Annual Report
Rīpoata ā-tau

2024
2025



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

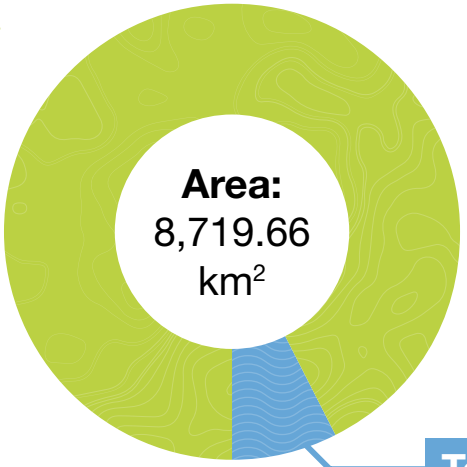
Annual Reports are independently audited, and the Auditor's report is included. The Council uses external auditors to evaluate compliance with the Local Government Act 2002 and accounting standards for the information presented in the report.

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 region[1]







97% outstanding natural landscape

Approximately **80%** DOC land

Total water area: 638km²

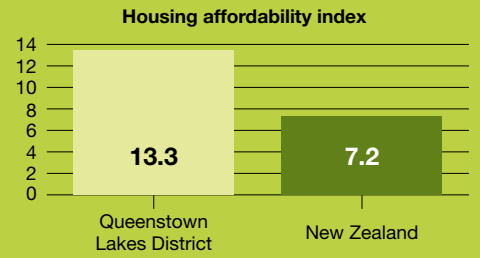
Our economy

GDP (Dec 2024)	**4,666M**	**Tourism GDP** (Mar 2024)	**1,411.2M**	30.4% of total GDP
Jobs (Mar 2024)	**34,521**	**Tourism jobs** (Mar 2024)	**11,576**	33.5% of total jobs

4.5M **Commercial accommodation guest nights** — 11.5% 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.[2]

In proportion to incomes, housing in the district is the second least affordable in Aotearoa New Zealand.[3]

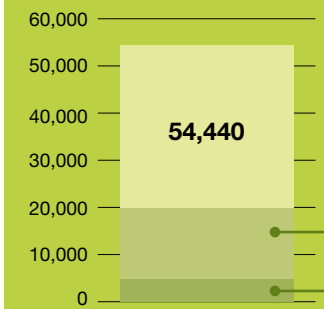


[1] Unless otherwise indicated statistics are from Stats NZ: https://tools.summaries.stats.govt.nz/places/TA/queenstown-lakes-district/

[2, 3] Economic Diversification Plan: https://www.qldc.govt.nz/media/hmvpntis/queenstown-lakes-economic-diversification-plan_final.pdf

Our people

Population
(May 2025)



Median age:
35.5 years[4]

32.7% of our population is **aged 25–39**[5]

9% of our population identify as **Māori**[6]

Our population is projected to grow on average by **2.5% per annum**[7] **until 2035**

What our people think about living here

76% of our population rate their quality of life as good or extremely good.[8]

The natural environment, the people in our communities, and the lifestyle our district offers are key contributors to locals' wellbeing.

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



[4] https://tools.summaries.stats.govt.nz/places/TA/queenstown-lakes-district
[5] Stats NZ Census data: https://tools.summaries.stats.govt.nz/places/TA/queenstown-lakes-district#1012
[6, 8] https://www.qldc.govt.nz/community/community-research#quality-of-life
[7] QLDC Demand Projections 2025: https://www.qldc.govt.nz/community/population-and-demand/

A message from the Chief Executive

He karere nā te Kaiwhakahaere Matua

This Annual Report provides a reflection on the first year of delivery for the Long Term Plan 2024-2034 (LTP)[9]. In a time of significant change in local government, the adoption of the LTP itself was unusual in so much as in 2024 this was deferred from the statutory June date to be adopted in September. This timeline allowed more time to meet changed government requirements for planning and delivery of three waters infrastructure, and to reintroduce water assets back into Council's long-term budgets.

In the interim years Council must adopt an Annual Plan[10], which identifies any planned changes to the LTP. Council decided at a meeting in February 2025 that it did not need to formally consult on the draft plan for 2025-2026. This was due to analysis of draft budgets and investment plans determining no material or significant changes to projects, resources or costs for the financial year from the content of the LTP. The deferred LTP timeline also meant it had been a shorter-than-normal period before needing to consider an Annual Plan. Therefore, Council agreed to share information to remind the community what Council had already committed to, provide updates on progress since the LTP was adopted and an informal opportunity to share general feedback. The Local Government Act 2002 enables this approach. That Annual Plan was adopted by Council at its meeting on 26 June 2025 with the average annual rates increase across the district remaining at the predicted 13.5%. Whilst this is a high increase it reflects the ongoing significant investment in infrastructure that Council must make. This includes roading and three waters and social infrastructure like community venues, reserves and parks – all necessary to support the sustained levels of growth across Queenstown Lakes.

The starting position for the LTP was considered unaffordable for our communities and the LTP was developed with affordability as a priority. Unfortunately, the ongoing challenging economic environment has meant that inflation, high interest and insurance rates, electricity and government compliance costs are not only shaping budgets across the local government sector but also worldwide. The desirability of the district as a destination to live and work has continued to put pressure on building costs and drive demand for infrastructure investment. In March 2025, QV announced[11] new three-yearly rating valuations. Since the district's last revaluation in 2021, the value of residential housing has increased by an average of 18.3%. The average house value is now $2,035,732, while the corresponding average land value has also increased by 19.3% to a new average of $1,076,925. Council extensively reviewed operational costs and activity to look for opportunities to reduce expenditure. Regardless, delivering services continues to cost more despite the LTP reflecting the need to "cut our cloth" accordingly. Over the last year, Council has continued to navigate multiple programmes of government reform, and a change in government created further uncertainty and more change. This is particularly pertinent to the current government's Local Water Done Well[12] programme to address Aotearoa New Zealand's water infrastructure challenges through an increased focus on long term financial sustainability.

Designing future water services delivery

Three Waters provision makes up a significant portion of Council service delivery, expenditure and consequently, rates increases. Careful consideration is given to investment prioritisation. The plan aims to deliver a future water services system that emphasises balance between economic, environmental, and water quality outcomes, while enabling local communities and councils to determine how these services are delivered. The Local Government (Water Services Preliminary Arrangements) Act 2024[13] was the first legislation to support Local Water Done Well and was enacted in September 2024.

The Act set out several transitional provisions, including a requirement for all councils to prepare and submit a Water Services Delivery Plan to government. The plan must describe the current state of a council's water assets and services as well as the future arrangements for delivery of water services and must demonstrate financial sustainability of water services. The Act provides an opportunity for councils to review current arrangements and to consider whether there are better alternatives to provide sustainable and efficient water services, addressing current challenges and laying the foundation for future improvements.

Council has now completed community consultation on an alternative model to deliver water services and committed to creating a Water Services Council Controlled Organisation (WSCCO) fully owned by Council but operating independently with its own specialist board and management[14].

[9] https://www.qldc.govt.nz/your-council/council-documents/long-term-plan-ltp/
[10] https://www.qldc.govt.nz/your-council/council-documents/annual-plans/
[11] https://www.qv.co.nz/news/new-capital-values-for-rating-in-queenstown-lakes-district/
[12] https://www.dia.govt.nz/Water-Services-Policy-legislation-and-process
[13] https://www.legislation.govt.nz/act/public/2024/0031/latest/LMS964380.html#LMS964452
[14] https://www.qldc.govt.nz/2025/august/25-08-04-water-services-to-be-managed-and-delivered-by-council-controlled-organisation/

Thank you to everyone who has taken the time to get informed and participate in this significant decision for Council and the community. The final Water Services Delivery Plan was approved by Council on 26 August, for submission to the Department of Internal Affairs by 3 September.

Seeking alternative forms of funding

In the LTP, Council was clear in its commitment to seek alternative forms of funding to help ease the burden of investment on local ratepayers and residents. Considering disposal of surplus assets contributes to this intent. In February 2025, Council confirmed the sale of the last remaining 9.5ha block of Commonage land off Vancouver Drive in Queenstown[15]. The land is intended for residential development and was vested in Council by government in 1971. Less than two years ago this property was valued at between $25-29M and successfully sold for $33M.

Central Government has also introduced a new 'Regional Deal' framework[16] which Council actively pursued in partnership with Central Otago District Council (CODC) and Otago Regional Council (ORC). The partnership has been advised that it is one of three successful applications and is progressing through the negotiation phase having set up a joint committee between QLDC, CODC and ORC to manage this[17]. The proposal reflects a collective vision for growth that builds on the region's dominant tourism and viticultural sectors, maximises investment and visitation for New Zealand, and ensures the region remains an attractive and liveable destination.

The five packages of work in the proposal to support economic growth are: Leverage the visitor economy to boost economic growth; Transform the transport system; Electrify Otago Central Lakes; Leverage private investment to deliver public health services; Share the value created from growth. Council looks forward to sharing more information on the outcome of the negotiations. If finally approved, the proposed regional deal for Central Otago and Queenstown Lakes would provide a path to support continued economic growth that also addresses the growth pressures the community has been experiencing for some time.

During July 2025 Council was advised it had maintained its existing credit rating of AA- despite the challenging economic headwinds. This is positive because many other Councils have been downgraded by Standard and Poors rating agency and any downgrade could affect the Council cost of interest. Council borrows from the Local Government Funding Authority (LGFA) and they have indicated that they could potentially enable an increase to Council borrowing capacity from 280% to 350% (Revenue/Borrowing), along with a small number of other high-growth councils.

Supporting community growth and wellbeing remains a priority

Residential growth in the district has continued to outpace the rest of the country and visitor numbers are now beyond pre-COVID levels. Providing the services and infrastructure to respond to that growth and maintain the wellbeing of our communities remains a priority challenge. Whether that's capacity on our roads, maintaining a high-quality drinking water supply, collection and processing of waste and recycling, or delivering community sports, recreational, library and parks facilities for essential social wellbeing. As the district grows, so do the needs and expectations of our communities. Housing capacity and access to affordable homes also remains a pressure for the district and Council has continued to champion the needs of locals through a variety of channels.

Alongside housing, the challenge of the district's largely singular economy and the risk that poses has been a focus for QLDC. This focus has been underpinned by Quality of Life survey results showing that around half of the district's residents do not see a future for themselves locally due to a lack of career choices and higher pay opportunities[18].

Council's Economic Futures[19] team works to diversify the local economy and encourage higher value jobs. The aim of this is to provide our residents with access to better incomes and more work choices outside of the dominant tourism and construction industries. In August 2024, the Council endorsed the Queenstown Lakes Economic Diversification Plan[20]. The plan — titled New pathways to a thriving future | Kā ara hou ki te anamata tōnui — was designed to foster a wider range of industries and career opportunities across the district. Council's endorsement added to the support of 18 other local organisations that committed to the plan. The plan gives an overview of diversification challenges and

[15] https://www.qldc.govt.nz/2025/february/25-02-26-council-confirms-sale-of-commonage-land-block/
[16] https://www.dia.govt.nz/Regional-Deals
[17] https://www.qldc.govt.nz/2025/july/25-07-02-otago-central-lakes-signs-regional-deal-mou-with-government/
[18] https://www.qldc.govt.nz/community/community-research/
[19] https://www.qldc.govt.nz/community/economic-development/
[20] https://www.qldc.govt.nz/community/economic-development/diversifying-our-economy/

opportunities, the vision and guiding principles, as well as outlining the strategic pillars, objectives, and projects, alongside foundations for success over the coming years.

Partnering to deliver climate and biodiversity action

Managing our district's impact on the climate and local biodiversity has continued to be a strategic priority in the last year. A guiding document for this organisational commitment remains the Climate and Biodiversity Plan[21]. Council's commitment to the plan can be seen through action such as a decision in the LTP to bring forward funding to invest in community and sports facilities in Queenstown and Wānaka, which includes clean energy upgrades at aquatic facilities (which aligns with action 1.16 in the Climate and Biodiversity Plan). Currently our aquatic facilities are powered by LPG. Converting to a renewable energy source is more efficient and offers lower running costs over the long term, emitting little to no greenhouse gases or pollutants into the air.

At the time of preparing this report the 2025-2028 iteration of the plan had been subject to community feedback and adopted by Council in July 2025[22]. The plan includes a total of 51 actions across these seven outcome areas. The actions are a mixture of Council led, or partnership driven, and either new or continuing projects based on work that has started during the 2022- 2025 plan. All actions will be funded from budgets that have been set in the LTP.

Stewardship of some of Aotearoa New Zealand's most iconic landscapes is a key responsibility of this Council. Planning for the preservation of local reserves whilst ensuring they remain inviting and valued spaces is a long but vital process. In April 2025, Council approved and adopted a reserve management plan for Mount Iron and Little Mount Iron in Wānaka guiding the reserve's long-term future and holding the land as public reserve in perpetuity on the community's behalf[23]. This plan provides a community led vision for how Mount Iron Reserve can be experienced and valued, now and into the future. Thank you to everyone who participated in this important work, bringing the community together to protect its recreation, scenic, cultural, ecological and geological values.

Project Tohu[24] is one of the largest revegetation programmes currently being undertaken in Aotearoa New Zealand, transitioning from an ex-Douglas fir plantation (exotic species) into indigenous vegetation. In 2024, Council awarded the contract to deliver its aspirational vision to "recloak" Coronet Forest to Te Tapu o Tāne and e3Scientific Limited. The project site covers 200 ha on the south facing slopes of Coronet Peak close to Arrowtown and rises to its highest point of 930m. Project Tohu, led by Council, will plant over 500,000 indigenous species of grasses, scrubs and trees. The first year of delivery has involved site preparation and planning. A seven-kilometre fence line has been installed around the perimeter of the site and staged aerial spraying has been carried out to eliminate any established Douglas Fir seedlings. Pest control operations were carried out in March-April 2025 to support autumn planting which will continue over three years. The Coronet Trail Network Plan was adopted by the Council in September 2024. This shows all recreational trails proposed for the area which we've been working closely with the Coronet Forest Recreational Working Group to develop. The network plan will be implemented in stages as funding becomes available. Elsewhere in the wider Whakatipu, the development of reserve management plans progressed to help shape the future of special community destinations such as Te-Taumata-o-Hakitekura Ben Lomond, Te Tapunui Queenstown Hill, and Jardine Park.

Making it easier and safer to move around our district

In the Upper Clutha, significant progress has been made on the Wānaka Lakefront development[25]. The latest stage completed was in November 2024, improving safety and existing active travel connections on the lakefront between Wānaka's marina and yacht club. New sections of the 2.5km shared pathway Te Ara Wānaka have been installed, running alongside the bank between Lakeside Road and the marina, before connecting with the Eely Point lakeside trail. Given this location is widely used by vehicles, boats, and trailers throughout the year, the formalised pathway will help to keep people safe while maintaining the existing space for recreational lake users. The project also delivered new parking locations for those using the marina, while safeguarding the boat and trailer parking area nearby. This latest addition to Te Ara Wānaka will help to separate vehicles and people moving through the area on foot, by bike, scooter or wheeled mobility device.

[21] https://www.qldc.govt.nz/your-council/climate-change-and-biodiversity/
[22] https://www.qldc.govt.nz/2025/august/25-08-01-council-adopts-ambitious-new-climate-biodiversity-plan-to-accelerate-local-action/
[23] https://www.qldc.govt.nz/your-council/major-projects/mount-iron-reserve-management-plan/
[24] https://www.qldc.govt.nz/your-council/major-projects/project-tohu/
[25] https://www.qldc.govt.nz/your-council/major-projects/wanaka-lakefront-development-plan/

As a key enabling project for the Queenstown Town Centre, the Arterial Road[26] unlocks a range of other benefits, including improved access for public transport, opportunities for more people-friendly streets and space for the town centre to grow and flourish. Stage one, linking Melbourne and Henry streets was officially opened in January 2025. The opening followed a blessing ceremony which was an opportunity to acknowledge the Kāi Tahu narratives and values incorporated into stunning artworks included on the precast concrete retaining walls along the new road.

The end of 2024 saw the completion of a significant safety upgrade in Wānaka, with the completion of a new roundabout at the intersection of Ballantyne Road and Riverbank Road. The roundabout has created a safer environment for all road users in the area, and improved active travel connectivity along Ballantyne Road through to Wastebusters. The project also included raised safety tables on all lanes leading into the roundabout and upgrades to stormwater management in the area.

In response to the community's passion for cycling and alternative transport, active travel received a boost with the completion of a shared pathway linking McChesney Bridge, Arthurs Point and Queenstown. The route was identified as one of eight priority trails for the Whakatipu Active Travel Network: an integrated network of trails for walking and cycling that connects to public transport, providing a genuine alternative to getting around by car.

In Wānaka, the Schools to Pool footpath upgrades finished in September 2024, following the installation of a final raised safety table on the upper section of Ardmore Street near its intersection with Ballantyne Road. The three-metre-wide shared pathway connects Holy Family Catholic School, Wānaka Primary School, and Mount Aspiring College with Wānaka Recreation Centre providing a safe, 4.5km cross-town link.

Upgrading water networks to support district growth

Three waters investment has continued in the last few years, despite the uncertainty of government reforms. In December 2024, Glenorchy's water treatment upgrades were completed which included the delivery of a new UV water treatment solution as part of the organisation's response to the cryptosporidium outbreak that affected Queenstown's water supply in October 2023.

In January 2025, work was completed to upgrade a section of the main trunk water supply line on Frankton Road, which delivers water to the wider Queenstown and Frankton areas. Approximately 300 metres of a new and stronger pipe were installed between 645 and 723 Frankton Road, along with a rider main, and isolation valves. Replacing the existing infrastructure reduces the risk of future issues, extended water shutdowns in the area, and the potential for flooding to private properties. Installing isolation valves means less properties will be affected by a water shutdown if a leak or break occurs in the future.

A project commenced to implement upgrades to the wastewater network in the Upper Clutha.[27] The project will respond to and futureproof Hāwea's wastewater needs, minimise the chance of contaminants entering the natural environment during the treatment and disposal process, and increase the capacity and resilience of the wider Wānaka and Albert Town wastewater network. Detailed design for this project is complete which includes a new wastewater pump station in Hāwea, pipeline to Albert Town, upgrades to the Riverbank Road pump station, upgrades to Project Pure, and decommissioning of the existing Hāwea treatment plant. Procurement is now completed and a contract awarded to deliver this key project with construction intended to start in spring 2025.

There is significant growth-related capital investment planned for Te Pūtahi Ladies Mile ($113.7M) and Te Tapuae Southern Corridor ($178.6M) in the LTP. Most of this investment is related to three waters and is planned from year 4 onwards which allows time for investigation of different financing tools for this growth-related infrastructure. This will include consideration of the Infrastructure Funding and Financing Act (IFFA), which allows new growth infrastructure to be delivered and financed without the debt showing on Council's balance sheet. Under the IFFA, the beneficiaries of the infrastructure are charged by way of an annual levy. Council will also look to make Developer Agreements which require higher up-front payments from developers towards growth servicing costs or for developers to provide trunk infrastructure in exchange for credits on future development contributions.

Other significant growth-related investment is going ahead at Kingston[28] ($77.6M) and in the Upper Clutha[29] ($275M) which includes water supply scheme upgrades at Hāwea and Luggate, and Beacon Point, Cardrona

[26] https://www.qldc.govt.nz/your-council/major-projects/queenstown-town-centre-arterial/
[27] https://www.qldc.govt.nz/your-council/major-projects/upper-clutha-wastewater-conveyance-scheme/
[28] https://www.qldc.govt.nz/your-council/major-projects/kingston-infrastructure-works/
[29] https://www.qldc.govt.nz/your-council/major-projects/water-treatment-upgrades/

wastewater scheme upgrade, Stone Street stormwater supply upgrades, Upper Clutha and Southwest Wānaka conveyance schemes, and Project Pure future works. This comprises mainly three waters infrastructure and is supported by Council successfully accessing over $20M of central government funding through the Housing Infrastructure Fund (HIF) for Kingston and the Infrastructure Acceleration Fund (IAF) in the Upper Clutha. Increasing capacity for the district to effectively manage waste and recycling is a priority as the population continues to grow.

Securing the future of our airports

Wānaka Airport[30] is an important asset for the Council and its communities, not just in the Upper Clutha but across the district. There are more than 11 businesses with around 250 people working in and around the airport on day-to-day operations. Queenstown Airport Corporation (QAC) manages Wānaka Airport's day-to-day operations on behalf of QLDC under a management services agreement.

Two key programmes of work have progressed in the last year to ensure that Wānaka Airport continues to meet the needs of current and future generations. The first is work underway to obtain a 'Qualifying Aerodrome Operator Certificate' for the airport as it has passed a threshold of activity which requires this status[31]. As a result, the Civil Aviation Authority (CAA) has issued a letter notifying QLDC that it requires the airport to achieve qualifying status under Part 139 of the Civil Aviation Rules. The alternative – not achieving certification – would restrict activity at the airport to below current levels which would have a negative effect on current users and the local community. With budget in the LTP, work is underway to achieve this status and includes physical works to provide a safe operating environment e.g. tree removal, strip widening and new fencing to support safe access to the airstrip (expected to take approx. 2-3 years) and preparing a Safety Management System that includes specific policies, procedures and documentation (10-12 months' work).

The future use of Wānaka Airport is the other programme of work underway[32]. In July 2024 as part of LTP consultation, QLDC signalled its intent to begin a process to develop a long-term plan for the Wānaka Airport. After open market procurement, that process began in April 2025 being led by Egis NZ Ltd, a global group with dedicated teams throughout New Zealand bringing relevant sector expertise and advisory services. The Egis Group has experience in managing 20 airports worldwide and is committed to delivering projects that drive social, economic, and environmental benefits for local communities. Egis has developed a programme of engagement with the community and key stakeholders, and at the time of preparing this report had undertaken meetings with the airport's private and commercial users, the Wānaka-Upper Clutha Community Board, and community drop-in sessions as at the end of June. Council looks forward to providing more information on this significant process as it develops.

QLDC is also the majority shareholder for the Queenstown Airport Corporation (QAC) which owns and operates Queenstown Airport[33]. As a Council-controlled Trading Organisation, it has an appointed Board of Directors to oversee its activities such as the implementation of its strategic plan and Queenstown Airport masterplan. The Council is responsible for appointing the directors and the election of Chair and Deputy Chair. In October 2024, the Council and QAC farewelled long-term Chair, Adrienne Young-Cooper who had reached her maximum tenure. Current Chair, Simon Flood, was subsequently elected having previously held the position of Deputy Chair. New appointments were also made to the Board in October 2024, and January 2025. As the major shareholder, QLDC receives an annual dividend which is used to pay down debt. For the 2024-2025 financial year QAC announced a dividend to QLDC of $14.1M.

Regulatory changes aim to protect our public places

QLDC's functions include regulatory roles and responsibilities. Under the Local Government Act 2002, council can make bylaws for reasons such protecting the public from nuisance, protecting, promoting and maintaining public health and safety, or minimising the potential for offensive behaviour in public places[34]. QLDC has several existing bylaws that must be regularly reviewed to ensure they are current and fit for purpose in a rapidly changing context. Earlier in 2025, the Council adopted a new Navigation Safety Bylaw | Te Ture ā-Rohe mō te Haumaru Whakatere[35] reinforcing its commitment to keeping the district's lakes, rivers, and waterways safe for everyone to enjoy. The adoption of the bylaw marked the culmination of a comprehensive consultation

[30] https://www.qldc.govt.nz/services/airports/wanaka-airport/
[31] https://www.qldc.govt.nz/your-council/major-projects/wanaka-airport-certification/
[32] https://www.qldc.govt.nz/your-council/major-projects/wanaka-airport-future-review/
[33] https://www.queenstownairport.co.nz/
[34] https://www.qldc.govt.nz/your-council/council-documents/bylaws/
[35] https://www.qldc.govt.nz/media/urgngoqa/navigation-safety-bylaw-2025-te-ture-a-rohe-mo-te-haumaru-whakatere-2025.pdf

process, which included a series of public meetings in September 2024, a submission period in October, and subsequent hearings and deliberations. The 2025 bylaw introduced key updates to enhance safety and improve the experience for all water users.

In September 2024, the Council's decision to adopt the Freedom Camping Bylaw 2021 was ruled invalid, following a judicial review challenge by the New Zealand Motor Caravan Association (NZMCA). The main focus of the NZMCA challenge was on Council's alleged consideration of irrelevant matters being the effects of freedom camping on neighbouring areas. The High Court ruled that these were irrelevant considerations. Whilst a disappointing outcome, work quickly began to review and develop a new Freedom Camping Bylaw for the district. The absence of a bylaw created some challenges during the summer 2024/2025 period with Council having to rely on other instruments such as the Reserves Act to enforce poor camping behaviour and unfortunately there was an increase in such conduct especially toward late summer. At the time of preparing this report, the Council has approved a draft bylaw for community consultation on that draft to take place in the latter half of 2025. The final bylaw is proposed to be considered by the Council at its meeting on 9 October.

Planning and preparing for our district's growth

The ongoing review of the District Plan continues whilst the organisation works under two plans, the Operative District Plan and the Proposed District Plan[36]. The review began back in 2015 setting out to provide a more accessible and transparent plan that provides more certainty to property owners and a clear strategic direction for the district as well as additional scope for intensification in suitable locations. Significant work has been undertaken through notifications, submissions, objections and appeals with many chapters of the District Plan now reviewed and ratified by the Council.

Recognising the world of dual District Plans can be challenging to navigate, in late 2024 QLDC launched ePlans[37]. There's a specific ePlan for the Operative District Plan and one for the Proposed District Plan. They're hosted online, easier to use, and provide better functionality for all users. Using these new plans, users can see all the plan provisions that apply to a property in one single place, instead of having to switch between online maps and multiple PDFs and chapters. These new plans are compliant with central government's National Planning Standards. Significant variations in the District Plan have also passed numerous milestones.

In November 2024, QLDC's Te Pūtahi Ladies Mile streamlined planning process Variation was approved by Minister for the Environment, Penny Simmonds. Housing continues to be one of the biggest challenges faced in the district, and Te Pūtahi Ladies Mile Variation[38] ensures more land is available to be developed sustainably to accommodate increased density and more affordable housing options for our current and future residents. The Variation was one mechanism through which Council could help to address Queenstown's pressing housing needs, and in a way that reflects the diversity of residents needed to support economic growth without impacting negatively on the environment. Te Pūtahi Ladies Mile is also acknowledged as one of the Priority Areas earmarked for development in the Queenstown Lakes Spatial Plan. In mid 2024, the Council gave approval to notify a variation to the Proposed District Plan to introduce additional landscape schedules in the Upper Clutha. Introducing schedules for one Outstanding Natural Feature (ONF) and 12 Rural Character Landscapes (RCL) located around Wānaka, Hāwea, Luggate, and other parts of the Upper Clutha, these schedules would be used to outline the values of identified landscapes, and to help provide clarity on what needs to be protected, maintained, or enhanced in these areas. A period of further submissions concluded in March 2025. Timing has yet to be confirmed for this Variation to come back to the Council for a final decision.

Council has also continued work in drafting a structure plan for Te Tapuae Southern Corridor[39], the land that sits south of Kawarau River around Hanley's Farm, Jack's Point and Homestead Bay. It's one of six Priority Development Areas identified in the Queenstown Lakes Spatial Plan. A structure plan guides development in an area to make sure it includes the infrastructure and services required, and to deliver what our community needs now, and will need in the future. Development of land in Te Tapuae Southern Corridor is already underway, from Jack's Point through to Hanley's Farm and Parkridge. Creating a structure plan will make sure the houses, parks and reserves, services, and infrastructure our community needs are all considered and factored into the future of the area. Updates on progress to develop the draft plan have been reported through

[36] https://www.qldc.govt.nz/your-council/district-plan/
[37] https://www.qldc.govt.nz/your-council/district-plan/eplans/
[38] https://www.qldc.govt.nz/your-council/district-plan/te-putahi-ladies-mile-variation/
[39] https://www.qldc.govt.nz/your-council/major-projects/te-tapuae-southern-corridor/

Council's Planning & Strategy Committee and will be presented to the Council at a later date to consider its adoption.

Central Government's Fast-Track Approvals Act[40] came into force on 23 December 2024 as part of the coalition's plan for its first 100 days in office. The Act was aimed at establishing a permanent fast-track regime that would make it easier and quicker to gain approvals for development and infrastructure projects that would deliver regional and national benefits. Of the 381 listed projects applications (which includes the 149 announced in the Fast Track Approvals Bill), 17 are within the Queenstown Lakes District area and are requiring the attention of Council's planning teams to provide the requested information. These applications are all driving by statutory timelines and processes and Council has limited ability to influence these applications beyond providing the information being sought by the expert panels convened by the Ministry for the Environment. In these processes, Council acts as an "affected party", with no decision-making role in the approval processes[41]. Applicants must consult with the Council during both the referral and substantive stages. The Council can recover reasonable consultation costs, including fees for consultants. Council will continue to respond to requests from the Ministry as these and future applications are progressed.

As highlighted earlier in this introduction, growth remains a significant challenge for Council. The average day population for the district is projected to increase from an estimated 81,660 people in 2025 to an estimated 104,108 in 2035[42]. This is a growth rate of 2.5% per annum. This consists of residents and visitors of all types. Reflective of this is the high volume of processing activity relating to resource and building consents. The resource consents team continues to achieve cost-effective and increasingly efficient resource consenting services for the community, including assisting with interdisciplinary QLDC projects and taskforce groups, while maintaining its role as one of the guardians of our unique environment. The resource consents team issued 983 decisions this year of which 94.75% were processed within required timeframes. For every month of the year the team achieved at least 90% or greater decisions processed within timeframes.

The building services team is responsible for ensuring buildings are constructed in a safe manner, and all aspects of the building code and the Building Act 2004 are complied with. This is achieved through the consenting and compliance process. This includes processing approximately 1,700 residential and commercial building consents (with a built value of over $1 billion) and undertaking 16,000 inspections annually. For financial year 2022-2023, QLDC processed 1,391 building consents with a consented value of $993M and undertook 18,000 inspections. QLDC ranked fourth in Aotearoa New Zealand for the total value of building consents issued and fifth for the number of building consents issued.

Creating welcoming communities and supporting community initiatives

Over many decades, Queenstown Lakes has welcomed waves of migrants from different parts of the world, as well as from all over Aotearoa New Zealand, producing diverse and vibrant local communities. In recent years, the rapid growth of our district has changed the makeup of our communities. The traditional terms of local, visitor and worker are no longer sufficient, as there is far more diversity and richness in the whakapapa of our district.

QLDC is proud to be a part of Welcoming Communities | Te Waharoa ki ngā Hapori, a programme to support newcomers to feel welcome and able to participate in the economic, civic, cultural and social life of their new community[43]. QLDC met the requirements to be accredited as an Established Welcoming Community in December 2024. This is stage two of four accreditation levels within the Welcoming Communities programme which include – Committed, Established, Advanced and Excelling. In September 2024, the Community & Services Committee adopted the Queenstown Lakes District Welcoming Plan 2024-2027.

The Welcoming Plan identifies key actions to deliver on these, including proposed timeframes. It is a living document, where communities can take ownership, drive and adapt the actions to suit their needs. QLDC will continue to work with its partners to develop a funding strategy to continue the implementation and sustainability of the Welcoming Plan, including monitoring and measuring its impact. In April 2025, QLDC also released an updated Newcomers Guide[44] filled with local resources and services to help new residents adjust to their chosen home here in Queenstown Lakes. Available online at the QLDC website, the

[40] https://environment.govt.nz/acts-and-regulations/acts/fast-track-approvals/
[41] https://www.qldc.govt.nz/your-council/fast-track-approvals-act/
[42] https://www.qldc.govt.nz/community/population-and-demand/
[43] https://www.qldc.govt.nz/community/welcoming-communities/
[44] https://www.qldc.govt.nz/community/newcomers-guide/

guide provides valuable information on community life, housing, emergency preparedness, and local government.

Council also continues to support community initiatives with a broad range of annual funding opportunities[45]. These include the Community Fund, Events Fund, Waste Minimisation Community Fund, Arts, Culture & Heritage Fund, and the Get Active Community Grant. Assessing applications and approving fund allocations can be a challenging task, and the elected councillors spend many hours assessing applications, seeing presentations, and debating allocations.

In the last year, the Council has supported many worthy initiatives. In late 2024, thirteen waste reduction projects secured a share of the $60,000 Waste Minimisation Community Fund. Among the successful applicants is Wānaka's Proficiency, whose project Brew & Reuse transforms grain bags from the brewing process into reusable tote bags. After being sourced from breweries, the bags are thoroughly cleaned to remove residual grain. From there, 95% of the grain bag is cut to a pattern and sewn to make upcycled tote bags that are sturdy and spacious, for errands like grocery shopping. Further transformation in the district was recognised in a newly funded Tool Library at the Wānaka Community Workshop, while Naylor Love aimed to use its grant to reduce the amount of construction waste going to landfill and, in the process, transform industry and community mindsets.

Encouraging active and engaged communities

QLDC is committed to supporting a balanced portfolio of events across the district, both commercial and community-led. The 2024 Events Fund supported a broad range of events from Queenstown Marathon and Challenge Wānaka, to the Arrowtown Autumn Festival, Wao Summit, and OUT & About Wānaka. In total, twelve organisations received free passes to sport & recreation facilities through the Get Active Community Grant. The community organisations receiving the grant included: ADL, Central Otago Living Options Charitable Trust, Community Link, Happiness House Trust, Japanese Family Society of Queenstown, Kāhu Youth Trust, MINT Charitable Trust, Pact, Remarkable Cancer Gym Charitable Trust, Wakatipu Senior Citizens Association, Wakatipu Youth Trust and the Whakatipu Buddy Programme.

For some time, Council has been considering the redevelopment of rezoned land at 101 Ballantyne Road as an opportunity to build a multi-use green space in the Wānaka area to support the changing and future needs of the growing community. A masterplan[46] has been developed for the site, setting a clear path for the development of sport, recreation and open space facilities for the next 20 years, to complement existing facilities in the area. In October 2024, that project received the green light for faster remediation as the next step in making the masterplan a reality. The Council approved an agreement with a private landowner to remediate any contamination, complete earthworks using clean fill, and grass the site. Whilst this work will not in itself create usable playing fields, it would in time help achieve the long-term vision of developing a Ballantyne Road Sports Hub for community use. At the same time, the Council agreed to bring forward just over $5M from Year 6 of the LTP as part of a capital reforecast. This will enable consenting aspects of the Ballantyne Road project to begin with work on site able to start mid-2025.

In adopting the LTP, Council also confirmed that it would bring forward investment in the Whakatipu where sports fields and community facilities have been under considerable pressure. The decision was to bring funding forward to 2025/2026 to deliver a community centre building (formerly the temporary hall in Luggate), carpark and access extension, three sports fields, necessary site infrastructure services, and a toilet/change block, at 516 Ladies Mile. Once complete, this facility will directly service the fast-growing areas of Lake Hayes Estate and Shotover Country and cater for growth in Te Pūtahi Ladies Mile when rezoning is approved in the future. It is also easily accessible to other areas across Whakatipu.

Addressing disposal field issues at the Shotover Wastewater Treatment Plant

At the beginning of 2025, QLDC made the difficult decision to use powers under section 330/330A of the Resource Management Act 1991 (RMA) to undertake emergency works at the Shotover Wastewater Treatment Plant[47]. The works related to ongoing performance issues with the disposal field and not the performance of the treatment facility itself. These emergency works were utilised to address an elevated risk to aircraft operations in the area arising from increased

[45] https://www.qldc.govt.nz/community/community-funding/
[46] https://www.qldc.govt.nz/your-council/major-projects/101-ballantyne-road-masterplan/
[47] https://www.qldc.govt.nz/your-council/major-projects/shotover-wastewater-treatment-plant/

waterfowl activity in and around the now ponded disposal field. As of 31 March, Council began diverting treated wastewater from the disposal field and discharging it directly into the Shotover River, using a historic channel previously used for the same activity prior to 2019 (consistent with the Resource Consent in place at the time).

Discharge to water is not an uncommon approach for the disposal of treated wastewater in New Zealand (or internationally), with approximately 200 facilities across the country discharging directly to water currently. Work is already underway to construct and commission a new, additional Modified LudzackEttinger (MLE) reactor train which is due to be completed before the end of 2025. This will result in further significant improvements to the quality of the treated water discharged from the facility by enabling the removal of oxidation ponds from the treatment process.

Currently 20% of the raw wastewater continues to be treated within the pond system, which we are progressively decommissioning. Following the decommissioning of the remaining oxidation ponds, an additional 'calamity pond' will be constructed by the end of 2027 in the southern area of Pond 3. This will enable treated water to be diverted away from the disposal solution and temporarily stored in the unlikely event the quality of the treated water is compromised. If that ever was the case, the stored water will then be able to be pumped back for re-processing through the facility.

In response to the current challenges with the existing disposal field, QLDC has allocated $77.5M through the current LTP to implement a new disposal strategy for the Shotover WWTP. This project commenced in October 2024 and a new disposal solution is expected to be in operation by the end of 2030. The Council reviewed a "long list" of options for the future disposal of treated wastewater at a public workshop in April. Alongside this, consultants have commenced site investigation works on the Shotover Delta and in parallel are planning site investigation works on the Frankton flats area. Site investigations and detailed analysis of short-term options will continue through to July with Council anticipated to make a final decision later in the year.

Final thoughts

I encourage everyone to actively engage with Council decision-making, whether that's through participating in the many consultations and engagement[48] opportunities regularly available or to find out more about the decision-making process by joining Council, Committee and Community Board meetings, workshops and hearings online or in person. Meeting and workshop agendas and report materials are all available on the QLDC website along with recordings of previous meetings[49]. These can be a great source for understanding more about the complexities councils deal with.

My thanks to our elected members who have committed so much of their time to serve their communities. It can be very challenging, and they have had to grapple with some difficult decisions during their tenure.

Finally, I would like to take this opportunity to offer up my thanks to all the hard-working and committed staff at QLDC who turn up every day to deliver services, run facilities, plan for the future, keep you informed, respond to your enquiries, and much more. Each and every one of them is driven by Council's purpose of "Caring Connecting Community | Kotahitaka Ki te Manaaki hāpori" and a shared desire to make ours a special place to live.

Kā mihi nui.



Mike Theelen
Chief Executive



[48] https://letstalk.qldc.govt.nz/
[49] https://www.qldc.govt.nz/your-council/council-meetings/

Our Council

Tō Tātou Kaunihera

Our elected Council comprises the Mayor and 11 Councillors. The Mayor represents the district, while the 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 covering Wānaka-Upper Clutha. The Wānaka-Upper Clutha Community Board has four elected members and three further 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?

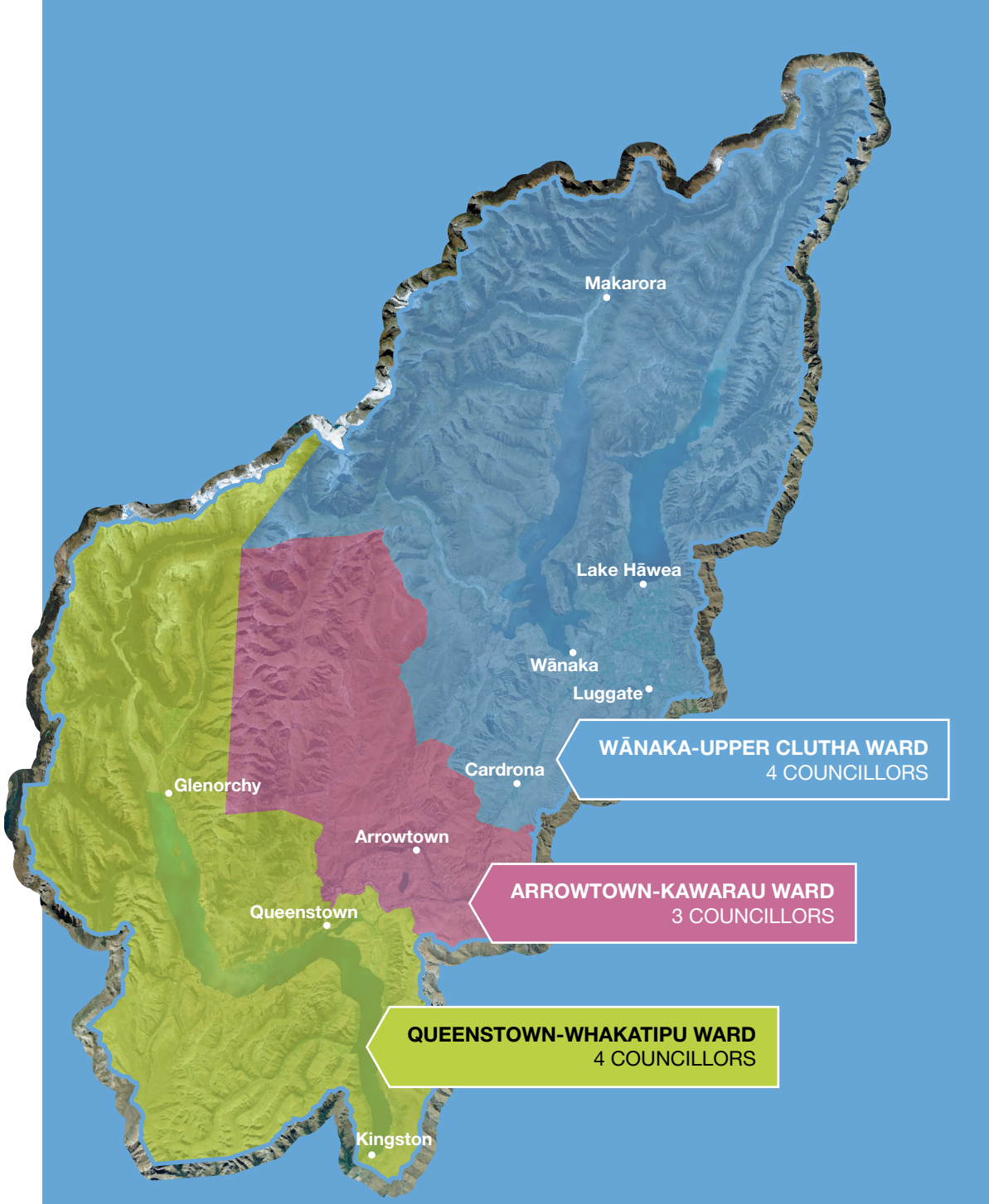
The elected Council concentrates on setting policy and strategic direction, while management is concerned with:

> 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 (KPI's) 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/meetings-and-delegations



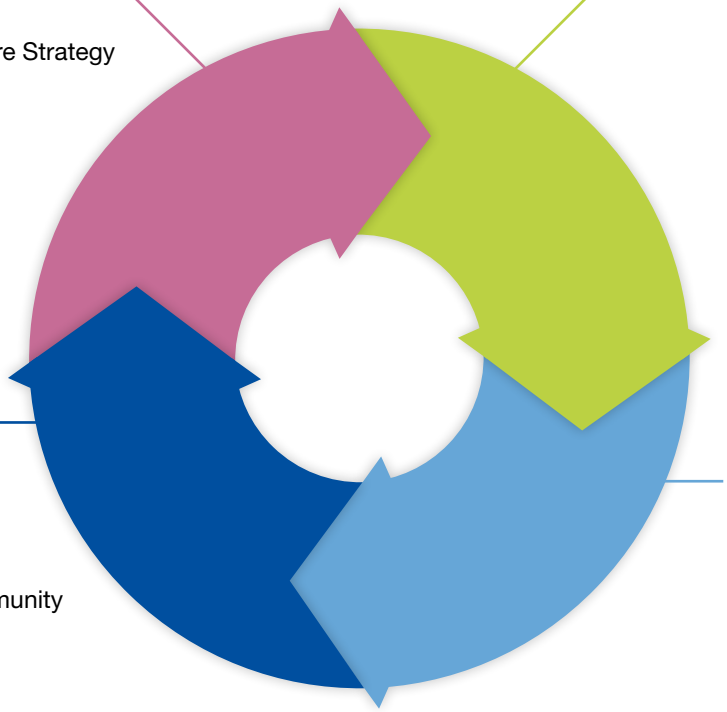
Our planning cycle

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



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

We are here!

ANNUAL REPORT

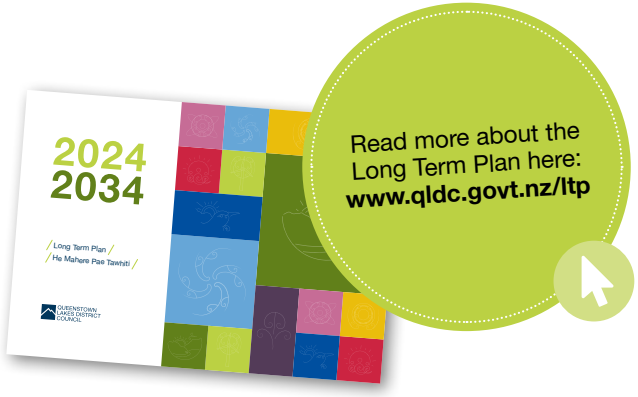
- Produced every year
- Reports back to the community on whether the Council has done what it planned to do
- Past Annual Reports can be downloaded from www.qldc.govt.nz/annual-reports



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[50], '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.

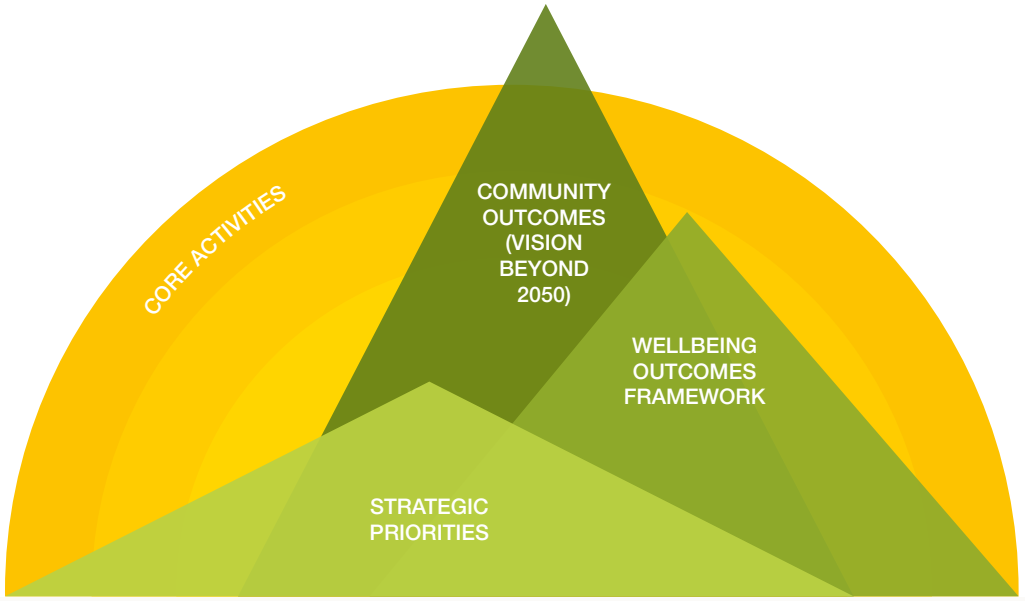
STRATEGIC INVESTMENT PRIORITIES

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.

[50] 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 – Tākata Whenua and involvement in decision making

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 the last year, Council has continued to focus on staff development to create a greater 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. Many meetings include the use of karakia or whakawhanaukataka, and resources are available for staff who wish to develop their use of Te Reo further. A good example of integration is:

- **Implementing Mihi Whakatau for a visiting delegation from Aspen and inclusion of Mihi Whakatau for new staff as a part of our induction.**

- **The introduction of Te Rōpū Manu Taki, a group of Māori and Māori-aligned staff to give feedback and guide council through our internal practices and professional learning of kaupapa Māori**

- **Co-delivery of a joint Waitangi Day for Southland and Otago alongside Kāi Tahu: Kā Papatipu Rūnaka E Whitu. This event delivered a pōwhiri that was delivered entirely in Te Reo Māori with council officers assisting Mayor Glyn Lewers to deliver a 5-minute whaikōrero.**

Council has quarterly hui with its Iwi partners to enable a regular opportunity for all parties to share and discuss information, key priorities and 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.

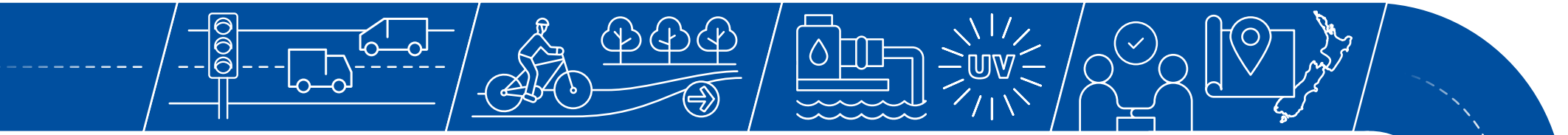




The year in review

He tirohaka ki te tau kua pahure ake

Our key achievements



Queenstown Town Centre Arterial Road Stage 1 opened.

Arthurs Point to CBD active travel bike path opened.

Water supply UV upgrades completed in Glenorchy, Two Mile and Wānaka Airport.

QLDC as part of Otago Central Lakes one of first three regions approved to go into negotiations for a Regional Deal.



Wānaka Lakefront Stage 5 opened.

Co-delivery of a joint Waitangi Day for Southland and Otago alongside Kāi Tahu | Kā Papatipu Rūnaka E Whitu.

Agreement reached to convert a 20ha site on Ballantyne Road, Wānaka, into a flat grassed area for future recreational and community facilities/needs.



Mount Iron Reserve Management Plan adopted.

Long Term Plan 2024-2034 adopted.

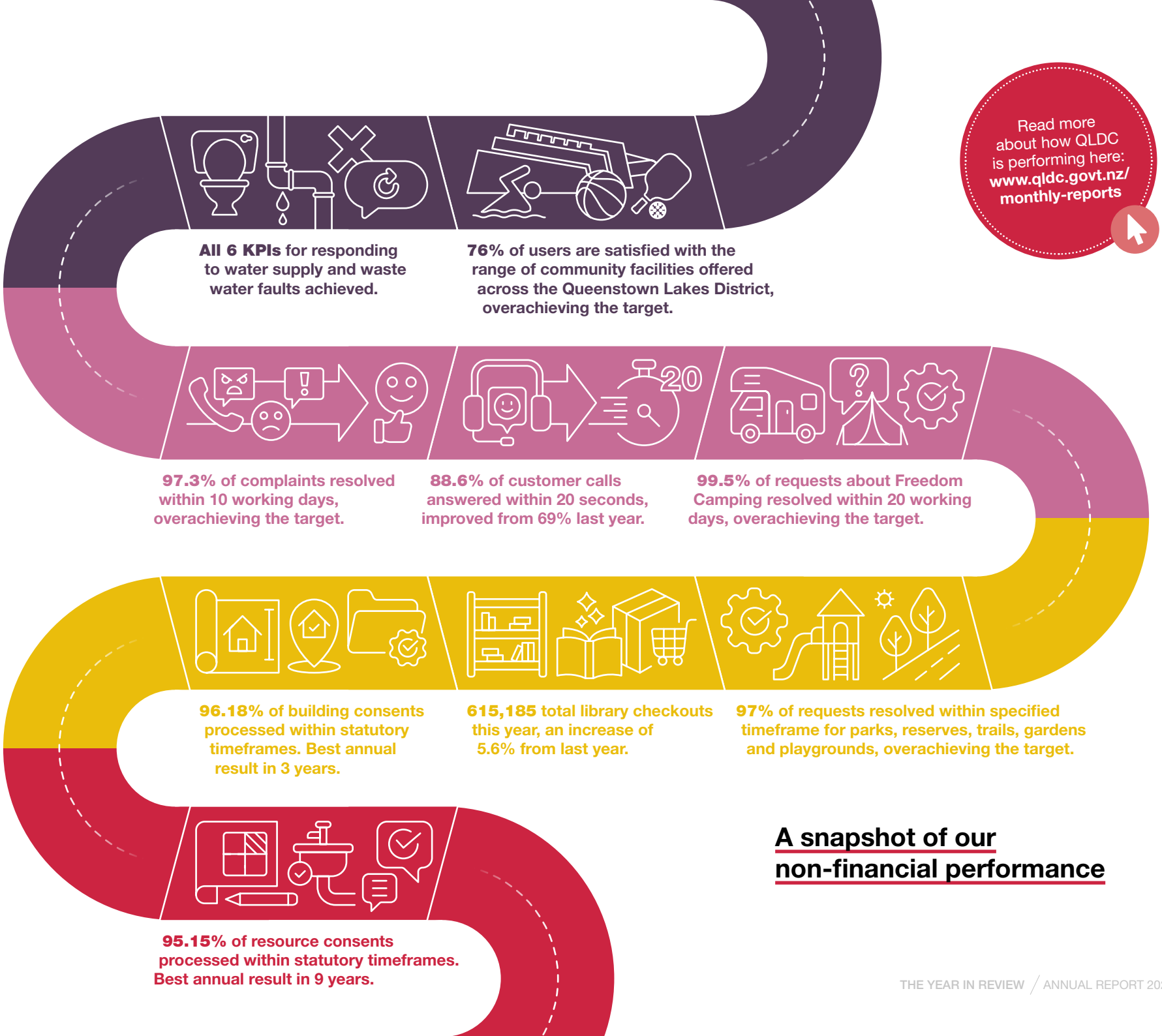
Te Tapuae Southern Corridor Structure Plan draft developed.



Economic Diversification Plan adopted.

Climate & Biodiversity Plan 2025-2028 developed.

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



All 6 KPIs for responding to water supply and waste water faults achieved.

76% of users are satisfied with the range of community facilities offered across the Queenstown Lakes District, overachieving the target.

97.3% of complaints resolved within 10 working days, overachieving the target.

88.6% of customer calls answered within 20 seconds, improved from 69% last year.

99.5% of requests about Freedom Camping resolved within 20 working days, overachieving the target.

96.18% of building consents processed within statutory timeframes. Best annual result in 3 years.

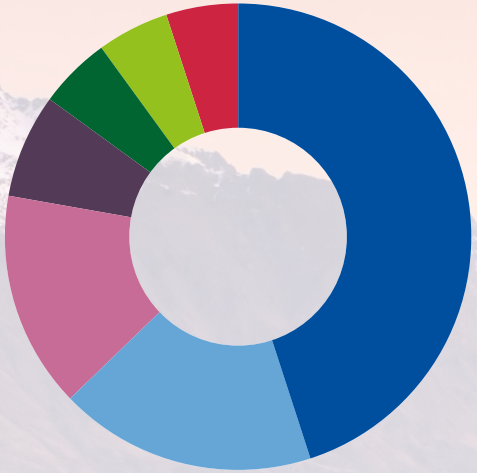
615,185 total library checkouts this year, an increase of 5.6% from last year.

97% of requests resolved within specified timeframe for parks, reserves, trails, gardens and playgrounds, overachieving the target.

95.15% of resource consents processed within statutory timeframes. Best annual result in 9 years.

A snapshot of our non-financial performance

Where the money comes from



45% Rates

18% Borrowing

15% User Fees

7% Grants

5% Dividend and Interest

5% Development Contributions

5% Other

How the money is spent

19% Community Services and Facilities

18% Transport

13% Wastewater

9% Economy[51]

9% Water Supply

9% Waste Management

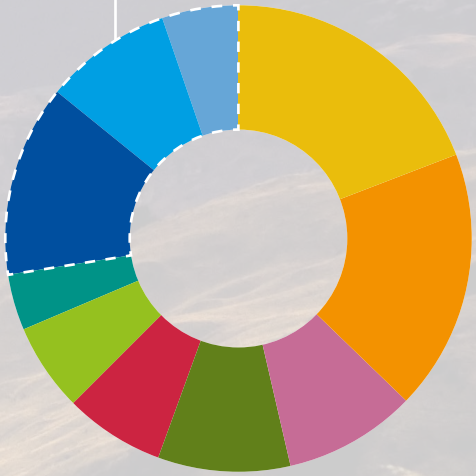
7% Regulatory Functions/Services

6% Environment

5% Stormwater

4% Local Democracy

27% Three Waters overall



[51] Expenditure in the economy group is inclusive of QLDC's collection of levies on commercial ratepayers on behalf of Tourism promotion organisations – Destination Queenstown $5.2M, Lake Wānaka Tourism $1.3M and Arrowtown Promotion and Business Association $231k.

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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.

Responsibility

The Council and management of Queenstown Lakes District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them. The Council and management of Queenstown Lakes District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In the opinion of the Council and management of Queenstown Lakes District Council, the annual Financial Statements for the year ended 30 June 2025 fairly present the financial position and operations of Queenstown Lakes District Council and Group.



Glyn Lewers
Queenstown Lakes District Mayor



Mike Theelen
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

Community Investments: Over $525,000 granted across the Community Fund, Events Fund, and Waste Minimisation Community Fund in 2024-2025, supporting 58 local groups.

Creativity, Culture and Heritage Strategy: First year of implementation complete. Key deliverables included Heritage Asset Map: Development of a publicly accessible GIS map of all known heritage and archaeological sites in the district.

Responsible Camping Programme: Efforts across Council to manage the effects of freedom camping between Summer Ambassadors, enforcement and a new draft bylaw developed.

Welcoming Communities: First year of Welcoming Plan implementation complete. Key deliverables included the Newcomers Guide to the Queenstown Lakes District with local resource and service information to help newcomers settle well when making Queenstown Lakes their home.

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

Literacy and Language: An inclusive approach informed additions such as decodable and dyslexia-friendly titles supporting structured literacy and neurodivergent readers.

Learning for Life: A first of its kind in New Zealand, 1000 Books at School launched in March 2025. The programme supports the transition from preschool to school. 200 students and four classrooms have joined in 2025.

Connected, Vibrant Communities: Digital classes and drop-in sessions supported growing engagement across all libraries and age groups. Pop-up libraries reached rural communities.

Wellbeing and Equity: Equitable access was strengthened with the removal of hold fees on 1 January 2025. Enhancements at Glenorchy and Wānaka Libraries improved privacy and usability.

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

- Development of the 516 Ladies Mile Community and Sports Facilities - Scoping investigations have been conducted following the Ladies Mile Fast Track Consent conditions issued in December 2024 in relation to transport and infrastructure constraints.
- A commercial agreement with Willowridge Developments limited was reached in September 2024 to convert a 20ha site on Ballantyne Road into a flat grassed area for future recreational and community facilities/needs.
- Southern Corridor social infrastructure needs – long-term scoping has been completed.
- The QEC Indoor Courts project was approved by Council in September 2024. Design and project management services have been procured.

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

- Planting began at Project Tohu (former Coronet Forest). 80,000 native species were planted[52]. Construction of mountain bike trails began.
- Completed an upgrade of the Glenorchy Marina carpark.
- Completed the Mount Iron Reserve Management Plan.
- Completed construction of a new section of the shared pathway along the Wānaka lakefront (Stage 5 of the Wānaka Lakefront Development Plan).

[52] 70% of the trees planted are Mountain Beech. 30% are Broadleaf, Pittosporum, Ribbonwood and Cabbage trees.

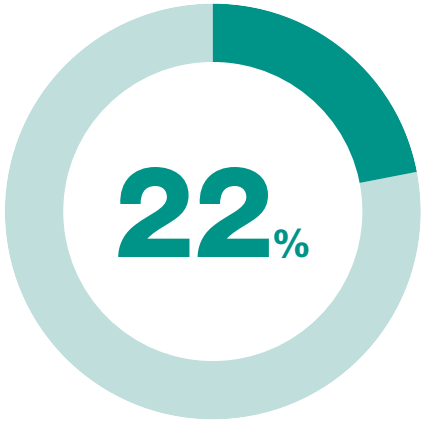
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $201,758,000 (excluding depreciation).

Community services and facilities expenditure of $44,723,000.



Community services and facilities	2024 LTP $000	2025 LTP $000	2024 Actual $000	2025 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	2,000	3,081	4,699	3,093
Targeted rates	25,742	35,132	28,978	34,330
Subsidies & grants for operating expenditure	332	153	1,015	79
Fees & charges	7,430	8,100	8,087	8,328
Interest and dividends from investments	-	-	17	18
Fuel tax, fines, infringement fees & other receipts	4,065	4,829	5,605	6,268
Total sources of operating funding	**39,569**	**51,295**	**48,401**	**52,116**
Applications of operating funding				
Payments to staff and suppliers	29,320	34,349	34,604	35,331
Finance costs	1,729	3,098	4,379	2,948
Internal charges applied	5,095	7,478	7,048	6,444
Other operating funding applications	-	-	-	-
Total applications of operating funding	**36,144**	**44,925**	**46,031**	**44,723**
Surplus/(deficit) of operating funding	**3,425**	**6,370**	**2,370**	**7,393**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	13	405	1,080
Development and financial contributions	3,416	4,503	7,613	3,212
Increase/(decrease) in debt	5,766	2,580	213	10,835
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**9,182**	**7,096**	**8,231**	**15,127**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	4,035	777	1,777	1,927
- to replace existing assets	6,712	10,359	5,007	7,294
- to improve the level of service	2,520	3,078	4,558	5,951
Increase/(decrease) in reserves	(660)	(748)	(741)	7,348
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**12,607**	**13,466**	**10,601**	**22,520**
Surplus/(deficit) of capital funding	**(3,425)**	**(6,370)**	**(2,370)**	**(7,393)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Fees and charges - higher Revenue than forecast due to higher demand in Sports Facilities. Fuel tax, fines, infringement fees & other receipts - lease income increase driven largely by turnover rent from increase visitor numbers and activity. Payments to staff and suppliers - Additional payroll spend capitalised as part of projects. Development contributions are currently behind budget, primarily due to delays in capital projects, such as Lakeview development.	$1.9M Coronet Forest Revegetation, Wānaka Lakefront which had actuals of $1m, Glenorchy Carpark with actuals of $0.9m, $0.7m QEC - Outdoor netball/tennis court resurfacing, $0.7M QEC - Events equipment and fit out renewals, $0.6M Ballantyne Rd Site Remediation Works, $0.5M Waterways structures renewals and $0.4M Library Stock - Districtwide.	Coronet Forest Revegetation budget of $0 with actuals of $1.9M, Wānaka Lakefront Development Plan Stg 5 budget of $0 with actuals of $1.0M, Glenorchy Carpark & Marina Improvements budget of $0 with actuals of $0.9M and due to carry forwards from 23/24. Offset with deferrals for Wānaka Airport $1.5M and Rockfall Mitigation $0.6M.

How we performed

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

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Percentage of Requests for Service (RFS) about freedom camping resolved within 20 working days.	New Measure	>95%	99%	Between July 2024 and June 2025, 578 requests for service were received. Of these, 359 were requests for freedom camping enforcement, and 219 were for the responsible camping team. During the same period in the previous year, 350 requests for service were received, an increase of +65% year-on-year. This year's requests spanned 151 locations across the district and varied in content including requests for enforcement, signage, education, parking solutions, rubbish dumping, bylaw enquiries, feedback from campers or complaints regarding campers' behaviour. Following the Court's decision to quash the 2021 Freedom Camping Bylaw in September 2024, many restrictions across the district were lifted. This, paired with increasing visitor numbers contributed to the increase in RFS year on year.
Total library borrowing (including books, e-books, e-audio and magazines).	582,787	6% increase to no. of physical and digital collection items checked out annually (617,754)	615,185	In 2024/25, total combined checkouts of physical and electronic items (eItems) reached 615,185 – just 0.4% (2,569 items) below the target of 617,754. Physical checkouts totalled 470,710, a 2% increase on the previous year, while eItem checkouts rose 29% to 144,475. Rural libraries showed significant increases in checkouts during the year.
Total number of sport and recreation participation visits per 1,000 residents.	30,172	>30,000 visits	27,827	The total visits per thousand of population at year end were 8% below target. With the exception of Queenstown venues and golf, participation increased across all other areas of Sport & Recreation compared to last year.

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Achieve the National Poolsafe Accreditation for each of Council's aquatic facilities annually (Alpine Aqualand, Wānaka Recreation Centre, Arrowtown Memorial Pool).	New Measure	Maintain Poolsafe accreditation – yearly audit	Achieved	PoolSafe accreditation achieved in February 2025 for Wānaka pool, Arrowtown Memorial pool and Alpine Aqualand.
Percentage of capital works completed annually (including renewals) against the annual budget adopted by Council for community facilities and property.	61%	80%-110%	90%	Target achieved for capital programme investment.
Percentage of total community grants budget allocated.	New Measure	100%	100%	In 2024-2025 all major community funds were delivered through new system 'SmartyGrants', with 100% of the annual grants budget allocated. Demand remained high, with over $1.7 million requested across four funds and $527,000 granted. Improvements were made to grant workflows, post-funding reporting, and decision-making processes. Capability building was also prioritised, with funding workshops delivered district-wide in collaboration with key partners to support local groups and improve grant readiness.
Percentage of requests for service (RFS) resolved within specific timeframe for parks, reserves, trails, gardens and playgrounds.	94.5%	95%	96.75%	The full year result exceeded the 95% target. The annual number of service requests continues to increase (a 13% increase in the number of requests received in 2024/25 compared to the year prior). The majority of requests related to trees, gardens, parks and reserves, cleaning and grass.
Percentage of users who are satisfied with the range of community facilities offered across the Queenstown Lakes district.	75%	>65%	76%	76% of residents were satisfied with the range of community facilities. This result was marginally above the prior year and exceeded the target amount. Libraries; trails, walkways, and cycleways; and parks reserves and gardens had the highest level of satisfaction amongst users of individual facilities, while facilities with the lowest levels of satisfaction included those that were least used such as museums and community halls.

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. A second version is underway, incorporating the Future Development Strategy and sub-regional partners. It will influence the District Plan, infrastructure strategies, and funding, aligning local, regional and central government efforts.

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

- Created the draft structure plan for the Te Tapuae Southern Corridor priority development area, to provide for a total of 9,300 houses, and new commercial and mixed use areas, expanded industrial area, improved transport and social infrastructure in the area.
- Worked closely with the Queenstown Lakes District Housing Trust to ensure the delivery of 68 homes at Tewa Banks, and facilitated the transfer of elderly housing to the Queenstown Lakes Community Housing Trust.
- Helped negotiate a Regional Deal with Central Otago District Council and Otago Regional Council to form a partnership with Central Government to increase economic growth, create jobs, and boost productivity.
- Manage the Grow Well Whaiora Urban Growth Partnership between Government, Kāi tahu, and Otago Regional Council focusing on a long-term strategic framework for growth in the Queenstown Lakes area.

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

Ladies Mile Variation: We operationalised the Ladies Mile Variation, providing for about 2400 houses as well as commercial facilities with associated reserves and public transport options.

Landscape Schedules: Decisions were released on the landscape schedules, which describe the values, characteristics, and management approaches for several Outstanding Natural Landscapes & Features.

s35 Monitoring Reports: Completion of Section 35 Monitoring Reports for all the (Operative District Plan) Special Zones. This work assesses how effectively those zones are functioning.

Environment Court Appeals Resolution: Continued emphasis on the resolution of Environment Court appeals.

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

- Formally received and processed 1,118 resource consent applications – 8% higher than last financial year.
- Issued 1,030 resource consent decisions of which 95.15% of these were processed within the required timeframes.
- Every month of the year a minimum 90% of applications were processed within the required timeframes.
- Over the year, six months saw results of at least 95% of applications processed within the required timeframes, while three months were at 97% or higher.
- Managed Councils involvement in the Central Government led Fast Track Consenting process. So far, this has included 4 projects in the referral stage and 1 project in the substantive stage.

How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $201,758,000 (excluding depreciation).

Environmental management expenditure of $17,370,000.



Environmental management	2024 LTP $000	2025 LTP $000	2024 Actual $000	2025 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	5,612	8,940	5,267	8,685
Subsidies & grants for operating expenditure	100	178	-	66
Fees & charges	8,766	10,633	8,610	9,612
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	120	145	-	-
Total sources of operating funding	**14,598**	**19,896**	**13,877**	**18,363**
Applications of operating funding				
Payments to staff and suppliers	12,541	15,303	14,400	12,828
Finance costs	311	427	392	505
Internal charges applied	3,745	4,166	3,945	4,037
Other operating funding applications	-	-	-	-
Total applications of operating funding	**16,597**	**19,896**	**18,737**	**17,370**
Surplus/(deficit) of operating funding	**(1,999)**	**-**	**(4,860)**	**993**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	(2,000)	(2,732)	2,131
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**-**	**(2,000)**	**(2,732)**	**2,131**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to replace existing assets	-	-	-	-
- to improve the level of service	-	-	-	-
Increase/(decrease) in reserves	(1,999)	(2,000)	(7,592)	3,124
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**(1,999)**	**(2,000)**	**(7,592)**	**3,124**
Surplus/(deficit) of capital funding	**1,999**	**-**	**4,860**	**(993)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
While our resource consent income (Fees & Charges) was lower than forecasted due to a drop-in activity, we were able to offset this shortfall with a decrease in staff salaries and wages (Payments to Staff & Suppliers).	Not applicable.	Not applicable.

How we performed

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

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Percentage of QLDC actions delivered to target as per the Implementation Plan of the Spatial Plan.	New Measure	≥90%	92% achieved	The Spatial Plan identified 22 priority initiatives which are to be delivered as part of the Grow Well Whaiora partnership, of which 12 are QLDC lead. The status of these initiatives is tracked in the quarterly monitoring report using QLDC RAG Status (Red, Amber, Green). Of the 12 QLDC led ones, 11 are currently at Green (meeting target).
Compliance with the two-year timeframe of plan change notification to decision, in accordance with clause 10 of Section 1 of the RMA.[53]	Full Compliance	Full Compliance	Not achieved	The Urban Intensification Variation did not meet the 2 year timeframe for the following reasons: > High volume and complexity of submissions. > Initial delays while considering whether to await the new Housing Business Capacity Assessment. > Separate economic modelling was commissioned instead, which added time.
Percentage of resource consents processed within statutory timeframes.	94.67%	100%	95%	While the 100% target was not met, 95% of applications being processed within the required timeframes for the year is a great achievement and the highest over the previous 9 years. For every month of the year at least 90% (or higher) of applications were processed within required timeframes.

[53] 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



Significant upgrades to the Glenorchy and Wānaka Airport new water treatment plants enabling full compliance with the NZ Drinking Water Quality Assurance Rules.



A new water treatment plant was constructed for the Two Mile scheme in Queenstown, replacing the temporary treatment plant that had been in operation since December 2023.



Construction well progressed on the new Kingston water treatment plant and reservoir.



Capacity upgrades at the Scott's Beach borefield (Lake Hāwea) and installation of smart water meters to residential properties in Lake Hāwea improving our understanding of usage behaviours and the identification of leaks.

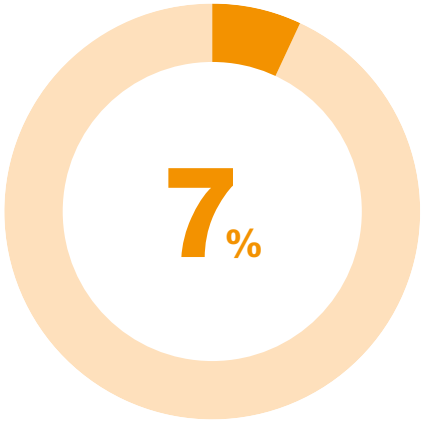
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $201,758,000 (excluding depreciation).

Water supply expenditure of $14,301,000.



Water supply	2024 LTP $000	2025 LTP $000	2024 Actual $000	2025 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	14,110	14,515	12,188	14,437
Subsidies & grants for operating expenditure	-	-	-	-
Fees & charges	72	50	44	44
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	-	-	-	-
Total sources of operating funding	**14,182**	**14,565**	**12,232**	**14,481**
Applications of operating funding				
Payments to staff and suppliers	7,211	7,786	10,213	8,582
Finance costs	3,737	3,301	3,242	4,264
Internal charges applied	1,050	1,548	1,196	1,455
Other operating funding applications	-	-		
Total applications of operating funding	**11,998**	**12,635**	**14,651**	**14,301**
Surplus/(deficit) of operating funding	**2,184**	**1,930**	**(2,419)**	**180**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	1,772	-	-
Development and financial contributions	5,245	10,029	5,673	3,940
Increase/(decrease) in debt	49,042	2,840	25,988	7,575
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**54,287**	**14,641**	**31,661**	**11,515**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	20,897	12,673	16,542	9,664
- to replace existing assets	2,809	1,492	3,368	3,267
- to improve the level of service	34,145	3,887	17,078	11,208
Increase/(decrease) in reserves	(1,380)	(1,481)	(7,746)	(12,444)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**56,471**	**16,571**	**29,242**	**11,695**
Surplus/(deficit) of capital funding	**(2,184)**	**(1,930)**	**2,419**	**(180)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances[54]
Payments to staff and suppliers - cost pressures on electricity due to unit price increases. Additional costs were incurred for water supply services related to unplanned events, as these activities fell outside the scope of the main 3 waters contract. Finance costs - Interest cost higher than anticipated. Development contributions were less than budget due to the nature of the estimating timing of receiving these and debt funding was used instead.	Actuals of $8.5m for UV treatment WS compliance response, $7.4M for Kingston New Scheme (WS), $2.6M for Renewals - Queenstown (WS), $1.2M for Demand Management Hāwea and $0.5M for Quail Rise Reservoir.	Kingston New Water Supply Scheme budget of $9.4M with actuals of $7.4M, Demand Management Hāwea budget of $2.5M with actuals of $1.1M and Hāwea Los Improvements budget of $1.7M with actuals of $0.3M. Offset with Water Supply Renewals Queenstown budget of $0.5M with actuals of $2.6M.

[54] The planned capital expenditure of $8.288M for the Compliance Response - UV Treatment (WS) project was published in the incorrect funding impact statement (FIS) by activity group in the Long Term Plan 2024-34 adopted by Council on 19 September 2024. During the 2024-25 Annual Plan reporting period, the Compliance Response - UV Treatment (WS) project was reclassified from the Finance & Support Services activity grouping to the Water Supply activity grouping. The reclassification ensures accurate representation in council reporting frameworks and better aligns the project to the more appropriate FIS statement.

How we performed

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

KPIs[55]	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Average consumption of water per person per day.	540L	<495L	509L	For the full year, the average usage is approximately 2.8% above the target. This reflects an improvement on the previous year where average consumption per person was 540L/person/day.
The extent to which the local authority's drinking water supply complies with the drinking water quality assurance rules, specifically for bacteriological compliance.	75%	100%	93%	Target not achieved. Details below: Cardrona - 99.13% Arthurs Point - 96.17% Hāwea - 99.53% Luggate - 99.11% Wānaka - 97.25% Corbridge - 75.21% Arrowtown - 97.87% Glenorchy - 93.27% Lake Hayes - 99.51% Queenstown - 99.02% Wānaka Airport - 65.62% Significant investment completed in period to upgrade treatment facilities which will improve levels of compliance into future years.
The extent to which the local authority's drinking water supply complies with the drinking water quality assurance rules, specifically for protozoal compliance.	53%	100%	90%	Target not achieved. Details below: Cardrona - 99.95% Arthurs Point - 97.71% Hāwea - 99.61% Luggate - 0% Wānaka - 98.51% Corbridge - 75.21% Arrowtown - 98.43% Glenorchy - 53.34% Lake Hayes - 99.78% Queenstown - 93.12% Wānaka Airport - 72.19% Significant investment completed in period to upgrade treatment facilities which will improve levels of compliance into future years. This included the addition of protozoa barriers at two locations (Glenorchy and Wānaka Airport).

[55] 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	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	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	100%	97%	Target not achieved. Target fully met at all but one scheme due to a scheduling error. Details below: Cardrona - 66.66% Arthurs Point - 100% Hāwea - 100% Luggate - 100% Wānaka - 100% Corbridge - 100% Arrowtown - 100% Glenorchy - 100% Lake Hayes - 100% Queenstown - 100% Wānaka Airport - 100%
Percentage of water lost from each municipal water reticulation network.	25%	<30%	27%	Water losses have increased slightly from the last period but still achieve the target set. As per last year high levels of loss continue to be observed in some of the smaller schemes and will remain focus of next year's leak detection programme.
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	<60min	42min	The targets set across all water supply response categories were achieved in the 2024/25 period. There were 31 urgent requests and 1,204 non-urgent requests in the period. The number of requests received represent a slight decrease on the previous year.
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	<1,440min (1 day)	1,059min	Achieved.

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	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 - urgent.	1,293min	<1,440min (1 day)	342min	Achieved.
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	<10,080min (7 days)	4,220min	Achieved.
Number of complaints per 1,000 connections to a public water reticulation network about the clarity of drinking water.	0.7	<4	0.8	The target of less than four water supply complaints per 1,000 connections was achieved for all categories except for pressure complaints. Performance is consistent with previous years.
Number of complaints per 1,000 connections to a public water reticulation network about the taste of drinking water.	0.07	<4	0	No taste complaints.

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Number of complaints per 1,000 connections to a public water reticulation network about the odour of drinking water.	0.07	<4	0.09	Achieved.
Number of complaints per 1,000 connections to a public water reticulation network about the pressure or flow of drinking water.	4.36	<4	4.52	Pressure complaints were elevated in the year largely due to lake algae contributing to private side blockages during the summer months on the lake fed schemes and an issue with low pressure in an area of Wānaka during periods of peak demand.
Number of complaints per 1,000 connections to a public water reticulation network about continuity of supply of drinking water.	2.8	<4	3.01	Achieved.
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	<1	0	Achieved.
Percentage of external contractor and internal RFS resolved within specified timeframe - three waters.	71%	>95%	75.2%	75.2% of Three Waters RFS were resolved on time in 2024-2025. There were a total of 3,085 requests received for Three Waters, of which 766 were not resolved within the target timeframes. The number of requests received in 2024-2025 was approximately 10% lower than the previous year. This year's performance is similar to the previous year and does not achieve the target set. Contractor resourcing has continued to be a challenge across the year impacting their responsiveness to issues raised.

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



The Stage 3 upgrade of Shotover WWTP continued over the year and is on track for completion by December 2025. This will enable significant uplift in treatment capacity and a greater standard of treatment.



The project to replace the failed disposal field at Shotover WWTP commenced in the period and a preferred solution is expected to be identified by the end of 2025.



Renewal of the 'end of life' aeration grids at Project Pure WWTP is underway with work completed in one of the two reactor basins.



Several major capacity upgrades advanced through detailed design ready to begin construction early in 2025/26 year, including CBD to Frankton, Robins Rd, and the Upper Clutha Wastewater Conveyance scheme.

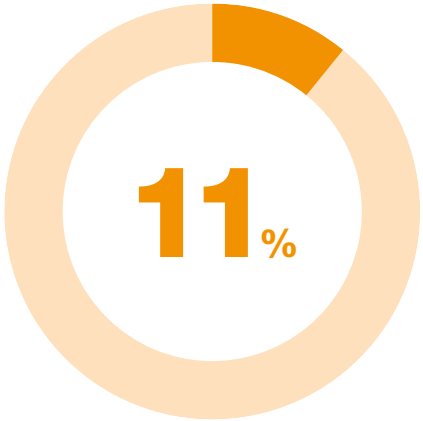
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $201,758,000 (excluding depreciation).

Wastewater expenditure of $21,287,000.



Wastewater	2024 LTP $000	2025 LTP $000	2024 Actual $000	2025 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	166	-	242	-
Targeted rates	18,323	20,151	17,125	20,185
Subsidies & grants for operating expenditure	-	-	-	-
Fees & charges	374	274	211	298
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	-	-	3	-
Total sources of operating funding	**18,863**	**20,425**	**17,581**	**20,483**
Applications of operating funding				
Payments to staff and suppliers	10,057	11,009	11,365	12,928
Finance costs	3,943	7,678	8,010	6,473
Internal charges applied	1,569	2,007	1,750	1,886
Other operating funding applications	-	-	-	-
Total applications of operating funding	**15,569**	**20,694**	**21,125**	**21,287**
Surplus/(deficit) of operating funding	**3,294**	**(269)**	**(3,544)**	**(804)**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	1,164	-	209
Development and financial contributions	6,132	13,859	7,874	5,792
Increase/(decrease) in debt	26,788	7,949	15,964	16,166
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**32,920**	**22,972**	**23,838**	**22,167**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	17,885	15,431	9,155	13,204
- to replace existing assets	7,245	8,074	2,969	5,282
- to improve the level of service	14,543	20,424	19,768	16,778
Increase/(decrease) in reserves	(3,459)	(21,226)	(11,598)	(13,901)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**36,214**	**22,703**	**20,294**	**21,363**
Surplus/(deficit) of capital funding	**(3,294)**	**269**	**3,544**	**804**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Payments to staff and suppliers - cost pressures on electricity due to unit price increases. Another key factor impacting costs was the additional volume of sludge that required processing. Finance costs - Interest cost lower than anticipated. Development contributions were less than budget due to the nature of the estimating timing of receiving these and debt funding was used instead.	Actuals of $20.4M on waste water Project Shotover Plant Upgrade, $3.6M on Project Pure Aeration Grid Renewal, $2.8M for Upper Clutha Conveyance Scheme, $2.0M on Shotover Disposal Field and $1.7M on Wastewater Renewals Queenstown.	CBD to Frankton Conveyance budget of $2.9M with actuals of $1.0M, Robins Road Conveyance budget of $2.5M with actuals of $0.6M, Project Pure Aeration Grid Renewalbudget of $5.1M with actuals of $3.6M, Upper Clutha Conveyance Scheme budget of $4.0M with actuals of $2.8M. Offset with Shotover Disposal Field budget of $0.4M with actuals of $2.0M.

How we performed

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

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	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	<60min	27min	The targets set across all wastewater response categories were achieved in the 2024/2025 period. There were 66 requests received in the period. The number of requests received is broadly consistent with the previous year.
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	<240min	174min	Achieved.
Annual number of dry weather overflows from a municipal sewerage system per 1000 sewerage connections.	1.87	<3	1.72	55 wastewater overflows were attended to over the year. This represents 1.72 overflow events per 1,000 connections and achieves the target set.

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	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%	100%	75%	There are currently 12 active wastewater discharge consents to land and to air. Three of these consents have active enforcement action associated with them. QLDC received one new abatement notice in 2024/25 for Hāwea WWTP (existing abatement notices in place for Shotover WWTP and Glendhu Bay Campground). QLDC received five infringements across the year, all related to Shotover WWTP. An Enforcement Order is also in place in relation to Shotover WWTP.
Number of complaints per 1,000 properties connected to a municipal sewerage system about odour.	0.9	<5	0.91	The annual target of less than five complaints per 1,000 connections was achieved for all categories.
Number of complaints per 1,000 properties connected to a municipal sewerage system about faults.	3.08	<5	2.53	Achieved.
Number of complaints per 1,000 properties connected to a municipal sewerage system about blockages.	1.51	<5	1.59	Achieved.
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	<2	0	There have been no complaints about Council's response to issues in the 2024-2025 reporting period.

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

- Progression with the installation of stormwater infrastructure to support the Kingston Village development.
- Advanced catchment management planning for key areas in Wānaka and Queenstown.
- Completed improvements works on Earl Street to prevent ponding within Marine Parade.

How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $201,758,000 (excluding depreciation).

Stormwater expenditure of $3,184,000.



Stormwater	2024 LTP $000	2025 LTP $000	2024 Actual $000	2025 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	4,169	5,637	3,714	5,655
Subsidies & grants for operating expenditure	-	-	-	-
Fees & charges	-	-	-	-
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	274	-	-	-
Total sources of operating funding	**4,443**	**5,637**	**3,714**	**5,655**
Applications of operating funding				
Payments to staff and suppliers	1,574	2,138	1,657	1,691
Finance costs	1,093	1,141	1,427	1,053
Internal charges applied	265	468	276	440
Other operating funding applications	-	-	-	-
Total applications of operating funding	**2,932**	**3,747**	**3,360**	**3,184**
Surplus/(deficit) of operating funding	**1,511**	**1,890**	**354**	**2,471**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	354
Development and financial contributions	2,188	4,165	1,953	176
Increase/(decrease) in debt	2,945	4,457	(3,131)	1,713
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**5,133**	**8,622**	**(1,178)**	**2,243**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,566	6,451	1,428	1,656
- to replace existing assets	1,282	1,207	205	557
- to improve the level of service	3,208	4,170	986	1,461
Increase/(decrease) in reserves	(412)	(1,316)	(3,443)	1,040
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**6,644**	**10,512**	**(824)**	**4,714**
Surplus/(deficit) of capital funding	**(1,511)**	**(1,890)**	**(354)**	**(2,471)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Payments to staff and suppliers - cost pressures on electricity due to unit price increases. Additional costs were incurred for waste water services related to unplanned events, as these activities fell outside the scope of the main 3 waters contract. Development contributions were less than budget due to the nature of the estimating timing of receiving these and debt funding was used instead.	Actuals of $2.0M Kingston New Storm Water Scheme, $0.5M for Stormwater Renewals Whakatipu and $0.3M for Stormwater Planning Inputs Whakatipu.	Kingston New Storm Water Scheme budget of $7.8M with actuals of $2.0M due to deferrals of some works, Lakeview Development Servicing (SW) budget of $1.1M with actuals of $0, Stormwater Renewals Whakatipu budget of $0.8M with actuals of $0.5M, Rockabilly Gully Erosion Protection (SW) budget of $0.5M with actuals of $0.2M and Stormwater Renewals Upper Clutha budget of $0.4M with actuals of $0.1M.

How we performed

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

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Number of flooding events that occur in a territorial authority district.	0	<7	0	● No flooding events impacting habitable floors were recorded during the reporting period.
For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the territorial authorities stormwater system).	0	<2 per 1,000 properties	0	● Achieved.
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%	● No enforcement action was taken in relation to stormwater discharge consents in the period.

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	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	<3hours	N/A	No flooding events impacting habitable floors were recorded during the reporting period.
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	<5 per 1,000 properties	6.79	A total of 220 stormwater related complaints was received across the 2024/2025 year. This represents 6.79 complaints per 1,000 properties and does not achieve the target set. The performance in 2024/2025 reflects a slight deterioration on the previous year. The operational team continues to review trends in these requests to identify opportunities for improving results in this area through amended preventative maintenance programmes.

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

- The Queenstown Town Centre Arterial Road (Stage One) project opened in January 2025, providing a new connection from Frankton Road to Gorge Road.
- Spring 2024 was one of the wettest on record causing damage across the network. QLDC and its contractors delivered a programme of challenging repairs across the network including significant slip repairs on the Crown Range.
- Ballantyne Rd/Riverbank Rd compact roundabout completed, providing for a safer and more effective intersection.
- Completion of the 'C5' active travel route connecting Arthur's Point to Queenstown and the 'Schools to Pool' route in Wānaka.

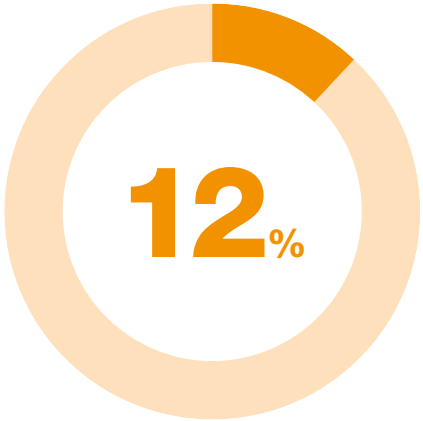
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $201,758,000 (excluding depreciation).

Transport, including roading, parking and footpaths expenditure of $24,226,000.



Transport, including roading, parking and footpaths	2024 LTP $000	2025 LTP $000	2024 Actual $000	2025 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	16,922	21,350	16,746	21,318
Subsidies & grants for operating expenditure	4,074	5,934	6,515	6,285
Fees & charges	5,656	3,887	4,063	4,417
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	300	497	669	2,760
Total sources of operating funding	**26,952**	**31,668**	**27,993**	**34,780**
Applications of operating funding				
Payments to staff and suppliers	12,476	12,506	16,000	15,594
Finance costs	2,450	6,572	3,687	6,321
Internal charges applied	2,071	2,458	2,224	2,311
Other operating funding applications	-	-	-	-
Total applications of operating funding	**16,997**	**21,536**	**21,911**	**24,226**
Surplus/(deficit) of operating funding	**9,955**	**10,132**	**6,082**	**10,554**
Sources of capital funding				
Subsidies & grants for capital expenditure	22,448	13,438	28,979	12,854
Development and financial contributions	3,665	6,759	4,372	3,594
Increase/(decrease) in debt	3,842	9,493	36,911	17,525
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**29,955**	**29,690**	**70,262**	**33,973**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	15,280	15,147	43,680	18,934
- to replace existing assets	11,873	12,254	18,502	11,152
- to improve the level of service	12,058	12,350	21,710	18,081
Increase/(decrease) in reserves	699	71	(7,548)	(3,640)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**39,910**	**39,822**	**76,344**	**44,527**
Surplus/(deficit) of capital funding	**(9,955)**	**(10,132)**	**(6,082)**	**(10,554)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Subsidies & grants for operating expenditure - NZTA additional income support for emergency weather events. Fees & charges - Wilson carpark income higher than anticipated. Fuel tax, fines, infringement fees & other receipts - bond previously held for a street frontage development were released. Payments to staff and suppliers - additional costs from unbudgeted emergency roading weather events.	Actuals of $31.8M on Queenstown Town Centre Arterials, $3.5M on Sealed Road Resurfacing, $2.5M on Minor Improvements Upper Clutha, $1.2M on School to pool Active Travel, $1.7M on Sealed Road Rehabs Upper Clutha, $1.2M on Queenstown Street Upgrades and $1.1M on Unsealed road metalling Upper Clutha.	Arterial Stage One budget of $21.7M with actuals of $31.8M, Queenstown Street Upgrades CIP budget of $0 with actuals of $1.2M, Wānaka Pool to School Active Travel budget of $0 with actuals of $1.2M due to carry forwards from 23/24. Sealed Road Rehabs - Wānaka budget of $0.5M with actuals of $1.7M, Minor Improvement Whakatipu budget of $2.3 with actuals of $1.1M. Offset with Sealed Road Rehabs Whakatipu budget of $1.1M with actuals of $21k and Capell Ave Road Extension budget of $1.0M with actuals of $0 as deferred.

How we performed

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

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	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%	80%-110%	89%	QLDC has a total annual expenditure for the 2024/25 period of $114.5M. This was against a budget of $128.5M. Percentage of capital works result breakdown: Three Waters: Water Supply - 93.6% Waste Water - 96.7% Storm Water - 43.2% Waste Management- 43.8% Transport - 92.3%
Percentage of external contractor and internal Request For Service resolved within specified timeframe - Roading.	79.6%	>95%	90.5%	90.5% of roading RFS were resolved on time in 2024-2025. There were 3,052 requests received in total for roading, of which 291 were overdue. This year's performance represents a material improvement on the previous year but falls slightly short of the target set. In the year, the contractor response achieved the 95% target, while responses from internal staff have been slightly longer. However, resourcing uplift mid-year has seen internal performance begin to improve.
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	To report a decrease on the previous year	7	Unfortunately, after decreases in the number of Deaths and Serious Injuries (DSI) on the local road network in prior years, there has been an increase of three DSIs to seven across the 2024/25 period.

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Average quality of ride on a sealed local road network, as measured by the Smooth Travel Exposure Index.	93%	>90%	91%	The Smooth Travel Exposure Index decreased again slightly this year (2% reduction from previous year). A slight decrease in smooth travel could indicate some change in road condition which QLDC will monitor, but the result continues to be within the target range.[56]
Percentage of sealed network that is resurfaced annually.	3.2%	<10%	4.26%	An increase in percentage resealed from last year after reseal rates escalated previously for the new contract. The quantity of resurfacing completed in the year has increased from the previous year following uplift in budget allocations through the 2024-2034 Long Term Plan and National Land Transport Programme.
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%	>95%	99.24%	The 2024/2025 result represents a further improvement on the previous year and reflects that the overall condition of the footpath network is good and achieves the desired 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	Establish a baseline	42%	42% of residents stated that they had chosen to use their petrol or diesel vehicle less in the last twelve months by using alternate means of transport or active travel, while 49% of residents said they hadn't. This result will be used as a benchmark going forward.

[56] STE value reported as at 30 June 2025 was based on the best information available at the time, but has subsequently been identified as calculated using some invalid data with a very minor impact on the overall result.

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

- Over 2,300 people engaged in waste minimisation behaviour change events run by Zero Waste District delivery partners.[57]
- Over 1,900 people engaged in education initiatives about reducing food waste and diverting organic material from landfill.
- 570 tonnes of food diverted from landfill through food rescue and composting.
- 5,082 solid waste Request for Services actioned.

[57] Additional to the indirect engagement of thousands more through media channels social media posts + reels, guides and templates, articles, interviews, webinars and newsletters.

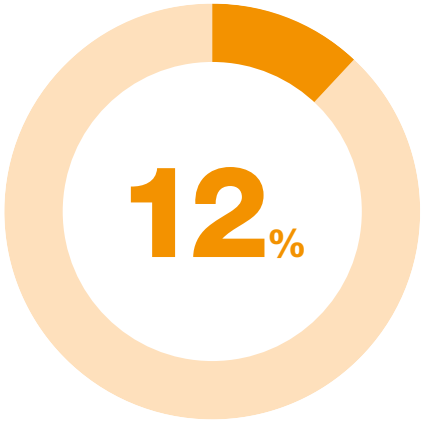
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $201,758,000 (excluding depreciation).

Waste minimisation and management expenditure of $23,333,000.



Waste minimisation and management	2024 LTP $000	2025 LTP $000	2024 Actual $000	2025 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	8,151	9,357	8,801	9,351
Subsidies & grants for operating expenditure	190	454	688	1,003
Fees & charges	10,849	12,068	10,427	12,411
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	497	214	245	405
Total sources of operating funding	**19,687**	**22,093**	**20,160**	**23,169**
Applications of operating funding				
Payments to staff and suppliers	16,947	17,768	17,623	19,891
Finance costs	404	447	340	386
Internal charges applied	1,978	3,251	2,464	3,056
Other operating funding applications	-	-	-	-
Total applications of operating funding	**19,329**	**21,466**	**20,427**	**23,333**
Surplus/(deficit) of operating funding	**358**	**627**	**(267)**	**(164)**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	3,885	4,357	1,945	919
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**3,885**	**4,357**	**1,945**	**919**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	42	-	47	-
- to replace existing assets	3,925	3,392	2,235	738
- to improve the level of service	4,095	3,329	2,180	467
Increase/(decrease) in reserves	(3,819)	(1,737)	(2,784)	(450)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**4,243**	**4,984**	**1,678**	**755**
Surplus/(deficit) of capital funding	**(358)**	**(627)**	**267**	**164**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Subsidies & grants for operating expenditure - Increase MFE Levy. Fees & charges - Higher than anticipated waste volume. Payments to staff and suppliers - increased expenses due to Govt changes to ETF, Waste Contract Adjustment and additional volume.	$0.6M on Wānaka waste Facilities, $0.2M spend on Zero Waste Programme, $0.2M spend on Existing Waste Site Consenting and $0.1M spend on Public Place Waste Bins.	Wānaka Waste Facilities budget of $3.9M with actuals of $0.6M (business case is currently under review, including detailed analysis to confirm the preferred option), New Waste Facilities budget of $1.5M with actuals of $0.1M (remains in scoping phase).

How we performed

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

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Percentage of Material Recovery Facility (MRF) recycling contaminated.	14%	<20%	16.5%	The result is attributable to processing changes made and ongoing education campaigns that continue to achieve desired levels of contamination.
Total waste diverted from landfill.	9,537t	>7,500t	10,150t	On average 846 tonnes of waste was diverted from landfill per month in 2024/2025. This is better than the target and also higher than the average of 795 tonnes achieved the previous year.
Total waste sent to landfill.	48,110t	<49,000t	50,403t	On average the total waste to landfill per month for 2024/2025 was 4,200 tonnes, slightly higher than the target. This is largely attributable to continued growth of the district and high visitor numbers. Until there is a step change in service and organics are diverted from landfill, this target will continue to be challenging to achieve.
Percentage of external contractor and internal RFS resolved within specified timeframe - Solid Waste.	98.5%	>95%	98.3%	Even with an 11% increase in the number of Requests for Services received in 2024/2025 from the previous year, this target continues to be achieved.
Percentage of total household material placed at kerbside diverted from landfill.	New Measure	28%	24.75%	This target was set to track progress against a new kerbside measure that was being introduced by the Ministry for the Environment in 2026. During December 2024 the Ministry for the Environment signalled that their earlier requirement for 30% kerbside diversion to be achieved by 2026 would no longer go ahead. The target set for 2024/2025 was not achieved. The next step change to increase kerbside diversion will be when an organic waste solution is implemented. This is currently planned for 2026/2027.

/ 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[58], 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

- Economic Diversification - initiatives included a very successful 'Host-tech' event in May 2025 with over 30 tech businesses showcased.
- QLDC collaborated with Destination Queenstown/Lake Wānaka Tourism to support delivery of the Destination Management plan.
- The 'Digital Catalyst' initiative, under the Destination Management Plan, is aiming to boost productivity of tourism operators by providing case studies on how the uptake of technology can improve business margins.
- Events improvements - A review of event bookings and permissions was undertaken and software that will streamline these has been purchased and the Events Policy was updated to summarise the expectations of the community on events following significant internal and external consultation.

[58] 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

Stanley Street Carparking: Following the relocation of the old Performing Arts Centre building to Country Lane, civil construction works were completed prior to Christmas 2024 on the Stanley & Ballarat Street corner site to provide 100 additional car parks for visitors to the Queenstown Town Centre, responding to demand.

Facilities Maintenance: A comprehensive program of upgrades was undertaken on a number of community facilities to ensure they are fit for purpose and meet the needs of the users including Lake Wānaka Centre, Hāwea Flat Hall, Arrowtown Atheneum Hall, QEC, Lake Hayes Pavilion and Frankton Golf Clubhouse.

Land Sales: Facilitated the sale process of The Commonage land on Queenstown Hill. This 9.5 hectare site commands a prominent position, with unparalleled views and garnered interest from residential developers throughout New Zealand and abroad.

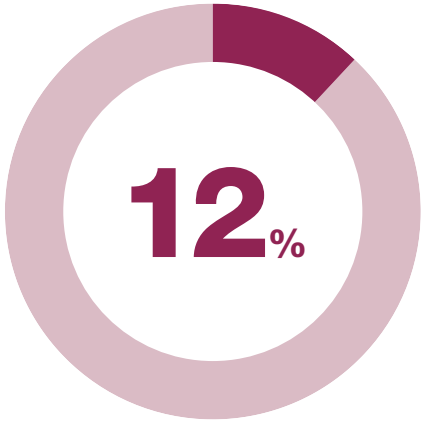
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $201,758,000 (excluding depreciation).

Economy expenditure of $24,123,000.



Economy	2024 LTP $000	2025 LTP $000	2024 Actual $000	2025 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	(59)	3,358	(11)	3,371
Targeted rates	9,748	16,100	6,103	15,641
Subsidies & grants for operating expenditure	159	450	124	146
Fees & charges	3,029	1,846	1,819	1,801
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	684	725	722	804
Total sources of operating funding	**13,561**	**22,479**	**8,757**	**21,763**
Applications of operating funding				
Payments to staff and suppliers	10,875	12,365	12,801	13,049
Finance costs	427	7,020	9,209	7,631
Internal charges applied	2,792	3,090	3,539	3,443
Other operating funding applications	-	-	-	-
Total applications of operating funding	**14,094**	**22,475**	**25,549**	**24,123**
Surplus/(deficit) of operating funding	**(533)**	**4**	**(16,792)**	**(2,360)**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	40	134
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(4,042)	(5,789)	994	313
Gross proceeds from sale of assets	3,142	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**(900)**	**(5,789)**	**1,034**	**447**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	85	107	16
- to replace existing assets	66	217	3	123
- to improve the level of service	-	161	818	153
Increase/(decrease) in reserves	(1,499)	(6,248)	(16,686)	(2,205)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**(1,433)**	**(5,785)**	**(15,758)**	**(1,913)**
Surplus/(deficit) of capital funding	**533**	**(4)**	**16,792**	**2,360**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Subsidies & grants for operating expenditure - previously funded Freedom Camping initiative is no longer being funded by MBIE. Finance costs - interest costs were higher than budgeted. 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	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Percentage of residents who have participated in, performed at, or attended any events held in our district in the past 12 months.	45%	>70%	59%	59% of residents indicated they have attended, participated in, or performed at any event in the district in the last 12 months. While not reaching the target it is a significant increase on the baseline measure. Factors that may have limited this result include some events being cancelled in 24/25, and the cost of living impacting on event ticket sales.
Percentage of QLDC actions delivered to target as per the Implementation Plan of the Economic Diversification Plan.	New Measure	90%	64%	7 of the 11 actions assigned to QLDC were completed. The ability to deliver on the first year actions was restricted by the fact the Diversification Plan was not endorsed until August 2024 and that the capacity of the Economic Futures team was limited until April 2025 (when an advisor focussed on diversification was recruited).
Percentage of QLDC actions delivered to target as per the Implementation Plan of the Destination Management Plan.	New Measure	90%	100%	QLDC was responsible for leading the delivery of three Destination Management Plan actions scheduled to commence in FY24–25. All three have been initiated. As well as leading on three projects, QLDC has been working in collaboration with Destination Queenstown/Lake Wānaka Tourism on a wide range of other DMP projects.

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 1,600 consents annually (worth approx. $1B) and conducting 18,000 inspections. 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 various public health and safety responsibilities.

WHY WE DO IT

The Council is responsible for ensuring buildings are constructed in a safe manner and that all public buildings are safe and sanitary for occupancy. Building work is regulated to ensure the health and safety of people, sustainability, and energy efficiency in design and construction methods. Our enforcement and control activities minimise potential harm to the public, ensuring residents are safe and protect the health of our communities and environments.

WHAT WE DELIVERED

REGULATORY:

The Navigation Safety Bylaw was reviewed in accordance with legislation. Engagement with community resulted in positive adjustments to existing Bylaw.

Rollout of the Summer Waterways Regulatory Services Plan was successful. Despite huge increases in visitors and people using our waterways during Summer, management of the waterways went smoothly with no major safety events.

The Ministry for Primary Industry - New Zealand Food Safety undertook an audit of the Environmental Health Team with positive findings about the high quality of verification activity, associated reporting and systems and processes in relation to the Food Act 2014.

BUILDING SERVICES:

Processed 1,641 building consents with 96.18% processed within statutory time limits.

How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $201,758,000 (excluding depreciation).

Regulatory functions and services expenditure of $19,377,000.



Regulatory functions and services	2024 LTP $000	2025 LTP $000	2024 Actual $000	2025 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	3,597	2,549	4,815	2,476
Subsidies & grants for operating expenditure	-	-	-	-
Fees & charges	8,879	11,263	9,085	10,720
Interest and dividends from investments	-	-	-	-
Fuel tax, fines, infringement fees & other receipts	3,693	4,098	5,576	5,946
Total sources of operating funding	**16,169**	**17,910**	**19,476**	**19,142**
Applications of operating funding				
Payments to staff and suppliers	10,989	12,022	14,021	13,287
Finance costs	8	12	149	7
Internal charges applied	5,371	6,089	5,831	6,083
Other operating funding applications	-	-	-	-
Total applications of operating funding	**16,368**	**18,123**	**20,001**	**19,377**
Surplus/(deficit) of operating funding	**(199)**	**(213)**	**(525)**	**(235)**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	74	62	(15)	3,140
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**74**	**62**	**(15)**	**3,140**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	5	6	21	25
- to replace existing assets	23	17	74	73
- to improve the level of service	78	66	60	107
Increase/(decrease) in reserves	(231)	(240)	(695)	2,700
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**(125)**	**(151)**	**(540)**	**2,905**
Surplus/(deficit) of capital funding	**199**	**213**	**525**	**235**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Fees and Charges - The $0.8m paper road sale for Hogan Gully that was planned for the 2024/25 period did not proceed as expected. This sale should now be scheduled for the 2025/26 financial year. Fuel tax, fines, infringement fees & other receipts – additional $1.5m parking infringement revenue from central government price change. Payments to staff and supp - $0.8m unbudgeted Bad Debt provision & expense.	Not applicable.	Not applicable.

How we performed

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

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Resource consents listed as 'priority' in the Monitoring Strategy are proactively monitored.	100%	100%	100%	This target was achieved. Monitoring undertaken in accordance with monitoring priorisation strategy.
Every food business that is due an audit is audited within the statutory timeframes (according to the Food Act 2014).	59%	100%	30%	Staff resourcing challenges, increasing workload due to new registrations and enforcement actions have all had a contributing impact. There are now 771 food operators in the district, 74 more than June 2024. The risks posed by the resource shortage have been managed, prioritising verifications in a risk-based approach. Despite the resource challenge during this reporting period the Ministry for Primary Industries - New Zealand Food Safety Department undertook an audit of the Environmental Health Team regarding Food Act 2014 requirements which resulted in positive feedback about the high quality of verification activity, associated reporting and systems and processes. Positively, the team have recently recruited two Senior Staff, bringing the team to full capacity. This should result in improving results in this area moving forward.
Percentage of building consents processed within statutory timeframes.	91.92%	100%	96.45%	The target of 100% of building consents being processed within the 20-day statutory timeframe was not met by a small margin in 2025/26. The actual result was 96.18%. The reason for the target not being achieved was due to some months of very high consent numbers combined with periods of limited contractor availability and staff leave and illness.

/ Local democracy /

/ Manapori ā-rohe /

Local democracy

THIS ACTIVITY SUPPORTS THE FOLLOWING COMMUNITY OUTCOMES:


Thriving people | Whakapuāwai Hapori


Disaster-defying resilience | He Hapori Aumangea

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:



Proactive release of public excluded materials: Council amended its processes to ensure all agenda reports and materials considered by Council with the public excluded are regularly reviewed and where possible proactively released via Council's website.



Local Government Action Plan: Council delivered its one-year update on the Local Government Action Plan for Wānaka-Upper Clutha. This reported significant enhancements.[59]



Financial Delegations: To ensure efficient operations and appropriate levels of accountability and decision making, Council reviewed and approved the financial delegation limits for the Chief Executive which had not been increased for 8 years therefore not keeping pace with the cost of operations and project delivery. These are available publicly on Council's website.

EMERGENCY MANAGEMENT:



Improved Emergency Operations Capability: Council has significantly increased its EOC staffing in the past year from 74 to 136 and delivered an improved training and development programme with support from Emergency Management Otago. The EOC team also participated in a successful multi agency exercise in October 2024 based round the Alpine Fault event.



Community Resilience Groups: Council partnered with Emergency Management Otago to build the capability and capacity of the local Community Resilience Group network of 17 groups with over $40,000 in emergency equipment being distributed to groups across the district.



Alpine Fault (AF8) Planning: Council has continued to support the AF8 Steering Group and Emergency Management Otago with operational planning, EOC participation in a successful multi agency exercise in October 2024, and public education roadshows for the alpine fault event drawing close to 300 community members.



National FENZ Exercise: Council played a key role in Exercise Maikuku, a national-level wildfire response simulation led by Fire and Emergency New Zealand in May 2025 demonstrating QLDC's readiness to support complex emergency response operations.

[59] These enhancements included updating the policy on Council meeting locations, holding more meetings and workshops in varied locations, increasing promotion of Council meetings, agendas, and online streaming, providing more details about accessing information and making information requests, and launching a new interactive calendar online for Council meetings and workshops.

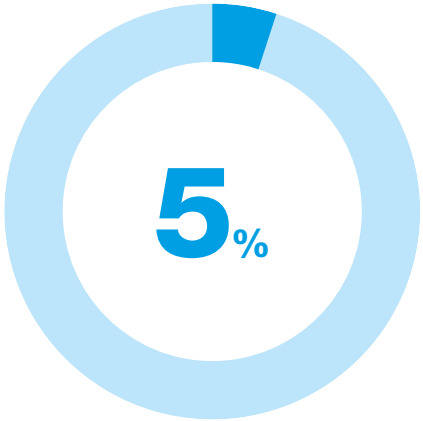
How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $201,758,000 (excluding depreciation).

Local democracy expenditure of $10,728,000.



Local democracy	2024 LTP $000	2025 LTP $000	2024 Actual $000	2025 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	1,075	1,530	2,326	1,536
Targeted rates	5,453	9,662	12,585	9,386
Subsidies & grants for operating expenditure	-	-	-	1,206
Fees & charges	27	35	31	126
Interest and dividends from investments	5,720	10,738	11,158	15,906
Fuel tax, fines, infringement fees & other receipts	-	5	561	211
Total sources of operating funding	**12,275**	**21,970**	**26,661**	**28,371**
Applications of operating funding				
Payments to staff and suppliers	3,168	6,851	4,416	6,917
Finance costs	-	-	-	-
Internal charges applied	2,947	4,557	2,721	3,811
Other operating funding applications	-	-	-	-
Total applications of operating funding	**6,115**	**11,408**	**7,137**	**10,728**
Surplus/(deficit) of operating funding	**6,160**	**10,562**	**19,524**	**17,643**
Sources of capital funding				
Subsidies & grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	(15,655)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**-**	**-**	**(15,655)**	**-**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to replace existing assets	-	-	-	-
- to improve the level of service	-	-	15	-
Increase/(decrease) in reserves	6,160	10,562	3,854	17,643
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**6,160**	**10,562**	**3,869**	**17,643**
Surplus/(deficit) of capital funding	**(6,160)**	**(10,562)**	**(19,524)**	**(17,643)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances
Interest and dividends from investments - higher dividend income of $5.2m was received from QAC compared to the Long-Term Plan (LTP). Internal charges applied - overhead charges reclassification. Development contributions were less than budget due to the nature of the estimating timing of receiving these and debt funding was used instead.	Not applicable.	Not applicable.

How we performed

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

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Percentage of residents who are satisfied with the information they receive from Council.	39%	60%	33%	🔴 33% of residents stated they were satisfied with the information they received from Council, with 39% dissatisfied and 28% neutral. This result was a slight decrease on the previous year and below the target score.
Percentage of residents who are satisfied with the opportunities to have to their say.	32%	60%	26%	🔴 26% of residents were satisfied with the opportunities to be involved in the consultation and decision-making process, with 48% dissatisfied and 26% neutral. This was a decrease on last year's result and below the target amount.
Percentage of residents who interact with customer services were satisfied with their overall experience.	New Measure	80%	85%	🟢 The majority (85%) of customers were satisfied or very satisfied with their experience overall when interacting with QLDC. Future focus is on continuing to improve through the QLDC-wide customer experience programme.
Percentage of Local Government Official Information and Meetings Act 1987 (LGOIMA) requests responded to within 20 days.	96.83%	100%	96.5%	🔴 Council had a high volume of requests to manage with great complexity and levels of consultation required which affected the ability to response to 100% on time. There is continued focus on improving efficiency. 284 requests were received, approximately 90 more compared to last year and the year before.

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Mana Whenua feel engaged with QLDC as per the agreed work programme (Aukaha and Te Ao Marama representatives).	Not applicable	Achieved	Achieved	Aukaha and Te Ao Marama both have continued to express that this partnership approach is working well. Whilst they sometimes disagree with our position they feel well informed.
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%	Council had increased its EOC staffing levels from 74 to 137 in the 2024-2025 year. 100% of staff have attended either the annual EOC exercise and/or CDEM introduction and functional training courses throughout the year.
Percentage of residents who consider themselves resilient and prepared in the event of an emergency.	51%	60%	48%	48% of residents stated they were resilient and prepared for an emergency event, with 28% stating they weren't, and 24% unsure. This level of self assessment is strong compared to international and national benchmarks[60] but remains below our target of 60%.

[60] https://www.civildefence.govt.nz/assets/Uploads/documents/public-education/disaster-preparedness-survey/report-disaster-preparedness-survey-en-jul21.pdf

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:

Submissions and advocacy: 34 formal submissions were made by Council to central government and other external agencies about proposals that affect the district.

Key initiatives: Lead and developed key initiatives in relation to Local Water Done Well and successfully placed a proposal into the Regional Deal process.

Policies: Internal policy register in CiA completed and implemented. Supported development of numerous Council strategies, policies and plans.

Data: Delivery of Council's Quality of Life and Community Insights surveys, update to district demand projections and Council's Wellbeing dashboard.

WHAT WE DELIVERED

COMMUNICATIONS & CUSTOMER SERVICES:



Significant progress on the integration of Snap Send Solve with request management systems to increase efficiency and response times to customer issues.



Updated and published the Customer Complaints Policy to provide greater clarity and a new escalation status to ensure more issues get management oversight and to identify opportunities for improvement.



Continued progressing commitments made in the Local Government Commission Action Plan for the Wānaka-Upper Clutha which has benefits throughout the district.[61]



Introduced more “closing the loop” communications to share the outcome of engagement and consultation such as engagement summary documents (“here’s what we heard from you and how you engaged with us”) for projects such as the Mount Iron Reserve Management Plan and the Long Term Plan.

KNOWLEDGE MANAGEMENT:



Continued progress delivering the work programme for migrating our Enterprise System (TechnologyOne) to the latest version of the software suite including frameworks for consents and progress in migrating the Rates Management module.



Progress has been made on implementing a funding modelling tool supporting the finance team to efficiently achieve Annual Plan financial and rates setting together with analysis and reporting.



Implementation of a performance management application to measure employee’s performance more efficiently against agreed key performance indicators and set learning and development objectives.



Continued to evolve cybersecurity posture via an information security work program including, Multi Factor Authentication applied to all staff, upgraded secure web gateway, Microsoft 365 cloud backup and a Cyber Security compliance tool benchmarking us against other territorial local authorities.

[61] These have included more in-place, tailored and targeted communications and engagement activity such as local signage, use of QR codes, dedicated opt-in e-newsletters, and onsite events. This reduces reliance on mass audience channels such as social media and print, which are still employed as part of the mix.

WHAT WE DELIVERED

ORGANISATION PERFORMANCE:



Delivered improved Community Trust and Customer Satisfaction measures.



Project Management tools updated and enhanced across Council.



Monthly and Quarterly reports improved in terms of timeliness and quality.



Long term plan 2024-2034 delivered on time and one of 16 local authorities nationwide to receive a fully clean audit opinion with no emphases of matter.

PEOPLE & CAPABILITY:



Successfully introduced a new Learning Management System (LMS), systemising our processes.



The Gallup survey employee engagement survey results have consistently increased year-on-year, demonstrating a positive trend and the benefits of sustained organisational focus in this area.

RESILIENCE & CLIMATE ACTION:



Transport and Behaviour Change Success: Public transport patronage increased by 51%, active travel initiatives saw over 140,000 km cycled during the 2025 Aotearoa Bike Challenge.



Public Transport Advocacy: the success of QLDC-supported community shuttle trials helped convince the Otago Regional Council to restore their funding for a public transport business case for the Upper Clutha.



Boosted Climate and Biodiversity Funding: An additional $200,000 was allocated to the QLDC Community Fund in 2024, significantly increasing support for local projects driving emissions reduction, climate adaptation, and ecological restoration across the district.

WHAT WE DELIVERED

PROCUREMENT:

The organisation has continued to mature its procurement ability through improved processes, tools and training via a Centre-Led model.

FINANCE:

Rates setting process was completed much earlier this year, than previous, due to improved processes. The first instalment is now due in August as opposed to November/December previously bringing cashflow benefit.

2023/24 Annual Report was delivered on time and with compliant audit opinion.

2025/26 Annual Plan was delivered and adopted on time.

Maintained AA-Fitch credit rating.

ASSURANCE & RISK:

New Risk Management Policy adopted in 2025, incorporating 'Three Lines Model of Assurance'.

Seven internal audits completed and reported to the Audit, Finance and Risk Committee.

LEGAL:

Numerous negotiations and advice provided. Some of these negotiations included:

Trails: Secured the last easements required for the trail from Gibbston through to Cromwell.

Skyline debris fences: Successfully negotiated for installation of debris fences at Ben Lomond Reserve.

Fryer Street infrastructure: Concluded negotiation for infrastructure cost-sharing at the old school site adjacent to Gorge Road.

Building defects claims against Council: Recently won or resolved a number of cases with total claims of $14 million, at a settlement cost to QLDC of $1.3 million.

How much it cost

Breakdown of service cost.

AS A PERCENTAGE OF TOTAL EXPENDITURE

Total operating expenditure of $201,758,000 (excluding depreciation).

Finance and support services expenditure of $55,745,000.



Overheads	2024 LTP $000	2025 LTP $000	2024 Actual $000	2025 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	665	736	784	1,050
Targeted rates	(1,730)	(1,688)	(55)	(1,653)
Subsidies & grants for operating expenditure	-	-	760	-
Fees & charges	137	349	328	293
Interest and dividends from investments	-	700	1,520	956
Internal Charges Recovered	26,883	58,970	52,611	56,640
Fuel tax, fines, infringement fees & other receipts	35	67	95	122
Total Sources of Operating Funding	**25,990**	**59,134**	**56,043**	**57,408**
Applications of Operating Funding				
Payments to staff and suppliers	25,435	33,375	30,533	31,620
Finance costs	(971)	305	336	451
Internal Charges Applied	-	23,858	21,616	23,674
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding	**24,464**	**57,538**	**52,485**	**55,745**
Surplus/(Deficit) of Operating Funding	**1,526**	**1,596**	**3,558**	**1,663**
Sources of Capital Funding				
Subsidies & grants for capital expenditure	-	-	512	250
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	4,344	18,912	(52)	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding	**4,344**	**18,912**	**460**	**250**
Applications of Capital Funding				
Capital Expenditure				
- to meet additional demand	434	562	179	76
- to replace existing assets	1,116	1,953	1,189	1,250
- to improve the level of service	1,369	9,174	152	289
Increase/(decrease) in reserves	2,951	8,819	2,498	298
Increase/(decrease) of investments	-	-	-	-
Total Applications of Capital Funding	**5,870**	**20,508**	**4,018**	**1,913**
Surplus/(Deficit) of Capital Funding	**(1,526)**	**(1,596)**	**(3,558)**	**(1,663)**
Funding balance	**-**	**-**	**-**	**-**

Significant cost of services variances	Significant capital expenditure	Significant capital expenditure variances[62]
Internal Charges Recovered - Overhead recovery lower than anticipated due to reclassification.	Not applicable.	Not applicable.

[62] The planned capital expenditure of $8.288M for the Compliance Response - UV Treatment (WS) project was published in the incorrect funding impact statement (FIS) by activity group in the Long Term Plan 2024-34 adopted by Council on 19 September 2024. During the 2024-25 Annual Plan reporting period, the Compliance Response - UV Treatment (WS) project was reclassified from the Finance & Support Services activity grouping to the Water Supply activity grouping. The reclassification ensures accurate representation in council reporting frameworks and better aligns the project to the more appropriate FIS statement.

How we performed

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

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Percentage of complaints that are resolved within 10 working days.	99.5%	>95%	97.3%	The KPI was met for 2024/2025, with the percentage of complaints resolved within 10 working days at 97.3%.
Percentage of customer calls that meet the service level (answered within 20 seconds).	68.7%	85%	88.6%	The KPI was met for 2024/2025 with the percentage of calls answered within 20 seconds at 88.6%.
Percentage of Councillor enquiries responded to within 5 working days.	84.6%	100%	88.2%	The KPI was not met in 2024/2025 due to the volume of requests and the complexity of enquiries. 254 Enquiries were received, compared to 228 in 2023/24 and 79 in 2022/23.
Customer satisfaction with: a) speed of response and final resolution	84%	75%	93%	The customer satisfaction KPI metrics were achieved in 2024/2025, with all four measures achieving greater than 75%.
b) clarity of process and timeframes	87%	75%	89%	
c) staff knowledge and professionalism	96%	75%	96%	
d) fairness and consistency	95%	75%	96%	
Reduction in the Total Recordable Injury Frequency Rate.	9.19	<9[63]	6.67	Total Recordable Injury Frequency Rate is a lagging indicator. This KPI was achieved. QLDC implement a robust and supportive stay at work program that enables our employees to actively and safely recover within the workplace.

[63] 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	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Weighted average interest rate.	5.03%	<6%	4.05%	This target was achieved and has decreased on the prior year due to decreases in the official Cash Rate throughout the financial year.
Debt servicing to rates revenue.	24.82%	<30%	20.4%	This target was achieved and has decreased on the prior year due to decreases in the official Cash Rate throughout the financial year.
Percentage of debt owing 90 days and over (not including rates).	12.07%	<30%	10.7%	This target has been achieved and is a decrease on the prior year percentage as we are continuing to maintain collection on our aged debt.
Renewals CAPEX to depreciation ratio.	0.54	>1	0.45	This target was not met as depreciation increased significantly in comparison to the renewals budget due to increased depreciation arising from increased asset revaluations.
Rates per rating unit.	$3,946	$4,500 (ex gst)	$4,180	This target was achieved as the rates increase was set within the limits of this KPI.
Net debt per rating unit.	$20,677	$18,700 (ex gst)	$19,485	This target was not achieved due to the higher level of borrowings due to delay in sale of land to mid 2026.
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	Year-on-year improvement	18%	This is a new measure, and this result will be used to measure progress year-on-year. QLDC's next Climate & Biodiversity Plan 2025-2028 has actions to undertake a climate scenario analysis and proactively manage climate-related risks to the district while identifying opportunities for adaptation and resilience.

KPIs	Baseline Performance at 30 June 2024	Target for Year 1 of LTP 24-34	Annual Result 2024-2025	Commentary
Percentage of residents who are satisfied with the steps Council is taking to reduce the district's greenhouse gas emissions.	14%	Year-on-year improvement	22%	QLDC's next Climate & Biodiversity Plan 2025-2028 includes targeted investments and initiatives to reduce Council greenhouse gas emissions. These include the LPG conversion of Council aquatics centres, continued electrification of Council's fleet vehicles, and energy efficiency improvements for Council's buildings and community facilities.
Percentage of residents who are satisfied with the steps council is taking to help protect and restore the district's biodiversity.	New Measure	Year-on-year improvement	36%	This is a new measure, and this result will be used to measure progress year-on-year. In autumn 2025, the first 80,000 native plants were planted of more than 500,000 planned for Project Tohu, the site of Coronet Forest. QLDC has also undertaken significant weed clearance and revegetation work at Council reserves including Matakauri Wetland, Horne Creek in Warren Park, Bullock Creek and lakeside reserves between the Wānaka Yacht club and Eely Point. QLDC also supports 72 community-led planting projects on reserves around the district including in Wānaka, Hāwea, Albert Town, Lake Hayes, Arrowtown, Quail Rise, Lake Hayes Estate, Kelvin Peninsula, and Glenorchy.
Achieve annual carbon reduction certification through independent third-party audit.	Updated Measure	Achieved	Achieved	QLDC successfully completed its sixth year of Toitū Carbon Reduce certification in March 2025 following independent verification of the 2023-2024 greenhouse gas inventory. Category 1 (excluding wastewater and forestry) and Category 2 emissions were 6% lower than the 2018-19 base year.
Percentage of QLDC actions delivered to target as per the Implementation Plan of the Climate and Biodiversity Plan.	New Measure	90%	95%	95% of actions from the Climate & Biodiversity Plan were completed or are in progress.

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 QAC is now (2025) reporting directly on a risk assessment framework on a biannual 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. QLDC and QAC are enhancing transparency and clarity in relation to QAC's commitment towards net zero emissions. This work must align with QLDC's Climate and Biodiversity Plan (see QAC Decarbonisation Roadmap). The QAC must continue 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 24-25 of their Annual Report at this link: 2025-annual-report.pdf

PASSENGER AND AIRCRAFT MOVEMENTS (FY25)

(000's)	Actual	SOI	Variance	
Domestic	1,658	1,636	22	1%
International	944	898	46	5%
Total Passengers	**2,602**	**2,534**	**68**	**3%**
Aircraft Movements	**18.9**	**18.6**	**0.3**	**1%**

INCOME STATEMENT (FY25)

(000's)	Actual	SOI	Variance	
Total Revenue	79,893	75,507	4,386	6%
EBITDA	57,294	54,033	3,261	6%
Net Profit After Tax	29,400	28,135	1,265	4%
EBITDA as % of Revenue	72%	72%		
Dividends Paid	21,205	14,145	7,060	50%
Return on Capital Employed (EBIT to Net Operating Assets)	8.5%	7.4%		

FUNDING AND FINANCIAL COVENANTS (FY25)

	Actual	SOI
Closing Debt ($000)	53,000	66,745
EBITDA > 2 times funding expense	10.2	16.5
Shareholders' Funds to Total Tangible Assets > 50%	83.5%	82.6%

Funding Impact Statement – Whole Council (QLDC only)

	2024 Annual Plan $000	2024 Actual $000	2025 Long Term Plan $000	2025 Actual $000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	7,692	8,040	8,706	9,051
Targeted rates	118,105	116,265	141,705	139,811
Subsidies & grants for operating expenditure	7,757	9,103	7,169	8,784
Fees & charges	44,992	42,708	48,504	48,052
Interest and dividends from investments	7,423	12,695	11,437	16,880
Fuel tax, fines, infringement fees & other receipts	9,734	13,476	10,580	16,515
Total sources of operating funding	**195,703**	**202,286**	**228,101**	**239,093**
Applications of operating funding				
Payments to staff and suppliers	151,482	167,633	165,470	171,718
Finance costs	22,426	31,172	30,002	30,040
Total applications of operating funding	**173,908**	**198,805**	**195,472**	**201,758**
Surplus/(deficit) of operating funding	**21,795**	**3,481**	**32,629**	**37,335**
Sources of capital funding				
Subsidies & grants for capital expenditure	40,256	29,936	16,386	14,881
Development and financial contributions	20,645	27,485	39,314	16,714
Increase/(decrease) in debt	112,637	60,430	42,863	60,318
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	**173,538**	**117,851**	**98,563**	**91,913**
Applications of capital funding				
Capital expenditure				
- to meet additional demand	93,937	72,936	51,132	45,502
- to replace existing assets	36,654	33,552	38,967	29,738
- to improve the level of service	72,150	67,323	56,637	54,496
Increase/(decrease) in reserves	(7,408)	(52,480)	(15,544)	(488)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	**195,333**	**121,331**	**131,192**	**129,248**
Surplus/(deficit) of capital funding	**(21,795)**	**(3,480)**	**(32,629)**	**(37,335)**
Funding balance	**-**	**-**	**-**	**-**

Reconciliation of Funding Impact Statement to Statement of Financial Performance

	2024 Annual Plan $000	2024 Restated (i) $000	2025 Long Term Plan $000	2025 Actual $000
INCOME				
Statement of Comprehensive Revenue and Expense:				
Total operating income	**282,869**	**358,581**	**315,839**	**324,804**
Funding Impact Statement:				
Total sources of operating funding	195,704	202,286	228,101	239,093
Plus sources of capital funding:				
Subsidies & grants for capital expenditure	40,256	29,936	16,386	14,881
Development and financial contributions	20,645	27,485	39,314	16,714
Other dedicated capital funding	-	-	-	-
Less cost of property sales	-	-	-	-
Plus non-cash items:				
Vested assets	21,492	113,120	30,235	52,930
Other gains/(losses)	4,772	(14,245)	1,803	1,186
Total income	**282,869**	**358,581**	**315,839**	**324,804**
EXPENDITURE				
Statement of Comprehensive Income:				
Total operating expenditure	**229,445**	**263,174**	**261,484**	**271,182**
Funding Impact Statement:				
Total applications of operating funding	173,908	198,805	195,472	201,758
Plus non-cash items:				
Depreciation & amortisation expense	55,537	64,369	66,012	69,424
Total expenditure	**229,445**	**263,174**	**261,484**	**271,182**

(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.

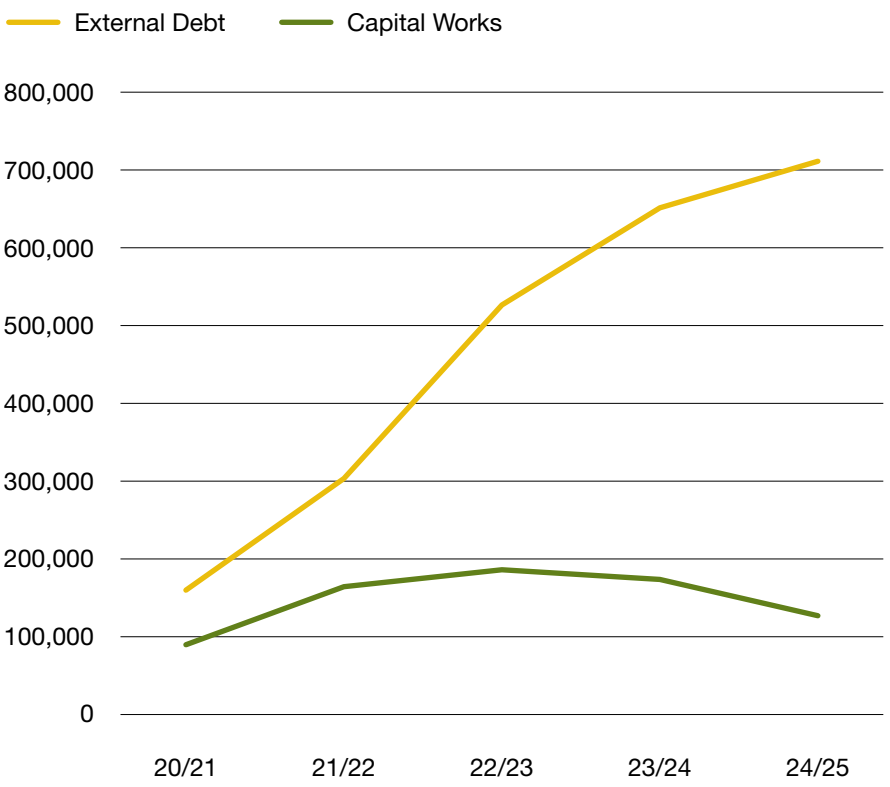
The following graphs show how the Council performed against the Financial Strategy in 2024-2025, and comparatives for the previous three years.

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 increased in recent years. This has been due to some large projects including the Queenstown Arterial Upgrade (partly Crown Infrastructure Partners funded), 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 2024/25 was $129.7m, which was 88% of the adjusted budget of $146.7M as at 30 June 2025. Gross debt has increased from $650.8M to $710.7M due to capex spend which is funded by debt.

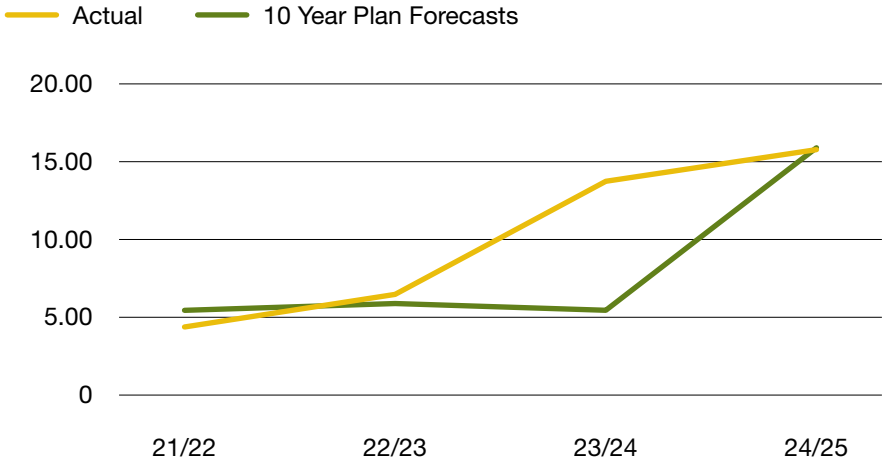
External Debt vs Capital Works (000's)



RATES

The graph below shows the actual rates increase over the past four years compared to the increases forecast in the Long Term Plan 2021-2031 and 2024-2034. The total rates for 2023-2024 are higher than forecast mainly due to additional cost, as a result of inflationary pressure and increasing interest rates.

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



DEBT LEVELS

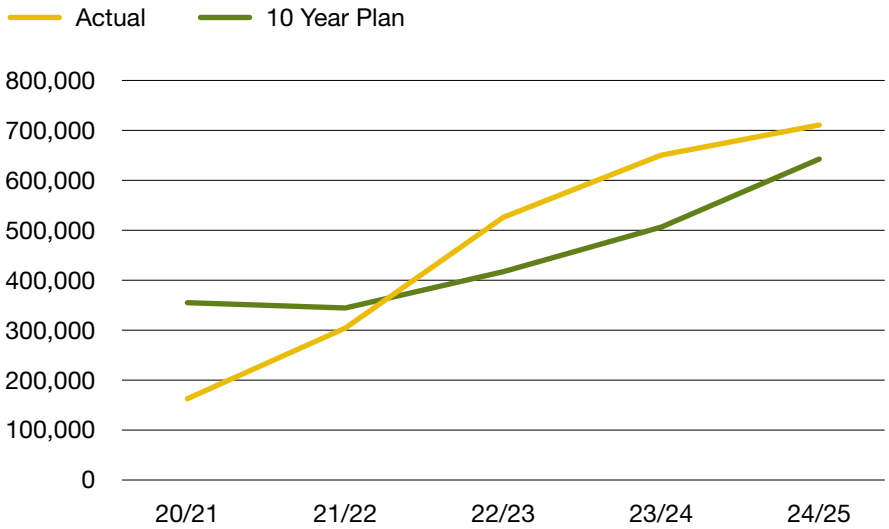
In order to deliver the large capital programme included in the Long Term Plan 2021-2031 and 2024-2034, the Council needed to rely on borrowing. The Council spent a considerable amount of time and effort working through the capital programme to ensure it is affordable and deliverable. The actual net debt (includes cash on hand) as at 30 June 2025 was $686.1M; this is $42.3M more than June 2024, and $42.9M more than forecast in the Long Term Plan 2024-2034. Debt is within Council's borrowing limits, although higher than budget due to the large leaky building settlement that occurred in FY24, the delayed sale of The Commonage and the increased debt due to capital programme funding. This has resulted in higher interest costs coupled with the impact of increasing interest rates.

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

Council's Borrowing Limits	Actual 2022/23	Actual 2023/24	Actual 2024/25	Forecast 2024/25
Interest Expense/ Rates <30%	17.5%	25.3%	20.4%	20.1%
Interest Expense/Total Revenue <20%	8.8%	13.4%	11.8%	11.0%
Net Debt/Total Revenue < 280%	253.4%	270.8%	270.1%	263.2%

The following graph shows the forecasted debt levels compared to actual debt levels up to 2024-2025. As can be seen, actual debt levels have surpassed Long Term Plan levels. The actual gross debt as at 30 June 2025 was $710.7M, which is $49.6M more than the amount forecast in the Long Term Plan 2024-2034. This is largely due to the delay of The Commonage sale to FY26.

External Debt (000s)



CAPITAL WORKS 2024-25

Notable Infrastructure projects that have been substantially advanced or completed during the 2024-25 financial year:

Project	Cost at Year End 2025
Arterial Stage One (Transport)	$31,812,056
Project Shotover Stage 3 (Wastewater)	$20,379,508
Compliance Response - UV Treatment (Water Supply)	$8,450,742
Kingston New Scheme (Water Supply)	$7,412,364
Project Pure Aeration Grid Renewal (Wastewater)	$3,564,690
Upper Clutha Conveyance Scheme (Wastewater)	$2,788,159
Renewals - Queenstown (Water Supply)	$2,620,452
Kingston New Scheme (Storm Water)	$1,998,189
Shotover Disposal Field (Wastewater)	$1,987,026
Coronet Forest Revegetation	$1,927,482
Sealed Road Resurfacing - Whakatipu (Transport)	$1,825,094
Sealed Road Rehabs - Wānaka (Transport)	$1,747,299
Sealed Road Resurfacing - Wānaka (Transport)	$1,702,998
Renewals - Queenstown (Wastewater)	$1,684,794
Minor Improvements - Upper Clutha (Transport)	$1,325,104
Queenstown Street Upgrades - CIP	$1,209,405
Demand Management - Hāwea (Water Supply)	$1,184,649
Wānaka Pool to School Active Travel (Transport)	$1,179,331
Minor Improvements UpperClutha TR unsub	$1,146,896
Unsealed Road Metalling - Wānaka (Transport)	$1,116,656
CBD to Frankton Conveyance (Wastewater)	$979,475
Hanleys Farm Pump Station (Wastewater)	$974,511
Wānaka Lakefront Development Plan Stage 5	$967,190
Glenorchy Carpark & Marina Improvements	$948,244
Kingston New Scheme (Wastewater)	$875,739
Arthurs Point to CBD Active Travel (Transport)	$811,058
Minor Improvements Whakatipu (Transport) unsub	$781,110

Total net carry-forward projects totaling $17.1M were approved by the council in September for completion during 2025-2027. Carry forwards in excess of $500,000 are as follows:

Project	Budget Deferred at Year End 2025
Kingston New Scheme (Storm Water)	$2,501,811
Robins Road Conveyance Upgrade (Wastewater)	$2,056,129
Lakeview Development Servicing (Storm Water)	$1,060,685
Queenstown Street Upgrades - CIP	$1,000,000
Sealed Road Resurfacing - Whakatipu (Transport)	$999,910
Wānaka Airport Compliance	$865,180
Compliance Response - UV Treatment (Water Supply)	$769,385
Stanley St Site Works & Temp Parking	$751,026
Wānaka Airport Renewals	$732,069
Historic Land Encroachments (Wastewater)	$618,217
Cardrona Valley Rd 3.0-4.0 Rehab (Transport)	$616,980
Existing Wakatipu Waste Facilities	$524,830
Hāwea Los Improvements (Water Supply)	$514,598

Statement of Financial Performance

For the financial year ended 30 June 2025	Notes	Council 2025 $'000	Council Budget $'000	Council 2024 Restated (i) $'000	Group 2025 $'000	Group 2024 Restated (i) $'000
Operating revenue						
Revenue from non-exchange transactions						
Rates revenue	2 (a)	147,547	149,410	123,066	147,076	122,601
Other revenue	2 (a)	113,367	108,746	196,742	113,367	196,742
Revenue from exchange transactions						
Other revenue	2 (b)	62,704	55,882	53,018	126,225	105,720
Total revenue	**2 (g)**	**323,618**	**314,038**	**372,826**	**386,668**	**425,063**
Operating expenditure						
Employee benefits expense	2 (c)	54,908	54,388	48,487	64,720	57,125
Depreciation and amortisation expense	2 (d,g)	69,424	66,012	64,369	80,312	74,758
Borrowing costs	2 (e)	30,040	30,002	31,172	35,075	34,043
Other expenses	2 (f)	116,810	111,082	119,146	128,518	127,712
Total operating expenditure	**2 (g)**	**271,182**	**261,484**	**263,174**	**308,625**	**293,638**
Operating surplus before other gains/(losses)		**52,436**	**52,554**	**109,652**	**78,042**	**131,424**
Other gains/(losses)	2 (b)	1,186	1,801	(14,245)	1,055	(14,249)
Operating surplus before income tax		**53,622**	**54,355**	**95,407**	**79,097**	**117,175**
Income tax expense	3	-	-	-	11,982	16,433
Operating surplus for the year		**53,622**	**54,355**	**95,407**	**67,115**	**100,742**
Operating surplus attributable to:						
- Council	20	53,622	54,355	95,407	59,768	96,620
- Non-controlling interest	21	-	-	-	7,347	4,122
Operating surplus for the year		**53,622**	**54,355**	**95,407**	**67,115**	**100,742**

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

(i) Refer to Note 35

Statement of Other Comprehensive Revenue and Expense

For the financial year ended 30 June 2025	Notes	Council 2025 $'000	Council Budget $'000	Council 2024 Restated (i) $'000	Group 2025 $'000	Group 2024 Restated (i) $'000
Surplus/(Deficit) for the year		53,622	54,355	95,407	67,115	100,742
Other comprehensive revenue and expense						
May be reclassified subsequently to revenue or expense when specific conditions are met						
Gain/(loss) on revaluation	19 (a)	64,530	136,142	(9,732)	127,469	(9,732)
Income tax relating to revaluation	19 (a)	-	-	-	(5,885)	-
Gain/(loss) on cash flow hedging	19 (d)	-	-	-	(1,086)	(239)
Realised gain/ (losses) transferred to the statement of financial performance	19 (d)	-	360	-	-	-
Income tax relating to cash flow hedging	19 (d)	-	-	-	304	87
Total Comprehensive Revenue and Expense		**118,152**	**190,857**	**85,675**	**187,917**	**90,858**
Attributable to:						
- Council		118,152	190,857	85,675	166,508	86,774
- Non-controlling interest		-	-	-	21,409	4,084
Total Comprehensive Revenue and Expense		**118,152**	**190,857**	**85,675**	**187,917**	**90,858**

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

(i) Refer to Note 35

Statement of Financial Position

As at 30 June 2025	Notes	Council 2025 $'000	Council Budget $'000	Council 2024 Restated (i) $'000	Group 2025 $'000	Group 2024 Restated (i) $'000
Current assets						
Cash and cash equivalents	28	6,276	3,500	8,031	7,362	9,742
Trade and other receivables from non-exchange transactions	6	15,360	16,253	18,073	15,360	18,073
Trade and other receivables from exchange transactions	6	18,644	11,331	20,755	22,792	24,595
Inventories	11	80	59	78	80	78
Other financial assets	7	-	614	2,984	-	3,375
Other current assets	8	4,948	10,157	9,634	5,522	10,179
Asset held for Sale		5,259	4,928	5,531	5,259	5,531
Total current assets		**50,567**	**46,842**	**65,086**	**56,375**	**71,573**
Non-current assets						
Investment in subsidiaries	25	5,412	5,412	5,412	-	-
Other financial assets	7	19,328	16,761	12,708	19,328	13,081
Property, plant and equipment	10	3,260,075	3,426,450	3,083,595	3,872,291	3,600,482
Intangible assets	12	8,948	12,173	7,557	14,061	10,308
Investment property	13	56,545	66,134	54,210	56,545	54,210
Development property	9	19,555	19,372	19,501	19,555	19,501
Total non-current assets		**3,369,863**	**3,546,302**	**3,182,983**	**3,981,780**	**3,697,583**
Total assets		**3,420,430**	**3,593,144**	**3,248,069**	**4,038,155**	**3,769,156**
Current liabilities						
Trade and other payables from exchange transactions	14	40,546	52,427	48,146	56,677	51,117
Borrowings	15	192,846	198,414	145,468	245,846	145,468
Other financial liabilities	16	1,184	-	-	1,285	-
Other current liabilities	17	6,361	10,285	8,246	6,361	8,246
Employee entitlements	18	4,676	3,788	3,985	6,532	5,771
Current tax payable	3 (c)	-	-	-	6,106	11,573
Total current liabilities		**245,613**	**264,914**	**205,845**	**322,807**	**222,175**

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

(i) Refer to Note 35

Statement of Financial Position continued

As at 30 June 2025	Notes	Council 2025 $'000	Council Budget $'000	Council 2024 Restated (i) $'000	Group 2025 $'000	Group 2024 Restated (i) $'000
Non-current liabilities						
Borrowings	15	517,825	462,966	505,370	517,825	537,870
Other financial liabilities	16	1,986	-	-	2,206	-
Deferred tax liabilities	3 (d)	-	-	-	34,753	31,166
Total non-current liabilities		**519,811**	**462,966**	**505,370**	**554,784**	**569,036**
Total liabilities		**765,424**	**727,880**	**711,215**	**877,591**	**791,211**
Net assets		**2,655,006**	**2,865,264**	**2,536,854**	**3,160,564**	**2,977,945**
Equity						
Reserves	19	1,742,145	1,838,035	1,653,341	2,036,988	1,905,974
Accumulated funds	20	912,861	1,027,229	883,513	994,951	959,456
Total equity attributable to Council		**2,655,006**	**2,865,264**	**2,536,854**	**3,031,939**	**2,865,430**
Non-controlling interest	21	-	-	-	128,625	112,514
Total equity		**2,655,006**	**2,865,264**	**2,536,854**	**3,160,564**	**2,977,945**

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

(i) Refer to Note 35



GLYN LEWERS
Mayor
Queenstown Lakes District Council
9 October 2025



MIKE THEELEN
Chief Executive
Queenstown Lakes District Council
9 October 2025

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 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**
For the year ended 30 June 2024 Restated (i)									
Balance at 1 July 2023	19/20	1,638,122	21,000	22,425	-	769,632	2,451,179	-	2,451,179
Total comprehensive revenue and expense for the year (Restated) (i)	19/20	(9,732)	-	-	-	95,407	85,675	-	85,675
Transfers from/(to) accumulated funds	19/20	1,060	(9,971)	(9,563)	-	18,474	-	-	-
Balance at 30 June 2024 Restated		**1,629,450**	**11,029**	**12,862**	**-**	**883,513**	**2,536,854**	**-**	**2,536,854**

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 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**
For the year ended 30 June 2024 Restated (i)									
Balance at 1 July 2023	19/20	1,890,345	21,000	22,425	527	843,947	2,778,244	112,148	2,890,392
Total comprehensive revenue and expense for the year (Restated) (i)	19/20	(9,732)	-	-	(116)	97,035	87,187	4,083	91,270
Dividends paid	21	-	-	-	-	-	-	(3,717)	(3,717)
Transfers from/(to) accumulated funds	19/20	1,060	(9,971)	(9,563)	-	18,474	-	-	-
Balance at 30 June 2024 Restated		**1,881,673**	**11,029**	**12,862**	**411**	**959,456**	**2,865,431**	**112,514**	**2,977,945**

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

(i) Refer to Note 35

Statement of Cash Flows

For the financial year ended 30 June 2025	Notes	Council 2025 $'000	Council Budget $'000	Council 2024 $'000	Group 2025 $'000	Group 2024 $'000
Cash flows from operating activities						
Receipts from customers		259,227	314,025	242,440	338,790	311,095
Interest received		960	-	1,526	1,087	1,643
Dividend received		15,906	10,737	11,158	-	-
Payments to suppliers and employees		(173,608)	(190,291)	(161,982)	(197,470)	(178,899)
Finance costs paid		(32,717)	(30,002)	(35,463)	(35,212)	(38,342)
Income tax paid		-	-	-	(16,984)	(9,981)
Net GST (payment) /receipt		(124)	-	136	(124)	136
Net cash inflow/(outflow) from operating activities	**28 (c)**	**69,644**	**104,469**	**57,815**	**90,087**	**85,652**
Cash flows from investing activities						
Purchase of investments		(3,946)	-	(2,089)	(3,946)	(2,089)
Purchase of property, plant and equipment		(125,283)	(146,736)	(168,491)	(159,045)	(184,066)
Purchase of intangible assets		(4,496)	-	(4,636)	(7,004)	(5,684)
Proceeds from sale of property, plant and equipment		2,493	-	-	2,493	-
Net cash inflow/(outflow) from investing activities		**(131,232)**	**(146,736)**	**(175,216)**	**(167,502)**	**(191,839)**
Cash flows from financing activities						
Proceeds from borrowings		317,786	241,277	253,758	338,286	253,758
Repayment of borrowings		(257,953)	(198,414)	(129,652)	(257,953)	(136,652)
Dividends paid		-	-	-	(5,299)	(3,717)
Net cash inflow /(outflow) from financing activities		**59,833**	**42,863**	**124,106**	**75,034**	**113,389**
Net increase/(decrease) in cash and cash equivalents		(1,755)	596	6,705	(2,381)	7,201
Cash and cash equivalents at the beginning of the financial year		8,031	2,904	1,326	9,743	2,541
Cash and cash equivalents at the end of the financial year		**6,276**	**3,500**	**8,031**	**7,362**	**9,742**
Represented by:						
Cash and cash equivalents		6,276	3,500	8,031	7,362	9,742
Cash and cash equivalents at the end of the financial year		**6,276**	**3,500**	**8,031**	**7,362**	**9,742**

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 2025. The financial statements were authorised for issue by Council on 9 October 2025.

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

Standards issued and effective for the current year which are relevant to the Council and Group are:

- Disclosure of Fees for Audit Firms' services (Amendments to PBE IPSAS 1) has been adopted in the preparation of these financial statements. The amendment changes the required disclosures for fees for services provided by the audit provider including a requirement to disaggregate the fees into specific categories. Refer to Note 5.

The Council has assessed the effect of the new standards to be only minor in impact.

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 valuation which is optimised depreciated replacement cost value as at 30 June 2024 by WSP New Zealand Limited, independent valuers. The valuation has been undertaken using information at 30 June 2023 with additions subsequent to that date recorded at cost. An assessment of fair value has been conducted in the current year which has shown that the carrying value does materially approximate fair value at 30 June 2025.

Roads, bridges and lighting

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 that date have been recorded at cost.

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.

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 2025.

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 3.1% to 4.4%. 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	
	2025	2024 Restated (i)	2025	2024 Restated (i)
	$'000	$'000	$'000	$'000
Revenue from non-exchange transactions consisted of the following items:				
Rates revenue:				
General rates	7,736	6,801	7,731	6,796
Targeted rates	139,811	116,265	139,345	115,805
Total rates revenue	**147,547**	**123,066**	**147,076**	**122,601**
Other revenue:				
User charges - subsidised	8,474	7,862	8,474	7,862
Development contributions	16,714	27,485	16,714	27,485
Grants and subsidies	22,538	37,935	22,538	37,935
Vested assets	52,930	113,120	52,930	113,120
Other revenue	12,711	10,340	12,711	10,340
Total other revenue	**113,367**	**196,742**	**113,367**	**196,742**

(i) Refer to Note 35

2. Surplus from Operations continued

(b) Revenue from exchange transactions

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Revenue from exchange transactions consisted of the following items:				
Other revenue:				
User charges - full cost recovery	37,448	32,841	46,595	40,821
Landing dues	-	-	46,916	34,764
Dividend income	15,906	11,158	-	-
Operating lease rental revenue	2,123	2,007	25,533	23,128
Other revenue - full cost recovery	6,252	5,476	6,206	5,471
Finance Income:				
Bank deposits	960	1,526	960	1,526
Inland Revenue Department	15	10	15	10
Total other revenue	**62,704**	**53,018**	**126,225**	**105,720**
Other gains/(losses)				
Gain/(loss) on revaluation of investment property	3,460	1,060	3,460	1,060
Gain/(loss) on disposal of development property	-	-	-	-
Gain/(loss) on disposal of property, plant and equipment	1,205	(15,142)	1,205	(15,142)
Gain/(loss) in fair value of forestry assets	-	-	-	-
Gain/(loss) in fair value of derivative financial instruments classified at fair value through profit or loss	(3,479)	(163)	(3,610)	(167)
Total other gains/(losses)	**1,186**	**(14,245)**	**1,055**	**(14,249)**

2. Surplus from Operations continued

	Notes	Council 2025 $'000	Council 2024 $'000	Group 2025 $'000	Group 2024 $'000
(c) Employee benefits expense					
Salaries and wages		53,448	47,168	63,020	55,615
Defined contribution plan employer contributions		1,460	1,319	1,700	1,510
Total employee benefits expense		**54,908**	**48,487**	**64,720**	**57,125**
(d) Depreciation and amortisation expense					
Depreciation of property, plant and equipment	10	66,319	62,131	77,060	72,402
Amortisation of intangible assets	12	3,105	2,238	3,252	2,356
Total depreciation and amortisation expense		**69,424**	**64,369**	**80,312**	**74,758**
(e) Finance costs					
Interest on loans		30,040	31,172	35,075	34,043
Total finance costs		**30,040**	**31,172**	**35,075**	**34,043**
(f) Other expenses					
Increase/(decrease) in allowance for doubtful debts		684	742	684	742
Bad debts written off		791	666	791	666
Operating lease rental expenses:					
Minimum lease payments		2,893	3,502	2,893	3,502
Legal claims against Council		1,216	2,680	1,216	2,680
Professional Services		5,854	6,593	9,559	8,844
Maintenance expenditure		61,387	60,852	62,432	61,705
Operating expenses		43,985	44,111	50,943	49,573
Total other expenses		**116,810**	**119,146**	**128,518**	**127,712**

2. Surplus from Operations continued

	Council	
	2025	2024
For the financial year ended 30 June 2025	**$'000**	**$'000**
(g) Summary cost of services by group of activity (Council only)		
(i) Revenue*		
Local Democracy	17,449	11,750
Community	19,994	24,340
Economy	7,629	3,340
Environmental	9,678	8,610
Transport	46,377	65,601
Water Supply	26,157	27,856
Storm Water	23,106	27,953
Waste Water	22,607	22,295
Regulatory	16,251	14,861
Waste Management	13,819	11,360
Other	(26,971)	18,537
Targeted rates	141,239	117,567
General rates	7,736	6,801
Internal rates	(1,453)	(1,302)
Total revenue	**323,618**	**359,569**
(ii) Expenditure*		
Local Democracy	10,749	7,158
Community	51,871	53,033
Economy	25,139	26,098
Environmental	17,369	18,737
Transport	49,470	44,712
Water Supply	24,889	24,161
Storm Water	12,828	12,470
Waste Water	36,164	35,696
Regulatory	19,670	20,237
Waste Management	24,019	20,942
Other	467	1,232
Internal rates	(1,453)	(1,302)
Total operating expenditure	**271,182**	**263,174**

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

	Council	
	2025	2024
For the financial year ended 30 June 2025	**$'000**	**$'000**
(iii) Depreciation and amortisation expense		
Local Democracy	21	21
Community	6,784	6,619
Economy	649	226
Environment	-	-
Roading and Parking	25,083	22,686
Water Supply	10,464	9,405
Stormwater	9,487	8,981
Wastewater	14,689	14,418
Regulatory	294	236
Waste Management	633	474
Other	1,320	1,303
Total depreciation and amortisation expense	**69,424**	**64,369**

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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Tax expense/(income) comprises:				
Current tax expense/(credit):				
Current year	-	-	13,896	10,564
Adjustments for prior years	-	-	-	-
Total current tax expense/(credit)	**-**	**-**	**13,896**	**10,564**
Deferred tax expense/(credit):				
Origination and reversal of temporary differences	-	-	(1,969)	5,865
Amortisation of tax component of derivatives	-	-	-	-
Adjustments for prior years	-	-	55	4
Total deferred tax expense/(credit)	**-**	**-**	**(1,914)**	**5,869**
Total tax expense/(income)	**-**	**-**	**11,982**	**16,433**
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	53,622	95,407	79,097	117,175
Income tax expense calculated at 28%	15,014	26,714	26,302	32,222
Non assessable income and expenses	(15,014)	(26,714)	(13,973)	(23,014)
Reversal of temporary difference	-	-	(402)	7,158
Amortisation of tax component of derivatives	-	-	55	67
Income tax expense/(credit)	**-**	**-**	**11,982**	**16,433**

The tax rate used in the above reconciliation is the corporate tax rate of 28% (2024: 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 $5,635K 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 (2024: -$59K).

(c) Current tax assets and liabilities

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Current tax payable:				
Current tax payable	-	-	6,106	11,573

(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
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**

	Group			
	Opening balance	Charged to income	Charged to other comprehensive income	Closing balance
2024	**$'000**	**$'000**	**$'000**	**$'000**
Gross deferred tax (asset)/liability:				
Property, plant and equipment	24,226	6,421	-	30,647
Intangible assets	498	4	-	502
Employee entitlements	(156)	(41)	-	(197)
Derivatives	273	-	(59)	214
Trade and other payables	(38)	38	-	-
Trade and other receivables	272	(272)	-	-
Gross deferred tax asset/(liability)	**25,075**	**6,150**	**(59)**	**31,166**

3. Income taxes continued

On 28 March 2024, the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Act passed into law. The Act removed depreciation deductions for tax purposes for commercial long-life buildings with an estimated useful life of 50 years or more, with effect from the 2024/25 income tax year. Application of the change in tax law was required to be reflected in the Group's FY24 tax balances as the legislation was enacted prior to balance date.

The effect of this change is to recognise additional deferred tax liability of $6.74m with the change impacting tax expense in the 30 June 2024 period.

(e) Imputation Credit Account Balances	Council		Group	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Balance at the beginning of year	589	589	34,333	25,945
Attached to dividends received	4,454	-	-	-
Taxation paid	-	-	16,984	9,981
Imputation credits on dividends paid	-	-	(1,484)	(1,593)
Prior year adjustment	3,124	-	(1,041)	-
Balance at end of year	**8,167**	**589**	**48,792**	**34,333**
Imputation credits available directly and indirectly to Council through:				
Council	8,167	589	8,167	589
Subsidiaries	-	-	40,625	33,744
Balance at end of year	**8,167**	**589**	**48,792**	**34,333**

4. Key Management Personnel Compensation

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Councillors				
Remuneration	820	786	820	786
Full-time equivalent members	16	16	16	16
Senior Management Team, including Chief Executive				
Remuneration	2,059	1,985	4,417	4,050
Full-time equivalent members	7	7	15	15
Directors' fees	-	-	334	341
Total key management personnel compensation	**2,879**	**2,771**	**5,571**	**5,177**

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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Audit of the annual report	329	323	426	418
Audit or review related services:				
Assurance engagement in relation to the Debenture Trust Deed	9	9	9	9
Audit of the 2024-2034 Long term plan	-	165	-	165
Audit of disclosure financial statements	-	-	33	36
Other assurance services and other agreed-upon procedure engagements:				
Agreed upon procedures for sustainability linked loans	-	-	3	-
Total fees incurred for services provided by the audit firm	**338**	**497**	**471**	**628**

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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
From non-exchange transactions				
Trade receivables (i)	4,966	7,391	4,966	7,391
Infringement receivables (i)	3,345	2,856	3,345	2,856
Rates receivables (i)	7,631	7,796	7,631	7,796
New Zealand Transport Agency	1,830	2,211	1,830	2,211
Other (i)	201	85	201	85
Expected credit loss allowance (ii)	(2,613)	(2,265)	(2,613)	(2,265)
Total receivables from non-exchange transactions	**15,360**	**18,073**	**15,360**	**18,073**
From exchange transactions				
Trade receivables (i)	10,440	11,945	14,477	15,565
Other (i)	9,889	10,239	10,012	10,460
Expected credit loss allowance (ii)	(1,685)	(1,429)	(1,697)	(1,430)
Total receivables from exchange transactions	**18,644**	**20,755**	**22,792**	**24,595**
Total trade and other receivables	**34,004**	**38,828**	**38,152**	**42,668**

(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)	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Current (0-30 days)	19,288	23,323	23,437	26,510
31-60 days *	761	2,673	806	2,837
61-90 days *	542	679	571	955
90 days + *	5,782	4,357	5,707	4,570
Total receivables excluding rates	**26,373**	**31,032**	**30,521**	**34,872**
Rates receivables				
Current (0-30 days)	1,599	2,772	1,599	2,772
31 days - 1 year *	5,112	3,939	5,112	3,939
1 year + *	920	1,085	920	1,085
Total rates receivables	**7,631**	**7,796**	**7,631**	**7,796**
Total trade and other receivables	**34,004**	**38,828**	**38,152**	**42,668**

* Amounts are considered past due.

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Disclosed in the financial statements as:				
Current				
Exchange transactions	18,644	20,755	22,792	24,595
Non-exchange transactions	15,360	18,073	15,360	18,073
Non-current				
Exchange transactions	-	-	-	-
Total trade and other receivables	**34,004**	**38,828**	**38,152**	**42,668**

(iii)

Movement in the expected credit loss allowance:				
Balance at beginning of year	(3,694)	(2,962)	(3,695)	(3,197)
Amounts written off during year	791	666	791	666
Amounts recovered during year	-	-	-	-
Additional allowance recognised in Statement of Financial Performance	(1,395)	(1,398)	(1,406)	(1,164)
Balance at end of year	**(4,298)**	**(3,694)**	**(4,310)**	**(3,695)**

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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Other investments held	18,368	13,938	18,368	14,311
Advances to community organisations	960	960	960	960
Interest rate swaps (i)	-	794	-	1,185
Total other financial assets	**19,328**	**15,692**	**19,328**	**16,456**
Represented by:				
Current	-	2,984	-	3,375
Non-current	19,328	12,708	19,328	13,081
Total other financial assets	**19,328**	**15,692**	**19,328**	**16,456**

(i) Refer to Note 16: Other Financial Liabilities

8. Other current assets

	Council			
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Prepayments	4,948	9,634	5,522	10,179
Total other current assets	**4,948**	**9,634**	**5,522**	**10,179**

9. Development Property

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Land	16,684	16,684	16,684	16,684
Work in progress	2,871	2,818	2,871	2,818
Total development property	**19,555**	**19,501**	**19,555**	**19,501**

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. It is expected that ground works will begin in 2025/26. The Whakatipu Transport Programme Alliance Lakeview Infrastructure programme was issued practical completion in July 2024, effective March 2024.
There are also Lakeview related balances included in investment property, PPE and land held for sale

10. Property, plant and equipment

Council 2025

	Cost/ valuation 1-Jul-24 Restated [vi] $'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 [vi]	39,550	-	-	-	7,075	46,625	-	-	-	-	-	46,625
Buildings [vi]	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 136

(vi) Refer to Note 35

10. Property, plant and equipment continued

Group 2025

	Cost/ valuation 1-Jul-24 Restated [vi]	Additions	Disposals/ write offs	Transfers	Revaluations	Cost/ valuation 30-Jun-25	Accumulated depreciation and impairment charges 1-Jul-24	Accumulated depreciation and impairment charges reversed on revaluation	Depreciation expense	Accumulated depreciation reversed on disposal	Accumulated depreciation and impairment charges 30-Jun-25	Carrying amount 30-Jun-25
	$'000s	$'000s	$'000s	$'000s	$'000s	$'000s	$'000s	$'000s	$'000s	$'000s	$'000s	$'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 [vi]	39,550	-	-	-	7,075	46,625	-	-	-	-	-	46,625
Buildings [vi]	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] [iv]	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]	621,912	45,079	(28)	-	-	666,963	(576)	-	(14,097)	-	(14,673)	652,290
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	**2,751,751**	**155,010**	**(935)**	**-**	**11,092**	**2,916,918**	**(24,352)**	**45,813**	**(57,180)**	**2**	**(35,717)**	**2,881,201**
Total Group property, plant and equipment	**3,760,655**	**221,574**	**(1,858)**	**1,125**	**81,657**	**4,063,153**	**(160,174)**	**45,813**	**(77,060)**	**557**	**(190,864)**	**3,872,291**

(i), (ii), (iii), (iv), (v) refer to explanatory notes on page 136

(vi) Refer to Note 35

10. Property, plant and equipment continued

Council 2024 Restated [vi]	Cost/ valuation 1-Jul-23 Restated [vi] $'000s	Additions Restated [vi] $'000s	Disposals/ write offs $'000s	Transfers $'000s	Revaluations $'000s	Cost/ valuation 30-Jun-24 Restated [vi] $'000s	Accumulated depreciation and impairment charges 1-Jul-23 $'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-24 $'000s	Carrying amount 30-Jun-24 Restated [vi] $'000s
Operational assets												
At cost												
Land [i]	127,856	3,824	(317)	-	-	131,363	-	-	-	-	-	131,363
Buildings	104,209	(292)	-	-	-	103,917	(26,617)	(2,194)	-	-	(28,811)	75,106
Building improvements	85,486	21,820	-	-	-	107,306	(34,944)	(3,395)	-	-	(38,339)	68,967
Plant and machinery	21,337	2,588	-	-	-	23,925	(10,970)	(1,530)	-	-	(12,500)	11,425
Motor vehicles	628	565	-	-	-	1,193	(251)	(141)	-	-	(392)	801
Furniture and office equipment	9,336	164	-	-	-	9,500	(6,549)	(471)	-	-	(7,020)	2,480
Computer equipment	5,764	293	-	-	-	6,057	(4,807)	(414)	-	-	(5,221)	836
Library books	5,869	367	-	-	-	6,236	(4,496)	(180)	-	-	(4,676)	1,560
Total operational assets	**360,485**	**29,329**	**(317)**	**-**	**-**	**389,497**	**(88,634)**	**(8,325)**	**-**	**-**	**(96,959)**	**292,537**
Campground assets												
At fair value												
Land [v]	37,950	-	-	-	1,600	39,550	-	-	-	-	-	39,550
Buildings [v]	12,175	-	-	-	-	12,175	-	-	-	-	-	12,175
Total campground assets	**50,125**	**-**	**-**	**-**	**1,600**	**51,725**	**-**	**-**	**-**	**-**	**-**	**51,725**
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]	432,245	56,413	(235)	-	(14,308)	474,114	(138)	(9,064)	8,543		(660)	473,454
Sewerage [ii]	583,287	62,179	(5,605)	-	(17,950)	621,910	(158)	(14,048)	13,596	33	(576)	621,334
Stormwater [ii]	406,195	52,599	(9,878)	-	(9,364)	439,552	(80)	(8,553)	8,347	48	(239)	439,313
Roading [iii]	1,135,671	80,502		-	-	1,216,173	(737)	(22,140)			(22,877)	1,193,296
Total infrastructural assets	**2,557,398**	**251,693**	**(15,719)**	**-**	**(41,623)**	**2,751,749**	**(1,113)**	**(53,805)**	**30,486**	**81**	**(24,352)**	**2,727,398**
Total Council property, plant and equipment	**2,979,943**	**281,022**	**(16,036)**	**-**	**(40,023)**	**3,204,906**	**(89,747)**	**(62,130)**	**30,486**	**81**	**(121,311)**	**3,083,595**

(i), (ii), (iii), (v) refer to explanatory notes on page 136

(vi) Refer to Note 35

10. Property, plant and equipment continued

Group 2024 Restated [vi]

	Cost/ valuation 1-Jul-23 Restated [vi] $'000s	Additions Restated [vi] $'000s	Disposals/ write offs $'000s	Transfers $'000s	Revaluations $'000s	Cost/ valuation 30-Jun-24 Restated [vi] $'000s	Accumulated depreciation and impairment charges 1-Jul-23 $'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-24 $'000s	Carrying amount 30-Jun-24 Restated [vi] $'000s
Operational assets												
At cost												
Land [i]	127,856	3,824	(317)	-	-	131,363	-	-	-	-	-	131,363
Buildings	103,796	121	-	-	-	103,917	(26,617)	-	(2,194)	-	(28,811)	75,106
Building improvements	85,486	21,820	-	-	-	107,306	(34,944)	-	(3,395)	-	(38,339)	68,967
Plant and machinery	51,081	8,658	(176)	-	-	59,563	(30,517)	-	(3,494)	-	(34,011)	25,552
Motor vehicles	628	565	-	-	-	1,193	(251)	-	(141)	-	(392)	801
Furniture and office equipment	9,336	164	-	-	-	9,500	(6,549)	-	(471)	-	(7,020)	2,480
Computer equipment	5,764	293	-	-	-	6,057	(4,807)	-	(414)	-	(5,221)	836
Library books	5,869	367	-	-	-	6,236	(4,496)	-	(180)	-	(4,676)	1,560
Total operational assets	**389,816**	**35,812**	**(493)**	**-**	**-**	**425,135**	**(108,181)**	**-**	**(10,289)**	**-**	**(118,470)**	**306,665**
Campground assets												
At fair value												
Land [v]	37,950	-	-	-	1,600	39,550	-	-	-	-	-	39,550
Buildings [v]	12,175	-	-	-	-	12,175	-	-	-	-	-	12,175
Total campground assets	**50,125**	**-**	**-**	**-**	**1,600**	**51,725**	**-**	**-**	**-**	**-**	**-**	**51,725**
Airport assets												
At fair value												
Land [i], [iv]	330,667	-	-	-	-	330,667	-	-	-	-	-	330,667
Land Improvements [iv]	15,243	753	-	-	-	15,996	(170)	-	(216)	-	(386)	15,610
Buildings [iv] [v]	105,749	4,256	(10)	-	-	109,995	(4,093)	-	(4,741)	-	(8,834)	101,161
Airport runways, Taxiways & Aprons [i] [i	51,327	2,314	-	-	-	53,641	(3,642)	-	(2,141)	-	(5,783)	47,858
Roading and carparking [iv], [v]	21,407	338	-	-	-	21,745	(1,139)	-	(1,210)	-	(2,349)	19,396
Total airport assets	**524,393**	**7,661**	**(10)**	**-**	**-**	**532,044**	**(9,044)**	**-**	**(8,308)**	**-**	**(17,352)**	**514,692**
Infrastructural assets												
At fair value												
Water supply [ii]	432,245	56,413	(235)	-	(14,308)	474,114	(138)	8,543	(9,064)	-	(660)	473,454
Sewerage [ii]	583,289	62,179	(5,605)	-	(17,950)	621,912	(158)	13,596	(14,048)	33	(576)	621,336
Stormwater [ii]	406,195	52,599	(9,878)	-	(9,364)	439,552	(80)	8,347	(8,553)	48	(239)	439,313
Roading [iii]	1,135,671	80,502	-	-	-	1,216,173	(737)	-	(22,140)	-	(22,877)	1,193,296
Total infrastructural assets	**2,557,400**	**251,693**	**(15,719)**	**-**	**(41,623)**	**2,751,751**	**(1,113)**	**30,486**	**(53,805)**	**81**	**(24,352)**	**2,727,400**
Total Group property, plant and equipment	**3,521,734**	**295,166**	**(16,222)**	**-**	**(40,023)**	**3,760,655**	**(118,338)**	**30,486**	**(72,402)**	**81**	**(160,174)**	**3,600,482**

(i), (ii), (iii), (iv), (v) refer to explanatory notes on page 136

(vi) Refer to Note 35

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 2024 by WSP New Zealand Limited, independent valuers. The valuation is determined using asset information from 30 June 2023 with additions subsequent to 1 July 2024 at cost. A carrying value assessment was completed this financial year which concluded that the carrying values as at 30 June 2025 were fair value.

(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 category were revalued at 30 June 2025. Additions subsequent to 1 July 2024 are at cost. This was completed by Beca Valuations Limited (Beca).

(iv) Land, buildings, roading and car parking owned by QAC were independently valued by JLL, registered valuers, as at 30 June 2025. Additions subsequent to 1 July 2024 are at cost.

(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 2025.

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 2024 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 2024. Capital additions and vested additions for 2023/24 were valued separately and therefore excluded. Unit rates were reviewed and updated using recent construction schedules and average cost data. Overall the replacement costs for Three Waters assets at QLDC have increased by 2.3% since the 2023 valuation.
A carrying value assessment was undertaken in the current year which concluded that the carrying value of the assets approximated fair value.

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 2025 $'000	Council 2024 $'000	Group 2025 $'000	Group 2024 $'000
Land	-	5	1,229	446
Buildings	5,992	4,734	11,123	8,323
Building Improvements	7,360	4,730	7,360	4,730
Plant and equipment	17	-	2,313	564
Airport runway	-	-	2,120	1,193
Water supply	41,213	32,120	41,213	32,120
Sewerage	73,479	45,224	73,479	45,224
Stormwater	5,385	12,003	5,385	12,003
Roading & carparking	144,835	147,899	145,660	147,909
Foreshore Structures	103	197	103	197
Total assets under construction	**278,384**	**246,912**	**289,985**	**252,709**

11. Inventories

	Council		Group	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Stock held at community facilities	80	78	80	78
Total Inventories	**80**	**78**	**80**	**78**

12. Intangible assets

Finite life intangible assets

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Gross carrying amount				
Balance at beginning of year	23,884	19,249	30,098	24,416
Additions	4,495	4,635	7,006	5,683
Balance at end of year	**28,378**	**23,884**	**37,103**	**30,099**
Accumulated amortisation & impairment				
Balance at beginning of year	16,327	14,089	19,790	17,434
Amortisation expense (i)	3,105	2,238	3,252	2,356
Impairment	-	-	-	-
Transfer to property, plant and equipment	-	-	-	-
Net book value	**8,948**	**7,557**	**14,061**	**10,309**

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

The gross carrying amount of $37,103,000 for the Group comprises:

- The finite life intangible asset of $28,378,000 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 $8,722,000 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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Balance at beginning of year	54,210	53,150	54,210	53,150
Disposals	-	-	-	-
Transfer to development property	-	-	-	-
Transfer to land reserves	(1,125)	-	(1,125)	-
Net gain/(loss) from fair value adjustments	3,460	1,060	3,460	1,060
Balance at end of year	**56,545**	**54,210**	**56,545**	**54,210**

The fair value of the Council's investment property at 30 June 2025 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.

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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Trade payables (i)	21,209	29,108	24,276	31,645
Other accrued charges	12,299	11,649	25,363	12,083
Deposits and bonds	7,037	7,389	7,037	7,389
Total trade and other payables	**40,546**	**48,146**	**56,677**	**51,117**

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

Significant judgements and uncertainties

QAC is currently involved in a dispute with Remarkables Park Limited (RPL) regarding the amount of compensation payable for the compulsory acquisition of land, with the matter currently before the Land Valuation Tribunal (LVT). The dispute arises from differences in the property valuations.

During the year ending 30 June 2021, QAC paid $18.34 million in compensation for land known as 'Lot 6', which had been acquired under the Public Works Act 1981 (PWA) in 2019. The previous owner (RPL) subsequently indicated that it would seek additional compensation under the PWA. In July 2023, QAC received a claim for further compensation. QAC lodged this claim with the court in November 2023, and the matter was referred to the LVT. In 2024, following receipt of an updated claim from RPL and considering recent case law and forthcoming evidence exchange between the parties, QAC determined that its valuation should be based on an alternative valuation methodology to that previously used by its valuers. QAC's revised value range is between $26.2 million and $27.7 million (inclusive of the $18.34 million already paid), whereas RPL's claim stands at $73.5 million. The LVT hearing concluded in April 2025, but a decision on the compensation payable is yet to be released. The matter remains unresolved as at 30 June 2025.

As at 30 June 2025, QAC has recognised a provision in relation to this dispute, as management considers it probable that additional compensation will be required. This provision is based on difference between original amount paid and revised valuation of land, as determined by independent external valuations obtained by QAC and submitted to LVT. The asset valuation recorded at June reflects this revised valuation. The provision also includes an estimate of 'use of money' interest that would be payable should LVT adopt QAC valuation. The level of compensation that will be determined by LVT outcome remains highly uncertain.

15. Borrowings

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
At amortised cost				
Bank borrowings (secured) (ii), (iii)	-	-	53,000	32,500
Bonds (secured) (iv), (v)	702,000	645,000	702,000	645,000
Other borrowings (iv)	8,671	5,838	8,671	5,838
Total borrowings	**710,671**	**650,838**	**763,671**	**683,338**
Disclosed in the financial statements as:				
Current (i)	192,846	145,468	245,846	145,468
Non-current	517,825	505,370	517,825	537,870
Total borrowings	**710,671**	**650,838**	**763,671**	**683,338**

(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 (2024: $279.1M). Nil bank borrowings were drawn down by Council as at 30 June 2025 (2024: NIL).

(iii) Queenstown Airport Corporation Ltd (QAC) loans of $53.0M (2024: $32.5M) are secured by a first debenture charge over QAC assets and also a registered first mortgage over all QAC property.

(iv) The Council has 6 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 2025 was $8.67M (2024: $5.83M).

(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.

Uncalled capital

As at 30 June 2024, the Council is one of 31 local authority shareholders and 71 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 2025, NZLGFA had borrowings totaling $25,530M (2024: $23,030M).
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 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%**

NZLGFA Bonds list as at 30 June 2024:

Principal $'000	Date of Drawndown	Date of Maturity	Effective Interest Rate
5,000	28/02/2024	28/08/2024	4.9650%
50,000	28/02/2024	28/08/2024	5.9000%
20,000	19/04/2024	28/08/2024	5.7850%
10,000	08/08/2018	08/08/2024	4.9650%
10,000	03/09/2019	15/04/2025	6.2500%
10,000	20/12/2021	15/04/2025	5.8700%
20,000	19/12/2022	15/04/2025	5.5000%
10,000	06/03/2023	15/04/2025	6.0600%
10,000	08/02/2022	15/04/2025	2.9000%
10,000	14/08/2023	15/04/2025	5.9550%
10,000	28/09/2015	16/09/2025	4.2950%
10,000	15/03/2017	15/03/2026	4.1475%
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	5.9900%
15,000	11/03/2024	15/04/2026	6.1600%
10,000	20/08/2020	17/05/2026	6.3250%
10,000	17/05/2021	15/04/2027	3.1350%
10,000	20/08/2020	15/04/2027	1.0200%
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	6.2700%
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	6.2225%
10,000	19/12/2022	15/05/2028	6.2725%
10,000	13/11/2023	15/05/2028	6.3700%
20,000	17/04/2023	15/05/2028	5.6720%
20,000	15/04/2024	15/05/2028	6.3400%
10,000	20/12/2021	20/04/2029	6.1200%
10,000	15/08/2022	20/04/2029	6.2850%
10,000	13/06/2022	20/04/2029	6.1550%
10,000	19/12/2022	20/04/2029	6.3500%
10,000	12/07/2021	20/04/2029	2.0675%
10,000	06/03/2023	15/04/2029	5.0550%
10,000	15/05/2023	15/04/2029	4.9621%
20,000	10/07/2023	15/04/2029	5.5241%
15,000	11/03/2024	15/04/2029	5.2360%
20,000	04/06/2024	15/04/2029	6.2906%
20,000	19/12/2022	15/04/2030	6.3690%
10,000	17/04/2023	15/05/2030	6.5020%
10,000	15/05/2023	15/05/2030	6.4240%
20,000	11/12/2023	15/05/2030	6.4300%
645,000			**5.1782%**

16. Other financial liabilities

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Interest rate swaps (i)	3,170	-	3,403	-
Foreign exchange forward contracts	-	-	88	-
Total other financial liabilities	**3,170**	**-**	**3,491**	**-**
Disclosed in the financial statements as:				
Current	1,184	-	1,285	-
Non-current	1,986	-	2,206	-
Total other financial liabilities	**3,170**	**-**	**3,491**	**-**

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

Bank Reference	Effective Date	Maturity Date	Notional Amount	Fixed Interest Rate	Fair Value of Interest
			$'000		$'000
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)
BNZ 8978458	15/03/2019	16/03/2026	10,000	3.1875%	(1)
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)**

(i) The Council holds eight interest rate swap agreements as at 30 June 2024:

Bank Reference	Effective Date	Maturity Date	Notional Amount	Fixed Interest Rate	Fair Value of Interest
			$'000		$'000
BNZ 5978699	11/12/2018	11/12/2025	10,000	3.5950%	223
BNZ 384466940	15/03/2019	16/03/2026	10,000	3.1875%	306
WBC 4205635	16/03/2015	16/09/2024	15,000	4.3550%	46
WBC 7320532	17/05/2021	17/05/2027	10,000	2.5840%	597
WBC 10743549	16/10/2023	15/05/2028	20,000	4.9620%	(293)
WBC 10687899	20/04/2025	20/04/2029	10,000	4.5680%	(117)
WBC 11077715	20/04/2026	20/04/2029	25,000	3.9450%	95
WBC 10687913	20/04/2027	20/04/2029	10,000	4.4500%	(63)
			110,000		**794**

17. Other liabilities

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Income in advance (i)	5,831	6,936	5,831	6,936
Other provisions (ii)	530	1,310	530	1,310
Total other liabilities	**6,361**	**8,245**	**6,361**	**8,245**
Disclosed in the financial statements as:				
Current	6,361	8,246	6,361	8,246
Non-current	-	-	-	-
Total other liabilities	**6,361**	**8,246**	**6,361**	**8,246**

(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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Opening balance	1,310	1,479	1,310	1,479
Increased provision	-	-	-	-
Amounts utilised	(780)	(169)	(780)	(169)
Closing balance	**530**	**1,310**	**530**	**1,310**

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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Accrued salary and wages	2,484	2,020	3,440	3,026
Annual leave	2,192	1,965	3,092	2,745
Total employee entitlements	**4,676**	**3,985**	**6,532**	**5,771**
Disclosed in the financial statements as:				
Current	4,676	3,985	6,532	5,771
Non-current	-	-	-	-

19. Reserves

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Revaluation reserve (a)	1,697,440	1,629,450	1,992,460	1,881,674
Operating reserves (b)	15,529	11,029	15,529	11,029
Capital reserves (c)	29,176	12,862	29,176	12,862
Cash flow hedge reserve (d)	-	-	(177)	409
Total reserves	**1,742,145**	**1,653,341**	**2,036,988**	**1,905,974**

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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Balance at beginning of year	1,629,450	1,638,122	1,881,674	1,890,346
Revaluation of roading assets	56,905	-	56,905	-
Revaluation of sewerage assets	-	(4,549)	-	(4,549)
Revaluation of water supply assets	-	(5,765)	-	(5,765)
Revaluation of stormwater assets	-	(1,018)	-	(1,018)
Revaluation of campground assets	7,625	1,600	7,625	1,600
Revaluation of airport assets, net of deferred tax	-	-	42,796	-
Transferred from/(to) accumulated surplus:		-	-	-
Revaluation of forestry assets	-	-	-	-
Revaluation of investment property	3,460	1,060	3,460	1,060
Balance at end of year	**1,697,440**	**1,629,450**	**1,992,460**	**1,881,674**

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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Individual reserve balances are as follows:				
Investment property	82,204	78,744	82,204	78,744
Campground assets	50,311	42,686	50,311	42,686
Forestry Assets	(120)	(120)	(120)	(120)
Roading	641,863	584,958	641,863	584,958
Sewerage	353,360	353,360	353,360	353,360
Water supply	265,036	265,036	265,036	265,036
Stormwater	294,596	294,596	294,596	294,596
Airport assets	10,190	10,190	305,210	262,414
Total revaluation reserve	**1,697,440**	**1,629,450**	**1,992,460**	**1,881,674**

(b) Operating reserves

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Balance at beginning of year	11,029	21,000	11,029	21,000
Transferred from/(to) accumulated surplus:				
Contributions	16,713	27,485	16,713	27,485
Disbursements	(12,213)	(37,456)	(12,213)	(37,456)
Balance at end of year	**15,529**	**11,029**	**15,529**	**11,029**

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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Balance at beginning of year	12,862	22,425	12,862	22,425
Transferred from/(to) accumulated surplus:				
Contributions	38,560	32,276	38,560	32,276
Disbursements -	22,246	(41,839)	(22,246)	(41,839)
Balance at end of year	**29,176**	**12,862**	**29,176**	**12,862**

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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Balance at beginning of year	-	-	409	526
Gain/(loss) recognised on cash flow hedges:	-	-	-	-
Interest rate swaps	-	-	(746)	(411)
Forward foreign exchange contracts	-	-	(68)	250
Realised losses transferred to Statement of Financial Performance	-	-	-	-
Income tax related to gains/losses recognised in other comprehensive income	-	-	228	44
Balance at end of year	**-**	**-**	**(177)**	**409**

19. Reserves continued

(e) Reserve funds held for a specific purpose

	Opening Balance 1 July 2024 $'000	Deposits $'000	Withdrawals $'000	Closing Balance 30 June 2025 $'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	11,029	16,713	12,213	15,529
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.	1,022	19,820	6,340	14,502
Transport improvement fund				
Funds set aside to subsidise public transport and the development of public transport infrastructure.	1,336	2,834	-	4,170
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.	6,130	-	-	6,130
Arrowtown endowment land reserve				
Proceeds from assets sales from Arrowtown endowment land.	1,161	-	-	1,161
Trust funds				
Funds held on behalf of various community organisations.	17	-	-	17
Queenstown Airport dividend reserve				
Unallocated portion of dividends received from QAC.	-	15,906	15,906	0
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	**23,891**	**55,273**	**34,459**	**44,705**
QAC cash flow hedge reserve	292	-	469	(177)
Total Council reserve funds	**24,183**	**55,273**	**34,928**	**44,527**

20. Accumulated funds

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Balance at beginning of year	883,513	769,632	959,456	843,947
Net Surplus	53,622	95,407	59,769	97,035
Transfers from/(to) reserves:				
Revaluation reserve	(3,460)	(1,060)	(3,460)	(1,060)
Operating reserves	(4,500)	9,971	(4,500)	9,971
Capital reserves	(16,314)	9,563	(16,314)	9,563
Balance at end of year	**912,861**	**883,513**	**994,951**	**959,456**

21. Non-controlling interest

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Balance at beginning of year	-	-	112,514	112,148
Share of surplus for year	-	-	7,347	4,122
Dividends paid	-	-	(5,298)	(3,717)
Share of other comprehensive income	-	-	14,062	(39)
Balance at end of year	**-**	**-**	**128,625**	**112,514**

22. Commitments for expenditure

(a) Capital expenditure commitments

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Queenstown Lakes District Council (i)	50,966	87,943	50,966	87,943
Queenstown Airport Corporation Limited (ii)	-	-	15,644	16,236
Balance at end of year	**50,966**	**87,943**	**66,610**	**104,179**

(i) There are a number of significant contracts progressing through the end of year process including Ka Huanui a Tahuna (Whakatipu Transport Programme Alliance) with construction continuing for the Queenstown Arterial Stage One and Lakeview Development/Queenstown Street Upgrades having recently reached practical completion. Parks & Reserves key projects Wanaka Lakefront Development Plan Stage 5 and Glenorchy Carpark & Marina Improvements are due to commence construction early in the 2024/25 year and the Coronet Forest Revegetation is underway following procurement of the planting contractor in March.

(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**

As at 30 June 2025 Council was a defendant in two building defect/leaky building legal claims. These claims have now been settled post year end within the provision that was disclosed in the annual report.

(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 2024 and 2025. 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.

Property Covenant

In March 2023, High Court proceedings were served on the Company seeking to modify a restrictive covenant registered against land owned by RPL and two other parties, south of the main runway. The covenant restricts the range of activities that land can be used for, for the benefit of the Airport land so long as it is operated as an airport. The Company has filed a defence and a hearing has been scheduled in February 2026.

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	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Not longer than 1 year	3,564	1,839	3,564	1,839
Longer than 1 year and not longer than 5 years	9,510	2,662	9,510	2,662
Longer than 5 years	11,872	-	11,872	-
Balance at end of year	**24,946**	**4,501**	**24,946**	**4,501**

(c) Non-cancellable operating lease receipts

	Council		Group	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Not longer than 1 year	8,212	6,520	24,988	24,107
Longer than 1 year and not longer than 5 years	31,871	25,881	56,109	39,801
Longer than 5 years	27,819	22,925	30,421	28,015
Balance at end of year	**67,902**	**55,326**	**111,518**	**91,923**

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	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Queenstown Airport Corporation Limited	5,412	5,412	-	-
Total investment	**5,412**	**5,412**	**-**	**-**

		Ownership interest		
	Country of incorporation	2025 %	2024 %	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 15 August 2024, a final dividend of 88.67 cents per share (total dividend: $14,241,000) for the year ended 30 June 2024 was paid to holders of fully paid ordinary shares. QLDC's share of this dividend was $10,682,174. On 17 February 2025, an interim dividend of 43.36 cents per share (total dividend of $6,964,000) for the year ended 30 June 2024 was paid to holders of fully paid ordinary shares. QLDC's share of this dividend was $5,223,696.

(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)

On 19 of August the 2025 QAC directors declared a fully imputed dividend of $18,737,000 in respect of the year ended 30 June 2025 (2024: $14,241,000).

Legislative Reform – Resource Management Act

The Government enacted changes to the Resource Management framework, including a freeze on new plan changes and the introduction of standardised zoning under the new Planning and Natural Environment Acts. These changes may affect Council's consenting and spatial planning processes.

Legislative Reform – Local Government Act

The Local Government (System Improvements) Amendment Bill was introduced, proposing a redefinition of Council responsibilities into "core" and "non-core" services. This may influence future service delivery models and funding allocations.

Ratepayer Assistance Scheme

- Council endorsed participation in the Ratepayer Assistance Scheme, a multi-agency initiative aimed at improving affordability for ratepayers. QLDC committed up to $250,000 toward scheme development, which will offer deferred payment options for rates and development contributions.
- Eight councils (Auckland, Hamilton, Tauranga, New Plymouth, Palmerston North, Hutt City, Wellington and Queenstown Lakes) and EECA have committed funding - $3.35m in total, so "oversubscribed" relative to the $2.5m sought.
- With the funding now committed, advisors are being engaged (Cameron Partners - lead / financial; PwC - accounting and tax; Simpson Grierson - legal and PwC - IT) and work has commenced in earnest.
- A Steering Group has been formed comprising the eight funding councils, EECA, LGNZ, LGFA and Rewiring Aotearoa. The Steering Group is providing guidance and is the ultimate decision making body.
- A sub-group of the Steering Group, the Working Group has delegated authority to manage the process on a day-to-day basis.
- Eleven key workstreams have been identified and members of the Steering Group are responsible for each workstream.
- There is good engagement with officials – particularly DIA.
- The intention is to be in a position for stakeholders to make a "stop / go" decision before the end of the year.

Water Services Transition

The Local Government (Water Services Preliminary Arrangements) Act 2024 (WSPA Act) is the first legislation to support Local Water Done Well and was enacted in September 2024. The WSPA Act required Council to submit a water services plan to the Secretary for Local Government by 3 September 2025. The water services plan must include the proposed model for delivering water services, and an implementation plan for delivering the proposed model.

The Secretary for Local Government will accept a water services delivery plan only if satisfied that the plan complies with the WSPA Act. If the Secretary for Local Government is not satisfied that a water services delivery plan complies with the requirements in the WSPA Act, the Secretary for Local Government will require a territorial authority to amend and resubmit the plan or decide not to accept the plan. A territorial authority must give effect to the proposals or undertakings relating to the future delivery of water services that are specified in the water services delivery plan.

On 31 July 2025 QLDC approved its proposal to establish a Water Services Council Controlled Organisation (WSCCO) owned 100% by the Council to deliver water services in the district. Under the proposed WSCCO, responsibility for the district's water services, along with ownership of QLDC's water assets and associated debts and liabilities will be transferred to the WSCCO once established. The WSCCO will be responsible for planning, funding, and delivering water services in accordance with new legislative and regulatory requirements.

As at the date of approving these financial statements, the Secretary of Local Government has not yet accepted Council's Water Service Delivery Plan (WSDP). The approval date of the proposed WSDP remains uncertain. It should be noted that the submitted WSDP did met the Department of Internal affairs (DIA) financial sustainability requirements . If approved, the WSCCO is expected to be implemented and operational at the latest 1 July 2027.

Estimating the financial effect of the decision to deliver water services differently at this stage cannot be determined and remains uncertain as approval of the WSP by the Secretary of Local Government has not been obtained.

Chief Executive Resignation

Chief Executive Mike Theelen formally advised Council of his resignation, effective February 2026. Recruitment for a new Chief Executive will commence in the 2025/26 financial year. Council acknowledges Mr. Theelen's leadership and contributions over his tenure.

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:

	Group 2025 $'000	Group 2024 $'000
The following transactions took place between QLDC and related parties:		
Queenstown Airport Corporation Limited *		
Payment of rates on its property	471	465
Resource consent costs and collection fees	-	-
Frankton Golf Club lease	(43)	(43)
Management Fee	(457)	(365)
Sundry payments	101	67
Balances owed (to) / from at 30 June were:		
Owed (to)/from Queenstown Airport Corporation Ltd (i)	(48)	(61)

*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	-	22
- Director fees	46	49
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 (2024: $43,294).
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 2025 $'000	Council 2024 $'000	Group 2025 $'000	Group 2024 $'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 $589,884 (2024: $1,039,390) for Council and $657,121 (2024: $1,179,672) 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	6,276	8,031	7,362	9,742
Bank overdraft	-	-	-	-
Total cash and cash equivalents	**6,276**	**8,031**	**7,362**	**9,742**
(b) **Borrowings - facilities**				
Details of the amounts drawn down on the available borrowing facility are as follows:				
Amount used	712,449	652,131	765,449	684,631
Amount unused	124,651	127,969	171,651	195,469
Total available borrowing facility	**837,100**	**780,100**	**937,100**	**880,100**

28. Notes to the statement of cash flows continued

		Council		Group	
		2025	2024 Restated (i)	2025	2024 Restated (i)
		$'000	$'000	$'000	$'000
(c)	**Reconciliation of surplus/(deficit) for the period to net cash flows from operating activities**				
	Surplus for the year	53,622	95,407	67,115	100,742
	Add/(less) non-cash items:				
	Depreciation and amortisation	69,424	64,369	80,312	74,759
	Loss provision	(780)	(169)	(780)	(169)
	Vested assets	(52,930)	(113,120)	(52,930)	(113,120)
	(Gain)/loss on sale of property, plant & equipment	(1,205)	15,142	(1,205)	15,142
	(Gain)/loss on revaluation of investment property	(3,460)	(1,060)	(3,460)	(1,060)
	Net change in fair value of derivative financial instruments	3,479	163	3,479	163
	Other	-	-	(1,992)	198
	Adjusted surplus/(deficit) from operating activities	**68,150**	**60,732**	**90,539**	**76,655**
	Movement in working capital:				
	Trade and other receivables	8,936	(3,758)	8,580	(951)
	Inventories	(2)	(7)	(2)	(7)
	Current tax refundable/payable	-	-	(5,467)	6,276
	Other current assets	574	545	544	560
	Trade and other payables	(7,600)	406	5,597	2,988
	Employee entitlements	691	511	761	745
	Other financial liabilities	(1,105)	(614)	(1,105)	(614)
	Total movement in working capital	**1,494**	**(2,917)**	**8,908**	**8,997**
	Movement in items treated as investing activities	-	-	(9,360)	-
	Net cash (Outflow) from operating activities	**69,644**	**57,815**	**90,087**	**85,652**

(i) Refer to Note 35

29. Remuneration (Council only)

During the year to 30 June 2025, 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	
	2025	2024
Elected Representatives	$	$
Council		
Craig Ferguson - Councillor Arrowtown-Kawarau	55,224	53,275
Niki Gladding - Councillor Queenstown-Whakatipu	53,880	50,351
Glyn Lewers - Mayor	153,722	148,454
Quentin Smith - Deputy Mayor - Wanaka-Upper Clutha	61,860	68,124
Esther Whitehead - Councillor Queenstown-Whakatipu	48,110	46,010
Barry Bruce - Councillor Wanaka-Upper Clutha	49,828	47,509
Lyal Cocks - Councillor Wanaka-Upper Clutha	63,136	53,275
Lisa Guy - Councillor Arrowtown-Kawarau	47,690	46,010
Cody Tucker - Councillor Wanaka-Upper Clutha	57,738	58,199
Matt Wong - Councillor Queenstown-Whakatipu	48,230	46,010
Gavin Bartlett - Councillor Queenstown-Whakatipu	55,224	53,275
Melissa White - Councillor Arrowtown-Kawarau	56,145	49,089
Wanaka Community Board		
Chris Hadfield - Board Member	13,897	13,423
Simon Telfer - Chairperson	27,752	26,608
Linda Joll - Board Member	13,897	13,423
John Wellington - Board Member	13,897	13,423

Chief Executive

For the year ended 30 June 2025, the total annual cost including fringe benefit tax to QLDC of the remuneration package being received by the Chief Executive appointed under Section 42 of the Local Government Act 2002 is calculated at $480,523 (2024: $416,320).

Employee staffing levels and remuneration

The number of employees employed by Queenstown Lakes District Council at 30 June 2025 was 706 (30 June 2024: 671). The number of full-time equivalents and full time employees as at 30 June 2025 was 542 and 428 respectively (30 June 2024: 488 and 389)

The number of employees in Queenstown Lakes District Council classified in bands as per the total received or receivable annual remuneration, including any non-financial benefits received or receivable is:

	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 $300,000	5
$300,001 to $500,000	1
Total number of employees	**706**

	2024
< $60,000	336
$60,001 to $80,000	123
$80,001 to $100,000	72
$100,001 to $120,000	56
$120,001 to $140,000	35
$140,001 to $160,000	16
$160,001 to $180,000	20
$180,001 to $240,000	6
$180,001 to $300,000	6
$300,001 to $420,000	1
Total number of employees	**671**

30. Severance Payments

For the year ended 30 June 2025 QLDC made no severance payments to employees (2024: 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.

2025	Pre-1990 Forest	Landfill	Total
Productive area (hectares)	296	n/a	296
Opening balance	-	82,640	82,640
NZUs purchased during the year	-	-	-
NZUs allocated/transferred internally during the year	-	-	-
NZUs transferred to Scope Resources Ltd during the year	-	(18,880)	(18,880)
NZUs on hand at balance date	**-**	**63,760**	**63,760**

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 $53.6M for the financial year. This is down from the $95.4M surplus recorded last year, and the $54.4M surplus budgeted.

Revenue was over budget by 3.1% or $9.6M

The following major items contributed to the revenue variance:

- Vested asset income was $22.7M 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
- Development contributions were $22.6M below budget of $39.4M for the year as this income is difficult to estimate due to the size and timing of the completion of developments in the districts. Receipts were unfavourable for all activities including Wastewater ($13.9M unfav), Water Supply ($10.0M unfav), Roading ($6.8M unfav) and Stormwater ($4.2M unfav).
- Dividend income from Queenstown Airport Company was $5.2M above budget.

Expenditure was over by 3.7% or $9.7M.
The major remaining operational cost variances are as follows:

- Maintenance expenses is $7.6M above the budget. This includes $2.5M higher roading maintenance, $0.7M higher water supply maintenance, $4.5M higher wastewater maintenance.

- Depreciation and amortisation expense higher than budget by $3.4M, 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 $210.3m 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 $166M below budget. Overall capital expenditure was $129.7M which is below budget by $17.0M for the year ended 30 June 2025.
  To note, there was an increase in infrastructure assets of $180.3M (2024: $200.3M) to prior year which includes a $55m revaluation gain on roading assets.

- Borrowings are $49.3M above budget. Total debt as at 30 June 2025 is $710.7M compared to a forecast of $661.4M 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 $210.3M 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 $22.7M below estimate. Net borrowings were $17.0M more than expected. Cashflows from operating activities were $34.8M below budget for cash flows from operations mainly due to higher debtor turnover period (excluding non cash items such as vested assets).

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 years ended 30 June 2025 and 2024.

(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	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Financial assets				
Cash and cash equivalents (AC)	6,276	8,031	7,362	9,742
Trade and other receivables (AC)	34,004	38,828	38,152	42,668
Other financial assets (AC)	960	960	960	960
Other financial assets (FVTSD)	-	794	-	1,185
Other financial assets (AC)	18,368	13,938	18,368	14,311
Financial liabilities				
Trade and other payables (AC)	40,546	48,146	56,677	51,117
Borrowings (AC)	710,671	650,838	763,671	683,338
Other financial liabilities (FVTSD)	3,170	-	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.

The Council and Group is not exposed to material foreign currency or equity price risk.

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			
		2025 $'000 +50 bps		2024 $'000 +50 bps		2025 $'000 +50 bps		2024 $'000 +50 bps	
	Note	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial Liabilities									
Borrowings	(i)	(1,185)	(1,185)	(1,675)	(1,675)	(1,450)	(1,450)	(1,838)	(1,838)
Total impact to surplus		**(1,185)**	**(1,185)**	**(1,675)**	**(1,675)**	**(1,450)**	**(1,450)**	**(1,838)**	**(1,838)**

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 $237m (2024: $335m)
QAC has floating rate debt with a principal amount totalling $53m (2024: $32m)

(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	
	2025 $'000	2024 $'000
Council		
Financial assets and other credit exposures	59,608	62,551
Group		
Financial assets and other credit exposures	64,842	68,866

(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).

2025	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Council				
Financial assets				
Other investments	18,368	-	-	18,368
Financial liabilities				
Derivatives	3,170	-	-	3,170
Group				
Financial assets				
Other investments	18,368	-	-	18,368
Financial liabilities				
Derivatives	3,491	-	-	3,491

2024	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Council				
Financial assets				
Other investments	13,938	-	-	13,938
Financial liabilities				
Derivatives	794	-	-	794
Group				
Financial assets				
Other investments	14,311	-	-	14,311
Financial liabilities				
Derivatives	-	-	-	1,185

33. Financial Instruments continued

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

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**

Council 2024 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	-	48,146	48,146	48,146	-	-	-	-	-
Borrowings	5.12%	652,131	750,523	184,982	129,479	118,953	116,102	135,583	65,424
Total financial liabilities		**700,277**	**798,669**	**233,128**	**129,479**	**118,953**	**116,102**	**135,583**	**65,424**

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**

Group 2024 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	-	51,117	51,117	51,117	-	-	-	-	-
Borrowings	5.19%	684,631	787,313	187,127	164,124	118,953	116,102	135,583	65,424
Total financial liabilities		**735,748**	**838,430**	**238,244**	**164,124**	**118,953**	**116,102**	**135,583**	**65,424**

34. Queenstown Airport Corporation

	QAC	
	2025 $'000	2024 $'000
Queenstown Airport Corporation Limited		
Revenue	79,893	64,737
Operating Expenditure	22,599	18,568
EBITDA	57,294	46,169
Interest Expense	5,035	2,871
Depreciation and Amortisation	10,888	10,389
Profit Before Tax	41,382	32,927
Net Profit After Tax	29,400	16,494
Dividends Paid	21,205	14,875
Total Assets	623,187	526,500
Total Liabilities	112,215	79,996
Shareholders Funds	510,972	446,504
Operating Cash Flow	36,350	38,994
Closing Debt	53,000	32,500

35. Prior Year Error Correction

The Council (QLDC) and Group have adjusted its comparative year financial statements (for the year ended 30 June 2024) to correct a prior period error.

The Council has discovered that $11.99m of assets vested by 30 June 2023 had not yet been recognised as of that date in accordance with the Council's accounting policy. Corresponding corrections were also made to the opening and closing accumulated funds of the 30 June 2024 comparative figures.

The Council has discovered that $13.26m of assets vested by 30 June 2024 had not yet been recognised as of that date in accordance with the Council's accounting policy. Corresponding corrections were also made to the vested assets revenue of the 30 June 2024 comparative figures.

The financial statements for 2024, which are presented as comparative information in the 30 June 2025 financial statements, have been restated to correct this error.

The adjustments are shown below:

	Before adjustment		Adjustment	After adjustment	
	Council	Group	Both	Council	Group
	$'000	$'000	$'000	$'000	$'000
Statement of Comprehensive Revenue and Expense					
Vested asset	99,863	99,863	13,257	113,120	113,120
Total revenue	359,569	411,806	13,257	372,826	425,063
Operating surplus	82,150	87,485	13,257	95,407	100,742
Total Comprehensive Revenue and Expense	72,418	77,601	13,257	85,675	90,858
Statement of Changes in Equity					
Balance 1 July 2023	2,439,193	2,878,406	11,986	2,451,179	2,890,392
Total comprehensive revenue	72,418	77,601	13,257	85,675	90,858
Balance 30 June 2024	2,511,611	2,952,702	25,243	2,536,854	2,977,945
Accumulated funds	858,270	934,213	25,243	883,513	959,456
Total equity	2,511,611	2,952,702	25,243	2,536,854	2,977,945
Statement of Financial Position					
Property, plant and equipment	3,058,352	3,575,239	25,243	3,083,595	3,600,482
Total non current assets	3,157,740	3,672,340	25,243	3,182,983	3,697,583
Total Assets	3,222,826	3,743,913	25,243	3,248,069	3,769,156
Accumulated funds	858,270	934,213	25,243	883,513	959,456
Total equity	2,511,611	2,952,702	25,243	2,536,854	2,977,945
Statement of Cash Flows (reconciliation to surplus/(deficit) after tax)					
Surplus for the year	82,150	87,485	13,257	95,407	100,742
Vested assets	(99,863)	(99,863)	(13,257)	(113,120)	(113,120)

Note 20. Accumulated Funds

	Before adjustment		Adjustment	After adjustment	
	Council	Group	Both	Council	Group
	$'000	$'000	$'000	$'000	$'000
Movement of Accumulated Funds					
As at 1 July 2023	757,646	831,961	11,986	769,632	843,947
Net surplus	82,150	87,485	13,257	95,407	100,742
Accumulated funds as at 30 June 2024	858,270	934,213	25,243	883,513	959,456

Note 10. Property, Plant and Equipment

	Water Supply	Sewerage	Stormwater	Roading	Total
	$'000	$'000	$'000	$'000	$'000
Movement schedule (infrastructure assets)					
Balance as at 1 July 2023 Cost	427,826	579,903	402,012	1,135,671	2,545,412
Adjustment	4,419	3,384	4,183	-	11,986
Restated Balance as at 1 July 2023 Cost	432,245	583,287	406,195	1,135,671	2,557,398
Additions	51,253	58,831	47,850	80,502	238,436
Adjustment	5,160	3,348	4,749	-	13,257
Restated Additions (vested to Council)	56,413	62,179	52,599	80,502	251,693
Balance as at 30 June 2024 Cost	464,535	615,178	430,620	1,216,173	2,726,506
Adjustment	9,579	6,732	8,932	-	25,243
Restated Balance as at 30 June 2024 Cost	474,114	621,910	439,552	1,216,173	2,751,749
Closing carrying amount	463,875	614,602	430,381	1,193,296	2,702,155
Adjustment	9,579	6,732	8,932	-	25,243
Restated Closing carrying amount	473,454	621,334	439,313	1,193,296	2,727,398

Reconciliation of Funding Impact Statement to Statement of Financial Performance

	Before adjustment	Adjustment	After adjustment
	Council	Council	Council
	$'000	$'000	$'000
Funding Impact Statement			
Vested asset	99,863	13,257	113,120
Total income	345,324	13,257	358,581

Annual report disclosure statement for year ending 30 June 2025

What is the purpose of this statement?

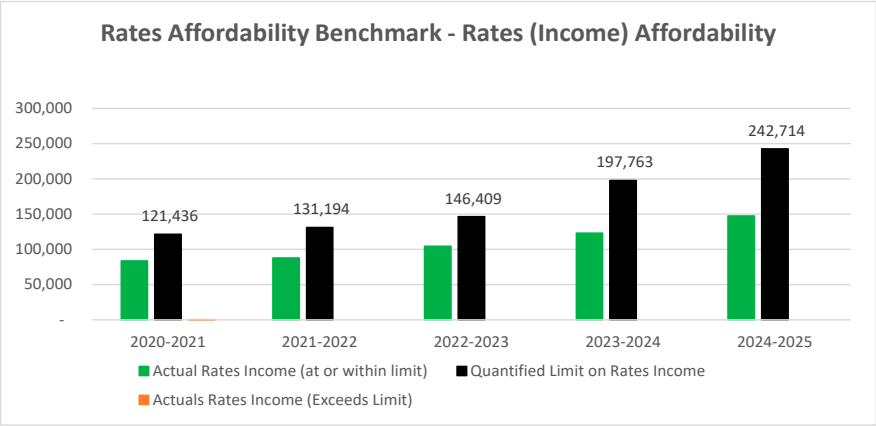
The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The council is required to include this 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

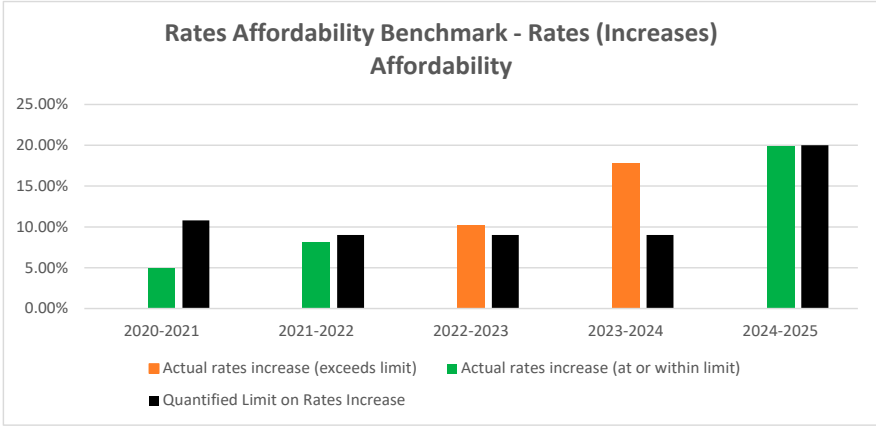
The council meets the rates affordability benchmark if—

- 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 55% for 2020/21, 2021/22, 2022/23 and 2023/24.



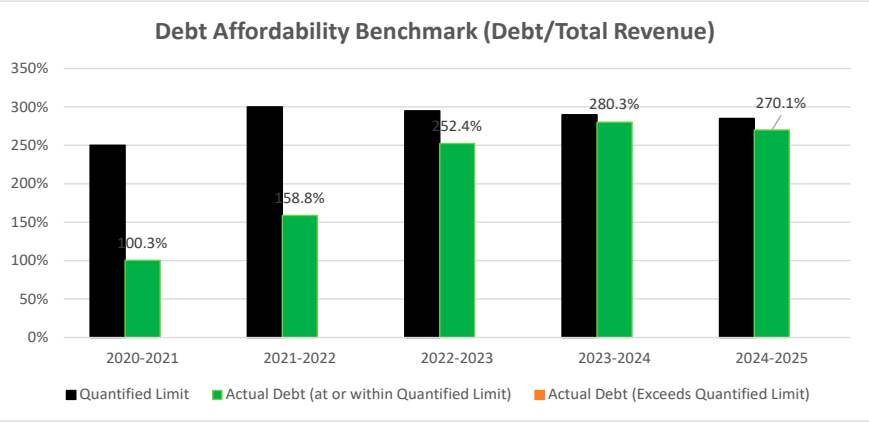
Rates (increases) affordability – The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The rates increase limit is 20% gross (15.8% net of growth) per annum for years 2024-2025. 2021/22, 2022/23 and 2023/24 years were set to a maximum of 9.0% per annum (subject to change in growth) and 2020/21 was set to a maximum of 10.8%.



DEBT AFFORDABILITY BENCHMARKS

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

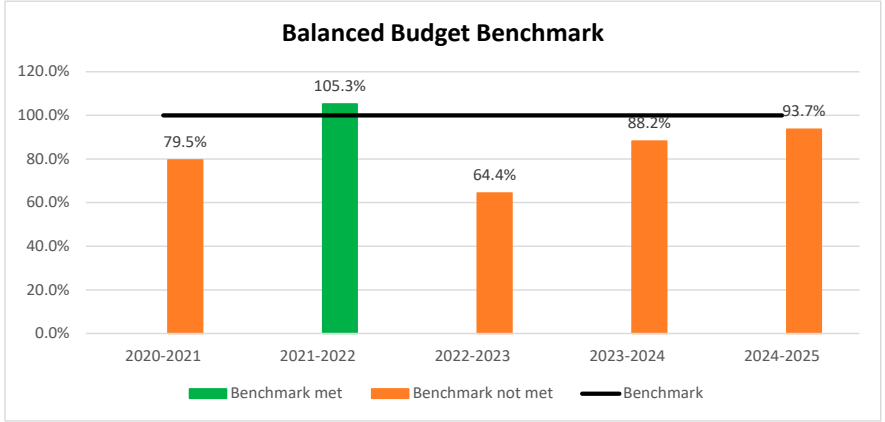
The following graphs compare the council's actual borrowing with the quantified limits on borrowing stated in the financial strategy included in the council's longterm plan. The quantified limit is that the debt to revenue ratio will be under 300% for 2021/22; 295% for 22/23; 290% for 2023/24; 285% for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

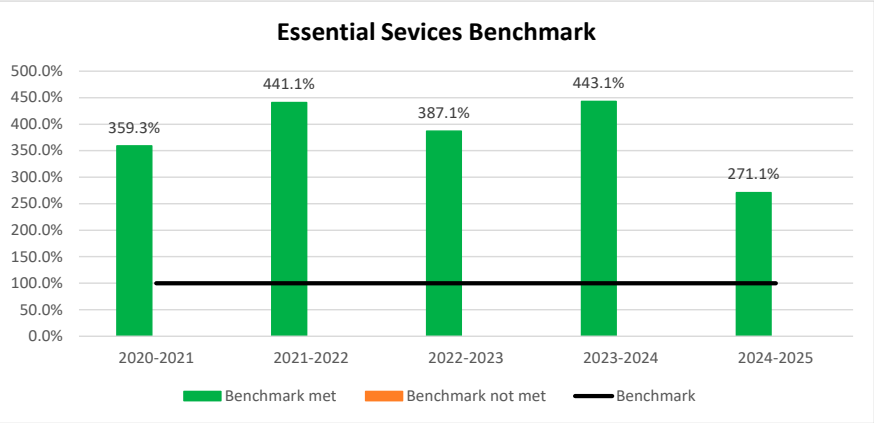
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



ESSENTIAL SERVICES BENCHMARK

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

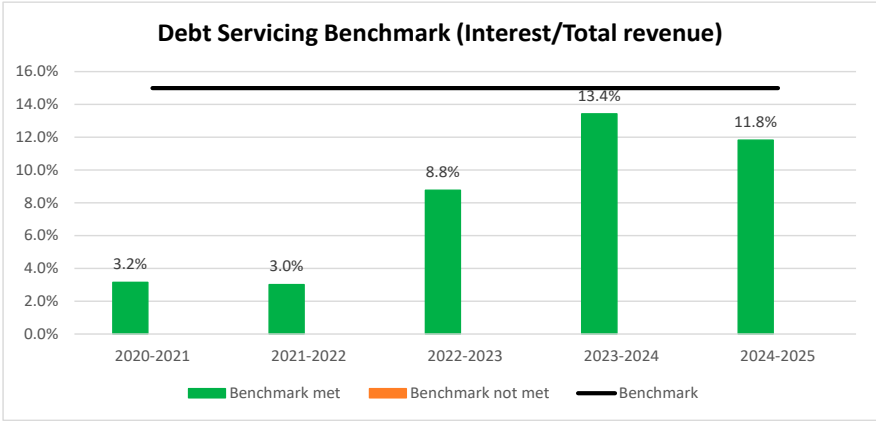
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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).

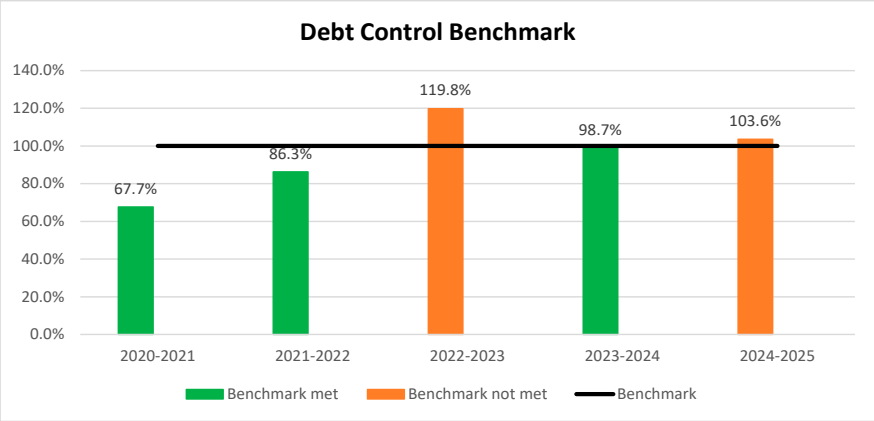
Because Statistics New Zealand projects the council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



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).

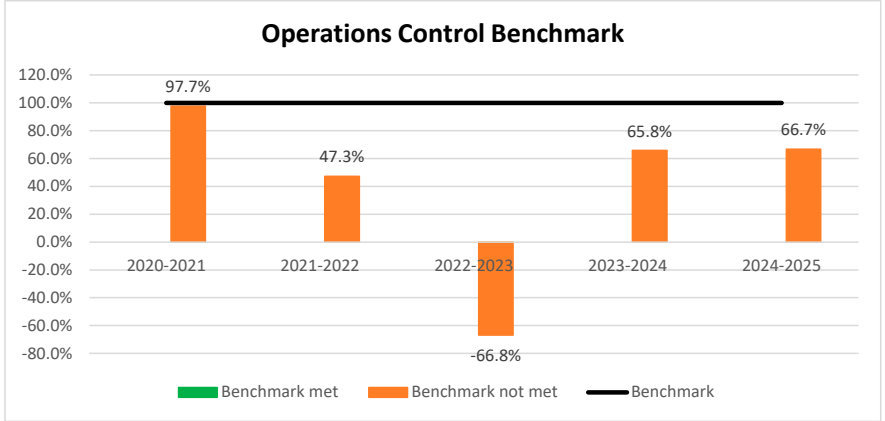
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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. 2024-25 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 valuations of the Three Waters and roading assets.

“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 last 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-25 $000's	Additions constructed by Council $000's	Additions transferred to Council $000's	Estimated replacement cost $000's
Water Supply	Treatment plants and facilities	79,792	995	-	139,787
Water Supply	Other assets (such as reticulation systems)	379,162	14,031	22,148	504,125
Sewerage	Treatment plants and facilities	119,621	1,338	-	190,863
Sewerage	Other assets (such as reticulation systems)	459,195	5,882	16,336	648,167
Stormwater Drainage		439,096	7,065	23,221	620,018
Roads & Footpaths		1,140,032	44,870	16,467	1,408,881

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 2024
- The number of rating units 33,823
- The total land value of rating units 34,884,820,200
- The total capital value of rating units 59,450,140,200

INSURANCE ON ASSETS

Buildings, Plant & Equipment

The Council has a total asset value for insurance purposes of $717,620,517. This is made up of $306,023,090 for Property and Plant and $411,597,427 under the Three Waters Assets noted below. The insurance is based on full Replacement Value. We have a Fire Loss limit of $45,000,000 Flood is defined as a loss, damaged 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 first $10,000 of any loss for Fire and Perils and $250,000 for flood damages. The Natural Disaster excess is 5.0% of the sum insured minimum $5,000 and/or for Pre-1935 Risks 10% of the Material Damage site sum insured, minimum $10,000 for Natural Disaster losses. This applies to the combined Material Damage and Business Interruption loss.

Three Waters Asset - Buildings/Plant & Equipment

The Council has a total asset value for insurance purposes of $411,597,427. This is made up of Replacement Value $190,972,186 and Indemnity Value $123,995,973. The Council carries the first $10,000 of any loss for Fire and Perils, and to $250,000 for flood damages. The Natural Disaster excess is 5.0% of the sum insured minimum $5,000 and /or for Pre-1935 Risks 10% of the Material Damage site sum insured, minimum $10,000 for Natural Disaster losses. This applies 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 for vehicles of $4,700,890. All vehicles are insured for Market Value with Replacement Value for vehicles which are less than 12 months old. The cover includes all glass claims. The Council carries an excess of 1% of the vehicle minimum $1,000 for own vehicles and nil excess for damage to third party damage. The Limit for Third Party damage is $20,000,000. Nil Excess applies to windscreen and window glass.

Natural Catastrophe for Infrastructure - Shared Services

The Council has a total asset value for insurance purposes of $2,102,568,431. The Council has Physical loss and Business Interruption cover for their Infrastructure caused by a Natural Catastrophe Event including Earthquake, Natural Landslip, Flood, Tsunami, Tornado, Windstorm, Volcanic Eruption, Hydrothermal & Geothermal Activity and Subterranean Fire. The Limit of Liability is NZD500,000,000 combined limit for an event involving more than one Council for any one loss or series of losses arising out of any one event. The Limit of Liability for Queenstown Lakes District Council is NZD240,000,000 each and every loss. The Deductible is NZD1,000,000 each and every Loss.

Aviation

Uses Insured: Business and/or commercial uses including continuation flying and the following special uses:

- Aerial Surveying/ Photography/Spotting
- Sub-Limit for Invasion of Privacy - $5,000
- Sub-Limit for Noise Liability - $5,000
- Geographical Limit: New Zealand and 200 kilometers from New Zealand main land mass
- Business of insured: Hall Hirers of Queenstown Lakes District Council Properties
- The insured is extended to include Community and Sporting groups, individuals and the like who use and hire properties operated or owed by the insured.
- Limit of liability: $10,000,000 any one occurrence
- Excess: $1,000 on any one occurrence

Travel Insurance (World Wide) Covers all employees of Queenstown Lakes District Council or person(s) authorised by the policy holder, travelling on authorised and declared business travel, Directors and Executives Private travel and/or incidental private travel including accompanying spouse/ partner and depend child(ren) of a covered person. The deductible is $500 for Medical, Evacuation and Additional Expenses and Alternative Employee/Resumption of Assignment Expenses, and $250 for Cancellation and Disruption and Baggage and Travel Documents.

Auditor’s report
Pūroko a te kaitātari

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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF QUEENSTOWN LAKES DISTRICT COUNCIL GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

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 annual report of the Group 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 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 of the Group on pages 102 to 156:
  - o present fairly, in all material respects:
    - its financial position as at 30 June 2025;
    - the results of its operations and cash flows for the year ended on that date; and
  - o comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the Group's statement of service performance for the year ended 30 June 2025 on pages 31 to 91:
  - o provides an appropriate and meaningful basis to enable readers to assess the Group's actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;
  - o fairly presents, in all material respects, the Group's actual levels of service for each group of activities, including:
    - the levels of service achieved compared with the intended levels of service and 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; and
  - o complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities of the Group for the year ended 30 June 2025 on pages 37 to 88, has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;
- the funding statement for each group of activities of the Group for the year ended 30 June 2025 on pages 37 to 88 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act;
- the funding impact statement of the Group for the year ended 30 June 2025 on page 95, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.

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Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 to the Act for the year ended 30 June 2025; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2025 are complete and accurate.

Date

We completed our work on 9 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

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.

Emphasis of matter - Uncertainties relating to the Lot 6 provision estimation (Group only)

Without modifying our opinion, we draw attention to Note 14 on page 138 which outlines that there is a high level of uncertainty in estimating any additional compensation that may be required to settle the ongoing dispute in relation to the compulsory acquisition of Lot 6. QAC has recognised a provision which represents potential cash payments determined based on independent external valuations as at 30 June 2025. The Land Valuation Tribunal (LVT) hearing in relation to Lot 6 concluded in April 2025, with a decision on the compensation payable still to be released. Additional compensation may be in excess of the provision recognised.

Emphasis of matter - Future of water delivery (Council and Group)

Without modifying our opinion, we draw attention to page 147, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to establish a wholly owned water organisation to deliver water services from 1 July 2027. At the time of adopting this Annual Report the Secretary for Local Government has not confirmed acceptance of the Council's water services delivery plan (WSDP) proposal, meaning there is some uncertainty if changes may be required.

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 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 its ability to continue as a going concern.

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Responsibilities of the auditor for the audited information and the disclosure requirements

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 Group's long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

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 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 statement of service performance includes all groups of activities that we consider are likely to be material to the readers of the annual report.
- We evaluate whether the measures selected and included in the statement of service performance for groups of activities present an appropriate and meaningful basis that will enable readers to assess the Group's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Group.
- 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.

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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 Group's audited information and, where applicable, the Group's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from 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 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)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit 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, our report on the disclosure requirements, and these engagements, we have no relationship with, or interests in, the Group.



Heidi Rautjoki
Deloitte Limited
On behalf of the Auditor-General
Dunedin, New Zealand



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

