Full Council

12 November 2026

Report for Agenda Item | Rīpoata moto e Rāraki take [11]

Department: Assurance, Finance & Risk

Title | Taitara: Weather Event, 27 August 2026

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to advise Council of the impacts of the severe weather event on 27 August 2026, the response undertaken across the organisation under existing delegated authority, the costs incurred to date, the further works required, and the funding decision now required for costs that cannot be accommodated within existing approved budgets.

Executive Summary | Whakarāpopototaka Matua

On 27 August 2026, a severe weather event caused widespread damage across Council's roading, three waters, trails, structures and other assets, and required an emergency welfare response. Officers responded across the organisation to protect public safety, maintain or restore essential services, re-open access where practicable, and assess the damage. These actions were undertaken under delegated authority #330 (Power to take preventative or remedial action in emergency circumstances).

The response has included immediate emergency works, temporary repairs, investigation and design, and permanent reinstatement. Expenditure of $1.4m has been incurred to date and a further $3.7m is currently estimated to complete the remaining works. Officers are pursuing all eligible external funding and reimbursements under delegated authority #331, including from NZTA Waka Kotahi and the National Emergency Management Agency. The net cost to Council will not be known until the remaining scope and external recoveries are confirmed.

The decision for Council is on funding the net unbudgeted cost. Funding through debt is recommended in the short term because Council currently has debt headroom and this approach allows approved programmes of work to continue. As the rates have already been stuck for this year there is no opportunity to obtain funding for this unbudgeted event. The trade-off is increased debt and an annual interest cost estimated at approximately 4% of the amount borrowed.

If the Council does not approve debt funding, the cost will need to be met from existing budgets, requiring current programmes to be reduced, deferred or cancelled. The cost of work still to be completed are based on assessments undertaken, not yet scoped, designed or quoted. Final costs may vary to the estimates within this report.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;

2. **Note** that, in responding to the weather event of 27 August 2026, officers acted under delegated authority #330 (Power to take preventative or remedial action in emergency circumstances), and that expenditure of $1.4m has been incurred under that delegation to date, with a further $3.7m estimated to complete the remaining response and reinstatement works, a total of $5.11m; any variance to this total will be advised as part of the reforecast process;

3. **Note** that all opportunities are being explored to reduce the cost and obtain offsetting reimbursement, including NZTA Waka Kotahi emergency works funding, MBIE and reimbursement from the National Emergency Management Agency, under delegated authority #331 (Power to seek reimbursement of Council's costs for emergency works);

4. **Agree** that, as this expenditure cannot be accommodated within existing approved budgets, the costs incurred and yet to be incurred in responding to the weather event, net of any external funding received, be funded by debt until they can be recovered through rates as part of the 2027-2037 Long Term Plan; and

5. **Note** that there is no emergency weather event funding in either the 2026/27 Annual Plan or the draft 2027-2037 Long Term Plan.

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22 October 2026

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22 October 2026

Context | Horopaki

1. In late August 2026, the Queenstown Lakes District experienced a severe winter storm that delivered prolonged heavy rainfall across the region. The event produced 104.8 mm of rainfall, equivalent to almost 90% of the district's total August rainfall of 118.2 mm. Rainfall intensity peaked on 27 August, when 50.4 mm was recorded within a 24-hour period. Notably, most of this rainfall fell during an approximately 10-hour period between 2:00 pm and 1:00 am, generating significant catchment runoff and elevated flows throughout the district's stormwater and wastewater networks.

2. This severe rainfall event, occurring in conjunction with winter ground conditions, created impacts significantly greater than would typically be expected during a standard rainfall event. Prolonged precipitation resulted in widespread soil saturation, substantially reducing ground strength and increasing susceptibility to erosion, scour, embankment instability, and landslips.

3. The high volumes of runoff generated during the event placed considerable pressure on drainage networks, culverts, and natural watercourses, leading to localized flooding, washouts, and blockages. Collectively, these conditions caused widespread damage across Council infrastructure and property. The cumulative estimated unbudgeted gross costs, at this stage are:

Roading potential funding from NZTA)	$3.6m
Three Waters	$0.25m
Social / Natural Infrastructure (potential funding from MBIE)	$1.25m
EOC- Welfare Accommodation (potential funding from NEMA)	$0.01m
Total	$5.11m

Roading Network Damage

4. The roading network was the Council asset class most significantly affected by the August 2026 weather event. Damage occurred across urban, rural and remote sections of the network, reflecting the widespread nature of the storm and the intensity of runoff generated throughout the district.

5. Downer New Zealand Limited recorded 26 major storm damage dispatches and numerous additional minor defects, with preliminary reinstatement costs estimated at approximately $3.59 million. Ten sites have estimated repair costs exceeding $100,000, per site indicating the severity of damage experienced at key locations.

6. The principal damage mechanisms were erosion, scour, flooding, slope instability, blocked or overwhelmed drainage infrastructure and debris deposition. These impacts resulted in road shoulder failures, culvert damage, loss of pavement and surfacing materials, slips onto carriageways, and damage to associated transport infrastructure. The most significant costs are associated with large-scale flood and scour damage in the Gorge Road catchment, Lake Esplanade/Fernhill area, Crown Range Road corridor, Skippers Road and Peninsula Road, together with widespread damage to unsealed rural roads throughout the district.

7. Immediate response works focused on restoring safe access, removing slips and debris, reopening blocked drainage systems, and stabilising damaged sections of road. Further investigation and permanent reinstatement works are ongoing, with final costs expected to be refined as engineering solutions are developed for several of the more complex failure sites.

8. The Downer damage assessment report is attached to this paper for information and transparency purposes. The report summarises damage observed following the weather events and represents the best available assessment of likely reinstatement requirements and associated costs at the time it was prepared. The identified sites, proposed solutions, and cost estimates are *preliminary only* and will continue to be refined as further investigations, engineering assessments, design development, funding considerations, consenting requirements, and prioritisation work are completed. As additional information becomes available, sites may be added, removed, reprioritised, or subject to alternative treatment options, and the scope and cost of works may increase or decrease accordingly. Inclusion of a site within the report should not be interpreted as a commitment by Council to undertake the identified works, deliver a specific solution, or complete works at the estimated cost.

9. The most significant transport network damage occurred on the Glenorchy-Queenstown Road at Two Mile. Intense runoff generated during the August weather event, compounded by a subsequent rainfall event in September, caused a substantial failure of the road embankment at the Queenstown end of the beach reserve. As a result, this section of road remains closed while reinstatement options are progressed. A high-level engineering design has been completed to restore level of service and provide a long-term solution for the site. The proposed works include significant upsizing of two upstream culverts to improve conveyance capacity, together with reconstruction of the failed embankment through the installation of a gabion retaining structure founded on screw piles and secured with rock anchors. A high-level cost estimate has been prepared for this by Downer, forecasting the reinstatement costs for this location to be $1.2 million of which $300k would be for the noted culvert resilience improvements.

10. Council is preparing an application for emergency works funding assistance from NZTA Waka Kotahi to support recovery of the transport network. Subject to eligibility assessment and approval, emergency works funding would help offset the costs of repairing storm-related damage to the network and restoring affected assets to an appropriate level of service.

Three Waters

11. As noted above, the Two-Mile Water Treatment Plant (WTP) experienced flooding during the August weather event. Floodwater entered critical plant areas, requiring the facility to be temporarily taken out of service while electrical and control equipment was inspected, dried, tested, and safely recommissioned. Despite the disruption, operational responses ensured continuity of water supply to customers throughout the outage period.

12. The stormwater network was similarly impacted by the intensity of rainfall and the significant volumes of debris mobilised during the event. Debris accumulation blocked a number of stormwater inlets and conveyance structures, causing flows to surcharge and divert into overland

flow paths. This resulted in localised flooding of private property, including flooding above finished floor levels in some locations. The most significantly affected areas were several areas around Fernhill, Thompson Street, Bowen Street and surrounding roads, also Willow Place, Kelvin Heights, was badly affected

13. While the event did not result in any widespread structural damage to the stormwater network itself, substantial reactive maintenance was required to restore network performance. Activities included the clearance of blocked inlets, culverts, pipes, channels, and overland flow paths, together with the removal of sediment and debris deposited throughout the network. The cost of these response and recovery activities is currently estimated at approximately $250,000.

Social / Natural Infrastructure

14. The Trails / Active Travel network was the asset class most significantly affected in Community Services by the August 2026 weather event. Damage mostly occurred across the Whakatipu basin reflecting the widespread nature of the storm and the intensity of runoff generated throughout the district. Inspections undertaken by officers, contractors, partners and externals reported damage estimated at $1.25 million. Damage was also significant at two locations in the Upper Clutha, on the banks of the Cardrona river and Grandview Creek.

15. The paragraphs below describe work undertaken and work required to be undertaken.

Bridges / Structures

16. Whakatipu, Arrow River, Swain Bridge requires temporary measures to reopen (presently closed): estimated at $40,000. Debris impacted two of three cross beams while river was at high flow resulting in significant section loss. This bridge was designed for a 1/100 yr event. Current best practice is to design to a 1/250 year event. The Arrow, river peaked at 88m3/s (from a nominal 6m3/s and was the equivalent to a 1/10 year event. This temporary work enables a 12-month period restriction of 5 - 10 person maximum capacity. This bridge has previously been on the Queenstown marathon route. Now detoured. This is related to physical work yet to be undertaken with engineering design to be finalised.

17. Whakatipu, Arrow River, Swain Bridge replacement: estimate $650,000. Debris impacted two of three cross beams effecting the structural integrity while river was at high flow. Replacement is recommended. Replacement will allow for greater resilience to high river flows experienced by future weather events. The upstream bridges being replaced presently (Arrow Bridges) are being designed to a 1/500 year event. This is related to physical work yet to be undertaken with engineering design to be finalised.

18. Whakatipu, One Mile dam (historical) structural assessment. The dam was constructed in 1924 as part of a hydroelectric scheme to supply Queenstown's first electricity and later used for potable water supply purposes. It is now unused but remains in place. The ongoing ownership and responsibilities to manage this redundant asset are Council's. Structural assessments identify the condition of the asset and any risk of failure or other. An assessment is underway.

Risk and / or financial investment impacts are unknown at present. The final assessment will be included in a future reforecast process. This is related to physical work yet to be undertaken.

19. Whakatipu, One Mile Creek, true left bank showing tension cracks which may affect uphill slope stability. An assessment is underway. Risk or financial investment impacts remain unknown. The final assessment will be included in future reforecast process. This is related to physical work yet to be undertaken.

Trails, Active Travel and Te Araroa Trail

20. Physical works completed: Whakatipu, Wharehuanui Trail resurfacing: estimate $22,000

21. Works yet to be undertaken: Whakatipu, Arrowtown Loop trail resurfacing and retaining walls: estimate $290,000; Whakatipu, Coronet Peak Station Road resurfacing and swale construction: estimate $9,000.

    Damage due to repeated flooding means that reinstatement is not advised or considered to be a good investment.

    - Upper Clutha, Albert Town, Cameron Creek: estimate $67,000

      True left bank of the Cardrona River retreated after high flow. Removed 370 metres of trail. New trail is anticipated to be retreated inland.

    - Upper Clutha, Hāwea, Gladstone Track: estimate $175,000

      True left and right banks of Grandview Creek adjacent to the Grandview Bridge have retreated due to high river levels. Trail approaches from east and west need to be reconstructed with an inclusion of rock armouring to provide a platform for trail construction and creek bank protection. A part of the Te Araroa Trail. Separately, Grandview Bridge is being replaced due to condition and compliance.

    - Whakatipu, Lower One Mile Creek trail disestablishment. No cost.

22. Council is preparing an application for emergency works funding assistance from MBIE to support recovery of the trails network in the Whakatipu (only applicable to Great Rides). Subject to eligibility assessment and approval, emergency works funding would help offset the costs of repairing storm-related damage to the network and restoring affected assets to an appropriate level of service to the maximum value of $400,000.

Emergency Operations Centre (EOC) – Welfare Emergency Accommodation

23. Council has obtained agreement for reimbursement of emergency accommodation costs incurred in supporting people displaced during the severe weather and flooding event that affected Queenstown on the night of 27 August and early morning of 28 August 2026.

During this event persistent heavy rainfall resulted in flooding, slips, debris and disruption across parts of Queenstown. A number of residents and visitors were evacuated by FENZ and NZ Police from affected locations and were unable to safely return to their normal accommodation. QLDC arranged and paid for short-term emergency accommodation to meet their immediate welfare needs.

24. QLDC has submitted a welfare reimbursement claim to the National Emergency Management Agency (NEMA) for $10,100 under the emergency accommodation provisions of Section 33 of the Guide to the National CDEM Plan and NEMA's supplementary welfare reimbursement guidance. The claim comprises $6,800 for one night's accommodation at the Voco Queenstown for 17 visitors displaced from campervan/motorhome accommodation, and $3,300 for accommodation at the Mercure Queenstown Resort for five Fernhill residents who were unable to return home while Rapid Building Assessments and associated safety assessments were completed.

25. The Council EOC team have commenced a structured After Action Review of the 27 August severe weather event. The review covers preparedness, the immediate response and early recovery, including EOC activation and escalation, inter-agency coordination, evacuation and welfare arrangements, public information, stormwater and roading performance, natural hazards, Customer Services, Parks and Building Services. The process is bringing together EOC records, welfare information, rainfall and flooding data, operational and contractor records, Rapid Building Assessment information and other technical evidence. Focused workstream meetings and cross-functional alignment workshops are being used to identify what worked well, areas for improvement and accountable follow-up actions. The review will conclude with an event chronology, an After Action Review report and an Improvement Action Register with agreed actions and owners.

Analysis and Advice | Tatāritaka me kā Tohutohu

26. This report identifies and assesses two options for funding the net cost of the response and reinstatement works. The works already undertaken were required to respond to the emergency and were carried out under existing delegated authority. The decision now required is how the unbudgeted cost, net of external recoveries, will be funded. Consideration of funding for future events is important as this type of event increases in frequency.

27. Option 1 – Fund the net cost through debt until it can be rated for within the 2027-37 Long Term Plan

Advantages

- Provides funding for the response and remaining reinstatement works without requiring immediate reductions to approved programmes of work.

- Uses available debt headroom to manage an unplanned cost arising from an emergency event.

- Allows the net cost to be recovered through a proposed targeted rate through the 2027–2037 Long Term Plan, after external funding and reimbursements are confirmed.

Disadvantages

- Increases Council debt by the amount borrowed until the rates are received.
- Creates an annual interest cost estimated at approximately 4% of the amount borrowed. Based on a net spend of $5.1m, the indicative annual interest cost would be $204,000.
- Reduces debt headroom available for other priorities and unforeseen events.

28. Option 2 – Do not fund the net cost through debt. Under this option, the unbudgeted net cost would need to be absorbed within existing approved budgets.

    Advantages

    - Avoids increasing debt and the associated interest cost.
    - Preserves existing debt headroom.

    Disadvantages

    - Requires expenditure to be removed from existing budgets of an equivalent amount.
    - Would require approved programmes or projects to be reduced, deferred or cancelled.
    - May affect planned levels of service, delivery commitments, contractual arrangements, project timing and future programme costs.
    - Would require officers to identify and return to Council with the specific programme changes needed to accommodate the cost.

29. This report recommends **Option 1** because debt funding provides a clear mechanism to meet the unbudgeted net cost without disrupting approved programmes. The additional debt and interest cost and proposed targeted rate will need to be incorporated into future financial forecasts and the 2027–2037 Long Term Plan.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

30. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because decisions might reduce Council's ability to deliver its core functions, levels of service, or to fulfil previously adopted Plans and Strategies or resolved

commitments. The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes district community. The Council will need to consult on 2027-2037 Long Term Plan which will have the impact of this report included in it.

Māori Consultation | Iwi Rūnaka

31. The Council will need to consult on 2027-2037 Long Term Plan which will have the impact of this report included in it.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

32. This matter relates to the Business Continuity risk category. It is associated with RISK10023 Property disruption event to facility or service within the QLDC Risk Register. This risk has been assessed as having a low residual risk rating.

33. Approval of the recommended option will allow Council to implement additional controls for this risk. This will be achieved by reinstating services and improving resilience.

34. The repairs proposed to be completed on the Glenorchy-Queenstown Road at Two Mile are essential to reduce ongoing repetitive failure and risk to people, plant and equipment. The retaining wall protects the road and the Two Mile Water Treatment Plant.

Financial Implications | Kā Riteka ā-Pūtea

35. The response and reinstatement costs are unbudgeted. Expenditure of $1.4m has been incurred to date and a further $3.7m is estimated to complete the remaining works. Any eligible external funding and reimbursements will reduce the final amount to be funded by Council.

36. If the net cost is debt funded, Council debt will increase by the amount borrowed. Council currently has debt headroom to accommodate the expenditure. At an indicative interest rate of 4%, each $1 million borrowed would result in approximately $40,000 of additional annual interest cost. The actual interest cost will depend on the final net amount borrowed and prevailing borrowing rates.

37. If debt funding is not approved, an equivalent amount will need to be found within existing approved budgets. This would require current programmes or projects to be reduced, deferred or cancelled, with consequential impacts on delivery, levels of service, contractual commitments, timing and potentially total programme cost.

38. All opportunities are being explored to reduce the cost and obtain offsetting reimbursement, including NZTA Waka Kotahi emergency works funding (Funding Assistance Rate 51-70% of the $3.6m estimated roading cost), MBIE (Tracks – potential $400k) and 100% welfare emergency accommodation reimbursement from the National Emergency Management Agency ($10k)

39. As part of the 2027-2037 Long-Term Plan (LTP) development the Revenue and Financing Policy is being reviewed. It has been identified that with the Local Government (Rates Capping) Amendment bill that exemptions will allow Councils to operate outside of the target range in specified circumstances where it is justified to do so. One of the exemptions is for exceptional circumstances (for example, in response to a major emergency). The LTP has therefore proposed that a targeted rate be established to enable the collection of these major emergency costs, such as the cost identified in this report, so ratepayers will be able to track the cost of these events in the future.

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

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

- Financial Strategy
- Infrastructure Strategy;
- Revenue and Financing Policy
- Treasury Management Policy

41. This matter is not currently included in the Long Term Plan/Annual Plan but will need to be.

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

42. No known legal implications at this stage.

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

43. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; (b) to meet the current and future needs of communities for good-quality, cost-effective, and local — (i) infrastructure; (ii) public services; (iii) performance of regulatory functions; and (c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b). This report discusses the impact of a severe weather event that damaged Council infrastructure and it seeks to obtain delegation for repairs to be undertaken. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

44. The recommended option:

- Can be implemented through current funding under the Long Term Plan;
- Is consistent with the Council's plans and policies; and

- Would not transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	Weather Event August 2026, Financial Report
B	Weather Event Network Damage Report August 2026 (Roading)