

## ATTACHMENT A: PROPOSED OFFSETS

Each budget identified to offset a proposed increase or new project allocation is described below (from highest to lowest value, organised by activity type). All totals provided are for the 2021 – 2031 period, and any combined totals only relate to budgets proposed for adjustment.

### Transport

Queenstown Public Transport Improvements	Change (\$)
Approved TYP	16,245,850
Arterial Stage One	(7,960,467)
Waka Kotahi FAR (assumed)	(8,285,383)
Proposed TYP	-

At the time of preparing the TYP, it was assumed QLDC would co-fund and deliver public transport interventions in Queenstown's town centre. It is now high-likely that these improvements will instead be fully funded and delivered by Waka Kotahi. No material consequences associated with the removal of this budget have been identified.

Quail Rise to Hawthorne Underpass	Change (\$)
Approved TYP	3,994,984
Arterial Stage One	(1,957,542)
Waka Kotahi FAR (assumed)	(2,037,224)
Proposed TYP	-

It is expected that an alternative solution will be implemented through NZUP. If this does not occur, and the budget has been removed, QLDC will not have the funding required to develop a safe state highway pedestrian crossing in the area.

Queenstown Public Transport Interchange	Change (\$)
Approved TYP	20,327,260
Arterial Stage One	2,800,000
Proposed TYP	17,527,260

The most recent iteration of the Queenstown Programme Business Case revised the costs, timing, and delivery agency for all previously identified PT infrastructure in the Queenstown Town Centre. Stage One of the Arterials is a critical enabler of a new Public Transport Interchange. This budget was considered appropriate for transfer due to the interdependency between initiatives and the known need to revise this provision through a future financial planning process.

Wakatipu LCLR Active Travel	Change (\$)
Approved TYP	6,500,000
Arterial Stage One	(111,000)
Wakatipu LED Replacement	(55,860)
Waka Kotahi FAR (assumed amount not received, 2021 – 2024 NLTP)	(1,091,400)
Proposed TYP (includes actual FAR for 2021 -2024, assumes 5% for 2025 onward)	5,241,740

Waka Kotahi has approved less funding support than anticipated when preparing the TYP. The reduced budget reflects the amount of assumed assistance not confirmed via the NLTP, and proposed transfer of some QLDC local share to other projects. Approving the transfer of this local share will reduce the amount of funding available for minor active travel improvements this financial year.

Note: this revised budget will be split (subsidised and unsubsidised) and reported accordingly in future budget performance and change processes.

Queenstown Parking Improvements	Change (\$)
Approved TYP	5,000,000
Arterial Stage One	(2,241,800)
Travel Demand Management	(39,200)
Transport Model	(49,000)
Land Purchase – Historic Road Encroachment	(120,000)
Transport Monitoring & Benefits Realisation	(50,000)
Proposed TYP	2,500,000

This budget was provisioned to (a) progress interim parking solutions in the town centre and/or (b) continue negotiations for a privately developed parking building. The reduced budget will be sufficient to provide for an interim parking facility in the town centre, development of a parking strategy, and to progress the Request for Proposal process underway. There may be insufficient funding to progress additional interim parking solutions for the town centre should opportunities arise.

Wanaka Pool to School Active Travel Route	Change (\$)
Approved TYP	5,000,000
Wanaka Airport Runway	(255,000)
Waka Kotahi FAR	255,000
Proposed TYP	5,000,000

The NLTP has unexpectedly provisioned some funding for this project. As funding assistance was not assumed in the TYP, local share (to the value of the NLTP provision) can be released from this budget.

### Three Waters

Two Mile Water Treatment Plant (WS)	Change (\$)
Approved TYP	30,000,000
Arterial Stage One	(7,691,698)
Shotover Country Rising Main - bridge	(181,820)
Shotover Country New Water Treatment Plant	(2,126,482)
Proposed TYP	20,000,000

The Two Mile WTP TYP budget was based on a plant with 30 years of projected demand capacity, utilising a relatively expensive treatment technology (i.e. the budget has been adjusted for uncertainty). A lower cost solution is still expected to achieve compliance with Drinking Water Standards; however, it is unlikely to provide capacity for 30 years, and may utilise a technology that has higher performance risks.

These risks can be partially managed by acquiring land and securing consent conditions that allow for the footprint of the plant to be extended in future, and for alternative treatment technology to be retrofitted if required.

The proposed budget will be insufficient should the following risks eventuate:

- Treatment technology failure: a lower cost treatment solution may not be able to cope with the unique algae found in our district's lakes. A larger and more expensive treatment solution may need to be retrospectively fitted should this risk manifest.
- Rapid demand growth: in the event demand growth occurs much quicker than projected, additional treatment capacity would need to be added. It is unlikely this would occur within the current ten-year funding period.
- Treatment waste stream: the volume of by-product entering our wastewater network will be dependent on the type of treatment technology selected. The reduced project budget may be insufficient to offset the cost of upgrading the receiving wastewater network.
- Private land acquisition: if reserve land cannot be utilised, private land purchase will be required.

Wakatipu – Treatment (SW)	Change (\$)
Approved TYP	9,138,080
Arterial Stage One	(1,364,480)
Proposed TYP	7,773,600

Minor annual treatment budgets (commencing from 2024/25) were provided in the TYP to supplement other project budgets with arising stormwater conveyance requirements/opportunities. The proposed transfer is intended for such purpose.

Vancouver/Edinburgh/Dublin Conveyance (SW)	Change (\$)
Approved TYP	3,250,180
Arterial Stage One	(3,250,180)
Proposed TYP	-

Stormwater infrastructure developed through the Arterial Stage One project will respond to this investment need.

Belfast Tce – Beetham St Conveyance (SW)	Change (\$)
Approved TYP	1,919,000
Arterial Stage One	(1,919,000)
Proposed TYP	-

Stormwater infrastructure developed through the Arterial Stage One project will respond to this investment need.

CBD to Frankton Conveyance (WW)	Change (\$)
Approved TYP	24,934,745
Arterial Stage One	(618,264)
Shotover Country Rising Main - bridge	(566,481)
Proposed TYP	23,750,000

The design package for this initiative is progressing on schedule and under budget. Although the total cost to complete the project is not yet confirmed, it is likely that this can be managed within the reduced budget proposed. There is a risk that unexpected costs (particularly as it relates to the existing sewer remediation and market escalation) exceed the revised budget, and require a request for additional budget through future adjustment processes. This risk has not yet been valued or assessed for likelihood.

Arterial Stage One (WS) CIP triggered	Change (\$)
Approved TYP	924,800
Arterial Stage One	(924,800)
Proposed TYP	-

The opportunity to install a new watermain on the Arterial Stage One alignment was identified during TYP development. As all in-ground infrastructure upgrades will be delivered via the Arterial Stage One project, it is proposed that this budget is transferred accordingly. As the budget will serve the same purpose, there are no consequences associated with its transfer.

Conveyance – Wakatipu (SW)	Change (\$)
Approved TYP	4,562,480
Arterial Stage One	(678,960)
Proposed TYP	3,883,520

Minor annual conveyance budgets (commencing from 2024/25) were provided in the TYP to supplement other project budgets with arising stormwater conveyance requirements/opportunities. The proposed transfer is intended for such purpose.

Shotover Country Borefield & Pump Station Upgrade (WS)	Change (\$)
Approved TYP	644,178
Shotover Country New WTP (WS)	(530,000)
Proposed TYP	114,178

The Shotover Country New Water Treatment Plant will deliver part of this project. The balance remaining will need to be sufficient to commission the bores installed now; it is likely that additional funding will be required in future to meet this cost.

Southern Conveyance Network (WW)	Change (\$)
Approved TYP	35,454,691
Shotover Country Rising Main - bridge	(204,691)
Proposed TYP	35,250,000

This budget is predominantly forecast across 2029/30 – 2030/31. A small provision was made in the current financial year to progress planning for this future investment. It is possible IAF support will be received to develop a Priority Growth Corridor infrastructure investment programme; this would include planning for the Southern Corridor’s wastewater solution. If IAF support for programme development is not forthcoming, the proposed reduction could be reversed in the next budget adjustment process if necessary.

Wanaka Water Treatment (WS)	Change (\$)
Approved TYP	49,500,000
Wanaka Airport Firewater	(50,000)
Proposed TYP	49,450,000

A very small decrease on the total Wanaka Water Treatment budget is proposed to offset the Wanaka Airport Firewater investment need. A reduction of \$50k is immaterial to the project budget at this time – particularly as significant adjustments are likely to be proposed through the next full reforecast (in line with the Two Mile WTP adjustments).

#### Other

Open Spaces/Plaza	Change (\$)
Approved TYP	5,521,095
Arterial Stage One	(5,521,095)
Proposed TYP	-

This budget is provisioned across 2024/25 – 2028/29 for supporting development of the Manawa site. Development of required retaining walls for the planned open spaces/plaza area will now be delivered by the Arterial Stage One project for an estimated value of \$1.46m. The remaining budget (\$4.06m) will also be utilised by the Arterial project to support necessary land acquisition. The proceeds from the on-sale of land will be used to replenish this portion of the budget transfer prior to when it is required for its original purpose. Accordingly, there are no material consequences identified with transferring this budget.

Wanaka Library - Renewals	Change (\$)
Approved TYP	1,032,658
Luggate Hall Prefab	(80,000)
Proposed TYP	952,658

A large renewal budget was provisioned for the current financial year to replace the Wanaka Library roof. The contract for this work is expected to come in under budget. There is a risk that unexpected costs arising through delivery exceed the revised budget, and require a request for additional budget through future adjustment processes.