

Full Council

19 March 2026

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

Department: Corporate Services

Title | Taitara: 2026-2027 Annual Plan Consultation Document

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to present for adoption the Council's 2026-2027 Annual Plan Consultation Document and draft Annual Plan supporting document for public consultation.

Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;
2. **Adopt** the draft 2026/27 Annual Plan supporting document for consultation;
3. **Adopt** the 2026/27 Annual Plan Consultation Document for consultation; and
4. **Note** the indexation update on the Development Contributions Policy 2026-2027 and accompanying website copy explaining the changes.

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5 March 2026

Reviewed and Authorised by:



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Title: General Manager, Corporate Services
5 March 2026

Context | Horopaki

1. Section 95A of the Local Government Act 2002 (LGA) requires the Council to use a Consultation Document (Attachment A) to consult with the community on its Annual Plan. The purpose of this consultation is to provide a fair representation of the matters proposed for inclusion in the Annual Plan, and to explain how these proposals may affect rates, debt, and levels of service, in a manner that can be readily understood by those who are interested or affected.
2. The Queenstown Lakes District Council (QLDC) is also specifically seeking comment on four topics highlighted in the Consultation Document:
 - **Topic 1:** Proposed changes to user fees and charges
 - **Topic 2:** Wānaka-Upper Clutha Community Board key priorities
 - **Topic 3:** Our progress to develop the Long Term Plan 2027-2037
3. QLDC is proposing an average rates increase of 11.6% for 2026-2027, after allowing for growth of 3.5% in rateable properties. This is consistent with the forecast rates increase for year 3 of the Long Term Plan 2024-2034.
4. The capital investment programme contained within the Annual Plan 2026-2027 is \$205.8M. This is a reduction of \$8.8M from the year 3 budget in the Long Term Plan (LTP) 2024-2034 (\$214.6M). Of this, 54% or \$110.3M of the budget is allocated to investment in Three Waters across the district. It is anticipated that this will be the last year that Three Waters will be included in QLDC budgets as the Water Services Council Controlled Organisation (WSCCO) will be in operation from 1 July 2027.
5. User fees and charges are reviewed every year to ensure they are kept up to date and reflect the actual and reasonable costs to deliver activities and services, in line with the Revenue and Financing Policy which is adopted by the Council as part of the Long Term Plan 2024-2034.

Updates to Development Contributions

6. The Development Contributions (DC) Policy will be updated for 2026-2027 in line with section 1.4.4 of the policy, which was highlighted at a Council workshop on 29 January 2026.
7. The DC update accounts for annual inflation/indexation of 3.8% in line with the Producers Price Index (PPI) Outputs for Construction provided by Statistics New Zealand. This update is permitted by sections 106 (2B) and (2C) of the LGA. QLDC also undertook this same inflationary adjustment to the DC policy as part of the 2025-2026 Annual Plan process last year.
8. The government's 'granny flat consent exemption' came into effect this year, meaning homeowners can build small standalone dwellings without full building consent, if specific conditions are met. Ahead of the full Development Contribution Policy next review in the LTP

2027-2037, the Local Government Act provides transitional arrangements allowing councils to charge development contributions for granny flats to support additional demand on local infrastructure.

9. The updated DC Policy shared with this report contains the tables that detail how the 2025/26 Development Contributions were inflated/(indexed) for the 2026/27 financial year as per section 106 of the LGA.
10. While Council is not required to formally consult on this DC Policy update per the LGA provisions above, information explaining the changes (the website copy attached to this report) will be shared with the community as part of the Annual Plan consultation approach.

Analysis and Advice | Tatāritaka me kā Tohutohu

11. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
12. Option 1 - Adopt the Consultation Document and Draft Annual Plan supporting document for consultation.

Advantages:

- Choosing to adopt the Consultation Document and Draft Annual Plan supporting document now would enable the Annual Plan process to progress as scheduled, allowing consultation to commence on 20 March 2026 and providing sufficient time for public submissions, hearings, deliberations, and a final Council decision to be completed by the 30 June 2026 Local Government Act deadline for adoption of the Annual Plan.
- This timing of Annual Plan consultation also aligns well and supports the continued progression of engagement with the community toward the Long Term Plan 2027-2037.

Disadvantages:

- There are no significant disadvantages to not adopting the Consultation Document and Draft Annual Plan for consultation.

13. Option 2 - Do not adopt the Consultation Document and Draft Annual Plan supporting document for consultation.

Advantages:

- The delay in the programme would enable further deliberation on the document.

Disadvantages:

- Choosing not to adopt the Consultation Document and Draft Annual Plan supporting document for consultation with the community would delay consultation from commencing on 20 March and therefore risk the adoption of the Annual Plan by the 30 June 2026 Local Government Act deadline.
14. This report recommends **Option 1** for addressing the matter as the Consultation Document and Draft Annual Plan supporting documents reflect the outputs of Council workshops in late 2025 and early 2026 and ensure that the proposed average rates increase for 2026-2027 remains consistent with the 11.6% increase outlined in the Long Term Plan 2024-2034.
15. Adopting the documents allows consultation with the community to commence on 20 March 2026 which will provide public submissions for Council consideration at 15 May 2026 deliberations.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

16. This matter is of medium significance under the Council's Significance and Engagement Policy 2024, as the Annual Plan aligns with Year 3 of the Long Term Plan. While the Annual Plan plays an important role in engaging the community on key issues such as service levels, rates, and borrowing, its alignment with the existing Long Term Plan means it does not represent a significant departure from previously consulted decisions.
17. The persons who are affected by or interested in this matter are residents, ratepayers and visitors to the Queenstown Lakes district community.
18. This matter will be subject to community consultation from 20 March - 23 April 2026. Hearings on submissions are planned to take place on 13 and 14 May, with Deliberations on 15 May.

Māori Consultation | Iwi Rūnaka

19. The Council will consult with Kāi Tahu as part of the Annual Plan consultation process.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

20. This matter relates to the Strategic/Political/Reputation risk category. It is associated with RISK10029 Ineffective compliance management practices 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 Council to avoid the risk. This will be achieved by ensuring that Council remains on track to being able to adopt its 2026-2027 Annual Plan by the end of the 2025-2026 public sector financial year.

Financial Implications | Kā Riteka ā-Pūtea

22. There are no financial implications in relation to adopting the Draft Annual Plan supporting documents and Consultation Document for consultation other than minor print and circulation costs and public notification. There are financial implications for the community in relation to the increase in some fees and rates.

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

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

- Our Vision and Mission - QLDC
- Revenue and Financing Policy
- The QLDC Disability Policy
- Development Contributions Policy

24. The recommended option is consistent with the principles set out in the named Revenue and Financing Policy as set out in the Long Term Plan 2024-2034.

25. This matter is included in the Long Term Plan.

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

26. 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; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. The recommendation in this report is appropriate and within the ambit of Section 10 of the Act because it will enable the average rates increase for 2026-2027 to remain consistent with the 11.6% increase outlined in the LTP.

27. The recommended option:

- Can be implemented through current funding under the Long Term Plan and Annual Plan;
- 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	Draft 2026-2027 Annual Plan Supporting Document (Circulated separately)
B	Draft 2026-2027 Annual Plan Consultation Document
C	Updated draft Development Contributions Policy 2026-2027 (Circulated separately)
D	Website copy explaining Development Contributions Policy update