

# 2013 PRE-ELECTION REPORT



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## FROM THE CHIEF EXECUTIVE

Local Government is going through a significant period of change with a focus on bringing efficiency and consolidation to Councils. It is within the context of Central Government's changes to the purpose of local government, coupled with QLDC's stated aim of improving efficiency within Council that has resulted in a major organisational review. Council operations need to be more efficient and have delivery of core functions as a priority. The first step in this direction was to bring three separate organisations (QLDC, Lakes Environmental Ltd and Lakes Leisure Ltd) into one united Council as of 1 July 2013. As a single entity we need to deliver better, more affordable and more accessible services.

The review was driven by the need to ensure that Council delivers an affordable 10-Year Plan. This has involved addressing debt levels and testing all projects in terms of what, why, when and how. The elected members set an expectation on Council to make savings across our operations, without compromising services. Accordingly, the 2013/14 Annual Plan delivers an average rates increase of 0% (after allowing for growth). Notably, Council has also opted to apply 100% of the QAC dividend (\$2.86 million 2013/14) to repay debt. The intention is to pay off \$22 million in loans in eight years instead of 15 with a saving of \$5.5 million in interest costs.

Further work is planned around setting levels of service. We need to understand community service expectations across all our activities, and to explain the various costs associated with different service levels.

Following the changes to the purposes of local government in the 2012 Local Government Amendment Act, we also need to continue to test why we are involved in some activities and review our investment in land and other assets.

As we enter a local body election period, it is important that the public has the opportunity to assess the performance of their local authorities and comment on issues of public significance. This is particularly true of the unique issues facing the Queenstown Lakes District.

For this reason Council will undertake community consultation during August to consider the proposed development of a Convention Centre. It will consider a proposal to make savings by entering into an environmentally positive partnership to treat sludge (wastewater extraction) and use it to enrich otherwise arid land rather than ship it to the Victoria Flat landfill. And it will also continue to progress the delivery of Project Shotover - the upgrade of the Wakatipu wastewater treatment system which will be staged with the cost spread across the next 13 years.

There are numerous other projects which have been delivered or are proposed to be delivered in the coming years. This report outlines the most significant of them, along with the recent and forecast financial performance of the Council. I encourage voters and potential candidates alike to become better informed about the Council's goals and issues and to participate in the democratic process as we build up to election day on 12 October 2013.

# INTRODUCTION

The 2013 Pre-Election Report is a mandatory requirement for all Councils in New Zealand. It is intended to provide information to allow the right debate to occur around the 2013 Queenstown Lakes District Local Body Election. The focus is on how Council is performing financially and key spending issues over the coming years.

## ***Audit***

This Pre-Election Report has not been audited however much of the content has already been subject to audit by Council's independent auditors.

Audited:

**Looking back** - the last three years.

2010/11 Annual Report

2011/12 Annual Report

2012/13 Estimate

**Looking forward** - the next three years 2014/15; 2015/16; and 2016/17

As projected in the 2012/22 10 Year Plan



QUEENSTOWN  
LAKES DISTRICT  
COUNCIL

## ***Find out more***

More information is available on the Council's website [www.qldc.govt.nz](http://www.qldc.govt.nz) or you can request information from [services@qldc.govt.nz](mailto:services@qldc.govt.nz) or phone Council (03 441 0499)

# ABOUT QLDC

## Fact File

Area:	8467 square kilometres
Peak Population 2011:	89,346
Average Day Population 2011:	46,612
Residential dwellings and units 2011:	
Wanaka:	8,101
Wakatipu:	16,734
Rateable properties 2012:	22,500
Resident population (average day) 2011:	28,440
Visitor population (average day) 2011:	18,172

*Source - Growth Projections 10-Year-Plan*

## Organisational Performance Framework

In 2012 the Council undertook an organisation-wide review of its accountability. The review involved every staff member across every activity of Council.

Informing that process were key strategic documents such as Activity Management Plans. The goal was to understand how well Council is meeting its organisational objectives of delivering:

- **Service excellence**
- **Results**
- **Performance management**
- **Value for money**
- **Leadership and organisational capacity**

This process was then used to inform performance measures in the 2012/13 10-Year Plan. These range from customer satisfaction, derived from the Resident and Ratepayers Survey to things like the cost to the ratepayer for the library service; how safe and clean pools are; the cost of resource consent, etc. These results are reported each year in the Annual Report.

The Council has developed performance measures for all activities within the organisational performance framework, but has selected 15 activities, with all activity groupings represented, to report on in the 10-Year Plan. It is the intention of the Chief Executive to review all performance measures during the 2013/14 financial year.

## Our Activities

### Governance

- Community leadership
- Community engagement
- Local government information

### Economic Development

- Tourism promotion
- Council land
- Forestry
- Wanaka Airport
- Camping grounds
- Community housing

### Community

- Library services
- Community grants
- Public toilets
- Cemeteries
- Community facilities
- Waterways facilities
- Parks and recreation facilities

### Environmental Management

- The District Plan
- Building and resource consents
- Environmental health
- Animal and litter control
- Liquor licensing
- Waterways control
- Civil defence and emergency management

### Water Supply

### Stormwater

### Wastewater

### Solid Waste

### Transport

- Roads
- Footpaths and lighting
- Parking facilities

# OUR PERFORMANCE LOOKING BACK

## ***2010/11-2012/13***

This section provides an overview of the major projects and financial position for the Council for the previous three years.

### ***Major Achievements***

- Actual rates increases have been lower than forecast, with 0% rates increase in 2013/14
- External debt levels have been lowered and a more affordable 10-Year Plan delivered (from a 2009 forecast \$413 million debt by 2019 to a current forecast of \$188 million debt by 2019).
- An organisational review has delivered an initial savings of \$1.5 million with the Council Controlled Organisations (Lakes Leisure Ltd and Lakes Environmental Ltd) being brought in house from 1 July 2013.
- Council has supported the introduction of Shaping Our Future – a new forum for community engagement.
- Council has facilitated and part-funded the completion of the \$5.1 million Queenstown Trail National Cycleway.

### ***Other Major Projects***

- Glendhu Bay Campground water supply and wastewater upgrade - \$1.87 million.
- Plan Changes (including affordable housing, Wanaka Airport, Arrowtown Boundary and Wanaka Industrial Zone) - \$1.79 million.
- Ardmore Brownston Street Roundabout - \$1.09 million.
- Gorge Road reconstruction - \$1.18.
- Lake Esplanade reconstruction - \$945,000.
- Malaghans Road - \$526,000.
- Adamson Drive - \$776,000.
- Queenstown Memorial Centre - \$992,000.
- Review of camping grounds.
- Rates Review.
- CCTV Camera Queenstown - \$150,000.



# A NUMBER OF FACTORS DRIVE COUNCIL COSTS

The Council is a very large not-for-profit business with an operating cost of \$92.7 million and revenue (before rates) of \$49.1 million.

A number of factors drive the cost and they include:

- **Growth** – we continue to be one of the fastest growing districts in New Zealand.
- **Price changes** – Inflation and increases in consumer and local government goods.
- **Geography** - there is extra cost in providing replicated infrastructure requirements to widely spread communities.
- **Depreciation** – the number of assets owned by Council (ie halls, toilets, pump stations, reservoirs etc) directly affects the level of depreciation costs.
- **Efficiencies and innovations** – process improvements can deliver savings to Council services.
- **Service levels** – this has a direct impact on cost.
- **Debt** – this is essential to enable the cost of infrastructure to be fairly apportioned to current and future generations within communities who equally benefit from it.

## ***What are Council's costs?***

Council has two types of cost, operating and capital expenditure (referred to as 'opex' and 'capex').

- Operating expenditure is normal business cost. The cost for 2012/13 is \$80 million.
- Capital expenditure is money spent on upgrading assets and is split into three types of cost:
  1. Renewals – sustaining assets.
  2. Service Level increase – delivering community expectations.
  3. Capacity – cost to provide for future growth.

## ***Who pays for what?***

Council has different ways of funding (or paying for) services and activities.

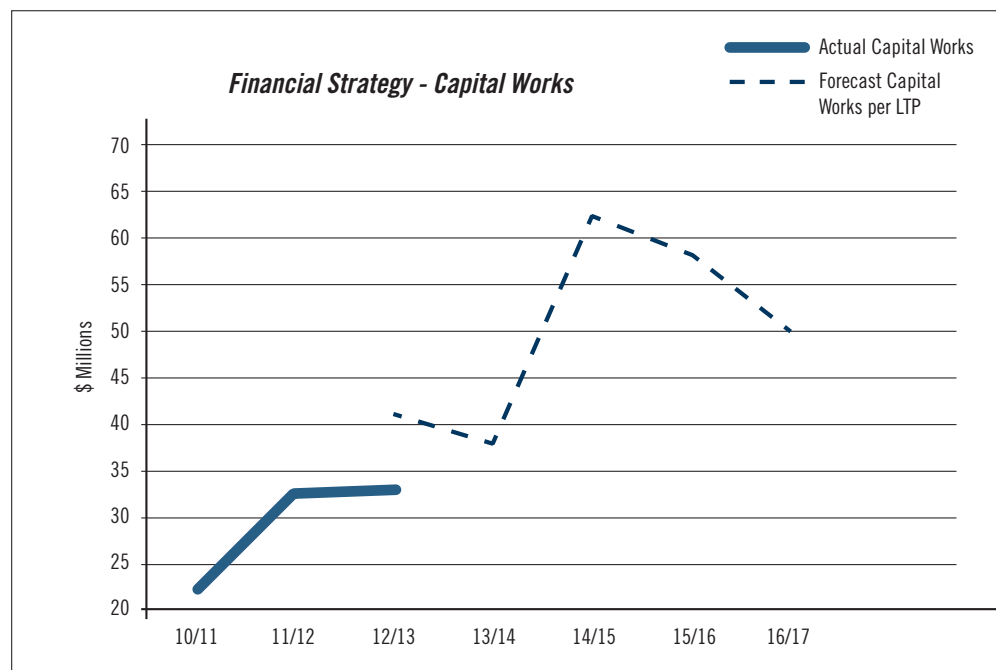
- **Rates:** are the main source of Council revenue. Some rates are based on property value while others are spread equally across a group of ratepayers. Councils use many different types of rates.
- **User fees and charges:** are used to target individuals or groups who are directly using a service and therefore directly benefit from, or create the need for, that service.
- **Development contributions:** are the payments made by developers towards infrastructure projects. It is their 'share' of being able to connect to and use that infrastructure.
- **Grants and subsidies:** are funds received from other agencies, particularly the government.
- **Borrowing:** is a bridging mechanism used by Councils to assist with funding of long-term infrastructure, so that the costs are shared by present and future users over the life of the assets being created.
- **Fundraising:** in some cases Council will look to its communities to fundraise a proportion of the cost of a project or a service.

In order to deliver Council's levels of service in the 2013/2014 year and stay within our financial parameters, we have budgeted to receive \$58 million in rates.

# FINANCIAL STRATEGY

The Financial Strategy was a new requirement for the 2012 10-Year Plan. It must show prudent financial management by our Council and act as a guide when we make big funding decisions. It also outlines how the Council will tell the story about projects so that the community can understand the implication of big decisions on things like rates, debt and investments. The strategy is contained in full in Volume 3 (pp 9-16) of the 2012 10-Year Plan [www.qldc.govt.nz](http://www.qldc.govt.nz)

## Reporting Back on Financial Strategy Capital Programme



The graph above shows that the capital programme for 2012/13 has been reduced from the levels forecast in the 10 Year Plan. This is the result of consistent re-prioritisation of projects, so that capital expenditure is not committed until it is absolutely necessary. This has meant that several projects have been deferred or staged including Project Shotover. For a list of major projects programmed for the next 3 years, see page 8.

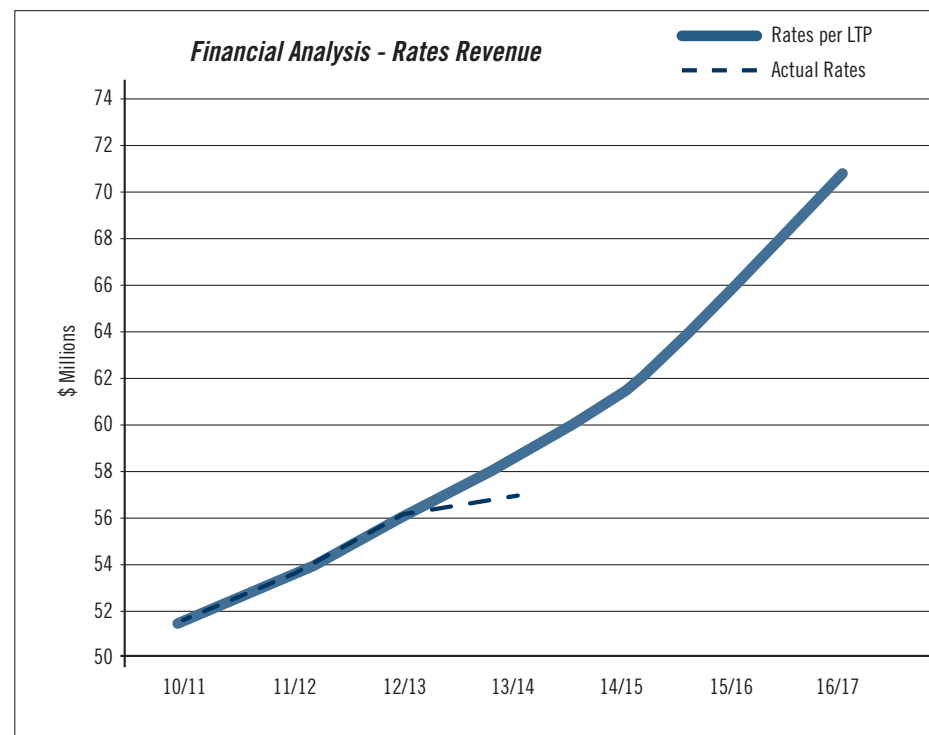
# RATES

RATES INCREASE - ACTUAL & FORECAST (AFTER ALLOWING FOR GROWTH)		
	ACTUAL	LTP FORECAST
2012/13	2.78%	2.70%
2013/14	0.0%	2.25%
2014/15	-%	2.77%
2015/16	-%	5.70%
2016/17	-%	5.36%

The table above shows the actual rates increases over the past two years compared to the increases forecast in the 10 Year Plan. The total rates for 2013/14 are \$56.6m compared to the forecast amount of \$58.4m. This represents a saving of \$1.79m.

The larger increases for 2015/16 and 2016/17 reflect the impact of major new facilities including Project Shotover in Queenstown and the Wanaka Sports Facility. Both of these projects represent significant increases to current levels of service and consequently increased costs. Council will separately disclose the rating impact of these new facilities as part of the annual planning process.

The graph at right shows actual rates revenue plotted against forecast levels. The actual line is diverging because of the \$1.79m of savings achieved in the Annual Plan 2013/14.





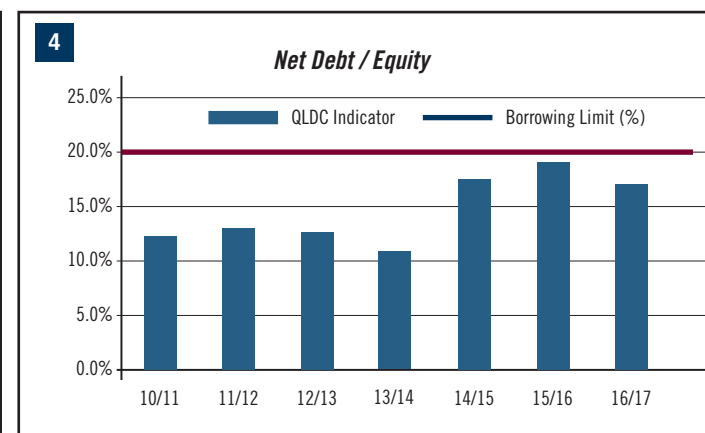
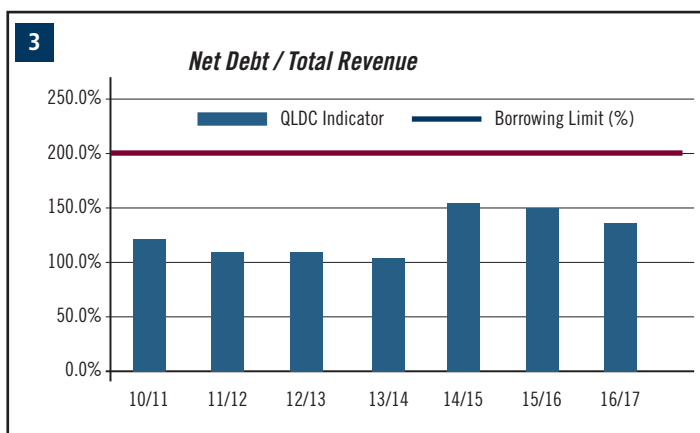
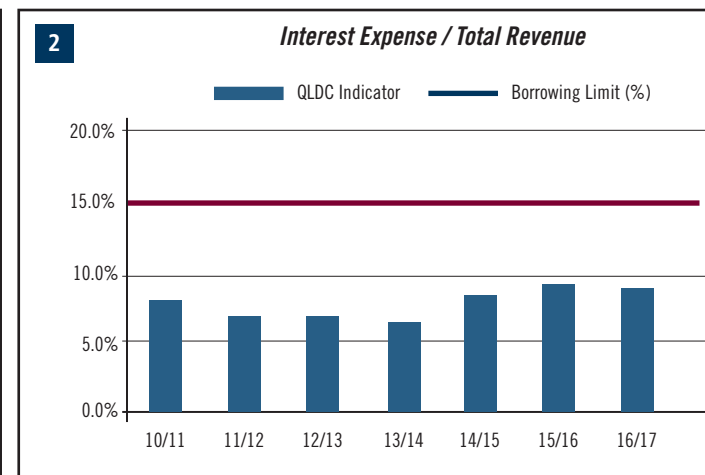
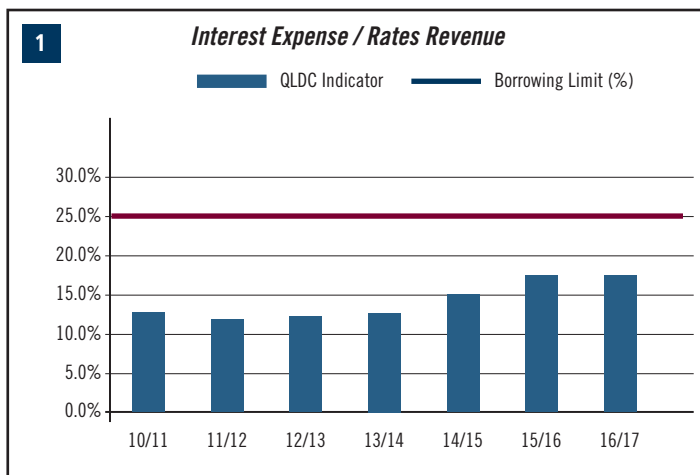
# DEBT LEVELS

The actual and proposed levels of debt are now within all of the Council's self-imposed borrowing limits:

	Borrowing Limits (%)	ACTUAL 2010/11	ACTUAL 2011/12	ESTIMATED 2012/13	AP FORECAST 2013/14	LTP FORECAST 2014/15	LTP FORECAST 2015/16	LTP FORECAST 2016/17
1	Interest Expense / Rates Revenue < 25%	12.6%	12.1%	13.8%	13.9%	15.0%	17.4%	17.1%
2	Interest Expense / Total Revenue < 15%	7.9%	6.7%	7.7%	7.4%	8.3%	9.2%	8.8%
3	Net Debt / Total Revenue < 200%	120.2%	105.9%	128.0%	112.3%	151.3%	148.8%	136.1%
4	Net Debt / Equity < 20%	12.3%	12.7%	15.3%	12.7%	17.6%	19.0%	17.1%

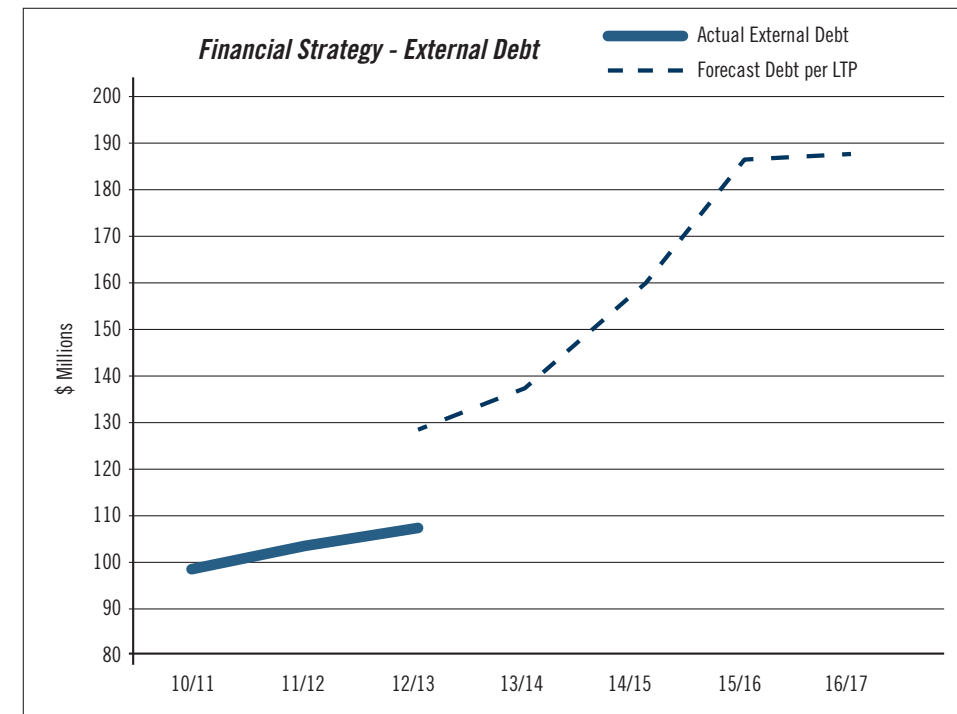
In order to deliver the large capital programme included in the 10-Year Plan, Council will need to rely on borrowing. Council has spent a considerable amount of time and effort working through the capital programme to ensure it is affordable and deliverable.

The growth portion of the capital programme will be funded by development contributions as growth occurs, but must be funded largely by debt in the first instance. This allows for Council to spread the cost of large infrastructural projects over the expected life of the asset. Using debt in this way, means that future residents and ratepayers contribute a fair share to the use they make of a facility.





The following graph shows the forecast debt levels from the 10-Year plan compared to actual debt levels up to 2012/13. As can be seen, actual debt levels are significantly reduced. The total debt as at 30 June 2013 is \$106m, which is \$22m less than forecast in the 10-Year Plan.



This is due to reduced capital spending as explained above and also to increased debt repayments.

Borrowing will have to increase in order to deliver the future capital programme but Council will ensure that the projects continue to be rigorously prioritised.

# CURRENT FINANCIAL YEAR

*July 2013 – June 2014*

*The main features of the Annual Plan budget for 2013/14 were:*

A decrease in operating costs of \$4.15 million - including a drop in maintenance costs for roading, 3 waters and reserves.

A decrease in operating revenue of \$7.4 million - including a drop in development contributions and vested assets.

A decrease in capital expenditure of \$8.6 million - including project deferral.

An increase in debt repayment of 2.4 million - from \$9.4 million to \$11.8 million.

*Council key issues for the year are:*

- **Implementing the recommendations of the Organisational Review** - The cost of implementing changes will be met from savings delivered in 2013/14.
- **Convention Centre** - The potential funding arrangements are still subject to negotiation. Council has committed to undertake a consultation process (August), which will fully disclose any potential cost to allow residents and ratepayers to make informed comments.
- **Project Shotover** – A \$2.6 million contract has been awarded for the construction of Inlet Works which will improve the initial screening process at the treatment facility – due to be completed August 2013. The \$35.9 million upgrade of the Wakatipu wastewater treatment system will be staged with the cost spread across the next 13 years. Stage One of Project Shotover involves the construction of a treatment plant for purifying and removing solids at the site of the current treatment ponds, adjacent to the Shotover Bridge. A two-step process to identify and engage a Design Build Operate contractor for the \$27 million first stage of the project started in June 2013 with a request for interested parties to take part in a pre-qualification process. Once that process is completed, selected candidates will be asked to complete a detailed Request for Proposal (RFP).
- **Event Funding** - The Council resolved to implement the Events Strategy and increase the budget for the Event Fund by \$200,000 to \$500,000 per annum towards supporting commercial events. The Events Fund will be divided into three categories for Funding Applications: Commercial Events Fund (Major Economic Events & Niche Economic Events) (Year 1 \$500k, Year 2 \$500k); Major Community Events Fund (Year 1, \$150k, Year 2 \$225k); Local Community Events Fund (Year 1, \$50k, Year 2 \$75k).
- **Wanaka Sports Facility** - The Wanaka Sports Facility continues to be a priority. The budget has been allocated in the 10-Year Plan and a project manager has just recently been appointed. The project will be largely loan funded but Council will be seeking to offset this with community trust funding. A construction programme is yet to be finalised however title is to be issued no later than 2016.

# CURRENT FINANCIAL YEAR CONTINUED

- **Campground Review** - Future management of the campgrounds is still subject to a Council decision. In principle, QLDC is open to any commercial arrangement which achieves the goal of removing the financial burden of managing campgrounds from the ratepayer. This could include sale of all of the assets, leasing of those assets, or other commercial arrangements. However the land on which the campgrounds sit is reserve and will remain in Council ownership.
- The Shaping Our Future Economic Future Forum identified a vision to ensure a complementary, diversified, high value, knowledge based, sustainable economy. The forum submitted to the Draft Annual Plan to fund a study to consider the development of an **Economic Development Strategy**. The Council supported funding of \$80k to develop a strategy for further consideration, including the option of establishing an economic development agency.
- The Council decided to increase debt repayments by \$1,414,150 to reflect 100% use of the expected **QAC dividend**.
- The Council has delivered an average **rates** increase of zero percent (after allowing for growth). The range depends on the value, location and services of your property ie Lower Values: -1.71% to +2.03%; Median Values: -1.59% to +1.31%; Higher Values: -0.86% to +1.49%.
- **Roading** is Council's single biggest cost, which is why Council has been testing the level of service associated with roads. In 2013/14 the Council has budgeted \$11.8 million for resurfacing, upgrades, improvements and unsealed road treatment.

## *Other major projects*

Book replacement Wanaka and Queenstown Libraries	\$155,000
Water Supply Renewals Queenstown	\$437,000
Water Supply Renewals Wanaka	\$430,000
Hawea Water Supply Upgrades	\$1 million
Arrowtown Water Supply treatment upgrade and renewal	\$281,000
Arthurs Point Water Supply Upgrade	\$208,000
Stormwater renewal Wakatipu	\$205,000
Stormwater renewal Wanaka	\$256,000
Wastewater renewal Queenstown	\$482,000
Wastewater renewal Frankton Flats	\$482,000
Wastewater renewal Wanaka	\$260,000



## *Find out more*

More information is available on the Council's website [www.qldc.govt.nz](http://www.qldc.govt.nz) or you can request information from [services@qldc.govt.nz](mailto:services@qldc.govt.nz) or phone Council (03 441 0499)

# LOOKING AHEAD

## *The Next Three Years 2014/15-2016/17*

This section provides an overview of the major projects and financial position for the next three years. This information has been taken from Council's 2012-2022 10-Year Plan, which was adopted June 2012.

Every three years Council prepares a 10-Year Plan, which outlines the work programme and financial implications for that ten year period. Council is then also required to prepare an Annual Plan, which updates the priorities and budgets for a particular year.

The information in this section is drawn from the 2012-2022 10-Year Plan and is therefore not current. This information will next be tested and likely amended when Council prepares its 2014/2015 Annual Plan and the 2015-2025 10-Year Plan.

The information is not necessarily an accurate reflection of the next three years, but it is a reasonable indication and at time of preparation a 'best attempt' to project the coming years.

## *Major Projects Planned 2014/15-2016/17*

Project	2014/15	2015/16	2016/17
Events Centre Extension – Two additional courts and additional parking 240 cars and 12 buses	\$110,000	\$5,652,000	\$4,938,000
Events Centre Extension – four new sportsfields	\$50,000	\$1,988,00	
Wanaka Sports Facility Building - main sports facility with three indoor courts, reception, changing facilities, two lit playing fields, three lit outdoor courts, artificial turf practice area, parking	\$16,418,000		
Project Shotover - design and construction of treatment process	\$16,965,000	\$4,230,000	
Water Supply Renewals Districtwide	\$1,046,000	\$1,207,000	\$1,519,000
Glenorchy New Wastewater Scheme*	\$2,922,000		
Cardrona New Wastewater Scheme*	\$2,942,000		
Remakables Pump Station Upgrades – Long term upgrade and construction of second pump station and additional emergency storage		\$535,975	\$609,000
CBD to Frankton (Wastewater)			\$2,056,000
Edgewater Gravity Sewer Upgrade – Between Morrows Mead and Wanaka Mt Aspiring Road			\$853,764
Stormwater Renewals	\$295,000	\$286,000	\$292,000
Kingston New Water Supply Scheme*	\$33,000	\$34,000	\$3,462,000
Beacon Point filtration/UV (provisional on testing outcomes)	\$600,000		
Leary's Gully Pump Station and Rising Main stage 2		\$1,923,744	
Western Filtration/UV (provisional on testing outcomes)	\$328,000		
Arrowtown Reservoir Stabilisation – Upper retaining wall		\$653,400	
Lake Hayes Water Supply Capacity Upgrade		\$544,500	
Sealed Road Resurfacing	\$3,153,000	\$3,838,000	\$5,442,000
Sealed Road Upgrades	\$669,000	\$8,298,000	\$6,707,000
Associated Improvements	\$804,000	\$1,741,000	\$1,732,000
Unsealed road metalling	\$1,305,000	\$1,351,000	\$1,393,000
New Road New Link SH6 Easter Access Road	\$310,000	\$4,187,000	\$4,317,000
Wanaka North Eastern Corridor (Ballantyne / Hedditch / Lismore)	\$95,000	\$404,000	\$417,000

*\*Subject to consultation with community regarding affordability.*

# FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE

Actual 2010/11	Actual 2011/12	Estimated 2012/13		LTP Forecast 2014/15	LTP Forecast 2015/16	LTP Forecast 2016/17
			Operating Income (\$000)			
51,353	53,490	56,035	Rates	61,089	65,734	70,703
30,399	43,494	41,068	Other Income	49,132	58,686	66,094
(2,187)	(5,275)	-	Other Gains /(Losses)	-	1,327	1,353
79,565	91,709	97,103	Total Operating Income	110,221	125,747	138,150
			Cost of Services (\$000)			
79,012	77,019	80,173	Total Operating Cost (See Table for detail)	91,282	99,698	107,036
553	14,690	16,930	Net Surplus (\$000)	18,939	26,049	31,114

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE

Actual 2010/11	Actual 2011/12	Estimated 2012/13		LTP Forecast 2014/15	LTP Forecast 2015/16	LTP Forecast 2016/17
553	14,690	16,930	Net Surplus (\$000)	18,939	26,049	31,114
			Other Comprehensive Income (\$000)			
70,535	-	-	Gain/(Loss) on Revaluation	-	-	80,614
71,088	14,690	16,930	Total Comprehensive Income (\$000)	18,939	26,049	111,728

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE

Actual 2010/11	Actual 2011/12	Estimated 2012/13		LTP Forecast 2014/15	LTP Forecast 2015/16	LTP Forecast 2016/17
725,054	796,142	810,832	Forecast Opening Equity (\$000)	930,928	949,867	975,916
71,088	14,690	16,930	Total Comprehensive Income	18,939	26,049	111,728
796,142	810,832	827,762	Forecast Closing Equity (\$000)	949,867	975,916	1,087,645



# FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

Actual 2010/11	Actual 2011/12	Estimated 2012/13		LTP Forecast 2014/15	LTP Forecast 2015/16	LTP Forecast 2016/17
			Current Assets (\$000)			
991	1,240	990	Bank and Cash	381	382	382
12	12	13	Short Term Investments	14	15	15
8,364	9,876	8,489	Accounts Receivable	8,491	8,491	8,491
348	890	348	Other Current Assets	348	348	348
292	292	292	Development Property	292	5,018	2,655
10,007	12,310	10,132	Total Current Assets (\$000)	9,526	14,254	11,891
			Non Current Assets (\$000)			
6,626	6,577	6,626	Investments	6,626	6,626	6,626
66,332	64,458	66,332	Investment Properties	66,332	67,659	69,012
828,070	848,706	864,439	Fixed Assets	1,048,389	1,086,804	1,200,510
-	-	-	Non Current Assets (\$000)	-	-	-
901,028	919,741	937,397	Total Non Current Assets (\$000)	1,121,347	1,161,089	1,276,148
911,035	932,051	947,529	Total Assets (\$000)	1,130,873	1,175,343	1,288,039
			Current Liabilities (\$000)			
11,151	13,146	11,958	Accounts Payable	11,957	11,959	11,958
5,515	5,399	2,309	Other Financial Liabilities	2,309	2,309	2,309
53	70,068	45,500	Current Term Debt	25,011	27,774	27,919
16,719	88,613	59,767	Total Current Liabilities (\$000)	39,277	42,042	42,186
98,174	32,606	60,000	Non Current Liabilities (\$000)	141,729	157,385	158,208
114,893	121,219	119,767	Total Liabilities (\$000)	181,006	199,427	200,394
			Public Equity (\$000)			
335,033	326,213	322,139	Reserves	392,088	397,829	492,325
461,109	484,619	505,623	Accumulated Funds	557,779	578,087	595,320
-	-	-	Non controlling interest	-	-	-
796,142	810,832	827,762	Total Public Equity (\$000)	949,867	975,916	1,087,645
					0	-0
911,035	932,051	947,529	Total Liabilities and Equity (\$000)	1,130,873	1,175,343	1,288,039

# FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE

Actual 2010/11	Actual 2011/12	Estimated 2012/13		LTP Forecast 2014/15	LTP Forecast 2015/16	LTP Forecast 2016/17
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
83,413	90,773	90,974	Cash was provided from:			
			Receipts from Ratepayers and Other Income	100,439	114,307	119,541
83,413	90,773	90,974		100,439	114,307	119,541
(53,552)	(56,071)	(54,262)	Cash was applied to:			
(6,469)	(6,470)	(6,745)	Payments for Expenses and Services	(59,626)	(62,968)	(67,766)
			Interest Paid on Loans	(9,134)	(11,437)	(12,067)
(60,021)	(62,541)	(61,007)		(68,760)	(74,405)	(79,833)
23,392	28,232	29,967	Net Cash from Operating Activities	31,679	39,902	39,708
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
-	-	-	Cash was provided from:			
114	399	-	Proceeds from Development Properties	-	-	9,161
114	399	-	Proceeds from Asset Sales	-	-	-
				-	-	9,161
(22,012)	(32,829)	(33,046)	Cash was applied to:			
-	-	-	Purchase of Plant and Assets	(62,384)	(55,210)	(46,162)
(22,012)	(32,829)	(33,046)	Purchase of Development Property	-	(3,111)	(3,675)
(21,898)	(32,430)	(33,046)	Net Cash used in Investing Activities	(62,384)	(58,321)	(49,837)
				(62,384)	(58,321)	(40,676)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
-	49,500	22,349	Cash was provided from:			
			Long Term Debt	51,110	43,430	28,742
(829)	(45,053)	(19,271)	Cash was applied to:			
			Settlement of Long Term Debt	(20,405)	(25,011)	(27,774)
(829)	4,447	3,078	Net Cash from Financing Activities	30,705	18,419	968
665	249	(1)	Net Increase/(Decrease) in Cash Held	-	-	-
326	991	991	Total Cash Resources at 01 July	381	381	381
991	1,240	990	Total Cash Resources at 30 June	381	381	381
<b>Cash Resources represented by:</b>						
991	1,240	990	Bank and Cash	381	381	381
-	-	-	Bank Overdraft	-	-	-
991	1,240	990	Total Cash Resources	381	381	381

# FINANCIAL STATEMENTS

## FUNDING IMPACT STATEMENT - Whole Council

Annual Plan 2013/14		LTP Forecast 2014/15	LTP Forecast 2015/16	LTP Forecast 2016/17
<b>Sources of Operating Funding (\$000)</b>				
2,116	General Rates	2,049	2,205	2,371
54,455	Targeted Rates	59,040	63,529	68,332
21,386	User Charges & Targeted Rates for Water Supply	13,344	14,048	14,803
3,749	Grants & Subsidies for Operating expenditure	4,020	4,228	4,423
2,858	Dividends from Investments	3,618	3,625	4,607
3,017	Other Operating Funding	3,207	3,278	3,352
87,581	<b>Total Sources of Operating Funding</b>	85,278	90,913	97,888
<b>Applications of Operating Funding</b>				
64,158	Payments to Staff and Suppliers	59,624	62,968	67,766
7,869	Finance Costs	9,134	11,437	12,067
-	Other Operating Funding Applications	-	-	-
72,027	<b>Total Applications of Operating Funding</b>	68,758	74,405	79,833
15,554	<b>Surplus/(Deficit) of Operating Funding</b>	16,520	16,508	18,055
<b>Sources of Capital Funding</b>				
7,173	Grants & Subsidies for Capital expenditure	7,922	15,744	13,829
5,474	Development Contributions	7,240	7,650	7,824
-	Gross Proceeds from Property Sales	-	-	9,161
2,662	Increase/(Decrease) in Debt	30,705	18,419	968
-	Lump Sum Contributions	-	-	-
15,309	<b>Total Sources of Capital Funding</b>	45,867	41,813	31,782
<b>Applications of Capital Funding</b>				
	Capital Expenditure			
13,788	- to meet additional demand	20,628	22,424	18,195
8,958	- to replace existing assets	11,001	12,478	10,915
8,119	- to improve the level of service	30,760	23,422	20,727
(2)	Increase/(Decrease) in Reserves	(2)	(3)	-
-	Increase/(Decrease) of Investments	-	-	-
30,863	<b>Total Applications of Capital Funding</b>	62,387	58,321	49,837
(15,554)	<b>Surplus/(Deficit) of Capital Funding</b>	(16,520)	(16,508)	(18,055)
-	<b>Funding Balance</b>	-	-	-

# FINANCIAL STATEMENTS

## Reconciliation of Funding Impact Statement to Prospective Statement of Financial Performance

2013/14		2014/15	2015/16	2016/17
	<b>INCOME (\$000)</b>			
	<b>Statement of Financial Performance:</b>			
<b>105,714</b>	<b>Total Operating Income</b>	<b>110,221</b>	<b>125,747</b>	<b>138,150</b>
	<b>Funding Impact Statement:</b>			
87,581	Total Sources of Operating Funding	85,278	90,913	97,888
	Plus Sources of Capital Funding:			
7,173	Grants & Subsidies for Capital expenditure	7,922	15,744	13,829
5,474	Development Contributions	7,240	7,650	7,824
-	Gross Proceeds from Property Sales	-	-	9,161
-	Less Cost of Property Sales	-	-	(2,363)
	Plus Non Cash Items:			
5,486	Vested Assets	9,781	10,113	10,458
-	Revaluation - Non Current Assets	-	1,327	1,353
<b>105,714</b>	<b>Total Income</b>	<b>110,221</b>	<b>125,747</b>	<b>138,150</b>
	<b>EXPENDITURE</b>			
	<b>Statement of Financial Performance:</b>			
<b>92,693</b>	<b>Total Operating Cost</b>	<b>91,282</b>	<b>99,698</b>	<b>107,036</b>
	<b>Funding Impact Statement:</b>			
72,027	Total Applications of Operating Funding	68,758	74,405	79,833
	Plus Non Cash Items:			
<b>20,666</b>	<b>Depreciation</b>	<b>22,524</b>	<b>25,293</b>	<b>27,203</b>
<b>92,693</b>	<b>Total Expenditure</b>	<b>91,282</b>	<b>99,698</b>	<b>107,036</b>



## ***Find out more***

More information is available on the Council's website [www.qldc.govt.nz](http://www.qldc.govt.nz) or you can request information from [services@qldc.govt.nz](mailto:services@qldc.govt.nz) or phone Council (03 441 0499)

# 2013 PRE-ELECTION REPORT



QUEENSTOWN  
LAKES DISTRICT  
COUNCIL

*Queenstown Office  
10 Gorge Road,  
Private Bag 50072,  
Queenstown 9348,  
New Zealand  
Ph 64 3 441 0499*

*Wanaka Office  
47 Ardmore Street,  
Wanaka,  
New Zealand  
ph 64 3 443 0024*

*email: [services@qldc.govt.nz](mailto:services@qldc.govt.nz)*

*[www.qldc.govt.nz](http://www.qldc.govt.nz)*