

Wānaka-Upper Clutha Community Board

8 May 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [1]

Department: Assurance, Finance & Risk

Title | Taitara: Wānaka Asset Sales Reserve 2025 guidelines

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is for the Wānaka-Upper Clutha Community Board (WUCCB) to recommend to the Queenstown Lakes District Council the approval of the Wānaka Asset Sales Reserve 2025 guidelines.

Recommendation | Kā Tūtohuka

That the Wānaka-Upper Clutha Community Board:

1. **Note** the contents of this report; and
2. **Recommend to Council** the approval of the Wānaka Asset Sales Reserve 2025 guidelines.

Prepared by:

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2 April 2025

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Context | Horopaki

1. The Wānaka Asset Sales Reserve (WASR) is a financial reserve established by the Queenstown Lakes District Council (QLDC) primarily derived from the sale of Scurr Heights land in 2016 in the Wānaka-Upper Clutha Ward. This reserve is intended to deliver enduring community benefits and contribute to legacy projects for the Wānaka-Upper Clutha Ward.
2. The WASR is a key financial mechanism for supporting strategic community projects in the Wānaka-Upper Clutha Ward.
3. QLDC and the WUCCB work in partnership to ensure that local expertise and knowledge inform funding decisions while maintaining alignment with Council's strategic objectives. Together, they aim to empower Wānaka and wider Upper Clutha communities and support projects that reflect the unique character and needs of the area.
4. In 2017, QLDC officers wrote a set of guidelines with the overarching aim being that the guidelines are intended for the community, QLDC officers, and the Wānaka-Upper Clutha Community Board (WUCCB). The guidelines outlined the principles, governance, and processes for the reserve management. The guidelines also align with broader funding principles to support transparency, equity, and accountability in the allocation of resources.
5. In May 2024, a workshop was held with the WUCCB to review the WASR guidelines. This was prompted by learnings from the 2024–34 Long Term Plan (LTP) process, Auditor-General funding principles, and a desire to reaffirm the WASR's purpose. The workshop identified a need to clarify roles, strengthen governance, and better align the WASR with strategic priorities and legacy outcomes.
6. In February 2025, a workshop was held with the WUCCB workshop where the board reviewed and provided feedback on the updated guidelines.
7. The attached guidelines include the proposed updates. These updates have been socialised with the WUCCB and their feedback has been incorporated into the attached.

Analysis and Advice | Tatāritaka me kā Tohutohu

8. QLDC officers have consulted with the WUCCB and updated the guidelines as attached.
9. This report identifies and assesses the following reasonably practicable options for addressing the matter as required by section 77 of the Local Government Act 2002 (LGA).

10. Option 1 The WUCCB recommend to Council that the revised WASR 2025 guidelines be approved.

Advantages:

- Responds to feedback from the May 2024 WUCCB workshop and subsequent discussions, ensuring community input is reflected.
- Strengthens governance, transparency, and strategic alignment of the reserve with QLDC's Strategic Framework.
- Clarifies roles and processes for the WUCCB, Council, and the community.
- Provides a fit-for-purpose document that reflects contemporary expectations for public fund management.

Disadvantages:

- May require adjustment to existing workflows and expectations regarding project prioritisation and approval.
- Some stakeholders may prefer the simplicity of the earlier principles or continue to debate specific governance responsibilities.

11. Option 2 The WUCCB does not recommend to Council that the WASR 2025 guidelines be approved.

Advantages:

- Retains the current framework, which is familiar to some stakeholders.
- Avoids short-term implementation changes.

Disadvantages:

- Does not address gaps or ambiguities in the existing guidelines, including unclear governance roles and outdated exclusions.
- Misses an opportunity to improve clarity, transparency, and alignment with the Strategic Framework and Auditor-General guidance.
- Risks ongoing confusion and potential misalignment between Council and WUCCB on the use of the reserve.

12. Option 3 The WUCCB recommends changes to the revised WASR 2025 guidelines prior to Council approval.

Advantages:

- Allows the WUCCB to ensure the guidelines fully reflect local context, aspirations, and operational preferences.
- Reinforces the Board's role as a key stakeholder in shaping the governance and use of the reserve.
- Supports a collaborative refinement process that may enhance community buy-in.

Disadvantages:

- May delay final adoption of the guidelines and implementation of the new process.
- Could create uncertainty for QLDC officers and community groups awaiting clarity on the updated funding framework.

13. This report recommends **Option 1** for addressing the matter because it reflects a collaborative process between QLDC and the WUCCB, responds to identified concerns, and positions the reserve to support long-term, strategic, and community-aligned investments in the Wānaka-Upper Clutha Ward.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

14. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because:
- The guidelines concern a financial reserve specific to the Wānaka-Upper Clutha Ward and do not materially affect district-wide service levels or impose major financial burden on ratepayers.
 - The changes impact community groups and elected representatives in the Wānaka-Upper Clutha Ward. While there is high interest within that ward, it is not district wide.
 - The revised guidelines remain aligned with existing LTP/Annual Plan (AP) processes but update the operationalisation of funding principles. They do not conflict with adopted Council policies.

- Updates clarify QLDC's discretion and responsibilities (e.g. project delivery, absorbing operational costs), but do not significantly shift how Council resources are allocated overall.
- The decision is not directly related to climate policy or biodiversity outcomes.
- No direct impacts on ancestral lands or cultural values have been identified.

15. The persons who are affected by or interested in this matter are residents and ratepayers of the Wānaka-Upper Clutha Ward, particularly community organisations that may seek funding through the Wānaka Asset Sales Reserve. Key stakeholders include the WUCCB, Council officers, and potential project delivery partners. There is also interest from the wider Queenstown Lakes District in ensuring financial transparency and alignment with broader Council priorities.

16. QLDC officers have engaged with the WUCCB, including through a dedicated workshop in May 2024, followed by targeted feedback on a draft version of the revised guidelines. Feedback from the WUCCB and Council officers has informed the current draft. Further engagement will include formal presentation to the WUCCB for endorsement and public communication via Council channels following Council adoption.

Māori Consultation | Iwi Rūnaka

17. At this stage, no specific consultation has taken place with mana whenua or iwi rūnaka regarding the WASR guidelines. However, the reserve is intended to support legacy and community infrastructure projects that may involve mana whenua at the project level. As such, Council will ensure that appropriate iwi engagement occurs where individual projects involve cultural, environmental, or land use considerations, in alignment with QLDC's partnership obligations under Te Tiriti o Waitangi.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

18. This matter relates to the Strategic/Political/Reputation risk category. It is associated with RISK10015 Ineffective Governance within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.

19. The approval of the recommended option will allow Council to enhance governance, transparency, and trust between Council, the WUCCB, and the public. This will be achieved by providing clear expectations and principles for the use of the WASR reserve, while maintaining alignment with Council's strategic framework and funding responsibilities.

Financial Implications | Kā Riteka ā-Pūtea

20. There are no operational or capital expenditure requirements additional to existing approved budgets or the LTP and AP. The WASR is a ring-fenced financial reserve, and the revised guidelines relate to how existing reserve is prioritised and allocated. Any project brought forward for funding

will continue to be assessed through standard QLDC processes to ensure feasibility, delivery capacity, and alignment with strategic investment priorities. No additional resourcing is anticipated beyond current staffing and operational arrangements.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

21. The following Council policies, strategies, and bylaws were considered:

- Strategic Framework: The proposed updates to the WASR guidelines align with the principles of QLDC's Strategic Framework, including Vision Beyond 2050, by supporting community wellbeing, legacy infrastructure, and transparent governance.
- Draft Community Funding Policy: The draft policy has been considered to ensure alignment with Council's evolving approach to community investment, particularly in relation to consistency, fairness, and accountability in funding decisions.
- QLDC 30-Year Infrastructure Strategy: The guidelines support alignment between long-term planning and the prioritisation of capital projects within the Wānaka-Upper Clutha Ward.
- Disability Policy: Any future capital project funded through the WASR must comply with accessibility standards and contribute to an inclusive built environment.
- Financial Strategy: Ensures sound financial management of this reserve and supports intergenerational equity.
- Significance and Engagement Policy: Ensures appropriate consultation and transparency in reviewing and updating the guidelines.

22. The recommended option is consistent with the principles set out in the Strategic Framework, the draft Community Funding Policy, and the Financial Strategy. There are no known inconsistencies with current QLDC policies.

23. This matter is not explicitly included in the current LTP or AP. However, the review of the guidelines does not require additional funding or budget change. Any projects brought forward under the revised guidelines will continue to be progressed through the established LTP or AP processes, ensuring appropriate budgeting and public consultation.

Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture

24. The revised guidelines have been developed in alignment with the LGA, particularly section 14 which sets out principles relating to local authorities, including prudent stewardship of resources and transparent decision-making.

25. Guidance from the Office of the Controller and Auditor-General has also been considered, particularly in relation to managing public funds and conflicts of interest. Elected members are

expected to comply with the Local Authorities (Members' Interests) Act 1968 and relevant disclosure requirements under the LGA.

26. No specific legal advice has been sought for this report, and there are no known inconsistencies with legislative requirements. Should legal clarification be required during implementation, it will be sought as appropriate.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

27. Section 10 of the LGA states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. The proposed update to the WASR guidelines supports this purpose by establishing a transparent, inclusive framework that enables local input and ensures investments contribute to long-term community wellbeing and legacy outcomes. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the LGA.

28. The recommended option:

- Can be implemented through current funding under the LTP and AP;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	Wānaka Asset Sales Reserve 2025 guidelines
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WĀNAKA ASSET SALES RESERVE GUIDELINES

Version: 2.0

Date: 17/02/2025

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1. INTRODUCTION

The Wānaka Asset Sales Reserve (WASR) is a financial reserve established by the Queenstown Lakes District Council (QLDC) primarily derived from the sale of Scurr Heights land in 2016 in the Wānaka/Upper Clutha ward. These funds are intended to deliver enduring community benefits and contribute to legacy projects for the Wānaka-Upper Clutha Ward.

The WASR is a key financial mechanism for supporting strategic community projects in the Wānaka-Upper Clutha Ward. This document is intended for the community, QLDC staff, and the Wānaka Upper Clutha Community Board (WUCCB), outlining the principles, governance, and processes for fund management.

QLDC and the WUCCB work in partnership to ensure that local expertise and knowledge inform funding decisions while maintaining alignment with Council's strategic objectives. Together, we aim to empower the Wānaka and wider Upper Clutha communities and support projects that reflect the unique character and needs of the Ward.

It is important to note that a financial reserve, such as the WASR, is not "cash in the bank." Rather, it represents an allocated amount that integrates into Council's overall financial portfolio. Allocated funds will incur interest and contribute to QLDC's total debt portfolio, underscoring the importance of careful and strategic financial planning. This reinforces the need for careful and strategic allocation of the Reserve to maximise community impact while ensuring financial sustainability.

This document also aligns with broader funding principles to support transparency, equity, and accountability in the allocation of resources.

2. PURPOSE AND BENEFITS

The WASR is managed with a clear purpose to maximise its impact for the Wānaka-Upper Clutha Ward. By adhering to robust principles and a strategic approach, the Reserve aims to:

- Ensure transparency and accountability in the allocation and utilisation of funds. This includes providing clear reporting and public communication about the use and impact of the Reserve. These efforts align with the principles outlined by the Controller and Auditor-General for managing public funds.
- Support strategic investments in the community that are included in the Long-Term Plan (LTP) and Annual Plan (AP).
- Facilitate projects that deliver lasting benefits for the Wānaka-Upper Clutha Ward, prioritising initiatives that contribute to broader community wellbeing and provide long-term value for the ward or wider District as a whole.

3. GUIDING PRINCIPLES

3.1 ELIGIBLE USE OF FUNDS

Funds may be used for:

- **Capital Projects:** Approved in the LTP or AP that benefit Wānaka-Upper Clutha Ward residents and enhance service levels.
- **Community Infrastructure:** Investments in significant community assets, including social and cultural infrastructure, provided they demonstrate enduring value.

3.2 EXCLUDED USES

Funds may *not* be used for:

- **Operating expenditure** (e.g., salaries, utilities, or maintenance costs for existing facilities).
- **Purchase of speculative assets** (e.g., property purchases without a defined public use case).
- **Projects primarily required due to growth** (e.g., new subdivisions funded by development contributions).
- **Feasibility studies** unless directly tied to an eligible capital project.
- **Non-Council projects** that do not involve QLDC involvement, or management, or ownership.
- **Grants** for activities or services that do not involve capital development or infrastructure (e.g., operating grants for community events or programmes).
- **Debt Repayment:** Funds may not be used to repay debt incurred for non-Council-owned capital expenditure projects unless in exceptional circumstances in association with Full Council.
- **Minor or routine capital projects** that do not demonstrate long-term strategic or transformational community impact. The Reserve is intended for large-scale, legacy projects that provide enduring benefits to the Wānaka-Upper Clutha Ward. However, the Reserve may be used to supplement other funding sources for projects that align with its purpose.

4. GOVERNANCE FRAMEWORK

4.1 DECISION-MAKING STRUCTURE

- The WUCCB will recommend priority projects for funding, ensuring alignment with the principles and eligibility criteria.

- All projects approved for funding must adhere to QLDC requirements, including permits, consents, project management methodology, and health and safety standards.
- While the WUCCB prioritises projects, QLDC officers will assess capacity and ability to carry them out, recognising the multiple touchpoints within Council processes.

4.2 TRANSPARENCY AND REPORTING

- **Annual Reporting:** A summary of the Reserve utilisation, including project outcomes, will be included in the Council's Annual Report.
- **Project Reviews:** Regular updates on funded projects' progress and their alignment with agreed objectives.
- **Public Communication:** Decisions on the Reserve utilisation will be published through appropriate channels, such as the QLDC website, to promote openness and accountability.

5. PRIORITISATION AND EVALUATION

5.1 PROJECT PRIORITISATION

- Projects may be prioritised if they:
 - Address identified community needs.
 - Are a legacy project that provides enduring benefits for the Wānaka-Upper Clutha Ward, ensuring value for future generations.
 - Demonstrate alignment with QLDC's Strategic Framework, including Community and Wellbeing Outcomes and the QLDC 30-Year Infrastructure Strategy, to ensure long-term benefits for the wider Wānaka-Upper Clutha Ward.
 - Leverage co-funding or partnerships to maximise impact.
- The process will occur via the Annual Plan reforecast process, with options prioritised and selected for allocation by November of the prior year.

5.2 EVALUATION CRITERIA

All projects recommended for funding must:

- Clearly articulate community benefits.
- Include a cost-benefit analysis demonstrating value for money.
- Provide evidence of stakeholder engagement.
- Demonstrate alignment with QLDC's strategic goals and principles.
- Confirm that QLDC can absorb operational costs associated with the project.

6. FLEXIBILITY AND RESPONSIVENESS

- The Reserve may support “unexpected opportunities” that align with the principles, provided a robust business case is presented.
- The Council will consider projects not currently in the LTP or AP if they demonstrate exceptional community value, where there is sufficient capacity and resources available to deliver them effectively.
- All project approved for funding must adhere to QLDC requirements, including permits, consents, project management methodology and health and safety standards.

7. RISK MANAGEMENT

- Decision-makers must be free of conflicts of interest and are required to abide by the QLDC Conflict of Interest Policy for staff and the guidance provided by the Controller and Auditor-General for elected members. This includes compliance with the Local Authorities (Members’ Interests) Act 1968 (LAMIA), which requires all elected members to declare any pecuniary (or other specified) interests. In accordance with section 54A of the Local Government Act 2002, a public register of these declarations is maintained.
- Reserve allocations will be subject to periodic audits to ensure compliance with principles and transparency requirements.

8. COMMUNITY BOARD ROLE AND DISCRETION

The WUCCB plays a key role as a strategic partner in ensuring that the WASR is used effectively for community benefit. Their role includes:

- **Identify and Recommend Priority Projects:**
The WUCCB may identify and recommend priority projects to be brought forward from the LTP or AP. This process includes early engagement with QLDC officers before formal LTP or AP planning begins, providing the Board with an opportunity to influence and shape potential projects at a formative stage.
- **Pathway for Raising Priorities:**
The WUCCB will have a dedicated pathway for submitting priority projects directly to QLDC officers, distinct from the community submission process. The Board will be invited to provide early input into the LTP or AP cycles through dedicated planning workshops, typically scheduled ahead of key milestones in the Council’s planning calendar. QLDC will work collaboratively with the Board to discuss feasibility, strategic alignment, and logistical considerations for proposed projects.

- **Collaborate with Community Stakeholders:**

The Board will collaborate with local groups and organisations to propose initiatives that align with WASR principles. This includes acting as a bridge between community needs and Council processes while leveraging the Board's local expertise.

9. CONTROLLER AND AUDITOR-GENERAL PRINCIPLES

The WASR adheres to the six principles for managing public funds outlined by the Controller and Auditor-General:

1. **Accountability:** Ensuring all funds are managed with clear responsibilities and reporting mechanisms to uphold public trust.
2. **Openness:** Maintaining transparency in decision-making processes and making information available to the public.
3. **Value for Money:** Allocating resources efficiently and effectively to maximise benefits for the community.
4. **Lawfulness:** Complying with all legal and regulatory requirements in fund management and allocation.
5. **Fairness:** Ensuring equitable access to funding opportunities and impartiality in decisions.
6. **Integrity:** Upholding ethical standards and avoiding conflicts of interest in all activities related to the Reserve.

10. AMENDMENTS TO GUIDELINES

Changes to these guidelines require approval by the Full Council. Amendments will be developed in consultation with the WUCCB and stakeholders to ensure alignment with the Reserve's purpose and principles.

11. ADDITIONS TO THE RESERVE

Any proceeds from the sale of remaining Scurr Heights land will be allocated to the Reserve. For all other asset sales within the Wānaka-Upper Clutha Ward, additions to the Reserve will be determined at the discretion of the full Council on a case-by-case basis. There is no automatic requirement for proceeds from future Wānaka asset sales to be allocated to the reserve. Instead, Council will assess each opportunity based on strategic priorities, financial sustainability, and community needs before deciding whether to direct funds into the Reserve.

12. COMMUNITY SUBMISSION PROCESS

Community groups in the Wānaka-Upper Clutha Ward can submit projects for consideration under the WASR through the Queenstown Lakes District Council's (QLDC) Annual Plan (AP) or Long-Term Plan (LTP) processes, with an **additional role for the WUCCB to review and support community-led proposals**. The following outlines the steps to participate:

1. Understand the Process Timeline:

- Annual Plan (AP): Submissions typically open in early March and close in early April, with hearings held in May and the final plan adopted by June.
- Long-Term Plan (LTP): Prepared every three years, the LTP involves extensive community consultation, public hearings, and deliberations before adoption.
- WASR Fund-Specific Process: To be considered for funding through the WASR Fund, projects must be raised before 1st October each year.

2. Prepare a Submission:

- Submissions must clearly outline the project's purpose, benefits, and alignment with community wellbeing outcomes.
- Include relevant evidence, examples, and co-funding opportunities where applicable.
- Community groups are encouraged to present their project ideas via the Wānaka Upper Clutha Community Board before formal submission to QLDC. The Board can provide feedback, evaluate options, and help ensure proposals align with local and district priorities.

3. Submission Channels:

- Submissions can be made online through the QLDC website, by email, or via post. Specific submission details will be provided in the public consultation notice.
- Community groups may also present project proposals at a WUCCB public forum/deputation, providing an additional opportunity for discussion before the final submission.

4. Public Notification:

- All submissions will be summarised and publicly notified, allowing community members to view and provide additional input.

5. Hearing Process:

- Submissions will be presented to a panel, with representatives encouraged to designate a spokesperson for their group.

6. Decision and Communication:

- The Council will review and deliberate on all submissions. Decisions will be communicated to submitters, with opportunities for further engagement as needed.

Early Engagement with QLDC:

Community stakeholders are encouraged to engage early with QLDC officers and the WUCCB to discuss project feasibility, potential funding sources, challenges, and alignment with broader Council strategies. Early engagement can streamline the submission process and address requirements such as permits, consents, and compliance.

Alternative Funding Considerations:

For smaller-scale projects or initiatives, community groups may also explore opportunities through the QLDC Community Fund, which supports community-led activities outside the scope of the WASR Fund.

13. APPENDIX A: DEFINITIONS

For purposes of this document, the following definitions apply:

- **Reserve:** A financial allocation set aside for specific purposes within the Council's budgetary framework. A reserve is not a cash holding but rather a designated accounting line item that contributes to Council's financial planning, potentially incurring interest and impacting overall debt levels.
- **Capital Projects:** Long-term projects aimed at creating, improving, or acquiring significant community assets, including but not limited to public facilities, recreational or strategic spaces, and transportation infrastructure.
- **Capital Investment:** Funding allocated to the creation, expansion, or significant improvement of capital projects such as infrastructure, facilities, or community assets that contribute to the long-term wellbeing of residents.
- **Operating Expenditure:** Recurring costs for running and maintaining existing infrastructure or services, such as salaries, utilities, and routine maintenance, which do not result in the creation of new assets.
- **Speculative Assets:** Properties or investments acquired with the primary aim of financial gain rather than public use, including land acquisitions without a defined or strategic purpose for community benefit.
- **Debt Repayment:** Allocation of funds to repay loans incurred for community projects that enhance service levels, ensuring financial sustainability and equitable cost distribution across current and future beneficiaries.
- **Community Infrastructure:** Facilities or assets that provide social, cultural, or recreational benefits to the community and demonstrate enduring value.
- **Legacy Project:** A capital investment that delivers enduring social, cultural, environmental, or economic benefits to the Wānaka-Upper Clutha Ward. Legacy projects provide long-term value, enhance community infrastructure, and serve multiple generations. These projects should align with QLDC's strategic priorities and demonstrate a transformational impact, rather than addressing short-term or operational needs.
- **Enduring Benefit:** A measurable, long-lasting positive impact on the community, environment, or local economy that extends beyond the immediate funding period, ensuring sustainability over time.
- **Transformational Impact:** A project outcome that significantly enhances the quality of life, accessibility, or resilience of the community in a way that could not have been achieved without strategic investment.
- **Social and Cultural Infrastructure:** Refers to the physical spaces, services, and structures that foster community cohesion and enrich cultural life. Examples

include museums and cultural facilities, libraries, community centres, parks, theatres, and sports facilities.

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