



Queenstown Lakes District Council

Summary Annual Report 2013-14

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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 30 October 2014. The summary annual report can not be expected to provide as complete an understanding as provided by the full annual report. The full financial report dated 30 October 2014 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 they comply with NZ equivalents to IFRS (International Financial Reporting Standards) as applicable for public benefit entities. The summary annual report complies with FRS 43 - summary financial statements.

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Chief Executive Report

Introduction

The purpose of this Summary Annual Report is to represent fairly and consistently the major matters dealt with in the Annual Report.

The purpose of the Annual Report is to account for Council's achievements against objectives included in the 2012-2022 10-Year Plan. The 2013/14 year represents year two of the 2012-22 10-Year Plan.

The past financial year has seen continued focus on continued improvements to our financial management, coupled with maintaining or improving the quality of our core services. Success with the former is illustrated by a zero rates increase (against a forecasted 2.25% increase in our 10 Year Plan), while success with the latter is borne out by the across the board increases in satisfaction in the 2014 Annual Residents and Ratepayers' Survey.

Re-prioritisation of our capital expenditure projects has meant that we are focused on delivering where there is clear operational need. These projects are agreed and prioritised and where significant captured in our business plan. All business plan projects across all services, are tracked and progress publicly reported every month alongside performance monitoring of capital and operational expenditure.

Operational highlights at a glance

- Financial management:
 - A zero percent increase in rates for the second consecutive year.
 - \$3.4m reduction in expenditure against budget.
 - \$1.2m reduction in personnel costs against budget.
 - An operational surplus of \$20m against a budgeted surplus of \$13m.
- A second consecutive year of improvement in residents' satisfaction with Council and its operations. This included increased satisfaction of:
 - 18.5% (to 66%) with being kept informed.
 - 15.2% (to 59.3%) with Council's elected members.
 - 13.5% (to 66.9%) with Council staff.
 - 12.3% (to 53.9%) with level of public consultation.
- Delivery of 22 key projects, against set milestones from the 2013/14 Work Programme, with two projects deferred by Council consensus.
- Delivery of amalgamated financial and reporting systems into one Council-wide IT system (Technology One).
- Establishment of an improved performance reporting framework, adopted in the Annual Plan 2014/15.
- Resolution of 3 weathertight building cases where the Council has been a defendant.

Major initiatives

Events Funding – By establishing the Major Events Funding the Council expects to see many economic, social and cultural benefits flow from the financial support which will be given to new and growing events in this district. Following approval of the Events Funding Strategy, the Council initiated three funding rounds in 2013/14. Twenty four events received funding, plus two events which were pre-approved for support in 2014-15. A total of \$528,446 was approved for events, not including 10 Year Plan allocations for Summerdaze and Christmas/New Year's celebrations. 165 applications for in kind support were approved to the value of \$63,269.

Wanaka Sports Facility – The Wanaka Sports Facility Steering Group met with sports and community groups earlier this year to test the priorities signalled in the 2011 consultation. The project continues to be a priority with the budget allocated in the 10-Year Plan. Construction is planned to commence in 2015/16.

Lakeview Development – The Lakeview development (which includes the proposed Queenstown Convention Centre site) has the potential to be a major catalyst for economic growth for Queenstown's CBD. Master-planning of the site was commenced in 2013/14, and will be completed with a proposal to change the District Plan in 2014/15.

Queenstown Convention Centre – Reports on design and operating options; ratings analysis; and funding options were all delivered to Council in 2013/14. Council has since requested additional information on alternative rating options; options for staged or reduced construction costs; and a preferred operating model. This will now be progressed in the 2015 10 Year Plan.

Water Demand Management – Long-term water use remains one of the most significant financial issues facing the District. A report on managing these costs, including the option of volumetric charging was presented to Council during the past year with further analysis proposed for the coming year to determine the business case for implementation.

Shotover Wastewater Treatment Facility – The initial phase for replacing the existing wastewater treatment facility on the Shotover delta - a \$2.6 million inlet works to improve initial screening process at the treatment facility – got underway in 2013/14. The next stage in 2014/15 will see a design, build and operate contract awarded with construction commencing at the end of the financial year.

Conclusion

Local government in New Zealand faces many challenges. The expectation from ratepayers to deliver better services at less cost continues to grow. At the same time, central government continues to place a growing range of regulatory functions and reporting requirements upon us. Successfully meeting these often competing expectations will require sustained effort on the part of Council. However as we enter the last financial year prior to formulating a new 10 Year Plan, we find ourselves in a financially strong position with a community that is well-informed and generally supportive of the direction being taken. It is good foundation on which to achieve our longer term goals.

I would like to thank our elected representatives on both Council and the Wanaka Community Board who are dedicated to delivering better outcomes for local people. They can reflect with pride on a successful year.

I would also like to thank all the Council staff who have worked across the diverse range of Council activities to deliver consistently high quality services to the community.

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
Chief Executive
Queenstown Lakes District Council

QLDC Financial Results at a glance 2013/14

The Council alone recorded a surplus of \$20.0m for the year. This is up from the \$11.4m surplus recorded last year and against the budget of \$13.0m. The main reasons for the higher surplus, which is not profit, are related to both reduced expenditure (\$3.4m) to budget & higher revenue (\$3.6m) to budget.

There is \$2.75m of project expenditure that was classified as capital expenditure within the budget but has been charged as an operating expense for the year. This is not an over-spend as there is budget provided to cover it. This includes \$1.2m of expenditure previously sitting in capital work in progress that relates to projects that will now not proceed.

Explanation of Major Variances against Budget

Statement of Financial Performance

Operating revenues were above budget by 3.6% for the year ended 30 June, 2014. This was above estimate by \$3.4m.

The following major items contributed to this variance:

- Vested Assets were \$7.1m above budget for the year; this a non-cash item and relates to the value of assets transferred to Council via the subdivision process.
- Roading subsidy was \$3.0m under budget for the year, mainly as a result of reduced roading capital expenditure due to the timing of some projects.
- User Charges were \$2.4m below budget for the year, mainly as a result of the outsourcing of the Council Holiday Parks in October 2013.
- The surplus includes \$1.2m of unrealised gains relating to the annual revaluation of investment property. This follows a 2013 value reduction of \$3.8m. There is also a \$1.2m unrealised gain as a result of the revaluation of interest rate swaps as at 30 June 2014. Other items result in a net loss of \$0.5m.

Operating expenditure was \$3.4m (3.7%) under budget for the year ended 30 June 2014. This is very pleasing and means that we were able to deliver savings from an operating perspective.

These are the major items; mostly positive, that contributed to this variance:

- Interest expense for the year is \$1.9m less than budget. This is a result of the deferral of some capital works and lower than expected interest rates.
- Staff related costs for the year are \$1.2m lower than budget. This is a result of fewer staff being employed and modest increases to remuneration for the year.
- Depreciation expense for the year is \$279k lower than budget.
- Holiday Park costs were \$1.8m below budget for the year, mainly as a result of the outsourcing of the Parks in October 2013.
- There is \$2.75m of project expenditure that was classified as capital expenditure within the budget but has been charged as an operating expense for the year. This is not an over-spend as there is budget provided to cover it. This includes \$1.2m of expenditure previously sitting in capital work in progress that relates to projects that will now not proceed.

- The balance of the positive variance of \$0.95m relates primarily to reduced maintenance and operational costs for utilities, roading and community services.

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:

- Vested Assets were \$7.1m above budget for the year.
- Capital expenditure was below estimate by \$9.6m for the year ended 30 June 2014. This relates mainly to project expenditure within the roading activity which has been delayed or deferred; Frankton Flats Arterial Road – Glenda Drive Roundabout (\$3.5m) and Eastern Access Road (\$300k).
- Hawea Water Supply (\$1m) was also delayed with physical works starting in 2014/15 and there is \$5.2m of unspent budget relating to reserve land acquisitions.

The revaluation of investment property resulted in an uplift in value of \$1.2m for the year. This movement coupled with previous unrealised losses, has led to the main variation in the balance sheet which shows Investment Property \$5.2m below the forecast position.

Borrowings are \$17.5m below forecast; this positive variance relates mainly to the deferral and savings associated with capital projects (see above).

Statement of Changes in Equity

Accumulated differences between actual and budgeted net surpluses (for 2014 as described above) as well as the impact of the infrastructure revaluation and reduced borrowings has resulted in an equity variance of \$22.5m 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 \$9.4 million below estimate and new borrowings were consequently around \$8.3 million less than expected.

Financial Strategy

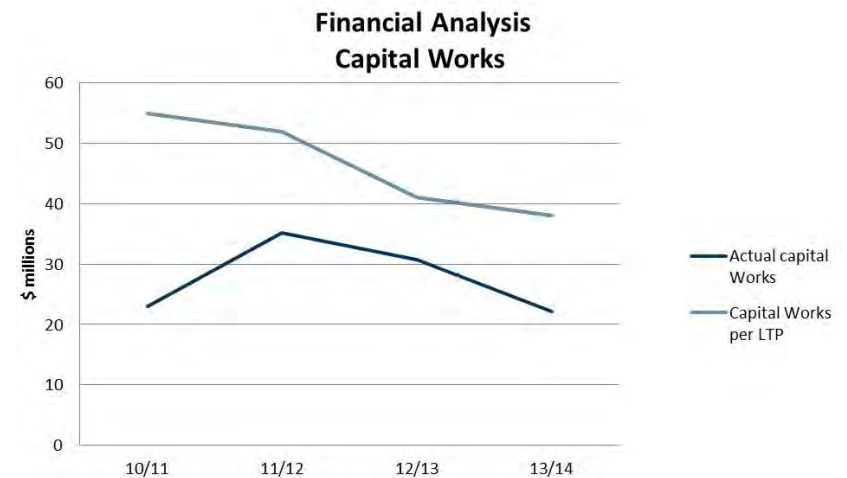
The Financial Strategy was a new requirement for the 2012 10-Year Plan. It must show prudent financial management by our Council and act as a guide when we make big funding decisions. It also outlines how the Council will tell the story about projects so that the community can understand the implication 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.

These ratios are presented in the graphs below:

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		5.70%
2016/2017		5.36%

The table above shows the actual rates increases over the past 3 years compared to the increases forecasted in the 10-Year Plan. The total rates for 2013/14 are \$56.5m compared to the forecasted amount of \$58.4m. This represents a saving of \$1.81m.

The rates for 2014/15 have been set at \$57.7m compared to the forecasted amount of \$61.1m. This represents a saving of over \$3.5m.

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

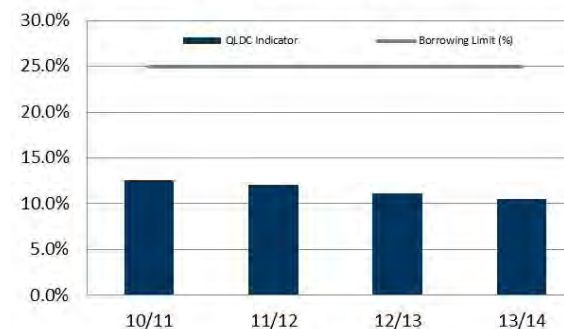
Debt Levels

In order to deliver the large capital programme included in the 10-Year Plan, Council will need to rely on borrowing. Council has spent a considerable amount of time and effort working through the capital programme to ensure it is affordable and deliverable. The actual external debt at 30 June 2014 was \$102m; this is \$5m less than 2013 and \$34m less than the amount forecast in the 10-Year Plan.

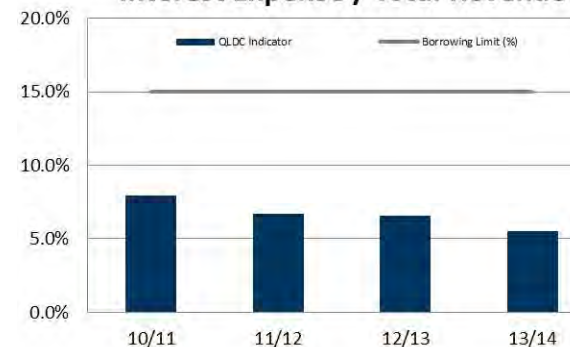
The actual and proposed levels of debt are now within all of the Council's self-imposed borrowing limits:

Borrowing Limits (%)	Actual 2011/12	Actual 2012/13	Actual 2013/14	Forecast 2013/14
Interest Expense/Rates < 25%	12.1%	11.1%	10.5%	14.0%
Interest Expense/Total Revenue < 15%	6.7%	6.4%	5.5%	7.8%
Net Debt/Total Revenue < 200%	105.9%	110.1%	94.9%	129.2%
Net Debt/Equity < 20%	12.7%	13.0%	10.7%	14.6%

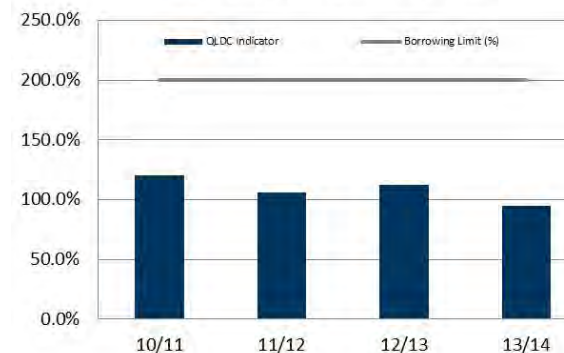
Interest Expense / Rates Revenue



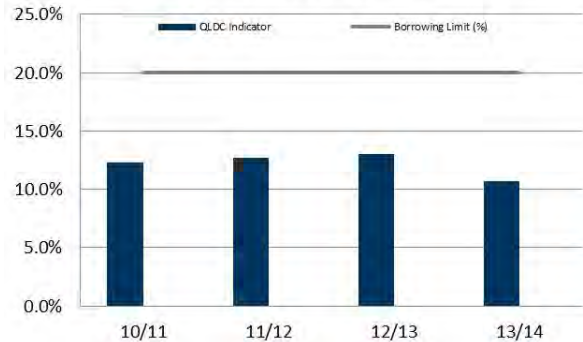
Interest Expense / Total Revenue



Net Debt / Total Revenue



Net Debt / Equity



The following graph shows the forecasted debt levels compared to actual debt levels up to 2013/14. As can be seen, actual debt levels are significantly reduced. The total debt as at 30 June 2014 is \$102m, which is \$34m less than forecast in the 10-Year Plan.

Actual vs Forecast External Debt



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

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

Capital Works 2013/14

Notable infrastructure projects that have been substantially advanced or completed during the 2013/14 financial year:

Project	Cost at Year End 2014 (\$)
Ardmore/Brownston Street improvements	873,317
Panorama Terrace pavement rehabilitation	70,134
McChesney Road pavement rehabilitation	382,206
Cardrona power undergrounding and traffic calming	386,603
Crown Range Road pavement rehabilitation (Zig Zag)	516,708
Re-sealing programme	3,596,191
Unsealed Road Metalling	1,040,207
Glenda Drive Interceptor (Stormwater)	526,895
Kelvin Heights UV treatment Upgrade	470,229
Frankton Road water pump station upgrade (Learys Gully)	977,379
Renewal of Beacon Point water intake pumps	188,497
Frankton Beach wastewater pump station upgrade	186,297
Project Shotover short-term upgrades	2,120,839

Carry-forward projects scheduled for completion in 2014/15 approved by Council in August 2014 are:

- Frankton Flats Arterial Road (\$3.8m)
- Atley Road Extension (\$210k)
- Frankton Flats Wastewater servicing (\$402k)
- Bremner Park Stormwater (\$219k)
- SCADA upgrades (district-wide) (\$250k)
- Decommission Roys Bay Intake (\$262k)
- Hawea Water upgrades (\$1.0m)

Summary Statement of Financial Performance

	Council			Group	
	2014 \$'000	Budget \$'000	2013 \$'000	2014 \$'000	2013 \$'000
For the Financial Year Ended 30 June 2014					
Total Income	109,312	105,714	96,078	128,008	117,988
Expenditure					
Employee benefits expense	16,051	17,293	8,388	18,116	18,073
Depreciation and amortisation expense	20,387	20,666	18,051	24,288	22,861
Finance costs	5,951	7,869	6,231	7,303	7,701
Other expenses	46,863	46,865	51,954	51,027	57,065
Total operating expenditure	89,253	92,693	84,624	100,735	105,700
Surplus/(Deficit) before income tax	20,059	13,021	11,454	27,273	12,288
Income tax expense	-	-	-	3,351	2,175
Surplus/(Deficit) for the period	20,059	13,021	11,454	23,922	10,113
Surplus/(Deficit) attributable to:					
- Council	20,059	13,021	11,454	22,305	8,718
- Non controlling interest	-	-	-	1,617	1,395
	20,059	13,021	11,454	23,922	10,113

Statement of Comprehensive Income

	Council			Group	
	2014 \$'000	Budget \$'000	2013 \$'000	2014 \$'000	2013 \$'000
For the Financial Year Ended 30 June 2014					
Surplus/(Deficit) for the period	20,059	13,021	11,454	23,922	10,113
Other Comprehensive Income					
May be reclassified subsequently to profit or loss when specific conditions are met					
Gain/(Loss) on revaluation	112,512	73,033	-	145,862	-
Income tax relating to revaluation	-	-	-	(1,695)	-
Gain/(Loss) on cash flow hedging	-	-	-	694	785
Income tax relating to cashflow hedging	-	-	-	(194)	(220)
Total Comprehensive Income	132,571	86,054	11,454	168,589	10,678
Attributable to:					
- Council	132,571	86,054	11,454	158,936	9,141
- Non controlling interest	-	-	-	9,653	1,537
	132,571	86,054	11,454	168,589	10,678

Statement of Changes in Equity

Council	Revaluation Reserves	Operating Reserves	Capital Reserves	Hedging Reserve	Retained Earnings	Attributable to Equity Holders of Parent	Non Controlling Interest	TOTAL EQUITY
Council as at 30 June 2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2013	299,786	13,940	11,520	-	497,040	822,286	-	822,286
Total Comprehensive Income for the year	112,512	-	-	-	20,059	132,571	-	132,571
Transfers from/(to) retained earnings	759	2,022	(528)	-	(2,253)	-	-	-
Balance at 30 June 2014	413,057	15,962	10,992	-	514,846	954,857	-	954,857
Council as at 30 June 2013								
Balance at 1 July 2012	303,726	13,822	8,665	-	484,619	810,832	-	810,832
Total Comprehensive Income for the year	-	-	-	-	11,454	11,454	-	11,454
Transfers from/(to) retained earnings	(3,940)	118	2,855	-	967	-	-	-
Balance at 30 June 2013	299,786	13,940	11,520	-	497,040	822,286	-	822,286
Group	Revaluation Reserves	Operating Reserves	Capital Reserves	Hedging Reserve	Retained Earnings	Attributable to Equity Holders of Parent	Non Controlling Interest	TOTAL EQUITY
Group as at 30 June 2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2013	374,774	13,940	11,520	(396)	508,972	908,810	30,878	939,688
Total Comprehensive Income for the year	136,256	-	-	375	22,305	158,936	9,653	168,589
Dividends paid	-	-	-	-	-	-	(910)	(910)
Transfers from/(to) retained earnings	759	2,022	(528)	-	(2,253)	-	-	-
Balance at 30 June 2014	511,789	15,962	10,992	(21)	529,024	1,067,746	39,621	1,107,367
Group as at 30 June 2013								
Balance at 1 July 2012	378,714	13,822	8,665	(820)	499,287	899,668	30,238	929,906
Total Comprehensive Income for the year	-	-	-	424	8,718	9,142	1,537	10,679
Dividends Paid	-	-	-	-	-	-	(897)	(897)
Transfers from/(to) retained earnings	(3,940)	118	2,855	-	967	-	-	-
Balance at 30 June 2013	374,774	13,940	11,520	(396)	508,972	908,810	30,878	939,688

Summary Statement of Financial Position

	Council			Group	
	2014	Budget	2013	2014	2013
As at 30 June 2014	\$'000	\$'000	\$'000	\$'000	\$'000
Total current assets	14,420	10,174	12,465	16,371	14,299
Total non-current assets	1,059,396	1,057,209	935,232	1,239,546	1,081,724
Total assets	1,073,816	1,067,383	947,697	1,255,917	1,096,023
Total current liabilities	57,240	34,030	62,222	61,434	64,961
Total non-current liabilities	61,719	100,942	63,189	87,116	91,374
Total liabilities	118,959	134,972	125,411	148,550	156,335
Net assets	954,857	932,411	822,286	1,107,367	939,688
Equity attributable to:					
Council	954,857	932,411	822,286	1,067,746	908,810
Non controlling interest	-	-	-	39,621	30,878
Total Equity	954,857	932,411	822,286	1,107,367	939,688

Vanessa van Uden
Mayor
 30 October 2014

Adam Feeley
Chief Executive
 30 October 2014

Summary Statement of Cashflows

	Council			Group	
	2014	Budget	2013	2014	2013
As at 30 June 2014	\$'000	\$'000	\$'000	\$'000	\$'000
Net cash inflow/(outflow) from operating activities	28,473	28,203	29,574	37,842	36,847
Net cash inflow/(outflow) from investing activities	(21,467)	(30,865)	(34,686)	(25,585)	(41,672)
Net cash inflow/(outflow) from financing activities	(5,661)	2,662	4,254	(10,684)	3,338
Net increase/(decrease) in Cash and cash equivalents	1,345	-	(858)	1,573	(1,487)
Cash and cash equivalents at the beginning of the financial year	1,795	382	1,240	1,872	3,359
Transfer from CCO's	-	-	1,413	-	-
Cash and cash equivalents at the end of the financial year	3,140	382	1,795	3,445	1,872

Accounting Policies

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

The 2013/14 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 financial report has been examined by the auditor for consistency with the full financial report. The auditor's report is included with this summary. The Council's full financial report has complied with NZ GAAP and stated explicitly that they comply with NZ equivalents to IFRS (International Financial Reporting Standards) as applicable for public entities. The summary report complies with FRS 43 – Summary Financial Statements.

Subsequent Events

Queenstown Airport Corporation Ltd (QAC)

On 19 August 2014 the QAC Board resolved to pay a final dividend for the year ended 30 June 2014 of \$0.2065 per share, resulting in a dividend of \$3,316,766 (2013: \$2,639,884). Council's share of this dividend will be \$2,487,906 (2013: \$1,980,177).

Contingent Liabilities

Council

Legal Claims

There were eight building related legal claims received for buildings within the district as at 30 June 2014. 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. In the past year, three building related claims have been settled. 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.

Re-Integration of Council Controlled Organisation

On 20 March 2013, Queenstown Lakes District Council (Council) resolved to re-integrate the operations of two of QLDC's Council Controlled Organisations, Lakes Leisure Limited and Lakes Environmental Limited into Council. The assets and liabilities of the Company were transferred to QLDC on 30 June 2013.

Financial information in respect of the net assets transferred on re-integration with QLDC in the year ended 30 June, 2013 is set out below:

Net Assets Transferred	Book Value \$'000	Fair Value Adjustment \$'000	Fair Value on Acquisition \$'000
Current assets:			
Cash and cash equivalents	1,414	-	1,414
Trade and other receivables	700	-	700
Inventories	24	-	24
Current tax refundable	68	-	68
Non-current assets:			
Property, plant and equipment	3,917	-	3,917
Current liabilities:			
Trade and other payables	(1,073)	-	(1,073)
Other financial liabilities	(1,048)	-	(1,048)
Employee entitlements	(688)	-	(688)
Net Assets Acquired	3,314	-	3,314
Consideration for transfer			(3,196)
Residual investment in CCO's			118

Pursuant to shareholder resolution, the residual net assets of Lakes Leisure of \$3.196m, have been credited across to QLDC into a reserve fund.

Summary Statement of Service Performance

Overall Perception of Performance

Every year the Council undertakes a satisfaction survey of residents and ratepayers. The results of this annual survey are used to report on specific performance measures with the Council setting percentile targets to achieve. As part of the Council's ongoing review of performance reporting, a new research company was recruited to conduct this year's survey. As a result the data has been reconfigured for 2013 to provide greater confidence in the results.

Satisfaction with Community Services continued to perform highly, with parks and trails scoring the highest for satisfaction. Infrastructure services were valued and scored well, showing overall improvements in ratings of wastewater, water, roads and footpaths compared with previous years. Satisfaction with both staff and elected members showed improvement in 2014, and residents are feeling more satisfied with how informed they are, the range of topics and methods of communication than in the previous year.

The following is a selection of key performance measures and associated targets by activity as contained in the 10 Year Plan. A new performance framework was consulted on in the 2014-15 Annual Plan and will be reported from next year.

Please refer to the full Annual Report for details on all performance measures.

Relationship with Maori

An important component of the Council's consultation is the on-going development of relationships with Maori.

The Council has developed a good working relationship with Ngai Tahu, which holds strong cultural and business interests in our community. The Council has in place a resource consent protocol with KTKO Limited and an MOU with Te Ao Marama Incorporated to facilitate the involvement of Maori in this process and fulfil Council's responsibility under the Local Government Act.

The Council is mindful of the wider issue of Maori consultation and how the Council can assist the Iwi to become more involved and informed about the Council and its communities, in turn teaching Council more about Maori culture and protocols.

Governance - key target

Community Leadership and Engagement

Measure and Target	Achievement
65% satisfaction with how well informed the community feels as measured by the annual residents' satisfaction survey.	66% of residents feel well informed, an increase of 18.5% on 2013 satisfaction levels. Scuttlebutt, the Council's newsletter, remains the preferred source of information for ratepayers. Subsequently, the newsletter has been refreshed with the aim of engaging more residents in its content. The Council is currently undertaking a review of its website to ensure more services can be accessed electronically. A new website will be launched in September 2014.

Economic Development - key target

Tourism Promotion

Measure and Target	Achievement
2.6m Annual Visitor bed nights (Queenstown) (3% increase per annum as per DQ target)	Data provided by Statistics New Zealand's Commercial Accommodation Monitor for the year end June 2014 indicated that the total Queenstown guest nights were up 9.8 percent over the previous year to 2,908,025. International guest nights rose 9.5 percent to 1,900,011, alongside domestic guest nights which rose 10.4 percent to 1,008,014. The average length of stay rose from 2.55 nights to 2.64 nights, and total guest nights for each individual month in the 2013-14 financial year showed growth over the previous year.

Camping grounds

Measure and Target	Achievement
Holiday parks operate at zero cost to the ratepayer	The actual cost was \$696k (\$31.30 per ratepayer). This cost can be attributed to the outsourcing of campgrounds in October.

Community - Key Targets

Library Services

Measure and Target	Achievement
Increase in active members – 15,780 or 55% of the resident population	21,061 or 74.6% of the usual resident population have used a library within the last two years. 16,383 or 58% have used a library once in the last year, and only 7,020 or 24.9% have used a library monthly. This measure covers all libraries, and therefore use of individual libraries varies across the district.

Community Facilities

Measure and Target	Achievement
65% satisfaction with swimming pools as measured by the annual residents' satisfaction survey.	67.8% of residents reported feeling satisfied with the district's swimming pools. This is a slight increase on satisfaction from 2013 and reflects the Council's continued investment and maintenance of the Queenstown Aquatic Centre, as well as its commitment to pool standards across the district.
70% satisfaction with community halls as measured by the annual residents' satisfaction survey.	Satisfaction in community halls continues to grow, from 72.4% in 2013 to 76.2% in 2014. The newly refurbished Queenstown Memorial Hall has undoubtedly contributed towards this result.

Parks and recreation facilities

Measure and Target	Achievement
75% satisfaction that the presentation of parks is of a high standard with service levels met or exceeded	Satisfaction among residents continues to rise, from 89.3% in 2013 to 92.3% in 2014.

Environmental Management – key targets

The District Plan

Measure and Target	Achievement
< 34% of new building consents require resource consent.	28.8% of new building consents required a resource consent, which demonstrates a positive trend. Fewer building consents are being issued with a 'red card' indicating that resource consent is required prior to commencing works.

Resource consents

Measure and Target	Achievement
30% community satisfaction with resource consent planning	Satisfaction with resource consent processing continues to improve following the integration of the CCO Lakes Environmental back 'in house'. Satisfaction increased from 23% in 2013 to 33.8% in 2014.
Average cost per consent does not exceed \$3,500	The average cost has gone from \$2,651 per consent in 2012/2013 to \$2,951 for 2013/2014. The average value of work for each consent has also risen over that period from \$227k to \$244k. The actual fees which applicants pay have not changed over the period i.e. building consent deposits have stayed the same per consent, it is just the mix of the type and value of work being undertaken which has moved the average cost.

Waste management

Measure and Target	Achievement
The quantity of residential residual waste per capita to landfill for the district Does not exceed 0.72 tonnes per person.	Based on the usual resident population of 28,224, 4,284 tonnes of waste went to landfill, or 0.15 tonnes per capita. This is a significant decrease from 0.79 tonnes per capita reported in 2012/13.

Water Supply – key target

Measure and Target	Achievement
70% community satisfaction with the quality of the water as measured by the annual residents' satisfaction survey.	Satisfaction with the quality of the water has increased from 69.2% to 74.4%. The Council continues to look for ways to reduce demand and defer the need for costly extensions to infrastructure.

Stormwater – key target

Measure and Target	Achievement
100% of stormwater service requests are responded to on time	98.6% of stormwater requests were responded to on time

Wastewater – key target

Measure and Target	Achievement
68% customer satisfaction with wastewater as measured by the annual residents' satisfaction survey.	Target exceeded. 76.9% of residents were satisfied with the waste water system, an increase of nearly 3% since 2013. This is likely to reflect the continued profile of Project Shotover, which will deliver a wastewater treatment upgrade. Alongside, significant investment in wastewater treatment for Wanaka, namely Project Pure.

Roading and Footpaths – key targets

Roading

Measure and Target	Achievement
70.5% community satisfaction with sealed roads, 55% satisfaction with unsealed roads and 63% satisfaction with footpaths.	Satisfaction with roads increased from 62.9% (2013) to 71.6% (2014). Satisfaction with unsealed roads also increased to 60.2%, an increase of over 10% on the previous year. In addition, satisfaction with footpaths increased from 56% (2013) to 64.5% (2014) with less people giving a neutral response. The Council has progressed a number of improvements to the network this year, including the installation of low platforms between Little Street and the Ardmore-Brownstown Street roundabout in Wanaka. The effect of narrowing the roadway has made it easier and safer for pedestrians to cross the road, while creating a more obvious distinction between traffic and parked cars.

Parking facilities

Measure and Target	Achievement
65% customer satisfaction with street lighting as measured by the annual residents' satisfaction survey.	Community satisfaction with street lights has continued to grow from 54.5% in 2013 to 57.9% in 2014. Those reporting they are unsatisfied has also fallen below 20%.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF QUEENSTOWN LAKES DISTRICT COUNCIL AND GROUP'S SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

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 2014. 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 7 to 13:

- the summary statement of financial position as at 30 June 2014;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance 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 30 October 2014.

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 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.

Other than in our capacity as auditor, a disclosure financial statement audit, a Tech One readiness review, Debenture Trust Deed assurance engagement, TAFM (Transparency, Accountability and Financial Management) of Local Government review, and tax services we have no relationship with or interests in the District Council or any of its subsidiaries.

BE Tomkins Deloitte
On behalf of the Auditor-General
Dunedin, New Zealand