

# Annual Plan

# | Mahere ā tau

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July 2022 – 30 June 2023.  
Draft.

# Contents

## | Rāraki take



### Section One 3

#### INTRODUCTION | TE WHAKATAKIKI

Message from Jim and Mike	4
An Update on the 2021-2023 Ten Year Plan Progress	8
2022-2023 Financial Highlights	11
The Numbers You Need to Know	18
Rates Impact	19
What's Different?	26
Our Consultation Process	38
Summary of Changes	39



### Section Two 41

#### GENERAL INFORMATION | PĀROKO WHĀNUI

Growth Projections	42
Vision Beyond 2050	44
Our Process	46
Contact Us	48




### Section Three 49

#### FINANCIAL INFORMATION | PĀROKO AHUMONI

Financial Statements	50
Statement of Accounting Policy	61
Annual Plan Disclosure Statement	73
Funding Impact Statement	75
Proposed Rates and Charges	77

*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*

# Section 1: Introduction | Wāhaka 1: Te Whakatakika



# Message from Jim and Mike


## | He karere mai i te mea



### Tēnā koutou katoa.

As we enter year two of the 2021-2031 Ten Year Plan<sup>1</sup>, we are also in the third year of the global COVID-19 pandemic. Although we have had a prolonged period without COVID-19 in our community, at the time of writing this we are seeing case numbers rising rapidly and that continues to have a devastating effect on our local economy. As I have stated previously, the fallout from this pandemic will be felt for years to come and that makes this Council's commitment to keep planning for and investing in growing well in our district so vital. The Grow Well Whaiora Spatial Plan<sup>2</sup> that the Council adopted in June 2021, along with the community Vision Beyond 2050<sup>3</sup>, continue to be foundations for that investment and planning, along with Council's 30-year Infrastructure Strategy.

However, it is Council's belief that this investment programme should not come at the expense of our local environment, the global climate and the district's ecosystem. Since adopting its first Climate Action Plan<sup>4</sup> (whilst at the same time declaring a climate and ecological emergency), Council has continued to make progress on the commitments made to reduce our impact on climate change and to demonstrate leadership in responding to this essential issue. From switching our fleet to electric vehicles and forming the Climate Reference Group to improving how much household collection material can be successfully recycled, we've shown we're on a pathway. But there is so much more to do.



### At the same time as consultation is underway on this draft Annual Plan, you can have your say on Council's next iteration of what is now known as the Climate and Biodiversity Plan.

This reflects the included consideration of local flora and fauna and our biodiversity is affected by the climate and other influences. I encourage you to take time to read the draft plan and tell us what you think of this key initiative. Many projects across Council's programme of work underpin our commitment to adapting to and mitigating the effects of climate change, such as improvements to stormwater networks, increasing resilience in wastewater networks, building Aotearoa New Zealand's first Passive House community facility and more. As part of this commitment, there is a set of defined actions that are directly linked to this draft plan and support Council in delivering upon its wider climate goals. You'll see that we have included an option to increase the proposed budget to deliver on these specific actions for year two of the 2021-2031 Ten Year Plan from \$257k to \$677k, which will have a direct impact on rates. If supported, the increase of \$420k will enable us to deliver more of these actions in this financial year.


<sup>1</sup> [www.qldc.govt.nz/your-council/council-documents/ten-year-plan-ltp](http://www.qldc.govt.nz/your-council/council-documents/ten-year-plan-ltp)

<sup>2</sup> [www.qldc.govt.nz/your-council/council-documents/queenstown-lakes-spatial-plan](http://www.qldc.govt.nz/your-council/council-documents/queenstown-lakes-spatial-plan)

<sup>3</sup> [www.qldc.govt.nz/your-council/our-vision-mission](http://www.qldc.govt.nz/your-council/our-vision-mission)

<sup>4</sup> [www.qldc.govt.nz/your-council/our-vision-mission/climate-action-plan](http://www.qldc.govt.nz/your-council/our-vision-mission/climate-action-plan)

Three Waters reform continues to be a challenging topic and creates much uncertainty for the sector. Back in December 2021, my fellow Councillors and I wrote openly to the Minister for Local Government actively opposing the Central Government mandate on reform. We unanimously support the need to provide a safe potable water supply for all New Zealanders and improve the participation of Māori in decision-making for Three Waters, whilst protecting our environment, however, we do not support the way in which Government has approached this and think it is essential the community can have a say. Notwithstanding the differing views on a final delivery model, we continue to invest in the ten-year plan programme of work for water supply, wastewater and stormwater. In particular there are many projects in both water supply and wastewater across the district such as the recently completed Queenstown recreation ground pump station, the upgrades to Glenorchy reservoirs and the western Wānaka water supply, pipeline connections under the Shotover Bridge, wastewater and water supply scheme for Cardona village, and the proposed Hāwea wastewater project.



## **A number of other external factors have influenced this draft plan, including the rating revaluations that were deferred from 2021 due to the COVID-19 pandemic.**



Property owners in the district normally receive a triennial Notice of Rating Valuation with the latest valuation having been due in 2020. This rating revaluation is completed by Quotable Value (QV) on behalf of QLDC, providing an updated rating value for the property which is used by the Council in setting rates for the following three years. Given the extended four-year period since the last revaluation and the extraordinary property market there has been a significant increase from 2017 in both capital (56% overall) and land (76.6% overall) values locally, although there has been an increase in more than 4,200 properties in that same period which helps spread the impact of any increase in rates.

Council apportions rates across the various property types to ensure that no particular group is overly burdened based on property values, and you will see in the section The Numbers You Need to Know | Ka Tātauraka that we have proposed amending these differentials<sup>5</sup> slightly to keep a fair balance. Let us know what you think of this proposed change.

<sup>5</sup> Councils use 'differentials' to adjust the impact of capital values on rates. Imbalances are often corrected by adjusting differentials for specific property types.

Many New Zealanders will be familiar with the term “leaky buildings” which can affect some properties built between the late 1980s and mid-2000s. Historic claims continue to be a challenge for local government and each case turns on a unique combination of facts and legal principles. Recent caselaw in Aotearoa New Zealand provides examples where the developers, builders and other persons who were primarily responsible for designing and constructing the buildings in question have often been wound up or declared bankrupt. Local authorities often face alleged liability for the entire claim, under the principle of joint and several liability. Councils often find themselves as “the last person standing” in these cases, which results in Council being held liable for amounts well in excess of its actual proportion of fault or blame. Council has experienced an increase in the number and quantum of claims against it by property owners relating to weather tightness and other building defects; and a material increase in the operational expenditure by Council to defend and resolve such claims.

Council’s overriding objective is to resolve such claims in a way that minimises the financial impact on ratepayers now and in the future.

Council’s liability in relation to all outstanding claims relating to alleged weather tightness and other building defects has not been established. It is not possible to determine the outcome of claims at this stage.

For the past decade the insurance market has in many cases sought to exclude weather tightness claims from their coverage, and local authorities have found it difficult if not impossible to continue to hold insurance against many such claims.

The 2022-2023 Annual Plan will include adjustments to both the budget for legal fees to defend claims and the impact on ratepayers to fund amounts expended by Council to date. The funding of amounts expended to resolve claims involves both an increase in Council debt and the servicing and repayment of this debt through an increase in rates.

For legal reasons Council is unable to disclose amounts relating to a specific claim, however the aggregate of all expenditure in the 2021-2022 year to defend and/or resolve claims (including costs) was approximately \$40M. This was largely funded by an increase in Council debt. The servicing and repayment of this debt increase will result in an annual rates increase of approximately 1.6% for the 2022-2023 year and beyond. This amount is included in the proposed average rates increase of 5.96% and as such Council has managed to minimise the impact of these costs. Council will continue to vigorously defend these types of claims and lobby for a change in the legal framework which currently exposes ratepayers to large speculative claims with the risk of inequitable financial outcomes.

A number of fee increases are proposed in this Annual Plan to realign with Council’s Revenue and Financing Policy<sup>6</sup> (adopted as part of the 2021-2031 Ten Year Plan).

That policy defines how certain services are funded that have a greater or unique benefit to individual users rather than the wider or whole community. These are things such as fees for processing a resource or building consent application, using sport and recreation facilities such as Alpine Aqualand or a Council gym, and waste services. We believe it is fair that the greater part of these is funded by the end user and that is reflected in the policy. These proposed increases reflect that policy position and are necessary to offset increased costs in providing these services.

Delivering on our biggest ever capital expenditure programme continues to be a challenge, especially at this time when all around we are seeing delays in materials, increases in costs and shipping, and constraints on available resource and essential skills. However, Council is encouraged by the progress made in year one of the 2021-2031 Ten Year Plan and is preparing for the many projects ahead of us in the coming years.

<sup>6</sup> See Finance section here: [www.qldc.govt.nz/your-council/council-documents/policies](http://www.qldc.govt.nz/your-council/council-documents/policies)

Our goal continues to be shaping our district into one of the most liveable areas in Aotearoa New Zealand.

Turning our focus to proposed rates increases, the anticipated average rates increase for 2022-2023 in the 2021-2031 Ten Year Plan was 5.87%<sup>7</sup>. This is the highest increase for any individual year in the ten years and the closest Council gets to the required self-imposed rates increase limit of 6%<sup>8</sup>. The combined impact of these budget changes and mitigating actions outlined in this draft Annual Plan move the average rates increase to around 5.96%, just inside this self-imposed net rates increase limit.

Please take the time to tell us what you think on any of the issues raised in this consultation document or the supporting draft 2022-2023 Annual Plan. We want to hear from you, particularly if you are directly impacted by any of the proposed changes.

<sup>7</sup> All percentages relating to rates in this section are quoted allowing for property quantity growth. The assumption in the 2021-2031 Ten Year Plan was 2.5% which has been adjusted to 3.5% as outlined in the section Rates Impact | Kawekawe Rēti <sup>8</sup> A9% gross

**As always  
this process  
can only be  
complete once  
we have heard  
the views  
of our local  
community.**

**Kā mihi,  
Thank you.**



A white ink signature of Jim Boulton on a green background.

**JIM BOULT**  
Mayor  
Queenstown Lakes District Council



A white ink signature of Mike Theelen on a green background.

**MIKE THEELEN**  
Chief Executive  
Queenstown Lakes District Council



# An update on the 2021-2031 Ten Year Plan Progress | He Arotakeka ō te Mahere-ā-tekau tau



## Queenstown Street Upgrades and Arterial

Significant progress has been made in upgrading the streets in the Queenstown CBD which has been partly funded by Central Government's "shovel ready" programme. Progress has been made through Beach Street, Park Street, and Brecon Street preparing new paving, installing lighting, new furniture and planting following upgrades to underground services.

A large retaining wall - 'Te Taumata o Hākitekura' – has been constructed near the boundary between Brecon Street and the Queenstown Cemetery. The retaining wall references Ahi Kā (ancestral connection and ongoing identity) and the narrative of Hākitekura – relating to Te Taumata o Hākitekura (the resting place of Hākitekura) – the original name for Ben Lomond.

Construction of the long-awaited Town Centre Arterial Road is gathering momentum in Queenstown. From late March until mid-2023, crews will be building a new road layout to create the gateway to Stage 1 of the new road.




## Wānaka Lakefront Development

In October 2021, Mayor Boulton officially opened the latest stage of the lakefront development at a public ceremony which opened with a blessing by mana whenua. This newly developed area runs from Bullock Creek through to the Wānaka Marina and marks the completion of Te Ara Wānaka (a shared pathway) for pedestrians and cyclists along Lakeside Road.

A separate boardwalk runs along the lake's edge, and wide scale planting provides a rugged, natural look ideal for local wildlife.

Detailed design is underway on the next stage of the development which looks to provide continuous access to pedestrians and cyclists between Wānaka Marina and the Yacht Club. This will also see the inclusion of new native planting on the bank adjacent to Lakeside Road and the Marina, with some enhancement of planting on the lake's edge and additional work to be considered. Construction is estimated to be complete by June 2023.





In this coming financial year construction is also planned to commence on the area of the lakefront opposite Pembroke Park with a developed design delivering on the new wider promenade and a replacement for the millennium pathway, whilst retaining a natural look and feel.



## Wānaka Water Supply

Work on a significant upgrade to Wānaka's drinking water supply is underway installing a new water main pipe and pump station to improve capacity and resilience in the western area of the town. The pump station will be located on Wānaka-Mount Aspiring Road, opposite Bills Way. The pipeline will run along Golf Course Road, Ballantyne Road and Macpherson Street before crossing State Highway 84 and continuing a short distance up Anderson Road. Both the pump station and pipeline are expected to be complete by the end of 2022.



## Project Manawa

The Stanley Street site was identified in the Queenstown Town Centre Masterplan as the preferred location of a community heart with new Council offices and a variety of cultural facilities for the district's communities. Given the various land interests held by QLDC and Kāi Tahu (represented by Ngāi Tahu Property) over this site, as we announced in June 2019, both parties have been working closely and collaboratively on an indicative masterplan to deliver a variety of community buildings on the site together with public spaces and commercial buildings. At this stage, the focus of the project is to confirm what any proposed commercial agreement with Ngāi Tahu Property will look like for the delivery of the new Council administration building and Council chambers. This is the first steps in delivering the wider proposed masterplan which includes a permanent new library, a performing arts centre, gallery, a large public plaza, and parking space.

The Council's intention is to consult the community in April / May 2022 on a number of matters relating to the proposed development such as a land strategy, land designation and decisions regarding current assets on the site. More detailed information will be available for the community to consider and to inform any feedback and submissions on that development process. Information will be available at [letstalk.qldc.govt.nz](http://letstalk.qldc.govt.nz) and details will be publicly notified.



## Luggate Memorial Centre

After Luggate Memorial Hall closed in 2017, we have been working closely with Luggate and the wider Upper Clutha community to deliver an innovative, future-proofed replacement hall that will meet evolving community needs. This Memorial Centre will be the first Passive House Certified community facility in Aotearoa New Zealand. The temporary hall that was provided to bridge the gap between the old and new halls has now been removed and the main structure of the new Memorial Centre has been in place for some time. In addition to the main building, Council began major earthworks in the area to install services, construct car parking spaces and landscape the surrounding Hopkins Street reserve. Like many other construction projects across the country, delays have been caused by COVID-19-related global supply chain issues and the hall is now due for completion late July 2022.



## Shotover Country Borefield and Treatment Plant

This project commenced in mid-2021 constructing a borefield and water treatment plant next to the existing bore in Shotover Country. With the installation of four new bores, as well as the treatment plant, supporting infrastructure and landscaping, the project is building water treatment capacity and resilience whilst replacing existing infrastructure to meet the needs of the growing communities in Shotover Country, Lake Hayes Estate, Te Pūtahi Ladies Mile and Frankton Flats. Ensuring these communities will have a safe and sufficient supply of drinking water well into the future is key with the project expected to complete and begin servicing the area early in the 2022-2023 year.



## Whakatipu Active Travel

Alternative travel options were a strong theme in the 2021-2031 Ten Year Plan and the Kā Huanui o Tāhuna alliance of QLDC, Waka Kotahi and Fulton Hogan has continued to make progress on providing an integrated network of trails for walking and cycling that connects to public transport and provides a genuine alternative to getting around by car.

A programme of work to deliver these new walking and cycling facilities has been approved by Council and joint funding for the first package of the new network has been sought from Waka Kotahi. The entire programme is designed to connect key destinations such as Arrowtown, Arthurs Point, Kelvin Heights, Jacks Point, Lake Hayes Estate and Shotover Country, Fernhill, Frankton and Queenstown.

Regrettably, this funding has not been forthcoming as Waka Kotahi has been required to reprioritise other projects ahead of this in the face of reduced available budgets. Council does remain committed to delivering on this project and will continue to work constructively with Waka Kotahi to get this important active travel network in place as soon as possible.

When the project can proceed, the first package is planned to deliver new and improved routes from the growing residential areas of Shotover Country, Hanley's Farm and Jacks Point through to Frankton.

# 2022/23 Financial Highlights

## | Paeka Ahumoni mō kā tau 2021/22

### BACKGROUND

According to the Local Government Act 2002, the Annual Plan process is secondary to the Ten Year Plan process and there is no requirement to consult unless there are significant variations from the budget for the same year in the Ten Year Plan.

QLDC has decided to consult this year through the 2022-2023 Annual Plan consultation document due to the changing environment in which we're working.

The Ten Year Plan was prepared in October 2020 and since this time the region has continued to experience very difficult economic conditions as a result of the continuing COVID-19 pandemic. The year 2022-2023 represents Year 2 of the Ten Year Plan and there have been some changes to budgets which are necessary but which were unforeseeable in 2020:

- > Legal Fees- increased costs for defending leaky building-related claims
- > Staff-related costs – increased costs reflecting workforce review
- > Solid Waste – increased costs for the Emissions Trading Scheme

Revised budgets for all three of these items have now been incorporated into the 2022-2023 Annual Plan. The impact of these is described in more detail here.

### BUDGET APPROACH

QLDC has taken the following approach to the budget process for 2022-2023:

#### Capital Expenditure (capex)

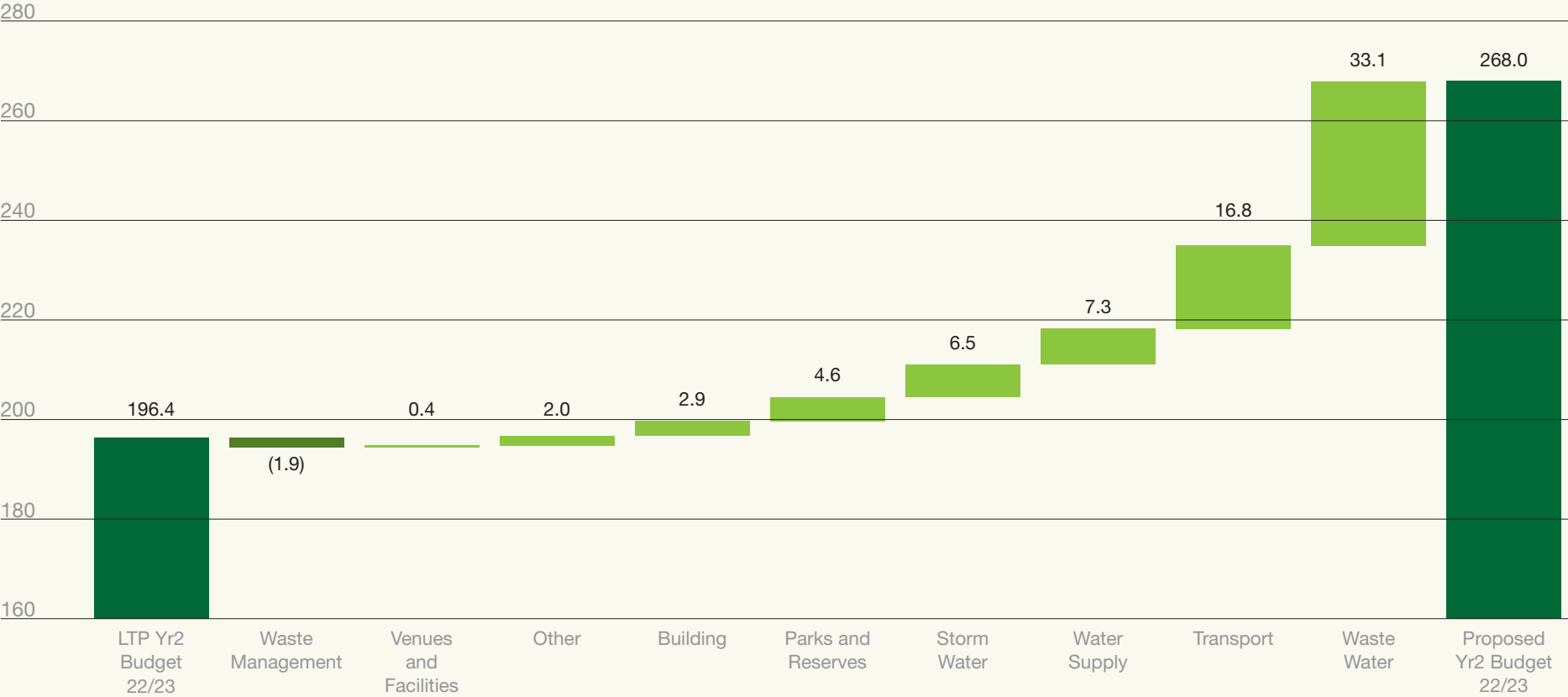
The proposed capex programme for 2022-2023 is based on the original 2021-2031 Ten Year Plan and has been adjusted to reflect revised timings for some programmes. The capex programme amounts to \$268.0M (gross) which is around \$71.6M more than the original original Year 2 programme included in the 2021-2031 Ten Year Plan.

The main reason for the increase is the reprogramming of the capital programme. This was to address increased costs of the Arterial Road, aligning budget to Waka Kotahi funding and the deferral of some projects from 2021-2022.

The capital funding analysis for the revised programme has been completed, which shows a \$84M increase in debt funding for the year to a total of \$495M. Debt repayments are slightly reduced from \$24M to \$19.6M as a result of the capex deferrals.

The following graph shows the movement per significant activity between the Year 2 of the Long Term Plan 2021-2022 to the proposed annual plan capex budget for 2022-2023.

COMPARISON OF CAPITAL EXPENDITURE BETWEEN ANNUAL PLAN 2022-2023 AND YEAR 2 OF THE 2021-2031 TEN YEAR PLAN



**Significant differences between the Annual Plan 2022-2023 and Year 2 of the 2021-2031 Ten Year Plan include:**

- > Capital Expenditure – Annual Plan 2022-2023 Budget increase of \$71.6M.
- > Waste Management \$1.9M decrease - \$1.7M deferred to Year 3 for new waste facilities and minor surpluses on existing plant and facility projects.
- > Venues & Facilities \$0.4M increase - Brought forward budgets of \$0.2M for Queenstown Events Centre (QEC) WW Heat Recovery System and \$0.3M to complete design of the QEC car parks. A combined design phase in Year 2 and Year 3 is planned for QEC upgrades.
- > New Project Budget \$2.0M increase - to accelerate infrastructure planning for Queenstown priority growth corridors.
- > Buildings \$2.9M increase - \$2.6M in Lakeview site clearance due to the additional discovery of unforeseen quantities of asbestos containing material.
- > Parks and Reserves \$4.6M increase - Predominantly timing differences with \$1.8M brought forward for Wānaka Lakefront Development Plan stage 5 along with \$0.4M deferred from Year 1, \$1.4M projects requiring budgets to be brought forward to access new Tourism Infrastructure Fund and \$0.9M deferrals from Year 1 for Lakeview Rockfall mitigation and Wānaka Sportsfield Development.
- > Stormwater \$6.6M increase - \$11.6M due to timing of projects deferred from 2021-2022 and increased costs for Lakeview Development Stormwater servicing, Aubrey Rd Rec Reserve Stormwater detention pond and Stone Street Upgrades. Partial offset with Queenstown Hill storm water budgets allocated to Arterials Projects (\$5.3M).
- > Water Supply \$7.3M increase - \$5.9M increase budget for Beacon Point New Reservoir from 20.21 carry forward and Year 1 deferral, \$4.2M additional budget for Shotover Country Water Treatment Plant and deferral from Year 1 which is in current delivery. There is also various deferrals from 2021-2022 including \$3.8M for Quail Rise Reservoir, \$4.8M for Kingston Housing Infrastructure Fund New Scheme and \$3.1M for Luggate Water Supply Scheme. Offset with deferrals to Year 4 including \$5.8M for Beacon Point Intake and Rising Main, \$3.3M for Fernhill Reservoir Access and \$3.2M for BP Roundabout - Kawarau Bridge Retic Ext.
- > Transport \$16.9M increase - Increase Arterials Crown Infrastructure Partners budget \$13M due to additional works and cost escalations, and \$5M escalation increase in Lakeview Ancillary works and deferral of \$5M from Year 1 for Lakeview Development and Ancillary works and \$9.5M deferred from Queenstown Street Upgrades Crown Infrastructure Partners. Transport budgets largely reduced to match to Waka Kotahi funding (\$13M).
- > Wastewater \$33.1M increase - \$13.6M brought forward from Year 4 for Project Shotover Upgrade with demand higher than planned, \$8.1M deferral for Year 1 and brought forward from Year 3 for Kingston Housing Infrastructure Fund new scheme which also includes additional budget based on most recent cost estimate and delivery timeline, \$6.6M increase for Project Pure upgrade based on latest project estimate which includes deferral from Year 1, and \$4.5M carry forward and Year 1 deferral for North Wānaka Conveyance.

## INDIVIDUAL SIGNIFICANT PROJECTS (defined as projects with over \$500k budget)

Programme	Project Name	Proposed Budget 2022/23
Building	Lakeview Development	2,611,103
Building	Lakeview Development - Other Infrastructure Upgrades	814,330
Building	Value of Projects less than \$500k	625,429
<b>Building Total</b>		<b>4,050,862</b>
Knowledge Management	Enterprise System	760,694
Knowledge Management	Value of Projects less than \$500k	1,039,547
<b>Knowledge Management Total</b>		<b>1,800,240</b>
Library	Value of Projects less than \$500k	400,114
<b>Library Total</b>		<b>400,114</b>
Other	QTN Priority Growth Corridors	2,000,000
Other	Value of Projects less than \$500k	564,425
<b>Other Total</b>		<b>2,564,425</b>
Parks and Reserves	Coronet Forest Revegetation	670,269
Parks and Reserves	Lakeview Rockfall Mitigation	600,000
Parks and Reserves	Marine Parade - Implementation	2,259,806
Parks and Reserves	Glenorchy Carpark & Marina Improvements	667,670
Parks and Reserves	Wānaka Lakefront Development Plan	2,166,420
Parks and Reserves	Water Sports facility & Parking Wānaka	770,388
Parks and Reserves	Value of Projects less than \$500k	3,665,531
<b>Parks and Reserves Total</b>		<b>10,800,084</b>
Waste Management	New Whakatipu Waste Facilities	1,150,000
Waste Management	Wānaka Waste Facilities	750,000
Waste Management	Value of Projects less than \$500k	2,153,348
<b>Waste Management Total</b>		<b>4,053,347</b>
Storm Water	Stormwater - Renewals - Whakatipu	996,443
Storm Water	Lakeview Development Servicing	3,206,582
Storm Water	Kingston HIF New Scheme	3,565,283
Storm Water	Aubrey Road Recreation Reserve Stormwater detention pond	4,262,160
Storm Water	Stone Street Upgrades	4,482,824
Storm Water	Value of Projects less than \$500k	2,346,823
<b>Storm Water Total</b>		<b>18,860,115</b>

Programme	Project Name	Proposed Budget 2022/23
Transport	Whakatipu - Sealed Road Resurfacing	1,270,397
Transport	Whakatipu - Unsealed Road Metalling	801,689
Transport	Whakatipu - Sealed Road Pavement Rehab	2,262,360
Transport	Whakatipu - Minor Improvements LCLR	2,761,726
Transport	Lakeview Development	3,898,739
Transport	Queenstown Street Upgrades	22,589,827
Transport	Lake Whakatipu Ferry Infrastructure Improvements	700,000
Transport	Quail Rise to Hawthorne Stage 1	553,937
Transport	Lakeview Ancil - Thompson St Arterial Standard	6,578,476
Transport	Lakeview Ancil - Isle St Upgrade	2,377,389
Transport	Lakeview Ancil - Brunswick St Retaining Wall	2,454,040
Transport	Lakeview Development Hay St Upgrade	521,967
Transport	Arterial - Stage One	36,131,897
Transport	Wānaka - Sealed Road Resurfacing	789,845
Transport	Wānaka - Unsealed Road Metalling	563,139
Transport	Wānaka - Minor Improvements	2,408,769
Transport	Wānaka Active Travel	500,000
Transport	Lakeview Development - Road & Public Realm	7,416,043
Transport	Lakeview Ancil - Site Clearance	1,400,000
Transport	Queenstown Parking Improvements	515,835
Transport	Wānaka Pool to School Active Travel	1,547,505
Transport	Value of Projects less than \$500k	4,940,578
<b>Transport Total</b>		<b>102,984,159</b>
Venues and Facilities	Ball Road Recreation Centre - Wastewater Site Preparation	1,540,777
Venues and Facilities	Value of Projects less than \$500k	2,187,186
<b>Venues &amp; Facilities Total</b>		<b>3,727,963</b>



Programme	Project Name	Proposed Budget 2022/23
Waste Water	CBD to Frankton Conveyance (WW)	6,626,104
Waste Water	Frankton Beach to Shotover Conveyance (WW)	1,409,860
Waste Water	Hawea Wastewater Management (WW)	6,323,724
Waste Water	Wastewater - Renewals - Queenstown (WW)	2,291,565
Waste Water	Wastewater - Renewals - Wanaka (WW)	862,133
Waste Water	Project Pure Upgrade (WW)	11,152,643
Waste Water	Project Shotover Plant Upgrade (WW)	13,836,626
Waste Water	Lakeview Development Servicing (WW)	1,048,066
Waste Water	Marine Pde PS Electrical Upgrade (WW)	2,425,051
Waste Water	North Wanaka Conveyance (WW)	6,018,480
Waste Water	Kingston HIF New Scheme (WW)	10,494,424
Waste Water	Park St PS Mechanical Upgrade (WW)	517,664
Waste Water	PS Emergency Storage - Queenstown (WW)	1,000,000
Waste Water	Telemetry - Queenstown (WW)	525,947
Waste Water	PS Emergency Storage - Wanaka (WW)	650,000
Waste Water	Value of Projects less than \$500k	2,337,089
<b>Wastewater Total</b>		<b>67,519,377</b>
Water Supply	Two Mile WTP (WS)	1,500,000
Water Supply	Quail Rise Reservoir (WS)	4,452,467
Water Supply	Shotover Country New WTP (WS)	5,402,795
Water Supply	BP Roundabout - Kawarau Bridge Retic Ext (WS)	750,000
Water Supply	Lakeview Ancil - Trunk Main Replacement (WS)	1,320,087
Water Supply	Glenorchy Reservoir upgrade (WS)	1,573,065
Water Supply	Kingston HIF New Scheme (WS)	6,488,204
Water Supply	Beacon Point New Reservoir (WS)	5,905,322
Water Supply	Western Wanaka Level of Service (WS)	3,900,164
Water Supply	Albert Town Retic Improvement (WS)	800,000
Water Supply	Beacon Point Intake & Rising Main (WS)	652,000
Water Supply	Wanaka Water Treatment (WS)	3,622,239
Water Supply	Capell Ave Watermain Extension (WS)	931,796
Water Supply	Cardrona Water Supply Scheme (WS)	6,675,752
Water Supply	Luggate Water Supply Scheme (WS)	3,109,252
Water Supply	Value of Projects less than \$500k	4,186,854
<b>Water Supply Total</b>		<b>51,269,998</b>
<b>Grand Total</b>		<b>268,030,684</b>

## Operating Expenditure (opex)

The 2022-2031 Ten Year Plan budget for year two has been used as the base for the 2022-2023 budget.

Generally speaking, there is significant cost pressure for both operating and capital budgets. The increasing price of fuel and the significant supply chain issues are impacting budgets. This includes labour costs, materials, energy, insurance et cetera. Assumptions first made in the Ten Year Plan have been tested with elected members to ensure that the proposed 2022-2023 Annual Plan budget reflects current needs and the Council's aspirations.

Revenue budgets have also been reviewed and updated where appropriate. This includes the incorporation of a revised fee structure to cover costs for some activities i.e. solid waste, consents (building and resource) as well as film permits. We have taken the approach that only "essential" changes have been approved in the 2022-2023 budgets. The main proposed elements of change are:

- > Solid Waste – increased Emissions Trading Schemecosts (\$1.3M)
- > Revised staff costs (\$1.8M)
- > Increased legal fees (\$3.6M)
- > Reduced interest costs (-\$0.55M)
- > Revenue budgets have also been reviewed and updated where appropriate.

## BUDGET COMPARISON

The 2021-2031 Ten Year Plan was written and approved last year and included a proposed budget for 2022-2023 (Year two of the Ten Year Plan). The table below highlights the main changes between what was proposed for 2022-2023 in the Ten Year Plan and the proposed Annual Plan budget for 2022-2023:

Debt Ratios	TYP 22/23 \$M	AP 22/23 \$M	Change \$M
Capital Works	196.4	268.0	71.6
Operating Cost	190.0	198.0	8.0
Total Revenue	260.9	260.0	-0.9
Debt Repayment	24.1	19.6	-4.4
New Loans	95.8	180.1	84.3
Rates Increase	5.87%	5.96%	0.10%

The proposed rates increase for 2022-2023 is 5.96% (after allowing for growth of 3.5% in the rates database). This is slightly above the 5.87% signalled in the Ten Year Plan for 2022-2023. Please refer to the next section for a discussion on the proposed rates increase.

Operating costs are up by \$8.0m or 4.22% compared to the 2021-2031 Ten Year Plan which is largely driven by the following factors:

- > Increased legal expense of \$3.6M due to the continuing need to defend building-related claims. In order to spread the impact of this years larger than normal budget, it is proposed to loan fund \$3M of this additional budget over the next five years.
- > Increases in staff costs of \$1.8M to ensure we can maintain levels of service to the community, and respond to external drivers such as the reform of Three Waters, the Resource Management Act 1991 and the Review into the Future for Local Government. The revised budget includes an increase from the Ten Year Plan of 17.6 FTE.
- > Increased landfill costs of \$1.3M due to increased cost of carbon credits (largely covered by additional revenue).

## IMPACT ON DEBT RATIOS

The table below highlights the main changes between the proposed Annual Plan budget for 2022-2023 to the 2021-2031 Ten Year Plan budget for the same year:

Debt Ratios	TYP 22/23	AP 22/23	Limit
Net Debt	\$415.8M	\$495.0M	
Total Revenue (excludes vested & DCs)	\$219.5M	\$218.6M	
Net Debt to Total Revenue	189.5%	226.4%	280%
Net Interest	\$10.8M	\$10.0M	
Total Revenue (excludes vested & DCs)	\$219.5M	\$218.6M	
Net Debt to Total Revenue	4.9%	4.6%	20%
Net Interest	\$10.8M	\$10.0M	
Annual Rates Income	\$104.0M	\$105.1M	
Net Interest to Rates Income	10.4%	9.5%	25%

# The numbers you need to know

## | Ka tātauraka



### Minimising the average rates increase

The anticipated average rates increase for 2022-2023 in the 2021-2031 Ten Year Plan was 5.87%<sup>9</sup>. This is the highest increase for any individual year in the ten years and the closest Council gets to the required self-imposed rates increase limit of 6%<sup>10</sup>. The combined impact of these budget changes and mitigating actions outlined here move the average rates increase to around 5.96%, just inside this self-imposed net rates increase limit.


The financial impact of defending legal claims related to alleged building defects and the revised budget for 2022-2023 including the changes outlined in the 'What's Changed | Kā Panonitaka' section, combine to an average rates increase to around 8.74%. This is considerably beyond our 6% self-imposed net rates increase limit and we are very conscious of the need to minimise the rates impact for our communities once again this year and considered the following budget changes to allow for a more reasonable rates increase.

- > Increased assumption for annual growth in the rating base from a relatively conservative 2.5% to 3.5%. This is based on greater than expected growth for 2021-2022 coupled with continuing high levels of consents and development activity suggesting that a higher growth factor is reasonable.
- > Reduced the forecast interest rate for the 2022-2023 year from 3.0% to 2.5%. Interest rates have not risen as quickly as was originally anticipated and the Council's current weighted average interest rate in December 2021 sits at 2.11% over \$248.0M of external debt. We have confidence that we can manage our actual average 2022-2023 interest rate to not exceed 2.5%. This will have the effect of reducing forecast interest expense by \$2.28M down from \$13.7M to \$11.4M.

<sup>9</sup> All percentages relating to rates in this section are quoted allowing for property quantity growth. The assumption in the 2021-2031 Ten Year Plan was 2.5% which is been adjusted to 3.5% as outlined.

<sup>10</sup> 9% gross

# Rates impact | Kawekawe rēti



## Quotable Value (QV) is contracted by QLDC to provide rating valuation services.

This includes a three-yearly mass update of rating values – known as a district revaluation. It's actually four years since the last revaluation was carried out as the COVID-19 pandemic caused a deferral of this process for a year due to lack of sales data.

Although the total capital value (CV) has grown by around 52%, the proportionality between rating categories has not changed significantly. At a micro level, the impact of the revaluation on rates is more pronounced for some types of property. In simple terms, if a property experiences a rating value change of significantly more or less than the 52% average, rates payable will change up or down according to the degree of difference.



## Mitigating the impact of Revaluation on Rates

Many councils use differentials to adjust the impact of capital values on rating incidence. In order to assess the impact of the new values on rates, we have recalculated the rates for the current year (2021-2022) using the revised CV for the district. The analysis shows that a global level, rating incidence has largely been retained except for the contributions of *Commercial* and *Accommodation* property types. The main issue we have is that *Commercial* properties are now picking up 0.8% more of the rates burden whilst *Accommodation* is paying 1.0% less overall. See the table on the following page.

Total Rates - Existing Differentials				
	2021 CV		2017 CV	
Residential	\$49,529,315	51.7%	\$50,184,350	52.3%
Other	\$11,652,927	12.2%	\$11,128,146	11.6%
Accommodation	\$12,262,461	12.8%	\$13,195,929	13.8%
Commercial	\$13,589,822	14.2%	\$12,839,234	13.4%
Rural	\$8,833,511	9.2%	\$8,520,378	8.9%
	<b>\$95,868,036</b>		<b>\$95,868,036</b>	

This difference is exacerbated at a micro level where *Commercial* properties are generally showing higher CV increases than *Accommodation*. This flows through to some large rate increases of increases of 15% to 25% for some *Commercial* and much smaller increases or reductions for most *Accommodation properties* (see tables below). This outcome is not justified in terms of demand and can be corrected by adjusting differentials for *Commercial* and *Accommodation*.

Impact of Revaluation on 2021-2022 Rates - Existing Differentials (median values)				
Location	Property Type	CV Movement	Rates Change %	Rates Change \$
QUEENSTOWN	Residential	27.5%	-4.95%	-\$169
QUEENSTOWN	Commercial	58.7%	7.15%	\$485
QUEENSTOWN	Accommodation	37.4%	-4.18%	-\$456
WĀNAKA	Residential	53.6%	-0.23%	-\$7
WĀNAKA	Commercial	70.3%	6.47%	\$323
WĀNAKA	Accommodation	56.7%	-0.17%	-\$12
ARROWTOWN	Residential	55.4%	2.71%	\$87
ARROWTOWN	Commercial	100.1%	25.71%	\$1,597
ARROWTOWN	Accommodation	58.2%	3.82%	\$306

Impact of Revaluation on 2021-2022 Rates - Existing Differentials (higher values)				
Location	Property Type	CV Movement	Rates Change %	Rates Change \$
QUEENSTOWN	Residential	37.5%	-4.50%	-\$289
QUEENSTOWN	Commercial	57.7%	6.37%	\$5,481
QUEENSTOWN	Accommodation	24.6%	-9.28%	-\$27,739
WĀNAKA	Residential	67.3%	4.31%	\$194
WĀNAKA	Commercial	42.2%	-6.12%	-\$3,084
WĀNAKA	Accommodation	35.2%	-9.84%	-\$8,641
ARROWTOWN	Residential	57.2%	2.68%	\$130
ARROWTOWN	Commercial	75.7%	14.51%	\$2,219
ARROWTOWN	Accommodation	52.7%	1.31%	\$204

Impact of Revaluation on 2021-2022 Rates - Existing Differentials (lower values)				
Location	Property Type	CV Movement	Rates Change %	Rates Change \$
QUEENSTOWN	Residential	14.9%	-6.28%	-\$190
QUEENSTOWN	Commercial	58.1%	4.21%	\$119
QUEENSTOWN	Accommodation	34.3%	-5.79%	-\$241
WĀNAKA	Residential	60.5%	1.27%	\$38
WĀNAKA	Commercial	56.7%	0.57%	\$18
WĀNAKA	Accommodation	36.0%	-8.52%	-\$340
ARROWTOWN	Residential	60.4%	1.10%	\$36
ARROWTOWN	Commercial	100.2%	17.33%	\$544
ARROWTOWN	Accommodation	36.5%	-5.81%	-\$209

To maintain a closer alignment with pre-existing rating apportioning we have developed an option to adjust the rating differentials to decrease the overall contribution of *Commercial* property types and to increase *Accommodation* property types. To illustrate this concept, the existing and proposed differentials for QLDC for both the *Recreation & Events* rate and *Roading* rate are summarised below for *Commercial* and *Accommodation* property categories. Residential is our base and therefore is always 1.0.

Differentials	Existing		Proposed	
	Recreation	Roading	Recreation	Roading
Residential	1.00	1.00	1.00	1.00
Accommodation	3.50	3.75	4.00	4.00
Commercial	1.00	3.75	1.00	2.50

These adjustments have the following impact on the allocation of rates. The allocation for *Accommodation* is now to 13.4% (up 0.6%) whilst *Commercial* is now 13.1% (down 1.1%). This more closely matches the pre-existing allocation using the current (2017) CV. This the preferred option for the 2022-2023 Annual Plan.

Total Rates - Adjusted Differentials				
	2021 CV		2017 CV	
Residential	\$49,578,063	51.7%	\$50,184,350	52.3%
Other	\$11,917,960	12.4%	\$11,128,146	11.6%
Accommodation	\$12,868,039	13.4%	\$13,195,929	13.8%
Commercial	\$12,598,524	13.1%	\$12,839,234	13.4%
Rural	\$8,905,449	9.3%	\$8,520,378	8.9%
	<b>\$95,868,036</b>		<b>\$95,868,036</b>	

This revised rating allocation is illustrated in the table below at a micro level. It shows a moderation of the impact for Commercial and Accommodation. It shows smaller rate increases of 6% to 17% for some Commercial and fewer reductions for Accommodation properties.

Impact of Revaluation on 2021-2022 Rates - Revised Differentials (median values)				
Location	Property Type	CV Movement	Rates Change %	Rates Change \$
QUEENSTOWN	Residential	27.5%	-4.78%	-\$164
QUEENSTOWN	Commercial	58.7%	-0.47%	-\$32
QUEENSTOWN	Accommodation	37.4%	0.07%	\$8
WĀNAKA	Residential	53.6%	-0.19%	-\$6
WĀNAKA	Commercial	70.3%	-2.15%	-\$108
WĀNAKA	Accommodation	56.7%	3.85%	\$285
ARROWTOWN	Residential	55.4%	2.90%	\$93
ARROWTOWN	Commercial	100.1%	16.57%	\$1,029
ARROWTOWN	Accommodation	58.2%	9.30%	\$745

**Impact of Revaluation on 2021-2022 Rates - Revised Differentials (higher values)**

Location	Property Type	CV Movement	Rates Change %	Rates Change \$
QUEENSTOWN	Residential	37.5%	-4.03%	-\$259
QUEENSTOWN	Commercial	57.7%	-0.84%	-\$726
QUEENSTOWN	Accommodation	24.6%	-5.76%	-\$17,229
WĀNAKA	Residential	67.3%	4.48%	\$202
WĀNAKA	Commercial	42.2%	-13.49%	-\$6,793
WĀNAKA	Accommodation	35.2%	-5.95%	-\$5,223
ARROWTOWN	Residential	57.2%	3.10%	\$151
ARROWTOWN	Commercial	75.7%	5.90%	\$902
ARROWTOWN	Accommodation	52.7%	5.91%	\$922

**Impact of Revaluation on 2021-2022 Rates - Revised Differentials (lower values)**

Location	Property Type	CV Movement	Rates Change %	Rates Change \$
QUEENSTOWN	Residential	14.9%	-6.21%	-\$188
QUEENSTOWN	Commercial	58.1%	-0.21%	-\$6
QUEENSTOWN	Accommodation	34.3%	-1.50%	-\$63
WĀNAKA	Residential	60.5%	1.29%	\$39
WĀNAKA	Commercial	56.7%	-5.68%	-\$184
WĀNAKA	Accommodation	36.0%	-4.58%	-\$183
ARROWTOWN	Residential	60.4%	1.29%	\$42
ARROWTOWN	Commercial	100.2%	11.09%	\$348
ARROWTOWN	Accommodation	36.5%	-1.72%	-\$62



## Rates impact for 2022/23

Adopting these adjusted differentials would have a moderating impact for 2022-2023 rates as shown in the tables. The examples below show the breakdown in movement in the proposed rates for 2022-2023. It is important to understand the movement generated by changes to Council's budget as a discreet amount versus the changes in rates attributable to the change in capital value for the property. We have separated the impact of these two elements in these tables.

The budget impact columns show a high degree of alignment with the rates increases indicated for year two of the 2021-2031 Ten Year Plan. There are no variations greater than 4.55% from what was forecast in the 2021-2031 Ten Year Plan. The valuation impact columns show the impact of the changed capital value for each property. These vary according to the movement in capital value shown in the third column 'CV Move'.

This impact is not directly controllable by Council although it has proposed a minor change to some differentials for Commercial and Accommodation properties to preserve the overall rating incidence on these two categories. The impact of this proposal is to reduce the upward valuation change impact for Commercial and to reduce the downward valuation change impact for Accommodation. This proposal is discussed in detail under Impact of Revaluation on Rates on page 19.

The columns on the right-hand side labelled 'Total Rates AP23' show the total proposed rates movement for 2022-2023. There is a high degree of variation in the movements largely as a result of the valuation impacts. Residential movements range from -0.81% (Arthurs Point) to 8.57% (Hāwea).

There are high increases for Commercial in Arrows town (22.44%) largely driven by the capital value increase of over 100%.

The impact on both the Higher Values and Lower Values is similar with less variation to the 2021-2031 Ten Year Plan and with less extreme increases and decreases across both Commercial and Accommodation properties.



**Summary of indicative total rate movements 22/23 - new CV (median values)**

Property Type	New CV	Old CV	% CV Move	Location	Budget Impact AP23 %	Budget Impact AP23 \$	Valuation Impact AP23 %	Valuation Impact AP23 \$	Total Rates AP23 %	Total Rates AP23 \$
RESIDENTIAL	\$1,390,000	\$1,090,000	27.5%	QUEENSTOWN	4.80%	\$164	-5.22%	-\$178	-0.41%	-\$14
COMMERCIAL	\$2,999,000	\$1,890,000	58.7%	QUEENSTOWN	4.66%	\$316	-0.64%	-\$43	4.02%	\$272
ACCOMMODATION	\$2,860,000	\$2,081,000	37.4%	QUEENSTOWN	4.25%	\$464	0.08%	\$9	4.33%	\$473
M/U ACCOMMODATION	\$1,720,000	\$1,260,000	36.5%	QUEENSTOWN	4.87%	\$215	-2.03%	-\$90	2.84%	\$125
VACANT	\$1,086,000	\$700,000	55.1%	QUEENSTOWN	5.42%	\$131	2.46%	\$59	7.87%	\$190
M/U COMMERCIAL	\$1,565,000	\$1,250,000	25.2%	QUEENSTOWN	4.65%	\$193	-8.82%	-\$366	-4.17%	-\$173
RESIDENTIAL	\$1,298,000	\$845,000	53.6%	WĀNAKA	6.64%	\$212	-0.20%	-\$6	6.45%	\$205
COMMERCIAL	\$1,780,000	\$1,045,000	70.3%	WĀNAKA	6.02%	\$301	-2.30%	-\$115	3.72%	\$186
ACCOMMODATION	\$1,724,000	\$1,100,000	56.7%	WĀNAKA	6.57%	\$486	4.11%	\$304	10.67%	\$790
M/U ACCOMMODATION	\$1,613,000	\$900,000	79.2%	WĀNAKA	6.24%	\$247	9.18%	\$363	15.41%	\$610
PRIMARY INDUSTRY	\$7,138,000	\$5,050,000	41.3%	WĀNAKA	7.42%	\$335	-5.49%	-\$248	1.92%	\$87
COUNTRY DWELLING	\$2,465,000	\$1,560,000	58.0%	WĀNAKA	6.59%	\$170	2.09%	\$54	8.68%	\$224
VACANT	\$907,500	\$550,000	65.0%	WĀNAKA	7.02%	\$160	2.27%	\$52	9.28%	\$211
M/U COMMERCIAL	\$1,390,400	\$880,000	58.0%	WĀNAKA	6.12%	\$228	-1.47%	-\$55	4.65%	\$173
RESIDENTIAL	\$1,437,000	\$925,000	55.4%	ARROWTOWN	4.58%	\$147	3.09%	\$99	7.67%	\$245
COMMERCIAL	\$3,302,000	\$1,650,000	100.1%	ARROWTOWN	5.07%	\$315	17.37%	\$1,079	22.44%	\$1,394
ACCOMMODATION	\$2,689,000	\$1,700,000	58.2%	ARROWTOWN	5.39%	\$432	9.91%	\$794	15.30%	\$1,226
M/U ACCOMMODATION	\$1,380,000	\$900,000	53.3%	ARROWTOWN	4.68%	\$178	2.63%	\$100	7.31%	\$279
VACANT	\$1,180,000	\$720,000	63.9%	ARROWTOWN	5.77%	\$138	4.78%	\$114	10.54%	\$252
M/U COMMERCIAL	\$1,430,000	\$900,000	58.9%	ARROWTOWN	4.48%	\$162	1.13%	\$41	5.61%	\$203
PRIMARY INDUSTRY	\$5,750,000	\$4,100,000	40.2%	WHAKATIPU	7.91%	\$278	-1.78%	-\$62	6.13%	\$215
COUNTRY DWELLING	\$3,281,000	\$2,050,000	60.0%	WHAKATIPU	7.61%	\$210	6.26%	\$172	13.87%	\$382
RESIDENTIAL	\$892,000	\$700,000	27.4%	GLENORCHY	6.47%	\$172	-2.71%	-\$72	3.76%	\$100
RESIDENTIAL	\$1,042,000	\$820,000	27.1%	LAKE HAYES	4.65%	\$142	-3.91%	-\$120	0.73%	\$22
RESIDENTIAL	\$843,000	\$570,000	47.9%	HĀWEA	9.93%	\$265	-1.36%	-\$36	8.57%	\$228
RESIDENTIAL	\$788,000	\$520,000	51.5%	LUGGATE	5.40%	\$157	-0.49%	-\$14	4.91%	\$143
RESIDENTIAL	\$840,000	\$650,000	29.2%	KINGSTON	6.50%	\$118	-4.64%	-\$84	1.86%	\$34
RESIDENTIAL	\$1,013,000	\$860,000	17.8%	ARTHURS POINT	5.53%	\$175	-6.34%	-\$201	-0.81%	-\$26

Summary of indicative total rate movements 22/23 - new CV (higher values)

Property Type	New CV	Old CV	% CV Move	Location	Budget Impact AP23 %	Budget Impact AP23 \$	Valuation Impact AP23 %	Valuation Impact AP23 \$	Total Rates AP23 %	Total Rates AP23 \$
RESIDENTIAL	\$5,020,000	\$3,650,000	37.5%	QUEENSTOWN	6.33%	\$407	-4.42%	-\$284	1.92%	\$123
COMMERCIAL	\$35,800,000	\$22,700,000	57.7%	QUEENSTOWN	4.74%	\$4,079	-1.03%	-\$882	3.72%	\$3,197
ACCOMMODATION	\$71,000,000	\$57,000,000	24.6%	QUEENSTOWN	3.43%	\$10,261	-6.07%	-\$18,134	-2.63%	-\$7,873
M/U ACCOMMODATION	\$5,012,000	\$4,250,000	17.9%	QUEENSTOWN	5.92%	\$565	-13.76%	-\$1,313	-7.84%	-\$748
VACANT	\$1,501,000	\$1,010,000	48.6%	QUEENSTOWN	5.75%	\$159	1.07%	\$30	6.82%	\$189
M/U COMMERCIAL	\$2,170,000	\$1,655,000	31.1%	QUEENSTOWN	4.92%	\$235	-7.90%	-\$378	-2.98%	-\$143
RESIDENTIAL	\$3,044,000	\$1,820,000	67.3%	WĀNAKA	6.95%	\$313	4.86%	\$219	11.81%	\$532
COMMERCIAL	\$15,220,000	\$10,700,000	42.2%	WĀNAKA	6.03%	\$3,038	-14.14%	-\$7,122	-8.11%	-\$4,084
ACCOMMODATION	\$22,850,000	\$16,900,000	35.2%	WĀNAKA	5.79%	\$5,087	-6.17%	-\$5,421	-0.38%	-\$334
M/U ACCOMMODATION	\$5,840,000	\$3,550,000	64.5%	WĀNAKA	6.48%	\$664	6.88%	\$705	13.36%	\$1,369
PRIMARY INDUSTRY	\$26,656,000	\$21,750,000	22.6%	WĀNAKA	8.32%	\$1,265	-19.76%	-\$3,006	-11.44%	-\$1,740
COUNTRY DWELLING	\$5,599,000	\$3,710,000	50.9%	WĀNAKA	7.56%	\$340	-1.05%	-\$47	6.51%	\$293
VACANT	\$2,724,000	\$1,430,000	90.5%	WĀNAKA	7.21%	\$248	13.61%	\$468	20.82%	\$717
M/U COMMERCIAL	\$1,750,000	\$1,150,000	52.2%	WĀNAKA	6.14%	\$260	-3.63%	-\$153	2.51%	\$106
RESIDENTIAL	\$3,505,000	\$2,230,000	57.2%	ARROWTOWN	5.35%	\$260	3.31%	\$161	8.66%	\$421
COMMERCIAL	\$7,732,000	\$4,400,000	75.7%	ARROWTOWN	4.73%	\$723	6.16%	\$942	10.89%	\$1,665
ACCOMMODATION	\$4,580,000	\$3,000,000	52.7%	ARROWTOWN	4.62%	\$721	6.32%	\$987	10.94%	\$1,708
M/U ACCOMMODATION	\$3,220,000	\$2,200,000	46.4%	ARROWTOWN	5.28%	\$324	0.81%	\$50	6.09%	\$374
VACANT	\$1,570,000	\$980,000	60.2%	ARROWTOWN	6.01%	\$161	4.64%	\$124	10.66%	\$286
M/U COMMERCIAL	\$1,687,000	\$1,070,000	57.7%	ARROWTOWN	4.60%	\$179	0.86%	\$34	5.45%	\$213
PRIMARY INDUSTRY	\$24,520,000	\$18,300,000	34.0%	WHAKATIPU	8.77%	\$1,089	-6.56%	-\$815	2.20%	\$274
COUNTRY DWELLING	\$8,702,000	\$6,080,000	43.1%	WHAKATIPU	8.65%	\$512	-1.80%	-\$106	6.85%	\$406
RESIDENTIAL	\$1,120,000	\$920,000	21.7%	GLENORCHY	6.39%	\$191	-5.18%	-\$155	1.21%	\$36
RESIDENTIAL	\$1,437,000	\$1,150,000	25.0%	LAKE HAYES	5.01%	\$170	-5.50%	-\$186	-0.49%	-\$17
RESIDENTIAL	\$1,468,000	\$870,000	68.7%	HĀWEA	10.13%	\$312	4.13%	\$127	14.25%	\$439
RESIDENTIAL	\$965,000	\$700,000	37.9%	LUGGATE	6.25%	\$209	-2.86%	-\$95	3.39%	\$113
RESIDENTIAL	\$1,126,000	\$900,000	25.1%	KINGSTON	6.72%	\$139	-7.00%	-\$145	-0.28%	-\$6
RESIDENTIAL	\$1,497,000	\$1,275,000	17.4%	ARTHURS POINT	5.94%	\$220	-8.19%	-\$303	-2.25%	-\$83

Summary of indicative total rate movements 22/23 - new CV (lower values)

Property Type	New CV	Old CV	% CV Move	Location	Budget Impact AP23 %	Budget Impact AP23 \$	Valuation Impact AP23 %	Valuation Impact AP23 \$	Total Rates AP23 %	Total Rates AP23 \$
RESIDENTIAL	\$862,000	\$750,000	14.9%	QUEENSTOWN	4.37%	\$132	-6.75%	-\$204	-2.38%	-\$72
COMMERCIAL	\$680,000	\$430,000	58.1%	QUEENSTOWN	4.48%	\$126	-0.29%	-\$8	4.18%	\$118
ACCOMMODATION	\$920,000	\$685,000	34.3%	QUEENSTOWN	5.13%	\$213	-1.60%	-\$67	3.53%	\$147
M/U ACCOMMODATION	\$1,004,000	\$830,000	21.0%	QUEENSTOWN	4.48%	\$165	-6.19%	-\$228	-1.71%	-\$63
VACANT	\$584,000	\$345,000	69.3%	QUEENSTOWN	4.90%	\$98	3.52%	\$71	8.41%	\$169
M/U COMMERCIAL	\$996,000	\$800,000	24.5%	QUEENSTOWN	4.24%	\$146	-6.95%	-\$240	-2.70%	-\$93
RESIDENTIAL	\$1,172,000	\$730,000	60.5%	WĀNAKA	6.59%	\$200	1.39%	\$42	7.99%	\$242
COMMERCIAL	\$815,000	\$520,000	56.7%	WĀNAKA	6.82%	\$221	-5.96%	-\$194	0.85%	\$28
ACCOMMODATION	\$775,000	\$570,000	36.0%	WĀNAKA	6.94%	\$277	-4.79%	-\$191	2.15%	\$86
M/U ACCOMMODATION	\$1,093,000	\$690,000	58.4%	WĀNAKA	6.21%	\$220	2.08%	\$74	8.29%	\$293
PRIMARY INDUSTRY	\$2,030,000	\$1,330,000	52.6%	WĀNAKA	5.99%	\$128	0.97%	\$21	6.96%	\$149
COUNTRY DWELLING	\$1,868,000	\$1,100,000	69.8%	WĀNAKA	6.16%	\$134	5.64%	\$122	11.80%	\$256
VACANT	\$785,000	\$440,000	78.4%	WĀNAKA	6.98%	\$148	4.50%	\$96	11.48%	\$244
M/U COMMERCIAL	\$945,000	\$600,000	57.5%	WĀNAKA	6.10%	\$196	-1.26%	-\$40	4.84%	\$156
RESIDENTIAL	\$1,428,000	\$890,000	60.4%	ARROWTOWN	4.61%	\$150	1.37%	\$44	5.98%	\$194
COMMERCIAL	\$1,101,000	\$550,000	100.2%	ARROWTOWN	5.06%	\$159	11.64%	\$365	16.69%	\$524
ACCOMMODATION	\$710,000	\$520,000	36.5%	ARROWTOWN	5.51%	\$199	-1.79%	-\$65	3.72%	\$134
M/U ACCOMMODATION	\$1,193,000	\$760,000	57.0%	ARROWTOWN	4.57%	\$163	3.38%	\$120	7.95%	\$283
VACANT	\$703,000	\$390,000	80.3%	ARROWTOWN	5.35%	\$108	5.76%	\$116	11.11%	\$223
M/U COMMERCIAL	\$1,280,000	\$775,000	65.2%	ARROWTOWN	4.39%	\$150	2.64%	\$90	7.03%	\$240
PRIMARY INDUSTRY	\$2,293,000	\$1,410,000	62.6%	WHAKATIPU	6.77%	\$137	6.22%	\$126	12.99%	\$263
COUNTRY DWELLING	\$1,646,000	\$1,015,000	62.2%	WHAKATIPU	6.80%	\$132	5.21%	\$101	12.01%	\$233
RESIDENTIAL	\$613,000	\$480,000	27.7%	GLENORCHY	6.57%	\$154	-2.04%	-\$48	4.53%	\$106
RESIDENTIAL	\$950,000	\$730,000	30.1%	LAKE HAYES	4.54%	\$135	-3.02%	-\$90	1.51%	\$45
RESIDENTIAL	\$734,000	\$480,000	52.9%	HĀWEA	9.86%	\$250	-0.24%	-\$6	9.63%	\$244
RESIDENTIAL	\$670,000	\$430,000	55.8%	LUGGATE	6.07%	\$184	0.13%	\$4	6.21%	\$188
RESIDENTIAL	\$643,000	\$460,000	39.8%	KINGSTON	6.29%	\$102	-1.41%	-\$23	4.88%	\$79
RESIDENTIAL	\$864,000	\$690,000	25.2%	ARTHURS POINT	5.32%	\$157	-6.33%	-\$188	-1.01%	-\$31

# What's Different?

## | Paeka Ahumoni mō kā tau 2020-2021

### **CLIMATE AND BIODIVERSITY PLAN** **\$257K budget with a proposed \$420K increase**

The first Climate Action Plan was developed in 2019-2020 and is currently in its third year of delivery. During the 2021-2031 Ten Year Plan process, Council asked officers to consider both what was achievable within the budget provided and what additional funding could be required in year one. The next iteration of what is now referred to as the Climate and Biodiversity Plan is currently under development and community engagement is underway at the same time as consultation on this Annual Plan (visit [letstalk.qldc.govt.nz](http://letstalk.qldc.govt.nz) to see the draft Climate and Biodiversity Plan to find out more and have your say). That draft plan proposed 71 actions for delivery between 2022 and 2025 (46 of which have been proposed for delivery in 2022-2023), which have been prioritised from over 500 possible actions put forward by the Climate Reference Group and other key stakeholders.

This draft, although yet to be confirmed and approved by Council, has been used as a basis to potentially revisit the budget requirement for the 2022-2023 Annual Plan.

Many projects across Council's ten year plan programme of work help deliver on or underpin our commitment to mitigating against or adapting to our changing climate. As part of this programme, the Climate and Biodiversity Plan has a specific set of actions that reflect the plan's goals. The current \$257k investment for 2022-2023 will mean 28 actions within the plan can be prioritised from the proposed 46 in year 2022-2023. These have been prioritised because they are ready for implementation and/or are important foundational activity. Alternatively, Council can choose to commence all 46 actions signalled for 2022-2023 which would require an estimated increase of \$420k. However, this would breach Council's desire to stay within a maximum average rate increase limit of 6%. The increase in budget would result in a further increase in rates of 0.43% to 6.39%.

The complete suite of 46 actions includes a number of assessments, studies, reviews and actions that consider matters such as low-impact living, electric vehicle charging infrastructure, active travel partnering and promotion, and controlling pest plants to minimise or eliminate the use of agrichemicals. Should the additional funding not be approved, officers will recommend that it is included in the following 2023-2024 Annual Plan.

#### **Option 1:**

Do not increase the budget over \$257k to complete additional actions within the Climate and Biodiversity Plan. This ensures that Council can remain within its required, self-imposed rates limit of 6%.

#### **Option 2:**

Increase the budget from \$257k to \$677k to complete all the proposed 46 Climate and Biodiversity Plan actions for 2022-2023. This will require Council to breach its required, self-imposed rates limit by 0.43% (to an average rates increase of 6.39%).

### **WEATHER TIGHTNESS CLAIMS** **Expenditure increase resulting in average 1.6% rates increase**

Council has experienced an increase in the number and quantum of claims against it by property owners relating to weather tightness and other building defects; and a material increase in the operational expenditure by Council to defend and resolve such claims.

Council's overriding objective is to resolve such claims in a way that minimises the financial impact on ratepayers now and in the future. Each case turns on a unique combination of facts and legal principles. Recent case law in Aotearoa New Zealand provides examples where the developers, builders and other persons who were primarily responsible for designing and constructing the buildings in question have often been wound up or declared bankrupt.

Local authorities often face alleged liability for the entire claim, under the principle of joint and several liability. Councils often find themselves as “the last person standing” in these cases, which results in Council being held liable for amounts well in excess of its actual proportion of fault or blame.

Council’s liability in relation to all outstanding claims relating to alleged weather tightness and other building defects has not been established. It is not possible to determine the outcome of claims at this stage.

For the past decade the insurance market has in many cases sought to exclude weather tightness claims from their coverage, and local authorities have found it difficult if not impossible to continue to hold insurance against many such claims.

The 2022-2023 Annual Plan will include adjustments to both the budget for legal fees to defend claims and the impact on ratepayers to fund amounts expended by Council to date. The funding of amounts expended to resolve claims involves both an increase in

Council debt and the servicing and repayment of this debt through an increase in rates.

For legal reasons Council is unable to disclose amounts relating to a specific claim, however the aggregate of all expenditure in the 2021-2022 year to defend and/or resolve claims (including costs) was approximately \$40M. This was largely funded by an increase in Council debt. The servicing and repayment of this debt increase will result in an annual rates increase of approximately 1.6% for the 2022-2023 year and beyond.

This amount is included in the proposed average rates increase of 5.96% and as such Council has managed to minimise the impact of these costs. Council will continue to vigorously defend these types of claims and lobby for a change in the legal framework which currently exposes ratepayers to large speculative claims with the risk of inequitable financial outcomes.

### **RIGHT-SIZING STAFF NUMBERS \$1.8M expenditure increase**

Ensuring Council has the right capacity and capability within the staff is essential to delivering the capital investment programme presented in the 2021-2031 Ten Year Plan, maintaining levels of service to the community, and responding to external drivers such as the reforms of three waters and the Resource Management Act 1991 and the national review of local government. The proposed 2022-2023 Annual Plan budget responds to these drivers and includes an increase from the 2021-2031 Ten Year Plan of 17.6 FTE. All roles ensure continued levels of service to the community and momentum in key programmes of work.

Staff retention is also an ongoing consideration in and increasingly competitive labour market as the impact of COVID-19 affects employers’ ability to recruit people with the right skills, particularly in the face of increasingly complex work programmes and the uncertainty of government reform.

To minimise the effect on rates these additional roles are being offset where possible by increased budgeting for vacancies, increasing revenue for user pays services and recovering costs from capital projects.

### **INCREASING USER FEES AND CHARGES**

The Council provides a range of “user pays” services throughout the district. Generally, we will look to use fees and charges to recover the “private benefit” costs of a particular activity. The Revenue and Financing Policy determines the target for the proportion of private benefit to be recovered by fees and charges for each activity.

Council is also able to set fees and charges payable by applicants for the processing of applications and for any performance of any other function or service under provisions of the Resource Management Act 1991, Building Act 2004, and Local Government Act 2002.



In reviewing progress on the 2021-2031 Ten Year Plan and compiling budgets for this second year of that plan, it became clear that a range of fees and charges would not comply with the Revenue and Funding Policy. It is therefore proposed to increase fees and charges in the areas of:

- > Planning and Development services (building consents, resource consents, and resource management engineering, including administration support)
- > Waste services at transfer stations
- > Sport and Recreation facilities

A detailed breakdown of proposed fee increases is provided overleaf. It is important to note that if fees and charges are not increased for these activities, then the unfunded “private benefit” portion of the cost will have to be collected in rates. It is Council’s preference to review and adjust fees and charges periodically in order maintain the existing policy settings and to minimise rates increases. We understand that the users of the services in question will consequently have to pay more, but we consider this a more equitable and balanced approach.

## RESOURCE AND BUILDING CONSENT FEES

### Proposed user fee increases between 5%-10%

Council is able to set fees and charges payable by applicants for the processing of applications and for any performance of any other function or service under provisions of the Resource Management Act 1991, Building Act 2004, and Local Government Act 2002.

The Council funding policy is that 80% of the cost of providing those services is to be recovered through charges on consent and approval processing to reflect the private benefit obtained, with the remaining 20% being funded through rates as a public good. Council provides a range of services funded by that 20% including a free front counter advice service for planning and building enquiries service, and also to cover costs in other areas such as appeals and objections, staff training, responding to local government official information requests, and other Council activities.

Within the Planning and Development Department (P&D), four teams (building consents, resource consents and resource management engineering, and administration support) charge directly for services under the funding policy.

It is Council’s policy to review and adjust fees and charges periodically in order to maintain the existing policy settings and to minimise rates increases. Due to increasing costs, including the cost of consultants engaged to ensure levels of service are maintained, Council is consulting on a proposal to increase fees in order to meet Council’s funding policy and to help ensure Council recovers the reasonable costs incurred in respect of the activity to which the charge relates

Based on the 2020-2021 and year to date figures, P&D is not meeting its 80/20 funding policy. The actual private funding ratio has been between 70% and 72% across the planning, building and resource management engineering services as shown in the table below. The proposed increase to hourly rates and Council charges (see below) will help ensure Council recovers the reasonable costs incurred by the local authority in respect of the activity to which the charge relates. It will also mean P&D achieve the 80/20 funding policy with no impact on ratepayers.

Private funding ratio	2019-2020 actual funding ratio	2020-2021 actual funding ratio	2021-2022 new year to date actual funding ratio
RM Engineering	76%	74%	69%
Building Consent	76%	72%	81%
Resource Management	68%	67%	66%
Average	73%	70%	73%

## PROPOSED HOURLY RATES

Planning & Development. Effective date: 01 July 2022.							
Team	Role	Unit of Measure	From *	To *	Change (\$)	Change (%)	
Resource Consents	Planning Officers	Hourly	\$160	\$176	\$16	10%	
Resource Consents	Planners	Hourly	\$182	\$200	\$18	10%	
Resource Consents	Senior Planners	Hourly	\$204	\$225	\$21	10%	
Resource Consents	Leadership	Hourly	\$204	\$225	\$21	10%	
Engineering	Land Development Engineer Cadet	Hourly	\$160	\$168	\$8	5%	
Engineering	Land Development Engineer	Hourly	\$212	\$222	\$10	5%	
Engineering	Team Leader Sub-division, Development Contributions & Property	Hourly	\$212	\$222	\$10	5%	
Engineering	Subdivisions & Development Contributions Officer	Hourly	\$160	\$168	\$8	5%	
Building Services	Processing	Hourly	\$189	\$200	\$11	6%	
Building Services	Building Inspections	Hourly	\$189	\$200	\$11	6%	
Building Services	Team leaders	Hourly	\$189	\$200	\$11	6%	
Adminstration	Administration Support	Hourly	\$110	\$116	\$6	5%	
Adminstration	Senior Administration Support [new rate]	Hourly	\$0	\$125	\$125		

\* Includes GST

Planning & Infrastructure, Parks, Monitoring & Enforcement. Effective date: 01 July 2022.							
Team	Role	Unit of Measure	From *	To *	Change (\$)	Change (%)	
Monitoring & Enforcement	Monitoring/Compliance Planner	Hourly	\$160	\$176	\$16	10%	
Monitoring & Enforcement	Environmental Health	Hourly	\$125	\$131	\$6	5%	
Property & Infrastructure	Senior Infrastructure Engineer	Hourly	\$212	\$222	\$10	5%	
Property & Infrastructure	Infrastructure Engineer/Logistics	Hourly	\$190	\$200	\$10	5%	
Property & Infrastructure	Infrastructure Other	Hourly	\$160	\$168	\$8	5%	
Parks & Reserve Senior / Manager	Parks & Reserve Senior / Manager	Hourly	\$204	\$225	\$21	10%	
Parks & Reserve Senior / Manager	Parks & Reserves Planner / Officer	Hourly	\$160	\$176	\$16	10%	

\* Includes GST



## PROPOSED BUILDING SERVICES FEES

Building Services Fees. Effective date: 01 July 2022.

Project Information Memorandum (PIM) only application (Cost is later deducted from subsequent full Building Consent deposit)				
Team	From: *	To: *	Change (\$)	Change (%)
Residential	\$295	\$313	\$18	6%
Commercial	\$500	\$530	\$30	6%

\* Includes GST

Building consent - initial fee (non-refundable)									
Estimated Value	Building Type	From *		To *		Change (\$)		Change (%)	
		Building Consent Initial fee		Building Consent Initial fee		Building Consent Initial fee		Building Consent Initial fee	
		Without PIM	With PIM (PIM provided at discounted rate)	Without PIM	With PIM (PIM provided at discounted rate)	Without PIM	With PIM (PIM provided at discounted rate)	Without PIM	With PIM (PIM provided at discounted rate)
Any	Heating Appliances	\$405	\$405	\$429	\$429	\$24	\$24	6%	6%
< \$5000	Any	\$405	\$475	\$429	\$504	\$24	\$29	6%	6%
\$5001 - \$20 000	Any	\$935	\$980	\$991	\$1,039	\$56	\$59	6%	6%
\$20 001 - \$180 000	Unlined Accessory Building	\$1,500	\$1,540	\$1,590	\$1,632	\$90	\$92	6%	6%
\$20 001 - \$180 000	Any (except unlined accessory)	\$2,290	\$2,310	\$2,427	\$2,449	\$137	\$139	6%	6%
\$180 001 - \$500 000	Residential	\$3,730	\$3,740	\$3,954	\$3,964	\$224	\$224	6%	6%
\$180 001 - \$500 000	Commercial	\$4,050	\$4,070	\$4,293	\$4,314	\$243	\$244	6%	6%
\$500 000 - \$1 000 000	Residential	\$5,665	\$5,720	\$6,005	\$6,063	\$340	\$343	6%	6%
\$500 000 - \$1 000 000	Commercial	\$6,270	\$6,270	\$6,646	\$6,646	\$376	\$376	6%	6%
> \$1 000 000**	Any	\$6,930	\$6,930	\$7,346	\$7,346	\$416	\$416	6%	6%

\*estimated value = As defined by the Goods and Services Act 1985 s10; this includes the cost of building materials, labour, design costs, siteworks, but excludes furnishings, carpets and appliances

\*\*for every \$50 000 (or part thereof) an additional fee of \$55.00 will apply

\*\*for every \$50 000 (or part thereof) an additional fee of \$60.00 will apply [10% increase]

\* Includes GST

<b>Levies</b> (Required at time of deposit).	
Building Research Levy BRANZ (where estimated value of work >\$20 000)	\$1.00 per \$1000 of est. value *
MBIE Building Levy (where estimated value of work >\$20 444)	\$1.75 per \$1000 of est. value *
BCA LEVY - BCA accreditation levy payable on all building consent applications including amended and stage applications - \$0.20 per \$1000 of building work	

\* Includes GST

<b>Building Act - initial fee (non-refundable)</b>				
	From *	To *	Change (\$)	Change (%)
Application Type	Fee	Fee	Fee	Fee
“Building Act Title Registration e.g.; - Section 71-74 Natural Hazards - Section 75 Building Across two (or more allotments)”	BCO ** hourly rate (plus any legal disbursements)	BCO ** hourly rate (plus any legal disbursements)		
Certificate of Acceptance (COA)	As per building consent fees	As per building consent fees		
Certificate of Public Use (CPU)	Complexity Com 1 & 2 \$275	\$292	\$17	6%
Change of Use (where no building work is required)	\$182	\$193	\$11	6%
Exempt Building Work	\$313	\$332	\$19	6%
Minor Variation	BCO ** hourly rate	BCO ** hourly rate		
Notice to Fix	\$300	\$318	\$18	6%
Split Building Consent Application (no change in value of work)	\$480	\$509	\$29	6%

\* Includes GST

\*\* BCO - Building Consent Officer

Other building services fees				
	From *	To *	Change (\$)	Change (%)
<b>Building Warrant of Fitness (BWOFF)</b>				
Compliance Schedule (register and issue)	\$295	\$313	\$18	6%
Amend Compliance Schedule	\$189	\$200	\$11	6%
Annual BWOFF Certificate	\$115	\$122	\$7	6%
Audit (On site audit approximately every 3 years)	\$ hourly rate (BCO & Admin)			
<b>Miscellaneous</b>				
Building Consents Issued - Monthly reports	\$360 (year) / \$35 (month)	\$382 (year) / \$37 (month)	\$22 (year) / \$2 (month)	6% / 6%
Pre-Application meeting (First hour free)	\$ hourly rate			
<b>Residential Swimming Pools (Building (Pools) Amendment Act 2016)</b>				
Inspections	\$ hourly rate per inspection			
Registration	\$230	\$244	\$14	6%
<b>Land Information Memorandum</b>				
Residential (standard 10 working days)	\$255	\$270	\$15	6%
Commercial (standard 10 working days)	\$385	\$408	\$23	6%

\* Includes GST

**PROPOSED RESOURCE CONSENT AND ENGINEERING FEES**

\* Includes GST

Resource Consents, Resource Management Engineering and Other Fees. Effective date: 01 July 2022.				
	From *	To *	Change (\$)	Change (%)
<b>Lodgement Fee Per Consent (Fixed Fees)</b>				
Monitoring	\$237	\$260	\$23	10%
Administration per resource consent	\$248	\$272	\$24	10%
<b>Land Use Consents</b>				
Pre-Application Meeting (first hour free)	hourly rate	hourly rate		
Deemed Permitted Activities - Boundary Activity Notice (Fixed Fee)	\$500	\$550	\$50	10%
Deemed Permitted Activities - Marginal & Temporary Non-compliance Notice	\$500	\$550	\$50	10%
"Controlled Activity (overall consent status) Except if fall into one of the specific consent categories below and then that initial fee applies"	\$1,550	\$1,700	\$150	10%
Restricted Discretionary (overall consent status). Except if fall into one of the specific consent categories below and then that initial fee applies	\$2,000	\$2,200	\$200	10%
Discretionary (overall consent status). Except if fall into one of the specific consent categories below and then that initial fee applies	\$2,200	\$2,420	\$220	10%
Non-complying Activities (overall consent status). Except if fall into one of the specific consent categories below and then that initial fee applies	\$3,000	\$3,300	\$300	10%
Signs	\$1,400	\$1,540	\$140	10%
Scheduled Buildings and/or Trees (Fixed Fee)	\$800	\$880	\$80	10%
Transfer of Water Based Consent (Fixed Fee)		\$275	\$275	New
Other applications		\$1,400	\$1,400	Reinstated
<b>Subdivision Consents</b>				
Amalgamation Certificate (Fixed Fee)	\$160	\$176	\$16	10%
Boundary Adjustment	\$2,000	\$2,200	\$200	10%
Restricted Activity (up to two lots)	\$2,800	\$3,080	\$280	10%
Restricted Activity (more than two lots)	\$3,100	\$3,400	\$300	10%
Engineering Review & Acceptance	\$500	\$550	\$50	10%
All other subdivisions	\$3,200	\$3,520	\$320	10%
Registered Bond / Release of Registered Bond (each)	\$160	\$168	\$8	5%
Cancellation of Amalgamation Certificate (s241)	\$1,250	\$1,310	\$60	5%
s223 Certificate	\$160	\$168	\$8	5%
s224(C) Certificate	\$320	\$336	\$16	5%
Signing and Sealing other plan or certificate	\$160	\$168	\$8	5%

Resource Consents, Resource Management Engineering and Other Fees. Effective date: 01 July 2022.				
	From *	To *	Change (\$)	Change (%)
<b>Other Applications/Processes</b>				
Notice of Requirement (NoR) for a Designation	\$6,000	\$6,600	\$600	10%
Alteration of Designation	\$3,900	\$4,300	\$400	10%
Removal of Designation or Heritage Order	\$500	\$550	\$50	10%
Certificate of Compliance	\$1,600	\$1,760	\$160	10%
Existing Use Certificate	\$3,000	\$3,300	\$300	10%
Extension of lapse period of a resource consent (s125)	\$750	\$825	\$75	10%
Outline Plan (s176A)	\$1,500	\$1,650	\$150	10%
Outline Plan Waiver s176A(2)(c)	\$600	\$660	\$60	10%
Surrender of consent (Fixed Fee)	\$250	\$275	\$25	10%
Variation of resource consent s127	\$1,800	\$1,980	\$180	10%
Urban Design (prior to lodgement of resource consent)	\$250	\$275	\$25	10%
Urban Design (post lodgement of resource consent)	\$500	\$550	\$50	10%
Private Plan Change	\$12,300	\$13,500	\$1,200	10%
<b>Local Government Act Charges</b>				
Right of Way Certificate (s348)	\$660	\$725	\$65	10%
Licence to Occupy	\$640	\$670	\$30	5%
Temporary Road Closure	\$640	\$670	\$30	5%
Assignment of Licence to Occupy	\$160	\$168	\$8	5%
Traffic Management Plans	\$150	\$158	\$8	5%
Corridor Access < 20	\$200	\$210	\$10	5%
Corridor Access 20-100	\$410	\$430	\$20	5%
Corridor Access 100-500	\$620	\$650	\$30	5%
Corridor Access 500-2000	\$825	\$870	\$45	5%
Corridor Access >2000	\$2,020	\$2,120	\$100	5%
Engineering Connection to Council Services (one connection)	\$310	\$325	\$15	5%
Engineering Connection to Council Services (each additional connection)	\$130	\$136	\$6	5%
Build over or near a Council pipe or drain, or relocate pipe or drain	\$600	\$630	\$30	5%
Cancellation of Building Line Restriction	\$330	\$345	\$15	5%
Limited Notified	\$1,630	\$1,790	\$160	10%
Public Notified	\$5,600	\$6,150	\$550	10%
Hearing - half day	\$6,800	\$7,500	\$700	10%
Hearing - full day	\$12,500	\$13,750	\$1,250	10%
Hearing - additional day	\$11,020	\$12,100	\$1,080	10%

## WASTE SERVICES

### Proposed user fee increases between 7%-55%

Council applies user fees for refuse (rubbish) services to offset operational costs which include purchasing Emissions Trading Scheme credits (sometimes called “carbon credits”). Council must acquire and surrender credits to account for its direct greenhouse gas emissions or the emissions associated with its services. Increases are proposed for waste-related user fees following the purchase of Emissions Trading Scheme credits and an annual increase of 103% from \$35.00 to \$71.15 per credit. Increasing the user pays refuse costs partially offsets this increased expenditure, reducing any variance from the 2021-2031 Ten Year Plan budget to \$400k.

Unit of measure	From *	To *	Change (\$)	Change (%)
Single refuse bags – Transfer station	\$6	\$8	\$2	33%
Small loads – Transfer station	\$26	\$37	\$11	43%
Accounts – Transfer station	\$26	\$37	\$11	43%
Trailers Van Ute under 200kg – Transfer station	\$53	\$70	\$17	32%
Trailers accounts under 200kg – Transfer station	\$53	\$70	\$17	32%
Tonnes (cash) – Transfer station	\$306	\$371	\$65	21%
Tonnes (account) – Transfer station	\$306	\$371	\$65	21%
Small loads (mulch)	\$7	\$8	\$1	7%
Accounts (mulch)	\$7	\$8	\$1	7%
Trailers Van Ute under 200kg (mulch)	\$14	\$15	\$1	7%
Trailers accounts under 200kg (mulch)	\$14	\$15	\$1	7%
Tonnes (cash) (mulch)	\$70	\$75	\$5	7%
Tonnes (account) (mulch)	\$70	\$75	\$5	7%
Small loads (hardfill)	\$7	\$11	\$4	55%
Accounts (hardfill)	\$7	\$11	\$4	55%
Trailers Van Ute under 200kg (hardfill)	\$15	\$23	\$8	55%
Trailers accounts under 200kg (hardfill)	\$15	\$23	\$8	55%
Tonnes (cash) (hardfill)	\$75	\$95	\$20	27%
Tonnes (account) (hardfill)	\$75	\$95	\$20	27%

## SPORT & RECREATION FACILITY FEES

### Proposed user fee increases between 4%-100%

Council operates and maintains a wide range of sport and recreation facilities throughout the district, for example the Queenstown Events Centre and Wānaka Recreation Centre. These provide opportunities for locals and visitors alike to get active and make the most of what the district has to offer. As our district continues to grow the demand on these facilities and the programmes they operate grows with it. To keep delivering these important services to the standard required by the community, Council must ensure it can recruit and retain properly trained and skilled staff. We think it’s right that the cost of maintaining that service rests primarily with the users, and therefore a number of increases are proposed to specific fees as outlined below.

Unit of measure	From *	To *	Change (\$)	Change (%)
<b>Driving range</b>				
Small bucket	\$6	\$8	\$2	33%
Medium bucket	\$8	\$10	\$2	25%
Large bucket	\$12	\$15	\$3	25%
Range club hire	\$990	\$990	\$0	0%
Member - Large bucket	\$10	\$12	\$2	20%
Member – small bucket	\$5	\$6	\$1	20%
<b>Weekly membership</b>				
Week’s admission	\$23	\$24	\$1	4%
<b>Casual entry</b>				
QCC club member	\$6	\$8	\$2	33%
Non club member	\$13	\$14	\$2	0%
<b>Belay licence</b>				
Adult	\$5	\$10	\$5	100%
Child	\$5	\$10	\$5	100%
<b>Kids climb</b>				
6-8 years (1 hour)	\$60	\$80	\$20	33%
Beginner (1 hour)	\$60	\$80	\$20	33%
Intermediate (1.5 hours)	\$80	\$100	\$20	25%
Advanced (2 hours)	\$80	\$110	\$30	38%

## IMPACT ON RATES

The table below shows the amount of additional revenue being sought through the proposed increase in fees at \$1.85M. If the fees were not increased, the impact on rates would be an additional 1.87% on top of the proposed 5.96% rates increase for 2022-2023. This would equate to an average rates increase of 7.83% which breaches the 6% self imposed rates limit set in the 2021-2031 Ten Year Plan. Council's preferred option is to increase these fees in line with the Revenue and Financing Policy.

	Draft 2022-2023 Annual Plan	2021-2031 Ten Year Plan, Year 2	Change	Of which is being driven by price increases
Planning & Development*	15,123,035	14,325,472	797,563	420,737
Waste	10,096,098	7,756,216	1,339,882	1,339,882
Sport & Recreation**	1,397,057	1,303,034	94,024	94,024
<b>Total</b>	<b>26,616,190</b>	<b>24,384,722</b>	<b>2,231,468</b>	<b>1,854,642</b>

\* Resource consents, engineering, building services and administration

\*\* Driving range, membership, climbing wall

## NEW FILM PERMIT FEE STRUCTURE

The QLDC Film Office – Film Queenstown Lakes – was approached in 2021 by a segment of the local film industry to advocate for a change to the current Film Permit fees set by QLDC for filming on Council land and property. Outlined in the Community Facility Funding Policy, the current fees are set at \$500/day for commercial filming and \$300/day for commercial photography and apply to all commercial productions regardless of size, scale or impact. The case for a change to the current fee system reflects the changing nature of the film and TV production industry, both globally and locally. The local industry used to be primarily centred on large-scale high-budget television commercials, feature film and TV content. Over the last five to ten years, the TV commercial industry in particular has shifted from a focus on large-scale high-budget TV commercials to smaller-scale online and social media content that is produced at a higher annual frequency.

The current fee schedule of \$500/day was designed for larger-scale, high budget and high impact productions. It has not been reviewed in the last five years to reflect the changing nature and needs of the industry, specifically the film and television businesses based in the district. Six other councils and film offices around New Zealand – including Christchurch City Council and Screen Auckland representing the Auckland region – have adopted tiered fee schedules that take into account the impact of the filming activity on Council, the environment, and community. These schedules have been used as a model for the proposed new Tiered Fee Schedule in this report. We consider that making the film permit fees more equitable will encourage more productions in the district.

This schedule categorises productions into Low, Medium and High impact with corresponding daily fees for each.



Permit Status	Permit Required	Permit Required - Other applications and necessary consent may be required.	Permit Required - Other applications and necessary consent may be required.
Estimated Submission/ Permit Response Time (by QLDC)	2 working days	5 working days	5 working days
Crew size	0-5 people (not including talent)	6-20 people (not including talent)	20+ people
Number of equipment/vehicles	No trucks. Cars, utes and vans only	1-6 trucks	6+ trucks
Infrastructure requirements	No infrastructure	Minimal infrastructure e.g. pop up tent	Significant structures – may require resource consent
Equipment requirements	Handheld equipment	Minimal equipment e.g. lights, camera tracks	Major equipment used e.g. camera cranes
Traffic impact	No disruption of the roads or footpaths	Basic traffic management required	Significant traffic management required. Closing of major roads
Impact on the public and community wellbeing	No disruption is caused to council stakeholders, businesses, residents, motorists, visitors, community groups or other events in the vicinity.	Could be minor disruption to council stakeholders, businesses, residents, motorists, visitors, community groups or other events. Local letter notification required. Consultation with impacted parties encouraged.	Likely to be significant disruption to council stakeholders, businesses, residents, motorists, visitors, community groups or other events. Local letter notification and possibly consultation with impacted parties required.

# Our Consultation Process

## Hātepe Matapaki

The important dates  
Te wātaka

FEBRUARY

MARCH

APRIL

MAY

JUNE

JULY

**MONDAY**  
**21 MARCH 2022**  
Submissions open

**MONDAY**  
**25 APRIL 2022**  
Submissions close

**WEDNESDAY**  
**25 MAY 2022**  
Wānaka hearing

**FRIDAY**  
**27 MAY 2022**  
Tāhuna Queenstown  
hearing


**THURSDAY**  
**30 JUNE 2022**  
Council adopts  
Annual Plan

# Summary of Changes | Whakarāpopototaka o kā panoni

This section will outline the changes made to the Annual Plan following the consultation process.

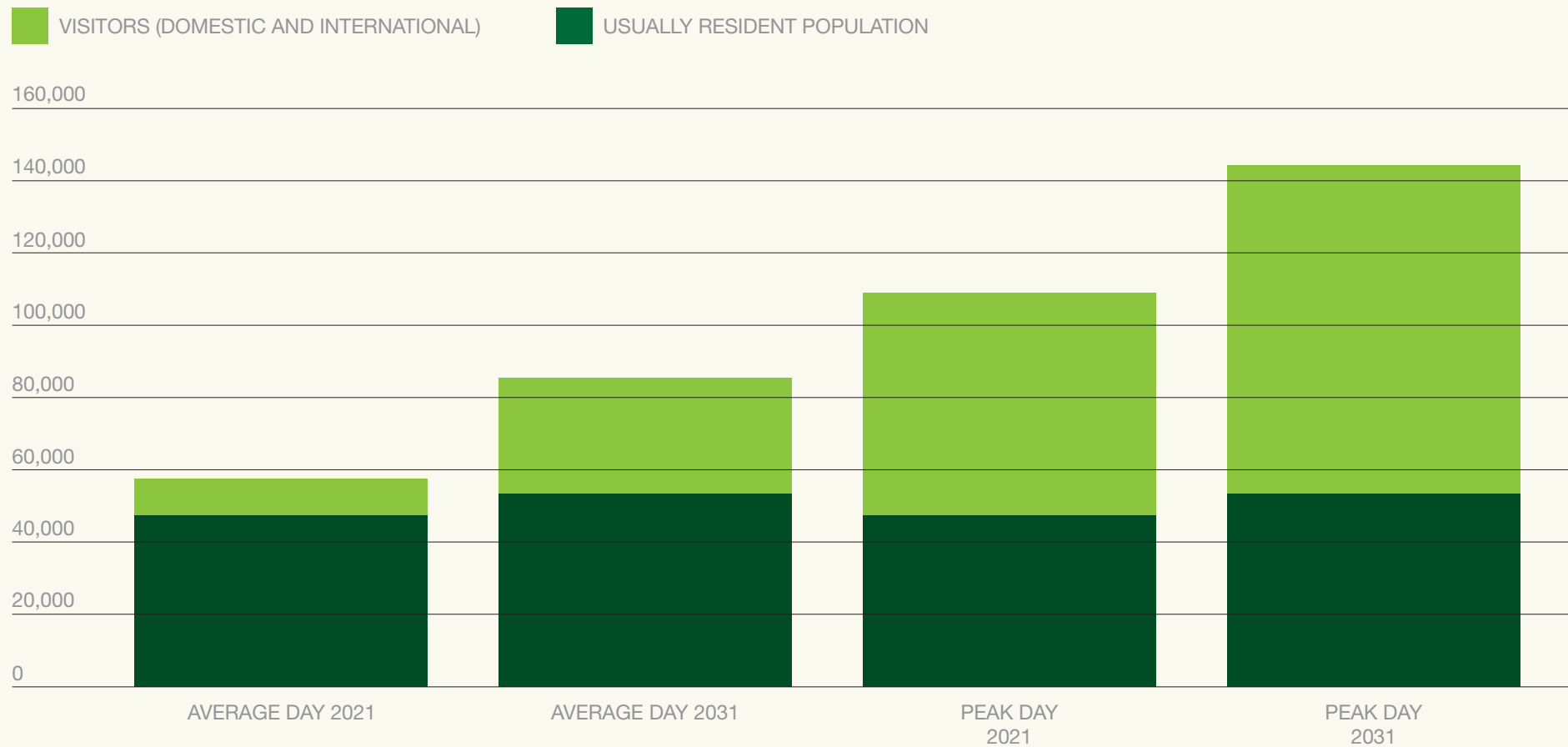


# Section 2: General Information | Wāhaka 2: Pāroko Whānui



# Growth Projections | Whakatupuraka o te taupori

NUMBERS OF VISITORS AND USUALLY RESIDENT POPULATION



## DEMAND AND POPULATION ASSUMPTIONS

### AVERAGE DAY POPULATION GROWTH

Source: QLDC Demand Projections to 2053, July 2020

Average Day Population	2021	2031	2041	2051
Wānaka Ward	15,932	26,772	33,824	39,705
Queenstown-Whakatipu Ward	34,619	58,600	69,692	79,037
Whole District	50,552	85,372	103,515	118,742

The average day population for the district is expected to increase from an estimated 50,552 people in 2021 to an estimated 85,372 in 2031. This is a growth rate of 5.4% per annum. This consists of residents and visitors of all types.

Of the average day population, around 81% is the usually resident population. Approximately 67% of these residents will live in the Queenstown-Whakatipu Ward and the remainder in the Wānaka Ward.



Note: Statistics New Zealand's Estimated Resident Population for 2020 is 47,400. However, recent monitoring of population numbers through DataVentures shows that since 1 May 2020 the resident population has averaged 43,377.

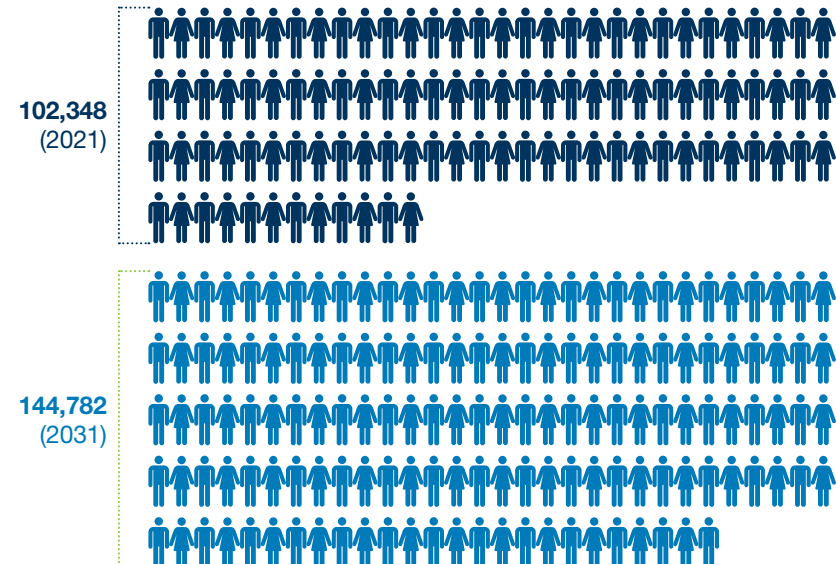
At this stage, QLDC's forecasting for planning purposes considers the pandemic and border closures to have a temporary effect on short term numbers that will not impact longer-term trends.

### PEAK DAY POPULATION GROWTH

Source: QLDC Demand Projections to 2053, July 2020

Peak Day Population	2021	2031	2041	2051
Wānaka Ward	33,140	49,033	61,672	72,248
Queenstown-Whakatipu Ward	69,209	95,749	115,136	131,467
Whole District	102,348	144,782	176,808	203,716

The peak day population for the district is expected to increase from an estimated 102,348 people in 2021 to an estimated 144,782 in 2031. This is a growth rate of 3.5% per annum. This consists of residents and visitors of all types. The peak period typically falls over the New Year period (late December / early January) and is relatively short. The projection is particularly important for infrastructure planning, ensuring that roads, waste and 3 waters are able to cope with peak activity.





# Vision Beyond 2050



## Community Outcomes

Looking beyond the year 2050, the community vision - A Unique Place. An Inspiring Future | He Wāhi Tūhāhā. He āmua Whakahooho - presents eight key vision statements for how we want to live, work and play in our district in the future. Each vision statement is supported by a set of community outcomes.

Community outcomes are aspirations that Council is working towards; they are future focused. They are defined in the Local Government Act as

***“outcomes that a local authority aims to achieve in order to promote the social, environmental, economic and cultural wellbeing of its district in the present, and for the future”***

These define our hopes for life in the Queenstown Lakes District, for ourselves and future generations.

In March 2019, the Council unanimously agreed to commit to the vision as a guiding document to inform future decision-making and planning.

## Thriving people | Whakapuāwai Hapori

Ours is a community with a strong heart and whānau roots that run deep.



## Embracing the Māori world | Whakatinana i te ao Māori

Ours is a district that honours Te Tiriti o Waitangi and champions equality for all our people.



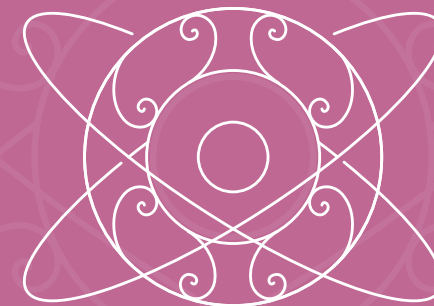
## Opportunities for all | He ōhaka taurikura

Our district is a place of social, environmental and technological enterprise.



## Breathtaking creativity | Whakaohoho Auahataka

Surrounded by the endless inspiration of our landscapes, ours is a place that nurtures the arts, culture and the spirit of invention.



## Deafening dawn chorus | Waraki

Our ecosystems flourish and are predator-free under our kaitiakitanga.



## Zero carbon communities | Parakore hapori

From Makarora to Kingston, our district sets the standard for regenerative, low-impact living, working and travel.



## Disaster-defying resilience | He Hapori Aumangea

Queenstown Lakes is a place that is ready and prepared for every emergency.



## Pride in sharing our places | Kia noho tahi tātou kātoa

Our district is a place where our quality of life is enhanced by growth through innovation and thoughtful management.



Vision Beyond 2050

# Our Process | Tō Tātou Huanui

## TEN YEAR PLAN

*Reviewed every three years*

- > The Ten Year Plan sets the direction of the Council, providing a long-term focus on our community outcomes, and explaining the purpose, direction and cost of each of our activities.

## COMMUNITY OUTCOMES

*Reviewed every three years*

- > Outcomes that the Council aims to achieve in meeting the current and future needs of the community for quality infrastructure, public services and the performance of regulatory functions.

## ANNUAL PLAN

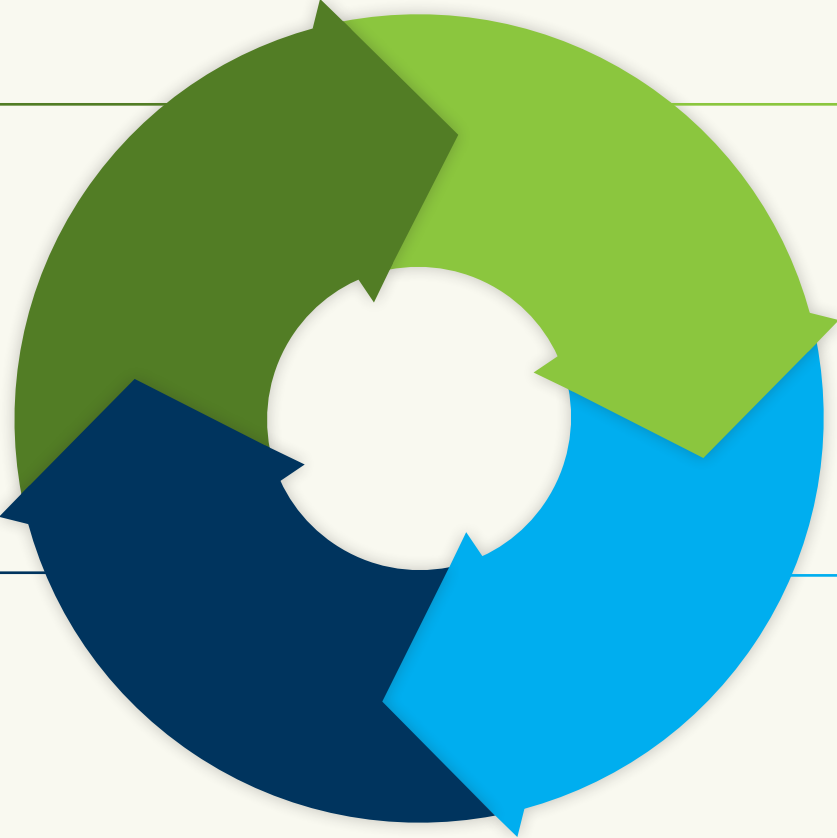
*Completed in each of the two years between the Ten Year Plan*

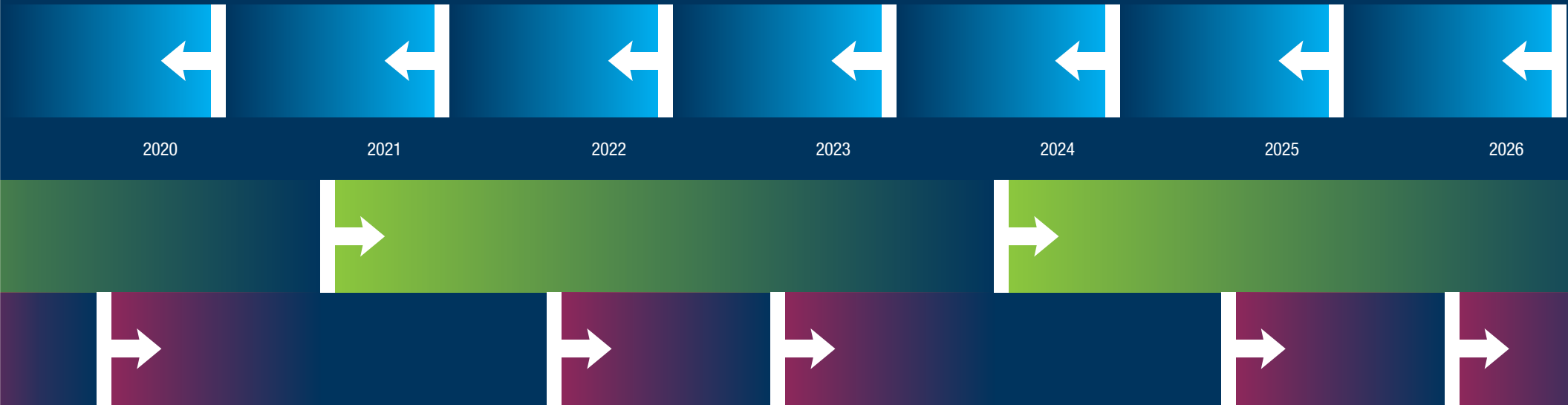
- > What the Council plans to do in the next 12 months to achieve the direction set in the Ten Year Plan.

## ANNUAL REPORT

*Produced every year*

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





2020

2021

2022

2023

2024

2025

2026



**ANNUAL PLAN**

Looks forward and plans what Council needs to do in the next 12 months to achieve the direction set in the Ten Year Plan. Completed in each of the two years between the Ten Year Plan.



**TEN YEAR PLAN**

Looks forward and sets the direction of the Council, providing a long term focus on our community outcomes, and explaining the purpose, direction and cost of each of our activities. Reviewed every three years.



**ANNUAL REPORT**

Reports back to the community on whether the Council has done what it planned to do. Produced every year.

# Contact Us | Whakapā mai



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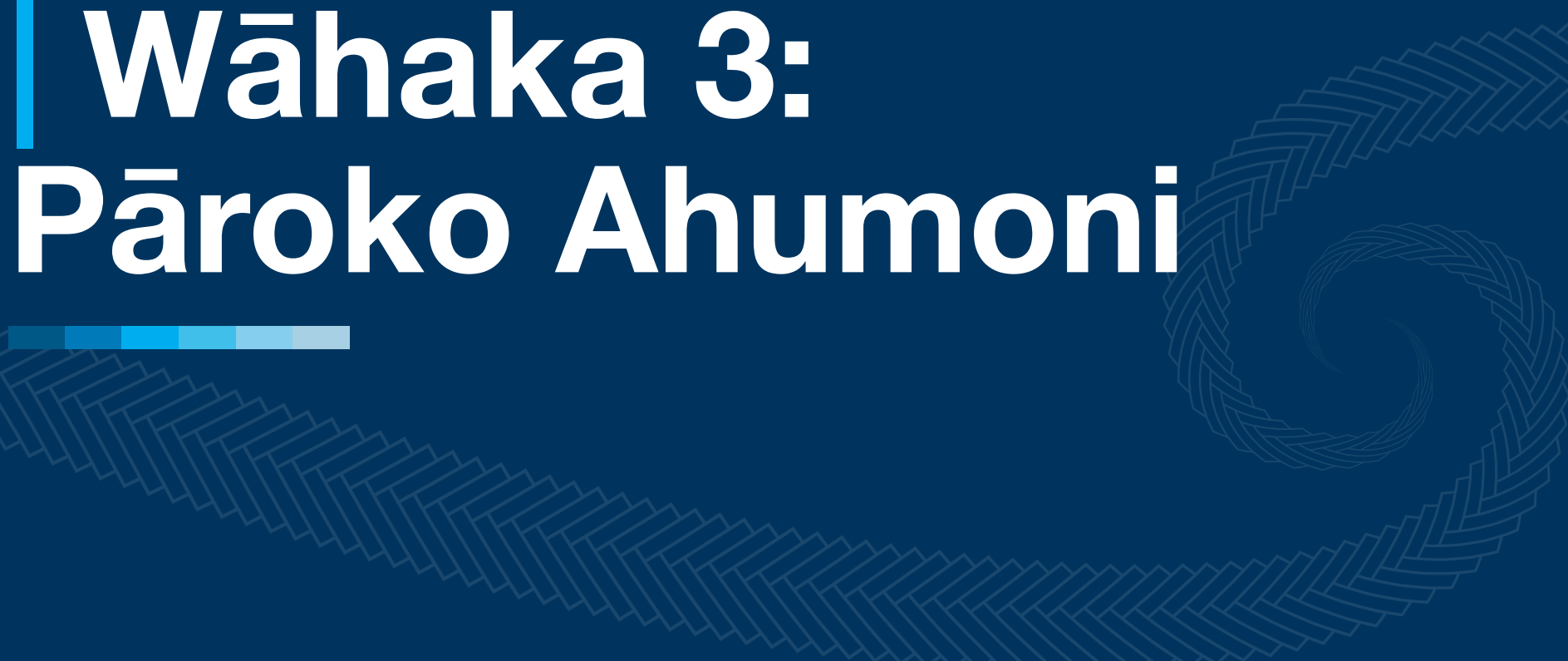


**facebook.com/QLDCinfo**  
**twitter.com/QueenstownLakes**  
**instagram.com/queenstownlakes**



Private Bag 50072  
Queenstown 9348  
New Zealand

# Section 3: Financial Information | Wāhaka 3: Pāroko Ahumoni



# Financial Statements | Kā tauākī ahumoni

## PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE (\$'000)

TEN YEAR PLAN 2021/22		ANNUAL PLAN 2022/23	TEN YEAR PLAN 2022/23	Variance	Explanation
<b>Operating revenue</b>					
<i>Revenue from non-exchange transactions</i>					
92,875	Targeted rates				
		100,890	100,992	(102)	
2,994	General rates	4,250	3,038	1,212	
6,317	User charges - subsidised	7,714	6,720	994	
73,970	Grants and subsidies	59,603	62,661	(3,058)	Timing of capital works and 3 waters reform funding
19,600	Vested assets	20,239	20,239	-	
13,355	Development contributions	21,207	21,209	(2)	
4,933	Other income	6,066	5,676	390	
2,341	Revaluation of investment property	1,420	1,826	(406)	
<i>Revenue from exchange transactions</i>					
33,204	User charges - full cost recovery	33,702	32,154	1,548	Increased user fees for various services
-	- Dividend income	2,954	4,866	(1,912)	Updated dividend forecast from QAC
2,841	Other income - full cost recovery	3,410	3,355	55	
-	- Other gains/(losses) - full cost recovery	23,393	23,393	-	
<b>252,430</b>	<b>Total revenue</b>	<b>284,849</b>	<b>286,130</b>	<b>(1,281)</b>	
<b>Operating expenditure</b>					
5,554	Local democracy	7,443	6,451	992	
41,456	Community services & facilities	40,974	40,267	707	
12,190	Economy	15,064	13,197	1,867	Increase in interest costs
15,506	Environmental management	16,476	15,906	570	
14,682	Regulatory functions & services	18,896	15,418	3,478	Increase in legal costs
32,193	Transport	33,719	34,173	(454)	
20,765	Wastewater	22,368	22,984	(616)	
14,300	Water supply	15,704	16,615	(911)	
7,258	Stormwater	7,855	7,984	(129)	
15,921	Waste management	19,081	17,411	1,670	Increase in ETS costs
(298)	Finance & support services	454	(393)	847	
<b>179,527</b>	<b>Total operating expenditure *</b>	<b>198,034</b>	<b>190,013</b>	<b>8,021</b>	
<b>72,903</b>	<b>Operating surplus</b>	<b>86,815</b>	<b>96,117</b>	<b>(9,302)</b>	
<b>* Operating expenditure includes:</b>					
42,899	Depreciation	45,954	45,954	-	
7,553	Interest	9,976	10,827	(851)	



**PROSPECTIVE STATEMENT OF OTHER COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDING 30 JUNE (\$'000)**

TEN YEAR PLAN		ANNUAL PLAN	TEN YEAR PLAN	Variance	Explanation
2021/22		2022/23	2022/23		
72,903	Operating surplus	86,815	96,117	(9,302)	
	<b>Other comprehensive revenue and expense</b>				
31,501	Gain/(loss) on revaluation	30,530	29,202	1,328	
5,554	Transfer from reserves	(6,793)	1,373	(8,166)	
<b>109,958</b>	<b>Total comprehensive income</b>	<b>110,552</b>	<b>126,692</b>	<b>(16,140)</b>	

**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE (\$'000)**

TEN YEAR PLAN		ANNUAL PLAN	TEN YEAR PLAN	Variance	Explanation
2021/22		2022/23	2022/23		
1,771,292	Forecast opening equity	1,881,250	1,881,250	-	
	Total comprehensive revenue and expense				
109,958		110,552	126,692	(16,140)	
<b>1,881,250</b>	<b>Forecast closing equity</b>	<b>1,991,802</b>	<b>2,007,941</b>	<b>(16,140)</b>	

PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE (\$'000)

TEN YEAR PLAN 2021/22	ANNUAL PLAN 2022/23	TEN YEAR PLAN 2022/23	Variance	Explanation
<b>Current assets</b>				
3,512	3,513	3,513	-	Cash and cash equivalents
15	15	15	-	Other financial assets
7,684	7,683	7,683	-	Receivables from non-exchange transactions
11,391	11,391	11,391	-	Receivables from exchange transactions
2,278	2,278	2,278	-	Other current assets
53	3,705	3,705	-	Inventories
<b>24,933</b>	<b>28,585</b>	<b>28,585</b>	-	<b>Total current assets</b>
<b>Non-current assets</b>				
8,907	8,907	8,907	-	Investments
11,266	15,766	7,614	8,152	Development property
60,877	51,096	62,703	(11,606)	Investment property
2,178,820	2,443,634	2,377,097	66,537	Property, plant and equipment
<b>2,259,870</b>	<b>2,519,404</b>	<b>2,456,321</b>	<b>63,083</b>	<b>Total non-current assets</b>
<b>2,284,802</b>	<b>2,547,988</b>	<b>2,484,906</b>	<b>63,083</b>	<b>Total assets</b>
<b>Current liabilities</b>				
24,656	24,656	24,656	-	Payables from exchange transactions
36,525	36,525	36,525	-	Other current liabilities
103,000	149,000	104,000	45,000	Borrowings
<b>164,181</b>	<b>210,181</b>	<b>165,181</b>	<b>45,000</b>	<b>Total current liabilities</b>
<b>239,371</b>	<b>346,005</b>	<b>311,784</b>	<b>34,221</b>	<b>Non-current liabilities</b>
<b>403,552</b>	<b>556,186</b>	<b>476,965</b>	<b>79,221</b>	<b>Total liabilities</b>
<b>1,881,250</b>	<b>1,991,802</b>	<b>2,007,941</b>	<b>(16,138)</b>	<b>Net assets</b>
<b>Equity</b>				
1,049,186	1,081,137	1,080,214	923	Revaluation reserve
23,981	30,987	25,354	5,633	Operating reserves
26,298	12,499	26,298	(13,799)	Capital reserve
781,785	867,180	876,075	(8,896)	Accumulated funds
<b>1,881,250</b>	<b>1,991,802</b>	<b>2,007,941</b>	<b>(16,140)</b>	<b>Total equity</b>

**PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE (\$'000)**

TEN YEAR PLAN 2021/22	ANNUAL PLAN 2022/23	TEN YEAR PLAN 2022/23	Variance	Explanation
<b>Cash flows from operating activities</b>				
230,489	236,843	235,805	1,038	As per operating revenue
-	2,954	4,866	(1,912)	Dividends received
<i>Cash was applied to:</i>				
(143,231)	(142,104)	(133,232)	(8,872)	As per operating expenditure
(7,553)	(9,976)	(10,827)	851	Finance costs paid
<b>79,705</b>	<b>87,717</b>	<b>96,612</b>	<b>(8,895)</b>	<b>Net cash inflow from operating activities</b>
<b>Cash flows from investing activities</b>				
-	25,000	25,000	-	Proceeds from asset sales
<i>Cash was applied to:</i>				
(247,249)	(268,034)	(196,397)	(71,637)	Increase in infrastructural capital expenditure
-	-	-	-	Purchase of property, plant and equipment
-	-	-	-	Purchase of intangible assets
<b>(247,249)</b>	<b>(243,034)</b>	<b>(171,397)</b>	<b>(71,637)</b>	<b>Net cash outflow from investing activities</b>
<b>Cash flows from financing activities</b>				
236,545	258,317	177,786	80,531	Increase in borrowings to fund capital programme
<i>Cash was applied to:</i>				
(69,000)	(103,000)	(103,000)	-	Repayment of borrowings
<b>167,545</b>	<b>155,317</b>	<b>74,786</b>	<b>80,531</b>	<b>Net cash inflow/(outflow) from financing activities</b>
1	1	1	-	Net increase/(decrease) in cash and cash equivalents
3,511	3,512	3,512	-	Forecast cash and cash equivalents at 1 July
<b>3,512</b>	<b>3,513</b>	<b>3,513</b>	<b>-</b>	<b>Forecast cash and cash equivalents at 30 June</b>
<b>Represented by:</b>				
3,512	3,513	3,513	-	Cash and cash equivalents
-	-	-	-	- Bank overdraft
<b>3,512</b>	<b>3,513</b>	<b>3,513</b>	<b>-</b>	<b>Total cash and cash equivalents</b>

PROSPECTIVE OPERATING EXPENDITURE BY ACTIVITY (\$'000)

TEN YEAR PLAN 2021/22	ANNUAL PLAN 2022/23	TEN YEAR PLAN 2022/23	Variance	Explanation
<b>Local Democracy</b>				
1,716	2,093	2,114	(21)	
2,285	2,953	2,836	117	
431	1,339	443	896	Inclusion of provisional budget for workforce review
1,124	1,059	1,058	1	
<b>5,554</b>	<b>7,443</b>	<b>6,451</b>	<b>993</b>	
<b>Community Services &amp; Facilities</b>				
14,448	15,945	15,486	459	
13,629	14,555	14,596	(41)	
284	293	289	4	
2,230	2,529	2,529	-	
3,810	4,048	3,960	88	
348	431	387	44	
201	298	223	75	
1,470	1,538	1,530	8	
3,823	11	6	5	
1,213	1,329	1,261	68	
<b>41,456</b>	<b>40,974</b>	<b>40,267</b>	<b>710</b>	
<b>Economy</b>				
1,588	2,681	1,665	1,016	Increase in interest costs
4,838	6,475	5,768	707	
5,764	5,908	5,764	144	
<b>12,190</b>	<b>15,064</b>	<b>13,197</b>	<b>1,867</b>	
<b>Environmental Management</b>				
5,021	5,458	5,176	282	
10,485	11,017	10,730	287	
<b>15,506</b>	<b>16,476</b>	<b>15,906</b>	<b>569</b>	
<b>Regulatory Functions &amp; Services</b>				
8,184	12,093	8,357	3,736	Increase in legal costs
6,498	6,804	7,061	(257)	
<b>14,682</b>	<b>18,896</b>	<b>15,418</b>	<b>3,479</b>	
<b>Transport</b>				
30,746	32,148	32,553	(405)	
1,447	1,571	1,620	(49)	
<b>32,193</b>	<b>33,719</b>	<b>34,173</b>	<b>(454)</b>	
20,765	22,368	22,984	(616)	
14,300	15,704	16,615	(911)	Reduction in maintenance costs due to delays in Kingston water
7,258	7,855	7,984	(129)	
15,921	19,081	17,411	1,670	Price increase for Emissions Trading Scheme credits
(298)	454	(393)	847	
<b>179,527</b>	<b>198,034</b>	<b>190,013</b>	<b>8,025</b>	
42,899	45,954	45,954	-	
7,553	9,976	10,827	(851)	

**PROSPECTIVE CAPITAL ASSET EXPENDITURE (INCLUDING VESTED ASSETS) BY ACTIVITY (\$'000)**

TEN YEAR PLAN 2021/22	ANNUAL PLAN 2022/23	TEN YEAR PLAN 2022/23	Variance	Explanation
<b>Local Democracy</b>				
-	-	-	-	
-	-	-	-	
<b>Community Services &amp; Facilities</b>				
8,931	3,745	3,345	400	
				\$1.8M brought forward for Wanaka Lakefront Development stage 5
13,465	15,105	10,603	4,502	
99	78	78	-	
-	-	-	-	
504	400	400	-	
889	434	184	250	
10	82	10	72	
-	-	-	-	
-	-	-	-	
1,540	-	-	-	
<b>25,438</b>	<b>19,844</b>	<b>14,620</b>	<b>5,224</b>	
<b>Economy</b>				
2,870	3,490	871	2,619	
-	-	-	-	
<b>2,870</b>	<b>3,490</b>	<b>871</b>	<b>2,619</b>	
<b>Regulatory Functions &amp; Services</b>				
78	58	58	-	
<b>78</b>	<b>58</b>	<b>58</b>	<b>-</b>	
<b>Transport</b>				
107,265	108,937	88,560	20,377	Increase due to roading capex re-programming
2,500	516	2,063	(1,547)	
<b>109,765</b>	<b>109,453</b>	<b>90,623</b>	<b>18,830</b>	
52,488	71,342	38,231	33,111	Increase due to 3 waters capex re-programming. Additional funding required of \$3.2m for Project Pure Upgrade.
55,679	54,876	47,601	7,275	Increase due to 3 waters capex re-programming.
14,643	23,073	16,526	6,547	
4,134	4,053	5,998	(1,945)	
1,754	2,082	2,108	(26)	
<b>266,849</b>	<b>288,271</b>	<b>216,636</b>	<b>71,635</b>	

**PROSPECTIVE CAPITAL DEBT REPAYMENT EXPENDITURE BY ACTIVITY (\$'000)**

TEN YEAR PLAN 2021/22	ANNUAL PLAN 2022/23	TEN YEAR PLAN 2022/23	Variance	Explanation
<b>Local Democracy</b>				
-	-	-	-	Emergency Management
-	-	-	-	
<b>Community Services &amp; Facilities</b>				
540	1,714	2,098	(384)	Community Facilities
60	500	837	(337)	Active & Passive Recreation
50	50	50	-	Community Property
-	-	-	-	Community Grants
50	50	50	-	Libraries
150	298	298	-	Waterways Facilities
-	-	-	-	Cemeteries
169	256	-	256	Public Toilets
-	-	-	-	Forestry
50	148	148	-	Wānaka Airport
<b>1,069</b>	<b>3,016</b>	<b>3,481</b>	<b>(465)</b>	
<b>Economy</b>				
-	500	-	500	Property
-	-	-	-	Tourism Marketing
-	<b>500</b>	-	<b>500</b>	
<b>Environmental Management</b>				
-	1,910	1,910	-	District Plan
-	<b>1,910</b>	<b>1,910</b>	-	
<b>Regulatory Functions &amp; Services</b>				
25	28	28	-	Enforcement
<b>25</b>	<b>28</b>	<b>28</b>	-	
<b>Transport</b>				
1,267	827	1,227	(400)	Roading and Footpaths
-	-	-	-	Parking Facilities
<b>1,267</b>	<b>827</b>	<b>1,227</b>	<b>(400)</b>	
548	9,777	11,777	(2,000)	Wastewater
1,463	1,231	2,100	(869)	Water Supply
1,167	1,146	1,456	(310)	Stormwater
-	1,044	1,998	(954)	Waste Management
50	100	100	-	Finance & Support Services
<b>5,589</b>	<b>19,578</b>	<b>24,077</b>	<b>(4,499)</b>	<b>Total capital debt repayment expenditure</b>

**PROSPECTIVE TOTAL CAPITAL EXPENDITURE (INCLUDING VESTED ASSETS AND DEBT REPAYMENT) BY ACTIVITY (\$'000)**

TEN YEAR PLAN 2021/22		ANNUAL PLAN 2022/23	TEN YEAR PLAN 2022/23	Variance	Explanation
<b>Local Democracy</b>					
-	Emergency Management	-	-	-	
-		-	-	-	
<b>Community Services &amp; Facilities</b>					
9,471	Community Facilities	5,459	5,443	16	
13,525	Active & Passive Recreation	15,605	11,440	4,165	Refer above comments
149	Community Property	128	128	0	
554	Libraries	450	450	0	
1,039	Waterways Facilities	732	482	250	
10	Cemeteries	82	10	72	
169	Public Toilets	256	-	256	
1,590	Wānaka Airport	148	148	(1)	
<b>26,507</b>		<b>22,860</b>	<b>18,101</b>	<b>4,759</b>	
<b>Economy</b>					
2,870	Property	3,990	871	3,119	
-	Tourism Marketing	-	-	-	
<b>2,870</b>		<b>3,990</b>	<b>871</b>	<b>3,119</b>	
<b>Environmental Management</b>					
-	District Plan	1,910	1,910	-	
-		<b>1,910</b>	<b>1,910</b>	-	
<b>Regulatory Functions &amp; Services</b>					
103	Enforcement	86	86	(0)	
<b>103</b>		<b>86</b>	<b>86</b>	<b>(0)</b>	
<b>Transport</b>					
108,532	Roading and Footpaths	109,764	89,787	19,977	Refer above comments
2,500	Parking Facilities	516	2,063	(1,547)	
<b>111,032</b>		<b>110,279</b>	<b>91,850</b>	<b>18,429</b>	
53,036	<b>Wastewater</b>	81,119	50,008	31,111	Refer above comments
57,142	<b>Water Supply</b>	56,107	49,701	6,406	Refer above comments
15,810	<b>Stormwater</b>	24,219	17,982	6,237	Refer above comments
4,134	<b>Waste Management</b>	5,097	7,996	(2,899)	
1,804	<b>Finance &amp; Support Services</b>	2,182	2,208	(26)	
<b>272,438</b>	<b>Total capital expenditure</b>	<b>307,849</b>	<b>240,713</b>	<b>67,136</b>	



**CAPITAL ASSET EXPENDITURE (GROWTH) BY ACTIVITY GROUP (\$'000)**

TEN YEAR PLAN 2021/22		ANNUAL PLAN 2022/23	TEN YEAR PLAN 2022/23	Variance
-	Local Democracy	-	-	-
11,261	Community Services & Facilities	9,537	6,755	2,782
1,455	Economy	3,425	655	2,770
-	Environmental Management	-	-	-
-	Regulatory Functions & Services	-	-	-
52,363	Transport	51,158	41,376	9,782
33,588	Wastewater	36,439	18,236	18,203
27,180	Water Supply	31,388	24,267	7,121
11,080	Stormwater	16,525	9,863	6,662
20	Waste Management	23	41	(18)
86	Finance & Support Services	96	106	(10)
<b>137,033</b>	<b>Total capital asset expenditure (Growth)</b>	<b>148,591</b>	<b>101,299</b>	<b>47,291</b>

**CAPITAL ASSET EXPENDITURE (RENEWAL) BY ACTIVITY GROUP (\$'000)**

TEN YEAR PLAN 2021/22		ANNUAL PLAN 2022/23	TEN YEAR PLAN 2022/23	Variance
-	Local Democracy	-	-	-
8,463	Community Services & Facilities	5,420	4,672	748
63	Economy	65	65	-
-	Environmental Management	-	-	-
-	Regulatory Functions & Services	-	-	-
35,658	Transport	32,476	26,250	6,226
3,736	Wastewater	8,104	5,752	2,352
5,556	Water Supply	2,385	3,681	(1,296)
1,298	Stormwater	1,810	1,400	410
2,017	Waste Management	1,969	2,896	(927)
1,145	Finance & Support Services	1,540	1,540	-
<b>57,936</b>	<b>Total capital asset expenditure (Renewal)</b>	<b>53,770</b>	<b>46,256</b>	<b>7,513</b>

**CAPITAL ASSET EXPENDITURE (OTHER) BY ACTIVITY GROUP (\$'000)**

TEN YEAR PLAN 2021/22		ANNUAL PLAN 2022/23	TEN YEAR PLAN 2022/23	Variance
-	Local Democracy	-	-	-
5,714	Community Services & Facilities	4,888	3,193	1,695
1,352	Economy	-	151	(151)
-	Environmental Management	-	-	-
78	Regulatory Functions & Services	58	58	-
21,744	Transport	25,818	22,997	2,821
15,164	Wastewater	26,800	14,243	12,557
22,943	Water Supply	21,102	19,653	1,449
2,265	Stormwater	4,737	5,263	(526)
2,097	Waste Management	2,061	3,061	(1,000)
523	Finance & Support Services	446	462	(16)
<b>71,880</b>	<b>Total capital asset expenditure (Other)</b>	<b>85,911</b>	<b>69,081</b>	<b>16,830</b>
<b>266,849</b>	<b>Total capital asset expenditure</b>	<b>288,271</b>	<b>216,636</b>	<b>71,635</b>

**CAPITAL DEBT REPAYMENT EXPENDITURE BY ACTIVITY GROUP (\$'000)**

TEN YEAR PLAN 2021/22		ANNUAL PLAN 2022/23	TEN YEAR PLAN 2022/23	Variance
-	Local Democracy	-	-	-
1,069	Community Services & Facilities	3,016	3,481	(465)
-	Economy	500	-	500
-	Environmental Management	1,910	1,910	-
25	Regulatory Functions & Services	28	28	-
1,267	Transport	827	1,227	(400)
548	Wastewater	9,777	11,777	(2,000)
1,463	Water Supply	1,231	2,100	(869)
1,167	Stormwater	1,146	1,456	(310)
-	Waste Management	1,044	1,998	(954)
50	Finance & Support Services	100	100	-
<b>5,589</b>	<b>Total capital debt repayment expenditure</b>	<b>19,578</b>	<b>24,077</b>	<b>(4,499)</b>

## STATEMENT OF RESERVE FUNDS (\$'000)

Reserve fund - Purpose of the fund	Opening Balance 2022/23	Deposits	Withdrawals	Closing Balance 2022/23
<b>Development funds</b> 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 of Roothing, Water Supply, Sewerage, Stormwater, Reserve Land and Improvements and Community Facilities.	30,987	21,207	(21,207)	30,987
<b>Asset renewal funds</b> The Council sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability to provide services.	1,662	15,935	(15,396)	2,201
<b>Asset sale reserves</b> Proceeds from asset sales which are used to fund the portion of capital expenditure attributable to increased level of service for Roothing, Water Supply, Sewerage, Stormwater, Reserve Land and Improvements and Community Facilities.	9,686	23,393	(30,725)	2,354
<b>Trust funds</b> Funds held on behalf of various community organisations.	17	-	-	17
<b>Queenstown Airport dividend reserve</b> Unallocated portion of dividends received from QAC.	3,044	2,954	(2,954)	3,044
<b>Transport improvement fund</b> Funds set aside to subsidise public transport and the development of public transport infrastructure.	1,687	-	-	1,687
<b>Lakes Leisure reserve</b> 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
<b>Total Reserve Funds</b>	<b>50,279</b>	<b>63,489</b>	<b>(70,282)</b>	<b>43,486</b>

# Statement of Accounting Policies

## | Te tauākī o te Mahi Kaute



### 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 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 Council has elected not to consolidate the CCOs for the purposes of the prospective financial information contained in this Annual Plan in accordance with the Local Government Act 2002.

The prospective financial statements have been prepared in accordance with Section 111 of the Local Government Act 2002, the Financial Reporting Act 1993 and generally accepted accounting practice. The prospective financial statements comply with Public Benefit Entity (PBE) Standards for Tier 1 entities. The Council has complied with PBE FRS42 in the preparation of these prospective financial statements.

The prospective financial information contained in this Annual Plan relates to the Queenstown Lakes District Council only as the controlling entity of the economic entity. The Council has not presented prospective financial statements for the economic entity because the Council believes that the controlling entity prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the Ten Year Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service.

The level of rate funding required is not affected by controlled entities except to the extent that the Council obtains distributions from those controlled entities. Distributions from the Council’s controlled entity, Queenstown Airport Corporation Ltd are included in the prospective financial statements of the Council.

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 as a public benefit entity (“PBE”) for the purposes of complying with generally accepted accounting practice.



### 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 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 comply with Public Benefit Entity (PBE) Standards.

The financial statements have been prepared in accordance with Tier 1 PBE Standards.

#### PRESENTATION CURRENCY AND ROUNDING

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



# 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 licencing, 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 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 as a liability until the conditions are met.

#### 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 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 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.

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**

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) FINANCIAL ASSETS**

Financial assets are classified into the following specified categories: financial assets 'at fair value through surplus or deficit', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.



The effective interest method, referred to below, is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

### **Financial Assets at Fair Value Through Surplus or Deficit**

Financial assets are classified as financial assets at fair value through surplus or deficit where the financial asset:

- > Has been acquired principally for the purpose of selling in the near future;
- > Is a part of an identified portfolio of financial instruments that the Council and Group manages together and has a recent actual pattern of short-term profit-taking; or
- > Is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in the Statement of Financial Performance. The net gain or loss is recognised in the Statement of Financial Performance and incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described later in this note.

### **Held-to-Maturity Investments**

Investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis. The Council and Group do not hold any financial assets in this category.

### **Available-for-Sale Financial Assets**

Equity investments held by the Council and Group classified as being available-for-sale are stated at fair value. Fair value is determined in the manner described later in this note. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, with the exception of impairment losses which are recognised directly in the Statement of Financial Performance. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is included in the Statement of Financial Performance for the period.

Dividends on available-for-sale equity instruments are recognised in the Statement of Financial Performance when the Council's and Group's right to receive payments is established.

### **Loans and Receivables**

Trade and other receivables are classified as financial assets at amortised cost and are initially measured at fair value and subsequently measured at amortised cost less the recognition of any expected credit loss over the life of the asset (see Impairment Policy).

Loans, including loans to community organisations made by the Council at nil, or below market interest rates, are classified as financial assets and measured at fair value through surplus or deficit.

### **Impairment of Financial Assets**

Financial assets, other than those at fair value through surplus or deficit, have expected lifetime credit losses recognised when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Council measures the loss allowance for that financial instrument at an amount equal to 12 months of expected credit losses. The assessment of whether expected lifetime credit losses should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime expected credit losses represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months expected credit losses represent the portion of lifetime expected credit losses that are expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

### **Calculation of recoverable amount**

The recoverable amount of the Council's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial instruments) and adjusted for expected credit loss. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their market value less cost to sell and value in use.

As a PBE, Council uses depreciated replacement cost to assess value in use 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 Council would, if deprived of the asset, replace its remaining future economic

## **(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.

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.

### **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 Intended 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 has 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.

### **Campground Assets**

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

### **Infrastructural 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 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.

Infrastructure assets, land and buildings 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 2021 by Aon New Zealand, independent valuers. Acquisitions subsequent to 1 July 2020 are at cost.

### **Roads, Bridges and Lighting**

Roading assets are stated at valuation which is optimised depreciated replacement cost value as at 30 June 2020 by WSP Opus New Zealand Limited, independent valuers. Acquisitions subsequent to 1 July 2019 are at cost.

## **(III) DEPRECIATION**

Operational assets with the exception of land, are depreciated on a straight-line 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.

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.

<b>Operational Assets</b>	<b>Rate (%)</b>	<b>Method</b>
Buildings	2.0% - 33%	Straight line
Building improvements	1.67% - 6.67%	Straight line
Plant and machinery	5.5% - 28%	Straight line
Motor vehicles	20% - 26%	Diminishing value
Furniture and office equipment	10% - 33%	Straight line
Computer equipment	25%	Straight line
Library books	10%	Straight line

<b>Infrastructural Assets</b>	<b>Rate (%)</b>	<b>Method</b>
Sewerage	1.37% - 10%	Straight line
Water supply	1.42% - 10%	Straight line
Stormwater	1.55% - 10%	Straight line
Roading	1.68% - 10%	Straight line

<b>Airport Assets</b>	<b>Rate (%)</b>	<b>Method</b>
Buildings	2.5%-33%	Diminishing value
Airport runway	1%-20%	Straight line
Roading and car parking	4.8%-50%	Diminishing value

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.

#### **Forestry Assets**

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Statement of Financial Performance.

The costs to maintain the forestry assets are included in the Statement of Financial Performance.

#### **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 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, 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 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 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 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 invests in as part of day to day cash management.

Operating activities include cash received from all income sources of the Council 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 non-current assets.

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

## **Equity**

Equity is the community's interest in the Council 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.

## **Financial Guarantee Contracts**

A financial guarantee contract is a contract that requires the Council 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 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 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 42, 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 prospective 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 depreciation 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 alleged weather tightness building defects has not been established. It is not possible to determine the outcome of claims at this stage. The loss provision is based on current knowledge and historic settlement of claims against Council.



# Annual Plan Disclosure Statement

## | Te tauākī Whakika o te Mahere ā-tau

### WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose the Council's planned 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 plan 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.

BENCHMARK	LIMIT	AP 22/23 PLANNED	MET
Rates affordability benchmark			
• income	55%	36.9%	Yes
• increases	10.8%	9.7%	Yes
Debt affordability benchmark			
• Net Debt/Total Revenue	280%	224.6%	Yes
• Interest/Total Rates	25%	9.5%	Yes
• Interest/Total Revenue	20%	4.6%	Yes
Balanced budget benchmark	100%	122%	Yes
Essential services benchmark	100%	778%	Yes
Debt servicing benchmark	15%	4.1%	Yes

### NOTES

#### RATES AFFORDABILITY BENCHMARK

For this benchmark, –

- the Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan; and
- the Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the Council's long-term plan.

The Council meets the rates affordability benchmark if –

- its planned rates income for the year equals or is less than each quantified limit on rates;
- its planned rates increases for the year equal or are less than each quantified limit on rates increases.

#### DEBT AFFORDABILITY BENCHMARK

For this benchmark, the Council's planned borrowing is compared with quantified limits on borrowing contained in the financial strategy included in the Council's long-term plan.

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

### **BALANCED BUDGET BENCHMARK**

For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

### **ESSENTIAL SERVICES BENCHMARK**

For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

### **DEBT SERVICING BENCHMARK**

For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned 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 that the Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

# Funding Impact Statement

## | Te tauākī o te Kawekawe Pūtea

### FUNDING IMPACT STATEMENT - WHOLE COUNCIL (\$'000)

TEN YEAR PLAN		ANNUAL PLAN	TEN YEAR PLAN	Variance	Explanation
2021/22		2022/23	2022/23		
<b>Sources of operating funding</b>					
3,894	General rates, uniform annual general charges, rates penalties	5,150	3,938	1,212	
92,875	Targeted rates	100,890	100,992	(102)	
39,521	Fees and charges	41,416	38,874	2,542	Increase in user charges for various services
5,920	Subsidies & grants for operating purposes	12,183	6,185	5,998	3 water reform funding
-	Interest and dividends from investments	2,954	4,866	(1,912)	Updated dividend forecast from QAC
6,874	Fuel tax, fines, infringement fees & other receipts	8,576	8,131	445	
<b>149,084</b>	<b>Total sources of operating funding</b>	<b>171,170</b>	<b>162,986</b>	<b>8,184</b>	
<b>Applications of operating funding</b>					
129,075	Payments to staff and suppliers	142,104	133,232	8,872	
7,553	Finance costs	9,976	10,827	(851)	
-	Other operating funding applications	-	-	-	
<b>136,628</b>	<b>Total applications of operating funding</b>	<b>152,080</b>	<b>144,059</b>	<b>8,021</b>	
<b>12,456</b>	<b>Surplus/(deficit) of operating funding</b>	<b>19,090</b>	<b>18,927</b>	<b>163</b>	
<b>Sources of capital funding</b>					
68,050	Subsidies & grants for capital expenditure	47,420	56,476	(9,056)	Additional capital works funding secured
13,355	Development & financial contributions	21,207	21,209	(2)	
-	Gross proceeds from sale of assets	23,393	23,393	-	
167,545	Increase/(decrease) in debt	155,317	74,786	80,531	
-	Lump sum contributions	-	-	-	
-	Other dedicated capital funding	-	-	-	
<b>248,950</b>	<b>Total sources of capital funding</b>	<b>247,337</b>	<b>175,865</b>	<b>71,473</b>	
<b>Applications of capital funding</b>					
Capital expenditure					
117,433	- to meet additional demand	128,352	90,204	38,148	Refer to comments on capital expenditure by activity
57,936	- to replace existing assets	53,770	46,256	7,514	Refer to comments on capital expenditure by activity
71,880	- to improve the level of service	85,911	69,081	16,830	Refer to comments on capital expenditure by activity
14,157	Increase/(decrease) in reserves	(1,605)	(10,749)	9,144	
-	Increase/(decrease) of investments	-	-	-	
<b>261,406</b>	<b>Total applications of capital funding</b>	<b>266,428</b>	<b>194,792</b>	<b>71,636</b>	
<b>(12,456)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(19,090)</b>	<b>(18,927)</b>	<b>(163)</b>	
-	Funding balance	-	-	-	

**RECONCILIATION OF FUNDING IMPACT STATEMENT TO PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE (\$'000)**

TEN YEAR PLAN		ANNUAL PLAN	TEN YEAR PLAN	Variance	Explanation
2021/22		2022/23	2022/23		
<b>INCOME</b>					
<b>Statement of Financial Performance</b>					
<b>252,430</b>	<b>Total operating income</b>	<b>284,849</b>	<b>286,130</b>	<b>(1,281)</b>	
<b>Funding Impact Statement</b>					
149,084	Total sources of operating funding	171,170	162,986	8,184	Refer previous page
	<i>Plus sources of capital funding:</i>				
68,050	Subsidies & grants for capital expenditure	47,420	56,476	(9,056)	Refer to comments on capital expenditure by activity
13,355	Development & financial contributions	21,207	21,209	(2)	
	- Gross proceeds from sale of assets	23,393	23,393	-	
	- Less cost of property sales	-	-	-	
	<i>Plus non-cash items:</i>				
19,600	Vested assets	20,239	20,239	-	
2,341	Revaluation - non-current assets	1,420	1,826	(406)	
<b>252,430</b>	<b>Total income</b>	<b>284,849</b>	<b>286,130</b>	<b>(1,281)</b>	
<b>EXPENDITURE</b>					
<b>Statement of Financial Performance</b>					
<b>179,527</b>	<b>Total operating expenditure</b>	<b>198,034</b>	<b>190,013</b>	<b>8,021</b>	
<b>Funding Impact Statement</b>					
136,628	Total applications of operating funding	152,080	144,059	8,021	Refer previous page
	<i>Plus non-cash items:</i>				
42,899	Depreciation	45,954	45,954	-	
<b>179,527</b>	<b>Total expenditure</b>	<b>198,034</b>	<b>190,013</b>	<b>8,021</b>	

# Proposed Rates and Charges for 2022/2023

## | Te mahere kā rēti me kā utu mō 2022-2023

The rating system used by Council is based on Capital Value. Property valuations produced by Quotable Value as at 1 September 2021 are to be used for the 2022/23 rating year. All proposed rates in the section that follows are inclusive of GST.

### Uniform Annual General Charge

Pursuant to sections 15 of the Local Government (Rating) Act 2002 (the Act), Council proposes to set a uniform annual general charge of \$118.00 on each separately used or inhabited part of every rating unit in the district.

The uniform annual general charge revenue (\$3,665,987) will be used to fund the costs associated with the following activities:

- > Cemeteries.
- > Community development and grants.
- > Property including housing, Wānaka airport and 50% of costs to defend legal claims related to alleged building defects.
- > A general contribution to the promotion of the district.

### Sports, Halls & Libraries Annual Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted annual charge on each separately used or inhabited part of every rating unit in the district as follows:

1. Residential	\$410.00
2. Residence plus Flat	\$560.00
3. Vacant Sections	\$400.00
4. Primary Industry	\$400.00
5. Country Dwelling	\$400.00
6. Country Dwelling plus Flat	\$560.00
7. Mixed Use Apportioned	\$400.00

The targeted Sports, Halls & Libraries Annual charge revenue (\$10,163,274) will be used to fund the costs associated with the following activities:

- > Community grants (for recreational activities).
- > District library services.
- > Public halls and other community facilities.
- > Active recreation facilities including sportsfields and community swimming pools (excludes Alpine Aqualand and Wānaka Aquatic Centre).



## Governance Rate

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

1. Residential	0.00012600 cents in the \$
2. Residence plus Flat	0.00006300 cents in the \$
3. Hydro Electric/Utilities	0.00007800 cents in the \$
4. Vacant Sections	0.00012600 cents in the \$
5. Accommodation	0.00012600 cents in the \$
6. CBD Accommodation	0.00012600 cents in the \$
7. Commercial	0.00012600 cents in the \$
8. CBD Commercial	0.00012600 cents in the \$
9. Primary Industry	0.00009500 cents in the \$
10. Country Dwelling	0.00012600 cents in the \$
11. Country Dwelling plus Flat	0.00012600 cents in the \$
12. Other	0.00012600 cents in the \$
13. Mixed Use Apportioned	See note (i)

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

The governance rate revenue (\$6,922,774) will be used to fund 80% of the costs associated with the following activities:

- > Cost of democratic functions including Council and standing committees.
- > Cost of communications and management of Council including corporate, financial and rating administration services.



## Regulatory Rate

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

1. Residential	0.00015700 cents in the \$
2. Residence plus Flat	0.00015700 cents in the \$
3. Hydro Electric/Utilities	0.00008200 cents in the \$
4. Vacant Sections	0.00015700 cents in the \$
5. Accommodation	0.00016500 cents in the \$
6. CBD Accommodation	0.00016500 cents in the \$
7. Commercial	0.00016500 cents in the \$
8. CBD Commercial	0.00016500 cents in the \$
9. Primary Industry	0.00011800 cents in the \$
10. Country Dwelling	0.00015700 cents in the \$
11. Country Dwelling plus Flat	0.00015700 cents in the \$
12. Other	0.00015700 cents in the \$
13. Mixed Use Apportioned	See note (i)

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

The regulatory rate revenue (\$8,728,433) will be used to fund 80% of the costs associated with the following activities:

- > Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing 50% of costs to defend legal claims related to alleged building defects.



## Governance & Regulatory Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Governance & Regulatory Charge on each separately used or inhabited part of every rating unit in the district as follows:

1. Residential	\$119.00
2. Residence plus Flat	\$167.00
3. Hydro Electric/Utilities	\$190.00
4. Vacant Sections	\$119.00
5. Accommodation	\$161.00
6. CBD Accommodation	\$161.00
7. Commercial	\$226.00
8. CBD Commercial	\$226.00
9. Primary Industry	\$238.00
10. Country Dwelling	\$119.00
11. Country Dwelling plus Flat	\$167.00
12. Other	\$119.00
13. Mixed Use Apportioned	See note (i)

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

The Governance & Regulatory Charge revenue (\$3,912,802) will be used to fund 20% of the costs associated with the following activities:

- > Cost of democratic functions including Council and standing committees.
- > Cost of communications and management of Council including corporate, financial and rating administration services.
- > Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing.



## Recreation & Events Rate

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

1. Residential	0.00016900 cents in the \$
2. Residence plus Flat	0.00016900 cents in the \$
3. Hydro Electric/Utilities	0.00008500 cents in the \$
4. Vacant Sections	0.00016900 cents in the \$
5. Accommodation	0.00067600 cents in the \$
6. CBD Accommodation	0.00067600 cents in the \$
7. Commercial	0.00016900 cents in the \$
8. CBD Commercial	0.00016900 cents in the \$
9. Primary Industry	0.00003400 cents in the \$
10. Country Dwelling	0.00010100 cents in the \$
11. Country Dwelling plus Flat	0.00010100 cents in the \$
12. Other	0.00016900 cents in the \$
13. Mixed Use Apportioned	See note (i)

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

The recreation and events rate revenue (\$10,943,590) will be used to fund 67% of the costs associated with the following activities:

- > Passive recreation areas, gardens, walkways and reserves.
- > The provision on public toilets.
- > Provision of events and facilitation events.
- > Contribution to the operating shortfall of Alpine Aqualand attributable to non-residents.



## Recreation & Events Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a new targeted Recreation & Events Charge on each separately used or inhabited part of every rating unit in the district as follows:

1. Residential	\$140.00
2. Residence plus Flat	\$196.00
3. Hydro Electric/Utilities	\$259.00
4. Vacant Sections	\$140.00
5. Accommodation	\$574.00
6. CBD Accommodation	\$574.00
7. Commercial	\$259.00
8. CBD Commercial	\$259.00
9. Primary Industry	\$126.00
10. Country Dwelling	\$126.00
11. Country Dwelling plus Flat	\$176.40
12. Other	\$140.00
13. Mixed Use Apportioned	See note (i)

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

The recreation and events charge revenue (\$5,390,126) will be used to fund 33% of the costs associated with the following activities:

- > Passive recreation areas, gardens, walkways and reserves.
- > The provision on public toilets.
- > Provision of events and facilitation events.
- > Contribution to the operating shortfall of Alpine Aqualand attributable to non-residents.



## General Rate

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

1. Residential	0.00002100 cents in the \$
2. Residence plus Flat	0.00002100 cents in the \$
3. Hydro Electric/Utilities	0.00001100 cents in the \$
4. Vacant Sections	0.00002100 cents in the \$
5. Accommodation	0.00002500 cents in the \$
6. CBD Accommodation	0.00002500 cents in the \$
7. Commercial	0.00002100 cents in the \$
8. CBD Commercial	0.00002100 cents in the \$
9. Primary Industry	0.00002500 cents in the \$
10. Country Dwelling	0.00002500 cents in the \$
11. Country Dwelling plus Flat	0.00002500 cents in the \$
12. Other	0.00002100 cents in the \$
13. Mixed Use Apportioned	See note (i)

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

The general rate revenue (\$1,221,514) will be used to fund the costs associated with the following activities:

- > Provision of emergency services (civil defence & rural fire).
- > Waste management including landfill establishment.
- > Forestry including wilding pine control.



## Roading Rate (Wānaka)

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

1. Residential	0.00022600 cents in the \$
2. Residence plus Flat	0.00022600 cents in the \$
3. Hydro Electric/Utilities	0.00005700 cents in the \$
4. Vacant Sections	0.00033900 cents in the \$
5. Accommodation	0.00090400 cents in the \$
6. CBD Accommodation	0.00090400 cents in the \$
7. Commercial	0.00056500 cents in the \$
8. CBD Commercial	0.00056500 cents in the \$
9. Primary Industry	0.00018300 cents in the \$
10. Country Dwelling	0.00022600 cents in the \$
11. Country Dwelling plus Flat	0.00022600 cents in the \$
12. Other	0.00022600 cents in the \$
13. Mixed Use Apportioned	See note (i)

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

Note (ii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Wanaka Ward is replaced by the Wanaka-Upper Clutha Ward with no change to overall ward boundaries.

The Wānaka roading rate revenue (\$5,473,651) will be used to fund the costs associated with the following activities:

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

## Roading Rate (Whakatipu)

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

1. Residential	0.00018000 cents in the \$
2. Residence plus Flat	0.00018000 cents in the \$
3. Hydro Electric/Utilities	0.00004500 cents in the \$
4. Vacant Sections	0.00027000 cents in the \$
5. Accommodation	0.00072000 cents in the \$
6. CBD Accommodation	0.00072000 cents in the \$
7. Commercial	0.00045000 cents in the \$
8. CBD Commercial	0.00045000 cents in the \$
9. Primary Industry	0.00014600 cents in the \$
10. Country Dwelling	0.00018000 cents in the \$
11. Country Dwelling plus Flat	0.00018000 cents in the \$
12. Other	0.00018000 cents in the \$
13. Mixed Use Apportioned	See note (i)

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

Note (ii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Queenstown/Wakatipu and Arrowtown wards are replaced by the Queenstown-Whakatipu Ward and the Arrowtown- Kawarau Ward with no change to the overall combined ward area.

The Whakatipu roading rate revenue (\$10,435,661) will be used to fund the costs associated with the following activities:

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



## Stormwater Rate (Wānaka)

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

1. Residential	0.00010900 cents in the \$
2. Residence plus Flat	0.00010900 cents in the \$
3. Hydro Electric/Utilities	0.00004400 cents in the \$
4. Vacant Sections	0.00010900 cents in the \$
5. Accommodation	0.00010900 cents in the \$
6. CBD Accommodation	0.00010900 cents in the \$
7. Commercial	0.00010900 cents in the \$
8. CBD Commercial	0.00010900 cents in the \$
9. Other	0.00010900 cents in the \$
10. Mixed Use Apportioned	See note (i)

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

Note (ii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Wānaka Ward is replaced by the Wānaka-Upper Clutha Ward with no change to overall ward boundaries.

The Wānaka stormwater rate revenue (\$1,556,764) will be used to fund the costs associated with the following activities:

- > The maintenance and upgrading of stormwater reticulation systems.



## Stormwater Rate (Whakatipu)

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

1. Residential (ii)	0.00010000 cents in the \$
2. Residence plus Flat plus Flat (ii)	0.00010000 cents in the \$
3. Hydro Electric/Utilities	0.00002500 cents in the \$
4. Vacant Sections (ii)	0.00010000 cents in the \$
5. Accommodation	0.00010000 cents in the \$
6. CBD Accommodation	0.00010000 cents in the \$
7. Commercial	0.00010000 cents in the \$
8. CBD Commercial	0.00010000 cents in the \$
9. Other	0.00010000 cents in the \$
10. Mixed Use Apportioned	See note (i)

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

Note (ii) Excludes property within the Jacks Point Special Zone.

Note (iii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Queenstown/Whakatipu and Arrowtown wards are replaced by the Queenstown-Whakatipu Ward and the Arrowtown-Kawarau Ward with no change to the overall combined ward area.

The Whakatipu/Arrowtown stormwater rate revenue (\$2,803,708) will be used to fund the costs associated with the following activities:

- > The maintenance and upgrading of stormwater reticulation systems.



## Tourism Promotion Rate (Wānaka)

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

- |                             |                            |
|-----------------------------|----------------------------|
| 1. Accommodation            | 0.00061400 cents in the \$ |
| 2. CBD Accommodation        | 0.00061400 cents in the \$ |
| 3. Commercial               | 0.00061400 cents in the \$ |
| 4. CBD Commercial           | 0.00061400 cents in the \$ |
| 5. Hydro Electric/Utilities | 0.00015400 cents in the \$ |
| 6. Mixed Use Apportioned    | See note (i)               |

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

Note (ii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Wanaka Ward is replaced by the Wanaka-Upper Clutha Ward with no change to overall ward boundaries.

The Wānaka tourism promotion rate revenue (\$1,276,725) will be used to fund the costs associated with the following activities:

- > To finance promotional activities of Lake Wanaka Tourism.



## Tourism Promotion Rate (Whakatipu)

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

- |                             |                            |
|-----------------------------|----------------------------|
| 1. Accommodation            | 0.00056700 cents in the \$ |
| 2. CBD Accommodation        | 0.00056700 cents in the \$ |
| 3. Commercial               | 0.00056700 cents in the \$ |
| 4. CBD Commercial           | 0.00056700 cents in the \$ |
| 5. Hydro Electric/Utilities | 0.00014200 cents in the \$ |
| 6. Mixed Use Apportioned    | See note (i)               |

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

Note (ii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Queenstown/Wakatipu and Arrowtown wards are replaced by the Queenstown-Whakatipu Ward and the Arrowtown-Kawarau Ward with no change to the overall combined ward area. From 8 October, 2022, this rate will apply to the same geographic area as before, i.e. the combined Queenstown-Whakatipu Ward and the Arrowtown-Kawarau Ward less the area represented by the former Arrowtown ward.

The Whakatipu tourism promotion rate revenue (\$4,949,344) will be used to fund the costs associated with the following activities:

- > To finance promotional activities of Destination Queenstown.



## Tourism Promotion Rate (Arrowtown)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Arrowtown Ward (note ii) of the Queenstown Lakes District as follows:

1. Accommodation	0.00054200 cents in the \$
2. CBD Accommodation	0.00054200 cents in the \$
3. Commercial	0.00054200 cents in the \$
4. CBD Commercial	0.00054200 cents in the \$
5. Hydro Electric/Utilities	0.00013600 cents in the \$
6. Mixed Use Apportioned	See note (i)

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

Note (ii) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Queenstown/Wakatipu and Arrowtown wards are replaced by the Queenstown-Whakatipu Ward and the Arrowtown-Kawarau Ward with no change to the overall combined ward area. From 8 October, 2022, this rate will apply to the same geographic area as before, i.e. the former Arrowtown ward.

The Arrowtown tourism promotion rate revenue (\$228,558) will be used to fund the costs associated with financing the following activities:

- > To finance promotional activities of the Arrowtown Promotion Association.



## Waste Management Charges

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted waste management charge on each separately used or inhabited part of every rating unit in the district, as follows:

1. Residential	\$310.00
2. Residence plus Flat	\$434.00
3. Hydro Electric/Utilities	\$138.00
4. Vacant Sections	\$138.00
5. Accommodation	\$138.00
6. CBD Accommodation	\$138.00
7. Commercial	\$138.00
8. CBD Commercial	\$138.00
9. Primary Industry	\$310.00
10. Country Dwelling	\$310.00
11. Country Dwelling plus Flat	\$434.00
12. Other	\$138.00
13. Mixed Use Apportioned	\$310.00

The Waste Management Charge revenue (\$8,122,065) will be used to fund the costs associated with the following activities:

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



## Aquatic Centre Charge (Whakatipu)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Aquatic Centre charge on each separately used or inhabited part of every rating unit with a residential component in the Queenstown/Whakatipu and Arrowtown Wards (note i), as follows:

1. Residential	\$129.00
2. Residence plus Flat	\$181.00
3. Vacant Sections	\$129.00
4. Primary Industry	\$129.00
5. Country Dwelling	\$129.00
6. Country Dwelling plus Flat	\$181.00
7. Mixed Use Apportioned	\$129.00

Note (i) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Queenstown/Wakatipu and Arrowtown wards are replaced by the Queenstown-Whakatipu Ward and the Arrowtown- Kawarau Ward with no change to the overall combined ward area.

The Aquatic Centre Charge revenue (\$1,968,798) will be used to fund the costs associated with the following activities:

- > To fund the operating shortfall of Alpine Aqualand attributable to residents.



## Aquatic Centre Charge (Wānaka)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Aquatic Centre charge on each separately used or inhabited part of every rating unit with a residential component in the Wānaka Ward (note i), as follows:

1. Residential	\$165.00
2. Residence plus Flat	\$231.00
3. Vacant Sections	\$165.00
4. Primary Industry	\$165.00
5. Country Dwelling	\$165.00
6. Country Dwelling plus Flat	\$231.00
7. Mixed Use Apportioned	\$165.00

Note (i) As a result of the 2021 Representation review, the ward structure in the district changes on the date of the local body elections (8 October 2022). From this date, the Wanaka Ward is replaced by the Wanaka-Upper Clutha Ward with no change to overall ward boundaries.

The Aquatic Centre Charge revenue (\$1,658,681) will be used to fund the costs associated with the following activities:

- > To fund the operating shortfall of Wanaka Aquatic Centre attributable to residents.

# Water Supply Rates

## QUEENSTOWN AND DISTRICT WATER SUPPLY, ARROWTOWN WATER SUPPLY AND WĀNAKA WATER SUPPLY

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted rate for water supply on each separately used of inhabited part of every connected or serviceable rating unit within the respective water supply areas as follows:

Queenstown and District water supply:	\$300.00
Arrowtown water supply:	\$250.00
Wānaka and District water supply:	\$220.00
Arthurs Point water supply:	\$320.00
Glenorchy water supply:	\$530.00
Hāwea water supply:	\$190.00

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

	Queenstown (cents in the \$)	Arrowtown (cents in the \$)	Wānaka (cents in the \$)	Arthurs Point (cents in the \$)	Glenorchy (cents in the \$)	Hāwea (cents in the \$)
1. Residential	0.00011200	0.00013800	0.00013200	0.00022600	0.00038900	0.00020200
2. Residential plus Flat	0.00011200	0.00013800	0.00013200	0.00022600	0.00038900	0.00020200
3. Accommodation	0.00020200	0.00024800	0.00023800	0.00040700	0.00070000	0.00036400
4. CBD Accommodation	0.00020200	0.00024800	0.00023800	-	-	-
5. Commercial	0.00017900	0.00022100	0.00021100	0.00036200	0.00062200	0.00032300
6. CBD Commercial	0.00017900	0.00022100	0.00021100	-	-	-
7. Primary Industry	0.00008300	0.00010200	0.00009800	0.00016700	0.00028800	0.00014900
8. Country Dwelling	0.00009200	0.00011300	0.00010800	0.00018500	0.00031900	0.00016600
9. Country Dwelling plus Flat	0.00009200	0.00011300	0.00010800	0.00018500	0.00031900	0.00016600
10. Other	0.00011200	0.00013800	0.00013200	0.00022600	0.00038900	0.00020200
11. Mixed Use Apportioned	See note (i)	See note (i)	See note (i)	See note (i)	See note (i)	See note (i)

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

Note (ii) those properties comprising a Residence plus Flat and Country Dwelling plus Flat will charged the targeted rate a factor of 1.5.

## OTHER WATER SUPPLIES

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

Water Supply	Full Charge (\$)	Half Charge (\$)
Lake Hayes	522.00	261.00
Luggate	620.00	310.00

The Targeted Water Supply Rates revenue (\$12,903,132) will be used to fund the costs associated with the following activities:

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

Note (i) those properties comprising a Residence plus Flat and Country Dwelling plus Flat will charged the targeted rate a factor of 1.5.

## Sewerage Rates

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

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

Note (ii) those properties comprising a Residence plus Flat and Country Dwelling plus Flat will charged the targeted rate a factor of 1.5.

Sewerage Scheme	Charge for 1st pan connected (\$)	Half Charge capable of connection (\$)	Charge per pan after 1 connected (\$)
Wānaka/Albert Town	702.00	351.00	351.00
Cardrona	750.00	375.00	375.00
Arrowtown	702.00	351.00	351.00
Arthurs Point	620.00	310.00	446.40
Hāwea	600.00	300.00	300.00
Lake Hayes	560.00	280.00	280.00
Luggate	800.00	400.00	400.00
Queenstown	692.00	346.00	346.00

The Targeted Sewerage Rates revenue (\$18,578,184) will be used to fund the costs associated with providing public sewerage services to the above communities.



## Sewerage Scheme Loan Rates

### (i) Cardrona Sewerage Area

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted sewerage scheme loan rate on every serviceable rating unit within the Cardrona Sewerage scheme area, on the basis of one charge per pan or urinal connected per connection or capable of being connected of \$920.00, on the first pan or urinal, and \$920.00 for each subsequent pan or urinal.

Note:

- > The targeted sewerage scheme loan rate will not apply to those properties in respect of which the ratepayer has already paid a full development contribution for Cardrona Wastewater; and
- > Every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.

The Targeted Sewerage Scheme Loan Rates revenue \$174,800 will be used to fund the costs associated with the following activities:

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



## Payment of Rates

Rates payments can be made during normal office hours at:

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

Or by direct debit and internet banking.

## DUE DATES FOR PAYMENT

The Council proposes that the above rates and charges for the financial year commencing on the 1st day of July 2022 are payable in four instalments, the due dates and last days for payment without penalty being as follows:

	Due Date	Last Day for Payment (without penalty)
Instalment One	2 September 2022	23 September 2022
Instalment Two	21 October 2022	25 November 2022
Instalment Three	13 January 2023	24 February 2023
Instalment Four	14 April 2023	26 May 2023

## ADDITIONAL CHARGES (PENALTIES)

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

- > A penalty of 5% will be added to the rates and charges levied in each instalment which remains unpaid on the day after the last day for payment date as shown above (i.e. the penalty will be added on 24 September 2022, 26 November 2022, 25 February 2023 and 26 May 2023 respectively).
- > A penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year and remaining unpaid on 30 September 2022.
- > A second penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year which remains unpaid on 31 March 2023.





# Differential Matters Used to Define Categories of Rateable Land

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

## DIFFERENTIALS BY LAND USE

The categories are:

### 1. Residential

All rating units which are used exclusively or principally for residential purposes, but excluding properties categorised as pursuant to clause 9 (Primary Industry), clause 10 (Country Dwelling) or to clause 13 (Mixed Use Apportioned).

### 2. Residential Plus Flat

All rating units comprising a single dwelling and a residential flat which are used exclusively or principally for residential purposes, but excluding properties categorised as clause 11 (Country Dwelling plus Flat).

### 3. Hydro Electric/Utilities

All rating units on which there are structures used exclusively or principally for, or in connection with, the generation of hydro-electric power, including structures used to control the flow of water to other structures used for generating hydro-electric power and all rating units used exclusively or principally for network utility services including water supply, wastewater, stormwater, electricity, gas & telecommunications.

### 4. Vacant Sections

All rating units which are vacant properties and suitable for development.

### 5. Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis (nightly, weekly or for periods up to a month) including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties; but excluding properties categorised as pursuant to clause 13 (Mixed Use Apportioned) or clause 6 (CBD Accommodation).

### 6. CBD Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as pursuant to clause 13 (Mixed Use Apportioned).

### 7. Commercial

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes; but excluding properties categorised as Hydro-Electric Power, Accommodation, CBD Accommodation, Primary Industry, or pursuant to clause 13 (Mixed Use Apportioned) or clause 8 (CBD Commercial).

### 8. CBD Commercial

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as CBD Accommodation or pursuant to clause 13 (Mixed Use Apportioned).

### 9. Primary Industry

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

### Country Dwelling

All rating units of less than 10 hectares, located in any of the Rural Zones (except for the land zoned as Rural Residential north of Wānaka township in the vicinity of Beacon Point Road bounded by the low density residential zone to the south, Penrith Park zone to the north and Peninsula Bay to the east and the land zoned as Rural General off Mt Iron Drive comprising of Liverpool Way; Cascade Drive; Bevan Place and Islington Place) or Special Zones (excluding Penrith Park; Remarkables Park; Quail Rise; Woodbury Park; Lake Hayes Estate; Shotover Country; Jacks Point; Peninsula Bay; and Meadow Park) as shown in the Queenstown Lakes District Council's District Plan, which are used exclusively for Residential purposes.

### 10. Country Dwelling Plus Flat

All rating units comprising a single dwelling pursuant to clause 10 and a residential flat which are used exclusively or principally for residential purposes.

### 11. Other

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

### 12. Mixed Use Apportioned

All rating units which are used in part, but not exclusively, for residential purposes, and in part, but not principally, for commercial or accommodation purposes. Usage in part may be determined by:

- a. The physical portion of the rating unit used for the purpose, or
- b. The amount of time (on an annual basis) that the rating unit is used for the purpose.

Note: the Mixed Use Apportioned classification will not be applied to residential rating units used for accommodation purposes for a single period of up to 28 consecutive days in any rating year.

These categories are used to differentiate the following rates:

- > general rate, targeted rates: sports halls & libraries charge; governance rate; regulatory rate; recreation & events rate; governance & regulatory charge; recreation & events charge; roading rate; stormwater rate; tourism promotion rates; waste management charge; aquatic centre charges; water supply rates.

## Targeted Rates Based on Location

The categories are:

1. Location within the Wānaka ward.
2. Location within the Queenstown/Whakatipu ward or the Arrowtown ward.

These categories are used to differentiate the following targeted rates:

- > roading rate; stormwater rate; tourism promotion rates; aquatic centre charge.

## Targeted Rates Based on Availability of Service

The categories are:

### 1. Connected

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

### 2. Serviceable

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

These categories are used to differentiate the following targeted rates:

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



## Definition of “Separately Used or Inhabited Parts of a Rating Unit”

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definitions will apply:

- > Any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.
- > Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

The following are considered to be separately used parts of a rating unit:

- > Individual flats or apartments.
- > Separately leased commercial areas which are leased on a rating unit basis.
- > Vacant rating units.
- > Single rating units which contain multiple uses such as a shop with a dwelling or commercial activity with a dwelling.
- > A residential building or part of a residential building that is used, or can be used as an independent residence.

An independent residence is defined as a liveable space with its own kitchen, living and toilet/bathroom facilities that can be deemed to be a secondary unit to the main residence. Note: the definition of a kitchen comes from the District Plan.

The following are not considered to be separately used parts of a rating unit:

- > A residential sleep-out or granny flat that does not meet the definition of an independent residence.
- > A hotel room with or without kitchen facilities.
- > A motel room with or without kitchen facilities.
- > Individual storage garages/sheds/portioned areas of a warehouse.
- > Individual offices or premises of business partners.

### **DISTRICT PLAN DEFINITION OF A KITCHEN:**

Means any space, facilities and surfaces for the storage, rinsing preparation and/ or cooking food, the washing of utensils and the disposal of waste water, including a food preparation bench, sink, oven, stove, hot-plate or separate hob, refrigerator, dish-washer and other kitchen appliances.

