

# 10 Year Plan 2015-2025

Supporting Documents

Unaudited



VOLUME

2

FINANCIAL

# 10 Year Plan 2015-2025

SUPPORTING DOCUMENTS

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# Introduction and Assumptions

## Prospective Financial Statement Disclosures

This document has been prepared to meet certain legislative requirements included within the Local Government Act 2002. Accordingly it may not be appropriate for any other purpose.

The prospective financial statements comply with Financial Reporting Standard 42, Prospective Financial Statements (FRS 42).

Actual results during 2015/16 to 2024/25 are likely to vary from the information presented and those variations are likely to be material. Actual events and transactions have not been reflected in the prospective financial statements. These prospective financial statements, along with the 10 Year Plan (TYP), are scheduled for adoption by resolution of the Council on 30 June 2015.

The Queenstown Lakes District Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other disclosures. It is intended that the prospective financial statements will be reviewed and updated annually via the Annual Plan process and three yearly via the TYP process.

The degree of uncertainty inherent in the forecast assumptions, on which the prospective financial statements are based, increases as the time period covered by the prospective financial statements increases.

## Significant Forecasting Assumptions and Risks

Schedule 10 (section 17) of the Local Government Act 2002 contains provisions relating to 'significant forecasting assumptions'. The Act requires that Council identifies the significant forecasting assumptions and risks underlying the financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions.

## Growth

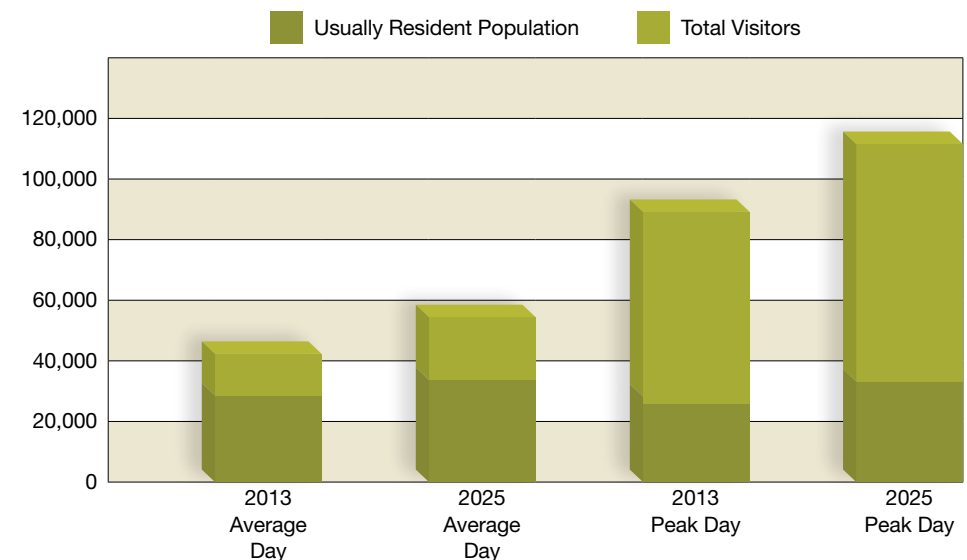
Growth is a major issue for the district and Council has spent considerable time and effort in developing comprehensive growth projections. These have been estimated using the best information available.

Projections have been derived for:

- The resident population (which is useful when looking at some service provisions such as educational needs).
- The number of visitors, which is then further broken down into day visitors and those staying in private residences and in commercial accommodation.
- The number of occupied and unoccupied dwellings that will be required over time.
- The number of visitor units that will be required over time.

This information is then used to give the figures for an average day and a peak day.

## Growth Forecasts for the District as a Whole



Average day population	2013	2025	2045
Wanaka ward	14,700	18,700	24,500
Wakatipu ward	31,700	38,300	48,200
District	46,400	57,000	72,700

The average day population data for the district as a whole is expected to increase from an estimated 46,400 people in 2013 to an estimated 72,700 people in 2045 which is a growth rate of 1.77% per annum. This figure is comprised of residents, visitors staying in both commercial accommodation and private residences, and day visitors.

Of the average day population, approximately 64% is made up of usually resident population. Around 68% will stay/live in the Wakatipu ward and the remainder will be in the Wanaka ward.

For clarity, the above figures also include Wanaka outlying areas of Cardrona, Luggate, Hawea and Makarora and Queenstown's outlying areas of Glenorchy and Kingston. The projections are based on a 'business as usual' model and do not assume any constraints or intervention in the market. The projections also assume the current zonings and also assume that some additional zoning will be released in south Wanaka and Frankton Flats in the foreseeable future.

### The peak day population growth

Peak day population	2013	2025	2045
Wanaka ward	36,700	46,700	61,600
Wakatipu ward	56,500	68,800	87,600
District	93,200	115,500	149,200

For clarity, the above figures also include Wanaka's outlying areas of Cardrona, Luggate, Hawea and Makarora and Queenstown's outlying areas of Glenorchy and Kingston.

The peak day population data for the district as a whole is expected to increase from an estimated 93,200 in 2013 to an estimated 149,200 in 2045 which is a growth rate of 1.87% per annum. This figure is comprised of residents, visitors staying in both commercial accommodation and private residences, and day visitors.

It is noted that the peak period is over the New Year period and lasts for a relatively short time. The peak population information is particularly important for Council's infrastructure planning as the infrastructure such as roads, water, and sewage need to be designed to cope at those times.

### Inflation

Financial projections over the ten year period have been adjusted to include estimated inflation. The indices below have been prepared by Business and Economic Research Limited (BERL), an economic forecasting agency. The inflation indices used are:

	Roading	Property	Water	Energy	Staff	Other
2015/16	1.2%	2.2%	5.2%	3.5%	1.1%	2.3%
2016/17	1.4%	2.4%	3.8%	3.8%	1.9%	2.5%
2017/18	2.2%	2.5%	3.0%	3.9%	2.0%	2.6%
2018/19	2.4%	2.6%	3.2%	4.1%	2.1%	2.7%
2019/20	2.5%	2.8%	3.3%	4.3%	2.2%	2.9%
2020/21	2.7%	2.9%	3.5%	4.5%	2.3%	3.0%
2021/22	2.8%	3.0%	3.7%	4.7%	2.4%	3.1%
2022/23	3.0%	3.2%	3.8%	4.9%	2.5%	3.3%
2023/24	3.1%	3.3%	4.0%	5.1%	2.6%	3.4%
2024/25	3.3%	3.4%	4.2%	5.3%	2.7%	3.6%

In respect of financial projections for 2015/16, these have been calculated in estimated 2015/16 dollars.

### Interest Rates

Interest is charged on borrowed funds (both internal and external) on an expected medium term average interest rate of 6.0% per annum.

Interest rates on short term investments will vary depending on the term of investment and this term is determined by the working capital position and needs at the time surplus cash arises. Council does not anticipate having investments that will generate a return.

### Fixed Assets

The Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is reflected in the Statement of Accounting Policies. The useful lives are consistent with the assumptions applied to valuing each asset category and were determined by experienced and qualified asset valuers.

### Capital Expenditure

The projected capital expenditure for those activities with Asset Management Plans has been drawn directly from those plans. The projected expenditure profiles for Water Supply, Wastewater, Stormwater and Roothing have recently been reviewed and updated in light of the latest growth scenario. Asset Management Plans also exist for Marine Facilities, Buildings, Property, Solid waste and Reserves and Open Space. For those activities without Asset Management Plans, projected expenditure is based on historic levels adjusted for expected growth.

### Land Transport New Zealand Subsidies

Council has assumed that the basic rate of financial assistance for qualifying roading projects will be 51% for the duration of the plan. It is also assumed that the current levels of subsidies for Special Purpose Roads (SPR's) will be available for the next 3 years. It is then assumed to be 74% for years 4 to 7 and 51% for years 8 to 10.

It is also assumed that subsidies will be available to assist with the delivery of roading and transportation projects contained within Council's transport strategies. Council continues to work in collaboration with New Zealand Transport Agency (NZTA) in an attempt to agree on the best long term solutions for the district's transport issues.

### Revaluation of Infrastructural Assets

Estimates have been made in relation to the revaluation of infrastructural assets beginning in 2016 and continuing on a three-yearly cycle. The revaluation amount is based on an adjustment made to asset values for inflation movements for opening infrastructural values and capital additions made during intervening years.

### Revaluation of Non-infrastructural Assets

Estimates have been made in relation to the revaluation of non-infrastructural assets. Investment Property is forecast to increase by 1% per annum from 2015/16 through to 2024/25.

### Depreciation

Depreciation on infrastructural assets is calculated by applying a depreciation rate to allocate the cost or revaluation, after taking into account any expected residual value, over the assets' useful lives. The assets' useful lives are shown in the accounting policies.

### Resource Consents

Council has assumed that it will successfully obtain the necessary resource consents for all new infrastructural capital works. Other projects, particularly new roads, will depend upon successfully acquiring the necessary designations if they do not currently exist.

### Borrowing

Council has assumed that it will successfully enter into agreements with lenders in order to provide the necessary financing for the capital works programme contained in this plan.

### Vested Assets

Council has included estimates for the value of infrastructural assets vested in Council as part of the subdivisional approval process. These estimates have been based on average values for the past years adjusted for inflation.

### Provision for Leaky Buildings

Council has not included any provision for loss in relation to potential leaky building claims. Any 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. Should Council be found liable in relation to any future claims, this may impact on rates for the period.

### Changes in Legislation

Council has assumed that any future government legislative, regulatory, or policy changes will not significantly increase council costs.

## Major Community Projects

### Wanaka Sports Facility

The Wanaka indoor sports stadium is assumed to be completed in 2015/16. The capital expenditure projections include an allowance for the completion of this project of \$11.7m (total cost \$13.9m). This reflects the latest scope of works recommended for Stage 1. It is assumed that \$2.1m in grants will be received for this project. It is projected that the facilities will have an operating deficit of \$0.8m per annum.

The Wanaka Swimming Pool is assumed to be completed in 2017/18 at a cost of \$15.4m. The capital expenditure projections reflect an eight lane option at Three Parks. It is assumed that \$2.3m in grants will be received for this project. It is projected that the facilities will have an operating deficit of \$1.2m per annum.

There were other significant recreational projects programmed for the Queenstown Events Centre site in the 2012-22 TYP. These included an extension to the main sports hall, development of parking and sports-fields. These are not included in the 2012-25 capital programme. Expenditure for a Queenstown convention centre has not been provided for during the next 10 years.

### Project Shotover

The capital programme for waste-water does include the delivery of the project to upgrade waste-water treatment in Queenstown (Project Shotover). The total capital cost is estimated at \$35.9m. The first stage incorporates the design and build of the treatment plant (\$27.1m). We expect tenders to be accepted during 2014/15 and the plant to be fully operational by October 2016. This timetable has been discussed and agreed in principle with Otago Regional Council. Council will be seeking to vary the existing consent to defer the construction of the disposal fields. The reason for this is to promote affordability and allow community consultation on the costs/benefits of this aspect (\$10.7m).

### Queenstown Convention Centre

The capital programme includes the construction of a Convention Centre at the Lakeview site in Queenstown. The total capital cost is estimated at \$55m. We expect tenders to be accepted during 2015/16 and the centre to be fully operational by December 2016. Council is expecting to receive capital grant funding of \$25.3m towards the project.

### Service Delivery

It is assumed that existing levels of service will be maintained unless specifically highlighted in the Activity Management Plans and that existing service delivery mechanisms continue for the duration of the Plan.

### Development Contributions

Council has updated its Policy on Development Contributions effective from 1 July 2015. Council has revised the revenue expected to 80% of that indicated in the draft Development Contributions Policy for 2015/16. This has increased from 50% allowed for in the 2012 TYP and reflects the higher development activity levels expected.



## Dividend Income

Council has forecast receipts of dividends from Queenstown Airport Corporation in line with the corporation projections and the dividend policy. Over the 10 year period this equates to \$52m. It is assumed that 100% of this income will be used to repay debt.

## Water Treatment Standards

The capital programme for water supply does include physical works to upgrade water treatment service levels through Ultraviolet (UV) water treatment over the 10 years of the plan. This continues the programme which commenced in 2012. At this stage it is not clear whether filtration will also be required. This will depend on testing yet to be undertaken. It is recognised that the costs of providing upgraded water treatment service levels may not be affordable for some of our smaller schemes.

## Property Sales

Continued development of Council subdivisions at the Commonage (Queenstown Hill) and Scurr Heights at Wanaka are expected to occur at some stage in the next 10 years, although the actual timeframes will be dictated by market conditions. This is not expected to occur in the next 3 years. Budgets for development of the next stage of the Commonage and Scurr Heights have not been included within the TYP.

## Lakeview Development

In December 2013 the Council adopted a set of development principles for the Lakeview site and committed to enter into negotiations with private sector partners for development of the site. The site comprises a mixture of freehold land and reserve land. In order to realise the site's development potential, for public and private use, a re-allocation of the land parcels is being considered. This will require some of the Lakeview land that is owned freehold by the Council to be exchanged for an equal area of land held and administered as reserve land by the Council. The proposed land exchange (swap) of land on which the Queenstown Holiday Park is partially located remains subject to a further public process under the Reserves Act (including approval from the Minister of Conservation). Budgets for the development of the site have been included in the TYP (\$9.0m) but no sale proceeds have been factored in.

## Significant Risks Considered when Preparing the TYP

There are a number of risks that have been considered in the preparation of the TYP. Outlined below are the key risks and the mitigation strategy adopted.

### Key Risk

Price Level Adjustments differ significantly to that included in the TYP. The cumulative effect of price level changes over the period of the TYP probably introduces the greatest uncertainty into the financial estimates (will probably occur).

### How Addressed in TYP or Mitigation Measure

The TYP has been prepared based on price level adjustments based on the adjustments recommended by BERL, an economic forecasting agency. All financial estimates, unless explicitly stated, are stated in price adjustment terms. There are few realistic mitigation measures that the Council can take to address the effects of inflation. As it reviews its TYP, the Council will consider the effects of price level changes and alter its future year projections accordingly. Presently, the Council has not considered it necessary to alter the level of services offered to compensate for future prices level changes. In the future, it is possible the Council may need to consider this option should the effect of price level adjustments exceed the ability of the community to afford the services provided.

### Key Risk

Growth occurs at rates different to that forecast (will probably occur).

### How Addressed in TYP or Mitigation Measure

The TYP has assumed growth based on the latest projections, which is the best information available. Capital expenditure and revenue forecasts have been based on these assumptions. Most significant capital works include a growth component that will cater for changes in demand. The cost impacts of growth in population have been assessed for the next 10 years. Just over 34% (2012: 50%) of the total capital expenditure is required to provide infrastructure to meet the demands of future growth. This can cause funding issues because Council cannot be certain as to when the growth will occur. In time, most of this expenditure will be recovered from developers through the charging of development contributions, but in the interim a large proportion of this cost must be borrowed. It is Council's Intention to deliver the growth related capital projects on a 'just in time' basis. This means that additional capacity will not be provided until Council is satisfied that it is absolutely necessary to do so.

However, if growth is faster than forecast, many of the engineering solutions cater for growth up to 50 years out, therefore it may mean at some stage in the future, upgrades need to occur sooner than anticipated. This is not considered a high risk.

Of greater sensitivity is the impact on revenue forecasts. The Council has made assumptions about the level and amount of development contributions to be received as a result of growth and also the number of ratepayers that are in the district to share the rating burden. If development occurs at different rates, then these projections will need to be amended.

The Council will review growth rates whenever updated information is available and prior to every annual plan and TYP. If there are significant changes in the trends then the forecasts and the Development contributions Policy will be amended accordingly.



### Key Risk

Capital expenditure forecasts for major capital projects vary considerably from those contained in the TYP (may occur).

### How Addressed in TYP or Mitigation Measure

The estimates are based on the best information available at present. Detailed design has not always been undertaken, therefore until the design is complete and the projects tendered, it is possible that the final cost will vary from that forecast in the TYP. This risk applies to a number of larger capital projects, however, the estimates that do appear in the asset management plans have been thoroughly reviewed to ensure that they are realistic and include a 20% scope contingency.

### Key Risk

Major adverse event eg earthquake, flood, pandemic (may occur).

### How Addressed in TYP or Mitigation Measure

No specific provision is included in the TYP, although Civil Defence training is provided for and there are risk management plans for key infrastructure assets. Council does not hold insurance for roads or underground reticulation and in the event of a disaster, it is expected that major changes will be required to be made to expenditure programmes to allow for the repair of core infrastructure.

### Impact on forecasting Assumptions as a Result of High Uncertainty

There are no cases in the TYP that include a 'high' uncertainty. There are situations where there is some uncertainty relating to price level adjustments and the impact of growth, which have been highlighted in the table above. These are discussed further below:

### Price Level Adjustments

The Council considers that the highest level of uncertainty relates to price level adjustments. Currently, New Zealand is experiencing a good level of growth in its economy. Should price level adjustments be higher than those contained in the TYP, then the cumulative effect of price level adjustments in later years could be significant. The Council has relied on independent recognised economic forecasters to determine the price level adjustment factors. As the Council reviews its TYP it will revise future price level adjustment factors based on the best information available at the time.

## Growth Rates

As projected rates are inherently uncertain, there are possible implications for Council's capital works programme and for expenditure on Council's core infrastructure services, should eventual growth rates differ substantially from those projected in this document. Implications of both above and below projected growth eventuating, for the district, are discussed below.

### Above projected growth is realised:

The implications of higher than expected growth are that budgeted works in the capital works programme may need to be designed and implemented earlier than planned. This relates particularly to 'core services' of roading, water supply, and sewerage, where the need to service new developments is often more immediate. Most new services proposed, however, will cater for growth well beyond the TYP planning horizon. For example, Project Shotover (Queenstown Sewerage Disposal Scheme) will provide capacity for growth through to 2021, based on current growth rates. The implications of above projected growth for community services such as recreation, swimming pools and libraries would result in less urgent community demand for facility upgrades as the services are more discretionary. Other Council regulatory, long term planning and governance functions could be expanded as required to cater for additional function or demand. Additional Development contribution and rates revenue resulting from the increased growth would help to fund some of the increased demand for infrastructure, regulatory services and other facilities.

### Below projected growth is realised:

The implications of lower than expected growth are that budgeted works in the capital programme may be deferred. Core service infrastructure upgrades could be deferred, as lower rate and Development Contribution revenue would impact on the Community's ability to pay for all desired services. It is Council's intention to deliver the growth related capital projects on a 'just in time' basis. This means that additional capacity will not be provided until Council is satisfied that it is absolutely necessary to do so.

Other regulatory, long term community planning and governance services could be provided at status-quo levels as required. Elective facility development could be re-prioritised and deferred, as revenue to pay for planned upgrades may be more limited than anticipated.







# Financial Strategy

## Background

The Financial Strategy is a new requirement for the TYP (Section 101A of the Local Government Act 2002).

The purpose of the financial strategy is to facilitate:

- 1 prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
- 2 consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

The Financial Strategy is also required to provide additional information to allow ratepayers to understand the Council's overall financial position and the main issues or factors that have a significant impact in this area.

Many of the elements of Council's financial strategy are included in the various funding and financial policies required under Section 102 of the Local Government Act 2002. As such this financial strategy will not attempt to replicate the detail contained within these policies, but rather will summarise the important principles.

## Significant Factors

There are several factors that are expected to have a significant impact on the district for the period 2015 to 2025. Each of the factors is discussed in more detail in the following sections:

- Growth and Changes in Land Use – the district is expected to continue to show strong population growth
- Capital Expenditure to maintain levels of service – a large proportion of the capital programme is required for core infrastructure: roading; water supply; wastewater and stormwater.
- Capital Expenditure to improve current levels of service – there are several large projects which are largely driven by community desire to seek improvements (Project Shotover; Wanaka Sports Facility; Queenstown Convention Centre; Wanaka Aquatic Facility).

Capital expenditure on physical works over the next 10 years is lower than previously forecast. It amounts to \$385m (2012: \$445m) which represents a reduction of \$60m or around 14% compared to 2012. The capital expenditure programs for infrastructure have been derived from revised asset management plans that include the latest growth projections.

## a. Population Growth and Changes in Land Use

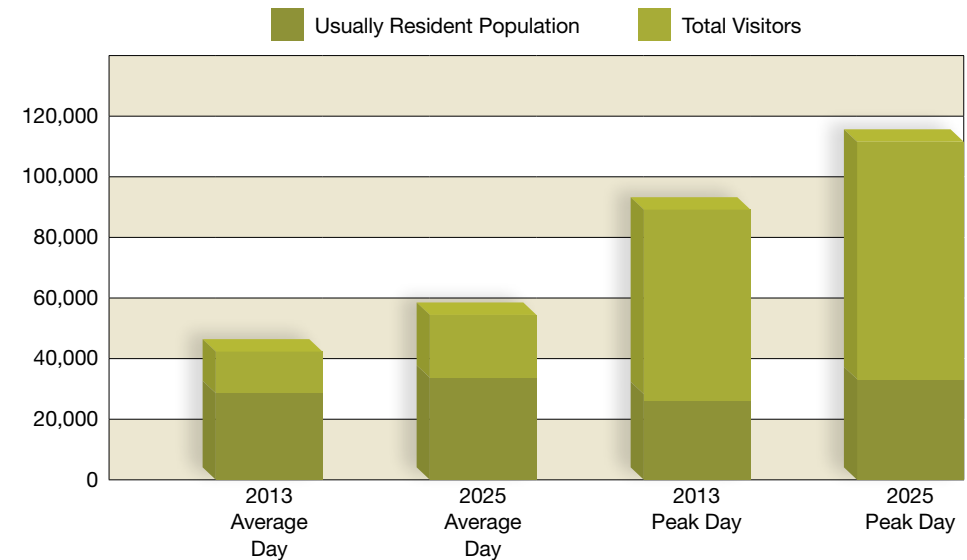
Detailed population projections for the district have been completed as part of the long term planning process. The district-wide results are summarised below:

Usually Resident – increase of 26.2% from 28,440 (2011) to 35,905 (2021).

Average Day – increase of 21.2% from 46,612 (2011) to 56,517 (2021).

Peak Day – increase of 22.0% from 89,346 (2011) to 108,970 (2021).

The growth in population is assumed to occur in areas which can provide additional capacity based on current district plan zoning rules. The Council's Dwelling Capacity model and historic growth rates have been used to apportion the expected growth into each census area unit.

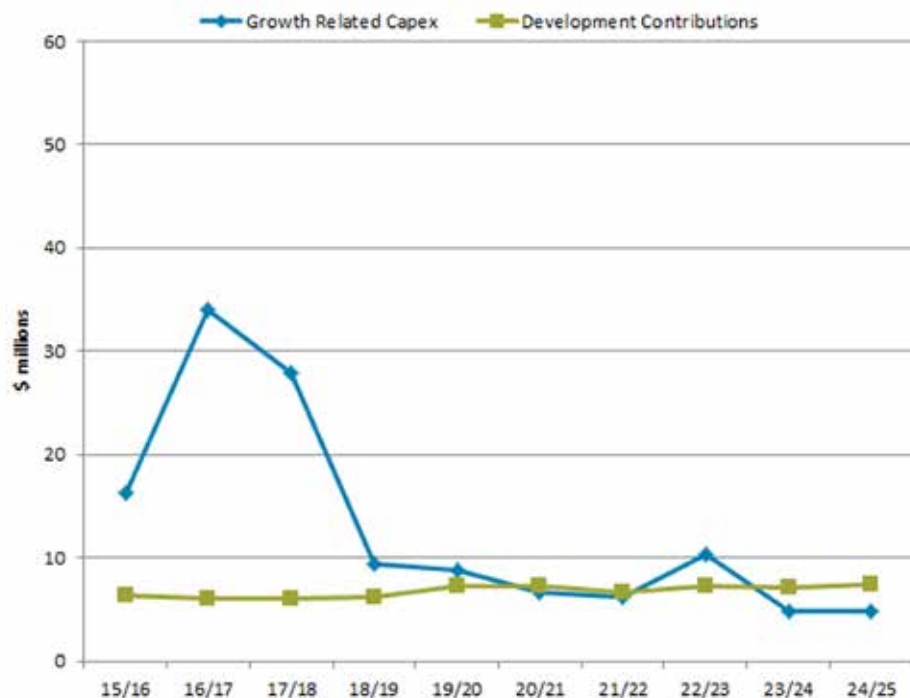


The cost impacts of growth in population have been assessed for the next 10 years. Just over 34% (2012: 50%) of the total capital expenditure is required to provide infrastructure to meet the demands of future growth.

This can cause funding issues because Council cannot be certain as to when the growth will occur. In time, most of this expenditure will be recovered from developers through the charging of development contributions, but in the interim a large proportion of this cost must be borrowed. It is Council's intention to deliver the growth related capital projects on a 'just in time' basis. This means that additional capacity will not be provided until Council is satisfied that it is absolutely necessary to do so. This is illustrated in the graph below:

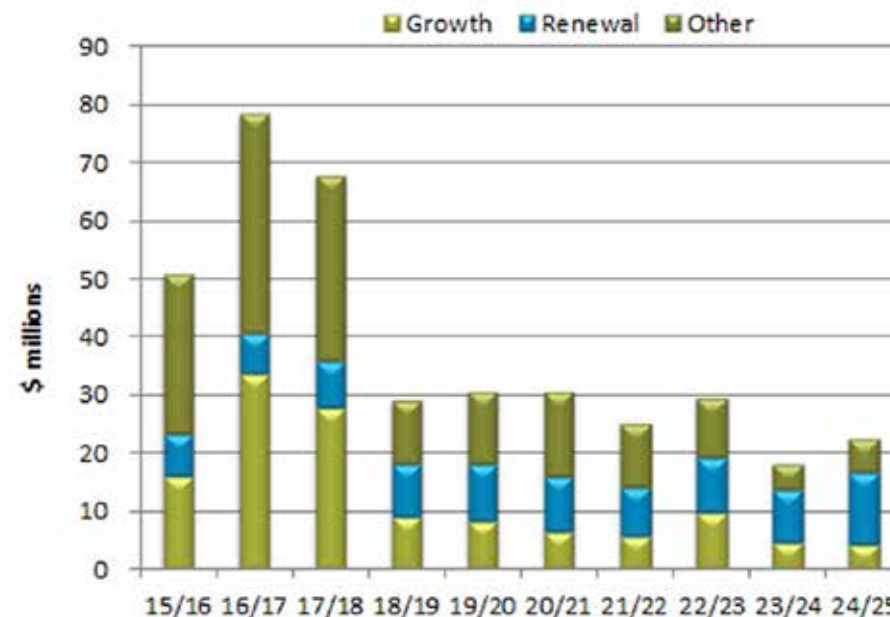


### Growth Related Capex (excluding Vested Assets) vs Development Contributions



Of the total capital cost of \$385m for the period, \$129m is required because of growth. Not included in this figure is \$102m of vested assets (infrastructural assets transferred to Council through the subdivisional approval process). Around 23.4% of the total capital expenditure is required to renew or replace existing assets and around 43.0% is required to provide increased levels of service.

### Capital Expenditure by Cost Driver Whole Council (Physical Works only)



In terms of operating expenditure, growth does have a direct impact on many expenses. As the population grows and more land is developed to accommodate the new arrivals, costs are increased as there are more roads and footpaths to maintain or reserves to mow. It is estimated that growth accounts for around 10% of the increase in operating costs over the period. The total increase in operating costs is \$46.2m or 51% over the 10 years.

In periods of slow growth or where growth is less than forecasted, it is recognized that development contribution income will not be sufficient to fund the full cost of servicing 'growth' loans. In these circumstances, Council will fund the shortfall by a combination of:

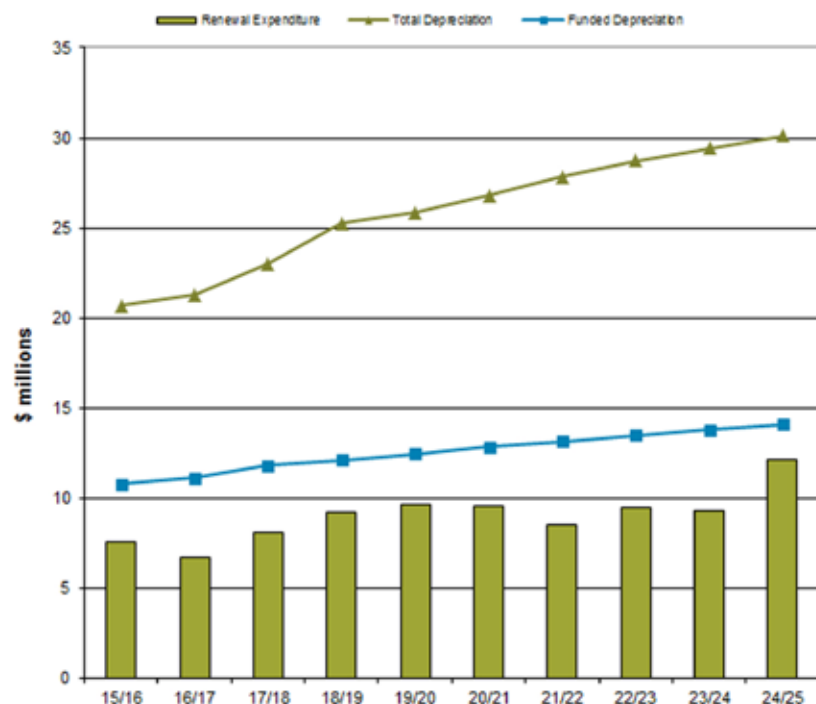
- Additional internal loans (repayments funded by general rates)
- Utilising 'excess' depreciation funds (especially Roading)

### b. Capital Expenditure to Maintain Existing Levels of Service

The cost impacts of renewing or replacing existing assets have been assessed for the next 10 years. Of the total capital cost of \$385m for the period, \$90.1m (23.4%) is required because of renewals.

Capital Expenditure	1	2	3	4	5	6	7	8	9	10	10 Year
DESCRIPTION	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	
<b>Significant Projects - Gross Cost (inflation adjusted)</b>											
<b>PARKS &amp; RECREATION</b>											
WANAKA SPORTS FACILITY	11,700	-	-	-	-	-	-	-	-	-	11,700
WANAKA SWIMMING POOL	606	11,687			-	-	-	-	-	-	12,293
PLAYGROUND RENEWALS - WAKATIPU	135	485	299	203	118	52	172	132	238	438	2,272
PLAYGROUND RENEWALS - WANAKA	166	38	44	314	159	55	170	167	76	0	1,189
FRANKTON LIBRARY	-	-	-	-	128	5,323	-	-	-	-	5,451
<b>WASTEWATER</b>											
PROJECT SHOTOVER Stg 1	15,361	1,748	-	-	-	-	-	-	-	-	17,109
PROJECT SHOTOVER - Disposal Fields	-	-	3,353	-	3,564	-	3,810	-	-	-	10,727
CBD To Frankton - Reticulation Capacity upgrade	-	-	438	1,804	2,327	-	-	-	-	-	4,569
Recreation Ground Pump Station	-	-	449	3,531		-	-	-	-	-	3,980
KELVIN HEIGHTS Reticulation Upgrades	-	364	2,698	-	-	-	-	-	-	-	3,062
CARDRONA - New Scheme	-	418	3,496	-	-	-	-	-	-	-	3,914
GLENORCHY - New Scheme	262	5,929	-	-	-	-	-	-	-	-	6,191
HAWEA TREATMENT UPGRADE	-	-	-	-	-	-	73	5,657	-	-	5,730
PROJECT PURE TREATMENT UPGRADE	-	-	-	-	-	3,765	-	-	-	-	3,765
<b>WATER SUPPLY</b>											
ARTHURS POINT - Storage Upgrade	-	-	138	1,284	-	-	-	-	-	-	1,422
KINGSTON - New Scheme	-	-	-	-	-	41	4,190	-	-	-	4,231
WESTERN Pump Stn & Ring Main	-	-	-	-	-	-	35	254	1,586	-	1,875
ALBERT TOWN Ring Main	-	-	-	-	-	-	-	3,100	-	-	3,100
<b>STORMWATER</b>											
FRANKTON FLATS SW	1,060	2,835	127	-	-	-	-	-	-	-	4,022
<b>TRANSPORT</b>											
CROWN RANGE SPR - Sealed Road Surfacing	-	349	527	686	640	531	475	467	481	496	4,652
GLENORCHY ROAD SPR - Sealed Road Surfacing	633	365	321	519	418	217	20	20	20	20	2,553
WAKATIPU - Sealed Road Pavement Rehab	846	-	49	470	481	493	506	521	536	553	4,455
WAKATIPU - Sealed Road Sealed Road Surfacing	1,389	1,490	1,826	1,670	1,279	1,408	833	1,528	1,574	1,624	14,621
WAKATIPU - Unsealed Road Metalling	604	661	669	684	701	718	738	759	781	806	7,121
EASTERN ACCESS ROAD	1,000	4,000	5,205	-	-	-	-	-	-	-	10,205
EDITH CAVELL BRIDGE	-	-	-	-	-	-	-	-	-	4,340	4,340
WANAKA - Sealed Road Pavement Rehab	-	94	838	470	481	493	506	521	536	553	4,492
WANAKA - Sealed Road Sealed Road Surfacing	1,224	1,304	1,494	1,003	1,679	1,764	1,169	580	597	616	11,430
WANAKA - Unsealed Road Metalling	638	610	618	632	647	663	681	700	721	744	6,654
<b>OTHER</b>											
QUEENSTOWN CONVENTION CENTRE	2,242	24,800	27,955	-	-	-	-	-	-	-	54,997
LAKEVIEW DEVELOPMENT	365	3,903	5,635	-	1,053	-	-	-	-	-	10,956
<b>Total Major Projects</b>	<b>38,231</b>	<b>61,080</b>	<b>56,179</b>	<b>13,270</b>	<b>13,675</b>	<b>15,523</b>	<b>13,378</b>	<b>14,406</b>	<b>7,146</b>	<b>10,190</b>	<b>243,078</b>

## 10 Year Financial Analysis Renewals vs Depreciation



Most of the renewal expenditure is funded from rates or borrowing. The graph above shows that around 48% of the depreciation expense is actually provided for in the rates. This is discussed further in the section on Balancing the Budget.

The largest portion of renewal expenditure is provided for core infrastructure activities:

Roading	\$32.7m
Water Supply	\$23.3m
Wastewater	\$10.0m
Total	\$66.0m

This amounts to 73% of the total renewal expenditure over the 10 year period (\$90.1m).

### c. Capital Expenditure to Improve Existing Levels of Service

The cost impacts of capital expenditure to improve existing levels of service have been assessed for the next 10 years. Of the total capital cost of \$384m for the period, \$162.4m (37.5%) is required for this purpose. It is not uncommon for a capital project to have a mixture of reasons for construction (cost drivers). A large project like Project Shotover (\$26.8m) (new Queenstown wastewater disposal

scheme) is a good example. The project provides additional capacity for the future; so is partly required to be funded from growth sources (loans and development contributions). There is also a large component which clearly provides an enhanced level of service. The quality of effluent produced from the new plant is vastly higher than that provided currently from the oxidation ponds and as such around 80% of the cost of the project has been attributed to increased level of service.

The largest portion of capital expenditure due to increased level of service is provided for in the following activities:

Roading	\$42.1m
Community	\$29.8m
Economic Development	\$34.1m
Wastewater	\$44.2m
Total	\$150.2m

This amounts to 78% of the total for this category over the 10 year period \$162m. The main projects in Community and Economic Development which are providing increased levels of service are the Wanaka Sports Facility (\$11.7m); Wanaka Aquatic Centre (\$15.4m) and the Queenstown Convention Centre (\$55.0m).

The water supply projects include proposals to provide improved treatment facilities in various schemes as well as a new scheme in Kingston. The wastewater projects include Project Shotover as well as a new scheme in Glenorchy and Cardrona. The roading projects total represents the portion of overall capital expenditure not attributable to growth or renewal. Often this reflects an improvement made to enhance the road or footpath (widening, improved surface etc).

## Balancing the Budget

The Local Government Act 2002 contains a requirement to balance the budget. Section 100 states:

- 1 A local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that years projected operating expenses.
- 2 Despite subsection (1), a local authority may set projected operating revenues at a different level from that required by that subsection if the local authority resolves that it is financially prudent to do so, having regard to:
  - a The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long term Council community plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.
  - b The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity to assets throughout their useful life.
  - c The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.
  - d The funding and financial policies adopted under section 102.

Council comfortably meets these requirements over the timeframe of the plan. The forecast statement of Financial Performance over the next 10 years shows consistent operating surpluses, which demonstrates that Council is balancing its budget requirements.



## Funding of Depreciation

The funding of depreciation is an implied requirement of the “balanced budget” provision. It requires that the Council fully fund all operating costs, including reductions in the useful life or quality of assets. The requirement arises from Government concern that some local authorities were not adequately maintaining infrastructural assets. In instances where this occurred, current ratepayers were paying too little and leaving a major financial burden for future generations. Queenstown Lakes District has in recent years provided adequately for asset renewal. A major effort has been made over the past decade or so to address deferred maintenance and the budgets have provided for the renewal of infrastructure.

The Council now has far more reliable asset information and a much better understanding of the life cycle of its assets. The Act provides a more flexible approach in the requirement to fully fund depreciation. This has allowed some flexibility which Council have taken advantage in four key areas in preparing these budgets:

- i The Council needs to fund depreciation only on its share of roading expenditure. The component attributable to NZTA should not be funded as the NZTA subsidy covers this. Allowing for all subsidisable costs 54% of roading depreciation will be funded in 2015/16 (2012/13 - 60%). There is no impact on current levels of service from this approach.
- ii Depreciation on Community facilities may not need to be funded as they are often funded by non- Council sources and will never be replaced in the same form at the end of their useful life. Depreciation on buildings such as halls, libraries, and other facilities (including the Events Centre) will therefore not be funded.
- iii The Council has accepted that it is not reasonable to fund depreciation where a community has funded a water or sewerage scheme, by lump sum contributions or loan charges. That community ends up paying twice - for loan charges and depreciation.
- iv Because we have generally maintained the value of our infrastructure the Council will use funded depreciation to finance renewal projects and repay loans. It will not be used to fund new assets or asset improvements.

The impact of the above has lead to the following amounts of depreciation not being funded:

	Total Depreciation 2015/16	Depreciation not funded 2015/16
Roading	8,573	4,046
Wastewater	3,362	1,462
Water Supply	2,607	1,013
Stormwater	1,774	696
Community/Other	4,347	2,690
<b>TOTAL</b>	<b>20,663</b>	<b>9,907</b>

## Revenue and Financing

Section 103 of the Act outlines that the Revenue and Financing Policy must state the Council's policies in respect of the funding of both operating expenses and capital expenditure.

## Funding Sources - Operational Expenditure

The ‘revenue’ part of the title ‘Revenue and Financing Policy’ relates to funding of operating expenditure. The following sources of income are recognised:

### Rates

A number of Council activities are funded by a combination of revenue types. Council practice is to initially account for income from fees and charges, grants and subsidies or other income sources. If the activity still requires additional funding, the remaining balance is usually funded by way of a rate.

Council will use a capital value rating system across the district. Capital value is preferred to land value because Council believes that it generally provides a better surrogate for the allocation of cost for Council services. Rates are generally used where it is economically impractical to use fees and charges.

There are two classification types for rates:

- General rates - Include Uniform Annual General Charge (UAGC) and capital valued based rate.
- Targeted rates - Include capital valued based Roothing Rate, Tourism Promotion Rate, Water Supply, Rate and Stormwater Rate, and fixed annual charges for Sewerage, Water Supply, Waste Management, Queenstown Aquatic Centre, Recreation and Governance.

Generally, the policy indicates that where a private benefit exists, the cost of this should be recovered by user fees or a targeted rate. The cost of public benefits is usually general rate funded, with the capital value rate used to fund ‘property’ related activities and the UAGC used to fund ‘people’ related activities.

### Fees and charges

There is a wide range of revenue under this general title. Generally, Council will look to use fees and charges to recover the ‘private benefit’ costs of a particular activity, if it is economically viable to do so.

### Grants and subsidies

Some activities of Council qualify for a grant or subsidy from the Crown. In particular, Council receives a subsidy from NZTA for qualifying roading expenditure. Other smaller grants are also received from the Crown, for example; NZ Fire Service and Creative NZ.

### Interest and dividends from investments

Interest income is recognised from all investment sources but is very minor. The majority of investment income is used to offset rates.

Council can now expect a regular dividend from Queenstown Airport Corporation (QAC). It is proposed to utilise forecasted dividends from QAC to repay generally funded debt.

### Other sources of income

Other sources of income include parking infringement fines, petrol tax, rates penalties and concession income. This is a catch-all classification and the income is treated in the same way as fees and charges.

## Funding Sources - Capital Expenditure

Funding to pay for new assets will come from a mix of borrowing, development contributions, grants and subsidies, capital revenue, reserves and asset sales. Generally the costs of new assets will not be met from rates; however a portion the costs of servicing loans will be.

Funding for new capital works will depend on the nature of the work in particular the reasons (cost drivers) which have made the work necessary. There are three main cost drivers recognised by Council:

- > Growth
- > Level of Service Shift
- > Renewal

### Capital Expenditure due to Growth

The Queenstown Lakes District has experienced significant growth in its population, visitors, development and the local economy. This growth generates high levels of subdivision and development activity which places increasing pressure on the assets and services provided by the Council. Significant investment in additional assets and services is accordingly required to meet the demands of growth. Council intends to fund the portion of capital expenditure that is attributable to growth from Development Contributions wherever it is reasonable to do so.

Council considers that Development Contributions are the best mechanism available to ensure the cost of growth sits with those who have created the need for that cost. Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of existing growth. Council has adopted a Policy on Development Contributions as part of the TYP since 2004. This is updated on an annual basis.

Types of Assets included in the Development Contribution Policy are:

- > Network infrastructure for water supplies, wastewater, stormwater and roading.
- > Community infrastructure including the development and acquisition of reserve land to use as reserve and facilities needed on that reserve and other public amenities such as halls, libraries, public toilets, parking facilities and the like.

Funding Sources for Growth Capital Expenditure in order of priority:

- i Vested Assets
- ii Development Contributions
- iii Capital Grants and subsidies attributable to growth portion
- iv Borrowing

### Capital Expenditure due to Renewals

Renewal works are those capital expenditure costs that are incurred in restoring an asset to previous service levels, usually reflected in the amount that an asset has depreciated. Therefore by using depreciation funds Council is attempting to maintain infrastructural networks to at least their existing service level. The funding of depreciation is an implied requirement of the 'balanced budget' provision of the Act (see above). It requires that the Council fully fund all operating costs.

### Funding Sources Renewal Capital Expenditure in order of priority:

- > Depreciation Reserves
- > Borrowing
- > Rates

### Capital Expenditure due to Shifts in Levels Of Service, Statutory Requirements or Other Reasons but not including Growth or Renewals

The cost driver for a significant portion of capital works within the Queenstown Lakes District relates to increasing of levels of service for the community. Sometimes these improvements to levels of service are required because of changes to legislation or resource consent conditions, which means that there is often little discretion with regard to the decision.

An example of this would be the requirement to provide additional water treatment facilities as a result of the introduction of new Water Treatment Standards. In other cases, the increase in level of service is a community driven decision. An example of this would be the construction of the Queenstown Aquatic Centre (Alpine Aqualand). Council's approach to funding for this type of Capital expenditure is to initially apply for grants from national and local funding organisations and to apply the proceeds of land sales from the Commonage in Queenstown or Scurr Heights in Wanaka.

Funding from the Commonage in Queenstown is restricted by statute to be applied for the benefit of the Old Queenstown Borough for the purposes of Water and Sewerage upgrades. Proceeds from Scurr Heights land in Wanaka is restricted for use to the Wanaka ward and can be applied to a variety of infrastructure purposes including water, wastewater, roading or community (recreational) purposes.

### Funding Sources for Other Capital Expenditure in order of priority:

- > Capital Grants and subsidies
- > Capital Revenues and Asset sale proceeds
- > Capital Reserves
- > Borrowing
- > Rates

## Quantified Limits On Borrowing

In order to deliver the large capital programme included in this plan, Council will need to rely on borrowing. The amount of borrowing required is below the amount anticipated in the 2012 plan. Council has spent a considerable amount of time and effort working through the capital programme to ensure that it is affordable and deliverable.

This has meant that a number of projects have been deferred or omitted because of funding and financing constraints. It is expected that by the end of year five, external debt will have risen to \$169m and by the end of the 10-year period; it will have declined to \$134m (2012:\$170m).

The growth portion of the Capital Programme (some \$129m) 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 proposed level of borrowing is now well within all of the debt parameters in Council's Liability Management Policy:

Borrowing Limit	30 June 16	30 June 17	30 June 18	30 June 25
Interest Expense/Rates <25%	12.1%	14.3%	15.7%	11.6%
Interest Expense/Total Revenue <15%	6.9%	7.3%	6.9%	5.6%
Net Debt/Total Revenue <200%	106.1%	134.0%	113.2%	85.8%
Net Debt/Equity <20%	11.9%	15.2%	15.2%	9.8%

Council is well within the debt parameters, which means that the affordability of the 2015 TYP can be clearly demonstrated. The debt ratios show that the affordability position has improved significantly since the 2009 plan, where two of these ratios were exceeded in the latter period covered by the plan. The 2015 TYP shows not only compliance but also considerable headroom is provided.

The following graph shows a comparison of the 2015 TYP to the 2012 for capital works and external debt over the 10-years. The improvement in the debt position at the end of the period is over \$30m.

#### 10 Year Financial Analysis External Debt vs Capital Works



#### Security On Borrowing

The Council generally does not offer assets other than a charge over rates or rate revenue as security for general borrowing. This is achieved through a debenture trust deed which is a legal mechanism which provides assurance to lenders and is administered by an independent trustee.

#### Quantified Limits On Rates

Operating expenditure is shown to increase over the 10 year period by an average of 5.2% (2012:5.5%) per annum. The forecasts do include a provision for inflation after the first year as well as increases as a result of projected growth within the district. Operating revenue for the same period increases by an average of 3.8% (2012:4.5%) per annum. With the reduction in capital expenditure and debt, forecast rates increases are also reduced. The average annual increase over the 10 years is now 2.7% down from 4.6% (2012).

The graph below shows that rates are increasing at lower rate than operating costs over the 10-year period. As discussed earlier, rates are influenced by a number of factors including core recurring operating costs; growth in the district; inflation and the capital programme. The capital expenditure in previous years will affect rates through the impact of depreciation and interest costs.

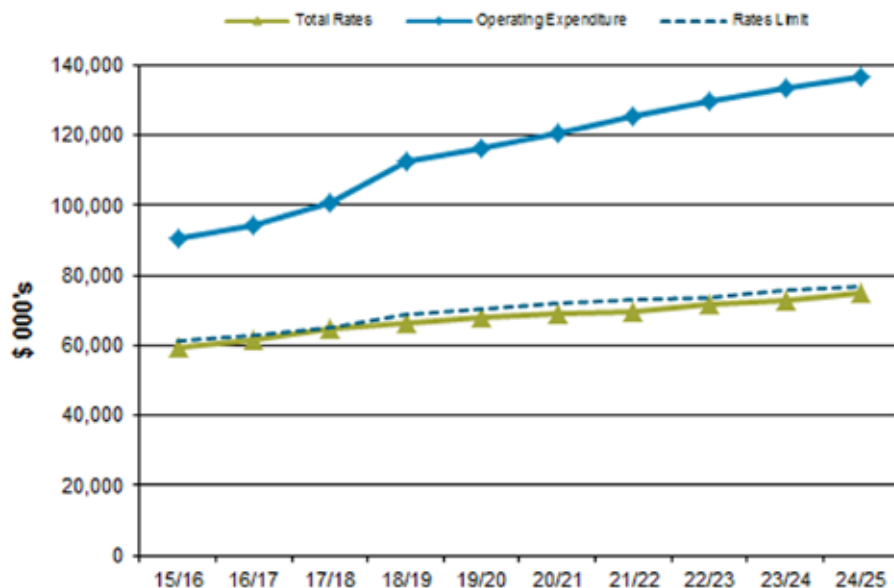
Rates can also be affected if the community demands or central government requires an improvement in levels of service for a particular activity. Where there is a significant rates impact for a proposal of this nature (i.e. Project Shotover and Queenstown Convention Centre), Council will disclose the rating impact as part of the consultation process.

In order to come up with a sensible quantified limit on rates, it is necessary to take account of the various influences on rating levels. The limit should also be easily understood. The graph below shows that rates are increasing by an average of 2.7% over the 10-years. This increase is not even however, as the impact of increased costs associated with new facilities is recognised. The forecasted rates increases for 2017/18 are high (6.3%) as they reflect the increased costs of the new Wanaka Sports Facility and the Project Shotover.

It is proposed therefore to set a rates increase limit of 6% subject to changes in growth forecasts. It is also proposed that rates income will not exceed 55% of total revenue. The average growth rate in the district is 2% per annum and this will reduce the impact of any rates increase for existing properties.



## Operating Expenditure & Rates Revenue



## Financial Investments and Equity Securities

The Council holds very few financial investments as Council is a net borrower. Surplus cash will be invested for short periods from time to time in line with Council's Investment Policy.

Council does hold equity securities (shares) in several subsidiaries. These Council Controlled Organisations (CCOs) exist or have been established to perform specific important functions within our community. Shares are held in the following entities:

Name	Ownership Interest
Queenstown Airport Corporation	75.01%
Lakes Combined Forestry Committee	75.0%

The Forestry Committee jointly owns the forest at Coronet Peak, the value of which at the end of 2014 was \$1,002,000.

The share-holding in Queenstown Airport Corporation is both commercially and community oriented. The Council continues to hold a controlling interest in QAC because the airport is seen as a critical piece of local tourism infrastructure. The airport is the fastest growing in Australasia and it is seen as essential that it remain under community control to ensure that it continues to make decisions in the best interests of the district. Until 2010, the Council was the sole share-holder but with the equity

investment from Auckland International Airport Ltd, there is the expectation that dividends will now be paid.

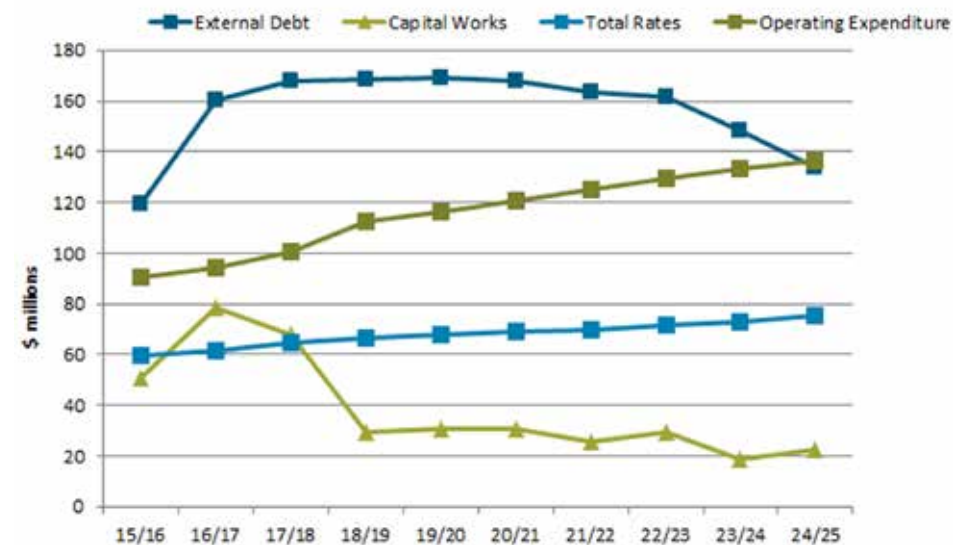
Over the next 10 years, \$51.8m of dividend income is forecast to be received by Council. Council intends to use this income to repay existing debt.

## Strategic Destination

The Council's Financial Strategy is aimed at responding to the needs of our district today and into the future in a responsible and affordable way. It is important that the costs of providing facilities with long lives are shared between today's ratepayers and those in the future. If this task is successfully delivered, the following outcomes should be achieved:

- Prioritised Capital Programme – delivering the 'right' projects at the optimum time;
- Rates increases set at maximum of 6% per annum (subject to changes in growth forecasts);
- Debt levels maintained at prudent levels (within Borrowing Limits);
- Debt levels at the end of the 10 year period have stabilised and sufficient head-room exists to provide financing flexibility for future councils; and
- To continue to provide excellent service within financial constraints.

## 10 Year Financial Analysis



# 2015-2045 Infrastructure Strategy

## Background

This document represents Queenstown Lake District Councils first 30-year strategy as required under the 2014 reforms to the Local Government Act 2002. This is an important document as the council seeks to continuously improve the provision of core services to the community. This document focuses on the core infrastructure services of: drinking water supplies, wastewater collection and treatment, stormwater management and discharge, roading and footpaths.

Within this document, drinking water, wastewater and stormwater are sometimes referred to collectively as the 'three-waters'. As the primary water supplier to the district, the council is required to provide a supply of water to homes and business that is safe for human consumption. Safe and reliable drinking water supplies are recognised as being crucial to the wellbeing and prosperity of our district.

Council also provides reticulated wastewater services (also known as sewerage services). Reticulated wastewater systems are recognised internationally as the most cost-effective and efficient method of protecting urban public health from outbreaks of waterborne diseases associated with human and business liquid wastes. Reticulated systems also enable cost effective treatment and disposal which helps to mitigate adverse environmental outcomes.

Stormwater systems are provided to manage rainwater and groundwater away from private properties. Effective management of rainwater with these systems is vital to controlling erosion and avoiding property damage, as well as ensuring public amenity of open spaces and protection of the environment. Council is also aware there may be a requirement in the future for stormwater treatment. Any decision around stormwater treatment will be based on resource consent requirements which would undergo public consultation.

Council owns and operates transportation corridors (and associated support infrastructure, i.e. street lights, signage etc.) for providing the community with safe and efficient access to their homes, schools, places of work, recreational areas and public services. These corridors also support the local economy by enabling the efficient movement of goods and services.

Managing and maintaining these core services to ensure efficient, effective and reliable service delivery to the community requires thinking strategically and sound asset management practices. A key characteristic of the district is the high proportion of tourist and peak season demands on the existing infrastructure.

The primary purpose of this strategy is to identify significant issues or investment requirements in the core infrastructure services over the next 30 years. These requirements are then given effect through Councils 15-year Asset Management Plans (AMP). The AMPs then inform the TYP, which undergoes public consultation before being adopted.

The process for developing this strategy is threefold:

1. Analysis of the geographical and demographic context in which the Council is operating;
2. Analysis of the key capital expenditure drivers, significant infrastructure issues and risks, which are based upon historical network data , performance data and local knowledge;
3. Development of a major projects and investment programme (capital expenditure of \$3.5 million or more) timeline as the most likely future scenario.

## Key Strategic Priorities

In determining the basic elements of this strategy, we have considered the TYP 2012-2022 Community outcomes, the risks to our community for the next 30 years. From this process we have identified key strategic priorities that will need to be monitored, analysed and responded to over this extended period.

Figure 1 summaries the elements of the strategy linked to the new TYP 2015-2025.

FIGURE 1 KEY STRATEGIC PRIORITIES AND GOALS





## QLDC Context

Queenstown Lakes District Council (QLDC) was established in 1989 as a local authority (having the functions, responsibilities and powers of a territorial authority). The Queenstown Lakes District replaced the former Lakes County, Queenstown Borough, Vincent County and Arrowtown Borough Councils. QLDC operates within the area operated by the Otago Regional Council.

## Geographic Context

The Queenstown Lakes District has a land area of 8,705 km<sup>2</sup> not counting its inland lakes (Lake Hawea, Lake Wakatipu, and Lake Wanaka). The region has an estimated resident population of 29,000 (2013 Census). The total area of the district (including lakes) is 9,357 km<sup>2</sup>.

Queenstown (Māori: Tahuna) is the largest centre in Central Otago, and the second largest in Otago after Dunedin. Based on the 2013 Census, the usually resident population of the Queenstown urban area (including Fernhill, Frankton and Kelvin Heights) is 15,000, an increase of 15% since 2006.

Queenstown is a resort town in Otago in the south-west of New Zealand's South Island. It is built around an inlet called Queenstown Bay on Lake Wakatipu, a long thin Z-shaped lake formed by glacial processes, and has spectacular views of nearby mountains such as The Remarkables, Cecil Peak, Walter Peak and just above the town; Ben Lomond and Queenstown Hill.

Wanaka was originally settled during the gold rush of the 19th century and is the second largest town in the district. It is situated at the southern end of Lake Wanaka, adjacent to the outflow of the lake to the Clutha River. It is the gateway to Mount Aspiring National Park. Wanaka is primarily a resort town with both summer and winter seasons and is based around the many outdoor opportunities. Owing to the growing tourism business and the increasing number of retirees in Wanaka, large growth is occurring, with a population increase of up to 50% in the past 10 years.

Other towns in the district include Arrowtown, Kingston, Glenorchy, Lake Hawea, Cardrona, Makarora and Luggate. The district is now known for its commerce-oriented tourism, especially adventure and ski tourism.

Figure 2 Queenstown Lakes Urban Areas 2014



The district is one of the coldest places in New Zealand with an average temperature of 10.7°C ranging from - 10°C to 35°C with ground frosts over 130 days per year. The clear winter days with a low average rainfall of 636mm per year create a unique climate within New Zealand.

The Ministry for the Environment\* predicts the following longer term changes in the districts climate over the next 100 years:

- > Temperatures are likely to be around 0.9°C warmer by 2045, compared to 1990.
- > Otago is expected to become wetter, particularly in winter and spring where average annual rainfall is likely to increase by 12 per cent by 2090. Seasonal projections indicate that winter rainfall is likely to increase by 29 per cent by 2090.
- > The number of storms is expected to increase in winter and decrease in summer. The intensity of these storms is likely to increase in winter and decrease in summer.
- > The frequency of extreme winds is likely to increase by between 2 and 5 per cent in almost all regions of New Zealand in winter, and decrease by a similar amount in summer.
- > Significant decreases in seasonal snow are projected for the Otago region. The duration of snow cover is also likely to decrease, particularly at lower elevations. The district is likely to see a shift towards increasing rainfall instead of snowfall as snowlines rise to higher elevations due to rising temperatures.

\* REFERENCE: [HTTP://WWW.MFE.GOV.T.NZ/CLIMATE-CHANGE/HOW-CLIMATE-CHANGE-AFFECTS-NZ/HOW-MIGHT-CLIMATE-CHANGE-AFFECT-MY-REGION/OTAGO](http://www.mfe.govt.nz/climate-change/how-climate-change-affects-nz/how-might-climate-change-affect-my-region/otago)

Changes in climate will have an effect on the performance and lifespan of QLDCs infrastructure. Some of these effects may be positive (i.e. possible increased efficiency of wastewater treatment processes due to increased temperatures) and some may be negative (i.e. more extreme freeze / heat cycles making road surfaces age more quickly). The actual extent and severity of these effects will be investigated progressively over the term of this plan in order to best manage the infrastructure and ensure affordability to the community.

## Demographic Context

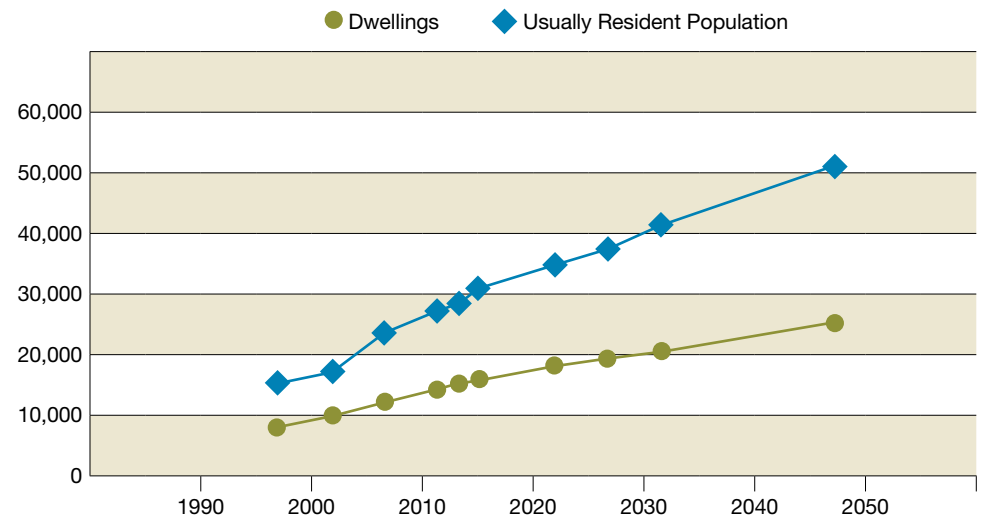
The Queenstown Lakes District is experiencing a period of significant population growth. This places increased pressures on the three waters and transport services in terms of capacity and extents. The district is a recognised tourism destination that supports economic growth across the southern part of the South Island. The natural environment of the district consists of a variety of systems including rivers, lakes, basins, wetlands, bush remnants, uplands, mountains and shorelines. This combination plays a significant role in the quality of life in the district by providing recreation, economic, residential, conservation and servicing opportunities. As such, the district is attractive to local and international investment in housing, services and visitor related activities.

Resident population growth in the district has typically been around 4.1% per year since 1996, while dwelling growth has been around 3.6% per year. This rate of growth is high when compared to most other towns in New Zealand.

Under the medium population growth projections the district's population is expected to increase by 64% from 30,700 in 2015 to 50,300 by 2045.

Over the next 30 years it is expected that there will be 19,600 additional residents and 8,700 additional dwellings in the district.

**FIGURE 3 QUEENSTOWN LAKES DISTRICT MEDIUM POPULATION PROJECTION 2015-2045**



## Assumptions with Timing in Relation to Asset Management Plans and the Draft TYP

Council produced its first internal draft of this Infrastructure Strategy in June 2014. This document was then able to inform and guide the Asset Management Plans (AMP) developed in late 2014. In the development of the AMP, latest engineering investigation work was able to be included which in some cases has superseded the assumptions and knowledge at the time of drafting the Infrastructure Strategy. The key changes in assumptions have been captured below, and where appropriate, the assumptions within the Infrastructure Strategy have been updated from the AMPs. It is further recognised that through the development of the TYP, and its associated community consultation processes, assumptions and timing of investments may further be altered, prior to the TYP being adopted. These changes will not be included within this Infrastructure Strategy until it is next reviewed and updated.

The following significant capital investments may be subject to change in terms of inclusion, timing or scale:

- > Project Shotover
- > Eastern Arterial Road \*
- > Queenstown Convention Centre
- > Wanaka Sports Facility
- > Wanaka Swimming Pool

- > Three Parks Development
- > Jardine's Water Supply
- > Project Pure Future Upgrades
- > Wanaka South Capacity Upgrades

\* The timing for this project has been brought forward to 2018 in the draft TYP.

## Data Confidence

Council recognises the importance of data confidence and its role in making good, informed decisions. This includes benefits in minimising second guessing, applying of 'adjustment factors' and limiting conflicting opinions based on related, but dissimilar data sets. Without data confidence, the council will struggle to be informed and make the best investment decisions for the community.

A key focus of the council is improving the quality of its data and making better use of that data for informing decisions. To support this outcome, an Information Analyst role and an Asset Data Analyst role have been created with council Infrastructure department. Some of the programmes established later in this strategy include assumptions that better data and information has been collected as time goes by and that some of the underlying strategies will be reviewed and revised (as appropriate) as improved information becomes available.

Key assumptions included within this strategy are council:

- > Will progressively investigate and implement new approaches to provide for better capture of asset data, including true operations and maintenance costs,
- > Will update and refine the required renewal expenditure based upon the improved data,
- > Renewals programmes will be adjusted based on a structured programme of condition and performance monitoring, and
- > Asset renewal profiles and depreciation rates/calculations will be reviewed as improved information becomes available.

Council has only one corporate data repository for each of its core infrastructures.

Transportation - asset management has been supported by the Road Asset and Maintenance Management (RAMM) system for many years. RAMM provides the repository for asset inventory and condition data, reporting, asset valuation and maintenance contract administration tools.

The data in the RAMM database is regularly audited by NZTA in their capacity as co-sponsor of the council investment programme. However, with the change to the One Network Road Classification (ONRC) system being rolled out by NZTA it has become apparent that the quality and quantity of information held with the databases will need to improve to meet the new 'evidence based investment decision' model which the ONRC requires. It is understood that the move to the ONRC approach, and not the current quality of the data which will have the greatest effect on the roading investment programme moving forward.

NZTA have signalled that QLDC, when compared to other similar councils, has a high level of investment relative to the scale of its roading network. NZTA have signalled that a number of councils

will likely need to take on more risk in terms of how they invest in their roading networks under the ONRC approach. This is a fundamental shift in the current methodology for developing the roading investment programme for all councils.

NZTA have also signalled that the introduction of the ONRC methodology which will have fully replaced the legacy investment development methodology by June 2018. (Note – QLDC is planning to have the ONRC implemented by June 2017, to enable a full year of operation under the ONRC ahead of the NZTA deadline).

Hanson is the repository for the three waters asset data storage and reporting system. It contains records relating to asset inventory, work history, valuation, condition and investment.

Recent analysis on the Hansen (Infor) datasets has shown that there are null values/missing data in static record (i.e. diameters, materials, length etc.) for legacy assets. This missing data is not occurring for new assets. Without improvements to these datasets, there is an increased risk of unforeseen asset failure and increased frequency of service outages. Council is proactively working to improve the completeness and quality of its water records.

As with most councils, there are some areas for improvement in the completeness and quality of the datasets. As such, the methodology for developing the QLDC investment programmes has been based primarily on best engineering judgement. A factor of safety has been applied through the conservative application of the three waters computer models. These models are not yet calibrated, but have been used to identify performance issues and upgrades required to the three waters networks. These programmes will be reviewed over time as funding is approved to further develop and calibrate the computer models. Improvements in the computer models are programmed in the draft TYP to commence from July 2015.

As the datasets are improved, the model calibration programme is completed (planned for the next two years) and the levels of service / risk management framework (including Treasury's Better Business Case Model) are implemented over the next 12 months, the current investment programme will become more robust. As a whole the value of the investment programme will likely decrease as data confidence improves and there is an increased transparency on the balance between investment and risk.

In summary, the implications of the data confidence ratings for the accuracy of the financial forecasts are outweighed by the upcoming changes in investment programme development methodology. The current programmes are likely delivering an over investment at this time (as a whole). However, these programmes are expected to be reduced as the new evidence / risk based methodologies (along with data improvements) come into effect over the next 12 – 36 months.

## Compliance with Local Government Act

*S101B (4)(b)(ii) requires the Council to identify when the local authority expects the decisions will be required.*

The information provided regarding capital investment programmes is provided on the basis of best available information at the time. These programmes are based on existing master plans, policies and technical strategy documents. These documents are periodically reviewed to ensure they continue to meet legislative requirements, community needs and industry recognised practices.



A decision gate for all investment identified in the adopted TYP is set by the Delegations Register. Approval to proceed (fund) a project is the decision of the Council (or CEO if so delegated by the Council). Typically the decision to proceed on a project is identified in advance on the Councils Public Meeting Schedule, and is decided on after public consultation through the TYP or a Special Consultative Process, as defined in the LGA. Typically a formal decision from Council will be required 1 – 3 years ahead of any significant capital expenditure, depending on the levels of community interest.

*S101B(4)(c) requires the Council to “include the following assumptions on which the scenario is based: (i) the assumptions of the local authority about the life cycle of significant infrastructure assets:*

QLDC asset life cycles are based in industry standard life cycles, periodically reviewed by internal technical staff and supported by specialist engineering advisors. In addition, QLDC seeks to supplement this approach with:

- Research and prioritising of the areas of greatest risk – refine and update infrastructure risk register (in accordance with the QLDC risk management framework)
- Continue and improve our programme of asset condition assessment to establish asset's remaining useful life and maintenance / replacement programme
- Identify, implement and improve asset management systems to provide accurate and timely information for effective asset management, asset planning and performance monitoring.
- Through the newly created Asset Performance Team: investigate cost effective asset maintenance programmes to reduce or mitigate risk of failure to provide agreed levels of service and where asset maintenance programmes prove too costly, develop asset replacement programmes.
- Seek continuous improvements to the asset management process based on benchmarking with industry groups (ie NAMS).

*S101B(4)(c) requires the Council to “include the following assumptions on which the scenario is based: (ii) the assumptions of the local authority about growth or decline in the demand for relevant services:*

Growth in population, both residents and tourists, is predicted to continue to increase over time, for the foreseeable future

Through the water metering programme, the inflow and infiltration programme, pipeline renewals programme, along with intensification, per capita consumption patterns for water supply and wastewater are predicted to decrease over time.

Stormwater per capita demands are expected to remain unchanged where increases in impermeable surfaces are offset with appropriate sustainable urban design and potential increases in rainfall events over the longer term.

Per capita use of cycleways and roads is expected to increase in the short to medium term at a rate similar to general population growth.

*S101B(4)(c) requires the Council to “include the following assumptions on which the scenario is based: (iii) the assumptions of the local authority about increases or decreases in relevant levels of service;”*

The Community Water Services AMP has been developed based on maintaining the ‘existing levels of service’.

Likewise, the Community Transportation AMP has been developed based on maintaining the ‘existing

levels of service’. Through the ONRC approach, this is expected to continue, however there are expected improvements efficiency in investment through an increased focus in using data to ensure upgrades do not occur ahead of when they are actually required.

## Analysis of Capital Expenditure Drivers, Significant Infrastructure Issues and Risk

In general, decisions to invest (or not) in infrastructure are mostly influenced by legislative requirements, delivering levels of service and managing risks.

The risk management processes used by council were reviewed in late 2013 to be aligned with the international standard ISO 31000:2009 which defines risk management principles. A full description of the risks identified in the table below can be found in the QLDC Community Water Services Asset Management Plan (AMP) and Community Transport Asset Management Plan (AMP)

The key decisions council has to make generally relate to investment in core infrastructure. These investment decisions are driven off four key considerations:

Capital investment decisions are driven off three considerations:

- What are the most appropriate service levels for the district
- When should existing infrastructure be replaced;
- When should council invest in improving the existing service; and
- How much should be invested now to provide infrastructure for a growing community.

The tables on the following pages summarise the significant infrastructure issues facing the district. The table also includes the current understanding of the matter and proposed response to those issues and the likely implications of undertaking, or not undertaking the actions/investments proposed. In some instances, the same principal response action is capable of addressing several infrastructure issues.

**TABLE 1 SIGNIFICANT INFRASTRUCTURE ISSUES FOR QUEENSTOWN LAKES DISTRICT**

<b>WATER SUPPLY</b>		
Current and future development needs of the community (including environmental protection) - Population growth impact (How much needs to be invested?)	Principal options (most likely scenario) for response	Implications
<p>Expansion of the water supply systems will be required to provide and maintain current levels of safe water supplies across the metropolitan areas.</p> <p>Key areas:</p> <ul style="list-style-type: none"> <li>➤ Wanaka</li> <li>➤ Frankton Flats</li> <li>➤ Frankton Road</li> <li>➤ Kelvin Peninsula</li> </ul>	<p>The current strategy is to optimise the use of the existing water supply infrastructure. This requires increasing the ability to produce clean water and efficiently distribute the water around the district to existing and new customers.</p> <p>Key decision points will be:</p> <ul style="list-style-type: none"> <li>➤ Continuation of small-scale local water sources or rationalisation to fewer, larger water supplies</li> <li>➤ The timing of, and increased use of non-infrastructure solutions (education, metering and demand management) to best manage future service requirements while balancing affordability</li> </ul> <p>The proposed future for Wanaka's water supplies is to continue to be based on small scale supplies, with a new reservoir to service South Wanaka. A new water source is proposed at a location between the existing two lake-supply intake points.</p> <p>The proposed future for Queenstown's water supplies is to rationalise the number of intakes and treatment plants, to improve economies of scale, improve risk management and reduce supply costs over the longer term. In the interim, additional treated water storage (reservoirs) will be required to service growth along Frankton Road, Kelvin Heights and Frankton Flats.</p> <p>The following key projects are anticipated to service growth:</p> <ul style="list-style-type: none"> <li>➤ Wanaka - Hawthenden Reservoir 2029–35, \$10M</li> <li>➤ Frankton Flats Servicing by 2022, \$6.5M</li> <li>➤ Wanaka South Servicing by 2025, \$8M</li> </ul>	<p>Growth projections are important in understanding the potential increases to demand and avoid the need for water restrictions. These could also impact water pressure, overall customer satisfaction and fire-fighting capability</p> <p>Pressure fluctuations also expose the network to breakages or water outages.</p>

Current and future development needs of the community (including environmental protection) - Population growth impact (How much needs to be invested?)	Principal options (most likely scenario) for response	Implications
<p>Development will continue to occur around the district (outside the metropolitan areas), and may need to be connected into a council operated water supply.</p>	<p>Each new development is assessed on a case by case basis for inclusion (connection) to council owned and operated water supply schemes.</p> <p>Where connections are not feasible, developers are responsible for securing their own safe and reliable water supply.</p> <p>Non-metropolitan 'private schemes' are a community's choice for providing a cost effective, short to medium term solution, to providing water supplies to people who choose to live in non-urban areas of the district.</p> <p>Key decisions will be:</p> <ul style="list-style-type: none"> <li>➤ Under what circumstances council would take over management and operation of private schemes (i.e. a broader public safety concern) and</li> <li>➤ On what basis would these schemes then be funded.</li> </ul>	<p>The business case for operating and managing new schemes will need to consider the levels of service and the future cost of maintenance.</p>
<p>On a resident population basis, water consumption rates are high when compared to other areas of New Zealand. These need to be well understood so that capacity upgrade investment is effective.</p> <p>Key issues: communities exhibit high peak summer demand, which is heavily influenced by large visitor numbers and weather demands (private garden watering / irrigation).</p>	<p>Queenstown is understood to have elevated water network losses (water leakage rates) driven by the terrain creating higher pressures within the piped network.</p> <p>Wanaka is understood to be affected by seasonal variation in demand rates of usage, ie. high consumption rates due to peak summer demand.</p> <p>In March 2014, Council approved a staged demand investigation programme. This programme will be progressively implemented over a 6 year period and includes trial volumetric metering and water loss management programmes.</p> <p>Capital expenditure for demand management of approximately \$0.6M is anticipated in the period up to 2018.</p>	<p>As confirmed by other councils in Australia and New Zealand, public education and other demand management tools are understood to be important factors in being able to defer new investment in water supply upgrades, to ensure overall community affordability.</p>



Meeting the TYP Level of Service – ‘reliable drinking water that is safe to drink’ (When should we invest?)	Principal options (most likely scenario) for response	Implications
<p>Council is required to report on compliance with the New Zealand drinking water standards for:</p> <ul style="list-style-type: none"> <li>➤ Microbiological</li> <li>➤ Protozoa</li> </ul> <p>These standards seek to reduce the risk of a public health event originating from public water supplies. That being, the higher the level of compliance, the less likely a public health event will occur.</p> <p>All council water treatment plants meet the microbiological criteria. However, the council’s water treatment plants do not currently fully comply with the Protozoa criteria and treatment upgrades are required.</p>	<p>Current solutions rely on the high quality of the raw water sources (the cleanliness of the water) in our lakes and underground supplies. Moving forward council is focused on further improving water quality through providing increased treatment (disinfection).</p> <p>Council is proposing to progressively install UV treatment systems at its water treatment plants. However, before the decision is made to fully implement disinfection treatment at all treatment plants, an understanding must be gained as to the effectiveness of these treatment technologies, particularly during high turbidity events.</p> <p>A key decision point will be when the performance of UV treatment is proven to be appropriate and effective for the district.</p> <p>Proposed future solutions for some water supplies may require the provision of additional clarification or filtration systems to ensure effective disinfection is achieved.</p> <p>The proposed rationalisation of water supplies in Queenstown may assist in managing the risks and reducing the treatment costs associated with a requirement to increase treatment to continue to meet drinking water standards.</p> <p>Proposed projects:</p> <ul style="list-style-type: none"> <li>➤ To develop the Kelvin Peninsula (Jardine) community intake that would supply the entire Queenstown area with water that meets drinking water standards. Timeline 2025-2035, \$39M.</li> <li>➤ Wanaka UV upgrades by 2038, \$5M</li> </ul>	<p>Providing safe drinking water is important to maintaining public health and compliance with legislation, as well as protecting the districts tourist based economy.</p>
<p>Algae in water sources</p> <ul style="list-style-type: none"> <li>➤ Wanaka</li> <li>➤ Wakatipu</li> </ul>	<p>Council will monitor its water sources to best enable early identification of potential algae issues. Early notification of potential issues provides council with an increased range of options for managing any potential algae event from a specific water source. These options can include, turning off a source for a period of time, sourcing from alternative intakes, increasing maintenance on filters or installing additional treatment.</p> <p>The proposed new borefield near the Wanaka Yacht Club will offer an alternate source that will enable council to continue to meet supply needs, should it need to stop abstraction from one of the lake intakes due to an algae event.</p> <p>Council will continue to monitor technology being developed to identify new and innovative means of managing algae that could be appropriate for the district.</p>	<p>When water abstracted for drinking water treatment contains algae, blockages can occur in filters and odours may develop in the treated water supplies.</p> <p>Providing safe drinking water is important to maintaining public health.</p>



Assets critical to service delivery – resilience issues. (When should we invest?)	Principal options (most likely scenario) for response	Implications
<p>Maintaining Queenstown's drinking water source through water supply intakes and key pipelines.</p> <p>Water supply from critical supply chains:</p> <ul style="list-style-type: none"> <li>➤ Frankton Road (10km main)</li> <li>➤ Wanaka (5km main)</li> </ul>	<p>Current mitigations are emergency storage in reservoirs, standby pumps, back-up generators and duplicate rising mains on key water intakes and pump stations.</p> <p>Reservoir storage in response to an event is based around 4 hours of peak day flow plus 1 hour of indirect peak flow.</p> <p>Critical assets have been identified through Public Health Risk Management Plans (PHRMPs) and risk management strategies developed. These plans consider how the network will perform when an intake is out of action, and what mitigation options are available.</p> <p>A key decision for the community is how much clean water storage should be provided by council in case of a production outage.</p>	<p>Understanding critical infrastructure risks and resilience issues are important in avoiding water shortages and in some cases water outages. Council has a typical storage provision which allows up to four hours for remedying an issue and fully restoring water production.</p>
Assets critical to service delivery – renewal, maintenance and operating issues (When should we replace it?)	Principal options (most likely scenario) for response	Implications
<p>Current understanding of the condition and actual remaining useful life of these assets needs improving.</p> <p>In particular the understanding of how maintenance costs vary with asset age needs improving so that better decisions can be made to optimise asset lives without undue increases in service failures (minimise lifecycle costs).</p>	<p>The current approach for affordability is to maximise the useful life of existing assets and defer projects as long as it is sensible to. This process is being refined through the use of the updated risk management framework and the application of improved data sources to verify more accurately the assets end-of-life.</p> <p>Implementing condition assessment programmes will improve the understanding of critical assets and manage the risk of failure. Once condition is understood, Council will be able to better predict the remaining lives of its assets, and optimise its new investment programmes and service delivery standards, ensuring lifecycle costs are minimised. Asset information is captured by QLDC's operations contractors which can inform renewal and maintenance programmes.</p> <p>Capital expenditure on renewals of \$35M is expected for the period 2015-2045</p> <p>Significant investment in renewals is expected in the following years:</p> <ul style="list-style-type: none"> <li>➤ 2026 Kelvin Heights Pump Station (PS) \$0.6M</li> <li>➤ 2024 Western Wanaka PS \$1.3M</li> <li>➤ 2030 Beacon Point PS \$1.4M</li> <li>➤ 2030 Kelvin Heights PS \$0.6M</li> </ul> <p>Operational expenditure of \$267M is expected for the period 2015-2045.</p> <p>Additional investment is also being made in improving the quantity and quality of information held on key council infrastructure assets. This will progressively enable more robust and timely investment decisions on asset replacement.</p>	<p>Capturing and reporting on asset condition is needed to inform investment decisions, and confirm whether assets will be replaced before the end of their useful life, or only after there is evidence of reductions in the level of service (water outages).</p>



WASTEWATER		
Current and future development needs of the community (including environmental protection) - Population growth impact (How much needs to be invested?)	Principal options (most likely scenario) for response	Implications
<p>Providing infrastructure upgrades in response to servicing new developments (population growth). Key areas:</p> <ul style="list-style-type: none"> <li>➤ Queenstown CBD to Frankton</li> <li>➤ Frankton Flats</li> <li>➤ Wanaka South</li> </ul>	<p>Current approach is to maximise the useful life of existing assets by flow management (computer control systems, building storage tanks etc.) and reducing water entering the wastewater system that is not wastewater (inflow and infiltration controls).</p> <p>Future options would also consider reducing the criticality of key assets through providing alternative flow paths (duplicating key pipelines or reconfiguring primary flow routes / bypasses). This approach can help reduce the risk of known single points of failure that would result in discharges of wastewater into lakes and waterways and other high public usage areas. (i.e. the wastewater pump station at Marine Parade)</p> <p>Wastewater capital expenditure of \$155M is expected to provide for future increased capacity, reduced risk of overflows and provide additional redundancy within the system.</p>	<p>Growth related projects are important to decrease the likelihood of wastewater overflow events, which could impact the environment, private property and public health.</p> <p>The regional council can issue an abatement notice or prosecute if significant events occur.</p>
<p>Providing new schemes in response to servicing new development (population growth).</p> <ul style="list-style-type: none"> <li>➤ Wanaka and surrounds</li> <li>➤ Already completed in Wakatipu Basin</li> </ul>	<p>Future consideration is being given to connecting the towns of Hawea, Luggate and Cardrona to the Wanaka treatment plant.</p> <p>Key decision points are likely to be based on public health, environmental protection and affordability. Future responses may need to consider alternative funding models to make these schemes affordable. The connection of Hawea to the Wanaka wastewater scheme removes the requirement to upgrade the Hawea treatment plant, which is nearing its resource consent limits.</p> <p>2021 – 2033 Wanaka Treatment Plant – Stages 2 &amp; 3 Upgrades \$7.5M</p>	<p>The cost of these schemes may be impacted by resource consent requirements and future levels of service.</p> <p>The regional council can issue an abatement notice or prosecute if significant events occur.</p>

Meeting the TYP Level of Service – 'reliable wastewater collection and treatment services that protect public health and the environment' (When should we invest?)	Principal options (most likely scenario) for response	Implications
<p>Upgrading the Queenstown wastewater treatment plant to reduce adverse effects on the environment through improving effluent quality.</p> <p>Existing resource consents for the current treatment plant have expired and new consents are being sought.</p>	<p>All wastewater generated in the metropolitan areas of the Wakatipu basin is treated at the Queenstown wastewater treatment plant. This has required the decommissioning of and piping of a number of local wastewater schemes to the Queenstown treatment plant located on the Shotover River delta. The current oxidation pond treatment plant is being upgraded to improve discharge quality required by the draft resource consents. The treatment plant is also being upgraded in stages to meet new developments and growth within its service area. This upgrade is known as Project Shotover.</p> <p>Capital expenditure of approximately \$21M is expected for Project Shotover by 2018, with additional staged expenditure for further upgrades planned as:</p> <p>2018-20 Disposal Field \$8M (resource consent requirement)</p> <p>2027 Stage 3 Upgrade \$10M (provide for planned growth)</p> <p>2044 Stage 4 Upgrade \$10M (provide for planned growth)</p>	<p>Completion of Project Shotover is important to protect the Shotover River.</p> <p>The regional council can issue an abatement notice or prosecute if significant events occur.</p>
<p>Improving service delivery whilst maintaining affordability.</p> <p>➤ Wastewater overflows impacting property</p>	<p>Council has recently increased its proactive maintenance of wastewater pipelines to mitigate blockages before they result in overflows (discharges of wastewater to the environment or private property).</p> <p>Blockages of the wastewater pipes occur when tree roots, foreign matter such as bricks and stones and well as wastewater debris build up over time, blocking the pipes.</p>	<p>Undertaking the proposed actions will help prevent public health issues and contamination of local environments.</p> <p>The regional council can issue an abatement notice or prosecute if significant events occur.</p>
<p>New community wastewater schemes (Currently private schemes and are not Council assets)</p>	<p>Glenorchy and Cardrona are areas of interest to Council for new or alternative schemes due to existing public health risks.</p> <p>Key decision points are based on environmental protection, protection of public health and affordability.</p> <p>Capital expenditure is expected for these schemes.</p> <p>➤ Cardrona by 2018, \$3.6M</p> <p>➤ Glenorchy by 2017, \$5.3M</p>	<p>Completion of these projects is important to mitigate the effects of potential contamination of local water bodies, which could impact tourism and the local economy.</p>

Assets critical to service delivery – resilience issues. (When should we invest?)	Principal options (most likely scenario) for response	Implications
<p>Critical infrastructure risk (preventing single points of failure / ability to take assets out of service for maintenance).</p> <p>Preventing contamination of water sources/supplies (lakes and rivers).</p>	<p>The current response is focused on pump station (mechanical) and power outages.</p> <p>Critical assets have been identified and formal risk management strategies are being developed. A framework has been developed for ‘at risk’ pump stations – a programme of works identified to address high risk sites.</p> <p>Future options would consider reducing the criticality of key assets through providing alternative flow paths (asset duplication, catchment diversion or bypasses). This approach can help reduce the risk of known single points of failure that result in discharges of wastewater into lakes and waterways and other high public usage areas.</p> <p>High level risk areas include</p> <p>Wastewater Transmission (Pump Stations and Mains): Frankton Beach PS, Marine Parade PS, Dungarvon Street PS, Project Pure Main PS, Riverbank Road PS, Lake Hayes Road PS, Frankton Road Sewer, Kelvin Heights Sewer, Project Pure Rising Main</p> <p>Wastewater Treatment Plants: Shotover WWTP, Wanaka WWTP, Hawea WWTP</p>	<p>Undertaking network improvement projects will mitigate the risk of wastewater overflows, which could impact public health and property.</p> <p>The regional council can issue an abatement notice or prosecute if significant events occur.</p>

Assets critical to service delivery – renewal, maintenance and operating issues (When should we replace it?)	Principal options (most likely scenario) for response	Implications
<p>Assets will generally be replaced at the end of their useful life. Some more critical assets will be replaced in accordance with condition and risk assessments.</p> <p>Current understanding of the condition and actual remaining useful life of these assets needs improving.</p> <p>In particular the understanding of how maintenance costs vary with asset age needs improving so that better decisions can be made to optimise asset lives without undue increases in service failures (minimise lifecycle costs).</p>	<p>The asset replacement programme is currently based on assets reaching their end of useful life (asset failure or repeat failures). This approach is widely used for non-critical assets at other towns around New Zealand.</p> <p>The register of critical assets is being revised to capture better information on condition, remaining asset useful life, and risk of failure. In addition, detailed engineering inspections are planned to improve understanding and maximise asset operating life, while managing risks.</p> <p>Capital expenditure on renewals of \$71 M is expected for the period 2015-2045</p> <p>Operational expenditure of \$180 M is expected for the period 2015-2045.</p> <p>Additional investment is also being made in improving the quantity and quality of information held on key council infrastructure assets. This will progressively enable more robust and timely investment decisions on asset replacement.</p>	<p>Improving understanding of critical assets is important in mitigating the risk of not meeting resource consent conditions, which could result in prosecution under the Resource Management Act.</p> <p>In addition, cross connections and infiltration (rain and ground water entering the wastewater system causing it to become overloaded) will continue to be of importance. As the piped network ages, the volumes of ground water and rainwater entering the network may increase, affecting capacity.</p>



STORMWATER		
Current and future development needs of the community (including environmental protection) - Population growth impact (How much needs to be invested?)	Principal options (most likely scenario) for response	Implications
<p>Providing timely infrastructure upgrades in response to servicing new developments (population growth). Key areas:</p> <ul style="list-style-type: none"> <li>➤ Frankton Flats</li> <li>➤ Wanaka South</li> </ul> <p>Key Issue – avoiding an increase in the frequency and severity of stormwater ponding events as development continues and weather patterns change.</p>	<p>Catchment management plans are currently focussed on developer led solutions in these key areas.</p> <p>Council are focused on providing the best mix of piped stormwater networks and overland flow paths. This approach is used in other areas of New Zealand to manage investment costs, while maintaining amenity values in open spaces and natural water courses. A small number of projects have been included in the councils TYP over the next 10 years to progressively upgrade and improve stormwater services.</p> <p>Council is aware that failure to provide an adequate stormwater system also increases the likelihood of overloading of the wastewater systems, resulting in wastewater overflows, and possible resource consent breaches at treatment plants.</p> <p>Stormwater growth investment is planned, including:</p> <ul style="list-style-type: none"> <li>➤ Wanaka - Stone St reticulation upgrade \$4m</li> <li>➤ Wanaka - Rata St / Aubrey Road Upgrade \$3.5m</li> <li>➤ Queenstown Stormwater - Horne Creek to Rec Ground \$4m</li> <li>➤ Queenstown Stormwater - Design and Minor Works \$23m</li> <li>➤ Frankton Flats Stormwater - \$4m</li> </ul> <p>This programme is in the process of being reviewed alongside the councils Subdivision code of practice / infrastructure design manual and the latest climate change predictions.</p>	<p>Undertaking network improvement projects will help maintain property and public safety (ponding) on roads and footpaths.</p> <p>In addition, the improvements would help mitigate the risk of overloading the wastewater system with stormwater.</p>
Meeting the TYP Level of Service – ‘storm water drainage services protect public health and private properties’ (When should we invest?)	Principal options (most likely scenario) for response	Implications
<p>Providing timely infrastructure upgrades in response to improving effectiveness of services and minimising adverse effects (discharge quality and quantity) on the environment.</p> <p>Responding to flooding events in the Queenstown and Wanaka CBDs associated with lake levels.</p>	<p>Councils draft catchment management plans (CMPs) identified expenditure to increase the current levels of service and address future predicted stormwater issues. This programme is currently under development in conjunction with the infrastructure design manual before being consulted on through the 2018 TYP process.</p> <p>The implications of the Otago Regional Council's “Proposed Plan Change 6A (Water Quality) Regional Plan: Water for Otago” may impact on the levels of service for receiving water, requiring additional expenditure in the future. Continued engagement with the Otago Regional Council and Central Otago District Council on the future requirement for improved flood protection schemes and management of the broader watershed (i.e. acceptable lake levels and river capacity.)</p>	<p>Monitoring and responding to broader watershed issues is important in reducing the frequency of lake flooding into low lying development areas.</p> <p>Engaging with ORC and CODC is important in ensuring quality stormwater outcomes for the district.</p>

Assets critical to service delivery – resilience issues (When should we invest?)	Principal options (most likely scenario) for response	Implications
<p>Critical infrastructure risk (culvert blockage from debris during rainfall event, increasing the risk of flooding to land and property). Slips and landslides could also result from flooding or overloading of stormwater infrastructure.</p>	<p>Council proactively inspects and clears key stormwater culverts ahead of a predicted heavy rainfall event.</p> <p>Council also reactively responds to flooding events on an as reported basis. This type of response is appropriate and best meets current needs and rainfall patterns of the district.</p> <p>Council will continue to monitor key stormwater culverts and the debris captured (type and scale) to enable its land development policies and stormwater management practices remain efficient and effective.</p>	<p>Understanding critical infrastructure and proactively undertaking maintenance (inspections and clearing) will help reduce the frequency and likelihood of localised stormwater flooding events and risk to property.</p>
Assets critical to service delivery – renewal, maintenance and operating issues (When should we replace it?)	Principal options (most likely scenario) for response	Implications
<p>Assets will generally be replaced at the end of their useful life. Some more critical assets will be replaced in accordance with condition and risk assessments.</p> <p>Current understanding of the condition and actual remaining useful life of these assets needs improving.</p>	<p>Renewals programme is currently based on remaining asset useful life, although there is limited knowledge of asset age and condition.</p> <p>The current approach for affordability is to maximise the useful life of existing assets and defer projects as long as it is sensible to. Significant investment in renewals is expected in years 2035 and 2036 in Wanaka and Queenstown.</p> <p>Operational expenditure of \$18M is expected for the period 2015-2045.</p> <p>Capital expenditure on renewals of \$8M is expected for the period 2015-2045</p> <p>Additional investment is also being made in improving the quantity and quality of information held on key council infrastructure assets. This will progressively enable more robust and timely investment decisions on asset replacement.</p>	<p>Improving understanding of critical assets may well help mitigate the frequency of localised stormwater flooding events, which can impact property.</p>
<p>Council operates secondary and overland flow paths, these assets are often used as amenity areas by the public and community ie. rec ground next to Memorial Hall</p>	<p>Secondary and overland flow paths are an important option in managing large rainfall events as they remove the requirement for over investment in stormwater pipelines. Council will consider on a case by case basis other areas where secondary and overland flow options are preferable to construction of large stormwater pipes.</p>	<p>Improved use of secondary and overland flow paths can reduce the required investment in stormwater networks and in addition it serves as an effective method of reducing possible effects of erosion and overloading stormwater systems.</p>

TRANSPORT		
Current and future development needs of the community (including environmental protection) - Population growth impact (How much needs to be invested?)	Principal options (most likely scenario) for response	Implications
<p>Frankton Road is a fundamental component of transportation in the Wakatipu Basin, connecting Queenstown Town Centre with Frankton, the airport and satellite areas including Kelvin Heights, Jacks Point, Quail Rise, Lower Shotover, Lake Hayes and beyond.</p> <p>Forecasted traffic growth may result in major delays and by 2026, bumper to bumper traffic, travelling an average speed of 20km/h.</p>	<p>Public transport improvement options include:</p> <ul style="list-style-type: none"> <li>&gt; In the short term regular bus services</li> <li>&gt; Longer term 'park and ride' facilities and water-based ferry services.</li> <li>&gt; Dedicated bus / multi passenger lanes.</li> <li>&gt; Upgrade intersections and reducing turning movements.</li> <li>&gt; Potential road widening and increase to four lanes.</li> <li>&gt; Secondary route from Frankton to Gorge road (via Tucker Beach) or connection from Kelvin Peninsula.</li> </ul> <p>At this time, light rail solutions are not considered feasible.</p>	<p>Public transport solutions are required to minimise delays and congestion. The business case for road widening and secondary route options will need to consider:</p> <ul style="list-style-type: none"> <li>&gt; Acquisition of land/property;</li> <li>&gt; Capital expenditure;</li> <li>&gt; Environmental impact;</li> <li>&gt; Community safety;</li> <li>&gt; Local economy.</li> </ul>
<p>Congestion in Queenstown Town Centre.</p>	<p>Establish a primary alternative route from Frankton Road to One Mile Roundabout, via Melbourne Street, Henry Street, Man Street and Thomson Street.</p> <p>Key Project: Queenstown Town Centre Strategy - Capital expenditure estimated in the range of \$26M</p>	<p>Improvements are aimed at easing the congestion impact on Stanley Street and Shotover Street as part of the Town Centre street network.</p> <p>The business case for establishing a primary alternative route to alleviate congestion will need to consider:</p> <ul style="list-style-type: none"> <li>&gt; Acquisition of land/property;</li> <li>&gt; Environment;</li> <li>&gt; Community safety;</li> <li>&gt; Local economy.</li> </ul>

Meeting the TYP Level of Service – ‘a transport network that accommodates seasonal and future growth’ (When should we invest?)	Principal options (most likely scenario) for response	Implications
<p>In Frankton, develop a network of roads in support of growth, including Queenstown Events Centre, Frankton Flats, Remarkables Park, Queenstown Airport and schools.</p>	<ul style="list-style-type: none"> <li>➤ New roads to and within Frankton Flats (including land rezoned through plan change 19).</li> <li>➤ State highway improvements (road widening and intersection improvements).</li> <li>➤ Eastern Arterial Road (link road connecting Glenda Drive to the airport and south).</li> <li>➤ Secondary access to Queenstown airport (Tex Smith Lane).</li> <li>➤ Connection between Eastern Arterial Road and new Kawarau Falls Bridge.</li> <li>➤ Secondary access to Queenstown Events Centre.</li> </ul> <p>The following project has been identified:</p> <ul style="list-style-type: none"> <li>- Eastern Arterial new road – link SH6 \$9M 2020 *</li> </ul> <p>* The timing for this project has been brought forward to 2018 in the draft TYP.</p>	<p>The business case for a network of roads to support growth will need to consider:</p> <ul style="list-style-type: none"> <li>➤ Acquisition of land/property;</li> <li>➤ Growth of new businesses;</li> <li>➤ Improving access to Remarkables park, schools and airport to maintain traffic flow;</li> <li>➤ Safe access to the Events Centre from SH6 by managing congestion.</li> </ul>
<p>In Wanaka, to develop a network of roads to support growth areas, including greenfield development area Three Parks, Wanaka sports facility and north Wanaka.</p>	<p>Provision of new roading network, and longer term public transport connection.</p> <p>New roads to and within Three Parks with the possible linkages to State Highway 6 (potentially a roundabout between Puzzling World entrance and Andersons Road roundabout)</p> <p>North eastern corridor (Ballantyne, Hedditch and Lismore Roads).</p>	<p>Completion of works will alleviate pressure on the state highway connection between Albert Town and Wanaka, and a North eastern corridor provides secondary access via north Wanaka.</p> <p>The business case for a network of roads to support growth will need to consider:</p> <ul style="list-style-type: none"> <li>➤ Acquisition of land/property;</li> <li>➤ Growth of new businesses;</li> </ul>
<p>Community reliance on cars as primary mode of transportation resulting in traffic congestion and delays. This is currently observed between Queenstown and its satellites and is predicted longer term to occur in Wanaka as growth areas develop.</p>	<ul style="list-style-type: none"> <li>➤ Improved provision of public transport services (i.e. increased frequency and routes of services).</li> <li>➤ Investigate incentives and improve public education for increasing patronage of public transport services.</li> <li>➤ Provision of alternative routes to reduce congestion in known hotspots (i.e. CBD and Queenstown Town Centre Strategy, connections between Queenstown and Frankton, and other high growth areas including Kelvin Heights and Jacks Point).</li> <li>➤ Longer term, as development intensifies in Wanaka, provide alternative routes with growth areas of Three Parks (including new Wanaka Sports Facility), north Wanaka and Albert Town.</li> <li>➤ Free car parking for car pools.</li> </ul>	<p>Providing an efficient and effective public transport system may help reduce reliance on private cars, ease congestion and delays and improve safety which may ultimately affect the local economy.</p>



Meeting the TYP Level of Service – ‘a transport network that accommodates seasonal and future growth’ (When should we invest?)	Principal options (most likely scenario) for response	Implications
<p>Visitor and resident ability to access businesses and accommodation through car parking in town centres.</p> <p>Wanaka – predicted that an additional 270 car parks may be required by 2026.</p>	<ul style="list-style-type: none"> <li>➤ Development of ‘park and ride’ facilities</li> <li>➤ In Queenstown - development of car parking in Athol Street, Boundary Street and Ballarat Street.</li> <li>➤ Wanaka - re-configure existing car parking areas and investigate provision of new car park facilities.</li> <li>➤ Review District Plan car parking rules.</li> <li>➤ Manage car parking demand through improved cycling, walking, parking pricing and education.</li> <li>➤ Improve public transport</li> </ul>	Easing town centre congestion and overflow of parking into residential areas will help maintain the tourist experience and residents use of the town centres.
<p>‘Nga Haerenga - The New Zealand Cycle Trail’</p> <p>Expanding the NZ cycleway network through the Queenstown Lakes District to provide for growth of cycling and cycle tourism.</p>	<p>Support the NZ Cycle Trail Network Expansion Project, including potential links between Wakatipu basin, Wanaka and the West Coast.</p> <p>Expansion of trails within QLDC needs to be balanced with the on-going maintenance costs of these networks.</p>	Growth in cycle tourism may economically benefit the district.
<p>Cycleway and walkway networks to be formed, with appropriate signage and surfacing. Network to provide an alternative to roads / vehicle transport and also to develop as a district attraction in their own right.</p>	<p>Route improvement projects, new tracks and upgrading existing tracks.</p> <p>Combined upgrades, for example Mt Aspiring Road.</p>	Increasing patronage on cycleways and footpaths may help ease congestion.
<p>Accessible and safe cycle and walkways that attract people away from roads.</p>	<p>Connection of cycleways to provide alternative “off road” network.</p> <p>Provision of dedicated cycle lanes</p> <p>Safety improvements including targeting intersections, speed limits, lighting.</p> <p>Cycle safety and education programmes, in particular targeting schools.</p>	Cycle safety, is a necessary part of cycling becoming an acceptable alternative to vehicle use, particularly for school children.
<p>Limited public transport currently operating in district options, in particular bus and ferry services.</p> <p>Vehicle numbers (utilisation) on main roads are reaching levels such that it is becoming more difficult for pedestrians to cross the road (i.e. to access bus stops along Frankton Road in particular).</p>	<p>Develop ‘park and ride’ facilities and connection with ferry services on Lake Wakatipu. Provision of improved / safe bus stops and shelters.</p> <p>Access to bus stops to include safe pedestrian access across main roads, in particular Frankton Road. (i.e. pedestrian crossings, traffic islands with safety barriers and/or provision of traffic lights)</p>	Improving accessibility and safety of people getting to, and on public transport will increase the viability of alternative transport and help reduce congestion.

Meeting the TYP Level of Service – ‘a transport network that accommodates seasonal and future growth’ (When should we invest?)	Principal options (most likely scenario) for response	Implications
Pressure to improve access to Mt Aspiring National Park via Mt Aspiring and Glenorchy Roads	To extend sealing up to key National Park Car parks. Capital expenditure allocation of \$2.6M in 2018-2021 for seal extensions	It is important that infrastructure capacity is able to cope at peak times to ensure traffic flow and access to events that support the local economy.
Major tourist attractions, events and holidays creating traffic peaks that combined have the potential to gridlock the network. For example ski season and summer school holidays and in Wanaka combination of Easter and the biannual Warbirds event.	Intersection upgrades. Consider a CBD bus interchange. Bus parking (overnight) to be provided out of town centre.	It is important that existing infrastructure capacity is able to cope at peak times to ensure traffic flow and access to events that support the local economy.
Ensuring sufficient space for coach manoeuvring and parking, particularly in town centres and at accommodation nodes.	Intersection upgrades Bus parking (overnight) to be provided out of town centre.	Maintaining pedestrian safety, managing congestion and pollution (air quality and noise) are important to the tourist and resident experience of town centres.
Increased pressure to seal unsealed roads as vehicle numbers increase throughout the district, there will be increased patronage of ‘back’ roads, exposing drivers to conditions they may not be used to.	Provision of clear signage at entrance ways to key unsealed roads warning drivers of road condition. Provision of speed limit signs at bends on unsealed roads. General speed restrictions on all unsealed roads. The One Network Road Classification (ONRC) will drive QLDC to assess the economic and social outcomes of any decisions made on the works programme. Consider maintenance costs of sealed and unsealed roads and does this drive value for money for the community.	Appropriate information for drivers of the road conditions and speed limits / restrictions is an important safety measure.
<ul style="list-style-type: none"> <li>➤ Limited routes into district via state highways: Kingston to Frankton,</li> <li>➤ Kawarau George to Queenstown,</li> <li>➤ Tarras to Wanaka and</li> <li>➤ West Coast (Haast Pass) to Wanaka.</li> </ul> <p>Routes susceptible to closure from accidents and major natural events, including, flooding, snow, avalanche, subsidence, rock falls, landslides and fire.</p>	NZTA stabilisation works at Nevis Bluff. NZTA upgrading of Kingston Road - slumping and rock stabilisation works. Haast Road prone to landslide – NZTA improved travel warning systems. NZTA winter maintenance programmes.	Closure of routes results in lengthy diversions (2 to more than 10 hours) with disruption to travel and tourist connections. Stabilisation helps ensure road user safety.

Meeting the TYP Level of Service – ‘a transport network that accommodates seasonal and future growth’ (When should we invest?)	Principal options (most likely scenario) for response	Implications
<p>Crown Range Road provides most direct route between Queenstown and Wanaka and to Cardrona / Snow Park ski areas. Winter conditions and inexperienced tourist drivers contribute to accidents.</p> <p>Susceptible to closure in natural events (rock falls / landslides) and winter conditions - snow/ice.</p> <p>Heavy and long vehicles are diverted via SH6 through Cromwell.</p>	<p>Manage winter conditions on Crown Range Road, including grit programme and snow ploughing.</p> <p>Upgrading of road surface and installation of passing bays and lanes.</p> <p>Weather and tourist information and education.</p> <p>SH6 via Cromwell to remain as heavy and long vehicle route.</p>	<p>Council operates an annual programme for managing winter conditions to reduce associated risks.</p>

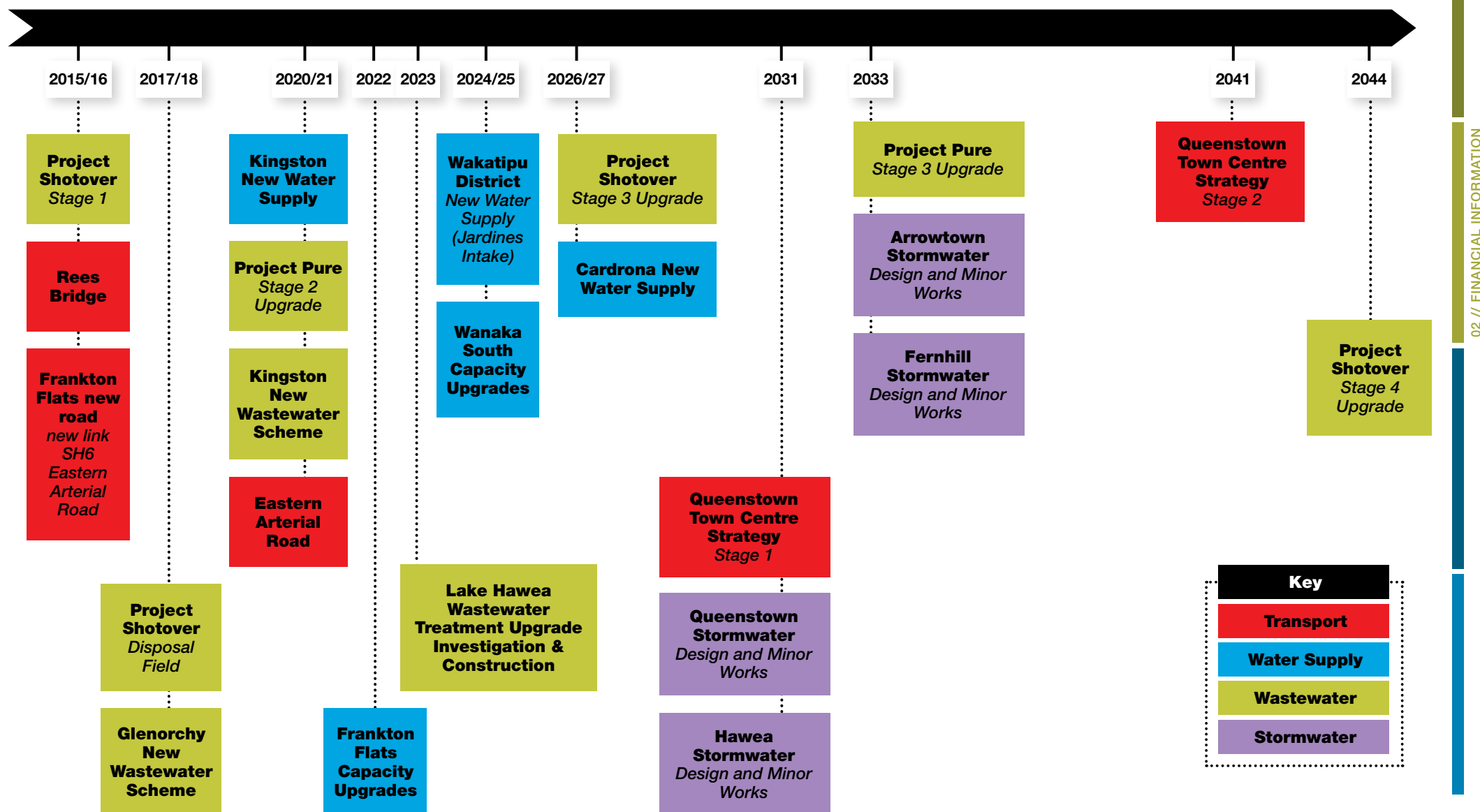
Assets critical to service delivery – resilience issues (When should we invest?)	Principal options (most likely scenario) for response	Implications
<p>State highway (NZTA) bridges over Kawarau and Shotover Rivers at Kawarau Falls, Kawarau Bungy/Chard Road, Victoria Flats and Lower Shotover/Quail Rise, vulnerable to damage from earthquakes and flooding (single points of network failure).</p> <p>Historic Kawarau Falls Bridge only southern connection, one way with traffic delay times increasing and no earthquake strengthening.</p>	<p>Proposed new Kawarau Falls Bridge - two lane bridge downstream from Historic Kawarau Falls Bridge (NZTA).</p> <p>The historic Kawarau Falls bridge will be retained as a pedestrian and cycleway.</p> <p>NZTA will continue to monitor and manage its key state highway assets.</p> <p>NZTA asset management plan 2015-18 - capital expenditure \$17 M.</p>	<p>Funding required to strengthen historic bridge and for on-going maintenance.</p>
<p>Historic Edith Cavell Bridge over Shotover River at Arthurs Point (Heritage New Zealand Category 1) provides only alternative access into Queenstown.</p> <p>This historic bridge is one lane with limited driver visibility and tight horizontal and vertical alignment onto/off the bridge and no provision for pedestrians or cyclists.</p>	<p>Add cycleway and footbridge.</p> <p>Earthquake strengthening and new bridge.</p> <p>Capital expenditure required: cycleway and footbridge \$750,000 and +\$1m for earthquake strengthening. The new bridge is beyond the 30 Year Strategy.</p>	<p>Traffic wait times increasing and safety issue around vehicles queuing.</p>
<p>Rural bridges vulnerable to damage from earthquakes and flooding, including landslides.</p>	<p>Bridge work to address load / seismic capacity, flood capacity, height and width restrictions and safety and side protection standards.</p> <p>Remedial work on Rees bridge.</p> <p>Capital expenditure on Rees River bridge - \$3M.</p>	<p>Risk factors to rural bridges include scour susceptibility, seismic robustness and durability and degradation.</p> <p>Bridges critical to providing access to rural communities.</p>

Assets critical to service delivery – renewal, maintenance and operating issues (When should we replace it?)	Principal options (most likely scenario) for response	Implications
<p>Increased rates of deterioration of sealed road surfaces, pavements and footpaths due to traffic growth, increased tourist vehicles, storm events and extreme winter freeze / summer bake climate conditions.</p>	<p>On-going programme of sealed road resurfacing and pavement rehabilitation work.</p> <p>Programme of winter snow ploughing, de-icing and gritting in conjunction with education and road reports.</p>	<p>Completion of works is important to improve safety and network reliability, which impact the economy and local communities.</p>
<p>Deterioration of unsealed roads with potential isolation of rural communities and tourist inaccessibility.</p>	<p>On-going programme of re-metalling and sealing</p> <p>On-going investigation into supply and Otta sealing programme.</p>	<p>Minimising deterioration of unsealed roads may improve safety and level of service.</p>



## Major Projects Timeline (most likely future scenario)

Following the analysis of context, capital expenditure drivers, significant issues and risk, the major new infrastructure projects (defined for the purpose of this strategy, as being \$3.5 million or more of capital expenditure) expected to be undertaken in the 2015-45 period are shown in the timeline below.



## Indicative Estimates and Key Assumptions of Projected Capital and Operating Expenditure

All expenditure in this document is represented in 'dollars of today' and has not been inflated for future years. Expenditure is inflated for future years within the TYP.

The following table reflects QLDC's methodology for applying inflation to the capital forecasts. We source economic predictions from Business and Economic Research Limited (BERL is a NZ company who specialise in economic research, analysis, advice and consultancy):

**TABLE 1 APPLYING INFLATION TO CAPITAL FORECASTS (REF: RATIONALE FEB 2015)**

Investment Years	Uninflated Capex		Inflated Capex	
	Transportation	Three Waters	Transportation	Three Waters
2016 - 2020	\$61,786,397	\$78,061,802	\$64,103,544	\$84,171,253
2021 - 2025	\$44,365,841	\$40,990,911	\$51,717,231	\$52,110,468
2026 - 2030	\$35,414,615	\$69,430,461	\$47,055,259	\$105,084,453
2031 - 2045	\$108,163,845	\$79,532,787	\$176,638,359	\$160,413,300
<b>TOTAL</b>	<b>\$249,730,699</b>	<b>\$268,015,961</b>	<b>\$339,514,393</b>	<b>\$401,779,474</b>

## Infrastructure Investment Programme

### Total Expenditure

In addressing the issues identified in the previous section of this strategy, QLDC expects to spend around \$785M on new or replacement infrastructure between 2015 and 2045. Over the same period, \$877M is expected to be spent on operating costs, (excluding interest, overheads and depreciation). These figures are anticipated to be spread across the infrastructure asset activity areas as follows:

**TABLE 2 TOTAL INFRASTRUCTURE SPEND 2015 - 2045 (CAPITAL & OPERATIONAL)**

Infrastructure Activity	Capital Expenditure	Operational Expenditure
<b>Water</b>	\$89,173,520	\$141,961,813
<b>Wastewater</b>	\$155,385,125	\$179,498,930
<b>Stormwater</b>	\$23,457,317	\$18,145,919
<b>3 Waters total</b>	<b>\$268,015,961</b>	<b>\$339,606,662</b>
<b>Transport</b>	\$249,730,699 *	\$192,932,453 *
<b>TOTAL</b>	<b>\$785,762,622</b>	<b>\$877,878,620</b>

\* These values are predicted to reduce through the implementation of ONRC

Total annual expenditure for both 3 Waters and Transport for the 30 year period is shown in Figure 4.

**FIGURE 4 TOTAL INFRASTRUCTURE SPEND (CAPITAL & OPERATIONAL) FOR THREE WATERS 2015-2045**

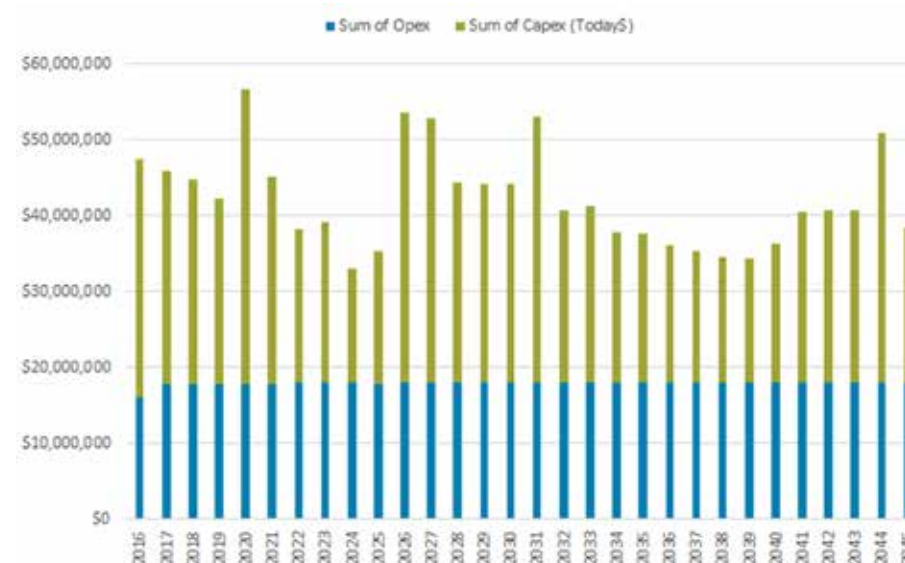
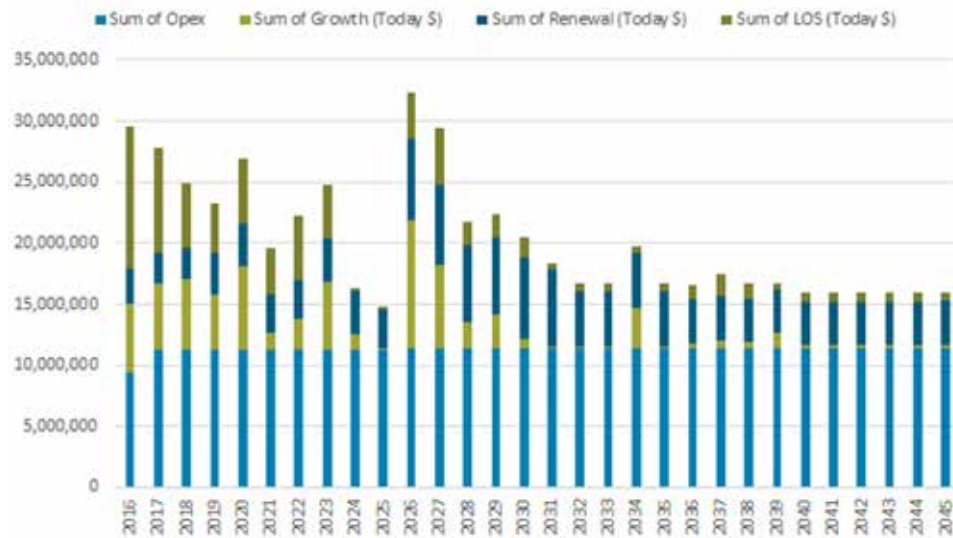


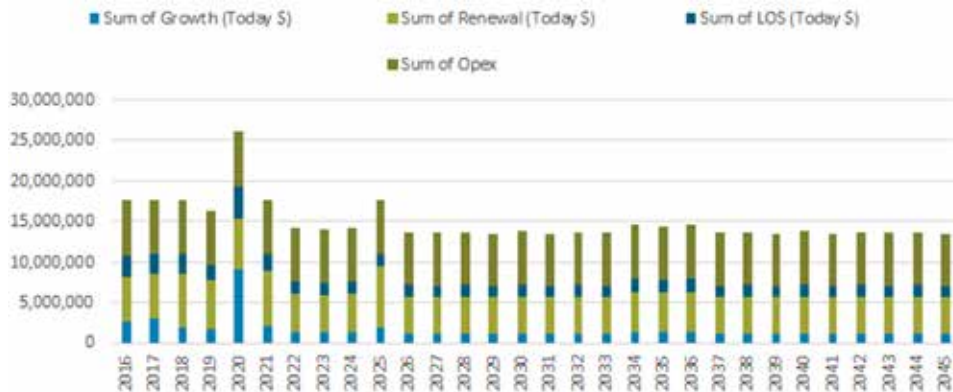
Figure 5 shows that capital and operation spend are generally split evenly. The exceptions are in years 2016 and 2017 which is driven by Project Shotover – Queenstown wastewater plant upgrade, with further stages of Project Shotover expected in 2026 and 2027.

Figure 6 highlights increased capital spend in years 2020 and 2025 due to the Eastern Arterial and Edith Cavell Bridge projects.

**FIGURE 5 TOTAL INFRASTRUCTURE SPEND (CAPITAL & OPERATIONAL) FOR THREE WATERS 2015-2045**



**FIGURE 6 TOTAL INFRASTRUCTURE SPEND (CAPITAL & OPERATIONAL) FOR TRANSPORT 2015-2045**



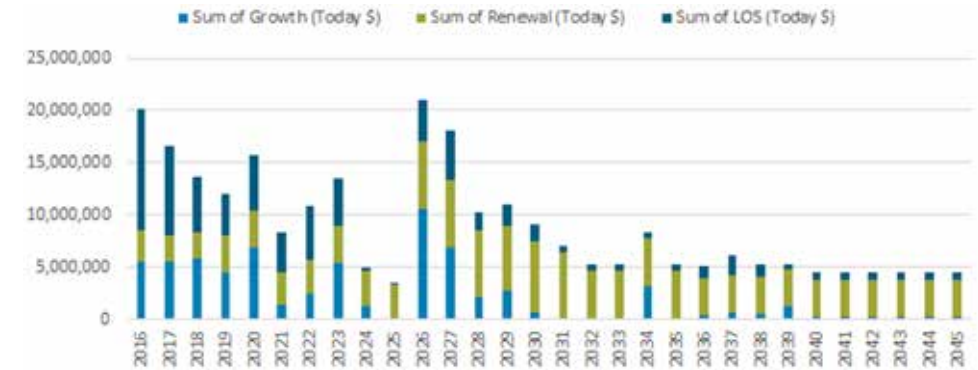
## Capital Expenditure Highlights

Figure 7 & 8 shows the expected expenditure year-on-year up to 2045, by driver (growth, asset renewal or level of service). Capital expenditure is projected to exceed \$15 million for 4 of the years, as highlighted below:

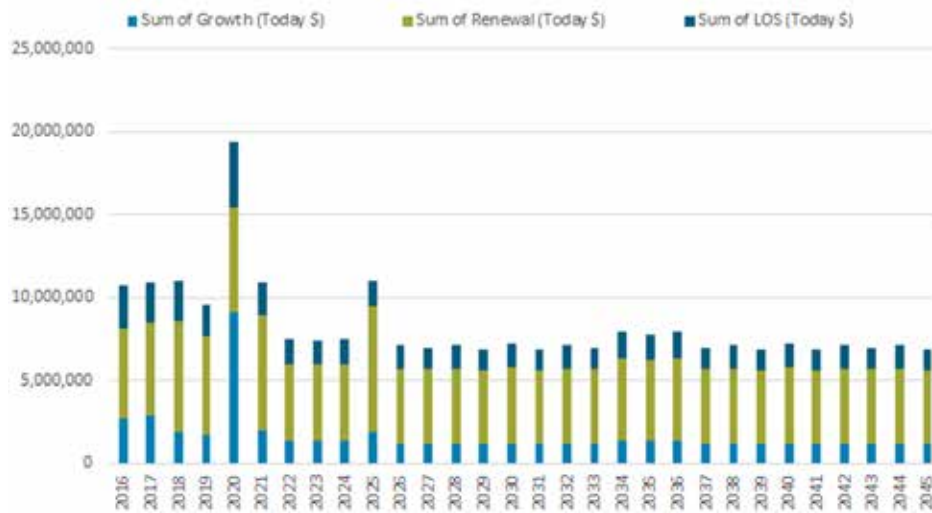
- 2016/17 – Project Shotover Upgrade Stage 1
- 2019/20 – Frankton Flats new road – Eastern Arterial Road
- 2026-27 – Wanaka growth projects (service reservoir and rising mains)
- 2026-27 – Project Shotover Upgrade Stage 3

Spend in the first ten years is driven by growth and delivering levels of service to the district.

**FIGURE 7 INFRASTRUCTURE THREE WATERS EXPENDITURE PROJECTIONS 2015-2045 (BY DRIVER (GROWTH, IMPROVEMENTS, RENEWALS))**



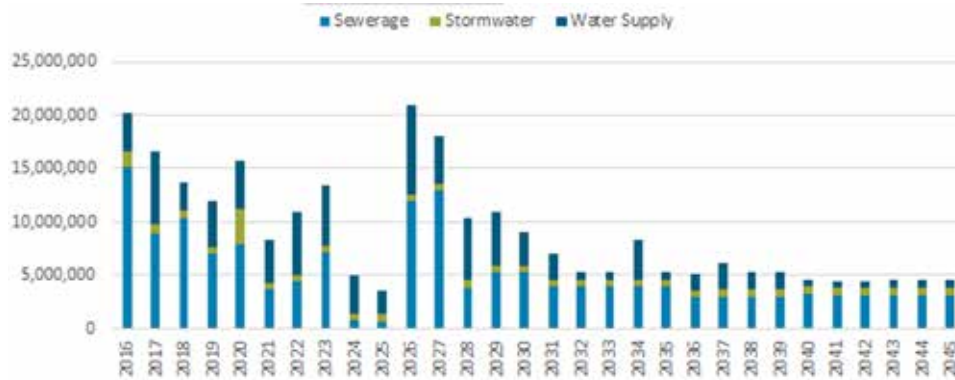
**FIGURE 8 INFRASTRUCTURE 3 WATERS CAPITAL EXPENDITURE 2015-2045  
(BY INFRASTRUCTURE ACTIVITY)**



Total capital expenditure by each of the three waters activities is shown in Figure 9 below.

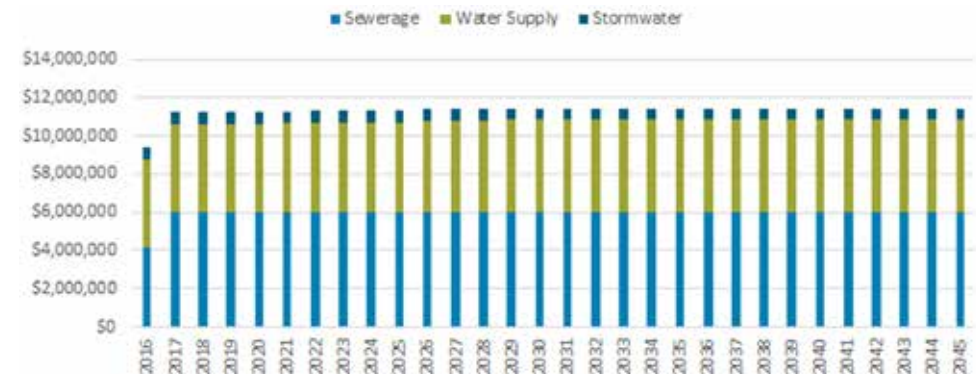
Expenditure in the first 2 years of the period is driven by wastewater expenditure due to Project Shotover. Expenditure to 2026 is then broadly split between water and wastewater with minor spend on stormwater infrastructure.

**FIGURE 9 INFRASTRUCTURE THREE WATERS CAPITAL EXPENDITURE 2015-2045  
(BY INFRASTRUCTURE ACTIVITY)**



Operational expenditure for the 30 year period is shown in Figures 10 and 11 (excluding depreciation and interest, including operations, maintenance and overheads). No allowance has been made for growth or inflation. Operational costs for wastewater undergo a step change increase in 2017 following the completion of the Project Shotover wastewater plant upgrade, but are otherwise expected to remain flat. It is expected that this will result in a decrease in costs on a per capita basis over time.

**FIGURE 10 INFRASTRUCTURE THREE WATERS OPERATIONAL EXPENDITURE 2015-2045  
(BY INFRASTRUCTURE ACTIVITY)**



**FIGURE 11 INFRASTRUCTURE TRANSPORT OPERATIONAL EXPENDITURE 2015-2045  
(BY INFRASTRUCTURE ACTIVITY)**

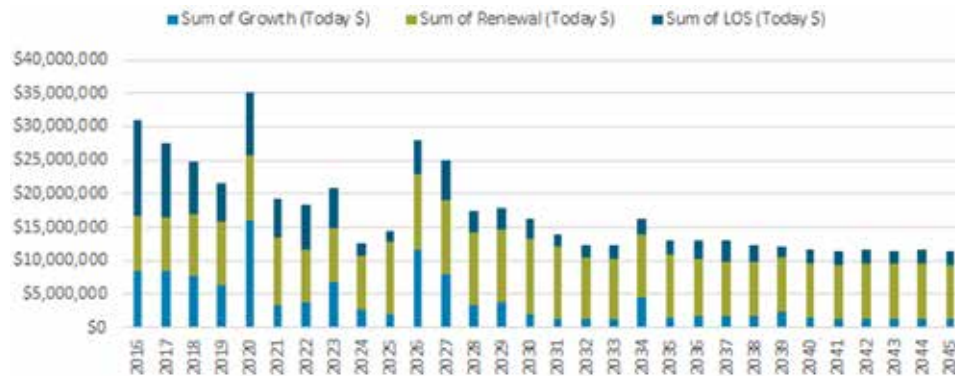




## Major Water Capital Works Programme Summary

Figure 12 illustrates the projected capital expenditure associated with the management of QLDC water infrastructure assets out to 2045.

**FIGURE 12 WATER CAPITAL EXPENDITURE 2015-2045 (BY DRIVER)**



Major new infrastructure projects (defined, for the purpose of this strategy, as being \$3.5 million or more of capital expenditure) that are expected to be undertaken in the 2015-2045 period are shown in the table below. The estimated capital costs are expressed in 2015 New Zealand Dollars.

Major Work - Water	Cost	Timing	Assumption
Wakatipu District - New Water Supply (Jardines Intake)	\$39M	2025 to 2035	A new intake, treatment plant and network infrastructure for Queenstown and surrounding communities, to meet future growth, and drinking water standards (further investigation work required)
Frankton Flats Capacity Upgrades	\$6.5m	By 2022	Investment will be driven by growth.
Wanaka South Capacity Upgrades	\$8M	By 2025	Investment will be driven by development and growth.
Kingston New Water Supply	\$3.5m	2021	Assumed water and wastewater schemes will occur at the same time to introduce delivery/procurement efficiencies

## Implications of uncertainty - Water

The network expansion and treatment rationalisation programmes of the water supplies are understood at a concept level. Detailed planning investigations will be required to confirm preferred pipeline alignments, sizes and locations of reservoirs. Decisions around rationalisation of treatment and water takes will require broader consultation with the community and the Ministry of Health. As such the council does not currently hold resource consents to enable these programmes to proceed at this time. Once further analysis has been completed, Council will seek to engage with key stakeholders prior to seeking resource consents to enable the works to proceed. Resource consents are expected to take up to two years to be granted from date of lodging an application. The specific conditions contained within any future resource consents have the potential to add further costs to water supply projects, either during their construction or for the duration of the useful life of the scheme. These will need to be understood from a risk and affordability perspective to ensure any decision for investment is sound and in the best interests of the community.

Although there is a high level of confidence in resident population growth projections, there is less certainty around future consumption (consumer usage) rates. Consumption rates affect overall demand for services and depending on the effectiveness of any demand management programmes, the timing of some investments may be able to be deferred. In addition, a greater understanding of visitor projections and consumption rates is required to ensure investment programmes are timely and affordable.

The treatment solutions identified for the new Queenstown intake have assumed that filtration treatment will be required in combination with disinfection treatment in order to meet the national drinking water standards. However, if the current treatment trials for implementing disinfection only treatment are able to prove compliance with the drinking water standards, the planned investment in filtration treatment will be deferred possibly by a decade or longer.

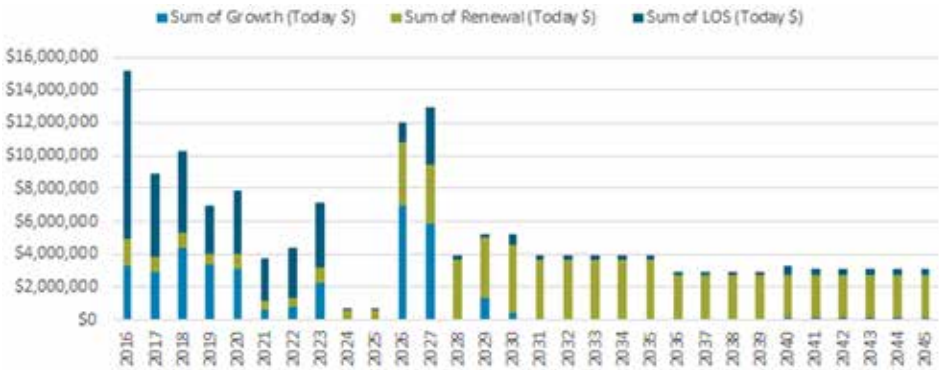
The councils small (community) water treatment schemes have assumed UV treatment only will be required to meet drinking water standards as they typically use bore water. However, if additional treatment such as filtration is required, this will require an increase the investment required.

If Council was to decide to takeover the management and operation of private water supply schemes, upgrades may be required to meet drinking water standards, which are currently not planned for in this strategy.

### Major Wastewater Capital Works Programme Summary

The chart below illustrates the projected capital expenditure associated with the management of QLDC wastewater infrastructure assets out to 2045.

**FIGURE 13 WASTEWATER CAPITAL EXPENDITURE 2015-2045 (BY DRIVER)**



Major new infrastructure projects (defined, for the purpose of this strategy, as being \$4million or more of capital expenditure) that are expected to be undertaken in the 2015-2045 period are shown in the table below. The estimated capital costs are expressed in 2015 New Zealand Dollars. Excluded from this are the new Cardrona and Glenorchy Wastewater schemes as costs are below the \$4M threshold.

Major Work - Wastewater	Cost	Timing	Assumption
Project Shotover – Stage 1	\$21M	2015 and 2018	Contractors appointed – scheme has commenced
Project Shotover – Disposal Field	\$8m	2022	
Project Shotover – Stage 3 & 4 Upgrades	\$20m	2027 2044	\$10M per stage assumed to upgrade the treatment plant with latest technology / level of service driven
Project Pure – Stage 2 & 3 Upgrades	\$7.5M	2021 2033	\$3.75M per stage assumed to upgrade the treatment plant with latest technology / level of service driven
Lake Hawea Wastewater Treatment Upgrade Investigation and Construction	\$4.2M	2023	A decision will need to be made to connect to Project Pure (Wanaka wastewater scheme) prior to the Lake Hawea consent expiring
Glenorchy New wastewater Scheme	\$4.3M	2017	Scheme will commence in the 2015 TYP period, driven by community need and affordability

### Implications of Uncertainty - Wastewater

Understanding the size of rainfall events is important when defining acceptable levels of risk and defining future programmes of investment. The impacts of significant events (and back to back events) are not understood in detail, and there is therefore some uncertainty around capacity driven infrastructure projects. The performance of any drainage system can also be heavily influenced by lake levels and rates of ground water infiltration. The consequence of these variables is some of these investments may be less effective than was planned and potentially increased investment may be required to meet agreed outcomes.

Additional work will need to be undertaken to understand the rates of deterioration of the existing wastewater networks. Council has implemented a plan to review and improve its monitoring of network condition to better inform design standards and investment programmes.

There is a degree of uncertainty around the conditions that may be placed on the resource consents for new wastewater schemes. This may impact on future costs and revised timings for scheme delivery. It is important that council put forward robust arguments during consenting processes to ensure that the operation of a scheme under resource consent balances environmental outcomes and community affordability.

## Major Stormwater Capital Works Programme Summary

The chart below illustrates the projected capital expenditure associated with the management of QLDC stormwater infrastructure assets out to 2045.

**FIGURE 14 WATER SUPPLY CAPITAL EXPENDITURE 2015-2045**



Major new infrastructure projects (defined, for the purpose of this strategy, as being \$3 million or more of capital expenditure) that are expected to be undertaken in the 2015-2045 period are shown in the table below. The estimated capital costs are expressed in 2015 New Zealand Dollars.

Major Work - Stormwater	Timing	Assumption
Frankton Flats Stage 2 Works	2020	Investigations and future investment plans for stormwater management are currently under development. This programme may change through the 2018 TYP.
Hawea Stormwater - Design and Minor Works	2033-45	
Queenstown Stormwater - Design and Minor Works	2033-45	
Fernhill Stormwater - Design and Minor Works	2033-39	

## Implications of Uncertainty - Stormwater

Understanding the size of rainfall events is important when defining acceptable levels of risk and defining future programmes of investment. The impacts of significant events (and back to back events) are not understood in detail, and there is therefore some uncertainty around capacity driven infrastructure projects.

In addition, engagement needs to be undertaken with the community to best understand the requirements of an integrated stormwater solution – integrated management vs. conveyance solutions. The performance of the stormwater system can also be heavily influenced by lake levels. The consequence of these variables is some of these investments may be less effective than planned and potentially increased investment may be required to meet agreed outcomes.

There is a degree of uncertainty around the conditions that may be placed on the resource consents and whether investment in stormwater treatment will be required in the future. This may impact on future costs and revised timings for scheme delivery. It is important that council put forward robust arguments during consenting processes to ensure that the operation of a scheme under resource consent balances environmental outcomes with community affordability.

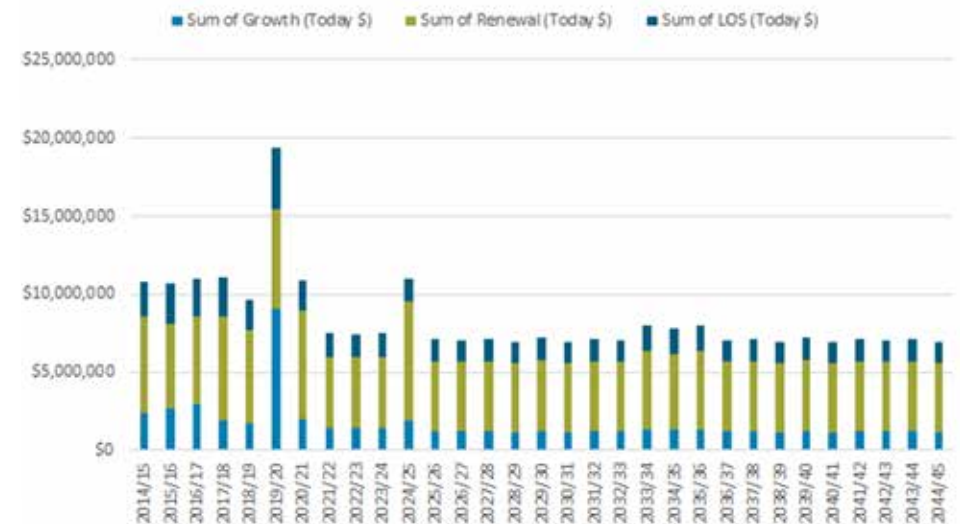
There is a level of uncertainty regarding the continued use and capacity of overland flow paths. Further investment could be required due to upgrade or modify overland flow paths to better protect private properties.

The implications of the Otago Regional Council's "Proposed Plan Change 6A (Water Quality) Regional Plan: Water for Otago" are currently unknown. There may be an increase in investment required to address environmental matters or water quality for the districts lakes and rivers.

## Major Transport Capital Works Programme Summary

The chart below illustrates the projected capital expenditure associated with the management of QLDC transport infrastructure assets out to 2045.

**FIGURE 15 TRANSPORT CAPITAL EXPENDITURE 2015-2045 (BY DRIVER)**



Major new infrastructure projects (defined, for the purpose of this strategy, as being \$3 million or more of capital expenditure) that are expected to be undertaken in the 2015-2045 period are shown in the table below. The estimated capital costs are expressed in 2015 New Zealand Dollars.

Major Work - Transport	Cost	Timing	Assumption
Queenstown Town Centre Strategy, Stage 1 Melbourne Henry (construction)	\$10m	2031	Inner Queenstown Transport Study (2008) TYP 2012/22 Spreadsheet
Queenstown Town Centre Strategy Stage 2 Henry-Man (construction) and Dublin to Suburb St	\$12m	2041	Inner Queenstown Transport Study (2008) TYP 2012/22 Spreadsheet
Frankton Flats new road – New link SH6 Eastern Arterial Road	\$9m	2020	Wakatipu Transportation Strategy (2007) Page 5-6.  TYP Volume 3 / page 11  * The timing for this project has been brought forward to 2018 in the draft TYP.
Rees Bridge	\$5m	2015-25	Identified in Bridge inspection Report 2013 / 2014 draft  Major works required due to aggregate build up

### Implications of uncertainty - Transport

Council sources around 50% of its funding for transportation projects and expenditure from NZTA. Through the National Funding Assistance Review (FAR), NZTA have signalled that they will be reducing the funding available to council progressively over the next 10 years. After 10 years, NZTA have signalled a levelling out of funding. The extent of the proposed reduction is not yet understood and it is likely Council may be required to review its investment plans. It is possible that levels of service (i.e. quality of roads or acceptable levels of congestion) will have to change as Councils seeks to deliver its roading programme with reduced NZTA funding.

Council is also looking at other options by where the ownership of special purpose roads such as the Crown Range and the road to Glenorchy would be moved from Council to NZTA. Although this would save the Council money in maintenance, it may also result in changes to the levels of service (i.e. quality of roads or number of closure days) on those roads.

Improvements to public transportation patronage and use of cycle trails, combined with education programmes could go some way to ensuring Councils roads continue to deliver current levels of service. Diversification of transport options is a key tool in managing congestion (user demand) at peak times of the day. Other options such as increases to local funding may also provide an alternative, however this solution would need to be well understood and consulted on with the community ahead of any such decision.

There is a degree of uncertainty around the conditions that may be placed on the resource consents for any new roading project and the levels of investment in stormwater treatment that might be required in the future. This may impact on future costs and revised timings for scheme delivery. It is important that council put forward robust arguments during consenting processes to ensure that the construction and operation of a new road best balances environmental outcomes with community affordability.

### One Network Road Classification (ONRC) System

The ONRC is a new initiative from New Zealand Transport Agency, supported by Local Government New Zealand for the provision of a nationally consistent framework that will inform future transport planning, investment choices, maintenance and operational decisions. Prior to the 2018 TYP, ONRC will seek to standardise the road user experience nationally and drive consistent transportation asset management throughout New Zealand. Council is on programme to transition to ONRC by October 2016.

The ONRC promotes a customer focus and investment decisions will be based on whether the roads are fit for purpose and meeting the needs of the users through requiring nationally consistent evidence-based investment decision making. That will require the Council to undertake a risk management based approach on the timing of maintenance and investment. Under this approach, the Council will ensure roads are usable and will not allow that risk to extend to the failure of the road, resulting in excessive or unnecessary rehabilitation costs. The Council supports the implementation of the ONRC system and will start to use the ONRC technical and customer levels of service to guide the development of its maintenance and renewals plans from the 2015/16 financial year.

### Summary

This is Councils first infrastructure strategy. Council has a sound understanding of the issues facing the district with regards to the provision of core three-waters and transportation infrastructure as presented in this strategy. It is acknowledged that additional improvements are required in the areas of asset data and asset planning practices which have been identified in this strategy.

The three-waters and roading activities are well engaged with asset planning, with a number of key master planning documents having been produced in recent years, along with a full suite of Asset Management Plans being produced in late 2014. These plans are underpinned by the newly formed Infrastructure Asset Planning team with a commitment to continuously improving asset management practices, asset data records (i.e. age and condition) and management of asset life cycles, including investment programming.

The major issues identified in this strategy are the effects of growth and the potential requirement to renew portions of these assets over the next thirty years. A number of activity specific issues are also considered in this document, including public safety, future resource consent requirements and engagement with the ORC and NZTA.

Consideration of issues shows that there is an ongoing need to progressively improve asset management practices as well as moving to evidence based investment programming to ensure that investment programmes are targeted, timely and affordable. This will ensure that issues are well understood, options considered, investment programmes are prudent and service delivery outcomes are delivered in the most affordable manner.



# Financial Statements

## Prospective Statement of Financial Performance for the Year Ended 30 June

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>Operating Income (\$000)</b>										
55,566	Targeted Rates (1)	56,822	58,575	62,416	64,238	66,064	67,154	67,829	69,840	71,065	73,041
2,138	General Rates	2,606	2,820	2,439	2,219	1,713	1,840	1,783	1,777	1,679	2,039
17,823	User Charges	15,134	15,686	16,343	22,565	24,556	26,757	29,024	30,854	32,118	33,449
13,869	Grants and Subsidies	11,020	16,065	39,920	8,877	9,650	10,089	8,373	8,095	8,477	11,145
-	Property Sales	-	-	-	-	-	-	-	-	-	-
5,948	Vested Assets	8,900	9,161	9,409	9,682	9,975	10,296	10,643	11,019	11,424	11,868
10,563	Development Contributions	6,382	6,089	6,121	6,157	7,294	7,211	6,642	7,338	7,107	7,365
3,038	Dividend Income	3,238	3,672	3,822	4,177	4,305	5,435	6,021	6,388	6,984	7,805
4,130	Other Income	7,957	7,211	7,177	7,265	7,528	7,488	7,779	8,084	8,411	8,758
-	Revaluation - Non Current Assets	617	623	629	636	642	648	655	661	668	675
<b>113,075</b>	<b>Total Operating Income</b>	<b>112,676</b>	<b>119,902</b>	<b>148,276</b>	<b>125,816</b>	<b>131,727</b>	<b>136,918</b>	<b>138,749</b>	<b>144,056</b>	<b>147,933</b>	<b>156,145</b>
	<b>Cost of Services (\$000)</b>										
2,890	Local Democracy	3,311	3,365	3,484	3,487	3,641	3,815	3,837	4,033	4,230	4,276
20,801	Community	21,417	23,242	24,353	25,407	25,943	26,540	27,316	27,544	27,567	27,840
8,084	Economic Development	7,555	8,134	8,989	17,205	18,198	19,432	20,593	21,534	22,079	22,666
6,719	Environmental Management	7,579	7,150	7,023	7,122	7,249	7,453	7,652	7,884	8,117	8,378
6,970	Regulatory	5,867	5,957	6,063	6,211	6,366	6,627	6,825	6,988	7,217	7,476
18,453	Roading and Footpaths	16,911	16,393	16,815	17,612	17,897	18,582	19,375	20,085	20,658	21,514
8,984	Sewerage	10,026	11,130	14,140	15,007	15,764	16,443	16,907	17,640	18,309	18,563
7,769	Water Supply	8,599	9,164	9,742	10,087	10,631	11,081	11,613	12,349	13,048	13,499
2,372	Stormwater	2,695	2,924	3,101	3,144	3,282	3,328	3,368	3,442	3,561	3,591
5,969	Waste Management	6,729	6,902	7,098	7,308	7,552	7,769	8,062	8,396	8,755	9,138
(112)	Overhead and Internal Charges	(259)	(258)	(259)	(259)	(258)	(259)	(259)	(258)	(259)	(259)
<b>88,899</b>	<b>Total Operating Cost (See Table for detail)</b>	<b>90,430</b>	<b>94,103</b>	<b>100,549</b>	<b>112,331</b>	<b>116,265</b>	<b>120,811</b>	<b>125,289</b>	<b>129,637</b>	<b>133,282</b>	<b>136,682</b>
<b>24,176</b>	<b>Net Surplus (\$000)</b>	<b>22,246</b>	<b>25,799</b>	<b>47,727</b>	<b>13,485</b>	<b>15,462</b>	<b>16,107</b>	<b>13,460</b>	<b>14,419</b>	<b>14,651</b>	<b>19,463</b>

**Prospective Statement of Comprehensive Income for the Year Ended 30 June**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
24,176	Net Surplus (\$000)	22,246	25,799	47,727	13,485	15,462	16,107	13,460	14,419	14,651	19,463
	<b>Other Comprehensive Income (\$000)</b>										
-	Gain/(Loss) on Revaluation	-	26,134	-	-	68,851	-	-	91,336	-	-
<b>24,176</b>	<b>Total Comprehensive Income (\$000)</b>	<b>22,246</b>	<b>51,933</b>	<b>47,727</b>	<b>13,485</b>	<b>84,313</b>	<b>16,107</b>	<b>13,460</b>	<b>105,755</b>	<b>14,651</b>	<b>19,463</b>

**Prospective Statement of Changes in Equity for the Year Ended 30 June**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>935,205</b>	<b>Forecast Opening Equity (\$000)</b>	<b>979,644</b>	<b>1,001,890</b>	<b>1,053,823</b>	<b>1,101,550</b>	<b>1,115,035</b>	<b>1,199,348</b>	<b>1,215,455</b>	<b>1,228,915</b>	<b>1,334,670</b>	<b>1,349,321</b>
24,176	Total Comprehensive Income	22,246	51,933	47,727	13,485	84,313	16,107	13,460	105,755	14,651	19,463
<b>959,381</b>	<b>Forecast Closing Equity (\$000)</b>	<b>1,001,890</b>	<b>1,053,823</b>	<b>1,101,550</b>	<b>1,115,035</b>	<b>1,199,348</b>	<b>1,215,455</b>	<b>1,228,915</b>	<b>1,334,670</b>	<b>1,349,321</b>	<b>1,368,784</b>

**Prospective Statement of Financial Position as at 30 June**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>Current Assets (\$000)</b>										
388	Bank and Cash	336	336	335	334	334	334	334	335	335	335
13	Short Term Investments	14	14	15	15	16	16	17	18	19	19
9,789	Accounts Receivable	10,246	10,246	10,246	10,246	10,246	10,246	10,246	10,246	10,246	10,246
348	Prepayments	716	716	716	716	716	716	716	716	716	716
292	Inventory - Development Property	292	292	292	292	292	292	292	292	292	292
-	Inventory	24	24	24	24	24	24	24	24	24	24
<b>10,830</b>	<b>Total Current Assets (\$000)</b>	<b>11,628</b>	<b>11,628</b>	<b>11,628</b>	<b>11,627</b>	<b>11,628</b>	<b>11,628</b>	<b>11,629</b>	<b>11,631</b>	<b>11,632</b>	<b>11,632</b>
	<b>Non Current Assets (\$000)</b>										
6,626	Investments (1)	7,336	7,336	7,336	7,336	7,336	7,336	7,336	7,336	7,336	7,336
66,332	Investment Properties	62,308	62,931	63,560	64,196	64,838	65,486	66,141	66,802	67,470	68,145
1,026,796	Fixed Assets	1,057,895	1,150,282	1,204,542	1,218,344	1,302,252	1,316,563	1,324,985	1,428,265	1,428,863	1,433,398
1,099,754	Total Non Current Assets (\$000)	1,127,539	1,220,549	1,275,438	1,289,876	1,374,425	1,389,385	1,398,461	1,502,403	1,503,669	1,508,879
<b>1,110,584</b>	<b>Total Assets (\$000)</b>	<b>1,139,167</b>	<b>1,232,177</b>	<b>1,287,066</b>	<b>1,301,503</b>	<b>1,386,053</b>	<b>1,401,013</b>	<b>1,410,090</b>	<b>1,514,034</b>	<b>1,515,301</b>	<b>1,520,511</b>
	<b>Current Liabilities (\$000)</b>										
12,959	Accounts Payable	14,846	14,846	14,846	14,843	14,845	14,845	14,842	14,845	14,846	14,846
3,259	Other Financial Liabilities	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846
20,248	Current Term Debt	17,938	24,099	25,174	25,317	25,352	25,180	24,523	24,251	22,243	20,105
36,466	Total Current Liabilities (\$000)	35,630	41,791	42,866	43,006	43,043	42,871	42,211	41,942	39,935	37,797
114,737	Non Current Liabilities (\$000)	101,647	136,563	142,650	143,462	143,662	142,687	138,964	137,422	126,045	113,930
<b>151,203</b>	<b>Total Liabilities (\$000)</b>	<b>137,277</b>	<b>178,354</b>	<b>185,516</b>	<b>186,468</b>	<b>186,705</b>	<b>185,558</b>	<b>181,175</b>	<b>179,364</b>	<b>165,980</b>	<b>151,727</b>
	<b>Public Equity (\$000)</b>										
381,136	Revaluation Reserve	414,285	441,042	441,671	442,307	511,800	512,448	513,103	605,100	605,768	606,443
12,712	Operating Reserves	10,653	8,701	7,138	4,704	4,282	3,494	2,574	2,493	2,239	1,539
7,316	Capital Reserve	10,464	10,371	9,770	9,770	9,770	9,770	9,770	9,770	9,770	9,802
558,217	Accumulated Funds	566,488	593,709	642,971	658,254	673,496	689,743	703,468	717,307	731,544	751,000
<b>959,381</b>	<b>Total Public Equity (\$000)</b>	<b>1,001,890</b>	<b>1,053,823</b>	<b>1,101,550</b>	<b>1,115,035</b>	<b>1,199,348</b>	<b>1,215,455</b>	<b>1,228,915</b>	<b>1,334,670</b>	<b>1,349,321</b>	<b>1,368,784</b>
<b>1,110,584</b>	<b>Total Liabilities and Equity (\$000)</b>	<b>1,139,167</b>	<b>1,232,177</b>	<b>1,287,066</b>	<b>1,301,503</b>	<b>1,386,053</b>	<b>1,401,013</b>	<b>1,410,090</b>	<b>1,514,034</b>	<b>1,515,301</b>	<b>1,520,511</b>

**Prospective Statement of Cashflows for the Year Ended 30 June (\$000)**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>Cash Flows from Operating Activities</b>										
	Cash was provided from:										
97,191	Receipts from Ratepayers and Other Income	99,920	106,446	134,417	111,320	116,805	120,538	121,429	125,988	128,857	135,797
3,038	Dividends Received	3,238	3,672	3,822	4,177	4,305	5,435	6,021	6,388	6,984	7,805
100,229		103,158	110,118	138,239	115,497	121,110	125,973	127,450	132,376	135,841	143,602
	Cash was applied to:										
(64,157)	Payments for Expenses and Services	(62,571)	(63,996)	(67,389)	(76,776)	(80,084)	(83,677)	(87,280)	(90,924)	(94,316)	(97,838)
(7,869)	Interest Paid on Loans	(7,195)	(8,806)	(10,161)	(10,316)	(10,349)	(10,359)	(10,185)	(9,996)	(9,559)	(8,745)
(72,026)		(69,766)	(72,802)	(77,550)	(87,092)	(90,433)	(94,036)	(97,465)	(100,920)	(103,875)	(106,583)
<b>28,203</b>	<b>Net Cash from Operating Activities</b>	<b>33,392</b>	<b>37,316</b>	<b>60,689</b>	<b>28,405</b>	<b>30,677</b>	<b>31,937</b>	<b>29,985</b>	<b>31,456</b>	<b>31,966</b>	<b>37,019</b>
	<b>Cash Flows from Investing Activities</b>										
	Cash was provided from:										
-	Proceeds from Development Properties	-	-	-	-	-	-	-	-	-	-
-	Proceeds from Asset Sales	-	-	-	-	-	-	-	-	-	-
	Cash was applied to:										
(30,865)	Purchase of Plant and Assets	(51,052)	(78,393)	(67,852)	(29,360)	(30,913)	(30,790)	(25,605)	(29,641)	(18,581)	(22,767)
-	Purchase of Development Property	-	-	-	-	-	-	-	-	-	-
(30,865)		(51,052)	(78,393)	(67,852)	(29,360)	(30,913)	(30,790)	(25,605)	(29,641)	(18,581)	(22,767)
<b>(30,865)</b>	<b>Net Cash used in Investing Activities</b>	<b>(51,052)</b>	<b>(78,393)</b>	<b>(67,852)</b>	<b>(29,360)</b>	<b>(30,913)</b>	<b>(30,790)</b>	<b>(25,605)</b>	<b>(29,641)</b>	<b>(18,581)</b>	<b>(22,767)</b>
	<b>Cash Flows from Financing Activities</b>										
	Cash was provided from:										
21,933	Long Term Debt	37,904	59,015	31,261	26,128	25,553	24,205	20,800	22,709	10,866	7,991
	Cash was applied to:										
(19,271)	Settlement of Long Term Debt	(20,244)	(17,938)	(24,099)	(25,174)	(25,317)	(25,352)	(25,180)	(24,523)	(24,251)	(22,243)
<b>2,662</b>	<b>Net Cash from Financing Activities</b>	<b>17,660</b>	<b>41,077</b>	<b>7,162</b>	<b>954</b>	<b>236</b>	<b>(1,147)</b>	<b>(4,380)</b>	<b>(1,814)</b>	<b>(13,385)</b>	<b>(14,252)</b>
-	Net Increase/(Decrease) in Cash Held	-	-	(1)	(1)	-	-	-	1	-	-
382	Total Cash Resources at 01 July	336	336	336	335	334	334	334	334	335	335
<b>382</b>	<b>Total Cash Resources at 30 June</b>	<b>336</b>	<b>336</b>	<b>335</b>	<b>334</b>	<b>334</b>	<b>334</b>	<b>334</b>	<b>335</b>	<b>335</b>	<b>335</b>
	<b>Cash Resources represented by:</b>										
135	Bank and Cash	336	336	335	334	334	334	334	335	335	335
-	Bank Overdraft	-	-	-	-	-	-	-	-	-	-
<b>382</b>	<b>Total Cash Resources</b>	<b>336</b>	<b>336</b>	<b>335</b>	<b>334</b>	<b>334</b>	<b>334</b>	<b>334</b>	<b>335</b>	<b>335</b>	<b>335</b>

**Prospective Operating Expenditure by Activity (\$000)**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>Local Democracy</b>										
1,155	Governance	1,229	1,299	1,266	1,310	1,395	1,371	1,425	1,527	1,505	1,573
555	Community Engagement	980	1,006	1,032	1,062	1,094	1,134	1,174	1,221	1,265	1,315
643	Community Leadership	339	348	462	367	377	503	401	414	553	443
537	Emergency Management	763	712	724	748	775	807	837	871	907	945
2,890	<b>Sub Total</b>	<b>3,311</b>	<b>3,365</b>	<b>3,484</b>	<b>3,487</b>	<b>3,641</b>	<b>3,815</b>	<b>3,837</b>	<b>4,033</b>	<b>4,230</b>	<b>4,276</b>
	<b>Community</b>										
7,669	Community Facilities	8,570	10,010	10,708	11,342	11,445	11,605	11,668	11,588	11,570	11,523
7,599	Active & Passive Recreation	7,924	8,183	8,447	8,667	8,866	9,124	9,301	9,424	9,384	9,541
134	Community Property	178	182	187	196	200	204	209	214	218	225
801	Community Grants	907	928	951	976	1,003	1,032	1,063	1,096	1,132	1,170
2,585	Libraries	1,936	1,992	2,060	2,117	2,169	2,256	2,699	2,795	2,890	2,995
190	Waterways Facilities	166	169	172	201	257	247	238	231	230	234
133	Cemeteries	126	131	135	140	148	154	159	165	168	150
760	Public Toilets	740	773	806	865	936	973	1,006	1,030	1,018	1,013
428	Forestry	418	434	451	469	488	508	530	552	575	600
502	Wanaka Airport	452	440	436	434	431	437	443	449	382	389
20,801	<b>Sub Total</b>	<b>21,417</b>	<b>23,242</b>	<b>24,353</b>	<b>25,407</b>	<b>25,943</b>	<b>26,540</b>	<b>27,316</b>	<b>27,544</b>	<b>27,567</b>	<b>27,840</b>
	<b>Economic Development</b>										
2,217	Commercial Property	1,999	2,349	3,013	11,073	11,900	12,948	13,914	14,643	14,959	15,301
1,728	Film and Events	1,232	1,260	1,290	1,324	1,360	1,403	1,446	1,495	1,546	1,602
4,139	Tourism Promotion	4,324	4,525	4,686	4,808	4,938	5,081	5,233	5,396	5,574	5,763
8,084	<b>Sub Total</b>	<b>7,555</b>	<b>8,134</b>	<b>8,989</b>	<b>17,205</b>	<b>18,198</b>	<b>19,432</b>	<b>20,593</b>	<b>21,534</b>	<b>22,079</b>	<b>22,666</b>
	<b>Environmental Management</b>										
3,444	District Plan	2,780	2,234	2,008	2,012	2,038	2,108	2,179	2,257	2,338	2,426
3,275	Resource Consents	4,799	4,916	5,015	5,110	5,211	5,345	5,473	5,627	5,779	5,952
6,719	<b>Sub Total</b>	<b>7,579</b>	<b>7,150</b>	<b>7,023</b>	<b>7,122</b>	<b>7,249</b>	<b>7,453</b>	<b>7,652</b>	<b>7,884</b>	<b>8,117</b>	<b>8,378</b>
	<b>Regulatory</b>										
3,008	Building Consents	3,069	3,125	3,182	3,238	3,297	3,377	3,453	3,546	3,636	3,742
3,962	Enforcement	2,798	2,832	2,881	2,973	3,069	3,250	3,372	3,442	3,581	3,734
6,970	<b>Sub Total</b>	<b>5,867</b>	<b>5,957</b>	<b>6,063</b>	<b>6,211</b>	<b>6,366</b>	<b>6,627</b>	<b>6,825</b>	<b>6,988</b>	<b>7,217</b>	<b>7,476</b>



**Prospective Operating Expenditure by Activity (\$000) cont...**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>Roading and Footpaths</b>										
18,100	Roading	16,382	15,858	16,265	17,050	17,328	18,006	18,784	19,478	20,035	20,877
353	Parking Facilities	529	535	550	562	569	576	591	607	623	637
18,453	Sub Total	16,911	16,393	16,815	17,612	17,897	18,582	19,375	20,085	20,658	21,514
8,984	<b>Sewerage</b>	10,026	11,130	14,140	15,007	15,764	16,443	16,907	17,640	18,309	18,563
7,769	<b>Water Supply</b>	8,599	9,164	9,742	10,087	10,631	11,081	11,613	12,349	13,048	13,499
2,372	<b>Stormwater</b>	2,695	2,924	3,101	3,144	3,282	3,328	3,368	3,442	3,561	3,591
5,969	<b>Waste Management</b>	6,729	6,902	7,098	7,308	7,552	7,769	8,062	8,396	8,755	9,138
(112)	<b>Overhead and Internal Charges</b>	(259)	(258)	(259)	(259)	(258)	(259)	(259)	(258)	(259)	(259)
88,899	<b>Total Operating Cost</b>	90,430	94,103	100,549	112,331	116,265	120,811	125,289	129,637	133,282	136,682
21,128	Depreciation (included in above)	20,663	21,302	23,000	25,240	25,831	26,775	27,826	28,716	29,407	30,101
7,566	Interest (included in above)	7,195	8,806	10,161	10,316	10,349	10,359	10,185	9,996	9,559	8,745

**Capital Asset Expenditure by Activity (\$000)**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>Local Democracy</b>										
	Emergency Management	-	-	-	-	16	-	-	-	-	20
	Sub Total	-	-	-	-	16	-	-	-	-	20
	<b>Community</b>										
6,812	Community Facilities	12,765	11,947	308	344	534	576	183	393	338	394
4,788	Active & Passive Recreation	2,537	1,735	1,071	1,608	1,184	898	1,270	1,017	1,043	1,681
5	Community Property	112	69	162	33	93	66	66	55	-	192
585	Libraries	311	312	334	351	628	5,708	395	453	385	424
75	Waterways Facilities	58	54	32	1,147	33	34	35	36	37	38
-	Cemeteries	20	-	-	21	-	-	-	-	-	-
160	Public Toilets	147	81	261	549	187	167	-	-	-	-
-	Forestry	-	-	-	-	-	-	-	-	-	-
474	Wanaka Airport	150	150	150	150	150	150	150	150	150	150
12,899	Sub Total	16,100	14,348	2,318	4,203	2,809	7,599	2,099	2,104	1,953	2,879
	<b>Economic Development</b>										
325	Commercial Property	2,549	26,197	32,884	128	1,259	138	134	-	13	42
	Tourism Promotion	-	-	-	-	-	-	-	-	-	-
325	Sub Total	2,549	26,197	32,884	128	1,259	138	134	-	13	42
	<b>Environmental Management</b>										
-	District Plan	-	-	-	-	-	-	-	-	-	-
-	Resource Consents	-	-	-	-	-	-	-	-	-	-
-	Sub Total	-	-	-	-	-	-	-	-	-	-
	<b>Regulatory</b>										
11	Enforcement	22	10	16	-	4	12	-	-	-	430
11	Sub Total	22	10	16	-	4	12	-	-	-	430
	<b>Roading and Footpaths</b>										
21,865	Roading	13,243	18,522	19,841	13,677	14,769	15,789	12,363	12,601	13,114	17,843
80	Parking Facilities	-	112	-	-	-	-	-	-	-	-
21,945	Sub Total	13,243	18,634	19,841	13,677	14,769	15,789	12,363	12,601	13,114	17,843
22,319	<b>Sewerage</b>	18,736	12,172	13,766	10,260	11,209	6,835	7,980	11,996	3,433	3,500
1,971	<b>Water Supply</b>	4,869	9,323	4,418	6,644	6,466	6,562	9,220	9,275	6,784	4,983
3,365	<b>Stormwater</b>	3,820	6,294	3,448	3,440	3,705	3,641	3,838	3,990	4,150	4,325
40	<b>Waste Management</b>	-	-	-	71	26	-	-	-	-	-
840	<b>Overhead</b>	613	576	572	618	627	512	613	694	558	615
64,196	<b>Total Asset Capital Cost</b>	59,952	87,554	77,263	39,041	40,890	41,088	36,247	40,660	30,005	34,637

**Capital Debt Repayment Expenditure by Activity (\$000)**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>Local Democracy</b>										
57	Emergency Management	83	-	-	-	3	-	3	3	3	26
57	Sub Total	83	-	-	-	3	-	3	3	3	26
	<b>Community</b>										
413	Community Facilities	1,200	1,386	1,530	1,234	1,304	4,719	6,754	4,410	2,119	5,482
321	Active & Passive Recreation	594	476	661	697	1,481	741	798	3,193	2,127	1,213
559	Community Property	50	-	-	1	14	-	-	-	-	22
-	Libraries	-	-	-	-	-	-	-	976	2,000	1,789
23	Waterways Facilities	23	23	23	68	268	218	245	145	45	39
	Cemeteries	-	-	-	-	-	-	-	-	21	-
44	Public Toilets	131	91	44	44	131	131	127	176	1,442	-
200	Wanaka Airport	250	400	200	400	200	200	200	200	200	256
1,560	Sub Total	2,248	2,376	2,458	2,444	3,398	6,009	8,124	9,100	7,954	8,801
	<b>Economic Development</b>										
600	Commercial Property	1,500	2,022	3,258	2,835	2,769	2,758	1,509	758	934	758
-	Tourism Promotion	-	-	-	-	-	-	-	-	-	-
600	Sub Total	1,500	2,022	3,258	2,835	2,769	2,758	1,509	758	934	758
	<b>Environmental Management</b>										
904	District Plan	904	1,551	1,551	1,170	-	-	-	-	-	-
-	Resource Consents	-	-	-	-	-	-	-	-	-	-
904	Sub Total	904	1,551	1,551	1,170	-	-	-	-	-	-
	<b>Regulatory</b>										
11	Enforcement	11	11	11	26	26	11	23	-	-	362
11	Sub Total	11	11	11	26	26	11	23	-	-	362
	<b>Roading and Footpaths</b>										
5,726	Roading	6,704	5,251	4,540	1,982	1,550	1,487	1,425	1,264	1,210	797
218	Parking Facilities	-	-	-	-	-	-	-	-	-	-
5,944	Sub Total	6,704	5,251	4,540	1,982	1,550	1,487	1,425	1,264	1,210	797
684	<b>Sewerage</b>	2,010	2,037	2,250	2,116	2,200	3,757	3,667	4,072	4,609	4,651
944	<b>Water Supply</b>	1,393	1,012	605	914	747	859	1,122	1,138	786	1,793
779	<b>Stormwater</b>	951	861	745	988	895	972	945	928	1,616	897
678	<b>Waste Management</b>	743	1,178	990	1,051	515	-	-	-	-	-
1808	<b>Overhead</b>	734	155	191	190	181	135	135	135	170	284
13,969	<b>Total Debt Repayment Capital Cost</b>	17,281	16,454	16,599	13,716	12,284	15,988	16,953	17,398	17,282	18,369

**Total Capital Expenditure (Including Debt Repayment) by Activity (\$000)**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>Local Democracy</b>										
57	Emergency Management	83	-	-	-	19	-	3	3	3	46
57	Sub Total	83	-	-	-	19	-	3	3	3	46
	<b>Community</b>										
7,225	Community Facilities	13,965	13,333	1,838	1,578	1,838	5,295	6,937	4,803	2,457	5,876
5,109	Active & Passive Recreation	3,131	2,211	1,732	2,305	2,665	1,639	2,068	4,210	3,170	2,894
564	Community Property	162	69	162	34	107	66	66	55	-	214
585	Libraries	311	312	334	351	628	5,708	395	1,429	2,385	2,213
98	Waterways Facilities	81	77	55	1,215	301	252	280	181	82	77
-	Cemeteries	20	-	-	21	-	-	-	-	21	-
204	Public Toilets	278	172	305	593	318	298	127	176	1,442	-
-	Forestry	-	-	-	-	-	-	-	-	-	-
674	Wanaka Airport	400	550	350	550	350	350	350	350	350	406
14,459	Sub Total	18,348	16,724	4,776	6,647	6,207	13,608	10,223	11,204	9,907	11,680
	<b>Economic Development</b>										
925	Commercial Property	4,049	28,219	36,142	2,963	4,028	2,896	1,643	758	947	800
-	Tourism Promotion	-	-	-	-	-	-	-	-	-	-
925	Sub Total	4,049	28,219	36,142	2,963	4,028	2,896	1,643	758	947	800
	<b>Environmental Management</b>										
904	District Plan	904	1,551	1,551	1,170	-	-	-	-	-	-
-	Resource Consents	-	-	-	-	-	-	-	-	-	-
904	Sub Total	904	1,551	1,551	1,170	-	-	-	-	-	-
	<b>Regulatory</b>										
	Enforcement	33	21	27	26	30	23	23	-	-	792
	Sub Total	33	21	27	26	30	23	23	-	-	792
	<b>Roading and Footpaths</b>										
27,591	Roading	19,947	23,773	24,381	15,659	16,319	17,276	13,788	13,865	14,324	18,640
298	Parking Facilities	-	112	-	-	-	-	-	-	-	-
27,889	Sub Total	19,947	23,885	24,381	15,659	16,319	17,276	13,788	13,865	14,324	18,640
23,003	<b>Sewerage</b>	20,746	14,209	16,016	12,376	13,409	10,592	11,647	16,068	8,042	8,151
4,790	<b>Water Supply</b>	6,262	10,335	5,023	7,558	7,213	7,421	10,342	10,413	7,570	6,776
2,750	<b>Stormwater</b>	4,771	7,155	4,193	4,428	4,600	4,613	4,783	4,918	5,766	5,222
718	<b>Waste Management</b>	743	1,178	990	1,122	541	-	-	-	-	-
2,648	<b>Overhead</b>	1,347	731	763	808	808	647	748	829	728	899
78,165	<b>Total Capital Cost</b>	77,233	104,008	93,862	52,757	53,174	57,076	53,200	58,058	47,287	53,006

**Capital Asset Expenditure (Growth) by Activity Group (\$000)**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
-	Local Democracy	-	-	-	-	4	-	-	-	-	5
4,945	Community	5,486	5,729	240	673	293	904	272	210	230	326
-	Economic Development	1,088	11,913	14,784	-	442	-	-	-	-	-
2	Environmental Management	-	-	-	-	-	-	-	-	-	-
	Regulatory	1	-	-	-	-	-	-	-	-	-
12,687	Roading and Footpaths	6,931	9,919	9,768	6,907	7,393	7,730	6,513	6,580	6,821	8,459
5,899	Sewerage	5,493	5,495	6,922	5,885	5,305	2,866	3,201	5,405	2,495	2,584
2,741	Water Supply	2,525	4,552	2,750	2,745	2,433	2,552	3,802	5,950	3,465	1,890
2,759	Stormwater	3,583	5,507	2,916	2,851	2,915	2,916	3,023	3,140	3,266	3,403
	Waste Management	-	-	-	-	-	-	-	-	-	-
-	Overhead	17	7	-	5	12	1	4	10	-	-
<b>29,033</b>	<b>Total Capital Asset Cost (Growth)</b>	<b>25,124</b>	<b>43,122</b>	<b>37,380</b>	<b>19,066</b>	<b>18,797</b>	<b>16,969</b>	<b>16,815</b>	<b>21,295</b>	<b>16,277</b>	<b>16,667</b>

**Capital Asset Expenditure (Renewal) by Activity Group (\$000)**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
-	Local Democracy	-	-	-	-	8	-	-	-	-	10
1,320	Community	1,296	1,001	1,259	1,381	1,437	1,140	1,028	1,201	923	1,537
1,023	Economic Development	168	118	128	128	195	138	134	-	-	42
16	Environmental Management	-	-	-	-	-	-	-	-	-	-
	Regulatory	12	10	16	-	4	12	-	-	-	430
11,029	Roading and Footpaths	2,529	2,410	3,356	3,153	3,365	3,920	2,800	3,007	3,123	5,042
2,023	Sewerage	1,790	1,048	1,036	831	1,064	709	748	1,168	790	822
2,154	Water Supply	1,205	1,303	1,439	2,720	2,512	2,536	2,633	2,782	3,203	2,970
495	Stormwater	95	377	500	518	603	675	763	791	821	854
	Waste Management	-	-	-	71	26	-	-	-	-	-
-	Overhead	440	420	381	428	445	377	367	519	402	467
<b>18,061</b>	<b>Total Capital Asset Cost (Renewal)</b>	<b>7,535</b>	<b>6,687</b>	<b>8,115</b>	<b>9,230</b>	<b>9,659</b>	<b>9,507</b>	<b>8,473</b>	<b>9,468</b>	<b>9,262</b>	<b>12,174</b>



**Capital Asset Expenditure (Other) by Activity Group (\$000)**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
-	Local Democracy	-	-	-	-	4	-	-	-	-	5
1,334	Community	9,318	7,618	819	2,149	1,079	5,555	799	693	800	1,016
1,689	Economic Development	1,293	14,166	17,972	-	622	-	-	-	13	-
235	Environmental Management	-	-	-	-	-	-	-	-	-	-
	Regulatory	9	-	-	-	-	-	-	-	-	-
4,048	Roading and Footpaths	3,783	6,305	6,717	3,617	4,011	4,139	3,050	3,014	3,170	4,342
4,983	Sewerage	11,453	5,629	5,808	3,544	4,840	3,260	4,031	5,423	148	94
1,301	Water Supply	1,139	3,468	229	1,179	1,521	1,474	2,785	543	116	123
111	Stormwater	142	410	32	71	187	50	52	59	63	68
	Waste Management	-	-	-	-	-	-	-	-	-	-
1,066	Overhead	156	149	191	185	170	134	242	165	156	148
<b>14,765</b>	<b>Total Capital Asset Cost (Other)</b>	<b>27,293</b>	<b>37,745</b>	<b>31,768</b>	<b>10,745</b>	<b>12,434</b>	<b>14,612</b>	<b>10,959</b>	<b>9,897</b>	<b>4,466</b>	<b>5,796</b>
<b>61,859</b>	<b>Total Capital Asset Cost</b>	<b>59,952</b>	<b>87,554</b>	<b>77,263</b>	<b>39,041</b>	<b>40,890</b>	<b>41,088</b>	<b>36,247</b>	<b>40,660</b>	<b>30,005</b>	<b>34,637</b>

**Capital Debt Repayment Expenditure by Activity Group (\$000)**

An. Plan 2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
-	Local Democracy	83	-	-	-	3	-	3	3	3	26
1,531	Community	2,248	2,376	2,458	2,444	3,398	6,009	8,124	9,100	7,954	8,801
120	Economic Development	1,500	2,022	3,258	2,835	2,769	2,758	1,509	758	934	758
289	Environmental Management	904	1,551	1,551	1,170	-	-	-	-	-	-
	Regulatory	11	11	11	26	26	11	23	-	-	362
1,146	Roading and Footpaths	6,704	5,251	4,540	1,982	1,550	1,487	1,425	1,264	1,210	797
738	Sewerage	2,010	2,037	2,250	2,116	2,200	3,757	3,667	4,072	4,609	4,651
531	Water Supply	1,393	1,012	605	914	747	859	1,122	1,138	786	1,793
610	Stormwater	951	861	745	988	895	972	945	928	1,616	897
	Waste Management	743	1,178	990	1,051	515	-	-	-	-	-
1,620	Overhead	734	155	191	190	181	135	135	135	170	284
<b>6,585</b>	<b>Total Capital Debt Repayment</b>	<b>17,281</b>	<b>16,454</b>	<b>16,599</b>	<b>13,716</b>	<b>12,284</b>	<b>15,988</b>	<b>16,953</b>	<b>17,398</b>	<b>17,282</b>	<b>18,369</b>

## Statement of Reserve Funds

Reserve Fund - Purpose of the Fund	Opening Balance 2015/16 \$000	Deposits \$000	Withdrawals \$000	Closing Balance 2024/25 \$000
<b>Development Funds</b>	14,165	67,706	(80,332)	1,539
These arise from Development and Financial Contributions levied by the Council for capital works and are intended to contribute to the growth related capital expenditure of Roading, Water Supply, Sewerage, Stormwater, Reserve Land and Improvements and Community Facilities.				
<b>Asset Renewal Funds</b>	2,866	125,444	(125,278)	3,032
The Council sets aside funding to meet the renewal of its infrastructural and operating assets to ensure the continued ability to provide services.				
<b>Emergency Reserve</b>	2,188	-	-	2,188
Funds set aside to assist with the repair of infrastructural assets such as Roading, Water Supply and Sewerage, in case of natural disaster.				
<b>Asset Sale Reserves</b>	630	-		630
Proceeds from asset sales which are used to fund the portion of capital expenditure attributable to increased level of service for Roading, Water Supply, Sewerage, Stormwater, Reserve Land and Improvements and Community Facilities.				
<b>Arrowtown Endowment Land Reserve</b>	740	-	-	740
Proceeds from asset sales from Arrowtown endowment land.				
<b>Trust Funds</b>	3,212	-	-	3,212
Funds held on behalf of various community organisations.				
<b>Queenstown Airport Dividend Reserve</b>	828	51,847	(52,675)	-
Unallocated portion of dividends received from QAC.				
<b>Total Reserve Funds</b>	<b>24,629</b>	<b>244,997</b>	<b>(258,285)</b>	<b>11,341</b>

# Statement Of Accounting Policies

## a) Reporting Entity

The Queenstown Lakes District Council (the Council) is a Territorial Local Authority governed by the Local Government Act 2002.

The prospective financial statements have been prepared in accordance with Section 111 of the Local Government Act 2002, the Financial Reporting Act 1993 and generally accepted accounting practice. The prospective financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), as applicable for public benefit entities.

The prospective financial information contained in this TYP relates to the Queenstown Lakes District Council only as the group parent. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the TYP is to provide users with information about the core services that the council intends to provide ratepayers, the expected cost of those services and as a consequence how much the council requires by way of rates to fund the intended levels of service. The level of rate funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from those subsidiaries. Distributions from the Council's subsidiary, Queenstown Airport Corporation Ltd are included in the prospective financial statements of the Council.

The Council is a public benefit entity whose primary objective is to provide goods and services for community and social benefit rather than for a financial return.

All available public benefit entity reporting exemptions under NZ IFRS have been adopted.

## b) Accounting Policies

### Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for public benefit entities.

All available public benefit entity reporting exemptions under NZ IFRS have been adopted.

### Basis of Preparation

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts

of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods if the revision affects both current and future periods.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are presented in thousands of New Zealand dollars. New Zealand dollars are the Council's functional currency.

The following accounting policies which materially affect the measurement of results and financial position have been applied:

### Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and GST.

### Rates Revenue

Rates revenue is recognised when it is levied.

### Other Revenue

#### (a) Rendering of Services

Revenue from the rendering of services is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity. The stage of completion at balance date is assessed based on the value of services performed to date as a percentage of the total services to be performed.

#### (b) Interest Revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

#### (c) Dividend Revenue

Dividends are recognised when the entitlement to the dividends is established.

#### **(d) Fees and Charges**

Fees and charges are recognised as income when supplies and services have been rendered.

#### **(e) Contracts and Consents**

Revenue relating to contracts and consent applications that are in progress at balance date is recognised by reference to the stage of completion at balance date.

#### **(f) Grant Revenue**

Government grants are received from NZTA, which subsidises part of the Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Grants and subsidies are recognised upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

#### **(g) Development Contributions**

The revenue recognition point for development and financial contributions is at the later of the point when the Council is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

Development contributions are classified as part of the 'Other Revenue'.

### **Other Gains and Losses**

#### **(a) Sale of investment property, property, plant and equipment, property intended for sale and financial assets.**

Net gains or losses on the sale of investment property, property plant and equipment, property intended for sale and financial assets are recognised when an unconditional contract is in place and it is probable that the Council will receive the consideration due.

#### **(b) Assets Acquired for Nil or Nominal Consideration**

Certain infrastructural assets have been vested to the Council as part of the subdivision covenant process. Such vested assets are recognised as revenue when the significant risks and rewards of ownership have been transferred to the Council and when the obligation to accept the transfer of the assets to the Council has been determined.

### **Grant expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Statement of Financial Performance on a basis representative of the pattern of benefits to be derived from the leased asset.

#### **(a) Council as Lessor**

Amounts due from lessees under finance leases are recorded as receivables at the amount of the net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

#### **(b) Council as Lessee**

Assets held under finance leases are recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

#### **(c) Lease Incentives**

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

### **Goods and Services Tax**

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks and other short-term highly liquid deposits that are readily convertible to a known amount of cash.

### **Financial Instruments**

Financial assets and financial liabilities are recognised on the Council's Statement of Financial Position when the Council becomes a party to contractual provisions of the instrument.

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract, whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss which are initially valued at fair value.

## (i) Financial Assets

Financial Assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method, referred to below, is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

### Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- > Has been acquired principally for the purpose of selling in the near future;
- > Is a part of an identified portfolio of financial instruments that the Council manages together and has a recent actual pattern of short-term profit-taking; or
- > Is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in the Statement of Financial Performance. The net gain or loss is recognised in the Statement of Financial Performance and incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described later in this note.

### Held-to-Maturity Investments

Investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

The Council does not hold any financial assets in this category.

### Available-for-Sale Financial Assets

Equity Investments held by the Council classified as being available-for-sale are stated at fair value. Fair value is determined in the manner described later in this note. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, with the exception of impairment losses which are recognised directly in the Statement of Financial Performance. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is included in the Statement of Financial Performance for the period.

Dividends on available-for-sale equity instruments are recognised in the Statement of Financial Performance when the Council's right to receive payments is established.

### Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is expensed in the Statement of Financial Performance.

Loans, including loans to community organisations made by the Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows and discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Statement of Financial Performance as a grant.

Until 1 July 1998 in certain circumstances funds were required to be set aside each year to meet future payments of loans and commitments. These funds, described as Sinking Funds, are administered by independent Sinking Fund Commissioners appointed by the Council. The funds are included in the Statement of Financial Position. The Council now voluntarily contributes to sinking funds to build up funds to pay off debt principal.

Deposits are included within this classification.

### Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

## (ii) Financial Liabilities

### Trade and Other Payables

Trade payables and other accounts payable are recognised when the Council becomes obliged to make future payments resulting from the purchase of goods and services.



Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.

### **Borrowings**

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Statement of Financial Performance over the period of the borrowing using the effective interest method.

### **(iii) Derivative Financial Instruments**

The Council enters into certain derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re measured to their fair value at each balance date. The resulting gain or loss is recognised in the Statement of Financial Performance immediately unless the derivative is designated and effective as a hedging instrument, in which event the nature and timing of the recognition in profit or loss depends on the nature of the hedging relationship. Council does not undertake hedge accounting in relation to it's derivative financial instruments.

A derivative is presented as a non current asset or a non current liability if the remaining maturity of the instrument is more than 12 months and is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### **Fair Value Estimation**

The fair value of financial instruments traded in active markets (such as listed equities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Council is the current bid price; the appropriate quoted market price for financial liabilities is the current offer price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term investment and debt instruments held.

### **Embedded Derivatives**

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in the Statement of Financial Performance.

### **Inventories**

#### **Development Properties**

Development properties classified within Inventory are stated at the lower of cost or net realisable value. Cost includes planning expenditure and any other expenditure to bring the Development property to its present condition.

### **Other inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis with an appropriate allowance for obsolescence and deterioration.

### **Properties Intended for Sale**

Properties intended for sale are measured at the lower of carrying amount and fair value less costs to sell. Properties are classified as intended for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

### **Property, Plant and Equipment**

The Council has the following classes of property, plant and equipment:

#### **Operational Assets**

- > Land, buildings and building improvements, foreshore structures, plant and equipment, furniture and office equipment and library books.

#### **Infrastructure Assets**

- > Infrastructure assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function:
  - > Sewer, stormwater, water
  - > Roads, bridges and lighting
  - > Land under roads

### **Cost**

Operational Assets and Land under Roads are recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition. When significant, interest costs incurred during the period required to construct an item of property, plant and equipment are capitalised as part of the asset's total cost.

### **Accounting for Revaluations**

Infrastructural assets other than Land under Roads are stated at fair value less accumulated depreciation and any impairment losses recognised after the date of revaluation.

Infrastructure assets, land and buildings acquired or constructed after the date of the latest revaluation are carried at cost, which approximates fair value. Revaluations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the balance sheet date.

The results of revaluing are credited or debited to an asset revaluation reserve via other comprehensive income for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed to the Statement of Financial Performance. Any subsequent increase in revaluation that offsets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve via other comprehensive income for that class of asset.

### Sewer, Stormwater, Water

Sewer, stormwater and water assets are stated at fair value, which is optimised depreciated replacement cost value as at 1 July 2013 by Rationale, independent valuers. Acquisitions subsequent to 1 July 2013 are at cost.

### Roads, Bridges and Lighting

Roading assets are stated at fair value, which is optimised depreciated replacement cost value as at 1 July, 2013 by GHD Limited, independent valuers. Bridges and lighting are stated at valuation which is optimised depreciated replacement cost value.

### Depreciation

Operational assets with the exception of land, are depreciated on a straight-line basis to write-off the asset to its estimated residual value over its estimated useful life.

Infrastructural assets, with the exception of land under roads, are depreciated on a straight-line basis to write off the fair value of the asset to its estimated residual values over its estimated useful life.

Expenditure incurred to maintain these assets at full operating capability is charged to the Statement of Financial Performance in the year incurred.

The following estimated useful lives are used in the calculation of depreciation.

Operational Assets	Rate (%)	Method
Buildings	2.0% - 33%	SL
Building improvements	1.67% - 6.67%	SL
Runway	1.25% - 6.67%	SL
Plant and equipment	5.5% - 28%	SL
Motor vehicles	20% - 26%	DV
Furniture and office equipment	10% - 33%	SL
Computer equipment	25%	SL
Library books	10%	SL
Infrastructural Assets		
Sewerage	1.67% - 10%	SL
Water Supply	1.67% - 10%	SL
Stormwater	1.67% - 10%	SL
Roading - Basecourse	2.1%	SL
Roading - Bridges	2.6%	SL
Roading - Surfacing	8.6%	SL
Roading - Other	1% - 10%	SL

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

### Disposal

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance in the period the asset is derecognised.

### Forestry Assets

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Statement of Financial Performance.

The costs to maintain the forestry assets are included in the Statement of Financial Performance.

### Emission Trading Scheme Accounting Policy

New Zealand Units (NZUs) allocated as a result of the company's participation in the Emissions Trading Scheme (ETS) are treated as intangible assets, and recorded at cost.

The difference between initial cost and the disposal price of the units is treated as revenue in Surplus/ (Deficit) for the period.

Liabilities for surrender of NZUs (or cash) are accrued at the time the forests are harvested, or removed in any other way, in accordance with the terms of the ETS legislation.

Liabilities are accounted for at settlement value, being the cost of any NZUs on hand to meet the obligation plus the fair value of any shortfall in NZUs to meet the obligation.

### Investment Properties

Investment properties are held to earn rentals and/or for capital gains. Property held to meet service delivery objectives are excluded from Investment Properties and included with Property, Plant and Equipment. The investment properties are measured at fair value at the reporting date. Gains or losses arising from changes in the fair value of the investment properties are included in the Statement of Financial Performance in the period in which they arise.

### Finite Life Intangible Assets

Finite life intangible assets are recorded at cost less accumulated amortisation. Amortisation is charged on a straight line basis over their estimated useful life. The estimated useful life and amortisation period is reviewed at the end of each annual reporting period.

### Intangible assets acquired in a business combination

All potential intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

### **Intangible Assets - Software acquisition and development**

Acquired computer software licenses are recorded at cost less accumulated amortisation. Amortisation is charged on a straight line basis over their estimated useful life. The estimated useful life and amortisation period is reviewed at the end of each annual reporting period.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council and Group, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

### **Impairment of Non-Financial Assets**

At each reporting date, the Council reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential. In assessing value in use for cash-generating assets, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease, via other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase, via other comprehensive income.

### **Employee Benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Council in respect of services provided by employees up to reporting date.

### **Provisions**

Provisions are recognised when the Council has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

### **Statement of Cashflows**

Cash means cash balances on hand, held in bank accounts and demand deposits that the Council invests in as part of its day to day cash management.

Operating activities include cash received from all income sources of the Council and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the Council.

### **Equity**

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

### **Restricted and Council Created Reserves**

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

**Financial guarantee contracts**

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm’s length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability the Council will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if the Council or Group assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

**Allocation of Overheads**

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on the cost drivers and related activity/usage information.

Direct costs are those costs that are directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

# Revenue and Financing Policy

## Background

Section 102(4) (a) of the Local Government Act 2002 requires each Council to adopt a Revenue and Financing Policy, which must be adopted through the special consultation process.

Section 103 outlines that this Policy must state the Council's policies in respect of the funding of both operating expenses and capital expenditure from listed sources, with the sources as outlined in section 103(2) being:

- A** General rates including:
  - i** choice of valuation system; and
  - ii** differential rating; and
  - iii** uniform annual general charges;
- B** targeted rates;
- C** fees and charges;
- D** Interests and dividends from investments;
- E** borrowing;
- F** proceeds from asset sales;
- G** development contributions under the Local Government Act 2002;
- H** financial contributions under the Resource Management Act 1991;
- I** grants and subsidies;
- J** any other source.

Section 101(3) states that in identifying the appropriate sources the Council must consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community. Council must also consider with regards to each activity to be funded:

- A** the community outcomes to which the activity primarily contributes; and
- B** the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- C** the period in or over which those benefits are expected to occur; and
- D** the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and

- E** the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Queenstown Lakes District Council has undertaken several comprehensive reviews of its funding principles in the past through the development, adoption and review of its Funding Policy. These reviews were completed in 1998, 2001 and again in 2002. Comprehensive reviews under the Local Government Act 2002 were undertaken during 2005/06, 2008/09 and 2011/12.

## [A] Funding Sources - Operational Expenditure

The 'revenue' part of the title 'Revenue and Financing Policy' relates to funding of operating expenditure. The following sources of income are recognised in the operating statement:

### Rates

A number of Council activities are funded by a combination of revenue types. Council practice is to initially account for income from fees and charges, and grants and subsidies or other income sources. If the activity still requires additional funding, the remainder is funded by way of a rate.

Council will use a capital value rating system across the district. Capital value is preferred to land value because Council believes that it generally provides a better surrogate for the allocation of cost for Council services. Rates are generally used where it is economically impractical to use fees and charges.

There are two classification types for rates:

- General rates - Include Uniform Annual General Charge (UAGC) and capital valued based rate.
- Targeted rates - Include capital valued based Rooding Rate, Tourism Promotion Rate, Governance Rate, Recreation and Events Rate, Regulatory Rate, Water Supply Rate and Stormwater Rate, and fixed annual charges for Sewerage, Water Supply, Waste Management, Recreation and Events, Governance and Regulatory, Queenstown Aquatic Centre and Sports, Halls and Libraries.

In the next section of the policy 'Funding Operational Expenditure by Activity' the tables illustrate the outcome of the analysis undertaken by the Council in relation to Section 101 (3). The last table for each activity details how the activity is proposed to be funded. Generally, these tables show that where a private benefit exists, the cost of this is recovered by user fees or a targeted rate. The cost of public benefits is usually rate funded, with the general rate and a range of targeted capital value rates used to fund 'property' related activities and the UAGC, fixed targeted annual charges and a range of targeted capital value rates used to fund 'people' related activities.

### Fees and Charges

There is a wide range of revenue under this general title. Generally, Council will look to use fees and charges to recover the 'private benefit' costs of a particular activity (see table on following page) if it is economically viable to do so.

### Grants and Subsidies

Some activities of Council qualify for a grant or subsidy from the Crown. In particular, Council receives a subsidy from NZTA for qualifying roading expenditure. Other smaller grants are also received from the Crown, for example; NZ Fire Service and Creative NZ.

Interest and dividends from investments



Interest income is recognised from all investment sources but is very minor. The majority of investment income is used to offset rates.

Council can now expect a regular dividend from Queenstown Airport Corporation (QAC). It is proposed to utilise forecasted dividends from QAC to repay debt.

### Other Sources of Income

Other sources of income include parking infringement fines, petrol tax, rates penalties and concession income. This is a catch-all classification and the income is treated in the same way as fees and charges.

### Funding Operational Expenditure By Activity

The tables in the following section illustrate the outcome of the analysis undertaken by the Council in relation to Section 101 (3). The first table in each activity analysis labelled 'Community Outcome' shows the community outcomes to which each activity primarily contributes and thereby satisfies the requirement of Section 101(3) (a) referred to in the background section. This table shows only the primary contributions and it is acknowledged that some activities contribute to more outcomes than those shown.

The second table in each activity analysis labelled 'Funding Principles' shows how the funding principles in Section 101(3) b) to e) above relate to the activity. This analysis assists Council in determining which funding mechanisms are appropriate for each activity. Generally those activities which score low for user pays or for cost/benefit of separate funding are best funded by general rates, whilst those scoring higher in those areas are best funded by user charges or targeted rates. The low/medium/high rating relates to the degree by which each activity conforms to the following economic principles:

- 1 Distribution of Benefit - Degree to which benefits can be attributed to individuals/groups rather than community as a whole.
- 2 Period of Benefit - Degree to which benefits can be attributed to future period.
- 3 Extent of Action/Inaction - Degree to which action or inaction of group or individuals give rise to need for expenditure.
- 4 Cost/Benefit of Separate Funding - Degree to which cost and benefits justify separate funding of this activity.

The third table in each activity details how each activity is proposed to be funded. Generally, this table shows that where a private benefit exists, the cost of this is recovered by user fees or a targeted rate. The cost of public benefits is usually general rate funded, with the capital value rate used to fund 'property' related activities and the UAGC used to fund 'people' related activities.

## Governance

### Community Leadership

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Leadership	Y	Y	Y	Y	Y	Y

This activity includes strategic planning and the setting of the overall direction by the Council, Community Board and various committees. This also includes all activities undertaken in relation to public involvement in the democratic process including elections, the holding of public meetings as well as the preparation of the statutory plans and reports, including the Council Community Plan, Annual Plan and Annual Report.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Separate Funding
Community Leadership	Low	Med	Low	Low

This activity is completely public good with no scope for user charges and will therefore be funded 80% from the district-wide targeted capital value based Governance Rate and 20% from the Governance and Regulatory Charge .

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Leadership	0%	100%	0%	0%	100%	-	Gov Rate (80%)/Gov & Reg Chg (20%)

## Communications

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Development	-	Y	-	-	-	-

The purpose of this activity is to provide for the distribution of information to residents and ratepayers. It is also designed to help keep residents informed via the Council newsletter 'Scuttlebutt' and the website.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Community Development	Low	Low	Low	Low

This activity is largely public good and will therefore be funded 90% from the district-wide targeted capital value based Governance Rate and the Governance and Regulatory Charge with the remainder provided by cost recoveries.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Development	0%	100%	0%	10%	90%	Fees & Charges	Gov Rate (80%)/Gov & Reg Chg (20%)

## Economic Development

### Tourism Promotion

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Tourism Marketing	Y	-	-	-	-	-

Council makes grants to ward based promotion organisations, which market the district as a visitor destination and therefore increases the economic benefits to the district from its major industry.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Tourism Marketing	Low	Low	Low	Low

This activity exhibits a large degree of private benefit with a distinct group of beneficiaries and will be funded 95% from the Targeted Rate for Tourism Promotion based on capital value and applied on a ward basis, and 5% from the Uniform Annual General Charge.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Tourism Marketing	95%	5%	0%	95%	5%	Targeted CV Rate (Tourism Promotion)	UAGC

## Community Assets

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Assets	Y	Y	Y	-	-	Y

The Council is involved in these activities to provide the maximum possible return from assets involved. This activity includes residential and commercial subdivisions, Queenstown Lakeview Holiday Park, leased camping grounds, Wanaka Airport, forests, rental housing, elderly person housing, and road closing/legalisation. This activity also includes any undeveloped areas of land which will be maintained at a minimum level until decisions about their final use is made.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Community Assets	High	High	Low	High

This activity almost exclusively provides private goods to clearly distinct groups of beneficiaries and will be funded by user charges with any surplus derived used to reduce general rate requirement.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Assets	100%	0%	0%	100%	0%	Fees & Charges	-

## Convention Centre

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Assets	Y	-	Y	-	-	Y

The Council is proposing to be involved in this activity to provide the opportunity for economic growth within the district. The convention centre proposal for Queenstown is included in the TYP with an estimated completion date of 2017/18.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Community Assets	High	High	Low	High

This activity provides a relatively high degree of private good but there is also an element of public good. It is expected that this activity will be largely funded by user charges (60 to 80%) with any funding deficit derived from the proposed district-wide targeted capital value Convention Centre Rate for business ratepayers and the fixed Convention Centre Charge for residential ratepayers. The targeted capital value Convention Centre Rate will recognize the Queenstown CBD as the primary area of benefit.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Assets	80%	20%	0%	75%	25%	Fees & Charges	Con Centre CV (19.25%)/ Con Centre Chg (5.75%)

## Community

### Library Services

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Library Services	-	Y	-	-	Y	-

The purpose of this activity is to help meet the information, cultural, educational and recreational needs of its users in a timely, convenient and cost effective manner. This is achieved through the joint management of libraries with the Central Otago District. There are six libraries within the district; at Queenstown, Arrowtown, Wanaka, Hawea, Kingston and Glenorchy. The services include book and magazine loans, a reference and information service, compact disc and video rentals, and research. Some of the specialist services provided include a local history collection and a special needs service including large print and talking books, and foreign language text. The libraries also act as community information centres holding community information and contact names and addresses.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Library Services	Med	Low	Low	Low

This activity provides a relatively high degree of private good but there is also a significant element of public good. Council wishes to encourage the use of library facilities and will therefore limit the user charge element to the minimum. The activity will therefore be funded 90% from the district-wide targeted fixed Sports, Halls and Libraries Charge and 10% from user charges for some specialised or high demand services. The Sports, Halls and Libraries Charge will be targeted at properties with a residential component and not at businesses.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Library Services	65%	35%	0%	10%	90%	Fees, Charges & Fines	Fixed Sports, Halls & Libraries Charge

## Community Development

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Development	-	Y	-	-	-	-

The purpose of this activity is to help keep residents informed of the recreational, social and cultural opportunities in the area and to assist groups in maximising the benefits they provide to the community. Assistance will also be provided to those seeking financial support from organisations other than Council. The Council is also involved in events including programmes at New Year and the annual Christmas Show.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Community Development	Low	Low	Low	Low

This activity is largely public good with for the recreational and cultural activities and will therefore be funded 90% from the district-wide targeted capital value based Recreation and Recreation and Events Charge with the remainder provided by cost recoveries.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Development	0%	100%	0%	10%	90%	Fees & Charges	Rec & Events Rate (50%)/ Rec & Events Chg (50%)

## Community Grants

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Grants	-	Y	-	-	Y	-

The purpose of this activity is the provision of grants to assist community groups to provide a range of activities and services in the district. These include the Lakes District Museum; Aspiring Arts Trust; Sports Central; the Wakatipu Trails Trust and various community associations.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Community Grants	Low	Low	Low	Low

This activity is largely public good with no scope for user charges and will therefore will be 84% funded from the Uniform Annual General Charge and 16% funded from the district-wide targeted capital value based Recreation and Events Rate and Recreation and Events Charge for the grants made to organisations for recreational purposes. This analysis relates to the cost of the activity after allowing for the receipt of grants by Council in its role as agent.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Grants	0%	100%	0%	10%	100%	-	Rec & Events Rate (8%)/ Rec & Events Chg (8%)/ UAGC (84%)

## Public Toilets

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Public Toilets	-	Y	Y	-	-	Y

The purpose of this activity is to provide a range of public toilets throughout the district to meet the needs of locals and visitors. The principal objective is to protect the public environment through the provision of clean, accessible and conveniently located public toilets.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Public Toilets	Med	Med	Low	Low

This activity provides a relatively high degree of private good but there is also a significant element of public good. Council recognises that these facilities are used to large degree by visitors to the district and has considered the option of user charges but has rejected this on the basis of efficiency. The activity will therefore be funded 100% from the district-wide targeted capital value based Recreation and Events Rate and the Recreation and Events Charge.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Public Toilets	80%	20%	0%	0%	100%	-	Rec & Events Rate (50%)/ Rec & Events Chg (50%)



## Cemeteries

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Cemeteries	-	Y	-	-	Y	-

The purpose of this activity is to provide for cemeteries throughout the district. Services provided by the Council include areas for the burial of human remains, interment of human ashes, the maintenance of burial records and the maintenance of grounds.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Cemeteries	High	Med	Low	Med

This activity provides a relatively high degree of private good but there is also a significant element of public good. This activity will therefore be funded 60% from user charges in the form of plot sales and burial fees with the balance of 40% coming from the Uniform Annual General Charge.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Cemeteries	60%	40%	0%	60%	40%	Fees & Charges	UAGC

## Community Facilities

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Community Facilities	-	Y	Y	-	-	Y

The purpose of this activity is to help provide community halls, community swimming pools and other multi-use indoor facilities for the district. This includes the facilities at the Queenstown Events Centre; Lake Wanaka Centre; Memorial Hall; Lake Hayes Pavilion; Arrowtown Hall; Arrowtown Pool and Wanaka Community Pool. The Queenstown Aquatic Centre is included in a separate activity – Aquatics (see below).

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Community Facilities	High	Med	Low	Med

This activity provides a relatively high degree of private good but there is also a significant element of public good. Council wishes to encourage the use of community facilities and will therefore limit the user charge element to 30%. Council has also determined that it will not seek to fund the depreciation expense associated with these assets. The activity will therefore be funded 70% from the district-wide targeted fixed Sports, Halls and Libraries Charge and 30% from user charges. The Sports, Halls and Libraries Charge will be targeted at properties with a residential component and not at businesses.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Community Facilities	70%	30%	0%	30%	70%	Fees & Charges	Fixed Sports, Halls & Libraries Charge

## Aquatics

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Aquatics	-	Y	Y	-	-	Y

The purpose of this activity is to help provide indoor aquatic facilities for the district. This includes the Queenstown Aquatic Centre (Alpine Aqualand) and the new Wanaka Pool.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Aquatics	High	High	Low	Med

This activity provides a relatively high degree of private good but there is also a significant element of public good. Council wishes to encourage the use of aquatic facilities and will therefore limit the user charge element to 60%; this is in line with the original feasibility report which indicated that 60% of operational costs should be recovered from users directly. Council has also determined that it will not seek to fund the depreciation expense associated with these assets.

This activity will therefore be funded 40% from the ward based Aquatic Centre Charges only and 60% from user charges. The Aquatic Centre Charge will be targeted at properties with a residential component and not at businesses. The remaining 10% of the operating short-fall attributable to visitors will be funded from the proposed district-wide targeted capital value based Recreation and Events Rate.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Aquatics	70%	30%	0%	60%	40%	Fees & Charges	Fixed Aquatics Charge (90%) / Recreation & Events CV Rate (10%)

## Waterways Facilities

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Waterways Facilities	-	Y	-	Y	-	Y

The purpose of this activity is to help provide affordable and accessible water based recreation facilities throughout the district that may also be used by commercial operators. This activity includes the maintenance and development of Council owned waterways facilities including ramps, jetties and marinas. This does not include facilities which are attached to Council land but owned by other organisations i.e. yacht clubs, individuals or companies, nor does it include facilities that are leased out such as the Queenstown Main Town Pier.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Waterways Facilities	High	Med	Low	Med

Over the past five years, Council has made a substantial investment to improve waterways assets throughout the district. It is now appropriate for the target for recovery from user charges be increased from 10% to 40%. It is recognised that there are real difficulties in terms of designing an effective and efficient regime for the collection of boating user fees and that we must rely on our local bylaw for fees.

This activity will be funded 40% from user charges with the balance of 60% coming from the revenue generated from waterways based concessions.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Waterways Facilities	90%	10%	0%	40%	60%	Fees & Charges	Waterways Concession

## Parks & Recreation Facilities

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Parks & Recreation Facilities	-	Y	Y	Y	Y	Y

The purpose of the activity is to help provide affordable and accessible recreation facilities throughout the district. This includes the maintenance and development of primarily outdoor recreation facilities that are owned by Council. This activity includes most items that are traditionally called parks and reserves and covers the maintenance and development of outdoor passive recreation areas as well as sports fields, playgrounds and the trail network.

This activity does not include facilities which are on Council land but are owned by other organisations i.e. some bowling, tennis and golf clubs. Multi-use indoor facilities are covered in the Community Facilities activity.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Parks & Recreation Facilities	Low	Med	Low	Low

The analysis delivers a funding target of 5% for user fees with the balance of 35% (for the Private Funding Target) being met from commercial lease income derived from reserves. This leaves 60% recovered from the district-wide targeted fixed Sports, Halls and Libraries Charge (17.5%) for sportfields and 42.5% from the district-wide targeted capital value based Recreation and Events Rate and the Recreation and Events Charge for the balance of costs.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Parks & Recreation Facilities	35%	65%	0%	40%	60%	Lease Income (35%) / Fees & Charges (5%)	Fixed Sports, Halls & Libraries Charge (17.5%) / Rec & Events Rate (21.25%) / Rec & Events Chg (21.25%)

## Environmental Management

### District Plan

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
District Plan	Y	Y	Y	Y	Y	Y

This activity includes work on the development, adoption and refinement of the District Plan. (NB Processing of resource consents is covered under Regulatory Services). The objectives of the District Plan are set out in the Resource Management Act, "The establishment, implementation and review of the objectives, policies and methods of achieving integrated management of the effects of the use, development or management of land and associated natural and physical resources of the district".

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
District Plan	Low	High	Med	Low

This activity is largely public good with some scope for user charges (private plan changes and district plan sales). The balance of the cost of this activity will be funded from the proposed district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
District Plan	5%	95%	0%	5%	95%	Fees & Charges	Regulatory CV Rate / Reg Chg

## Resource Consent Administration

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Resource Consent Administration	Y	Y	Y	Y	Y	Y

This activity includes all aspects of the resource consent process, including receiving and processing the applications; managing files; monitoring consents and responding to public enquiries.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Resource Consent Administration	Low	High	Med	Low

The private benefit element of resource consent processing activities (assessed at 90%) will be funded from user charges, with the public element funded from the proposed district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Resource Consent Administration	90%	10%	0%	90%	10%	Fees & Charges	Regulatory CV Rate / Reg Chg

## Building Consent Administration

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Building Consent Administration	-	Y	Y	-	-	Y

This activity includes all aspects of the building consent process, including receiving and processing the applications; managing files; inspecting building work; issuing PIMS and LIMs and responding to public enquiries.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Building Consent Administration	High	Med	Med	High

The private benefit element of building consent processing activities (assessed at 95%) will be funded from user charges, with the public element funded from the proposed district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Building Consent Administration	90%	5%	5%	95%	5%	Application Fees & Hourly Charges	Regulatory CV Rate / Reg Chg

## Bylaw and General Enforcement

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Bylaw and General Enforcement	-	Y	Y	Y	-	-

This activity includes the patrolling of all designated, time restricted and metered areas in Queenstown, Wanaka and Arrowtown and other general patrolling; managing files; issuing and processing of parking infringement notices and responding to public enquiries.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Bylaw and General Enforcement	High	Low	High	Med

This activity provides some degree of private good but there is also a significant element of public good and exacerbator factor. The private benefit element of bylaw and enforcement activities (assessed at 30%) will be funded from user charges with the public element funded from the proposed district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Bylaw and General Enforcement	25%	50%	25%	30%	70%	Permit Fees and Hourly Charges	Reg Rate (80%)/ Reg Chg (20%)

## Parking Administration

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Parking Administration	Y	Y	Y	Y	Y	Y

This activity includes the patrolling of all designated, time restricted and metered areas in Queenstown, Wanaka and Arrowtown and other general patrolling; managing files; issuing and processing of parking infringement notices and responding to public enquiries.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Parking Administration	Med	Low	High	Med

The private benefit element of parking administration activities (assessed at 100%) will be funded from infringement fees and user charges.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Parking Administration	15%	15%	70%	100%	0%	Infringement Fines and Rental Charges	N/A



## Environmental Health

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Environmental Health	-	Y	-	-	-	-

This activity includes the inspection and licensing of premises involved in the manufacture/ preparation/sale of food, hair dressers, mortuaries, camping grounds, winemakers etc.; managing files; investigation and enforcement of public health issues and responding to public enquiries.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Environmental Health	High	Low	Med	High

This activity provides some degree of private good but there is also a significant element of public good. Environmental health will therefore be funded 50% from user charges and 50% from the district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Environmental Health	45%	50%	5%	50%	50%	Certification Fees and Hourly Charges	Reg Rate (80%)/ Reg Chg (20%)

## Liquor Licensing

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Liquor	-	Y	Y	-	-	-

This activity includes the inspection, monitoring and licensing of premises involved in the sale of liquor; managing files; issuing and renewal of licences and certificates and responding to public enquiries.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Liquor	High	Low	Med	High

This activity provides some degree of private good but there is also a significant element of public good and exacerbator factor. Liquor licensing will therefore be funded 60% from user charges and 40% from the district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Liquor	50%	25%	25%	60%	40%	Licensing and Certification Fees and Hourly Charges	Reg Rate (80%)/ Reg Chg (20%)

## Animal Control

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Animal Control	-	Y	Y	-	-	-

This activity includes provision of animal ranger services including impounding; managing files; disposal of animals and responding to public enquiries.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Animal Control	Med	Low	High	High

This activity provides some degree of private good but there is also a significant element of public good and a significant exacerbator factor. Animal Control will therefore be funded 55% from registration fees and impounding charges and 45% from the district-wide targeted capital value based Regulatory Rate and the Governance and Regulatory Charge.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Animal Control	10%	30%	60%	55%	45%	Registration and Impound Fees	Reg Rate (80%)/ Reg Chg (20%)

## Waterways Control

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Waterways Control	-	Y	-	Y	-	-

The purpose of this activity is to control waterways based activities in the district. This is achieved under the Waterways Bylaw through the activities of the Harbourmaster in the inspection, enforcement and promotion of the safe use of local waterways.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Waterways Control	Med	Low	Med	Med

This activity provides some degree of private good but there is also a significant element of public good. Waterways Control will therefore be funded from user charges under the Bylaw as far as practicable (estimated at 35%), and thereafter from the revenue generated from waterways based concessions.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Waterways Control	35%	65%	0%	35%	65%	Fees & Charges	Waterways Concession

## Emergency Management

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Emergency Management	-	Y	-	Y	-	Y

The purpose of this activity is to ensure the district is prepared to respond appropriately to Civil Defence or Rural Fire emergencies by having appropriate plans and procedures in place. This is primarily achieved by the development of a Civil Defence Plan and the establishment and maintenance of the required communications and other infrastructure. With rural fire this also includes supporting one Rural Fire Unit, two volunteer fire brigades based at Kingston and Glenorchy, and providing limited financial support to the Arrowtown, Hawea and Luggate volunteer fire brigades with respect to rural fire response. There are also arrangements in place to ensure additional trained resources are available when required.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Emergency Management	Low	Low	Med	Low

This activity is largely public good with no scope for user charges and will therefore will be funded by the capital value based General Rate. This analysis relates to the cost of the activity after allowing for any central government subsidies in this area (estimated at 30%).

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Emergency Management	0%	100%	0%	0%	100%	-	General CV Rate (70%) / Grants (30%)

## Landfill Provision and Management

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Landfill Provision and Management	Y	Y	-	Y	-	Y

The purpose of this activity is to provide facilities for the purpose of disposing of solid waste and the provision of hazardous waste facilities for the district in accordance with Regional Council and environmental requirements. This activity includes the operation of one sanitary landfill and transfer stations in Queenstown and Wanaka. In addition, the Council is required to monitor and rehabilitate its disused landfill sites at Hawea, Tuckers Beach, Wanaka, Kingston, Glenorchy and Makarora.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Landfill Provision and Management	Med	High	High	Med

This activity provides some degree of private good but there is also a significant element of public good and exacerbator factor. This activity will therefore be funded 60% from user charges in the form of transfer station fees and disposal fees (excluding landfill levy), 35% coming from the targeted fixed Waste Management Charge, with the balance of 5% coming from the general capital value based rate to cover the cost of existing waste management loans and the rehabilitation of disused tips.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Landfill Provision and Management	70%	20%	10%	60%	40%	Fees & Charges	Waste Management Charge (35%) / General CV Rate (5%)

## Recycling

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Recycling	Y	Y	-	Y	-	Y

The purpose of this activity is to provide refuse recycling services throughout the district. This includes the provision of residential kerbside recycling collection services in Queenstown, Arrowtown, Glenorchy, Kingston, Wanaka, Hawea, Albert Town Luggate and Makarora. It also includes the operation of resource recovery centres in Queenstown and Wanaka.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Recycling	Med	High	High	Med

This activity provides some degree of private good but there is also a significant element of public good and exacerbator factor. This activity will therefore be funded 50% from user charges in the form of landfill levy and disposal fees, and 50% coming from the targeted fixed Waste Management Charge.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Recycling	50%	20%	30%	50%	50%	Fees & Charges (includes landfill levy)	Waste Management Charge

## Refuse Collection

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Refuse Collection	Y	Y	-	Y	-	Y

The purpose of this activity is to provide a kerbside residual waste collection service in Queenstown, Arrowtown, Glenorchy, Kingston, Wanaka, Hawea, Albert Town Luggate and Makarora.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Refuse Collection	High	Low	Med	High

This activity is largely private good and will be funded 100% from user charges.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Refuse Collection	90%	10%	0%	100%	0%	Fees & Charges	-

## Utilities

### Water Supply

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Water Supply	Y	Y	-	Y	-	Y

The purpose of this activity is to provide reliable, high quality water supplies for domestic and commercial consumers and for fire fighting purposes. Council has provided water schemes in Queenstown, Arrowtown, Glenorchy, Lake Hayes, Arthurs Point, Wanaka, Hawea, Albert Town and Luggate.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Water Supply	High	High	Med	High

This activity is largely private good in nature and Council recognises that the best way of recovering cost would be via volumetric charges and water meters. However, the costs of introducing such a system are seen as prohibitive at present, and this activity will therefore be funded 40% from the Targeted Uniform Rate (Water) which will be charged to all serviceable properties in the nature of a supply charge and 60% from a Targeted Water Rate based on Capital Value and applied on a scheme basis to all properties connected to the public water supply.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Water Supply	90%	10%	0%	100%	0%	Targeted Uniform Rate (water) / Targeted CV Rate (water)	-

## Stormwater

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Stormwater	Y	Y	-	Y	-	Y

The primary purpose is to provide reliable and efficient stormwater collection and disposal systems from buildings and land in Queenstown, Arrowtown, Glenorchy, Wanaka, Hawea and Albert Town.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Stormwater	Low	Med	Med	Med

This activity is largely public good in nature and will therefore be funded 100% from a Targeted Stormwater Rate based on Capital Value and applied on a ward basis to all urban properties.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Stormwater	0%	100%	0%	0%	100%	-	Stormwater CV Rate



## Wastewater

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Wastewater	Y	Y	-	Y	-	Y

The primary purpose is to provide reliable and efficient sewage collection, treatment and disposal systems that meet all discharge consent conditions. Sewerage schemes are provided in Queenstown, Arrowtown, Arthur's Point, Wanaka, Hawea, Albert Town and Lake Hayes with feasibility studies underway for Kingston, Glenorchy.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Wastewater	High	High	Med	High

This activity is largely private good and the operational costs will therefore be funded by a Targeted Uniform Sewerage Charge which is charged out on the basis of the number of connected pans / urinals within the property. A rating unit used primarily as a residence for one household shall be deemed to have not more than one pan / urinal in accordance with the Local Government (Rating) Act 2002. Remission policies have been developed in relation to the application of this rate to businesses with multiple connections and to various non profit organisations.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Wastewater	90%	10%	0%	100%	0%	Sewerage Charge	-

## Roading and Footpaths

### Town Centres

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Town Centres	Y	Y	Y	-	Y	Y

The purpose of this activity is to provide attractive and safe town centres that are well maintained and developed to meet the changing needs of the district. This includes the maintenance and development of street furniture, specialised lighting, signage and other facilities that contribute to the atmosphere of the Town Centres. It also includes street cleaning in these areas. This is considered as a separate activity as the requirements of these areas are significantly different to that of an urban street.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Town Centres	Med	Med	High	Med

This activity provides some degree of private good but there is also a significant element of public good. After allowing for any NZTA subsidy this activity will be funded 100% from a Targeted Roding Rate based on Capital Value and applied on a ward basis to all properties.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Town Centres	50%	50%	0%	50%	50%	Roding CV Rate	Roding CV Rate

## Parking Facilities

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Parking Facilities	Y	-	Y	-	-	Y

The objective of this activity is to provide a range of on and off street parking in the town centres of the district. The enforcement of parking and other restrictions are covered as a separate activity within Regulatory Services.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Parking Facilities	High	Med	Med	High

This activity provides a large degree of private good but there is also a minor element of public good. This activity will therefore be funded 100% from user charges.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Parking Facilities	80%	20%	0%	100%	0%	Fees & Charges	-

## Roading

Activity	Community Outcome					
	Strong, Diverse Economy	Safe, Healthy, Strong Community	High Quality Urban Environment	Landscapes Natural Environment	Local Cultural Heritage	Effective, Efficient Infrastructure
Roading	Y	-	Y	Y	-	Y

The purpose of this activity is to provide a reliable, efficient and safe roading network that is well maintained and developed to meet the changing needs of the district. This covers all the requirements of a 'boundary to boundary' corridor and includes pavement, footpath and bridge maintenance and development. It also includes traffic safety services such as road marking, sign posting, street lighting and accident. It does not include the items covered under the Town Centre activity.

Activity	Funding Principles			
	Distribution of Benefit (user pays)	Period of Benefit (Intergenerational Equity)	Extent of Action/Inaction (Exacerbator Pays)	Cost/Benefit of Seperate Funding
Roading	Low	Med	High	Med

This activity provides some degree of private good but there is also a significant element of public good and exacerbator factor. After allowing for any NZTA subsidy and Petrol Tax (estimated at 45%), this activity will be funded from a Targeted Roding Rate based on Capital Value and applied on a ward basis to all properties.

Activity	Economic Benefit Assessment			Funding Targets		Funding Mechanism	
	Private	Public	Exacerbator	Private	Public	Private	Public
Roading	50%	20%	30%	45%	55%	NZTA Subsidy / Petrol Tax	Roding CV Rate

## [B] Funding Sources - Capital Expenditure

Funding to pay for new assets will come from a mix of borrowing, development or financial contributions, grants and subsidies, capital revenue, reserves and asset sales. Generally the costs of new assets will not be met from rates; however a portion the costs of servicing loans will be.

Funding for new capital works will depend on the nature of the work in particular the reasons (cost drivers) which have made the work necessary. There are three main cost drivers recognised by Council:

- > Growth
- > Level of Service Shift
- > Renewal

### [a] Capital Expenditure due to Growth

The Queenstown Lakes District has experienced significant growth in its population, visitors, development and the local economy. This growth generates high levels of subdivision and development activity which places increasing pressure on the assets and services provided by the Council. Significant investment in additional assets and services is accordingly required to meet the demands of growth.

Council intends to entirely fund the portion of capital expenditure (Capex) that is attributable to growth by either Financial or Development Contributions wherever it is legally, fairly, reasonably and practically possible to do so.

Council considers that Development and Financial Contributions are the best mechanism available to ensure the cost of growth sits with those who have created the need for that cost. Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of existing growth.

Historically, QLDC has sought a contribution towards the expansion of the district's reserves, community facilities and infrastructure from those developments which place additional demands on these services. In order to levy these contributions Council has used:

- > Financial Contributions imposed as a condition of a resource consent (Resource Management Act 1991) – applies to consents received prior to 8 May 2004.
- > Development Contributions as defined by the provisions of the Local Government Act 2002 (LGA 2002) - applies to consents received after to 8 May 2004.

Council has a Policy on Development Contributions This is updated on an annual basis.

Section 101(3) of the LGA 2002 requires that the following be considered:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

- (i) *the community outcomes to which the activity primarily contributes.*
- (ii) *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.*
- (iii) *the period in or over which those benefits are expected to occur.*

- (iv) *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.*
- (v) *the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.*
- (vi) *the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.*

Responses to these requirements in relation to the Development Contributions and Financial Contributions Policy are:

#### (i) Community Outcomes

This policy contributes to:

- > Managing growth in a sustainable way.
- > Quality landscapes, natural environment and enhanced public access.
- > Effective and efficient infrastructure that meets the needs of growth.
- > High quality urban environments respectful of the character of the individual communities.

#### (ii) Distribution of Benefits

Council apportions all capital expenditure into the classifications of growth, renewal, level of service and statutory obligations, by the geographic areas of benefit. This apportionment represents the distribution of benefit to the community as a whole, to identifiable parts of the community and to individuals.

#### (iii) Period over which the Benefits are expected to occur

Once a Development or Financial contribution has been paid in relation to a subdivision or development, the benefits of the asset, service, or environmental enhancement shall occur indefinitely (at a set level of service for that asset, service, or environmental enhancement as defined at any one time).

#### (iv) Action or Inaction That Contributes to the Need for This Activity

The provision of assets, services, or environmental standards that promote the community outcomes may not be willingly provided by the development community. In addition Council is often the only viable supplier (often legally required to provide services) of these services and therefore Council has a moral and legal obligation to supply additional assets, services to meet the new community needs.

#### (v) Costs and Benefits of Funding This Activity (Development and Financial Contributions)

The benefits to the existing community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development and financial contributions.

#### (iv) Allocation of Liability for Revenue Needs

The liability for revenue falls directly with the development community. At the effective date of this Policy, Council does not perceive any impact on the social, economic, environmental and cultural well-being of this particular sector of the community. At any stage in the future where there maybe impacts of this nature, Council may revisit this Policy.

Types of Assets included in the Development Contribution Policy are:

- > Network infrastructure for water supplies, wastewater, stormwater and roading.
- > Reserve land.
- > Community infrastructure including the development and acquisition of reserve land to use as reserve and facilities needed on that reserve and other public amenities such as halls, libraries, public toilets, parking facilities and the like.
- > Other Assets. Financial Contributions can be required to avoid remedy or mitigate adverse effects of development that are of a non-fiscal nature. These may include contributions that avoid, remedy or mitigate the effects of development on biodiversity, landscape, amenity values or the provision of specific assets by the developer/subdivider (i.e. access easements in gross). As the Development Contributions provisions of the LGA 2002 specifically relate to fiscal impacts or effects of growth, Financial Contributions for non-fiscal impacts of effects of development will need to be assessed through the RMA and District Plan processes. Chapter 15 of the District Plan (not operative) and any subsequent variations shall be considered in this policy.

#### **Funding Sources for Growth Capital Expenditure in order of priority:**

- i. Vested Assets
- ii. Development or Financial Contributions
- iii. Capital Grants and subsidies attributable to growth portion
- iv. Borrowing

#### **[b] Capital Expenditure due to Shifts in Levels Of Service, Statutory Requirements or Other Reasons but not including Growth or Renewals.**

The cost driver for a significant portion of capital works within the Queenstown Lakes District relates to increasing of levels of service for the community. Sometimes these improvements to levels of service are required because of changes to legislation or resource consent conditions, which means that there is often little discretion with regard to the decision. An example of this would be the requirement to provide additional water treatment facilities as a result of the introduction of new Water Treatment Standards.

In other cases, the increase in level of service is a community driven decision. An example of this would be the construction of the Queenstown Aquatic Centre (Alpine Aqualand). Council's approach to funding for this type of Capital expenditure is to initially apply for grants from national and local funding organisations and to apply the proceeds of land sales from the Commonage in Queenstown or Scurr Heights in Wanaka.

Funding from the Commonage in Queenstown is restricted by statute to be applied for the benefit of the Old Queenstown Borough for the purposes of Water and Sewerage upgrades. Proceeds from Scurr Heights land in Wanaka is restricted for use to the Wanaka ward and can be applied to variety of infrastructure purposes including water, wastewater, roading or community (recreational) purposes.

#### **Funding Sources for Other Capital Expenditure in order of priority:**

- i. Capital Grants and subsidies
- ii. Capital Revenues and Asset sale proceeds

- iii. Capital Reserves
- iv. Borrowing
- v. Rates

#### **[c] Capital Expenditure due to Renewals.**

Renewal capital works are those capital expenditure costs that are incurred in restoring an asset to previous service levels, usually reflected in the amount that an asset has depreciated. Therefore by using those depreciation funds Council is attempting to maintain infrastructural networks to at least their existing service level.

The funding of depreciation is an implied requirement of the 'balanced budget' provision of the new Local Government Act. It requires that the Council fully fund all operating costs, including reductions in the useful life or quality of assets. The requirement arises from Government concern that some local authorities were not adequately maintaining infrastructural assets. In instances where this occurred, current ratepayers were paying too little and leaving a major financial burden for future generations.

Queenstown Lakes District has in recent years provided adequately for asset renewal. A major effort has been made over the past decade to address deferred maintenance and the budgets have provided for the renewal of infrastructure.

The Council now has far more reliable asset information and a much better understanding of the life cycle of its assets.

The new Act provides a more flexible approach in the requirement to fully fund depreciation. The revised interpretation has allowed Councils flexibility in four key areas which we have taken advantage of in preparing these budgets:

- i. The Council needs to fund depreciation only on its share of roading funding. The component attributable to Transfund is excluded. Allowing for SPR roading arrangements and other subsidisable costs 54% of roading depreciation will be funded.
- ii. Depreciation on Community facilities may not need to be funded as they are often funded by non-Council sources and will never be replaced in the same form at the end of their useful life. Depreciation on halls, libraries, and other facilities (including the Events Centre) will therefore not be funded.
- iii. The Council has accepted that it is not reasonable to fund depreciation where a community has funded a water or sewerage scheme, by lump sum contributions or loan charges. That community ends up paying twice – for loan charges and depreciation.
- iv. Because we have generally maintained the value of our infrastructure the Council will use funded depreciation to finance renewal projects and repay loans. It cannot be used to fund new assets or asset improvements.

#### **Funding Sources Renewal Capital Expenditure in order of priority:**

- i. Depreciation Reserves
- ii. Borrowing
- iii. Rates

# Funding Impact Statement

## Background

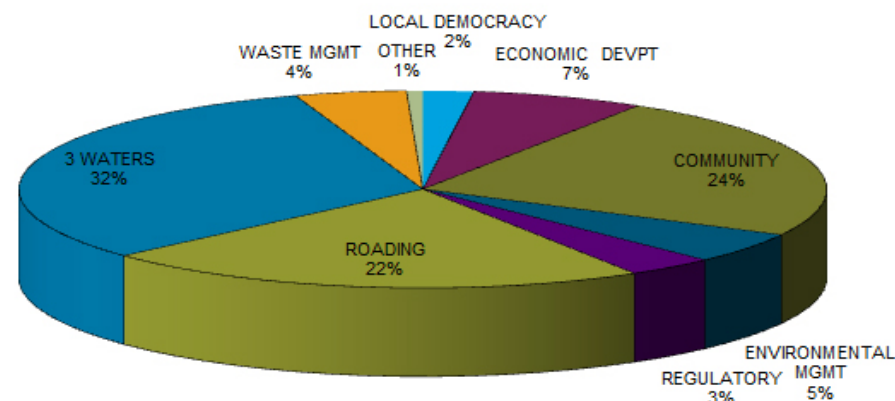
Clause 10 of Schedule 10 to the Local Government Act 2002 requires each Council to prepare a Funding Impact Statement as part of its TYP, which states:

- A** The revenue and financing mechanisms to be used by the local authority each year.
- B** An indication of the level or amount of funds to be funded by each mechanism for each year.
- C** In relation to any general rate:
  - i.** The valuation system on which the general rate is to be assessed.
  - ii.** Whether a uniform annual general charge is to be included.
  - iii.** If a uniform annual general charge is to be included, how that uniform annual general charge will be calculated.
  - iv.** Whether the general rate is to be set differentially, and if so:
    - > The categories of rateable land, within the meaning of section 14 of the Local Government (rating) Act 2002, to be used.
    - > The objectives of the differential rate, in terms of the total revenue sought from each category of rateable land or of the relationship between the rates set of rateable land in each category.
- D** In relation to each targeted rate:
  - i.** The activities or groups of activities for which the targeted rate is to be set.
  - ii.** The category, or categories, of rateable land, within the meaning of section 17 of the Local Government (rating) Act 2002, to be used.
  - iii.** For each such category, how liability for the targeted rate is to be calculated.
  - iv.** If the targeted rate is set differentially, the total revenue sought from each category of rateable land or the relationship between the rates set on the rateable land in each category.

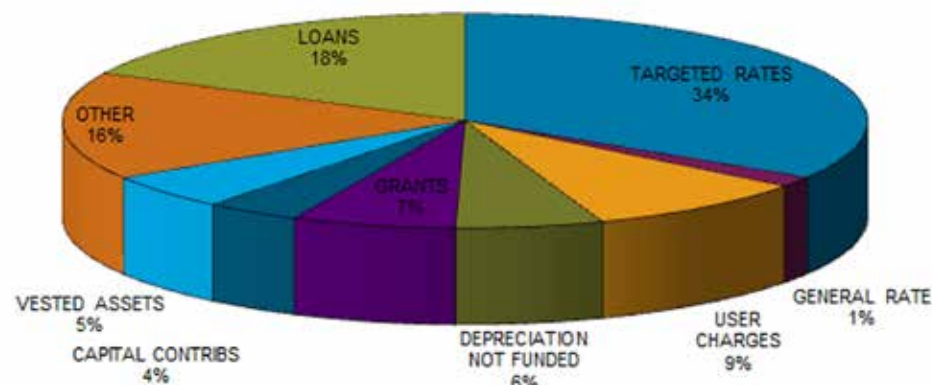
Following is the Funding Impact Statement for the period commencing 1 July 2015.

This has been prepared solely to comply with the Local Government (Financial Reporting) Regulations 2011. It does not comply with Generally Accepted Accounting Practice (GAAP) as stated by S.111(2) of the Local Government Act 2002 and should not be relied on for any other purpose.

## Combined Operating and Capital Expenditure 2015/16



## Funding Requirements 2015/16



**Funding Impact Statement - Whole Council**

Annual Plan 2014/15 \$000		TYP 2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000
	<b>Sources of Operating Funding</b>										
2,138	General Rates, Uniform annual general charges, and Rates penalties	3,106	3,320	2,939	2,719	2,213	2,340	2,283	2,277	2,179	2,539
55,566	Targeted Rates	56,822	58,575	62,416	64,238	66,064	67,154	67,829	69,840	71,065	73,041
17,823	Fees and Charges	15,134	15,686	16,343	22,565	24,556	26,757	29,024	30,854	32,118	33,449
3,423	Subsidies & Grants for Operating purposes	3,499	3,876	4,045	3,881	4,071	4,245	4,351	4,265	4,466	4,809
3,038	Interest and Dividends from Investments	3,238	3,672	3,822	4,177	4,305	5,435	6,021	6,388	6,984	7,805
4,130	Local authorities fuel tax, Fines, Infringement fees, and Other receipts	7,457	6,711	6,677	6,765	7,028	6,988	7,279	7,584	7,911	8,258
<b>86,118</b>	<b>Total Sources of Operating Funding</b>	<b>89,256</b>	<b>91,840</b>	<b>96,242</b>	<b>104,345</b>	<b>108,237</b>	<b>112,919</b>	<b>116,787</b>	<b>121,208</b>	<b>124,723</b>	<b>129,901</b>
	<b>Applications of Operating Funding</b>										
60,205	Payments to Staff and Suppliers	62,572	63,995	67,388	76,775	80,085	83,677	87,278	90,925	94,316	97,836
7,566	Finance Costs	7,195	8,806	10,161	10,316	10,349	10,359	10,185	9,996	9,559	8,745
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-
<b>67,771</b>	<b>Total Applications of Operating Funding</b>	<b>69,767</b>	<b>72,801</b>	<b>77,549</b>	<b>87,091</b>	<b>90,434</b>	<b>94,036</b>	<b>97,463</b>	<b>100,921</b>	<b>103,875</b>	<b>106,581</b>
<b>18,347</b>	<b>Surplus/(Deficit) of Operating Funding</b>	<b>19,489</b>	<b>19,039</b>	<b>18,693</b>	<b>17,254</b>	<b>17,803</b>	<b>18,883</b>	<b>19,324</b>	<b>20,287</b>	<b>20,848</b>	<b>23,320</b>
	<b>Sources of Capital Funding</b>										
10,446	Subsidies & Grants for Capital expenditure	7,521	12,189	35,874	4,996	5,579	5,844	4,022	3,830	4,012	6,336
10,563	Development & Financial Contributions	6,382	6,089	6,121	6,157	7,294	7,211	6,642	7,338	7,107	7,365
-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-
18,892	Increase/(Decrease) in Debt	17,660	41,077	7,162	954	236	(1,147)	(4,380)	(1,814)	(13,385)	(14,252)
-	Lump Sum Contributions	-	-	-	-	-	-	-	-	-	-
-	Other Dedicated Capital Funding	-	-	-	-	-	-	-	-	-	-
<b>39,901</b>	<b>Total Sources of Capital Funding</b>	<b>31,563</b>	<b>59,355</b>	<b>49,157</b>	<b>12,107</b>	<b>13,109</b>	<b>11,908</b>	<b>6,284</b>	<b>9,354</b>	<b>(2,266)</b>	<b>(551)</b>
	<b>Applications of Capital Funding</b>										
	Capital Expenditure										
20,495	- to meet additional demand	16,224	33,961	27,971	9,384	8,822	6,673	6,172	10,276	4,853	4,799
11,238	- to replace existing assets	7,535	6,687	8,115	9,230	9,659	9,507	8,473	9,468	9,262	12,174
26,512	- to improve the level of service	27,293	37,745	31,768	10,745	12,434	14,612	10,959	9,897	4,466	5,796
3	Increase/(Decrease) in Reserves	-	1	(4)	2	(3)	(1)	4	-	1	-
-	Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-
<b>58,248</b>	<b>Total Applications of Capital Funding</b>	<b>51,052</b>	<b>78,394</b>	<b>67,850</b>	<b>29,361</b>	<b>30,912</b>	<b>30,791</b>	<b>25,608</b>	<b>29,641</b>	<b>18,582</b>	<b>22,769</b>
<b>(18,347)</b>	<b>Surplus/(Deficit) of Capital Funding</b>	<b>(19,489)</b>	<b>(19,039)</b>	<b>(18,693)</b>	<b>(17,254)</b>	<b>(17,803)</b>	<b>(18,883)</b>	<b>(19,324)</b>	<b>(20,287)</b>	<b>(20,848)</b>	<b>(23,320)</b>
-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-



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

Annual Plan 2014/15 \$000		TYP 2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000
	<b>Income</b> Statement of Financial Performance:										
113,075	<b>Total Operating Income</b>	112,676	119,902	148,276	125,816	131,727	136,918	138,749	144,056	147,933	156,145
	<b>Funding Impact Statement:</b>										
86,118	Total Sources of Operating Funding	89,256	91,840	96,242	104,345	108,237	112,919	116,787	121,208	124,723	129,901
	Plus Sources of Capital Funding:										
10,446	Subsidies & Grants for Capital expenditure	7,521	12,189	35,874	4,996	5,579	5,844	4,022	3,830	4,012	6,336
10,563	Development & Financial Contributions	6,382	6,089	6,121	6,157	7,294	7,211	6,642	7,338	7,107	7,365
-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-
-	Less Cost of Property Sales	-	-	-	-	-	-	-	-	-	-
	Plus Non Cash Items:										
5,948	Vested Assets	8,900	9,161	9,409	9,682	9,975	10,296	10,643	11,019	11,424	11,868
-	Revaluation - Non Current Assets	617	623	630	636	642	648	655	661	667	675
113,075	<b>Total Income</b>	112,676	119,902	148,276	125,816	131,727	136,918	138,749	144,056	147,933	156,145
	<b>Expenditure</b> Statement of Financial Performance:										
88,899	<b>Total Operating Cost</b>	90,430	94,103	100,549	112,331	116,265	120,811	125,289	129,637	133,282	136,682
	<b>Funding Impact Statement:</b>										
67,771	Total Applications of Operating Funding	69,767	72,801	77,549	87,091	90,434	94,036	97,463	100,921	103,875	106,581
	Plus Non Cash Items:										
21,128	Depreciation	20,663	21,302	23,000	25,240	25,831	26,775	27,826	28,716	29,407	30,101
88,899	<b>Total Expenditure</b>	90,430	94,103	100,549	112,331	116,265	120,811	125,289	129,637	133,282	136,682





# Rates and Charges for 2015/16

The rating system used by Council is based on Capital Value. Property valuations produced by Quotable Value as at 1 July 2014 are to be used for the 2015/16 rating year. All proposed rates in the section that follows are inclusive of GST.

## Uniform Annual General Charge

Pursuant to sections 15 of the Local Government (Rating) Act 2002 (the Act), Council proposes to set a uniform annual general charge of \$73.00 on each separately used or inhabited part of every rating unit in the district.

The uniform annual general charge revenue (\$1,687,400) will be used to fund the costs associated with the following activities:

- > Cemeteries.
- > Community development and grants.
- > Property including housing and Wanaka airport.
- > A general contribution to the promotion of the district.

## Sports, Halls & Libraries Annual Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted annual charge of \$320.00 on each separately used or inhabited part of every rating unit with a residential component in the district:

1. Residential	\$308.00
2. Hydro Electric / Utilities	\$0.00
3. Vacant Sections	\$308.00
4. Accommodation	\$0.00
5. CBD Accommodation	\$0.00
6. Commercial	\$0.00
7. CBD Commercial	\$0.00
8. Primary Industry	\$308.00
9. Country Dwelling	\$308.00
10. Other	\$0.00
11. Mixed Use Apportioned	\$308.00

The targeted Sports, Halls & Libraries Annual charge revenue (\$6,075,467) will be used to fund the costs associated with the following activities:

- > Community grants (for recreational activities).
- > District library services.
- > Public halls and other community facilities.
- > Active recreation facilities including sportsfields and community swimming pools (excludes Alpine Aqualand).

## Governance Rate

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential governance rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000137 cents in the \$
2. Hydro Electric / Utilities	0.000069 cents in the \$
3. Vacant Sections	0.000137 cents in the \$
4. Accommodation	0.000137 cents in the \$
5. CBD Accommodation	0.000137 cents in the \$
6. Commercial	0.000137 cents in the \$
7. CBD Commercial	0.000137 cents in the \$
8. Primary Industry	0.000097 cents in the \$
9. Country Dwelling	0.000137 cents in the \$
10. Other	0.000137 cents in the \$
11. Mixed Use Apportioned	See <b>NOTE (i)</b>

Note (i): The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The governance rate revenue (\$2,426,787) will be used to fund 80% of the costs associated with the following activities:

Cost of democratic functions including Council, standing committees

Cost of communications and management of Council including corporate, financial and rating administration services.

## Regulatory Rate

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential regulatory rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000283 cents in the \$
2. Hydro Electric Power	0.000127 cents in the \$
3. Vacant Sections	0.000283 cents in the \$
4. Accommodation	0.000297 cents in the \$
5. CBD Accommodation	0.000297 cents in the \$
6. Commercial	0.000255 cents in the \$
7. CBD Commercial	0.000255 cents in the \$
8. Primary Industry	0.000184 cents in the \$
9. Country Dwelling	0.000263 cents in the \$
10. Other	0.000283 cents in the \$
11. Mixed Use Apportioned	See <b>NOTE (i)</b>

**NOTE (i):** The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The regulatory rate revenue (\$4,880,777) will be used to fund 80% of the costs associated with the following activities:

- Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing.

## Governance & Regulatory Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Governance & Regulatory Charge on each separately used or inhabited part of every rating unit in the district as follows:

1. Residential	\$69.00
2. Hydro Electric/Utilities	\$135.00
3. Vacant Sections	\$69.00
4. Accommodation	\$100.00
5. CBD Accommodation	\$100.00
6. Commercial	\$135.00
7. CBD Commercial	\$135.00
8. Primary Industry	\$173.00
9. Country Dwelling	\$69.00
10. Other	\$69.00
11. Mixed Use Apportioned	See <b>NOTE (i)</b>

**NOTE (i):** The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The Governance & Regulatory Charge revenue (\$1,826,680) will be used to fund 20% of the costs associated with the following activities:

- Cost of democratic functions including Council and standing committees
- Cost of communications and management of Council including corporate, financial and rating administration services.
- Regulatory and advisory services relating to planning and resource management, the district plan, building control, dog control and health and liquor licensing.

## Recreation & Events Rate

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential recreation and events rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000261 cents in the \$
2. Hydro Electric/Utilities	0.000095 cents in the \$
3. Vacant Sections	0.000261 cents in the \$
4. Accommodation	0.000945 cents in the \$
5. CBD Accommodation	0.000945 cents in the \$
6. Commercial	0.000191 cents in the \$
7. CBD Commercial	0.000191 cents in the \$
8. Primary Industry	0.000034 cents in the \$
9. Country Dwelling	0.000099 cents in the \$
10. Other	0.000283 cents in the \$
11. Mixed Use Apportioned	See <b>NOTE (i)</b>

**NOTE (i):** The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The recreation and events rate revenue (\$4,821,963) will be used to fund 50% of the costs associated with the following activities:

- Passive recreation areas, gardens, walkways and reserves.
- The provision on public toilets.
- Provision of events and facilitation events.
- Contribution to the operating shortfall of Alpine Aqualand attributable to non residents.



## Recreation & Events Charge

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a new targeted Recreation & Events Charge on each separately used or inhabited part of every rating unit in the district as follows:

1. Residential	\$159.00
2. Hydro Electric/Utilities	\$266.00
3. Vacant Sections	\$159.00
4. Accommodation	\$859.00
5. CBD Accommodation	\$859.00
6. Commercial	\$266.00
7. CBD Commercial	\$266.00
8. Primary Industry	\$113.00
9. Country Dwelling	\$113.00
10. Other	\$159.00
11. Mixed Use Apportioned	See <b>NOTE (i)</b>

**NOTE (i):** The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The recreation and events charge revenue (\$4,821,963) will be used to fund 50% of the costs associated with the following activities:

- > Passive recreation areas, gardens, walkways and reserves.
- > The provision on public toilets.
- > Provision of events and facilitation events.
- > Contribution to the operating shortfall of Alpine Aqualand attributable to non residents

## General Rate

Pursuant to Sections 13 and 14 of the Act, Council proposes to set a differential general rate based on land use on the rateable capital value of all property within the Queenstown Lakes District as follows:

1. Residential	0.000070 cents in the \$
2. Hydro Electric/Utilities	0.000028 cents in the \$
3. Vacant Sections	0.000070 cents in the \$
4. Accommodation	0.000088 cents in the \$
5. CBD Accommodation	0.000088 cents in the \$
6. Commercial	0.000057 cents in the \$
7. CBD Commercial	0.000057 cents in the \$
8. Primary Industry	0.000081 cents in the \$

9. Country Dwelling	0.000076 cents in the \$
10. Other	0.000070 cents in the \$
11. Mixed Use Apportioned	See <b>NOTE (i)</b>

**NOTE (i):** The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The general rate revenue (\$1,307,200) will be used to fund the costs associated with the following activities:

- > Provision of emergency services (civil defense & rural fire).
- > Waste management including landfill establishment.
- > Forestry including wilding pine control

## Roading Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential roading rate based on land use on the rateable capital value of all property within the Wanaka ward on the Queenstown Lakes District as follows:

1. Residential	0.000646 cents in the \$
2. Hydro Electric/Utilities	0.000162 cents in the \$
3. Vacant Sections	0.000969 cents in the \$
4. Accommodation	0.002423 cents in the \$
5. CBD Accommodation	0.002423 cents in the \$
6. Commercial	0.002423 cents in the \$
7. CBD Commercial	0.002423 cents in the \$
8. Primary Industry	0.000523 cents in the \$
9. Country Dwelling	0.000659 cents in the \$
10. Other	0.000646 cents in the \$
11. Mixed Use Apportioned	See <b>NOTE (i)</b>

**NOTE (i):** the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The Wanaka roading rate revenue (\$5,052,127) will be used to fund the costs associated with the following activities:

- > Wanaka wards roading network, which includes footpaths and other amenities within the road reserve.
- > The development of town centre areas.
- > The maintenance and upgrading of roading drainage systems.



## Roading Rate (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential roading rate based on land use on the rateable capital value of all property within the Queenstown/Wakatipu and Arrowtown wards of the Queenstown Lakes District as follows:

1. Residential	0.000376 cents in the \$
2. Hydro Electric/Utilities	0.000094 cents in the \$
3. Vacant Sections	0.000564 cents in the \$
4. Accommodation	0.001410 cents in the \$
5. CBD Accommodation	0.001410 cents in the \$
6. Commercial	0.001410 cents in the \$
7. CBD Commercial	0.001410 cents in the \$
8. Primary Industry	0.000305 cents in the \$
9. Country Dwelling	0.000384 cents in the \$
10. Other	0.000376 cents in the \$
11. Mixed Use Apportioned	See <b>NOTE (i)</b>

**NOTE (i):** the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The Wakatipu/Arrowtown roading rate revenue (\$7,913,233) will be used to fund the costs associated with the following activities:

- > Wakatipu/Arrowtown ward's roading network, which includes footpaths and other amenities within the road reserve.
- > The development of town centre areas.
- > The maintenance and upgrading of roading drainage systems.

## Stormwater Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted stormwater rate based on land use of the rateable capital value of the following categories of property within the Wanaka ward of the Queenstown Lakes District as follows:

1. Residential	0.000092 cents in the \$
2. Hydro Electric/Utilities	0.000023 cents in the \$
3. Vacant Sections	0.000092 cents in the \$
4. Accommodation	0.000092 cents in the \$
5. CBD Accommodation	0.000092 cents in the \$
6. Commercial	0.000092 cents in the \$
7. CBD Commercial	0.000092 cents in the \$
8. Other	0.000092 cents in the \$
9. Mixed Use Apportioned	See <b>NOTE (i)</b>

**NOTE (i):** the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential as appropriate.

The Wanaka stormwater rate revenue (\$757,312) will be used to fund the costs associated with the following activities:

- > The maintenance and upgrading of stormwater reticulation systems.

## Stormwater Rate (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted stormwater rate based on land use of the rateable capital value of the following categories of property within the Queenstown/Wakatipu and Arrowtown wards of the Queenstown Lakes District as follows:

1. Residential (ii)	0.000086 cents in the \$
2. Hydro Electric/Utilities	0.000022 cents in the \$
3. Vacant Sections (ii)	0.000086 cents in the \$
4. Accommodation	0.000086 cents in the \$
5. CBD Accommodation	0.000086 cents in the \$
6. Commercial	0.000086 cents in the \$
7. CBD Commercial	0.000086 cents in the \$
8. Other	0.000086 cents in the \$
9. Mixed Use Apportioned	See <b>NOTE (i)</b>

**NOTE (i):** The mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential as appropriate.

**NOTE (ii):** Excludes property within the Jacks Point Special Zone.

The Wakatipu/Arrowtown stormwater rate revenue (\$786,542) will be used to fund the costs associated with the following activities:

- > The maintenance and upgrading of stormwater reticulation systems.

## Tourism Promotion Rate (Wanaka Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Wanaka ward of the Queenstown Lakes District as follows:

1. Accommodation	0.001326 cents in the \$
2. CBD Accommodation	0.001326 cents in the \$
3. Commercial	0.001326 cents in the \$
4. CBD Commercial	0.001326 cents in the \$
5. Hydro Electric/Utilities	0.000332 cents in the \$
6. Mixed Use Apportioned	See <b>NOTE (i)</b>

note (i): the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

The Wanaka tourism promotion rate revenue (\$925,802) will be used to fund the costs associated with the following activities:

- > To finance promotional activities of Lake Wanaka Tourism.

### Tourism Promotion Rate (Queenstown/Wakatipu Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Queenstown/Wakatipu Wards of the Queenstown Lakes District as follows:

1.	Accommodation	0.001226 cents in the \$
2.	CBD Accommodation	0.001226 cents in the \$
3.	Commercial	0.001226 cents in the \$
4.	CBD Commercial	0.001226 cents in the \$
5.	Hydro Electric/Utilities	0.000307 cents in the \$
6.	Mixed Use Apportioned	See <b>NOTE (i)</b>

**NOTE (i):** the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential as appropriate.

The Wakatipu tourism promotion rate revenue (\$3,666,836) will be used to fund the costs associated with the following activities:

- > To finance promotional activities of Destination Queenstown.

### Tourism Promotion Rate (Arrowtown Ward)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted tourism promotion rate based on land use on the rateable capital value of the following categories of property within the Arrowtown Ward of the Queenstown Lakes District as follows:

1.	Accommodation	0.001413 cents in the \$
2.	CBD Accommodation	0.001413 cents in the \$
3.	Commercial	0.001413 cents in the \$
4.	CBD Commercial	0.001413 cents in the \$
5.	Hydro Electric/Utilities	0.000353 cents in the \$
6.	Mixed Use Apportioned	See <b>NOTE (i)</b>

**NOTE (i):** the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential as appropriate.

The Arrowtown tourism promotion rate revenue (\$130,840) will be used to fund the costs associated with financing the following activities:

- > To finance promotional activities of the Arrowtown Promotion Association.

### Waste Management Charges

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted waste management charge on each separately used or inhabited part of every rating unit in the district, as follows:

1.	Residential	\$137.00
2.	Hydro Electric/Utilities	\$100.00
3.	Vacant Sections	\$100.00
4.	Accommodation	\$100.00
5.	CBD Accommodation	\$100.00
6.	Commercial	\$100.00
7.	CBD Commercial	\$100.00
8.	Primary Industry	\$137.00
9.	Country Dwelling	\$137.00
10.	Other	\$100.00
11.	Mixed Use Apportioned	\$137.00

The Waste Management Charge revenue (\$2,914,020) will be used to fund the costs associated with the following activities:

- > To fund the operating deficit of the transfer stations and the recycling initiatives proposed in the Waste Management Strategy.

### Aquatic Centre Charge (Queenstown/Wakatipu and Arrowtown Wards)

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted Aquatic Centre charge of \$95.00 on each separately used or inhabited part of every rating unit with a residential component in the Queenstown / Wakatipu and Arrowtown Wards:

1.	Residential	\$90.00
2.	Hydro Electric/Utilities	\$0.00
3.	Vacant Sections	\$90.00
4.	Accommodation	\$0.00
5.	CBD Accommodation	\$0.00
6.	Commercial	\$0.00
7.	CBD Commercial	\$0.00
8.	Primary Industry	\$90.00
9.	Country Dwelling	\$90.00
10.	Other	\$0.00
11.	Utilities	\$0.00
12.	Mixed Use Apportioned	\$90.00

The Aquatic Centre Charge revenue (\$1,089,244) will be used to fund the costs associated with the following activities:

- To fund the operating shortfall of Alpine Aqualand attributable to residents

## Water Supply Rates

### i. Queenstown and District Water Supply, Arrowtown Water Supply and Wanaka Water Supply

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted rate for water supply on each separately used or inhabited part of every connected or serviceable rating unit within the respective water supply areas as follows:

Queenstown and District water supply:	\$250.00
Arrowtown water supply:	\$180.00
Wanaka and District water supply:	\$180.00

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted differential water supply rate based on land use on the rateable capital value of all rating units connected in the following water supply areas.

	Queenstown (cents in the \$)	Arrowtown (cents in the \$)	Wanaka (cents in the \$)
1. Residential	0.000257	0.000305	0.000294
2. Accommodation	0.000463	0.000549	0.000529
3. CBD Accommodation	0.000463	0.000549	0.000529
4. Commercial	0.000375	0.000445	0.000429
5. CBD Commercial	0.000375	0.000445	0.000429
6. Primary Industry	0.000190	0.000226	0.000218
7. Country Dwelling	0.000211	0.000250	0.000241
8. Other	0.000257	0.000305	0.000294
9. Mixed Use Apportioned	See <b>NOTE (i)</b>	See <b>NOTE (i)</b>	See <b>NOTE (i)</b>

**NOTE (i):** the mixed use apportioned properties will be treated as 25% Commercial or Accommodation and 75% Residential or Country Dwelling as appropriate.

### ii Other Water Supplies

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted rate for water supply on each separately used or inhabited part of every rating unit connected to the respective scheme, and a half charge on each separately used or inhabited part of every serviceable rating unit.

Water Supply	Full Charge (\$)	Half Charge (\$)
Arthur's Point	620.00	310.00
Glenorchy	720.00	360.00
Hawea	300.00	150.00
Lake Hayes	660.00	330.00
Luggate	590.00	295.00

The Targeted Water Supply Rates revenue (\$8,326,236) will be used to fund the costs associated with the following activities:

- (i) To provide supplies of potable (drinkable) water to the above communities.

## Water Scheme Loan Rate

### (i) Lake Hayes Water Supply Area

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted water scheme loan rate of \$426.27 on every connected or serviceable rating unit within the Lake Hayes water supply area, other than those in respect of which ratepayer has elected to make the lump sum.

The Targeted Water Scheme Loan Revenue (\$12,603) will be used to fund the costs associated with the following activities

Revenue sought by way of annual loan charges is to cover the cost of financing loans raised to pay for the capital cost of water schemes.

## Sewerage Rates

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted sewerage rate on every rating unit connected to a district sewerage scheme, on the basis on one full charge per first pan or urinal connected, with a discounted charge on every subsequent pan or urinal connected. A half charge will apply to every serviceable rating unit. The charges for each scheme are set out in the schedule below.

Note: every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.

Sewerage Scheme	Charge for 1st pan connected (\$)	Half Charge capable of connection (\$)	Charge per pan after 1 connected (\$)
Wanaka/Albert Town	516.00	258.00	258.00
Arrowtown	470.00	235.00	235.00
Arthur's Point	400.00	200.00	288.00
Hawea	590.00	295.00	295.00
Lake Hayes	380.00	190.00	190.00
Luggate	650.00	325.00	325.00
Queenstown	396.00	198.00	198.00

The Targeted Sewerage Rates revenue (\$8,711,870) will be used to fund the costs associated with providing public sewerage services to the above communities.

## Sewerage Scheme Loan Rates

### (i) Lake Hayes Sewerage Area

Pursuant to sections 16, 17 and 18 of the Act, Council proposes to set a targeted sewerage scheme loan rate on every serviceable rating unit within the Lake Hayes Sewerage scheme area, on the basis of one charge per pan or urinal connected or capable of being connected of \$353.18, on the first pan or urinal, and \$176.59 for each subsequent pan or urinal.

Note:

- > The targeted sewerage scheme loan rate will not apply to those properties in respect of which the ratepayer elected to make the lump sum contribution; and
- > Every rating unit used exclusively or principally as a residence of not more than one household is deemed to have not more than one connection.

The Targeted Sewerage Scheme Loan Rates revenue (\$22,127) will be used to fund the costs associated with the following activities:

- > Revenue sought by way of annual loan charges is to cover the costs of financing loans raised to pay for the capital cost of sewerage schemes.

## Due Dates for Payments

The Council proposes that the above rates and charges for the financial year commencing on the 1st day of July 2013 are payable in four instalments, the due dates and last days for payment without penalty being as follows:

	Due Date	Last Day for Payment (without 10% penalty)
Instalment One	28 August 2015	25 September 2015
Instalment Two	23 October 2015	27 November 2015
Instalment Three	22 January 2016	26 February 2016
Instalment Four	22 April 2016	27 May 2016

## Payment of Rates

Rates payments can be made during normal office hours at:

- > Civic Centre, 10 Gorge Road, Queenstown
- > Wanaka Service Centre, Ardmore Street, Wanaka
- > Arrowtown Public Library, Buckingham Street, Arrowtown

Or by direct debit and internet banking.

## Additional Charges (Penalties)

Pursuant to Sections 24, 57 and 58 of the Act, Council proposes that the following penalties will apply under delegated authority to the Rating Administrator:

- > A penalty of 10% will be added to the rates and charges levied in each instalment which remains unpaid on the day after the last day for payment date as shown above (i.e. the penalty will be added on 26 September 2015, 28 November 2015, 27 February 2016 and 28 May 2016 respectively).
- > A penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year and remaining unpaid on 30 September 2015.
- > A second penalty of 10% will be added to the amount of rates or instalments (including penalties) levied in any previous financial year which remains unpaid on 31 March 2016.

## Differential Matters Used to Define Categories of Rateable Land

Where Council's propose to assess rates on a differential basis they are limited to the list of matters specified in Schedule Two of the Local Government (Rating) Act 2002. Council is required to state which matters will be used for what purpose, and the category or categories of any differentials.

Differentials by Land Use

The categories are:

### 1. Residential

All rating units which are used exclusively or principally for residential purposes, but excluding properties categorised as pursuant to clause 8 (Primary Industry), clause 9 (Country Dwelling) or to clause 11 (Mixed Use Apportioned).

### 2. Hydro Electric/ Utilities

All rating units on which there are structures used exclusively or principally for, or in connection with, the generation of hydro-electric power, including structures used to control the flow of water to other structures used for generating hydro-electric power and all rating units used exclusively or principally for network utility services including water supply, wastewater, stormwater, electricity, gas & telecommunications.

### 3. Vacant Sections

All rating units which are vacant properties and suitable for development.

### 4. Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis (nightly, weekly or for periods up to a month) including hotels, motels, houses and flats used for such purposes, commercial time share units, managed apartments, bed and breakfast properties, motor camps and home stay properties; but excluding properties categorised as pursuant to clause 11 (Mixed Use Apportioned) or clause 5 (CBD Accommodation).

### 5. CBD Accommodation

All rating units used exclusively or principally for the accommodation of paying guests on a short term basis including hotels, motels, houses and flats used for such purposes, commercial time share units,

managed apartments, bed and breakfast properties, motor camps and home stay properties located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as pursuant to clause 11 (Mixed Use Apportioned).

## 6. Commercial

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes; but excluding properties categorised as Hydro-Electric Power, Accommodation, CBD Accommodation, Primary Industry, or pursuant to clause 11 (Mixed Use Apportioned) or clause 7 (CBD Commercial).

## 7. CBD Commercial

All rating units used exclusively or principally for commercial activities including industrial, retail, transport, utility services, storage, recreation and tourist operations, offices, or rest homes located within the Town Centre Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year; but excluding properties categorised as CBD Accommodation or pursuant to clause 11 (Mixed Use Apportioned).

## 8. Primary Industry

All rating units used exclusively or principally for agricultural or horticultural purposes including dairying, stock fattening, arable farming, sheep, market gardens, vineyards, orchards, specialist livestock, forestry or other similar uses, or which are ten hectares or more in area and located in any of the Rural or Special Zones contained in the Queenstown Lakes District Council's District Plan as at 1 July of the current rating year.

## 9. Country Dwelling

All rating units of less than 10 hectares, located in any of the Rural Zones (except for the land zoned as Rural Residential north of Wanaka township in the vicinity of Beacon Point Road bounded by the low density residential zone to the south, Penrith Park zone to the north and Peninsula Bay to the east and the land zoned as Rural General off Mt Iron Drive comprising of Liverpool Way; Cascade Drive; Bevan Place and Islington Place) or Special Zones (excluding Penrith Park; Remarkables Park; Quail Rise; Woodbury Park; Lake Hayes Estate; Shotover Country; Jacks Point; Peninsula Bay; and Meadow Park) as shown in the Queenstown Lakes District Council's District Plan, which are used exclusively for Residential purposes.

## 10. Other

Any rating unit not classified under any of the other categories.

## 11. Mixed Use Apportioned

All rating units which are used in part, but not exclusively, for residential purposes, and in part, but not principally, for commercial or accommodation purposes. Usage in part may be determined by:

- a. The physical portion of the rating unit used for the purpose, or
- b. The amount of time (on an annual basis) that the rating unit is used for the purpose.

Note: the Mixed Use Apportioned classification will not be applied to residential rating units used for accommodation purposes for a single period of up to 28 consecutive days in any rating year.

These categories are used to differentiate the following rates:

- general rate, targeted rates: sports halls & libraries charge; governance rate; regulatory rate; recreation & events rate; governance & regulatory charge; recreation & events charge; roading rate; stormwater rate; tourism promotion rates; waste management charge; aquatic centre charge; water supply rates.

## Targeted Rates Based on Location

The categories are:

1. Location within the Wanaka ward.
2. Location within the Queenstown/Wakatipu ward or the Arrowtown ward.

These categories are used to differentiate the following targeted rates:

- roading rate; stormwater rate; tourism promotion rates; aquatic centre charge.

## Targeted Rates Based on Availability of Service

The categories are:

### 1. Connected

Any rating unit that is connected to a Council operated water scheme or is connected to a public sewerage drain.

### 2. Serviceable

Any rating unit within the area of service that is not connected to a Council operated water scheme but is within 100 metres of any part of the waterworks and to which water can be supplied. Any rating unit within the area of service, that is not connected to a public sewerage drain, but is within 30 metres of such a drain, and is capable of being connected.

These categories are used to differentiate the following targeted rates:

- water supply rates, water scheme loan rates, sewerage rates, sewerage scheme loan rates.

## Definition of 'Separately Used or Inhabited Parts of a Rating Unit'

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definitions will apply:

- Any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.
- Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

The following are considered to be separately used parts of a rating unit:

- Individual flats or apartments
- Separately leased commercial areas which are leased on a rating unit basis

- > Vacant rating units
- > Single rating units which contain multiple uses such as a shop with a dwelling or commercial activity with a dwelling
- > A residential building or part of a residential building that is used, or can be used as an independent residence.

An independent residence is defined as a liveable space with its own kitchen, living and toilet/ bathroom/laundry facilities that can be deemed to be a secondary unit to the main residence. Note: the definition of a kitchen comes from the District Plan.

The following are not considered to be separately used parts of a rating unit:

- > A residential sleep-out or granny flat that does not meet the definition of an independent residence
- > A hotel room with or without kitchen facilities
- > A motel room with or without kitchen facilities
- > Individual storage garages/sheds/portioned areas of a warehouse
- > Individual offices or premises of business partners.

District Plan definition of a Kitchen:

Means any space, facilities and surfaces for the storage, rinsing preparation and/or cooking food, the washing of utensils and the disposal of waste water, including a food preparation bench, sink, oven, stove, hot-plate or separate hob, refrigerator, dish-washer and other kitchen appliances.

## Rates

### Long term Position

Operating expenditure is shown to increase over the 10 year period by an average of 5.1% (2012:5.5%) per annum. The forecasts do include a provision for inflation after the first year as well as increases as a result of projected growth within the district.

Operating revenue for the same period increases by an average of 3.9% (2012:4.5%) per annum. With the reduction in capital expenditure and debt, forecast rates increases are also reduced. The average annual increase over the 10 years is now 2.6% down from 4.6% (2012).

The graph below shows that rates are increasing at lower rate than operating costs over the 10 year period. Rates are influenced by a number of factors including core recurring operating costs; growth in the district; inflation and the capital programme. The capital expenditure in previous years will affect rates through the impact of depreciation and interest costs.

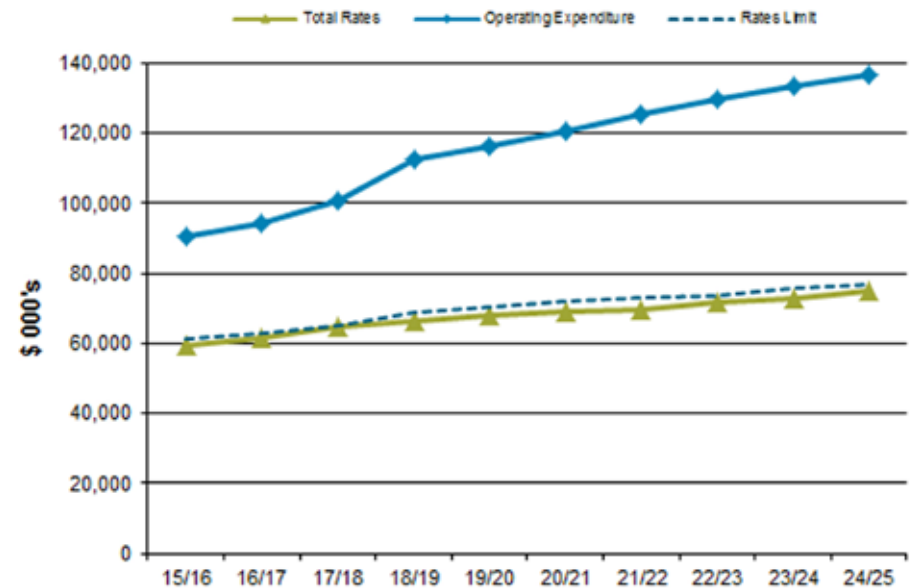
Rates can also be affected if the community demands or central government requires an improvement in levels of service for a particular activity. Where there is a significant rates impact for a proposal of this nature (i.e. Project Shotover and Queenstown Convention Centre), Council will disclose the rating impact as part of the consultation process.

The graph below shows that rates are increasing by an average of 2.6% over the 10 years. This

increase is not even however, as the impact of increased costs associated with new facilities is recognised. The forecasted rates increase for 2017/18 are high (5.6%) as they reflect the increased costs of the new Wanaka Sports Facility and the Project Shotover.

It is proposed therefore to set a rates increase limit of 6% subject to changes in growth forecasts. It is also proposed that rates income will not exceed 55% of total revenue. The average growth rate in the district is 2% per annum and this will reduce the impact of any rates increase for existing properties.

### Operating Expenditure & Rates Revenue





## Rates in 2015/16

The TYP shows a rates requirement for 2015/16 of \$56.8m in targeted rates and \$2.6m for general rates. This represented an overall increase of 1.0% over 2014/15 rates after allowing for growth (growth factor 2.0%).

The district has recently had its three-yearly rates valuation update. This means that the new rating values will be used for the assessment of rates from 1 July 2015. If your property has changed in value to a greater degree than the average movement, then this will have an impact on rates payable.

The rating effect of the budget for 2015/16 is an average overall rates increase of 1.0% (after allowing for growth). The increase, as it stands however, does not impact evenly over the district. Generally properties in the Arrowtown ward show higher average increases than the rest of the district. This is partly due to the higher valuation movements for residential property in Arrowtown. This increase will vary according to property type and location as shown in the following tables:

## Summary of Indicative Total Rates Movements for 2015/16 - Median Values

PROPERTY TYPE	CV	LOCATION	Rates %	Rates \$
RESIDENTIAL	\$670,176	QUEENSTOWN	2.70%	\$65
COMMERCIAL	\$1,230,333	QUEENSTOWN	-4.67%	-\$283
ACCOMMODATION	\$1,227,414	QUEENSTOWN	2.47%	\$208
M/U ACCOMMODATION	\$806,305	QUEENSTOWN	2.42%	\$82
VACANT	\$418,860	QUEENSTOWN	0.92%	\$17
M/U COMMERCIAL	\$806,305	QUEENSTOWN	0.57%	\$18
RESIDENTIAL	\$558,055	WANAKA	3.64%	\$86
COMMERCIAL	\$698,819	WANAKA	3.79%	\$170
ACCOMMODATION	\$698,819	WANAKA	7.17%	\$461
M/U ACCOMMODATION	\$620,061	WANAKA	6.57%	\$206
PRIMARY INDUSTRY	\$3,331,970	WANAKA	-2.26%	-\$89
COUNTRY DWELLING	\$1,099,941	WANAKA	-0.74%	-\$15
VACANT	\$310,031	WANAKA	4.07%	\$67
M/U COMMERCIAL	\$620,061	WANAKA	5.15%	\$151
RESIDENTIAL	\$547,408	ARROWTOWN	7.19%	\$155
COMMERCIAL	\$1,111,877	ARROWTOWN	-6.29%	-\$378
ACCOMMODATION	\$1,111,877	ARROWTOWN	1.16%	\$99
M/U ACCOMMODATION	\$733,759	ARROWTOWN	8.83%	\$276
VACANT	\$291,174	ARROWTOWN	5.15%	\$79
M/U COMMERCIAL	\$733,759	ARROWTOWN	6.95%	\$202
PRIMARY INDUSTRY	\$2,781,412	WAKATIPU	-11.51%	-\$368
COUNTRY DWELLING	\$1,428,348	WAKATIPU	-10.08%	-\$241
RESIDENTIAL	\$476,732	GLENORCHY	0.68%	\$15
RESIDENTIAL	\$305,623	ALBERT TOWN	4.40%	\$84
RESIDENTIAL	\$372,948	HAWEA	2.39%	\$51
RESIDENTIAL	\$476,732	KINGSTON	-1.08%	-\$15
RESIDENTIAL	\$542,676	ARTHURS POINT	1.99%	\$49

**Summary of Indicative Total Rates Movements for 2015/16 - Higher Values**

PROPERTY TYPE	CV	LOCATION	Rates %	Rates \$
RESIDENTIAL	\$2,244,900	QUEENSTOWN	-1.10%	-\$53
COMMERCIAL	\$21,860,125	QUEENSTOWN	-5.56%	-\$5,423
ACCOMMODATION	\$42,565,500	QUEENSTOWN	1.09%	\$2,796
M/U ACCOMMODATION	\$2,859,575	QUEENSTOWN	-0.87%	-\$71
VACANT	\$684,160	QUEENSTOWN	-1.10%	-\$25
M/U COMMERCIAL	\$983,480	QUEENSTOWN	-0.06%	-\$2
RESIDENTIAL	\$1,266,000	WANAKA	1.89%	\$69
COMMERCIAL	\$7,189,100	WANAKA	3.97%	\$1,628
ACCOMMODATION	\$8,626,920	WANAKA	5.77%	\$3,333
M/U ACCOMMODATION	\$2,637,500	WANAKA	5.48%	\$467
PRIMARY INDUSTRY	\$6,995,905	WANAKA	-2.29%	-\$188
COUNTRY DWELLING	\$2,043,000	WANAKA	-1.70%	-\$56
VACANT	\$844,000	WANAKA	2.01%	\$53
M/U COMMERCIAL	\$727,950	WANAKA	5.03%	\$161
RESIDENTIAL	\$1,397,075	ARROWTOWN	6.25%	\$212
COMMERCIAL	\$2,886,500	ARROWTOWN	-6.70%	-\$980
ACCOMMODATION	\$1,104,400	ARROWTOWN	-0.97%	-\$69
M/U ACCOMMODATION	\$1,664,600	ARROWTOWN	8.51%	\$440
VACANT	\$653,950	ARROWTOWN	3.90%	\$80
M/U COMMERCIAL	\$820,410	ARROWTOWN	6.89%	\$212
PRIMARY INDUSTRY	\$7,294,000	WAKATIPU	-13.88%	-\$966
COUNTRY DWELLING	\$4,209,060	WAKATIPU	-13.76%	-\$769
RESIDENTIAL	\$666,540	GLENORCHY	-0.39%	-\$9
RESIDENTIAL	\$572,000	ALBERT TOWN	2.94%	\$70
RESIDENTIAL	\$668,850	HAWEA	0.87%	\$23
RESIDENTIAL	\$708,860	KINGSTON	-2.57%	-\$45
RESIDENTIAL	\$831,000	ARTHURS POINT	-0.44%	-\$10

**Summary of Indicative Total Rates Movements for 2015/16 - Lower Values**

PROPERTY TYPE	CV	LOCATION	Rates %	Rates \$
RESIDENTIAL	\$422,255	QUEENSTOWN	4.13%	\$83
COMMERCIAL	\$273,910	QUEENSTOWN	0.26%	\$6
ACCOMMODATION	\$462,440	QUEENSTOWN	3.92%	\$147
M/U ACCOMMODATION	\$475,705	QUEENSTOWN	4.07%	\$107
VACANT	\$187,075	QUEENSTOWN	3.63%	\$53
M/U COMMERCIAL	\$448,980	QUEENSTOWN	2.47%	\$59
RESIDENTIAL	\$490,575	WANAKA	3.91%	\$87
COMMERCIAL	\$436,304	WANAKA	4.10%	\$133
ACCOMMODATION	\$406,556	WANAKA	7.87%	\$303
M/U ACCOMMODATION	\$422,000	WANAKA	6.92%	\$181
PRIMARY INDUSTRY	\$970,235	WANAKA	-1.41%	-\$24
COUNTRY DWELLING	\$735,480	WANAKA	0.03%	\$0
VACANT	\$200,450	WANAKA	4.84%	\$70
M/U COMMERCIAL	\$379,800	WANAKA	5.53%	\$129
RESIDENTIAL	\$582,610	ARROWTOWN	7.13%	\$158
COMMERCIAL	\$381,520	ARROWTOWN	-2.47%	-\$69
ACCOMMODATION	\$326,300	ARROWTOWN	3.76%	\$121
M/U ACCOMMODATION	\$475,600	ARROWTOWN	9.01%	\$230
VACANT	\$255,635	ARROWTOWN	5.32%	\$79
M/U COMMERCIAL	\$594,500	ARROWTOWN	7.07%	\$185
PRIMARY INDUSTRY	\$1,000,320	WAKATIPU	-7.71%	-\$132
COUNTRY DWELLING	\$734,019	WAKATIPU	-6.86%	-\$109
RESIDENTIAL	\$290,950	GLENORCHY	2.01%	\$38
RESIDENTIAL	\$260,000	ALBERT TOWN	4.73%	\$86
RESIDENTIAL	\$288,120	HAWEA	2.95%	\$59
RESIDENTIAL	\$290,950	KINGSTON	0.69%	\$8
RESIDENTIAL	\$432,120	ARTHURS POINT	2.43%	\$56

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# Rates Remission and Postponement Policies

These policies are prepared pursuant to Sections 102, 109 and 110 of the Local Government Act 2002.

## Remission Policies

### A. Community, Sporting and Other Organisations

#### Objective

To facilitate the ongoing provision of community services or recreational opportunities for the residents of the Queenstown Lakes District Council.

The purpose of granting rates remission to an organisation is to:

- > Assist the organisation's survival.
- > Make membership of the organisation more accessible to the general public, particularly children, youth, young families, aged people, and economically disadvantaged people.

#### Conditions and Criteria

The land must be owned by the Council or owned, occupied or leased by an organisation (with liability for rates), which is used exclusively or principally for sporting, recreation, or community purposes.

The organisation must not operate for private pecuniary profit.

The application for rate remission must be made to the Council prior to 15 July of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

Organisations making application should include the following documents in support of their application:

- > Statement of Objectives.
- > Full financial accounts.
- > Details of any Leases (where applicable).
- > Information on activities and programmes.
- > Details of membership or clients.

#### Application

Generally, the Policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Remissions to any qualifying organisation shall be on the basis of 100% reduction in rates and charges except that no remission will be granted on targeted rates/charges for water supply, sewerage disposal or refuse collection, or areas used for bars.

The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chair of the Property Sub-Committee and the Financial Controller.

### B. Land Protected for Natural, Historic or Cultural Conservation Purposes

#### Objective

To preserve and promote natural resources and heritage, to encourage the protection of land for natural, historic or cultural purposes.

#### Conditions and Criteria

Ratepayers with rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this part of the Policy.

Land that is non-rateable under Section 8 of the Local Government (Rating) Act 2002 and is liable only for targeted rates covering water supply, sewage disposal or refuse collection will not qualify for remission under this part of the Policy.

#### Application

Applications must be in writing and should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the Covenant or other legal mechanism. This may include areas of land protected under the District Plan as significant indigenous vegetation or heritage buildings classified as QLDC Category 1.

In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:

- > The extent to which the preservation of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.
- > The degree to which features of natural, cultural or historic heritage are present on the land.
- > The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.

The extent of any remission shall be determined by the Property Sub-Committee on a case by case basis.

If an application is approved the Council may direct its valuation service provider to inspect the rating unit and prepare a valuation that will take into account any restrictions on the use that may be made of the land imposed by the protection mechanism. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

In granting remissions under this part of the Policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

## C. Land Affected by Natural Calamity

### Objective

To enable rate relief to be provided where the use that may be made of any land has been detrimentally affected by natural calamity.

### Conditions and Criteria

Council may remit wholly or in part, any rate or charge made and levied in respect of the land, where it considers it to be fair and reasonable to do so.

### Application

The extent of any remission shall be determined by the Property Sub-Committee on a case by case basis.

If an application is approved the Council may direct its valuation service provider to inspect the rating unit and prepare a valuation that will take into account any restrictions on the use that may be made of the land as a result of the natural calamity. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

## D. Uniform Annual Charges and Targeted Rates on Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Entity

### Objective

To limit the incidence of multiple charges where a farming or other business entity consists of a number of contiguous rating units with different owners.

### Conditions and Criteria

Each rating unit must be leased to the operator for a term not less than five years.

The operator must provide Council with a statutory declaration confirming that each unit will be operated as part of the entity.

The ratepayer will remain liable for at least one uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

### Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

## E. Rate Penalties

### Objective

To enable Council to remit penalties where:

- > Payment has not been received by the penalty date, due to circumstances outside the ratepayer's control; or
- > it is deemed equitable to remit the penalty for other reasons.

### Conditions and Criteria

Each application will be considered on its merits and remission may be granted where it is considered just an equitable to do so.

The Council will consider remission of rate penalties where an application is made and meets any of the following criteria:

- > payment has been late due to significant family disruption. [Significant family disruption would include death, illness, or accident]; or
- > the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control; or
- > penalties have arisen through processing errors in Council's records or an outstanding balance has arisen as a result of a shortfall caused by the operation of an agreed payment plan; or
- > the ratepayer provides a reasonable explanation of the circumstances which caused the late payment, and this is the first occasion on which late payment has occurred.

### Application

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

## F. Sundry Remissions

### Objective

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be recovered pursuant to Sections 67-76 of the Local Government (Rating) Act 2002, or where Council or its delegated officer(s) consider the levy impractical to recover.

### Conditions and Criteria

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Accounting Manager.

### Application

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chair of the Property Sub-Committee and the Financial Controller

## G. Policy for Remission and Postponement of Rates on Maori Freehold Land

Section 102(4)(f) of the Local Government Act 2002 requires Council to adopt a policy on the remission and postponement of rates on Maori freehold land; section 108 and Schedule 11 set out the matters to be considered.

### Objective

To recognise that certain Maori Freehold land may have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide for remission from certain rates and to avoid further alienation of Maori freehold land.

### Conditions and Criteria

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is subject of such an order may qualify for remission under this policy.

Council will consider remission of rates on land that comes within the following criteria:

- > The land is unoccupied and no income is derived from that land; and/or
- > The land is better set aside for non-use (whenua rahui) because of its natural features; and/or
- > The land is inaccessible and unoccupied.

#### **Application**

The policy shall apply to ratepayers who meet the relevant criteria as approved by the Financial Controller.

### **H. Remission of Postponed Rates**

#### **Objective**

Council has adopted a number of policy statements that grants a postponement of rates to ratepayers under certain circumstances. A number of these policies contain a provision that allow the postponed rates to be written off or remitted after a predetermined period, subject to the terms and conditions of the policy being complied with.

This policy statement provides the power for those postponements to be remitted in accordance with the postponement policies.

#### **Conditions and Criteria**

1. The conditions that gave rise to the postponement of the rates must have been fully complied with over the term of the postponement period.
2. Subject to the conditions and criteria being complied with as set out in (1) above, Council will remit the applicable postponed rates without any further applications being required from the ratepayer.
3. This policy statement will only apply to those rate postponement policy statements that provide for the rates to be remitted after a predetermined period of time.

#### **Application**

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

### **I. Remission of Rates on Land that has Made Lump Sum Contributions**

#### **Objective**

A number of water and sewerage schemes have been developed using loans. In certain cases the ratepayers were offered the opportunity to make a lump sum contribution rather than paying an annual loan rate. Because some ratepayers made the lump sum contributions it would be inappropriate to charge them any costs relating to these loans. The most appropriate solution to resolving this problem would be to offer these ratepayers a remission of rates equal to the amount of the rate that they were previously exempt from paying.

This policy statement provides the authority to make the necessary remissions.

#### **Conditions and Criteria**

1. Rating unit must have previously paid a lump sum contribution in lieu of paying a loan rate.
2. The amount of the remission must not exceed the amount of the exemption from paying the loan rate.
3. The remission will only apply for so long as the underlying loan which gave rise to the loan rate remains in existence.

#### **Application**

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

### **J. Rating of Separately Used or Inhabited Parts of a Rating Unit**

#### **Objective**

To limit the incidence of multiple charges on a property containing separate uses or separate inhabitants, where it is equitable to do so.

#### **Conditions and Criteria**

The Council will charge multiple uniform charges against each separately used or inhabited part of a rating unit.

The basis of a unit of occupancy is that which can be separately let and permanently occupied.

For the purpose of this charge, where the occupancy is an accessory one or is ancillary to another property or part thereof no separately used part exists. For example:

- > Not separately used parts of a rating unit:
  - > A residential sleep-out or granny flat without independent kitchen facilities.
  - > A hotel room with or without kitchen facilities.
  - > Motel rooms with or without kitchen facilities.
  - > Individual storage garages/sheds/partitioned areas of a warehouse.
  - > Individual offices/premises of partners in a partnership.
- > These are separately used parts of a rating unit:
  - > Flats/apartments.
  - > Flats which share kitchen/bathroom facilities.
  - > Separately leased commercial areas even though they may share a reception.
  - > Rooms in a residential hostel with a common kitchen.

#### **Application**

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

## Postponement Policies

### K. Residential Land Subject to Zone Changes

#### Objective

To ensure that owners of residential rating units which are rezoned are not unduly penalised by an increase rates as a result of the zone change.

#### Conditions and Criteria

To qualify for postponement under this part of the Policy, the rating unit must:

- > Be situated within the area of land that has been rezoned.
- > Be listed as a 'residential' property for differential rating purposes.

In addition the ratepayer must:

- > Have been the property owner prior to the zone change being initiated.
- > Reside permanently in the rating unit.
- > Will not have actively sort rezoning.

Postponement of rates will apply to the change in land value only of the property as a result of zoning changes.

Any postponed rates will be postponed until:

- > The death of ratepayer(s); or
- > Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- > Until the ratepayer(s) ceases to use the property as his/her residence; or
- > Until a date determined by the Council in any particular case.

At any time, the applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed to this Policy by paying the postponed rates or any part thereof.

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

Council will add to the postponed rates all financial and administrative costs to ensure neutrality. The financial cost will be the interest Council will incur at the rate of Council's cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include Council's own in-house administrative costs).

#### Application

The application for rate postponement must be made to the Council prior to 15 July of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller. The extent of any postponement will be based on valuations supplied by its valuation service provider.

### L. Postponement Policy - Extreme Financial Hardship

#### Objective

To assist ratepayers experiencing extreme financial hardship.

#### Conditions and Criteria

The ratepayer must make written application to the Council.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant.

The Council must postpone rates in accordance with the Policy where the application meets all of the following criteria:

- > The ratepayer must be the current owner of the rating unit.
- > Generally, this policy will apply to rating units used for residential purposes.
- > The Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over after the payment of rates, for normal health care, appropriate provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day to day living expense.
- > The ratepayer must not own any other rating units or investment properties or other realisable assets.
- > The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

The Council may add a postponement fee to the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

Any postponed rates will be postponed until:

- > The death of ratepayer(s); or
- > Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- > Until the ratepayer(s) ceases to use the property as his/her residence; or
- > Until a date determined by the Council in any particular case.

At any time, the applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed to this Policy by paying the postponed rates or any part thereof.

#### Application

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

The policy shall apply to the ratepayers who meet the relevant criteria as jointly approved by the Chair of the Property Sub-Committee and the Financial Controller



## M. Policy for Rate Postponement for Farmland

### Objective

To ensure that owners of rural rating units used as farmland but with the potential for non-farming development are not unduly penalised by rating valuations which reflect in some measure the potential use to which the land may be put.

### Conditions and Criteria

The policy will apply to the rating units that are:

- > Actively farmed by the ratepayer as an economic farming unit and be the primary source of income for the property owner.
- > Ten hectares in area or more.
- > Farmland whose rateable value in some measure is attributed to the potential use to which the land may be put for residential, commercial, industrial, or other non-farming development.

The application for rate postponement must be made to the Council prior to 31 October of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.

Ratepayers making application should include the following documents in support of their application:

- > Details of ownership of the rating unit.
- > Full financial accounts.
- > Information on the farming activities.

### Application

If an application is approved the Council will request its Valuation Service Provider to determine a rates-postponement value of the land. The purpose of this requirement is to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use in order to preserve uniformity and equitable relativity with comparable parcels of farmland whose valuation do not contain any such potential value.

The rates postponed for any rating period will be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable land value of the property and the amount of the rates that would be payable for that period if the rates postponement land value of the property were its rateable land value.

No objection to the amount of any rate-postponement value determined by the Council and its Valuation Service Provider will be upheld.

- > All rates whose payment has been postponed and which have not been written off become due and payable immediately on.
- > The land ceasing to be farmland.
- > The land being subdivided.
- > The value of the land ceasing to include a portion of its value attributable to the potential use to which the land may be put for residential, commercial, industrial, or other non-farming development.

- > The interest of the person who was the ratepayer at the date on which the rates postponement land value was entered on the Council's Rating Information Database becoming vested in another person other than the ratepayer's spouse, the executor/administrator of the ratepayer's estate or where the ratepayer was the proprietor of the interest as a trustee, a new trustee under the trust.

Postponed rates may be registered as a charge against the land so that in the event that the property is sold the Council has first call against any of the proceeds of that sale.

The policy shall apply to the ratepayers who meet the relevant criteria as approved by the Financial Controller.

## N. Policy for Rate Postponement for Elderly

### Objective

To give ratepayers 65 years of age and over a choice between paying rates now or later subject to the full cost of postponement being met by that ratepayer and Council being satisfied that the risk of loss in any case is minimal.

### General Approach

Only rating units defined as Residential or Country Dwelling and resided in permanently by the applicant(s) will be eligible for consideration of rates postponement under the criteria and conditions of this policy.

Current and all future rates may be postponed indefinitely if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older, until one of the conditions a-c (under conditions) becomes applicable.

Owners of units in retirement villages will be eligible provided that Council is satisfied payment of postponed rates can be adequately secured.

Council will add to the postponed rates all financial and administrative costs to ensure neutrality.

Council will establish a reserve fund out of which to meet any shortfall between the net realisation on sale of a property and the amount outstanding for postponed rates and accrued charges, at the time of sale. This will ensure, that neither the ratepayer(s) nor the ratepayer(s') estate will be liable for any shortfall.

### Conditions and Criteria

#### a) Eligibility

Ratepayers are eligible for postponement provided that the following criteria are met by the ratepayer(s):

- > Be at least 65 years of age.
- > Reside permanently in the residence and use for personal residential purposes.
- > Be a New Zealand citizen.
- > Own no other property.
- > The rateable property must be classified as 'residential' or 'country dwelling' in the Council's rates database.

## **b) Risk**

Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid is negligible. To determine this, a financial model has been developed that will forecast expected equity when the payment falls due. Eligibility for full postponement is dependent upon remaining equity forecast by this model being acceptable to the Council. If it is not, Council will adjust its postponement offer to bring it within an acceptable level.

## **c) Insurance**

The property must be insured for its full value and evidence of this produced annually. To assist ratepayers who are currently uninsured, Council is arranging through its insurers for the development of a group insurance policy to provide all risks cover, with an excess of \$2,500. This will achieve cover against catastrophic loss at minimum cost. The premium will be added to rates and thus come within the postponement arrangements.

## **Conditions**

Any postponed rates (under this policy) will be postponed until:

- a) The death of the ratepayer(s) or named individual or couple;
- b) Until the ratepayer(s) ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another within the Council's District, Council will consider transferring the outstanding balance, or as much as is needed, to facilitate the purchase, provided it is satisfied that there is adequate security in the new property for eventual repayment); or
- c) Until the ratepayer(s) ceases to use the property as his/her residence.

Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Councils administrative and financial costs and may vary from year to year.

The financial cost will be the interest Council will incur at the rate of Council's cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include Council's own in-house costs, a 1% p.a. levy on outstanding balances to cover external management and promotion costs, and a reserve fund levy of 0.25% p.a., and a contribution to cover the cost of counselling).

To protect Council against any suggestion of undue influence, applicants will be asked to obtain advice from an appropriately qualified and trained counsellor. A counsellor's certificate confirming this, will be required before postponement is granted. This service will be provided by a council approved and suitably qualified organisation.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

## **Review or Suspension of Policy**

The policy is in place indefinitely and can be reviewed subject to the requirements of the Local Government Act 2002 at any time. Any resulting modifications will not change the entitlement of people already in the scheme. This includes the suspension while the ratepayers having to pay future rates but not previously postponed rates, until the ratepayer is required under conditions (a-c) to make payment.

Council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80% of the rateable value of the property as recorded in Council's rating information database.

The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

## **Application**

Applications for rate postponement must be made on the required application form which will be available from the QLDC offices.

The application must be made to the Council prior to 15 July of the rating year in question. New applications received during a rating year will be applicable from the commencement of the following year. Applications will not be backdated.



# Policy on Development Contributions and Financial Contributions

## Overview

The Queenstown Lakes District is experiencing significant growth in its population, visitors, development and the local economy. This growth generates high levels of subdivision and development activity which places increasing pressure on the assets and services provided by the Council. Significant investment in additional assets and services is accordingly required to meet the demands of growth.

Historically, QLDC has sought a contribution towards the expansion of the District's reserves, community facilities and infrastructure from those developments which place additional demands on these services. In order to levy these contributions Council may employ:

- > Financial Contributions imposed as a condition of a resource consent pursuant to Section 108, 220, 407 or 409 of the Resource Management Act (RMA) 1991. Council has withdrawn most of the provision relating to Financial Contributions from Section 15 of the District Plan.
- > Development Contributions as defined by the provisions of Part 8 Subpart 5 and Schedule 13 of the Local Government Act 2002 (LGA 2002). To make use of these provisions Council must adopt a Policy on Development Contributions as Part of the Council's TYP. Development Contributions are based on the fiscal implications of growth.

Development contributions may be sought in respect of any development that generates a demand for reserves, network or community infrastructure. Council will assess whether development contributions are payable in relation to the development when an application for one of the following is made:

- I. Resource Consent
- II. Building Consent
- III. Authorisation for a Service Connection

This policy has been prepared to meet the requirements of Section 106(2) of the LGA 2002. The full methodology that demonstrates how the calculations for development contributions were made is contained in a separate document which is available to the public as per section 106 (3) of the Act.

## Reasons for using Development and Financial Contributions

Council intends to entirely fund the portion of capital expenditure (CAPEX) that is attributable to growth by either Financial or Development Contributions wherever it is legally, fairly, reasonably and practically possible to do so.

Council considers that Development and Financial Contributions are the best mechanism available to ensure the cost of growth sits with those who have created the need for that cost. Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of existing growth.

Section 101(3) of the LGA 2002 requires that the following be considered:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

- A. in relation to each activity to be funded -
  - > the community outcomes to which the activity primarily contributes; and
  - > the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
  - > the period in or over which those benefits are expected to occur; and
  - > the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
  - > the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- B. the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community

Council's Revenue & Financing Policy considers each of these factors in relation to each activity to be funded. In addition, Council has specifically considered these factors in relation to the

Development Contributions and Financial Contributions Policy:

### (i) Community Outcomes

This policy contributes to:

- > Managing growth in a sustainable way
- > Quality landscapes, natural environment and enhanced public access
- > Effective and efficient infrastructure that meets the needs of growth
- > High quality urban environments respectful of the character of the individual communities.



## **(ii) Distribution of Benefits**

Council apportions all capital expenditure into the classifications of growth, renewal, level of service and statutory obligations, by the geographic areas of benefit. This apportionment represents the distribution of benefit to the community as a whole, to identifiable parts of the community and to individuals.

## **(iii) Period Over Which The Benefits Are Expected to Occur**

Once a Development or Financial contribution has been paid in relation to a subdivision or development, the benefits of the asset, service, or environmental enhancement shall occur indefinitely (at a set level of service for that asset, service, or environmental enhancement as defined at any one time).

## **(iv) Action or Inaction That Contributes to the Need For This Activity**

The provision of assets, services, or environmental standards that promote the community outcomes may not be willingly provided by the development community. In addition Council is often the only viable supplier (often legally required to provide services) of these services and therefore Council has a moral and legal obligation to supply additional assets, services to meet the new community needs.

## **(v) Costs and Benefits of Funding This Activity (Development and Financial Contributions)**

The benefits to the existing community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development and financial contributions.

## **(vi) Allocation Of Liability For Revenue Needs**

The liability for revenue falls directly with the development community. At the effective date of this Policy, Council does not perceive any impact on the social, economic, environmental and cultural well-being of this particular sector of the community. At any stage in the future where there maybe impacts of this nature, Council may revisit this Policy. Assets Included in the Development and Financial Contributions Policy

### **Assets included in this policy are:**

- > Network infrastructure for water supplies, wastewater, stormwater and transportation.
- > Reserve land.
- > Community infrastructure including the development and acquisition of reserve land to use as reserve and facilities needed on that reserve and other public amenities such as halls, libraries, public toilets, parking facilities and the like.
- > Other Assets. Financial Contributions can be required to avoid remedy or mitigate adverse effects of development that are of a non-fiscal nature. These may include contributions that avoid, remedy or mitigate the effects of development on biodiversity, landscape, amenity values or the provision of specific assets by the developer/subdivider (i.e. access easements in gross). As the

Development Contributions provisions of the LGA 2002 specifically relate to fiscal impacts or effects of growth, Financial Contributions for non-fiscal impacts of effects of development will need to be assessed through the RMA and District Plan processes. Chapter 15 of the District Plan (not operative) and any subsequent variations shall be considered in this policy.

## **Which Contributions Will Apply**

Council has recently completed the process of removing parts of the Financial Contributions rules, policies and objectives under the provisions of Part 15 of the Queenstown Lakes District Plan. This has made Section 15 operative and Council can no longer impose Financial Contributions pursuant to Section 489 of the RMA.

Until the 2007 version of the Policy, Council has assessed Development Contributions on any application for resource consent, building consent or service connection lodged after 8 May 2004 and granted on or after 1 July 2004. It is now deemed appropriate to amend the application date of the Policy so that Development Contributions may also be assessed on any application for resource consent, building consent or service connection lodged before 8 May 2004 and granted on or after 1 July 2007. This amendment will affect very few applications as most applications received prior to 8 May 2004 have either been granted previously or withdrawn.

The Council cannot require a Development Contribution for a reserve; network infrastructure or community infrastructure if and to the extent that it has under Section 108, 407 or 409 of the RMA imposed a condition on a resource consent in relation to the same development for the same purpose. Council shall in requiring contributions, clearly identify under what circumstances and upon which legislation (RMA 1991, LGA 2002) a contribution is required.

The following tables indicate:

- > Where Financial and Development Contributions are to be sought such that no duplication of levy for the same effect/benefit will occur.
- > How much is to be charged per dwelling equivalent for each asset type within each area

## **Changes to Assessment Policy 2012**

Council has revised the development contribution policy process to allow for the recalculation of unpaid development contributions. Before 2012, an assessment of contributions payable was made at the time the consent was issued and this assessment stood for the duration of a valid consent. Under revised policy, if development contributions are not paid within 24 months of a consent being issued contributions will be recalculated under the latest version of the policy.

Effectively this means that any Development Contribution Notice (DCN) is valid for 24 months from the time of issue:

All DCN's issued after 1 July 2012 will be valid for 24 months from the date of issue and then recalculated for payment under the policy relevant at that time.

**Type of Contributions Required By Geographic Area - Within Urban Areas and Townships (includes all land uses with an urban area)**

Water Supply	Wastewater	Stormwater	Transportation	Reserve Land	Reserve Improvements	Community Facilities	Other/ Miscellaneous
Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Wanaka Albert Town Hawea Luggate	Queenstown Arrowtown Lake Hayes Arthurs Point Wanaka Albert Town Hawea	Queenstown Arrowtown Glenorchy Wanaka Albert Town Hawea Luggate Arthur's Point Lake Hayes Kingston	Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Kingston Wanaka Albert Town Hawea Luggate Cardrona	Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Kingston Wanaka Albert Town Hawea Luggate Cardrona	Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Kingston Wanaka Albert Town Hawea Luggate Cardrona	Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Kingston Wanaka Albert Town Hawea Luggate Cardrona	Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Kingston Wanaka Albert Town Hawea Luggate Cardrona
Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2006	Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004  Land, Money or Combination of Both	Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Financial Contributions Environmental Effects – Chapter 15 District Plan and variations i.e. Environmental Considerations
Kingston  No Scheme Available To be assessed at the time a scheme is required and charged to all connections	Glenorchy Kingston Luggate  No Scheme Available To be assessed at the time a scheme is required and charged to all connections	  No Scheme assets of significance No Contributions to be sought					



**Type of Contributions Required By Geographic Area - Within Rural Areas**

<b>Water Supply</b>	<b>Wastewater</b>	<b>Stormwater</b>	<b>Transportation</b>	<b>Reserve Land</b>	<b>Reserve Improvements</b>	<b>Community Facilities</b>	<b>Other/ Miscellaneous</b>
Rural General and other rural zonings  Nil - Unless supplied by a scheme. Scheme charge to apply and any network extension costs	Rural General and other rural zonings  Nil - Unless supplied by a scheme. Scheme charge to apply and any network extension costs	Rural General and other rural zonings  Nil - Unless supplied by a scheme. Scheme charge to apply and any network extension costs	Rural General and other rural zonings  Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2006	Rural General and other rural zonings  Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004  Land, Money or Combination of Both	Rural General and other rural zonings  Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Rural General and other rural zonings  Development Contributions Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004	Rural General and other rural zonings  Financial Contributions Environmental Effects - Chapter 15 District Plan and variations i.e. Environmental Considerations
Hawea Rural Residential Development Contributions Hawea development contributions payable	Hawea Rural Residential Development Contributions Hawea development contributions payable	Hawea Rural Residential Development Contributions Hawea development contributions payable					
Aubrey Road Rural Residential Development Contributions Wanaka development contributions payable	Aubrey Road Rural Residential Development Contributions Wanaka development contributions payable	Aubrey Road Rural Residential Development Contributions Wanaka development contributions payable					

**Schedule of Development Contributions per Dwelling Equivalent Required by Contributing Area 2013/14 (Excluding GST)**

Contributing Area	Water Supply (\$)	Wastewater (\$)	Stormwater (\$)	Transportation (\$)	Reserve Improvements * (\$)	Community Facilities (\$)	Total Cash Contribution (\$)	Reserve Land Contribution (\$ or Land)
<b>Urban Areas - Including All Land Uses</b>								
Queenstown	3,309	5,935	1,417	2,316	1,112	2,417	16,506	27.5m <sup>2</sup>
Frankton Flats	3,309	5,935	7,901	2,316	1,112	2,417	22,990	27.5m <sup>2</sup>
Arrowtown	4,333	5,722	970	2,316	1,112	2,417	16,871	27.5m <sup>2</sup>
Glenorchy	6,728		685	2,316	1,112	2,417	13,259	27.5m <sup>2</sup>
Lake Hayes	3,128	7,416		2,316	1,112	2,417	16,389	27.5m <sup>2</sup>
Shotover Country	3,128	2,504		2,316	1,112	2,417	11,477	27.5m <sup>2</sup>
Arthur's Point	3,617	4,685		2,316	1,112	2,417	14,148	27.5m <sup>2</sup>
Kingston				2,316	1,112	2,417	5,845	27.5m <sup>2</sup>
Wanaka	2,458	6,776	1,979	2,138	1,150	960	15,463	27.5m <sup>2</sup>
Hawea	3,494	7,355	510	2,138	1,150	960	15,608	27.5m <sup>2</sup>
Albert Town	2,458	6,776	941	2,138	1,150	960	14,425	27.5m <sup>2</sup>
Luggate	2,175	4,119		2,138	1,150	960	10,543	27.5m <sup>2</sup>
Other Wakatipu Townships				2,316	1,112	2,417	5,845	27.5m <sup>2</sup>
Other Wanaka Townships				2,138	1,150	960	4,249	27.5m <sup>2</sup>
<b>Rural Areas - Including all Rural Residential/Rural Life Style</b>								
Wakatipu Rural				2,316	1,112	2,417	5,845	27.5m <sup>2</sup>
Wanaka Rural				2,138	1,150	960	4,249	27.5m <sup>2</sup>
Hawea Rural Res.	3,494	7,355	510	2,138	1,150	960	15,608	27.5m <sup>2</sup>
Aubrey Road Rural Res.	2,458	6,776	1,979	2,138	1,150	960	15,463	27.5m <sup>2</sup>

\* Reserve Improvements contribution excludes requirement for 27.5m<sup>2</sup> reserve land contribution.

**Notes:**

1. Development Contributions for water supply, wastewater, stormwater, reserves and community facilities have been assessed and will be collected using the LGA 2002 from 1 July 2004.
2. Transportation development contributions have been assessed and will be collected using the LGA 2002 from 1 July 2006.
3. Development contributions are triggered and may become payable on the granting of:

- A.** A Resource Consent
- B.** A Building Consent
- C.** An authorisation for a service connection

As the sequence of development is not always consistent, development contributions shall be required at the first available opportunity. At each and every subsequent opportunity the development will be reviewed and additional contributions required if the units of demand assessed for the development exceed those previously paid for.

## Overview of Calculation Methodology

A brief introduction to the development contributions calculation method is presented herein. A full disclosure of the methodology and calculations is available from QLDC for public inspection at:

- > Wanaka Service Centre, Ardmore Street, Wanaka.
- > Civic Centre, 10 Gorge Road, Queenstown.

The current Development Contributions model applies to Water Supply, Wastewater, Stormwater, Reserves, Community Facilities and Transportation.

The key concept of the approach is to define the total capital expenditure (CAPEX) for growth consumed by the growth population over a period of time. This consumption of CAPEX for growth is then apportioned among the increased number of units of demand (dwelling equivalents) over the same time period. This defines the long run average cost of growth per unit of demand, defined as the dwelling equivalent contribution. This can be represented by the following formula.

$$\begin{array}{lcl} \text{Dwelling} & & \text{Sum of CAPEX for Growth Consumed in Analysis Period} \\ \text{Equivalent} & = & \text{Sum of New Dwelling Equivalents in Analysis Period} \\ \text{Contribution} & & \end{array}$$

The calculation method can be simplified according to the following steps:

- STEP 1:** Assess capital expenditure for growth on an asset by asset basis using financial reports (past expenditure) and projected expenditure.
- STEP 2:** Apportion capital expenditure for growth by the growth population (dwelling equivalents) over the design life of the asset, to assess the \$/unit of demand.
- STEP 3:** For each year in the analysis period determine the total consumption of asset capacity for each asset identified, namely – \$/unit of demand x the number units of demand.
- STEP 4:** Sum for all assets in each year in the analysis period, namely total capacity consumed in that year, measured in \$.
- STEP 5:** Sum each year in the ten year analysis period and divide by the growth population (new dwelling equivalents) projected over the analysis period to determine the dwelling equivalent contribution.

## Capital Expenditure

Only capital expenditure (CAPEX) is considered in the model. All Operational Expenditure is excluded, including internal overheads.

Capital expenditure is identified from two sources, namely:

- A.** Activity Management Plans (formally Asset Management plans) and
- B.** Financial Reports.

The Activity Management Plans are used for assessing projected CAPEX. The AMPs are formal planning documents that include long term expenditure forecasts.

## CAPEX for Growth Apportionments

The CAPEX identified above has been apportioned into five cost drivers. These being Growth, Renewal, Level of Service, Statutory and Deferred Works/Other. The growth apportionment is the significant driver for assessing development contributions. The cost drivers have been assessed using several methods.

These are:

- > Asset Capacity.
- > Using Design Life of New Assets to Approximate Growth Percentage.
- > Assessed using professional judgement.

Following the completion of the growth study, Council updated its infrastructure models for water supply (WaterGEMS - Bentley Systems), wastewater (SewerGEMS - Bentley Systems) and developed a Transportation and Parking model (Tracks - Gabites Porter). These models provide a detailed insight into the effects of growth and consequently accurate growth apportionments can be made.

## Land Use Differentials

Land use differentials are an important part of the calculations. They enable all development and subdivision types (residential and non-residential) to be considered. Non-residential activities can be described using a common unit of demand, which in this case is the dwelling equivalent.

The following table summarises how to calculate the number of dwelling equivalents (DE's) for a non-residential subdivision or development based on the Gross Floor Area (GFA).

**Dwelling Equivalent Calculation Table**

	Water Supply		Wastewater	Stormwater	Reserve Improvements and Community Facilities		Reserve Land		Transportation	
Category	Dwelling Equivalents per 100m² GFA	Plus Network Factor Dwelling Equivalents	Dwelling Equivalents per 100m² GFA	Dwelling Equivalents per 100m² Impervious Surface Area	Dwelling Equivalents per 100m² GFA for Wakatipu	Dwelling Equivalents per 100m² GFA for Wanaka	Dwelling Equivalents per 100m² GFA for Wakatipu	Dwelling Equivalents per 100m² GFA for Wanaka	Dwelling Equivalents per 100m² GFA for Wakatipu	Dwelling Equivalents per 100m² GFA for Wanaka
Residential	1 Dwelling Equivalent (DE) per Dwelling Unit									
Residential Flat	0.37	0.40	0.62	0.38	0.62	0.62	0.62	0.62	0.62	0.62
Multi Unit Residential	0.37	0.40	0.62	0.38	0.62	0.62	0.62	0.62	0.62	0.62
Accommodation	0.25	1.30	0.50	0.38	0.90	1.71	0.90	1.71	1.72	2.17
Commercial	0.16	1.17	0.20	0.38	0.04	0.06	0.00	0.00	2.15	2.56
Industrial	0.16	1.17	0.20	0.38	0.04	0.06	0.00	0.00	1.04	1.19
Country Dwelling	1 DE per Dwelling		1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling		0.66 DE's per Dwelling		1.34 DE's per Dwelling	3.01 DE's per Dwelling
Other	To be individually assessed at the time of application									
CBD Accommodation	0.25	1.30	0.50	0.38	0.90	1.71	0.90	1.71	1.72	2.17
CBD Commercial	0.16	1.17	0.20	0.38	0.04	0.06	0.00	0.00	2.15	2.56
Mixed Use Accom.	1 DE per Dwelling		1 DE per Dwelling	0.38	0.78	0.95	0.78	0.95	1.30	1.38
Mixed Use Comm.	1 DE per Dwelling		1 DE per Dwelling	0.38	0.78	0.95	0.59	0.71	0.97	0.99
Primary Industry	1 DE per Dwelling		1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling		0.66 DE's per Dwelling		1.69 DE's per 27Ha	1.83 DE's per 41Ha
Restaurant/Bar	0.83	1.17	0.46	0.38	0.04	0.06	0.00	0.00	2.15	2.56

Note: 1. A residential property is always 1 Dwelling Equivalent (DE) or has 160m<sup>2</sup> GFA. 2. A residential property is always assumed to have 260m<sup>2</sup> Impermeable Surface Area (ISA). 3. Non-residential developments (Commercial, Industrial, CBD Commercial, Mixed Use Commercial and Restaurant/Bar) will not be assessed for a Reserve Improvements contribution.

The detailed methodology and formulas used to develop the above table are explained in the Detailed Supporting Document.

If the Gross Floor Area (GFA) is unknown, which may be the case at the subdivision or land use consent stage, then the following table will be used to estimate the GFA.

Category	Building Coverage	No. of Floors
Residential	Assume 160m <sup>2</sup> per Dwelling Unit	
Accommodation	55%	2
Commercial	75%	1
Industrial	30%	1
Country Dwelling	Assume 160m <sup>2</sup> Dwelling Unit	
CBD Accommodation	80%	2
CBD Commercial	80%	2
Mixed Use Accommodation	55%	1
Mixed Use Commercial	55%	1
Primary Industry	Assume 160m <sup>2</sup> per Dwelling Unit	
Restaurant/Bar	Use Commercial or CBD Commercial	

Note: When an estimate of the GFA is used in the development contribution assessment then Council will only charge 75% of the calculated contribution at this stage.

## Multi Unit Residential Developments

This relates to any development that involves the development of three or more residential units within a single site, it does not include additions, alterations or accessory buildings.

When assessing the number of dwelling equivalents for multi unit developments, instead of allowing one dwelling equivalent per unit, the assessment will be done using the GFA of the development and the multi unit residential differentials shown in the above table. This method more clearly defines the impact of multi unit residential developments when compared to visitor accommodation and will make most developments of this type more affordable.

## Residential Flats

When assessing the number of dwelling equivalents for residential flat developments instead of allowing one (or half) dwelling equivalent per unit the assessment will be done using the GFA of the flat and the residential flat differentials shown in the above table. This method more clearly defines the impact of residential flats and will make them more affordable.

## Reserve Land Contribution

A portion of development contributions paid to Council is utilised for the provision and improvement of reserve land within the Queenstown Lakes District. It is Council's aim to have adequate provision of accessible reserve land of high quality to serve its growing population. However, the reserve land development contribution level is significant relative to the cost of an overall development and can have an adverse effect of deterring investment in development within the Queenstown Lakes District. This can be one of the barriers towards the provision of affordable housing. Through this policy, Council will ensure reserve land contributions are only applicable where there is currently limited provision. The following Reserve Land Contribution Policy has been established based on how the District is currently served by accessible reserve land, and how Council aims to meet demand for future provision of reserves.

The Queenstown Lakes District currently has a publicly accessible park provision of approximately 1,813 hectares. Based on a usual resident population of 29,500<sup>1</sup> this equates to 61.45 hectares of park per 1000 residents. This level of service is significantly higher than the national average of approximately 21 hectares per 1000 residents and while it is desirable to maintain the current ratio of recreational land to population it is not considered necessary to increase the level of recreational land provision per capita. Existing residential areas enjoy a good provision of local parks, sports fields, esplanade strips adjoining lake and river margins, lakeside beaches, a significant walking and biking trails and track network and surrounding Department of Conservation reserves. Queenstown Lakes District residents and visitors use a mix of different types of these reserve areas for a variety of active and passive recreation purposes.

Although provision of land used for recreation purposes is high, much of the land is underdeveloped and continual improvement is required to ensure reserve land is functional and of high quality. This generates the ongoing need for development contributions for reserve improvements as new developments continue to increase the usage of reserves across the District.

Whilst development contributions for reserve improvements remain applicable, in respect to the future requirement for obtaining reserve land, there is scope to reduce development contributions for reserve land acquisition in residential areas that currently have adequate reserve provision. This revised policy looks to ensuring that land acquisition only occurs when real demand exists and also ensures the reduction of ongoing maintenance costs for unnecessary reserve land that would be borne by ratepayers.

For new developments within areas that do not have adequate reserve provision there will be a need for additional reserves to meet the recreational demand of the new residents in those areas. Accordingly, development contributions for reserve land acquisition will continue to be required.

The below helps identify those areas which are deemed to have reserve land take requirements

## Greenfield Sites

The land contribution has been assessed at 27.5m<sup>2</sup> for each residential property that requires a reserve land contribution component<sup>2</sup>. In this policy the term 'residential' includes visitor accommodation<sup>3</sup>. This provision has been reviewed and is still considered appropriate. This land contribution will remain applicable to development of 'Greenfield' sites where development will result in increased population and the associated demand for accessible reserve provision.

<sup>1</sup> 2015 Estimate based on medium growth from 2013 census - Queenstown Lakes District Projections for Resident Population, Dwellings and Rating Units to 2065 April 2014

<sup>2</sup> Parks Strategy 2002

<sup>3</sup> As per the Local Government Act amendments 2014

'Greenfield' sites are considered to be undeveloped land parcels that do not have existing subdivision consents for future residential development by the time this policy has been adopted). Special Housing Areas (SHAs) and undeveloped land proposed to be subdivided in District Plan Special Zones are also considered Greenfield sites.

Generally, 'Greenfield' developments are in areas with rural zoning. Where development is proposed that will create new land parcels in urban areas (urban areas in this policy are all zones apart from rural type zones) that do not have existing subdivision consents for future residential development by the time this policy has been adopted, consideration for reserve land contributions will be on a case by case basis.

Consideration will be given as to whether there is existing accessible reserve land, and to whether this reserve land is of an appropriate size and purpose relative to the size of the proposed development. For a reserve to be 'accessible' it is considered it should generally be within 800m of a property it serves and easily accessible by foot. Council retains discretion on the consideration of what is appropriately accessible in any given case. For reserve land to meet its purpose for recreation it would generally include reserve areas that can be used for active and passive recreation including open park spaces usable for play activities. To avoid doubt, suitable recreation reserves do not include esplanade reserves, drainage reserves or public walkways with ROW easements in favour of Council.

At Council's discretion, the land contribution will be 27.5m<sup>2</sup> for each residential property. If existing reserves are of adequate size (greater than or equal to 27.5m<sup>2</sup> per residential unit) and purpose, and are accessible (within 800m by foot of each residential unit) to the proposed development then generally no reserve land contributions are to be made.

#### Country Dwelling Greenfield Sites

In Rural Zones where the lots developed/subdivided are greater than 4000m<sup>2</sup>, these lots will be subject to a reduced level of development contributions for reserve land contributions as the demand for reserve land tends to be less than the demand generated by new land parcels that are of a smaller size and within more highly developed areas. Land contribution in lieu of cash contributions will generally not be accepted for these type of developments/subdivision. The establishment of piecemeal reserve land parcels spread through rural areas is undesirable as is generally not accessible to the recreational demand and therefore cash contributions will be applicable to enable Council to acquire the most suitable land to serve the needs of the community.

#### Brownfield Sites

We have a good provision of accessible reserve land in our developed urban areas. As such there is an opportunity to reduce development contributions for reserve land acquisition in these areas. Reserve land contributions will therefore not be applicable to development of 'Brownfield' sites. 'Brownfield' sites are considered to be existing land parcels proposed for residential development or that have subdivision consents for future residential development by the time this policy is adopted, and that are within existing urban areas.

#### When a Reserve Land Contribution is Required

At Council's discretion the reserves contribution can be either land or cash or a combination of both. Consultation with Council is required prior to an application for an outline development plan, a plan change, a resource or building consent being lodged. In some instances, Council may accept or require a contribution to the equivalent value in the form of land or infrastructure.

An outcome of the consultation will be to form a developer's agreement as to whether cash or land or both are appropriate in any given case. For example, to allow reserve assets to vest in Council through the subdivision consent process, where they are considered of a suitable standard in terms of Council's reserve requirements, and credit them against the contributions required.

Land offered to Council in lieu of cash development contributions for Reserve Land acquisition must be of a suitable standard, size and purpose to be accepted by Council. This shall be at the discretion of Council and the following guidelines will assist developers to provide proposals for suitable land:

Characteristic	Standard
Gradient	Land offered shall be generally easily maintainable flat land. This will ensure costly maintenance of unsuitable high gradient land is not borne by ratepayers in the future and land provided is suitable for recreational purposes. In some cases, where Council deems it appropriate, land not meeting this gradient standard may be acceptable to allow land not suitable for active use to be accepted to protect amenity or landscape features, to protect scenic backdrops and heritage landscapes or to create walking or cycling connections that cannot otherwise be made on gentler gradients.
Size	27.5m <sup>2</sup> per potential residential unit. Reserves shall be of a usable size. Pocket parks are generally not to be accepted unless they protect amenity or landscape features, or protect scenic backdrops and heritage landscapes or create walking or cycling connections that cannot otherwise be made through the provision of existing reserves or new larger reserves.
Unrestricted	No legal covenants that will restrict Council from meeting its Reserves Act Obligations
Accessible	Within 800m of housing or accommodation it serves

If a cash contribution is required, the value of the land shall fall into the category of either urban or township. The land values for the two wards have been calculated as averages as follows:

Category of Land	Land Value
<b>Wakatipu Ward</b>	
Urban	\$335/m <sup>2</sup>
Township	\$150/m <sup>2</sup>
<b>Glenorchy</b>	
Urban	\$235/m <sup>2</sup>
Township	\$150/m <sup>2</sup>



These values will be reviewed yearly; see Maximum Contributions below.

If the applicant considers these values to be incorrect, then the applicant may request Council to obtain a valuation of the land which is at the applicant's expense. Where this process is applied, payment shall be calculated as follows:

- A.** The market value of the new sites is the sale value of the sites at the date on which the valuation is requested.
- B.** The market value of the new sites shall be capped at \$1500 per m<sup>2</sup> and this maximum value will be reviewed by Council annually.
- C.** Lots for roads, utilities, reserves, access or similar purposes shall be excluded from the calculation.
- D.** Market value of a new site in the case of a stratum title under the Unit Titles Act, where the site is not situated on the ground, shall be calculated as if the site were on the ground.
- E.** In Rural Zones (except for Rural Visitor Zones), where the lots created are greater than 4000m<sup>2</sup>, the market value of each lot shall be the market value of the rural residential site of 4000m<sup>2</sup> within that lot, being the most likely site for a building platform.
- F.** The value of the land contribution per m<sup>2</sup>, in Rural Zones (except for Rural Visitor Zones) shall be the market value as defined in (e) above divided by 1000m<sup>2</sup>.

Most of the existing reserve land in the District is under developed and funding is needed to enhance reserves, particularly to provide for future population growth projections. Generally land should not be taken for reserves unless it is required for Greenfield development or in some rare cases to protect scenic backdrops and heritage landscapes, or to create new walking or cycling connections that cannot otherwise be made.

An analysis of projected demand for reserve land has been completed using two contributing areas for the district. It is expected that the total value of reserve land that will be needed over the next 10 years is estimated to be \$19.1m. This is based on the 27.5m<sup>2</sup> desired level of service for each new dwelling equivalent. 100% of this demand can be attributed to growth and will be provided through development contributions either through the provision of land or as cash contribution. Forecasts show that 70% of this total demand is likely to be provided through the provision of vested land from developers.

## Maximum Contributions

Section 203 of the Local Government Act 2002 allows the following maximum contributions.

“Development contributions for reserves must not exceed the greater of -

- A.** 7.5% of the value of the additional allotments created by a subdivision; and
- B.** the value equivalent of 20 square metres of land for each additional household unit created by the development.”

Note: Council will ensure that the statutory maximum is not exceeded in the application of the policy and calculation methods.

## Significant Assumptions Used in the Calculation of Development Contributions

As both the TYP and this Policy rely on the same base data, the significant forecasting assumptions disclosed in Volume 2 of the TYP pp 4-8 also apply to this Policy. All information used in the calculations of either development or financial contributions is the best available at the time. Council is proceeding with numerous strategic studies which will aid in delivering improved information. Council is committed to updating its contribution calculations as the results of these studies become available.

## Financial Considerations

The following are key financial considerations applied in the model:

- All figures are in current New Zealand dollars - effective 1 July 2015.
- Inflation is applied to past capital projects only.
- Interest costs have been assessed based on the weighted average cost of capital (WACC) over the first 10 year period from 1 July 2015. The cumulative net deficit between the contributions anticipated to be collected and the growth costs over the 10 year period are used to determine the proportion of the growth cost that will be funded by debt. A 6.0% interest rate has been applied.
- Capital expenditure projections are those that have been applied in the TYP effective at 1 July 2015 and subsequent Annual Plans. The public nature and auditability of these capital projections provides additional confidence to the process. Schedule 10 of the LGA 2002 prescribes a number of disclosures including growth, renewal and level of service apportionments.

## Growth Projections

These have been estimated using the best information available.

- Growth Projections 2014 – Council engaged services from the market place to complete its own growth study. These projections detailed residential, visitor and commercial/ industrial growth. The results of this study have been applied to all infrastructure studies completed since including water, wastewater and transportation.

Council produces a six monthly dwelling capacity study. This study identifies the ultimate number of dwellings in specific areas given the existing district plan zonings. This is used as a guide to define where growth in specific contributing areas will cease. Growth projections are converted into units of demand or dwelling equivalents which are used to apportion the growth cost to define a dwelling equivalent contribution. Assessing total dwelling equivalents involves converting non-residential land uses into dwelling equivalents and adding this to the number of dwellings. This is completed using land use conversion factors.

## Monitoring and Review of Development Contributions Policy

Council will monitor and review the following:

- > Annual Calculation Updates:
  - > Identify capital expenditure actually undertaken and whether the projections remain reasonable. This may include adding or deleting capital projects.
  - > Update capital costs to reflect a year of inflation. This will be based on SNZ Labour cost index and Producer Price Index.
  - > Review population projections.
  - > Any asset planning initiatives including changing levels of service, updated capital projections.
  - > Update any new information that has become available. This may include updated population projections, additional zoning and scheme boundary changes.
  - > Correction of any errors or omissions.
- > Annual Policy Reviews:
  - > Any changes to the policy direction of Council that affects this policy. This may include changes to the TYP, Revenue and Financing Policy and strategic studies.
  - > New information affecting the land use differential analysis.
  - > Inclusion of any Financial Contributions as derived from a variation to the District Plan and in particular Chapter 15.

## Postponement or Remission

Council may allow for postponement or remission of contributions in the following circumstances:

- A. Council may accept or require a contribution to the equivalent value in the form of land or infrastructure. It may be appropriate, for example, to allow reserve assets to vest in Council through the subdivision consent process, where they meet Council's reserve requirements, and credit them against the contributions required. Any such proposals will need to be the subject of an agreement with Council before the consent is issued, and will be dealt with on a case by case basis.
- B. b) Where an applicant can demonstrate that a development creates a significantly different demand on infrastructure than could usually be expected under the relevant land use category, Council will individually assess any such development taking into account the unusual demand characteristics.

All applications for Postponement or Remission must be made in writing to the Chief Executive Officer of the Council.

## Reconsiderations & Objections

An applicant may request Council to reconsider the requirement to pay a development contribution if the applicant has grounds to believe that:

- A. the development contribution was incorrectly calculated or assessed under the Council's development contributions policy; or
- B. Council incorrectly applied its development contributions policy; or
- C. the information used to assess the person's development against the development contributions policy, or the way Council has recorded or used it when requiring a development contribution, was incomplete or contained errors.

A request for reconsideration must be made in writing stating clearly on which grounds the applicant believes the Council has erred. The request for reconsideration must be made within 10 working days after the date on which the person lodging the request receives notice from Council of the level of development contribution that Council requires. This request should be addressed to:

- > Development Contribution Officer (QLDC), Private Bag 50072, Queenstown 9348
- > Email: [services@qldc.govt.nz](mailto:services@qldc.govt.nz)

The steps that Council will apply when reconsidering the requirement to make a development contribution are:

- I. The appropriate Council officer shall review the reconsideration request,
- II. The Council officer may request further relevant information from the applicant,
- III. The Council officer will make a recommendation to the delegated authority,

Council will, within 15 working days after the date on which it receives all required relevant information relating to a request, give written notice of the outcome of its reconsideration to the person who made the request.

A reconsideration cannot be requested if the applicant has already lodged an objection. If the applicant is not satisfied with the outcome of the reconsideration, they may lodge an objection as specified in the Local Government Act 2002 Amendment Act (No 3) 2014, s199C to s199N.

## Refunds and Reimbursement

Where Council required a development/financial contribution as part of subdivision or development activities and where the documentation (resource consent, building consent or connection authorisation) permitting that subdivision or development has lapsed, Council will refund the contribution. This does not prevent Council from requiring development/financial contributions in the future. Council may retain a portion of the contribution of a value equivalent to the costs incurred by the Council in processing/assessing the contribution required by the subdivision or development.

## When Will Payment be required

Development contributions may be sought in respect of any development that generates a demand for reserves, network or community infrastructure. Council will assess whether development contributions are payable in relation to the development when an application for one of the following is made:

- I. Resource Consent
- II. Building Consent
- III. Authorisation for a Service Connection

Any Development contributions assessed will be payable on granting of consent with a due date for payment as follows:

- > Resource consent (subdivision) – prior to the issue of S224c certificate;
- > Resource consent (other) – prior to commencement of the consent except where a building consent is required then payment shall be prior to the issue of the code of compliance certificate or prior to the connection to Council services, whichever comes first.
- > Building consent – prior to the issue of the code of compliance certificate or prior to the connection to Council services, whichever comes first.
- > Service connection – prior to connection.

If development contributions are not paid within 24 months of a consent being issued contributions will be recalculated under the latest version of the policy.

Effectively this means that any Development Contribution Notice (DCN) is valid for 24 months from the time of issue:

- > All DCN's issued after 1 July 2012 will be valid for 24 months from the date of issue and then recalculated for payment under the policy relevant at that time.

If payment is not received the Council may (under section 208 of the LGA):

- > Withhold S224c Certificate on a subdivision;
- > Prevent the commencement of a resource consent for a development
- > Withhold a code of compliance certificate under the Building Act
- > Withhold a service connection to a development.

In each case the Council may register the Development Contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land for which the contribution was required.

## Credits

There are three types of credits anticipated:

1. Historic Credits – ‘Deemed’
2. Historic Credits – ‘Cash’; and
3. Actual Credits

### 1. Historic Credits - ‘Deemed’

In assessing Development Contributions the Council will determine if a site has a historic entitlement. Sites within existing contributing areas that have existed prior to financial contribution requirements and those that have already paid in full under Council policy at the time will be eligible.

Historic entitlement will be recognised and given a ‘deemed’ credit based on the characteristics of the site immediately preceding the proposed development. Deemed credits will be identified on the ‘Development Contribution Notice’ and will be converted to ‘dwelling equivalents units’ for each type of service.

The following deemed credits are anticipated (not intended as an exclusive list):

- > For residential subdivisions (where the residual lot remains residential) the existing lot will be allocated a credit of one ‘Dwelling Equivalent’ and no Development Contribution will be payable on the residual lot.
- > Where a residential subdivision is developed (i.e. vacant lot built upon) one ‘Dwelling Equivalent’ credit will be allocated to each underlying lot.
- > Redevelopment of sites containing non-residential activities will be given historical credits based on ‘Dwelling Equivalents’ assessed in terms of the relevant ‘unit’ (i.e. GFA) prior to redevelopment.
- > • Any excess historical credits that are identified as a result of an amalgamation of individual titles will accrue on the new amalgamated title but will lapse if not utilised within a period of three years.

### 2. Historic Credits - Cash

On sites that have been subdivided and contributions paid, but which have not been developed prior to the new policy being implemented, developers may request an assessment of ‘cash’ credits for the site.

The Council will invite applicants to submit with their applications, records of the amount(s) paid at the time of the subdivision. The Council will then take into account the actual amounts paid for each service in determining the total development contributions payable for each service. In some instances, particularly industrial and commercial sites, the amount paid may exceed the amount required under the new policy. If there is a surplus this will be recorded on the ‘Development Contribution Notice’. This cash credit may be used to off-set contributions that would otherwise be payable on future development and expansion of activities on the site. It

should be noted that these credits will be specific to the service for which they were paid (i.e. not transferable between services, for example, a positive reserve contribution will not be able to off-set a water contribution). They will also be site specific (not transferable) and non refundable unless the refund provisions of the Act apply.

**3. Actual Credits - Credits accrued under the new policy**

The term ‘actual’ credit refers to credits accrued under the new policy. As indicated above, details of assessments made and payments received will be recorded on the ‘Development Contribution Notice’. The balance of the ‘Development Contribution Notice’ may in some circumstances be positive.

The Council is able to assess the amount of contributions payable at successive stages of the development cycle (i.e. resource consent, building consent and service connection). Should the development contribution assessment be based on an estimate of the future building Gross Floor Area (GFA), which is likely to be the case at subdivision consent stage, then this assessment will be based on 75% of the maximum GFA allowed for on the site under the existing provisions of the District Plan. Council may review the percentage to be charged at this stage should the applicant satisfactorily demonstrate that the actual site utilisation will be significantly less than the estimate.

This may mean that additional contributions are assessed at the building consent stage. This approach will limit the amount of actual credits accumulated. There will be no time limit within which these credits must be used.

**Delegations**

The Elected Members of Council shall determine where a development or financial contribution will be sought. They have the authority to set the quantum of those contributions.

The Chief Executive will ensure the Policy is implemented.

**Capital Expenditure Attributed to Growth**

The following tables demonstrate the nature and level of expected capital expenditure required by Council and the portion that is attributable to growth. A table is produced for each activity (asset type) which shows the CAPEX for each geographic area where a contribution has been assessed. The CAPEX attributable to growth is apportioned equitably among the growth population to define a set charge for each unit of demand. The unit of demand is expressed in terms of a dwelling equivalent.

Additional tables are provided which detail the debt funding ratio which will apply to each area.

## Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>QUEENSTOWN</b>							
Reticulation	4,385,588	2,195,882	2,189,706	50%	2,957,728	1,982	1,493
Pump Station	0	0	0	0%	971,887	1,982	490
Decomissioning Works	0	0	0	0%	-	1,982	0
Unspecified Expenditure	0	0	0	0%	38,424	1,982	19
Storage	3,158,046	2,809,942	348,104	89%	1,514,149	1,982	764
New Scheme	0	0	0	0%	-	1,982	0
Intake	725,026	171,952	553,075	24%	514,482	1,982	260
Renewals	8,614,509	0	8,614,509	0%	-	1,982	0
Investigations	0	0	0	0%	-	1,982	0
Management	445,533	89,866	355,667	20%	50,754	1,982	26
Conveyance	0	0	0	0%	-	1,982	0
Emergency Conveyance	0	0	0	0%	-	1,982	0
Flow Metering	0	0	0	0%	55,385	1,982	28
Treatment Facility	1,205,757	270,249	935,508	22%	408,460	1,982	206
Forward Design	0	0	0	0%	-	1,982	0
Minor Works	0	0	0	0%	-	1,982	0
Asset Management System	0	0	0	0%	45,867	1,982	23
<b>Total Water Supply - Queenstown</b>	<b>18,534,459</b>	<b>5,537,890</b>	<b>12,996,569</b>	<b>30%</b>	<b>6,557,135</b>	<b>1,982</b>	<b>3,309</b>

## Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>ARROWTOWN</b>							
Reticulation	0	0	0	0%	269,334	114	2,360
Pump Station	0	0	0	0%	7,488	114	66
Decommissioning Works	0	0	0	0%	-	114	0
Unspecified Expenditure	0	0	0	0%	16,967	114	149
Storage	100,000	5,898	94,102	6%	132,221	114	1,159
New Scheme	0	0	0	0%	-	114	0
Intake	0	0	0	0%	46,342	114	406
Renewals	1,383,115	0	1,383,115	0%	-	114	0
Investigations	0	0	0	0%	-	114	0
Management	65,101	18,583	46,517	29%	5,008	114	44
Conveyance	0	0	0	0%	-	114	0
Emergency Conveyance	0	0	0	0%	-	114	0
Flow Metering	0	0	0	0%	1,537	114	13
Treatment Facility	0	0	0	0%	11,580	114	101
Forward Design	0	0	0	0%	-	114	0
Minor Works	0	0	0	0%	173	114	2
Asset Management System	0	0	0	0%	3,879	114	34
<b>Total Water Supply - Arrowtown</b>	<b>1,548,216</b>	<b>24,481</b>	<b>1,523,734</b>	<b>2%</b>	<b>494,528</b>	<b>114</b>	<b>4,333</b>



## Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>GLENORCHY</b>							
Reticulation	0	0	0	0%	51,712	33	1,570
Pump Station	0	0	0	0%	8,851	33	269
Decomissioning Works	0	0	0	0%	-	33	0
Unspecified Expenditure	0	0	0	0%	10,781	33	327
Storage	430,284	175,357	254,926	41%	79,879	33	2,425
New Scheme	0	0	0	0%	48,161	33	1,462
Intake	0	0	0	0%	3,115	33	95
Renewals	264,340	0	264,340	0%	-	33	0
Investigations	0	0	0	0%	-	33	0
Management	8,692	1,602	7,091	18%	933	33	28
Conveyance	0	0	0	0%	-	33	0
Emergency Conveyance	0	0	0	0%	-	33	0
Flow Metering	0	0	0	0%	1,777	33	54
Treatment Facility	0	0	0	0%	244	33	7
Forward Design	0	0	0	0%	5,497	33	167
Minor Works	113,100	21,982	91,118	19%	9,827	33	298
Asset Management System	0	0	0	0%	832	33	25
<b>Total Water Supply - Glenorchy</b>	<b>816,417</b>	<b>198,941</b>	<b>617,475</b>	<b>24%</b>	<b>221,610</b>	<b>33</b>	<b>6,728</b>

## Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>LAKE HAYES</b>							
Reticulation	403,696	153,404	250,292	38%	152,008	79	1,933
Pump Station	0	0	0	0%	-	79	0
Decommissioning Works	0	0	0	0%	-	79	0
Unspecified Expenditure	0	0	0	0%	136	79	2
Storage	0	0	0	0%	22,407	79	285
New Scheme	0	0	0	0%	40,950	79	521
Intake	0	0	0	0%	-	79	0
Renewals	874,114	0	874,114	0%	-	79	0
Investigations	0	0	0	0%	-	79	0
Management	31,441	5,439	26,001	17%	1,983	79	25
Conveyance	0	0	0	0%	-	79	0
Emergency Conveyance	0	0	0	0%	-	79	0
Flow Metering	463,710	29,858	433,852	6%	13,904	79	177
Treatment Facility	0	0	0	0%	11,659	79	148
Forward Design	0	0	0	0%	-	79	0
Minor Works	0	0	0	0%	-	79	0
Asset Management System	0	0	0	0%	2,976	79	38
<b>Total Water Supply - Lake Hayes</b>	<b>1,772,961</b>	<b>188,702</b>	<b>1,584,259</b>	<b>11%</b>	<b>246,024</b>	<b>79</b>	<b>3,128</b>

## Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>ARTHURS POINT</b>							
Reticulation	0	0	0	0%	258,052	169	1,530
Pump Station	0	0	0	0%	-	169	0
Decomissioning Works	0	0	0	0%	-	169	0
Unspecified Expenditure	0	0	0	0%	5,327	169	32
Storage	0	0	0	0%	278	169	2
New Scheme	0	0	0	0%	160,855	169	953
Intake	1,212,219	518,830	693,389	43%	128,109	169	759
Renewals	420,044	0	420,044	0%	7,117	169	42
Investigations	0	0	0	0%	-	169	0
Management	31,441	6,085	25,355	19%	2,710	169	16
Conveyance	0	0	0	0%	-	169	0
Emergency Conveyance	0	0	0	0%	-	169	0
Flow Metering	0	0	0	0%	-	169	0
Treatment Facility	0	0	0	0%	36,156	169	214
Forward Design	0	0	0	0%	-	169	0
Minor Works	0	0	0	0%	5,617	169	33
Asset Management System	0	0	0	0%	6,063	169	36
<b>Total Water Supply - Arthurs Point</b>	<b>1,663,703</b>	<b>524,915</b>	<b>1,138,788</b>	<b>32%</b>	<b>610,284</b>	<b>169</b>	<b>3,617</b>

## Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>WANAKA</b>	Wanaka						
Reticulation	3,836,372	2,485,385	1,350,987	65%	1,640,238	1,580	1,038
Pump Station	0	0	0	0%	132,448	1,580	84
Decommissioning Works	0	0	0	0%	-	1,580	0
Unspecified Expenditure	0	0	0	0%	75,812	1,580	48
Storage	2,575,210	2,057,880	517,330	80%	1,615,886	1,580	1,023
New Scheme	0	0	0	0%	-	1,580	0
Intake	1,653,595	1,115,549	538,046	67%	305,000	1,580	193
Renewals	5,436,903	0	5,436,903	0%	-	1,580	0
Investigations	0	0	0	0%	7	1,580	0
Management	260,218	58,381	201,837	22%	23,220	1,580	15
Conveyance	0	0	0	0%	-	1,580	0
Emergency Conveyance	0	0	0	0%	-	1,580	0
Flow Metering	0	0	0	0%	16,206	1,580	10
Treatment Facility	0	0	0	0%	33,122	1,580	21
Forward Design	0	0	0	0%	27,839	1,580	18
Minor Works	0	0	0	0%	648	1,580	0
Asset Management System	0	0	0	0%	12,855	1,580	8
<b>Total Water Supply - Wanaka</b>	<b>13,762,298</b>	<b>5,717,195</b>	<b>8,045,102</b>	<b>42%</b>	<b>3,883,280</b>	<b>1,580</b>	<b>2,458</b>

## Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>HAWEA</b>							
Reticulation	0	0	0	0%	314,488	115	2,739
Pump Station	0	0	0	0%	75	115	1
Decomissioning Works	0	0	0	0%	-	115	0
Unspecified Expenditure	0	0	0	0%	1,872	115	16
Storage	0	0	0	0%	1,533	115	13
New Scheme	0	0	0	0%	-	115	0
Intake	276,200	116,633	159,567	42%	44,863	115	391
Renewals	397,717	0	397,717	0%	-	115	0
Investigations	0	0	0	0%	-	115	0
Management	24,598	5,115	19,483	21%	2,320	115	20
Conveyance	0	0	0	0%	-	115	0
Emergency Conveyance	0	0	0	0%	-	115	0
Flow Metering	113,100	26,341	86,759	23%	23,228	115	202
Treatment Facility	0	0	0	0%	7,826	115	68
Forward Design	0	0	0	0%	-	115	0
Minor Works	0	0	0	0%	4,834	115	42
Asset Management System	0	0	0	0%	182	115	2
<b>Total Water Supply - Hawea</b>	<b>811,615</b>	<b>148,089</b>	<b>663,526</b>	<b>18%</b>	<b>401,220</b>	<b>115</b>	<b>3,494</b>

## Water Supply Development Contribution Summary

Schemes / Contributing Areas	10 Year Study Period Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>LUGGATE</b>							
Reticulation	0	0	0	0%	3,391	40	86
Pump Station	0	0	0	0%	7,502	40	189
Decomissioning Works	0	0	0	0%	-	40	0
Unspecified Expenditure	0	0	0	0%	675	40	17
Storage	0	0	0	0%	19,456	40	491
New Scheme	0	0	0	0%	-	40	0
Intake	0	0	0	0%	-	40	0
Renewals	243,064	0	243,064	0%	-	40	0
Investigations	0	0	0	0%	1,832	40	46
Management	7,305	1,644	5,661	23%	1,873	40	47
Conveyance	0	0	0	0%	-	40	0
Emergency Conveyance	0	0	0	0%	-	40	0
Flow Metering	0	0	0	0%	4,202	40	106
Treatment Facility	287,378	131,538	155,840	46%	45,158	40	1,140
Forward Design	0	0	0	0%	-	40	0
Minor Works	0	0	0	0%	10	40	0
Asset Management System	0	0	0	0%	2,083	40	53
<b>Total Water Supply - Luggate</b>	<b>537,747</b>	<b>133,182</b>	<b>404,565</b>	<b>25%</b>	<b>86,181</b>	<b>40</b>	<b>2,175</b>



# Water Supply - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Annual Debt %
<b>QUEENSTOWN</b>									
Queenstown							Existing Debt	5,382,152	
Queenstown	2015/16	1,791,035	851,789	851,789	160	530,972	530,972	5,702,968	91%
Queenstown	2016/17	5,434,018	2,464,188	3,315,977	216	714,845	1,245,817	7,452,312	86%
Queenstown	2017/18	1,589,681	1,022,373	4,338,350	216	714,845	1,960,662	7,759,840	80%
Queenstown	2018/19	1,101,297	53,518	4,391,868	216	714,845	2,675,507	7,098,513	73%
Queenstown	2019/20	1,057,625	6,641	4,398,509	216	714,845	3,390,352	6,390,308	65%
Queenstown	2020/21	2,921,978	763,211	5,161,720	216	714,845	4,105,197	6,438,675	61%
Queenstown	2021/22	1,082,197	11,597	5,173,317	185	612,985	4,718,182	5,837,287	55%
Queenstown	2022/23	1,074,167	9,977	5,183,294	185	612,985	5,331,166	5,234,280	50%
Queenstown	2023/24	1,410,383	345,040	5,528,334	185	612,985	5,944,151	4,966,335	46%
Queenstown	2024/25	1,072,079	9,556	5,537,890	185	612,985	6,557,135	4,362,907	40%
			<b>5,537,890</b>		<b>1,982</b>			<b>Queenstown Weighted Debt Funding Ratio</b>	<b>67%</b>

<b>ARROWTOWN</b>									
Arrowtown							Existing Debt	1,868,299	
Arrowtown	2015/16	251,436	9,645	9,645	20	88,709	88,709	1,789,234	95%
Arrowtown	2016/17	144,340	1,721	11,365	11	46,656	135,366	1,744,299	93%
Arrowtown	2017/18	141,480	904	12,270	11	46,656	182,022	1,698,547	90%
Arrowtown	2018/19	142,536	1,206	13,476	11	46,656	228,678	1,653,096	88%
Arrowtown	2019/20	143,122	1,373	14,849	11	46,656	275,335	1,607,813	85%
Arrowtown	2020/21	142,066	1,072	15,921	11	46,656	321,991	1,562,228	83%
Arrowtown	2021/22	146,713	2,398	18,319	10	43,134	365,125	1,521,492	81%
Arrowtown	2022/23	145,539	2,063	20,382	10	43,134	408,260	1,480,421	78%
Arrowtown	2023/24	145,750	2,123	22,505	10	43,134	451,394	1,439,411	76%
Arrowtown	2024/25	145,234	1,976	24,481	10	43,134	494,528	1,398,252	74%
			<b>24,481</b>		<b>114</b>			<b>Arrowtown Weighted Debt Funding Ratio</b>	<b>85%</b>

# Water Supply - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Annual Debt %
<b>GLENORCHY</b>									
Glenorchy							Existing Debt	263,382	
Glenorchy	2015/16	458,470	175,680	175,680	3	18,727	18,727	420,335	96%
Glenorchy	2016/17	27,239	148	175,828	3	22,299	41,026	398,184	91%
Glenorchy	2017/18	26,857	78	175,906	3	22,299	63,326	375,963	86%
Glenorchy	2018/19	26,998	104	176,010	3	22,299	85,625	353,768	81%
Glenorchy	2019/20	140,176	22,101	198,111	3	22,299	107,924	353,569	77%
Glenorchy	2020/21	26,935	92	198,203	3	22,299	130,223	331,362	72%
Glenorchy	2021/22	27,556	207	198,410	3	22,847	153,070	308,722	67%
Glenorchy	2022/23	27,399	178	198,588	3	22,847	175,917	286,053	62%
Glenorchy	2023/24	27,427	183	198,771	3	22,847	198,763	263,389	57%
Glenorchy	2024/25	27,358	170	198,941	3	22,847	221,610	240,713	52%
			<b>198,941</b>		<b>33</b>			<b>Glenorchy Weighted Debt Funding Ratio</b>	<b>76%</b>

<b>LAKE HAYES</b>									
Lake Hayes							Existing Debt	0	
Lake Hayes	2015/16	93,750	1,097	1,097	5	14,147	14,147	-13,051	-1190%
Lake Hayes	2016/17	494,019	153,908	155,005	8	23,841	37,988	117,016	75%
Lake Hayes	2017/18	88,941	265	155,269	8	23,841	61,830	93,440	60%
Lake Hayes	2018/19	553,161	30,211	185,481	8	23,841	85,671	99,810	54%
Lake Hayes	2019/20	89,735	402	185,883	8	23,841	109,512	76,371	41%
Lake Hayes	2020/21	89,225	314	186,196	8	23,841	133,353	52,843	28%
Lake Hayes	2021/22	91,469	702	186,898	9	28,168	161,521	25,377	14%
Lake Hayes	2022/23	90,902	604	187,502	9	28,168	189,689	-2,186	-1%
Lake Hayes	2023/24	91,004	622	188,124	9	28,168	217,856	-29,732	-16%
Lake Hayes	2024/25	90,755	578	188,702	9	28,168	246,024	-57,322	-30%
			<b>188,702</b>		<b>79</b>			<b>Lake Hayes Weighted Debt Funding Ratio</b>	<b>12%</b>

# Water Supply - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Annual Debt %
<b>ARTHURS POINT</b>									
Arthurs Point							Existing Debt	0	
Arthurs Point	2015/16	48,343	1,227	1,227	20	70,855	70,855	-69,629	-5675%
Arthurs Point	2016/17	44,916	563	1,790	20	70,794	141,649	-139,859	-7812%
Arthurs Point	2017/18	164,534	52,084	53,874	20	70,794	212,443	-158,569	-294%
Arthurs Point	2018/19	1,135,263	467,436	521,311	20	70,794	283,237	238,074	46%
Arthurs Point	2019/20	44,328	450	521,761	20	70,794	354,031	167,730	32%
Arthurs Point	2020/21	43,818	351	522,112	20	70,794	424,824	97,287	19%
Arthurs Point	2021/22	46,062	785	522,897	13	46,365	471,189	51,708	10%
Arthurs Point	2022/23	45,495	676	523,573	13	46,365	517,554	6,018	1%
Arthurs Point	2023/24	45,597	695	524,268	13	46,365	563,919	-39,652	-8%
Arthurs Point	2024/25	45,348	647	524,915	13	46,365	610,284	-85,370	-16%
			<b>524,915</b>		<b>169</b>			<b>Arthurs Point Weighted Debt Funding Ratio</b>	<b>0%</b>

<b>WANAKA</b>									
Wanaka							Existing Debt	0	
Wanaka	2015/16	656,703	98,711	98,711	161	396,524	396,524	-297,812	-302%
Wanaka	2016/17	620,861	83,067	181,778	164	404,313	800,837	-619,058	-341%
Wanaka	2017/18	428,904	58,735	240,513	164	404,313	1,205,150	-964,637	-401%
Wanaka	2018/19	1,370,061	532,428	772,942	164	404,313	1,609,463	-836,522	-108%
Wanaka	2019/20	2,529,223	722,371	1,495,313	164	404,313	2,013,777	-518,464	-35%
Wanaka	2020/21	652,423	3,367	1,498,680	164	404,313	2,418,090	-919,410	-61%
Wanaka	2021/22	863,693	193,817	1,692,496	149	366,297	2,784,387	-1,091,891	-65%
Wanaka	2022/23	4,174,739	3,147,789	4,840,285	149	366,297	3,150,685	1,689,601	35%
Wanaka	2023/24	1,800,608	870,702	5,710,987	149	366,297	3,516,982	2,194,005	38%
Wanaka	2024/25	665,086	6,208	5,717,195	149	366,297	3,883,280	1,833,916	32%
			<b>5,801,701</b>		<b>1,580</b>			<b>Wanaka &amp; Albert Town Weighted Debt Funding Ratio</b>	<b>0%</b>

# Water Supply - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Annual Debt %
<b>HAWEA</b>									
Hawea							Existing Debt	391,107	
Hawea	2015/16	44,731	1,031	1,031	12	41,911	41,911	350,227	89%
Hawea	2016/17	268,249	96,489	97,520	12	41,279	83,190	405,437	83%
Hawea	2017/18	154,069	26,590	124,110	12	41,279	124,469	390,748	76%
Hawea	2018/19	41,368	332	124,442	12	41,279	165,747	349,801	68%
Hawea	2019/20	41,589	378	124,820	12	41,279	207,026	308,901	60%
Hawea	2020/21	41,190	295	125,115	12	41,279	248,305	267,917	52%
Hawea	2021/22	42,946	660	125,775	11	38,229	286,533	230,348	45%
Hawea	2022/23	42,503	568	126,342	11	38,229	324,762	192,687	37%
Hawea	2023/24	42,582	584	126,927	11	38,229	362,991	155,043	30%
Hawea	2024/25	92,387	21,162	148,089	11	38,229	401,220	137,976	26%
			<b>148,089</b>		<b>115</b>			<b>Hawea Weighted Debt Funding Ratio</b>	<b>63%</b>

<b>LUGGATE</b>									
Luggate							Existing Debt	0	
Luggate	2015/16	25,779	331	331	4	9,119	9,119	-8,787	-2651%
Luggate	2016/17	24,983	152	484	4	8,571	17,690	-17,206	-3557%
Luggate	2017/18	24,662	80	564	4	8,571	26,261	-25,697	-4559%
Luggate	2018/19	24,780	107	670	4	8,571	34,832	-34,162	-5096%
Luggate	2019/20	24,846	121	792	4	8,571	43,403	-42,611	-5381%
Luggate	2020/21	24,728	95	887	4	8,571	51,974	-51,087	-5762%
Luggate	2021/22	312,627	131,750	132,637	4	8,552	60,526	72,111	54%
Luggate	2022/23	25,117	183	132,819	4	8,552	69,078	63,742	48%
Luggate	2023/24	25,141	188	133,007	4	8,552	77,629	55,378	42%
Luggate	2024/25	25,083	175	133,182	4	8,552	86,181	47,001	35%
			<b>133,182</b>		<b>40</b>			<b>Luggate Weighted Debt Funding Ratio</b>	<b>0%</b>

**Wastewater Capital Expenditure for Development Contributions (excluding GST)**

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>QUEENSTOWN</b>							
Asset Management System	0	0	0	0%	-	1,816	0
Investigations	0	0	0	0%	479	1,816	0
Management	555,160	118,317	436,843	21%	50,949	1,816	28
Minor Works	0	0	0	0%	-	1,816	0
New Scheme	0	0	0	0%	-	1,816	0
Pump Station	3,393,000	1,466,778	1,926,222	43%	1,405,503	1,816	774
Renewals	2,963,303	0	2,963,303	0%	1,677	1,816	1
Reticulation	9,806,261	5,519,850	4,286,411	56%	4,353,520	1,816	2,397
Storage	580,084	580,084	0	100%	275,233	1,816	152
Treatment Facility	18,611,021	3,442,894	15,168,127	18%	4,548,253	1,816	2,504
Unspecified Expenditure	0	0	0	0%	143,142	1,816	79
<b>Total WASTEWATER - Queenstown</b>	<b>35,908,829</b>	<b>11,127,922</b>	<b>24,780,907</b>	<b>31%</b>	<b>10,778,755</b>	<b>1,816</b>	<b>5,935</b>

<b>ARROWTOWN</b>							
Asset Management System	0	0	0	0%	-	86	0
Investigations	0	0	0	0%	-	86	0
Management	79,296	9,147	70,150	12%	3,375	86	39
Minor Works	0	0	0	0%	-	86	0
New Scheme	0	0	0	0%	-	86	0
Pump Station	0	0	0	0%	53,106	86	617
Renewals	1,051,610	0	1,051,610	0%	6,406	86	74
Reticulation	0	0	0	0%	210,371	86	2,443
Storage	0	0	0	0%	-	86	0
Treatment Facility	882,339	163,226	719,114	18%	215,605	86	2,504
Unspecified Expenditure	0	0	0	0%	3,798	86	44
<b>Total WASTEWATER - Arrowtown</b>	<b>2,013,246</b>	<b>172,373</b>	<b>1,840,873</b>	<b>9%</b>	<b>492,662</b>	<b>86</b>	<b>5,722</b>

**Wastewater Capital Expenditure for Development Contributions (excluding GST) cont...**

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>LAKE HAYES</b>							
Asset Management System	0	0	0	0%	-	66	0
Investigations	0	0	0	0%	-	66	0
Management	36,115	5,417	30,698	15%	1,574	66	24
Minor Works	0	0	0	0%	4,034	66	61
New Scheme	0	0	0	0%	-	66	0
Pump Station	0	0	0	0%	65,574	66	998
Renewals	0	0	0	0%	-	66	0
Reticulation	0	0	0	0%	251,560	66	3,829
Storage	0	0	0	0%	-	66	0
Treatment Facility	673,268	124,549	548,718	18%	164,536	66	2,504
Unspecified Expenditure	0	0	0	0%	-	66	0
<b>Total WASTEWATER - Lake Hayes</b>	<b>762,585</b>	<b>129,967</b>	<b>632,618</b>	<b>17%</b>	<b>487,279</b>	<b>66</b>	<b>7,416</b>

<b>ARTHURS POINT</b>							
Asset Management System	0	0	0	0%	-	115	0
Investigations	0	0	0	0%	-	115	0
Management	27,456	5,747	21,709	21%	2,330	115	20
Minor Works	0	0	0	0%	-	115	0
New Scheme	0	0	0	0%	-	115	0
Pump Station	0	0	0	0%	-	115	0
Renewals	19,098	0	19,098	0%	-	115	0
Reticulation	127,609	27,680	99,929	22%	245,078	115	2,122
Storage	0	0	0	0%	-	115	0
Treatment Facility	1,183,478	218,934	964,544	18%	289,224	115	2,504
Unspecified Expenditure	0	0	0	0%	4,499	115	39
<b>Total WASTEWATER - Arthurs Point</b>	<b>1,357,642</b>	<b>252,362</b>	<b>1,105,280</b>	<b>19%</b>	<b>541,131</b>	<b>115</b>	<b>4,685</b>



**Wastewater Capital Expenditure for Development Contributions (excluding GST) cont...**

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>WANAKA</b>							
Asset Management System	0	0	0	0%	-	1,299	0
Investigations	320,028	72,323	247,704	23%	26,379	1,299	20
Management	0	0	0	0%	6,019	1,299	5
Minor Works	0	0	0	0%	-	1,299	0
New Scheme	0	0	0	0%	-	1,299	0
Pump Station	1,238,332	1,059,161	179,172	86%	1,050,372	1,299	809
Renewals	1,105,314	0	1,105,314	0%	4,447	1,299	3
Reticulation	3,026,776	1,254,390	1,772,386	41%	1,233,651	1,299	950
Storage	0	0	0	0%	-	1,299	0
Treatment Facility	3,000,000	507,669	2,492,331	17%	6,366,614	1,299	4,901
Unspecified Expenditure	0	0	0	0%	115,982	1,299	89
<b>Total WASTEWATER - Wanaka</b>	<b>8,690,450</b>	<b>2,893,543</b>	<b>5,796,907</b>	<b>33%</b>	<b>8,803,464</b>	<b>1,299</b>	<b>6,776</b>

<b>HAWEA</b>							
Asset Management System	0	0	0	0%	-	108	0
Investigations	0	0	0	0%	-	108	0
Management	31,961	6,596	25,364	21%	2,988	108	28
Minor Works	0	0	0	0%	-	108	0
New Scheme	0	0	0	0%	-	108	0
Pump Station	33,930	2,266	31,664	7%	202,154	108	1,878
Renewals	281,500	0	281,500	0%	-	108	0
Reticulation	0	0	0	0%	199,132	108	1,850
Storage	0	0	0	0%	-	108	0
Treatment Facility	4,256,550	1,766,017	2,490,533	41%	374,384	108	3,479
Unspecified Expenditure	0	0	0	0%	12,937	108	120
<b>Total WASTEWATER - Hawea</b>	<b>4,603,941</b>	<b>1,774,879</b>	<b>2,829,062</b>	<b>39%</b>	<b>791,595</b>	<b>108</b>	<b>7,355</b>

**Wastewater Capital Expenditure for Development Contributions (excluding GST) cont...**

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>LUGGATE</b>							
Asset Management System	0	0	0	0%	-	9	0
Investigations	526,801	108,705	418,096	21%	31,305	9	3,374
Management	2,910	34	2,877	1%	118	9	13
Minor Works	0	0	0	0%	-	9	0
New Scheme	0	0	0	0%	-	9	0
Pump Station	0	0	0	0%	6,799	9	733
Renewals	106,654	0	106,654	0%	-	9	0
Reticulation	0	0	0	0%	-	9	0
Storage	0	0	0	0%	-	9	0
Treatment Facility	0	0	0	0%	-	9	0
Unspecified Expenditure	0	0	0	0%	-	9	0
<b>Total WASTEWATER - Luggate</b>	<b>636,365</b>	<b>108,739</b>	<b>527,627</b>	<b>17%</b>	<b>38,222</b>	<b>9</b>	<b>4,119</b>

<b>SHOTOVER COUNTRY</b>							
Asset Management System	0	0	0	0%	-	362	0
Investigations	0	0	0	0%	-	362	0
Management	0	0	0	0%	-	362	0
Minor Works	0	0	0	0%	-	362	0
New Scheme	0	0	0	0%	-	362	0
Pump Station	0	0	0	0%	-	362	0
Renewals	0	0	0	0%	-	362	0
Reticulation	0	0	0	0%	-	362	0
Storage	0	0	0	0%	-	362	0
Treatment Facility	3,709,379	686,206	3,023,172	18%	906,516	362	2,504
Unspecified Expenditure	0	0	0	0%	-	362	0
<b>Total WASTEWATER - Shotover Country</b>	<b>3,709,379</b>	<b>686,206</b>	<b>3,023,172</b>	<b>18%</b>	<b>906,516</b>	<b>362</b>	<b>2,504</b>

# Wastewater - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Annual Debt %
<b>QUEENSTOWN</b>									
Queenstown								10,784,517	
Queenstown	2015/16	11,852,710	2,488,850	2,488,850	159	945,683	945,683	12,327,684	93%
Queenstown	2016/17	2,397,595	1,066,974	3,555,824	205	1,215,777	2,161,460	12,178,881	85%
Queenstown	2017/18	5,800,872	2,979,415	6,535,239	205	1,215,777	3,377,237	13,942,520	81%
Queenstown	2018/19	5,429,021	2,518,463	9,053,703	205	1,215,777	4,593,014	15,245,206	77%
Queenstown	2019/20	5,091,892	1,270,587	10,324,290	205	1,215,777	5,808,790	15,300,017	72%
Queenstown	2020/21	332,340	5,666	10,329,956	205	1,215,777	7,024,567	14,089,906	67%
Queenstown	2021/22	2,677,268	298,980	10,628,935	158	938,547	7,963,114	13,450,338	63%
Queenstown	2022/23	2,463,826	467,747	11,096,682	158	938,547	8,901,661	12,979,538	59%
Queenstown	2023/24	372,382	14,199	11,110,882	158	938,547	9,840,208	12,055,190	55%
Queenstown	2024/25	346,297	8,640	11,119,522	158	938,547	10,778,755	11,125,283	51%
			<b>11,119,522</b>		<b>1,816</b>			<b>Queenstown Weighted Debt Funding Ratio</b>	<b>71%</b>

<b>ARROWTOWN</b>									
Arrowtown								1,485,912	
Arrowtown	2015/16	1,512,279	119,845	119,845	17	95,795	95,795	1,509,962	94%
Arrowtown	2016/17	267,817	13,524	133,369	8	46,350	142,145	1,477,136	91%
Arrowtown	2017/18	394,014	14,761	148,130	8	46,350	188,494	1,445,548	88%
Arrowtown	2018/19	112,611	534	148,664	8	46,350	234,844	1,399,732	86%
Arrowtown	2019/20	394,607	14,830	163,494	8	46,350	281,194	1,368,212	83%
Arrowtown	2020/21	111,780	438	163,932	8	46,350	327,544	1,322,300	80%
Arrowtown	2021/22	404,076	15,922	179,854	7	41,286	368,830	1,296,936	78%
Arrowtown	2022/23	118,639	1,229	181,083	7	41,286	410,116	1,256,879	75%
Arrowtown	2023/24	117,500	1,098	182,181	7	41,286	451,402	1,216,691	73%
Arrowtown	2024/25	113,774	668	182,849	7	41,286	492,688	1,176,073	70%
			<b>182,849</b>		<b>86</b>			<b>Arrowtown Weighted Debt Funding Ratio</b>	<b>83%</b>

**Wastewater - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...**

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Annual Debt %
<b>GLENORCHY</b>									
Glenorchy								210,305	
Glenorchy	2015/16	253,816	89,704	89,704	3	45,858	45,858	254,152	85%
Glenorchy	2016/17	5,386,587	1,920,207	2,009,911	3	49,335	95,193	2,125,023	96%
Glenorchy	2017/18	683	102	2,010,013	3	49,335	144,528	2,075,790	93%
Glenorchy	2018/19	987	148	2,010,161	3	49,335	193,863	2,026,603	91%
Glenorchy	2019/20	810	121	2,010,282	3	49,335	243,198	1,977,389	89%
Glenorchy	2020/21	810	121	2,010,403	3	49,335	292,533	1,928,175	87%
Glenorchy	2021/22	2,829	423	2,010,826	3	52,968	345,501	1,875,630	84%
Glenorchy	2022/23	2,272	340	2,011,166	3	52,968	398,468	1,823,002	82%
Glenorchy	2023/24	2,029	304	2,011,469	3	52,968	451,436	1,770,338	80%
Glenorchy	2024/25	1,235	185	2,011,654	3	52,968	504,404	1,717,556	77%
			<b>2,011,654</b>		<b>28</b>			<b>Glenorchy Weighted Debt Funding Ratio</b>	<b>87%</b>
<b>LAKE HAYES</b>									
Lake Hayes								-	
Lake Hayes	2015/16	703,179	91,574	91,574	4	27,938	27,938	63,636	69%
Lake Hayes	2016/17	83,031	10,239	101,813	6	47,113	75,051	26,762	26%
Lake Hayes	2017/18	144,673	12,629	114,442	6	47,113	122,164	-7,721	-7%
Lake Hayes	2018/19	7,428	316	114,758	6	47,113	169,276	-54,518	-48%
Lake Hayes	2019/20	144,943	12,670	127,428	6	47,113	216,389	-88,961	-70%
Lake Hayes	2020/21	7,050	259	127,688	6	47,113	263,502	-135,814	-106%
Lake Hayes	2021/22	149,256	13,317	141,004	8	55,940	319,441	-178,437	-127%
Lake Hayes	2022/23	10,173	728	141,732	8	55,940	375,381	-233,649	-165%
Lake Hayes	2023/24	9,654	650	142,382	8	55,940	431,320	-288,938	-203%
Lake Hayes	2024/25	7,957	396	142,778	8	55,940	487,260	-344,482	-241%
			<b>142,778</b>		<b>66</b>			<b>Lake Hayes Debt Funding Ratio</b>	<b>0%</b>

**Wastewater - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...**

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Annual Debt %
<b>ARTHURS POINT</b>									
Arthurs Point								-	
Arthurs Point	2015/16	590,929	139,159	139,159	14	65,264	65,264	73,895	53%
Arthurs Point	2016/17	67,317	15,408	154,567	13	59,042	124,306	30,261	20%
Arthurs Point	2017/18	119,543	15,489	170,057	13	59,042	183,347	-13,291	-8%
Arthurs Point	2018/19	3,512	335	170,392	13	59,042	242,389	-71,997	-42%
Arthurs Point	2019/20	119,749	15,532	185,924	13	59,042	301,431	-115,506	-62%
Arthurs Point	2020/21	3,225	275	186,200	13	59,042	360,472	-174,273	-94%
Arthurs Point	2021/22	123,027	16,219	202,418	10	45,165	405,637	-203,219	-100%
Arthurs Point	2022/23	133,209	28,453	230,871	10	45,165	450,802	-219,931	-95%
Arthurs Point	2023/24	5,205	690	231,560	10	45,165	495,967	-264,406	-114%
Arthurs Point	2024/25	3,915	420	231,980	10	45,165	541,131	-309,151	-133%
			<b>231,980</b>		<b>115</b>			<b>Arthurs Point Debt Funding Ratio</b>	<b>0%</b>

<b>WANAKA AND ALBERT TOWN</b>									
Wanaka								5,186,481	
Wanaka	2015/16	540,758	64,967	64,967	140	947,669	947,669	4,303,780	82%
Wanaka	2016/17	563,636	6,155	71,122	135	915,449	1,863,117	3,394,486	65%
Wanaka	2017/18	551,470	77,047	148,169	135	915,449	2,778,566	2,556,084	48%
Wanaka	2018/19	1,277,008	714,222	862,391	135	915,449	3,694,015	2,354,857	39%
Wanaka	2019/20	1,433,946	1,224,153	2,086,544	135	915,449	4,609,463	2,663,561	37%
Wanaka	2020/21	3,125,856	511,132	2,597,676	135	915,449	5,524,912	2,259,245	29%
Wanaka	2021/22	761,401	272,187	2,869,863	121	819,638	6,344,550	1,711,794	21%
Wanaka	2022/23	153,536	9,719	2,879,582	121	819,638	7,164,188	901,875	11%
Wanaka	2023/24	148,938	8,680	2,888,261	121	819,638	7,983,826	90,916	1%
Wanaka	2024/25	133,901	5,281	2,893,543	121	819,638	8,803,464	-723,440	-9%
			<b>2,893,543</b>		<b>1,299</b>			<b>Wanaka Weighted Debt Funding Ratio</b>	<b>47%</b>

**Wastewater - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...**

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Annual Debt %
<b>HAWEA</b>									
Hawea								822,765	
Hawea	2015/16	35,362	1,489	1,489	11	83,849	83,849	740,404	90%
Hawea	2016/17	30,870	561	2,050	11	81,401	165,250	659,564	80%
Hawea	2017/18	29,441	267	2,316	11	81,401	246,651	578,430	70%
Hawea	2018/19	30,015	385	2,701	11	81,401	328,052	497,414	60%
Hawea	2019/20	63,610	2,582	5,283	11	81,401	409,453	418,595	51%
Hawea	2020/21	29,680	316	5,599	11	81,401	490,854	337,509	41%
Hawea	2021/22	90,047	24,566	30,164	10	75,185	566,039	286,890	34%
Hawea	2022/23	4,232,445	1,743,441	1,773,606	10	75,185	641,225	1,955,146	75%
Hawea	2023/24	31,986	792	1,774,397	10	75,185	716,410	1,880,753	72%
Hawea	2024/25	30,484	482	1,774,879	10	75,185	791,595	1,806,049	70%
			<b>1,774,879</b>		<b>108</b>			<b>Hawea Weighted Debt Funding Ratio</b>	<b>70%</b>

<b>LUGGATE</b>									
Luggate									
Luggate	2015/16	37,662	5,443	5,443	1	4,044	4,044	1,399	26%
Luggate	2016/17	63,593	10,873	16,316	1	3,801	7,845	8,471	52%
Luggate	2017/18	89,803	16,307	32,623	1	3,801	11,647	20,977	64%
Luggate	2018/19	116,195	21,743	54,366	1	3,801	15,448	38,918	72%
Luggate	2019/20	116,165	21,743	76,109	1	3,801	19,249	56,859	75%
Luggate	2020/21	89,825	16,307	92,416	1	3,801	23,051	69,365	75%
Luggate	2021/22	63,832	10,876	103,292	1	3,793	26,844	76,449	74%
Luggate	2022/23	37,396	5,440	108,732	1	3,793	30,636	78,096	72%
Luggate	2023/24	11,015	4	108,736	1	3,793	34,429	74,307	68%
Luggate	2024/25	10,878	2	108,739	1	3,793	38,222	70,517	65%
			<b>108,739</b>		<b>9</b>			<b>Luggate Debt Funding Ratio</b>	<b>71%</b>



**Stormwater Capital Expenditure for Development Contributions (excluding GST)**

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2011/12 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2014/15 \$)
<b>QUEENSTOWN</b>							
Asset Management System	0	0	0	0%	15,682	899	17
Emergency Conveyance	0	0	0	0%	-	899	0
Flood Protection	0	0	0	0%	162,980	899	181
Flow Metering	0	0	0	0%	-	899	0
Intake	0	0	0	0%	-	899	0
Investigations	0	0	0	0%	186	899	0
Management	331,912	68,545	263,367	21%	23,793	899	26
Minor Works	0	0	0	0%	10,065	899	11
Pump Station	0	0	0	0%	-	899	0
Renewals	0	0	0	0%	32,762	899	36
Reticulation	828,426	236,954	591,473	29%	903,331	899	1,005
Storage	0	0	0	0%	-	899	0
Stormwater Upgrades	0	0	0	0%	118,632	899	132
Treatment Facility	0	0	0	0%	6,537	899	7
<b>TOTAL STORMWATER - QUEENSTOWN</b>	<b>1,160,338</b>	<b>305,498</b>	<b>854,840</b>	<b>26%</b>	<b>1,273,969</b>	<b>899</b>	<b>1,417</b>

<b>ARROWTOWN</b>							
Flood Protection	0	0	0	0%	-	70	0
Forward Design	0	0	0	0%	-	70	0
Investigations	0	0	0	0%	26	70	0
Management	0	0	0	0%	-	70	0
Minor Works	0	0	0	0%	-	70	0
Renewals	0	0	0	0%	2,885	70	41
Reticulation	0	0	0	0%	63,936	70	909
Storage	0	0	0	0%	-	70	0
Stormwater Upgrades	0	0	0	0%	1,388	70	20
Treatment Facility	0	0	0	0%	-	70	0
<b>TOTAL STORMWATER - ARROWTOWN</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>68,235</b>	<b>70</b>	<b>970</b>

**Stormwater Capital Expenditure for Development Contributions (excluding GST) cont...**

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2011/12 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2014/15 \$)
<b>GLENORCHY</b>							
Flood Protection	0	0	0	0%	3,323	31	109
Forward Design	0	0	0	0%	-	31	0
Investigations	0	0	0	0%	3	31	0
Management	0	0	0	0%	-	31	0
Stormwater Upgrades	0	0	0	0%	129	31	4
Minor Works	0	0	0	0%	-	31	0
Renewals	0	0	0	0%	-	31	0
Reticulation	0	0	0	0%	17,439	31	572
Storage	0	0	0	0%	-	31	0
Treatment Facility	0	0	0	0%	-	31	0
<b>TOTAL STORMWATER - GLENORCHY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>20,894</b>	<b>31</b>	<b>685</b>

<b>FRANKTON FLATS</b>							
Flood Protection	0	0	0	0%	-	256	0
Forward Design	0	0	0	0%	-	256	0
Investigations	0	0	0	0%	-	256	0
Management	0	0	0	0%	17,035	256	67
Minor Works	0	0	0	0%	-	256	0
Renewals	0	0	0	0%	-	256	0
Reticulation	3,698,370	3,698,370	0	100%	1,918,068	256	7,502
Storage	0	0	0	0%	-	256	0
Treatment Facility	0	0	0	0%	84,986	256	332
<b>TOTAL STORMWATER - FRANKTON FLATS</b>	<b>3,698,370</b>	<b>3,698,370</b>	<b>0</b>	<b>100%</b>	<b>2,020,089</b>	<b>256</b>	<b>7,901</b>

**Stormwater Capital Expenditure for Development Contributions (excluding GST) cont...**

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2011/12 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2014/15 \$)
<b>WANAKA</b>							
Asset Management System	0	0	0	0%	7,254	1,012	7
Emergency Conveyance	0	0	0	0%	-	1,012	0
Flood Protection	0	0	0	0%	27,252	1,012	27
Forward Design	0	0	0	0%	-	1,012	0
Intake	0	0	0	0%	-	1,012	0
Investigations	0	0	0	0%	2,245	1,012	2
Management	184,128	41,138	142,990	22%	14,638	1,012	14
Minor Works	0	0	0	0%	11,620	1,012	11
Pump Station	0	0	0	0%	-	1,012	0
Renewals	0	0	0	0%	40,466	1,012	40
Reticulation	257,821	225,934	31,887	88%	1,745,251	1,012	1,724
Stormwater Upgrades	0	0	0	0%	154,497	1,012	153
Treatment Facility	0	0	0	0%	-	1,012	0
<b>TOTAL STORMWATER - WANAKA</b>	<b>441,950</b>	<b>267,073</b>	<b>174,877</b>	<b>60%</b>	<b>2,003,223</b>	<b>1,012</b>	<b>1,979</b>

<b>HAWEA</b>							
Flood Protection	0	0	0	0%	-	94	0
Forward Design	0	0	0	0%	-	94	0
Investigations	0	0	0	0%	7	94	0
Management	0	0	0	0%	-	94	0
Minor Works	0	0	0	0%	-	94	0
Renewals	0	0	0	0%	-	94	0
Reticulation	0	0	0	0%	46,736	94	495
Storage	0	0	0	0%	-	94	0
Stormwater Upgrades	0	0	0	0%	1,388	94	15
Treatment Facility	0	0	0	0%	-	94	0
<b>TOTAL STORMWATER - HAWEA</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>48,131</b>	<b>94</b>	<b>510</b>

**Stormwater Capital Expenditure for Development Contributions (excluding GST) cont...**

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2011/12 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2014/15 \$)
<b>LUGGATE</b>							
Flood Protection	0	0	0	0%	-	36	0
Forward Design	0	0	0	0%	-	36	0
Investigations	0	0	0	0%	912	36	25
Management	0	0	0	0%	-	36	0
Minor Works	0	0	0	0%	-	36	0
Renewals	0	0	0	0%	-	36	0
Reticulation	0	0	0	0%	565	36	16
Storage	0	0	0	0%	-	36	0
Treatment Facility	0	0	0	0%	-	36	0
<b>TOTAL STORMWATER - LUGGATE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>1,477</b>	<b>36</b>	<b>41</b>

<b>ALBERT TOWN</b>							
Flood Protection	0	0	0	0%	24,974	114	220
Forward Design	0	0	0	0%	-	114	0
Investigations	0	0	0	0%	13	114	0
Management	0	0	0	0%	-	114	0
Minor Works	0	0	0	0%	-	114	0
Renewals	0	0	0	0%	-	114	0
Reticulation	0	0	0	0%	79,992	114	703
Storage	0	0	0	0%	-	114	0
Stormwater Upgrades	0	0	0	0%	2,016	114	18
Treatment Facility	0	0	0	0%	-	114	0
<b>TOTAL STORMWATER - ALBERT TOWN</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>106,995</b>	<b>114</b>	<b>941</b>

**Stormwater Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment**

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Debt %
<b>QUEENSTOWN</b>								<b>1,855,361</b>	
Queenstown	2015/16	140,931	30,642	30,642	97	138,009	138,009	1,747,994	93%
Queenstown	2016/17	465,388	104,660	135,302	94	133,068	271,077	1,719,587	86%
Queenstown	2017/18	101,682	38,194	173,496	94	133,068	404,145	1,624,713	80%
Queenstown	2018/19	49,145	10,149	183,646	94	133,068	537,213	1,501,794	74%
Queenstown	2019/20	226,679	85,400	269,046	94	133,068	670,281	1,454,126	68%
Queenstown	2020/21	32,763	6,766	275,812	94	133,068	803,349	1,327,824	62%
Queenstown	2021/22	32,763	6,766	282,578	83	117,655	921,004	1,216,935	57%
Queenstown	2022/23	36,040	7,443	290,021	83	117,655	1,038,659	1,106,723	52%
Queenstown	2023/24	36,654	7,570	297,591	83	117,655	1,156,314	996,638	46%
Queenstown	2024/25	38,292	7,908	305,498	83	117,655	1,273,969	886,891	41%
			<b>305,498</b>	<b>-</b>	<b>899</b>			<b>Queenstown Weighted Debt Funding Ratio</b>	<b>69%</b>

<b>ARROWTOWN</b>								<b>356,755</b>	
Arrowtown	2015/16	-	-	-	15	14,403	14,403	342,352	96%
Arrowtown	2016/17	-	-	-	6	6,048	20,451	336,304	94%
Arrowtown	2017/18	-	-	-	6	6,048	26,499	330,255	93%
Arrowtown	2018/19	-	-	-	6	6,048	32,548	324,207	91%
Arrowtown	2019/20	-	-	-	6	6,048	38,596	318,159	89%
Arrowtown	2020/21	-	-	-	6	6,048	44,644	312,110	87%
Arrowtown	2021/22	-	-	-	6	5,898	50,542	306,213	86%
Arrowtown	2022/23	-	-	-	6	5,898	56,440	300,315	84%
Arrowtown	2023/24	-	-	-	6	5,898	62,338	294,417	83%
Arrowtown	2024/25	-	-	-	6	5,898	68,235	288,520	81%
			<b>-</b>	<b>-</b>	<b>70</b>			<b>Arrowtown Debt Funding Ratio</b>	<b>89%</b>

**Stormwater Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...**

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Debt %
<b>GLENORCHY</b>								<b>20,340</b>	
Glenorchy	2015/16	-	-	-	3	2,079	2,079	18,261	90%
Glenorchy	2016/17	-	-	-	3	2,038	4,117	16,223	80%
Glenorchy	2017/18	-	-	-	3	2,038	6,155	14,184	70%
Glenorchy	2018/19	-	-	-	3	2,038	8,194	12,146	60%
Glenorchy	2019/20	-	-	-	3	2,038	10,232	10,108	50%
Glenorchy	2020/21	-	-	-	3	2,038	12,270	8,069	40%
Glenorchy	2021/22	-	-	-	3	2,156	14,426	5,913	29%
Glenorchy	2022/23	-	-	-	3	2,156	16,582	3,757	18%
Glenorchy	2023/24	-	-	-	3	2,156	18,738	1,601	8%
Glenorchy	2024/25	-	-	-	3	2,156	20,894	-555	-3%
			-	-	<b>31</b>			<b>Glenorchy Weighted Debt Funding Ratio</b>	<b>63%</b>

<b>FRANKTON FLATS</b>								-	
Frankton Flats	2015/16	1,012,219	1,012,219	1,012,219	0	-	-	1,012,219	100%
Frankton Flats	2016/17	2,574,871	2,574,871	3,587,090	29	227,775	227,775	3,359,315	94%
Frankton Flats	2017/18	111,280	111,280	3,698,370	29	227,775	455,550	3,242,820	88%
Frankton Flats	2018/19	-	-	3,698,370	29	227,775	683,325	3,015,045	82%
Frankton Flats	2019/20	-	-	3,698,370	29	227,775	911,100	2,787,270	75%
Frankton Flats	2020/21	-	-	3,698,370	29	227,775	1,138,875	2,559,495	69%
Frankton Flats	2021/22	-	-	3,698,370	28	220,303	1,359,179	2,339,191	63%
Frankton Flats	2022/23	-	-	3,698,370	28	220,303	1,579,482	2,118,888	57%
Frankton Flats	2023/24	-	-	3,698,370	28	220,303	1,799,786	1,898,584	51%
Frankton Flats	2024/25	-	-	3,698,370	28	220,303	2,020,089	1,678,281	45%
			<b>3,698,370</b>	-	<b>256</b>			<b>Kingston Weighted Debt Funding Ratio</b>	<b>74%</b>



**Stormwater Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...**

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Debt %
<b>WANAKA</b>								<b>1,759,854</b>	
Wanaka	2015/16	66,944	29,792	29,792	110	218,221	218,221	1,571,425	88%
Wanaka	2016/17	14,685	3,281	33,073	103	204,551	422,772	1,370,154	76%
Wanaka	2017/18	110,145	100,447	133,520	103	204,551	627,324	1,266,050	67%
Wanaka	2018/19	127,263	106,091	239,611	103	204,551	831,875	1,167,590	58%
Wanaka	2019/20	24,991	5,584	245,195	103	204,551	1,036,426	968,623	48%
Wanaka	2020/21	18,176	4,061	249,256	103	204,551	1,240,978	768,132	38%
Wanaka	2021/22	18,176	4,061	253,317	96	190,561	1,431,539	581,632	29%
Wanaka	2022/23	19,993	4,467	257,784	96	190,561	1,622,100	395,537	20%
Wanaka	2023/24	20,334	4,543	262,327	96	190,561	1,812,661	209,519	10%
Wanaka	2024/25	21,243	4,746	267,073	96	190,561	2,003,223	23,704	1%
			<b>267,073</b>	<b>-</b>	<b>1,012</b>			<b>Wanaka Weighted Debt Funding Ratio</b>	<b>60%</b>

<b>HAWEA</b>								<b>41,784</b>	
Hawea	2015/16	-	-	-	10	5,072	5,072	36,712	88%
Hawea	2016/17	-	-	-	10	4,938	10,010	31,774	76%
Hawea	2017/18	-	-	-	10	4,938	14,948	26,836	64%
Hawea	2018/19	-	-	-	10	4,938	19,886	21,897	52%
Hawea	2019/20	-	-	-	10	4,938	24,825	16,959	41%
Hawea	2020/21	-	-	-	10	4,938	29,763	12,021	29%
Hawea	2021/22	-	-	-	9	4,592	34,355	7,429	18%
Hawea	2022/23	-	-	-	9	4,592	38,947	2,837	7%
Hawea	2023/24	-	-	-	9	4,592	43,539	-1,755	-4%
Hawea	2024/25	-	-	-	9	4,592	48,131	-6,347	-15%
			<b>-</b>	<b>-</b>	<b>94</b>			<b>Hawea Debt Funding Ratio</b>	<b>58%</b>

Stormwater Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Debt %
<b>ALBERT TOWN</b>								<b>129,043</b>	
Albert Town	2015/16	-	-	-	13	12,061	12,061	116,983	91%
Albert Town	2016/17	-	-	-	11	10,818	22,878	106,165	82%
Albert Town	2017/18	-	-	-	11	10,818	33,696	95,347	74%
Albert Town	2018/19	-	-	-	11	10,818	44,514	84,529	66%
Albert Town	2019/20	-	-	-	11	10,818	55,332	73,712	57%
Albert Town	2020/21	-	-	-	11	10,818	66,149	62,894	49%
Albert Town	2021/22	-	-	-	11	10,211	76,361	52,682	41%
Albert Town	2022/23	-	-	-	11	10,211	86,572	42,471	33%
Albert Town	2023/24	-	-	-	11	10,211	96,784	32,260	25%
Albert Town	2024/25	-	-	-	11	10,211	106,995	22,048	17%
			-	-	<b>114</b>			<b>Albert Town Debt Funding Ratio</b>	<b>64%</b>

**Reserve Improvements & Community Facilities - Capital Expenditure for Development Contributions (excluding GST)**

Project Summaries (GL Code Location)	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>RESERVE IMPROVEMENTS - WAKATIPU</b>							
Parks and Reserves - Wakatipu Ward	7,171,922	1,233,994	5,937,928	17%	2,898,258	3,126	927
Walkways - Wakatipu Ward	1,477,390	173,702	1,303,688	12%	256,068	3,126	82
Council Land - Reserve Land - Wakatipu	0	0	0	0%	40,743	3,126	13
Cemeteries - Wakatipu Ward	39,254	0	39,254	0%	57,068	3,126	18
<b>Total - RESERVE IMPROVEMENTS - WAKATIPU</b>	<b>8,688,566</b>	<b>1,407,695</b>	<b>7,280,871</b>	<b>16%</b>	<b>3,252,136</b>	<b>3,126</b>	<b>1,040</b>

<b>RESERVE IMPROVEMENTS - WANAKA</b>							
Parks and Reserves - Wanaka Ward	3,463,670	623,979	2,839,692	18%	1,738,267	2,198	791
Walkways - Wanaka Ward	179,097	34,208	144,890	19%	116,941	2,198	53
Council Land - Reserve Land - Wanaka	0	0	0	0%	465,582	2,198	212
Council Land - Reserve Land - Hawea	0	0	0	0%	-	2,198	-
Cemeteries - Wanaka Ward	0	0	0	0%	47,899	2,198	22
<b>Total - RESERVE IMPROVEMENTS - WANAKA</b>	<b>3,642,767</b>	<b>658,186</b>	<b>2,984,581</b>	<b>18%</b>	<b>2,368,689</b>	<b>2,198</b>	<b>1,078</b>

<b>RESERVE IMPROVEMENTS - DISTRICT WIDE</b>							
Parks and Reserves - Wakatipu Ward	88,322	18,548	69,774	21%	320,835	5,324	60
Parks and Reserves - Wanaka Ward	98,135	29,398	68,738	30%	66,465	5,324	12
<b>Total - RESERVE IMPROVEMENTS - DISTRICT WIDE</b>	<b>186,457</b>	<b>47,945</b>	<b>138,512</b>	<b>26%</b>	<b>387,299</b>	<b>5,324</b>	<b>72</b>

**Reserve Improvements & Community Facilities - Capital Expenditure for Development Contributions (excluding GST) cont...**

Project Summaries (GL Code Location)	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>COMMUNITY FACILITIES - WAKATIPU</b>							
Alpine Aqualand	524,286	0	524,286	0%	3,593,925	3,126	1,150
Council Land - Non-Reserve - Wakatipu	0	0	0	0%	40,091	3,126	13
Waterways Facilities - Wakatipu Ward	207,203	0	207,203	0%	107,466	3,126	34
Halls - Queenstown	340,039	26,400	313,639	8%	774,604	3,126	248
Halls - Events Centre	749,601	0	749,601	0%	1,850,036	3,126	592
Halls - Convention Centre	58,996,000	0	58,996,000	0%	-	3,126	-
Halls - Lake Hayes Pavillion	0	0	0	0%	-	3,126	-
Halls - Arrowtown	179,068	6,689	172,378	4%	27,402	3,126	9
Halls - Glenorchy	107,000	0	107,000	0%	8,844	3,126	3
Halls - Queenstown Community Centre	102,641	0	102,641	0%	28,487	3,126	9
Buildings - Heritage	0	0	0	0%	226,797	3,126	73
Buildings - Toilets - Wakatipu Ward	457,785	62,432	395,353	14%	251,784	3,126	81
Community Development - Swimming Pools	166,310	0	166,310	0%	501,084	3,126	160
Libraries - Queenstown	4,975,608	0	4,975,608	0%	5,627	3,126	2
Libraries - Arrowtown	43,500	0	43,500	0%	-	3,126	-
Libraries - Glenorchy	28,000	0	28,000	0%	1,544	3,126	0
Libraries - Kingston	30,000	0	30,000	0%	-	3,126	-
Health and Fitness centre	392,542	0	392,542	0%	-	3,126	-
Frankton Golf Course	0	0	0	0%	-	3,126	-
Events Centre	0	0	0	0%	-	3,126	-
Rural Fire - District Wide	0	0	0	0%	-	3,126	-
Waka - Non Res	33,000	0	33,000	0%	-	3,126	-
<b>Total - COMMUNITY FACILITIES - WAKATIPU</b>	<b>67,332,582</b>	<b>95,521</b>	<b>67,237,061</b>	<b>0%</b>	<b>7,417,691</b>	<b>3,126</b>	<b>2,373</b>

**Reserve Improvements & Community Facilities - Capital Expenditure for Development Contributions (excluding GST) cont...**

Project Summaries (GL Code Location)	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>COMMUNITY FACILITIES - WANAKA</b>							
Waterways Facilities - Wanaka Ward	1,156,225	0	1,156,225	0%	136,211	2,198	62
Halls - Arts & Community Centre	12,000	0	12,000	0%	751,004	2,198	342
Halls - Hawea	110,068	18,350	91,718	17%	18,831	2,198	9
Halls - Luggate	42,000	0	42,000	0%	5,012	2,198	2
Halls - Cardrona	47,000	0	47,000	0%	25,670	2,198	12
Halls - Wanaka Community Centre	406,303	0	406,303	0%	858,719	2,198	391
Halls - Wanaka Sports Facility	11,481,845	0	11,481,845	0%	-	2,198	-
Buildings - Toilets - Wanaka Ward	821,508	95,042	726,466	12%	95,433	2,198	43
Community Development - Swimming Pools	0	0	0	0%	114,585	2,198	52
Wanaka Swimming Pool	11,810,800	0	11,810,800	0%	-	2,198	-
Libraries - Wanaka	320,438	0	320,438	0%	4,480	2,198	2
Libraries - Hawea	23,438	0	23,438	0%	2,749	2,198	1
<b>Total - COMMUNITY FACILITIES - WANAKA</b>	<b>26,231,624</b>	<b>113,392</b>	<b>26,118,233</b>	<b>0%</b>	<b>2,012,695</b>	<b>2,198</b>	<b>916</b>

<b>COMMUNITY FACILITIES - DISTRICT WIDE</b>							
Community Development - Swimming Pools	80,000	0	80,000	0%	-	5,324	-
Rural Fire - District Wide	30,000	0	30,000	0%	41,598	5,324	8
Libraries - Queenstown	1,459,000	0	1,459,000	0%	-	5,324	-
Libraries - Wanaka	1,198,075	0	1,198,075	0%	-	5,324	-
Halls - Lake Hayes Pavillion	65,754	5,662	60,092	9%	21,122	5,324	4
Community Development - District Wide	0	0	0	0%	174,406	5,324	33
<b>Total - COMMUNITY FACILITIES - DISTRICT WIDE</b>	<b>2,832,829</b>	<b>5,662</b>	<b>2,827,166</b>	<b>0%</b>	<b>237,127</b>	<b>5,324</b>	<b>45</b>

#### Reserve Land - Capital Expenditure for Development Contributions (Excluding GST)

"Project Summaries (GL Code Location)"	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
Wakatipu - Reserve Land							
Reserves	\$13,529,238	\$13,529,238	\$-	100%	\$14,101,027	1,789	27.5 m²
Wanaka - Reserve Land							
Reserves	\$7,153,795	\$7,153,795	\$-	100%	\$7,282,387	1,234	27.5 m²
<b>Total - Reserve Land</b>	<b>\$20,683,034</b>	<b>\$20,683,034</b>	<b>\$-</b>		<b>\$21,383,414</b>	<b>3,024</b>	



# Reserve Improvements & Community Facilities - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Net Cost Balance (2015/16 \$)	Debt %
<b>WAKATIPU - Reserve Improvements</b>									
								2,685,876	
Wakatipu	2015/16	1,652,988	308,249	308,249	468	486,562	486,562	2,507,563	83.7%
Wakatipu	2016/17	1,280,508	192,789	501,038	328	341,626	828,188	2,358,726	74.0%
Wakatipu	2017/18	752,012	120,954	621,992	328	341,626	1,169,813	2,138,054	64.6%
Wakatipu	2018/19	873,410	134,118	756,109	328	341,626	1,511,439	1,930,546	56.1%
Wakatipu	2019/20	724,908	116,021	872,130	328	341,626	1,853,065	1,704,941	47.9%
Wakatipu	2020/21	559,451	90,304	962,434	328	341,626	2,194,691	1,453,619	39.8%
Wakatipu	2021/22	740,731	135,841	1,098,275	254	264,361	2,459,052	1,325,099	35.0%
Wakatipu	2022/23	523,227	79,593	1,177,869	254	264,361	2,723,414	1,140,331	29.5%
Wakatipu	2023/24	579,804	81,900	1,259,769	254	264,361	2,987,775	957,870	24.3%
Wakatipu	2024/25	1,001,526	147,927	1,407,695	254	264,361	3,252,136	841,435	20.6%
<b>Wakatipu</b>		<b>8,688,566</b>	<b>1,407,695</b>	<b>-</b>	<b>3,126</b>	<b>3,252,136</b>		<b>Wakatipu Weighted Debt Funding Ratio</b>	<b>54%</b>

<b>WAKATIPU - Community Facilities</b>									
								8,504,631	
Wakatipu	2015/16	2,604,980	1,302	1,302	468	1,109,783	1,109,783	7,396,151	87.0%
Wakatipu	2016/17	25,285,262	12,120	13,423	328	779,203	1,888,986	6,629,068	77.8%
Wakatipu	2017/18	31,087,762	13,461	26,884	328	779,203	2,668,189	5,863,326	68.7%
Wakatipu	2018/19	493,153	28,144	55,028	328	779,203	3,447,393	5,112,266	59.7%
Wakatipu	2019/20	1,564,635	-	55,028	328	779,203	4,226,596	4,333,063	50.6%
Wakatipu	2020/21	5,148,674	20,827	75,855	328	779,203	5,005,800	3,574,686	41.7%
Wakatipu	2021/22	188,667	-	75,855	254	602,973	5,608,773	2,971,713	34.6%
Wakatipu	2022/23	339,322	-	75,855	254	602,973	6,211,746	2,368,740	27.6%
Wakatipu	2023/24	276,506	19,666	95,521	254	602,973	6,814,719	1,785,434	20.8%
Wakatipu	2024/25	343,622	-	95,521	254	602,973	7,417,691	1,182,461	13.7%
<b>Wakatipu</b>		<b>67,332,582</b>	<b>95,521</b>	<b>-</b>	<b>3,126</b>	<b>7,417,691</b>		<b>Wakatipu Weighted Debt Funding Ratio</b>	<b>60%</b>

## Reserve Improvements &amp; Community Facilities - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Net Cost Balance (2015/16 \$)	Debt %
<b>WANAKA - Reserve Improvements</b>									
								-	
Wanaka	2015/16	12,481,430	185,188	185,188	194	209,549	209,549	-24,361	-13.2%
Wanaka	2016/17	11,371,475	43,603	228,791	236	254,343	463,892	-235,101	-102.8%
Wanaka	2017/18	231,910	35,964	264,755	236	254,343	718,234	-453,479	-171.3%
Wanaka	2018/19	1,426,855	119,692	384,447	236	254,343	972,577	-588,130	-153.0%
Wanaka	2019/20	335,700	49,412	433,859	236	254,343	1,226,920	-793,060	-182.8%
Wanaka	2020/21	173,401	32,428	466,287	236	254,343	1,481,262	-1,014,975	-217.7%
Wanaka	2021/22	29,501	49,695	515,982	206	221,857	1,703,119	-1,187,136	-230.1%
Wanaka	2022/23	102,301	48,439	564,422	206	221,857	1,924,975	-1,360,554	-241.1%
Wanaka	2023/24	27,501	34,640	599,061	206	221,857	2,146,832	-1,547,771	-258.4%
Wanaka	2024/25	51,551	59,125	658,186	206	221,857	2,368,689	-1,710,502	-259.9%
		<b>26,231,624</b>	<b>658,186</b>	-	<b>2,198</b>	<b>2,368,689</b>		<b>Wanaka Weighted Debt Funding Ratio</b>	<b>0%</b>

<b>WANAKA - Community Facilities</b>									
								155,952	
Wanaka	2015/16	9,588,011	8,998	8,998	194	178,116	178,116	-13,166	-8.0%
Wanaka	2016/17	14,492,498	15,850	24,848	236	216,190	394,306	-213,507	-118.1%
Wanaka	2017/18	243,110	-	24,848	236	216,190	610,497	-429,697	-237.7%
Wanaka	2018/19	1,441,355	52,309	77,157	236	216,190	826,687	-593,578	-254.6%
Wanaka	2019/20	362,500	31,651	108,807	236	216,190	1,042,877	-778,118	-293.9%
Wanaka	2020/21	193,401	2,751	111,558	236	216,190	1,259,068	-991,558	-370.7%
Wanaka	2021/22	30,501	-	111,558	206	188,577	1,447,645	-1,180,135	-441.2%
Wanaka	2022/23	128,451	-	111,558	206	188,577	1,636,222	-1,368,712	-511.6%
Wanaka	2023/24	27,501	-	111,558	206	188,577	1,824,800	-1,557,289	-582.1%
Wanaka	2024/25	51,551	1,834	113,392	206	188,577	2,013,377	-1,744,033	-647.5%
		<b>26,558,879</b>	<b>113,392</b>	-	<b>2,198</b>	<b>2,013,377</b>		<b>Wanaka Weighted Debt Funding Ratio</b>	<b>0%</b>

**Reserve Improvements & Community Facilities - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...**

Contributing Area	Financial Year	CAPEX (2015/16 \$)	CAPEX for Growth (2015/16 \$)	Cumulative Growth Cost (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Cumulative Contributions Received (2015/16 \$)	Net Cost Balance (2015/16 \$)	Debt %
<b>District Wide - Reserve Improvements</b>									
								-	
District Wide	2015/16	29,441	6,183	6,183	662	48,168	48,168	-41,985	-679.1%
District Wide	2016/17	98,135	29,398	35,580	564	41,057	89,225	-53,645	-150.8%
District Wide	2017/18	14,720	3,091	38,671	564	41,057	130,282	-91,611	-236.9%
District Wide	2018/19	-	-	38,671	564	41,057	171,339	-132,668	-343.1%
District Wide	2019/20	14,720	3,091	41,763	564	41,057	212,396	-170,634	-408.6%
District Wide	2020/21	-	-	41,763	564	41,057	253,453	-211,691	-506.9%
District Wide	2021/22	14,720	3,091	44,854	460	33,462	286,915	-242,061	-539.7%
District Wide	2022/23	-	-	44,854	460	33,462	320,376	-275,522	-614.3%
District Wide	2023/24	14,720	3,091	47,945	460	33,462	353,838	-305,893	-638.0%
District Wide	2024/25	-	-	47,945	460	33,462	387,299	-339,354	-707.8%
		<b>186,457</b>	<b>47,945</b>	<b>-</b>	<b>5,324</b>	<b>387,299</b>		<b>District Wide Weighted Debt Funding Ratio</b>	<b>0%</b>

<b>District Wide - Community Facilities</b>									
								3,159,762	
District Wide	2015/16	285,350	5,662	5,662	662	29,491	29,491	3,135,933	99.1%
District Wide	2016/17	266,096	-	5,662	564	25,138	54,628	3,110,796	98.3%
District Wide	2017/18	253,096	-	5,662	564	25,138	79,766	3,085,658	97.5%
District Wide	2018/19	266,096	-	5,662	564	25,138	104,903	3,060,521	96.7%
District Wide	2019/20	293,782	-	5,662	564	25,138	130,041	3,035,383	95.9%
District Wide	2020/21	297,282	-	5,662	564	25,138	155,178	3,010,246	95.1%
District Wide	2021/22	298,782	-	5,662	460	20,487	175,666	2,989,759	94.5%
District Wide	2022/23	279,782	-	5,662	460	20,487	196,153	2,969,272	93.8%
District Wide	2023/24	298,782	-	5,662	460	20,487	216,640	2,948,785	93.2%
District Wide	2024/25	293,782	-	5,662	460	20,487	237,127	2,928,297	92.5%
		<b>2,832,829</b>	<b>5,662</b>	<b>-</b>	<b>5,324</b>	<b>237,127</b>		<b>District Wide Weighted Debt Funding Ratio</b>	<b>96%</b>

**Reserve Land - Debt Funding Ratio - 10 Year Net Growth vs. Revenue Assessment**

Contributing Area	Financial Year	CAPEX (\$)	CAPEX for Growth (\$)	Cumulative Growth Cost	New Dwelling Equivalents	Contributions Received (\$)	Cumulative Contributions Received (\$)	Net Cost Balance (\$)	Debt %
<b>Wakatipu - Reserve Land</b>	<b>Existing Debt</b>								
Wakatipu	2016	\$-	\$-	\$-	196	\$857,325	\$857,325	-\$857,325	0%
Wakatipu	2017	\$-	\$-	\$-	196	\$857,325	\$1,714,651	-\$1,714,651	0%
Wakatipu	2018	\$-	\$-	\$-	196	\$857,325	\$2,571,976	-\$2,571,976	0%
Wakatipu	2019	\$1,000,000	\$1,000,000	\$1,000,000.00	196	\$857,325	\$3,429,302	-\$2,429,302	-243%
Wakatipu	2020	\$1,000,000	\$1,000,000	\$2,000,000.00	196	\$857,325	\$4,286,627	-\$2,286,627	-114%
Wakatipu	2021	\$1,000,000	\$1,000,000	\$3,000,000.00	162	\$657,032	\$4,943,660	-\$1,943,660	-65%
Wakatipu	2022	\$1,000,000	\$1,000,000	\$4,000,000.00	162	\$657,032	\$5,600,692	-\$1,600,692	-40%
Wakatipu	2023	\$1,000,000	\$1,000,000	\$5,000,000.00	162	\$657,032	\$6,257,724	-\$1,257,724	-25%
Wakatipu	2024	\$1,000,000	\$1,000,000	\$6,000,000.00	162	\$657,032	\$6,914,757	-\$914,757	-15%
Wakatipu	2025	\$1,000,000	\$1,000,000	\$7,000,000.00	162	\$657,032	\$7,571,789	-\$571,789	-8%
		<b>\$7,000,000</b>	<b>\$7,000,000</b>		<b>1,789</b>	<b>\$7,571,789</b>		<b>Wakatipu Weighted Debt Funding Ratio</b>	<b>0%</b>
<b>Wanaka - Reserve Land</b>	<b>Existing Debt</b>								
Wanaka	2016	\$-	\$-	\$-	133	\$342,479	\$342,479	-\$342,479	0%
Wanaka	2017	\$-	\$-	\$-	133	\$342,479	\$684,958	-\$684,958	0%
Wanaka	2018	\$-	\$-	\$-	133	\$342,479	\$1,027,437	-\$1,027,437	0%
Wanaka	2019	\$750,000	\$750,000	\$750,000.00	133	\$342,479	\$1,369,917	-\$619,917	-83%
Wanaka	2020	\$-	\$-	\$750,000.00	133	\$342,479	\$1,712,396	-\$962,396	-128%
Wanaka	2021	\$750,000	\$750,000	\$1,500,000.00	114	\$283,239	\$1,995,635	-\$495,635	-33%
Wanaka	2022	\$-	\$-	\$1,500,000.00	114	\$283,239	\$2,278,874	-\$778,874	-52%
Wanaka	2023	\$750,000	\$750,000	\$2,250,000.00	114	\$283,239	\$2,562,113	-\$312,113	-14%
Wanaka	2024	\$-	\$-	\$2,250,000.00	114	\$283,239	\$2,845,353	-\$595,353	-26%
Wanaka	2025	\$750,000	\$750,000	\$3,000,000.00	114	\$283,239	\$3,128,592	-\$128,592	-4%
		<b>\$3,000,000</b>	<b>\$3,000,000</b>		<b>1,234</b>	<b>\$3,128,592</b>		<b>Wanaka Weighted Debt Funding Ratio</b>	<b>0%</b>
<b>Total - Reserve Land</b>		<b>\$10,000,000</b>	<b>\$10,000,000</b>		<b>3,024</b>	<b>\$10,700,381</b>			

**Transportation - Capital Expenditure for Development Contributions**

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>WAKATIPU</b>							
Advance property purchase	0	0	0	0%	745,5720	5,111	146
Associated improvements	0	0	0	0%	231,222	5,111	45
Cycle facilities	896,000	134,400	761,600	15%	190,5841	5,111	37
Drainage renewals	1,430,200	214,530	1,215,670	15%	276,735	5,111	54
Environmental Renewals	0	0	0	0%	111	5,111	0
Kerb & Channel Construction	0	0	0	0%	52,402	5,111	10
Minor Improvements	7,959,556	795,956	7,163,601	10%	813,328	5,111	159
New roads	2,362,250	1,889,800	472,450	80%	1,692,045	5,111	331
Other Structures	0	0	0	0%	280	5,111	0
Passenger transport infrastructure	0	0	0	0%	43,071	5,111	8
Pedestrian and Cycle facilities	0	0	0	0%	35,719	5,111	7
Pedestrian facilities	0	0	0	0%	154,908	5,111	30
Preventive maintenance	375,350	37,535	337,815	10%	23,753	5,111	5
Property purchase (local roads)	0	0	0	0%	128,544	5,111	25
Replacement of bridges & other structures	546,350	81,953	464,398	15%	26,063	5,111	5
Road reconstruction	0	0	0	0%	722,677	5,111	141
Roading General	0	0	0	0%	341,743	5,111	67
Seal extension	0	0	0	0%	330,211	5,111	65
Sealed road pavement rehabilitation	1,975,085	395,017	1,580,068	20%	2,561,392	5,111	501
Sealed road resurfacing	6,844,287	1,026,643	5,817,644	15%	1,540,900	5,111	302
Street Furniture	0	0	0	0%	6,301	5,111	1
Streetlighting	0	0	0	0%	64,527	5,111	13
Structures component replacements	2,030,043	304,506	1,725,537	15%	14,961	5,111	3
Town Centre Improvements	0	0	0	0%	455,829	5,111	89
Traffic services renewals	267,532	40,130	227,403	15%	884,820	5,111	173
Unsealed road metalling	3,217,427	321,743	2,895,684	10%	336,275	5,111	66
<b>TOTAL - Wakatipu</b>	<b>27,904,080</b>	<b>5,242,212</b>	<b>22,661,868</b>	<b>19%</b>	<b>11,673,954</b>	<b>5,111</b>	<b>2,284</b>

**Transportation - Capital Expenditure for Development Contributions cont...**

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>WANAKA</b>							
Associated improvements	0	0	0	0%	51,326	3,319	15
Cycle facilities	0	0	0	0%	79,138	3,319	24
Drainage renewals	982,000	196,400	785,600	20%	185,672	3,319	56
Environmental Renewals	0	0	0	0%	177	3,319	0
Kerb & Channel Construction	0	0	0	0%	96,230	3,319	29
Minor Improvements	5,602,878	560,288	5,042,590	10%	628,988	3,319	189
New roads	736,500	589,200	147,300	80%	503,290	3,319	152
Passenger transport infrastructure	0	0	0	0%	7,433	3,319	2
Pedestrian and Cycle facilities	0	0	0	0%	934	3,319	0
Pedestrian facilities	0	0	0	0%	62,651	3,319	19
Preventive maintenance	37,150	3,715	33,435	10%	2,914	3,319	1
Property purchase (local roads)	0	0	0	0%	20,769	3,319	6
Replacement of bridges & other structures	0	0	0	0%	26,274	3,319	8
Road reconstruction	0	0	0	0%	312,954	3,319	94
Roading General	0	0	0	0%	104,232	3,319	31
Seal extension	1,225,000	612,500	612,500	50%	1,412,721	3,319	426
Seal extension - residential	0	0	0	0%	1,212,684	3,319	365
Sealed road pavement rehabilitation	1,974,441	394,888	1,579,553	20%	413,986	3,319	125
Sealed road resurfacing	5,196,341	779,451	4,416,890	15%	1,171,717	3,319	353
Street Furniture	0	0	0	0%	3,681	3,319	1
Streetlighting	0	0	0	0%	49,089	3,319	15
Structures component replacements	273,733	54,747	218,986	20%	9,350	3,319	3
Town Centre Improvements	0	0	0	0%	83,431	3,319	25
Traffic services renewals	164,240	32,848	131,392	20%	207,343	3,319	62
Unsealed road metalling	2,963,775	296,378	2,667,398	10%	345,529	3,319	104
<b>TOTAL - Wanaka</b>	<b>19,156,058</b>	<b>3,520,414</b>	<b>15,635,643</b>	<b>18%</b>	<b>6,992,511</b>	<b>3,319</b>	<b>2,106</b>



**Transportation - Capital Expenditure for Development Contributions cont...**

Schemes / Contributing Areas	10 Year Total Capital Cost (2015/16 \$)	Capital Cost Funded by Growth (2015/16 \$)	Capital Cost Funded by Other Sources (2015/16 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2015/16 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2015/16 \$)
<b>DISTRICT WIDE</b>							
Associated improvements	0	0	0	0%	4,114	8,430	0
Drainage renewals	128,171	25,634	102,537	20%	11,828	8,430	1
Kerb & Channel Construction	0	0	0	0%	117	8,430	0
Minor Improvements	125,589	12,559	113,030	10%	6,184	8,430	1
Preventive maintenance	167,017	16,702	150,315	10%	8,621	8,430	1
Replacement of bridges & other structures	0	0	0	0%	868	8,430	0
Road reconstruction	0	0	0	0%	23,231	8,430	3
Seal extension	0	0	0	0%	43,320	8,430	5
Sealed road pavement rehabilitation	40,055	8,011	32,044	20%	81,356	8,430	10
Sealed road resurfacing	1,209,670	181,451	1,028,220	15%	81,781	8,430	10
Structures component replacements	77,214	15,443	61,771	20%	1,476	8,430	0
Traffic services renewals	18,531	3,706	14,825	20%	4,061	8,430	0
<b>TOTAL - District Wide</b>	<b>1,766,247</b>	<b>263,505</b>	<b>1,502,742</b>	<b>15%</b>	<b>266,958</b>	<b>8,430</b>	<b>32</b>

**Transportation - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment**

Contributing Area	Year	CAPEX - QLDC (2015/16 \$)	CAPEX for Growth (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Contributions Received (Adjusted for Inflation)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Debt %
<b>Wakatipu</b>									
Wakatipu	Existing Debt							14,367,142	
Wakatipu	2016	2,482,591	523,092	553	1,264,075	1,264,075	13,626,159	92%	92%
Wakatipu	2017	2,761,262	969,864	553	1,264,075	2,528,151	13,331,947	84%	84%
Wakatipu	2018	2,990,193	497,219	553	1,264,075	3,792,226	12,565,090	77%	77%
Wakatipu	2019	2,678,660	447,314	553	1,264,075	5,056,301	11,748,329	70%	70%
Wakatipu	2020	2,573,109	425,662	553	1,264,075	6,320,377	10,909,915	63%	63%
Wakatipu	2021	3,058,913	501,299	469	1,070,715	7,391,092	10,340,499	58%	58%
Wakatipu	2022	2,161,679	368,791	469	1,070,715	8,461,808	9,638,574	53%	53%
Wakatipu	2023	2,462,488	414,067	469	1,070,715	9,532,523	8,981,926	49%	49%
Wakatipu	2024	2,516,388	419,457	469	1,070,715	10,603,239	8,330,668	44%	44%
Wakatipu	2025	4,218,797	675,448	469	1,070,715	11,673,954	7,935,400	40%	40%
		<b>27,904,080</b>	<b>5,242,212</b>	<b>5,111</b>	<b>11,673,954</b>			<b>Wakatipu Weighted Debt Funding Ratio</b>	<b>66%</b>

<b>District Wide</b>									
District Wide	Existing Debt								
District Wide	2016	15,861	2,672	902	28,569	28,569	28,569	-25,897	-969%
District Wide	2017	196,680	25,620	902	28,569	28,911	57,139	-28,847	-102%
District Wide	2018	99,786	13,196	902	28,569	29,309	85,708	-44,220	-107%
District Wide	2019	194,320	29,223	902	28,569	29,964	114,278	-43,567	-62%
District Wide	2020	184,105	27,950	902	28,569	30,675	142,847	-44,187	-45%
District Wide	2021	154,370	23,560	784	24,822	27,319	167,669	-45,449	-37%
District Wide	2022	137,967	21,138	784	24,822	28,061	192,491	-49,133	-34%
District Wide	2023	261,053	40,049	784	24,822	28,852	217,314	-33,906	-18%
District Wide	2024	261,053	40,049	784	24,822	29,717	242,136	-18,679	-8%
District Wide	2025	261,053	40,049	784	24,822	30,657	266,958	-3,453	-1%
		<b>1,766,247</b>	<b>263,505</b>	<b>8,430</b>	<b>266,958</b>			<b>Wakatipu/ Wanaka Weighted Debt Funding Ratio</b>	<b>0%</b>

Transportation - Debt Funding Ratio - 10 Year Net Growth vs Revenue Assessment cont...

Contributing Area	Year	CAPEX - QLDC (2015/16 \$)	CAPEX for Growth (2015/16 \$)	New Dwelling Equivalents	Contributions Received (2015/16 \$)	Contributions Received (Adjusted for Inflation)	Cumulative Contributions Received (2015/16 \$)	Debt Balance (2015/16 \$)	Debt %
<b>Wanaka</b>									
Wanaka	Existing Debt							9,308,538	
Wanaka	2016	1,711,165	268,551	349	734,735	734,735	734,735	8,842,354	92%
Wanaka	2017	1,756,921	277,290	349	734,735	743,517	1,469,471	8,384,909	85%
Wanaka	2018	2,346,483	424,665	349	734,735	753,762	2,204,206	8,074,838	79%
Wanaka	2019	2,095,575	434,705	349	734,735	770,594	2,938,942	7,774,808	73%
Wanaka	2020	2,488,670	537,837	349	734,735	788,889	3,673,677	7,577,909	67%
Wanaka	2021	2,499,990	539,927	315	663,767	730,540	4,337,444	7,454,070	63%
Wanaka	2022	1,761,762	288,911	315	663,767	750,374	5,001,211	7,079,214	59%
Wanaka	2023	1,498,497	249,509	315	663,767	771,530	5,664,977	6,664,956	54%
Wanaka	2024	1,498,497	249,509	315	663,767	794,669	6,328,744	6,250,699	50%
Wanaka	2025	1,498,497	249,509	315	663,767	819,792	6,992,511	5,836,441	45%
		<b>19,156,058</b>	<b>3,520,414</b>	<b>3,319</b>	<b>6,992,511</b>			<b>Wanaka Weighted Debt Funding Ratio</b>	<b>68%</b>

# Treasury Management Policy

## a) Liability Management Policy

### Introduction and Application

#### Introduction

This liability management policy has been prepared pursuant to sections 102(4)(b) and 104 of the Local Government Act 2002.

The Council's borrowing programme for any particular year will be approved as part of the Council's Annual Planning process, which is affected by projections made in the Council Community Plan.

Generally, borrowing will be identified as a funding mechanism only for capital or long term projects which will provide benefits into the future.

The only borrowing to meet operating costs will be the use of overdraft facilities or other short term facilities to cover temporary fluctuations in cash flow.

### General Provisions

#### Borrowing Limits

Council's borrowing limits are:

Ratios	Acceptable Range %
Interest Expense/Rates	<25
Interest Expense/ Total Revenue	<15
Net Debt / Total Revenue	<175
Net Debt / Total Revenue with credit rating of A+ or better	<250
Net Debt / Equity	<20

For the purpose of calculating the ratios above:

Interest Expense = Interest expenses recorded in Council's accounts

Net Debt / Equity = Debt less any sinking funds

### Form of Borrowing

Council may obtain funding utilising the following methods:

- > Bank Debt
- > Capital market issuance comprising Fixed Rate Bonds, Medium Term Notes and Floating Rate Notes

#### Local Government Funding Agency (LGFA)

Despite anything earlier in this Policy, the Council may borrow from the New Zealand LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- > Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- > Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- > Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- > Subscribe for shares and uncalled capital in the LGFA; and
- > Secure its borrowings from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

#### Hire Purchase, Deferred Purchase and Trade Credit

These arrangements are not considered to be borrowing under the terms of the Act.

#### Other

Instruments not specifically referred to in this policy may only be used with specific Council approval.

#### Security

It is Council's general policy to offer security for its borrowing by way of negative pledge or a charge over its rates.

In the normal course, the Council's policy is not to offer security over any of the other assets of the Council. However:

- > where borrowing is by way of finance lease, or some other form of trade credit under which it is normal practice to provide security over the asset concerned; or
- > where the Council considers doing so would help further its community goals and objectives, the Council may decide to offer security over the asset.

### Policies

#### Interest Rate Exposure Policy

Council will manage its borrowing activities prudently in the best interests of the district, its inhabitants and ratepayers. In furtherance of this goal, Council will keep the following objectives firmly in mind:

- > Ensure QLDC's continued ability to meet its debts in an orderly manner as and when they fall due in both the short and long term, through appropriate liquidity and funding risk management.
- > Arrange appropriate funding facilities for QLDC, ensuring they are at market related margins utilising bank debt facilities and/or capital markets as appropriate.
- > Maintain lender relationships and QLDC's general borrowing profile in the local debt and, if applicable, capital markets, so that QLDC is able to fund itself appropriately at all times.
- > Control QLDC's cost of borrowing through the effective management of its interest rate risk, within the interest rate risk management limits established by the LMP.

- > Ensure compliance with any financing/borrowing covenants and ratios.
- > Maintain adequate internal controls to mitigate operational risks.
- > Produce accurate and timely information that can be relied on by senior management and Council for control and exposure monitoring purposes in relation to the debt raising activities of QLDC.

Prudent selection of funding instruments and mix should help the Council achieve its low debt servicing costs and risk minimisation objectives.

#### Debt Repayment Policy

It is Council's general policy to repay debt as it falls due. This will be repaid from accumulated funds, reserve funds, contributions, land sales or a combination of these methods depending on the project the loan was raised for. If the loan was raised for a period less than a term the Council considers appropriate for the project, part of the balance will be financed with new debt.

The Council may repay debt before maturity in special cases where the circumstances suggest that this would be in the best interest of residents and ratepayers.

Total debt levels are determined through the Council Community Plan and Annual Plans.

#### Liquidity Policy

The Council will strive to ensure the timely availability of funds to meet the Council's various expenditure needs, preferably without incurring penalties or holding unnecessary cash reserves. The Council will:

- > match revenue requirements with expenditure streams, ensuring any timing differences, if any, are favourable for the Council;
- > ensure replacement funds are available no later than the debt repayment date;
- > avoid concentration of debt maturity dates no more than \$50m or 50% of debt, whichever is the lesser, can be subject to refinancing in any 12 month period;
- > QLDC must maintain liquidity (committed funding lines and cash on deposit) of not less than 110% of projected core debt.

Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Chief Financial Officer.

#### Credit Exposure Policy

Council will only enter incidental arrangements with credit worthy counter parties.

Credit worthy counterparties are selected on the basis of their current Standard and Poors (S&P) rating which must be A- or better or the Moody's or Fitch equivalents.

#### Other Matters

##### Borrowing for Cash Management Purposes

This section applies to what might be described as borrowing to manage day to day fluctuations in cash flow.

Council will maintain an overdraft facility not exceeding a limit of \$500,000 for day to day cash management purposes.

Council may maintain a standby credit facility for urgent financing in emergencies.

#### Incidental Arrangements

'Incidental arrangement' is defined to mean:

- A contract or arrangement for the management, reduction, sharing, limiting, assumption, offset, or hedging of financial risks and liabilities in relation to any investment or investments or any loan or loans or other incidental arrangement, whether or not that contract or arrangement involves:
  - The expenditure, borrowing, or lending of money; or
  - The local authority undertaking to make payments in exchange for another person undertaking to make payments to the local authority; or
  - The creation or acquisition or disposal of any property or right; or
- A contract or arrangement with any bank, financial institution, or other person providing for any person to act as underwriter, broker, indemnifier, guarantor, accommodation party, manager, dealer, trustee, registrar, or paying, fiscal, or other agent for, or in connection with, any loan or investment.

#### Hedging

Hedging instruments may be used for risk management purposes, on advice from financial advisors.

The following table details the Fixed Rate Hedging Percentages which shall apply to the projected core debt of QLDC:

	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 - 2 Years	50%	100%
2 - 5 Years	25%	80%
5 - 10 Years	0%	60%

That the following interest rate risk management instruments may be used to manage the core debt of QLDC:

- Interest rate swaps.
- Swaptions (options on swaps).
- Interest rate options, including collar type structures but only in a ratio of 1:1.
- Forward rate agreements.

Options on hedging floating rate debt with an exercise rate greater than 2.00% above the equivalent period interest rate at the time of inception cannot be counted as part of the fixed rate cover percentage calculation. For example a three year cap at 6.00% would only count as a fixed rate hedge if the underlying swap rate was greater than 4.00%.

## Agents

Council may appoint only reputable persons or companies to fulfil the following roles:

- > Registrars/paying agents
- > Brokers
- > Trustees

## Other

Other forms of incidental arrangement may only be entered into with a specific resolution of Council.

## b) Investment Policy

### General

#### Introduction

This investment policy has been prepared pursuant to sections 102(4)(c) and 105 of the Local Government Act 2002. It applies to the management of the Council's financial and equity investments.

#### Overview

The Council has a variety of investments which at any time may include cash, trust funds, special funds, shares, property held for investment purposes and financial reserves.

These investments are acquired, held and realised by the Council in furtherance of the community goals and objectives which are identified in the Council's Community Plan and each Annual Plan.

In managing its investments the Council is not driven by commercial considerations alone. As a public body the Council is accountable to the community in terms of community health, safety, benefit and well-being and these considerations may lead to the Council making investment decisions which would not have been made on commercial/financial considerations alone.

In managing its investments in accordance with its general policy the Council seeks to:

- > achieve the goals and objectives set out in the Council Community Plan and the Annual Plan.
- > balance the protection of its investment with maximising investment return.
- > ensure investments are of a type which provide the Council with funds when required.

### Policies

#### Mix of Investments

Nature of Investment	Term	Rationale for retention
Cash Investments	Short term	To meet cash flow requirements
Shares/equity	Long term	To support the strategic objectives of the Council and the District
Investment Property	Variable	To provide a commercial return to Council

It should be noted that Council does have some investments that do not currently meet these criteria, particularly some land holdings. The future of these are under review and it will be decided if these will be held to meet future core function requirements or will be disposed when it is considered that it is

appropriate.

#### Acquisitions of New Investments

Call and short term: delegated to Council staff to invest in approved institutions.

Medium to long term: through the Council, having regard to the goals, objectives and provisions of the Council's long term financial strategy and annual plans.

#### Use of Revenue from Investments

Revenue from funds which are reserved for particular purposes is added to that fund. Revenue from other investments used to offset general rates.

#### Revenue from Asset Sales

Revenue from asset sales will be used to repay debt or fund the purchase of new assets. If there are no appropriate uses available at the time of disposal, it will be held in a separate fund until there are.

### Other Matters

#### Procedures for Management and Reporting to Council

The Council's procedures for the management of investments and associated reporting to Council involve reporting results of investment to the Council through the Finance Committee on a bi-monthly basis.

#### Risk Management

In managing its investments Council always seeks to protect its investments and manage its risk.

When investing the Council will adhere the provisions of the investment matrix (see Appendix 1) which clearly sets out the parameters under which Council will manage its financial market investment activities.

The Council also has statutory obligations to properly administer, manage, and account for its funds. In particular the Council must make its investments in accordance with the provisions of the Trustee Act 1956 as they apply to the investment of trust funds. This requires the Council to exercise the care, diligence, and skill that a prudent person of business would exercise in managing the affairs of others. The Council may consider, in making any investment decisions:

- > The desirability of diversifying investments.
- > The nature of existing investments.
- > The risk of capital loss or depreciation.
- > The potential for capital appreciation.
- > The likely income return.
- > The length of the term of the proposed investment.
- > The marketability of the proposed investment during, and on the determination of, the term of the proposed investment.
- > The effect of the proposed investment in relation to tax liability.
- > The likelihood of inflation affecting the value of the proposed investment.

#### Local Government Funding Agency (LGFA)

Despite anything earlier in this Policy, the Council may invest in shares and other financial instruments



of the New Zealand LGFA and, may borrow to fund that investment. The Council's objective in making such investment will be to:

- > Obtain a return on investment; and
- > Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for Council.

Because of the dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternate investments.

If required in connection with the investment, the Council may subscribe for un-called capital in the LGFA.

**(Appendix 1) Authorised Investment Criteria for Short and Long Term Investment Activities**

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	<ul style="list-style-type: none"> <li>Government Stock</li> <li>Treasury Bills</li> </ul>	Not applicable	Unlimited
Rated Local Authorities	70%	<ul style="list-style-type: none"> <li>Commercial Paper</li> <li>Bonds/MTNs/FRNs</li> </ul>	Short term S&P rating of A1 or better  Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$3.0m  \$2.0m \$3.0m \$5.0m
Local Authorities where rates are used as security	60%	<ul style="list-style-type: none"> <li>Commercial Paper</li> <li>Bonds/MTNs/FRNs</li> </ul>	Not Applicable	\$2.0m  \$2.0m
New Zealand Registered Banks	100%	<ul style="list-style-type: none"> <li>Call/Deposits/Bank Bills/Commercial Paper</li> <li>Bonds/MTNs/FRNs</li> </ul>	Short term S&P rating of A1 or better  Long term S&P rating of A- or better Long term S&P rating of A+ or better	\$10.0m  \$2.0m \$5.0m
State Owned Enterprises	70%	<ul style="list-style-type: none"> <li>Commercial Paper</li> <li>Bonds/MTNs/FRNs</li> </ul>	Short term S&P rating of A1 or better  Long term S&P rating of BBB+ or better Long term S&P rating of A+ or better	\$3.0m  \$1.0m \$3.0m
Corporates *	60%	<ul style="list-style-type: none"> <li>Commercial Paper</li> <li>Bonds/MTNs/FRNs</li> </ul>	Short term S&P rating of A1 or better  Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$2.0m  \$1.0m \$2.0m \$3.0m
Financials *	30%	<ul style="list-style-type: none"> <li>Commercial Paper</li> <li>Bonds/MTNs/FRNs</li> </ul>	Short term S&P rating of A1 or better  Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$2.0m  \$1.0m \$2.0m \$3.0m

\* The combined holding of Corporates and Financials shall not exceed 70%. Council approval is required if QLDC wishes to hold non complying investments.

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# Equal Employment Opportunity

## Policy Statement

Everybody in New Zealand is entitled by law to equal treatment in their employment. The Queenstown Lakes District Council supports this and has an Equal Employment Opportunity Policy to help ensure that this is a reality.

When making employment related decisions, the Council will make sure that employees are not treated unfairly because of their: age, sex, ethnic or national origins, marital status, religious or ethical beliefs or disability.

Employment related decisions include: appointments, terms of employment, conditions of work, training, promotion, transfer, dismissal or other disciplinary action.

The Council will provide a working environment which is free from sexual harassment.

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