



Order Paper for an ordinary meeting of the

QUEENSTOWN LAKES DISTRICT COUNCIL

to be held on

Thursday, 28 June 2018

commencing at 3.00pm

In the Council Chambers, 10 Gorge Road,

Queenstown

9.12 ITEMS OF BUSINESS NOT ON THE AGENDA WHICH CANNOT BE DELAYED

A meeting may deal with an item of business that is not on the agenda where the meeting resolves to deal with the item and the Chairperson provides the following information during the public part of the meeting:

- (a) the reason the item is not on the agenda; and
- (b) the reason why the discussion of the item cannot be delayed until a subsequent meeting.

s. 46A (7), LGOIMA

Items not on the agenda may be brought before the meeting through a report from either the chief executive or the Chairperson.

Please note that nothing in this standing order removes the requirement to meet the provisions of Part 6, LGA 2002 with regard to consultation and decision-making.

9.13 DISCUSSION OF MINOR MATTERS NOT ON THE AGENDA

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

REFERENCE:

Queenstown Lakes District Council Standing Orders adopted on 15 December 2016.

Agenda for an ordinary meeting of the Queenstown Lakes District Council to be held in the Council Chambers, 10 Gorge Road, Queenstown on Thursday, 28 June 2018 commencing at 3.00pm

Item	Page No.	Report Title
		Apologies/Leave of Absence Requests Councillor MacDonald (on approved leave of absence).
		Declarations of Conflict of Interest
		Matters Lying on the Table
		Public Forum
		Special Announcements
		Confirmation of Agenda
1.	4	Adoption of Ten-Year Plan <i>Volumes One and Two of Ten-Year Plan circulated separately</i>
2.	28	Special Housing Area Expression of Interest: Hawea (Universal Developments)
3.	56	Statement of Intent, Queenstown Airport Corporation 2018-19
4.	105	Proposal to Vest Land as Local Purpose (Stormwater Detention) Reserve associated with the Luggate Park Residential Development
5.	111	Adoption of QLDC Waste Minimisation and Management Plan 2018
6.	151	PUBLIC EXCLUDED Lakeview Development Request for Expressions of Interest (REOI) Evaluation <i>Attachment circulated separately</i>
7.	158	PUBLIC EXCLUDED Queenstown Town Centre Parking Buildings Detailed Business Case <i>Attachment circulated separately</i>
8.	164	PUBLIC EXCLUDED Events Funding Allocations

QLDC Council
28 June 2018**Report for Agenda Item: 1****Department: Corporate Services****10 Year Plan****Purpose**

The purpose of this report is to adopt the Queenstown Lakes District Council 2018 - 2028 10 Year Plan.

Executive Summary

- 1 The Council adopted the Council's 2018-2028 10 Year Plan Consultation Document and supporting documents for public consultation on 9 March 2018 in accordance with section 93G of the Local Government Act.
- 2 Submissions opened on the 12 March 2018 and closed on the 13 April 2018. The Council received 586 submissions (notably this is a 6% increase in the number of submissions received on the 2015-2025 10 Year Plan). Hearings were held on the 15 and 16 May at Queenstown and Wanaka, with a record 115 individuals and organisations choosing to address the panel.
- 3 The supporting document (10 Year Plan) has been amended to reflect the submission and hearing process and the Council is required at this meeting to approve a number of subsequent recommendations reflected in the amended supporting documents. Internal and external submissions that have been recommended for inclusion in the plan are contained in this report and are highlighted in the supporting document.
- 4 The rating effect of the proposed 10 Year Plan budget for 2018-28 is an average overall rates increase of 6.89% (after allowing for growth at 3.5%). This is marginally less than the proposed increase of 6.95%.
- 5 In addition to the 10 Year Plan, there were two other matters which were subject to consultation during the same period. These matters were the proposals to amend the fees and charges for resource consents, building consents, resource management engineering and the Policy on Development Contributions for 2018/19.

Recommendation

That Council:

1. **Adopt** the 2018-2028 10 Year Plan (Long Term Plan) pursuant to sections 83, 83A, 85 and 95 of the Local Government Act 2002 [attachment A];

2. **Adopt** the amendments to the Building and Resource Consent Fee Schedules as per section 219 of the Building Act 2004 and section 36 of the Resource Management Act 1991 to come into effect on 1 July 2018 [attachments B & C]; and
3. **Adopt** the Policy on Development Contributions for 2018/19 as per section 102 (4) of the Local Government Act 2002. (pages 197-260 of Vol 2 of the 2018-2028 10 Year Plan (Long Term Plan)).

Prepared by:
Meaghan Miller



GM, Corporate Services

19/06/2018

Reviewed and Authorised by:
Mike Theelen



Chief Executive

20/06/2018

Comment

- 1 Council would like to acknowledge all those who took the opportunity to make a submission on the 10 Year Plan. All submissions were considered but not all can be funded.
- 2 Apart from the obvious funding constraints, there are often policy issues or jurisdictional considerations that must be taken into account. Council did make a number of changes to the budgets as a direct result of the submission process.
- 3 The following is a summary of the changes to the 2018-28 10 Year Plan.
- 4 With potentially the largest and most ambitious plan ever proposed by Council, it was reassuring to see the level of support from an engaged community for the issues raised and Council's proposed options. The feedback was largely supportive (see Executive Summary Attachment D) of the preferred options we proposed for the 'Big Issues' and these are recommended to be adopted by the Council as outlined in the Consultation Document. These big issues were:
 - Queenstown Town Centre Masterplan (scope and timing)
 - Funding the Queenstown Town Centre Masterplan
 - Project Connect and Libraries (changes to previous plans)
 - Wanaka Masterplan (shaping the town's future)
 - Water (major capital programme)
 - Funding small communities' water needs

Audit Process

- 5 It is a statutory requirement that both the Consultation Document and the final 10 Year Plan (Long Term Plan) document are subject to audit.
- 6 This involves a thorough external review of the 10 Year Plan document and the supporting material. The audit process includes an assessment of whether:
 - *the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;*
 - *the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;*
 - *the information in the plan is based on materially complete and reliable information;*
 - *the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;*
 - *the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;*
 - *the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;*
 - *the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;*
 - *the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and*
 - *the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.*
- 7 We expect to receive a positive audit opinion with no qualifications. This provides assurance to the Council and community that the 10 Year Plan does provide a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- 8 As with the audit opinion on the Consultation Document, the final audit opinion will include a special "emphasis of matter" paragraph. This highlights readers of the 10 Year Plan to the significance of the funding assumptions made in relation to the Funding the Queenstown Town Centre Masterplan:
 - *Emphasis of matter relating to Council's assumption regarding external funding to meet forecast capital expenditure*
 - *Without modifying our opinion, we draw attention to assumptions the Council has made about funding (see pages 4 and 23 Volume 1), which*

could affect the timing and extent of capital expenditure projects to be carried out during the next 10 years.

- *The Council has proposed a capital expenditure programme of \$990m over 10 years which is a significant increase from \$380m proposed in the 2015/25 Long-Term Plan. A number of the projects within the capital expenditure programme are for the Queenstown Town Centre Master Plan, and these projects are interconnected. A significant project within the Queenstown Town Centre Master Plan is the Queenstown Arterials Programme, which is expected to cost \$148.8m, where the Council has assumed that the New Zealand Transport Agency will provide \$119m (80%). A decision by the New Zealand Transport Agency about whether it will provide this funding is not expected until 2019.*
- *If the funding from the New Zealand Transport Agency is significantly less than assumed, the Council has stated that it will need to defer some of the projects in the Queenstown Town Centre Master Plan which may include parking, public transport, street upgrades, and walking/cycling facilities. As a result, actual capital projects and the level of capital expenditure may differ significantly from forecast which could affect proposed levels of service.*

9 The QLDC Audit and Risk Committee considered and recommended the draft Consultation Document to Council on 22 February 2018.

Changes approved as a result of external submissions include:

10 Apart from the obvious funding constraints, there are often policy issues or jurisdictional considerations that must be taken into account. Council did make a number of changes to the budgets as a direct result of the submission process.

Transport

11 The investment in active transport networks for Wanaka (subject to detailed business cases and confirmation of additional NZTA funding) has been increased by \$2.30M to a total of \$3.70M.

Community Services and Facilities

12 Increase in vested assets \$14.6m over the ten-year period due to a revised forecast for Reserve Land Contributions, following consultation on the Development Contributions Policy.

Grants

13 The following changes were made to grants and funding applications for 2018/19:

14 Economy

- a. Downtown Queenstown - \$25k
- b. Queenstown Mountain Bike Strategy \$20k (Economic Development Fund)

15 Community

- c. Queenstown Trails Trust - \$25k
- d. Happiness House - \$20k
- e. Wakatipu Youth Trust - \$9.68k
- f. Head of the Lakes Trails Trust - \$20k
- g. Te Kakano Aotearoa - \$5k
- h. Albert Town Community Association Lagoon Restoration \$10k
- i. Queenstown Mountain Bike Club Trail maintenance - \$20k
- j. Skyline Queenstown – \$20k
- k. Eligible community associations (up to \$5k annual project grant).

16 Changes approved as a result of internal submissions include:

17 Community Services and Facilities

- l. Increase in 2018/19 budget for developing the Community Services master plan and Sport field demand strategy by \$0.01M.
- m. Increase in costs of \$0.8M relating to the management of Glenorchy Aerodrome.
- n. Rent from the Wanaka Airport long-term lease agreement of \$1.4M over the ten-year period.
- o. Revised calculation of the Lakeview and other campground cabins has increased revenue by \$0.9M.
- p. A \$1.8M decrease in revenue and a \$1.4M increase in maintenance costs have been applied for forestry activities, such as tree thinning costs, and adjusted according to revised programme timings.
- q. Reduction in debt opening balance \$14.5M through pre-paid rent and asset sales received for Wanaka airport via Queenstown Airport Corporation agreement.

18 Environmental Management

- r. The net surplus for Resource Consents has increased by \$1.5M following the approval of increases to user fees and charges offset by a reduction in chargeable hours during the ten year period.
- s. Additional Housing Infrastructure Fund costs of \$14.6m between 2018-25 for Quail Rise and Kingston for Roding and Three Waters because of further developed Business Cases and Quantity survey estimates.
- t. Revenue from development contributions has increased by \$16.3M as a result of additional Housing Infrastructure Fund costs which are funded by development contributions.

19 Water Supply

- u. Construction of a section of the Kawarau Bridge to Frankton Flats supply ring main has a budget increase of \$0.7M to a total project investment of \$1.5M following an updated detailed design.
- v. The budget for the Luggate Water Supply Treatment plant upgrade has been decreased by \$1.2M to \$2.6M following further clarification of costs.
- w. Budget of \$0.1M was brought forward to 2017/18 for the Frankton Flats Water Main project from the BP roundabout to the Kawarau Bridge. Reduction of \$0.1M to \$2.8M in 2018/19.

20 Wastewater

- x. Investment in the Cardrona Wastewater scheme brought forward from 2023-2025 into 2018-2020 following discussions with the developer. There is no change to the overall budget other than a \$0.4M reduction in inflated costs due to timing.
- y. The Project Shotover wastewater treatment plant disposal field budget is reduced by \$1M with sufficient budget to be carried forward from 2017/18 to complete the project.

21 Transport

- i. Investment in both the Crown Range Road and Glenorchy Road has been increased to take advantage of NZTA special funding rates before they are reduced. In years one to three the overall increase in investment is \$4.3M however the effect on roading rates is minimal due to the offset in NZTA funding. The total investment for these projects in the Ten Year Plan is \$7.9M.
- ii. Design for the Brecon Street pedestrianisation is being brought forward from 2019/20 to 2018/19 to be incorporated into similar projects for Beach and Rees Street work. There is no change to the overall investment.
- iii. Investment for the installation of traffic signals to allow safe pedestrian and cycling access to the Shotover Bridge at Arthurs Point has been brought forward into 2018/19 and 2020/21 from 2020-2022 with no change to the overall budget.
- iv. An additional \$2.5M has been brought forward from 2028/29 for town centre cycle network links with the Wakatipu to progress a detailed business case sooner than initially scoped. This increases the overall ten year investment to \$26.0M.
- v. The business case to invest in Mt Aspiring Road (Wanaka) widening and drainage needs to be revisited and therefore \$0.1M has been allowed for this work, whilst the remaining \$4.9M for implementation of the project has been deferred until the business case is updated.
- vi. The budget for the Wanaka Masterplan programme development has been increased by \$0.4M to a total of \$0.9M in 2018-2020.
- vii. An additional \$0.4M has been included in 2018/19 for the development of a Frankton Masterplan.

- viii. Operating expenditure revisions for transport have increased the NZTA subsidy for transport modelling and parking income by \$0.1M and \$4.6M respectively.
- ix. Contractor-related operating costs for additional stormwater maintenance and planned maintenance across 3 waters have increased by a total of \$6.8M over the ten year period.

22 Waste Management

- x. Income from the Central Otago District Council Emissions Trading Scheme contribution for Victoria Flats landfill has been increased by \$1.4M over the ten years.

23 Regulatory Functions and Services

- xi. Income from traffic and parking infringements has been increased in 2018/19 by \$0.5M.
- xii. The costs associated with traffic and parking enforcement and managing abandoned vehicles has been increased in 2018/19 by \$0.2M.
- xiii. \$3.8M increase in operational expenditure for building consents due to an increase in hours worked by external contractors (\$3.3M) and an increase in hourly rate for external contractors (\$0.5M).
- xiv. \$2.3M net decrease in operating income for building consents due to an increase in user fees (\$11.7M) offset by a reduction in chargeable hours (\$14.0M).

24 Finance and Support Services

- xv. An increase in premiums and fringe benefit tax has required the staff medical insurance budget to be increased by \$1.30M over the ten year period.

Rating Implications

25 As outlined, the rating effect of the proposed 10 Year Plan budget for 2018-28 is an average overall rates increase of 6.89% for 2018/19 (after allowing for growth at 3.5%). This is marginally less than the proposed increase of 6.95% signalled in the Consultation Document.

26 The overall rates increase over the full 10 years is 3.41% (after allowing for growth).

Special Consultation Issues

27 As outlined in the Consultation Document the Council undertook two further special consultations in regard to:

- Proposals to amend building and resource consent fees.
- Proposal to amend the Policy on Development Contributions

28 These consultations were undertaken in parallel to the 10 Year Plan consultation process and the hearing of submissions has now been held and recommendations are included in this paper.

In summary the following changes are recommended:

29 Fees and Charges for Planning and Development

- Amendments to the fees and charges for building consents, resource consents, resource management engineering and other matters were proposed through a special consultative procedure. The changes sought to better reflect actual costs of consent processing and to better achieve the Council's funding policy.
- Three submission were received. The Planning and Strategy Committee considered the submissions and recommended that the fees and charges be adopted as notified, with one amendment in response to submissions. The amendment relates to creating a 'basic' and 'complex' category for resource consent variations, to better reflect that these types of resource consents can vary greatly in their complexity.

Policy on Development Contributions

30 Council has completed consultation on the proposed amendments to the Policy on Development Contributions for 2018/19. As well as the annual update of contribution levels as a result of the incorporation of the latest actual expenditure and the revised capital programme proposed by the 10 Year Plan budget for 2018-28, there are additional proposed amendments to the Policy on Development Contributions.

31 In total 5 submissions were received in relation to this matter and after due consideration of the issues raised, Council intends to adopt the proposed amendments as proposed. As a result of submissions received, Council agreed to the following additional amendments:

- Include further Reserve Land disclosures.
- Include revised growth assumptions for Hawea and Luggate.

Rating Implications

32 As outlined, the rating effect of the proposed 10 Year Plan budget for 2018-28 is an average overall rates increase of 6.89% for 2018/19 (after allowing for growth at 3.5%). This is marginally less than the proposed increase of 6.95% signalled in the Consultation Document.

33 The overall rates increase over the full 10 years is 3.41% (after allowing for growth).

Options

34 The 10 Year Plan (Long Term Plan) is a statutory requirement under the Local Government Act 2002 (section 93).

Significance and Engagement

35 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy and has therefore been the subject of the special consultation process. The 10 Year Plan triggers three of the criteria for assessing the significance threshold namely: importance to the district; community interest and impact on the 10 Year Plan and Financial Strategy.

Risk

36 This matter relates to the strategic risks namely SR1 current and future development needs, SR3 Legislation and SR5 Business capacity. The 10 Year Plan dictates Council's core business, financial strategy and work programme and accountability for the next 10 years (to be reviewed in 2021).

Financial Implications

37 The financial implications are in accordance with the 10 Year Plan funding and financial policies which are in accordance with section 102 of the Local Government Act:

(1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).

(2) The policies are—

(a) a revenue and financing policy; and

(b) a liability management policy; and

(c) an investment policy; and

(d) a policy on development contributions or financial contributions Council Policies, Strategies and Bylaws

38 Policy on Significance and Engagement – the Consultation Document highlighted that the policy had been reviewed as of March 2018 and minor amendments made. The adoption of the 10 Year Plan requires the use of the special consultative procedure.

- Policy on Development Contributions – the annual revision of the Policy is undertaken along with the Annual Plan/ 10 Year Plan process.
- 10-Year Plan 2015-25
- Annual Plan 2016-17
- Annual Plan 2017-18

Local Government Act 2002 Purpose Provisions

39 The 10 Year Plan is core to the Local Government Act 2002 purpose provisions (ss10, 11, 11A) because it provides for public accountability around Council

activities and their associated costs. The following are therefore all relevant to the 10 Year Plan:

- to enable democratic local decision-making and action by, and on behalf of, communities; and
- to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- This relates to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are:
 - (a) efficient; and
 - (b) effective; and
 - (c) appropriate to present and anticipated future circumstances.

Consultation: Community Views and Preferences

40 Community consultation was undertaken in two phases:

- Pre-consultation (August/September/October 2017)
- Consultation (March/April 2018)

41 The pre-consultation process was delivered under the theme of ‘building momentum’. Officers and councillors met with every community association in the district to gather ideas and suggestions for consideration in preparing the draft Ten Year Plan.

42 The 2018-2028 10 Year Plan consultation saw the Consultation Document published online, available from Libraries and Council offices and circulated as per Scuttlebutt (Council newsletter) distribution, represented through a roadshow involving multiple and district-wide ‘pop-up’ engagement opportunities in accordance with the Special Consultation Procedure (as prescribed under section 93 and in accordance with section 83). The following is an outline of consultation key dates:

9 March 2018	2018-2028 10 Year Plan Consultation Document adopted
12 March 2018	Public Submissions opened
13 April 2018	Public Submissions closed
15-16 May 2018	Hearing of Submissions
28 June 2018	10 Year Plan recommended for adoption

Legal Considerations and Statutory Responsibilities

43 The 10 Year Plan (Long Term Plan) is a statutory requirement under the Local Government Act 2002 (section 93).

Attachments

- A 10 Year Plan (circulated separately)
- B Resource Consent Fee Schedule
- C Building Consent Fee Schedule
- D 10 Year Plan Executive Summary

Attachment B**Resource Consent and Engineering Fees and Other Charges**

Final for Full Council
Prepared 17 May 2018

Charges for processing resource consents, private plan changes and undertaking related activities have been set by the Queenstown Lakes District Council in accordance with section 36(1) of the Resource Management Act 1991 (RMA) and section 150 of the Local Government Act. Council has fixed a formula for charges as provided by section 36(1). The charges are comprised of an administrative fee of \$225.00, plus an amount calculated as the reasonable time spent processing the application by the staff involved at the hourly rates scheduled below. The initial fees and charges are set out below. All Land Use applications include a \$215 monitoring fee except for section 127 applications to change conditions, boundary activities and marginal and temporary non-compliance notices. If monitoring of these applications is required it is to be undertaken on an hourly rate basis.

In accordance with section 36(3) of the RMA, the applicant is also required to pay an additional charge to cover the actual and reasonable cost of items such as printing, advertising, postage, additional reports and commissioners that may be required in the processing of their application.

At the time of lodging an application the applicant is required to pay the applicable initial fee set out below. They will then be invoiced monthly for other amounts payable under the fixed formula and for any additional charges payable under section 36(3).

Applications will not be received and processing will not continue while charges remain unpaid or overdue.

The following schedule of initial fees and charges is effective from 1 July 2018.

- All charges and initial fees are inclusive of GST and are payable on application.
- The initial fees are minimum charges based on the expected reasonable costs relative to the work. Further costs will be invoiced on a time basis and are payable before further work is completed.
- The use of hearings commissioner and external consultants where required will be charged on a full recovery basis according to their hourly rate. Disbursements will be charged on a full recovery basis.

HOURLY RATES	\$
Senior Planner	185.00
Planner	165.00
Planning Officer	145.00
Monitoring / Compliance	145.00
Subdivision / Development Contributions Officer	145.00
Engineering	185.00
Environmental Health	125.00
Administration Support	100.00

INFRASTRUCTURE AND PARKS	\$
Senior Infrastructure Engineer	185.00
Infrastructure Engineer/ Logistics	165.00
Infrastructure Other	145.00
Parks & Reserves Senior Planner / Planning Manager	185.00

Parks & Reserves Planner / Officer

145.00

MONITORING (Initial Fees)		\$
Compliance inspections (including for NES-Plantation Forestry)		hourly rate
ADMINISTRATIVE CHARGE (Fixed fee)		\$
Administrative charge per consent		225.00
Administrative charge per pre-application request		90.00
PRE-APPLICATION MEETINGS (Initial Fees)		\$
Pre-Application Meeting including preparation - first hour free, after which at the applicable officer(s) hourly rate(s).		hourly rate
LAND USE CONSENTS (Initial fees unless otherwise stated)		
Boundary activity notice (fixed fee)		448.00
Marginal and temporary non-compliance notice		448.00
Breach of site or discretionary performance standard other than earthworks (all zones except Town Centre, Business and Industrial)		1300.00
Breach of site or discretionary performance standard other than earthworks, Town Centre, Business and Industrial zones		1805.00
Breach of zone or non-complying performance standard (all zones except Town Centre, Business and Industrial)		1720.00
Breach of site, zone or performance standard Town Centre, Business and Industrial zones		2390.00
Comprehensive residential development Low Density Residential zone		5,865.00
Controlled Activity		1,400.00
Design control minor (e.g. building in Town Centre, Business or Industrial zones or dwelling in any special zone)		1,530
Design control other (e.g. dwelling in Rural Residential zone or dwelling on a platform in Rural Lifestyle zone)		1,640
Earthworks minor (e.g. single dwelling or similar)		3,015.00
Earthworks other		4,980.00
Establish residential building platform in Rural or Rural General zone		4,520.00
Extensions or alterations to existing Rural or Rural General dwelling		1,670.00
Heritage Orders		2,165.00
Minor alterations to heritage building		2,029.00
New Rural General dwelling not on building platform		4,065.00
Non-residential activity in residential or special zones		3,584.00
Signs		1220.00

Visitor accommodation 1-2 units Low Density Residential zone	2,090.00
Visitor accommodation multi-units Low Density Residential zone	2,670.00

Visitor accommodation 1-2 units High Density Residential zone	1,615.00	
Visitor accommodation or residential multi-units High Density Residential zone	4,150.00	
Other applications	1,240.00	1,380.00

SUBDIVISION CONSENTS (Initial fees)	\$
Amalgamation Certificate - fixed fee	145.00
Boundary adjustment	1,830.00
Controlled activity up to two lots	2,550.00
Controlled activity more than two lots	2,820.00
Engineering Review & Acceptances, Inspections and Road Naming	412.50
Other subdivision (e.g. Rural Residential, Rural Lifestyle)	2,920.00
Rural General subdivision	3,920.00
Registered Bond / release of Registered Bond (each)	145.00
Cancellation of amalgamation conditions (s241)	1,148.00
Section 223 Certificate	145.00
Section 224(c) Certificate	290.00
Signing and Sealing other plan or certificate	145.00

MULTIPLE ACTIVITIES

Where an application includes both land-use and subdivision activities or multiple activities, only the higher or highest relevant charge is payable

OTHER APPLICATIONS / PROCESSES (Initial Fees)	
Notice of Requirement for a Designation	5,470.00
Alteration of Designation	3,560.00
Removal of Designation or Heritage Order	330.00
Certificate of Compliance	1,450.00
Existing Use Certificate	2,730.00
Extension of lapse period of a resource consent	840.00
Outline Plan Approval Section 176A	1340.00

Outline Plan Waivers Section 176A(2)(c)	530.00
Surrender of consent	330.00
Trees e.g. <i>trimming or removal of protected or heritage tree</i> Residential Arrowtown Historic Management zone (with supporting Arboriculturist's report)	730.00
Variation to 3 or more resource consent conditions – complex	1900.00
Variation to 1-2 resource consent conditions – simple	\$920
Private plan change	11,200.00

LOCAL GOVERNMENT ACT CHARGES (Initial Fees)		
Section 348 Right of Way certificate		660.00
Traffic Management Plans		125.00
Licence to Occupy		600.00
Temporary Road Closures		500.00
Corridor Access (Road Opening Permits)	< 20 m	185.00
	20-100 m	375.00
	100-500 m	560.00
	500-2000 m	750.00
	> 2000 m	1,875.00
Engineering Connection to Council Services (one connection)		280.00
Engineering Connection to Council Services (for each additional connection)		120.00
Cancellation of Building Line Restriction		330.00
OTHER APPLICATIONS / PROCESSES (Fixed Fees)		
Urban Design Panel (prior to lodging resource consent)		250.00
Urban Design Panel (post lodging resource consent)		500.00

**OBJECTIONS UNDER SECTION 357A(1)(f) OR (g) REQUESTED TO BE HEARD
BY AN INDEPENDENT COMMISSIONER (initial fees)**

Requested Commissioner consideration of objections under section 357A(1)(f) or (g)	hourly rate
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NOTIFIED AND LIMITED NOTIFIED APPLICATIONS (Initial Fees)

Limited Notification / Service (Section 95B)

The charges fixed by council under section 36(1) include the following extra charge if limited notification of an application is required. The extra limited notification charge is also payable at the time of lodgement. However, where the need for notification / service is not apparent at the time of lodgement, the extra \$1,300 is payable as soon as it becomes apparent that limited notification is required.	1,480
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Notified Applications (Section 95A or 95C) (Initial Fees)

The charges fixed by council under section 36(1) include the following extra charge if full notification of a resource consent or designation is required.	5,110
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The extra notification charge is payable at the time of lodgement or as soon as it becomes apparent that notification is required and is to proceed. Public notification will not occur before payment is made.

INITIAL CHARGES FOR HEARINGS (Initial Fees)

Where a hearing is required the applicant is liable to pay the costs for Commissioners attending hearings, undertaking site inspections and writing decisions as well as the cost of attendance of professional and secretarial staff.	Half Day	6,810
	Full Day	12,500
Prior to a hearing date being confirmed, an estimate of the hearing time (including site visit) will be made and the applicant will be required to pay the appropriate hearing initial fee. If the cost of the hearing and decision writing exceeds the hearing initial fee, the additional amounts will be invoiced. If actual charges are less than the initial fee, a refund will be issued.	Each additional day	11,020

IS BCF Building Consent Initial Fees and Other Charges Schedules



Final for Full Council - prepared 18 May 2018

Charges for processing building consents and for the performance of other building control functions or services have been set by the Queenstown Lakes District Council in accordance with section 219 of the Building Act 2004.

The following schedule of initial fees and charges is effective from 1st July 2018.

- All charges and initial fees are inclusive of GST and are payable on application.
- The initial fees are minimum charges based on the expected reasonable costs relative to the estimate value of work. **Further costs may be invoiced depending on the complexity of your project**
- The Estimated Value of Building Work is defined in section 10 of the Goods and Services Act 1985, which includes the cost of building materials, labour, design costs, siteworks, but excludes furnishings, carpets and appliances.

HOURLY RATES		\$
Building Control Officer (BCO)		172.00
Administration		100

BUILDING CONSENT NO PIM (Initial Fee)			(No PIM) \$
Estimated Value of Building Work (Incl GST)			
-	-	5,000	385
5,001	-	20,000	850
20,001	-	180,000	Unlined Accessory Building 1,370
20,001	-	180,000	2,080
180,001	-	500,000	Single Residential 3,390
180,001	-	500,000	Commercial 3,680
500,001	-	1,000,000	Single Residential 5,150
500,001	-	1,000,000	Commercial 5,700
Over		1,000,000	* 6,300
* for every \$50,000 or part thereof over \$1,000,000 an additional initial fee of \$55.00			

BUILDING CONSENT INCL PIM (Initial Fee)			(Incl PIM) \$
-	-	5,000	430
5,001	-	20,000	890
20,001	-	180,000	Unlined Accessory Building 1,400
20,001	-	180,000	2,100
180,001	-	500,000	Single Residential 3,400
180,001	-	500,000	Commercial 3,700
500,001	-	1,000,000	Single Residential 5,200
500,001	-	1,000,000	Commercial 5,700
Over		1,000,000	* 6,300
* for every \$50,000 or part thereof over \$1,000,000 an additional initial fee of \$55.00			

IS BCF Building Consent Initial Fees and Other Charges

SPECIFIC BUILDING TYPE (Initial Fee)	\$
Heating Appliances	370.00

GOVERNMENT LEVIES	
Building Research Levy BRANZ	\$1.00 per \$1,000 of building work over \$20,000 value
MBIE Building Levy ¹	\$2.01 per \$1,000 of building work over \$20,444 value

BUILDING ADMINISTRATION	\$
Minor Plan Variation	Hourly BCO rate
Relodged / Split Building Consent Application (no change in value of work)	480.00
PIM only - Residential (cost is later deducted from subsequent full Building Consent Initial Fee)	270.00
PIM only - Commercial (cost is later deducted from subsequent full Building Consent Initial Fee)	445.00
PIM Amendment Assessment	80.00
Certificate of Public Use (sect 363)	250.00 (Com 1&2) 350.00(Com3)
Certificate of Public Use amendment (sect 363)	215.00
Change of Use Consideration (if no building work required)	165.00
Exempted Building Work consideration	285.00 initial fee plus hourly BCO rate
Certificate of Acceptance	Full Building Initial Fee based on value of work
Relocation assessment and report	270.00
Notice to Fix (where no building consent active)	270.00
Building Across 2 allotments (sect 75)	Hourly BCO rate plus legal disbursements
Natural Hazards (sect 72 certificate)	Hourly BCO rate plus legal disbursements
Alternative Solution Approval	Hourly BCO rate
Pre-Application meetings	Hourly BCO rate
Cancellation of Building Consent	Unused initial fee returned
Application to extend time frame for which Building Consent is valid	Hourly BCO rate
Monthly BC Issue information report - per annum (or \$35 per month)	360.00

¹ The minimum threshold has changed from \$20,000 to \$20,444 as per MBIE Advice Notice issued 18/8/2017

IS BCF Building Consent Initial Fees and Other Charges



RELATED APPROVALS (Fixed Fee)	\$
Building Certification - Sale of Liquor Act	160.00

BUILDING WARRANT OF FITNESS CHARGES (Fixed Fees)	\$
Compliance Schedule (issue and register)	270.00
Amended Compliance Schedule	172.00 145.00
Annual BWOFF certificate	105.00
BWOFF audit on-site (approx 3 year intervals)	Hourly BCO rate

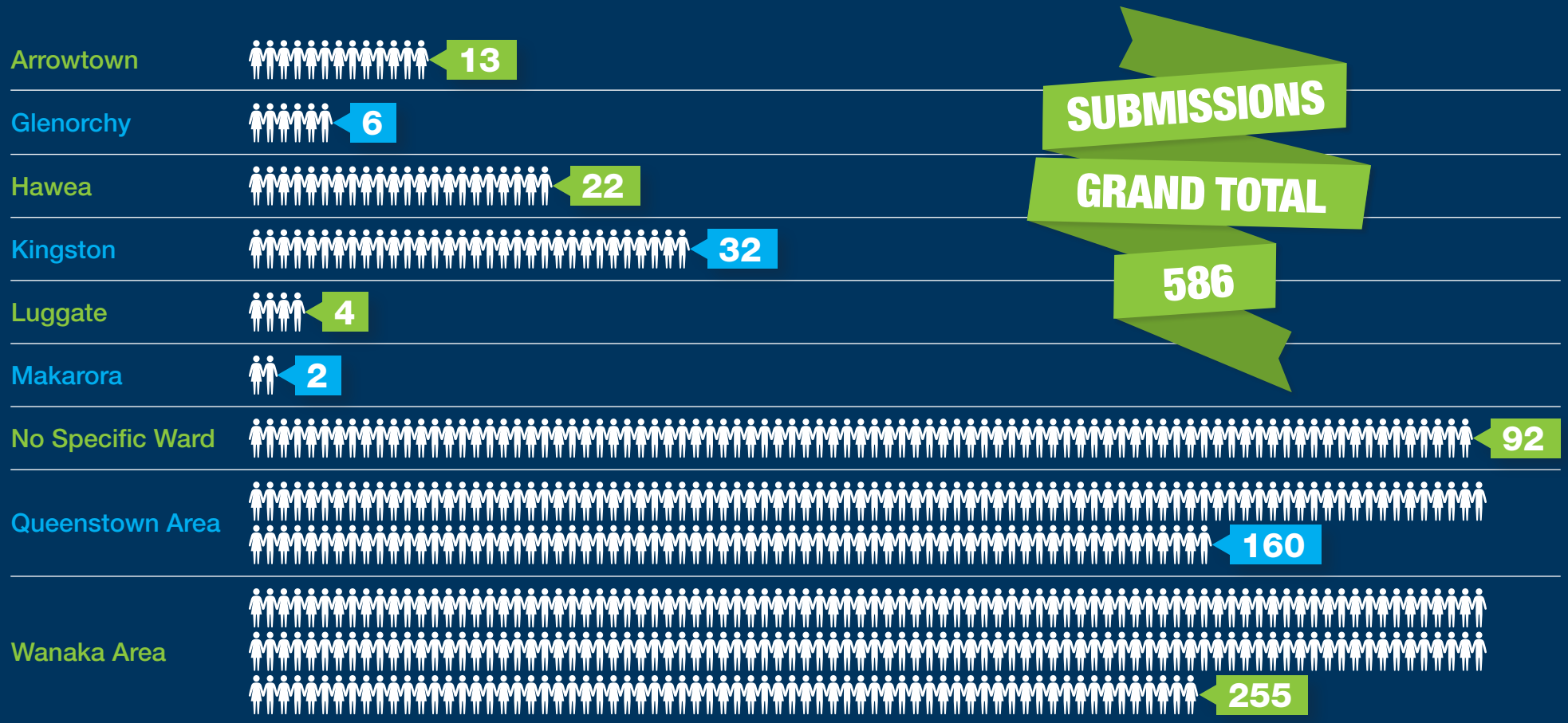
FENCING OF SWIMMING POOLS (Fixed Fee)	\$
Pool Registration	230.00
Pool Inspection	172.00
Waiver and Modifications	172.00 145.00

LAND INFORMATION MEMORANDUM (Fixed Fee)	\$
Residential - standard 10 working days	230.00
Commercial - Standard 10 working days	350.00
Residential - Speedy 3 working days	360.00
Commercial - Speedy 3 working days	480.00

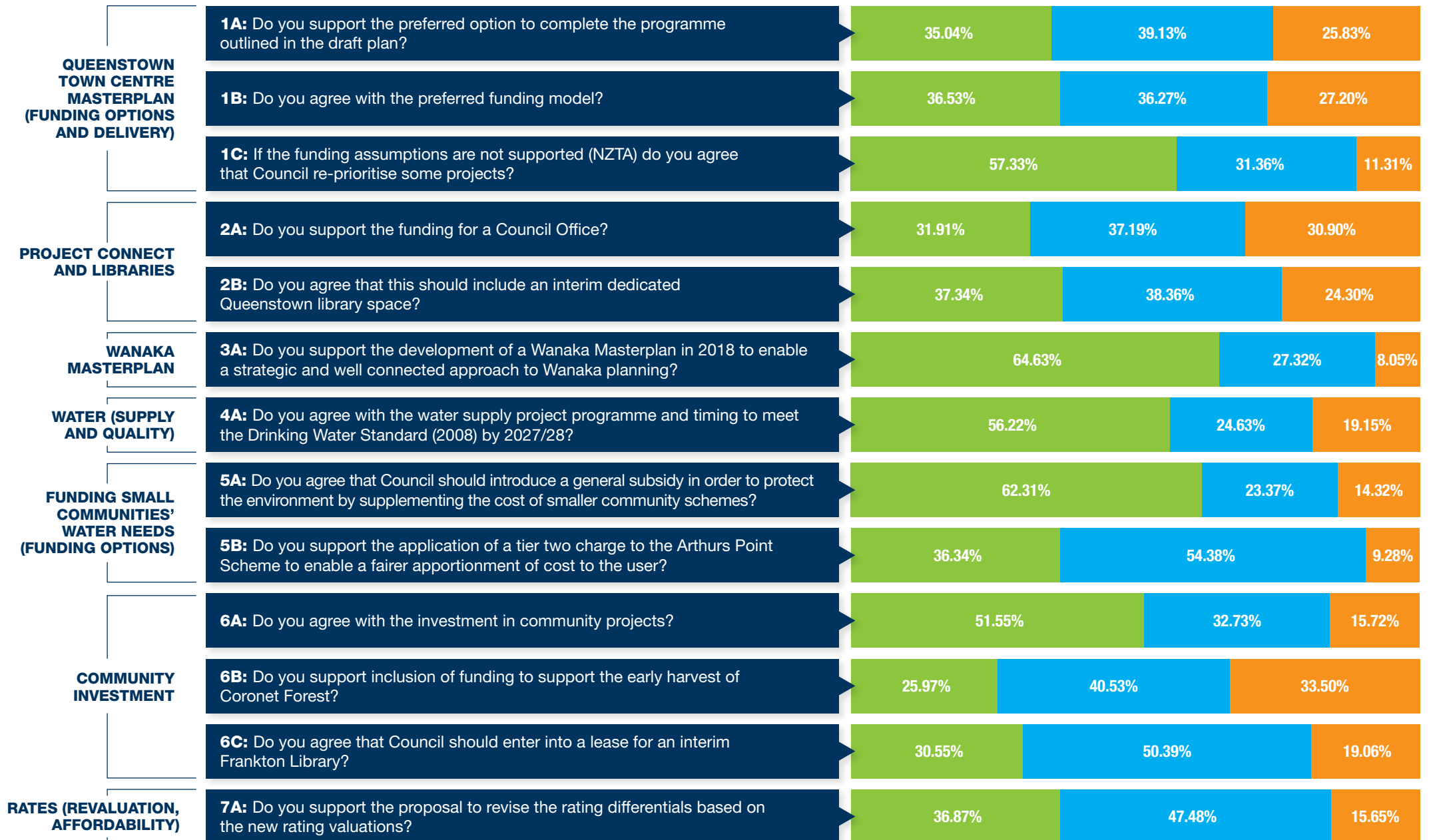
EXECUTIVE SUMMARY

TEN YEAR PLAN SUBMISSIONS 2018-2028

SUBMISSIONS BY WARD



Question Responses



Community Associations

Submissions were received from:

- > Gibbston Community Association
- > Glenorchy Community Association
- > Arrowtown Village Association x2
- > Arthurs Point Community Association
- > Albert Town Community Association
- > Lake Hayes Estate Shotover Country Community Association
- > Hawea Community Association

Additional Funding Requests (i.e. not already included in draft TYP)

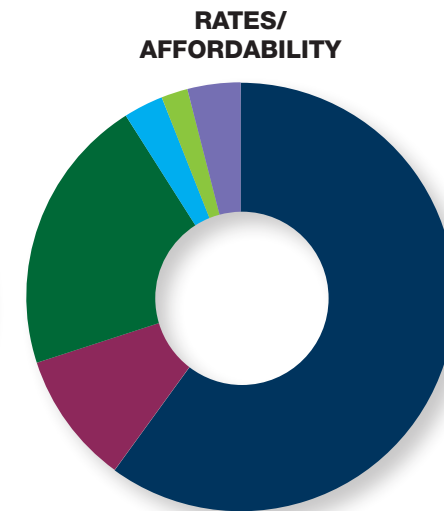
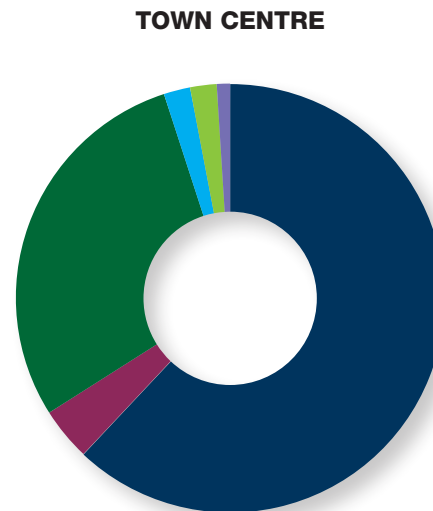
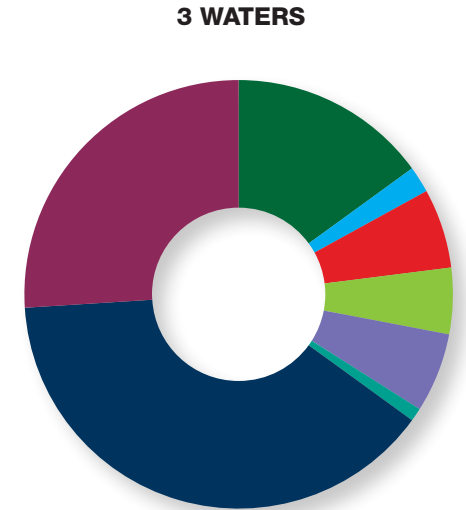
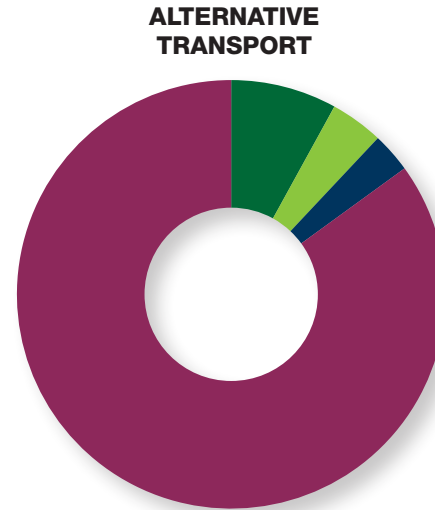
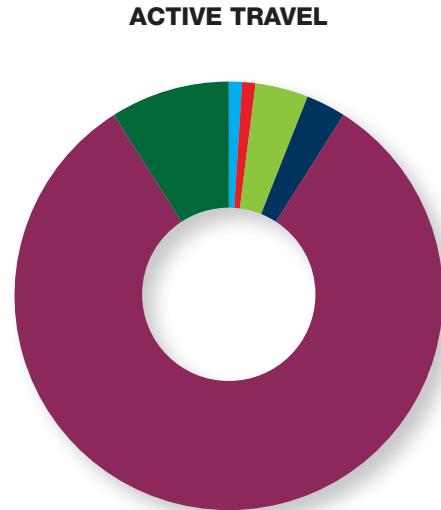
25 additional requests

\$1.8m of additional funding

Four largest additional funding requests:

- > Start Up Queenstown - \$450k
- > Queenstown Mountain Bike Club - \$400k
- > Link Upper Clutha - \$100k
- > Arrowtown Community Preschool - \$100k

The Top 5 Issues Raised



Top 5 Issues for Each Community

- Community
- Planning
- 3 Waters
- Project Connect
- Coronet Forest
- Wanaka Masterplan
- Rates/Affordability
- SH84 underpass/safe crossing
- Parks and Reserves Planning
- Parking
- Community Facilities
- Visitor Accommodation
- Active Travel
- Tourism
- Roading
- Visitor Levy
- Chlorine
- Growth
- Waste and Recycling
- Alternative Transport
- Town Centre
- Pests
- Luggate Hall
- Freedom Camping

ARROWTOWN



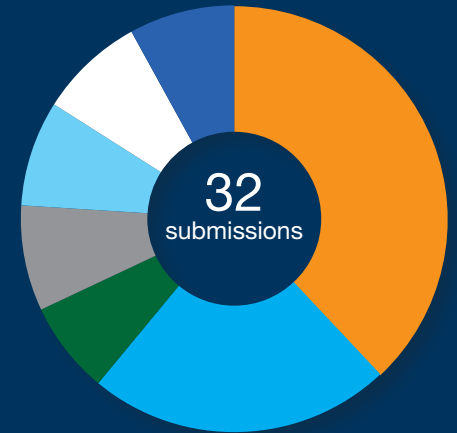
GLENORCHY



HAWEA



KINGSTON



LUGGATE



MAKARORA



QUEENSTOWN AREA



WANAKA AREA



**QLDC Council
28 June 2018****Report for Agenda Item: 2****Department: Planning & Development****Special Housing Area Expression of Interest: Hawea (Universal Developments)****Purpose**

- 1 The purpose of this report is to present the Hawea (Universal Developments Hawea Ltd) Expression of Interest (**EOI**) for consideration for recommendation to the Minister for Housing and Urban Development (**the Minister**) as a Special Housing Area (**SHA**).

Executive Summary

- 2 This report to Council assesses the Hawea (Universal Developments Hawea Ltd) (**Hawea EOI**) against the Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines (**the Lead Policy**), which includes the affordable housing contribution. Peer reviews of the infrastructure and transport assessments have confirmed that in principle the site can be adequately serviced however upgrades will be necessary for potable water and interim solutions for wastewater may be required until the scheduled connection to Project Pure is completed.
- 3 The Hawea EOI is contrary to the Operative and Proposed District Plans as it is on land that is zoned Rural General / Rural and is outside of the recently created Hawea urban growth boundary. However the EOI is considered to be consistent with the Lead Policy, the purpose of the Housing Accord and Special Housing Areas Act (**the HASHAA**), and the Queenstown Lakes District Housing Accord (**the Accord**).
- 4 This report recommends that Council should add the area into Category 2 of its Lead policy and then approve in principle the recommendation of the Hawea SHA to the Minister, subject to the negotiation of a Stakeholder Deed and qualifying development criteria.

Recommendation

That Council:

1. **Note** the contents of this report;
2. **Note** that public feedback received has been provided to Councillors separately, and that the response from Te Ao Marama will be reported to Councillors at the meeting;
3. **Amend** the Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines (Lead Policy) to:

- a. add that part of Lot 2 DP343855 shown in the EOI into Category 2 of the Lead Policy; and
 - b. to delete the sentence relating to not accepting proposals for inclusion in Category 2; as set out in **Attachment B**.
4. **Approve in principle** the Hawea EOI for a Special Housing Area and instruct the General Manager of Planning and Development to proceed with negotiation of the Stakeholder Deed that addresses the requirements of the Lead Policy including:
- a. The contribution to the QLCHT, including the doubling of the contribution for Stage 1;
 - b. The proposed affordability mechanisms set out in section 13 of the EOI, including a requirement to meet the price points specified;
 - c. A restriction on visitor accommodation;
 - d. Infrastructure requirements;
 - e. Parks and reserves (including trails, footpaths and connections); and
 - f. Qualifying development criteria for the proposed Special Housing Area.
5. **Instruct** Council officers to report back to the Council on the measures discussed in Point 4 above.

Prepared by:



Blair Devlin
Manager, Planning Practice
14/06/2018

Reviewed and Authorised by:



Tony Avery
GM Planning and
Development

Background

Purpose of HASHAA, the Housing Accord and Other SHAs

- 1 The purpose of the HASHAA is:

to enhance housing affordability by facilitating an increase in land and housing supply in certain regions or districts, listed in Schedule 1, identified as having housing supply and affordability issues.

- 2 Council entered into the Queenstown Lakes District Housing Accord (**the Accord**) with the Government in 2014, which was subsequently updated on 12

July 2017. The Accord “sets out the Government’s and the Council’s commitment to work together to facilitate an increase in land and housing supply, and improve housing affordability and suitability in the Queenstown Lakes-District. The Accord recognises that by working collaboratively the Government and the Council can achieve better housing outcomes for the District. The priorities are:

- a. *The continued development of additional land supply, as quickly as possible, to alleviate pressures in the housing market*
- b. *The development of a mix of housing types that are aligned with the Council’s intended plan for residential development to be more affordable, of medium density, closer to key central areas, and on good public transport routes”.*

- 3 The Housing Accord has always applied District Wide. Initial targets set by the Government applied only to the Wakatipu Basin, however the updated 2017 Accord amended this so that targets also apply district wide.
- 4 On 26 October 2017 the Council adopted an amended Lead Policy (titled: Housing Accords and Special Housing Areas Act 2013 Implementation Guidelines) (**the Lead Policy**), to guide the Council’s implementation of the HASHAA.
- 5 In total seven SHAs have been recommended by Council and approved by the Minister including:
 - i. Bridesdale Farm;
 - ii. Onslow Road;
 - iii. Arrowtown Retirement Village;
 - iv. Arthurs Point (Bullendale Stage 1);
 - v. Shotover Country;
 - vi. Queenstown Country Club.
 - vii. Business Mixed Use Zone (Gorge Road) (this SHA has been re-established).
- 6 Arthurs Point (Bullendale Stage 2) has recently been recommended by Council to the Minister, and we await the decision of the Minister. Bright Sky SHA in Wanaka has also been approved in principle subject to a Stakeholder deed.
- 7 Six of the seven SHAs are under construction (Gorge Road being the one exception). These SHAs will deliver a potential yield of approximately 885 residential units and aged bed care facilities, thus contributing significantly to the Council’s obligations under the Accord. The Bullendale Stage 2 SHA will add a further 92, totalling 977 units. With the exception of the Bullendale Stage 2 and Business Mixed Use Zone (Gorge Road) all of these SHAs have resource consents and have now been disestablished.
- 8 On 16 September 2016, the Housing Legislation Amendment Act 2016 (**the Amendment Act**) came into effect. The date for establishing SHAs and the date of repeal of the HASHAA had been extended by 3 years to 16 September 2019

and 16 September 2021 respectively. Any new Special Housing Areas (**SHAs**) will have until 16 September 2019 until they are disestablished.

Criteria and process for considering SHAs

- 9 The Council will consider each proposed SHA on its own merits. In addition, to the degree of consistency with the Lead Policy, other factors, such as planning and RMA matters, may be relevant to the Council's exercise of discretion to make a recommendation to the Minister. The below process is generally followed when assessing the EOI:

Step 1 - An initial review by officers of an EOI to ensure it is consistent with the Council's intent, and there is sufficient information provided to assess it;

Step 2 - Seek public feedback including statutory agencies and iwi;

Step 3 - Seek comments from internal Council departments and others as necessary;

Step 4 - Report to Full Council to consider whether or not to agree in principle the establishment of an SHA;

Step 5 - Should the EOI be agreed in principle, negotiate an appropriate Stakeholder Deed that fulfils the requirements of the Lead Policy (and other matters that are deemed to be relevant) and any other outstanding matters;

Step 6 - Council considers the draft Stakeholder Deed and makes a determination on whether or not to recommend the EOI to the Minister as a potential SHA; and

Step 7 - If a Stakeholder Deed is agreed and signed, the proposed SHA will be recommended to the Minister.

- 10 Steps 1 to 3 have been completed. This report addresses Step 4. If the EOI is accepted in principle a further report to Full Council will address Steps 5 and 6.

- 11 The EOI for the proposed Hawea EOI was formally received by Council on 21 May 2018. Public feedback was sought from 23 May to 21 June 2018.

The housing affordability problem in the Queenstown Lakes District

- 12 The analysis of median house price to median annual household income in Figure 1 below over 2016-2018 shows increasing rates on unaffordability for major centres (with the exception of Auckland and Christchurch). It shows that affordability relative to income has decreased significantly over the past two years in Queenstown. An accepted median multiple of 3.0 or less is considered to be a "good" marker for housing affordability. All areas are sitting above this level and Queenstown and Auckland are the least affordable by this measure.

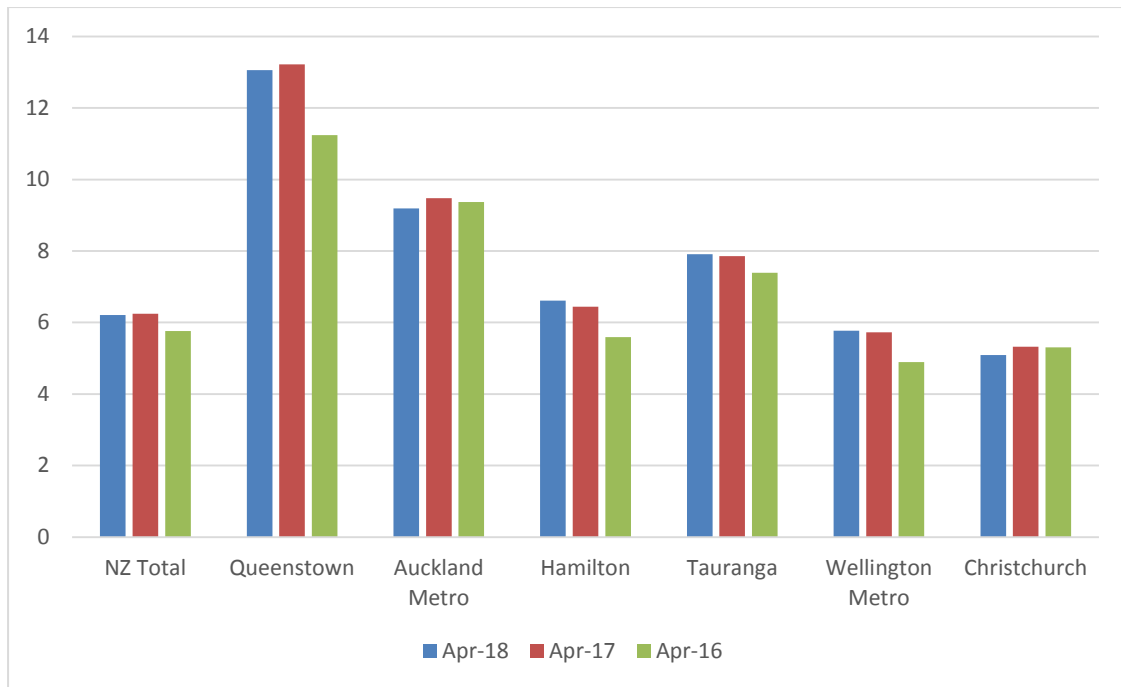


Figure 1: Comparison of median house price to median annual household income¹

13 The Housing Accord also notes that in January 2017, average weekly rents in Queenstown were the highest in the country at \$550, up 22.8 percent from \$448 in January 2016 and above average rents in Auckland (at \$518).

Housing affordability specifically in Hawea

14 Real Estate Institute of New Zealand figures indicate the median sale price for housing in Hawea has increased from \$381,000 in January 2013 to \$625,000 in December 2017. This is an increase of 64 percent over four years. In this regard Hawea has increased significantly more than the rest of the New Zealand (42% over four years) and the rest of New Zealand excluding Auckland (40% over four years), as shown below:

¹ <https://www.interest.co.nz/property/house-price-income-multiples>, June 2018 – ‘Queenstown’ refers to the whole Queenstown Lakes District

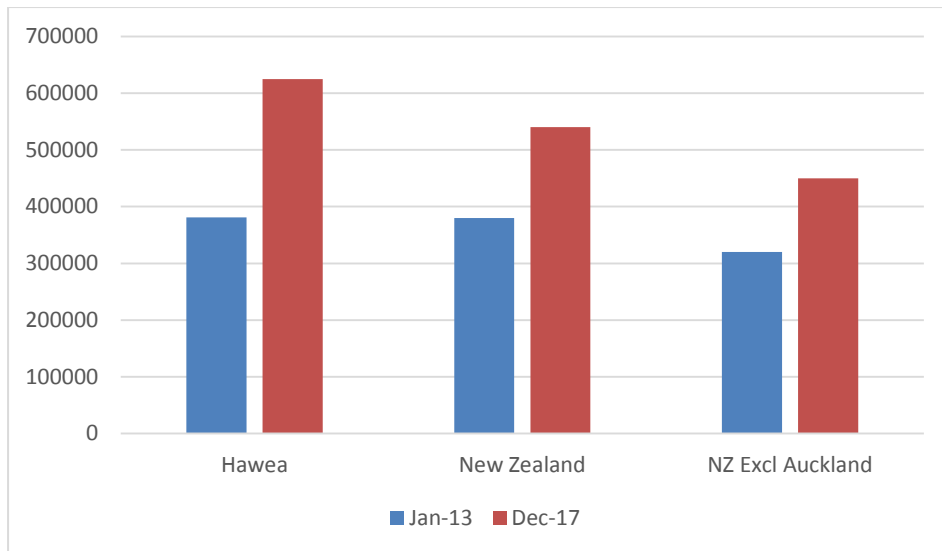


Figure 2: Median sale price changes January 2013 to December 2017²

15 Data provided by Market Economics Ltd breaks median costs down further for Hawea to include vacant residential, but only goes to 2016:

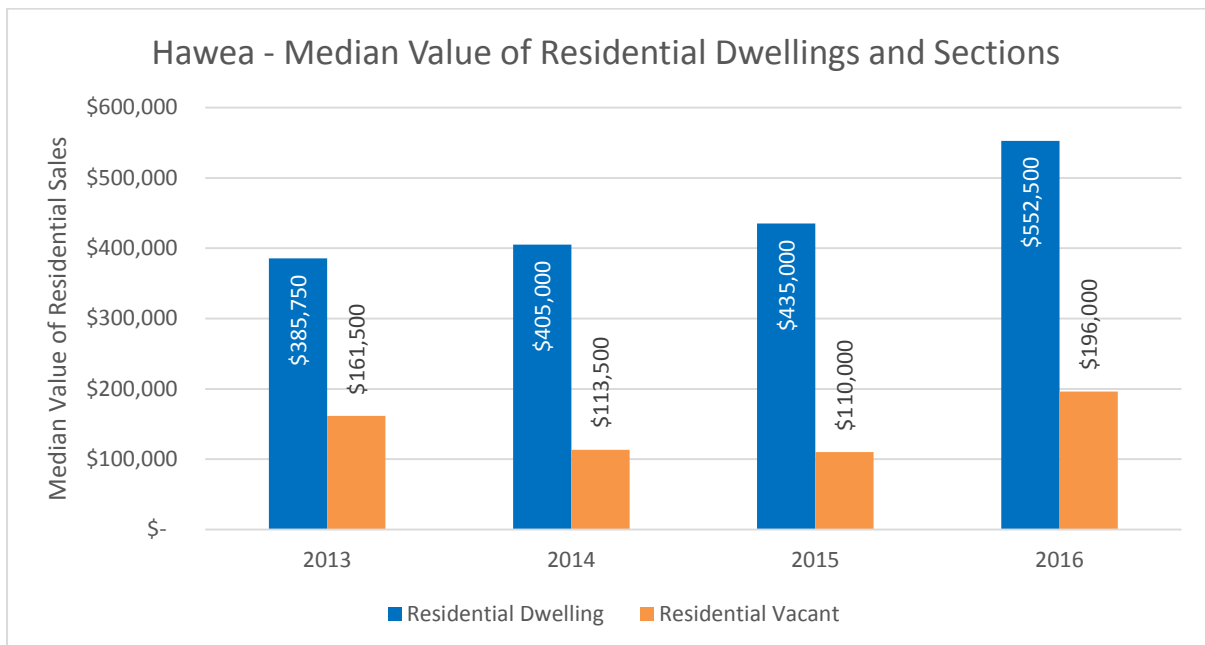


Figure 3: Hawea – Median value of residential dwellings and sections

The supply of land for housing in Hawea

16 Hawea is partly in the Proposed District Plan (in terms of the new Low Density Suburban Residential zoning, the new Large Lot Residential zone, the Corner Shopping Centre and Rural Residential zones) and partly out, with regard to the Township Zone.

² REINZ data for median sales price Jan 2013 – Dec 2017

- 17 Dwelling capacity has been modelled by Market Economics Ltd for the Township and Local Shopping Centre Zones and indicates that commercially feasible and modelled capacity (excluding redevelopment) of 320 in the medium term (next 4-10 years)
- 18 No detailed modelling has been undertaken in terms of the Low Density Suburban and Large Lot Residential zones in Hawea as they have only recently been created through the PDP. Officers estimate of Low Density and Large Lot Residential zone (based on a 450m² and 2,000m² lot size) overall capacities is approximately 290 residential units (after applying a discount for roads and reserves and feasible capacity).
- 19 Total capacity available for Hawea is therefore estimated at 610 (320 + 290) in the medium term (4-10 years). However much of this supply is in a small number of ownerships.
- 20 It is also relevant to note that on census night in 2013, 40% of the properties in Hawea were unoccupied, suggesting these are holiday homes and therefore not available for housing local workers and residents.

Comment

Description of EOI

- 21 The proposal is for a predominantly residential development of approximately 400 sections, plus a community hub area centred on an extended Capell Ave for community and commercial uses. The site is located to the south of Cemetery Road, Hawea. Hawea had a usually resident population of 2175 people in 2013 and it is expected the 2018 census will show the population has grown further. The proposal also includes indicative reserves and roads that would vest with Council should the SHA be approved by the Minister and subdivision consent granted.
- 22 The total area of the site is approximately 32 hectares and it is opposite the Sentinel Park subdivision (90 lots which is currently under construction). The land is currently zoned Rural General and Rural under the Operative and Proposed District Plans.
- 23 The proposal site is shown in relation to Hawea, outlined in blue in Figure 4 below.

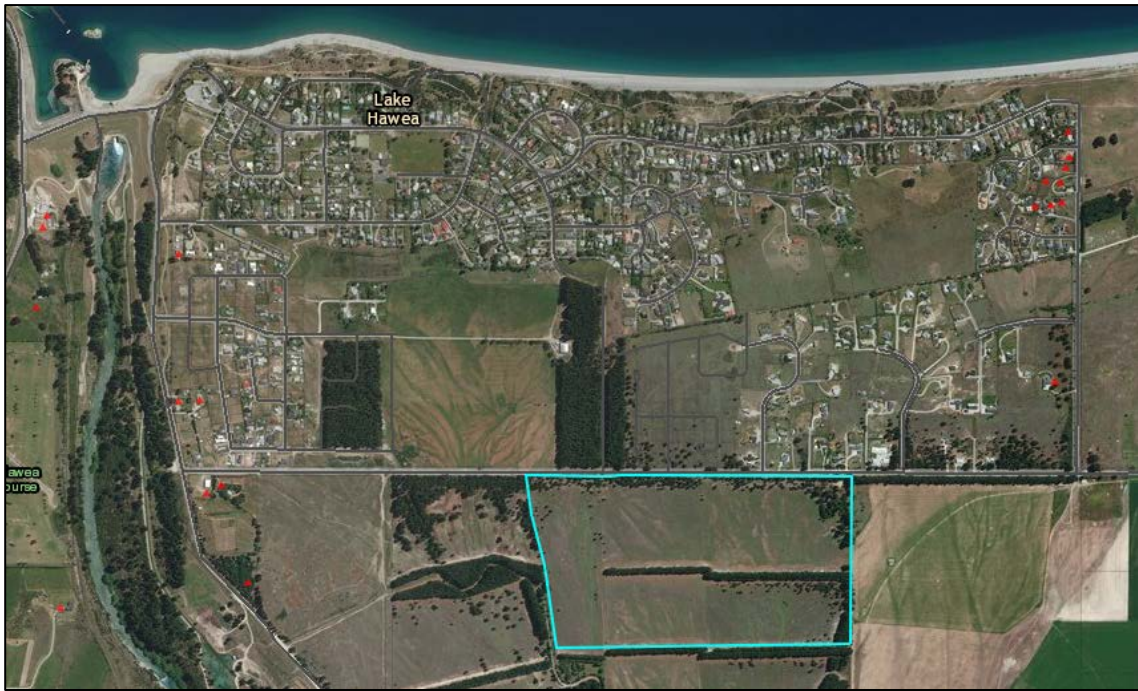


Figure 4: Proposed SHA location within Hawea context

- 24 The developer has confirmed that they will satisfy the affordable housing requirements of the Lead Policy by providing 10% of the developable land area to the Queenstown Lakes Community Housing Trust (**QLCHT**). This will result in approximately 40 sections for the QLCHT. A unique aspect of this EOI is that the proposal includes a contribution of 20% of Stage 1 sections, to ensure the community housing provision is 'front loaded' and not left until the final stages of the development.
- 25 Unlike other SHA proposals, the Hawea EOI includes fixed pricing for land and house specifications between \$464,000 and \$550,000. The proposal targets first home buyers, and by being within the \$550,000 local ceiling for first-home buyers allows them to access extra financial support through the KiwiSaver HomeStart scheme. Specifically first home buyers will be able to access their Kiwi Saver savings *and* be eligible for up to an extra \$20,000 HomeStart grant toward the purchase.
- 26 The proposed indicative roading layout and location of the residential and community hub components is shown in Figure 4. It is noted the EOI is high level and the detailed consideration of the suitability of the roading network, design and scale of development would be thoroughly addressed through the resource consent stage.
- 27 At this time Council is being asked to determine whether it would recommend the EOI to the Minister, rather than assess the details of the proposal which will occur through when subdivision and resource consents are submitted. For example the proposed grid layout would be fully assessed at the subdivision and landuse consent stage.



Figure 4: Potential roading and location of the residential and community hub components

28 The EOI comprises plans and images of the proposal, with supporting assessments from a landscape architect, urban designer and engineers. The EOI document and Appendix C are attached as **Attachment A**. All other appendices to the EOI are not included in the published version of the agenda but are available on the Council's website:

<https://www.qldc.govt.nz/your-council/your-views/expression-of-interest/>

Assessment of the Proposal Against Councils Lead Policy on SHAs

29 The developer has undertaken a review of the proposal against the Lead Policy. It should be noted that consideration of the Lead Policy is not a 'tick box' exercise – whilst important the Lead Policy provides a framework of relevant considerations for the Council to assess proposed SHAs, other factors, such as planning and RMA matters may be relevant to the Council's exercise of discretion to make a recommendation to the Minister. These still need to be considered in the context of the HASHAA's purpose of increasing housing supply. Full discretion lies with Council on whether or not to recommend an area to the Minister to be a SHA.

30 An assessment of the criteria for recommending a SHA to the Minister is set out below.

Location (Point 3.1 of the Lead Policy)

- 31 The site is directly adjacent to the township of Hawea, an area with urban characteristics located approximately 16km and 17 minutes' drive from Wanaka. The site is approximately 1.3km from the Hawea Community Centre (via the currently unformed Capell Ave) and 1.5 km from the Hawea domain (a 44 hectare QLDC reserve).
- 32 The Timsfield and Sentinel Park subdivisions are under construction across the road from the site. The Sentinel Park subdivision provides for 90 lots, and Timsfield provides for a total of approximately 483 lots (based the indicative masterplan on the Timsfield website and noting the new LDSR zoning may increase this number).
- 33 The site is not currently listed in Categories 1 – 3 of the Council's Lead Policy. The EOI requests the Council amend its Lead Policy to include the site in Category 2, which is the category for land which may be suitable for the establishment of SHAs.
- 34 Category 1 is for areas where EOIs would be invited, and was specifically created to 'bring forward' upzonings from the Proposed District Plan.
- 35 Category 2 includes areas that 'may be suitable' for the establishment of SHAs, and includes the Ladies Mile and certain areas in Wanaka.
- 36 Category 3 is areas unsuitable for the establishment of SHAs, and is currently not completed.
- 37 The Lead Policy does state for Category 2 that:
- "This category can only be updated following resolution by Full Council, which includes the addition and removal of areas from this category. The Council will not accept proposals or EOIs from landowners or developers to include areas on this schedule"*
- 38 This agenda item recommends deleting the final sentence above, for the following reasons. This clause was inserted when Council amended the Lead Policy in October 2016 following the extension of the HASHAA legislation. At the time, officers intended to identify the whole district into either Category 1, 2 or 3 as evidenced by the preceding statement on page 3 of the Lead Policy that *"The Council will group areas of land in the District into three categories"*.
- 39 Before this work stream was commenced, the Government in November 2016 released its final National Policy Statement on Urban Development Capacity which legally requires Council's to prepare a Future Development Strategy. Officers have therefore not been able to report back to Council to complete the District Wide identification of sites because this work needs to be undertaken in tandem with the Future Development Strategy.
- 40 Furthermore it became apparent that 'decisions on submissions' on Stage 1 of the Proposed District Plan would be released in the first quarter of 2018, and that

this would have a major impact on land for development and the need for special housing areas.

- 41 The work on identifying the whole district into either Category 1, 2 or 3 of the Lead Policy was therefore not completed, as it did not make sense to proceed with it ahead of preparing the Future Development Strategy and without knowing the Panel recommendations on Stage 1 of the PDP.
- 42 It is therefore recommended that the request to be added into Category 2 be accepted for consideration, because when the Lead Policy was set the intention was that the whole District would be placed into Category 1, 2, or 3. In the absence of that work, the proposal should not be precluded from even being considered.

Strategic Direction (Point 3.2 of the Lead Policy)

- 43 The current Lead Policy specifically refers to Strategic Direction Objective 3.2.2.1 set out in the PDP as it was notified in 2015. In particular, Objective 3.2.2.1 of the PDP is listed (as notified):

3.2.2.1 Ensure urban development occurs in a logical manner:

- *to promote a compact, well designed and integrated urban form;*
- *to manage the cost of Council infrastructure; and*
- *to protect the District's rural landscapes from sporadic and sprawling development.*

- 44 The proposal is considered to be a 'logical' urban extension of Hawea, recognising the growth opportunities for the town to the north, east and west are constrained by the lake, river and emergency spillway respectively. While development would cross Cemetery Road, the road itself is not a natural barrier to built form and some rural residential development is already provided for across Cemetery Road.
- 45 The proposal is considered to be compact, well designed (at a high level) and which will achieve an integrated urban form. The alignment of the roads to link the development north / south via Capell Avenue is considered crucial to ensuring it is not a stand along island of residential development, physically disconnected from the existing Hawea township.
- 46 The proposal would result in the loss of rural landscapes, however it is not considered to be a sporadic or sprawling development because it planned development that physically adjoins an existing urban area. With regard to the landscape values, the land is not identified as being an Outstanding Natural Landscape but is in open pasture and retains a strong degree of rural character. The landscape assessment Appendix F to the EOI.
- 47 The land is flat, has good access to sunlight, is accessible from existing roads and not identified as having any hazards in Council's hazards register. At a high level, the site is considered to be a suitable area for urban development.
- 48 Overall, the proposal is considered to be well located for SHA purposes, and not contrary to the Strategic Direction Objective 3.2.2.1 as notified.

Decisions Version of Objective 3.2.2.1

49 With the release of the ‘decisions on submissions’ on Stage 1 of the Proposed District Plan, the Strategic Direction chapter has changed. The new equivalent Objective and related policy is set out below:

3.2.2 Urban growth is managed in a strategic and integrated manner.
(addresses Issue 2)

3.2.2.1 Urban development occurs in a logical manner so as to:

- a. promote a compact, well designed and integrated urban form;
- b. build on historical urban settlement patterns;
- c. achieve a built environment that provides desirable, healthy and safe places to live, work and play;
- d. minimise the natural hazard risk, taking into account the predicted effects of climate change;
- e. protect the District’s rural landscapes from sporadic and sprawling development;
- f. ensure a mix of housing opportunities including access to housing that is more affordable for residents to live in;
- g. contain a high quality network of open spaces and community facilities; and.
- h. be integrated with existing, and planned future, infrastructure.

(also elaborates on S.O. 3.2.3, 3.2.5 and 3.2.6 following)

50 With regard to the first part of the policy, the location for the urban development in relation to Hawea is considered to be in a ‘logical’ location.

51 With regard to (a) as noted above, the proposal will still retain a compact, well designed (at a high level) and integrated urban form. Again the integration through Capell Ave is crucial to ensure connection with the existing Hawea township.

52 In terms of (b), the proposal will arguably build on historical urban settlement patterns by extending the existing Hawea township, rather than creating a new separate township. The proposed grid pattern is found in Wanaka but is not necessarily consistent with the pattern of existing urban development in Hawea, however the disconnected series of cul de sacs currently present should not be replicated.

53 The proposed grid pattern is commented on further in paragraphs 102-103 under ‘Quality and Design Outcomes’ when considering the proposed design.

54 With regard to (c) and (g), the proposal achieves the policy in that it does provide both residential and employment land for Hawea, where people can live and work, and reserves will need to vest as part of any subdivision. Space for community facilities is provided for in the community hub area.

55 The site is not identified as being hazard prone, geotechnical conditions are expected to be suitable, and climate change has been considered in the engineering report in terms of stormwater.

56 With regard to (f), the development will ensure a mix of housing opportunities although it does aim to specifically provide for more affordable options for first home buyers.

57 With regard to (h), the area can be integrated with existing and planned future infrastructure, relying on programmed upgrades funded through the Long Term Plan and contributions to be negotiated with the developer where this results in extra capacity requirements to meet the increased demand.

58 The proposal is not considered contrary to the decisions version of Objective 3.2.2.1.

Hawea Urban Growth Boundary

59 Council's PDP notified in August 2015 did not include an urban growth boundary around Hawea. This was because the Township zones were not considered in Stage 1 and were to be looked at in Stage 3.

60 The Panel considering submissions on the PDP received a detailed submission from the Hawea Community Association seeking an urban growth boundary be placed around Hawea. The submission was accepted and at its meeting on 3 May 2018 the Council accepted the recommendations of its Commissioners to include the UGB for Hawea and notified the decisions version of the PDP. Figure 3 shows the 'decisions version' planning map with the UGB in a red dashed line and the EOI site outlined in blue. Hawea is whited out as it is in Stage 3. Opposite the site is the orange 'Large Lot Residential' zoning, and the brown zoning is a new area of Low Density Suburban Residential. The UGB is the red dashed line.

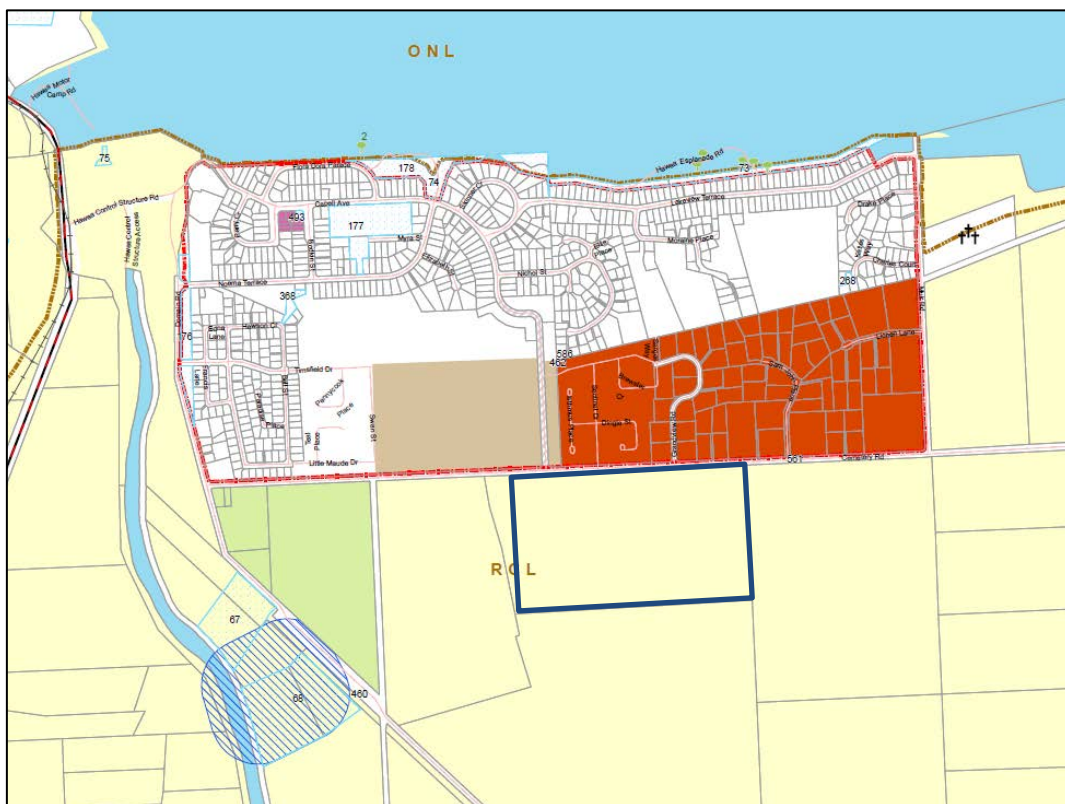


Figure 5: Proposed District Plan 'Decisions Version' Planning Map for Hawea

61 The Hawea urban growth boundary has been appealed by Clark Fortune McDonald & Associates who submitted against the use of Urban Growth

Boundaries generally. The Council will need to determine how to respond to the appeal given it was not Council's approach to put urban growth boundaries around the Township zone in the absence of an assessment of the seven areas zoned Township as a whole and their capacity or otherwise to absorb growth.

- 62 The Lead Policy does emphasise the establishment of SHAs within existing or proposed urban areas that are contained within the proposed UGB of the PDP. The SHA area is clearly located outside of the Hawea UGB as determined through the Stage 1 PDP process, although this is under appeal.
- 63 However the purpose of an urban growth boundary is partly to ensure new urban development occurs in a well-planned and logical manner in relation to existing urban areas. The site of this EOI is capable of ensuring a well-planned and logical urban extension.
- 64 While the proposal is outside the recently created Hawea UGB, that is not fatal to the proposal. Every SHA recommended to the Minister to date has been located outside of the urban growth boundary with the exception of the Council led Gorge Road SHA. A developer would not need the HASHAA if they were already zoned and only needed a subdivision consent.
- 65 The HASHAA is the specific tool created by the Government to enable housing development and an applicant would not need the HASHAA were they in a zoned area where a subdivision consent could simply be lodged. As noted in paragraphs 16-20 above, while there is zoned capacity in Hawea, this is in a small number of ownerships and the availability of zoned land has not prevented median house prices in Hawea increasing rapidly, by 64% between 2013 and 2017.

Infrastructure (Point 3.3 of the Lead Policy)

- 66 If Council agrees with the establishment of the SHA in principle, a Stakeholder Deed would need to be negotiated that secures the infrastructure requirements. This would be reported back to Council at a later stage. A summary of the report and Council Officer response is provided below.
- 67 *Wastewater.* The applicant has liaised closely with the QLDC infrastructure team and the infrastructure assessment has been independently peer reviewed by Holmes Consulting Group.
- 68 Council's existing wastewater treatment plant for Hawea is already operating above capacity, however the LTP provides for a connection to Project Pure in Wanaka by way of a 12km pipeline in 2021/22. Upgrades to Project Pure are also required and are scheduled in the LTP for 2019/20.
- 69 The development can therefore be serviced for wastewater but is dependent on the capital works set out in the LTP being completed. The applicant has provided for three interim options should houses be ready to connect prior to the Project Pure connection being in place, to ensure the wastewater is able to be dealt with. The timing of the development and the connection to Project Pure will therefore be crucial to the development, as the interim solutions ideally would not

be relied upon long term. Development contributions paid would contribute directly to the Project Pure pipeline as it is in the LTP.

- 70 *Potable water*. A comprehensive modelling report was prepared by Watershed Limited. Modelling was based on two scenarios, an initial development of 50-200 lots, and a future demand scenario based on 2058 growth figures for Hawea and full development (400 lots).
- 71 Both scenarios will require infrastructure upgrades. In order to adequately supply the initial development, approximately 1.8 km of 150 mm diameter pipe is required (through the undeveloped Capell Avenue to existing infrastructure in the west end of Cemetery Road). This is a planned upgrade in QLDC's CAPEX programme (budgeted \$306,638).
- 72 For the future scenario, upgrades include two large diameter trunk mains (350 mm diameter from Scott's Beach Bore Field through to Capell Avenue and a 250 mm diameter main through Cemetery Road, adjacent to Timsfield). The 150 mm diameter water mains mentioned previously also form part of the supply network for the future demand scenario.
- 73 Neither of the proposed upgrades noted above are as a direct result of the Lake Hawea SHA. As such, it is expected that the Lake Hawea SHA developer would contribute to these upgrade costs through standard developer contributions plus any cost associated with expediting these upgrades. It is noted however that the QLDC infrastructure team note that any new housing developments of significant size would likely result in pump upgrades to the existing Hawea Bore Pump Station and Treatment Plant. Therefore, this may result in specific developer costs. This is a matter that can be addressed in the Stakeholder Deed.
- 74 The water demands calculated by Watershed have considered only residential development and have not made allowance for commercial water demands. While the demands calculated considering only residential lots are appropriate for the site, further modelling may be required to confirm any impact of a mixed use development, particularly with regard to fire-fighting water supplies. This matter can be addressed at the resource consent stage once the size of buildings in the community hub are better understood.
- 75 *Stormwater*. It is proposed to attenuate post-development peak stormwater flows to pre-development levels through use of Low Impact Design (LID) systems in line with QLDC's engineering standards. The catchment of the subject site is approximately 35 hectares.
- 76 The applicant has consulted with the Otago Regional Council (ORC), who identified two significant issues in relation to stormwater management:
- The need to recharge local aquifers with stormwater
 - The treatment of stormwater to avoid contamination of groundwater.
- 77 The peer review agrees that the LID approach to stormwater design proposed is likely to help achieve both these issues. Test pits and soakage tests at an adjacent site (Sentinel Park), show that stormwater disposal via onsite soakage is a viable option.

- 78 Treatment of stormwater to the standards required by ORC will be required prior to discharge to ground. Any cost associated with stormwater infrastructure will be borne entirely by the developer.
- 79 *Transport:* The development proposed will be accessed from Cemetery Road, via a new cross intersection with Capell Ave. Roding connections are also proposed to link with Sentinel Drive and Grandview Road. A trail connection already exists from Cemetery Road through to Swann Street in Timsfield, and to Isthmus Place in Sentinel Park. Trails are also apparent along Domain Road and the northern side of Cemetery Road.
- 80 A transport assessment has been undertaken as part of the EOI, and this concludes that that “the traffic generated by the development is likely to be accommodated on the adjacent roading network without capacity or efficiency issues arising that are more than minor, even when allowing for traffic associated with the Timsfield and Sentinel Park subdivisions”. It is apparent the Level of Service for various intersections will decrease as a result of the development, although “forecast queues and delays at the intersection which is the most likely to experience the greatest increase in traffic flows (Capell Avenue / Domain Road) remain low”.
- 81 The report also acknowledges that there may be a requirement to improve existing roads in the area to meet the Council’s subdivision code as result of increased traffic flows arising from the development and also the traffic associated with Timsfield and Sentinel Park subdivisions. In this regard, the demand is not just from the Hawea SHA, and such upgrades would be covered from the normal development contributions for roading taken for each lot created,
- 82 This report was peer reviewed by Novo Group. Overall Novo Group were “*generally satisfied with the assessment provided and at a high level we accept that the transportation issues are generally acceptable on the receiving environment. This ultimately will require some refinement of the detailed design at a future subdivision stage, although these could be readily overcome*”.

Formation of Capell Avenue

- 83 The EOI design links the development to the existing Hawea township via Capell Avenue, which is currently unformed. The formation of Capell Avenue is not currently in the Council’s LTP and would normally fall to the developer of the surrounding land as the land is subdivided. Capell Avenue runs through the Timsfield subdivision and on the Timsfield masterplan would provide access to many lots. Capell Avenue is therefore likely to be formed as part of the Timsfield development. If there is a delay to the formation, the existing route out of Hawea via Cemetery Road and Domain Road remains and is the same in terms of travel time.
- 84 Overall the proposal can be supported from a traffic and transportation perspective.
- 85 *Geotechnical:* A high level geotechnical assessment has been undertaken by Mt Iron Geodrill. The ground conditions consist of glacial outwash gravels across

the site. It is not expected that any conditions will be encountered that that require complex engineering design and / or construction works.

- 86 Overall, the proposed development can be provided with the necessary infrastructure subject to potable water upgrades and potentially interim solutions for wastewater. These matters can can be secured through a Stakeholder Deed.

Affordability (Point 3.4 of the Lead Policy)

- 87 The Lead Policy puts the onus on the developer to identify mechanisms to ensure that housing developed in a special housing area addresses the district's housing affordability issues.

- 88 The EOI would help to address housing affordability generally by increasing supply in the district by providing for up to 400 additional sections. The EOI focuses on providing for first home buyers. The developers has worked with building companies to deliver house and land packages to the market within the Kiwisaver house price cap - currently \$550,000 for a new house within the Queenstown Lakes District. This is accepted as a reasonable benchmark for an affordable price point and pricing at this level has not been delivered to the market within the Queenstown Lakes District with any certainty in the past.

- 89 Fixed pricing for house and land packages between \$464,000 and \$550,000 is proposed. The following are examples of options that will be available:

- \$464,000 – 2 Bed, 2 Car Garage with driveway and front yard landscaping
- \$499,000 – 3 Bed, 1 Car Garage with driveway and front yard landscaping
- \$550,00 – 3/4 Bed, 2 Car Garage with driveway and front yard landscaping

- 90 In targeting first home buyers, the developer has agreed to only requiring a 5% deposit, rather than the normal 10% and to extending the due diligence period. This better aligns with the specific approvals first home buyers are required to go through when gaining access and approval to KiwiSaver funds.

- 91 Creating greater certainty around the cost is challenging for first home buyers as they typically need to deal with a developer for a section and then go to building companies to then try figure out how much it will cost to build a house on that section. Providing housing with price points below the KiwiSaver HomeStart level will mean a package rarely available in the Queenstown Lakes District will be offered.

- 92 The developer has advised that property speculation would be “dampened” by proposing the following:

- A limit on the number of sections a single purchaser can purchase.
- Applying a vetting system to ensure genuine home buyers have priority, not speculators.
- A developer covenant restricting re-sale of sections within 2 years.
- A full 10% deposit for non-KiwiSaver buyers.

- 93 As Council is aware from the Bridesdale SHA, and from its deliberations regarding whether to add Ladies Mile into the Lead Policy, it is very difficult to completely prevent speculation of bare sections and /or land and building packages. The developer may deliver them to the market at a relatively affordable rate, however the on selling can quickly escalate prices. There is no easy solution to preventing speculation, although it is accepted that providing land and house packages reduces it due to the greater capital outlay required compared to just a section.
- 94 The vetting system used by Shotover Country has anecdotally proven to be effective at reducing turnover. A vetting system could be prepared and reviewed by QLDC through a stakeholder deed, however it does rely on the developer sticking to it.
- 95 Overall the affordability criteria of the Lead Policy are satisfied by the EOI.

Affordable Housing Contribution (Point 3.5 of the Lead Policy)

- 96 The developer has confirmed they would satisfy the affordable housing requirements of the Lead Policy (10% contribution – approximately 40 sections). If the EOI is accepted in principle, the details of this would be negotiated and form part of the Deed that would be reported back at a Full Council meeting.
- 97 In addition, the developer has offered to ‘bring forward’ the contribution for the first stage of development so that 20% of sections are provided as part of Stage 1. E.g. if Stage 1 is for 40 lots, normally four lots would go the QLCHT, under the proposal the first stage would be 8 lots. A clause in the Stakeholder Deed could be used to ensure Stage 1 is of a decent size.
- 98 Special Housing Areas are a mechanism to create housing, not visitor accommodation. The developer has agreed clauses can be added to the Draft Deed to restrict short term rental/visitor accommodation to the level permitted under the future Proposed District Plan, consistent with section 3.4 of the Lead Policy.

Community Feedback (Point 3.6 of the Lead Policy)

- 99 HASHAA does not set any statutory responsibilities in terms of consultation on the establishment of SHAs. However, the Council has sought public feedback / comment on all SHA proposals. Should the SHA be established, the subsequent resource consent can be served on adjoining land owners only if they are deemed to be affected. Full public notification is not provided for.
- 100 The EOI was placed on the Council’s website on 23 May 2018, which is consistent with how other SHAs were considered. Feedback closed on 21 June 2017 and will be collated and provided to Councillors and made public prior to the Council meeting.
- 101 A petition in opposition to the proposal was also received by QLDC on 17 May 2018 from the Keep Hawea Beautiful group, prior to the EOI being lodged. The petition contains approximately 380 signatures. The petition has been included as part of the feedback to Councillors.

Quality and Design Outcomes (Point 3.7 of the Lead Policy)

102 'High Quality Residential Development' is defined in Attachment C to the Lead Policy. Four facets are highlighted that are commented on below. The proposal includes a full assessment against the criteria set out in the Lead Policy, as part of Attachment T to the EOI. This assessment is comprehensive and is adopted for the purposes of this report, and summarised below.

a. Integrating into the neighbourhood:

The proposal is directly adjacent to the Hawea township and the scheme seeks to connect to the township by making Capell Ave a key north – south linkage. This reinforces existing connections and ensures the new development will link to the existing town and is not an isolated development. The community hub area is also centred around Capell Ave, which could provide for commercial and community uses. Sentinel Drive and Grandview Road are also directly connected to. Public reserves are centrally located.

b. Creating a place

The site is flat and therefore a connected grid street pattern is considered a logical and appropriate design response. Within the grid, a hierarchy of streets is proposed with a 'Main Street' focussing on Capell Ave and the hub whilst access opposite Sentinel Drive will draw on this established character to provide a high quality entrance to the development.

The grid street network and east west streets will form view shafts that will then draw focus to the mountain ranges that enclose the wider Hawea basin, drawing on this sense of place in the character of the development. Two inherent characteristics of the grid plan, frequent intersections and orthogonal geometry, facilitate pedestrian movement. The geometry helps with orientation and wayfinding and its frequent intersections with the choice and directness of route to desired destinations.

The street and block arrangement will encourage outdoor living in the rear yard of lots, which will have good access to sunlight and therefore reduce the potential for conflict in front yards caused by privacy issues. Guidelines are also proposed to ensure dwellings are designed to positively contribute to the street and avoid garages dominating the streetscape.

c. Street and Home

Two cross sections have been provided (Attachment Q to EOI) that illustrate the future street design and integration of carriageway, on-street parking, street trees and footpaths. The use of indented parking bays will also assist to visually narrow the street.

The orientation of lots as discussed above has been developed to reduce the potential for conflict between public and private space with a predominance of east-west orientated lots.

The block depth is also sufficient to ensure lots have room behind the dwelling for private open space therefore avoiding it having to be located in the front yard.

d. Environmental Responsibility

The applicant has negotiated a deal with Infinite Energy NZ Ltd to provide a free solar upgrade for any person who purchases a solar package for their house within the development therefore assisting to incentives the uptake of solar systems.

The site has very good access to sun throughout the year and this along with the layout of the subdivision will ensure all lots have good access to sun to ensure buildings are dry and easier to keep warm with opportunities for solar gain. Individual lots are capable of having on-site gardens.

103 Overall the EOI is a design-led proposal that is well located adjacent to Hawea. The design is deliberately 'permeable' which assists with facilitating walking and cycling. The design positively responds to the urban design principles set out in the Urban Design Protocol and the design outcomes specified in Attachment C of the Lead Policy.

Parks and Reserves

104 As a greenfield development, the development will be able to comply with the Council's Parks and Open Space Strategy 2017 (**POSS**). Two 'local parks' are proposed (formerly known as neighbourhood reserves). Council's Parks and Reserves team have reviewed the indicative master plan and note the reserves are centrally located, have good interface with the street and surrounding neighbourhood and are on flat sites which is positive.

105 Under the POSS, a 'Local Park' (3000m²) is required for every 400 household units in a greenfield development. The EOI would meet this requirement, and the exact location of parks and reserves can be considered further at the subdivision stage, should the area be made a SHA. This requirement can also be included in a draft Deed.

Timely Development (Point 3.8 of the Lead Policy)

106 The developer has confirmed that they are motivated and willing to develop as soon as possible. Universal own the site outright and have working capital ready to commit to the project.

107 The requirement to proceed in a timely manner would form part of the draft Stakeholder Deed. Universal's record with other developments including The Heights and Dungarvon (former Wanaka primary school) demonstrates they do progress developments quickly.

108 As the HASHAA is a resource consent only, and not a rezoning, they are a 'use it or lose it' type system, as evidenced by every other approved SHA currently being under construction.

Agency Responses

Ministry of Education (MoE)

109 The Ministry of Education has written advising that:

“having considered the proposal, the direct impact on Hawea Flat school would be in the order of two to three classrooms. There is available capacity on the school site to accommodate this scale of potential growth. Similarly, given the scale of the proposal, the direct impact on Mt Aspiring College would also be accommodated through usual operational processes. Ministry has plans in place for the expansion of Hawea Flat school and Mt Aspiring college in response to the ongoing residential development within the catchments of both these schools. Additional capacity will be provided to these schools in response to growing demand”.

New Zealand Transport Agency (NZTA)

110 The development will result in additional vehicle movements on the State Highway network, particularly to Wanaka via the one lane bridge at Albert Town. NZTA were consulted and have written advising they “are satisfied that the proposal is unlikely to have any immediate adverse effects on the safety, efficiency and functionality of the transport network”.

Otago Regional Council (ORC)

111 The ORC has provided initial feedback for this proposal. ORC are particularly interested in the approach to the three waters services. It is noted that rainfall in the wider Hawea area contributes to the recharge of its local aquifers, particularly the Hawea Flat aquifer. An increase in hard surfaces (roofs, paved areas, roading) can reduce natural recharge of groundwater aquifers.

112 The proposed management of stormwater (which is to utilise low impact design) will be an issue of high interest to ORC should the EOI be accepted, particularly the treatment method before disposal to ensure it avoids contamination of groundwater. Any discharge of stormwater will need to comply with the rules of the ORC water plan - and possibly require ORC consent.

113 ORC’s expectation is that drinking water supply and wastewater will be serviced by reticulated communal services (not ‘on-site’ services such as septic tanks). The proposal is to use reticulated water and wastewater systems, subject to upgrades and the planned connection to Project Pure.

Aukaha (formerly Kai Tahu Ki Otago) and Te Ao Marama Inc. (TAMI)

114 Aukaha have written confirming they do and have no specific concerns with the proposal. They do request that an archaeological authority discovery protocol be adhered to, and that where appropriate indigenous plants are used for landscape planting. TAMI comments have not been received at the agenda deadline and will be reported to Council at the meeting.

Planning Considerations

115 When the Minister considers a recommendation from a local authority to establish a particular area as an SHA, the Minister is required to consider whether:

- *adequate infrastructure to service qualifying developments in the proposed special housing area either exists or is likely to exist, having regard to relevant local planning documents, strategies, and policies, and any other relevant information; and*
- *there is evidence of demand to create qualifying developments in specific areas of the scheduled region or district; and*
- *there will be demand for residential housing in the proposed special housing area.*

116 Other than (by extension) considering these matters, HASHAA provides no guidance by way of specified criteria on what other matters local authorities may consider when deciding whether or not to make a recommendation to the Minister on potential SHAs. In particular, it does not indicate whether it is appropriate to consider ‘planning issues’, such as landscape, District Plan provisions, and previous Environment Court decisions.

117 However, the High Court in *Ayrburn Farm Developments Ltd v Queenstown Lakes District Council* [2016] NZHC 693 confirmed that:

*“...the HASHAA gave both the Minister and a local authority a discretion and, clearly, the actual location of areas of land to be recommended (and to that extent what could be described as planning or RMA matters) were always appropriate considerations in any such recommendation”.*³

118 While these considerations are relevant, Council’s decision-making should remain focussed on the purpose and requirements of HASHAA and how to best achieve the targets in the Accord. While the weight to be afforded to any consideration – including the local planning context – is at the Council’s discretion, HASHAA considerations are generally considered to carry more weight. The purpose of HASHAA has been set out in paragraph 6 of this report.

119 In theory, all or most proposed SHAs are likely to be contrary to an ODP / PDP provision – an EOI would not be made for a permitted or a controlled activity. In this case the proposal is contrary to the ODP or PDP zoning but as the assessment above has indicated, is not contrary to the key Strategic Direction policy for urban development being directly adjacent to Hawea and on its merits is considered to be a logical urban extension to Hawea.

120 The proposal will provide a large amount of housing on land that is considered suitable for residential development. Council’s Housing Affordability Taskforce report also agreed that *“unless we dramatically change the scale of the approaches used, it will be difficult to realise the vision and achieve the goals; we will miss the mark if we have simply doubled the last 10 years affordable delivery in the next ten years”.*

³ Paragraph 56

121 The proposal is considered to be at the scale necessary to make a meaningful difference to housing supply and a meaningful contribution to the QLCHT.

RMA Plan Change vs SHA process

122 The HASHAA legislation was specifically introduced to help create additional housing supply, recognising that the planning system is one of the many causes of Ne Zealand's housing crisis which is being experienced most acutely in the Queenstown Lakes district.

123 The HASHAA is a lawful means of providing for additional housing supply. However if the HASHAA was not available, the applicant would have to either seek resource consent, seek a private plan change, or submit on the Proposed District Plan (Stage 3) seeking the Township zone be expanded. The table below summarises the timeframes and extent of public involvement in the three different processes (seeking a resource consent is not a realistic option):

	HASHAA Consent process	RMA plan change process	Submission on stage 3 PDP
Estimated timeframes for paperwork & process from start	6 months	12-18 months (if no appeals) 2 – 2.5 years if appeals	2-2.5 years (if appealed) Stage 3 due to be notified for submissions in 1 st qtr 2019
Estimated minimum timeframe for occupation of first houses from today	12-18 months	24 – 36 months	36 months +
Steps if approved	<ul style="list-style-type: none"> - EOI reported to Council - Council recommends to Minister, - Minister approves and then gazettal as a SHA. - Resource consents then lodged. - May be limited notified to neighbours - Decision made 	<ul style="list-style-type: none"> - Prepare variation & s.32 cost benefit analysis, - Report to Council - Notify for submissions - Notify for further submissions - Public hearing - Appeals - Decision made - Lodgement of resource consents 	<ul style="list-style-type: none"> - Submissions lodged - Further submissions - Hearings held - Panel recommendations adopted by QLDC - Decisions notified - Appeals - Decision made - Lodgement of resource consents

Conclusion

124 In recommending the SHA to the Minister, the Council has to be satisfied that the proposal is generally consistent with the principles espoused in the Lead Policy. Like virtually every SHA recommended to date, the proposal is contrary to the Operative and Proposed District Plans as the land is zoned Rural General / Rural and is outside the new UGB for Hawea (although this has been appealed).

125 The proposal is focused on dwellings that fall into the affordable category within the Queenstown Lakes district (1 to 3 + bedrooms) and less than \$550,000. Council's Infrastructure Department have confirmed that the proposal is acceptable in principle, subject to planned upgrades or being provided for through the Stakeholder Deeds.

126 The proposal is consistent with the Lead Policy.

127 The resolution sought is that the Council approve the EOI in principle subject to a Stakeholder Deed being negotiated.

Options

128 Option 1: Approve in principle the establishment of the Hawea SHA subject to the negotiation of a Stakeholder Deed.

Advantages:

129 Helps contribute to achieving the purpose of the HASHAA, advancing the principles and priority actions in the Housing Accord, and helps the Council to achieve the housing targets in the Housing Accord by enabling new housing aimed at first home owners to be constructed.

130 Generates a number of social and economic benefits (both short term and long term) such as the creation of jobs during the construction phase and long term benefits relating to the increased provision of the supply of a range of houses, particularly in the affordable bracket;

131 Contributes to affordable housing in the Hawea / Wanaka area;

132 Provides the opportunity for a Stakeholder Deed to be negotiated ensuring that the proposal is consistent with the Lead Policy and can be appropriately serviced, thus reducing the overall risks to Council;

133 Would create competition in the Hawea market for sections between Sentinel Park, Timsfield and Universal Developments, potentially driving section prices down.

134 The proposal has been assessed as being consistent with the specific policy for urban development in Council's Strategic Directions chapter for both the PDP as notified, and the recently released decisions version.

Disadvantages:

135 Less public participation (submissions and appeals) under a HASHAA consent than a RMA consent or RMA plan change.

136 Not consistent with the ODP or PDP, including the recently created urban growth boundary for Hawea.

137 Option 2: Not recommend the proposed Special Housing Area to the Minister

Advantages:

138 Would require the developer to seek consent or a plan change under the RMA rather than HASHAA, with the RMA having greater opportunities for public submission and appeal.

139 Would be consistent with the ODP and PDP which zone the land as rural and would maintain the land in its current state as open pasture.

Disadvantages:

140 Would forgo the opportunity provide a housing option for the Hawea area aimed at the more affordable end of the market, and potentially impact on Council's ability to meet its commitments under the Accord.

141 Would forgo the short term and long term social and economic benefits offered by the proposed (outlined above).

142 Would not assist in meeting Housing Accord targets.

143 Would not result in a 10% contribution (40 lots) to the QLCHT.

144 Would require the developers to wait for the Proposed District Plan to be finalised which could take years due to appeals.

145 This report recommends **Option 1** for addressing the matter.

Significance and Engagement

146 This matter is of high significance, as determined by reference to the Council's Significance and Engagement Policy because:

- Importance: the matter is of high importance to the District. Housing supply and affordability is a critical issue for the District;
- Community interest: the matter is of considerable interest to the community
- Existing policy and strategy: The proposal is considered consistent with the Housing Accord, HAT report and broadly consistent with the Council's Lead Policy (the agenda item notes that circumstances have changed with regard to requests for addition into Category 2). The proposal is not consistent with the ODP and PDP.
- Capability and Capacity: In principle it is accepted that the site can be serviced by existing infrastructure but upgrades are required in terms of water supply and planned upgrades need to be completed for waste water although interim solutions are available.

Risk

147 This matter relates to the strategic risk SR1 'Current and future development needs of the community (including environmental protection)' as documented in the Council's risk register. The risk is classed as high. This is because of economic, social, environmental and reputational risks if the current and future development needs of the community (including environmental protection) are not met.

148 The recommendation mitigates the risk because the supply of housing is critical to the current and future development needs of the community. The provision of more affordable house and land packages (including those specifically targeted at first home buyers) mitigates the risk. The subsequent resource consent assessment process under the HASHAA also provides the opportunity for further mitigation of the risk, particularly with regard to environmental protection.

Financial Implications

149 Under the HASHAA, developers are required to provide the necessary infrastructure to service their developments. Council negotiates Stakeholder Deeds to ensure the necessary infrastructure is provided.

Council Policies, Strategies and Bylaws

150 The following Council policies, strategies and bylaws were considered:

- Lead Policy for SHAs;
- The Operative District Plan;
- The Proposed District Plan (Stage 1 decisions version);
- Mayoral Housing Affordability Taskforce Report.
- Growth Management Strategy 2007;
- Housing Our People in our Environment Strategy;
- 2017/2018 Annual Plan and the draft Long Term Plan; and

151 This matter is partly included in the 10-Year Plan/Annual Plan, in the sense that certain infrastructure development that the proposal relies on are budgeted and programmed for completion in the LTP.

Local Government Act 2002 Purpose Provisions

152 The proposed resolution accords with Section 10 of the Local Government Act 2002, in that it fulfils the need for good-quality performance of regulatory functions. The recommended option:

- a. Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by utilising the HASHAA to enable increased levels of residential development on the proposal site;
- b. Can currently be implemented through current funding under the 10-Year Plan and Annual Plan;
- c. Is not consistent with the Council's Operative or Proposed District Plans but is consistent with other policies such as the Housing Accord, Lead Policy and HAT report; and
- d. Would not alter the intended level of infrastructural service provision undertaken by or on behalf of the Council.

153 Section 80 of the Local Government Act covers situations where a decision is significantly inconsistent with a policy or plan:

80 Identification of inconsistent decisions

(1) If a decision of a local authority is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, any policy adopted by the local authority or any plan required by this Act or any other enactment, the local authority must, when making the decision, clearly identify—

(a) the inconsistency; and

(b) the reasons for the inconsistency; and

(c) any intention of the local authority to amend the policy or plan to accommodate the decision.

(2) Subsection (1) does not derogate from any other provision of this Act or of any other enactment.

154 With regard to (a), the inconsistency is between the Operative and Proposed District Plans which zone the land Rural, and the recommended decision which is that the area be recommended to the Minister, and would result in the land being developed for housing.

155 With regard to (b), the reasons for the inconsistency is the recent decision of Council to adopt the recommendations of its Hearings Panel,

156 With regard to (c), the Township zone will be looked at comprehensively as part of Stage 3 of the PDP. The intention of the Council is to comprehensively review and update all Township zones, including the provisions for Hawea, including their spatial extent.

Consultation: Community Views and Preferences

157 The Council has sought public feedback / comment regarding the proposed SHA, which it has done for all SHA proposals. In addition, should the SHA be established, the subsequent resource consent may be limited notified to neighbouring parties.

158 The developer has also consulted with the community including open days, attendance at community meetings and meeting with various groups.

Legal Considerations and Statutory Responsibilities

159 The purpose of the HASHAA is detailed in paragraph 6 of this report. HASHAA provides limited guidance as to the assessment of potential SHAs, beyond housing demand and infrastructure concerns. HASHAA is silent on the relevance of planning considerations; however the Council's legal advice is that these are relevant considerations and this has been confirmed by the High Court. The weight to be given to these matters is at the Council's discretion,

having regard to the overall purpose of HASHAA. These matters have been considered in this report.

- 160 The Council will need to consider the consistency of any decision to recommend this SHA to the Minister and its decision in May to accept the recommendations of its Commissioners and notify the decisions version of the PDP which included an urban growth boundary around Hawea (now under appeal). The Proposal site is located outside the UGB, but is immediately contiguous to the existing Hawea urban area.
- 161 The proposal is considered to be generally consistent with the Lead Policy, Housing Accord and the purpose of the HASHAA. Allowing development on the southern side of Cemetery Road would inevitably change the characteristics of this area. This is one of the key issues that Council needs to consider in recommending the proposal to the Minister and is a finely balanced recommendation.
- 162 In this instance the provision of housing is considered to outweigh the adverse effects of proceeding with a development that may completely change the existing rural character of the area. There is an opportunity for the Council to masterplan the future growth of this area so that it happens in a managed and sustainable way rather than ad hoc developments by individual landowners.
- 163 On balance, officers recommend that the Council recommend the establishment of the SHA to the Minister of Housing and Urban Development.

Attachments (Distributed separately)

- A Hawea SHA Expression of Interest & Appendix C – Indicative Masterplan (all other appendices available here:
<https://www.qldc.govt.nz/your-council/your-views/expression-of-interest/>)
- B Proposed amended Lead Policy – 28 June 2018

**QLDC Council
28 June 2018**

Report for Agenda Item: 3

Department: Finance, Legal & Regulatory

Statement of Intent, Queenstown Airport Corporation 2018/19

Purpose

To receive the Statement of Intent for Queenstown Airport Corporation (QAC) for the 2018/19 year in accordance with sections 64 and 65 of the Local Government Act 2002.

Recommendation

That the Council:

- a. ***Receive the Statement of Intent for 2018/19 for the Queenstown Airport Corporation.***

Prepared by:



Stewart Burns
GM Finance, Legal & Regulatory

Reviewed and Authorised by:



Mike Theelen
Chief Executive

Background

- 1 The QAC is a Council Controlled Trading Organisation (CCTO) as per Section 6 of the Local Government Act 2002 (the Act).
- 2 Section 64 of the Act requires all CCOs to have a Statement of Intent.
- 3 The Draft Statement of Intent for 2018/19 must be delivered to the shareholder (Council) before 1 March 2018. This was considered by the Council at the 23 March, 2018 meeting.
- 4 QAC must consider any comments that are made by Council on the draft Statement of Intent within 2 months i.e. before 30 April 2018.
- 5 The completed Statement of Intent must be delivered to Council by 30 June 2018.

Comment

6. Section 6 of the Local Government Act 2002 (the Act) creates the following types of organisations for which Councils have governance responsibilities:
 - Council Organisations (CO) - organisations in which one or more local authorities controls any proportion of the voting rights or rights to appoint directors;
 - Council Controlled Organisations (CCO) – Council organisations in which one or more local authorities control 50% or more of the voting rights or have the rights to appoint 50% or more of the directors;
 - Council Controlled Trading Organisations (CCTO) - Council Controlled organisations which operate a trading undertaking with the intent of making a profit.

7. The QAC is a Council Controlled Trading Organisations (CCTO) as per Section 6 of the Local Government Act 2002 (the Act). Section 64 of the Act requires all CCOs to have a Statement of Intent (SOI).

8. Schedule 8 of the Act contains the process for adoption of the SOI, which is:
 - Draft SOI to be delivered to Council before 1 March each year
 - CCO must consider any comments on the SOI that are made by Council within 2 months i.e. before 30 April
 - Completed SOI delivered to Council by 30 June.
 - Council can, by resolution, compel the Board to amend the SOI by omitting or including any of the following:
 - Objectives
 - Statements of the Boards approach to governance
 - Nature and scope of activities to be undertaken
 - Ratio of shareholders funds to total assets
 - Accounting Policies
 - Performance targets and measures by which the CCO will be judged
 - Estimates of the amount or proportion of Accumulated profits or Reserves that may be distributed
 - Kind of information to be provided to Council, including the content of the six monthly report
 - Procedures to follow for the CCO to purchase shares in any other venture

Financial Implications

9. There are no budget or cost implications resulting from the decision.

Local Government Act 2002 Purpose Provisions

10. The Queenstown Airport is a key infrastructure asset for the district. As such, the Council's consideration of its Statement of Intent is appropriate and within the ambit of section 10 which requires Councils to meet the current and future needs of communities for good-quality local infrastructure in the most cost-effective way for households and businesses.

Consultation

11. The report provides a basis for communication between the company and the shareholder, and as such no wider consultation is required.

Queenstown Airport Corporation Statement of Intent

12. The Statement of Intent is one of QAC's key strategic documents. The content forms a summary of its 10-year Strategic Plan and its annual Operating Plan.

SOI Commentary

13. In response to the feedback from QLDC, QAC has made the following changes to the commentary:
- a. The Directors have adopted and disclosed an external valuation completed by Northington Partners as at 30 June 2018. QAC is valued at \$XX
 - b. Acknowledgement of the impact the airport has on destination infrastructure pressures and how QAC works collaboratively with QLDC and other agencies to resolve these
 - c. Inclusion of an objective that **QAC will continue to ensure that its planning is closely integrated to the long-term planning by QLDC for the Frankton Flats, Wakatipu Basin, and Wanaka environs.**
 - d. Clarification of the timeline for the Wanaka Master Plan
 - e. Expansion on how Queenstown and Wanaka airports will be operated in a complementary way
 - f. Modification of the Dividend Policy as agreed with QLDC

Financial Forecast (FY19 to FY21)

14. The 3 year forecast has improved since the draft SOI due to:
- Improvement in aeronautical pricing
 - Tightening of operating expense budget
 - Deferral of some capital expenditure, deferring depreciation and interest costs
15. This has improved Net Profit After Tax (NPAT) and consequently dividends which are calculated on a 50% of prior year normalized NPAT. In these three years there are no normalizing adjustments.
16. QAC forecasts EBITDA to grow with passenger movements, increasing aero prices, improved commercial returns and operating expenditure growing more slowly than in the past. However, QAC expect NPAT to be relatively flat over the three years, slowed by accelerated depreciation of noise mitigation expenditure required under PC35. Consistent with the policy approved by the Board, these costs are being depreciated over the period to FY23.
17. Two versions of the final Statement of Intent are provided, one with changes tracked from the original draft to provide clarity on what has changed and a clean copy that incorporates the changes.

Attachments

- A Queenstown Airport Corporation Statement of Intent 2018-19 (Track Changes and Final).



~~Draft 22 February~~ Final June

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Introduction

As a Council-Controlled Trading Organisation, Queenstown Airport Corporation (QAC) is required to prepare an annual Statement of Intent (SOI) which publicly states its strategic priorities for the next three years in accordance with Section 64(1) of the Local Government Act 2002. The SOI takes shareholder comments into consideration and provides performance targets for organisational accountability.

About Us

Queenstown Airport Corporation

Queenstown Airport Corporation (QAC) was incorporated in 1988. Since then it has been responsible for the management and development of Queenstown Airport, striving to deliver an efficient and operationally safe airport with world-class facilities and an outstanding passenger experience that reflects the best the region has to offer.

In 2009, QAC was engaged by Queenstown Lakes District Council (QLDC) to manage Wanaka Airport's day-to-day operations. In 2017, QLDC determined that QAC would be awarded a long-term lease for both the management and development of Wanaka Airport. The 100 year lease commenced on 1 April will be signed in early 2018.

QAC also provides property maintenance services at Glenorchy Airstrip on QLDC's behalf. QLDC and QAC have agreed in principle that, subject to agreeing the terms, QAC will provide a broader range of management services at the airport.

QAC comprises approximately 60 staff representing different experiences and backgrounds. We support diversity in all forms and are particularly encouraged by our mix of genders with female/male ratios of 50:50 in senior management and 48:52 across the QAC team.

The Company is governed by an independent Board of Directors and—It is owned:

- 75.01% by the Queenstown Lakes District Council (QLDC); and
- 24.99% by Auckland International Airport Limited (AIAL)

Queenstown Airport

As New Zealand's fourth busiest airport by passenger numbers, Queenstown Airport's continuing growth and profitability have made it a strategic national asset and a key driver of the region's tourism industry and broader economy. The airport is the direct domestic and international entry point to the lower South Island, providing easy access to Queenstown, one of the world's premium visitor destinations, and to some of New Zealand's most renowned scenery and visitor experiences. As such, it serves the communities across the region and contributes significantly to the growth and prosperity of New Zealand's tourism sector.

Queenstown Airport services the region with frequent domestic and trans-Tasman flights. It receives direct scheduled services from New Zealand's main metropolitan ports of Auckland, Wellington and Christchurch which provide strong regional links throughout the country, as well as from the Australian cities of Brisbane, Coolangatta, Sydney and Melbourne. Auckland and Sydney airports are the major international hub airports for long-haul visitors to the region.

Queenstown Airport is heavily used for tourist 'flightseeing', especially to Milford Sound and Aoraki Mount Cook, and is New Zealand's busiest helicopter port. Private jets are also a growing market, both short and long haul, with aircraft now flying direct from north Asia and the west coast of the United States.

Wanaka Airport

Wanaka Airport is located within a rapidly growing community and serves a broad range of visitors to the region. While there are currently no scheduled commercial flights, nearly 300 people work in and around the airport on day-to-day operations, including flightseeing to Milford and Aoraki Mount Cook and surrounding areas, helicopter training and maintenance, skydiving, private recreational aviation and charter operations. Since 1988, Wanaka Airport has hosted the internationally-renowned Warbirds over Wanaka airshow. In 2015, QAC formed a 10-year partnership with NASA for Wanaka Airport to become the site of New Zealand's first scientific space balloon launch.

Company Value

As at 30 June 2017, QAC's land, land improvements and buildings were valued at \$298 million and included 137.3 ha on Frankton Flats and 149.5ha around Wanaka Airport.

QAC's estimated enterprise value, as adopted by its Board of Directors in ~~June-February~~ 2018, was in the range \$~~466TBA~~ million to \$~~TBA-483~~ million. This valuation was supported by an external valuation by Northington Partners.

Situational Overview

QAC's business success and growth is intrinsically linked to the health of New Zealand's tourism and visitor industry. In turn, the industry depends on Queenstown and Wanaka airports to provide sustainable air connectivity and a world-class visitor experience to support its tourism industry goal of achieving \$41 billion annual revenue by 2025.

Global air travel is growing rapidly and, while New Zealand is a niche visitor destination because of its remote location, it is experiencing its strongest ever growth cycle, with several consecutive years of international visitor arrival growth. This growth is primarily driven by increases in international air capacity, competitive pricing and the country's global reputation as a beautiful, safe and friendly destination.

Queenstown Airport itself has experienced unprecedented growth and annual passenger movements (arrivals and departures) have increased from 600,000 passengers ~~movements~~ per annum in 2005 to 2 million in 2017.

To date we have responded to sustained passenger growth by delivering infrastructure 'just in time' which has suited those stakeholders who provide funding for such improvements. We continue to work closely with aviation and tourism partners to identify future opportunities, particularly building evening flight capacity, maintaining a consistent daily and seasonal schedule, and creating operational efficiencies through technology and process innovation.

Looking forward, our demand forecasts predict that annual passenger movementsnumbers have the potential to increase ~~from 1.8 million in FY2017~~ to 3.2 million by FY2025, subject to destination infrastructure constraints. We are mindful that we must sustainably manage airport future growth in line with shareholder, stakeholder and community expectations.

When finalised, Queenstown Airport's 30-year Master Plan will provide a long-term roadmap for sustainable airport growth, covering areas such as infrastructure development, noise planning and transport connectivity, within the context of an exceptional customer experience. The Master Plan will also support the district with its own planning for transport, accommodation, tourism and other infrastructure developments. In the meantime, appropriately targeted investment in regional infrastructure and tourism facilities continues to be a critical factor in keeping pace with anticipated growth and retaining a quality visitor experience. Both from an airport perspective and as a proud community member, we are committed to working with communities and stakeholders to address these issues and maintain a healthy balance.

Continued pressure on the availability and affordability of visitor accommodation in peak periods, congestion on transport and road networks and a lack of affordable worker accommodation are impacting visitors and residents and may eventually impact visitor demand. These include the effects of noise, waste production, water consumption and traffic generation through customers, visitors and staff using the airport. Until these infrastructure challenges are collectively resolved, they pose a risk to achieving our strategic objectives.

QAC recognises that we play an important role in jointly addressing these issues, together with Council and other relevant parties. In order to fulfil the growth and development potential of Queenstown Airport, we are developing mitigating strategies in a collaborative manner with key stakeholders and local communities ~~to build a shared understanding, support and pride in the value we deliver. There is a need for a shift towards more sustainable transport modes and a lower reliance on motor vehicles.~~ As an example, as a member of the Queenstown Regional Transport Governance group, we are collectively ~~focused on~~ addressing infrastructure, public transport, and demand management to deliver a shift towards more

| ~~sustainable transport modes and a lower reliance on motor vehicles, this mode shift~~ and improve transport choices.

Vision

Queenstown Airport and Wanaka Airport complement each other. Both airports are important to the regional tourism industry and broader economy and will be positioned to reflect the unique character and needs of their communities. QAC uses a “two airports, one company” philosophy in managing the airports.

Our vision is to position Queenstown and Wanaka Airports collectively as a **World Leading Tourism Airport Group**, taking full advantage of the region’s appeal as a leisure and visitor destination. The success of our vision will be measured in 3 areas - *People, Place and Performance*, each with objectives related to our 4 major stakeholder groups - *Customers, Company, Airport Community and Local Community*.

World Leading Tourism Airport Group Connecting people, sustaining our region			
	People	Place	Performance
Customer	Every customer feels cared for and valued	Customers find the airport to be a safe, friendly and innovative environment that anticipates their needs and represents the best of the region	Exceptional customer feedback across the end-to-end airport experience
Company	A team that feels respected and empowered to deliver an outstanding customer experience	A safe, healthy and friendly work environment that supports “one team”	Optimised return on assets with sustainable growth in shareholder value while ensuring operational integrity and an outstanding customer experience
Airport	An airport community that works together to ensure an outstanding customer experience	A well planned airport connecting all activities, creating a sense of place and providing a platform for the airport community to grow and prosper	Airport community members consistently meeting their objectives
Community	A local community that is proud of and engaged with its growing airports	Connecting the region to the world whilst minimising the impact on the unique environment	Sustainable regional growth achieved through strong and innovative future planning

Queenstown Airport

Queenstown Airport’s key point of difference is as a destination airport with a high potential for return visitation. Its ‘fly direct to destination’ value proposition is attractive to both domestic and international travellers, particularly those who are time-poor or those looking for an Australia/New Zealand dual destination holiday.

The sheer scale and beauty of our natural environment also sets us apart - the moment a passenger flies in to Queenstown and steps off their aircraft, whether they be a resident or visitor, they experience a wow factor. Our vision will never lose sight of creating a wonderful and unique lasting impression through our scenery, our people-first focus on safety, comfort and experience, and the boutique retail offering within the terminal designed to reflect the best of our region.

Wanaka Airport

Wanaka Airport has the potential to play an important role in the region's future air transport connectivity. [With almost 300 people employed at more than 30 businesses, the airport is already a thriving micro-economy in the region and has the potential to grow in both its scale and contribution. Opportunities include the expansion of current commercial businesses, return of scheduled services and the development of other growth areas such as a centre of aviation excellence.](#)

[QAC intends to plan, develop and operate Wanaka and Queenstown airports in a complementary way to provide sustainable long-term regional services.](#) We are committed to working with the communities served by the airport to develop a vision and plan that reflects their needs as well as the needs of key stakeholders.

We acknowledge and support the community-fostered vision released by the Shaping Our Future Upper Clutha Transport taskforce to develop Wanaka Airport as a "destination for high yielding innovative businesses creating a sustainable aviation hub for the region". We also support its recommendation to develop Wanaka Airport into a 'centre for aviation excellence' which contributes positively to the Upper Clutha economy. This would include supporting activities such as Warbirds over Wanaka.

Our commercial vision is for Wanaka Airport to become a financially viable and sustainable airport, generating appropriate returns on its assets and contributing to the district's economic development and wellbeing of the community.

- We will adopt a commercial approach promoting and enabling sustainable growth whilst retaining the public, community and social values.
- We will consider the needs and activities of different operators and seek to adopt a 'user pays' model – operators pay for what they use and no more.
- All existing legal agreements will be honoured. Transitional arrangements will be developed to assist operators to move smoothly from the current model to a more sustainable model.
- We will actively engage with the airport community, particularly in the transition, giving everyone the opportunity to give feedback on the commercial approach.

Strategic Objectives

Our strategic objectives, as set out below, are designed to deliver our four strategic pillars:



OPERATIONS STRATEGY

Making journeys safe, secure, efficient and rewarding

Objectives	Key initiatives	Performance targets	Timing
Work with our airline and airport stakeholders to deliver passenger growth and share the rewards	<ul style="list-style-type: none"> Develop a comprehensive General Aviation (“GA”) Strategy, in collaboration with the GA operators, to support and inform the implementation of the Master Plan options. 	<ul style="list-style-type: none"> Comprehensive General Aviation strategy with operational, commercial and financial model. 	<ul style="list-style-type: none"> March 2019
Deliver affordable, timely infrastructure for the safe, secure and efficient movement of people	<ul style="list-style-type: none"> Expand back-of-house facilities and capacity to accommodate growth. Continue to manage resourcing to meet both overall growth and growth in winter evening hours of operation. Continue strong focus on collaborative operations, continuous improvement and facilities management across the business. The acquisition of Lot 6 continues to be a priority in optimising airfield operations. 	<ul style="list-style-type: none"> Joint taskforce focused on terminal capacity optimisation, end-to-end process improvement of passenger facilitation and operational efficiencies. Increase capacity in baggage make-up area. Purchase and implement new winter operations equipment. Apron asphalt overlay. Deliver 3-stage Potable Water Resilience Project. 	<ul style="list-style-type: none"> September 2018 December 2018 June 2018 onward October 2018 December 2019
Deliver New Zealand’s safest, most secure and efficient passenger experience through engaging with the airport community in collaborative operations	<ul style="list-style-type: none"> Continue to lead the promotion, scope and delivery of improvements for passenger facilitation, operational processes and systems. Establish baseline passenger processing time and set processing performance targets with border agencies. Work with Customs on expanding the nationalities which can use E-Gates. Work with Airways to introduce technology to manage the increasing risk of Unmanned Aerial Vehicle (UAV / drone) flights to aviation activities. 	<ul style="list-style-type: none"> Seasonally-based passenger processing targets agreed and reported. New biometric automated passenger processing expanded to more nationalities. Quarterly targets shared with collaborative operations team and improvement targets set. Trial and identify UAV systems to approve, track and more effectively manage drone activities in controlled airspace. 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing July 2018
Deliver reliable facilities and infrastructure through asset lifecycle management, effective maintenance and contingency planning	<ul style="list-style-type: none"> Develop a comprehensive Asset Management Plan with maintenance management/corrective action ticketing and reporting software to track and manage maintenance activities. Planning and infrastructure in place for key utility services and aeronautical systems. Develop an energy conservation and waste minimisation programme. 	<ul style="list-style-type: none"> Comprehensive facilities maintenance and lifecycle replacement programme scoped. Airport utility and systems contingency risks identified and an implementation plan in place Set energy conservation and waste minimisation targets 	<ul style="list-style-type: none"> Ongoing November 2018 August 2018

COMMERCIAL STRATEGY

Providing value to our customers

Objectives	Key initiatives	Performance targets	Timing
Generate sustainable returns on property, leases, licenses and commercial property within QAC's portfolio	<ul style="list-style-type: none"> Continue to evaluate opportunities to grow commercial property portfolio. Rent reviews, lease renewals and new leases based on benchmarking and market dynamics. 	<ul style="list-style-type: none"> Integrate property management system with financial system. Leases/licences reviewed, renewed, up to date. New lease and license opportunities evaluated and implemented on case by case merits. 	<ul style="list-style-type: none"> Dec 2018 March 2019 Ongoing
Generate sustainable aeronautical revenues	<ul style="list-style-type: none"> Review aeronautical pricing strategies and engage with stakeholders. 	<ul style="list-style-type: none"> Sustainable pricing model that provides fair returns to QAC and operators and supports capital investment. 	<ul style="list-style-type: none"> 2018-2019
Deliver value from transport networking activity by enhancing products, price and partnerships	<ul style="list-style-type: none"> Review and improve ground transport and roading networks and technology on airport landholdings. Review the carparking and transport strategy. Continue to develop opportunities for the commercial and public carparks. Review Park and Ride and future planning. Launch new transport products and services. 	<ul style="list-style-type: none"> Evaluate opportunities for car parking capacity efficiencies. Commercial transfer area optimised, with robust long-term planning. Park and Ride is a self-sustainable parking offering. Commercial revenue as per forecast. 	<ul style="list-style-type: none"> December 2018 June 2018 2019-2020
Develop a boutique terminal retail mix that reflects the uniqueness and quality of the regional experience and optimises returns and customer satisfaction	<ul style="list-style-type: none"> Continue to develop a boutique shopping environment for customers, with the right mix of local owner-operators and national brands. Expand the pop-up programme and integrate into the retail mix as an adaptable proposition to increase customer choice. 	<ul style="list-style-type: none"> Commercial revenue growth as per financial forecast Customer satisfaction targets 	<ul style="list-style-type: none"> 2018-2020 Ongoing
Enhance the end-to-end customer experience through technology, wayfinding, services and offerings	<ul style="list-style-type: none"> Work with partners to create new and innovative ways to connect with customers. Continue to roll out improvements to wayfinding, ensuring that it provides the right information at key decision points Introduce opportunities for real time customer feedback and an integrated customer management system Input into master plan with a focus on more flexibility and an aim to introduce/update digital technology. 	<ul style="list-style-type: none"> Review advertising assets, contracts and suppliers. Introduce digital sales channels. Review and report monthly research results. All customer interactions recorded in one system. Monitor satisfaction via monthly research results and continue ongoing reviews Use real-time data in decision making and terminal planning. 	<ul style="list-style-type: none"> Phased plan March 2019 Ongoing December 2018

PROPERTY AND PLANNING STRATEGY

Making best use of our land and resources

Objectives	Key initiatives	Performance targets	Timing
Develop a 30-year Master Plan for Queenstown Airport that will inform internal planning, facilitate stakeholder & community engagement and provide a spatial framework for the airport's future	<ul style="list-style-type: none"> Determine a preferred Master Plan option to provide guidance on the land needed for future aeronautical and non-aeronautical opportunities and planning requirements for growth. 	<ul style="list-style-type: none"> Preferred Option identified 	<ul style="list-style-type: none"> December 2018
Develop a programme of work to accommodate 2.5mppa in the existing Queenstown Airport terminal.	<ul style="list-style-type: none"> Work with core airport stakeholders to develop a programme of projects as a pathway to accommodating 2.5mppa capacity. 	<ul style="list-style-type: none"> Develop programme of projects Commence delivery of projects Complete programme 	<ul style="list-style-type: none"> December 2018 June 2019 June 2020
Progress a project to increase Queenstown Airport's Noise Boundaries to accommodate planned growth targets.	<ul style="list-style-type: none"> Initiate a planning process to increase Queenstown Airport's noise boundaries to accommodate planned growth targets. 	<ul style="list-style-type: none"> Public consultation on proposed changes 	<ul style="list-style-type: none"> June 2018
Protect the airport company's long term objectives and capacity by inputting to national, regional and local planning, and addressing proposed developments/land uses within the airport's designations	<ul style="list-style-type: none"> Be proactive in regulatory planning issues, submitting as required on national, regional and local planning frameworks. Engage with the QLDC Proposed District Plan (PDP) process to ensure Queenstown and Wanaka airport's planning frameworks are provided for, protected or enhanced. Participate in community discussions to help maintain visitor experience and quality of life for the permanent resident base. This would assist in integrating the airport in the local community as it expands over the coming 30 years. 	<ul style="list-style-type: none"> Airport Mixed Use Zone is approved and operative for both Queenstown and Wanaka Airports PC35 (QAC) and PC26 (Wanaka) provisions and recognition of Queenstown Airport as nationally significant infrastructure is effectively confirmed within the District Plan review 	<ul style="list-style-type: none"> Stage I decisions due Q2 2018 (subject to QLDC's PDP timeline) 2020 (subject to QLDC's final PDP timeline)
Develop land holdings to maximise return on investment while complementing long term aviation growth	<ul style="list-style-type: none"> Assess development opportunities for their long term sustainable value to Queenstown airport within our relatively constrained land available for this use. Specific opportunities being explored include working with QLDC on the development of a transport hub linked to QAC's transport network, visitor accommodation, and commercial/industrial development. 	<ul style="list-style-type: none"> Broad development opportunities determined in Master Plan options report. Specific development opportunities to be identified following the identification of the preferred master plan option. 	<ul style="list-style-type: none"> December 2018 2020

PROPERTY AND PLANNING STRATEGY

Making best use of our land and resources

Objectives	Key initiatives	Performance targets	Timing
Work with key partners to ensure airport and connecting infrastructure supports the safe and efficient movement of people around the region and provides an outstanding visitor experience	<ul style="list-style-type: none"> Work with partners to consider a transport hub which will support regional and visitor traffic, linking private vehicles, commercial transport, public buses and ferries. Participate and provide joint leadership in the Transport Governance Group together with QLDC, NZTA and ORC. 	<ul style="list-style-type: none"> Support the promotion of multi-modal transport choices available at the airport. Work with transport partners to identify key transport linkages associated with each of the Queenstown Airport master plan options. 	<ul style="list-style-type: none"> Ongoing Dec 2018
Acquire or rationalise land holdings to support our strategies	<ul style="list-style-type: none"> Secure and develop Lot 6 to accommodate a 168m separated heavy taxiway and a new aviation precinct. Assess opportunities to acquire other land that will support the long-term growth of the airport. 	<ul style="list-style-type: none"> Secure the acquisition of 'Lot 6' Assess and present land acquisition opportunities on case by case merits 	<ul style="list-style-type: none"> FY19 Ongoing
QAC will continue to ensure that its planning is closely integrated to the long-term planning by QLDC for the Frankton Flats, Wakatipu Basin, and Wanaka environs.	<ul style="list-style-type: none"> Participate and contribute to long-term planning initiatives led by QLDC or its strategic partners, including transport projects, Frankton Flats Master Plan, Wanaka Master Plan and other initiatives as they may arise. 	<ul style="list-style-type: none"> TBC 	<ul style="list-style-type: none"> Ongoing

ONE TEAM STRATEGY

Working together to deliver the best outcomes for all

Objectives	Key initiatives	Performance targets	Timing
Achieve Zero Harm (People and Environmental Incident) through leadership focused on health, safety and risk management, clear accountabilities and effective systems	<ul style="list-style-type: none"> Continue to engage the wider airport community in a collaborative approach toward continuous improvement in site health and safety. Promote a 'just culture' and open reporting system where we focus on key learnings. Maintain effective Health & Safety environmental systems which exceed legislative requirements. Regularly review the QAC Business Continuity Management (BCM) framework to reflect the size and response scale of operation. Continue to practise and stress-test our emergency preparedness (Airport Emergency Plan). Develop and implement contractor health and safety prequalification process. 	<ul style="list-style-type: none"> Target = achieve zero harm to people and environment Implement comprehensive layered audit programme 'Just culture' procedures embedded in business as usual operations Achieve Operating and Effective level of ICAO/CAR based Safety Management System following CAA 2018 Audit Stress-test BCM plan/contingency procedures Further non-aeronautical (i.e. earthquake, terminal fire) exercises planned and delivered to stress-test our emergency preparedness Implement contractor prequalification process. 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing Ongoing December 2018 June 2018 onwards Dec 2018
Invest in our team's development and wellbeing and build an empowered one team culture	<ul style="list-style-type: none"> Continue to embed QAC's values throughout the company and wider airport community. <u>Consolidate the wellbeing programme across the organisation.</u> <u>Promote diversity in all of its dimensions across the team</u> 	<ul style="list-style-type: none"> Employee surveys completed <u>on a regular basis</u> Staff feel valued and are recognised for a job well done High level of engaged and motivated staff 	<ul style="list-style-type: none"> Ongoing
Create a deep understanding of our customers, their needs and desires - and how they'll change - to provide a memorable airport experience and effective value propositions	<ul style="list-style-type: none"> Consolidate the data sets built over the past 18 months to build a comprehensive framework of customer insights. 	<ul style="list-style-type: none"> Create customer experience and journey framework 	<ul style="list-style-type: none"> December 2018
Work with our airline & airport partners to optimise operational efficiency and visitor experience through lean and continuous improvement initiatives	<ul style="list-style-type: none"> Work with airline, agency and other airport stakeholders to deliver cross-airport process improvement using lean and other tools. 	<ul style="list-style-type: none"> Utilise lean methodology for the assessment and evaluation of Pathway Strategy projects. 	<ul style="list-style-type: none"> FY18 and FY19

ONE TEAM STRATEGY

Working together to deliver the best outcomes for all

Objectives	Key initiatives	Performance targets	Timing
Build engagement with stakeholders and the wider region to connect more deeply with the community served by the airport	<ul style="list-style-type: none"> Proactive and regular communication with stakeholders. Use our company values to identify/refine community engagement opportunities. Participate in community discussions to help maintain visitor experience and quality of life for permanent resident base. Be a leader, working collaboratively at a local, regional and national level to find solutions to the region's destination management issues. 	<ul style="list-style-type: none"> QAC staff are recognised leaders and role models among the wider airport team and community High level of engaged and motivated staff Supportive environment for wider airport community to work as one team 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing
Implement the noise management plan to mitigate noise impacts and address community concerns	<ul style="list-style-type: none"> Mitigation work will continue rolling out for homes in the inner noise sector. Commence work on homes in the mid noise sector. Noise mitigation works to continue in annual or two-yearly tranches for the next 20 years. 	<ul style="list-style-type: none"> Airport noise, as measured, is within the levels set in the District Plan Inner noise sector mitigation works underway, mid noise sector consultation commences. Regular, accurate and relevant communications 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing
Optimise facilities and infrastructure to reduce energy consumption, reduce waste and enhance environmental sustainability	<ul style="list-style-type: none"> Reduce the climate change impacts of Queenstown Airport and realise cost savings from energy and fuel efficiencies. Set targets for annual total potable water consumption, annual total potable water savings and uptake water efficient technologies and opportunities. Set targets for annual waste production, annual waste recycled, and annual waste minimised. Build targeted supply chain partnerships to enhance Queenstown Airport's sustainability performance Set annual environmental performance targets, identify opportunities and implement projects to enhance NZ's biodiversity. Identify an appropriate sustainable business accreditation to measure and benchmark ongoing improvement in environmental sustainability. 	<ul style="list-style-type: none"> Refer Aeronautical Strategy targets Quarterly report to the Board Baseline metrics and measurements established in line with a sustainable business accreditation process. 	<ul style="list-style-type: none"> Refer Aeronautical Strategy timing March 2017 ongoing June 2017 ongoing

ONE TEAM STRATEGY

Working together to deliver the best outcomes for all

Objectives	Key initiatives	Performance targets	Timing
Fund airport strategies cost-effectively	<ul style="list-style-type: none"> Prepare a funding strategy for the Master Plan capital requirements. 	<ul style="list-style-type: none"> Medium term funding raised Long term funding strategy completed 	<ul style="list-style-type: none"> Apr 2018 Jun 2019
Technology improvements to improve visitor experience, business resilience and operational efficiency	<ul style="list-style-type: none"> A technology innovation strategy is developed to improve customer experience and increase adaptability for disruptive technologies. A Business Intelligence road map is developed to support decision making and lead to operational optimisation. Technology resilience is improved to support business continuity and disaster recovery. 	<ul style="list-style-type: none"> Technology Innovation phase 1 is implemented Business Intelligence for airline data and regional visitor trend data is implemented Backup as a Service is implemented Cyber security improvements are implemented 	<ul style="list-style-type: none"> Jun 2019 Dec 2018 Jan 2019 Dec 2018

WANAKA STRATEGY			
Connecting Wanaka sustainably			
Objectives	Key initiatives	Performance targets	Timing
Develop a Master Plan for Wanaka Airport with input from the community, that provides a spatial framework for the airport's future	<ul style="list-style-type: none"> Get a deeper understanding of the opportunities, issues and considerations relevant to Wanaka by working with the communities and stakeholders on a long term vision. Based on the process followed for the Queenstown Airport Master Plan, prepare a Master Plan for Wanaka Airport which explores feasible opportunities to develop Wanaka Airport and contribute to services across the region. This will include technical studies, options, infrastructure and certification required, funding models, and timelines. Prepare a vision for Wanaka Airport, having engaged with stakeholders and the community. Prepare a Master Plan for Wanaka Airport. 	<ul style="list-style-type: none"> Community engagement on vision for airport completed Draft Master Plan completed Community engagement on Master Plan completed 	<ul style="list-style-type: none"> June 2018 3- September 2019 4- June 2020
Foster an airport community culture focused on health, safety and risk management, clear accountabilities and effective systems	<ul style="list-style-type: none"> Review/update systems and procedures to reflect new airport lease. Review Airfield Conditions of Use. Develop site safety forum. 	<ul style="list-style-type: none"> All WKA aeronautical documentation reviewed and registered as controlled document Review Airside Safety Regulations including vehicle and driver permits 12-month schedule of meetings agreed 	<ul style="list-style-type: none"> Dec 2018 July 2019 Dec 2018
Work towards becoming an economically viable and sustainable business	<ul style="list-style-type: none"> Work with airport operators on developing a sustainable commercial pricing model and transition plan. Market valuations and benchmarking, transition to new model by March 2019. Evaluate other opportunities to generate sustainable returns which complement the Master Plan process. 	<ul style="list-style-type: none"> Airport community engaged throughout the process Leases and Licences reviewed and up to date, including for activities and events 	<ul style="list-style-type: none"> July 2018 December 2018 June 2020

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WANAKA STRATEGY

Connecting Wanaka sustainably

Objectives	Key initiatives	Performance targets	Timing
<p>Work with key partners to ensure airport and connecting infrastructure supports the safe and efficient movement of people around the region and provides an outstanding visitor experience</p>	<ul style="list-style-type: none"> • Work with key partners to develop an integrated approach to planning and development in the Wanaka region, including and development, transport and air connectivity. • Achieve Requiring Authority status for Wanaka Airport. • Acquire or rationalise land holdings to support our strategies. 	<ul style="list-style-type: none"> • Engage and contribute to the development of an Integrated Wanaka Transport Business Case (subject to agreement of approach with the Regional Transport Governance Group). • Apply for Requiring Authority Status with support from QLDC. 	<ul style="list-style-type: none"> • Ongoing • June 2019

Key Strategic Projects

	FY2018	FY2019	FY2020	FY2021
Queenstown Airport Master Plan	Stakeholder/ community engagement.	Determine preferred option.	Implementation.	Implementation.
Project Pathway	Develop a programme of work to enable the existing Queenstown Airport terminal to accommodate 2.5mppa.	Implement projects to enable capacity to 2.5mppa.	Complete the programme.	Complete the programme.
Noise Planning	Continuation of PDP hearings incorporating PC35 provisions. Progress changes to noise planning framework.	Continue to progress changes to noise planning framework.	Finalise any changes to noise planning framework.	Finalise any changes to noise planning framework.
Noise Mitigation	Continue works in annual or two-yearly tranches for next 15 years.	Continue works in annual or 2-yearly tranches for next 15 years.	Continue works in annual or 2-yearly tranches for next 15 years.	Continue works in annual or 2-yearly tranches for next 15 years.
Land Acquisition	Environment Court decision.	Public Works Act (PWA) proceedings reinstated.	PWA decision. Continue to assess opportunities as they arise.	Continue to assess opportunities as they arise.
Wanaka Airport	Stakeholder/ community engagement on vision for airport.	Develop draft Master Plan.	Stakeholder/ community engagement on draft Master Plan.	

Financial Forecast FY2018-2021

For the Financial Years Ending 30th June
\$'000

	FCT	FCT	FCT	FCT
\$'000	FY2018	FY2019	FY2020	FY2021
Total Revenue	44,852	50,118	57,198	59,303
Operating Expenditure	14,167	16,114	17,021	17,339
EBITDA	30,685	34,005	40,177	41,964
Interest Expense	2,442	3,757	5,277	5,995
Depreciation & Amortisation	7,824	9,594	13,962	16,415
Profit Before Tax	20,419	20,653	20,938	19,554
Net Profit After Tax	14,405	13,965	14,351	14,025
Dividends Paid ¹	7,169	7,202	6,983	7,175
Total Assets	341,967	455,914	497,486	547,088
Shareholders Funds	257,265	279,034	307,133	334,994
Operating Cash Flow	22,208	26,110	31,525	34,913
Investing Cash Flow	(30,572)	(106,351)	(33,993)	(44,419)
Closing Debt	60,022	147,465	162,664	185,528
Financial Ratios				
Total Pax (000)	2,117	2,325	2,468	2,500
Percentage International Pax	28%	29%	30%	31%
Total Revenue per Pax	\$21.19	\$21.55	\$23.18	\$23.72
NPAT per Pax	\$6.81	\$6.01	\$5.82	\$5.61
Return on Equity (NPAT to Avg SH Funds)	6.3%	5.4%	4.9%	4.4%
Return on Assets (NPAT to Avg Total Assets)	4.8%	3.7%	3.0%	2.7%
EBITDA > 2 times funding expense	12.6	9.1	7.6	7.0
Shareholders Funds to Total Tangible Assets > 50%	76%	61%	61%	61%

Notes

1. Dividends calculated on a paid basis rather than earned.

Net Profit After Tax (NPAT) is expected to stabilise over the three year forecast period, with growth in passenger movements forecast to slow as Queenstown Airport approaches physical capacity in the terminal and aircraft movements permitted under noise consents. Dividend payments are forecast at 50% of prior year normalised NPAT. Capital investment is planned to continue over the next three years funded by operating cashflows and debt. The company is forecast to remain well within banking covenants.

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Shareholder Interaction and Corporate Governance

Regulatory Framework

QAC is a Council Controlled Trading Organisation (CCTO) for the purposes of the Local Government Act 2002. Section 59 sets out the principal objectives of a CCTO which are to:

- (a) *achieve the objectives of its Shareholders, both commercial and non-commercial, as specified in the statement of intent; and*
- (b) *be a good employer; and*
- (c) *exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and*
- (d) *conduct its affairs in accordance with sound business practice.*

QAC's business is also subject to regulatory control under the Airport Authorities Act 1966 and complies with the disclosure requirements of a specified airport company pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations.

The Airport Authorities Act 1966 (section 4(3)) states that the Airport "...must be operated or managed as a commercial undertaking."

The company's governance is also covered by the Companies Act 1993.

QAC's aeronautical operations are governed by the Civil Aviation Act 1990 and Civil Aviation Rules Part 139.

Statement of Intent (SOI) Process

As a CCTO, QAC must prepare a SOI in accordance with Section 64(1) of the Local Government Act 2002.

QAC submits a draft SOI for the coming financial year to Queenstown Lakes District Council (QLDC) by 1 March. Following consultation with QLDC, and after considering any comments from QLDC, the final SOI is approved by the airport's Board of Directors and delivered to QLDC by 30 June.

Board of Directors

QAC Board of Directors and management are committed to ensuring the Company meets recommended best practice governance principles and maintains the highest ethical standards.

The Board of Directors is appointed by the Shareholders to govern and direct QAC's activities. The Board is the overall final body responsible for all decision-making within the Company. It is accountable to its Shareholders for the financial and non-financial performance of the Company.

The Board has established an Audit and Financial Risk Committee to oversee the Company's financial reporting processes, system of internal control, and the external audit process, and its processes for identifying and managing financial risk, and for monitoring compliance with applicable law and its own policies. The Board has also established a Safety and Operations Risk Committee to oversee the Company's performance and reporting related to health & safety and operational activities and monitor compliance with applicable law and its own policies.

Role of the Board

The Board is responsible for the proper direction and oversight of QAC's activities. This responsibility includes:

- Approving strategic plans, budgets and the SOI
- Corporate policies, including financial and dividend policies, and delegated authorities
- Monitoring financial performance and achievement of the strategic initiatives and SOI objectives
- Appointment and monitoring of the performance and remuneration of the Chief Executive (CE)
- Integrity of management information systems
- Assessment of business opportunities and business risks
- Internal control and assurance systems
- Compliance with relevant law
- Reporting to Shareholders

Reporting to Shareholders

The Company has adopted 30 June as its balance date.

Within two months of the end of the first half of each financial year, Directors will deliver to Shareholders an Interim Report which will consist of:

- Chair and CE's report
- Directors' Responsibility statement
- Unaudited financial statements
- Notes to the financial statements including accounting policies

Within three months of the end of each financial year, Directors will deliver to Shareholders an Annual Report which will consist of:

- Chair and CE's report
- Directors' Responsibility statement
- Audited financial statements
- Notes to the financial statements including accounting policies
- A Statement of Service Performance summarising QAC's performance of the SOI goals and objectives
- Independent Auditor's Report

The Board works collaboratively with its Shareholders to ensure a "no surprises" relationship.

Quarterly meetings are held between QAC's Chair and CE and QLDC's Mayor and CE. These meetings are an opportunity to provide greater insights and information on business performance and issues of importance. QAC's Chair and CE also present the annual financial results to the QLDC Council and QLDC Audit Committee.

Annual meetings are held between QAC's Chair and CE and Auckland International Airport's Chair and CE where opportunities to work together in delivering Strategic Objectives are discussed (refer Strategic Alliance below).

Dividend Policy

The Directors ~~may~~will declare dividends according to the following policy:

At their discretion, Directors may declare a full year dividend each year in a range of 50% and 100% of normalized Net Profit After Tax (NPAT), after adjusting for unrealised gains and losses arising from revaluation of property or treasury instruments and material extraordinary items.

In determining the full year dividend the Directors will consider:

- solvency;
- banking covenants and company treasury policy;

- working capital and capital expenditure requirements; and
- the interests of shareholders.

An interim dividend may be declared and paid by 28 February each year. Any final dividend will be paid by 31 August each year.

Directors will determine the level of imputation credits having regard to the needs of shareholders.

The Directors will consider any request from the Shareholders for additional dividend payments and will apply prudent governance when considering such requests.

The Directors will not issue shares wholly or partly in lieu of the proposed dividend or proposed future dividends, without the written approval of Shareholders.

Capital Subscription

No new shares in the company can be issued without the consent of Shareholders.

The company is confident it can fund its capital growth plans from internal sources (cash flow and/or debt) during the forecast period 2018-2020. The Board will assess this position annually as part of the SOI process.

Investment in Other Entities

The Company must consult with the Shareholders prior to any investment being made in another entity.

Services Provided to QLDC

QAC provides property maintenance services at Glenorchy Aerodrome on behalf of QLDC. QLDC and QAC have agreed in principle that, subject to agreeing the terms, QAC will provide a broader range of management services at the airport.

QAC leases land to QLDC which forms part of the Frankton Golf Course for \$25,000 p.a.

Wanaka Guiding Principles

QLDC and QAC have developed principles to guide the management and development of Wanaka Airport:

1. QLDC and QAC are committed to the development of Wanaka Airport to support district growth and community needs.
2. QLDC and QAC support the operation, management, planning and development of Wanaka Airport by QAC as a key element of an integrated, complementary, district-wide strategy to foster the growth of aviation services.
3. QLDC and QAC acknowledge that the long-term lease arrangement regarding Wanaka Airport should vest economic control of Wanaka Airport in QAC and its terms should encourage investment in the Airport by QAC.
4. QLDC and QAC agree that the governance model for Wanaka Airport will be effective and similar to the current model in place for Queenstown Airport.
5. QLDC and QAC agree Wanaka Airport should become an economically viable and sustainable business.
6. QLDC and QAC believe that the support of the communities served by Wanaka Airport is important to its development.
7. QLDC and QAC agree to commit to engage with all of the stakeholders involved at the Wanaka Airport and the wider Wanaka community in future planning activities.

8. QLDC and QAC support Activities, (such as, general aviation, scientific research and education), and Events, (such as Warbirds over Wanaka), at Wanaka Airport.
9. These Activities and Events will require sustainable arrangements including an appropriate transition period.

Strategic Alliance with AIAL

Auckland International Airport Limited's (AIAL) investment in QAC includes an undertaking between the two companies to work together to grow QAC's business returns and increase passenger numbers.

The focus of the strategic alliance for the next five years will be for the two companies to leverage the scale and connectivity of a multi-airport relationship to grow visitor activity and deliver superior earnings growth to both companies and economic growth to their respective communities.

Where appropriate, QAC will seek to leverage AIAL's market and operational scale, intellectual property and management capabilities in aeronautical, retail, commercial and property development functions including:

- Collaboration to further develop air services between the two airports, sharing relevant market information and analysis
- Joint ventures on relevant tourism-related marketing and tactical promotions
- Optimising operational efficiency through technology and process innovation
- Support in maximising non-aero revenue through the sharing of data and retail/transport expertise
- Input on industry/airport trends and operating efficiencies, particularly in identifying and managing common strategic risks
- Training and/or mentoring support for personnel
- Support with procurement

AIAL will continue its own route development into markets such as the US, China, South East Asia and South America that cannot support direct flights to Queenstown due to aircraft size. Promotions will feature Queenstown and promote passengers travelling through AIAL to Queenstown on domestic carriers.

Audit

The Office of the Auditor General (OAG) has appointed Deloitte to undertake the financial audit of QAC for the three years ended 30 June 2017 to 2019.

Accounting Policies

QAC will maintain accounting records in accordance with the Companies Act 1993.

QAC will prepare financial statements in accordance with the Financial Reporting Act 2013; the Companies Act 1993, the Local Government Act 2002, the Airport Authorities Act 1966 and the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 (as amended in 2014). These include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

Corporate Directory

Location:	Queenstown Airport Corporation Airport Administration, Queenstown Airport Sir Henry Wigley Drive Frankton Queenstown 9300	
Mailing address:	PO Box 2641 Queenstown 9349 NEW ZEALAND	
Phone:	+64 3 450 9031	
Email:	admin@queenstownairport.co.nz	
Websites:	www.queenstownairport.co.nz www.wanakaairport.com	
Shareholders	Queenstown Lakes District Council (75.01%) Auckland Airport Holdings (No2) Limited (24.99%)	
Directors	Prudence Flacks (Chair) Grant Lilly Michael Stiassny Norman Thompson Mark Thomson Adrienne Young-Cooper	
Senior Management	Chief Executive	Colin Keel colin.keel@queenstownairport.co.nz
	Chief Financial Officer	Mark Edghill marke@queenstownairport.co.nz
	GM Operations and Safety	Mike Clay mikec@queenstownairport.co.nz
	GM Property and Planning	Rachel Tregidga rachelt@queenstownairport.co.nz
	GM Commercial and Customer Experience	Olivia Pierre oliviap@queenstownairport.co.nz
	Manager – Communications and Community	Jen Andrews jen@queenstownairport.co.nz
Senior persons per Civil Aviation Rules, part 139	Chief Executive	Colin Keel
	GM Operations and Safety	Mike Clay

Abbreviations

AIAL	Auckland International Airport Limited
CAA	Civil Aviation Authority of New Zealand
CE	Chief Executive Officer
CCTO	Council-Controlled Trading Organisation
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
F&B	Food and Beverage
FY	Financial Year – 1 July to 30 June
GA	General Aviation
IATA	International Air Transport Association
NPAT	Net Profit After Tax
OCB	Outer Control Boundary
PC35	Queenstown Lakes District Council Plan Change 35 relating to Airport Noise boundaries
PDP	Proposed District Plan
QAC	Queenstown Airport Corporation, the company that operates Queenstown Airport <u>and</u> <u>Wanaka Airport</u>
QLDC	Queenstown Lakes District Council
RMA	Resource Management Act
RPL	Remarkables Park Limited
SOI	Statement of Intent
WKA	Wanaka Airport
ZQN	Queenstown Airport

Queenstown Airport Corporation Ltd



Statement of Intent 2019-2021

Final June 2018

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Introduction

As a Council-Controlled Trading Organisation, Queenstown Airport Corporation (QAC) is required to prepare an annual Statement of Intent (SOI) which publicly states its strategic priorities for the next three years in accordance with Section 64(1) of the Local Government Act 2002. The SOI takes shareholder comments into consideration and provides performance targets for organisational accountability.

About Us

Queenstown Airport Corporation

Queenstown Airport Corporation (QAC) was incorporated in 1988. Since then it has been responsible for the management and development of Queenstown Airport, striving to deliver an efficient and operationally safe airport with world-class facilities and an outstanding passenger experience that reflects the best the region has to offer.

In 2009, QAC was engaged by Queenstown Lakes District Council (QLDC) to manage Wanaka Airport's day-to-day operations. In 2017, QLDC determined that QAC would be awarded a long-term lease for both the management and development of Wanaka Airport. The 100 year lease commenced on 1 April 2018.

QAC also provides property maintenance services at Glenorchy Airstrip on QLDC's behalf. QLDC and QAC have agreed in principle that, subject to agreeing the terms, QAC will provide a broader range of management services at the airport.

QAC comprises approximately 60 staff representing different experiences and backgrounds. We support diversity in all forms and are particularly encouraged by our mix of genders with female/male ratios of 50:50 in senior management and 48:52 across the QAC team.

The Company is governed by an independent Board of Directors and owned:

- 75.01% by the Queenstown Lakes District Council (QLDC); and
- 24.99% by Auckland International Airport Limited (AIAL)

Queenstown Airport

As New Zealand's fourth busiest airport by passenger numbers, Queenstown Airport's continuing growth and profitability have made it a strategic national asset and a key driver of the region's tourism industry and broader economy. The airport is the direct domestic and international entry point to the lower South Island, providing easy access to Queenstown, one of the world's premium visitor destinations, and to some of New Zealand's most renowned scenery and visitor experiences. As such, it serves the communities across the region and contributes significantly to the growth and prosperity of New Zealand's tourism sector.

Queenstown Airport services the region with frequent domestic and trans-Tasman flights. It receives direct scheduled services from New Zealand's main metropolitan ports of Auckland, Wellington and Christchurch which provide strong regional links throughout the country, as well as from the Australian cities of Brisbane, Coolangatta, Sydney and Melbourne. Auckland and Sydney airports are the major international hub airports for long-haul visitors to the region.

Queenstown Airport is heavily used for tourist 'flightseeing', especially to Milford Sound and Aoraki Mount Cook, and is New Zealand's busiest helicopter port. Private jets are also a growing market, both short and long haul, with aircraft now flying direct from north Asia and the west coast of the United States.

Wanaka Airport

Wanaka Airport is located within a rapidly growing community and serves a broad range of visitors to the region. While there are currently no scheduled commercial flights, nearly 300 people work in and around the airport on day-to-day operations, including flightseeing to Milford and Aoraki Mount Cook and surrounding areas, helicopter training and maintenance, skydiving, private recreational aviation and charter operations. Since 1988, Wanaka Airport has hosted the internationally-renowned Warbirds over Wanaka airshow. In 2015, QAC formed a 10-year partnership with NASA for Wanaka Airport to become the site of New Zealand's first scientific space balloon launch.

Company Value

As at 30 June 2017, QAC's land, land improvements and buildings were valued at \$298 million and included 137.3 ha on Frankton Flats and 149.5ha around Wanaka Airport.

QAC's estimated enterprise value, as adopted by its Board of Directors in June 2018, was in the range \$466 million to \$483 million. This valuation was supported by an external valuation by Northington Partners.

Situational Overview

QAC's business success and growth is intrinsically linked to the health of New Zealand's tourism and visitor industry. In turn, the industry depends on Queenstown and Wanaka airports to provide sustainable air connectivity and a world-class visitor experience to support its tourism industry goal of achieving \$41 billion annual revenue by 2025.

Global air travel is growing rapidly and, while New Zealand is a niche visitor destination because of its remote location, it is experiencing its strongest ever growth cycle, with several consecutive years of international visitor arrival growth. This growth is primarily driven by increases in international air capacity, competitive pricing and the country's global reputation as a beautiful, safe and friendly destination.

Queenstown Airport itself has experienced unprecedented growth and annual passenger movements (arrivals and departures) have increased from 600,000 passenger movements per annum in 2005 to 2 million in 2017.

To date we have responded to sustained passenger growth by delivering infrastructure 'just in time' which has suited those stakeholders who provide funding for such improvements. We continue to work closely with aviation and tourism partners to identify future opportunities, particularly building evening flight capacity, maintaining a consistent daily and seasonal schedule, and creating operational efficiencies through technology and process innovation.

Looking forward, our demand forecasts predict that annual passenger movements have the potential to increase to 3.2 million by FY2025, subject to destination infrastructure constraints. We are mindful that we must sustainably manage airport future growth in line with shareholder, stakeholder and community expectations.

When finalised, Queenstown Airport's 30-year Master Plan will provide a long-term roadmap for sustainable airport growth, covering areas such as infrastructure development, noise planning and transport connectivity, within the context of an exceptional customer experience. The Master Plan will also support the district with its own planning for transport, accommodation, tourism and other infrastructure developments. In the meantime, appropriately targeted investment in regional infrastructure and tourism facilities continues to be a critical factor in keeping pace with anticipated growth and retaining a quality visitor experience. Both from an airport perspective and as a proud community member, we are committed to working with communities and stakeholders to address these issues and maintain a healthy balance.

Continued pressure on the availability and affordability of visitor accommodation in peak periods, congestion on transport and road networks and a lack of affordable worker accommodation are impacting visitors and residents and may eventually impact visitor demand. These include the effects of noise, waste production, water consumption and traffic generation through customers, visitors and staff using the airport. Until these infrastructure challenges are collectively resolved, they pose a risk to achieving our strategic objectives.

QAC recognises that we play an important role in jointly addressing these issues, together with Council and other relevant parties. In order to fulfil the growth and development potential of Queenstown Airport, we are developing mitigating strategies in a collaborative manner with key stakeholders and local communities. As an example, as a member of the Queenstown Regional Transport Governance group, we are collectively addressing infrastructure, public transport, and demand management to deliver a shift towards more sustainable transport modes and a lower reliance on motor vehicles and improve transport choices.

Vision

Queenstown Airport and Wanaka Airport complement each other. Both airports are important to the regional tourism industry and broader economy and will be positioned to reflect the unique character and needs of their communities. QAC uses a “two airports, one company” philosophy in managing the airports.

Our vision is to position Queenstown and Wanaka Airports collectively as a **World Leading Tourism Airport Group**, taking full advantage of the region’s appeal as a leisure and visitor destination. The success of our vision will be measured in 3 areas - *People, Place and Performance*, each with objectives related to our 4 major stakeholder groups - *Customers, Company, Airport Community and Local Community*.

World Leading Tourism Airport Group
Connecting people, sustaining our region



	People	Place	Performance
Customer	Every customer feels cared for and valued	Customers find the airport to be a safe, friendly and innovative environment that anticipates their needs and represents the best of the region	Exceptional customer feedback across the end-to-end airport experience
Company	A team that feels respected and empowered to deliver an outstanding customer experience	A safe, healthy and friendly work environment that supports “one team”	Optimised return on assets with sustainable growth in shareholder value while ensuring operational integrity and an outstanding customer experience
Airport	An airport community that works together to ensure an outstanding customer experience	A well planned airport connecting all activities, creating a sense of place and providing a platform for the airport community to grow and prosper	Airport community members consistently meeting their objectives
Community	A local community that is proud of and engaged with its growing airports	Connecting the region to the world whilst minimising the impact on the unique environment	Sustainable regional growth achieved through strong and innovative future planning

Queenstown Airport

Queenstown Airport’s key point of difference is as a destination airport with a high potential for return visitation. Its ‘fly direct to destination’ value proposition is attractive to both domestic and international travellers, particularly those who are time-poor or those looking for an Australia/New Zealand dual destination holiday.

The sheer scale and beauty of our natural environment also sets us apart - the moment a passenger flies in to Queenstown and steps off their aircraft, whether they be a resident or visitor, they experience a wow factor. Our vision will never lose sight of creating a wonderful and unique lasting impression through our scenery, our people-first focus on safety, comfort and experience, and the boutique retail offering within the terminal designed to reflect the best of our region.

Wanaka Airport

Wanaka Airport has the potential to play an important role in the region’s future air transport connectivity. With almost 300 people employed at more than 30 businesses, the airport is already a thriving micro-economy in the region and has the potential to grow in both its scale and contribution. Opportunities include the expansion of current commercial businesses, return of scheduled services and the development of other growth areas such as a centre of aviation excellence.

QAC intends to plan, develop and operate Wanaka and Queenstown airports in a complementary way to provide sustainable long-term regional services. We are committed to working with the communities served by the airport to develop a vision and plan that reflects their needs as well as the needs of key stakeholders.

We acknowledge and support the community-fostered vision released by the Shaping Our Future Upper Clutha Transport taskforce to develop Wanaka Airport as a “destination for high yielding innovative businesses creating a sustainable aviation hub for the region”. We also support its recommendation to develop Wanaka Airport into a ‘centre for aviation excellence’ which contributes positively to the Upper Clutha economy. This would include supporting activities such as Warbirds over Wanaka.

Our commercial vision is for Wanaka Airport to become a financially viable and sustainable airport, generating appropriate returns on its assets and contributing to the district's economic development and wellbeing of the community.

- We will adopt a commercial approach promoting and enabling sustainable growth whilst retaining the public, community and social values.
- We will consider the needs and activities of different operators and seek to adopt a ‘user pays’ model – operators pay for what they use and no more.
- All existing legal agreements will be honoured. Transitional arrangements will be developed to assist operators to move smoothly from the current model to a more sustainable model.
- We will actively engage with the airport community, particularly in the transition, giving everyone the opportunity to give feedback on the commercial approach.

Strategic Objectives

Our strategic objectives, as set out below, are designed to deliver our four strategic pillars:



OPERATIONS STRATEGY

Making journeys safe, secure, efficient and rewarding

Objectives	Key initiatives	Performance targets	Timing
Work with our airline and airport stakeholders to deliver passenger growth and share the rewards	<ul style="list-style-type: none"> Develop a comprehensive General Aviation (“GA”) Strategy, in collaboration with the GA operators, to support and inform the implementation of the Master Plan options. 	<ul style="list-style-type: none"> Comprehensive General Aviation strategy with operational, commercial and financial model. 	<ul style="list-style-type: none"> March 2019
Deliver affordable, timely infrastructure for the safe, secure and efficient movement of people	<ul style="list-style-type: none"> Expand back-of-house facilities and capacity to accommodate growth. Continue to manage resourcing to meet both overall growth and growth in winter evening hours of operation. Continue strong focus on collaborative operations, continuous improvement and facilities management across the business. The acquisition of Lot 6 continues to be a priority in optimising airfield operations. 	<ul style="list-style-type: none"> Joint taskforce focused on terminal capacity optimisation, end-to-end process improvement of passenger facilitation and operational efficiencies. Increase capacity in baggage make-up area. Purchase and implement new winter operations equipment. Apron asphalt overlay. Deliver 3-stage Potable Water Resilience Project. 	<ul style="list-style-type: none"> September 2018 December 2018 June 2018 onward October 2018 December 2019
Deliver New Zealand’s safest, most secure and efficient passenger experience through engaging with the airport community in collaborative operations	<ul style="list-style-type: none"> Continue to lead the promotion, scope and delivery of improvements for passenger facilitation, operational processes and systems. Establish baseline passenger processing time and set processing performance targets with border agencies. Work with Customs on expanding the nationalities which can use E-Gates. Work with Airways to introduce technology to manage the increasing risk of Unmanned Aerial Vehicle (UAV / drone) flights to aviation activities. 	<ul style="list-style-type: none"> Seasonally-based passenger processing targets agreed and reported. New biometric automated passenger processing expanded to more nationalities. Quarterly targets shared with collaborative operations team and improvement targets set. Trial and identify UAV systems to approve, track and more effectively manage drone activities in controlled airspace. 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing July 2018
Deliver reliable facilities and infrastructure through asset lifecycle management, effective maintenance and contingency planning	<ul style="list-style-type: none"> Develop a comprehensive Asset Management Plan with maintenance management/corrective action ticketing and reporting software to track and manage maintenance activities. Planning and infrastructure in place for key utility services and aeronautical systems. Develop an energy conservation and waste minimisation programme. 	<ul style="list-style-type: none"> Comprehensive facilities maintenance and lifecycle replacement programme scoped. Airport utility and systems contingency risks identified and an implementation plan in place Set energy conservation and waste minimisation targets 	<ul style="list-style-type: none"> Ongoing November 2018 August 2018

COMMERCIAL STRATEGY

Providing value to our customers

Objectives	Key initiatives	Performance targets	Timing
Generate sustainable returns on property, leases, licenses and commercial property within QAC's portfolio	<ul style="list-style-type: none"> Continue to evaluate opportunities to grow commercial property portfolio. Rent reviews, lease renewals and new leases based on benchmarking and market dynamics. 	<ul style="list-style-type: none"> Integrate property management system with financial system. Leases/licences reviewed, renewed, up to date. New lease and license opportunities evaluated and implemented on case by case merits. 	<ul style="list-style-type: none"> Dec 2018 March 2019 Ongoing
Generate sustainable aeronautical revenues	<ul style="list-style-type: none"> Review aeronautical pricing strategies and engage with stakeholders. 	<ul style="list-style-type: none"> Sustainable pricing model that provides fair returns to QAC and operators and supports capital investment. 	<ul style="list-style-type: none"> 2018-2019
Deliver value from transport networking activity by enhancing products, price and partnerships	<ul style="list-style-type: none"> Review and improve ground transport and roading networks and technology on airport landholdings. Review the carparking and transport strategy. Continue to develop opportunities for the commercial and public carparks. Review Park and Ride and future planning. Launch new transport products and services. 	<ul style="list-style-type: none"> Evaluate opportunities for car parking capacity efficiencies. Commercial transfer area optimised, with robust long-term planning. Park and Ride is a self-sustainable parking offering. Commercial revenue as per forecast. 	<ul style="list-style-type: none"> December 2018 June 2018 2019-2020
Develop a boutique terminal retail mix that reflects the uniqueness and quality of the regional experience and optimises returns and customer satisfaction	<ul style="list-style-type: none"> Continue to develop a boutique shopping environment for customers, with the right mix of local owner-operators and national brands. Expand the pop-up programme and integrate into the retail mix as an adaptable proposition to increase customer choice. 	<ul style="list-style-type: none"> Commercial revenue growth as per financial forecast Customer satisfaction targets 	<ul style="list-style-type: none"> 2018-2020 Ongoing
Enhance the end-to-end customer experience through technology, wayfinding, services and offerings	<ul style="list-style-type: none"> Work with partners to create new and innovative ways to connect with customers. Continue to roll out improvements to wayfinding, ensuring that it provides the right information at key decision points Introduce opportunities for real time customer feedback and an integrated customer management system Input into master plan with a focus on more flexibility and an aim to introduce/update digital technology. 	<ul style="list-style-type: none"> Review advertising assets, contracts and suppliers. Introduce digital sales channels. Review and report monthly research results. All customer interactions recorded in one system. Monitor satisfaction via monthly research results and continue ongoing reviews Use real-time data in decision making and terminal planning. 	<ul style="list-style-type: none"> Phased plan March 2019 Ongoing December 2018

PROPERTY AND PLANNING STRATEGY

Making best use of our land and resources

Objectives	Key initiatives	Performance targets	Timing
Develop a 30-year Master Plan for Queenstown Airport that will inform internal planning, facilitate stakeholder & community engagement and provide a spatial framework for the airport's future	<ul style="list-style-type: none"> Determine a preferred Master Plan option to provide guidance on the land needed for future aeronautical and non-aeronautical opportunities and planning requirements for growth. 	<ul style="list-style-type: none"> Preferred Option identified 	<ul style="list-style-type: none"> December 2018
Develop a programme of work to accommodate 2.5mppa in the existing Queenstown Airport terminal.	<ul style="list-style-type: none"> Work with core airport stakeholders to develop a programme of projects as a pathway to accommodating 2.5mppa capacity. 	<ul style="list-style-type: none"> Develop programme of projects Commence delivery of projects Complete programme 	<ul style="list-style-type: none"> December 2018 June 2019 June 2020
Progress a project to increase Queenstown Airport's Noise Boundaries to accommodate planned growth targets.	<ul style="list-style-type: none"> Initiate a planning process to increase Queenstown Airport's noise boundaries to accommodate planned growth targets. 	<ul style="list-style-type: none"> Public consultation on proposed changes 	<ul style="list-style-type: none"> June 2018
Protect the airport company's long term objectives and capacity by inputting to national, regional and local planning, and addressing proposed developments/land uses within the airport's designations	<ul style="list-style-type: none"> Be proactive in regulatory planning issues, submitting as required on national, regional and local planning frameworks. Engage with the QLDC Proposed District Plan (PDP) process to ensure Queenstown and Wanaka airport's planning frameworks are provided for, protected or enhanced. Participate in community discussions to help maintain visitor experience and quality of life for the permanent resident base. This would assist in integrating the airport in the local community as it expands over the coming 30 years. 	<ul style="list-style-type: none"> Airport Mixed Use Zone is approved and operative for both Queenstown and Wanaka Airports PC35 (QAC) and PC26 (Wanaka) provisions and recognition of Queenstown Airport as nationally significant infrastructure is effectively confirmed within the District Plan review 	<ul style="list-style-type: none"> Stage I decisions due Q2 2018 (subject to QLDC's PDP timeline) 2020 (subject to QLDC's final PDP timeline)
Develop land holdings to maximise return on investment while complementing long term aviation growth	<ul style="list-style-type: none"> Assess development opportunities for their long term sustainable value to Queenstown airport within our relatively constrained land available for this use. Specific opportunities being explored include working with QLDC on the development of a transport hub linked to QAC's transport network, visitor accommodation, and commercial/industrial development. 	<ul style="list-style-type: none"> Broad development opportunities determined in Master Plan options report. Specific development opportunities to be identified following the identification of the preferred master plan option. 	<ul style="list-style-type: none"> December 2018 2020

PROPERTY AND PLANNING STRATEGY

Making best use of our land and resources

Objectives	Key initiatives	Performance targets	Timing
Work with key partners to ensure airport and connecting infrastructure supports the safe and efficient movement of people around the region and provides an outstanding visitor experience	<ul style="list-style-type: none"> Work with partners to consider a transport hub which will support regional and visitor traffic, linking private vehicles, commercial transport, public buses and ferries. Participate and provide joint leadership in the Transport Governance Group together with QLDC, NZTA and ORC. 	<ul style="list-style-type: none"> Support the promotion of multi-modal transport choices available at the airport. Work with transport partners to identify key transport linkages associated with each of the Queenstown Airport master plan options. 	<ul style="list-style-type: none"> Ongoing Dec 2018
Acquire or rationalise land holdings to support our strategies	<ul style="list-style-type: none"> Secure and develop Lot 6 to accommodate a 168m separated heavy taxiway and a new aviation precinct. Assess opportunities to acquire other land that will support the long-term growth of the airport. 	<ul style="list-style-type: none"> Secure the acquisition of 'Lot 6' Assess and present land acquisition opportunities on case by case merits 	<ul style="list-style-type: none"> FY19 Ongoing
QAC will continue to ensure that its planning is closely integrated to the long-term planning by QLDC for the Frankton Flats, Wakatipu Basin, and Wanaka environs.	<ul style="list-style-type: none"> Participate and contribute to long-term planning initiatives led by QLDC or its strategic partners, including transport projects, Frankton Flats Master Plan, Wanaka Master Plan and other initiatives as they may arise. 	<ul style="list-style-type: none"> TBC 	<ul style="list-style-type: none"> Ongoing

ONE TEAM STRATEGY

Working together to deliver the best outcomes for all

Objectives	Key initiatives	Performance targets	Timing
<p>Achieve Zero Harm (People and Environmental Incident) through leadership focused on health, safety and risk management, clear accountabilities and effective systems</p>	<ul style="list-style-type: none"> • Continue to engage the wider airport community in a collaborative approach toward continuous improvement in site health and safety. • Promote a ‘just culture’ and open reporting system where we focus on key learnings. • Maintain effective Health & Safety environmental systems which exceed legislative requirements. • Regularly review the QAC Business Continuity Management (BCM) framework to reflect the size and response scale of operation. • Continue to practise and stress-test our emergency preparedness (Airport Emergency Plan). • Develop and implement contractor health and safety prequalification process. 	<ul style="list-style-type: none"> • Target = achieve zero harm to people and environment • Implement comprehensive layered audit programme • ‘Just culture’ procedures embedded in business as usual operations • Achieve Operating and Effective level of ICAO/CAR based Safety Management System following CAA 2018 Audit • Stress-test BCM plan/contingency procedures • Further non-aeronautical (i.e. earthquake, terminal fire) exercises planned and delivered to stress-test our emergency preparedness • Implement contractor prequalification process. 	<ul style="list-style-type: none"> • Ongoing • Ongoing • Ongoing • Ongoing • December 2018 • June 2018 onwards • Dec 2018
<p>Invest in our team's development and wellbeing and build an empowered one team culture</p>	<ul style="list-style-type: none"> • Continue to embed QAC's values throughout the company and wider airport community. • Consolidate the wellbeing programme across the organisation. • Promote diversity in all of its dimensions across the team 	<ul style="list-style-type: none"> • Employee surveys completed on a regular basis • Staff feel valued and are recognised for a job well done • High level of engaged and motivated staff 	<ul style="list-style-type: none"> • Ongoing
<p>Create a deep understanding of our customers, their needs and desires - and how they'll change - to provide a memorable airport experience and effective value propositions</p>	<ul style="list-style-type: none"> • Consolidate the data sets built over the past 18 months to build a comprehensive framework of customer insights. 	<ul style="list-style-type: none"> • Create customer experience and journey framework 	<ul style="list-style-type: none"> • December 2018
<p>Work with our airline & airport partners to optimise operational efficiency and visitor experience through lean and continuous improvement initiatives</p>	<ul style="list-style-type: none"> • Work with airline, agency and other airport stakeholders to deliver cross-airport process improvement using lean and other tools. 	<ul style="list-style-type: none"> • Utilise lean methodology for the assessment and evaluation of Pathway Strategy projects. 	<ul style="list-style-type: none"> • FY18 and FY19

ONE TEAM STRATEGY

Working together to deliver the best outcomes for all

Objectives	Key initiatives	Performance targets	Timing
Build engagement with stakeholders and the wider region to connect more deeply with the community served by the airport	<ul style="list-style-type: none"> Proactive and regular communication with stakeholders. Use our company values to identify/refine community engagement opportunities. Participate in community discussions to help maintain visitor experience and quality of life for permanent resident base. Be a leader, working collaboratively at a local, regional and national level to find solutions to the region's destination management issues. 	<ul style="list-style-type: none"> QAC staff are recognised leaders and role models among the wider airport team and community High level of engaged and motivated staff Supportive environment for wider airport community to work as one team 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing
Implement the noise management plan to mitigate noise impacts and address community concerns	<ul style="list-style-type: none"> Mitigation work will continue rolling out for homes in the inner noise sector. Commence work on homes in the mid noise sector. Noise mitigation works to continue in annual or two-yearly tranches for the next 20 years. 	<ul style="list-style-type: none"> Airport noise, as measured, is within the levels set in the District Plan Inner noise sector mitigation works underway, mid noise sector consultation commences. Regular, accurate and relevant communications 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing
Optimise facilities and infrastructure to reduce energy consumption, reduce waste and enhance environmental sustainability	<ul style="list-style-type: none"> Reduce the climate change impacts of Queenstown Airport and realise cost savings from energy and fuel efficiencies. Set targets for annual total potable water consumption, annual total potable water savings and uptake water efficient technologies and opportunities. Set targets for annual waste production, annual waste recycled, and annual waste minimised. Build targeted supply chain partnerships to enhance Queenstown Airport's sustainability performance Set annual environmental performance targets, identify opportunities and implement projects to enhance NZ's biodiversity. Identify an appropriate sustainable business accreditation to measure and benchmark ongoing improvement in environmental sustainability. 	<ul style="list-style-type: none"> Refer Aeronautical Strategy targets Quarterly report to the Board Baseline metrics and measurements established in line with a sustainable business accreditation process. 	<ul style="list-style-type: none"> Refer Aeronautical Strategy timing March 2017 ongoing June 2017 ongoing

ONE TEAM STRATEGY

Working together to deliver the best outcomes for all

Objectives	Key initiatives	Performance targets	Timing
Fund airport strategies cost-effectively	<ul style="list-style-type: none"> Prepare a funding strategy for the Master Plan capital requirements. 	<ul style="list-style-type: none"> Long term funding strategy completed 	<ul style="list-style-type: none"> Jun 2019
Technology improvements to improve visitor experience, business resilience and operational efficiency	<ul style="list-style-type: none"> A technology innovation strategy is developed to improve customer experience and increase adaptability for disruptive technologies. A Business Intelligence road map is developed to support decision making and lead to operational optimisation. Technology resilience is improved to support business continuity and disaster recovery. 	<ul style="list-style-type: none"> Technology Innovation phase 1 is implemented Business Intelligence for airline data and regional visitor trend data is implemented Backup as a Service is implemented Cyber security improvements are implemented 	<ul style="list-style-type: none"> Jun 2019 Dec 2018 Jan 2019 Dec 2018

WANAKA STRATEGY

Connecting Wanaka sustainably

Objectives	Key initiatives	Performance targets	Timing
<p>Develop a Master Plan for Wanaka Airport with input from the community, that provides a spatial framework for the airport's future</p>	<ul style="list-style-type: none"> • Get a deeper understanding of the opportunities, issues and considerations relevant to Wanaka by working with the communities and stakeholders on a long term vision. • Based on the process followed for the Queenstown Airport Master Plan, prepare a Master Plan for Wanaka Airport which explores feasible opportunities to develop Wanaka Airport and contribute to services across the region. This will include technical studies, options, infrastructure and certification required, funding models, and timelines. 	<ul style="list-style-type: none"> • Community engagement on vision for airport completed • Draft Master Plan completed • Community engagement on Master Plan completed 	<ul style="list-style-type: none"> • June 2018 • September 2019 • June 2020
<p>Foster an airport community culture focused on health, safety and risk management, clear accountabilities and effective systems</p>	<ul style="list-style-type: none"> • Review/update systems and procedures to reflect new airport lease. • Review Airfield Conditions of Use. • Develop site safety forum. 	<ul style="list-style-type: none"> • All WKA aeronautical documentation reviewed and registered as controlled document • Review Airside Safety Regulations including vehicle and driver permits • 12-month schedule of meetings agreed 	<ul style="list-style-type: none"> • Dec 2018 • July 2019 • Dec 2018
<p>Work towards becoming an economically viable and sustainable business</p>	<ul style="list-style-type: none"> • Work with airport operators on developing a sustainable commercial pricing model and transition plan. • Market valuations and benchmarking, transition to new model by March 2019. • Evaluate other opportunities to generate sustainable returns which complement the Master Plan process. 	<ul style="list-style-type: none"> • Airport community engaged throughout the process • Leases and Licences reviewed and up to date, including for activities and events 	<ul style="list-style-type: none"> • July 2018 • December 2018 • June 2020
<p>Work with key partners to ensure airport and connecting infrastructure supports the safe and efficient movement of people around the region and provides an outstanding visitor experience</p>	<ul style="list-style-type: none"> • Work with key partners to develop an integrated approach to planning and development in the Wanaka region, including and development, transport and air connectivity. • Achieve Requiring Authority status for Wanaka Airport. • Acquire or rationalise land holdings to support our strategies. 	<ul style="list-style-type: none"> • Engage and contribute to the development of an Integrated Wanaka Transport Business Case (subject to agreement of approach with the Regional Transport Governance Group). • Apply for Requiring Authority Status with support from QLDC. 	<ul style="list-style-type: none"> • Ongoing • June 2019

Key Strategic Projects

	FY2018	FY2019	FY2020	FY2021
Queenstown Airport Master Plan	Stakeholder/ community engagement.	Determine preferred option.	Implementation.	Implementation.
Project Pathway	Develop a programme of work to enable the existing Queenstown Airport terminal to accommodate 2.5mppa.	Implement projects to enable capacity to 2.5mppa.	Complete the programme.	Complete the programme.
Noise Planning	Continuation of PDP hearings incorporating PC35 provisions. Progress changes to noise planning framework.	Continue to progress changes to noise planning framework.	Finalise any changes to noise planning framework.	Finalise any changes to noise planning framework.
Noise Mitigation	Continue works in annual or two-yearly tranches for next 15 years.	Continue works in annual or 2-yearly tranches for next 15 years.	Continue works in annual or 2-yearly tranches for next 15 years.	Continue works in annual or 2-yearly tranches for next 15 years.
Land Acquisition	Environment Court decision.	Public Works Act (PWA) proceedings reinstated.	PWA decision. Continue to assess opportunities as they arise.	Continue to assess opportunities as they arise.
Wanaka Airport	Stakeholder/ community engagement on vision for airport.	Develop draft Master Plan.	Stakeholder/ community engagement on draft Master Plan.	

Financial Forecast FY2018-2021

For the Financial Years Ending 30th June

\$'000

	FCT	FCT	FCT	FCT
\$'000	FY2018	FY2019	FY2020	FY2021
Total Revenue	44,852	50,118	57,198	59,303
Operating Expenditure	14,167	16,114	17,021	17,339
EBITDA	30,685	34,005	40,177	41,964
Interest Expense	2,442	3,757	5,277	5,995
Depreciation & Amortisation	7,824	9,594	13,962	16,415
Profit Before Tax	20,419	20,653	20,938	19,554
Net Profit After Tax	14,405	13,965	14,351	14,025
Dividends Paid ¹	7,169	7,202	6,983	7,175
Total Assets	341,967	455,914	497,486	547,088
Shareholders Funds	257,265	279,034	307,133	334,994
Operating Cash Flow	22,208	26,110	31,525	34,913
Investing Cash Flow	(30,572)	(106,351)	(33,993)	(44,419)
Closing Debt	60,022	147,465	162,664	185,528
Financial Ratios				
Total Pax (000)	2,117	2,325	2,468	2,500
Percentage International Pax	28%	29%	30%	31%
Total Revenue per Pax	\$21.19	\$21.55	\$23.18	\$23.72
NPAT per Pax	\$6.81	\$6.01	\$5.82	\$5.61
Return on Equity (NPAT to Avg SH Funds)	6.3%	5.4%	4.9%	4.4%
Return on Assets (NPAT to Avg Total Assets)	4.8%	3.7%	3.0%	2.7%
EBITDA > 2 times funding expense	12.6	9.1	7.6	7.0
Shareholders Funds to Total Tangible Assets > 50%	76%	61%	61%	61%

Notes

1. Dividends calculated on a paid basis rather than earned.

Net Profit After Tax (NPAT) is expected to stabilise over the three year forecast period, with growth in passenger movements forecast to slow as Queenstown Airport approaches physical capacity in the terminal and aircraft movements permitted under noise consents. Dividend payments are forecast at 50% of prior year normalised NPAT. Capital investment is planned to continue over the next three years funded by operating cashflows and debt. The company is forecast to remain well within banking covenants.

Shareholder Interaction and Corporate Governance

Regulatory Framework

QAC is a Council Controlled Trading Organisation (CCTO) for the purposes of the Local Government Act 2002. Section 59 sets out the principal objectives of a CCTO which are to:

- (a) *achieve the objectives of its Shareholders, both commercial and non-commercial, as specified in the statement of intent; and*
- (b) *be a good employer; and*
- (c) *exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and*
- (d) *conduct its affairs in accordance with sound business practice.*

QAC's business is also subject to regulatory control under the Airport Authorities Act 1966 and complies with the disclosure requirements of a specified airport company pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations.

The Airport Authorities Act 1966 (section 4(3)) states that the Airport "...*must be operated or managed as a commercial undertaking.*"

The company's governance is also covered by the Companies Act 1993.

QAC's aeronautical operations are governed by the Civil Aviation Act 1990 and Civil Aviation Rules Part 139.

Statement of Intent (SOI) Process

As a CCTO, QAC must prepare a SOI in accordance with Section 64(1) of the Local Government Act 2002.

QAC submits a draft SOI for the coming financial year to Queenstown Lakes District Council (QLDC) by 1 March. Following consultation with QLDC, and after considering any comments from QLDC, the final SOI is approved by the airport's Board of Directors and delivered to QLDC by 30 June.

Board of Directors

QAC Board of Directors and management are committed to ensuring the Company meets recommended best practice governance principles and maintains the highest ethical standards.

The Board of Directors is appointed by the Shareholders to govern and direct QAC's activities. The Board is the overall final body responsible for all decision-making within the Company. It is accountable to its Shareholders for the financial and non-financial performance of the Company.

The Board has established an Audit and Financial Risk Committee to oversee the Company's financial reporting processes, system of internal control, and the external audit process, and its processes for identifying and managing financial risk, and for monitoring compliance with applicable law and its own policies. The Board has also established a Safety and Operations Risk Committee to oversee the Company's performance and reporting related to health & safety and operational activities and monitor compliance with applicable law and its own policies.

Role of the Board

The Board is responsible for the proper direction and oversight of QAC's activities. This responsibility includes:

- Approving strategic plans, budgets and the SOI
- Corporate policies, including financial and dividend policies, and delegated authorities
- Monitoring financial performance and achievement of the strategic initiatives and SOI objectives
- Appointment and monitoring of the performance and remuneration of the Chief Executive (CE)
- Integrity of management information systems
- Assessment of business opportunities and business risks
- Internal control and assurance systems
- Compliance with relevant law
- Reporting to Shareholders

Reporting to Shareholders

The Company has adopted 30 June as its balance date.

Within two months of the end of the first half of each financial year, Directors will deliver to Shareholders an Interim Report which will consist of:

- Chair and CE's report
- Directors' Responsibility statement
- Unaudited financial statements
- Notes to the financial statements including accounting policies

Within three months of the end of each financial year, Directors will deliver to Shareholders an Annual Report which will consist of:

- Chair and CE's report
- Directors' Responsibility statement
- Audited financial statements
- Notes to the financial statements including accounting policies
- A Statement of Service Performance summarising QAC's performance of the SOI goals and objectives
- Independent Auditor's Report

The Board works collaboratively with its Shareholders to ensure a "no surprises" relationship.

Quarterly meetings are held between QAC's Chair and CE and QLDC's Mayor and CE. These meetings are an opportunity to provide greater insights and information on business performance and issues of importance. QAC's Chair and CE also present the annual financial results to the QLDC Council and QLDC Audit Committee.

Annual meetings are held between QAC's Chair and CE and Auckland International Airport's Chair and CE where opportunities to work together in delivering Strategic Objectives are discussed (refer Strategic Alliance below).

Dividend Policy

The Directors will declare dividends according to the following policy:

At their discretion, Directors may declare a full year dividend each year in a range of 50% and 100% of normalized Net Profit After Tax (NPAT), after adjusting for unrealised gains and losses arising from revaluation of property or treasury instruments and material extraordinary items.

In determining the full year dividend the Directors will consider:

- solvency;
- banking covenants and company treasury policy;

- working capital and capital expenditure requirements; and
- the interests of shareholders.

An interim dividend may be declared and paid by 28 February each year. Any final dividend will be paid by 31 August each year.

Directors will determine the level of imputation credits having regard to the needs of shareholders.

The Directors will consider any request from the Shareholders for additional dividend payments and will apply prudent governance when considering such requests.

The Directors will not issue shares wholly or partly in lieu of the proposed dividend or proposed future dividends, without the written approval of Shareholders.

Capital Subscription

No new shares in the company can be issued without the consent of Shareholders.

The company is confident it can fund its capital growth plans from internal sources (cash flow and/or debt) during the forecast period 2018-2020. The Board will assess this position annually as part of the SOI process.

Investment in Other Entities

The Company must consult with the Shareholders prior to any investment being made in another entity.

Services Provided to QLDC

QAC provides property maintenance services at Glenorchy Aerodrome on behalf of QLDC. QLDC and QAC have agreed in principle that, subject to agreeing the terms, QAC will provide a broader range of management services at the airport.

QAC leases land to QLDC which forms part of the Frankton Golf Course for \$25,000 p.a.

Wanaka Guiding Principles

QLDC and QAC have developed principles to guide the management and development of Wanaka Airport:

1. QLDC and QAC are committed to the development of Wanaka Airport to support district growth and community needs.
2. QLDC and QAC support the operation, management, planning and development of Wanaka Airport by QAC as a key element of an integrated, complementary, district-wide strategy to foster the growth of aviation services.
3. QLDC and QAC acknowledge that the long-term lease arrangement regarding Wanaka Airport should vest economic control of Wanaka Airport in QAC and its terms should encourage investment in the Airport by QAC.
4. QLDC and QAC agree that the governance model for Wanaka Airport will be effective and similar to the current model in place for Queenstown Airport.
5. QLDC and QAC agree Wanaka Airport should become an economically viable and sustainable business.
6. QLDC and QAC believe that the support of the communities served by Wanaka Airport is important to its development.
7. QLDC and QAC agree to commit to engage with all of the stakeholders involved at the Wanaka Airport and the wider Wanaka community in future planning activities.

8. QLDC and QAC support Activities, (such as, general aviation, scientific research and education), and Events, (such as Warbirds over Wanaka), at Wanaka Airport.
9. These Activities and Events will require sustainable arrangements including an appropriate transition period.

Strategic Alliance with AIAL

Auckland International Airport Limited's (AIAL) investment in QAC includes an undertaking between the two companies to work together to grow QAC's business returns and increase passenger numbers.

The focus of the strategic alliance for the next five years will be for the two companies to leverage the scale and connectivity of a multi-airport relationship to grow visitor activity and deliver superior earnings growth to both companies and economic growth to their respective communities.

Where appropriate, QAC will seek to leverage AIAL's market and operational scale, intellectual property and management capabilities in aeronautical, retail, commercial and property development functions including:

- Collaboration to further develop air services between the two airports, sharing relevant market information and analysis
- Joint ventures on relevant tourism-related marketing and tactical promotions
- Optimising operational efficiency through technology and process innovation
- Support in maximising non-aero revenue through the sharing of data and retail/transport expertise
- Input on industry/airport trends and operating efficiencies, particularly in identifying and managing common strategic risks
- Training and/or mentoring support for personnel
- Support with procurement

AIAL will continue its own route development into markets such as the US, China, South East Asia and South America that cannot support direct flights to Queenstown due to aircraft size. Promotions will feature Queenstown and promote passengers travelling through AIAL to Queenstown on domestic carriers.

Audit

The Office of the Auditor General (OAG) has appointed Deloitte to undertake the financial audit of QAC for the three years ended 30 June 2017 to 2019.

Accounting Policies

QAC will maintain accounting records in accordance with the Companies Act 1993.

QAC will prepare financial statements in accordance with the Financial Reporting Act 2013; the Companies Act 1993, the Local Government Act 2002, the Airport Authorities Act 1966 and the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 (as amended in 2014). These include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

Corporate Directory

Location:	Queenstown Airport Corporation Airport Administration, Queenstown Airport Sir Henry Wigley Drive Frankton Queenstown 9300	
Mailing address:	PO Box 2641 Queenstown 9349 NEW ZEALAND	
Phone:	+64 3 450 9031	
Email:	admin@queenstownairport.co.nz	
Websites:	www.queenstownairport.co.nz www.wanakaairport.com	
Shareholders	Queenstown Lakes District Council (75.01%) Auckland Airport Holdings (No2) Limited (24.99%)	
Directors	Prudence Flacks (Chair) Grant Lilly Michael Stiasny Norman Thompson Mark Thomson Adrienne Young-Cooper	
Senior Management	Chief Executive	Colin Keel colin.keel@queenstownairport.co.nz
	Chief Financial Officer	Mark Edghill marke@queenstownairport.co.nz
	GM Operations and Safety	Mike Clay mikec@queenstownairport.co.nz
	GM Property and Planning	Rachel Tregidga rachel.t@queenstownairport.co.nz
	GM Commercial and Customer Experience	Olivia Pierre oliviap@queenstownairport.co.nz
	Manager – Communications and Community	Jen Andrews jen@queenstownairport.co.nz
Senior persons per Civil Aviation Rules, part 139	Chief Executive GM Operations and Safety	Colin Keel Mike Clay

Abbreviations

AIAL	Auckland International Airport Limited
CAA	Civil Aviation Authority of New Zealand
CE	Chief Executive Officer
CCTO	Council-Controlled Trading Organisation
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
F&B	Food and Beverage
FY	Financial Year – 1 July to 30 June
GA	General Aviation
NPAT	Net Profit After Tax
OCB	Outer Control Boundary
PC35	Queenstown Lakes District Council Plan Change 35 relating to Airport Noise boundaries
PDP	Proposed District Plan
QAC	Queenstown Airport Corporation, the company that operates Queenstown Airport and Wanaka Airport
QLDC	Queenstown Lakes District Council
RMA	Resource Management Act
SOI	Statement of Intent
WKA	Wanaka Airport
ZQN	Queenstown Airport

**QLDC Council
28 June 2018****Report for Agenda Item: 4****Department: Community Services****Proposal to Vest Land as Local Purpose (Stormwater Detention) Reserve associated with the Luggate Park Residential Development****Purpose**

To consider approving a Local Purpose (Stormwater Detention) Reserve in the Luggate Park Development.

Recommendation

That Council:

1 Approve the vesting of the proposed reserve:Willowridge Developments Ltd – RM171385

a. Lot 400: Local Purpose (Stormwater) Reserve, Luggate Park.

subject to the following works being undertaken at the applicant's expense:

- i. Presentation of the reserve in accordance with Council's standards for reserves;
- ii. The detention pond is fenced in accordance with any necessary legislative requirements to ensure that any water does not pose a hazard to persons.
- iii. The submission to Council by the developer, certification as appropriate by Council, and subsequent implementation of a landscape and planting plan for the reserve.
- iv. The registration of a fencing covenant under s6 of the Fencing Act 1978 on the reserve to vest in QLDC to protect the Council from liability to contribute towards any work on a fence between a public reserve vested in or administered by the Council and any adjoining land;
- v. A three year maintenance period by the current landowner commencing from vesting of the reserve
- vi. A maintenance agreement being prepared specifying how the reserves will be maintained during the maintenance period; and
- vii. Vesting of reserve to be undertaken in accordance with the QLDC Vesting of Roads and Reserves Policy.

Prepared by:

Reviewed and Authorised by:



Aaron Burt
Senior Planner: Parks &
Reserves

14/06/2018



Thunes Cloete
General Manager Community
Services
14/06/2018

Background

- 1 Willowridge Developments Ltd (WDL) seek to vest a Local Purpose (Stormwater Detention) Reserve, to be located within Stage 2A of the Luggate Park residential development. The reserve has an area of 986m².
- 2 Resource Consent RM171385 was granted on 4 May 2018, for WDL to undertake a subdivision to create 40 residential allotments, two lots to vest as road, one lot to vest as a reserve for stormwater purposes, and one balance lot. This report relates to the stormwater (local) purpose reserve, which is illustrated in **ATTACHMENT A**.
- 3 Whilst the subdivision is being progressed under RM171385, the subdivision proposed was initially approved under an earlier consent RM060392. The RM060392 consent expired late last year, and WDL were therefore required to seek RM171385 as an urgent 'replacement' consent.
- 4 Whilst the typical process to vest reserves first requires that the Wanaka Community Board (WCB) considers such proposals and communicates their support (as appropriate) to Council, this current request/process is outside of that norm. This is because WDL are in an advanced process of ultimately seeking Title (224(c) approval), and it has been discovered that the reserve has not been endorsed by the WCB, or approved by Council. Being mindful that a number of (potential) lot owners are awaiting Title so that they can commence construction, Council Officers have sought to take this request direct to Council at this earliest opportunity. Council Officers have nonetheless kept the Chair of the WCB informed, and have sought permission to now take this report directly to this Council for a decision.

Comment

- 5 Council's engineers have accepted the design and function of the stormwater detention pond to be located within the proposed reserve. It is unclear at this time if the pond area needs to be fenced, hence it is a recommendation of this report that if such fencing is required by legislation, then the developer shall ensure that such a fence is established prior to formal vesting.

Options

- 6 Option 1 Accept the proposal for the vesting of the reserve.

Advantages:

- 7 The land is proposed to be vested to Council at no cost at the time of vesting, and it will be the developer's responsibility to meet the standards prescribed in the recommended conditions as a pre-requisite to vesting.
- 8 The vesting will be consistent with the requirements of Resource Consent RM171385.

Disadvantages:

- 9 Council will have to maintain or manage the reserve at a cost to the ratepayer after three years.
- 10 Option 2 Reject or modify the proposal for the vesting of the reserve.

Advantages:

- 11 Council will not have to maintain/manage the reserve at a cost to the ratepayer after three years.

Disadvantages:

- 12 Council has granted a resource consent to include the reserve, and the progress of the subdivision development is bound to Council vesting the reserve.
- 13 This report recommends **Option 1** for addressing the matter.

Significance and Engagement

- 14 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because there will be little impact on Council's function if the recommended option is taken.

Risk

- 15 This matter relates to the operational risks OR002 and OR010b. OR002 relates to an increase in expenditure and OR010b relates to damage or loss to third party asset or property as documented in the Council's risk register. The risks are classed as moderate.
- 16 This matter relates to this risk because accepting the land will increase Council's expenditure on maintenance after the initial land owner maintenance period. The recommended option ensures conditions are required to be met in terms of reserve specifications prior to handover to Council which should ensure expenditure on maintenance is at anticipated levels. The vesting is also in accordance with the Parks and Open Space Strategy 2017, further reducing risk of judicial review of any decision to accept the land.

Financial Implications

17 The applicants will be required to maintain the reserves for the first three years. Following this point provision will need to be made available within Council's maintenance budgets dependent on the facilities in the reserves and the level of service they will be maintained to.

Council Policies, Strategies and Bylaws

18 The following Council policies were considered:

- Significance and Engagement Policy
- Parks and Open Space Strategy 2017
- Development Contributions Policy
- Vesting of Roads and Reserves Policy

Local Government Act 2002 Purpose Provisions

19 In relation to section 10(1)(b) of the Local Government Act 2002 the proposed activity involves meeting the current and future needs of the community for good quality local public services in a way that is most cost effective for households and businesses.

Consultation: Community Views and Preferences

20 The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes District community.

21 No specific media statement or public communication is considered necessary.

Attachments

Statement of Intent, Queenstown Airport Corporation 2018/19

ATTACHMENT A

QUEENSTOWN LAKES DISTRICT COUNCIL

**APPROVED PLAN:
RM171385**

Monday, 30 April 2018



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Notes

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APPLICANT

Willowridge Developments Limited.

COMPRISED IN

CFR 788778 (LT 507844)

TERRITORIAL AUTHORITY

Queenstown Lakes District Council

LAND DISTRICT

Otago

TOTAL AREA

29.9817 ha

DATE

14/06/17

Drawing Title

LOTS 90 - 104, 107 - 131,
400, 500 - 501 & 601.
BEING A PROPOSED
SUBDIVISION OF LOT 600
LT 507844.

Prepared for

WILLOWRIDGE DEVELOPMENTS LTD

Plan Revisions

REV.	DESCRIPTION	DATE
A	ORIGINAL ISSUE	15/02/17
B	FORMER LEGAL ROAD BOUNDARY ADDED	12/04/17
C	CULDESAC & ROW ADDED FOR FUTURE STAGES	02/05/17
D	BOUNDARIES ADJUSTED FOR LOTS 105,106 & 109	08/05/17
E	BUILDING PLATFORMS ADDED	30/05/17
F	BP'S AND EASEMENT SCHEDULE AMENDED	01/06/17
G	ROAD/FOOTPATH EDGE ADDED TO SHEETS 3 & 4	14/06/17
H	RESERVE LABELLING	07/02/18

SCALE

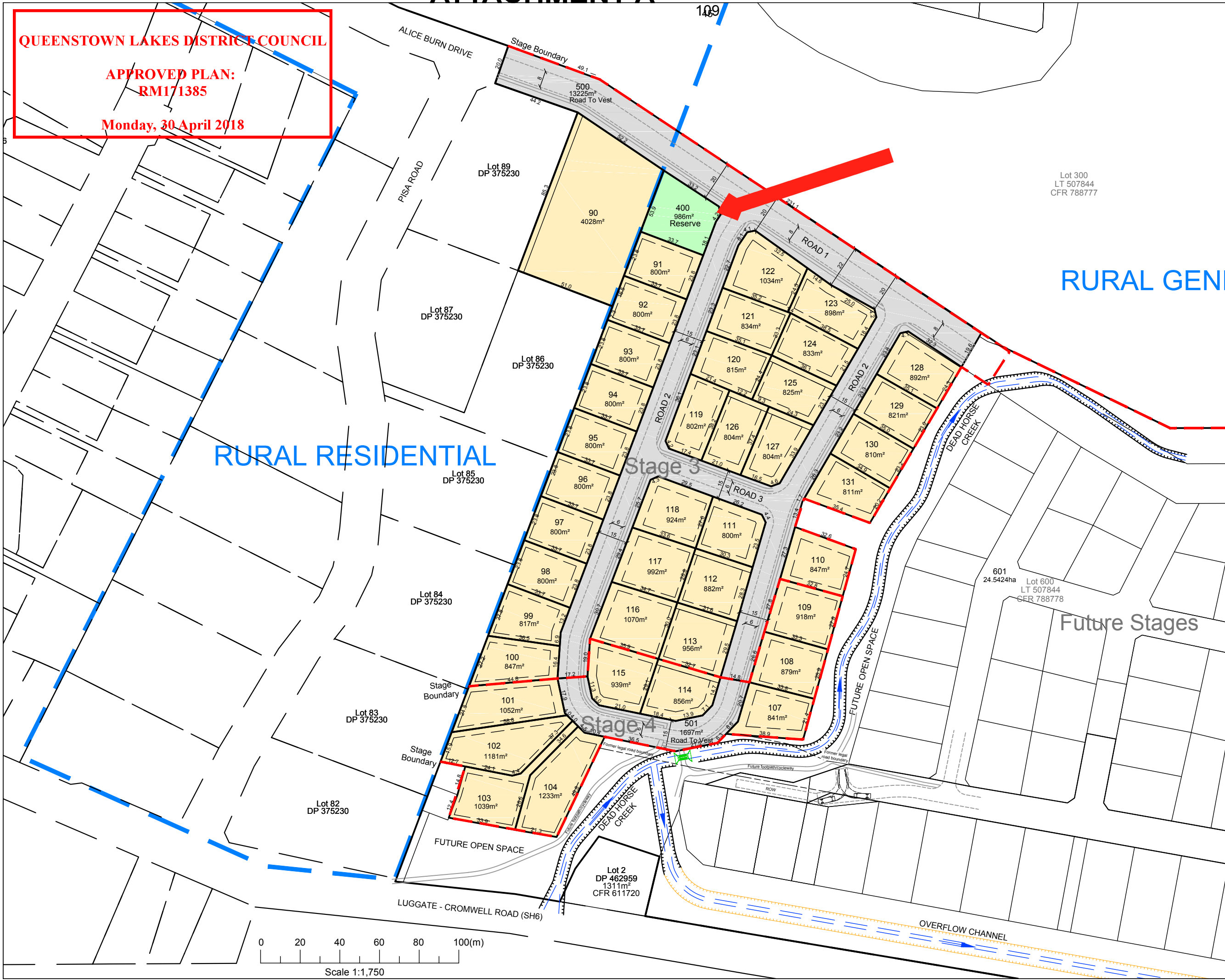
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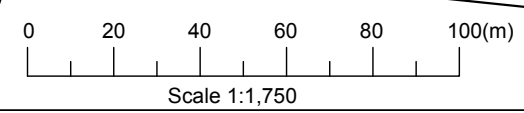
REVISION	DRAWING REFERENCE	SHEET	
H	S4174_S1	02 of 06	
SURVEYED	DATE	CHECKED	DATE
X.X.	X.X.	A.H.	14/06/17
DRAWN	DATE	APPROVED	DATE
A.F.	14/06/17	V.W.	14/06/17



RURAL GENERAL

RURAL RESIDENTIAL

Future Stages



QUEENSTOWN LAKES DISTRICT COUNCIL



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APPLICANT
Willowridge Developments Limited.

COMPRISED IN
CFR 788778 (LT 507844)

TERRITORIAL AUTHORITY
Queenstown Lakes District Council

LAND DISTRICT
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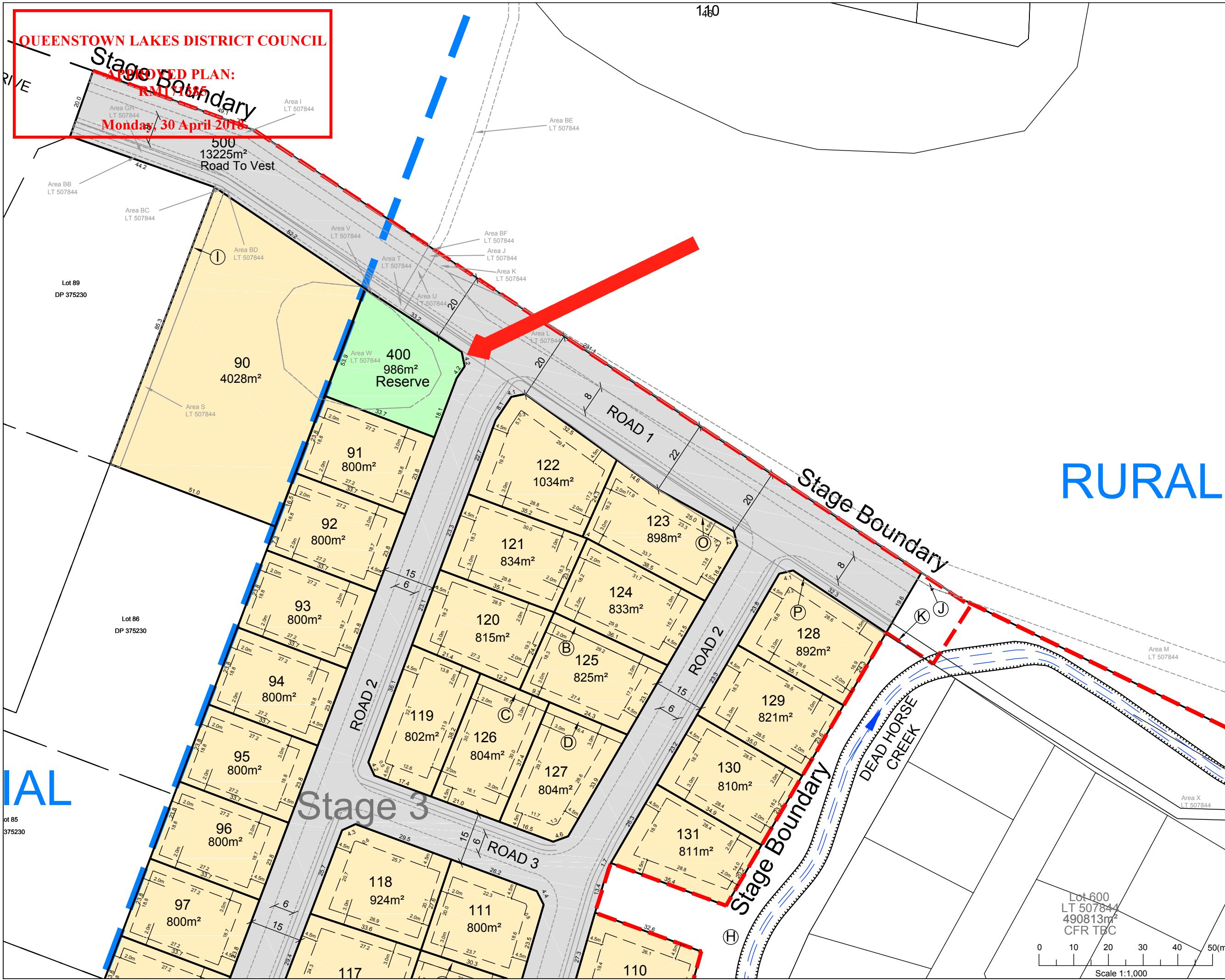
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SCALE
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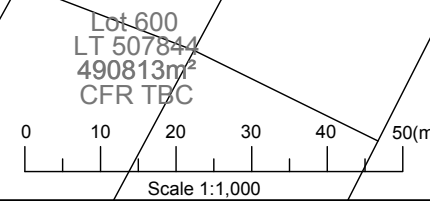
DATUM & LEVEL
Lindis Peak 2000

REVISION	DRAWING REFERENCE	SHEET	
H	S4174_S1	03 of 06	
SURVEYED	DATE	CHECKED	DATE
X.X.	X.X.	A.H.	14/06/17
DRAWN	DATE	APPROVED	DATE
A.F.	14/06/17	V.W.	14/06/17



RURAL

IAL



Lot 600
LT 507844
490813m²
CFR TBC

**QLDC Council
28 June 2018**

Report for Agenda Item: 5

Department: Property & Infrastructure

Adoption of the QLDC Waste Minimisation and Management Plan 2018

Purpose

The purpose of this report is to adopt the QLDC Waste Minimisation and Management Plan 2018.

Recommendation

That Council:

- 1 **Note** the contents of this report;
- 2 **Agree** to the recommended changes to the Draft Waste Minimisation and Management Plan 2018 as a result of the public consultation; and
- 3 **Adopt** the final QLDC Waste Minimisation and Management Plan 2018.

Prepared by:



Sophie Mander
Senior Waste Minimisation
Planner
12 June 2018

Reviewed and Authorised by:



Peter Hansby
General Manager, Property
and Infrastructure
19/06/2018

Background

- 1 Queenstown Lakes District Council has a statutory responsibility to promote effective and efficient waste minimisation and management within the Queenstown Lakes District. In order to do this, the Council is required to adopt a Waste Minimisation and Management Plan (WMMP/the 'Plan') in accordance with the Waste Minimisation Act 2008 (the Act) Sections 43 and 44.
- 2 In preparing, amending or revoking a WMMP, Council must consider the following methods of waste minimisation and management (in descending order of importance):

- a. Reduction, reuse, recycling, recovery, treatment, disposal and ensure that the collection, transport, and disposal of waste does not, or is not likely to, cause a nuisance; and
 - b. Have regard to the New Zealand Waste Strategy, or any government policy on waste management and minimisation that replaces the strategy; and
 - c. Have regard to the most recent assessment undertaken by the territorial authority under section 51; and
 - d. Use the special consultative procedure set out in section 83 of the Local Government Act 2002 and, in doing so, the most recent assessment undertaken by the territorial authority under section 51 must be notified with the statement of proposal.
- 3 Council commenced the review of its existing WMMP in February 2017. Public consultation and subsequent hearings of the new draft WMMP were completed in May 2018. Feedback from the public consultation is included in the report 'Public Submissions to the draft WMMP' considered at the hearing held on 17 May 2018.
 - 4 The submission feedback received through the consultation process was largely supportive of the actions in the draft Plan and indicated a high level of support for Council's preferred programme to focus on glass and organics.
 - 5 As a result of this feedback, the hearings and the deliberations process, Council proposed to continue with its preferred programme of focussing on glass and organics.
 - 6 A number of actions not included in the draft but strongly supported in the submissions were discussed by Council during the submissions process and subsequent deliberations. As a result, changes have been made to the draft plan and are included in the attached final WMMP, **Attachment A - QLDC Waste Minimisation and Management Plan 2018**.

Amendments

- 7 A summary of the changes to the draft WMMP as a result of consultation and deliberations is detailed below:
 - a) A revised foreword from the Mayor to reflect the outcomes of the public consultation.
 - b) A revised introduction to set the context of the Plan within an environment focussed on waste minimisation. This acknowledges shifts in the political and environmental situation since initial development of the Plan.
 - c) Corrections to grammatical errors and improvements to clarify actions.
 - d) A shift in focus of language from waste management to waste minimisation to reflect the priority focus of the Plan.

- e) Inclusion of new actions as a result of the consultation and deliberations process.
 - f) Inclusion of existing actions not previously identified in the draft Plan.
 - g) Inclusion of capital items associated with waste minimisation and management services and facilities identified in the Ten Year Plan but not in the draft WMMP.
 - h) Modified listing of the actions to more clearly identify their relationship to the waste hierarchy.
- 8 The paragraphs below detail the specific actions that have also been included in the final WMMP 2018 Action Plan.

9 **Waste Reduction**

- a) Support development, implementation and promotion of local, regional and national initiatives that drive waste minimisation. (New)
- b) Provide targeted communication and engagement campaigns that raise awareness and provide information on waste minimisation for visitors, residents and businesses. (New)
- c) Establish a community contestable fund for initiatives that minimise waste and maximise resource recovery. (New)
- d) Use lobbying power to support the priorities in the Local Government New Zealand's 'Waste Manifesto'. (New)
- e) Develop baseline and reporting measures on waste minimisation and diversion of QLDC operational activities. (New)

10 **Resource Recovery**

- a) Review and provide upgrades to the layout and operation of resource recovery and waste disposal facilities to optimise resource recovery and improve capacity. (Capex – previously identified in Ten Year Plan only).
- b) Use procurement processes to align and invest in services and facilities that drive reduction, resource recovery and support national product take back schemes. (Existing but not identified in draft WMMP)
- c) Provide recycling collection services for eligible schools. (Existing but not identified in draft WMMP)
- d) Promote recycling opportunities and schemes e.g. Love NZ soft plastic scheme. (New)

11 Waste Disposal

- a) Review and provide upgrades to the layout and operation of the waste disposal facilities to optimise resource recovery and improve capacity. (Capex – previously identified in Ten Year Plan only).
- b) Provide promotional support for community led litter clean up events. (Existing but not identified in draft WMMP)
- c) Respond to illegal dumping complaints. (Existing but not identified in draft WMMP)
- d) Comply with obligations under the Emissions Trading Scheme including reporting methane emissions from the Victoria Flats landfill. (Existing but not identified in draft WMMP)
- e) Design and construct landfill gas capture at Victoria Flats landfill. (Capex – previously identified in Ten Year Plan only).

Communication and Adoption of the Final Plan

- 12 Once the final Plan's content has been adopted by Council, the Communications Team will provide design work for the final public document. This will include a summary document designed for community engagement.

Options

- 13 **Option 1** Adopt the QLDC Waste Minimisation and Management Plan 2018 as attached including changes made as a result of the public consultation and submission hearings process.

Advantages: This option will meet the statutory requirements of the Waste Minimisation Act, build on the WMMP 2011 goals, prioritise a number of actions and respond positively to the submissions hearings process.

Disadvantages: It is likely that additional funding and/or resources will be required to meet the costs of implementing the new actions.

- 14 **Option 2** Adopt the QLDC Waste Minimisation and Management Plan 2018 as put out for consultation.

Advantages: There are unlikely to be changes to current funding levels in the draft Ten Year Plan.

Disadvantages: This option is supportable, but is not recommended as the final Plan is likely to benefit from amendments based on the public consultation process and review by Council.

- 15 **Option 3** Do nothing. Continue operating under the QLDC Waste Minimisation and Management Plan 2011.

This option is not supported. The Waste Minimisation Act 2008 requires review, adoption and implementation of a Council's WMMP every six years and that it be

reviewed with regard to the most recent Waste Assessment. Council's WMMP 2012 is based on information in the QLDC Waste Assessment 2011.

- 16 This report recommends **Option 1** for addressing the matter because it will meet all statutory requirements of the Waste Minimisation Act 20018, is based on more current information in QLDC's Waste Assessment and is an improved plan as a result of the submissions hearings.

Significance and Engagement

- 17 This matter is of medium significance, as determined by the Council's Significance and Engagement Policy principally because of its importance to the district, the community interest, impact on the environment, culture and people.
- 18 The draft Plan's review, consultation and hearings process has contributed to robust Council decision making.
- 19 The funding proposed in the draft Ten Year Plan will allow for the majority of the work to be implemented.
- 20 A special consultative procedure was undertaken to meet the requirements of the Local Government Act 2002 and Waste Minimisation Act 2008.

Risk

- 21 This matter relates to the strategic risk 'SR1, Current and future development needs of the community, including environmental protection', as documented in the Council's risk register. The risk is classed as high. The adoption of the Council's WMMP 2018 relates to this risk due to its requirement to meet statutory responsibilities to promote effective and efficient waste minimisation and management within the district.
- 22 The risks associated with the Plan are minimised through the stakeholder engagement in the Plan's development, the Plan's review process, the consultation with Public Health South, the public consultation and subsequent submissions hearing and Council deliberations process.
- 23 The funding in the draft Ten Year Plan will allow for the majority of the work in the WMMP 2018 to be implemented. Any additional funding will be subject to adjustments to annual budgets or annual planning processes.
- 24 This process will meet Council's statutory responsibilities to promote effective and efficient waste minimisation and management within the district.

Financial Implications

- 25 Funding in the draft Ten Year Plan has been proposed to implement the majority of the actions in the final WMMP.
- 26 Additional funding required as a result of new actions included in the Plan will be subject to the Council supporting adjustments of annual budgets and/or annual planning processes.

27 The following Council plans and strategies were considered:

- QLDC Waste Minimisation and Management Plan 2011
- QLDC Waste Assessment 2018
- QLDC Draft Ten Year Plan 2018/28

28 The recommended option is consistent with the principles set out in the above documents.

29 This matter is included in the draft Ten Year Plan.

Local Government Act 2002 Purpose Provisions

30 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Can be implemented through current funding under the Ten Year Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

Consultation: Community Views and Preferences

31 The persons who are affected by or interested in this matter are the district's residents, businesses and visitors. The level of consultation is correctly aligned to the guidance provided by the Significance and Engagement Policy.

32 To meet statutory obligations, Council has used the Special Consultative Procedure when adopting and amending this WMMP. The following dates are the key milestones in leading to the adoption of the WMMP 2018:

23 March – 30 April 2018	Public consultation of draft WMMP and supporting information
16 May 2018	Submissions to the draft WMMP heard by full Council in Wanaka
17 May 2018	Submissions to the draft WMMP heard by full Council in Queenstown
18 May 2018	Deliberations on the submissions by full Council
28 June 2018	Council adoption of the final WMMP 2018 including revisions made arising from the consultation process

Legal Considerations and Statutory Responsibilities

- 33 Queenstown Lakes District Council has a statutory responsibility to promote effective and efficient waste minimisation and management within the Queenstown Lakes District (Section 42, Waste Minimisation Act 2008). In order to do this, the Council is required to adopt a WWMP under Section 44 of the Act.
- 34 In preparing, amending, or revoking a WMMP, Council must; consider the following methods of waste minimisation and management (listed in descending order of importance): reduction, reuse, recycling, recovery, treatment, disposal and ensure that the collection, transport, and disposal of waste does not, or is not likely to, cause a nuisance; and have regard to the New Zealand Waste Strategy, or any government policy on waste management and minimisation that replaces the strategy; and have regard to the most recent assessment undertaken by the territorial authority under section 51; and use the special consultative procedure set out in section 83 of the Local Government Act 2002 and, in doing so, the most recent assessment undertaken by the territorial authority under section 51 must be notified with the statement of proposal.

Attachments

- A QLDC Waste Minimisation and Management Plan 2018



Waste Minimisation and Management Plan 2018

June 2018

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Part A

Foreword

The Queenstown Lakes District is world renowned for its clean mountain air, stunning landscapes and crystal clear water. These elements form a large part of why this is such a popular place to live and why our international and domestic visitor numbers continue to grow.

With consumption of goods and services at an all-time high in the district, sustainable and effective minimisation and management of the waste this creates is essential. Our community has demonstrated during the consultation on this plan, that waste minimisation is something a great deal of us are passionate about.

The consultation feedback was fantastic and we were given some excellent direction for the future. Firstly, you agreed we should get on and divert glass and organic material from the landfill for the whole district. Work on this is underway and we hope to roll out a new and consistent kerbside bin service for glass in 2019. The next step will be to focus on identifying solutions for beneficial reuse of organic material.

I am also happy to report that as a result of the consultation feedback, Councillors have agreed to support more community initiatives that reduce waste at source. This means connecting more with the community and local business to facilitate change. To get started we will be promoting initiatives, services and actions that can help our residents and businesses reduce waste. QLDC will also look to provide additional funding for school programmes and establish a contestable fund for community waste minimisation initiatives.

Finally, some concern was noted in the feedback that Council were not focussing on construction and demolition waste in this period of construction boom. While our priority remains focussed on diverting glass and organics from landfill, we remain committed to enabling private or community sector development of construction and demolition waste recovery opportunities.

I would like to personally thank all those who took the time to contribute to the consultation process. As you can see, this valuable information, combined with other important actions in the Waste Minimisation and Management Plan 2018 will help guide a sustainable direction for our waste in the years to come.

We look forward to sharing the journey with you.

Kind Regards

Jim Boulton

Mayor Queenstown Lakes District Council

1 Introduction

Queenstown Lakes District Council (Council) has a statutory responsibility to promote effective and efficient waste minimisation and management within the Queenstown Lakes District under the Waste Minimisation Act 2008 (WMA). In order to do this, the Council is required to adopt a Waste Minimisation and Management Plan (WMMP, the Plan).

This WMMP is a guiding document which identifies Council's vision, goals, objectives, targets and methods for achieving effective and efficient waste minimisation and management. It also provides information on how Council intends to fund the activities.

In addition to the legislative framework in which this WMMP has been developed, it has also been developed in the context of the New Zealand Waste Strategy 2010 and its two goals:

- Goal 1: Reducing the harmful effects of waste
- Goal 2: Improving the efficiency of resource use.

Many of us have developed wasteful attitudes towards products and materials. According to the World Bank in terms of urban waste, New Zealand rates as the tenth most wasteful country in the world. The average New Zealander, for instance, throws away 734kg of rubbish a year. We need to change our throw-away culture and do more to reduce, reuse and recover these materials. The traditional Council-provided services to collect rubbish and recycling from the kerbside is no longer adequate in today's changing environment. For example, China's recent ban on importing some of NZ's recyclable material is having an impact locally. We cannot remain complacent and expect that sending our recycling overseas is the right solution to managing our waste.

To achieve truly sustainable solutions we need to significantly reduce our levels of consumption and shift away from the linear thinking of 'take - make - waste'. Transitioning to a circular economy where resources are kept in effective and efficient use for as long as possible and do not harm the environment should be a goal for all of us. This Plan makes a start in the Council's journey towards this goal.

For example, single-use plastics are one of the world's biggest concerns. Reducing our use of disposables and single-use plastics could significantly reduce our landfill waste and our recycling volumes. To achieve this, Council is proposing to increase the level of support for community-led waste minimisation initiatives. This will include a community contestable fund and more promotion of events, workshops and programmes that minimise waste.

We also need to improve our current recycling infrastructure and develop new circular strategies for waste. The actions include Council's preferred option to divert waste from landfill through a focus on glass and organics. This will mean new kerbside services and an upgrade to the recycling and waste disposal facilities. The upgrades at the Wanaka and Wakatipu sites will focus on maximising recycling and resource recovery.

In developing this Plan, Council considered the waste minimisation hierarchy of reduce, reuse, recycle, recover, treatment and disposal. During the consultation of the Plan, Council was asked to better identify where the resulting actions sat in relation to the waste hierarchy. To identify this, the final adopted actions have been listed in under the following activities;

- Waste Reduction – Reducing waste at source e.g. school enviro programmes, 'Love Food Hate Waste' campaigns, plastic bag free campaigns, waste free parenting workshops etc
- Resource Recovery – Diverting waste from landfill e.g. recycling, greenwaste mulching, food waste collections etc

- Waste Disposal – Collecting, transporting and disposing of waste e.g. rubbish collection, public place litter bin servicing, closed landfill monitoring etc

As a result of the Plan's consultation process, Council also agreed to adopt more meaningful language in the context of zero waste. This will include making changes to its guiding documents and systems to be consistent with the vision of the WMMP, 'towards zero waste and a sustainable district'. The changes are intended to help shift our thinking and our actions to adapt to our changing environment, minimise waste and maximise resource recovery. The changes will take some time to implement across Council systems and processes but will help remind us of waste minimisation priorities.

This Plan should also be read in association with the QLDC Waste Assessment which is attached as Appendix A.

2 Vision, goals, objectives and targets

Working together, Council and the community can achieve more effective and efficient waste minimisation and management in the district. Council is proposing the following vision, goals, objectives and targets. Taken together these form the strategy for Council's WMMP.

2.1 Vision for the future

Our vision for the future is:

'Towards zero waste and a sustainable district'

2.2 Goals, objectives and targets

The goals that we will use are those from the New Zealand Waste Strategy:

- Improving the efficiency of resource use
- Reducing harmful effects of waste.

2.2.1 Our objectives

Our objectives to meet our goals are:

Table 1 Objectives

Goals	Objectives:
Goal 1: Improving the Efficiency of Resource Use	Provide and support opportunities to minimise waste through reduction, reuse, recycling and recovery (in priority order)
	Educate and support generators (residents, visitors, and businesses) with options and responsibilities
Goal 2: Reducing Harmful Effects of Waste	Avoid or mitigate any adverse effects on public health or the environment
	Provide effective and efficient waste minimisation and management services supported by the right funding mechanisms

2.2.2 Our targets

Council measures performance through its Ten Year Plan and Annual Plan. The proposed measures for the Ten Year Plan 2018/2028 are:

Measure	Comment
Total waste to landfill (Tonnes per year)	Existing measure adjusted for total volume
Total waste diverted (Tonnes per year)	Existing measure adjusted for total volume
Consent Compliance (%)	Existing measure
Customer Satisfaction (%)	Existing measure

The adopted programme will determine the targets.

3 The waste situation

3.1 Overview of existing waste minimisation and management infrastructure and services

A summary of the current services provided within the district is outlined below. For a detailed description refer to Appendix A – QLDC Waste Assessment.

3.1.1 Services provided by Council

Council waste minimisation and management services and facilities include:

- Kerbside refuse collection using Council approved bags and wheelie bins
- Rural refuse collection points
- Kerbside recycling collection
- Rural recycling drop-off facilities
- Transfer station - Frankton (Queenstown). Acceptance of waste, green waste, used tyres, domestic quantities of hazardous wastes, whiteware and scrap metal
- Transfer Station – Wanaka. Acceptance of waste, green waste, used tyres, domestic quantities of hazardous wastes, whiteware and scrap metal
- Wakatipu Recycling Centre - Material Recovery Facility owned and operated by private contractor on a site owned by Council. Acceptance, sorting and storage of recyclable materials. Consolidation of separated recyclables and transport to processing facilities within NZ and overseas. Operation of a resale shop.
- Victoria Flats landfill – owned by Queenstown Lakes District Council, operated by SCOPE Resources Ltd. Accepts waste from the Queenstown Lakes and Central Otago Districts.
- Rural greenwaste drop off points in Glenorchy, Kingston, Luggate, Hawea and Makarora
- Biosolids processing and disposal
- Provision and servicing of public place recycling and litter bins
- Waste minimisation initiatives and programmes
- Inorganic (bulky items) collections in Glenorchy, Makarora and Kingston
- Subsidised 'Bokashi' bins for home composting initiative
- Monitoring and maintenance of nine closed landfills.

3.1.2 Non-Council provided services and facilities

Private companies and the community sector provide user charge services to meet additional requirements of the community. The following services are known to be provided:

- Wanaka Wastebusters a community-owned resource recovery centre in Wanaka, provides recycling, reuse and zero waste education services
- Collection of recyclables, greenwaste, soft plastics and glass bottles by private companies and by community sector

- Private collection services for refuse and recycling for residential and commercial customers, including skip bin services for construction and demolition waste and waste minimisation and management services at public events
- Disposal of cleanfill materials at cleanfill/hardfill sites.

3.2 Public health protection

The range of public and private waste services in the Queenstown Lakes District and Otago Region ensures public health will be adequately protected in the future. Council owns a landfill that is currently meeting its waste disposal needs. The community currently has adequate access to Council or privately-owned drop-off and collection services for rubbish, recycling, greenwaste, hazardous waste and litter, but further waste minimisation is achievable as outlined in this plan.

In its feedback on the QLDC Waste Assessment, the Southern District Health Board requested further information on; the life of the landfill, the desirability of increasing the amount of diverted construction and demolition waste, the inclusion of timeframes/targets for proposed actions and the importance of ongoing evaluation. Further explanation as to why business case option six was chosen as Council's preferred option was also suggested. This feedback has been considered in the final development of this Plan.

3.3 Summary of the volume and composition of waste and diverted materials

Extrapolating from the 2016 Solid Waste Analysis Protocol audit (SWAP) the Council is currently sending approximately 33,748 tonnes (t) of waste to the Victoria Flats landfill per year. Around 22,412t is from transfer stations, 2,132t is from Council kerbside collections, 2,652t is glass from the Wakatipu Recycling Centre and 5,044 t is from general waste. More detailed information about the district's waste and its composition is provided in Appendix A - QLDC Waste Assessment.

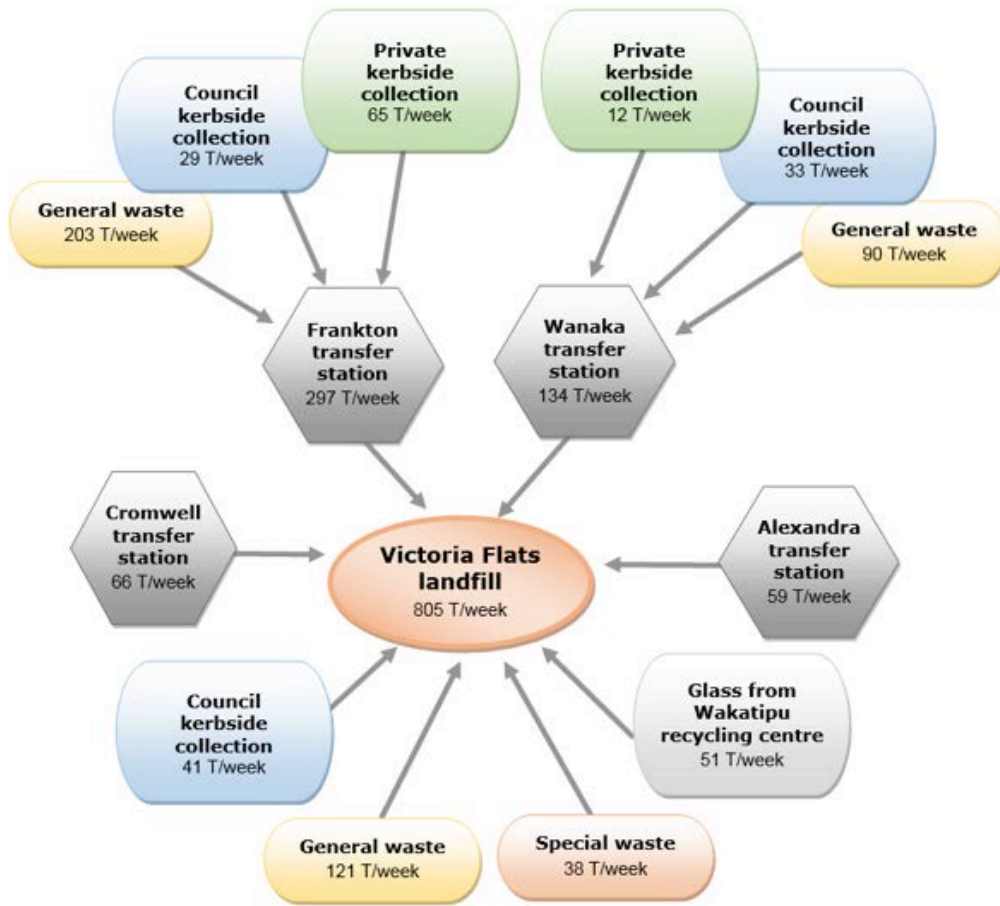


Figure 1 Victoria Flats landfill waste flows – July and August 2016 (2016 SWAP)

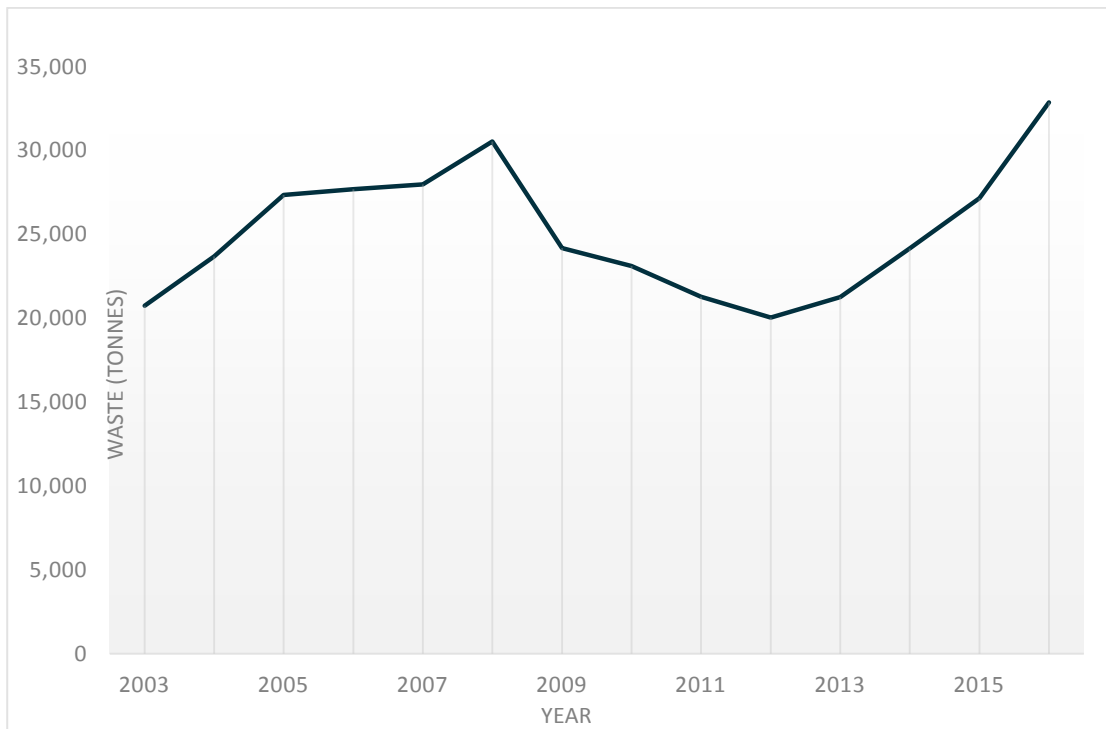


Figure 2 Waste quantities (tonnes) sent to Victoria Flats landfill from Queenstown Lakes District 2003-2016

Figure 2 shows the amount of waste generated by the Queenstown Lakes District that is disposed at the Victoria Flats landfill. From 2003 to 2008 there was an increase in the amount of waste going to the landfill, however, this

dropped back in 2012 as a result of a slowdown in economic activity following the Global Financial Crisis. Since 2012 there has been a steady increase in waste going to the landfill, and in 2016 it is at its highest currently recorded. This increase aligns with significant growth in the district (currently around 10% per year), recent landfilling of glass and the 100,000+ visitors to the district in 2015/16.

The landfill has capacity to dispose of waste to around 2045. This is not an immediate driver for this Plan. The focus is to improve the efficiency of resource use and reduce the harmful effects of waste to move towards zero waste and a sustainable district.

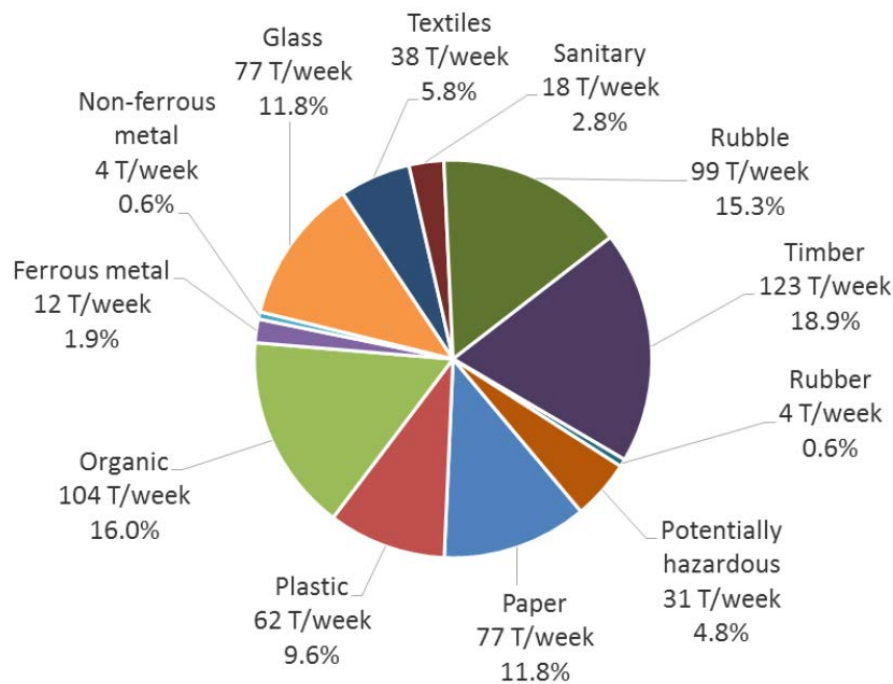


Figure 3 Primary composition of Victoria Flats landfill waste from Queenstown Lakes District (from 2016 Survey report)

Figure 3 gives the waste composition breakdown of the types of waste entering the Victoria Flats landfill from the Queenstown Lakes District. Timber was the largest component with 18.9% of the total by weight. Organic material was the next highest component at 16%, and rubble close behind at 15.3% of total weight.

3.3.1 Diverted material

Diverted materials are those predominantly from; kerbside recycling collection services, drop-off facilities for recycling and green waste and, re-use/re-sale shops. The QLDC Annual Report 2015/2016 indicates that diversion from landfill increased from 226kg to 260kg per head of population from 2014/15 to 2015/16.

Figure 4 shows the percentage of waste diverted. The figures prior to 2011/12 are taken from the 2012 QLDC Asset Management Plan (AMP). The underlying waste tonnage figures in the 2012 AMP were taken from different sources, however the historical figures still provide some comparison with the last five years.

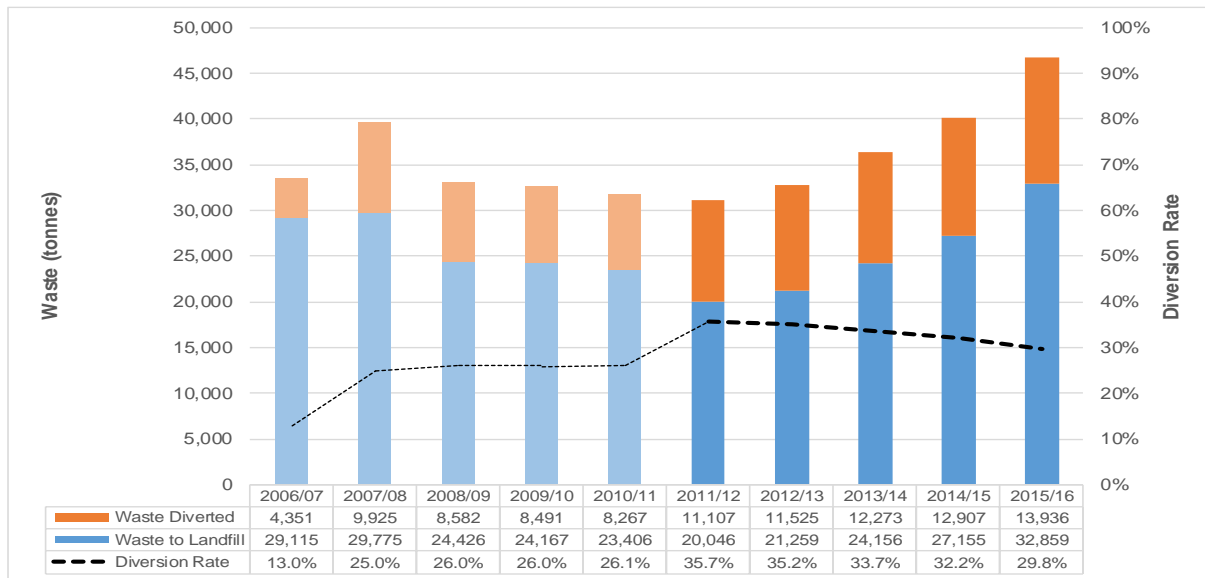


Figure 4 Queenstown Lakes District waste generated and waste diversion rate

Figure 4 shows that the amount of waste diverted has increased in recent years, however the total amount of waste generated has increased at a greater rate. This has resulted in a decrease in the diversion rate over the last five years. The SWAP has identified there is potentially 53% of divertable material across the waste streams which presents a significant opportunity for Council to reduce divertable material going to landfill.

3.3.2 Sewage treatment residuals

The sludge from Council's waste water treatment plants is currently taken to AB Lime's landfill in Southland. Council is exploring other options to dispose of sludge and is currently trialling a vermicomposting solution as an alternative means of dealing with sludge. The end product could be used as soil conditioner for land used to produce hay or silage. Vermicomposting also uses greenwaste, food waste and cardboard as feed material.

Recent development in plans for a solar drying facility near Luggate to process Wanaka's sludge have identified it will no longer be going ahead. As a result, Council will be reviewing its biosolids management strategy.

3.3.3 Forecast of future demand

The Queenstown Lakes District is one of the fastest growing parts of the country. Total waste in the district is expected to increase due to high population, visitor and economic growth. Queenstown Lakes District also has a significant rural area. As the population increases so does the demand for waste and diversion services. Capacity improvements for the waste and diversion facilities will be required to accommodate the expected increases in material. Or, alternative facilities will need to be identified.

Population growth increases the demand for waste minimisation and management services. Visitor and economic growth will increase demand for commercial collections and increased demand on Council, community sector and private facilities, including transfer stations, recycling facilities and the Victoria Flats landfill.

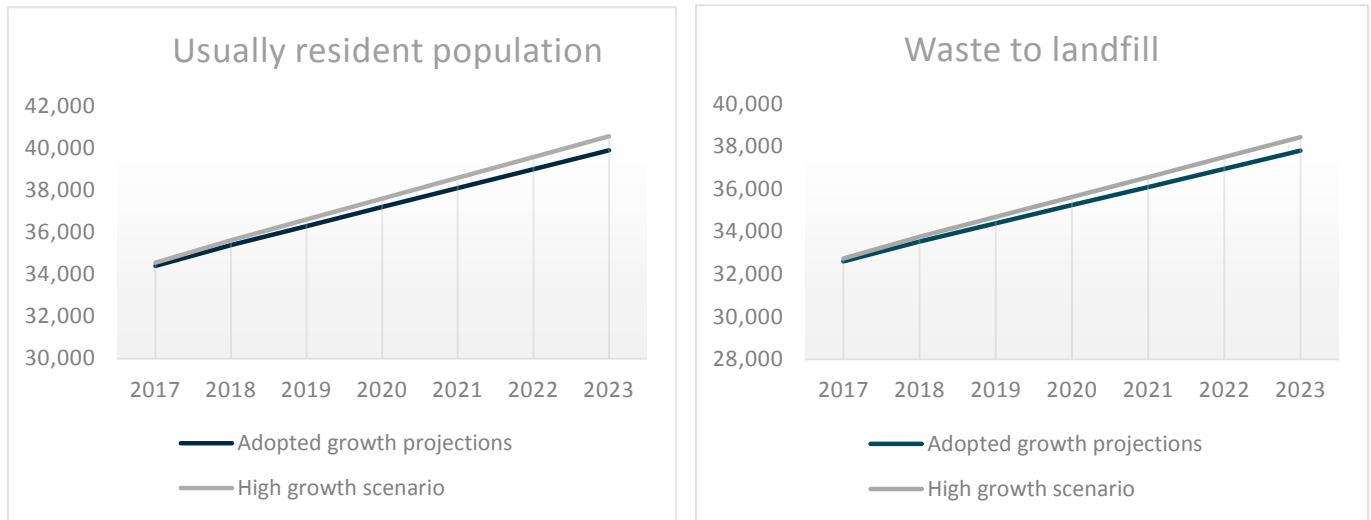


Figure 5 Projected Population and Waste to landfill comparison

3.4 Cost of the current level of service

Council provides its waste minimisation and management services and facilities at an annual cost of \$7,802,727 (Full year cost in 2015/16). Funding is predominantly provided through general and targeted rates and user charges. The waste minimisation and management services account for 7% of Council's total operating costs and 4.4% of Council's rates funding.

Due to growth it is anticipated that the current level of service will cost \$9,407,982 in the full year 2017/18.

Table 2 Council services currently provided and their funding methods

Council Service	Funding Methods
Waste minimisation education/initiatives and programmes	Targeted rate / Waste levy
Kerbside collection of waste (bags)	User charges
Kerbside collection of recyclables	Targeted rate
Supply and service of rural recycling drop off facilities	General rate
Promotion of home composting and rural green waste drop off points	User charges / General rate / Waste levy
Hazardous waste drop off services at the Wakatipu and Wanaka Transfer Station	General rate / User charges
Biosolids disposal/processing	General rate
Victoria Flats landfill	User charges
Transfer Stations and public drop off facilities and green waste	General rate / User charges
Provision of public litter bins and removal of illegal dumping	General rate / Targeted rate
Monitoring and maintenance of closed landfills	General rate

4 Policies, plans and regulation

There is a clear legislative and policy framework within which the Council provides waste services and facilities within its district. A summary of the framework and legislation is outlined below (Figure 6), however a full list of the legislation, plans and regulations that create the framework within which this WMMP is based, is included in Appendix B.

Key legislation affecting waste is:

- Waste Minimisation Act 2008
- Local Government Act 2002
- Resource Management Act 1991
- Climate Change Response Act 2002 (Emissions Trading)
- Litter Act 1979
- Health Act 1956.

While the Waste Minimisation Act sets out the legislative requirements regarding waste, the New Zealand Waste Strategy 2010 (NZWS) provides the Government's strategic direction for waste minimisation and management in New Zealand. The goals of this WMMP replicate those from the NZWS.

Local, regional and national plans and policies affect the Council's provision of waste and diverted material services. Primarily, they are requirements under the WMA and the Local Government Act 2002.

4.1 Other relevant documents

The Council and the Otago Regional Council have a number of other strategic documents that are integral to waste, including:

- Proposed Regional Policy Statement for Otago (currently under appeal, including provisions relating to waste)
- Otago Regional Policy Statement 1998 (operative)
- Queenstown Lakes District Council Ten Year Plan 2018-2028.

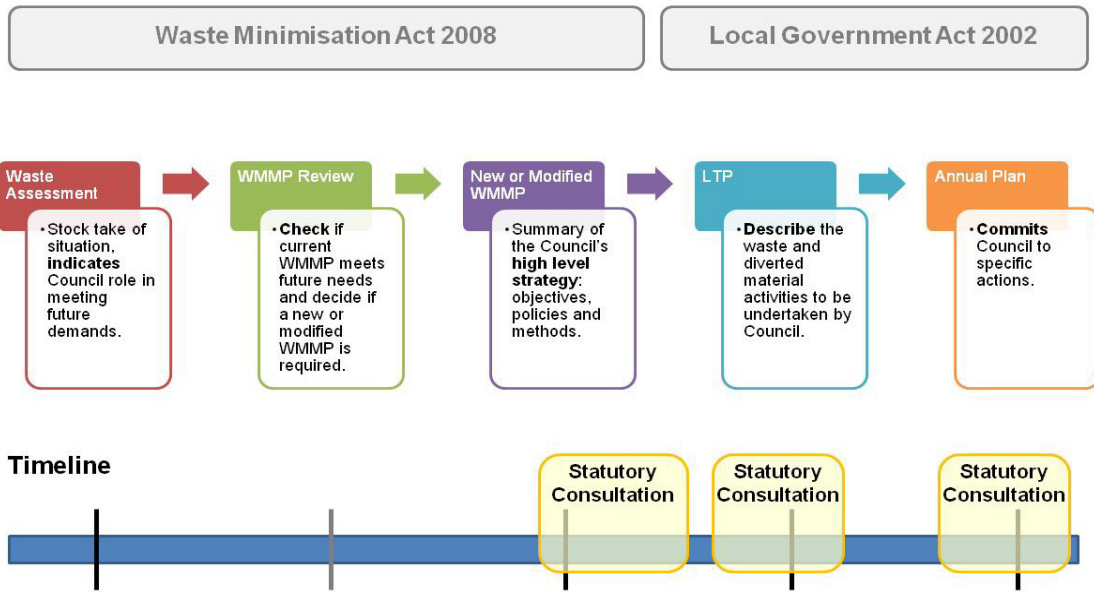


Figure 6 Statutory planning sequence

5 Proposed methods for achieving effective and efficient waste management and minimisation

5.1 Council's role

In undertaking this WMMP Council has considered what options are available for it to achieve effective and efficient waste minimisation and management to meet future demands for services and facilities.

The role of the Council includes:

Service provision	Providing or facilitating the provision of waste minimisation and management services
Governance	Council further investigating demand and the cost effectiveness of services and options to meet demand, either alone or in collaboration with other councils or private sector parties
Regulation	The Council using a legal mechanism to facilitate or promote waste minimisation or management e.g. bylaws and District Plan rules
Community leadership	Providing information and promoting awareness and involvement in waste minimisation and management activities
Advocacy	Promoting actions to address waste minimisation and management issues which are outside the Council's direct control e.g. advocate for appropriate legislation, product stewardship, standards and guidelines to the Regional Council and the Government
Financier	Investing in initiatives that facilitate waste minimisation and management activities, e.g. grants and subsidies

In providing waste minimisation and management services, the Council will aim to make existing services more cost-effective and ensure that any increases to levels of services are both cost-effective and affordable. The Council will, as far as practicably possible, make services accessible to the majority of the district.

5.2 Waste minimisation and management programme

The waste data shows that there are significant opportunities to reduce the amount of organic, glass and construction and demolition material going to landfill. Rather than have an ad-hoc approach to dealing with waste issues, Council decided to have a realistic, targeted programme that can more effectively deliver the goals and objectives.

In looking at the options and to select which targeted areas Council should focus on, a 'Programme Business Case' approach was used to identify a preferred programme of work.

A Stakeholder Working Group identified and assessed seven different programmes of work. The working group contained representatives from elected members, contractors, waste minimisation service providers, Council officers and Central Otago District Council.

Each of the seven programmes identified strategic areas and intervention options to address the issues. Through

the process, seven programmes of work were considered from 'Do Minimum' (Programme 1) through to 'Aspirational' (Programme 7). Each programme was assessed for alignment with the vision, goals and objectives, affordability and ease of implementation.

A summary of the status quo compared with the preferred programme is shown in Table 3 below. The full assessment of all programmes is contained in the QLDC Waste Assessment in Appendix A.

Table 3 Programme Business Case – Preferred Option

Programme 1 Status Quo	Programme 6 – Preferred Programme 'Focus on glass and organics'
Status Quo	<ul style="list-style-type: none"> • Retain status quo programmes • Retain current education and regulation • Provide more waste minimisation services and facilities that target organics and glass

In choosing Programme 6 the key deciding factors were:

- the programme estimates around 19% decrease of waste to landfill over ten years
- Council has more influence to make change with residential waste through targeting the organic material currently in the kerbside rubbish collection bins
- the construction sector may slow down whereas organics will continue to grow
- the programme complements Council's biosolids strategy
- construction and demolition minimisation opportunities can still be explored by the private sector which Council would support where possible
- glass recycling has community support
- the programme continues with existing education and regulation *
- existing waste minimisation initiatives will continue *
- this programme aligns with other NZ and overseas Councils waste strategies e.g. Auckland, Christchurch and Vancouver who are leading the way in organics recycling

*Through the review and public consultation of the WMMP, Council agreed to increase the level of communication and collaboration with community through various waste minimisation initiatives and programmes.

Part B

1 Action Plan

1.1 Action Plan

The action plan shows how Council will address the key issues, when they will be implemented and how the activities will be funded. They have been grouped under the following activity areas;

1. Waste Reduction – Reducing waste at source
2. Resource Recovery – Diverting waste from landfill
3. Waste Disposal – Collecting, transporting and disposing of waste

Activity		Action	Funding source and timing	WMMP objective
1. Waste Reduction	1.1	Work with community groups, residents, business and visitors to encourage and promote waste minimisation and optimal resource use	General rate 2018 - ongoing	2
	1.2	Support development, implementation and promotion of local, regional and national initiatives that drive waste minimisation	Targeted rate/ Waste levy 2018 - ongoing	2
	1.3	Provide waste minimisation programmes and workshops for residents, visitors, business and schools e.g. Enviroschools, Environmental Education for Resource Sustainability, Dr Compost, Waste Free Parenting, Love Food Hate Waste	Targeted rate/ Waste levy 2018 - ongoing	2
	1.4	Use lobbying power to support the priorities in the Local Government New Zealand's 'Waste Manifesto'	General rate 2018 - ongoing	2
	1.5	Support the development of a revised NZ Waste Strategy to create a strategic framework, give certainty and guide decision making	General rate 2018 - ongoing	2
	1.6	Support the development of an effective container deposit scheme	General rate 2018 - ongoing	2
	1.7	Support the extension and increase of the NZ Landfill Waste Levy	General rate 2018 - ongoing	2
	1.8	Support the implementation of the National Waste Data Framework to secure better data for decision making	General rate 2018 - ongoing	2
	1.9	Support the development and implementation of mandatory product stewardship schemes for tyres, e-waste, agricultural chemicals and plastics, and other products that need priority attention	General rate 2018 - ongoing	2
	1.10	Provide information on the available waste minimisation and management services to business, visitors and residents	Targeted rate/ General rate/ Waste levy 2018 - ongoing	2
	1.11	Regularly update waste minimisation and management information available on the Council website	General rate 2018 - ongoing	2

	1.12	Provide targeted communication and engagement campaigns that raise awareness and provide information on waste minimisation for visitors, residents and businesses	Targeted rate/ Waste levy 2018 - ongoing	2
	1.13	Use multiple languages to aid communication of waste minimisation and management information	General rate 2018 - ongoing	2
	1.14	Develop baseline and reporting measures on waste minimisation and diversion on QLDC operational activities	General rate 2018 - ongoing	2
	1.15	Support local, regional and national level initiatives that drive waste reduction e.g. Plastic Free July, Love Food Hate Waste	Targeted rate/ Waste levy 2018 - ongoing	2
	1.16	Promote sustainable building practice that minimises waste and reduces resource use	General rate 2018 - ongoing	2
	1.17	Install drinking water fountains to encourage refilling of drinking vessels	General rate 2018 - ongoing	1
	1.18	Enforce waste minimisation regulatory provisions at events	General rate 2018 - ongoing	1
	1.19	Establish a community contestable fund for initiatives that minimise waste and maximise resource recovery	General rate 2018 - ongoing	1

2. Resource	2.1	Provide resource recovery (and waste disposal) facilities	General rate	1
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Recovery		that optimise separation of divertible material in Wanaka and Wakatipu	2018 - ongoing	
	2.2	Provide recycling collection services for eligible schools	General rate 2018 - ongoing	1
	2.3	Use procurement processes to align and invest in services and facilities that drive reduction, resource recovery and support national product take back schemes	General rate 2018 - ongoing	1
	2.4	Provide promotional support for commercial waste minimisation programmes e.g. agricultural chemical containers and bale wrap recovery	Targeted rate/Waste levy 2018 - ongoing	3
	2.5	Provide recycling collection services for urban households	Targeted/General rate 2018 - ongoing	1
	2.6	Implement a change to the glass recycling that improves quality, quantity and yield and is consistent across the District	Targeted/General rate 2018 - 2020	1
	2.7	Provide organic waste drop off facilities and mulching of material for beneficial use	General rate/User charges 2018 - ongoing	1
	2.8	Introduce organic waste kerbside collection service for urban households	Targeted rate/General rate 2022 -2024	1
	2.9	Provide an organic waste processing facility	To be determined 2022 – 2024	1
	2.10	Review and provide upgrades to the layout and operation of resource recovery and waste disposal facilities to optimise resource recovery and improve capacity	General rate/User charges/Private investment 2018 - 2020	1
	2.11	Install public place recycling bins co-located with litter bins where practicable and cost effective	General rate 2018 - 2020	1
	2.12	Provide learning opportunities and incentives to compost at home	General rate/Targeted rate/Waste levy 2018 - ongoing	1
	2.13	Support and enable the development of construction and demolition material recovery where practicable	General rate 2018 - ongoing	1
	2.14	Implement enhancements to end-use of biosolids	General rate 2018 - 2022	1
	2.15	Promote recycling opportunities and schemes e.g. Love NZ soft plastic scheme	General rate 2018 - ongoing	2

3. Waste Disposal	3.1	Provide waste disposal facilities in Wanaka and Wakatipu	General rate/ User charges 2018 - ongoing	4
	3.2	Provide promotional support for community led litter clean up events	Targeted rate/Waste levy 2018 - ongoing	2
	3.3	Respond to illegal dumping complaints	General rates 2018 - ongoing	3
	3.5	Provide household hazardous waste disposal services	General rates/ User charges 2018 - ongoing	3
	3.6	Comply with obligations under the Emissions Trading Scheme including reporting of methane emissions from the Victoria Flats landfill.	General rate 2018 - ongoing	3
	3.7	Monitor the types and quantities of construction and demolition waste disposal	General rate 2018 - ongoing	3
	3.8	Monitor and maintain and report on consent compliance for waste facilities and closed landfills	General rate 2018 - ongoing	3
	3.9	Monitor the future capacity of the landfill and search for alternatives disposal options should capacity decrease below a future proof disposal level	General Rate 2018 - ongoing	3
	3.10	Provide facilities for household hazardous waste disposal including; ewaste, oil and batteries where affordable and where complement national schemes	General rates/ User charges 2018 - ongoing	3
	3.11	Provide facilities for agrichemical and agrichemical container recycling/disposal through nationally supported schemes	General rate/ User charges 2018 - ongoing	3
	3.12	Investigate tools that support safe disposal of health care waste	General rate 2018 - 2020	3
	3.13	Provide rubbish collection services for urban households	User charges 2018 - ongoing	4
	3.14	Review methodology of kerbside rubbish collection including receptacles, frequency and funding mechanisms	User charges 2018 - 2020	4
	3.15	Review methodology and provision of CBD rubbish collection services including receptacles, frequency and funding mechanisms	Targeted rate/General rate 2018 - ongoing	4
	3.16	Provide public place litter bins. Review bin type and servicing frequency	General rate 2018 - ongoing	4
	3.17	Review the need for a waste bylaw	General rate 2018 - ongoing	4
	3.18	Investigate differential pricing tools to increase diversion at both the landfill and transfer station facilities	General rate 2018 - ongoing	4
	3.19	Review and provide upgrades to the layout and operation of the waste disposal facilities to optimise resource recovery and improve capacity	General rate/User charges/Private investment 2018 - 2020	4
	3.20	Provide waste disposal services at the Victoria Flats landfill	User charges 2018 – ongoing	4
	3.21	Design and construct landfill gas capture and destruction at Victoria Flats landfill	General rate/ User charges 2019 - 2022	4

2 Funding

2.1 Funding the plan

The action plan will be funded using the tools available to Council in the delivery of solid waste minimisation and management services. The activities will be funded by:

- General rate
- Targeted rate
- Fees and charges (including gate fees, licensing fees, user charges)
- Subsidies and grants
- Private investment
- Debt (if required).

2.2 Waste minimisation levy funding expenditure

Council will continue to use the Ministry for the Environment Waste Minimisation Levy income to fund waste education, investigations, trials, and to fund capital expenditure for diversion facilities.

2.3 Grants

Section 47 of the Waste Minimisation Act gives Councils the ability to make grants to a person, organisation or group to promote or achieve waste minimisation and management. Under this WMMP the Council will continue to give grants at its discretion and on any terms or condition it deems appropriate provided there is an allocated and approved budget for that activity.

3 Monitoring, evaluating and reporting progress

3.1 Monitoring and evaluation

The Council intends to monitor and report on progress regarding the WMMP and will develop and implement a clear, transparent monitoring and reporting system. Accurate information of how services provided by Council are performing is essential for monitoring the effectiveness of the Plan's vision, objectives, goals and targets, and planning for future demand.

Council's levels of service and performance measures are in the 2018-2028 Ten Year Plan and are focussed on reducing waste to landfill.

Council reviewed its key performance indicators as part of the 2018-2028 Ten Year Plan. As a tourist destination with visitor numbers in excess of the resident population, a 'kg per capita' measure is only capturing part of the waste story in the district. Measures that provide a broader picture of the waste situation and how to minimise the amount of waste going to landfill will assist Council in identifying more targeted actions in the future. Data will be gathered through:

- Annual resident and ratepayer surveys
- Council Request for Service (RFS) – reporting and performance measures
- Contractor reporting against key performance indicators
- Solid Waste Analysis Protocol Audits (SWAPs)
- Waste Assessments
- Consent compliance systems

3.2 Reporting

The Council will report progress of the implementation and effectiveness of this WMMP through:

- Annual Reports
- Monthly performance reports
- Council's website

The Council will also provide progress reports of expenditure of its waste levy funds to the Ministry for the Environment.

4 Glossary

4.1 Key Definitions and abbreviations

Biosolids	sewage sludge derived from a sewage treatment plant that has been treated and/or stabilised to the extent that it is able to be safely and beneficially applied to land and does not include products derived from industrial wastewater treatment plants.
Cleanfill/cleanfill material	inert materials disposed of, into or onto land, at a consented cleanfill. Materials typically include construction and demolition waste such as concrete, uncontaminated soil and rock.
Commercial waste	waste from premises used wholly or mainly for the purposes of trade or business, recreation or entertainment, excluding, mines, quarries and agricultural waste. May also include some household waste collected by commercial operators.
Diverted material	anything no longer required for its original purpose and, but for commercial or other waste minimisation activities, would be disposed of or discarded, and includes any materials that are recyclables, compostable, or can be recovered and/or re-used, as determined by the Council by resolution.
Hazardous waste	waste that is potentially harmful to human and/or environmental health. It typically has one or more of the following hazard properties: explosive, flammable, oxidising, corrosive, radioactive, toxic or ecotoxic, or it may react with air or water to have one of these properties.
Household waste	solid waste generated by households. Household waste does not include divertible waste, hazardous waste, commercial waste, prohibited waste, trade waste or liquid waste of any nature.
Organic waste	compostable materials that are organic in origin and appropriate to be used as feedstock for composting, and includes greenwaste and food waste.
Recycling	the reprocessing of waste or diverted material to produce new materials.
Resource Recovery Park (RRP)	a facility where solid waste materials such as residual waste, construction and demolition waste, recyclables, organic wastes and household hazardous wastes are delivered for sorting or before being taken away for treatment, processing, recycling or disposal, and which may also include a retail outlet for the re- sale of used goods and materials deposited at the site.
Reuse shops	items that are salvaged or diverted from the waste stream undergo little

	or no modification and are sold at shops run by the community or territorial authorities.
Sewage treatment residuals	solid wastes generated through the process of wastewater treatment.
Solid Waste Analysis Protocol (SWAP):	a study to determine the composition of waste as described by Ministry for the Environment.
Transfer Station (TS)	a facility where solid waste materials such as residual waste, construction and demolition waste, recyclables, organics waste and household hazardous wastes are delivered for consolidation before being taken away for treatment, processing, recycling or disposal.
Waste	anything disposed of, or discarded, and : <ul style="list-style-type: none"> • includes a type of waste that is defined by its composition or source (for example, organic waste, electronic waste, or construction and demolition waste), and • to avoid doubt, includes any component or element of diverted material, if the component or element is disposed of or discarded.
Waste disposal levy	a levy imposed under the Waste Minimisation Act 2008 on waste.
Waste minimisation	the reduction of waste and the reuse, recycling and recovery of waste and diverted material.

Part C - Appendices

Appendix A – Waste Assessment

Please refer to separate document available on QLDC website

Filename: QLDC Waste Assessment March 2018.pdf

Appendix B – Legislative context

The New Zealand Waste Strategy 2010

The New Zealand Waste Strategy 2010 provides the Government’s strategic direction for waste management and minimisation in New Zealand. This strategy was released in 2010 and replaced the 2002 Waste Strategy. The New Zealand Waste Strategy has two goals. These are to:

- reduce the harmful effects of waste
- improve the efficiency of resource use.

The strategy’s goals provide direction to central and local government, businesses (including the waste industry), and communities on where to focus their efforts to manage waste. The strategy’s flexible approach ensures waste management and minimisation activities are appropriate for local situations.

Under section 44 of the Waste Management Act 2008, in preparing their waste management and minimisation plan (WMMP) Councils must have regard to the New Zealand Waste Strategy, or any government policy on waste management and minimisation that replaces the strategy.

Waste Minimisation Act 2008

The purpose of the Waste Minimisation Act 2008 (WMA) is to encourage waste minimisation and a decrease in waste disposal to protect the environment from harm and obtain environmental, economic, social and cultural benefits.

The WMA introduced tools, including:

- waste management and minimisation plan obligations for territorial authorities
- a waste disposal levy to fund waste minimisation initiatives at local and central government levels
- product stewardship provisions.

Part 4 of the WMA is dedicated to the responsibilities of a Council. Councils “must promote effective and efficient waste management and minimisation within its district” (section 42). Part 4 requires Councils to develop and adopt a WMMP. The development of a WMMP in the WMA is a requirement modified from Part 31 of the Local Government Act 1974, but with even greater emphasis on waste minimisation. To support the implementation of a WMMP, section 56 of the WMA also provides Councils the ability to:

- develop bylaws
- regulate the deposit, collection and transportation of wastes
- prescribe charges for waste facilities
- control access to waste facilities
- prohibit the removal of waste intended for recycling.

Waste Disposal Levy

From 1 July 2009, the Waste Minimisation Act introduced a waste disposal levy on all waste disposed of at disposal facilities, currently \$10 per tonne, to:

- raise revenue for promoting and achieving waste minimisation
- increase the cost of waste disposal, to recognise that disposal imposes costs on the environment, society, and the economy.

Half of the levy money is given to territorial authorities on a population basis, and the remainder of the levy is available via a contestable fund. The portion returned to Council can only be spent to promote or achieve waste minimisation and in accordance with a Council's WMMP.

Local Government Act 2002

The Local Government Act 2002 (LGA) provides the general framework and powers under which New Zealand's democratically elected and accountable local authorities operate. The LGA contains various provisions that may apply to Councils when preparing their WMMPs, including consultation and bylaw provisions. For example, Part 6 of the LGA refers to planning and decision-making requirements to promote accountability between local authorities and their communities, and a long-term focus for the decisions and activities of the local authority. This part includes requirements for information to be included in the long-term plan (LTP), including summary information about the WMMP.

Resource Management Act 1991

The Resource Management Act 1991 (RMA) promotes sustainable management of natural and physical resources. Although it does not specifically define 'waste', the RMA addresses waste management and minimisation activity through controls on the environmental effects of waste management and minimisation activities and facilities through national, regional and local policy, standards, plans and consent procedures. In this role, the RMA exercises considerable influence over facilities for waste disposal and recycling, recovery, treatment and others in terms of the potential impacts of these facilities on the environment. Under section 30 of the RMA, regional Councils are responsible for controlling the discharge of contaminants into or on to land, air or water. These responsibilities are addressed through regional planning and discharge consent requirements. Other regional Council responsibilities that may be relevant to waste and recoverable materials facilities include:

- managing the adverse effects of storing, using, disposing of and transporting hazardous wastes
- the dumping of wastes from ships, aircraft and offshore installations into the coastal marine area
- the allocation and use of water.

Under section 31 of the RMA, Council responsibility includes controlling the effects of land-use activities that have the potential to create adverse effects on the natural and physical resources of their district. Facilities involved in the disposal, treatment or use of waste or recoverable materials may carry this potential. Permitted, controlled, discretionary, noncomplying and prohibited activities, and their controls, are specified in district planning documents, thereby defining further land-use-related resource consent requirements for waste-related facilities.

In addition, the RMA provides for the development of national policy statements and for the setting of national environmental standards (NES). There is currently one enacted NES that directly influences the management of waste in New Zealand – the Resource Management (National Environmental Standards for Air Quality) Regulations 2004. This NES requires certain landfills (e.g., those with a capacity of more than 1

million tonnes of waste) to collect landfill gases and either flare them or use them as fuel for generating electricity. Unless exemption criteria are met, the NES for Air Quality also prohibits the lighting of fires and burning of wastes at landfills, the burning of tyres, bitumen burning for road maintenance, burning coated wire or oil, and operating high-temperature hazardous waste incinerators. These prohibitions aim to protect air quality.

New Zealand Emissions Trading Scheme

The Climate Change Response Act 2002 and associated regulations is the Government's principal response to manage climate change. A key mechanism for this is the New Zealand Emissions Trading Scheme (NZ ETS). The NZ ETS puts a price on greenhouse gas emissions, providing an incentive for people to reduce emissions and plant forests to absorb carbon dioxide.

Certain sectors are required to acquire and surrender emission units to account for their direct greenhouse gas emissions or the emissions associated with their products. Landfills that are subject to the waste disposal levy are required to surrender emission units to cover methane emissions generated from landfill. These disposal facilities are required to report the tonnages landfilled annually to calculate emissions.

Climate Change Response Act 2002 (Emissions Trading) and the Climate Change Amendment Act 2008

The Climate Change Response Act 2002, Climate Change (Waste) Regulations 2010 and Amendments to the Climate Change (Unique Emissions Factors) Regulations are implemented through the New Zealand Emissions Trading Scheme (ETS). The purpose of the ETS is to reduce the amount of greenhouse gases emitted in New Zealand. The waste sector is affected by the ETS, as those who operate landfills are required to participate in the scheme and report emissions.

As the Council operates a landfill within the District, there are implications for the Council.

The Climate Change Amendment Act 2008 provides for disposal facility regulations and the ETS.

Litter Act 1979

Under the Litter Act 1979 it is an offence for any person to deposit litter of any kind in a public place, or onto private land without the approval of the owner. The Litter Act is enforced by territorial authorities, who have the responsibility to monitor litter dumping, act on complaints, and deal with those responsible for litter dumping. Councils reserve the right to prosecute offenders via fines and infringement notices administered by a litter control warden or officer. The maximum fines for littering are \$5,000 for a person and \$20,000 for a corporation. Council powers under the Litter Act could be used to address illegal dumping issues that may be included in the scope of a Council's waste management and minimisation plan.

Health Act 1956

The Health Act 1956 places obligations on Councils (if required by the Minister of Health) to provide sanitary works for the collection and disposal of refuse, for the purpose of public health protection (Part 2 – Powers and duties of local authorities, section 25). The Act specifically identifies certain waste management practices as nuisances (section 29) and offensive trades (Third Schedule). The Health Act enables Councils to raise loans for certain sanitary works and/or to receive government grants and subsidies, where available. Health Act provisions to remove refuse by local authorities have been repealed.

Other legislation

Other legislation that relates to waste management and/or reduction of harm, or improved resource efficiency from waste products includes:

- Hazardous Substances and New Organisms Act 1996

- Biosecurity Act 1993
- Radiation Protection Act 1965
- Ozone Layer Protection Act 1996
- Agricultural Chemicals and Veterinary Medicines Act 1997.

Other waste related legislation

Other legislation relevant to waste management and minimisation includes:

- Health and Safety at Work Act 2015 (HSWA) is New Zealand's workplace health and safety law. HSWA sets out the principles, duties and rights in relation to workplace health and safety.
- Hazardous Substances and New Organisms Act 1996 that provides regulations and standards related to hazardous substances.
- Local Government (Rating) Act 2002
- Freedom Camping Act 2011 which controls freedom camping on all land controlled or managed by a particular local authority.

Regional policy statements, regional plans and strategies

Otago Regional Council has a Regional Policy Statement and Regional Plans which contains rules relating to discharges to air, land and water, which are relevant for facilities (e.g. resource recovery parks, transfer stations, landfills) and waste processing (e.g. composting, biosolids processing).

International commitments

New Zealand is party to the following key international agreements:

- Montreal Protocol - to protect the ozone layer by phasing out the production of numerous substances
- Basel Convention - to reduce the movement of hazardous waste between nations
- Stockholm Convention - to eliminate or restrict the production and use of persistent organic pollutants
- Waigani Convention - bans export of hazardous or radioactive waste to Pacific Islands Forum countries.
- United Nations Agenda 2030 - a universal agenda to achieve sustainable development globally

Recommendation to Exclude the Public

It is recommended that the Council resolve that the public be excluded from the following parts of the proceedings of the meeting:

The general subject of the matters to be discussed while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(a) of the Local Government Information and Meetings Act 1987 for the passing of this resolution is as follows:

Agenda Items

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
6. Lakeview Development Request for Expressions of Interest (REOI) Evaluation	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities;	Section 7(2)(h)
7. Queenstown Town Centre Parking Buildings Detailed Business Case	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); j) prevent the disclosure or use of official information for improper gain or improper advantage;	Section 7(2)(h) Section 7(2)(i) Section 7(2)(j)

<p>8. Events Funding Allocations</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to: 2(b)(ii) protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information to including that of deceased natural persons.</p>	<p>Section 7(2)(b)(ii)</p>
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This resolution is made in reliance on Section 48 [1] [a] of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.