation those resource consents.	100%	100%	100%	100%	Achieved - No enforcement action was taken in relation to stormwater discharge consents in the period (noting QLDC only has one active discharge consent). QLDC currently has two active abatement notices associated with stormwater discharges occurring under the permitted activity rules in the Regional Plan. Improvement initiatives are underway to address these non-conformance. Improvement initiatives are underway to address these non-conformances. The notices do not affect this measure, as they are not related to resource consents.

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Median response time between the time of notification and the time when service personnel reach the site when habitable floors are affected by flooding resulting from faults in a municipal stormwater system.	N/A	N/A	<3hours	N/A	Achieved - Council received no requests through its Customer Services team relating to flooding of habitable floors during June or at any times throughout the 2025-2026 year.
The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system.	5.98	6.79	<5 per 1,000 properties	7.67	Not achieved - A total of 251 stormwater-related complaints were received during the 2025/2026 year. This represents 7.67 complaints per 1,000 properties connected to the stormwater network and does not achieve the target set. Performance has deteriorated compared with the previous year, when 220 complaints were received (6.79 per 1,000 properties). The operational team continues to monitor complaint trends and prioritise maintenance and renewal activities to address recurring issues, with the goal of improving network performance over time.

Transport, including roading, parking and footpaths

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:

- Thriving people | Whakapuāwai Hapori
- Zero carbon communities | Parakore hapori
- Disaster-defying resilience | He Hapori Aumangea

WHAT WE DO

We are responsible for over 905km of local roads, and Waka Kotahi Transport Agency manages 232km of state highways within the district. Over the next ten years, we will invest in and deliver meaningful progress on renewals, planning maturity and capability, network resilience and local connectivity. There are opportunities to provide improved infrastructure and encourage sustainable travel through a behaviour change programme.

Differential levels of service across our network are hierarchical and based on Waka Kotahi's One Network Framework.

WHY WE DO IT

Our vision is to provide a safe, resilient, efficient transport system that supports modal choice and addresses current and future demand for economic and social opportunities for our community.

WHAT WE DELIVERED

Progressed the Minor Improvements Programme: advanced the design of several improvement projects, including the Ballantyne Road/Golf Course Road and Brownston Street roundabouts, and the replacement of Shepherds Hut Creek Bridge, to improve safety, connectivity and network resilience.

Cardrona Road rehabilitation: completed rehabilitation works along sections of Cardrona Valley Road, improving pavement condition, ride quality and long-term network performance.

Delivered the annual reseals programme: renewed key sections of the roading network to maintain asset condition, safety and service levels.

Continued public transport improvements: continued investment in public transport infrastructure through bus stop upgrades, improving accessibility, safety and the customer experience.

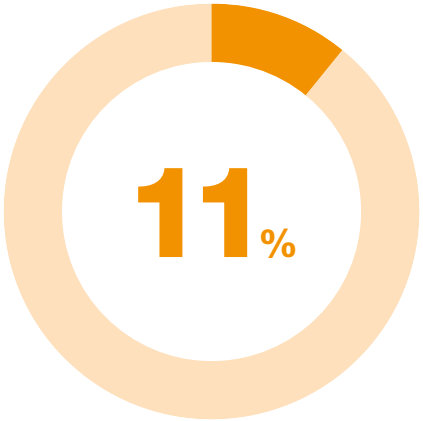
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $212,300,000 (excluding depreciation).

Transport, including roading, parking and footpaths expenditure of $23,545,000.



Transport, including roading, parking and footpaths	2025 LTP $000	2026 LTP $000	2025 Actual $000	2026 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	21,350	28,018	21,318	26,993
Subsidies & grants for operating expenditure	5,934	6,239	6,285	6,726
Fees & charges	3,887	4,053	4,417	6,062
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	497	523	2,760	624
Total sources of operating funding	**31,668**	**38,833**	**34,780**	**40,405**
Applications of operating funding				
Payments to staff and suppliers	12,506	13,153	15,594	15,246
Finance costs	6,572	6,300	6,321	5,420
Internal charges applied	2,458	2,690	2,311	2,879
Other operating funding applications	-	-	-	-
Total applications of operating funding	**21,536**	**22,143**	**24,226**	**23,545**
Surplus/(deficit) of operating funding	**10,132**	**16,690**	**10,554**	**16,860**
Sources of capital funding				
Subsidies & grants for capital expenditure	13,438	11,243	12,854	5,812
Development and financial contributions	6,759	5,293	3,594	5,667
Increase/(decrease) in debt	9,493	(11,652)	17,525	(6,117)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**29,690**	**4,884**	**33,973**	**5,362**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	15,147	7,371	18,934	3,534
- to replace existing assets	12,254	12,129	11,152	8,450
- to improve the level of service	12,350	3,377	18,081	1,206
Increase/(decrease) in reserves	71	(1,303)	(3,640)	9,032
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**39,822**	**21,574**	**44,527**	**22,222**
Surplus/(deficit) of capital funding	**(10,132)**	**(16,690)**	**(10,554)**	**(16,860)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Fees and Charges are $2.0M favourable, driven by increased parking activity and the addition of Stanley Street parking. Payments to suppliers reflect a net unfavourable variance of $2.2M against budget, primarily driven by unbudgeted emergency weather events in Roading Maintenance ($1.6M). Other unfavourable movements include CCTV, Road Maintenance - Parks, Electricity, Consultants, Plant Maintenance and Legal Fees, each at approximately $0.1M. These were partially offset by favourable variances in Network Investigations ($0.2M) and Advertising ($0.1M). Subsidies & grants for capital expenditure - Difference in NZTA allocation to QLDC.	Sealed Road Resurfacing $5.8M, Unsealed Road Metalling $1.8M, Stanley St Site Works & Temp Parking $1.7M, Minor Improvements Unsub Districtwide $1.0M. PT Assets Whakatipu unsub $0.6M. Credit of $1.8M for the Arterial Stage 1 (due to pain/gain credit share received from the Whakatipu Transport Programme Alliance).	Minor Improvements Sub Districtwide $4.7M budget with actuals of $0.1M (construction deferred to year 3), Capell Ave Road Extension $2.5M (deferred due to developer dependency). Sealed Road Resurfacing budget of $4.4M with actuals of $5.8M and Stanley St Site Works & Temp Parking $0 budget with actuals of $1.7M. PT Assets Whakatipu unsub $0.6M. Arterial Stage 1 budget of $1.0M vs credit actual of $1.8M due to pain/gain credit share received from the Whakatipu Transport Alliance.

How we performed

How QLDC performed against its Key Performance Indicators (KPIs).

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Percentage of capital works completed annually, including renewals, against the annual budget adopted by the Council for three waters, waste management and roading.	91%	89%	80%-110%	68%	Not Achieved - 12% below the target of 80%. Carry forwards required due to timing of programme delivery including $2.9M for Upper Clutha Conveyance Scheme (WW), $2.5M for Kingston New Scheme (WW), $2.3M for Robins Road Conveyance Upgrade (WW), $1.9M for Frankton Road Watermain Upgrade (WS), $1.7M for Filtration - Queenstown/Wānaka (WS) and $1.1M for Lakeview Development Servicing (SW). Offset with $2.9M brought forward for CBD to Frankton Conveyance (WW) due to timing of construction.
Percentage of external contractor and internal Request For Service resolved within specified timeframe - Roading.	79.6%	90.5%	>95%	93.99%	Not achieved - 93.99% of roading Requests for Service were resolved within the specified timeframe during 2025-2026, improving on the previous year's result of 90.5%. This reflects continued focus on contractor performance, operational responsiveness and timely resolution of customer requests. Maintaining high levels of service remains a priority as Council continues to invest in network maintenance, renewals and resilience improvements across the district's roading network.

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number.	4	7	To report a decrease on the previous year	12	Not achieved - Unfortunately, Deaths and Serious Injuries (DSI) on the local road network continue to trend upward compared with historical data prior to the 2024-2025 period. During 2025-2026 there was an increase of five DSIs compared with the previous year.
Average quality of ride on a sealed local road network, as measured by the Smooth Travel Exposure Index.	93%	91%	>90%	94%	Achieved - The Smooth Travel Exposure (STE) score for the QLDC network increased by 3% this period compared with the previous year. This improvement reflects sustained investment in resurfacing works and the implementation of targeted heavy maintenance programmes for critical sections of the network.
Percentage of sealed network that is resurfaced annually.	3.2%	4.26%	<10%	6.1%	Achieved - 6.1% of the sealed roading network was resurfaced during 2025-2026, an increase on the previous year's result of 4.26%. This reflects successful delivery of Council's annual reseals programme and greater use of lower cost chipseal treatments, enabling wider network coverage. Continued investment in resurfacing helps maintain road condition, improve safety and extend the life of sealed road assets across the district.
Percentage of local footpath network that is part of the local road network that falls within the Level of Service (LOS) or service standards for the condition of footpaths.	98.89%	99.24%	>95%	97.7%	Achieved - While this is a 1.54% decrease from last year's result, the overall condition of the footpath network remains good and continues to meet the required levels of service.
Percentage of residents who are choosing to use their petrol or diesel vehicle less by using alternate modes of transport or active travel.	New measure	42%	Year-on-year increase	43%	Achieved - This year's results show a marginal increase in comparison to last year with 43% of respondents indicating they use their vehicle less, while 48% said they do not. 9% indicated this does not apply to them.

Waste minimisation and management

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:


Deafening dawn chorus | Waraki


Zero carbon communities | Parakore hapori

WHAT WE DO

We promote effective and efficient waste minimisation through waste reduction, resource recovery and responsible disposal. Partnering with government, NGOs, industry, and the community, we support the shift to zero waste. Over the next decade, investment will focus on diverting organics from landfill, building future-proofed facilities, and supporting community-led initiatives via the Zero Waste District Programme. This approach encourages long-lasting product design, repairability, recycling, and composting—returning nutrients to the soil and supporting a circular, sustainable system.

WHY WE DO IT

We deliver safe, reliable waste services that reduce environmental harm. Queenstown Lakes has one of the highest per capita waste disposal rates in Aotearoa New Zealand, exacerbated by our rapid and sustained population growth and high visitor numbers. Council recently consulted on a new Waste Management and Minimisation Plan which will guide future actions to shift our district's waste story from 'production, consumption and disposal' to one where we keep our resources in use and add value for our people and environment.

WHAT WE DELIVERED



Adopted the Waste Management and Minimisation Plan (WMMP): setting the strategic direction for waste minimisation and resource recovery across the district. The plan provides a roadmap towards a zero waste and circular economy future through targeted investment, community partnerships, behaviour change initiatives and improved waste infrastructure.



Progressed the Wānaka Refuse Transfer Station (RTS): advanced the design of a new Wānaka Refuse Transfer Station to support future growth, improve operational efficiency and enhance waste management services for the Upper Clutha community.



Advanced recycling processing procurement: continued procurement activities for future recycling services, helping to ensure an efficient, reliable and sustainable recycling solution for the district.



Delivered the Zero Waste District Programme: in partnership with community organisations, supporting initiatives that reduce waste to landfill, increase resource recovery and encourage long-term behaviour change across the district.



Delivered waste education Initiatives: provided a range of waste education and engagement programmes for residents, schools and businesses, helping improve recycling outcomes, reduce contamination and increase awareness of waste minimisation opportunities.

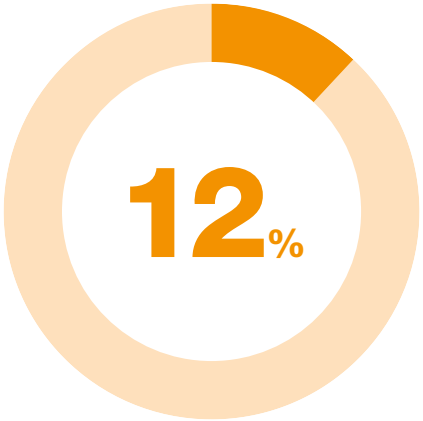
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $212,300,000 (excluding depreciation).

Waste minimisation and management expenditure of $26,332,000.



Waste minimisation and management	2025 LTP $000	2026 LTP $000	2025 Actual $000	2026 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	1,000	-	-
Targeted rates	9,357	10,321	9,351	10,388
Subsidies & grants for operating expenditure	454	480	1,003	991
Fees & charges	12,068	12,752	12,411	13,632
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	214	224	405	434
Total sources of operating funding	**22,093**	**24,777**	**23,169**	**25,444**
Applications of operating funding				
Payments to staff and suppliers	17,768	18,759	19,891	23,670
Finance costs	447	708	386	472
Internal charges applied	3,251	3,558	3,056	2,190
Other operating funding applications	-	-	-	-
Total applications of operating funding	**21,466**	**23,025**	**23,333**	**26,332**
Surplus/(deficit) of operating funding	**627**	**1,752**	**(164)**	**(888)**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	4,357	8,284	919	(3,283)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**4,357**	**8,284**	**919**	**(3,283)**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	314	-	20
- to replace existing assets	3,392	6,361	738	2,009
- to improve the level of service	3,329	7,553	467	1,019
Increase/(decrease) in reserves	(1,737)	(4,192)	(450)	(7,219)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**4,984**	**10,036**	**755**	**(4,171)**
Surplus/(deficit) of capital funding	**(627)**	**(1,752)**	**164**	**888**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Payments to staff and suppliers - Increased expenses primarily due to growth (increase) in waste volumes (tonnage) in Landfill and Recycling costs. This is in part in mitigated by associated recovery through gate fees. In addition, write-off of the Zero Waste capital project makes up a large part of the unfavourable overall variance (moving to opex in LTP2737). Some due to Govt changes to ETF. Internal charges applied - overhead charges reclassification.	Wānaka Waste Facilities $0.6M, Zero Waste Programme $0.6M and Existing Waste Site Consenting $0.5M.	Wānaka Waste Facilities budget of $5.2M with actuals of $0.6M, New Waste Facilities budget of $6.2M with actuals of $0.3M, Organic Waste Management budget of $1.6M with actuals of $38k (timing of delivery deferred). Deferred due to timing while work through the cost.

How we performed

How QLDC performed against its Key Performance Indicators (KPIs).

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Percentage of Material Recovery Facility (MRF) recycling contaminated.	14%	16.5%	<20%	17.24%	Achieved - The contamination rate for material processed through the Material Recovery Facility was 17.24%, remaining below the target of less than 20%. While slightly higher than the previous year's result of 16.5%, performance continued to meet the target. Ongoing education initiatives, customer engagement and improvements to recycling practices continue to support positive outcomes and help reduce contamination within the district's recycling stream.
Total waste diverted from landfill.	9,537t	10,150t	>7,870t	8,942t	Achieved - A total of 8,942 tonnes of waste was diverted from landfill during 2025-2026, exceeding the target of more than 7,870 tonnes. While lower than the previous year's result of 10,150 tonnes, a significant volume of material continued to be recovered through recycling, green waste, scrap metal, e-waste and other diversion pathways.
Total waste sent to landfill.	48,110t	50,403t	<51,430t	53,454t	Not achieved - A total of 53,454 tonnes of waste was sent to landfill during 2025-2026, exceeding the target. This was an increase on the previous year and reflects the ongoing challenges associated with rapid population growth, high visitor numbers and waste generation trends. Council remains focused on reducing landfill volumes through waste minimisation initiatives, increased resource recovery opportunities, community education programmes and delivery of the Zero Waste District Programme.

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Percentage of external contractor and internal RFS resolved within specified timeframe - Solid Waste.	98.5%	98.3%	>95%	95.19%	Achieved - 95.19% of solid waste Requests for Service were resolved within the specified timeframe during 2025-2026, achieving the target. While slightly lower than the previous year's result of 98.3%, performance remained strong despite continued growth in service demand across the district.
Percentage of total household material placed at kerbside diverted from landfill.	New measure	24.75%	>29%	23.54%	Not achieved - An average kerbside diversion rate of 23.54% was achieved during 2025-2026. This level of diversion is slightly below the previous year's result and remains below the target set. Achieving a significant increase in kerbside diversion is likely to remain challenging under the current service model, with a substantial step change required to unlock additional diversion, such as the introduction of a kerbside organics collection service.

/ Economy /

/ Taiōhaka /

Economic futures

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:

- Thriving people | Whakapuāwai Hapori
- Opportunities for all | He ōhaka taurikura
- Breathtaking creativity | Whakaohooho Auahataka
- Pride in sharing our places | Kia noho tahi tātou katoa

WHAT WE DO

The Economic Futures team guides the district's economic strategy[18], collaborating with public and private sectors to deliver plans, events, and policy. It partners locally, regionally, and nationally to boost economic wellbeing and support entrepreneurs. The team also manages the Queenstown Lakes Film Office and Events Office, promoting sustainable, low-impact industries. Advocacy and funding efforts align with the Climate and Biodiversity Plan, helping businesses operate in regenerative, low-emissions ways.

WHY WE DO IT

We focus on the district's economic wellbeing in a way that enhances social, cultural, and environmental wellbeing. We strive to foster an economy that aligns with our community values and that offers career paths and healthy incomes that allow people to build a future in the district.

WHAT WE DELIVERED

Supported tourism technology as a niche sector: QLDC and commercial sponsors helping Technology Queenstown secure an international Tourism Tech conference for July 2026.

Secured EECA funding: obtained $2 million from the Energy Efficiency and Conservation Agency (EECA) to support battery installation projects, helping reduce peak electricity demand and lower costs for businesses.

Strengthened economic development: initiatives such as streamlining film permits and supporting tourism operators to improve margins, were included in Regional Deal negotiations with government.

Extended New Year support: expanded activities and support services in Wānaka over the New Year period to help keep visitors and locals safe during a significant influx of young people. Police feedback indicated these initiatives contributed to a notable reduction of anti-social behaviour.

[18] Based on the Economic Diversification Plan and the Destination Management Plan.

Commercial property

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:

- Thriving people | Whakapuāwai Hapori
- Opportunities for all | He ōhaka taurikura
- Breathtaking creativity | Whakaohooho Auahataka
- Pride in sharing our places | Kia noho tahi tātou katoa

WHAT WE DO

We provide and maintain fit-for-purpose property infrastructure for a range of operational, administrative and community services. All our property is managed with the same principles and consideration of accessibility, cleanliness and presentation, weathertightness, seismic strength and material durability.

WHY WE DO IT

Operational and administrative facilities are critical for providing the essential infrastructure and administration services that keep the district running. They also are a key resource that can be activated during civil defence emergency events to help provide shelter and support to affected communities.

WHAT WE DELIVERED

Ballarat & Stanley Street carparking: completed final construction works before Christmas 2025 on the former Arts Centre site, delivering 131 additional sealed carparks. This has created a 233-space parking precinct supporting Queenstown Town Centre, alongside existing Council carparks at Boundary Street, Lakeview, Memorial Street, and Athol Street.

Strengthened facilities maintenance: successfully onboarded Citycare as the primary facilities service delivery partner, maintaining continuity while establishing a foundation for improved performance, collaboration, and responsiveness. A key focus was accelerating renewals and addressing historical underinvestment across the facilities network.

Facilitated land sales: supported the sale process of properties in Merioneth Street, Arrowtown and Ironside Drive, Wānaka. Both properties attracted interest from numerous residential developers across New Zealand.

Lakeview Development Programme: Completed Council-led enabling infrastructure works at Lakeview, enabling settlement of Lot 8, transfer of development land to Ninety Four Feet, and receipt of associated settlement proceeds under the Development Agreement. Construction is now underway on the first stage of the long-term mixed-use precinct.

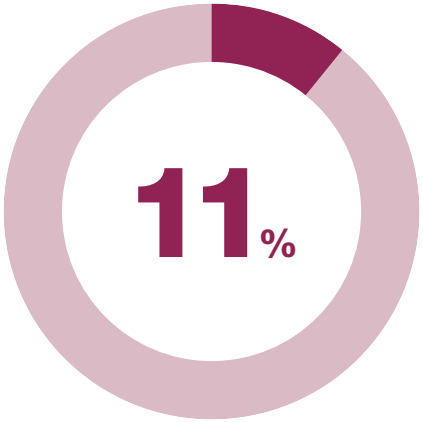
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $212,300,000 (excluding depreciation).

Economy expenditure of $23,632,000.



Economy	2025 LTP $000	2026 LTP $000	2025 Actual $000	2026 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	3,358	5,007	3,371	5,730
Targeted rates	16,100	18,438	15,641	16,444
Subsidies & grants for operating expenditure	450	400	146	8
Fees & charges	1,846	1,850	1,801	1,780
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	725	751	804	643
Total sources of operating funding	**22,479**	**26,446**	**21,763**	**24,605**
Applications of operating funding				
Payments to staff and suppliers	12,365	13,038	13,049	14,592
Finance costs	7,020	6,207	7,631	5,386
Internal charges applied	3,090	3,193	3,443	3,654
Other operating funding applications	-	-	-	-
Total applications of operating funding	**22,475**	**22,438**	**24,123**	**23,632**
Surplus/(deficit) of operating funding	**4**	**4,008**	**(2,360)**	**973**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	134	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(5,789)	(13,947)	313	(7,991)
Gross proceeds from sale of assets	-	1,481	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**(5,789)**	**(12,466)**	**447**	**(7,991)**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	85	18	16	156
- to replace existing assets	217	64	123	104
- to improve the level of service	161	35	153	444
Increase/(decrease) in reserves	(6,248)	(8,575)	(2,205)	(7,722)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**(5,785)**	**(8,458)**	**(1,913)**	**(7,018)**
Surplus/(deficit) of capital funding	**(4)**	**(4,008)**	**2,360**	**(973)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Payments to staff and suppliers - Increase in Building and Grounds Maintenance costs increase as asset base increases. In addition, overdue reactive remediation required to bring assets up to scratch. S&W unfavourable as attrition was less than expected. Grants (Freedom Camping) were down. Some Strategic initiative programmes fell behind, but a pipeline of further initiatives is underway.	EV Charging Stations $0.4M.	$0.3M re timing of spend for EV Charging Stations and $0.2M for Lakeview Development carried forward from prior year.

How we performed

How QLDC performed against its Key Performance Indicators (KPIs).

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Percentage of residents who have participated in, performed at, or attended any events held in our district in the past 12 months.	45%	59%	>70%	66%	Not achieved - 66% of respondents reported participating in, performing at, or attending an event in the district over the past 12 months. While below the 70% target, the result represents the highest reported involvement since monitoring began in 2018. This is also an increase from 59% in the previous year.
Percentage of QLDC actions delivered to target as per the Implementation Plan of the Economic Diversification Plan.	New measure	64%	90%	89%	Not achieved - Most planned actions have been completed. 8 out of 9 projects allocated to QLDC were delivered, with the only one remaining is establishment of a reference group.
Percentage of QLDC actions delivered to target as per the Implementation Plan of the Destination Management Plan.	New measure	100%	90%	86%	Not achieved - Most planned actions have been completed. This reflects projects delivered by a range of Council departments including Economic Futures, Welcoming Communities, Waste Minimisation, and Climate and Biodiversity.

Regulatory functions and services

Kā mahi me kā ratoka ā-waiture

Regulatory, enforcement and building services

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:


Thriving people | Whakapuāwai Hapori


Deafening dawn chorus | Waraki


Pride in sharing our places | Kia noho tahi tātou katoa

WHAT WE DO

Council manages building consents and compliance, processing around 1,750 building consents annually (worth approximately $1.3 billion) and undertaking more than 20,000 building inspections each year. It enforces regulations across resource consent monitoring, freedom camping, parking, alcohol licensing, bylaws, animal control, noise, litter, waterways, and environmental health. The team ensures safety, environmental protection, and legal compliance through education, patrols, and enforcement, including oversight of the Building Warrant of Fitness scheme and a range of public health and safety responsibilities.

WHY WE DO IT

The Council is responsible for ensuring buildings are constructed safely and that all public buildings are safe and sanitary for occupancy. Building work is regulated to protect the health and safety of people and to promote sustainability and energy efficiency in design and construction. Enforcement and control activities help minimise potential harm to the public, ensuring residents are safe and protecting the health of our communities and natural environment.

WHAT WE DELIVERED


Waterways management: successfully delivered the Summer Waterways Regulatory Services Plan. Despite a significant increase in visitors over summer, waterways were managed effectively with no major safety events.


Protected public health: carried out 97 enforcement activities, including three prosecutions, through the Environmental Health team. The team also worked with businesses and the community to support compliance with legislative requirements and promote safe food practices.


Managed animal control: recorded 6,240 registered dogs in the district, down 1.29% from 2024–2025. There were 67 reported dog attacks, down from 77 in 2024–2025, and 181 dog infringements were issued, down from 220 in 2024–2025.


Responded to regulatory requests: received and managed 8,385 Requests for Service across Regulatory teams during the financial year.

How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $212,300,000 (excluding depreciation).

Regulatory functions and services expenditure of $21,027,000.



Regulatory functions and services	2025 LTP $000	2026 LTP $000	2025 Actual $000	2026 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	2,549	3,543	2,476	3,980
Subsidies & grants for operating expenditure	-	-	-	-
Fees & charges	11,263	10,746	10,720	11,865
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	4,098	4,344	5,946	7,789
Total sources of operating funding	**17,910**	**18,633**	**19,142**	**23,634**
Applications of operating funding				
Payments to staff and suppliers	12,022	12,593	13,287	15,142
Finance costs	12	14	7	12
Internal charges applied	6,089	6,249	6,083	5,873
Other operating funding applications	-	-	-	-
Total applications of operating funding	**18,123**	**18,856**	**19,377**	**21,027**
Surplus/(deficit) of operating funding	**(213)**	**(223)**	**(235)**	**2,607**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	62	73	3,140	(2,019)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**62**	**73**	**3,140**	**(2,019)**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	6	-	25	-
- to replace existing assets	17	49	73	20
- to improve the level of service	66	48	107	54
Increase/(decrease) in reserves	(240)	(247)	2,700	514
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**(151)**	**(150)**	**2,905**	**588**
Surplus/(deficit) of capital funding	**213**	**223**	**235**	**(2,607)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Revenue exceeded budget through strong activity in Building Services and other Planning & Development functions, alongside higher infringement revenue driven by increased penalties, expanded enforcement areas, and strong visitor-related activity, particularly from campervans. These gains were partially offset by higher expenditure resulting from increased bad debt provisions and enforcement-related legal costs associated with infringement activity, as well as higher salary and wage costs due to lower vacancy rates in revenue-generating teams and discount factor impacts.	Enforcement handheld devices $33k.	Wānaka Dog Pound Renewals $30k underspend.

How we performed

How QLDC performed against its Key Performance Indicators (KPIs).

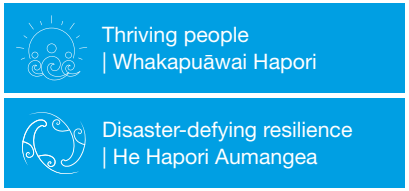
KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Resource consents listed as 'priority' in the Monitoring Strategy are proactively monitored.	100%	100%	100%	100%	Achieved - Monitoring activity was undertaken in accordance with the prioritisation strategy, resulting in 519 resource consents being monitored during the year.
Every food business that is due an audit is audited within the statutory timeframes (according to the Food Act 2014).	59%	30%	100%	26%	Not achieved - The team continues to recruit additional Environmental Health Officers to address workload pressures and reduce the auditing backlog. Two vacancies remain, with a shortage of suitably qualified officers affecting recruitment. KPI performance has also been affected by the time required for priority enforcement activities under the Food Act 2014, reducing capacity for scheduled verification work. Despite these pressures, the team has reduced overdue audits from 178 at the end of June 2025 to 65 at the end of June 2026. The Food Act requires food businesses to be audited based on set criteria, including timeframes for new operators and audit frequency determined by a business's risk category and previous audit results. To manage the risk of not auditing all businesses within required timeframes, the team uses a risk-based approach that prioritises new operators and high-risk businesses. New operators lack a compliance history, while businesses with previous unacceptable verification outcomes are prioritised ahead of those with a strong record of compliance.
Percentage of building consents processed within statutory timeframes.	91.92%	96.45%	100%	93.54%	Not achieved - An increase in building consent applications, from 1,365 in 2024-2025 to 1,748 in 2025-2026 placed additional pressure on staff and contractor resources. As a result, the target of processing 100% of building consents within the 20-day statutory timeframe was not met. Additional contractor resources will be onboarded during 2026-2027 to improve capacity and return to higher levels of compliance with statutory timeframes.

Local democracy

Manapori ā-rohe

Local democracy

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:



WHAT WE DO

Council's local democracy activities include governance, decision-making, and emergency management. The Mayor, Councillors, and Wānaka-Upper Clutha Community Board set strategic priorities and follow legal procedures, with public access to meetings and information. Council complies with over 60 Acts and encourages community input. It uses the FPTP electoral system and operates through several committees. Strong iwi partnerships support decision-making. Council also leads civil defence efforts, working with regional partners to enhance community resilience and emergency preparedness.

Within the sub activity of Emergency Management, we lead civil defence emergency management for the district and work with our partners to undertake resilience planning across a wide range of agencies, sectors, local organisations and community resilience groups. We respond proactively to hazards and keep the community aware of risks and the importance of being prepared. We work at a regional level with Emergency Management Otago and when required, stand up our local Emergency Operations Centre which is run by trained council employees.

WHY WE DO IT

Council leads and represents Queenstown Lakes communities, ensuring transparent, informed decision-making and active public engagement, including Māori involvement. It aims to improve the district, respond to community needs, ensure readiness for emergency management responses, and comply with legislation, while maintaining affordable services. Council delivers infrastructure and facilities that reflect population growth and supports democratic local governance through inclusive and accountable processes.

WHAT WE DELIVERED

LOCAL DEMOCRACY SERVICES:



Facilitated October 2025 local government elections: An innovative awareness and call-to-action campaign resulted in sufficient candidates to contest all seats, with a 41% voter turnout. The Wānaka-Upper Clutha Ward recorded the highest turnout at 45%, while participation was strongest among older residents with 71% of those aged 71–75 voting.



Delivered comprehensive Council induction programme: provided 28 induction sessions for newly elected members, helping build governance capability and awareness of statutory responsibilities. Ongoing professional development continues through the LGNZ Akona programme.



Improved transparency through workshop recordings: Introduced the recording and publication of Council workshops following the adoption of revised Standing Orders in July 2025.

EMERGENCY MANAGEMENT:



Strengthened emergency management capability: established a structured Emergency Management Development Work Programme covering eight workstreams, creating a coordinated approach to improving preparedness, response capability and community resilience.



Expanded community resilience networks: continued working with Emergency Management Otago to support a network of 18 Community Resilience Groups across the district. These volunteer-led groups provide an important connection between local communities and the formal emergency management system, supporting community preparedness, information sharing and local response capability.



Alpine Fault planning: progressed priority planning for a major Alpine Fault earthquake, including coordinated air response and evacuation, emergency food supply, rapid relief logistics, fuel continuity and assessments of electricity and roading vulnerabilities.



Tested emergency response capability: participated in Exercise Whakarite Kia Rite, a major Otago-wide emergency management exercise. The exercise tested Emergency Operations Centre activation, shift staffing, operational leadership and coordination between councils, emergency services and the regional emergency management system.

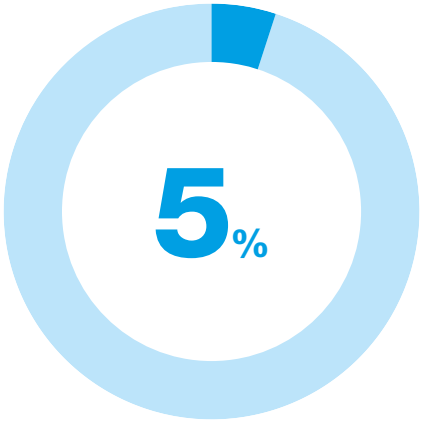
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $212,300,000 (excluding depreciation).

Local democracy expenditure of $11,507,000.



Local democracy	2025 LTP $000	2026 LTP $000	2025 Actual $000	2026 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	1,530	1,680	1,536	1,923
Targeted rates	9,662	10,366	9,386	9,975
Subsidies & grants for operating expenditure	-	-	1,206	732
Fees & charges	35	37	126	32
Interest and dividends from investments	10,738	12,509	15,906	14,248
Fuel tax, fines, infringement fees & other receipts	5	5	211	254
Total sources of operating funding	**21,970**	**24,597**	**28,371**	**27,164**
Applications of operating funding				
Payments to staff and suppliers	6,851	7,589	6,917	8,103
Finance costs	-	-	-	-
Internal charges applied	4,557	4,689	3,811	3,404
Other operating funding applications	-	-	-	-
Total applications of operating funding	**11,408**	**12,278**	**10,728**	**11,507**
Surplus/(deficit) of operating funding	**10,562**	**12,319**	**17,643**	**15,657**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**-**	**-**	**-**	**-**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to replace existing assets	-	-	-	-
- to improve the level of service	-	-	-	-
Increase/(decrease) in reserves	10,562	12,319	17,643	15,657
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**10,562**	**12,319**	**17,643**	**15,657**
Surplus/(deficit) of capital funding	**(10,562)**	**(12,319)**	**(17,643)**	**(15,657)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Interest and dividends from investments: Favourable variance driven by a $1.2M increase in QAC dividend income compared to the LTP, alongside $0.5M in interest earned from short-term deposit. Internal charges applied - overhead charges reclassification.	Not applicable.	Not applicable.

How we performed

How QLDC performed against its Key Performance Indicators (KPIs).

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Percentage of residents who are satisfied with the information they receive from Council.	39%	33%	65%	40%	Not achieved - 40% of residents were satisfied with the information they received from the Council. This was a 7% improvement on the previous year's score. Along with an increase in those satisfied with this metric, there was also an 11% decrease in dissatisfaction over the past 12 months, falling from 39% to 28%.
Percentage of residents who are satisfied with the opportunities to have their say.	32%	26%	65%	31%	Not achieved - 31% of residents were satisfied with the level of opportunity to be involved in consultation or decision making. This was an increase from 26% last year and reflects an increasing focus on ensuring engagement is targeted, tailored and timely. Dissatisfaction levels declined significantly from last year, decreasing from 48% to 31% also.
Percentage of residents who interact with customer services were satisfied with their overall experience.	New measure	85%	80%	66%	Not achieved - This figure is now based on the new customer satisfaction survey, which measures the full customer journey from initial contact through to resolution by the relevant team or contractor.
Percentage of Local Government Official Information and Meetings Act 1987 (LGOIMA) requests responded to within 20 days.	96.83%	96.5%	100%	98.8%	Not achieved - Continued improvements in conducting searches, upskilling staff in LGOIMA practices and implementing recommendations from the Ombudsman's report have all helped improve results from year one, despite ongoing increases in volume and complexity.

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Mana Whenua feel engaged with QLDC as per the agreed work programme (Aukaha and Te Ao Marama representatives).	Not applicable	Achieved	Achieved	Achieved	Achieved - The addition of Mana to Mana level hui between elected members, ELT and rūnaka leaders has seen a maturing in iwi relations. This has been beneficial to the growth of the engagement and allowed for more direct communication with iwi. Operational engagement has been solely with Te Ao Marama representatives this year.
Percentage of QLDC staff (that are part of the emergency response structure) who have participated in a response or training throughout the year.	99%	100%	100%	90%	Not achieved - While below the 100% target, the 90% result demonstrates a high level of participation from across the workforce. A strengthened training programme, improved induction pathways and enhanced training reporting are being implemented to increase participation and maintain sufficient trained personnel across all response functions.
Percentage of residents who consider themselves resilient and prepared in the event of an emergency.	51%	48%	60%	53%	Not achieved - 53% of residents consider themselves prepared for an emergency, compared to 25% who do not and 22% who were unsure. While marginally below target, this was the highest result since monitoring of this metric commenced in 2018.

Finance and support services

Rātoka ahumoni

Finance and support services

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:

- Thriving people | Whakapuāwai Hapori
- Living Te Ao Māori | Whakatinana i te ao Māori
- Opportunities for all | He ōhaka taurikura
- Deafening dawn chorus | Waraki
- Disaster-defying resilience | He Hapori Aumangea

WHAT WE DO

Sub activities within the Finance and support services activity include:

- Strategic policy
- Communications and customer services
- Knowledge management
- Organisation performance
- People and capability
- Procurement and risk
- Finance
- Legal
- Resilience and climate action

For further information on what we do across the Finance and support services activity, please refer to pages 117-119 in the Long Term Plan 2024-2034.

WHY WE DO IT

For information on why we deliver the range of sub activities within Finance and support services, please refer to pages 120-121 in the Long Term Plan 2024-2034.

WHAT WE DELIVERED

STRATEGIC POLICY:



Led key initiatives: including Council's involvement in key strategic initiatives such as local government reform and Regional Deal negotiations.



Developed policies and bylaws: supported a range of Council policies and decisions, including the adoption of the Traffic and Parking Bylaw 2025 and Freedom Camping Bylaw 2025.



Improved data and insights: worked with Statistics NZ to develop customised population and growth projections that better reflect the district's growth and delivered the Quality of Life and Community Insights surveys.

WHAT WE DELIVERED

COMMUNICATIONS & CUSTOMER SERVICES:



Enhanced customer experience training: developed and delivered tailored customer experience training across the organisation, including for all new staff. The programme focuses on making customer interactions easy, engaging and empathetic, while building community trust.



Introduced Scout chatbot: launched the QLDC website chatbot represented by a local Nevis skink, to help customers quickly and easily navigate the website and find relevant information.



Enhanced website accessibility: completed a series of website improvements focused on accessibility, ensuring the site meets AA-level compliance with the Web Content Accessibility Guidelines (WCAG) 2.2. This supports more accessible online services for people with a wide range of disabilities.

KNOWLEDGE MANAGEMENT:



Strengthened cyber resilience: enhanced QLDC's cyber resilience and service continuity through critical platform upgrades, improved disaster recovery capability, independent security assurance activities, and improved access controls. This reduced organisational risk and improved the reliability of key digital services.



Geospatial asset management: delivered a geospatial asset management solution for Parks and Open Spaces, enabling planned maintenance, mobile field data capture, contractor performance oversight, and improved asset reporting to support more efficient operations and better community outcomes.



Enhanced customer request management: integrated Snap Send Solve with TechnologyOne, streamlining community service requests and improving visibility, responsiveness, and operational efficiency.

WHAT WE DELIVERED

ORGANISATION PERFORMANCE:

Expanded project management capability: increased the number of projects onboarded to QLDC's Project Management Method (PMM) and Sentient project management tool by 65%.

Delivered statutory reporting: successfully adopted the Annual Plan 2026–2027, meeting all statutory deadlines and audit requirements.

Improved key processes: delivered process improvement initiatives, including a 40% reduction in outstanding consent-related debt, enhanced customer-facing tools and guidance for event permits, and new customer satisfaction surveys for Requests for Service and consents.

PEOPLE & CAPABILITY:

Implemented the Learning Management System: migrated all on-boarding e-learning modules to the new system, streamlining processes, improving efficiency and productivity, and enhancing compliance, consistency and the employee experience.

Increased employee engagement participation: achieved year-on-year growth in employee engagement participation, now exceeding the Gallup global benchmark of 84%.

Strengthened Health and Safety: continued to closely monitor performance, with a focus on risk management, incident prevention and employee wellbeing. Positive progress was made in key areas, with ongoing work to address emerging risks, strengthen capability and embed safety into everyday decision-making.

WHAT WE DELIVERED

RESILIENCE & CLIMATE ACTION:

Climate & Biodiversity Plan: adopted the 2025–2028 Plan in July 2025, with six-monthly reporting to Council. By June 2026, all actions were underway in line with the implementation plan.

Verified Council emissions: independently verified the 2024–2025 emissions inventory through Toitū, with recertification confirmed in January 2026. Category 1 and 2 emissions were 21% above the 2018–2019 baseline, driven by increased LPG and electricity use.

Advanced energy transition: established a new Energy Steering Group to develop an energy roadmap for Council and coordinate future investment opportunities. Initiatives included new electricity retailer agreements, solar and battery projects, EV charging, vehicle-to-grid technology, battery energy storage systems (BESS) and demand flexibility initiatives.

Supported climate resilience: developed local climate scenarios and future projections to test long-term infrastructure assumptions and support adaptive planning. This work will inform the next 30-year Infrastructure Strategy, Asset Management Plans and Long Term Plan investment programme.

PROCUREMENT:

Centralised procurement: increasingly centralised the function, with additional resources added to improve consistency and provide specialist expertise to the wider organisation.

Published the Procurement Plan: increasing transparency of the opportunities available to suppliers in the coming year.

ASSURANCE & RISK:

Compliance Management Framework: introduced the framework, including six-monthly reporting.

Strengthened risk governance: enhanced governance oversight through the Risk Management Policy and implemented a governance framework aligned with the Three Lines Assurance Model.

Delivered the Internal Assurance Programme: completed the programme, including reporting on audit findings and recommendations.

WHAT WE DELIVERED

LEGAL:



Upheld laws and community safety: successfully prosecuted breaches of building regulations, resource consents and dog control legislation through the courts, helping to maintain public safety and regulatory compliance.



Responded to Fast Track projects: provided legal advice and evidence to support QLDC's involvement in the Fast Track consenting process.



Resolved building defects claims: resolved all outstanding financial claims against QLDC relating to building defects and leaky buildings. Claims against QLDC's insurer remain ongoing.

FINANCE:



Improved rates setting: continued to improve rates-setting processes, with rates again set and available in August, building on efficiencies achieved in previous years.



Strengthened debt collection: made significant progress in debt collection through the appointment of a credit controller and the introduction of multiple payment methods and payment frequency options.



Maintained AA-Fitch credit rating: retained the credit rating and improved the outlook from negative to stable.

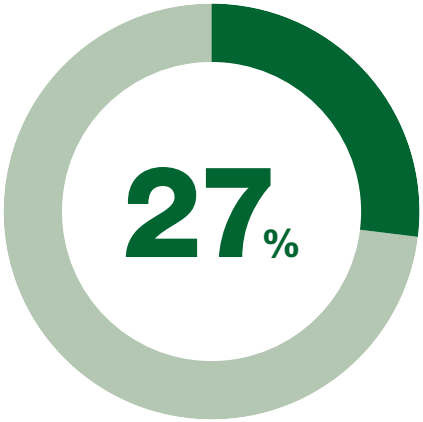
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $212,300,000 (excluding depreciation).

Finance and support services expenditure of $57,628,000.



Overheads	2025 LTP $000	2026 LTP $000	2025 Actual $000	2026 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	736	852	1,050	957
Targeted rates	(1,688)	(796)	(1,653)	(1,676)
Subsidies & grants for operating expenditure	-	-	-	2
Fees & charges	349	357	293	644
Interest and dividends from investments	700	700	956	616
Internal Charges Recovered	58,970	61,300	56,640	58,389
Fuel tax, fines, infringement fees & other receipts	67	69	122	222
Total Sources of Operating Funding	**59,134**	**62,482**	**57,408**	**59,154**
Applications of Operating Funding				
Payments to staff and suppliers	33,375	35,876	31,620	33,960
Finance costs	305	320	451	300
Internal Charges Applied	23,858	24,574	23,674	24,815
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	**57,538**	**60,770**	**55,745**	**59,075**
Surplus/(Deficit) of Operating Funding	**1,596**	**1,712**	**1,663**	**79**
Sources of Capital Funding				
Subsidies & grants for capital expenditure	-	-	250	(2)
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	18,912	(7,375)	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	**18,912**	**(7,375)**	**250**	**(2)**
Applications of Capital Funding				
Capital Expenditure				
- to meet additional demand	562	110	76	52
- to replace existing assets	1,953	1,779	1,250	2,322
- to improve the level of service	9,174	804	289	8,984
Increase/(decrease) in reserves	8,819	(8,356)	298	(11,281)
Increase/(decrease) of investments	-	-	-	-
Total Applications of Capital Funding	**20,508**	**(5,663)**	**1,913**	**77**
Surplus/(Deficit) of Capital Funding	**(1,596)**	**(1,712)**	**(1,663)**	**(79)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Payments to staff and suppliers - exceeded budget primarily due to additional project resources engaged to deliver a major IT initiative.	Not applicable.	Not applicable.

How we performed

How QLDC performed against its Key Performance Indicators (KPIs).

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Percentage of complaints that are resolved within 10 working days.	99.5%	97.3%	>95%	100%	Achieved - Target achieved with 100% of complaints resolved within 10 working days. Proportionally, the Property & Infrastructure directorate managed approximately half of the formal complaints received during the year, more than twice the number received by any other directorate, while continuing to respond within required timeframes.
Percentage of customer calls that meet the service level (answered within 20 seconds).	68.7%	88.6%	85%	86.25%	Achieved - Phone calls remain QLDC's most used customer contact channel. The team continues to prioritise answering community calls, performing well above the international standard of 80% and exceeding the KPI target.
Percentage of Councillor enquiries responded to within 5 working days.	84.6%	88.2%	100%	97.33%	Not achieved - Target almost achieved with 97% responded to within 5 working days. Councillors kept informed when target was not met due to volume of information to collate or cross-directorate input on response.
Customer satisfaction with: a) speed of response and final resolution	84%	93%	80%	74%	Not achieved - Results indicate some positive team performances but overall room for improvement by lessening customer effort and providing thorough and timely responses. QLDC's recently initiated staff customer experience training program and focus on customer communications should improve our results in the next coming year.
b) clarity of process and timeframes	87%	89%	80%	74%	
c) staff knowledge and professionalism	96%	96%	80%	79%	
d) fairness and consistency	95%	96%	80%	80%	Achieved - Strong performance by roading, freedom camping, regulatory, and parks teams.

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Reduction in the Total Recordable Injury Frequency Rate.	9.19	6.67	<9[19]	3.13	Achieved - Health and Safety performance remains a key organisational priority. Employees continue to demonstrate strong engagement with safe work practices, hazard identification, and incident reporting, contributing to a positive safety culture. Ongoing focus is being placed on continuous improvement, learning from incidents, and ensuring the wellbeing of our people remains at the heart of everything we do.
Weighted average interest rate.	5.03%	4.05%	<6%	3.73%	Achieved - This target was met and decreased compared with the previous year due to a lower Official Cash Rate throughout the financial year.
Debt servicing to rates revenue.	24.82%	20.4%	<30%	14.5%	Achieved - This target was met, with a reduction in debt servicing as a percentage of rates revenue compared to the previous year due to the lower official Cash Rate throughout the financial year.
Percentage of debt owing 90 days and over (not including rates and net off bad debt provision).	12.07%	10.7%	<30%	4.7%	Achieved - This target was met, with a slight improvement on the previous year's result as we continue to focus on maintaining collection of aged debt.
Renewals CAPEX to depreciation ratio.	0.54	0.45	>1	0.44	Not achieved - This target was not met due to a significant increase in depreciation compared with the renewals budget due, driven by increased depreciation arising from asset revaluations.
Rates per rating unit.	$3,946	$4,180	$5,100 (ex gst)	$4,692	Achieved - This target was met as the rates increase was set within the limits of this KPI.
Net debt per rating unit.	$20,677	$19,485	$19,300 (ex gst)	$18,160	Achieved - This target was met due to deferral of capex projects.

[19] The Total Recordable Injury Frequency Rate (TRIFR) KPI target was incorrectly published as <8 in the Long Term Plan 2024-34 adopted by Council on 19 September 2024. The KPI target for TRIFR is <9. The KPI target is therefore shown as intended in this report, with the published error clearly acknowledged.

KPIs	Baseline Performance at 30 June 2024	Annual Result 2024-2025	Target for Year 2 of LTP 2024-2034	Annual Result 2025-2026	Commentary
Percentage of residents who are satisfied with the steps Council is taking to prepare for and adapt to the effects of climate change.	New measure	18%	Year-on-year improvement	17%	Not achieved - The percentage of residents satisfied with the steps Council is taking to prepare for and adapt to the effects of climate change has slightly decreased in comparison to the previous year.
Percentage of residents who are satisfied with the steps Council is taking to reduce the district's greenhouse gas emissions.	14%	22%	Year-on-year improvement	24%	Achieved - 24% of residents were satisfied with the steps Council is taking to reduce greenhouse gas emissions. This was a marginal increase from the previous result of 22%. There was also a significant reduction in those dissatisfied, with a corresponding increase in those responding neither satisfied nor dissatisfied.
Percentage of residents who are satisfied with the steps council is taking to help protect and restore the district's biodiversity.	New measure	36%	Year-on-year improvement	39%	Achieved - The percentage of residents satisfied with the steps Council is taking to protect biodiversity increased to 39%, exceeding the target and improving on the previous year's result.
Achieve annual carbon reduction certification through independent third-party audit.	Updated measure	Achieved	Achieved	Achieved	Achieved - QLDC was recertified in January 2026 by Toitū Envirocare against the CarbonReduce programme. Certification is valid until January 2029.
Percentage of QLDC actions delivered to target as per the Implementation Plan of the Climate and Biodiversity Plan.	New measure	95%	90%	100%	Achieved - All actions within the Climate & Biodiversity Plan for 2025-2026 commenced and were being delivered in accordance with the Implementation Plan.



Queenstown Airport Corporation Ltd

Council's Long-Term Plan 2024-2034 set out several objectives and expectations for the Queenstown Airport Corporation (QAC), as well as outlining the nature and scope of activities.

The QAC SOI year ending 30 June 2026 included clear objectives, clear pathways for delivery and clear reporting against measurable performance targets for all objectives including: QAC will commit to a staged, gateway approach to the investment signalled in the QAC Masterplan and engage its major shareholder in advance of each gateway. This will include QAC's assessment of the financial risk associated with each gateway from the perspective of its major shareholder. The QAC will specifically assess the risk associated with QAC growth assumptions and any other input that would impact on the delivery of the proposed Masterplan. The Terminal and Crosswind Runway being significant capital investment undertakings (see QAC Annual Report, link below). The QAC is now (2026) reporting directly on a risk assessment framework on a quarterly basis to the QLDC Audit Risk and Finance Committee.

The QAC SOI continues to reflect how it will address the social, environmental, economic and cultural well beings of the communities of the Queenstown Lakes district within the context of continuing to deliver a profitable and sustainable business enterprise. QAC continues to commit to shape its strategic direction to align with the QLDC 2050 Vision, QLDC Spatial Plan and associated plans, such as the Destination Management Plan. As a key priority for QLDC, sustainability and the reduction of the QAC's carbon footprint (in line with QLDC's targets) will be strong drivers for the strategic direction of Queenstown Airport (including a commitment to work with and influence strategic airline stakeholders in the pursuit of carbon reduction objectives and technologies). This includes a requirement to understand climate change risk, including financial and legal. The QAC has continued to offer certainty that airport operations will remain within the Queenstown Airport air noise boundaries for the next ten years (as of 2022 objective). As outlined in the SOI, the Council anticipates dividend payments in line with the Dividend Policy with an annual forecast ratio of 60% of Net Profit After Tax (NPAT) of the SOI period.

The financial results delivered for the financial year reflect a sustained resurgence of travel to and from the Southern Lakes region.

For further information about the measures used to track how QAC is performing, see page 41-43 of their Annual Report at this link:
2026-queenstown-airport-annual-report.pdf

TOTAL AIRCRAFT MOVEMENTS

1 July 2025 to 30 June 2026, compared with the previous year

Category	Movements	Change
Scheduled Aircraft Movements	19,678	+4%
Helicopter Movements	31,764	+6%
Fixed-Wing Movements	16,540	+2%
Private Jet Movements	481	+5%

TOTAL PASSENGER MOVEMENTS

1 July 2025 to 30 June 2026, compared with the previous year

Category	Passengers	Change
Domestic Movements	1,755,475	+6%
International Movements	1,066,668	+13%
Total	2,822,143	+8%

Aircraft and passenger movements explained: Airports report passengers and aircraft as movements. A plane arriving in Queenstown and then departing counts as two aircraft movements. Similarly, about half of the total passenger movements are arrivals and half are departures.

FINANCIAL PERFORMANCE

Metric	Value	Change
Revenue	$87.1M	+9%
EBITDA	$61.8M	+8%
Reported Profit	$9.1M	-
Underlying Profit	$34.0M	-

UNDERLYING PROFIT RECONCILIATION

$000's	FY26	FY25
Reported Profit	$9.1M	$29.4M
Adjusted for:		
Lot 6 Compensation, Interest & Legal Costs	$22.6M	$2.5M
Accelerated Depreciation	$2.3M	-
Underlying Profit	$34.0M	$31.9M

Funding Impact Statement – Whole Council (QLDC only)

	2025 Long Term Plan $000	2025 Actual $000	2026 Annual Plan $000	2026 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	8,706	9,051	11,711	12,141
Targeted rates	141,705	139,811	164,989	163,865
Subsidies & grants for operating expenditure	7,169	8,784	7,268	8,581
Fees & charges	48,504	48,052	52,131	53,574
Interest and dividends from investments	11,437	16,880	13,775	14,874
Fuel tax, fines, infringement fees & other receipts	10,580	16,515	12,166	16,918
Total sources of operating funding	**228,101**	**239,093**	**262,040**	**269,953**
Applications of operating funding				
Payments to staff and suppliers	165,470	171,718	178,720	189,608
Finance costs	30,002	30,040	27,650	25,406
Total applications of operating funding	**195,472**	**201,758**	**206,370**	**215,014**
Surplus/(deficit) of operating funding	**32,629**	**37,335**	**55,670**	**54,939**
Sources of capital funding				
Subsidies & grants for capital expenditure	16,386	14,881	12,736	5,860
Development and financial contributions	39,314	16,714	32,551	32,826
Increase/(decrease) in debt	42,863	60,318	46,037	19,535
Gross proceeds from sale of assets	-	-	105	-
Total sources of capital funding	**98,563**	**91,913**	**91,429**	**58,221**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	51,132	45,502	60,503	37,136
- to replace existing assets	38,967	29,738	37,787	32,328
- to improve the level of service	56,637	54,496	61,080	49,096
Increase/(decrease) in reserves	(15,544)	(488)	(12,271)	(5,400)
Total applications of capital funding	**131,192**	**129,248**	**147,099**	**113,160**
Surplus/(deficit) of capital funding	**(32,629)**	**(37,335)**	**(55,670)**	**(54,939)**
Funding balance	**-**	**-**	**-**	**-**

Reconciliation of Funding Impact Statement to Statement of Financial Performance

	2025 Long Term Plan $000	2025 Actual $000	2026 Annual Plan $000	2026 Actual $000
INCOME				
Statement of Comprehensive Revenue and Expense:				
Total operating income	**315,839**	**324,804**	**339,695**	**412,064**
Funding Impact Statement:				
Total sources of operating funding	228,101	239,093	262,040	269,953
Plus sources of capital funding:				
Subsidies & grants for capital expenditure	16,386	14,881	12,736	5,860
Development and financial contributions	39,314	16,714	32,551	32,826
Plus non-cash items:				
Vested assets	30,235	52,930	30,942	93,033
Other gains/(losses)	1,803	1,186	1,426	10,392
Total income	**315,839**	**324,804**	**339,695**	**412,064**
EXPENDITURE				
Statement of Comprehensive Income:				
Total operating expenditure	**261,484**	**271,182**	**276,653**	**292,370**
Funding Impact Statement:				
Total applications of operating funding	195,472	201,757	206,370	215,014
Plus non-cash items:				
Depreciation & amortisation expense	66,012	69,424	70,283	77,356
Total expenditure	**261,484**	**271,182**	**276,653**	**292,370**

(i) Refer to Note 35

Financial Statements

Kā tauākī ahumoni

Reporting against our financial strategy

The Financial Strategy is outlined in full in the Long Term Plan 2024-2034 as a means of demonstrating prudent financial management. It is used as a tool when the Council makes big funding decisions, so that the community can understand the implication of the decision on rates, debt and investments.

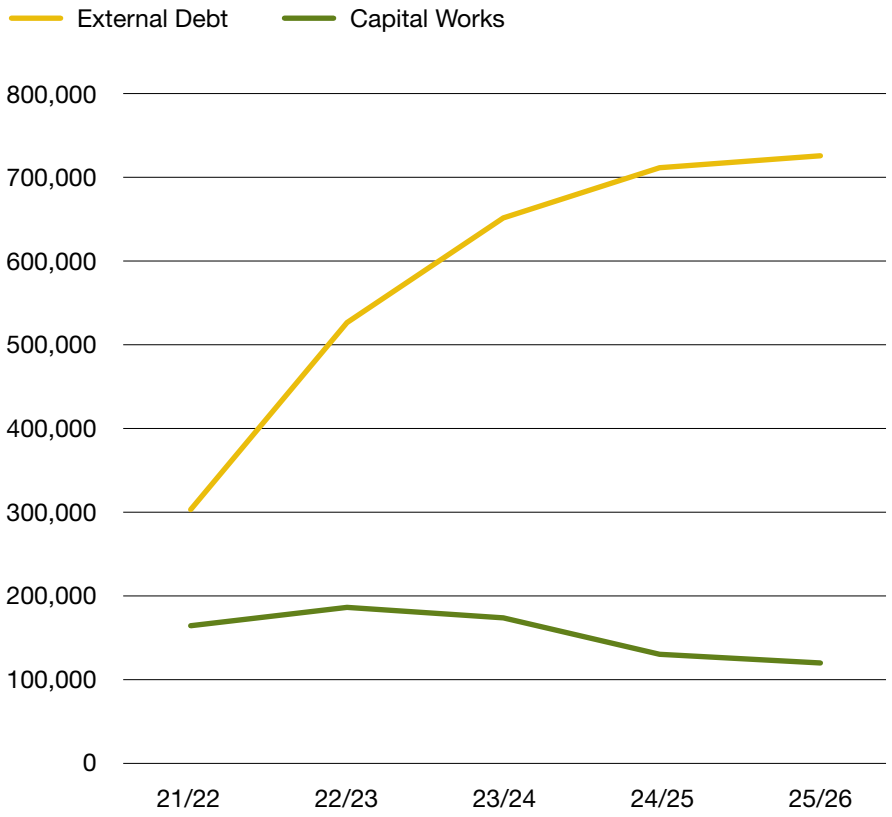
The following graphs show how the Council performed against the Financial Strategy in 2025-2026, and comparatives for the previous three years.

The Financial Strategy describes the challenges that will impact the district over the Long Term Plan 2024-2034, and how the Council will respond in a responsible and affordable way. The Financial Strategy aims to achieve the following:

- Prioritised capital programme
  - delivering the 'right' projects in order to achieve compliance with water supply and wastewater services within statutory deadlines
  - delivering the 'right' projects ahead of growth so that development is supported in areas identified in the Spatial Plan
- Alternative funding methods – potential use of the Infrastructure Funding and Financing Act (IFFA) for new growth infrastructure is fully investigated over the next two years and is implemented if found appropriate
- Alternative funding methods – the use of Developer Agreements which require higher up-front payments from developers for new growth infrastructure, or for developers to provide trunk infrastructure in exchange for development contribution credits is fully investigated over the next two years and implemented if found to be appropriate
- Rates increases are minimised for the period whilst recognising the need to increase rates and other operating revenue to "balance the budget" and to maintain compliance with borrowing limits
- Debt levels are maintained within borrowing limits
- Debt levels at the end of the 10 year period have stabilised
- Excellent service continues to be provided within financial constraints.

The graph below shows that the actual spend on capital projects has been held at consistent levels across the years. This has been due to some large projects including Project Shotover Wastewater plant upgrade and the new Cardrona Water Supply Scheme as well as other upgrades in Transport and Three Waters infrastructure. The actual capital expenditure in 2025/26 was $118.6M, which was 81% of the adjusted budget of $146.4M as at 30 June 2026. Gross debt has increased from $710.7M to $726.4M due to capex spend which is funded by debt.

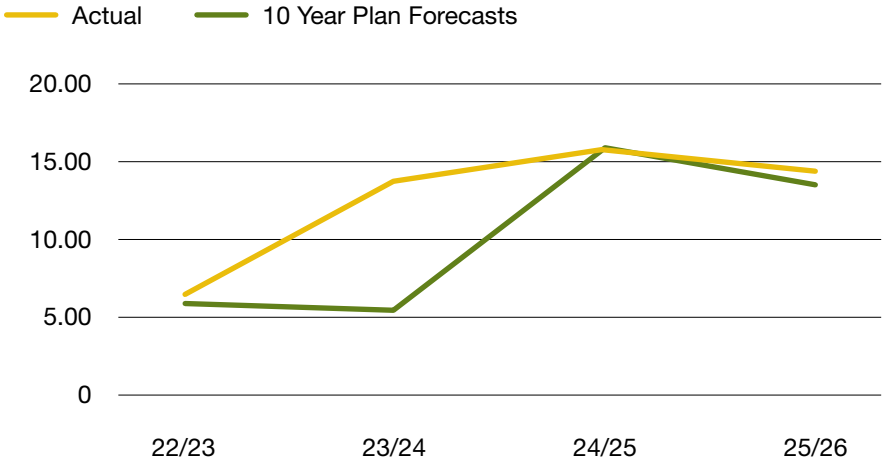
External Debt vs Capital Works (000's)



RATES

The graph below shows the actual rates increase over the past four years compared to the increases forecast in the 10 Year Plan. The total rates for 2025-2026 are within an acceptable range to the forecast.

Rates Increase % - Actual and forecast (after allowing for growth)



DEBT LEVELS

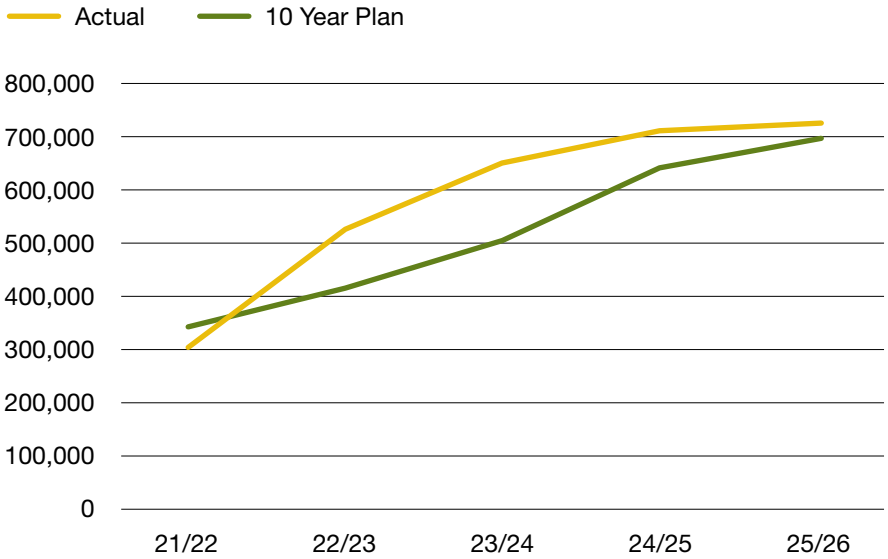
In order to deliver the large capital programme included in the 2024-2034 10 Year Plan, the Council needs to rely on borrowing. The Council has spent a considerable amount of time and effort working through the capital programme to ensure it is affordable and deliverable. The actual net debt (includes cash on hand) as at 30 June 2026 was $676.3M; this is $9M less than June 2025, and $25.3M less than forecast in the 2025-26 Annual Plan. Debt is within Councils borrowing limits, although higher than forecast due to the large leaky building settlement particularly leading into 2022–2024 and the increased debt due to capital programme funding. This has resulted in slightly higher interest costs, reflecting increased borrowing levels, partially offset by the impact of declining interest rates.

The actual and proposed levels of debt are within all of the Council's borrowing limits:

Council's Borrowing Limits	Actual 2023/24	Actual 2024/25	Actual 2025/26	Forecast 2025/26
Interest Expense/ Rates <30%	25.3%	20.4%	14.5%	15.8%
Interest Expense/Total Revenue <20%	13.4%	11.8%	9.2%	10.1%
Net Debt/Total Revenue < 280%	276.8%	270.1%	245.2%	253.4%

The following graph shows the forecasted debt levels compared to actual debt levels up to 2025-2026. As can be seen, actual debt levels have surpassed Long Term Plan levels. The actual gross debt as at 30 June 2026 was $726.4M, is $29.9M more than the amount forecast in the 2024-2034 Long Term Plan.

External Debt (000s)



CAPITAL WORKS 2025-26

Notable Infrastructure projects that have been substantially advanced or completed during the 2025-26 financial year:

Project	Cost at Year End 2026
Upper Clutha Conveyance Scheme (Wastewater)	$22,347,167
Compliance Response - UV Treatment (Water Supply)	$7,978,487
CBD to Frankton Conveyance (Wastewater)	$7,830,096
Kingston New Scheme (Storm Water)	$6,605,251
Robins Road Conveyance (Wastewater)	$6,222,691
Project Shotover Stage 3 (Wastewater)	$4,445,116
Sealed Road Resurfacing - Whakatipu (Transport)	$4,209,185
Shotover Disposal Field (Wastewater)	$3,165,394
Renewals - Queenstown (Water Supply)	$2,787,246
Kingston New Scheme (Water Supply)	$2,467,938
Coronet Forest Revegetation	$2,329,132
Project Pure Aeration Grid Renewal (Wastewater)	$2,196,014
Ballantyne Road Site Remediation Works	$1,991,345
Stanley Street Site Works & Temporary Parking	$1,747,294
Unsealed Road Metalling - Whakatipu (Transport)	$1,567,223
Sealed Road Resurfacing - Wānaka (Transport)	$1,557,582
Enterprise System	$1,466,352
Hanley's Farm Pump Station (Wastewater)	$1,171,104
Wānaka Airport Compliance	$997,357
Renewals - Wānaka (Wastewater)	$968,762
Historic Land Encroachments (Wastewater)	$862,512
QEC Indoor Courts, Carpark, Sports Field	$854,586
Drainage Renewals - Whakatipu (Transport)	$719,821
Rockabilly Gully Erosion Protection (Storm Water)	$715,223
Renewals - Wānaka (Water Supply)	$693,078
Renewals - Queenstown (Wastewater)	$691,857
Historic Land Encroachments (Water Supply)	$685,438
Wānaka Waste Facilities (Waste Management)	$681,406
Minor Improvements Whakatipu (Transport) unsubsidised	$667,778
Public Transport Assets Whakatipu (Transport) unsubsidised	$604,994
SH6/6A Improvements (Storm Water)	$600,193

Total net carry-forward projects totalling $23.8M were approved by the council in September for completion during 2026-29. Carry forwards in excess of $500,000 are as follows:

Project	Budget Deferred at Year End 2026
Upper Clutha Conveyance Scheme (Wastewater)	$2,942,683
Kingston New Scheme (Wastewater)	$2,511,120
Robins Road Conveyance Upgrade (Wastewater)	$2,325,657
Frankton Road Watermain Upgrade (Water Supply)	$1,899,365
516 Ladies Mile Stage 1	$1,566,233
Lakeview Development Servicing (Storm Water)	$1,059,400
Filtration - Wānaka (Water Supply)	$1,052,141
Wānaka Airport Compliance	$930,871
New Sports Fields in Queenstown	$887,626
Gorge Road/Robins Road Active Travel unsubsidised	$827,060
Wānaka Airport Renewals	$715,217
Wānaka Waste Facilities (Waste Minimisation)	$658,711
Filtration - Queenstown (Water Supply)	$628,800
Parks Structures Renewals - Whakatipu	$625,120
Existing Wakatipu Waste Facilities (Waste Management)	$606,832
QEC Energy Upgrade	$596,897
Minor Improvements Whakatipu (Transport) unsubsidised	$542,113
North Wānaka Conveyance Stage 2 (Wastewater)	$521,212

Statement of Financial Performance

For the financial year ended 30 June 2026	Notes	Council 2026 $'000	Council Budget $'000	Council 2025 $'000	Group 2026 $'000	Group 2025 $'000
Operating revenue						
Revenue from non-exchange transactions						
Rates revenue	2 (a)	174,747	175,548	147,547	174,231	147,076
Other revenue	2 (a)	165,037	100,737	113,367	165,037	113,367
Revenue from exchange transactions						
Other revenue	2 (b)	61,888	61,982	62,704	134,180	126,225
Total revenue	**2 (g)**	**401,672**	**338,267**	**323,618**	**473,448**	**386,668**
Operating expenditure						
Employee benefits expense	2 (c)	58,499	59,135	54,908	67,901	64,720
Depreciation and amortisation expense	2 (d,g)	77,356	70,283	69,424	93,417	80,312
Borrowing costs	2 (e)	25,407	27,650	30,040	32,924	35,075
Other expenses	2 (f)	131,108	119,585	116,810	163,724	128,518
Total operating expenditure	**2 (g)**	**292,370**	**276,653**	**271,182**	**357,966**	**308,625**
Operating surplus before other gains/(losses)		**109,302**	**61,614**	**52,436**	**115,482**	**78,042**
Other gains/(losses)	2 (b)	10,392	1,428	1,186	10,451	1,055
Operating surplus before income tax		**119,694**	**63,042**	**53,622**	**125,933**	**79,097**
Income tax expense	3	-	-	-	11,387	11,982
Operating surplus for the year		**119,694**	**63,042**	**53,622**	**114,546**	**67,115**
Operating surplus attributable to:						
- Council	20	119,694	63,042	53,622	112,272	59,768
- Non-controlling interest	21	-	-	-	2,274	7,347
Operating surplus for the year		**119,694**	**63,042**	**53,622**	**114,546**	**67,115**

The accounting policies and notes form part of and should be read in conjunction with these financial statements.
Group refers to the consolidated financial results of the Council and all entities that it controls

Statement of Other Comprehensive Revenue and Expense

For the financial year ended 30 June 2026	Notes	Council 2026 $'000	Council Budget $'000	Council 2025 $'000	Group 2026 $'000	Group 2025 $'000
Surplus/(Deficit) for the year		119,694	63,042	53,622	114,546	67,115
Other comprehensive revenue and expense						
May be reclassified subsequently to revenue or expense when specific conditions are met						
Gain/(loss) on revaluation	19 (a)	236,042	120,138	64,530	236,042	127,469
Income tax relating to revaluation	19 (a)	-	-	-	-	(5,885)
Gain/(loss) on cash flow hedging	19 (d)	-	-	-	334	(1,086)
Realised gain/ (losses) transferred to the statement of financial performance	19 (d)	-	391	-	-	-
Income tax relating to cash flow hedging	19 (d)	-	-	-	(94)	304
Total Comprehensive Revenue and Expense		**355,736**	**183,571**	**118,152**	**350,828**	**187,917**
Attributable to:						
- Council		355,736	183,571	118,152	348,494	166,508
- Non-controlling interest		-	-	-	2,334	21,409
Total Comprehensive Revenue and Expense		**355,736**	**183,571**	**118,152**	**350,828**	**187,917**

The accounting policies and notes form part of and should be read in conjunction with these financial statements.

Statement of Financial Position

As at 30 June 2026	Notes	Council 2026 $'000	Council Budget $'000	Council 2025 $'000	Group 2026 $'000	Group 2025 $'000
Current assets						
Cash and cash equivalents	28	28,761	2,829	6,276	29,808	7,362
Trade and other receivables from non-exchange transactions	6	16,009	17,818	15,360	16,009	15,360
Trade and other receivables from exchange transactions	6	15,132	11,685	18,644	19,764	22,792
Inventories		84	65	80	84	80
Other financial assets	7	3,750	614	-	3,750	-
Other current assets	8	5,759	10,126	4,948	6,385	5,522
Asset held for Sale		1,631	-	5,259	1,631	5,259
Total current assets		**71,126**	**43,137**	**50,567**	**77,431**	**56,375**
Non-current assets						
Investment in subsidiaries	25	5,412	5,412	5,412	-	-
Other financial assets	7	18,028	17,834	19,328	18,110	19,328
Property, plant and equipment	10	3,612,381	3,674,493	3,260,075	4,242,384	3,872,291
Forestry assets	11	4,250	-	-	4,250	-
Intangible assets	12	9,351	16,828	8,948	12,759	14,061
Investment property	13	63,250	67,457	56,545	63,250	56,545
Development property	9	19,378	14,444	19,555	19,378	19,555
Total non-current assets		**3,732,050**	**3,796,468**	**3,369,863**	**4,360,131**	**3,981,780**
Total assets		**3,803,176**	**3,839,605**	**3,420,430**	**4,437,562**	**4,038,155**
Current liabilities						
Trade and other payables from exchange transactions	14	46,445	55,111	40,546	88,119	56,677
Borrowings	15	215,000	179,285	192,846	215,000	245,846
Other financial liabilities	16	2,552	-	1,184	2,622	1,285
Other current liabilities	17	10,915	11,140	6,361	10,915	6,361
Employee entitlements	18	5,277	4,004	4,676	7,154	6,532
Current tax payable	3 (c)	-	-	-	3,850	6,106
Total current liabilities		**280,189**	**249,540**	**245,613**	**327,660**	**322,807**

The accounting policies and notes form part of and should be read in conjunction with these financial statements.

Statement of Financial Position continued

As at 30 June 2026	Notes	Council 2026 $'000	Council Budget $'000	Council 2025 $'000	Group 2026 $'000	Group 2025 $'000
Non-current liabilities						
Borrowings	15	511,366	539,854	517,825	567,952	517,825
Other financial liabilities	16	879	-	1,986	879	2,206
Deferred tax liabilities	3 (d)	-	-	-	34,425	34,753
Total non-current liabilities		**512,245**	**539,854**	**519,811**	**603,256**	**554,784**
Total liabilities		**792,434**	**789,394**	**765,424**	**930,916**	**877,591**
Net assets		**3,010,742**	**3,050,211**	**2,655,006**	**3,506,646**	**3,160,564**
Equity						
Reserves	19	1,993,178	1,900,748	1,742,145	2,288,202	2,036,988
Accumulated funds	20	1,017,564	1,149,463	912,861	1,092,232	994,951
Total equity attributable to Council		**3,010,742**	**3,050,211**	**2,655,006**	**3,380,434**	**3,031,939**
Non-controlling interest	21	-	-	-	126,212	128,625
Total equity		**3,010,742**	**3,050,211**	**2,655,006**	**3,506,646**	**3,160,564**

The accounting policies and notes form part of and should be read in conjunction with these financial statements.

JOHN GLOVER
Mayor
Queenstown Lakes District Council
8 October 2026

JAMES STEVENSON-WALLACE
Chief Executive
Queenstown Lakes District Council
8 October 2026

Statement of Changes in Equity

Council	Notes	Revaluation Reserves $'000	Operating Reserves $'000	Capital Reserves $'000	Hedging Reserve $'000	Accumulated Funds $'000	Attributable to Equity Holders of Parent $'000	Non-Controlling Interest $'000	TOTAL EQUITY $'000
For the year ended 30 June 2026									
Balance at 1 July 2025	19/20	1,697,440	15,529	29,176	-	912,861	2,655,006	-	2,655,006
Total comprehensive revenue and expense for the year	19/20	236,042	-	-	-	119,694	355,736	-	355,736
Transfers from/(to) accumulated funds	19/20	6,029	1,488	7,474	-	(14,991)	-	-	-
Balance at 30 June 2026		**1,939,511**	**17,017**	**36,650**	**-**	**1,017,564**	**3,010,742**	**-**	**3,010,742**
For the year ended 30 June 2025									
Balance at 1 July 2024	19/20	1,629,450	11,029	12,862	-	883,513	2,536,854	-	2,536,854
Total comprehensive revenue and expense for the year	19/20	64,530	-	-	-	53,622	118,152	-	118,152
Transfers from/(to) accumulated funds	19/20	3,460	4,500	16,314	-	(24,274)	-	-	-
Balance at 30 June 2025		**1,697,440**	**15,529**	**29,176**	**-**	**912,861**	**2,655,006**	**-**	**2,655,006**

Group	Notes	Revaluation Reserves $'000	Operating Reserves $'000	Capital Reserves $'000	Hedging Reserve $'000	Accumulated Funds $'000	Attributable to Equity Holders of Parent $'000	Non-Controlling Interest $'000	TOTAL EQUITY $'000
For the year ended 30 June 2026									
Balance at 1 July 2025	19/20	1,992,460	15,529	29,176	(177)	994,951	3,031,939	128,625	3,160,564
Total comprehensive revenue and expense for the year	19/20	236,042	-	-	180	112,272	348,494	2,334	350,828
Dividends paid	21	-	-	-	-	-	-	(4,747)	(4,747)
Transfers from/(to) accumulated funds	19/20	6,029	1,488	7,474	-	(14,991)	-	-	-
Balance at 30 June 2026		**2,234,531**	**17,017**	**36,650**	**3**	**1,092,232**	**3,380,434**	**126,212**	**3,506,646**
For the year ended 30 June 2025									
Balance at 1 July 2024	19/20	1,881,673	11,029	12,862	411	959,456	2,865,431	112,514	2,977,945
Total comprehensive revenue and expense for the year	19/20	107,327	-	-	(588)	59,769	166,508	21,409	187,917
Dividends paid	21	-	-	-	-	-	-	(5,298)	(5,298)
Transfers from/(to) accumulated funds	19/20	3,460	4,500	16,314	-	(24,274)	-	-	-
Balance at 30 June 2025		**1,992,460**	**15,529**	**29,176**	**(177)**	**994,951**	**3,031,939**	**128,625**	**3,160,564**

The accounting policies and notes form part of and should be read in conjunction with these financial statements.

Statement of Cash Flows

For the financial year ended 30 June 2026	Notes	Council 2026 $'000	Council Budget $'000	Council 2025 $'000	Group 2026 $'000	Group 2025 $'000
Cash flows from operating activities						
Receipts from customers		298,142	337,422	259,227	384,595	338,790
Interest received		626	-	960	676	1,087
Dividend received		14,248	13,015	15,906	-	-
Payments to suppliers and employees		(179,556)	(205,329)	(173,608)	(201,830)	(197,470)
Finance costs paid		(27,894)	(27,650)	(32,717)	(30,547)	(35,212)
Income tax paid		-	-	-	(14,065)	(16,984)
Net GST (payment) /receipt		1,160	-	(124)	1,160	(124)
Net cash inflow/(outflow) from operating activities	**28 (c)**	**106,726**	**117,458**	**69,644**	**139,989**	**90,087**
Cash flows from investing activities						
Purchase of investments		1,389	-	(3,946)	1,389	(3,946)
Purchase of property, plant and equipment		(95,490)	(164,271)	(125,283)	(127,295)	(159,045)
Purchase of forestry assets		(4,250)	-	-	(4,250)	-
Purchase of intangible assets		(4,479)	-	(4,496)	(4,817)	(7,004)
Proceeds from sale of property, plant and equipment		2,894	105.00	2,493	2,894	2,493
Net cash inflow/(outflow) from investing activities		**(99,936)**	**(164,166)**	**(131,232)**	**(132,079)**	**(167,502)**
Cash flows from financing activities						
Proceeds from borrowings		61,541	221,927	317,786	65,127	338,286
Repayment of borrowings		(45,846)	(175,890)	(257,953)	(45,846)	(257,953)
Dividends paid		-	-	-	(4,746)	(5,299)
Net cash inflow /(outflow) from financing activities		**15,695**	**46,037**	**59,833**	**14,535**	**75,034**
Net increase/(decrease) in cash and cash equivalents		22,485	(671)	(1,755)	22,445	(2,381)
Cash and cash equivalents at the beginning of the financial year		6,276	3,500	8,031	7,363	9,743
Cash and cash equivalents at the end of the financial year		**28,761**	**2,829**	**6,276**	**29,808**	**7,362**
Represented by:						
Cash and cash equivalents		28,761	2,829	6,276	29,808	7,362
Cash and cash equivalents at the end of the financial year		**28,761**	**2,829**	**6,276**	**29,808**	**7,362**

The accounting policies and notes form part of and should be read in conjunction with these financial statements.

Notes to the financial statements

Statement of accounting policies

REPORTING ENTITY

The Queenstown Lakes District Council (the "Council" or "QLDC") is a territorial local authority governed by the Local Government Act 2002.

The Council Group ("Group") consists of the Council, its wholly owned subsidiaries Queenstown Events Centre Trust ("QEC" (dormant)) and the 75.01% owned Queenstown Airport Corporation Limited ("QAC").

The Council has controlling interests in Queenstown Events Centre Trust (100% – dormant) and Queenstown Airport Corporation Limited (75.01%). Pursuant to the Local Government Act 2002, these controlled entities are council controlled organisations ("CCOs").

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself and the Group as public benefit entities ("PBEs") for the purposes of complying with generally accepted accounting practice.

The financial statements of the Council and Group are for the year ended 30 June 2026. The financial statements were authorised for issue by Council on 8 October 2026.

BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the year. The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Statement of Compliance

The financial statements and service performance information of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements of the Council and Group comply with Public Benefit Entity (PBE) Standards.

The financial statements and service performance information have been prepared in accordance with Tier 1 PBE Standards.

Presentation currency and rounding

The financial statements and service performance information are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

Standards issued and effective for current year

There are no major mandatory new accounting standards causing material changes to the Council.

Standards issued and not yet effective and not early adopted

There are some standards and amendments, issued but not yet effective that have not been early adopted, which are relevant to the Council and Group. The Council has not yet assessed the impact of these new standards.

Other changes in accounting policies

There have been no other changes in accounting policies.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Council and Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, taking into account contractually defined terms of payment, net of discounts and GST.

The specific recognition criteria described below must also be met before revenue is recognised.

(i) Revenue from non-exchange transactions

General and targeted rates

General and targeted rates are set annually and invoiced within the year. The Council and Group recognise revenue from rates when the Council has set the rate and provided the rates assessment. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable.

User charges and other income – subsidised

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as community activities, liquor licencing, water connections, dog licensing, etc.), and where a shortfall is subsidised by income from other activities, such as rates. Generally, there are no conditions attached to such revenue.

Revenue from subsidised services is recognised when the Council issues the invoice for the service. Revenue is recognised at the amount of the invoice, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council) if the service is not completed.

Grants and subsidies

Government grants are received from NZTA/Waka Kotahi which subsidises part of the Council's costs in maintaining the local roading infrastructure. The subsidies represent revenue from non-exchange transactions and are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other grants and subsidies are recognised upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

A deferred revenue liability is recognised instead of revenue to the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset.

Vested assets

Certain infrastructural assets have been vested to the Council as part of the subdivision covenant process. Vested assets are recognised at fair value at the date of recognition with an equal amount recognised as revenue unless there are conditions attached to the asset in which case revenue is deferred until the conditions are met. Fair value is determined using the last valuations unit rates.

Development contributions

The revenue recognition point for development and financial contributions is at the later of the point when the Council is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

(ii) Revenue from exchange transactions

User charges and other income – full cost recovery

Revenue from the rendering of services (such as resource consents, building consents, waste management, car parking etc.) is recognised by reference to the stage of completion of the service. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Interest revenue is included in other revenue.

Dividend revenue

Dividends are recognised when the entitlement to the dividends is established.

Property sales

Net gains or losses on the sale of investment property, property, plant and equipment, property intended for sale and financial assets are recognised when an unconditional contract is in place and it is probable that the Council and Group will receive the consideration due.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Council and Group have chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to the Statement of Financial Performance on a basis representative of the pattern of benefits to be derived from the leased asset.

(a) Council and/or Group as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

(b) Council and/or Group as Lessee

Assets held under finance leases are recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

(c) Lease incentives

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Council activities are exempt from income tax. The subsidiary Queenstown Airport Corporation is subject to income tax as per below policy.

Tax currently payable is based on taxable profit for the period. Taxable profit differs from net surplus as reported in the Statement of Financial Performance because it excludes items of income or expense that are taxable in other years and it further excludes items that are never taxable or deductible. The Council's and Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit and is accounted for using the comprehensive balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting surplus. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the Council and Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Council and Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised as an expense or income in the Statement of Financial Performance, except when it relates to items credited or debited to other comprehensive income, in which case the deferred tax is recognised directly in other comprehensive income.

Goods and services tax

Tax Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and other short-term highly liquid deposits that are readily convertible to a known amount of cash.

Financial instruments

Financial assets and financial liabilities are recognised on the Council's or Group's Statement of Financial Position when the Council and/or Group becomes a party to contractual provisions of the instrument. Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through surplus or deficit which are initially valued at fair value.

(i) Other Financial Assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

Debt instruments

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Equity instruments

A financial asset that is an equity instrument is classified at FVTSD, unless the Council and group elects at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value, with fair value gains and losses recognised in other comprehensive revenue and expense. However, ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. Debt instruments in this category are the Council and group's listed bonds.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value, with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designates all equity investments that are not held for trading into this category because they are strategic investments that are intended to be held for the medium to long term. Equity instruments in this category are listed and unlisted shares (other than shares in subsidiaries). Dividends and interest are presented separately within surplus and deficit.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value, with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue. Other than for derivatives, the Council and group has no instruments in this category.

Expected credit loss allowance (ECL)

The Council and group recognises an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to the Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment, including forward-looking information.

The Council and group considers a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Shares in subsidiaries (at cost)

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

Fair value disclosures

Term deposits

The carrying amount of term deposits approximates their fair value.

Credit risk, including ECLs

Term deposits

The Council and group considers that there has not been a significant increase in credit risk for investments in term deposits because the banks continue to have low credit risk at balance date. Term deposits are held with banks that have a long-term AA- investment grade credit rating, which indicates that the bank has a very strong capacity to meet its financial commitments. No ECL has been recognised for term deposits because the loss allowance is trivial.

Other financial assets

Expected credit losses measured for other financial assets are trivial. They are low risk, and the Council has not identified any indications that credit risk associated with those instruments has significantly increased since initial recognition. The Council does not hold any collateral for any of its loan assets.

(ii) Financial liabilities

Trade and other payables

Trade payables and other accounts payable are recognised when the Council and Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method..

Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Statement of Financial Performance over the period of the borrowing using the effective interest method.

(iii) Derivative financial instruments

The Group enters into certain derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps. Further details of derivative financial instruments are disclosed in note 33 to the financial statements.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date. The resulting gain or loss is recognised in the Statement of Financial Performance immediately unless the derivative is designated and effective as a hedging instrument (in the case of Queenstown Airport Corporation Ltd (QAC)), in which event the nature and timing of the recognition in surplus or deficit depends on the nature of the hedging relationship. QAC designates certain derivatives as cash flow hedges. Council does not undertake hedge accounting in relation to its derivative financial instruments.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Fair value estimation

The fair value of financial instruments traded in active markets (such as listed equities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Council and Group is the current bid price; the appropriate quoted market price for financial liabilities is the current offer price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council and Group use a variety of methods and makes assumptions that are based on market conditions existing as at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term investment and debt instruments held.

Hedge accounting

Queenstown Airport Corporation Ltd (QAC) designates certain hedging instruments, which may include derivatives, as cash flow hedges.

At the inception of the hedging relationship the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, QAC documents whether the hedging instrument that is used in a hedged relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 16 sets out details of the fair value of the derivative instruments used for hedging purposes. Movements in the hedging reserve in equity are also detailed in other comprehensive income.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges are recognised in other comprehensive revenue and expenses and accumulated as a separate component of equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit.

Amounts recognised in the hedging reserve are reclassified from equity to surplus or deficit (as a reclassification adjustment) in the periods when the hedging item is recognised in the surplus or deficit, in the same line as the recognised hedged item.

However, when the forecast transaction that is hedged results in the recognition of a nonfinancial asset or a non-financial liability, the gains and losses previously recognised in the hedging reserve are reclassified from equity and included in the initial measurement of the cost of the asset or liability (as a reclassification adjustment).

Hedge accounting is discontinued when QAC revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss recognised in the hedging reserve at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in the hedging reserve is recognised immediately in the surplus or deficit.

Development properties

Development properties are stated at the lower of cost or net realisable value. Cost includes planning expenditure and any other expenditure to bring the development property to its present condition.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis with an appropriate allowance for obsolescence and deterioration.

Properties held for sale

Properties intended for sale are measured at the lower of carrying amount and fair value less costs to sell. Properties are classified as intended for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Property, plant and equipment

The Council and Group have the following classes of property, plant and equipment:

Operational assets

- Council owned land, buildings and building improvements, plant and equipment, motor vehicles, furniture and office equipment, computer equipment and library books; and
- Subsidiary owned buildings, building improvements, plant and equipment, motor vehicles, furniture, office equipment and computer equipment.

Campground assets

- Council owned land and buildings leased as campgrounds and listed as strategic assets in the Significance and Engagement policy

Airport assets

- Land
- Buildings
- Runway
- Roading and carparking

Infrastructure assets

- Infrastructural assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function:
  - Sewer, stormwater, water
  - Roads, bridges and lighting
  - Land under roads

(i) Cost

Operational assets (excluding Airport assets such as Queenstown Airport Corporation Ltd (QAC) land, buildings, roading, carparking and runways) and land under roads are recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

(ii) Accounting for revaluations

Infrastructural assets, other than land under roads, are stated at fair value less accumulated depreciation and any impairment losses recognised after the date of revaluation. Airport assets held or leased by QAC including land, buildings, roading, carparking and runways are also carried at fair value, as determined by an independent registered valuer, less accumulated depreciation and any impairment losses recognised after the date of any revaluation.

Infrastructure assets and airport assets acquired or constructed after the date of the latest revaluation are carried at cost, which approximates fair value. Revaluations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the balance sheet date.

The results of revaluing are credited or debited to an asset revaluation reserve via other comprehensive income for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed to the Statement of Financial Performance.

Any subsequent increase in revaluation that offsets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve via other comprehensive income for that class of asset.

Campground assets

Campground assets are classified as reserve land and held to earn rentals. Campground assets are stated at fair value using the income capitalisation approach.

Sewer, stormwater, water

Sewer, stormwater and water supply assets are stated at fair value based on an optimised depreciated replacement cost valuation performed by WSP New Zealand Limited, independent valuers, as at 30 June 2026. The valuation utilised asset information as at 30 June 2025, with capital additions and vested assets occurring since that date incorporated into the valuation or recorded at cost, as appropriate.

Roads, bridges and lighting

Roading assets are stated at fair value based on an optimised depreciated replacement cost valuation performed by WSP New Zealand Limited, independent valuers, as at 30 June 2025. Additions subsequent to that date are recorded at cost. A carrying value assessment was undertaken during the current year and concluded that the carrying amount materially approximates fair value as at 30 June 2026.

Airport land, buildings, roading, carparking and runways

Airport Land, buildings, roading, car parking were independently valued by JLL, registered valuers, as at 30 June 2025. The runways, taxiways and aprons were independently valued by Beca Valuations Limited (Beca), registered valuers, as at 30 June 2025. A carrying value assessment was undertaken during the current year and concluded that the carrying amount materially approximates fair value as at 30 June 2026.

Valuations are completed in accordance with financial reporting and valuation standards. Management reviews the key inputs, assesses valuation movements and holds discussions with the valuers as part of the process. Discussions about the valuation processes and results are held between the Group's management and the Councillors.

(iii) Depreciation

Operational assets with the exception of land, are depreciated on a straight-line (SL) basis to write off the asset to its estimated residual value over its estimated useful life.

Infrastructural assets, with the exception of land under roads, are depreciated on a straight-line basis to write off the fair value of the asset to its estimated residual values over its estimated useful life.

Airport assets, with the exception of land, are depreciated on a straight line and a diminishing value (DV) basis to write off the asset to its estimated residual value over its estimated useful life.

Expenditure incurred to maintain these assets at full operating capability is charged to the Statement of Financial Performance in the year incurred.

The following estimated useful lives are used in the calculation of depreciation.

Operational Assets	Rate (%)	Method
Buildings	2%-5%	SL
Building improvements	1.5%-10%	SL
Plant and machinery	5.5%-25%	SL
Motor vehicles	20%	DV
Furniture and office equipment	10%-20%	SL
Computer equipment	10%-25%	SL
Library books	10%	SL

Infrastructural Assets	Rate (%)	Method
Sewerage	1.37%-10%	SL
Water supply	1.42%-10%	SL
Stormwater	1.55%-10%	SL
Roading	1.3%-10.0%	SL

Airport Assets	Rate (%)	Method
Buildings	1.4%-50.0%	DV or SL
Runways, Taxiways and Aprons	1.0%-20.0%	SL
Plant and Equipment	1.0%-67.0%	DV

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

(iv) Disposal

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance in the period the asset is derecognised.

Emission trading scheme accounting policy

New Zealand Units ("NZUs") allocated as a result of the Council's participation in the Emissions Trading Scheme ("ETS") are treated as a prepayment (when purchased in advance) and expensed during the year in the period to which they cover.

Liabilities for surrender of NZUs (or cash) are accrued at the time the forests are harvested, or removed in any other way, in accordance with the terms of the ETS legislation.

Liabilities are accounted for at settlement value, being the cost of any NZUs on hand to meet the obligation plus the fair value of any shortfall in NZUs to meet the obligation.

Investment properties

Investment properties are held to earn rentals and/or for capital gains. Property held to meet service delivery objectives or held for strategic purposes is excluded from investment properties and included with property, plant and equipment. The investment properties are measured at fair value at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in the Statement of Financial Performance in the period in which they arise.

Investment properties are derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance in the period the asset is derecognised. Any associated balance in the revaluation reserve is transferred to accumulated funds via equity.

Finite life intangible assets

Finite life intangible assets are recorded at cost less accumulated amortisation. Amortisation is charged on a straight line basis over their estimated useful life. The estimated useful life and amortisation period is reviewed at the end of each annual reporting period.

Intangible assets – software acquisition and development

Acquired computer software licenses are recorded at cost less accumulated amortisation. Amortisation is charged on a straight line basis over their estimated useful life. The estimated useful life and amortisation period is reviewed at the end of each annual reporting period.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council and Group, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Impairment of non-financial cash-generating assets

At each reporting date, the Council and Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Council and Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential. In assessing value in use for cash-generating assets, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease, via other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase, via other comprehensive income.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Council and Group in respect of services provided by employees up to reporting date.

Provisions

Provisions are recognised when the Council and Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Statement of cash flows

Cash means cash balances on hand, held in bank accounts and demand deposits that the Council and Group invest in as part of day to day cash management.

Operating activities include cash received from all income sources of the Council and Group and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of noncurrent assets.

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

Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Council entity and its subsidiaries as defined in PBE IPSAS 35 Consolidated Financial Statements. A list of subsidiaries appears in note 25 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the excess is credited to surplus or deficit in the period of acquisition.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Council obtains control and until such time as the Council ceases to control the subsidiary.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Group are eliminated in full.

Investments in subsidiaries and controlled entities are included in the Council entity at cost less any impairment losses.

Control is determined based on ownership interest.

Equity

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted and Council-created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

The Council's objectives, policies and processes for managing capital are described in note 33.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Council or Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability the Council or Group will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if the Council or Group assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Budget figures

The budget figures are those approved by the Council at the beginning of the year in the annual plan. The budget figures have been prepared in accordance with PBE FRS, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Allocation of overheads

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on the cost drivers and related activity/usage information. Direct costs are those costs that are directly attributable to a significant activity. Indirect costs are those costs that cannot be linked in an economically feasible manner to a specific significant activity.

Critical accounting estimates and assumptions

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural assets

There are a number of assumptions and estimates used when determining fair value using optimised Depreciated Replacement Cost (DRC) for infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, sewerage and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset;
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual deprecation charge recognised as an expense in the Statement of Financial Performance. To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimate.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Provision for legal claims against Council

Council's liability in relation to claims relating to certain alleged weather-tightness building defects has not been established. For these claims it is not possible to determine the outcome at this stage. Where a loss provision can be determined the loss provision is based on the Council's best estimate of the current knowledge of claims against Council. Refer to note 17 for further information of claims provided for, and note 23 where a provision is not able to be determined.

Other estimates and assumptions

Estimating the percentage of completion on consent applications

The estimation of percentage of completion relies on management estimating future time and costs to complete consent applications. If the actual time and costs incurred to complete the consent applications differs from the estimates completed by management, the Group could be over or under estimating the revenue and surplus associated with the consent applications.

Valuation of airport assets held by QAC

A subsidiary company, Queenstown Airport Corporation, records airport land, airport buildings, airport roads and carparks and runways at fair value. Airport land, buildings, roads and carparks and runways acquired or constructed after the date of the last revaluation are carried at cost, which approximates fair value. Revaluations are carried out by independent valuers with sufficient regularity to ensure that the carrying amount does not differ from the fair value at balance date.

Judgment is required to determine certain inputs to the calculation of the fair value of airport land, buildings, roads and carparks and runways. In particular, income capitalisation rates for assets valued using this methodology and the cost inputs for assets valued using depreciated replacement cost methodology. The determination of fair value at the time of the revaluation requires estimates and assumptions based on market conditions at that time.

Changes to estimates, assumptions or market conditions subsequent to the revaluation would result in changes to the fair value of property, plant and equipment. The carrying value of property, plant and equipment at the last revaluation is disclosed in note 10 and the valuation methodologies used at the last revaluation are disclosed above.

Critical judgements

Management has exercised the following critical judgements in applying the Council's and Group's accounting policies for the year ended 30 June 2026.

Valuation of vested assets

Certain infrastructural assets have been vested to the Council as part of the subdivision covenant process. Vested assets are recognised at fair value at the date of recognition with an equal amount recognised as revenue unless there are conditions attached to the asset in which case revenue is deferred until the conditions are met.

Valuation of campground assets

Independent valuations are used to determine the fair value of campground assets. The valuations are determined using the income capitalisation approach based on long term leases.

The significant unobservable inputs are the capitalisation rates of 3.25% to 4.5%. The higher the capitalisation rates the lower the fair value. Significant changes in these inputs would result in significant changes to the fair value measurement.

Valuation of infrastructure assets

Independent valuations are used to determine the fair value of infrastructural assets. The most common and accepted methods for assessing the fair value of infrastructural assets for public benefit entities is optimised depreciated replacement cost. The determination of fair value relies on various information sources including, but not limited to, various databases recording the nature, location and structure of the infrastructural assets. The valuation in part relies on the accuracy and completeness of such databases for the purposes of determining fair value. The valuation also includes assumptions about forecast replacement costs, including estimated unit costs for wages and raw materials such as steel and concrete. To the extent the information used in the valuation is proved to be incomplete or inaccurate, including the assumptions relating to replacement costs, this may have an effect on the determination of fair value and the infrastructural assets carrying value may be impacted accordingly.

Valuation of investment property

Independent valuations are used to determine the fair value of investment property. The valuations are determined by reference to market based evidence, such as recent sales of properties in the district.

Classification of leasehold properties

Certain investment property held by Council has been approved for sale under restrictive terms and conditions. Council does not view the approval for sale as a declaration of intent, but rather part of the ongoing process of evaluating alternatives for use of Council assets. Notwithstanding the approval for sale, Council has concluded that the intention and expectation of the Council is that the properties will be held primarily to derive a rental return. The approval for sale provided by Council allows flexibility to consider the potential benefits of sale, if and when any potential offer to purchase was received in accordance with the terms and conditions set out by Council. On this basis management assess the continued classification as investment property to be appropriate.

Classification of owned property

The classification of owned property within the financial statements requires significant judgment, particularly in distinguishing between investment property, property held for development, and property, plant and equipment (PPE). This assessment is based on the intended use of the asset, the stage of development, and the nature of future economic benefits expected to be derived.

Judgment is applied in determining whether property is held to earn rentals, held for sale or development (development property), or used in the provision of services or for administrative purposes (PPE). In some cases, properties may transition between categories over time as plans evolve or development progresses. These decisions can have a material impact on the financial statements, particularly in relation to measurement basis and recognition of gains or losses.

The Council owns a number of properties held to provide housing to pensioners. The receipt of market based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. Therefore, the properties are accounted for as property, plant, and equipment rather than as investment property.

2. Surplus from Operations

(a) Revenue from non-exchange transactions

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Revenue from non-exchange transactions consisted of the following items:				
Rates revenue:				
General rates	10,882	7,736	10,877	7,731
Targeted rates	163,865	139,811	163,354	139,345
Total rates revenue	**174,747**	**147,547**	**174,231**	**147,076**
Other revenue:				
User charges - subsidised	9,612	8,474	9,612	8,474
Development contributions	32,826	16,714	32,826	16,714
Grants and subsidies	13,333	22,538	13,333	22,538
Vested assets	93,033	52,930	93,033	52,930
Other revenue	16,233	12,711	16,233	12,711
Total other revenue	**165,037**	**113,367**	**165,037**	**113,367**

2. Surplus from Operations continued

(b) Revenue from exchange transactions

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Revenue from exchange transactions consisted of the following items:				
Other revenue:				
User charges - full cost recovery	38,750	37,448	48,580	46,595
Landing dues	-	-	51,474	46,916
Dividend income	14,248	15,906	-	-
Operating lease rental revenue	2,028	2,123	27,319	25,533
Other revenue - full cost recovery	6,236	6,252	6,181	6,206
Finance Income:				
Bank deposits	626	960	626	960
Inland Revenue Department	-	15	-	15
Total other revenue	**61,888**	**62,704**	**134,180**	**126,225**
Other gains/(losses)				
Gain/(loss) on revaluation of investment property	9,180	3,460	9,180	3,460
Gain/(loss) on disposal of property, plant and equipment	(2,366)	1,205	(2,366)	1,205
Gain/(loss) in fair value of derivative financial instruments classified at fair value through profit or loss	3,578	(3,479)	3,637	(3,610)
Total other gains/(losses)	**10,392**	**1,186**	**10,451**	**1,055**

2. Surplus from Operations continued

	Notes	Council 2026 $'000	Council 2025 $'000	Group 2026 $'000	Group 2025 $'000
(c) Employee benefits expense					
Salaries and wages		56,855	53,448	65,963	63,020
Defined contribution plan employer contributions		1,644	1,460	1,938	1,700
Total employee benefits expense		**58,499**	**54,908**	**67,901**	**64,720**
(d) Depreciation and amortisation expense					
Depreciation of property, plant and equipment	10	73,280	66,319	88,824	77,060
Amortisation of intangible assets	12	4,076	3,105	4,593	3,252
Total depreciation and amortisation expense		**77,356**	**69,424**	**93,417**	**80,312**
(e) Finance costs					
Interest on loans		25,407	30,040	32,924	35,075
Total finance costs		**25,407**	**30,040**	**32,924**	**35,075**
(f) Other expenses					
Increase/(decrease) in allowance for doubtful debts		(369)	684	(369)	684
Bad debts written off		1,792	791	1,792	791
Operating lease rental expenses:					
Minimum lease payments		3,217	2,893	3,217	2,893
Legal claims against Council		861	1,216	861	1,216
Professional Services		5,869	5,854	9,451	9,559
Maintenance expenditure		69,644	61,387	70,974	62,432
Operating expenses		50,094	43,985	77,798	50,943
Total other expenses		**131,108**	**116,810**	**163,724**	**128,518**

2. Surplus from Operations continued

	Council	
	2026	2025
For the financial year ended 30 June 2026	$'000	$'000
(g) Summary cost of services by group of activity (Council only)		
(i) Revenue*		
Local Democracy	18,462	17,449
Community	25,191	19,994
Economy	13,633	7,629
Environmental	9,956	9,678
Transport	47,427	46,377
Water Supply	24,475	26,157
Storm Water	31,507	23,106
Waste Water	28,934	22,607
Regulatory	19,654	16,251
Waste Management	15,057	13,819
Other	(7,371)	(26,971)
Targeted rates	165,541	141,239
General rates	10,882	7,736
Internal rates	(1,676)	(1,453)
Total revenue	**401,672**	**323,618**
(ii) Expenditure*		
Local Democracy	11,528	10,749
Community	54,322	51,871
Economy	24,516	25,139
Environmental	17,333	17,369
Transport	52,937	49,470
Water Supply	25,614	24,889
Storm Water	13,823	12,828
Waste Water	38,691	36,164
Regulatory	21,332	19,670
Waste Management	27,004	24,019
Other	6,946	467
Internal rates	(1,676)	(1,453)
Total operating expenditure	**292,370**	**271,182**

** Revenue and expenditure figures by activity include internal rates for Council owned properties*

	Council	
	2026	2025
For the financial year ended 30 June 2026	$'000	$'000
(iii) Depreciation and amortisation expense		
Local Democracy	21	21
Community	7,370	6,784
Economy	839	649
Environment	-	-
Roading and Parking	29,474	25,083
Water Supply	11,456	10,464
Stormwater	10,543	9,487
Wastewater	15,193	14,689
Regulatory	319	294
Waste Management	672	633
Other	1,469	1,320
Total depreciation and amortisation expense	**77,356**	**69,424**

Each significant activity is stated gross of internal costs and revenues and includes targeted rates attributable to activities. In order to fairly reflect the total external operations for the Council in the Statement of Financial Performance, these transactions are eliminated as shown above.

3. Income taxes

(a) Income tax recognised in surplus or deficit

	Council		Group	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Tax expense/(income) comprises:				
Current tax expense/(credit):				
Current year	-	-	11,699	13,896
Adjustments for prior years	-	-	-	-
Total current tax expense/(credit)	**-**	**-**	**11,699**	**13,896**
Deferred tax expense/(credit):				
Origination and reversal of temporary differences	-	-	(312)	(1,969)
Amortisation of tax component of derivatives	-	-	-	-
Adjustments for prior years	-	-	-	55
Total deferred tax expense/(credit)	**-**	**-**	**(312)**	**(1,914)**
Total tax expense/(income)	**-**	**-**	**11,387**	**11,982**
The prima facie income tax expense on pre-tax accounting surplus reconciles to the income tax expense in the financial statements as follows:				
Surplus /(deficit) before income tax	119,694	53,622	125,933	79,097
Income tax expense calculated at 28%	33,514	15,014	35,261	26,302
Non assessable income and expenses	(33,514)	(15,014)	(24,007)	(13,973)
Reversal of temporary difference	-	-	133	(402)
Amortisation of tax component of derivatives	-	-	-	55
Income tax expense/(credit)	**-**	**-**	**11,387**	**11,982**

The tax rate used in the above reconciliation is the corporate tax rate of 28% (2025: 28%) payable by New Zealand corporate entities on taxable profits under New Zealand law.

3. Income taxes continued

(b) Income tax recognised directly in other comprehensive income

Deferred tax of $81K has been charged directly to other comprehensive income during the period, relating to the fair value movement in the interest rate swaps and foreign exchange forward contracts and property revaluations undertaken by QAC (2025: $5,635K).

(c) Current tax assets and liabilities

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Current tax payable:				
Current tax payable	-	-	3,850	6,106

(d) Deferred tax balances comprise

Taxable and deductible temporary differences arising from the following:

	Group			
	Opening balance	Charged to income	Charged to other comprehensive income	Closing balance
2026	**$'000**	**$'000**	**$'000**	**$'000**
Gross deferred tax (asset)/liability:				
Property, plant and equipment	35,581	(685)	-	34,896
Intangible assets	152	(64)	-	88
Employee entitlements	(189)	(337)	-	(526)
Derivatives	(77)	-	81	4
Trade and other payables	(711)	674	-	(37)
Trade and other receivables	(3)	3	-	-
Gross deferred tax asset/(liability)	**34,753**	**(409)**	**81**	**34,425**

	Group			
	Opening balance	Charged to income	Charged to other comprehensive income	Closing balance
2025	**$'000**	**$'000**	**$'000**	**$'000**
Gross deferred tax (asset)/liability:				
Property, plant and equipment	30,647	(992)	5,926	35,581
Intangible assets	502	(350)	-	152
Employee entitlements	(197)	8	-	(189)
Derivatives	214	-	(291)	(77)
Trade and other payables	-	(711)	-	(711)
Trade and other receivables	-	(3)	-	(3)
Gross deferred tax asset/(liability)	**31,166**	**(2,048)**	**5,635**	**34,753**

3. Income taxes continued

(e) Imputation Credit Account Balances	Council		Group	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Balance at the beginning of year	8,167	589	48,792	34,333
Attached to dividends received	3,989	4,454	-	-
Taxation paid	-	-	14,065	16,984
Imputation credits on dividends paid	-	-	(1,329)	(1,484)
Prior year adjustment	-	3,124	-	(1,041)
Balance at end of year	**12,156**	**8,167**	**61,528**	**48,792**
Imputation credits available directly and indirectly to Council through:				
Council	12,156	8,167	12,156	8,167
Subsidiaries	-	-	49,372	40,625
Balance at end of year	**12,156**	**8,167**	**61,528**	**48,792**

4. Key Management Personnel Compensation

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Councillors				
Remuneration	1,004	820	1,004	820
Full-time equivalent members	16	16	16	16
Senior Management Team, including Chief Executive				
Remuneration	2,102	2,059	4,309	4,417
Full-time equivalent members	7	7	15	15
Directors' fees	-	-	425	334
Total key management personnel compensation	**3,106**	**2,879**	**5,738**	**5,571**

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

The Remuneration Authority reviewed elected member remuneration during the year and increased the governance remuneration pool based on many factors.

5. Remuneration of Auditors

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Audit of the annual report (inclusive of OAG Overhead Charge and Disbursements)	347	329	504	426
Audit or review related services:				
Assurance engagement in relation to the Debenture Trust Deed	9	9	9	9
Audit of disclosure financial statements	-	-	38	33
Other assurance services and other agreed-upon procedure engagements:				
Agreed upon procedures for sustainability linked loans	-	-	4	3
Total fees incurred for services provided by the audit firm	**356**	**338**	**555**	**471**

The auditor of Queenstown Lakes District Council and Queenstown Airport Corporation is Heidi Rautjoki, for Deloitte Limited, on behalf of the Controller and Auditor-General.
The audit fee disclosed for the financial report represents the fee for the annual statutory audit engagement carried out under the Auditor-General's auditing standards, as described in the audit report. This fee also includes the audit of the summary annual report, also a statutory requirement, which is completed in conjunction with this engagement and not billed separately.

6. Trade and other receivables

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
From non-exchange transactions				
Trade receivables (i)	6,928	4,966	6,928	4,966
Infringement receivables (i)	3,896	3,345	3,896	3,345
Rates receivables (i)	6,387	7,631	6,387	7,631
New Zealand Transport Agency	1,576	1,830	1,576	1,830
Other (i)	126	201	126	201
Expected credit loss allowance (ii)	(2,904)	(2,613)	(2,904)	(2,613)
Total receivables from non-exchange transactions	**16,009**	**15,360**	**16,009**	**15,359**
From exchange transactions				
Trade receivables (i)	7,009	10,440	11,573	14,477
Other (i)	9,175	9,889	9,243	10,012
Expected credit loss allowance (ii)	(1,052)	(1,685)	(1,052)	(1,697)
Total receivables from exchange transactions	**15,132**	**18,644**	**19,764**	**22,792**
Total trade and other receivables	**31,141**	**34,004**	**35,773**	**38,151**

(i) Trade receivables, infringement receivables and rates receivables are non-interest bearing and generally on monthly terms.

(ii) The Council has a small provision for expected credit loss on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place, debts are discounted to the present value of future repayments.

In relation to trade and other receivables (excluding rates), the Group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

	Council		Group	
Trade and other receivables (excluding rates)	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Current (0-30 days)	17,131	19,288	21,674	23,436
31-60 days *	3,442	761	3,517	806
61-90 days *	302	542	331	571
90 days + *	3,879	5,782	3,864	5,707
Total receivables excluding rates	**24,754**	**26,373**	**29,386**	**30,520**
Rates receivables				
Current (0-30 days)	2,326	1,599	2,326	1,599
31 days - 1 year *	3,402	5,112	3,402	5,112
1 year + *	659	920	659	920
Total rates receivables	**6,387**	**7,631**	**6,387**	**7,631**
Total trade and other receivables	**31,141**	**34,004**	**35,773**	**38,151**

* Amounts are considered past due.

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Disclosed in the financial statements as:				
Current				
Exchange transactions	15,132	18,644	19,764	22,792
Non-exchange transactions	16,009	15,360	16,009	15,359
Non-current				
Exchange transactions	-	-	-	-
Total trade and other receivables	**31,141**	**34,004**	**35,773**	**38,151**

(iii)

Movement in the expected credit loss allowance:				
Balance at beginning of year	(4,298)	(3,694)	(4,310)	(3,695)
Amounts written off during year	1,792	791	1,792	791
Amounts recovered during year	-	-	-	-
Additional allowance recognised in Statement of Financial Performance	(1,450)	(1,395)	(1,438)	(1,406)
Balance at end of year	**(3,956)**	**(4,298)**	**(3,956)**	**(4,310)**

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Group is exposed to credit risk arising from a small number of airlines in relation to outstanding landing fees. Regular monitoring of trade receivables is undertaken to ensure that the credit exposure remains within the Group's normal trading terms of trade.

For Council, the concentration of credit risk is limited due to the customer base being large and unrelated. The Council and Group believe no further credit provision is required in excess of the expected credit loss allowance.

7. Other financial assets

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Other investments held	21,323	18,368	21,405	18,368
Advances to community organisations	455	960	455	960
Total other financial assets	**21,778**	**19,328**	**21,860**	**19,328**
Represented by:				
Current	3,750	-	3,750	-
Non-current	18,028	19,328	18,110	19,328
Total other financial assets	**21,778**	**19,328**	**21,860**	**19,328**

8. Other current assets

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Prepayments	5,759	4,948	6,385	5,522
Total other current assets	**5,759**	**4,948**	**6,385**	**5,522**

9. Development Property

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Land	16,364	16,684	16,364	16,684
Work in progress	3,014	2,871	3,014	2,871
Total development property	**19,378**	**19,555**	**19,378**	**19,555**

The Council owned Lakeview site is being developed for future sale and lease arrangements following the decision to enter into a long term development agreement for the site. Significant work has been undertaken in design, consenting, legal, financing and market sounding by the developer. Work began in 2025/26.
There are also Lakeview related balances included in investment property, PPE and land held for sale.

10. Property, plant and equipment

Council 2026

	Cost/ valuation 1-Jul-25 $'000s	Additions $'000s	Disposals/ write offs $'000s	Transfers $'000s	Revaluations $'000s	Cost/ valuation 30-Jun-26 $'000s	Accumulated depreciation and impairment charges 1-Jul-25 $'000s	Depreciation expense $'000s	Transfers $'000s	Accumulated depreciation and impairment charges reversed on revaluation $'000s	Accumulated depreciation reversed on disposal $'000s	Accumulated depreciation and impairment charges 30-Jun-26 $'000s	Carrying amount 30-Jun-26 $'000s
Operational assets													
At cost													
Land [(i)]	132,909	-	(582)	-	-	132,327	-	-	-	-	-	-	132,327
Buildings	105,535	3,356	-	-	-	108,891	(30,998)	(2,303)	-	-	-	(33,301)	75,590
Building improvements	122,803	7,929	(23)	4,139	-	134,848	(42,172)	(3,863)	790	-	9	(45,236)	89,612
Plant and machinery	26,931	3,428	(3)	131	-	30,487	(13,864)	(2,111)	-	-	2	(15,973)	14,514
Motor vehicles	1,183	336	(26)	-	-	1,493	(543)	(166)	-	-	20	(689)	804
Furniture and office equipment	10,616	550	-	-	-	11,166	(7,469)	(546)	-	-	-	(8,015)	3,151
Computer equipment	6,425	836	-	-	-	7,261	(5,604)	(335)	-	-	-	(5,939)	1,322
Library books	6,733	511	-	-	-	7,244	(4,893)	(267)	-	-	-	(5,160)	2,084
Total operational assets	**413,135**	**16,946**	**(634)**	**4,270**	**-**	**433,717**	**(105,543)**	**(9,591)**	**790**	**-**	**31**	**(114,313)**	**319,403**
Campground assets													
At fair value													
Land [(vi)]	46,625	-	-	-	(500)	46,125	-	-	-	-	-	-	46,125
Buildings [(vi)]	12,725	235	-	-	(176)	12,784	-	-	-	-	-	-	12,784
Total campground assets	**59,350**	**235**	**-**	**-**	**(676)**	**58,909**	**-**	**-**	**-**	**-**	**-**	**-**	**58,909**
Airport assets													
At fair value													
Land [(i)]	5,250	-	-	-	-	5,250	-	-	-	-	-	-	5,250
Airport runway [(i)]	6,685	-	-	2,944	-	9,629	-	(155)	(790)	-	-	(945)	8,684
Total airport assets	**11,935**	**-**	**-**	**2,944**	**-**	**14,879**	**-**	**(155)**	**(790)**	**-**	**-**	**(945)**	**13,934**
Infrastructural assets													
At fair value													
Water supply [(ii)]	510,809	34,325	(94)	9,038	49,180	603,258	(10,636)	(10,884)	-	20,679	19	(822)	602,436
Sewerage [(ii)]	666,961	62,462	(230)	6,163	90,623	825,979	(14,673)	(14,551)	-	28,276	30	(918)	825,061
Stormwater [(ii)]	453,609	44,713	(81)	35,824	28,896	562,961	(9,128)	(9,798)	-	18,389	2	(535)	562,426
Roading [(iii)]	1,285,537	36,798	(6,320)	(58,239)	-	1,257,776	(1,280)	(28,301)	-	-	2,017	(27,564)	1,230,212
Total infrastructural assets	**2,916,916**	**178,298**	**(6,725)**	**(7,214)**	**168,699**	**3,249,974**	**(35,717)**	**(63,534)**	**-**	**67,344**	**2,068**	**(29,839)**	**3,220,135**
Total Council property, plant and equipment	**3,401,336**	**195,479**	**(7,359)**	**-**	**168,023**	**3,757,479**	**(141,260)**	**(73,280)**	**-**	**67,344**	**2,099**	**(145,097)**	**3,612,381**

(i), (ii), (iii), (v) refer to explanatory notes on page 134

10. Property, plant and equipment continued

Group 2026

	Cost/ valuation 1-Jul-25 $'000s	Additions $'000s	Disposals/ write offs $'000s	Transfers $'000s	Revaluations $'000s	Cost/ valuation 30-Jun-26 $'000s	Accumulated depreciation and impairment charges 1-Jul-25 $'000s	Transfers $'000s	Accumulated depreciation and impairment charges reversed on revaluation $'000s	Depreciation expense $'000s	Accumulated depreciation reversed on disposal $'000s	Accumulated depreciation and impairment charges 30-Jun-26 $'000s	Carrying amount 30-Jun-26 $'000s
Operational assets													
At cost													
Land [(i)]	132,909	-	(582)	-	-	132,327	-	-	-	-	-	-	132,327
Buildings	105,535	3,356	-	-	-	108,891	(30,998)	-	-	(2,303)	-	(33,301)	75,590
Building improvements	122,803	7,929	(23)	4,139	-	134,848	(42,172)	790	-	(3,863)	9	(45,236)	89,612
Plant and machinery	66,462	15,583	(3)	131	-	82,173	(37,816)	-	-	(5,145)	2	(42,959)	39,214
Motor vehicles	1,183	336	(26)	-	-	1,493	(543)	-	-	(166)	20	(689)	804
Furniture and office equipment	10,616	550	-	-	-	11,166	(7,469)	-	-	(546)	-	(8,015)	3,151
Computer equipment	6,425	836	-	-	-	7,261	(5,604)	-	-	(335)	-	(5,939)	1,322
Library books	6,733	511	-	-	-	7,244	(4,893)	-	-	(267)	-	(5,160)	2,084
Total operational assets	**452,666**	**29,101**	**(634)**	**4,270**	**-**	**485,403**	**(129,495)**	**790**	**-**	**(12,625)**	**31**	**(141,299)**	**344,104**
Campground assets													
At fair value													
Land [(vi)]	46,625	-	-	-	(500)	46,125	-	-	-	-	-	-	46,125
Buildings [(vi)]	12,725	235	-	-	(176)	12,784	-	-	-	-	-	-	12,784
Total campground assets	**59,350**	**235**	**-**	**-**	**(676)**	**58,909**	**-**	**-**	**-**	**-**	**-**	**-**	**58,909**
Airport assets													
At fair value													
Land [(i), (iv)]	381,725	-	-	-	-	381,725	-	-	-	-	-	-	381,725
Land Improvements [(iv)]	17,460	-	-	-	-	17,460	(620)	-	-	(248)	-	(868)	16,592
Buildings [(iv) (v)]	134,882	16,226	-	-	-	151,108	(13,397)	-	-	(7,255)	-	(20,652)	130,456
Airport runways, Taxiways & Aprons [(i) (iv)]	77,448	4,179	-	2,944	-	84,571	(8,127)	(790)	-	(4,043)	-	(12,960)	71,611
Roading and carparking [(iv), (v)]	22,704	775	-	-	-	23,479	(3,508)	-	-	(1,119)	-	(4,627)	18,852
Total airport assets	**634,219**	**21,180**	**-**	**2,944**	**-**	**658,343**	**(25,652)**	**(790)**	**-**	**(12,665)**	**-**	**(39,107)**	**619,236**
Infrastructural assets													
At fair value													
Water supply [(ii)]	510,809	34,325	(94)	9,038	49,180	603,258	(10,636)	-	20,679	(10,884)	19	(822)	602,436
Sewerage [(ii)]	666,961	62,462	(230)	6,163	90,623	825,979	(14,673)	-	28,276	(14,551)	30	(918)	825,061
Stormwater [(ii)]	453,609	44,713	(81)	35,824	28,896	562,961	(9,128)	-	18,389	(9,798)	2	(535)	562,426
Roading [(iii)]	1,285,537	36,798	(6,320)	(58,239)	-	1,257,776	(1,280)	-	-	(28,301)	2,017	(27,564)	1,230,212
Total infrastructural assets	**2,916,916**	**178,298**	**(6,725)**	**(7,214)**	**168,699**	**3,249,974**	**(35,717)**	**-**	**67,344**	**(63,534)**	**2,068**	**(29,839)**	**3,220,135**
Total Group property, plant and equipment	**4,063,151**	**228,814**	**(7,359)**	**-**	**168,023**	**4,452,629**	**(190,864)**	**-**	**67,344**	**(88,824)**	**2,099**	**(210,245)**	**4,242,384**

(i), (ii), (iii), (iv), (v) refer to explanatory notes on page 134

10. Property, plant and equipment continued

	Council 2025											
	Cost/ valuation 1-Jul-24 $'000s	Additions $'000s	Disposals/ write offs $'000s	Transfers $'000s	Revaluations $'000s	Cost/ valuation 30-Jun-25 $'000s	Accumulated depreciation and impairment charges 1-Jul-24 $'000s	Depreciation expense $'000s	Accumulated depreciation and impairment charges reversed on revaluation $'000s	Accumulated depreciation reversed on disposal $'000s	Accumulated depreciation and impairment charges 30-Jun-25 $'000s	Carrying amount 30-Jun-25 $'000s
Operational assets												
At cost												
Land [i]	131,363	421	-	1,125	-	132,909	-	-	-	-	-	132,909
Buildings	103,917	1,896	(278)	-	-	105,535	(28,811)	(2,351)	-	164	(30,998)	74,537
Building improvements	107,306	15,497	-	-	-	122,803	(38,339)	(3,833)	-	-	(42,172)	80,631
Plant and machinery	23,925	3,628	(622)	-	-	26,931	(12,500)	(1,746)	-	382	(13,864)	13,067
Motor vehicles	1,193	-	(10)	-	-	1,183	(392)	(160)	-	9	(543)	640
Furniture and office equipment	9,500	1,116	-	-	-	10,616	(7,020)	(449)	-	-	(7,469)	3,147
Computer equipment	6,057	368	-	-	-	6,425	(5,221)	(383)	-	-	(5,604)	821
Library books	6,236	497	-	-	-	6,733	(4,676)	(217)	-	-	(4,893)	1,840
Total operational assets	**389,497**	**23,423**	**(910)**	**1,125**	**-**	**413,135**	**(96,959)**	**(9,139)**	**-**	**555**	**(105,543)**	**307,591**
Campground assets												
At fair value												
Land [v]	39,550	-	-	-	7,075	46,625	-	-	-	-	-	46,625
Buildings [v]	12,175	-	-	-	550	12,725	-	-	-	-	-	12,725
Total campground assets	**51,725**	**-**	**-**	**-**	**7,625**	**59,350**	**-**	**-**	**-**	**-**	**-**	**59,350**
Airport assets												
At fair value												
Land [i]	5,250	-	-	-	-	5,250	-	-	-	-	-	5,250
Airport runway [i]	6,685	-	-	-	-	6,685	-	-	-	-	-	6,685
Total airport assets	**11,935**	**-**	**-**	**-**	**-**	**11,935**	**-**	**-**	**-**	**-**	**-**	**11,935**
Infrastructural assets												
At fair value												
Water supply [ii]	474,114	36,955	(260)	-	-	510,809	(660)	(9,976)	-	-	(10,636)	500,173
Sewerage [ii]	621,910	45,079	(28)	-	-	666,961	(576)	(14,097)	-	-	(14,673)	652,288
Stormwater [ii]	439,552	14,704	(647)	-	-	453,609	(239)	(8,891)	-	2	(9,128)	444,481
Roading [iii]	1,216,173	58,272	-	-	11,092	1,285,537	(22,877)	(24,216)	45,813	-	(1,280)	1,284,257
Total infrastructural assets	**2,751,749**	**155,010**	**(935)**	**-**	**11,092**	**2,916,916**	**(24,352)**	**(57,180)**	**45,813**	**2**	**(35,717)**	**2,881,199**
Total Council property, plant and equipment	**3,204,906**	**178,433**	**(1,845)**	**1,125**	**18,717**	**3,401,336**	**(121,311)**	**(66,319)**	**45,813**	**557**	**(141,260)**	**3,260,075**

(i), (ii), (iii), (v) refer to explanatory notes on page 134

10. Property, plant and equipment continued

Group 2025

	Cost/ valuation 1-Jul-24 $'000s	Additions $'000s	Disposals/ write offs $'000s	Transfers $'000s	Revaluations $'000s	Cost/ valuation 30-Jun-25 $'000s	Accumulated depreciation and impairment charges 1-Jul-24 $'000s	Accumulated depreciation and impairment charges reversed on revaluation $'000s	Depreciation expense $'000s	Accumulated depreciation reversed on disposal $'000s	Accumulated depreciation and impairment charges 30-Jun-25 $'000s	Carrying amount 30-Jun-25 $'000s
Operational assets												
At cost												
Land [(i)]	131,363	421	-	1,125	-	132,909	-	-	-	-	-	132,909
Buildings	103,917	1,896	(278)	-	-	105,535	(28,811)	-	(2,351)	164	(30,998)	74,537
Building improvements	107,306	15,497	-	-	-	122,803	(38,339)	-	(3,833)	-	(42,172)	80,631
Plant and machinery	59,563	7,534	(635)	-	-	66,462	(34,011)	-	(4,187)	382	(37,816)	28,646
Motor vehicles	1,193	-	(10)	-	-	1,183	(392)	-	(160)	9	(543)	640
Furniture and office equipment	9,500	1,116	-	-	-	10,616	(7,020)	-	(449)	-	(7,469)	3,147
Computer equipment	6,057	368	-	-	-	6,425	(5,221)	-	(383)	-	(5,604)	821
Library books	6,236	497	-	-	-	6,733	(4,676)	-	(217)	-	(4,893)	1,840
Total operational assets	**425,135**	**27,329**	**(923)**	**1,125**	**-**	**452,666**	**(118,470)**	**-**	**(11,580)**	**555**	**(129,495)**	**323,171**
Campground assets												
At fair value												
Land [(v)]	39,550	-	-	-	7,075	46,625	-	-	-	-	-	46,625
Buildings [(v)]	12,175	-	-	-	550	12,725	-	-	-	-	-	12,725
Total campground assets	**51,725**	**-**	**-**	**-**	**7,625**	**59,350**	**-**	**-**	**-**	**-**	**-**	**59,350**
Airport assets												
At fair value												
Land [(i), (iv)]	330,667	9,361	-	-	41,697	381,725	-	-	-	-	-	381,725
Land Improvements [(iv)]	15,996	853	-	-	611	17,460	(386)	-	(234)	-	(620)	16,840
Buildings [(iv) (v)]	109,995	5,080	-	-	19,807	134,882	(8,834)	-	(4,563)	-	(13,397)	121,485
Airport runways, Taxiways & Aprons [(i) (i]	53,641	23,084	-	-	723	77,448	(5,783)	-	(2,344)	-	(8,127)	69,321
Roading and carparking [(iv), (v)]	21,745	857	-	-	102	22,704	(2,349)	-	(1,159)	-	(3,508)	19,196
Total airport assets	**532,044**	**39,235**	**-**	**-**	**62,940**	**634,219**	**(17,352)**	**-**	**(8,300)**	**-**	**(25,652)**	**608,567**
Infrastructural assets												
At fair value												
Water supply [(ii)]	474,114	36,955	(260)	-	-	510,809	(660)	-	(9,976)	-	(10,636)	500,173
Sewerage [(ii)]	621,910	45,079	(28)	-	-	666,961	(576)	-	(14,097)	-	(14,673)	652,288
Stormwater [(ii)]	439,552	14,704	(647)	-	-	453,609	(239)	-	(8,891)	2	(9,128)	444,481
Roading [(iii)]	1,216,173	58,272	-	-	11,092	1,285,537	(22,877)	45,813	(24,216)	-	(1,280)	1,284,257
Total infrastructural assets	**2,751,749**	**155,010**	**(935)**	**-**	**11,092**	**2,916,916**	**(24,352)**	**45,813**	**(57,180)**	**2**	**(35,717)**	**2,881,199**
Total Group property, plant and equipment	**3,760,653**	**221,574**	**(1,858)**	**1,125**	**81,657**	**4,063,151**	**(160,174)**	**45,813**	**(77,060)**	**557**	**(190,864)**	**3,872,287**

(i), (ii), (iii), (iv), (v) refer to explanatory notes on page 134

10. Property, plant and equipment continued

Explanatory notes

(i) Sewer, stormwater and water supply assets are stated at valuation which is optimised depreciated replacement cost value as at 30 June 2026 by WSP New Zealand Limited, independent valuers. The valuation is determined using asset information from 30 June 2024 with additions subsequent to 1 July 2025 at cost.

(ii) Roading assets are stated at valuation which is optimised depreciated replacement cost value as at 30 June 2025 by WSP New Zealand Limited, independent valuers. Additions subsequent to 1 July 2024 are at cost.

(iii) The runways, taxiways and aprons owned by QAC are measured at fair value. Desktop valuation assessment has been performed during the current period. No revaluation adjustment has been recognised.

(iv) Land, buildings, roading and car parking owned by QAC are measured at fair value. Desktop valuation assessment has been performed during the current period. No revaluation adjustment has been recognised.

(v) Campground assets are strategic assets and have been reclassified from Investment Property as at 1 July 2016 and are stated at fair value using the income capitalisation approach. The valuation was performed by Quotable Value Limited and were revalued as at 30 June 2026.

Methods and significant assumptions from the three waters valuation
The Three Waters Valuation, performed by WSP NZ Limited, compares the quantum and value outcome with the valuation undertaken for the period ending 30 June 2026 using accepted accounting and valuation standards. This valuation provides an updated network and facility gross replacement cost (GRC), an updated depreciated replacement cost (DRC) and the current annual depreciation (AD) for QLDC Three Waters assets as at 30 June 2026. Capital additions and vested additions for 2025/26 were valued separately and therefore excluded. Unit rates were reviewed and updated using recent construction schedules and average cost data.

Methods and significant assumptions from the roading valuation
The roading valuation completed as at 30 June 2025, performed by WSP NZ Ltd, provides an updated total network optimised replacement cost (ORC), an updated optimised depreciated replacement cost (ODRC) and the current annual depreciation (AD). This valuation process employs the new Asset & Work Manager (AWM, previously RAMM) Valuation Module and compares the quantum and value outcomes with the valuation undertaken for the period ending 30 June 2023. The AWM Valuation Module is a part of the AWM suite of tools and is in accordance with generally accepted accounting and valuation practices. The module requires set-up information supplied by the user.

Asset	Valuation Approach
Terminal and fire rescue buildings	Optimised depreciated replacement cost
Runways, taxiways and aprons	Optimised depreciated replacement cost
Land, roading and carparking	Market value
Ground leases and commercial buildings	Market value

Assets under construction

The following asset classes include expenditure for assets in the course of construction at 30 June:	Council 2026 $'000	Council 2025 $'000	Group 2026 $'000	Group 2025 $'000
Land	-	-	788	1,229
Buildings	10,124	5,992	11,666	11,123
Building Improvements	5,276	7,360	5,276	7,360
Plant and equipment	-	17	1,732	2,313
Airport runway	-	-	927	2,120
Water supply	40,876	41,213	40,876	41,213
Sewerage	66,493	73,479	66,493	73,479
Stormwater	12,369	5,385	12,369	5,385
Roading & carparking	15,973	144,835	16,788	145,660
Foreshore Structures	103	103	103	103
Total assets under construction	**151,214**	**278,384**	**157,018**	**289,985**

11. Forestry Assets

	Council 2026 $'000	Council 2025 $'000	Group 2026 $'000	Group 2025 $'000
Balance at beginning of year	-	-	-	-
Recognise value of asset on transfer to Council	4,250	-	4,250	-
Movement from harvesting	-	-	-	-
Gains/(losses) arising from changes in fair value less estimated point of sales costs	-	-	-	-
Balance at end of year	**4,250**	**-**	**4,250**	**-**

Project Tohu is one of the largest native revegetation programmes currently being undertaken in Aotearoa, transitioning from an ex-Douglas fir plantation (exotic species) into indigenous vegetation. This follows the successful harvest of Coronet Forest, carried out between January 2020 and May 2023, which removed over 90,000 tonnes of timber from the site and with it, a major wilding source. To date 210,000 new native trees have now been planted along with 7km of fencing around the perimeter.

12. Intangible assets

Finite life intangible assets

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Gross carrying amount				
Balance at beginning of year	28,379	23,884	37,101	30,098
Additions	4,479	4,495	2,954	7,006
Balance at end of year	**32,858**	**28,379**	**40,055**	**37,103**
Accumulated amortisation & impairment				
Balance at beginning of year	19,431	16,327	23,040	19,790
Amortisation expense (i)	4,076	3,104	4,594	3,252
Impairment	-	-	(338)	-
Balance at end of year	**23,507**	**19,431**	**27,296**	**23,042**
Net book value	**9,351**	**8,948**	**12,759**	**14,061**

(i) Amortisation expense is included in the line 'depreciation and amortisation expense' in the Statement of Financial Performance.

The gross carrying amount of $41.5M for the Group comprises:

- The finite life intangible asset of $34M represents costs incurred by the Queenstown Lakes District Council for computer software. These costs are being amortised on a straight line basis at 33%.
- The finite life intangible asset of $9M represents costs incurred by the Queenstown Airport Corporation Limited in relation to district planning processes for extension of noise boundaries and amendments to flight fans. These costs will be amortised on a straight line basis over 6-9 years and 15 years respectively from the date they are completed and ready to use.

13. Investment property

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Balance at beginning of year	56,545	54,210	56,545	54,210
Transfer to land reserves	-	(1,125)	-	(1,125)
Net gain/(loss) from fair value adjustments	6,705	3,460	6,705	3,460
Balance at end of year	**63,250**	**56,545**	**63,250**	**56,545**

The fair value of the Council's investment property at 30 June 2026 has been arrived at on the basis of a valuation carried out at that date by Mr Greg Simpson (ANZIV/SPINZ), an independent registered valuer from Quotable Value Limited not related to the Group. The fair value of investment property is calculated on the basis of market value. Market value is determined by reference to comparable sales. The valuations include adjustments to observable data for similar properties to take into account property-specific attributes. Properties with a committed future sale have been valued using the contracted future sales price adjusted to the present value.

Quotable Value Limited is an experienced valuation firm with extensive market knowledge in the types of investment properties owned by the Council.

14. Trade and other payables

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Trade payables (i)	23,766	21,209	29,524	24,276
Other accrued charges	14,759	12,299	50,675	25,363
Deposits and bonds	7,919	7,037	7,919	7,037
Total trade and other payables	**46,445**	**40,546**	**88,119**	**56,677**

(i) The average credit period on purchases is 30 days.

Significant judgements and uncertainties
Lot 6 compensation & fair value assessment
Subsidiary QAC has been involved in a dispute with Remarkables Park Limited (RPL) for several years regarding the amount of compensation payable for the compulsory acquisition of the land known as Lot 6 under the Public Works Act 1981 (PWA). Subsidiary QAC acquired this land for the enablement of its aeronautical activities and paid $18.34 million for this land in 2021. The dispute relates to differences in property valuations and was referred to the Land Valuation Tribunal (LVT) in November 2023. In 2025, a provision of $11.9 million was raised in relation to management's best estimate at that time of the amount payable.

During FY26, the LVT determined compensation payable for Lot 6 at $44.5 million (inclusive of the $18.34 million already paid). Subsidiary QAC was also required to pay to RPL use of money interest and costs, which is standard in PWA compensation cases.

Following the LVT determination, the independent valuer engaged for the valuation, confirmed that the value presented in its FY26 valuation report remains materially consistent with the amount recognised in FY25.

The LVT compensation determination reflects a different basis of valuation from that used to determine fair value for financial reporting purposes. Financial reporting requires the fair value to reflect what is legally permissible, which in this case needs to reflect the current aeronautical designation. Accordingly, subsidiary QAC has concluded that the LVT compensation determination does not change the fair value of Lot 6 for financial reporting purposes.

RPL has appealed the LVT compensation decision to the High Court, maintaining their claim that compensation should stand at $71.2 million. QAC vigorously disputes the total compensation sum claimed by RPL and has cross-appealed. With the appeal ongoing, there still remains significant uncertainty regarding the ultimate compensation payable, and the final settlement may differ materially from the amounts recognised. A date for a hearing of the appeal has not been set.

The amounts recorded in the financial statements in relation to this matter are as stated below.

- A provision has been disclosed in the statement of financial position to recognise the best estimate of the total amount payable to RPL of $34.5 million (2025 $11.9 million) for compensation and costs.
- Total expenses of $22.6 million (2025: $2.5 million) have been disclosed in the statement of financial performance, comprising:

  Lot 6 Compensation & estimate of Claimant costs (disclosed separately) - $17.7 million being:

  - The difference between the LVT compensation determination and the carrying value of Lot 6 of $16.8 million, which is treated as a compensation payment rather than an adjustment to the fair value of the land.

  - Costs payable to RPL ($0.9 million), which were agreed post balance date.

15. Borrowings

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
At amortised cost				
Bank borrowings (secured) (ii), (iii)	-	-	56,586	53,000
Bonds (secured) (iv), (v)	708,000	702,000	708,000	702,000
Other borrowings (iv)	18,366	8,671	18,366	8,671
Total borrowings	**726,366**	**710,671**	**782,952**	**763,671**
Disclosed in the financial statements as:				
Current (i)	215,000	192,846	215,000	245,846
Non-current	511,366	517,825	567,952	517,825
Total borrowings	**726,366**	**710,671**	**782,952**	**763,671**

(i) Short term facilities will be rolled over in the next period.

(ii) Council borrowings are secured through a debenture trust deed over rates, as well as security stock certificates of $279.1M (2025: $279.1M). Nil bank borrowings were drawn down by Council as at 30 June 2026 (2025: NIL).

(iii) Queenstown Airport Corporation Ltd (QAC) loans of $56.6M (2025: $53.0M) are secured by a first debenture charge over QAC assets and also a registered first mortgage over all QAC property.

(iv) The Council has 10 interest free loans from the Housing Infrastructure Fund through the Crown which are repayable within 10 years. The fair value of the balance outstanding at 30 June 2026 was $18.36M (2025: $8.67M).

(v) Guarantees and indemnities

New Zealand Local Government Funding Agency

Queenstown Lakes District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from S&P Global Ratings of AAA and a foreign currency rating of AA+ and a local currency rating and foreign currency rating of AA+ from Fitch.

Guarantees

Accounting Standards require the council to initially recognise the guarantee liability by applying the 12-month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of financial year, the council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore, the council have not recognised a liability.

Queenstown Lakes Community Housing Trust (QLCHT) asked the Council to provide a guarantee of up to $2M for the purpose of supporting the Trust's application for the loan for the Longview development at Hawea. This was approved in March 2023 and is in place currently.

Uncalled capital

As at 30 June 2026, the Council is one of 31 local authority shareholders and 74 local authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, $20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2026, NZLGFA had borrowings totaling $28,426M (2025: $25,530M).
The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:
•We are not aware of any local authority debt default events in New Zealand; and
•Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Credit risk

The Council is exposed to credit risk as a guarantor of all of NZLGFA's borrowings. Information about this exposure is explained in note 33.

Liquidity risk

The Council is exposed to liquidity risk as a guarantor of all of NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 33.

15. Borrowings continued

(v) NZLGFA Bonds list as at 30 June 2026:

Principal $'000	Date of Drawndown	Date of Maturity	Effective Interest Rate
50,000	16/06/2026	16/09/2026	2.8300%
40,000	12/05/2026	12/08/2026	2.7850%
10,000	14/08/2024	15/10/2026	3.0991%
10,000	20/08/2020	15/04/2027	1.0200%
10,000	17/05/2021	15/04/2027	6.1089%
10,000	12/07/2021	15/04/2027	1.7800%
10,000	11/07/2022	15/04/2027	4.1336%
30,000	19/12/2022	15/04/2027	5.1700%
10,000	06/03/2023	15/04/2027	5.4600%
20,000	15/04/2024	15/04/2027	3.1841%
15,000	15/04/2025	15/04/2027	3.2041%
5,000	17/01/2025	15/10/2027	3.3141%
10,000	21/12/2020	15/04/2028	1.1800%
10,000	19/04/2021	15/05/2028	1.9700%
10,000	15/06/2021	15/05/2028	1.9800%
10,000	15/08/2022	15/05/2028	3.2375%
10,000	19/12/2022	15/05/2028	3.2875%
20,000	17/04/2023	15/05/2028	3.2100%
10,000	13/11/2023	15/05/2028	3.3850%
20,000	19/04/2024	15/05/2028	3.3550%
15,000	15/04/2025	15/05/2028	3.4650%
13,000	15/07/2025	16/10/2028	3.2841%
10,000	12/07/2021	20/04/2029	2.0675%
10,000	20/12/2021	20/04/2029	3.0100%
10,000	13/06/2022	20/04/2029	3.0450%
10,000	15/08/2022	20/04/2029	3.1750%
10,000	19/12/2022	20/04/2029	3.2400%
10,000	06/03/2023	20/04/2029	5.5055%
10,000	15/05/2023	20/04/2029	4.9621%
15,000	11/03/2024	20/04/2029	5.2360%
20,000	04/06/2024	20/04/2029	3.2250%
15,000	15/04/2025	20/04/2029	3.4400%
30,000	15/04/2026	20/04/2029	3.0941%
20,000	15/04/2026	20/04/2029	3.1441%
20,000	19/12/2022	15/04/2030	3.2831%
10,000	17/04/2023	15/05/2030	3.5170%
10,000	15/05/2023	15/05/2030	3.4390%
20,000	10/07/2023	15/05/2030	5.5241%
20,000	11/12/2023	15/05/2030	3.4450%
15,000	15/04/2025	15/05/2030	5.5000%
20,000	14/08/2024	15/10/2030	3.5761%
25,000	15/04/2026	15/05/2030	3.2350%
30,000	15/04/2025	15/05/2031	3.7150%
20,000	15/04/2026	15/05/2031	3.3550%
708,000			**3.4705%**

NZLGFA Bonds list as at 30 June 2025:

Principal $'000	Date of Drawndown	Date of Maturity	Effective Interest Rate
87,000	26/02/2025	15/07/2025	3.8300%
10,000	28/09/2015	16/09/2025	4.0000%
10,000	15/03/2017	15/03/2026	4.1895%
20,000	18/10/2021	15/04/2026	2.3400%
10,000	14/03/2022	15/04/2026	3.5900%
20,000	19/12/2022	15/04/2026	5.2861%
10,000	14/08/2023	15/04/2026	3.7125%
15,000	11/03/2024	15/04/2026	3.9950%
10,000	20/08/2020	17/05/2026	4.0350%
10,000	14/08/2024	15/10/2026	4.0200%
10,000	20/08/2020	15/04/2027	1.0200%
10,000	17/05/2021	15/04/2027	2.9046%
10,000	12/07/2021	15/04/2027	1.7800%
10,000	11/07/2022	15/04/2027	4.1336%
30,000	19/12/2022	15/04/2027	5.1700%
10,000	06/03/2023	15/04/2027	5.4600%
20,000	15/04/2024	15/04/2027	4.1050%
15,000	15/04/2025	15/04/2027	4.1250%
5,000	17/01/2025	15/10/2027	4.4907%
10,000	21/12/2020	15/04/2028	1.1800%
10,000	19/04/2021	15/05/2028	1.9700%
10,000	15/06/2021	15/05/2028	1.9800%
10,000	15/08/2022	15/05/2028	3.9425%
10,000	19/12/2022	15/05/2028	5.1005%
20,000	17/04/2023	15/05/2028	5.2059%
10,000	13/11/2023	15/05/2028	4.1250%
20,000	19/04/2024	15/05/2028	4.0600%
15,000	15/04/2025	15/05/2028	4.2050%
10,000	12/07/2021	20/04/2029	2.0675%
10,000	20/12/2021	20/04/2029	4.0150%
10,000	13/06/2022	20/04/2029	4.0500%
10,000	15/08/2022	20/04/2029	4.1800%
10,000	19/12/2022	20/04/2029	4.3600%
10,000	06/03/2023	20/04/2029	5.5055%
10,000	15/05/2023	20/04/2029	4.9621%
15,000	11/03/2024	20/04/2029	5.2360%
20,000	04/06/2024	20/04/2029	4.1450%
15,000	15/04/2025	20/04/2029	4.5718%
20,000	19/12/2022	15/04/2030	4.3740%
10,000	17/04/2023	15/05/2030	4.3920%
10,000	15/05/2023	15/05/2030	4.5440%
20,000	10/07/2023	15/05/2030	5.5241%
20,000	11/12/2023	15/05/2030	4.1500%
15,000	15/04/2025	15/05/2030	5.9000%
20,000	14/08/2024	15/10/2030	4.7527%
30,000	15/04/2025	15/05/2031	4.5200%
702,000			**4.1281%**

16. Other financial liabilities

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Interest rate swaps (i)	3,431	3,170	3,501	3,403
Foreign exchange forward contracts	-	-	-	88
Total other financial liabilities	**3,431**	**3,170**	**3,501**	**3,491**
Disclosed in the financial statements as:				
Current	2,552	1,184	2,622	1,285
Non-current	879	1,986	879	2,206
Total other financial liabilities	**3,431**	**3,170**	**3,501**	**3,491**

(i) The Council holds fifteen interest rate swap agreements as at 30 June 2026:

Bank Reference	Effective Date	Maturity Date	Notional Amount $'000	Fixed Interest Rate	Fair Value of Interest $'000
BNZ 11514335	15/04/2025	15/10/2029	30,000	3.5850%	(168)
BNZ 12019238	22/04/2025	23/10/2029	30,000	3.6300%	(209)
BNZ 12019239	15/04/2025	16/10/2028	30,000	3.5700%	(204)
BNZ 12450786	15/05/2025	15/10/2027	25,000	3.4500%	(139)
BNZ 12450794	15/05/2025	15/11/2028	25,000	3.5600%	(137)
BNZ 12492380	15/05/2025	15/11/2030	25,000	3.7600%	(220)
BNZ 12492383	15/05/2025	20/10/2029	25,000	3.6600%	(199)
BNZ 14356723	15/04/2027	15/11/2030	30,000	3.7300%	(13)
BNZ 14356966	15/04/2027	15/05/2031	30,000	3.7710%	(22)
BNZ 15173408	15/04/2027	15/11/2030	25,000	3.9600%	(200)
BNZ 15173424	15/06/2026	15/05/2031	20,000	3.8250%	(197)
WBC 7320532	17/05/2021	17/05/2027	10,000	2.5840%	38
WBC 10687899	20/04/2025	20/04/2029	10,000	4.5680%	(346)
WBC 10687913	20/04/2027	20/04/2029	10,000	4.4500%	(159)
WBC 10743549	16/10/2023	15/05/2028	20,000	4.9620%	(667)
WBC 11077715	20/04/2026	20/04/2029	25,000	3.9450%	(419)
WBC 11384822	15/04/2026	15/10/2030	20,000	3.6865%	(141)
WBC 12718360	15/10/2027	15/05/2030	30,000	3.7660%	(29)
			420,000		**(3,431)**

(i) The Council holds fifteen interest rate swap agreements as at 30 June 2025:

Bank Reference	Effective Date	Maturity Date	Notional Amount $'000	Fixed Interest Rate	Fair Value of Interest $'000
BNZ 8978458	15/03/2019	16/03/2026	10,000	3.1875%	(1)
BNZ 11514335	15/04/2025	15/10/2029	30,000	3.5850%	(162)
BNZ 12019238	22/04/2025	23/10/2029	30,000	3.6300%	(216)
BNZ 12019239	15/04/2025	16/10/2028	30,000	3.5700%	(229)
BNZ 12450786	15/05/2025	15/10/2027	25,000	3.4500%	(131)
BNZ 12450794	15/05/2025	15/11/2028	25,000	3.5600%	(180)
BNZ 12492380	15/05/2025	15/11/2030	25,000	3.7600%	(222)
BNZ 12492383	15/05/2025	20/10/2029	25,000	3.6600%	(211)
WBC 10687899	20/04/2025	20/04/2029	10,000	4.5680%	(440)
WBC 10687913	20/04/2027	20/04/2029	10,000	4.4500%	(151)
WBC 10743549	16/10/2023	15/05/2028	20,000	4.9620%	(963)
WBC 11077715	20/04/2026	20/04/2029	25,000	3.9450%	(338)
WBC 11384822	15/04/2026	15/10/2030	20,000	3.6865%	(24)
WBC 5978699	15/12/2018	11/12/2025	10,000	3.5950%	(17)
WBC 7320532	17/05/2021	17/05/2027	10,000	2.5840%	115
			305,000		**(3,170)**

17. Other liabilities

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Income in advance (i)	10,915	5,831	10,915	5,831
Other provisions (ii)	-	530	-	530
Total other liabilities	**10,915**	**6,361**	**10,915**	**6,361**
Disclosed in the financial statements as:				
Current	10,915	6,361	10,915	6,361
Non-current	-	-	-	-
Total other liabilities	**10,915**	**6,361**	**10,915**	**6,361**

(i) Income in advance consists of lease income in advance, grants in advance and initial fees received for resource and building consents representing amounts for services yet to be completed.

17. Other liabilities continued

(ii) Building Related Claims Provision

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Opening balance	530	1,310	530	1,310
Amounts utilised	(530)	(780)	(530)	(780)
Closing balance	**-**	**530**	**-**	**530**

Background

The Building Related Claims Provision represents the Council's best estimate of the liability relating to the settlement of claims arising from alleged building defects, including weathertightness issues, where the Council has been joined as a party to the claims.

A provision has been recognised for the potential net settlement of all known claims where the Council is able to reliably measure its liability.

Estimation

The Council has provided for the expected future costs of reported claims where the Council is able to reliably measure its liability. Claims are dealt with on a case by case basis and a provision is established to recognise Council's best estimate of the expected future cash-flows to settle these claims. The nature of the liability means there are significant inherent uncertainties in estimating the likely costs that will be incurred as a result of the outcome of future court proceedings. The provision includes consideration of third party contributions where this is probable. Where Council is not able to reliably measure its expected future cash-flows a provision is not recognised, but additional information is provided regarding such contingent liabilities.

The significant assumptions used in the calculation of the building related claim provision are as follows:

Amount claimed

Represents the expected amount claimed by the owner.

Settlement amount

Represents the expected amount of awarded settlement, with reference to actual amounts for claims already settled where possible. The settlement amount considers where possible, the detailed claim made by the owner, the attribution or cause of loss, and an assessment of the cost of remediation.

Amount expected to be paid by Council

Represents the amount expected to be paid by Council out of any awarded settlement. This will consider the Council's view of individual claims including the likelihood of that claim being successful and the amount Council reasonably expects to be liable for. It also considers other defendants to the claim and their ability to contribute to any claim liability found in favour of the owner. Furthermore, the Council also considers third party insurance arrangements to the extent these are available. Where significant the determination of the estimated liability considers the impact of the timing of cashflows.

It is common for there to be significant variation in the amounts claimed by owners and the amounts assessed by Council in determining an estimated settlement. In some case further work is necessary for Council to assess the claim in more detail.

Funding of Building Related claims

Council uses borrowings in the first instance to meet the cost of settlements. The borrowings are funded and ultimately repaid through rates, which may result in unforeseen rates increases.

18. Employee Entitlements

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Accrued salary and wages	2,835	2,484	3,803	3,440
Annual leave	2,442	2,192	3,351	3,092
Total employee entitlements	**5,277**	**4,676**	**7,154**	**6,532**
Disclosed in the financial statements as:				
Current	5,277	4,676	7,154	6,532
Non-current	-	-	-	-

19. Reserves

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Revaluation reserve (a)	1,939,511	1,697,440	2,234,531	1,992,460
Operating reserves (b)	17,017	15,529	17,017	15,529
Capital reserves (c)	36,650	29,176	36,650	29,176
Cash flow hedge reserve (d)	-	-	3	(177)
Total reserves	**1,993,178**	**1,742,145**	**2,288,201**	**2,036,988**

This note contains the portion of reserves attributable to Council. Refer to note 21 for the movement of reserves at a Group level that are attributable to the non-controlling interest.

(a) Revaluation reserve

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Balance at beginning of year	1,697,440	1,629,450	1,992,460	1,881,674
Revaluation of roading assets	-	56,905	-	56,905
Revaluation of sewerage assets	118,898	-	118,898	-
Revaluation of water supply assets	69,859	-	69,859	-
Revaluation of stormwater assets	47,285	-	47,285	-
Revaluation of campground assets	(676)	7,625	(676)	7,625
Revaluation of airport assets, net of deferred tax	-	-	-	42,796
Transferred from/(to) accumulated surplus:				
Revaluation of forestry assets	-	-	-	-
Revaluation of investment property	6,705	3,460	6,705	3,460
Balance at end of year	**1,939,511**	**1,697,440**	**2,234,531**	**1,992,460**

The revaluation reserve arises on the revaluation of Council infrastructural assets, investment property, shares, and QAC land, building, runway, and roading and carparking assets.

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Individual reserve balances are as follows:				
Investment property	88,909	82,204	88,909	82,204
Campground assets	49,635	50,311	49,635	50,311
Forestry Assets	(120)	(120)	(120)	(120)
Roading	641,863	641,863	641,863	641,863
Sewerage	472,258	353,360	472,258	353,360
Water supply	334,895	265,036	334,895	265,036
Stormwater	341,881	294,596	341,881	294,596
Airport assets	10,190	10,190	305,210	305,210
Total revaluation reserve	**1,939,511**	**1,697,440**	**2,234,531**	**1,992,460**

(b) Operating reserves

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Balance at beginning of year	15,529	11,029	15,529	11,029
Transferred from/(to) accumulated surplus:				
Contributions	32,826	16,713	32,826	16,713
Disbursements	(31,338)	(12,213)	(31,338)	(12,213)
Balance at end of year	**17,017**	**15,529**	**17,017**	**15,529**

An operating reserve is used to finance specific activities. It can be used for operating and capital expenditure items and is generated from ongoing revenue sources.

(c) Capital reserves

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Balance at beginning of year	29,176	12,862	29,176	12,862
Transferred from/(to) accumulated surplus:				
Contributions	52,518	38,560	52,518	38,560
Disbursements	(45,044)	(22,246)	(45,044)	(22,246)
Balance at end of year	**36,650**	**29,176**	**36,650**	**29,176**

Capital reserves are used to fund a variety of activities. They can only be used for major capital additions and debt repayment, and are generated from a single or infrequent revenue source.

(d) Cash flow hedge reserve

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Balance at beginning of year	-	-	(177)	409
Gain/(loss) recognised on cash flow hedges:	-	-	-	-
Interest rate swaps	-	-	227	(746)
Forward foreign exchange contracts	-	-	23	(68)
Realised losses transferred to Statement of Financial Performance	-	-	-	-
Income tax related to gains/losses recognised in other comprehensive income	-	-	(71)	228
Balance at end of year	**-**	**-**	**3**	**(177)**

19. Reserves continued

(e) Reserve funds held for a specific purpose

	Opening Balance 1 July 2025 $'000	Deposits $'000	Withdrawals $'000	Closing Balance 30 June 2026 $'000
Development funds				
These arise from development and financial contributions levied by the Council for capital works and are intended to contribute to the growth related capital expenditure for roading, water supply, sewerage, stormwater, reserve land and improvements, and community facilities	15,529	32,826	31,338	17,017
Asset renewal funds The Council sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability to provide services.	14,502	33,076	22,141	25,437
Transport improvement fund Funds set aside to subsidise public transport and the development of public transport infrastructure.	4,170	4,594	4,360	4,404
Asset sale reserves Proceeds from asset sales which are used to fund the portion of capital expenditure attributable to increased level of service for roading, water supply, sewerage, stormwater, reserve land and improvements, and community facilities.				
- Queenstown Asset Sale Reserve	1,307	-	1,099	208
- Wanaka Asset Sale Reserve	4,823	-	-	4,823
Arrowtown endowment land reserve Proceeds from assets sales from Arrowtown endowment land.	1,161	601	-	1,762
Trust funds Funds held on behalf of various community organisations.	17	-	-	17
Queenstown Airport dividend reserve Unallocated portion of dividends received from QAC.	-	14,248	14,248	-
Lakes Leisure reserve Funds transferred from Lakes Leisure at dis-establishment that are to be used to fund charitable purposes in line with the company's constitution.	3,196	-	3,196	-
Total Council reserve funds	**44,705**	**85,345**	**76,382**	**53,667**
QAC cash flow hedge reserve	(177)	-	(180)	3
Total Council reserve funds	**44,528**	**85,345**	**76,202**	**53,670**

20. Accumulated funds

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Balance at beginning of year	912,861	883,513	994,951	959,456
Net Surplus	119,694	53,622	112,272	59,769
Transfers from/(to) reserves:				
Revaluation reserve	(6,029)	(3,460)	(6,029)	(3,460)
Operating reserves	(1,488)	(4,500)	(1,488)	(4,500)
Capital reserves	(7,474)	(16,314)	(7,474)	(16,314)
Balance at end of year	**1,017,564**	**912,861**	**1,092,232**	**994,951**

(i) Refer to Note 35

21. Non-controlling interest

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Balance at beginning of year	-	-	128,625	112,514
Share of surplus for year	-	-	2,274	7,347
Dividends paid	-	-	(4,747)	(5,298)
Share of other comprehensive income	-	-	60	14,062
Balance at end of year	**-**	**-**	**126,212**	**128,625**

22. Commitments for expenditure

(a) Capital expenditure commitments

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Queenstown Lakes District Council (i)	69,488	50,966	69,488	50,966
Queenstown Airport Corporation Limited (ii)	-	-	33,658	15,644
Balance at end of year	**69,488**	**50,966**	**103,146**	**66,610**

(i) There are a number of significant contracts progressing through the year including Upper Clutha Wastewater Conveyance Scheme, Frankton Track Wastewater Construction, coronet Revegetation and Robins Road Wastewater Pipeline Upgrade.

(ii) Capital expenditure commitments for QAC are for the acquisition of Property, Plant and Equipment.

(b) Lease commitments

No finance lease liabilities exist. Non-cancellable operating lease commitments are disclosed in note 24 to the financial statements.

23. Contingent liabilities and contingent assets

Council

(a) **Legal claims**

No significant provision for the 2025-26 financial year

(b) **Guarantees**

Queenstown Lakes District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+. See note 15 (v) for further details.

Queenstown Airport Corporation Limited

(c) **Noise mitigation**

The Company has implemented a programme of works to assist homeowners living in the inner and mid noise boundaries to mitigate the effects of aircraft noise exposure. The Company is obligated, on an annual basis, to offer, 100% funding of noise mitigation works for Critical Listening Environments of buildings that existed on 8 May 2013 containing an Activity Sensitive to Aircraft Noise (as defined in the Queenstown Lakes District Plan) that are within the 65 dB Projected Annual Aircraft Noise Contour. The Company is offering 100% of funding of mechanical ventilation for Critical Listening Environments of buildings that existed on 8 May 2013 containing an Activity Sensitive to Aircraft Noise (as defined in the Queenstown Lakes District Plan) that are within the 60 dB Projected Annual Aircraft
Noise Contour.

Offers for noise mitigation have been extended to homeowners in line with the projected annual aircraft noise contours for calendar years 2025 and 2026. Property owners have twelve months from the date of offer to determine if they wish to take the offer made by the Company for mitigation works. It is difficult to estimate the future value of the mitigation works due to the uncertainty of the level of uptake from property owners and the differing construction and acoustic treatment requirements necessary to mitigate each property.

24. Leases

(a) Leasing arrangements

Operating leases relate to the rental of office and computer equipment, motor vehicles and office buildings. All operating lease contracts contain market review clauses in the event that the Council/Group exercises its option to renew. The Council/Group does not have an option to purchase the leased asset at the expiry of the lease period.

(b) Non-cancellable operating lease payments

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Not longer than 1 year	4,015	3,564	4,015	3,564
Longer than 1 year and not longer than 5 years	10,353	9,510	10,353	9,510
Longer than 5 years	10,262	11,872	10,262	11,872
Balance at end of year	**24,629**	**24,946**	**24,629**	**24,946**

(c) Non-cancellable operating lease receipts

	Council		Group	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Not longer than 1 year	10,071	8,212	27,396	24,988
Longer than 1 year and not longer than 5 years	30,253	31,871	47,461	56,109
Longer than 5 years	27,423	27,819	28,673	30,421
Balance at end of year	**67,748**	**67,902**	**103,531**	**111,518**

A key assumption for our operating lease receipts is that the lease income which is linked to turnover, continues to grow at inflation.

25. Investment in Council controlled organisations (CCO's)

	Council		Group	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Queenstown Airport Corporation Limited	5,412	5,412	-	-
Total investment	**5,412**	**5,412**	**-**	**-**

		Ownership interest		
	Country of incorporation	2026 %	2025 %	Principal activity of the entity
Council				
Queenstown Lakes District Council (QLDC) (i)	NZ			
CCO's:				
Queenstown Airport Corporation Limited (QAC) (ii)	NZ	75.01%	75.01%	Airport operator
Queenstown Events Centre Trust (iii)	NZ	N/A	N/A	Charitable trust

(i) Queenstown Lakes District Council is the head entity within the consolidated group. QLDC holds the Group's interest in the other CCO's detailed above.

(ii) On 19 August 2025, a final dividend of 73.30 cents per share (total dividend: $11,773,000) for the year ended 30 June 2025 was paid to holders of fully paid ordinary shares. QLDC's share of this dividend was $8,830,928. On 28 February 2026, an interim dividend of 44.97 cents per share (total dividend of $7,222,080) for the year ended 30 June 2026 was paid to holders of fully paid ordinary shares. QLDC's share of this dividend was $5,417,282.

(iii) Not trading

All entities in the Group have 30 June balance dates.

There are no significant restrictions on the ability of CCO's to transfer funds to QLDC in the form of cash distributions or to repay loans or advances.

26. Subsequent Events

Queenstown Airport Corporation Ltd (QAC)

Dividend

On 17 of August the 2026 QAC directors declared a fully imputed dividend of $13.18M in respect of the year ended 30 June 2026 (2025: $18.74M).

Lot 6 Compensation

During FY26, the LVT determined compensation payable for Lot 6 at $44.5 million (inclusive of the $18.34 million already paid). On 1 July 2026, the Company paid RPL $26.2 million, bringing the total compensation paid to $44.5 million. Refer to note 14 for further information. Costs payable to RPL in relation to the Lot 6 Compensation matter have also been resolved.

Property Covenants

In March 2023, High Court proceedings were served on the Company seeking to modify a restrictive covenant registered against land owned by Remarkables Park Limited (RPL) and two other parties located south of the main runway. The covenant restricted the range of activities that could be undertaken on the affected land for the benefit of airport land while it continued to be operated as an airport.

On 5 August 2026, the Company reached a settlement with RPL. As part of the settlement, the restrictive covenants that were the subject of the High Court proceedings were removed and, in exchange, restrictive covenants, other registerable interests and a First Right of Refusal held by RPL over certain Company land were also removed.

The settlement resolved all matters relating to the Covenant Modification proceedings which have formally been discontinued. The impact of the removal of these restrictive covenants and interests from QAC's land is expected to have a positive impact on related QAC land values but this will not be confirmed until the completion of QAC's valuation process in FY 2027.

Legislative Reform

Subsequent to 30 June 2026, the Government continued to advance a range of legislative reforms affecting the local government sector. These include reforms to the resource management system, proposed changes to local government funding and financing mechanism and amendments to employment legislation. As these reforms remain at various stages of parliamentary and policy development, the full implications for Council's operations, workforce, financial position and long-term planning are not yet known. Council continues to monitor these developments and assess potential impacts as further details become available.

Water Services Transition

The Local Government (Water Services Preliminary Arrangements) Act 2024 and the Local Government (Water Services) Act 2025 establish the legislative framework for Local Water Done Well and the future delivery of water services in New Zealand.

On 31 July 2025, Queenstown Lakes District Council resolved to establish a Water Services Council-Controlled Organisation (WSCCO) as the future delivery model for water supply, wastewater and stormwater services. Under this model, the WSCCO will be wholly owned by Council and will assume responsibility for the planning, funding, ownership and delivery of these services, including the associated infrastructure assets, liabilities and debt.

During the 2025/26 financial year, Council continued to progress implementation of the WSCCO model. Key milestones achieved included the appointment of an independent Board, adoption of the WSCCO Constitution, and incorporation of the WSCCO on 1 July 2026. Detailed establishment planning, operating model design and operational readiness activities are underway in preparation for the planned commencement of service delivery on 1 July 2027.

As at the date of signing these financial statements, responsibility for delivering water supply, wastewater and stormwater services remains with Council. Accordingly, all assets, liabilities, debt, revenue and expenditure associated with these activities continue to be recognised within Council's financial statements. This includes all water supply, wastewater and stormwater infrastructure assets and related operational activities.

The financial effects of the future transfer of these activities to the WSCCO cannot yet be measured reliably, as final transition arrangements, transfer agreements and implementation decisions remain subject to completion prior to the planned commencement date of 1 July 2027. Refer to the water supply, sewerage and stormwater infrastructure assets in note 10 for the 30 June 2026 Property, plant and equipment value. Refer to the water supply, sewerage and stormwater funding impact statements on pages 43, 49 and 53 for revenue and expenses for the current financial year.

Chief Executive Appointment

On 23 July 2026, Council appointed James Stevenson-Wallace as Chief Executive of Queenstown Lakes District Council. Mr Stevenson-Wallace is expected to commence in the role on 5 October 2026.

Appointment of Chief Executive, QLDC 3Waters Ltd

Maseina Koneferenisi was appointed Chief Executive of QLDC 3Waters Ltd, the Council's newly established water services council-controlled organisation. The appointment was approved by the WSCCO Board on 16 July 2026, with Ms Koneferenisi expected to commence the role in October 2026.

Local Government Reform

The Government is progressing a range of reforms that may have implications for the future structure and functions of local government in New Zealand. These reforms include the Simplifying Local Government programme, which is considering potential changes to local government arrangements and governance structures. As at the date of signing these financial statements, the outcome, scope, implementation approach and timing of any reform remain uncertain and subject to further Government decisions.

The Council has prepared these financial statements on a going concern basis. At the date of signing, there is insufficient certainty regarding the outcome, timing, and potential impacts of local government reform to determine any financial implications for the Council. Accordingly, no adjustments have been made to the financial statements in relation to these reforms.

Head Start Pathway

The reform programme includes a voluntary "Head Start" pathway for councils wishing to pursue reorganisation proposals ahead of the 2028 local elections, and a separate backstop process for councils that do not progress through the Head Start pathway. In 2026, Queenstown Lakes District Council participated in the Government's voluntary Head Start pathway and, together with Dunedin City Council, submitted an outline proposal supporting the establishment of a twin-unitary governance model for Otago. The proposal was developed in response to the Government's invitation for councils to put forward locally led reorganisation arrangements ahead of broader local government reform.

As announced by the Government on 24 September 2026, Cabinet is expected to consider Head Start proposals in early 2027. If a proposal is endorsed, further detailed analysis, consultation, design work, and Government approvals would be required before any legislative changes are considered. The Government has indicated that any approved Head Start changes are intended to be implemented prior to the 2028 local elections.

Backstop Process

If the Council's Head Start proposal is not accepted, or if no final proposal is approved, the Council may be subject to the Government's backstop reform process. The Government has indicated that councils not progressing through the Head Start pathway will be considered through a compulsory reform process following the 2028 local elections. The detailed design of this process has not yet been confirmed.

As a result, there remains significant uncertainty regarding the future structure of local government in Otago and any potential impacts on the Council's governance, operations, assets, liabilities, revenues, and expenditures. No reliable estimate of any financial effect can currently be made.

Otago Central Lakes Regional Deal

On 6th October 2026, the Otago Central Lakes Regional Deal was formally signed by the Crown, Queenstown Lakes District Council, Central Otago District Council and Otago Regional Council. The Regional Deal establishes a long-term partnership framework to support economic growth, infrastructure investment, housing, transport, climate resilience and growth management across the region. As at the date of signing these financial statements, the agreement does not give rise to any adjustments to the amounts recognised in the financial statements.

27. Related party disclosures

(a) Council

The Council (QLDC) is the ultimate parent of the Group.

(b) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 25 to the financial statements.

(c) Transactions with related parties

Transactions involving the Group

During the year the following (payments)/receipts were made (to)/from related parties which were conducted on normal commercial terms:

	Council	
	2026 $'000	2025 $'000
The following transactions took place between QLDC and related parties:		
Queenstown Airport Corporation Limited *		
Payment of rates on its property	516	471
Resource consent costs and collection fees	-	-
Frankton Golf Club lease	(43)	(43)
Management Fee	(457)	(457)
Sundry payments	135	101
Balances owed (to) / from at 30 June were:		
Owed (to)/from Queenstown Airport Corporation Ltd (i)	(34)	(48)

*There are no Councillors in Queenstown Lakes District Council who own shares in Auckland International Airport which has a non-controlling interest in Queenstown Airport Corporation Ltd.

The following transactions took place between Queenstown Airport Corporation and related parties:		
Auckland International Airport Ltd		
- Rescue fire training	-	-
- Director fees	46	46
Balances owed (to) / from at 30 June were:		
Owed (to)/from Auckland International Airport Limited (AIAL)	-	-

Other transactions involving related parties

1. QLDC's netball courts and six holes of the Frankton golf course are located on QAC land to the north west of the runway. Revenue from this arrangement amounted to $42,830 (2025: $42,830).

2. Queenstown Airport Corporation receives services from Auckland International Airport Ltd for which no consideration is paid.

Transactions eliminated on consolidation

Related party transactions and outstanding balances with other entities in the Group are disclosed in an entity's financial statements. Intra-group related party transactions and outstanding balances are eliminated in the preparation of consolidated financial statements of the Group.

28. Notes to the statement of cash flows

	Council		Group	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
(a) Reconciliation of cash and cash equivalents				
For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, cash in bank and other short-term highly liquid deposits that are readily convertible to a known amount of cash, net of outstanding bank overdrafts. As required under the Construction Contracts Act 2002, cash includes retentions of $660,914 (2025: $589,884) for Council and $1,023,099 (2025: $657,121) for Group held on trust which are payable by the Council/Group respectively on completion of contractual obligations by third parties. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:				
Cash and cash equivalents	28,761	6,276	29,808	7,362
Bank overdraft	-	-	-	-
Total cash and cash equivalents	**28,761**	**6,276**	**29,808**	**7,362**
(b) Borrowings - facilities				
Details of the amounts drawn down on the available borrowing facility are as follows:				
Amount used	731,983	712,449	788,983	765,449
Amount unused	90,329	124,651	363,329	171,651
Total available borrowing facility	**822,312**	**837,100**	**1,152,312**	**937,100**

28. Notes to the statement of cash flows continued

		Council		Group	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
(c)	**Reconciliation of surplus/(deficit) for the period to net cash flows from operating activities**				
	Surplus for the year	119,694	53,622	114,546	67,115
	Add/(less) non-cash items:				
	Depreciation and amortisation	77,356	69,424	93,417	80,312
	Loss provision	(530)	(780)	17,205	(780)
	Vested assets	(93,033)	(52,930)	(93,033)	(52,930)
	(Gain)/loss on sale of property, plant & equipment	2,366	(1,205)	2,366	(1,205)
	(Gain)/loss on revaluation of investment property	(9,180)	(3,460)	(9,180)	(3,460)
	Net change in fair value of derivative financial instruments	(3,578)	3,479	(3,578)	3,479
	Other	-	-	(326)	(1,992)
	Adjusted surplus/(deficit) from operating activities	**93,095**	**68,150**	**121,417**	**90,539**
	Movement in working capital:				
	Trade and other receivables	1,426	8,936	798	8,580
	Inventories	(4)	(2)	(4)	(2)
	Current tax refundable/payable	-	-	(2,760)	(5,467)
	Other current assets	626	574	572	544
	Trade and other payables	5,898	(7,600)	14,258	5,597
	Employee entitlements	601	691	624	761
	Other financial liabilities	5,084	(1,105)	5,084	(1,105)
	Total movement in working capital	**13,631**	**1,494**	**18,572**	**8,908**
	Movement in items treated as investing activities	-	-	-	(9,360)
	Net cash (Outflow) from operating activities	**106,726**	**69,644**	**139,989**	**90,087**

29. Remuneration (Council only)

During the year to 30 June 2026, the total remuneration and value of other non-financial benefits received by or payable to the Elected Representatives, Chief Executive, and staff of the Council were as follows:

	Council	
	2026	2025
Elected Representatives	$	$
Council		
Quentin Smith - Deputy Mayor	85,658	61,860
Niki Gladding - Chair - Risk & Assurance	67,765	53,880
Cody Tucker - Chair - Smart Growth	80,427	57,738
Matt Wong - Chair - Comm & Enviro	63,489	48,230
Gavin Bartlett - Chair - Assets & Infrastructure	64,602	55,224
Melissa White - Chair - Organisation Excellence	75,043	56,145
John Glover - Mayor	120,614	-
Heath Copland - Chair - Smart Finance	47,966	-
Samuel Belk - Deputy - Smart Finance	48,422	-
Stephen Brent - Deputy - Risk & Assurance	43,114	-
Nicola King - Deputy - Organisation Excellence	53,179	-
Jon Mitchell - Deputy - Smart Growth	50,333	-
Craig Ferguson - Councillor Arrowtown-Kawarau	16,635	55,224
Glyn Lewers - Mayor	46,237	153,722
Esther Whitehead - Councillor Queenstown-Whakatipu	14,365	48,110
Barry Bruce - Councillor Wanaka-Upper Clutha	15,048	49,828
Lyal Cocks - Councillor Wanaka-Upper Clutha	17,358	63,136
Lisa Guy - Councillor Arrowtown-Kawarau	14,365	47,690
Wanaka Community Board		
Chris Hadfield - Board Member	15,319	13,897
Simon Telfer - Chairperson	29,933	27,752
John Wellington - Board Member	16,458	13,897
Kathy Dedo - Board Member	13,356	-
Linda Joll - Board Member	4,181	13,897
Chief Executive		
Mike Theelen - Chief Executive (to Feburary 2026)	329,461	480,523
Michelle Morss - Interim Chief Executive (from Feburary 2026)	154,853	-

Employee staffing levels and remuneration

The number of employees employed by Queenstown Lakes District Council at 30 June 2026 was 749 (30 June 2025: 706). The number of full-time equivalents and full time employees as at 30 June 2026 was 554 and 453 respectively (30 June 2025: 542 and 428).

The number of employees who were employed at 30 June are detailed below. Those receiving remuneration of $60,000 or more are grouped into $20,000 bands. If there are five or fewer employees in a band, they are combined upwards with the next banding as stipulated in the LGA 2002.

	2026
< $60,000	327
$60,001 to $80,000	100
$80,001 to $100,000	125
$100,001 to $120,000	69
$120,001 to $140,000	62
$140,001 to $160,000	26
$160,001 to $180,000	15
$180,001 to $200,000	13
$200,001 to $240,000	6
$240,001 to $340,000	6
Total number of employees	**749**

	2025
< $60,000	329
$60,001 to $80,000	112
$80,001 to $100,000	99
$100,001 to $120,000	51
$120,001 to $140,000	57
$140,001 to $160,000	20
$160,001 to $180,000	20
$180,001 to $200,000	6
$200,001 to $240,000	6
$240,001 to $420,000	6
Total number of employees	**706**

30. Severance Payments

For the year ended 30 June 2026 QLDC made no severance payments to employees (2025: Nil)

31. Emissions Trading Scheme

Forestry

QLDC is part of the Emissions Trading Scheme (ETS) for its pre-1990 forests (mandatory participation). Under the ETS, QLDC is allocated New Zealand Units (NZUs). An initial free allocation of NZUs is provided in relation to pre-1990 forests.

Landfill

QLDC owns a landfill site which is operated by Scope Resources Ltd. Under the ETS, QLDC is required to acquire and surrender emission units to account for the direct greenhouse gas emissions associated with its landfill site.

2026	Pre-1990 Forest	Landfill	Total
Productive area (hectares)	296	n/a	296
Opening balance	-	63,760	63,760
NZUs purchased during the year	-	27,500	27,500
NZUs allocated/transferred internally during the year	-	1,310	1,310
NZUs transferred to Scope Resources Ltd during the year	-	(37,551)	(37,551)
NZUs on hand at balance date	**-**	**55,019**	**55,019**

Under the ETS liabilities can accrue as follows:

Pre-1990 forests: liabilities accrue if the pre-1990 forest land is deforested and not replanted. QLDC does not anticipate any future liabilities will arise in relation to pre-1990 forest land.

32. Explanation of major variances against budget

Statement of Financial Performance

QLDC recorded a surplus of $119.7M for the financial year. This is up from the $53.6M surplus recorded last year, and the $63.0M surplus budgeted.

Revenue was over budget by 18.7% or $63.4M

The following major items contributed to the revenue variance:

- Vested asset income was $62.1M above budget for the year; this non-cash income reflects the value of assets passed to Council as a result of continued high levels of development activity in the district
- Dividend income from Queenstown Airport Company was $1.2M above budget.

Expenditure was over by 5.7% or $15.7M.
The major remaining operational cost variances are as follows:

- Infrastructure maintenance expenses is $5.5M above the budget. This includes $2.7M higher waste management maintenance and $2.2M higher water supply maintenance.

- Depreciation and amortisation expense higher than budget by $7.1M, largely as a result of higher valuations for infrastructure assets for both 3 waters assets and roading assets.

Statement of Financial Position

Net assets are $39.5M below budget.
The main variances relate to the difference in expected asset values for the year and increased borrowings. The following items contributed to this variance:

- Property, plant and equipment is $62.1M below budget. Overall capital expenditure was $118.56M which is below budget by $40.8M for the year ended 30 June 2026.

- Borrowings are $7.2M above budget. Total debt as at 30 June 2026 is $726.4M compared to a forecast of $719.1M to fund the capital programme.

Statement of Changes in Equity

Accumulated differences between actual and budgeted net surpluses as described above, as well as the impact of infrastructure asset revaluations in the current and prior year, and increased borrowings, has resulted in an equity variance of $39.5M below forecast.

Statement of Cash Flows

The budget variances explained above contribute to budget variations in the Statement of Cash Flows. Cash payments for the purchase of property, plant and equipment (i.e. capital expenditure) were $68.8M below estimate. Net borrowings were $30.3M less than expected. Cashflows from operating activities were $10.7M below budget.

33. Financial Instruments

(a) Capital management

For the purpose of the Group's capital management, the Group's capital is its equity, including accumulated comprehensive revenue and expenses and all equity reserves attributable to the Council. Equity is represented by net assets.

QLDC manages the Group's capital largely as a by-product of managing its revenue, expenses, assets, liabilities and general financial dealings. The Local Government Act 2002 requires the Council to manage its revenue, expenses, assets, liabilities and general financial dealings in a manner that promotes the current and future interests of the community. In addition, the Local Government (Financial Reporting and Prudence) Regulation 2014 sets out a number of benchmarks for assessing whether the Council is managing its revenue, expenses, assets and liabilities prudently.

The primary objective of the Group's capital management is to achieve intergenerational equity which is a principle promoted in the Local Government Act 2002 and applied by the Council. Intergenerational equity requires the Council to spread the funding of the cost of its assets over the current and future generations of ratepayers, such that:

- Current ratepayers are required to meet the cost of using the assets, but not the full cost of long term assets that will benefit ratepayers in future generations; and
- Ratepayers in future generations are not required to meet the costs of deferred asset renewals and maintenance.

In order to achieve this overall objective, the Council has in place asset management plans for major classes of assets, detailing renewals and programmed maintenance.

An additional objective of capital management is to ensure that the expenditure needs identified in the Council's Long-term Plan and Annual Plan are met in the manner set out in these plans. The Local Government Act 2002 requires the Council to make adequate and effective provision in its Long-term Plan and in its Annual Plan to meet the expenditure needs identified in those plans. The factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities are set out in the Local Government Act 2002. The sources and levels of funding are set out in the funding and financial policies in the Council's Long-term Plan.

The Council monitors actual expenditure incurred against the Long-term Plan and Annual Plan.

QLDC obtained a credit rating from Fitch Ratings in December 2017 in order to facilitate additional debt funding ahead of the 2018-28 Long-term Plan and beyond. The credit rating is reviewed on an annual basis and has been maintained since that time.
No other changes were made in the objectives, policies or processes for managing capital during the year ended 30 June 2026.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(c) Categories of financial instruments

	Council		Group	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Financial assets				
Cash and cash equivalents (AC)	28,761	6,276	29,808	7,362
Trade and other receivables (AC)	31,141	34,004	35,773	38,152
Other financial assets (AC)	455	960	455	960
Other financial assets (AC)	21,323	18,368	21,405	18,368
Other financial assets (FVTSD)	5,617	1,778	5,617	1,778
Financial liabilities				
Trade and other payables (AC)	46,445	40,546	88,119	56,677
Borrowings (AC)	731,983	710,671	788,983	763,671
Other financial liabilities (FVTSD)	3,431	3,170	3,501	3,491

AC = Amortised cost; FVTSD = Fair value through surplus or deficit.

(d) Financial risk management objectives

QLDC has established a Treasury Management Policy which combines the Local Government Act 2002 requirement for local authorities to adopt a Liability Management Policy and an Investment Policy. These provide a framework for prudent debt management and the management of financial resources in an efficient and effective way.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(e) Interest rate risk

The Group is exposed to interest rate risk as it borrows funds at both floating and fixed interest rates.

Sensitivity analysis

The sensitivity analysis in the following table has been determined based on the exposure to interest rates for financial instruments at the balance date. The analysis is prepared assuming the amount of the financial instrument outstanding at the balance sheet date was outstanding for the whole year.

33. Financial Instruments continued

(e) Interest rate risk continued

The impact to surplus for the year and total equity as a result of a 50 basis point increase in interest rates is as follows (note that () represents a loss in the table below):

		Council				Group			
		2026 $'000 +50 bps		2025 $'000 +50 bps		2026 $'000 +50 bps		2025 $'000 +50 bps	
	Note	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial Liabilities									
Borrowings	(i)	(790)	(790)	(1,185)	(1,185)	(1,075)	(1,075)	(1,450)	(1,450)
Total impact to surplus		**(790)**	**(790)**	**(1,185)**	**(1,185)**	**(1,075)**	**(1,075)**	**(1,450)**	**(1,450)**

A 50 bps decrease would have the opposite effect in the table above.

(i) Secured loans

QLDC has floating rate debt with a principal amount totalling $158M (2025: $237M)
QAC has floating rate debt with a principal amount totalling $57m (2025: $53M)

(f) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

For QLDC the concentration of credit risk is limited due to the customer base being large and unrelated. The Council and Group believes no further credit provision is required in excess of the allowance for doubtful debts, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

QLDC is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in note 15 (v).

The Group is exposed to credit risk arising from a small number of airlines comprising the majority amount of the Queenstown Airport Limited trade receivables. Regular monitoring of trade receivables is undertaken to ensure that the credit exposure remains within the Group's normal trading terms of trade.

Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

	Maximum credit risk	
	2026 $'000	2025 $'000
Council		
Financial assets and other credit exposures	81,680	59,608
Group		
Financial assets and other credit exposures	87,441	64,842

(g) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in raising liquid funds to meets commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through adequate committed credit facilities, and the ability to close out market positions.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 28 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The maturity profiles of the Group's interest bearing financial instruments are disclosed later in this note.

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 15 (v).

(h) Fair value of financial instruments

The Council and directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

Fair value measurements recognised in the Statement of Financial Performance.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2026	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Council				
Financial liabilities				
Derivatives	3,431	-	3,431	-
Group				
Financial liabilities				
Derivatives	3,501	-	3,501	-

2025	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Council				
Financial liabilities				
Derivatives	3,170	-	3,170	-
Group				
Financial liabilities				
Derivatives	3,491	-	3,491	-

33. Financial Instruments continued

The following table details QLDC's exposure to interest rate risk on financial instruments:

Council 2026 Financial liabilities	Weighted average effective interest rate %	Carrying amount $'000	Undiscounted contractual cash flows $'000	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3-4 years $'000	4-5 years $'000	5+ years $'000
Trade and other payables	-	46,445	46,445	46,445	-	-	-	-	-
Borrowings	3.73%	731,983	794,357	237,741	142,722	196,136	126,744	73,032	17,983
Total financial liabilities		**778,428**	**840,802**	**284,186**	**142,722**	**196,136**	**126,744**	**73,032**	**17,983**

Council 2025 Financial liabilities	Weighted average effective interest rate %	Carrying amount $'000	Undiscounted contractual cash flows $'000	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3-4 years $'000	4-5 years $'000	5+ years $'000
Trade and other payables	-	40,546	40,546	40,546	-	-	-	-	-
Borrowings	4.07%	712,449	786,690	216,898	144,495	139,732	129,835	100,347	55,383
Total financial liabilities		**752,995**	**827,236**	**257,444**	**144,495**	**139,732**	**129,835**	**100,347**	**55,383**

Group 2026 Financial liabilities	Weighted average effective interest rate %	Carrying amount $'000	Undiscounted contractual cash flows $'000	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3-4 years $'000	4-5 years $'000	5+ years $'000
Trade and other payables	-	88,119	88,119	88,119	-	-	-	-	-
Borrowings	3.71%	788,983	853,324	296,708	142,722	196,136	126,744	73,032	17,983
Total financial liabilities		**877,102**	**941,443**	**384,827**	**142,722**	**196,136**	**126,744**	**73,032**	**17,983**

Group 2025 Financial liabilities	Weighted average effective interest rate %	Carrying amount $'000	Undiscounted contractual cash flows $'000	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3-4 years $'000	4-5 years $'000	5+ years $'000
Trade and other payables	-	56,677	56,677	56,677	-	-	-	-	-
Borrowings	4.08%	765,449	841,921	272,128	144,495	139,732	129,835	100,347	55,383
Total financial liabilities		**822,126**	**898,598**	**328,805**	**144,495**	**139,732**	**129,835**	**100,347**	**55,383**

34. Queenstown Airport Corporation

	QAC	
	2026 $'000	2025 $'000
Queenstown Airport Corporation Limited		
Revenue	87,131	79,893
Operating Expenditure	25,331	22,599
EBITDA	61,800	57,294
Interest Expense	7,517	5,035
Depreciation and Amortisation	16,061	10,888
Profit Before Tax	20,487	41,382
Net Profit After Tax	9,100	29,400
Dividends Paid	18,994	21,205
Total Assets	639,834	623,187
Total Liabilities	138,516	112,215
Shareholders Funds	501,318	510,972
Operating Cash Flow	47,511	36,350
Closing Debt	56,586	53,000

Annual report disclosure statement for year ending 30 June 2026

What is the purpose of this statement?

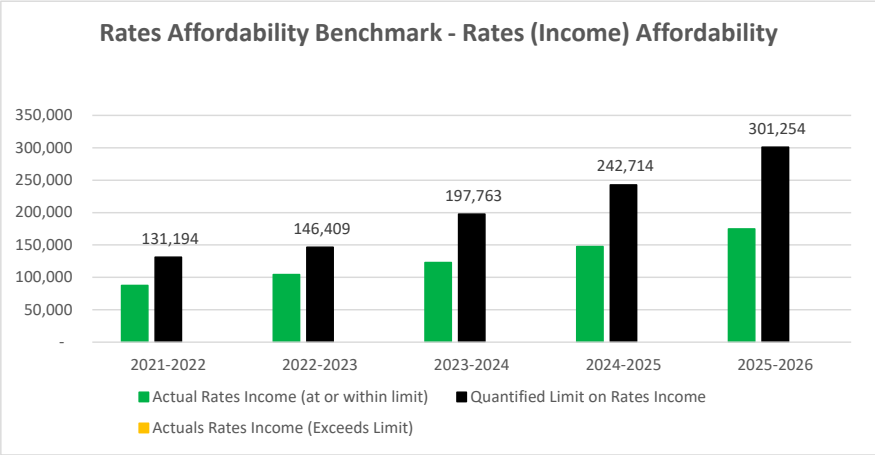
The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

RATES AFFORDABILITY BENCHMARK

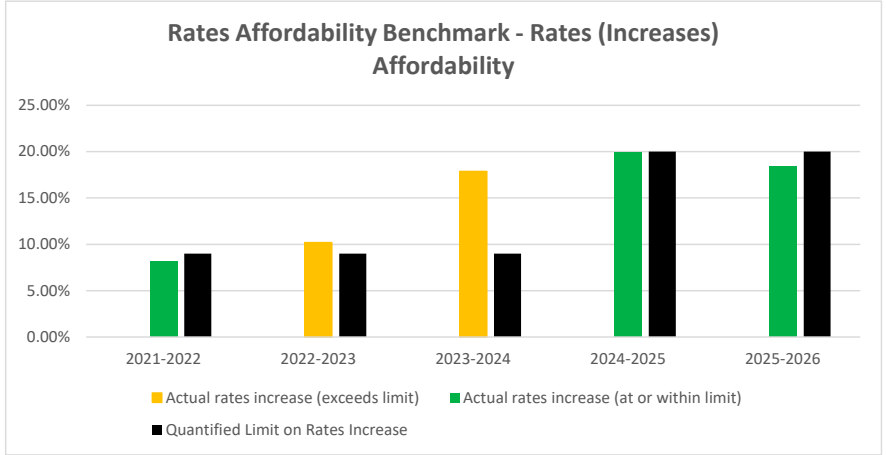
The council meets the rates affordability benchmark if—

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability – The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limit is that rates income will not exceed 75% of total revenue for 2024/25 and 2025/2026, and 55% for 2021/22, 2022/23 and 2023/24.



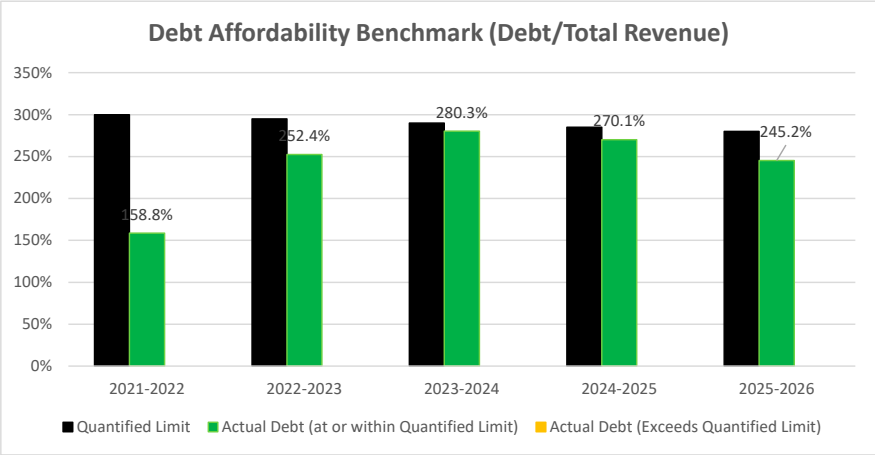
Rates (increases) affordability – The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The rates increase limit is 20% gross (15.8% net of growth) per annum for years 2024/25 and 2025/26. 2021/22, 2022/23 and 2023/24 years were set to a maximum of 9.0% per annum (subject to change in growth).



DEBT AFFORDABILITY BENCHMARKS

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

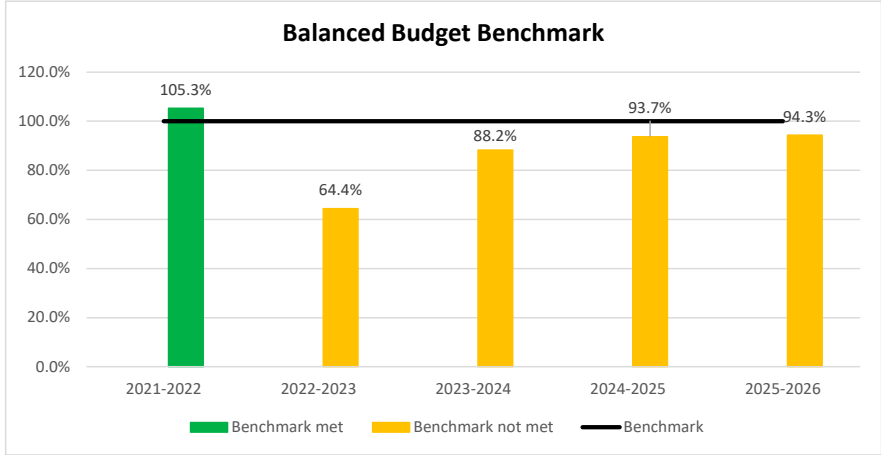
The following graphs compare the council's actual borrowing with the quantified limits on borrowing stated in the financial strategy included in the council's longterm plan. The quantified limit is that the debt to revenue ratio will be under 300% for 2021/22; 295% for 22/23; 290% for 2023/24; 285% for 2024/25 and 280% thereafter.



BALANCED BUDGET BENCHMARK

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

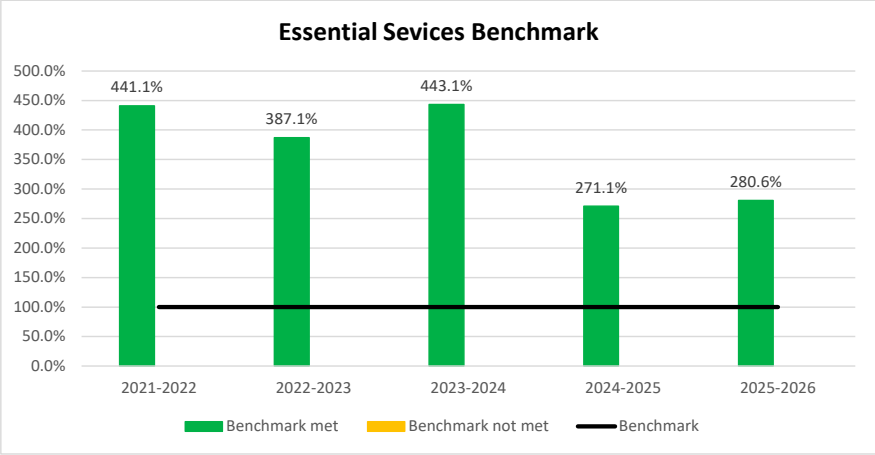
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



ESSENTIAL SERVICES BENCHMARK

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

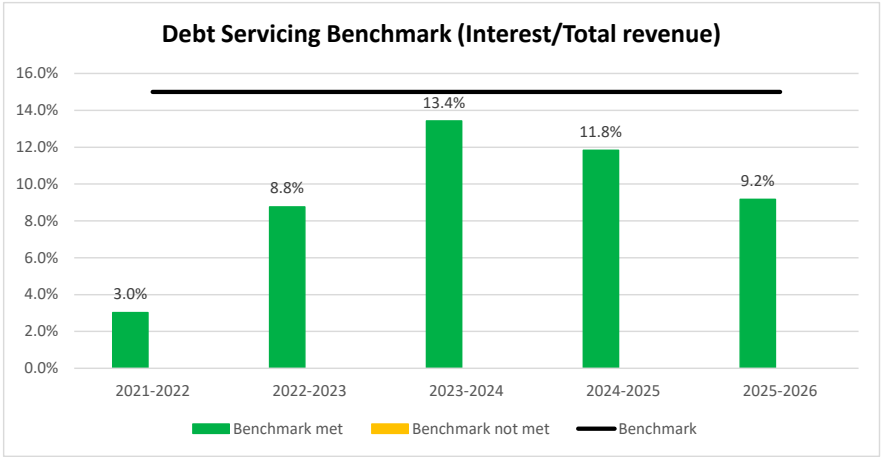
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



DEBT SERVICING BENCHMARK

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

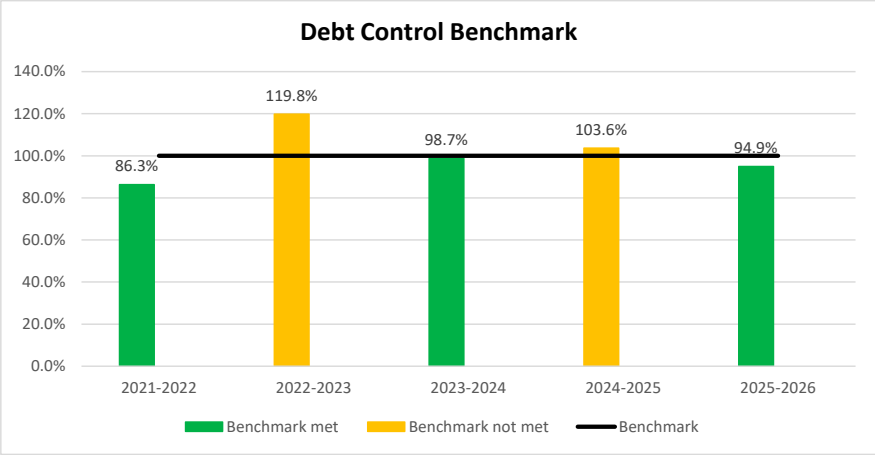
Because Statistics New Zealand projects the council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



DEBT CONTROL BENCHMARK

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

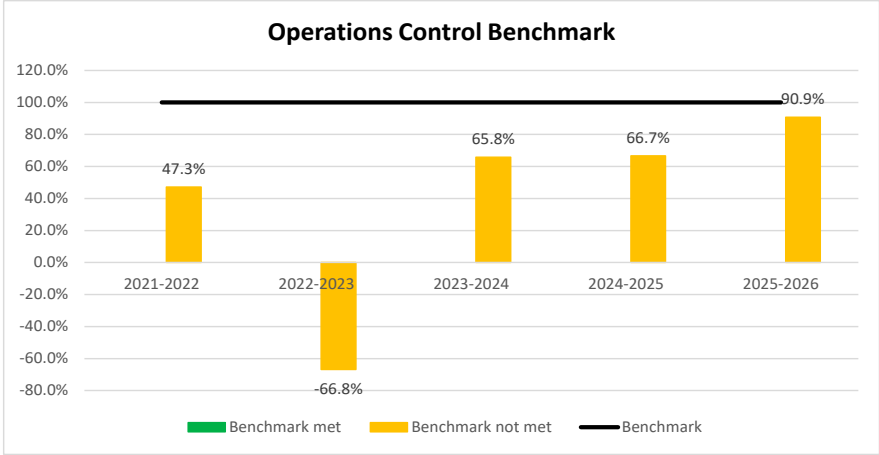
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



OPERATIONS CONTROL BENCHMARK

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



ADDITIONAL INFORMATION OR COMMENT

Council has met all but four of the eight benchmarks for the past five years.

The “Rates affordability benchmark” relating to the percentage increase for rates was breached in 2022-23. In the last three years there has been significant inflationary pressure on most areas of expenditure including interest costs as a result of the increase in the official cash rate.

The “Balanced budget benchmark” has been breached four of the last five years. 2025-26 fell short of the benchmark again due to higher costs as noted below for the operations control benchmark, and depreciation also increased due to the increased vested assets during the year.

“The Debt Control benchmark” was breached in 2024-25 due mainly to the delay of settlement The Commonage sale and Lot 8 Lakeview to FY26 and having to borrow to offset the timing of those settlements. The breach in 2022/23 was due to additional borrowings required for the unbudgeted large leaky building settlement.

The “Operations control benchmark” has been breached for the past five years.

The 2024-25 year has seen operational cash flow costs higher than budget mainly due to additional infrastructure asset maintenance expenditure as a result of emergency work from heavy rainfall events, increased landfill costs, increased borrowing costs and higher electricity costs mostly for water treatment plants.

The 2023- 24 year has seen operation cash flow costs higher than budget mainly due to additional infrastructure asset maintenance expenditure as a result of a number of significant weather events and the crypto water outbreak, increased borrowing costs as mentioned above, higher weather tightness legal fees, unforeseen asbestos removal/ demolition costs at the Lakeview Development, and higher electricity and insurance costs.

In the three years prior to that this has largely been due to the impacts of COVID-19 which has resulted in a lower actual net cash flow position than budgeted. The 2022-23 year has seen lower operational cash flow revenue due to lower capital grants revenue due to the timing of the Arterial and Queenstown Street upgrade capex projects. Operation cash flow costs were higher mainly due to the leaking building settlement, increased borrowing costs, higher weather tightness legal fees, unforeseen asbestos removal/ demolition costs at the Lakeview Development, and higher electricity and insurance costs.

CORE ASSETS DISCLOSURE

		Closing Book Value 30-Jun-26 ($000s)	Additions constructed by Council ($000s)	Additions transferred to Council ($000s)	Estimated replacement cost ($000s)
Water Supply	Treatment plants and facilities	97,004	12,944	-	138,751
Water Supply	Other assets (such as reticulation systems)	444,961	31,463	24,824	643,517
Sewerage	Treatment plants and facilities	169,282	40,743	-	259,708
Sewerage	Other assets (such as reticulation systems)	583,378	32,611	29,009	831,837
Stormwater Drainage		550,057	62,306	42,316	748,430
Roads & Footpaths		1,214,239	94,225	22,537	1,525,643

Note: There are no flood protection or control works.
* excluding assets under construction.

RATING BASE INFORMATION

Rating units within the district or region of the local authority at the end of the preceding financial year:

- Rating base information as at 30 June 2025
- The number of rating units 35,302
- The total land value of rating units 44,693,522,000
- The total capital value of rating units 74,903,939,990.

INSURANCE ON ASSETS

Buildings, Plant & Equipment

The Council has a total asset value for insurance purposes of $717,990,517. The insurance is based on full replacement value. The Council has a Fire Loss limit of $45,000,000. Flood is defined as loss, damage, interruption or interference arising from the inundation of normally dry land by water escaping or released from the confines of Lake Whakatipu.

The Council carries the following excesses:

- Standard excess $10,000
- Landslip or Subsidence $50,000
- Flood $250,000
- For Natural Disaster losses, the excess is 2.5% of the Material Damage location sum insured, subject to a minimum excess of $2,500. For pre-1935 risks, the excess is 10% of the Material Damage location sum insured, subject to a minimum excess of $10,000. These excesses apply to the combined Material Damage and Business Interruption loss arising from any one event at each insured location.

Three Waters Asset - Buildings/Plant & Equipment

The Council has a total asset value for insurance purposes of $411,597,427. This is comprised of Replacement Value of $190,972,186 and Indemnity Value of $123,995,973.

The Council carries the first $10,000 of any loss for Fire and Perils and $250,000 for flood damage. The Natural Disaster excess is 5.0% of the sum insured subject to a minimum of $5,000 and, for pre-1935 risks, 10% of the Material Damage site sum insured subject to a minimum excess of $10,000. These excesses apply to the combined Material Damage and Business Interruption loss.

Forestry

No longer Insured as timber has been harvested.

Vehicles

The Council has a total asset value for insurance purposes of $6,154,040 for motor vehicles.

Third Party Liability cover is provided up to $20,000,000. The Council carries an excess of 1% of the market value or $1,000, whichever is greater, for vehicle damage claims.

Additional driver excesses apply as follows:

- Under 21 years of age: $1,000
- Aged 21 to 25 years: $500
- Aged 25 years and over with less than two years' licensing: $500

There is no excess for glass claims, fire and theft claims, or third-party liability claims.

Natural Catastrophe for Infrastructure - Shared Services

The Council has a total asset value for insurance purposes of $2,102,568,431.

The Council holds Physical Loss and Business Interruption cover for infrastructure assets arising from a Natural Catastrophe Event, including earthquake, natural landslip, flood, tsunami, tornado, windstorm, volcanic eruption, hydrothermal and geothermal activity, and subterranean fire.

The limit of liability is $500,000,000 for any one event involving more than one participating council and for any one loss or series of losses arising out of a single event.

The limit of liability applicable to Queenstown Lakes District Council is $240,000,000 for any one event and any one loss. The deductible is $1,000,000 for each and every loss.

Aviation

The aviation policy provides cover for approved aviation activities in accordance with the terms and conditions of the insurance schedule.

- Privacy Invasion Liability is covered up to 10% of the applicable sum insured specified in the Schedule, subject to a maximum liability of $500,000.

Travel Insurance (World Wide)

The travel insurance policy provides cover for Council employees and other authorised persons travelling on approved Council business, subject to the terms and conditions of the policy.

Cover includes Medical, Evacuation and Additional Expenses. No excess applies to claims under this section.

Other travel-related benefits are subject to policy-specific excesses. An excess of $100 applies to applicable cancellation and disruption claims.

Auditor’s report
Pūroko a te kaitātari

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of the annual report of Queenstown Lakes District Council Group for the year ended 30 June 2026

The Auditor-General is the auditor of Queenstown Lakes District Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Heidi Rautjoki, using the staff and resources of Deloitte Limited, to carry out the audit on his behalf.

We have audited the information in the annual report of the Council and the Group that we are required to audit in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act (Schedule 10) that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 100 to 153 present fairly, in all material respects, the Council and Group's financial position as at 30 June 2026, and the results of the operations and cash flows for the year ended on that date, in accordance with Public Benefit Entity Standards;
- the statement of service performance for the year ended 30 June 2026 on pages 31 to 88:
  - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and Public Benefit Entity Standards; and
  - presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, whether any intended changes to levels of service were achieved, and the reasons for any significant variation between the levels of service achieved and the intended levels of service.
- the funding impact statement for the year ended 30 June 2026 on page 93, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;
- the funding impact statements for each group of activities for the year ended 30 June 2026 on pages 31 to 85 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and
- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026 on pages 31 to 85, have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 for the year ended 30 June 2026; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2026 are complete and accurate.

Emphasis of matter (Group) – Uncertainties relating to Lot 6 provision estimation

Without modifying our opinion, we draw attention to Note 14 on page 136, which outlines the significant judgement and estimation uncertainty associated with Lot 6. The Land Valuation Tribunal (LVT) has determined compensation of $44.5 million in relation to the compulsory acquisition of Lot 6. QAC has recognised the related compensation obligation based on management's best estimate of the amount required to settle the obligation. Appeals remain ongoing and the ultimate compensation payable may differ from the amounts recognised in the financial statements. As described in Note 14, management has concluded that the Land Valuation Tribunal determination does not affect the fair value of Lot 6 for financial reporting purposes.

Emphasis of matter (Council and Group): Simplifying Local Government reform

The government has announced it wants to simplify local government, including reducing the number of local authorities by amalgamations within regions. As described in note 26, Queenstown Lakes District Council and Dunedin City Council have submitted a joint Head Start proposal to form a twin-unitary governance model for Otago, which may, if approved, be implemented before the 2028 local elections. The eventual outcome for the council is dependent on future cabinet decisions and enactment of enabling legislation. Because of the significant uncertainty about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Basis for our opinion on the audited information and the disclosure requirements

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audited information and the disclosure requirements* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act. The Council's responsibilities include the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of service performance, in accordance with the Council's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing the Council and the Group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Council and the Group's or there is no realistic alternative but to do so.

The Council's responsibilities arise under the Act and the Regulations.

Responsibilities of the auditor

Responsibilities for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's Annual plan or Long-term plan as applicable.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Council's service performance.
- We evaluate whether the service performance information is prepared in accordance with the Council's measurement bases or evaluation methods, and presents fairly, in all material respects, in accordance with Public Benefit Entity Standards, the actual service performance achieved compared with the intended levels of service.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Council and the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council and the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Act and the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Council and the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the Group audits we have carried out engagements in the areas of assurance services relating to reporting under the trust deed, a registry audit, a regulatory disclosure audit, the long term plan audit and an agreed upon procedure for sustainability linked loans, which are compatible with the independence requirements. Other than the audit and these engagements, we have no relationship with, or interests in, the Group.



Heidi Rautjoki

for Deloitte Limited
On behalf of the Auditor-General
Dunedin, New Zealand

8 October 2026

Te Reo Māori translation: Please note, QLDC uses the local Kāi Tahu dialect which replaces ‘Ng’ with ‘K’, e.g. tākata (people) instead of tāngata

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QUEENSTOWN LAKES DISTRICT COUNCIL

