

Full Council

29 May 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [6]

Department: Assurance, Finance & Risk

Title | Taitara: Adoption of Wānaka Asset Sales Reserve 2025 guidelines

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is for Council to approve the Wānaka Asset Sales Reserve 2025 guidelines, as recommended by the Wānaka-Upper Clutha Community Board (WUCCB) at its meeting held on 8 May 2025.

Recommendation | Kā Tūtohu

That Council:

1. **Note** the contents of this report; and
2. **Approve** the Wānaka Asset Sales Reserve 2025 guidelines.

Prepared by:

Reviewed and Authorised by:



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Title: Community Investment Advisor

15 May 2025

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Title: General Manager Assurance Finance
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15 May 2025

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. On 30 June 2016, Council approved the first guiding principles relating to future distributions from the WASR.
3. The resolution that was resolved by Council on 30 June 2016 from the full Council meeting to confirm the principles related to the use of funds from the sale of the Scurr Heights land and the accounting treatment for managing the approved distributions is as follows:

That the Council

- a. *Confirm that the net sale proceeds from the recent sale of the Scurr Heights Land be credited to the Wanaka Asset Sale Reserve in line with previous practice; and*
 - b. *Confirm the following guiding principles relating to future distributions from the Wanaka Asset Sale Reserve:*
 - *Distributions may be used to fund qualifying capital expenditure approved in the LTP or Annual Plan which benefits the residents of the Wanaka ward.*
 - *Distributions may not be used to fund operating expenditure.*
 - *Qualifying capital expenditure refers to capex which funds an increase in level of service for the Wanaka ward. This excludes capex required because of growth (otherwise funded from development contributions) and renewal capex (otherwise funded by depreciation).*
 - *Qualifying capital expenditure may include repayment of debt incurred on capex which has funded an increase in level of service for the Wanaka ward.*
 - *It excludes purchase of assets which are primarily acquired for speculative purposes.*
4. The WASR is a key financial mechanism for supporting strategic community projects in the Wānaka-Upper Clutha Ward.
 5. QLDC and the WUCCB work in partnership to ensure that local expertise and knowledge inform funding decisions while maintaining alignment with the 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.

6. In 2017, QLDC officers wrote a set of guidelines with the overarching aim being that the guidelines were intended for the community, QLDC staff and WUCCB. The guidelines outlined the principles, governance and processes for managing WSSR. The guidelines also align with broader funding principles to support transparency, equity, and accountability in the allocation of resources.
7. In May 2024, a workshop was held with 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.
8. In February 2025, a workshop was held with the WUCCB workshop where the board reviewed and provided feedback on the updated guidelines.
9. On 8 May 2025, the WUCCB approved the guidelines to be recommended for approval at the next Council meeting.
10. The attached guidelines include the proposed updates. These updates have been socialised with the WUCCB and its feedback has been incorporated into the attached.

Analysis and Advice | Tatāritaka me kā Tohutohu

11. 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).
12. Option 1 That Council approves the WASR 2025 guidelines.

Advantages:

- Updates the original 2016 principles that were approved at the Council meeting 30 June 2016.
- 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.

13. Option 2 That Council does not approve the WASR 2025 guidelines.

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 use of the reserve.

14. Option 3 The Council recommends changes to the Wānaka Asset Sales Reserve 2025 Guidelines.

Advantages:

- Allows Council to ensure the guidelines fully reflect district context, aspirations, and operational preferences.
- Reinforces the Council's role in shaping the governance and use of the reserve.

Disadvantages:

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

15. 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

16. 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 a 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 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.

17. 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 WASR. 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.

18. There has been engagement with the WUCCB, including through a dedicated workshop in May 2024, followed by targeted feedback on a draft version of the guidelines. Feedback from the WUCCB and Council departments has informed these guidelines. Further engagement will include public communication via Council channels following Council adoption.

Māori Consultation | Iwi Rūnaka

19. 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

20. 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.
21. The approval of the recommended option will allow the Council to enhance governance, transparency and trust between Council, the WUCCB and the public. This will be achieved by clearly 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

22. 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 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

23. The following Council policies, strategies, and bylaws were considered:
- Strategic Framework: The Wānaka Asset Sales Reserve 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.

24. 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.
25. 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 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

26. The 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.
27. 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.
28. 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

29. 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 Wānaka Asset Sales Reserve 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.
30. 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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