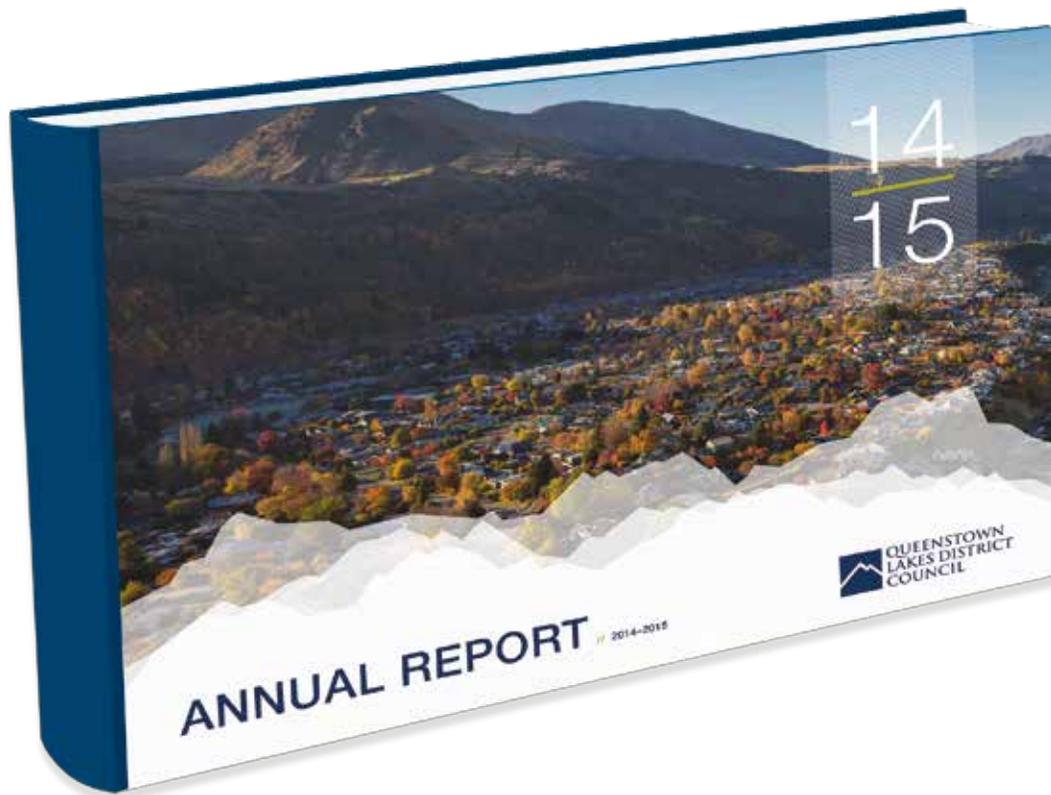


QLDC Annual Report **Summary**



2014-2015



Contents

Section 98(4)(b) of the Local Government Act 2002 requires Council to make publicly available a summary of the information contained in its annual report. The specific disclosures included in the summary annual report have been extracted from the full annual report adopted by Council on 29 October 2015. The summary annual report cannot be expected to provide as complete an understanding as provided by the full annual report. The full financial report dated 29 October 2015 has received an unqualified audit report. A copy of the full annual report can be obtained on the Council website – www.qldc.govt.nz

This summary annual report has been examined by the auditor for consistency with the full annual report. The auditor's report is included with this summary.

The Council's full annual report has complied with NZ GAAP and stated explicitly that it complies with Public Benefit Entity (PBE) Standards for Tier 1 entities. This was the first annual report prepared in accordance with PBE Standards. The summary annual report complies with FRS 43 – Summary Financial Statements and is the first summary annual report to comply with PBE Standards as they relate to summary financial statements.

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Wanaka Office
47 Ardmore Street
Wanaka

Phone: 03 443 0024

Arrowtown Library
58 Buckingham Street
Arrowtown

Phone: 03 442 1607

Chief Executive's Report



INTRODUCTION

The 2014/15 Annual Report marks the end of reporting against the 2012-22 Long Term Plan, but more importantly concludes a significant transition in the way the Council delivers core services through the amalgamation of three organisations into one. The conclusion of this transition sees the Council in an extremely good financial state with lower than forecast rates; reductions in debt levels; and lower debt costs.

This report presents a revised performance framework (as consulted on in the Annual Plan) and a new look Statement of Service Performance, including presentation of historical data. The report seeks to present information in a clearer and more meaningful manner in order to improve understanding of our main functions. It is a fundamental shift in how we tell our performance story.

This year has seen extensive consultation with the community including: Plan Change 50; Special Housing Areas; the Transport Strategy; and the Economic Development Strategy. In a district experiencing such rapid growth and change, it is important that the community understands both the reasons for and implications of these initiatives.

Major capital projects to support this growth have included commencement of the Wanaka Sports Facility construction, and awarding the contract for stage one of Project Shotover wastewater treatment upgrade.

OPERATIONAL HIGHLIGHTS AT A GLANCE

Financial highlights

- A third successive year of rates increase well below forecast levels (0.8% which follows two consecutive years at zero percent).
- Debts levels at approximately 60% of forecast (\$101m against the LTP budget of \$167m)
- An operational surplus of \$30m against a budgeted surplus of \$24m.
- Significantly reduced borrowing costs (interest costs/total revenue at 5% as against a forecast of 8.3%)
- Revenue up \$4.34m against budget.

Performance highlights

Some of the performance highlights are:

- Performance against the Key Performance Indicator 'Residents who use their pool at least once a month' is reported above target, for both Alpine Aqualand (16.6%) and Wanaka Pool (9.69%).
- Requests for Service resolved within specified timeframe met the target for 3 Waters (97%), Roading (95%) and Pollution (95%) related requests.
- Although dipping slightly on last year, satisfaction with Elected Members and Council staff was still higher than 2012/13 figures. Satisfaction with Elected Members rose from 44.1% in 2012/13 to 51.9% in 2014/15, and with Council staff it rose from 53.3% in 2012/13 to 64.1% in 2014/15.

- Satisfaction with a number of services has progressively risen:
 - Water: 64.4% (2012/13), 69.2% (2013/14) and 76.2% (2014/15);
 - Street cleaning: 68.7% (2012/13), 74.8% (2013/14) to 75.9% (2014/15);
 - Dog Control: 39.4% in 2012/13 to 51.7% in 2014/15;
 - Resource Consents: 23% (2012/13), 33.8% (2013/14) to 36.9% (2014/15).
- 26 key projects were completed against set milestones from the 2014/15 Work Programme, with nine on track for delivery in the next financial year and four deferred (a Narrows Ferry; an operating model for the Convention Centre; establishing a Frankton Library; and a Water Supply Bylaw).

MAJOR INITIATIVES

Shotover Wastewater Treatment Facility – The Council awarded Downer New Zealand a \$23.6 million contract for Stage One of the Project Shotover upgrade, involving the design, build and five years of operation of a new wastewater plant at the existing site downstream from the Shotover Bridge. The plant is due to be operational by December 2016. It will ensure higher standards of sewage treatment for Queenstown, Arrowtown, Frankton, Quail Rise, Arthur’s Point, Lake Hayes and Shotover Country. The environmental benefits include significant reduction in nitrate and ammonia being discharged into the Shotover River; less algal growth downstream; less potential for odour, and an overall healthier river environment due to a reduction in oxygen demand.

Wanaka Sports Facility – Work started on the new Wanaka Sports Facility at Three Parks in May, with the contract awarded to Cook Brothers Construction Ltd. The facility will include a sports hall with two full size indoor courts, changing rooms, meeting and office space, multi-sport artificial turf, car parking and landscaping. The design will allow for a swimming pool to be added as part of the complex in the future, with funding committed for 2017 in the 10 Year Plan 2015-25. Following consultation through the 10 Year Plan process the Council will endeavour to reduce the rating impact of \$184 per annum (Wanaka residents) through fund raising and land sales. The Wanaka Sports Facility is due to be open by 1 June 2016.

Housing Accord – A Queenstown Lakes Housing Accord was signed between Housing Minister Dr Nick Smith and Mayor Vanessa van Uden to provide an additional 1,300 homes over the next three years. The Accord, ratified by the Council at the end of August, sets a target of 350 new sections and dwellings consented in its first year, 450 in its second, and 500 in its third. Qualifying developments in these areas can be streamlined and fast-tracked, with some low-rise residential developments expected to be consented within 60 days.

Lakeview Development – In order to progress with the development of this site it was necessary for the Council to make a change to the operative District Plan, re-zoning land from High Density Residential to Queenstown Town Centre zone. The purpose of the

change was to address an identified shortage of land zoned as “Town Centre” and to provide an appropriate planning framework for a convention centre. Council ratified the Commissioners’ decision on 30 June 2015.

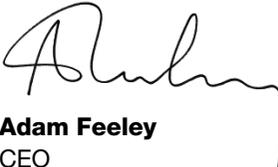
Queenstown Convention Centre – Reports on design, operating and funding options were all delivered to the Council in 2013/14. The Council requested additional information on alternative rating options, options for staged or reduced construction costs and a preferred operating model. Through the 10 Year Plan 2015-25 consultation it was decided to proceed with the proposal, subject to funding.

Water Demand Management – Long-term water use remains one of the most significant financial issues facing the District. The first of 500 water meters were installed across the District as part of a project to better understand water use. Properties were selected at random for the one-year trial. They include apartments, lifestyle blocks, businesses and homes in all of the areas serviced by a reticulated Council water supply. The project will enable QLDC to assess the range of costs of installing meters across different schemes in the District; the technical issues associated with meter installations; the potential reduction in water usage as a result of metering; the water leakage that is currently occurring on private property; and the relative costs and benefits of metering.

CONCLUSION

In 2015 the Council participated in a Local Government New Zealand (LGNZ) survey, which examined New Zealanders’ perceptions of the sector. Three broad areas for improvement were identified; performance, strengthening local leadership and communication and interaction. QLDC has already made great strides towards improvement in these areas, and will continue this improvement in 2015/16. This refreshed Annual Report is a step in the right direction.

I would like to thank our elected representatives on both the Council and the Wanaka Community Board who are dedicated to delivering better outcomes for local people, and all the Council staff who have worked across the diverse range of Council activities to deliver consistently high quality services to the community. Both elected members and staff can reflect with pride on a successful year. Finally, I would like to thank everyone in the Queenstown Lakes community who, whether formally or informally, have taken time to provide comment and feedback to us during the year.



Adam Feeley
CEO
Queenstown Lakes District Council

Financial Results 2014/15

The Council alone recorded a surplus of \$30.3m for the year. This is up from the \$20.1m surplus recorded last year and against the budget of \$24.2m. The main reasons for the higher surplus, which is not profit, are related to both higher revenue (\$4.4m) to budget & \$7.66m of unrealised net gains on revaluation of council assets.

Operating revenues were above budget by 4.0% for the year ended 30 June 2015. This was above estimate by \$4.43m.

The following major items contributed to this variance:

- Vested Assets were \$7.0m above budget for the year; this is a non-cash item and relates to the value of assets transferred to Council via the subdivision process.
- Roading subsidy for capital works was \$6.15m under budget for the year, mainly as a result of reduced roading capital expenditure due to the timing of some projects i.e. Eastern Arterial Road at Frankton Flats. Similarly, capital contributions were \$2.7m under budget for the year.
- Roading subsidy for maintenance works was \$469k above budget for the year, mainly as a result of increased winter expenditure due to the severe winter.
- User Charges were \$3.8m above budget for the year, mainly as a result of the outsourcing of the Council Holiday Parks (\$1.0m) in November 2014. There were also strong revenue results for regulatory activities (\$901k above budget); lease income (\$778k above budget) and consenting (\$153k above budget).
- Interest income was also \$420k ahead of budget

The surplus includes \$7.66m of unrealised gains relating to the annual revaluation of council investment property. This follows a 2014 value gain of \$1.2m. There is also a \$0.23m unrealised loss as a result of the revaluation of interest rate swaps as at 30 June 2015. Other items result in a net gain of \$70k.

Operating expenditure was \$5.8m (6.6%) over budget for the year ended 30 June 2015. This negative variance is almost all due to \$5.51m of project expenditure that was classified as capital expenditure within the budget but which has now been charged as an operating expense for the year. This is not an over-spend as there is budget provided to cover it.

These are the major remaining expenditure variances which largely offset each other:

- Interest expense for the year is \$1.75m less than budget. This is a result of the timing of some capital works and lower than expected interest rates.
- Staff related costs for the year are \$220k lower than budget.
- Depreciation expense for the year is \$350k higher than budget.
- Costs for professional services were \$944k above budget for the year, mainly as a result of an increase in on-chargeable consultant costs related to consents (\$538k) and an additional \$347k in the sport and recreation areas.
- Roading maintenance costs were \$546k above budget for the year, mainly as a result of increased winter expenditure. These are largely offset by increased NZTA subsidy (\$469k).
- Parks & reserves maintenance costs were \$776k above budget for the year, mainly as a result of contractor expenditure for sports turf. The budget assumed that council staff would be available to perform this work but recruitment has proved unsuccessful.

STATEMENT OF FINANCIAL POSITION

The main variances relate to the difference in expected asset values for the year and reduced borrowing. The following items contributed to this variance:

- Capital expenditure was below estimate by \$26.8m for the year ended 30 June 2015.
- This relates mostly to timing differences for several large projects; including Project Shotover (2014/15 Budget of \$16.9m - construction commenced August 2015); Frankton Flats Eastern Arterial Road (2014/15 Budget of \$8.8m - project now programmed for 2015/16); and Wanaka Sports Facility (2014/15 Budget of \$4.5m - project now programmed for 2015/16).

As a result of the reduced capital expenditure, borrowings are \$33.8m below forecast; total debt as at 30 June 2015 is \$101.1m compared to a forecast of \$134.9m.

STATEMENT OF CHANGES IN EQUITY

Accumulated differences between actual and budgeted net surpluses (for 2015 as described above) as well as the impact of the investment property revaluation and reduced borrowings has resulted in an equity variance of \$25.8m above forecast.

STATEMENT OF CASH FLOWS

The budget variations explained above also contribute to budget variations in the Cash Flow Statement, particularly cash flows from investing and financing activities. Purchase of property, plant and equipment (i.e. capital expenditure) was \$37 million below estimate and new borrowings were consequently around \$19 million less than expected.

Financial Strategy

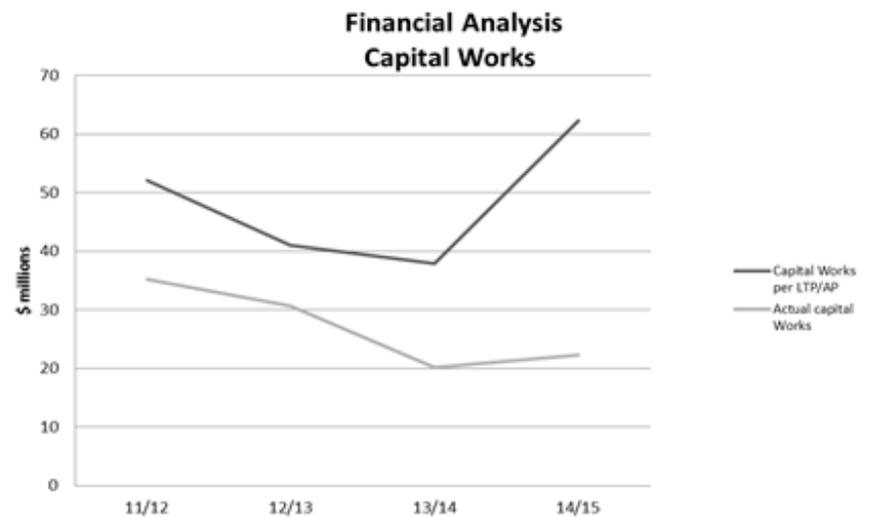
The Financial Strategy was a new requirement for the 2012 10-Year Plan. It must show prudent financial management by our Council and act as a guide when we make big funding decisions. It also outlines how the Council will tell the story about projects so that the community can understand the implication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

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 the 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 a maximum of 4% per annum (subject to changes in growth or increased levels of service).
- 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 financial flexibility for future Councils.
- To continue to provide excellent service within financial constraints.

REPORTING BACK ON FINANCIAL STRATEGY

Capital Programme



The graph above shows that the actual spend on capital projects has been consistently less than the programmes forecast in the Annual Plan or 10-Year Plan over the past 4 years. This is the result of consistent re-prioritisation of projects, so that capital expenditure is not committed until it is absolutely necessary. This has meant that several projects have been deferred or staged including Project Shotover.

RATES

Rates Increases - Actual & Forecast (after allowing for Growth)		
	Actual	LTP Forecast
2012/2013	2.78%	2.70%
2013/2014	0.00%	2.25%
2014/2015	0.00%	2.77%
2015/2016	0.80%	5.70%
2016/2017		5.36%

The table above shows the actual rates increases over the past 3 years compared to the increases forecast in the 10-Year Plan. The total rates for 2014/15 are \$57.9m compared to the forecast amount of \$59.0m. This represents a saving of \$1.17m.

The rates for 2015/16 have been set at \$59.5m compared to the forecast amount of \$65.7m in the 2012 10-Year Plan. This represents a saving of over \$6.2m.

The larger increases for 2015/16 and 2016/17 reflect the impact of major new facilities including Project Shotover in Queenstown and the Wanaka Sports Facility. Both of these projects represent significant increases to current levels of service and consequently increased costs. These projects have been deferred from the original timeframes and the rating impact will now be later.

DEBT LEVELS

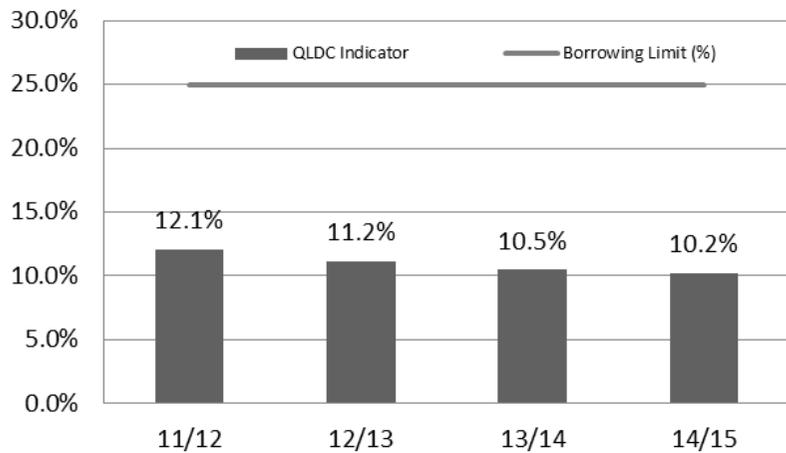
In order to deliver the large capital programme included in the 10-Year Plan, the Council will need to rely on borrowing. The Council has spent a considerable amount of time and effort working through the capital programme to ensure it is affordable and deliverable. The actual external debt at 30 June 2015 was \$101.1m; this is \$65m less than the amount forecast in the 2012 10-Year Plan.

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

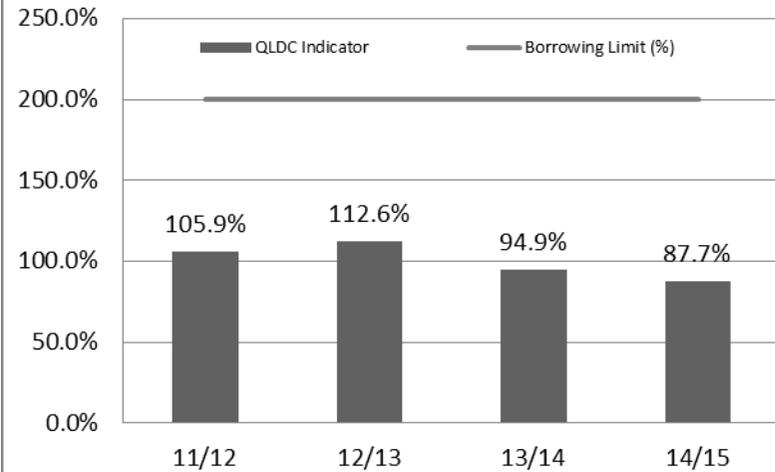
Borrowing Limits (%)	Actual 2012/13	Actual 2013/14	Actual 2014/15	Forecast 2014/15
Interest Expense/Rates < 25%	11.2%	10.5%	10.2%	15.0%
Interest Expense/Total Revenue < 15%	6.6%	5.5%	5.0%	8.3%
Net Debt/Total Revenue < 200%	112.6%	94.9%	87.7%	151.3%
Net Debt/Equity < 20%	13.0%	10.7%	10.4%	17.6%

These ratios are presented in the graphs following:

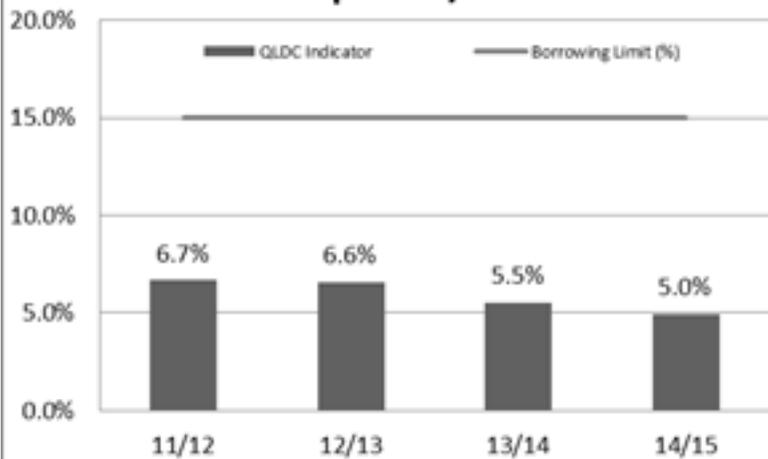
Interest Expense / Rates Revenue



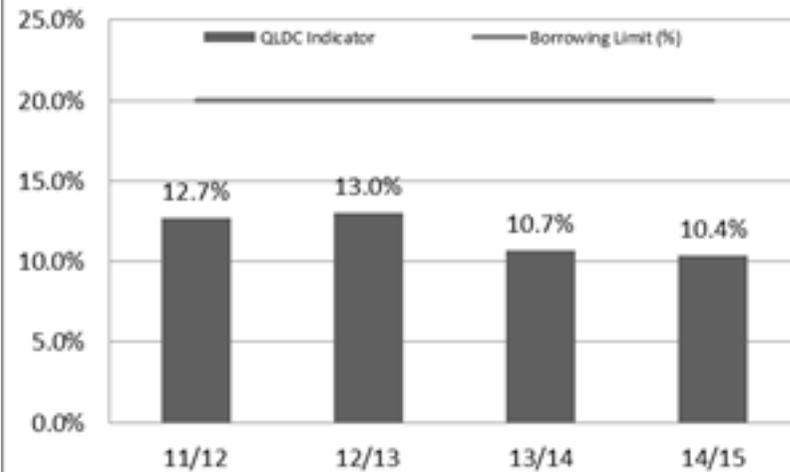
Net Debt / Total Revenue



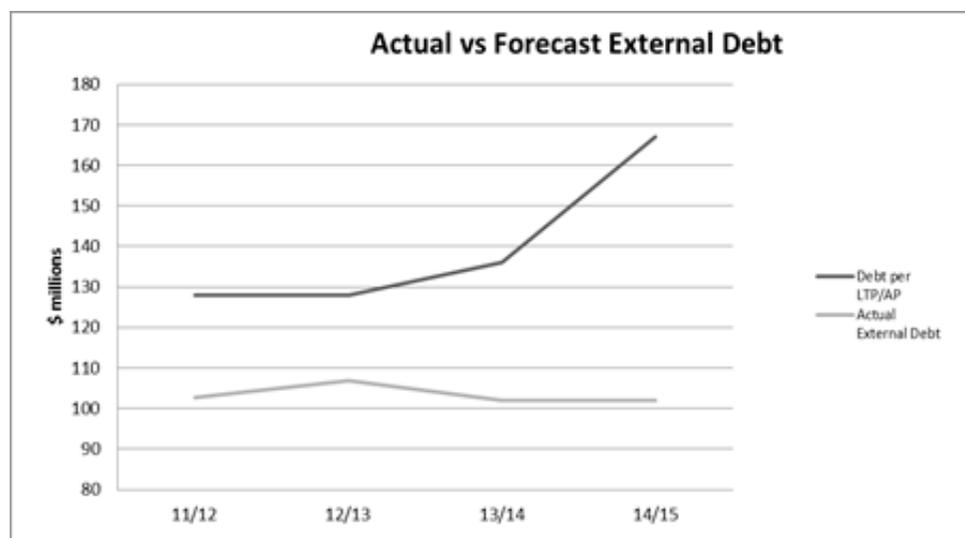
Interest Expense / Total Revenue



Net Debt / Equity



The following graph shows the forecast debt levels compared to actual debt levels up to 2014/15. As can be seen, actual debt levels are significantly reduced. The total debt as at 30 June 2015 is \$101.1m, which is \$65m less than forecast in the 2012 10-Year Plan.



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

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

CAPITAL WORKS 2014/15

Notable infrastructure projects that have been substantially advanced or completed during the 2014/15 financial year:

Project	Cost at Year End 2015 (\$)
Eastern Arterial Road (Frankton Flats) (2014/15 Costs)	1,511,653
Project Shotover (2014/15 Costs)	1,352,077
Wakatipu - Sealed road resurfacing	1,438,003
Land Purchase - Wanaka - Reserve	890,970
Wakatipu - Unsealed road metaling	700,781
Malaghans Road	656,734
Wanaka - Sealed road resurfacing	652,174
Wanaka - Unsealed road metaling	615,299
Wastewater - Renewals - Queenstown	517,904
Wakatipu - Minor Improvements	416,176
Frankton Flats Development - WW Stage 1	398,757
Wakatipu - Drainage renewals	355,638
Install interim UV at Kelvin Heights	317,853

Carry-forward projects (>\$120k) scheduled for completion in 2015/16 approved by Council in August 2015 are:

- Project Shotover (\$5.2m)
- Eastern Access Road (\$1.6m)
- Wanaka Wastewater - Aubrey Road East Reticulation (\$587k)
- Albert Town Ring Main (\$446k)
- Land Purchase - Wanaka - Reserve (\$318k)
- Mt Aspiring Road booster to address firefighting capability (\$286k)
- Marine Parade WWPS (\$274k)
- Beacon Point Road - Upgrade (\$250k)
- Wanaka Mt Aspiring Road Widening and Drainage Improvements (\$238k)
- WAKATIPU - Sealed road pavement rehab (\$230k)
- Atley Rd Extension (\$205k)
- Brownston Street Parking (\$201k)
- Hawea Water Upgrades - Intake to Scott's (\$180k)
- Wanaka Wastewater Flow Survey and model calibration (\$159k)
- Park Street Foreshore Enhancement (\$148k)

Summary Statement of Service Performance

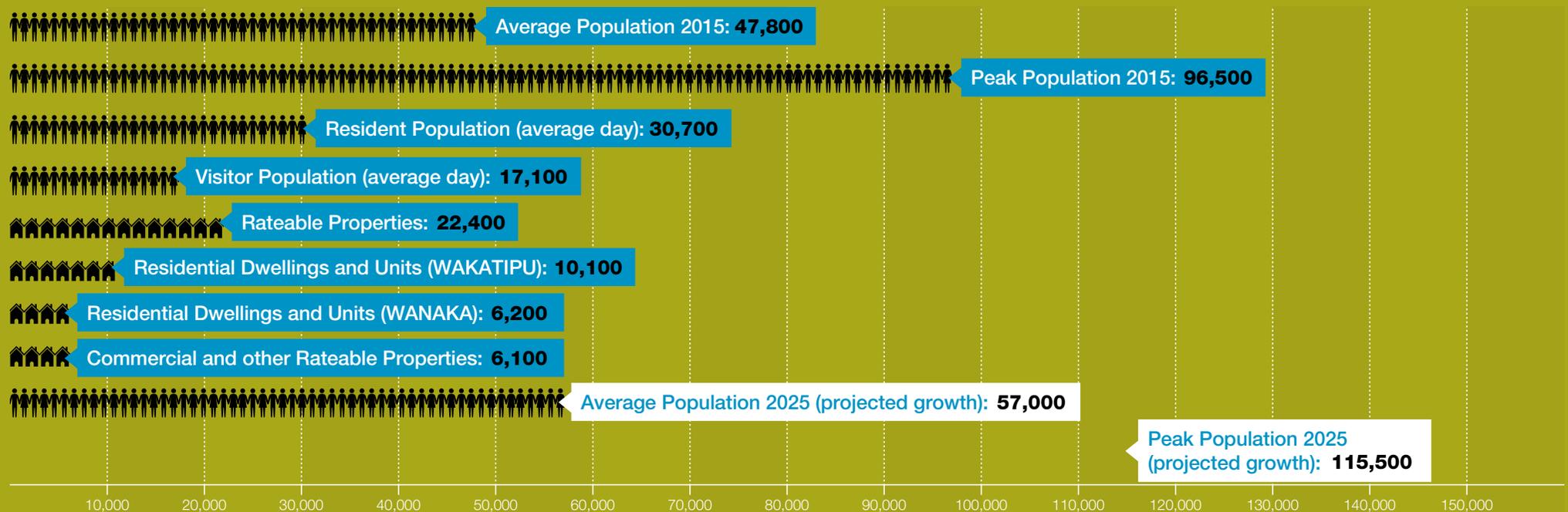
We live in one
of the most
beautiful places
on the planet

Queenstown Lakes District area

8,467
square kilometres



And more and more people want to live, work and visit here



Source: Queenstown Lakes District Growth Projections for 2015

In a district experiencing such rapid growth and change, it is important to tell you

Why you
should care
about what
we do

What we've
achieved
in the
last year



INFRASTRUCTURE

OUR
ACTIVITIES
ARE

WATER
SUPPLY

STORM
WATER

WASTEWATER

WASTE
MANAGEMENT

TRANSPORT
(ROADING &
FOOTPATHS)

OUR LONG TERM COUNCIL OUTCOME IS:

High performing infrastructure and services that:

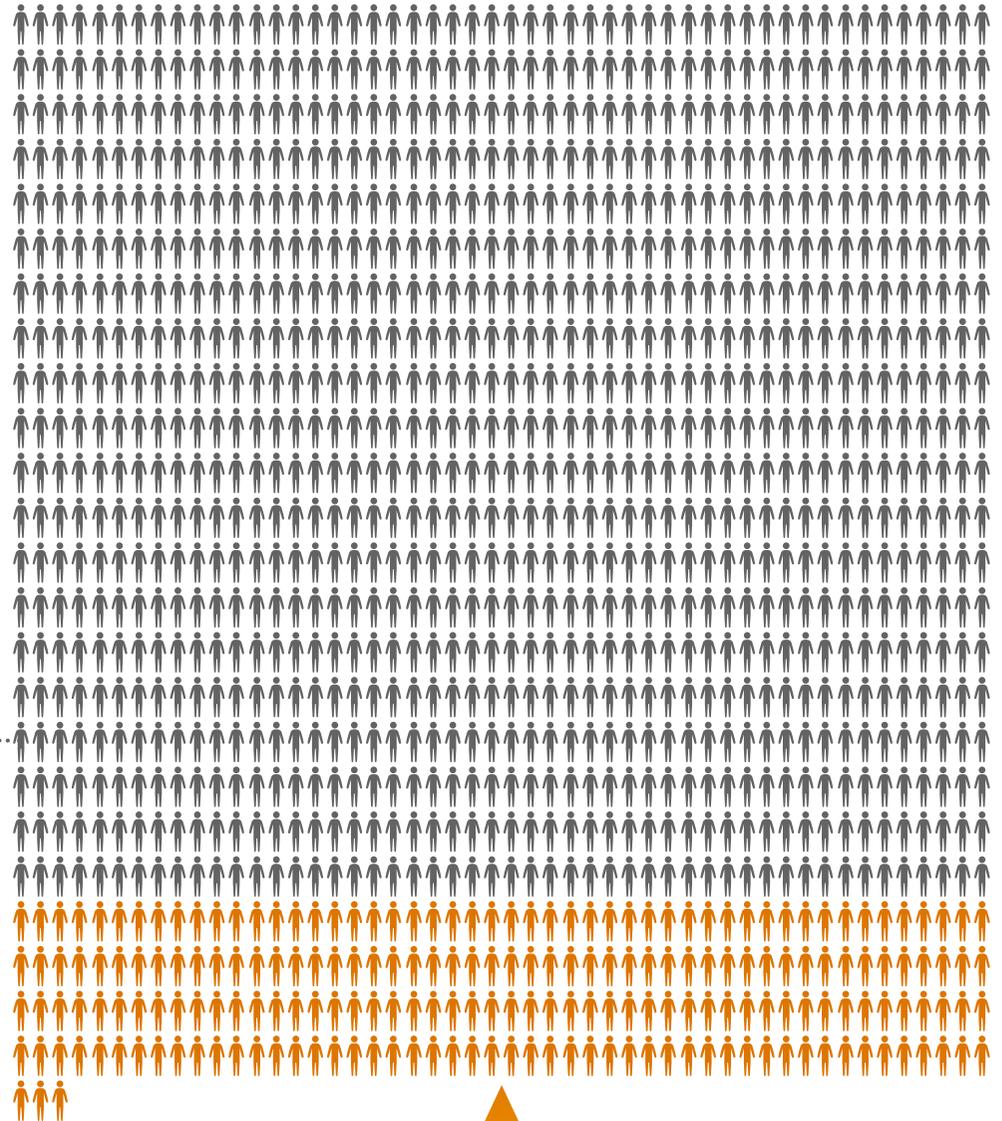
- > meet current and future user needs and are fit for purpose;
- > are cost effective and efficiently managed on a full life-cycle basis; and
- > are affordable for the District.

Why should you care?

SMALL TOWN FUNDING, WITH BIG CITY DEMAND

 = 100 PEOPLE

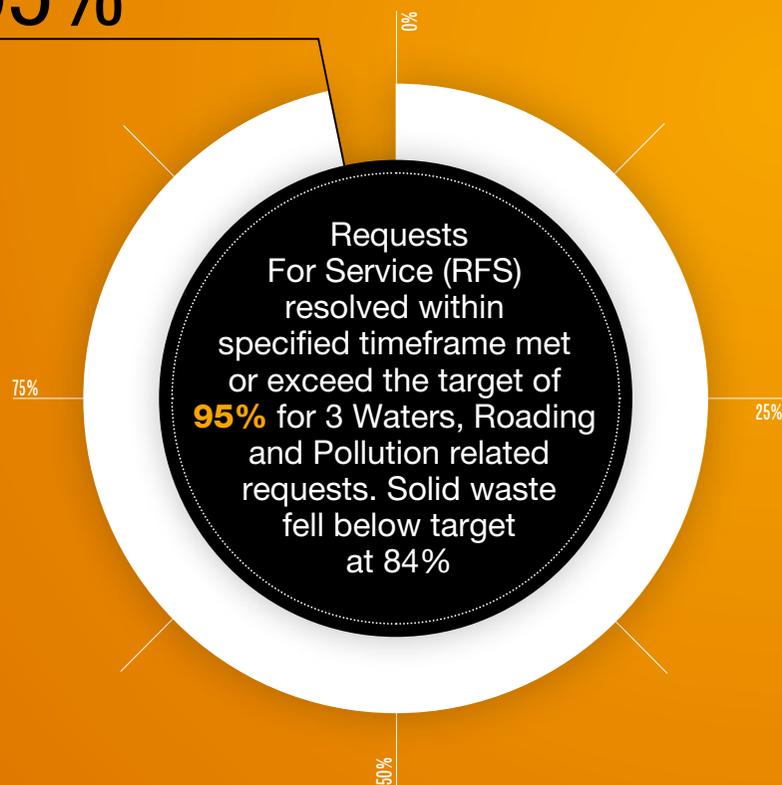
100,000+ PEOPLE DURING PEAK PERIODS USING THE DISTRICTS INFRASTRUCTURE



AND ONLY 22,275 RESIDENTS FUNDING SERVICES

What we achieved

95%



Adopted a **30 Year Infrastructure Strategy** for managing the demand on our assets



WATER SUPPLY



Why should you care?



Why should you care?

26,500 CUBIC METRES OF WATER PER DAY

12 TREATMENT PLANTS

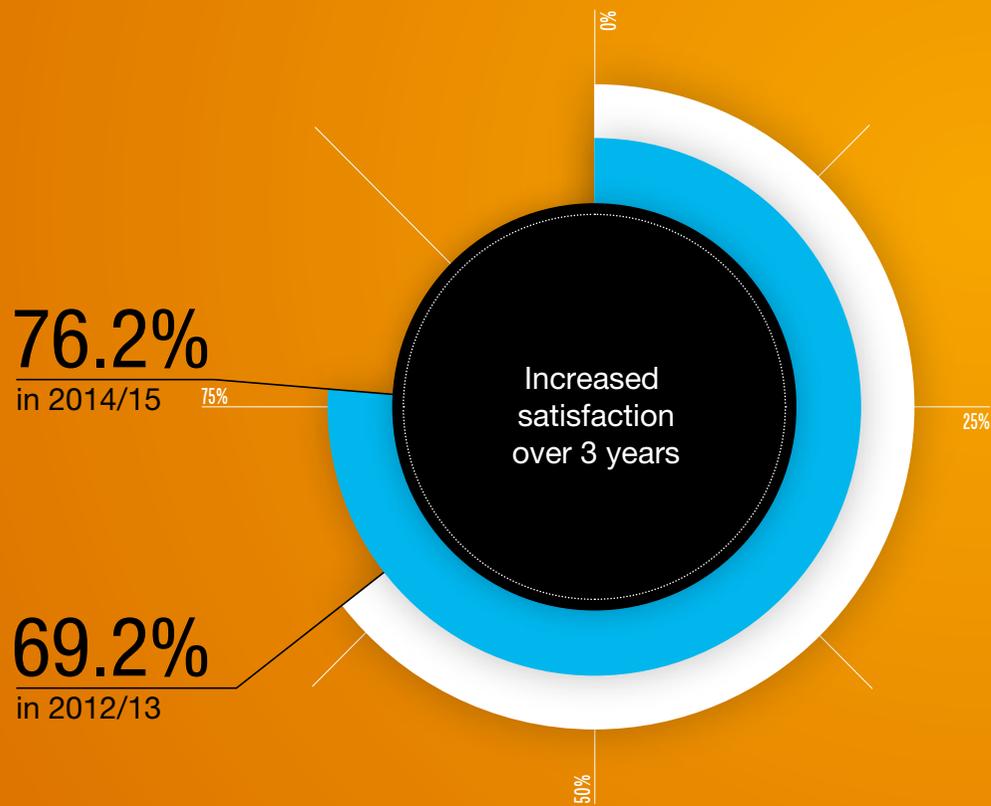
21,885 PROPERTIES

419KM OF WATER MAINS

What we achieved

500

In April 2015, Council installed the first of 500 water metres with the aim of understanding water use.



HOW THE COUNCIL PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPI: Annual cost of water supplied per cubic metre

	2012/2013	2013/2014	2014/2015
Cost per cubic metre	\$1.17	\$0.83	\$0.80
Target	<\$0.90	<\$0.90	<\$0.90



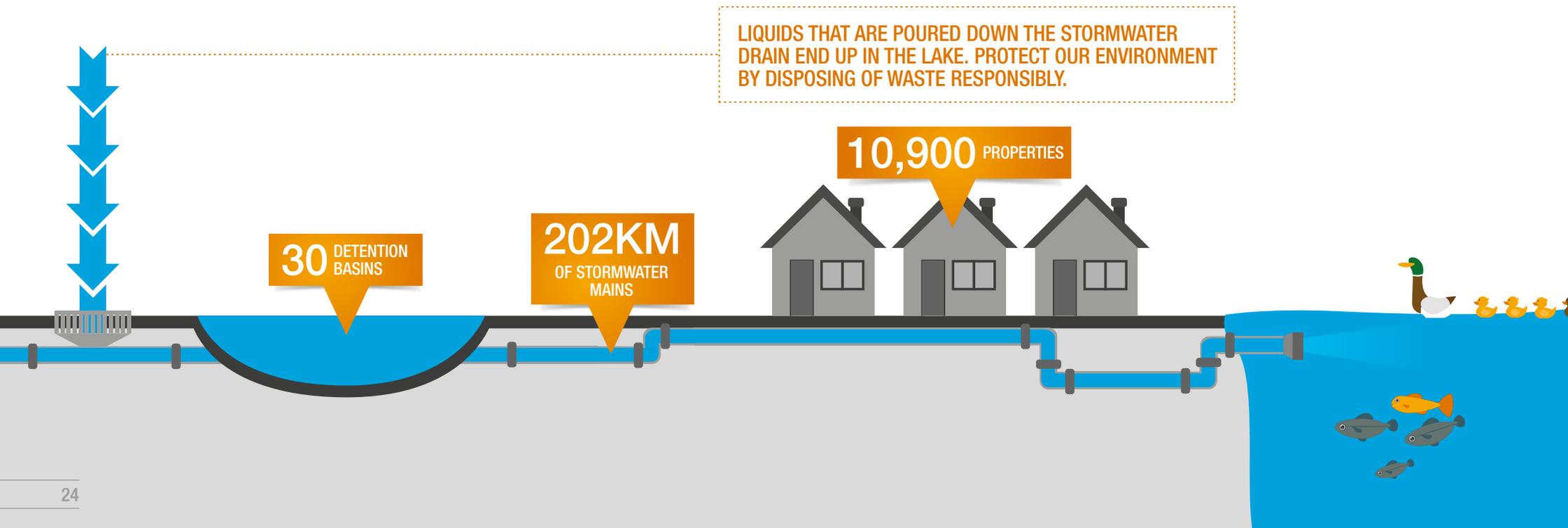
The cost of water per cubic metre was down this year compared to previous years due to a slight reduction in interest rates, reduction in our capital programme and a slight increase in total production.



STORMWATER



Why should you care?



What we achieved

0.1

0.1 flooding events to habitable floors per 1000 properties.

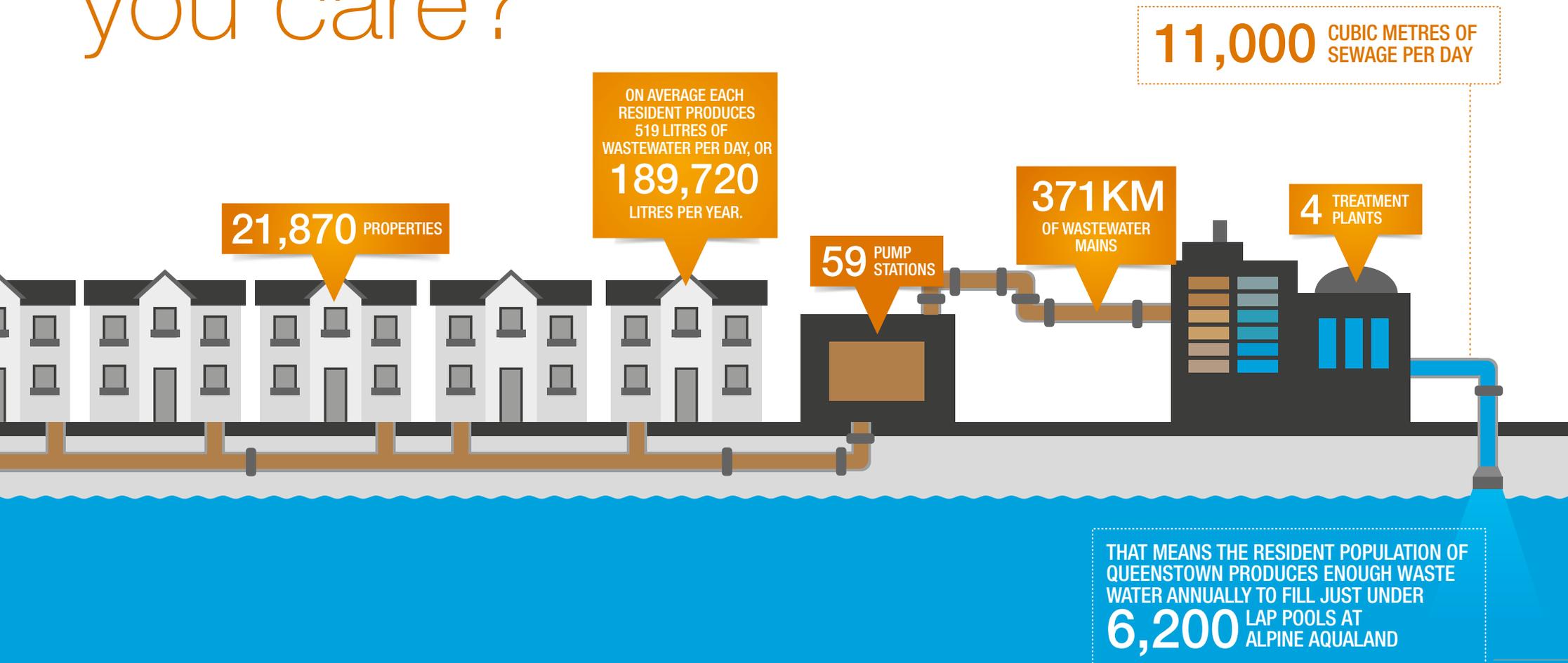
Two flooding events occurred during the year due to heavy rain events.



WASTEWATER



Why should you care?

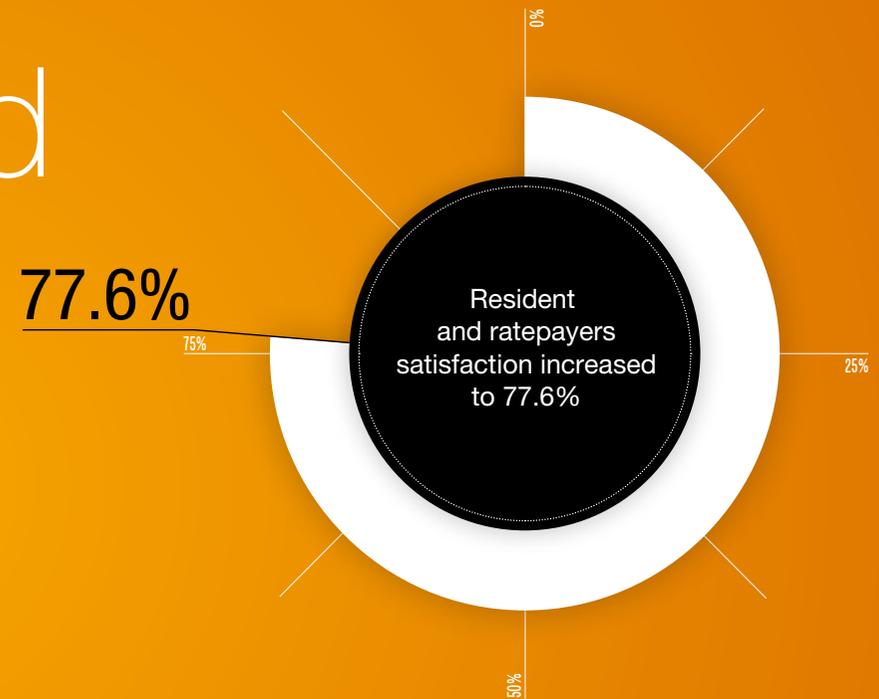


What we achieved

Median response time to attend sewer overflows resulting from blockages or other faults - achieved within target

16.6 16.6 minutes for personnel to reach site

109.4 109.4 minutes from time of notification to resolution of the issue



HOW THE COUNCIL PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPI: Annual cost of wastewater

	2013/2014	2014/2015
Cost per cubic metre	\$2.15	\$2.76
Target	<\$2.25	<\$2.25



Costs in 2014/15 are slightly above target due to early work on Project Shotover Treatment Plant being underway.



WASTE MANAGEMENT



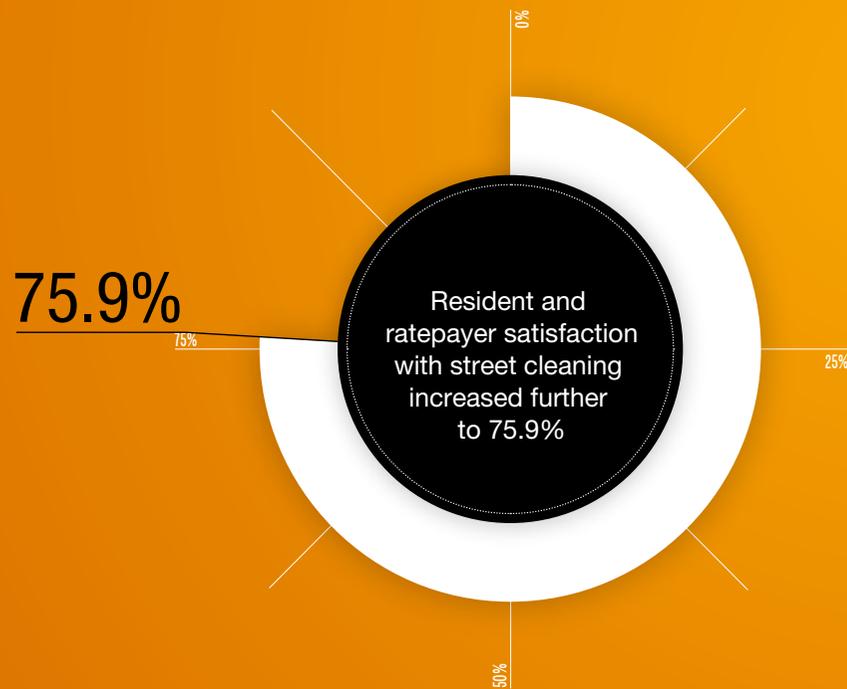
Why should you care?

IN 2014/15 IN EXCESS OF
**6.5 MILLION
KILOGRAMS**
OF WASTE WAS DIVERTED FROM
THE LANDFILL

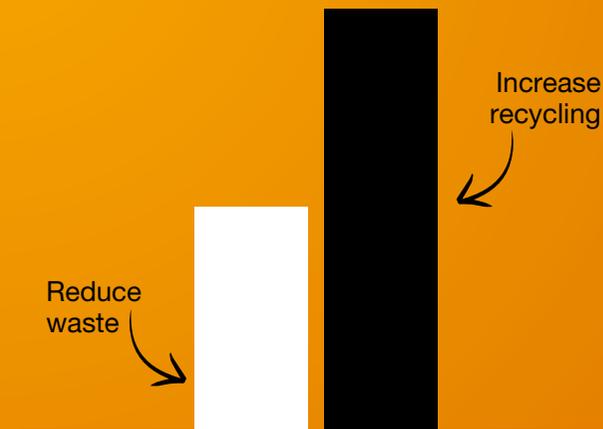
DIVERTING WASTE AWAY FROM
THE DISTRICT'S LANDFILL
EXTENDS THE LIFE OF THIS
FINITE RESOURCE.



What we achieved

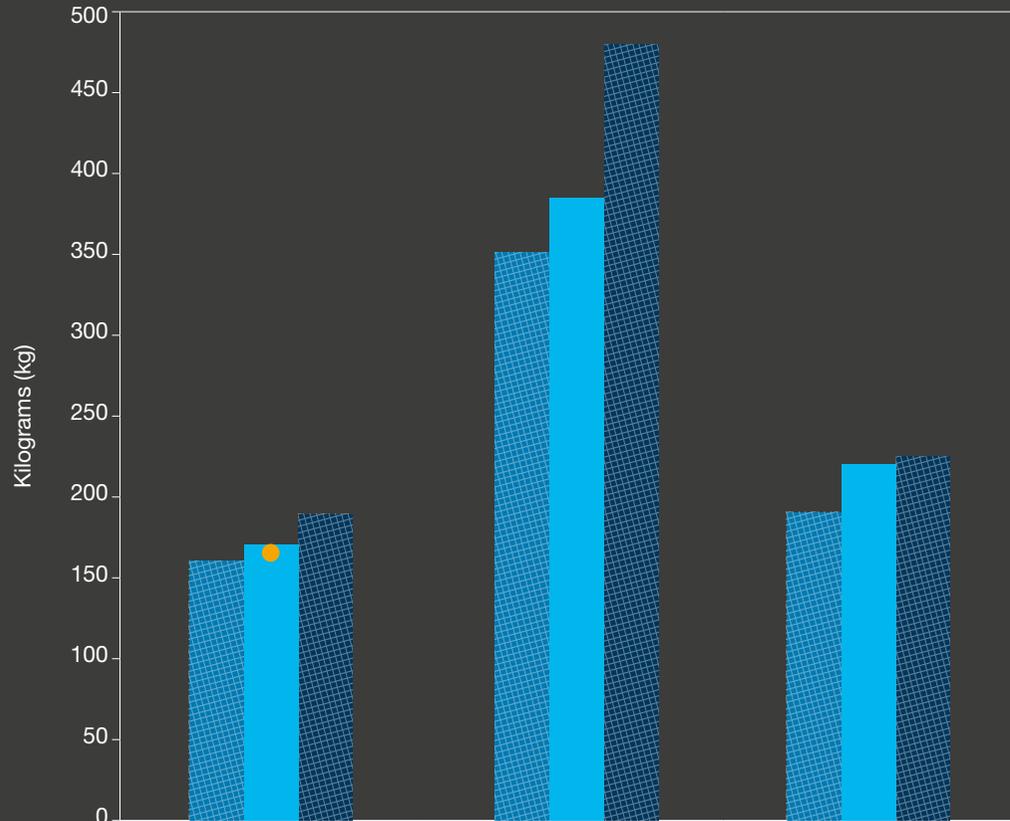


Further work will be done in 2015/16 to reduce waste and increase the volumes of recycling – **we need your help to achieve this.**



HOW THE COUNCIL PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPI: Kilograms of residential waste to landfill per head of population



*The target applicable to this KPI is for residential waste only, and applies from 2014/15.

Data for commercial waste and waste diverted from landfill is provided for context purposes.

Total residential waste volumes are tracking above target at approximately 186 kilograms of residential waste per head of population. This is up from approximately 170 kilograms in 2013/14.

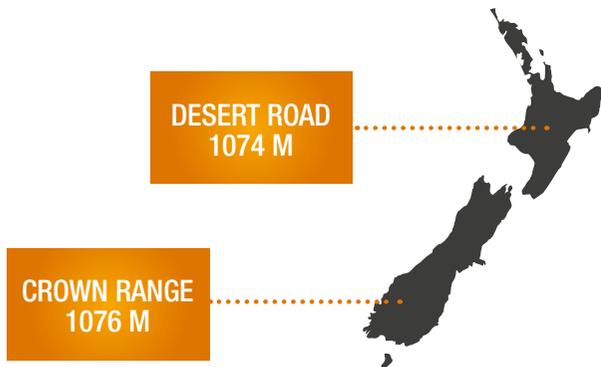
The significant movement in 2014/15 has been around commercial waste volumes. These are currently tracking at 458 kilograms per annum of residential waste per head of population up from 386 kilograms in 2013/14.

Better understanding of these volumes will result in targeted waste minimisation strategies in 2015/16.

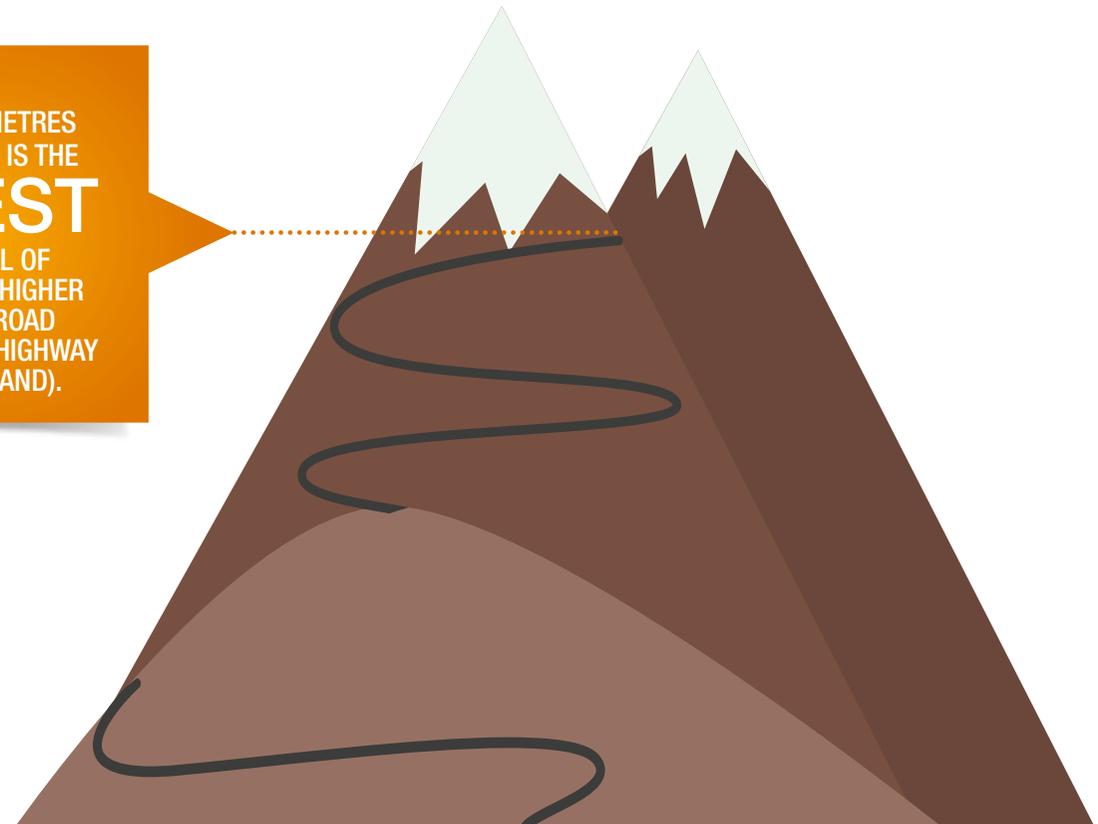


TRANSPORT, INCLUDING ROADING, PARKING AND FOOTPATHS

Why should you care?



1076 METRES
THE CROWN RANGE IS THE
HIGHEST
SEALED ROAD IN ALL OF
NEW ZEALAND (2M HIGHER
THAN THE DESERT ROAD
SUMMIT ON STATE HIGHWAY
1 IN THE NORTH ISLAND).



What we achieved

Wakatipu sealed road resurfacing (\$1.4m)

Wanaka sealed road resurfacing (\$652,174)

Contracts awarded for the replacement of the Kawarau Falls Bridge and design of the new Eastern Access Road

Consultation on transport strategies for Queenstown and Wanaka

HOW THE COUNCIL PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPI: Annual cost per km to maintain and operate a) sealed roads b) unsealed roads

Year	Result	Target	Commentary
A) SEALED ROADS			
2014/15	\$165	<\$129	Sealed road costs were over the target of \$129 per km due to additional budget being made available by the New Zealand Transport agency. Actual expenditure was within 1% of the final budget.
B) UNSEALED ROADS			
2014/15	\$84.44	<\$85	Unsealed road costs came in just under target.

KPI: Sealed road closures (planned and unplanned) that exceed the Council's service standard (one per month, no longer than 8 hours and not during peak demand times)

Year	Result	Target	Commentary
2014/15	0.25	Average of 1 per month	Unplanned sealed road closures, exceeding the service standard, occurred in November, May and June. One was due to an accident, whilst the other two were due to heavy rain and snow.



COMMUNITY SERVICES AND FACILITIES



Why should you care?

BY PROVIDING AQUATIC FACILITIES ACROSS THE DISTRICT THE COUNCIL PROVIDES OPPORTUNITIES FOR CHILDREN TO LEARN TO SWIM.

WATER SAFETY NZ FIGURES SUGGEST 70 PER CENT OF 12-YEAR-OLDS CAN'T SWIM 200 METRES

25M

50M

75M

100M

125M

150M

175M

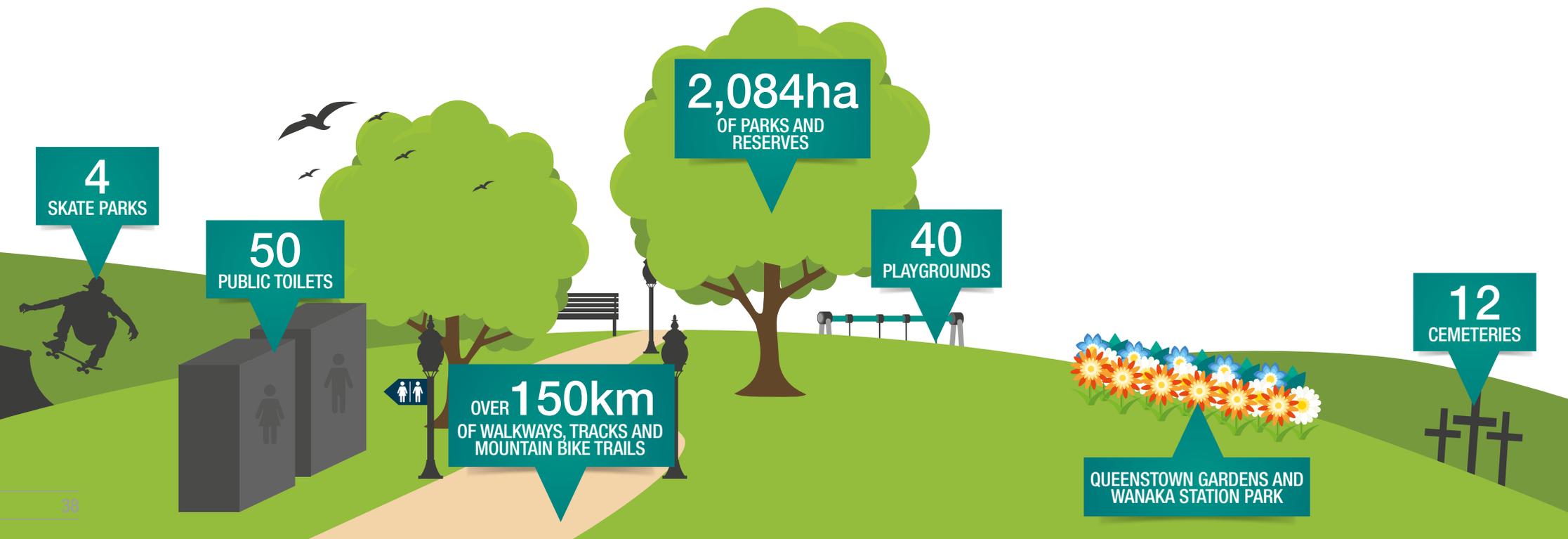
200M

IN 2014/15, AROUND

900
CHILDREN

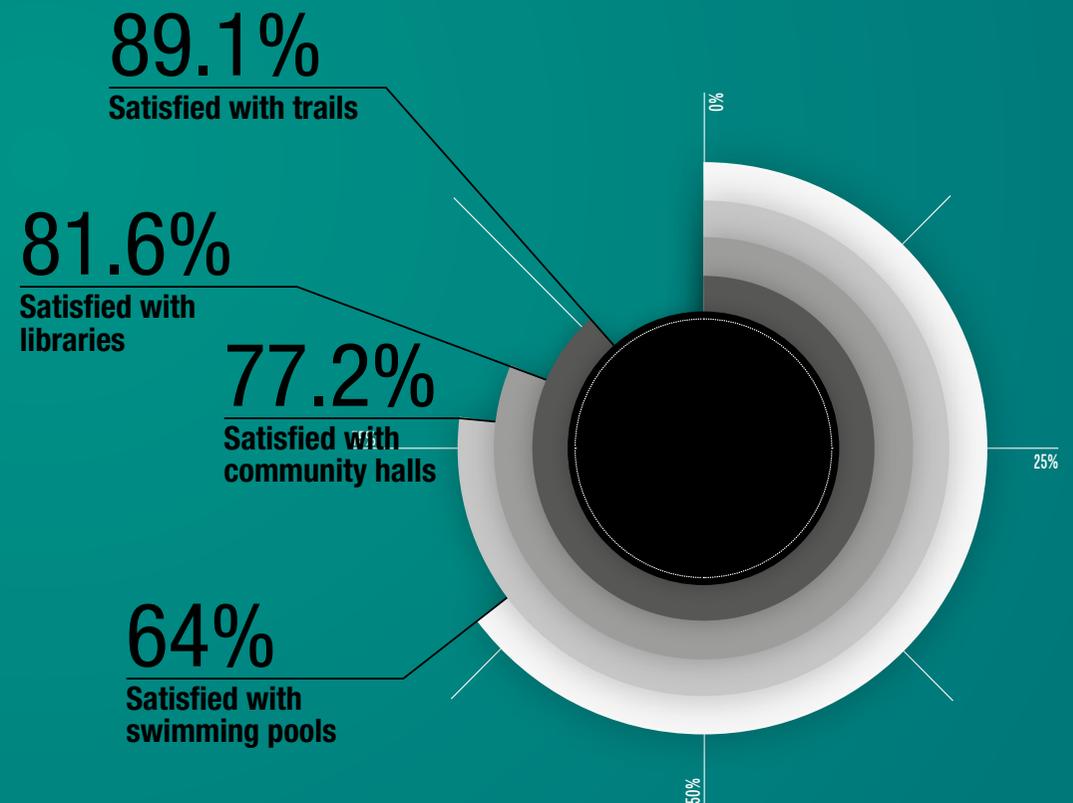
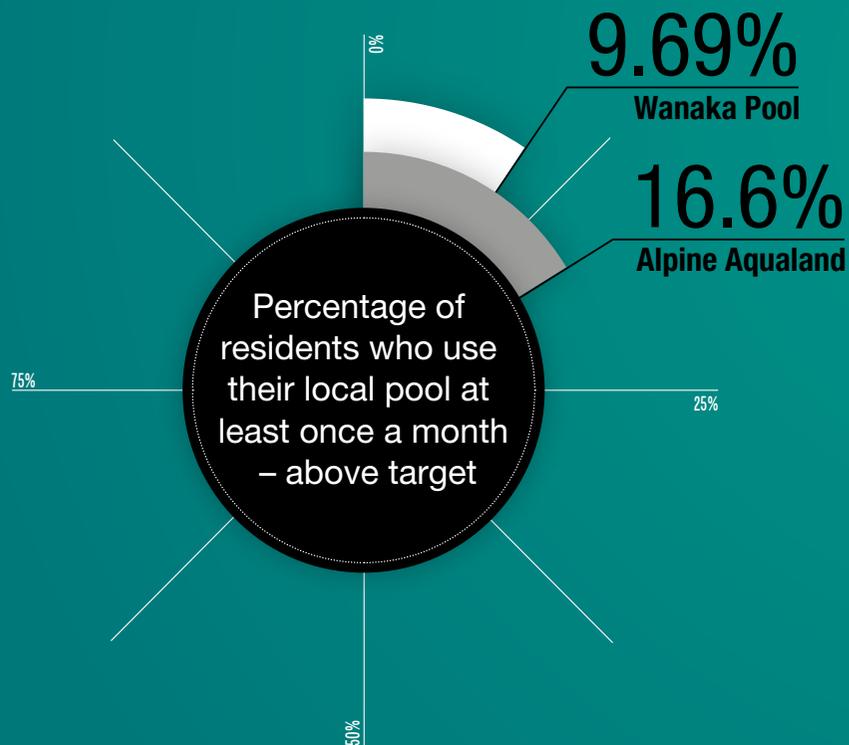
ATTEND SWIM SCHOOL SESSIONS EACH WEEK OF THE TERM.

Why should you care?



What we achieved

Resident and ratepayers satisfaction across all community services remained high





REGULATORY FUNCTIONS AND SERVICES

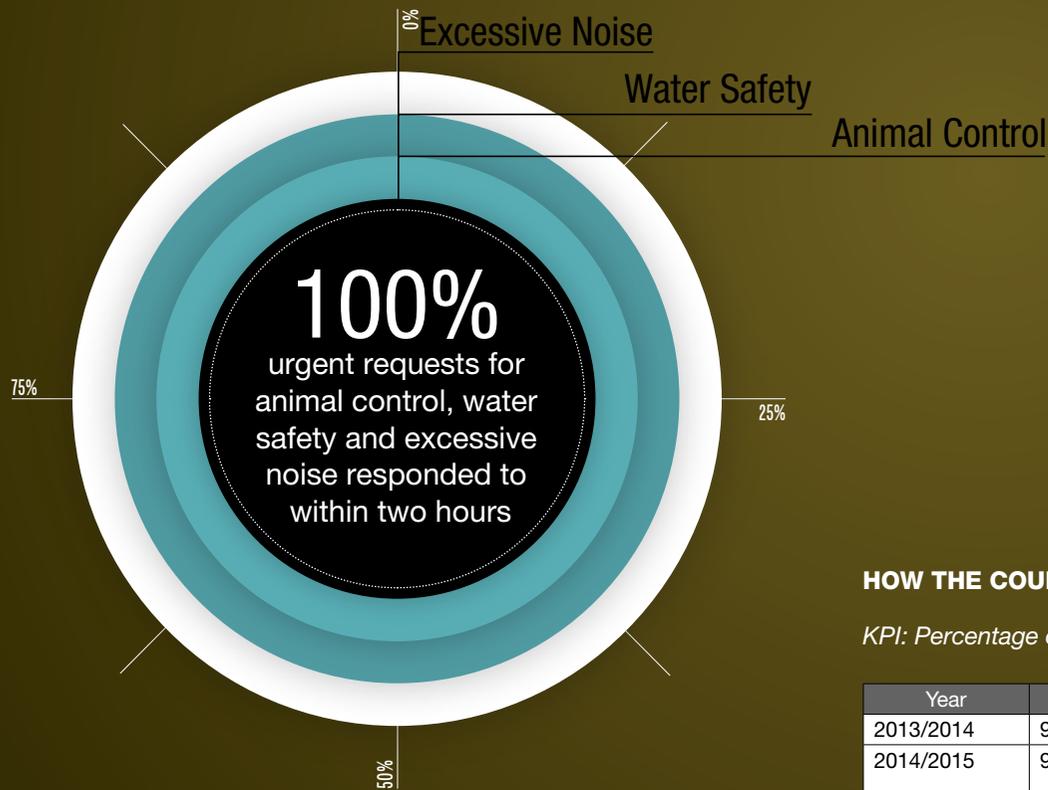


Why should you care?

REGULATORY FUNCTIONS AND SERVICES ARE ABOUT KEEPING THE COMMUNITY SAFE. ENVIRONMENTAL HEALTH OFFICERS INVESTIGATE, MONITOR, AND ASSESS THE EFFECTS OF ENVIRONMENTAL HAZARDS, SUCH AS POLLUTION, UNSAFE FOOD AND INFECTIOUS DISEASES ON PEOPLE'S HEALTH AND WELLBEING. THEY ALSO ENSURE REGISTERED PREMISES COMPLY WITH REGULATIONS AND GRANT LICENSES TO THEM.



What we achieved



Increased freedom camping patrols

Free classes for dog owners

HOW THE COUNCIL PERFORMED AGAINST ITS KEY PERFORMANCE INDICATORS (KPIs)

KPI: Percentage of building consents issued within statutory timeframe

Year	Result	Target	Commentary
2013/2014	92.00%	100%	Progress towards full compliance was achieved. The volume of work also increased by a factor of 44% which necessitated increasing staff numbers to cope. Balancing of staff resource as a result of increased demand is continuing to be addressed.
2014/2015	96.28%	100%	



ENVIRONMENT



Why should you care?

QUEENSTOWN LAKES DISTRICT COUNCIL,
AS GUARDIAN AND STEWARD OF
THE DISTRICT'S PUBLIC URBAN TREE
RESOURCE, CURRENTLY MAINTAINS SOME

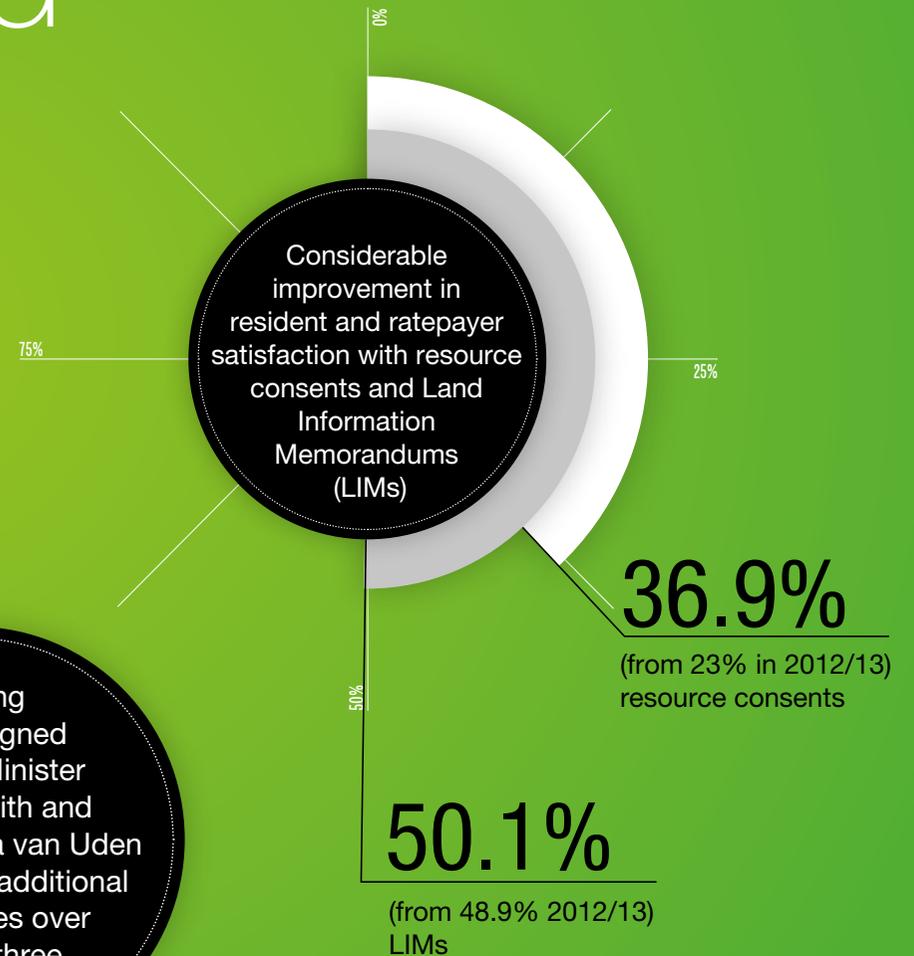
**8000 URBAN
STREET TREES**

AND COUNTLESS SPECIMEN TREES
IN PARKS, RESERVES AND ON OTHER
COUNCIL-OWNED LANDS

What we achieved



Housing Accord signed between Minister Dr Nick Smith and Mayor Vanessa van Uden to provide an additional 1,300 homes over the next three years.





ECONOMY



Why should you care?



1.25m

PEOPLE TRAVEL
THROUGH
QUEENSTOWN
AIRPORT EACH
YEAR

What we achieved

Increased resident and ratepayer satisfaction with Arrowtown Promotional Board and Lake Wanaka Tourism. Satisfaction dipped slightly for Destination Queenstown

LAKEVIEW DEVELOPMENT

Rezoning of land from high density residential to 'town centre'

CONVENTION CENTRE

Through the 10 Year Plan consultation it was decided to proceed with the proposal, subject to funding



LOCAL DEMOCRACY

**New Speed Limit
Proposed**

See www.qldc.govt.nz

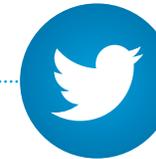
Consultation ends: 27 February 2015



Why should you care?

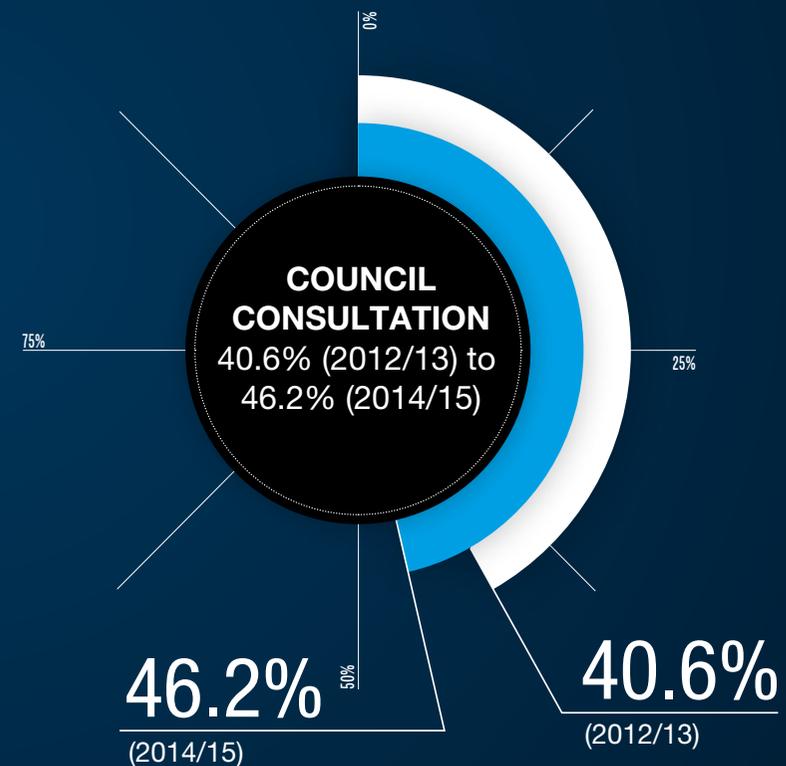
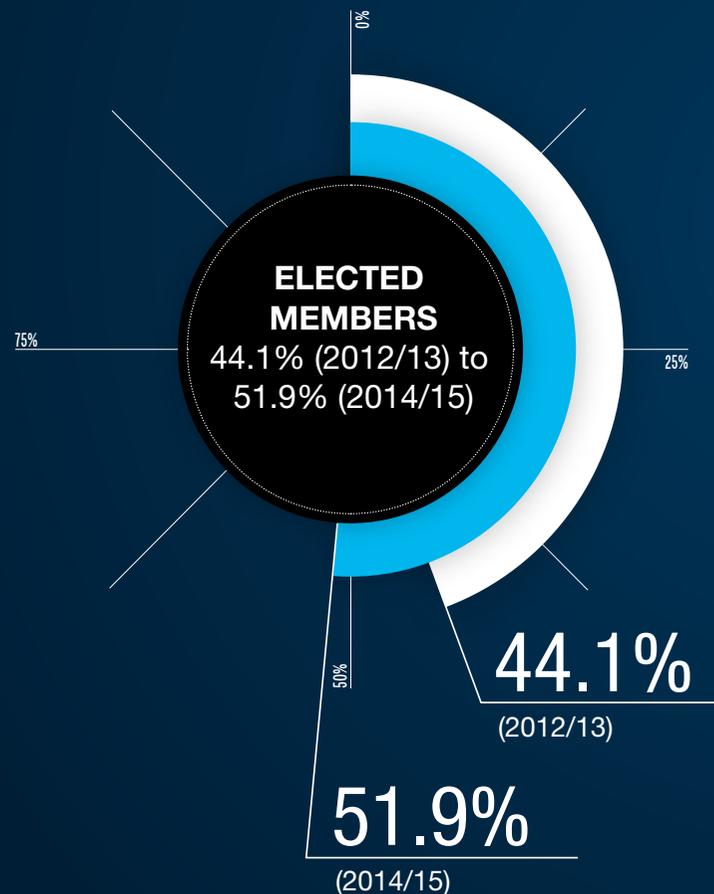
BETWEEN 2013/14 AND 2014/15 THE NUMBER OF RATEPAYERS ENGAGING IN COUNCIL CONSULTATION DOUBLED. HOWEVER, THIS WAS STILL ONLY 4% OF THE POPULATION.

MAKE SURE YOU HAVE YOUR SAY ON THE THINGS THAT MATTER.



What we achieved

Resident and ratepayer satisfaction with Elected Members and Council Staff higher than 2012/13 figures





FINANCIAL MANAGEMENT



Why should you care?

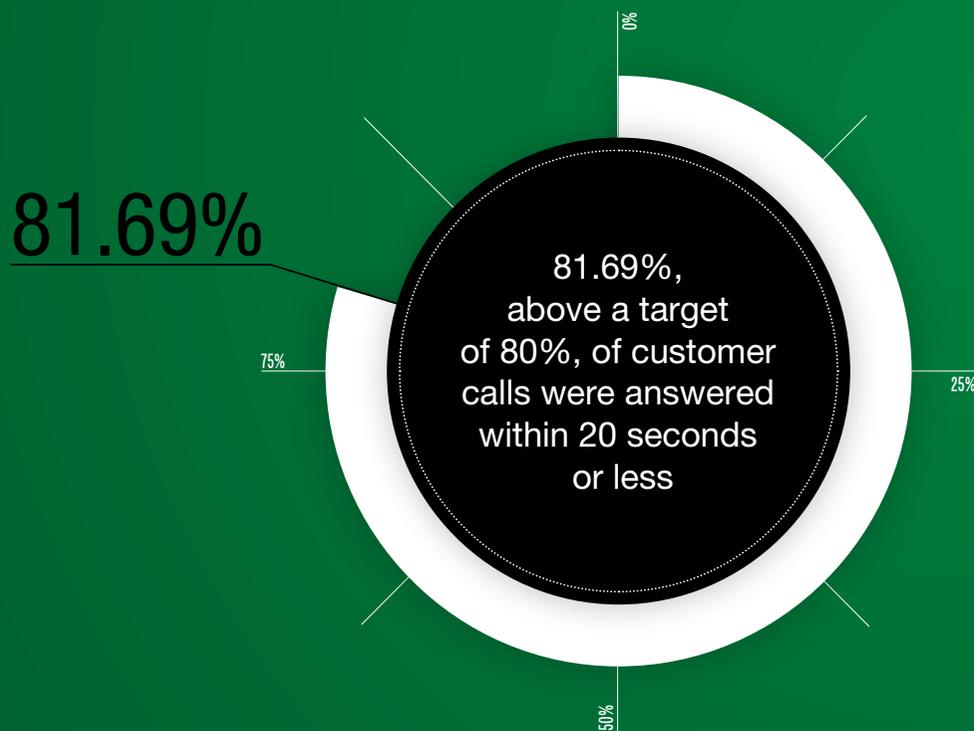
COUNCIL'S FINANCE TEAM PROCESSED

**14,799
INVOICES**

IN 2014/15, RANGING FROM ABANDONED VEHICLE SALES, LAND INFORMATION MEMORANDUMS (LIM), TRAFFIC MANAGEMENT AND WATERWAYS SALVAGE.

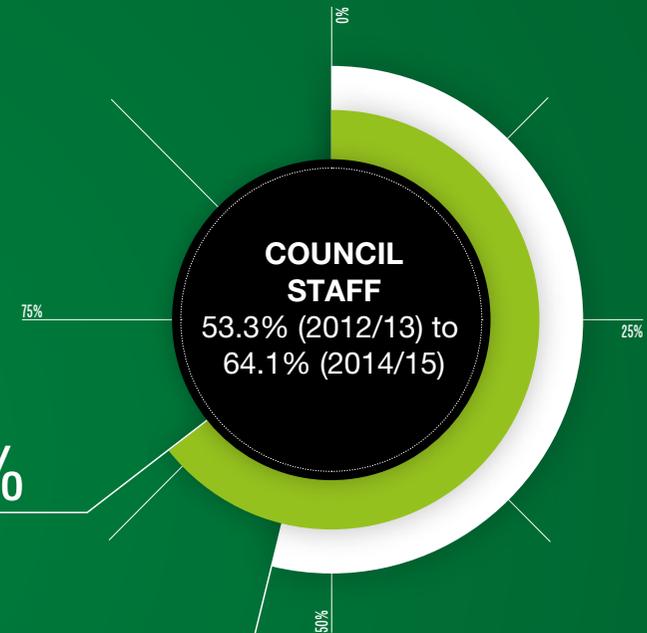
INVOICE

What we achieved



64.1%
(2014/15)

53.3%
(2012/13)



One integrated IT system was introduced on 1 July 2014

Summary Financial Information

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

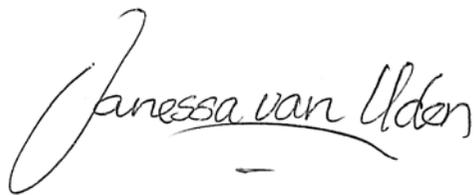
For the financial year ended 30 June 2015	2015	Council	2014	Group	
	\$'000	Budget \$'000	\$'000	2015 \$'000	2014 \$'000
Total Revenue	123,865	111,931	108,168	144,975	126,863
Operating Expenditure					
Employee benefits expense	16,374	16,594	16,051	18,750	18,116
Depreciation and amortisation expense	21,478	21,128	20,387	25,709	24,288
Finance costs	5,819	7,566	5,951	6,696	7,303
Other expenses	49,875	42,467	45,720	55,214	49,883
Total Operating Expenditure	93,546	87,755	88,109	106,369	99,590
Operating surplus before income tax	30,319	24,176	20,059	38,606	27,273
Income tax expense	-	-	-	3,194	3,351
Operating Surplus for the Year	30,319	24,176	20,059	35,412	23,922
Operating surplus attributable to:					
- Council	30,319	24,176	20,059	33,316	22,305
- Non-controlling interest	-	-	-	2,096	1,617
	30,319	24,176	20,059	35,412	23,922

STATEMENT OF OTHER COMPREHENSIVE REVENUE AND EXPENSE

For the financial year ended 30 June 2015	2015	Council	2014	Group	
	\$'000	Budget \$'000	\$'000	2015 \$'000	2014 \$'000
Surplus for the year	30,319	24,176	20,059	35,412	23,922
Other Comprehensive Revenue and Expense					
May be reclassified subsequently to surplus or deficit when specific conditions are met					
Gain/(loss) on revaluation	-	-	112,512	-	145,862
Income tax relating to revaluation	-	-	-	-	(1,695)
Gain/(loss) on cash flow hedging	-	-	-	(900)	694
Income tax relating to cash flow hedging	-	-	-	252	(194)
Total Other Comprehensive Revenue and Expense	30,319	24,176	132,571	34,764	168,589
Attributable to:					
- Council	30,319	24,176	132,571	32,830	158,936
- Non-controlling interest	-	-	-	1,934	9,653
	30,319	24,176	132,571	34,764	168,589

SUMMARY STATEMENT OF FINANCIAL POSITION

	Council			Group	
	2015 \$'000	Budget \$'000	2014 \$'000	2015 \$'000	2014 \$'000
As at 30 June 2015					
Total current assets	31,008	10,830	14,247	33,303	16,198
Total non-current assets	1,075,462	1,099,754	1,059,395	1,268,075	1,239,546
Total assets	1,106,470	1,110,584	1,073,642	1,301,378	1,255,744
Total current liabilities	59,451	36,466	57,066	64,260	61,261
Total non-current liabilities	61,843	114,737	61,719	96,066	87,116
Total liabilities	121,294	151,203	118,785	160,326	148,377
Net assets	985,176	959,381	954,857	1,141,052	1,107,367
Equity attributable to:					
Council	985,176	959,381	954,857	1,100,575	1,067,746
Equity attributable to:					
Non-controlling interest	-	-	-	40,477	39,621
Total equity	985,176	959,381	954,857	1,141,052	1,107,367



Vanessa van Uden
Mayor
Date 29 October 2015



Adam Feeley
Chief Executive
Date 29 October 2015

STATEMENT OF CHANGES IN EQUITY

Council	Revaluation Reserves	Operating Reserves	Capital Reserves	Hedging Reserve	Accumulated Funds	Attributable to Equity Holders of Parent	Non-Controlling Interest	TOTAL EQUITY
For the financial year ended 30 June 2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2014	413,057	15,962	10,992	-	514,846	954,857	-	954,857
Total Comprehensive Revenue and Expense for the year	-	-	-	-	30,319	30,319	-	30,319
Transfers from/(to) accumulated funds	7,662	96	(1,137)	-	(6,621)	-	-	-
Balance at 30 June 2015	420,719	16,058	9,855	-	538,544	985,176	-	985,176
For the financial year ended 30 June 2014								
Balance at 1 July 2013	299,786	13,940	11,520	-	497,040	822,286	-	822,286
Total Comprehensive Revenue and Expense for the year	112,512	-	-	-	20,059	132,571	-	132,571
Transfers from/(to) accumulated funds	759	2,022	(528)	-	(2,253)	-	-	-
Balance at 30 June 2014	413,057	15,962	10,992	-	514,846	954,857	-	954,857
Group	Revaluation Reserves	Operating Reserves	Capital Reserves	Hedging Reserve	Accumulated Funds	Attributable to Equity Holders of Parent	Non-Controlling Interest	TOTAL EQUITY
For the financial year ended 30 June 2015	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2014	493,050	15,962	10,992	(21)	547,763	1,067,746	39,621	1,107,367
Total Comprehensive Revenue and Expense for the year	-	-	-	(487)	33,316	32,829	1,935	34,764
Dividends paid	-	-	-	-	-	-	(1,079)	(1,079)
Transfers from/(to) accumulated funds	7,662	96	(1,137)	-	(6,621)	-	-	-
Balance at 30 June 2015	500,712	16,058	9,855	(508)	574,458	1,100,575	40,477	1,141,052
For the financial year ended 30 June 2014								
Balance at 1 July 2013	356,035	13,940	11,520	(396)	527,711	908,810	30,878	939,688
Total Comprehensive Revenue and Expense for the year	136,256	-	-	375	22,305	158,936	9,653	168,589
Dividends paid	-	-	-	-	-	-	(910)	(910)
Transfers from/(to) accumulated funds	759	2,022	(528)	-	(2,253)	-	-	-
Balance at 30 June 2014	493,050	15,962	10,992	(21)	547,763	1,067,746	39,621	1,107,367

SUMMARY STATEMENT OF CASH FLOWS

	Council			Group	
	2015 \$'000	Budget \$'000	2014 \$'000	2015 \$'000	2014 \$'000
For the financial year ended 30 June 2015					
Net cash inflow/(outflow) from operating activities	35,265	39,359	28,473	43,558	37,842
Net cash inflow/(outflow) from investing activities	(20,904)	(58,245)	(21,467)	(36,912)	(25,585)
Net cash inflow / (outflow) from financing activities	(294)	18,892	(5,661)	7,387	(10,684)
Net increase/(decrease) in cash and cash equivalents	14,067	6	1,345	14,033	1,573
Cash and cash equivalents at the beginning of the financial year	3,140	382	1,795	3,445	1,872
Cash and cash equivalents at the end of the financial year	17,207	388	3,140	17,478	3,445

ACCOUNTING POLICIES

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

The 2014/15 annual report has been audited and gained an unqualified opinion, which means the report has met the requirements of the Local Government Act 2002.

This summary annual report has been examined by the auditor for consistency with the full annual report. The auditor's report is included with this summary. The Council's full annual report has complied with NZ GAAP and stated explicitly that it complies with Public Benefit Entity (PBE) Standards for Tier 1 entities. This was the first annual report prepared in accordance with PBE Standards. The summary annual report complies with FRS 43 – Summary Financial Statements and is the first summary annual report to comply with PBE Standards as they relate to summary financial statements.

SUBSEQUENT EVENTS

Queenstown Airport Corporation Ltd (QAC)

On 21 August 2015 the QAC Board resolved to pay a final dividend for the year ended 30 June 2015 of \$0.2588 per share, resulting in a dividend of \$4,156,074 (2014: \$3,316,766). Council's share of this dividend will be \$3,117,471 (2014: \$2,487,906).

CONTINGENT LIABILITIES

Council

Legal Claims

There were eleven building related legal claims received for buildings within the district as at 30 June 2015. Council has been joined as a party in these claims, which relate to alleged weathertightness building defects. Claims are dealt with on a case by case basis. Council's liability in relation to these claims has not been established and it is not possible to determine the outcome of the claims at this stage. No loss provision has been recognised based on current knowledge. Note that 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.

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
QUEENSTOWN LAKES DISTRICT COUNCIL AND GROUP'S
SUMMARY ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

The summary annual report was derived from the annual report of the Queenstown Lakes District Council (the District Council) and group for the year ended 30 June 2015. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 12 to 59:

- the summary statement of financial position as at 30 June 2015;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/equity and cash flow statement for the year ended 30 June 2015;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as Group Activities) of the District Council and group.

We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 29 October 2015.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with FRS-43 (PBE): *Summary Financial Statements*.

Basis of Opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.



The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 29 October 2015 on the full audited statements.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council and group.

Responsibilities of the Council and the Auditor

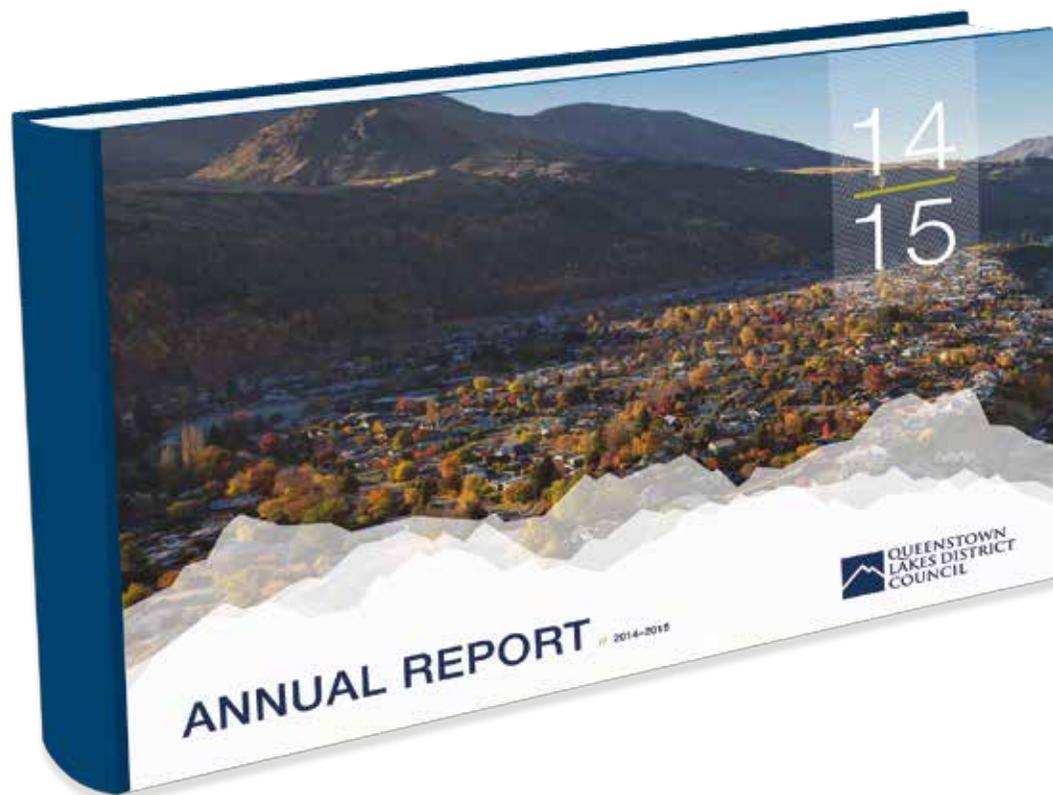
The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS-43 (PBE): *Summary Financial Statements*. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): *Summary Financial Statements*.

In addition to this audit, which includes our report on the *Other Requirements*, we have carried out other assurance services and assignments in the areas of conducting an audit of the District Council's 2015-2025 Long Term Plan a disclosure audit and tax services. Other than the audit and these assignments, we have no relationship with or interests with in the District Council or any of its subsidiaries

B E Tomkins
Deloitte
On behalf of the Auditor-General
Dunedin, New Zealand
29 October 2015

There is so much more we want to tell you



Read the full Annual Report 2014–2015
at www.qldc.govt.nz

