Item 1: Long Term Plan Steering Group 11

SESSION TYPE: Workshop

PURPOSE/DESIRED OUTCOME:

This workshop will cover two key areas of Long Term Plan development: the first draft of the Year 1 net operating expenditure budget, including key movements and adjustment options; and the initial draft significant forecasting assumptions.

Councillors are asked to consider the information provided, test the proposed approaches and principles, and provide feedback to inform the next stage of Long-Term Plan development.

Operating Expenditure

- The purpose of this item is to present a first draft of the Year 1 LTP operating expenditure budget, and to highlight the key operating expenditure movements. Budget adjustment options, with varying degrees of risk, are provided for Councillor direction. This direction will be used to inform development of the full operating expenditure budget for the Long Term Plan.

Significant Forecasting Assumptions

- The purpose of this item is to present the initial draft significant forecasting assumptions for the Long Term Plan and seek Councillor feedback.

DATE/START TIME:

Thursday 3 September 2026, 12.30pm

TIME BREAKDOWN:

Presentation: 1 hour
Discussion and questions: 1.5 hours

PRESENTERS:

Operating Expenditure

Katherine Harbrow - General Manager, Assurance Finance & Risk
Tanea Hawkins - Finance Director
Vanessa Fauth - Financial Controller
Stephen Bayley - Finance Business Partner Manager

Significant Forecasting Assumptions

Ian Dunbar - Organisation Performance Manager
Caleb Dawson-Swale - Business Planning Manager

Prepared by:

Name: Caleb Dawson-Swale
Title: Business Planning Manager

27 August 2026

Reviewed and Authorised by:

Name: Ian Dunbar
Title: Acting Corporate Services General Manager
27 August 2026

ATTACHMENTS:

A	LTP Workshop 3 Sep PowerPoint Presentation
B	Significant Assumptions - LTP 2024 Review
C	Significant Assumptions - Draft Assumptions LTP 2027-37

Long Term Plan Council Steering Group

Workshop 11 - Expenditure

3 September 2026

QUEENSTOWN LAKES DISTRICT COUNCIL

Agenda

Item	Owner	Time
1. LTP Year 1 Net Operating Expenditure	Stephen Bayley	2hrs 12:30-2:30pm
2. Significant forecasting assumptions	Caleb Dawson-Swale	25 mins 2:30-2:55pm
3. Steering Group work plan	Ian Dunbar	5mins 2:55-3pm

LTP Year 1 Net Operating Expenditure

Setting the context

What this Net OpEx information includes

- The net costs of Council's direct operating services, once revenue has been applied, for LTP Year 1 (2027-28).
- Focused on Council's controllable costs, that is, those that directly arise from our planned activities.
- Focused on maintaining budget at 2026/27 Annual Plan level (excluding 3 waters)
- Inclusive of growth: proposed expenditure assumes uplift needed to keep pace with growth, and rating revenue assumes increase in rating units from 36,400 to 37,856 (growth assumption of 4%).
- Presented by LTP Activity and Activity Groups.
- QLDC OpEx budgets are built from a cost centre basis, not at a discrete project-by-project level
- Funding and size of capital programme is biggest lever to reduce OpEx

The OpEx budget will come back to Councillors on 29 September and 29 October with further refinement, additions and expansion to later years.

What this Net OpEx information does not yet include

- Depreciation and interest expense. These will be added as the capital programme is developed. This has historically represented around a <u>third</u> of QLDC's annual OpEx budget.
- Consequential operating expenditure and revenue from capital investment. Will also be added as the capital programme is developed.
- Inflation has been excluded
- Overheads have not been applied, costs reflect each Activity directly.
- Detailed proposed FTE numbers are still being worked through the QLDC of the Future process.
- No change yet made for Revenue and Financing review (Rating vs Fees and charges/alternative revenue)
- No change yet to the way the QAC dividend is used

Big issues

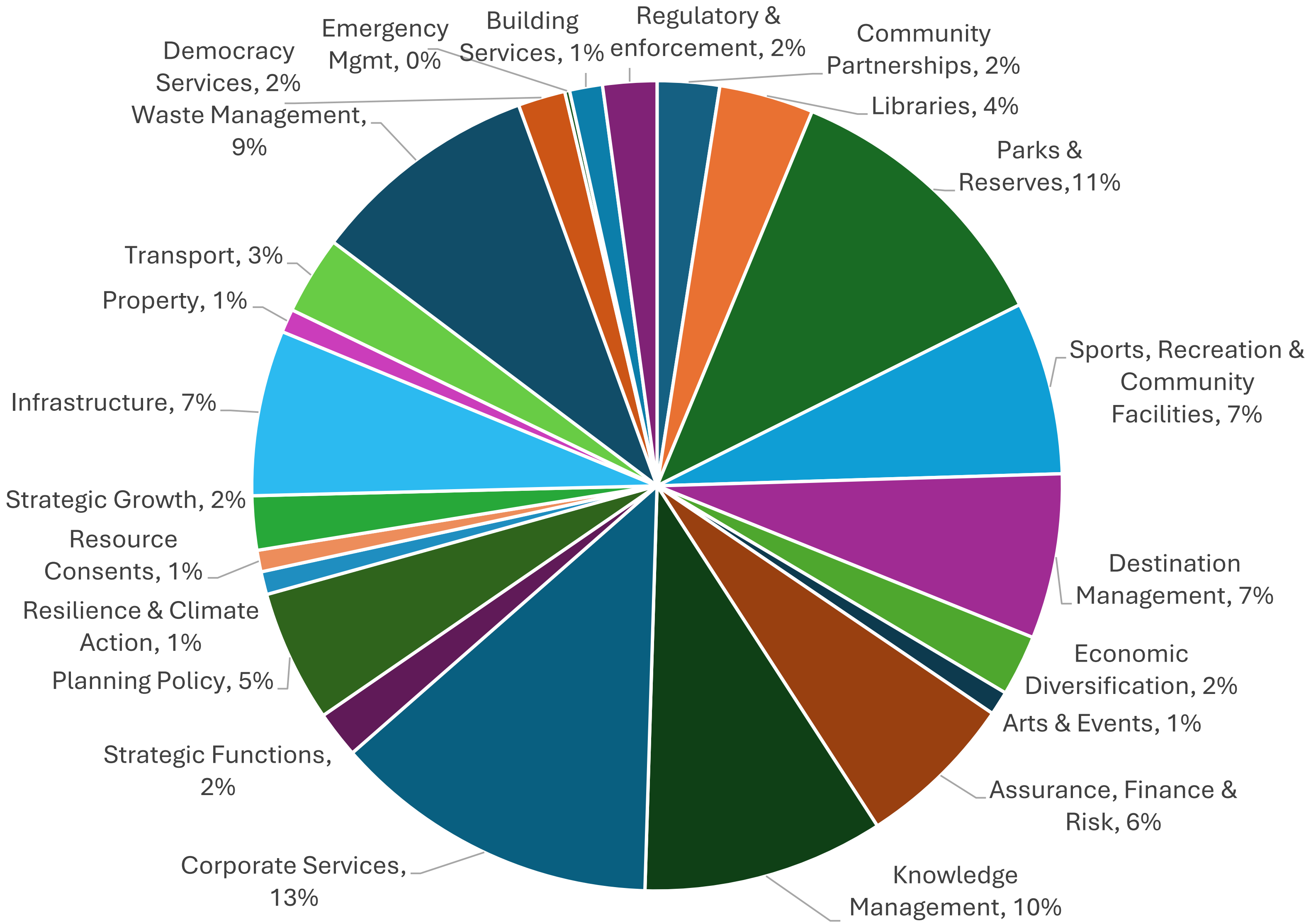
RATES CAPPING

PLANNING REFORM

WSCCO SHARED SERVICES

QLDC OF THE FUTURE

LTP Year 1 Net OpEx



- LTP Year 1 2027-28 controllable Net OpEx – the direct cost of Council's operating services after revenue is applied – is sitting at $99.3M.
- This is an increase $7.8M on 2026-27. This equates to an increase of $237 per rating unit.
- The reasons for key cost increases are set out on a further slide.
- Budget adjustment options, with varying degrees of risk, have been identified for Councillors' consideration.
- If Councillors direct all options be integrated into the budget, then then the 2027-28 controllable OpEx budget will be $91.5M.
- This is a nil increase on 2026-27 and equates to a nil increase per rating unit.

LTP Year 1 Activity Groups Variance to AP2627 including At-Risk Tradeoffs

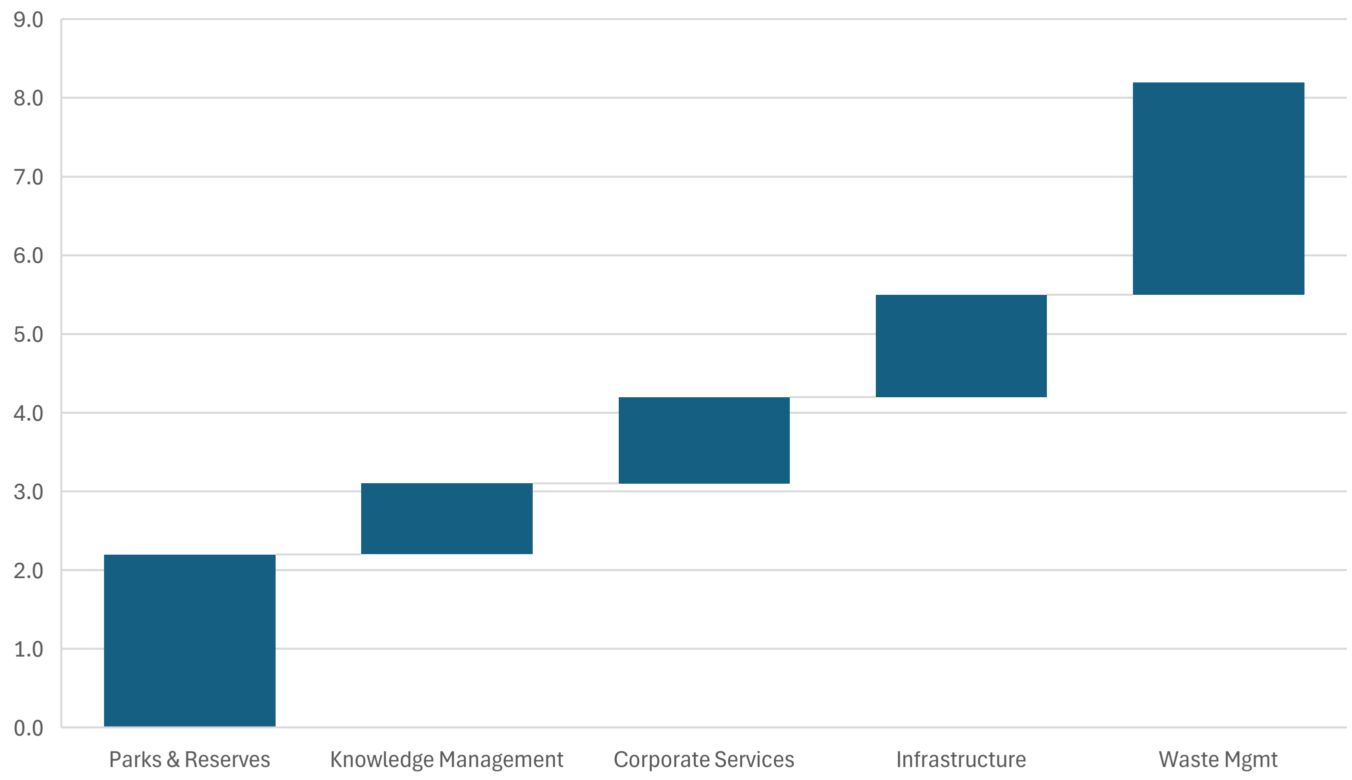
The table shows the current Net cost of Operating vs First draft LTP Yr 1 budget, the changes and potential offsets.

Steering Group Meeting 3 Sept 2026

Total Controllable Group Activities Opex ($m's)	Annual Plan 2026/27	Year 1 LTP 2027/28 Baseline	*2737 LTP Y1 vs 2627 BUDGET Variance*	Options: Opex Reductions	Options: Additional Revenue	Steering Group Directions	Net Impact on Variance
Community Services & Facilities	24.2	26.7	2.5	2.0	0.0		(0.5)
Economic Development (This includes RTO Funding of $7.2m)	10.9	10.8	(0.1)	0.0	0.0		0.1
Enabling Services	32.1	33.6	1.5	0.7	0.1		(0.7)
Environmental Management	8.5	8.1	(0.4)	0.0	0.0		0.4
Infrastructure	16.4	21.6	5.2	5.3	(0.7)		(0.6)
Local Democracy & Emergency Management	2.1	2.3	0.2	0.0	0.0		(0.2)
Regulatory Functions & Services	(2.7)	(3.8)	(1.1)	0.0	0.4		1.5
NET COST OF SERVICE	91.5	99.3	7.8	8.0	(0.2)	0.0	(0.0)
Forecast Property No.s			37,856				37,856
Potential increase in rates from Opex per property per annum (incl GST)			$236.95				$0.00
Potential increase in rates from Opex per property per week			$4.56				$0.00
Average rate per property 2026-27 is:			$6,232				$6,232
Potential rate % increase from Opex per average property			4.0%				0.0%

Note: excludes the following: Consequential Capex, Depreciation, Interest Expense

Key cost pressures – Top 5



Parks & Reserves cost pressure

- This is $2.2m and includes additional budget for the parks maintenance contract and turf renovation

Knowledge Management cost pressure

- This is $0.9m and includes service contracts and a range of operating costs

Corporate Services cost pressure

- This is $1.1m and includes organisational operating costs

Infrastructure cost pressure

- This is $1.3m and includes operating costs

Waste management cost pressure

- This is $2.7m and includes landfill costs and refuse disposal costs

All Activities

LTP27 OPEX REVIEW
Year 1 – 2027/28

OVERALL BUDGETS

Total Controllable Activities Opex ($m's)	Annual Plan 2026/27	Year 1 LTP 2027/28 Baseline	*2737 LTP Y1 vs 2627 BUDGET Variance*	Change (%)
Community Services & Facilities	**24.2**	**26.7**	**2.5**	**10.3%**
Community Partnerships and Grants	2.6	2.7	0.1	3.8%
Libraries	3.7	4.1	0.4	10.8%
Parks & Reserves	10.2	12.4	2.2	21.6%
Sport, Rec, Community Facilities	7.6	7.5	(0.1)	(1.3%)
Economic Development	**10.9**	**10.8**	**(0.1)**	**(0.9%)**
Destination Management (RTO)	7.2	7.2	0.0	0.0%
Economic Diversification	2.7	2.6	(0.1)	(3.7%)
Events	1.0	1.0	0.0	0.0%
Enabling Services	**32.1**	**33.6**	**1.5**	**4.7%**
Assurance, Finance & Risk	7.5	6.9	(0.6)	(8.0%)
Knowledge Management	9.6	10.5	0.9	9.4%
Organisational Excellence	13.1	14.2	1.1	8.4%
Strategic Functions	1.9	2.0	0.1	5.3%
Environmental Management	**8.5**	**8.1**	**(0.4)**	**(4.7%)**
District Plan Planning Policy	5.6	5.7	0.1	1.8%
Resilience & Climate Action	.9	1.0	0.1	11.1%
Resource Consents	(.5)	(.9)	(0.4)	80.0%
Strategy Growth & Spatial Plan	2.5	2.3	(0.2)	(8.0%)
Infrastructure	**16.4**	**21.6**	**5.2**	**31.7%**
Infrastructure	5.9	7.2	1.3	22.0%
Property	.5	1.0	0.5	100.0%
Transport	2.7	3.4	0.7	25.9%
Waste Mgmt	7.3	10.0	2.7	37.0%
Local Democracy & Emergency Management	**2.1**	**2.3**	**0.2**	**9.5%**
Democracy Services, Elections Elected Representatives & Committees	1.9	2.1	0.2	10.5%
Emergency Management	.1	.2	0.1	100.0%
Regulatory Functions & Services	**(2.7)**	**(3.8)**	**(1.1)**	**40.7%**
Building Services	(.7)	(1.4)	(0.7)	100.0%
Regulatory & Enforcement	(2.0)	(2.3)	(0.3)	15.0%
NET COST OF SERVICE	91.5	99.3	7.8	**8.5%**

Note: The numbers represent the same Net operating cost
er activity at the Activity level vs Group of Activities

- We will now work through proposed budget adjustment options, with varying degrees of risk, that can be used to reduce LTP Year 1 Net OpEx
- We will ask Councillors to consider these options, their risks, and direct which options should be pursued as part of LTP Year 1 OpEx planning

Sport, Recreation & Community Facilities

WHAT THIS ACTIVITY COVERS

Purpose: The Council provides a range of community facilities, including large multi-purpose sport, recreation, aquatic facilities, and community/event venues.
Key services: Outdoor sports fields & facilities • Indoor sports facilities • Swimming pools • Community halls & venues

OVERALL BUDGET

	Current year (2026/27)	Proposed Year 1 (2027/28)	Change ($)	Change (%)
Operating expenditure incl people costs	$16.6m	$17.0m	$0.4m	2%
Revenue	$9.0m	$9.5m	$0.5m	6%

EXPLANATION FOR COST INCREASES

Cost driver	$ impact (Year 1)
Operating Expenses	$0.4m

BUDGET ADJUSTMENT OPTIONS

Option	Potential $ adjustment	Risk (L/M/H)	Trade-off
Cost reductions identified across a range of community halls and sports facilities	$ 450,000	M	Freedom camping ambassador education on Responsible Camping – possible increase in complaints from visitors and residents, Reduced building and grounds maintenance resulting in increased future costs and risk of assets failure, and failure to maintain our LOS for residents due to closures
Level of service reduction	$ 530,000	H	Closure of Arrowtown Pool – reduced ability to swim in an outdoor pool affecting the Increased revenue opportunities at key Facilities Move to a Quality Pool Model at Arrowtown Pool – reduced staffing costs and potential increased risk of incidents and reputational damage to QLDC

Parks & Reserves

WHAT THIS ACTIVITY COVERS

Purpose: Ensuringthe longevity and prosperity of community outdoor spaces through strategic management, maintenance and conservation.
Key services: Reserves • Public parks and gardens • Cemeteries • Tracks & trails • Playgrounds • Public toilets

OVERALL BUDGET

	Current year (2026/27)	Proposed Year 1 (2027/28)	Change ($)	Change (%)
Operating expenditure incl people costs	$16.7m	$18.9m	$2.2m	13%
Revenue	$6.5m	$6.5m	$0m	0%

EXPLANATION FOR COST INCREASES

Cost driver	$ impact (Year 1)
Parks Maintenance Contract	$0.8m
Turf Renovation	$0.4m

BUDGET ADJUSTMENT OPTIONS

Option	Potential $ adjustment	Risk (L/M/H)	Trade-off
Cost reductions identified across a range of Parks & Reserves budgets	$ 750,000	M	Reduced sports field turf maintenance will impact Sporting clubs/event organisers across the District, Reduction in mowing costs for Ballantyne Road Sports Hub may lead to increased risk of wildfire and resident dissatisfaction
Level of service reduction for walking trails	$ 400,000	M	Decreased maintenance of tracks and trails will lead to increased future costs, reduced satisfaction levels, i.e. survey by residents and visitors

Knowledge Management

LTP27 OPEX REVIEW
Year 1 – 2027/28

WHAT THIS ACTIVITY COVERS

Purpose: Managing Council's digital infrastructure, business systems, data and information to enable secure, reliable, compliant and efficient operations.
Key services: ICT • Business Systems • Business Projects • Information and Records Management • Geospatial

OVERALL BUDGET

	Current year (2026/27)	Proposed Year 1 (2027/28)	Change ($)	Change (%)
Operating expenditure	$9.9m	$11.0m	$1.1m	11%
Revenue	$0.3m	$0.5m	$0.2m	67%

EXPLANATION FOR COST INCREASES

Cost driver	$ impact (Year 1)
Service Contracts – TechOne SaaS agreement expiry (5 years), Microsoft 3 yearly review, additional copilot licensing	$0.7m
Operating Expenses – record management compliance, privacy act compliance, enhanced capacity for digital transformation addressing significant backlog of projects	$0.4m

BUDGET ADJUSTMENT OPTIONS

Option	Potential $ adjustment	Risk (L/M/H)	Trade-off
Cost reductions via: • License agreement negotiations • Restricting new licenses for AI tools • Process mapping/improvement software toolkit (Promapp)	$ 400,000	High – savings dependent on negotiations with software vendors which are uncertain outcomes	• Reduced functionality from pursuing less expensive products such as the Promapp option • Reduced leveraging of the benefits of AI if we restrict usage across the organisation.

Corporate Services

LTP27 OPEX REVIEW
Year 1 – 2027/28

WHAT THIS ACTIVITY COVERS

Purpose: Delivering organisational planning and performance reporting to meet statutory requirements, workforce capability and leadership enabling effective service delivery, and communication and customer services that provide accessible information and connect people with Council services.

Key services: Communications • Customer Services • People & Capability • Organisation Performance • Strategic Projects

OVERALL BUDGET

	Current year (2026/27)	Proposed Year 1 (2027/28)	Change ($)	Change (%)
Operating expenditure	$13.1m	$14.2m	$1.1m	8%
Revenue	$0m	$0m	$0m	0%

EXPLANATION FOR COST INCREASES

Cost driver	$ impact (Year 1)
QLDC provision for workforce investment and organisational capability adjustments arising from market, legislative and organisational change	$0.5m
Organisational operating costs	$0.6m

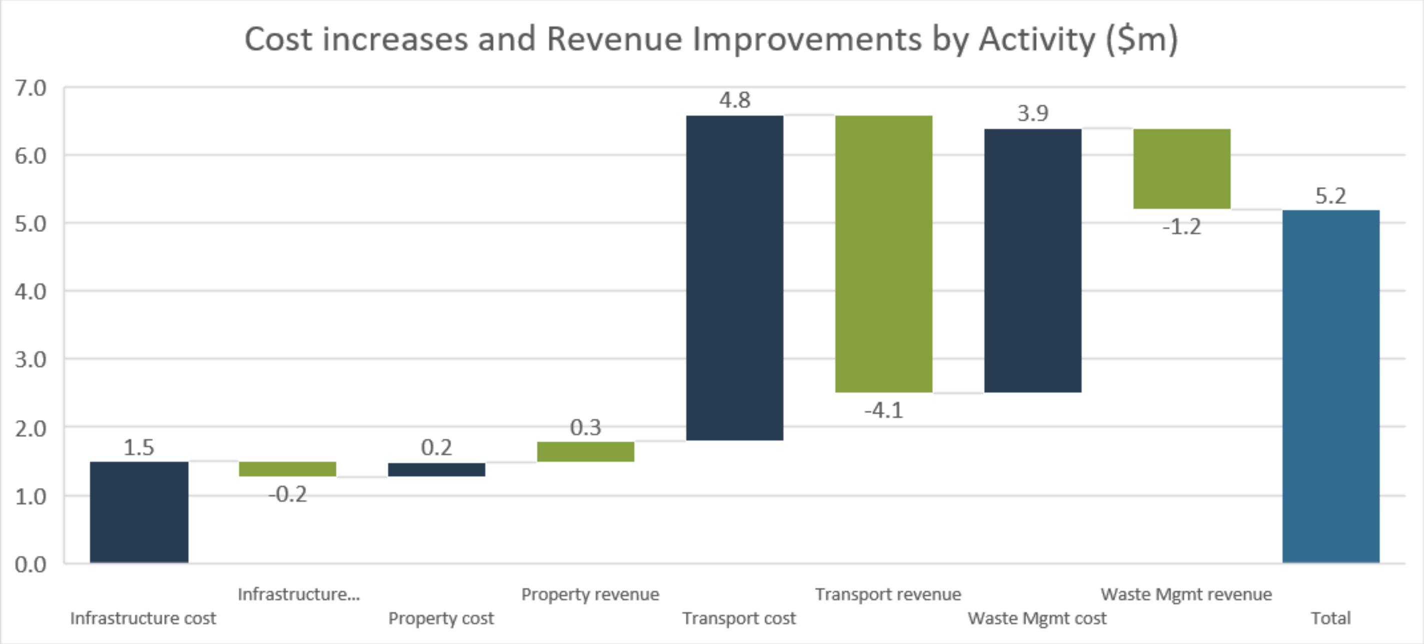
BUDGET ADJUSTMENT OPTIONS

Option	Potential $ adjustment	Risk (L/M/H)	Trade-off
Cost reductions to People & Capability and Organisation Performance budgets	$ 340,000	Medium – reduction in organisational capabilities	• Reduced use of recruitment agencies could slow down our ability to recruit certain positions. • Would not gain as much customer satisfaction insight in areas additional to those already being measured (resource consents and requests for service). • Delays in enhancement of project management maturity and disciplines across QLDC.

Infrastructure Overall Summary

LTP27 OPEX REVIEW
Year 1 – 2027/28

The review tested budget assumptions against actual operating experience, growth forecasts, regulatory obligations and infrastructure risk from the current annual plan (2026/27) to LTP2737 Year 1. Most of the identified pressure relates to maintaining service delivery and managing asset performance rather than introducing discretionary new services.
The remaining gap is increasingly concentrated in maintenance, growth, compliance, public safety and asset stewardship expenditure.
Further reductions are likely to require explicit service level trade-offs, increased operational risk or deferral of future obligations.



Activity	Cost increases	Revenue Improvements	Net Variance	Cost increases	Revenue Improvements
Infrastructure	1.5	-0.2	1.3	Reduced organisational delivery capacity	
Property	0.2	0.3	0.5	Building and grounds maintenance on increased asset base and rising prices	Additional recoveries
Transport	4.8	-4.1	0.7	Emergency works, dangerous trees, traffic signalling growth, catchpit maintenance and vegetation maintenance	Increased subsidisable activity and transport programmes. Additional parking demand and capacity.
Waste Management	3.9	-1.2	2.7	Transfer station costs, refuse disposal, landfill costs, growth and Zero Waste activities	Higher waste volumes and cost recovery
Total	**10.4**	**-5.2**	**5.2**		

Transport

LTP27 OPEX REVIEW
Year 1 – 2027/28

WHAT THIS ACTIVITY COVERS

Purpose: To facilitate safe and reliable movement across the district by managing local transport networks and services that support everyday travel, economic productivity, community wellbeing, and sustainable urban form.

Key services: Road Maintenance • Footpaths & cycleways • Public transport infrastructure • Strategy and planning • Parking

OVERALL BUDGET

	Current year (2026/27)	Proposed Year 1 (2027/28)	Change ($)	Change (%)
Operating expenditure	$14.7m	$19.5m	$4.8m	33%
Revenue	$12.0m	$16.1m	$4.1m	34%

EXPLANATION FOR COST INCREASES

Cost driver	$ impact (Year 1)
Road Maintenance	$4.1m
Other Consulting and Education	$0.7m

BUDGET ADJUSTMENT OPTIONS

Option	Potential $ adjustment	Risk (L/M/H)	Trade-off
Reduce removal of dangerous trees near transport infrastructure	$ 147,000	H	Increased public safety risks (high risk with fatalities possible from falling trees). $0.300m gross cost, less $0.153m NZTA subsidy
Remove budget to respond to damage caused by extreme weather events. This has not been proactively budgeted for in prior years	$ 590,000	H	High risk of unbudgeted expense. Over the last two years extreme weather events have resulted in significant damage requiring urgent response. High likelihood that QLDC would need to fund repairs to transport infrastructure following extreme weather events $1.200m gross cost, less $0.610m NZTA subsidy
Reduce town threshold vegetation maintenance	$ 515,000	L	Retains current low level of service. Results in a more overgrown and less tidy appearance at high profile locations such as Five Mile and Three Parks and likely result in more complaints.

Transport continued

LTP27 OPEX REVIEW
Year 1 – 2027/28

WHAT THIS ACTIVITY COVERS

Purpose: To facilitate safe and reliable movement across the district by managing local transport networks and services that support everyday travel, economic productivity, community wellbeing, and sustainable urban form.

Key services: Road Maintenance • Footpaths & cycleways • Public transport infrastructure • Strategy and planning • Parking

BUDGET ADJUSTMENT OPTIONS

Option	Potential $ adjustment	Risk (L/M/H)	Trade-off
Reduce transport maintenance expenditure by 10% - involves reduction in NZTA co-funding	$ 609,900	H	This would likely to result in accelerated asset degradation and requirement to bring forward capital investment in the medium term. $0.962m gross cost, less $0.352m on the NZTA subsidised activities
Proposal to reduce road safety promotion service	$ 93,100	M	Risk of negative public safety outcomes. This would reduce the subsidised safety work to prevent/reduce DSI in the region. NZTA compliant. $0.190m gross cost, less $0.969m NZTA subsidy
Proposal to reduce budget for Transport planning strategies. These are intended to support better urban development and reduced congestion problems	$ 400,000	M	Planning Urban development (traffic flow/congestion). Potential significant long terms risks (congestion) if not undertaken. Possibly some lost revenue opportunity (parking). $0.400m gross cost (unsubsidised)

FUTURE ISSUE TO NOTE

Issue	Potential $ adjustment	Note
Council has tendered for a road maintenance contract to take effect from 1 July 2027. Current experience across New Zealand indicates possible significant increases can be expected to maintain current levels of service.	$1m	This potential increase has not been included in the current LTP budgets but is a significant risk to the maintenance of the roading network if an increase is not provided for.

Waste Management

LTP27 OPEX REVIEW
Year 1 – 2027/28

WHAT THIS ACTIVITY COVERS

Purpose: While progressively transitioning towards a circular economy model, services enable the safe collection, transfer, diversion, recovery, and disposal of solid waste across the district.

Key services: Kerbside waste collection • Recycling and waste facilities • Public bins • Waste minimisation initiatives

OVERALL BUDGET

	Current year (2026/27)	Proposed Year 1 (2027/28)	Change ($)	Change (%)
Operating expenditure	$22.2m	$26.1m	$3.9m	18%
Revenue	$14.9m	$16.1m	$1.2m	8%

EXPLANATION FOR COST INCREASES

Cost driver	$ impact (Year 1)
Landfill Costs	$2.0m
Refuse Disposal Costs	$1.2m

BUDGET ADJUSTMENT OPTIONS

Option	Potential $ adjustment	Risk (L/M/H)	Trade-off
Proposal to divert full levy spend to kerbside recycling service and cease all education except what is delivered under contract (largely the Zero Waste District Programme)	$ 700,000	M	Significant impact to a number of community groups who rely on QLDC funding, particularly Wastebusters. Potential for negative waste minimisation behaviours (increased waste to landfill, increased contamination).

Infrastructure

LTP27 OPEX REVIEW
Year 1 – 2027/28

WHAT THIS ACTIVITY COVERS

This is not an LTP activity, but reflects the centralised nature of historic budgeting in the P&I directorate. Budget structures are in the process of being updated to align with the LTP Activity structure, which will ensure all P&I budgets will flow through to either the Transport, Waste Management or Property activities.

OVERALL BUDGET

	Current year (2026/27)	Proposed Year 1 (2027/28)	Change ($)	Change (%)
Operating expenditure	$12.5m	$14.8m	$2.3m	18%
Revenue	$6.6m	$7.6m	$1.0m	15%

EXPLANATION FOR COST INCREASES

Cost driver	$ impact (Year 1)
Operating Expenses	$2.3m

BUDGET ADJUSTMENT OPTIONS

Option	Potential $ adjustment	Risk (L/M/H)	Trade-off
Removal of proposed new FTE in FY27/28	$ 1.5M	H	Increased FTEs required to meet increasing work loads driven by growth, meeting additional community and regulatory demands and maintaining current levels of service.

Where have we landed?

Outcome of Councillor direction on budget adjustment options to be presented in live model.

Significant Forecasting Assumptions

QUEENSTOWN LAKES DISTRICT COUNCIL

Significant Forecasting Assumptions

- We have begun to prepare a draft set of significant forecasting assumptions that underpin the financial estimates in the LTP (LGA Schedule 10, Part 1 (17). All assumptions from the last LTP have been considered against how they played out since 2024, as requested by Councillors. See Attachment B.
- The assumptions will continue to be refined as the OpEx and CapEx programmes are firmed up over the coming months. All current draft significant forecasting assumptions are included at Attachment C.
- Key assumptions include the following:

DEVELOPMENT CONTRIBUTIONS / LEVIES

Development contributions will align with infrastructure investment. The Council expects to collect 100% of the revenue indicated in the Development Contributions and Financial Contributions policy for 2027/28. Following year 1, QLDC assumes Development Levies will be available to TLAs to replace Development Contributions. Developer agreements will be considered where beneficial to both parties.

FAST TRACK LEGISLATION

Infrastructure investment forecasts are based on known growth projections and planned development patterns. The financial forecasts do not include provision for material upgrades, network redesign or accelerated infrastructure delivery that may be required as a result of future fast-track development approvals where the location, scale, timing and servicing requirements remain uncertain and are proposed outside of planned growth areas.

COST OF LOCAL GOVERNMENT REFORMS

Where legislative, regulatory or policy changes have been enacted and their impacts can be reasonably estimated, associated costs have been incorporated into budgets. No allowance has been made for material costs arising from announced reforms for which requirements, timing or implementation details remain uncertain, including Resource Management Act reform.

QLDC-WSCCO shared services

QLDC will assume a range of shared services to be provided to the WSCCO for the first three years of the LTP, subject to agreement with the WSCCO. The work to develop this assumption is in progress.

- Are there other key matters that Councillors think should be included in our assumptions?

Steering Group work plan

QUEENSTOWN LAKES DISTRICT COUNCIL

LTP27 Steering Group Work Programme – 27 Aug 2026

18 Aug

Steering Group 9 – Revenue and Financing
- Policy Review Step 2: Selection of funding tools and options
- Visitor Economy
- Growth Infrastructure Funding and Financing

19 Aug

Steering Group 10 – CapEx Programme
- Long List Capital Programme – Waste and Transport
- Prioritised CapEx Programme options – Waste and Transport
- Growth vs Level of Service attribution
- Financial parameters for CapEx

1 Sep

1 Sept Full Council workshop –
- Community Investment policy and process

3 Sep

Steering Group 11 – Expenditure
- Operating Expenditure
- Significant forecasting assumptions

17 Sep

Steering Group 12 – Revenue
- Revenue Policy review Step 2 continued
- Growth Infrastructure Funding and Financing

29 Sep

Steering Group 13 – Capex and OpEx
- Long List Capital Programme – Community Services
- Full capital programme
- Updated OpEx post feedback
- Key capital project A3s
- Development Contributions Policy
- Financial Strategy
- Draft financial metrics

13 Oct

Steering Group 14 – Refinement
- Revenue Policy review Step 3: Modelling results and feedback
- Significance and Engagement Policy
- Treasury Management Policy
- Potential Consultation Topics
- Community Investment Policy and Process

29 Oct

Steering Group 15 – Refinement
- Further updates to CapEx and OpEx
- Updated Activity Plans with LoS and KPIs
- Draft financial metrics

19 Nov

Steering Group 16 – Landing (final reviews)
- Financial Strategy
- Infrastructure Strategy
- Revenue and Financing Policy: preferred options
- Rating policies
- Fees and Charges
- Development Contributions / Levies policy
- Draft financial metrics

Attachment B: Significant Assumptions - LTP 2024 Review

<table>
<tr><th>Assumption topic</th><th>LTP24 Significant Forecasting Assumption full wording</th><th>Progress years 1-2</th></tr>
<tr><td>Carbon credit pricing</td><td>Budgeted pricing for carbon credits will be consistent with current market prices.</td><td>Carbon market and policy settings have remained volatile, with changes to auction settings and several NZ ETS auctions failing to clear. QLDC's landfill gas capture system has materially reduced ETS exposure, although changes in Victoria Flats' unique emissions factor demonstrate that actual liability remains sensitive to gas capture performance, waste volumes and composition as well as the carbon price.</td></tr>
<tr><td>Climate change causing weather events / disasters</td><td>The effects of climate change will become increasingly pronounced across the period of the Long Term Plan, but will remain within the projections of regional climate model (RCM) simulations and the projected changes within the High Intensity Rainfall Design System (HIRDS).

The anticipated changes across climate variables have been factored into the long-term infrastructure strategy and asset management programme, as well as being a key driver within emergency management planning, spatial planning, land-use policy planning, economic diversification planning, insurance management and community resilience development.

Climate modelling data has also been utilised extensively within specific natural hazard projects across the district that are focussed on flooding risk (Glenorchy/Head of Lake Wakatipu), wildfire (Mt Iron and Ben Lomond Reserves) and debris flow.

Although the projected impacts of climate change are expected to increase throughout this century, the rate of change</td><td>The assumption remains broadly valid.The past three years have still seen regular severe rainfall, flooding, slips and transport disruption, including the September 2023 State of Emergency and October 2025 flooding response. These events are predicted to increase in severity and frequency with a warming climate. In response QLDC is experiencing increased expenditure in infrastructure renewals and improvements, emergency response, adaptation planning and ecological resilience projects. This evidence based supports an assumption of increasing climate-related costs and disruption for the next ten year period.</td></tr>
<tr><td>Climate change impact on environment</td><td>The region's unique ecosystems, characterized by alpine environments, lakes, and native flora and fauna, are particularly vulnerable to the impacts of a changing climate. It is accepted that with a changing climate these local biodiversity and eco-systems will continue to be negatively impacted across the period of the Long Term Plan. However it is assumed that these negative biodiversity trends will not significantly exceed the projections within the Aoteraoa New Zealand Biodiversity Strategy- Te Mana o te Taiao or the Otago Climate Change Risk Assessment.</td><td>Climate change continues to place increasing pressure on local ecosystems and biodiversity, but over the past two years there has been no evidence of impacts materially exceeding expectations or creating significant unplanned financial impacts for Council. Council has, however, increased its focus on biodiversity restoration, pest control and natural infrastructure investment in response to longer-term environmental risks.</td></tr>
<tr><td>Emissions reduction target</td><td>It is assumed that the commitment to emissions reduction targets at both a national level (Climate Change Response (Zero Carbon) Amendment Act 2019) and a local level (44% reduction by 2030 against a 2019 baseline) will remain at a similar level throughout the duration of this Long-Term Plan.</td><td>National emissions reduction policy has become less ambitious over the past two years rather than more stringent. The risk of QLDC needing to accelerate investment in response to stronger national emissions policy has therefore reduced in the near term, although Council's own emissions reduction commitments remain unchanged.</td></tr>
<tr><td>Growth projections - accuracy</td><td>Demand projections are prepared by Council officers alongside external experts. They are assumed to be accurate as they are regularly reviewed and updated using the most current information. These projections are published on the QLDC website.</td><td>Growth projections are routinely updated to ensure they are considering of the latest data and as accurate as possible at the time of production. The latest population projections were produced in May 2026 as an update to the projections produced 12 months earlier, incorporating updated population and capacity data, and utilising bespoke growth inputs devised in collaboration with Stats NZ and council officers. As projections are produced for a 30 year period, short term variances are expected as population growth fluctuates over time. Historically, projections have under-estimated growth into the district, however as outlined below recent projections appear to be tracking more in line with the actual numbers.

Variance between QLDC projections and Stats NZ subnational population estimates
<table>
<tr><th>QLDC Projection</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th><th>2025</th></tr>
<tr><td>2015 projection</td><td>-3.0%</td><td>-8.0%</td><td>-12.6%</td><td>-17.8%</td><td>-19.6%</td><td>-22.0%</td><td>-20.3%</td><td>-19.0%</td><td>-23.0%</td><td>-23.1%</td><td>-22.5%</td></tr>
<tr><td>2018 projection</td><td></td><td></td><td>-2.3%</td><td>-7.1%</td><td>-8.2%</td><td>-9.9%</td><td>-7.1%</td><td>-4.5%</td><td>-8.4%</td><td>-7.5%</td><td>-5.8%</td></tr>
<tr><td>2020 projection</td><td></td><td></td><td></td><td></td><td>-5.5%</td><td>-13.2%</td><td>-13.9%</td><td>-14.4%</td><td>-20.1%</td><td>-19.7%</td><td>-18.6%</td></tr>
<tr><td>2022 projection</td><td></td><td></td><td></td><td></td><td></td><td></td><td>2.1%</td><td>5.2%</td><td>1.0%</td><td>0.6%</td><td>1.1%</td></tr>
<tr><td>2023 medium projection</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>-1.0%</td><td>-0.3%</td><td>1.3%</td></tr>
<tr><td>March 2025 projection</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>-0.9%</td><td>0.3%</td></tr>
<tr><td>May 2025 projections</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>0.0%</td><td>1.2%</td></tr>
<tr><td>Stats NZ population estimate</td><td>33,400</td><td>36,100</td><td>39,000</td><td>42,500</td><td>44,600</td><td>47,100</td><td>47,300</td><td>47,700</td><td>51,500</td><td>52,900</td><td>53,800</td></tr>
</table></td></tr>
<tr><td>Growth projections - consistency</td><td>Demand projections are consistently applied across QLDC to inform all budgets and projects reliant or dependent on growth within this LTP.</td><td>Growth projections are utilised by numerous workstreams across council. A growth model working group was set up in 2025 to investigate how growth data was being utilised across Council, with the consistent application of growth data one of the issues the production of a growth model is seeking to address. The working group is currently prioritising and sequencing solutions to develop a Council wide growth model, ensuring growth data is applied consistently across Council.</td></tr>
<tr><td>Credit rating</td><td>The Council will retain a level of credit rating to allow access to the levels of borrowing needed to fund the LTP capital programme as it has been issued an AA- credit rating from Fitch Ratings. The level of this rating enables the Council to access more favourable borrowing terms (including a higher debt limit) with the LGFA.</td><td>QLDC's credit profile has continued to strengthen, with LGFA recognising this through an improved stable outlook. Maintaining an AA- credit rating supports access to favourable borrowing terms and provides confidence in Council's financial management and long-term funding strategy. Overall, this represents strong progress over the past two years.</td></tr>
</table>

Assumption topic	LTP24 Significant Forecasting Assumption full wording	Progress years 1-2
Dividends	The forecast receipts of dividends from Queenstown Airport Corporation are in line with the corporation's projections and dividend policy.	Queenstown Airport Corporation's dividend payments have met or exceeded Council's expectations, reflecting the airport's strong financial performance and adherence to its dividend policy. QLDC received approximately $14.1 million from FY2025 earnings and a further $5.4 million interim dividend in February 2026, providing confidence that dividend forecasts remain aligned with QAC's projections.
Weathertightness claims	The council requires a provision for the potential net settlement of all known claims where the Council is able to reliably measure its liability as a result of being a party to several claims arising from alleged building defects, including weathertightness issues. Any weathertightness claims received subsequent to 30 June 2009 are not covered by insurance. Other claims covered by insurance are subject to a cap as to the level of cover provided. It is assumed that there will be no further significant settlement obligations for weathertightness claims that have not been assessed at the time of preparing this LTP.	All known claims have now been resolved, and no provision is currently required. However, Council remains exposed to the risk of future weathertightness claims. This risk is expected to reduce over time as proposed legislative changes to joint and several liability move towards a more proportionate liability framework.
NZTA Funding Assistance Rate	A major source of funding for our transportation network comes from NZ Transport Agency (NZTA), Waka Kotahi. It is assumed that a baseline level of funding will be subsidised by NZTA at a Funding Assistance Rate (FAR) of 51% for Years 1 to 3 for the operation, maintenance, and renewal of the existing roading network. Funding requests have been submitted for improvements that meet the national outcome priorities. This co-investment makes up a significant proportion of Council's overall transport programme. Co-investment is conditional on the planned transportation activities delivering national priorities and criteria. It is very important we work collaboratively with NZTA, Waka Kotahi to deliver these national priorities. These are set every 3 years through the Government Policy Statement on Land Transport.	The QLDC request for NZTA funding in the NLTP 24-27 for Maintenance, Operations and Renewals was largely matched by NZTA, although there were some unders and overs. However, the Capex Minor Improvement Programme (AKA Low Cost Low Risk) and the Improvement Programme were significantly below the hoped for funding levels. In the Minor Improvement space, this led to a Council report requesting direction on whether to reduce the programme and not undertake transport works unsubsidised, or to continue to invest the local share in an overall reduced unsubsidised transport programme. The decision by Council was to continue to invest in transport projects that were important to the community, regardless of not receiving the NZTA subsidy. For the Improvement Programme, the lack of NZTA funding resulted in no significant transport projects being delivered outside of Minor Improvements.
Inflation	Council is able to identify any local specific cost changes as inflation is included in financial forecasts and council can therefore reprioritise the work programme if required to maintain consistency in levels of service. This is based on the inflation rates for the periods from the beginning of 2024/25 taken from the Local Government Cost Index (LGCI) prepared by BERL Economics as at October 2023 (e.g. movement from Jul 24 - Jun 25 applied to year 1 budgets to obtain year 2 inflated budgets). BERL has since provided a 2024 interim update to the cost adjustors. Council has reviewed these and undertaken a	Inflation outcomes and forecasts remained broadly consistent with Council's assumptions, allowing budgets and service levels to be managed without material changes to the inflation forecasts.
LGFA debt funding	The majority of debt funding will continue to be available through the Local Government Funding Agency (LGFA), with a cumulative balance of $1.19BN by year 10.	Council has maintained strong access to debt funding through the LGFA, supporting the delivery of its capital programme while continuing to operate within borrowing limits and maintaining a stable credit outlook.
Asset lifecycle and value	The useful lifecycle and the value of each asset is assumed to be accurate as they have been determined by experienced and qualified asset valuers. Asset lifecycles are outlined in the Asset Management Plans and each asset category is reflected in the Statement of Accounting Policies.	Asset valuations and useful life assumptions have continued to provide a reliable basis for financial reporting and asset management. Regular reviews by qualified valuers and alignment with Asset Management Plans have supported the accuracy of these assumptions.
Visitor Levy	QLDC will continue to work with Central Government to progress the legislation to enable a Visitor Levy to be introduced. However, due to the need for future Central Government decisions as to whether and when to progress this matter, no revenue from any potential future Visitor Levy is assumed.	Council has continued to advocate for a Visitor Levy and engage with Central Government on potential legislative changes. While no funding has yet been confirmed, progress has been made in raising awareness of the issue.
Development contributions	Development contributions will align with infrastructure investment. The Council expects to collect 100% of the revenue indicated in the Development Contributions and Financial Contributions Policy for 2023/2024.	Development contribution revenue was largely in line with budget forecasts, supporting planned infrastructure investment and capital delivery.
Interest rates	Interest rates are expected to be 4.75% for year 1, 4.5% for years 2-4, 4.75% for years 5-6 and 5% for years 7-10 in line with interest rate forecast analysis provided by Bancorp, QLDC's treasury advisors.	Interest rates have generally tracked within the range anticipated by Bancorp, QLDC's treasury advisors. Council has proactively managed interest rate risk through its treasury strategy, resulting in a reduction in the average cost of funds from 4.54% to 3.82% while maintaining full policy compliance and appropriate hedging levels.
Investment property value	Investment property is forecast to increase in line with BERL property CPI, which is re-valued annually.	Investment property values have generally tracked in line with valuation expectations and inflation assumptions. Annual revaluations have continued to provide an up-to-date assessment of market value, supporting the appropriateness of the forecasting methodology.
Lending agreements and covenants	Agreements will be successfully entered into with lenders to provide the necessary financing in relation to all covenants.	Council has successfully maintained access to financing over the last two years, with all borrowing requirements met and covenant compliance maintained. Strong relationships with funding providers and prudent financial management have supported continued access to debt funding on favourable terms.
Return on investment	It is assumed that Council will earn at least a positive return on investment, between 62-78%, across the ten years of the LTP.	Investment returns during the last two years have remained positive and broadly consistent with Council's long-term expectations, supporting the assumptions included in the LTP.
Infrastructure Asset revaluations	Estimates have been made in relation to the revaluation of infrastructural assets beginning in 2024 and continuing on a regular annual review basis. The revaluation amount is based on an adjustment made to asset values for movements in costs for opening infrastructural values and capital additions made during intervening years.	QLDC continued to undertake annual reviews of infrastructure asset values, updating valuations to reflect movements in construction and replacement costs, inflationary pressures, and capital additions completed through the capital programme. These reviews supported the ongoing maintenance of infrastructure assets at fair value and ensured that asset valuations remained current and appropriately reflected the cost of delivering and renewing critical infrastructure services across the district.
Infrastructure Asset values	Infrastructural assets are forecast to increase in line with BERL infrastructure CPI, which is re-valued annually.	QLDC's infrastructure asset valuations continued to reflect movements in infrastructure construction costs through annual valuation reviews. Asset values were updated using relevant cost indices, including infrastructure cost escalation factors, to ensure infrastructure assets remained fairly stated and aligned with changes in replacement costs across the period. This supported accurate financial reporting, asset management planning, and long-term funding projections.

Assumption topic	LTP24 Significant Forecasting Assumption full wording	Progress years 1-2
Vested asset values	Vested asset estimates, which are based on average values for the past ten years and adjusted for inflation annually, are assumed to be accurate.	The methodology for estimating vested assets has remained reliable over the past two years, with actual asset values continuing to align closely with long-term averages and inflation-adjusted assumptions.
Achieveability of capital programme	The proposed capital expenditure programme is achievable across 3Waters, Transport, Waste Minimisation and Management.	
Resource consents and other authorisations	A number of resource consents for discharge to the environment will expire during the life of the plan. It is assumed they will be re-consented and new consents will be obtained and conditions met. Planning authorisations for other projects, particularly new roads, will consist of successfully acquiring the necessary designations or consents if they don't currently exist.	
Third party delivery of infrastructure	It is assumed that any necessary stormwater infrastructure required to service development within the Southern Corridor will be developer designed, funded, and delivered in accordance with QLDC standards and directives.	
Water reform	It is assumed that forecast expenditure will adequately satisfy incoming expectations/requirements associated with Local Water Done Well, and for the purposes of planning, that QLDC will continue to deliver 3 Waters services.	
Developer agreements and delivery of infrastructure	It is assumed that QLDC will continue to negotiate and enter into Development Agreements that provide for developer-delivered infrastructure assets necessary to (a) service growth, and (b) maintain/improve levels of service.	
Transport infrastructure demand	It is assumed that there is not a significant change in the way that people work and gather in the district.	
Consent volumes	Consent volumes will continue to increase proportionally with economic growth.	Building consent volumes and resource consent volumes increased in line with assumptions in 24/25 but increased in consent volumes above assumed levels in 25/26. This was managed by the ability to engage more contractor resource as required. Resource consents still maintained on average 70% of applications being processed by inhouse staff. If volumes do drop below assumed volumes the building services and resource consents teams have the option to reduce contractor usage as required with contracts stating no minimum hours of work are offered or guaranteed.
Property return on disposal	Council will review its property portfolio to avoid holding unnecessary assets and where appropriate, some will be divested in some form during the period.	The ability to present properties of differing types (structures and land) to Council, when they are assessed as surplus to requirements, allows us to monitor the prevailing market conditions at that time and react accordingly and not be driven by a pre-determined schedule. This flexibility ensures we can maximise value within the open market.
QLDC external engagement incl. Central Government	Relationships with key stakeholders such as international, national, central government, regional, local and industry groups, will be well maintained through robust management.	Strong relationships have been maintained and built with all these parties at multiple points across the organisation and at a governance level.
Cost of central government requirements	Any future government legislative, regulatory or policy changes will not significantly increase the Council's costs. All activities will be undertaken to comply with the legislation of the day.	This has proved to not be true, for example we have incurred significant cost in implementing Local Water Done Well. That said it doesn't mean we got it wrong, it means that in planning for expenditure through the LTP process we didn't know enough about these requirements to enable us to estimate the costs of complying with them... if we knew the costs they would have been incorporated and no assumption would've been necessary.
Electoral cycle	The electoral cycle will not influence the timing and prioritisation of decision making, because the Long Term Plan has been completed based on decisions already made.	As yet this is difficult to measure as the LTP is still in development and the new council is having to respond to a number of external pressures, such as potential amalgamation, separating 3W into the new WSCCO, world events and cost of living pressures, and more. This has already seen an influence on the last year of the previous LTP and in the absence of any chance to the circumstances, one could anticipate responding to those pressures will continue and therefore have some influence on the upcoming LTP capex and opex.
Electoral boundaries	The electoral boundaries and numbers of elected members will be reviewed within the lifecycle of the plan, and there will be no change to electoral boundaries at a ward level or the boundaries of the district.	Assumption accurate on the basis that there has been no successful challenge and the boundaries remain unchanged.
National Policy Statement on Urban Development requirements	As a Tier 2 Council, QLDC is committed to giving effect to the National Policy Statement on Urban Development (NPS-UD). Council has an existing Spatial Plan (QLSP) that was adopted by Council and endorsed by the Grow Well Whaiora Partnership in 2021. The QLSP is consistent with the 2021 HBA, having utilised the same growth assumptions. The QLSP responds to the 2021 HBA and the subsequent funding implications are reflected within the 2024 Long-Term Plan (LTP). It should be noted that the QLSP is not a Future Development Strategy (FDS) as per the NPS UD requirements. This is	This assumption has proved to be accurate; the work to identify what future infrastructure investment is required to comply with the NPS-UD was in part already reflected in the 2024LTP, in part adjusted through the Annual Plan processes (where the recent HBA identified additional investment was required earlier) and the remainder will be incorporated in the 2027 LTP.
Availability of staff for BAU	QLDC will be able to employ the staff needed to meet business needs and service delivery.	QLDC has been able to maintain business-as-usual service delivery. However, recruitment challenges have persisted in some specialist and hard-to-fill roles.
Availability of staff to deliver capital programme	There is sufficient capacity within the Council's workforce and the professional services and contractor market to undertake the capital programme.	Capacity constraints within the professional services and contractor market, combined with high demand across the wider infrastructure sector, have continued to place pressure on delivery capability and capacity. While QLDC has been able to progress key projects, some programmes have experienced greater reliance on external expertise, resulting in budget pressure and programme reprioritisation in certain cases.

Assumption topic	LTP24 Significant Forecasting Assumption full wording	Progress years 1-2
FTE growth	Full Time Equivalent (FTE) employees are assumed to increase by 3.31% in year 1, 3.43% in year 2, and 1.22% in year 3. Growth of FTE numbers are assumed to align with Long Term Plan projections to year 10, with growth of 47.59 FTEs over the course of the whole 10 years.	Workforce has occurred in line the LTP, with increasing service demand, legislative requirements, and the delivery of Council priorities. As with any long-term forecast, actual FTE growth has varied from year to year in response to organisational needs, funding decisions, and changing external factors. Financial impacts have remained within planned budget parameters.
Recruitment and retention of workforce	Capable staff may not always be readily available for employment, particularly in specialist roles. However, with effective recruitment and retention staff turnover will be maintained at under 20%.	QLDC has been successful in attracting and retaining employees sufficiently to maintain service delivery. However, competition for specialised skills and a constrained labour market in these areas have continued to create recruitment challenges. Where vacancies have taken longer to fill, there has at times been increased reliance on contractors. Annualised employee turnover has continued to trend downward, reflecting the effectiveness of QLDC's retention strategies and the ability to attract and retain talent.
Emergency events	The Queenstown lakes district has a highly active hazardscape making it vulnerable to a wide range of emergency events such as earthquakes, floods, wildfire or severe weather conditions. Although the frequency of severe weather emergency events is increasing with climate change, these events are not expected to exceed the capacity of Council to manage an effective response and recovery within the period of the ten year plan. However, the impact of a major earthquake e.g. Alpine Fault Magnitude 8 (AF8) would be catastrophic, and would likely overwhelm Council's response and recovery capacity due to the severe impacts on the community and the level of damage to all categories of infrastructure (roading, power, 3W, telecommunications, social) across the district. Although the projections for an AF8 event are high (75% probability within the next 50 years), it is assumed that this event will not occur within the ten years of the long term plan. If it were to occur then it is assumed that a nationally coordinated multi-agency response would support the response and recovery for the district. It is also assumed that 60% of the cost associated with reinstating damage to Council's underground assets would be provided by the Government, with the remaining 40% covered by Council insurance.	Although QLDC has managed several significant weather events since 2023, the district has not experienced a catastrophic event, such as a major earthquake, that would test Council's full financial capacity to respond and recover. Recent insurance loss modelling and risk-transfer work highlights that a major event could result in substantial uninsured costs, reinforcing the need to maintain sufficient reserves, borrowing capacity and other funding mechanisms rather than relying on insurance or government assistance to fully meet recovery costs..

Attachment C: Significant Assumptions - Draft Assumptions LTP 2027-37

Assumption topic	LTP27 Significant Forecasting Assumption full wording
Emissions Trading Scheme li	Where QLDC has a material ETS liability, forecasts will use an adopted carbon price and expected unit requirements based on landfill emissions, gas capture and waste diversion. These assumptions will be reviewed as market and policy settings change.
Physical climate change, adaptation and ecosystem resilience	Climate change impacts are expected to increase during LTP 2027 to 2037. QLDC planning and financial forecasts will use the latest nationally endorsed and locally downscaled climate projections. Funded adaptation, resilience and biodiversity initiatives are assumed to reduce risk in priority locations, but will not eliminate climate impacts or ecosystem decline.
Credit rating	The Council will retain a level of credit rating to allow access to the levels of borrowing needed to fund the LTP capital programme as it has been issued an AA- credit rating from Fitch Ratings. The level of this rating enables the Council to access more favourable borrowing terms (including a higher debt limit) with the LGFA.
Dividends	The forecast receipts of dividends from Queenstown Airport Corporation are in line with the corporation's projections and dividend policy.
NZTA Funding Assistance Rate	A major source of funding for our transportation network comes from NZ Transport Agency (NZTA), Waka Kotahi. It is assumed that a baseline level of funding will be subsidised by NZTA at a Funding Assistance Rate (FAR) of 51% for Years 1 to 3 for the operation, maintenance, and renewal of the existing roading network. Funding requests have been submitted for improvements that meet the national outcome priorities. This co-investment makes up a significant proportion of Council's overall transport programme. Co-investment is conditional on the planned transportation activities delivering national priorities and criteria. It is very important we work collaboratively with NZTA, Waka Kotahi to deliver these national priorities. These are set every 3 years through the Government Policy Statement on Land Transport.
Inflation	Council is able to identify any local specific cost changes as inflation is included in financial forecasts and council can therefore reprioritise the work programme if required to maintain consistency in levels of service. This is based on the inflation rates for the periods from the beginning of 2025/26 taken from the Local Government Cost Index (LGCI) prepared by BERL Economics as at October 2025 (e.g. movement from Jul 26 - Jun 27 applied to year 1 budgets to obtain year 2 inflated budgets).
LGFA debt funding	The majority of debt funding will continue to be available through the Local Government Funding Agency (LGFA).
Visitor Levy	QLDC will continue to work with Central Government to progress the legislation to enable a Visitor Levy to be introduced. However, due to the need for future Central Government decisions as to whether and when to progress this matter, no revenue from any potential future Visitor Levy is assumed.
Development contributions	Development contributions will align with infrastructure investment. The Council expects to collect 100% of the revenue indicated in the Development Contributions and Financial Contributions Policy for 2027/28. Following year 1, QLDC assumes Development Levies will be available to TLAs to replace Development Contributions. Developer agreements will be considered where beneficial to both parties.
Lending agreements and covenants	Agreements will be successfully entered into with lenders to provide the necessary financing in relation to all covenants.
Infrastructure Asset revaluations	Estimates have been made in relation to the revaluation of infrastructural assets beginning in 2027 and continuing on a regular annual review basis. The revaluation amount is based on an adjustment made to asset values for movements in costs for opening infrastructural values and capital additions made during intervening years.
Infrastructure Asset values	Infrastructural assets are forecast to increase in line with BERL infrastructure CPI, which is re-valued annually.

Assumption topic	LTP27 Significant Forecasting Assumption full wording
Cost of central government requirements	Where legislative, regulatory or policy changes have been enacted and their impacts can be reasonably estimated, associated costs have been incorporated into budgets. No allowance has been made for material costs arising from announced reforms for which requirements, timing or implementation details remain uncertain, including Resource Management Act reform.
National Policy Statement on Urban Development requirements	The LTP is based on existing demand projections, Spatial Plan and infrastructure programmes. Future changes arising from the development of the Regional Spatial Plan are not currently reflected in the forecasts
Recruitment and retention of workforce	QLDC will be able to recruit, retain and develop a suitably skilled workforce, and access sufficient professional services and contractor capacity, to meet business needs, maintain levels of service, and deliver the operational and capital work programmes. Workforce is assumed to align with Long Term Plan projections over the 10-year period
Major emergency events, response, recovery and disaster financial capacity	Emergency events are expected during LTP 2027 to 2037. Forecasts include normal emergency management and response costs, but not full catastrophic response, recovery or reconstruction costs. Most events are assumed to be managed through established arrangements. Major losses would be funded through a combination of insurance, reserves, liquidity, borrowing and eligible government assistance, recognising that not all losses will be insured or reimbursed.
Roading maintenance contract renewal	The long term roading maintenance contract is out to market in 2026. The current contract has provided a level of price certainty for the last ten years, the future cost of this contract will not be known until target award in September 2026.
Fast Track legislation	Infrastructure investment forecasts are based on known growth projections and planned development patterns. The financial forecasts do not include provision for material upgrades, network redesign or accelerated infrastructure delivery that may be required as a result of future fast-track development approvals where the location, scale, timing and servicing requirements remain uncertain and are proposed outside of planned growth areas
WSCCO establishment	Assumption that the WSCCO will operate from 1 July 2027 and take responsibility for delivery of all water services from that date.
WSCCO Shared services	QLDC will assume a range of shared services to be provided to the WSCCO for the first three years of the LTP, subject to agreement with the WSCCO.

Assumption topic	LTP27 Significant Forecasting Assumption full wording
Rates Capping	Council will work to ensure that rates capping of 2-4% is monitored as part of the budgeting process, should the measure come into effect from 2029 onwards. The rates cap will be assessed on a rates per property basis and is expected to provide certainty over rate-related outflows while still allowing for growth across the district. The capping mechanism is intended to limit the maximum increase in rates per property within the assumed cap levels, helping to protect Council from unplanned cost escalation. Any budget pressures or spending requirements that result in rates increases exceeding the capped levels may create challenges for future budgeting and expenditure planning.
Council Amalgamation	Although amalgamation options are being investigated, the financial forecasts assume Queenstown Lakes District Council continues to operate as a standalone local authority throughout the LTP period. No provision has been made for costs, savings or other financial impacts associated with any potential future local government reorganisation
Regional Deal	The financial forecasts do not assume any material additional funding, revenue or cost savings arising from the Otago Central Lakes Regional Deal beyond those already incorporated in approved budgets. Any future investment, Funding arrangements or delivery commitments arising from the Regional Deal will be incorporated once details are confirmed and appropriate decisions have been made by Council. OR "Where funding, expenditure or project delivery associated with the Regional Deal has been approved and can be reasonably estimated, it has been incorporated into the financial forecasts. No allowance has been made for additional Regional Deal initiatives, funding streams or delivery requirements that remain subject to negotiation, approval or confirmation."
Artificial Intelligence	Council has not assumed that the deployment of AI technology will result in significant changes to roles or a human resource requirements over the coming ten years.
Financial Strategy	Council's financial forecasts are based on the assumption that key economic, asset, and valuation inputs remain materially consistent with current expert advice and industry methodologies. Asset values, useful lives, depreciation, and renewal requirements are assumed to be accurate, reflecting assessments by qualified valuers, Asset Management Plans, and Council's accounting policies. Investment property values are forecast to increase in line with BERL property CPI and are subject to annual revaluation. Interest rate forecasts are based on advice from Bancorp, Council's treasury advisors, and are assumed to range from approximately 4.25% to 5.50% over the ten-year planning period. Collectively, these assumptions underpin the projected operating costs, asset valuations, depreciation, and financing costs included in the forecast financial statements.